UNITED STATES OF AMERICA

Congressional Record

PROCEEDINGS AND DEBATES OF THE 97th CONGRESS

FIRST SESSION

VOLUME 127—PART 3

FEBRUARY 24, 1981 TO MARCH 11, 1981

(PAGES 2773 TO 4168)

GENERAL SERVICES ADMINISTRATION
LAW
LIBRARY
MAR 29 1985
CENTRAL OFFICE

UNITED STATES GOVERNMENT PRINTING OFFICE, WASHINGTON, 1981

AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402

United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 97th CONGRESS, FIRST SESSION

SENATE—*Tuesday, February 24, 1981*

(Legislative day of Monday, February 16, 1981)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by the Honorable ROBERT W. KASTEN, JR., a Senator from the State of Wisconsin.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., offered the following prayer:

Our Father in Heaven, who gives life and breath and all things to all people, we pray for Thy gracious guidance.

We are one as humans. We are one as Americans. We are one as Senators. We are one in responsibility to the Nation and the world. As the Senate begins the heavy task of discussion and debate in considering the President's proposals, grant that oneness will transcend division. In the fine art of compromise, may value and principle not be sacrificed. Out of the tension of disagreement let resolution bring peace and justice for all.

And grant that what is done in this powerful community to be the glory of God, in the name of the Father and the Son and the Holy Spirit. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. THURMOND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., February 24, 1981.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable ROBERT W. KASTEN, JR., a Senator from the State of Wisconsin, to perform the duties of the Chair.

STROM THURMOND,
President pro tempore.

Mr. KASTEN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

THE JOURNAL

Mr. BAKER. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that following the time allocated to the two leaders under the standing order there be a period for the transaction of routine morning business not to exceed 30 minutes in length, and that Senators may be permitted to speak therein for not more than 10 minutes each.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 11 A.M. ON THURSDAY

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 11 a.m. on Thursday next.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

AUTHORIZATION FOR CERTAIN ACTION DURING RECESS UNTIL THURSDAY NEXT

Mr. BAKER. Mr. President, I ask unanimous consent that during the recess of the Senate over until Thursday, February 26, 1981, messages from the President of the United States and the House of Representatives may be received by the Secretary of the Senate and appropriately referred, and that the Vice President, the President pro tempore, and the Acting President pro tempore be permitted to sign duly enrolled bills and joint resolutions.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR JEPSEN ON THURSDAY

Mr. BAKER. Mr. President, I ask unanimous consent that after the recognition of the two leaders under the standing order on Thursday next there be a special order for the recognition of the distinguished Senator from Iowa (Mr. JEPSEN) for not to exceed 15 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, I am now prepared to yield the floor. Before I do that might I inquire of the distinguished minority leader if it would be possible to dispose of those nominations appearing on the Executive Calendar following on after the Department of State either now or at some time later today?

Mr. ROBERT C. BYRD. Mr. President, will the majority leader yield?

Mr. BAKER. I am happy to yield.

Mr. ROBERT C. BYRD. Mr. President, the minority is presently attempting to clear both of these nominations, and I should be able to get an answer back to the majority leader shortly. I understand a rollcall vote will be requested on the nomination of Mr. Murray Weidenbaum.

Mr. BAKER. I thank the minority leader.

I hope then it might be possible, in light of the request for a rollcall vote on Mr. Weidenbaum, we might be able to put those nominations in place in advance of the time for the vote at not later than 6 o'clock today on the Clark nomination. So I will confer with the minority leader later, if he will permit me to do so, and see if we can work that out.

Mr. President, I might say that in the ensuing period for the transaction of routine morning business it is my understanding that the distinguished Senator from New Mexico (Mr. DOMENICI) and the distinguished Senator from South Carolina (Mr. HOLLINGS) may offer a resolution on the budget for referral.

I have no further need for my time under the standing order, Mr. President, and I am prepared to yield to the minority leaders or any other Senator.

Mr. JOHNSTON. Mr. President, will the Senator yield to me?

Mr. BAKER. I am happy to yield. Let me yield at this point my remaining time under the standing order to the distinguished minority leader.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. The minority leader is recognized.

Mr. ROBERT C. BYRD. Does the distinguished Senator desire time?

Mr. JOHNSTON. I do.

Mr. ROBERT C. BYRD. I yield such time as the Senator may require from the time allotted to me.

(The remarks of Mr. JOHNSTON relating to the introduction of legislation are printed under "Statements on Introduced Bills and Joint Resolutions.")

Mr. ROBERT C. BYRD. Mr. President, how much time do I have remaining?

The ACTING PRESIDENT pro tempore. The Senator has 6 minutes remaining.

Mr. ROBERT C. BYRD. Mr. President, I thank the Chair.

Mr. President, does the Senator from Alabama (Mr. HEFLIN) wish some time?

Mr. HEFLIN. Yes.

Mr. ROBERT C. BYRD. Mr. President, I yield such amount of that time as the Senator may wish to use.

Mr. HEFLIN. Mr. President, I appreciate the courtesy extended by the minority leader.

(The remarks of Mr. HEFLIN relating to the introduction of legislation are printed under "Statements on Introduced Bills and Joint Resolutions.")

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business.

CHANGE IN NUMBER OF MEMBERS NECESSARY FOR TRANSACTION OF ROUTINE BUSINESS OF SELECT COMMITTEE ON ETHICS

Mr. BAKER. Mr. President, I believe this has been cleared with the minority leader.

Mr. President, on behalf of myself, Mr. WALLOP, and Mr. HEFLIN, I send a resolution to the desk in respect to the rules of the Senate Committee on Ethics and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The clerk will state the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 78) to change the number of Members necessary for the transaction of routine business of Select Committee on Ethics.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Tennessee?

There being no objection, the Senate proceeded to consider the resolution.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the resolution.

The resolution (S. Res. 78) was agreed to, as follows:

S. RES. 78

Resolved, that subsection (c) of the first section of Senate Resolution 338, agreed to July 24, 1964, is amended to read as follows:

"(c) (1) A majority of the Members of the Select Committee shall constitute a quorum for the transaction of business involving complaints and allegations of misconduct, including the consideration of matters involving sworn complaints, unsworn allegations or information, resultant preliminary inquiries, initial reviews, investigations, hearings, recommendations or reports and matters relating to Senate Resolution 400, agreed to May 19, 1976.

"(2) Three Members shall constitute a quorum for the transaction of the routine business of the Select Committee not covered by the first paragraph of this subparagraph, including requests for opinions and interpretations concerning the Code of Official Conduct or any other statute or regulation under the jurisdiction of the Select Committee, if one Member of the quorum is a Member of the Majority Party and one Member of the quorum is a Member of the Minority Party. During the transaction of routine business any Member of the Select Committee constituting the quorum shall have the right to postpone further discussion of a pending matter until such time as a majority of the Members of the Select Committee are present.

"(3) The Select Committee may fix a lesser number as a quorum for the purpose of taking sworn testimony."

Mr. BAKER. Mr. President, I thank the Chair. I yield the floor.

The ACTING PRESIDENT pro tempore. Is there further morning business?

Mr. HEFLIN addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Alabama.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator yield so the majority leader and I might finalize a request and without the distinguished Senator from Alabama losing his right to the floor?

Mr. HEFLIN. Certainly.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, I understand from my friend the minority leader that it may be possible to dispose of one of the nominations on the Executive Calendar and perhaps prepare for the disposition of the other.

If that is correct, I would be prepared at this time to go into executive session to consider those nominations.

Mr. ROBERT C. BYRD. Mr. President, if the majority leader would yield, the minority is prepared to proceed at this moment with the nomination of Richard E. Lyng, of Virginia, to be Deputy Secretary of Agriculture and to confirm the nomination by a voice vote.

The minority is also ready to debate the nomination of Murray L. Weidenbaum, to be a member of the Council of Economic Advisors, but with the understanding that there will be a rollcall vote and the minority would be agreeable to setting the rollcall vote to immediately follow the rollcall vote on the nomination of Mr. William P. Clark to be Deputy Secretary of State.

Mr. BAKER. Mr. President, I thank the minority leader.

In view of that, I ask unanimous consent that when the Senate turns to the consideration of the nomination of Murray L. Weidenbaum, of Missouri, that the votes thereon occur immediately following the vote on the confirmation of William T. Clark, of California, to be Deputy Secretary of State.

The ACTING PRESIDENT pro tempore. As in executive session, without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate proceed to executive session for the purpose of considering the nomination of Richard E. Lyng, of Virginia, and following the disposition of that nomination it return to the transaction of routine morning business, as previously ordered.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, and I shall not object, I simply want to protect Mr. HEFLIN.

May I say to Mr. HEFLIN that I do not envision the debate on the nomination of Mr. Lyng taking any time; so, if the Senator will permit, I think that matter can be disposed of very quickly so that the Senator will not be imposed on.

Mr. HEFLIN. I only need 30 seconds, Mr. President.

Mr. ROBERT C. BYRD. Will the distinguished majority leader withhold his request?

Mr. BAKER. Mr. President, I withhold my request in respect to the executive session.

The ACTING PRESIDENT pro tempore. The Senator from Alabama is recognized.

IN SUPPORT OF THE ESTATE AND GIFT TAX AMENDMENTS OF 1981

Mr. HEFLIN. Mr. President, I rise to support the bill introduced by Mr. WALLOP of which I am a cosponsor. This legislation would provide significant tax relief for all estates, and it is especially helpful and will provide assistance for family-owned farms and small businesses that are being ravaged by the combined effects of estate taxes and inflation. The major features of this bill in a nutshell are:

First, it increases from $175,000 to $600,000 the amount of property that may pass free of Federal estate and gift taxes;

Second, it reduces the rates and widens the brackets used in calculating Federal estate taxes;

Third, it repeals the so-called widows' tax by exempting from estate and gift taxes all property bequeathed or transferred to a spouse;

Fourth, it provides for an increase in the amount of property which an individual may give tax-free annually to another individual from $3,000 to $10,000—which, incidentally, Mr. President, despite the inflationary spiral which has plagued this country has not been changed in the last 35 years;

Fifth, simplifies the so-called special use valuation rules for family farms and closely held businesses to take into consideration the problems of those who are disabled or receiving old-age benefits; and addresses unique problems faced by this country's timberland owners.

Mr. President, inflation has pushed many modest estates that were once too small to worry about estate taxes into extremely high estate tax brackets. The result has created many inequities in the estate tax laws, particularly as they affect family-owned farms and businesses. All too often, Mr. President, family-owned farms, ranches, and small businesses have been forced out of business by the financial burdens created by the estate taxes. Often a substantial portion of the property or business must be sold just to provide the money to pay the estate taxes. This legislation will help many liquidity problems faced by many estates and will give our farmers new incentive to keep agricultural lands in production.

Existing law, specifically section 2032 (A) of the Internal Revenue Code, specifically included in the definition of a "farm," operations such as orchards and woodlands. Unfortunately, the regulations as issued by the Internal Revenue Service did not mention either orchards or woodlands. This is particularly unfortunate because woodlands, that is our timber industry, is perhaps the most obvious area in which the material participation test simply does not work. Because of long rotation periods which include intervals of management inactivity and a need for professional advice and service, material participation rules as written for other crop farming do not speak to timberland owners or tree farmers.

Mr. President, in contrast to other agricultural farming, the crop period for timber growing often spans 30 to 60 years. Many timber owners make only one timber sale in their lifetime, and for the timber stand, that one sale may be only a thinning, improvement, or other intermediate cut. Tree farming and the management of timber do not require frequent or substantial work each year, or even at 5- or 10-year intervals; and thus they cannot comply with the regulations although the industry was clearly and specifically intended to benefit from this provision. This legislation would eliminate the requirement of material participation but would provide other safeguards to eliminate casual investors or Wall Street cowboys from gaining a special treatment under the provision.

Mr. President, I think that this legislation is long overdue, and I urge each Member of this body to give it careful and deliberate consideration. I think, on the whole, that when the measure is studied and understood, they will conclude as I did that this is certainly an idea whose time has come.

ORDER OF PROCEDURE

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate proceed to executive session for the purpose of considering the nomination of Richard E. Lyng, of Virginia, to be Deputy Secretary of Agriculture vice James H. Williams and that following after the disposition of that nomination, the Senate return to legislative session and the resumption of the period provided for routine morning business.

I further ask unanimous consent that, following after the close of routine morning business, the Senate return to executive session for the purpose of considering the nomination of Murray L. Weidenbaum, of Missouri, to be a member of the Council of Economic Advisers, vice Charles L. Schultze and that debate thereon continue not later than 3 p.m. on this day, at which time, the Senate will proceed to debate on the nomination of Executive Calendar Order No. 31, William P. Clark, of California, to be Deputy Secretary of State.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

The Senate proceeded to the consideration of executive business.

The ACTING PRESIDENT pro tempore. The clerk will state the nomination.

DEPARTMENT OF AGRICULTURE

The legislative clerk read the nomination of Richard E. Lyng, of Virginia, to be Deputy Secretary of Agriculture.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COUNCIL OF ECONOMIC ADVISERS

The clerk will state the nomination.

The legislative clerk read the nomination of Murray L. Weidenbaum, of Missouri, to be a member of the Council of Economic Advisers.

RESUMPTION OF ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, under the order previously entered, does the Senate now return to the transaction of routine morning business?

The ACTING PRESIDENT pro tempore. The Senator is correct that we return to morning business.

Mr. BAKER. Following the conclusion of the period for the transaction of routine morning business, the Senate will resume, in executive session, the consideration of the nomination of Murray L. Weidenbaum. Am I correct?

The ACTING PRESIDENT pro tempore. The Senator is correct.

RECONCILIATION REVISION TO THE FISCAL YEAR 1981 BUDGET

Mr. DOMENICI. Mr. President, Senator HOLLINGS and I have introduced one of the most dramatic fiscal measures of the last 25 years in this country—a revision to the fiscal year 1981 budget that would save a total of $125.9 billion in actual Federal outlays during the fiscal years 1981, 1982, and 1983.

We have introduced this measure, which is in the form of a reconciliation instruction under sections 304 and 301 of the 1974 Budget Act, in response to the dangerous state of the national economy and as a first step in the long process of changing the spending patterns within the Federal budget.

I am proud that Senator HOLLINGS has joined in this resolution, for two reasons: First, it shows that controlling spending is a bipartisan effort and a bipartisan concern; and, second, it gives proper recognition to the key role that Senator HOLLINGS has played in bringing the entire concept of reconciliation to life. His work last year during the difficult reconciliation bill conference, which resulted in the first reconciliation bill in the Nation's history, was a great example of firmness coupled with flexibility. I hope that this year we are as successful as Senator HOLLINGS was last year in his work, acknowledging that the job is a bigger one and that it is far more important and far more complex than anything we have undertaken in the past.

Mr. President, the actual resolution revision that we have introduced would require Congress to save $10.7 billion in budget authority and $4.8 billion in outlays during fiscal year 1981; $61.3 billion in budget authority and $41.4 billion in outlays in fiscal year 1982; and $88.4 billion in budget authority and $79.7 billion in outlays in fiscal year 1983. These are target figures, of course, but we will do our best during committee action to achieve these savings.

We have chosen reconciliation as the process to enact many of the savings proposed last week by the President for several reasons. First, it preserves the package concept that is critical to real fiscal reform. Second, reconciliation has special protections under Senate rules that will enable the Senate—not the Budget Committee, but the Senate—to work its will on spending cuts within the package unencumbered by the threat of unusual delays. Third, reconciliation enables Congress to revise already enacted laws in a thoughtful manner—and we simply must change already enacted laws if we intend to change the spending habits of Government.

We must remember, Mr. President, however, that reconciliation will not achieve all of the spending restraint that the President has proposed. The other committees of the Senate will have major roles to play: indeed, it is my judgment that the Budget Committee will merely start the process, that the Senate will issue a mandate, and that the actual cutting of spending will be the distinct and special province of the other committees in the Senate. I hope that the other committees will work as quickly as possible, as many chairmen have indicated to me that they will, and that we on the Budget Committee will

have the benefit of their counsel as we proceed on this difficult task.

As for our committee, Senator HOLLINGS and I intend to proceed quite quickly. We hope to have our committee's work done by mid-March, if at all possible, and to give the full Senate the opportunity to act its will by late March. I propose this ambitious timetable because I believe that our committee, and the entire Senate, for that matter, is ready to act quickly, and we want to give them that opportunity. I disagree with the pundits who have speculated that spending reductions of this magnitude will never pass, that Congress will drag its feet. I simply do not believe that is going to happen. I believe, on the contrary, that the Senate will act quickly and responsibly, because the good of the Nation is at stake and we know it.

Mr. President, this is the first time that the chairman and ranking member of the Senate Budget Committee have introduced a budget resolution. In the past, such resolutions have always originated within the committee itself. But Senator HOLLINGS and I have agreed that it is important for the Senate to move immediately toward achieving a large savings this year and in the outyears and that this resolution is an important first step in that endeavor.

Let me add that the numbers in this resolution are the numbers that the President of the United States has suggested in his proposals for economic recovery. But, certainly, at this point, they are not binding. No Senator's prerogatives or rights are curbed in any way by this resolution. I know that we will have many struggles about individual cuts while we work toward our common goal.

But I wanted the common goal to be at least the President's recommended savings. And I welcome the struggles, since from them will come a common package propelled by a common will, and all for the common good. I expect that our committee will add some cuts, make larger cuts in other areas and, perhaps, even reject some cuts that the President has proposed. This is the nature of the legislative process and it is healthy.

Mr. President, this resolution is the result of many meetings and much consultation. I hope that we can act quickly to carry out the Senate's will and I congratulate Majority Leader BAKER for his guidance and good counsel during the past several months as we have agonized over what path to take.

The path is not yet clear, for, certainly, we do not know how the U.S. House will choose to move with reference to the President's fiscal restraint package. But, Mr. President, I am certain that the people want to see us act and, as I indicated earlier, this is the first step in a long process. But if we do not begin now, we shall never get to where we must be before this year is out.

Mr. President, I ask unanimous consent that the resolution be printed in the RECORD.

(The text of the concurrent resolution is printed later in today's RECORD under "Routine Morning Business.")

Mr. DOMENICI. In addition, Mr. President, I ask unanimous consent that the RECORD be kept open for the remainder of the day so that all Senators who wish to join Senator HOLLINGS and me in this resolution can add their cosponsorship.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, it is a privilege and a pleasure to join the distinguished Senator from New Mexico on the reconciliation measure that has just been presented.

I have learned from experience that it pays to join the distinguished chairman of the Budget Committee. Some years back, as chairman of the campaign committee, I went to New Mexico. We thought we had a pretty good, red-hot candidate, but when the Italian mayor of Albuquerque got up and started speaking Spanish to the crowd, I lost entirely. I learned how to join them.

Senator DOMENICI and I have been working on trying to cut the budget and increase defense, notably after the SALT II hearings; and it proved the effete nature of the Nation's defenses that we joined to support a 5-percent real growth in the defense function. That amendment passed the Senate on September 18, 1979. It was defeated later.

The distinguished Senator and I have had the privilege of working together, and I have had the privilege of observing him, particularly during the early days of this new administration. There is no question in my mind that Senator DOMENICI has brought realism and good judgment to the economic initiatives of the Reagan administration.

There is a lot of good psychological buildup to trying to get politicians working together. The people spoke on November 4. They want to cut back on the budget itself. I believe that is clear.

It is clear from the experience of the distinguished Prime Minister of England, who will be here later this week, that her mistake was in trying to transfer tax cuts. She gave one tax cut, but then increased the value-added tax. She never got to the real problem of controlling spending. The Domenici resolution will help us avoid this problem.

I am cosponsoring the proposed legislation today as a major step toward regaining control of Federal spending. It continues the Senate's leadership role in the reconciliation process.

Last year, when some could not even pronounce the word "reconciliation"—actually, 2 years ago I could not, and I was wondering what they were talking about—the Senate saw it as a sound procedure to address the budget problems of this Nation in a cumulative fashion and took the lead in agreeing to budget savings in more than 30 programs contained in the Reconciliation Act of 1980. It is altogether fitting that the Senate again show its leadership in this area, especially at a time when the need for controlling the Federal purse strings is even greater.

The level of Federal spending is rising even as we stand here. Government programs have become overblown. Many programs that started with the best of intentions have gathered a lot of deadwood over the years. There are unintended recipients receiving inflated benefits. At a time of severe economic distress, we need to rethink our degree of commitment to some of the more marginal programs.

Everyone has talked a lot over the past few years about "uncontrollable" spending. It is almost as if some magical power has revoked our ability to control Government spending. As any Senator should know, there is no such thing as "uncontrollable" spending. We can begin to control it just as soon as we choose. The fact that most of the so-called uncontrollable spending results from entitlement programs does not mean that it is beyond our grasp, only that we must pursue it through more unfamiliar means.

Because of the broad range of these programs, the reconciliation process affords us the best chance for success. In reconciliation, the Congress instructs its committees to report a certain level of savings for those programs within its spending jurisdiction. In this way, the Congress can decide on the appropriate level of aggregate savings necessary to achieve its fiscal policy goals while relying on the expertise of the individual committees of the House and Senate to achieve the savings in the most effective manner.

In this way, Congress can assure that its budget decisions are made with regard for both their overall macroeconomic effect and their impact on specific programs and individuals.

In our present economic situation, we simply must have this kind of fiscal coordination offered by a reconciliation bill.

We must also act quickly on reconciliation. Not only do we need to establish the momentum to see these cuts through to actual enactment, but also, we must show the American people that Congress is committed to reducing spending before it cuts taxes. As we all know, it is too easy to cut taxes first and then say that spending cuts will follow, never to materialize at all.

That has been one of the things our distinguished chairman, Senator DOMENICI, has emphasized, I am sure, in the councils of the new administration.

The word "balance" is appealing, and tax cuts and spending cuts go together. They use words such as "macroeconomic" and "reconciliation," but the new word with this group is "simultaneity."

Politically it does not happen that way. You can pass a tax cut this afternoon in this body. We were prepared to do it, as Democrats, last fall, and had the good judgment to withhold; because we realized the enemy was inflation, and we had to stay on top of our revenues to try to eliminate deficit spending in the National Government.

Senator DOMENICI has pointed the way. His move today, in which I join, is most

timely. While respecting the constitutional authority of the House of Representatives to generate revenue-raising measures—we respect and will adhere to that—when it comes to cutting spending, there is no reason not to start on the Senate side. Frankly, there is every good reason to start in both bodies immediately.

If we were to have just the tax cuts, it would not only be highly inflationary and greatly increase our deficit, but also, it would send the wrong signals to the financial markets, thereby further damaging our economy. By beginning work on the reconciliation measure before we consider tax cuts, we demonstrate that Congress is taking the route of budgetary and fiscal responsibility and not simply taking the easy way out.

Mr. President, my support of the reconciliation process and this bill in particular, does not mean that I support each of the individual budget cuts that have been proposed so far by the Reagan administration. In fact, some of those cuts deeply trouble me. Although not all of the budget cuts have been announced yet, I am concerned that some of the proposals are really shortsighted. In a few areas, such as child nutrition, the President may achieve false economies by taking a short-term budget cut that ends up in reality costing this Nation more, in both human and monetary terms, over the long run.

My differences with the administration's proposals will be part of our deliberations as Congress works its will on the administration's budget package. But although I have grave misgivings about some of the specific cuts, it is absolutely essential that we begin now to achieve the overall level of reductions recommended by the President. I will work with our distinguisher chairman, Senator DOMENICI, to begin our work on this measure as soon as possible.

Last year, the Senate took the lead in converting the reconciliation process from an untested theory into a functioning tool of fiscal control. Based on our success last year, reconciliation is the best means we have to reduce the growth in Federal spending, control inflation and work toward our mutual goal of a balanced budget.

The PRESIDING OFFICER (Mr. WARNER). The majority leader is recognized.

Mr. BAKER. Mr. President, I take this opportunity to extend my heartiest congratulations and to express my greatest appreciation to the distinguished chairman of the Budget Committee, Senator DOMENICI, and the ranking Democrat, Senator HOLLINGS.

In my career in the Senate, I have seldom seen a better example of diligent and dedicated service, to say nothing of bipartisan cooperation, than has been exhibited both by Senator HOLLINGS and Senator DOMENICI. They have set an example for the rest of us in a delicate matter of extraordinary sensitivity.

Not only have they dealt with the budget aspects of this matter, but also, they have negotiated, on an informal basis, with the chairmen and ranking members of jurisdictional committees, to the point where I believe there is a general consensus in this body that the Budget Act does offer an appropriate and desirable technique for the adjustment of this budget.

I commend them for their effort. I congratulate them on their early success. I pledge to them my support in continuation of this process.

Mr. DOMENICI. Mr. President, I thank the majority leader for his kind words. I thank Senator HOLLINGS for his remarks and his cooperation.

Senator BAKER has mentioned the bipartisan nature of the cooperation among committee chairmen and myself and the ranking Members, but I believe we should particularly mention Senator HATFIELD and Senator DOLE.

The real problem we have had in the past with the budget process is that the Appropriations Committee and the Budget Committee were not approaching the budget process on the same wavelength, in a collegial manner, together, to try to accomplish common goals.

Senator HATFIELD has seen fit to appropriately offer his concern about the appropriations process and that committee's grave responsibility to pass money bills. His willingness to be part of this in the interest of getting a package and so that everyone is in this together is really something that I am indebted to him and to the majority leader for his help.

I have worked at it and between the majority leader and others we have brought that about.

Senator DOLE's committee, the Committee on Finance, is generally thought to be the taxing committee, but the majority leader and I know that many of the entitlement spending bills that are not subject to a year-to-year adjustment come from that committee and a substantial portion of the cuts will have to come from that committee changing the laws. The willingness to be part of this on the part of Senator DOLE from my standpoint as the Budget Committee chairman is something that I could not have done as I could not have gotten by without that cooperation and help. I simply wish to mention that here.

By selecting those two, I do not mean to say that others have not been willing in working with us, but those were the difficult ones in the past, and I think we have overcome that hurdle.

I wish to thank them here in this RECORD today because as we move down this path there will be many struggles, but I am hopeful the struggles will not be jurisdictional disputes and will not be catching anyone by surprise. We will not be sending anything to the Appropriations Committee that they have not been totally briefed on either in this reconciliation or our first resolution next year. They will know what the functional totals mean and what the expectations of expenditures are so that we will not cause the animosities to blossom as they have in the past.

I yield the floor.

Mr. HOLLINGS. Mr. President, I wish to thank the distinguished majority leader for his kind and generous remarks. I am glad to be working on cutting the spending. I am in a position to do so relative to the Appropriations Committee because I have served on that committee the same length of time as our distinguished chairman, Senator HATFIELD.

The Appropriations Committee has full authority with respect to how to cut its appropriations.

When we in a reconciliation resolution select a figure, and incidentally last year it was selected with the counsel and advice of the former chairman, the distinguished former President pro tempore, Senator Magnuson, it goes back to the Appropriations Committee. Where the Budget Committee may have said there ought to be an amount cut here from Defense or cut there from Labor, HEW—Labor and Health and Human Services now—or State, Justice, Commerce, the Appropriations Committee has the authority and should have the authority to decide where the cuts will be made. The Budget Committee cannot tell the Appropriations Committee. On the contrary, the Appropriations Committee has the exclusive authority to determine in which categories, adhering to the overall amount, they believe the spending should be cut or the appropriations should be cut.

What occurred last year were two things:

First, the staff changed the budget priorities around completely. They took from Defense and added to Labor-HEW which caused a great deal of consternation. Second, they finessed the amount of Labor-HEW spending required and that can be done if we do not have full disclosure of the estimates coming down from our Budget Office, which have been the genesis of some difficulty in both the Appropriations and the Budget Committees.

So they disregarded certain things that would have to be appropriated for. Momentarily they said: "The pay bill is not here yet, so we are not going to take care of that. There are certain other items. Fuel costs are inflating. We know another supplemental will be coming down for fuel costs."

What they did, in essence, was then send out the defense budget contending that they were adhering to the same figure as the Budget Committee and trying to tell the Senate that, but in reality finessing about $20 billion in amounts considered by the budget and the budget process and everyone else in Government, knowing all along that they would have to come and spend that amount later.

That is the very basis of Senator HATFIELD's concern. He is now, in February, in the saddle and estimates are coming down the pike. He sees some $20-some billion there, and he wants to go along with the process. But he, as I am trying to advise and counsel with him and with our colleagues all in the Senate, whether or not on the Appropriations Committee, is trying to similarly counsel and advise with all of us in the body itself, that this is a real problem and it has to be coordinated and understood.

The reconciliation process is not intended to force feed a committee chairman or anyone else. It is a mechanism for really coming about. And I say to our distinguished majority leader, being a camera buff, it is more or less a lens to bring in focus the consummate or concurrent majority will of this Senate in one particular spending cut package. It is very, very difficult to do with all the authorizing and appropriations authorities. But we do it not trying to force feed anyone, but are actually working as an instrumentality of the Senate itself.

I thank the distinguished majority leader.

Mr. BAKER. Mr. President, I thank both the distinguished Senator from South Carolina and the Senator from New Mexico.

Mr. GRASSLEY. Mr. President, I say to the Members of the Senate that I am happy to join the Senator from New Mexico in cosponsorship of his amendment to the budget resolution.

Mr. President, last year, Federal spending as a percent of gross national product was 22.6 percent—the highest level since World War II—and this year, the Congressional Budget Office estimates that it will reach 23.8 percent of GNP. This boom in the level of Federal spending has resulted in massive deficits, which serve as a drain on the private capital markets and obviously are a restriction on economic growth, productivity, and prosperity in this country.

This Federal contribution to inflation and high unemployment must be stopped. I support the concept of the balanced budget and the spending cuts necessary to achieve this. I am, therefore, pleased that as a member of the Budget Committee I have the opportunity to bring about spending restraint in the Federal budget.

I am cosponsoring this amendment to the second budget resolution for fiscal year 1981, in hopes that we in the committee will be able to enact the lower spending levels that the President has incorporated into his economic recovery package. Though I do not necessarily agree with all the President's specific program reductions, and probably no individual Senator would agree with everything exactly the way it was presented, we all do generally agree with the attempt toward fiscal restraint and will work for mutual cooperation to accomplish that goal.

This amendment will enable us in the Budget Committee to study the specific proposals in the administration's package, possibly add other cuts, and issue them as part of the reconciliation process. This procedure is vital if we are to impose some kind of fiscal discipline and embark on the road to economic recovery.

I thank the Chair.

● Mr. D'AMATO. Mr. President, I join with my colleagues in this resolution, which supports President Reagan's program of economic recovery and tax relief for the American people.

Generally speaking, President Reagan's program is right on target. For the first time since the 1930's a President has demonstrated the foresight and the political courage to reverse the size, scope and influence of the Federal Government, and to return control to the States where that control belongs. It is my belief that the President's rationale for his tax and budget cut programs are sound. We must begin now to put more money back into the pockets of our citizens, allow for more investment in new and better products, and put millions of our citizens back to work.

But, I believe that we need to continue those Federal programs, which have demonstrated effectiveness, particularly those as Federal aid to mass transit, which are clearly beyond the means of the States, and which will benefit the Nation as a whole.

Mass transit is the lifeblood of our large cities, especially those in the Northeast. Mass transit not only plays a key role in getting our people to and from work, it is an efficient substitute for the automobile in every aspect of life. Without mass transit, the lives of New Yorkers, and others who live in the large cities, would be affected on a devastating scale.

Mr. President, lest some accuse me of voicing parochial concerns, let me point out why aid to mass transit is vital to all Americans, not just those who reside in the large cities.

Over the years, we have continued to be ever more dependent on foreign oil, and despite recent gains our oil bill to OPEC still is staggering. Last year, this Nation sent to OPEC between $70 and $80 billion. Our oil dependence is draining the consumer's pockets, disrupting our balance of payments, driving up inflation, and is creating serious foreign policy problems.

Every expert tells us that the transportation is the one area where cutbacks in oil use are most needed, and are the easiest to accomplish. About 40 percent of all our oil use is to fuel transportation. In fact, studies show that the American automobile uses about one-ninth of all the oil produced in the world every day. Our energy policies must be consistent with our overall economic objectives. Clearly they have not been consistent or we would not find ourselves in the present situation.

Mass transit will save millions of barrels of oil at less cost to the American people. Federal aid to mass transit is an effective means of conservation. It is a much wiser investment than to pour billions of Federal dollars into synthetic fuel plants, which will produce oil at a minimum cost of between $30 and $40 per barrel.

Mr. President, I believe that if aid to mass transit is viewed in this perspective, it is clear that withdrawing that aid would be counterproductive—not just to our energy program, but to our overall economic objectives.

For these reasons, Mr. President I support this resolution with reservation. I hope that my concerns about Federal aid to mass transit, which I express in behalf of the people of New York, will be resolved quickly and satisfactorily.●

EXTENSION OF ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that the period for the transaction of routine morning business be extended not beyond 12:15 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I thank the Chair.

CENTENNIAL OBSERVATION OF SOUTH DAKOTA STATE UNIVERSITY

Mr. PRESSLER. Mr. President, on behalf of Senator ABDNOR and myself, I send to the desk a resolution and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 79) relating to the centennial observation of South Dakota State University.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

Mr. HEFLIN. Mr. President, reserving the right to object, and I shall not object, I wish to make known for the RECORD that this matter has been cleared by the minority leader and by the ranking minority member of the Judiciary Committee. Therefore, I do not object.

There being no objection the Senate proceeded to consider the resolution.

Mr. PRESSLER. Mr. President, South Dakota State University is a product of the U.S. Congress through the passage of the Morrill Act to establish land-grant colleges throughout the country. In the 100 years since that time, South Dakota State University has achieved an excellent reputation as an educational institution of high quality. That quality is reflected in its students, administrators, faculty, alumni, educational programs, and activities.

An act of territorial legislation approved on February 21, 1981, marked the beginning of an agricultural college in Brookings, S. Dak. That agricultural college has since developed into a university offering baccalaureate programs in the arts and sciences, agricultural and biological sciences, engineering, home economics, nursing, and pharmacy. With over 125 academic majors within its seven colleges and division of education, South Dakota State University offers valuable learning environments for its students. This educational environment has been enhanced by the facilty and administrators whose dedication and expertise have guided thousands of students in their professional or vocational pursuits.

Realizing the interdependence and constantly changing needs of our society, South Dakota State University had the flexibility to respond. Its early goal was toward the promotion of agricultural science. As the technology of agriculture changed, South Dakota State University responded with research and innovation. The university's Institute on Irrigation Technology, Institute on Social Science for Urban-Rural Research and Planning, Remote Sensing Institute and Water Re-

sources Institute have made it an invaluable resource for South Dakota and a leader in the advancement of agriculture for our Nation.

South Dakota State University and the later established cooperative extension services have provided useful, current agricultural and homemaking information to South Dakota. Working together, the university and extension service have the knowledge and resources to offer direction and assistance in the promotion of agriculture, the home and the family. Excellent programs, such as 4–H, have been skillfully administered through this relationship.

Mr. President, South Dakota is proud of this university and its 100 years of achievements. The school has successfully guided students in the attainment of intellectual and professional competence, and a sense of civic and social responsibility. And it has offered opportunities for a student's personal growth through not only the knowledge of a particular field or discipline, but also an enlarged perspective on life.

As South Dakota State University celebrates its 100th anniversary, I believe the university's record of impressive accomplishments should be recognized. In doing so, we commend that pioneer spirit that initiated the university and encourage the furtherance of educational excellence.

Mr. President, I do not wish the yeas and nays but only wish to have a voice vote on the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 79) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 79

Whereas South Dakota State University was established in 1881 as a land grant college dedicated to the study of agriculture and has since emerged as a leading institution of agriculture and liberal arts education;

Whereas South Dakota State University has demonstrated its commitment to quality education through high scholastic standards and training expertise;

Whereas South Dakota State University has provided leadership in the rapidly changing technology of agriculture in South Dakota, the nation and the world;

Whereas South Dakota State University maintains the spirit of its founding authority while responding to the future through research alternatives: Now, therefore, be it

Resolved, That the United States Senate hereby recognizes these contributions in honor of South Dakota State University's centennial observance.

OMNIBUS SMALL BUSINESS CAPITAL FORMATION ACT OF 1981 EDITORIALS

Mr. DURENBERGER. Mr. President, just a few short weeks ago I stood here as a primary cosponsor of the Omnibus Small Business Capital Formation Act of 1981. The response to this bill has been overwhelming. People from all over the country have expressed support for it. Today, I wish to place in the RECORD five editorials from my home State which are indicative of the widespread feeling about this legislation. I ask unanimous to have these editorials printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Sun Newspapers, Feb. 11, 1981]

DURENBERGER HAS PART OF THE ANSWER

In his address to the people last Thursday evening, President Reagan said his administration would attack inflation and unemployment jointly with a multi-faceted program that he would detail Feb. 18 in a message to Congress.

One attack on our economic difficulties is to improve the business environment affecting employers of large numbers of people—the automobile, steel, oil and other such major industries. These are receiving attention.

For the creation of new jobs, and millions are needed every year to accommodate young people entering the job market, the administration must look to small business for that's where most of the new jobs are generated, and the president would do well to embrace the provisions of a bill just introduced by a bi-partisan group of influential U.S. Senators led by Minnesota's David Durenberger.

To make it easier for small business to attract new investors this omnibus proposal gives every person a 10 per cent tax credit (up to $1000) on investments in small companies; it weights a reduction in corporate taxes in favor of the small firm; it reduces gift and estate taxes, eliminating inheritance tax on estates valued less than $500,000. Employees would be exempted from the tax on the spread between option and market price on stock purchases and small firms would have the benefit of revised accounting procedures on inventory evaluation.

Investors in small companies would avoid capital gains taxes if proceeds of a stock sale were reinvested in another small company. There are numerous other practical provisions that would direct investment to small firms, release their job creation potential, and give the economy the benefit of the new technology and high productivity associated with new enterprise.

The Durenberger proposal is the most practical job building bill to be offered within anyone's memory. It does not require the spending of huge amounts of public funds but rather stimulates private initiative and private employment. There is no question that its adoption would trigger a redirection of resources and generate vitally needed job building activity.

[From the St. Paul Pioneer Press, Feb. 5, 1981]

AID WHERE IT IS NEEDED

After years of talking about it, Congress finally will get a chance to pass legislation designed to give the small businessman a much-needed financial break.

Sens. David Durenberger, R-Minn., Max Baucus, D-Mont., and Sam Nunn, D-Ga., have introduced a bill that would make it easier for the small businessman to raise capital, both internally and externally, to finance improvements and expansion.

The bill, if passed, could have a significant impact on the U.S. job market. According to the 1980 White House Conference on Small Business, ". . . investment dollar for investment dollar, small companies produce far more jobs and as much as 24 times as many innovations" as the larger corporations. The healthier America's small business community, the better the job market and the economy as a whole.

To make investment in small business more attractive to outsiders, the bill would provide a 10 percent tax credit of up to $1,000 per person for investments in new stock issued by businesses with a net worth of less than $25 million.

The capital gains tax also would be reduced significantly for individuals and corporations investing in small businesses.

To encourage capital gains "rollovers," persons who sell stock in one firm and invest the proceeds in another qualifying small business within 18 months would not have to pay a capital gains tax on the net proceeds of the first sale.

To lessen the need for families to sell small businesses, the bill would increase the present federal estate tax exemption from $175,000 to $600,000. In conjunction with this provision, the bill would also establish an unlimited gift and estate tax marital deduction. These provisions also would make it possible for families to pass family farms from generation to generation.

The measure also contains reductions in corporate tax rates, with a definite emphasis on small businesses.

A tax provision which has heavily penalized the small businessman attempting to attract talented employees to his firm involves stock options. Today, an employee exercising a company stock option must pay ordinary income tax on the "spread" between option price and market price—even if the employee has not sold the stock. That tax penalty has virtually destroyed the stock option as a tool in building a vigorous small business in a world of giants. Under terms of the proposed bill, employees would be eligible for capital gains treatment when the stock is sold with option price being the cost basis.

America's economy needs a shot in the arm. This bill contains some potent medicine.

[From the St. Cloud (Minn.) Daily Times, Feb. 9, 1981]

DURENBERGER BILL WORTH SUPPORTING

A major bill to encourage the development and expansion of small businesses and protect family farms was introduced in the U.S. Senate by Sen. Dave Durenberger.

Called the Omnibus Small Business Capital Formation Act, the bill would reform current law in five areas: 1) it will provide the capital small businesses need to expand and create new jobs; 2) it reduces corporate tax rates, with the greater share of the benefits going to the smallest businesses, and provides for accelerated depreciation; 3) it reduces gift and estate taxes, including elimination of estate taxes on estates valued at less than $600,000; 4) it gives small businesses greater flexibility in the use of employee stock options; and 5) it reforms accounting procedures so that inventory costs reflect the impact of inflation.

During any period of national economic distress, small businesses and small farms are hardest hit. This holds true whether the economic trouble is inflation/recession or a major depression such as we faced in the 1930s. Major companies, if they are managed properly with an eye to the future, will usually survive some pretty difficult economic periods. It's not always so with small businesses.

Today, America's small businesses and farms need the federal government's special understanding. They have not been soared the over-regualtion and callous attitudes toward all business emanating from Washington in recent years, but have paid a greater price. Having little to fall back on in hard times, they have folded by the hundreds.

Small farms, which have been a family's pride for generations, are being sold to pay estate taxes and small businesses, which have built local reputations painstakingly over the decades, are sold off to chain stores. This doesn't have to happen and Durenberger's bill is one step in the right direction.

Stimulating capital, cutting corporate

taxes and setting a realistic estate tax are all solid steps toward shoring up small business. Each of these measures, and the others mentioned in the bill, will have a positive effect.

However, there is a philosophical problem here which is at the root of our small business and small farm woes. The federal government, especially using current estate tax laws, has adopted a policy of "redistributing the wealth." Appointing itself as a big brother who watches over our private enterprise and dictates who can prosper and who cannot.

Not debating the merits of this philosophy, but as it is applied in an inflationary economy, it can only devastate our system of free enterprise which rests heavily on small businesses. If each new generation of small businessmen is forced by punitive estate taxes to completely rebuild from scratch, each will use up a lifetime attempting to repeat the same growth pattern.

We need a country which is growing and moving ahead. One step in that direction right now is a letter to support Durenberger's bill.

[From the International Falls (Minn.) Daily Journal, Feb. 10, 1981]

SENATE TAX BILL HELPS LITTLE GUY

Reprinted below is an editorial about taxes that deserves the attention of everyone who hopes someday to leave a family business or farm to the kids.

Sen. Dave Durenberger, as outlined in the Pioneer Press editorial, has introduced legislation which will mean that tax collectors no longer will be the helpmates of big operators trying to get bigger.

Durenberger's bill is comprehensive and somewhat complicated. But reduced to its simple terms, it proposes to achieve the following:

1) Reduce gift and estate taxes.

2) Change the valuation rules for small businesses and farms to more closely reflect the value to family heirs rather than to outside companies seeking to gobble them up.

3) Eliminate tax penalties on stock which now stand in the way of cutting in employees for a piece of the action.

The bill does a lot of other necessary things, too. But the main point is that it will halt the trend in which closely-held businesses and farms have come to be sold to outsiders upon the death of a principal owner. Such sales have been triggered by the demand for cash to meet death taxes.

Farms serve as a good example, but the impact is identical on small businesses.

It's common today for a family farm in the good growing parts of Minnesota to be worth $1 million. Land prices alone have doubled and tripled.

Everything is going along fine, say, with mom and dad and a couple of sons operating such a farm. But passing ownership from parents to children under existing laws costs a heavy penalty.

Faced with a demand for cash to pay off the tax collector, the heirs are just as able to "surrender" to bigger operators who, in turn, are operating at such scale as to take maximum advantage of various government support programs.

In releasing details of the bill, Durenberger said, "Society asks small businesses to carry a huge burden. They provide 50 million jobs; 99 percent of the jobs created in the economy every year are in small businesses."

Yet, he said, "Federal tax policies make it almost impossible for small business to save money they need to expand, build new markets and stay competitive. These businesses have been forced to operate on the slimmest of margins—margins that evaporate when we have double-digit inflation and interest rates."

Given the current emphasis on tax and spending reform, Durenberger's bill should have a good chance. It stands to provide new incentive to upcoming generations to keep hometown businesses in the hands of owner-operators and out of the hands of impersonal, out-of-town corporations which save the bottom line as the main thrust.

[From the Red Wing Republican Eagle. Feb. 5, 1981]

BIG HELP FOR SMALL FARMS

We commend Sen. Dave Durenberger for pursuing a concept we've frequently addressed: keeping family farms "family."

Durenberger's federal-level approach is to aim for reforms in estate taxes, and he introduced a bill on Tuesday to that effect. Among the specifics of the bill are provisions to increase the present estate tax exemption from $175,000 to $600,000 and to make charges in farmland valuation rules.

As a way of life for Minnesota farmers and American farmers generally, the family farm increasingly finds itself on the short end of tax advantages, which work to the benefit of large investors. Family farmers are having a difficult time competing against the large operators who benefit from tax shelters, get bigger with the help of federal price supports, and who, simply because they are big, often get better purchase prices on their supplies.

What's happened over the years is that large farms have thrived to the point where 6 percent of the farms account for 50 percent of farm sales.

Apart from tax discrimination against family farms, there are some legitimate reasons for that trend. Dr. Earl Heady of Iowa State University explains:

"Over pervious decades the family farm was highly valued as such. A partial equity was inherited and the family worked toward an acceptable standard of living and to retire the farm's mortgage, live on its rental value in old age and pass the land down through the family.

"Fewer young farmers now view farming this way. Their income and management goals are more like those of a medium-size corporation. They see the farm more as a business generating cash flows and capital gains."

If Dr. Heady's perception is correct, let's not give the changing values any extra boost with discriminatory estate tax law. Around Goodhue County, we think, the family farm attitude still prevails for the most part.

Last year Durenberger introduced a similar reform bill, which went nowhere. This latest bill not only would help family farms but would extend reform to all small-family businesses. A measure of the Reagan Administration's success will be in how well it can trim government spending to create a receptive atmosphere in Congress for tax reform.

SUPPRESSION OF THE TRUTH OF HITLER'S FINAL SOLUTION

Mr. PROXMIRE. Mr. President, in his book, "The Terrible Secret: Suppression of the Truth of Hitlers' Final Solution," Walter Laqueur examines the reasons why accurate information about the Nazi extermination of European Jews was not believed.

A final solution—the implementation of a total extermination policy—had been accomplished principally in the death camps in Poland. Information about their existence and operation came to the Allies through various channels in the Polish underground. Laqueur documents instances of suppression of this information at high institutional levels in the British, American, and Soviet Governments. For example, in 1944, a senior Treasury official charged that State Department officials "have gone so far as to surreptitiously attempt to stop the obtaining of information concerning the murder of the Jewish population of Europe."

Acceptance of the facts was amazingly slow, and there was little comprehension of the actuality of the death camps until after the war. At that time, the horrors of Dachau, Buchenwald, and Auschwitz were laid open to us. But the degree of the atrocities was inherently unbelievable. For the intended victims, it was easier to believe the Nazi's false promise of relocation of labor in the East, than the terrible certainty of the gas chamber.

Laqueur contends that "these defense mechanisms spring from deep and inherent qualities shared by all mankind—a love of life, a fear of death."

There is the prevailing belief that the holocaust could never recur, that our shock and anger over past travesties would make us forever wary. Yet genocide has continued in many parts of the world—Uganda and Cambodia, to name but two. Such acts are often still beyond our capacity to imagine, or the media's capacity to report.

The Genocide Convention puts forth a declaration that is not abstract, but starkly clear: that genocide—"the intent to destroy, in whole or in part, a national, ethnical, racial, or religious group"—is an international crime whether committed during peace or war. Condemnation of the great horrors that taint our world's history is not unreasonable.

Ratification of the treaty by the United States would place the reality of genocide firmly within our imagination, and within the scope of current world events. It would serve as a first step in an international pledge to arrest such crimes against humanity, instead of staring past them in mute disbelief.

PROVISION OF TWO ADDITIONAL SENATE MEMBERS OF THE JOINT COMMITTEE ON PRINTING

Mr. BAKER. Mr. President, I ask unanimous consent that the Rules Committee be discharged from further consideration of Senate Resolution 76, and that the Senate proceed to its immediate consideration. I may say, by the way, this has been cleared on the minority side.

Mr. PROXMIRE. Mr. President, that is my understanding, that it has been cleared with the Rules Committee and the minority.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 76) providing for two additional Senate Members of the Joint Committee on Printing.

There being no objection, the Senate proceeded to the consideration of Senate Resolution 76, which was agreed to as follows:

Resolved, That S. Res. 36, Ninety-seventh Congress (a resolution providing for members on the part of the Senate of the Joint Committee on Printing and the Joint Committee on the Library), agreed to February

3, 1981, is amended on the first page (1) by inserting on line 5, immediately after "Virginia," the following: "Mr. Hatfield of Oregon,", (2) by striking out "and" on line 5, and (3) by inserting immediately after "Nevada" on line 6 the following: ", and Mr. Ford of Kentucky".

Mr. BAKER. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. PROXMIRE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? There being no further morning business, morning business is closed.

EXECUTIVE SESSION—COUNCIL OF ECONOMIC ADVISORS

The PRESIDING OFFICER. The Senate will now proceed to executive session, and the clerk will report the nomination.

The assistant legislative clerk read the nomination of Murray L. Weidenbaum to be a member of the Council of Economic Advisers.

The Senate proceeded to consider the nomination.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I ask for the yeas and nays on the vote on the Weidenbaum nomination.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from Utah.

Mr. GARN. Mr. President, the pending business, please?

The PRESIDING OFFICER. The pending business is the nomination of Murray L. Weidenbaum to be a member of the Council of Economic Advisers.

Mr. GARN. I thank the Chair.

I just wanted to make certain it had been placed on the Calendar and was before us.

Mr. President, this is an outstanding nomination by the President of the United States. When I first came to the U.S. Senate 6 years ago I was well aware of Murray Weidenbaum's expertise as an economist and, more particularly, of his background in regulation. He has a large number of publications, a list that makes you wonder how he had time to write all of the books, articles, and publications on the subject of Government regulation and its economic impact on the Nation.

Confirmation hearings were held in the Banking Committee. He was a most impressive witness, very responsive to all of our questions from both sides of the aisle. and he was confirmed unanimously, without objection, by the Senate Banking Committee.

I do believe it is one of the President's most outstanding nominations, and I certainly highly recommend Mr. Weidenbaum's confirmation by the entire Senate.

Mr. PROXMIRE. Mr. President, I intend to support Murray Weidenbaum for Chairman of the Council of Economic Advisers.

Mr. Weidenbaum is eminently well-qualified to serve in this post. I have been chairman of the Joint Economic Committee in the past, and we have had the most eminent economists in the country appear before us for many years, and I can tell you that there are few economists as highly respected in the profession for his competence as Murray Weidenbaum.

There are many areas in which I agree enthusiastically with Mr. Weidenbaum. He is a free-market economist, and that is what we need.

On the other hand, Mr. President, I do have some reservations, some very serious reservations, that I wish to state.

In order to control inflation we must take some tough medicine; a consistent and stringent monetary policy; we have to start running budget surpluses instead of deficits; we have to vigorously enforce our antitrust laws; welcome the anti-inflation effect of free trade; rely on the President to jawbone down inflationary wage and price increases; and use every tool available to fight inflation.

Action must be tough and must be fair. I am glad that Mr. Weidenbaum's advice to the President will be very friendly to business but concerned that it may be grossly unfair to other sectors.

Now, wherever anti-inflation policy collides with big business interests, guess who loses in the Weidenbaum philosophy, as was made very clear in our hearings? That is right, anti-inflation policy collapses.

Mr. Weidenbaum disappointed me with a feeble, pussycat response on antitrust law enforcement. There is no more important consumer protection than vigorous antitrust enforcement. Many of our industries are controlled by monopolies. Certainly in steel the price is set not in competition, it is set by one company that will announce a price increase, and within a few hours every other company in the business will match that price increase to the fourth decimal point. We know that in automobiles, for instance, where we have three big producers, one dominant producer provides price leadership and a price umbrella.

Prices are high because of monopoly control. Mr. Weidenbaum has no prescription for breaking that kind of control, and it requires the kind of rigorous procompetitive, anti-price-fixing policies that we need.

The administration has indicated that they favor destroying the Federal Trade Commission's antitrust division, which would invite the-sky-is-the-limit price hikes and price fixing. As a matter of fact, the transition team proposed that we not fund the antitrust division of the Federal Trade Commission for 3 years.

Mr. Weidenbaum waltzes away from any specific prescription for Government action to fight inflation and to reduce the wage-price spiral. COWPS has been abolished. In its place Mr. Weidenbaum thinks that macroeconomic policies will suffice.

There will be no guidelines for wages and prices, no jawboning, no tax-based incentives for rewarding anti-inflationary wage and price policies or punishing inflationary wage and price policies.

On free trade, which provides our only genuine anti-inflation competition, in steel and autos, and elsewhere, Mr. Weidenbaum is a timid, gentle, pussycat where we need a vigorous champion to stand up to the powerful protectionist interests in this country.

Also Mr. Weidenbaum is insensitive to the role that energy price increases have played in inflation, the OPEC price increases. He characterized the OPEC price increases as a temporary shock. Some temporary shock. It has now been with us for 8 years, and will be for the foreseeable future.

So here is an anti-inflation policy that Mr. Weidenbaum, who will be the chairman of the Council of Economic Advisers espouses, the principal economic adviser to the President of the United States, a man who will have more to do with setting policy or at least recommending policy than anyone else, based entirely on fiscal policy, and what a feeble, sickly, anemic, rundown fiscal policy, with no balanced budget this year, no balanced budget next year, no balanced budget in 1983, according to Mr. Weidenbaum's testimony before our committee, and if anybody thinks that this is going to bring us a balanced budget in 1984, he still believes in Santa Claus and the tooth fairy.

I wish Mr. Weidenbaum well. He is articulate, he is intelligent and, as I said earlier, he is eminently qualified as an economic professional.

Mr. President, Mr. Weidenbaum is now in the U.S. Government, and I think it will be interesting to see how well he does. We will give him a report card after a year in office. As I say, I will vote for his confirmation, but with somewhat more than slight misgivings.

Mr. GARN addressed the Chair.

The PRESIDING OFFICER (Mr. DANFORTH). The Senator from Utah.

Mr. GARN. Mr. President, I doubt if there is anyone else who wishes to speak on this nomination, so I am sure we can yield back our time in a moment.

I would like to respond to my distinguished colleague from Wisconsin about the prospect of a balanced budget by 1984. I would only suggest that if a majority of the Senate would vote on appropriations bills the way Senator PROXMIRE and I have the last few years, it would be easy to have a balanced budget by 1984. So I will promise that the Senator from Utah will deliver a majority of my side of the aisle to vote for the expenditure reductions in tax cuts if the Senator will also convince his side of the aisle to vote as he has done and then we can have a balanced budget by 1984.

Mr. PROXMIRE. If the Senator would yield on that point, that is an interesting perception that the Senator has. It is

shared by a great majority of the Republicans that the Republicans are the econmists and the Democrats are the spendthrifts.

Mr. President, that is completely wrong. In every single Eisenhower budget when he was President and we had a Democratic Congress, which was true from 1955 through 1961, every one was reduced by the Democratic Congress. Furthermore, in all except one Nixon or Ford budget, the Democratic Congress cut their budget.

I have sat on the Appropriations Committee now for nearly 20 years and I have found that the Democrats have just as good a record and just as poor a record as the Republicans have. There has not been any partisanship in the enormous increase that we have had in spending. So I think it will take a bipartisan majority. I know there is no question in my mind that on the overall spending reductions the Democrats will de every bit as well as the Republicans, and I think the Congress, which is half Democratic, is going to reduce the Reagan budget below his request as we have done, as I say, in virtually every single year in the last 20 years.

Mr. GARN. If the Senator would yield back, I really cannot go back that far in the history because I was not old enough to be in the Senate during those particular years. I was only talking about the service that I am familiar with during the last 6 years. So I do not dispute what the Senator says in that ancient period of time before being constitutionally eligible to serve in the Senate.

I certainly hope that that bipartisan majority will be delivered on both sides of the aisle so that the American people will get the budget cuts that they desire.

I would be happy to yield back the remainder of my time.

The PRESIDING OFFICER. There is no time limitation.

Mr. GARN. I understood there was a ½-hour time agreement.

Mr. PROXMIRE. It is my understanding that the yeas and nays have been ordered, but the yeas and nays will not take place, as I understand it, until later in the day, is that correct?

The PRESIDING OFFICER. Following the vote on the Clark nomination, that is correct.

Mr. PROXMIRE. That would be about 6 o'clock or so?

The PRESIDING OFFICER. No later than 6 o'clock.

Mr. PROXMIRE. I thank the Chair.

Mr. GARN. Mr. President, I suggest the absence of a quorum.

Mr. STENNIS. Will the Senator withhold on that request?

Mr. GARN. Yes. I am happy to yield to the Senator from Mississippi.

Mr. STENNIS. Mr. President, I just have very brief remarks here regarding the nomination of Mr. Clark this afternoon. Personally, I am crowded out timewise at 3 o'clock when it is coming up. Would I be in order, Mr. President, to ask for 5 minutes now on that extraneous subject matter? I want to comply with the rules. Is that out of order?

Mr. GARN. Mr. President, as far as I am concerned, it certainly is in order.

The PRESIDING OFFICER. There is no time agreement on the Weidenbaum nomination, so the Senator can speak on the Clark nomination at this time.

Mr. GARN. Mr. President, I will simply yield the floor, and the Chair could recognize the Senator from Mississippi in his own right.

The PRESIDING OFFICER. The Senator from Mississippi.

(The remarks of Mr. STENNIS are printed later in today's RECORD.)

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, I have discussed this with the distinguished minority leader. In view of the fact that we now have provided for a time certain to vote on the Clark nomination, which will become the pending nomination at 3 o'clock, and in view of the fact that we have provided for a time certain to vote on the Weidenbaum nomination, which will follow immediately after that, as soon as we conclude the matter at hand, it is my intention to ask unanimous consent that the Senate stand in recess until the hour of 3 o'clock. I shall withhold that request for the time being.

(Mr. DENTON assumed the chair.)

Mr. DANFORTH. Mr. President, I ask unanimous consent that I may proceed as though in legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECORD LOSSES FOR U.S. AUTOMAKERS

Mr. DANFORTH. Mr. President, when introducing S. 396 earlier this month, I indicated that losses of the three large U.S. automakers would be over $4 billion for 1980. General Motors had just announced losses of more than three quarters of a billion dollars, its first early loss since 1921. Ford has now announced a loss of $1.5 billion for 1980. This is the largest single-year loss ever recorded by an American corporation. To make matters worse, Ford's claim on this dubious distinction will end as soon as Chrysler announces its loss figure for last year, expected to top $1.7 billion. The numbers are staggering and unprecedented.

S. 396 will temporarily limit Japanese auto imports to the annual average of the last 4 years. This will help to provide some measure of breathing space for U.S. automakers as they invest an estimated $70 to $80 billion to retool over the next several years in response to an unexpectedly rapid shift in the marketplace. The enormous losses by U.S. automakers make the need for such a measure even more apparent.

Mr. President, I ask unanimous consent that the Senator from Idaho (Mr. SYMMS) be added as a cosponsor to S. 396.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DANFORTH. Mr. President, this brings to 14 the number of cosponsors to this legislation.

I yield the floor.

AUTHORIZATION FOR THE COMMITTEE ON RULES AND ADMINISTRATION TO FILE REPORTS BETWEEN 9 A.M. AND 4 P.M. ON WEDNESDAY, FEBRUARY 25, 1981

Mr. BAKER. Mr. President, as in legislative session, I ask unanimous consent that the Committee on Rules and Administration be permitted to file reports between the hours of 9 a.m. and 4 p.m. on Wednesday, February 25, 1981.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 3 P.M.

Mr. BAKER. Mr. President, I believe there is no further debate to be had on the pending nomination. May I inquire, are we still in executive session?

The PRESIDING OFFICER. We are in executive session.

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate now stand in recess until the hour of 3 p.m.

There being no objection, the Senate, at 12:29 p.m., recessed until 3 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. RUDMAN).

DEPARTMENT OF STATE

NOMINATION OF WILLIAM P. CLARK, OF CALIFORNIA, TO BE DEPUTY SECRETARY OF STATE

Mr. BAKER. Mr. President, what is the business before the Senate?

The PRESIDING OFFICER. Under the previous order, the hour of 3 p.m. having arrived, the Senate will now proceed to the consideration of Executive Calendar No. 31, the nomination of William P. Clark, of California, to be Deputy Secretary of State. The clerk will report the nomination.

The legislative clerk read the nomination of William P. Clark, of California, to be Deputy Secretary of State.

The Senate proceeded to consider the nomination.

Mr. BAKER. Mr. President, I see the distinguished minority manager of the nomination is on the floor, and I am advised that the distinguished chairman of the Committee on Foreign Relations is on his way to the Chamber and prepared to make his opening statement. I am now prepared to suggest the absence of a quorum or to withhold and yield to the Senator from Rhode Island.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Time for debate on this nomination we are about to consider is limited to 3 hours, with 30 minutes controlled by the Senator from Illinois (Mr. PERCY), 30 minutes controlled by the Senator from Rhode Island (Mr. PELL), and 2 hours controlled by the Senator from Ohio (Mr. GLENN), with the vote on the nomination occurring no later than 6 p.m.

The Senator from Rhode Island.

Mr. PELL. Mr. President, I doubt that all this time will be needed and will be used up, so I think our colleagues should be on notice that the vote may well occur before 6 o'clock.

In view of the intense study that my

colleague and friend from Ohio (Mr. GLENN) has given this matter, and his very strong views on the subject, I shall ask him to take over the minority viewpoint, the opposition viewpoint, on this nominaton. I ask him to sit in the minority leader's chair.

Mr. BAKER. Mr. President, do I understand the Senator from Rhode Island has asked unanimous consent that the time in opposition to the nomination be transferred to the Senator from Ohio?

Mr. PELL. The Senator is correct. The Senator may designate the time period.

Mr. BAKER. Mr. President, while we await the arrival of the distinguished chairman of the Committee on Foreign Relations, I ask unanimous consent that it may be in order for me to suggest the absence of a quorum without the time being charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I suggest the absence of a quorum under those circumstances.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PERCY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PERCY. Mr. President, my distinguished colleagues, this afternoon the Senate will consider the nomination of Justice William P. Clark to be Deputy Secretary of State. President Reagan submitted his name to the Senate on January 26 and Justice Clark testified before the Committee on Foreign Relations on February 2 concerning his nomination. The following day, February 3, the committee voted 10 to 4 with 3 committee members voting present to report the Clark nomination favorably to the Senate.

When Secretary of State Haig testified for 5 days before the Foreign Relations Committee, leading to his overwhelming confirmation by the Senate, he echoed an overriding theme upon which the foreign policy of this Nation must be based—consistency, reliability, and balance. In a personal sense, Bill Clark has demonstrated these important attributes—consistency, reliability, and balance—throughout his distinguished 14-year career of public service. After then-Governor Reagan's election in 1966, Bill Clark put aside his law practice and went to Sacramento to serve in the State administration, ultimately becoming executive secretary and chief of staff to the Governor.

In that capacity, he became known as a man of outstanding organizational and administrative abilities, a man who could get the job done and done well. He developed a reputation as an efficient and hard working public servant who could be counted on to deal with important Government matters without buckling under the pressure. Certainly, these qualities are essential to any Deputy Secretary of State if he is to effectively execute the duties of his office.

Bill Clark left the Governor's administration in 1968 and since that time has compiled an outstanding record of public service as a superior court judge, State appellate court justice, and, lastly, as an associate justice of the California State Supreme Court one of the country's most distinguished higher courts. In his many years on the bench, Justice Clark developed a reputation for honesty and integrity in office. Based upon his past record of significant accomplishments, there is every reason to expect that Justice Clark will bring his personal standards of consistency, reliability, and balance to the Department of State.

Mr. President, in recent months much of the debate in this Chamber has concerned what steps must be taken to restore this country to a strong position in the eyes of both our allies and our adversaries. One vital element in this rebuilding process must be the presence of a forceful and effective Secretary of State who can counsel the President on the wide range of foreign policy issues that demand immediate attention at the highest levels of Government. Clearly, the Secretary of State must be a strong leader with a broad vision of how best to achieve America's foreign policy objectives. I firmly believe that Al Haig is uniquely qualified to meet these demanding requirements.

But it is often said that the most brilliant foreign policy cannot succeed if it is not effectively implemented. I believe my distinguished colleagues concur with me that Secretary Haig is going to be kept very busy attending to America's interests around the globe and will have limited time to oversee the management of the State Department. It is all the more important, therefore, that someone be in place at the highest possible level within the Department who can bring effective direction and control to the Department's numerous and varied programs. In this regard, the distinguished Commission on the Organization of Government for the Conduct of Foreign Policy, known as the Murphy Commission, reported in 1975 that many of the management problems which have previously plagued the State Department could have been avoided had a senior official been designated to exercise vigorous direction and control over the Department's various offices. The Commission stated:

> Clearly the Secretary needs a Deputy in whom he can put the greatest reliance. However, this relationship—Deputy and principal—difficult in any organization, is especially sensitive with the Secretary of State for the very reason that he can pass to his Deputy only a limited number of his responsibilities. The Deputy cannot be an alter ego in the usual pattern. It makes it all the more important, therefore, that the Secretary delegate as much as possible of the management of the Department. At a minimum, the Deputy should be able to integrate the multiple geographic, functional and staff offices of which the Department is comprised. He should also be able to assist the Secretary in marshalling the personnel and administrative support elements—the resources of the Department—to the basic policy purposes.

Justice Clark has made it clear to the Committee where he will concentrate his efforts at the Department. He testified—

> Regarding making policy, I discussed this with both the President and the Secretary. . . . My position will not be involved in making policy, but rather coordinating and implementing in the position as Deputy Secretary of State.

I telephoned Secretary of Defense Weinberger, one of the many contacts I have made with people who have worked with Justice Clark in the past.

Secretary Weinberger has known Justice Clark for many years, and I asked him for a very frank appraisal. He enthusiastically endorsed Bill Clark as, and I will use his own words, "a superb manager and a tremendous asset to Governor Reagan during his first term of office." Cap Weinberger attributed a major part of the success of that administration to the administrative abilities and capabilities of Justice Clark. This same high regard for Justice Clark's talents have been expressed to me by senior members of the White House staff.

Mr. President, I am pleased to report that the distinguished assistant minority leader and member of the Foreign Relations Committee, Senator CRANSTON, supports the nomination of Justice Clark. In his additional view on the committee report of the Clark nomination, Senator CRANSTON noted:

> It is clear that Justice Clark is a man in whom the President has a very high degree of confidence, with whom the President has a particularly close relationship, and upon whom the President has depended on in the past and wants to depend upon now and in the future.

I am in complete agreement with Senator CRANSTON's conclusions. The President has made it clear that he has the highest admiration for and confidence in Bill Clark and the confidence that the President places in Justice Clark must be given the greatest consideration by the Senate. His presence at the State Department, enthusiastically endorsed by Secretary Haig, will help reinforce the Secretary's commitment to forcefully represent our vital foreign policy interests not only around the world, but also in the White House.

Mr. President, during the ensuing debate this afternoon, I fully expect that one or more of my colleagues will make mention of their displeasure with Justice Clark's performance at the committee confirmation hearing. I must admit that I, too, was disappointed with his reluctance to express his personal opinions on a wide variety of policy issues. But, as the distinguished senior Senator from Maryland recalled prior to his vote in favor of Justice Clark's nomination, President Coolidge once said. "No man was ever defeated for what he didn't say." Apparently, that phrase seemed to be the guiding principle when Justice Clark testified before the committee.

I have spoken personally with some of those who counseled Justice Clark about the form his testimony should take before the committee. They admitted to me that he was advised not to become controversial because the President and Secretary Haig set policy. In other words, "Don't speak out and cause an uproar." To my mind, he received bad advice and Justice Clark is now on no-

tice that when he comes before the Foreign Relations Committee he is expected to answer the committee's questions, fully and frankly.

I would also note that I have observed the performance of Justice Clark in several recent sessions directly with the State Department and, also involving the Foreign Relations Committee.

We saw him before the Foreign Relations Committee on one of the most complicated and perplexing issues that we have faced: El Salvador, a serious foreign policy concern. And yet we saw Justice Clark having been on the job a relatively short period of time, working directly with Secretary Haig, in command of the facts, moderating a meeting of men who have spent their lives in foreign policy, including one of our designate-to-be Under Secretaries of State.

We saw him conduct himself with the utmost confidence and a demeanor that would, I believe, bring him plaudits from every member of the committee with whom he worked at that time.

I would like to further report to the Senate, as I did to the Senate Foreign Relations Committee this morning, that in a telephone conversation with Secretary Haig this morning, Secretary Haig said that now that he has worked side by side for a matter of weeks with Justice Clark, that without qualification, he found him to be a superb manager, a man who quickly grasps the facts in a complicated matter, who carries out his duties and responsibilities as Deputy Secretary-designate in a highly intelligent way.

He said,

I cannot imagine that I could have anyone who could carry out and fulfill the functions of Deputy Secretary who could have done a better job than Justice Clark has these past 2 weeks.

He has been on the job, in the thick of things, and acting for the Secretary who had previously briefed the leadership at the State Department. The Secretary was able to attend to other matters of state while the Deputy Secretary-designate came to the Senate of the United States and briefed us on the ongoing situation in that torn part of the world.

My distinguished colleagues, we must bear in mind that the confirmation hearing is only part of the confirmation process. In large part, my vote for Justice Clark today is based on the confidence so many people have in this man. The President has told me how much he wants Bill Clark for this job and it must be remembered that he did not seek the position, but was urgently requested to accept it by the President. Bill Clark has accepted the call to duty at great professional and financial sacrifice. The Senate should vote to confirm this dedicated public servant in whom the Nation's Chief Executive places his utmost trust, and whose confirmation has been urgently requested by his immediate superior, Secretary Haig—the man designated under the President to conduct the foreign policy of this country.

We should not deprive the Secretary of State of the administrative support that he has requested, and which he surely needs.

Mr. President, I trust the Senate, after full deliberation and careful consideration, will see fit to support the nomination of Justice William Clark to be Deputy Secretary of State.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. GLENN. Thank you, Mr. President. I yield myself such time as I may require.

Mr. President, there has been quite an indictment of the administration here in the last few moments. I was going to bring up. The matter of people advising a nominee for high office, the second highest office in the State Department, to come before a committee of the United States Senate and deliberately avoid giving specific answers. That is quite an indictment.

I must say Mr. Justice Clark must be a real team player because he certainly did carry out that advice to the nth degree.

All through the remarks just made with regard to support for Mr. Clark, words repeated over and over again from a number of people were about his organizational abilities, his management capabilities, the fact that the Murphy Commission indicated better management is needed in the State Department, Secretary of Defense Weinberger's comments that he thought Justice Clark would be a superb manager.

Mr. President, we are not here today to confirm a manager for the Department of State. This is the No. 2 man in the Department of State, a man who will be vitally involved in establishing foreign policy for this country; indeed, for leadership in the free world. He is not being put into the Under Secretary's position for management in the State Department. So, I must rise to oppose his nomination on the basis of the record we have out of the Foreign Relations Committee confirmation hearings.

As a member of the Committee on Foreign Relations, Mr. President, I believe it my duty to inform the Senate that after a detailed examination of his credentials and careful consideration of his testimony, I can only come to one conclusion. That is that I judge Justice Clark as unqualified to fill that important position.

Normally, I share the view of most of my colleagues that the President has a right to choose the people he wants to staff his administration. In fact, never since I have been in the Senate, which is 6 years, have I opposed a Presidential nominee for any position in the Department of State. In fact, Mr. President, I believe in the view that the President has such a right to name his own people that only once in 6 years have I cast a vote against any Presidential appointment. So I do not take this responsibility lightly.

But, Mr. President, never before has an individual so unfamiliar with foreign policy issues and so unprepared to answer even the most fundamental, rudimentary questions appeared before the Committee on Foreign Relations. To confirm Justice Clark as Deputy Secretary of State would, in my view, make a mockery of our responsibility to provide advice and consent regarding Presidential appointments.

I began Judge Clark's nomination hearing believing that I could fully support his confirmation by the Senate to become Deputy Secretary of State. Judge Clark had come to my office; we had met briefly a few days before to discuss his nomination and a few things that might come up at the hearing. At that time, I indicated to him the sort of questions that he could anticipate from me and other members of the committee. I emphasized that he should carefully study Secretary Haig's confirmation hearing testimony, that he had an excellent roadmap there for what lay ahead of him.

During that meeting in my office, he displayed a very high intelligence and an exceptionally pleasing personality. I enjoyed talking to him very much.

When I went to the hearing, I fully expected to attend the hearing, ask my questions, and vote to confirm his nomination. Judge Clark's testimony before the committee, however, caused me to change my mind. Not only his failure to prepare himself adequately for the hearing, but his lack of even very basic, fundamental foreign policy knowledge and his seeming disinterest in international events have caused me, for the first time in my senatorial career, to oppose a Presidential nominee for the Department of State.

Mr. President, the Constitution provides for a system of checks and balances. One provision requires that the Senate render advice and consent regarding Presidential appointments. The Constitution, however, does not contain specific criteria for making such judgments, and each Senator must establish for himself standards by which to measure the qualifications of executive branch nominees.

Since coming to the Senate, I have adopted two criteria for use in the confirmation process. First, I expect all nominees to possess honesty and integrity. That is fundamental. Senators can usually make a judgment of this sort based on information contained in the required FBI report.

Second, I insist that nominees be conversant with and knowledgeable of broad, general issues within the areas for which they are to have responsibility. A nominee's personal views are important, but never decisive, in my considerations. In fact, my own position has often been diametrically opposed to those held by nominees who have come before my committees. But that is not important. What is important is a nominee's basic understanding of the issues, and a demonstrable indication that he or she is eager to learn more.

I also share the view of many of my colleagues that the President has a right to choose the people he wants to staff his administration. Faith and trust in key subordinates can have an important bearing on the efficiency and effectiveness of Government. So I consider this factor carefully and, indeed, bend over

backwards to give the President wide latitude in these matters. But the President has an obligation to the Senate as well. The President should carefully match a nominee's background and experience with the position to be filled and insure that the nominee is at least minimally conversant in the area of his jurisdiction.

In Judge Clark's case, I believe the President failed in his responsibilities to the Senate by nominating a man unsuited to become Deputy Secretary of State. Judge Clark, for example, emphasized in his testimony that he has ". . . no formal training in foreign policy," and no ". . . major experience in foreign affairs. . . ." He also noted that—

We have reached an intersection in history when enormous stakes rest on our ability to conduct a successful foreign policy.

He attempted to explain away the obvious contradiction between these statements and his nomination by arguing that he would concentrate on administrative duties—an area in which he has extensive experience—and would leave policy formulation to others within the administration.

Mr. President, I do not find that argument persuasive. I agree that these are, indeed, perilous times. And that is precisely what troubles me. Even if Judge Clark's primary duties were administrative, he nevertheless would be regularly called upon to act as a spokesman for U.S. foreign policy. On occasion, he would serve as Acting Secretary of State. Nothing in his testimony, which I urge each Senator to read in its entirety, suggests that he could effectively discharge these responsibilities anytime soon. Moreover, I do not believe we can afford to have the Deputy Secretary of State—whether he is a good administrator or not—bogged down in a long—and possibly dangerous—process of OJT, as we call it in the military, on-the-job training.

Lest we be misled, Mr. President, into thinking that his duties will be only administrative and only managerial, I understand that even now, he has already been assigned in the State Department to be a senior member of one of the interagency policy groups.

Mr. President, I do not expect a nominee to memorize a welter of facts and figures on specific foreign policy issues when preparing for his confirmation hearing.

The committee would be wrong to penalize Judge Clark for failing to answer excessively intricate or detailed questions. However, his inability to deal with even broad, general foreign policy issues is an entirely different matter.

Just as one example, after much questioning—and, I might add, somewhat in desperation, because I had not been getting good answers—I finally asked, "What do you see as the objectives of foreign policy?" I wanted this to be as broad as I possibly could. He answered finally, after thinking about it a few seconds, "Peace through strength."

That is a reasonable enough response. But when I asked him to explain what he meant, his answer was so vague that it was apparent that he had merely invoked a familiar slogan without fully understanding its meaning.

When I asked his view on nonproliferation, he responded that he had no opinion on the subject. As Senator PERCY noted, the Deputy Secretary of State must have a view on nonproliferation; it is the law of the land. And so it went throughout the entire hearing. On issue after issue, Judge Clark was able to respond only that he did not know, had no opinion or would be glad to study the matter. I find this level of foreign policy knowledge totally unacceptable for the man who would hold the second most important position at the Department of State of the United States.

Judge Clark's complete lack of preparation for his confirmation hearing also concerns me. In addition to myself, several other Senators recommended that he carefully study Secretary Haig's testimony before appearing before the Committee. We even suggested that this would adequately prepare him for any questions the committee might ask When I inquired if he had taken this advice, he admitted that he had not studied the testimony thoroughly.

In fact, he indicated that he was having some staff people index it for him so he could study it. This was at the time of his hearing.

I find this inexcusable. One can only conclude that Judge Clark, despite having 2 weeks to study, decided that his total lack of familiarity with the issues precluded him from even attempting substantive responses to our questions.

Mr. President, let me give just a few other examples of some of the questions that were asked of Justice Clark.

Senator BIDEN asked—

What are the countries in Europe, in NATO, that are most reluctant to get along with theater nuclear force modernization? From what countries do we have the greatest difficulty getting cooperation in placement of long-range nuclear weapons on European soil?

Justice CLARK. I am not in a position, as you have already suggested, Senator, to categorize them from the standpoint of acceptance on the one hand and resistance on the other.

Another question:

Senator GLENN. What do you think we should do on nuclear nonproliferation? That is a big thing, a broad subject.

Justice CLARK. At this juncture, again, in honesty, I do not have a personal view.

On another subject:

Senator GLENN. The Carter Administration emphasized in its relationships with Third World states the theme of global interdependence and it devoted considerable energy to what had been titled "global reconstruction," relating to a new economic international order. Can you give us your views on that?

Justice CLARK. I have great difficulty in finding the Third World any more as an entity. I have some idea of the genesis of it. Thus far in my study, I look at the globe as a one-world situation from the standpoint that I am just unable to cut it up in what started as academic terms. I am unaware of what the Carter position, as you have referred to it, has been in that reference. I know something about segments, such as the human rights effort and economic aid.

In another area:

Senator GLENN. Should we give any help to the auto and steel industries? Should we try to negotiate a restraint agreement with the Japanese on autos and steel?

Justice CLARK. I am unable to, and I think it would be presumptuous of me to attempt to, give a view on another sensitive area until I have studied it.

In another area:

Senator GLENN. What do you think we need to do to achieve peace through strength? Strength can be defined in many ways—economic, military, and in other ways.

Justice CLARK. Again, Senator, I feel that it would be presumptuous of me to give those priorities. . . . They are inextricably woven together and I am ill-prepared at the moment to answer that.

In another area:

Senator PRESSLER. How do you view the Foreign Agricultural Service and its function?

Justice CLARK. Again, Senator, I would have to state that I have no view at this time.

In another area:

Senator PRESSLER. As I understand it, you will have sort of a management oversight. How do you view the Foreign Service union and the attempts to broaden the union within the Foreign Service?

Justice CLARK. I am aware of the organized labor activity within the Department. But I have no view on it.

In another area:

Senator BOSCHWITZ. I wonder if you would comment on what your viewpoint of detente and Russian-American relations is as you come into the position of Deputy Secretary.

Justice CLARK. I have not heard the term "detente" for some time. . . . But, like, many other terms, "Third World" being one, I am still trying to learn what are the definitions of those words at the moment. I have some idea of what they were from my reading of Time and Newsweek, but I must say that those are all going to be part of the learning process which has been accelerated and which I am following through now.

In another area:

Senator GLENN. You said that a summary of the foreign policy, as you see it, would be peace through strength. Would you spell out in greater detail for me what would be the elements of the strength part.

Justice CLARK. Well, these are military, economic, and social. I just feel unable, at this juncture, to go into specificity.

In another area:

Senator GLENN. Do we need more military strength?

Justice CLARK. I have disallowed myself a personal view on something this sensitive this early in the game.

In another area:

Senator GLENN. What about economic strength?

Justice CLARK. Well, generally, foreign aid has been with us for many years. It has been the policy, without question, since the Truman era. I do not disagree with that policy of the necessity of helping nations that require it.

On another subject—I had been talking at the hearings about the importance, in the sub-Asian area, of religious differences between nations and how that causes difficulties that are at the heart of some of our foreign policy dilemmas in those areas. So in that area, I asked this question:

Senator GLENN. How much consideration do you think the State Department ought to give to religion, to the study of religion internationally?

Justice CLARK. I feel that the government has no place in suggesting anything about religion, here or there.

In another area:

Senator GLENN. Do you think Israel is wrong in nationalizing Jerusalem?

Justice CLARK. Again, in a very sensitive area, Senator, I first do not have an opinion, and, secondly, if I did have one, I feel it would be inappropriate to state the answer here.

We could go on with other examples, but I am sure Senators get the gist of how our hearings went.

Finally, I believe that Judge Clark's confirmation would make a mockery of the Senate's constitutional responsibility to render advice and consent regarding Presidential appointments. If we accept the specious argument that Judge Clark's administrative ability and close relationship with the President qualify him to become Deputy Secretary of State, by what criteria do we then judge the qualification of those who will be nominated for subordinate positions under Judge Clark? Let us not forget that a hundred or so subcabinet and ambassadorial nominees will soon come before the Senate for confirmation.

In fact, we have already gone into those in our confirmation hearings. We are considering them on a daily basis and reported six this morning, after we put them through very tough confirmation hearings. Are we now to apply higher standards for those nominees than we did for the man holding the State Department's No. 2 post? Or, are honesty and integrity to be the sole criteria for approving nominees?

I stated at our hearings a couple of days ago—I said it somewhat tongue-in-cheek, but I was not joking completely—that I thought we should just dispense with formal confirmation hearings and not waste any time on them, just accepting the FBI report as fulfilling all the responsibilities of the Senate's advice and consent under our constitutional process. That way, I felt, we could save a great deal of committee time, get on to important work, just approving nominees en masse once we received the FBI reports. If the No. 2 man in the State Department is to come under no more close scrutiny by this body, in our role of advice and consent, than we have exhibited so far, then I see no reason why we insist on holding lesser positions to a higher scrutiny.

Of course, this alternative is distasteful and, in the end, completely unacceptable. It would mean abandoning all pretense that the Senate has a meaningful role in the confirmation process. I do not believe that the U.S. Senate is ready to become a rubberstamp for executive branch decisions. Certainly, it is not too late for the President to heed our advice and reconsider this nomination. The nomination has not been confirmed as yet.

So I urge each Senator to examine for himself or herself the committee record of Judge Clark's confirmation hearing. Only by reading that transcript does it become fully apparent how truly ill suited Justice Clark is for the position to which he has been nominated.

I say that with great regret, because I like Judge Clark as a man, enjoyed being with him. He is a very personable gentleman. I understand that in his managerial capacity in previous positions he has done an outstanding job, but that is not the position for which he has been nominated here.

I repeat: Everything that was said in introducing the nomination a few moments ago by my friend and colleague from Illinois, the distinguished committee chairman, was along the line of stressing Justice Clark's organizational abilities, his honesty, his integrity, the fact that he is an effective manager, the fact that the Murphy Commission says we need management in the State Department, the fact that Cap Weinberger says he is a superb manager, the fact that ALAN CRANSTON says he has a close personal relationship with the President.

However, Justice Clark is not being nominated to be the "Under Secretary for Management" in the State Department. He is being nominated for the No. 2 spot in the Department of State. No matter how superb a manager he may be, that is not the sole requirement for this job.

I add, Mr. President, that all the Republican members of the Committee on Foreign Relations who spoke before their vote in committee on behalf of Mr. Justice Clark pointed out this administrative ability. It was notable that not one of them talked about his knowledge of foreign policy, which I see as critical. Even our distinguished committee chairman Senator PERCY, said during the hearing that if he had to make his confirmation vote in committee on the basis of what he had heard during those hearings alone—which is what the Senate as a whole has to go on—he, as committee chairman, could not vote for Mr. Justice Clark. That is the record we have to go on today.

So I regret very much having to speak this way against anybody who has been nominated by the President, particularly anyone as affable and as likeable as Mr. Justice Clark was when I met and talked with him. But it is our responsibility to make these difficult moves sometimes, and that is what I am doing today. I plan to vote against Justice Clark today, and I ask as many of my colleagues as can see their way to do so to join me. If they will review carefully the record of what happened during our confirmation hearings, I am confident that they will vote against confirmation.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER (Mr. D'AMATO). Who yields time?

Mr. HAYAKAWA. Mr. President, what is the time situation?

The PRESIDING OFFICER. The Senator from California has 14 minutes remaining.

Mr. HAYAKAWA. We have 14 minutes remaining.

The PRESIDING OFFICER. The Senator from Ohio has 2 hours and 5 minutes.

Mr. HAYAKAWA. I wish to yield 5 minutes to my distinguished colleague from North Carolina.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, I thank the Chair and I, of course, thank my able friend from California.

I shall be brief.

Before too much levity is directed at Mr. Justice Clark, I think all of us would be well advised to wait and see what the capabilities of this man produce. I have visited with him. I think I am a fair judge of a man and his intellect. I believe that Senators who have apprehension or who have had concern will find that Mr. Justice Clark will be far more than an able administrator, which he is, and he will be far more than a confidant of the President of the United States, which he is.

It is very interesting I think, Mr. President, that no one has maintained that Mr. Clark does not have the intelligence or the character, and the dedication to perfrom the function that the President has called upon him to fulfill.

Look back at Mr. Clark's career in law and business and politics. And you can see the marks of a talented and determined individual. He is going to make a good representative of the President and more importantly a fine representative of the President's philosophy which is what is important in this job.

As for Mr. Clark's declining to get into foreign policy questions I rather imagine that it was suggested to him that he not open the door to questions about Taiwan or Chile or Latin America or the Middle East because at that particular time it would have sent a signal to one part of the world or the other.

Mr. Clark is not supposed to make policy. He certainly was not supposed to state policy at that time. He was being evaluated as a man the President had recommended on the basis of competence, integrity, character, and ability. He measured up. And I think that in some weeks and months hence the very sincere apprehensions and concerns expressed by some of my distinguished colleagues will have been remedied.

I predict a fine tenure for Mr. Clark and I heartily support his nomination.

I thank the distinguished Senator from California for yielding to me.

Mr. HAYAKAWA. Mr. President, I rise in support of the nomination of my distinguished constituent from the State of California, Justice William Clark, to be Deputy Secretary of State.

The position he finds himself in reminds me very much of the position I found myself in 4 years ago when I became a member of the Agriculture Committee without knowing anything about agriculture.

The problem was that despite the fact that California is the greatest agricultural producing State in the Nation we had not been represented on the Agriculture Committee for something like 40 years. So I volunteered to take a position there and then hastily tried to catch up and learn what agriculture is all about. So I find that Justice Clark is very much

in the same situation. He has not had extensive experience or not even a mild degree of experience in foreign relations, but he is going to find out quickly as I had to find out quickly about agriculture.

As has been pointed out, Mr. Justice Clark will bring to the State Department a well-earned reputation as a skillful lawyer, a jurist who has served as an associate justice for the California Supreme Court. He also brings a quality important to the effectiveness of the State Department, namely, high ability as an administrator and as an executive.

As chief of staff to Governor Reagan from 1967 to 1969, when he left for the bench, Bill Clark earned the respect of the public, the press, and the government, including the legislature controlled by the Governor's political opponents.

Of very great significance, Justice Clark also brings a special asset to the Department of State, the high confidence and personal relationship of the President of the United States. The Department's ability to reflect Presidential policy unquestionably will be enhanced by this key relationship.

Mr. President, I think, if the Chair will forgive me, it is appropriate for me to repeat some remarks made by our distinguished colleague from Maryland, Senator MATHIAS, when he made the following anecdote:

President Kennedy, once in a state of exasperation, is supposed to have asked a very distinguished U.S. ambassador this question: "Ambassador, what is wrong with the State Department?" The ambassador was of sufficient age, experience, and distinction, so that he said, "Mr. President, you are. You are."

This is because the President of the United States did not have confidence in the State Department, did not have sufficient communication with the State Department, so that there was, in effect, a rival foreign policy center established within the White House that was not always on the same track, or even on a parallel track, with the State Department.

I think this story may illustrate the one virtue that Justice Clark can bring to the State Department because he obviously is one who has had a confidential relationship with the President of the United States. He has the President's total confidence, as the chairman of the committee has said to us. Therefore, he can perhaps bring about a situation in which the White House and the National Security Council will not be running on a different track than the State Department, and I think, on balance—on balance—this is in the national interest. A consistent, coherent foreign policy is a very desirable thing, and it is not something that we always have enjoyed.

That is the close of my quotation from Senator MATHIAS, to whom I am very grateful.

But that degree of warmth and communication between the two, between President Reagan and Justice William Clark, which has been established over the years and which had been tested in hundreds of situations, will be an asset and if Justice Clark is a faster learner than I am, and I hope he is, then within a matter of weeks he will have caught up an awful lot.

As a matter of fact, 10 days after the hearing that our distinguished Senator from Ohio criticized in which Justice Clark showed considerable unwillingness to act superior in certain questions about foreign policy, 10 days later he appeared before the Foreign Relations Committee and gave us a briefing on El Salvador, which was entirely satisfactory and very, very well informed. So on El Salvador at least he learned an awful lot within the 10 days. Of course, it is a big world that contains many things besides El Salvador. But it was a good sign that he did handle himself competently in that situation.

So I am very, very well aware of the criticism that has been directed at Justice Clark for his inexperience and his lack of knowledge in foreign relations. However, Justice Clark has a reputation in California for being very quick at his studies and for having the ability to get to the essence of the matter. Since the confirmation hearings, as I say, I have had occasion to be briefed in a session in which Deputy Secretary-designate Clark was a participant, and I was pleased with his comments on the subject matter and found them to be valuable.

This is the seventh time President Reagan has asked Justice Clark to serve and the seventh time he has accepted the call to duty. He knows full well the burdens he is accepting. But why is he leaving a virtually lifetime post on the highest court in California? Justice Clark says:

The answer is simple. President Ronald Reagan has asked me to do this.

President Reagan has total confidence in this man. He has total confidence in his abilities. When he first appointed him to the bench, some members of the legal community balked. But their tune is different now.

The consensus that he would be a miserable judge simply was not true.

Said a distinguished professor of Stanford Law School,

It may be that we underestimated him all the time.

Even retired Chief Justice Wright, who 8 years ago would have denied Clark the seat on the court, now says:

Justice Clark's opinions are on the whole, very workmanlike—even scholarly.

A Berkeley professor who publicly opposed Clark's appointment to the Bench said:

On the whole, Justice Clark has refuted the criticism that some of us made at the initial appointment. It's only fair to say that his performance on the court surprised some of the people who opposed him. . . . Justice Clark has been an effective and articulate spokesman for his point of view.

Indeed his fellow justices, both liberal and conservative, had nothing but praise when his appointment to be Deputy Secretary of State was announced. Liberal Justice Stanley Mosk said:

Justice Clark, in my opinion, is an able public servant—industrious and thorough in everything that he undertakes. In addition, he is a warm and thoughtful human being. He will be a splendid addition to the Washington scene. I think everyone whether they agree or disagree with his conclusions respected the quality of this work.

Justice Frank Richardson, who has consistently sided with Clark's conservative views in court decisions, said:

I have nothing but praise for Justice Clark. He is thoughtful in his analysis and approach. He is not given to snap judgment. He has a fine mind. His character is beyond challenge. He is a very fair man . . . I hate to see him go. He has been such a fine companion. I think his voice on the court will be sorely missed. His point of view needs to be expressed.

And now that President Reagan has nominated him to be Deputy Secretary of State, some of my colleagues are hollering, asking narrowly focused questions and not looking at the man as a whole.

Justice Clark is of unquestioned character; he has demonstrated his competence as a farmer, a lawyer, a manager, and a judge. He is a man of vision with a wide range of abilities.

Our President has total confidence in this man. I have confidence he will serve him and the country well, and I am also confident that my colleagues who raise concerns now will later share my views. I am proud to vote in support of Justice Clark's confirmation.

I feel confident, therefore, that Mr. Clark will be able to fulfill the responsibilities of the job of Deputy Secretary of State, and I urge my colleagues to support his nomination.

If, after a year he proves not to be satisfactory, not to have learned enough, I join with my distinguished colleague from North Carolina in saying I shall begin to question the wisdom of his appointment, but until he has been given a thorough trial in that job I believe we should support the man that the President himself wants in the State Department.

I thank you, Mr. President.

Mr. BOSCHWITZ addressed the Chair.

The PRESIDING OFFICER. Who yields time to the Senator from Minnesota?

Mr. HAYAKAWA. Do I have time remaining? The Senator from Ohio has more time remaining.

Mr. GLENN. I have more time, but he is on the other side.

The PRESIDING OFFICER. The Senator from California has 2½ minutes remaining.

Mr. HAYAKAWA. I have 2½ minutes remaining.

Mr. GLENN. Mr. President, how much time does the Senator wish?

Mr. BOSCHWITZ. Mr. President, will the Senator yield me time not to exceed 20 minutes?

Mr. GLENN. Yes.

Mr. President, I yield 20 minutes to the Senator from Minnesota.

Mr. BOSCHWITZ. Mr. President, I rise in support of the nomination of William Clark to be Deputy Secretary of State. I would like to review in my comments the other Deputy Secretaries who have come before the Foreign Relations Committee and who have been confirmed in the past 10 years. There were six of them, Mr. President. Three of them had very substantial foreign relations experience. Two had very, very little, and one had none.

One of those who had very little

experience was the most recent Deputy Secretary, Mr. Warren Christopher. Deputy Secretary Christopher served our country very honorably in the recent negotiations regarding our hostages. But when he came into office, while he was not entirely devoid of foreign relations background and experience, most of his experience had to do with specialized areas of trade.

Mr. President, Elliot Richardson, who became Deputy Secretary in 1969, had no previous foreign affairs experience. His experience was limited to, yes, a couple of years on the staff of Senator Saltonstall between 1953 and 1954, but, other than that, the offices that he held were all offices within his native State of Massachusetts, except for his brief tenure with the Department of Health, Education, and Welfare during the Eisenhower administration.

The committee hearings on Elliot Richardson were rather brief. They ran a total of 15 pages, as opposed to the 84 or 85 pages that Judge Clark's hearing ran during most of the day. As a matter of fact, with Secretary Richardson, who went from the Deputy Secretary's job to many jobs within Government, all of which he performed with great skill and honor, almost the entirety of Elliot Richardson's hearing had to do with his driving record. Six of the fifteen pages had to do entirely with his driving record. The committee made no attempt whatsoever to question him in the areas of international affairs.

In short, Mr. President, not every Deputy Secretary of State has come to the Department with extensive foreign policy experience.

It is interesting, too, Mr. President, to note how the new Deputy Secretary looks at his job. The State Department has often been called Foggy Bottom, and it has been so called not only because it is located near the river, but because it is often hard to get an answer from those folks. Many people have noted the importance of management, the importance of decisionmaking, the importance of a system that would more effectively bring the efforts of the State Department to fruition.

How does Judge Clark view his own position as Deputy Secretary of State?

Senator BIDEN asked him that question during the course of the hearing, and Judge Clark said:

> My position will not be involved in making policy but, rather, in coordinating and implementing in the position as Deputy Secretary of State.

Later on, Senator KASSEBAUM asked approximately the same question, and Judge Clark answered once again:

> But, as I mentioned to Senator Biden, the deputy position historically, as we have studied it and as stated by the Secretary, has been one of administration.

So, as you see, Judge Clark does indeed look at his job as one of administration.

Senator GLENN during another part of the hearing asked approximately the same question of Justice Clark, and he said:

> As I mentioned before, I think it is not too different from what has been said in this case.

And then he went on to describe that he once again felt the job of Deputy Secretary of State was one of administration.

Because Foggy Bottom was indeed Foggy Bottom, the 92d Congress formed the Murphy Commission that the distinguished chairman has spoken about earlier. That was in 1971, Mr. President, and the Murphy Commission worked for 4 years before coming to a conclusion. They indeed found the State Department to be a foggy bottom that required a great deal of study.

The mandate of the Murphy Commission was to submit findings and recommendations to provide a more effective system for the formulation and implementation of the Nation's foreign policy because, Mr. President, the implementation and formulation of the Nation's foreign policy requires not only theorists, not only people who are knowledgeable about who the President of this or that African nation is, but also individuals who can organize, who can systematize, who can effectively utilize the many fine minds that are found in the Department of State.

Senator PERCY read a good deal of the Murphy Commission and its conclusions. I would like to expand even further because, Mr. President, much has been made of the fact that there is an Under Secretary of Management in the Department of State. During the course of Judge Clark's hearing much was made of the fact that if he was indeed going to be the manager of the Department, that was the position that he should assume.

It is interesting to note that the Murphy Commission states on page 46 that the Under Secretary and the Deputy Under Secretary for Management, putting the words "for management" in quotes in the report, manage their own areas of responsibility just as each Assistant Secretary manages his bureau and each Ambassador manages his Embassy.

Later in the report, in further defining the Under Secretary for Management, the Murphy Commission stated:

> With respect to the Deputy Under Secretary for Management—

Which is apparently the title that is now Under Secretary for Management—

> we feel it is important once having removed the notion rather widely held that he manages the Department to recognize that he does play a critical role in marshalling the supporting services for the Secretary and in the Secretary's management of the Department.

Note, Mr. President, that the Murphy Commission says—

> Once we have removed the notion rather widely held that he (the Undersecretary for Management) manages the Department.

He does not manage the Department, Mr. President. The Deputy Secretary of State manages the Department as was stated earlier in the report.

Indeed, it is the job of the Deputy Secretary of State to be the manager, to be the expediter, to be the fellow who brings his administrative skills to Foggy Bottom, to the Department of State, in order that it can more effectively enunciate and determine the foreign policy of the United States.

So, Mr. President, I look back at the record of Judge Clark and I wonder is this man a man who is going to be able to fulfill the historic function of the Deputy Secretary of State. Mind you, I do not say that his job is limited to management of the Department, but, rather, that that is his primary job. Clearly, Judge Clark brings that position great experience.

He came to the Governor of California, Governor Reagan, I believe in 1967, at a time when things, managerially, were not going so well for the new Governor; when he could not get a hold on the State government of California, which has 120,000 people; when he could not get any type of recognition; when he could not get answers; when he could not get responses. He brought in his friend William Clark and in short order, Mr. President, Judge Clark was able to bring order to the bureaucratic processes of the State of California and indeed make the Governor a much more effective Governor.

That is why, Mr. President, because of that skill, that President Reagan asked him not only to be Deputy Secretary of State but indeed asked him to fill three other Cabinet offices, not as Deputy but, rather, as the Cabinet officer itself, and in each instance he refused. However, apparently the President finally got to him with respect to the State Department. Perhaps, Mr. President, the President spoke in the same way that I am speaking today about the State Department, or, as it is characterized, Foggy Bottom, not only because of its proximity to the river but because of the difficulty of the decisionmaking process that exists there. Perhaps that is why he was able to convince Judge Clark to accept the position of Deputy Secretary of State.

I agree, Mr. President, with the words of my distinguished colleague from California, Senator HAYAKAWA, that all of us have come to this Chamber deficient in expertise in many areas that we have to pass judgment upon.

Mr. President, I came to this Chamber as a businessman, and certainly not as an expert in agriculture. Yet, like my friend Senator HAYAKAWA who spoke earlier, I, too, am on the Agriculture Committee. I am developing in expertise in this field, but that does not always come quickly, since we here in the Senate have so much to deal with, such a wide variety of issues. My situation is similar with respect to foreign affairs. I recently joined that committee. I have always had an abiding interest in foreign affairs, but yet the expertise that is going to be needed for me to properly participate in the work of that committee is something that I, too, will have to develop over a period of time.

Really, the only committee assignment on which I can say that I do have an abiding expertise is the Small Business Committee.

I understand, Mr. President, that some of our colleagues said to Judge Clark that he had 2 weeks, and that he should study the hearings of General Haig and the 5 days of testimony that he gave. But during that 2 weeks, Mr. President, he also wound up the affairs of his judgeship in California. He had decisions to write; he had many things to do. In Washington he had to become familiar with a number of Senators. He was in my office as well as in the office of the other members of the committee, so that indeed in that transition period I could quite understand that he could not, and probably no person could, become expert in the areas of foreign policy in a 2-week period.

One other thing, Mr. President, and that is that as I observed Judge Clark as a witness, I felt that he was trying to be extremely exact in the way he answered his questions. That may surprise you to hear me say that, when he did not answer a large number of questions regarding foreign affairs.

I believe and I understand that he was advised not to answer questions that would perhaps impact on the foreign relations of our country. I understand, too, from observing him that he is a person who only likes to answer questions about subjects in which he has considerable understanding and knowledge.

There is no question about it, as I have learned to know him better in a number of meetings since those hearings and before those hearings, that Judge Clark will be indeed a fast learner, that Judge Clark is indeed an effective administrator, that Judge Clark indeed will make a distinguished Deputy Secretary of State, as those before him who have had a similar lack of experience have also been distinguished Deputy Secretaries.

Thank you. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. PERCY. Will the distinguished Senator yield me 2 minutes?

Mr. GLENN. Mr. President, might I ask how much time remains on each side?

The PRESIDING OFFICER. The Senator from Ohio has 107 minutes remaining; the Senator from Illinois has 2½ minutes remaining.

Mr. PERCY. Mr. President, I should only like to say one thing to my colleagues. The Republic has gotten along for 196 years without the position of Deputy Secretary of State. We have operated with under secretaries. We have operated with assistant secretaries. We have operated with ambassadors. Only 8 years ago was this particular office created.

One of the occupants of that office was a businessman from Chicago, an outstanding industrialist, who also had served as Ambassador to Japan, but whose experience in foreign policy had been limited. The last individual to occupy the post was Warren Christopher, who came before the Senate of the United States as a distinguished lawyer, also from the State of California, but whose knowledge of foreign affairs was certainly limited. Ambassador Bog Ingersol and Warren Christopher, each served for a number of years in very distinguished roles, each of the roles somewhat different than was envisioned, because Secretary of State Henry Kissinger operated his office and the Department far differently than his successor Cy Vance or our own distinguished colleague Ed Muskie.

In a sense, the Deputy Secretary of State could best serve the Secretary of State by developing with him a definition of the Deputy's job. And it just so happens in this case that the needs of Secretary Haig are identical to the needs envisioned by the Murphy Commission; namely, an inside man who runs the store while various crises are being dealt with, while various dignitaries coming to Washington from around the world, meet with President Reagan or meet with Secretary Haig. Consequently, while the Secretary is concentrating on a particular concern raised by our distinguished guests from abroad, he will have someone who has access to the White House when needed, who has the confidence of the President and his most intimate advisers and who has a demonstrated ability to administer, analyze and get the necessary decisions made in a timely fashion. He can keep an even hand on the tiller while the Secretary is occupied with the particular critical situation of the moment.

The Republic has survived for 190-some years without the Deputy Secretary. We must remember that the Deputy Secretaries have had a variety of backgrounds, legal, industrial, or what have you. In this particular case, I think that the overall background of Justice Clark, though light on foreign policy, is heavy on managerial experience, it is heavy on his experience in government, and it is certainly heavy in his knowledge of and his working relationship with the President of the United States which will offer to the State Department a unique benefit that probably has not been connected with this office before.

For that reason, I urge my colleagues to support the nomination of the President.

Mr. GLENN. Mr. President, I yield such time to the Senator from Delaware as he may require.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. BIDEN. Mr. President, I rise in opposition to Judge Clark. Much has been said. I will try not to repeat the ground so ably covered by Senator Glenn.

But let me point out something that must be obvious to all those who were within earshot of this debate. And that is, no one is particularly enthusiastic about this nominee. If you notice, those who speak for him do what I would do if I were in their position—talk about the only possible area he could have any competency, and that is the area of managerial ability. They talk about his relationship with the President. They talk about him being an honest man. And, were I they, I would submit, if this debate were going to take 5 days, we would have 2½ days worth of support based upon integrity, honesty, and administrative ability, but nary a word about the ability to understand what is happening in the world.

If you notice, our distinguished chairman stated today, and very forthrightly at the conclusion of the hearings, that his support for the nominee is not based upon the record made at the hearing. And that is completely understandable. He is a wise man. There is no basis upon which to support this man based upon the record made in the hearing.

The chairman himself said—and I paraphrase—that he would hope that the message would go out and that the administration would not again send up people as ill prepared as this nominee. In effect, many of my Republican colleagues, as I read between the lines, somewhat subjective, were saying, "We are going to give you a by on this one, Mr. President, but don't put us in this embarrassing position again. It is awfully difficult to walk out there on the floor and tell everyone, for the world to hear and for the press to hear, that this guy should have the No. 2 job in the State Department."

The reason I had to leave the floor and did not have an opportunity to hear the comments made by my distinguished colleagues, at least several of them—Senators HELMS, HAYAKAWA, and BOSCHWITZ—was that I was meeting with some distinguished members of the German Government.

Their first question to me was: "Is it true that this man, Mr. Clark, does not know anything about southern Africa? Is it true that he really doesn't know what is happening in Europe and what the debate regarding theater nuclear forces was about? I mean, that cannot be true. How can the President have someone like that?"

And as a good objective person I tried to explain how that could happen. I explained to them that he is a good manager. I explained to them that he is a good guy. I explained to them the President likes him. And I explained to them that there is the Republican Senate and a Republican President, and it is the inclination of all of us, but particularly if you are of the same party, to give the President "his man."

But I also became somewhat subjective then, I say to Senator BOSCHWITZ and Senator PERCY. I suggested that maybe one of the reasons is that the President wanted somebody close to him minding the store. I think we have heard that expression used today "minding the store."

Maybe another way of putting that is "minding the Secretary of State," not only when the Secretary of State is not there, but when the Secretary of State is there. For the life of me, Mr. President, I can find no other reasonable explanation.

One might say, "Well, Senator, you are being unduly harsh. We have a man who is honorable and, although he has no background in foreign policy, he has demonstrated an intellectual brilliance. He is a man of high academic standing; a man who has demonstrated in other fields, unrelated though they may be, an overwhelming capacity to be a quick

learner due to his exceptional academic and intellectual background."

I have not heard that said today. I shall be willing, when I have finished, to yield what time I have left for someone to substantiate that argument; that, "Although you are right, BIDEN, he does not know much about foreign policy; although you are right, BIDEN, he does not understand what is going on in southern Africa; although you are right, BIDEN, he can't tell you what the issues are in Europe; although you are right, BIDEN, he does not even know what is happening today in Great Britain in the Labour Party"— which is on the front page of every paper in America—"although he does not know that, the man is brilliant. He has a first-rate mind that shows he can overcome what everyone must acknowledge is an overwhelming impediment for someone who is to be the No. 2 foreign policy person."

So I am waiting to hear that. I suggest that what we are likely to hear is "The man is a good man, a successful lawyer, honest, good manager; had a little trouble with law school, had a little trouble with the bar association, had a little trouble with the bar exam."

But we have all had that. I am not all that bright. Someone might suggest, "Your speech demonstrates that, BIDEN." But I am not all that bright, I am not Thomas Jefferson. We all understand those things.

But you would think, when we add it all up, there has to be some reason why this man has been picked for the No. 2 spot. Again, let us go through it. What is it?

Is it that he knows foreign policy? No.

Is it that he is very, very bright? Well, no.

Is it that he has shown an inclination to be able to deal with diplomatic questions? Does he have a knowledge of diplomacy as opposed to foreign policy, if there can be such a distinction made? Well, no.

Well, what is he, then? He is a nice, reasonable, personable, likable managerial friend of the President of the United States of America, something that is a pretty good thing to be.

One of the things I asked him was—and I was not being facetious, and I ask it here—"Why the State Department?" Why not someplace else? Why not Chief of Staff? Why not liaison in the White House with the State Department? Why not personal secretary to the President? Why not the President's scheduler? Why not the President's Administrative Assistant? Why State?

Let us assume that the hostages were not out. Can you all picture Mr. Clark shuttling back and forth to Algeria, negotiating the release of the hostages—a job which, at least, requires an understanding of the delicate relationships that exist in the Middle East? I do not think it is fair to do that to the man.

They say, "OK, we are not going to ask him to do those kinds of things. Warren Christopher did those kinds of things, but we are not going to ask this fellow to do those kinds of things. He is going to be a manager."

So, I said, "OK, that is good. If we are going to have a guy I do not think can do it, we might as well have somebody who can do the least that he knows to do, but no more, in a place where he might do a lot of damage."

I asked, "How about that? Are you going to make any policy?" He said, "No, that doesn't happen on my watch. I am not a policymaker."

So I said, "Well, that makes me feel better," because we have a Secretary of State who, although he demonstrated a prodigious knowledge of foreign policy, does not come from a diplomatic background. You would think he would need people around him, men and women around him that had specific expertise, that knew how the State Department works. Forget the issues, just knew where the dead bodies were, the who-struck-John, knew why department A does not speak to department B, knew whom not to put in a room together to get something resolved.

No, we are told he is an administrator, in spite of the fact that we have a Secretary of State, whom I supported, who impressed the devil out of me, who I think will be a good Secretary of State, who says he is going to be on the road a lot. When we asked him about shuttle diplomacy, he said, well, they would not call it shuttle diplomacy, but he likes to speak face to face. So unless Secretary Haig is going to bring everybody here, he is going to be going places.

(Mr. SYMMS assumed the chair.)

Mr. BIDEN. So, Mr. President, we have the man who is No. 2 saying, "I am not going to make policy." So, since I can count—one of the first things a man whom I never agreed with on policy, but liked very much, whom I worked for on the Judiciary Committee, the former chairman, Senator Eastland—one of the first things he used to say, every time I asked him a question, was, "Well, JOE, have you counted the votes?"

Well, I counted the votes. I figured since I counted the votes and I know I do not have the votes and Senator GLENN does not have the votes, at least it is good to know he is not going to be making policy. That makes me feel better, Mr. President.

Then I started reading the paper. We have a little old situation down in a place called El Salvador. We have a man who is the President of the United States who says we are going to draw a line at El Salvador. A number of my colleagues figure it is the place to get tough. I suspect we are about to have a real donnybrook—first here, on the floor of the Senate, and then, God forbid, but possibly, in El Salvador. At least I felt good that Mr. Clark, on the most immediate controversial issue facing him, would not be speaking about that, because he is not a policymaker. He is pure administration.

But at his press conference, he is talking about El Salvador, briefing diplomats. Now, what is it? What is he going to do at the State Department?

To reiterate, I understand why the proponents of Mr. Clark keep talking about his being a manager, because there is nothing else to talk about. But, my gosh, he is undercutting their argument already.

I suspect he is going to be a full-blown policymaker. I suspect he is going to be right in there with the best of them. The only problem is, the man does not know anything—anything—about foreign policy.

I was talking to my friend—and, as we say in this body, "and he is my friend"—Senator HELMS, a moment ago. I said, "You know, JESSE, this is the first time in the 8 years I have been in the Senate that there has been any controversy about a nominee that was not related to issues in some way, ideology in some way. This is the first time in 8 years that I am aware of that there was a full-blown discussion about somebody not knowing anything." I shall not say what he said, because that is executive privilege, but I will point out that reference was made to the fact that sometimes it is easier being in the minority than in the majority.

I am just glad my guy is not in the White House. I hope I would do the same thing. I hope I would be up here on the floor if President Carter sent up Mr. Clark. I realize it is harder for the Members on the other side of the aisle to stand up and vote against him at the start of a new administration, a start of a new 4 years. We have a President who says he wants him.

I know when that phone rings, from my past experience of 4 years, when it is the President and he says, "Hey, can you help me with this one?" It is kind of hard to say no.

I just wish, as we make this record, and when future nominees are sent here, that, in the Marble Room, some of you at least will come up to me and tell me—because I may feel better about you—"It is really for the President. It is not because we think this guy, all other tests applying, should have the job."

Mr. President, I am going to be a bit facetious. The chairman of the full committee pointed out, just before he sat down—and I was unaware of this; I always learn something when I listen on the floor—that for 190 years we did not have this spot. I respectfully suggest that it would be better not to have this spot than to have Mr. Clark in that spot; because not to have the spot means, at a minimum, that not a lot of damage can be done, but to have the spot occupied by someone—and all we can go on is his past record—who has not demonstrated in any way, in my opinion, an ability to be able to deal with the areas in question means that we very well may be in a spot where damage, at least confusion—unintentional, but nontheless confusion—can result.

I like Justice Clark, and I reiterate this for the RECORD. In my questioning of Mr. Clark, I started off by pointing out that I was not going to ask him his position.

I want to make this clear to my friends and colleagues: I am not voting against him because he has the wrong position on an issue. I am voting against him because he has no position on any issue.

I started off the questioning by point-

ing out that his lack of an academic background was not reason enough for him not to have the job. I understood that it was difficult to take a specific position. I had already learned my lesson. With the exception of General Haig, I could not get anybody in this new administration to take a position; because they all could say, with a degree of credibility, was "I don't want to prejudice what the President may say."

I wondered about that for a long while. My very capable staff people, like the two gentlemen sitting behind me, drafted all these questions, what to ask him. I concluded, 10 minutes before I asked the questions, that it would be of no value to ask those questions because it was likely that I would get the same answers: "It is too early for me to take a position, Senator."

So I decided to do something else. I want to put this in the RECORD once again, and then I will cease. I pointed out to him that I just wanted him to talk with me, just to discuss with me what the issues were—not the solutions, not the answers, not the positions, just the issues—that faced the United States in the area of foreign policy.

I said, "I would like you, Mr. Justice Clark, to be a professor for a moment. Let us discuss it as we would in a classroom. Don't take a position. Let's just talk about the issues."

So we started to talk. Senator GLENN has read many of the things into the RECORD. I will not take the time. I ask unanimous consent to have printed in the RECORD my questions to Mr. Clark and his answers.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Senator BIDEN. Thank you, Mr. Chairman.

Justice Clark, good morning.

Let me get right to my main point, if I may.

I am not concerned about your academic background. We are not hiring you to be a lawyer. If you were appearing before another committee on which I sit, the Judiciary Committee, I would find it impossible to vote for you for the Supreme Court, for example, for I do think that absolutely impeccable, overwhelming academic credentials are needed to indicate beyond any shadow of a doubt a Supreme Court nominee's full, total, and absolute comprehension of the Constitution and the laws of this country.

But that is not the job you are here for. You are to be Deputy Secretary of State. You don't have to be a lawyer for that. You don't have to have any background in the law. I, for one, think it admirable, the way in which you have conducted yourself in getting to and through school. I have a great deal of admiration for you.

You are one of the few nominees on whom I have read every single paper prepared by the staff. I think it is admirable that you not only did something—well, you know the expression we used to have in law school. It said something like the "A" students become professors; the "B" students you don't hear from; and the "C" students become successful lawyers.

You are and were a fine lawyer, evidenced by the fact that you built an enviable practice, something that a lot of fellows on Law Review never get to do. I think many don't have the competence to do it.

So I have great admiration for you. But I also have great concern about why the State Department. Why not Agriculture? Why not Commerce? Why not anywhere but the State Department?

I will take 2 more minutes in my opening remarks to explain my position, to explain my dilemma, before I get to questions.

We questioned Secretary Haig at length on substantive, detailed matters. We did this in large part because he was a military man and he had not been involved in the State Department previously, unlike the last Secretary of State, Cyrus Vance, who everyone acknowledged was an expert in foreign policy. Whether or not you liked his position, no one had any doubt about who Cyrus Vance was before he came before us.

We questioned General Haig extensively. I must say that he made a believer out of me. He has a prodigious knowledge of foreign policy.

But he did state, in response to a question about shuttle diplomacy, that he did not think shuttling was all that bad, that he liked face-to-face confrontation. This leads me to believe you are going to be minding the store quite a bit. It further increases, from my perspective, the need for someone to have a substantive knowledge of foreign policy.

I had great concern with Mr. Smith to be our Attorney General. He is a brilliant lawyer, but he had no knowledge of the issues. He was devoid of any position, more than any other nominee. The reason I voted for him was he said he guaranteed he would have substantive experts heading up the Criminal Division and every other division, people who had specific backgrounds.

But now I am sort of caught in the middle in terms of the standards which I apply to determine whether or not I will vote for someone. We have here a Secretary who says he will be away a great deal and who does not come from a foreign policy background. So, I would look more toward having an expert person at the helm when he is out of country.

I see no indication of that in your background, and you have been forthright in expressing that you have no such background.

I also found, when we ask you or any other nominee for his or her position on a specific issue, that the nominee says, justifiably, he would rather not take a position now so as to prejudice the position of the President or the Secretary; but sometimes the person clothes a lack of knowledge in that answer. It is a good answer and it is very difficult for me to penetrate, to say, "Well, why don't you have a position on SALT or on this other issue?"

So, I have decided to take a new tack with you and, in terms of my vote. I sincerely hope you can answer these questions.

I don't want to know your position on any of the issues. I want you to be a professor and explain the issues to me. I want you to set out for me, in each of the areas of the world I want to discuss, what you view to be the compelling issues there and not what position you would take, as I don't really care what that is.

Let me begin with southern Africa—not South Africa, but southern Africa, such as Namibia, Zimbabwe, Swaziland, Mozambique, Angola, and so on.

Tell me, what do you think are the compelling issues concerning U.S. interests in southern Africa? What are the competing forces that we will have to be making decisions on

Justice CLARK. Senator, from the standpoint of the national interest, I would deem the compelling questions to be two, as stated by Secretary Haig, primarily, and by President Reagan. The first is Soviet intrusion and influence; the second, related to the first, is the problems created which must be met in the area of natural resources and our ability to rely on those resources in the face of that intrusion.

Senator BIDEN. Can you tell me who is the Prime Minister of South Africa?

Justice CLAY. No, sir, I cannot.

Senator BIDEN. Can you tell me who the Prime Minister of Zimbabwe is?

Justice CLARK. It would be a guess.

Senator BIDEN. Can you tell me what the major bilateral issues are between the United States and Brazil at this point?

Justice CLARK. I am unaware of the priorities. But from my general reading, I think one concern regarding Brazil is definitely balance-of-payments problems, the economy. I will stand corrected, I am sure, from all kinds of expertise when I get back to the State Department, but I believe Brazil is No 1 in debt at the moment on the international scene.

Senator BIDEN. I really don't like doing this, Justice Clark, but I don't know how else to get at the point.

What are the countries in Europe, in NATO, that are most reluctant to go along with theater nuclear force modernization? From what countries do we have the greatest difficulty getting cooperation in the placement of long-range nuclear weapons on European soil?

Justice CLARK. I am not in a position, as you already have suggested, Senator, to categorize them from the standpoint of acceptance on the one hand and resistance on the other.

Senator BIDEN. Well, then, let's talk about England for a moment. England is a longstanding and staunch ally and is going through some difficult times.

Can you tell us, from accounts in the newspaper, what is happening in the British Labor Party these days?

Justice CLARK. I don't think I can tell you with specificity what is happening in the British Labor Party these days.

Senator BIDEN. I really apologize, Mr. Justice. I know you are on the spot, but I don't know how else I can do my job.

This is one of the most distasteful question-and-answer periods in which I have participated. And, by the way, no one but me, not my staff, suggested that I use this approach.

The staff book is full of specific questions, questions which everyone else has. My staff persons who are not on the committee staff also had specific questions. But the issue with regard to you, Justice, in my opinion, is not whether or not you are bright. I think you are a bright man.

I am so sick of establishment-type lawyers. I have had them up to here [indicating]. I started off my practice of law the same way you did. I went out at age 27 and started my own law firm. There were many blueblood lawyers in town who might have thought twice about hiring me, although one decided to do it. But I am a better lawyer than many of them were. They would not have known how to start a business if they had not inherited one.

So I have an incredible regard for you. I really mean that. But you are supposed to be the expert. I am not looking for someone who is a manager. You are going to be running that outfit a lot of the time. You will be heading up interagency groups.

For example, I was going to ask you to tell me about the makeup of the National Security Council, even though that is not your responsibility. But it is a big issue these days. I just don't know how else to go about this. I'm really sorry.

Justice CLARK. Senator, I don't want you to be sorry. Perhaps I can help you with your dilemma.

Senator BIDEN. Sure, please.

Justice CLARK. In the first part of your question you said why the State Department. I certainly think that is a fair ques-

tion. Of course, the best witness for that answer would be the gentleman who nominated me and asked me to come here today.

But my understanding of the answer to that question is this. First, President Reagan wants the Department of State returned to its historic preeminence as the place where foreign policy is created, where strategy is created, where it is announced. His analysis has been that this has not been the case. I think it is very well granted that the State Department has had its problems, not only in the creation but in the announcement of foreign policy, during the past several administrations. It has been in the area of communication, primarily, within the triangle of White House at the top, State in one corner, and Defense at the other.

Looking at the people involved here, based on his past experience, he made this decision.

I worked with the Secretary of Defense, Secretary Weinberger, for over 15 years, not only in Sacramento, but after going on the bench. He asked me to take 10 days away from that bench, between Christmas and New Years, over that holiday, and to come back with him and assist in the reorganization of the Federal Trade Commission. I did that.

I have communicated with him, not on a professional basis, of course, but certainly 2 weeks never have gone by in the interim period during which we have not talked.

Senator, the same situation prevails at the White House. I think this will benefit us. This does not mean that I will be undercutting the Secretary. I am told by our operations center that they guarantee my communication with the Secretary within 2 minutes, any time he is either within the country or without.

I do not intend to keep my own agenda or to be acting in any way that does not—and I might add, this has occurred this week—I have not spoken to the President or any of his staff without informing the Secretary of the substance and the procedure. So, if that assists your question of why the State Department, I offer it to you.

Senator BIDEN. Judge, I am not concerned about undercutting Secretary Haig any more than I am concerned about my son, with a shovel, undercutting a granite mountain. [General laughter.]

I say to anyone who tries to undercut Secretary Haig, "Good luck."

That is not my concern.

I would not be concerned if, in fact, there was a redefinition of this job. I think there is a place for a person such as you, with your consummate skill in being able to order things, to put things together. You did a fine job for the President when he was Governor. Obviously Caspar Weinberger and others believe you have that capability and I do not doubt that.

But here we have an administration and a Secretary of State telling us that we are not going to have this individual in a policy-making position. He is going to head up new committees, he is going to head up interagency committees. He is going to be somebody who, from the word "go," has some real knowledge about the issue, or has to.

My time is almost up.

Senator Pell said that we do not move people from citizen to admiral for political reason, we don't offer contributors the position of admiral in the U.S. Army because it would raise a furor.

Senator GLENN. Navy, Joe.

Senator BIDEN. Excuse me. I beg your pardon. Of course it is the Navy. I'm so upset, I don't know what I am saying.

We wouldn't do such a thing without expectation of creating a furor. But we do do that with ambassadors because somehow we seem to think ambassadors can learn on the job.

Senator Pell suggests, rightfully, that they can learn no more quickly on the job than someone could to learn to be an admiral in the Navy.

Well, I would respectfully suggest that this is not a place to learn on the job. You would have to learn on the job. I believe you could learn on the job. But I just think that the job of Deputy Secretary of State requires expertise—and the same standard should be applied to all other people down the line, in the Justice Department and other departments, particularly when there is not somebody who comes in with an overwhelming expertise and background with that agency. The people under him should not have to learn on the job either.

Unless something happens in the next 45 minutes to 6 hours, I seriously, respectfully, cannot support your nomination, Justice Clark.

Justice CLARK. I respect that position, Senator.

I have just one point to make.

Regarding making policy, I have discussed this with both the President and the Secretary. Perhaps I did not make that clear, or maybe you came in a little after my description of what we consider to be the role.

My position will not be involved in making policy, but rather in coordinating and implementing in the position as Deputy Secretary of State.

Senator BIDEN. I am sure you will be confirmed, and if confirmed, I would be happy, if you are willing, to work with you in any way I can. But I just cannot vote for you and maintain credibility with regard to my votes on all other nominees over the last 8 years and the next series of nominees that will come before us on the standard that I, perhaps incorrectly, set for what I think that job should be.

Justice CLARK. I will respect that position, Senator.

Senator BIDEN. Thank you.

Thank you, Mr. Chairman.

Mr. BIDEN. Mr. President, the answers ranged as follows:

Senator, I'm not prepared to answer that.

Senator, it would only be a guess.

Senator, I'm unaware of the priorities.

Senator, I'm not in a position, as you already have suggested, to categorize them from the standpoint of acceptance.

Senator, I don't know.

Mr. President, the practice in vogue during the last administration was to give everybody report cards. For what it is worth—and it will not be worth much, in light of the numbers—I give Mr. Clark an A for honesty, an A for forthrightness, an A for being a nice guy, an A for being a good person, an A for being a guy who would make a good fishing buddy or a racketball partner, an A for his relationship with the President, an F in the area of knowledge of foreign policy, and a C in the area of academic standing.

Overall, the best I could come up with, even with all those A's—because foreign policy is a four-credit course and the others are a one-credit course—is a D. [Laughter.]

The President may not know it, but he deserves better—not a better man, but a better person, who understands the area. This country deserves better.

As Senator GLENN so aptly put it, if we are going to agree to and vote for this man—which I expect we are—let us just send up the FBI records from now on. Two things: Have the President say, "I like him," and send up the FBI report and let us know that he is clean, and be done with it. We will save a lot of time for all of us, and it may save some embarrassment for some of us.

It is not a task that I enjoyed in the committee, nor one that I enjoy now. I actually considered not coming to the floor to say anything about this; but I do not know how in God's name we can say that the process has any meaning unless we at least lay out the record as to what we are about to do here.

I thank my colleagues for their indulgence in listening, and I particularly thank Senator GLENN for yielding time.

The PRESIDING OFFICER. Who yields time?

Mr. BOSCHWITZ. Mr. President, will the Senator yield me 5 or 8 minutes?

Mr. GLENN. I yield 5 minutes to the distinguished Senator.

Mr. BOSCHWITZ. Mr. President, I listened with great interest, as I always do, to my friend and distinguished colleague from Delaware, to whom it is always a pleasure to listen.

As I listened to him describe Judge Clark and the State Department, one would think that there is hardly going to be anybody else over there. If I have my numbers right, there is 1 Deputy Secretary but there are 4 Under Secretaries; there are 22 or 23 Assistant Secretaries assigned to the many segments of the world and to the many segments of the business of the Department of State.

Then my friend from Delaware said that we who are supporting Judge Clark talk about him as he would talk about Judge Clark if he were supporting him—that is, we talk about his integrity, his honesty, and his administrative ability. Those were the three categories set forth by my friend from Delaware. Those are pretty good qualities. Those are pretty good things for which to commend a person—integrity, honesty, and administrative ability.

While my friend was talking to the folks in Germany, he was not present to hear the reasonable explanation as to why Judge Clark was put where the President decided to put him, as the No. 2 man at the State Department. My friend from Delaware said there was no reasonable explanation other than the fact that Judge Clark was a friend of the President, other than the fact that he had to keep an eye on the Secretary of State, not only when the Secretary of State was gone but even while he was there.

This Secretary of State, as my friend from Delaware knows, is a very strong-willed, very intellectually capable person. I cannot imagine that the President would feel it necessary to have somebody there to keep an eye on him.

My good friend from Delaware talks about the administrative ability of Judge Clark, that administrative ability having been proved in spades in the State of California, where he did an admirable job in support of the then Governor of California.

I point out to my friend and colleague, once again, the Murphy report, which was commissioned by the 92d Congress in 1971.

I should like to quote a portion of the Murphy report that I did not quote before, a portion that the distinguished chairman of the committee did not quote, which stresses that the Deputy Secretary of State should be an administrator, a manager. The report makes the distinction between the Under Secretary for Management and the Deputy Secretary of State. The report states:

Management is not housekeeping. Management is not even administration, although both administration and housekeeping are important aids to management. Management is direction and control.

It follows that only the Secretary and the Deputy Secretary can manage the department in the sense of pulling together all the substantive policy efforts and the personnel and administrative support into a single effective whole. Only they are in a position to do so.

Only they, Mr. President, are in a position to do so.

Mr. BIDEN. Mr. President, will the Senator yield for a question?

Mr. BOSCHWITZ. I yield.

Mr. BIDEN. I wish to make it clear. I do not grant that he has this great management ability. The Senator might be able to enlighten me. How many people has he managed? I say that is the argument that the proponents use. How many people has he managed?

Mr. BOSCHWITZ. I did not say that the Senator granted that he had.

Mr. BIDEN. Fine.

Mr. BOSCHWITZ. However, the Senator did say the three aspects of this personality that we talk about are the same that the Senator would talk about, integrity, honesty, and administrative ability, and on that basis I presume that the Senator agreed that he had those attributes.

Mr. BIDEN. I will not debate that with the Senator now because I do not have much time on this. But I am going to ask the Senator a question.

The PRESIDING OFFICER. The time yielded to the Senator from Minnesota has expired.

Mr. BIDEN. Mr. President, will the Senator yield 2 additional minutes so I may ask a question?

Mr. GLENN. Yes.

Mr. BIDEN. Mr. President, will the Senator yield to the Senator a few additional minutes?

Mr. GLENN. I yield 5 minutes.

Mr. BIDEN. My question to the Senator from Minnesota is: How many people did he manage when he was in California?

Mr. BOSCHWITZ. The State of California has a total employment of 120,000 people. He did not manage. He was not the Governor. He did not manage 120,000 people. But he was the principal arm of the Governor in bringing some structure to the management of those people so that the Governor would be able to oversee the management of those 120,000.

Mr. BIDEN. In the same sense that each of our administrative assistants is a manager: is that correct?

Mr. BOSCHWITZ. I would make that analysis, though the analysis is a little out of sync because my administrative assistant manages three dozen people. That is a long shot away from 120,000, overseeing the activities of that many people.

Mr. BIDEN. My point is and my understanding is he did not manage many people at all. He did not head any department, to the best of my knowledge. He merely was, and although important, the closest person to the Governor and an adviser; a coordinator, in the same sense that the gubernatorial AA is, but he did not manage in the sense that he has managerial expertise and experience, to the best of my knowledge, either on the court or as the assistant or whatever his title was to the Governor.

So I really think we are talking about very different roles.

Mr. BOSCHWITZ. As the Senator knows, during his testimony he stated to the Senator that "my position will not be involved in making policy but rather in coordinating and implementing the position of the Deputy Secretary of State."

Further, in the Murphy report, it went on to say, and this is an additional quote to those that the Senator has heard before:

The concept of the nature of management has two important implications to the Department. In the first place, the Secretary and Deputy cannot delegate the management of the Department as a whole. They can delegate authority to supervise functions and activities, but the control and direction of the entire Department remains with them. If personnel and budget and communications are to be marshalled, the support and policy and the strong single effort, only the Secretary and Deputy Secretary can bring that about.

This is approximately what he did in the State of California, where he was able to marshal and find the focus of the State bureaucracy and present that to the Governor so that the Governor would be able to properly oversee the bureaucracy of 120,000 people.

So, Mr. President, I think there is a good explanation for the nomination of Judge Clark.

Again, I state that the name of Foggy Bottom is something I hope that the present Secretary of State and his new deputy will be able to overcome, and I hope, as I know my friend and distinguished fellow Member from Delaware hopes, that at the end of his term people will say that indeed this choice was a strong choice. I believe it will be so.

I yield back the remainder of my time.

Mr. GLENN. Mr. President, I yield myself such time as I may require.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. GLENN. Mr. President, the only thing to be said for this nomination, according to those who have spoken on behalf of him here in the Chamber, is that he is a management expert and he will not be involved in policy.

The U.S. Government Manual lists the duties of the Secretary of State. No. 1, and then it lists the Deputy Secretary of State. In describing the Deputy's duties, it says the following:

The Deputy Secretary of State is the Secretary's principal Deputy and serves as acting Secretary in the Secretary's absence.

It goes on down, I might add, three or more levels until it gets to the Under Secretary for Management who advises the Secretary on management matters, but that is not the principal job of the Deputy Secretary of State for which Mr. Clark has been nominated.

When we opened our committee hearings on the nomination of Justice Clark, our distinguished chairman indicated in his opening statement the following:

The Deputy Secretary of State is the second highest ranking official of the State Department. In this position, the Deputy Secretary functions as the Secretary's alter ego, principal adviser, and, in the Secretary's absence from the country, he acts as Acting Secretary of State.

Skipping a paragraph or two down here, the chairman said also:

In recent years, Deputy Secretaries have performed many vital services for the Department. These have included: Acting as Chairman of the Under Secretary's Committee on the National Security Council System; supervising the work of the National Security Council group and State Department office which is concerned with Law of the Sea negotiations; and actively participating in many other negotiations, not the least of which have been carried on by Warren Christopher, most recent Deputy Secretary of State, who has performed tremendously valuable service for his country in connection with the agreements reached with Iran.

We go on over into our hearing record and, in response to a question that I asked regarding his duties, in an attempt to get this spelled out a little bit better, Justice Clark replied with some answers to the first part of my question and then said:

Second, does the role, as viewed by the President, the Secretary and me, of Deputy Secretary of State change from what it has been in the past. The answer is "No."

I believe before you came in I received that question, and I used the term "alter ego." It is a statutory position, and in the absence of the Secretary of State, the Deputy becomes the Secretary of State, to consider all issues across the board.

Those are Mr. Clark's own words of his perception of the position to which he has been nominated.

Mr. BOSCHWITZ. Mr. President, will the Senator yield?

Mr. GLENN. No; let me finish up and then I will answer questions on it.

Let me go ahead now to a little later in our hearing—

Senator GLENN. Well, I guess that is a difference here and the way we look at your job. We look at you as a pseudo-Secretary of State. We do not look at you as just an administrator, to make sure that the papers all get out of the box on time and things like that. We look upon you as setting policy, along with the Secretary of State because, if he is incapacitated or on a trip, then you are it. That is what I was trying to get your views on a little while ago. I think maybe we take a rather different view of this.

I think maybe you look at your job as being sort of an administrator to make sure that the trains run on time around the State Department, things like that, whereas we look at you as being part and parcel of the policy forming and implementing mechanisms of this Nation.

That is just a comment and maybe you wish to respond, or maybe you do not. I am just making an observation.

Justice CLARK. I would like to respond, Senator.

And he commented on something Senator DODD had said, and then said, and listen to this:

I am not here before you for a paper-pushing position. I expect to assume the full duties of the office, if confirmed, and to serve at the President's pleasure, until such time as he feels I am unable or incapable of carrying those duties out.

Senator GLENN. Do you have any assurance from the Secretary that you will be included in all the policymaking meetings and decision apparatus that is formed over there so that you will be part and parcel of the decisionmaking process? Do you have any assurances from the Secretary on that?

Justice CLARK. I do have such assurances, Senator, and I have conversely assured him that I have no separate agenda in that area.

That indicates his view of what his job is to be.

Later on when the chairman of our committee, the distinguished Senator from Illinois was winding up his comments, he made this statement:

If I had to make a judgment on the basis only of yesterday's hearing, I would have to vote no.

Later on in that same summary our distinguished chairman said:

Never again can we accept a candidate who professes ignorance in an area where he is going to be given responsibility. He will be required to get necessary information or to supply it for the record.

I guess my question would be if that is to be our policy in the future, Why do we not start it now?

I think we have gone through about as much of the debate here as is going to be productive. Soon I hope we can yield back our time and get on with the vote.

I believe that the other side is about out of time. If they wish any additional time, I will be glad to yield, but I am prepared to yield back my time and get on with the vote.

(Mr. SPECTER assumed the chair.)

Mr. PERCY. I think we can proceed immediately to the vote.

Mr. President, I would just like to reply to the quotation given by my distinguished colleague from Ohio when I did say if I had to base my judgment solely on the hearing I would have to vote "No." Now, fortunately, the hearing is only a part of the process.

An investigatory process in a job like this should begin with your own individual judgment: Can this man carry on the responsibilities and duties?

As I said to the President, I could not form a judgment on that until I had directly discussed with Justice Clark his views, and idea, and how he would fulfill the responsibilities of this office.

I had such an interview. It lasted several hours. I have subsequently on three or four different occasions discussed the job with Justice Clark, and I have satisfied myself that he can perform the functions of the office. I have also had extensive conversations not just with the President but subsequently on several occasions with Secretary Haig, including a conversation this morning, in which he reiterated after working with him for 2 weeks on the job day after day, giving him assignments, asking his assessments, asking him to substitute for his presence down here at the Senate Committee on Foreign Relations, that he is totally and completely satisfied that he will perform those functions in an admirable way.

This assessment comes from a man who for some 37 years has been used to issuing orders, working with people in various aspects of life, particularly the military, but also in diplomacy in Europe where he has served this country with great distinction.

My judgment then was based not only on my interviews with Justice Clark, but also the questioning that has been conducted with some 30 to 40 individuals, namely, his peers in California, who have known and worked with him. The universal judgment of these individuals has been extraordinarily high. They have looked upon him as a man of great integrity, a man of intelligence, a man who is able to analyze and appraise, whose judgments in complicated cases in the Supreme Court of California, the State's highest court, are on the record and available for study by anyone who wishes to see the workings of his mind as he thought through the complex problems with which he was dealing.

He performed his duties in such a way that he was regarded with considerable respect by those who worked with him.

My net conclusion was that he would serve the President of the United States, he would serve the Secretary of State, with great distinction, and our relationships with the State Department here in the Senate and with members of the Foreign Relations Committee where we have a particular constitutional responsibility for foreign policy, will be carried out by him in a way that will be a credit to the Department.

For that reason I support the nomination.

I believe Senator BOSCHWITZ would like to speak. How much time would the Senator desire?

Mr. BOSCHWITZ. Three minutes.

Mr. PERCY. Senator Boschwitz would like 3 minutes if it would be yielded by the minority floor leader.

Mr. GLENN. I yield 3 minutes.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. BOSCHWITZ. I do not want to unnecessarily prolong this debate, and I will not do so, Mr. President.

The matter of the Secretary's alter ego has come up. That is terminology that is used in the statute, and I would like to refer once again to the Murphy report which carefully defined the position of the Deputy Secretary. This is a section that has already been reviewed by the distinguished chairman, the Senator from Illinois, but I would like to read it once again because it really is an important part. It states, and I quote:

Clearly the Secretary needs a Deputy in whom he can put the greatest reliance. However, this relationship—Deputy and principal—difficult in any organization, is especially sensitive with the Secretary of State for the very reason that he can pass to his Deputy only a limited number of his responsibilities. The Deputy cannot be an alter ego in the usual pattern.

When Senator DODD asked Judge Clark about the term, "alter ego," Judge Clark said, yes, indeed, he would be the alter ego. Judge Clark replied, and I quote, "Yes, because that is a statutory designation," and indeed it is.

If I may just conclude by reading another sentence or two from the Murphy report, it continues, and I quote:

It makes it all the more important, therefore, that the Secretary delegate as much as possible of the management of the Department. At a minimum the Deputy should be able to integrate the multiple geographic, functional and staff offices of which the Department is comprised. He should also be able to assist the Secretary in marshalling the personnel and administrative support elements—the resources of the Department—to the basic policy purposes.

Certainly, this would involve the Deputy Secretary in meetings regarding policy; certainly this would involve, in order to make the Department go, a Deputy Secretary in all the councils of the Department.

Let me conclude, Mr. President, by saying that my friend and distinguished colleague from Delaware said that "No one speaks about Justice Clark enthusiastically." I want to correct him because I indeed do speak about him enthusiastically. He has demonstrated great administrative ability. There is no department in Government which needs him more.

I yield back the remainder of my time.

Mr. GLENN. Mr. President, I yield myself such time as I may require.

I would repeat to the Senator what I just read a few moments ago from Justice Clark's own statement:

I am not here before you for a paper-pushing position. I expect to assume the full duties of the office, if confirmed, and to serve at the President's pleasure, until such time as he feels I am unable or incapable of carrying those duties out.

Then I asked him:

Do you have any assurance from the Secretary that you will be included in all the policy-making meetings and decision apparatus that is formed over there so that you will be part and parcel of the decision-making process? Do you have any assurances from the Secretary on that?

Justice Clark's response was:

I do have such assurances, Senator, and I have conversely assured him that I have no separate agenda in that area.

The Murphy Commission, which has been referred to several times here today, issued recommendations. The current designation in the U.S. Government Manual of the duties of a Deputy Secretary of State is:

The Deputy Secretary of State is the Secretary's principal deputy and serves as Acting Secretary in the Secretary's absence.

There are no qualifications or removals of any part of that authority. That is the entire statement of his responsibilities.

I would only close by saying that the Senate judges on the hearing record. We cannot be going all over the country calling on friends concerning nominees. While that may be satisfactory for people who may have friends in areas from

which a nominee comes, the Senate as a whole relies basically on the hearing record that is made available by each committee with responsibility for the nomination.

It comes as a great pleasure to me to hear that on-the-job training at the State Department is alive and working very well, and that in the last couple of weeks Mr. Clark has been making great progress. Maybe there is hope yet.

Before we end this today I would say to Mr. Clark—as I am sure he will be reading the transcript of this debate—that there certainly is nothing personal in this. I think he was served very ill by those in the State Department who advised him that he should come over here and imitate a clam, giving as little information as possible.

I think his own best instincts were probably not in that direction.

I would counsel him not to be misled in the future by these advisers, but to be his own judge. I think they rendered him a great disservice, if that was the advice they gave him.

I would comment, in wrapping up this debate, on one thing that the Senator from Delaware said about having comments from those in foreign countries who were somewhat appalled by this nomination. I had an experience in that regard this past weekend myself.

I went to a defense seminar, the Wehrkunde Conference, in Munich, over this past weekend. There were comments made to me also brought up first by some of our own American diplomats there, and then also by some of our NATO allies' personnel who were attending that meeting. So this has not gone without notice on the international scene.

I believe the distinguished minority leader wishes to be recognized, and I yield him whatever time he may require.

Mr. ROBERT C. BYRD. Mr. President, I shall be very brief. I thank the distinguished Senator for yielding.

I commend the distinguished senior Senator from Ohio (Mr. GLENN) on his efforts to focus attention on this nomination.

The nomination process is a serious one, and the Constitution gives the Senate a major role to play in that process.

In this particular case, Senator GLENN has reminded all of us of this important responsibility, and he deserves great credit for doing so.

The message is a clear one: If we do not take this responsibility seriously, then we obviously cannot expect others to do it for us.

Very appropriately, I think that all of us owe Senator GLENN a debt of gratitude for his diligence and dedication in this matter. I commend him for bringing it to our attention.

Mr. PERCY. Mr. President, will the distinguished Senator yield?

Mr. GLENN. I yield.

Mr. PERCY. Mr. President, I join the distinguished minority leader in his commendation of Senator GLENN, who I have found, after working with him on two major committees, Governmental Affairs and Foreign Relations, to be the essence of what a Senator ought to be. He follows the dictates of his conscience. Although extraordinarily difficult to date he has on a number of occasions taken positions out of conscience in opposition to his own President. We deeply respect his right to do so and respect the fact that he follows that conscience and does so because he believes that is what the U.S. Senate is all about.

Mr. President, I would like to have incorporated as part of this RECORD the comments of Senator CRANSTON, the assistant minority leader, a Californian, a distinguished member of the Foreign Relations Committee.

He has taken upon himself a particular responsibility, because the nominee is a Californian, to consult with a wide number of prominent citizens who fulfill quite diverse roles in public and private life in California, including Democrats and Republicans and fellow justices of Justice Clark on the State supreme court. He said:

> I have concluded that he is a fast learner when he wants to be and that he is a sound administrator.
>
> Two particularly encouraging things were said to me. These were, first: "He is able to get right to the heart of an issue," and, second, "He can take a problem and boil it down to its essence."
>
> I understand the concerns expressed by each of the members of the Committee's minority.
>
> However, my conversations with numerous Californians indicate that Justice Clark has considerable ability to apply himself with full and effective vigor when challenged.
>
> It is clear that Justice Clark is a man in whom the President has a very high degree of confidence, with whom the President has a particularly close relationship, and upon whom the President has depended in the past and wants to depend upon now and in the future.
>
> For these reasons, I am prepared to support his confirmation.

Mr. BAKER. Mr. President, I rise to speak in support of the President's nomination of Justice William Clark for the position of Deputy Secretary of State.

Before the Senate is a nominee who, as an attorney, established a highly successful practice of law; who, as an administrator, earned high praise and esteem for his role in the streamlining of the government of the State of California; and who, as a jurist in the California court system, has served with the highest honor and distinction. He is a nominee of exceptional intelligence, of unquestioned character, and of consummate administrative skill.

I submit, Mr. President, that executives should be selected on the basis of their range of abilities, their decisiveness, and their breadth of experience.

Justice Clark meets these criteria.

Furthermore, he has the absolute confidence of the President. They are friends and associates of long standing.

Some 8 years ago, when Justice Clark took his oath of office for the California Supreme Court, then-Governor Reagan said:

> I have the highest of expectations, the greatest of trust and confidence and the greatest of respect and affection for the man who will here take this oath.

Governor Reagan's expectations were fulfilled. His trust and confidence were justified. His respect and affection were deepened.

Bill Clark is about to assume a new and challenging assignment. I am absolutely confident that his performance in office will justify President Reagan's high expectations and trust which the Senate will shortly confer on him.

(The following proceedings occurred earlier today:)

Mr. STENNIS. Mr. President, as I have just stated here, I understand the Clark nomination for Deputy Secretary of State is scheduled to come before this body at 3 o'clock. I had expected to be here with some remarks to make and perhaps take further part in the debate to some degree, but I am confronted now with some additional matters that come at that time and, therefore, I am addressing the Senate now. It is out of order, in that it is not the pending matter, but it is certainly relevant to the nomination.

Mr. President, I have looked into the matter of the nomination of Justice William P. Clark to be Deputy Secretary of State. I read major parts of the record reflected by the hearings, and the hearings were very good and very timely, and, of course, they should have gone into any matter that they saw fit.

But the only thing I could find to seriously question is that this gentleman has been a judicial officer, but with a good record and now he is being switched over to one you might call of administration or deputy to the Secretary of State, an altogether different subject matter.

It just occurred to me that if you are going to rule a man out because he has been a judicial officer for a while and did not know a great deal about the State Department or any other part of the Federal Government, I would have been ruled out by that score when I got here as a Senator, because that had been my background for several years at least. I was a trial judge, not a member of the superior court or the Supreme Court, but a very busy time in the courtroom in the judicial branch to the exclusion of everything else. But I did find that experience worth a great deal, as I tried to find my way through the bottomless pits that anyone coming here as a stranger to the Federal Government, anyone coming here as a newcomer is confronted with those problems.

So I do not see any objection to the experience. It will not be a back step or a hindrance but in turn would be a benefit to Mr. Clark as I see it.

I have looked carefully into his background. It was not just a matter of wanting to rally to the cause of someone that had been in the judicial branch, but I did want to know what I was passing on.

I am very greatly interested in the Department of State at this critical time in our history where I have already said here on the floor that I thought we had to go back and make a superior effort again to have more of a bipartisan or nonpartisan foreign policy than we have been able to have in the last several years. I hope we can make some headway on that before we have had another Presidential election.

This is a highly important office. It is the second-ranking office within the State Department; and, in addition to acting as the Secretary of State's principal adviser, the Deputy Secretary of State, in the case of the Secretary's absence from the country, acts as Acting Secretary of State.

I do not know Justice Clark personally. However, I have examined his background very carefully, and I am impressed by the fact that since 1969 Justice Clark has been a member of the judiciary of California. When nominated as Deputy Secretary of State, he was a Justice of the Supreme Court of the State of California.

I know from my own experience that anyone who comes to Washington is faced with a learning experience. This is particularly true in the case of one who is from the judicial area. I was a judge myself before being elected to the Senate, and I am convinced by my own situation that judicial experience will be very helpful and useful in this position.

So I believe, Mr. President, in substance that the judicial experience with Justice Clark has had will be very valuable to him in this position. Everyone seems to agree that he is a man of character and experience, experience in government, a man of some imagination as well as judgment, and with time to get familiar with the workings of the Department of State I think the chances are that he would make a very good and valuable officer, too.

In any event, I have looked into this matter rather fully and was fully satisfied with the man's integrity as a public servant over a period of years that he has served and even part of that has been served directly with the present President, President Reagan. I am going to vote to confirm the nomination for these reasons.

Mr. HEFLIN. Mr. President, I have listened attentively to the remarks of the senior Senator from Mississippi and knowing his judicial background, having a judicial background also, I would like to concur in the remarks of the Senator from Mississippi. I think that he has evaluated Mr. Clark in a proper manner and I think his background is such that it will provide an analytical, studious, and scholarly approach to the affairs of state.

Mr. STENNIS. I thank the Senator. And I know I can commend him for his words as well as his outstanding experience in the judicial field.

Mr. President, I yield the floor.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I would like to add my words to those made by the distinguished senior Senator from Mississippi and the Senator from Alabama.

It might be of interest to the Senate to know that my support of the President's nominee for this important position will be there. My colleagues in the Senate might be interested in knowing that I do not come at this as a former member of the judiciary, as my great friend from Mississippi and my great friend from Alabama have just attested to, but rather I think that the President must be given great leeway in choosing the important officers in the executive branch of Government.

I share the feelings of the two previous speakers on this subject, that I do not think that it is critically important that a man coming out of the judiciary or any other function necessarily be attuned to all of the latest personalities that represent various governments around the world.

More important, it seems to me, is whether or not he has the background and the training and his given an indication of an understanding of the overall duties that he is about to undertake.

Therefore, from my study of the record, I agree with my colleagues who have just addressed this subject. I believe that this nominee has the background. I think that he has the confidence of the President of the United States. And like all of the other nominations, it seems to me, the first criterion must be, is there anything in the background that would indicate that this man is not qualified to serve? And, second, if he has been nominated by the President of the United States, then I, as a basic premise, feel that he is qualified unless proven otherwise. I would say in this case that it appears to me that the President's nominee is qualified and I intend to support the nomination when it is brought to a vote this afternoon.

(Conclusion of earlier proceedings.)

RATIONALE FOR A "YES" VOTE ON CLARK

● Mr. PELL. Mr. President, I have found Justice Clark to be engaging, honest, and intelligent. After his public confirmation hearings and our private conversations, I have become persuaded that there is a place in this administration for a man of Justice Clark's abilities. I am not convinced that the right place for Justice Clark is to serve as Deputy Secretary of State because of his lack of knowledge and experience in foreign affairs; but since he will concentrate primarily on administrative duties, I believe he will nevertheless be acceptable in this post.

I am impressed that Justice Clark has won such strong support from the President. I hope that such support will rapidly be translated into defining a deputy role in which Justice Clark can be truly effective. The fact that he is so close to the President is a further fact in my thinking. The decision for me is a close one. However, on balance and in a spirit of cooperation with a new administration, I have decided not to oppose the nomination of Justice Clark.●

● Mr. MITCHELL. Mr. President, our country's Constitution assigns to the Senate the responsibility to screen the individuals whom the President chooses to lead his administration. This is a process which should not be taken lightly by the appointing President, his nominees, or the Senators who examine the appointments.

Our law does not specify the criteria by which Members of this body should evaluate Cabinet and major sub-Cabinet nominees. Senators are free to determine, to the best of their abilities, what crucial questions must be answered satisfactorily before their votes are cast.

The questions which I ask about a prospective administration official are the following:

First, is the nominee an honest person with a record of integrity?

Second, does the nominee possess the managerial and administrative skills necessary to operate efficiently and effectively the department or agency which he shall join?

Third, is the nominee sufficiently free of financial ties and legal obligations, the existence of which might prompt him to place other considerations before his concern for the public's welfare and his loyalty to our President?

Last, does the nominee possess a true understanding of the important issues with which he, as a principal administration official, must deal?

I have reviewed the hearing record which contains the testimony presented by William Patrick Clark to the Committee on Foreign Relations. This testimony indicates that Justice Clark is a man of integrity who is recognized as possessing considerable managerial talents. The testimony also shows Justice Clark to be free of conflicts of interest. What Clark's testimony betrays is a lack of knowledge of U.S. foreign policies and of the pressing challenges which face the United States.

As a Senator, I do not expect a President to nominate Cabinet members, subcabinet members, and agency chiefs who share my views on most issues. Moreover, I do not believe that Senators should require nominees to share their political philosophies in order to win the Senators' approval at confirmation time. However, I do expect a nominee to possess enough general background knowledge of his department's area of jurisdiction so that he can enter the debate on vital issues at the beginning of his tenure.

Justice Clark, because of his lack of foreign policy experience and prior interest in international affairs, is not equipped to play the kind of active role at the Department of State which the Congress envisioned when it created the position of Deputy Secretary. We must continually bear in mind that the person occupying this position must function as "* * * the Secretary's principal deputy and serve as Acting Secretary in the Secretary's absence." (U.S. Government Manual.)

When asked by members of the Foreign Relations Committee for his thoughts on major international topics such as nuclear nonproliferation, arms control, and the Middle East conflict, Justice Clark could not comment because he was unfamiliar with the subjects. As a result, members of the committee could not get a clear idea as to how Justice Clark would attempt to solve difficult foreign policy problems or would conduct himself as Acting Secretary in times of crisis. Despite his many positive qualities, I cannot, in good conscience, overlook this major deficiency: his lack of foreign policy knowledge. Accordingly, I will oppose Justice Clark's confirmation when the vote occurs later today.●

● Mr. BOREN. Mr. President, I have today voted against the nomination of William P. Clark to be Deputy Secretary

of State. Mr. Clark is the first Reagan nominee that I have opposed.

My general philosophy in considering Presidential nominees has been that if a person is qualified for the job to which he has been nominated, I will support him, believing that you cannot hold a President responsible for his policies and programs if you do not give him the people he desires to implement those policies and programs.

In this instance, the operative word is "qualified." His defenders say that his administrative ability is all that should be considered because in his capacity as Deputy Secretary of State, such would be his prime responsibility.

However, I take very seriously the Senate's constitutional responsibility to advise and consent, and unfortunately, Mr. Clark in his confirmation hearings before the Senate Foreign Relations Committee demonstrated little if any concept of foreign affairs.

He was unable to identify a large number of world leaders and others in this country who are directly related to and well known in the field of foreign policy.

Under direct questioning, he professed to have no opinion about a number of foreign policy issues, including nuclear nonproliferation, relationships with the Third World, relationships between the United States and the Japanese over problems related to the automobile industries, the foreign agricultural service, and détente with the Soviet Union.

In fact, under questioning from Senator GLENN, he said that although he believed in peace through strength, he could not spell out in greater detail what the elements of that strength should be.

I mean no disrespect for Mr. Clark. I am sure that he has many fine qualities as a person and that there are areas of service which dovetail with his qualifications. I simply do not believe that he is qualified to serve in the specific position for which he has been nominated.

Under these circumstances, I did not feel that in conscience I could support Mr. Clark without abandoning my responsibility to give advice and consent.●

● Mr. DODD. Mr. President, I rise in opposition to the nomination of Justice William Clark to serve as Deputy Secretary of State.

As a member of the Foreign Relations Committee, I heard Justice Clark's testimony and had an opportunity to question him on a variety of issues. As I have with other nominees, I judged his fitness to serve on three criteria: Character and integrity, past experience, and substantive policy views.

I have no doubt that Justice Clark is a man of sound character. The committee heard nothing which would even suggest that he is not a man of integrity. Personally, I found him to be an engaging, cooperative, and forthright witness. However, I have reluctantly concluded that he cannot meet my criteria for approval because of his past experience, and his lack of foreign policy views.

Justice Clark candidly admitted his lack of experience in foreign affairs to the committee. He has joked that his foreign policy experience consists of "72 hours in Santiago." While I admire his candor and humor, I believe it is essential that the second highest ranking member of our foreign policy establishment must have broad-based experience in foreign relations. Justice Clark, by his own admission, clearly does not have such experience.

During his confirmation hearings, I read from a list of duties of the Deputy Secretary of State contained in the Foreign Affairs Manual of the State Department. The duties of the Deputy Secretary are substantive. He serves as the principal deputy and alter ego to the Secretary, and as Acting Secretary in the Secretary's absence. He serves as principal adviser to the Secretary and assists him in the formation, conduct, and implementation of all U.S. foreign policy. More specifically, he assists the Secretary in directing the Department's participation in the National Seecurity Council system, and provides final recommendations to the Secretary on important personnel appointments.

I asked Justice Clark whether he agreed that the duties listed were duties he would assume, if confirmed. He answered that they were. It is evident, however, that these duties require broad foreign policy experience.

I also judge nominees on their substantive policy views. During the confirmation hearings, Justice Clark was asked a number of questions concerning his views on important policy issues, such as nuclear nonproliferation, foreign policy goals, human rights, defense spending, and international terrorism, among others. Unfortunately, Justice Clark was unable to even offer informed opinions on any of these important issues. I can understand that he was unable to answer detailed questions about the leadership of particular countries, but a man nominated to this position should have a working knowledge of the broad currents of foreign affairs, at the very least. Justice Clark, however, does not have this minimal knowledge or understanding.

The Senate has the constitutional responsibility to "advise and consent" to the nominations of the President. We have the duty to assess carefully the qualifications of his nominees. In general, the President should be able to choose the men and women he wants to serve with him. However, they must have some qualifications for the positions for which they are nominated. I voted to confirm Secretary Haig, in spite of my policy differences with him, because I felt his experience qualified him to serve as Secretary of State.

However, I have reluctantly come to the conclusion that Justice Clark's lack of foreign policy experience and his inability to offer views on the broad currents of U.S. foreign relations do not qualify him to assume the second highest position in the U.S. State Department. Accordingly, I will vote against the nomination of Justice William Clark to serve as Deputy Secretary of State.●

● Mr. THURMOND. Mr. President, I rise today in support of the nomination of Justice William P. Clark, Jr., to be Deputy Secretary of the Department of State.

Mr. President, Justice Clark is a man of exceptional and proven abilities. Without the benefit of a college or law school degree, Justice Clark successfully passed the California bar exam and was appointed to the California State Supreme Court. In fact, he is the only State supreme court justice in the country who does not have a college or law school degree. These are not the accomplishments of a man of ordinary capabilities.

Mr. President, as a justice on the California Supreme Court, William Clark, Jr., has earned the reputation of one who believes in swift and effective punishment of criminals. This is a trait that I believe to be desired of one who will be assisting President Reagan in achieving his goal of reducing terrorism in the world.

Justice Clark is equally well known for his exceptional administrative talents. He is credited with being largely responsible for transforming the Governor's office of California into an efficient, well-organized, smooth-running operation. His ability to establish good, working relationships with adversaries and friends alike has served Justice Clark well in every position he has held.

Mr. President, I believe that Justice William P. Clark is just the kind of person we need as Deputy Secretary of the Department of State. He is intelligent, talented, and hard working. Moreover, he is blessed with an abundance of good commonsense. I sincerely hope that my colleagues will join me in supporting confirmation of Justice Clark to be Deputy Secretary of the Department of State.●

● Mr. LAXALT. Mr. President, Bill Clark has been a friend of mine for many years. I have been impressed with his competence as a farmer, a lawyer, a manager, and a judge.

This is the seventh time in Bill's long distinguished career that President Reagan has asked Bill to serve. Why? Because the President has total confidence in this man and he has never failed him. I have confidence he will serve the President and this Nation well.

Mr. President, the Senate has confirmed the nomination of a strong Secretary of State. Secretary Haig is the principal architect of our Nation's foreign policy; Bill Clark is just the man to implement that policy. He will give it the thorough attention to execution that is essential for our foreign policy to succeed.

In conclusion, Mr. President, I caution my colleagues not to be misguided by attempts to measure competence by a narrow focus. It appears to me that the No. 2 man at State should have broad-ranging abilities and proven competence and must not be just a narrow technical expert. Bill Clark is such a man, and I am pleased to support his nomination to be Deputy Secretary of State.●

● Mr. HART. Mr. President, the President should be permitted the fullest latitude in choosing the members of his Cabinet. So far, I have voted for all but one of President Reagan"s appointees, despite personal reservations about some of the individuals he has chosen.

The President's nominee, however, should meet threshold requirements for service in the Cabinet: Personal integrity, a freedom from conflicts between public duties and personal interests, and an ability to occupy a Cabinet office in a competent and responsible fashion. It is also fair to apply these standards to the confirmation process when the office involved is as important as that of Deputy Secretary.

Mr. Haig met the above criteria. Mr. Clark does not. His inability to answer even the most elementary questions on the world beyond our shores portrays a man who apparently does not even read the front pages of the morning newspaper. His unwillingness to address policy questions at this point is understandable and he cannot be expected to be conversant with every issue on our complex foreign affairs agenda. But Mr. Clark will not only be faced with more than educating himself on our policy options, as his testimony lamentably revealed, he will require massive education on even the most fundamental issues.

A number of examples of the lack of competence in foreign affairs which Mr. Clark demonstrated during the hearings may be cited:

He was asked for his views on nuclear nonproliferation. He responded that he did not have a "personal view" on this crucial question.

Asked for his views on the Third World and concepts of the new economic order, he described to the committee a "big globe" in the Deputy Secretary's office on which, if I understood his answer correctly, the whole world looked pretty confusing. We can only admire the candor of such an admission.

The sum total of his philosophy on U.S. foreign policy objectives was stated to be "peace through strength," which is, of course, sound, so far as it goes. Under prompting, he identified the ingredients of these as "military strength, economic strength, and social strength," but they were "inextricably woven together and I am ill prepared at the moment to answer" how these could be defined. Again, his candor was total.

His answer on détente was typical of the level of dialog, if somewhat more effusive than his answers on other questions: "I have not heard the word 'détente' for some time. When I was following it, I had the feeling that while we were 'détenting,' the Russians were 'trucking' or 'tanking.' But, like many other terms, 'Third World' being one, I am still trying to learn what are the definitions of those words at the moment. I have some idea of what they were from my reading of 'Time' and 'Newsweek,' but I must say that those are all going to be part of the learning process. * * *"

Finally, when it was repeatedly noted that he would act as Secretary when Mr. Haig was away, he at one point replied by way, apparently, of reassuring my colleagues, that "our operations center assures communication with the Secretary on less than two minutes' notice."

Even in those areas which fall specifically under the Deputy Secretary's purview—human rights, law of the sea, and terrorism—about all Mr. Clark was able to convey was that he was opposed to each. Apparently he did not bother to more than "skim" the record on Secretary Haig's hearings, which would have at least given him some indication of what issues were of concern to the Senate, despite admonitions by the committee chairman and other committee members to prepare himself. I hesitate to conclude that his total lack of preparation for his confirmation hearings reflected any contempt for the Congress; I prefer to believe he just does not understand the issues. Either way, his performance before the committee was unacceptable.

The Senate cannot afford to confirm this man, who will frequently be called upon to act as our Secretary of State, regardless of his personal relationship with the President or his reported managerial talents. However minimally one defines the standard of competence, it must be used as a standard, else the Senate would relinquish altogether its constitutional responsibility to advise and consent. Mr. Clark's testimony before the Senate Foreign Relations Committee, in my judgment, shows he does not meet this minimum standard. For this reason, I will vote against the nominee.●

Mr. PERCY. Mr. President, this side of the aisle has completed its comments.

Mr. GLENN. Mr. President, I ask for the yeas and nays on the nomination.

The PRESIDING OFFICER. The yeas and nays have already been ordered on the nomination.

Mr. GLENN. Mr. President, as far as I know, no one else desires to speak. I am prepared to yield back any remaining time. Mr. President, I yield back all remaining time.

The PRESIDING OFFICER. All time has been yielded back. The question is, Will the Senate advise and consent to the nomination of William P. Clark, of California, to be Deputy Secretary of State? The yeas and nays have been ordered and the clerk will call the roll.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll to ascertain the presence of a quorum.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is, Will the Senate advise and consent to the nomination of William P. Clark, of California, to be Deputy Secretary of State? The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ZORINSKY when his name was called: Present.

Mr. STEVENS. I announce that the Senator from Maine (Mr. COHEN), is necessarily absent.

I also announce that the Senator from Kansas (Mr. DOLE), is absent due to illness.

Mr. CRANSTON. I announce that the Senator from New Jersey (Mr. BRADLEY), the Senator from Florida (Mr. CHILES), and the Senator from Massachusetts (Mr. TSONGAS), are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 70, nays 24, as follows:

[Rollcall Vote No. 24 Ex.]

YEAS—70

Abdnor	Grassley	Nickles
Andrews	Hatch	Nunn
Armstrong	Hatfield	Packwood
Baker	Hawkins	Pell
Bentsen	Hayakawa	Percy
Boschwitz	Heflin	Pressler
Burdick	Heinz	Quayle
Byrd, Harry F., Jr.	Helms	Randolph
	Hollings	Roth
Cannon	Humphrey	Rudman
Chafee	Jackson	Schmitt
Cochran	Jepsen	Simpson
Cranston	Johnston	Specter
D'Amato	Kassebaum	Stafford
Danforth	Kasten	Stennis
DeConcini	Laxalt	Stevens
Denton	Long	Symms
Domenici	Lugar	Thurmond
Durenberger	Mathias	Tower
East	Mattingly	Wallop
Exon	McClure	Warner
Garn	Metzenbaum	Weicker
Goldwater	Moynihan	Williams
Gorton	Murkowski	

NAYS—24

Baucus	Ford	Matsunaga
Biden	Glenn	Melcher
Boren	Hart	Mitchell
Bumpers	Huddleston	Proxmire
Byrd, Robert C.	Inouye	Pryor
Dixon	Kennedy	Riegle
Dodd	Leahy	Sarbanes
Eagleton	Levin	Sasser

ANSWERED "PRESENT"—1

Zorinsky

NOT VOTING—5

Bradley	Cohen	Tsongas
Chiles	Dole	

So the nomination was confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. HUDDLESTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I move that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

Mr. BAKER. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order. The majority leader is trying to be heard.

Mr. BAKER. Mr. President, I wish to announce that we will have another rollcall vote now, which has been ordered previously, and there will be no more rollcall votes tonight.

LEGISLATIVE PROGRAM

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. BAKER. I yield.

Mr. ROBERT C. BYRD. Mr. President, as in legislative session, will the majority

leader inform the Senate as to the business for the remainder of the week?

Mr. BAKER. I thank the minority leader. I will be happy to do that.

An order already has been entered that when the Senate completes its business today, it stand in recess until 11 o'clock next Thursday.

It is anticipated that the Rules Committee will file this day a series of 18 resolutions dealing with the funding of Senate committees.

I hope it might be possible for us to deal with those resolutions, although that will require the waiver of at least 1 day of the 3-day rule in order to do so.

Other than routine morning business, I know of no other business that may come before the Senate on Thursday, and it would be my expectation that we would then recess until Tuesday of next week, with a pro forma session in order to qualify.

Mr. ROBERT C. BYRD. Does the distinguished majority leader anticipate any rollcall votes on Thursday, or is he in any position to say?

Mr. BAKER. Mr. President, I honestly am not in a position to say now.

It is my hope that we could consider those 18 measures on Thursday, as reported by the Rules Committee, and perhaps even consider them en bloc, which we have done on previous occasions.

There is some chance that there will be a rollcall vote on Thursday. Senators should expect that. But at this time I have not been able to ascertain anything with greater certainty.

Mr. ROBERT C. BYRD. I thank the majority leader.

COUNCIL OF ECONOMIC ADVISERS

NOMINATION OF MURRAY L. WEIDENBAUM, OF MISSOURI, TO BE A MEMBER OF THE COUNCIL OF ECONOMIC ADVISERS

The PRESIDING OFFICER. Under the previous order, the question recurs on the nomination of Murray L. Weidenbaum, of Missouri, to be a member of the Council of Economic Advisers.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Maine (Mr. COHEN) is necessarily absent.

I also announce that the Senator from Kansas (Mr. DOLE) is absent due to illness.

Mr. CRANSTON. I announce that the Senator from New Jersey (Mr. BRADLEY), the Senator from Florida (Mr. CHILES), and the Senator from Massachusetts (Mr. TSONGAS) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 95, nays 0, as follows:

[Rollcall Vote No. 25 Ex.]

YEAS—95

Abdnor	Boren	Cannon
Andrews	Boschwitz	Chafee
Armstrong	Bumpers	Cochran
Baker	Burdick	Cranston
Baucus	Byrd,	D'Amato
Bentsen	Harry F., Jr.	Danforth
Biden	Byrd, Robert C.	DeConcini
Denton	Inouye	Percy
Dixon	Jackson	Pressler
Dodd	Jepsen	Proxmire
Domenici	Johnston	Pryor
Durenberger	Kassebaum	Quayle
Eagleton	Kasten	Randolph
East	Kennedy	Riegle
Exon	Laxalt	Roth
Ford	Leahy	Rudman
Garn	Levin	Sarbanes
Glenn	Long	Sasser
Goldwater	Lugar	Schmitt
Gorton	Mathias	Simpson
Grassley	Matsunaga	Specter
Hart	Mattingly	Stafford
Hatch	McClure	Stennis
Hatfield	Melcher	Stevens
Hawkins	Metzenbaum	Symms
Hayakawa	Mitchell	Thurmond
Heflin	Moynihan	Tower
Heinz	Murkowski	Wallop
Helms	Nickles	Warner
Hollings	Nunn	Weicker
Huddleston	Packwood	Williams
Humphrey	Pell	Zorinsky

NOT VOTING—5

Bradley	Cohen	Tsongas
Chiles	Dole	

So the nomination was confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. MATHIAS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of this nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that there be a period for the transaction of routine morning business, not to extend beyond 30 minutes in length, in which Senators may speak for not more than 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, I inquire of the distinguished Senator from New York and the Senator from Arizona is there any business which they wish to present at this time?

Mr. GOLDWATER. Mr. President, I have two resolutions that were both passed unanimously by our legislative committee, being in respect to Earl Eisenhower and Bill Miller for their service, and I merely wish to have these resolutions considered.

Mr. BAKER. Mr. President, I am advised that both these resolutions are cleared on our side and I am advised by the minority leader that they are cleared on their side as well.

So if the Senator wishes to call those up for consideration at this time that is all right.

COMMENDATION OF WILLIAM G. MILLER, STAFF DIRECTOR TO THE SENATE SELECT COMMITTEE ON INTELLIGENCE AND EARL D. EISENHOWER, MINORITY STAFF DIRECTOR TO THE SENATE SELECT COMMITTEE ON INTELLIGENCE

Mr. GOLDWATER. Mr. President, I send two resolutions to the desk and ask that they be considered en bloc.

The PRESIDING OFFICER. The resolutions will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 81) to commend William G. Miller, Staff Director to the Senate Select Committee on Intelligence, and a resolution (S. Res. 82) to commend Earl D. Eisenhower, Minority Staff Director to the Senate Select Committee on Intelligence.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolutions?

There being no objection, the Senate proceeded to consider the resolutions.

Mr. GOLDWATER. Mr. President, these resolutions apply to former men who worked for the Select Committee on Intelligence of this body, Mr. Bill Miller who served as staff director, and Mr. Earl Eisenhower who served as minority staff director for the last several years.

It was the desire of the full committee, and they expressed themselves unanimously, that these resolutions be prepared and presented to the Senate for its actions. That is exactly what we are doing.

I yield to my friend from New York.

Mr. MOYNIHAN. Mr. President, I thank my distinguished chairman, the Senator from Arizona.

I would add to his remarks the simple observation that it is, perhaps, generally true that the public never says its thanks very well. That is even more rare in a situation where it is the nature of a public service job that the public not know in any way, other than the most general way, what it is he does.

These two gentlemen, Mr. Miller and Mr. Eisenhower, have served the Senate faithfully and well, and they have served their Nation.

It is the purpose of the Select Committee on Intelligence to know the details of that service. Others do not. It is through these resolutions that we wish to acknowledge our gratitude, thanks, and profound respect, and I thank the chairman for moving the resolutions.

The PRESIDING OFFICER. The question is on agreeing to the resolutions en bloc.

The resolutions (S. Res. 81) and (S. Res. 82), and their preambles were agreed to en bloc.

The resolutions, with their preambles, are as follows:

S. RES. 81

Whereas, William G. Miller honorably, faithfully and loyally served from May 1976 to January 1981 as Staff Director of the permanent Select Committee on Intelligence of the United States Senate;

Whereas, by virtue of his expertise, skill and knowledge he provided invaluable assistance to Chairman Daniel K. Inouye, Chairman Birch Bayh, Vice Chairman Barry Goldwater and other members of the Select Committee on Intelligence in the establishment of the permanent committee and thereafter

in the performance of the Committee's responsibilities;

Whereas, he recognized the essential purpose of intelligence was to help provide for the national defense and enhance the position of the United States in the world through its foreign policy and defense and that such work by the intelligence community was of the greatest importance;

Whereas, he worked diligently to help create a constitutional balance between the Executive and Legislative branches of government based on shared knowledge as well as shared responsibilities;

Whereas, by virtue of his leadership he made outstanding contributions to the development of a comprehensive process of budgetary review of intelligence activities making the intelligence community accountable to Congress for the first time.

Whereas, his thoughtful judgment, scholarship and knowledge of the Congressional process established a high standard for the work of the Intelligence Committee, particularly in achieving a bipartisan approach to strengthening United States intelligence and national security with a balanced concern for constitutional rights and individual liberties;

Whereas, he played a vital role in reaching agreement between Executive and Legislative branches on statutory provisions for congressional oversight and access to necessary information concerning intelligence activities which resulted in such procedures becoming a permanent part of the organic law governing the intelligence community; and

Whereas, he made other significant contributions to the work of the Committee, the Senate, and the Congress of the United States, now be it

Resolved, That the United States Senate express and record its deep appreciation for William Green Miller's exceptional contributions and for his dedication, loyalty, integrity and service to the Select Committee on Intelligence, and to the Congress of the United States.

S. RES. 82

Whereas, Earl D. Eisenhower, honorably, loyally and faithfully served from 1977 to 1981 as Minority Staff Director to the Select Committee on Intelligence of the United States Senate;

Whereas, in that capacity he untiringly and effectively served this Committee in an outstanding manner, demonstrating the highest qualities of responsible staff leadership;

Whereas, by virtue of his expertise, skill and knowledge, he rendered capable assistance in the development of the consolidation of all federal intelligence activities under the jurisdiction of a single committee in the United States Senate;

Whereas, by virtue of his leadership, he made outstanding contributions to the development of the Intelligence Budget Authorization process, making the intelligence community accountable to the whole Congress for the first time;

Whereas, he made invaluable contributions to the area of intelligence reform that provided a strong and stable influence on the Committee's staff and the intelligence community;

Whereas, through his knowledge of the Congressional process, he made a major contribution to the bipartisan approach to strengthening intelligence in full accord with the United States Senate's interest in support of the intelligence community in the national security area, now be it

Resolved, That the United States Senate express and record its deep appreciation for Earl D. Eisenhower's exceptional contributions and for his dedication, loyalty and service to the Select Committee on Intelligence, to the Senate and to the Congress of the United States.

Mr. GOLDWATER. I thank the Chair and I thank the majority and minority leaders for allowing us to do this.

I yield the floor.

Mr. MOYNIHAN. I thank the Chair and I thank the minority leader.

SECRETARY WATT'S RECUSAL STATEMENT AND HALTING REGULATIONS ENFORCING THE 1902 RECLAMATION LAW

Mr. McCLURE. Mr. President, on Saturday, February 21, 1981, a Washington Post article by Ward Sinclair alleged that the Secretary of the Interior, James Watt, had violated his recusal statement by halting regulations enforcing the 1902 reclamation law. By innuendo the article made the reader believe both the Mountain States Legal Foundation and its then President James Watt were actively involved in bringing the successful lawsuit which forced the Interior Department to prepare an environmental impact statement before issuing the regulations. The article goes on to allege that:

> Neither Mr. Watt's testimony nor questions from the Committee elicited information that he had been involved actively in the western water users fight to stop Interior's moves toward tougher enforcement of the reclamation law.

Not only is Mr. Sinclair's article incorrect in its conclusion, but it is also based on fundamental errors in fact.

As chairman of the Senate Committee on Energy and Natural Resources, I presided over both days of testimony on Secretary Watt's confirmation and was actively involved, along with Senator JACKSON, in the formulation of the extent and scope of Mr. Watt's recusal.

Secretary Watt's original disqualification statement said in relevant part:

> I would recuse myself from having any direct involvement in, or giving any advise or counsel on, the specific of any particular case brought while I have been employed by the Mountain States Legal Foundation in which both Mountain States Legal Foundation and the Department of Interior are parties. (Hearings, p. 48)

Later, Secretary Watt amended his statement to include:

> Any aspect of litigation in Federal or State Court and any Administrative proceedings, other than the formulation or promulgation of a rule of general application . . . when Mountain States Legal Foundation is a party or represents a party. (Hearings, p. 404)

I was pleased with Mr. Watt's willingness to come forward with these statements of disqualification because they put to rest any potential conflicts of interest, yet retained his ability to formulate policy. I said at the time:

> I believe that the agreement will ensure that there is no possibility of any appearance of a conflict of interest . . . while at the same time reserving his ability to formulate and implement policy for the Department of the Interior in the Reagan Administration. (Hearings, p. 402)

Contrary to the Post article, Secretary Watt made not only his involvement in the 1902 reclamation issue clear to the committee, but also his policy views as well. In response to a question from Senator BUMPERS, Mr. Watt stated:

> Secretary Andrus held a meeting in Denver and I presented a statement before him, calling for an environmental impact statement before he implemented the regulations on that matter. (Hearings, p. 82)

Furthermore, earlier in the proceedings Senator BUMPERS had asked concerning the 1902 reclamation law:

> Senator BUMPERS. You don't agree with the law, do you? I don't either.
>
> Mr. WATT. No, I don't.
>
> . . . I have already discussed, that the needed change to the 1902 act must be a high priority issue for this committee, and the House of Representatives. I pledge to you my commitment to work toward that end. (Hearings, p. 60)

In addition, the list of cases brought by the Mountain States Legal Foundation since its incorporation, which Mr. Watt volunteered for the record, clearly shows that none were brought on the issue of the 1902 law or its regulations. Mr. Watt's only involvement in the issue was of a general nature as part of the legal community in the West. He met for example, in Los Angeles with a group of water users and attorneys to discuss the best legal strategy for bringing a lawsuit. It is my understanding that Mr. Watt's suggestion to bring such a suit in Wyoming was rejected in favor of the Ninth Circuit in California. Eventually at least five lawsuits were filed, all in California. In none of these was either the Mountain States Legal Foundation or Mr. Watt a party or representing a party.

It therefore is apparent to anyone who had taken the time to review both the details of Secretary Watt's disqualification statement and his involvement in the reclamation issue, that no violation of either the letter or spirit of that disqualification has occurred as a result of the suspension of comment on both the regulation and draft EIS. In my opinion, Secretary Watt could have signed the orders himself since it is clearly an action which falls within the category of policy, "the formulation or promulgation of a rule of general application."

It was not my intention, nor the intention of the committee, to hamstring Secretary Watt or any other Secretary in the proper performance of policy determination. We fashioned an ethical standard for Mr. Watt which goes well beyond what is required by law and I think that is appropriate. However, I will not tolerate unreasonable interpretation of that standard or its unfair use to harass Secretary Watt in the proper performance of his duties.

THE 26TH CONGRESS OF THE COMMUNIST PARTY OF THE SOVIET UNION

Mr. HELMS. Mr. President, yesterday marked the opening of the 26th Congress of the Communist Party of the Soviet Union in Moscow. The headlines of our newspapers have centered on Chairman Brezhnev's oblique call for a summit meeting, but they did not point out clearly enough that this call for a summit was for a summit on Soviet terms.

Brezhnev made it quite clear that no dialog or meeting at the summit could change the basic policies and goals of the U.S.S.R. Speaking of Poland, for example, he stated "let no one doubt our intentions to secure our interests and defend socialist gains." As for Afghanistan, Brezhnev accused imperialism of having "launched an undeclared war against the Afghan revolution," thus creating "a direct threat to the security of Soviet southern frontiers." Western European nations were warned that deployment of new U.S. missiles would "prejudice their own security."

Thus it is quite clear that any summit in the near future would be too hasty. Talks with our national adversaries should not go forward until the new administration has had time to consolidate its new policies, and to reestablish our own economic and security structures on a firm basis. The greatest threat in the past to our security when we enter negotiations is not overconfidence, but underconfidence. Our negotiators typically have been too anxious to enter into negotiations, and too anxious to bring home an agreement—any agreement. Once U.S. diplomats begin negotiations, they surrender to the logic of a process that demands results, even when results threaten our national interests

That is precisely why Brezhnev is anxious to get us involved in negotiations quickly. In his opening speech, Brezhnev said—

> That it was universally recognized that . . . the international situation depends on the policy of the USSR and the USA. The state of relations between them at present and the acuteness of the international problems requiring a solution necessitate a dialogue, and an active dialogue, at all levels.

And he continued:

> We are prepared to have this dialogue. Experience shows that the crucial link here is meetings at the summit level. This was true yesterday, and is still true today.

The Soviets are certainly prepared, because they are skilled dialecticians, and dialectics is the essence of dialog. The whole philosophical framework of Marxism is based upon dialectical thinking and analysis, whereas our framework is largely pragmatic. We should not enter into a Marxist dialectical exercise until we have a firm enough understanding of absolute principles to avoid the kind of surrender which occurs when our diplomats abandon themselves to the process of diplomacy.

But to return to the purpose and significance of the party congress:

It must be understood that the party congresses, held every 5 years, are major, decisive events in Communist countries. Much has been written in the Soviet press in preparation for the congress, but it was only on December 2, 1980, that the press published the basic text of the draft plan prepared for the Congress. It was entitled "Basic Trends of Economic and Social Development of the U.S.S.R. for the 1981–85 Period as Well as for the Period Extending to 1990." It is noteworthy that the draft forecast a full decade, instead of merely covering the 5-year plan.

The significance of the basic trends was that it represented the considered judgment of the Communist Party of the Soviet Union. In the United States, we are accustomed to think of the legislative processes of Government as making the fundamental decisions for the future. But in Communist countries, the decision of the party is final, to be rubberstamped later by the Supreme Soviet.

On the domestic front, the basic trends reflected the seriousness of the Soviet economic situation, the continued failure of the Soviet agricultural system resulting in food shortages, the shortage of consumer goods—due to "heavy industry," that is, military priorities—and a general decline in Soviet production and rate of economic growth. Basic trends then called for numerous measures intended to improve the economic situation, particularly in agriculture, and to appease popular discontent. But they made no provisions for releasing the free initiative of the individual in his own sphere of actvity, thus guaranteeing the continuation of economic difficulties. It should be noted, parenthetically, that these difficulties are aggravated by the Polish labor troubles and the Afghan impasse and could well contribute to the slowdown in the technological race in which the Soviet Union is engaged. Perhaps the predictions of such foreign observers as Jean Pierre Brulé, whose book "Tomorrow . . . the Soviet Army," caused much comment in France in 1978, were correct in maintaining that the Soviet Union would reach its zenith in 1980.

From the day of their publication, basic trends have been the object of carefully monitored "discussions" in the Soviet press. These usually point to some particular shortage—such as the shortage of spare parts for motor vehicles operating in kolkhozes in a region of the Ukraine (Tud (Labo), February 14, 1981) the poor quality of bread available in Chita—Eastern Siberia (Sovvetskaya Rossiya, February 14, 1981) and so on.

Some of the guidelines given by basic trends are classical examples of the manner in which the Soviet Union "combines * * * cooperation with class warfare" in its foreign relations.

Thus, when dealing with development of what the Soviets prefer to call "the social sciences," the document refers to the need for "concentrated efforts" in the following areas:

Spreading the experience of "the revolutionary transforming activity" of the CPSU and of the international Communist and labor movement.

Research in the rules governing development of the world socialist system.

The problems of socialistic-economic integration.

Study of the problems of the economics and politics of capitalist countries.

Critique of anti-Communism, and of bourgeois and revisionist conceptions of social development.

Unmasking of the falsifiers of Marxism-Leninism.

The above instructions are clearly an effort to step up ideological warfare and subversive activities of every type on a worldwide scale. Yet this program does not interfere with the policy of détente.

Having thus insured the continuation of "concentrated efforts" to undermine the structures of the free world, Basic trends then proceeded with guidelines concerning efforts in the following areas and which may be summarized as follows:

Major long-range COMECON collaboration programs intended to insure greater integration and thus to tighten Soviet control over the economy, industry and agriculture of COMECON countries.

Improvement of direct relations between Soviet and COMECON ministries and enterprises.

Development of relations with developing countries, continued economic and technical assistance intended to strengthen their economic and political independence.

Establishment of stable, mutually profitable trade, economic, and scientific-technical relations with developed capitalist countries on the basis of peaceful coexistence and in view of the necessity to strengthen international détente.

Active participation in the solution of major international problems concerning fuel, energy, peaceful investigation of space, utilization of the resources of the world's oceans and so on.

Development of Soviet exports and improvement of their quality.

Development of imports in order to satisfy Soviet domestic need for latest equipment and technological processes, raw materials and consumer goods.

Perhaps in the fear that a Republican administration might hobble future Soviet efforts at expansion, détente has been very much to the fore in Soviet statements issued in anticipation of the 26th Party Congress. Already in June 1980, Brezhnev, in announcing the date of the coming Congress, declared that "in the future also we shall not spare our efforts to preserve détente, and all the good that the seventies have given us"—an obvious reference to Communist advances in the world in the last decade. "The main thing is to defend and push forward, to guarantee détente in the 1980's " wrote a Soviet commentator last August in World Economics and International Relations. And again in his televised New Year speech, Brezhnev stressed that "the U.S.S.R. was determinedly in favor of détente." The Soviet Union appears determined to present itself to the world-at-large as the champion par excellence of world peace.

On Feb. 15, 1981, Pravda commentator Vladimir Bolshakov called the program of the 26th Congress "a program for peaceful construction." And T. Kolesnichenko, another Pravda commentator, writing on February 10, blamed "the Pentagon—the chief spender of the U.S. taxpayer's' money" for all the economic ills of the United States and opposed U.S. "military buildup" to the peace-loving policies of the U.S.S.R.

And so dialog, détente and summit meetings continue to be proposed by the Soviet Union. But the remarks of Brezhnev at the opening of the present Congress leave little doubt that they will be pursued strictly according to the Soviet interpretation of these words. The Soviet Union is not likely to give up an inch of

the "conquests of socialism" whether in Poland or in Afghanistan or elsewhere unless it is forced to do so, but it is likely to advance even more if only the opportunity to do so arises.

Peaceful overtures and subversive activities—such parallel efforts are part of the Soviet technique in furthering its expansionist policies on the basis of the "immutable principles of Marxism-Leninism and Proletarian Internationalism."

THE ARREST AND TRIAL OF THE PRESIDENT OF THE NICARAGUA HUMAN RIGHTS COMMISSION

Mr. HELMS. Mr. President, this past Friday the Sandinista government of Nicaragua arrested the President of the Nicaragua Human Rights Commission as he was leaving a testimonial dinner, and have begun to try him today on charges of undermining state security and defaming the Sandinista revolution. He will be sentenced at the end of this week.

Mr. President, Jose Esteban Gonzalez is the author of a lengthy report on the human rights situation which states that more than 8,000 political prisoners are still being held in Nicaragua, and that more than 800 have "disappeared." The specific act of defamation cited by spokesmen for the Sandinista government in the press is Mr. Gonzalez' visit 2 weeks ago to Pope John Paul II, during which he presented the Pope with a copy of the report. One week after returning to Nicaragua, he was arrested.

Mr. President, at the present time the State Department, in yesterday's white paper on El Salvador, holds Nicaragua responsible for being a channel for sending arms from Cuba to El Salvador. The administration is certainly on the right track in this respect; indeed, those arms could well have been U.S. arms had it not been for legislation which this body adopted at my suggesting prohibiting military aid of Nicaragua. This finding of the new administration is grounds enough for an immediate cutoff of economic aid to Nicaragua under the law.

However, the arrest and trial of Mr. Gonzalez is a second cause for the immediate suspension of U.S. aid to Nicaragua. I cite the following paragraphs from Public Law 96-533:

SEC. 533. CENTRAL AMERICAN ECONOMIC SUPPORT.—

(b) In furnishing assistance under this chapter to the Government of Nicaragua, the President shall take into account the extent to which that Government has engaged in violations of the right to organize and operate labor unions free from political oppression, has engaged in or permitted violations of human rights, has engaged in violations of the right to freedom of the press, or has engaged in violations of the right to freedom of religion.

(c) The President shall encourage the Government of Nicaragua to respect the right to freedom of the press, the right to organize and operate free labor unions, the right to freedom of religion, as well as all other fundamental human rights.

(d) The Congress reaffirms the requirement of section 502B(a)(1) of this Act that a principal goal of the foreign policy of the United States shall be to promote the increased observance of internationally recognized human rights by all countries. In furtherance of the goal, assistance to Nicaragua for the fiscal year 1981 under this chapter shall be terminated, in accordance with sections 116 and 502B of this Act, if the Government of Nicaragua engages in a consistent pattern of gross violations of internationally recognized human rights.

(e) The President shall transmit to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate a report for each 6-month period in which funds are expended under this chapter for Nicaragua for the fiscal year 1981. Each such report shall discuss fully and completely the status of respect in Nicaragua for human rights, political pluralism, freedom of the press and assembly, freedom of religion, and freedom of labor to organize and bargain collectively.

(n) The President shall terminate assistance to Nicaragua under this chapter if he determines that the Government of Nicaragua engages in systematic violations of free speech and press.

Mr. President, these passages show quite clearly that human rights and free speech are also two of the standards which the President must take into consideration in giving economic assistance to Nicaragua. Moreover, the law states specifically that, assistance having been extended, it must be terminated if the Government of Nicaragua engages in systematic violations of free speech and the press.

At the present time, there remains about $15 million which has not been released of the $75 million authorized. The arrest and trial of the leading spokesman for human rights in Nicaragua uniquely combines, in the opinion of the Senator from North Carolina, the kind of violations of human rights and of the free press which Congress intended should terminate aid. Indeed, the presumption should be that this is not an isolated phenomenon, but is rather an example of systematic violation of those rights.

I call upon the President of the United States to examine this situation carefully and to consider whether or not this incident is symptomatic of systematic violations.

STUDY ON SOVIET ATTITUDE ON MILITARY EQUIVALENCE

Mr. THURMOND. Mr. President, I would like to call to the attention of the Senate a recent study by the Rand Corp. which states it is questionable that the Soviet Union will be willing to settle for a strategic posture that is essentially equivalent with the United States.

Mr. President, it has been my view that the Soviets would not enter into any strategic agreement which did not serve their long-term expansionist goals. While Salt I was aimed more at slowing Soviet buildup, even it apparently achieved only limited goals in this regard.

Today this Nation is faced with a serious Soviet drive to achieve military superiority. In meeting this challenge I think the Senate will be well served by giving attention to this Rand study.

Mr. President, I ask unanimous consent that this article from the Soviet Aerospace of February 16, 1981, entitled "Study Says Soviets Will Not Accept Military Equivalence" be printed in the RECORD.

STUDY SAYS SOVIETS WILL NOT ACCEPT MILITARY EQUIVALENCE

It is questionable that the Soviet Union will be willing to settle for a strategic posture that is "essentially equivalent" to that of the United States, or that any SALT agreement will be able to restrain the Soviet drive for military power.

This is, in part, the findings of a Rand Corporation report for the Air Force, which concludes that only a remobilization of the American defense industry and its technological assets may effectively dampen the Soviet strategic ambitions.

The study, conducted by Benjamin S. Lambeth for Air Force intelligence, stresses that the Soviet Union can no longer be considered a cooperative adversary sharing the beliefs of mutual deterrence and vulnerability, but that Soviet doctrinal uniqueness must be accepted as a fact of life.

"The Soviets have shown a consistent refusal to have any traffic with bilateral arms control schemes that require the Soviet Union to be an active partner in the enhancement of its own vulnerabilities," the report explains. Further, the Soviet's combat-oriented military philosophy" has resulted in "a penchant for immoderate levels of arms accumulation."

It is questionable, the Rand study adds, that the Soviets will have a long-term willingness to settle for an "essentially equivalent" strategic posture. Rather, the Soviet Union is demonstrating a drive for security "through a policy of ever-increasing military strength."

SALT WILL NOT CURB SOVIET BUILDUP

SALT under these conditions will not curb the Soviet military buildup, Lambeth explains, and "will never provide more than peripheral instruments for modulating the strategic arms competition at the margins."

It is pointed out that in arms agreements, such as the 1972 ABM Treaty, the Soviets have accepted temporary "self-denying ordnances when the alternative has appeared decidedly worse." This has little to do with Soviet interest in mutual deterrence and moderated arms competition, the report said.

"Rather, it has principally reflected a self-interested Soviet desire to head off or delay U.S. technological developments that might threaten to undermine the effectiveness of Soviet strategic force improvements."

It is imperative that the United States forge a new approach to stability that appeals to Soviet strategic "sensitivities and insecurities," such as continuation of the present effort to "project a refurbished image of strategic seriousness" with such programs as the MX ICBM, it is explained.

It may also require an end to the SALT process as it is now understood.

Lambeth proposes that it is plausible to believe that a purposeful remobilization of the United States defense industry and technological capabilities might be effective in helping to circumscribe Soviet expectations about the limits of the possible in their own strategic ambitions.

"Between the two undesirables of continued business as usual and a return to outright international jungle warfare, it is hard to imagine any other American alternative."

The following is the summary of Lambeth's report:

Over the past two decades, Soviet military planners have harbored a conception of deterrence and the operational requirements for maintaining it which has stood at distinct odds with the views that have largely informed American strategic policy. Unlike their U.S. counterparts, who have preferred a deterrent system based on the certainty of mutual annihilation should either side transgress the nuclear threshold, the Soviets have staunchly held to the time-worn mili-

tary axiom that the only reliable deterrent lies in a force capable of fighting to victory should war actually occur.

During the period of Soviet strategic inferiority, American decisionmakers could console themselves with the belief that this Soviet portrayal of the deterrence problem was merely a parochial view of the professional military and that responsible civilians on the Politburo were quite intelligent and worldly enough to recognize the practical unattainability of nuclear victory. In light of Moscow's subsequent attainment of parity and associated efforts to acquire a comprehensive warfighting capability, however, it has become increasingly clear to most American observers that a more sober-minded appreciation of Soviet strategic motvations is in order.

Until recently, the United States approached its defense and arms control planning on the optimistic assumption that the Soviet Union was essentially a cooperative adversary with shared beliefs in the necessity of seeking security through a system of stable deterrence based on mutual societal vulnerability. As a result of the disappointments of SALT and the relentless pattern of Soviet force enhancement over the past decade, this perspective has gradually lost most of the appeal it formerly enjoyed and a new consensus has begun to emerge around the importance of accepting Soviet doctrinal uniqueness as a fact of life.

In practical planning terms, this evident Soviet leadership insistence on keeping its own strategic counsel suggests a number of policy implications for the United States. The Soviets have shown a consistent refusal to have any traffic with bilateral arms control schemes that require the Soviet Union to be an active partner in the enhancement of its own vulnerabilities. They have also revealed a penchant for immoderate levels of arms accumulation as a result of their combat-oriented military philosophy which raises fundamental questions about their long-term willingness to settle for a strategic posture "essentially equivalent" to that of the United States. Taken together, these features of Soviet strategic style constitute major obstacles in the path of achieving the sort of cooperative arrangement toward moderating the dangers of the nuclear standoff traditionally advanced by Western deterrence and arms control theory. Instead, they reflect a disturbing orientation toward the pursuit of Soviet security through a policy of ever-increasing military strength.

As long as the Soviets remain under the influence of these preferences, they will largely set the ground rules for future East-West strategic interaction, and such diplomatic endeavors as SALT will never provide more than peripheral instruments for modulating the strategic arms competition at the margins. If the West is to remain a respectable player in this competition, it will have to begin imposing measures conducive to stability in spite of Soviet intractability, rather than continue pursuing the elusive hope of eliciting Soviet cooperation on the cheap.

This is not to say that detente has become a goal without prospect or that arms control as a medium of superpower dialogue has proved to be irretrievably hopeless. As the 1972 ABM Treaty demonstrated, the Soviets have shown themselves quite capable of accepting temporary self-denying ordinances when the alternative has appeared decidedly worse. Yet this willingness has had little to do with any Soviet interest in a bilateral relationship governed by mutual deterrence and moderated arms competition. Rather, it has principally reflected a self-interested Soviet desire to head off or delay U.S. technological developments that might threaten to undermine the effectiveness of Soviet strategic force improvements.

The imperative thus facing the United States in the coming years is to begin forging a new approach to stability that appeals primarily to Soviet strategic sensitivities and insecurities rather than to the doubtful prospect of eventual Soviet convergence with the preferred concepts of the West. This will require, at the least, a continuation of the current U.S. effort to project a refurbished image of strategic seriousness through such programs as MX. Given the disappointing returns of SALT II and the profound concern generated by the Soviet invasion of Afghanistan, it may also require an end to the SALT process as it has been understood and conducted so far. In time, there is plausible reason to believe that a purposeful remobilization of American industrial and technological assets might effectively help circumscribe Soviet expectations about the limits of the possible in their own strategic ambitions. Between the two undesirables of continued business as usual and a return to outright international jungle warfare, it is hard to imagine any other American alternative.

COMMEMORATION OF THE 63D ANNIVERSARY OF THE PROCLAMATION OF INDEPENDENCE OF THE REPUBLIC OF ESTONIA

Mr. THURMOND. Mr. President, I rise today to join my colleagues in commemorating the 63d anniversary of the proclamation of independence of the Republic of Estonia.

Although Estonia suffered forced Soviet occupation in 1940, and was soon thereafter incorporated into the Soviet Union, the freedom-loving qualities of the Estonian people have not diminished. Even today, despite Soviet oppression, the citizens of Estonia embrace the same ideals which led to our own Declaration of Independence.

The Estonian American National Council has brought to my attention the case of two Estonians, Mart Niklus and Juri Kukk, who have been repeatedly arrested and imprisoned for their active and open support of the Helsinki principles. Their hopes and dreams of a free and independent Estonia are surely shared by the thousands of others being forced to live in subjugation to the Soviet Union.

Mr. President, I think that it is appropriate for us to recognize the will and determination of the Estonian people to once again exercise their right of self determination. These people most certainly deserve our respect and admiration for their continuing effort to free themselves from the shackles of Soviet domination and oppression.

PROPOSED ARMS SALES

Mr. PERCY. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulated that, in the Senate, the notification of proposed sales shall be sent to the chairman of the Foreign Relations Committee.

In keeping with the committee's intention to see that such information is available to the full Senate, I ask unanimous consent to have printed in the RECORD at this point the notifications which have been received. The classification annex referred to in some of the covering letters is available to Senators in the office of the Foreign Relations Committee, room 4229 Dirksen Building.

There being no objection, the notifications were ordered to be printed in the RECORD, as follows:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., January 29, 1981.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 81-14 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Army's proposed Letter of Offer to Spain for defense articles and services estimated to cost $272 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA, Director.

[Transmittal No. 81-14]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser. Spain.

(ii) Total Estimated Value:

	Millions
Major defense equipment*	$252
Other	20
Total	272

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered. Ninety-six MIM-72F Improved CHAPARRAL Air Defense Systems with 1760 Improved CHAPARRAL (MIM-72F) missiles and supporting equipment.

(iv) Military department. Army (VCS).

(v) Sales commission, fee, etc., paid, offered or agreed to be paid. None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: See Annex under separate cover.

(vii) Section 28 Report. Included in report for quarter ending 30 September 1980.

(viii) Date report delivered to Congress. 29 Jan 1981.

POLICY JUSTIFICATION

SPAIN—IMPROVED CHAPARRAL AIR DEFENSE SYSTEMS

The Government of Spain has requested the purchase of 96 MIM-72F Improved CHAPARRAL Air Defense Systems with 1760 Improved CHAPARRAL (MIM-72F) missiles and supporting equipment at an estimated cost of $272 million.

This sale will contribute to the foreign policy objectives of the United States by furthering cooperation under our Treaty of Friendship and Cooperation with Spain and improving Spain's air defense. Such improvement will benefit the defensive posture of the southern flank of NATO and add to the protection of U.S. in-country military facilities which are important staging and reinforcement sites.

The 96 MIM-72F Improved CHAPARRAL Air Defense Systems will increase Spain's anti-air capabilities against possible Soviet or Warsaw Pact threats. Spain will have no difficulty in absorbing this system.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor will be the Ford Aerospace Communications Corporation of Newport Beach, California.

Implementation of this sale will not require the assignment of any additional U.S. Government personnel to Spain. One contractor representative will be assigned to Spain in 1985.

There will be no impact on U.S. defense readiness as a result of this sale since production will be in addition to any requirements for U.S. forces.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., February 6, 1981.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 81-16, concerning the Department of the Army's proposed Letter of Offer to Somalia for defense articles and services estimated to cost $12 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA, Director.

[Transmittal No. 81-16]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Somalia.

(ii) Total Estimated Value:

	Millions
Major Defense Equipment*	$7
Other	5
Total	12

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: Twelve M167 (Towed) Vulcan air defense guns with radar, appropriate communications equipment, spare parts, training, and support.

(iv) Military Department: Army (UAA).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: None.

(vii) Section 28 Report: Case not included in Section 28 report.

(viii) Date Report Delivered to Congress: Feb. 6, 1981.

POLICY JUSTIFICATION

SOMALIA—VULCAN AIR DEFENSE GUNS

The Government of Somalia has requested the purchase of 12 M167 (Towed) Vulcan air defense guns with radar, appropriate communications equipment, spare parts, training, and support at an estimated cost of $12 million.

This sale will contribute to the foreign policy objectives of the United States by enhancing relations with Somalia and fulfilling our commitments under the arrangements made for access to Somali air and port facilities, which are an important element in the ability of the U.S. to respond to any increased Soviet threat in the region.

The 12 Vulcan air defense guns will greatly improve Somalia's capability to protect facilities against unfriendly aircraft.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor will be the General Electric Company of Burlington, Vermont.

Implementation of this sale will require the assignment of two contractor personnel to Somalia for one year.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., February 6, 1981.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 81-17, concerning the Department of the Air Force's proposed Letter of Offer to Somalia for defense articles and services estimated to cost $30 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA, Director.

[Transmittal No. 81-17]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Somalia.

(ii) Total Estimated Value:

	Millions
Major Defense Equipment*	$10
Other	20
Total	30

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: Three TPS-43 long range air defense radars, appropriate communications equipment, spare parts, training, and support.

(iv) Military Department: Air Force (SAA).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: None.

(vii) Section 28 Report: Case not included in Section 28 report.

(viii) Date Report Delivered to Congress: February 6, 1981.

POLICY JUSTIFICATION

SOMALIA—LONG RANGE AIR DEFENSE RADARS

The Government of Somalia has requested the purchase of three TPS-43 long range air defense radars, appropriate communications equipment, spare parts, training, and support at an estimated cost of $30 million.

This sale will contribute to the foreign policy objectives of the United States by enhancing relations with Somalia and fulfilling our commitments under the arrangements made for access to Somali air and port facilities, which are an important element in the ability of the U.S. to respond to any increased Soviet threat in the region.

The three TPS-43 air defense radars will greatly improve Somalia's capability to effectively detect and intercept unfriendly aircraft.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor will be the Westinghouse Corporation of Baltimore, Maryland.

Implementation of this sale will require the assignment of five contractor personnel to Somalia for two years.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., February 10, 1981.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 81-18 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Air Force's proposed Letter of Offer to Austria for defense articles and services estimated to cost $500 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA, Director.

[Transmittal No. 81-18]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Austria.

(ii) Total Estimated Value:

	Millions
Major Defense Equipment*	$450
Other	50
Total	500

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: Twenty-four F-16 aircraft with support equipment, spare engines, spare parts, technical services, and training.

(iv) Military Department: Air Force (SAA).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: See Annex under separate cover.

(vii) Section 28 Report: Case not included in Section 28 report.

(viii) Date Report Delivered to Congress: February 10, 1981.

POLICY JUSTIFICATION

AUSTRIA—F-16 AIRCRAFT

The Government of Austria is interested in the purchase of 24 F-16 aircraft with support equipment, spare engines, spare parts, technical services, and training at an estimated cost of $500 million.

This sale would be in the interest of the United States because it would strengthen neutral Austria's capability to defend its sovereignty.

The acquisition of F-16 aircraft by Austria would not upset the regional military balance since this type of aircraft already exists in the region.

Austria would use the F-16s to replace squadrons equipped with obsolescent SAAB-105 aircraft. The result would be a more modern and supportable fighter fleet. There is no doubt of Austria's capability to absorb these sophisticated aircraft.

Implementation of this sale would require the assignment of 14 U.S. Government personnel and 24 contractor personnel to Austria for about 10 days each.

The prime contractor would be the General Dynamics Corporation of Fort Worth, Texas.

These aircraft would be procured from new production without interference with U.S. programs. There would be no adverse impact on U.S. defense readiness.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., February 18, 1981.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 81-19 and

under separate cover the classified annex thereto. This Transmittal concerns the Department of the Air Force's proposed Letter of Offer to Saudi Arabia for defense articles and services estimated to cost $49 million. Shortly after this leter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA, Director.

[Transmittal No. 81-19]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Saudi Arabia.

(ii) Total Estimated Value:

	Millions
Major Defense Equipment*	$44
Other	5
Total	49

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: Various general purpose high explosive bombs, 2.75 inch aircraft rockets, empty general purpose bombs, and associated fuzes, fins, and other components necessary to build complete rounds of these items.

(iv) Military Department: Air Force (ADV).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: See Annex under separate cover.

(vii) Section 28 Report: Included in report for quarter ending 30 September 1980.

(viii) Date Report Delivered to Congress: 18 February 1981.

POLICY JUSTIFICATION

SAUDI ARABIA—AIRCRAFT MUNITIONS

The Government of Saudi Arabia has requested the purchase of various general purpose bombs, 2.75 inch aircraft rockets, and associated fuzes, fins, and other components at an estimated cost of $49 million.

This sale is consistent with the stated U.S. policy of assisting other nations to provide for their own self-defense by allowing the transfer of reasonable amounts of defense articles and services. It will demonstrate the continuing willingness of the United States to support the Saudi Arabian effort to improve the security of the country through modernization of the Saudi armed forces.

The types of munitions requested are already in the Saudi inventory as well as the inventories of several of the nations of the region, and this sale will not introduce a new capability into the region. The quantities of munitions requested will allow for the replacement of War Reserve Materiel (WRM) air munitions which have been expended in training, and will satisfy the projected training requirements for the next two years.

The quantities and types of munitions involved are not considered to have a significant impact on the regional military balance.

Those assets being offered from U.S. Air Force inventories will not adversely affect U.S. defense readiness. Assets will be provided through procurement action where U.S. readiness would be adversely affected by supply from inventory.

The components for these munitions will be produced by numerous contractors throughout the United States. The components will be assembled at various U.S. Government-owned arsenals.

Implementation of this sale will not require the assignment of any additional U.S. Government or contractor personnel to Saudi Arabia.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., February 10, 1981.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 81-20, concerning the Department of the Army's proposed Letter of Offer to Tunisia for defense articles and services estimated to cost $15 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA, Director.

[Transmittal No. 81-20]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Tunisia.

(ii) Total Estimated Value:

	Millions
Major Defense Equipment*	$14
Other	1
Total	15

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: Nineteen 155mm M109A2 self-propelled howitzers, applicable support equipment, and services.

(iv) Military Department: Army (UDP).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: None.

(vii) Section 28 Report: Included in report for quarter ending December 31, 1980.

(viii) Date Report Delivered to Congress: February 10, 1981.

POLICY JUSTIFICATION

TUNISIA—155MM SELF-PROPELLED HOWITZERS

The Government of Tunisia has requested the purchase of 19 155mm M109A2 self-propelled howitzers, applicable support equipment, and services at an estimated cost of $15 million.

This sale supports the foreign policy objectives of the United States by helping to provide a friendly country with the means to maintain its own defense.

Other countries in the region possess similar, although not superior, artillery items and in sufficient numbers to constitute a significant threat to the recipient country. Planned use for these artillery pieces will be for force modernization and not for force expansion.

The sale of this equipment and support will not affect the basic military balance in the region.

With the initial assistance of a Mobile Training Team and Technical Assistance Team, Tunisia will have no difficulty absorbing this equipment.

The prime contractor will be the Bowen-McLaughlin-York Company of York, Pennsylvania.

Implementation of this sale will require the assignment of 17 U.S. Government personnel to Tunisia for 120 days. No contractor personnel will be required.

The proposed sale will be from the normal production schedule and will have no adverse impact on U.S. defense readiness.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., February 18, 1981.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 81-21 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Air Force's proposed Letter of Offer to Singapore for defense articles and services estimated to cost $26 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA, Director.

[Transmittal No. 81-21]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Singapore.

(ii) Total Estimated Value:

	Millions
Major Defense Equipment*	$12
Other	14
Total	26

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: Two hundred AGM-65 series Maverick missiles with launcher equipment, aircraft (F-5) modifications, spare parts, support equipment, and training.

(iv) Military Department: Air Force (YAF).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(viii) Date Report Delivered to Congress: in the Defense Articles or Defense Services Proposed to be Sold: See Annex under separate cover.

(vii) Section 28 Report: Included in report for quarter ending December 31, 1980.

(viii) Date Report Delivered to Congress: 18 February 1981.

POLICY JUSTIFICATION

SINGAPORE—AGM 65 SERIES MAVERICK MISSILES

The Government of Singapore has requested the purchase of 200 AGM-65 series Maverick missiles with launcher equipment, aircraft (F-5) modifications, spare parts, support equipment, and training at an estimated cost of $26 million.

This proposed sale will contribute to the foreign policy and national security objectives of the United States by helping to improve the security of a friendly country which is a continuing force for peace and regional stability in Southeast Asia.

The Republic of Singapore Air Force (RSAF) requires the Maverick missiles to improve the air-to-surface support portion of its assigned mission and to be better able to combat any aggressor force that may threaten the territorial integrity of Singapore. The RSAF can easily absorb the articles requested within its existing facilities and technical capabilities.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor will be the Hughes Aircraft Company of Tucson, Arizona.

Implementation of this sale will not require the assignment of any additional U.S. Government personnel to Singapore. It is

estimated that between one and ten contractor employees will be required to be in Singapore for short periods during the activation of the system and while modifications to the F–5 aircraft are in progress.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., February 18, 1981.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 81–24, concerning the Department of the Navy's proposed Letter of Offer to Indonesia for defense articles and services estimated to cost $27 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA, Director.

[Transmittal No. 81–24]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Indonesia.

(ii) Total Estimated Value:

	Millions
Major Defense Equipment*	$26
Other	1
Total	27

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: Sixteen A–4E aircraft.

(iv) Military Department: Navy (SAZ).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: None.

(vii) Section 28 Report: Case not included in Section 28 report.

(viii) Date Report Delivered to Congress: 18 February 1981.

POLICY JUSTIFICATION

INDONESIA—A-4E AIRCRAFT

The proposed Letter of Offer (LOA) provides for the sale of 16 A–4E aircraft on an "as is, where is" basis. The estimated value of this case is to be $27 million.

This sale will contribute to the foreign policy objectives of the United States by helping to improve the security of a friendly country in Southeast Asia.

The Government of Indonesia is updating its outmoded and antiquated aircraft. The terms of payment for this case are to be cash with acceptance. The A–4 aircraft is currently owned by both Indonesia and Singapore, and the F–5 aircraft is owned by several Southeast Asian countries; sale of the A–4E, therefore, will not introduce a new capability into the region or significantly affect the regional balance.

Implementation of this sale will not require the assignment of any additional U.S Government or contractor personnel to Indonesia.

This sale will have no impact on U.S. defense readiness.

MINORITY ECONOMIC DEVELOPMENT

Mr. GLENN. Mr. President, 2 weeks ago on February 10, 1981, the Interstate Commerce Commission held the second in a nationwide series of hearings on minorities in transportation in Cleveland, Ohio.

The Cleveland hearings were chaired by the Commission's junior member, Commissioner Reginald E. Gilliam, Jr., who served as my legislative counsel for 5 years before joining the Commission.

The hearings included testimony from a total of 18 witnesses, including that of Harold Brazil, my present legislative counsel, who represented me at the session.

This current series of seven hearings represent a part of the ICC's attempt to comply with the excellently-drafted provision authored by our colleagues, the Senator from Nevada (Mr. CANNON) and the Senator from Oregon (Mr. PACKWOOD), establishing "increased minority participation" as one of the guidelines to follow in the new, substantially deregulated transportation environment. I am hopeful these hearings will identify problem areas as well as potential new business opportunities in what is most certainly a new era of increased competition and economic opportunity.

To further illustrate this point, Mr. President, I ask unanimous consent that an article by Commissioner Gilliam scheduled for inclusion in the March-April issue of the ICC Practitioners Journal and titled "Reindustrialization, Deregulation: Opportunity for Minority Economic Development" be printed in the RECORD, along with a news report on the Cleveland hearing from the Cleveland Plain Dealer.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

"REINDUSTRIALIZATION", "DEREGULATION": OPPORTUNITY FOR MINORITY ECONOMIC DEVELOPMENT

Transportation, in one form or another permeates every aspect of business or economic life in this country today. Whether one is involved in manufacturing, farming, processing, buying, selling, building or simply consuming, one is of necessity involved in commercial transportation as an integral part of everyday life. More fundamental is the fact that transportation considerations influence and often dictate where jobs are located, what type of local or regional economy exists, as well as how resources are to be developed and utilized.

Stated in economic terms, transportation expenditures in the United States amount to over twenty percent of the annual gross national product. Because of the everyday nature of transportation this large expenditure has often been taken for granted. To put this expenditure into proper perspective we need only consider a recent finding made in a major study for Congress by the National Transportation Policy Study Commission that in the next 20 years, the United States will spend $1.2 trillion in a combination of private, corporate and tax dollars on transportation alone.

Despite these huge expenditures few minorities are involved in the field of transportation. This phenomenon can largely be attributed to institutional factors which have operated historically to create an almost insurmountable barrier. One need not recite the history of obstacles and blatant discrimination, sanctioned and made legal by law and policy, that kept minorities out of most mainstream economic fields, including transportation, for many years. What needs to be emphasized at present is that many of these obstacles have been lifted as a result of both the struggle for racial equality and changed economic and political circumstances and that there is now room for greatly expanded minority participation in the field of transportation. Minorities must move quickly and decisively to take advantage of these opportunities.

America is now experiencing a wave of deregulation in the transportation industry. The first step was the Air Cargo Deregulation Act of 1977, followed by the Airline Deregulation Act of 1978, which significantly changed the degree of regulation in the commercial air transportation industry, and eventually eliminates the Civil Aeronautics Board. This year Congress passed the Motor Carrier Act of 1980, which makes major changes in the way trucking rates are established and in the regulatory controls on entry into the industry. Additionally, Congress has recently passed bills to deregulate the rail and household movements industries. Congress is considering further measures to deregulate both the bus and maritime industry.

Clearly, in the 1980's, there are deep and pervasive economic and political trends at work that are causing significant changes in the relationship of government to the private sector, and in the very nature of competitive price and service innovation within the private sector.

What is happening is much more than a manifestation of the oft-repeated rallying cry of "get government off our backs". It is also more than the very valid judgment that governmental bodies are ill-equipped to make business decisions. Congress and our political leaders are making a fundamental economic judgment that it is now time to reduce and de-emphasize government's role as a market place regulator while giving increased impetus to competition as a regulator. The commercial transportation industry is at the front line in this process because it, more than any other industry, is the weathervane of the economy. When industries begin to slip and deteriorate, or suffer from plant obsolescence and loss of trade competitiveness, the transportation industry immediately feels and reflects these circumstances. Conversely, when new industrial growth opportunities present themselves, by market, by region, or by commodity, transportation industries should be at the front line to share in that growth and to compete for the profits.

Modernized, reinvigorated domestic industries will demand equally modern and efficient transportation. Thus reindustrialization and reduced government regulation are combining to form a new economic environment.

As an example, consider how world oil prices have revived the United States Coal industry. The United States coal export business is now at record levels—domestic coal consumption is targeted for dramatic growth as a substitute for foreign oil. As a by-product, the hauling of coal offers the potential for halting much of the earlier decline of American railroads, as well as stimulating new growth in the rail industry. When 86 ships await coal loading in the Norfolk Harbor, it is easy to visualize the opportunities presented in mining, shipping, processing, and facility-building industries to name only a few. This is the heart of the process that is called "reindustrialization". Enterprising minority businessmen must be aware of the process and take advantage of it.

It is significant, but largely unnoticed that during this period of major deregulation legislation, the national transportation policy has been unequivocally amended with respect to the motor carrier industry to include "increased minority participation". Serious and well-advised minority businesses must be prepared to take advantage of this

strong articulation of support from Congress and start moving in a bold, new direction.

For the first time in 45 years, entry into the Motor Carrier Industry is almost assured if one seriously seeks that opportunity. In fact, all that the Motor Carrier Act of 1980 requires is a showing that the applicant for a license is "fit, willing and able" to provide a service and show that it meets a "useful purpose."

While the new law significantly relaxes entry standards, it also provides increased ratemaking freedom for competing carriers. Clearly, this is an example of congressional judgment that increased competition is what is needed to promote a healthy, thriving transportation industry. Couple that competitive thrust and increased rate flexibility with the minority participation provision and the opportunities for minority participation are myriad. Minorities and small businesses generally should now be better able to fashion innovative services and price structures and compete for shares of the market that were formerly the sole province of large companies.

Equally provocative, from a businessman's point of view, are the recent signs of resurgence in the railroad industry. Again, another specific reference to coal is particularly relevant. The National Coal Association estimates that total coal production east of the Mississippi River will increase 33 percent from 554 billion tons in 1979 to 736 billion tons in 1990. Western Coal production, on the other hand, is expected to increase approximately 140 percent from 216 billion tons last year to 514 billion tons in 1990. In addition to coal, there will be increased demands on the railroads to transport grain and other bulk commodities including oil shale, methanol and liquefied natural gas. Transportation of bulk commodities is particularly well suited to the railroads.

This phenomenon, combined with the fact that the trend is likely to continue, presents a unique incentive not only for minority businessmen to enter the railroad business, but also to participate in the spin-off businesses that will be spawned by this growth. Specifically, these ancillary businesses include providing railroad cars, equipment and parts, the manufacture of rail, ties, and spikes, the building of railroad signaling systems, railbed maintenance and so on. One other opportunity to be explored is the possibility of forming shortline railroads such as the ones being formed out of segments of abandoned Rock Island and Milwaukee Road Lines. Shippers and many local businesses that are located off of large roads have a strong interest in moving their products to larger rail facilities. Piggy-back and shortline railroads offer real opportunity for moving products to market while rewarding those who are enterprising enough to move those products efficiently.

In addition to opportunities in the motor carrier and rail sectors of the transportation arena, the intra-intercity bus industry offers a significant opportunity to minority businessmen. As a result of the recent oil embargo, Americans are turning to public transit in record numbers. In 1979, the intercity bus industry carried 360 million passengers, 22 million more passengers than in 1978. And along similar lines, ridership for the first 6 months of 1980 was up 2 percent from the same period in 1979. Also, it is important to note that of the 1100 intercity bus companies in America today many are small family operations. If this ridership trend continues, it will create increasingly tailored and specialized service needs which minority businessmen can capitalize upon by accommodating this regional and local growth pattern.

In conclusion, today's new economic climate has greatly enhanced the prospects of minority businessmen entering into the transportation field. As expertise and knowledge is developed to utilize the tools that are now available, the prospects for long-range growth and efficient, profitable business development are greatly increased. Surely the problems of financing and capitalization remain, however the obstacles of regulatory policy are at least being knocked down. The American minority businessman is, by virtue of his historical survival, a strong, industrious, imaginative individual. Today's new economic climate should serve to reward those characteristics in the years ahead.

[From the Plain Dealer, Feb. 11, 1981]

MINORITY-OWNED CARRIERS FIND SUCCESS ROAD ROUGH

(By Donald Sabath)

Despite new federal legislation, minority-owned trucking companies are finding a rough road in the fight for business opportunities.

That was the main view coming from an all-day hearing held yesterday in the Bond Court Hotel by Reginald E. Gilliam Jr., a commissioner of the Interstate Commerce Commission.

Gilliam, a former aide to Sen. John H. Glenn, D–O., said many of the problems facing minority-owned trucking companies may be due to the downturn in the economy.

Last year, Congress passed the Motor Carrier Act of 1980, amending the national transportation policy to include increased minority participation.

Gilliam said the ICC estimates that only 144 minority-owned firms hold ICC authority to operate trucking firms, and that that represents only 2.9 percent of the approximately 21,000 interstate regulated carriers.

Only about 9.4 percent of all employees involved in trucking in 1970 were minorities, said Gilliam.

William G. Hall, president of Industrial Transport Inc., 11910 Harvard Ave., told the hearing that when costs are squeezed, as they are today, "the squeeze always is harder at the lower end of the traffic spectrum."

"I have two ICC authorizations to operate, but this does not mean I do not have trouble with the ICC," he said. "The smaller trucking companies are just spread too thin."

Hall said in many cases some large companies will use minority firms, but that means the truck must travel a great distance from its home terminal and return empty.

"If you return empty, you are going to lose money, and that is what is happening with many minority firms," he said.

Hall thought some sort of financing should be made available to minority trucking firms so they can compete with larger companies.

He said minority truckers may last a year or two more, and then the "giants will get larger at the expense of the small ones."

Frank Sgro, vice president of W. H. Fay Co. here, said he thinks his company is a victim of reverse discrimination, since he had to lay off minority truck drivers because his firm is not minority-owned.

"We have been in business since 1937 and we have over 60 percent minority employees," he said. "But many of the large companies will not contract with us because we are not minority-owned."

Sgro said the federal government must realize that "we are a minority too."

Sandy Thompson, president of Autumn Industries Inc., Southington, O., said she is facing discrimination with her small company because she is a woman.

"Traffic agents, who are always men, want to talk to a man, not a woman," she said.

Thompson's company carries scrap between the Warren, O., area and Sharon, Pa.

Charles Flagg, president of Flash Transport & Leasing Co., Buffalo, said the main problem facing minority truck operators was education.

"There is no way for me to learn how to operate a trucking firm, and my decision to get into this work three years ago was one of the biggest mistakes I have ever made," he said.

RULES OF THE COMMITTEE ON FOREIGN RELATIONS

Mr. PERCY. Mr. President, on January 14, 1981, the Committee on Foreign Relations held its organizational meeting. At that meeting, the committee unanimously adopted its rules of procedure for the 97th Congress. Pursuant to paragraph (2) of rule XXVI of the Standing Rules of the Senate, I ask unanimous consent that a copy of the committee rules be printed at this point in the RECORD.

There being no objection, the rules were ordered to be printed in the RECORD, as follows:

RULES OF THE COMMITTEE ON FOREIGN RELATIONS

(Adopted January 14, 1981)

RULE 1—COMMITTEE AND SUBCOMMITTEE MEETINGS

(a) Regular meeting day.—The regular meeting day of the Committee on Foreign Relations for the transaction of Committee business shall be on Tuesday of each week, unless otherwise directed by the Chairman.

(b) Each meeting of the Committee on Foreign Relations, or any subcommittee thereof, including meetings to conduct hearings, shall be open to the public, except that a meeting or series of meetings by the Committee or a subcommittee on the same subject for a period of no more than fourteen calendar days may be closed to the public on a motion made and seconded to go into closed session to discuss only whether the matters enumerated in paragraphs (1) through (6) would require the meeting to be closed followed immediately by a record vote in open session by a majority of the members of the committee or subcommittee when it is determined that the matters to be discussed or the testimony to be taken at such meeting or meetings—

(1) will disclose matters necessary to be kept secret in the interests of national defense or the confidential conduct of the foreign relations of the United States;

(2) will relate solely to matters of Committee staff personnel or internal staff management or procedure;

(3) will tend to charge an individual with crime or misconduct, to disgrace or injure the professional standing of an individual, or otherwise to expose an individual to public contempt or obloquy, or will represent a clearly unwarranted invasion of the privacy of an individual;

(4) will disclose the identity of any informer or law enforcement agent or will disclose any information relating to the investigation or prosecution of a criminal offense that is required to be kept secret in the interests of effective law enforcement;

(5) will disclose information relating to the trade secrets or financial or commercial information pertaining specifically to a given person if—

(A) an Act of Congress requires the information to be kept confidential by Government officers and employees; or

(B) the information has been obtained by the Government on a confidential basis,

other than through an application by such person for a specific Government financial or other benefit, and is required to be kept secret in order to prevent undue injury to the competitive position of such person; or

(6) may divulge matters required to be kept confidential under other provisions of law or Government regulations.

A closed meeting may be opened by a majority vote of the Committee.

(c) Quorum requirements.—(1) a majority of the membership of the Committee shall constitute a quorum for reporting any measure or recommendation to the Senate. No measure or recommendation shall be ordered reported from the Committee unless a majority of the Committee members are actually present. The vote of the Committee to report a measure or matter shall require the concurrence of a majority of those members who are actually present at the time the vote is taken.

(2) A quorum for the transaction of Committee or subcommittee business, other than for reporting a measure or recommendation to the Senate or the taking of testimony, shall consist of one-third of the members of the Committee or subcommittee, including at least one member from each party.

(3) For the purpose of taking sworn or unsworn testimony at any duly scheduled meeting a quorum of the Committee and each subcommittee thereof shall consist of one member.

(d) Proxy voting.—Proxy voting shall be allowed on all measures and matters before the Committee. However, proxies shall not be voted for the purpose of reporting a measure or matter except when the absent member has been informed of the matter on which he is being recorded and has affirmatively requested that he be so recorded. All proxies shall be in writing.

(e) Subcommittees.—Unless otherwise authorized by law or Senate resolution, subcommittees shall be created by majority vote of the Committee and shall deal with such legislation and oversight of programs and policies as the Committee directs. Legislative measures or other matters may be referred to a subcommittee for consideration in the discretion of the Chairman or by vote of a majority of the Committee. If the principal subject matter of a measure or matter to be referred falls within the jurisdiction of more than one subcommittee, the Chairman of the Committee may refer the matter to two or more subcommittees for joint consideration.

The Chairman and Ranking Minority Member of the Committee shall be ex officio members, without vote, of each subcommittee.

(f) Subcommittee meetings.—Except when funds have been specifically made available by the Senate for a subcommittee purpose, no subcommittee of the Committee on Foreign Relations shall hold hearings involving reporting expenses without prior approval of the Chairman of the full Committee or by decision of the full Committee. Meetings of subcommittees shall be scheduled after consultation with the Chairman of the Committee with a view toward avoiding conflicts with meetings of other subcommittees insofar as possible. Meetings of subcommittees shall not be scheduled to conflict with meetings of the full Committee.

(g) Announcement of meetings.—The Committee, or any subcommittee thereof, shall make public announcement of the date, place, time and subject matter of any hearing to be conducted on any measure or matter at least one week in advance of such hearings, unless the Chairman of the Committee, or subcommittee, determines that there is good cause to begin such hearing at an earlier date.

(h) Assignments to subcommittees.—Assignments of members to subcommittees shall be made in an equitable fashion. No member of the Committee may receive assignment to a second subcommittee until, in order of seniority, all members of the Committee have chosen assignments to one subcommittee, and no member shall receive assignments to a third subcommittee until, in order of seniority, all members have chosen assignments to two subcommittees.

(i) Staff attendance at meetings.—A Member may have one member of his personal staff, for whom that Member assumes personal responsibility, accompany and be seated near him at committee meetings. Attendance of Committee staff at meetings shall be limited to those designated by the Staff Director or the Minority Staff Director.

Each member of the Committee may designate members of his personal staff, who hold a Top Secret security clearance, for the purpose of their eligibility to attend executive sessions of the Committee. The Committee, by majority vote, or the Chairman, with the concurrence of the Ranking Minority Member, may limit staff attendance at specified meetings.

(j) Reporting requirements.—

(1) When the Committee has ordered a measure or recommendation reported, the report thereon shall be filed in the Senate at the earliest practicable time.

(2) A member of the Committee who gives notice of his intentions to file supplemental, minority, or additional views at the time of final Committee approval of a measure or matter, shall be entitled to not less than 3 calendar days in which to file such views, in writing, with the Chief Clerk of the Committee. Such views shall then be included in the Committee report and printed in the same volume, as a part thereof, and their inclusion shall be noted on the cover of the report. In the absence of timely notice, the Committee report may be filed and printed immediately without such views.

(3) The results of all rollcall votes taken in any meeting of the Committee on any measure, or amendment thereto, shall be announced in the Committee report. The announcement shall include a tabulation of the votes cast in favor and votes cast in opposition to each such measure and amendment by each member of the Committee.

RULE 2—NOMINATION

(a) Waiting requirement.—Unless otherwise directed by the Chairman and the Ranking Minority Member, the Committee on Foreign Relations shall not consider any nomination until six days after it has been formally submitted to the Senate.

(b) Public consideration.—Nominees for any post who are invited to appear before the Committee shall be heard in public session, unless a majority of the Committee decrees otherwise.

(c) Required data.—No nomination shall be reported to the Senate unless (1) the nominee has been accorded a security clearance on the basis of a thorough investigation by executive branch agencies; (2) in appropriate cases, the nominee has filed a confidential statement with the Committee; (3) the Committee has been assured that the nominee does not have any interests which could conflict with the interests of the government in the exercise of the nominee's proposed responsibilities; and (4) for persons nominated to be ambassador or minister, the Committee has received a complete list of any contributions made by the nominee or members of his immediate family to any Federal election campaign during the year of his or her nomination and for the four preceding years.

RULE 3—WITNESSES

(a) General.—The Committee on Foreign Relations will consider requests to testify on any matter or measure pending before the Committee.

(b) Presentation by witnesses.—If the Chairman so determines, the oral presentation of witnesses shall be limited to ten minutes. However, written statements of reasonable length may be submitted by witnesses and other interested persons who are unable to testify in person.

(c) Filing of statements.—A witness appearing before the Committee, or any subcommittee thereof, shall file a written statement of his proposed testimony at least 48 hours prior to his appearance, unless this requirement is waived by the Chairman and the Ranking Minority Member following their determination that there is good cause for failure to file such a statement.

RULE 4—COMMITTEE TRAVEL

(a) Approval procedure.—No member of the Committee on Foreign Relations or its staff shall travel abroad on Committee business unless specifically authorized by the Chairman, who is required by law to approve vouchers and report expenditures of foreign currencies, and the Ranking Minority Member. Requests for authorization of such travel shall state the purpose and, when completed, a full substantive and financial report shall be filed with the Committee. Any proposed travel by committee staff for a subcommittee purpose must be approved by the subcommitee chairman and Ranking Minority Member prior to submission of the request to the Chairman and Ranking Minority Member of the full Committee.

(b) Travel by personal staff.—A member of the personal staff of a member of the Committee may travel with that member with the approval of the Chairman and the Ranking Minority Member of the Committee. During such travel, the personal staff member shall be considered to be an employee of the Committee.

(c) Foreign travel by Committee staff.—When the Chairman and the Ranking Minority Member approve the foreign travel of a member of the staff of the Committee not accompanying a member of the Committee, all members of the Committee shall be advised, prior to the commencement of such travel, of its extent, nature, and purpose. The report referred to in the first paragraph of this section shall be furnished to all members of the Committee and shall not be otherwise disseminated without the express authorization of the Committee.

(d) Staff travel in U.S.—All official travel in the United States by the Committee staff shall be approved in advance by the Staff Director, or in the case of minority staff, by the Minority Staff Director.

RULE 5—TRANSCRIPTS

(a) General.—The Committee on Foreign Relations shall keep verbatim transcripts of all Committee and subcommittee meetings and such transcripts shall remain in the custody of the Committee, unless a majority of the Committee decides otherwise. Transcripts of public hearings by the Committee shall be published unless the Chairman, with the concurrence of the Ranking Minority Member, determines otherwise.

(b) Maintenance and security of classified transcripts:

(1) The Chief Clerk of the Committee shall have responsibility for the maintenance and security of the classified transcripts.

(2) A record shall be maintained of each use of the classified transcripts.

(3) Classified transcripts shall be kept in locked combination safes in the Committee offices except when in active use by authorized persons. They must never be left unattended and shall be returned to the Chief Clerk promptly when no longer needed.

(4) Transcripts classified secret or higher may not leave the Committee offices except for the purpose of declassification.

(5) Classified transcripts other than those classified secret or higher may leave the Committee offices in the possession of authorized persons with the approval of the Chairman. Delivery and return shall be made only by au-

thorized persons. Such transcripts may not leave Washington, D.C. unless adequate assurances for their security are made to the Chairman.

(6) Extreme care shall be exercised to avoid taking notes or quotes from classified transcripts. Their contents may not be divulged to any unauthorized person.

(c) Use of classified transcripts. The following persons are authorized to use classified transcripts:

(1) Members and staff of the Committee in the Committee rooms.

(2) Senators not members of the Committee, by permission of the Chairman, and designated personal representatives of members of the Committee with appropriate security clearances in the Committee's Capitol office, with the permission of the Chairman.

(3) Members of the executive departments involved in the meeting, in the department's offices, or, in the Committee's Capitol office, by permission of the Chairman.

(d) Declassification of executive transcripts and other executive records:

(1) Any executive transcript or classified Committee report, or portion thereof, may be declassified by the Committee less than 12 years after the date on which such transcript or record was made if—

(A) the Committee by majority vote approves; and

(B) each member of the Committee who participated in any meeting at which such transcript was made, approves of such declassification, except that the Committee may by majority vote declassify such transcript in the absence of such approval.

(2) Any such transcript, classified Committee report, or portion thereof, shall be declassified on a date 12 years thereafter unless the Committee by majority vote disapproves.

RULE 6—REGULATION FOR THE USE OF CLASSIFIED MATERIAL (OTHER THAN TRANSCRIPTS)

Receipt and distribution of classified material.—

(a) All classified material received or originated by the Committee shall be logged in at the Committee's offices in the Dirksen Senate Office Building, and except for material classified as "Top Secret" shall be filed in the Dirksen Senate Building offices for Committee use and safekeeping.

(b) Each such piece of classified material received or originated shall be card indexed and serially numbered, and where requiring onward distribution shall be distributed by means of an attached indexed form approved by the Chairman. If such material is to be distributed outside the Committee offices, it shall, in addition to the attached form, be accompanied also by an approved signature sheet to show onward receipt.

(c) Distribution of classified material among offices shall be by Committee members or authorized staff only. All classified material sent to members' offices, and that distributed within the working offices of the Committee, shall be returned to Room 4229, Dirksen Senate Office Building. No classified material is to be removed from the offices of the members or of the Committee without permission of the Chairman. Such classified material will be afforded safe handling and safe storage at all times.

(d) Material classified "Top Secret," after being indexed and numbered, shall be sent to the Committee's Capitol office for use by the members and authorized staff in that office only or in such other secure Committee offices as may be authorized by the Chairman or Staff Director.

(e) The Staff Director is authorized to make such administrative regulations as may be necessary to carry out the provisions of these regulations.

RULE 7—STAFF REGULATIONS

The following provisions shall apply concerning the staff:

(a) The staff works for the Committee as a whole, under the general supervision of the Chairman of the Committee, and the immediate direction of the Staff Director; provided, however, that such part of the staff as is designated Minority Staff, shall be under the general supervision of the Ranking Minority Member and under the immediate direction of the Minority Staff Director.

(b) Any member of the Committee should feel free to call upon the staff at any time for assistance in connection with Committee business. Members of the Senate not members of the Committee who call upon the staff for assistance from time to time should be given assistance subject to the overriding responsibility of the staff to the Committee.

(c) The staff's primary responsibility is with respect to bills, resolutions, treaties, and nominations.

(d) The staff and the Committee also have a responsibility under section 136 of the Legislative Reorganization Act which provides that ". . . each standing Committee . . . shall review and study, on a continuing basis, the application, administration, and execution of those laws or parts of laws, the subject matter of which is within the jurisdiction of the committee." The staff also has a responsibility to the Committee for carrying out the mandate of Senate Rule XXV which provides that, in addition to specific areas of jurisdiction, the Committee ". . . shall also study and review, on a comprehensive basis, matters relating to the national security policy, foreign policy, and international economic policy as it relates to foreign policy of the United States, and matters relating to food, hunger, and nutrition in foreign countries, and report thereon from time to time."

In the case of foreign relations, there is an additional responsibility deriving from the advice and consent clause of the Constitution. By the same token there are limitations deriving from the President's special constitutional position, in regard to foreign relations.

(e)(1) In addition to carrying out assignments from the Committee and its individual members, the staff has a responsibility to originate suggestions for Committee or subcommittee consideration. The staff also has a responsibility to make suggestions to individual members regarding matters of special interest to such members.

(2) It is part of the staff's duty to keep itself as well informed as possible in regard to developments affecting foreign relations and in regard to the administration of foreign programs of the United States. Significant trends or developments which might otherwise escape notice should be called to the attention of the Committee, or of individual Senators with particular interests.

(f) In carrying out the responsibilities in subsection (e), the staff shall bear in mind the workload of Senators and not deal in trivia but limit itself to broad questions of basic policy or specific matters which point up a question of basic policy.

(g) The staff shall pay due regard to the constitutional separation of powers between the Senate and the executive branch. It therefore has a responsibility to help the Committee bring to bear an independent, objective judgment of proposals by the executive branch and when appropriate to originate sound proposals of its own. At the same time, the staff shall avoid impinging upon the day-to-day conduct of foreign affairs.

(h) In those instances when Committee action requires the expression of minority views, the staff shall assist the minority as fully as the majority to the end that all points of view may be fully considered by members of the Committee and of the Senate. The staff shall bear in mind that under our constitutional system it is the responsibility of the elected Members of the Senate to determine legislative issues in the light of as full and fair a presentation of the facts as the staff may be able to obtain.

(i) The staff shall regard its relationship to the Committee as a privileged one, in the nature of the relationship of a lawyer to a client. In order to protect this relationship and the mutual confidence which must prevail if the Committee-staff relationship is to be a satisfactory and fruitful one, the following criteria shall apply:

(1) Members of the staff shall not be identified with any special interest group in the field of foreign relations or allow their names to be used by any such group.

(2) Members of the staff shall not accept public speaking engagements or write for publication in the field of foreign relations without specific advance permission from the Staff Director, or, in the case of minority staff, from the Minority Staff Director. In the case of the Staff Director and the Minority Staff Director, such advance permission shall be obtained from the Chairman or the Ranking Minority Member, as appropriate. In any event, such public statements should avoid the expression of personal views and should not contain predictions of future, or interpretations of past, Committee action.

(3) The staff shall under no circumstances discuss with anyone the proceedings of the Committee in executive session or conversations with individual Senators without specific advance permission from the Committee or the Senator concerned.

RULE 8—PROVISIONS OF LEGISLATIVE REORGANIZATION ACT AND SENATE RULES

In addition to the foregoing, the Committee on Foreign Relations is governed by the standing rules of the Senate and the rules and procedures set forth in the Legislative Reorganization Act of 1946, as amended.

RULE 9—AMENDMENTS

These Rules may be modified, amended, or repealed by a majority of the Committee, provided that a notice in writing of the proposed change has been given to each Member at least 48 hours prior to the meeting at which action thereon is to be taken.

MESSAGES FROM THE PRESIDENT RECEIVED DURING RECESS

Under the authority of the order of the Senate of February 19, 1981, the Secretary of the Senate, on February 23, 1981, received messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received on February 23, 1981, are printed at the end of the Senate proceedings.)

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which

were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

INTERNATIONAL FISHERIES AGREEMENT BETWEEN UNITED STATES AND NORWAY—MESSAGE FROM THE PRESIDENT—PM 33

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers; which was referred to the Committee on Commerce, Science, and Transportation:

To the Congress of the United States:

In accordance with the Fishery Conservation and Management Act of 1976 (Public Law 94-265; 16 USC 1801), I transmit herewith a governing international fishery agreement between the United States and Norway, signed at Washington on January 26, 1981.

This agreement is one of a series to be negotiated in accordance with that legislation. I urge that the Congress give favorable consideration to this agreement at an early date. Several U.S. fishing interests have urged prompt consideration of this agreement, and I therefore recommend that the Congress consider issuance of a joint resolution to bring this agreement into force.

RONALD REAGAN.

THE WHITE HOUSE, *February 24, 1981.*

SUSPENSION OF CERTAIN LITIGATION AGAINST IRAN—MESSAGE FROM THE PRESIDENT—PM 34

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers; which was referred to the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

Pursuant to Section 204(b) of the International Emergency Economic Powers Act (IEEPA), 50 U.S.C. 1703(b), I have today exercised the authority granted by this Act to suspend certain litigation against Iran.

1. The circumstance necessitating the exercise of this authority is the implementation of the Claims Settlement Agreement between the United States and Iran. After a complete review of the agreements with Iran leading to the release of the hostages held by Iran I have decided to implement them.

This order is part of a series of actions necessary to resolve the national emergencies declared in Executive Order 12170 of November 14, 1979 and in Executive Order 12211 of April 17, 1980 and described in reports submitted to Congress under the IEEPA by President Carter on November 14, 1979; April 7, 1980; April 17, 1980; and January 19, 1981.

2. Although the hostages have been released, financial and diplomatic aspects of the crisis have not yet been resolved and continue to present an unusual and extraordinary threat to the national security, foreign policy and economy of the United States.

3. Thus claims which may be presented to the Iran-United States Claims Tribunal are suspended in accordance with the terms of the attached Executive Order pursuant to the terms of the Claims Settlement Agreement, and my powers under Article II of the Constitution, Section 1732 of Title 22, known as the Hostage Act, and Section 203 of IEEPA.

I am also ratifying earlier Executive Orders signed by President Carter on January 19, 1981, to remove any doubt as to their effect, an issue that has been raised in recent litigation challenging them. In this connection I note that Executive Orders 12276 through 12285 were all signed by President Carter and made effective while he was still in office. The Report to Congress required by IEEPA dated January 19, 1981, indicates that some of the Executive Orders were not signed until the release of the hostages, an event that did not occur until after the end of his term. The report, which was prepared in advance, did not, because of the press of circumstances, reflect events precisely as they occurred and to that extent it stands corrected.

4. The present Executive Order is necessary for the United States to meet its obligations under the Claims Settlement Agreement to peacefully arbitrate certain claims.

5. The action is taken with respect to Iran for the reasons outlined above.

RONALD REAGAN.

THE WHITE HOUSE, *February 24, 1981.*

MESSAGE FROM THE HOUSE

At 11:17 a.m., a message from the House of Representatives, delivered by Mr. Gregory, one of its reading clerks, announced that pursuant to the provisions of section 194(a), title 14 of the United States Code, the Speaker appoints as members of the Board of Visitors to the U.S. Coast Guard Academy, the following members on the part of the House: Mr. GEJDENSON and Mr. MCKINNEY.

The message also announced that pursuant to the provisions of section 1(b)(2), Public Law 94-399, the Speaker appoints as members of the Temporary Commission on Financial Oversight of the District of Columbia, the following members on the part of the House: Mr. DELLUMS, Mr. DIXON, and Mr. MCKINNEY.

The message further announced that pursuant to the provisions of section 5(b) of Public Law 93-642, the Speaker appoints as members of the Board of Trustees of the Harry S Truman Scholarship Foundation, the following members on the part of the House: Mr. SKELTON and Mr. TAYLOR.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-430. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "F/A-18 Naval Strike Fighter: Progress Has Been Made but Problems and Concerns Continue"; to the Committee on Armed Services.

EC-431. A communication from the Deputy Secretary of Defense, transmitting, pursuant to law, a report on the officers and employees whose compensation exceeded the annual rate of basic pay authorized for level II of the executive schedule on the last day of the year; to the Committee on Armed Services.

EC-432. A communication from the Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report concerning the Air Force's proposed letter of offer to Signapore for defense articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC-433. A communication from the Deputy Secretary of Defense, transmitting, pursuant to law, a proposed waiver of certain requirements under the Stevenson-Wydler Technology Innovation Act of 1980; to the Committee on Commerce, Science, and Transportation.

EC-434. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Stronger Federal Effort Needed to Foster Private Sector Productivity"; to the Committee on Armed Services.

EC-435. A communication from the Comptroller General of the United States, transmitting, pursuant to law, information on rescissions of budget authority and deferrals proposed in the President's third special message for fiscal year 1981, referred jointly, pursuant to the order of January 30, 1975, to the Committee on Appropriations, the Committee on the Budget, the Committee on Commerce, Science, and Transportation, the Committee on Labor and Human Resources, the Committee on Energy and Natural Resources, the Committee on Finance, the Committee on Banking, Housing, and Urban Affairs, the Committee on Governmental Affairs, the Committee on Environment and Public Works, the Committee on Foreign Relations, and the Select Committee on Small Business.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MATHIAS, from the Committee on Rules and Administration, without amendment:

S. Res. 80. An original resolution designating room S-120 in the U.S. Capitol as the "Hugh Scott Room."

By Mr. MATHIAS, from the Committee on Rules and Administration, with an amendment:

S. Res. 43. Resolution authorizing expenditures by the Committee on Agriculture, Nutrition, and Forestry (Rept. No. 97-5).

S. Res. 55. Resolution authorizing expenditures by the Committee on Appropriations. (Rept. No. 97-6).

S. Res. 60. Resolution authorizing expenditures by the Committee on Armed Services (Rept. No. 97-7).

By Mr. MATHIAS, from the Committee on Rules and Administration, without amendment:

S. Res. 75. Resolution authorizing expenditures by the Committee on Banking, Housing, and Urban Affairs (Rept. No. 97-8).

By Mr. MATHIAS, from the Committee on Rules and Administration, with amendments:

S. Res. 50. Resolution authorizing expenditures by the Committee on the Budget (Rept. No. 97-9).

By Mr. MATHIAS, from the Committee on 10 years; to the Committee on Labor and Human Resources.

S. Res. 52. Resolution authorizing expenditures by the Committee on Commerce, Science, and Transportation (Rept. No. 97-10).

S. Res. 56. Resolution authorizing additional expenditures by the Committee on Energy and Natural Resources (Rept. No. 97–11).

By Mr. MATHIAS, from the Committee on Rules and Administration, with amendments:

S. Res. 49. Resolution authorizing expenditures by the Committee on Environment and Public Works (Rept. No. 97–12).

By Mr. MATHIAS, from the Committee on Rules and Administration, with an amendment:

S. Res. 25. Resolution authorizing expenditures by the Committee on Finance (Rept. No. 97–13).

By Mr. MATHIAS, from the Committee on Rules and Administration, without amendment:

S. Res. 39. Resolution authorizing additional expenditures by the Committee on Foreign Relations for inquiries and investigations (Rept. No. 97–14).

By Mr. MATHIAS, from the Committee on Rules and Administration, with an amendment:

S. Res. 57. Resolution authorizing expenditures by the Committee on Governmental Affairs (Rept. No. 97X15).

S. Res. 53. Resolution authorizing additional expenditures by the Committee on the Judiciary (Rept. No. 97–16).

S. Res. 62. Resolution authorizing expenditures by the Committee on Labor and Human Resources (Rept. No. 97–17).

By Mr. MATHIAS, from the Committee on Rules and Administration, without amendment:

S. Res. 61. Resolution authorizing expenditures by the Committee on Veterans' Affairs (Rept. No. 97–18).

By Mr. MATHIAS, from the Committee on Rules and Administration, with amendments:

S. Res. 45. Resolution authorizing expenditures by the Special Committee on Aging (Rept. No. 97–19).

By Mr. MATHIAS, from the Committee on Rules and Administration, with an amendment:

S. Res. 34. Resolution authorizing additional expenditures by the Select Committee on Small Business (Rept. No. 97–20).

S. Res. 54. Resolution authorizing expenditures by the Select Committee on Intelligence (Rept. No. 97–21).

By Mr. MATHIAS, from the Committee on Rules and Administration, without amendment:

S. Res. 51. Resolution authorizing expenditures by the Select Committee on Indian Affairs for inquiries and investigations (Rept. No. 97–22).

EXECUTIVE REPORTS OF COMMITTEES SUBMITTED DURING THE RECESS

Under the authority of the order of the Senate of February 19, 1981, the following executive reports of committees were submitted on February 20, 1981:

By Mr. GARN, from the Committee on Banking, Housing, and Urban Affairs:

Murray L. Weidenbaum, of Missouri, to be a Member of the Council of Economic Advisors.

(The above nomination was approved subject to the nominees commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. HELMS, from the Committee on Agriculture, Nutrition, and Forestry:

Richard E. Lyng, of Virginia, to be Deputy Secretary of Agriculture.

(The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. PERCY, from the Committee on Foreign Relations:

Walter J. Stoessel, Jr., of California, to be Under Secretary of State for Political Affairs.

James L. Buckley, of Connecticut, to be Under Secretary of State for Coordinating Security Assistance Programs.

Richard T. Kennedy, of the District of Columbia, to be Under Secretary of State for Management.

Richard Fairbanks, of the District of Columbia, to be an Assistant Secretary of State.

Robert Carl McFarlane, of Maryland, to be Counselor of the Department of State.

M. Peter McPherson, of Maryland, to be Administrator of the Agency for International Development.

(The above nominations from the Committee on Foreign Relations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. PERCY. Mr. President, I also report favorably sundry nominations in the Foreign Service which have previously appeared in the CONGRESSIONAL RECORD of February 3, 1981, and, to save the expense of printing them on the Executive Calendar, ask unanimous consent that they lie on the Secretary's desk for the information of Senators:

Foreign Service Officers beginning John H. Trattner, and ending Daniel Alan Spikes.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. JOHNSTON (for himself, Mr. LAXALT, Mr. THURMOND, Mr. HOLLINGS, Mr. DECONCINI, Mr. EXON and Mr. MCCLURE):

S. 528. A bill to establish reasonable limits on the power of courts of the United States in the imposition of injunctive relief in suits to protect the constitutional rights of individuals in public education and to authorize the Attorney General to institute suits to enforce such limits; to the Committee on the Judiciary.

By Mr. STENNIS:

S. 529. A bill for the relief of Lt. Col. Henry F. McGraw, U.S. Army, retired; to the Committee on Armed Services.

By Mr. HEFLIN:

S. 530. A bill to amend the Railroad Retirement Act of 1974 to provide that benefits shall be payable to divorced spouses and surviving divorced spouses if they were married to a covered employee for at least 10 years; to the Committee on Labor and Human Resources.

S. 531. A bill to provide a credit against Federal income tax for expenses involved in the planting of pecan trees to replace pecan trees destroyed by Hurricane Frederick; to the Committee on Finance.

S. 532. A bill to amend the Internal Revenue Code of 1954 to exclude certain service performed on fishing boats from coverage for purposes of unemployment compensation; to the Committee on Finance.

By Mr. STAFFORD (for himself, Mr. MOYNIHAN, Mr. CHAFEE, Mr. RANDOLPH, Mr. SIMPSON, Mr. BAKER, Mr. BAUCUS, Mr. BURDICK, Mr. DOLE, Mr. GORTON, Mr. HUDDLESTON, Mr. INOUYE and Mr. MATSUNAGA):

S. 533. A bill to establish public buildings policies for the Federal Government, to establish the Public Buildings Service in the General Services Administration, and for other purpose; and Public Works.

By Mr. HEFLIN:

S. 534. A bill for the relief of Frank L. Hulsey; to the Committee on the Judiciary.

S. 535. A bill for the relief of James E. Swanson; to the Committee on Finance.

S. 536. A bill to amend title 28 of the United States Code to request the Chief Justice of the United States to give an annual address to the Congress on the state of the judiciary; to the Committee on the Judiciary.

S. 537. A bill to aid State and local governments in strengthening and improving their judicial systems through the creation of a State Justice Institute; to the Committee on the Judiciary.

S. 538. A bill to increase the compensation of the Solicitor General of the United States; to the Committee on Governmental Affairs.

By Mr. DURENBERGER (for himself, Mr. JEPSEN, Mr. MATTINGLY, Mr. THURMOND, Mr. DOLE, Mr. GOLDWATER, Mr. DOMENICI, Mr. WALLOP, Mr. GARN, Mr. TOWER, Mr. EAST, Mr. DENTON, Mr. HAYAKAWA, Mr. PRESSLER, Mr. HUMPHREY, Mr. ARMSTRONG, Mr. WARNER, Mr. SIMPSON, Mr. STAFFORD, Mr. SCHMITT, Mr. MURKOWSKI, Mr. COHEN, Mr. BOSCHWITZ, Mr. PERCY, Mr. HEINZ, Mr. HATCH, Mr. DANFORTH, Mr. LUGAR, Mr. GRASSLEY, Mrs. HAWKINS, Mr. HEFLIN, Mr. BRADLEY, Mr. ANDREWS, Mr. EXON, Mr. LAXALT, Mr. DECONCINI, Mr. HUDDLESTON, Mr. ZORINSKY, Mr. BUMPERS, Mr. LONG, Mr. CHILES, Mr. BAUCUS, Mr. MATSUNAGA, Mr. NICKLES, Mr. RIEGLE, Mr. WEICKER, Mr. BURDICK, Mr. QUAYLE, Mr. HELMS, Mr. BOREN, Mr. SASSER, Mrs. KASSEBAUM, Mr. D'AMATO, Mr. MELCHER, Mr. COCHRAN, Mr. JOHNSTON, Mr. MCCLURE, Mr. KASTEN, and Mr. MITCHELL):

S. 539. A bill to prohibit the use of funds to establish a nine-digit ZIP code; to the Committee on Governmental Affairs.

By HUDDLESTON (for himself, Mr. ROBERT C. BYRD, Mr. FORD, and Mr. WARNER):

S. 540. A bill to amend the Clean Air Act to provide that the voluntary conversion from oil or gas to an alternate fuel by a stationary source shall be treated in the same manner as a conversion ordered under the Energy Supply and Environmental Coordination Act of 1974 or the Powerplant and Industrial Fuel Use Act of 1978; to the Committee on Environment and Public Works.

By Mr. HUDDLESTON (for himself, Mr. ROBERT C. BYRD and Mr. FORD):

S. 541. A bill to amend the Clean Air Act with respect to temporary emergency suspension of implementation plan provisions; to the Committee on Environment and Public Works.

By Mr. HUDDLESTON (for himself, Mr. FORD, and Mr. ROBERT C. BYRD):

S. 542. A bill to provide that major stationary sources complying with all applicable emission limitations and standards of performance established pursuant to the

Clean Air Act shall not be subject to any more stringent limitations or standards for a period of 10 years; to the Committee on Environment and Public Works.

By Mr. MOYNIHAN:

S. 543. A bill to provide unrestricted Federal aid to local educational agencies from an amount of 5 percent in fiscal year 1981, to 25 percent in fiscal year 1990, the non-Federal expenditures for free public education, and for other purposes; to the Committee on Labor and Human Resources.

S. 544. A bill to provide an entitlement to State and local educational agencies to receive financial assistance for the reimbursement of the costs of complying with the regulations issued under certain Federal education laws, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. ABDNOR:

S. 545. A bill to authorize a study of the feasibility of Federal development of the water resources of the Little White River unit located on the Rosebud Sioux Indian Reservation, South Dakota; to the Select Committee on Indian Affairs.

By Mr. RANDOLPH (for himself, Mr. LONG, Mr. HEFLIN, Mr. HUDDLESTON, and Mr. GOLDWATER):

S. 546. A bill entitled 'The Fish Restoration Act of 1981; to the Committee on Environment and Public Works.

By Mr. HATFIELD:

S. 547. A bill to enable the Secretary of the Interior to erect permanent improvements on land acquired for the Confederated Tribes of Siletz Indians of Oregon; to the Select Committee on Indian Affairs.

By Mr. MOYNIHAN (for himself, Mr. RANDOLPH, and Mr. STAFFORD):

S. 548. A bill entitled 'The Union Station Act"; to the Committee on Environment and Public Works.

By Mr. GOLDWATER:

S. 549. A bill for the relief of Samuel S. H. Leung, his wife Carol O. K. Leung, and his sons Johnny C. Y. Leung and Jimmy C. M. Leung; to the Committee on the Judiciary.

By Mr. PACKWOOD (for himself, Mr. MOYNIHAN, Mr. ROTH, Mr. GOLDWATER, Mr. ANDREWS, Mr. TOWER, Mr. THURMOND, Mr. DURENBERGER, Mr. SCHMITT, Mr. HEINZ, Mr. HATCH, Mr. D'AMATO, Mrs. HAWKINS, and Mr. JEPSEN):

S. 550. A bill to amend the Internal Revenue Code of 1954 to provide a Federal income tax credit for tuition; to the Committee on Finance.

By Mr. PRYOR:

S. 551. A bill for the relief of Sayed Mohammed Hassan Bashiri; to the Committee on the Judiciary.

By Mr. COCHRAN:

S. 552. A bill to authorize post exchange and commissary store privileges for persons who have met all the requirements for retired pay under chapter 67 of title 10, United States Code, other than attaining 60 years of age; to the Committee on Armed Services.

By Mr. LEVIN:

S. 553. A bill for the relief of Teur-Swen Lin; to the Committee on the Judiciary.

By Mr. MATHIAS:

S. 554. A bill for the relief of Lagrimas Martinez and Ruiz Redentor Martinez; to the Committee on the Judiciary.

S. 555. A bill for the relief of Michael Whitlock; to the Committee on the Judiciary.

S. 556. A bill for the relief of Krishnahi S. Pribadi; to the Committee on the Judiciary.

By Mr. COCHRAN:

S. 557. A bill to amend the Internal Revenue Code of 1954 to allow estates required to file estate tax returns before July 13, 1978, the date on which regulations under section 2032A of such code were proposed, to elect the valuation of certain farm, and so forth, real property, under section 2032A of such code within 90 days after the enactment of the amendment to such code proposed by this bill; to the Committee on Finance.

By Mr. TOWER:

S. 558. A bill to amend the Longshoremen's and Harbor Workers' Compensation Act to provide that in the case of injuries to persons covered by such act the liability of owners, operators, or charterers of vessels engaged in activities on the Outer Continental Shelf shall be limited to damages attributable to their negligence; to the Committee on the Judiciary.

By Mr. CRANSTON (for himself, Mr. PROXMIRE, Mr. SASSER and Mr. SIMPSON):

S. 559. A bill to amend the Internal Revenue Code of 1954 to allow the Veterans' Administration to redisclose in certain circumstances for debt-collection and study purposes Internal Revenue Service-provided mailing addresses of individuals indebted to the United States, and for other purposes; to the Committee on Finance.

By Mr. CRANSTON:

S. 560. A bill to extend the authorization of appropriations for the Sudden Infant Death Program under part B of title XI of the Public Health Service Act; to the Committee on Labor and Human Resources.

S. 561. A bill to extend the authorizations of the appropriations for programs under the Child Abuse Prevention and Treatment Act and the Child Abuse Prevention and Treatment and Adoption Reform Act of 1978, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. MATSUNAGA:

S. 562. A bill for the relief of Wen Hwei Hsu; to the Committee on the Judiciary.

By Mr. DECONCINI:

S. 563. A bill to authorize the States and the Indian tribes to enter into mutual agreements and compacts respecting jurisdiction and governmental operations in Indian country; to the Select Committee on Indian Affairs.

By Mr. JEPSEN:

S. 564. A bill to establish a joint export marketing assistance program within the Department of Commerce to stimulate export promotion activity; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. STEVENS:

S. 565. A bill to amend the Internal Revenue Code of 1954 to increase the amount of the deduction allowable for certain moving expenses; to the Committee on Finance.

By Mr. HELMS:

S.J. Res. 33. Joint resolution to establish a Commission to plan for the 200th anniversary celebration of the birth of our Constitution; to the Committee on the Judiciary.

By Mr. GOLDWATER (for himself and Mr. DECONCINI):

S.J. Res. 34. Joint resolution to provide for the designation annually of "National Patriotism Week"; to the Committee on the Judiciary.

By Mr. WEICKER:

S.J. Res. 35. Joint resolution to direct the President to reinstate emergency building temperature controls; to the Committee on Energy and Natural Resources.

By Mr. MATHIAS:

S.J. Res. 36. Joint resolution to authorize the President to designate the week of March 9 through March 15, 1981 as "Children and Hospitals Week"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. JOHNSTON (for himself, Mr. LAXALT, Mr. THURMOND, Mr. HOLLINGS, Mr. DECONCINI, Mr. EXON and Mr. MCCLURE):

S. 528. A bill to establish reasonable limits on the power of courts of the United States in the imposition of injunctive relief in suits to protect the constitutional rights of individuals in public education and to authorize the Attorney General to institute suits to enforce such limits; to the Committee on the Judiciary.

NEIGHBORHOOD SCHOOL ACT OF 1981

Mr. JOHNSTON. Mr. President, today the distinguished Senator from Nevada (Mr. LAXALT) and I are introducing the Neighborhood School Act of 1981. It is designed to deal in a rational and reasonable way with the devisive issue of school busing.

Mr. President, this bill takes three new and unique approaches to the problem of school busing. First, it puts time and distance limitations upon the busing to be ordered by a court. The total daily time consumed in travel by school bus by any student may not exceed by 30 minutes the time in travel to the school closest to the students residence. Stated differently, courts would only have authority to require up to 15 minutes one way on a school bus over and above the time necessary to get to and from the school closest to the students residence. In like manner, the bill puts a distance limitation of 10 miles round trip or 5 miles one way as the maximum additional distance beyond the school closest to the students residence. Both the time and distance limitation are calculated by the route traveled by the school bus and not as the crow flies. The emphasis in this legislation is on the comparison of "actual" time and distance before and after the court order. Courts would have to use the best evidence available to determine the actual times and distances traveled by the school bus before and after an order involving student assignment or student busing.

The second unique approach taken by this bill prohibits court ordered student assignments or busing where such orders are likely to result in a greater degree of racial imbalance or a net harmful effect on the quality of education. Courts now have a wealth of experience in school desegregation and are in a good position to determine the likely effect of their proposed orders. The approach provided by the Neighborhood School Act of 1981 is plain, simple and obvious. It should be beyond argument.

In many instances, courts have issued orders which they knew would not work and which they knew would result in white flight or resegregation because they felt compelled by prior decisions to do so. In many instances, these orders have resulted in a deterioration in the quality of education. There is no attempt in this legislation to make the vindication of constitutional rights subject to referendum. However, courts should not, and by this legislation could not, hurt the cause of desegregation or the quality of education by issuing unworkable orders.

The third unique approach taken by this bill is to authorize the Attorney General to enforce the rights guaranteed by the Neighborhood School Act. If a student is bused or about to be bused in violation of these provisions, the student

or his parent can complain to the Attorney General. If he is financially unable to maintain the legal proceedings in his own right, the Attorney General is authorized in the name of the United States to vindicate his rights to the same extent as he is empowered to do with respect to school desegregation cases.

Mr. President, it is not the intent of this bill to turn back the clock or to resegregate public schools. To the contrary, Senator LAXALT and I believe Congress remains committed to the cause of civil rights and to equal protection of the laws. But most of all, Mr. President, we are aware of what works and what does not work in the area of school desegregation.

Cross town busing simply has not worked. One can attempt to summon up the witches from the briney deep, but they will not come. Nor will students remain in public school when they are ordered to be bused long distances out of their neighborhoods. Some regard this phenomena as a tragedy, others as an inevitability; but we should all now recognize it as a fact. When students, particularly the more able and affluent students leave a public school system, they degrade it by their exodus and take from it essential public support. Support is lost both at the tax election level and at the PTA level. Each of these levels of support is important to the success of the public school system.

Mr. President, section 5 of the 14th amendment authorizes the Congress to implement the amendment by appropriate legislation. Numerous court decisions interpreting this provision have held that the Congress has wide latitude in determining the appropriate scope of legislation to implement the 14th amendment. Nothing could be more appropriate, it seems to us, than for this Congress to place reasonable and appropriate limits on the extent of busing which courts may order, particularly when such busing, if overused, detracts from the twin goals of desegregation and quality education. The drawing of lines and the setting of limitations are proper roles of a legislative body as opposed to a judicial tribunal. Mr. President, I believe that this bill will be found by the courts to be legal, appropriate and constitutional under the 14th amendment. I urge my colleagues to give it swift approval.

Mr. President, this is a bill introduced on behalf of myself, the distinguished Senator from Nevada (Mr. LAXALT), the distinguished Senator from South Carolina and chairman of the Judiciary Committee (Mr. THURMOND), Mr. HOLLINGS, Mr. DECONCINI, Mr. EXON, and Mr. MCCLURE.

Mr. President, the Neighborhood School Act of 1981 for the first time deals in a comprehensive way with school busing, and in a way, Mr. President, that is likely to make reasonable sense out of what has been a terrible mess in this country. It will do so, I believe, in a constitutional way.

What this bill does, Mr. President, is to take three new and unique approaches to the issue of school busing. The bill provides that school busing cannot be ordered by a court unless it is reasonable and, in turn, the bill defines what is reasonable and what is unreasonable.

It provides, first, that school busing is not reasonable if it is likely to result in a higher degree of segregation than what existed before the court order or if it is likely to result in net degrading of the quality of education.

The bill also provides, Mr. President, that school busing is not reasonable if the round trip distance ordered by the court for a student exceeds by 10 miles the school busing that would be required for a student to attend the school closest to the student's residence. Stated differently, the bill would permit a court to order 5 miles of busing one way or 10 miles round trip but no more than that.

Also the bill prohibits busing which exceeds by 15 minutes one way the time necessary to get by school bus to the school closest to the student's residence.

Section 5 of the 14th amendment gives Congress the power to implement the 14th amendment, to determine what it means and how to provide for its implementation.

The courts on numerous occasions have interpreted section 5 of the 14th amendment as giving the Congress broad authority and broad discretion as to the proper means of implementing the 14th amendment.

Congress has legislated with respect to school busing before and legislated with respect to racial balance in schools. Congress did this in the Civil Rights Act of 1965 and did it with respect to Federal aid. Congress legislated on this subject last year in a bill that was vetoed.

But Congress has never come to grips with that basic legislative issue as to what should be the limits of schoolbusing under the 14th amendment. This bill sets those limits in a reasonable way, Mr. President.

There are some things that work and some things that do not work. We have found that school desegregation in many respects has been a crowning success, a historic achievement. In the whole history of the world we have found a tremendous change peacefully made. But we have also found, Mr. President, that long-distance school busing does not work. As a matter of fact, it works counter to the very purposes which it seeks to achieve because what it seeks to achieve is a unitary school system marked by equal protection of the laws, marked by desegregation, marked by higher levels of education. That has not been achieved in long-distance busing and, accordingly, this bill would seek to exercise the power of Congress under section 5 of the 14th amendment to put reasonable limitations upon schoolbusing.

Mr. President, the bill would also give the authority to the Justice Department to enforce these limitations in the same way and to the same extent that the Justice Department is required and mandated to enforce school desegregation under the Civil Rights Act of 1964.

If someone were bused in violation of the Neighborhood School Act, he could file a complaint with the Justice Department and then the Justice Department, if it deemed the complaint to be meritorious and the plaintiff unable to take action on his own behalf because of monetary or other reasons, would be able to enforce the limits of this act.

Mr. JOHNSTON. Mr. President, I am assured by the distinguished Senator from South Carolina (Mr. THURMOND), the chairman of the Judiciary Committee, that this bill will receive quick and thorough hearings. I believe that the Senate and the Congress is in a mood to act decisively and reasonably in this area of schoolbusing. I am very optimistic, Mr. President, that this approach will provide such a reasonable direction and will soon be the law of the land.

Mr. President, I ask unanimous consent that the bill and a section-by-section analysis be printed in the RECORD.

There being no objection, the bill and the analysis were ordered to be printed in the RECORD, as follows:

S. 528

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Neighborhood School Act of 1981".

SEC. 2. STATEMENT OF FINDINGS AND PURPOSES.

(a) The Congress finds that:

(1) Court orders requiring transportation of students to or attendance at public schools other than one closest to their residences for the purpose of achieving racial balance in public school systems have been an ineffective remedy and have not achieved unitary public school systems and that such orders frequently result in the exodus from public school systems of children which causes even higher racial imbalances and less support for public school sytems;

(2) Assignment and transportation of students to public schools other than to one closest to their residences is expensive and wasteful of scarce supplies of petroleum fuels;

(3) The pursuit of racial balance at any cost is without constitutional or social justification and that assignment of students to public schools or busing of students to achieve racial balance or to attempt to eliminate predominantly one race schools has been overused by courts of the United States and is in many instances educationally unsound and causes racial imbalances and separation of students by race to a greater degree than would have otherwise occurred.

(4) Assignment of students to public schools closest to their residence (neighborhood public schools) is the preferred method of public school attendance and should be employed to the maximum extent consistent with the Constitution of the United States.

(b) The Congress is hereby exercising its power to enforce, by appropriate legislation, the provisions of the Fourteenth Amendment.

SEC. 3. LIMITATION OF INJUNCTIVE RELIEF.—28 USC 1651 of the United States Code is amended by adding the following new subsection (c):

"(c)(1) No court of the United States may order or issue any writ ordering directly or indirectly any student to be assigned or to be transported to a public school other than that which is nearest to the student's residence unless:

(i) such assignment or transportation is provided incident to attendance at a "magnet", vocational, technical, or other school of specialized or individualized instruction;

(ii) such assignment or transportation is provided incident to a purpose directly and primarily related to an educational purpose;

(iii) such assignment or transportation is

provided incident to the voluntary attendance of a student at a school; or

(iv) the requirement of such transportation is reasonable.

"(c)(2) The assignment or transportation of students shall not be reasonable and a court of the United States shall not issue any writ ordering the assignment or transportation of any student if:

(i) there are reasonable alternatives available which involve less time in travel, distance, danger or inconvenience;

(ii) such assignment or transportation requires a student to cross a school district having the same grade level as that of the student;

(iii) such transportation plan or order or part thereof is likely to result in a greater degree of racial imbalance in the public school system than was in existence on the date of the order for such assignment or transportation plan or is likely to have a net harmful effect on the quality of education in the public school district;

(iv) the total actual daily time consumed in travel by school bus for any student exceeds by 30 minutes the actual daily time consumed in travel by school bus to and from the public school with a grade level identical to that of the student and which is closest to the student's residence;

(v) the total actual round trip distance traveled by school bus for any student exceeds by 10 miles the total actual round trip distance traveled by school bus to and from the public school closest to the student's residence and with a grade level identical to that of the student.

SEC. 4. SUITS BY THE ATTORNEY GENERAL.—Section 407(a) of Title IV of the Civil Rights Act of 1964 (P.L. 88-352, § 407(a); 78 Stat. 241, § 407(a); 42 USC 2000c-6(a)), is amended by inserting after the last sentence the following new subparagraph:

"Whenever the Attorney General receives a complaint in writing signed by an individual, or his parent, to the effect that he has been required directly or indirectly to attend or to be transported to a public school in violation of the Neighborhood School Act and the Attorney General believes that the complaint is meritorious and certifies that the signers of such complaint are unable, in his judgment, to initiate and maintain appropriate legal proceedings for relief, the Attorney General is authorized to institute for or in the name of the United States a civil action in any appropriate district court of the United States against such parties and for such relief as may be appropriate, and such court shall have and shall exercise jurisdiction of proceedings instituted pursuant to this section. The Attorney General may implead as defendants such additional parties as are or become necessary to the grant of effective relief hereunder.

SECTION-BY-SECTION ANALYSIS

Section 1: This section provides that the Act may be cited as the "Neighborhood School Act of 1981".

Section 2: This section contains the findings of Congress which justify the need for legislative action to establish reasonable limits on the power of courts to assign students and to transport students in public school systems in suits involving the constitutional rights of individuals as students. The major findings of Congress are (1) that court orders requiring students to attend schools beyond the closest one to their residences have been an ineffective remedy and have not achieved unitary school systems, (2) transportation to schools beyond one closest to a student's residence wastes petroleum fuels, (3) the pursuit of racial balance at any cost is without constitutional justification, has been overused by the courts and is educationally unsound, and (4) assignment of students to public schools closest to their residences (neighborhood public schools) is the preferred method of school attendance.

Section (2)(b) provides that the Neighborhood School Act is being enacted pursuant to the power of Congress under Section 5 of the 14th Amendment to enforce, by appropriate legislation, the provisions of the 14th Amendment.

Section 3: This section amends section 1651 of Title 28 of the United States Code to add a new subsection (c) which specifies the circumstances in which a court may and may not issue orders involving student assignments and student transportation.

Subsection (c)(1) permits court orders involving student assignment and student transportation to a public school which is not nearest to the students residence only if (i) the student assignment or transportation is incident to attending schools of specialized or individualized instruction, such as "magnet", vocational and technical schools, (ii) the student assignment or transportation is incident to a purpose directly and primarily related to an educational purpose, (iii) the student assignment or transportation is voluntary, and (iv) the transportation requirement is reasonable.

Subsection (c)(2) prohibits court orders involving student assignment and student transportation if (i) there are reasonable alternatives involving less time in travel, distance, danger, or inconvenience, (ii) a student would be required to cross a school district having the same grade level as that of the student, (iii) the court order is likely to increase the racial imbalance within the school system or is likely to diminish quality education in the public school district, (iv) the time required to travel to a public school exceeds by 30 minutes per day (15 minutes one way) the time required to travel to a public school which is closest to a student's residence and which has a grade level identical to that of the student, or (v) the distance to a public school exceeds by 10 miles (5 miles one way) the distance to a public school which is closest to a student's residence and which has a grade level identical to that of the student.

Section 4: This section authorizes the Attorney General to intervene on behalf of any individual who has directly or indirectly been required to attend or to be transported to a public school in violation of the Neighborhood School Act if the Attorney General believes that a complaint signed by such individual is meritorious and the individual is unable to initiate or maintain appropriate legal proceedings.

Mr. THURMOND. Mr. President, I am pleased today to join with Senators JOHNSTON and LAXALT in the introduction of the Neighborhood School Act of 1981, a bill to limit court-ordered busing of schoolchildren for racial balance purposes.

This legislation is not a complete answer to the problems of busing for racial quota purposes, but it is a significant step in the right direction. While the bill does not prohibit busing under all circumstances, it does put reasonable time and distance limitations upon court-ordered transportation plans. Under the terms of this bill, no child could be forced to travel in excess of 10 miles round trip—or 30 minutes daily travel time—beyond the school closest to the student's residence. This is an important, reasonable limitation that would stop some of the absolutely ridiculous, unnecessary busing of little schoolchildren for miles and miles away from their home, many times across school district lines.

Mr. President, this bill also incorporates another appropriate, reasonable limitation on court-ordered busing. It would prohibit mandatory desegregation plans that would likely result in a greater degree of racial imbalance or net harmful effect on the quality of education in the local school system. I view this as a much-needed restraint, Mr. President, for too often courts have simply ignored the long-term consequences of busing orders on the quality of education and future racial composition of the public schools.

For example, there is currently pending in the U.S. District Court for South Carolina a Justice Department desegregation suit against the Charleston County schools. While it is not my purpose here to take any position regarding the merits of that litigation or to become involved in it, I have been advised by the attorney handling the action for the school board that he could not foresee any conceivable remedy meeting the racial composition guidelines demanded by the Justice Department that would not, in all likelihood, leave the public school system worse off than before, with a massive new "white flight" from the public schools.

It is imperative, Mr. President, that the courts and the Justice Department orient their actions toward equal educational opportunity and improvements in the quality of education for all schoolchildren, rather than toward the achievement of arbitrary racial quotas through forced busing. This bill moves us toward that more equitable, desirable goal, and I am pleased to cosponsor it.

Mr. President, on a related matter, I am today asking the Attorney General of the United States to carefully review the four new school desegregation suits that were filed by the Carter administration just prior to leaving office and to request dismissal of any of these actions that are not clearly meritorious. I have also asked the Attorney General to adopt a policy of seeking reasonable practicable remedies in school desegregation cases that do not mandate busing for racial balance. Mr. President, I ask unanimous consent that the text of this letter be printed in the RECORD at the conclusion of these remarks.

There being no objection, the letter was ordered to be printed in the RECORD as follows:

COMMITTEE ON THE JUDICIARY,
Washington, D.C., February 24, 1981.

The Honorable WILLIAM FRENCH SMITH,
The Attorney General,
Washington, D.C.

DEAR MR. ATTORNEY GENERAL: Between the period of the November general election and the inauguration of President Reagan, it is our understanding that four new school desegregation suits were initiated by the United States Department of Justice. These legal actions were brought against school districts in Marshall, Texas; Lima, Ohio; Yonkers, New York; and Charleston, South Carolina.

Since these actions were initiated by the previous Administration, would entail substantial expense for local school officials, and since such actions typically cause considerable anguish and controversy among the affected citizenry, we believe it would be appropriate and judicious for you to carefully review each of these suits. If your investigation reveals that the actions lack merit, we hope that you will request the Department attorneys handling the case(s)

to promptly move the court(s) for dismissal.

If your review reveals, on the other hand, that some or all of these actions are clearly meritorious, then we fully recognize and support the responsibility of the Justice Department to enforce the law in an even-handed manner. It is our view and recommendation, however, that this Administration should adopt a policy of proposing and seeking reasonable, practicable remedies in school desegregation cases that do not mandate busing for racial balance. We believe that the Constitution's guarantee of equal educational opportunity for all public school children can be achieved without forcing an expensive, controversial transportation plan on any school district, and that the resources wasted on forced busing can be far better used in improving the quality of education within the particular public school system.

Thank you for your careful and prompt attention to this important matter, and we look forward to hearing from you regarding these pending cases.

With kindest personal regards and best wishes,

Sincerely,

STROM THURMOND,
PAUL LAXALT.

Mr. LAXALT. Mr. President, I am pleased to be a coauthor of the Neighborhood School Act of 1981 with the distinguished junior Senator from Louisiana, Mr. JOHNSTON. This act has been written to place reasonable limits on the power of courts to order busing to establish racial balance. In a sense, it allows children the continued right to attend neighborhood schools, and not be forced to travel miles to school because of a court-enforced order.

This legislation is a response to the overwhelming public opposition to court-ordered busing. While it would not bar all instances of busing for desegregation purposes, it would impose restraints on the court's ability to order busing at any cost.

The Neighborhood School Act of 1981 would not prevent voluntary busing. It would not prevent the transportation of students to magnet schools, or to achieve an educational purpose.

However, it would prevent court-ordered busing if reasonable alternatives with respect to travel time, distance, danger or inconvenience are available. It would prohibit busing if it requires a student to cross a school district or if the total daily bus ride per student exceeds 30 minutes and/or 10 miles more than the distance to the school closest to the student's home.

Busing as a court-ordered remedy to segregation would also be prohibited by this act if it would result in a greater degree of racial imbalance or have a net harmful effect on the quality of education.

In addition, it would offer a unique method for affected students and their families to challenge court-ordered busing as a remedy. In this legislation, the Attorney General is authorized to enforce the limitations on the courts if a student or his parents sign a written complaint, and also if the student is financially unable to maintain legal proceedings.

Court-ordered busing is a burden, even an obstacle to the universal goal of quality education. Certainly, in all instances, busing cannot be said to aid in this goal. The burden is borne by the students, their families, and by the school districts. Busing has a polarizing effect. It deflects attention and resources from the most important goal which is to improve the quality of education.

While school districts are faced with exorbitant bills due to court-ordered busing, they also suffer economic setbacks when fragmented communities fail to approve necessary tax levies. Families, who have sacrificed for their home in a convenient location near schools, often are forced to watch their children board buses headed for schools crosstown. And students, the majority of whom utilize school buses anyway, sometimes must be transported twice as far as they might ordinarily.

Not only do school districts and students bear the cost of busing, so does this Nation. Upwards of 155,000 gallons of gasoline a day are consumed shuttling children to and from schools in an attempt to achieve racial balance. And whether real racial balance can be achieved through busing is still the ultimate question.

I would say busing has not achieved that goal.

In fact, resegregation is becoming more evident in light of the increased injunctive relief ordered by our courts. Statistics from the cities of Boston and Detroit provide a substantive case of the white exodus. For example, in 1974, Boston's racial composition was 57 percent white and 43 percent black. By the late 1970's, the picture had changed. Boston's makeup was 39 percent white and 61 percent black and other minorities. Why? The finger is most often pointed at the increase in busing orders.

Finally, yet, perhaps foremost is the fact that desegregation has provided few academic benefits for minority students. Forced busing as a remedy to segregation has resulted in no real academic success in terms of reducing the gap in black-white achievement. Academic achievement tests have continued to decline throughout the country. As a result, both blacks and whites have responded negatively to busing in several recent nationwide polls.

Congress has been debating this issue for nearly two decades—since the Civil Rights Act of 1964. Numerous solutions to segregation have been proposed. Many methods have been introduced. Busing has continuously headed the list of solutions which provide less than the desired result, true educational quality. We have limited the administrative authority to assign students to schools in the Eagleton-Biden amendment in 1974. And we have restricted the use of Federal funds to bus students cross town in the Esch amendment of the Education Amendments of 1974. But no legislation has yet been passed which limits the court's ability to use busing, which is otherwise prohibited, as a remedy to the problem.

That fact, in itself, poses a real conflict in terms of judicial and legislative authority.

None of us will disagree that nothing is more important than providing quality education to our youth. Destruction of neighborhood schools hurts that goal, depriving schools of dollars, and denying children the opportunities to participate in activities near their own homes.

I urge my colleagues to give this legislation their support. It is time Congress place real, yet reasonable limits on the extent of busing as a remedy to segregation. This act would do just that.

By Mr. STAFFORD (for himself, Mr. MOYNIHAN, Mr. CHAFEE, Mr. RANDOLPH, Mr. SIMPSON, Mr. BAKER, Mr. BAUCUS, Mr. BURDICK, Mr. DOLE, Mr. GORTON, Mr. HUDDLESTON, Mr. INOUYE, and Mr. MATSUNAGA):

S. 533. A bill to establish public building polices for the Federal Government, to establish the Public Buildings Service in the General Services Administration, and for other purpises; to the Committee on Environment and Public Works.

PUBLIC BUILDINGS ACT OF 1981

Mr. STAFFORD. Mr. President, it is with mixed emotions that I introduce today the Public Buildings Act of 1981. I am glad to do so, because in the view of this Senator from Vermont it is excellent and belated legislation which I strongly recommend to all my colleagues here in the Senate. However, I am disappointed at the necessity to do so because I regret that the similar legislation in the last Congress—S. 2080—failed to be enacted into law. That bill, the Public Buildings Act of 1980, introduced by Senator MOYNIHAN and myself, was unanimously reported from the Committee on Environment and Public Works. It overwhelmingly passed the Senate by a margin of 9 to 1. Regrettably, I must report that we were unable to reach an acceptable compromise with the House in conference in spite of concerted efforts on the part of Senators MOYNIHAN, RANDOLPH, SIMPSON, CHAFEE, and the other conferees.

It is with a sense of pride that I say that the senior Senator from New York (Mr. MOYNIHAN) joins me in introducing this legislation. It was with equal pride that I joined with him when he introduced the similar legislation in the last Congress. I want the record to reflect that this bill, like its predecessor, is the product of partnership.

For several years the Committee on Environment and Public Works has been increasingly concerned about the public buildings program of the Government, as administered by the General Services Administration, and the need to alter the congressional authorizing procedures.

Mr. President, I ask unanimous consent that views from the committee's report to the Senate on several public building proposals of August 1979, be included in the RECORD at the conclusion of my remarks. These statements describe the committee's early and profound concern with the Nation's public buildings program.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. STAFFORD. Mr. President, following reports and criminal proceeding alleging misfeasance and malfeasance in the GSA, the committee in March

1979, voted unanimously to impose a moratorium on further authorizations of nonemergency public buildings projects. The committee agreed at that time to undertake a comprehensive review of the public buildings program and to develop comprehensive remedial legislation.

Mr. President, I ask unanimous consent that the announcement and description of the moratorium, contained in the committee's report to the Senate Committee on the Budget be included in the RECORD at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 2.)

Mr. STAFFORD. Mr. President, during the succeeding year, the committee held 9 days of hearings receiving testimony from the many diverse interests, both public and private. Represented were the GSA; Treasury Department; General Accounting Office; Associated General Contractors of America; the Building and Construction Trades Department of the AFL-CIO; the Committee for Federal Procurement of Architect-Engineer Services; the National Urban League; Partners for Livable Places; and others. Additional groups have requested to testify this year, and they will have their opportunity. Hearings are scheduled to begin as early as next week.

While the serious problems of GSA require basic corrective actions that must be administrative and require first of all effective management, we in the Congress also have a responsibility to provide a statutory framework which gives clear direction and which will provide the checks and balances and the orderly procedures enjoyed by other Federal programs.

The current practices of the GSA and the attendant authorization procedures in the Congress do not reflect or encourage rational, foresighted planning and management which should be the cornerstone of effective management and of a successful public buildings program.

The Public Buildings Act of 1959—which would be repealed by this bill—requires GSA to submit to the Congress a prospectus for each project over $500,000 in cost. Each prospectus demonstrates the need for a particular project, but it does not show the project in relation to other projects. This project-by-project procedure defies rational decisionmaking or establishment of priorities, and it prohibits judicious analysis of alternative approaches to meeting program objectives.

Furthermore, each prospectus may be authorized piecemeal, throughout the year, by resolutions adopted by the Senate Committee on Environment and Public Works and the House Committee on Public Works and Transportation. In this manner, the Congress loses sight of the long-range focus or even annual program of the public buildings program. Also lost in this process is any link between planning, authorization, and budgeting. In fact, public building authorizations do not fall under the congressional budgetary process.

In addition, there is no link with the appropriations process. The committees approve projects without regard to whether funds are available for them. As a result, GSA has a backlog of projects that have been approved and are pending but will cost about $664 million to complete, according to a recent GAO study.

Authorizations by committee resolutions do not have to be defended on the floor of either the Senate or House. Nor does any Member who is not a member of one of these "select" committees have the opportunity to participate in the decisions on public buildings, as they do in almost every other program of Government. In effect, public buildings is curiously the private purview of the Public Works Committees. It is an unusual situation in which the Congress has delegated its authority and responsibility to a single committee in each body. At times in the past, the question has been raised whether, under the Constitution, a single committee in each house can act for the whole Congress.

The bill would replace the current method of authorizing projects by prospectus with an annual authorization bill. It would require GSA to prepare and submit to the Congress each year a program for the coming year along with a 5-year plan. These documents would constitute a basis for an annual authorization bill—similar to that for military construction—putting Congress in a better position to assess project priorities; linking the authorization, budget, and appropriation processes; and encouraging authorization of only projects that fit within the likely funding level of the coming year.

In testimony before the committee last year and again in its report of September 9, 1980, entitled "Foresighted Planning and Budgeting Needed for Public Buildings Program" the General Accounting Office endorsed these provisions of S. 2080 which are also in this bill.

Another major weakness under present law is that the Public Works Committees of the Congress do not approve—nor are they even furnished information on—the vast majority of the activities of the Public Buildings Service, because those activities are not associated with projects requiring prospectus approval. For example, over 70 percent of the leasing budget—a particular source of concern because of the questionable practices that have characterized its usage and because of the sheer magnitude of the leasing budget—is thus immune from regular congressional oversight. The bill would strengthen oversight by bringing the entire PBS budget under greater congressional scrutiny. This feature of the bill is, I believe, very important given the record of the troubled agency in the past.

Mr. President, commensurate with the long-established plociy of the Committee on Environment and Public Works, the bill would alleviate the trend of rapidly escalating lease expenditures, which soon will exceed $1 billion a year. My colleague, Senator MOYNIHAN, will expand upon this situation.

Mr. President, I ask unanimous consent that an excerpt from the committee's report to the Budget Committee on the 1981 budget be included in the RECORD at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 3.)

Mr. STAFFORD. Mr. President, this statement explains the discrepancy in budget accounting procedures which grossly understates the budget impact of GSA's leasing activity.

Title VII of the bill would set as a goal more Government ownership of federally occupied space in relation to leased space. It would not alter that historic ratio.

It will be difficult, however, this year or perhaps even in the next several years, to reduce the leased inventory significantly if the Government has to rely solely on current resources in the Federal buildings fund. Title IX of the bill enables GSA to borrow construction funds from the Treasury, repaying the loans from "rental" income into the fund when the buildings are occupied in the manner of repaying a mortgage. This mechanism will not be "off budget" borrowing. GSA could borrow only in such amounts as are provided in annual appropriations acts.

The GAO has endorsed the borrowing mechanism and, last year, the Budget and Appropriations Committees advised us that the borrowing provisions conform to congressional budgeting and accounting procedures and policies.

Mr. President, title VII of this bill departs from the Public Buildings Act of 1980 in one respect which I will particularly mention because of the significant interest which has accompanied it. The bill last year prohibited the so-called lease construction method of acquiring space. That language has been modified to take into account concerns raised after the Public Buildings Act of 1980 was reported.

The language does not prohibit lease construction but requires that before entering into such contracts GSA must: First, establish specifications for the building comparable to the criteria for the construction of Government-owned buildings; second, secure an option to purchase the building; and third, solicit the lease acquisition through competitive bids.

Title II of the bill establishes siting priorities that take into account the need to locate Federal offices where they can best carry out their responsibilities and, where appropriate, be most conveniently visited by the public. The title also establishes planning criteria for finding space for Federal agencies. It reinforces previous efforts by the committee to assure that intensive use is made of the existing Government building inventory before space is sought elsewhere, and it reflects the committee's longstanding efforts to have permanent Federal functions placed in Government-owned buildings. The policy of purchasing and adapting existing and particularly historic buildings, established by Congress in the Public Buildings Cooperation Use Act of 1976, is clarified and strengthened.

Title III enumerates some of the components that must be taken into account in design of Federal buildings, including energy conservation and designs that facilitate access by the handicapped.

Title V would codify the existing art in architecture program of GSA, which does not now have the benefit of congressional sanction. Title VI provides for competition in the selection of private architects to encourage imagination and high quality designs.

In title I, the Public Buildings Service is given statutory status for the first time. Its top-ranking official would be appointed by the President with the advice and consent of the Senate, and the position of Supervising Architect is established to provide at a high level an individual whose background and responsibilities will combine to support improved design quality.

Mr. President, I characterize this legislation as a reform bill—a reform of some of the practices and procedures of the troubled agency and a reform of the congressional way of doing business. It should also produce buildings that we can be proud of architecturally and buildings which will efficiently house a Government work force convenient to the public served. But as important, this legislation, if firmly adhered to and strengthened where need be, can help restore order and build an agency and a program that we and the country can again be proud.

Mr. President, I have been deeply concerned with the rehabilitation and reemployment of handicapped individuals since I came to the Senate. I have a prepared statement, expanding on my remarks about section 307 of the bill which is designed to provide building accessibility to handicapped individuals. I ask unanimous consent that this statement appear in the RECORD following my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 4.)

Mr. STAFFORD. Mr. President, I also ask unanimous consent that the text of the bill and a section-by-section analysis be printed in the RECORD at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 5.)

Mr. STAFFORD. Mr. President, I thank the Chair. I yield the floor.

EXHIBIT 1

(Excerpts from the "Report to the Senate on Several Public Building Proposals Submitted by the General Services Administration" from the Committee on Environment and Public Works, August 1978 (Committee Print, Serial No. 95–15))

ADDITIONAL VIEWS OF SENATORS RANDOLPH, MOYNIHAN, STAFFORD, AND CHAFEE

Our committee has long discussed and intends to pursue its objective of improving the Federal building approval process under its jurisdiction. This includes acquiring, renting, or renovation of workspace housing Federal officeworkers. The procedures adopted by the committee when it approved the building prospectuses discussed in this report are only the most recent effort by the Senate Committee on Environment and Public Works to responsibly exercise its jurisdiction over Federal buildings (rule XXV(1)(h)(12)). They extend the existing procedures previously adopted by the committee.

There have been recent disclosures in the press of management failures, waste, and improprieties within the General Services Administration, which have been reviewed in hearings before a subcommittee of the Governmental Affairs Committee subsequent to the action discussed in this report. These disclosures are but one symptom of the need for clear policy direction and competent execution of defined programs—a need long evident to those who must deal with the agency. They expose, however, the urgency of attacking the fundamental problems which plague the agency—ranging from a coherent buildings policy to possible reorganization.

The committee acknowledges its responsibility in this area. It expects to address those problems which fall within its jurisdiction, and seeks the cooperation of the agency and the executive branch in this effort.

JENNINGS RANDOLPH.
ROBERT STAFFORD.
DANIEL P. MOYNIHAN.
JOHN H. CHAFEE.

SUPPLEMENTAL VIEWS OF MR. STAFFORD

I was glad to sponsor, with Senator Moynihan, the two new committee procedures described in this report. Following discussion by the committee, the first part of our proposal was adopted unanimously and the second part by a vote of 9–3. These first two steps should be viewed, however, as only the constructive beginning of the measures which must be taken.

As the ranking minority member of the committee, I have long believed that the prospectus process may no longer be adequate or appropriate. I have been equally concerned over the proper congressional role in building projects.

Our committee should carefully review not only the Nation's buildings policy, but specifically GSA management procedures and controls over building construction, leasing, alteration, and repair. I believe and expect the committee will pursue its concerns in these areas—areas that have been neglected by both the Executive and the Congress. To this end, I expect to introduce legislation which I hope will serve as a focal point for discussion, and a point of departure for full oversight of the agency's buildings program, its management controls and procedures, and the Nation's building policy.

There has not been, so far as I have observed, a coherent Federal policy on buildings. The policies that do exist appear to be in a state of continual change, if not increasing disarray and advanced deterioration. This lack of direction, and of defined policy, may be a failure of successive administrations and Congresses, as well as of the agency itself. It is painfully clear, however, that a policy must now be developed and adopted, logically defined and clearly enunciated. To protect its integrity, safeguards must be provided to assure that the chosen policy and program is then carried out, and firmly adhered to.

Before a coherent buildings policy can emerge, a number of issues must be addressed. I hope they may receive the prompt and close attention not only of the committee but also of the executive branch. Among the questions that may have a profound effect on the management of GSA and the buildings program are these:

Is the Federal buildings fund functioning in the manner intended when established by the Congress in 1972? If not, why, and what should be done?

What is the first purpose of a building policy, and which are the ancillary purposes, or compatible subsidiary goals? For example, how should functional efficiency, work effectiveness, urban policy, and "consolidation" rank in priority?

Is the prospectus process satisfactory, or the best choice as a management tool, for the executive branch? If it is useful to the Congress, does it provide controls and safeguards commensurate with the responsibility it imposes? What should be the congressional role in this or an alternate approval process?

What are the consequences of the proliferating construction authorities among numerous agencies?

Should not the Congress and the executive branch establish some common ground with respect to financing space acquisition—which involves budgetary impacts as well as comparative costs?

These questions are not exhaustive of the subjects that should be examined, or that may arise during oversight hearings. I believe they are instructive, however, of the task before the Congress and the administration.

The recent disclosures of improprieties and management failures, even if not at levels directly responsible to the Committee on Environment and Public Works, illustrate also the need to assure safeguards, proper procedures, and competent management in the very important field of building construction, leasing, alteration, and repair—where the committee is asked to assume initial approval responsibility for projects exceeding $500,000 in cost.

In the long run, only a coherent policy, clearly defined programs, and firm execution of those decisions backed by consistent authority, will fill the policy vacuum which otherwise attracts confusion and influence, if not exorbitant waste, favoritism, and scandal.

ROBERT STAFFORD.

EXHIBIT 2

Excerpt from the "Report to the Senate Committee on the Budget" from the Senate Committee on Environment and Public Works, March, 1979 (Committee Print, Serial No. 96–4)

MORATORIUM

On March 12, the committee voted unanimously to impose a moratorium on all nonemergency prospectus approvals by the committee. The moratorium will remain in effect for the duration of the 1st session of the 96th Congress.

This action was based upon committee concerns and questions which might be put on three levels. First the committee questions the soundness of the present national building policies and programs. Second, the committee is concerned about how effective are the administrative arrangements within the General Services Administration in carrying out these policies—whether present policies or prospective ones. Third, the committee wishes to review the prospectus approval process and the proper congressional role in building projects.

There have been recent disclosures of waste, mismanagement, and corruption within GSA, which have been reviewed in hearings before the Subcommittee on Spending Practices of the Governmental Affairs Committee. The Committee on Environment and Public Works has been and continues to be disturbed by disclosures. While much attention has focused on abuses in the supply area, significant problems exist also within the Public Buildings Service. Until the agency and the Congress has time to develop a policy and provide safeguards, the committee is greatly concerned that it has no assurances that projects which it approves for construction, acquisition, leasing, and alteration and repair, will be carried out with integrity and without waste and mismanagement.

The committee is aware that the agency has initiated a program to institute new

management procedures, controls, and reforms within GSA to assure that past abuses not only are corrected but also do not recur in the future. The committee applauds this effort and stand ready to assist by revising appropriate statutes, or enacting new legislation where necessary.

The committee has long discussed and intends to pursue its objective, to enact new legislation and to conduct thorough oversight of the Public Buildings Service, and it is confident that a policy can be developed and adopted, logically defined and clearly enunciated. To protect its integrity the committee is confident also that safeguards can be provided to assure that the chosen policy and program is then carried out and firmly adhered to.

It is the committee's hope and expectation that this process can be undertaken soon and complete during the first session of the 96th Congress. If so the moratorium need not impact on the fiscal year 1980 program of the agency or upon its 1980 budget which does not commence until October 1, 1979. The committee recommends a 1980 budget at the same level as requested by the President.

EXHIBIT 3

Excerpt from the "Report to the Senate Committee on the Budget" from the Senate Committee on Environment and Public Works, March, 1980 (Committee Print, Serial No. 96–10)

The budget proposed by the General Services Administration requests authority to enter into leases, first to renew or replace existing space, and second for expansion space, which would obligate the Government to rental payments estimated at $1,037 million during fiscal 1981 and the succeeding years of those lease commitments. However, only $112 million of that $1,037 million appears in the President's budget request. While this omission is not a new practice or device, the failure to reflect in the budget the extent of the GSA obligation understates by a factor of ten the impact on budget authority of the GSA leasing proposal, as outlined below:

The $925.7 million omission summarized above is not only "off budget"—that is, accounted for elsewhere—it is altogether unreported. Each year's new authority to lease is used by GSA to enter into leases of from one to twenty years, with only the current year's obligation counted against that authority.

In this case, the agency expects to renew or replace leases on 14.4 million square feet of its 102.4 million square feet of leased space. The President's budget includes $72 million (the half-year fiscal year 1981 cost) to represent this obligation which, upon inquiry, the agency states will cost the government $668.2 million (average 4-year leases at $10 per square foot plus 4 percent annual inflator).

In addition to lease renewals, the Public Buildings Service requests authority to lease "expansion space" of 6.9 million square feet. These new leases are budgeted at $39.8 million, but the agency states the resulting Federal commitment for expansion space will cost $369.3 million. The $329.5 million unreported difference between that estimated cost of $369.3 million and the $39.8 shown in the budget for expansion space, together with the unreported commitment for renewal leases discussed above, composes the $925.7 million unreported . . . .

This omission of lease commitments for all future years, from both the Executive Branch and Congressional budgets, grossly understates leasing costs. It skews decision away from construction and acquisition, and introduces a bias in favor of constantly escalating lease commitments. The Committee has found, for example, that the unaccounted obligation which will be required to liquidate existing GSA leases presently exceeds $2.3 billion and is rapidly growing.

The present GSA accounting system appears to report only the current year's outlay for a lease. That outlay is then used to lever an unreported budget authority of from one to twenty times the annual lease amount—so that total leasing activity may be essentially uncontrolled.

The Commitee on Environment and Public Works urges that the Budget Committee secure from the Congressional Budget Office an immediate analysis of this Public Buildings Service accounting practice, and take the appropriate steps in cooperation with the Office of Management and Budget to accurately and properly reflect in the FY 1981 and future budgets the true cost of leasing activities.

EXHIBIT 4

Mr. STAFFORD. Mr. President, there is one other provision of the bill that I wish to call to the attention of my colleagues. Section 307 of the bill requires that all buildings built under the authority of the Public Buildings Act of 1980 be fully accessible to handicapped individuals.

Mr. President, as my colleagues are aware, I have been deeply concerned with the rehabilitation and re-employment of handicapped individuals since I came to the Senate. It has been my privilege to sponsor and work actively for passage of the Rehabilitation Act of 1973 as well as the subsequent amendments to it in 1974, 1976 and 1978. One of the troubling aspects of that law has been that, although we have made every effort to ensure compliance with the Architectural Barriers Act of 1968 through the creation and subsequent reinforcement of the Architectural and Transportation Barriers Compliance Board, we have not been successful in fostering close cooperation between GSA and the other agencies responsible with the Board to assure that the space they build or lease is fully accessible to handicapped persons. Mr. President, as a result, we have in this bill provided for the first time a bridge to connect all the authorities in federal law which pertain to the removal of architectural barriers. Through this connection, the Committee intends to remedy the lack of cooperative effort and provide that the law will be more stringently adhered to.

Standards of accessibility—the ANSI standards—were first recommended for federal government use in 1961. The Architectural Barriers Act was enacted in 1968. Yet the government has continued to build and lease inaccessible space. The record of adherence and enforcement has been at best uneven. Yet federal law has required accessibility for the last 12 years. We are not then, in this bill, creating a wholly new requirement. We are not requiring massive expenditures of funds. We are merely trying to bring some order to the chaos of uneven application and enforcement of the several statutes now in place through coordination and a cooperative process.

Mr. President, through the language of section 307, the Committee wants one thing to be clear: The federal government should not, ever again, permit a building built at taxpayers expense that is not accessible to all the people, no matter how severe their mobility impairment. I wish to stress again that this will not require massive new expenditures. Experts in this matter estimate that the cost added to a building to make it fully accessible is perhaps no more than one half of one percent. What is needed then to assure full access is a thoughtful application of good sense and a practicality in design stages which is then carried uniformly through the construction phase in order to assure that all the people will be able to enter, use, and be employed in federal buildings despite their mobility impairment.

Mr. President, the original Rehabilitation Act prohibited those who receive federal funds or do business with the government to discriminate against any otherwise qualified individual solely on the basis of a handicapping condition. In 1978, the Congress wisely applied that law explicitly and directly to the agencies themselves. This has required them to look more closely at the buildings and facilities that they occupy to assure that, by the lack of physical access they are not denying services unlawfully to individuals with mobility impairments. In order to meet that requirement, this bill, and the earlier regulatory requirements, section 307 provides the presumption that if the agencies meet the requirements of this section, they will have met the physical access requirements under the Rehabilitation Act with respect to their own programs and facilities. This will preclude the need for the issuance of two sets of regulations, as well as assure that there is complete coordination between that law and this provision. A particularly crucial point if the spirit and intent and letter of this section is to be adhered to.

Mr. President, in the case of leased space, section 307 no longer permits an agency to waive the accessibility standards that it has in force for a particular building; a particular kind of building; or a particular group of buildings. This authority to waive the use of any standard of access as a matter of convenience has been the cause for much of the mischief in the law to date. An agency still may modify the access standard used in a building, but it may only do so in a building that is leased or in one which is being built which has some peculiarity in structure or site that may require it. It may seek that modification only in advance from the Board and it must be fully justified before it can be approved. While the bill sets a timetable for decreasing the number of federal employees working in leased space, when that process is completed, leased space will still make up a significant portion of the government's space inventory. The bill contemplates that leased space should meet as stringent a requirement as for any that are built under the authority provided in this bill. The modification procedure is provided because the Committee is cognizant that such a goal may not be attainable in every case. But I wish to stress that the modification process should only be employed when there is no demonstrable alternative.

Mr. President, there has been criticism of late that perhaps the handicapped individuals of this Nation ask too much, that they are confusing "rights" with "privileges", and that it is becoming too expensive not to make the distinction. It is my opinion, and one which I hope my colleagues share, that this section provides nothing more to handicapped persons than a basic right; the ability to treat with the agencies of the federal government on an equal basis with their nonhandicapped peers. It is important to have the federal government lead the way in making our mobility impaired citizens as much a part of the rhythm and pattern of normal life. This bill will help do that because it will bring uniformity and consistency to the accessibility of public buildings. That does not require more than an ordinary effort on our part. The fact that handicapped individuals are willing to make an extraordinary effort to lead an ordinary life in a society that often designs ways to frustrate their efforts should serve as an incentive for us to make that ordinary—and relatively inexpensive—effort. Providing a more coherent plan to allow the mobility impaired to enter, use and be employed in public buildings is a step in the right direction.

Mr. President, many Senators and their

able staffs were of great help to me in the formulation and drafting of section 307. They include the distinguished Chairman, Senator Randolph, the Majority Whip, Senator Cranston, as well as Senator Moynihan. I thank them all for their efforts and their concern. I hope that the efforts they lent to this will lead to a more accessible nation. That is my hope and the reason section 307 is included in this bill.

S. 533

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Public Buildings Act of 1981."

SEC. 2. It is hereby declared to be the policy of the Congress that the public buildings of the United States Government shall be located, designed, furnished, and maintained so as to insure the highest productivity and efficiency of Federal agencies and their employees and, further, to provide Government services throughout the United States in locations convenient to the people, to preserve and advance the Nation's legacy of architectural excellence, and to enhance commercial and cultural conditions in the vicinity of public buildings.

TITLE I—GENERAL AUTHORITIES

SEC. 101. The Administrator of General Services, acting through the Public Buildings Service, in conformance with the policies and provisions of this Act, shall have sole authority to acquire, design, construct, lease, manage, maintain, repair, renovate, and assign and reassign space in, buildings and sites to meet the public buildings needs of the Government.

SEC. 102. There is hereby established in the General Services Administration a Public Buildings Service. There shall be at the head of the Public Buildings Service a Commissioner of Public Buildings who shall be appointed by the President, by and with the advice and consent of the Senate, and shall be compensated at the rate provided for level IV of the Executive Schedule (5 U.S.C. 5332).

SEC. 103. There shall be within the Public Buildings Service a Supervising Architect who shall be appointed by the Administrator of General Services and shall be compensated at the rate provided for level V of the Executive Schedule (5 U.S.C. 5332). The Supervising Architect shall supervise all design activities of the Public Buildings Service and shall perform such other duties as the Commissioner of Public Buildings may designate.

SEC. 104. Any authorities described in section 101 of this Act that have been delegated by the Administrator to another Federal agency prior to the date of enactment of this Act shall be revoked and vested in the Administrator on the one-hundred-and-twentieth day after the effective date of this Act unless, prior to said day, the Administrator has delegated such authority in accordance with section 105 of this Act.

SEC. 105. Notwithstanding the provisions of section 205 of the Federal Property and Administrative Services Act of 1949, as amended, the Administrator may delegate all or a portion of his authorities under this Act to the head of another Federal agency, but only with respect to the public buildings needs of that agency.

SEC. 106. The head of any Federal agency delegated authorities pursuant to section 105 of this Act, shall exercise those authorities in conformance with the provisions of this Act; however, the head of any such agency shall not submit the report required in section 107 but shall submit the information required in section 107 to the Administrator for inclusion in his records and reports.

SEC. 107. (a) The Administrator shall submit a report to the Congress on or before February 1 of each year describing activities undertaken, directly by him, or under authorities delegated pursuant to section 105 of this Act, to meet the public buildings needs of Federal agencies in the preceding fiscal year. Such report shall include, but is not limited to—

(1) an inventory of all public buildings, including for each building its location and the amount of space and number of employees assigned to each Federal agency;

(2) an inventory of locations of Federal agency offices in leased buildings, including for each leased location its annual leasing costs, total expected leasing costs over the remaining term of the lease, and the amount of space and number of employees assigned to each Federal agency;

(3) a list of all construction and renovation projects completed and in progress and the degree of progress toward the completion of each;

(4) a list of all leases and lease renewals executed;

(5) a list of construction, acquisition, and renovation projects the cost of which have exceeded, or are expected to exceed, the maximum cost set forth in any annual authorization under this Act, whether or not such projects meet the criteria established in section 803 of this Act;

(6) a list of all delegations of authority made by the Administrator pursuant to section 105 of this Act;

(7) a report on activities undertaken pursuant to—

(A) titles IV and V of this Act;

(B) section 210(a)(6) of the Federal Property and Administrative Services Act of 1949, as amended, or by transfer of funds from any Federal agency; and

(8) a discussion of achievements and problems in carrying out provisions of this Act and in meeting the public buildings needs of the Government.

(b) The Administrator shall collect and maintain such information as may be necessary to keep the Congress fully and currently informed of the conduct of the Public Buildings Service and to manage activities required under the provisions of this Act. Within one year after enactment of this Act, the Administrator shall assure that information is available on—

(1) for each public or leased building—

(A) the amount of vacant space,

(B) the amount of space leased under section 102 of the Public Buildings Cooperative Use Act of 1976, as amended,

(C) building operations costs,

(D) income derived for the Federal Buildings Fund,

(E) needed repairs and renovation,

(F) energy consumed,

(G) whether it is fully accessible to handicapped persons,

(H) the percent of the building leased by the Government,

(I) the total amount of funds that have been expended in improvements or alterations to each leased building, and

(J) the term of any leases in effect and their expiration dates.

(2)(A) All contracts in effect for architectural, engineering, construction, maintenance, protection, research and other services, including for each the name of the contractor, the services performed, and contract term and price, and

(B) the space utilization rate for each Federal agency.

SEC. 108. (a) The Administrator shall require, prior to executing any lease or other contract which would obligate funds in excess of $10,000 authorized pursuant to this Act, a certification from the owner of the space to be leased or the contractor. Any owner or contractor who fails to complete such certification required under this subsection shall not be eligible to receive a lease or contract award. Such certification shall include, but need not be limited to, statements, declaring under penalty of law provided under 18 U.S.C. 1001 or elsewhere, that such owner or contractor, or any of his officers or principal employees:

(1) has no business or employment relationship or interest or holding which constitutes a conflict of interest with his capacity as a lessor or contractor with the United States;

(2) has not offered or promised anything of value to a public official with the intent to influence any official act or to induce the official to perform, or to omit to perform, any act in violation of his lawful duties or to offer or give anything of value to a public official for performing an official act;

(3) has not been debarred or suspended from the award of public contracts;

(4) has not had a public contract terminated for default;

(5) has not been convicted, within ten years prior to the date of the solicitation, of, or is not currently under indictment for or otherwise charged with:

(A) a criminal offense incident to obtaining or attempting to obtain a public (Federal, State, or municipal) or private, contract or subcontract thereunder, or in the performance of such a contract or subcontract;

(B) a violation of the Organized Crime Control Act of 1970;

(C) a violation of Federal antitrust statutes arising out of the submission of bids or proposals or;

(D) embezzlement, theft, forgery, bribery, falsification or destruction of records, fraud, tax fraud, receiving stolen property, or equivalent crimes which are indicative of a lack of business integrity.

(b) The Administrator shall provide in the annual report required under section 107(a) of this Act, the name of each principal owner of each building or other space leased pursuant to section 803(3)(A) during the fiscal year covered by the report.

SEC. 109. (a) The Administrator shall keep the Congress fully and currently informed of policies and activities of the General Services Administration within the purview of this Act. In addition, he shall make available to the Committee on Environment and Public Works of the Senate and the Committee on Public Works and Transportation of the House of Representatives on request, and in such manner as may be necessary to safeguard individual rights or the conduct of criminal investigations, any document, material, information, or report under his jurisdiction.

(b) Such reports as are required to be transmitted to appropriate committees of the Congress by the Administrator in accordance with sections 5(b) and 5(d) of Public Law 95-452 that pertain to problems, abuses, or deficiencies arising under this Act, shall be transmitted simultaneously to the Committee on Environment and Public Works and Transportation of the House of Representatives.

SEC. 110. (a) The Administrator shall be responsible for the interpretation of all contracts entered into on behalf of the United States Government to carry out the purposes of this Act, and shall be responsible for the approval of materials, workmanship, and services supplied pursuant to such contracts, approval of changes in contracts, certification of vouchers for payments due contractors, and final settlements.

SEC. 111. Nothing in this Act shall be construed to affect the authorities granted in section 403f, 403g, or 403j of title 50, United States Code.

SEC. 112. The General Services Administration shall furnish to the Committee on Environment and Public Works of the Senate and the Committee on Public Works and Transportation of the House of Representatives by April 30, 1982, a survey report de-

scribing all of the steam generating units it owns or operates with a heat input rate of 50 million Btu/hr or greater. The report will include for each facility:

(1) description of the proposed facility after fuel substitution (i.e., number of units, name plate capacity, fuel choice);

(2) the estimated total cost of conversion or replacement to coal;

(3) the oil and gas savings which would result from such a conversion or replacement;

(4) the net annual fuel cost savings which would result from such a conversion or replacement;

(5) the project payback period using accepted life cycle costing procedures.

The report shall also include proposed funding schedules for conversions and replacements that could be undertaken immediately.

SEC. 113. As used in this Act—

(1) The term "Administrator" means the Administrator of General Services.

(2) The term "Federal agency" means any department or independent establishment in the executive branch of the Government, including any wholly owned Government corporation, and any establishment in the legislative or judicial branch of the Government (except the Senate, the House of Representatives, and the Architect of the Capitol and activities under his direction).

(3) The term "office" means any organizational component of a Federal agency or other public or private enterprise and also means the physical space in which the work of the component is conducted, including, but not limited to clerical offices, laboratories, warehouses, industrial plants, and garages.

(4) The term "officers and employees of the Government" means all persons included under sections 2104 and 2105 of title 5 of the United States Code.

(5) The term "locality" means a city, county, town, parish, village, or other area governed by a general purpose political subdivision of a State.

(6) The term "acquire" or "acquisition" includes purchase, payment for an option to purchase, condemnation, donation, and exchanges of real property, or interests therein, excluding leaseholds.

(7) The term "renovation" means alteration, addition, partial demolition, and other such actions that significantly enhance or change the use or architectural design of a public building.

(8) The term "historic, architectural, or cultural significance" includes, but is not limited to buildings listed or eligible to be listed on the National Register established under section 101 of the Act of October 15, 1966 (16 U.S.C. 470a).

(9) The term "handicapped person" includes any individual with a physical impairment that precludes such person's use of a building to the same extent as an individual with unimpaired mobility.

(10) The term "fully accessible" means the absence or elimination of physical and communications barriers to the ingress, egress, movement throughout, and use of a building by handicapped persons and the incorporation of the most scientifically advanced research, technology and equipment to assure access to a building by handicapped persons and, in a building of historic, architectural, or cultural significance, the elimination of such barriers and the incorporation of such research, technology, and equipment in such a manner as to be compatible with the significant architectural features of the building to the maximum extent possible.

(11) The term "public building" means any building along with its grounds, approaches, and appurtenances, owned by the United States Government or the subject of a contractual or other agreement under which it may be owned by the United States Government at some certain date in the future, that accommodates, did accommodate, or is intended to accommodate Federal agency offices, and includes, but is not limited to office buildings, courthouses, research and academic centers, border stations, garages and warehouses, and any other building or construction project the inclusion of which the President may deem to be in the public interest, but does not include buildings or installations of the United States Postal Service, except as provided for under section 2002(d) of the Postal Reorganization Act, or buildings or installations of the Tennessee Valley Authority, or buildings of the Government Printing Office, or buildings: on the public domain (including that reserved for national forests and other purposes), on properties of the United States in foreign countries, on Indian and native Eskimo properties held in trust by the United States, on lands used in connection with Federal programs for agricultural, recreational, and conservation purposes, on or used in connection with river, harbor, flood control, reclamation or power projects, chemical manufacturing or developing projects, or for nuclear production, research, or development projects, on military installations (including any fort, post, airbase, proving ground, supply depot, school or similar facility of the Department of Defense), on Veterans' Administration installations used for hospital, nursing home, or domiciliary purposes, on or used in connection with housing and residential projects, or on the United States Capitol grounds delineated in section 193(a) of title 40, United States Code.

(12) The term "public buildings needs" means the requirements of Federal agencies for suitable space, whether or not in a Government-owned building, to accommodate offices that may be located in a public building as defined in subsection (11) of this section, and includes requirements for space in accordance with section 102 of the Public Buildings Cooperative Use Act of 1976, as amended.

(13) The term "National Capital region" has the same meaning that it bears in section 71(b) of title 40, United States Code.

SEC. 114. The Public Buildings Act of 1959, as amended, is repealed.

TITLE II—LOCATIONS FOR FEDERAL AGENCY OFFICES

SEC. 201. (a) The headquarters offices of each department and major independent establishment in the executive branch shall be located within the National Capital region in conformance with the comprehensive plan prepared and adopted pursuant to the National Capital Planning Act of 1952, as amended, unless otherwise specified by Act of Congress.

(b) Regional, district, area, or local offices of Federal agencies shall be located so as to be centrally located with respect to, in proximity to, or within easy transportation access of, residential populations they serve or other governmental and private offices with which they must maintain continuing and frequent physical communication.

(c) Federal agency offices other than those that are located pursuant to subsection (a) or (b) of this section, or that otherwise must be located close to specific governmental or private offices or in specific geographic locations in order effectively to carry out their responsibilities, shall be located throughout the United States generally in proportion to the geographic distribution of the Nation's population.

SEC. 202. After conforming with section 201, the Administrator shall, in consultation with local officials, take into account the following factors in locating Federal agency offices—

(1) in the case of any office located in a standard metropolitan statistical area, the feasibility and desirability of a location in the central business district of a city within that area;

(2) the proximity of existing or planned public transportation facilities;

(3) the proximity of public amenities and commercial facilities;

(4) the availability, nearby or within reasonable public transportation commuting distance, of existing or planned housing adequate to the needs of present and prospective Federal employees and available on a nondiscriminatory basis.

SEC. 203. In responding to the public buildings needs of Federal agencies and in planning for future such needs, the Administrator shall first comply with sections 201 and 202 and shall—

(1) review needs to determine if they can be met in whole or in part through more productive use of existing space;

(2) prior to acquiring, constructing, or leasing space in any other building, locate Federal agency offices in—

(A) existing public buildings, giving first priority to utilizing fully, by renovating if need be, those public buildings of historic, architectural, or cultural significance; and if public building space is not available, then,

(B) in buildings of historic, architectural, or cultural significance acquired by the Administrator, and renovated if need be, unless use of such space would not prove feasible and prudent, taking into account cost expected date of occupancy, and the potential for the conservation of energy, compared with construction of a public building, and if such building space is not available, then

(C) in existing buildings acquired by the Administrator and renovated if need be, or in new buildings constructed by the Administrator under the provisions of this Act, and if such building space cannot be made available in time to meet urgent public buildings needs, then,

(D) in building space leased by the Administrator in accordance with the provisions of title VII of this Act, giving first priority to leasing space in buildings, of historic, architectural, or cultural significance.

SEC. 204. Federal agency offices in a locality may be consolidated to the extent justified by the need for immediate physical proximity—

(A) first, within and among the offices of a single Federal agency,

(B) second, within and among the offices of Federal agencies carrying out related functions, and

(C) third, within and among other Federal agency offices, and

generally so that resulting public buildings needs may, to the maximum extent possible, be met by using existing public buildings, by constructing or acquiring buildings similar in scale to buildings predominating or planned for their surroundings, or by acquiring two or more reasonably proximate buildings, particularly buildings of historic, architectural, or cultural significance.

SEC. 205. (a) In the event that the head of a Federal agency determines that the location assigned to any office of fifty or more employees of that agency by the Administrator would be deleterious to the efficient accomplishment of the office's responsibilities, the agency head may appeal the decision of the Administrator to the Director of the Office of Management and Budget. The Director shall review the Administrator's decision within thirty days in accordance with the provisions of this title, and shall nullify the decision only if the Director finds the Administrator's decision not reasonably supported by the facts. The Director shall report the findings of any review undertaken pursuant to this section within ten days to the Committee on Environment and Public Works of the Senate and the Committee on

Public Works and Transportation of the House of Representatives.

(b) Notwithstanding the provisions of subsection (a) of this section, in the event that the Director of the Administrative Office of the United States Court determines that the location assigned to an office of the judicial branch by the Administrator would be deleterious to the efficient accomplishment of the office's responsibilities, the Director shall report such determination to the Committee on Environment and Public Works of the Senate and the Committee on Public Works and Transportation of the House of Representatives.

SEC. 206. (a) Nothing in this Act shall be construed to require the relocation of any Federal agency office from its location on the date of enactment of this Act.

(b) Any action to locate or relocate any Federal agency office subsequent to the date of enactment of this Act shall be undertaken in conformance with the provisions of this Act.

TITLE III—DESIGN AND MANAGEMENT OF PUBLIC BUILDINGS

SEC. 301. The Administrator shall design and maintain public buildings in such manner that they bear visual testimony to the dignity, enterprise, vigor, and stability of the American Government, embody the finest contemporary American architectural thought, and where appropriate, reflect regional architectural traditions.

SEC. 302. Except as provided in section 303, public buildings shall be of such design and construction as to approximate commercial buildings of the first quality that serve similar purposes.

SEC. 303. Whenever the Administrator designs and constructs—

(1) a general purpose office building expected to attract significant public use in any locality that serves as a center of its geographical region or area, or

(2) a headquarters building for any Federal agency,

such public building shall be designed and constructed to higher standards of quality than that provided for in section 302 of this Act and such design and construction shall symbolize the dignity of the United States Government through the quality or scale of some or all of its architectural details, internal and external materials, public entrances, corridors, rooms, lobbies, and courtyards: *Provided*, That this section shall not apply to public buildings described in clause (1) of this section whenever the Administrator determines that there already exists in the locality a public building of the quality described in this section.

SEC. 304. In the design, construction, acquisition, renovation, and management of public buildings, the Administrator shall assure that, to the maximum extent possible, such buildings—

(1) conform to or complement the scale of existing or planned surrounding buildings;

(2) conserve energy;

(3) provide efficient and attractive interiors, including public reception areas;

(4) provide sufficient parking space for Government motor vehicles, visitors, and handicapped employees, and such other parking space for employee vehicles as is consistent with a general policy or transportation efficiency; and

(5) contain architectural details and hardware that are an integral part of the structure or fixtures and that are designed and fabricated so as to enhance the function and appearance of the public building and to reflect regional architectural traditions or Federal agency functions. Artisans and craftsmen expert in the creative use of such materials as stone, brick, metal, wood, and stained glass may be employed to carry out the purposes of this paragraph. To the extent that items designed and fabricated pursuant to this paragraph exceed the ordinary cost of such items, funds allocated pursuant to section 503(c) of this Act may be used to defray the additional cost.

SEC. 305. The Administrator shall provide for employees and visitors, sheltered and secure locations and equipment for parking bicycles at public buildings and leased buildings, and may also provide suitable support facilities.

SEC. 306. (a) Public buildings shall be maintained at all times at a high level of appearance, cleanliness, and mechanical and structural fitness so as to maintain the dignified appearance of Federal offices and the health, safety, and efficiency of Federal employees, and to minimize major repair and replacement expenditures.

(b) Each public building shall be maintained and renovated so as to promote efficient Federal agency and public use and to preserve those portions or features that are significant to the building's historic, architectural, or cultural values.

SEC. 307. (a) Notwithstanding any provision of the Act of August 12, 1968, as amended, commonly known and hereinafter referred to as the Architectural Barriers Act of 1968, and of section 502 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 792)—

(1) in order to assure consistency in the application of the minimum guidelines and requirements established by the Architectural and Transportation Barriers Compliance Board (hereinafter referred to as "the Board") pursuant to section 502(b)(7) of such Rehabilitation Act, the standards described in sections 2, 3, 4, and 4a of the Architectural Barriers Act of 1968 shall, after compliance with the applicable provisions regarding rule making procedures of subchapter 5, title V, United States Code, be submitted by the head of the Federal agency concerned to the Board as proposed standards not later than one hundred and eighty days after the date of the enactment of this Act, and such proposed standards shall become final on the ninetieth day after they are so submitted unless the Board—

(A) issues an order approving such standards prior to the ninetieth day in which case they shall become final on the day approved and be published immediately as final standards in the Federal Register by such Federal agency head;

(B) issues an order disapproving such standards with a specification of reasons for such action and recommendations for appropriate revisions in order to assure consistency with such guidelines and requirements, in which case the standards shall become final at the time such Federal agency head publishes them in the Federal Register as final standards (not later than ninety days after the Board action) with a specification of the grounds for rejection of any of the Board's reasons and recommendations, or

(C) issues an order approving such standards with revisions in order to assure consistency with such guidelines and requirements, with a specification of the reasons for such action, in which case such Federal agency head shall immediately publish such revised standards in the Federal Register as final standards;

(2) no action may be taken under section 6 of the Architectural Barriers Act of 1968 to modify or waive a standard issue under such Act unless in the case of a modification—

(A) such modification pertains to (i) a building to be leased, or (ii) a building to be constructed, altered, or acquired and the need for such modification was not reasonably foreseeable when the design for such building was approved; or

(B) the Board has (i) received prior notification of such proposed modification, and (ii) made a determination that the Federal agency concerned has established and is implementing the system of surveys and investigations required by section 6(2) of such Act;

(3) the adherence by any Federal agency to any standard prescribed pursuant to the Architectural Barriers Act of 1968 and this Act, with respect to any building to which the Architectural Barriers Act of 1968 applies, shall be presumed to satisfy the nondiscrimination obligation of such Federal agency under section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), with respect to the physical accessibility of any program or activity conducted by such Federal agency; and

(4) for the purposes of the Architectural Barriers Act of 1968, the term "physically handicapped persons will have ready access to, and use of, such buildings" means that such building shall be fully accessible to handicapped persons.

After publication of the final standard described in this subsection and after soliciting and considering the results of technology reviews carried out by qualified entities, the Board shall periodically review advances in research, technology, and equipment and advise each Federal agency head concerned of such advances as the Board believes are relevant to implementation or revision of such standards.

(b) Not later than one hundred and eighty days after publication of the final standards described in subsection (a) of this section, the Federal agency head concerned shall prescribe such regulations as may be necessary regarding design, construction, and contracting to assure that all construction, acquisition, and renovation of buildings to which the Architectural Barriers Act of 1968 applies conform to such standards. In the list of completed projects required in section 109(a)(3) of this Act, the Administrator shall include a certification that each such project has been carried out in accordance with such standards.

(c) The annual plan submitted to the Congress by the Administrator in accordance with section 801 of this Act shall include a schedule for making all then existing public buildings conform to the final standards described in subsection (a), and the regulations described in subsection (b), of this section. Such schedule shall include an estimate of the cost of carrying out the plan, and include a list, in priority order, of the projects recommended to be undertaken, in the year for which the anual plan is submitted.

SEC. 308. (a) The Administrator is authorized, pursuant to subsection (b) of this section, and upon the request of appropriate local and State officials, to name any public building after, and establish a memorial in any public building in honor of, any person who has made notable contributions to government, science, industry, education, the arts, or other fields of human endeavor. Such person, if living, must be at least seventy years of age and, except within the National Capital Region, must be from the region of the country in which the building is located. No public building shall be named for a sitting Member of Congress or for a former Member of Congress who holds any other elective public office.

(b) The Administrator is authorized to expend, out of any funds available to him in any fiscal year, an amount equal to but no greater than contributions provided by State or local governments or private entities or individuals, and in no event greater than the sum of $10,000, for the design and construction of a memorial to a person designated pursuant to subsection (a) of this section, or designated by an Act of Congress.

(c) The Administrator, in consultation with appropriate local and State officials and other interested citizens, shall determine the form and location of such memorials. The memorials shall be fountains, gardens, walks,

stained glass windows, or other building appurtenances visable and accessible to visitors, and in harmony with the architectural and landscape design of such building. The Administrator shall provide the highest level of permanent maintenance for such memorials.

(d) The administrator may conduct a competition to select a designer for the memorial authorized by this subsection. Such competition shall be open to landscape and other architects, artists, artisans, and designers.

TITLE IV—MIXED USE AND ADAPTIVE USE IN PUBLIC BUILDINGS

SEC. 401. This title may be cited as the "Public Buildings Cooperative Use Act Amendments of 1981".

SEC. 402. (a) Section 102(a)(2) of the Public Buildings Cooperative Use Act of 1976 is amended to read as follows:

"(2) encourage the location of commercial, cultural, educational, and recreational activities as tenants primarily on major pedestrian access levels, courtyards, and rooftops of public buildings, and design, construct and lease space suitable for such activities: *Provided*, That the amount of space so leased in any public building—

"(A) shall be determined by the Administrator after undertaking studies to determine the market or need for such activities in the interest of promoting commercial or cultural activity in the vicinity of the building or serving the employees and visitors in the building; and

"(B) shall not exceed 15 per centum of the occupiable space in the public building, except in instances where the Administrator shall determine that exceptional local commercial, cultural or educational needs or opportunities justify the leasing of a greater amount of space;"

SEC. 402. (b) Section 102(a)(4) of the Public Buildings Cooperative Use Act of 1976 is amended to read as follows:

"(4) encourage the public use of public buildings for occasional cultural, educational, and recreational activities and design, construct, and maintain space and equipment in public buildings suitable for such activities, including activities described in section 503(a) of the Public Buildings Act of 1981."

SEC. 403. Section 103 of the Public Buildings Cooperative Use Act of 1976 is repealed and sections 104 and 105 are redesignated as sections 103 and 104, respectively.

SEC. 404. Section 103(a) of the Public Buildings Cooperative Use Act of 1976 as amended, and the first sentence of section 210(a)(16) of the Federal Property and Administrative Services Act of 1949 are amended to read as follows:

"(16) to enter into leases of space in public buildings, in accordance with section 102(a)(2) of the Public Buildings Cooperative Use Act of 1976, as amended, with persons, firms, or organizations engaged in commercial, cultural, educational, or recreational activities (as defined in section 104 of the Public Buildings Cooperative Use Act of 1976, as amended).

SEC. 405. Section 104 of the Public Buildings Cooperative Use Act of 1976 as amended is amended by striking paragraph (2) and inserting in lieu thereof the following:

"(2) The terms 'public building' and 'Federal agency' have the same meaning as are given them in Section 113 of the Public Buildings Act of 1981.".

TITLE V—EXHIBITIONS AND WORKS OF ART

SEC. 501. This title may be cited as the "Federal Buildings Enhancement Act of 1981".

SEC. 502. (a) The Congress hereby finds and declares that—

(1) the efficient use of Federal buildings can be increased, and public satisfaction with Federal buildings will be improved, by insuring that such buildings not only provide a congenial work environment but also function attractively for public service;

(2) Federal buildings should enrich the social, commercial, and cultural resources of the communities they serve; and

(3) Federal buildings will be enhanced by temporary exhibitions of art works and of the Nation's cultural heritage, as well as by suitable permanent works of art incorporated as an integral part of the architecture of Federal buildings.

(b) It is, therefore, the policy of the Congress to encourage and secure Federal building design which is distinguished, which expresses the dignity, enterprise, and stability of the American Government, and which enriches the quality of life in the communities served by such buildings. It is the purpose of this Act to contribute to such design by incorporating permanent installations of suitable works of art into Federal buildings. It is the further purpose of this Act to enhance existing Federal buildings by providing for temporary exhibitions of art and history to be circulated among Federal buildings.

SEC. 503. (a)(1) The Administrator, with the advice and assistance of the Chairman of the National Endowment for the Arts, shall acquire by loan, or by lease at nominal fees, works of art by living American artists. Works of art loaned or leased under this subsection shall be organized into exhibitions and circulated by the Administrator among Federal buildings throughout the United States. Such works of art shall be selected from artists representative of the different regions of the United States and its territories, and shall include diverse media.

(2) The Administrator, in conjunction with the Secretary of the Smithsonian Institution, and with other not-for-profit traveling exhibition services shall utilize existing exhibitions and develop new exhibitions which reflect the artistic, cultural, social, scientific, and industrial heritage of the United States or the continuing development of the Nation's art, culture, society, science, and industry.

(A) The Administrator shall circulate and show exhibitions developed under this subsection in Federal buildings throughout the United States. Preference shall be given to Federal buildings in communities that otherwise do not have convenient access to museums of art and history.

(B) The Administrator shall reimburse the Smithsonian Institution and other traveling services an amount not less than the cost to the Institution or to such other services of carrying out the provisions of this subsection.

(b)(1) The Administrator, with the advice and assistance of the Chairman acting in cooperation with the appropriate arts agencies at State and local levels, shall commission suitable works of art by American artists to be purchased and installed in Federal buildings or temporarily installed in leased buildings. The preliminary planning and design of each new Federal building shall include planning for such commissions, which may include a variety of compatible works. The Administrator shall insure that Federal buildings selected for the installation of such commissioned works of art are equitably distributed within the United States and its territories, and shall consider a diversity of artistic media in commissioning such works of art. The Administrator shall provide for necessary services to keep and preserve such works of art in a state of high quality.

(2) Whenever the Administrator commissions a work of art for a new Federal building pursuant to paragraph (1) of this subsection, he shall instruct that such work shall be an integral part of the architectural design. In the case of an existing public or leased building, such work shall be appropriate to the setting and space available. The administrator shall seek to avoid the development of an official style either in architecture or associated works of art. Federal commissions should give expression to the vitality and diversity of American life.

(3) In carrying out the provisions of this subsection, the Administrator, with the advice and assistance of the Chairman acting in consultation with the appropriate arts agencies at State and local levels, shall establish such procedures as may be necessary to commission suitable works of art, with or without competition, and shall give full consideration to the participation of local artists.

(c)(1) For the purpose of this section, the Administrator is authorized to utilize one-half of 1 per centum of the total sums available in fiscal year 1982 and each fiscal year thereafter for the design, construction, repair, renovation, alteration, and acquisition of public buildings, and one-twentieth of 1 per centum of the sums available for the lease of buildings.

(2) Funds available under this subsection shall be available, without fiscal year limitation, to the Administrator for the purposes set forth in subsections (a) and (b) of this section, and in subsection 304(5); *Provided*, That not to exceed 25 per centum of such funds shall be expended for purposes set forth in subsection (a) of this section, not to exceed 50 per centum of such funds shall be expended for purposes set forth in subsection (b) of this section, and not to exceed 25 per centum of such funds shall be expended for purposes set forth in subsection 304(5).

(d) For the purpose of this title—

"(1) the term 'Federal buildings' means public or leased buildings, under the jurisdiction of the Administrator of General Services, that attract, or are expected to attract, significant public use;

"(2) the term 'Chairman' means the Chairman of the National Endowment for the Arts; and

"(3) the term 'works of art' includes, but is not limited to, paintings, sculptures, crafts, works on paper, and environmental works.".

TITLE VI—ARCHITECTURAL SERVICES

SEC. 601. The Administrator shall employ professionally trained architects, engineers, landscape architects, interior and graphic designers, and urban planners to prepare, under the supervision of the Supervising Architect, plans, drawings, and specifications for such public building construction and renovation projects as the Commissioner of Public Buildings may designate, but in any case to provide the kind and number of projects necessary annually to enable such employees to utilize their professional skills and training.

SEC. 602. (a) Those architectural designs not prepared pursuant to section 601 shall be procured in accordance with title IX of the Federal Property and Administrative Services Act of 1949, as amended, and, with respect to at least half of the public building construction and renovation projects expected to cost no less than $5,000,000 each year, the Administrator shall conduct a design competition among no fewer than three qualified architectural firms.

(b) The Administrator shall indicate each year, in the program submitted pursuant to section 801 of this Act, on which public building construction and renovation projects he proposes to conduct design competitions. The projects selected shall reflect a mixture of large and small projects to the extent possible.

(c) With respect to a significant portion of the competitions conducted each year, the competitions shall last no longer than sixty days from the date the Administrator provides the firms with a competition program and the competitions shall elicit from each firm preliminary design concepts only.

(d) The Administrator shall negotiate first

with the firm judged at the conclusion of each competition to have demonstrated the best design approach to the project. The Administrator shall make public and provide to the competing firms at the time a selection is announced under any of the provisions of this section, a brief report describing the reasons for the selection made.

(e) The Administrator shall provide, in total stipends or prizes to all firms that take part in any one competition conducted under this section, a sum equal to no more than one-half of one percent of the expected cost of the design and construction of the project, and shall conduct each competition under such rules and procedures as will assure that fair compensation for work required from the firms does not exceed that amount.

(f) The Administrator is authorized to acquire the services of privately employed architects, engineers, and other citizens on a temporary basis to serve on panels to assist in selecting and judging architectural firms under the provisions of this section. Persons so employed shall not be considered special Government employees under the provisions of section 201(a) of the Ethics in Government Act of 1968.

TITLE VII—LEASING

SEC. 701. It is the policy of the United States to house offices of officers and employees of the Government in public buildings and space shall be leased primarily to accommodate the emergency or temporary requirements of the Government, to provide space in locations where the size of Government activities does not warrant providing a public building, and to take account of temporary economic conditions that render infeasible or disadvantageous to the Government construction or acquisition of necessary public building space.

SEC. 702. Any other provision of this Act notwithstanding, the annual plan submitted to Congress by the Administrator in accordance with section 801 of this Act, shall assure that—

(1) within ten years of the date of enactment of this Act, no fewer than 60 per centum of the officers and employees of the Government whose offices are provided under this Act shall have their principal offices in public buildings;

(2) within twenty years of the date of enactment of this Act, no fewer than 75 per centum of the officers and employees of the Government whose offices are provided under this Act shall have their principal offices in public buildings;

(3) to the maximum extent possible, the percentages of officers and employees of the Government provided offices in leased space and public building space are achieved uniformly throughout the Nation, provided that, in achieving those percentages, the Administrator shall take into account comparative local vacancy and rental rates for office space and other market conditions in such manner as to maximize the economic benefit to the Federal Government and to localities throughout the Nation.

SEC. 703. (a) Notwithstanding the provisions of section 210(h)(1) of the Federal Property and Administrative Service Act of 1949, the Administrator shall not make any agreement or undertake any commitment that will cause the construction of any building other than a government-owned unless before so agreeing or undertaking—

(1) the Administrator establishes specifications for the building identical to the criteria established pursuant to section 302 of this Act for the construction of public buildings; and

(2) the Administrator secures the option to purchase the building at any time during or at the conclusion of the lease term; and

(3) the Administrator has conformed with the provisions of section 706 of this Act.

(b) The Administrator shall inspect every building to be constructed for lease to, and predominant use by, the United States during the construction of such building in order to determine that the specifications established for such building are complied with.

(c) Upon completion of a building constructed for lease to, and predominant use by, the United States, the Administrator shall evaluate the building for the purpose of determining the extent, if any, of failure to comply with the specifications established for the building. The Administrator shall insure that any contract entered into for such a building shall contain provisions permitting the reduction of rent during any period when the building is not in compliance with the specifications.

SEC. 704. No space shall henceforth be leased to accommodate, except as may be necessary to meet temporary and urgent requirements that cannot be met in public buildings—

(1) major computer operations;

(2) offices that conduct secure or sensitive activities related to the national defense or security, except to the extent that it would be inappropriate to locate such offices in public buildings or in other facilities identified with the United States Government;

(3) offices, the nature of which would require major alterations in the structure or mechanical systems of the building to be leased; or

(4) permanent courtrooms, judicial chambers, or administrative offices for any United States court.

SEC. 705. (a) For the purposes of this Act, sections 321 and 322 of the Act entitled "An Act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes" approved June 30, 1932, shall not apply.

(b) No lease may be negotiated for a rental exceeding the current commercial rates and charges for space and services of nearest comparable quality in that locality.

SEC. 706. (a) The Administrator shall publicly solicit competitive bids to procure space by lease for the Government. Each such solicitation shall specify any special requirements of building design, configuration, or location.

(b) In evaluating competing bids, the Administrator shall take into account proposed rental costs and services offered, overall quality and safety of the buildings, energy efficiency, and their relative conformity to the requirements of titles II and III of this Act.

(c) No option to purchase a building shall be paid for unless the payment for such option is made separately from any lease payment and unless such payment has first been authorized under the provisions of title VIII of this Act.

SEC. 707. The Administrator shall provide a copy of the lease agreement between the Government and the owner of each leased building, and subsequent additions or revisions to the lease agreement, to the highest ranking official in the leased building of each Federal agency occupying space in the building.

TITLE VIII—CONGRESSIONAL AUTHORIZATION

SEC. 801. (a) The Administrator shall submit to the Congress, not later than the fifteenth day after Congress convenes each year, a program for the next succeeding fiscal year of projects and actions which the Administrator deems necessary in carrying out his duties under this Act. Such program shall include but is not limited to—

(1) a five-year plan for accommodating the public building needs of the United States,

(2) a list, in priority order, of construction, renovation, and acquisition projects for which authorization for appropriations are requested for the next succeeding fiscal year, including a description of the project and the number of square feet of space involved,

(3) a list, in priority order, of lease and lease renewals for which authorization for appropriations are requested for the next fiscal year,

(4) a list of all public buildings proposed to be vacated in whole or in part, to be exchanged for other property, or to be disposed of,

(5) a proposed budget for the repair and maintenance of public buildings,

(6) a year by year program and costs to meet the provisions of section 702 of this Act, together with an analysis of costs and savings of alternative programs,

(7) a description of how the projects and leases included in the program, separately and together, conform to the provisions of this Act and the estimated annual and total cost of each project and lease.

(b)(1) The Administrator shall certify in the annual program submitted in accordance with subsection (a) that he has held a public hearing, or afforded the opportunity for such hearing, in the locality or proposed locality of each major construction, renovation, or acquisition project included in the annual program. Such hearing shall consider the economic and social effects of the project, its impact on the environment, its consistency with the goals and objectives of such urban planning as has been promulgated by the community, and its conformance with sections 202, 204, and titles III and IV of this Act: *Provided,* That, only such facts and issues as can reasonably be adduced during the planning and preliminary design of a project shall be considered at such hearing.

(2) The Administrator shall provide, along with each certification, the final environmental impact statement prepared pursuant to the National Environmental Policy Act, and a report which indicates the consideration given to facts and issues concerning the project and various alternatives which were raised during the hearing or which were otherwise considered.

LIMITATIONS ON AUTHORIZATIONS AND APPROPRIATIONS

SEC. 802. (a) No appropriation, including any appropriation from the fund established pursuant to section 210(f) of the Federal Property and Administrative Services Act of 1949, shall be made by the Congress or obligated by the Administrator to carry out the purposes of this Act, unless it has been authorized by the Congress in accordance with this title.

(b) No public building construction, renovation, or acquisition shall be commenced unless an appropriation has first been made for the estimated cost of completion of such construction, renovation, or acquisition in the fiscal year for which such appropriation is authorized. No lease shall be entered into unless an appropriation has first been made for the maximum cost of such lease over its entire term in the fiscal year for which such an appropriation is authorized.

AUTHORIZATIONS FOR APPROPRIATIONS

SEC. 803. (a) There is hereby authorized to be appropriated for fiscal year 1982 not to exceed in the aggregate, the amount of $——— from the fund established pursuant to section 210(f) of the Federal Property and Administrative Services Act of 1949, as amended, for the real property management and related activities of the Public Buildings Service of which:

(1) Not to exceed $——— shall be available for fiscal year 1982 as follows:

(A) For construction of additional major public buildings (including funds for sites and expenses) and the acquisition of major existing buildings and sites for public build-

ings at the following locations and at the following maximum construction and acquisition costs:

(B) $——— for construction of minor public buildings of less than twenty-five thousand gross square feet of space and the acquisition of buildings and sites for public buildings of a value of $1,000,000 or less.

(2) Not to exceed $——— shall be available for fiscal year 1982 as follows:

(A) For major renovations and repairs of public buildings at the following locations and at the following maximum project costs:

(B) $——— for minor renovations and repairs of public buildings at project costs of less than $1,000,000;

(C) $——— for major alterations of leased buildings; and

(D) $——— for alterations of leased buildings, the maximum cost to a single building being less than $250,000.

(3) Not to exceed $——— shall be available for fiscal year 1982 as follows:

(A) $——— for new major lease agreements and lease renewals, over the entire term of each lease or renewal, of blocks of space of fifty thousand or more square feet;

(B) $——— for new lease agreements and lease renewals, over the entire term of each lease or renewal, of blocks of space of less than fifty thousand square feet; and

(C) $——— for payments in fiscal year 1982 on leases entered into prior to fiscal year 1982.

(4) Not to exceed $——— shall be available for fiscal year 1982 for obligations to the Treasury under section 902(a) of this Act for the acquisition, construction, or renovation of public buildings (including funds for sites and expenses).

(5) Not to exceed $——— shall be available for fiscal year 1982 for planning and preliminary design of construction, renovation, alteration, and repair projects.

(6) Not to exceed $——— shall be available for fiscal year 1982 for real property operations.

(7) Not to exceed $——— shall be available for fiscal year 1982 for program direction.

(8) Not to exceed $——— shall be available for fiscal year 1982 for payment of principal, interest, taxes and any other obligations for public buildings acquired by purchase contract.

(b) Funds appropriated under subsections (a)(1), (a)(2), (a)(3), and (a)(4) of this section shall remain available for obligation and expenditure without regard to fiscal year limitations: *Provided*, That construction, renovation, or acquisition has been commenced, or lease entered into, pursuant to section 802(b) of this Act.

(c) Ten percent of the funds made available to the Public Buildings Service for renovation, alteration, and repair of public buildings and leased buildings and for execution of lease renewals, pursuant to paragraphs (a)(2) and (3) of this section shall be available for repair or alteration projects and leases, respectively, not otherwise authorized by this Act, if the Administrator certifies that the space to be repaired, altered, or leased resulted from changing or additional programs of Federal agencies not anticipated at the time the program required by section 801 of this Act was submitted. Funds for such projects may not be obligated until thirty days after the submission by the Administrator of an explanatory statement to the Committee on Environment and Public Works of the Senate and the Committee on Public Works and Transportation of the House of Representatives. The explanatory statement shall, among other things include a statement of the reasons why such project or lease cannot be deferred for authorization in the next succeeding fiscal year.

SEC. 804. (a) When the cost of a project exceeds the estimated maximum cost authorized under section 803 of this Act, the Administrator is authorized to either (A) increase expenditures by an amount equal to the percentage increase in the cost of the project, or (B) decrease the number of gross square feet to be constructed in the project. In no event shall the total increase in expenditures authorized by clause (A) of this paragraph exceed 10 per centum of the estimated maximum cost of the project. In no event shall the total decrease in square feet authorized under clause (B) of this paragraph exceed more than 10 per centum of the gross square feet stated in the approved authorization.

(b) If the Administrator determines that the cost of a project exceeds the estimated maximum cost authorized under section 803 of this Act to such an extent that action under subsection (a) of this section is not sufficient to meet such excess cost, the Administrator shall report to the Committee on Environment and Public Works of the Senate and the Committee on Public Works and Transportation of the House of Representatives concerning the project. Such report shall include recommendations by the Administrator as to appropriate action to enable the continuance of the project. The Administrator may not take any action to continue the project, other than the action authorized by subsection (a) of this section, unless such action has been authorized by the Congress in accordance with this title.

TITLE IX—PUBLIC BUILDING FINANCING

SEC. 901. Section 210(j) of the Federal Property and Administrative Services Act of 1949, as amended, is amended by deleting the existing second sentence thereof and inserting the following sentence: "Such rates and charges shall be established for each public building, and for each building containing space leased by the Administrator on behalf of the United States, no more frequently than once each year at a level approximating commercial rates and charges for space and services of comparable quality, but in no case less than the anticipated costs of providing space and services (including amortized construction costs or leasing costs).

SEC. 902. (a) The Administrator is authorized to issue obligations to the Secretary of the Treasury, to the extent and in such amounts as are provided in annual appropriations Acts, in order to obtain funds necessary to finance the acquisition, construction, or renovation of any public building when he determines the best interest of the United States will be served. The Secretary of the Treasury is authorized to purchase such obligations, and for such purpose the Secretary of the Treasury is authorized to use as a public transaction the proceeds of the sale of any securities hereafter issued under the Second Liberty Bond Act, and the purposes for which securities may be issued under the Second Liberty Bond Act are extended to include such purchases. The repayment of loans made under this section shall be for terms up to thirty years and on such conditions as may be prescribed by the Secretary of the Treasury. In prescribing such terms and conditions, the Secretary of the Treasury shall take into account the useful life of the building for which funds are to be borrowed and shall not require that repayment begin until the building is ready for occupancy. Such obligation shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average yield on outstanding marketable obligations of the United States of comparable maturities.

(b) An obligation may be issued under subsection (a) to acquire, construct, or renovate a public building, only if such acquisition, construction, or renovation has been authorized by the Congress, pursuant to title VIII of this Act.

(c) The payment of principal and interest on such obligation issued under subsection (a) shall be payable from the fund established pursuant to section 210(f) of the Federal Property and Administrative Services Act of 1949.

SEC. 903. Section 210(f)(2) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 490(f)(2)) is amended by inserting immediately after "activities" a comma and the following: "and for payments in connection with the financing of the acquisition, construction, or renovation of public buildings as authorized by section 902 of the Public Buildings Act of 1981".

TITLE X—MISCELLANEOUS

SEC. 1001. This Act shall become effective on October 1, 1981.

EXHIBIT 5—PUBLIC BUILDINGS ACT OF 1981

SECTION-BY-SECTION ANALYSIS

Section 2—Declaration of policy:

This section states general policies to be followed in locating, designing, furnishing, and maintaining public buildings of the U.S. Government. The buildings should contribute to the productivity and efficiency of Federal agencies and their employees, private Government services throughout the United States in locations convenient to the people, preserve and advance the Nation's legacy of architectural excellence, and enhance commercial and cultural conditions in the vicinity of public buildings.

Section 101—Public buildings authorities of the Administrator:

Section 101 assigns to the GSA Administrator sole authority to acquire, design, construct, lease, manage, maintain, repair, renovate, and assign and reassign space in buildings and sites to meet the public buildings needs of the Government.

Section 102—Establishment of the Public Buildings Service and Post of Commissioner of Public Buildings:

Section 102 establishes in law the Public Buildings. Service within the General Services Administration and designates as head of the PBS a Commissioner of Public Buildings who is to be appointed by the President with the advice and consent of the Senate and compensated at level IV of the Executive Schedule.

Section 103—Establishment of the Post of Supervising Architect:

Section 103 establishes within the Public Buildings Service the position of Supervising Architect primarily to supervise all design activities of the PBS. The Supervising Architect is to be appointed by the Administrator at level V of the Executive Schedule.

Section 104 provides that any authorities described in section 101 of the bill that have been delegated by the Administrator to another Federal agency prior to the date of enactment of this bill are to be revoked and vested in the Administrator on the one-hundred-and-twentieth day after the effective date of the Act unless, prior to that day, the Administrator has delegated the authority in accordance with section 105.

Section 105 provides that notwithstanding section 205 of the Federal Property and Administrative Services Act of 1949, which authorizes the Administrator to delegate his authorities, the Administrator may delegate all or a portion of his authorities under this bill to the head of another Federal agency, but only with respect to the public buildings needs of that agency.

Section 106 provides that the head of any Federal agency delegated authorities under section 105 is to exercise those authorities in conformance with the provisions of this bill. The heads of those agencies are to submit the information required in section 109 to the Administrator for inclusion in his records and reports in lieu of submitting a separate report.

Section 107—Report to the Congress:

Section 107(a) requires the Administrator to submit a report to the Congress on or before February 1 of each year describing activities undertaken, directly by him, or under authorities delegated pursuant to section 105 of the bill, to meet the public buildings needs of Federal agencies in the preceding fiscal year.

Section 107(b) requires the Administrator to collect and maintain such information as may be necessary to keep the Congress informed of the conduct of the Public Buildings Service and to manage activities required under the provisions of the bill.

Section 108—Certification by lessors and contractors:

Subsection (a) requires (for each lease or contract in excess of $10,000) a certification from the owner or contractor. Such certification shall include statements, declaring under penalty of law, that such owner or contractor (1) has no conflict of interest with his capacity as a lessor or contractor, (2) has not offered or accepted a bribe, (3) has not been debarred or suspended from the award of public contracts, (4) has not had a public contract terminated for default, and (5) has not been convicted within ten years or currently under indictment for specific charges.

Subsection (b) requires the Administrator to include in the annual report under section 107(a) the name of each principal owner of major leased buildings.

Section 109—Providing information and Inspector General reports to the Congress and the Public Works Committees:

Section 109 requires the Administrator to keep the Congress continually informed on public buildings policies and activities within the purview of this bill.

Paragraph (b) of section 109 ensures that reports of the Inspector General that pertain to problems, abuses, or deficiencies in the public buildings program, are transmitted to the Senate Committee on Environment and Public Works and the House Committee on Public Works and Transportation.

Section 110—Contract interpretation and approval:

Section 110 establishes that the Administrator is to be responsible for the interpretation of all contracts entered into on behalf of the Government to carry out the purposes of the bill, and he is to be responsible for the approval of materials, workmanship, and services supplier under contracts, approval of changes in contracts, certification of vouchers for payments, and final settlements.

Section 111—Preservation of certain authorities in the Central Intelligence Agency Act of 1949:

Section 111 states that nothing in this bill is to be construed to affect the authorities granted in section 403f, 403g, or 403j of title 50. United States Code.

Section 112—Study and report to Congress:

Section 112 requires GSA to furnish to the Congress by April 30, 1982, a survey report describing all of the steam generating units it owns and operates with a heat input rate of 50 million Btu/hr or greater. The report shall also include proposed funding schedules for conversions and replacements that could be undertaken immediately.

Section 113—Definitions:

This section contains definitions of significant terms.

Section 114—Repeal of the Public Buildings Act of 1959:

This section repeals the Public Buildings Act of 1959, which this bill would replace in its entirety.

Section 201—General criteria for locating Federal agency offices:

Section 201(a) states that headquarters offices of each department and major independent agency shall be located within the National Capital region in conformance with the National Capital Planning Act of 1952, as amended, unless otherwise specified by Act of Congress.

Section 201(b) requires regional, district area, or local offices of Federal agencies to be located conveniently with respect to residential populations they serve or other governmental and private offices with which they must maintain continuing and frequent physical communication.

Section 201(c) requires Federal offices other than those located pursuant to subsections (a) or (b), or that otherwise must be located close to specific governmental or private offices or in specific geographic locations in order effectively to carry out their responsibilities, to be located throughout the United States generally in proportion to the geographic distribution of the Nation's population.

Section 202—Further criteria for locating Federal agency offices:

Section 202 requires the Administrator, after conforming with section 201, to consult with local officials and take into account certain factors in locating Federal agency offices:

(1) in the case of any office located in a standard metropolitan statistical area, the feasibility and desirability of a location in the central business district of a city within that area;

(2) the proximity of existing or planned public transportation facilities;

(3) the proximity of public amenities and commercial facilities; and

(4) the availability of existing or planned housing adequate to the needs of present and prospective Federal employees and available on a nondiscriminatory basis.

Section 203—Providing space for Federal agency offices:

Section 203 establishes policies and priorities to be followed by GSA in responding to office space needs. GSA is to:

(1) see if needs can be met in whole or in part through more productive use of existing space;

(2) prior to acquiring, constructing, or leasing space in any other building, locate offices in—

(A) existing public buildings, giving first priority to utilizing fully, by renovating if need be, those public buildings of historic, architectural, or cultural significance; and if public building space is not available, then,

(B) in buildings of historic, architectural, or cultural significance acquired and renovated if need be, unless use of such space would not prove feasible and prudent taking into account cost, expected date of occupancy, and the potential for the conservation of energy, compared with construction of a public building, and if such building space is not available, then,

(C) in existing buildings acquired and renovated if need be, or in new buildings constructed under the provisions of this bill, and if such building space cannot be made available in time to meet urgent public building needs, then,

(D) in building space leased in accordance with the provisions of title VII of this bill, giving first priority to leasing space in buildings, of historic, architectural, or cultural significance.

Section 204—Criteria for consolidating Federal agency offices:

Section 204 provides that Federal agency offices in a locality may be consolidated to the extent justified by the need for immediate physical proximity—

(A) first, within and among the offices of a single Federal agency,

(B) second, within and among the offices of Federal agencies carrying out related functions, and

(C) third, within and among other Federal agency offices, and, generally so that resulting public buildings needs may be met by using existing public buildings, by constructing or acquiring buildings similar in scale to buildings predominating or planned for their surroundings, or by acquiring two or more reasonably proximate buildings, particularly buildings of historic, architectural, or cultural significance.

Section 205—Appeals of GSA location decisions:

Section 205(a) provides for an appeal to the Office of Management and Budget by the head of a Federal agency if the agency head determines that the location assigned by GSA to an office of 50 or more employees would be deleterious to the efficient accomplishment of the office's responsibilities. The Director of OMB is to review the GSA decision within 30 days and report the findings of the review within 10 days to the Senate Committee on Environment and Public Works and the House Committee on Public Works and Transportation.

Section 205(b) provides for an appeal to the Senate and House public works committees by the Director of the Administrative Office of the U.S. Courts if he determines that the location assigned by GSA to an office of the judicial branch would be deleterious to the efficient accomplishment of the office's responsibilities.

Section 206—Effect of the bill on existing agency location:

Section 206(a) provides that the bill shall not be construed to require the relocation of any Federal agency office from its location on the date of enactment of the bill.

Section 206(b) requires location and relocation actions subsequent to the date of enactment of the bill to be undertaken in conformance with the provisions of the bill.

Section 301—Guiding principles for Federal architecture:

Section 301 requires that public buildings be designed and maintained to bear visual testimony to the dignity, enterprise, vigor, and stability of the American Government, embody the finest contemporary American architectural thought, and where appropriate, reflect regional architectural traditions.

Section 302—General design standard for construction and renovation:

Section 302 stipulates that, except for buildings meeting criteria under section 303, public buildings are to be designed and constructed so as to approximate commercial buildings of the first quality.

Section 303—Exceptional design standard for construction:

Section 303 states that the design and construction of:

(1) a general purpose office building expected to attract significant public use in any locality that is a center of its geographical region or area, or

(2) a headquarters building for any Federal agency, are to meet higher standards of quality than that provided for in section 302 of the bill. The design and construction of those buildings are to symbolize the dignity of the U.S. Government through the quality or scale of its architectural details, materials, public entrances, corridors, rooms, lobbies, and courtyards. The section does not apply to general purpose office buildings in a central locality if there already exists in the locality a public building of the quality described in this section.

Section 304—Aspects of design and management:

Section 304 requires that, in designing, constructing, acquiring, renovating, and managing public buildings, the Administrator assures that, the buildings:

(1) conform to or complement the scale of existing or planned surrounding buildings;

(2) conserve energy;

(3) provide efficient and attractive interiors, including public reception areas;

(4) provide sufficient parking space for Government motor vehicles, visitors, and handicapped employees, and other parking

space for employee vehicles as consistent with a general policy of transportation efficiency; and

(5) contain architectural details and hardware that are an integral part of the structure or fixtures and that are designed and fabricated so as to enhance the function and appearance of the public building and to reflect regional architectural traditions or Federal agency functions.

Section 305—Parking for bicycles:

Section 305 requires the GSA Administrator to provide sheltered and secure locations and equipment for parking bicycles at public buildings and leased buildings, and authorizes provision of suitable support facilities.

Section 306—Standards of maintenance for public buildings:

Section 306(a) requires public buildings to be maintained at a high level of appearance, cleanliness, and mechanical and structural fitness.

Section 306(b) requires each public building to be maintained and renovated so as to promote efficient Federal agency and public use and to preserve those portions or features that are significant to the building's historic, architectural, or cultural values.

Section 307—Accessibility of the handicapped:

Section 307 of the Public Buildings Act of 1980 was intended to bring some consistency and uniformity to the process by which the various Federal agencies are required to issue accessibility standards. That language has been modified to take into account concerns raised after the bill was reported.

The section provides that all newly constructed, leased and renovated buildings be fully accessible to handicapped persons.

Procedures are provided to assure uniformity and consistency in the standards issued by those agencies required to do so by the Architectural Barriers Act of 1968 (GSA, HUD, DOD, and USPS). The agencies would be required to submit the standards they propose to issue—after the period of public comment has been completed as required by the Administrative Procedures Act—to the Architectural and Transportation Barriers Compliance Board, which is responsible for the enforcement of the 1968 Act. These procedures are designed to assure that the proposed standards meet at least the minimum guidelines and requirements published and approved by the Board.

Section 401—Public Buildings Cooperative Use Act amendments:

Section 401 cites this title as the "Public Buildings Cooperative Use Act Amendments of 1981."

Section 402—Amendment of section 102 of the Public Buildings Cooperative Use Act;

Section 402(a) amends section 102 of the Public Buildings Cooperative Use Act so that section 102(a)(2) requires GSA to encourage the location of commercial, cultural, educational, and recreational activities as tenants primarily on major pedestrian access levels, courtyards, and rooftops of public buildings, and design, construct and lease space suitable for such activities. The amount of space that may be leased in any public building is to be determined by studying the market or need for such activities in the interest of promoting commercial or cultural activity or serving the employees and visitors in the building but cannot exceed 15 percent of the occupiable space in the building, unless the Administrator explicitly waives the 15 percent limitation.

Section 402(b) amends section 102(a)(4) of the Cooperative Use Act to encourage the public use of public buildings for occasional cultural, educational, and recreational activities and the construction and maintenance of space and equipment in public buildings suitable for those activities, including activities described in section 503(a) of the bill.

Section 403—Repeal of Section 103 of the Public Buildings Cooperative Use Act:

Section 403 repeals section 103 of the Public Buildings Cooperative Use Act of 1976.

Sections 404 and 405—Conforming Amendments to the Public Buildings Cooperative Use Act:

Section 404 renumbers section 104(a) of the Public Buildings Cooperative Use Act of 1976 as section 103(a) and amends it and simultaneously amends section 210(a)(16) of the Federal Property and Administrative Services Act of 1949 to authorize GSA to enter into leases of space in public buildings, in accordance with section 102(a)(2) of the Public Buildings Cooperative Use Act.

Section 405 renumbers section 105 of the Public Buildings Cooperative Use Act to define the terms "public buildings" and "Federal agency" in conformity with the meaning given them in the bill.

Sections 501–503—Art-in-Architecture:

These sections authorize one-half of 1 percent of the funds available in each fiscal year for design, construction, repair, renovation, alteration, and acquisition, and one-twentieth of 1 percent of the funds available for leasing to be utilized for the so-called "art-in-architecture" program of GSA.

Seventy-five percent of these funds are to be available for commissioned works of art to be installed in Federal buildings. The works are to be made an integral part of the architectural design of the building and appropriate to the setting and space available. Diverse artistic media are to be represented.

The remaining 25 percent of the available funds are to be utilized for traveling exhibits. Section 503(a) requires the Administrator, with the assistance of the National Endowment for the Arts, to acquire by loan, or by lease at nominal fees, art by living American artists. These works of art are to be organized into exhibitions and circulated among Federal buildings throughout the United States. The works selected are to be representative of the different regions of the United States and its territories, and are to include diverse media.

In conjunction with the Secretary of the Smithsonian Institution, and with other traveling exhibition services, which may be reimbursed for this work, GSA is also to utilize and circulate existing or newly developed exhibitions which reflect the artistic, cultural, social, scientific, and industrial heritage of the United States. Preference is to be given to showing the exhibitions in Federal buildings in communities lacking access to museums of art and history.

Section 601—Employment of design professionals:

Section 601 requires the Administrator to employ professional architects, engineers, landscape architects, interior and graphic designers, and urban planners to prepare each year, under the Supervising Architect, plans, drawings, and specifications for a number of construction and renovation projects designated by the Commissioner of Public Buildings as necessary to enable those employees to utilize their professional skills and training.

Section 602—Design competitions:

Section 602(a) stipulates that architectural designs not prepared under section 601 are to be procured from private architects in accord with title IX of the Federal Property and Administrative Services Act (the Brooks Bill). With respect to at least half of the public building construction and renovation projects expected to cost at least $5 million each year, design competition is to be conducted among at least three architectural firms.

Section 602(b) requires the Administrator to indicate each year, in the program required under section 801 of the bill, which construction and renovation projects he proposes for design competitions. He is directed to propose a mixture of large and small projects.

Section 602(c) stipulates that a significant portion of each year's competitions are to be conducted to last no longer than sixty days and to elicit only preliminary design concepts from the competitors.

Section 602(d) directs negotiations for a design contract to be opened first with the firm judged in a competition to have demonstrated the best design approach. When a selection is announced following a competition, GSA is to make public and provide to all competing firms a brief report describing the selection criteria.

Section 602(e) authorizes payment in total stipends or prizes to be divided among all of the firms that take part in any one competition, no more than one-half of one percent of the expected cost of project design and construction. GSA is to conduct each competition under rules and procedures that will assure that fair compensation for work required from the firms would not exceed that amount.

Section 602(f) authorizes the Administrator to hire privately employed architects, engineers, and other citizens on a temporary basis to serve on design competition judging panels. Persons so employed are exempted from the provisions of section 201(a) of the Ethics in Government Act of 1968.

Sections 701 and 702—Policies on Government ownership of space:

Section 701 establishes the policy of the United States to house employees of the Government in federally owned space. It also establishes conditions under which space may be leased: (1) to accommodate the emergency or temporary requirements of the Government, (2) to provide space in locations where the size of the Government activities does not warrant providing a public building, and (3) to take account of temporary economic conditions that render construction or acquisition of necessary Government-owned space infeasible or disadvantageous to the Government.

Section 702 requires GSA to plan—and submit such plans to the Congress as a part of its annual program pursuant to section 801—so that (1) within ten years, at least 60 percent of Federal employees housed by GSA shall be housed in Government-owned space and (2) within twenty years, at least 75 percent of employees shall be in Government-owned space.

Section 702 also provides that, to the maximum extent possible, public buildings should be uniformly dispersed throughout the Nation and that priority be accorded to construction, acquisition, and renovation of such buildings as may be necessary to achieve such uniformity.

Section 703—Lease construction:

The Public Buildings Act of 1980 prohibited the so-called "lease construction" method of acquiring space. That language has been modified by this section to take into account concerns raised after the bill was reported.

Section 703(a) requires that prior to agreeing to enter into a commitment that will cause the construction of any building other than a Government-owned building (so-called "lease construction" projects) the GSA must (1) establish specifications for the building comparable to the criteria for the construction of Government-owned buildings, (2) secure the option to purchase the building at any time during or at the conclusion of the lease term, and (3) solicit the lease acquisition through competitive bids in conformance with the provisions of section 706 of this Act.

Section 703(b) directs GSA to inspect buildings constructed under the lease construction method of acquisition during the construction in order to determine compliance with the specifications established under subsection (a) of this section.

Section 703(c) requires that upon completion of any such building constructed for lease to the predominant use of the Government, GSA must evaluate the building to determine whether it complies with the specifications established for the building. Any contract entered into for such a building shall contain provisions permitting the reduction of rent during any period when the building is not in compliance with the specifications.

Section 704—Policies on leasing:

Section 704 establishes policies on leasing. It declares that, except as may be necessary to meet temporary and urgent requirements that cannot be met in Government-owned buildings, space shall not be leased for: (1) major computer operations, (2) offices that conduct secure or sensitive activities related to the national defense or security, (3) activities that would require major alterations in the structure or mechanical systems of a leased building, and (4) permanent courtrooms, judicial chambers, or administrative offices for any United States Court.

Section 705—Economy Act revision:

Section 705(a) states that for the purposes of this legislation, sections 321 and 322 of the Economy Act of 1932 shall not apply.

Subsection (b) states that no lease may be entered into for a rental exceeding the current commercial rates and charges for space and services of nearest comparable quality.

Section 706—Requirement of competitive bids:

Section 706(a) requires GSA to solicit and acquire leased space by competitive bids. It requires GSA to advertise its specific needs when soliciting bids of leased space and requires that such bids be publicly opened and awarded.

Subsection (b) provides that in evaluating competing bids, GSA shall take into account proposed rental costs and services offered, overall quality and safety of the building energy efficiency, and the bids' relative conformity to the requirements of titles II and III of this legislation.

Subsection (c) prohibits the GSA from paying for an option to purchase unless such option is made separately from any lease payment and unless such payment has first been authorized under the provisions of title VIII of this bill.

Section 707—Lease agreement circulation:

Section 707 requires GSA to provide copies of the lease between the Government and the building owner to agencies it houses in leased space.

Section 801—Annual program and five-year plan:

Section 801 requires GSA to submit to the Congress near the beginning of each calendar year a program of the Public Buildings Service for the next fiscal year and a five-year plan for accommodating the nation's public buildings needs.

Subsection (b) requires the Administrator to certify that he has held a public hearing, or afforded the opportunity for such hearing, in the locality of each major construction, renovation, or acquisition project included in the annual program. It also requires that he provide to the Congress the final environmental impact statement, if required pursuant to the National Environmental Policy Act, on projects contained in the annual program.

Section 802—Limitations on authorizations and appropriations:

Section 802(a) states that no appropriation shall be made by the Congress or obligated by the Administrator to carry out the purposes of this Act, unless it has been authorized by the Congress in an annual authorization bill.

Subsection (b) prohibits GSA from commencing any construction, renovation, or acquisition project unless an appropriation has first been made for the estimated cost of completion in the fiscal year for which such appropriation is authorized. No lease may be entered into unless an appropriation first has been made for the maximum cost of such lease over its entire term in the fiscal year for which such an appropriation is authorized.

Section 803—Annual program authorizations:

Section 803 authorizes appropriations for fiscal year 1982.

This section also gives GSA authority to reprogram some funds to undertake activities of an emergency nature which should not wait authorization in the next annual authorization legislation.

Section 804—Cost overruns:

When the cost of a project exceeds the estimate maximum cost authorized, GSA may either (A) increase expenditures up to ten percent or (B) decrease the number of gross square feet to be constructed in the project by not to exceed ten percent.

If this authority is insufficient to meet the excess cost, GSA must report to the Committee on Environment and Public Works of the Senate and the Committee on Public Works and Transportation of the House concerning the project, including recommendations as to appropriate action to enable continuance of the project.

Section 901—Standard level user charges:

Section 901 amends that subsection of the Federal Property and Administration Services Act of 1949 which establishes charges or "rents" imposed upon agencies occupying Government-owned or leased space which is under the jurisdiction of the GSA. Rates are to be established no more frequently than once a year at a level approximately equal to prevailing commercial rates but in no case less than the anticipated costs of providing space and services, including amortized construction costs or leasing costs and depreciation.

Sections 902 and 903—Time financing:

Sections 902 and 903 authorize GSA to borrow funds from the Treasury to finance acquisition, construction, or major renovation of public buildings. Repayments would be made annually out of the Federal Buildings Fund. Repayment schedules may be for up to thirty years on conditions prescribed by the Secretary of the Treasury, provided that the Secretary takes into account the useful life of the building and does not require repayment to begin until the building is ready for occupancy. The interest rate should be about equivalent to the cost of borrowing money to the Government.

Section 1001—Effective date:

This act takes effect on October 1, 1981.

● Mr. RANDOLPH. Mr. President, I am pleased to join in the reintroduction of legislation to reform the public buildings program of the General Services Administration. The Public Buildings Act of 1981 will create a firm and positive policy under which the Federal Government will provide facilities to house its operations.

The bill addresses in a comprehensive manner all of the components we believe necessary to give direction to the General Services Administration to correctly implement its mandate as the housekeeping agency of the Federal Government.

This measure is the result of 2 years of effort by members of the Committee on Environment and Public Works. Development of the bill began in March 1979, immediately after the committee imposed a moratorium on the approval of nonemergency building and leasing proposals of the General Services Administration. That action was the outgrowth of years of frustration in trying to carry out a public buildings program without the guides of a clear and concise policy and with an agency whose performance was uneven. It had been 20 years since the Congress addressed the total public buildings program. There had been many changes in government since then, and we had learned much about how buildings operations should be performed.

An earlier version of the legislation we offer today (S. 2080) was introduced in December 1979, following 9 months of committee hearings and staff meetings with private real estate, construction, and design experts. After more hearings, the committee ordered that bill reported by unanimous vote in March 1980. The Senate passed the bill by the overwhelming majority of 71 to 8.

Mr. President, the bill passed by the Senate died in conference last December. I was a conferee on that measure, and I assure this body that the Senate conferees made a good-faith effort to arrive at a workable compromise. The House conferees also negotiated in good faith, although the bill the House brought to conference was not a comprehensive reform of the public buildings program. Not having undertaken such a broad review of the program as we had, the House conferees were not prepared to accept some of the sweeping but necessary changes we proposed. It is my hope that this year the other body will review the entire public buildings program so that its Members can better understand the initiatives proposed in our bill.

The basic and overriding buildings function of the General Services Administration is to provide productive accommodations for the activities of the Federal Government. It is to that basic function that our bill is primarily addressed. But the way in which the GSA provides Federal facilities can have a significant impact not only on the operational efficiency of the Government but in other areas. Our buildings, for instance, should set standards of architectural excellence for the Nation. We must point the way in vigorously carrying out our commitment to make public facilities available to the physically handicapped. Public buildings must not be considered in isolation from the rest of the communities in which they are located, or from the problems that beset our country. Public buildings must contribute to local economic development efforts. In their design and operation they must set examples in conserving energy and in making use of America's most abundant and economical energy sources, coal primary among them. The bill addresses these issues, as well.

In the last Congress, the Senator from New York (Mr. MOYNIHAN) and the then-ranking minority member, Senator STAFFORD, now our chairman, led our efforts to write and pass this legislation. Senator MOYNIHAN has long been concerned with issues relating to buildings and urban design. In 1962, at the request of President Kennedy, he wrote "Guiding Principles for Federal Architecture," a statement containing sound and lasting advice that served as

the source of many ideas for this bill. Senator STAFFORD had, even previous to 1979, drafted thoughtful and creative legislation dealing with some of the problems of the public buildings program.

Similarly, Senator CHAFEE had proposed important legislation which is incorporated in this bill to establish policy for art-in-architecture expenditures. During the committee markup and floor debates on the bill last year, Senator SIMPSON contributed important sections designed to combat misconduct by government employees and outside interests.

The Public Buildings Act of 1981 deserves the attention of every member of this body. It will not attract great publicity, for its concerns are those of the day-to-day business of the Government. But those day-to-day matters are important in the long run. I urge my colleagues to examine this measure carefully and to give it their full support.●

● Mr. MOYNIHAN. Mr. President, I am delighted to join Senator STAFFORD in reintroducing legislation to overhaul the public buildings program of the General Services Administration. As Senator STAFFORD has noted, the bill we introduce today, the Public Buildings Act of 1981, is nearly identical to S. 2080, the Public Buildings Act of 1980, a bill that passed the Senate by a vote of 71 to 8 just last June. The bill unfortunately died in conference when we were unable to resolve differences with our colleagues in the other body. The writing and advocacy of S. 2080 in the 96th Congress were bipartisan efforts on the part of members and staff of the Committee on Environment and Public Works under the leadership of our beloved former chairman, JENNINGS RANDOLPH. Under our distinguished new chairman, Senator STAFFORD, work on the new Public Buildings Act has been no less bipartisan.

This is appropriate, for the mess in which we find the public buildings program has been of bipartisan making. Over the past 15 years, in successive Democratic and Republican administrations, the Office of Management and Budget has emasculated the public buildings program. In the shortsighted pursuit of budget trimming, with a "future be damned" attitude, the OMB has forced a drastic curtailment of Federal office space ownership and a concomitant increase in leasing.

According to a report of the General Accounting Office (GAO Report LCD–80–7, October 17, 1979), from fiscal year 1966 to fiscal year 1979, there was no appreciable increase in Government-owned space while leased space increased by over 100 percent, from 44.6 to 93.3 million square feet. Annual rental payments of the GSA in the same period increased from $131 to $520 million. Lease payments in fiscal year 1981 account for over 41 percent of the public buildings budget, while construction funds account for under 1 percent of the budget. For fiscal year 1980 the rental budget was $575 million; for fiscal year 1981 it is $680 million; for 1982, it is estimated at $729 million.

These last figures are most telling. Our leasing expenditures have increased $154 million, or 27 percent, in 2 years. They will increase nearly $50 million in fiscal year 1982, a year in which, according to GSA officials, no additional leased space will be acquired. Our leasing program is a captive of the forces of inflation, tight credit, and utility and property tax increases that characterize the private rental market. At the present rate, the rental bill will break the $1 billion mark in fiscal year 1985; just 5 years thereafter it will exceed $2 billion.

Twenty years ago, 85 percent of the Federal employees provided office space by the GSA were in Government-owned space. Now that figure is down to 53 percent, and it will drop to 50 percent in 2 years even if we undertake today the ameliorating initiatives proposed by this legislation. In short, our Public Building Service is fast becoming a "private buildings service."

How has this turnabout in the public buildings program come about? There is a simple answer. As the expenses of the Vietnam war escalated and occasioned a search for ways to cut the budget, some clever souls in OMB observed that leasing office space appears less expensive in any given year than building a building. Better, they reasoned, to show an expenditure of $2 million to rent a headquarters building for a Federal agency than to budget the $20 to $30 million it would cost to build a building. Of course, the $2 million—and more, with inflation—would have to be paid annually ad infinitum, but that was no concern of the budgeteers, who thought only of short-term budget balancing.

The OMB has masked this fiscal sleight-of-hand by skewing the assumptions and procedures upon which the GSA makes its economic analyses of whether to lease or build in individual instances. When comparing building and leasing the GSA performs a "present-value cost analysis." This is a sound practice, borrowed from private industry. In recent years, nearly all of those analyses have come down in favor of leasing.

A GAO report to the committee (GAO report LCD–80–61, June 20, 1980) explained why. One need look no further than the report's title: "GSA Lease versus Construction Present-Value Cost Analyses Submitted to the Congress were Inaccurate." Among other inaccuracies, GAO noted several that arose from OMB guidelines prescribing how GSA should compute the cost comparisons.

The GSA itself has now completed a study that makes the point more forcefully. The GSA studied comparable construction and lease projects in 126 geographic areas and demonstrated that, using the correct interest rate identified by GAO and appropriate inflation rates and other factors, "the evidence would support an economic decision to build rather than lease in most cases." Using the OMB requirements, however, "will almost always result in a lease decision."

The problem is not one of economics and fiscal responsibility alone. As vice chairman of the Select Committee on Intelligence, I must report I was astounded to learn that even the most sensitive national security functions of the Government have been provided rented space in private buildings constructed without even rudimentary security measures. Security features in these buildings are usually added later, at Government expense. One unfortunate result is that the Government, conscious of its capital investment in such buildings and the disruption to activities attendant upon a relocation, is loathe to vacate. The building owners know this, too, and negotiations for lease renewals are accordingly concluded on terms overwhelmingly favorable to the owners.

The same situation seems to occur in the case of nonsecret Government offices, too, particularly where the amount of space leased is large or where computers or other special equipment have been placed in the building. The Government can be a most lucrative tenant. It comes as no shock, then, that we have uncovered situations in which the "competition" in bidding for Government leases appears to have been unnaturally and unnecessarily restricted. Following one hearing, the committee referred five of seven proposed GSA leases to the Inspector General of GSA. He later reported to us that three of the five appeared worthy of investigation for misfeasance. One of the leases was about to be renewed at increased cost, when the expiration date on the existing lease was still a year and a half away.

It has taken us nearly 20 years to create this problem for ourselves. We cannot rectify it immediately. This bill would establish the policies and procedures necessary to begin to set matters aright.

First, it would establish goals for placing an increased proportion of the Federal work force in Government-owned buildings. Within 10 years, 60 percent of the workers housed by GSA would have to be placed in Government-owned space. In 20 years, that number would rise to 75 percent. I remind my colleagues that 20 years ago, before the office space budgetary shenanigans began, 85 percent of Federal workers were in Government-owned space.

Second, it would create a time-financing mechanism to enable the GSA to finance building construction with funds borrowed from the Treasury at interest and repaid over a term of years in the manner of paying off a mortgage. The GAO has endorsed the borrowing authority, which has been drafted to conform to congressional and executive branch accounting procedures. The borrowing will not be "off-budget;" it will not be exempt from ordinary budget-setting and oversight.

Third, it would require GSA to prepare annual and long-range building plans and permit the Congress the opportunity, through annual authorizations to bring under control the leasing outlay and to control the rate and composition of the construction program.

One cannot overemphasize the importance of tightening up the congressional authorization process for this program. One reason the leasing budget has gotten out of hand is that the exist-

ing authorization process permits the congressional Public Works Committees in any given year to review only about 10 percent of the leasing budget. Moreover, given the way leases are presented to us for approval, we have little opportunity to turn any down.

Senator STAFFORD has spoken at some length about the need to abolish the so-called prospectus system and reform the authorization procedures, and I completely concur in his arguments. I shall submit for the RECORD a paper which I prepared on this subject last year.

The GSA has completed plans that indicate the costs and savings of the first 10 years of this program. At the behest of the Committee on Environment and Public Works, and of the Committee on Public Works and Transportation of the House of Representatives, the Public Buildings Service of the GSA this year presented us with an annual and 5-year plan. I should say that the plan is excellently done and it is much to the credit of the executives and employees of the Public Buildings Service that it was entirely their product and not that of some contractor or consultant.

In the next 10 years, the construction program mandated by the bill would result in over 100 projects being undertaken at a cost of about $5.7 billion. In that period alone, over $2.8 billion in lease payments would be avoided, a figure all the more impressive when one considers that, for most of the period, the new projects will be unavailable for occupancy and the prospective tenants will, therefore, still be housed in leased space. The saving in fiscal year 1993 alone is $800 million. The entire cost of the 10-year program will be recouped in about 15 years. GAO has estimated that a Federal building pays for itself on the GSA ledgers in 14 years, when one considers its cost and the rental payments made by Federal agencies to GSA for space within it.

The GSA report is based on a realistic assumption of severely limited growth in Federal employment. It also takes into account another important initiative of the legislation designed to reduce the costs of Federal buildings. The bill requires that most Federal buildings be designed to standards approximating those for first-class private buildings. That is a reduction from current guidelines which require grandiose design features in even the most mundane Federal office structures. At the same time, it insures that Federal buildings will be designed to somewhat higher standards than those for many speculative private building ventures. Our aim is to buy durable, efficient buildings for the taxpayers' dollars.

The bill would also improve the design of Federal buildings by changing the process through which private architects are selected to work for the GSA. The process now in use militates in favor of relatively large architectural firms that deliver safe, unimaginative designs; it operates to the disadvantage of small, unknown firms.

This occurs because the process emphasizes evaluation of a firm's past work rather than its proposals for the projects at hand in GSA. There is neither price nor technical competition among the firms; selections are made behind closed doors by a small committee of GSA bureaucrats. Design talent and creativity appear to count for little in these selections.

Our legislation would require architects to compete for GSA commissions based on their proposed design concepts for Federal projects. Design competitions such as these have long been a staple of architectural practice. Many of the Nation's great buildings, including the Capitol, White House, and Library of Congress, have been outgrowths of design competitions.

Some architects are leery of design competitions, citing a few past competitions that were time consuming, expensive or in which fanciful designs won out over more practical solutions. All of these very real past problems can be overcome by conducting competitions under stringent, fair ground rules, and the legislation incorporates such guidelines. By limiting the time frame, expense, and complexity of submissions allowed to a competition, the bill insures the competitions place large and small firms on the same competitive footing. We are determined to see that talent, and not money or connections, win out.

I assure my colleagues that this legislation is wholly consonant with the goal of effecting economies in the Federal budget. It will, for the first time in the history of the Nation, place a sound and stable foundation under the congressional authority for erecting what the Constitution refers to as the Government's "needful buildings."

The material follows:

PROSPECTUSES CONTRASTED WITH ANNUAL AUTHORIZATION

I. Prospectuses embody only a portion of the Public Buildings Service programs.

As the attached charts show, the prospectuses that are approved in any given year generally represent nearly all of the year's funded new construction but:

Only about one-half of the repair and alteration budget;

Only about one-tenth of the leasing budget (and only about thirty percent of the total outstanding leasing obligation);

None of the building operations budget (including such things as cleaning and protection);

None of the administrative budget (including central planning, energy research, etc.).

As the Public Works committees necessarily concentrate their attention on their statutorily-mandated responsibility to review prospectuses, they therefore overlook most of the PBS program. The committees are diverted from overseeing PBS policy-making and operations, and even from monitoring approved prospectus projects. GSA, for its part, seems to regard matters not requiring prospectus approval as none of the committees' business, as can be seen from GSA's failure to inform the committees of even major policy changes. When responding to inquiries about specific space needs, GSA often says it will let the committee know "if a prospectus is required." The clear implication is that, if a prospectus is not required, GSA will respond no further.

II. Due to its ad hoc nature, the prospectus system does not contribute to effective project reviews, gives little or no incentive to overall program planning, and affords no tie-in to budgeting and appropriations.

Prospectuses are submitted by GSA throughout the year and are approved by the committees throughout the year. Prospectuses are sometimes approved by one or both committees years after their submission; alternatively, some are approved only days or hours after their receipt by the committees. Either eventuality makes it impossible for GSA to compile a predictable timetable for the public buildings program. Committee review and approval in these cases either cause interminable and costly project delays, on the one hand, or create the appearance of unseemly haste in judgment on the other hand.

Piecemeal submission, consideration, and approval of prospectuses precludes priority-setting by either GSA or the committees. Each prospectus submitted and approved appears to carry the same degree of urgency. There is little or no opportunity for analytically comparing prospectuses with respect, for example, to cost per square foot, or square feet per employee, or to compare the factors—such as employee crowding, age of existing building, etc.—which might be cited as justification for initiating projects. The sheer volume of prospectuses makes it impossible to give in-depth reviews to all, and yet, without an opportunity to compare all at once, it is nearly impossible to single out those which should undergo relatively more scrutiny.

Piecemeal approval, and the fact that prospectuses once authorized are authorized forever, gives the committees no incentive to keep their authorizations within realistic budget limits. A prospectus can be fully approved and lie dormant for years before it gains an appropriation. Since prosepectuses carry no fiscal year authorization, the committees in any given year can approve many times the amount of funds expected to be available in the next fiscal year. It is indicative of this situation that the committees do not bother to keep running totals on the dollars amounts of projects they approve. The attached charts illustrate that the committee's approvals in new construction and repair-and-alteration projects do not jibe with either the Administration budget requests for those categories or with Congressional appropriations.

The timing or repair-and-alteration prospectus approvals is so unpredictable that, this past year, GSA made a conscious decision to base its R&A budget request for FY 1981 solely on projects that were already approved by January, 1980, when the budget had to be submitted to Congress. The appropriations committees do not know, until the day they go to final markup on the Treasury-General Government appropriation bill, what projects will win the approval of both Public Works committees and so be in competition for the limited public buildings funds.

It is in the nature of some prospectuses that the committees have little real alternative but to approve. Lease renewals, for example, present the committees with the Hobson's choice either to approve or to disapprove and so deprive Federal agencies of space already occupied without providing alternative space. Serious questioning of prospectuses proposing repair of a roof or upgrading of mechanical systems places the committees in the position of second-guessing, from Washington, determinations made by GSA technical personnel in the field.

III. Repair-and-alteration and lease prospectuses are already regarded by GSA as open-ended authorizations.

Even in the small part of the leasing operation controlled by prospectuses, the committee's approvals have small bearing on the eventual outcome of each lease. GSA leases carry escalator clauses that automatically increase the rent to match consumer price index and real estate tax increases. Prospectuses typically carry the notation that their

approval authorizes GSA to decide whether or not to exercise renewal options (without further committee review) five, ten or more years in the future. GSA alters leased buildings, and frequently increases the amount of space rented under the lease (and concomitantly, of course, increases its rental payment) without committee approval.

Repair and alteration prospectus approvals are even less meaningful. Except for major renovations, such as the Old Post Office in Washington and the Custom House in Manhattan, which are carried out promptly and in close conformity to what is set out in the prospectus, R&A projects drag on for years and end up bearing little resemblance to the projects described in the prospectus.

As of September 30, 1979, GSA reported there were 112 approved R&A prospectus projects that had not been completed. Only one project approved since 1975 has been completed; 28, or 25% of the total, were approved in the years 1970 through 1975; 10, or 9%, were approved from 1961 through 1969. In that span of time, inflation alone so eroded prospectus authorizations that only a portion of the activities described in original prospectuses could be carried out. Moreover, PBS officials admit that as buildings' conditions change, or as new needs (such as enhanced fire safety and handicapped features) are found, the committee's approvals are freely interpreted and PBS carries out whatever work it deems necessary, regardless of what the prospectus may originally have proposed.

The 112 projects cited above carried total authorizations of over $746 million. Through FY 1979, only $450 million of that total had actually been spent. GSA estimated that a backlog of about $228 million from these authorizations would still be on the books on October 1, 1980.

In other words, GSA regards R&A prospectus approvals as general authorizations to respond to changing repair and maintenance needs. This is not an unreasonable position; it is, in fact, the way an annual authorization would explicitly allow GSA to manage its building maintenance program.

IV. Annual authorization of the entire public buildings program overcomes these problems. Within the program authorization, project-by-project approvals of major undertakings would be retained.

The only effective way to exert Congressional control, and to impose Congressional priorities on the public buildings program is through an authorization that comprehends the entire PBS budget. This is the only way, for instance, to force a gradual decrease in all leasing expenditures and a concomitant increase in construction funding.

Any effective authorization process must require that all projects and expenditures for a succeeding fiscal year be submitted at one time and that they be reviewed, amended as necessary, and approved at one time. It is only in this manner that proposed projects and expenditure levels can properly be compared with each other and evaluated. This also encourages accurate Congressional accounting of total authorizations for any given year. Furthermore, the authorization procedures established in S. 2080 would authorize major projects only for one fiscal year. Projects unfunded in that year would have to be re-authorized. There would be no backlogs of unfunded projects which could be used, as old R&A approvals currently are used, to rationalize current budget requests and appropriations. As a result, Congress would have tighter control of the amount and allotment of annual PBS expenditures and the authorizing committees would have greater influence in a corresponding manner over the amount and allotment of PBS appropriations.

An authorization bill must be reported to the floor of both Houses by May 15; this would be the established deadline for the authorizing committees to complete their comparative reviews of projects and budget allocations. This deadline assures that authorizations for the public buildings program are coordinated within the Congressional budget system; it also means that the bills reported out of the committees are the basis for any floor action. Any member challenging the committees' figures, or project authorizations, would have to assure that his or her proposed changes would not violate budget ceilings and result in authorized PBS expenditures in excess of budgeted amounts. Members attempting, during floor action, to add their own projects would be challenged to name those projects or expenditures they would cut to make room in the budget for their proposals.

Specific, line-item authorizations of major construction and renovation projects would be included in authorization bills by the committees, under the scheme established in S. 2080. These authorizations would not have to follow the recommendations submitted by the GSA; Congressional priorities would hold sway. However, as a matter of course, GSA would doubtless consult in detail with the committees before formally submitting its annual plans, and, indeed even before submitting for review its proposed budget for advanced planning. It could be expected that the formal GSA proposals each year would closely parallel committee priorities in the first place.

PROSPECTUS AUTHORIZATIONS COMPARED TO PUBLIC BUILDINGS SERVICE BUDGET

	Prospectuses approved by Environment and Public Works	Administration budget request	Appropriation (including supplementals)
1977			
Leasing	$50,533,734	$473,200,000	$473,200,000
R. & A.	218,061,345	60,700,000	110,700,000
Construct.	53,602,000	28,100,000	32,800,000
Total	322,197,079		[1] 1,185,155,000
1978			
Leasing	100,608,354	489,000,000	487,000,000
R. & A.	40,054,860	204,731,000	200,000,000
Construct.	226,893,000	17,354,000	69,000,000
Total	367,556,214		[1] 1,332,838,000

[1] Total PBS appropriation:

	Prospectuses submitted by GSA	Administration budget request
1981: Leasing	$64,306,274	$680,000,000

PROPORTION OF ANNUAL REPAIR-AND-ALTERATION BUDGET ACCOUNTED FOR BY PROSPECTUS AUTHORIZATIONS

Fiscal year	Total R. & A. appropriations	Over $500,000	Percent	Under $500,000
1977	$110,700,000	$52,748,000	48	$57,952,000
1978	200,000,000	119,237,000	60	80,763,000
1979	200,000,000	99,283,000	50	100,717,000
1980	155,024,000	49,953,000	32	195,071,000
1981	180,000,000	79,099,000	44	100,901,000

PROSPECTUS AUTHORIZATIONS AS A PERCENTAGE OF THE PBS ANNUAL BUDGET

Fiscal year 1977:	
Lease prospectuses approved	$50,533,734
R. & A. prospectus project funding	52,748,000
New construction funding	32,800,000
Total (11.4 percent of total appropriation)	136,081,734
Fiscal year 1977 appropriation	1,185,155,000
Fiscal year 1978:	
Lease prospectuses approved	100,608,354
R. & A. Prospectus project funding	119,237,000
New construction funding	69,700,000
Total (21.7 percent of total appropriation)	289,545,354
Fiscal year 1978 appropriation	1,332,838,000

By Mr. HEFLIN:

S. 531. A bill to provide a credit against Federal income tax for expenses involved in the planting of pecan trees to replace pecan trees destroyed by Hurricane Frederic; to the Committee on Finance.

TAX CREDIT FOR ALABAMA PECAN GROWERS

Mr. HEFLIN. Mr. President, the bill I am offering today is simple and straightforward. What this bill will do is allow a credit against income tax for planting pecan trees in south Alabama which were destroyed by Hurricane Frederic in September of 1979.

I am sure, Mr. President, that each Member of this body will recall that the gulf coast was devastated by Hurricane Frederic in September 1979, and one group which was particularly hard hit was the Alabama pecan growers. We have explored all the possibilities, but we can find no Federal aid programs which will enable this industry to get back on its feet. Accordingly, during the 96th Congress I introduced a bill, S. 1900, which would give special tax relief to all fruit and nut growers who suffer damage because of the whims of nature, such as floods, fires, or storms. At a hearing on this measure, the administration spoke in opposition to it, basically because it would impact on the symmetry of the Tax Code. Thus, because of this problem and because the cost of the bill is estimated at $20 million per year, that particular measure did not move forward.

In a spirit of compromise and to provide at least some measure of relief for these small family businesses, I have prepared the bill I have sent to the desk today. Basically, my bill would allow persons who lost pecan trees a tax credit of $10 for each tree that was destroyed in the hurricane if a tree is planted by the taxpayer to replace the destroyed tree. The cost of pecan trees in the market in Mobile today is approximately $10 per tree. Thus, a $10 tax credit will enable the pecan growers at least to recover the cost of initial planting of the tree. It does not even approach the cost to nurture the tree and bring it into full production, which takes a period of 8 to 10 years; but at least it would provide some resources to get the trees in the ground at their earliest possible date.

Last year, fewer than 10 percent of the trees that were destroyed were replaced, primarily because the pecan growers, mostly on small family farms, just do not have the funds to purchase new trees to set out.

Over 144,000 trees were destroyed by the hurricane. Even if every single tree were replaced and the tax credit claimed, the maximum amount of tax loss under this measure would be about $1.4 million. Most likely, the actual tax loss will be considerably less than that; and thus it is really not as significant an amount of money for the National Treasury to absorb. It is significant, however, in that it may enable the crippled pecan industry of south Alabama to get back on its feet and once again to be a tax-producing industry.

Mr. President, I hope that a majority of the Senators will feel compassion for these small businessmen and approve this bill.

I might point out, Mr. President, that at the time of this devastating storm, there was no such thing as crop insurance for pecan growers. Since newly enacted legislation does bring pecan and other fruit and nut trees under the Federal crop insurance programs, this should be a one-time, nonrecurring disaster. In the future, insurance will be available to offset these kinds of losses. Because this is a special situation, I think that special legislation is appropriate, and I urge my colleagues to support this bill.

By Mr. HEFLIN:

S. 536. A bill to amend title 28 of the United States Code to request the Chief Justice of the United States to give an annual address to the Congress on the state of the judiciary; to the Committee on the Judiciary.

ADDRESS ON STATE OF THE JUDICIARY

Mr. HEFLIN. Mr. President, I wish to introduce a bill which would request the Chief Justice of the United States to address on a periodic basis a joint session of Congress on the state of the U.S. judiciary. I deeply appreciate the bipartisan support this bill enjoyed when I introduced it in the 96th Congress and which resulted in its passage by the Senate on August 25, 1980. Unfortunately, it failed to pass in the House of Representatives.

Under the Constitution of the United States, the responsibility for governing this Nation are divided among the three coequal branches: the legislative branch, the executive branch, and the judicial branch. The President, of course, speaks in a joint session. We have many, many opportunities, of course, for the legislative branch to make known its desires and, of course, there is no limit on that.

In regard to the Chief Justice, who should, in my judgment, have an opportunity to either deliver in person or submit in writing an annual message on the state of the Federal judiciary, this can be worked out by agreement between the Chief Justice and the leadership of the Congress. It is not a mandatory request, but it is a request that the Chief Justice, if he desires, can give an annual address on the state of the Federal judiciary.

Members of Congress are, of course, familiar with the intricacies and workings of the legislative branch, as well as the problems that Congress faces. Moreover, through numerous contacts at the committee and subcommittee level, Members of Congress are informed of the many faceted activities of the executive branch of Government. Also, Congress is given the Chief Executive's plan of action on an annual basis by means of a state of the Union address given by the President before a joint session of Congress. It is my judgment, however, that outside of the House and Senate Judiciary Committees, Congress has given little attention to the third coequal branch of Government, the U.S. judiciary.

This legislation would provide at least a partial remedy to this situation by requesting the Chief Justice to either deliver in person or submit in writing an annual address on the state of the Federal judiciary upon the mutual agreement of the Chief Justice and the leadership of Congress.

The common responsibilities for many aspects of the administration of justice require good communications between the judiciary and Congress. An address by the Chief Justice would aid Congress in developing a more responsive understanding of the needs of the judiciary by providing Congress with new insight into the complexity of the judicial branch and the intricate relationships between its various parts. Following the advice of Chief Justice Burger to the Conference of Chief Justices in 1969, approximately half of the State legislatures throughout the country receive a state-of-the-judiciary message from the highest judicial officer in their respective States.

A state-of-the-judiciary message by the Chief Justice of the United States would be meaningful and proper in a number of ways.

First, such an address would be an appropriate method for the head of one coequal branch of Government to coordinate and communicate its activities and recommendations for legislation to another coequal branch of Government. It would bring to the attention of a wider segment of Congress problems facing the judiciary which might affect the work of Congressional committees other than the Judiciary Committee, enabling Congress to meet its responsibilities to the judicial branch more adequately.

Second, a state-of-the-judiciary message would raise the visibility of the problems of the administration of justice, thereby raising the level of their priority.

Third, such an address would bring to public attention the many problems facing the judiciary, making the functioning of the courts more open and accessible to the public. Moreover, by conveying directly the priorities of the judicial system seen by the public official with major responsibility of judicial improvement, the public will be brought into the process of modernizing the judiciary.

Finally, a state of the judiciary message would provide a forum and an opportunity to demonstrate the necessity for strengthening our Federal court system and would highlight the important role that an independent judiciary plays in protecting the rights and freedoms which are so much enjoyed by the people of this country.

As Congress considers new initiatives to meet the challenges facing the Nation, high priority must be given to the urgent needs of the third coequal branch of the Federal Government. A state of the judiciary address or written message to Congress by the Chief Justice of the United States will be a major step in better informing the Congress and the public on the functions and problems facing the Federal judiciary, thereby insuring this Nation's judicial future.

Mr. President, I would like to acknowledge the assistance of the distinguished chairman of the Senate Judiciary Committee, Senator THURMOND, and Senator METZENBAUM for their amendments during the consideration of this legislation by the Senate Judiciary Committee last Congress, which vastly improved this legislation and more accurately reflected the intentions of the committee. I am delighted to have their assistance and the bill I introduced today reflects their suggestions.

I wish to thank Senator KENNEDY, who introduced similar legislation in the 94th and 95th Congresses, for his assistance and guidance in this legislation. I would solicit support of this legislation by Members of the U.S. Senate in an effort to acknowledge our responsibility to the Federal judiciary.

By Mr. HEFLIN:

S. 537. A bill to aid State and local governments in strengthening and improving their judicial systems through the creation of a State Justice Institute; to the Committee on the Judiciary.

STATE JUSTICE INSTITUTE ACT OF 1981

Mr. HEFLIN. Mr. President, I wish to introduce the State Justice Institute Act of 1981. This legislation will establish a nonprofit corporation known as the State Justice Institute to provide technical and financial assistance to further the development and adoption of improvements in the administration of justice in State and local courts throughout the United States. I wish to thank all of my colleagues for the bipartisan support given the State Justice Institute Act when I first introduced it last Congress. The bill was passed by the Senate on July 21, 1980, without dissent.

Although State courts have always played a key role in our Nation's judicial history, over the last few decades we have witnessed a tremendous growth in their importance. State courts share with the Federal courts the awesome responsibility for enforcing the rights and duties of the Constitution and laws of the United States, a burden which has been increased in recent years through actions taken by the Federal Government. Congressional policy objectives are often dependent upon the State courts to aid in the implementation and enforcement of such legislation. Likewise, the Justice Department has requested State authorities to assume additional responsibility for the prosecution of many criminal matters now handled in Federal court, allowing Federal prosecutors to concentrate on matters that more properly are of higher priority by the Federal Government.

More importantly, the most significant increase of the responsibilities of State courts has come from the Supreme Court of the United States through decisions that have diverted cases from Federal to State courts or increased the procedural due process protection guaranteed to citizens in criminal, civil, juvenile, and mental health proceedings. The result of these decisions has been an increase in the number of cases handled by State judiciaries as well as an increase in the procedural complexity of State court litigation requiring the development of new safeguards, more efficient procedures, and a much more intensive program of continuing education for members of the State judiciary. It is significant to note that in testimony before the Subcommittee on Jurisprudence

and Governmental Relations of the Senate Judiciary Committee it was revealed that State courts now handled approximately 96 percent of all cases litigated in this country.

It is quite apparent then that the quality of justice in this country is largely determined by the quality of justice dispensed by State courts. We, in the Congress, should thus be keenly aware of the substantial Federal interest involved in maintaining the quality of the administration of justice in State courts.

The State Justice Institute Act recognizes this substantial Federal interest by creating a mechanism whereby State and local courts will be able to receive financial assistance. More importantly, however, this legislation also recognizes the difficulties that have arisen with previous assistance and attempts to correct them. Specifically, the State Justice Institute Act was drafted to insure the independence of State courts from Federal control. By providing that the operations of the State Justice Institute will be supervised by an independent board of directors consisting primarily of representatives of State court judiciaries, this bill offers a clear congressional recognition of the separation of powers principle in the function of State governments and the constitutional requirement of an independent judiciary which is essential for any program of Federal assistance.

Mr. President, as a former State supreme court chief justice, I know full well the importance of an independent judiciary. I could not support legislation which infringes on that independence in any way. In this regard, I want to thank my distinguished colleague from South Carolina, Senator THURMOND, for his amendment adopted during committee consideration of the bill, which added specific language to S. 2387 insuring that the institute does not in any way interfere with the independent nature of the State courts. The amendment also prohibits institute money from being used for funding of regular judicial and administrative activities other than pursuant to the terms of a grant, cooperative agreement or contract with the institute consistent with the requirements of the act.

The State Justice Institute would provide funds for research and development programs with national application which would be beyond the resources of any single judicial system. It would build on previous experiences with financial assistance to State courts, but would insure that any Federal support is administered in the best and most efficient way possible to produce continued State court improvement. The State Justice Institute would furnish a sound basis of support for the national organizations that have been successful in providing support services, training, research, and technical assistance for State court systems. By establishing a mechanism such as the State Justice Institute to provide financial assistance to the State courts, it is not the committee's intent to suggest that primary responsibility for maintenance and improvement of State courts does not remain with the State themselves.

Once again I wish to thank Senator THURMOND for his amendment, adopted by the committee, which added a requirement to S. 2387 that the State or local judicial systems receiving funds administered by the institute provide a matching amount equal to 25 percent of the total cost of the particular program or project. The amendment also provides that in exceptionally rare circumstances this requirement may be waived upon approval of the chief justice of the highest court of the State and a majority of the board.

The State Justice Institute would not fund or subsidize ongoing State court operations, but rather would spotlight problems and shortcomings of our State judiciaries, provide national resources to assist in correcting them, and make the appropriate State judicial officials responsible for their solution. Even though Federal assistance to State courts would be modest compared to the basic financial support given them by State legislatures, Federal financial contribution through the State Justice Institute can provide a "margin of excellence," and thus improve significantly the quality of justice received by citizens who are affected by State courts.

By Mr. HEFLIN:

S. 538. A bill to increase the compensation of the Solicitor General of the United States; to the Committee on Governmental Affairs.

INCREASING COMPENSATION OF THE SOLICITOR GENERAL OF THE UNITED STATES

Mr. HEFLIN. Mr. President, I am today introducing a bill to amend chapter 53 of title 5, of the United States Code, to increase the annual base salary of the Solicitor General by placing that position in level II of the Federal executive salary schedule.

Under current law the position of Solicitor General is listed as a level III position of the Federal executive salary schedule. The effect of this legislation would be to bring the position of Solicitor General in line with the position of Deputy Attorney General by placing it in the higher pay scale of the level II schedule.

The position of Solicitor General was established by Congress in 1966 and represented the need for a lawyer of superior abilities to assist the Attorney General in the performance of his duties as chief law officer of the Federal Government. The duties and responsibilities of the Solicitor General have been vastly expanded and his role is widely recognized as one of the most important within the executive branch of our Government.

Among the many duties the Solicitor General is now charged with includes representing the Federal Government in the Supreme Court. In carrying out this awesome responsibility, the Solicitor General must decide what cases the Government should ask the Supreme Court to review and what position the Government should take in cases before the Court. The Solicitor General is also responsible for supervising the preparation of the Government's briefs and other legal documents submitted to the Supreme Court. He is also responsible for all oral arguments before the Court and in most of the important cases he will deliver the oral argument himself. Also included in the duties of the Solicitor General is deciding whether the United States should appeal in all cases the Government does not prevail in the U.S. district courts and U.S. court of appeals.

Mr. President, I believe the annual salary the Solicitor General now receives under the level III schedule no longer accurately reflects his contribution and importance to the United States. Without this adjustment we cannot expect the Justice Department to continue to attract the highly experienced and successful appellate attorneys so vitally needed to fill this position so important to us all. The legislation I am proposing today would remedy the inequity that now exists in the law by raising the annual pay of the Solicitor General to a level equal to other high-ranking officers within the executive branch of our Government.

By Mr. DURENBERGER (for himself, Mr. JEPSEN, Mr. MATTINGLY, Mr. THURMOND, Mr. DOLE, Mr. GOLDWATER, Mr. DOMENICI, Mr. WALLOP, Mr. GARN, Mr. TOWER, Mr. EAST, Mr. DENTON, Mr. HAYAKAWA, Mr. PRESSLER, Mr. HUMPHREY, Mr. ARMSTRONG, Mr. WARNER, Mr. SIMPSON, Mr. STAFFORD, Mr. SCHMITT, Mr. MURKOWSKI, Mr. COHEN, Mr. BOSCHWITZ, Mr. PERCY, Mr. HEINZ, Mr. HATCH, Mr. DANFORTH, Mr. LUGAR, Mr. GRASSLEY, Mrs. HAWKINS, Mr. HEFLIN, Mr. BRADLEY, Mr. ANDREWS, Mr. EXON, Mr. LAXALT, Mr. DECONCINI, Mr. HUDDLESTON, Mr. ZORINSKY, Mr. BUMPERS, Mr. LONG, Mr. CHILES, Mr. BAUCUS, Mr. MATSUNAGA, Mr. NICKLES, Mr. RIEGLE, Mr. WEICKER, Mr. BURDICK, Mr. QUAYLE, Mr. HELMS, Mr. BOREN, Mr. SASSER, Mrs. KASSEBAUM, Mr. D'AMATO, Mr. MELCHER, Mr. COCHRAN, Mr. JOHNSTON, Mr. MCCLURE, Mr. KASTEN, and Mr. MITCHELL):

S. 539. A bill to prohibit the use of funds to establish a nine-digit ZIP code; to the Committee on Governmental Affairs.

PROHIBITING USE OF FUNDS TO ESTABLISH NINE-DIGIT ZIP CODE

Mr. DURENBERGER. Mr. President, I am pleased to be joined today by 59 of my colleagues in introducing my bill to stop the U.S. Postal Service from expanding the present five-digit ZIP code.

I have spent a great deal of time studying the Postal Service's proposal for a nine-digit ZIP code. Last October, I requested that a hearing be held by the Civil Service, Post Office, and General Services Subcommittee so that the facts supporting a nine-digit ZIP might be examined by Congress.

As it turned out, there were few facts to examine. We were given, instead, an argument by the Postal Service based primarily on a series of assumptions as to costs and compliance rates.

After the hearings, I decided to op-

pose the nine-digit ZIP code. I did so for two reasons: One, there is no factual basis for accurately determining the costs that a nine-digit code will impose on the public. Two, even if there were sufficient data to determine costs, the argument in support of the nine-digit code lacks the force of persuasion.

Since that hearing we have received virtually no data to support the assumptions made by the Postal Service. As to their argument, it can be simply understood and placed aside.

Sometime ago, the Postmaster General commissioned a study to determine means to improve productivity and stabilize cost in the Postal Service. This study group recommended automation—essentially machine reading mail before it is mechanically sorted.

An automated system was designed which includes a series of optical character readers and bar code readers. The cost analysis indicated a return on investment of 22 percent for the automated system when applied to the five-digit ZIP mail. The threshold of investment at the Postal Service is by Mr. Bolger's testimony 15 percent. So even without the nine-digit ZIP the investment looks attractive.

But the cost analysis also indicated that the capacity of the OCR and BCR system could reach well beyond a sort to the five-digit level. In fact, it promised a 48 percent return if the automated system was couple with a nine-digit ZIP.

But this analysis included only the costs to the Postal Service and even then was based on optimistic assumptions as to the amount of business mail that would carry the nine-digit ZIP and the percentage of mail that would be machine readable.

What this analysis did not include was close scrutiny of the costs borne by mailers. These costs are the costs associated with converting a five-digit mailing list to a nine-digit mailing list. The Postal Service has not examined these costs because they do not view the nine-digit ZIP as imposing costs on the private sector. Rather, they expect that it will be implemented on a voluntary basis and only by those who can realize advantage by its use and savings through the incentive package that the Postmaster General has promised to announce next week.

The price tag on the OCR/BCR system to the Postal Service is $900 million. Again, their expected return on investment is 48 percent. My investigations indicate that conversion to a nine-digit ZIP will, at a minimum, cost the private sector an amount equal to the investment made by USPS—$900 million. This estimate is based on studies done by Minnesota companies and Government agencies and reflects my conversations with many large mailers over the past several weeks.

Suppose the cost to the mailers is in the $900 million range. How much will the Postal Service have to offer as an incentive to get the private sector mailers to convert their systems to the nine-digit ZIP? The Postal Service, as a Government agency, passes on the entire value of its savings in lower postal rates. The 48-percent ROI made by the Postal Service on its expenditure of $900 million becomes, through the incentive system, a 48-percent ROI for the private sector on its expenditure of $900 million to convert mailing lists from five digits to nine.

On the surface, it might be easy to predict a 90-percent participation rate by 1986, if the tandem package of automation and nine-digit ZIP is passed through as a single incentive. But remember that the Postal Service can earn a 22-percent ROI on the automation alone. So the incremental value of the nine-digit ZIP considered separately is only 26 percent. The other 22 percent is earned by the automation on the five-digit mail. A 26-percent ROI in the private sector is a much closer call, particularly when the prime rate is at 19 percent. And as a close call it deserves close study. At this point the cost to the mailer of converting five-digit systems to nine-digit systems becomes critical. And my $900 million was only a guess.

The Postal Service, of course, says that the whole thing is voluntary and mailers will not adopt it if the incentive is not sufficient to compensate for their investment. The current ZIP code is also voluntary. About 97 percent of the mail going through the Postal Service carries the five-digit ZIP. Putting ZIP codes on letters is probably the only thing that 97 percent of all Americans do. Why do they do it? Out of civic pride? Out of concern for the efficient movement of the mail? They use the ZIP code, because voluntary or not, they think that service will be greatly reduced—their letter will be delayed—if they do not.

If the Postal Service imposes a nine-digit ZIP, mailers will not carefully calculate their costs and benefits and decide to comply based on an ROI. They will comply because their first concern is service. So whether we pass a bill forever declaring ZIP codes as a voluntary civic duty, as the Postmaster General is encouraging some of my colleagues to do, mailers will view them as a mandatory requirement to receiving the same service provided others.

The decision to automate the Postal Service with OCR's and BCR's is not one that should be made by the Congress. But when the Postal Service would use its monopoly over the letter form of communication to impose costs on the private sector, the questions require legislative scrutiny. I have examined the evidence and the arguments advanced by the Postal Service for the nine-digit code and do not believe that sufficient cost savings are achieved by the private sector to justify imposition of the nine-digit code.

I ask unanimous consent that the bill be printed in full in today's RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 539

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2003 of title 39, United States Code, is amended by adding the following subsection at the end thereof:

"(a) None of the funds available to the Postal Service from the Fund shall be expended to implement a 9-digit ZIP code system.

● Mr. SASSER. Mr. President, I want to give my wholehearted support to S. 539, which would prohibit the use of funds by the U.S. Postal Service to implement a nine-digit ZIP code.

I do so because I remain unconvinced that nine numbers on a piece of mail will improve the delivery of mail, make the Postal Service more competitive or, most importantly, make it any easier for Americans to send and receive their mail.

From the start, I want to point out that I, for one, believe that the U.S. Postal Service does a commendable job—particularly in comparison to the mail delivery systems of other nations. Postal workers, on the whole, do a fine job, one that we as Americans can be proud of.

Furthermore, it should be noted that the U.S. Postal Service has a longstanding mandate from the Congress to cut costs and improve the efficiency of the mail delivery system in this country. So, I can understand why, on its face, the proposed nine-digit ZIP code would seem like a workable option to Postal Service officials. Ultimately, it would indeed result in savings, primarily through the elimination of certain labor costs.

A problem that I have—that so many of us in the Senate have—is that the Postal Service did not really test nor explain the idea of a nine-digit ZIP code adequately. And once the proposal became the chosen policy of the U.S. Postal Service, the idea was not subjected to a thorough review by the Congress. On the basis of hearings before the Senate Governmental Affairs Subcommittee on Energy, Nuclear Proliferation, and Federal Services last year, it became clear that there was not adequate consultation with major users of the U.S. mails. For instance, no one thought to ask the U.S. Internal Revenue Service—which, as we all know, conducts a lot of business through the mails—what it thought of the proposal.

In addition, major mailing houses, as well as those corporations and publishing houses that conduct regular transactions through the mails, were not consulted sufficiently as to their observations on an expanded ZIP code.

Beyond these considerations, however, are two unanswered questions which dictate that we delay implementation of the nine-digit ZIP code proposal.

First, the cost of the proposal could do serious damage to small businesses in the United States.

Despite the initial "setup" costs involved in a transfer to a nine-digit ZIP code, it is probable that large mail order houses and other large concerns that use the mails could cope with the transfer. Witnesses from the business community disputed even this suggestion, however, at last year's hearings.

Small businesses that advertise through the mail, distribute small-circulation publications or settle accounts through the mails, are ill equipped for such a transfer. I suspect that in most cases, a nine-digit ZIP code would involve a tremendous, labor-intensive, manual opera-

tion for a small business, which simply does not have the personnel or resources to conduct massive code transfers through a computerized system. It might even mean one person sitting for days, weeks, or months before a typewriter—preparing new master sheets for address labels or typing new codes on 3-by-5 index cards.

Such a dislocation of time on the part of an employee in a small business could have substantial consequences, especially—and this is so often the case—if the employee regularly performs other duties besides handling the business mail or accounts.

There is no ample evidence, then, to suggest that the Postal Service ever considered this loss of employee time and the resultant "up-front" costs to a small business that would transfer to a nine-digit ZIP code.

Second, there is that intangible factor raised by the nine-digit ZIP code proposal. Just how many more numbers and digits can Americans tolerate?

At the moment, 97 percent of all Americans use the five-digit ZIP code. It has taken 17 years to achieve this kind of usage.

Now, I realize that it might not require that much of an effort for a person addressing a letter to add a dash and four more numerals to an address.

But we ought to ask ourselves: "How far do we want to carry this?"

Already, the American has been reduced to a series of numbers and codes by banks, by credit card companies, by department stores, by schools and colleges, and by Federal, State, and local governments.

Should the nine-digit ZIP code system be implemented, it would not surprise me if some frustrated and confused person puts his or her nine-digit social security number on a piece of mail, rather than a nine-digit ZIP code.

Sure, many of us know our own social security number, but do we know those of our family? It is likely that, with a nine-digit ZIP code system, Americans will be able to adjust somewhat by remembering the additional four numbers of addresses which they use often—friends, relatives, neighbors, and regular business accounts, and even the Internal Revenue Service office that processes their income tax returns.

How often, though, will a person have to call the Postal Service or consult what will be an encyclopedic directory for an unfamiliar ZIP code? How long will it take?

Until these questions and others are more thoroughly explored and more adequately answered, I am afraid we should put off implementation of a nine-digit ZIP code, and I urge my colleagues to lend their support to this legislation.●

Mr. HAYAKAWA. Mr. President, I am pleased to join my friends and distinguished colleagues as an original cosponsor of this measure to prohibit the use of funds for the implementation of a nine-digit ZIP code. Businessmen and average citizens alike are skeptical of the plan to add four numbers to our current ZIP code.

In the business community the big question is "How much?" Just how much is the increased ZIP code going to cost businesses to update their mailing lists? I have heard estimates of $1 billion and more.

Of the many letters that I have received from constituents, almost all have spoken out against a lengthened ZIP code. I think that part of the problem rests with the Federal bureaucracy and its past penchant for creating regulations at breakneck speed and volume. The average citizen has been so zapped and zipped by Government intrusion and overregulation it is little wonder that he has thrown up his hands and said "enough."

As a communicator and educator I cannot help being concerned by what I see as a decline in common written communication in our Nation today. Our society has built up over the years a rich library of written material. The written word has helped to reflect our values, educate our people, and add a sense of permanence and stability to our communication. The art of letter writing has helped to maintain our skills of written communication.

Unfortunately, more and more people are turning from letter writing to easier forms of communication. It seems they would rather reach out and touch someone via Ma Bell than send a letter via Mr. ZIP. I fear that what the public perceives as a nuisance, whether it is voluntary or not, will add to the decline of written communication in our country.

Mr. President, I do not want to be misunderstood. I am an advocate of progress, but all change does not necessarily constitute advancement. Change that is needless or ill considered is a foe and not a friend of true progress. If it can be shown that the Postal Service's nine-digit ZIP code will increase efficiency and truly benefit mail users, then by all means, let us use it. But I think that we should pause and take a deep breath lest we rush America down a nine-lane highway of unconsidered costs and consequences.

● Mr. JEPSEN. Mr. President, I am proud to join with my distinguished colleague from Minnesota, Senator DURENBERGER, in introducing legislation to halt implementation of the nine-digit ZIP code. As you know, I have been opposed to this proposal for some time now. As a matter of fact, last session, Senator DURENBERGER and I joined together to postpone implementation of this proposal. Our amendment was approved by the Senate by a vote of 90 to 0.

After our amendment was approved, the Postmaster General decided to voluntarily postpone implementation. I was glad to see that the Postmaster General recognized the concern of Congress when he took this action.

As you may know, Mr. President, I have been contacted by hundreds of taxpayers from all across America expressing their displeasure with the nine-digit ZIP code. In light of this tremendous opposition—from the very people who will be called upon to make the system work—I should think the Postal Service would reconsider its proposal voluntarily. However, this does not appear to be the case.

I would like to state once again that my goal is to improve the Postal Service. I think it can become a viable service-oriented operation. Unfortunately, too much attention has been given to "pie in the sky" proposals and the word service has been forgotten.

In closing, I would like to commend Senator STEVENS, chairman of the Civil Service and Postal Operations Subcommittee, for his decision to hold more hearings on this important issue. Because the ZIP code expansion proposal will have such a tremendous impact on individuals and businesses, it is imperative that all interested parties be given an opportunity to voice their opinions. I look forward to testifying at these future hearings.●

By Mr. HUDDLESTON (for himself, Mr. ROBERT C. BYRD, Mr. FORD, and Mr. WARNER):

S. 540. A bill to amend the Clean Air Act to provide that the voluntary conversion from oil or gas to an alternate fuel by a stationary source shall be treated in the same manner as a conversion ordered under the Energy Supply and Environmental Coordination Act of 1974 or the Powerplant and Industrial Fuel Use Act of 1978; to the Committee on Environment and Public Works.

By Mr. HUDDLESTON (for himself, Mr. ROBERT C. BYRD, and Mr. FORD):

S. 541. A bill to amend the Clean Air Act with respect to temporary emergency suspensions of implementation plan provisions; to the Committee on Environment and Public Works.

By Mr. HUDDLESTON (for himself, Mr. FORD, and Mr. ROBERT C. BYRD):

S. 542. A bill to provide that major stationary sources complying with all applicable emission limitations and standards of performance established pursuant to the Clean Air Act shall not be subject to any more stringent limitations or standards for a period of 10 years; to the Committee on Environment and Public Works.

LEGISLATION TO ENCOURAGE THE USE OF COAL RATHER THAN FOREIGN OIL

Mr. HUDDLESTON. Mr. President, today I am introducing three bills to encourage the use of coal rather than foreign oil or natural gas in our Nation's utility and industrial boilers.

The hazards of foreign oil dependence and the virtues of domestic coal have been eloquently expressed in this Chamber time and time again.

Time and again, we have passed laws designed to convert coal-capable industries and utilities from oil and gas back to coal—first, the Energy Supply and Environmental Coordination Act (ESECA), then the Powerplant and Industrial Fuel Use Act (PIFUA). The most promising bill, the utility oil back out bill, passed the Senate overwhelmingly last year under the leadership of the distinguished Senator from West Virginia (Mr. BYRD)

and my colleague from Kentucky (Mr. FORD), but died in the House at the end of the 96th Congress.

Yet, despite our eloquence, and our legislative efforts, the record of conversions to coal use is not good.

Coal, our most abundant energy source, constitutes over 80 percent of our fossil fuel reserve, yet still supplies only 18 percent of our energy needs.

We still are producing millions of tons of coal less than we are capable of producing.

Thousands of miners are on short work schedules or out of work altogether.

In short, coal use in this country remains demand rather than supply limited—a curious fact in a country constantly bemoaning its energy problems, but a fact nonetheless.

Throughout the coal mining regions, you constantly see bumper stickers asking ""Why Not Coal?" Too often the answer is inflexible or unnecessary Government requirements. Where this is the case, I strongly believe that it is in the best interest of our economy and national security to make some changes.

The bills I am introducing today are designed to help alleviate some of the regulatory obstacles to coal use.

The first bill would simply provide equal treatment under the Clean Air Act to utilities and industries which voluntarily convert from oil or natural gas to an alternate fuel and those which are mandated to convert under ESECA or PIFUA.

Under existing law, mandatory conversions are eligible for delayed compliance: voluntary conversions are not.

Mandatory conversions are eligible for exemption from noncompliance penalties; voluntary conversions are not.

By definition, mandatory conversions are excluded from the automatic imposition of new source performance standards; voluntary conversions may not be.

Under the prevention of significant deterioration provisions, mandatory conversions are automatically excluded by rule from new source review, and may be excluded from PSD increment consumption for up to 5 years. This is not the case for voluntary conversions.

Consequently, under existing law, a utility or industry which wishes to convert voluntarily from oil or gas to an alternate fuel may be better off if they come to the Government and request a conversion order. This is a ludicrous waste of time and money, and serves no useful environmental purpose.

The second bill is identical to S. 1416 from the 96th Congress. It is designed to provide sufficient flexibility during energy emergencies to allow a Governor or the President to suspend overly stringent air quality regulations for a period of time long enough to permit utility and industrial plants to switch from scarce fuels to more abundant alternatives.

Existing authority under section 110 (f) of the Clean Air Act limits emergency deviations from State implementation plan requirements to a maximum of 4 months. This is far too short a period of time to permit utility and industrial plants to switch fuels—for example, from oil to coal—particularly if some capital investment is needed.

This bill would extend the permissible period for suspension from a maximum of 4 months to 5 years, but with a strict requirement that the longer suspension not result in a violation of any national ambient air quality standard.

It would permit the President as well as a Governor to issue such a suspension.

And, it would establish as a new condition on which a suspension may be based, "that energy imports from outside the United States of fuel used by a source have reached an excessive level and such imports can be reduced by such emergency suspension."

I want to emphasize that any suspension under this provision could only be granted on a case-by-case basis. There is no question in my mind that we cannot sacrifice our hard-won environmental improvements to energy expediency, and it certainly is not the intent of this bill to do that.

At the same time, however, I am equally confident that in time of emergency we cannot permit ourselves to be strait-jacketed by regulations which may be more stringent than absolutely necessary to maintain ambient air quality.

Mr. President, we know what our foreign oil dependence has cost us in the past, and what it continues to cost us every day—not only in dollars, but in national security. If foreign oil dependence continues, the future is equally grim.

The Senate Energy Committee, in its report last year on the "Geopolitics of Oil" reached a number of sobering but unsurprising conclusions, among them that:

First. A major oil supply disruption within the next decade is likely;

Second. Oil has become a political instrument in the hands of the major oil-producing nations;

Third. Unless there is a major shift in current policies, the next two decades could witness growing competition among the governments of the consuming nations for scarce crude supplies; and

Fourth. The Soviet Union's growing interest in the Middle East and its increasing control over Western Europe's energy supplies pose grave dangers for the Western Alliance.

It is, therefore, altogether possible that a decision will have to be made that we cannot afford the energy costs of environmental decisions that were made in less austere and troubled times.

It is altogether possible that a decision will have to be made that it is in the national interest to suspend certain provisions of State implementation plans which are more stringent than necessary to meet national ambient air quality standards, and to suspend them for a period of time long enough to permit utility and industrial plants to switch from scarce fuels to more abundant ones.

This bill would provide flexibility under the law to act on such a decision. In and of itself, the bill does not suspend a single regulation. But, it does provide the option for doing so under specified limited conditions.

The third bill is intended to encourage and facilitate the increased use of coal by adding some reason and certainty to Government regulation.

Compliance wtih environmental laws and regulations often is a costly undertaking. Once expenditures are made, and a source is in compliance, the source owner should have assurance that his investment will not be jeopardized by adoption of more stringent requirements for a reasonable period of time unless there is a bona fide threat to public health. While it may, and probably will, be necessary to tighten emission limitations and standards from time to time, owners who in good faith comply should be given the opportunity and time to amortize their pollution control costs.

Changing ground rules and moving targets are extremely worrisome to those who must comply with environmental requirements. Each incremental control requirement becomes more difficult and costly. The uncertainty associated with potential rule changes renders corporate decisionmaking precarious and may cause delays in constructing or modifying new sources or in retrofitting controls on existing sources. While compliance at the time of construction of a new source may be accomplished with reasonable certainty at a given cost, compliance with more stringent control measures adopted subsequent to construction may be difficult, or physically impossible, and may be considerably more expensive than the original compliance measure.

This principle is recognized in section 306(d) of the Clean Water Act, which provides that any source constructed as to meet all applicable standards of performance shall not be subject to any more stringent standard of performance during a 10-year period, or until the equipment is depreciated or amortized, whichever comes first. The bill I am introducing today would add a provision to the Clean Air Act to provide a comparable period of assurance for all complying existing, modified or new sources against the application of more stringent standards unless an imminent threat to public health can be attributed to the source.

I ask unanimous consent that the texts of these bills be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 540

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 111(a)(8) of the Clean Air Act is amended—

(1) by striking out "or" at the end of clause (A); and

(2) by inserting after the comma at the end of clause (B) the following: "(C) which qualifies under section 113(d)(5)(A)(iii) of this Act,".

(b)(1) Section 113(d)(5)(A) of such Act is amended—

(A) by striking out "or" at the end of clause (i);

(B) by adding "or" after the comma at the end of clause (ii); and

(C) by inserting after clause (ii) the following:

"(iii) voluntarily converts to an alternate fuel,".

(2) Section 113(d)(5)(B) of such Act is

amended by inserting "or other alternate fuel" after "coal" each place it appears.

(c) Section 120(a)(2)(B)(i) of such Act is amended by inserting "or other alternate fuel" after "coal".

(d) Section 163(c)(1)(A) of such Act is amended—

(1) by inserting ", or by reason of a voluntary conversion," after "provisions)"; and

(2) by inserting "or such voluntary conversion" after "such order".

S. 541

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 110(f)(1) of the Clean Air Act is amended by inserting ", or by the President," after "Governor of any State covered by the President's determination".

(b) Section 110(f)(2) of such Act is amended—

(1) by inserting "or the President" after "Governor or such State";

(2) by inserting "(i)" after "(A)";

(3) by striking out "(B)" and inserting in lieu thereof "(ii)";

(4) by striking out the period at the end of the first sentence thereof and inserting in lieu thereof "; or"; and

(5) by inserting after clause (ii) (as so redesignated) the following new subparagraph:

"(B) foreign imports of fuels used by such source have reached an excessive level and such imports can be reduced by the emergency suspension.".

(c) Section 110(f)(3) of such Act is amended to read as follows:

"(3) A temporary emergency suspension issued by a Governor or the President under this subsection shall remain in effect for a maximum of five years, or such longer period as the owner or operator of such source may establish as reasonable to the satisfaction of the person issuing such suspension, or, in the case of a suspension issued by a Governor, such lesser period as may be specified in a disapproval order of the Administrator, if any; but no suspension may remain in effect for a period in excess of four months if such suspension results in a violation of any national ambient air quality standard. The Administrator may disapprove a suspension issued by a Governor if he determines that such suspension does not meet the requirements of paragraph (2).".

(d) Section 110(f)(4) of such Act is amended—

(1) by striking out "for a four month period" and inserting in lieu thereof "for a period of up to five years, or such longer period as the owner or operator of such source may establish as reasonable to the satisfaction of the President,"; and

(2) by inserting before the period at the end thereof the following: "; but no suspension may remain in effect for a period in excess of four months if such suspension results in a violation of any national ambient air quality standard".

(e) Section 110(f)(5) of such Act is amended by inserting "or President" after "Governor".

(f) Section 110(f) of such Act is amended by adding at the end thereof the following new paragraph:

"(6) Any suspension issued under this subsection for a period in excess of four months shall be revoked by the person who issued it if he determines that such source did not change to an alternate fuel.".

S. 542

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Clean Air Act is amended by inserting at the end thereof the following new section:

"COMPLIANCE PERIOD FOR CERTAIN STATIONARY SOURCES"

"SEC. 328. Notwithstanding any other provision of this Act, any existing major stationary source which comes into compliance with all emission limitations in the applicable implementation plan, or any new or modified major stationary source the construction or modification of which meets all applicable emission limitations and standards of performance, shall not be subject to any more stringent emission limitation or standard of performance during a ten-year period beginning on the date of completion of such compliance, construction, or modification, or during the period of depreciation, or amortization of such facility for the purposes of section 167 or 169 (or both) of the Internal Revenue Code of 1954, whichever periods ends first; except that this section shall not apply in the case of a source to which a substantial imminent threat to public health can be attributed (as determined by the Administrator).".

● Mr. FORD. Mr. President, today I join my colleague from Kentucky, Senator HUDDLESTON, in cosponsoring three amendments to the Clean Air Act, all of which are directed at increasing the use of coal in this country. Curbs presently imposed by the Clean Air Act on the coal industry affect not only jobs and consumer prices, but also our national economy and our national security. America's overdependence on expensive imported foreign oil is dangerous and must be brought to a halt, but we cannot wean ourselves if the most viable energy alternative is denied to us.

Senator HUDDLESTON is proposing measures that will make coal easier to use as a direct fuel without necessarily causing an increase in air pollution and a decrease in the quality of life. Rather than attempts to gut the act, they are adjustments that will bring flexibility, equity, and common sense to it.

The first bill removes penalties for voluntary conversion from oil or natural gas to coal. Curiously, under present law only those utilities and industries that are ordered to convert under the Energy Supply and Environmental Coordination Act (ESECA) and the Powerplant and Industrial Fuel Use Act (PIFUA) have an incentive to do so.

Only they are eligible under the Clean Air Act for delayed compliance, exemption from noncompliance penalties, automatic exclusion of new source performance standards and exclusion from new source review of preventative significant deterioration and possibly increment consumption.

This favorable treatment for mandatory conversion is neither fair nor logical. Voluntary conversion to a fuel that reduces reliance on imports should be rewarded, not punished. This legislation will be a necessity if the conversion laws are changed to lessen, or repeal, mandated conversions.

The second bill, the same as one I cosponsored in the last Congress, would give to the President or a Governor extended emergency authority to suspend certain air quality regulations applicable to a fuel-burning stationary source if either finds that foreign imports of fuels used by such source have reached an excessive level and that such imports can be reduced by the emergency suspension. At present such authority exists for a 4-month period, hardly sufficient time for any concern to make the change to coal.

While the legislation in question increases the period of suspension to a maximum of 5 years, it is accompanied by the stipulations that there be no violation of any national ambient air quality standard and that it would be revoked if the stationary source did not convert to an alternative fuel.

The final proposal, which I also cosponsored in the 96th Congress, provides a moratorium on applying additional emission control equipment to any sources which have complied with applicable existing technology regulations. It would run for a 10-year period but would exempt any source to which the Administrator of the Environmental Protection Agency has attributed a substantial imminent threat to public health.

Reevaluation of control technology often results in tremendous expenditures of money for questionable, short-term benefits and creates a degree of uncertainty that is a disincentive for utilities and plants considering conversion to coal. Those new or modified stationary sources which meet all performance standards and emission limitations at the time of construction or modification should have the opportunity to amortize their pollution control costs or realize their depreciation.●

By Mr. MOYNIHAN:

S. 543. A bill to provide unrestricted Federal aid to local educational agencies from an amount of 5 percent in fiscal year 1981, to 25 percent in fiscal year 1990, of the non-Federal expenditures for free public education, and for other purposes; to the Committee on Labor and Human Resources.

S. 544. A bill to provide an entitlement to State and local educational agencies to receive financial assistance for the reimbursement of the costs of complying with the regulations issued under certain Federal education laws, and for other purposes; to the Committee on Labor and Human Resources.

ELEMENTARY AND SECONDARY EDUCATION REFORM PROGRAM

● Mr. MOYNIHAN. Mr. President, I am today introducing three bills that, together, would constitute the core of an elementary and secondary education reform program for the 97th Congress. Each embodies a major principle not now clearly stated in Federal law. In combination, they would represent a significant reform in the relationship between the Federal Government, on the one hand, and the Nation's schools and students on the other. They comprise, I believe, a comprehensive agenda for the Congress in its efforts to insure the vitality, quality, and diversity of our primary and secondary education system.

The first responsibility of government is to the public schools. Accordingly, my first proposal is that the Federal Government commence to provide unrestricted aid to the Nation's public school systems. This would be done on a matching basis, such that by the end of the

1980's the Federal Government would supply $1 in unrestricted support money for every $4 provided out of State and local revenues. It would, in other words, pay for one-fifth of the ordinary operating costs of the public schools, apart from and in addition to the various forms of categorical aid it provides. To my knowledge, the United States is the only democratic nation in the industrialized world which provides no regular and routine support for schools.

My second proposal rests on the principle that the Federal Government should pay the full cost of complying with the mandates and regulations it imposes on schools. My bill would not alter those mandates. Rather, it would entitle all schools (and State and local education agencies that run public schools) to be reimbursed for the full costs of complying with all the major mandates and regulations issued by the Education Department.

The third proposal, introduced jointly with my distinguished colleague, Senator BOB PACKWOOD, would allow parents of children enrolled in nongovernmental schools at the elementary and secondary level to claim an income tax credit to offset a portion of their tuition costs. The credit would also be available to those incurring tuition costs for attendance at colleges and universities.

The three measures should be viewed as a package, encompassing related and complementary objectives. None would replace or supplant existing programs aimed at particular purposes or at students with special needs. The purposes of the Elementary and Secondary Education Act of 1965, and other extant Federal assistance programs, remain laudable and the programs remain necessary. I reaffirm my own commitment to do my upmost to see that they are maintained and adequately funded.

My new proposals are intended to fill three large gaps in the current array of programs.

The first gap, addressed by the first bill, is the lack of unrestricted operating funds. This was an intentional ommission, and one that had a definite rationale 15 years ago. There was a fear, clearly stated at the time, that Federal aid would lead to Federal control of the schools. By confining Federal assistance to categorical purposes, to supplementary purposes, to what might even be termed marginal activities, it was thought that the core of the educational process could be protected from Federal interference.

Regrettably, just the opposite has occurred. The rules requirements, and costs associated with Federal categorical assistance to elementary and secondary education have produced more Federal control than even the gloomiest prophets had foreseen. Although Washington still supplies less than 8 cents of every dollar spent on public education, local education agencies throughout the country are held accountable to the regulations of more than 150 separate programs. The control, in other words, has come about without the assistance. I propose that we now provide the assistance in the form of straightforward grants to local education agencies so that they can retrieve some of the control over their activities that categorical Federal programs have taken away. In this matter, I share the view of the National Education Association, and of many other educators, that resources are the thing most lacking in most public schools. There is a national responsibility to provide a free education of good quality to every boy and girl who attends our public schools.

The second gap in present policy, addressed by the second of my bills, results from the tendency of the Federal Government to impose requirements on State and local governments without supplying the resources needed to meet the costs of complying with those requirements. Mayor Koch has termed the results of this process a "mandate millstone" hanging around the neck of New York City and other local—and State—governments throughout the land.

Without exception, the social educational objectives sought through these requirements are worthy. A free, appropriate education of high quality for every child with handicaps or special needs. Bilingual instruction for students not yet fluent in English. A safe and healthful environment in the school buildings themselves. Access to educational facilities for boys and girls with physical disabilities. Full equality of educational opportunity for youngsters of every race, origin, and sex.

The list is long. I applaud it. But with very rare exceptions—chiefly the elimination of impediments to the fulfillment of constitutional rights—I do not think it is right or just or reasonable for the Federal Government to make rules or impose regulations that carry with them dollar costs that the Federal Government cannot, does not, or will not pay. For when it does, the result is added pressure on hard-pressed boards of education, school committees, municipal and State governments to divert scarce resources from other programs, activities, and priorities.

Currently, the most burdensome and costly of these requirements are those associated with Public Law 94-142, the Education for All Handicapped Children Act. Educating handicapped youngsters is costly, but it is a cost society must meet. It is unreasonable, however, for Washington to fix the terms and requirements and then supply only a tiny fraction of the costs: Currently just 12 percent, although the authorizing law conveyed the expectation that by now Washington's share would be a full 40 percent. The result has been a sudden and extremely heavy burden on local school boards, the siphoning away of resources needed for other purposes, and mounting discontent on the part of parents, citizens, and taxpayers.

My bill is not aimed at the many small categorical Federal programs that are wholly optional for individual schools and school boards, and that often carry matching costs as a condition for participation. Nor is it aimed at the various Federal regulations—occupational safety, social security, energy conservation, and the like—that affect all institutions. Rather, it is aimed at the major enactments affecting schools as schools, and in which participation—though sometimes technically voluntary—is for all practical purposes mandatory.

This would be an entitlement program. If the school board (or private school) can demonstrate that Federal requirements resulted in specific costs, and that the costs are legitimately described as required by Federal law or regulation, the school board is entitled to full reimbursement by the Education Department. It would not matter whether the school is public or private, or whether the costs were incurred at the local or State level. Under my proposal, the costs are reimbursable in full.

The third gap in Federal education policy is the absence of assistance to families that choose to enroll their children in nongovernmental schools. Presently, about 1 child in 10 attends such a school.

This is not a new idea, nor is it the least bit revolutionary. Included in the passage of the Elementary and Secondary Education Act of 1965 was a promise that nongovernmental schools would receive their fair share of Federal education assistance.

But this promise has not been kept. Youngsters attending nongovernmental schools do not now receive their fair share of Federal educational assistance.

The proposal to provide parents with modest amounts of assistance through the Federal income tax system, by permitting them to retain a bit more of their own earned income to use in meeting the costs of tuition, is a familiar idea. Many such bills have been introduced over the past 15 years. Hearings have been held. Debates have been conducted. In 1978, this idea was approved by the House of Representatives, and came close to approval by the Senate as well.

The present administration is pledged to support tuition tax credits. We therefore propose, once again, that such credits be made available to students and parents with tuition expenses in connection with elementary, secondary and postsecondary education.

The tax credit would offset only half the tuition cost, and in no case more than $500 per child per year. (It will be noted that the average cost of maintaining a child in public school now exceeds $2,000 per annum.)

The credit would be refundable, to permit low income families to avail themselves of its benefit.

In no case would a child be eligible for the credit if the school he or she attends denies admission to students on the basis of race, color or national origin.

The credit can only be claimed in connection with attendance at a tax-exempt, nonprofit educational institution. Nothing in the bill would alter, impair or interfere with the ability of individual States to determine and define what constitutes a school or other educational institution, to enact laws and prescribe regulations with respect to the operation of schools and other educational institutions within the borders of individual States, or with other rights and powers of the States and their subdivisions. It is the intent and the understanding of the sponsors that the Federal

Government should in no way supercede, limit or enlarge the sphere of State action in the field of education, and that the tuition tax credit bill is neutral with respect to the relationship between educational institutions and State governments (and their legal subdivisions). While it is my own belief that all levels of government should respect the essential independence and sovereignty of nongovernmental schools and other educational institutions, it is not the proper province of the Congress to affect in any way the relationships that now exist or may in the future exist between educational institutions and governments other than the Federal Government.

This is a controversial proposal. I know that many persons of good will, deep concern for education, and an active interest in progressive social policy are opposed to it. I welcome their views, deeply respect their sincerity, and very much understand their concerns. The sources of their opposition are varied. Certainly the most important is the fear that assistance to children in nonpublic schools could somehow injure or weaken the public schools.

If I believed that were true, I would not support tuition tax credits. The public schools come first and I would knowingly do nothing to harm them. But I do not believe that tuition tax credits will harm them or in any way diminish their ability to provide high quality education to the vast majority of American youngsters. I expect them to continue to provide the education of 9 children out of 10. I do not believe that families wish to flee the public schools, and reject out of hand the view that the only thing the public schools have going for them is the absence of affordable alternatives for their students. We do not build and maintain strong and vibrant public schools by turning them into educational monopolies.

The real danger, in my view, to the traditional American school system is that the nongovernment schools will disappear as an available option to families of average income. Private schools for upper-income families, schools resembling and often modeled on the English public schools, have been a common feature of American society for some centuries now. They will continue to be: They are a very considerable resource and by no means restrict their student body to the well to do. Just at present, the number of such schools is growing. At the same time, however, the parochial schools, that is to say the neighborhood schools, almost always associated with a church or synagogue, are not growing. Their number and their enrollments have been declining sharply. The object of tuition tax credits is to prevent further decline; to maintain the traditional American educational system.

I am aware of the concern that tuition tax credits for families of children attending nongovernmental schools, many of them associated with religious groups, may be incompatible with the requirement of the first amendment that "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof."

I do not myself believe that there is any incompatibility. The final resolution of this question must be provided by the Supreme Court. All one asks is the opportunity to put it before the Court, something that can only happen if we stop interposing the constitutional question ahead of the public policy issue and proceed to enact a law that the Court can examine.

Although these measures will be seen as excessively liberal by some, I would wish to argue that their essential purpose is to conserve the values and traditions of the American educational system. Diversity. Quality. Universality.

I offer this judgment from a background that is not without relevance. I believe I am the only professor of education serving in the Senate; I have been told I am the first ever to have done. As a member of the Kennedy and Johnson administrations, I helped develop the major school-aid programs of that period, including most notably the Elementary and Secondary Education Act of 1965. As counselor to the President in 1970, I drafted the Presidential messages to Congress that proposed creation of the National Institute of Education, the President's Commission on School Finance, and the major program of aid to needy college students that we now know as Pell grants.

In 1977, the United Federation of Teachers honored me with its John Dewey award—

For his lifelong support of public education, his dedication to quality education for all children and his leadership in the struggle to obtain adequate resources for our Nation's schools.

I have voted for every single education authorization and appropriation bill since coming to the Senate. I will continue to do so. The vast bulk of the aid provided in those measures goes to the public schools and their students. This is as it should be. The vast majority of the aid provided in the bills I am now introducing will go to the public schools. If the general assistance bill were now fully effective, it would supply some $25 billion a year to the public schools, compared to less than $2 billion in revenues that would be lost if the elementary and secondary portion of tuition tax credits were now fully effective. The major beneficiaries of the mandate cost reimbursement bill will also be the public schools and the State and local education agencies that run them.

The essential point is that in my view there is no conflict between unstinting support of public education and a desire also to see that students in nongovernmental schools receive a modicum of assistance from the Federal Government. The public schools do and must come first. But that does not mean we should forget the nonpublic schools and their students. My legislation is intended to assist both. I urge the enactment of all three bills. I ask unanimous consent that the text of the Public Education Assistance Act, the Education Mandate Reimbursement Act, and their accompanying fact sheets be printed in the RECORD at this point. I also ask unanimous consent that a fact sheet explaining the Tuition Tax Relief Act be printed in the RECORD following my statement.

There being no objection, the bills and fact sheets were ordered to be printed in the RECORD, as follows:

S. 543

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Public Education Assistance Act".

DEFINITIONS

SEC. 2. As used in this Act—

(1) The term "current expenditures" means expenditures for free public education, including expenditures for administration, instruction, attendance, and health services, pupil transportation services, operation and maintenance of plant, fixed charges, and net expenditures to cover deficits for food services and student body activities, but not including expenditures for commodity services, capital outlay and debt service.

(2) The term "elementary school" means a day or residential school which provides elementary education, as determined under State law.

(3) The term "free public education" means education which is provided at public expense, under public supervision and direction, and without tuition charge, and which is provided as elementary or secondary school education in the applicable State, except that such term does not include any education beyond grade 12.

(4) The term "secondary school" means a day or residential school which provides secondary education, as determined under State law, except that it does not include any education provided beyond grade 12.

(5) The term "State" means a State, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, or the Trust Territory of the Pacific Islands.

FEDERAL EFFORT ENTITLEMENT

SEC. 3 (a) Each local education agency in a State is entitled to receive from the Federal Government, in addition to the Federal financial assistance received by that local educational agency in fiscal year 1980—

(1) 5 percent for fiscal year 1981,
(2) 8 percent for fiscal year 1982,
(3) 11 percent for fiscal year 1983,
(4) 14 percent for fiscal year 1984,
(5) 16 percent for fiscal year 1985,
(6) 18 percent for fiscal year 1986,
(7) 20 percent for fiscal year 1987,
(8) 22 percent for fiscal year 1988,
(9) 24 percent for fiscal year 1989, and
(10) 25 percent for fiscal year 1990, of the current expenditures for free public education expended by that agency from non-Federal sources for the fiscal year for which the determination is made.

(b) No entitlement may be made under this section by the Secretary of Education unless an application is made to the Secretary at such time and in such manner as the Secretary may reasonably require.

(c) The Secretary shall approve an application from a local educational agency which the Secretary determines—

(1) sets forth the correct current expenditures for the fiscal year for which the determination is made; and

(2) describes the uses of the Federal funds to which the agency is entitled.

USES OF FEDERAL FUNDS

SEC. 4. Payments made under this Act may be used in accordance with applications approved under section 3 for educational programs and activities.

PAYMENTS

SEC. 5. (a) The Secretary shall pay, in accordance with the provision of this Act, to each local education agency, which has an

application approved under section 3(c) an amount equal to the amount set forth in the application.

(b) Payments under this Act may be made in installments in advance or by way of reimbursement with necessary adjustments on account of overpayments and underpayments.

PUBLIC EDUCATION ASSISTANCE ACT
FACT SHEET

I. PURPOSE

To strengthen local education agencies and foster educational quality and equality by providing unrestricted federal assistance to local education agencies on an ambitious but orderly schedule until it reaches twenty-five percent of the regular operating costs of the public schools by 1990.

II. BACKGROUND AND NEED

The current federal share of elementary and secondary education expenditures has hovered around eight percent since the mid-1960's. Soaring costs and the diminishing capacity of state and local governments to meet them have made it difficult to maintain and improve the education offered in the public schools. Only by committing the federal government firmly and explicitly to a specific level of unrestricted funding and a precise timetable for attaining it can public education be safeguarded, strengthened and improved.

III. MATCHING BASIS

Funds under this act would be provided on a matching basis. This means that when fully effective in 1990, a local education agency would receive one dollar for every four dollars in local and state revenues that it spends. This would be apart from, and in addition to, any categorical aid provided by the federal government. Existing programs would be unaffected.

IV. PHASE-IN

The federal "matching rate" would increase according to the following schedule:

	Percent
Fiscal year 1981	5
Fiscal year 1982	8
Fiscal year 1983	11
Fiscal year 1984	14
Fiscal year 1985	16
Fiscal year 1986	18
Fiscal year 1987	20
Fiscal year 1988	22
Fiscal year 1989	24
Fiscal year 1990	25

V. ELIGIBILITY

Local education agencies that provide a free public education at the elementary and secondary level are eligible to receive funds under this act.

VI. DISTRIBUTION OF FUNDS

This is an entitlement program. Once an application is received from a local education agency setting forth current expenditures, the Secretary of Education would authorize payment.

S. 544

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Education Mandate Reimbursement Act".

DEFINITIONS

SEC. 2. As used in this Act—

(1) the term "local educational agency" has the same meaning given the term under section 1001(f) of the Elementary and Secondary Education Act of 1965;

(2) the term "State educational agency" has the same meaning given the term under 1001(k) of the Elementary and Secondary Education Act of 1965;

(3) the term "State" means a State, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, or the Trust Territory of the Pacific Islands; and

(4) the term "State Board" means the State Board for vocational education established or designated pursuant to section 195 (9) of the Vocational Education Act of 1963.

ENTITLEMENT

SEC. 3. (a) Each State educational agency, State Board, and local educational agency is entitled to receive reimbursements for the costs of complying with regulations promulgated under—

(1) title I of the Elementary and Secondary Education Act of 1965, relating to financial assistance to meet special educational needs of children;

(2) title II of the Elementary and Secondary Education Act of 1965, relating to basic skills improvement;

(3) title IV of the Elementary and Secondary Education Act of 1965, relating to educational improvement, resources and support;

(4) title VI of the Elementary and Secondary Education Act of 1965, relating to emergency school aid;

(5) title VII of the Elementary and Secondary Education Act of 1965, relating to bilingual education programs, and any other bilingual education regulations;

(6) the Vocational Education Act of 1963;

(7) the Education of the Handicapped Act;

(8) section 504 of the Rehabilitation Act of 1973;

(9) title IX of the Education Amendments of 1972, relating to prohibition against sex discrimination; and

(10) any other program of assistance to a State educational agency, State Board, or local educational agency which is an entitlement or which is distributed on a State allotment basis.

(b)(1) The entitlement provided by subsection (a) of this section shall be available only for elementary and secondary school programs.

(2) The entitlement provided by subsection (a) of this section shall be available for expenditures made during the period beginning October 1, 1980 and ending September 30, 1984 which the Secretary determines to be reasonable.

LIMITATIONS

SEC. 4. No payments may be made with respect to the entitlement established under section 3 (a) of this Act—

(1) for any amounts for which the State educational agency, the State Board, or the local educational agency, as the case may be, has been reimbursed or is entitled to be reimbursed under any other provision of Federal law, or

(2) for activities covered by special amounts set aside for the administration of a State plan or application.

APPLICATION

SEC. 5. (a) Any State educational agency, State Board, and local educational agency entitled to receive assistance under section 3 of this Act shall submit an application, at such time, in such manner, and containing or accompanied by such information as the Secretary deems reasonably necessary. Each such application shall—

(1) describe with particularity the costs of complying with regulations issued pursuant to any statute listed in section 3 (a) incurred or to be incurred by such agency or board, and evidence showing that the limitations on the reimbursement of such costs contained in sections 3 (b) and (4) are or will be complied with;

(2) set forth a schedule for the reimbursement of any nongovernmental school or other private entity with which such agency or board has arrangements for total expenses related to the costs described in section 3 (a) and incurred by such school or entity:

(3) provide for such fiscal control and fund accounting procedures as may be necessary (A) to assure the proper disbursement of and accounting for Federal funds paid to the applicant under this Act, and (B) to assure the verification of the cost of complying with the regulations set forth in the application under clause (1) of this subsection; and

(4) provide for making such necessary reports as the Secretary may reasonably require.

(b) The Secretary shall approve any application that meets the requirements of this section.

WITHHOLDING

SEC. 6. Whenever the Secretary, after reasonable notice and opportunity for hearing to any State educational agency, State Board, or local educational agency, finds that there has been failure to comply with the provisions set forth in the application of that agency or board approved under section 5, the Secretary shall notify the agency or board, as the case may be, that further payments will not be made under this Act until the Secretary is satisfied that there is no longer any such failure to comply. Until the Secretary is so satisfied, no further payments shall be made under this Act.

PAYMENTS

SEC. 7. (a) The Secretary shall pay in accordance with the provisions of this Act to each State educational agency, State Board, and local educational agency, which has an application approved under section 5, an amount equal to the amount needed for the purposes set forth in the application.

(b) Payments under this Act may be made in installments in advance or by way of reimbursement with necessary adjustments on account of overpayments and underpayments.

AUTHORIZATION OF APPROPRIATIONS

SEC. 8. There are authorized to be appropriated such sums as may be necessary for the fiscal year 1982 and for each fiscal year ending prior to October 1, 1985 to carry out the provisions of this Act.

EDUCATION MANDATE REIMBURSEMENT ACT—
FACT SHEET

I. PURPOSE

To reimburse state and local education agencies and schools for the full cost of complying with regulations issued under certain federal education laws by the Department of Education.

II. BACKGROUND AND RATIONALE

As a general rule, the federal government should not impose requirements or mandates on state and local governments that carry with them dollar costs that the federal government does not pay. Positively stated, all federal mandates and requirements should be accompanied by the promise of sufficient resources to offset in full the costs of complying with them.

This bill seeks to establish that principle in federal education policy by creating an entitlement to full reimbursement for all state and local education agencies (and private schools) of costs incurred in complying with the major elementary and secondary programs operated by the Education Department. These include, but are not limited to, Titles I, II, IV, VI and VII of the Elementary and Secondary Education Act; Section 504 of the Rehabilitation Act of 1973; the Education For All Handicapped Children

Act; and Title IX of the Education Amendments of 1972.

The bill does not alter, weaken or eliminate any mandates, regulations or requirements. It simply provides full federal funding for the costs of compliance, so long as those costs are reasonably related to the actual federal requirements.

III. PROGRAMS NOT COVERED

No reimbursement would be available for the small categorical programs that are wholly optional for local school boards, and that often carry matching costs as a condition for participation.

IV. ELIGIBILITY

Local and state education agencies are eligible for reimbursement under the terms of this act. In addition, nongovernment schools are to be fully reimbursed for costs deemed eligible by this act.

V. DEFINITION OF ELIGIBLE EXPENSE

The Secretary of Education shall determine which expenditures by those eligible under the terms of this act are reasonable, and are necessarily incurred to comply with federal mandates and regulations.

VI. APPLICATION FOR REIMBURSEMENT

This is an entitlement program. Each education agency entitled to reimbursement would submit an application containing such information as deemed necessary by the Secretary of Education. Applications would describe the cost incurred for complying with federal mandates and regulations. The Secretary would determine with certainty that such expenses were directly related to the cost of complying with a particular statute or regulation.

VII. EFFECTIVE DATE

Reimbursement would be made available effective in fiscal year 1982.

TUITION TAX RELIEF ACT OF 1981 FACT SHEET

WHAT DOES THE TUITION TAX RELIEF ACT DO

The bill would provide a tax credit, subtracted directly from the amount of taxes owed, for tuition expenses paid by an individual for himself, his spouse or his dependents (this is unlike a tax deduction, which is subtracted from gross income). The amount of this credit will be 50 percent of tuition payments up to a maximum credit of $500 when the credit is fully effective.

ELIGIBILITY AND PHASE-IN

The credit will become effective as follows:

August 1982: Up to $250 for—fulltime undergraduate, vocational, elementary and secondary students.

August 1983: The credit is increased to $500.

August 1984: For college and vocational:—add graduate students, and—change the fulltime minimum enrollment to halftime.

ELIGIBLE EDUCATIONAL EXPENSES

Eligible educational expenses include tuition and fees required for enrollment or attendance at an educational institution. These do not include any amount paid directly or indirectly for books, supplies, meals, lodging, transportation, or similar personal, living, or family expenses.

LOW INCOME FAMILIES

The credit is refundable. This means that if a taxpayer is entitled to a credit greater than the amount of his tax liability, the difference will be refunded to him by the Treasury. This assures that low-income families will benefit from tuition tax credits.

PUBLIC ELEMENTARY AND SECONDARY SCHOOLS

These are not eligible.

CIVIL RIGHTS

In order for a student (at the elementary/secondary level) to be eligible for a tax credit, the school must meet the following requirements:

Be exempt from taxation under Section 501 (a) as an organization described in Section 501(c)(3) of the Internal Revenue Code.

Does not exclude persons from admission to it or participation in it on account of race, color, or national or ethnic origin.

AID TO THE SCHOOL

Receipt of a tax credit for tuition expenses is deemed to be aid to an individual and not to the school or institution. This is explicit in the bill.

OFFSETS

In determining the amount of educational expense on which the tax credit amount will be calculated, any tuition assistance provided from other sources will first be subtracted. This includes federal, state and private grants, subsidized loans, etc. Tax credits are confined to tuition paid by the taxpayer.

COST

The Congressional Budget Office is presently working on a cost estimate of the Tuition Tax Relief Act of 1981 The cost of a similar measure considered in 1978 was estimated to be $4.3 billion when fully effective. Of that, 22 percent of the total benefits would go to families with incomes below $15,000 and 54 percent would go to families with incomes below $25,000. More current estimates will be available shortly.●

By Mr. ABDNOR:

S. 545. A bill to authorize a study of the feasibility of Federal development of the water resources of the Little White River unit located on the Rosebud Sioux Indian Reservation, S. Dak.; to the Select Committee on Indian Affairs.

FEASIBILITY STUDY OF PROPOSED LITTLE WHITE RIVER UNIT

● Mr. ABDNOR. Mr. President, I am introducing legislation today to authorize a feasibility study of the proposed Little White River unit, to be located on the Rosebud Sioux Indian Reservation in South Dakota.

The Little White River has perhaps the best potential for water development west of the Missouri River in South Dakota. The feasibility study would review a number of possible project purposes, including irrigation, fish and wildlife benefits, municipal and industrial water use, flood control and hydroelectric power generation. Review of these potentials would be accomplished over a 4-year period.

The following is the text of Rosebud Sioux Tribal Council resolution No. 80–154, passed by the tribe on October 8, 1980:

Whereas, the Rosebud Sioux Tribe is a federally recognized Tribe organized under the Indian Reorganization Act of 1934 and all pertinent amendments, and

Whereas, the Rosebud Sioux Tribe is governed by a Tribal Council made up of elected representatives who act in accordance with the powers granted to it by its constitution and by-laws, and

Whereas, the federal government has ignored its responsibility for development of the water resources of the Rosebud Indian Reservation for over twenty years, and

Whereas, the Rosebud Sioux Tribe has been striving to achieve reservation economic development to overcome chronic poverty as presently manifested by tribal members experiencing 60% unemployment rate and with over 70% of incomes below the national poverty level, and

Whereas, the Tribal Indian water rights are being challenged from all quarters, and

Whereas: the Tribe realizes that it can best protect its water rights by developing beneficial use of its water resources, and

Whereas: needs exist on this reservation for the development of irrigation, hydroelectric power, flood control, municipal-industrial and rural domestic water supplies, fish and wildlife enhancement, and water based recreation, now therefore be it

Resolved, That the South Dakota Congressional Delegation is requested to support the Rosebud Sioux Tribe in obtaining authorization and appropriations necessary for the Water and Power Resources Service to conduct a feasibility study for Federal development of the water and associated land resources of the Little White River Basin, and

Be it further resolved, That, although the Tribe desires to provide water service to non-Indian interests, the Rosebud Sioux Tribe requests that this project be planned and authorized as an Indian project in the Pick-Sloan Missouri Basin Program (P-SMBP) to be known as the Little White Unit, and

Be it further resolved, That due to the urgent nature of adverse economic conditions and water rights challenges, the Rosebud Sioux Tribe requests that this study be implemented no later than the beginning of Fiscal Year 1983 and that serious consideration be given to an accelerated start during Fiscal year 1982.

It is my hope that the 97th Congress will approve this legislation so that water development on the Rosebud Reservation can proceed without delay.●

By Mr. RANDOLPH (for himself, Mr. LONG, Mr. HEFLIN, Mr. HUDDLESTON, and Mr. GOLDWATER):

S. 546. A bill entitled the Fish Restoration Act of 1981; to the Committee on Environment and Public Works.

FISH RESTORATION ACT OF 1981

● Mr. RANDOLPH. Mr. President, during the 96th Congress I introduced S. 1631, the Fish Restoration Act of 1979. This legislation would have provided additional assistance to the States for maintaining their recreational fisheries resources. The bill received strong support from State fisheries managers and fishing enthusiasts throughout the country, many of whom testified at a hearing held by the Environment and Public Works Committee on May 20, 1980. Today, I reintroduce the legislation and am pleased that Senators LONG, HEFLIN, HUDDLESTON, and GOLDWATER are joining as sponsors.

The Fish Restoration Act of 1981 would amend the Federal Aid to Sport Fish Restoration Act of 1950 (the so-called Dingell-Johnson Act). This successful and popular act places a 10-percent Federal manufacturers excise tax on most items of fishing tackle. Although paid by the manufacturers, the cost is passed along to the fishermen as a part of the cost of the tackle he buys. The tax is apportioned to the States on a matching basis for fisheries restoration, development, enhancement, and research.

The amendments which I introduce today would expand the Dingell-Johnson Act by adding a 3-percent manufacturers excise tax to recreational boats, motors, and boat trailers; and, with the tackle industry's endorsement, extending the present 10-percent tax to fishing tackle items not now covered. The bill differs from last years in that coastal States would be encouraged to apportion their Dingell-Johnson funds to marine and freshwater fisheries in pro-

portion to the number of those anglers in the State.

If our fisheries resources are to meet the increasing demands upon them they must receive the best management that science can provide. Expanding the Dingell-Johnson Act will provide the necessary funding to insure recreational fishing opportunities for future generations.●

By Mr. HATFIELD:

S. 547. A bill to enable the Secretary of the Interior to erect permanent improvements on land acquired for the Confederated Tribes of Siletz Indians of Oregon; to the Select Committee on Indian Affairs.

IMPROVEMENTS ON A PARCEL OF LAND ON THE SILETZ RESERVATION

● Mr. HATFIELD. Mr. President, I am introducing legislation today which will correct a deficiency in the Siletz Reservation Act, Public Law 96–340, and enable the Secretary of the Interior to erect permanent improvements on a parcel of land known as Government Hill, which was acquired for the Confederated Tribes of Siletz Indians under the act. This dispute centers on regulations promulgated by the Department of Justice which prohibit the acquisition of a defeasible title to land upon which permanent improvements will be made. Thus, the Siletz Tribe will be unable to construct their tribal center on this land until this matter is taken care of.

Briefly, Government Hill originally belonged to the Siletz Tribe until the tribe was terminated from Federal recognition in 1954. At that time the land was transferred to the city of Siletz, which maintained the title to the land until 1979. In 1977, the Congress took the first step toward Federal recognition of the tribe by passing the Siletz Restoration Act. This act directed the Secretary of the Interior to undertake a 2-year reservation planning process with the intent of restoring the tribe to the status of reservation-based, federally recognized tribe. As part of that process, the city of Siletz held a referendum in 1979 where the city voted to donate Government Hill to the Siletz Tribe.

Included in the referendum language, though, was a use agreement negotiated between the city and the tribe which provides, among other things, that if the land is ever sold by the tribe or the United States, it would be sold back to the city. Thus, the process for restoring the tribe appeared to be completed when the Congress passed the Siletz Reservation Act, which provided that the Secretary of the Interior "* * * shall accept * * * any deed or instrument conveyed to the United States * * * " for the parcel of land in the city of Siletz, Oreg., known as Government Hill. It was envisioned at that time, by both the tribe and the city, that with the approval of Congress and the Bureau of Indian Affairs, the tribe would build various tribal facilities on the land to be shared by the city and the tribe.

Congressional intent, however, has been thwarted by the Department of Justice, which has informed the Department of the Interior regional solicitor that the acquisition of the Government Hill tract by Interior could not be approved because of the reverter clause in the use agreement, which would require the land to be sold back to the city if the tribe or the United States ever sold the land. Having been informed of that on October 30, 1980, I directed a letter to former Attorney General Benjamin Civiletti to seek a waiver of this regulation.

On December 4, 1980, I received a response to that letter from Assistant Attorney General James Moorman of the Land and Resources Division indicating that the waiver was denied because regulations promulgated by the Department of Justice prohibit the acquisition of a defeasible title to land upon which permanent improvements will be made absent congressional authority. I enclose copies of those letters for your information.

This legislation would provide the necessary congressional authority for the Attorney General to accept the title with the city's reverter clause and allow fulfillment of the Congressional intent in the Siletz Reservation Act to transfer ownership of the land to the tribe. Without congressional action, the purposes of the act would be frustrated and funds from the Department of Housing and Urban Development and the Economic Development Agency would be jeopardized. These funds are projected to be used for the building of a clinic, tribal offices, and community center. These facilities are extremely important to the tribe's efforts to administer vital tribal services to its members and to establish tribal headquarters.

I ask unanimous consent that a copy of the bill and the letters be printed in full in the RECORD at this point.

There being no objection, the bill and letters were ordered to be printed in the RECORD, as follows:

S. 547

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding any other provision of law or regulation, the Attorney General shall approve any deed or other instrument conveying to the United States a defeasible or indefeasible interest in the land described in section 2 of the Act entitled "an Act to establish a reservation for the Siletz Tribes of Oregon", approved September 4, 1980 (94 Stat. 1073). The Secretary of the Interior or the Confederated Tribes of Siletz Indians of Oregon may erect permanent improvements, improvements of a substantial value, or any other improvements authorized by law on such land after such land is conveyed to the United States.

WASHINGTON, D.C.,
October 30, 1980.

Hon. BENJAMIN CIVILETTI,
Attorney General,
U.S. Department of Justice,
Washington, D.C.

DEAR MR. CIVILETTI: On September 4, 1980, President Carter signed into law the Siletz Reservation Act, P.L. 96–340, which provided that the Secretary of the Interior ". . . shall accept . . . any deed or other instrument conveying to the United States . . ." the parcel of land in the City of Siletz, Oregon, known as Government Hill. This Act culminated a five year legislative effort to restore the terminated Siletz Tribe to the status of a reservation based, federally recognized Indian Tribe. We sponsored this legislation as well as the 1977 Siletz Restoration Act which directed the Secretary of the Interior to undertake the two year reservation planning process which resulted in this Act.

In 1979, the City of Siletz, in a referendum election, voted to donate Government Hill to the Tribe and thereafter a use agreement was negotiated between the Tribe and the City. That agreement provides, among other things, that if the land is ever sold by the Tribe or the United States, it will be sold back to the City. Our offices were informed on a regular basis of the nature and progress of those negotiations.

On September 15, 1980, Assistant Attorney General James Moorman informed Interior's Regional Solicitor that the acquisition of the Government Hill tract by that Department would not be approved because of the reverter provision in the use agreement. The Justice Department's unpublished regulations apparently prohibit acquisition of a defeasible title to land upon which permanent improvements will be made absent Congressional authorization or a waiver by you of those regulations. On September 19, the Interior Department accepted title to Government Hill, pursuant to an agreement with your Department, on the condition that no federal funds would be spent for permanent improvements until either the regulation was waived by you, or Congress specifically authorized expenditure of federal monies on Government Hill. As Government Hill is to be the site of tribal headquarters and all community facilities on the reservation, failure to acquire that tract without such conditions will frustrate the central purpose of the Reservation Act.

By directing the Secretary of the Interior to "accept any deed or instrument," Congress has set the policy for this land acquisition and has provided the express authority for you to effectuate an unconditional transfer. Upon reflection, we are hopeful you will agree that further clarification of your authority is unnecessary in light of the express provisions of this Act.

Please let us know if you have further questions.

Sincerely,

MARK O. HATFIELD,
U.S. Senator.
LES AUCOIN,
Member of Congress.

DECEMBER 4, 1980.

Hon. MARK O. HATFIELD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HATFIELD: This refers to your letter which was co-authored by Congressman Les AuCoin, dated October 30, 1980, relating to the acquisition of the parcel of land in the City of Siletz, Oregon, known as Government Hill in implementation of the Siletz Reservation Act (SRA), Public Law 96–340, approved Sepetmber 4, 1980.

The position of this Department with regard to the approval of the title to the lands donated by the City of Siletz of Government Hill, subject to the condition that "if the land is ever sold by the Tribe or the United States, it will be sold back to the City" is based upon the *Regulations of the Attorney General Promulgated in Accordance with the Provisions of Public Law 91–393 Approved September 1, 1970, 84 Stat. 835, An Act to Amend Section 355 of the Revised Statutes As Amended, Concerning Approval by the Attorney General of the Title to Lands Acquired For and On Behalf of the United States and For Other Purposes,* issued October 2, 1970 and amendment thereto issued July 22, 1974. The relevant sections of these regulations are sections 5 (b), (c) and (f) which read, in pertinent part, as follows:

(b) * * * [T]here may be restrictive covenants or agreements in conveyances to prior

owners under which the title might revert to the grantors in such deeds upon the use of the property for an unauthorized purpose or for other reasons. *When permanent type improvement or improvements of substantial value are to be erected on lands, a defeasible title to such lands is not acceptable and must not be approved, unless the estate is clearly authorized by the Congress.* (Italic supplied.)

(c) Other covenants and conditions in the deeds to the United States or in prior deeds may limit the use of the property in a manner which may prevent the sale and disposition of the property under laws relating to the disposition of surplus property so as to prevent the recovery of a substantial portion of the government's investment in the property. *Titles are not acceptable which are subject to such covenants and conditions in the absence of clear authorizing legislation.* (Italic supplied.)

* * * * *

(f) *A defeasible fee title to land may be acquired by purchase or donation when no permanent improvements are to be erected thereon,* provided that the statute authorizing the acquisition in question does not preclude acquisition of title to the interest which the agency intends to acquire, the interest intended to be acquired is sufficient to permit the use of the land contemplated, and the consideration for the land has been determined with reference to the value of the limited interest that is acquired. In the event it is decided at some future time to erect permanent improvements on such land, the provision for defeasance must be eliminated. (Italic supplied.)

The letters of this Department dated September 15 and 19, 1980, correctly state the obligatory responsibility vested in the Attorney General pursuant to the provisions of 40 U.S.C. 255, as amended, with regard to the then-proposed acquisition. I have reviewed the authorizing legislation and do not find the clear authorizing authority required by said regulations for the approval of a restricted fee title upon which permanent-type improvements or improvements of substantial value are to be erected.

In a recent memorandum opinion of the Office of Legal Counsel of this Department, relating to the then-proposed acquisition by the Department of Energy of certain lands in connection with the Strategic Petroleum Reserve Project under the Energy Policy and Conservation Act of 1975 (EPCA), 42 U.S.C. § 6201, *et seq.*, it was determined that there was no authority to acquire less than a full fee simple title since it was within the contemplation of the Department of Energy to erect permanent improvements of substantial value on the land in furtherance of the stated purposes of the Act. By that Act, the Department of Energy was authorized to acquire land or interest in land and, as defined in § 152(4) of the EPCA, 42 U.S.C. 6232(4), an "interest in land" included: "an ownership or possessory right with respect to real property, including ownership in fee, an easement, a leasehold, and any subsurface or mineral rights."

Although the authority of EPCA to acquire "land or interest in land" and of SRA to "accept * * * any deed or other instrument conveying to the United States, the * * * parcel of land * * * known as Government Hill" is dissimilar in phraseology, they are nevertheless analagous in that both authorize the acquisition of lands in furtherance of a legislative intent. In the case of EPCA, the Office of Legal Counsel could see no legal basis upon which to take issue with the consistent interpretation of the reach of § 255 that where permanent improvements of substantial value are to be erected on lands, the only interest sufficient to protect the Federal investment in the property is full fee simple title.

The regulations recognize that Congress may authorize the acquisition of any interest in real property, and may empower the making of expenditures to improve that property, no matter how risky, but they also recognize that "it is very seldom that a particular interest is authorized by legislation." In all such instances, the requisite approval has been desired, unless Congress has separately and explicitly approved the particular acquisition at issue.

Since there is no dispute that § 255 does apply to the instant acquisition, and that it requires Attorney General approval of land acquisitions of the Bureau of Indian Affairs, Department of the Interior, the question then becomes whether the transaction in question has been "clearly authorized by the Congress" so as to satisfy the requirements contained in Department of Justice Regulation 5. The fact that SRA authorizes the Secretary of the Interior to accept any deed or other instrument is not by itself sufficient. Nothing short of a direct and specific approval by Congress will suffice since substantial improvements are to be made and the acquisition of less than fee title is contemplated.

The position of this Department in this regard and the stated congressional purposes of SRA "To establish a reservation for the Confederate Tribes of Siletz Indians of Oregon" are not necessarily incongruous. The SRA does not authorize the expenditure of funds for any reason, except for the payment of a certain sum equal to the costs and expenses incurred by the City of Siletz in connection with the conveyance of Government Hill. The letter of this Department dated September 19, 1980, authorizes the acquisitions of such land even though the lands were to be conveyed subject to the rights of the City of Siletz to purchase the land in the event it is sold by the tribe or the United States. However, the general authority to acquire land does not in itself supersede the specific regulatory provisions promulgated pursuant to existing legislative authority prohibiting the expenditure of funds for the erection of permanent improvements of substantial value on less than full fee simple lands.

If I can be of further assistance, please do not hesitate to call upon me.

Sincerely,

JAMES W. MOORMAN,
Assistant Attorney General,
Land and Natural Resources Division.●

By Mr. MOYNIHAN:

S. 548. A bill entitled the Union Station Act; to the Committee on Environment and Public Works.

UNION STATION ACT OF 1981

● Mr. MOYNIHAN. Mr. President, this morning's Washington Post reports that the National Park Service yesterday closed the Union Station building out of fear for the safety of the public. The roof, which has been leaking and deteriorating for years while we in this Chamber and Members of the other body have debated the fate of the building, has actually begun to crumble. Railroad passengers, who have for years endured a walk of nearly a third of a mile to their trains because of the absurd remodeling of the building, have now to walk around the building altogether. The Park Service did the right thing, of course; better to brave a brief downpour than a deluge of plaster.

Just last December, I rose to propose Senate passage of an emergency $11 million repair bill for Union Station that had been originated in and reported favorably by the Committee on Environment and Public Works. That bill became Public Law 96-610, but the appropriation fell victim to the compromise over the continuing resolution. The Park Service has diverted about $2 million of its funds to undertake repairs of the central one-third of the roof, but even those repairs will not be completed until the summer.

Today, I propose, with the distinguished company of the chairman and ranking minority member of the Committee on Environment and Public Works, a bill to solve the Union Station dilemma once and for all. Others have done this before me, and I myself brought a bill to the Senate nearly 3 years ago, another bill reported by our committee. Members of the House have similarly tried and failed to remove the Union Station thorn from our side.

The bill I introduce, the "Union Station Act of 1981," would:

First, transfer operation of the building from the Department of the Interior to the Department of Transportation and emphasize the rail passenger function of the building in its renovation;

Second, authorize $40 million to return the building to productive use as a rail passenger terminal and to complete the parking garage which has never been used and has been left to rust for five years; and

Third, authorize the lease of space in the building to restaurants; and shops, and the like, in line with the recommendations of a task force of private developers convened by Amtrak. The leases would help defray the costs of the building renovation and maintenance.

I know it is distasteful to many of my colleagues even to consider the Union Station situation. It is true that altogether too much time and money have been spent on this building in the 13 years since its conversion to a National Visitors Center was authorized by the Congress. And it is true that what we propose today is primarily to return the building to its use before the Congress began fumbling with it.

It does us no good—and may result in a catastrophe, as yesterday's events show—to wring our hands and point fingers. For those who are interested, I can supply a mountain of studies, reports, and hearings that attempt to pinpoint responsibility and assess blame. As Representative ELLIOTT LEVITAS, a friend and colleague who has tried to shepherd remedial Union Station legislation through the House has said, "maybe we should hang a sign on the building that says 'this is a monument to bad government.' "

The Congress created this building at the turn of the century. The Congress commissioned the study of Washington's physical planning that recommended construction of the station. Congress authorized construction of the tunnel necessary to carry trains under Capitol Hill. For 50 years, the Congress had reason to be proud of its actions, for Union Station was one of the magnificent buildings of this city and one of the busiest train terminals in the country. Unless we want to allow the building to become a ruin, we must do something.

It may be that, at a moment when the railroad passenger appeared to be

on the verge of extinction, the idea of turning the building into a National Visitor Center was a sound one. It has not worked out, though and now, ironically, we find need for a functional passenger station at the southern terminus for our improved and increasingly popular Northeast Corridor railroad service.

I shall ask for early hearings on this bill in the Committee on Environment and Public Works. Given our extensive experience in this matter, I venture to hope that we shall return to the floor soon with a perfected bill deserving of the support of every Member of the Senate. In the meantime, I invite my colleagues to join us as cosponsors and to offer suggestions or comments on the legislation.

Mr. President, I ask unanimous consent that a copy of the Washington Post article and the text of the bill be inserted in the RECORD following these remarks.

There being no objection, the bill and article were ordered to be printed in the RECORD, as follows:

S. 548

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as "The Union Station Act of 1981".

SEC. 2. Section 101 of the National Visitors Center Facilities Act of 1968, 40 U.S.C. 801, is amended by redesignating the existing section as subsection (a) and adding the following new subsection:

"(b) On or before October 1, 1981, the Secretary shall assign to the Secretary of Transportation all right, title, and interest in each agreement and lease entered into with the Company pursuant to the preceding subsection prior to such date. The Secretary of Transportation shall sublet to the Secretary such portion of the Union Station Building, other than the main waiting room or Concourse, as they may agree is appropriate for use as a National Visitors Center. The Secretary of Transportation shall operate, or cause to be operated, that portion of the Union Station Building not so sublet, including the basement, as a rail passenger terminal, and may lease, or cause to be developed, any portion of such space for commercial retail, dining, entertainment, educational, and informational activities.

SEC. 3. Section 102(a) of the National Visitor Center Facilities Act of 1968, 40 U.S.C. 802(a), is amended—

(1) by amending paragraph (3) to read as follows:

"(3) The Secretary of Transportation shall construct or cause to be constructed, a parking structure, including approaches and ramps for adequate circulation, in the air space northerly of and adjacent to the existing Union Station building, the main deck of which shall be used only for local bus operations, which structure shall provide space for 1,400 automobiles. Such structure shall continue to be leased to the United States as a part of the facilities to be leased to the United States pursuant to section 101(a) of this title: *Provided, however,* That the automobile spaces provided hereunder shall be available only to rail passengers, visitors to the National Visitors Center, and patrons of activities in the Union Station Building, and such restriction shall be enforced by a mechanism agreed upon by the Secretary and the Secretary of Transportation.".

(2) by amending paragraph (4) to read as follows:

"(4) The Company shall cease construction of the new railroad passenger station in the area beneath and adjacent to the parking structure referred to in paragraph (3) of this subsection, and shall assign to the Secretary of Transportation all of the Company's rights and obligations (including, without limitation, occupancy, operation, and maintenance) in, to, or concerning a rail passenger station at Union Station and, upon such assignment becoming effective, shall cease operations of a rail passenger station at Union Station;"

(3) by striking out the period at the end of paragraph (8) and inserting in lieu thereof "; and" and by adding at the end thereof the following new paragraph:

"(9) The rental paid by the Secretary under the sublease entered into pursuant to section 101(b) of this title shall be a fair and equitable share of the cost of renting or purchasing and operating and maintaining Union Station, taking into account the respective fair market rental values and operating and maintenance costs of the space sublet to the Secretary and of the remainder of Union Station.".

SEC. 4. Section 109 of the National Visitors Center Facilities Act of 1968, 40 U.S.C. 807, is amended by redesignating the existing section as subsection (a) and adding the following new subsections:

"(b) The Secretary of Transportation is authorized to—

(1) use funds received from operations of that portion of the Union Station Building not sublet in accordance with section 101(b) of this Act, including revenues from the parking facility, to pay costs of operating, maintaining, and leasing such portion;

(2) expend funds appropriated pursuant to section 704(a)(2) of the Railroad Revitalization and Regulatory Reform Act of 1976, 45 U.S.C. 854(a), to carry out rail passenger operations under this Act without regard to the matching funds requirement of section 703(1)(B) of such Act, 45 U.S.C. 853(1)(B); and

(3) waive such statutory or contractual restrictions on the parking structure and associated ramps constructed under authority of section 102(a)(3) of this Act as would otherwise be required or imposed because funds for such construction were or are provided under the Urban Mass Transportation Act, as amended.

"(c) The Secretary is authorized to use funds received through the operation of the space sublet pursuant to section 101(b) of this Act to pay the costs of operating and maintaining such space.

"(d) Funds obligated under this title after the date of enactment of this subsection shall be expended subject to section 3709 of the Revised Statutes, as amended, 41 U.S.C. 5. Every contract for construction, alteration, renovation, or repair of any facility authorized by this title which is entered into under this title after the date of enactment of this subsection shall be bid competitively on a fixed-price basis.

SEC. 5. The National Visitor Center Facilities Act of 1968 is further amended by renumbering section 110 as section 111 and by adding immediately after section 109 the following new section:

"SEC. 110. (a) Notwithstanding any other provision of law, the Architect of the Capitol, under the direction of the House Office Building Commission, is authorized, subject to such conditions as the Architect of the Capitol may prescribe, to enter into a contract or other agreement with the Secretary of Transportation pursuant to which the Architect of the Capitol will furnish steam from the Capitol Powerplant to the Union Station.

"(b) Any such contract or agreement shall include provisions pursuant to which the Secretary of Transportation agrees (1) to pay for such steam at rates, not less than cost, determined by the Architect of the Capitol, with the approval of the House Office Building Commission, and (2) to connect the Union Station with the Capitol Powerplant steam lines without expense to the Congress, and in a manner satisfactory to the Architect of the Capitol and the House Office Building Commission.

"(c) The Secretary of Transportation is authorized to design and construct steam lines and connections with the Capitol Powerplant steam lines in accordance with plans approved by the Architect of the Capitol and the House Office Building Commission, and to acquire interests in land, excepting the Capitol grounds, necessary for such purpose. The Secretary of Transportation shall bear all expenses associated with providing the steam lines, including the expenses of steam line design, construction, and connection.".

SEC. 6. Section 111 of the National Visitors Center Facilities Act of 1968, as redesignated by the preceding section, is amended by striking the first sentence and inserting in lieu thereof the following—

"The Secretary shall take such action as may be necessary to assure that all laborers and mechanics employed by contractors and subcontractors on alterations to that portion of the Union Station Building known as the Presidential Suite authorized by section 102(c) of this Act shall be paid wages at rates not less than those prevailing for the same type of work on similar construction in the locality as determined by the Secretary of Labor, in accordance with the Act of March 3, 1931, as amended, known as the Davis-Bacon Act (46 Stat. 1494, 40 U.S.C. 276a–276a–5). The Secretary of Transportation shall take such action as may be necessary to assure that all laborers and mechanics employed on alterations to the remaining portion of the Union Station Building authorized by section 102(c) of this Act or employed on construction authorized by sections 102(a)(3) and 110(c) of this Act or section 4(h) of the Department of Transportation Act, 49 U.S.C. 1653(h) are paid in accordance with the preceding sentence."

SEC. 7. (a) Section 102(c) of the National Visitors Center Facilities Act of 1968, 40 U.S.C. 802(c) is amended to read as follows:

"(c) The Secretary shall undertake by competitive bidding on a fixed price basis such alterations to that portion of the Union Station Building sublet pursuant to section 101(b) of this Act as are necessary to provide for visitor facilities. The Secretary of Transportation shall—

(1) undertake by competitive bidding on a fixed price basis such alterations to that portion of the Union Station Building not sublet pursuant to section 101(b) of this Act as are necessary to provide for ticket sales, baggage handling, and waiting areas; and

(2) provide, or cause to be provided, such services as are necessary or desirable for the benefit of rail passengers, and of visitors to the National Visitors Center: *Provided, however,* That no such service shall be provided without the concurrence of the Secretary.

The Secretary and the Secretary of Transportation may exercise the authority under this subsection without regard to whether or not title to the Union Station Building or the airspace adjacent thereto is in the United States.

(b) Section 102 of the National Visitors Center Facilities Act of 1968, 40 U.S.C. 802, is further amended by adding at the end thereof the following new subsection:

"(d) Of the funds authorized to be appropriated by section 109 of this Act—

(1) not to exceed $1,000,000 shall be available to the Secretary for the alterations required by the preceding subsection, and

(2) not to exceed $40,000,000 shall be available to the Secretary of Transportation

for the purpose of implementing sections 102(a)(3), 102(c) and 110(c) of this Act.

SEC. 8. The National Visitors Center Facilities Act of 1968 is further amended by adding at the end thereof the following new section:

"SEC. 112. The Secretary and the Secretary of Transportation shall transmit in a timely manner—

(1) final plans for all construction or alteration authorized by this Act, and

(2) the enforcement mechanism agreed to in accordance with section 102(a)(3) of this Act.

to the Committee on Public Works and Transportation of the House of Representatives and the Committees on Environment and Public Works, and Commerce, Science, and Transportation, of the Senate.

[From the Washington Post, Feb. 24, 1981]

UNION STATION, LEAKING BADLY, CLOSED AS UNSAFE

(By Blaine Harden)

Union Station, Washington's 73-year-old train station, was declared unsafe and closed yesterday by the National Park Service as heavy rains poured through the roof of the white granite structure, causing plaster to fall from the ceiling and ruining more than $5,000 worth of books and posters in the National Bookstore.

The imposing station, a national landmark that has deteriorated under a leaky roof for more than a decade while Congress and the federal bureaucracy have been unable to decide what to do with it, will be closed until further notice pending "a safety-structural investigation," said Jack Fish, director of the national capital region of the park service.

Thousands of grumbling train passengers yesterday were forced to walk in the rain more than 400 feet around the old Union Station building to Amtrak's "replacement train station" in the rear. In Union Station, which was built to be the finest railroad station in the world and is now formally called the National Visitor Center, rainwater puddled up to two inches deep on carpeted floors and small chunks of plaster fell from the barrel-vaulted ceiling.

The rain-imposed closure yesterday is but the latest sad twist in the troubled 13-year history of federal involvement at Union Station. During that time, Congress has spent or committed itself to spend $117 million in the conversion of the once-great station into the visitor center. The project, which includes one of the world's most expensive uncompleted parking garages, has been plagued by cost overruns, mismanagement and bureaucratic fighting.

A $2 million effort to fix a small part of the station's leaky roof is now only 5 percent complete and will not be done until the end of June. Even when it is completed, more than two-thirds of the building will continue to leak every time rain falls, according to the park service.

There is no other federal money available for emergency repairs on the building and, according to sources in the Department of Transportation, the chance of coming up with any funds under the budget-slashing Reagan administration is slim.

"The administration has not totally dropped Union Station as a priority," said one top DOT official. "But the problems there are so complicated, so big and so dirty that it will be a while before we figure out what to do, if anything."

Last year Congress authorized an $11 million emergency repair bill that would fix the roof and pay for other structural repairs, but the money has not been appropriated and it is not listed on any proposed budget before Congress. A key House member, however, said yesterday that he will try to push through an emergency bill to fix the rapidly crumbling building.

"Something has got to be done. We just can't let the roof cave in," said Rep. Sidney Yates (D-Ill.), chairman of the House Appropriations subcommittee on Interior and related agencies. Yates said he will try to find money for the station with a supplemental appropriations bill and that he will hold hearings on the matter in the next six to eight weeks.

Under a 25-year deal with the railroads that owned Union Station, the federal government is bound to repay $3.5 million a year beginning in 1976 to lease the building, even if it falls down because of rain damage.

"It doesn't make sense to me to be paying on an empty shell for the next 20 years," Yates said. "We've got to get a program and get a handle on this thing."

In the station yesterday, clearly dispirited employees of the park service surveyed rain damage after the building was closed to the public at 1:30 p.m. "We don't know how long the plaster in the ceiling will hold," said Gary Pieroccioni, chief of visitor services.

In the National Bookstore in the east wing of the station, hundreds of water-sogged, full-color posters of the scenic United States were drying in the one dry corner, and the sound of falling water echoed through the building.●

● Mr. RANDOLPH. Mr. President, I join with the able Senator from New York, (Mr. MOYNIHAN) and the distinguished Senator from Vermont, the chairman of the Committee on Environment and Public Works (Mr. STAFFORD) in the introduction of legislation to correct a deplorable situation in our Nation's Capital.

Washington's Union Station has long been generally acknowledged as one of our country's architectural treasures. Yet, for the past dozen years, it has been the victim of bureaucratic infighting, hesitancy on the part of public officials and, yes, poor decisions by the Congress itself. The result has been our continued inability to resolve the Union Station questions which culminated yesterday in the closure of the building for safety reasons.

Mr. President, for the past 4 years, members of the Committee on Environment and Public Works have worked in an effort to develop a rational and reasonable solution to this problem. Hearings were conducted, extensive discussions were held with involved parties and legislation has been proposed. For a variety of reasons, none valid, the issue is unresolved.

The only positive action was the enactment late in the 96th Congress of a bill reported by our committee which authorized $11 million in emergency repairs to protect the structural integrity of Union Station. Roof repairs have been started. I urge Congress to give immediate consideration to appropriating the funds authorized by the Union Station Emergency Repairs Act—Public Law 96–610—which became law last December.

Mr. President, Senator MOYNIHAN, Senator STAFFORD and I recognize that substantial amounts of money have been expended on the Union Station building in recent years. Many of these expenditures were the result of the perhaps ill-advised plan to convert the building into a National Visitor's Center. To reverse the rapid deterioration of the building and to return it to its proper function as a major transportation center will require the expenditure of additional funds. This is a fact we must acknowledge. It is not, however, a case of throwing good money after bad. Whatever additional funds are needed for Union Station must be provided to protect the millions which have already been invested. The alternative is the further deterioration of the building to the extent that it could soon be beyond the point of salvation. The legislation we propose would restore to Union Station its primary function as a transportation center at a time when railroad travel is enjoying a resurgence. The authority to use some portion of the building as a visitor center would be retained.

Mr. President, we introduce this legislation to bring to the Senate the vehicle for expeditious correction of the dire situation at Union Station.

What we propose would do more than preserve a magnificent building that is a part of our architectural, transportation, and political heritage, even though this is a worthwhile objective. This bill would correct past mistakes in directing the use of Union Station and again make it a railroad station and an entrance to this great Capital City worthy of our Republic and the people of all our States. The very word "Union" Station means it as a living, useful center for citizens.

We would consider other approaches or proposals to modify the provisions of this bill even though we believe that it is a sound and proper proposal. The Congress can no longer wait to decide if Union Station should be allowed to further deteriorate or if we will face up to this problem and resolve it now, before it is too late.●

● Mr. STAFFORD. Mr. President, I am pleased to join with Senators RANDOLPH and MOYNIHAN in sponsoring this legislation, which authorizes repairs and renovation of the National Visitors Center at Union Station in Washington, D.C.

The recent history of this project is a sad one. The National Visitors Center has become a monument to poor Federal planning, with millions of dollars poured into a project that was supposed to cost the Federal Government practically nothing. Now the building has been closed to the public due to fear of the possible collapse of the roof.

This proposed bill authorizes some $40 million to complete roof and structural repairs, to complete the garage, and to bring trains back to the main building.

While I am not certain that this offers the best, most cost-effective approach, it may be the only one that will preserve the investment we have already made.

I should note that the Congress last year enacted Public Law 96–610, which authorized $11 million for emergency repairs in fiscal year 1981. It appears as if much of that money will not be appropriated, so that today's bill might have to be increased to assure a sufficient authorization to preserve this very important building and to assure its best use by the public.●

By Mr. PACKWOOD (for himself, Mr. MOYNIHAN, Mr. ROTH, Mr. GOLDWATER, Mr. ANDREWS, Mr. TOWER, Mr. THURMOND, Mr. DURENBERGER, Mr. SCHMITT, Mr. HEINZ, Mr. HATCH, Mr. D'AMATO, Mrs. HAWKINS and Mr. JEPSEN):

S. 550. A bill to amend the Internal Revenue Code of 1954 to provide a Federal income tax credit for tuition; to the Committee on Finance.

TUITION TAX CREDIT BILL

● Mr. PACKWOOD. Mr. President, today, Senators MOYNIHAN, ROTH, and I are renewing our efforts to seek passage of tuition tax credit legislation. For the third time in as many Congresses, we will attempt to provide tax relief for those parents who so urgently need it. And with the wholehearted support of the Reagan administration, I expect the 97th Congress will see passage of this vital legislation.

The Tuition Tax Relief Act of 1981 provides a tax credit for college, vocational, elementary, and secondary students. The credit, when fully effective, would be equal to 50 percent of educational expenses up to a maximum credit of $500.

We have made the credit refundable. That is, if parents have a tax liability of less than $500, the credit claimed would be refunded directly to the taxpayer. This feature will benefit low-income parents who have little or no tax liability.

We have included strong civil rights language to guarantee that no tax credits would be available to students who attend so-called white flight schools—schools which discriminate on the basis of race. And, at the same time, we have included the Archer amendment to confirm that tuition tax credits are aid to students and their parents, not aid to schools.

In short, Mr. President, the Packwood-Moynihan tuition tax credit bill we are introducing today is the product of several years' work, discussion, and debate.

Let me take a moment here to review past Senate activity on tuition tax credits.

As many of you remember, tuition tax credits were a major issue before the 95th Congress. In 1977–78, the House of Representatives approved tuition tax credits for college, vocational, and elementary and secondary students. The Senate Finance Committee also overwhelmingly approved tuition tax credits for college, vocational, elementary, and secondary students. The Senate, however, deleted elementary and secondary students from the bill.

Two conference reports resulted. The first conference report provided tuition tax credits for college and vocational students only. This was rejected by the House of Representatives. The second conference report provided tuition tax credits for college, vocational, and secondary students. This was rejected by the Senate. Throughout congressional consideration of tuition tax credits in 1977 and 1978 it was apparent that a majority of both Houses favored some form of tuition tax credit bill. Congress, however, adjourned without reaching a compromise on this legislation.

We reintroduced tuition tax credits in the 96th Congress, again feeling that a majority of our colleagues favored this type relief to parents. However, then-President Carter promised a veto if Congress passed the bill. While we felt we had the votes to pass this legislation, it was doubtful we could override a Presidential veto. So we saw no action on tuition tax credits in the 96th Congress.

Today, we have a President who favors tuition tax credits, a Republican platform which endorses tuition tax credits and, I believe, a Senate and House which favor tuition tax credits. With strong and vocal support from the administration and the Congress, I am confident the 97th Congress will act favorably on this bill.

Mr. President, tuition tax credits should be an important part of our Nation's educational policy. I have consistently supported public education at all levels, and will continue to do so. But diversity is an important factor in our society, and should be encouraged in our education system as well.

We recognize that all Americans have a right to a basic education. The laws of our land dictate that all American children must be schooled. We have provided one system—a public school system—to meet the needs of our children.

Nowhere, however, do I find there was ever an intent to make public education the only alternative. We have told parents they must educate their children. We have provided one means to fulfill that obligation. But it should not be, nor was it ever intended to be, an exclusive means.

Some parents believe there is another, perhaps better, way. These parents feel their children's educational needs would best be met in a non-Government school. Their tax money will continue to go toward supporting public education, and our bill will do nothing to change that. However, these parents deserve tax relief for carrying a double burden.

Our country has flourished and prospered in an atmosphere which encourages diversity, freedom of choice, freedom of thought, and freedom of action. In fact, we stand apart from the rest of the world just because we encourage diversity, not sameness. Nonpublic education is not a threat to our public school system. Private education is a means for exercising our free choice as Americans. The concept is as basic to our ideals as the right to freedom of speech.

We are not rewarding parents for sending their children to private schools, as our critics would have us believe. Nor are we encouraging Americans to abandon public education. We are recognizing the plight of the many, many Americans who have chosen nonpublic education for their children. We must stop penalizing these parents for electing to exercise their freedom of choice. I honestly believe, Mr. President, that unless we encourage diversity and competition in our society, particularly in our educational system, we will be discouraging the very attribute that has made our country great.

The Packwood-Moynihan Tuition Tax Relief Act of 1981 is our way of recognizing and encouraging the right of every American citizen to choose the educational system which best suits their individual needs and goals. I invite my colleagues in the Senate to join me in this effort.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 550

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; DECLARATION OF POLICY.

(a) SHORT TITLE.—This Act may be cited as the "Tuition Tax Relief Act of 1981".

(b) DECLARATION OF POLICY.—The Congress hereby declares it to be the policy of the United States to foster educational opportunity, diversity and choice for all Americans. Federal legislation—

(1) should recognize—

(A) the right of parents to direct the education and upbringing of their children, and

(B) the heavy financial burden now borne by individuals and families who must pay tuition to obtain the education that best serves their needs and aspirations—whether at the primary, secondary, or postsecondary level, and

(2) should provide some relief (as set forth in the amendments made by this Act).

The Congress finds that without such relief the personal liberty, diversity, and pluralism that constitute important strengths of education in America will be diminished. The Congress finds that this assistance can appropriately be provided through the income tax structure with a minimum of complexity and governmental interference in the lives of individuals and families. While the Congress recognizes that the Supreme Court is ultimately responsible for determining the constitutionality of provisions of law, the Congress finds that the provision of such relief to individuals or families in this manner is in accord with all provisions of the Constitution. The primary purpose of this Act is to enhance equality of educational opportunity for all Americans at the schools and colleges of their choice.

SEC. 2. CREDIT FOR EDUCATIONAL EXPENSES.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by inserting before section 45 the following new section:

"SEC. 44F. EDUCATIONAL EXPENSES.

"(a) GENERAL RULE.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to 50 percent of the educational expenses paid by him during the taxable year to one or more educational institutions for himself, his spouse, or any of his dependents (as defined in section 152).

"(b) LIMITATIONS.—

"(1) MAXIMUM DOLLAR AMOUNT.—The amount of educational expenses taken into account under subsection (a) for any taxable year with respect to any individual may not exceed—

"(A) $500, in the case of educational expenses allocable to education furnished after July 31, 1982, and before August 1, 1983, and

"(B) $1,000, in the case of educational expenses allocable to education furnished after July 31, 1983. The $1,000 limitation contained in subparagraph (B) for any tax-

able year shall be reduced by the amount of educational expenses described in subparagraph (A) which are taken into account for that taxable year.

"(2) CERTAIN PAYMENTS EXCLUDED.—

"(A) SECONDARY AND ELEMENTARY SCHOOL EXPENSES.—Educational expenses attributable to education at a secondary school (including a vocational secondary school) or elementary school shall not be taken into account under subsection (a) to the extent that they are attributable to education at an elementary or secondary school (as defined in section 198(a)(7) of the Elementary and Secondary Education Act of 1965, as in effect on January 1, 1981) of a State educational agency (as defined in section 1001 (k) of such Act as so in effect)) that is privately operated except for expenses attributable to education at a school or institution described in subparagraph (C) of subsection (c)(5).

"(B) PART-TIME AND GRADUATE STUDENTS.—

"(i) IN GENERAL.—Educational expenses allocable to education furnished before August 1, 1984, with respect to any individual who is not a full-time student or who is a graduate student shall not be taken into account under subsection (a).

"(ii) LESS THAN HALF-TIME STUDENTS.—Educational expenses allocable to education furnished after July 31, 1984, with respect to any individual who is not at least a half-time student shall not be taken into account under subsection (a).

"(C) CERTAIN PAYMENTS INCLUDED.—For purposes of subparagraph (B)(i), amounts paid before August 1, 1984, for educational expenses allocable to education which is furnished on or after such date shall be treated as having been paid on such date.

"(D) FULL-TIME STUDENTS.—For purposes of this paragraph, the term 'full-time student' means any individual who, during any 4 calendar months during the calendar year in which the taxable year of the taxpayer begins, is a full-time student at an educational institution.

"(E) HALF-TIME STUDENT.—For purposes of this paragraph, the term 'half-time student' means any individual who, during any 4 calendar months during the calendar year in which the taxable year of the taxpayer begins, is a half-time student (determined in accordance with regulations prescribed by the Secretary which are not inconsistent with regulations prescribed by the Secretary of Education under section 411(a)(2)(A)(ii) of the Higher Education Act of 1965 for purposes of part A of title IV of that Act as such Act was in effect on January 1, 1981) at an educational institution.

"(F) GRADUATE STUDENT DEFINED.—A graduate student is a student with a baccalaureate degree awarded by an institution of higher education.

"(c) DEFINITIONS.—For purposes of this section—

"(1) EDUCATIONAL EXPENSES.—The term 'educational expenses' means tuition and fees required for the enrollment or attendance of a student at an educational institution, including required fees for courses. Such term does not include any amount paid, directly or indirectly for—

"(A) books, supplies, and equipment for courses of instruction at an educational institution,

"(B) meals, lodging, transportation, or similar personal, living, or family expenses, or

"(C) education below the first-grade level, or attendance at a kindergarten or nursery.

In the event an amount paid for tuition and fees includes an amount for any item described in subparagraph (A), (B), or (C) which is not separately stated, the taxpayer shall document the portion of such amount which is attributable to educational expenses.

"(2) EDUCATIONAL INSTITUTION.—The term 'educational institution' means—

"(A) an institution of higher education;

"(B) a vocational school;

"(C) a secondary school; or

"(D) an elementary school.

"(3) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' means an institution described in section 1201 (a) or 481(a) of the Higher Education Act of 1965 (as in effect on January 1, 1981).

"(4) VOCATIONAL SCHOOL.—The term 'vocational school' means an area vocational education school (as defined in section 195(2) of the Vocational Education Act of 1963, as in effect on January 1, 1981) which is located in any State.

"(5) ELEMENTARY AND SECONDARY SCHOOLS.—

"(A) ELEMENTARY SCHOOL.—The term 'elementary school' means a privately operated, not-for-profit, day or residential school which provides elementary education and which meets the requirements of subparagraph (D).

"(B) SECONDARY SCHOOL.—The term 'secondary school' means a privately operated, not-for-profit, day or residential school which provides secondary education that does not exceed grade 12, and which meets the requirements of subparagraph (D).

"(C) HANDICAPPED FACILITIES INCLUDED.—The terms 'elementary school' and 'secondary school' include facilities (whether or not privately operated) which offer education for individuals who are physically or mentally handicapped as a substitute for regular public elementary or secondary education.

"(D) REQUIREMENTS.—An elementary school or secondary school meets the requirements of this subparagraph if such school—

"(i) is exempt from taxation under section 501(a) as an organization described in section 501(c)(3), and

"(ii) does not exclude persons from admission to such school, or participation in such school, on account of race, color, or national or ethnic origin.

"(6) MARITAL STATUS.—The determination of marital status shall be made under section 143.

"(d) SPECIAL RULES.—

"(1) ADJUSTMENT FOR CERTAIN SCHOLARSHIPS AND VETERANS BENEFITS.—

"(A) REDUCTION OF EXPENSES.—The amounts otherwise taken into account under subsection (a) as educational expenses of any individual for any taxable year shall be reduced (before the application of subsection (b)) by any amounts attributable to the payment of educational expenses which were received with respect to such individual for the taxable year as—

"(i) a scholarship or fellowship grant (within the meaning of section 117(a)(1)) which under section 117 is not includible in gross income,

"(ii) an educational assistance allowance under chapter 32, 34, or 35 of title 38, United States Code, or

"(iii) a payment (other than a gift, bequest, devise, or inheritance within the meaning of section 102(a)) which is for educational expenses, or attributable to attendance at an educational institution, and which is exempt from income taxation by any law of the United States.

"(B) REDUCTION FOR OTHER AMOUNTS.—Under regulations prescribed by the Secretary, the amounts otherwise taken into account under subsection (a) as educational expenses of an individual for any taxable year shall be reduced by any amount attributable to the payment of educational expenses which is received with respect to any individual for the taxable year and is not described in subparagraph (A), and which—

"(i) is equal to the amount of the interest subsidy on any loan proceeds received by such individual during such taxable year, or

"(ii) constitutes any other form of financial assistance to such individual.

The provisions of this subparagraph shall apply with respect to amounts received after the date on which the final regulations are issued.

"(C) AMOUNTS NOT SEPARATELY STATED.—If an amount received by an individual which is described in subparagraph (A) or (B) is not specifically limited to the payment of educational expenses, the portion of such amount which is attributable to payment of educational expenses shall be determined under regulations prescribed by the secretary.

"(2) TAXPAYER WHO IS A DEPENDENT OF ANOTHER TAXPAYER.—No credit shall be allowed to a taxpayer under subsection (a) for amounts paid during the taxable year for educational expenses of the taxpayer if such taxpayer is a dependent of any other person for a taxable year beginning with or within the taxable year of the taxpayer.

"(3) SPOUSE.—No credit shall be allowed under subsection (a) for amounts paid during the taxable year for educational expenses for the spouse of the taxpayer unless—

"(A) the taxpayer is entitled to an exemption for his spouse under section 151 (b) for the taxable year, or

"(B) the taxpayer files a joint return with his spouse under section 6013 for the taxable year.

"(e) DISALLOWANCE OF CREDITED EXPENSES AS CREDIT OR DEDUCTION.—No deduction or credit shall be allowed under any other section of this chapter for any educational expense to the extent that such expense is taken into account (after the application of subsection (b)) in determining the amount of the credit allowed under subsection (a). The preceding sentence shall not apply to the educational expenses of any taxpayer who, under regulations prescribed by the Secretary, elects not to apply the provisions of this section with respect to such expenses for the taxable year.".

(b) (1) CREDIT TO BE REFUNDABLE.—Subsection (b) of section 6401 of such Code (relating to amounts treated as overpayments) as amended—

(A) by striking out "and 43 (relating to earned income credit)" and inserting in lieu thereof "43 (relating to earned income credit), and 44F (relating to tuition tax credit)", and

(B) by striking out "39, and 43" and inserting in lieu thereof "39, 43, and 44F".

(2) Paragraph (2) of section 55(b) of such Code (defining regular tax) is amended by striking out "and 43" and inserting in lieu thereof ", 43, and 44F".

(3) Subsection (c) of section 56 of such Code (defining regular tax deduction) is amended by striking out "and 43" and inserting in lieu thereof "43, and 44F".

(c) LIMITATION ON EXAMINATION OF BOOKS AND RECORDS.—Section 7605 of such Code (relating to time and place of examination) is amended by adding at the end thereof the following new subsection:

"(d) EXAMINATION OF BOOKS AND RECORDS OF CHURCH-CONTROLLED SCHOOLS.—Nothing in section 44F (relating to credit for educational expenses) shall be construed to grant additional authority to examine the books of account, or the activities, of any school which is operated, supervised, or controlled by or in connection with a church or convention or association of churches (or the examination of the books of account or religious activities of such church or convention or association of churches).".

(d) SEPARABILITY.—If any provision of section 44F of the Internal Revenue Code of 1954 (or any other provision of such Code relating to such section), or the application thereof to any person or circumstances, is held invalid, the remainder of the provisions of such section and the application of such provisions to other persons or circumstances, shall not be affected.

(e) DISREGARD OF REFUND.—Any refund of Federal income taxes made to any individual, and any reduction in the income tax liability of any individual, by reason of section

44F of the Internal Revenue Code of 1954 (relating to credit for educational expenses) shall not be taken into account as income or receipts for purposes of determining the eligibility of such individual or any other individual for benefits or assistance, or the amount or extent of benefits or assistance, under any Federal program of educational assistance or under any State or local program of educational assistance financed in whole or in part with Federal funds.

(f) TAX CREDIT NOT TO BE CONSIDERED AS FEDERAL ASSISTANCE TO INSTITUTION.—Any educational institution which enrolls a student for whom a tax credit is claimed under the amendments made by this Act shall not be considered to be a recipient of Federal assistance under this Act.

(g) CONFORMING AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting immediately before the item relating to section 45 the following:

"Sec. 44F. Educational expenses.".

SEC. 3. EFFECTIVE DATE.

The amendments made by section 2 of this Act shall apply to taxable years ending after July 31, 1982, for amounts paid after such date for educational expenses incurred after such date.●

● Mr. ROTH. Mr. President, I am today joining my colleagues, BOB PACKWOOD and PAT MOYNIHAN, in introducing the Tuition Tax Relief Act of 1981. This measure provides a tax credit of up to $500 for tuition expenses incurred at colleges, vocational and nonpublic elementary and secondary schools.

The bill we are introducing today provides a tax credit of 50 percent of tuition and fees for full-time students in universities, colleges, junior, and community colleges, postsecondary vocational schools, and nonpublic elementary and secondary schools.

The maximum credit is $250 beginning in August 1982 and $500 beginning in August 1983 and thereafter.

Tuition paid by students attending less than full time but at least half time will become eligible for the credit in 1984 as will graduate students attending college and vocational schools.

This legislation is a modified version of the tuition tax credit bills passed in 1978 by both the House and Senate and is identical to the bill we introduced during the 96th Congress.

Mr. President, inflation and higher taxes are making it more and more difficult for many parents to send their children to colleges and universities. In addition to the rising costs of colleges, the cost of nonpublic elementary and secondary schools has also increased substantially. These rising costs combined with the incredible bureaucracy and red tape involved in the federally funded student aid programs for higher education make it essential to provide an alternative form of aid for middle-income families.

On the college level, tuition costs are escalating at a phenomenal rate. According to the Congressional Budget Office, total annual college costs increased approximately 75 percent between 1967 and 1976. Students will face total college costs—tuition, fees, room, board, and so forth—in the 1980–81 school year that average $3,409 at public 4-year colleges and $6,082 at private 4-year colleges.

However, tuition and required fees, the only expenses which will be eligible for the tuition tax credit, have increased at an even faster rate. According to the National Center for Education Statistics, the average tuition and fees at a private university increased 164 percent between 1967 and 1980, from $1,297 to $3,434. For a public university, tuition and fees increased 132 percent during the same 14-year period, from $283 to $657.

On the elementary and secondary school level, the picture is much the same. Rising costs have forced millions of middle-income students out of nonpublic schools and closed thousands of private schools. This has placed an increasing burden on our Nation's already overburdened public school systems. Middle-income Americans are being deprived of the freedom to choose whether to send their children to a public school or a nonpublic school.

I believe a tuition tax credit will restore freedom of choice to the millions of American families who are struggling to pay both nonpublic school tuition and higher taxes for public schools. Indeed, the tax burden on the average family has increased substantially during the past 14 years and middle-income families have less disposable income to spend on a college or private elementary and secondary education for their children.

The Federal Government is taking more money away from the average families of this country through higher taxes and inflation. In the years to come, rising energy costs and other inflation induced costs will continue to rob these families of their disposable income. At the same time, educational costs will continue to increase. The gap between one's disposable income and the amount necessary to purchase a quality education for one's children will invariably widen unless something is done now.

There are millions of families today who are neither affluent enough to afford the high cost of college nor considered poor enough to qualify for the many different Government assistance programs their taxes make possible.

We are rapidly approaching a situation in this country where only the very affluent and the very poor will be able to attain a higher education. The group in the middle—the very taxed—will be unable to afford it.

A tuition tax credit is the simplest and most equitable way to provide middle-income families relief from mounting educational costs. This credit will allow people to keep more of their own hard-earned money rather than have it taxed away by Uncle Sam. The tuition tax credit offers the beauty of no administrative overhead, no forms to fill out, and no need to beg, plead or ask for a Government handout.

The credit approach is not the total solution to the problem of rising educational costs. But it will allow middle America to hold the line, at least in part, in the battle against inflation in our schools and universities. We owe our Nation's children nothing less.

Mr. President, the tuition tax credit is simple, direct, and easy to administer. It is far more preferable than the existing Federal programs and structures which have produced a maize of redtape and bureaucracy that is confusing parents and students alike and imposing enormous costs on educational institutions.

This is another step toward allowing Americans to keep more of their own hard-earned money rather than giving it to the taxman.●

By Mr. COCHRAN:

S. 557. A bill to amend the Internal Revenue Code of 1954 to allow estates required to file estate tax returns before July 13, 1978, the date on which regulations under section 2032A of such Code were proposed, to elect the valuation of certain farm, and so forth, real property, under section 2032A of such Code within 90 days after the enactment of the amendment to such Code proposed by this bill; to the Committee on Finance.

VALUATION OF CERTAIN FARM PROPERTY

● Mr. COCHRAN. Mr. President, I am today introducing legislation which implements congressional intent concerning special use valuation of small businesses and farmland for estate tax purposes.

This legislation was introduced by me during the 96th Congress. The bill number was S. 2946, and a detailed explanation of its purpose and the factors giving rise to its introduction is included in the hearing record of S. 2967.

Briefly explained, section 2032A of the Internal Revenue Code was enacted by the Tax Reform Act of 1976 in order to avoid the forced sale of farms and small businesses by estates to pay Federal estate taxes. The section allows the election of a special use valuation whereby a farm or small business may be valued on the basis of its actual use rather than its highest and best use. Through the use of this special use valuation, many estates have been able to avoid selling farms and small businesses because of lower valuation and lower estate taxes.

Unfortunately, because of a protracted delay in implementation of regulations pursuant to section 2032A, certain estates have been unable to avail themselves of this special use valuation.

Section 2032A provides that the election of valuation must be made within 9 months after the date of the decedent's death in such manner as prescribed by regulation. However, although section 2032A was effective for estates of decedents dying after December 31, 1976, the first proposed regulations were not issued until July 13, 1978. As a result, the time prescribed for filing the estate tax return expired for many estates before publication of any regulations.

My bill would allow estates for which the time prescribed for filing expired before July 13, 1978, to make or to revoke the election within 90 days after the date of enactment. The bill also provides for refunds to be made within this 90-day period.

Passage of this bill is necessary in order to insure that the congressional intent expressed in section 2032A is implemented by the Treasury Department and by IRS. Without the provisions of this bill, many estates which would have

elected section 2032A had guiding regulations been available will be required to sell their small businesses or farms to pay the estate tax.

The American Farm Bureau Federation, the National Cattlemen's Association and the National Association of Realtors support this bill. I hope that it will be acted on expeditiously.●

By Mr. TOWER:

S. 558. A bill to amend the Longshoremen's and Harbor Workers' Compensation Act to provide that in the case of injuries to persons covered by such act the liability of owners, operators, or charterers of vessels engaged in activities on the Outer Continental Shelf shall be limited to damages attributable to their negligence; to the Committee on the Judiciary.

LONGSHOREMEN'S AND HARBOR WORKERS' COMPENSATION ACT AMENDMENT

● Mr. TOWER. Mr. President, I am introducing today a bill to amend the Longshoremen's and Harbor Workers' Compensation Act to provide that, in the case of injuries to persons covered by such act, the liability owners, operators, or charterers shall be limited to damages attributable to their negligence. This bill is identical to S. 1939, which I introduced in the 96th Congress.

This amendment to the Longshoremen's and Harbor Workers' Compensation Act is required because of an unintended combination of circumstances. In 1972, extensive amendments to the act were passed. Among other things, these amendments: First, limited the liability exposure of employers of longshoremen to benefits payable under the amendments, and second, abolished longshoremen claims against shipowners for unseaworthiness—a species of liability without fault—while establishing a negligence standard of fault as a predicate of shipowner liability. Unfortunately, court interpretations have indicated that the language of the 1972 amendments to the act permit shipowners to be exposed to 100 percent liability if there is any shipowner negligence, despite any contributory negligence.

I believe that result is unfair and unintended. The courts have indicated that any relief from this inequity must come from Congress. I believe this bill will provide that necessary relief.●

By Mr. CRANSTON (for himself, Mr. PROXMIRE, Mr. SASSER, and Mr. SIMPSON):

S. 559. A bill to amend the Internal Revenue Code of 1954 to allow the Veterans' Administration to redisclose in certain circumstances for debt collection and study purposes Internal Revenue Service-provided mailing addresses of individuals indebted to the United States, and for other purposes; to the Committee on Finance.

VETERANS' ADMINISTRATION DEBT COLLECTION EFFORTS

Mr. CRANSTON. Mr. President, I am today introducing a bill to enhance the Veterans' Administration's ability to collect debts owed to it. I am delighted to have joining me in introducing this bill the distinguished chairman of the Committee on Veterans' Affairs, Senator SIMPSON; the ranking minority member of the Appropriations Committee, Senator PROXMIRE; and the ranking minority member of the Governmental Affairs Committee's Subcommittee on Intergovernmental Relations, Senator SASSER. Specifically, our bill would amend the Internal Revenue Code of 1954 to authorize the Administrator of Veterans' Affairs to redisclose to contractors of the VA and to consumer reporting agencies—CRA's—for certain specified debt collection purposes addresses obtained from the Internal Revenue Service under section 6103(m)(2) of the Internal Revenue Code, which authorizes the IRS to disclose the mailing address of a taxpayer to officers and employees of Federal agencies for use in proceedings pertaining to the collection or compromise of a claim under sections 951 through 953 of title 31, United States Code, the Federal Claims Collection Act of 1966—FCCA.

The Department of Education was given comparable authority with respect to certain education loan programs in section 302 of Public Law 96-499, the Omnibus Reconciliation Act of 1980. Section 302 authorizes the Secretary of IRS to disclose to the Secretary of Education the mailing addresses of taxpayers who have defaulted on certain student loans administered by the Department of Education. The new law permits the Secretary to redisclose the IRS-provided addresses to lenders or State or nonprofit guarantee agencies participating in the guaranteed student loan program and to educational institutions participating in the national direct student loan program for use by officers, employees or agents of those institutions for purposes of locating defaulters in order to collect defaulted loans.

NEED FOR LEGISLATION

Mr. President, the dollar amount of the VA's accounts receivable—active accounts with respect to which collection efforts have not been terminated—is enormous and is increasing. The total accounts receivable increased from $577 million as of March 31, 1979, to $613.2 million as of December 31, 1980. Educational assistance overpayments represent the largest portion of these VA accounts receivable—$391.5 million. Also, as of December 31, 1980, the VA was owed $23.9 million as a result of education loan defaults. Despite certain legislative and resultant administrative actions, the VA education loan default rate remains alarmingly high—60.8 percent as of September 30, 1980.

As chairman of the Senate Committee on Veterans' Affairs in the 96th Congress, I made dealing with this problem a high priority. The result was the enactment of title VI of H.R. 5288, the Veterans' Rehabilitation and Education Amendments of 1980, on October 17, 1980, as Public Law 96-466. Title VI contains provisions that authorize the VA to disclose to CRA's certain information regarding an individual who has been determined to be indebted to the VA, in order to obtain current address information or consumer reports that the VA would then use to pursue collection procedures and, in certain cases, to affect a debtor's credit rating.

In addition, these title VI provisions remove any time bars that might prevent the VA from taking administrative actions to offset debts against future benefits payments; require the VA to charge interest and administrative costs on delinquent debts; and authorize the VA to use its own attorneys to pursue collection actions in court under the direction and supervision of the Attorney General.

However, if these provisions are to be as effective as possible in facilitating the VA's ability to collect outstanding debts, it is essential that the VA have better and more economical access to current address information.

DEBT-COLLECTION PROVISIONS

Mr. President, the basic purpose of our bill is to facilitate VA debt-collection efforts by providing the VA with a quick and inexpensive way of locating individuals who are indebted to the VA. As I have outlined, provisions of title VI of Public Law 96-466 authorize the VA to disclose information in VA files to CRA's in order to obtain current address information, but the costs to the VA of obtaining such information from CRA's is expensive—$1.80 per name. The cost to the VA of obtaining mailing addresses from the IRS is 11 cents per name. Moreover, there will doubtless be many cases in which the CRA's will not be able to provide current addresses that the IRS would have for particular individuals. Thus, this legislation would give the VA a way of substantially reducing administrative costs in collecting delinquent debts and obtaining current addresses not otherwise available to it for debt-collection purposes.

In this connection, I would note that although the VA is presently authorized to obtain current address information from IRS files under section 6103(m)(2) of the Internal Revenue Code, the VA's use of such addresses is, pursuant to the IRS interpretation of that provision, very limited. The address may be disclosed only to VA employees engaged in debt-collection efforts, and disclosures to non-Federal agencies—even solely for debt-collection purposes—are not made. For example, the VA is not permitted, according to the IRS, to disclose an IRS-provided address to a VA contractor for the purposes of obtaining a consumer report to help evaluate the individual's ability to repay the debt.

However, under current regulations issued pursuant to the FCCA—section 105.5 of title 4, Code of Federal Regulation—the VA must, in referring a debt to the Department of Justice for collection action, provide evidence of the debtor's ability to repay. In addition, it is generally advisable for the VA, before pursuing collection actions itself in court under the authority of Public Law 96-466 and the October 21, 1980, delegation from the Department of Justice, to make an assessment of debtors' abilities to repay in deciding whether to bring suit.

Our bill is intended to alleviate these problems by authorizing the VA to disclose IRS-provided information to a

contractor or CRA in order to obtain information that is necessary for the VA to refer a debt to the Justice Department or to make its own decisions whether to initiate court action. In addition, where an IRS-provided address is not current, this legislation would allow the VA to provide the address to a VA contractor to use—but not disclose—in tracing the debtor through the use of that address.

Our bill would also authorize the VA to disclose IRS-provided addresses to CRA's to the same extent that the VA is authorized in section 3301 of title 38, United States Code, to disclose debtors' names and addresses for the purposes of giving notice of delinquent debts. Provisions of Public Law 96–466 that I have previously described amended section 3301 to authorize the VA to disclose to CRA's the name and address of an individual who has failed to respond to reasonable VA efforts to collect the debt. However, these provisions do not themselves authorize VA disclosure of IRS-provided addresses to CRA's because of the IRS interpretation of section 6103 (m) of the Internal Revenue Code. Under our bill, that disclosure would be authorized but CRA's would not be authorized to make any further disclosure of the IRS-provided addresses disclosed to them by the VA.

Thus, in the use of the authority in our bill for the VA to disclose an IRS-provided address to a CRA for any purpose—including the giving of notice of a delinquent indebtedness in connection with, for example, the CRA's provision of a so-called skip-locator service, whereby the CRA would notify the VA of any information it ever receives regarding a delinquent debtor who cannot be located even at the IRS-provided address—it would be necessary for the VA and the CRA to establish special arrangements to insure that any IRS-provided addresses are specially flagged as such and are not included in any documents or computerized records that the CRA would disclose to third parties.

Mr. President, the FCCA and regulations issued pursuant to it require Federal agencies to refer certain claims to the Department of Justice and the General Accounting Office for collection action. However, section 6103(m)(2) of the Internal Revenue Code does not expressly authorize a Federal employee or officer who has received an IRS-provided address to disclose the address to employees of other Federal agencies—including employees engaged in debt collection activities.

In the absence of such express authority, the VA's current practice, in referring a claim to the Department of Justice of GAO for collection action, is not to include in the referral address information obtained from the IRS even though that address is the most current one in the VA's files. This seems clearly to be an unintended result, and our bill would make clear that the VA may disclose IRS-provided addresses to employees of Federal agencies to which the VA refers a claim for collection under the FCCA for those employees to use in or in preparation for any administrative or judicial proceeding pertaining to the collection or compromise of a claim.

Similarly, although section 6103(m)(2) permits the IRS to disclose the mailing addresses of taxpayers for use by officers and employees of a Federal agency for use "in preparation for" any administrative or judicial proceeding pertaining to the collection or compromise of a claim, it does not expressly authorize the disclosure of such addresses "in" a judicial proceeding pertaining to such a claim. Thus, our bill would make clear that the VA may disclose an IRS-provided address in a judicial proceeding to collect or compromise a claim under the FCCA. This authority would be particularly useful to the VA, in pursuing collection actions in court under the authority of Public Law 96–466 and the October 21, 1980, delegation from the Department of Justice, since it would permit VA attorneys to disclose current address information obtained from the IRS in those proceedings.

VA STUDIES

Mr. President, this legislation would also authorize the IRS to disclose to the VA the mailing address of a taxpayer for purposes of conducting evaluations or studies authorized by section 219 of title 38 or required by other Federal law, and would permit the VA to redisclose the IRS-provided address to a contractor hired by the agency for the specific purpose of—and only of—carrying out such evaluations or studies. Section 219 studies generally involve contacting veterans to determine what VA benefits they have or have not utilized and why they have not utilized some or any benefits, and to elicit information bearing on whether VA programs are accomplishing their intended goals. These studies are generally carried out by agency contractors.

Prior to the Tax Reform Act of 1976—Public Law 94–455—the VA had been using IRS taxpayer-address information to locate veterans in connection with these studies. However, section 6103(m)(2) of the Internal Revenue Code currently limits IRS disclosures of addresses to the VA to those VA employees engaged in debt-collection efforts and prohibits redisclosures to others or the use of the information for nondebt-collection purposes. As a consequence, the VA now has a backlog of statutorily-based studies, which it testified on August 2, 1979, it cannot complete without being able to locate large numbers of veterans for whom it does not have current addresses.

Although the provisions of Public Law 96–466 I described earlier would permit the VA to disclose names and addresses from its files in order to obtain current addresses from CRA's for purposes of conducting these studies, the same issue arises with respect to the unreasonably high cost to the VA of obtaining addresses from CRA's rather than from the IRS.

In addition, under current credit reporting industry practices, a VA inquiry for current address information on an individual would be noted in the CRA's files. Although such a notation would, generally, be made in the CRA's files in such a way as to indicate that it does not reflect adversely on the individual concerned, it is conceivable that some persons unfamiliar with credit reporting industry practices might interpret such a notation as possibly indicating the existence of an indebtedness or as being otherwise adverse. Thus, it would be highly preferable to enact the provisions of our bill in order to authorize the VA to obtain address information from the IRS for purposes of conducting these studies rather than taking any chance, however slight it might be, of harming the individual's credit standing or reputation as a result of a CRA notation of a VA inquiry in the individual's files.

I would also point out that, under our bill, a VA contractor would not be permitted to disclose an IRS-provided address given to it by the VA for study purposes and that any unauthorized disclosure by such a contractor or its employees would be punishable under the penal provisions of the Internal Revenue Code relating to unauthorized disclosures of IRS-return information. Thus, any VA contractor to which an IRS-provided address is disclosed by the VA would have to make special arrangements to insure that such addresses are not disclosed by it or its employees to third parties.

PENAL PROVISION

Consistent with both the existing provisions of the Internal Revenue Code and section 302 of Public Law 96–466, our bill would make the unauthorized disclosure of IRS-provided address a felony punishable by a fine of not more than $5,000 or imprisonment of not more than 5 years, or both, together with the costs of prosecution.

CONCLUSION

Mr. President, I believe that this legislation represents a cost-effective, prudent approach that would be both protective of the legitimate privacy interests of the individuals involved and helpful in enabling the Federal Government to collect the moneys owed to it.

I would also note that I consider this legislation to be part of a continuing effort to work toward a balanced budget—a goal toward which we are striving in order to help cure the Nation's economic ills. Contrasted with other means of achieving that goal, such as cutting Federal programs and benefits, this bill represents a relatively painless approach, and I am thus hopeful that it will receive prompt, favorable action.

Mr. President, I ask unanimous consent that the text of our bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 559

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (m) of section 6103 of the Internal Revenue Code of 1954 is amended by adding at the end the following new paragraphs:

"(5) INDIVIDUALS WHO ARE INDEBTED AS A RESULT OF PARTICIPATION IN VETERANS' ADMINISTRATION PROGRAMS.—Any mailing address disclosed under paragraph (2) of this sub-

section to an officer or employee of the Veterans' Administration may be further disclosed by the Administrator of Veterans' Affairs—

"(A) in a judicial proceeding pertaining to the collection or compromise of a claim under the Federal Claims Collection Act of 1966 (31 U.S.C. 951–53) and regulations prescribed thereunder;

"(B) to employees of Federal agencies to which a claim has been referred by the Administrator of Veterans' Affairs under such Act for their use in or in preparation for any administrative or judicial proceeding pertaining to the collection or compromise of a claim under such Act and such regulations;

"(C) to a contractor of the Veterans' Administration for the purpose of obtaining from such contractor information that (i) pertains to the location of a debtor, or (ii) is necessary for collection or compromise of a claim under such Act and such regulations; or

"(D) to a consumer reporting agency (i) for either such purpose and (ii) to the extent that the Administrator is authorized under the provisions of section 3301 of title 38, United States Code to disclose to such agencies the names and addresses of certain debtors for the purpose of giving notice of certain debts owed to the United States.

"(6) VETERANS' ADMINISTRATION EVALUATIONS AND STUDIES.—

"(A) Upon written request by the Administrator of Veterans' Affairs, the Secretary may disclose to the Administrator the mailing address of any taxpayer for use by officers and employees of the Veterans' Administration for the purpose of conducting evaluations or studies provided for by section 219 of title 38, United States Code, or required by any other provision of law pertaining to the evaluation of veterans' benefits programs.

"(B) Any mailing address disclosed under subparagraph (A) of this paragraph may be further disclosed by the Administrator of Veterans' Affairs to a contractor of the Veterans' Administration for the purpose of conducting an evaluation or study described in subparagraph (A) of this paragraph."

(b) The first sentence of section 7213(a)(2) of such Code is amended by inserting a comma and "(5), or (6)" after "(4)".

By Mr. CRANSTON:

S. 560. A bill to extend the authorization of appropriations for the sudden infant death program under part B of title XI of the Public Health Service Act; to the Committee on Labor and Human Resources.

SUDDEN INFANT DEATH SYNDROME AMENDMENTS OF 1981

Mr. CRANSTON. Mr. President, I am introducing today S. 560, the proposed Sudden Infant Death Syndrome Amendments of 1981, a bill to extend for 3 additional years the authorization of appropriations for the sudden infant death syndrome—SIDS—program in title XI, part B, of the Public Health Service Act which expires at the end of fiscal year 1981.

Mr. President, SIDS, also known as crib death, claims the lives of an estimated 7,000 babies annually. One out of every 500 babies born alive in this country becomes a SIDS victim. SIDS is the leading cause of death for infants between the ages of 1 and 12 months—as much as one-half of all infant deaths occurring between the first month and the end of the first year of life can be attributed to SIDS. But unlike other diseases there is no apparent warning as to when SIDS will strike. These babies die suddenly, quietly, and unexpectedly during what appears to be a normal sleep period. One of the most traumatic characteristics of SIDS is that the infants who fall victim to it are seemingly healthy, normal infants with no obvious or significant sign of disease. The fact that these babies appear normal at the time of death causes extreme suffering and guilt for their parents and surviving family members, leading them to ask, "Why did it have to happen to my baby?" or "What could I have done to prevent it?"

Mr. President, this guilt can be long lasting and it is compounded by the fact that so little is known about SIDS—not only about the causes and the methods of preventing the syndrome, but even the fact that it exists. Because of this lack of information, innocent parents who have experienced the tragedy of a SIDS loss are sometimes accused unjustifiably of child abuse or neglect, and in some cases, parents have been arrested and jailed.

SUDDEN INFANT DEATH SYNDROME PROGRAM

Mr. President, Federal efforts in the area of SIDS essentially began with the enactment in 1974 of the Sudden Infant Death Syndrome Act, Public Law 93–270. The act established three basic programs related to SIDS. First, it directed the Secretary of Health, Education, and Welfare—now Health and Human Services—to establish a program of research specifically related to SIDS through the National Institute of Child Health and Human Development and to provide annual reports to the Congress on the activities and funds devoted to SIDS research. Second, the statute directed the Secretary to carry out a program to develop public information and educational materials related to SIDS for distribution to health professionals, law enforcement personnel, and to the general public. Third, the statute authorized the Secretary to make grants and enter into contracts for the collection of data and information related to the causes of SIDS and for the provision of counseling and information services to the families of SIDS victims.

Mr. President, in 1978, as the chairman of the former Child and Human Development Subcommittee, I chaired hearings on the SIDS program and heard testimony from parents and health professionals on the effectiveness of the Federal efforts in the area of SIDS and on what further steps should be taken. Following those hearings, I authored legislation revising and extending the authorization of appropriations for the SIDS program. This legislation was approved by the Senate, but because of the press of legislation at the close of the 95th Congress, we agreed with the House to a simple 3-year extension of the authorization of appropriations for the SIDS program. In 1979, I reintroduced legislation containing the changes in the SIDS program that had been approved by the Senate in the 95th Congress, and these revisions to the 1974 statute were enacted in 1979 as Public Law 96–142.

Mr. President, I would like to review briefly for my colleagues what has been accomplished under the SIDS program since 1974.

SIDS RESEARCH

Mr. President, prior to the enactment of the SIDS legislation in 1974, little was known about SIDS and minimal research on SIDS was being done at the Federal level. In 1973, the Federal Government spent $603,575 on research directly related to finding the causes of and means to prevent SIDS. Last year, HHS reported in correspondence I will enter into the RECORD at the conclusion of my remarks, that 105 research projects pertaining to SIDS were being supported by Federal grants. This included 38 projects specifically related to SIDS, with funding totaling $5,380,000, and 67 projects concerned with high risk pregnancy and infancy, with funding totaling $14,475,000.

Mr. President, the money put into SIDS research is paying off. Seven years ago SIDS victims were generally believed to be healthy, normal infants with no apparent sign of distress. SIDS deaths were a mystery to the public and medical community alike. Today, as a result of the research that has been carried out under the Federal program, we know a great deal more about SIDS. Although most of the differences go undetected until after death, we now know that SIDS victims are not, in fact, normal, healthy babies. These infants have been found to differ anatomically, histologically, physiologically, and even behaviorally from normal infants. There is documented evidence of breathing difficulties, body temperature control problems, neurological abnormalities, and behavioral differences reflected in activity levels, crying characteristics, and feeding patterns in SIDS victims.

We have also learned much more about when a SIDS tragedy will strike by documenting the characteristics of the SIDS baby, the mother, and the infant's environment. We now know that the highest rate of SIDS is among infants born to mothers who are less than 20 years old. Moreover, the risk for SIDS is almost four times as great for those infants whose mothers received no prenatal care compared to infants whose mothers began prenatal care early in pregnancy.

A higher rate of SIDS has also been observed in infants of mothers who smoke. Investigations have shown that SIDS occurs more frequently between the second and fourth months of life, in premature infants, those of low birth weight, and male infants. We know that SIDS claims its victims more often during normal sleeping hours, more often in the winter, and more often when the infant is recovering from a slight upper respiratory infection. But with all this information, no predictive or diagnostic criteria have yet been developed to identify accurately potential SIDS victims in time to save the lives of these babies.

Mr. President, as I have tried to indicate, in the 7 years since enactment of the SIDS program, much has been accomplished to find ways to identify and prevent SIDS, and I firmly believe that within the next few years these efforts will lead to a reduction in the num-

ber of SIDS deaths. But much remains to be accomplished. The medical research that has been carried out as a result of the Federal program has produced promising leads for further exploration. The legislation I am introducing today to extend the SIDS program for another 3 years is necessary to insure that the progress we have made in the past 7 years is not lost but rather is constructively and productively built upon.

COUNSELING, INFORMATION, AND EDUCATIONAL PROGRAMS

Mr. President, prior to the passage of the 1974 SIDS legislation, virtually no efforts existed on the Federal level to assist in providing information and counseling services to families who had lost a child to SIDS or to educate health professionals who were to help these families. As I indicated previously, since so little was known in the past about SIDS, the parents of SIDS victims have faced the additional grief of not knowing why their baby died and in some circumstances have even been subjected to criminal investigations.

The SIDS counseling and information program presently consists of 42 projects covering entirely 34 States, the District of Columbia, and parts of two other States. The primary objective of these projects is to deliver humane and compassionate counseling and information services to families whose infants have died suddenly and unexpectedly as well as to educate those persons who may encounter bereaved families—such as police and fire officials and hospital workers—about the problem of SIDS and its effect on the survivors so as to provide more effective means to assist these families through their crises.

Mr. President, I am sure that each of my colleagues can appreciate how extremely important it is to the parents of IDS victims to know what condition caused their child to die. In a soon to be released GAO report on the SIDS program, families GAO contacted overwhelmingly indicated that the information aspect of the SIDS program was helpful to them in dealing with the death of their infant, and were reassured to know that a program such as the SIDS program existed and was available to help them.

Mr. President, these SIDS counseling and information projects have had an impact beyond dealing with individual families and professionals in contact with SIDS victims. Testimony at hearings I chaired of the former Child and Human Development Subcommittee indicated that the percentage of infants autopsied in States with SIDS projects was dramatically higher than in States without these projects. Until recently, only a small number of infants who died suddenly and unexpectedly were autopsied to confirm the cause of death and to learn more about the conditions contributing to the tragic event. These investigations are essential to contributing the data necessary to understand SIDS.

THE 1979 AMENDMENTS

Mr. President, as I indicated, in 1979 legislation I authored was enacted making certain changes in the SIDS program. These changes included strengthening the administration of the SIDS program through designation of an administrative unit to carry out the program, improving the distribution of informational materials by establishing an information clearinghouse, improving reporting requirements for SIDS projects, emphasizing the participation of voluntary groups in SIDS projects, conducting a study of State death investigation systems, and strengthening the reporting requirements to the Congress with respect to both the research program and the counseling and education projects.

The 1979 legislation specifically required HHS to develop a plan to extend counseling and information projects to all 50 States and the District of Columbia by July of 1980 and to the territories and possessions of the United States by July of 1981. Unfortunately, because there has not been any increase in funding levels for the SIDS counseling and education program in the past several years, projects have not been established in all of the States. As of October 1, 1980, 14 States, parts of 2 States, and the possessions and territories were not covered by a SIDS program grantee. However, Mr. President, progress has been made to extend the SIDS program to the unserved areas: 9 of the 14 currently unserved States have requested applications for 1981 and the programs in the 2 partially covered States are being expanded in 1981 to become statewide programs. Furthermore, four other States have agreed to participate in the Federal SIDS reporting system and appear to have some components of a SIDS program in place already.

In response to the oversight activities of the Child and Human Development Subcommittee in the last Congress, HHS has in the past year advised me in correspondence I will enter into the RECORD, at the conclusion of my remarks, that substantial progress has been made in implementing the other provisions of the 1979 amendments. I am hopeful that these changes—aimed primarily at strengthening the administrative aspects of the SIDS program, will serve to enhance the effectiveness of this program.

GAO REPORT

Mr. President, as I indicated, the GAO will soon be releasing a report on its review of the SIDS program. This review was in response to a request from myself, the chairman of the Senate Appropriations Committee, and the chairman of the House Subcommittee on Health and the Environment of the Committee on Interstate and Foreign Commerce, in anticipation of the reauthorization of the SIDS program this year, and I will enter that correspondence into the RECORD at the conclusion of my remarks. Overall, the GAO found that these programs were useful, but found areas where improvements were needed in administration. HHS indicated in its response to the GAO report that corrective action was being undertaken in these areas. The oversight subcommittees will undoubtedly want to continue monitoring of the implementation of these corrective actions and the 1979 amendments as well as maintaining close communication with the voluntary SIDS organizations who have expressed concerns about various aspects of the SIDS programs.

Mr. President, I want to comment briefly on one recommendation GAO made in its report. The GAO recommended that Congress consider consolidating the SIDS information and counseling program with the maternal and child health program authorized under title V of the Social Security Act. The GAO suggested that such a consolidation might facilitate the expansion of the SIDS programs into the presently unserved States, improve management of the program, and insure that certain services are provided more consistently throughout the country. I think that the Congress will need to examine this proposal closely and consider whether such a consolidation might jeopardize the public's and scientific community's focus on SIDS, particularly the research aspects of the existing SIDS program. Although SIDS research is the direct responsibility of the National Institute on Child Health and Human Development—NICHD—much of the progress made in SIDS research in recent years has resulted from the increased SIDS death information and data arising from the information and counseling program. The SIDS program office and NICHD work together to coordinate their activities in collecting SIDS epidemiological data and providing information to the public and scientific community.

Mr. President, careful consideration must be given to whether consolidation of the SIDS program with the title V programs would at this point disrupt the flow of information between the SIDS projects and NICHD researchers and otherwise jeopardize the progress that has been made in finding causes of and means to prevent SIDS. There are a number of questions—for example, what levels of activities and resources might title V agencies be required to devote to SIDS efforts and what effects would consolidation of the two programs have on the involvement of voluntary groups—which need to be thoroughly discussed before any decisions are made on such a consolidation.

AUTHORIZATION OF APPROPRIATIONS

Mr. President, the legislation I am introducing today would extend the authorization of appropriations for the SIDS programs for an additional 3 years at the level of $7 million authorized for fiscal year 1981. The present authorization level is clearly more than adequate to complete expansion of the SIDS projects to the unserved States and territories. The problem has been that the appropriations level has remained at a standstill since fiscal year 1978. President Carter's 1982 proposed budget increases funding for the SIDS program to $3,065,000—an increase of $265,000. This is a cost-of-living increase that will allow the program to continue operating at its 1981 level. Without an adequate increase in appropriations, projects cannot be started in the unserved States without diverting funds from existing projects.

CONCLUSION

Mr. President, since this program was enacted in 1974, tremendous progress has been made in finding answers to the SIDS tragedy. We must carry forward this effort on behalf of the thousands of infants who die each year because of SIDS and with the hope that we will find a way to prevent some or all of these tragedies in the future.

I ask unanimous consent that the text of S. 560 be printed in the RECORD at this point followed by correspondence regarding oversight carried out by the Child and Human Development Subcommittee with respect to SIDS research and project activities.

There being no objection, the bill and correspondence were ordered to be printed in the RECORD, as follows:

S. 560

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Sudden Infant Death Syndrome Amendments of 1981".

SEC. 2. Section 1121(d)(1) of the Public Health Service Act (42 U.S.C. 300c–11(d)(1) is amended by inserting before the period "and for each of the three succeeding fiscal years".

THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE,
Washington, D.C., April 11, 1980.

Hon. HARRISON A. WILLIAMS, Jr.,
Chairman, Committee on Labor and Human Resources, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: It is my pleasure to transmit to you the first Sudden Infant Death Syndrome (SIDS) Research Program Report as required by Section 1122(b)(1) of the Public Health Service Act and amended by Title II of P.L. 96–142.

The legislation requires an annual report about the SIDS research program of the National Institute of Child Health and Human Development (NICHD). The report is to include: the number of applications for grants and contracts approved by the Secretary and amounts funded for research specifically and generally on SIDS, the relationship of high-risk pregnancy and high-risk infancy research to SIDS, a summary of intramural and extramural research findings and a plan for taking advantage of these findings, and an estimate of the need for additional funds for the next five years for research activities.

The Fiscal Year 1979 Report highlights recent activities and accomplishments of the Program, which presently supports 105 research projects pertaining to SIDS. Also included are plans for application of research findings to the delivery of maternal and infant health services and projected budgetary needs. The estimated cost for preparing the Report this year is $1,175.

Sincerely yours,

PATRICIA ROBERTS HARRIS.

[Enclosure]

TABLE 1.—NICHD SIDS RESEARCH GRANTS AND CONTRACTS' FISCAL YEAR 1979

	Projects (number)	Funds (thousands)
Specifically related:		
Approved	44	$5,595
Funded	38	4,912
Generally related:		
Approved	90	8,001
Funded	67	6,204

The FY 79 research grants and contracts identified in Table I as "generally related" are those concerned with high-risk infancy. High-risk pregnancy research related to SIDS will be shown in the FY 1980 report and reported as a separate category. It should be noted that the possible relationship of high-risk pregnancy to SIDS has only recently been recognized. Thus, the institute's previous special reports on SIDS-related research have included only research on high-risk infancy.

The Institute's estimates of funding levels for the next five fiscal years for grant and contract support for SIDS research follow:

Fiscal year 1980	$11,200,000
Fiscal year 1981	11,600,000
Fiscal year 1982	14,600,000
Fiscal year 1983	16,800,000
Fiscal year 1984	19,000,000

The Institute's estimates of funding levels for the next five fiscal years for grant and contract support for high-risk pregnancy research that is generally related to SIDS follow:

Fiscal year 1980	$8,400,000
Fiscal year 1981	8,700,000
Fiscal year 1982	11,000,000
Fiscal year 1983	12,700,000
Fiscal year 1984	14,400,000

For fiscal years 1980 and 1981 the above estimates are consistent with current appropriation and President's Budget levels. The estimates for fiscal years 1982–1984 represent the professional judgment of the Institute. Final budget figures for these years will be determined after consideration of competing priorities within the National Institutes of Health, the Department of Health and Human Services, and the Office of Management and Budget.

FISCAL YEAR 1979 REPORT TO CONGRESS ON SUDDEN INFANT DEATH SYNDROME RESEARCH PROGRAM OF THE NATIONAL INSTITUTE OF CHILD HEALTH AND HUMAN DEVELOPMENT

SUDDEN INFANT DEATH SYNDROME AMENDMENTS OF 1979 (PUBLIC LAW 96–142)

The sudden infant death syndrome (SIDS), also referred to as crib death, sudden unexplained death, and sudden death in infancy, is defined as the sudden death of any infant or young child that is unexpected by history and where the death remains inexplicable after performance of an adequate postmortem examination. It is a worldwide public health problem and the leading cause of death between the ages of 1 and 12 months, with an incidence rate in the United States estimated at 2 per 1,000 live births. Each year in this country between 6,000 and 7,000 infants, predominantly between the ages of one and six months, die suddenly, quietly, and unexpectedly during what is considered a normal sleep period.

The National Institute of Child Health and Human Development (NICHD) of the National Institutes of Health has primary Federal responsibility for research on the sudden infant death syndrome. Program objectives are to expand the base of knowledge; to understand the causes and underlying mechanisms of the syndrome; to identify infants at risk for becoming victims; to determine the relationship between a "near-miss event" and SIDS; to explore preventive approaches; to ascertain the epidemiologic characteristics of the SIDS victim, the SIDS family, and the victim's environment, both intrauterine and extrauterine; to clarify the relationship between high-risk pregnancy, high-risk infancy and SIDS; to search for SIDS specific lesions; and to elucidate the psychological impact of a sudden and unexpected infant death on parents, siblings, and the extended family.

The Institute's SIDS research program encompasses biologic, epidemiologic, pathologic, and behavioral considerations. Its nine research emphasis areas include developmental neurophysiology, autonomic disturbances and sleep state; respiratory, laryngeal, and cardiac functions in response to stimuli; metabolic and endocrine functions; immunology and infection; genetic factors; environmental influences; epidemiology; anatomic pathology; and the behavioral facets of the problem.

Disciplines and fields of study are numerous, including obstetrics, perinatology, pediatrics, pathology, embryology, fetology, cardiology, respiratory physiology, otolaryngology, developmental neurophysiology, sleep physiology, genetics, biochemistry, immunology, virology, infectious diseases, environmental biology, epidemiology, biometry, bioengineering, psychology, sociology, nursing, psychiatry, mental health counseling, and bereavement.

NICHD SIDS FUNDING

In Fiscal Year 1979, the NICHD obligated $11,116,226 to support 105 research projects pertaining to SIDS. This report summarizes the major research findings of these projects. Data relevant to the number of applications approved and funded by the Secretary in fiscal year 1979 for grants and contracts "specifically related" and "generally related" to the sudden infant death syndrome are shown in Table I.

THE NICHD RESEARCH PROGRAM ON SIDS

As a result of Institute supported research during the past seven years, there has evolved increasing evidence that the victims of SIDS are not completely healthy infants before death, and further that "as a group" these infants are different anatomically, histologically, physiologically, and even behaviorally from "normal." There is documented evidence of postnatal growth retardation, chronic hypoxemia, breathing difficulties, neurological abnormalities, body temperature control problems, a variety of minor illnesses two weeks before death, and behavioral differences as reflected in activity levels, cry characteristics, and feeding patterns. This is a significant change in current understanding of SIDS, since just a few years ago SIDS babies were assumed to be in no way abnormal before death. However, although anatomic, histologic, physiologic, and behavioral differences between groups of infants have been described, no single predictive or diagnostic criterion exists to accurately identify the infant likely to become a SIDS victim or to identify SIDS specific lesions at autopsy.

Significant progress has been made in documenting the characteristics of the SIDS baby, the victim's mother, and their environments. In the majority of cases, the SIDS baby is reported to be well-nourished, well-developed, and to have been in good health before death. There may be evidence of a slight cold or stuffy nose which is usually of such a minor degree that medical advice is not sought. The peak incidence of SIDS is consistently found, wherever it occurs, to be between the second and fourth month of life. The risk is higher for babies who have had recent upper respiratory infections, for males, for black babies, for low-birth-weight infants, and for infants whose gestational ages at birth were between 34 and 35 weeks.

It is also known that the highest rate of SIDS is among infants born to mothers less than 20 years old; the older the mother the lower the risk of sudden death for her baby. Moreover, the risk for crib death may be four times as great for those infants whose mothers received no prenatal care in comparison with infants whose mothers began prenatal care early in pregnancy. A higher rate of SIDS occurrence has been observed in infants of mothers who smoke.

Results from recently supported studies which examined physiologic variables in infants at increased epidemiologic risk for SIDS

(siblings of SIDS victims, twins, "near miss" infants) showed consistent physiologic differences from infants at low epidemiologic risk (normal, full-term infants with no maternal history of pregnancy complications). These differences included longer periods of quiet sleep (non-rapid eye movement or non-REM), intermittent periods of cessation of breathing (sleep apnea), increased heart rate, and a more rapid respiratory rate. The differences observed are compatible with the hypothesis that an important predisposing factor for a SIDS event is exposure of the infant to intermittent or chronic hypoxia.

A major effort is being undertaken by the Institute through support of a large multidisciplinary SIDS Major Research Program (MRP) grant. These investigators are examining several current etiologic hypotheses with a view to identifying for each of them a SIDS risk marker. Biochemical and immunological studies are underway on a large number of pregnant women who are followed prospectively through pregnancy, labor and delivery, and the postpartum period with newborn evaluations and risk profile scores being obtained on all infants. In addition, apparently healthy newborn infants are being examined during the early weeks of life for evidence of sleep apnea. Those infants with documented sleep apnea are studied closely during the first six months of life in search for clues relating sleep apnea to SIDS. The effectiveness of electronic monitoring of infant respiration in the home and the impact of the nuclear family of a SIDS death are also being investigated. Results of these studies will be available when specific goals are achieved.

The NICHD Cooperative Epidemiologic Study of SIDS Risk Factors, begun in FY 1978, is progressing satisfactorily. The Study involved six data study centers located in New York City, upstate New York, Chicago, St. Louis, northern California, and Seattle; a data coordinating center at the University of Washington in Seattle; and a pathology coordinating laboratory in the Medical Examiner's Office in San Francisco. The objectives of this study are (1) to identify from a broad array of infant, maternal, environmental, and medical care variables, risk factors associated with the sudden infant death syndrome and (2) to develop, based on the data obtained, a risk prediction scheme that will identify infants during the early weeks of life who are at high risk for succumbing to SIDS.

Selection of subjects for the study was completed December 31, 1979 following 15 months of acquisition of a study population of approximately 800 SIDS cases and 1,600 control cases. During 1980, entry of all information for patients enrolled in the study will be completed and analysis of data begun. A final report in the form of a monograph should be ready for publication by late 1982.

During FY 79, a number of infants in Tennessee died suddenly and unexpectedly within 24 hours following inoculation with a specific lot of diphtheria-tetanus-pertussis (DTP) vaccine. These deaths were attributed to SIDS. Data from the NICHD Cooperative Epidemiologic Study of SIDS Risk Factors specifically concerned with the occurrence of DTP vaccination and SIDS were invaluable in allowing the Center for Disease Control and the Bureau of Biologics, Food and Drug Administration, to analyze the frequency of occurrence of sudden unexplained infant death following DTP inoculation reported by the health authorities in Tennessee. There was no evidence from the data available of a positive correlation between DTP vaccination and SIDS, but surveillance for a possible association continues. It is planned that when the NICHD Cooperative Epidemiologic Study of SIDS Risks Factors is completed, data from the NICHD study, the Center for Disease Control, and the Bureau of Biologics will be evaluated to determine if a significant relationship exists between DTP inoculation and sudden unexpected infant death.

The Institute is also supporting two contracts concerned with the study of cardiorespiratory and neurophysiologic factors that may be useful as markers for identifying infants at risk for SIDS. Other projects grants specifically related to SIDS address a variety of developmental and functional issues pertaining to the syndrome. For example, one study aims to define the chemo reflexes for apnea and swallowing and to determine whether these reflexes relate to recurrent apnea of prematurity, SIDS, and neonatal aspiration syndromes. Another study is investigating the relationship between infant botulism and SIDS, while the objective of a third project is to determine whether SIDS can occur because of sequential infection by related viral vectors. Using the rat as an experimental model, an Institute supported investigator aims to determine whether mild hypoxia, repeatedly experienced, can alter the development of neuronal tissue in three brain stem regions which affect the upper respiratory tract, anatomic control, and rapid eye movement sleep.

Identifying and understanding the underlying mechanisms of the syndrome should provide the basis for development of effective approaches to prevention. The NICHD will continue to provide support for studies pertaining to SIDS that involve the disciplines of neurophysiology cardiovascular physiology, respiratory physiology, pathology, immunology, biochemistry, developmental biology, epidemiology, obstetrics, and pediatrics.

RELATIONSHIP OF HIGH-RISK PREGNANCY AND HIGH-RISK INFANCY RESEARCH TO SIDS

A decade ago SIDS was recognized as an isolated event, the tragic and sudden death of a healthy infant. No consideration was given to a possible association between SIDS and material health during pregnancy, fetal development, or newborn well being. Intensive and systematic research initiated over the years has looked into possible mechanisms responsible for these unexplained deaths. Examination of factors closely associated with these sudden deaths has led to the realization that some victims had an immature coordination of vital functions and probably could not adjust under minor stressful situations such as common colds, fluctuations in environmental temperature, or sleep deprivation. It has become clearer that SIDS, or the sudden and unexpected death of an infant two to four months after birth, is in some instances the result of events that occurred, or did not occur, some months earlier in the intrauterine environment or in the early weeks of extrauterine life. There is now suggestive evidence that in some SIDS victims conditions associated with high-risk pregnancy and high-risk infancy can be contributing factors.

The National Institute of Neurological and Communicative Disorders and Stroke's Collaborative Perinatal Study, a prospective study following more than 59,000 pregnancies, has revealed that future SIDS victims showed evidence of neonatal brain dysfunction and a variety of neurological defects, with abnormalities in respiration, feeding, and temperature regulation. These infants also were mildly underweight for gestational age and showed other evidence of growth retardation. The frequency of smoking was greater among the mothers of SIDS victims in contrast to the other pregnant women in the sample. Mothers of the SIDS victims also had a greater incidence of amniotic fluid infection, anemia, and proteinuria. The data obtained provided supportive evidence for a primary relationship between pregnancy events, neonatal health status, and SIDS.

In general, a greater number of low-birth weight babies are the result of high-risk pregnancies, and morbidity and mortality among this group of infants are high. Ongoing research on high-risk pregnancy is helping to delineate the material factors governing normal and abnormal fetal and neonatal growth and development and the regulatory processes responsible for the integration of maturing vital functions such as respiration, circulation, and sleep. Other studies are concerned with clarifying how stress affects the maternal endocrine system. fetal maturation, and uterine blood flow, and its possible interference with an adequate supply of nutrients and oxygen to the fetus.

For some SIDS victims there is documented evidence that while the mother's pregnancy was uneventful, the health condition of the infant during the early weeks of life was high-risk. For example, the infant might have been born prematurely or of low-birthweight and needed a longer period of hospitalization following birth, had breathing difficulties or respiratory distress syndrome and required oxygen, or had problems in temperature regulation and needed a warmed environment.

A number of NICHD supported investigations are directed at unraveling the mysteries of what begins the process of labor and how premature labor may be prevented. Other studies are concerned with the processes and problems of adaptation to the extrauterine environment, for example, how the growth retarded fetus and infant respond to acute stress such as chilling or hypoglycemia.

When the factors capable of modifying the pattern of maturation of the fetus and newborn infant, or those curtailing the "adaptability margin" to stress of vital physiological functions are understood, uncovering the mechanisms responsible for SIDS should be possible. In turn, the development of appropriate strategies for the prevention of some SIDS cases could be undertaken.

PLANS FOR TECHNOLOGY TRANSFER

An important consideration in carrying out the research program pertaining to the sudden infant death syndrome is how new knowledge obtained will become incorporated into the health care delivery system. A natural conduit at the Federal level exists because of the cooperative and collaborative relationship that has been established between the National Institute of Child Health and Human Development of the National Institutes of Health, and the Office of Maternal and Child Health in the Bureau of Community Health Services, Health Services Administration. Staff of the NICHD report annually to staff members of the SIDS Program in the Office of Maternal and Child Health, and also to the operating personnel of the SIDS Counseling and Information Centers at a national meeting, providing them with information about the latest research advances pertaining to SIDS.

The NICHD develops, in collaboration with national organizations of medical practitioners, such as the American Academy of Pediatrics, and the American College of Obstreticians and Gynecologists, reports of research findings and their implications for clinical practice. Through its Office of Research Reporting, the NICHD makes new information about SIDS and high-risk pregnancy and high-risk infancy available to practicing physicians through published summaries in medical periodicals such as the Pediatric Annals and the Journal of the American Medical Association. A symposium entitled, "Physiological and Developmental Factors Associated with Risk for the Sudden Infant Death Syndrome" was jointly supported by

the NICHD and the American Academy of Pediatrics during the 1979 annual meeting of the Academy.

Data obtained under the auspices of the NICHD Cooperative Epidemiologic Study of SIDS Risk Factors should improve our ability to identify infants at risk for SIDS and may provide new clues to effective preventive approaches. Results from this NICHD study will be shared with State Health Departments and personnel of the SIDS Counseling and Information Centers as well as practicing physicians and visiting nurses.

Hon. PATRICIA ROBERTS HARRIS,
Secretary of Health, Education, and Welfare, Washington, D.C.

DEAR PAT, as the author of Public Law 96-142, title II of which amended part B of title XI of the Public Health Service Act, Sudden Infant Death Syndrome, I am writing with respect to the implementation of a number of the new provisions in that part.

1. Revised section 1121(a)(1) requires that the part B programs be administered through an identifiable administrative unit under the supervision of the Assistant Secretary for Health.

The report accompanying the Senate-passed bill makes it clear that there is no Congressional intent to bring about removal of the SIDS program from the Office of Maternal and Child Health. Rather, the intent is that a unit be designated as the focal point for the assignment of staff with primary responsibility for the SIDS program. The amendment calls for you to provide that unit with such full-time professional and clerical staff and with the services of such consultants and management and supporting staff "as may be necessary for it to carry out such functions effectively".

I would appreciate your notifying me of the actions you have taken to carry out these provisions.

2. New section 1121(a)(2) calls for the development and implementation of a system for the periodic reporting to the Department and dissemination by the Department of information collected by SIDS information and counseling projects. It further calls for the establishment of coordinated clearinghouse activities on SIDS and authorizes you to enter into contracts to carry out these clearinghouse activities. Again, I would appreciate your advising me of the actions you have taken and the timetable for future actions to carry out these provisions.

3. Revised section 1121(b) makes certain modifications relating to grants for information and counseling programs. These changes include specifying that information collected from the projects should cover other appropriate aspects, not just the causes of SIDS. In addition, it is specified that community representation on the projects is to include the appropriate involvement of voluntary groups with a demonstrated interest in SIDS. Amendments to this subsection also specify that the reporting requirements for the projects must include data that will assist in carrying out the information collection and dissemination activities newly authorized in subsection 1121(a)(2).

I would appreciate your advising me of steps you have taken to notify current grantees and potential grantees of the new conditions required of them, any other actions taken and the timetable for future actions to apply these new conditions.

4. Public Law 96-142, in addition, calls for the submission of four reports to Congress.

One report, required by new section 1121(c), due February 1 of each year, is a comprehensive report on the administration of part B of title XI and is to include a report on the funds and positions allocated for personnel, in addition to a report on the results of the activities supported under part B. The report, in addition, is to set forth a plan to extend SIDS counseling and information services to the fifty states and the District of Columbia by July 1, 1980, and to extend counseling and information services to all possessions and territories of the United States by July 1, 1981.

The second report, a renewal—with some additional requirements—of an annual report previously required by Public Law 93-270, is due ninety days after the close of each fiscal year, and is to provide information on the numbers of approved applications for grants and contracts for research relating specifically to SIDS, and the number of approved applications for grants and contracts relating generally to SIDS. In addition, the report is to provide information on the number of grants and the amount of funds awarded under such grants and contracts.

The third report, due within five days after the President transmits his budget to Congress, requires an estimate of the amounts requested for the National Institutes of Health or research relating specifically and generally to SIDS and a comparison of those amounts in each category with the amounts requested for the preceding fiscal year.

It is most unfortunate that each of these reports is now overdue, especially since it was known by the operational units in the Department, well in advance of the December 12, 1979, enactment date of Public Law 96-142 that these types of reports would be required. The information in these reports is designed to be of use to Congress in developing the fiscal year 1981 budget, and I would appreciate receipt of these outstanding reports immediately. Please also provide a description of the processes developed to assure timely submission of these reports in the future.

The fourth report, due December 31, 1980, is to include the results of a study on state laws, practices, and systems relating to death investigations and their impact on sudden and unexplained infant deaths, and the results of a study of any appropriate means (such as model state laws) for improving the quality, frequency and uniformity of post mortem examinations in the case of sudden and unexplained infant deaths. In addition, the report is to include recommendations as to any appropriate actions by the Department with respect to the conduct of post mortem investigations, including a report on the desirability and feasibility of establishing pilot projects for centralized post mortem and specimen examination systems on a statewide or regional basis.

Please provide me with your plans for the conduct of the underlying study and timely submission of this report. The due date for this report was set so that the information in it will be available in connection with consideration for renewal of title XI, part B, in early 1981.

I appreciate your continuing cooperation with the Subcommittee and look forward to hearing from you at your earliest convenience.

Cordially,

ALAN CRANSTON,
Chairman, Subcommittee on Child and Human Development.

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
Washington, D.C., April 16, 1980.

Hon. ALAN CRANSTON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CRANSTON: Thank you for your letter of March 13, 1980 to the Secretary requesting information on implementation of the SIDS Amendments Act of 1979 (P.L. 96-142, Title 2, Part B). The attached report provides detailed responses to each of the issues raised in your letter.

I want to assure you that the Department will implement the SIDS Amendments to the fullest extent possible and also, as pointed out in the attached report, assure the timely submission of future reports to the Congress.

Sincerely yours,

JULIUS B. RICHMOND, M.D.,
Assistant Secretary for Health and Surgeon General.

SUDDEN INFANT DEATH SYNDROME (SIDS) PROGRAM STATUS REPORT

1. Identifiable Administrative Unit.—

The Sudden Infant Death Syndrome (SIDS) Program Office has been established in the Office for Maternal and Child Health (OMCH), Bureau of Community Health Services (BCHS), Health Services Administration (HSA), Public Health Service (PHS), Department of Health and Human Services (DHHS). Staff positions for the Program are as follows:

(1) Geraldine J. Norris, R.N., M.S., Director, SIDS Program, Public Health Analyst, GS-685-14.

(2) Carol J. Bohannon, M.A., Consultant, SIDS Program, Public Health Analyst, GS-685-12.

(3) Vacant, Staff Assistant, SIDS Program, Staff Assistant, GS-301-9.

(4) Connie Ecton, Secretary, SIDS Program, Secretary, GS-318-5.

In addition, two staff year equivalents of program support are contributed from a variety of functional areas within the BCHS, HSA, and other levels of the PHS.

2. Coordinated Clearinghouse Activities on SIDS.—

We are in the process of establishing a SIDS Clearinghouse. The activities of the Clearinghouse will include developing mailing lists of public health and education institutions, professional organizations, voluntary groups with a demonstrated interest in SIDS and other groups or individuals; collecting and disseminating information pertaining to SIDS and related data such as death investigation systems, personnel training, biomedical research activities and information on the utilization and availability of treatment or prevention procedures and techniques; publishing and disseminating newsletters periodically; distributing and maintaining SIDS films, other audiovisual and printed materials; and answering routine inquiries for SIDS literature.

We attempted to negotiate a contract for the SIDS Clearinghouse in fiscal year 1979. In April 1979 activities were initiated for this procurement as a Total Small Business Set-Aside. Objections to this procurement were made by the National Sudden Infant Death Syndrome Foundation, Inc. (NSIDSF) which resulted in cancellation of the procurement during fiscal year 1979.

Plans to proceed with the Clearinghouse procurement were reinitiated in October 1979. Proposals were sought pursuant to Section 8(a) of the Small Business Act. At the direction of the Small Business Administration (SBA), the procurement was solicited from one firm which they identified. The Technical Review Panel judged the proposal to be unacceptable, and the SBA was so notified. SBA now has consented for the contracting office to invite proposals from three additional 8(a) firms. We do not anticipate any further problems and expect that the Clearinghouse will become operational when the contract is awarded this summer.

3. Revision in Grant Requirements for Information Collection from Grantees.—

The annual progress report required of each project grantee must include several items of information about SIDS, including

demographic, epidemiological and therapeutic management data. (Rules and Regulations, Title 42, Chapter 1, Part 51a, Subpart E, Section 51a.505 and 51a.514.) These requirements are defined in the instructions for preparing a SIDS grant application and the material is submitted in tabular and narrative form. In June 1980, we plan to ask the project sponsors to review the data requirements and to recommend additions, changes or deletions. These recommendations, along with the findings and recommendations derived from the SIDS project evaluation contract, will be used to revise the data collection requirements. Clearance from the Office of Management and Budget will be needed before implementing the comprehensive and uniform reporting system.

Involvement of Voluntary Groups with Project Grantees.—

Involvement of voluntary groups with a demonstrated interest in SIDS always has been required of the SIDS projects (Rules and Regulations, Title 42, Chapter 1, Part 51a, Subpart E, Section 51a.506). Wide variation in the effectiveness of their involvement with the projects has been noted. Several steps have been taken to insure project compliance with these regulations. For example the bylaws, committee membership rosters, and minutes of meetings are reviewed annually. If weaknesses are identified, technical assistance and consultation are made available to the project and the council to correct the situation. Members of the Project Community Council and/or SIDS parents always are included in each site visit as a means of monitoring and assessing their working relationships with the project staff. As a part of the SIDS project evaluation contract, these relationships are being evaluated and recommendations for improvement are expected.

Fiscal year 1981 plans for the SIDS Program include the provision of intense consultation and training for staff and Project Community Council members of each project in order to explore and institute affirmative means for improving the effectiveness of this crucial working relationship.

All project sponsors were notified in writing of the passage of the SIDS Amendments Act of 1979. In addition, verbal discussions regarding the Amendments have been held individually with project staff members, as well as many concerned individuals from interested agencies, organizations, and private citizens. This legislation and its implications will be discussed at the National SIDS Conference scheduled for June 1980. Further clarification and direction will be provided at the Conference.

4. Reports to Congress.—

The new report required by section 1121 (c), calling for a comprehensive report on the administration of the SIDS program, is in preparation. The report should be ready for submission to Congress by the middle of June, 1980. Because of difficulties experienced in collecting the necessary data, the Secretary on February 25 notified the Congress that the report would be delayed. We have established new procedures for processing this report and future reports should be submitted to the Congress by the February 1 due date.

The second report, required by Section 1122 (b) (1) regarding the number of applications for research grants and contracts relating both generally and specifically to Sudden Infant Death Syndrome, has been prepared by the National Institute for Child Health and Human Development. This report is in the final clearance process and should be submitted to the Congress within the next two weeks.

The third report, Section 1122(c) comparing the 1981 budget request with the 1980 program level, has also been prepared. This report is also in final clearance and should be submitted within the next two weeks.

Both of these reports will be submitted to the Congress by the due date in future years.

The fourth report, Section 1122(c) (2) due December 31, 1980 will be prepared under contract authority. The report will include the results of a study on death investigation systems, their impact, and recommendations for improvements. The contract request was approved on December 14, 1979 and the closing date for receipt of proposals was March 21, 1980.

Because this is the first time such an extensive qualitative study of death investigation systems in this country has been conducted, we have endeavored to design a study that will result in meaningful and useful findings upon which sound recommendations can be based. The complexity of the report will require several months of study. Site visits must be made to counties in states which have different types of death investigation systems and determinations must be made of the impact of these systems on families. It is estimated that this study will require a minimum of 10 months to complete. A shorter contract period would not allow the in-depth analysis needed to provide the necessary information. Every effort will be made to complete this study in an orderly and responsible manner and a full report will be submitted to Congress by early summer of 1981.

COMMITTEE ON LABOR AND HUMAN RESOURCES,
Washington, D.C., June 10, 1980.

Dr. JULIUS B. RICHMOND,
Assistant Secretary for Health and Surgeon General, Department of Health and Human Services, Washington, D.C.

DEAR JULIE: Thank you so much for your letter of April 16 and your very complete reply to the questions raised in my letter of March 13 to the Secretary regarding the Sudden Infant Death Syndrome program.

I deeply appreciate your responsiveness to the Committee's concerns and your commitment to ensure that future reports will be submitted on the dates due. As I pointed out, their timely submission enables the Committee to develop legislation within the Budget Act timetables with the information in hand that is necessary for appropriate action. In this regard, the information called for in the report on the Death Investigations Systems due December, 1980, will be very important in Committee consideration which must be completed by May 15, 1981, in connection with extending SIDS authorizations of appropriations. Your letter indicates that the report will not be ready for submission to Congress until the Summer of 1981. I can understand that the complexity of the information gathered may require more time to evaluate than is allowed by the December 1980 due date; however, I would appreciate your reviewing the feasibility of the Department submitting an informal interim report to the Committee in December 1980 so that a determination could be made at that time of any need for Committee action in 1981. Please let me know if such a procedure would be possible.

I am very appreciative of the Department's submission on April 24 of the report required by section 1122(c) of the Public Health Service Act, relating to the amounts requested for the National Institute of Child Health and Human Development and other Institutes of the National Institutes of Health for research relating to sudden infant death syndrome. Although the information submitted was helpful, it does not entirely comply with the report requirements of section 1122(c). That section calls for a breakdown of the total amount requested showing (1) the amount requested for research relating specifically to sudden infant death syndrome and (2) the amount requested relating generally to sudden infant death syndrome.

Officials of NICHD were very cooperative in providing this breakdown to a member of the Congress by the due date in future telephoned request; however, I believe it would be helpful if the report could be resubmitted to the committee chairmen showing the breakdown by research specifically related to SIDS and research generally related to SIDS, so that there will be an official report made in compliance with the statutory requirements.

Cordially,

ALAN CRANSTON,
Chairman, Child and Human Development Subcommittee.

DEPARTMENT OF HEALTH AND HUMAN SERVICES,
Washington, D.C., July 8, 1980.

The Honorable ALAN CRANSTON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CRANSTON: Thank you for your letter of June 10 requesting additional information on the Sudden Infant Death Syndrome (SIDS) program relating to the amount of funds requested for the SIDS programs and the feasibility of providing an interim report on the Death Investigations Study.

The report on the amounts requested for the SIDS program is enclosed. This information agrees wth that previously provided to you by NICHD.

The contract for the Death Investigations Study was awarded at the end of June. This is a complex study and the contract is designed to cover a 10-month effort. The contractor will be required to provide status reports at quarterly intervals. Site visits will be made to a representative sample of States with varying types of death investigations systems and an indepth analysis will be made of State laws and regulations, local ordinances, and actual practices in 50 States and 7 jurisdictions. It is expected that the contractor will finish all site visits by the end of November. Based on these early findings we should be able to provide you with preliminary data that could be useful for your deliberations. This data should be provided to you in late December.

I appreciate your continued interest in the SIDS program. As I stated previously, I assure you that the department will do everything possible to implement this program.

Sincerely yours,

JULIUS B. RICHMOND, M.D.,
Assistant Secretary for Health and Surgeon General.

DEPARTMENT OF HEALTH AND HUMAN SERVICES—PUBLIC HEALTH SERVICES, NATIONAL INSTITUTES OF HEALTH: SUDDEN INFANT DEATH SYNDROME RESEARCH

[Fiscal year estimate]

	1980	1981
NATIONAL INSTITUTES OF HEALTH		
National Institute of Child Health and Human Development	$19,600,000	$20,000,000
SIDS specific	(5,375,000)	(5,500,000)
SIDS general[1]	(14,225,000)	(14,800,000)
National Institute of Neurological and Communicative Disorders and Stroke (SIDS specific)	5,000	0
National Heart, Lung, and Blood Institute (SIDS general)	250,000	250,000
Total	19,855,000	20,000,000
SIDS specific (NICHD and NINCDS)	(5,380,000)	(5,500,000)
SIDS general (NICHD and NHLBI)	(14,475,000)	(15,050,000)

[1] See following table.

	Fiscal year 1980	Fiscal year 1981
NICHD SIDS general	$14,225,000	$14,800,000
High risk pregnancy	(8,400,000)	(8,700,000)
High risk infancy	(5,825,000)	(6,100,000)

U.S. SENATE,
Washington, D.C., February 22, 1980.

Hon. ELMER B. STAATS,
Comptroller General of the United States, General Accounting Office, Washington, D.C.

DEAR ELMER: We are willing to request a GAO audit of the Sudden Infant Death Syndrome Counseling and Information Project program authorized by part B of title XI of the Public Health Service Act.

The authorization of appropriations for this program will be due for reauthorization in fiscal year 1982 and the two authorizing committees will be developing legislative proposals in early 1981 to extend those authorizations.

This program has been authorized since fiscal year 1975, and we believe it is appropriate that a general program review and audit be undertaken at this time. Among the specific questions we suggest the General Accounting Office study are:

1. What general policies govern the awarding of the SIDS counseling and information project grants?

a. Does that policy require one program in every state and territory?

b. How many grants are awarded state agencies; how many grants are awarded to nonprofit voluntary groups; and what factors are considered in deciding whether a program should be directed by a state agency or a nonprofit voluntary group?

2. Are voluntary groups with a demonstrated interest in SIDS involved in each SIDS project? What is the extent of that involvement?

3. What mechanisms are utilized in awarding grants to ensure the programs can effectively carry out their responsibilities, are representative of and responsive to the needs of SIDS parents in the community, and are reviewed on a competitive basis? What role in that process is played by the advisory committee named by H.S.A. to review SIDS grant applications? What is the composition of that advisory committee? To what extent does it involve SIDS parents and other individuals with a professional interest in SIDS?

4. Has contract letting for SIDS programs been conducted in accordance with H.E.W. guidelines, and what provisions in those guidelines ensure protection of the public interest? Are the contracts awarded on a competitive basis? Are the requests for proposals adequately publicized?

5. Does the performance of the current contractee (Lawrence Johnson and Associates) meet H.E.W. standards normally applicable to contracts of this kind and adequately meet the contract terms?

6. How does this contract performance compare with the performance of the previous contractee, the National SIDS Foundation?

7. Is the contract for the clearinghouse activity consistent with the requirements of section 1121(a)(2)(B) of the Public Health Service Act as added by P.L. 96-142?

8. Has H.E.W. designated an administrative unit to carry out the SIDS program as required by section 1121(a)(1) of the Public Health Service Act as amended by P.L. 96-142? Has that unit been assigned such professional and clerical staff and consultants as well as management and supporting staff as are necessary for it to carry out its functions effectively, as required by law? Are there effective working relationships between the SIDS Administrative Unit in the Health Services Administration and those responsible for developing the SIDS research program at the National Institute of Child Health and Human Development that ensure appropriate coordination of clearinghouse and research activities?

In order for the results of your review to be taken into consideration by the authorizing committees when the statutory authorities for the SIDS programs are reviewed in the 97th Congress, we would appreciate an informal report by August 1, 1980, and a final report, including recommendations for program improvement and any legislative recommendation that may be suggested by your review, by November 15, 1981.

With every good wish,

Cordially,

WARREN G. MAGNUSON,
Chairman, Committee on Appropriations.

ALAN CRANSTON,
Chairman, Subcommittee on Child and Human Development, Committee on Labor and Human Resources.

HENRY A. WAXMAN,
Chairman, Subcommittee on Health and the Environment, Committee on Interstate and Foreign Commerce.

By Mr. CRANSTON:

S. 561. A bill to extend the authorizations of the appropriations for programs under the Child Abuse Prevention and Treatment Act and the Child Abuse Prevention and Treatment and Adoption Reform Act of 1978, and for other purposes; to the Committee on Labor and Human Resources.

CHILD ABUSE PREVENTION AND TREATMENT AND ADOPTION OPPORTUNITIES AMENDMENTS OF 1981

Mr. CRANSTON. Mr. President, I am today introducing legislation to extend the authorization of appropriations for the Child Abuse Prevention and Treatment Act and the Adoption Reform Act. This legislation is similar to legislation, S. 3175, which I introduced last year on behalf of the Carter administration.

Mr. President, as the chairman during the 95th and 96th Congresses of the former Child and Human Development Subcommittee of the Committee on Labor and Human Resources and as a member of its predecessor Subcommittee on Children and Youth since the latter's inception in 1973, I have been deeply involved in and concerned about Federal efforts affecting disadvantaged and vulnerable children. I authorized the 1978 legislation, enacted as Public Law 95-266, which extended and strengthened the Child Abuse Prevention and Treatment Act, and enacted the adoption opportunities program. I believe that the Federal Government plays an important role, through these programs, in providing leadership and assistance to State and local activities aimed at helping children who are the victims of abuse and neglect or have been lost in the foster-care limbo.

CHILD ABUSE AND NEGLECT

Mr. President, the abuse and neglect of children by relatives or others responsible for their care is a serious and, unfortunately, widespread problem. Recent studies have confirmed that each year an estimated 1 million children suffer from abuse or neglect and between 1,000 and 2,000 children die. Many experts feel that the incidence may be even higher since surveys and studies of child abuse and neglect are based only upon cases which come to public attention.

Child abuse is a complex problem that is not limited to one segment of society. The stresses of poverty may place some children at higher risk, but abused and neglected children come from high-, medium-, and low-income families and from every racial and ethnic population. In the past 5 years, we have learned a great deal more about this devastating problem. Most parents who harm their children are not mentally ill or criminally motivated; a variety of social, economic, and personal stresses contribute to the kind of violent and neglectful treatment that results in harm to children. We also know that child abuse has consequences far beyond the immediate effects of maltreatment—children who are abused often grow up to become abusers themselves. This intergenerational transmission of violence has untold consequences for our society.

Mr. President, the responsibility for the well-being of children lies within the family, but when the physical safety and very life of a child is threatened, society as a whole has a responsibility to protect that child. Research and experience over the last few years have found that efforts to protect children at risk are most successful when they focus upon strengthening the family and helping abusive parents learn to cope with the stresses which contribute to the violence and maltreatment inflicted upon the children involved. The Federal Government, through the Child Abuse Prevention and Treatment Act, has played a valuable role in the development of effective State and local efforts to deal with these problems.

FEDERAL EFFORTS TO DEAL WITH CHILD ABUSE AND NEGLECT

When the Child Abuse Prevention and Treatment Act was enacted in 1974 as Public Law 93-247, it represented the first coordinated Federal effort to deal with the problem of child abuse and neglect. At that time, many Americans did not recognize—or did not wish to recognize—the scope and severity of this problem. In 1974, we knew virtually nothing about how to treat or prevent child abuse and neglect, how to encourage abusive and neglecting parents to seek help voluntarily, or how to aid the child and adolescent victims of abuse and neglect.

Since 1974, we have made substantial progress in both our knowledge and our treatment in this area. I believe this progress has been fostered in large part by the Child Abuse Prevention and Treatment Act of 1974, as amended in 1978 by title I of Public Law 95-266. I would like to describe briefly the four major provisions of the current law.

First, the act provides for the establishment and operation of the National Center on Child Abuse and Neglect. This Center, located in the Department of Health and Human Services, provides a focal point for Federal efforts dealing with child abuse and neglect. The Center operates programs for the collection and dissemination of information related to child abuse and neglect, including information on incidence and on effective prevention and treatment strategies. The National Center receives and responds to approximately 2,000 inquiries a month from the general public on matters relating to child abuse and neglect. It also provides technical assistance to States in establishing and upgrading pertinent

programs. Second, the act authorizes the appropriation of funds for research in the area of child abuse and neglect and for the support of innovative demonstration projects designed to identify, prevent, and/or treat it. Third, the act provides for a grant program to all qualifying States. This grant program provides financial assistance to the States to develop, strengthen, and fully implement State and local child abuse and neglect prevention and treatment programs. Finally, the act provides for an advisory board, composed of representatives of Federal agencies with program responsibility in the child abuse and neglect area as well as public members to assist the Secretary of HHS in efforts to coordinate pertinent Federal programs.

During the 95th Congress, in my capacity as chairman of the former Subcommittee on Child and Human Development, I authorized legislation to extend and modify the Child Abuse Prevention and Treatment Act. The resulting Public Law 95–266, signed into law in April 1978, extended the authorization of appropriations through fiscal year 1981 and made several amendments to the Child Abuse Prevention and Treatment Act.

One of the provisions in the 1978 amendments directed the National Center to prepare a plan for coordinating the activities of the various agencies and organizations involved in prevention and treatment of child maltreatment, in order to avoid duplication of activities among Federal agencies or by the public and private sectors. The 1978 amendments also directed the Secretary of HHS to make available to the National Center the staff and resources necessary for the Center to carry out effectively its functions. This provision reflected the concern of House and Senate authorizing committees that insufficient staff and resources had been made available to the National Center. Other provisions of the 1978 amendments increased the percentage of funds earmarked for State grant programs to the level, for each of fiscal years 1978 and 1979, of not less than 25 percent of funds appropriated, and not less than 30 percent for each of fiscal years 1980 and 1981; required the addition of not less than three public members to the advisory board; and authorized new appropriations for programs dealing with sexual abuse of children. The 1978 amendments authorized appropriations for the basic child abuse program at a level of $25,000,000 for fiscal year 1978, $27,500,000 for fiscal year 1979, and $30,000,000 for each of fiscal years 1980 and 1981. Funds have been appropriated at the level of $18.9 million for each of fiscal years 1976, 1977, 1978, 1979, 1980, and 1981.

The sexual abuse provision reflected the growing awareness, in 1978, of the plight of children victimized by sexual abuse, including child pornography. The level of authorization for programs to treat and prevent sexual abuse was $3 million for fiscal year 1978, $3.5 million for fiscal year 1979, and $4 million for each of fiscal years 1980 and 1981. Funds were first appropriated for this program for fiscal year 1980 at the $4 million level and are included in the continuing resolution for fiscal year 1981 at the same level.

In the past, Mr. Fresident, the Child Abuse Prevention and Treatment Act has received strong bipartisan support in the Congress, and I believe we can be proud of its substantial impact on efforts to deal with the problems of child abuse and neglect. I would like to outline briefly the major accomplishments achieved under this program.

ACCOMPLISHMENTS OF THE CHILD ABUSE AND NEGLECT PROGRAM

The State grant program has provided a stimulus for States to examine and voluntarily improve procedures relating to reporting child abuse and neglect, to follow up on reports, and to provide treatment and services in the case of substantiated reports. In order to qualify for grants under the State grant provision of the Child Abuse Prevention and Treatment Act, States must meet certain requirements, including, among other things, the reporting and investigation of all cases of known or suspected child abuse or neglect, protection of families' privacy rights, and support of identifiable child protective services at the local level. Only three States met these requirements in 1974, the first year of the act. By 1978, technical assistance by the National Center and its regional offices and dissemination of such documents as the Model Child Protection Act had enabled 46 States to qualify for the State grant program. Thus, a relatively modest investment of Federal funds—$4.7 million in State grants in fiscal year 1978—has stimulated considerable State and local improvement of procedures for reporting and treating child abuse and neglect. Today, as a result of the Federal leadership developed under this act, child abuse and neglect cases are reported to the appropriate law enforcement or child protection agencies in virtually all the States. That was not the case prior to 1974 and is itself a tremendous accomplishment in dealing more successfully with this problem. Over the past 4 years alone, reporting has increased by more than 100 percent.

However, despite this tremendous progress, many, many cases of child abuse which come to the attention of professionals continue to go unreported. A recent study found that for every child abuse case reported, two similar cases known to professionals and agencies go unreported. Without adequate reporting and investigation of suspected child abuse cases, it is virtually impossible to provide protection and services for these children and their families.

A second area of accomplishment has been to focus public and professional attention on the problem of child abuse and neglect and to stimulate interdisciplinary cooperation in dealing with these problems. In the early 1970's, conflict between the medical and social service communities regarding the responsibility for handling child maltreatment was common. Now, this conflict has been replaced by unprecedented interprofessional cooperation, due in large part to the interprofessional conferences, research, and demonstration projects supported by the National Center. The growing number of multidisciplinary and multiagency bodies at the local and State levels all attest to the success of the National Center's efforts to promote this trend.

The National Center's development of television public service announcements and programing have helped transform child abuse and neglect from an invisible problem into the focus of considerable local action and concern. For example, the public television documentary, "Raised in Anger," supported by the National Center, was followed by local programs promoting parental self-help approaches to the problems of abuse and neglect. Today's media coverage of the problem of abuse and neglect reflects the dramatic change in public understanding of the problem—coverage focuses not simply on punishing offenders, but rather on understanding and helping families.

Third, the act has helped improve services to affected families. Two provisions of the act, in particular, have made this possible. First, many States have chosen to utilize the funds they receive under the State grant program to develop and improve State and local services for which there is a particular need.

For example, some States have used their grant money to establish or support local child protective services, to establish or update registries of abuse, to provide 24-hour comprehensive emergency services, and to train staff in the identification and treatment of abusive and neglecting families. Second, the act's funding of research and demonstration projects has been directed, in recent years, toward discovering what treatments effectively combat or prevent child maltreatment, and toward making such treatments more available to those in need. As the National Center gains information from its research and demonstration projects, this information is disseminated so that all States and localities may benefit from knowledge about effective treatments and modes of service delivery.

IMPROVED EFFORTS NEEDED

Mr. President, the act and the National Center have had substantial impact in a number of areas. Much, however, remains to be done to help in efforts to deal with this problem. The General Accounting Office, while recognizing the accomplishments I have just outlined, has delineated in a GAO report, HRD–80–66, released in 1980, entitled "Increased Federal Efforts Needed to Better Identify, Treat, and Prevent Child Abuse and Neglect," further areas where improvements could be made.

I would like to summarize some of the suggestions made in the GAO report.

First, as I have indicated, despite the increased professional awareness of child abuse and neglect and the increase in reporting, professionals still fail to report many instances of suspected child abuse and neglect. This failure is due, in some part, to ignorance of the responsibility to report or of the reporting procedure, concern about confidentiality conflicts, and belief that effective treatment services are not available.

Second, the GAO concluded that the

National Center should do more to assist in improving the investigative and treatment capabilities of the States. The GAO report indicated that many States and localities lack sufficient staff to investigate promptly reports of abuse and neglect, and that unmet client needs produce an increased potential for recurrences.

Third, the GAO report concludes that the National Center's efforts have been insufficient to deal with issues related to the prevention of child abuse and neglect. Prior to 1978, the Center's activities focused primarily upon identification and treatment. Only in 1978 did the Center begin to place high priority on prevention, and only in 1979 did the Center fund research assessing the effectiveness of various prevention programs.

Finally, the GAO report notes that some of the problems relating to the National Center's ability to provide adequate assistance and leadership for the States in carrying out their child abuse and neglect programs has resulted from the inadequate level of support provided to the National Center by HHS. The GAO identified several factors indicative of the inadequacy of HHS' support. These factors include inadequate staff allocations, the diversion of research funds from the National Center into cross-cutting research activities carried out by the Office of Human Development Services, and the failure of HHS to appoint the public members of the advisory board until some 16 months after enactment of the requirement for their inclusion.

Mr. President, I want to note here that the diversion of research funds from the National Center was done in the face of express disapproval by the Congress. As a result of HHS actions in the matter, the Senate approved an amendment I sponsored to the 1978 Amendments to the Rehabilitation Act, Public Law 95–602, to bring a halt to these fund transfers. I have strongly felt that HHS actions in this regard were particularly inappropriate given the limited funds available to carry out the child abuse program and the number of research proposals specifically related to child abuse which have gone unfunded because of these limited resources.

Additionally, Mr. President, the fact that HHS allowed the directorship of the National Center to remain vacant for almost 2 years has served as a hindrance to the Center's ability to carry out its responsibilities effectively.

Mr. President, HHS in its response to the GAO's report acknowledged the appropriateness of many of the GAO's recommendations and observations and in most cases indicated its intent to take steps to correct the various problems and thereby enhance the ability of the National Center to fulfill its responsibilities. I hope that continuing progress in this direction will take place.

SPECIAL PROBLEMS

Mr. President, I want to comment briefly upon three aspects of child abuse and neglect which until recently have received very little attention. These areas include the abuse and neglect of children residing in institutional settings, sexual abuse of children, and efforts directed at the prevention of child abuse.

Although the abuse and neglect of children in institutional settings has always been included within the purview of the child abuse program, it has only recently become a significant area of focus. In 1979, I chaired a series of hearings on the scope of the problem of abuse and neglect of children in public and private institutions. The testimony presented at these hearings was among the most disturbing and shocking public testimony I have heard during my entire service in the U.S. Senate. Many of the stories that witnesses told the subcommittee sounded like Charles Dickens' novels about the horrors of street urchins in 19th century London. For example, one witness testified that in an institution where her son had resided, the children were tied to chairs or their beds for lengthy periods of time, sitting in their own waste for hours. One witness described a child who had a trash can placed over his head and was forced to remain in a corner for a week. A parent told the subcommittee about finding her child tied to a chair in the middle of the play yard.

Another witness described a facility in which tear gas canisters were thrown into a room in which children were placed in solitary confinement. A State senator told the subcommittee of a facility in his State where children were strung up by their arms and legs in a cage for punishment. Another witness described a facility in my own State of California where electric cattle prods had been used for treatment of developmentally disabled children. One of the most articulate witnesses at these hearings was a 17-year-old boy who had spent most of his life in an orphanage where he said children were handcuffed to their beds, tied to chairs, denied medical attention and food, and subjected to beatings and other physical abuse.

Mr. President, the problem of abuse and neglect of children in institutions was described by one Federal law enforcement officer as a widespread and serious problem. What is equally disturbing is the fact that in many instances the facilities involved have been the recipients of Fedral funds for the care of these children. Data provided to me by the Congressional Research Service indicated that almost $1 billion of Federal funds were being spent annually on institutional care of children. It is ironic—although not in all respects surprising—that this type of maltreatment of children can occur in institutions supported by Federal funds and, in many cases, involves children who have been removed from their own families because of abusive or neglecting parents.

Only recently has there been any systematic effort undertaken to deal with this problem. In 1978, the National Center awarded four demonstration grants to public agencies focusing upon the investigation and development of techniques to deal with institutional abuse and has begun to focus increased attention upon this problem. The amendment I am introducing today contains a provision which I will describe in more detail in a few moments, designed to provide protection from adverse job actions for employees of institutions who report child abuse or neglect matters.

Mr. President, a second area which has only recently become a focus of attention is the problem of sexual abuse of children. Congressional concern about the problem of sexual abuse and exploitation of children led to the enactment in the 1978 amendments of specific authorization of appropriations for projects dealing with this aspect of child abuse. It is estimated that between 50,000 and 70,000 children are victims of sexual abuse each year. It is generally agreed that professionals who come into contact with these cases have very little training or guidance available to them on effective treatments.

Four million dollars was appropriated for fiscal year 1980 to begin the efforts of the National Center in the area of sexual abuse of children. These funds have been awarded to various projects to develop effective protective service programs for sexually abused children. The results of these projects—if completed—should provide helpful information to the States and localities in developing responses to sexual abuse cases.

Finally, Mr. President, both the GAO and the advisory board of the child abuse program have observed that too little attention has been given to prevention efforts. During the first 4 years of the child abuse program, resources were concentrated primarily on identification and treatment programs. The GAO noted that prior to 1978, the only program supported by the National Center specifically focused upon prevention that was evaluated as being effective was Parents Anonymous. The GAO in its report specifically stated that the National Center needs to do more to help identify and disseminate information about practical and effective prevention programs or approaches to help States and localities implement these approaches. HHS has indicated its intention to give new priority to developing and evaluating various prevention approaches.

PARENTS ANONYMOUS

Mr. President, I want to comment briefly on Parents Anonymous. I authored the provision in the 1974 law which provided a special emphasis on funding of programs that involved self-help approaches. Parents Anonymous has been the model for parental self-help approaches, and it has been an extraordinary success. Parents Anonymous, which has its headquarters in my own State of California, has grown from 60 chapters in 1974 to over 800 chapters by 1978, with at least one project operating in every State.

Mr. President, various evaluations have found the Parents Anonymous approach, which encourages abusing parents to help themselves and help others in comparable situations, is effective in reducing abuse. The support that the Federal Government has given to the Parents Anonymous program has paid off and has provided an approach where abusing parents can help themselves and each other. Other studies have found that projects which utilize self-help peer

counseling are more effective in preventing repetition of abuse than those which rely solely upon professional personnel. I think this is an extremely important finding that should guide policymakers in their development of programs aimed at reducing or preventing child abuse.

COMPREHENSIVE PLAN

Mr. President, as I indicated earlier, the 1978 amendments required the Advisory Board on Child Abuse and Neglect to submit to the President and the Congress a comprehensive plan for seeking to bring about maximum coordination of all agencies and organizations which have responsibilities for programs and activities relating to child abuse and neglect. This plan, entitled "Working Together: A Plan To Enhance Coordination of Child Abuse and Neglect Activities." was submitted to the Congress in May 1980.

It provides specific suggestions on how local, State, and Federal efforts to deal with child abuse and neglect problems can be enhanced. These include recommendations with respect to the development of mechanisms to stimulate activities to improve State and local child protective services, to encourage participation of the voluntary sector, to improve communication and coordination between Government agencies, and to encourage the development of community-based comprehensive plans for preventing child abuse and neglect. Many of these recommendations include specific roles for the National Center to play in serving as a catalyst for action at the State and local levels and in both the private and the public sector. Overall, the plan provides a potential blueprint for a comprehensive effort to increase and enhance child abuse and neglect activities.

CHILD ABUSE AMENDMENTS

Mr. President, the legislation I am introducing today would extend for 5 additional years the authorization of appropriations for the child abuse program at the level of such sums as may be necessary. Presently, fiscal year 1981 appropriations for the child abuse program are authorized at a level of $30 million for the basic child abuse program and $4 million for the sexual abuse program, and are funded at a level of $18.9 for the basic program and $4 million for the sexual abuse program.

This amendment also contains a provision to provide protection for employees of institutions who report child abuse or neglect within the institution. This amendment would require that States assure immunity against adverse job actions for employees who report known or suspected incidents of child abuse or neglect occurring in public or private residential institutions. The practice of firing employees for "whistleblowing" was identified at our hearings last year as a serious obstacle to efforts to address the problem of maltreatment of children in residential care. This provision is designed to facilitate efforts to identify and correct problems of institutional abuse.

ADOPTION OPPORTUNITIES ACT

Mr. President, section 3 of the legislation I am introducing today would extend for 5 additional years the authorization of appropriations for the programs authorized under title II of Public Law 95–266. Title II of Public Law 95–266, enacted in 1978, established a program aimed at facilitating the elimination of barriers to the adoptive placement of children with special needs, many of whom have languished in foster care for years.

Mr. President, I was deeply involved in the development of title II of Public Law 95–266. I introduced versions of this legislation in 1974, 1975, and 1977. In 1977, as one of my first acts as chairman of the newly formed Subcommittee on Child and Human Development, I held hearings on this legislation. These hearings dramatically demonstrated the disincentives and barriers to adoption which exist in the foster-care system. These hearings also demonstrated that there are many compassionate, dedicated individuals who are eager to provide permanent loving homes for children with special needs if only these children could be freed from the limbo of foster care.

Following these hearings and after extensive negotiations with representatives and the Carter administration and concerned Members of Congress, I revised this legislation and divided it into two pieces of legislation. A portion of it, which I will outline shortly, was enacted into law in April 1978 as title II of Public Law 95–266. The remainder was contained in the Adoption Assistance and Child Welfare Act, which was enacted in June of 1980 as Public Law 96–272. Together, these two laws constitute a significant step forward toward providing permanent adoptive homes for thousands of children who remain unnecessarily in the foster-care system Title II of Public Law 95–266 provides a framework for implementation of the reforms contained in Public Law 96–272

For example, Public Law 96–272 authorizes the continuation of medicaid payments for handicapped children who can be moved from foster care to adoptive homes. Title II of Public Law 95–266 provides support for a mechanism—the adoption exchange—to help find the adoptive homes for these children. Similarly, title II of Public Law 95–266 authorizes the development of training programs to help acquaint the social workers in the field with new techniques for helping move children with special needs out of foster care and into adoptive homes. One of the barriers that witnesses at our hearings described as preventing special-needs children from being adopted is the attitude held by many social work professionals that these children are unadoptable. Through education and training programs authorized by title II of Public Law 95–266, these professionals receive information and training on how adoptive homes can be found for children with special needs.

Mr. President, I would like to outline briefly the provisions of title II of Public Law 95–266 and then discuss in detail what steps have been taken in the past 3 years to carry out these provisions. First, the law provides for the establishment of an administrative arrangement in HHS to provide a centralized focus for planning and coordinating all departmental activities affecting foster care and adoption. Second, it provides for the establishment and operation of a national adoption and foster-care data-gathering and analysis system and for the operation of a national adoption information exchange system. Third, it provides for the development of an education and training program on adoption and development of a technical assistance program. Fourth, the statute directs the Secretary of HHS to provide for a study of the nature, scope, and effects of unlicensed adoption placements. Fifth, and finally, the statute provided for the appointment of a panel of individuals experienced in the area of adoption to prepare and submit to the Secretary a proposed model adoption statute aimed at eliminating jurisdictional and legal obstacles to adoption, particularly of children with special needs.

Mr. President, as many of my colleagues know, this last provision has resulted in some controversy. I intend to address this issue at some length today in the hope of clarifying the relationship of the proposal submitted by this panel last spring to the overall thrust of title II.

Title II authorized the appropriation of $5 million for fiscal year 1978 and such sums as may be necessary for fiscal years 1979, 1980, and 1981. Funds were first appropriated for title II in the 1979 fiscal year appropriation at the level of $5 million. An additional $5 million was included in both the fiscal year 1980 and fiscal year 1981 appropriations. The Carter administration's fiscal year 1982 budget request included a request of $4 million for these programs.

In April 1980 I held oversight hearings to review the progress which had been made in implementing the various provisions of title II. Generally, the hearings indicated that the administration had made considerable progress in implementing the law. However, much of the public testimony at our April hearing centered on the controversy surrounding the implementation of section 202 which required the development of model adoption legislation to serve as a voluntary guide for States interested in upgrading their State laws relating to adoption. It is unfortunate that this controversy surrounding the model act has overshadowed much of the important work that has taken place regarding the implementation of the other provisions of title II.

MODEL ADOPTION LEGISLATION AND PROCEDURES

Mr. President, section 202 of title II directs the Secretary of HHS to appoint an independent panel of individuals experienced in the field of adoption to review current laws and practices relating to adoption as to their effect on facilitating or impeding the adoption process and to develop model legislation and procedures aimed at overcoming problems which serve as barriers to adoption. The statute required the panel to submit its proposal to the Secretary of HHS. who in turn was required to publish the proposal in the Federal Register for public comment. The Secretary is then directed, after giving due consid-

eration to the comments received, to issue and publish a final model act and procedures.

In August 1978, the Secretary appointed 17 individuals to the panel. The proposal developed by this panel was published in the Federal Register on February 15, 1980, and the public comment period closed on May 16, 1980. In addition to the regular process of public comment on the Federal Register publication, the Department of HHS held public meetings on the proposal in each of its 10 regions. The panel then met again, reviewed the comments, and agreed to recommend certain changes in its original proposal. However, certain of the controversial provisions—particularly those relating to adoption records—remained unchanged. Currently, the proposal and the panel's recommended changes are still being considered within HHS.

Mr. President, I shared the concerns of many of my colleagues about various aspects of the panel's proposal and on July 9, 1980, along with several of my colleagues then on the Labor and Human Resources Committee, expressed reservations about the current draft and suggested that the Secretary make substantial revisions in particular aspects of the model act.

I ask unanimous consent that the text of this letter be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMMITTEE ON LABOR AND
HUMAN RESOURCES,
Washington, D.C., July 9, 1980.

Hon. PATRICIA ROBERTS HARRIS,
Secretary of Health and Human Services, Washington, D.C.

DEAR PAT: As you know, the Labor and Human Resources Committee, through its Child and Human Development Subcommittee, worked for many years in developing legislation—title II of Public Law 95-266—designed to eliminate barriers to adoption, particularly the adoption of children with special needs. In April, the Subcommittee held a hearing on the Department's implementation of title II of Public Law 95-266.

As you are well aware, there is considerable controversy surrounding implementation of section 202, which required the development of model adoption legislation and procedures with the assistance of an advisory panel of experts in the field of adoption. We share many of the concerns that were expressed by witnesses at the April 17 hearing regarding the draft model act and procedures and wish to provide you with our thoughts on four controversial aspects of the panel's proposal.

Before doing so, however, we do want to stress that many of the provisions of the draft model act which relate to the adoptive placement of children with special needs—as opposed to infant adoptions—are excellent and represent major steps forward in our efforts to free these children from foster care and provide them with loving permanent adoptive homes. It was the overwhelming view of the witnesses who testified at the April 17 hearing—many of whom strongly opposed other provisions of the proposed model act—that the portions of the proposal which dealt directly with the problems of adoption of children with special needs were important and desirable provisions.

The controversial portions of the proposed model act relate basically to those provisions regarding the adoption of healthy, new-born infants, specifically provisions that relate to open adoption records, rights of putative fathers, independent adoptions, and revocation of voluntary relinquishments.

Adoption records. The provisions of the proposed model act relating to access to adoption records are obviously the most controversial portions of the proposal. We recognize that there are strongly held views in this area, but, on balance, we do not feel that the panel's recommendations with respect to access to adoption records should be approved.

There are many serious and fundamental unanswered questions as to the effects this proposal would have. For example, the reports of a fifty-percent drop in adoptions in England following enactment of its open records statute concern us deeply. We are also troubled by the fact that there exists little objective data on the potential consequences of an open records policy on decisions relating to abortion and on other aspects of the adoption process. During the April 17 hearing, the Subcommittee Chairman requested Department representatives to undertake efforts to acquire data on these issues to provide guidance for further consideration of the policy implications of the panel's proposals. We hope the Department will move forward rapidly on this effort.

We also very strongly believe that the panel's treatment of past adoptions, as opposed to prospective adoptions, is inappropriate. Indeed, it is inconceivable to us that the federal government would propose such a fundamental breach of commitments of confidentiality without the consent of individuals affected. The suggestion of the panel that a biological parent who did not wish to be contacted has a tort remedy for invasion of privacy seems, to us, to be insensitive to the human needs of all parties to an adoption. We recommend with respect to past adoptions that records be made available only where there is consent.

With respect to prospective adoptions, we suggest consideration be given to recognizing a range of options for all parties. For example, if a pregnant woman would prefer adoption to abortion only if she could be guaranteed confidentiality, that option should be made available to her. Similarly, if a pregnant woman knew that she wanted to make her identity available to be learned by the child at some time in the future, she should have that option also, and potential adoptive parents would then be made aware of this condition. This approach, which recognizes the various interests and rights of all of the parties to an adoption and provides for a flexible approach designed to protect and respect these interests and rights, would seem to be preferable to that proposed by the panel.

However, since the issues relating to the open records question are so complex and clearly necessitate further review and data evaluation, we strongly urge that you give consideration to the recommendation which has been made by several organizations to separate the records provisions from the other provisions of the model act, and publish the records provisions separately at a subsequent date. It would be extremely unfortunate if the controversy over these provisions were to delay—as seems almost unavoidable at this point—final promulgation of the less-controversial and much needed provisions that are aimed at helping find adoptive homes for those special needs children in foster care.

Putative fathers. The provisions of the proposed model act relating to the rights of putative fathers, as presently drafted, are in need of substantial revision. They appear to give a putative father an absolute right to take custody of a child being placed for adoption by the mother, regardless of the mother's views or of the fitness of the putative father. Resolution of the rights of a putative father may be critical to freeing a child for adoptive placement, but they should not take precedence over the best interests of the child. We recommend that consideration be given to provisions that would allow for a showing of unfitness of the father to be proffered and an opportunity for the interests of the mother to be taken into consideration as part of a final determination of custody based on the best interests of the child.

Revocation of relinquishment. The provisions of the proposed model act relating to revocation of voluntary relinquishments are also of concern to us. States presently vary considerably in their policies regarding revocation of voluntary relinquishments. Some make relinquishments irrevocable when given. Others allow for revocation of a relinquishment up to the time of entry of a final adoption decree or within a specified period of time. A number of witnesses, however, expressed concern over the impact that the fourteen-day period in the proposed model act would have on infants who would probably be left in a hospital or in foster care during those critical first two weeks of life. We were impressed by the testimony of the American Academy of Pediatrics on the adverse impact such a delay would have on an infant's development. We strongly urge that in cases involving newborns you consider shortening this time period.

Independent adoptions. The provisions of the proposed model act relating to independent adoptions are also troublesome. We recognize that independent adoptions are legal in many states and that governmental intervention in the private lives and decisionmaking of individuals ought to be limited as much as possible. Yet, the Department's own study of independent adoptions—required by section 204 of title II—suggests that there are substantial risks for children involved in independent adoptions. Assistant Secretary Perales, in his April 17 testimony, outlined some of those problems found by your study: lack of appropriate information or counseling for biological parents and adoptive parents, problems with permanency being established for the child in independent adoptions, and a finding that placement of a child in a home that cannot meet his or her needs appears to be greater in independent adoptions.

The results of the section 204 study do not appear to warrant prohibiting all independent adoptions; they do, however, suggest a need for closer supervision of independent adoptions than is reflected in the proposed model act. For example, the proposed model act provides for post-adoptive home studies in independent adoptions; a *pre*-adoptive home study would provide greater safeguards for the child. We suggest revisions in these sections to provide for greater supervision and control over independent adoptions with the primary goal of protecting the interests of the infant.

We believe that the four problems outlined above merit the most serious consideration by the Department during the process of redrafting the proposed model act. As we stressed earlier, there is a wide consensus that many provisions of the proposal are helpful and will provide meaningful guides to state legislatures in reviewing, updating, and revising their adoption codes in an effort to remove unintended barriers to adoption. However, in our view, the provisions discussed above must be revised if the model act is to assist in eliminating barriers to adoption, as was envisioned by the underlying legislation.

Finally, there appears to be some question as to whether the Department intends to publish its revised model act for public comment before promulgation of a final version.

Since the draft published on February 16 represented the views of the panel and not the Department, we strongly urge that the Department allow for a public comment period on its version.

With warm regards,

Cordially,

HARRISON A. WILLIAMS, Jr.,
Chairman.

JENNINGS RANDOLPH,
ALAN CRANSTON,
Chairman, Subcommittee on Child and Human Development.
DONALD W. RIEGLE, Jr.

Mr. CRANSTON. Mr. President, I think it is extremely unfortunate that the controversial aspects of the panel's proposal, which basically involve infant adoptions, have drawn attention away from those provisions directly related to facilitating the adoptive placement of children with special needs. Indeed, witnesses who appeared at our April hearing who were very critical of certain aspects of the panel's proposal were unanimous in support of those provisions of the proposal directly focused upon facilitating the adoptive placement of children with special needs. Yet the controversial provisions have threatened the entire model act. For this reason I suggested in our letter to former Secretary Harris that consideration be given to separating some of these provisions, specifically those relating to adoption records, from the other provisions and publishing those provisions at a later time after further review and refinement.

Mr. President, I want to stress one point regarding the model act. No Federal law or regulation will emanate from promulgation of this model act. It is to be available for guidance only—to help State and local legislative bodies interested in reviewing or formulating changes in their adoption laws or regulations. The basic purpose underlying section 202 was to address the problems that arise when the 50 States, and sometimes jurisdictions within those States, deal with adoptions in such a way as to pose barriers to the interjurisdictional placement of "special needs" children. Testimony before our subcommittee indicated that all too often a "special needs" child might be waiting in one State and prospective parents waiting in another, but legal and regulatory barriers made it impossible to bring the parties together.

The panel made a decision at its first meeting that it could meet the requirements of title II only by developing a comprehensive adoption code covering the entire spectrum of State legislative requirements on adoption. The proposed model act drafted by the panel covers every aspect of adoption, including termination of parental rights, placements for adoption, adoption proceedings, records, agency adoption services, and subsidized adoption. The panel's decision to address every aspect of the adoption process was within the scope of section 202 requirements; however, as is expressed in the July letter to former Secretary Harris, I strongly believe that certain aspects of the panel's proposal must be revised if it is to serve as a realistic and responsible guide to help States eliminate barriers to adoption. I know that a number of organizations and agencies involved in the adoption field have expressed similar concerns, and I would certainly expect that substantial revisions will be made before a final model act is promulgated.

ADOPTION INFORMATION EXCHANGE

Mr. President, as I indicated before, there are a number of very important provisions in title II which are in no way related to the activities and controversy surrounding the model act. One of the most important is contained in section 203(b)(3) which provides for the establishment of a national adoption information exchange to be coordinated with State and regional exchanges in matching special needs children awaiting adoption with prospective adoptive parents. HHS has awarded a contract to the North American Center on Adoption of the Child Welfare League of America to operate the national exchange and to assist States in developing State and regional exchanges.

Mr. President, at our April meeting, some witnesses expressed concern over whether sufficient resources were being made available to assist in the development of regional exchanges. Following that hearing, HHS took several steps to rectify this problem. Each of the regional adoption resources centers was given additional resources for the specific purpose of providing assistance to States in developing regional cooperative efforts.

The contractor for the national exchange, the Northern American Center on Adoption, has also increased its technical assistance efforts in this area.

Mr. President, the impetus for the provisions in section 203(b)(3) came from testimony from witnesses who described situations where special needs children were waiting for adoptive homes in one State while prospective adoptive parents waited in another State. The approach HHS is taking in implementing section 203 is to encourage States to develop and strengthen intrastate exchanges so that children can be placed within their own States whenever possible and to seek interstate placements only after State efforts have failed. Regional exchanges developed through cooperative agreements between States can play an important part in this effort, and I find this increased activity by HHS encouraging. Emphasis must be placed upon the development of State exchanges, but it is essential that mechanisms remain available to help find homes for children who cannot be placed within their own States. For these children, regional and national efforts are essential.

NATIONAL INFORMATION SYSTEM

Section 203(b)(1) of title II directs the Secretary of HHS to provide for the establishment and operation of a national adoption and foster-care data-gathering and analysis system. This system will, for the first time, provide comprehensive national data on patterns of foster care and adoptive placement throughout the country. The lack of current national data on the children in foster care has been a major obstacle to implementing planning and to establishing accountability for the whereabouts of these children.

HHS is currently in the second year of a 3½-year contract for implementation of a national information system. HHS testimony in April indicated that the national information system will utilize data from States' own data-gathering systems and that no State will be required to develop an additional data-collection system in order to meet Federal specifications, although States will be expected to make gradual refinement in State reporting categories.

Three groups are assisting in the design of the national information system: A State liaison panel composed of representatives of each State, a panel of representatives from nongovernment organizations concerned with adoption and foster care, and a panel of representatives from selected Federal agencies.

Mr. President, as States begin implementation of the tracking systems provided for individual foster children under Public Law 96–272, the data will be fed into the national system being developed under Public Law 95–266. Together, these data systems will provide information on where individual children are in the foster-care system as well as national statistical data. This information will help not only to deal with the needs of individual children but will provide us with the information necessary for adequate budgetary and policy planning.

EDUCATION, TRAINING, AND TECHNICAL ASSISTANCE

Mr. President, sections 203(b)(2) and (4) require the Secretary of HHS to develop and disseminate educational and training materials on adoption and adoption assistance and to provide technical assistance to interested agencies and organizations.

HHS has developed an inservice training curriculum to assist adoption workers and supervisors on how to prepare families and "special needs" children for adoption. The curriculum will be available in English and Spanish. HHS has also developed radio and television spots designed to assist social services agencies in recruiting foster and adoptive parents, including minority parents, for children with special needs. Tests in New York State and in Oklahoma City have demonstrated the effectiveness of television and radio announcements, in conjunction with an overall recruitment effort, in attracting qualified prospective adoptive parents. HHS is also developing 32 television and radio public service announcements to be distributed free of charge to agencies and organizations concerned with foster care and adoption.

In addition, HHS is funding 10 regional adoption resource centers which provide technical assistance to local and State agencies and to adoptive parent groups. This technical assistance has included establishment and support of training programs for adoption workers, support for the growth and development of adoptive parent groups, and establishment of communication between foster-care workers and adoption workers.

HHS is also providing assistance to adoptive parent organizations to develop training and recruitment materials to

provide support for families interested in adopting "special needs" children and to train parents who work with agencies in the elimination of barriers to the adoption of these children.

Mr. President, at our April hearing, concern was expressed—concern which I shared—that insufficient resources were being made available to involve minority groups and families in efforts to find adoptive homes for "special needs" children. This is a critical problem in light of the fact that a high percentage of the children in foster care and awaiting adoption are from minority backgrounds. I was therefore extremely pleased to see that HHS has taken steps to rectify this problem and has recently funded three new projects directed at recruiting minority adoptive families and placing more minority youngsters with parents of similar racial background. One of these grants is going to the Detroit Home for Black Children to establish a training center to provide intensive specialized adoption training to agencies in seven urban areas of the United States. Another grant for the Hispanic adoption project has gone to the New York Council on Adoptable Children to develop a program to increase the number of Hispanic children placed with Hispanic families.

The third grant has been awarded to the National Association of Black Social Workers to develop technical assistance programs for projects around the Nation.

STUDY OF UNLICENSED ADOPTIONS

Mr. President, section 204 provides for a study of the nature, scope, and effects of adoptive placements by persons or agencies not licensed or subject to regulation by any Government entity. The requirement for this study arose out of congressional concern about the impact of independent adoptions—illegal in some States—on all of the parties concerned.

The mandated study, "Adoption Without Agencies," was submitted to Congress in October 1978. Basically, the study discussed the nature, scope, and effects of unlicensed or independent adoption placements. The study noted some of the problems associated with independent adoptions: Lack of information provided to either the birth parents or the adoptive parents about the child or the respective rights or obligations of the parties; increased possibility for the placement of a child in a home that cannot meet his or her needs; and lack of permanency for the child in some independent adoptions. The study makes 21 policy recommendations for policymakers at the State level to consider in dealing with nonagency adoptions.

CENTRALIZED PLANNING FOCUS

Finally, Mr. President, section 203(a) required the Secretary to establish within HHS a centralized administrative arrangement for planning and coordinating all HHS activities affecting foster care and adoption, and for carrying out the provisions of title II.

In accordance with this provision, HHS designated the Administration for Children, Youth and Families to administer title II. This unit also administers three other programs related to child welfare: the child welfare State grants program, the child welfare services training grant program, and the National Center on Child Abuse and Neglect. As implementation of Public Law 96-272 gets underway, its coordination with the programs carried out under title II of Public Law 95-266 will be critical.

AUTHORIZATION OF APPROPRIATIONS

Mr. President, the legislation I am introducing today would simply extend for 5 more years at a "such sums" level the authorization of appropriations for the programs carried out under title II of Public Law 95-266.

CONCLUSION

Mr. President, this bill would provide for the continuation for 5 additional years the important work being done in the fields of child abuse, foster care, and adoption under these programs. The Federal Government has the important role in these areas of providing technical assistance and support to the activities of State and local programs dealing on a daily basis with these problems.

Mr. President, I ask unanimous consent that the text of S. 561 be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 561

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Child Abuse Prevention and Treatment and Adoption Opportunities Amendments of 1981".

EXTENSION OF CHILD ABUSE PREVENTION AND TREATMENT PROGRAM

SEC. 2. The Child Abuse Prevention and Treatment Act (42 U.S.C. 5101 et seq.) is amended—

(a) in the first sentence of section 5(a), by striking out "and" after "1979," and inserting before the period a comma and "and such sums as may be necessary for each of the five succeeding fiscal years";

(b) in the second sentence of section 5(a), by striking out "for each of the fiscal years ending September 30, 1980, and September 30, 1981, respectively." and inserting in lieu thereof "for fiscal year 1980 and each of the six succeeding fiscal years."; and

(c) in section 5(b)(1), by striking out "and" after "1979" and inserting "and such sums as may be necessary for each of the five succeeding fiscal years," after "respectively,".

PROTECTION FOR REPORTERS OF CHILD ABUSE AGAINST ADVERSE ACTIONS RELATED TO EMPLOYMENT

SEC. 3. Section 4(b)(2)(A) of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5103(b)(2)(A)) is amended by inserting immediately before the semicolon a comma and "and shall include provisions for immunity for persons reporting instances of child abuse and neglect occurring in public or private residential institutions from any adverse action, with respect to employment by or in such an institution, arising out of such reporting".

EXTENSION OF ADOPTION REFORM PROGRAM

SEC. 4. (a) Title II of the Child Abuse Prevention and Treatment and Adoption Reform Act of 1978 (42 U.S.C. 5111 et seq.) is amended by adding before section 201 the following new section:

"SHORT TITLE

"SEC. 200. This title may be cited as the 'Adoption Opportunities Act of 1978'."

(b) Section 205 of that Act is amended by striking out "three" and inserting in lieu thereof "eight".

By Mr. DECONCINI:

S. 563. A bill to authorize the States and the Indian tribes to enter into mutual agreements and compacts respecting jurisdiction and governmental operations in Indian country; to the Select Committee on Indian Affairs.

TRIBAL-STATE COMPACT ACT

● Mr. DECONCINI. Mr. President, today I am introducing the Tribal-State Compact Act of 1981. This bill passed the Senate during the 95th Congress and again during the 96th Congress. The Senate Select Committee on Indian Affairs has spent a significant amount of time considering this proposal in the past. I am confident that the committee will devote further attention to the subject during the 97th Congress. Although the Senate has passed the bill twice, unfortunately the House has failed to adopt similar legislation. This bill is identical to S. 1181 as passed by the Senate last year. It will provide legislative authority for Indian tribes and States, counties, and municipalities to enter into compacts and agreements allocating civil and criminal jurisdiction and other regulatory authority among themselves.

A great deal of time and attention was devoted by the American Indian Policy Review Commission (AIPRC) in its deliberations and in its report to the question of jurisdiction and governmental authority in a broad number of areas. The report also noted that there are significant tensions between States and tribes, at least some of which arise from these jurisdictional issues.

There are presently some 287 federally recognized Indian tribes in the lower 48 States, plus numerous organized villages and tribes in the State of Alaska. There are vast differences in physical, economic and human resources among these various governments, both State and tribal, and the concerns of each of these governmental units vary accordingly. It was the base line recommendation of the AIPRC that States and tribes enter into a dialog with each other. These discussions might lead to agreements at the local level regarding some of these jurisdictional questions.

The discussion process between States and tribes which was advocated by the AIPRC should be implemented. The issues which cause tensions at the local level should be resolved at the local level wherever possible. Two events have occurred in the past several years that indicate a need for general authorizing legislation. Participants attending meetings of State and county organizations have expressed interest in discussing jurisdictional issues with the tribes, but have questioned their legal authority to enter into agreements. Also, recent court decisions have confirmed that there are legal questions relating to the authority of State, county, and other units of local government to enter into agreements relating to jurisdictional issues.

The heart of the problem lies in two legal tests that are employed to determine whether State action in Indian

country can be sustained. The first text, formulated in *Williams* v. *Lee*, 358 U.S. 217 (1959), was whether the action of the State infringed on the power of the Indian people to be self-governing. In 1971, the Supreme Court, elaborating on Williams, said the true test was "Federal preemption." *Kennerly* v. *District Court*, 400 U.S. 423 (1971). Thus, in the absence of compliance by both the tribe and the State with some Federal enabling statute, the jurisdiction of the State over an Indian person in Indian country could not be sustained. In Kennerly, it was held that a State could not exercise civil jurisdiction over a purchase and sale transaction between an Indian and a non-Indian on the Flathead Reservation, even though a tribal ordinance authorized State jurisdiction over civil matters within the reservation.

In *Blackwolf* v. *District Court*, 158 Mont. 523 (1972), it was held that the State could not exercise jurisdiction over an Indian juvenile for conduct within a reservation, even though the child had been adjudicated delinquent in tribal court and remanded to State authorities for further proceedings in accordance with a tribal ordinance that provided for such a procedure. And, on September 12, 1977, the U.S. District Court for the District of South Dakota ruled that the State could not exercise jurisdiction over a mentally ill Indian who resided within a reservation, even though the tribal court had adjudicated her to be mentally ill and ordered her placed in the custody of her Indian Health Service psychiatric social worker for commitment to the State Human Resources Center. (*White* v. *Califano*, 437 F. Supp. 543 (1977)).

From these cases, it is clear that though State action does not infringe on the government of the tribe, and in fact may even be taken at the request of the tribe, that action will not be sustained unless both the State and the tribe have complied with some applicable Federal statute authorizing such action.

The only statute which currently allows States and tribes to enter into agreements respecting jurisdiction is Public Law 83–280 as amended by title IV of the 1968 Indian Civil Rights Act—25 U.S.C. section 1321–26. There are substantial legal questions under this act, such as the right of a tribe to rescind a jurisdictional grant to a State and reassume authority itself; whether the jurisdiction granted to a State must necessarily be exclusive, thus precluding possible concurrent tribal-State jurisdiction; whether the statute permits piecemeal subject matter or geographic jurisdiction or whether such State assumption must be all-inclusive; and, whether a State can assume any jurisdiction over an Indian in Indian country without first amending the State constitution.

There are other questions not addressed by Public Law 83–280. For example, can a State enter into an agreement with a tribe to enforce tribal laws relating to fish and game regulations, sale of alcoholic beverages within an Indian reservation, speed limits, et cetera?

Aside from these legal questions, the other impediment to agreements between States and tribes on jurisdictional issues is monetary support for the costs involved in necessary governmental operations. It was this problem which caused the State of South Dakota to retrocede jurisdiction to the Federal Government in 1964 that it had originally assumed under Public Law 83–280. It was partially this monetary burden which caused the State of Wisconsin to support restoration of the Menominee Tribe to federally recognized status in 1973. And it was this monetary burden which caused the State of South Dakota to resist jurisdiction over the mentally ill person in White against Califano, supra.

Presently, there are serious questions with respect to the authority of a tribe and a State to enter into an agreement which in any way involves a question of jurisdiction. There are also questions as to whether tribes can become members of a whole range of interstate agreements which have recently been developed: Uniform agreements on hot pursuit; child support; child placement; et cetera. Solutions to these nonjurisdictional agreements may involve full faith and credit, as well as Federal authorization.

As a result of these legal developments and the expressions received from State organizations, general Federal legislation authorizing tribes to enter into agreements with States, counties, or municipalities needs to be developed. The Tribal-State Compact Act of 1981 will help to reduce the existing barriers between tribes and local governmental units thereby creating an atmosphere for cooperation between the various parties.

Title I of the bill authorizes tribes to enter into agreements with States which will permit States to apply and enforce State or tribal laws over Indians in those cases where the tribe has the underlying authority. Further, title I authorizes States to enter into agreements with Indian tribes for the enforcement of State or tribal laws against non-Indians within Indian country within the tribal judiciary in those cases where the State has the underlying authority.

Also, title I provides that either party may withdraw from an agreement within 6 months of serving written notice to the other unless a greater or shorter period is established in the compact or agreement. However, any agreement or compact that contains a provision extending the agreement for 5 years or longer must be ratified by the members of the affected tribe in accordance with existing law.

Title I also provides that the Secretary of the Interior may provide financial assistance to the parties to any tribal-State compact for costs of personnel or administrative expenses in an amount up to 100 percent of the costs actually incurred. An authorization of appropriation for up to $10,000,000 annually is provided to carry out this assistance. The authorization is a secondary source of funding and is to be used only when other Federal funds are not available.

Title II encourages tribes and States to participate in planning and monitoring boards that deal with jurisdictional issues. Funds are authorized for this purpose.

Title III provides that enforcement of the agreement or compact lies with the U.S. district courts and that sovereign immunity of parties to such agreements is waived unless otherwise specified.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 563

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Tribal-State Compact Act of 1981".

DECLARATION OF POLICY

SEC. 2. The Congress hereby declares that it is the policy of this Nation to continue to preserve and protect the tribes of the American Indian people. The policy of this Nation is premised on the status of tribal governments as a continuing part of the American political fabric. Accordingly, the United States has a responsibility to establish a legal framework which will enable the tribes and the States to achieve maximum harmony and facilitate their cooperative efforts in the orderly administration of their governments. Federal enabling authority for the establishment of viable intergovernmental agreements between the tribes and the States based on mutual consent must be established.

DEFINITIONS

SEC. 3. For purposes of this Act:

(1) The term "Indian tribe" means any Indian tribe, band, nation, or other organized group or community which is exercising powers of self-government and which is recognized by the Secretary of the Interior as eligible for services provided by the United States to Indians because of their status as Indians.

(2) The term "State" means any State of the United States, including cities, counties, municipalities, or other political subdivisions thereof.

(3) The term "Secretary" means the Secretary of the Interior unless otherwise designated in this Act.

(4) The term "Indian country" shall be defined in accordance with the provisions in section 1151 of title 18, United States Code.

TITLE I—AUTHORIZATION OF COMPACTS AND AGREEMENTS

SEC. 101. (a) Notwithstanding the Act of August 15, 1953 (67 Stat. 588), as amended, or any other Act transferring civil or criminal jurisdiction over Indians within Indian country from the United States to the various States, or establishing a procedure for such transfers, and notwithstanding the provisions of any enabling Act for the admission of a State into the Union, the consent of the United States is hereby given the States and the Indian tribes and the same are hereby authorized to enter into compacts and agreements between themselves on matters relating to—

(1) the enforcement or application of civil, criminal, and regulatory laws of both within their respective jurisdiction,

(2) the allocation or determination of governmental responsibility of States and tribes over specified subject matters or specified geographical areas, or both, including agreements or compacts which provide for concurrent jurisdiction between the States and the tribes, and

(3) agreements or compacts which provide for transfer of jurisdiction of individual cases

from tribal courts to State courts or State courts to tribal courts in accordance with procedures established by the laws of the tribes and States.

(b) Such agreements and compacts shall be subject to revocation by either party upon six months written notice to the other unless a different period of time is agreed upon. No agreement may provide for a period for revocation in excess of five years unless first approved by a majority of the adult enrolled Indians within the affected area voting at a special election as prescribed in section 406 of the Act of April 11, 1968 (82 Stat. 80; 25 U.S.C. 1326), but such approval shall not curtail the right of the parties to revoke the agreement by mutual consent within a shorter period of time.

(c) Agreements or compacts entered into under the provision of this section must be filed with the Secretary within thirty days of consummation. In the event an agreement is not so filed, it shall be subject to immediate revocation by either party. The Secretary shall cause the jurisdictional provisions of any such agreement, compact, or revocation to be published in the Federal Register.

(d) Such agreements, compacts, or revocation thereof shall not affect any action or proceeding which arose prior to the effective date of such an agreement, compact, or revocation, and no such action or proceeding shall abate by reason of such agreement, compact, or revocation unless specifically agreed upon by all parties to any such action or proceeding and by the parties to the agreement or compact.

(e) Nothing in this Act shall be construed to—

(1) enlarge or diminish the jurisdiction over civil or criminal matters which may be exercised by either State or tribal governments except as expressly provided in this Act;

(2) authorize or empower State or tribal governments, either separately or pursuant to agreement or compact, to expand or diminish the jurisdiction presently exercised by the Government of the United States to make criminal, civil, or regulatory laws for or enforce those laws in the Indian country;

(3) authorize or empower the government of a State or any of its political subdivisions or the government of an Indian tribe from entering into agreements or exercising jurisdiction except as authorized by their own organizational documents or enabling laws;

(4) authorize agreements or compacts which provide for the alienation, financial encumbrance, or taxation of any real or personal property, including water rights, belonging to any Indian or any Indian tribe, band, or community that is held in trust by the United States or is subject to a restriction against alienation imposed by the United States; or

(5) to enter into agreements or compacts for the transfer of unlimited, unspecified, or general civil and criminal jurisdiction of an Indian tribe, except as provided under section 406 of the Act of April 11, 1968 (82 Stat. 80; 25 U.S.C. 1326).

(f) Nothing in this Act shall be construed as impairing or restricting the right of the United States, the States and the Indian tribes to enter into negotiations with each other with respect to settlement of property rights arising from aboriginal ownership, treaties or other Federal laws or judicial decisions.

FUNDING AND IMPLEMENTATION—FEDERAL ASSISTANCE

SEC. 102. (a) In any agreement or compact between an Indian tribe and a State authorized under this Act, the United States, upon agreement of the parties and the Secretary, may provide financial assistance to such parties for costs of personnel or administrative expenses in an amount up to 100 percent of costs actually incurred as a consequence of such agreement or compact, including indirect costs of administration which are clearly attributable to the services performed under the agreement or compact. In determining the amount of Federal assistance, if any, to be provided, the Secretary may consider among other things—

(1) whether or not the party assuming an obligation under the agreement or compact is already obligated or entitled to perform the function which is the subject of the compact,

(2) whether or not the Federal assistance will cause or enable the contracting party to perform the function at a standard above that which it is already obligated to perform,

(3) the financial capacity of the contracting parties to underwrite the expenses without Federal assistance,

(4) the extent to which the success or failure of the compact may depend upon Federal assistance,

(5) the extent to which the proposed compact or agreement will contribute to fostering of community relations between Indian and non-Indian communities,

(6) the extent to which the proposed compact or agreement will enhance protection of resources of both Indian and non-Indian communities,

(7) the comparative costs if the function which is the subject of the compact or agreement were to be performed by the United States, or

(8) the extent to which Federal funding is already supplied through revenue sharing, grants in aid, or other Federal program moneys.

(b) Whenever a party to such agreement or compact seeks financial assistance from the United States to offset their costs, such party shall prepare a detailed statement of the projected costs; a copy of such statement shall be supplied to the other party, and the original of such statement shall be supplied to the Secretary at the time such agreement or compact is tendered to the Secretary under section 101(c).

(c) In any agreement or compact in which a party qualifies for Federal assistance, the other party shall be supplied with copies of all vouchers for payment at the time such vouchers are submitted and shall be fully informed of all payments made by the United States to the recipient party. In the event disputes arise between the parties, either party may request an audit. The books and records of the party receiving Federal assistance which are relevant to the agreement or compact shall be open to inspection by authorized representatives of the United States.

(d) In the funding of governmental operations authorized under this Act, the Secretary may enter into agreements or other cooperative arrangements with any and all other Federal departments, agencies, bureaus, or other executive branches for transfer of funds or contributions of funds appropriated for programs within the category of the functions to be performed by the parties under such agreements or compacts, and such departments, agencies, or bureaus are hereby authorized to use such funds in the implementation of this Act.

(e) All Federal departments and agencies are authorized to provide technical assistance, material support, and personnel to aid tribal and State authorities in the implementation of the agreements or compacts entered into under the terms of this Act.

(f) The Secretary is hereby authorized to promulgate such rules and regulations as may be necessary to carry out the purposes of this Act.

(g) There are authorized to be appropriated for each fiscal year beginning after September 30, 1981, such sums as may be necessary (but not to exceed $10,000,000) to carry out the agreements or compacts entered into pursuant to this title. Such funds shall be expended by the Secretary only after determination that there are no funds available from alternative sources as provided in subsection (d) of this section. The Secretary shall provide for such records as may be necessary for the accounting and justification of the funds expended under this authorization.

TITLE II—PLANNING AND MONITORING BOARDS

SEC. 201. (a) The Secretary is hereby authorized and directed to encourage the tribes and the States to establish councils, committees, boards, or task forces comprised of representatives of the States and individual tribes, or on a statewide or regional basis, to discuss and confer upon jurisdictional questions which exist between the parties, and to provide Federal representatives at such conferences.

(b) In furtherance of this objective, the Secretary is authorized and directed to provide adequate representation of tribal members at such conferences, and such further conferences among the tribes as may be necessary for their separate deliberations, and to participate in the payments of expenses in employment of reporters, transcription of statements, and preparation of reports as may be appropriate.

(c) Beginning October 1, 1981, funds appropriated pursuant to the Act of November 21, 1921 (42 Stat. 208), may be utilized for the purposes of this title.

TITLE III—JUDICIAL ENFORCEMENT

SEC. 301. Any party to an agreement or compact entered into in accordance with this Act may bring a civil action to secure equitable relief, including injunctive and declaratory relief, for the enforcement of any such agreement or compact, but no action to recover damages arising out of or in connection with such agreement or compact shall lie except as specifically provided for in such agreement or compact. The United States district courts shall have original jurisdiction of any civil action authorized by this section. States and Indian tribes, by entering into compacts or agreements in accordance with this Act, shall be deemed to have consented to suit with respect to the subject matter of such compacts or agreements unless the agreement or compact specifically states otherwise.●

By Mr. JEPSEN:

S. 564. A bill to establish a joint export marketing assistance program within the Department of Commerce to stimulate export promotion activity; to the Committee on Banking, Housing, and Urban Affairs.

JOINT EXPORT MARKETING ASSISTANCE ACT OF 1981

● Mr. JEPSEN. Mr. President, the international market is of great importance to our national economy. The State of Iowa enjoys a particularly sound export trade situation: The percentage of our manufacturing companies that export is twice the national average. Currently, 750 Iowa manufacturers are involved internationally. More importantly, 300 others have expressed interest in entering the export market. They have not done so for a variety of reasons. Today I rise to introduce legislation to provide a means for many of these Iowa companies, and others like them throughout our Nation, to enter the export market.

This year, our trade deficit may well run to $50 or $60 billion. Export expansion and promotion has become critical to restoring the health of our economy. While large corporations enjoy substantial Federal assistance, little attention has been given to the small- and me-

dium-sized company. The Joint Export Marketing Assistance Act of 1981 promises to fill this important gap. It offers a program designed to reduce the financial risks entailed in initial export market development. It also provides support to the small- and medium-sized firms of our Nation to take advantage of exporting opportunities that would otherwise be inaccessible to them. Finally, this legislation encourages them to commit themselves to a serious, ongoing export program.

As you are well aware, Mr. President, I am not an advocate of Government expansion and Government spending, and the Joint Export Marketing Assistance Act is not a Government subsidy. Repayment of the Government's share of the marketing costs is required, except in cases where the new marketing effort fails.

Individual firms as well as groups of exporters are eligible for assistance under this legislation.

Though many programs exist that attempt to benefit U.S. exporters, my bill can be distinguished from existing programs in three ways:

First, assistance. Since potential small exporters fear high risk in foreign marketing efforts, this program will relieve some of the financial burden. For example, a small- or medium-sized firm may need to invest between $30 thousand and $100 thousand during the initial 2 to 3 years of its export development activities before obtaining significant export sales. For a small- or medium-sized firm, this can constitute a significant financial exposure. To reduce the financial risk not addressed by traditional Government loan programs, the joint export marketing assistance program will share specified costs relating to initial overseas market development activities with individual firms or groups of firms on a contractual basis. Only marketing costs that can be specifically related to initial development of foreign markets for U.S. products are eligible.

Second, the requirements of the program. As I previously mentioned, participants will be required to repay Government costs based on total sales in the market during a period specified in the contract. The repayment provisions will be designed to minimize the possibility of default by participants. Firms seeking financial support will be required to prepare detailed development proposals, setting forth a comprehensive market plan that offers a reasonable prospect for sustained export sales after Government support is withdrawn. This is an important point because it will help to insure sound investment and assure a commonsense and responsible approach to Government involvement in export development.

Third, eligibility. Only firms with a proven track record and viable financial assets will be allowed to participate in this export assistance program. Emphasis will be given to the smaller exporter.

Mr. President, this country must aggressively develop marketing opportunities in every foreign market. We must realize also that the small- and medium-sized exporter can substantially affect our balance of trade. We need to guide and assist these companies in their trade efforts.●

By Mr. STEVENS:

S. 565. A bill to amend the Internal Revenue Code of 1954 to increase the amount of the deduction allowable for certain moving expenses; to the Committee on Finance.

TAX RELIEF FOR EMPLOYEES INCURRING MOVING EXPENSES

Mr. STEVENS. Mr. President, I am introducing a bill to allow employees who relocate for business reasons to take a more reasonable and flexible income tax deduction for expenses incurred in such a move. Existing law provides a maximum deduction of $3,000 for the costliest aspects of a move; that is, the expenses associated with the selling and purchasing of a home. This bill eliminates the cap and instead ties the deduction associated with home sales and purchases to the maximum reimbursement allowed for a Federal employee for such expenses, presently $12,000.

Mr. President, money is the big obstacle in moving these days. Many businesses offer raises and bonuses to those who relocate, but workers are rejecting seemingly profitable offers because relocation costs would cut into the gain. Many workers find that the cost of a new house and mortgage would wipe out any raise or bonus that the company might give. The resulting effect is that the people are not willing to move.

Moreover, simple reimbursement by an employer is insufficient in most cases to cover the employee's actual costs because reimbursements above $3,000 must be included in income. Hence, the employee loses money. In addition, instances where businesses are willing to pay for the added tax burden are significantly decreasing due to the exorbitant costs that must be borne by the employers.

Ironically, however, Federal employees who are eligible for sizable reimbursements experience some of the most serious problems. The Federal Government normally reimburses an employee who is asked to relocate. Relocation usually means increased responsibility and pay. However, pay caps over the years have eliminated any incentive for those employees who are most likely asked to move. With the existence of the Senior Executive Service, employees can be relocated at the drop of a hat. Without any hope for increased pay, a required move, regardless of reimbursement, means losses of thousands of dollars.

For example, recently a GS–15 employee with the IRS was asked to move from Tennessee to Washington, D.C., to take a Senior Executive position. Without a pay cap on top salaries this individual could have expected an $8,000 pay increase. Instead, he received a $2,500 pay increase which was totally wiped out by the higher State income taxes in Virginia where he moved. He sold his home in Tennessee for $87,500 and purchased one with comparable square footage in northern Virginia for $120,000. His monthly mortgage payment increased from $500 per month to $880 per month. His nonreimbursed moving expenses amounted to $1,650. The cost to this family for a move requested by the Federal Government after all tax deductions and credits were accounted for was a loss of over $5,000 in 1980. Because of the higher mortgage on his new home, he will effectively lose over $1,500 a year in the future.

Mr. President, there is something seriously wrong with a system when a devoted and obviously hard-working Federal employee must pay $5,000 to take a promotion with increased responsibility. Enactment of the bill which I am introducing would substantially reduce such costs to future relocated Federal and private sector employees.

Finally, the problem with the system is especially evident in my home State of Alaska. Large distances between major population centers require a greater need for mobility. As a result of these large distances, Alaska has had volatile growth characteristics for many years. To adequately perform many aspects of businesses, our people need to have more mobility. Yet, the costs of moving in Alaska are prohibitive. Alaska's economic and employment conditions have worsened in the past 2 years. There are opportunities but people must be able to get to them. Without some form of relief, the depressed areas of the State will worsen, and the areas where opportunities do exist will increase in cost due to the low supply of workers.

Mr. President, this country was and is known as the land of opportunity. Its greatness is directly related to the ability of its people to move to places of opportunity. Prohibitive moving costs restrain mobility and indirectly foreclose opportunity. I urge early consideration of this bill which will remedy serious problems in the relocation of workers in this Nation.

I ask unanimous consent that the text of this bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 565

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subparagraph (A) of section 217(b)(3) of the Internal Revenue Code of 1954 (relating to dollar limits) is amended to read as follows:

"(A) DOLLAR LIMITS—

"(i) EXPENSES DESCRIBED IN SUBPARAGRAPH (C) OR (D) OF PARAGRAPH (1)—The aggregate amount allowable as a deduction under subsection (a) in connection with a commencement of work which is attributable to expenses described in subparagraph (C) or (D) of paragraph (1) shall not exceed $1,500.

"(ii) EXPENSES OF SALE OR PURCHASE OF RESIDENCE—The aggregate amount allowable as a deduction under subsection (a) in connection with a commencement of work which is attributable to expenses described in subparagraph (A) or (B) of paragraph (2) shall not exceed the applicable Federal maximum reimbursement.

"(iii) LEASE EXPENSES—The aggregate amount allowable as a deduction under subsection (a) in connection with a commencement of work which is attributable to expenses described in subparagraph (C) or (D) of paragraph (2) shall not exceed $2,500 reduced by the aggregate amount so allowable which is attributable to expenses

described in subparagraph (B) of paragraph (2).

"(iv) APPLICABLE FEDERAL MAXIMUM REIMBURSEMENT—For purposes of clause (ii), the term 'applicable Federal maximum reimbursement' means—

"(1) in the case of expenses described in subparagraph (A) of paragraph (2), the overall limitation on reimbursement for expenses for the purchase of a home established pursuant to such regulations.

Determinations under the preceding sentence shall be made under the regulations as in effect on the date of the sale of the former residence or the purchase of the new residence (as the case may be)."

(b)(1) Subparagraph (B) of section 217(b)(3) of such Code (relating to dollar limitations with respect to husband and wife) is amended by striking out the last sentence and inserting in lieu thereof the following: "In the case of a husband and wife filing separate returns, subparagraph (A) shall be applied by substituting '$750' for '$1,500', 'one-half of the applicable Federal maximum reimbursement' for 'the applicable Federal maximum reimbursement', and '$1,250' for '$2,500'."

(2) Subparagraph (B) of section 217(h)(1) of such Code (relating to increase in limitations in case of foreign moves) is amended by striking out "and by substituting '$6,000' for '$3,000' ".

(3) Subparagraph (C) of section 217(h)(1) of such Code is amended to read as follows:

"(C) subsection (b)(3)(B) shall be applied as if the last sentence of such subsection read as follows: 'In the case of a husband and wife filing separate returns, subparagraph (A) shall be applied by substituting "$2,250" for "$4,500", "one-half of the applicable Federal maximum reimbursement" for "applicable Federal maximum reimbursement", and "$1,250" for "$2,500".' "

(c) The amendments made by this section shall apply to taxable years beginning after December 31, 1981.

By Mr. HELMS:

S.J. Res. 33. Joint resolution to establish a commission to plan for the 200th anniversary celebration of the birth of our Constitution; to the Committee on the Judiciary.

ESTABISHMENT OF COMMISSION TO PLAN FOR 200TH ANNIVERSARY CELEBRATION OF THE CONSTITUTION

Mr. HELMS. Mr. President, I am today offering a joint resolution that will establish a commission to plan for the 200th anniversary celebration of the birth of our Constitution. I do this with the encouragement and strong support of a fine group of Americans, the North Carolina Veterans Council. These dedicated men have been tremendously helpful to me and I commend them for their patriotism. Those who have sacrificed for this country know the true meaning of the Constitution.

Mr. President, on Monday, September 17, 1787, the U.S. Constitution was signed at the Constitutional Convention in Philadelphia. It reflected the inspiring message of the Declaration of Independence that our universal natural rights, and the right of the people to govern themselves, are of divine origin.

The declaration and the Constitution represent a unity of purpose. The declaration prepared the way for self-government and the ultimate achievement of the American Revolution—a constitutional system of limited government. The Constitution in turn transformed the Declaration of Independence from an abstract philosophy, justifying rebellion, into the creation of a nation. The declaration enunciated principles; but it was the Constitution which made those principles a living reality and the supreme law of the land. Without the declaration, the Constitution would lack much of its moral authority; without the Constitution, the Declaration of Independence would be mere words.

The preamble of our Constitution set high-level yet reasonable goals for all future generations. While a strong Union was needed, the Constitution wisely provided that all authority would be restrained from an abuse of power by the techniques of limiting, separating, and balancing.

Moreover, those great men—Washington, Hamilton, Madison, Franklin, and many others who hammered out the Constitution were not unmindful of change, so, they provided a method for adapting the Constitution to our changing Nation through the amendment procedure.

Mr. President, as the 200th anniversary of the signing of this immortal document approaches, we should turn our attention to the precedent set by our Constitution and to the blueprint it has provided for the building of our Nation's Government.

It is imperative that we examine our Constitution in such a manner, for I fear that we have strayed from this blueprint. My close friend, the Honorable I. Beverly Lake, a former member of the faculty of the Wake Forest University Law School, retired justice of the North Carolina Supreme Court, and now a member of the faculty at the Campbell University Law School, has expressed this concern in a lecture, the text of which I shared with my colleagues last session on the floor of the Senate. Because it is so timely, I would like to quote from it again. Mr. Justice Lake begins with an excerpt from George Washington's farewell address to the American people:

If in the opinion of the people the distribution of modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in the way by which the Constitution designates. But let there be no change by usurpation; for though this in one instance may be the instrument of good, it is the customary weapon by which free governments are destroyed.

Similarly, Mr. Justice Black, with whose views I am less often in agreement, dissenting in Harper against Virginia Board of Elections, which held unconstitutional Virginia's requirement of payment of a poll tax as a condition upon the right to vote, said:

When a political theory embodied in our Constitution becomes outdated, a majority of the nine members of this Court are not only without constitutional power, but are far less qualified to choose a new constitutional political theory than the people of this country proceeding in the manner provided by Article V.

The concept of men and women living in substantially complete personal freedom, and yet in the tranquil security of an orderly society, under a government limited in its powers by a written constitution, is America's great contribution to political science and governmental philosophy. We have a country marvelously rich in natural resources and climate and exceedingly fortunate in geographic location, but it is my belief that the chief factor in our becoming the great Nation we are, in our achieving the standard of living we enjoy, has been our Constitution. Whatever may have been true of czarist Russia, this country needs no "New Foundation." What we need is to return our Federal Government, and, more specifically, the Federal court system, to alinement with the foundation upon which our structure of justice, domestic tranquillity, prosperity, and secure liberty was built—the Constitution.

The sociological jurisprudence which has dominated the decisions of the Supreme Court of the United States for the past 40 years, has ignored the warning of George Washington and has created a governmental superstructure which is oppressive and already virtually beyond the control of the American people. It has flooded us with bad sociology and worse jurisprudence until today the statement, "The Constitution is what the judges say it is," is perilously close to the truth.

My friend, Mr. Justice Lake, closes by saying—

The only hope of eventual improvement lies in the long slow process of electing presidents and senators who, themselves, have an awareness of the need for selection of judges who have a love for and an understanding of our Constitution, together with some awareness of their own limitations, both in authority and in wisdom.

Therefore, Mr. President, it is for three reasons that I introduce this resolution to establish a commission whose purpose will be to plan for the celebration of our Constitutional Bicentennial. First, we ought to honor the remarkable men who presented this Nation with so magnificent a document. Second, such an auspicious occasion will provide an opportunity to promote understanding and study of the document itself by the people of this Nation; and third, it is time to heed the warning of Mr. Justice Lake and so many other jurists who urge a return to the great principles of our Constitution.

Mr. President, I reiterate that it is with the encouragement and help of the North Carolina Veterans Council that I offer this bill to plan for our Constitution Bicentennial, which I hope will be both a celebration of our past and the beginning of a new era of maintenance and promotion of the solid principles our forefathers included in our Constitution.

Mr. President, I ask unanimous consent that the text of the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 33

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Constitution Bicentennial Observance Act".

SEC. 2. (a) As this Nation approaches the bicentennial of the formulation and ratification of the United States Constitution and

the historic events preceding and associated with the United States Constitution which are of such major significance in the development of our national heritage of individual liberty, representative government, and the attainment of equal and inalienable rights and which have also had so profound an influence throughout the world, it is appropriate and desirable to provide for the observation and commemoration of this anniversary and these events through local, State, National, and international activities planned, encouraged, developed, and coordinated by a national commission representative of appropriate public and private authorities and organizations.

(b) There is hereby established a commission to be known as the United States Constitution Bicentennial Commission (hereinafter referred to as the "Commission") to plan, encourage, develop, and coordinate the commemoration of the United States Constitution bicentennial.

(c) The Commission shall be composed of the following members:

(1) Four Members of the Senate appointed by the President of the Senate.

(2) Four Members of the House of Representatives appointed by the Speaker of the House of Representatives.

(3) The Secretary of State, the Attorney General, the Librarian of Congress, the Secretary of the Smithsonian Institution, the Archivist of the United States, and the Chairman of the Federal Council on the Arts and the Humanities, all of whom shall be ex officio members of the Commission.

(4) Four members of the Federal judiciary to be appointed by the Chief Justice of the United States.

(5) Twenty-five members who are not otherwise employees or officers of the United States appointed by the President, no more than thirteen of whom may be identified with any one political party. Such members shall be so chosen as to be broadly representative of the Nation's people, and one member shall be designated as the Chairman by the President.

(d) Vacancies shall be filled in the same manner in which the original appointments were made.

SEC. 3. (a) It shall be the duty of the Commission to prepare an overall program for commemorating the bicentennial of the United States Constitution, and to plan, encourage, develop, and coordinate observances and activities commemorating the historic events that preceded, and are associated with, the United States Constitution. The program for commemorating the bicentennial of the United States Constitution shall be celebrated over a three year period, each year being devoted to the relationship between, and the historical development, of the three branches of government, and the formation and establishment of the United States Constitution.

(b) In preparing its plans and program, the Commission shall give due consideration to any related plans and programs developed by State and local governments, and private groups, and it may designate special committees with representatives from such bodies to plan, develop, and coordinate specific activities.

(c) In all planning, the Commission shall give special emphasis to the ideas associated with the Constitution which have been so important in the development of the United States, in world affairs, and in mankind's quest for freedom.

(d) Not later than two years after the date of the approval of this joint resolution, the Commission shall submit to the President a comprehensive report incorporating its specific recommendations for the commemoration of the bicentennial and related events. This report may recommend activities such as, but not limited to, the following—

(1) the production, publication, and distribution of books, pamphlets, films, and other educational materials focusing on the history, culture, and political thought of the period of the United States Constitution;

(2) bibliographical and documentary projects and publications;

(3) conferences, convocations, and lectures, seminars, and other programs;

(4) the development of libraries, museums, historic sites, and exhibits, including mobile exhibits;

(5) ceremonies and celebrations commemorating specific events;

(6) programs and activities focusing on the national and international significance of the United States Constitution, and its implications for present and future generations; and

(7) the issuance of commemorative coins, medals, certificates of recognition, and stamps.

(e) The report of the Commission shall include recommendations for the allocation of financial and administrative responsibility among the public and private authorities and organizations recommended for participation by the Commission. The report shall also include proposals for such legislative enactments and administrative actions as the Commission considers necessary to carry out its recommendations. The President shall transmit the Commission's report to the Congress together with such comments and recommendations for legislation and such report of administrative actions taken by him as he deems appropriate.

SEC. 4. (a) In fulfilling its responsibilities the Commission is authorized and directed to consult, cooperate with, and seek advice and assistance from, appropriate Federal departments and agencies, State and local public bodies, learned societies, and historical, patriotic, philanthropic, civic, professional, and related organizations. Such Federal departments and agencies shall cooperate with the Commission in planning, encouraging, developing, and coordinating appropriate commemorate activities.

(b) The Secretary of the Interior shall undertake a study of appropriate actions which might be taken to further preserve and develop historic sites related to the formulation and ratification of the United States Constitution, at such time and in such manner as will insure that fitting observances and exhibits may be held at appropriate sites during the bicentennial celebration. The Secretary shall submit the results of his study to the Commission, together with his recommendations, affording the Commission an opportunity to review his study, and to incorporate such of its findings and recommendations as the Commission may deem appropriate in the report required by section 3(d).

(c) The Chairman of the Federal Council on the Arts and the Humanities, the Chairman of the National Endowment for the Arts, and the Chairman of the National Endowment for the Humanities shall cooperate with the Commission, especially in the encouragement and coordination of scholarly works and presentations focusing on the history, culture, and political thought of the period surrounding the formulation and ratification of the United States Constitution.

(d) The Librarian of Congress, the Secretary of the Smithsonian Institution, and the Archivist of the United States shall cooperate with the Commission in the development and display of exhibits and collections, and in the development and preparation of bibliographies, catalogs, and other materials relevant to the period surrounding the formulation and ratification of the United States Constitution.

(e) Each of the officers in subsections (c) and (d) of this section shall submit recommendations to the Commission in sufficient time to afford the Commission an opportunity to review them, and to incorporate such of the recommendations as the Commission may deem appropriate in the report required by section 8(d).

SEC. 5. (a) The Commission is authorized to accept donations of money, property, or personal services.

(b) All books, manuscripts, miscellaneous printed matter, memorabilia, relics, and other materials relating to the period surrounding the creation and ratification of the United States Constitution donated to the Commission may be deposited for preservation in National, State, or local libraries or museums or may be otherwise disposed of by the Commission in consultation with the Smithsonian Institution, the Archivist of the United States, and the Administrator of General Services.

SEC. 6. (a) The members of the Commission shall receive no compensation for their services. Members from the legislative and executive branches shall be allowed necessary travel expenses as authorized under law for official travel. Members appointed by the President under section 2(b)(5) shall be allowed necessary travel expenses as authorized by section 5703 of title 5, United States Code.

(b)(1) The Chairman, with the advice of the Commission, shall appoint a Director who will be compensated at level IV of the Executive Schedule established under section 5315 of title 5, United States Code, and three Deputy Directors who will be compensated at level V of the Executive Schedule established under section 5316 of such title. Such officers shall serve at the pleasure of the Chairman.

(2) The Commission shall have power to appoint and fix the compensation of such additional personnel as it deems advisable and to appoint such advisory committees as it deems necessary.

(3) The Commission shall delegate such powers and duties to the Director as may be necessary for the efficient operation and management of the Commission.

(c) The Commission may procure services as authorized by section 3109 of title 5, United States Code.

(d) The Commission, to the extent necessary, may procure supplies, services, and property; make contracts; expend in furtherance of this Act funds appropriated, donated, or received in pursuance of contracts hereunder; and exercise those powers that are necessary to enable it to carry out efficiently and in the public interest the purposes of this Act.

(e) Financial and administrative services (including those related to budgeting, accounting, financial reporting, personnel, and procurement) shall be provided the Commission by the Department of the Interior, for which payment shall be made in advance, or by reimbursement, from funds of the Commission in such amounts as may be agreed upon by the Chairman of the Commission and the Secretary of the Interior, except that the regulations of the Department of the Interior for the collection of indebtedness of personnel resulting from erroneous payments (under the authority of section 5514(b) of title 5, United States Code) shall apply to the collection of erroneous payments made to or on behalf of a Commission employee, and regulations of said Secretary for the administrative control of funds under the authority of section 3679(g) of the Revised Statutes (41 U.S.C. 665(g)) shall apply to appropriations of the Commission.

(f) Any property acquired by the Commission remaining upon its termination may be used by the Secretary of the Interior for purposes of the National Park Service, or may be disposed of as excess or surplus property.

(g) Any person who, except as authorized under rules and regulations issued by the Commission, knowingly manufactures, reproduces, or uses any logos, symbols, or marks originated under authority of and certified by the Commission for use in connection with the commemoration of the United States Constitution Bicentennial, or any facsimile thereof, or in such a manner as suggests any such logos, symbols, or marks, shall be fined not more than $250, or imprisoned not more than six months, or both. This section shall only apply in the case of such logos, symbols, and marks for which the Commisison has published in the Federal Register a notification of certification.

SEC. 7. (a) There are hereby authorized to be appropriated $4,000,000 to carry out the purposes of this Joint Resolution through 1987.

(b) An annual report of the activities of the Commission, including an accounting of funds received and expanded, shall be furnished by the Commission to the Congress. A final report shall be made to the Congress no later than April 31, 1988, upon which date the Commission shall terminate.

SEC. 8. In carrying out the purposes of this Joint Resolution, the Commission is authorized to provide for—

(1) the preparation, distribution, dissemination, exhibition, and sale of historical, commemorative, and informational materials and objects which will contribute to public awareness of, and interest in, the bicentennial;

(2) competitions, commissions, and awards for historical, scholarly, artistic, literary, musical, and other works, programs, and projects relating to the bicentennial; and

(3) a bicentennial calendar or register of programs and projects, and in other ways provide a central clearinghouse for information and coordination regarding dates, events, places, documents, artifacts, and personalities of bicentennial historical and commemorative significance.

SEC. 9. The Commission is authorized to carry out a program of grants-in-aid in furtherance of the purposes of this Joint Resolution. The Commission shall, subject to such regulations as it may prescribe—

(1) make grants for not more than 50 percent of the total cost of a program or project, to nonprofit entities, including States and their political subdivisions, territories, the District of Columbia, and the Commonwealth of Puerto Rico, to assist in the development and support of bicentennial programs and projects; and

(2) make grants of money or property in any case in which—

(A) the money or property is donated, bequeathed, or devised to the Commission for a bicentennial program or project; and

(B) the Commission accepts such money or property for purposes of assisting a specified nonprofit entity, including States and their political subdivisions, territories, the District of Columbia, and the Commonwealth of Puerto Rico.

The Commission shall, in addition to the grant of the donated, bequeathed, or devised money or property, grant an amount of money not to exceed the value of the donation, bequest, or devise, if the recipient agrees to match the combined value of the grant for such bicentennial program or project.

SEC. 10. Appropriations or other funds available to any Government department or agency for purposes related to or in furtherance of the bicentennial commemoration may be transferred to the Commission. Similarly the Commission may transfer appropriations or other funds to any Government department or agency for such purposes.

By Mr. GOLDWATER (for himself and Mr. DECONCINI):

S.J. Res. 34. Joint resolution to provide for the designation annually of "National Patriotism Week"; to the Committee on the Judiciary.

NATIONAL PATRIOTISM WEEK

Mr. GOLDWATER. Mr. President, it was my privilege to attend a very fine ceremony in the Rose Garden Tuesday afternoon with other Members of Congress and a wonderful group of young people from Arizona, who were invited to join President Reagan in commemorating National Patriotism Week.

The fact that the Yuma High School Choralairs and other students composing a 150-member delegation worked for over 6 months to finance their own trip to Washington, D.C., is evidence of the revival of patriotism among Americans that is sweeping our Nation.

National Patriotism Week is for all Americans; but it is especially meant for the youth of America. The idea itself was founded by a young girl named Lori Cox, living in Scottsdale, Ariz., who preaches patriotism and the American way of life, day after day, because she is convinced of the values found in our country. I could not agree more with her, so when she asked me to introduce legislation for a National Patriotism Week, I gladly did so.

Last February 26, the Senate passed our proposal and on September 30, it passed the House. President Carter signed the legislation into law on October 10, 1980.

The measure creates an educational week when schools and communities conduct appropriate programs celebrating patriotism, encouraging citizen responsibility, and honoring our national symbols and accomplishments. At least 12 national associations have offered to assist voluntarily during this week in activities to restore patriotism.

There are no Federal funds involved, but the week serves as a rallying point for Americans who still hold a strong love of their country.

Mr. President, the resolution we passed in the Senate last year called for the designation of National Patriotism Week each year. However, under the rules of the Post Office and Civil Service Committee in the House, the resolution could not be reported unless it was amended to make it a one-time observance. in 1981. As a result, the legislation was changed before it cleared the House.

Today, I am joining with my colleague from Arizona, Senator DECONCINI, in introducing a new joint resolution to designate the week annually, as it should be. Goodness knows, there can never be enough of patriotism. I hope our friends on the other side of Capitol Hill will see the truth of this statement and agree with us in the Senate that National Patriotism Week should be an annual event.

I ask unanimous consent that the text of the resolution appear in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 34

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the first section of the joint resolution of October 10, 1980, Public Law 96-421, 94 Stat. 1798, is amended by striking "1981" and inserting "each year".

SEC. 2. Section 2 of such joint resolution is amended by inserting "annually" immediately after "to issue".

SEC. 3. The title of such joint resolution is amended to read as follows: "Joint Resolution to designate the week commencing with the third Monday in February of each year as 'National Patriotism Week'".

By Mr. WEICKER:

S.J. Res. 35. Joint resolution to direct the President to reinstate emergency buildings temperature controls; to the Committee on Energy and Natural Resources.

EMERGENCY BUILDING TEMPERATURE RESTRICTIONS

● Mr. WEICKER. Mr. President, I rise today to submit a joint resolution requiring that the administration reinstitute the emergency building temperature restrictions program.

The emergency building temperature restrictions program was enacted under the Energy Policy and Conservation Act, put into force in July 1979 and twice extended by former President Carter first on April 15, 1980, and again as recently as January 15, 1981.

I propose reinstitution for two reasons: First, an abandonment of this conservation initiative sends the world exactly the wrong signal regarding how we intend to manage the continuing energy crisis; second, the emergency building temperature restrictions program has been effective.

Before going into detail on these points, let me explain my approach to the energy crisis. I have supported the decontrol of crude oil. My State is more than 70 percent dependent upon crude oil supplies, but I believe in and support the free market—however painful—so that we can achieve a realistic appreciation of this country's true cost of energy. By the same token, I will likely support the decontrol of natural gas.

As chairman of the Small Business Committee, I have seen what terrible burden Government regulations can impose upon our free enterprise system—and wherever possible, I supoprt the elimination of unnecessary Government regulation.

So, I do not support EBTR out of any knee-jerk reaction favoring excessive Government interference or regulation of business or because I think market pricing of energy is wrong.

I cannot support, however, the theory that market pricing is the magic wand to solving the energy crisis. There is, unhappily, no single solution to the energy crisis. But, for far too long our policy has been heavily tilted toward direct Government support of and tax incentives for production of energy while ignoring the vast potential of conservation. The Joint Economic Committee recently released a report establishing that in the past 9 years we have invested $55.6 billion for enhancement of energy supplies, while investing only $4.1 million in con-

servation efforts. Someday we will realize that conservation is the cheapest way to create energy.

And that is precisely what is wrong with revoking EBTR. Revoking EBTR says that conservation cannot contribute to solving the energy crisis. So, the administration, perhaps unintentionally, sends out the signal that we can do without conservation.

It sends that signal to the American consumer who is now digesting very substantial price increases through crude oil deregulation. It sends that signal to the International Energy Agency which must be wondering anew what kind of commitment, if any, this country has to reducing its reliance upon foreign oil. Worst of all, it sends the signal to OPEC inviting further price increases. It invites OPEC to reduce its output. To play havoc with our markets.

The simple fact is that we have little or no emergency preparedness for the next OPEC reduction or cutoff of supplies. Removing EBTR only means we will be that much less well prepared for the next OPEC oil cutoff. Over the past 8 years we have been subjected to three significant OPEC oil interruptions; the next one could come tomorrow, the next one could be total. And, we will not be prepared. EBTR is hardly the entire answer to emergency preparedness; EBTR is hardly the entire answer to energy conservation; but revoking EBTR telegraphs a signal to OPEC, to IEA, and to the American consumer that conservation does not count.

That's the wrong signal to send.

Since July 1979, when the program was put in place, it affected 2.8 million buildings. It exempted restaurants, hotels, hospitals, food stores, it even exempted laundromats. It only required that temperatures in other commercial buildings be set at 65° in the winter and 78° in the summer. That, my colleagues, is not sacrifice. It is a positive, if modest, conservation commitment.

Last year under Senator PERCY's leadership, the Senate Governmental Affairs Committee conducted an investigation of EBTR. That investigation explored the possibility of altering the temperature requirements 65°/78° to 68°/74° and concluded:

> Furthermore, to alter the standards would send a signal to the American public and the rest of the world that this Government perceives the need for conservation to have diminished—in effect, that the energy crisis is not a serious matter.

So, now a new administration comes along and in the face of a Senate investigation stating that an alteration of temperature requirements would send the wrong signal, totally eliminates the program.

The administration has revoked EBTR because it "imposes an excessive regulatory burden."

Let me tell you about that "excessive regulatory burden." During the 19 months the program was in effect, there were roughly 50,000 building inspections. But those 50,000 inspections produced no penalties, no fines, no indictments. This program did not send an energy gestapo into the streets of America. EBTR has, however, given building owners and operators the necessary guidelines and approaches to control costs and avoid pre-energy crisis lease requirements establishing "comfortable temperatures."

I submit that EBTR hardly meets any reasonable test to be identified as an "excessive regulatory burden." EBTR has been a wise partnership between Government and the private sector. The proper role for Government is to lead, guide, and direct—to do so benignly whenever possible, to do so vigorously when necessary. EBTR is an example of benign leadership. Revoking EBTR simply says the Government does not care any more, that the Government is prepared to abdicate its leadership role in energy conservation with the result that market pricing can willy-nilly dictate who freezes and who fries. That is not leadership. It may be good campaign rhetoric, but it is not leadership.

The second appropriate test for EBTR is its effectiveness in addressing our energy crisis. The most recent analysis, one prepared by the Argonne National Labs last November and updated through the 4th of this month, indicates that EBTR has been saving 384,000 barrels of oil equivalent a day—140 million barrels of oil equivalent a year. At an average cost of $30 per barrel over the 19 months of the program this reduction in consumption translates into a savings of $4.2 billion.

Let me cite two examples. First, American Telephone & Telegraph has had this very program in effect since 1973. A.T. & T. claims that its program, identical to EBTR, has reduced energy consumption by 7 percent since 1973, and that it has saved the equivalent of 23 million barrels of oil since 1973, for a total dollar savings of $800 million.

A second example: Pan American World Airways strictly enforced EBTR at its J. F. Kennedy Airport buildings, and in 1 year, from July 1979 to July 1980, Pan Am calculates a 33-percent reduction of heating and cooling consumption worth nearly $300,000 and has additionally reduced its energy maintenance costs by more than $400,000.

To recap nationally: 140 million barrels of oil saved per year. More than we have in our Strategic Petroleum Reserve. Balance of payments cut by $4.2 billion—at a total cost to the taxpayer of $9.2 million over 19 months.

These figures have been effectively confirmed by Senator PERCY's investigation which summarized its findings:

> The EBTR program served the purposes of the Energy Policy and Conservation Act particularly well for a number of reasons. Since nearly one-quarter of the petroleum consumed in the United States is used for space heating and cooling and the production of hot water, the program offered the potential for a significant and rapid reduction in energy demand. Furthermore, the EBTR plan heightened public awareness of conservation ethics, strengthened the resolve of those in the private sector desiring to conserve, was enforceable by Federal authorities, and imposed no undue hardship on any sector of the economy. In sum, the EBTR program was a good, commonsense approach to conservation. Also of significance, the DOE now has experience in implementing an emergency conservation measure, which may prove invaluable in the future.

That, my colleagues, is the case for EBTR. It has reduced energy consumption, saved money, promoted public awareness of energy conservation, and sent the right signals to the American consumer and to the world. Revoking EBTR does just the opposite.

Mr. President, I ask unanimous consent that the text of the resolution be printed in the RECORD at the conclusion of my remarks.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 35

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and directed to reinstate emergency building temperature controls under section 202 of the Energy Policy and Conservation Act (42 U.S.C. 6262) not less stringent than those controls which were in effect on January 1, 1981.●

By Mr. MATHIAS:

S.J. Res. 36. Joint resolution to authorize the President to designate the week of March 9 through March 15, 1981 as "Children and Hospitals Week"; to the Committee on the Judiciary.

CHILDREN AND HOSPITALS WEEK

● Mr. MATHIAS. Mr. President, over 4½ million children are hospitalized in the United States every year. About 600,000 of them are under 1 year of age. Ten times as many visit outpatient and wellbaby clinics; millions more visit private physicians for well child care or treatment of episodic illness. Still others, suffering from congenital illnesses and developmental disabilities, receive long-term followup care.

Research by experts in child development has shown that hospitalization or even an appointment in a neighborhood clinic can be emotionally traumatic for all these children. Often concern for the developing child's psychological needs has not kept pace with the remarkable progress made in the prevention, diagnosis, and treatment of childhood disease during the past 35 years.

When a child is not prepared fully for a medical or surgical procedure, or when daily routine is altered and contact with friends and family is interrupted, anxiety, regression, or depression may result. These reactions do not occur in all children, and fortunately they are usually short term. However, they may also be longlasting and have been known to lead to permanent behavioral disturbances.

In short, all children are at risk for developing emotional problems as a result of physical illness. Those under the age of 5 are the most vulnerable; and it is this age group which needs total health care most often.

A child's hospitalization also causes stress for parents who are most important in helping their family deal successfully with this experience.

Many hospitals, in the United States, Canada, and abroad have already initiated special programs to insure that the unique needs of hospitalized children

and their families are fully met. Experience has indicated that such programs can effectively alleviate the emotional stress of illness, and that these children get better faster.

Public education is an effective way to familiarize parents, teachers, and health professionals with these needs and ways to meet them. An educated community can bring about the desired changes that are still needed in many child health care practices.

"Children and Hospitals Week" is a public education campaign focusing on these issues. It is organized by the Association for the Care of Children's Health and sponsored solely through private, nonprofit means.

In recognizing "Children and Hospitals Week," March 9–15, 1981, with the passage of my resolution, the Senate can begin the process of enacting legislation to safeguard the health of our Nation's children.●

ADDITIONAL COSPONSORS

S. 2

At the request of Mr. MATHIAS, the Senator from Oklahoma (Mr. NICKLES), and the Senator from South Dakota (Mr. ABDNOR) were added as cosponsors of S. 2, a bill to amend the Internal Revenue Code of 1954.

S. 32

At the request of Mr. CHAFEE, the Senator from Florida (Mr. CHILES) was added as a cosponsor of S. 32, a bill to grant a Federal Charter to the Italian American War Veterans of the United States of America.

S. 63

At the request of Mr. RANDOLPH, the Senator from Alabama (Mr. HEFLIN), the Senator from Illinois (Mr. DIXON), and the Senator from Kentucky (Mr. FORD) were added as cosponsors of S. 63, a bill to amend the Clean Air Act to provide compliance date extensions for steelmaking facilities on a case-by-case basis to facilitate modernization.

S. 93

At the request of Mr. MATHIAS, the Senator from Missouri (Mr. DANFORTH) was added as a cosponsor of S. 93, a bill to designate the birthday of Martin Luther King, Jr., a legal public holiday.

S. 144

At the request of Mr. HEINZ, the Senator from Colorado (Mr. HART), the Senator from Utah (Mr. GARN), the Senator from Virginia (Mr. WARNER), the Senator from New York (Mr. D'AMATO), and the Senator from Tennessee (Mr. BAKER) were added as cosponsors of S. 144, a bill to encourage exports by facilitating the formation and operation of export trading companies, export trade associations, and the expansion of export trade services generally.

S. 160

At the request of Mr. SCHMITT, the Senator from Alaska (Mr. STEVENS) was added as a cosponsor of S. 160, a bill to authorize the Secretary of Agriculture to convey certain National Forest System lands, under specified conditions, to direct the Secretary of Interior to certify survey monuments within 180 days, and for other purposes.

S. 170

At the request of Mr. PACKWOOD, the Senator from Wyoming (Mr. SIMPSON), the Senator from Pennsylvania (Mr. HEINZ), the Senator from Minnesota (Mr. DURENBERGER), the Senator from North Dakota (Mr. ANDREWS), and the Senator from Montana (Mr. MELCHER) were added as cosponsors of S. 170, a bill to amend the Internal Revenue Code of 1954 to allow the charitable deduction to taxpayers whether or not they itemize their personal deductions.

S. 181

At the request of Mr. CRANSTON, the Senator from Arkansas (Mr. BUMPERS), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Montana (Mr. MELCHER), and the Senator from Montana (Mr. BAUCUS) were added as cosponsors of S. 181, a bill to provide for the extension of the authorization of appropriations for the Head Start program.

S. 207

At the request of Mr. MITCHELL, the Senator from Georgia (Mr. NUNN), the Senator from Maine, (Mr. COHEN), and the Senator from Texas (Mr. BENTSEN) were added as cosponsors of S. 207, a bill to amend the Bank Holding Company Act of 1956 to limit the property and casualty and life insurance activities of bank holding companies and their subsidiaries.

S. 243

At the request of Mr. CHAFEE, the Senator from South Carolina (Mr. THURMOND), the Senator from Maryland (Mr. MATHIAS), and the Senator from Virginia (Mr. WARNER) were added as cosponsors of S. 243, a bill to amend the Internal Revenue Code of 1954 to increase the allowable contributions to individual retirement plans and to allow employees a deduction for savings contributions to employer retirement plans or to individual retirement accounts.

S. 254

At the request of Mr. SCHMITT, the Senator from Alaska (Mr. STEVENS), and the Senator from Arizona (Mr. DECONCINI) were added as cosponsors of S. 254, a bill to authorize public land States to select certain public lands in exchange for land taken by the United States for military and other uses, and for other purposes.

S. 255

At the request of Mr. MATHIAS, the Senator from Wyoming (Mr. SIMPSON), the Senator from Hawaii (Mr. INOUYE), the Senator from South Carolina (Mr. HOLLINGS), the Senator from New Jersey (Mr. WILLIAMS), the Senator from Idaho (Mr. SYMMS), and the Senator from Oregon (Mr. HATFIELD) were added as cosponsors of S. 255, a bill to amend the patent law to restore the term of the patent grant for the period of time that nonpatent regulatory requirements prevent the marketing of a patented product.

S. 276

At the request of Mr. DECONCINI, the Senator from Mississippi (Mr. COCHRAN), and the Senator from Nevada (Mr. LAXALT) were added as cosponsors of S. 276, a bill for the relief of Roger Eric Lord.

S. 307

At the request of Mr. COCHRAN, the Senator from Minnesota (Mr. BOSCHWITZ) was added as a cosponsor of S. 307, a bill to amend the Internal Revenue Code of 1954 to exempt from the windfall profit tax oil produced from interests held by or for residential child care agencies.

S. 321

At the request of Mr. BENTSEN, the Senator from Alabama (Mr. HEFLIN), and the Senator from California (Mr. CRANSTON) were added as cosponsors of S. 321, a bill to amend section 265 of the Internal Revenue Code of 1954 with respect to the deduction, by certain financial institutions, of interest paid on deposits of public funds where those deposits are secured by tax-exempt obligations.

S. 329

At the request of Mr. PELL, the Senator from Ohio (Mr. METZENBAUM) was added as a cosponsor of S. 329, a bill to amend the Internal Revenue Code of 1954 to provide a credit against tax for certain home heating costs.

S. 391

At the request of Mr. CHAFEE, the Senator from Colorado (Mr. ARMSTRONG), the Senator from Maine (Mr. COHEN), the Senator from New York (Mr. D'AMATO), the Senator from Idaho (Mr. SYMMS), and the Senator from Washington (Mr. GORTON) were added as cosponsors of S. 391, a bill to amend the National Security Act of 1947 to prohibit the unauthorized disclosure of information identifying agents, informants, and sources and to direct the President to establish procedures to protect the secrecy of these intelligence relationships.

S. 396

At the request of Mr. DANFORTH, the Senator from Idaho (Mr. SYMMS) was added as a cosponsor of S. 396, a bill to impose quotas on the importation of automobiles from Japan during 1981, 1982, and 1983.

S. 409

At the request of Mr. JOHNSTON, the Senator from Rhode Island (Mr. PELL), and the Senator from Nebraska (Mr. EXON) were added as cosponsors of S. 409, a bill to provide specific standby authority to deal with petroleum supply interruptions, and for other purposes.

S. 410

At the request of Mr. JOHNSTON, the Senator from Florida (Mr. CHILES) was added as a cosponsor of S. 410, a bill to reform the Powerplant and Industrial Fuel Use Act of 1978 to encourage a reduction of air pollution and oil consumption by existing electric powerplants and to aid utilities in converting to alternate fuels.

S. 415

At the request of Mr. CRANSTON, the Senator from Maine (Mr. MITCHELL) was added as a cosponsor of S. 415, a bill to amend title 38, United States Code, to increase the maximum amount payable in Veterans' Administration specially adapted housing assistance, and for other purposes.

S. 416

At the request of Mr. CRANSTON, the Senator from Maine (Mr. MITCHELL) was added as a cosponsor of S. 416, a bill to amend title 38, United States Code, to increase the maximum amount of the automobile assistance provided to certain severely service-connected disabled veterans, to extend eligibility for the provision of automobile adaptive equipment to certain other service-connected disabled veterans, and for other purposes.

S. 441

At the request of Mr. NUNN, the Senator from Texas (Mr. BENTSEN) and the Senator from Arizona (Mr. GOLDWATER) were added as cosponsors of S. 441, a bill to provide limited assistance by the armed services to civilian drug enforcement agencies.

S. 452

At the request of Mr. BOREN, the Senator from Pennsylvania (Mr. HEINZ) was added as a cosponsor of S. 452, a bill to amend the Internal Revenue Code of 1954 with respect to the treatment of gain on the sale or exchange of foreign investment company stock.

S. 464

At the request of Mr. DURENBERGER, the Senator from Michigan (Mr. RIEGLE) was added as a cosponsor of S. 464, a bill to amend the Internal Revenue Code of 1954 to adjust provisions governing private foundations.

SENATE JOINT RESOLUTION 7

At the request of Mr. LUGAR, the Senator from New Mexico (Mr. SCHMITT) was added as a cosponsor of Senate Joint Resolution 7, a joint resolution proposing an amendment to the Constitution to require that congressional resolutions setting forth levels of total budget outlays and Federal revenues must be agreed to by two-thirds vote of both Houses of Congress if the level of outlays exceeds the level of revenue.

SENATE JOINT RESOLUTION 11

At the request of Mr. HEFLIN, the Senator from Rhode Island (Mr. PELL) was added as a cosponsor of Senate Joint Resolution 11, a joint resolution establishing the policy with respect to the number of digits which should be used as ZIP codes or other codes used for mail delivery.

SENATE CONCURRENT RESOLUTION 5

At the request of Mr. LUGAR, the Senator from New York (Mr. MOYNIHAN), the Senator from Michigan (Mr. LEVIN), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Hawaii (Mr. INOUYE), the Senator from Washington (Mr. JACKSON), the Senator from Illinois (Mr. PERCY), the Senator from Maryland (Mr. SARBANES), the Senator from New Jersey (Mr. WILLIAMS), the Senator from Kansas (Mr. DOLE), the Senator from Massachusetts (Mr. TSONGAS), the Senator from Minnesota (Mr. BOSCHWITZ), the Senator from New Jersey (Mr. BRADLEY), the Senator from Maine (Mr. COHEN), the Senator from Missouri (Mr. EAGLETON), the Senator, from Pennsylvania (Mr. HEINZ), the Senator from Pennsylvania (Mr. SPECTER), the Senator from Utah (Mr. GARN), the Senator from Kansas (Mrs. KASSEBAUM), the Senator from California (Mr. CRANSTON), the Senator from Arizona (Mr. DECONCINI), the Senator from Washington (Mr. GORTON), and the Senator from Nebraska (Mr. ZORINSKY) were added as cosponsors of Senate Concurrent Resolution 5, a concurrent resolution exressing the sense of the Congress with respect to the imprisonment and treatment by the Government of the Soviet Union of Dr. Viktor Brailovsky, and for the other purposes.

SENATE CONCURRENT RESOLUTION 9—CONCURRENT RESOLUTION REVISING THE BUDGET FOR THE U.S. GOVERNMENT FOR FISCAL YEARS 1981, 1982, AND 1983

Mr. DOMENICI (for himself, Mr. HOLLINGS, Mr. HATFIELD, Mr. PROXMIRE, Mr. BAKER, Mr. ARMSTRONG, Mr. CHILES, Mrs. KASSEBAUM, Mr. BOSCHWITZ, Mr. HATCH, Mr. TOWER, Mr. ANDREWS, Mr. SYMMS, Mr. GRASSLEY, Mr. KASTEN, Mr. QUAYLE, Mr. GORTON, Mr. CHAFEE, Mr. EAST, Mr. HUMPHREY, Mr. MCCLURE, Mr. PERCY, Mr. NICKLES, Mr. LUGAR, Mr. THURMOND, Mr. ROTH, Mr. DURENBERGER, Mr. HELMS, Mr. WARNER, Mr. SCHMITT, Mr. MURKOWSKI, Mr. LAXALT, Mr. NUNN, Mr. PRYOR, Mr. ZORINSKY, Mr. DANFORTH, Mr. PRESSLER, Mr. HAYAKAWA, Mr. HEINZ, Mr. GARN, Mr. MATTINGLY, Mr. D'AMATO, Mr. JOHNSTON, Mr. BENTSEN, Mr. METZENBAUM, Mr. STAFFORD, Mr. WALLOP, Mr. SIMPSON, Mr. EXON, Mr. JEPSEN, Mr. STEVENS, and Mr. RUDMAN) submitted the following concurrent resolution; which was referred to the Committee on the Budget:

S. CON. RES. 9

RECONCILIATION

SEC. 9. *Resolved by the Senate (the House of Representatives concurring)*, That the Congress hereby determines and declares pursuant to sections 304 and 301(b)(2) of the Congressional Budget Act of 1974, that: It is necessary to make changes in enacted laws in order to reduce budget authority by $10.7 billion, and outlays by $4.8 billion, in fiscal year 1981; to reduce budget authority by $61.3 billion, and outlays by $41.4 billion, in fiscal year 1982; and to reduce budget authority by $88.4 billion, and outlays by $79.7 billion, in fiscal year 1983.

(The remarks of Mr. DOMENICI, Mr. HOLLINGS, and Mr. D'AMATO on this concurrent resolution appear earlier in today's RECORD.)

SENATE CONCURRENT RESOLUTION 10—CONCURRENT RESOLUTION RELATING TO CONVERSION OF AGRICULTURAL LAND TO NONAGRICULTURAL USES

Mr. HATFIELD (for himself, Mr. ANDREWS, Mr. ARMSTRONG, Mr. BAUCUS, Mr. BOSCHWITZ, Mr. BUMPERS, Mr. CHAFEE, Mr. COHEN, Mr. DIXON, Mr. DOLE, Mr. DURENBERGER, Mr. FORD, Mr. GORTON, Mr. HAYAKAWA, Mr. HEINZ, Mr. HUDDLESTON, Mr. INOUYE, Mr. JACKSON, Mr. JEPSEN, Mrs. KASSEBAUM, Mr. KASTEN, Mr. LEAHY, Mr. LEVIN, Mr. MATSUNAGA, Mr. MELCHER, Mr. PERCY, Mr. PRESSLER, Mr. PRYOR, Mr. RIEGLE, Mr. SPECTER, Mr. WILLIAMS, and Mr. ZORINSKY) submitted the following concurrent resolution; which was referred to the Committee on Agriculture, Nutrition, and Forestry:

S. CON. RES. 10

Whereas it is imperative that the U.S. produce an adequate and nutritious food and fiber supply, in order to feed the American population at reasonable prices and to provide food and fiber exports sufficient to meet present and expected needs of other nations; and

Whereas agricultural exports have contributed significantly to reducing the U.S. balance-of-payments deficit and to enhancing the livelihood of farmers and ranchers and related businesses; and

Whereas existing agricultural policies do not fully address new kinds of problems that a markedly changed farm sector will encounter in the emerging global and domestic economic settings; and

Whereas the period of persistent crop surpluses that U.S. agriculture has experienced is over; and

Whereas the conversion of important farmlands to nonagricultural uses is proceeding at such a rate in the U.S. as to jeopardize the future agricultural production capacity of the Nation; and

Whereas the programs and policies of the federal government often contribute to the unnecessary conversion of important farmlands to nonagricultural uses, by failing to recognize and correct the effects of federal construction projects, financial assistance, and regulatory programs on agriculture and on farm people:

Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring) that it is the sense of Congress that agricultural resources are of strategic importance to the future of this nation and its people, and that it is in the best interest of the U.S. to:

(1) Cooperate with local and state governments in their efforts to promote the continued use of important agricultural lands for the production of food and fiber; and

(2) Encourage and assist people who are engaged in agriculture to protect and enhance the productive condition of their agricultural land.

Mr. HATFIELD. Mr. President, today I am introducing a concurrent resolution to set down the sense of Congress regarding an important and vital renewable resource of this country—agricultural land.

In the 9 years from 1969–78, 88-million acres of agricultural land were lost to other uses. Some went to housing development, some to industrial uses, and some was taken out of production for other reasons. The agricultural lands project of the National Association of Counties Research Foundation suggests as much as 12-square miles of agricultural land is converted to other uses each day.

More importantly, after an extensive 2-year study, the national agricultural lands study has documented the extent of this national problem. The results of the study are clear; they show virtually every State in the Union losing farmland at an alarming rate. This study was a joint effort by 10 Federal agencies, cochaired by the Department of Agriculture and the Council on Environmental Quality.

These are disturbing figures, especially considering the imperative need for America's farmers to produce an adequate and nutritious food and fiber supply. Not only to feed and clothe our population at reasonable prices, but to provide the exports that have contributed significantly to improving our balance of trade. In the past, we have been able to

supply these needs without great difficulty. However, it appears the period of persistent crop surpluses the American farmer has experienced is over.

Existing agricultural and land use policies do not fully address the new kinds of problems that a greatly changed farm sector is experiencing in these emerging global and domestic settings.

We are all aware that State and localities are the proper governments to address this land use problem directly, and fortunately many have taken action to preserve and protect their dwindling farmland resources. However, the Federal Government has not taken a leadership role in the preservation of farmland. Indeed, it may be more a part of the problem than the solution. The national agricultural lands study (NALS) found that of the 131 Federal programs reviewed, 70 percent contributed significantly to the reduction in the availability of agricultural land. This is alarming considering the strategic, as well as economic, importance of our country's agricultural sector. The programs that have had the greatest effect on farmland conversion have been Federal construction projects, financial assistance—and the regulations that go with such assistance—and the regulatory programs on agriculture and on farmpeople. This is a travesty.

This is an issue that transcends political philosophy; Republican, Democrat; Liberal, Conservative. This is a national problem that affects all of us. Both major political parties, at their most recent conventions, endorsed the need to protect our farm resources. The Republican Party said:

We believe that agricultural policy should give emphasis to the stewardship of the nation's soil and water resources. The permanent loss of productive farmland is a growing problem and we encourage states and local communities to adopt policies that help maintain and protect productive agricultural land as a national asset.

And the Democratic Party stated:

We must move decisively to protect our countryside and our coastline from overdevelopment and mismanagement. Major efforts are underway to solve such problems as disappearing farmland and development on our barrier islands. These efforts should help forge a strong national consensus behind the realization that protection must be balanced with the need to properly manage and utilize our land resources during the 1980's.

I must emphasize this is not an attempt to involve the Federal Government in State and local land use planning. However, it is an attempt to put the Nation on notice that the Congress of the United States is aware of the problem of farmland conversion and is willing to put its own house in order, and suggests the need for the local governments to do the same.

A very good example of State and local action is my home State of Oregon's program. The Oregon program, through the use of the Land Conservation and Development Commission, has been most effective in controlling the conversion of farmland without stifling development.

The Oregon program is the most fully integrated and comprehensive in the country. It requires local planning and zoning consistent with State goals, which are mandatory statewide planning standards. The agricultural goal requires that agricultural lands be preserved and maintained for farm use. All class I–IV soils—and in eastern Oregon class V and VI soils in addition—not committed to nonfarm use must be zoned for agriculture according to general criteria set by the State. Cities must establish urban boundaries, within which new development must be contained and encouraged. Public facilities and services are to be provided at levels suitable for urban uses within urban growth boundaries, but few, if any, public services are to be provided outside the boundaries. Land in farm use zones qualifies for use value assessment for property tax and State inheritance tax purposes, is exempt from special levies of utility districts, and enjoys right-to-farm protection. In the Willamette Valley, where population pressure is by far the highest, 84 percent of the anticipated ultimate acreage is already in agricultural zoning.

With a new administration, there is always a shift in policy. Fortunately, even though the Carter administration took an active position on the need for agricultural land protection, the Reagan team, led by the new Secretary of Agriculture John Block, is firmly committed to slowing the rate of farmland conversion, as evidenced by his speech in Chicago recently. I am sure Congress will be willing to work toward this common goal.

I would hope my colleagues would join with me in supporting the resolution, stating their support for the most important renewable resource this country may have over the next decade. We can increase our defense budget, build arms, missiles, tanks, and planes, but our greatest security will be our food resources, both here and abroad.

Mr. President, I ask unanimous consent that the executive summary of the national agricultural lands study, a copy of technical paper X of that study and a copy of Secretary of Agriculture John Block's recent speech in Chicago, be included in the RECORD following my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NATIONAL AGRICULTURAL LANDS STUDY—1981

EXECUTIVE SUMMARY

U.S. agriculture is undergoing a major transition. For several previous decades the amount of land in cultivation had not changed significantly but during the 1970s cropland harvested increased by more than 60 million acres as American farmers responded to a dramatic rise in demand for U.S. agricultural exports. That demand is projected to grow larger still in the coming 20 years, and as it does, pressures on the U.S. agricultural land base will increase. By the year 2000, most if not all of the nation's 540 million acre cropland base is likely to be in cultivation. When seen from this perspective, continuing nonagricultural demands upon the agricultural land base become a matter for national concern.

The United States has been converting agricultural land to nonagricultural uses at the rate of about three million acres per year—of which about one million acres is from the cropland base. This land has been paved over, built on, or permanently flooded, i.e., converted to nonagricultural uses. For practical purposes, the loss of this resource to U.S. agriculture is irreversible.

The effects of agricultural land conversion have been felt locally, mainly in communities experiencing rapid growth; some citizens have grown concerned as they have seen their open spaces dwindle and the outlays for sewers, schools, and roads rise. States and local governments are experimenting with different means of keeping good agricultural land in farming.

Until quite recently, however, the conversion of agricultural land caused little concern at the national level. The land was being used to meet genuine demand for new housing and other goods and services, and the overall productive capacity of U.S. agriculture seemed undiminished. There was plenty of unused and underused agricultural land remaining and the steady gain in crop yield per acre (productivity) more than made up for agricultural land converted to other uses. But in the last few years, rapid international and national changes involving food, energy, inflation and economic instability have created uncertainties about the management of the nation's resources. The public is both concerned and uncertain about the capacity of the U.S. agricultural land base to supply food and fiber at the high levels of production that are likely to be demanded in the coming years.

This uncertainty has prompted a debate over the continued conversion of agricultural land. The National Agricultural Lands Study (NALS) was undertaken by the U.S. Department of Agriculture (USDA) and the President's Council on Environmental Quality (CEQ), with the support of ten other federal agencies, to assess the future implications of agricultural land conversion.

According to the data analyzed by NALS, the United States at present has approximately 413 million acres of cropland and about 127 million acres of potential cropland for a total of about 540 million acres. In addition, there are some 268 million acres of rural land with low potential for cultivated crops.

From its research, NALS concludes that agricultural land is converted to other uses in an incremental piece-by-piece of agricultural land at the current rate could have noteworthy national implications. The cumulative loss of cropland, in conjunction with other stresses on the U.S. agricultural system such as the growing demand for exports and rising energy costs, could seriously increase the economic and environmental costs of producing food and fiber in the United States during the next 20 years.

Demographic and economic pressures

In the 1970s, there was an unmistakable migration of the U.S. population from urban to more rural areas and from the North to the less densely settled South and West. Moreover, there was a surge in economic activity in rural America during the decade, especially new industrial plants, commercial distribution centers and processing facilities.

Over 40 percent of the housing constructed during the 1970s was built on rural land. The highest rates of population growth occurred in the open country and in unincorporated areas. Many homes were built on scattered, relatively large-sized lots. The availability of mobile or prefabricated homes also contributed to the population growth in the countryside.

At the same time, the suburbs continued to spread into rural America. The demand for rural land was enhanced by the increase

in households. The United States experienced a 22 percent increase in the number of households formed during the 1970s.

These recent demographic trends have disproportionately affected some of the nation's most productive agricultural land. In the top 100 counties ranked according to the value of their farm products, the population grew at nearly twice the national rate from 1970 to 1978.

Residential preference surveys repeatedly show that a higher percentage of urban dwellers would prefer to live in rural areas or small towns than in cities. NALS projected that almost 12 million new households will be added to nonmetropolitan areas between 1977 and 1995.

Population growth in rural areas not only affects agriculture directly by causing the conversion of agricultural land to other uses; it also has some serious indirect effects on agriculture. One of these effects is termed the "impermanence syndrome." As population increases in agricultural areas, land values rise and farms are broken into small parcels more suitable for housing than for farming. Looking beyond their fences to new developments, many farmers see the opportunity to sell their farms at a large profit for nonagricultural uses.

Depending on the intensity and proximity of the growth, farmers in such areas often believe that agriculture is no longer permanent. Investments in conservation practices may cease and building repairs may be neglected because many years of continued agricultural production would be required to justify such capital expenditures. Even if urban growth stops long before it reaches many farms, the perceived impermanence of agriculture in areas near expanding centers gives rise to a pattern of disinvestment in farmland, buildings, fences, and other farm property. In addition, agricultural equipment and supply stores lose business and may close if the number of farmers declines substantially.

Tensions between farming and nonfarming people often arise in rural areas with growing populations. The causes range from vandalism of crops and farm machinery to increased demands by new residents for public services, especially when the resulting tax increases to pay for those services fall heavily on the original residents.

Economic growth in rural America also outpaced growth in urban areas during the 1970s. Trade related jobs in non-metropolitan areas rose about 27 percent between 1970 and 1976, compared with 16 percent in metropolitan areas. Manufacturing jobs during the same period increased 8 percent in nonmetropolitan areas, while declining 5 percent in metropolitan areas.

These economic changes influence rural land use. Economic establishments and supporting infrastructures require land. The amount of land actually converted to accommodate economic growth is not known precisely; however, the direct and indirect effects of economic growth appear significant. Economic development in rural areas contributes to the increasing demand for housing and public services, but it also provides new job opportunities for farmers as well as other rural residents. Many farm families now rely on off-farm work to supplement their incomes.

Although future rural settlement patterns are uncertain, the current economic growth and rural development trends are not expected to change substantially in the near future. This suggests that the conversion of highly productive agricultural land will continue unless there is a major shift of development onto rural land that is less productive for agriculture.

The impact of federal assistance programs on agricultural land is broad and far-reaching. NALS identified about 90 programs that contribute to the conversion of agricultural land. Programs with major impact are administered by the Department of Housing and Urban Development (HUD), Farmers Home Administration (FmHA), and Economic Development Administration (EDA).

Federal programs that result in a loss of land for agriculture are generally ones that promote economic development, capital improvements, housing, environmental protection, or natural resources development. They encourage population growth in rural areas that either reduces farm profitability or directly results in conversion of agricultural land to nonagricultural use.

Sharp regional differences

There are wide regional variations in land resources and uses. Major shifts in agricultural land use among regions have occurred in the past, and factors which may contribute to additional shifts are underway today.

The Western Region.—Due to this region's population growth, the conversion pressure on existing cropland here is probably the strongest in the nation. Future increases in production on existing and potential cropland in this region are unlikely because of limited water supplies (underground and surface) for irrigation, and high energy costs for pumping. There are also new competing demands for limited water resources from new urban growth and energy development projects. The build-up of salts in the surface layer of the soil in some of the West's most productive valleys casts further doubt on the region's long-term agricultural productivity.

The North Central Region.—This region contains 55 percent of the nation's cropland and produces about 44 percent of its agricultural output in terms of the value of the products sold. Many communities in the region are surrounded by prime farmlands, so that any growth must occur at the expense of agriculture. Three major uncertainties in the region's agricultural outlook are (1) the decline of the underground water resources in the Northern Great Plains, especially in Kansas and Nebraska where irrigation has been so important to increasing productivity, (2) increased coal surface mining in the Corn Belt states such as Illinois, and (3) corn-based ethanol production in the Midwest.

The South.—Agricultural economists look to the productive capability of potential cropland in the South to meet projected demands for food and fiber, while forest economists look to the productive capability of its forests to meet projected demands for lumber and paper. In some cases, they are both looking at the same land.

Existing reserves of land suitable for agricultural use are sizable here compared to acreages in other regions. Partially offsetting the region's climatic advantages and available cropland is its serious problem with soil erosion, caused by the high intensity rainstorms common to the area. As in the Corn Belt, expanded cropland usage here requires that additional precautions be taken against soil erosion. The prospects for increased agricultural production in this region are generally good except for certain areas such as Florida (extremely rapid population growth) and the Southern Great Plains (decline of groundwater supplies).

States and local governments in the South have done less to protect agricultural land than any other region.

The Northeast.—There are nearly 14 million acres of prime farmland in this region, more than in the eight Mountain states or in the five Pacific states, and agricultural analysts expect a revival of local farming as energy prices push up the costs of transporting food from other regions. Nonetheless, this region, which has about 25 percent of the nation's population, contains only four percent of its total cropland and four percent of its potential cropland.

A fundamental transition

After four decades of agricultural surpluses, U.S. agriculture has moved away from underused production capacity. The principal underlying forces have been a gradual but marked overall decrease in the rate of annual productivity gains and a dramatic increase in foreign demand for U.S. agricultural products. The nation's continued conversion of cropland has to be evaluated within this context.

Over the next 20 years, USDA projects the volume of demand for U.S. agricultural products to increase by 60 to 85 percent over the 1980 level, assuming constant real prices. The three basic components of demand growth are exports, conventional domestic uses, and ethanol production.

Exports are expected to dominate the growth in overall agricultural demand. The volume of U.S. agricultural exports increased an average of 10 percent annually during the 1970s. The harvest from one in every three acres of cropland in the United States is now exported. In 1979, the market value of U.S. agricultural exports reached a record $40.5 billion. Agricultural exports now account for almost one-fifth of the nation's total exports and play a key role in the U.S. balance of payments. Over the next 20 years, USDA projects the volume of U.S. exports to grow by 140 to 250 percent above the 1980 level assuming constant real commodity prices. Rising real prices would dampen somewhat the expansion in export demand.

Domestic demand for food and fiber is projected to increase about one percent annually by volume during the 1980s and then slow to 0.9 percent annually during the 1990s. About one-third of this growth can be attributed to rising income and higher per capita consumption and the remainder to population growth.

As OPEC oil prices continue to rise, the use of domestically produced alcohol fuels from crops will increase. At present, ethanol (ethyl alcohol), distilled from corn, is being mixed in a 1 to 9 blend with gasoline and sold as gasohol. State and federal subsidies—totaling about $1 per gallon of ethanol—have stimulated demand. Experts project the ethanol industry to reach an annual production capacity of 4–6 billion gallons by 1990, although considerable uncertainty surrounds all alcohol fuel projections. The feedstock for this projected production level would require the corn grown on 15 to 23 million acres.

How much additional land will American farmers have to bring into cultivation to supply an average projected demand increase of about three-fourths over 1980 levels?

The answer to this crucial question depends heavily on the growth in yield per acre, a matter of considerable uncertainty. Agricultural experts disagree on how much the land's productivity will increase in the future. During the 1960's, nationally, crop yield per acre increased at an annual average rate of 1.6 percent and was by itself sufficient to meet increases in demand. In the 1970s, however, growth in yield per acre dropped to an average annual rate of 0.76 percent. During this time, about three-quarters of the gain in agricultural production came from newly cultivated acreage; only one-fourth came from increased yield per acre.

A number of factors apparently dampened productivity growth during the last decade, including:

The rising costs of fuel, fertilizers, and other energy intensive inputs;

Less fertile agricultural land available for cropland uses;

Lack of reserve supplies of water to sustain past growth rates in irrigated agriculture; and

The loss of natural soil fertility due to erosion or salinization.

If the yield per acre growth rate of the 1970s continues through the next two decades, and projected demands also materialize,

then American farmers would have to cultivate an additional 140 million acres of land for production of principal crops, an increase of about 50 percent. A higher rate of growth in yield per acre, one comparable to the 1960s, would require cultivation of an additional 85 million acres, an increase of 30 percent, to meet the projected demand.

Shifts of land into cultivation of this magnitude are technically possible, but they will require some major adjustments in the U.S. agricultural system. There will have to be large-scale shifts of forage land into crops, for example. Less land will be available for livestock grazing. As a consequence, confinement feeding operations will become more prevalent and the real cost of meat production will probably rise.

Higher real crop production costs are probable as well because potential cropland now coming into cultivation is more costly to till, is subject to more crop failures and yield variability, and produces poorer quality crops than cropland already in cultivation. Moreover, this land is usually more susceptible to erosion, grounwater overdrafts, and other environmental problems, hence its cultivation results in higher social costs either through conservation expenditures or through environmental degradation.

To draw into agriculture sufficient resources to meet the projected level of demand in the year 2000, farmers and ranchers will require incentives in the form of considerably higher real profits from their commodities, either through reduced production costs or increased prices. Protecting productive cropland that otherwise would be converted to nonagricultural use will help mitigate upward pressure on production costs, and indirectly, consumer prices, as the demand for food and fiber mounts throughout the remainder of the century.

Prime movers—State and local governments

In its research, NALS found considerable grassroots interest in the protection of good agricultural land in widely different communities around the country. Citizens cite a variety of reasons for their interest. For some, their livelihood depends on the continued viability of the local agricultural economy. Others place a high value on open space or on access to fresh vegetables and fruits at reasonable prices. Still others believe strongly in the "stewardship" of the land. There are a growing number of Americans who, for whatever reasons, think good agricultural land has an intrinsic value to the community beyond its price in the market place.

State and local governments have responded by trying a remarkable number of different approaches to agricultural land protection. There are few widely imitated models. Each state, county and township seems to have tried its hand at creating a unique program to deal with one or more of the factors that threaten the continued vitality of farming and the rural quality of life.

A common thread running through these efforts is zoning. Some 104 counties and 166 municipalities have adopted agricultural zoning in the last 15 years. It is still too early to assess with certainty zoning's long-term effectiveness when it comes to protecting agricultural land. It does seem clear, though, that no one tool by itself, whether it be zoning, property tax relief, or purchase of development rights, is adequate.

NALS reviewed a wide variety of state and local programs designed to protect agricultural land. Most successful programs began very simply by involving citizens in studying the situation and identifying problems and policy alternatives. Among the key ingredients of an effective agricultural land protection effort are farmer participation from the beginning, adequate technical and often financial support, strong local leadership, patience, and good timing, i.e., getting started before development pressures become too strong. Successful programs make agricultural land protection a part of a comprehensive growth management program, providing room for development on less productive agricultural land. Local programs need active state support because the effects of development often spill over township and county lines.

The state and local work done to date on the protection of productive farmland is encouraging, but an enormous amount remains to be done. At present less than 20 million acres of existing or potential cropland are protected under comprehensive, multi-faceted state or local programs.

Federal initiatives—NALS recommendations

The federal government should begin by putting its own house in order. Of the 37 federal agencies reviewed by NALS whose programs sometimes encourage the conversion of productive agricultural land, only USDA and EPA have explicit policies designed to consider the effect of their programs on agricultural lands. And even in these two agencies, some program sub-units have not yet incorporated agricultural land reviews into their regulations and guidelines.

To remedy this situation, NALS recommends that the President or the Congress enunciate the national interest in the protection of productive agricultural land and direct the appropriate federal agencies to adopt an agricultural land policy to assure that they consider the potential negative effects of their activities on agricultural land.

The federal government should not finance or subsidize development projects that occur on good agricultural land. When a development project involves the conversion of agricultural land, the applicant for financial assistance should be required to demonstrate that there are no practical alternative sites on land less suited for agriculture.

In addition, federal loan programs should provide positive incentives in the form of lower interest rates to encourage development away from good agricultural land and onto land less suited for agricultural uses. Specifically, NALS recommends that the federal government offer preferential rates as part of the following ongoing programs:

Federal direct loan and grant programs for housing, commercial and industrial development;

Loan Guarantee Programs for development projects, community services, or infrastructure development;

Home Mortgage Assistance; and

Capital Improvement Loan Programs for water, sewer, and electrification.

Federal action should address two separate problems with the estate tax. First, the use valuation provision for agricultural land should be revised so it no longer benefits large estates more than small ones. Secondly, on the administrative side, the Treasury Department should simplify estate tax provisions and clarify instructions and information to farmers, land owners, and tax advisors.

An overall review of the Federal Tax Code should be undertaken by the Departments of Treasury, Commerce, and Agriculture to determine the desirability and feasibility of offering positive incentives for retaining agricultural land in production.

The second major federal initiative should come in the area of supporting local and state efforts to develop agricultural land protection programs by providing technical assistance, data, and, where appropriate, financial backing.

A final word

As a resource problem, the conversion of agricultural land does not constitute a present-day "crisis," and hence it lacks the equivalent of, say, a gasoline line for concentrating national attention. Nonetheless, it does pose some very serious long-term risks for the United States. In a sense, the issue of protecting agricultural land today is analogous to the energy conservation issue ten years ago. Looking ahead, we can see a resource problem developing but the immediate incentives for conserving the resource are weak. NALS recommends that the federal government make the protection of good agricultural land a national policy. NALS bases this recommendation on the two basic conclusions of its analysis:

(1) Given projected demand increases for U.S. agricultural products in the coming years, particularly for exports, and the uncertainty regarding future gains in crop yield per acre (productivity), the economic and environmental costs of continued conversion of the nation's most productive agriculture into housing tracts, shopping centers, industrial sites, and reservoirs could be very high within 20 years.

(2) Trend is not destiny. The population and economic growth trends now in progress in rural America can continue without disruption and without the loss of productive agricultural land at current rates. A concerted state and local government effort—buttressed with federal technical and financial support—combined with a redirection of federal loan programs could, if begun now and carried out energetically over the next two decades, channel much of the growth and development onto less productive agricultural land.

RECOMMENDATIONS

These recommendations emphasize the primacy of state and local governments in the protection of agricultural land and the supporting roles which should be played by federal agencies. The recommendations are organized in five areas, and summarized below:

1. Characteristics of successful agricultural land protection programs offered for consideration by States and local governments:

The goals of protecting agricultural land and guiding urban growth are best achieved in combination with a comprehensive growth management system.

State governments should assume an active leadership role in protecting agricultural land.

Agricultural land protection programs should be established before development patterns foreclose options.

Efforts to protect agricultural land should be based on accurate information about agriculture and future growth patterns.

Agricultural land protection programs should have able political leadership.

Agricultural land protection programs should support the economic viability of agriculture in an area.

Agricultural land protection programs should be designed so that they are legally defensible.

11. National policy and Federal agency initiatives:

The national interest in agricultural land should be articulated by a Presidential or by a Congressional statement of policy.

Positive incentives should be designed within federal programs to encourage development away from good agricultural land and onto land less suited for agricultural uses.

The adoption of an agricultural land policy by each federal agency whose programs

result in converting agricultural land to nonagricultural use should be required by an Executive Order or by Congressional action.

The coordination and implementation of agricultural land policies should be monitored across agency lines through an interagency group.

Single-purpose federal assistance programs should be coordinated at the state or local level to ensure that agricultural land issues are adequately addressed in state or local planning efforts.

Tax provisions that affect the agricultural sector should not favor purchasers of agricultural land who do not intend to retain the land in argicultural use. Periodic review of the Federal Tax Code should be made to determine the desirability and feasibility for offering positive incentives for retaining agricultural land in productive agricultural use.

III. Technical assistance and education:

The Soil Conservation Service (SCS) and the Cooperative Extension Services should improve their capacity, within existing resources, to provide technical assistance to units of government seeking to develop agricultural land protection programs.

USDA and other federal agencies should provide technical assistance to state governments which request help in developing land protection policies or programs.

USDA should design an educational program describing the importance of agricultural land to the nation's well being and distribute educational materials through the mass media, schools, groups, and other federal agencies.

USDA should establish an Agricultural Land Information Center to serve as a central depository and distribution point for information on agricultural land issues, policies, programs, and innovations.

IV. Financial assistance:

Appropriate federal assistance programs should be revised as needed to permit eligibility of local government units, including soil and water conservation districts, to receive financial aid in developing agricultural land protection programs.

USDA should consider small matching grants for "capacity building" to state departments of agriculture (or other appropriate state agencies) that seek to manage agricultural land issues.

The Soil Conservation Service should give higher priority to completion of Detailed Soil Surveys in counties with important land under conversion pressure, and should respond to information requests from those counties now in the process of developing agricultural land retention programs.

V. Information and research needs:

The Federal Office of Statistical Policy and Standards, in consultation with other agencies, should develop a statistical protocol for federal agencies which collect and use natural resource data. Components of the protocol should cover standards for data collection techniques and requirements for appropriate statements of data limitations in connection with data publication or public release.

USDA should develop a capacity for providing state or local governments with detailed statistical information on agricultural land use collected by federal agencies.

A Data Advisory Group should be established in each state with membership of state and local officials. This group should advise agencies on how to make federal data collection programs more useful and accessible at the state and local level.

The establishment of an agricultural land resource fund should be given serious consideration.

DEFINITIONS—NATIONAL AGRICULTURAL LANDS STUDY

(All acreage estimates based on the 1977 National Resource Inventory, Soil Conservation Service.)

Rural land.—The National Agricultural Lands Study defines "rural land" as all nonfederal land except for urban and built-up land. There were 1.443 billion acres of rural land in 1977.

Agricultural land.—"Agricultural lands" are lands currently used to produce agricultural commodities including forest products, or lands that have the potential for such production. These lands have a favorable combination of soil quality, growing season, moisture supply, size, and accessibility. This definition includes about 590 million acres of land that has no potential for cultivated crop use but is now in agricultural uses including range, pasture, or forestland. There were 1.361 billion acres of agricultural land in 1977.

Cropland.—Land used to produce crops for harvest, either alone or in rotation with grasses and legumes. Cropland uses include row crops, close grown field crops, hay crops, rotation hay and pasture, nursery crops, orchard crops, other specialty crops, summer fallow, and other cropland temporarily idled or in conservation uses. There were 413 million acres inventoried as cropland in 1977.

Potential cropland.—"Potential Cropland" is land not currently in cropland use. Four "Potential Cropland" ratings reflect the relative ease and profitability of converting potential cropland to cropland use. There are high, medium, low and zero ratings of the potential for conversion to cropland.

In 1977, there were 36 million acres of high potential cropland, 91 million acres of medium potential, 268 million acres of low potential, and 588 million acres with zero potential for conversion to cropland use.

Cropland base.—The "cropland base" is defined as land currently used for cropland plus high or medium potential cropland. In 1977, there were 540 million acres in the cropland base.

Pastureland.—Land producing forage plants for animal consumption. Vegetation on pastureland is primarily introduced grasses and legumes. Some native plants may also grow on pastureland. A number of management practices are carried out where appropriate on pastureland. These include grazing management, reseeding, renovation, reestablishment, mowing, weed or brush control, and liming or fertilization.

Rangeland.—Land producing predominantly native grasses, grass-like plants, forbs, or shrubs. These native plants dominate the mix of the climax vegetation on rangeland. These lands can be revegetated either naturally or artificially and can be managed to preserve or enhance native vegetation. Rangelands include natural grasslands, savannahs, shrublands, most deserts, tundra, alpine communities, coastal marshes, and wet meadows. They include land with less than 10 percent stocking with forest trees of any size. In 1977, there were 414 million acres of rangeland.

Forestland (woodland).—Land with at least a 25-percent tree canopy cover or land at least 10-percent stocked by forest trees of any size. Forestland includes land recently cleared by man or natural forces suitable for natural or artificial reforestation. There were 376 million acres of forestland in 1977.

Urban and built-up.—Land used for residences, industrial sites, commercial sites, construction sites, railroad yards, small parks of fewer than 10 acres within urban and built-up areas, cemeteries, airports, golf courses, sanitary land fills, sewage treatment plants, water control structures and spillways, shooting ranges and so forth. There were 69 million acres of urban and built-up land in 1977.

Rural transportation.—Land used for roads and railroads in rural areas. Generally, this includes the entire right-of-way (26 million acres in 1977).

Water.—Water bodies less than 40 acres in size and streams less than ⅛ mile wide (9 million in 1977).

Conversion.—"Conversion" is defined as a change between major land use categories such as cropland, pasture or range, or developed uses. The changes may be within agricultural uses or to nonagricultural uses.

Changes to urban, built-up, rural transportation or water uses are considered by the NALS to be, for all practical purposes, irreversible. Changes within agricultural uses, such as forestland to pasture or potential cropland to cropland are considered generally reversible.

Farmsteads.—Land for dwellings, buildings, barns, pens, corrals, farmstead windbreaks, family gardens, and other uses connected with operating the farms and ranches (11 million acres in 1977).

Other land in farms.—Land reserved for wildlife and windbreaks, not directly associated with farmsteads, and including commercial feedlots, greenhouses, and nurseries (12 million acres in 1977).

Other nonfarm.—Land used for greenbelts, large unwooded parks, cropland idled prior to development, and other nonfarm uses not elsewhere defined, including land in strip mines, quarries, gravel pits, and borrow pits that have not been reclaimed for other uses (47 million acres in 1977).

Nonfederal land.—"Nonfederal land" is defined as all lands except those in federal ownership. Included are lands that are privately owned; corporation or partnership owned; state, county, or municipally owned; Indian tribal ownerships, etc. (1.512 billion acres in 1977).

Prime farmland.—"Prime farmland" has the best combination of physical and chemical characteristics for producing food, feed, forage, fiber, and oilseed crops. It has the soil quality, growing season, and moisture supply needed to economically produce sustained high yields of crops when properly managed.

Prime farmland includes cropland, pastureland, rangeland and forestland. It does not include land converted to urban, industrial, transportation, or water uses.

TECHNICAL PAPER X: FEDERAL PROGRAM IMPACTS ON AGRICULTURAL LANDS AVAILABILITY

(By Tom Mierzwa and Hal Hiemstra)

INTRODUCTION

Because of the dominant presence of federal programs in rural America generally, and in the agricultural sector specifically, a review of their influence on the nation's agricultural land base was an essential part of the overall NALS effort. The purpose of this review was to:

Identify the role of federal government programs in the agricultural land conversion process;

Identify important federal programs that affect the use and availability of agricultural land;

Identify the type and extent of impacts on agricultural land resulting from federal programs;

Illustrate those impacts through a series of case studies of representative federal programs;

Provide a prototypical methodology to track future impacts of federal programs on agricultural land;

Identify a range of opportunities for in-house agency actions to reduce unintentional conversion of agricultural land.

Influence of Federal programs on agricultural land

Programs sponsored by the federal government are among a range of potentially decisive factors that contribute to changes in our agricultural land base. Increased urban and built-up uses of land, inundation of agricultural land for water supplies, fragmentation and isolation of economically viable farm parcels, displacement of farmland by transportation corridors, or simply the idling of previously productive agricultural acreage, are a sampling of processes which may lead to conversion of agricultural land.

Federal programs influence agricultural land conversion both directly and indirectly. Direct effects result from acquisition of agricultural land to achieve a policy or program mission. Indirect effects occur when a federal program provides financial assistance for actions (such as capital improvements) which lead to development that preempts future agricultural uses of land adjacent to those improvements. This review examines federal programs that encourage these conversion processes, and assesses the extent to which they influence the availability of agricultural land for future use.

Because the cause-effect relationships between federal programs and agricultural land availability are complex, a framework incorporating conversion characteristics was developed as a means for consistent interpretation of impacts.

The framework distinguishes between effects on capability (which influences the availability of agricultural land through changes in the inherent ability of the soil to produce a crop), effects on suitability (which influences the availability of agricultural land through changes in farm management practices), and effects on availability (i.e. changes in ownership or use of the land itself).

NALS staff identified eight characteristics of federal programs which affect the agricultural land base by causing changes in capability, suitability or availability. These characteristics, referred to as "conversion characteristics," reflect the unique ways in which each federal program is implemented to achieve its mission (e.g., federal economic development assistance for industrial park sites, to provide local employment and economic opportunities, are often constructed on prime agricultural land).

The figure below illustrates how federal programs influence these three aspects of agricultural land, and ultimately affect the availability of agricultural land.

[Chart not reproducible in RECORD.]

SUMMARY FINDINGS AND CONCLUSIONS

Identified within the NALS review of federal programs is the extent and pattern of impacts of federal activities on agricultural land. Data used to verify findings and identify those federal activities affecting agricultural land were developed from interviews, case studies, and this inventory. Findings and conclusions are summarized below.

Extent of Impact.—The impact of federal programs on agricultural land is broad and far-reaching. Approximately 70 percent of the 131 programs reviewed had effects which reduced the availability of agricultural land. Nearly all these contributed to conversion of agricultural land through development in one form or another. About 30 programs had positive secondary effects that helped maintain the availability of agricultural land. Approximately 30 percent of all programs reviewed had effects which were fully supportive of maintaining agricultural land. Federal programs affecting agricultural land are found in a wide range of federal agencies. While HUD, FmHA, and EDA stand out among those agencies reducing the availability of agricultural land, VA, WPRS, COE, TVA, DOE, REA, and EPA also exhibit conversion characteristics.

Pattern of Impact.—The types of programs that most often reduce agricultural land availability are: economic development, capital improvements, housing, and environmental protection/natural resources development. These programs often subsidize actions which foster urban and rural growth which leads to changes in the status of agriculture in communities, and ultimately to conversion of agricultural land. Economic development programs are dominant in EDA and FmHA; capital improvement programs are sponsored by numerous agencies, among them, DOT, EPA, FmHA, DOE, and REA; housing programs emanate primarily from HUD and to a lesser extent FmHA and VA; and environmental protection/natural resources development programs are administered predominantly by COE, EPA and DOE, from programs in these categories are not expected to diminish in the future since they represent basic demands and development needs.

Types of Impact.—Program actions most frequently causing conversion include:

Land acquisition

Capital improvements that encourage subsequent development

Financial assistance for housing and development activities.

These actions (or conversion characteristics) are repeatedly found among those influencing the rate of agricultural land conversion. Under the existing structure of federal assistance programs, such influences can be expected to continue.

Budget Patterns.—Budget support levels contribute to, but do not determine the extent to which federal assistance programs reduce the availability of agricultural land. Of the federal programs identified as having substantial or moderate adverse impacts on agricultural land, approximately 15 percent were supported by budget levels greater than one billion dollars; just over 65 percent were supported by budget levels greater than 100 million dollars. Federal programs identified as having substantial or moderate positive impacts on agricultural land are generally funded at a lower level. Less than 5 percent of the programs identified as positively affecting agricultural land are supported by individual budget levels greater than one billion dollars.

Geographic Scope.—Federal programs reducing agricultural land availability are generally national in scope. While many are directed specifically towards urban or rural areas, many others affecting agricultural land can be implemented in either urban, suburban, or rural areas. Federal assistance levels, particularly development assistance, tend to be greater in the Sun Belt. Development assistance tends to be most active at edges of urbanized areas.

Rather than adversely affecting agricultural land availability, federal programs directed exclusively towards urbanized areas often result in a more amenable urban environment. Such programs appear to curb the current outmigration trend, reducing development burdens on rural and agricultural land areas.

Mission Consistency.—Many federal programs with single-purpose or narrowly-defined missions often fail to mitigate inadvertent adverse agricultural land impacts. Individual missions of separate federal programs continue to produce conflict and diminish the collective results of federal programs, while neglecting broad policy goals such as agricultural lands protection. Indirect and unintentional impacts of program actions on agricultural land were found to be attributed to multiple causes, deemed unimportant, or often considered the responsibility of another agency. In the absence of agricultural land protection policies, direct and indirect conflicts between current federal assistance program objectives and goals of maintaining agricultural land are expected to continue.

Planning Support.—Federal planning assistance programs available to guide growth and development are primarily of a special-purpose nature (e.g., highways, waste water treatment, etc.) and seek to accomplish specific ends which are not consistent with retention of agricultural land.

None of the current federal planning assistance programs were found to provide either financial or technical planning support for agricultural land conservation. Those state and local government units normally eligible for federal planning assistance have generally relied on nongovernmental sources of support, such as research or private foundation funding in their efforts to establish agricultural land conservation programs.

Agency Awareness.—Federal program officials were found to be generally unaware and uninformed about agricultural land issues, and exhibit indifferent attitudes towards agricultural land protection. Technical program managers do not usually perceive the loss of agricultural land to be a problem; where perception of the problem exists, technical program managers lack the policy tools or authority to ensure mitigation of agricultural land conversion. Because it is often impossible to discern the necessary as opposed to the merely fortuitous impacts of various federal programs on farmland, in the final analysis, program managers' attitudes towards agricultural land conversion may prove a greater factor than program budget size, type of impact, etc. Until program impacts and constraints become visible in the minds and programs of program managers, conflicts between program mission completion and agricultural land protection will continue to exist.

Policy And Review Tools.—Only two of the 37 agencies reviewed currently have explicit policy tools designed to ensure the consideration of program impacts on agricultural land. (Some program sub-units within these organizations have yet to incorporate agricultural land reviews into their regulations and guidelines.) The degree of consideration of agricultural land varies greatly among agencies reviewed. Based in interviews with various program officials, the type of review and impact assessment tool most frequently used is the EIS process. However, EIS's are not prepared for most individual federal projects; of those that are completed, most fail to asses the incremental and cumulative adverse impacts on agricultural land. Interviewed officials generally agreed that until other tools such as the A-95 review process specifically require agricultural land considerations, their usefulness for this purpose will remain limited.

SUMMARY OF PROGRAMS REDUCING AGRICULTURAL LAND AVAILABILITY

The table below identifies those categories of federal programs which tend to reduce agricultural land availability as they are implemented.

FEDERAL PROGRAM CATEGORIES WITH CONVERSION CHARACTERISTICS REDUCING THE AVAILABILITY OF AGRICULTURAL LAND

Conversion characteristics/functional category	Economic development (28)	Capital improvement (14)	Housing (26)	Land management (13)	Agriculture (18)	Environmental protection and natural resources development (32)	Programs reducing agricultural land availability	(131 total) percent of total
Land acquisition	18	6	19	8	1	12	64	49
Hindered agricultural management practices	3	3	6	6	1	8	27	21
Reduced water availability	11	3	12	1	1	6	34	26
Reduced agricultural support services	4	1	4			2	11	8
Expanded community infrastructure	17	8	15	3	1	10	54	41
Increased residential development	2	7	17		1	5	32	24
Growth in nonagricultural employment	7	2	10	2		6	27	21
Population migration	15	5	14	5		9	48	37
Conversion characteristic reducing agricultural land availibility	77	35	97	25	5	58		
Percent of total [1]	77/102	35/45	97/115	25/36	5/51	58/112		
	75	78	84	69	10	52		

[1] Column totals for conversion characteristics include activities that reduce availability, activities that maintain availability, and activities judged to be "indeterminant."

SUMMARY OF PROGRAMS MAINTAINING AGRICULTURAL LAND AVAILABILITY

The table below identifies those categories of federal programs which tend to maintain agricultural land availability as they are implemented.

FEDERAL PROGRAM CATEGORIES WITH CONVERSION CHARACTERISTICS MAINTAINING THE AVAILABILITY OF AGRICULTURAL LAND

Conversion characteristics/functional category	Economic development (28)	Capital improvement (14)	Housing (26)	Land management (13)	Agriculture (18)	Environmental protection and natural resources development (32)	Programs maintaining agricultural land availability	(131 total) percent of total
Land acquisition	1			1	3	2	6	5
Hindered agricultural management practices	4	3	1	2	12	8	30	23
Reduced water availability	1	1			3	13	18	14
Reduced agricultural support services	4	4	2		10	7	27	21
Expanded community infrastructure			2			1	3	2
Increased residential development	1		2		1	1	5	4
Growth in nonagricultural employment					14	4	18	21
Population migration	1		1			9	11	8
Conversion characteristics maintaining agricultural land availability	11	8	8	3	43	36		
Percent of total [1]	11/102	8/45	8/115	3/36	43/51	36/112		
	11	18	7	12	84	32		

[1] Column totals for conversion characteristics include activities that reduce availability, activities that maintain availability, and activities judged to be "indeterminant."

CASE STUDIES

Ten case studies were compiled to add a tangible illustration to the technical nature of much of the NALS research on federal programs. These case studies should be reviewed as representative examples of numerous case studies and are not necessarily the most significant case studies identified by NALS. NALS staff chose case studies which: highlighted one or more of the agricultural land conversion characteristics; represented one of the agencies identified by NALS as most adversely affecting agricultural land availability; represented a diverse geographical background; and were readily documentable.

A brief outline of each of the case studies follows:

Tennessee.—Columbia Dam/Duck River Development Project (TVA). When completed, development of this dam and reservoir project by the Tennessee Valley Authority will permanently inundate 11,000 acres of prime agricultural land and purchase an additional 17,000 acres of agricultural land for easement and high pool flooding rights. This case study exemplifies land acquisition conversion characteristics.

California.—Sacramento Metropolitan Airport Project (DOT/FAA). This Department of Transportation, Federal Aviation Administration-assisted project was developed on 7200 acres of prime agricultural land formerly used for rice and other irrigated crop production. Agricultural land loss was not considered in the original construction phases (3700 acres), completed in the mid-1960's. Later additions (3500 acres), completed in 1976, also failed to consider or mitigate direct agricultural land loss resulting from project land acquisition. This case study also exemplifies land acquisition conversion characteristics.

Washington.—LO MO–ASHE High Voltage Transmission Corridor (DOE/BPA). This Department of Energy, Bonneville Power Administration transmission corridor project was constructed on both dry and irrigated agricultural land. While only a small amount of acreage was actually converted to nonagricultural uses, many agricultural management difficulties were created by the project. Among the management difficulties cited by the farmers were the difficulty or inability to convert agricultural acreages to cost-effective, fully mechanized circular irrigation systems; increased costs due to increased manpower needs stemming from inefficient irrigation practices; productivity losses of selected crops grown under the high voltage lines; and increased difficulty and costs associated with aerial pesticide application and weed control. This case study includes hindered agricultural management conversion characteristics.

Texas.—Guaranteed Home Mortgage Insurance (HUD). Guaranteed home mortgage loans from the U.S. Department of Housing and Urban Development have contributed to Harris County's rapid residential growth rate. Currently one of the fastest growing areas in the United States, Harris County has been losing approximately 15,000 acres of prime rice and soybean land per year over the last several years. Most of this agricultural land is converted to urban and built-up uses. While difficult to show that fewer acres would be converted without HUD participation, the association between HUD mortgage insurance and continued rapid residential development is clear, and documented within HUD's own environmental impact statements. This case study includes residential development conversion characteristics.

Colorado.—Narrows Dam Project (DOI/WPRS). The Department of Interior/Water and Power Resources Service's (formerly Bureau of Reclamation) proposal to construct the Narrows Dam in Colorado's Eastern High Plains would inundate approximately 15,000 acres of irrigated and dryland farms. While this project is currently not being considered for further funding, justification for the project (should it be resurrected) includes enlarging the water supply for increased irrigation of surrounding farmland and new municipal water supplies. This case study includes land acquisition conversion characteristics.

Tennessee.—Madison West Industrial Park Development (EDA) This industrial park development project, jointly assisted by the Economic Development Administration and Farmers Home Administration, is contributing to Jackson Tennessee's transformation from an agricultural community to an industrial/commercial community. This industrial site is located on agricultural land on the west side of Jackson, and opens up another area where further conversion of prime agricultural land can take place. This case study includes agricultural support services conversion characteristics.

Virginia.—Remington Regional Sewer System (FmHA/EPA) Jointly funded by the Environmental Protection Agency and Farmers Home Administration, this project allows for a 162 percent increase in residential, commercial and industrial development within an important farming area 40 miles northwest of Washington, D.C. This case

study includes community service infrastructure conversion characteristics.

Montana.—Rural Housing Loans (FmHA) Rural housing loans from Farmers Home Administration have contributed to the removal of a significant amount of good agricultural land around Helena, Montana. NALS found that this program is encouraging urban dwellers to relocate to rural subdivisions, that are being built on agricultural land, so that they will be eligible for low cost FmHA residential financing. This case study includes residential development conversion characteristics.

Illinois.—Development of Supplemental Freeway 412 (DOT) This Department of Transportation/Federal Highway Administration project involves the development of Supplemental Highway 412 through prime agricultural land in North Central Illinois. Agricultural land conversion for this project is estimated to reach 5000 acres depending on final route selection in the Southern portion of the project. This case study includes land acquisition conversion characteristics.

Kansas.—Elm Creek Water District (FmHA) This Departemnt of Agriculture/Farmers Home Administration project involved assistance in the development of a water district several times larger than needed. Such a project acts as a growth magnet and encourages resident and commercial uses of land adjacent to the newly developed water lines. This case study includes community service infrastructure conversion characteristics.

STUDY APPROACH

In determining the impacts of federal programs on the agricultural land base, NALS staff employed a systematic approach, comprised of a series of successive steps including an inventory and screening of federal programs, an assessment of their effects on agricultural land, and recommendations on how to mitigate those impacts. These steps are outlined below.

[Chart not reproducible in Record.]

REMARKS OF THE U.S. DEPARTMENT OF AGRICULTURE*

On Tuesday night, December 30, 35 folks from my home county—Knox County here in Illinois—got together with two officials of the Illinois Department of Agriculture. The purpose of the session was to discuss the Agricultural Areas Act, as relatively new piece of state legislation and one of which I'm particularly proud.

Ron Darden and Chris Mosher explained the Act's purpose—to protect Illinois farmland from development and from state and local pressure to shift land to other uses. They talked about its practicality, the fact that it's a basic tool to be used with county zoning laws. They emphasized the role of local government in protecting prime Illinois land and estimated the consequences of the continued annual loss of 100,000 acres of Illinois farmland to non-agricultural uses: fewer exports, higher food prices, and a reduced national balance of payments by the year 2000.

Perhaps most important, Ron and Chris stated for the people of Knox County the significance of the Agricultural Areas Act: the fact that for the first time it makes official, lays out in legislated black and white, state recognition of the value of farmland for agricultural purposes.

I don't recount our state experience to boast. We did what had to be done. I believe that those of us in Illinois government had an obligation to ourselves and to the people of this country to protect our land. And I believe that responsibility was mandated long before we passed legislation on July 1, 1980, by certain facts and figures that are as much part of this state as the city of Chicago.

I tell you about our state experience because the contradictions in Illinois agriculture are what the National Agricultural Lands Study is about.

Eighty percent of Illinois cropland is prime land. That's a rich blessing, but it's also a tremendous responsibility. With that bountiful land, the state provides more than one-tenth of the nation's food supply and over 17 percent of its exports. That means a continuing high level of dependence on Illinois by our own country which must look to agriculture to redeem an oil-heavy trade deficit and by other nations which face a growing gap between their ability to produce and their consumption demands.

Now weigh those obligations against the fact that Illinois each year is losing about 6.7 tons of soil per acre to erosion and the equivalent of 373 average-sized farms to farmland conversion. It becomes apparent that the increasing pressure on our best land and our decreasing ability to produce prime farm land are pulling against each other.

We Americans are a funny people. We're people of surplus. We consider it our heritage and our right. Yet in taking bounty for granted in our own lifetime, we may deny our children. We see no limits, recognize no boundaries.

As I see it, everyone involved in the National Agricultural Lands Study, everyone who will influence agricultural land policy in the coming decade, has three difficult, immediate and top-priority responsibilities.

The first is to change the way Americans think about their land—to make them think about their land. R. Neil Sampson, of the National Association of Conservation Districts, calls for a new "land ethic."

All of the statistics, legislation and studies mean nothing without a basic understanding that in the next 20 years we cannot realize a 60–85 percent increase in demand for U.S. agricultural products while urbanizing three million acres of productive land each year and maintaining current low productivity rates.

The second responsibility is to make Americans understand that the situation is a crisis in the making. The present agricultural land situation has been compared to the energy conservation issue of ten years ago. Since 1973, we've increased our dependence on foreign oil by nearly 50 percent. Our foreign oil bill has increased thirty-fold in the last decade. But until gas lines wrapped three times around the block in the summer of 1979, the crisis wasn't immediate and Americans didn't take note.

The conversion of our agricultural lands is a potential crisis on several counts. To meet projected demands for the next 20 years, most of the nation's 540-million-acre cropland base would have to be in cultivation. This would mean major shifts in the U.S. agricultural system: taking land away from forage and grazing uses, farming poor-quality land that is costly to cultivate and subject to erosion and environmental problems, and resulting higher food prices. The chain of problems would be lengthy and expensive.

The third responsibility is to convince the nation that once we reach the crisis stage, there's no turning back. The effects of urbanization are irreversible. We won't be talking critical problems; we'll be talking fatalities.

The National Agricultural Lands Study has built a strong case for establishing a national policy for protecting good agricultural land. I support such a policy. I support wrapping up the studies now and taking action. And in this time of severe fiscal restraint, as discussed last Thursday night by President Reagan, I also support the study's recommendation that state and local governments take the lead and federal agencies lend support.

In discussing fiscal responsibility, the President talked about leaving our children liberty.

Liberty is really what we're talking about today. Liberty doesn't mean the freedom to squander resources and evade responsibility. It means taking on responsibility so that we have freedom to make deliberate, conscious choices about our future. Thank you.

*Remarks prepared for delivery by Secretary of Agriculture John R. Block, before the National Agricultural Lands Conference, Chicago, Illinois, February 10, 1981.

SENATE CONCURRENT RESOLUTION 11—CONCURRENT RESOLUTION TO ESTABLISH THE NATIONAL DAY OF THE SEAL

Mr. WEICKER (for himself and Mr. MOYNIHAN) submitted the following concurrent resolution; which was referred to the Committee on the Judiciary:

S. CON. RES. 11

Whereas the seal is an essential and inseparable part of the marine ecosystem, and,

Whereas the seal, of which there are some 33 species, is a land mammal that returned to the oceans twenty to thirty million years ago, and,

Whereas the presence of the seal helps maintain the health and balance of this environment, and,

Whereas the presence of the seal is an indication of a whole and healthy ecosystem, and,

Whereas the seal, is a social carnivore with a highly evolved nervous system and physiology especailly adapted to its marine environment, and,

Whereas the seal epitomizes the freedom and the mystique of the oceans and in many cultures is revered as a spiritual embodiment of the mind in the waters, and,

Whereas March is the month of the year when the harp seal renew their eternal cycle, and,

Whereas the growing world-wide awareness of the ecological and aesthetic value of the seal has led to a desire to designate a special day of recognition,

Resolved by the Senate (the House of Representatives concurring) That the Congress proclaims March 1, 1981, as the National Day of the Seal and urges all citizens to join in this celebration of life with appropriate activity.

o Mr. WEICKER. Mr. President, today I am pleased to introduce, along with my distinguished colleague, Mr. MOYNIHAN, a resolution to declare March 1, 1981, as "National Day of the Seal."

As you know from previous statements that I have made on this floor, I believe that the oceans are becoming increasingly important to this Nation and the rest of the world in terms of food, energy, minerals, transportation, and recreation. The very survival of mankind in the future may very well depend on a healthy marine environment to provide us with many of the essentials of life.

The seal and other members of the suborder Pinnipedia are an essential part of the ocean environment. They are warm blooded, fur bearing predators

that inhabit coastal areas all over the world. Seals are predominantly fish eaters, but they occasionally feed on squid, decapods, crustaceans, krill, and other invertebrates. The Leopard Seal in the Antarctic is the only known seal to feed on warmblooded animals, occasionally taking penguin for food. Seals, of which there are 33 species, are predominantly cold and temperate water dwellers. The rare and endangered Hawaiian Monk Seal is an exception, living in the quiet tropical waters of the Hawaiian Islands. Its counterpart, the Caribbean Monk Seal is now thought to be extinct since no sightings have been reported for many years.

The seal has been hunted for food and its fine fur for centuries. Some species have been depleted so badly by hunters that a number of nations, including the United States, now protect seals along with other marine mammals. Presently, the only exemption for the hunting of seals in this country is by Alaskan Natives on the Pribilof Islands.

An average annual harvest of 26,507 of the North Pacific Fur Seal has been taken in recent years. The Pribilof Seals are clubbed to death in the same manner as the Harp Seal pups are harvested in Northern Canada.

For more than two centuries, the Newfoundland fishermen have hunted the Harp Seal for cash income during the spring when income is normally low. The annual landed value of the Harp Seal catch is estimated at about $4 to $5 million.

Much of the impetus for passage of the Marine Mammal Protection Act of 1972 came from public outrage over the Canadian clubbing of the baby Harp Seal. The act has thus had a great impact on the protection and revitalization of several species of marine mammals.

Mr. President, not only is the seal an essential part of the marine ecosystem, it is, to many of us, an esthetic symbol of a free-spirited animal in complete accord with its environment. Left to their own devices, without the interference of man, the seal's highly adaptive behavior flows with the rhythm of the sea, assuring its health and survival.

Man has much to learn in this regard and I trust that this resolution will bring a greater awareness to us all of the essential place of the seal in the global ecosystem in which man also plays an integral role.●

SENATE RESOLUTION 77—RESOLUTION RELATING TO GRANTING OF EXIT VISAS FOR IRINA AND BORIS GHINIS AND THEIR CHILDREN FROM THE SOVIET UNION

Mr. HEFLIN submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 77

Whereas the Universal Declaration of Human Rights and the Final Act of the Conference on Security and Cooperation in Europe recognize that all individuals have a right to freedom of movement and freedom of religion;

Whereas Soviet authorities have refused exit visas for Irina and Boris Ghinis and their children, Julia and Allis Ghinis, four times since January 1979;

Whereas Irina Ghinis' parents, Valentin and Clara Litvin, and her brother and his family live in Birmingham, Alabama, and Boris, Irina, Julia, and Allis Ghinis seek entry into the United States for the purpose of reuniting with these other members of their family; and

Whereas Boris and Irina Ghinis have directed a Jewish kindergarten in Moscow which has been harassed by Soviet authorities: Now, therefore, be it

Resolved, That it is the sense of the Senate that the President should strongly urge the Government of the Union of Soviet Socialist Republics to grant exit visas for Boris, Irina, Julia, and Allis Ghinis in order that they may reunite with other members of their family in the United States.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President.

SENATE RESOLUTION 80—RESOLUTION DESIGNATING THE "HUGH SCOTT ROOM"

Mr. MATHIAS, from the Committee on Rules and Administration, reported the following original resolution; which was placed on the calendar:

S. RES. 80

Resolved, That room S-120 in the United States Capitol is designated as the "Hugh Scott Room".

SENATE RESOLUTION 83—RESOLUTION DESIGNATING RELATING TO PURGE OF RIKIZO HIRANO

Mr. MATSUNAGA submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 83

Whereas in 1947, the Honorable Rikizo Hirano was the Japanese Minister of Agriculture and Forestry, and a member of the Japanese Diet; and

Whereas recently released American military records of the occupation of Japan following the Second World War reveal that—

(1) Rikizo Hirano was effectively purged from his positions as Minister of Agriculture and Forestry and as a member of the Diet in the House of Representatives, as a result of the intervention against its own rules, by the Office of the Supreme Commander for the Allied Powers (SCAP) in the Japanese judicial process, and

(2) the intervention of SCAP was without basis or justification in that it violated the Allies' duty to respect the Japanese judicial process in the Japanese administration of the purges, and to carry out the task of teaching the principles of democracy and justice; and

Whereas, the result of the purge was to subject Mr. Hirano to public scorn, humiliation, and loss of honor, as well as loss of public office: Now, therefore, be it

Resolved, That in recognition of the egregious harm inflicted upon Rikizo Hirano by the intervention of the Office of SCAP in the Japanese judicial process, resulting in his being purged, and, in recognition of Rikizo Hirano's distinguished career of public service in the affairs of agriculture, wherein his contributions have been lauded throughout the agricultural world, it is the sense of the Senate that the intervention of the office of SCAP resulting in the purge of Rikizo Hirano in 1947 was without basis or justification, improper and in violation of its own rules, and that all records of all United States Government agencies involved should be corrected to clear Rikizo Hirano of any wrong-doing and to restore the honor and reputation of Rikizo Hirano to their rightful standing in his country and in the world.

Mr. MATSUNAGA. Mr. President, today I am introducing a resolution that will help, in a small way, to rectify an injustice that has existed for over three decades; an injustice that tarnishes the almost unblemished record of our reconstruction efforts in postwar Japan.

The wrong that I seek to redress is an old one. Soon after the allied occupation of Japan, the Supreme Commander of Allied Powers (SCAP) initiated a series of rules designed to purge undesirable individuals from the Government and political parties of Japan. As prescribed by SCAP, the purge could be implemented in two ways: By the Supreme Allied Commander or by the Japanese Government itself.

In 1947, Mr. Rikizo Hirano was the Minister of Agriculture and Forestry. Despite his high visibility, his reputation for honesty and moderation was well known, and no attempt was ever made by the supreme commander to remove him from participating in the Government. However, Mr. Hirano did have political enemies within the ruling Japanese Cabinet who twice initiated votes against him in order to permanently ostracize him from public life. Both attempts failed.

In January 1948, his political opponents forced yet a third vote and this time succeeded in obtaining a bare 5 to 4 majority. The vote, however, was tainted by controversy. Immediately afterward, a member of the cabinet publicly confessed that his vote to purge Mr. Hirano was the result of pressures brought to bear on him by the political opponents of this outstanding Minister of Agriculture.

Mr. Hirano sought redress in the Japanese courts, seeking to effect the protection of due process that we in this country have always enjoyed. On February 2, 1948, the Tokyo district court granted him the equivalent of an injunction, permanently suspending the purge order.

The matter automatically went before the Supreme Court of Japan, but the court was never permitted the opportunity to review the case, for an official of the Supreme Allied Command ordered the Japanese High Court to reverse the ruling of the lower tribunal. No reason was ever given for the arbitrary SCAP directive which was, in fact, a violation of its own rules against interfering with the Japanese legal system on domestic matters. Nevertheless, citing the SCAP directive, the Japanese Supreme Court immediately reversed the lower court

ruling, thus reinstating the purge order which permanently disqualified Mr. Hirano from holding public office, and imposed on him the stigma of dishonor that he has now carried for over 32 years.

Mr. Hirano, now in his 80's, lives in Tokyo and has remained active in agricultural affairs through a variety of activities. He is the founder and president of Nikkan Nogyo Shimbun, a journal which addresses the agricultural problems of Japan and the world. His other publications include a Japanese translation of "World Without Hunger," by former Secretary of Agriculture Orville Freeman, with whom he met in 1968 to discuss food problems; and a book entitled "New Trials for Japanese Agriculture," published in 1971.

Despite his advanced age, Mr. Hirano has also traveled extensively in recent years. In 1976, he visited Korea, where a series of his lectures attracted audiences totaling 50,000 people, and in 1977, he met with then U.S. Secretary of Agriculture Bob Bergland to discuss both food policy and the 200-nautical-mile boundary.

In appreciation for Mr. Hirano's contribution to the world of agriculture, a monument was erected in his honor in his home precinct. The fact that this edifice was built with donations from 1,400 farmers makes it a fitting testimonial to an individual whose lifetime has been dedicated to public service on behalf of that occupational group.

Mr. President, no forum now exists either in this country or Japan to properly redress this grave injustice. But by resolution of this body, we can reaffirm that in postwar Japan, our intention was to encourage establishment of a society governed by the rule of law and founded on the principles of fundamental fairness. In this, we most assuredly succeeded, for today, Japan has a firm heritage of democracy that is viewed with pride by all members of the world community. By acknowledging the wrong that has been perpetrated aaginst Rikizo Hirano, we will be enhancing our own national integrity while restoring the honor that he so greatly cherishes and so richly deserves.

NOTICES OF HEARINGS

SUBCOMMITTEE ON AGRICULTURAL PRODUCTION, MARKETING, AND STABILIZATION OF PRICES

Mr. COCHRAN. Mr. President, as chairman of the Agriculture Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices, I wish to announce that a hearing has been scheduled on S. 509, a bill to eliminate the semiannual adjustment in the support price of milk. The hearing will be held on Wednesday, February 25, at 9:30 a.m. in room 324, Russell Building. Anyone wishing further information should contact the Agriculture Committee staff at 224–2035.

SUBCOMMITTEE ON LABOR

Mr. NICKLES. Mr. President, the Subcommittee on Labor of the Labor and Human Resources Committee will hold a public hearing at 9:30 a.m. on March 12, 1981. The subject of the hearing will be the jurisdiction of the Mine Safety and Health Administration (MSHA) as it relates to surface sand, gravel, and stone operation. Specific legislation on this issue, S. 351, has been introduced by Senators WALLOP and BUMPERS. Similar proposals will also be considered at this time.

For further information, please contact Rick Lawson or Chuck Carroll at 224–5546 or 224–5547.

SUBCOMMITTEE ON LABOR

Mr. NICKLES. Mr. President, the Subcommittee on Labor of the Labor and Human Resources Committee will hold a public hearing at 9:30 a.m. on March 10, 1981. The subject of the hearing will be S. 398, a bill introduced by Senator ARMSTRONG amending the Walsh-Healey Act and the Contract Work Hours Standards Act thereby permitting employees of Federal contractors to work four 10-hour days.

For further information on the hearing, please contact Rick Lawson or Chuck Carroll at 224–5546 or 224–5547.

AUTHORITY FOR COMMITTEES TO MEET

PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

Mr. BAKER. Mr. President, I ask unanimous consent that the permanent Subcommittee on Investigations be allowed to meet during the session of the Senate if there be such a session on Wednesday, February 25, at 9:30 a.m.; on Thursday, February 26, at 9 a.m.; and if there be a session on Friday, February 27, at 9 a.m., to hold hearings on organized crimes, influence, and control over waterfront industry along the East and Gulf Coasts.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

U.S. POLICY IN EL SALVADOR: THE NEED FOR A BALANCED APPROACH

● Mr. PELL. Mr. President, yesterday the administration issued a White Paper presenting "irrefutable" evidence of Cuban and other Communist aid to the guerrillas in El Salvador. I am deeply concerned about the threat detailed in the White Paper, and my own view is that if the intelligence is as hard as the administration maintains that it is, we ought to take this matter to the Organization of American States immediately with a view toward arriving at a hemisphere-wide approach to the problem. This is not a matter of sole concern to the United States. The democratic states in the region such as Mexico, Costa Rica, Venezuela, and Peru have a genuine interest in a peaceful settlement.

The administration, by the issuance of this White Paper, appears to be preparing the way for a program of increased U.S. military assistance to El Salvador. A strictly military approach to the problem, however, concerns me very much. If the Salvadoran military and other right-wing elements in El Salvador interpret an increasing U.S. military aid program as a license to destroy all semblance of opposition in the country and to step up their acts of terrorism against the people of El Salvador, it is likely that public support for the guerrillas will increase. In that case the ranks of the guerrillas, now numbering only a few thousand, will grow. If that happens, increased American involvement in the Salvadoran conflict could, paradoxically, increase the threat of a Communist takeover. That is certainly not our objective.

We need a balanced approach to the situation in El Salvador that would have as its objective a sustained campaign to promote the suppression of right-wing terrorism that has taken the lives of thousands of Salvadorans as well as four American churchwomen, and the strengthening of economic reform programs at the same time that we are acting to prevent a Communist military takeover. I am convinced that a military solution alone will not work.●

ESTONIAN INDEPENDENCE

● Mr. WILLIAMS. Mr. President, I wish to join my colleagues in offering congratulations to the people of Estonia and her many sons and daughters in America as they observe this 63d anniversary of Estonia's declaration of independence.

The very fact the Estonian nation managed to come into existence is eloquent testimony to the courage and determination of the Estonian people. The Estonians proclaimed their independence after the tzarist government fell, and from 1918 until 1940, they enjoyed a short-lived period of progress and, more importantly, freedom. In 1940, through manipulation and intimidation, the Soviet Union annexed the Republic of Estonia, along with its sister republics of Latvia and Lithuania. Before fleeing the advancing German forces in 1941, Soviet troops destroyed countless towns and executed thousands of innocent people. Under the reign of the Nazis, conditions in Estonia did not improve. When the Nazis were finally expelled in 1944, Estonia had lost more than 70,000 of its population. In 1944, the Soviet Union once again resumed its illegal occupation. After 1945, the once independent and free Estonia became a land of numerous executions and deportations.

The repeated violation of the basic human rights of the Estonian people is indeed a tragedy. Estonians have proved their courage continually by enduring years of unrelenting suffering.

The declaration of Estonian independence on February 24, 1918, was a

landmark in history. On the anniversary of that historic occasion, it is important to recognize the unique spiritual strength of these people and look forward to the day Estonia will again be a free nation.●

LITHUANIAN INDEPENDENCE COMMEMORATION

● Mr. LUGAR. Mr. President, I would like to join my colleagues and the Lithuanian-American community today in commemorating the 63d anniversary of the declaration of Lithuanian independence.

Lithuania embarked on its role as a free nation in 1918, full of hope and promise. For a brief 22 years, the people of Lithuania controlled their own destiny.

Soviet territorial aggrandizement toward the end of World War II led to the enslavement of Lithuania and her sister republics. In 1940, the Republic of Lithuania was overrun and annexed by the Soviet Union.

Since 1940, the proud Lithuanian nation has been governed as a colony of the Soviet Union and denied freedom and the right to determine its own form of government.

Soviet domination has not and will not eradicate the spirit and desire for freedom and self-determination of the Lithuanian people. The Soviet Union is sitting on a powder keg of discontent within its own borders. Soviet adventurism and subjugation of neighboring peoples is a policy that is both abhorrent and doomed to failure.

Our expressions today carry with them a recognition of that fact and a feeling of hope for the future for the captive Lithuanian people.

The U.S. Government does not nor has it ever recognized the illegal Soviet takeover of Lithuania, Latvia, and Estonia.

Today, I urge the leaders of the Kremlin to reexamine their deeds and consider the millions of freedom-loving people now captive in the Soviet empire.

The Soviet Union's denial of the exercise of the principle of self-determination for the Baltic peoples is a reprehensible affront to the international community and a direct violation of the Helsinki accords.

I hope it will not be too long before the quest of the Lithuanians and the other Baltic peoples for freedom and self-government and their release from Soviet domination will be realized.●

LITHUANIAN NATIONAL DAY

● Mr. ROTH. Mr. President, on February 16, Lithuanians throughout the world observed the 63d anniversary of Lithuania declaration of independence.

The flame of freedom was temporarily snuffed out in 1940 when the Soviet Union, in collaboration with the Nazi regime, invaded and occupied the Baltic States of Lithuania, Estonia, and Latvia.

To its credit, the United States has never recognized the annexation of Lithuania or any of the Baltic States. The U.S. Government reaffirmed this policy in a blunt statement at the Conference on Security and Cooperation in Europe last December. In that statement, the U.S. spokesman noted that although four decades have passed, "the passage of time will not make that wrong right. Time does not make right any more than might makes right."

This month, we join the over 1 million Americans of Lithuanian background in rededicating ourselves to the basic principle of self-determination for Lithuania and the other captive nations in the Soviet Empire. In so doing, we serve notice to the Soviet Union that freedom-loving peoples everywhere will indeed persevere until Lithuania is liberated from the oppressive yoke of foreign domination.●

TRIBUTE TO THE 150TH TACTICAL FIGHTER GROUP OF THE NEW MEXICO AIR NATIONAL GUARD

● Mr. SCHMITT. Mr. President, often, when we discuss our military capabilities and shortcomings, we only focus on our Active Forces and neglect to mention our Reserve and National Guard forces. The Reserve and Guard units, however, form an integral part of our overall military capability. This was recently demonstrated when the U.S. Rapid Deployment Force conducted its first overseas operational exercise.

Appropriately, the Rapid Deployment Force exercise took place in the strategic and troubled Persian Gulf area. The Rapid Deployment Force units were based in Egypt with the tactical air support based at Cairo West airfield.

It is with genuine pride that I point out that the 150th Tactical Fighter Group of the New Mexico Air National Guard participated in these exercises. I am confident that my colleagues will agree that the assignment of the Air National Guard to such a high priority frontline national defense role is a remarkable event in the development of our combat-ready forces.

In a recent letter to me, Lt. Gen. P. X. Kelley, Commanding General of the Rapid Deployment Force, pointed out that the performance of the New Mexico Air National Guard was superb. In the letter, General Kelley tells how the 150th Tactical Fighter Group flew its single-seat aircraft nonstop from the United States to Egypt, setting a record for the longest nonstop flight by a group of A–7's. Yet, 2 hours after landing, six of these eight "Corsairs," with fresh pilots, took off on a training mission. The performance and technical skill of the ground crews is evidenced by the fact that the A–7D's were operationally ready 97 percent of the time, a reliability achievement "quite remarkable when you consider that they were operating in a barebase environment."

Clearly, the pilots and ground crews of the 150th Tactical Fighter Group of the New Mexico Air National Guard and their aircraft have demonstrated our ability to move tactical airpower on emergency notice to distant parts of the world, and under rugged conditions keep flying and combat ready. The New Mexico Air National Guard has set a high standard of performance in support of our Rapid Deployment Force and has again demonstrated the National Guard's role as a combat-ready element of our Nation's frontline defense forces.

Mr. President, I submit the letter from Gen. P. X. Kelley to be printed in the RECORD at this point.

The letter is as follows:

RAPID DEPLOYMENT JOINT TASK FORCE,
MacDill AFB, Fla., January 23, 1981.

Hon. HARRISON SCHMITT,
Senate Office Building,
Washington, D.C.

DEAR SENATOR SCHMITT: I understand that members of our staffs have been discussing "BRIGHT STAR," the Rapid Deployment Joint Task Force exercise conducted last November in Egypt. As you know, the 150th Tactical Fighter Group of the New Mexico Air National Guard participated, and I would like to give you my personal assessment of their performance.

In a word, the 150th's performance was superb! From the moment I watched the group arrive at Cairo West, it was clear to me that the 150th was a first rate, professional organization.

Colonel Dave Quinlan, the group commander, and his pilots had been slated to deploy to Egypt via the Azores for a brief fuel stop; but, because of high winds there, the eight A–7D Corsairs flew 11½ hours nonstop from Pease Air Force Base, New Hampshire, refueling en route an average of seven times each. Not only did this set a record for the longest nonstop flight by a group of A–7s, but the planes were back in the air (with fresh pilots) for six training sorties within two hours of the time they touched down at Cairo West.

In addition, during the exercise, the 150th:

Was operationally ready 97 percent of the time. That's far higher than most squadrons, including active duty squadrons. It means that all eight Corsairs were ready to fly some 97 percent of the time; quite remarkable when you consider that they were operating in a bare base environment.

Flew an average of 12 sorties a day for the entire period they were in Egypt.

Took part in a live firepower demonstration with other U.S. and Egyptian forces.

Dropped over 70 500-pound bombs and fired over 5,000 rounds of 20-mm. cannon fire.

If all military units performed as capably and professionally as the 150th Tactical Fighter Group of the New Mexico Air National Guard did, my job as the Rapid Deployment Force commander would be a far easier one!

With warm personal respect and best wishes, I am,

Most respectfully,

LT. GEN. P. X. KELLEY,
Commander, U.S. Marine Corps.●

RULES OF THE COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

● Mr. GARN. Mr. President, the Committee on Banking, Housing, and Urban

Affairs held its organizational meeting on February 4, 1981. At that time, the committee adopted its rules of procedure for the 97th Congress, and also formally adopted procedures which the committee intends to follow in the consideration of Presidential nominees.

Mr. President, I ask that the text of the committee's rules of procedure, together with the committee procedure for Presidential nominees, be printed in the RECORD.

The material is as follows:

RULES OF PROCEDURE FOR THE COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

(Adopted in executive session, February 4, 1981)

RULE 1.—REGULAR MEETING DATE FOR COMMITTEE

The regular meeting day for the Committee to transact its business shall be the last Tuesday in each month; except that if the Committee has met at any time during the month prior to the last Tuesday of the month, the regular meeting of the Committee may be canceled at the discretion of the Chairman.

RULE 2.—COMMITTEE

(a) Investigations.—No investigation shall be initiated by the Committee unless the Senate or the full Committee has specifically authorized such investigation.

(b) Hearings.—No hearing of the Committee shall be scheduled outside the District of Columbia except by agreement between the Chairman of the Committee and the ranking minority member of the Committee or by a majority vote of the Committee.

(c) Confidential testimony.—No confidential testimony taken or confidential material presented at an executive session of the Committee or any report of the proceedings of such executive session shall be made public either in whole or in part by way of summary, unless specifically authorized by the Chairman of the Committee and the ranking minority member of the Committee or by a majority vote of the Committee.

(d) Interrogation of witnesses.—Committee interrogation of a witness shall be conducted only by members of the Committee or such professional staff as is authorized by the Chairman or the ranking minority member of the Committee.

(e) Prior notice of mark-up sessions.—No session of the Committee or a Subcommittee for marking up any measure shall be held unless (1) each member of the Committee or the Subcommittee, as the case may be, has been notified in writing of the date, time, and place of such session at least 48 hours prior to the commencement of such session, or (2) the Chairman of the Committee or Subcommittee determines that exigent circumstances exist requiring that the session be held sooner.

(f) Prior notice of first degree amendments.—It shall not be in order for the Committee or a Subcommittee to consider any amendment in the first degree proposed to any measure under consideration by the Committee or Subcommittee unless twenty written copies of such amendment have been delivered to the office of the Committee at or before 2:00 p.m. on the business day prior to the meeting. This subsection may be waived by a majority of the Members of the Committee or Subcommittee voting. This subsection shall apply only when at least 48 hours written notice of a session to mark up a measure is required to be given under subsection (e) of this rule.

(g) Cordon rule.—Whenever a bill or joint resolution repealing or amending any statute or part thereof shall be before the Committee or Subcommittee, from initial consideration in hearings through final consideration, the Clerk shall place before each member of the Committee or Subcommittee a print of the statute or the part or section thereof to be amended or repealed showing by stricken-through type, the part or parts to be omitted, and in italics, the matter proposed to be added. In addition, whenever a member of the Committee or Subcommittee offers an amendment to a bill or joint resolution under consideration, those amendments shall be presented to the Committee or Subcommittee in a like form, showing by typographical devices the effect of the proposed amendment on existing law. The requirements of this subsection may be waived when, in the opinion of the Committee or Subcommittee chairman, it is necessary to expedite the business of the Committee or Subcommittee.

RULE 3.—SUBCOMMITTEES

(a) Authorization for.—A Subcommittee of the Committee may be authorized only by the action of a majority of the Committee.

(b) Membership.—No member may be a member of more than three Subcommittees and no member may chair more than one Subcommittee. No member will receive assignment to a second Subcommittee until, in order of seniority, all members of the Committee have chosen assignments to one Subcommittee, and no member shall receive assignment to a third Subcommittee until, in order of seniority, all members have chosen assignments to two Subcommittees.

(c) Investigations.—No investigation shall be initiated by a Subcommittee unless the Senate or the full Committee has specifically authorized such investigation.

(d) Hearings.—No hearing of a Subcommittee shall be scheduled outside the District of Columbia without prior consultation with the Chairman and then only by agreement between the Chairman of the Subcommittee and the ranking minority member of the Subcommittee or by a majority vote of the Committee.

(e) Confidential testimony.—No confidential testimony taken or confidential material presented at an executive session of the Subcommittee or any report of the proceedings of such executive session shall be made public, either in whole or in part or by way of summary, unless specifically authorized by the Chairman of the Subcommittee and the ranking minority member of the Subcommittee, or by a majority vote of the Subcommittee.

(f) Interrogation of witnesses.—Subcommittee interrogation of a witness shall be conducted only by members of the Subcommittee or such professional staff as is authorized by the Chairman or the ranking minority member of the Subcommittee.

(g) Special meetings.—If at least three members of a Subcommittee desire that a special meeting of the Subcommittee be called by the Chairman of the Subcommittee, those members may file in the offices of the Committee their written request to the Chairman of the Subcommittee for that special meeting. Immediately upon the filing of the request, the Clerk of the Committee shall notify the Chairman of the Subcommittee of the filing of the request. If, within 3 calendar days after the filing of the request, the Chairman of the Subcommittee does not call the requested special meeting, to be held within 7 calendar days after the filing of the request, a majority of the members of the Subcommittee may file in the offices of the Committee their written notice that a special meeting of the Subcommittee will be held, specifying the date and hour of that special meeting. The Subcommittee shall meet on that date and hour. Immediately upon the filing of the notice, the Clerk of the Committee shall notify all members of the Subcommittee that such special meeting will be held and inform them of its date and hour. If the Chairman of the Subcommittee is not present at any regular, additional, or special meeting of the Subcommittee the ranking member of the majority party on the Subcommittee who is present shall preside at that meeting.

(h) Voting.—No measure or matter shall be recommended from a Subcommittee to the Committee unless a majority of the Subcommittee are actually present. The vote of the Subcommittee to recommend a measure or matter to the Committee shall require the concurrence of a majority of the members of the Subcommittee voting. On Subcommittee matters other than a vote to recommend a measure or matter to the Committee no record vote shall be taken unless a majority of the Subcommittee are actually present. Any absent member of a Subcommittee may affirmatively request that his vote to recommend a measure or matter to the Committee or his vote on any such other matter on which a record vote is taken, be cast by proxy. The proxy shall be in writing and shall be sufficiently clear to identify the subject matter and to inform the Subcommittee as to how the member wishes his vote to be recorded thereon. By written notice to the Chairman of the Subcommittee any time before the record vote on the measure or matter concerned is taken, the member may withdraw a proxy previously given. All proxies shall be kept in the files of the Committee.

RULE 4.—WITNESSES

(a) Filing of statements.—Any witness appearing before the Committee or Subcommittee (including any witness representing a Government agency) must file with the Committee or Subcommittee (before noon, 24 hours preceding his appearance) 75 copies of his statement to the Committee or Subcommittee. In the event that the witness fails to file a written statement in accordance with this rule, the Chairman of the Committee or Subcommittee has the discretion to deny the witness the privilege of testifying before the Committee or Subcommittee until the witness has properly complied with the rule.

(b) Length of statements.—Written statements properly filed with the Committee or Subcommittee may be as lengthy as the witness desires and may contain such documents or other addenda as the witness feels is necessary to present properly his views to the Committee or Subcommittee. It shall be left to the discretion of the Chairman of the Committee or Subcommittee as to what portion of the documents presented to the Committee or Subcommittee shall be published in the printed transcript of the hearings.

(c) Fifteen-minute duration.—Oral statements of witnesses shall be based upon their filed statements but shall be limited to 15 minutes duration. This period may be extended at the discretion of the Chairman presiding at the hearings.

(d) Subpoena of witnesses.—Witnesses may be subpoenaed by the Chairman of the Committee or a Subcommittee with the agreement of the ranking minority member of the Committee or Subcommittee or by a majority vote of the Committee or Subcommittee.

(e) Counsel permitted.—Any witness subpoenaed by the Committee or Subcommittee to a public or executive hearing may be ac-

companied by counsel of his own choosing who shall be permitted, while the witness is testifying to advise him of his legal rights.

(f) Expenses of witnesses.—No witness shall be reimbursed for his appearance at a public or executive hearing before the Committee or Subcommittee unless such reimbursement is agreed to by the Chairman and ranking minority member of the Committee or by a majority vote of the Committee.

(g) Limits of questions.—Questioning of a witness by members shall be limited to 10 minutes duration, except that if a member is unable to finish his questioning in the 10-minute period, he may be permitted further questions of the witness after all members have been given an opportunity to question the witness.

Additional opportunity to question a witness shall be limited to a duration of 10 minutes until all members have been given the opportunity of questioning the witness for a second time. This 10-minute time period per member will be continued until all members have exhausted their questions of the witness.

RULE 5.—VOTING

(a) Vote to report a measure or matter.—No measure or matter shall be reported from the Committee unless a majority of the Committee are actually present. The vote of the Committee to report a measure or matter shall require the concurrence of a majority of the members of the Committee who are present.

Any absent member may affirmatively request that his vote to report a matter be cast by proxy. The proxy shall be sufficiently clear to identify the subject matter, and to inform the Committee as to how the member wishes his vote to be recorded thereon. By written notice to the Chairman any time before the record vote on the measure or matter concerned is taken, any member may withdraw a proxy previously given. All proxies shall be kept in the files of the Committee, along with the record of the rollcall vote of the members present and voting, as an official record of the vote on the measure or matter.

(b) Vote on matters other than a report on a measure or matter.—On Committee matters other than a vote to report a measure or matter, no record vote shall be taken unless a majority of the Committee are actually present. On any such other matter, a member of the Committee may request that his vote may be cast by proxy. The proxy shall be in writing and shall be sufficiently clear to identify the subject matter, and to inform the Committee as to how the member wishes his vote to be recorded thereon. By written notice to the Chairman any time before the vote on such other matter is taken, the member may withdraw a proxy previously given. All proxies relating to such other matters shall be kept in the files of the Committee.

RULE 6.—QUORUM

No executive session of a Committee or a Subcommittee shall be called to order unless a majority of the Committee or Subcommittee, as the case may be, are actually present. Unless the Committee otherwise provides or is required by the Rules of the Senate, one member shall constitute a quorum for the receipt of evidence, the swearing of witnesses, and the taking of testimony.

RULE 7.—STAFF PRESENT ON DAIS

Only members and the Clerk of the Committee shall be permitted on the dais during public or executive hearings, except that a member may have one staff person accompany him during such public or executive hearing on the dais. If a member desires a second staff person to accompany him on the dais he must make a request to the Chairman for that purpose.

COMMITTEE PROCEDURES FOR PRESIDENTIAL NOMINEES

Procedures formally adopted by the U.S. Senate Committee on Banking, Housing, and Urban Affairs February 4, 1981, establish a uniform questionnaire for all Presidential nominees whose confirmation hearings come before this Committee.

In addition, the procedures establish that:

(1) A confirmation hearing shall normally be held at least five days after receipt of the completed questionnaire by the Committee unless waived by a majority vote of the Committee.

(2) The Committee shall vote on the confirmation not less than 24 hours after the Committee has received transcripts of the hearing unless waived by unanimous consent.

(3) All nominees routinely shall testify under oath at their confirmation hearings.

This questionnaire shall be made a part of the public record except for financial information, which shall be kept confidential.

Nominees are requested to answer all questions, and to add additional pages where necessary.

THE STATUS OF FREEDOM

● Mr. GOLDWATER. Mr. President, another very important publication by the Association of the U.S. Army entitled, "The Status of Freedom," which is a year-end assessment of 1980 should be must reading for Members of the Congress and the Senate. It will demonstrate to all readers just how far freedom has slipped from the grasp of people around this world who truly want it.

I ask that this publication be printed at this point in my remarks.

The publication is as follows:

SPECIAL REPORT: THE STATUS OF FREEDOM, A YEAR-END ASSESSMENT, 1980

(Association of the U.S. Army)

The world is grown so bad,
That wrens make prey where eagles dare not perch.
—Shakespeare, Richard III, Act 1, Scene iii.

INTRODUCTION

If nothing else, 1980 was a year in which the power symbolized by the American eagle was frustrated by the wrens, the pigeons and even the cuckoos. They were perceptive enough to see the eagle shackled to its perch by a deepening lack of purpose and by uncharacteristic timidity. In every corner of the world challenges were thrown at the eagle and the concepts it represents but those challenges brought little response beyond breast-beating and a fluttering of wings.

The people of the United States saw the fluttering and did not like it. As early as the Spring of the year, a poll confirmed a continuing downward trend in the number of citizens who felt the United States should stay aloof from the rest of the world and corresponding increases in the number who supported the defense of our allies, both in Europe and in Asia. By November public dissatisfaction had increased to a point at which voters overwhelmingly turned out the administration most recently responsible for our impotence and for the first time in our history refused to reelect an incumbent president who sought a new term.

Certainly nothing happened during the past twelve months to lessen the United States' dependence on the rest of the world. We are at least 50 percent dependent on overseas sources for 15 out of 22 key raw materials needed to keep our economy healthy. The commander of the Air Force Systems Command recently told a House Armed Services Committee panel investigating the expansion capabilities of our industrial base that of the 62 strategic materials needed for the national stockpile only 21 had been accumulated in sufficient quantity. While we have curbed our use of petroleum products by about six percent over the past year, our dependence on imported oil has increased from 42 percent to 46 percent. American automobile manufacturers have begun to take serious action in the direction of smaller, more fuel-efficient cars but, as 1980 came to a close, there was plenty of gasoline available and American car buyers were not buying the small cars in numbers large enough to justify the industry investment in retooling. One manufacturer, Chrysler, introduced a family of small cars judged by the automotive experts as excellent in both workmanship and economy but its sales have lagged far below the expected level and the company is once again in the shadow of bankruptcy.

As 1980 ended, 52 Americans were still being held hostage in Iran. In April a belated and ill-starred rescue effort failed, accomplishing little except to harden Iranian demands. Negotiations between the United States and Iran, carried on with Algeria acting as intermediary, have been stalled by at least one major obstacle—a full accounting of and promise to return all Iranian assets frozen in the United States. Iranian attention to the hostage problem was also diverted by the onset of war with Iraq, begun by the Iraqis, ostensibly to recover disputed territory along their mutual border. The war has long since expanded past the areas in dispute and has taken on the features of a war of contest, with Iraq seemingly getting the better of the fighting so far.

The dusk of the last day of 1980 also fell on Soviet soldiers in combat in Afghanistan. A U.S. organized boycott of the Olympic Games in Moscow as a protest of the Afghan invasion was not completely successful since a number of the United States' allies chose to participate on the basis that the games were "above political considerations."

The free labor movement in Poland gained substantial autonomy from government control after a series of strikes that profoundly embarrassed the Polish communist government and its sponsor, the Soviet Union. At the height of the strikes many Europeans expected a Russian takeover of Poland similar to the one in Czechoslovakia in 1969. Soviet reaction was initially mild, but, when a second round of strikes was threatened in late November, Moscow newspapers openly promised intervention and Soviet, Czech and East German Army Reserves were activated in the area adjacent to the Polish border. That crisis, too, has apparently cooled for the time being.

For the past several years this report has presented a tabular comparison of the military status of all the nations capable of projecting sizeable armed forces beyond their borders. The trend found in those tables has been almost universally downward in the United States' columns and upward in those of the Soviet Union and the People's Republic of China. This year's tables continue the trend. Since last year the Soviet forces have gained in numbers of tactical combat aircraft, major surface combatant ships and attack submarines while the United States has fewer of all three categories.

The growing willingness of the people of the United States to become involved in af-

fairs overseas may also be a function of the time elapsed since we last fought a conventional war overseas. A poll taken by the magazine U.S. News & World Report early in 1980 showed that 94 percent of those surveyed had no recollection of World War I, 68 percent could not remember World War II and 59 percent did not remember the Korean War. It is not known whether the respondents were asked if they could recall the frustrations of Vietnam.

The purpose of this report, as it is each year, is to examine the state of the world as one year ends and another begins. At this point in time, though, we are moving further into a decade that, on its surface at least, seems to be dotted with traps, pitfalls and other perils. Hopefully our analysis of the state we are in at the close of 1980 will help us chart a path through those perils.

A 12-YR FORCE COMPARISON (1968-80)—NATIONS ABLE TO PROJECT MAJOR COMBAT ELEMENTS

	Soviet Union		China (People's Republic)		United Kingdom		France		United States	
	1968	1980	1968	1980	1968	1980	1968	1980	1968	1980
Personnel, all services	3,220,000	3,658,000	2,761,000	4,450,000	427,000	329,204	505,000	494,730	3,500,000	2,050,000
Army divisions	140	173	115+	129+	[1]	[2]	[3]	14+	18+	16+
Marines	8,000	12,000	30,000	38,000	9,000	7,574	600	[4]	302,000	189,000
Tactical fighter aircraft	4,000	5,000	2,500	5,200	600	228	304	295	2,800	1,870
Interceptors	3,700	2,600	3,000	4,000	100	110	120	120	588	327
Strategic aircraft	155	156	12	90	80	98	45	33	520	381
Major surface ships	130	289	45	38	78	70	51	48	337	173
Patrol/torpedo boats	400	460	157	959	50	28	14	20	0	3
Attack carriers	1	4	0	0	2	0	3	2	15	13
Attack submarines	187	189	32	97	32	27	19	21	113	79
Missile submarines	43	87	0	3	4	4	0	5	41	41
SLBM's	0	1,003	0	0	64	64	0	80	656	656
ICBM's	1,000	1,400	0	70-90	0	0	0	18	1,054	1,054
Tanks	30,000	50,000	8,000	11,000	1,000	1,171	2,000	2,270	8,000	10,900
Tube artillery	15,000	20,000	15,000	16,000	300	425	[5]	625	4,800	6,500
Tactical nuclear missile launchers	800	1,300	0	0	0	[6]	60	32	456	108

[1] 15 Bde plus 53 Regts.
[2] 24 Regts plus 56 Sep Bns.
[3] 6 plus 8 Regts.
[4] 1 Bn.
[5] Unknown.
[6] 1 Regt.

EUROPE IN 1980

France

French President Valery Giscard d'Estaing faces a hard fight for reelection in the Spring of 1981 and has chosen to take a hard line with the United States as evidence of his intent to continue Gaullist policies. His prime opponent, Socialist Francois Mitterand, was narrowly beaten by Giscard in 1974 and attributed that loss to the failure of communist voters to switch their votes to him. In his early campaign oratory Mitterand has appealed to the individual communist to disregard the direction of the party leadership and vote for him.

The French Government has been openly hostile to U.S. Secretary of State Edmund Muskie. The French knew and trusted Muskie's predecessor, Cyrus Vance, but considered the new Secretary inexperienced. Muskie's relationship with the French was not helped by a petulant letter he wrote to complain that the United States had not been consulted before President Giscard met Soviet Premier Leonid Brezhnev in Warsaw. The conservative French newspaper Le Figaro said Muskie ". . . apparently has decided to break with the prudent protocol of his predecessor." The French foreign minister pointed the finger at poor coordination in the Carter Administration, claiming that President Carter had been informed of the Giscard/Brezhnev meeting well in advance.

Early in October a bomb exploded outside a Paris synagogue, killing four people and setting off a spasm of protest against what has been seen as growing antisemitism in France. Prime Minister Begin kept the issue alive by accusing the French government of being anti-Israel and therefore anti-semitic but many French Jews, including European Parliament President Simone Vail, took the position that Begin would label as anti-semitic anyone who opposed the Israeli expansion policy.

The status of the French armed forces is a continuing enigma as far as the rest of the Western European and NATO nations are concerned. The French forces are among the best equipped and trained in Europe but since the late President de Gaulle withdrew them from NATO there has been a question about their participation in the defense of Western Europe in the event of a Warsaw Pact attack. Most observers believe they would fight with NATO but there has been no public assurance of that. The growing force of communism and socialism in France has contributed to that uncertainty but even the most ardent French communist is a Frenchman first and holds no special allegiance to international communism of the Soviet Union.

The outbreak of war between Iran and Iraq, with its accompanying threats to free passage through the Straits of Hormuz for oil tankers, has accentuated France's dependency on imported oil (90 percent). The French navy has formed a mine sweeping task force of five vessels that can be quickly dispatched to the Persian Gulf in case there is a mining threat. At the same time, however, the French announced they had no intention of subordinating this force to the much larger U.S. naval forces in the gulf area but would still expect U.S. mine warfare helicopters to assist in the mine-clearing task.

The United Kingdom

Slightly more than a year and a half ago, the British voters gave Prime Minister Margaret Thatcher a mandate to reduce inflation and to bring the topsy-turvy economy under control. Her task was made all the more difficult by the fact that the British economy and the government are inextricably tied together by government involvement in the automaking, aerospace, airline, railroad, coal and steel industries. One British family in three lives in government-owned housing. The only major "plus" working for Mrs. Thatcher is the growing flow of oil from North Sea wells that is gradually reducing Britain's import dependency (now at about 17 percent).

Despite the fact that Prime Minister Thatcher has publicly supported the NATO member agreement to increase real defense spending by three percent each year her treasury ministry has been actively planning a defense spending cut. Documents describing the planned cuts were leaked to the press and to the Defense Ministry, which apparently had not been informed of the treasury plans. The leak is now under investigation as a violation of the very stringent Official Secrets Act. If actually put into effect the reduction of defense spending would be embarrassing to Mrs. Thatcher and to outgoing President Carter, who has used the three percent pledge frequently in justifying requests for higher U.S. defense spending.

The cut, together with resistance from the radical element of the opposition Labor Party, could spell the end of Thatcher's plan to modernize Britain's submarine-launched ballistic missile force with U.S. Trident missiles and to replace British Isles-based intermediate range ballistic missiles with U.S. cruise missiles. Defense Minister Francis Pym has already begun enforcing some austerity in defense spending by ordering a reduction of the cruising speed of British ships participating in NATO exercise, by pulling two ships out of on-going NATO exercises and by cancelling joint exercises with Danish forces.

A noticeable slow-down in terrorist activity in Northern Ireland has permitted a reduction of the British troops needed there. From a high of 21,000 during the intense violence in 1972 the number has now dwindled to 12,000 but still represents a major drain on the combat battalions available for use elsewhere. The lower level of terrorism is attributed in part to a major effort by the government of Ireland to control the flow of people and supplies north across the border into Ulster and the growing effectiveness of a local force called the Royal Ulster Constabulary.

Italy

Thirty-seven years have elapsed since Benito Mussolini was deposed as the dictator of Italy and there have now been 44 Italian governments. The average life expectancy of those governments has been just 8.4 months, hardly enough time to deal with the multitude of political and economic problems the country has faced. That Italy has survived at all is more a tribute to a resiliency than to good sense.

The Italian communist party, the biggest outside Russia, just missed gaining control of the government four years ago as it followed a policy of cooperation with other factions that almost resulted in a communist-dominated coalition. Since that time the communist vote has been declining and represented only 31 percent of the popular vote in the June, 1980, election. The party has now abandoned its previous policy of cooperation and has returned to hard line radicalism in an effort to recover its popular strength. In a month-long strike against the Fiat automobile factory in Turin this year, communist leader, Enrico Berlinguer, urged the workers to occupy the plant and guaranteed both moral and material support. Like

its French counterpart, the Italian communist party is Italian first and communist second. Berlinguer has openly chastised the USSR on the invasion of Afghanistan, has reestablished relations with the People's Republic of China, and has been outspoken in his support of striking workers in Poland.

The frailty of the Italian government was illustrated most recently when major earthquakes in southern Italy killed several thousand and left many more thousands homeless. Rescue and relief efforts bogged down and the inefficiency was illustrated by the sight of homeless people burning donated clothing to keep warm because there was no fire wood or fuel oil. The hue and cry over the mishandling could well bring down the government of Arnaldo Forlani who became Italy's premier on October 18.

Greece and Turkey

If there was a single important piece of good news for the North Atlantic Treaty Organization this year it was the agreement by Greece to return its armed forces to NATO operational control. Greece pulled its forces out of NATO in 1974 following the Turkish invasion of Cyprus, claiming that the rest of NATO, particularly the United States, had not taken a sufficiently strong stand against the Turkish action. The return of Greece to the NATO military fold was engineered largely by NATO Supreme Commander General Bernard Rogers who worked out a new command and control relationship involving both Greek and Turkish forces. Without the Greek participation, NATO's Southeast flank was badly weakened. While Greece does not have a large Army (140,000 compared to Turkey's 470,000) its air force and navy can play a major role in controlling the eastern Mediterranean and access to the Mid East.

But despite the pleasure over the return of the Greek armed forces, NATO leaders are looking a year ahead to the elections which must be held by November 1981. Popular dissatisfaction with the regime of moderate premier Constantine Karamanlis and his successor George Rallis makes it likely that a socialist, anti-NATO movement led by Andreas Papandreou will gain more power in parliament. The inflation rate in Greece is running nearly 25 percent this year and, if press reports are correct, the average Greek citizen does not think Mr. Rallis and his moderates are doing much for him.

In Turkey, several years of economic frustration and political turmoil finally drove the armed forces to take over the government on September 12. In any other country in the world this action would have been assailed as undemocratic but the Turkish constitution specifically charges the armed forces with the responsibility to step in if the government falters. Leaders of opposing political factions were placed under house arrest temporarily. In the intervening months, there have been very few incidents of unrest and the confidence of the Turkish people in their government has been substantially restored.

The anarchy that had grown so prevalent was fueled by open warfare between the political left and right and by the preaching of Moslem fundamentalists who sought to engineer an Islamic state on the pattern of that created in Iran by the Ayatollah Khomeini. The Turkish constitution directs the establishment of a purely secular government with no active participation by any religious sect in spite of the fact that 95 percent of the population is Moslem. General Kenan Evren, chief of staff of the armed forces, described the military takeover as a measure, ". . . to assure the healthy functioning of the democratic order." The military acted after they issued a series of warnings, beginning on New Year's day, 1980, to all the opposing factions that the turmoil would have to cease or the country would collapse. The junta leaders have pledged a return to democratic civilian control as soon as possible.

While the return to relative stability has been helpful, the Turkish armed forces still face the very real problem of maintaining and modernizing an arsenal of very good weaponry. Most of the equipment in the hands of all the Turkish forces is of Korean War vintage or only slightly newer and the four-year span of the U.S. embargo on arms shipments to Turkey, following the Cyprus crisis, even cut off the supply of spare parts. Military aid from the U.S. has now been renewed at the pre-embargo level of about $400 million a year. Unfortunately inflation has eaten into the value of that funding. The Turks are not convinced that even a modest modernization program would require assistance at a level of about $800 million each year.

Federal Republic of Germany

Nowhere in the Western Alliance was the election of Ronald Reagan to be President of the United States greeted with more pleasure than in Germany. Chancellor Helmut Schmidt publicly applauded, ". . . a new decisiveness in the American nation, that certainly will make itself felt in the new Senate, the new House and obviously in the new White House and President Reagan." Schmidt said many Europeans want the United States to act as a leader and would welcome more assertive U.S. policies.

Schmidt's statements came at a time when he found himself in the position of having to follow Britain in backing off from the pledge of three percent annual growth in defense expenditures. While the Federal Republic is not experiencing a recession of the magnitude of that in the United States, inflation is on the rise, there is a continuing problem with unemployment and lavish social programs demand an ever-growing share of the German budget. It is becoming more apparent that the United States can no longer expect the Federal Republic to pick up a major share of the cost of keeping U.S. forces in Germany, particularly as those costs relate to the construction and modernization of facilities for the sole use of American troops.

THE SOVIET UNION AND EASTERN EUROPE

The U.S.S.R.

The past 12 months have not been good ones for the Soviet Union, either internally or as they reflect Soviet efforts to expand its sphere of influence. For the second consecutive year grain harvests were substantially below the planned goal and this in turn has held down meat and dairy production. Western observers travelling in the U.S.S.R. at the time of the Moscow Olympic games noted that while stores in the immediate vicinity of the capital were well stocked, those just a few miles away had no meat and had not had any to sell for several weeks. The Olympics themselves were less than a smashing success in spite of excellent facilities created for the event.

Soviet attempts to build a power base in Africa made little progress during 1980. In fact, Mozambique, Angola, Guinea and even Ethiopia have begun to back off from entanglements with the U.S.S.R. In Asia there has been an almost continuous rash of incidents along the border with China, the North Koreans could drag their Soviet supporters into a new conflict at any time and continued help for Vietnamese expansionist adventures has proved to be very expensive. In spite of the continued presence of about 85,000 Soviet troops in Afghanistan, fully supplied with the latest arguments, they seem to be making little progress toward controlling the rebellious tribesmen. Reports from Afghanistan indicate Soviet casualties (dead, wounded and ill from diseases) have reached about 15,000. For the first time some of the dead are being buried in a newly opened cemetery outside Kabul and the sick and wounded are being sent to hospitals in East Germany rather than being returned to the U.S.S.R. In the meantime, Pakistan has accused the U.S.S.R. of beginning a permanent annexation of a portion of Afghanistan that lies between China and Pakistan. If the U.S.S.R. takes and holds the Wakhan Salient, as the area is called, it will have direct access to Pakistan for the first time.

Surely the most perplexing problem for the U.S.S.R. in 1980 is the labor unrest which began in Poland in August. Its manifestations have already toppled Polish Premier Edward Gierek and brought a wave of sympathy in other Eastern European satellites. The Polish strikers also received strong moral support from many western countries. However, those same western countries became very apprehensive in late November and early December when reports from several East Europe locations indicated the Soviets had sealed the Polish frontier and had called up reservists in the area of the U.S.S.R. adjacent to Poland. The reports drew warnings from the United States and other Western nations that a Soviet march into Poland would be unwise. A spokesman for President Carter described the likely consequences as, "serious and adverse," while President-elect Reagan's senior foreign policy advisor said, ". . . the consequences of an invasion would be severe and long-lasting. It could border on wrecking relations for a long time."

During 1980, the Soviet Navy continued to increase its sea control and intercontinental missile launching capabilities. The first of a class of very large nuclear-powered missile-launching subs has been observed on sea trials in Soviet home waters. This Typhoon class submarine displaces 30,000 tons, just 8,000 tons smaller than a U.S. World War II Essex class aircraft carrier, and has 20 missile-launching tubes. The biggest U.S. submarine class, the Trident, will displace 18,700 tons and carry 24 missile tubes but the first one of these is not expected to start its sea trials until early in 1981. The Soviets have also launched the first of a new class of sea-control submarine that can launch anti-shipping cruise missiles while submerged and have added two more Alpha class submarine-killing subs to an existing pair. The Alpha's can dive to 4,000 feet and speed at 45 knots, only five knots slower than the standard American sub-killing torpedo.

The leadership of the Soviet Union underwent a major change in 1980 when Premier Alexei Kosygin resigned because of ill-health and was replaced by Nikolai Tikhonov. In a speech at ceremonies observing the 63d Anniversary of the Bolshevik Revolution, Tikhonov appealed to President-elect Reagan: "We are coming out in favor of mutually advantageous cooperation with that biggest Western country for the sake of the Soviet and American peoples, for the sake of detente and the maintenance of peace."

Ex-premier Kosygin died on December 19 but official news of his demise was delayed for two days, apparently because it might detract from the birthday celebration for President Brezhnev. Kosygin was 76 at the time of his death, Brezhnev is now 74 and Tikhonov, Kosygin's replacement, is 72. The advanced age of the top Soviet leadership is of concern, both inside the USSR and elsewhere. The Soviets worry about the possibility of a power vacuum and the Kremlin-

watchers outside Russia are concerned that a new generation of Marxist zealots could fill that vacuum, possibly triggering more aggressive policies.

Poland

The labor unrest in Poland has not only ended the career of Communist Party Chief Edward Gierek but also forced the relief of the chief party officials in almost every major city. As he took office the new national party head, Stanislaw Kania, sent a message to Moscow stating that the Polish leadership, " . . . will from here on out be guided by the fundamental principles of Marxist-Leninist ideology." The statement was interpreted as an attempt to calm Soviet nerves and avoid overt intervention in Polish affairs.

For the time being at least, the Polish labor movement has gained a degree of autonomy unparalleled in any communist country but it seems very doubtful that other goals, like better pay, improved food supplies, earlier retirement for women workers, better child care facilities and paid maternity leave for as long as three years will be achieved to their fullest extent. Long before the strikes began the Polish economy was shaky and the agricultural program was faltering, perhaps even worse than its Soviet model. Poland is heavily in debt to western bankers (about $21 billion) and has asked the United States for credits of up to $3 billion to support industrial modernization and other basic programs to improve efficiency. The Carter Administration so far has declined to offer more than $200 million in credits and that was made contingent on guarantees of reform within Poland.

A recent study done under the aegis of the scholarly magazine Armed Forces and Society underlines the reason the Soviet Union might be considering intervening in Polish affairs. The study finds that the conscript-manned armies of the non-Soviet Warsaw Pact countries are most unlikely to be effective against an internal disturbance. After examining seven instances since 1953, when the Czechoslovakian army refused to put down riots the report concluded, " . . . the armed forces consistently refused to support the regimes when confronted with a serious internal disturbance." The other six instances cited were:

1953: East German troops in East Berlin refused to leave their barracks and march on demonstrators.

1956: Regular Polish troops in Poznan refused to disperse rioters (and in some cases joined them).

1956: The Hungarian army refused to intervene against attacks on the secret police headquarters in Budapest. After the USSR intervened 80 percent of the Hungarian officer corps refused to sign pledges to the new regime.

1969: Almost 60 percent of the Czech army officers under the age of 30 resigned after the Soviet invasion. The regime was forced to use special security troops and border guards because it did not trust the army.

1970: The Polish army refused to intervene against rioters in Gdansk in spite of orders to use, "overwhelming force."

1976: When the Polish defense minister was asked about the possibility of using the army against rioters in Lodz and Warsaw he said, "Polish soldiers will not fire on Polish workers."

Czechoslovakia

Other nations in the Soviet sphere of influence in Europe have reacted to the Polish unrest in different ways. In Czechoslovakia, the last European nation to feel the strength of Soviet armed repression, the regime of President Gustav Husak has taken a very hard line, forbidding the import of any pro-union, pro-Catholic publications originating in Poland and refusing to accept Vatican-nominated archbishops and bishops because their loyalty to the regime is doubtful. With 80,000 Soviet troops still stationed in Czechoslovakia the workers there dare not risk open demonstrations like those in Poland but there has been widespread malingering and work slowdowns.

East Germany

Workers in East Germany have expressed sympathy for the Polish strikers, saying that conditions in Poland have always been worse than those in East Germany and that those conditions undoubtedly led to the unrest. The East Germans have the singular advantage of being able to receive West German radio and television news broadcasts and are better informed than most Eastern Europeans. The German Democratic Republic has responded to the Polish situation by putting stringent controls on travel between the countries, reinstituting the requirement for visas that had been dropped eight years ago.

NON-SOVIET WARSAW PACT ARMIES RELIABILITY IN A WARSAW PACT ATTACK ON NATO

	Short-term operation		Long-term operation	
	Successful operation	Unsuccessful operation	Successful operation	Unsuccessful operation
Poland	Medium low	Very low	Medium low	Very low
East Germany (GDR)	Medium	Low	Medium	Very low
Czechoslovakia	Very low	Very low	Very low	Very low
Hungary	Very low	Very low	Very low	Very low
Romania	Very low	Very low	Very low	Very low
Bulgaria	Medium	Low	Medium	Low

Source: "Political Reliability in the Eastern European Warsaw Pact Armies," Armed Forces and Society, winter 1980, p. 289.

Hungary

In Hungary communist leader Janos Kadar has sought to forestall an upsurge of labor unrest by jumping into the labor camp. He has been urging leaders to get tough on management and insist on greater participation in management decisions. To date Kadar's attempt to amalgamate socialism and capitalism have not been much of a success. Prices have been on the rise, unemployment has increased and the workers' real income has declined.

Romania

Romania does not permit Soviet troops to be stationed within its borders but there is probably no need for them in the first place. President Nicolae Ceausescu has made it clear that he will not tolerate dissent. When coal miners struck in 1977 to protest harsh working conditions and low pay, 4,000 of them were simply fired. When a group of intellectuals attempted to form a free-trade union movement last year, they were ". . . permitted to emigrate."

Bulgaria

The Bulgarians are probably the Soviets' most loyal Eastern-European allies. Bulgaria is an oddity because it is an abundant agricultural producer and has few, if any, food problems. The USSR is its chief customer for surplus food and is viewed more as a savior than as an oppressor since Soviet troops liberated the country from the Turks in the 19th century and from the Germans in World War II.

U.S. FORCES OVERSEAS (AS OF SEPT. 30, 1980)

Locations	1980	1979	Change
Total in foreign countries	488,726	458,424	+30,302
In Europe:[1]			
West Germany	244,320	239,148	+5,072
Britain	24,312	23,015	+1,297
Italy	11,903	11,732	+171
Spain	8,974	8,714	+260
Turkey	5,263	4,918	+345
Greece	4,445	3,328	+1,117
Iceland	2,868	2,859	+9
Belgium	2,114	2,034	+80
Netherlands	2,630	2,220	+410
Portugal	1,367	1,404	−37
Sixth Fleet	22,313	25,001	−2,688
Total	331,705	325,240	+6,465
In the Western Hemisphere:[1]			
Bermuda	1,350	1,286	+64
Canada	691	660	+31
Cuba (Guantanamo)	2,150	2,117	+33
Panama	9,146	9,443	−297
Puerto Rico	3,707	3,532	+175
Total	16,878	16,693	+185
In the Pacific and Far East:[1]			
Japan and Okinawa	46,004	46,207	−203
South Korea	38,780	39,018	−238
Philippines	13,387	14,101	−714
Guam	9,053	8,756	+297
Australia	644	653	−9
Midway Island	498	472	+26
Afloat	15,515	21,910	−6,395
Total	114,845	122,227	−7,382
In other areas:			
Egypt	495	100	+395
Diego Garcia	1,373	1,053	+320
Eastern Europe	178	173	+5
Morocco	40	37	+3
Saudi Arabia	502	419	+83
Afloat—Africa, Mideast, South Asia	18,559	(2)	

[1] Major concentrations only.
[2] New category for this report.

Source: U.S. Department of Defense.

Yugoslavia

Yugoslav President Josip Broz Tito died in May after a long illness, during which much of the rest of the world worried about the possibility of a power struggle among his potential successors and the likelihood of Soviet intervention in that struggle. There was no strife, however, as the committee of top Yugoslav politicians designated by Tito to run the country during his illness continued to function after his death. A new President, Cvijetin Mijatovic, was elected less than two weeks after Tito died and is acting as the mostly ceremonial figurehead of the country. The real power continues to be held by Tito-designated committee. The United States was one of the few nations whose head of state did not attend the Tito funeral but President Carter did visit Yugoslavia late in June. His visit coincided with a conference of so-called "non-aligned nations" being held in Havana, Cuba and the President took pains to tell the Yugoslavs that their nation was truly non-aligned, not a Soviet dependency like Cuba.

NATO AND THE WARSAW PACT—A 1980 BALANCE

An article in the Summer, 1980, issue of Strategic Review magazine analyzed the military balance in Europe at the onset of World War II and that which exists today. It found that in 1940 France and Britain had more troops, more divisions, more and better tanks and more aircraft than the invading German army and yet were unable to stand up against the *blitzkrieg*. The German victory was attributed to better leadership, better strategy, better training and the advantage of being on the offensive. As military historians have pointed out repeatedly, the existence of the Maginot Line caused the French to make gross errors in planning and execution.

Today the situation is reversed. The defenders of Western Europe have fewer troops, fewer divisions, fewer tanks, smaller amounts of artillery and a host of other negative balances in comparison with the forces of the Soviet Union and its Warsaw Pact allies. Whereas better leadership, strategy and training won the day for the Germans, the Strategic Review article concludes, there is no logical expectation that the Western allies will have that kind of a subtle edge.

This is not to say that NATO lacks capable leaders, has not been trying to meld its forces into a more homogeneous whole, or attempting to eliminate problems of non-standard equipment, non-compatible communications and conflicting standards of reinforcement and resupply. To the contrary, there have been some fifty successful projects designed to improve standardization and interoperability in major areas. But the October, 1980, issue of NATO Review, the alliance's official publication, cites 19 important equipment areas in which there are a total of 600 differing items. The list includes:

100 different kinds of ships
50 different kinds of ammunition
23 different families of combat aircraft
41 different types of naval guns of 22 mm or larger
8 different families of armored personnel carriers
31 different types of antitank weapons
7 different main battle tanks

Obviously, it would be unrealistic to attempt to create a single type of ship, one universal armored personnel carrier or a standard NATO tank. Rather the goal is, to the greatest extent possible, to make sure that the ships and aircraft have common capabilities and resupply requirements and that the armored personnel carriers and tanks can drive into any friendly supply point and draw fuel and ammunition. The NATO Review article observes that the greatest support for commonality and interoperability comes from the military people who will have the most personal stake in a NATO/Warsaw Pact battle. But the military people most often do not have the final say. The article observes, further:

"Political arguments are among the toughest to overcome; they lurk behind most of the others. They have their roots in sovereignty, nationalism, concepts of power, equality and independence. In a survival situation they must be grounded in notions of equity, interdependence and internationalism. The current thrust to discuss the problem more openly, the improving image of NATO, the actions of the potential enemy—these and many more recent developments augur well toward improving the political will to go forward with the necessary initiatives."

The commander of all U.S. Army forces in Germany told the 1980 Annual Meeting of the Association of the United States Army, "If we go to war tomorrow morning, we go with an obsolescent army." General Frederick J. Kroesen did not mean that the U.S. forces in Germany could not give a credible account of themselves or that the weapons with which they are equipped are bad. He meant that we could do much better as far as having more modern weapons is concerned. Broadly speaking, every item of "obsolescent" equipment in the hands of our troops worldwide has a tested, approved and producible modern replacement. Unfortunately, constraints in funding and production capacity will delay the widespread availability of this new equipment. For example, the Army does not expect to be able to complete its buy of the new XM–1 tank until the end of the decade. Plans for U.S. Army/Europe to achieve qualitative armament parity with the Warsaw Pact forces do not focus on 1982 or 1983 but on 1985 and the Army will indeed be fortunate to reach that plateau in that time frame. Similar stretchouts are expected in new armored personnel carriers, helicopters, air defense systems and other basic tools of the trade.

None of the partners in NATO is free from problems in fielding adequate military forces. Among the major contributors to the deterrent capability of the alliance these are some of the problems faced:

Britain is having a hard time stretching its shrinking forces to cover all its commitments. For the record the British Army of the Rhine is 55,000 strong but it really musters about 45,000. Britain lacks depth in replacements for first-line equipment and to provide for its reserves. It would have to create a lash-up transportation system of commercial vessels and civilian aircraft to move reinforcements to combat in Germany. Plans for modernization of its armored force and submarine-based nuclear weapons may very well fall prey to a staggering economy and the need for government belt-tightening. Its all-volunteer service members are among the best paid in the world but they lack depth.

The Federal Republic of Germany maintains a defense structure of 495,000 people, 40 percent of whom are drafteees. With a declining birth rate (one of the lowest in the world) the West Germans may be forced to extend the term of obligated service beyond the current 15 months in order to keep the ranks filled. With completely internal lines of communication the West German forces are in excellent shape for resupply as long as stockpiles last but cannot rely on continued new production after a war starts. Material weaknesses in the air force will soon be corrected. The small navy is well designed to maintain control of the in-shore lines of communication that would be so important after a war started.

A 12-YEAR COMPARISON OF THE BALANCE IN EUROPE, 1968 AND 1980

	Northern and Central Europe			Southern Europe		
	NATO	Warsaw Pact	Of which U.S.S.R.	NATO	Warsaw Pact	Of which U.S.S.R.
1968:						
Divisions [1]	25	[2] 57	[2] 32	33	[2] 37	[2] 19
Tanks	4,800	11,500	6,000	1,600	4,300	1,100
Tactical aircraft:						
Light bombers	50	450	400	0	200	200
Close support	1,500	1,650	1,120	540	980	740
Interceptors	720	3,000	2,000	280	1,360	1,000
Reconnaissance	530	280	200	130	210	160
1980:						
Divisions	27	[3] 70	41	44	33	4
Tanks	7,000	19,500	12,500	4,000	6,700	2,500
Tactical aircraft:						
Close support	1,602	1,350	930	612	325	70
Interceptors	386	2,050	1,000	202	1,000	400
Reconnaissance	263	550	300	106	200	125

[1] Division equivalents. ISS data for 1968 expressed in terms of brigades. Conversion to division equivalents based on 3 brigades per division.
[2] Includes all categories of readiness (I, II, and III).
[3] Includes Soviet divisions stationed in the portion of the European U.S.S.R. adjacent to Poland and Czechoslovakia.

If we assume that the French will quickly choose to act with the NATO forces in response to a Warsaw Pact attack the overall defense of the Western Alliance would be substantially improved. The French Army is being equipped with a new family of armored vehicles considered to be of excellent quality and France's nuclear forces are being modernized (probably including the production of neutron weapons). Two French divisions are stationed in Germany but are located at a substantial distance away from the likely first points of contact.

In spite of its political and economic problems Italy has managed to keep its armed

forces reasonably well prepared. The Italian navy is rebuilding with a fleet of small, high-speed craft with heavy firepower that will help maintain control of the Western Mediterranean. Its air force is participating with the West Germans and British in the development of a new NATO fighter, the Tornado. Deliveries are expected to begin in 1981.

The forces of Belgium, the Netherlands and Denmark occupy key positions in NATO defense plans but their ability to execute those plans is growing more doubtful. None maintains substantial forces in Germany, close to initial defensive positions, so unless there was ample warning time they would have to try to move their troops forward during the critical days and hours following the outbreak of hostilities. The Belgians and the Dutch are holding out against U.S. plans to station new ground-based cruise missiles on their territory and may force a risk concentration of the missiles in Germany. About a fourth of the Belgian force is made up of draftees who serve only eight months and NATO inspectors are not impressed by the Netherlands' unionized Army.

NATO efforts to improve the defense of its northern flank in Norway have progressed well with the designation of British and U.S. forces for reinforcement. The Norwegian government has joined the Netherlands, Belgium and Denmark in purchasing U.S.-designed F-16 fighters. Unfortunately the NATO campaign to help Norway has been so highly publicized that vocal, left-leaning Norwegians have been alarmed, claiming that their country will become a battleground. There are signs that the Norwegian government may be beginning to back off from ambitious plans to improve their defense capabilities.

There is little identifiable change since 1979 in the precise balance between NATO and Warsaw Pact forces facing each other. The number of tanks available to Pact forces has been adjusted downward during the year, reflecting a Soviet plan to move some of its forces further Eastward. But although they permitted some limited observation of the movement of the initial increment of tanks there has been no overt opportunity to observe any follow-on movements. In spite of the adjustment the Pact advantage in tanks now stands at about 2.8 to 1 (It was 2.4 to 1 in 1968). The number of NATO close support aircraft has gone up slightly but it must be remembered that many of the NATO aircraft have a dual air defense ground support role and will have to be committed to gaining control of the air before they can be used for close support. The Pact air forces, to the contrary, have over 2000 pure interceptor aircraft to commit to the air battle while the separate close support force can concentrate on that mission.

Events in other parts of the world, the formation of a U.S. Rapid Reaction Force and the frustrations of U.S. political and military leaders over the struggle to find ways to move and support that force, will probably pay substantial dividends to NATO readiness over the long run. As the U.S. Congress gained insight into our transportation and resupply capabilities many of the objections to the acquisition of dedicated ocean shipping and to the development of a new generation of strategic airlift craft began to melt away. A real appreciation is building for the fact that having combat forces in being is only part of the answer to military preparedness, unless you are expecting to fight on your home ground—and U.S. foreign policy is supposed to prevent that.

DIVISIONS (AND EQUIVALENTS) FOR REINFORCEMENT [1]

	NATO	Warsaw Pact
Armored	10⅜	27⅗
Mechanized	8⅓	76
Other	33⅓	10
Total	52⅓	113⅗

[1] NATO reinforcements include only existing active and reserve formations. Warsaw Pact reinforcements include all category II and III divisions of Poland, Czechoslovakia, and East Germany, plus all Soviet divisions in the European U.S.S.R.

AFRICA—NO RESPITE FROM TERROR

Terror stalked the African continent during 1980 in the form of open warfare, guerrilla attacks, revolution by assassination and grinding hunger. There were few pockets of calm in the richest of continents but where those pockets existed there was growing proof that, given a chance, Africa could work for the betterment of its own people and for the sustenance of the people who need its resources.

Liberia

Perhaps the biggest surprise of the year came on April 12 when a group of Liberian soldiers fought their way into the Presidential Palace in Monrovia and assassinated long-time President William Tolbert. The coup was headed by Master Sergeant Samuel Doe whose People's Redemption Council claimed a shopping list of abuses by the Tolbert regime, probably the chief of which was the retention of government control by Americo-Liberians, descended from former U.S. slaves. The Liberian political situation had been stable for 133 years and although foreign diplomats had been aware of growing resentment on the part of indigenous Liberians over the iron-clad control exercised by the Americo-Liberians, they were caught completely by surprise. Sgt. Doe's supporters quickly rounded up and executed the hard core supporters of the Tolbert government. Almost immediately after the coup, Doe received feelers from Libyan dictator Muammar Qaddafi who offered economic and military aid but Doe, who is not a hardline leftist, delayed a response and, so far, has stayed away from an agreement with Qadaffi. The new Liberian government is now seeking assurances that the United States and European commercial interests which have long played a major role in the country's economy will continue that policy.

Zimbabwe/Rhodesia

In April seven years of guerrilla warfare in the former British colony of Rhodesia came to an end as the British flag was lowered for the last time and Britain's Prince Charles delivered the documents of independence to the people of the new nation of Zimbabwe. The newly-elected Prime Minister, Robert Mugabe, has appointed a bi-racial cabinet and set a non-aligned foreign policy in the hope of encouraging assistance from Western industrial nations in developing the rich mineral and agricultural resources of the country.

One of the things Mugabe realizes must be done is to keep many white farmers, administrators and businessmen involved in the new nation's affairs, at least until black Zimbabwans can be properly trained in sufficient numbers. Immediately after Mugabe's election there was a sizeable exodus of whites, including almost 350 senior police officials and the best of the former Rhodesian Army's officer corps. The exodus slowed somewhat after Mugabe demonstrated conciliatory policies but speeded up again when one of Mugabe's black cabinet ministers was accused of murdering a white farmer. The minister was later acquitted when a three-judge panel of one white and two blacks voted one to two against a guilty verdict. Many whites interpreted this as an indication that it will be impossible for a white to be judged fairly by courts with a majority of black members.

Mozambique

One of the many side effects of the end of the insurgency in Zimbabwe was the loss of Soviet influence in Mozambique. Throughout the seven years of strife, guerrillas from Rhodesia/Zimbabwe used base areas in Mozambique where they were supplied with Soviet weapons, with the government of Mozambique acting as go-between. The Soviets, at the same time, were also arming Mozambique forces and attempting to get a firm foot in the door of local politics. The guerrilla base camps are now deserted and Mozambique has realized that it cannot rely only on Soviet help. President Samora Machel announced in April that private enterprise will have an important role to play in his country's development. A former colony of Portugal, Mozambique was not able to keep very many of the 250,000 white settlers who ran the country and its institutions before independence and the literacy rate among the black population is estimated at no higher than 5 percent. Machel wants to create a climate that will encourage a return of the talent and investment capital that could restore the country's economy to at least pre-independence levels and he realizes this is more likely to come from someplace other than the Soviet Union.

South Africa

In the view of many observers, South Africa is a time bomb of racial tension that could explode at any moment. Certainly there is no evidence that the white minority which rules South Africa has learned very much from the experience of Rhodesia/Zimbabwe. The rules of apartheid, which set strict limits on blacks and coloreds (those of mixed race), are applied by the whites with an almost-religious fervor.

The government of Prime Minister Pieter Botha, instead of finding ways to lessen the apartheid-driven tension, seems more intent on preparing for the inevitable explosion than on defusing the bomb. Although most European nations and the United States refuse to sell arms and military-capable equipment to South Africa its armed forces are unquestionably the best on the continent and have been very carefully designed to counter insurgency and to seal off the borders against infiltration of troops and supplies that might be sent to aid an insurgency. For thirteen years guerrillas based in Angola and Zambia have been contending with South African forces for control of Nambia (also called Southwest Africa). South African tactics are designed to inflict as many casualties as possible on the guerrillas (currently about 80 to 120 per month) while minimizing their own casualties (the ratio is about 30 to one at the present time). Strangely, the South African forces are a mixture of blacks, coloreds and whites. In the navy blacks, whites and coloreds eat and sleep together aboard ship and some non-whites are in positions of leadership over whites. Most of South Africa's military manpower is obtained through a draft that is stringently applied—conscientious objectors are required to serve three years of alternative hard labor. Although South Africa denied having detonated a nuclear device which may have been the source of a mysterious flash observed by satellite

monitoring stations in 1979, the nation's leaders have made no secret of the fact that they have both sufficient enriched uranium and adequate technology to produce nuclear weapons if they were needed.

Nigeria

Nigeria is one African nation that seems to be on the brink of realizing its potential. Although it has been independent for 20 years, it has been a battleground on which its 250 ethnic and tribal groups have contended for the advantage. The long rebellion of the Ibo tribesmen in Biafra has finally given way to government promises of equal treatment for all sub-groups. The Nigerian military has backed away from the political leadership of the country after 13 years in control and now supports the elected government of President Shehu Shagari. The stability of Nigeria is of particular importance to the United States because it is our second-largest source of imported oil, consuming about half of Nigeria's total export income and 80 percent of the government's total receipts.

Morocco/Algeria

In 1980 there was very little but trouble across the northern crest of Africa. Algeria continued to support the Polisario guerrillas contending with Morocco for control of the mineral-rich Western Sahara. That contest has flowed back and forth across the desert with little advantage being achieved by either side although the guerrillas were able, briefly, to carry the fighting into Morocco itself. Aid from the United States in the form of F-5 fighters, OV-10 observation aircraft and helicopters has improved the efficiency of the Moroccan forces but they still have not been able to achieve a decisive victory.

Libya

Libya was frequently in the news in the United States. President Carter's brother was investigated for allegedly acting improperly as a paid agent of the Libyan government. Four Libyan diplomats were accused by the United States of harassing opponents of Colonel Muamar Qaddafi in the United States and they briefly refused to obey an order to leave the U.S. Qaddafi himself threatened to cut off or reduce oil shipments to the U.S. Relations between the two countries reached a perilous state in September when Libyan interceptors were reported to have fired air-to-air rockets at an unescorted U.S. Air Force intelligence plane flying 200 miles off the Libyan coast. A few days later the Libyans launched eight fighters to intercept another U.S. patrol plane being escorted by a single Navy F–14. As the Libyan aircraft started to press their attack two more F–14's from the carrier U.S.S. Kennedy arrived and, on instruction from their ground controller, the Libyan aircraft broke off and returned to their base.

Libya has openly sent troops to the neighboring nation of Chad in an attempt to assure victory for the Islamic contenders in a long-term civil war. About 3000 Libyan troops, with armor, artillery and supporting aircraft have added a new dimension to what had been an unsophisticated war. As the year ended, it appeared that Qaddafi's effort in Chad would be successful and this apparent success was causing growing concern in the neighboring nations of Nigeria and Cameroon. Libya was also involved, in January, with a raid against the Tunisian city of Gafsa. The Tunisian government claimed about 300 raiders, some Libyans and some dissident Tunisians, attempted to take over the city in order to embarrass Tunisian President Habib Bourguiba. Qaddafi has gone out of his way to harass Bourguiba since 1974 when the Tunisians backed out of an agreement to unite the two countries.

Ethiopia/Somalia

Ethiopia has apparently decided to make an all-out push against Somali regulars and guerrillas in the Ogaden region between the two countries. With help from the USSR in the form of new shipments of arms and equipment and by turning its back momentarily on its own insurgency in Eritrea, Ethiopa is slowly driving the Somalis out of the Ogaden. The region has been under dispute for many years and until 1978 the USSR was supporting both Ethiopia and Somalia, apparently trying to make sure it came down on the side of the eventual winner. Ethiopia is now in the position of threatening Somalia proper and conceivably could play havoc with U.S. hopes for access to harbor and support facilities at Berbera on the Gulf of Aden.

Refugees and Famine

More than a million refugees are gathered in camps around the fringes of the Ogaden, driven out of their homes and away from their already-scant sources of food. The United Nations and many volunteer organizations have rallied to help but have had to overcome a wide array of handicaps in order to furnish housing, water and a bare subsistence diet for the refugees. A fleet of about 120 trucks travels 14,000 miles daily between the refugee camps and ports in Somalia to provide a diet of about 1000 calories a day. The other 18 million starving people in Africa are not so fortunate.

The United Nations' World Food Council has reported that there are 26 countries in the world experiencing famine. Seventeen of those countries are in Africa, stretching from Mauritania on the Atlantic coast, across the widest part of the continent to Somalia on the Indian Ocean and down the center of the continent to Botswana. Nineteen million people are starving in Africa due to a combination of drought, mismanagement and outlaw activity. The nations along the Southern edge of the Sahara desert, known as the Sahel region (Chad, Niger, Mauritania, Mali, Upper Volta, and Gambia) are literally blowing away with the dry dust. Some countries that were once food exporters (Kenya, Zambia and Zimbabwe) have all become importers and both Mozambique and Botswana are encountering periodic food shortages. (Oddly enough, one of Mozambique's problems results from overfishing by Soviet trawlers off the Mozambican coast). There have been armed attacks on food convoys in Uganda and the United Nations relief agencies have been forced to stop shipments because the Ugandan government has been unable to establish security. In Kenya bands of armed men fight over the dwindling herds of emaciated cattle and the government seems content to let them kill each other. In much of Africa this year, only the hyenas are well-fed.

THE MIDDLE EAST—PEACE SEEMS MORE DISTANT THAN EVER

Egypt and Israel

A year ago there seemed to be real promise for agreement and a lasting peace between two of the major Mid-East antagonists, Israel and Egypt. The agreements so painfully and hopefully succored by President Carter have now been overtaken by what seems to be total intransigence on the part of the Israeli government. Prime Minister Menachem Begin's government has at least twice been driven to the brink of a nonconfidence vote by its refusal to compromise, by clinging to its policy of permitting more settling of Arab land by Israelis and by a series of incidents in which Israeli security troops have used deadly force against Arabs protesting the settlements.

Iraq and Iran

The war between Iraq and Iran has served to increase tension in the region. Iraqi forces at first appeared to be headed toward an easy win over the skeleton of the Iranian forces created by the late Shah but, as the distance between the fighting front and their home bases increased, the Iraqi armor lost its momentum and at the end of the year saw the fighting at a virtual stalemate. Both countries now find themselves running out of fuel for their aircraft and vehicles because of the severe damage done to refining facilities (and in the case of Iran, the loss of production from a major portion of its oil fields). The Iranian economy, which was on the verge of collapse before the war started its slowing down even more as its trade is all but stopped.

Observers of the fighting are puzzled by the inability of the Iraqi forces to press home their advantage. While they did a good job of organizing and mounting the initial attack there has been a lack of decisive action once contact was made with the Iranians. The speculation is that their Soviet advisors did a good job of teaching them some of the basics but, either by design or inadvertence, failed to teach them how to close with an enemy and destroy him. Air Forces on both sides have not been very effective with few operations involving large numbers of aircraft and the appearance of seeking more propaganda impact than military benefit. It must be said, however, that the Iranian forces, even though stripped of the bulk of their leaders by revolutionary firing squads, have committed themselves reasonably well against the desultory Iraqi offensive.

The war began in earnest on September 22, five days after Iraq's President Saddam Hussein declared void a 1975 agreement between the two countries about the control of territory at the head of the Persian Gulf. Saddam declared Iran had never kept its part of the agreement and Iranian President Bani-Sadr admitted this was true, saying the deposed Shah had signed the agreement, not the revolutionary government. By the end of November, Saddam was trying to reestablish some degree of normalcy in his own country and to eliminate public concern over what by then was appearing to be a protracted war. He has reopened schools and universities everywhere except in the war zone, relaxed controls over civilians, cut back warlike propaganda and begun to increase the import of consumer goods.

There is no question that the Iraq/Iran war has slowed the progress of negotiations for release of the American hostages held by Iran. Prime Minister Rajai came to New York in mid-October to plead his country's case against Iraq before the United Nations but ignored U.S. hints that President Carter would be willing to meet with him. A week later, President Carter announced he would release Iranian assets and end the trade embargo if the hostages were freed but this proposal was rejected by the Iranian parliament with the comment that they were too busy with the war. At this point, the three-sided U.S./Algerian/Iranian diplomacy took over. It now seems to have foundered because of Iranian inability or unwillingness to understand the legalities of the way the late Shah's personal wealth might be returned to Iran. In an interview for the CBS *Sixty Minutes* television program aired on December 14, President Bani-Sadr claimed President Carter had lost interest in the hostage issue and that nothing would happen until after the new U.S. administration took office in late January 1981.

Syria and Jordan

For a few weeks late in the year, it appeared that the Mid-East might have still another war as Syria and Jordan massed troops and armor along their mutual border, reflecting another deep division among the states of the region. At the time of the

confrontation, Jordan was acting as the host of an Arab summit meeting which had been boycotted by Syria and other hard line Arab nations (including Algeria, Libya, South Yemen and the Palestine Liberation organization).

The hard-liners side with Iran, a Moslem but non-Arab nation, against Iraq, which is supported by Jordan and the rest of the Arab states. By early December, Syria had about three divisions of troops along the Jordanian border and the United States was giving serious consideration to dispatching emergency shipments of supplies to bolster the forces of Jordan's King Hussein. By mid-month, however, it became apparent that Syria's sabre rattling was mostly a defense mechanism to shore up the shaky regime of President Hafez Assad. Mediation by Saudi Arabia seems to have turned aside the threat of actual war.

Lebanon

Over the past year, Lebanon has experienced a period of relative quiet and a resumption of commerce even though Christian militiamen and Palestinian irregulars still exchange gunfire in the outskirts of Beirut. The Christian/Moslem confrontation that triggered the civil war has now given way to a three-sided problem with the Palestinians in the middle, between the Christians who consider them interlopers and the Israelis who consider them a threat to their security. Enough confidence has been restored in the economy to start the construction of some apartment buildings in Beirut but many of the hotels and other structures damaged in the earlier heavy fighting remain unrepaired.

Saudi Arabia

The maintenance of good relations with Saudi Arabia is vital to the United States for reasons that go far beyond its position as the chief supplier of imported oil. Saudi Arabia stands as a model to other oil-rich countries in the Mid-East because, even though there are some imperfections in the way the country is run by the royal family, it has made great progress in using its oil income to better the life of all its people. Because of its position of wealth and because the Saudi rulers are still considered by most of the rest of the Moslem world to be true protectors of the Faith, the Saudis have successfully acted as negotiators and problem-solvers in inter-Arab disputes. It was no surprise, then, to have the United States agree quickly to a Saudi request for early warning aircraft to patrol the skies after the onset of the war between Iran and Iraq.

There was no easy choice, though, when the Saudis asked the United States to permit the installation of special equipment on a fleet of F–15 fighters they had bought. The Saudis asked for air-to-air refueling gear, extra fuel tanks and bomb racks, all of which combine to give a fighter aircraft greater offensive capability. After a furious debate within Congress, and between the Congress and the White House, fueled by pressure from the pro-Israel lobby, everyone agreed that the aircraft could be equipped with the refueling gear but not the other items. The tenderness of our relations with Saudi Arabia was also illustrated in 1980 by a substantial furor over the decision by some U.S. public TV stations to air a dramatization of the execution of a Saudi princess and her lover for adultery. At year's end, the Saudis had completed an agreement with the rest of the members of the Oil Producing and Exporting Countries (OPEC) for still another increase in the per barrel cost of oil and the people of the United States were stoically looking forward to paying more for every gallon of gasoline they use.

North and South Yemen

The U.S. and Saudi Arabia share a deep concern over the growing Soviet influence in both North and South Yemen, which border on Saudi Arabia and jointly control the narrow sea passage between the Gulf of Aden and the Red Sea. South Yemen is firmly in the Soviet camp, with a growing Soviet military and naval presence based at Aden. North Yemen has been a dependency of Saudi Arabia for some time (the Saudis provide a $250 million annual budget) but the North Yemens have been dissatisfied with the speed at which the U.S. and the Saudis have been providing arms. The Soviets have stepped into that gap, sending 500 T–55 tanks while the U.S. was providing 30 M–60's. The result of this game of influence peddling has been the creation of a situation in which two warring nations, North and South Yemen, have become the pawns of three other nations, with one of those other nations helping both antagonists.

The Soviets are also making another effort to increase their permanent presence in the region, by building a base on the Ethiopian island of Dahlak in the Red Sea. At one point during October about half of the Soviet Indian Ocean squadron was at anchor there and, according to reports, construction has begun on port and airfield facilities. Other reports note that Soviet ships have been ferrying large numbers of natives from Dahlak to the Ethiopian mainland in an apparent attempt to improve security and gain absolute control.

ASIA AND THE PACIFIC

The Soviet presence

From the mountains of Afghanistan, through the jungles of Southeast Asia and Northward along the rim of the Asian continent, the Soviet presence is growing in size and activity. Whether this encircling reflects only the Russians' almost-paranoid fear of China or a design for the eventual extension of Soviet influence through out the area, one fact is quite clear: The Soviet Union is the predominant military and naval power in Asia and the Western Pacific.

Along their own borders with China, the USSR has deployed more than a million soldiers, organized into 46 divisions. A fleet of 80 major surface combat vessels and 80 submarines patrols the Indian Ocean, the China Sea and the waters of the Philippines, Taiwan, Japan and Korea, using bases at Cam Ranh Bay in Vietnam and their own port of Vladivostok. Long range reconnaissance planes fly from the former U.S. bases at Da Nang, Vietnam and from Vladivostok, ranging over the entire region. Throughout a major portion of 1980 the only aircraft carrier operating in the Western Pacific was the Soviet *Moskva*. The deployed U.S. carrier force was committed to the Persian Gulf.

COUNTRIES WITH POTENTIAL TO PRODUCE NUCLEAR WEAPONS

Country	Nonproliferation treaty signatory?	Uranium reserves?	Research reactor operating or being built?	Enrichment capability	Other key technology?	Shortest time to construct a weapon	Potential delivery system
Argentina	No	Yes	Yes	No	Yes	3 yr	Canberra bomber, Mirage IIIEA.
Brazil	No	Yes	Yes	By 1984	By 1984	5–6 yr	Mirage IIIEBR, possible missile.
Egypt	Signed but did not ratify.	No	Yes	No	Some	7–10 yr	Mirage IIIE, SCUD missile, Mig–23.
India	No	Yes	Yes	Probable	Yes	Less than a year	Canberra bomber, Jaguar Atk. Aircraft.
Iraq	Yes	Maybe	Yes	No	No	6–10 yr	SCUD missiles, Mirage F.1EQ, Soviet aircraft.
Israel	No	Yes	Yes	Yes	Yes	Small number now	A–4 and F–4 aircraft.
Libya	Yes	Maybe	Being built	No	No	10 yr but may attempt direct purchase sooner.	SCUD missiles, Mirage aircraft Mig–23.
Pakistan	No	Search underway	Yes	Yes	Yes	Less than a year	Canberra bombers, Mirage 5PA and 11EP.
South Africa	No	Yes	Yes	Yes	No	do	Canberra bombers Mirage 111CZ and F.1.
South Korea	Yes	Yes	Yes	No	No	4–6 yr	Honest John, F–4D and F–4E.
Taiwan	Yes	No	Yes	Yes	Yes	2–3 yr	Honest John, F–104A/G.

Afghanistan

By November, U.S. concern over events in Afghanistan had dropped to such a low ebb that the Washington Post asked, "Whatever happened to 'the most serious threat to world peace since the second World War?'" That was the way President Carter had initially categorized the Soviet invasion but, understandably, the tension building up over the possibility of Soviet intervention in Poland had pushed Afghanistan far out of the public consciousness. The Soviet forces themselves seemed to be largely content with doing only what is necessary to get through the harsh Afghan winter but their aircraft continue to bomb the Afghan provinces adjoining Pakistan and to seed mountain passes with anti-personnel mines in the hope of slowing down the flow of supplies to the Afghan rebels. At the United Nations, Soviet Ambasador Troyanovsky accused the United States, China, Egypt and Britain of jointly sending 3000 tons of supplies to the rebels each day, saying that the rebels were nothing more than "cutthroats and mercenaries." At the United Nations, too, 40 Third World countries introduced a General Assembly resolution calling for the immediate withdrawal of Soviet forces.

Pakistan

Many thousands of refugees have surged out of Afghanistan and crossed the border into Pakistan, creating a support problem for the hard-pressed Pakistanis. On a number of occasions armed helicopters, with Afghan Air Force markings but presumably flown by Soviet pilots, have attacked refugee camps in Pakistan without any retaliation or effort to defend on the part of Pakistani forces. Pakistan's President Mohammad Zia-ul-Haq has made it quite clear that his antiquated air force (equipped mainly with Korean War-vintage U.S. F–86's) is not up to the task of defending the border area and he is obviously unwilling to risk a confrontation with the USSR over this issue.

There is growing concern in the United States and elsewhere over Pakistan's efforts

to create its own arsenal of nuclear weapons. In spite of U.S. protests the Swiss government has authorized the export of sophisticated technology that will enable Pakistan to create enriched uranium. It is estimated that enough enriched uranium will be on hand to support the first test of a nuclear weapon late in 1981 and the supply will grow thereafter at a rate sufficient for building two to three weapons each year. The United States is also concerned that a recent loan to Pakistan of $1.6 billion from the International Monetary Fund (the United States is the fund's largest supporter) will be used to further the nuclear program instead of repairing Pakistan's severely ill economy.

India

India's Prime Minister Indira Gandhi has responded to Pakistan's nuclear program and what she called ". . . the deteriorating security environment in South Asia," by telling the Indian parliament it must start an all-out effort to gain the latest technology and scientific knowledge and, at the same time, build up its domestic arms production capability. The transfer of high technology from the West to the People's Republic of China, she said, also constitutes a threat to India. However, Gandhi is not waiting for a domestic arms industry to provide the weapons she thinks are needed. The Soviet Union has already provided India with tanks, helicopters, surface ships, submarines, transport aircraft and Mig–23 fighters (the delivery of the latter was timed to coincide with the recent visit to India of Soviet Premier Leonid Brezhnev) and India is buying artillery and antitank missiles from the United States.

Vietnam/Thailand/Cambodia

In June, tension along the border between Thailand and Cambodia finally erupted into real combat when elements of the Vietnamese Army crossed the border into Thailand in a campaign overtly designed to eliminate guerrilla camps. The Vietnamese, who occupy Cambodia with a force of about 200,000, claim the Thai refugee camps have become a haven for both the remnants of the Khmer Rouge troops who supported the late Cambodian dictator Pol Pot and the rightist Khmer Serei guerrillas who still fight for the anticommunist regime once led by Lon Nol. The July incursion took on the appearance of a full-scale invasion and the United States responded with emergency shipments of tanks, antitank missiles and F–5 fighter aircraft. The Vietnamese troops withdrew almost immediately, however, claiming they had destroyed the guerrilla bases. Throughout the balance of the year, there have been sporadic incidents of artillery and mortar fire across the border which caused casualties among refugees in the Thai camps. In the meantime, shipments of food from the United States and elsewhere to aid refugees in Cambodia have been virtually halted because of the unwillingness of the Vietnamese occupation forces to help move the food to where it is needed. The Association of Southeast Asian Nations (ASEAN) has suggested the establishment of a neutralized Cambodia under United Nations supervision but this proposal has been hung up by Vietnamese refusal to remove its troops. Thailand has attempted to react against Vietnam with measures short of breaking diplomatic relations, including closing its border with Laos, cutting off that country from its supply of fuel and food and forcing Vietnam to support Laos from its scant supplies. At year's end, Vietnamese artillery was once again shelling camps in Thailand.

The Philippines

The Philippines has existed under martial law for seven years and its security problems seem to be getting worse instead of better. In the north, there is a growing army of Maoist-inclined insurgents whose goal is the establishment of a state patterned after the People's Republic of China. In the south, the almost-perpetual battles continue between government forces and the Moslen guerrillas who have been trying to establish an Islamic state ever since the islands became a Spanish colony in 1565. In the middle, both geographically and politically, there are the disaffected whose prime goal is the elimination of President Marcos and the resumption of a more democratic exercise of government. Marcos has promised an end to martial law by March, 1981, if the economy has righted itself and if the Moslem insurgency has been brought under control. Realistic observers take that promise lightly, saying that the economy could not possibly be on its feet in such a short time and the Moslems are not likely to give up a revolt begun more than 400 years ago.

Australia

The political polls in Australia proved to be as faulty as those in the United States when, after a year-long series of reports indicating the left-learning Labor Party was headed for an overwhelming victory in parliamentary elections, the conservative coalition of Prime Minister Malcolm Fraser won an easy decision. One of the major issues in the election was Fraser's plan to let the U.S. Navy established a permanent base at Cockburn Sound, near Perth, to help support the U.S. Indian Ocean flotilla. Labor Party leader Bill Hayden said in his election campaign that although he supports an alliance with the United States he did not believe that alliance should be extended to include the provision of permanent U.S. bases. The fact that most major U.S. vessels, like aircraft carriers, using the port would be carrying nuclear weapons was also an issue for the Laborites but the voters, even those in nearby Perth, did not see it that way. The Australian government has not been as cooperative over the request by President Carter for a ban on food shipments (and other exports) to Iran. While the Australians have agreed to stop their very minor sales of military supplies, they declined to end food shipments to Iran, just as they refused to stop sending grain to the USSR after the invasion of Afghanistan.

Micronesia

During 1980, the 2000 small islands that make up Micronesia were divided into four mini-republics, ending U.S. control of the islands begun after World War II by United Nations action. Although the four nations are nominally independent they retain "free association" with the United States and will continue to receive a total of about $100 million each year in aid from the U.S. The island of Guam, with its major U.S. air and naval bases, will continue its present status and the U.S. has the right to establish other bases as needed throughout the area. This action, the U.S. hopes, will keep other nations from moving into the area, which can control the main approaches to the Western Pacific.

Korea

The Republic of Korea has jumped from one political crisis to another since the October, 1979, assassination of President Park. The military junta that took control of the country following Park's death yielded briefly and reluctantly to a new civilian government but when evidence was found of widespread corruption within the government the military reasserted itself. In August, General Chun Doo Hwan was elected President by the Electoral College and then resigned from the Army in order to accept the office. Chun is known to be staunchly anti-communist and seems to be intent on pushing Korea ahead economically while purging those elements of society he sees as dangerous. President Chun has already incurred international displeasure by arranging the trial and conviction for sedition of Kim Dae Jung, the figurehead leader of the opposition party. Kim had been in exile in Japan until seven years ago when he was kidnapped, returned to Korea and jailed. His conviction and resulting death sentence were based on charges that he fomented last year's student riots, even though he was in jail. Kim's sentence has been upheld by the military tribunals which have replaced the courts and now only President Chun can stay his execution. Chun has been pressured by the United States, Japan, Australia and West Germany to lift the death sentence but, at year's end, had not acted.

President Chun's government has also run into conflict with Japan over a plan by a Japanses business cartel to widen trade with North Korea. Several of Japan's largest manufacturing companies have begun negotiations with the communist regime in the northern half of the peninsula to open a market for Japanese goods and, in return, gain access to North Korean minerals, particularly its rich iron ore deposits. Chun has taken the position that widened trade between Japan and North Korea would strengthen the north's military capacities.

Japan

When Japan surrendered to end World War II, its American conquerors insisted that its new constitution should renounce war and military force forever. Japan was expected to rely on the good will of other nations to defend it. Later General MacArthur, the architect of Japan's reconstruction, relaxed enough to permit a 75,000-man police reserve force, the forerunner of today's Self-Defense Force. But over the past few years, it has become painfully apparent to the Japanese that the United States has lost the power to act as a credible deterrent in the Western Pacific. Pressure has been growing, some of it from the United States, for Japan to increase the capabilities of the Self-Defense Force. Until now many Japanese politicians have used the language of the constitution as an excuse for limiting military expenditures but now growing concern over the adequacy of the Japanese defense establishment is creating pressure for revision of the constitution. Japan now spends about 0.9 percent of its gross national product on defense compared to about 5 percent being spent by the United States. The Japanese have announced a defense budget increase of just 7.6 percent for next year, causing U.S. defense secretary Brown to categorize the increase as ". . . so modest that it conveys a sense of complacency that is not justified by the facts."

China

Chinese Communist Party Chairman Hua Guofeng visited Japan in May and announced that his country favors a buildup in Japan's military strength. Hua was the first leader of China to visit Japan in 2000 years. Also, while in Japan, Hua confirmed his country's commitment to the development of strategic nuclear weapons to, ". . . break the nuclear stranglehold of the superpowers." For China, of course, the Soviet Union and its "forces of hegemonism" remains the arch enemy and the Chinese leaders are anxious to do whatever they can to improve relations with any nation that can help them better their position vis-a-vis the USSR. To do this the Chinese are mostly destroying the ramparts of total self-dependency built by Mao Tse-Tung's cultural revolution.

The leader of this march away from the teachings of Mao is Deputy Premier Deng Xiaoping who is attempting to eliminate the personality cults that have, in the past, caused Mao and other revolutionary figures to be viewed as faultless, godlike figures. Departing from Mao's intent to "go it alone" by producing everything China needs from internal sources only, Deng has brought about closer relations with the United States and Japan and has opened a flow of trade

that is growing year-by-year. U.S. exports to China are expected to reach an annual value of $5 billion by 1985. Relations between China and Taiwan have improved, also, with China making a concerted effort to lower philosophical barriers with the long range hope of reunification.

None of China's actions has demonstrated the end of the cultural revolution more clearly than the well-staged trial of "The Gang of Four." The group includes Jiang Qing, the widow of Mao and three former officials of the Chinese Communist Party. They are accused of plotting to kill Mao and to overthrow the established leaders of the party. They have been blamed for many of the excesses of the revolution including the persecution of millions of bureaucrats, intellectuals and skilled workers, many of whom have now been returned to a state of grace and are anxious for revenge. At year's end the trial was still under way but the only unsettled issue seems to be the sentences they will receive after being found guilty.

Hua Guofeng resigned his post as premier in September, as had been predicted for some time. Hua had been a close protege of Mao and it seemed inevitable that he would be caught up in the shift away from Mao's hardline idealism. His place was taken by Zhao Ziyang, a professor of economics and a close associate of Deng. Alarmed by a statement by candidate Ronald Reagan that indicated he favored a return to full diplomatic relations with Taiwan, the Chinese moved to counsel him immediately after his election. Only hours after President Carter conceded the election, the Chinese foreign ministry issued a statement emphasizing the importance they place on adherence to past agreements, ". . . so that Sino-American relations may continue to make good progress and grow."

THE WESTERN HEMISPHERE

Canada

Pierre Trudeau swept back into Canadian politics early this year after a brief retirement. Trudeau's Liberal Party overwhelmed Prime Minister Joe Clark's conservatives after just eight months in office, marked by utter failure to implement the austerity measures Clark claimed were necessary to bring Canada out of the economic doldrums. Almost immediately Trudeau faced the claim of years of effort to take the French-speaking province of Quebec out of the Canadian federation. The long-awaited plebicite in Quebec was held in May and resulted in rejection of separatism. Of the 3.5 million ballots cast almost 60 percent were against the split and even a slight majority of the French-speaking voters rejected it.

His success in keeping Quebec in the federation notwithstanding, Trudeau has so far failed in his effort to re-shape the Canadian constitution in a way that would bind the provinces more closely to the national government. The provinces have a high degree of autonomy and their ability to resist pressure from the national government was recently reflected in the refusal of the province of Alberta to abide by oil prices set in Ottawa. One of Trudeau's advisors compared the situation with Alberta to the independent actions of the OPEC nations, setting oil prices without regard for their impact on others. Under the present constitution the prime minister can do little more than suggest actions to the provinces.

In April, Canada chose the McDonnell Douglas F-18 fighter to replace its current fleet of air defense and attack aircraft. The Canadian buy will be at least 130 aircraft with deliveries beginning in late 1982. The U.S. has agreed to lower the usual charge it adds to foreign sales to cover the cost of research and development so Canada will be buying the F-18's for less than the U.S. Navy is paying. The decision on the part of the Carter administration to forgive part of the R&D costs set off a hue and cry from Chairman Jack Brooks (D-TX) of the House Government Operations Committee who claimed it was improper to do this for Canada while at the same time making other NATO allies pay their full share of R&D on other aircraft they buy.

Several actions taken or pending in the U.S. Senate have strained relations with Canada. The Senate has been dragging its feet on ratification of an East Coast fishing treaty because of objections from Senators Kennedy of Massachusetts and Pell of Rhode Island. The Canadians signed the treaty more than 18 months ago and the absence of an agreement has raised the possibility of a battle among U.S. and Canadian fishermen. An action by the Senate to order the conversion of 80 oil-burning electric generating plants to coal burning, without any new environmental controls, has raised the Canadian's fear of acidic fallout. The Senate has also approved funding for a flood control and irrigation project in North Dakota that Canadians fear will result in the diversion of Missouri River waters into the Hudson Bay drainage basin, harming sport fishing and tourism.

Mexico

Mexico, our neighbor to the south, has been described as being afloat in a sea of oil. During 1980 geologists exploring in Mexico and its adjacent waters were able to confirm the existence of 20 percent more oil than had been known previously. If managed properly over the long run these oil reserves can be turned to alleviate a large share of the crushing poverty that has been a Mexican heritage for centuries. But, perhaps because of the deep-seated suspicion most Mexicans hold toward the United States, Mexican officials and intellectuals have made it clear that they do not intend to become a filling station for the world's greatest consumer of petroleum. Mexican President Lopez Portillo has strengthened his country's relations with Cuba and, during the revolt in Nicaragua, undercut early U.S. efforts to shore up the Somoza government. Mexico has generally taken a "wait and see" attitude toward other political turmoil in Central America, apparently preferring to deal with whatever sort of government may eventually emerge. President-elect Reagan showed his concern about relations with Mexico by scheduling informal meetings with Lopez Portillo before he actually assumed office.

Nicaragua

The revolutionary leaders of Nicaragua are finding that Marxist ideals are not as palatable to the people of the country as they were expected to be and that their relations with Cuba and other communist countries have not been entirely satisfactory. The 3500 Cuban advisors in Nicaragua have largely worn out their welcome and a Cuban-designed plan to use the schools to generate support for the revolution has been rebuffed by the Church as well as by the parents of the students. Even Fidel Castro has warned the Nicaraguan leaders to avoid the mistakes he made by creating an inflexible, all-dominating government and suppressing free enterprise. A contract with East Germany for the purchase of trucks went sour when the vehicles were found to be unsatisfactory and the supplier refused to correct the deficiencies or cancel the contract. After a year and half of freedom from the Somoza regime, Nicaragua appears to be headed for a relatively moderate form of socialism and may turn out to be a model for other Central American countries in transition.

Guatemala

The military rulers of Guatemala are intent on resisting the tide of change now sweeping through the region. This richest, strongest and most populous nation in Central America has been kept suppressed for so long that its leaders are afraid to relax and accept changes recommended from either the right or the left. Any criticism makes its author a target for the assassination squads. As a result, all political elements are becoming more and more polarized and the few moderates are being driven toward the left.

El Salvador

More than 7000 people died in El Salvador during 1980 as a direct result of political violence. The civilian-military junta now ruling the country has implemented land reforms and commercial improvements forcibly recommended by the United States and these improvements have deprived the leftist revolutionaries of much of their strength. But wealthy landowners, who have lost some of their land in the reforms, have been financing their own right-wing guerrillas. The Army has struck back indiscriminately, killing guerrillas and peasants alike and radicalizing a growing segment of the population.

Honduras

In Honduras, the role of the army has been reversed, with the military leading the way toward social and economic reform. The poorest of all the Central American countries, Honduras does not have the same wide gap between social classes that is so frequently the seed for unrest elsewhere. One businessman is quoted as saying, "Here even the rich people seem poor." Nevertheless a small leftist rebel movement has appeared to exploit those at the lower end of the narrowed social spectrum.

Panama

The Panamanian flag has flown over the Panama Canal since October, 1979, and few, if any, of the worst fears of opponents to the treaty transferring control of the waterway have been realized. The average daily number of ship transits is up and revenue (with higher rates) is higher than ever before. There has not been a mass exodus of U.S.-citizen technicians and other canal employees as had been predicted. Panamanian strongman Gen. Omar Torrijos has backed off from a seemingly close relationship with Cuba. It has been speculated that Torrijos used his apparent affinity for Cuba as a lever to gain concessions from the United States. Having gotten those concessions he no longer needs anything from the Cubans.

Cuba

As 1980 came to a close the United States was still struggling to find ways to assimilate the last of many thousands of Cubans who reached Florida during the "boat lift" permitted by the Cuban government. Many of those who arrived in the United States already had relatives here and were taken care of with little government involvement. Others with no special skills—and still others who are considered bad behavioral risks—are still in U.S. resettlement camps under guard, with little expectation of being released soon. In mid-December Fidel Castro crowed that the boat lift had permitted him to cast off many undesirables.

Cuba remains a Soviet dependency, relying on the USSR to bolster a failing economy in return for sending Cuban troops and advisors to do the Soviet's missionary work in Latin America, Africa and the Mid East. Cuba's missionary efforts in the Caribbean won one convert during the year and lost another. It became apparent that the government of Prime Minister Maurice Bishop in Grenada was strongly pro-Cuban and Marxist but the voters in Jamaica refused to reelect Castro's friend Prime Minister Michael Manley and instead elected Edward Seaga, who is strongly anti-Cuban and anti-Marxist.

Brazil

In Brazil the economic optimism of 1979 has been replaced by worry as the inflation rate has soared to more than 100 percent and foreign investors are increasingly reluctant to finance the industrialization the country needs. The need to import oil has been a

large contributor to Brazil's problems and the government has had to raise the price of gasoline to $3 a gallon to try to regain control of the supply. One of Brazil's industries is booming, though. It has armament customers in Africa, in the Mid East and in Europe, as well as throughout Latin America. Brazilian tanks and armored cars are in action with the Iraqi army in its war with Iran. Two Brazilian small arms factories sold more than $200 million in rifles, pistols, and shotguns in the United States last year. The military have been in control of Brazil since 1964 but that control has recently been softened, with political prisoners freed, press censorship ended and street demonstrations once again permitted.

Bolivia

The interim president of Bolivia was forced out of office by a military coup just before she was to hand over the reins of government to the first elected president in several years. Lidia Gueiler managed to escape to Paris where she denounced the coup as a deliberate delay to the resumption of democracy in Bolivia. It has since become apparent that neighboring Argentina played a major role in supporting the coup, out of fear that the Bolivian government would ultimately be taken over by leftists.

Uruguay

In December the voters of Uruguay rejected a new constitution because it contained provisions that would have given the military a perpetual role in running the country. The constitution would have permitted the military to select a president to serve until the first free elections were held in 1986, would have established a military council to share power with the elected president and a military-approved tribunal would have had the power to remove the president or any other official for "ethical, moral or civic" reasons.

Chile

President Augusto Pinochet of Chile showed how to get a constitution approved when he got 67 percent of the votes in an election to ratify his retention of power, at least until 1989. The new Chilean constitution guarantees the presidency to Pinochet for eight years after the end of his present term. There were accusations of fraud on the part of the opposition parties but they admitted that, even after discounting the 173,000 ballots declared invalid and the ruling that any blank ballots dropped into the boxes would be counted for Pinochet, his margin would have been sufficient.

Argentina

The electorate in Argentina consists of three men, the military triumvirate who unseated the corrupt government of Maria Peron, widow of the late dictator. Since that takeover in 1976, the country has been ruled by General Jorge Videla who has been given high marks for putting down a communist-inspired insurgency and for getting the economy into better shape. He has also been given very low marks for setting aside human rights in his quest for internal security. Unknown thousands of Argentinians have been jailed or simply disappeared as the military government sought to eliminate the leaders of the insurgents. Unlike the situation in Brazil, there has been little moderation of the military's control.

The United States' relations with its hemispheric neighbors, in spite of honest, good intentions, have historically been muddled and ineffective. Part of that ineffectiveness can be explained away by the difficulty in dealing with a constant parade of changing regimes in countries where the side with the most guns is the most frequent winner. Over the course of two centuries the United States has been the slave of the status quo in Latin America, tending to support whomever happened to be in power, in the interest of commercial enterprise and expediency. Our relatively recent concentration on the preservation of human rights in the volatile Latin atmosphere has been ineptly executed and therefore misunderstood. In the Western Hemisphere, more than anywhere else, the United States needs an understandable, workable foreign policy.

CONCLUSION

From this glance around the world, it is clear that any oasis of peace and contentment is hard to find. Therein lies the lesson for the modern world and particularly the United States. These are, and will continue to be, perilous times—for some survival and for others the retention of some semblance of freedom and the good life.

Maintenance of peace, among the superpowers, will require measures of effort and sacrifice that we have not yet been willing to face. But the scorecard is there for all to read. Peace and comfort are losing.

There will be many new members of the Administration and the Congress who will find this an incongruous and bewildering maze. A new generation to which depression and major war are unknown, cannot be expected to respond intuitively to the dangers that lurk constantly on the fringes of major actions.

The world became a more dangerous place in which to live this past twelve months—and our decisions about how to confront our deteriorating position are overdue. It is imperative that we be guided by our past experience and what is surely being shown to us by the global developments of this past year to move swiftly to improve our defense posture.

George Washington tried to tell this nation in its infancy that preparedness with its inherent credibility was the only way to go. Despite his reputation for truthfulness, we've never quite been willing to accept his dictum. The message of this year-end assessment is that time becomes a rapidly diminishing luxury. If we are to maintain any control of our national destiny, we need the strength and military credibility to back up what we believe must be done.●

ADOBE AS ENERGY SAVER

● Mr. DOMENICI. Mr. President, while America looks for new forms of building materials which are cost effective and energy efficient, it might do us well to take another look at a centuries-old building material that has been successfully used in the Southwest.

Adobe, a form of sun-dried brick which was developed by early Native Americans of the Southwest, is now achieving a new prominence in construction because of its properties as an energy-saving material. I have personally toured a site in Tesuque, N. Mex., which is demonstrating these energy-saving characteristics of adobe.

Mr. President, I ask that the article in the Christian Science Monitor on Wednesday, February 11, headlined "Adobe Gets New Start as Energy Saver," be printed in the RECORD.

The article follows:

ADOBE GETS NEW START AS ENERGY SAVER

(By Jennifer S. Youngman)

GLENWOOD, N. MEX.—Centuries ago, Southwestern Indians employed elements of solar design and orientation in their soil-and-stone dwellings.

Today, with a new name and some refinement in materials and technology, the earth and sun are making a comeback in contemporary "solardobe" structures.

Sun merges with soil and water to produce adobe. It is only natural, then that solar heating and cooling are combining with adobe in a time of skyrocketing material and construction costs in a nation that now at last is beginning to confront its energy limitations.

Solaradobe structures affect the environment minimally in the making and upkeep.

The term solaradobe was coined by Adobe Today, and its possibilities have been explored in the New Mexico magazine for the past six years. The publication began with Joe Tibbets's desire to improve communication between individuals who were interested in adobe.

"People right around the corner from each other didn't know each other," he asserts. "I saw a chance to come in with a publication that would bring them together and strengthen them."

Mr. Tibbets aimed to discourage adobe's demise and the aesthetic loss to the landscape and artistic community. As a landscape painter, he was acutely aware of the adobe house as a part of New Mexico's pastoral landscape. Returning to the state in 1965 after military service, he was concerned by the advent of the house trailer. Adobe was "treading water."

"I saw the landscape changing for the worse. People didn't seem to realize the alternatives they had.

"Adobe was seen as a poverty symbol—something to get out of."

Yet the newer forms of housing, Mr. Tibbets maintains, are not necessarily better. Too many conventional houses have poor insulating qualities, they're often susceptible to terminates, and they're an obtrusion on the landscape.

"Adobe moderates outside temperature extremes," reports Mr. Tibbets. "That's probably the most important thing about it."

Massive masonry walls are the key. Soundproof, rotproof, and fireproof, adobe appreciates in value with age.

Additional reasons for his devotion to solaradobe are its necessity for local labor and the boost to the local economy, its nonuse of fuel that must be imported, and the avoidance of such high-technology products as plastics, which pollute the locations where they are manufactured.

"Adobe is such an honest statement on the landscape," he declares.

Perceiving a need for more direct communication of solaradobe concepts than Adobe Today could provide, Mr. Tibbets founded the Southwest Solaradobe School, where a practical understanding of adobe construction, solar design, wiring, and plumbing are taught in a week-long course.

Students attend classes, muddy their hands making bricks, participate in adobe construction, tour homes and talk with the owners, and receive advice on individual projects.

Classes are conducted in New Mexico and Arizona.

A recent session here in Glenwood included an Oklahoma drugstore clerk who will build a house with her husband, a Colorado advocate for the poor who is having a house built, and a Texas architect.

A New Mexico builder in the class said that after observing nine homes on tour day: "I don't think I'll ever feel good about building another frame building. My heart just won't be in it."

New Mexico leads the Southwest in energy-efficient building and research. High utility bills and low per capital income have generated strong grass-roots interests. The Indians' early use of solar design was recognized by architect William Lumpkins and solar pioneer Peter van Dresser, both of Santa Fe.

The Southwest Solaradobe School was inspired by Abiquiu, New Mexico's Ghost Ranch Conference Center. There, Quentin

Wilson, Mark Chalom, and Aubrey Owen were instrumental in developing the solar housing construction training program.

New Mexican participants chosen by manpower centers were trained in adobe construction and passive solar systems.

Solaradobe to some presents a conflict between adobe tradition and modern solar design. Joe Vaughan, an architect with the Southwest Solaradobe School, disagrees. Speaking of adhering strictly to tradition or breaking entirely from it, Mr. Vaughan says: "I think both positions are limited. We're constantly in a state of change."

Solaradobe simply presents new variations on a very ancient theme. Being sensitive to what the Indians have done, to what the Spanish missionaries brought to the area, to energy uses, and to new technology, "allows us to go back to the beginning, to let the material speak to us, to let new ideas work on us," according to Mr. Vaughan.

Then the architect adds: "Another way of building will come that is today, but that honors the past and learns from it."

The next Southwest Solaradobe School is scheduled for Mesa, Ariz., in later winter. Information about it or future schools may be obtained by writing to PO Box 1178, Belen, N.M. 87002.●

THE NEED TO ESTABLISH A BETTER APPROACH ON NATIONAL WATER POLICY

● Mr. DOMENICI. Mr. President, the cover story of the Newsweek Magazine last week offered an interesting and perceptive discussion on our Nation's growing water problem. Despite the recent rains in the East, this article on "The Browning of America" deserves careful attention by the Senate.

The Committee on Environment and Public Works will soon begin its evaluation of the broad issue of national water policy, which is one of the most significant issues to be considered this Congress. How we handle water resources development now will determine whether we confront crises in the years ahead.

Mr. President, I believe the Reagan administration has a great opportunity to develop new approaches to water policy, ones that involve the States to a far greater degree, policies that will move priority projects ahead more rapidly. I intend to do all that I can to work with them on innovative solutions.

It is significant, I should note, that the High Plains Study Council, which was initiated as a result of legislation I sponsored, will provide an interim report to the Congress tomorrow on the severe water depletion of the Ogallala Aquifer, possibly the Nation's No. 1 water problem.

I ask that this article be printed in the RECORD.

The article is as follows:

[From Newsweek, Feb. 23, 1981]

THE BROWNING OF AMERICA

Just outside Phoenix, which gets less than 8 inches of rain a year, the fountains shoot high into the arid air, gurgling defiance of the laws of evaporation, advertising the subdivisions whose green lawns eat further and further into the Arizona desert. But in parts of the Texas High Plains, the water that made farms green with cotton and melons is giving out; land is now brown with tumbleweeds, which farsighted agronomists are investigating as a cash crop. And in stately Greenwich Conn., surely one of the last places from which civilization will vanish, suburban matrons guard water like Bedouins, and town officials lay plans for slit-trench latrines against the not-too-distant day when the reservoirs may run dry.

For decades, Americans have used water as though their wells would never fail. But in just a few months they have come to realize how close to bottom they really are. Twice in the past year, the great engine that fills the nation's reservoirs and runs its streams has gone awry, dumping rain uselessly over the ocean and parching the land. It has made farmers edgy about next summer's crops and Easterners panicky about next week's baths; some communities report less than a month's supply of water in their reservoirs. The big snow and rainstorm across the country last week may have signaled the breakup of the dry weather pattern, but it will take a spring of more than twice normal rainfall to bring the Northeast's reservoirs back to a safe level before summer.

Rain, in fact, is not the answer to the nation's most serious water problems. Even in the driest years, rain across the country enormously exceeds water use. The trouble is that the nation's water resources are badly out of balance. The Northwest has a big surplus, for example, while the agricultural states of the Southwest scrap for the last salty dregs from the Colorado River. The water wars Hollywood made famous in "Chinatown" have erupted once again, as dry Los Angeles tries to tap its wet neighbors to the north. The Federal government has spent billions of dollars to divert water so farmers can grow crops on arid land, but that creates trouble of another kind; mineral residue from decades of irrigation has poisoned once fertile soils. Pollution is a problem, too. Acid rain is killing the fish in Adirondack lakes, and America's drinking water has been tainted with substances as exotic as PCB's and as commonplace as highway salt.

Most alarming of all, vast underground reserves of water, deposited over thousands of years, have been seriously depleted in a matter of decades. All water comes as rain from the sky, but 92 percent of it either evaporates immediately or runs off, unused, to the oceans (page 30). One-quarter of the water that irrigates, powers and bathes America is taken from an ancient network of underground aquifers. In 1950, the nation took 12 trillion gallons of water out of the ground; by 1980, the figure had more than doubled, and each day, 21 billion more gallons flow out than seep in. Water from the great Ogallala Aquifer (map, page 28), which stretches from West Texas to northern Nebraska, is being used up, as irrevocably—and some would say as wantonly—as the oil that lies beneath it. "It varies, depending on where you are," says Nebraska water planner Michael Jess, "but there are some people projecting that as early as the year 2000, there will be parts of Nebraska with their water supplies so depleted that farming may never return." The nation's water outlook now is frighteningly reminiscent of of the oil outlook a decade ago—affording, cynics say, a matchless opportunity to make the same mistakes again. And in this pinch, Saudi Arabia is not going to be of much help.

Hidden Costs: The energy crisis and the water shortage are inextricably linked. The limiting factor in irrigation tends to be the high cost of electricity to run the pumps as the water table recedes. California's vast State Water Project uses almost as much electricity to pump water around the state as all the people of Los Angeles use—and beginning in a few years, when the old cheap contracts expire, farmers are going to see that cost reflected in their water rates. Lack of water threatens some of the 30 gasohol plants planned in Iowa, and may limit the development of oil shale in Colorado; another Battle of the Little Bighorn looms over a proposal to divert water that now flows through a Crow Indian reservation for a coal-slurry pipeline. With the Mississippi River at historic lows in recent weeks, barges were backed up for as long as five days awaiting dredges to clear a safe channel between Cairo, Ill., and Memphis—a reminder that water-borne transport is usually the most energy-efficient way to move goods.

Just as Americans have discovered the hidden energy costs in a multitude of products—in refrigerating a steak, for example, on its way to the butcher—they are about to discover the hidden water costs. Beginning with the water that irrigated the corn that was fed to the steer, the steak may have accounted for 3,500 gallons. The water that goes into a 1,000-pound steer would float a destroyer. It takes 14,935 gallons of water to grow a bushel of wheat, 60,000 gallons to produce a ton of steel, 120 gallons to put a single egg on the breakfast table.

The water that will make next year's steaks lies frozen now in the subsoil of the Corn Belt, and within the next few weeks farmers will have to decide how much grain it will support. Much of the nation's farmland is dangerously dry, following a hot, dry summer and a snow-poor winter. Last week's blizzard helped, "but it could snow every day until spring and we'd still be short of moisture," warns Sam Knipp of the Kansas State Farm Bureau. With heavy precipitation, farmers will plant more corn, the most water-sensitive major crop; if it stays dry, many will probably plant soybeans, sorghum and milo. In Iowa, where last summer's blazing drought brought back memories of Dust Bowl desolation, at least some farmers seem to have decided. "I don't think I'll be planting quite as heavy as usual," says Wilbur Mann, who farms 357 acres near Moorhead. "I'm going to leave more space between the rows, the same as we did in the '30s. Nineteen eighty was the closest I've seen to those days. I sure hope 1981 isn't any closer."

Around New York City, the period most often evoked by the drought was the mid-1960s, when a series of dry years threatened to empty the city's upstate reservoirs. At the worst of that crisis, the reservoirs were down to 25 per cent of capacity. This time the drain has been frighteningly swift. The reservoirs, literally brimming with water after last spring's rains, emptied to 31 per cent before last week's storms.

Pray for Rain: New York, which declared a drought emergency Jan. 19, faced the problem in the way it knows best. It began a public-relations blitz, led by the irrepressible Mayor Edward Koch, who posed for the press shaving in the approved manner, with the basin filled and the tap closed. Measures like that helped the city reduce its daily water use by 150 million gallons. But beyond that there was little anyone could do but pray for rain—preferably late at night so fickle citizens would not peer from their windows and wrongly conclude that the need for conservation was past. Even harder hit were smaller cities and towns in New Jersey and Pennsylvania, some of which were reduced to scavenging for water in abandoned strip-mine pits. In eastern Pennsylvania, residents have been put on a spartan 40-gallon-per-day regimen, enforced by fines and jail terms.

The Northeast and Midwest were victims of the same phenomenon: a high-pressure ridge anchored over western Canada that forced the moisture-rich winds from the Pacific far north of their normal course, where the arctic wrung them dry before they dipped back over the United States. A low-pressure region on the East Coast, meanwhile, sent Gulf storms spinning far out over the Atlantic, bypassing thirsty Easterners like New York taxicabs at rush

hour. A stable high-pressure system had also caused last summer's dry weather, but in both cases it was the persistence of the pattern that was so unusual, and destructive. Meteorologists groped for explanations: in ocean temperatures, in the sunspot cycle, even in the dust sent sky-high by the eruption of Mount St. Helens.

Theories that the Northeast was entering a long period of drought were guesses at best. But a disconcerting report came from Columbia University climatologist Edward Cook, who studied three centuries of Hudson River Valley tree rings and discovered that what the Northeast now regards as normal weather has in fact been an unusually stable interlude. "The period from 1900 to 1960 was less variable, with fewer extremes of wetness and dryness, than the preceding 200 years," he found. That stable era may now have ended—but it was during those years, and for those conditions, that the Northeast's water systems were planned and built.

Easterners may not have been thinking much about the Ogallala Aquifer last week, but it could soon be as familiar to resource-minded Americans as the North Slope. Named after an Indian tribe that once roamed the High Plains, it is perhaps the largest underground reserve of fresh water in the world—an estimated 2 billion acre-feet* trapped in sand, gravel and silt laid down by the rivers of the Pliocene and early Pleistocene. As the ancestral streams cascaded down—and eroded—the eastern front of the Rocky Mountains, they carried along sand and gravel to the lowlands. In time, the flood plains coalesced, and since rain was plentiful during Pleistocene times, water saturated what is now the aquifer. Eventually it was trapped between a layer of impermeable shale on the bottom and an erosion-resistant cap rock on top.

Bottom: Those ancient waters now trickle through West Texas cotton fields and spurt from the quarter-mile-long arms of center-pivot irrigation systems, making hundreds of circles of green corn in the Nebraska plains. Each year farmers withdraw more water from the Ogallala than the entire flow of the Colorado River. But because sparse rain barely penetrates to the aquifer, very little water flows back in. Water tables are falling from 6 inches to 3 feet a year, and, on average, the Ogallala has 40 years of useful life remaining; in some localities the bottom will be reached much sooner. A. Wayne Wyatt, manager of the High Plains Underground Water Conservation District No. 1 in Lubbock, Texas, likens the problem to "taking money out of a checking account faster than you put it in; sooner or later, you're going to come up with a zero balance."

Already, irrigated acreage is declining in five of the six states that draw water from the Ogallala, with predictable results: lower yields and a shift down the water scale from corn crops to cotton or sorghum. Northwest of Lubbock, where 20 inches of rain marks a lush year, farmer Y. F. Snodgrass has had to cut back his irrigated land from 80 acres to 50 in the past few years; he harvested 375 pounds of cotton per acre on the irrigated land, 25 pounds on the dry land. "I just cannot cover the territory with the water I have," he told NEWSWEEK's Ronald Henkoff. Through the 1970s, corn production in the High Plains of Texas averaged over $170 million a year. Gerald Higgins, an economist with the Texas Department of Water Resources, predicts that "corn will disappear from the Texas High Plains within the next few years."

Texas law acknowledges that the underground water will run out eventually: farmers get a ground-water depletion allowance, just as wildcatters get one or oil. But like most states, Texas lets it farmers pump away. The last American frontier is underground, where miners, developers and big farmers race each other to the bottom of the aquifer. "They get rick quick," notes Berkeley geographer Richard Walker, "and when the bonanza is over, they expect the Feds or the state to bail them out." The land bears the scars on its surface: so much ground water has been drawn up by Arizona cotton and alfalfa farmers that the desert floor between Tucson and Phoenix is laced by cracks up to 25 feet wide. For years, Houston slowly sank as water was sucked from beneath it; California's San Joaquin Valley has dropped by nearly 30 feet in some places. The compacted subsoil loses its capacity to hold water, so that even if pumping stopped the aquifers could never fully recharge.

There are innumerable large and small aquifers underlying the United States, supplying nearly one-half its drinking water. Unfortunately, their complex geology does not conform to property lines or state boundaries. "One well can change the entire hydrologic configuration," observes Georgia state geologist William H. McLemore. "When an industrial pump is turned on in Jesup, its effects can be seen in Savannah." 40 miles away. Heavy pumping from the Ocala Aquifer has created a "cone of depression" 50 miles wide beneath Savannah and is slowly sucking ocean water toward the city's wells. It is not a problem yet, and may not be for years, but engineers are studying whether it may someday be necessary to reinject fresh water into the aquifer to re-establish the pressure balance.

Pollute: A nation's health can be read in its water, and not even 4 trillion gallons of rain a day can dilute the results of decades of folly and greed. Rain falling through the sulfurous air of the Northeast occasionally reaches the ground with the acidity of lemon juice, poisoning fish in the high Adirondack lakes. Salt spread on icy roads has leached so deeply into the aquifers supplying dozens of Massachusetts communities that citizens on low-sodium diets have been warned to drink bottled water. Cattle feedlots in Iowa, pesticide-laden potato fields in Long Island and bacteria from human sewage have all contaminated precious ground water. Municipal treatment plants can clean and recycle biologically polluted water. But they are not much help when it comes to chloroform, benzene, PCB's and the whole spectrum of chemical pollutants that have been found in the wells of many states—and that may prove to be carcinogens. A growing number of Americans are afraid to drink the water that comes into their homes, and the situation will get worse as scientists learn to detect pollutants with even more frighteningly polysyllabic names. Engineer Robert Weimar of Camp, Dresser & McKee summed it up: "The hysteria is caused by quantum leaps in evaluating what's in the water."

Laymen sometimes naively think of aquifers as swift-running underground streams, and assume that they cleanse themselves like a river. But water moves sluggishly underground—perhaps only tens of feet a year—and purifies itself slowly, if at all. Had the town fathers of Bedford, Mass., known that, they probably would not have situated an industrial park right above the aquifer that supplied 80 percent of their drinking water. Bedford had to close its well when tests found trichlorethylene, and the town now buys most of its drinking water from surrounding towns. "The contamination of ground water is almost irreversible," warns James E. Smith, a top Environmental Protection Agency official. "Once it's done, there's damned little you can do about it."

Even the seemingly innocent practice of irrigation can cause ecological havoc. Irrigation water carries dissolved salts, which build up in poorly drained soil as the water evaporates and eventually make it impossible to grow most crops. By 1990, as much as a quarter of California's immensely productive San Joaquin Valley could be threatened. The situation is reversible, although at great cost. Farmers can take their land out of production for two to five years, wash it clean with huge quantities of water and then install perforated drainage pipes underground. In the San Joaquin, the Interior Department has begun to build what is essentially a sewer for 4 million acres of farmland: the "San Luis Drain," a $300 million, 188-mile concrete ditch, will carry irrigation runoff north to the Sacramento River Delta near San Francisco. The last hundred miles have yet to be built—and it remains to be seen if President Reagan's Interior Department will allocate the funds to complete it.

Damage: An even more mind-boggling project is well under way southwest of Yuma, Ariz., where the depleted Colorado River crosses into Mexico burdened with the irrigation runoff from 150 nearby farms. After the Mexican Government complained that its allotment of Colorado River water was too salty to be of use, the Interior Department conceived a $356 million desalting plant to remedy the damage done to the river—sucking up nearly 100 million gallons a day, removing most of the minerals and then depositing the water back into the riverbed. The project includes a separate canal paralleling the river to drain the brine into the Gulf of California. (The plant will work by reverse osmosis, passing the water through a membrane impermeable to salt molecules. In theory the process can be applied to sea water, but it would be much more expensive because sea water is saltier.)

Such grand projects are in the great tradition of the Far West, where for decades the meager supply of water has been stretched by adding liberal amounts of money—frequently the Federal government's. (In return, Westerners point out, they feed much of the rest of the country.) "The Western states never accepted the wisdom of God when he didn't put all the water there," the EPA's Smith wryly observes. Nor have they been stymied by the mountains they found instead; as it is said in the West, water flows uphill to money.

Water has inflamed far more passions in the West than whisky, and by far the greatest clashes have been over the Colorado River. It is an insignificant river in the nation's over-all water picture; with an annual flow of 13.5 million acre-feet, it is about the same size as the Hudson—but so vital to the West that barely 10 per cent of its waters are allocated to Mexico. Because of a tangle of interstate compacts and court decisions, Mexico and the seven states through which the Colorado flows actually have legal rights to use more water than it contains; until now, luckily, the states have not taken their full shares. But that may change by the late 1980s, when the $1.6 billion Central Arizona Project will begin delivering more than a million acre-feet a year to fast-growing Phoenix and Tucson. The water the CAP will provide years from now is already being fought over in court, as Arizona challenges the Interior Department's decision to allocate one-fourth of the project's flow to a dozen small Indian tribes. California—which for decades has consumed part of Arizona's share of the river water as well as its own—will have to surrender much of its neighbor's share.

California's water economy faces some difficult adjustments, and Los Angeles, particularly, is not likely to give up much water without a fight. One of the oldest Western water wars, in fact, is now seething again in southern California. It pits the Los Angeles water-supply system against the residents of Inyo County, 250 miles to the north. The first round was fought more than 60 years ago, when a dam and aqueduct began divert-

* An acre-foot is the amount of water needed to cover 1 acre 1 foot deep; it is the equivalent of 325,851 gallons.

ing the Owens River to slake the thirst of the growing city. Desperate farmers tried to blow up the aqueduct, a tactic that some darkly hint has been only temporarily shelved. The renewed war, which so far has been fought mostly in the courts, was touched off in 1970 when Los Angeles built a second aqueduct to the Owens Valley and began pumping ground water through it. No one denies that Los Angeles bought the legal rights to the water in the early years of the century; but valley residents question the city's moral right to turn their settlement into a desert.

Huge Surpluses: By reaching a long arm north, southern California has managed to keep its water supplies growing faster than its multiplying population, and there has usually been plenty left over to sell at bargain prices to the big Central Valley farmers. "In a normal year," asserts Berkeley's Walker, "the water projects have huge surpluses. And agriculture plans on those surpluses." But with supplies from the Colorado River due to decrease, the water-hungry south is looking even farther north. A new battle is raging over the Peripheral Canal—a proposal to cut a 400-foot-wide ditch, 43 miles long, around the eastern rim of the Sacramento River delta, drawing off billions of gallons into the mouth of the great California Aqueduct. Gov. Jerry Brown strongly supports the $5 billion-plus project, but opponents have forced the issue to a referendum, which must be held by June of next year. San Franciscans envision the canal sucking so much from the Sacramento River that salty bay water would back up into the delta, a potential ecological hazard. More important, they see it as the first step of a massive water grab ultimately aimed at drawing off their last free-flowing rivers.

Their fears are not groundless: history records many grand proposals to convert the Northwest into a watershed for Los Angeles and the Central Valley farmers. Rivers as far away as the Snake in Idaho and the Yellowstone in Montana have been eyed covetously. Plans have been proposed to tap the Columbia River, although the energy required to lift it over Oregon's mountains may have stood in the way; one engineer suggested a $20 billion fiber-glass pipeline to parallel the coastline along the ocean floor. Grandest of all schemes was the proposed North American Water and Power Alliance, which would have run water from the Yukon down to Mexico and from the Great Lakes to the Pacific, at a cost estimated in 1964 at $200 billion. Walker dismisses all such schemes as preposterous. "It reflects the water users' conviction that there's no need to worry about conservation when there's a whole continent to go after," he says. "There's no end to peoples' imagination when there's a buck to be made."

Tidal Backwater: Nature has a way of reasserting itself over such hubris. The West might do well to study a report by two Louisiana State University professors who recently concluded that not even the Army Corps of Engineers will be able to stand against the Mississippi River when it decides to switch its channel at a point 250 miles upstream from New Orleans. The shift—which Professors Raphael G. Kazmann and David B. Johnson say is inevitable and could come as early as next spring if the river floods—will send North America's biggest river cascading down the peaceful path of the Atchafalaya River toward Morgan City, La.—ripping out highways, gas and oil pipelines and anything else in its path. The new channel would leave New Orleans on a tidal backwater without drinking water; it would also do $4 billion or more of damage in carving its path to the sea. The Army Engineers are confident that a $216 million construction project will keep the river in its present channel, but pessimists point out that the Mississippi has switched back and forth along many paths since long before the Army Engineers came on the scene. "It's going to be a mess," Kazmann warns.

Whether or not the West learns to defer to nature, there are signs that it is bowing to economic reality. Voters in Tucson—who recalled three City Council members in a revolt against higher water rates in 1976—have decided to accept a rate hike after all, and have cut their per-capita consumption by more than a quarter. The government's century-old policy of encouraging the settling of the West through cheap water is increasingly viewed as an anachronism; there is no need to lure settlers to the Sun Belt. The old pork-barrel approach to Western water projects in Congress is also breaking down. "We've gone four years without a new water-projects-authorization bill," observes Gerald D. Seinwill, acting director of the U.S. Water Resources Council. "There are new members of (Congress) who see they can be reelected without bring home a dam." Farmers are beginning to realize that they can no longer use 90 per cent of the water in some Western states. As Arizona's cities have boomed, central Arizona farmers have grudgingly agreed to limit the amount of ground water they use—a possible first step toward a state buy out and retirement of their lands after the year 2000.

That will be expensive, but by no means the most painful adjustment the nation will have to make. The rain will continue to fall, but Americans will have increasingly difficult decisions to make about what to do with it on the ground. Piping pure drinking water hundreds of miles to wash cars and sprinkle lawns may no longer make sense. The aging cities of the Northeast may have to spend billions to replace their leaky water mains. New York, which began talking about metering all of its water during the last big drought, may finally have to do it—if only to learn how much water it loses to leaks each year; the city puts the figure at 3 per cent, but one New York state official maintains the loss is five times that. In Colorado, a handful of self-sufficient homeowners have already installed the hydrologic equivalent of the all-solar house: a $15,000 system to treat and endlessly recycle every drop of water used in the home. Americans who have learned to car pool may soon be pooling pools as well.

Maximum Efficiency: Farmers have begun to lay expensive pipes that drip a measured quantity of water right at a plant's roots, replacing open furrows and sprinklers that sloshed water all over the landscape. Laser-guided earthmovers grade huge fields as flat as hockey rinks, for maximum efficiency in spreading water. The U.S. Water Conservation Laboratory in Phoenix has developed infra-red thermometers that can scan acres at a time from the air and identify, by elevated leaf temperatures, which fields need water.

Measures such as these will help the nation stretch its water supplies, but in the long run Americans will have to learn that the era of cheap water, like the era of cheap energy before it, is over. Even while the airborne thermometer is being tested in Phoenix, the University of Arizona in Tucson is studying the economic potential of tumbleweed, a ragged shrub that flourishes throughout the West on almost no water. Shredded and pressed into logs, it makes a very nice fireplace fuel. It is unlikely, though, to take the place of corn—and it is a sad irony that the nation that made its deserts bloom may soon be scrounging them for weeds.

ISRAEL: GOOD TO THE LAST DROP

By American standards, Israel is a hydrological disaster area. Its 25 inches of annual rainfall—a drought in many other countries—falls at the wrong time in the wrong place, soaking the remote northern hills in winter while leaving the south and center dry in the summer. The Sea of Galilee, Israel's only reservoir of fresh water, lies 696 feet below sea level and miles from major population centers. And Israel's Arab neighbors bitterly dispute rights to the Jordan River, the largest of its three meager streams.

Yet no one goes thirsty in Israel. An eclectic mixture of age-old habit and computer-controlled engineering squeezes every last drop out of what water there is. Since 1950 the country has increased its water utilization from 17 per cent to almost 95 per cent. Experts attribute such success largely to shrewd planning. When Israel became a state in 1948, the founding fathers immediately proclaimed all water a national property and entrusted it to an independent agency known as the Tahal. "We did not wait for a crisis," recalled Yaacov Vardi, a founder of Tahal. "We spent money, we used our best brains, we worried. And, of course, we knew that our backs were against the wall."

Clouds: As its first priority, the Tahal began collecting water from every possible source. Along Israel's 125-mile-long coast, engineers dug 30 wells per mile to trap 10 billion gallons of fresh water annually before it could seep out under the sea. Planes regularly seed clouds with silver iodide to encourage rain, while kibbutzniks and farmers burn the chemical in special generators on the ground. The land and air attacks on clouds have swollen rainfall by about 15 percent.

The Tahal distributes its bounty through a system of canals, pipes, tunnels and wells. Each year it channels close to 90 billion gallons of fresh water across the length and breadth of Israel. So flexible is the system that its pipes served Israeli troops stationed at the Suez Canal before the recent pullback from Sinai. At Avdot, deep in the Negev desert, ecologists from Ben-Gurion University have refurbished a 2,000-year-old network of dry riverbeds and stone-lined conduits to direct the runoff of rain from the hills to nearby fields.

Modern technology ensures that farmers use no more water than their produce requires. Sprinklers have given way to drip irrigation. Computers monitor air temperature, humidity and wind speed and adjust the amount of water delivered to the roots of the crops. In one test, a region that had yielded 9.52 tons of melons per acre using sprinklers produced 17.2 tons with drip irrigation.

Genetic engineers have also joined the battle to preserve water. A miniature peach tree developed by government scientists can be planted at the astonishing density of 3,200 trees per acre (compared with the normal 120). Because the trees grow so close together, they can be drip-irrigated and their fruit harvested quickly. Researchers have divided all fruits and vegetables that are grown in Israel into four categories, according to their tolerance for salt. This allows water managers to stretch scarce irrigation water by mixing fresh and brackish supplies. New varieties of cucumbers, tomatoes, melons and peppers, developed by careful cross-breeding, thrive in water whose salt content is five times greater than normal.

Fees: Israel actively encourages its citizens to save water, combining the carrot of public-service announcements with the stick of stiff fees. Jerusalem households pay 25 cents for their first 4,227 gallons of water each month, but 50 cents for each 264 gallons beyond that. No industrial plant can be built unless water commisisoner Meir Ben-Meir has approved its water-recycling plan. "To get a license to dig a private well is via dolorosa," says Ben-Meir.

Not every scheme has worked. An experiment to prevent evaporation from the Sea of Galilee by covering it with alcohol failed when winds blew aside the cover. An effort to retain moisture in the soil by spraying it

with silicones proved too expensive. Still, Israel has exported its hydrological know-how to 28 countries. "What we've done is take the existing knowledge and apply it on a large scale," said Yaacov Vardi. "We used all Israel as a laboratory."—Peter Gwynne with Milan J. Kubic in Jerusalem.●

THE 63D ANNIVERSARY OF INDEPENDENCE OF ESTONIA

● Mr. LEVIN. Mr. President, today is the 63d anniversary of the independence of Estonia. After World War I, Estonians fought a brave war of independence against the invading Bolshevik Russians. Independent Estonia developed a flourishing economy with western Europe.

Recognizing the importance of ethnic identity, Estonia became the first country to grant all its minorities cultural autonomy through government-subsidized ethnic schools, theaters, and libraries.

Of all the European countries, Estonia, along with Latvia and Lithuania, were the only ones to lose their sovereignty during World War II. While East European nations such as Poland and Hungary had Communist governments imposed on them by the Soviet Red Army, the three Baltic countries were incorporated forcibly outright into the U.S.S.R. after the Russian forces invaded them in 1940 as a result of the Hitler-Stalin pact.

The Soviet annexation not only terminated the independence of Estonia, but also led to massive slaughter and deportations, especially in 1941 when 60,000 Estonians were either killed or sent to Soviet labor camps, and again in 1949 when 80,000 rural Estonians were deported to Siberia as a result of the transfer of privately owned farms to government cooperatives. A total of 350,000 people were lost between 1939 and 1949—a third of Estonia's population.

To escape the Russian horrors, 100,000 Estonian citizens managed to flee their country before the Red Army reentered Estonia in 1944. Of these refugees, many settled in the United States. Today, Estonian communities exist in every major metropolis area, with the largest in New York, Los Angeles, and Chicago. Estonian Americans take deep pride in the United States. A pride exhibited for the pursuit of human rights which the United States has never let die.

I join with these proud Estonian Americans in deep concern that the people of Estonia, who are part of a culture which goes back for thousands of years, are not forgotten.

Mr. President, on Sunday, the Estonian community of Detroit and southeastern Michigan commemorated the 63d anniversary of Estonian independence.

I sent a letter to the gathering and I ask that the letter be printed in the RECORD.

The letter follows:

U.S. SENATE,
Washington, D.C., February 10, 1981.

Mr. RAIMOND TRALLA,
Oak Park, Mich.

DEAR FRIENDS IN THE ESTONIAN COMMUNITY OF DETROIT AND SOUTHEASTERN MICHIGAN: Thank you for inviting me to be with you at the 63rd anniversary commemoration of Estonian Independence. I am sorry that I am unable to be in Michigan this weekend, but I would like to share some thoughts with you on this occasion.

Human rights is a topic which has been uppermost in our minds for many years, and our interest in the subject is heightened at this time as the Conference on Security and Cooperation in Europe is meeting in Madrid. It is the business of this conference to review the Helsinki Final Act of 1975.

For Estonians, there is a man who symbolizes the overbearing oppression of the Soviet Union. Last month, Mart Wiklus, a biologist and former language teacher, was sentenced to a labor camp for ten years and then to five years of Siberian exile. The sentence seems particularly harsh to us for his so called "anti-Soviet agitation".

Mart Niklus is a dissident who has been protesting Soviet authority for over twenty years. He was incarcerated once before for over eight years.

On the 40th Anniversary of the Molotov-Ribbontrop Pact, that infamous act which led to the annexation of all three Baltic nations, he protested by signing the "Baltic Appeal" with 44 other dissidents.

He has signed an open letter to Leonid Brezhnev and Kurt Waldheim condemning the Soviet invasion of Afghanistan and he also asked the International Olympic Committee to change the site of the 1980 summer games.

Mart Niklus is only one of many dissidents, but I single him out because his story is typical of all dissidents. He is a man who has agitated for basic rights for his people for a very long time. He has spoken up against the transgressions of the Soviet government. His "crimes", the harassment he has suffered and his frequent and harsh penalties tell the story of so many brave people who struggle for freedom in their own lands.

It is important to remember Mart Niklus, and the many others just like him, as you meet to commemorate a too-brief independence and as you speak out against a prolonged period of domination by a cruel conquerer.

I know that you treasure your freedom in America as those in your homeland are prohibited from traveling abroad or emigrating.

I know that you strive to preserve and perpetuate your individuality in America—your religion, culture and customs—as you hope for a restoration of self-expression in Estonia.

I know that you value your citizenship in this great country while you pray that the people of Estonia will once again enjoy self-determination in their own land.

I know that you speak out for the human rights of all people, and especially the Estonians, so that the Soviet Union will clearly understand that your dream of an independent Estonia will never die.

I join you in these thoughts today, and I urge you to never give up hope. The United States has never recognized the annexation of the Baltic countries and will continue this struggle with you.

Good luck in all your endeavors. I look forward to a long and friendly association with you.

Sincerely,

CARL LEVIN.●

SOCIAL SECURITY DISABILITY AWARDS

● Mr. DECONCINI. Mr. President, during Senate consideration of H.R. 3236, the Social Security Disability Amendments of 1980, I cast the lone nay vote. My decision to oppose this legislation was reached only after carefully balancing the cost savings that would be achieved against the impact of the various proposals on individual disabled recipients. Although I have introduced legislation and consistently supported amendments to achieve a balanced Federal budget, I felt this bill placed on inequitable financial burden on the least fortunate members of our society—the disabled and handicapped. The benefit reductions incorporated in the legislation were not inconsequential. Prior to enactment of this bill, a disabled recipient with a family of four earning $250 a week was entitled to a weekly disability benefit of $184. Under H.R. 3236, disability benefits were reduced by $23 a week. In an era of burgeoning inflation, I felt it was fundamentally unfair to significantly reduce benefits to those whose expenses exceed those of healthy citizens.

With the best of intentions, legislation is too often drafted without sufficient regard to the human suffering which may result. I submit for printing in the RECORD a letter I received from an attorney in Phoenix who represents claimants seeking disability benefits. During the past year alone, two of his clients committed suicide and another was dissuaded from terminating his life only after being promised that his disability case would be reviewed. I hope this letter will serve as a reminder of the desperate human struggle many disabled and handicapped experience.

The letter follows:

JEROME & GIBSON, P.C.,
Phoenix, Ariz., January 29, 1981.

Hon. DENNIS DECONCINI,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR DECONCINI: The world was shocked when John Lennon was wantonly shot down in the street by a mentally disturbed person for unknown reasons. Much news coverage was given to this killing, and much outrage was voiced. It is ironic that, as I read this, news of another killing also lies on my desk. It is the second needless killing that I have dealt with this year. I am sure that none of those who read this letter would otherwise know these victims' names, Howard Cluckey and Evelyn Mattson. The killer we all know, but it will continue, unnoticed, about this business. The killer is our government. How does this killer work?

Let us examine these deaths. Howard Cluckey was 38 years old. He had a 12th grade education and was a medical technician. He had served in the armed forces and received an honorable discharge. Unfortunately, he had a serious disease. He was under the care of the neurology service department in the Phoenix Veteran's Administration Medical Center for neurofibromatosis, proven by biopsy of subcutaneous nodules. He also had been proven by myelogram to have multiple tumors on the spinal roots. Mr. Cluckey had been on Social Security disability payments for two years when Social Security decided to terminate these benefits. Prior to this termination, Social Security received an evaluation from one of its doctors which clearly stated that Mr. Cluckey was suffering from a depressive neurosis, and had admitted to three suicide attempts earlier in his life. This doctor's summary stated "this patient presents a rather sad case of genetic illness which has caused a severe intervention of a normal life. The seizures have probably been as great a detriment as memory loss, which, combined with seizures, have made this man have a mild castration anxiety because of his inability to produce. He appears ambitious and anxious for work and retraining; and with the suitable type training he requests, I believe that he may eventually be able to become independent and work on his own

time." In spite of the absence of any medical statement that Mr. Cluckey was able to return to work, he was terminated. Thirty days after his last check, Mr. Cluckey analyzed his situation: no improvement in his medical condition, inability to work, a wife and two small children, inadequate income, a life tormented with pain and marginal hope for improvement. It takes little insight to see his point of view. Alive, there was but small hope and no means to support his family, with him dead, his family could draw dependents' benefits. The irony of this case is that even after his death, the Social Security reconsideration section would not admit error and it was necessary to take his case to a hearing to obtain his last month's benefits. The reconsideration section apparently feels that some malingerers will go to any length to get another month's benefits.

Evelyn Mattson was a slightly different case. She was 60 years old. She had a 7th grade education and had worked as an assembler, packer and inspector in a plastics factory. Shortly before she would have been eligible for retirement, she began to have severe dysequilibrium which caused her to cease work in 1978. Mrs. Mattson began the long battle for her Social Security disability benefits. Along the way she received the advice that she did not need a lawyer, so she went to her hearing without counsel and without a fully developed case. She, like so many others who do not have legal assistance, lost at the hearing. She then got a lawyer who appealed her case. Unfortunately, on December 6, 1980, a few days before the Appeals Council's reversal of the hearing officer's decision would arrive in the mail, this 60-year-old lady, suffering from dysequilibrium, depression, heart trouble and despair, gave up and took her life.

In the last month one other example occurring in our area was the case of a Mr. Horne. He invaded the Mesa office where he poured gasoline all over himself and the office, with the stated intention of ending his life so that his children would be entitled to dependents' benefits. He was ultimately persuaded not to take his life and that his case would be reexamined.

But, these deaths are happening. Our system is killing people who have worked and paid for benefits. Their number will grow if the attitude toward the disabled does not change. Unfortunately at least two of the 1980 amendments to the Social Security Act will make matters worse. One requires review of continuing cases every three years. The goal is logical, but how many claimants, ill in body and mind will die or suffer severe hardship by having shoddy development improperly end these benefits? Mr. Cluckey will not be alone.

This amendment must be changed to allow for continued payments if an appeal is filed pending the outcome of the appeals hearing. The management of cases involving suspension of benefits has, from my own experience, been poor. Claimants that I have taken to hearing and won primarily due to psychiatric problems have been later terminated solely on the basis of an orthopedic examination of their back. Claimants I have helped get set-up in a small trailer to get by on a limited budget have returned after such incorrect terminations and I have personally seen the hardship and economic distress as these people try to keep from losing everything they have, including their shelter and personal effects. There is an average of ninemonths from termination to restoration of payments. This period without benefits is sufficient to crush these fragile and disabled people. What little financial security they have developed is destroyed.

A second feature in the 1980 amendments prevents post-hearing evidence from being submitted to the Appeals Council. This amendment does not allow those in Mrs. Mattson's predicament to obtain help on their appeal. The amendment should be dropped to allow evidence to be received by the Appeals Council. There is, at present, a strong feeling among lawyers practicing in the Social Security field that the Appeals Council fails to serve a useful purpose and is more or less a rubber stamp level. If the Appeals Council cannot by law receive newly developed evidence without showing a good cause, this opinion will only be reinforced.

It is truly ironic that a government so protective of criminal rights shows so little regard for the rights of its honest workers who have paid into this system. I am just one lawyer, working in one city, and I have personally handled this year these two cases ending in suicide. I wonder, nationwide, how many have occurred? I have written this letter for anyone who cares to listen, to call attention to the fact that this system deals with individual people, not vast statistics. Each decision has significant impact on a tiny segment of our society.

Our criminal justice system goes to great lengths to protect the innocent person from wrongful conviction. Yet our Social Security system seems to disregard the rights of the innocent in order to insure catching the occasional malingerer.

I hope that the deaths of these two people can call attention to the purpose of the act and help improve its function.

It is hoped that these two case histories will impress upon legislators and administrators that they are dealing with people's lives. That there will be deaf ears has already been shown. When Mrs. Mattson's social worker, Jim Hyslop, was informing the Social Security District Office of her death, the response he received was, "Well, what a cop out."

It is hoped that this letter will begin to overcome this attitude of distrust and impress upon those administrating and legislating the act that we are, in fact, dealing with real people who are honest, worn-out workers unable to continue in the work force.

Very truly yours,

RICHARD A. GIBSON.

THURSDAY NIGHT

Nancy don't come in.

Please do not open this door as I don't know what you will find. I am taking pills and hope I just fall asleep with no mess around. Call police or someone else than family to go thru window as I will block this door but leave window unlocked for police. If I make it be happy for me and don't grieve at it is what I want and takes a lot of courage as I'm not sure if I will succeed. I promised Dad I'd be buried in Pepperell please do. My wish is Don't let it spoil Christmas for anyone. I did promise Dad I'd be buried in Pepperell cemetary beside him so as he is still living this is what I'd like to do. It means a lot to him.

The cheapest way to do it, cremated or in a box. No more than grave side service. Very private. No suretts (sic). If money don't cover it maybe you can scratch up a little from loan. I mean cheap, the cheapest possible casket etc. to be buried. The living need the money as I always did say.

Dad beneficiary

I have a $1,000 life policy with John Hancock. Social security still does give $250 I believe for burial as of yet. They are talking to discontinue it but haven't as yet. They should at least give that. I owe Barbara $50 from long ago but she remembers it as we talked about it. Please see that she gets it from balance I have coming off loan. There is plenty of time to get it over and back to normal living before Christmas and don't grieve for me. It's what I want.

My biggest regret for doing this is its in Nancy and Bob home. Forgive me for this. I couldn't figure another way. What I am doing has nothing to do with what anybody has said or done.

I have a lovely home here though had my social security come through I think I would have gone back with Dad as I feel rotten for leaving him alone when he needed someone most. I stayed so many years I should have put my feelings aside, and stayed to help him when he is at this point in life.

Don't feel bad for me, I never wanted to get old and not be able to care for myself and I can see it coming. I'm sure now I won't get my disability. All tests are coming through nothing wrong so that I can't work. I know I can't. I'm not lazy.

Something is causing it. It is not my imagination. And I never would have quit if I could have worked another 1½ years. Who needs the hassle it's not today but the time ahead next year, etc., etc.

I know Dad plans to come in Spring and talk me into going back with him. I am really sorry I know I should do this now and not wait until then.

I love you all. Tell everyone in Massachusetts, Barb and Family and Dad I love them all but we all have to go sometime. Pretend it was a heart attack.●

UNITED STATES-CHILE RELATIONS

● Mr. KENNEDY. Mr. President, I strongly object to the administration's decision to make Export-Import Bank credits available to Chile and to permit the Chilean Navy to participate in inter-American naval exercises.

The administration has made the fight against international terrorism one of its highest priorities. Yet it is now associating with a military regime which has not only engaged in repression of its own citizens, but which is responsible for the terrorist assassinations of former Foreign Minister Orlando Letelier and his American associate Ronni Moffitt on the streets of Washington—and which has refused the U.S. extradition request for the Chilean intelligence officers indicted by the U.S. grand jury for those political murders. The Washington Post in a recent editorial calls President Reagan's action "an appalling decision, signaling that rightwing thugs can get away literally with murder on the very streets of Washington and cutting the moral heart out of the Reagan antiterror campaign."

The State Department itself has reported on the involvement of the Chilean secret police with other intelligence services in terrorist actions against exiles. The administration's overtures to welcome Chile under our financial and security umbrellas marks a dangerous shift in our relations throughout the Americas.

Mr. President, the United States must not condone acts of terrorism anywhere in the world—but the administration has failed the first test in the case of Chile. I now ask that an appropriately indignant editorial from the February 23 issue of the Washington Post be inserted in the RECORD.

The editorial follows:

OUR PAL PINOCHET

Scarcely had the administration announced its crusade against "state-sponsored terrorism" than it embraced the one state, Chile, that has incontrovertibly sponsored terrorism on American soil. An American court had actually convicted four men for acting at the behest of the Pinochet dictator-

ship and murdering the Chilean political exile Orlando Letelier and an American colleague on Massachusetts Avenue. The previous administration had demanded that Chile bring to trial or extradite three high officials implicated in the assassination and, when Chile refused, had imposed limited sanctions. The Reagan administration is now lifting those sanctions in the name of American security and business. It is an appalling decision, signaling that right-wing thugs can get away literally with murder on the very streets of Washington and cutting the moral heart out of the Reagan anti-terror campaign.

The administration's decision contributes, too, to the evolution of its human rights policy. That Mr. Reagan was not going to follow the explicitly moralistic, interventionist, high-profile line of his predecessor was certain. That line had not proved wise bureaucratically, even to Jimmy Carter. Some of the president's advisers have been suggesting, nonetheless, that a more modest line could still be developed as a useful element of a broadly conceived anti-communist foreign policy. They have hoped Mr. Reagan would avoid the ripples Mr. Carter encountered when he was seen to have an inconsistent focus—more on the shortfalls of authoritarian friends than of totalitarian foes.

It is against this hope for a more contained, pragmatic but still respectable human rights policy that the decision on Chile must be seen. It represents a victory for a contrary current flowing in the administration. This current holds that the United States does not have the geopolitical luxury of being able to tax friendly anti-communist states for their internal failings and that, to the extent that the United States has any interest at all in the matter, human rights in those countries can best be advanced indirectly in the course of pursuing security and peace.

The Chile decision indicates a lack of the two essential elements of a sound conservative human rights policy: proportion and consistency. A sense of proportion would have let the administration anticipate and avoid the scandal of coming to early and conspicuous terms with a regime that commits murder. A sense of consistency would have kept it from a decision that turns its anti-terror and human rights policies alike into one-dimensional political campaigns.●

UNITED STATES-EL SALVADOR RELATIONS

● Mr. KENNEDY. Mr. President, I am deeply concerned by increasing military involvement in El Salvador. In the midst of a virtual civil war, our efforts should aim at halting the violence, bloodshed, and repression which already have cost more than 13,000 lives, not in adding to the conflict with American military advisers, arms, and equipment.

Increased U.S. military involvement endangers the remaining hopes for a negotiated settlement that many of our Latin American and Western European allies have been urging.

U.S. military aid to El Salvador recently has been extended to include military armaments—including rifles, grenade launchers, and ammunition. Major new weapons supplies to the security forces of the military-civilian junta now are being proposed by the Reagan administration. Some 20 American military advisers are engaged in both the training and the direction of the counterinsurgency campaign and increasing numbers of advisers are being proposed.

The consequences of a deeper U.S. military commitment cannot be ignored. There is a grave risk that more American personnel will be committed—and that more American lives will be lost. Then we may find ourselves on the precipice of a full-scale military intervention.

The very security forces which will be recipients of U.S. military support have been those identified by a host of international institutions and private human rights organizations as involved in the repression and killing of opposition political, labor, and religious leaders. Even the Department of State has acknowledged that elements of the security forces have been involved with rightwing death squads. And those groups also may have been responsible for the murders of three nuns, a religious worker, and two labor representatives—all U.S. citizens.

The consequences of military aid to such a government for the long-term interests of the United States must be weighed with the utmost care. Rejecting the strong opposition of democratic allies in the region to U.S. military involvement places us on a path toward self-imposed regional isolation.

My concern over raising the military stakes in the civil strife in El Salvador extends fully and completely to the continuing flow of arms from all international markets and foreign governments. The administration has released evidence of military support from Communist and other radical states to the insurgent forces in El Salvador. I strongly oppose such military involvement, and I support efforts to cut off all armaments entering El Salvador.

Instead of contributing further to the militarization of this small Central American nation of 5 million persons, we should take the lead in pressing for a political solution to the conflict. This remains essentially a political crisis with a broad opposition of Christian and Social Democrats, labor and religious leaders, as well as the far left including Communists in that country. Outside military support changes neither the nature of the crisis nor the essential need for a political solution.

First, we should join with our friends and allies in Europe and the hemisphere, particularly Mexico and Ecuador, in pressing for a political dialog to begin between Salvador's warring factions. We should encourage mediation of their differences, including the possibility of a conference of all political elements committed to a long-term peaceful solution to this tragic conflict, as Britain did so successfully through the Lancaster House talks on Zimbabwe. We must be determined to see through the difficult process of dialog in El Salvador, encouraging an in-place military truce with no further external military supplies to permit such mediation to succeed.

Second, we should pursue jointly an end to government repression of political opposition and encourage determined steps to halt the senseless killings of innocent civilians in that nation. We should support expanded operations of the U.N. High Commissioner for Refugees to protect and provide for these victims of civil war.

Third, we should insist on bringing to justice those responsible for the recent murders of six American citizens. As the Washington Post remarked in an editorial on February 18, the investigation into these deaths "cannot be parked in a 'human rights' cubbyhole. It is, for many Salvadorans, the test of whether their government is on their side."

Finally, we should stand ready to assist in achieving social and economic reforms to reduce the fundamental inequalities of wealth and denial of political and economic participation which are the core of the civil strife. An editorial, in the February 19 issue of the New York Times points out—

> Unless the junta can demonstrate independence from the old oligarchs who oppose both land reform and any negotiation with disaffected social democrats, it will not be able to govern peacefully.

The national interests of the United States in Central America are advanced through peace, respect for human rights, and economic development—and the stability these policies bring. Our interests are best served through a multilateral, negotiated solution rather than through mutual military escalation.

Mr. President, I request that a New York Times editorial of February 19, and another editorial appearing in the February 18 issue of the Washington Post, be inserted at this point in the RECORD. I strongly concur with the views expressed in both articles on the necessity for a political solution to an essentially political crisis in El Salvador.

The articles follow:

[From the Washington Post, Feb. 18, 1981]

EL SALVADOR: THE POLITICAL DIMENSION

A military response is necessary in El Salvador, where a Nicaraguan-, Cuban-, Soviet-supported insurgency is attempting to overthrow an army-backed center-right government with a commitment to social reform. But a political response is necessary, too. It has not been in sufficient evidence as the Reagan administration cranks up to make El Salvador a demonstration of its worldwide anti-communist strategy.

A political response means two things. The Salvadoran government must show itself as eager to halt violence directed against civilians by soldiers and the right-wing death squads (often the same people) as it is to halt violence conducted by guerrillas. Precisely here lies the importance of keeping the heat on the government to discover who killed the American church workers. This incident cannot be parked in a "human rights" cubbyhole. It is, for many Salvadorans, the test of whether their government is on their side. The United States would not want to help the government reduce the guerrillas, as could yet happen, only to find that the government's failure to rein in its own forces still denied it broad popular support.

The other requirement is to construct a negotiating framework, of which nothing has so far been heard from Reagan officials. Among the guerrillas and their civilian supporters, some are committed to armed struggle to the point of regarding compromise as betrayal of their revolution. But others ap-

pear to be more conciliatory. The code word "Zimbabwe," meaning talks by opposing forces in a civil war, is gaining a certain currency. The United States may not have the sole duty, or the best opening, to promote negotiations. Mexico, for instance, seems better placed, if it could break through its revolutionary rhetoric and try. Other international parties are standing by. But the American interest in negotiations must be asserted.

There is an undeniable military dimension to the El Salvador crisis, but the crisis remains essentially political. The administration should not oversell the notion that a military showdown, launched essentially for considerations of American global strategy, is everything. Its best chance of being successful and supported in the policy it is now unveiling is to show itself open to the political dimension as well.

[From the New York Times, Feb. 19, 1981]

WHAT NEEDS CONTAINING IN EL SALVADOR

In its attempt to snuff out the flames of revolution in El Salvador, the Reagan Administration is sounding a global fire alarm. It is serving notice on Communist adversaries, Latin neighbors and European allies that any aid to the Salvadoran guerrillas will disturb a nation's relations with the United States. The Soviet Union and Cuba, in particular, are being warned to stay out of a region of primary American influence.

The obsessive of this campaign aside, it is a perfectly reasonable objective in today's world. What is far from clear, however, is whether the new Administration understands that a campaign of military insulation needs to serve a deeper political purpose. Secretary of State Haig is managing the alarm bell but there is no sign of anyone yet commanding hemisphere policy in his department.

The civil war in El Salvador seems to be a standoff. The leftist guerrillas' "final offensive" has failed to topple the junta. Yet the junta has only contained, not eliminated, the insurgency. Militarily, it might now preserve itself in power if Washington pours arms and advisers into this small country of over four million people. But that cannot be the sum total of policy.

Conditions inside El Salvador, not arms from Moscow and Havana, are the main causes of this revolution. Blaming the Salvadoran explosion on imported weapons is like blaming the Polish explosion on Radio Free Europe. Unless the junta can demonstrate independence from the old oligarchs who oppose both land reform and any negotiation with disaffected social democrats, it will not be able to govern peacefully.

The price of support for the junta ought to be very plain: its energetic prosecution of the right-wing "death squads" that have contributed as much as leftists to the murder of 10,000 people in the last year. The apparent complicity of some Government forces in the death of American missionaries and failure to find the killers of land-reform advisers make the junta's sympathies highly suspect.

So far the Reagan team, like the Carter Administration, seems to be trying to shore up a frail "center"—by discouraging rightist coups, promoting land reform and providing low-level military aid to the junta. What is missing in this formula is action against the "death squads" and a genuine political approach to the democrats among the insurgents.

The military deadlock may permit real negotiations in which other nations, notably Mexico, should be welcome. If the opportunities are lost to military exertions, relations with the democratic nations of the Caribbean would be sacrificed for a very minor dividend. Halting aid to the guerrillas can support a political policy that aims to isolate the extreme right as well as the left. It will backfire if it signals only a concern for American global interests without regard for the well-being of the peoples in upheaval.●

ESTONIAN NATIONAL DAY

● Mr. ROTH. Mr. President, today is the 63d anniversary of the Republic of Estonia's declaration of independence, but Estonia still chafes under the weight of Soviet occupation. Despite the Helsinki accords, which were to guarantee national rights within the Soviet Union, these rights have been repeatedly and consistently violated, not only in Estonia but in all of the captive nations in the Soviet empire.

Nevertheless, the lamp of freedom still burns brightly in the breasts of these brave people who were massively slaughtered when the Soviets annexed Estonia in 1940. Estonian patriots like Mart Niklus and Juri Kukk have become international heroes for expressing their opposition to Soviet tyranny. They deserve our support and admiration. Their imprisonment is an affront to all civilized nations and I call upon the Soviet leadership to release them forthwith.

Mr. President, it took over a year to secure the release of our hostages in Iran. We—and they—never lost faith; and, in the end, we were rewarded. It has been four decades since the Soviets occupied Estonia, but the struggle for freedom continues. Today, we honor that struggle and declare that we stand as one people in opposing tyranny, for we know that, no matter how long it takes, the Estonian people will one day again be free.●

OIL DECONTROL

● Mr. MITCHELL. Mr. President, when President Reagan removed price and allocation controls from domestic crude oil production, a crucial provision of the law was slated to expire as well.

This is the State set-aside program, which gives States the authority to allocate a small percentage of the fuel in their States to alleviate spot shortages and local emergencies.

Although the Department of Energy maintains that current adequate supply levels make it unnecessary to retain a set-aside authority for use in emergencies, the National Governor's Association and State energy officials do not agree.

In a recent letter to Secretary Edwards, the chairmen of the three energy-related committees of the National Governors' Association expressed strong support for reinstating the set-aside authority when it expires.

And a recent article in the New York Time reports the fears of other State energy officials that, without this authority, supply and distribution changes could work hardships on local areas.

This is not a problem that affects only Maine or New England. It is common to all rural States and to the Midwestern States which, like New England, are distant from refineries and distribution centers.

I have proposed legislation to reinstate the set-aside program, and I urge prompt action on it.

Local spot shortages or supply disruptions would not trigger a national emergency response—nor should they—but they do represent a serious potential threat to Americans in many parts of the country. This is a problem that readily lends itself to State-level resolution, but it demands a national response to give State Governors the authority they need to protect their people against serious local shortages and emergencies.

I ask that the letter to Secretary Edwards and the New York Times article be printed in the RECORD at this point.

The material follows:

NATIONAL GOVERNORS' ASSOCIATION,
January 27, 1981.

Hon. JAMES B. EDWARDS,
Secretary of Energy,
U.S. Department of Energy,
Washington, D.C.

DEAR SECRETARY EDWARDS: In the event of immediate decontrol of crude oil and petroleum products, we strongly urge that the state set aside program be retained. As you know, the state set aside program gives each state discretion over five percent of specific petroleum fuels sold by prime suppliers in the state during each month. Each state is authorized to allocate this "set aside" fuel to consumers to mitigate emergencies and hardships. This program is absolutely essential to Governors' capacity to respond to local and intrastate fuel shortages. In particular, the state set aside program will be instrumental in easing the hardships which may occur if controls are immediately lifted.

There will be numerous adjustments to the oil market after decontrol. As the industry adjusts to operating in a normal, unregulated environment, regions of our state and/or sectors of our economy may unnecessarily experience fuel shortages. Refiners, for example, may withdraw from certain market areas, leaving consumers without immediate access to supplies. Trade territories of suppliers may be modified, also contributing to shortrun supply imbalances. In addition, jobbers, dealers, and others may alter their distribution practices.

The state set aside program provides the Governors with the flexibility to respond quickly to specific energy related problems until normal supply relationships can be established. For example, the set aside can be used to:

Meet peak demands of the agricultural sector during planting and harvesting times of the year.

Reduce energy production interruptions such as the closing of coal mines or reduction of oil and natural gas drilling during shortages.

Provide supplies to retail outlets to insure that they remain open during a severe shortage.

Meet the home heating needs of residential consumers.

Meet fuel switching needs during a shortage.

The state set aside program has been useful in the past. Since 1976, when middle distillates were decontrolled, the state set aside program has been retained to cope with winter heating fuel needs. The set aside for gasoline was used to mitigate the effects of gasoline shortages during the summer of 1979. It should be noted that set aside programs, except for a partial reimbursement in 1975, have been financed by state resources.

States will continue to need the set aside program to respond to the hardships created either by immediate decontrol or by future disruptions in oil supplies from the Middle East. We recommend that the state set aside program be retained whenever controls on crude oil and petroleum products are removed.

Sincerely,

Gov. JOHN D. ROCKEFELLER IV,
Chairman, Committee on Natural Resources and Environmental Management.

Gov. BOB GRAHAM,
Chairman, Subcommittee on Renewable Resources and Conservation.

Gov. GEORGE NIGH,
Co-chairman, Subcommittee on Oil and Gas.

MIDWEST FEARS IMPACT OF OIL DECONTROL

(By Douglas E. Kneeland)

DES MOINES, Feb. 13—President Reagan's decontrol of oil prices has raised fears in Iowa and a number of other Middle Western states that they could be among the principal victims in any national petroleum shortage.

"Decontrol will accelerate the decline of the Frost Belt," Doug Gross, director of the fuels division of the Iowa Energy Policy Council, said in an interview here this week. "There will be rivers of money flowing out of here and into the Sun Belt. I'd be crazy if I didn't tell you that the energy situation in Iowa was bleak."

While he is concerned about the impact of rising prices on Iowa, which he said spent $3.5 billion for energy last year out of its $35 billion total output for goods and services, Mr. Gross said he was just as worried about what would happen to the state in an oil shortage such as those of 1973 and 1979.

"Iowa's vulnerable because we don't have any refineries and we're a long way from our supplies," he said. "And the rural areas are more vulnerable because they're low-volume areas. There's a tendency among the oil companies to leave those areas anyway."

TROUBLE IN TWO FORMS

Two aspects of decontrol trouble Mr. Gross and officials in several other states. First, since allocation controls were removed with price controls, farmers and distributors are no longer assured a specific amount of the oil they need, and suppliers may withdraw from markets, as they could not before, without providing an alternative source to dealers. Second, provisions for a state set-aside, or fuel reserve for emergency use, were abandoned.

When Mr. Reagan signed the executive order lifting the controls Jan. 28, he rejected the urgent pleas of the National Governors Association that he continue the set-aside program.

In letters to the President and to Energy Secretary James B. Edwards, Governors John D. Rockefeller 4th of West Virginia, Bob Graham of Florida and George Nigh of Oklahoma, who are chairmen of association committees dealing with energy, declared that the program was "absolutely essential to governors' capacity to respond to local and intrastate fuel shortages."

While they noted that no nationwide shortages appeared likely at present, the Governors warned that major oil companies could pull out of some rural markets at a time when the states no longer had a set-aside supply to ease hardships in such areas.

We were shocked that they didn't keep it," Mr. Gross said of the set-aside program. "Every state in the country was recommending that they keep it."

"We fought very hard to obtain the set-aside," Ned Helm, director of the Committee on Natural Resources and Environmental Management for the National Governors Association, said in a telephone interview from Washington.

Mr. Helm said that when the Emergency Petroleum Allocation Act of 1973, which provided for the controls removed by Mr. Reagan, expires Sept. 30, "there's going to be a whole debate on what the standby authority is going to look like." He added, "We will strongly recommend that set-asides and allocations be maintained."

In Iowa, meanwhile, Mr. Gross said that a subcommittee of the Energy Policy Council was studying whether a state set-aside bill would be feasible. In Minnesota, Dixie Dieal of the state's Energy Agency said that the State House Commerce Committee had formed a special subcommittee to study the problems caused by decontrol and to consider a state set-aside bill.

But in Wisconsin, Greg Krohm, manager of the Energy Division's Bureau of Policy and Analysis, expressed fears that a state bill might unconstitutionally interfere with interstate commerce.

"Our preferred position is to have a standby set-aside that would be triggered by a well specified shortage," he said in choosing Federal action.

William H. Palmer, director of the Nebraska Energy Office, said: "We don't have a problem as it stands right now. The supplies are adequate. But in 1979, when there were shortages of diesel fuel during the planting season, the set-asides were very useful."

Under the 1973 act, states were allowed, when they deemed it necessary, to decide upon the allocation of 3 percent of the propane supplies, 4 percent of the diesel fuel and heating oil and 5 percent of the gasoline delivered within their boundaries by each oil company each month.

Despite the announced intention of the Governors and other officials to get that program renewed, at least on a standby basis, the Reagan Administration appears adamantly opposed.

"This Administration and this Secretary of Energy are setting a new direction for the course of America," Robert G. Liming, a spokesman for the Federal Department of Energy, asserted in a telephone interview. "We are not going to replace one set of regulations with another set of regulations. We're maintaining that with the free market the oil industry will be forced to act responsibly and that they will."●

ESTONIAN INDEPENDENCE DAY

● Mr. D'AMATO. Mr. President, today marks the 63d anniversary of the Estonian declaration of independence. I speak about the proclamation of the Estonian National Council of Independence of this Baltic nation on February 24, 1918.

Mr. President, the heritage of the Estonian people is a proud heritage. Estonians are strong, hard-working people, who have demonstrated their success as a free nation. From 1918 to 1939, when Estonia was independent, the Estonian people made significant cultural, educational, and economic progress. Estonia was a model of progressive and prosperous democratic action.

Soviet treachery cut short this development, as it has so many times in history. The Communists invaded Estonia in 1940, and annexed the nation politically into the U.S.S.R. The price was high. Thousands of Estonians were exiled, imprisoned or killed. Russification of the Estonian people was begun, and that continues to this day.

The Estonian people are being denied their right to worship, their right to pursue their own cultural heritage, and other basic freedoms. Once again, however, the Kremlin leaders have misjudged the will of the people. Forcible occupation of Estonia has not dimmed the people's hopes for freedom.

Mr. President, our Government never has recognized the occupation of Estonia and the other Baltic states by the Soviet Union, and this nonrecognition policy must continue. To commemorate this day it is my understanding that Secretary of State Haig has sent an independence day message to the Estonian Consulate.

As we commemorate Estonian Independence Day, let us also remember the plight of millions of people across our globe who live under tyranny and despotism. Let us recall especially the millions of people who must live under the iron hand of the Soviet Union, and her satellites.

Our Nation must continue its policies to speak out for, and defend freedom, and support all peoples on Earth who seek it.●

S. 354—AGRICULTURAL EXPORT ADMINISTRATION ACT OF 1981

● Mr. ABDNOR. Mr. President, on February 5, 1981, I cosponsored S. 354, the Agricultural Export Administration Act of 1981, which would remove the President's unilateral authority to embargo agriculture commodities without also embargoing other products.

I share the concern of Chairman PERCY of the Foreign Relations Committee that the existing authority under the Export Administration Act was never intended to allow food to be used as a national security weapon, and I hope this legislation is incorporated in the rewriting of the act this year.

In a meeting at the White House I strongly expressed to the President my belief that this is a question of commitment and credibility. During the campaign he committed himself to budget cuts, tax cuts, and to lifting the embargo, among other things. To date the President has taken steps to fulfill many of those commitments, but not the lifting of the Soviet grain embargo.

It has been said that lifting the embargo now would be a sign of softening to the Russians, with the threat of the invasion of Poland hanging in the air. But, those who take that position ignore the fact that Mr. Breshnev followed the 1980 Presidential campaign as closely as any of us, and he knows that President Reagan made a commitment to the American farmers to lift the grain embargo. Under these circumstances, if President Reagan lifts the embargo, it clearly would be interpreted as a sign of honor and not of softening.

The strongest disincentive to Soviet aggression would be to resume grain shipments, with the certainty of a com-

plete, across-the-board embargo if Poland is invaded or if the Soviets take other aggressive acts. If the President can negotiate assurances from the Soviets in advance, well and good; but there is no incentive for them to provide such assurances if the United States takes the position that the embargo will not be lifted.

I submit the text of Senate Concurrent Resolution 12, which the South Dakota Legislature passed to show their disapproval of the grain embargo imposed by former President Carter. Especially noteworthy is the point they make that a truly effective embargo would have been placed across the board on all exports to the Soviet Union. It is my sincere hope that if President Reagan chooses to continue this embargo that he will impose it in the same "evenhanded" across-the-board manner that he felt was necessary in cutting the budget.

The American farmer will not shirk his duty. All he asks is that his treatment be fair; I believe S. 354 is important to insure just that—fairness.

The resolution follows:

SENATE CONCURRENT RESOLUTION NO. 12

A Concurrent Resolution, requesting the President and the Congress to withdraw the Soviet grain embargo and replace it with more appropriate and effective means.

Whereas, the Soviet intervention in Afghanistan was a political and a military exercise to which the United States and its allies were obligated to respond; and

Whereas, the grain embargo, which was a part of that response, neither has had nor is likely to have any significant effect upon Russian political or military power since alternative grain markets have been providing most if not all of the grain that the embargo was supposed to deny them; and

Whereas, the American agricultural sector has already suffered serious loss as a result of the embargo and is likely to suffer even greater long-term losses if the embargo continues due to the development of trade patterns unfavorable to American markets; and

Whereas, an alternative policy of embargoing sales of high technology, expertise and capital goods, especially computer equipment and petroleum-distilling equipment, would have a real impact upon Soviet military effectiveness since these goods are not readily available in alternative markets: Now, therefore, be it

Resolved, by the Senate of the Fifty-sixth Legislature of the state of South Dakota, the House of Representatives concurring therein, that the President and the Congress be requested to lift the Soviet grain embargo and replace it, if necessary, with an embargo on high-technology American capital goods; and

Be it further resolved, that the Secretary of the Senate send copies of this resolution to the President of the United States and each member of the state congressional delegation.●

MESSAGE ON THE DANGERS OF NUCLEAR WAR BY THE CHURCH OF CHRIST OF THE LATTER DAY SAINTS

● Mr. HATFIELD. Mr. President, as the new President and Congress begin to debate the enormous problems which confront us, I believe it is vital to remember that there is a single, overreaching issue which remains central to our times: the question of the ongoing survival of mankind in an age shadowed by the threat of nuclear war.

We have entered an era of great strain between nations, of unease about the prospects for a new nuclear arms race in a world that already possesses the equivalent of 1 million Hiroshima bombs, of complex weapons and nuclear strategies to use those weapons. It is then with great joy therefore that I read of the recent message of the leaders of the Church of Christ of the Latter Day Saints. This was an effective and supremely rational plea, expressing the dismay of church leaders over the gaining tensions among nations, and the "unrestricted building of arsenals of war, including huge and threatening nuclear weaponry."

This was, in my opinion, a vital and significant moral message of our time. I ask that it be printed in its entirety in the RECORD, along with a related editorial which appeared in the Church News.

The material follows:

CHRISTMAS MESSAGE FROM THE FIRST PRESIDENCY

At this holy season we extend our love and a special greeting to all people everywhere. Christmas means a solemn mood and a sacred feeling blending with an air of joyful celebration, to elevate the spirit and promote good will.

The reason for such warmth of emotion is the spirit of the Savior, the Lord Jesus Christ, whose birth we commemorate at this season. He came to earth as the Son of God, the Prince of Peace. To the degree that men have put His gospel into their lives they have partaken of the peace which He came to bring. But as we contemplate His birth, and reflect on the words of the angelic chorus, we are dismayed by the growing tensions among the nations, and the unrestricted building of arsenals of war, including huge and threatening nuclear weaponry. Nuclear war, when unleashed on a scale for which the nations are preparing, spares no living thing within the perimeter of its initial destructive force, and sears and maims and kills wherever its pervasive cloud reaches.

While recognizing the need for strength to repel any aggressor, we are enjoined by the word of God to "renounce war and proclaim peace." We call upon the heads of nations to sit down and reason together in good faith to resolve their differences. If men of good will can bring themselves to do so, they may save the world from a holocaust, the depth and breadth of which can scarcely be imagined. We are confident that when there is enough of a desire for peace and a will to bring it about, it is not beyond the possibility of attainment.

Not only do we urge renewed effort to resolve international difficulties, but also those of a domestic nature in communities and families. Ours is a diverse society, but we are persuaded that most men and women long for peace as they hunger for bread. Again, where there is a strong enough desire to bring it about, it may be achieved. The application of the Golden Rule laid down by the Savior of mankind will bring a resolution of almost any disagreement. This applies in the home, in the neighborhood, in the marketplace, the state, the nation and the world.

We wish for all people everywhere the peace that may come into the heart by exercising faith in the Lord Jesus Christ, applying the principle of the Golden Rule in all of our relationships and by adhering to the whisperings which come through the Holy Spirit.

May the true spirit of Christmas rest upon the people and nations of the earth, and may we all re-dedicate ourselves to knowing and following the divine principles taught by the Savior of mankind. May we demonstrate our concern for others not merely with gifts or messages, but with love and kindness and daily deeds of good will. And may these expressions be expanded to our personal relationships with Jesus Christ, our Savior, the Son of God.

THE PROPHETIC MESSAGE

Members of the Church sustain the First Presidency as prophets, seers and revelators. They similarly sustain the Twelve Apostles.

The scripture indicates that when these brethren speak by the Holy Ghost their message is inspired. Whether it comes directly from the mouth of God, or from His authorized servants, "it is the same." (D&C 1:38; 68:4.)

Official declarations of the presiding brethren are not frequently issued, especially those signed by the three members of the First Presidency. When these statements are published, indeed they are of utmost importance to the Church.

Such a statement was made on Dec. 20 (just two weeks ago) in the Church News. It cannot be taken lightly by the saints, and should not be set aside by world leaders either, for it contained a vital message to them also.

The Presidency said, "We are enjoined by the word of God to renounce war and proclaim peace."

Then they declared: "We call upon the heads of nations to sit down and reason together in good faith to resolve their differences. If men of good will can bring themselves to do so they may save the world from a holocaust the depth and breadth of which can scarcely be imagined."

They said further: "We are confident that when there is enough of a desire for peace and a will to bring it about, it is not beyond the possibility of attainment."

This is a great declaration. It is an inspired message. It came from the Lord's modern prophets who are duly authorized to speak for God and who do so by the power of the Holy Ghost. Their message is no trifling matter.

The dreadful spectre of nuclear war now faces us. The build-up of atomic weapons on both sides in the international dispute is frightful to contemplate. If such arsenals were unleashed much of the world's population most certainly would be wiped out.

Almost it makes us think of the words of Isaiah who said that just such a possibility will exist for if men fail to repent, the "land shall be utterly emptied and utterly spoiled."

It was to be in a time, the prophet said, when the earth is "defiled under the inhabitants thereof because they have transgressed the laws, changed the ordinance and broken the everlasting covenant. Therefore the inhabitants of the earth are burned and few men left." (Isa. 24:3–6.)

Nuclear war, if it ever comes, will be just such a scorched earth conflict. The Japanese were given a brief taste of it in the dreadful experience that came to them in World War II.

If such a tragedy ever comes on a worldwide scale it could mean almost total annihilation on both sides. Is anyone ready for that? Of course, not. No one wants it. And yet we march steadily toward it! And why?

Because mankind has flagrantly transgressed the divine laws and continues to do so.

Preservation of life can be assured only through obedience to the rules of heaven. God will save no one in wickedness.

He has now spoken firmly through His living prophets. May both individuals and nations heed their words and sit down and reason together in good faith. It is not too late to avoid the holocaust if they will do so now.●

U.S. DEFENSE POLICY: A LONG-RANGE VIEW

● Mr. GARN. Mr. President, Congressman ROBIN BEARD, a member of the House Armed Services Committee, has written an article on U.S. defense policy which I believe deserves the attention of my colleagues in the Senate. The article, "Agenda for Defense: A Congressional Perspective," is published in the winter edition of Strategic Review.

The fundamental theme of Congressman BEARD's article is one that we would do well to ponder as the Congress readies itself to review the fiscal year 1982 defense budget proposals of the new administration. In short, Congressman BEARD points out that:

While the focus (of the Congress and the Reagan administration) must be on the immediate and crucial problems relevant to the readiness of existing U.S. forces in the field, what is required above all is a recommitment to the urgency of defense, and to the kind of prudently paced, long-range effort that was disrupted in the past by mismanagement and self-delusion. What is required, in short, is a regaining of the "defense momentum" which alone can lead the United States into a more secure future.

Together with the effort to fight inflation by cutting back on spending by the Federal Government, setting our Nation's foreign and defense policies on a firm footing constitutes the highest priority of the Reagan administration. It is an effort that calls for thoughtful action and nonpartisan political support. I believe that Congressman BEARD's article contributes to the need for serious reflection, and I look forward to working with my colleagues in the effort to build the nonpartisan political backing necessary to support a revitalized U.S. defense posture.

Mr. President, I recommend Congressman BEARD's article to my colleagues and ask that it be printed in the RECORD.

The article follows:

AGENDA FOR DEFENSE: A CONGRESSIONAL PERSPECTIVE

(By ROBIN BEARD)

(In brief an incoming Administration and a new Congress offer finally the opportunity for the Executive-Legislative partnership that can shoulder the inordinate task of closing the gaping fissures in the U.S. defense posture. While the focus must be on the immediate and crucial problems relevant to the readiness of existing U.S. forces in the field, what is required above all is a recommitment to the urgency of defense, and to the kind of prudently paced, long-range effort that was disrupted in the past by mismanagement and self-delusion. What is required, in short, is a regaining of the "defense momentum" which alone can lead the United States into a more secure future.)

Rationally defined, the military requirements of the United States issue from the structure of our national security objectives. This structure, in turn, is conditioned by the shifting tides of the international environment within which we seek to promote the freedom, security and well-being of our nation, as well as that of our friends and allies.

There are obvious limits to our capacity to sustain those objectives and fulfill the military requirements. For the short run, we are limited by our capabilities-in-being. Over the longer run, the limits are set only by the resources, effort and wisdom which we invest in our capacities of defense—or, in reverse, by the improvidence with which we permit them to deteriorate.

ASSESSING THE ADVERSARY'S POWER

America's military requirements are dictated in large part by the imperative of countering and offsetting the military capabilities of our avowed and powerful adversary: the Soviet Union and its clients. A realistic assessment of U.S. national security needs, therefore, must encompass an objective analysis of trends in Soviet policies and capabilities. Those trends have traced a fairly steady pattern in the past. Indeed, they seem to have evolved in relative imperviousness to U.S. actions. As outgoing Secretary of Defense Harold Brown has testified, when the United States has increased its capabilities, the Soviet Union has kept stride; but even when we exercise restraint in military programs, as we have for over a decade, the USSR has sustained its military build-up. With or without the negotiated agreements of arms control, the Soviet military effort has expanded at an ever-accelerating pace. Official U.S. intelligence estimates expect it to continue to do so.

Soviet policy has consistently aimed at undermining and paralyzing the ability of potential opponents to contest the global "march of socialism" spearheaded by the Soviet Union. In practical and geographical terms, this strategy has called for the patient consolidation of wartime conquests and postwar gains in Eurasia, the amassment of military capabilities of global reach, and their outward projection to cover extensions of Soviet political and economic influence on other continents.

In line with this strategy, Soviet policy for nearly four decades has assigned priority to three military objectives. The first is unchallenged military superiority on the landmasses adjacent to the Soviet Union. In the early postwar period, the superiority was expressed in conventional military strength on Europe's Central Front and on its northern and southern flanks. This conventional supremacy has endured, due in part to geography—the USSR enjoys a commanding continental position and the advantages of interior lines of communication—as well as a greater Warsaw Pact effort in military manpower and armaments. In the first three postwar decades, Soviet conventional superiority in Europe was offset by U.S. strategic nuclear supremacy, and later by a residual NATO edge in theater nuclear weapons. Today this edge has all but vanished in the face of the massively mounting Soviet deployment of SS–20 MIRVed missiles and Backfire and other high-performance bombers targeted on Western Europe.

A second priority Soviet military objective has been the neutralization of U.S. naval predominance. In recent years, the Soviets have flexed their growing capacity to project military power well beyond the continental confines that traditionally kept Russia a land-locked nation. For most of the post-World War II era, the U.S. Navy exercised unchallenged control of the seas: It carried out the pivotal role in America's global mobility and the forward projection of power, where needed, along the peripheries of the Eurasian landmass. Today, the Soviet Union not only has breached its earlier "containment," but growing Soviet naval capabilities are challenging the United States for the control of important sea lines of communication that purvey the life-blood of raw materials to the Western industrial democracies. And this Soviet naval expansion and extension are proceeding under an umbrella of intermediate-range nuclear weapons, such as SS–20 missiles and Backfire bombers, that arches out from Soviet borders some two or three thousand miles over Europe, the Middle East, South Asia, China and the bordering seas.

Most importantly, the Soviet Union has passed the milestone of strategic nuclear parity with the United States and stands at the threshold of strategic nuclear predominance.

In short, the last decade has witnessed dramatic shifts in the global balance of power to the detriment of the United States. The trend almost certainly will continue during the early 1980s. Our obligation to ourselves, to our security and our welfare is inseparable: We must work out and implement on an urgent footing the needed repairs and improvements in a sagging U.S. defense posture, and we must finance them through some real and progressive increases in the defense budget. This is not only our sole chance for shoring up our security, but also the only rational road toward the possibility of achieving useful and equitable arms control agreements with the USSR.

This is the somber background for the mood that the new Congress is likely to strike with respect to defense issues and what it will look for from the Executive Branch.

MANPOWER ISSUES

The problems that afflict U.S. military manpower are well documented. We are suffering from serious shortfalls in quantity and quality of personnel, particularly with the combat arms and the more technical career fields. The quality of recruits in the past few years has plummeted to an alarming level. There is an exodus from the Armed Services of experienced non-commissioned officers, and more than one-third of new recruits are leaving before the end of their first term. U.S. reserve forces are critically deficient, and the list goes on. These dangerous trends have picked up in momentum, and even the best corrective measures of the incoming Administration will have difficulty in reversing them quickly.

The first needed step toward correcting these crippling deficiencies is a radical change in the attitude on the part of the leaders of our defense establishment. For too long the military services have been viewed as little more than fertile ground for social experimentation. Combat readiness must be the single, overriding objective for our armed forces.

One thing is clear: Solutions to our military manpower problems require a partnership between the incoming Administration and the Congress, a partnership that has been missing for many years. In the past, Administration officials have either refused to confront our manpower problems or even gone so far as to conceal them.

The new Administration must be honest with the public and the Congress. It must undertake a thorough appraisal of the manpower deficiencies and their impact on the U.S. readiness posture and forthrightly report the findings to the Congress. Perhaps an appropriate vehicle for that appraisal and a step toward a new partnership is a piece of legislation which I introduced two years ago. The bill calls for the establishment of a joint select committee of Congress to study the readiness posture and report its findings in nine months. I intend to reintroduce this bill in the coming term and would hope that the new Congress will support it.

RESEARCH AND DEVELOPMENT PERSPECTIVE

Until the end of the 1960s, the United States was universally viewed as a technological giant capable of advancing any area of technology that was not in violation of the laws of physics. U.S. scientists garnered a lion's share of Nobel Prizes, American astronauts strode on the moon, and U.S. nuclear technology for civilian and military use still was leagues ahead of any competing power.

Our technology spawned the kinds of weapon systems that accredited the United States as the ranking superpower. Beginning with the McNamara era, however, we somehow lost sight of the effective management of technology—until today we run the ironic risk of having technology emerge as one of

the causes of, rather than a cure for, a declining military capability. In both the realms of conventional and strategic warfare, we have instituted a research, development and procurement pattern that can best be characterized as a "start, stop, restart, stop again" strategy—one that is absorbing billions of dollars with no commensurate, tangible enhancement of either our ability to deter war or, should that fail, a war-fighting, war-winning capacity.

For example, a review of the Army's record in weapons development and deployment shows a stark void of nearly two decades in the ability to push technology to the battlefield in order to meet the requirements of the combat forces. Tracing back to 1960, we find, for example, that the Army:

Invested $407 million in the Cheyenne helicopter program, which was terminated and replaced with the Advanced Attack Helicopter (AAH) program. The AHH represents an investment of nearly three-quarters of a billion dollars. After a total of $1 billion in expenditures, there are no Advanced Attack Helicopters ready for today's Army in the field. The Soviet Hind-D attack helicopter, which flies as fast as the AAH and with comparable endurance, has been operational for over three years.

Invested over $1.5 billion in the Army's Patriot surface-to-air missile system ever since the requirement for that system was adopted in 1962. Yet, during this eighteen-year span the Soviet Union has developed and deployed nine new surface-to-air missile systems, each more capable than its predecessor.

A "develop but do not deploy" syndrome blights the entire spectrum of U.S. defense efforts. Thus, the expenditures by the U.S. Air Force since 1962 to develop a strategic manned penetrating bomber have exceeded $7 billion when we draw into account the investments in the B-70, the Advanced Manned Strategic Aircraft (AMSA) and the B-1 program. The total return on this investment is one B-70 museum piece and four B-1 research and development aircraft. In contrast, the Soviets have developed and deployed over 100 advanced Backfire strategic aircraft.

A major mistake by the Carter Administration was to substitute the rosy promises of future technological potential for the weapons systems that are needed today. In an era of high technology, however, war, once it erupts, will not be decided in the laboratories or in the contractor plants. It does little good to compare a prototype American AAH with an operational Soviet Hind-D, or a nonexistent American Stealth bomber with an operational Soviet Backfire. We simply cannot gloss over the severe U.S. shortages in military equipment today by projecting a glowing future for the 1990s. This approach strangely credits self-denying objectives and behavior to our opponents—it assumes that the Soviets will not initiate a conflict between now and the 1990s, patiently waiting for us to deploy our technology, and/or that they will permit their own technology and military capabilities to wither with the gentlemanly aim of letting us catch up.

The present U.S. technological dilemma is fundamentally attributable to a lack of resolve in behalf of national objectives and interests. In the absence of the kind of firm and clear commitment to the force structure that can underpin basic U.S. security interests and obligations, our vaunted technological prowess is of little avail. The MX missile system will not solve the problem of the vulnerability of land-based U.S. ICBMs until the system is actually deployed. Yet this objective will not be reached pending the full resolve to ensure the survivability of the land-based leg of the U.S. strategic triad.

Thus, the overriding task for a new partnership of the Congress and the Executive is to revitalize a sense of national commitment to the real and hard requirements of defense today—rather than to the vague promises of a future to be redeemed by technology or arms control. And a priority step in demonstrating the new resolve to fashion a U.S. force structure that is commensurate with our strength and our obligations is a badly needed restructuring of the strategy and process whereby the United States procures its weapons.

Today it is taking the United States between ten and twelve years to move a weapons system from the drawing board to its actual deployment in the field. There are some particularly horrendous examples: the Patriot system entered concept formulation in 1962; Aegis, the Navy's shipboard weapon control system, was conceived in the early 1960s; and development of the Army's Infantry Fighting Vehicle was begun in 1963. Yet, none of these urgently required systems are in today's operational inventory. Contrast this with the 1950s, when the Nike-Ajax system was deployed within two-and-one-half years of its development start, or the 1960s when the Polaris missile system was developed in four years and the HAWK system in five years. Surely, the acquisition process for technology and hardware is in need of vast improvement.

Congress and the Administration will be forced to decide on how funds will be allocated in establishing the proper mix of those programs and systems that are addressed to an immediate enhancement of military readiness, and other technology projects that are required to guard against a future technological surprise by our opponent. A logical approach would be: first, to undertake the necessary improvements in order to bridge the glaring deficiencies in existing forces and weapons in the field; second, to increase the operational and maintenance account to provide for sufficient spare parts and fuel; third, to procure hardware and manpower that will boost forces and readiness to levels consistent with an increasingly hazardous international environment; and fourth, to promote research and development with heavy emphasis on applying readily available technology. We must return to an effective and efficient concept of management of the technology program—one that avoids lengthy, costly and debilitating detours into complex technology with uncertain payoffs, concentrating instead on proven and available technological assets.

AIR FORCE ISSUES

The Air Force has entered the decade of the 1980s with imbalances and deficiencies in force structure, readiness, sustainability, modernization and manning that extend across the full gamut of its assigned missions. Complex in their evolution and interaction, these problems reap a common result: severe mismatch between capabilities and requirements. The consequences of this mismatch are at once grave and far-reaching, and will take years to overcome.

The Air Force is responsible for two of the three legs of the U.S. Strategic Triad: land-based ICBMs and manned, pentrating bombers. Program cancellations and delays have eroded both of these Triad forces—to the point where they face obsolescence vis-a-vis new-generation Soviet intercontinental capabilities. As a result, the strategic nuclear balance, once overwhelmingly in favor of the United States, has tilted toward the Soviet Union in most measurements of capabilities.

The most cutting problem is the vulnerability of U.S. fixed-base ICBMs. Recent estimates show that up to 90 percent of this force could be destroyed in a first strike by Soviet ICBMs. A significant fraction of the U.S. alert bomber force is similarly exposed to either a Soviet SLBM attack or a precursor raid by Soviet bombers penetrating the highly porous North American air defense system.

The remedies to these vulnerabilities are in hand, but will need time to take effect. Although the overlapping and mutually supportive elements of the Triad may sustain some shield of deterrence in the interim, it is absolutely essential to move ahead rapidly with deployment of the MX, the selection and production of a new manned, strategic aircraft, and the fielding of the Air Launched Cruise Missile (ALCM) on modified versions of the aging B-52 fleet. Once the ALCM begins to enter the force in 1981, followed by the MX in 1986 and a new strategic aircraft shortly thereafter, America's strategic assets will improve.

The present state of the Air Force's tactical fighter forces serves as a classic illustration of the self-evident but often ignored truth that in a constrained budget there are no choices. Given severely pinched resources and a fighter force prematurely aged by Vietnam, a conscious decision was made in the late 1970s to buy new fighters first and to procure only later the necessary spare parts and munitions to equip them. That decision was victimized by two unanticipated events: abroad, an expansion in the quality and scope of Soviet tactical fighter programs; at home, inflation-ravaged budgets which forced a stretching out of acquisition programs, thus compounding the lack of spare parts and munitions with an inadequate force structure. The consequences are urgency and a sense of frustration. A heated debate is in progress over quality versus quantity, but the debate turns on a faulty assumption: The reality of the threat—a new, high-quality Soviet fighter is produced every seven hours—is such that this nation must have both quality and quantity in its tactical fighter forces. The frustration is that we could easily attain both quality and quantity through slightly expanded expenditures which will permit more efficient production rates, which will in turn reduce unit costs. For example, in the case of the F-15, current production rates have been two-and-one-half per month rather than the optimum rate of twelve per month. The added unit cost is a staggering six million dollars per copy.

We simply must abandon this penny-wise, pound-foolishness by funding efficient production rates for new, highly capable aircraft such as the F-15 and F-16. Equally important, these "best in the world" aircraft must be properly provisioned with spare parts and munitions to permit adequate peacetime training and effective wartime employment. The current exodus of pilots and navigators from Air Force ranks can be traced to a central cause; not enough flying time to keep these young, dedicated officers at the peak of their professional skills. The aircrew officers know that in the event of a war in Europe, for example, a shortage of munitions, particularly air-to-air missiles, will severely hamper their ability to carry out their missions. In addition they know that the qualitative edge vaunted by our fighters could easily be overwhelmed by a numerically superior force.

As alarming as is the state of U.S. tactical airpower, it pales by comparison with the deficiencies in U.S. mobility forces. The problem is particularly acute with respect to providing airlift support to a wide range of contingencies with deployment schedules that far exceed current capabilities. This situation has been exacerbated by the creation of a Rapid Deployment Force (RDF), whose very name presupposes an adequate airlift. The Army forces to be moved are too massive in number and size to be transported with the urgency implicit in the RDF mission.

A number of programs are underway to enhance current and future airlift capabilities. These include modifications to aircraft already in the fleet, such as stretching and adding an aerial refueling system to the C–141, and strengthening the fragile wing of the C–5 long-range transport in order to extend the life of this invaluable aircraft into the next century. In the future, an increased aircraft capability is essential to move heavy equipment over intercontinental ranges—with the option of inserting these forces into small, austere airstrips close to the scene of battle. The credibility of the U.S. conventional deterrent hinges on our ability to project power to any point where U.S. interests are threatened. Increased airlift capability is the symbol of our commitment to protect those interests, no matter how distant, through a rapid and forceful response.

As is true in all the military services, the Air Force's steady loss of career professionals, in both officer and enlisted ranks, is of grave and mounting concern. The Air Force will be short of its manning requirements by no less than some 3,000 pilots and navigators by the end of 1981, and it is already suffering a 20 per cent shortage among the scientific and engineering personnel vital to its high-technology research and development laboratories. Retention rates in key enlisted skills, such as first-term F–15 avionics support, range as low as 15 per cent, an intolerable circumstance. These manpower hemorrhages are by and large the consequence of inadequate pay and the unrelenting assault that has been waged on military benefits over the past several years. Ceilings on military salaries have been totally counterproductive: this management expedient simply has forced highly trained, skilled and motivated people to leave the service in search of the wages that can provide for their families. As a result, the workload must be spread over fewer professionals, thus prompting even greater manpower losses.

ARMY ISSUES

The U.S. Army is suffering from a critical case of "can-do-ism"—that mind-set which holds that any mission can be accomplished, irrespective of the tangible resources available, provided sufficient ingenuity and leadership are brought to bear on the problem. The Army's leadership is traditionally drawn from among the "fast burners" in the system—those who have fashioned the reputation of accomplishing the most with the least. Admirable though it may be in human terms, the "can-do" mind-set serves neither the Army nor the nation well as we enter the 1980s. Its legacy from the 1970s is an inadequately manned, equipped and sustainable force. What the Army needs today is leadership with the honesty and courage to manifest a "can't-do" spirit—that is, the insistence on major changes in policy and resource allocation.

The FY 1982–1986 defense plan developed by the Carter Administration portends a fundamental change in national strategy. Naval, air and strategic improvements are programmed at the expense of land warfare capabilities. Unless the incoming Administration redresses this resource imbalance, the Army is destined to become an obsolete force by the end of the decade. Congress and the members of the new Administration are well versed in the arguments about the deficiencies in U.S. strategic, naval and air combat capabilities. But the Army lacks an articulate, aggressive ombudsman. Consequently, its needs have not registered very well in either the Department of Defense or the Congress. Among the more notable "can't-do" issues which the Army and the Congress must redress, beginning in the 1982 budget, are the following:

Civilian Manpower.—Reductions in civilian employees of the U.S. Army during the 1970s have severely impacted on unit training and readiness. Over 15,000 soldiers—a division's worth—are borrowed daily from units to perform nonmilitary tasks that should be conducted by civilians. The shortage of civilian workers also hampers Army mobilization capabilities and creates logistical backlogs that directly impinge upon the readiness of combat units.

Military Manpower.—The United States must either return to the draft or try to make do with a combination of bonuses, pay increases and special duty pay incentives on a scale never before contemplated—not only to recruit adequate numbers of personnel, but to retain those with special skills.

Force Structure.—The past preoccupation of the Congress with the issue of improving the "tooth-to-tail" ratio in U.S. Army divisions forced the Army to create three new divisions and several smaller combat units without commensurate increases in active-duty manpower. The result is that most of the combat support and combat services support (CS/CSS) structure is vested in the Reserves and in the National Guard. The lack of CS/CSS units in the active force (in areas like water supply and distribution, transportation and resupply) inhibits the Army's ability to sustain itself in potential combat, particularly with respect to the Rapid Deployment Force. The most critical requirement is for 3 CSS units to support the RDF.

Training.—Because of funding constraints and misguided policy decisions, the initial entry training (IET) of recruits has been shortened to the point where they join units while lacking even basic skills. The Army needs to expand and toughen IET, especially in the combat arms. It also needs to expand greatly the scope and tempo of training to include more live firing, rapid-deployment training exercises and significant improvements in facilities for training in cold weather and urban warfare.

Mobilization.—A major overhaul is required in the U.S. mobilization capability to enable it to accommodate as many as 130,000 draftees in the first 30 days. The key elements needed are the construction of housing and training ranges, and the purchase and storage of ammunition for weapons training.

Logistics Over the Shore.—The Army cannot count on the availability of port facilities near the potential areas of combat. It must begin now to organize and equip the boat companies to move equipment and supplies from ship to shore, and the stevedore units to unload the ships.

Strategic Mobility.—Current airlift/sealift capability is woefully inadequate. Priority must be given in Air Force and Navy procurement budgets to strategic lift, with emphasis on the accelerated conversion of SL–7s to roll-on/roll-off vessels and the acquisition of additional fast sealift ships. In the meantime, we must fill the shortages of prepositioned supplies in Europe; this includes an initiative to provide equipment for essential combat service support units.

Equipment Modernization.—The Army is the only branch of service which is both qualitatively and quantitatively inferior to its Soviet counterpart. We must adopt a national goal of completely modernizing our forces by 1987. Conservatively, this will require $20 billion more for Army procurement over the next five years than has been planned by the Carter Administration.

The requirements stretch across the entire spectrum. They range from accelerated production of XM–1 tanks and Infantry Fighting Vehicles to the fielding of a whole new generation of air defense systems now completing R&D; they include a new multiple-launch rocket system, new attack and assault helicopters and even such mundane items as trucks.

We also need to invest in R&D in order to exploit more effectively the strategic mobility of our light infantry divisions. That means the development and fielding of a new generation of lightly armored vehicles to combine the advantages of strategic mobility with the battlefield mobility, firepower and survivability normally associated with heavy divisions.

MARITIME ISSUES

Over the past thirty years the maritime forces of the United States have been the military instrument most often called upon in support of national policy. It is fair to project that the Navy will continue to be thus tested in the future. The two battle groups standing guard in the Indian Ocean today underscore this projection.

A revitalized maritime strategy must be predicated on several new assumptions about the nature of U.S. and Soviet naval power. First, it should be clearly understood that the principal utility of maritime forces in general, and of naval forces in particular, lies in their capacity to influence events on land. Aircraft, missiles and amphibious forces give the Navy this capacity to project power landward, provided it can gain command of the air and sea in the immediate operating area. This applies as validly to the Central Front in Europe and to the NATO flanks as it does to any theater in the Third World. It follows that the Navy should be able to defeat opposing fleets in order to control the seas and thereby influence events ashore. The implication is obvious: local "sea control" is only a means to an end, the battle against the shore.

Second, it should be understood that only the Soviet Navy is in a position to mount a credible challenge to U.S. use of the seas. This situation will not change through the end of the twentieth century, even if other nations should aspire to naval power, given the large capital investments and the long lead-times entailed in ship construction. This means, for example, that the United States will need convoy escorts only in a full-scale war with the Soviet Union, because no other country can muster a threat to the sea lines of communication of sufficient intensity to call for such protective measures.

Naval theory and forces must be brought into line with reality. The objective of naval power is to influence the course of events on land. This requires that a conceptual bridge be built between peacetime forward deployments and warfighting, especially as it applies to an understanding of the offensive strike role of surface and sub-surface platforms in the future Navy.

Over the past decade the Navy has been allowed to shrink from 1,055 ships to its present size of 540. Even the latter might seem like a reasonable force—until we examine more closely its composition. Of the 540 total, only 462 vessels are in the active fleet. Of these, only 257 (119 battle group forces, 63 amphibious warfare forces and 75 attack submarines) might be used in global deployments. According to the Chief of Naval Operations, "The simple fact is that today we are trying to meet a three ocean requirement with a one-and-a-half ocean Navy."

The reasons for this decline are numerous and well documented, and need not be dwelled upon here. Rather, I would like to offer some possible solutions.

First, we must consciously broaden our thinking about defense. We tend to be captivated by "input measures"—budgets, numbers of men and women in uniform, numbers of aircraft, ships and tanks being overhauled annually, etc.—and to lose sight of the real output benefits. Investment in naval forces represents a long-term security commitment: A ship that is authorized this year will take about five years to build and will remain in service for about thirty years.

Let us make the commitment to build ships that will last for that long a period of time—ships which are capable of meeting and defeating the likely challenges on the high seas and which are designed with an eye toward both growth and adaptability to changes in the threat environment. I refer specifically to the current debate over the cost and size of the DDGX, the next generation battle group capable escort, and the so-called FASSN, the fleet attack submarine which is supposed to be a successor to the SSN-688-class. Because of arbitrary fiscal constraints on the initial procurement costs of these ships, their size has been limited. Unfortunately, the notion that numerous small platforms, with far less capability, are more effective than larger multi-mission platforms simply does not correspond to reality.

Size constraints have been imposed on naval vessels before—with unhappy results. Tonnage limitations created by the Washington and London Naval Agreements of the 1920s, plus the notion that a greater number of smaller carriers would better fill the skies with aircraft, clearly stinted the capability of the aircraft carriers built during the 1930s. Only after years of operational experience did it become apparent that the *Ranger* class carriers, including the *Yorktown* and *Enterprise*, were much less effective in air operations than the older, much larger *Lexington* and *Saratoga*. This mythology of tonnage limitation was finally dispelled in a 1938 directive by the Chief of Naval Operations that the method to determine the size of carriers would be "first to consider what needs or functions new carriers must provide, next decide the necessary characteristics to accomplish these functions, and then determine the size which will best and most economically embody those characteristics." This approach is as sound today as it was some forty years ago.

Next, we have to shorten the time that it takes to move U.S. naval systems and components from the blueprint and the laboratory into the fleet. Testimony before the Congress indicates that the United States sustains a clear edge in naval technology over the Soviet Union. The difference is that U.S. systems linger in the laboratory long after the Soviets have installed their comparable systems aboard ships. If our technological superiority is to have meaning, clearly we must reduce the seventeen-year cycle from program start to Initial Operating Capability (IOC). Fear of concurrency, overly extensive testing and evaluation and interminable analysis and re-analysis are only some of the causes of delay.

The current U.S. five-year shipbuilding program must be restructured to accommodate a realistic appraisal of "outyear" programs. Today there is the prevalent tendency to restrict ourselves in the first year of the five-year plan, with the hope of opening the throttle in the "outyears." Maintaining a fleet of 540 ships means an average construction of eighteen or nineteen ships per year. Over the last decade, however, the average U.S. construction rate has been about fourteen ships per year. Even this number is deceiving, because many of the ships built have been on the lower side of the so-called high-low mix: frigates, oilers, etc. Effective planning calls for a programming horizon extending well beyond one year at a time.

In this connection, an avenue of potential progress is that of multi-year contracting for procurements—an avenue that applies not only to naval construction but to all areas of defense procurement. For the most part, defense contracting in the United States is conducted on a year-to-year basis. Under this system, the defense industry is reluctant to commit resources to capital improvements in the face of the substantial risk that the outyear program will never materialize. Essential are longer-term procurement commitments, coupled with the necessary commitment of funds.

Finally, U.S. naval forces must be tailored according to the criteria of flexible, offensive power to meet the exigencies of a constantly shifting but ever more hazardous global environment. We have seen the Soviet Navy emerge from a coastal defense force into a blue-water navy over the past fifteen years. Yet, even though, as has been mentioned, only the Soviets are capable of mustering a real challenge to the United States for sea-control in the foreseeable future, nevertheless our dependence on foreign resources, the quickening pace of regional conflicts and the spread of military weaponry to lesser powers combine to portend any number of possible crises and tests for U.S. naval capabilities.

We must develop maritime forces which can respond efficiently to such crises. As was emphasized earlier, U.S. carrier forces cannot always be present wherever crisis flares. Rather, there must be a distribution of offensive strike capabilities throughout U.S. surface and subsurface forces. In this respect, the advent of the long-range, land-attack cruise missile, with its varied warhead options, promises a significant upgrading and spreading of offensive capabilities throughout the fleet—to compound the defense problem of a potential enemy, to allow the more efficient use of U.S. carrier forces, and finally and most important, to expand the options that the President has available in responding to crises.

THE CHANCE TO REGAIN MOMENTUM

It is imperative that during the next four years the United States concentrate its efforts on the achievement of a consistent set of defense and foreign policy goals. Only through a clear and honest recognition of our defense problems—coupled with a sustained program commitment that includes adequate funding—can we hope to repair the deep damage done to the U.S. posture by past neglect and illusions, and to regain the kind of sustained momentum in defense efforts which alone can ensure our future security.

This recommitment, however, must invoke both durability and patience. We did not stumble into our deep predicament overnight, and it is illusory to believe that we can recoup quickly through simple applications of money and American ingenuity.

There is every reason to expect that the new Administration and Congress, with the popular mandate with which they are vested, are prepared to enter into a partnership to initiate the policies and programs necessary to close the dangerous gaps in the U.S. defense posture. Such firm and consistent policies, in turn, will provide the basis for a restoration of confidence from our allies and friends, whose more concerted and more consistent defense efforts will also be indispensible to a common security posture. The time is not too late, but the time is now.●

COLLECTING INCOME TAXES

● Mr. GARN. Mr. President, in 1913 the States ratified the 16th amendment to the Constitution, the authorization to collect income taxes.

The Government spent $800,000 the first year the income tax was in place to implement the tax, and issued 24 pages of regulations. Less than one-half of 1 percent of the wage earners in the country had to file returns. Now, 68 years later, it seems we have created a monster. This year, the IRS will spend $2.5 billion and use 85,000 employees to enforce the 6,000-page tax code, and 92 million Americans will spend 600 million hours filling out about 300 different forms.

I have received a letter from a Utahan, Charles A. Engberson, who has a background in accounting and taxation. Mr. Engberson explains the difficulty he had filling out IRS Form 2210. He even had difficulty finding an IRS agent who understood the form well enough to help him fill it out. The enormity and complexity of the Internal Revenue Code has clearly gotten out of hand. This Congress can take two vital steps for the Republic: We can reduce inflation, and we can simplify the tax code and reduce its burden. I will be only too happy to support the administration and our colleagues in this effort.

Mr. President, I ask that Mr. Charles Engberson's letter be printed in the RECORD.

The letter follows:

DECEMBER 16, 1980.

Senator JAKE GARN,
U.S. Senator, 125 South State, Salt Lake City, Utah.

DEAR SENATOR: I have just finished "attempting" to fill out IRS form 2210—Underpayment of Estimated Tax by Individuals.

How the Internal Revenue Service can expect a taxpayer to comprehend and complete such a form is absolutely beyond reason.

Even with my background in accounting and taxation, I have had to seek assistance at two IRS offices. The first was unable to help and the second took 1½ hours to complete the one page form. The very helpful agent admitted that she could not understand the form but learned to fill them out by following, instead, the worksheets sent in by local CPA's.

I am particularly angered because I have attempted to complete the calculations based on the agent's computations and still cannot follow form 2210.

I grant that my situation is not usual but not uncommon since I have received lump sum amounts at different times of the year (bonus, capital gain, etc.) It seems ridiculous, however, that the IRS would generate a form that even they cannot understand.

Let me make my point in an example that I believe is not uncommon.

Taxpayer has tax refund due from IRS. Taxpayer receives notice of "penalty for not making timely estimated tax payments" of $700.00 or approximately ½ of refund due.

This notice is accompanied by a form 2210. Taxpayer is assumed guilty unless he can prove by use of form 2210 that he falls under one of the four exceptions.

Taxpayer falls under exception number four but is unable to knowledgeably submit completed form 2210.

What would I like done? For the first time since income taxes we will have a Republican Congress and President. Can't we please do something about the complexity of our tax laws? Yes, we need taxes but let's make them fair and simple. And, lets get the IRS working for us instead of the other way around. This great nation was built by independent people not by suppressive government.

Sincerely,

CHARLES A. ENGBERSON.●

ACCESS TO CRUDE OIL

● Mr. JOHNSTON. Mr. President, the 1980's are likely to be a difficult time for consumers of refined petroleum products. Nearly all our petroleum experts predict rising real prices and tight supplies during "normal" times and episodic disruptions causing shortages and sudden jumps in prices during periods of political upheaval in oil producing countries.

The sad truth is that there is little we can do in the shortrun to insulate ourselves from the threat of these oil supply disruptions. Even if we are successful in eliminating our own dependence on OPEC oil we are involved in a complex and necessary web of alliances with other oil-importing nations—Japan, Germany, France, a host of emerging Third World nations. These nations are even harder hit than we are when world oil supplies are disrupted and prices shoot up. Moreover, their dependence on OPEC oil cannot be significantly reduced in this century.

We have entered into an agreement with 21 of these countries, under the auspices of the International Energy Agency, to share crude oil supplies among countries during severe disruptions in oil supplies. One of the main conclusions of a recent study by the distinguished petroleum analyst, Walter J. Levy, is that to be successful in restraining price increases a system for international, country-to-country sharing of crude oil during supply disruptions must be accompanied by an intranational, company-to-company crude sharing program.

Specifically, Mr. Levy concludes:

U.S. policy toward its oil-refining companies could be as essential during supply crises as U.S. policy with its oil-importing-country allies. It is in the U.S. interest to see that neither countries nor companies are left unprovided for when an emergency arises. Having the mechanisms in place that assure equitable access during periods of shortage would clearly help also to preclude the disastrous price explosions of recent years and that otherwise would have to be anticipated with perhaps increasing frequency over the years ahead.

Mr. President, I have introduced legislation, S. 409, the Standby Petroleum Authorities Act of 1981, which provides such a mechanism for equitable access to crude oil during periods of shortage. I hope the Committee on Energy and Natural Resources will soon schedule hearings on this legislation. We should get started on finding out what the right approach is to dealing with crude oil supply disruptions. The establishment of mechanisms to cushion the impact of disruptions in oil imports is the most urgent energy issue we face this year.

Mr. President, I ask that the summary of the study, "Crude Price Decontrol—What It Will Mean for Competitive Capabilities in the U.S. Refining Industry," by W. J. Levy Consultants, Inc. be printed in the RECORD at this point.

The summary follows:

CRUDE PRICE DECONTROL—WHAT IT WILL MEAN FOR COMPETITIVE CAPABILITIES IN THE U.S. REFINING INDUSTRY

1. The time and circumstances under which domestic crude oil is scheduled to be decontrolled are critical to the potential impact of decontrol on competitive capabilities in the U.S. refining industry. For the foreseeable future, U.S. refineries will be dependent upon substantial volumes of foreign crude to meet their total feedstock requirements. Furthermore, U.S. refiners will be importing crude in a world oil environment characterized by tight supply/demand balances, a range of uncertain events that could disrupt supplies at any time, and prices that are volatile and subject to wide disparities.

2. The Report begins with a look at the likely circumstances under which foreign crude oil will be available to the U.S. refining industry in the 1980's. We then consider how markets for domestic crude oil may look after decontrol. The final part of the Report deals with the implications for government policy of problems of competitive access of U.S. refiners to crude oil supplies in periods of shortage.

FOREIGN OIL AVAILABILITY

Requirements vs. potential supply

3. The general outlook for the decade of the 1980's and beyond is for world-wide oil balances to be tight at best. Demand for oil will increase very slowly by historical standards, reflecting a very marked slowdown in growth of total energy requirements and major contributions to energy supplies from sources other than oil. Nonetheless, the demand for oil will still *increase* substantially in absolute terms (close to +10 million barrels per day between 1980 and 1990) and the non-Communist world will be consuming on average about 20 billion barrels of oil annually over the decade.

4. Even with a substantial increase in non-OPEC oil production, demand for OPEC oil output could average close to 30 million barrels daily in the 1980's. This level of demand for OPEC oil looks to press up against the ability and willingness of OPEC nations to produce over the years ahead.

5. The decade of the 1980's and beyond should see a rising long-term trend in the real price of crude oil, reflecting generally tight oil balances, a dwindling resource base, and higher replacement costs. However, the upward trend in foreign crude oil prices is not likely to be smooth.

6. With little in the way of available surplus productive capacity to turn to, it will not take much in the way of lost production somewhere around the world to disrupt international oil supplies in the 1980's. Cutbacks in oil availability could result from a wide range of possible developments—e.g., withholding of supplies by one or more exporting countries for political reasons, physical mishaps, and military conflicts such as the past Arab-Israeli wars and the current war between Iran and Iraq. With little slack and many potential shocks, it is reasonable to anticipate a greater frequency of disruptions to world oil supplies in the future than in the past. Furthermore, the disruptions that occur are likely to have a far greater impact than those of only a few years ago—e.g., contrast the minimal effect on oil supplies and prices of the Arab oil embargo arising out of the Israeli-Arab war of 1967, when substantial surplus productive capacity was available, and the devastating impact of the embargo/production cutbacks that followed the Arab-Israeli war in 1973, when there was relatively little in the way of unutilized capacity that could be drawn upon.

The impact of supply disruptions

7. When various random events trigger temporary cutoffs in the flow of oil, companies and countries who are left short of supplies—or even fear they will be left short—will inevitably seek out whatever oil is still made available in order to shore up their positions. The urgency to make up supplies can be expected to lead to hectic price competition in "spot markets"—i.e., anytime and anywhere uncommitted oil can be acquired by bidding up the price of such supplies.

8. However, with supplies being tight and shortages feared, companies with continuing access to foreign crude—e.g., through producing positions or supply contracts—are unlikely to make much in the way of supply available to others. In these circumstances, all companies have a strong interest in holding very closely whatever supplies they may have available. Higher-than-market price offers by crude-short companies may elicit little if any additional supply. Hence, dramatic runups in price offers in the effort to get potential sellers to let go of barrels. Even then, the volumes actually transferred tend to be relatively limited compared with the quantum increases in crude oil prices.

9. Withal sharp increases in spot prices will be followed in course by upward adjustment in contract and OPEC official prices, although not necessarily to the levels reached in spot markets.

10. In this kind of environment, disparities among prices at which various crude oils are moving are likely to be fairly wide. By way of illustration, in mid-1979 when buyers were still scrambling for crude in the wake of Iranian cutbacks, official government selling prices were in a considerable range—e.g., Saudi Arabia at $18 per barrel, Kuwait at $19.50, and the OPEC African producers at $23.50. *Term resales* of OPEC crudes were reported at official prices plus 35–50 cent premia in the Arabian Gulf and up to $2 for African crudes. Spot prices were approximately $32 for Arabian Gulf and $36 for African crudes. Spot prices were approximately $32 for Arabian Gulf and $36 for African crudes. By end-1979, Saudi Arabia had increased its official price by a steep $6 per barrel to $24, but didn't even come close to narrowing the gap on other escalating OPEC official and contract prices.

11. Companies will inevitably have differing crude costs even absent emergency supply conditions, reflecting relative resource positions and the commercial options they have chosen. The effect of shortages is to sharply widen the divergencies. However, the most critical aspect of price behavior during disruptions is that if there are no governmental policies in place assuring equitable access—among countries and among companies—competitive bidding for scarce supplies will lead to repeated price explosions. These can have dire consequences for the world's economies, for comity among oil-importing nations, and not-so-incidentally for incentives for essential investment to adapt U.S. refining capabilities to the country's changing product requirements (of which more later).

Temporary surpluses

12. The 1980's are likely to witness periods of temporary surpluses from time to time. These could emerge, for example, when production is restored after a supply disruption and/or demand is reduced substantially by sharp price increases and depressed economic activity. During temporary surpluses, there is the potential for price weakness and a narrowing of price differentials among crudes. However, there are several major factors that serve to vitiate downward price pressures and the narrowing of price disparities when crude balances become easier.

13. Most important, OPEC provides support to prices through the ability and willingness of its resource-rich members, notably Saudi Arabia, to live with substantial shut-in capacity when surpluses emerge. This underpinning serves to limit competitive selling pressures among OPEC nations and prevent a general downward price spiral.

14. Actions of oil-importing countries and companies also tend to help OPEC along in supporting prices in times of temporary surplus. After a shortage and in anticipation of the next one, there tends to be a compulsion to build up inventories as supplies become more plentiful. This adds to the total demand for oil and keeps balances tighter than they would be otherwise. Furthermore, offtaking companies often continue to accept high asking prices from producing countries even when oil balances ease up. To refuse high prices in the short term could prejudice long-term offtake rights

which would be of precious value later on when balances tighten once again.

15. It is possible that discounts off OPEC official prices could emerge during temporary periods of surplus, despite the support provided directly by key OPEC members and indirectly by the actions of oil importers. However, these discounts are likely to be modest as compared with premia during shortage periods. Price behavior thus is likely to be asymmetrical during periods of shortage and surplus.

Implications of uncertain supplies and exploding crude prices

16. The world would be able to adapt to a reasonably continuous upward trend in real oil prices that reflected the increasing scarcity of oil resources and rising costs of replacement. It is the explosive price increases during periods of shortage—coupled with rigidities on the downside when temporary surpluses emerge—that lead to serious economic difficulties for countries and commercial difficulties for companies.

17. Explosive increases in oil prices have a serious negative effect on international financial flows—adding to already high trade deficits of most oil-importing countries and adding still further to the huge financial surpluses of a few exporting countries—and world economic activity. Bidding among oil-importing countries for limited volumes of scarce supplies—which can only benefit one at the expense of another—is bound to undermine efforts for international economic cooperation. Companies whose only recourse in the event of supply disruption is frenetic bidding in what may be a futile effort to obtain needed crude supplies clearly do not have a sound basis for making future investments in refining operations.

18. These problems can only be dealt with by concerted policy efforts on the part of the governments of oil-importing countries. What is essential is that during periods of shortage, scant oil supplies are shared equitably among countries and there are assurances that companies also will share on some reasonable basis in whatever supplies are available (to which we return).

U.S. CRUDE OIL MARKETS AFTER DECONTROL

19. U.S. crude oil price controls are currently scheduled to be phased out by October, 1981. Decontrol sooner is being mentioned as a possibility under the incoming Reagan Administration. Whenever controls are lifted, prices for domestic crude oils will be oriented in general to the delivered costs of foreign crude.

20. In 1979, when limited volumes of domestic crude were free of controls and world oil supplies were scarce, prices for decontrolled domestic crudes tended to move up to—and at times even above—the delivered cost of foreign crude purchased at spot prices. In effect, a spot market developed in the United States—comparable to the so-called "Rotterdam" market abroad—for the volumes of domestic crude that were free of controls and could be obtained by bidding on price. Price premia paid for domestic crude over and above spot foreign crude presumably reflected the value attached by purchasers to the added supply security of domestic crude oil.

21. However, when all domestic crude is decontrolled, it is unlikely that some 8 million barrels daily of domestic crude will sell at prices tied inexorably to a very narrow foreign spot market. Prices posted by U.S. refiners for domestic crude after full decontrol are likely to reflect a combination of commercial, institutional, and political considerations. Such factors as the invoiced price of foreign supplies, assessments as to what level of prices may be necessary to acquire or hold supplies in competition with other refiners, and tax considerations (e.g., the incidence of excess profits tax on higher price realizations for an integrated producer) could enter into pricing decisions of individual refiners. All of these factors are likely to militate against very close or very quick adjustment in domestic postings to short-term changes in foreign spot markets.

22. In an environment of tight oil balances and supply uncertainties, substantial volumes of domestic—as also of foreign crudes—are likely to be tightly held. Refiners with access to their own domestic crude production and/or some form of control over purchased crude via gathering and other pipeline connections will have a strong interest in keeping such crude within their integrated systems.

23. As with the foreign oil market, the ability of crude-short refiners to dislodge domestic crude from others via price offers is likely to be relatively limited in times of severe supply stringency. To the extent necessary, refiners threatened with loss of domestic crude to which they have access via pipeline connections would tend to raise their own postings to the level at least necessary in order to assure their continuity of supply. Whatever domestic crude might be acquired through competitive bidding in such circumstances would almost inevitably be not only at the high end of the spread of prices that refiners pay, but would probably exceed that in net cost by virtue of collateral arrangements entered upon in order to complete the transaction.

ACCESS TO CRUDE AND GOVERNMENT POLICY

24. The future foreign and domestic crude oil environments described above suggest serious problems for various U.S. refiners in obtaining crude oil supplies in periods of shortage. It is very difficult to predict in advance which refiners are likely to feel the immediate or major brunt of shortfalls. In general, independent refiners are likely to be relatively exposed, owing to their more tenuous crude oil resource positions. Integrated refiners may have better security of supply when interruptions occur through their preferred access to large volumes of foreign oil as operators or under contract arrangements and to domestic oil either owned or controlled. However, major oil companies can also be very hard hit, especially because of their dependence on vulnerable foreign sources. Witness the experience of British Petroleum, which within a relatively short period of time lost its 40-percent interest in Iran, had contract purchase volumes sharply cut back in Kuwait, and was thrown out of producing positions in both Libya and Nigeria for political reasons that the respective host governments presumed to invoke whilst tight world oil balances made their actions less risky than would have been the case in an earlier period. U.S. majors may not be politically impervious.

25. Absent a cushion of spare productive capacity, refiners who suffer cutoffs in traditional oil supplies find themselves with limited let alone commercially unattractive options for making up the deficiency. It is unlikely that alternative offtake arrangements can be negotiated when supplies are generally short. The only real alternative then is competitive bidding in spot markets, foreign and/or domestic. And as discussed, the consequences tend to be disruptive, not only from the standpoint of the companies affected but also of the countries exposed to the shortfall.

26. From the standpoint of the individual refiner, if he is successful in obtaining spot supplies, it would only be at very high prices. But even at very high prices, an individual refiner is unlikely to obtain the volume of crude supplies in the spot market that he needs to sustain operations—not when a crisis significantly cuts into aggregate crude oil availability on world markets.

27. Competitive bidding for spot supplies in shortage situations is also an unsatisfactory alternative from the standpoint of oil-importing countries, individually and as a group. Since total volumes available are limited, what one refiner or country acquires by bidding is at the expense of another. Further, as experience has only too convincingly shown, the resulting explosive price increases can lead to serious economic problems of world-wide dimensions—as following the 1973–74 and 1979–80 episodes.

28. There is a parallel, then, between the concern of U.S. refiners for crude access during supply emergencies and the concern of the U.S. Government on an international level for both equitable access among nations and fending off economically disruptive price runups. The United States has joined with most other industrial nations, under the auspices of the International Energy Agency, in developing a plan for oil sharing among its members in emergencies. A key objective is to keep countries from competing among themselves for limited supplies by providing each country with reasonably assured access to whatever limited supplies are available.

29. U.S. policy toward its oil-refining companies could be as essential during supply crises as U.S. policy with its oil-importing-country allies. It is in the U.S. interest to see that neither countries nor companies are left unprovided for when an emergency arises. Having the mechanisms in place that assure equitable access during periods of shortage would clearly help also to preclude the disastrous price explosions of recent years and that otherwise would have to be anticipated with perhaps increasing frequency over the years ahead.

30. The United States has an obvious national interest in a viable domestic refining industry. The industry will have to provide adequate overall capacity to meet future demand. More important, the U.S. refining industry will have to adapt over the years ahead to a changing pattern of product requirements, more stringent product specifications (e.g., lower-sulphur content), and shifting mixes of available crude oils (particularly, heavier and higher in sulphur). This adaptation will inevitably require continuing investment in high-cost, complex processing facilities.

31. When it comes to a supply crunch, it may be reasonably assumed that some form of ad hoc allocation of available crude would be invoked, particularly if circumstances get bad enough. However, this is hardly the same kind of assurance of supplies as would be provided by a program-in-place that spells out in advance how refiners would share available oil in the event of emergencies.

32. To ensure incentives for continuing essential investment by the U.S. refining industry—particularly with the lapse of extant authority as from Octboer, 1981 decontrol—legislative and administrative foundations would have to be reestablished to provide refiners with reasonable confidence of equitable access to crude in supply emergencies and at prices that are not disastrously out of line with competitive crude costs. The latter is not meant to imply that crude costs among refiners should be equalized on a continuing basis, or even in shortage situations. However, incentive to investment in new facilities requires some assurance that refiners will not be exposed subsequently to such extremely out-of-line crude prices that the continuity of viable operations would be seriously threatened.

33. In sum, during periods of supply crisis, a program for equitable access to crude oils by U.S. refiners would serve the national interest by paralleling international efforts to share available supplies among oil-importing countries and to fend off explosive price in-

creases associated with the crisis or even in anticipation.●

ESTONIAN INDEPENDENCE DAY

(By request of Mr. BAKER the following statement was ordered to be printed in the RECORD:)

● Mr. DOLE. Mr. President, February 24 marks the 63d anniversary of the proclamation of independence of the Republic of Estonia. In June 1940, the Soviet armed forces occupied Estonia, later annexing the area in violation of international law. As cochairman of the Helsinki Commission, I have long condemned the continued illegal Soviet occupation and violation of human rights in Estonia.

I admire the courage and strength of will displayed by the Estonian people in their struggle to regain their rightful independence from Soviet oppression.

Mr. President, I submit for the RECORD portions of a statement I received from the Estonian American National Council. The statement specifically illustrates the plight of two Estonian Helsinki watch activists, Mart Niklus and Juri Kukk. There are many more in similar situations, but the persecution of these two typifies the suffering leveled upon the Estonian people by the Soviet Union—simply for speaking their beliefs.

The excerpts follow:

HUMAN RIGHTS VIOLATIONS IN ESTONIA

The 63d anniversary of the Republic of Estonia's declaration of independence finds its people in the free West and in Soviet occupied Estonia both reflective and very concerned. While the 1975 Helsinki Accords have provided a vehicle for addressing human and national rights within the Soviet Union, the Soviet Union has repeatedly violated these rights in Estonia.

While we in the West commemorate this occasion and rededicate our efforts to freedom for all Estonians, we urgently turn to you for help in the case of two Estonians. Mart Niklus and Juri Kukk are both fighting for their very lives. Their lives are representative of the hundreds, perhaps thousands, of Estonians who in recent years have become active and open in support of the Helsinki principles. Both men are in precarious health and have just been reimprisoned. Your actions on their behalf could be instrumental.

Below are short summaries of the lives of these two Estonian national and human rights activists.

Mart Niklus: Born in Tartu, Estonia; age 46. Single, last residence with his parents. A Tartu University 1957 graduate with a degree in biology/zoology. He was first arrested on August 21, 1958 and sentenced on January 15, 1959 to ten years of forced labor plus three years of exile for sending photographs depicting Soviet reality to the West. He was released from Vladimir prison on July 29, 1966 due to his deteriorating health. Not given employment in his profession, he survived on odd jobs until 1972, when he was employed as a teacher of English, French and German at the Evening School of Foreign Languages in Tartu.

Since 1976 he has been arrested repeatedly, held for months in prison, been interrogated and had his home searched and belongings confiscated. All of this because of his activities in monitoring the Helsinki process. Concentrated harassment by the authorities began after he along with other Baltic nationalists signed the "Baltic Appeal" to the United Nations and several governments on the 40th anniversary of the Molotov-Ribbentrop Pact in 1979. This 1939 agreement opened the way for Soviet troops to march into Estonia, Latvia and Lithuania. The Appeal called for the Pact's repeal and for the right to self-determination for the three Baltic nations.

On November 13, 1979 Mart Niklus was dismissed from his post at the Evening School. On March 3, 1980 his request to emigrate to Sweden to join his brother was denied. He was again arrested on April 29, 1980, one day after the KGB forced him to leave the hospital where he was being treated for neuritis of the back—a condition resulting from his first eight years in forced labor camps. He was charged under Article 68-2 of the Estonian Soviet Socialist Republic Criminal Code for "anti-Soviet agitation and propaganda." The punishment by law is ten years imprisonment plus five years of internal exile. On August 23, 1980 Mr. Niklus started a hunger strike. His investigation was completed on December 2, 1980 and he was brought to trial on January 5, 1981. On January 8 he was sentenced to ten years of forced labor plus five years of internal exile. He has vowed to continue his hunger strike. We must note that the trial was held during the recess of the Madrid Conference on Security and Cooperation in Europe (the second follow-up to evaluate progress of Helsinki Accords).

Juri Kukk: Born in Parnu; age 40. Married and the father of a son, 12, and a daughter, 8. He graduated from Tartu University with a degree in chemistry and was subsequently employed as an assistant professor. During 1975/76 he studied in France. As a result of his study abroad, he renounced his membership in the Communist Party in 1978, requested that his Soviet citizenship be voided and that he be permitted to emigrate. On September 20, 1979 he was suspended from the university.

During 1979 and early 1980 Mr. Kukk signed numerous human rights documents and appeals that have reached the West. He was arrested in Moscow on January 28, 1980 after leaving the car of an American correspondent. On March 13, 1980 he was arrested again after a search of his apartment and confiscation of numerous manuscripts and his typewriter. He is accused of violating Article 194-1 of the Criminal Code for "spreading fabrications slandering the Soviet system," for which the law prescribes up to three years of forced labor. He was forced to undergo psychiatric examinations in Tallinn and Moscow and was declared sane. On November 25, 1980, he started a hunger strike in support of Mart Niklus. Tried at the same time as Niklus, Kukk was sentenced to two years of forced labor.

It is very unlikely that either will survive their imprisonment . . .

Recently, we all shared in the happiness and patriotism of the American prisoner release from Iran. We watched them come home to enjoy and treasure the freedoms of America. It is our fervent hope that one day Niklus and Kukk can partake of these same freedoms and their attendant responsibilities.●

WOOD: AN ANCIENT FUEL WITH A NEW FUTURE

● Mr. KENNEDY. Mr. President, a recent report by the Worldwatch Institute on the future of wood as an energy source is an excellent summary of wood's potential and a fair and balanced assessment of its problems. One of the aspects of this report that I found most interesting is that wood has recently surpassed nuclear power as a source of energy in the United States.

I commend this report to my colleagues, and I also commend its author, Mr. Nigel Smith, on the quality and comprehensiveness of the report he has prepared. I ask that a summary of the report, entitled "Wood: An Ancient Fuel With a New Future" may be printed in the RECORD.

The report follows:

WOOD: AN ANCIENT FUEL WITH A NEW FUTURE

Wood, humanity's oldest fuel, has a bright future, according to a new study released today in Washington by Worldwatch Institute. By the end of the century, wood fuel use around the world is likely to increase by at least 50 percent.

"Wood's potential contribution to the U.S. energy budget is even more promising," said Nigel Smith, author of the report, Wood: An Ancient Fuel With a New Future. "Wood has recently surpassed nuclear power as a source of energy in the United States and could provide up to one-fifth of the country's energy by the year 2000."

Forests cover about one-quarter of the earth's land surface, from the humid tropics to the vast expanses of coniferous and hardwood forests in Canada, the United States, and the Soviet Union. Wood resources are much more evenly distributed than natural gas, coal, or petroleum are. As a result, far more countries can turn to it as a significant, renewable source of energy.

"Most of the wood burned today is for residential cooking and heating," said Smith, a researcher with the international organization. "Approximately half the world's population still uses wood in this manner. In some countries, such as Ethiopia, Thailand, and even oil-rich Nigeria, nine out of ten families rely on this traditional fuel. For most Third World nations, the higher cost of kerosene and other fuels leaves them little choice but to continue to cook and heat their homes with wood and charcoal.

"Of the industrial nations," Smith noted, "the United States was one of the last to switch to home heating with fossil fuels, and it is now on the crest of the wave of nations returning to wood. Seven percent of the homes in the country are now entirely or partly heated with wood stoves or furnaces, and the proportion is steadily creasing. The trend is particularly apparent in the New England states, where about half the homes rely on wood to meet at least part of their heating needs."

The use of wood in industry has followed a similar path, according to the study. In the mid-sixties, wood-fired industrial boiler sales represented a negligible percentage of all boiler sales in the United States; by the mid-seventies, they had climbed to 5 percent of the total. Manufacturers of wood products have literally found energy resources in their factory yards. The U.S. pulp and paper industry now provides 50 percent of its own energy from waste products, while Swedish paper companies obtain 60 percent of their energy from wood scraps and pulp residue.

To improve the efficiency and the convenience of using wood in industry, machines have been developed that shred trees into matchbox-sized chips. Burlington, Vermont, plans to build a 50-megawatt wood-chip furnace that will generate electricity for 20,000 city residents. Wood waste is also being bound together into small pellets that can be used directly in coal furnances. Pellets are denser and drier than wood chips, so they can be transported economically over great distances. An added advantage is that their use is virtually pollution-free.

"Wood can also be used to produce methanol, a promising substitute for gasoline and diesel fuel," the author pointed out. "Wood alcohol is clean-burning, creates none of the environmental problems as-

sociated with coal gasification, and is technologically feasible. Its production is particularly suitable in heavily forested countries lacking their own oil resources. High production costs suggest methanol is cost-effective once gasoline reaches $3 to $4 a gallon, a price many motorists outside North America are already paying. The United States, Canada, France, and Brazil are refining the technology for producing methanol in preparation for the day, probably before the end of the century, when wood will become an important source of liquid fuel."

"The economic case for switching to wood gains strength with every increase in the price of oil and natural gas," Smith observed. "In the United States, homeowners using heating oil, which is expected to exceed $1.25 a gallon by spring 1981, would be advised to switch to a wood stove if they live in an area where a cord of wood costs less than $150. Large wood-fired boilers are also economical. The Burlington utility expects to generate electricity at a cost 20 percent below that of a comparable coal-fired plant."

The growing reliance on wood energy is not without environmental hazards, according to the study. Wood fuel exploitation is exceeding the regenerating capacity of forests in many Third World nations, and woodlands are shrinking steadily. Indiscriminate harvesting of fuelwood is having a devastating effect on thousands of plant and animal species in tropical forests. Atmospheric pollution from wood burning is also of growing concern. In Vail, Colorado, a limit of one wood stove per household has been set for new housing, while wood fires are already banned in London and in South Korean cities in order to reduce air pollution.

"None of these environmental problems are insurmountable," Smith said. "Small precipitators installed in chimneys can reduce harmful effluents and more-efficient stoves designed for short-lived, intense fires would emit fewer noxious compounds. The establishment of tree plantations can help reverse the process of deforestration. In fact, a fivefold increase in tree plantings is needed around the world just to ease firewood shortages, which are particularly severe in some parts of the Third World. If the world can gear up to this level of planting, wood fuel use could grow even faster than projected."

There are encouraging signs that public institutions are becoming more aware of the renewed potential of wood as a fuel, Smith concluded. The World Bank has increased loans for forestry projects tenfold in the last decade. The U.S. Forestry Service is now offering free technical assistance to people with woodlots and the Tennessee Valley Authority arranges interest-free loans for individuals who wish to switch from electrical heating to wood stoves. As petroleum supplies dwindle and as the economic and environmental costs of developing coal reserves and producing synthetic fuels become more apparent, more and more countries are likely to see trees as a wise energy investment. ●

MARSHALL MATZ ON BUDGET CUTS FOR SCHOOL LUNCHES

● Mr. KENNEDY. Mr. President, one of the major reductions in Federal spending recommended by the Reagan administration in its recent budget proposal is a cut of $1.5 billion from the child nutrition program in 1982.

The administration maintains that the cut will not affect poor children. Indeed, school nutrition programs for low-income children are listed among the components of the "social safety net" that will be spared from sharp reductions.

Nevertheless, there is widespread concern among those familiar with the child nutrition budget that many needy children will in fact, be affected by the proposed cuts. Yesterday, for example, in an important op-ed article in the New York Times, Marshall Matz, an expert familiar to many of us, explained in detail why it is so difficult, because of the structure of the school lunch program, to make substantial reductions without hurting poor children.

Mr. President, I believe that Mr. Matz's article will be helpful to all of us in Congress as we begin to analyze the impact of the administration's proposals, and I ask that it may be printed in the RECORD.

The article follows:

[From the New York Times, Feb. 23, 1981]

'BYE, SCHOOL LUNCHES FOR THE "TRULY NEEDY"

(By Marshall L. Matz)

WASHINGTON.—While seeking to cut $1.575 billion from the $3.918 billion child-nutrition budget in fiscal 1982, the Reagan Administration has listed school lunches for the "truly needy" as one of seven programs that will not be affected by the drive to reduce Federal spending. On the contrary, poor children will be affected, for millions who qualify for a free or reduced-price lunch under the nutrition program stand to be lopped from it.

Granting that the Administration is proceeding in good faith, it appears that its analysis of the lunch program is being limited to only one dimension: direct Federal support to the states for free lunches.

Students qualifying for a reduced-price lunch are not being considered "truly needy," and the Federal subsidy for such lunches would be slashed substantially. Though some six million middle-class students—those whose family of four earns more than $15,630 a year—are likely to drop out of the program because of dramatic increases in lunch prices, the Administration apparently considers this irrelevant to the availability of the program to the poor. However, as participation drops, many schools, unable to finance the programs or unwilling to continue them because they no longer serve all the students, will end them, and they will be lost to the entire community, including the poor. Overall, of the 27 million in the program, conservatively nine million can be expected to drop out or be forced out.

The Agriculture Department's commodity-support program constitutes a major part of the proposed cutback in general assistance. Commodity support, unlike cash assistance, cannot be divided between free and paid meals. The commodities (such as potatoes, peaches, ground beef) are shipped in bulk to the states and then to schools; it is not possible for cooks to use different amounts of such commodities in preparing free meals and paid meals. Thus, the commodity cut will be felt across the board, affecting poor children receiving free lunches along with everyone else.

Not considered in the President's claim that the $1.575 billion cut will not hurt the "truly needy" is the effect on lunches of the Administration's proposal to deduct the cost of school meals from a person's food-stamp allotment. This request, labeled a "food-stamp cut," seems to be viewed as irrelevant to the lunch program. Other assistance called "nonessential" includes nutrition education and training, as well as equipment assistance to schools, both of which benefit the poor.

Under current law, the general subsidy for each lunch served in the 1981–82 school year (fiscal 1982) will be 39.5 cents per student per meal in cash and commodities. If the Administration's proposals are enacted, the 39.5 cent subsidy will be completely eliminated and the cost of a lunch can be expected to approximately double. It is this cut that represents the bulk of the child-nutrition savings. It is also this modest subsidy to middle-class students that has prevented the lunchroom from becoming economically and, in some cases, racially segregated.

The school-lunch program operates like a business. It receives income from four sources—Federal, states, and local governments, and the students—and if income does not equal expenses, local programs will close. Unlike food stamps or aid to families with dependent children, the lunch program does not involve direct payment to individuals. All income, from whatever sources, goes into the same school-lunch cash register: It is not possible to withdraw $1.575 billion from the child-nutrition budget and reasonably expect that the poor will not be affected.

The Federal effort to eliminate child malnutrition dates back at least to the creation, in 1946, of the national school-lunch program. Since then, the Federal commitment to child nutrition has grown steadily, along with the evidence of its success. When a team of medical doctors returned in the late 1970's to the poor rural counties they had visited 10 years earlier to determine if any progress had been made in combating hunger, they concluded, and reported to Congress: "Our first and overwhelming impression is that there are far fewer grossly malnourished in this country today than there were 10 years ago." Their report attributed the progress directly to Federal nutrition programs.

America's nutrition programs have been amazingly successful, perhaps more than any other social-policy endeavor. The "war on hunger," originally declared by President Richard M. Nixon in 1969, has been an unsung bipartisan success story that has dramatically reduced malnutrition and increased human productivity. It is incumbent on those who advocate cutting back our nutrition programs to show that such changes will not reverse the progress we have made.

Marshall L. Matz, formerly general counsel to the Senate Select Committee on Nutrition and Human Needs, and formerly special counsel to the Senate Committee on Agriculture, Nutrition, and Forestry, is a lawyer whose clients include the American School Food Service Association. ●

CONCLUSION OF MORNING BUSINESS

Mr. STEVENS. Mr. President, is there further morning business?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR BAUCUS ON THURSDAY, FEBRUARY 26, 1981

Mr. STEVENS. Mr. President, I ask unanimous consent that, following Senator JEPSEN's special order on Thursday,

February 26, Senator BAUCUS be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO HOLD H.R. 31 AT THE DESK

Mr. STEVENS. Mr. President, I ask unanimous consent that when the Senate receives H.R. 31, a bill to amend the Truth-in-Lending Act to encourage cash discounts, from the House of Representatives, it be held at the desk pending further disposition.

Mr. MATSUNAGA. Mr. President, reserving the right to object, it is my understanding that this matter has been cleared with the minority leader and the ranking member of the appropriate committee. I do not object.

Mr. STEVENS. The Senator is correct, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY FOR THE COMMITTEE ON ENERGY AND NATURAL RESOURCES TO MEET DURING THE SESSION OF THE SENATE TODAY

Mr. STEVENS. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be allowed to meet during the session of the Senate today to hear Secretary of the Interior James Watt and Deputy Secretary of Agriculture Richard Lyng present their respective Department requests on the President's economic package. I might say parenthetically, this is after the fact, but it is necessary to legitimize the action taken by the committee today.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO HOLD AT THE DESK NOMINATION OF THOMAS W. PAUKEN, OF TEXAS, TO BE DIRECTOR OF ACTION

Mr. STEVENS. Mr. President, I ask unanimous consent that the nomination of Thomas W. Pauken, of Texas. to be Director of ACTION, be held at the desk pending further disposition.

Mr. MATSUNAGA. Mr. President, reserving the right to object, and I shall not object. this matter has been cleared with the leadership on this side. I do not object.

Mr. STEVENS. I thank the Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL THURSDAY, FEBRUARY 26, AT 11 A.M.

Mr. STEVENS. Mr. President. I ask unanimous consent that the Senate stand in recess pursuant to the previous order.

There being no objection. the Senate, at 6:21 p.m., recessed until Thursday, February 26, 1981, at 11 a.m.

NOMINATIONS

Executive nominations received by the Secretary of the Senate February 23, 1981, under authority of the order of the Senate of February 19, 1981:

FEDERAL RAILROAD ADMINISTRATION

Robert W. Blanchette, of Maryland, to be Administrator of the Federal Railroad Administration, vice John McGrath Sullivan, resigned.

INTERNAL REVENUE

Roscoe L. Egger, Jr., of the District of Columbia, to be Commissioner of Internal Revenue, vice Jerome Kurtz, resigned.

IN THE AIR FORCE

The following officers for appointment in the Regular Air Force, in grades indicated, under the provisions of section 8284, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated, and with dates of rank to be determined by the Secretary of the Air Force:

MEDICAL CORPS

To be captain

Church, Tommie G., xxx-xx-xxxx.

To be first lieutenant

Christensen, Alan W., xxx-xx-xxxx.
Dailey, Mary L., xxx-xx-xxxx.
Deering, Joseph A., xxx-xx-xxxx.
Fernandez, Douglas K., xxx-xx-xxxx.
Gibeily, George J., xxx-xx-xxxx.
Goetz, David W., xxx-xx-xxxx.
Greenberg, Daniel J., xxx-xx-xxxx.
Greenberg, Rosemary T., xxx-xx-xxxx.
Lacy, Diane C., xxx-xx-xxxx.
Lesser, John D., II, xxx-xx-xxxx.
Lischak, Michael W., xxx-xx-xxxx.
Moeller, Gerhard, xxx-xx-xxxx.
Morin, Garrison V., xxx-xx-xxxx.
Ohara, Mary A., xxx-xx-xxxx.
Rehe, Gregory T., xxx-xx-xxxx.
Roth, Rudolf R., xxx-xx-xxxx.
Shaughness, George P., xxx-xx-xxxx.
Strollo, Patrick J., xxx-xx-xxxx.
Zefo, Nancy, xxx-xx-xxxx.

DENTAL CORPS

To be captain

Haney, Stephen J., xxx-xx-xxxx.
Kretzschmar, David P., xxx-xx-xxxx.
Mitchell, Melvin G., xxx-xx-xxxx.
Reagan, Stephen E., xxx-xx-xxxx.
Snyder, James L., Jr., xxx-xx-xxxx.

To be first lieutenant

Stanya, Andrew E., xxx-xx-xxxx.

NURSE CORPS

To be captain

Liberty, Gail N., xxx-xx-xxxx.

The following cadet, U.S. Air Force Academy, for appointment in the Regular Air Force in the grade of second lieutenant, effective upon his graduation, under the provisions of sections 8284 and 9353, title 10, United States Code. Date of rank to be determined by the Secretary of the Air Force.

LINE OF THE AIR FORCE

Riggins, James, xxx-xx-xxxx.

The following persons for appointment as Reserve of the Air Force, in grade indicated, under the provisions of section 593, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated.

MEDICAL CORPS

To be lieutenant colonel

Abraham, David A., xxx-xx-xxxx.
Blum, Herbert, xxx-xx-xxxx.
Boll, Karl H., xxx-xx-xxxx.
Buchanan, James R., xxx-xx-xxxx.
Craig, William F., xxx-xx-xxxx.
Dahlke, Francis G., xxx-xx-xxxx.
Davis, Charles W., xxx-xx-xxxx.
Desadier, Bennett B., xxx-xx-xxxx.
Doran, Frederick G., xxx-xx-xxxx.
Douglas, Glen A., xxx-xx-xxxx.
Edwards, Charles H., xxx-xx-xxxx.
Elm, Stephen R., xxx-xx-xxxx.
Floyd, John, xxx-xx-xxxx.
Gonzalez, Salvador J., xxx-xx-xxxx.
Hermann, Howard T., xxx-xx-xxxx.
Hilberg, Leland E., xxx-xx-xxxx.
Johnson, Larry D., xxx-xx-xxxx.
Johnson, Tom L., xxx-xx-xxxx.
Kemp, Wallace R., Jr., xxx-xx-xxxx.
Kwittken, Herbert, xxx-xx-xxxx.
Laude, Walter E. H., xxx-xx-xxxx.
Lautt, Marvin E., xxx-xx-xxxx.
Mendlick, Richard M., xxx-xx-xxxx.
Mimoso, Jose J., xxx-xx-xxxx.
Moore, James D., xxx-xx-xxxx.
Nicklas, Thomas O., xxx-xx-xxxx.
Poel, Richard A., xxx-xx-xxxx.
Roberts, Douglas J., Jr., xxx-xx-xxxx.
Ryan, Michael N., xxx-xx-xxxx.
Sheppard, Robert G., xxx-xx-xxxx.
Shipley, Robert N., xxx-xx-xxxx.
Swartz, Warren E., xxx-xx-xxxx.
Terrell, Paul W., xxx-xx-xxxx.
Thomas, Thomas C., xxx-xx-xxxx.
Torgerson, John R., xxx-xx-xxxx.
Vermilyea, Bayard C., xxx-xx-xxxx.
Walters, William E., xxx-xx-xxxx.
Weiss, Carl B., xxx-xx-xxxx.
White, Asher R., xxx-xx-xxxx.
Wolfe, John M., xxx-xx-xxxx.

The following persons for appointment as Reserve of the Air Force (ANGUS) in the grade indicated, under the provisions of sections 593 and 8351, title 10, United States Code, with a view to designation under the provisions of Section 8067, title 10, United States Code, to perform the duties indicated.

MEDICAL CORPS

To be lieutenant colonel

Cutler, William H., xxx-xx-xxxx.
DeCarlo, Gasto, xxx-xx-xxxx.
Foor, Robert D., xxx-xx-xxxx.
Giles, Raymond B., xxx-xx-xxxx.
Goldstein, Frederick P., xxx-xx-xxxx.
Kuhn, John E., xxx-xx-xxxx.
Schubert, Justin C., xxx-xx-xxxx.
Steigmeyer, David J., xxx-xx-xxxx.
Tibbetts, Donald E., xxx-xx-xxxx.

The following persons for appointment as Reserve of the Air Force (ANGUS) in the grade indicated, under the provisions of sections 593 and 8351, title 10, United States Code, to perform the duties indicated.

LINE OF THE AIR FORCE

To be colonel

Scully, Thomas J., xxx-xx-xxxx.
Thomason, Richard H., xxx-xx-xxxx.

The following officers for promotion in the Air Force Reserve, under the provisions of sections 593 and 8376, title 10, United States Code.

Lieutenant colonel to colonel

MEDICAL CORPS

Candy, Jon W., xxx-xx-xxxx.
Carver, Richard F., xxx-xx-xxxx.
Green, Paul F., xxx-xx-xxxx.
Holbrook, James M., xxx-xx-xxxx.
Mabeus, Duane F., xxx-xx-xxxx.
Mapes, Donald L., xxx-xx-xxxx.
Ortiz, Jesus, xxx-xx-xxxx.
Richter, Jaroslav K., xxx-xx-xxxx.
Stewart, Andrew M., xxx-xx-xxxx.
Winer, Bernard A., xxx-xx-xxxx.

Major to lieutenant colonel

LINE OF THE AIR FORCE

Baker, Roy B., III, xxx-xx-xxxx.
Benham, Clarence, Jr., xxx-xx-xxxx.
Beyer, Mary D., xxx-xx-xxxx.
Brown James E., Jr., xxx-xx-xxxx.
Brown, Richard C., xxx-xx-xxxx.
Calligan, Patrick J., xxx-xx-xxxx.
Curry, Robert G., xxx-xx-xxxx.
Deconti, Richard C., xxx-xx-xxxx.
Deluca, Robert, xxx-xx-xxxx.
Doughty, Benjamin T., Jr., xxx-xx-xxxx.
Fuller, Robert A., xxx-xx-xxxx.
Gillaspy, Edward D., xxx-xx-xxxx.
Han, Melvin T. S., xxx-xx-xxxx.
Hightower, Jerry B., xxx-xx-xxxx.

Janson, Gotthard, III, xxx-xx-xxxx
Jones, Marvin G., xxx-xx-xxxx
Kaye, Robert, xxx-xx-xxxx
Linton, William, Jr., xxx-xx-xxxx
Lockhart, Charles R., xxx-xx-xxxx
Lystlund, James R., xxx-xx-xxxx
Mack, Oliver T., xxx-xx-xxxx
McAndrew, William H., xxx-xx-xxxx
McGown, Robert W., xxx-xx-xxxx
Mokuau, Norma L. K., xxx-xx-xxxx
Moss, Dennis D., xxx-xx-xxxx
Orsini, Joseph A., xxx-xx-xxxx
Payne, David L., xxx-xx-xxxx
Pearson, Donald J., xxx-xx-xxxx
Reinhard, James T., xxx-xx-xxxx
Roy, Osborne J., xxx-xx-xxxx
Salinas, Gilberto, Jr., xxx-xx-xxxx
Sato, Rodney T., xxx-xx-xxxx
Shaughnessy, Dale J., xxx-xx-xxxx
Tagnesi, John P., xxx-xx-xxxx
Voxland, Michael D., xxx-xx-xxxx
Warniment, Daniel A., xxx-xx-xxxx
Welch, Russell C., xxx-xx-xxxx
William, Tate P., xxx-xx-xxxx
Williams, Jimmy R., xxx-xx-xxxx
Wood, John T., xxx-xx-xxxx

Major to lieutenant colonel

CHAPLAIN CORPS

Mahon, John J., xxx-xx-xxxx
Nielsen, Ralph R., xxx-xx-xxxx

DENTAL CORPS

Knight, James S., III, xxx-xx-xxxx
Wongwai, George W., xxx-xx-xxxx

MEDICAL CORPS

Antonio, Melvin Q., xxx-xx-xxxx
Aportela, Sinesio Z., xxx-xx-xxxx
Araozfraser, Gonzalo, xxx-xx-xxxx
Bedford, Alfred J. M., xxx-xx-xxxx
Bloodworth, Leon P., xxx-xx-xxxx
Cabal, Eustaquio V., Jr., xxx-xx-xxxx
Cohen, Edward L., xxx-xx-xxxx
Corrales, Consuelo L., xxx-xx-xxxx
Crawford, Raymond S., III, xxx-xx-xxxx
Dealdayflores, Ruby, xxx-xx-xxxx
Fan, Warner J., xxx-xx-xxxx
Gale, Tristan M., xxx-xx-xxxx
Greenman, John J., xxx-xx-xxxx
Hart, Robert R., xxx-xx-xxxx
Hess, George W., xxx-xx-xxxx
Hohn, Gerald J., xxx-xx-xxxx
Leibrecht, Murl E., xxx-xx-xxxx
Mikelatos, Spyridon H., xxx-xx-xxxx
Naval, Icarangal A., xxx-xx-xxxx
Olson, John M., xxx-xx-xxxx
Phillips, Daniel G., xxx-xx-xxxx
Pueblatarilonte, Jose L., xxx-xx-xxxx
Sago, Alvin L., xxx-xx-xxxx
Sau, Kadan C., xxx-xx-xxxx
Sau, Purnima S., xxx-xx-xxxx
Sievert, Jose L., xxx-xx-xxxx
Sigas, Ibis D., xxx-xx-xxxx
Sigler, Robert W., xxx-xx-xxxx
Trujillo, Joel, xxx-xx-xxxx
Vanmeter, Francis M., Jr., xxx-xx-xxxx
Wang, George Y. M., xxx-xx-xxxx
Williams Josie R., xxx-xx-xxxx
Zimmerman, Robert G., xxx-xx-xxxx

NURSE CORPS

Anderson, Dorothy A., xxx-xx-xxxx

BIOMEDICAL SCIENCES CORPS

Carter, Malcolm J., xxx-xx-xxxx
Myers, Milo G., xxx-xx-xxxx

The following named officers for promotion in the United States Air Force, under the appropriate provisions of Chapter 839, Title 10, United States Code, as amended.

Major to lieutenant colonel

LINE OF THE AIR FORCE

Schwab, Charles F., xxx-xx-xxxx
Singleton, James A., III, xxx-xx-xxxx

The following named officers for promotion in the Regular Air Force under the appropriate provisions of Chapter 835, Title 10, United States Code, as amended. Officers are subject to physical examination required by law.

LINE OF THE AIR FORCE

Captain to major

Bogis, Talivaldis M., xxx-xx-xxxx
Jacobs, Jerry A., xxx-xx-xxxx

BIOMEDICAL SCIENCES CORPS

Fickess, Robert J., xxx-xx-xxxx

The following named Air Force officers for reappointment to the active list of the Regular Air Force, in the grade of lieutenant colonel, Regular Air Force, under the provisions of Sections 1210 and 1211. Title 10, United States Code, with active duty grade of lieutenant colonel, in accordance with Sections 8442 and 8447, Title 10, United States Code.

LINE OF THE AIR FORCE

Eagle William C., xxx-xx-xxxx
Woolwine, David F., xxx-xx-xxxx

Executive nominations received by the Senate February 24, 1981:

ACTION AGENCY

Thomas W. Pauken, of Texas, to be Director of the ACTION Agency, vice Samuel Winfred Brown, Jr., resigned.

DEPARTMENT OF TRANSPORTATION

John M. Fowler, of Pennsylvania, to be General Counsel of the Department of Transportation, vice Thomas George Allison, resigned.

IN THE COAST GUARD

The following named Reserve officers of the Coast Guard to be permanent commissioned officers in the grades indicated:

Lieutenant comander

Michael G. Barrier

Lieutenant

Phillip C. Olenik
Michael B. Slack

Lieutenant (junior grade)

Gregory F. Adams
Ken J. Balajadia
Timothy L. Beltz
John B. Carine
Robert L. Carson, Jr.
Cynthia A. Coogan
John P. Currier
Wade A. Davis
Kirk A. Davis
Ernest L. Delbueno, Jr.
Leonard P. Deutschmann
Robert E. Dunn
James A. Favero
Robert J. Fuller
Robert M. Gauvin
Keith E. Grant
Patrick K. Gregory
Debra S. Harbaugh
Charles F. Hawkins
Larry E. Hazel
Peter J. Hopkinson
Walter M. Hunt, Jr.
Stephen Jayson
Larry E. Jaeger
Ernest C. Johnson III
Michael P. Jones
William A. Kelsey
Christopher S. Kilgore
Ronald E. Kilroy
Randolph L. Klock
Arthur D. Marks
James M. McCoy
Kathryn S. Miller
Gerard M. Mooney
Ralph C. Munn
Paul B. Murray, Jr.
Gregory N. Needham
Kay L. Oxley
William R. Perrin
Michael B. Quinn
Peter R. Rennard
Gregory A. Santer
Jerome F. Schammel
Gary R. Schlabaugh
Joseph L. Sciuto, Jr.
Michael J. Skirchak
Joseph G. Spoja
Richard E. Tinker
Joseph M. Touzin
Dennis H. Turner
Michael G. Wallace
David G. Westerholm
Francis X. Whelan, Jr.
Richard M. Wright
David B. Zazzali

The following named officers of the Coast Guard Reserve for promotion to the grade of captain:

Albert C. Buechler
Joseph T. Bronaugh
Philip C. Lancey

The following named officers of the Coast Guard Reserve for promotion to the grade of commander:

Thomas R. Pike
John M. Jacobs, III
Edward R. Williams

IN THE COAST GUARD

The following graduates of the Coast Guard Academy to be permanent commissioned officers in the grade of ensign:

Robert R. Albright II
Robert M. Atkin
Gordon A. Baker, Jr.
Christine D. Balboni
Lance L. Bardo
Steven M. Barker
Kirk J. Beasley
Geoffrey L. Beausoleil
James B. Beckham
Matthew M. Blizard
Eric B. Brown
Christopher L. Bruening
Jonathan P. Burden
Kenneth R. Burgess, Jr.
Timothy E. Bushrow
Timothy M. Butler
James H. Button, Jr.
Bruce T. Campbell
Timothy M. Cantwell
Timothy C. Chenoweth
Dale L. Chittenden
Dawn A. Clampet
Kurt J. Colella
Brian C. Conroy
Harry D. Craig
Matthew B. Crawley
Thomas D. Criman
William K. Culver
Orie T. Davis
Cynthia Deens
Daryl G. Dejean
Kurt W. Devoe
Mark R. Devries
Stephen C. Duca
David M. Dunlevy
Willie M. Dupriest III
James A. Esposito, Jr.
Dean L. Faina
Daniel E. Fancher
Robert A. Farmer
Michael P. Farrell
Richard L. Feffer
Gary E. Felicetti
John C. Finley
Stephen P. Finton
Michael L. Fisher
Lucretia A. Flammang
Lyle Y. Fleck
John H. Geffken, Jr.
Joseph P. Geraghty, Jr
Preston D. Gibson
Thomas A. Giguere
Brian J. Goettler
Scot S. Graham
Mark S. Guillory
James G. Gunther
Kurtis J. Guth
Gifford A. Hammar
Paul E. J. Hansen
Warren L. Haskovec
Timothy M. Henry
Bruce E. Hensel
David L. Hill
Thomas E. Hobaica
Mark S. Hoesten
Matthew C. Holmstron
Jeffrey W. Holt
Virginia K. Holtzman
David A. Hoppell
James C. Howe
James T. P. Hubbard
Francis X. Irr, Jr.
Paul A. Jensen
Richard M. Kaser
Terrence P. Keenan
Jonathan S. Keene
Craig A. Kohler
Robert E. Korroch
Scott L. Krammes
David W. Kranking
Daniel T. Kuhn
Judith E. Lake
Daniel A. Laliberte
John M. Lang, Jr.
Alexander R. Larzelere II
Robert J. Legier
Eric M. Linton
Robert M. Loesch
Marshall B. Lytle III
Daniel R. MacLeod
Robert J. Malkowski
Jay G. Manik
David J. Markland
Mary E. McCaffrey
Douglas A. McCann
Kevin L. McCarron
Skye McClain
James C. McPhetridge
William L. Michaels
Darrell E. Milburn
Steven J. Minutol.
Patrick J. Moran
Pamela Morrow
Carol C. Munch
Ivan R. Nance
John R. Ochs
Steven J. Ohnstad
Peter K. Oittinen
Thomas P. Ostebo
Christopher J. Paquette
Frank M. Paskewich, Jr.
Brian D. Perkins
Mark A. Prescott
George G. Privon
John M. Prokop
Kevin B. Rahl
Michael F. Rall
Charles W. Ray
Richard A. Rendon
Anthony S. Reynolds
Joseph H. Rogers
Thomas J. Rogers
Larry J. Rudy
Mark D. Rutherford
Peter H. W. Ryba
Joseph P. Sargent, Jr.
Craig V. Sattergren
Vincent F. Scalesse
Scott D. Schaefer
Bryan D. Schroder
Kenneth H. Sherwood
Richard M. Skillman
Bradley S. Snowball
Michael J. Sobey
Warren E. Soloduk
Donald S. Stadtfeld
Richard A. Stanchi
Keith P. Steinhouse
David S. Stevenson
Brad J. Suchanek
Brian T. Sullivan
Philip H. Sullivan
Brian K. Swanson
Terrence W. Swanson
Jon B. Tingley
Patrick B. Trapp
David J. Turner
George P. Vance, Jr.
Robin M. Voiles
Melisse A. Wall
Sandra M. Wiemann
Thomas H. Willis, Jr.
Daniel M. Wray
John W. Yager, Jr.
Milan T. Yagodich
David L. Yienger
Timothy J. Youmans
Mark H. Young
Jennifer L. Yount

The following officer of the U.S. Coast Guard for promotion to the grade of lieutenant (junior grade):

James R. Yacobi, Jr.

IN THE NAVY

The following named Naval Reserve Officers Training Corps candidates to be appointed permanent ensign in the line or staff corps of the U.S. Navy, subject to qualification therefor as provided by law:

Digan, Thomas E.
Donovan, John L.
Greene, Stephen
Haberlin, Karen M.
Heiner, Lily A.
Henderson, Jeffrey S.
Horne, Charles T., III
Lane, Peter M.
Law, Robert H.
Mollar, Mark A.
Morgan, Catherine L. H.
Palmer, Michael A.
Reed, Fred E., Jr.
Rodriguez, Raul D.
Seerden, Diane E.
Threlkeld, Robert D.
Tickner, Richard D.
Wallick, David M.
Webb, Billy E.

The following named candidates in the Enlisted Commissioning Program to be appointed permanent ensign in the line or staff corps of the U.S. Navy, subject to qualification therefor as provided by law:

Ackerman, Michael W.
Baisey, Charles W.
Baker, Randall D.
Black, Benjamin
Braxton, Roosevelt, Jr.
Breon, John C.
Campbello, Florencio L.
Chappelle, Harlan H.
Cody, Percy D., III
Dailey, Charles H.
Davis, Jerry L.
Dexter, Michael D.
Ewald, Terrence L.
Froger, Gary R.
Garner, Michael J.
Gilreath, Roy L.
Graybill, Jerry L.
Hafley, Johanna L.
Hoyle, Jeffrey E.
Jarvis, John T.
Jones, Terry G.
Jordon, Thomas J.
McGunigale, Richard A.
Olson, James L.
Osborne, Gregory D.
Page, Garry K.
Pasarilla, Michael D.
Peterson, Charles
Potter, Eddie R.
Powell, Jonny L.
Ray, William R.
Skinner, Gregory H.
Smith, Timothy L.
Smolana, Kenneth V.
Sopko, Joseph A.
Stiglich, Joseph F.
Taylor, Jeffrey J.
Terrill, Bonita M.
Vaughn, Roy C.
Volluz, Raymond M.
Whiter, Jamie F.
Wright, Steven G.
York, David A.

Richard H. Harper, Naval Reserve Officer, to be appointed a permanent commander in the Dental Corps of the U.S. Navy, subject to qualification therefor as provided by law.

John C. Mangrum, Naval Reserve Officer, to be appointed a permanent lieutenant commander in the Medical Corps of the U.S. Navy, subject to qualification therefor as provided by law.

Stephen M. Golden, Naval Reserve Officer, to be appointed a permanent lieutenant commander and temporary commander in the Medical Corps of the U.S. Navy, subject to qualification therefore as provided by law.

The following-named Navy officers to be appointed permanent lieutenant in the Medical Corps of the U.S. Navy, subject to qualification therefor as provided by law:

Adsit, William S.
Almond, Myron D.
Anderson, Gareld W.
Bacon, Glenn S.
Biggs, Paul R.
Blacky, Albert R.
Bozman, Raymond E.
Castner, Thomas D.
Diggs, Thomas E., II
Edmunds, John H.
Ellis, Richard B.
Eshman, Stephen J.
Fahlgren, Michael W.
Faircloth, Daniel E.
Franke, Randal C.
Gerhard, Harry J.
Hall, Frank W.
Hayashi, Konrad E.
Holm, Lawrence M.
Huisman, Thomas K.
Johnson, Kathryn L.
Kemerer, William J., Jr.
Kingsman, Kilton D.
Lamb, Harold B., Jr.
Linenger, Jerry M.
Lopez, Ismael P.
Mariano, Eleanor C.
Meyers, Harry F.
Moffat, Mitchell G.
Munson, Keith D.
Norconk, James J., Jr.
Peacock, Ivan Y.
Piech, Richard F.
Rosende, Carlos A.
Wade, David S.
Walker, Susan J.
Wilson, Dennis A.

The following-named temporary chief warrant officers, W-3, to be appointed permanent chief warrant officers, W-2, in the U.S. Navy, subject to qualification therefore as provided by law:

Ashworth, Rodney E.
Beavers, Harvie D.
Driscoll, Steven L.
Green, Rheuben W., Jr.
Heard, Clayton J.
Hubbard, David L.
Moddesette, Anthony
Orvis, Terry J.
Rothe, Edward L., Jr.
Ruiz, David P.
Schafer, George W.
Wright, James M.
Zembuch, John A.

The following named temporary chief warrant officers, W-2, to be appointed permanent chief warrant officers, W-2, in the U.S. Navy, subject to qualification therefor as provided by law:

Augsburger, John A.
Hardin, Larry G.
Hinkle, Wilbur G.
McCall, Michael W.
McChesney, Adrian M.
McQuay, Edgar, Jr.
O'Shaughnessy, Larry
Pemberton, John A.
Smith, Benjamin H.
Yankovich, Edward P.

The following named Navy enlisted candidates to be appointed permanent chief warrant officer, W-2, in the U.S. Navy, subject to qualification therefor as provided by law:

Bozeman, Jerry C.
Delarosa, Armando S.
Hanks, Donald W.
McClearn, Donald B.
Nickerson, Roger A.
O'Connor, Thomas F.
Skoblicki, Thomas W.
Warf, Terry L.
Wrobel, Phillip W.

The following named Navy enlisted candidates to be appointed ensign in the U.S. Navy, for limited duty, for temporary service, subject to qualification therefor as provided by law:

Becklehimer, Jerrold L.
Bjelland, Robert E.
Blankenship, Maurice R.
Floyd, Benjamin W., Jr.
Higgins, Joseph E.
Hollis, Rodney E.
Smith, Clyde F. B., II
Upshaw, James I.

The following named chief warrant officers to be appointed lieutenant (junior grade) in the U.S. Navy, for limited duty, for temporary service, subject to qualification therefor as provided by law:

Arvin, James W.
Ashworth, Rodney E.
Augsburger, John A.
Beavers, Harvie D.
Cornelius, Eddie J.
Cowart, Henry L.
Crawford, Frank L., Jr.
Driscoll, Steven L.
Evans, Robert W.
Green, Rheuben W., Jr.
Hammond, Rodric G.
Hardin, Larry G.
Heard, Clayton J.
Hinkle, Wilbur G.
Hubbard, David L.
Johnson, William I.
Koca, Richard L.
Krause, Walter H., Jr.
Loporto, Gerald E.
Magaraci, Francisco
Maynard, Paul
McCall, Michael W.
McChesney, Adrian M.
McQuay, Edgar, Jr.
Moddesette, Anthony
Moran, L. Bernard
Murdock, Judson W.
Orvis, Terry J.
O'Shaughnessy, Larry
Outram, Cloyce W.
Pemberton, John A.
Penczek, Paul S.
Reher, Laurence W., II
Rothe, Edward L., Jr.
Royal, William T.
Ruiz, David P.
Schafer, George W.
Smith, Benjamin H.
Smith, John E.
Stamm, William P.
Teague, James E.
Teemley, Dennis D.
Thomas, Clarence A. J.
Waddell, Thomas R.
Walkley, Gary F.
White, Charles M.
Winston, Herbert C.
Wright, James M.
Wright, Wayne A.
Yankovich, Edward P.
Zembuch, John A.

Lawrence P. McDonald, ex-Reserve officer, to be appointed a permanent captain in the Medical Corps in the Reserve of the U.S. Navy, subject to qualification therefor as provided by law.

John T. Elkins, Jr., civilian college graduate, to be appointed a permanent captain in the Medical Corps in the Reserve of the U.S. Navy, subject to qualification therefor as provided by law.

The following named civilian college graduates to be appointed permanent commander in the Medical Corps in the Reserve of the U.S. Navy, subject to qualification therefor as provided by law:

Casebeer, Harvey L.
Flynn, Michael B.
Meyer, Robert C.
Tarnowski, William M.
Wilhelm, Wesley G.

The following named Navy officers to be appointed temporary commander in the Medical Corps in the Reserve of the U.S. Navy, subject to qualification therefor as provided by law:

Broadhead, Daniel D.
Kirkorowicz, Gregory B.
Shewmake, Stephen W
Wagner, Luke P.

Thomas J. O'Neill, ex-Reserve officer, to be appointed a temporary commander in the Medical Corps in the Reserve of the U.S. Navy, subject to qualification therefor as provided by law.

Norbert R. Braeuer, civilian colleage graduate, to be appointed a temporary commander in the Medical Corps in the Reserve of the U.S. Navy, subject to qualification therefor as provided by law.

The following named Navy officers to be appointed temporary commander in the Dental Corps in the Reserve of the U.S. Navy, subject to qualification therefor as provided by law:

Brian, John D.
Detsch, Steven G.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 24, 1981:

DEPARTMENT OF AGRICULTURE

Richard E. Lyng, of Virginia, to be Deputy Secretary of Agriculture.

DEPARTMENT OF STATE

William P. Clark, of California, to be Deputy Secretary of State.

COUNCIL OF ECONOMIC ADVISERS

Murray L. Weidenbaum, of Missouri, to be a Member of the Council of Economic Advisers.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

HOUSE OF REPRESENTATIVES—*Tuesday, February 24, 1981*

The House met at 12 o'clock noon.

Dr. Arthur Voobus, pastor, First Deanery of the Estonian Lutheran Church, Oak Park, Ill., offered the following prayer:

On the occasion of the Independence Day of Estonia, let us pray:

Eternal God we give Thee thanks for the wonderful blessings in this country.

Enlarge within us the sense of fellowship with mankind's greatest part in Communist slavery, longing for freedom. Today, when the hearts of all Estonians are united, we pray: Strengthen this courageous nation whose history shows extraordinary cultural achievements, now is bleeding from countless wounds.

We pray for Mart Niklus and Jueri Kukk who embody the deepest aspirations, who now begin their cruel sentence.

O God, help us to understand how our own lives depend upon the courage and integrity of our fellow men.

Bless the President and the Congress in defending all the values mortally endangered by communism. Protect us from our enemies who conspire day and night to bury us. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

DR. ARTHUR VOOBUS

(Mr. HYDE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HYDE. Mr. Speaker, it is our distinct pleasure to welcome you to our Nation's Capital, Dr. Arthur Voobus of Oak Park, Ill., who offered the opening prayer.

It is most appropriate that Dr. Voobus join us today, for February 24 marks the 63d anniversary of the proclamation of independence of the Republic of Estonia.

Dr. Voobus was born and educated in Estonia. Before his homeland became a captive nation, he served as a Lutheran minister in Tartu, and also as a professor at the University of Tartu. Dr. Voobus has also taught at the Baltic University of Hamburg, Germany, from 1945 to 1948.

Dr. Voobus is a pastor of the First Deanery of the Estonian Lutheran Church in the United States and a member of the Consistory of the Estonian Lutheran Church in North America. He is also an internationally renowned scholar specializing in early Christianity and ancient Syrian Christianity a professor at the University of Chicago and the Lutheran School of Theology in Chicago, and the author of numerous books and studies, not only on his academic specialties, but on the scourge of communism, in this native land, and as it affects freedom throughout the world.

I know my colleagues join me in thanking Dr. Voobus for joining us today, and in wishing him continued success in his dedicated work in the church.

BUY AMERICAN

(Mr. MOTTL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOTTL. Mr. Speaker, today I have reintroduced legislation to limit imports of cars, trucks, and engines to 10 percent of our domestic market for 3 years.

Last year the big three domestic automakers suffered losses estimated at a total of $4 billion. The American automakers endured their worst sales year since 1961. Meanwhile, imported cars increased their American market share to 25 percent.

By failing until now to limit auto imports, Mr. Speaker, we are helping bleed to death one of our most vital industries employing millions of workers.

I urge support for my import quota bill. If we wait much longer, we will all know what a feeling it is to drive a Toyota—that is all the American public will be able to buy.

The tremendous social cost of our inaction is reflected in Ohio's January unemployment rate of 10.4 percent. Thousands upon thousands of Ohioans are jobless directly or indirectly because of the depressed auto industry. Our State unemployment fund is broke, and millions of dollars are being borrowed from the Federal Govement.

Time is running out. With these staggering losses, our automakers are already having trouble finding capital to develop, build, and market the smaller, fuel-efficient cars that today's circumstances demand.

It is in the national interest to assure for our auto industry an orderly transition—a transition from decades of cheap fuel and stable consumer preferences to this new period of costly fuel and suddenly shifting buying needs. For the sake of this important industry, and its workers, please join me in working for temporary import quotas.

REGULATORY REFORM

(Mr. DANIELSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANIELSON. Mr. Speaker, today we hear a great deal about regulatory reform and the abuse of the regulatory process and the unnecessary generation of paperwork. I have in my hand, Mr. Speaker, what was sent to me over the weekend with a cover letter which reads, in part:

> For your information this is the Postal Rate Commission's opinion and recommended decision on the U.S. Postal Service's proposal for increased postal rates.

This is the thing which says you will pay 18 cents an ounce to send a letter in the future. This report is 8½ by 11 inches square and 3¼ inches thick and weighs 6 pounds and 12 ounces.

Under the present postage rates it would cost $14.06 to mail it. Under the proposed new rates it would cost $17.30 to mail it.

The cost of sending this, by itself, will require an increase of 3 cents in the postage rate. The reason I am bringing this up is not just to call your attention to it, but to illustrate that we do have to do something about reforming our regulatory process. Nobody in this Congress, in this House or the other body, has the time to read this thing. Anyone who did would not be able to understand it. Anybody who read it and understood it would be so exhausted, his energies so consumed, that he would no longer be qualified to be a Member of the Congress. I know of no reason why Abraham Lincoln can give a Gettysburg Address in 3 minutes and it takes 6 pounds and 12 ounces of closely packed paper to justify a 3 cent postage increase.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. DANIELSON. I am always happy to yield to the gentleman from Ohio.

Mr. ASHBROOK. I have been listening with interest. I get the impression the gentleman is a little upset with what they have done. Is that correct?

Mr. DANIELSON. It takes a lot to upset me. I have been in politics a long time. My skin is as thick as this report. But I also want to point out is that we cannot just blame the regulators. Very probably in the organic law setting up the Postal Commission the Congress told them that they must send their reports to us for our information. So it may come right on home to roost with us.

I do say this, though. Let us get rid of this garbage. It costs a tremendous amount of money. I have no idea how many forests had to be cut down to print this thing, but if one copy went to each Member of Congress, and to each Delegate that alone would be 539 copies which translates into 3,762.25 pounds of printed matter, and we know full well that many copies were printed beyond that number.

□ 1215

RETURN TO BUSINESS AS USUAL WITH CHILE

(Mr. ZABLOCKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ZABLOCKI. Mr. Speaker, it was with deep concern that I learned from news stories of the Reagan administration's decision regarding Chile to renew Export-Import Bank credits and resume joint military exercises. A return to business as usual with Chile is a questionable move at best.

The new administration has replaced the Carter emphasis on human rights with an emphasis on international terrorism. Some Members of Congress were willing to give that change in policy a try. Not only did they feel that Mr. Carter's stress on human rights was sometimes too vocal and inconsistent but they were also genuinely concerned over a rising tide of international terrorism.

Is it not understandable then that Congress should be dismayed? Less than a week after announcing its new policy on terrorism the Reagan administration has apparently embraced Chile, a state that has clearly sponsored terrorism in our own Nation's Capital with the murder of Orlando Letelier and an American colleague. Where is the consistency in that situation?

The actions and attitude of the Chile Government, during the investigation of the Letelier murder and otherwise, has shown contempt for the judicial proceedings and precepts of democratic and civilized nations. To renew important government relations with such a regime is to reward terrorism, not punish it.

Mr. Speaker, with contradictory actions like this from Washington, how can the United States be taken seriously as a world leader and defender of democracy, and opponent of international terrorism?

To my knowledge, the decision was taken without consulting Congress. Despite the fact that the restrictions on Chile were supported by a majority of the 96th Congress no effort was made to review, justify, rationalize the decision with Congress. Regrettably, that fact does not augur well for the type of cooperative relationship with Congress promised by the administration. In fact, many in Congress may feel compelled to return to the confrontational atmosphere of the early 1970's in executive-legislative relations as a means of protecting congressional prerogatives.

TIME FOR THE GOVERNMENT TO CUT BACK

(Mr. ROTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROTH. Mr. Speaker, the residents of Green Bay, Wis., strongly support the broad thrust of President Reagan's budget-cutting strategy. A report I received today, based on results of a mail survey of 1,000 households in Green Bay, shows strong support for the President's proposed cuts in food stamps, welfare, and the CETA program.

At the same time, the people of Green Bay say that they oppose cuts in medicaid and social security disability benefits. Farm programs won the support of the majority of the people surveyed. One recurring theme was, if our dairy farms are being asked to cut back their programs, why are we not cutting back on subsidies to the tobacco growers?

By a margin of two to one, people said that they are opposed to increased spending for food stamps. Increased welfare spending was also opposed by three to one, the margin on other programs.

Mr. Speaker, I think one lady in Green Bay summed it up when she said, "Families have cut back. Small businesses have cut back. Now it's time for the Government to cut back."

ESTONIAN INDEPENDENCE DAY

(Mrs. FENWICK asked and was given permission to address the House for 1 minute.)

Mrs. FENWICK. Mr. Speaker I would like to put on the record today, as we have in the past and, I am afraid, will probably again in the future, that today is the anniversary of the independence of a small Baltic country, Estonia. Just last week we spoke also of the loss of independence of another Baltic country, Lithuania.

And most specially, we must speak of those two men who have now been sentenced, Jueri Kukk and Mart Niklus. I have seen what happens to someone who has been sent as was Mr. Kukk, to a psychiatric institution in lieu of a prison. When this man came out, and he had been there for 2 years, he could neither walk nor talk. He was absolutely shattered by the drugs and the treatment he had received. Mr. Niklus has been subjected to that, and is now under a sentence of 15 years, one of the heaviest that has ever been meted out.

Mr. Kukk was a gentle teacher. All he did, really, was to resign from the Communist Party, which of course is something that one simply cannot do. We are less than responsible than we should be as citizens of this Republic, if we do not remember these people and remember that these innocent countries were taken by an act of arms, by an agreement between Nazi Germany and the Communist Soviet Union. They were taken over by the armies of the Soviet Union, with Ribbentrop agreeing, as representative of Hitler.

That is how they lost their independence, and we are less than responsible if we do not speak for those who have no way of speaking for themselves.

Mr. ASHBROOK. Mr. Speaker, will the gentlewoman yield?

Mrs. FENWICK. I yield to my colleague from Ohio.

Mr. ASHBROOK. Mr. Speaker, I thank my colleague for making that statement. As the gentlewoman well knows, she joined 2 weeks ago in observing Lithuanian Independence Day and pointed out that those three little countries, Estonia, Latvia, and Lithuania, each are unique. Yet, in our eyes the Baltic Three, as we call them, were the first countries to be under the heel of communism, and are very much in the hearts of Americans.

I thank the gentlewoman for yielding to me.

Mrs. FENWICK. I thank my colleague. I would like to just add that this certainly is the last empire. The Soviet Union is the last empire in the world, and I think the imperialist actions of this empire should be noted here.

TERRORIST ATTACK ON RADIO FREE EUROPE/RADIO LIBERTY

(Mr. DERWINSKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DERWINSKI. Mr. Speaker, at 9:47 p.m., CET, a powerful bomb exploded in the building of Radio Free Europe and Radio Liberty in Munich, Germany. Four employees of RFE/RL were among the seven people injured. The explosion disrupted some newscasts but broadcasting was quickly resumed and soon returned to normal.

I will not speculate on the identities of the perpetrators of this terrorist act or their motives. RFE and RL are financed by this Congress. They broadcast the truth to the Soviet Union, Poland, Czechoslovakia, Hungary, Romania, and Bulgaria, where the truth is in short supply and, as a consequence, of great value.

We should be proud of the people who work for RFE and RL. They are ending the fabric of Communist lies with the bright rays of truth and hope for the people of the captive nations of Europe. I deplore this terrorist attack as an assault on freedom-loving peoples everywhere. I wish the injured a speedy and complete recovery and a rapid return to their assignments. I commend the staff of RFE/RL for their efforts in carrying out their mission, so important to the United States.

They will not be deterred.

TRIBUTE TO A RHODES SCHOLAR

(Mr. CAMPBELL asked and was given permission to address the House for 1 minute.)

Mr. CAMPBELL. Mr. Speaker, I want to pay a special tribute to a young man from my district who has been recognized for his academic excellence and humanitarian efforts. Daniel Dreisbach, the son of Dr. and Mrs. John A. Dreisbach of 304 Kenilworth Drive in Greenville, S.C., was recently named a Rhodes Scholar to study in England. He is one of 32 national recipients of the Rhodes Scholarship which grants him tuition, fees, and maintenance funds to attend one of the University of Oxford's colleges.

Mr. Dreisbach's impressive record clearly merits this honor. Currently a senior political science major at the University of South Carolina in Spartanburg, Mr. Dreisbach graduated from Bob Jones Academy of Greenville in 1977. His concern for his fellow man took him to Africa for 1 year where he worked for humanitarian projects. His father was also a medical missionary in Africa for many years and now is associated with Bob Jones University.

When Cecil Rhodes founded the Rhodes Scholarship in 1902, he specified that a recipient should have scholastic ability, qualities such as truthfulness, courage, sympathy for the protection of the weak, unselfishness, fellowship, moral force of character, and physical vigor. Danny Dreisbach possesses these qualities. My community and State are very proud of his achievements at such an early age and look forward to continuing success for him in the future.

ESTONIAN INDEPENDENCE DAY

(Mr. NELLIGAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NELLIGAN. Mr. Speaker, today we commemorate the 63d anniversary of Estonian Independence Day. This is not a jubilant celebration, but rather a symbolic tribute to the people of Estonia and all others who struggle for freedom in the face of Soviet oppression.

The Estonian culture has endured throughout three centuries of invasions—a testimony to the strength and courage of the people. During that time, they have known only 20 short years of independence.

While we do not recognize the Soviet annexation of the Baltic States, we have a responsibility to the people who inhabit them.

We who value the rights and freedoms of the individual must continue to advance the cause of Estonia, and support her struggle to regain the independence which was, and is, rightfully hers.

SALVADORAN BISHOPS DO NOT SUPPORT GUERRILLAS

(Mr. LAGOMARSINO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAGOMARSINO. Mr. Speaker, in late January, the Salvadoran bishops issued a statement declaring that they have not said anything which might be interpreted as support by the Catholic Church for the guerrilla struggle against the Salvadoran Government junta.

The statement explained that the Salvadoran Episocopal Conference is the sole representative of the Salvadoran Catholic Church, and that organization "denies that the Salvadoran Church continues to support the guerrilla struggle against the regime of President Duarte."

The bishops stated that a small number of priests, nuns, and laymen who have made a public commitment to the Revoluntary Democratic Front, the guerrilla organization of Hugo Navarrete, do not represent the Salvadoran Catholic Church.

I hope my colleagues will keep in mind the official position of the Salvadoran Catholic Church when they hear reports of its support for the guerrilla movement in that country.

WATER ISSUES DEMAND SERIOUS CONSIDERATION

(Mr. GOLDWATER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GOLDWATER. Mr. Speaker, over the years, America has been victimized by severe water droughts. For too long, we have used water as if its sources were endless. But like the energy crisis of the seventies, we may soon experience the water crisis of the eighties.

Our water requirements are staggering. A large steer drinks enough water during its lifetime to float a naval destroyer. Over 100 gallons of water are required to put a single egg on the breakfast table. But drought, waste, and pollution threaten our water sources.

California has long been concerned about its limited water supplies. Better conservation measures are being practiced, especially by our agricultural community. We are seeking new water sources for our thirsty State, and we are currently examining ways to solve our ground water pollution problems.

I urge my colleagues to give water issues serious consideration. Although conservation practices will help America stretch its water supplies, we must all realize that the era of endless water sources, like the era of cheap energy supplies before it, is over.

DECLARING VACANCY IN 97TH CONGRESS FROM FIFTH CONGRESSIONAL DISTRICT OF MARYLAND

Mr. WRIGHT. Mr. Speaker, I offer a privileged resolution (H. Res. 80) and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 80

Whereas a certificate of election has been received by the Clerk of this House showing the election of Gladys Noon Spellman as a Representative in the Ninety-seventh Congress from the Fifth Congressional District in the State of Maryland; and

Whereas Representative-elect Gladys Noon Spellman has not appeared to take the oath of office as a Member of this House as required by article VI of the Constitution of the United States; and

Whereas information has been provided to the Speaker that Representative-elect Gladys Noon Spellman has been unable to take the oath of office due to an incapacitating illness; and

Whereas the most recent medical information provided to the Speaker indicates that there is no likelihood that Representative-elect Gladys Noon Spellman will recover sufficiently to be able to take the oath of office and serve as a Member of this House, or to expressly resign the office in order to create a vacancy; Therefore, be it

Resolved, That this House of Representatives hereby determines that there is a vacancy in the Ninety-seventh Congress from the Fifth Congressional District in the State of Maryland because of the absence and continuing incapacity of Representative-elect Gladys Noon Spellman.

SEC. 2. That the Speaker of the House is hereby directed to notify the Governor of the State of Maryland of this action so that appropriate measures to fill the vacancy may be undertaken by the Governor pursuant to article I, section 2 of the Constitution of the United States.

SEC. 3. The first section of House Resolution 41 of this Congress shall cease to be effective on the adoption of this resolution

and section 2 of House Resolution 41 shall cease to be effective when a successor is elected to fill the vacancy.

□ 1320

The SPEAKER. The Chair recognizes the gentleman from Texas (Mr. WRIGHT).

Mr. WRIGHT. Mr. Speaker, I think there is an understanding of the intent and effect of this resolution. It would declare vacant a seat which was held in the last Congress by the Honorable GLADYS NOON SPELLMAN, she having been reelected to serve in this Congress.

I know that all of us share the sadness with which Dr. Freeman Cary, the attending physician for the Congress, after consultation with her physicians at Walter Reed, and with his personal observations, concluded that Mrs. SPELLMAN had no real likelihood of being able to serve out this term of office, and that in a trancelike state of consciousness she would not be able to take the oath of office.

Under those circumstances, sufficient time having elapsed and intensive efforts having been made to improve Mrs. SPELLMAN's condition, all of us have come to the unpleasant and unhappy conclusion that since she would not be able to take the oath of office, we must, therefore, and have the responsibility therefor, to declare the seat vacant and to set in motion that chain of events which would produce a successor through the normal electoral process in the State of Maryland.

Mr. MICHEL. Mr. Speaker, will the gentleman yield?

Mr. WRIGHT. Yes, of course, I yield to the minority leader.

Mr. MICHEL. Mr. Speaker, I appreciate the gentleman's yielding, and I just want to say to my colleagues that it is with great regret that we have to pass a resolution of this kind at this time. It is the first time in my 25 years here in the Congress that I have been faced with that kind of a decision, for having known GLADYS SPELLMAN as a wonderful Member of this House for the number of years in which she has served, I just regret that we have to face what the gentleman from Texas (Mr. WRIGHT) says is an inevitable decision that has to be met on this occasion.

I suspect that several of my gentlewomen colleagues on my side of the aisle would want to be recognized also to express their similar feelings, if the distinguished majority leader would be so kind as to yield to them should they ask for that recognition.

Mrs. FENWICK. Mr. Speaker, will the gentleman yield?

Mr. WRIGHT. Of course I do. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Speaker, I think this is a sorrowful day. All of us who knew GLADYS SPELLMAN here in the House will miss her. We hope she will recover and perhaps even be with us again one day.

Her calm, moderate way of talking, which so often I tried without success to copy, was very much needed in this House and very much appreciated, I think, by all of us. She has been a wonderful politician, but, more important, a fine public servant, and she is indeed greatly missed by this 97th Congress.

Mr. Speaker, I thank my colleague for yielding.

Mrs. HOLT. Mr. Speaker, will the gentleman yield?

Mr. WRIGHT. I yield to the gentlewoman from Maryland.

Mrs. HOLT. Mr. Speaker, we certainly are very distressed by this task that is thrust upon us today, and I am sure that the entire House joins me in my prayers for the early recovery of GLADYS. As the gentlewoman from New Jersey (Mrs. FENWICK) has said, we have missed her very much during this period of absence, and we will continue to miss her intelligence, her energy, her diligence, and her personal warmth.

Mr. Speaker, I thank the gentleman for yielding.

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that the letter addressed to the Honorable THOMAS P. O'NEILL, JR., by the attending physician, Dr. Freeman Cary, be printed in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The letter referred to is as follows:

THE ATTENDING PHYSICIAN,
CONGRESS OF THE UNITED STATES,
February 20, 1981.

Hon. THOMAS P. O'NEILL, JR.,
Speaker of the House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: As you know Congresswoman Gladys Spellman suffered cardiac arrest on October 31, 1980 while at a political rally. Despite prompt by-stander cardiopulmonary resuscitation and rescue squad response, there appeared to be a delay in restoring effective blood flow to the brain. Since that time she has been hospitalized first in her district and now at Walter Reed Army Medical Center Hospital, where intensive rehabilitative care is being given. A trance-like state of consciousness persists.

After consultation with her physicians at Walter Reed and with my personal observations, there is no likelihood that she will be able to serve out her term of office.

Yours sincerely,

FREEMAN H. CARY, M.D.

● Mr. MOAKLEY. Mr. Speaker, I wish to join the distinguished majority leader in expressing my sincere regret that we are forced to face this painful necessity.

I believe that the leadership on both sides of the aisle should be commended for the sensitivity, fairness, and caution with which this entire matter has been approached throughout the tragic illness of the gentlewoman from Maryland.

I have served with GLADYS NOON SPELLMAN since her election to the House and view her departure from the House as a tragedy, not only for her family and constituents, but for this institution. She has been an intelligent and effective Member. But, far more, she has been one of the finest and most decent people I have ever had the privilege to know. All of us in this House are richer for having known her and poorer for the painful, but necessary, resolution now before us.

Mr. Speaker, I join all of my colleagues in their prayers for her eventual recovery and the hope that she may one day rejoin us in the House to which she has contributed so much.●

● Mr. ADDABBO. Mr. Speaker, we have lost a good colleague by our action today in declaring the seat held by Mrs. GLADYS SPELLMAN to be vacant. At this point, all of us extend our prayers and our best wishes to Mrs. SPELLMAN and to her family and we can only hope that she will soon be able to rejoin her family.

But since the tragedy that occurred right before the election has not yet allowed her to return to consciousness, we have no choice but to wait for better news that will yet hopefully come. Though circumstances has today ended the career of GLADYS SPELLMAN here in this House, nothing will undo the good work, good humor, and strong dedication she brought with her to this Chamber. GLADYS was as determined a person as I have ever met and when she felt a cause was right, nothing would sway her from her course. When she was off duty she was the best of company and she could sing an Irish song sad enough to bring a tear even to the hardest heart. I have traveled with GLADYS and her husband, Reuben, and have found them to be as devoted a couple as one could ever hope for, and excellent company.

I cannot say enough good things about my friend and my colleague GLADYS SPELLMAN and I now that I join with every person serving in this body in praying for her speedy recovery. She is a first-class lady and we will sorely miss her.●

● Mr. BARNES. Mr. Speaker, today is a particularly sad occassion for many of us in this Chamber who have known GLADYS SPELLMAN and worked with her over the last few years. It is especially sad for me and for others from the Washington area who worked with GLADYS and benefited from her experience and hard work. She never rested when an issue of concern to her constituents was at stake, and her leadership, particularly on issues relating to service in the Federal Government, benefited the national interest. She will be a tough act for

anyone elected from her district to follow.

Mr. Speaker, even though GLADYS will not be able to resume her service here with us, I know we all join with her family and her thousands of friends outside this Chamber in praying for her recovery. Next week I will take a special order so that Members may speak at length about GLADYS SPELLMAN as a person and as a legislator. She remains a great lady.●

● Ms. OAKAR. Mr. Speaker, it is with deep regret that GLADYS SPELLMAN'S seat is vacant. She is one of the finest people I have ever known. GLADYS SPELLMAN'S relationship with her constituency was, indeed, a family affair. Her compassionate, yet well-seasoned leadership, promoted and implemented into law myriad rights for Federal workers. She staunchly defended and directly addressed the needs of the consumer. Congresswoman SPELLMAN never lost sight of her primary purpose as a U.S. Representative, that being to expertly legislate for her constituency's best interests. GLADYS SPELLMAN'S personal and professional integrity warmed the Halls of Congress. Her sincerity of purpose called a conscience to the committee decision-making process. She lent us her art of honest, yet tough, negotiation. Although her presence will be sorely missed in Washington, her legacy of candid leadership and concise focus shall neither be lost nor forgotten.

Congresswoman SPELLMAN'S "brilliant career," indeed, must not be underestimated. The editorial tribute paid to Congresswoman SPELLMAN in today's Washington Post will be reprinted in the RECORD.

GLADYS SPELLMAN'S BRILLIANT CAREER

By anyone's account, Gladys Noon Spellman entered the race for reelection to a fourth term in Congress as the most popular politician in Prince George's County. Today, that reputation has not changed a bit—but, as Mrs. Spellman's millions of admirers in the country, in Congress and throughout the Washington region have had to accept—her own circumstances have. Her remarkable 19-year political career has been halted, though it remains a classic for all who would seek public office and serve successfully.

To have watched Mrs. Spellman on the campaign trail, on the phones, in the schools or up and down the aisles and office hallways of Congress was to see a woman obviously reveling in her work and loving her constituents. You could watch with amusement, too, as Mrs. Spellman would bat those big dark eyes, smile, gosh-golly it a few times—and then systematically strip the socks off of unsuspecting colleagues in the House to make another point or two on behalf of her constituents.

There has always been more to it than charm and cunning, though; Mrs. Spellman has been a political pro in every way, with an uncanny sense of her constituency's interests—most notably those of federal employees, from elevator operator to secretary, clerk and middle-level professional. To this group that always suffers as the easy target of the "anti-Washington" candidates, what better music than Mrs. Spellman's "Beautiful Bureaucrat" column in her newsletter, commending "wonderfully responsive" government workers and championing those who, "far from slowing down the wheels of government, are really the people who keep them churning"?

This keen appreciation of her constituents and of government at its best has been instrumental in promoting the best of Prince George's County—where Mrs. Spellman first came into the public eye as a crusading PTA activist, elected as a Democratic reformer to the old County Board of Commissioners in 1962. Four years later, she became board chairman, the first woman to head Maryland's largest county. Mrs. Spellman remained in the political thick of things when the county changed to a charter form of government, winning election to the new county council and, in 1974, to the U.S. House.

The bubbling omnipresence of Gladys Spellman—in meetings large and small, at those open-door complaint sessions for constituents, at the nightly sessions throughout her district, at the PTAs, at the clubs or in the family rooms around the neighborhoods—is no more. And yesterday's declaration of a vacancy of this seat was only right, for representation of this district must continue.

Still, we can know what Mrs. Spellman's daughter means when she says, "I'm waiting for her to look up and tell me to cut my hair, or to tell the boys to trim their beards." After all, everybody knows by now that Gladys Spellman has never been one to be underestimated.●

GENERAL LEAVE

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that all Members who may desire to be heard on the matter covered by House Resolution No. 80 may have 5 legislative days in which to extend their remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. WRIGHT. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING U.S. CAPITOL HISTORICAL SOCIETY TO TAKE OFFICIAL PICTURES OF THE HOUSE IN ACTUAL SESSION

Mr. WRIGHT. Mr. Speaker, I send to the desk a resolution (H. Res. 81) and ask unanimous consent for its immediate consideration.

The SPEAKER. The Clerk will report the resolution.

The Clerk read the resolution, as follows:

H. RES. 81

Resolved, That a time designated by the Speaker, the United States Capitol Historical Society shall be permitted to take official pictures of the House while in actual session for inclusion in the new edition of "We the People". The pictures shall also be available for legitimate nonprofit news and educational purposes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

APPOINTMENT AS MEMBERS OF MOTOR CARRIER RATE-MAKING STUDY COMMISSION

The SPEAKER. Pursuant to the provisions of section 14(b) of Public Law 96-296, the Chair appoints as members of the Motor Carrier Ratemaking Study Commission the following Members on the part of the House: Mr. ROE, of New Jersey; Mr. SEIBERLING, of Ohio; and Mr. SHUSTER, of Pennsylvania.

APPOINTMENT AS MEMBERS OF NATIONAL HISTORICAL PUBLICATIONS AND RECORDS COMMISSION

The SPEAKER. Pursuant to the provisions of title 44 United States Code section 2501, as amended, the Chair appoints as a member of the National Historical Publications and Records Commission the gentleman from Colorado, Mr. WIRTH.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
February 24, 1981.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the permission granted in the Rules of the House of Representatives, I have the honor to transmit a sealed envelope from The White House, received in the Clerk's Office at 11:00 a.m. on Tuesday, February 24, 1981 and said to contain a message from the President wherein he transmits the International Fishing Agreement between the United States and Norway.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.
By W. RAYMOND COLLEY,
Deputy Clerk.

GOVERNING INTERNATIONAL FISHERY AGREEMENT BETWEEN THE UNITED STATES AND NORWAY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 97-23)

The SPEAKER pro tempore (Mr. MOAKLEY) laid before the House the

following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Merchant Marine and Fisheries and ordered to be printed:

(For message, see proceedings of the Senate of today, Tuesday, February 24, 1981.)

CASH DISCOUNT ACT

Mr. ANNUNZIO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 31) to amend the Truth in Lending Act to encourage cash discounts, and for other purposes, as amended.

The Clerk read as follows:

H.R. 31

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Cash Discount Act".

TITLE I—CASH DISCOUNTS

SEC. 101. Section 167(b) of the Truth in Lending Act (15 U.S.C. 1666f(b)) is amended to read as follows:

"(b) With respect to any sales transaction, any discount from the regular price offered by the seller for the purpose of inducing payment by cash, check, or other means not involving the use of an open-end credit plan or a credit card shall not constitute a finance charge as determined under section 106 if such discount is offered to all prospective buyers and its availability is disclosed to all prospective buyers clearly and conspicuously in accordance with regulations of the Board.".

SEC. 102. (a) Section 103 of the Truth in Lending Act (15 U.S.C. 1602) is amended by adding at the end thereof the following:

"(z) As used in this section and section 167, the term 'regular price' means the tag or posted price charged for the property or service if a single price is tagged or posted, or the price charged for the property or service when payment is made by use of an open-end credit plan or a credit card if either (1) no price is tagged or posted, or (2) two prices are tagged or posted, one of which is charged when payment is made by use of an open-end credit plan or a credit card and the other when payment is made by use of cash, check, or similar means. For purposes of this definition, payment by check, draft, or other negotiable instrument which may result in the debiting of an open-end credit plan or a credit cardholder's open-end account shall not be considered payment made by use of the plan or the account.".

(b) Effective April 10, 1982, section 103 of the Truth in Lending Act (15 U.S.C. 1602) is amended—

(1) by redesignating subsections (x) and (y) as subsections (y) and (z), respectively; and

(2) by redesignating subsection (z), as so designated before the amendment made by paragraph (1), as subsection (x) and inserting such subsection after subsection (w).

SEC. 103. Any rule or regulation of the Board of Governors of the Federal Reserve System pursuant to section 167(b) of the Truth in Lending Act, as such section was in effect on the day before the date of enactment of this Act, is null and void.

TITLE II—BAN ON CREDIT CARD SURCHARGES

SEC. 201. Paragraph (2) of section 3(c) of Public Law 94-222 (15 U.S.C. 1666f note) is amended to read as follows:

"(2) The amendments made by paragraph (1) shall cease to be effective on February 27, 1984.".

The SPEAKER pro tempore. Is a second demanded?

Mr. EVANS of Delaware. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Illinois (Mr. ANNUNZIO) will be recognized for 20 minutes, and the gentleman from Delaware (Mr. EVANS) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Illinois (Mr. ANNUNZIO).

Mr. ANNUNZIO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the Cash Discount Act (H.R. 31) is a bill that would accomplish two important goals. The bill would extend until February 27, 1984, the current ban which forbids merchants to surcharge consumers who pay by credit card. Unless this extension is passed, the ban on surcharges will expire on this Friday, February 27. Then, already hard-pressed consumers may be hit with extra charges every time they use a credit card. This could result in a catastrophe for consumers. The bill would also deregulate the cash discount law so merchants would be encouraged to offer cash paying customers a reduced price. Deregulation of cash discounts would provide significant benefits to merchants as well as consumers. The ban on surcharges and cash discounts will both contribute to reducing inflation.

Extending the ban on surcharging credit card use is extremely important. Many credit card issuers have recently imposed annual fees and higher interest rates. Consumers now use credit cards for many necessary purchases such as their children's clothes rather than only for luxury items. Consequently, surcharges may deal a body blow to many consumers' financial well-being. With more than 600 million credit cards in circulation the impact of credit card surcharges on consumers could be devastating. The ban on surcharges has worked well since it began in 1976 and clearly merits an extension until 1984.

The cash discount law was designed to encourage merchants to offer cash-paying customers reduced prices. Consumers who paid by credit card were not penalized, since they continued to only have to pay the regular price.

There are many reasons why merchants will want to give cash discounts: It will reduce their cost by eliminating the fee they must pay credit card issuers, it will reduce paperwork and accounting, it will attract new customers because of lower prices, it will provide prompt cash payment for goods or services in contrast to waiting for payment to come in from the card issuer, and it will reduce backup at sales registers now caused by time-consuming credit card processing.

However, as a result of burdensome restrictions in the law and in the regulations on offering cash discounts, merchants have been discouraged from offering them. Currently, the law effectively limits discounts to no more than 5 percent and imposes other restrictions on the offering of cash discounts. Federal Reserve Board regulations impose additional restrictions that further discourage cash discounts, such as requiring disclosure of the availability of a cash discount by posting a sign at each cash register in a store. While these restrictions are well-meaning and intended to protect consumers, they are like medicine that cures a disease by killing the patient. This bill will revive the cash discount patient without the fatal, overregulatory side effects of the present law.

This bill encourages cash discounts by eliminating the 5-percent ceiling and repealing the existing regulations. A merchant only has to offer the discount to all prospective buyers and disclose the availability of the discount clearly and conspicuously to all prospective buyers.

With this deregulation, more cash discounts should be offered. Such discounts should reduce use of credit and reduce inflation.

Mr. Speaker, this bill passed the committee by a vote of 38 to 2. I urge the adoption of H.R. 31.

Mr. EVANS of Delaware. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to join with my distinguished colleague from Illinois, Chairman ANNUNZIO, in speaking in support of H.R. 31, the Cash Discount Act, which I have cosponsored. Let me first point out that it is not often that we have an opportunity to pass a bill out of the Committee on Banking, Finance and Urban Affairs with only two dissenting votes. I congratulate Chairman ANNUNZIO for expeditiously moving this bill through the Consumer Affairs Subcommittee and here to the floor today.

Mr. Speaker, I point out that expedited procedure for handling this bill is necessitated because the current ban on credit card surcharges will expire on February 27 under the terms of an existing law. The Congress must pass this legislation in a timely manner to continue the prohibition on credit surcharges, protect the consumer, and avoid causing unneeded confusion in the marketplace.

The cash discount legislation which is before us today would eliminate a provision of existing law which imposes a 5-percent ceiling on merchants who offer a special discount to a customer who chooses to use cash—rather than a credit card—to purchase an item.

Mr. Speaker, rather than forcing merchants to operate under an artificial ceiling on the amount of a discount that is allowed for cash purchases, H.R. 31 would allow the marketplace and individual merchants to establish the appropriate marketplace discount for any cash purchase.

Under the provisions of the Cash Discount Act, merchants would have the flexibility to set discounts for cash purchases at their own discretion.

Consumers are more than able to judge for themselves what is the best deal—cash or credit. If merchants give discounts for cash purchases that effectively compete with the added gain of a credit card's free-ride period, then consumers could choose the cash discount and merchants would have an increased cash flow.

One of the issues we faced in drafting this legislation was the definition of a benchmark or regular price which would serve as the point for the cash discount. I believe we established a suitable definition.

According to H.R. 31, the regular price is to be the tagged price of an item, or if a tag is not present, it is to be the price that a customer would pay using a credit card. That same price would then serve as the benchmark from which the discount would be drawn for a cash purchase.

Another provision was included to address those instances where a consumer uses a check to make a purchase. The question arose as to whether a check which is covered by an overdraft protection plan is actually a cash transaction which would be eligible for the discount. Technically, it could have been argued in such a case that the merchant violated the law by offering a discount for a credit purchase since the overdrawn check did trigger a credit mechanism. Therefore, in order to avoid the possible problems associated with the use of checks, the committee decided that the check overdraft protection mechanism, for the purpose of this act, would be exempt from being classified as a credit transaction. In simple terms, the purchase of an item with any check will qualify for a cash discount.

Mr. Speaker, I feel strongly that by passing this legislation today, the House of Representatives will strongly encourage the provision of discounts by merchants for purchases made with cash. This will ultimately lead to more competitive pricing in the marketplace.

If there is any general consensus in America today, it is that we have entirely too many Federal regulations. In addition to removing the statutory restriction on the size of cash discounts, this bill will also eliminate the excessive regulatory restrictions that the Federal Reserve Board has in place today to enforce the 5-percent ceiling.

It has been persuasively argued by witnesses before our committee that the Fed's current cash discount regulations are so confusing that most merchants choose not to offer a discount for a cash purchase for fear of being in violation of one of the regulations. Under H.R. 31, a merchant who decides to offer a discount for cash would be required only to offer such a discount to all prospective buyers and to make sure that the discount's availability is clearly and conspicuously disclosed to all prospective buyers.

Mr. Speaker, title II of H.R. 31 quite simply extends for 3 additional years the ban against the practice of imposing an added cost on a credit card transaction by means of a surcharge. Credit card surcharges have been outlawed since 1976. The Congress extended the prohibition in 1979 and this law is due to expire on February 27.

I feel strongly that consumers should not be penalized if they choose one payment procedure over another. Both credit and cash transactions have inherent costs that the merchant must absorb as part of doing business. For instance, fraudulent checks add considerable costs to business transactions. Just how costly these two transactions are—of cash versus credit—and how those costs compare, is something that Congress should study completely in order to arrive at a permanent policy on discounts and surcharges.

Mr. Speaker, the 3-year extension contained in H.R. 31 will afford Congress that opportunity and simultaneously protect the consumer against surcharges.

There are a number of reasons to oppose credit surcharges. Because of our high rate of inflation, which adds considerably to the cost of money, unpaid monthly balances from credit card transactions are being billed at interest rates that equal or in some instances surpass State usury ceilings. In addition, many credit card companies have recently begun to charge an annual fee for the use of their cards.

Because of these additional costs, I doubt that many consumers would support a surcharge being added to their credit card transactions at the point of sale. Many people within both the business and the consumer community feel that the ban on surcharges has worked well for the past 5 years.

Mr. Speaker, I urge my colleagues to support H.R. 31.

□ 1245

Mr. ANNUNZIO. Mr. Speaker, will the gentleman from Delaware yield?

Mr. EVANS of Delaware. I yield to the distinguished gentleman from Illinois.

Mr. ANNUNZIO. I want to express my appreciation to the gentleman from Delaware for cosponsoring this legislation and for the time and effort he has put into the legislation and for his very instructive statement this afternoon.

Mr. EVANS of Delaware. Well, I thank the gentleman, my friend, the gentleman from Illinois (Mr. ANNUNZIO), but he is entirely too generous in his remarks. My contribution pales in comparison to the contribution of the gentleman from Illinois (Mr. ANNUNZIO).

Mr. STANTON of Ohio. Mr. Speaker, will the gentleman yield?

Mr. EVANS of Delaware. I certainly yield to the gentleman from Ohio, the ranking member of the Finance Committee.

Mr. STANTON of Ohio. Mr. Speaker, I rise in support of H.R. 31, the Cash Discount Act. I want to commend my colleague from Illinois and the chairman of our Consumer Affairs Subcommittee, FRANK ANNUNZIO, for moving this noncontroversial legislation so expeditiously. H.R. 31 truly is in the consumer's interest since it removes the statutory ceiling on the amount a merchant may offer as a discount on purchases made with cash as opposed to purchases using a credit card.

Title I amends the Truth in Lending Act to provide these unlimited discounts for cash purchases. Title II extends the present ban on credit card surcharges for 3 years until February 27, 1984. Last year this legislation passed the Banking Committee on a unanimous vote and on June 3, 1980, passed the House of Representatives by a voice vote under suspension of the rules. I fully expect that the House will do the same thing today.

Mr. Speaker, I would like to take this opportunity to raise an issue which frequently arises with legislation such as the bill before us today. My concern is the addition of nongermane amendments by the other body. From time to time, the other body has been known to add seemingly important, yet extraneous, amendments to the particular subject matter at hand. All too often this is done without the benefit of either a full hearing by the committee of jurisdiction or due deliberation by a majority of the Members of the other body.

In the future I would anticipate that we will have to examine on a case-by-case basis each bill which contains nongermane amendments from the other body. I would urge that we use great restraint in proceeding legisla-

tively in this manner. At a minimum I would suggest that, whenever possible, any such amendments—no matter how well intentioned—be the subject of a hearing by at least one committee of either body.

In closing I encourage my colleagues to give H.R. 31 their full support and send the other body a clean bill which they hopefully will act upon yet this week. This legislation should lead to more competitive pricing by merchants in the marketplace and, consequently, should benefit consumers by contributing at least in a small way to the fight against inflation.

Mr. EVANS of Delaware. Mr. Speaker, if there is any general consensus in America today, it is that we have entirely too much regulation at the Federal level and at every level of government. In addition to removing the statutory restriction on the size of cash discount, this bill will also eliminate the excessive regulatory restrictions that the Federal Reserve Board has in place today to enforce the 5-percent ceiling.

I urge my colleagues to vote favorably on H.R. 31.

Mr. HYDE. Mr. Speaker, will the gentleman yield?

Mr. EVANS of Delaware. I yield to the distinguished member of the Committee on Banking, Finance and Urban Affairs, the gentleman from Illinois (Mr. HYDE).

Mr. HYDE. Well, I thank the gentleman for yielding.

I just want to add my commendation to the chief sponsor of this legislation. It is exceptional legislation and another product of the gentleman who is rapidly becoming the leading defender of the consumer in this country. I am pleased to be a cosponsor. I think it augers well for our entire committee that this is the first piece of legislation to come out of our committee under our brand new chairman. I hope this high standard is maintained throughout the rest of the session.

Mr. EVANS of Delaware. Not only is it a consumer oriented piece of legislation in terms of encouraging cash discounts, which I think is a move to fight inflation, but it also fights excessive regulation by the Federal Government, and in this instance the Federal Reserve Board.

I now yield 3 minutes to the former ranking minority member of the Subcommittee on Consumer Affairs of the Committee on Banking, Finance and Urban Affairs, the gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. I thank my good friend, the gentleman from Delaware, for yielding me this 3 minutes.

First of all, I wanted to join in congratulating Chairman ANNUNZIO and the new chairman of the Committee on Banking, Finance and Urban Affairs, the gentleman from Rhode Island (Mr. ST GERMAIN) for moving so quickly to bring this bill to the floor of the House today. I think it does augur well for the future of our committee.

The substance of the cash discount provision is that a merchant should be allowed to sell his product at whatever price he wants to sell it for, if cash is offered.

If he wants to give it away, it seems to me that is up to him. This provision makes a lot of sense and this is a position which I have held for some time, so I am glad to see this legislation coming to the House floor today on the cash discount provision.

On the surcharge provision, this has been in the law now for 5 years, as has been said. I think if a credit card holder is charged a finance charge for use of the credit card, that the merchant should not be allowed to add a surcharge. In other words, the customer should not be charged twice. That is the sum and substance of the surcharge provision.

My main reason for asking for these 3 minutes is to engage the distinguished chairman of the Consumer Affairs Subcommittee in a colloquy for the purpose of establishing legislative history.

This legislation authorizes the Federal Reserve Board to write regulations. Is my understanding correct that Congress is providing this regulatory authority solely for the narrow purpose of satisfying the legislation's requirement that a cash discount policy must be made available to all prospective buyers and must be disclosed in a clear and conspicuous way?

Mr. ANNUNZIO. Will the gentleman from Ohio yield?

Mr. WYLIE. Of course, I yield.

Mr. ANNUNZIO. Before I answer the gentleman's question, I want to pay tribute to the gentleman from Ohio. He has been one of the most active members of the Consumer and Coinage Committee. The gentlemen has made very extensive contributions to the committee. I am deeply grateful for the outstanding support the gentleman has given this legislation over the years.

The gentleman is absolutely correct in his statement. The intent of the legislation is that any regulation the Board writes be limited to a simple regulation, free of any burdensome requirements. Merely restating the legislation's requirements concerning disclosure of the availability of a cash discount is precisely the kind of regulation I hope the Board will issue.

Overregulation is what has killed cash discounts since Congress first began to encourage them. The Board's regulations have been so burdensome and hypertechnical that few merchants have been willing to risk possible violation to offer cash discounts. For example, under the Board's current regulation, a merchant who hired the Goodyear blimp to advertise his cash discount policy still could be found in violation of the regulation, unless he also posted a sign about the cash discount on each and every cash register in his store. This legislation now leaves it up to the merchant to decide how to clearly and conspicuously notify all of his customers of his cash discount policy.

Mr. WYLIE. I thank the gentlemen for that response. I also thank him for his kind remarks with regard to my participation in this legislation. This legislation does reflect my position stated through an amendment which I offered some time ago.

The second question that I have, and to show what we are getting at really by this legislation is with reference to the surcharge provision, I would like to give an example and then ask the chairman to respond.

It is my understanding that if a gas station, for example, posts a sign pricing gasoline at $1.35 a gallon, that adding a 5-percent surcharge to the purchase price, if the purchase price is paid for by the customer using a credit card, would be a violation of the ban on surcharges. Is that correct?

Mr. ANNUNZIO. This would be a violation of the ban on surcharges. Posting a single price and then charging a customer who pays by credit card an extra charge would be a clear violation of the ban on surcharges. The bill's definition of regular price makes it clear that if only one price is tagged or posted, that must be the regular price, not a cash discount price. This means any price charged for payment by credit card that is above this posted regular price would be an illegal surcharge.

Also, if two prices are posted, the credit card price must be the regular price normally charged for the gasoline. For example, the regular normal price before a cash discount policy is begun cannot suddenly be inflated so that the cash discount price is the amount of the old regular price, rather than a lower price which a true discount would be. To illustrate, if gasoline sells for $1.35 a gallon, regular price and a cash discount policy is begun, the cash discount price would have to be the same amount, less than $1.35 a gallon.

Mr. WYLIE. I thank the gentleman very much for those responses. I had a feeling that is the way they would be.

Again I want to congratulate the gentleman and commend him for the Herculean effort he has made to bring this bill to the House so quickly.

Mr. ANNUNZIO. I thank the gentleman from Ohio.

● Mr. WORTLEY. Mr. Speaker, it is not often that we have an opportunity to report legislation from a committee that costs the Treasury no money, helps the consumer and is strongly supported by credit card companies,

consumer advocates, merchants, and even Federal regulatory agencies. Yet, that is exactly what the Banking Committee has done with H.R. 31, the Cash Discount Act.

This simple and straight forward bill amends the Truth in Lending Act so that merchants may continue to offer discounts to customers paying by cash or check. The important change that this legislation makes in current law, however, is that it permits merchants to determine just what that discount should be. They will no longer be bound by the 5-percent figure written into the original act.

I find this change to be timely and consistent with recent efforts to lighten the Government's hold on private enterprise. The bill encourages merchants to offer cash discounts to all prospective customers paying cash for their purchases. To make matters easier for both customers and merchants, the bill states that the seller only has to make this practice known to all potential buyers in a clear and conspicuous fashion. It does not call for fancy regulations, long waiting periods and expensive evaluations. Rather, it offers a real incentive to pay by cash and save.

However, we all know that it is sometimes impossible or just not preferable to make cash purchases. This fact is recognized in the bill in title II that continue to prohibit merchants from adding a surcharge to credit card customers' bills. In this way, both cash and credit card customers are protected and merchants are allowed to set their own policies.

This is a good bill and I commend its passage to my colleagues.

Mr. EVANS of Delaware. Mr. Speaker, I have no more requests for time.

Mr. ANNUNZIO. Mr. Speaker, I have one more request for time.

I yield whatever time he may consume to the distinguished full chairman of the Committee on Banking, Finance and Urban Affairs, and I want to congratulate him for helping to expedite to bring this piece of legislation to the floor of the House, which is the first piece of legislation coming out of the House Banking Committee.

The SPEAKER pro tempore. The gentlemen from Rhode Island (Mr. ST GERMAIN) is recognized for 15 minutes.

Mr. ST GERMAIN. I want to thank the gentleman for yielding. I shall be brief.

I would like to take this opportunity to commend the chairman of the Subcommittee on Consumer Affairs and Coinage, as well as the minority, for the cooperative effort that was put into this legislation. As has been stated, we were operating under a time constraint. The portion of the legislation that is being addressed had an expiration date of February 27. In order to accomplish what we, indeed, are accomplishing today, it was necessary that there be cooperation. I am very grateful to the committee members, but particularly to the gentleman from Illinois (Mr. ANNUNZIO) and the gentleman from Delaware (Mr. EVANS) and from the minority, the gentleman from Ohio (Mr. WYLIE) and the gentleman from Ohio (Mr. STANTON).

I hope that this is a portent of things to come as far as the committee action is concerned in the balance of the Congress.

I do, indeed, support the legislation and hope that it shall be adopted.

Mr. ANNUNZIO. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois (Mr. ANNUNZIO) that the house suspend the rules and pass the bill, H.R. 31, as amended.

The question was taken.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic devise, and there were—yeas 372, nays 4, not voting 56, as follows:

[Roll No. 11]

YEAS—372

Addabbo	Butler	Dwyer
Akaka	Byron	Dymally
Alexander	Campbell	Dyson
Anderson	Carman	Early
Andrews	Carney	Eckart
Annunzio	Chappell	Edgar
Anthony	Chappie	Edwards (AL)
Applegate	Clausen	Edwards (CA)
Archer	Clinger	Emerson
Ashbrook	Coats	Emery
Aspin	Coleman	English
Atkinson	Collins (IL)	Erdahl
AuCoin	Collins (TX)	Erlenborn
Bafalis	Conable	Ertel
Bailey (MO)	Conte	Evans (DE)
Bailey (PA)	Conyers	Evans (GA)
Barnard	Corcoran	Evans (IA)
Beard	Coughlin	Evans (IN)
Bedell	Courter	Fary
Beilenson	Coyne, James	Fascell
Benedict	Coyne, William	Fazio
Benjamin	Crane, Daniel	Fenwick
Bennett	Crane, Philip	Ferraro
Bereuter	Crockett	Fiedler
Bethune	D'Amours	Fields
Bevill	Daniel, Dan	Findley
Bingham	Daniel, R. W.	Fish
Blanchard	Danielson	Fithian
Bliley	Dannemeyer	Flippo
Boggs	Daschle	Florio
Boland	Daub	Foley
Bolling	Davis	Ford (MI)
Boner	de la Garza	Ford (TN)
Bonior	Deckard	Forsythe
Bouquard	Dellums	Fountain
Bowen	DeNardis	Fowler
Breaux	Derrick	Frenzel
Brinkley	Derwinski	Frost
Brodhead	Dickinson	Fuqua
Brooks	Dicks	Garcia
Broomfield	Donnelly	Gaydos
Brown (CA)	Dorgan	Gephardt
Brown (CO)	Dornan	Gibbons
Brown (OH)	Dougherty	Gilman
Broyhill	Downey	Gingrich
Burton, John	Duncan	Ginn
Burton, Phillip	Dunn	Glickman
Goldwater	Martin (NC)	Roukema
Gonzalez	Martin (NY)	Rousselot
Goodling	Matsui	Roybal
Gore	Mattox	Rudd
Gradison	Mazzoli	Russo
Gramm	McClory	Sabo
Gray	McCloskey	Santini
Gregg	McCollum	Sawyer
Grisham	McCurdy	Scheuer
Guarini	McDade	Schneider
Guyer	McDonald	Schroeder
Hall (OH)	McEwen	Schumer
Hall, Sam	McGrath	Seiberling
Hamilton	McHugh	Sensenbrenner
Hammerschmidt	McKinney	Sharp
Hance	Mica	Shaw
Hansen (ID)	Michel	Shelby
Hansen (UT)	Mikulski	Shumway
Harkin	Miller (CA)	Skeen
Hartnett	Miller (OH)	Skelton
Hatcher	Mineta	Smith (IA)
Hawkins	Minish	Smith (NE)
Hefner	Mitchell (MD)	Smith (NJ)
Heftel	Mitchell (NY)	Smith (OR)
Hendon	Moakley	Snowe
Hertel	Moffett	Snyder
Hightower	Molinari	Solarz
Hiler	Mollohan	Solomon
Hillis	Moore	Spence
Hollenbeck	Moorhead	St Germain
Hopkins	Morrison	Stangeland
Horton	Mottl	Stanton
Howard	Murphy	Stark
Hubbard	Murtha	Staton
Huckaby	Myers	Stenholm
Hughes	Napier	Stokes
Hunter	Natcher	Stratton
Hyde	Neal	Studds
Ireland	Nelson	Stump
Jacobs	Nichols	Synar
Jeffords	Nowak	Tauke
Jeffries	Oakar	Tauzin
Jenkins	Oberstar	Taylor
Johnston	Ottinger	Thomas
Jones (OK)	Panetta	Traxler
Jones (TN)	Parris	Trible
Kastenmeier	Pashayan	Vander Jagt
Kazen	Patterson	Vento
Kemp	Paul	Volkmer
Kildee	Pease	Walgren
Kindness	Perkins	Wampler
Kogovsek	Petri	Washington
Kramer	Peyser	Watkins
LaFalce	Pickle	Waxman
Lagomarsino	Porter	Weber (MN)
Lantos	Price	Weber (OH)
Latta	Pritchard	Weiss
Leach	Quillen	White
Leath	Rahall	Whitehurst
LeBoutillier	Railsback	Whitley
Lehman	Ratchford	Whittaker
Lent	Regula	Whitten
Levitas	Reuss	Williams (MT)
Livingston	Richmond	Williams (OH)
Loeffler	Rinaldo	Winn
Long (MD)	Ritter	Wirth
Lott	Roberts (KS)	Wolf
Lowery (CA)	Roberts (SD)	Wolpe
Lowry (WA)	Robinson	Wortley
Lujan	Rodino	Wright
Luken	Roe	Wylie
Lundine	Roemer	Yates
Lungren	Rogers	Yatron
Madigan	Rose	Young (FL)
Marks	Rosenthal	Young (MO)
Marlenee	Rostenkowski	Zablocki
Martin (IL)	Roth	Zeferetti

NAYS—4

Frank	Swift	Walker
Shannon		

NOT VOTING—56

Albosta	Dingell	Holland
Badham	Dixon	Holt
Barnes	Dreier	Hutto
Biaggi	Edwards (OK)	Jones (NC)
Bonker	Foglietta	Lederer
Burgener	Gejdenson	Lee
Cheney	Green	Leland
Chisholm	Gunderson	Lewis
Clay	Hagedorn	Long (LA)
Coelho	Hall, Ralph	Markey
Cotter	Heckler	Marriott
Craig	Hinson	Mavroules

Montgomery	Rangel	Smith (AL)
Nelligan	Rhodes	Udall
O'Brien	Savage	Weaver
Obey	Schulze	Wilson
Patman	Shamansky	Wyden
Pepper	Shuster	Young (AK)
Pursell	Simon	

The Clerk announced the following pairs:

Mr. Rangel with Mr. O'Brien.
Mr. Long of Louisiana with Mr. Pursell.
Mr. Savage with Mr. Smith of Alabama.
Mr. Pepper with Mr. Rhodes.
Mr. Leland with Mr. Young of Alaska.
Mr. Dingell with Mr. Hagedorn.
Mrs. Chisholm with Mr. Ralph M. Hall.
Mr. Biaggi with Mr. Lee.
Mr. Albosta with Mr. Marriott.
Mr. Barnes with Mr. Lewis.
Mr. Hutto with Mr. Nelligan.
Mr. Montgomery with Mr. Burgener.
Mr. Obey with Mr. Cheney.
Mr. Gejdenson with Mr. Craig.
Mr. Foglietta with Mr. Dreier.
Mr. Simon with Mr. Green.
Mr. Udall with Mrs. Holt.
Mr. Weaver with Mrs. Heckler.
Mr. Patman with Mr. Schulze.
Mr. Wilson with Mr. Shuster.
Mr. Gunderson with Mr. Wyden.
Mr. Holland with Mr. Markey.
Mr. Jones of North Carolina with Mr. Mavroules.
Mr. Dixon with Mr. Edwards of Oklahoma.
Mr. Coelho with Mr. Cotter.
Mr. Clay with Mr. Bonker.
Mr. Shamansky with Mr. Badham.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ANNUNZIO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on the bill, H.R. 31, just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

AMERICAN UNIVERSITIES ARE NOT FOR SALE

(Mr. LANTOS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. LANTOS. Mr. Speaker, those of us who value the independence of American universities may breathe a bit more easily this morning. Georgetown University yesterday returned a $600,000 gift—with interest—to the Government of Libya, saying that it did not want to have its name associated with a country that supports terrorism. The president of the university, Timothy S. Healy, personally brought the check to the Libyan Embassy, commenting that—

Libya's accent on violence as a normal method of international policy and its growing support of terrorism made (keeping the money) incompatible with everything that Georgetown stands for.

I salute Father Healy and Georgetown University. Their example should be a lesson to all of academe. The independence and integrity of American institutions of higher learning are not for sale.

I include an article from the Washington Post with respect to this event:

GEORGETOWN RETURNS $600,000 FOR ARAB STUDY CENTER TO LIBYA

(By Lawrence Feinberg)

Georgetown University yesterday returned a $600,000 gift, plus interest, to the government of Libya, saying it did not want to have "its name associated" with a country that supports terrorism.

Libya had contributed the money over the past four years to endow a professorship at Georgetown's Center for Contemporary Arab Studies. Yesterday, university president Timothy S. Healy, who personally brought a check to the Libyan embassy, said Libya's "accent on violence as a normal method of international policy and its growing support of terrorism made [keeping the money] . . . incompatible with everything Georgetown stands for."

Healy said the professorship and the Arab studies program would continue unchanged, but that the teaching post would be financed by other university funds. Since 1975 Georgetown has received $3.5 million from seven other Arab governments for the center, whose program has been criticized by Jewish groups as "anti-Israel." In 1978 Georgetown sent back a $50,000 check from Iraq, but university officials said they could not remember ever returning as large a gift as the money from Libya.

When Healy first announced the Libyan gift in 1977, which came to a total pledge of $750,000 over five years, it stirred sharp criticism, including an attack by columnist Art Buchwald who described it as "blood money."

Three weeks ago, Secretary of State Alexander M. Haig Jr. said combating terrorism would be the top priority of American foreign policy. A subsequent State Department report accused the Libyan government of Col. Muammar Qadhafi of "supporting a wide range of terrorist groups in every area of the globe" and arranging the assassination of at least 11 dissidents living abroad. Overall, the State Department said, Qadhafi has used Libya's vast oil revenues—estimated at $24 billion last year—to support subversion or insurrection in 45 countries.

Healy said, however, that in returning the money to Libya he acted under "absolutely no pressure at all from the U.S. government."

He added, "I was under absolutely no heat and no pressure [to give back the money], but it worried me. I guess I'm just kind of slow to move, but I came to a growing realization that what Libya is up to is incompatible with Georgetown . . . I changed my mind. I didn't know as much [when the gift was first accepted] as I know now. I was new to the job. I think I was wrong to feel [that the gift should be accepted]. Now I'm certain I was wrong."

The Rev. Michael P. Walsh, Chairman of the university board of directors, said that over the past few years Healy "kept talking about [the Libyan gift] as a thing he thought he had [handled] wrong. It's been sort of a cloud around Georgetown . . ."

Walsh said the board's 10-member executive committee unanimously approved returning the money at a meeting Friday, and decided to add the interest Georgetown already had earned on it, making the total check given to Libya $641,721.

Healy said he decided to deliver the check personally to Ali Houderi, head of the Libyan embassy here, because "just putting it in the mail struck me as crude."

"It was painful for him," Healy continued, "and it was painful to me. Obviously, parting with $600,000, you can figure out how painful it was. But he [Houderi] was completely correct. He said he received it with regret, and hoped it would not stand in the way of good relations between the United States and Libya."

Houderi could not be reached for comment last night.

Michael C. Hudson, director of the Arab Studies Center who had sought the Libyan gift and strongly defended it in the past, yesterday declined comment on Healy's action. But he said "we never felt any pressure from the Libyan government" on how the money should be spent.

Hisham Sharabi, a Palestine-born historian who holds the professorship named after Libyan nationalist Umar al-Mukhtar, said the Libyans were "very decent, very thoughtful, very considerate, very correct" in financing the scholarly chair. "This whole thing is something out of the blue," Sharabi said. "It's very strange."

On the other hand, Ira Silverman, director of special programs for the American Jewish Committee, which has criticized Georgetown in the past, said he was "delighted that Georgetown has made this decision. It confirms our faith in the integrity of Georgetown and its president, Father Healy . . . To keep this money would be to confer honor on an unworthy donor."

In 1979, Silverman noted, the University of Southern California cancelled plans for a Middle East Studies Center and returned $1 million that already had been raised from corporations after criticism that the center would not be under firm university control. However, he said the Jewish Committee had endorsed a $5 million gift last year from Saudi Arabia to Princeton for life science teaching and research. He said that gift was accompanied by a strong antidiscrimination pledge.

IS FREEDOM BEING VIEWED AS A DOMESTIC LUXURY?

(Mr. DELLUMS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DELLUMS. Mr. Speaker, from the new administration there is much patriotic sentiment about freedom and the necessity for America to increase its military strength so that it may better accomplish its mission as defender of the free world.

But, curiously, at the same time, the new administration is making broad policy statements about backing off the human rights issue while ap-

proaching more firmly the issue of international terrorism.

What is not made clear is why it is necessary, or even logical, to trade one off against the other. Perhaps even more important, how is it that an administration which evokes much emotional rhetoric about the value of freedom cannot recognize that the human rights issue is simply another term for freedom.

In a recent issue of the New Yorker magazine, the point is made that our policymakers seem to think that freedom should be seen as a domestic luxury, to be defended, if not shared, by many of our allies.

I see this global vision as shortsighted, if not unpatriotic.

The article follows:

[From the New Yorker Magazine]

NOTES AND COMMENT

If a government official were to announce that increased subsidies to agriculture would now "take the place" of food stamps, someone would be sure to ask what the two things had to do with one another and why it wouldn't be possible to have both. But when Secretary of State Alexander Haig told reporters at his first press conference since he assumed office that "international terrorism will take the place of human rights in our concern, because it is the ultimate abuse of human rights," no one thought to ask why the government had to choose between them. Nor did anyone ask how, if international terrorism really was the worst of the human-rights abuses, you could speak of one taking the place of the other. A hint of what the new policy was going to mean in action came during the recent visit to Washington of President Chun Doo Hwan, of South Korea, the general who seized power a few weeks after his predecessor, President Park Chung Hee, was assassinated. President Carter had held up important negotiations with South Korea on economic and military matters because of human-rights abuses there, but the Reagan Administration resumed the negotiations, and the State Department announced that hereafter the United States would not "go into the internal state of affairs in the Republic of Korea"; at the same time, the Department asked Congress to postpone publication of a report on human rights which was said to contain information that would embarrass President Chun. The impression one gained was that the United States was lowering its concern about human rights not in order to fight terrorism better but in order to more firmly cement its ties with repressive right-wing regimes around the world. President Reagan did not do anything to clarify Administration policy when, in an appearance with President Chun at a White House luncheon, he remarked that Korean and American soldiers had fought together in Korea and again in Vietnam, where "the cause was freedom," leaving one to wonder how there could be a crusade that was for freedom without also being for human rights. Since South Vietnam in the days of the Vietnam War enjoyed no more freedom than South Korea does now, one has to assume that the freedom President Reagan had in mind was our own—a freedom we really do possess but are willing to defend, it seems by supporting regimes that deny freedom to their own people. (In his inaugural address, President Reagan, who has taken to claiming that God has a "divine plan" for the United States, said, "God intended for us to be free." He did not add that God intended South Korea or Vietnam to be free.) This policy is no novelty of the Reagan Administration—it has spanned many Administrations, and was only slightly disturbed by the Carter human-rights policy—and its cost to the United States has always been high. When the Soviet Union, a left-wing totalitarian nation, supports another left-wing totalitarian nation somewhere in the world, its action is consistent with its domestic policies and its beliefs. But when the United States, a constitutional democracy, supports a right-wing dictatorship, our belief in freedom, or human rights, or liberty, or whatever you choose to call it—our reason for existing as a nation, and our mission, if we have one, in the world—goes unsupported and unspoken for in international affairs. Even though we may extend a network of arms all around the globe, freedom shrinks to a purely domestic matter—a sort of luxury, like our large gross national product, and one that is defended, but not enjoyed, by other peoples. Our foreign policy then becomes nothing more than a military shield, containing no reflection of the spirit of our country. One unfortunate consequence of this abdication of our beliefs on the international scene is that American protests against repression by the Soviets of their own people and others lose their force. (It seems notable that Mr. Haig chose "international terrorism" as his target and did not even mention Soviet violations of human rights.) But the greatest danger for the United States—one that came menacingly to life in the period of Vietnam and Watergate—is that we will eventually regard our political system, with its inefficient constitutional restraints and its inconvenient individual liberties, as an unnecessary obstacle in our grandiose global struggle for "freedom" (but not "human rights"). There are already a few signs that our love of liberty is being construed as weakness toward our enemies. In a recent editorial, the Wall Street Journal remarked that "in the Carter Administration 'human rights' were code words for a lurch toward accommodation of the international left." The international left itself, of course, including, especially, the Soviet Union, regarded Carter's human-rights program as a disguise for an anti-Soviet lurch toward the right. (The Soviets were especially angry when Carter sent Andrei Sakharov a letter of support.) Between these views, the actual substance of human rights gets interpreted out of existence. It is perhaps unsurprising that the Soviet Union and its friends should look upon American devotion to human rights as a cover for something else, but that we, too, should do so is a needless disfavor to ourselves.

EL SALVADOR: THE POLITICAL DIMENSION (III)

(Mr. McHUGH asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. McHUGH. Mr. Speaker, Saturday's edition of the Washington Star, February 21, 1981, reported on a very interesting interview with Jose Napoleon Duarte, the President of El Salvador. In formulating its policy toward El Salvador, I hope that the Reagan administration will carefully consider the comments attributed to Mr. Duarte in that article.

Among other things, Mr. Duarte stated that the economic crisis caused by the guerrilla war was a greater threat to the country than the Marxist guerrillas. In that article he is quoted as saying:

It is of no use to have the greatest and best army in the world if the people are dying from hunger.

Mr. Duarte seems to recognize that how his government responds to his people's concerns for peace and security outweigh military considerations. He expressly indicated that the junta's economic and social reforms over the past year were a vital part of a political strategy that he claims is winning the war for the government by weaning the populace from the guerrillas.

Moreover, while welcoming our Government's help in stemming the flow of arms to the guerrillas, he warned against too large a U.S. presence in El Salvador, saying that it would lead to an escalation of the conflict.

In expressing his fear of outside influence on both sides, he said:

Whether this is another Vietnam does not depend on us. It depends on what the others do. If the Cubans, the Russians, the Chinese and the United States want to come here and fight, this will be another Vietnam. But for that to happen, they will have to finish off all the Salvadorans.

In its apparent desire to make El Salvador a testing ground for East-West confrontation, I hope the Reagan administration will heed this warning and not recklessly pursue the military option. As Mr. Duarte has said, the problems in El Salvador are fundamentally economic and political. While it may be argued that some limited military aid is necessary to help contain the flow of arms to the guerrillas, military aid must be subordinated to the internal political and economic reforms which the Duarte government must pursue if it is to secure the support of the people upon whom its survival ultimately depends.

[From the Washington Star, Feb. 21, 1981]

DUARTE RANKS ECONOMIC OVER MILITARY AID

SAN SALVADOR, EL SALVADOR.—Jose Napoleon Duarte, the president of El Salvador's ruling junta, said yesterday that despite the great debate in Washington over military assistance, economic aid is more important to his country.

In an interview, Duarte said the economic crisis caused by the guerrilla war was a greater threat to the country than the Marxist guerrillas.

He said the junta's economic and social reforms over the last year were part of a political strategy that is winning the war for the government by weaning the populace from the guerrillas.

Meanwhile, the intensified U.S. campaign to portray the Salvadoran insurgency as a

Cuba-related challenge by international communism was apparently running into resistance from the United States' closest Latin neighbor, Mexico.

In Mexico City, in an apparent rebuff to the Reagan administration, President Jose Lopez Portillo went out of his way this week to stress Mexico's close ties with Cuba.

The gesture came just three days after a U.S. delegation traveled to Mexico City with "proof" of Havana's support for Salvadoran guerrillas.

Following the signing of a sugar agreement with Cuba Thursday, Lopez Portillo said that Cuba was the Latin American country "most dear" to Mexico. He described relations between the two countries as an example "for our region, for our continent and for the world."

Salvadoran junta leader Duarte said in the interview that if the flow of weapons to the guerrillas through Cuba and Nicaragua continues at its present pace, the Salvadoran armed forces will need more arms. But he said that for the time being, the armed forces has sufficient military strength to counter the guerrillas. He said the military's primary need now is for communications and transportation equipment, including helicopters.

"It is of no use to have the greatest and best army in the world if the people are dying from hunger," he said. The country needs a $300 million loan to replace international private credit that has been scared away, he added.

Duarte praised the administration's efforts to cut the arms flow to the guerrillas and counter Soviet advances in the world. But he professed a wariness of too large an American presence here, saying it would lead to an unnecessary escalation of the conflict.

"Whether this is another Vietnam does not depend on us," he said. "It depends on what the others do. If the Cubans, the Russians, the Chinese and the United States want to come here and fight, this will be another Vietnam. But for that to happen, they will have to finish off all the Salvadorans."

Mexican officials pointed out that the Lopez Portillo administration has not only criticized stepped-up U.S. military assistance for El Salvador's besieged government, but is also disturbed by the Reagan administration's current offensive to rally U.S. allies against the Soviet bloc over the Salvadoran question.

"Mexico is not going to be pressured into choosing between friendship with the United States and Cuba," one well-placed official said. "Reagan has to learn that this is the wrong approach."

On Monday, a special delegation headed by Vernon Walters, former deputy director of central intelligence, met secretly with Mexico's foreign minister, Jorge Castaneda, and provided him with documentary evidence purporting to confirm Havana's intervention in the Salvadoran struggle.

TRIBUTE TO HOWARD J. KAUFMAN

(Mr. DeNARDIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DeNARDIS. Mr. Speaker, on Monday, February 9, 1981, Connecticut lost one of its most colorful and honorable politicians, Howard J. Kaufman, whose official position was registrar of voters in the city of Hartford, was, in reality, a person totally dedicated to politics, the political process, and the people of Hartford. His influence and his admirers stretched far beyond his city's borders. All of us, especially those who participate in Republican politics in Connecticut, enjoyed our political discussions with him, appreciated his free-flowing advice, and profited from the enthusiasm and interest he showed in our campaigns, our political activities, and indeed, our personal lives. He was dedicated to his party, to his city, to his State, and his country. The wide variety of friends in both parties and throughout the State, who enjoyed his company are testimony to the personality and integrity he had. Howard Kaufman will be sadly missed in Connecticut and by me, personally, who counted him among my friends and my advisers.

[From the Hartford Courant, Feb. 15, 1981]

TRIBUTE TO A JOYFUL POLITICIAN

(By Sidney L. Gardner)

Politics was his game, his love, and his life. No one in Hartford played it as joyfully as Howard J. Kaufman or carried as much of it around in his head. He was what he wanted to be: The center of dozens of networks of political talk and talent, and a peacemaker amidst the strife.

Howard was a wonderful one-man switching station for political intelligence. He could speculate endlessly on political scenarios only dimly visible to the rest of us. To know Howard was to be the intense object of hushed, conspiratorial whispers and affectionate finger jabs to the chest as he gave you the latest word.

Cigar in his left hand, he'd give you the best handshake in Hartford and ask "Whaddaya hear?" Then he'd tell you what he'd heard, or suspected, or hoped might happen.

At least three of us on the Hartford City Council in recent years owe Howard our jobs. His last minute advice, his hastily-arranged meetings in quiet, out-of-the-way diners, his strange-bed-fellow coalitions all helped to make a difference. In Hartford elections, the magic line between ninth and tenth in the vote totals is the line between victory and defeat. As heavily out-numbered Republicans, we all watched that line nervously over our shoulders as we ran. Howard watched with us, knowing where it was and what to look for, and helped us beat the odds more than once.

In politics, there are two kinds of builders, bridge-builders and wall-builders. Howard was a bridge-builder of impresario class. When you'd complain to him about some real, imagined, or anticipated slight at the hands of another politician or group, he'd constantly work you over to get you together with someone he thought should be an ally. He embodied and evoked the political adage that the best recruiting source for political allies should be the ranks of your former foes. From North End to South End, from downtown to the suburbs. Howard built bridges across the barriers of race, religion, language and ideology. Hartford can't work without those bridges, and Howard was one of the very few left who knew how and why to build them.

He was at his best in the thick of a political crowd. In a sad but consoling way, he passed from us Monday night at a richly deserved peak of personal pride. He took pride that his friend, Alexander Haig, whom he'd defended in newspaper ads a few weeks before, had come to Hartford as secretary of state to represent a Republican president whom Howard had worked to put in the White House.

On Monday, the solemn gathering of political figures that was so fine a tribute to Gov. Ella Grasso was where Howard was. The tragedy of his passing on the day of her funeral reminds us all that politics reflects life as change—sorrowful change, unforeseen and sudden change, and change which takes from us those who have been welcome and loved public fixtures for decades.

Howard drove himself—much too hard. He had to be at every meeting, go to every fund-raiser, and stop by every late-night political post-mortem. He'd call you early in the morning after going over the day's political news, happily charting the best way to respond. "Let's really steam 'em on this one."

A memorial for Howard? Let us have several. Let one of them, though, be a simple, sincere response to his unending professional crusade as registrar, best heralded by his famous license plate: VOTE. If everyone who has complained about the results of politics would bring to the act of voting and political choice just one percent of the commitment that Howard brought, the political world could be infused with a joy and a passion that could raise it to standards Howard would have loved.

Out of the furor of a recent political campaign in New York, one candidate disdainfully summed up local politics as "all smoke and mirrors." Howard Kaufman blew his share of tantalizing smoke, and he worked the mirrors as well as anyone, but he also cared deeply about what was beneath the surface flash and fire.

Five years ago, at a joint meeting of the Republican and Democratic Town Committees, Howard gave one of the best political speeches ever heard in Hartford. In his booming voice, with his own deep passion, Howard talked about what was really important in Hartford. He ended by saying that whatever the parties agreed or disagreed about, "The city comes first." He knew that the city was its people—all of its people—and his life's work was working through politics for people.

THE PRESSING NEED TO REVISE U.S. TAX POLICY RELATING TO AMERICANS EMPLOYED OVERSEAS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. ARCHER) is recognized for 60 minutes.

GENERAL LEAVE

Mr. ARCHER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ARCHER. Mr. Speaker, I appreciate this opportunity to join with a number of my colleagues in the House in focusing attention on a major barrier to the export of U.S.-produced goods and services.

Put simply, changes made in the Internal Revenue Code in 1976 and 1978 have greatly reduced the number of U.S. citizens employed abroad by U.S. companies—with the result that markets for our products are shrinking at a time when they should be expanded in order to ease our domestic economic dilemma.

According to one study, the number of Americans employed abroad by 306 U.S. companies decreased by 38.6 percent between 1979 and 1980 alone.

Actual examples presented last year by the U.S. Overseas Tax Fairness Committee in congressional hearings show clearly what is contributing to that horrendous statistic:

One engineer firm reported that on March 27, 1980, it had 103 Americans overseas, versus 2,200 in 1977.

An electronics company stated that on a small job in Jordan, it had to replace all but 2 of 14 American engineers with foreign engineers.

Another firm reports that 40 percent of its overseas staff were Americans before 1976, compared to 17 percent in 1980.

A Saudi Arabian diplomat pointed out last year that in 1976, 65 percent of the employees of U.S. firms operating in Saudi Arabia were Americans. By 1980, the figure had dropped to 35 percent.

Still another U.S. company bid on a contract in Saudi Arabia based on using Americans in its key positions, since the company felt the Americans were better qualified to perform the work. The Saudi Government asked that the bid be resubmitted using non-American personnel because of the savings in labor costs. Sixty-two contract personnel were eventually hired for the work. Sixty United Kingdom nationals, one Pakistani, and one Saudi. The problem was that the cost of using Americans amounted to an additional $10,000 to $12,000 a year per person—largely because of present U.S. tax treatment of American citizens working abroad.

The problem basic to all of this is the fact that ours is the only major industrialized Nation which taxes its citizens on their overseas income.

In order for employees to receive the same after tax spendable income—which ultimately will most likely be spent in the employees' countries of origin—American companies are forced to pay U.S. citizens far higher salaries than they do other foreign expatriates.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. ARCHER. I am happy to yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, first of all, I wish to thank my colleague for bringing this important tax issue to our attention.

Mr. Speaker, I thank our friend, BILL ARCHER, for bringing to the attention of the House of Representatives the need for the elimination of the income tax on U.S. citizens working abroad.

Mr. Speaker, we hear advocates of a higher tax on foreign earned income say, "Why should people working overseas get a tax break?" I believe the answer is simple and straightforward. As a matter of national policy, our tax laws have long recognized that in, certain circumstances, there is the need for tax restraint for reasons of national interest.

As my colleague on the Ways and Means Committee, BILL FRENZEL, has informed us in the past, income exclusion legislation was originally enacted as the foreign trader exemption. Congress recognized it was in the best interest of the country to encourage businessmen and women to live and work abroad to promote American products and services. Today our tax laws contain many examples of a tax advantage because of an overriding national or public interest. Yet, in this situation, the Congress is being told that it must follow the principle of identical treatment of all taxpayers, regardless of circumstances.

The tax which the United States places on its citizens abroad is forcing many American exporters to replace their U.S. employees with foreign nationals whose income is not subject to tax by their native country. These individuals are likely to purchase products from their home country, as opposed to purchasing American made products.

A study done by the President's Export Council shows that the current tax treatment of Americans abroad has resulted in a drop of exports of at least 5 percent in 1980. Recent studies estimate that this decline will raise domestic unemployment by at least 80,000 and will reduce Federal tax receipts by more than $6 billion. Even if this estimate is a little high, it is still several times the $400 to $500 million the Treasury has estimated the total repeal of the foreign earned income would cost.

My colleagues will no doubt be interested in the findings resulting from a Joint Economic Committee East Asian Study Mission in which I participated in January of 1980. The purpose of the travel was to meet with the American business community abroad. I would like to include as a part of the RECORD pages 23-28 of this report, which discuss the reasons for the need to eliminate the income tax on U.S. citizens working abroad:

V. DISINCENTIVES AND INCENTIVES TO U.S. EXPORTING

Let us now turn to the crux of the specific problems faced by U.S. businessmen operating abroad.

Income tax issues

The United States is the only major country which taxes the foreign-earned income of citizens living abroad. Chart V-1 illustrates this unhappy situation.

Taxation of Americans living overseas was uniformly cited by American business representatives in East Asia as one of the most critical problems facing U.S. exporters in that region. Significantly, the attention given this issue at every stage of the Mission's visit was not based on personal hardship because most companies compensate their American employees for the added tax burden. Instead, American businessmen emphasized that because many companies do compensate their employees, their cost of employing an American national, compared to other third country nationals, is significantly higher. American tax laws, therefore, encourage these companies overseas to reduce the proportion of their expatriate staff who are Americans. The example of a firm operating in Singapore was cited. Of approximately 100 expatriates, 19 percent were third country nationals in 1975; by 1979 this proportion had increased to 41 percent. Where companies do not compensate, the effect is just the same. Because of the tax burden, Americans can simply not work or serve as business representatives at the same level of compensation as Britons, Australians, or other third country nationals.

The reduction of Americans working overseas has an adverse effect on U.S. exports because Americans involved in purchasing, equipping, or design decisions are familiar with U.S. goods and technology and tend to specify and order American equipment and services. Europeans and other third country nationals are naturally more familiar with and tend to buy the products of their own countries.

CHART V-1.—COMPARISON OF TAX POLICIES FOR OVERSEAS EMPLOYEES

Country	Tax on salary	Tax on incentives bonuses	Tax on benefits (requirement, health, insurance, etc.)	Tax on cost-of-living allowances	Tax on additional income earned out of home country	Government subsidies (to individual)
United States	Yes[1]	Yes	Yes	Yes[2]	Yes	No.
Japan	No.	No.	No.	No.	No[3]	Yes.
Italy	No[4]	No.	No.	No[5]	Complex formulas to discourage foreign investments.	Government-owned companies.

CHART V-1.—COMPARISON OF TAX POLICIES FOR OVERSEAS EMPLOYEES—Continued

Country	Tax on salary	Tax on incentives bonuses	Tax on benefits (requirement, health, insurance, etc.)	Tax on cost-of-living allowances	Tax on additional income earned out of home country	Government subsidies (to individual)
France	No[6 7]	No	No	No	Complex formulas	Do.
South Korea	No[8]	No	No	No	No	Yes.
Germany	No[9]	No[10]	No	No[11]	Some limitations. Generally liberal.	Few.
Canada	No[12]	No	No	No	No	No.
Sweden	No	No	No	No	No[13]	Few.
United Kingdom	No	No[14]	No[15]	No	Complex requirements	Few.

[1] 20,000 exclusion under section 911 for those in qualified camps. [2] Certain deductions permitted under complex section 913 tests. [3] Rental, interest, etc. on off-shore investments totally exempt from taxation during non-residence status only. [4] Complex non-residency requirements. [5] Limitation placed on daily expenses for home leave and R&R. [6] Assumes accompanied tour/rules for dual residency—unaccompanied—very complex. [7] Recent government policy aimed to encourage more French engineers to accept overseas work. [8] Most liberal policies with respect to individuals—Korea committed to exports of domestic unemployment. [9] Complex non-residency requirements aimed at tours of less than 6 months. [10] Complex definitions. [11] Some limitations designed to reduce excesses. [12] Accompanied tour only. If family of head of household remains in Canada all worldwide earnings subject to full taxation. [13] Recently liberalized tax policies in order to encourage acceptance of overseas assignments. [14] U.K. recently liberalized tax policies in order to encourage. [15] Some limitations.

Source: "Report of the Task Force To Study the Tax Treatment of Americans Working Overseas," The President's Export Council. Subcommittee on Export Expansion (Dec. 5, 1979).

The heavy burden of American taxation, it was suggested, most adversely falls on independent businessmen, professionals, and employees of charitable organizations and international organizations, many of whom have been forced to repatriate. As one witness stated: "You are lookng at a dying breed. When your Committee comes back to Asia, you probably will not find us here."

Prior to 1977, Americans abroad were exempted from the first $20,000 to $25,000 of their income, a benefit constantly eroded by inflation and substantially reduced by Section 911 of the Internal Revenue Code, as amended by the Tax Reform Act of 1976. In 1978, to alleviate the burden on private Americans working abroad and achieve greater parity between them and Americans overseas in the government service, the Congress passed the Foreign Earned Income Act (FEIC) permitting, under Section 913 of the Internal Revenue Code, deductions for certain costs of living overseas. But the modifications made by the 1978 Act have, in many instances, made matters worse, not better.

One witness presented the conclusions of a study of the personal income tax returns of individuals located throughout East Asia. These returns were calculated both on the basis of the original 911 provisions (which Section 913 is supposed to correct) and on the new Section 913 basis, enacted in 1978. According to this testimony, following the strict guidelines and interpretations of Section 913 by the IRS, the average tax burden for most East Asian countries (except Japan) is significantly heavier under the supposedly more liberal Section 913, compared to the old Section 911, by an average of 15 to 20 percent. The relevant data are shown in table V-1.

TABLE V-1.—AVERAGE U.S. TAX BURDENS OF INDIVIDUAL AMERICANS IN SELECTED COUNTRIES, UNDER 1976 AND 1978 TAX ACTS

Country	Tax "as if" employed in the United States	Tax (before foreign tax credit) on pre-1976 rules	Actual 1978 tax (before foreign tax credit)
Hong Kong	$15,617	$22,683	$26,850
Indonesia	8,533	21,296	24,318
Japan	10,350	40,526	29,280
Malaysia	6,187	17,526	21,718
Philippines	5,652	13,116	16,423
Singapore	6,620	12,270	14,881
Tarwan	8,687	10,215	13,934

Source: Testimony presented in Manila, the Philippines, by George H. Liesenberg, chairman, Tax Committee, Asia-Pacific Council of American Chambers of Commerce (Jan. 6, 1980).

The Mission is seriously concerned about the impact of U.S. taxation on U.S. export performance. We believe the adverse trade impact of Sections 911 and 913 of the IRS Code has not been fully appreciated. Moreover, we note with concern allegations that IRS regulations relating to Section 913 have had a restrictive effect, contrary to the congressional intent. Therefore, the Study Mission calls upon the congressional tax committees to convene hearings on Sections 911 and 913, their impact on trade, their implementation by the IRS, and proposed legislative remedies. The evidence indicates that neither the interests of tax equity nor international trade are being served by the present law. We believe the serious deficiencies in the American system of taxing overseas nationals must be promptly corrected.

Once again, I thank my colleague for taking this time to bring to the attention of the House the need to eliminate the income tax on U.S. citizens working abroad.

Mr. ARCHER. Mr. Speaker, I thank the gentleman from California for his contribution to this colloquy.

It is obvious, as he said, that in the competitive world of international trade, this results in either lost contracts for U.S.-produced goods and services—or lost jobs for U.S. citizens if the companies are to compete successfully for overseas contracts.

Let us not forget. When those jobs formerly held by U.S. citizens are lost, we lose related service and product exports because of the natural tendency of the new foreign employees to rely upon foreign sources. U.S. influence in overseas industry and commerce is reduced as the presence of U.S. employees decreases.

All of this is prolog for the purpose of this discussion this afternoon.

Mr. BLILEY. Mr. Speaker, will the gentleman yield?

Mr. ARCHER. I yield to the gentleman from Virginia.

Mr. BLILEY. Mr. Speaker, I want to compliment my colleague from Texas (Mr. ARCHER) for bringing this matter before the House.

Mr. Speaker, for too long the Congress of the United States has viewed the tax system as an instrument to affect social change. This, Mr. Speaker, can no longer continue to be the case. With runaway inflation, prohibitive interest rates, and 7½ percent unemployment rates, we have no alternative but to reexamine the policies that have directed the ship of state over the past two decades. I should like to remind my distinguished colleagues that the power to tax is the power to destroy, and, clearly, the use of the tax system to attempt to engineer social change has contributed to wrecking our economy. We must remember that the tax system exists to raise revenue to pay for the legitimate functions of the Government, namely to provide for the common defense and to maintain what the President has called the social safety net.

The taxation of Americans working abroad provides an excellent illustration of my point: Excessive taxation serves as a disincentive to both work and investment. We are the only major industrial nation that fails to provide for the elimination of taxes on overseas workers. It has become too costly for many companies to keep American workers on the payroll, or too costly for American expatriates to remain on the payroll.

Americans, forced home by our unfair and noncompetitive tax laws, are being replaced by foreign nationals who often prefer to buy the products of their native countries. There is overwhelming evidence that the current taxation of overseas Americans has led to a significant decline in exports, costing the Federal Government billions in lost tax revenues, and, more importantly, costing many Americans their jobs.

A 1976 survey of 257 companies doing business overseas found that 73 percent of their overseas employees were Americans. By 1980, a survey of 306 companies found the figure to be only 37 percent. The President's Export Council, last year, determined that the decline in the expatriate work force was responsible for a 5-percent drop in U.S. exports, Mr. Speaker, that is between $6 and $7 billion.

The Department of Commerce contends that every billion in exports produces 40,000 American jobs. That is over a quarter of a million jobs that Americans do not have because of tax policies implemented by the Congress of the United States.

The Treasury Department will lose only about $500 million in tax revenue if we repeal the tax on all foreign income and this is in static terms. This

is an awful small price to pay for $7 billion in exports and 280,000 Americans working, collecting a paycheck, supporting their families and paying taxes.

Let us put the time when the Congress viewed the tax system as a tool for social engineering behind us, and recognize the tax system for what it is—a way to raise money. Because taxes are disincentives to work, to produce, and to invest, we should tax in a way designed to avoid the most severe disincentives.

By removing the onerous inequities between the tax treatment American expatriates and foreign nationals receive, we can stimulate exports and provide adequate incentives to Americans to work abroad at prices affordable to American firms. I ask that you join me in supporting the exemption of foreign earned income of Americans working abroad from taxation, as a means to help restore American competitiveness abroad, to aid in the elimination of our current balance-of-payments deficit, and to provide productive jobs for our workers here at home.

□ 1330

Mr. ARCHER. The gentleman from Virginia has aptly outlined the immediate pressing need for a change in the law that will place U.S. citizens in a more competitive position with their foreign counterparts.

While a total exclusion from U.S. income taxes on income earned abroad would be desirable, opposition to that approach from some quarters in Congress must not be allowed to stymie action for a major change in the law this year.

An alternative to that total exclusion exists in legislation I have sponsored with Congressman PICKLE and 32 other Members of the House, H.R. 911, which seeks to remove a major part of the barrier to U.S. overseas employment.

It provides a basic exclusion of $75,000 on foreign earned income—adjusted upward annually until a $95,000 figure is reached in 1984. In addition, it provides a deduction for excess housing expenses above a $5,500 base and reduces the residency requirement from 17 months to 11 months.

In the absence of a total exclusion, this approach represents a major step toward placing Americans on a more equal footing with their foreign expatriate counterparts. Its strong bipartisan appeal is reflected in the fact that of its 34 sponsors, 7 are Democrats on the Ways and Means Committee and 9 are committee Republicans.

Mr. LAGOMARSINO. Mr. Speaker, will the gentleman yield?

Mr. ARCHER. I am happy to yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Speaker, I thank the gentleman for yielding, and I commend him for having this special order.

Mr. Speaker, for some time, I have been greatly concerned about U.S. international economic policy and the tendency for American policymakers to seek short-term solutions while ignoring the long-term effects of those policies. I am talking about decisions made in past sessions of Congress to adopt tax measures aimed at narrowing the budget deficit but which in fact have succeeded in enlarging our trade deficit.

I suppose, at the time, taxing American citizens working abroad seemed like an appropriate policy to many people since it served to treat all citizens equally and added to Treasury revenues to help ease the public debt burden. But, now after several years of experience with this policy, we are seeing as many of us had predicted that American industry is losing out to foreign competitors because the cost of having an American working overseas greatly exceeds the cost of hiring a foreign worker.

The U.S. tax structure on American businessmen working abroad imposes costs totaling $100,000 per year for an individual with a $32,000 base income. That results from taxes on income, schooling, and housing allowances, incentive bonuses and cost-of-living allowances. In East Asia, for example, a German, French, or Australian national could be hired at a cost of approximately $65,000 for the American firm compared to the $100,000 for hiring an American.

The added tax costs raise significantly the cost of operating a business overseas. Yet, if Americans expect to be successful in promoting exports, it is imperative that there be a strong, vigorous American presence overseas promoting American products. As we restrict the presence of American businessmen overseas, we unilaterally create disadvantages for our international trading position.

The United States is the only major trading nation in the world to tax the income of its businessmen abroad. We are the only major trading nation to tax schooling and housing allowances or incentive bonuses and cost-of-living allowances. With the high cost of serving overseas, it should come as no surprise that the number of American businessmen serving overseas is shrinking at the very time their presence is most needed to help combat our trade deficits.

I urge my colleagues to seriously reconsider the effectiveness of sections 911 and 913 of our Tax Code and support action to repeal them. The health of our domestic economy and our international trading position depends on it.

Mr. ARCHER. I thank the gentleman from California for his excellent comments, and I would add another example.

In all of this, it is important to remember that as high as the cost of living has reached here at home, costs of overseas are staggering by comparison. For example, a home that might rent here for $7,000 a year can easily rent for well over $50,000 a year in Saudi Arabia.

Mr. FRENZEL. Mr. Speaker, will the gentleman yield?

Mr. ARCHER. I will be happy to yield to my friend from Minnesota.

Mr. FRENZEL. Mr. Speaker, I thank the distinguished gentleman for having this time, this special order, and for his leadership on the whole problem of export enlargement and of the 911 area. The gentleman has detailed some of the awful history of 911 taxation. In 1976, in an excess of zeal for reform, we loused up the Tax Code with respect to section 911 and section 913. We made some improvements in 1978. They were minuscule, and obviously sweeping improvements such as the gentleman from Texas has suggested in his H.R. 911 are needed for this year.

As the distinguished gentleman from Texas knows, I am an unreconstructed believer in having American salesmen abroad, selling American products; for that reason, I look on his solution as gradualism, and I do support instead a complete exemption of all income earned abroad from taxation.

I am, however, I hope, sometimes a practical man, and I understand that the solution that the gentleman from Texas has suggested, along with his distinguished colleague, Mr. PICKLE, may be a more convenient and more political solution for this body to adopt than my own style. But, I would like to invite the attention of this body to an article in the Wall Street Journal today which suggested the increasing difficulty American firms are having keeping Americans abroad. It is now estimated that it costs from three to four times more to put a person abroad than it does to hire or to keep a person in employment in the United States.

And so, increasingly we find American firms hiring British and Swiss and Italians and Japanese, and fewer Americans, to conduct their business abroad. It simply means less American sales because they know American products less well and they do not tend to order them automatically and to specify them in subcontracts or supplies ordering as Americans might do.

And so, it seems to me that if we are serious about expanding our exports; if we are trying to cover our enormously increased oil imports and to prevent just a terrible imbalance in trade, we are going to have to do first a reduction of the 911 taxes.

I also want to congratulate the gentleman from Texas on the two other elements of his bill; that is, the 11-month feature rather than the current 18 months, and on the housing feature. As I recall, the gentleman's bill eliminates the other exemptions under 913, and simply concentrates on the housing feature.

Mr. ARCHER. That is correct.

Mr. FRENZEL. In my judgment, that is meritorious. It simplifies the code.

Mr. Speaker, if you could see the amount of data that is necessary to put together for a 911 filing, not only can you not read it or understand it, you can barely lift it. It is a pile of papers about an inch thick, and the Archer-Pickle alternative would eliminate that, or at lest would reduce it to a very simple filing.

Mr. Speaker, again I say that while I support total exemption for earned income by Americans resident abroad as a way to put the Yankee peddler to work selling Yankee products again, I must congratulate the gentleman from Texas for his ideas and hope that one or the other of us will be successful.

Mr. Speaker, several times over the past years I have risen to explain to my colleagues the need to revise the tax treatment of U.S. citizens living and working abroad. I have pointed out that the 1976 Foreign Earned Income Act forced U.S. businesses to bring their employees home, and resulted in a dramatic decline in the U.S. share of the trade in many parts of the world, most notably the Middle East.

I have also noted that, while the changes in the tax laws pertaining to overseas Americans in 1978 helped a little, they did not go nearly far enough to put American workers on an equal footing with their counterparts from other major trading countries, none of which tax the overseas earnings of their citizens. Fortunately, it now appears that my colleagues are beginning to understand the need to change the tax treatment of U.S. citizens living and working abroad.

During the past month, several bills have been introduced in both the House and the Senate which would liberalize the income tax treatment of the earned income of Americans living and working outside of the United States. These bills include five which have been introduced by Ways and Means Committee members.

However, while all of these bills contain the necessary increase in the amount of foreign earned income excluded from taxation, only two of the bills, including H.R. 913 which I introduced, take the necessary step of excluding all foreign earned income from taxation, providing U.S. citizens abroad with the same tax treatment as their counterparts from all other major trading countries. Only complete repeal will make us competitive.

In the view of the need to increase the U.S. share of the export market in order to counter the increasing costs of imports, especially energy and other natural resources, it is important that the United States not put its front line trade representatives, the employees of major U.S. trading companies, at a competitive disadvantage with individuals from other competing trading countries. But, because the United States is the only major trading country to tax the earned income of its citizens who live and work abroad we do give our people a disadvantage.

In addition, the revenue loss to the Treasury does not significantly increase if the income exclusion is raised from $75,000, which is being proposed by some of my colleagues, to a total exclusion, as my bill proposes. Using the Treasury's estimates, a total exclusion would only increase the revenue loss to the Treasury by $100 million. And these figures do not take into account the positive impact on trade that a total exclusion would have. It has been estimated that a total exclusion of all earned income from taxation would result in a large increase in the amount of U.S. exports, which would provide the Treasury with several billion dollars in increased revenues.

In this case halfway measures and compromises will not work. This is not a matter of equity. It is purely and simply a matter of competitiveness. If we want Americans selling abroad, and I say we do, we need to make their tax status competitive. It now appears that the climate is right for a general revision of the tax laws pertaining to overseas Americans. Let us do the job right the first time, and provide a total exclusion of all foreign earned income from taxation, helping to remove one of the many barriers the Federal Government has placed to U.S. trade abroad.

Mr. ARCHER. Mr. Speaker, I thank the gentleman for his comments, and I would take this moment to congratulate my friend from Minnesota for the great leadership that he has given in this entire area, plus the leadership that he has given in general on the Trade Subcommittee, and his outstanding interest in limiting and reducing the barriers to the development of trade for the products of this country.

We must also note that overseas salaries which seem high in comparison to salaries here at home are often illusionary. For example, one married American with an actual salary of $40,000 living in Hong Kong recently faced a U.S. tax bill of $31,238 because of present law. That is hardly an incentive to stay over there representing U.S. interests.

U.S. companies are often forced by competition on contracts to employ non-Americans. One company, for example, learned that because of U.S. tax law, it would have to pay an American in middle management $62,500 for that person to take home $27,480. The firm could hire a West German for only $36,700 while providing him with $29,244 after adjusting for certain cost-of-living and exchange-rate variables only. That is quite a disincentive to hire the American.

As another example of how our tax law makes competition difficult, if a U.S. firm wanted to hire 100 Americans at a real salary of $30,000 each for a project in Saudi Arabia, the price of tax equalization for those employees would amount to more than $3.5 million—in many cases a prohibitive competitive disadvantage.

In this brief time, we have attempted to illustrate for the Congress the compelling need to act quickly on removing this massive barrier to U.S. overseas trade.

The strong, bipartisan consensus that clearly exists already in the Congress indicates to me that it is an issue which we cannot postpone any longer. Our domestic economy demands that we bring to a rapid halt the shrinking of overseas markets for products and services which mean so much to employment here at home. It is an issue on which the Congress and the administration can readily agree. We must not lose the momentum which now exists to provide an immediate shot of adrenalin to our economy by providing equitable tax treatment to our citizens willing to work abroad—often in harsh economic and environmental conditions—to increase markets for our goods and services.

● Mr. PICKLE. Mr. Speaker, our Nation has accumulated deficits in its trade accounts of some $150 billion over the past 4 years. I am concerned about this, as all of us should be. We are going to have to make some fundamental changes in our economic policy. At the same time, we must eliminate obstacles that restrain our ability to export. One of these obstacles is our tax treatment of Americans who live and work overseas. The United States is the only major trading Nation to tax the income of its businessmen overseas, to tax schooling and housing allowances as income and to tax incentive bonuses. Because of this policy, our Americans are abandoning the foreign markets and returning home. We must reverse this trend and increase our presence in overseas markets if we are to increase American exports.

Other countries pull together with their private sector and their labor movement in the search for exports.

Most do not tax their citizens on their worldwide income.

We must put Americans on the same footing as citizens from all of the competing industrial nations. We need our people overseas to represent our concerns. Their activity increases our viability as an exporting nation. More exports mean more jobs at home, a stronger economy and a stronger dollar.

I am supporting legislation that will change the Internal Revenue Code to insure that Americans working overseas receive tax treatment generally no less favorable than that accorded to our competitors.

If we are to bolster domestic policy, become a top competitor for world markets and diminish our trade deficit, then we must make the changes to keep our workers overseas.

I urge all my colleagues to support this effort.●

Mr. SHANNON. Mr. Speaker, I rise to state my support for substantial reductions in the tax disincentive we place on the Americans who live abroad, competing for a U.S. share in foreign markets. I commend the gentlemen from Texas (Mr. PICKLE and Mr. ARCHER) for their effective leadership on this issue.

The taxation of American citizens who live and work overseas is a difficult issue which Congress has attempted to resolve for a great many years. We have endeavored to frame tax legislation which would encourage Americans to work abroad and, thereby, to increase our share of foreign markets, but which would not, at the same time, create opportunities for tax avoidance by Americans overseas.

We must permit American companies operating in foreign countries to use American personnel in their efforts to sell American-made products. This will obviously increase the amount of goods and services we export, and can help create jobs for Americans here. We cannot compete effectively if we remain the only industrialized nation which relies on foreign intermediaries to sell our products because our own citizens are discouraged by punitive tax policy from living and working abroad.

We must, however, reach an appropriate compromise between total taxation and total exemption. There are those who argue for the complete exclusion from U.S. taxes of the income of all Americans who live and work overseas. I cannot support a proposal which would provide movie stars, high-paid corporate executives, and certain writers and artists all the benefits of American citizenship and, at the same time, would allow them to avoid paying U.S. income taxes.

The gentlemen from Texas have considered the merits of arguments on each side of the issue, and have come up with a workable compromise. They propose to exempt substantial amounts of income from taxation, and to address, specifically, the problems of high housing costs for Americans abroad. In addition, they would put a cap on the proposed tax exemption so that it will not provide unwarranted tax relief and encourage abuse.

The President did not include recommendations on this issue in his address last week, but Secretary Baldrige of the Department of Commerce in his testimony before the Joint Economic Committee, spoke of the need for action, and I would hope President Reagan will recognize the merits of this compromise legislation. Bipartisan consensus in Congress has been achieved on this bill; we ask for an affirmative reading by the President.

In recognition of the necessity to increase the U.S. share of foreign markets, and to increase sales of American-made goods overseas, I wholeheartedly support H.R. 911, the Pickle-Archer bill.

● Mr. BEREUTER. Mr. Speaker, I would like to thank Mr. ARCHER for his efforts to bring this matter to the attention of this body.

Rather than make comments myself, I prefer simply to share with you a letter I received just yesterday regarding this very matter. My constituent, Mr. Gerald Rush, explains clearly the justifications for changing our present laws. As an accountant with the Omaha-based Leo A. Daly Planning/Architecture/Engineering Co. who is now working in Saudi Arabia, Mr. Rush knows firsthand the problems and the disincentives posed by our current tax laws to individuals working abroad.

The letter follows:

DEAR REPRESENTATIVE: I would like to drop you a note to express my concern about the taxation of U.S. citizens abroad. So here goes—

I won't bother you with details of which I am sure you are aware (i.e. the hardship of working in Saudi Arabia, lack of services available to us over here from our government, non-taxed status of every other nationality except U.S. citizens, our losing out in the foreign market due to inability to compete, balance of trade, etc.). But I will tell you how this unfair tax situation is affecting a Nebraska corporation's people working in the foreign field.

Of the last forty architects and engineers either over here in Riyadh or soon to arrive, only six are U.S. citizens. Obviously, we would rather have Americans working for us—not only are they better qualified but they would be more company-oriented (perhaps staying with Leo A. Daly more than two years or so).

But Americans are unwilling to accept the challenge of foreign assignment when they would not make anything extra for it. Why put up with the heat, dust, society, etc., and possibly lose money! To make matters worse—foreigners are knocking at the doors to take advantage of the tax breaks their governments offer to induce people to work the foreign market.

Sir, this is a particularly sad situation when you consider the fine young Nebraska architects and engineers without a chance for a good job when they hit the job market. The work we generate in Saudi Arabia generates about forty professional type jobs per person working over here. The number of secondary jobs generated is probably three or four times this number.

All of the money we Americans make over here goes back into the U.S. economy—house payments, taxes, tuition, etc. So when we lose out in a particular position over here—that money goes to France, Germany, Japan or Korea.

I want to now stress that this is critically important—today. I really don't see how U.S. companies can compete over here much longer with the lack of support and outright hinderances presented by our government.

I sincerely hope you will give this your attention.

Sincerely,

GERALD V. RUSH.●

● Mr. AUCOIN. Mr. Speaker, I am pleased to join my colleagues today in voicing support for H.R. 911, which will reform our tax laws for Americans working overseas. More than this, however, it will help in its own way to reverse the downward slide of American international trade performance over the past decade and boost the sale of American goods and services abroad. That is why similar provisions to those of H.R. 911 have been included in the National Export Policy Act which I and other Members in the House will reintroduce shortly in conjunction with Senator ROTH and the Senate Export Caucus.

There is no doubt that this legislation is needed. Since our tax laws were changed for Americans working overseas, we have seen their individual tax liability increase as the total number of U.S. employees abroad has plummeted—a situation which has not only aggravated our trade deficit, but promises grave consequences over the long term.

We have seen during our dialog today the impact of present tax law on the individual American working abroad. In one company, for example, an American working in middle management would have to be paid $62,500 in order to receive a take home pay of $27,480. Better than half of the income paid out in taxes. This contrasts markedly with a West German who would have to receive a salary of only $36,700 to provide take home pay of $29,244, a savings to the company of $25,800. And then there is the incredible story of the unmarried American working in Saudi Arabia with a base salary of $30,000 who could be liable for U.S. taxes of $35,444.

For the individual worker, such a system of taxation is burdensome to say the least. But for the company that seeks to employ Americans, it is devastating. No wonder we have seen over the past 4 years a 359-percent increase in the number of expatriates from other countries working in the international marketplace. No wonder we have seen the total number of

American workers abroad decline by more than 38 percent between 1979 and 1980. No wonder American employees abroad are now only 60 percent of the total expatriate workers, down from 73 percent just 4 years ago. Clearly, any company that seeks to employ Americans abroad is at a competitive disadvantage.

But the real impact will be felt here at home. In one instance reported recently, the manager of an overseas manufacturing firm noted that the quantity of machinery and other materials imported from the United States dropped between 60 and 70 percent when local employees replaced the sole American in the firm. In another case, a design and building firm reported that 70 percent of its materials were of U.S. origin in 1977. But now only 20 percent is acquired from the United States as a result of fewer Americans working on overseas projects. These lost export sales mean lost profits and lost jobs—not just for Americans abroad but here at home.

Some will argue that American export performance compared to some of our competitors such as France or Germany is improving. But I would remind my colleagues that last year we again experienced a huge trade deficit exceeding $30 billion. The time to move to reverse this trend is now and one important step is the reform of section 911 of the Internal Revenue Code.

American presence means American sales. By increasing the presence of Americans overseas, we can help improve the demand for American goods and services. I urge my colleagues to support this important reform.●

● Mr. SCHULZE. Mr. Speaker, it is a time when the United States is facing aggressive competition from many foreign industrial nations; it is a time when we have substantial unused industrial capacity and attendant unemployment; and, Mr. Speaker, it is a time when the United States is taxing the best salesmen for its technology and products right out of the markets that we, as a nation, must penetrate to retain our status as a leader among the advanced industrial nations of the world.

Our tax laws, unlike most, tax our citizens on all income, wherever earned. Recent changes in our rules taxing expatriate Americans on their foreign-earned income have created a complex set of deductions and special status rules that seek to address the problems of Americans working overseas. However, these rules have not corrected the problem: Our heavily progressive rate structure creates a disincentive to Americans who are, or could be, working in nations that have a need for products we have developed and could sell. Normally high compensation reflecting the high cost of living that characterizes most overseas corporate locations forces a high proportion of income to be taxed at the highest tax rates, greatly reducing the real disposable family income. Frequently an engineer or adviser working for a foreign government or firm finds it to his economic advantage to return home to a lower salary, rather than pay out excessive taxes on illusory receipts.

Without Americans overseas selling—through their specification or recommendation—the American products they are familiar with, our market shares will continue to shrink. We must rethink our national policy toward the Americans who are on the front lines of what some have described as economic warfare.

I have introduced legislation which corrects this problem: H.R. 1924 excludes from U.S. taxable income all foreign earned income. Correspondingly, the foreign tax credit is unavailable to the extent that it reflects income excluded from U.S. taxation. Estimates of revenue impact from this proposal conclude that rather than being a continuing revenue loss to the Treasury, there will be a revenue gain in the near and long term because increased demand for U.S. goods and services will increase our gross national product, thereby enlarging the tax base.

I urge my colleagues to consider this proposal. It is clear that we cannot continue to allow our talented and patriotic sales force overseas to dwindle as we have in recent years.●

● Mr. BAFALIS. Mr. Speaker, a peril threatens our national economy, looming perversely over an estimated 10 million American jobs.

Those affected are workers alined directly and indirectly with exports of goods and services from this country.

Existing national policies discourage—even penalize—work and trade abroad by strangling our efforts to compete overseas; our presence in foreign markets lies trapped in a snare of contradictory laws and regulations.

At the root of the dilemma are current U.S. income taxes imposed on Americans employed abroad.

It is one of the export taxes inflating costs of American goods and services, spiraling costs higher, rendering America competitively second rate.

Our share of world markets stood at almost 24 percent in early 1970. That share now stands at less than 14 percent and is fast declining. Moreover, in just under 4 years, U.S. trade deficits climbed to over $100 billion. Clearly, not only have we failed to create foreign markets for our exports and services, but we have courted policies which discourage future formation of export markets.

It is not a healthy policy for a robust, productive economy. Rather, our national policy must encourage substantial increases in America's foreign markets.

To accomplish this, we first must tackle the problem of overburdening taxation on Americans working in those much-needed foreign markets.

Present U.S. income tax policies actually can sentence the American worker abroad to pay more in taxes than the amount of his entire base salary.

When asked if this can possibly be true, the Internal Revenue Service admits grudgingly: It is an accurate possibility.

Here is how it can occur: The overseas worker is paid over and above his base salary for various expenses. These cost differential allowances rocket our American foreign employee into a higher tax bracket.

While not taxed on all of the various allowances, and while permitted legal deductions, workers are taxed on enough allowances so that income taxes actually may exceed base salaries.

Ironically, some cost differential allowances are restitution for expenses incurred that may not actually contribute to the employee's income. Nonetheless, the IRS considers those funds as taxable compensation.

American workers abroad, because of these tax policies, therefore, must be paid a higher base wage than comparable foreign workers who pay fewer taxes. For example, an American foreign worker has to earn $62,500 to take home $27,480 after taxes. A West German hired in place of the American would have to receive only $36,700 to take home $29,244.

As a result, many U.S. companies do not hire Americans, preferring to save money by hiring foreign workers. Other countries do not tax incomes earned by their citizens employed in foreign markets; only Americans are taxed on incomes earned abroad.

Substantiating these findings are those revealed recently by Chase Econometrics.

The Chase figures show employment of Americans overseas during the past year was reduced by almost 10 percent. That lower employment figure resulted in a 5-percent drop in exports, which, in turn, resulted in a loss to the Federal Treasury of about $6 billion in tax revenues.

The explanation for such cause-effect relationships is simple: American exports link directly to Americans working in foreign markets.

Whatever their jobs, Americans overseas, directly or indirectly, create demand that paves the way for American goods and services abroad.

There is a rule of thumb, according to Chase—for each 1 percent reduction in American presence abroad, a loss of one-half percent in U.S. exports results.

Another startling fact revealed by the Chase study, is any reduction in numbers of U.S. workers overseas reduces competition of U.S. goods and services abroad, resulting in an export slump that contributes to U.S. unemployment in this country. This is because returning overseas Americans enter the domestic labor force, decreasing available jobs.

Obviously, tax policies which inhibit American exports and abate employment of American workers overseas muddle a most delicate economic balance.

For the well-being of the present and future economy of this great Nation, we must see changes made in those policies that will benefit—not hinder—American business.

That once proud slogan, "Made in the U.S.A.," must retrieve its birthright in the sphere of world economics.●

● Mr. COLLINS of Texas. Mr. Speaker, America, instead of allowing its citizens to prosper, has increasingly placed tax burdens and disincentives on all Americans. In particular, Americans who work abroad are victims of inequitable tax burdens created by changes in the Tax Code of 1976.

These changes, have placed the United States in a precarious posture in foreign markets. Individual investment and U.S. foreign trade and development have been stymied. Since 1976, U.S. exports have declined and U.S. companies have slipped from their ability to compete for foreign contracts. Also, because of the increased tax burden, U.S. companies can no longer support U.S. citizens overseas, and as a result, foreign nationals now fill their positions.

It is interesting to note, that the United States taxes persons based on their citizenship rather than their country of residence. This policy is unlike that of all other industrialized nations. Because of this, U.S. citizens are taxed on their income earned abroad, while most foreign nationals are not. Likewise, the United States taxes the worldwide income of its corporations which is again, unlike most major nations. These situations create an imbalance in our foreign trade and ultimately effect our domestic economic condition.

Is this healthy for America? I think, not. The damaging effect has already begun to appear, and can only get worse. We must think about the continued, long-term damaging effect these tax burdens will have on our foreign trade and put a stop to them now. At a time when America is experiencing a new beginning, we must see her begin to prosper again abroad, as well as at home.●

□ 1345

ALTERNATIVE ECONOMIC AND BUDGET PLANS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. CONYERS) is recognized for 60 minutes.

GENERAL LEAVE

Mr. CONYERS. Mr. Speaker, I ask unanimous consent that I may be permitted to revise and extend my remarks, and, further, that all Members may have 5 legislative days to revise and extend their remarks on the subject of my special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CONYERS. Mr. Speaker, this special order on the administration's economic and budget plans was called to fill a gaping hole in public debate.

There has been remarkedly little critical examination and discussion of the administration's proposals, its underlying assumptions, the desirability of the proposed shifts to so-called free-market solutions for problems ranging from energy conservation to funding of the arts to distressed industries and cities, and of the human and social impact of the changes being advanced.

A powerful crowd psychology seems to be sweeping Washington these days, including its political institutions as well as the communications establishment. We are being asked to rubberstamp a profound reordering of Federal priorities, roles, and responsibilities that have been built up over three decades. All this is being proposed in the name of economic problem solving.

There are real and serious questions about the ability of the administration's proposals to solve the very problems they claim to intend to solve.

One of the leaders of the neoconservative movement that spawned the Reagan program, Mr. Irving Kristol, wrote recently in the Wall Street Journal:

> The interactions (in the Reagan program) are so subtle, the feedbacks so complex, that we do not have any econometric model capable of handling them.

Translated into layman's language, Mr. Kristol is telling us that nobody in the administration really knows what the effects of the plan will be. To some it appears that we are witnessing the end product of 20 years of work on the part of a band of conservative ideological crusaders bent on dismantling domestic programs, halting Federal action on the economy, curbing the Government, who are masquerading as problem solvers but who are in fact opponents of any Government action furthering equal opportunity, income redistribution, economic development, and social justice.

I think we who are in the opposition are being hoodwinked about the claims of what the program will accomplish and also what the American people really want done.

For example, according to every recent public opinion poll, the majority of Americans believe price controls would work more effectively to bring down inflation than any other measure. The public also wants to maintain child nutrition programs and opposes cuts in the Federal job training and employment programs. The public certainly does not want the credit squeeze and tight money policy that exists and that the administration wishes to perpetrate.

The problem is that in the absence of alternatives we are contributing to the self-fulfilling prophesy of the public demanding enactment of the Reagan program lock, stock, and barrel because the public has no alternative before it, or hears no opposition to it. And so I conceive our responsibility is to do something about it.

If we fail to defend the programs we believe in and provide reasonable and workable alternatives, then nothing truly will be left but to go along with the administration's program.

Because it is so important that we begin to talk not only in terms of what is wrong but what should be the alternatives, I would like to sketch out a number of the considerations that I hope will enter more fully into the dialog of this session of Congress.

First, economic controls on profits, interest rates, energy prices, and wage adjustments so that workers are not overpenalized in their legitimate desire to catch up to the cost of living. This would provide the breathing space and the cooling off period to create the plans that are needed to bring inflation down, raise productivity, and reorient consumption and investment. I consider it the only decent alternative to credit squeezes and arbitrary budget cuts.

Second, for your consideration, is credit control and allocation. The President already has the authority under the Credit Control Act of 1969 to direct the Fed to control and allocate credit so that the worst off industries and areas obtain what they need while nonessential and speculative borrowers are forced to pay higher interest rates. Credit allocation works effectively in European nations, where the targeting of credit to persons, places, and economic sectors in the greatest need is considered sensible public policy.

Third, the creation of specialized regional and national development banks to make available investment capital to economically distressed areas. In the same vein, the National Consumer Cooperative Bank, which the administration wants to dismantle, ought to be given our full support.

Fourth, the reimposition of price controls on oil and continued controls on natural gas. American consumers should not be subject to the whims of foreign producers who can price their oil at any level they wish in the absence of normal market constraints, nor should they be the victims of our own domestic oil corporations who would raise oil prices arbitrarily. Oil company profits rose 30 percent in 1980 over the previous year, and the 20 largest corporations in that industry reported profits in excess of $29 billion. The oil industry alone accounts for 40 percent of all the profits earned by U.S. manufacturing as a whole.

Fifth, the creation of a Federal oil imports agency that would be responsible for the purchase and sale of all foreign oil used in the United States. This is not a brandnew idea, but it is new in this country. It would establish for American consumers a countervailing market power in relation to the OPEC cartel that could bring oil prices down. The agency would be a passthrough, with no profit aims, and would supply oil on the open market to all American refiners and marketers. In any case, we should get the oil companies out of the business of imported oil since all their incentives are on the side of keeping world prices as well as domestic prices high.

Sixth, serious cuts and savings in the Defense Department programs, particularly the weapons programs. Not only is there considerable waste, noncompetitive bidding, uncontrollable cost overruns in defense contracts, but there are immense programs on the drawing board that are of questionable national security value, chief among them the MX missile system which, if cut, would save taxpayers tens of billions of dollars, maybe hundreds of billions of dollars. We should seriously explore the conversion of defense industries to peacetime activities.

Seventh, serious tax reform to make the tax code more intelligible and more equitable, including ways to finance social security under general revenue so as to reduce the enormous and growing burden of payroll taxes.

Eighth, the Federal Government should in my judgment encourage greater worker involvement in management and business decisionmaking, including representation on the boards of directors. As you know, Chrysler Corp. now has a member of the union on the board, and we think that this practice should be extended not only to the rest of the auto industry but throughout all American industry. This is standard practice in West Germany, France, and Sweden, where workers have a vital stake in the companies that they work for and are not denied any of the rights of participation. From a business standpoint it makes good sense to create incentives for workers to identify their interests with their firms. We need a dose of economic democracy in the workplace for the sake of productivity, innovation, efficiency, and economic growth.

Finally, let us implement at last the Full Employment and Balanced Growth Act. It contains the framework for economic planning that is needed to lead us back to full employment, price stability, and balanced growth.

So, Mr. Speaker, let me say to my colleagues that I propose that we begin to extend the debate not just on what is wrong with the Reagan economic program, that proposes to cut, slash, reduce, or merge 63 domestic programs, but to workable and decent alternative programs. I feel it is important that we move forward in that spirit of examining new alternatives, and try to reach some honest understandings about what really is needed to solve the Nation's problems.

Mr. CONYERS. Mr. Speaker, this special order on the Reagan administration's economic and budget plans was called to fill a gaping hole in public debate. There has been remarkably little critical examination and discussion of the administration's proposals, the underlying assumptions, the desirability of the proposed shift to free-market solutions for problems ranging from energy conservation and funding for the arts to distressed industries and cities, and of the human and social impact of the changes being considered.

If we have learned anything about economics during the past decade, it is that no single group, least of all professional economists, have a lock on the truth. Yet we face today a very determined band of conservative economists and policymakers in the White House—some might call them economic theologians, who trade in belief rather than proof—who are asking Congress to ratify sweeping changes in Federal policy without offering in return the hard economic and impact analysis that is needed to consider their proposals.

The Reagan administration's game plan represents far more than just a series of piecemeal budget cuts. It signifies a major reordering of Federal priorities, roles, and responsibilities, built up over the last three decades. As one example, the President proposes to consolidate health, education, and social service programs into a few block grants, while cutting aggregate funds in each area by about one-quarter. Under this plan, States and localities will have complete discretion to decide which program will receive funds and for what.

In the education field, it could mean that the claims of a disadvantaged child for funds will be set against the claims of adult or vocational education or even library support. Without Federal standards, political weight can prove decisive in the fight over block grant funds. Is this the concept Congress had in the historic battle against poverty and unequal opportunity?

The Reagan proposals also contain the seeds of a fundamental shift in the composition of Federal revenues. Already, during the past few decades the corporate share of the Federal tax burden has declined dramatically, while individual taxes have risen. Now under the Reagan proposal to cut business taxes through accelerated depreciation, business taxes could be cut by more than half of what they are presently. Yet there are no contemplated cuts in payroll taxes on individuals that in many cases already exceed the burden of income taxes. It should be clear by now that the administration's intention to cut taxes by 30 percent will impose on Congress the deepening burden to make even further domestic program cuts in future years, as the individual tax load grows ever more intolerable.

In the last several days I have talked to a number of economists, who have raised serious questions about the absence of hard economic analysis, the reliability of the administration's projections, the defensibility of its assumptions about how individuals and firms behave, and the chances that the new plan will seriously address inflation and stagnation.

Chairman FERNAND ST GERMAIN of the Banking Committee commented last week about the Reagan plan:

> I am fearful that this endless string of numbers (from OMB) is the product of a computer gone wild, bent on reaching some preconceived idea of a multibillion-dollar total without concern about needs or efficiencies.

He put his finger on a basic aspect of the approach: It is long on rhetoric and symbols that appeal to public discontents, and short on economic and impact analysis. Yet in the face of profound changes in Federal policy—in the very definition of what the Federal Government means to people—we are being asked to put out questions and doubts aside, and just have faith in the judgment of the orchestrators.

One of the leaders of the neoconservative movement that spawned the Reagan program, Irving Kristol, writing in the Wall Street Journal recently, observed:

> The interactions are so subtle, the feedbacks so complex, that we do not have any econometric model capable of handling them.

Translated into layman's language, Mr. Kristol is telling us that nobody in the administration really knows what the effects of its plans will be.

It almost appears as if we are witnessing the end-product of a band of ideological crusaders in high places in the White House, bent on dismantling

social programs, halting Federal action in the economy, curbing big Government, who are masquerading as economic problem-solvers. Their attacks on the Federal Government have been central to their politics for decades, irrespective of whether or not it makes sense in economic terms.

QUESTIONS ABOUT THE REAGAN ECONOMIC PLAN

Several questions come to mind about the administration's budget and fiscal policy proposals and what they intend as their goals. We had better look at these carefully.

INFLATION

The administration claims that major cuts in domestic Federal spending will bring down the inflation rate because Federal spending is the single greatest inflationary factor.

How does the administration respond to the findings of the Congressional Budget Office, and other outside analysts, that concluded last year a $20 billion budget cut by itself, within the context of a $3 trillion economy, would have only a negligible impact on the inflation rate, at most, one-half of 1 percent?

How else does the administration square its proposed boosts in defense spending—an additional $26 billion in obligations in fiscal year 1982, and an additional $170 billion, at a minimum, over the next 5 years—with its overall effort to reduce deficits and inflation? We know by now, from past history, that defense spending more than other programs has a built-in inflationary bias as a result of cost-overruns, supply bottlenecks, and widespread waste and abuse.

What are the specific anti-inflation measures the administration is advancing, that address the real inflation sources such as uncontrolled world and domestic oil prices, rising food prices, and the galloping cost of virtually every good and service as a result of the high interest rate costs that businesses pass along to consumers? Since most of the underlying inflation occurs in the basic necessities such as energy, food, health care, and housing, how does the administration expect to grapple with it in the absence of specific programs targeted to these areas?

How in the world will a 10-percent across-the-board tax cut in each of the next 3 years contribute to lowering inflation? As the economist Lester Thurow aptly points out—based on the effect of the Kennedy tax cuts in the 1960's, there is very little evidence that such a tax cut will raise the savings rate for investment sufficiently to offset its stimulus to consumption that can only add to inflation. Based on past history, Thurow finds that for any $100 in tax cuts, Americans typically will save $7 of it and spend the other $93.

The tax cut proposal typifies a more general problem in the administration's proposals. Nothing proposed is at all targeted to particular groups, geographical areas, or even problem-areas. The approach throughout is indiscriminate, across the board, scatter gun, as if the problems of the economy are of one stripe, and amendable to one general solution.

ENERGY INFLATION

The administration's decontrol of domestic oil has made American consumers totally dependent on the pricing whims of the OPEC producers since domestic prices now are pegged to world prices. The oil companies, it should be clear by now, lack any incentives to negotiate lower prices, which can only depress the value of the domestic reserves they own. The Carter administration's gradual decontrol policy, according to a study of the Oversight and Investigations Subcommittee last year, added 3 to 5 percentage points to the inflation rate. The removal of all controls last month undoubtedly will raise the inflation rate further.

On top of oil decontrol, the administration is bent on the complete decontrol of natural gas prices. A recent study by Energy Action, released last week, concludes that natural gas decontrol would cost the Nation between $370 and $620 billion over the next 5 years and, naturally, add substantially to inflation.

Given the continued dependence on foreign oil and the inflationary impact of oil and gas decontrol, how can the administration justify its proposals to cut out funding of energy alternatives such as solar energy, hydropower, alcohol fuels? Further, while there is broad agreement that energy conservation can produce enormous savings, how does the administration justify its proposals to eliminate conservation programs such as Federal standards governing thermostats in public buildings and the cuts in mass transit programs?

FEDERAL DEFICITS

The Reagan administration claims it will bring about a budget surplus by 1984—even though it already has recalculated upward its estimates of next year's deficit from the Carter target of $27.5 billion to the present aim of $45 billion. How does it propose to accomplish this without dramatically reducing the unemployment rate and at the same time raising additional revenue to close the budget gap?

Past economic history shows that recessions themselves are the major cause of budget deficits. For each additional 1 million unemployed persons beyond the so-called 5.1 percent full-employment benchmark, the Treasury has to pay out an additional $6 to $8 billion for income maintenance, that is, food stamps, unemployment compensation, public assistance, and so forth. At the same time each additional 1 percent increase in the jobless rate robs the Treasury of roughly $23 to $25 billion in revenues that economic activity generates. Recessions and high unemployment are, therefore, the major sources of Federal deficits.

OMB recently calculated that at the full-employment level, Federal outlays would drop more than $13 billion, while revenues would increase by approximately $60 billion. In other words, finding jobs for 2.5 million workers, now unemployed, would bring about the budget surplus the administration seeks, while leaving these workers idle and adding to their ranks can only produce more deficit spending.

Deficits also can be lowered by finding new revenue sources. The House Budget Committee calculated that tax expenditures—the total of Federal tax subsidies, loopholes, credits, and deferrals—will amount to more than $235 billion in fiscal year 1982, roughly one-third of Federal direct spending. Many of these subsidies and credits no longer serve the purposes they were created for years ago. For example, the oil-depletion allowance next year will eat up $1.5 billion in revenues. Yet the administration has chosen to maintain this subsidy, that makes no sense since oil prices are decontrolled, the industry has all the price incentives it needs, and oil profits apparently are unlimited.

There are all types of tax breaks that should now be reexamined, mostly benefiting upper-income groups and corporations without having any discernible broad public value. Yet instead of closing loopholes and reforming the tax code, the administration is proposing additional tax breaks. I suspect that once Congress completes its tax work, it will even exceed the tax breaks the administration proposes. How can the administration square this massive hemorrhaging of Federal revenues with its intention to balance the budget—unless, of course, it really is bent on scaling down domestic programs to unrecognizable proportions?

ECONOMIC REVITALIZATION

The supply siders in the administration, presumably, aim most of all to revitalize the economy and stimulate new economic activity. The administration expects GNP to grow at rates of more than 4 and 5 percent annually over the next several years, far higher than the economy has grown in the past several years. Legitimate questions can be raised, as CBO observed in January, whether these growth targets are at all realistic.

The nub of the problem, as the supply siders see it, is to raise dramatically the level of savings and investment that will pump badly needed investment capital into the economy. The average Japanese family saves 20 percent of its income, and the average German family now saves 14 percent.

The average American family saves, however, only 5.5 percent. So the administration proposes to cut marginal income tax rates and also business taxes. They assume that a tax cut will encourage everyone to save and invest. There is no hard evidence, however, that this will happen. Following the Kennedy tax cuts, the savings rate increased by only 1.5 percent.

How does the administration propose to boost savings and investment without any specific measures to raise the rate of return on personal savings for millions of ordinary citizens. How can a scattergun, across-the-boards tax cut boost productive investment in new plants and equipment, when the administration proposes tax cuts for speculative investment as well? A lower capital gains rate, for example, also will apply to speculative investment in antiques, Persian rugs, second or third homes, and a variety of other ventures that contribute little to economic revitalization and jobs. Since speculative investments usually pay off more quickly than productive ones, why should not investors take advantage of the Reagan tax program to divert funds from productive to nonproductive forms of investment?

If the administration really believes that a significant shift away from consumption must take place over the next several years, why is it not proposing real constraints on consumption? The economist Lester Thurow in recent testimony before the Joint Economic Committee observed that the Reagan supply siders were not really true supply siders, since they have failed to target their program to productive forms of investment.

Economic stimulus via tax cuts, most would agree, will take years to materialize in the form of new investment and capital. What does the administration propose to do in the next few years as the auto industry goes deeper in the red, plant closings in older industrial centers reach epidemic proportions, and whole communities and regions are torn apart by further economic dislocation?

The Carter administration in its closing months, at least, was moving to a concept of economic planning by industry and sector, and partnerships between labor, management, and Government. The Reagan administration alternative appears to be the free-enterprise model, in which strong firms and sectors will survive, while weaker ones, regardless of their importance to the economy, will go under. The Economic Development Administration will be terminated and economically depressed areas it served will have to find their own way back.

MONETARY POLICY

The Reagan administration, apparently, does not think the Federal Reserve Board has tightened the money supply enough, even though interest rates are at an all-time high, the small business sector is unable to borrow, and the housing and auto industries, to name a few credit-dependent sectors, have been devastated.

How does the administration square its supposedly fiscal stimulus plan of tax cuts and deregulation with its advocacy of more of the same, and even worse, monetarist policy?

If the administration really is concerned about curbing inflation and reviving the economy, how possibly can it wish to preserve a tight money policy that can only boost business costs and prices, undermine the inherent competitiveness of a healthy small business sector, and prevent the smallest, most innovative firms from financing new technologies that alone can lower costs and boost productivity?

BUDGET CUTS

The administration proposes in the first round to cut roughly $41.4 billion from the Federal budget. The vast majority of cuts—$34.8 billion—come out of a variety of human resource programs such as income maintenance, social insurance, housing, health care, education, job training, mass transit, and arts and humanities. Only $2.9 billion in savings comes out of the Defense Department, and this is overshadowed by the additional $26 billion in obligational authority the administration wants next year.

The administration defends these cuts because they ostensibly eliminate waste and inefficiency. Enough studies now exist that indicate dollar for dollar, there is an even greater amount of waste in the defense budget than in human resource programs.

The Corporation for Public Broadcasting, that has raised the cultural sights of many Americans, would be cut by $43 billion, while $79 million in subsidies to the tobacco industry are left untouched. So much for the rationality of the Reagan budget cuts, and the value system that underlies its program.

The administration wants to remove some 400,000 households from the food stamp program, to take one example of human resource cuts. It wishes to target funds only to the truly needy, and eliminate unneedy students, who now are eligible for stamps. Yet students account for only some 50,000 recipients out of nearly 22 million. Who are the other unneedy 350,000 households that the administration wants eliminated from the program?

Real benefits in major welfare programs such as AFDC and medicaid have declined significantly in the last several years as a result of inflation. For example, real AFDC benefits have declined by as much as 33 percent in a survey of 20 States, while real medicaid benefits have gone down as much as 47 percent. The Reagan cuts have to be considered in the context of a cumulative decline in program benefits. Or does not the administration think that the poor suffer as much from inflation as the rich?

While the administration professes to be serious about job creation and a shift away from welfare, the effect of its cuts will work in the very opposite direction. What does the administration propose to do with persons who are now employed, but who will lose their jobs or employability if the administration succeeds in eliminating CETA programs, UDAG and EDA public works programs, youth and adult conservation programs, and day care programs for working mothers? As the Washington Post editorialized recently, forcing persons out of jobs onto welfare rolls is "monstrous social and economic policy."

Moreover, if public job programs are eliminated, how will the administration absorb the additional welfare costs that will arise?

GOVERNMENT AS THE PROBLEM

Perhaps the most basic assumption behind the administration plan is that the Federal Government alone is at the root of our problems. Blaming the Government for virtually everything has been at the heart of the President's politics for two decades.

Is this realistic or justified? Since the Reagan administration does happen to sit on top of a Federal Government that is immensely complex, responsible for major roles in society, and on whom millions of individuals depend in their struggle to survive, does it make good policy sense to weaken further the Federal mission?

Are there not many actors to blame for the current state of affairs? Let us look at a few.

ITEM

A small American company invented the Betamax video tape system and tried to sell it to a large American corporation for production. The patent is American, but it was sold to Sony, the well-known Japanese company.

ITEM

The president of Sony in a recent Harvard speech laid the blame for America's economic distress squarely on the doorsteps of American corporations. He pointed out, for example, that American management has few of the incentives Japanese managers have to take the long view on investment, marketing, and production. American corporate leaders, he said, are too oriented to short-term profits and respectable ledger books because their own careers and financial interests encourage the shortrun perspective.

ITEM

Japanese students exceed American students in every category of scholastic achievement. College entrance exam scores of American students

have been falling for 15 years. Is this the result of too much investment, or too little?

ITEM

Japanese workers and workers in most Western European countries have positive incentives to produce because their fortunes are tied to the fortunes of the companies they work for. They also tend to have a voice in company management and decisionmaking. In the typical American company, on the other hand, hierarchy prevails, and workers are generally shut out of decisionmaking.

ITEM

The Federal Government has spent billions on cleaning up the air we breathe, cleaning up waters after oil spills, getting rid of toxic and hazardous substances in the ground and in the workplace. It also has spent billions to keep the passenger railroads running that private industry abandoned. So much for the voluntaristic and responsible spirit of American business that should have been doing these things on its own.

The Federal Government, of course, has accomplished a great many positive values. Because of Federal occupational health and safety regulations, occupational deaths in the mining industry went down from 1.5 per million in the late 1960's to 0.5 per million in 1980, and this was the result of Government action, not the voluntaristic efforts of the companies involved.

As a black American I can testify, without any ambiguity, that were it not for Federal action to remove barriers to equal opportunity and to enforce civil rights and constitutional laws, black Americans and other minority communities would still be marching on the road to freedom and still be encountering roadblocks.

ALTERNATIVES

Lest anyone think that what the Reagan administration is proposing for the economy and the Federal budget is the only thing workable, let me offer some alternatives, and make an observation.

A powerful crowd psychology is developing, and we are being asked to believe that the public stands foursquare behind all the administration's proposals. A majority of the public, according to numerous opinion polls, also wants price-and-wage controls. The public also is divided evenly over support for more urban assistance, and the great majority does not want any cuts in child nutrition programs, or funds cut from Federal job training programs.

We are in danger of being bamboozled into believing that the public mandate is loud and clear for immediate approval of all that the administration wants. This is not the case. Furthermore, if we in the opposition do not defend the programs we believe in, and recommend alternatives for citizens to consider, we then will be creating the self-fulfilling prophecy of the public demanding the Reagan program because it knows of no alternatives.

Because of time, I will only sketch some alternatives to the Reagan program, and elaborate on them at a later time.

First, economic controls on profits, interest rates, energy prices, and wage adjustments so that workers are not overpenalized in their legitimate desire to catch up to the cost of living. This would provide the breathing space and the cooling off period to make the plans that are needed to bring inflation down, raise productivity, and reorient consumption and investment. I consider it the only decent alternative to crippling credit squeezes and arbitrary budget cuts.

Second, credit control and allocation. The President has the authority under the Credit Control Act of 1969 to direct the Fed to control and allocate credit, so that the worst-off industries and areas obtain what they need, while nonessential and speculative borrowers are forced to pay the highest rates. Credit allocation works effectively in European nations, where the targeting of credit to persons, places, and economic sectors in greatest need is considered sensible public policy.

Third, creation of specialized regional and national development banks to make available investment capital to economically distressed areas. In the same vein, the National Consumer Cooperative Bank, which the Reagan administration seeks to dismantle, ought to be given our full support.

Fourth, reimposition of price controls on oil and continued controls on natural gas. American consumers should not be subject to the whims of foreign producers who can price their oil at any level they wish, in the absence of normal market constraints. Oil company profits rose 30 percent in 1980 over the previous year, and the 20 largest corporations reported profits in excess of $29 billion. The oil industry alone now accounts for 40 percent of all profits earned by U.S. manufacturing firms in 1980 as a whole.

Fifth, creation of a Federal oil imports agency that would be responsible for the purchase and sale of all foreign oil used in the United States. This would establish for American consumers a countervailing market power in relation to the OPEC cartel that could bring oil prices down. In any case, we should get the oil companies out of the business of imported oil since all their incentives are on the side of keeping world prices high.

Sixth, serious cuts and savings in Defense Department programs, particularly weapons programs. Not only is there considerable waste, noncompetitive bidding, uncontrollable cost overruns in Defense contracts, but there are immense programs on the drawing boards that of questionable security value, chief among the MX missile system that, if cut, would save taxpayers tens of billions of dollars. We should explore seriously conversion of defense industries.

Seventh, serious tax reform, to make the tax code more intelligible and more equitable, including ways to refinance social security so as to reduce the enormous and growing burden of payroll taxes.

Eighth, the Federal Government should encourage greater worker involvement in management and business decisionmaking, including representation on boards of directors. This already is standard practice in West Germany, France, and Sweden. Workers have a vital stake in the companies they work for, yet they are denied any rights of participation. From a business standpoint, it makes good sense to create incentives for workers to identify their interests with their firms. We need a dose of economic democracy in the workplace for the sake of productivity, innovation, efficiency, and economic growth.

Ninth, last but not least, let us finally implement the Full Employment and Balanced Growth Act of 1978, which is Federal law. The Carter administration, unfortunately, deferred its targets and timetables reducing unemployment. The law, tragically, has become a dead letter with the Reagan administration. Yet it contains the very framework for economic planning that is needed today to lead us back on the road to full employment, price stability, and balanced growth.

Mr. HAWKINS. Mr. Speaker, will the gentleman yield?

Mr. CONYERS. I yield to my friend and colleague, the gentleman from California (Mr. HAWKINS).

Mr. HAWKINS. Mr. Speaker, may I commend the gentleman from Michigan (Mr. CONYERS) for this very important special order. I believe that he has touched on the very heart of the problems that confront us today, and that he has not only dealt with the problems but, I think much more importantly, with concrete solutions.

A few days ago the President did indicate that if those of us who oppose the budget cuts did not have solutions, in effect we should be opposing the budget cuts. I think that challenge has certainly been answered by whether or not you would continue the feeding of arsenic to a sick patient, by whether or not you only have a solution or an alternative but also recommend the discontinuance of that which is wrong. I think that that is primarily the important message that seems to be lost, particularly in these Halls these days, because willy-nilly we see that otherwise courageous men and women,

knowing what is being advocated is wrong, are afraid to speak up.

I think that the gentleman from Michigan (Mr. CONYERS) is among those who have not only spoken out against what is wrong but also has, I think, well-designed programs to correct these injustices.

The problems that we spoke about during the campaign so beautifully a few months ago are still the problems that plague us today. Then we were led to believe that we should do something about inflation. Now inflation continues to rage at a 13-percent rate, and we hear practically nothing about it.

A few months ago we spoke about the 8 million unemployed persons among us, and we continue to have those 8 million unemployed and, added to their ranks, many hundreds of thousands since then. And before the end of the year it is pretty obvious, as we are now assuming, that we will have another 1 million persons who are going to be unemployed.

A few months ago we were talking about tax reduction as if all of us would get a piece of the action, as if we would all get some of those tax reductions, but now we are told that the tax reductions are primarily for those in the $100,000-and-over bracket, and that the common, ordinary people at the bottom of the pyramid are going to be asked to make the sacrifices. So, as for the burdensome taxes that we were led to believe we would be relieved of, we now understand that we are going to have to bear them much more than what we have in the past.

A few months ago the Republican platform indicated that it stood for full employment without inflation through economic growth, and that phrase has now been dropped and we are told that economic growth would only stimulate inflation. And so that great promise made to the American people has not been kept.

Yet we have one speaker after another say that the budget cutting, which now seems to be the centerpiece of a so-called new economic policy, is a new policy, and yet no one has been able to show how the budget cutting would help solve these severe economic problems. They run out of explanations as to whether or not it is going to help decrease inflation. They have run out of explanations as to a balanced budget. They have run out of explanations as to how budget cutting will help employ American wage earners, and now we are told that the budget cutting is not going to do any more than to impose some sort of a psychological impact on the American people. In other words, the budget cutters have become psychiatrists. They are going to solve the problem through trying to lull the American people into slumber.

I want to express again my great support for the program that the gentleman from Michigan (Mr. CONYERS) has outlined. It has been evidenced for a long time that by decreasing unemployment just 1 percentage point we would increase the revenues and provide savings of something in the neighborhood of $30 billion. It is a simple matter, therefore, to reason logically that if we could only reduce unemployment by 2 percentage points, we could thereby balance the budget and we could reduce inflation because we would be creating those goods and services in short supply.

□ 1400

We would be providing more housing for the American people for the health care that they need. We would be providing something in the field of energy and transportation and so forth if we would but put the productive forces of America to work, its idle plants, its idle people. We could thereby bring about this tremendous change; but, unfortunately, the economists have become psychiatrists and those great leaders of a few months ago have suddenly gone back to playing their politics to give to their financial contributors a great windfall that they were not entitled to and certainly should not deserve during these days.

I want to again commend the gentleman for Michigan, to join with him in at least speaking out. Perhaps if his voice can be heard, there will be many others who will be inspired to do what he is doing in these Halls today and certainly we want to join with him in what I consider to be a tremendous message to the American people.

Mr. CONYERS. I thank my colleague, the gentleman from California. No one in this body is unaware that he is the author of the Full Employment and Balanced Growth Act, a measure designed to not only create jobs, but also deal with a myriad of other economic problems. I am grateful for his contribution in this debate.

Mr. Speaker, I yield now to my colleague, the gentleman from North Dakota (Mr. DORGAN).

Mr. DORGAN of North Dakota. I thank the gentleman very much. I, too, want to commend the gentleman for providing a forum for discussion on economic issues.

It seems to me that the proposals that have been pursued by the Reagan administration embody some good and some bad. I want to say, first, that I believe that there are excesses and extravagances and there is waste in the Federal budget. I want to join those who want to trim and prune where we should in the Federal budget. We want to find out what works and what does not and get rid of that which does not.

Reasonable people, I think, will disagree from time to time on what works and what does not work, but I think that in some areas President Reagan's proposals are bold and courageous. He is going in some directions on some programs that Democrats and Republicans in times past would not move on and I commend him on that; but I want to say that the economic recovery program will not promote economic recovery unless and until we deal with a couple other items. One is energy and the second is interest rates on monetary policy. About one-half of the inflation in this country comes from the burgeoning cost of energy. If we cut Government in half—if we eliminated half the cost of Government today—that would not reduce by 1 penny the cost of a barrel of oil; and so we have to have a meaningful energy policy, which means we have to produce more and we have to use less. We have to produce more of the right kind and, therefore, I am concerned about budget cuts for solar energy. I am concerned about budget cuts that take out loan authority for gasohol plants, and also when we use less it means a meaningful commitment to conservation programs in this country. I am concerned about the administration's lack of commitment to conservation.

Let me also say that monetary policy is something that has to be dealt with as part of an economic recovery program. High interest rates—20-percent interest rates—pursued by the current Federal Reserve Board do not cure inflation; they cause more inflation. If we had demand-full inflation of the 1950's, the 1960's type that we used to teach in basic economics courses, yes, high interest rates would dampen the demand for funds and, in fact, would be one part of a coordinated solution to deal with inflation; but the fact is that with today's economic patient, high interest rates do not cure inflation. They cause more inflation.

The Wall Street Journal in a recent article pointed out that the large corporations of America are still borrowing funds at about the same rate that they borrowed funds previously. They pay the higher interest rates and they pass them along in higher costs to their consumers.

It is the small business, it is the family farmer that not too many people understand are now on the brink of financial disaster. The increase in business failures in this country recently has been dramatic, particularly in the small business sector. Because of the burgeoning cost of energy and the increased cost of credit, there are far too many small businesses and family farms on the verge of financial disaster. We have to deal in a meaningful way with interest rate policy.

I think the best supply side economic theory would hold, if you believed in supply side economics, that low inter-

est rates fit in the supply side economic thought. Low interest rates do not mean that anyone who wants money gets money. It just means those who have a legitimate demand for credit get it at a reasonable cost.

I would like to say also with respect to tax policy, that having served as a State tax commissioner for 10 years in the State of North Dakota, that reasonable people disagree on what is tax reform. We have tax proposals before us that are called meaningful tax cuts when, in fact, they are illusory. The American people are not going to experience tax cuts. What we have in place is a highly elastic tax system that, without any action by any legislative body, increases dramatically because of inflation. The so-called tax cuts are simply an attempt to level out that curve, so tax cuts are not coming. It is an illusion. To the extent that they are trying to level out that curve that represents an unlegislated tax increase, those tax cuts, it seems to me, that they are talking about move in the wrong direction anyway. It is masquerading under a new title, but it is really the old trickle-down theory. I think Hubert Humphrey years ago talked about trickle down. He said:

The trickle-down theory, that is where you give the horse some feed and you hope the sparrows have something to eat.

Well, the trickle-down theory does not make much sense to me. What we need is to give the people out there in this country—the middle income wage earner who in the decade of the 1970's has had a very real increase in their tax burden—some tax relief, because they spend that money and they create that consumer drive that makes this economic engine of ours function.

So I think when we talk about tax cuts, let us talk about real tax relief to the middle income wage earners of this country. Let us target tax relief to that part of our industrial sector that can use it best. Capital accumulation for the purpose of promoting silver speculation, the purchase of antiques, or the buying and selling of apartment houses between investors is not capital accumulation that is going to renew this economy.

I think what we need to do is look at all the data that has been made available in the last couple of years by recent research. It tells us, first, that the new jobs in this economy are created by small businesses. In the last 9 years, 67 percent of the new jobs in America have been created by business firms of 20 employees or less, according to a study by Professor Birch at MIT. It tells us the most innovative part of our industrial sector is the small business.

I maintain that if we want economic recovery in this country, first, we deal with our energy problem; second, we reduce interest rates; and third, we target tax cuts and the accumulation of capital that gives us the ability to invest in small businesses, which are the most productive part of this industrial sector of ours.

So I think what we should do is talk about tomorrow's strengths and not try and patch up yesterday's weaknesses. We have a strong economy that will work and an economic recovery program that includes energy, interest rate, and tax policies that make sense. I think it will put this Nation back on the road to economic recovery.

I thank the gentleman for allowing me the time to address that issue.

Mr. CONYERS. I welcome the expertise of my colleague from North Dakota that he brings with him from his previous role as State tax commissioner. It is refreshing to hear people talk about the need for the tax reform, rather than merely tax cuts. I think we have some systemic problems, as I listen to the analysis put forward by the gentleman from North Dakota.

I have always been troubled by the notion that inflation is the No. 1 problem with our economy, because I view inflation as a symptom of a much deeper malaise. Even high interest rates, as unconscionable and obscene as they are, are not a problem to be attacked in isolation. That, too, is a symptom of an economic system that is globally impacted now by forces that are far larger than the ones that we used to control much more conveniently, so that I am sometimes troubled by these attacks on symptoms alone.

You know, if we merely brought inflation under control, it might not necessarily create the 8 to 10 million jobs that are required for people in this country.

So it seems to me that we need some longer range analyses of these problems as well as short-range solutions. To that extent I think there is an uneasiness on the part of many who misread the loud applause that occurred when the President spoke before this body last week. I am reminded that on that night that the President came over here, the body was full of a lot of people that are not Members of the House of Representatives. I am not sure how many American people recognize that.

I think the reception was less than an overwhelming mandate, as I speak to Members of Congress about some of the difficulties in the proposals that were made that night.

So I welcome the gentleman's spirit of inquiry, his willingness to go along and cooperate with the administration. I do not see him as one trying to block and impede. Where he finds there is soundness and correctness in the programs, he will support them and where he does not he will not. I do not think anybody can ask for more than that. I thank him for his contribution.

I yield now to my colleague, the gentleman from Minnesota (Mr. OBERSTAR).

Mr. OBERSTAR. I thank the gentleman for yielding. I want to compliment the gentleman for calling this special order to discuss the most important issue facing the American people and the Congress. That issue is the response that we must make to the program the President has laid before the Congress and the people on the matter of the economy.

The Members of this House owe it to their constituents to work with President Reagan to control inflation and to stimulate the economy of the Nation to higher employment and greater productivity. These are economic goals that the Members and this House of both parties share.

The commitment to work with the President, however, does not absolve Members of the responsibility to evaluate carefully each budget proposal.

Careful consideration does not mean obstruction. The case for a prudent budget cut will be strengthened, not weakened, by that scrutiny.

Not all budget cuts are of equal merit. If they were, we could simply assign a target dollar figure, and pull budget cuts out of a hat to reach that target.

Before we consider the cuts, we should rid ourselves of the notion that all sectors of the economy and all citizens will bear the burden of these cuts equitably. We should be honest in recognizing that the Reagan administration proposals will heavily affect our poorest citizens and our oldest cities. If we accept the Reagan proposal, we should admit to ourselves and to our constituents that the poorest Americans will feel the pain of the cuts most. We should not mislead our constituents in arguing that there is equity.

The American people expect reductions in Federal spending. I believe Congress is likely to approve most of the President's proposal. At the same time, I have doubts about the effectiveness of these cuts in the fight against inflation.

The program does not address four major components of inflation: energy, health, food, and housing costs. One of the President's first major acts was inflationary—the complete decontrol of oil prices.

For the middle-income working people of this country, who are the overwhelming majority of the population, inflation is the most serious economic problem. It erodes paychecks and discourages efforts to save. Inflation has made us a nation of spenders—not a nation of savers.

While I am for control of wasteful, unnecessary spending, both by Government, and by the private sector, I must ask how effective the President's spending cuts will prove in controlling the root causes of inflation.

Furthermore, the President's tax proposal seems to present an enormous economic risk. A general across-the-board tax cut is not supply side economics. It puts more money in the economy, without providing assurances that money will actually be used to increase the productive capability of the economy.

I have other comments that I would like to make. I will not use, however, more of the gentleman's time. I know it is limited.

I would like to include the text of remarks on this subject that I delivered last week.

Again I compliment the gentleman for his courage in standing up as he so often does when the moment requires to speak out for what is right in our society and our economy.

Mr. Speaker, the material referred to above is as follows:

CONGRESS AND THE ECONOMY

(By Hon. JAMES L. OBERSTAR)

Clearly the most compelling issue confronting Congress and the nation is the health of our economy and President Reagan's prescription for it.

Since we have but one economy to sacrifice for our country, I thought I would attempt to discuss with you tonight the Congressional perspective on the challenges facing Congress and the Reagan Administration.

There is, unmistakably, a consensus throughout the nation and throughout the Congress to reduce inflation, eliminate fraud and waste, end unnecessary and cost-burdensome regulation, and restrain the growth in the federal budget.

There is no question about those goals. The question is where shall the cuts come and how large shall they be, and, who or which classes of society shall enjoy the benefits of tax reductions.

The President's proposals raise more sharply than at any time since the Vietnam war the question of priorities in national budget setting.

Most Members of Congress are agreed upon working toward the goal of a balanced budget and reducing federal outlays as part of an overall economic recovery program. They are not as agreed on how that goal shall be achieved.

On the other hand, there is no uncertainty on the part of the President or his advisors. They have laid out a sweeping economic recovery program that challenges old assumptions, undoes many tested and proven—as well as some disproven—concepts of the role of the national government in achieving social and economic justice. The President has made his proposal; it is now up to Congress and the public to respond.

In evaluating that program and each individual budget cut or tax benefit, we should be guided by certain basic principles. Every cut surely will have its price; the questions we must ask ourselves are:

1. Will it solve the problem or merely defer that problem until a later date, creating worse problems for society and the economy in the future?

Deferred highway construction and maintenance will erode our nation's most valuable transportation network, and cost far more in years to come to build or repair.

Housing for the elderly deferred until another generation may mean prohibitive costs of construction and a disastrous downturn in the domestic residential housing industry, forcing small builders out of the market altogether, reducing competition and increasing basic purchase costs.

2. Will it cost more in the long term for the total economy and the people than it saves in the short term?

Delayed urban development means more flight to the suburbs, increased population growth in the outlying areas, which was the pattern of the decade of the 70's, and higher costs of transportation, energy, as well as water pollution control and social and community services, which are at least partly funded by the federal government.

There may be other costs or unintended results, such as causing the shift in population growth and industrial development from the frostbelt states to the sunbelt.

3. What costs does society as a whole incur?

For example, in denying unemployment compensation benefits, cutting off food-stamps, putting a cap on Medicaid, denying trade adjustment assistance benefits—all may shift costs from one governmental unit to another; from the federal government to state and local governmental units whose tax base is narrower, less equitable and less able to bear these burdens.

We must carefully consider the consequences of eliminating funding for a wide range of social initiatives which have bettered the condition of Americans and avoided the recurrence of the riots of Watts, Bedford-Stuyvesant, and the like.

The budget revisions now underway are a good opportunity for all of us to reevaluate the quality of American life as a measure of our standard of living and determine the relationship of various government funded programs to that quality of life:

The progress in extending the life expectancy of the average American, as a reflection of funds invested into public health programs, including hospitals, research laboratories, as well as sewage treatment plants, the clean air program and community action agencies which help people to get good health care;

Federal funding for education which has brought 8 million more Americans into higher education programs than were enrolled 20 years ago;

Or improved housing standards, pension benefits, income levels, and working conditions.

This is not to say that federal funds have bought all these improvements but it is unquestionable that without the federal impetus, much of that progress would not have occurred by itself.

If the federal government is living beyond its means—and it admittedly has been for national social and economic purposes—so are private Americans and all of us are going to have to cut down some, beginning with the federal budget. In that process, it is important to recognize the gains that have been made while we grumble about the burdens we are now shouldering.

Perhaps one of the most difficult balancing acts in this process of reducing budgets to reduce the inflation rate will be to avoid an increase in the rate of unemployment. A one percent increase in the unemployment rate would mean a decrease in federal government revenues of 20–22 billion dollars, an increase in budget outlays of 5–7 billion dollars and an increase in the deficit of 25–29 billion dollars.

On the other hand, an increase of 1 percent in the inflation rate will mean an increase of 5–7 billion dollars in revenues, a 1–2 billion dollar increase in budget outlays and a 3–6 billion dollar increase in the federal deficit.

Avoiding these two opposite poles will be like steering the ship of state between Scylla and the Charybdis.

The steering process is now underway. The authorizing and appropriations committees of the House will report to the Budget Committee their views and estimates on the Carter budget and President Reagan's revisions by March 20. The Budget Committee will then hold hearings on the Fiscal Year 1982 budget and the revisions of the Fiscal Year 1981 budget.

By April 15 the Budget Committee will report to the House a budget resolution consisting of three titles:

Title I will revise the Fiscal Year 1981 budget;

Title II will set the Fiscal Year 1982 budget; and

Title III will consist of reconciliation instructions to the authorizing committees of the House.

Congress will complete action on the budget resolution by May 15.

The various authorizing committees of the House will then have until June 15 to submit their reconciliation proposals to the Budget Committee which will assemble them into a single bill and report it to the full House. Reconciliation is a process by which each committee must return to the basic authorizing law and report out legislation, changing that law, including the repeal of laws, to reflect the figures in the budget resolution.

The House has set a target of completing action on the budget and reconciliation measures by July 4.

Will we meet that deadline? Very likely.

Will the resulting budget include all the President recommended? Very unlikely—but not far from it. And in the process, we'll witness one of the most interesting chapters in the history of the United States Congress.

The question asked of anyone in elective office is: Where do you stand? I tend to be guided by Franklin D. Roosevelt who, in the depth of the depression, said: "The test of our progress is not whether we add more to the abundance of those who have much; it is whether we provide enough for those who have too little."

Mr. CONYERS. I welcome my colleague to this colloquy. I know that he will be very carefully and expertly evaluating the programs as they come down. I appreciate his contributions in past Congresses and say that they are needed more than ever presently.

My courage does not stem so much from intestinal fortitude, I might tell my colleague, as from a direct mandate from my constituency.

□ 1415

I am frequently told that the President has a mandate that is based on 28 percent of the eligible electoral vote, 54 percent of those who voted for President, and I must say that I come to the Congress for the 97th session

with a considerably larger mandate from the First District of Michigan.

I turn now to yield to my colleague, the gentleman from California (Mr. PASHAYAN) and welcome him to this special order.

Has the gentleman any observations to make now that he has heard the great statements made by some of his colleagues about this program?

Mr. PASHAYAN. I thank the gentleman for yielding.

I should just like to say with respect to the President's plan that I think the administration has made every effort possible to create a cut that will touch all segments of society. I agree with my colleague that the leading economic problem today is inflation. I should also add the observation that inflation ravages those on low fixed incomes and the poor, working poor, far worse than any of us here in this Chamber today.

This is the first time since 1932 that the American people are looking to change the structure and the effect of the National Government. I think the President's plan is in the order of reform and not repeal of the New Deal. I should like to add that unless we bring inflation under control, it is the poor and the lame and the helpless among us who are going to feel the effects of it in a far worse proportion than any of us will here. The President has done his best, I think, to apply the plan across the board, and it seems to me that we have got to give the thing a chance to work. I feel that it is going to permit the American people to make the first telling blow against inflation that we will have been able to do for 15 or 20 years.

Mr. CONYERS. I thank my colleague from California for his remarks. I know he did not plan to participate in this, but as a concerned Member we appreciate his input. I know that he examines these questions carefully. I have always felt that these equal cuts across the board have unequal results. True, the poor suffer from inflation more than the rich.

Mr. PASHAYAN. That was an unequal result of inflation.

Mr. CONYERS. Yes, and an example of what I was mentioning. The problem that bothers me is can I tell an unemployed automobile worker that inflation is the No. 1 problem in this country when his income is zero?

Mr. PASHAYAN. That is a very serious problem, it seems to me, to the extent that the gentleman wishes to explain the problem to him. I should think that the unemployment of the particular person the gentleman is talking to is of an equal magnitude.

Mr. CONYERS. Maybe larger.

Mr. PASHAYAN. I should be the first to say that unemployment is a leading problem in this country that affects millions of Americans whom it should not affect. That is to say, there should be millions of Americans now working who are unable to work simply because the jobs are not there, and I think that the shadow side or the other side of the inflationary coin is unemployment. I think it is interesting to note that a lot of the economists whose wisdom, or supposed wisdom, we have been following over the last so many decades have always told us according to their orthodoxy that it was the choice of unemployment on the one hand and inflation on the other, and they would go so far as to suggest in the classroom and other economists' forums that if one were a Republican, he would favor a policy that would diminish inflation but at the expense of raising unemployment, and if one were a Democrat, he would favor a policy that would diminish unemployment but at the expense of inflation. But now we are not confronted with a choice; we are confronted with these things en bloc. They are both upon us in some vicious kind of partnership.

So I think that some of the economic wisdom from the past perhaps is not as telling as it might be, and we are confronted with something that the economists have always said before should be an alternative. I think that must drive us back to a more fundamental analysis. I think we have worked Keynesian economics. I think that what Keynes suggested was that there were times that government could indulge in a deficit financing situation, but I think he meant that to be a temporary situation owing to various world circumstances of the times.

I think we have had a magnificent experience in this country on the question: Can we continually and permanently have an enormous deficit as a part of the financial structure of the Government? I think the answer now is becoming apparent that we cannot. It seems to me that the worst we can do to the very people that the gentleman seeks to protect and that I seek to protect is to continue in the same direction we are going. Things are bad, but they could be even worse. I think we have got to have the courage and, it seems to me, fortitude to try something else, the same kind of courage and fortitude that Franklin Delano Roosevelt called upon the people to exercise in 1932. His message was not so much the New Deal, but it was always try something more, even if it is different; and if that does not work, let us try something else, because in the end we shall prevail. I think that message is as telling today as it was in 1932.

Mr. CONYERS. I appreciate my colleague's statements and I am glad he could join us. We are not cutting everything equally. The Department of Defense authorization, as I understand it, is experiencing probably the largest single peacetime add-on in the history of this country.

I remember when former President Carter assumed office, the defense budget was under $100 billion. I think now when we consider all of the appropriations, the fiscal year 1982 authorization will probably come somewhere within $214 billion, and the $40 or $50 billion which through the 63 domestic programs are being cut or reduced somehow seem to equal the amount that is going additionally into the Department of Defense. It has not been revealed whether that was by design or whether those figures just happen to be in the same mutual range, but I think that it raises the question of whether the domestic program cuts are really intended to reduce the deficit or instead really to make room for accelerating defense spending.

Mr. PASHAYAN. I should say that it never hurts to look at these things. I am not familiar enough with those particular figures to comment on them, but I will say I recall that under President Nixon for the first time in history the amount of the budget for social services exceeded the amount of the budget for the Department of Defense. I think the gentleman will agree that that was a historical case then.

It seems to me that some of the programs we are talking about do not produce the results that I should hope the gentleman would hope would have been produced, and certainly that I hoped would be produced.

Mr. CONYERS. Is the gentleman referring to the Department of Defense area or the domestic area?

Mr. PASHAYAN. I am referring to the whole Government, because I am certainly one to say that there is waste in all quarters of the Government.

I think we are fortunate in that we have Caspar Weinberger as Secretary of Defense, because I served at HEW when he was Secretary of Health, Education, and Welfare. If anybody has the ability and willingness to go and seek out waste within a department, and has the courage to stamp out the waste, it is Caspar Weinberger. In that respect I should hope that the gentleman will join me in being thankful that he is there.

Mr. CONYERS. I remember that the gentleman or someone over there called him, "Cap, the Knife."

Mr. PASHAYAN. I never used that phrase; I had too much respect for him.

Mr. CONYERS. There were probably others of less rank. We hope he is not "Cap without the knife" now that he is Defense Secretary.

Mr. PASHAYAN. I think the gentleman will find that whatever waste exists—and I hope within the contracting area—that he will seek to eliminate it.

Mr. CONYERS. I thank my colleague again.

● Mr. RANGEL. Mr. Speaker, I rise to join my colleagues in expressing my severe doubts in the wisdom and equity of President Reagan's program for economic recovery. The President has repeatedly stated that everyone will have to suffer cuts equally. From what I can see he is correct: the poor will suffer cuts in services while the rich will suffer cuts in taxes. There is little that is equitable about this program and supply side economics which it is based upon is a relatively new theory, with little written on it and which is founded on a great deal of speculation about how best to revitalize our economy.

To begin with a 10 percent across the board tax cut for 3 years running will do nothing to relieve the tax burden of a family of four with an income of $20,000. By 1984 when the full 30 percent across the board tax cut is in effect, and you factor in inflation as well as increases in the social security tax, a family of four with an income of $20,000 would have an actual tax increase under the Reagan proposal of $18 over their present tax bill. At the same time, for the 0.2 percent of taxpayers with incomes over $200,000, the Reagan tax cut would mean a reduction in their tax liability of $19,427 in 1984. I fail to see how this will induce the $20,000 a year and under worker to increase his productivity let alone to increase his savings so that we will have more capital available for capital formation. At the same time, one could easily argue that the people in the over $200,000 tax bracket will have incentive to work less, if they can retain more of their income.

I think a more equitable program might be to increase the standard deduction for singles from $2,300 to $2,800 and for joint returns from $3,400 to $4,200. This would cost $7½ billion in 1981 and would be a little more then half of the proposed cuts for individuals in 1981 under the President's plan. The effect of this would be to delay for a longer period of time the tax entry point and would have more of a real effect in terms of bankable dollars for the working poor and lower middle class. It would also be beneficial to the middle class because it would act to delay their entry into higher marginal tax brackets. It is the wealthy, who would receive the least assistance from such a proposal because at their end of the tax scheme such reductions mean little.

The administration's proposals for accelerating depreciation are equally incomprehensible and unjustified. To begin with, by 1986, 1 year after the Reagan depreciation proposal would be fully phased in, corporate taxes would be cut by approximately $45 billion or a little less then half of projected corporate tax liabilities for that year.

The administration's accelerated depreciation proposals would do next to nothing to revitalize our depressed industries. Companies such as General Motors, Ford, Chrysler, and the steel industry cannot take advantage of such tax breaks since they are currently running huge deficits. Providing tax deductions, no matter how substantial, are of dubious benefit if a corporation has no profits from which to deduct those incentives from. The need for accelerated depreciation is also brought into question when one realizes that we already provide faster depreciation schedules than Japan and Germany which are our major competitors. I am also puzzled about all the noise about our lagging capital investments. Between 1953 and 1981 American investment as a percentage of GNP has remained remarkably steady. It has ranged from 9 percent in 1961 to 10.7 percent in 1979. This year it is estimated that investment will be on the high side of that range somewhere around 10.6 percent. One would have to seriously question the Reagan administration's grounds for asserting that lack of capital investment is what is tending to drag our economy down because it has remained so constant over the last 29 years during both good and bad times.

Finally, I question the constant analogy between the administration's proposed cuts and the Kennedy-Johnson cuts. The economic climate is entirely different. Then there was a budget surplus of $300 million, an inflation rate of 2 percent and low unemployment. Today we are facing a drastically different economic picture. The deficit is projected to be over $50 billion, our inflation rate is over 13 percent and unemployment is 7.4 percent. The times could hardly be compared in order to determine the economic effect of the cuts. Yet the Reagan administration persists in saying that the results of the Kennedy-Johnson cuts will be mirrored by their proposed cuts.

I think the evidence clearly shows that all we have here is aid to the well-off taxpayer and to the well-off business. In effect we are providing a windfall to those who have proved that they can make it in this society. I hardly think this is warranted.

In the area of budgetary cuts the administration's reasoning is equally baffling. Many of the cuts are in programs which are designed to help people out of dependence and into independence. Surely tighter criteria for unemployment insurance such as elimination of the national trigger, increasing the percentage that unemployment must reach in order to qualify the State trigger for extended benefits and imposing more stringent work requirements after the first 13 weeks of unemployment as well as the elimination of CETA public service jobs can only result in more people ending up on welfare. I have yet to see any data from the administration which takes into account the increased costs in welfare of those forced off of unemployment and from the elimination of CETA. The only thing this policy will achieve is shifting some, but not all, of the burden from the Federal Government to the States. For remember, the Federal Government participates in welfare payments to the tune of between 50 and 70 percent depending upon the medicaid reimbursement rate for a State. The savings by the curtailment of these programs are not what the administration has lead us to believe.

What is even more upsetting is that in eliminating the CETA public service employment program the administration has failed to provide any alternatives. Its all fine and good to talk about a safety net for the poor and that no one truly in need will be hurt, but the reality is that those who are working today in CETA will be out of a job. It does little good for me to tell them that when the Reagan economic program is fully in effect there will be 16 million new jobs. All the guy out of work knows is that he is out of a job and that if he is in a community with high unemployment, his chances of being employed are slim. Where do I tell him to go? To what State, local, or Federal agency? To what employer do I guide him? The administration's program certainly does not provide me with the answers to his questions.

Similarly the administration proposes to block grant and reduce by 25 percent such programs as low-income energy assistance, title XX, day care, community health care centers, adoption subsidies for hard-to-place children, foster care services, and services designed to prevent the breakup of families, just to name a few. All these programs are designed to either address a critical need and most were adopted as cost-savings measures; measures designed to address problems at the inception, before they get out of hand and end up costing astronomical amounts to resolve. When we passed the windfall profit tax, Congress stated its intention to set aside 25 percent of the net revenues to hold the poor harmless for increased energy costs as a result of decontrol. Over the period between fiscal 1982 and 1986 that would mean an average approximate cost of $5.25 billion for low-income energy assistance alone or approximately 77 percent of the administration's proposed $6.8 billion block grant. It would be impossible to fund the remaining programs which fall under the block grant with the remaining $1.55 which is allocated annually for these programs. It is obvious

that this administration's commitment to the poor is not what they would have us believe. There is no safety net, but rather a big hole through which the poor are going to fall.

It is all fine and well to call for cuts in spending, but it is incumbent upon us all to take a long hard look at exactly just what we are cutting. Are these really the cuts we want to make? Even more importantly will the American public be satisfied when they have nowhere to turn when they need assistance in what I believe will be increasingly hard times before we see an economic turnaround?●

● Mr. STOKES. Mr. Speaker, I would like to thank the gentleman from Michigan (Mr. CONYERS) for taking out this special order. This special order provides an opportunity to open the lines of communication relative to the economic situation in this Nation and the impact of the President's proposed budget on that situation.

First of all, Mr. Speaker, I would like to go on record as stating that I agree with President Reagan and my colleagues on both sides of the aisle that we are facing a major economic crisis in this Nation. Depending on your socioeconomic vantage point, this crisis could be described as a recession or even a depression. Second, I agree that the Federal Government must act aggressively yet in carefully calculated measures taking into account the well-being of all citizens to overcome this crisis. This is what I want to address myself to today.

Mr. Speaker, after reviewing Mr. Reagan's speech and the ensuing public relations program so to speak to sell the budget, I have formed strong fundamental objections to the Reagan administration's prescribed remedy for this economic malaise. These objections are not based on any pet projects or so-called sacred cows slashed in the budget, but on the very real plight of the poor and lower income people in this Nation. This budget renders these individuals to being a permanent low priority item on this Government's agenda.

But, Mr. Speaker, what we must remember as we consider or propose any budget or economic solution is that the Government is designed to serve all of the people of this Nation. That means that individuals regardless of their economic class are to be served by the Federal Government. What helps one group may very well hinder another group. Accordingly, there is little space for simplistic across-the-board remedies. The Reagan budget, in my opinion, does not truly address itself to this fact.

Mr. Speaker, what the President has given to the House and the Senate to consider is a budget with a $8 billion cut in spending in fiscal year 1981 and a $41 billion cut in fiscal year 1982. The primary points of the budget call for tax cuts in line with the supply side economic theory to spur investments and budget cuts to reduce Federal spending and combat inflation. In reality, the President's budget gives most of the tax cuts benefits to the higher income people who are already comfortable and most of the spending cuts to programs which affect low-income people.

Tax cuts may be good news for the well off in our Nation. But, what can a small tax cut do for the unemployed or the underemployed who already have little or no money and are simultaneously asked to bear the brunt of program cutbacks.

The President says that the cuts are necessary to reduce inflation and the truly needy will not be hurt. But, Mr. Speaker, CBO as well as noted economists, have estmiated that cutting $20 billion from the budget will affect inflation by less than one-half percent. A $50 billion reduction would probably result in a 1 percent reduction in inflation at best.

With that in mind, how can we justify cutting funds to CETA, the food stamp program, medicaid, certain housing programs, certain social security benefits, unemployment insurance, trade adjustment assistance and child nutrition just to name a few when the results in terms of bringing down the inflation rate are minimal. We are asking the poor, the welfare mother, the blue collar worker, the elderly and the young to sacrifice for something that will bring us little or no concrete results. In the final analysis to coin the President's phrase, we will be creating a large pool of the truly needy—those persons who he says the budget cuts will not hurt.

Additionally, Mr. Speaker, the President has preached that the cutting of budget items and giving the States more authority will eliminate fraud, waste and abuse of Federal funds. But, it is difficult to see how the fraud and abuse problem is addressed in the Reagan economic proposals.

And so I ask my colleagues, how can we pass such budget proposals which callously disregard the needs of a large segment of our country—the poor. Last year, in the Budget Committee deliberations, I asked that we not balance the budget on the backs of those least able to afford it. This time, I ask that we not break the backs of those individuals who are poor in the name of economic proposals which have at best only minimal chances of succeeding. Instead, we must come together and work on a more reasonable solution to our economic crisis.

Mr. Speaker, I and some of my colleagues who are committed to a fair deal for those individuals who are all too often voiceless and powerless when decisions like this are made, pledge to work for extensive changes in the proposed budget.●

● Mr. FAUNTROY. Mr. Speaker, on February 2 of this year, the members of the Congressional Black Caucus met with President Reagan in a get acquainted session. We introduced ourselves to him and expressed our concern that the then contemplated approaches of his administration to address the Nation's economic woes not place additional burdens upon those who have already been hardest hit by inflation and unemployment: the poor, the elderly on limited income, and low to moderate income Americans in particular. We urged that his policies not increase unemployment among the latter group of Americans and that they not be asked to bear a disproportionate share of the burden in fighting inflation. We urged that the Federal budget not be balanced on the backs of the poor, the elderly, and moderate income people of the country.

On Wednesday, February 18, the President announced his plan to address the Nation's economic, domestic and international problems. The first step in his approach, a step of which we had been previously advised, was to drastically change the spending patterns and practices of the Government. Upon reviewing the budget proposal which was outlined by President Reagan, the Congressional Black Caucus went on record at a press conference held on February 19, as being in fundamental disagreement with both President Reagan's proposed change in the budget and the assumptions upon which they are based. President Reagan and Federal Budget Director Stockman are saying their "spending cuts will not be at the expense of the truly needy." Regardless of what they are saying, what they are doing is hacking away at programs that are the lifelines of millions of the poorest families and children who will become hungrier, colder, and sicker than they already are. Through its press conference, the Congressional Black Caucus has submitted to the Nation our assessment of the true cause of the country's domestic and world problems and the subsequent approaches and steps that must be taken to remedy the Nation's ills.

The specifics of Congressional Black Caucus solutions, in terms of itemized legislative initiatives with targetted line item budget figures, have not been fully developed at this time. However, we plan to announce in March a detailed legislative and public policy agenda which is representative of the true cause of the Nation's economic, social, and international problems, as we, the members of the Congressional Black Caucus assess the national dilemma of the 1980's.

The differences between the caucus assessment of the problem and that of President Reagan, differences that will establish the foundation for the

specific legislative approach to be unveiled in March, are highlighted in the caucus statement "The Reagan Administration/CBC Assessments: A Matter of Sharp Contrasts," the text of which I submit for inclusion in the RECORD.

THE REAGAN ADMINISTRATION/CBC ASSESSMENTS: A MATTER OF SHARP CONTRASTS

The Reagan Administration has gone to great lengths to convince the American people that the cause of unemployment, inflation and problems in world affairs is government: government spending; government taxation; and government regulation. They offer, therefore, as solutions to our problems a program of budget cuts, tax cuts, and government deregulation with the promised result of lower inflation, accelerated growth, and full employment.

The Congressional Black Caucus believes that the implementation of such a program will only fuel inflation and unemployment, accelerate the flow of American capital to productive activity outside the United States, and substantially add to the problems of low and middle income Americans.

By contrast, the Congressional Black Caucus boldly and firmly asserts a different assessment of our problems, and therefore posits different solutions to address them. Our assessment of the State of the Union is that on the domestic scene we have not a balance-the-budget problem but a balanced-economic-growth problem.

Our different assessment leads us to posit different solutions. We call for targeted budget outlays to stimulate balanced growth, not for budget cuts in areas that will increase the burden of government spending itself and accelerate inflation. We call for tax reform that will assure capital formation and investment in world competitive enterprises that will put America back to work again, not across-the-board tax cuts that will only fuel inflation and increase our balance of payments deficits.

In the area of military spending it is the opinion of the Congressional Black Caucus that the nation does not have a balance of military power problem, but a balance of trade and a balance of payments problem. The root causes of today's international turmoil are social, economic, and political in nature; problems which we recently came to know only too well can not be solved thru military force—I reference the incident of this Nation held hostage by the government of Iran. In fact, military force as an instrument of security is ultimately useless in the absence of global stability.

Accordingly, the fundamental principles of any foreign policy should include a commitment to personal freedom and human rights, the full support for political self-determination, a willingness to accept other peoples' choices of political and economic systems different from our own, and finally, a dedication to non-intervention in the internal affairs of other governments.

Today, the security of a country cannot be assured by military power alone. Only the establishment of social, economic and political stability in the world can bring about peace. The issue is how to achieve security and stability—through use of force and military power or through political, economic and social means. Again, we support the latter.

The MX missile weapon system will not only heighten tension between the U.S. and the Soviet Union, but it will gravely tax our land and clean air resources without substantially adding to our nation's security vis a vis Soviet Russia.

The so-called "neutron" bomb will not increase the security of NATO Pact nations; it will just heighten tensions, cause a new arms build up, and make a reduction of forces in Europe more difficult. Moreover, the neutron bomb is a weapon for the kind of nuclear war that, God willing, we will never incur.

ADMINISTRATION ASSUMPTIONS BASED ON MYTH

The Administration's assumptions that government spending, government taxation and government regulation are the cause of inflation and unemployment are myths that are refuted by the facts.

Myth No. 1: The first myth is the claim that reduced government spending will have a substantial impact on reducing inflation. The fact is that it does not. Economists of all persuasions have testified to the limited impact reduced government spending has on inflation. For example, the Congressional Budget Office, agreeing with other experts testifying before the Employment Opportunities Subcommittee of the House, in February of 1979, stated that bringing the budget into true balance would have a negligible effect on inflation—less than two-tenths of a percent—but would have a very large effect on unemployment.

Myth No. 2: A second myth is that we have accomplished nothing through federal spending. The fact is that since the first days of the Republic it has been the responsiblity of the government to promote our general welfare. That is, to address such issues as poverty, hunger, health care, the environment, business promotion, employment security, price stability, and the economy. The primary tool our government has to meet the needs of its citizens, particularly the poor, is the federal budget.

In the rush to blindly cut government spending for domestic social programs, one important fact has been overlooked; the social programs of the sixties and seventies have helped to reduce the proportion of people below the poverty line from 22.4 percent of the population two decades ago, to 11.6 percent in 1979.

The contribution of these programs cannot be denied when we consider just a few of their accomplishments:

During fiscal 1980 alone, nearly half a million of the nation's most disadvantaged people turned their CETA experience into "unsubsidized" jobs.

Seventy percent of AFDC families were able to make the transition from welfare to the world of work with the help of publicly subsidized day care centers.

Myth No. 3: A third myth is that high priority domestic programs are wasteful and misdirected. The fact is that the greatest waste and mismanagement in the economy is not found in the social and employment programs under attack (although such evils should be eliminated whenever existing), but in the conduct of economic policy by high level public officials sworn to uphold the law. The fault lies with the mismanagement of the economy by the continued use of discredited policies of contrived stagnation, the trade-off of jobs, the fueling of inflation by raising interest rates and oil prices in the name of fighting it, and a hysterical obsession with a balanced budget at the expense of a balanced economy.

These policies have reduced demand by creating unemployment, slowing the growth rate and pushing us into recession. They have increased the cost of government spending for unemployment insurance, food stamps, welfare, and medicaid by pushing people out of productive work and forcing them to rely on nonproductive transfer payments. They have increased the costs of goods and services which the government, itself must buy. Additionally, unconscionably high interest rates have added billions to the cost of government borrowing and increased the government's expenditure for subsidized loan programs.

THE REAL CAUSES OF INFLATION

The Congressional Black Caucus boldly confronts the above mentioned myths with the facts about the real causes of inflation. There are several. The first is an imbalance between investment and consumption in our nation which can be connected not by tax cuts generally but by tax reform in certain particulars.

The fact is that investment in plant and equipment, abetted by corporate profits that have been growing far more than wages and salaries, has grown much faster in real terms then ultimate demand for products. These imbalances, which have always led to cutbacks in investment plans and larger deficiencies in ultimate demand, have brought on stagnations and recisions.

Unfortunately, tax cuts have provided relatively too much stimulation to investment and too little to consumer income and spending, and have exacerbated this problem. Proposals currently being discussed, such as an across the board 10 per cent tax cut, and efforts to greatly speed up unqualified depreciation, would continue this imbalance. Across the board cuts are not fair, nor equal in who they help. They do not target the stimulation of demand where it will do the most good for the economy nor the people. Corporations, and the most wealthy of individuals would receive the bulk of the tax reduction, while middle-, and low-moderate income people would receive little, or in some cases, no relief at all.

Tax reform in which moderate- and low-income persons derive the major benefits will inevitably aid consumption, as will full employment and increases in spendable income.

Put another way, whenever people have money to spend in the market place, investors will be attracted to provide them with the goods and services they demand. No other incentive is needed.

A second cause of inflation has been our Federal Reserve Board Monetary Policies. Federal Reserve policies have done devastating damage to the whole economy, especially home building and occupants, the automobile industry, the farm population, and the more than half of all families who must rely upon heavy borrowing just to make ends meet. Excessive, repeated, and misguided reliance upon high interest rates to fight inflation has done nothing to abate ravaging inflation. High interest rates raise the cost of virtually all goods and services in the economy, and forces serious reductions in the consumer's ability to buy the basic necessities. Virtually all the increase in the inflation rate has occurred through price increases in the basic necessities sectors of energy, food, housing, and medical costs. Along with shortages, scarcities, price fixing and lack of competition, inflationary spirals have continued because interest rates do nothing to arrest the problems in these areas.

A CONGRESSIONAL BLACK CAUCUS PROGRAM TO MATCH OUR ASSESSMENT

In March, the Congressional Black Caucus will announce a specific legislative and

public policy agenda that will match our different assessment of what our problems in the nation and world are. That agenda will detail steps that we believe must be taken in three areas of concern to all Americans: the economy, world affairs, and matters of civil, political and human rights.

The economy

On the economy, our budget proposals will stress not budget cuts, but budget outlays that stimulate full employment and balanced growth in productivity. For example, we believe that increased spending in housing development is essential not only because it increases the supply in an inflationary sector of the economy of high demand, but also because it puts millions of people to work.

Our proposals will stress not across the board tax cuts, but tax reform designed to stimulate business and industrial productivity in this country in sectors of the world economy where we remain competitive. For example, to maximize growth in the Black community, we will support a tax policy which provides incentives for high-growth industries to invest in the Black community. Because most of the high growth sectors are in the labor-intensive, highly skilled service sector, the incentives must be targeted to upgrade the skill-development level of the community coupled with accelerated depreciation of the building, equipment, and machinery.

In the area of foreign policy, the Congressional Black Caucus will strongly support budget initiatives that increase foreign assistance in the areas of:

(1) International Food Aid Programs;

(2) Development assistance on a multilateral basis; and

(3) Technical assistance to underdeveloped and developing nations.

At the same time in the area of military expenditure, we recommend the elimination of the MX missile system, the B-1 bomber, and the neutron bomb.

Finally, as I stated earlier, the Congressional Black Caucus will continue to offensively and defensively protect the civil and human rights gained, not only by Black Americans, but those of underrepresented peoples throughout the world.

We recognize that in positing this different assessment and positing these alternative solutions, we are confronting a fierce storm of carefully generated public opinion.

But if it is said of no one else, we are determined that it will be said of the Congressional Black Caucus in the 97th Congress that we did not fear the weather and did not trim our sails, but instead challenged the wind itself in order to improve its direction and cause it to blow more softly and more kindly over the world and its suffering people.●

● Mr. LELAND. Mr. Speaker, President Reagan has offered the American people a broad program for the economic recovery of this country. As has become his trademark, Mr. Reagan gave a great performance in advocating his program of budget cuts and tax reductions. The problem is, however, that it is only a performance; the people are being sold a bill of goods. And if we are going to buy his program, I believe we should do it with our eyes wide open.

This so-called program for economic recovery is rife with inconsistencies and questionable premises. Despite what the President says it is by no means the panacea for inflation, productivity, and all our other economic woes.

First, the President cites excessive Government spending as the cause of all our concern and the root of all evil. If we will only reduce Government expenditures—on domestic social programs solely—and cut deficit spending, all will be well according to the President. Mr. Reagan and his conservative economists know full well that Federal spending is not even a major cause of inflation. They know that cutting the budget, even to the point of a balanced budget, will not have any significant effect on the inflation rate. To cite just one source of proof, the Director of the Congressional Budget Office testified before Congress last year that balancing the budget would reduce the inflation rate by only a few tenths of a single percentage point. Why would or should the President of the United States desire to mislead the people about the effect of his proposed budget cuts?

What is even more astonishing is that Mr. Reagan would barely mention the real causes of inflation and, more importantly, he is attempting to cover up his own recent actions that have actually made inflation much worse. Did Mr. Reagan stress the spiraling costs of energy as probably the major source of inflation? Or did he mention the fact that his recent accelerated decontrol of oil prices will add from 1.1 to 1.4 points to the Consumer Price Index? In this one Executive order, issued only weeks after taking office, Reagan forced you and me to pay an extra 10 to 15 cents a gallon at the gas pump every day and for the extra costs of heating oil and most other forms of energy. Little wonder he would want to avoid mention of this action, because it is totally inconsistent with his avowed fight against inflation.

A whopping 30 percent tax cut across the board over the next 3 years is the other main focus of the Reagan program. Of course, the most important thing to remember about this proposal is that it was a campaign promise, a political deal. Never mind that virtually every economist is deeply concerned that this will worsen inflation drastically.

Now, I am in favor of a tax reduction to lighten the burden of taxation on our citizens, but only if and when these reductions will be fair to all taxpayers, will not destroy Federal programs that are crucial, and will not adversely affect our economy. Under the Reagan plan none of these conditions are met.

It has been well documented that the tax cuts will benefit the very rich more than the average taxpayers who already pay more than their fair share. The Reagan administration has already admitted that 70 percent of the tax cut benefits will go to the wealthy. For example, by the time the tax cuts are fully effective in 1984, people with incomes of over $200,000 would have their taxes cut by about $30,000 a year on average. For those earning between $10,000 and $15,000 the tax cut will be worth about $350. When you cut taxes, Federal revenues are reduced, and unless there is other increased revenue we must reduce spending to avoid a larger deficit. It is obvious that Mr. Reagan is not proposing to close the many tax loopholes which would raise the money lost through the tax cut, and he is committed to further increase an already inflated defense budget. Therefore, the only thing left to cut, according to the Reagan plan, is our social programs which benefit the people. And, as I mentioned earlier, the tax cuts will surely be inflationary which directly conflicts with the alleged original intent of the overall Reagan plan. He promised to reduce inflation, not increase it.

So, as much as I would like to ease the tax crunch, for me to endorse the Reagan proposal would be hypocritical and grossly unfair to the working majority in our country.

Mr. Reagan has also singled out excessive Government regulation as a major cause of the downfall of our businesses and the ruination of our economy. Undoubtedly, there is waste in Government, and there are unsound and unnecessary regulations, and there are welfare cheaters, and there are ineffective Government programs. I, and all my colleagues in Congress, favor correcting these problems. But the Reagan administration wants to throw the baby out with the bath. He wants to destroy all the progress we have made to protect the health and safety and well-being of the millions of people who inhabit this country. He says, "Get Government off the back of business and we will again move forward."

Has Mr. Reagan forgotten, or did he ever know, how Government got there in the first place? Did he understand how bad our air had gotten before the EPA was given the authority to limit toxic emissions from industries and automobiles? Had he seen the cancer victims infected by the chemicals dumped into our rivers and waste sites before the Federal Government had to intervene? Was he aware of the sorry job the States and local school boards were doing to provide equal education to black and brown children before the Department of Education was forced to step in to enforce the Constitution? Had he suffered the excessive rates charged by A.T. & T. and the major oil companies before the FCC and the FTC interceded? Obviously not. Federal regulation did not evolve

or grow by accident; it was created and has grown because the private sector and business and the corporations in this country could not or would not further the public good.

What makes Mr. Reagan think that things would be different now? Would the automobile makers now consider the need for smaller, fuel-efficient cars on their own? Will the energy companies now decide to develop alternative energy sources. Would the chemical companies decide to stop dumping toxic substances into our air and water supplies? Would industries suddenly make their workplaces safe for their employees? Would companies adhere to the antitrust laws and give up profits voluntarily? Would businesses hire and promote minorities and women equally on their own without the EEOC? I think not. That is what worries me about efforts to end Federal regulations. I am concerned that the President wants business and corporation heads to have an absolute free reign to profit at the expense of the workers and the consumers of this great country.

I would be willing to work tirelessly, hand-in-hand with the President to streamline regulations and to make the agencies truly effective in their missions. But, I want to make sure that we are trying to solve the problems for which the agencies were created, not allow them to get worse. And believe me, they will get worse if this antiregulation mentality prevails.

To finally pass judgment on the specific budget cuts proposed by Mr. Reagan, we should look at the actual effects. What will they mean for Houston, for Texas, for the millions of poor and lower income residents of my State? I am convinced that the President has declared war on the working people of the United States, as well as on the poor. What is going to happen to our badly needed system of mass transit in Texas without any Federal funds? And who will suffer? How many millions of Texans will receive no medical care whatsoever when the Federal Government lowers medicaid payments to a State that already ranks near the bottom in terms of health care for the poor? What will the millions of working people do without the Federal loans for higher education for their children? Will they be able to pay the tuition and fees themselves? How will the millions in Texas who have benefited from CETA jobs in their struggle to break out of the welfare cycle survive? Will they be back on the welfare rolls? The answers to all these questions are serious for Texas and Texans. The simple fact is, these budget cuts will be a disaster not only for people in my district, but throughout the country.

In summary, I do not want to be labeled an "obstructionist," not because Mr. Reagan might threaten to defeat me at the polls, but because I am just as committed to improving the economy and reducing unnecessary government as Mr. Reagan or any Republican. However, I do not believe in duping the people. I do not believe in misstating the facts to meet a political commitment. And, most of all, I do not believe in selling out the majority of the people so that a few can benefit. I respect my commitment to the voters of the 18th Congressional District to inform them of the inaccuracies and untruths in the Reagan program and of the real results that will surely occur if this program is enacted. Furthermore, I offer this challenge to my constitutents: You should ask the questions that must be asked, make Reagan show you the results of his budget and tax cuts, demand a serious explanation of the ramifications of these proposals. In essence seek the truth. For only the truth shall make us free.●

● Mr. ROSENTHAL. Mr. Speaker, we have been hearing a great deal of late about the absolute necessity that we cut Federal spending. What we have not discussed often enough are the responsibilities this Congress has to the wellbeing of America's citizens.

How can we in good faith try and run the Federal Government at the expense of the poor and the minorities of this country? The massive budget cuts in social service programs that the administration has proposed would do just that, and no amount of fancy rhetoric can change that fact.

We hear about cuts in child nutrition programs—that can only mean undernourished and hungry American children.

We hear about reductions in medicaid—the program that was designed to provide medical insurance for the poor.

We are told that aid to families with dependent children should be cut—that would only impact on the low-income families of our Nation.

But this burden would also be shouldered by the cities of America.

Cutbacks on mass transportation programs would be disastrous for our urban centers. Mass transit represents the most efficient and energy effective means of moving from home to work, yet we are told that the axe must fall even on the effective and efficient.

The CETA program employs thousands of the unemployable and trains them to usefully enter the work force. Once this program is eliminated, we are guaranteed families without an income and a direct increase in the ranks of unemployed on welfare.

The urban development action grant program encourages local government and private funds for the purpose of rebuilding and revitalizing distressed localities. Once these projects are abandoned, this Congress is virtually abandoning the chance to make our cities work again.

The administration also wants to reduce the number of IRS agents enforcing our tax laws. I can imagine no more counterproductive or false economy.

These are only a few of the social and urban necessities we have been told we must do without.

If these cuts are truly evenhanded, where are the reductions in water projects and maritime administration loans? Where are the budget cutters and efficiency experts when it comes to multibillion-dollar programs to build obsolete weapons systems? The largest part of the Federal dollar will still go to the Pentagon without the necessary critical evaluation and oversight needed there.

I want my colleagues to know that some Members of this Chamber still feel their responsibility to the poor and underprivileged. If Federal programs are badly run, there is a remedy—run them well. Do not use a sledgehammer when a scalpel is called for. Effective oversight and tough administration of Federal programs has long been needed. It is not the goals of these programs, nor their beneficiaries that are at fault—it is their management. The President and his party have prided themselves on their management skills—let us see them run the Government, not undermine it.●

● Mr. WASHINGTON. Mr. Speaker, President Reagan's budget and tax proposals are designed to balance the budget on the backs of the poor and the near poor. They are designed with political expediency in mind—the expediency of a President who made too many mutually contradictory promises during his campaign, and now must try to make good those promises.

I urge my colleagues to closely study the administration program. If you do, you will be convinced that it is far more likely to produce economic disaster than economic recovery.

Let me focus on just one of the many fundamental flaws, the effect that this program will have on productivity and work incentive among lower income Americans.

It is self-evident that the administration tax plan would give the biggest benefit, the greatest tax relief, to upper income citizens. It may be slightly less evident, but only slightly, that the working poor and moderate income Americans would be forced to bear the biggest burden. President Reagan's proposals will deeply wound those hard-working citizens whose jobs provide them enough income to buy housing but not food, or housing and food, but not fuel to heat the house. It would, quite contrary to its stated intent, force some of the working poor onto welfare.

The administration's economic proposals make no sense even within the limited logic of so-called supply side economics. That fatal flaw was effectively exposed in the New York Times this past Sunday, in an article by Yale University economist William Nordhaus. Let me share a small portion of his analysis with you:

The most striking irony in the brandnew economics is the focus on incentives for the rich, while ignoring those for the poor. Surprisingly, low-income households face the highest "tax rates" (more precisely, the benefit-reduction rates). Upon landing a job, they may find that their disposable income declines as a result of tax rates built into programs such as food stamps. Poor families, then, may well face marginal tax rates over 100 percent.

A true supply-sider might wonder whether such rates do not stifle work effort. Yet, the brandnew economics actually raises the tax rate on the poor by technical changes in the food stamp program.

I, like many other Members, have received scores of letters from constituents who fear the consequences of Mr. Reagan's budget proposals. Only a few of those letters can be dismissed as special pleading. The great bulk come from ordinary citizens who want to contribute to society and fear that cutbacks in social programs will cripple their ability to do so. I want to share with you the words of a few such constituents.

A senior in one of my district's finest high schools wrote:

I feel that the cutbacks in student aid will affect minorities most severely, especially blacks. As a concerned black student who will attend college next year, I would like to know just how badly the cuts will affect me and others like me. The cutbacks will especially be a problem for single adults supporting a family. It would be a shame to waste our beautiful positive minds which have so much potential.

A woman who retired with social security disability benefits after working for 32 years, wrote because she fears the proposed foodstamp cutbacks:

I am just getting by, already cut as far as I can go, surviving on food stamps and social security. If those cuts are passed, I know I won't survive, because I am already suffering now. Let God call me, not some man who thinks he can, and in fact is, starving me to death.

They can't take me no lower. That's why I am trying to fight. If I have to, I must fight until hell freezes over to keep those rotten cuts from hurting me and thousands more just like me.

We cannot, and must not, ignore appeals like these from young people who want to contribute to our society and from older Americans who have made their contribution and ask only that they be treated with respect.●

● Mrs. HOLT. Mr. Speaker, the central theme of our new President's economic program is a principle that any person can arrive at by the application of commonsense: If we want prosperity tomorrow, we must work, save, and invest for it today.

The National Government forgot this fundamental concept some years ago and went on a spending binge that saw the Federal budget double in the 1960's and triple in the 1970's. The extravagance has been supported by rising taxes and debt that have crippled the private, productive sector of the economy and generated double-digit inflation.

We cannot extricate ourselves from this mess with gradual tinkering. We cannot bring about the economic recovery of our Nation without discipline and sacrifice. The President's bold economic program offers hope and opportunity for tomorrow if we are willing to accept the necessary discipline today. In a television appearance a few days ago, a distinguished senior Member of this House wondered about the courage of Congress and described it as a "craven collective." I regret to say that the term is applicable to the way Congress has behaved on many occasions in recent years, and never more so than when it considered budget issues.

The people are demanding change. The calls and mail to my office have been overwhelmingly in support of the President's economic program, and many are from people who are willing to accept some reductions of the programs which benefit them. Are we a craven collective that will succumb to special interest pressures and refuse to make the very hard decisions required for the future economic health of our country? Or do we have the courage to resist those pressures and do what we know is necessary for the economic recovery of our great country?

Do we cower in fear, or do we make the tough decisions, knowing that the hope of our citizens for a better tomorrow depends on our political courage today?

Our new President has had the courage to set his program before us and the American people. Do we have the courage to follow his lead?●

● Mrs. CHISHOLM. Mr. Speaker, President Ronald Reagan's speech last Thursday evening again demonstrated not only his compelling rhetorical abilities but also his conviction that his brand of economic medicine will cure our ills.

If he is right—and if the budget cuts, bureaucracy cuts, regulation cuts, and tax cuts turn out to be the right cures—Jimmy Carter may well have been the last Democratic Party President of this century.

Mr. Reagan's cuts are radical and severe. While his proposals will not reduce the size of Government, and will only slow its growth, they will reduce living standards for millions of lower income Americans. The Federal Government will take less from those who can afford to give more; and will give less to those who need more.

The economic theories on which President Reagan relies have praiseworthy goals but shaky foundations. I agree that we must end inflation: I question whether the size of the Federal budget directly relates to the inflation rate. I agree that American industry needs to be revitalized: I question whether more tax incentives and loopholes will result in productive business investments. I agree that some social service spending is wasteful and counterproductive: I question whether large cutbacks in that spending will end waste or weaken welfare dependency by poor, unskilled, unmarried mothers of preschool children.

President Reagan has made his speech. He has given the Congress his plan. Now, finally, is the opportunity for us to closely consider the details of his proposals, to weigh all the evidence, and to decide who wins and who loses in this year's fight over the Federal budget.●

● Mr. BRODHEAD. Mr. Speaker, all of us share President Reagan's concern over the state of our economic health. We are experiencing an economic crisis of dramatic proportions. Inflation is at unbelievable levels. The Federal deficit is burgeoning out of control. Interest rates are stifling and unemployment is at very high levels. The result is that our national economy has become stagnated.

Congress must address these problems quickly and responsibly. I for one wish to state my strong support for the goals expressed by the President in his address: Cutting waste and fraud in such a way as to insure that the truly needy are not hurt and that sacrifice is evenly distributed.

We need cuts in the Federal budget. The economic situation and the public's mood demand cuts. Clearly, Congress has not made a strong enough effort at eliminating waste and fraud. I am very sympathetic to the need for quick action to make up for this deficiency.

But I want to make sure that eliminating waste and fraud does not actually hurt those most in need in our society—the unemployed, the poor, the sick and handicapped, retirees, and working class families. As the President noted, we must "continue to fulfill the obligations that spring from our national concerns." For example, the President noted that 8 million Americans who want to be productive are out of work and their lives are dominated by despair. We must make sure that their burden is not increased by insuring that needed benefits are not indiscriminately slashed.

I am concerned that the sick will suffer severely as a result of the proposed medicaid cuts. The President's proposal would not reduce the actual cost of health care, but simply transfer health costs from the Federal Gov-

ernment to State governments. In my own State, we are suffering a drastic economic slump, requiring the State to make huge spending cuts. Michigan's only realistic alternative will be to cut health benefits for the poor. We must make sure that cutting waste and fraud in health programs does not result in a loss of essential services.

Because of these concerns, we owe it to the American people to carefully study the President's proposals. We must be certain that we are cutting only waste and fraud, and not needed services and benefits. I intend to work hard to meet this goal as set out by the President.

On the tax side, I believe that our economic stagnation can be helped by tax cuts. We must reduce excessive bracket creep, and our tax system must not be allowed to inhibit business productivity and expanding production.

However, the President's proposal for a 3-year, 30-percent across-the-board cut causes me great concern. I fear that it may be excessive, inflationary, and inequitable. We must try to target tax relief to those most burdened by inflation—low- and middle-income workers. We must be certain that tax cuts achieve the desired result—higher productivity and renewed economic growth.

I am concerned that the benefits of the proposed individual tax cuts will be unevenly distributed. I do not believe that the American people want to give those with incomes over $200,000 a tax break of roughly $30,000, while the average American will wind up with a next tax increase. Also, I believe Congress must be certain that massive tax cuts for business do not just increase the profits of healthy companies, but that they also help to restore economic health to companies in difficulty, such as the auto and steel industries.

This task will be difficult. The Ways and Means Committee has already begun hearings on the tax proposals. I believe that if we proceed in a thoughtful and compassionate manner, we can succeed.●

● Mr. FORD of Michigan. Mr. Speaker, the President's so-called economic recovery plan falls far short of its great pledge of rejuvenation for the American people in the field of education. In my home State alone, the cuts Mr. Reagan is proposing would be absolutely devastating.

Preliminary estimates by the Michigan Department of Education reveal that Michigan students, who have already suffered the brunt of severe slashes of $140 million in education funding resulting from the State's own economic crisis, would have to endure an overwhelming $216 million reduction in the first year of this precarious plan. Future years in the program spell even worse disaster for the classrooms of my State, which has a long and well-established reputation for education quality and leadership.

As I see it, many of our school administrators who have been pleading for less regulation and strings, could receive their long-awaited goal with the President's block grant approach, but at a very, very dear price—at least 20 percent less in education resources for their students.

Perhaps one of our most hailed programs, vocational education, is in line for a 20-percent cut. Using President Carter's fiscal year 1982 request as a base, this cut alone means $6 million less. A decrease in vocational education would be particularly harmful to our State when many of our workers are seeking new educational opportunities or retraining to extract themselves from the ever-growing unemployment lines. It is also clearly pennywise and pound foolish when one looks at the ever-increasing Federal expenditures for unemployment insurance, trade adjustment assistance, food stamps, and aid to families with dependent children.

Since the inception of the larger Federal aid to educational programs like title I, the Education to All Handicapped Children Act, and an updated Vocational Education Act, the elementary and secondary education community has done an outstanding job categorizing youngsters and targeting various forms of special assistance to enhance natural abilities and overcome any deficiencies or handicaps. All the progress we have made introducing children who would have been educationally neglected or forgotten to educational opportunities they would not have experienced just decades ago, would virtually be wiped out with the grants consolidation being proposed. The 28-percent reduction being offered for the various programs serving the gifted and talented, career-oriented, handicapped, adult and bilingual estimated at almost a $50 million cut.

And, in impact aid, which had played a vital role in insuring that local school districts are not shortchanged by the presence of a Federal installation, a 64-percent reduction means a loss of $1.5 million of the State's $2.24 million allocation.

Funds to improve the quality of the State agency itself would not escape the budget ax. A 28-percent reduction in funding to administer these very worthwhile programs would cost the agency still another $1.5 million.

Just months ago, I was honored to lead the House effort in reauthorizing our Federal student financial aid programs. The reality of budget constraints during that time prompted the House and Senate to pare back their original package by $11 billion. Now, less than 1 year later, the executive branch comes back to us with an across-the-board cut of 20 percent more for both grants and loans. This totally unjustified whack at recently renewed authorizations would cost some 53,000 students in Michigan alone about $95 million. It comes at a time when many of our unemployed citizens of all ages have returned to the classroom for enrichment and career training and boosted our post-secondary enrollments to all-time record levels. Another 7,000 Michigan students and their families, forced to rely on social security benefits to enable them to attend higher education institutions, would lose an additional $15 million per year under the President's recommendations.

Child nutrition programs which benefit countless elementary and secondary school children in our State would also face a potentially killing blow from the budget bludgeon. State officials have determined that Michigan, which has been one of a handful of model States in school breakfast and lunch programs would be forced to survive with $26.6 million less than what it got by with the year before. And, last year was by no means a banner year for child nutrition, given a budget reconciliation bill which chopped away one-sixth of the total program. A move of this drastic nature could force some districts to drop the programs altogether.

Vocational rehabilitation programs, which over the years have proven to be genuinely successful in rehabilitating injured workers, would also undergo a $7 million slash. As a result, services would not be available for 8,400 clients in my State; and another 1,300 persons would not be able to receive employment assistance aimed at job placement.

Critical to all of our education programs and the general population as well are our libraries. It is unconscionable to me how any budget cutting proposal—no matter how widespread—could take such a large slice from libraries. Targeted for a $2 million cut in Michigan, the library programs have encountered over the past few years perhaps some of the most difficult of times with skyrocketing book and periodical prices, increased postal rates, and exorbitant utility costs which have forced them to limit their hours. Libraries are accessible to all and often serve as a community's only cultural and artistic and learning outlet. To shortchange our libraries is to shortchange our children's future and our citizens' enrichment.

To say that I am stunned or even outraged that such proposals would be recommended with serious intent is an understatement. My State simply is in no position whatsoever to be able to swallow this bitter medicine and maintain any semblance and quality in its education program. I could not in good conscience give any serious considera-

tion to Mr. Reagan's recovery program. It may be recovery to him, but it would be ruin to us.

President Reagan's program for economic recovery is doomed to failure, for yet another reason. Although the Reagan program has many weaknesses, its most glaring error is its failure to address the urgent needs of the automobile industry and the communities which are dominated by it. In fact, Mr. Reagan's program promises to devastate hundreds of communities that currently are tenuously surviving a depression unrivaled since the thirties.

The automobile industry is the linchpin of the entire American economy. It directly employs 4 million people and accounts for one quarter of U.S. retail sales. Many other industries rely on the auto industry for a huge part of their market: Auto manufacturing consumes 21 percent of the Nation's steel production, 30 percent of its ferrous castings, 60 percent of its synthetic rubber, 11 percent of its primary aluminum, and 20 percent of its machine tools. Railroads, mines, the construction industry, and scores of other industries benefit from automobile production and sales.

If the health of the auto industry is not protected, the vitality of the entire Nation's economy is jeopardized.

The Carter administration ignored that simple fact until the end of its term, and the economy has suffered terribly as a result. Apparently, Mr. Reagan, too, has chosen to ignore the plight of our most important industry. The results undoubtedly will be the same: Massive unemployment, a loss of productivity, and uncontrolled inflation.

No program that concedes a third of our automobile market to foreign manufacturers will improve our economic well-being. Mr. Reagan cannot be heard to decry the loss of American capital investment and the decline in American productivity while standing idly by as new auto plants close, machinery is idled and experienced workers go without work. How will the U.S. auto industry retool and reinvest to improve productivity while unrestrained import competition is crippling its profitability?

Mr. Reagan's program does not merely ignore the condition of the U.S. auto industry, it actually worsens it. His decontrol of domestic oil prices has unleashed another round of runaway gasoline price increases, further depressing the market in car sales, and his policy of tightening the money supply guarantees high interest rates that discourage new car buyers and penalize auto dealers who must finance their inventories.

But Mr. Reagan's program does not just ignore the needs of the automobile industry and its workers. His program also ignores the needs of the communities which depend on that industry. At the nadir of the worst depression in the history of the industry, Mr. Reagan proposes to cut billions of dollars from three programs—trade adjustment assistance, food stamps, and unemployment insurance—that have thus far prevented widespread hunger, homelessness, and desperation from spreading through formerly prosperous manufacturing regions of the country.

Mr. Reagan's jellybean economists have forgotten that eliminating social programs and assistance payments does not end the problems or eliminate the social and financial costs of having jobless citizens. Rather, those costs are transferred to another line in the Federal budget or shifted onto the backs of already-burdened State taxpayers.

The 20,000 Michiganites who exhaust their extended unemployment insurance benefits each month do not disappear, and neither do their needs. It is no coincidence that Michigan accounted for more than half of the Nation's new welfare cases last year. Does it make sense to shift the public assistance burden to the States that can least afford it?

I submit that it does not make sense, and that in the case of trade adjustment assistance, cutbacks are a breach of faith that will devastate the import-impacted economy of Michigan and its neighboring States.

The 30-percent market share captured by the Japanese as a result of our one-sided and unfair trade policies has taken billions of dollars out of the economy of the north-central region. Plants have shut down; hundreds of thousands of formerly productive people are not working; goods are not being produced, and little wealth is being generated by the region's chief industries.

Autoworkers, steelworkers, and other blue-collar victims of our trade policies are not the only beneficiaries of trade adjustment assistance: every shopkeeper, landlord, and restaurant owner—and everyone they employ or do business with—benefits in a community where substantial numbers of workers are receiving TAA. All of them will suffer when that assistance is reduced or eliminated.

In many communities today, TAA and unemployment insurance are keeping the economy together. Without the $150 million a month in UI and TAA which the Federal Government is now pumping into Michigan's depressed economy there would be breadlines everywhere.

If TAA were cut in half, food stamps denied, and UI reduced, as President Reagan proposes, how would depressed cities and towns in Michigan, Indiana, and Ohio replace the millions of dollars that currently keep their schools open, pay their police and firefighters, and keep local businesses alive?

This Nation made a commitment to protect the workers and communities who would be hurt by our Government's free trade policies. The trade adjustment assistance program was created to compensate those of our citizens who Congress knew would pay with their jobs for the increased prosperity and lower consumer costs that an open door to imports promised the rest of our people.

Now, when my constituents and millions of others in communities dominated by the transportation industry have paid the price for free trade, President Reagan would renege on the bargain. Now, when Michiganites have suffered so that Texans might have cheaper cars, it is proposed that the promise of mitigation for that suffering be abandoned in all but name.

And for what purpose? To balance the budget so that inflation might be reduced by one-half of 1 percent? No. Even that good but insignificant goal will not be served. Mr. Reagan proposes to spend so much for guns, bombs, and missiles that the budget will never be balanced during his term in office. Mr. Reagan will spend over a trillion dollars of our tax money in the next 4 years on the military. And as Mr. Reagan will tell you, a trillion dollars is a staggering amount of money—a stack of thousand dollar bills 64 miles high.

Mr. Speaker, I am heartsick and angry at the thought that the Congress will abandon its responsibility to the people of the United States and will passively accept the administration's cynical abandonment of the New Deal, in favor of a "soak-the-poor" tax scheme and an economic program that ignores the needs of millions of working Americans.

I am submitting figures for the RECORD which make graphically clear the hardships that the Reagan proposals will work on Michigan and on my own congressional district. The TAA program provided $929 million in aid to Michigan between October 1979 and January 1981. Governor Milliken's office estimates that the Reagan plan would eliminate three-quarters of this aid. In October 1980 alone, my district would have lost $9 million in aid, with ruinous effect on the local economy. We cannot yet estimate the potential impact to Michigan of the proposed unemployment insurance cutbacks, which provide over $100 million a month in aid to our hard-pressed communities.

I hope no one will be deceived into thinking that the economic conditions in districts like mine are improving because the number of TAA and unemployment insurance claimants dropped

between November and December 1980. As the attached charts also show, the number of workers who have been unemployed so long that they have exhausted these benefits has increased proportionately. The charts do not show that general assistance cases increased 100 percent in Michigan over the past 13 months, even with the current levels of Federal TAA, food stamps, and unemployment insurance support.

UNEMPLOYMENT RATES BY MICHIGAN CONGRESSIONAL DISTRICT

[In percent]

	November 1980	October 1980	November 1979
District:			
1	17.5	17.3	12.4
2	8.5	8.6	7.0
3	10.3	10.0	5.7
4	12.4	12.2	8.7
5	9.6	9.3	5.8
6	11.2	10.7	6.2
7	15.2	16.3	8.0
8	13.5	13.7	8.3
9	12.2	11.1	7.1
10	12.3	11.7	7.6
11	15.0	12.4	10.5
12	14.6	13.5	9.3
13	22.7	22.5	16.4
14	12.7	12.3	8.5
15	10.4	10.3	7.2
16	11.6	11.5	8.0
17	9.9	9.8	6.5
18	10.1	9.7	5.4
19	14.6	14.4	7.4
Michigan	12.5	12.1	7.9

REGULAR UNEMPLOYMENT INSURANCE BENEFITS BY MICHIGAN CONGRESSIONAL DISTRICT

	December 1980 [1]	November 1980	December 1979
District:			
1	$3,559,000	$2,905,000	$3,884,000
2	2,891,000	2,371,000	3,432,000
3	3,521,000	2,875,000	2,318,000
4	4,040,000	3,290,000	4,185,000
5	3,373,000	2,757,000	2,740,000
6	4,115,000	3,350,000	2,921,000
7	3,707,000	3,024,000	3,342,000
8	3,818,000	3,112,000	4,245,000
9	4,226,000	3,439,000	3,312,000
10	4,003,000	3,261,000	3,824,000
11	5,486,000	4,476,000	5,450,000
12	5,671,000	4,624,000	5,058,000
13	3,484,000	2,846,000	3,764,000
14	3,929,000	3,201,000	3,764,000
15	4,337,000	3,527,000	4,456,000
16	3,521,000	2,875,000	3,794,000
17	3,447,000	2,816,000	3,312,000
18	4,152,000	3,379,000	3,071,000
19	4,633,000	3,765,000	2,439,000
Michigan	75,915,000	61,894,000	69,311,000

[1] Preliminary.

REGULAR UNEMPLOYMENT INSURANCE CLAIMANTS BY MICHIGAN CONGRESSIONAL DISTRICT

	December 1980 [1]	November 1980	December 1979
District:			
1	9,600	9,800	12,900
2	7,800	8,000	11,400
3	9,500	9,700	7,700
4	10,900	11,100	13,900
5	9,100	9,300	9,100
6	11,100	11,300	9,700
7	10,000	10,200	11,100
8	10,300	10,500	14,100
9	11,400	11,600	11,000
10	10,800	11,000	12,700
11	14,800	15,100	18,100
12	15,300	15,600	16,800
13	9,400	9,600	12,500
14	10,600	10,800	12,500
15	11,700	11,900	14,800
16	9,500	9,700	12,600
17	9,300	9,500	11,000
18	11,200	11,400	10,200
19	12,500	12,700	8,100
Total	204,700	208,700	230,100

[1] Preliminary.

EXTENDED BENEFIT PAYMENTS BY MICHIGAN CONGRESSIONAL DISTRICT

	December 1980 [1]	November 1980	December 1979
District:			
1	$1,433,000	$1,105,000	$1,324,000
2	1,084,000	843,000	761,000
3	1,162,000	901,000	563,000
4	1,510,000	1,163,000	1,059,000
5	1,162,000	901,000	728,000
6	1,123,000	872,000	695,000
7	1,588,000	1,221,000	794,000
8	1,781,000	1,367,000	893,000
9	1,278,000	989,000	860,000
10	1,433,000	1,105,000	1,026,000
11	1,510,000	1,163,000	1,390,000
12	1,936,000	1,483,000	1,291,000
13	1,394,000	1,076,000	1,291,000
14	1,471,000	1,134,000	1,191,000
15	1,588,000	1,221,000	927,000
16	1,394,000	1,076,000	1,059,000
17	1,317,000	1,018,000	1,092,000
18	1,394,000	1,076,000	794,000
19	1,278,000	989,000	563,000
Total	26,834,000	20,704,000	18,300,000

[1] Preliminary.

EXTENDED BENEFIT CLAIMANTS BY MICHIGAN CONGRESSIONAL DISTRICT

	December 1980 [1]	November 1980	December 1979
District:			
1	3,700	3,800	4,000
2	2,800	2,900	2,300
3	3,000	3,100	1,700
4	3,900	4,000	3,200
5	3,000	3,100	2,200
6	2,900	3,000	2,100
7	4,100	4,200	2,400
8	4,600	4,700	2,700
9	3,300	3,400	2,600
10	3,700	3,800	3,100
11	3,900	4,000	4,200
12	5,000	5,100	3,900
13	3,600	3,700	3,900
14	3,800	3,900	3,600
15	4,100	4,200	2,800
16	3,600	3,700	3,200
17	3,400	3,500	3,300
18	3,600	3,700	2,400
19	3,300	3,400	1,700
Total	69,200	71,200	55,200

[1] Preliminary.

INDIVIDUALS EXHAUSTING ALL U.I. BENEFITS BY MICHIGAN CONGRESSIONAL DISTRICT [1]

	December 1980 [2]	November 1980	December 1979
District:			
1	1,000	800	700
2	900	700	400
3	800	600	300
4	1,300	1,000	500
5	900	700	300
6	900	700	400
7	1,100	900	500
8	1,000	800	500
9	1,000	800	500
10	1,300	1,000	500
11	1,100	900	800
12	1,300	1,000	500
13	1,000	800	600
14	1,000	800	600
15	1,300	1,000	400
16	1,000	800	500
17	1,000	800	400
18	1,000	800	400
19	900	700	300
Michigan	19,800	15,600	9,200

[1] These claimants have exhausted their maximum U.I. entitlement including regular and extended benefits.
[2] Preliminary.

TRA PROGRAM BENEFITS BY MICHIGAN CONGRESSIONAL DISTRICT

	November 1980	October 1980
District:		
1	$4,637,000	$8,093,000
2	2,842,000	6,708,000
3	818,000	1,501,000
4	426,000	735,000
5	608,000	1,222,000
6	2,127,000	6,606,000
7	6,807,000	14,603,000
8	5,527,000	15,033,000
9	79,000	181,000
10	1,339,000	2,534,000
11	154,000	268,000
12	5,385,000	7,337,000
13	4,449,000	7,881,000
14	4,672,000	7,625,000
15	4,517,000	11,955,000
16	4,191,000	9,042,000
17	3,824,000	7,029,000
18	4,292,000	5,338,000
19	8,106,000	14,824,000
Total	64,800,000	129,114,000

Note.—Includes payment for retroactive TRA claims.

TRA PROGRAM CLAIMANTS BY MICHIGAN CONGRESSIONAL DISTRICT

	November 1980	October 1980
District:		
1	5,700	7,100
2	2,900	4,400
3	1,200	1,600
4	900	1,400
5	800	1,500
6	3,100	8,200
7	8,300	16,300
8	7,800	14,400
9	100	300
10	2,000	3,400
11	300	500
12	6,100	7,800
13	5,500	6,800
14	5,800	7,200
15	4,900	7,900
16	4,500	6,700
17	4,600	5,900
18	5,300	6,400
19	9,100	10,500
Total	78,900	118,500

●

Mr. CONYERS. Mr. Speaker, I yield back the remainder of my time.

ESTONIAN INDEPENDENCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. DERWINSKI) is recognized for 60 minutes.

● Mr. DERWINSKI. Mr. Speaker, 63 years ago today, Estonia, the smallest of the Baltic States, declared its independence as a democratic repub-

lic. In that same year of 1918, Soviet Russia attacked Estonia with the aim of conquering that country. However, during this war of independence, Estonia repulsed the Red armies and in 1920 concluded a peace treaty with the Soviet Union.

Unfortunately, the signing of the notorious Stalin-Hitler pact of August 23, 1939, offered to Nazi Germany a welcome pretense for starting World War II and allowed parts of Eastern Europe, including the three Baltic nations—Estonia, Latvia, and Lithuania—to become part of Soviet Russia's so-called sphere of influence. Consequently, Stalin received a free hand to forcibly annex these three independent Baltic countries, which remain illegally occupied by the U.S.S.R. to this day. Soon after the conclusion of this pact, Estonia signed, on September 28, 1939, under military threat and without the possibility of any help from abroad, a pact of mutual assistance with the Soviet Union.

During the period of 20 years which the Estonian people enjoyed their independence, they demonstrated what a small nation is able to achieve in all fields while enjoying a democratic way of life. They achieved an exceptionally high educational level. The history of Estonian literature was documented by the publication of the first book in the Estonian language in 1935. The Estonian people may also be particularly proud of their agricultural accomplishments and impressive industrial achievements during this time. Their folklore continues to win recognition for its originality, colorful variety, and great artistic value.

As a result of the Soviet invasion, in 1940, this prosperous life came to an abrupt end by the brutal acts of their large totalitarian neighbor. Since then, the Estonian people have suffered extremely heavy human and material losses. This situation still persists. Estonia is economically exploited by the Moscow regime. Those who dare make any requests for freedom and justice, relying on the stipulations of the Helsinki Final Act, are either confined to mental hospitals or sentenced to prison terms. Such sentences are made in conformity with the ill-famed mock trials of the Stalin era.

Nevertheless, many Estonians have managed to flee from the Communist terror in their homeland and are now living in various parts of the free world. They are deeply concerned about the future of their ancestral homeland and continue to make their voices heard on behalf of the people of Estonia.

The United States, as well as a great number of other Western countries, have never recognized the forcible annexation of Estonia, Latvia, and Lithuania by the Soviet Union, which in fact is of great moral support to the people of these nations. I believe it is especially important for the United States to continue its full and uncompromising support for the basic concept of the sovereign rights of a people to the free and independent choice of the form of government under which they wish to live. I am especially pleased that the Reagan administration has reaffirmed our policy of nonrecognition of the Soviet occupation of the Baltic States.

Estonians in the United States and throughout the free world will commemorate their national holiday today, February 24. They confirm at such occasions their determination to fight for the restoration of the independence of their native Estonia. At the same time, they hope that world public opinion will support them in this struggle for freedom and justice. We join with them in expressing our determination to see that the aspirations of Estonian people for national independence and cultural freedom will once more be restored.●

● Mr. MOFFETT. Mr. Speaker, today commemorates the 63d anniversary of the proclamation of the independence of the Republic of Estonia. Although Estonian independence came to an abrupt end through the treachery of the Stalin regime in 1940 after only 20 years of self-rule, the Estonians' spirit of independence and national pride lives on. It is that spirit which we celebrate today.

In the years following the Soviet Union's illegal annexation of Estonia, the brave struggle for independence was ruthlessly crushed. In 1941 alone, approximately 60,000 Estonians—over 5 percent of the population—were killed or put in concentration camps. In all, during the 10-year span from 1939 to 1949, Estonia's native population declined by one-third.

Today, the oppression continues. Estonians Mart Niklus and Juri Kukk, for example, were recently sentenced to prison terms for their activism in promoting human rights and autonomy for the Baltic region. They also, along with several other Estonians, condemned the Soviet invasion of Afghanistan in an open letter to Leonid Brezhnev, and urged the International Olympic Committee and several national Olympic committees to boycott the 1980 Olympics in Moscow.

One of the greatest threats to Estonian freedom and identity, however, lies in the steady progress of cultural assimilation, or "russification." The years since World War II have brought a steady flow of Russian immigrants into Estonia. Attracted by Estonia's high standard of living and the labor shortage created by the massive deportations and killings of the postwar era, Russians now comprise over one-third of Estonia's population. Nevertheless, the Estonians continue to cling to their native language and their cultural heritage in admirable defiance.

As world attention focuses on events in Afghanistan and Poland, let us not forget another valiant struggle against Soviet imperialism. The Estonians deserve our support and admiration as they fight for their freedom and national identity against ominous odds.●

● Mr. BLANCHARD. Mr. Speaker, I take this opportunity to join in my distinguished colleague's special order commemorating the 63d anniversary of the proclamation of independence for Estonia.

The freedom enjoyed by the Estonian people was short lived, and was crushed by the military power of the Soviet Union in 1940. Freedom-loving men and women the world over join the men and women of Estonia and their relatives in America and elsewhere in hoping for the day to come when Estonia will once again be free.

For this reason, I gladly join the gentleman from Illinois in his celebration and remembrance of freedom that once was—in Estonia.●

● Mr. STRATTON. Mr. Speaker, February 24, 1981, marks the 63d anniversary of Estonian independence. I am pleased to join with my colleagues in Congress, and with Estonian Americans and Estonians throughout the world, in commemorating this day and in showing support for the struggle of the brave people of this Baltic State against Soviet domination.

After World War I, Estonia proclaimed itself an independent, democratic nation. Although invaded that same year, 1918, by Soviet armies, they were able to wage a successful war of independence and repulse the Soviets in February 1920. For the next 20 years Estonians lived as a free people.

The country thrived during this period, making great progress in agricultural production and industrial enterprise. The gross national product doubled. Estonian literature and culture flourished, as did human rights. Estonia become the first nation in the world to grant its minorities autonomy through Government-subsidized ethnic schools.

However, economic progress and social tolerance were ended in the summer of 1939 by the pact between Hitler and Stalin, which allowed the Baltic States to come under the Soviet sphere of influence. The Soviets consequently annexed Estonia, Lithuania, and Latvia, incorporating them into the U.S.S.R. in 1940.

For the last 40 years the country has been under Soviet domination. Through deportation, execution, and emigration the small nation has suffered a tragic loss of its people: In the 1940's one-third of the population was lost. Russification, the imposition of Russian language, culture, and the

influx of Russian peoples, has also challenged the country's endurance. But Estonians at home and abroad have struggled bravely and successfully to retain their culture and traditions. And I have been greatly impressed with the enthusiasm of Americans of Estonian descent in carrying on the culture and traditions of their broad heritage.

So I rise again today to support their justifiable struggle for independence, and to recognize their achievement of freedom 63 years ago. In this same spirit, I have joined in cosponsoring House Concurrent Resolution 36, which asserts the right of self-determination for the people of the Baltic States, and calling for the withdrawal of the Soviet military presence.

As we observe today with admiration and concern the struggles of the people of Poland and Afghanistan against Soviet oppression, our sense of the plight of people in all the captive nations is sharpened. The courageous resistance now waged by the Polish labor unions may in time set a pattern for a new measure of freedom from Soviet control, not only for Poland but for Estonia as well. Let us hope that that indeed will happen.●

● Mr. DORNAN of California. Mr. Speaker, today we commemorate the 63d anniversary of the proclamation of the independence of the Republic of Estonia.

The history of the brave and resourceful people of Estonia has been a tragic one. From the 13th century on, successive waves of foreign powers have invaded this tiny Baltic country. But the indomitable fighting spirit of the people manifested itself time after time, particularly in the successful war of independence against the invading armies of Russian communism after World War I. However, in June 1940, the dark night of Communist tyranny again descended on Estonia, resulting in its forcible incorporation into the Soviet empire. And that wretched condition of servitude continues to this day.

Mr. Speaker, in keeping with our own traditions of liberty and national self-determination, the United States has never recognized the forcible annexation of Estonia. By commemorating today the anniversary of the proclamation of Estonia's original independence 63 years ago, we recall, in Thomas Jefferson's words, that the price of liberty is eternal vigilance. The dark forces of modern totalitarianism go about, as scripture has it, roaring like a lion, seeking whom they may devour. But, while the Soviet Union may have forcibly incorporated the sovereign territory of Estonia, it will never succeed in destroying the hopes and aspirations for liberty, which spring eternally in the heart of the Estonian people. No state based slowly on force and fear can long endure. History bears solemn testimony to that.

The people of Estonia need never lose courage for fear that the West shall forget. The peoples of the West shall never forget until the last Soviet soldier withdraws from Estonian soil, and the Estonian people once again savor the freedom that the Almighty willed for each man and for every nation.

At this time, Mr. Speaker, I would also like to draw attention to the flagrant violation of human rights in Estonia by the Soviet Union, particularly the rights of Mart Niklus and Juri Kukk. Since 1976, Mart Niklus has been arrested repeatedly, and held in prison for months at a time, for attempting to monitor the Helsinki agreements. In the latest violation of the Helsinki accords, Mart Niklus was charged with "anti-Soviet agitation and propaganda" and sentenced to 10 years in prison and 5 years of internal exile.

During 1979 and early 1980, Mr. Juri Kukk signed a number of human rights appeals, which have found their way to the West. He was subsequently accused of "spreading fabrications slandering the Soviet system," forced to undergo psychiatric examinations, and sentenced to 2 years of forced labor. It is very unlikely that either of these brave men will survive their imprisonment.

In accord with the spirit of the Helsinki agreements, we request that the Soviet Union free Messrs. Niklus and Kukk and permit them to emigrate to the United States.●

● Mr. WAXMAN. Mr. Speaker, today marks the 63d anniversary of Estonian Independence Day. Yet to the Estonians independence means little. Despite the pledge of the Soviet Union to honor the Helsinki accords and to respect human rights, Estonia remains totally incorporated under Soviet domination—stripped of all cultural and political sovereignty and deprived of even the most basic human freedoms.

Estonia, a tiny country in the northeastern part of the Baltic region, has enjoyed a rich and varied heritage; Estonians can trace their past to times before the Christian era. Their unique culture reflects the influence of the neighboring countries: Sweden, Germany, and Russia, each of whom has ruled this small country. The strong nationalism of the Estonians contributed to their valiantly fought, successful struggle against the Soviet Union in 1920, at which time they were finally granted their long-sought freedom.

In the two decades that they enjoyed true sovereignty, the Estonians proved to the world what a tiny nation can do when allowed to come into its own. They showed that because of their previous domination by other countries, they truly understood the principles of democracy. The Estonian Constitution embraced the ideals of justice and liberty and protected the legal and ethical rights of all its linguistic minorities. On a global scale, Estonia joined the League of Nations and, as an ardent advocate for peace, became the spokesman for the small, democratic states.

Yet Estonia's hard-fought freedom was unfortunately short lived. In 1940, this tiny country committed to the virtues of justice and peace, was again invaded by the Soviet Union. After a brutal struggled in which the Estonian population was sharply decimated, the country fell prey to the Soviet hammer and sickle—bereft of even the slightest political or cultural autonomy.

Mr. Speaker, today a country that once prided itself on its industrialization and economic development now finds its economic wealth exploited. A country whose fine educational system allowed it at one time to export its highly educated public servants to help other less fortunate nations, now finds itself captive to censorship and the Soviet repression of free thought and ideas. A country whose very heritage and pride became the tools necessary to build itself into a self-sufficient state, must now submit to total russification. A country whose constitution espoused the ideals of freedom and human rights has ironically become a victim of oppression and the denial of these virtues.

It is especially incumbent upon us, a nation that is so free, to remember a country with no political forum—whose citizens such as Miklus and Kuss are jailed merely for their refusal to be silenced. Let us not take our freedom for granted and let us renew our commitment to the freedoms of others. The Estonians are a people of great courage and remarkable spirit. Let this, the anniversary of their independence, signal a new beginning in their undying fight for freedom.●

● Mr. ADDABBO. Mr. Speaker, today marks the 63d anniversary of the proclamation of the independence of the Republic of Estonia, a once free nation which in 1940, was forcibly and illegally annexed by the Soviet Union. On this important occasion I would like to take this opportunity to call to the attention of my respected colleagues in the House the plight of this once sovereign country and of its brave and determined people.

Since 1940, when the Soviet Union occupied Estonia, in violation of a peace treaty signed with Estonia, the people of Estonia have known much hardship. A government they created to protect their rights, was taken over by one which has seen fit to repeatedly violate their human and national rights. In years past, a deeply religious country, today Estonians live under a

Soviet regime which has restricted religion. It is a nation economically exploited by Moscow for its mining and manufacturing industries, the mines providing almost three-fourths of the Soviet Union's oil shale.

Fittingly, the United States has never recognized the validity of the Soviet annexation of Estonia and condemns the Soviet Union for its repeated violations of the Helsinki accords. As long as the United States has the power to speak out for those nations who are unable to speak out for themselves, it must continue to do all it can to free people who are prisoners in their own homeland.●

● Ms. FERRARO. Mr. Speaker, February 24, 1981, marks the 63d anniversary of the proclamation of the independence of the Republic of Estonia, illegally annexed by the Soviet Union in 1940.

At the start of World War II, Soviet forces occupied Estonia claiming, as in Afghanistan, that these armies had been invited. The occupation has continued ever since. In 1941, the Soviets began their purges of the Estonian people. In July of that year, literally tens of thousands of people were executed, imprisoned, and sentenced to hard labor. These purges approached a policy of genocide.

The current political situation in Estonia is much like that in the rest of the Soviet Union. Liberties which most of the Western World consider fundamental are still denied to the Estonian people.

In January of this year, two human rights advocates, Juri Kukk and Mart Niklus, were sentenced to hard labor for 2 and 10 years, respectively. Their convictions were based solely on political motivation. Their lives are representative of the hundreds, perhaps thousands, of Estonians who in recent years have become active and open in support of the Helsinki principles.

The plight of these people, and of all the Estonian people, may only be bettered by the continued attention of the free world leaders and press. Only when Soviet policies are revealed and repudiated by the rest of the civilized world, will these authorities make some concessions to humanitarian principles.

The U.S. Government has never recognized the occupation of Estonia. The United States has never relinquished its support for the principles of political freedom and self-determination for the Baltic States. American support for Estonian and Baltic causes is traditionally important and right.

The recent invasion of Afghanistan and events in Poland, as well as the campaigns against dissidents, have shown time and again Soviet brutalities in the treatment of the peoples whose homelands they have invaded. The time has come for an end to the Soviet occupation of Estonian soil. I urge my colleagues to join with other freedom-loving peoples throughout the world in support of the successful efforts of the Estonian people to resist russification policies. We must all support the struggle of the Estonian people to reachieve independence. The Estonian culture goes back for thousands of years, and it deserves not to be ignored—or forgotten.●

● Mr. ZABLOCKI. Mr. Speaker, on this occasion I join my colleagues in commemorating the observance of Estonian independence and reaffirming my deep concern for the citizens of the Republic of Estonia, who are being denied the freedoms they should rightfully enjoy.

This observance serves to remind the Soviets that the United States continues to regard the incorporation of the Baltic nations by the Soviet Union to be illegal and a violation of international law. It will also remind the Soviet Union of their commitment to the principles of the final act for security and cooperation in Europe. Having signed the Helsinki final act, the Soviets agreed to uphold the precepts of human rights and self-determination as set forth in principle VIII.

It was on February 24, 1918, that the Republic of Estonia declared its independence. Estonia enjoyed its sovereign status until 1940. Then the Ribbentrop-Molotov agreement was implemented, whereby Stalinist Russia invaded and annexed the Baltic nations with full support of Hitler's Germany.

The continued domination of Estonia, and of other Baltic nations, by the Soviet Union causes very serious concern. I find particularly reprehensible reports of torture of dissidents who are jailed and sentenced to degrading and inhuman treatment in psychiatric prisons.

The first phase of the Madrid meeting of the Conference on the Security and Cooperation of Europe last fall provided an opportunity to reaffirm the Helsinki principles and to review their implementation, including the tenets of principle VIII on humanitarian and human rights matters. The United States continues to believe that these principles should be upheld by all signatories to the Helsinki act.

We admire the courage and resolve of the Estonian people to resist cultural annihilation, and the abridgment of their rights and freedom. We encourage their spirit and quest for self-determination.●

● Mr. DOUGHERTY. Mr. Speaker, yesterday the attention of the world was drawn to Moscow as President Brezhnev addressed the opening session of the 26th Congress of the Soviet Communist Party. This morning's Washington Post carriers a photograph of a billboard erected in Moscow for the event which quotes Brezhnev as urging principles of "peace and cooperation among peoples."

Empty words? Most certainly. For we join together today to remind the world that one need go no further than the Soviet Union's own borders to witness oppression. Today we mark the 63d anniversary of the independence of the Republic of Estonia. We applaud our own Government's consistent policy of not recognizing the forcible and unlawful incorporation of Estonia into the U.S.S.R. in 1940. We join together today to commemorate the dream of freedom which the people in Estonia will not let die—despite more than four decades of a Soviet regime which has restricted national cultural life and religious freedom under the guise of an official policy of russification. We honor the people of Estonia for their courage and their refusal to surrender their desire for independence and self-determination as a nation and as a people.

Today I would like to call to the attention of my colleagues the plight of two Estonians who are at this moment fighting for their lives. They are representative of the hundreds, perhaps thousands, of Estonians who in recent years have become active and open in support of the Helsinki principles. Both men are in precarious health and have just been reimprisoned after trials which took place—with obviously intentional irony—during the recess of the Madrid Conference which is evaluating the progress of the Helsinki accords.

First arrested in 1958, Mart Niklus was sentenced to 10 years of forced labor plus 3 years of exile for sending photographs depicting Soviet reality to the West. Released in 1966 because of his deteriorating health, Niklus was subjected to constant harassment and interrogation because of his activities in monitoring the Helsinki process. In March of 1980 he was denied permission to emigrate to Sweden and was arrested in April. In January he was sentenced to 10 years of forced labor plus 5 years of internal exile. Since August he has staged a hunger strike and has vowed to continue regardless of the consequences for his health or, indeed, his life.

Tried at the same time as Niklus, Juri Kukk had already started a hunger strike in support of his fellow human rights activist. For his crimes of signing numerous human rights documents and appeals that have reached the West, Kukk was also arrested in March of 1980 and has been sentenced to 2 years of forced labor. Concerned observers agree that it is very unlikely that either Niklus or Kukk will survive their imprisonments.

I call on my fellow Members of Congress to join with the people of the Republic of Estonia, the Estonian

American community in the United States, and all freedom-loving peoples everywhere to plead the cause of Mart Niklus and Juri Kukk. Let us remind Mr. Brezhnev of the hollowness and fallaciousness of any call for peace and cooperation among peoples which does not include freedom and self-determination for those persons and nations held captive for their belief in the same principles on which this great Nation was founded. Mr. Speaker, we must not let that dream of freedom die.●

● Mrs. HOLT. Mr. Speaker, February has been a month of celebration here in America. Two of our greatest Presidents were born in the Valentine month, and it was in February 1781 that Maryland, my home State, ratified the Articles of Confederation. But in a small country in northeast Europe, there has been no celebrating. The Republic of Estonia, recognizing the 63d anniversary of the proclamation of its independence, has not been allowed to enjoy self-determination, representative government, development of national interests, nor to see her people live complete, full lives without foreign intervention.

In 1940, the army of the Soviet Union occupied the free Republic of Estonia. Following has been a 41-year reign of terror and continuous human and national rights violations. For it is only through fear and assault that Soviet hegemony can be maintained. These events are nothing new to the people who have felt the imperialistic hunger of the Soviets, and while free nations call for the withdrawal of Russian troops from other more recently invaded countries, we must not forget those patriots who have persisted in the fight to regain their freedom in little Estonia and her neighbors, Lithuania and Latvia.

Trying to monitor the Helsinki accords of 1975, two Estonians, Mart Niklus and Juri Kukk, have been repeatedly arrested, imprisoned, and harassed by Communists, who have much to fear from the truth. The truth is that military occupation is the only way that Soviet influence can be successful in Estonia, and they continue to arrest men and women working to liberate their nation. I call for the Soviet Union to evacuate the independent Republic of Estonia, to immediately adhere to the Helsinki accords, and to allow Niklus and Kukk to live their lives in peace.●

● Mr. SMITH of New Jersey. Mr. Speaker, today is another of those occasions both joyous and melancholy—it is the anniversary of Estonia's Declaration of Independence from the Russian Empire in 1918.

That independence was short lived. In 1940, in disregard of solemn treaty promises, the Soviet Union invaded and annexed Estonia. Estonia was caught between the great tyrants of the modern age, Hitler and Stalin, and when they decided to partition Eastern Europe, independent Estonia vanished.

More than 40 years after the Hitler-Stalin pact, and over 35 years after the Second World War ended, Estonia's freedom has still not been restored.

Independent Estonia was making great progress. It was the first nation to grant its ethnic minorities government-subsidized theaters, libraries, and schools. In 1927 Estonia won an award from the Jewish National Fund in Palestine.

Today, thanks to systematic depopulation by the Soviet Union, Estonians are rapidly becoming a minority in their own country. While 88 percent of Estonia's population was Estonian in 1939, only 64 percent is Estonian today. Russian immigrants are deliberately transplanted to Estonia by Moscow.

Thousands of Estonians have been murdered, thousands more have been deported to Siberia. This is a terrible record to contemplate.

This Nation has never recognized the annexation of the Baltic nations, nor should we ever. We should maintain the diplomatic legations of these countries now existing in the United States.

I note our representatives at the Madrid Conference on compliance with the Helsinki accords have raised the issue of the Baltic States. I hope we do so at every international conference and forum the Soviet representatives are present at.

Every now and then individual tales of heroism come through the Iron Curtain. Two young Estonians, Mart Niklus and Juri Kukk, are now in slave labor camps. Their crime is demanding the Soviet Union comply with the Helsinki accords. They wanted Estonia to be free. I would hope our State Department would take note of these men and do what it could to secure their release, for they are not expected to survive their term of imprisonment.

The Hitler-Stalin pact cost Estonia its freedom. Hitler is dead, the Nazis are no more, but Stalin's heirs continue to govern. Today they are meeting in the Kremlin to celebrate their power, their determination, their ruthlessness.

Let us oppose to these men the ideal of freedom. As Lincoln told us, "Let us have faith that might makes right." Our right is the right of small nations to live in peace and freedom.

In 1936 the Emperor of Ethiopia, after the brutal destruction of his nation, told the League of Nations, "Aside from the Kingdom of the Lord there is no kingdom on this Earth greater than another." Some day Estonia will have its freedom again. We will establish that no nation on this Earth is greater than another, that all nations, large and small, have the same rights.●

● Mr. SENSENBRENNER. Mr. Speaker, today is Estonian Independence Day and it reminds us again there are many people throughout the world who do not live in freedom. Yet these very same people hold a dream and hope for freedom.

It is important that this country which, as a policy for as long as we have existed, believes in human rights recognize there are many races and nationalities which exist under the totalitarian domination of the Soviet Union.

We must remember those freedom-loving people of Estonia when implementing a consistent and just foreign policy.●

● Mr. MICHEL. Mr. Speaker, February 24 marks the 63d anniversary of the proclamation of the independence of the Republic of Estonia. In 1940 the Soviet Union annexed Estonia. The people of this country have been under the control of the Soviet Union ever since.

I do not believe I have to bring to your attention the long and tragic history of the Soviet Union's conquest of Estonia. It is a tale whose outlines are well known. Mass deportations, loss of human and civil rights, systematic russification in education—in the hope that Estonian children will stop using their native tongue—all of the Soviet Union's brutal policies toward captive peoples have been put into practice in Estonia.

Despite this persecution—or perhaps, in part, because of it—the Estonian people still remain loyal to their culture and to a belief in God.

On the 63d anniversary of the creation of the Republic of Estonia, let us remember what a precious gift freedom is. Let us make certain that the Soviet Union lives up to the principles embodied in the Helsinki accords so that the Estonian people can exercise their God-given right to national self-determination.●

● Mr. LENT. Mr. Speaker, I would like to take this opportunity to bring to the attention of my distinguished colleagues, a most significant anniversary. This year, February 24, 1981, marks the 63d anniversary of the Declaration of Independence of the Republic of Estonia. This declaration evolved out of a series of struggles for freedom on the part of the Estonian people. For a brief period, between 1920–40, the Republic of Estonia flourished and the Estonian people demonstrated to the entire world what a small nation can pursue and achieve in all areas of endeavor when it enjoys the bounty of peace and freedom.

The peace and freedom that Estonia treasured were obliterated when Communist Russia invaded and conquered Estonia and two other Baltic States,

Latvia and Lithuania. Since that deplorable act of aggression, the Russians have continued to persecute and oppress the Estonian people denying them the basic human rights provided for and insured in the Helsinki final act.

Mr. Speaker, I would like to direct our attention to two courageous men. Mart Niklus and Juri Kukk are Estonian human rights activists who have helped inform the world of the plight of their fellow Estonians. They have personally suffered imprisonment which in turn, lead to serious health problems. Despite the constant adversity, these two men have stood fast and fought for what they knew was right—freedom. They believe in their cause, they believe in themselves and they believe in their countrymen. My colleagues, their dedicated efforts deserve our full support. Today, on this significant date in history, let us join together to reaffirm our determination to focus our efforts in support of the long and arduous struggle being carried on by the courageous Estonians. Let us pledge our continued support and strengthened efforts to oppose Soviet usurpation of human rights.●

● Mr. CARNEY. Mr. Speaker, today, February 24, commemorates the 63d anniversary of the proclamation of independence of the Republic of Estonia. This day commemorates the success of this Baltic country in its hard-fought struggle against the forces of Russian imperialism.

Estonia remained an independent nation for 22 years. During that short period, however, this nation achieved strong political, economic, and social advances. The culture of Estonia, which has existed for centuries, reached the height of its expression during 1918–40.

Tragically, the coming of World War II again made Estonia, and the other Baltic countries of Latvia and Lithuania, the target of imperialistic and ideological expansion. In 1940, Estonia was again occupied by Soviet forces. It remains under occupation at the present time. The U.S. Government has never recognized the Soviet invasion of Estonia and has continually repudiated the brutal denial of freedom for the people and self-determination for the nation.

Forty years ago, the Soviet authorities began their massive purge campaigns against the Estonian and other Baltic people. In June of 1941, literally hundreds of thousands of people disappeared; these individuals were imprisoned, sentenced to hard labor, and executed. The Soviet policies approached genocide.

The Soviet policies of oppression continue today. In an attempt to destroy the ethnic character of Estonia, the Soviet Union has conducted a policy of russification. It has reduced the ethnic-Estonian population of the country while increasing the Russian population. Other policies entail the subordination and suppression of Estonian language and culture, and the persecution of all religious movements.

The right to free political expression has been vigorously attacked. In January, two dissidents, Juri Kukk and Mart Niklus, were sentenced respectively to 2 and 10 years of hard labor. Their alleged crimes stemmed from their commitment to human rights and political freedom—rights which the Soviet Union supposedly adheres to under the Helsinki accords. Kukk and Niklus' plights are known to the Western press. Yet, there are many others who suffer harassment, confinement to psychiatric hospitals, and imprisonment for their beliefs and who remain unknown. Only the continued vigilance of the free world offers any prospect of improvement in the treatment of these people. Only when the most heinous of Soviet actions are revealed and repudiated can there be hope for modest reforms. In addition, the United States and the entire free world must continue a policy of nonrecognition of the occupation of Estonia and the Baltic States, and must insist on freedom and self-determination for these countries.

Many Estonians came to America following the invasion of their homeland. They are grateful for the freedom and the opportunity which this Nation has provided to them. They are grateful for the efforts of American leaders on behalf of their homeland, and they support the principles of liberty which America has always promoted throughout the world. They appreciate that America has never forgotten their plight, and the plight of all people under Communist oppression. For surely, time and Soviet propaganda efforts to hide the facts have been obstacles in Estonian-American efforts to help their friends and relatives in their homeland. The Soviets would like nothing better than for the free world to forget their crimes. Remembering and acting on behalf of the oppressed people gives hope and encouragement to all those who work for liberty, in the free world and under occupation.

Mr. Speaker, it is in the spirit of solemn rememberance of Estonia's independence that we salute the Estonian people. We salute Estonians who preserve their culture and work for their country's independence in the free world, and above all, we salute those brave people who struggle for survival, as well as independence, in their occupied homeland.●

● Mr. YATRON. Mr. Speaker, today marks the 63d anniversary of the proclamation of the independence of the Republic of Estonia. I join with my colleagues in commemorating this important event.

The Estonian people have withstood countless foreign invasions and have maintained a strong spirit and vibrant self-identity under the most adverse conditions. Currently, the Estonian people suffer under the oppressive domination of the Soviet Union.

Since the Soviet annexation of Estonia in World War II, the people of that Baltic republic have been subjected to extreme and heinous persecution. The Soviet annexation not only terminated Estonia's independence, but led to massive slaughter and deportations. In 1941, 60,000 Estonians, more than 5 percent of the entire population, were either killed or sent to Soviet concentration camps. In 1949, 80,000 Estonians were deported to Siberia to work on government owned, collective farms. In all, a total of 350,000 people were reportedly lost between 1939 and 1949, representing one-third of Estonia's population.

Unfortunately, Soviet oppression continues today. Many younger Estonians are required to leave their homeland for parts of the Soviet Union. National cultural life and religious freedom have all but been eliminated. Fortunately, the effort of the Soviet Union to crush the Estonian spirit has failed.

Many Estonians have come to the United States to escape Soviet persecution and have contributed significantly to the economic, cultural, and political life of the American society. The courage and stamina of the Estonian people is truly amazing, and should serve to remind all Americans how priceless freedom really is.●

● Mr. GREEN. Mr. Speaker, today the country and homeland of Estonia celebrates the 63d anniversary of its declaration of independence.

Unfortunately, this is not a celebration in the usual sense. Although we recognize Estonia as a free country, it is a country clearly dominated by the Soviet Union. This Soviet domination has brought with it the type of control characteristic of Soviet held territory throughout Eastern Europe. Political expression is suppressed. Freedom to emigrate is denied. Violations of human rights are routine.

As a result, it is especially important that this anniversary is recognized. Estonia has had difficulties for the last 63 years, yet it has persevered. In the last six decades, Estonia has gone from German to Soviet dominance, to freedom, and back to Soviet rule. We should recognize the current occupation by the Soviet Union as an unfortunate, but temporary, part of Estonian history.

The spirit of nationalism has survived in this country and will continue to survive. During its brief moments of freedom Estonia has demonstrated its

people's commitment to human rights and democratic principles. This spirit, which was typified by its courageous struggles against Germany and the Soviet Union, cannot die.

I salute the people of Estonia. The unwarranted occupation by the Soviet Union is intolerable. The citizens of Estonia deserve their freedom. Only then will they be afforded the basic human rights they so clearly deserve.●

● Mr. MOORHEAD. Mr. Speaker, I commend Congressman DERWINSKI for calling this special order so we can make known our awareness of the plight of Estonia, illegally annexed to Soviet Russia in 1940.

This Baltic nation is a tiny country that is passionately desirous of an independence that is denied to it by the ruling elite of the Soviet Union, a group with a real and functioning dislike for national and individual freedom.

Special orders such as this one recalling the 63d anniversary of the proclamation of the independence of the Republic of Estonia should be a constant reminder to all of us that we are uniquely blessed to live in this land of liberty.

It should remind us that the freedom we take advantage of each hour of every day is denied to millions. We must take this opportunity to renew our intentions to preserve and guard our liberty so that it will endure as a ray of hope and a model for emulation for all the people of Estonia and for all the peoples of all the captive nations of this Earth.●

● Mr. MINISH. Mr. Speaker, February 24, 1981, marks the 63d anniversary of the proclamation of independence of the Republic of Estonia. Regrettably, the courageous people of this Baltic State were not to enjoy their rightful freedom for these past 63 years, for invading Russian troops illegally annexed Estonia as part of Soviet territory in 1940. Since that year, native Estonians have endured occupation by the Soviet Union, which has persistently, yet unsuccessfully, attempted to deprive Estonia of its cultural, social, and political heritage. The Soviet military domination has not crushed the spirit of these proud people.

Estonian Independence Day presents an opportunity for commemoration and reflection by us in the United States. First, as a day of commemoration, we offer a tribute to the strength and courage of the Estonian people who have endured many hardships for the past 41 years. Moreover, as American citizens who enjoy guaranteed constitutional rights, we reflect upon the fact that not all people everywhere in the world are as privileged as we. Until human rights are the reality for all, let us not waiver in our commitment to human freedom and dignity.

The violations of individual human rights in Estonia have been well documented. Since the United States witnessed the flagrant and illegal abuse of American rights in Iran, we are more cognizant than ever of the vital connection between guaranteed legal rights, and the fundamental well-being of our citizenry. The unconscionable actions by the Iranians, holding our people hostage for 444 days, demonstrate the dark and unscrupulous depths to which human behavior can fall.

Mr. Speaker, it is my earnest hope that one day we will not have to call for human rights for individuals, because that goal will have been attained. Sadly, history presents no reason for optimism. Until the Estonians, and all their brothers and sisters in the Baltic region have regained their lawful autonomy as free states, let us never rest content in our quest for freedom.●

● Mr. HOWARD. Mr. Speaker, today is the commemoration of the 63d anniversary of the proclamation of the independence of the Republic of Estonia. It is also an opportunity for all Americans to honor the many valiant Estonians who have worked for the freedom of their nations.

Estonians have fought against oppression since the Soviet sponsored aggression into Estonia in 1940. After Estonia's isolation by the Soviet Union, many citizens were subjected to severe violations of their human rights. through crisis after crisis, the spirit of individual liberty shone throughout the character of Estonians in the United States and abroad.

It is this courageous spirit that we honor today. In the past America has supported the right of Estonians to self-determination and freedom from Soviet hegemony. Let the world know today that America will remain supportive of the efforts of Estonians and Estonian-Americans to gain their dream of liberty from Soviet oppression.

The plight of Estonia will always be a reminder to the free world of the value of our democracy. We must never relax our support for democracies throughout the world—the Estonian spirit serves as an admirable and righteous model of national and personal freedom.●

GENERAL LEAVE

Mr. PASHAYAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include therein extraneous material on the subject of the special order today by the gentleman from Illinois (Mr. DERWINSKI).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

U.S. REVITALIZATION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. BLANCHARD) is recognized for 5 minutes.

● Mr. BLANCHARD. Mr. Speaker, yesterday I introduced the U.S. Revitalization Act, legislation to establish a federally capitalized U.S. Revitalization Bank which could assist our ailing industries and cities to regain their financial health. I do not pretend that this Revitalization Bank bill necessarily represents the definitive solution to what is required to reverse the decline of our basic industries such as auto, steel, rubber, glass, and others, and our deteriorating older urban areas, particularly those in the Northeast and Midwest which are so intimately tied to the industries which are in the most difficulty. But I do believe it can serve as a starting point for our consideration of how to bring about the revitalization, the reindustrialization, or by whatever term we choose to describe it of these most valuable productive resources—the machinery, the know-how, and the people in our great country.

This bill, Mr. Speaker, is based on the very thoughtful and innovative ideas of Felix Rohatyn, who as Members know, fashioned the complex financial package which brought New York City back from the brink of collapse. Mr. Rohatyn has turned his attention now to the broader problems of regional and national revitalization and I, for one, am grateful to him for giving us some very useful proposals to think about.

Let me briefly describe the main features of the bill. It would establish a wholly owned Government bank whose job it would be to help business enterprises and cities either to regain their financial health if they are truly distressed, or for business, to modernize or expand to provide more employment and productivity if they cannot find the resources to do the job themselves.

The financial tools available for the bank to use would be loans, loan guarantees, and—in limited fashion and as a last resort for businesses if loans and guarantees will not do the job—equity capital. For those cities and businesses which need to be rescued from the brink of bankruptcy, and for those businesses which need the bank's assistance to modernize or expand, there is a requirement that there be an equal amount of non-Federal assistance to match the Government's financial help.

Quite frankly, Mr. Speaker, the Subcommittee on Economic Stabilization learned a great deal in our development of the New York City and

Chrysler legislation, and I have incorporated the tough features of both those laws into this Revitalization Bank bill. I believe it would provide an orderly mechanism for dealing with potential financial collapses which would have severe repercussions on the Nation and its various regions, and at the same time would represent a joint effort on the part of all parties involved—businesses, local and State governments, employees, creditors, and the Federal Government—to share in the return to financial health of these important entities.

I want to mention another window in the bank, Mr. Speaker, which I believe to be very important. Many of our cities, particularly the older ones, have deteriorating capital plants which, through no fault of their own, they are unable to replace or restore. For example, many of their roads and bridges are in sad need of repair, yet because of the financial problems brought about chiefly by the shrinking of their tax bases, they cannot afford to make the necessary repairs. The Revitalization Bank could help cities which because of fundamental economic shifts and changes cannot borrow sufficiently to improve their capital facilities by making long-term, low-interest loans for this purpose. These projects would be limited to roads, bridges, sewer or water lines, and must be for repair, restoration, or replacement. The loans could not be used for mass transportation systems—funds are available from other programs for those—and they could not be used for expansion of capital facilities.

The bank would be capitalized initially by the Federal Government at $5 billion, appropriated for that purpose, and would be authorized to issue its own obligations, backed by its capital and its assets, up to five times its paid-in capital. If the bank needed an additional backstop for its own bonds, it could ask the Secretary of the Treasury for Federal guarantee of its bonds, but the Secretary would have complete discretion about whether such guarantees were warranted, and then there would have to be an additional appropriation by Congress before any guarantees could be issued.

Mr. Speaker, I am not wedded to this bill or to any particular feature of it. But I commend it to our colleagues as one approach to how to get our industrial and urban economies going again. This is a critical issue we must face—the sooner, the better.

A fuller summary of the bill follows:

H.R. 2000—UNITED STATES REVITALIZATION ACT

PURPOSE

To create the United States Revitalization Bank to assist financially distressed businesses and local governments to return to financial health, to assist businesses to modernize or expand to provide employment and greater productivity, and to assist local governments to renovate or replace deteriorating capital facilities.

FORMS OF ASSISTANCE

Loans, loan guarantees, and, with certain limitations, purchases of stock.

ELIGIBLE RECIPIENTS

Major business entities and local governments.

ADMINISTRATION OF PROGRAM

Through the "United States Revitalization Bank", an instrumentality of the U.S. Government, to be administered by a 7-member board of directors appointed by the President and confirmed by the Senate, one director to be nominated as chairman. Directors to serve four years, no more than three to be employees of the U.S. Government, no more than four from any one political party, all directors to serve without salary and may hold outside employment.

FUNDING OF THE "UNITED STATES REVITALIZATION BANK"

$5 billion capital stock to be paid in from funds appropriated in advance, authority in first six years to issue its own obligations up to five times paid-in capital for maturities up to 30 years, and authority for Secretary of the Treasury to guarantee Bank's obligations subject to advance appropriations.

CONDITIONS OF ELIGIBILITY FOR BUSINESS ENTITIES

1. "General financial assistance" may go to a single failing business entity where Bank determines assistance is in the national interest.

2. Financial assistance for modernization or expansion may go to a single business entity or group of firms to increase or maintain employmnent and productivity in a region of the U.S. if Bank determines applicants cannot modernize or expand on their own and where Bank determines the assistance is in the national interest.

3. All assistance requires a written request accompanied by a feasible plan covering financing and operations for maintenance of, or return to, profitability. Bank may refuse assistance if it regards recovery as improbable or employment and productivity objectives as unattainable.

4. There must be assurance of equal amount of financial assistance from non-Federal sources.

5. There must be reasonable assurance of repayment of the Federal financial assistance.

6. Recipients must agree to annual independent audits, revisions of plans and analyses reconciling actual performance with provisions of plans.

LIMITATIONS ON CAPITAL STOCK PURCHASES

1. Bank may purchase stock of a business enterprise only if a loan or loan guarantee will not accomplish the objectives of the applicant's plan.

2. Stock must be retired, repurchased or sold in 30 years, and there must be reasonable assurance that it can be sold.

3. Bank may not exercise its voting rights to control the enterprise by electing a majority of the board of directors.

CONDITIONS OF ELIGIBILITY FOR LOCAL GOVERNMENTS

1. For general financial assistance to failing local governments, Bank must determine assistance would be in the national interest because bankruptcy or default, or interruption of essential services, would have a severe impact on a State or region of the United States. Assistance could also be given to enable a local government to provide services or facilities for cooperative industry-government recovery plan to retain, expand, or establish significant business operations in the community or region.

2. Applicant must be unable to obtain sufficient credit elsewhere.

3. Requires written request accompanied by a plan for return to financial health and certification by Governor of the need for assistance and the inability of the State to provide such assistance.

4. Requires a State-created "financial control board" with authority to control applicant's fiscal affairs.

5. Applicant's plan must include goal of a truly balanced operating budget and a financing plan for meeting all financing needs while assistance is outstanding.

6. There must be a matching amount of non-Federal assistance from the State, other creditors, employees, private sources.

7. There must be reasonable assurance of repayment of Federal assistance.

8. Applicant must agree that on default or breach of a condition, U.S. may withold any Federal transfer payments to offset Bank's claims.

9. Applicant must agree to annual independent audits, to refrain from reducing significant taxes without Bank's approval, and to provide revised plans and reconciliation analyses.

10. Interest on guaranteed local government obligations would be subject to Federal income taxation.

ASSISTANCE FOR INFRASTRUCTURE IMPROVEMENTS

1. Bank may make long-term loans to local governmental units for improvement of capital infrastructure.

2. Loans restricted to repair, restoration, or replacement of roads, bridges, sewer or water systems.

3. Applicant must be unable to finance the infrastructure improvement because of shrinking tax base or other fundamental economic change.

4. Bank is authorized to charge interest at less than its own cost of borrowing.

TERMS FOR DIRECT AND GUARANTEED LOANS

1. Maturity: 30 years or useful life for capital projects; 5 years for working capital for business enterprises.

2. Interest Rate: Reasonable considering appropriate return to the Bank and U.S. Treasury's borrowing rate, except for infrastructure improvement loans which may carry a lower rate of interest.

3. Guarantee Fee: Requires at least 0.5%, may be higher to cover Bank's administrative expenses and provide appropriate rate of return.

LIMITATIONS

1. Amount of assistance to any one local government or business enterprise may not exceed 10% of paid-in capital of Bank plus permissible amount of obligations authorized to be outstanding (5 times paid-in capital) at any one time.

2. Federal Financing Bank prohibited from purchasing obligations of Bank or obligations guaranteed by Bank.

3. Commitments for financial assistance prohibited after six years after effective date of the Act, unless extended by Congress.●

EXPORT-IMPORT BANK HEARINGS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. NEAL) is recognized for 5 minutes.

● Mr. NEAL. Mr. Speaker, the Reagan administration's budget proposals would reduce the U.S. Export-Import Bank's direct lending authority in fiscal 1982 by 31 percent, diminishing the Bank's ability to finance the sale of American goods and services overseas.

The implications of this lending cutback for U.S. exporters and for the Nation's economy will be the topic of hearings on March 5, 12, and 19 before the House Banking Committee's Subcommittee on International Trade, Investment, and Monetary Policy, of which I am chairman.

We hope to take testimony not only on the Reagan budget proposals, but on several other major problems the Eximbank is facing, including the growing gap between its borrowing and lending rates that threatens the Bank's capacity to remain a profitmaking institution. We also hope to get a report on the status of international negotiations in which the major trading nations have sought an agreement on reducing export subsidies.

The International Trade Subcommittee intends to hear public witnesses on March 5 and 12 and to hear representatives of the administration and the Eximbank on March 19. The hearings will be at 10 a.m. each day in room 2128 of the Rayburn House Office Building.

Any individuals or organizations wishing to testify at these hearings or to submit material for the record should get in touch with the International Trade Subcommittee staff at H2-139, House Annex No. 2, Washington, D.C. 20515. The subcommittee telephone number is 202-225-1271.

The administration's budget proposals would undercut the Eximbank's ability to support U.S. exports in many crucial industries, such as aircraft, construction, conventional and nuclear electric power, and other high technology sectors. Foreign governments freely subsidize their own exports, so U.S. businesses would be seriously disadvantaged if Eximbank could not offer them comparable support.

There are broader questions, however. Should those U.S. exporters receive preferential treatment at the expense of the rest of the economy? Are export subsidies really essential for our economy or just for certain industries? Does Eximbank support go to the sectors of our economy that need it most? The subcommittee wants to examine these fundamental questions, in addition to examining the Reagan budget proposal for Eximbank.●

ESTONIAN INDEPENDENCE DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, February 24 is the 63d anniversary of Estonian Independence Day, and Estonian-Americans all over this Nation are commemorating this inspiring benchmark in history for freedom-loving peoples the world over. It is with pride that I join my colleague and good friend, the Honorable EDWARD J. DERWINSKI, in this commemorative event in the House of Representatives.

It was in 1918, on February 24, that the people of Estonia proclaimed their independence from the Tsarist Russian Empire, and in 1919, they and their allies successfully defended their country from attacks by the Red army, which under Lenin tried to force communism on the newly independent nation. On February 2, 1920, a peace treaty was signed between the new Republic of Estonia and the Soviet Union, which "agreed to renounce voluntarily forever all rights over Estonian territory and people."

I extend my greetings to Americans of Estonian descent in the 11th District of Illinois, which I am honored to represent, in Chicago, and all over this Nation as they commemorate the 63d anniversary of the independence of a brave people. This significant event remains a symbol of hope for repressed people all over the world who continue to aspire to human dignity and freedom.

Mr. Speaker, Estonia remained free for only 20 years, because in 1940 the Soviet Union invaded this courageous country and incorporated it into the Soviet empire, just as the Communists are attempting to do 40 years later in Afghanistan. The United States has never recognized this brutal seizure and a historical background statement on this phase of Estonian history follows as excerpted from material by the Estonian Evangelical Lutheran Church. I am also enclosing an excerpt from a statement forwarded to me by the Estonian American National Council entitled "Human Rights Violations in Estonia With Particular Reference to Messrs. Mart Niklus and Jueri Kukk":

THE HISTORICAL BACKGROUND

Estonia, the country and people, located on the shores of the Gulf of Finland and the Baltic Sea, enjoyed the happiness of independence, cultural progress, agricultural and economical development in independent Estonia. The Estonian way of life was, however, destroyed by an unprovoked intervention which was based on the spectacular Nazi-Communist collaboration agreement of 1939, the Molotov-Ribbentrop pact.

On June 17, 1940, the Red Army crossed the borders and occupied the Independent Democratic Republic of Estonia. A Communist takeover, supported only by less than 150 Estonian Communists (out of a population of more than 1,000,000) was, on June 21, 1940, carried out by the Russian invaders under the protection of Soviet tanks and planes. On July 21, 1940, the Communists declared, in the presence of sailors of the Soviet Baltic Fleet, Estonia a so-called "Soviet Socialist Republic" which was, on August 6, 1940, incorporated into the Soviet Union. The Estonian people and a majority of democratic governments have not recognized this flagrant act of violence.

The physical destruction of the Baltic peoples began from the very first day of the Soviet occupation. The first mass deportations took place on June 14, 1941, and continued, on a still larger scale, during the second Soviet occupation which began in 1944. There were, in addition to this, arrestations and mobilizations. The total number of these victims in Estonia is estimated at 12 per cent of the total of the population.

When the cruellest terror ceased after 1953 a horrible danger became even more visible: the transformation of Estonia—where the Estonians as inhabitants are traced back to 3000 B.C.—into a country of Russians. The Russification is going on under the pretext of the influx of the "Gastarbeiter" ("workers as guests") filling up a shortage of laborers who, however, are settling down for good. Large industrial plants were created in, compared with Russia, highly industrialized Estonia (and Latvia). New jobs were filled mainly by Russians. Official Communist slogans pretend gratitude for this kind of "generous help". And now Russian laborers are being directed to rural parts of the country. The filling of the kolkhozes with them aims at making the country definitely Russian. As such, it is as reprehensible as was Hitler's "Herrenvolk" theory in the 1930s".[1]

One has to visualize the following: for the time being Estonian is the dominating local language. It is to be feared that as soon as the Russians become a majority they will set aside the Estonian language and Russian will be imposed as the official language of the ancient country of the Estonians. In spite of all kinds of misleading ideological phrases, this is racism in practice—an instrument for achieving hegemony. The Russians are, as a matter of fact, a Slavic people and the Estonians belong to the group of Finno-Ugrian nations having deeply different characteristics as history makes evident.

In addition to this, the economic explotation of Estonia by the Soviet Union may also be mentioned.

According to recently finished studies of the Soviet economic system and statistics by professor Eduard Poom, the Soviet Union carries on an extensive economic exploitation in the baltic states. Thus, during the period of the last 15 years on avarage 50% of the yearly gross national product of Estonia was taken over, as a tribute, by the central administration in Moscow. This means a halving of the living-standard of the Estonian people and is an example of a flagrant colonial exploitation in Europe in the 20th century.

[1]Landsmanis, Arturs. Persists of Perish. Soviet Russia Destroying Baltic Peoples, Stockholm 1976, p. 10.

ESTONIAN AMERICAN NATIONAL COUNCIL,
New York, N.Y.

STATEMENT: HUMAN RIGHTS VIOLATIONS IN ESTONIA WITH PARTICULAR REFERENCE TO MESSRS. MART NIKLUS AND JUERI KUKK

The 63rd anniversary of the Republic of Estonia's declaration of independence finds its people in the free West and in Soviet occupied Estonia both reflective and very concerned. While the 1975 Helsinki Accords have provided a vehicle for addressing human and national rights within the Soviet Union, the Soviet Union has repeatedly violated these rights in Estonia.

While we in the West commemorate this occasion and rededicate our effort to freedom for all Estonians, we urgently turn to you for help in the case of two Estonians. Mart Niklus and Jueri Kukk are both fighting for their very lives. Their lives are representative of the hundreds, perhaps thousands, of Estonians who in recent years have become active and open in support of the Helsinki principles. Both men are in precarious health and have just been reimprisoned. Your actions on their behalf could be instrumental.

Below are short summaries of the lives of these two Estonian national and human rights activists.

MART NIKLUS

Born in Tartu, Estonia; age 46. Single, last residence with his parents. A Tartu University 1957 graduate with a degree in biology/zoology. He was first arrested on August 21, 1958 and sentenced on January 25, 1959 to ten years of forced labor plus three years of exile for sending photographs depicting Soviet reality to the West. He was released from Vladimir prison on July 29, 1966 due to his deteriorating health. Not given employment in his profession, he survived on odd jobs until 1972, when he was employed as a teacher of English, French and German at the Evening School of Foreign Languages in Tartu.

Since 1976 he has been arrested repeatedly, held for months in prison, been interrogated and had his home searched and belongings confiscated. All of this because of his activities in monitoring the Helsinki process. Concentrated harassment by the authorities began after he along with other Baltic nationalists signed the "Baltic Appeal" to the United Nations and several governments on the 40th anniversary of the Molotov-Ribbentrop Pact in 1979. This 1939 agreement opened the way for Soviet troops to march into Estonia, Latvia and Lithuania. The Appeal called for the Pact's repeal and for the right to self-determination for the three Baltic nations.

On November 13, 1979 Mart Niklus was dismissed from his post at the Evening School. On March 3, 1980 his request to emigrate to Sweden to join his brother was denied. He was again arrested on April 29, 1980, one day after the KGB forced him to leave the hospital where he was being treated for neuritis of the back—a condition resulting from his first eight years in forced labor camps. He was charged under Article 68-2 of the Estonian Soviet Socialist Republic Criminal Code for "anti-Soviet agitation and propaganda." The punishment by law is ten years imprisonment plus five years of internal exile. On August 23, 1980 Mr. Niklus started a hunger strike. His investigation was completed on December 2, 1980 and he was brought to trial on January 5, 1981. On January 8 he was sentenced to ten years of forced labor plus five years of internal exile. He has vowed to continue his hunger strike. We must note that the trial was held during the recess of the Madrid Conference on Security and Cooperation in Europe (the second follow-up to evaluate progress of Helsinki Accords).

JUERI KUKK

Born in Parnu; age 40. Married and the father of a son, 12, and a daughter, 8. He graduated from Tartu University with a degree in chemistry and was subsequently employed as an assistant professor. During 1975/76 he studied in France. As a result of his study abroad, he renounced his membership in the Communist Party in 1978, requested that his Soviet citizenship be voided and that he be permitted to emigrate. On September 20, 1979 he was suspended from the university.

During 1979 and early 1980 Mr. Kukk signed numerous human rights documents and appeals that have reached the West. He was arrested in Moscow on January 28, 1980 after leaving the car of an American correspondent. On March 13, 1980 he was arrested again after a search of his apartment and confiscation of numerous manuscripts and his typewriter. He is accused of violating Article 194-1 of the Criminal Code for "spreading fabrications slandering the Soviet system," for which the law prescribes up to three years of forced labor. He was forced to undergo psychiatric examinations in Tallinn and Moscow and was declared sane. On November 25, 1980, he started a hunger strike in support of Mart Niklus. Tried at the same time as Niklus, Kukk was sentenced to two years of forced labor.

It is very unlikely that either will survive their imprisonments.●

JOHN K. NORTHROP: 1895-1981 AVIATION PIONEER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. ADDABBO) is recognized for 5 minutes.

● Mr. ADDABBO. Mr. Speaker, a few days ago, John K. Northrop, a man long recognized as one of the world's most accomplished, brilliant, and respected aircraft designers, passed away at the age of 86. In his honor, I would like to take this opportunity and call to the attention of my colleagues in the House, some of the highlights in a varied career of a man, who, in designing 48 aircraft, as well as perfecting numerous aeronautical methods used today, helped shape the course of modern aviation.

As in the case of other infant industries, whether it was railroads, or steel production, men had to step forward with the courage to face the challenges, and the wisdom to take the chances necessary to improve performance. John Northrop was such a man who, in the then young field of aviation, stepped forward, exemplifying an era in flight when those who dared, succeeded. In giving you a brief picture of just what John meant to aviation as we know it today, one of the single greatest moments in aviation history probably would have been delayed by many years had he not, while working at Douglas Aircraft, redesigned the wing which would eventually carry the *Spirit of St. Louis* and Charles Lindbergh nonstop from New York to Paris.

Of the 48 planes he designed, some in particular are certainly worth noting. One of his first accomplishments was the designing of the Lockheed Vega, the plane in which Wiley Post soloed around the world in 1933, and which Amelia Earhart piloted across the Atlantic and Pacific. In the late 1920's he designed the famed Northrop Alpha, Beta, Gamma, and Delta series of civilian aircraft, airplanes which demonstrated the then incredible ability to fly through the worst of weather and to survive accidents with a minimum amount of damage. Later, in partnership with Douglas Aircraft, John's knowledge of the all-metal aircraft design was utilized in the development of the Douglas DC-1, DC-2, and DC-3 commercial series.

John used his technological abilities to design aircraft which became valuable additions to our defense forces, designing in the 1930's the Army A-17 attack aircraft, and the Navy B-1 dive bomber. Later in his career, while heading the company which bore his name, he presided over the development of what was then the world's fastest seaplane, the N-3PB. In addition, other Northrop developments were the P-61 Black Widow night fighter, the first aircraft ever designed specifically for night fighting, the U.S. Air Force Northrop F-89 Scorpion, the first twin-jet, all-weather interceptor, and the USAF Northrop B-35 and B-49 flying wing bombers.

The life of John Northrop will long remain an inspiration to men and women, the world over, in countless fields of endeavor, who must step forward to produce progress; and my prayers are with his family in this time of mourning.●

THE COST OF REGULATIONS AND THE NEED FOR ECONOMIC IMPACT STATEMENTS ON NEW REGULATIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. LEVITAS) is recognized for 5 minutes.

● Mr. LEVITAS. Mr. Speaker, the evidence is overwhelming that Government regulations have a significant economic impact upon those individuals and businesses required to comply with them. In the final analysis, it is the general public—the American consumer, worker, taxpayer—who receives the benefits and pays the costs for regulation.

According to a study conducted by the Center for the Study of American Business at Washington University in St. Louis, the total cost of complying

with Government regulations in fiscal year 1977 was $79.3 billion. Moreover, the price tag is rising. The same study estimated the aggregate cost of Government regulations in fiscal year 1979 to be a staggering $102.7 billion, consisting of $4.8 billion in direct expenses by regulatory agencies and $97.6 billion in costs of compliance on the part of the private sector.

Some time ago, I received a copy of a letter to the President from a small businessman in Georgia which really brought home to me the effect Government regulations can have. That letter began with the statement, "You win! I quit!" and proceeded to list the many Government regulations and forms with which this small businessman had to contend. He was driven out of business by the costs of complying with Government regulations and filling out Government reports. His 29 employees were put out of their jobs.

It is the consumer—the average American—who bears the cost of Government regulations because, by and large, these costs are passed on to consumers. Reducing the cost of compliance is not just a business concern, but it is equally a concern of consumers. For example, according to figures compiled by the center at Washington University, the price of a new house goes up from $1,500 to $2,500 because of Federal, State, and local regulations imposed on developers.

To be sure, there are important benefits which are derived from regulatory requirements—safe food, honest advertising, healthy work environments, and so forth. Most of these benefits would not happen without the requirements of law or regulation. But, the public is entitled to know and assess both the benefits and the cost of regulations.

There is clearly a need to establish the economic impact of Government regulations before they go into effect. Congress and the public need to know the cost/benefit comparison of new Government regulations. Yet, there is no statutory requirement for a systematic analysis of whether the benefits to be received from a proposed rule would exceed any negative economic impact. Regulations should only be promulgated after such an analysis has been made and the results examined.

I have introduced legislation which would amend the Administrative Procedures Act to require the preparation and development of specific economic impact analyses for all rules and regulations which are required to be published in the Federal Register. These economic impact statements would also be published in the Federal Register.

I have not introduced this bill so that, if enacted, it could be passed over with a simple coverup sentence such as—

There would be no adverse economic impact from implementing this proposed regulation.

My bill requires a detailed analysis that would address the cost impact of the regulation on consumers, businesses, markets, and Federal, State, and local governments. It would deal with the estimated cost of implementing, monitoring, and enforcing the rule by the agency, the effect of the rule on employment and the fiscal effects of any predicted increase in unemployment if the analysis so indicates, the effect of the rule on productivity of wage earners, businesses, and Government. It would also require the alternatives that were considered by the agency to the proposed rule to be published along with a finding as to why the alternatives were not proposed.

Mr. Speaker, we are in a phase of acute inflationary pressures. One of the significant steps we can take to lessen inflationary pressures is to decrease the costs imposed by Government regulations.

Both President Carter and President Reagan have recognized that Government regulations impose unnecessary costs on the American economy and fuel inflation, and both administrations have taken steps to alleviate these pressures. President Carter's Executive Order 12044, issued March 24, 1978, required executive branch agencies to prepare statements assessing the economic consequences of proposed regulations involving significant costs. President Reagan's Executive Order 12291, issued February 17, 1981, has built upon the experience of the previous administration, and President Reagan is to be commended for this. Yet, this Executive order is deficient in certain respects. It is nonstatutory so that it can be revoked or changed at any time by this administration or subsequent administrations. It does not apply to the independent regulatory agencies where much of the problem lies. And finally, like President Carter's Executive order, it does not establish criteria specific enough to insure the quality of the regulatory economic impact analyses.

I believe that the bill I have introduced addresses some of the deficiencies in the Executive order. Most importantly, it makes regulatory economic analyses part of the statutory requirements for promulgating regulations by both the executive branch and independent agencies. This would insure that such analyses are accomplished and available to Congress and the public. It would also insure that future administrations would not be able to change this policy.

Mr. Speaker, I introduced identical legislation during the last Congress which was cosponsored by 68 Members of the House from both sides of the aisle and many political philosophies. I am confident that this bill will receive similar support in the 97th Congress because it improves the public's confidence in Government and makes that Government better. I hope that we can move ahead with this proposal.●

EFFECTS OF HIRING FREEZE ON VA MEDICAL PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Mississippi (Mr. MONTGOMERY) is recognized for 5 minutes.

● Mr. MONTGOMERY. Mr. Speaker, recently I joined Senator ALAN CRANSTON, Senator ALAN SIMPSON, and the distinguished ranking minority member of our committee in asking the Comptroller General of the United States whether the hiring freeze imposed by President Reagan on January 20, 1981, violates section 5010(a)(4) of title 38, United States Code, which mandates the Office of Management and Budget to allow VA to fill all positions for which Congress has appropriated funds. It was our contention that OMB does not have legal authority to prevent the Veterans' Administration from hiring to fill those positions.

The veterans of our Nation should know that the Comptroller General has rendered an opinion that current law precludes the Administration from using the President's hiring freeze, as implemented by OMB bulletin No. 81-6, to reduce congressionally funded VA employment levels. The Comptroller General has also ruled that all the funds appropriated for the designated positions for the medical care, medical and prosthetic research, and medical administration and miscellaneous operating expenses accounts for fiscal year 1981 must continue to be available to fill these positions. I shall pass the Comptroller General's opinion on to the Attorney General so that he can take appropriate action to make certain the law is enforced.

Congress has clearly intended that these positions be filled so that all veterans who need care and treatment in VA medical facilities shall continue to receive the care and treatment necessary to restore them to good health.

There follows a copy of the Comptroller General's letter to me dated February 19, 1981:

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, D.C., February 19, 1981.

Hon. G. V. MONTGOMERY,
Chairman, Committee on Veterans' Affairs, House of Representatives.

DEAR MR. CHAIRMAN: This is in response to your concern as to whether the hiring freeze imposed by President Reagan on January 20, 1981, violates section 5010(a)(4) of title 38 of the United States Code. That section requires the Director of the Office of Management and Budget, in each fiscal year, to provide to the Veterans' Administration the full funded personnel ceiling for

which the Congress has appropriated funds for the year in three specified accounts. The hiring freeze, on the other hand, with some exceptions, precludes all Executive branch agencies from hiring any employees after January 20, 1981.

As is our usual practice, we requested the views of the concerned agencies—in this instance, the Office of Management and Budget (OMB) and the Veterans' Administration (VA). We have not yet received the formal written comments of OMB. However, we have been told informally that it is OMB's position that: 1. The Director of OMB has already complied with the statute; 2. The temporary hiring freeze is not inconsistent with the full-time employee equivalent (FTE) certification because the VA could use all available staff years after the freeze is lifted; 3. The required certification does not limit the President's authority to impose a Government-wide hiring freeze; and 4. The certification requirement would be satisfied with a deferral report to the Congress delaying availability of some of the funds appropriated for medical care staffing, to be used later on to partially offset the need for a supplemental appropriation to cover the October 1, 1980, pay raise.

In its response to our inquiry the VA takes the position that 38 U.S.C. 5010(a)(4) is an absolute mandate to OMB to allow VA to fill all positions for which Congress has appropriated funds, and that the President does not have legal authority to prevent VA from hiring to fill those positions.

We agree with the Veterans Administration. For the reasons indicated below, it is our opinion that the presidential hiring freeze is not applicable to the positions which the Congress has required to be released for fiscal year 1981. We also hold that the funds needed to fill these positions may not be deferred or otherwise withheld during fiscal year 1981.

THE STATUTE

As is relevant to this decision, 38 U.S.C. § 5010(a)(4) provides:

"(A) With respect to each law making appropriations for the Veterans' Administration, there shall be provided to the Veterans' Administration the funded personnel ceiling defined in subparagraph (D) of this paragraph and the funds appropriated therefor.

"(B) In order to carry out the provisions of subparagraph (A) of this paragraph, the Director of the Office of Management and Budget shall with respect to each such law (i) provide to the Veterans' Administration for the fiscal year concerned such funded personnel ceiling and the funds necessary to achieve such ceiling * * *.

* * * * *

"(D) For the purposes of this paragraph, the term 'funded personnel ceiling' means, with respect to any fiscal year, the authorization by the Director of the Office of Management and Budget to employ (under the appropriation accounts for medical care, medical and prosthetic research, and medical administration and miscellaneous operating expenses) not less than the number of employees for the employment of which appropriations have been made for such fiscal year."

This provision was passed by the Congress in response to actions by the Administration blocking VA from hiring all the health-care employees for which Congress had appropriated funds. The statute was intended to insure that VA was staffed at the level specified by the Congress by preventing the Administration from withholding funded personnel positions from VA. Thus, in the explanatory statement accompanying the compromise bill which contained paragraph 5010(a)(4), the House and Senate Committees on Veterans' Affairs jointly stated:

"The compromise agreement requires the Director of OMB to provide to the VA the personnel ceiling for VA health-care staffing for which appropriations are made * * *.

"The Committees believe that it is essential that when the Congress appropriates funds specifically designated for VA personnel levels, OMB not thwart the will of Congress by requiring the VA to use the funds so appropriated for other purposes (as occurred in fiscal year 1979 when funds appropriated for additional personnel were diverted, at OMB's direction, to cover in part the VA's cost of the Federal government pay raise)." 125 Cong. Rec. 34865 (December 6, 1979).

Also, in explaining the compromise bill to the House, Representative Hammerschmidt, Ranking Minority Member of the Subcommittee on Medical Facilities and Benefits, Committee on Veterans' Affairs, said:

"Another provision is aimed at preventing the recurrence of a situation that generated widespread outrage earlier this year. The Office of Management and Budget directed the Veterans' Administration to use funds appropriated by the Congress to prevent the planned closing of hospital beds within the VA medical system for another purpose. The appropriated funds were used, instead, to absorb the Federal pay raise for VA employees and the bed closings went ahead as planned.

"The Director of OMB is required by the bill before us to allocate funds to the VA for the health care staffing Congress intends. * * *" 125 Cong. Rec. 34871 (December 6, 1979).

See also the statements of Representative Satterfield, Chairman, Subcommittee on Medical Facilities and Benefits (125 Cong. Rec. H11645 (daily ed., December 6, 1979)), and Senator Cranston, Chairman of the Senate Veterans' Affairs Committee (125 Cong. Rec. 34984 (December 6, 1979).

By its terms, the statute requires the Director of OMB to make available to the VA the funds appropriated by the Congress for personnel and to authorize VA to employ at least the number of employees for which funds were appropriated in the three specified accounts. The means for determining the personnel ceiling intended by the Congress was specified in the compromise agreement explanatory statement referred to above:

"The term 'for which appropriations have been made for * * * [a particular] fiscal year' in subparagraph (D) of new paragraph (4) of section 5010(a), as used with respect to an appropriation Act, means the appropriations amount that is identified unequivocally in the legislative history of such Act (including the President's budget submissions for the appropriations account involved) as intended to support a specified employment level." 125 Cong. Rec. 34865 (December 6, 1979).

In the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1981, Pub. L. No. 96-526, 94 Stat. 3045, 3059, the Congress appropriated approximately $6 billion, $132 million, and $51 million respectively for "Medical Care", "Medical and Prosthetic Research", and "Medical Administration and Miscellaneous Operating Expenses." The committee reports accompanying the Act, when read with the President's budget requests, indicate the following mandated health-care positions under the three accounts:

Medical Care, 185,848.

Medical and Prosthetic Research, 4,418.

Medical Administration and Miscellaneous Operating Expenses, 832.

Under 38 U.S.C. § 5010(a)(4) the Director of OMB is required to authorize VA to fill at least this number of positions, and must make available sufficient funds to pay their salaries.

Subparagraph (C) of paragraph 5010(a)(4) requires the Comptroller General to verify that the Director of OMB has complied with the statute. By letters of February 3, 1981, HR1-63 (B-198103), the Comptroller General reported to the Chairmen of the House and Senate Appropriations and Veterans Affairs committees that the Director had released at least the required number of positions to VA. However, the letters cautioned that any determination that the Director was in compliance with the law would turn on the application of the presidential hiring freeze to the VA.

THE HIRING FREEZE

On January 20, 1981, President Reagan issued to the Heads of Executive Departments and Agencies a Memorandum announcing "a strict freeze on the hiring of Federal civilian employees to be applied across the board in theexecutive branch." See 46 Fed. Reg. 9907. The Memorandum indicated that the Director of OMB would issue detailed instructions concerning the freeze. The President delegated to the Director of OMB the authority to grant exemptions from the freeze in special circumstances. Thus the Director of OMB is administering the freeze and it is by his directions that Executive Branch agencies are not hiring.

On January 24, 1981, OMB issued Bulletin No. 81-6 providing "for an immediate and total freeze on the hiring of Federal civilian personnel as directed by the President * * *." The Bulletin directs all Executive Branch departments and establishments to stop all hiring immediately. The Bulletin provides for exemptions from the freeze including "situations where medical, hospital or health care is furnished directly * * *."

In response to our inquiry we have been informally notified by OMB that the Director of OMB granted a blanket exemption from the freeze to VA with respect to positions delivering direct health-care services (doctors, nurses, dentists, etc.). However the Director denied a blanket exemption for VA administrative and other positions funded under the three specified appropriation accounts. The Director indicated that he would consider requests for exemptions for these positions on a facility by facility basis.

Because all three accounts contain appropriations for personnel other than direct health-care personnel, the Director's decision not to exempt these positions too amounts to an impoundment of funds which were made immediately available for obligation by 38 U.S.C. § 5010 (a)(4). In this respect, we see no difference in the application of a Government-wide hiring freeze to the VA, or a freeze imposed only on the VA. Both types of actions would prevent the use of budget authority otherwise made immediately available for obligation and therefore constitute impoundments, even though

no formal impoundment message has been transmitted to the Congress to date.

CONTENTIONS OF OMB STAFF[1]

OMB, however, contends that the Director has already complied with the requirements of paragraph 5010(a)(4) by releasing funds and the Congressionally-directed employment ceiling to VA. It apparantly is OMB's position that paragraph 5010(a)(4) does not impose a continuing obligation on the Director to maintain the funded VA personnel ceiling throughout the entire fiscal year.

OMB's interpretation of paragraph 5010(a)(4) would completely defeat the intent of the Congress and we must reject it. As we have indicated, paragraph 5010(a)(4) was enacted specifically to prevent OMB from reducing VA staffing below the congressionally-funded level. It was the intent of the Congress that VA be free to fill all of the positions for which the Congress made annual appropriations. To interpret 5010(a)(4) as allowing the Director to withdraw the personnel ceiling after he had initially granted it would clearly thwart the will of the Congress.

OMB next argues that 5010(a)(4) merely requires the Director to release the positions; it is not a mandate to the VA to actually hire to the full employment ceiling. Therefore, the hiring freeze, which does not actually reduce the ceiling, does not violate the language of the statute.

Certainly, OMB is correct that by its terms 5010(a)(4) does not compel the VA to fill all the positions funded by the Congress. However, the paragraph does require that the Administration not deprive the Administrator of Veterans' Affairs of the authority to fill all the positions should he choose to do so. Clearly it was the intent of the Congress to remove by statute the power of the Administration to reduce VA employment ceilings below the congressionally authorized level. As we have indicated, 5010(a)(4) was enacted by the Congress specifically in response to Administration action which prevented the VA from filling congressionally funded health care positions in fiscal year 1979. In reporting the compromise language which became 5010(a)(4) the House and Senate Veterans' Affairs Committees made it clear that the statute would force OMB to release all congressionally funded positions to VA.

Interpreting 5010(a)(4) to allow OMB to control VA hiring by means of a hiring freeze would be as much contrary to the intent of the Congress as allowing OMB to actually withhold the positions from VA. The OMB Bulletin which implements the freeze purports to deprive the Administrator of Veterans' Affairs of the power to fill the congressionally funded positions, which is not permitted by paragraph 5010(a)(4).

OMB next contends that 5010(a)(4) does not deprive the President of his power to manage the Executive Branch of the Government.

The President's power to manage the Government derives from his constitutional designation as Chief Executive and his responsibility to see that the laws are faithfully executed. However, the President may not use his powers to prevent the law from being fulfilled. *See Kendall* v. *United States*, 12 Pet. (37 U.S.) 524, 613 (1838) *National Treasury Employees Ass'n* v. *Nixon*, 492 F.2d 587, 604 (D.C. Cir. 1974); *Haring* v. *Blumenthal*, 471 F.Supp. 1172, 1179 (D.D.C. 1979). A presidential order may not supercede contradictory statutory provisions or policies. *Marks* v. *Central Intelligence Agency*, 590 F.2d 997, 1003 (D.C. Cir. 1978); *Weber* v. *Kaiser Aluminum & Chemical Corp.* 563 F.2d 216, 227 (5th Cir. 1977), *rev'd on other grounds, United Steelworkers* v. *Weber* 443 U.S. 193 (1979).

Clearly paragraph 5010(a)(4) directs the Executive not to withhold from the VA the authority to fill the congressionally-funded personnel ceiling. The President cannot use his executive power to defeat this statute. Rather he has a constitutional obligation to see that it is fulfilled.

OMB contends that to the extent that 5010(a)(4) deprives the President of his executive powers it is contrary to the Constitution. This Office will not consider the constitutionality of congressional enactments in ruling on the legality of Federal agency actions. We consider every Federal law to be valid until such time as a Federal court of competent jurisdiction declares it to be unconstitutional.

OMB finally argues that 5010(a)(4) does not preclude the Administration from using the provisions of the Impoundment Control Act of 1974, 31 U.S.C. § 1400 *et seq*, to attempt to control Federal expenditures. OMB indicates that it intends to propose a deferral of budget authority for the VA positions not filled and to instruct VA to use this budget authority later in the fiscal year in lieu of a supplemental to cover the costs of the Federal pay increase. We do not think the President's impoundment authority is available, however, to defeat a clear congressional mandate that certain funds be made immediately available for obligation.

On April 16, 1980, the President proposed a deferral (D80-65) of funds available for the Federal-Aid-Highways Programs. Several district courts held that the fourth disclaimer in the Impoundment Control Act, 31 U.S.C. § 1400(4), precluded the President from impounding funds by reducing the obligational ceiling established by Congress and, thereby, reducing the allotments to the states.[2] The courts held that the fourth disclaimer exempts from the application of the Impoundment Control Act and law "which requires the obligation of budget authority or the making of outlays thereunder." The statute involved in the Highway cases requires the Secretary of Transportation to allot funds to the states by formula, subject to an obligational ceiling. Reducing the obligational ceiling would have had the effect of reducing the states' allotments, and, therefore, the amount that could be obligated to and expended by the states. Though the fourth disclaimer speaks in terms of obligations and outlays and the Federal-Highway Act's mandatory requirement is in terms of the apportionments to the states, the courts still held that the President was precluded by the fourth disclaimer from impounding funds under the Impoundment Control Act.

The situation involved here is analogous to the Highways cases. Both section 5010(a) and the Federal Highway Act require a type of allotment but neither statute requires the recipient of the funds to spend them. In both situations, some further action must occur after the allotment and before funds are actually obligated and spent. In the case of section 5010(a), VA determines that positions need to be filled, finds qualified individuals, and hires them. In the case of the Federal-Aid Highways Program, a state determines it needs the funds, submits a program plan and obtains Department of Transportation approval. Furthermore, the reduction of available positions in contravention of section 5010(a) and the reduction of the obligational ceiling in contravention of the Federal-Aid Highways Act have the same effect—the amount of funds available for obligation and expenditure are reduced. Since the Impoundment Control Act was not available in the Highway cases, it should not be available to OMB to reduce the positions allocated to VA and, thereby, reduce the funds available to it.

Section 1001 of the Impoundment Control Act 31 U.S.C. § 1400, provides:

"Nothing contained in this Act, or in any amendments made by this Act, shall be construed as—

* * * * *

(4) superseding any provision of law which requires the obligation of budget authority or the making of outlays thereunder."

In light of the provisions of section 1001 it is our view that the Impoundment Control Act may not be used to deny to VA the funds and related positions mandated to be available by paragraph 5010(a)(4). In this connection, and in the context of paragraph 5010(a)(4), we see no distinction between a Congressional mandate to spend and a mandate to allot positions and make funds available to fill them.

We conclude that 38 U.S.C. § 5010(a)(4) precludes the administration from using the President's hiring freeze, as implemented by OMB Bulletin No. 81-6, to reduce congressionally funded VA employment levels. We also hold that all the funds appropriated for the designated positions in the Medical Care, Medical and Prosthetic Research, and Medical Administration and Miscellaneous Operating Expenses accounts for fiscal year 1981 must continue to be available to fill those positions.

Sincerely yours,

MILTON J. SOCOLAR,
Acting Comptroller General of the United States.●

[1] As we have indicated, we have not received any formal written comments from OMB. For the remainder of this decision when we refer to OMB positions or contentions we are referring to the views of OMB staff informally communicated to us.

[2] In the 1980 Supplemental Appropriations and Rescissions Act, the Congress rendered the question of the legality of deferral D80-65 moot. Accordingly, in cases pending before courts of appeals, the district courts' rulings were vacated. However, we believe the analysis contained in many of these cases is useful and provides guidance in the situation before us.

REVERSE FREEDOM OF INFORMATION PROCEDURE ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma (Mr. ENGLISH) is recognized for 5 minutes.

● Mr. ENGLISH. Mr. Speaker, I am today introducing the Reverse Freedom of Information Procedure Act, a bill intended to provide fairer and more efficient procedures for the treatment of freedom of information requests for records submitted to the Government by third parties. The problems with agency handling of requests for these records were set out in a 1978 report of the House Committee on Government Operations entitled "Freedom of Information Act

Requests for Business Data and Reverse FOIA Lawsuits" (H. Rept. 95-1382).

My bill is based on the recommendations of that report. At the administrative level, it would require agencies to notify persons who have submitted information to Federal agencies that a FOIA request for that information has been received. Submitters would then have an opportunity to present arguments to the agency supporting the confidentiality of the data. While this appears to be standard operating practice at most agencies, I believe that these requirements should be added to the law.

I also propose to give submitters a new right that agencies cannot now provide. The bill would give submitters of information the right to appeal an adverse decision at the administrative level. This is comparable to rights presently granted to requesters and may help to cut out unnecessary litigation. In order to allow more time for agency consideration of confidentiality arguments, the bill also relaxes slightly the time limits now in the law.

These administrative changes make possible corresponding changes in judicial procedures for the handling of reverse FOIA lawsuits. A reverse FOIA lawsuit is one filed by a submitter of information in order to prevent the disclosure of the information by a Federal agency. One of the major problems with litigation of this type is getting all of the relevant parties together in the same courtroom. Under existing law, it is possible for a submitter to be suing an agency to prevent disclosure of documents in one court while at the same time the requester is suing to require disclosure in another court. Existing judicial procedures may not be flexible enough to bring the parties before the same judge so that only one decision need be made. My bill establishes rules for the consolidation of lawsuits by submitters and requesters.

Those who have followed this issue will note that my bill is similar to the Reverse FOIA Litigation Act (H.R. 5861) that was introduced but not acted upon in the 96th Congress. I look forward to working together with interested parties to improve and refine my bill. I am hopeful that the Subcommittee on Government Information and Individual Rights, which I chair, will be able to take up this matter later in this Congress. Anyone who would like to comment on the legislation is invited to contact the subcommittee.

The text of the bill follows:

H.R. —

A bill to amend the Freedom of Information Act with respect to procedures for the disclosure of certain types of information, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Reverse Freedom of Information Procedure Act".

SEC. 2. (a) Section 552(a)(4)(A) of title 5, United States Code, is amended—

(1) by inserting "(i)" immediately after "(4)(A)"; and

(2) by adding at the end thereof the following:

"(ii) Each agency shall also promulgate regulations, pursuant to notice and receipt of public comment, specifying procedures by which—

"(I) the agency shall, when requested by a submitter at the time of submission of information to the agency, notify the submitter, within five days of receipt of a request, that such a request for records containing such information has been made under this section; and

"(II) a submitter or requester may submit to the agency written argument regarding a request made for disclosure of records.

"(iii) An agency is not required to notify a submitter of the receipt of a request under division (ii)(I) if—

"(I) the agency determines, prior to giving such notice, that the request for disclosure should be denied;

"(II) the disclosure is pursuant to law (other than this section) or agency rule which requires disclosure of specific records in such a manner as to leave no discretion on the issue; or

"(III) the information has been published or otherwise made available to the public.".

(b) Section 552(a)(4) of title 5, United States Code, is further amended—

(1) by striking out subparagraph (B) inserting in lieu thereof the following:

"(B)(i) The district court of the United States in the district in which the complainant resides, or has his principal place of business, or in which the agency records are situated, or in the District of Columbia, has jurisdiction—

"(I) on complaint by a requester, to enjoin the agency for withholding agency records and to order the production of any agency records withheld from the requester; and

"(II) on complaint by a submitter, to order an agency to notify a submitter of a request as required by subparagraph (A)(ii), to enjoin the agency from disclosing agency records obtained from the submitter, and to order the withholding of any such records.

"(ii) The agency which is the subject of a complaint under this section shall promptly, upon service of a complaint—

"(I) seeking the production of records, notify each submitter (of information contained in the records which are sought by the requester) that the complaint was filed; and

"(II) seeking the withholding of records, notify each requester of the records that the complaint was filed.

"(iii) In an action based on a complaint—

"(I) by a requester, the court shall have jurisdiction over any submitter of information contained in the records which are sought by the requester, and any such submitter may intervene as of right or seek to be joined in such action; and

"(II) by a submitter, the court shall have jurisdiction over any requester of information which the submitter seeks to have withheld, any such requester may intervene as of right or seek to be joined in such action.

"(iv) Unless the court otherwise directs for good cause shown, in an action in which a requester is an intervenor, or is joined, the action shall on motion of the requester be transferred to a district court, designated in the motion, which would have had jurisdiction had the action been brought by the requester.";

(2) by redesignating subparagraphs (C), (D), (E), (F), and (G) as subparagraphs (D), (E), (F), (G), and (H), and by inserting immediately after subparagraph (B) the following new subparagraph:

"(C)(i) In an action under this section seeking the production of records, the court shall determine the matter de novo, and the burden is on the agency to sustain its determination.

"(ii) In an action under this section seeking the withholding of records, the court shall review the record of the agency's proceeding and shall uphold the agency's determination unless it is arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law.

"(iii) In any action under this section, the court may examine the contents of such agency records in camera to determine whether such records or any part thereof shall be withheld under any of the exemptions set forth in subsection (b) of this section.";

(3) by inserting "and any intervenor" immediately after "the defendant" in subparagraph (D) (as redesignated by paragraph (2)); and

(4) by striking out "in which the complainant has substantially prevailed" in subparagraph (F) (as so redesignated) and inserting in lieu thereof "by a requester and award such fees and costs to a requester who has substantially prevailed".

(c) Section 552(a)(6) of title 5, United States Code, is amended—

(1) by striking out clause (i) of subparagraph (A) and inserting in lieu thereof the following:

"(i) determine within ten days (excepting Saturdays, Sundays, and legal public holidays) after the receipt of any such request whether to comply with such request and shall immediately notify the requester, and any submitter of information contained in the records which are the subject of the request, of such determination and the reasons therefor, and of the right of such persons to appeal to the head of the agency any adverse determination; and";

(2) by striking out "or" at the end of clause (ii) of subparagraph (B), by striking out the period at the end of clause (iii) of such subparagraph and inserting in lieu thereof "; or", and by inserting immediately after such clause the following new clause:

"(iv) the need to notify the submitter (in accordance with paragraph (4)(A)(i)) of the receipt of the request."; and

(3) by striking out subparagraph (C) and inserting in lieu thereof the following:

"(C)(i) Any requester under this subsection shall be deemed to have exhausted his administrative remedies with respect to a request if the agency fails to comply with the applicable time limit provisions of this paragraph. If any requester initiates a complaint under paragraph (4)(B), then the administrative remedies of any submitter of information contained in the records which are the subject of such request shall also be deemed to have been exhausted.

"(ii) If the Government can show exceptional circumstances exist and that the agency is exercising due diligence in responding to the request, the court may retain jurisdiction and allow the agency additional time to complete its review of the records.

"(iii) Upon any determination by an agency to comply with a request for records, the records shall be made promptly available to the requester, except that if the disclosure of records was objected to by a submitter of information contained in the records, the agency shall not disclose such records for ten days after notice of the determination required by subparagraph (A)(i) has been received by the submitter.

"(iv) Any notification of denial of any request for records under this subsection shall set forth the names and titles or positions of each person responsible for the denial of such request."

(d) Section 552(d) of title 5, United States Code, is amended—

(1) by striking out "subsection (a)(4)(F)" in paragraph (4) and inserting in lieu thereof "subsection (a)(4)(G)"; and

(2) by striking out "subsections (a)(4)(E), (F), and (G)" in the second sentence and inserting in lieu thereof "subsections (a)(4)(F), (G), and (H)".

(e) Section 552 of title 5, United States Code, is further amended by adding at the end thereof the following new subsection:

"(f) For the purposes of this section—

"(1) 'submitter' means a person who voluntarily submits, or is required by rule or law to submit, information to an agency; and

"(2) 'requester' means a person who has made a request for disclosure of records under subsection (a)(3)."

SEC. 3. The amendments made by this Act shall take effect 180 days after the date of enactment of this Act, except that any provision in such amendments requiring an agency to promulgate regulations shall be effective upon such date of enactment and such regulations shall be promulgated not later than 180 days after such date.●

CONGRESS SHOULD REPEAL NGPA'S INCREMENTAL PRICING PROVISIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. CORCORAN) is recognized for 10 minutes.

● Mr. CORCORAN. Mr. Speaker, together with our colleagues BUTLER DERRICK of South Carolina and PHIL GRAMM of Texas, I am today introducing legislation which would repeal title II of the Natural Gas Policy Act of 1978. Title II includes incremental pricing provisions. An identical bill, S. 29, was introduced on January 5 by Senator RICHARD LUGAR of Indiana. This legislation is also identical to H.R. 5862 and S. 2392 of the 96th Congress. These measures would eliminate the current program under which 5,000 to 7,000 industrial boiler users of natural gas from interstate pipelines must be charged the energy equivalent price of oil, even though the rates that they would otherwise pay for natural gas would normally be lower.

Those of my colleagues who served during the 96th Congress are well aware of the controversy which has surrounded the incremental pricing program. In fact, in May of last year, the House voted, by a margin of more than 10 to 1, to veto proposed Federal Energy Regulatory Commission (FERC) regulations that would have subjected approximately 45,000 additional industrial users to incremental pricing of natural gas. The House took that step because it was obvious that the limited first phase of the program was already posing serious problems without generating offsetting benefits in the process. Thus, significantly expanding a program that we knew to be ineffective and counterproductive would only have compounded the problem.

The outlook for natural gas supply is currently very encouraging. In 1979, the first full year the NGPA was in effect, additions to proved natural gas reserves from the lower 48 States were the highest since 1967. Additions to natural gas proved reserves in 1979 were up 35 percent over 1978 figures.

After a comprehensive 2-year assessment of the outlook for conventional and supplemental sources of gas energy to the year 2000, the American Gas Association's Gas Supply Committee has concluded that sufficient gas energy (methane) will be available in the year 2000 to continue to supply at least 25 percent of our Nation's total need for energy. Depending on assumptions regarding future technical, social, economic, and political conditions, gas could provide as much as 33 percent of our needs—the level provided by natural gas energy in the late 1960's and early 1970's. Since domestic gas energy supply and utilization projects, both large and small, generally require only two-thirds the capital investment of comparable projects to generate and utilize electricity and synthetic liquid fuels from domestic resources, gas energy can and should be an increasingly popular choice. To accomplish this, the restraint that incremental pricing places on the interstate market for natural gas should be removed. The bill we are today introducing would accomplish this.

Key reasons for repeal of incremental pricing include:

1. REDUCE INFLATIONARY IMPACT

Incremental pricing, by substantially and artificially increasing the prices which industry is required to pay for natural gas, adversely affects the economy. When industrial gas users pass through these increased energy costs to the consumer, the overall rate of inflation will be increased. To the extent that industrial gas users cannot pass through these costs, these higher gas prices will be paid through offsetting reductions in operations, personnel, and/or reduced investment. In some cases, marginal firms cannot pass through these artificially inflated gas rates and still remain competitive. In such instances, incremental pricing injures the economy by forcing these firms to make the aforesaid offsetting reductions.

2. REDUCE FUEL SWITCHING

Incremental pricing exposes industrial users to the likelihood of sudden, large increases in the price of natural gas and encourages industrial users to switch to alternate fuels. The incremental prices for each State change every month, but under the system established by the Department of Energy, an industrial user does not know until 7 to 10 days before the first of the month what the incremental price will be. Such uncertainty in gas prices, due to fluctuating oil prices, encourages fuel switching. For many, the convenient alternative is oil, which industrial users can buy on contract and thus be guaranteed a set price for a fixed period. It seems incongruous that, at a time when Government policy encourages energy users to reduce the use of imported oil, incremental pricing of natural gas actually encourages industries to use more oil. This is compounded by the fact that for those who do stay on natural gas, the inflationary impact of increasing oil prices is now being artificially duplicated. With the decision last month to speed up the decontrol of oil, this effect will be further exacerbated.

3. ELIMINATE COMPLEX REGULATIONS

Incremental pricing is an incredibly complex mechanism. Enforcement of it—and compliance with it—drains the administrative resources of the public and private sectors alike with no identifiable benefit. For instance, over half of the States on the interstate gas system have taken measures to circumvent the incremental pricing system envisioned by the Congress in 1978, and thus keep any surcharge revenues in the State rather than being spread throughout the pipeline system. Indeed, the National Association of Regulatory Utility Commissioners (NARUC), the organization of State regulatory commissioners, has opposed incremental pricing as an "unwarranted * * * intrusion of Federal control in retail ratemaking."

4. ELIMINATE GUISE OF SHIELDING RESIDENTIAL GAS USERS

Incremental pricing is not providing any benefits to offset the problems it has created. It was theoretically intended to reduce the gas bills of residential users—but FERC has concluded that this reduction is nominal, at best, in scope. Further, whatever very limited benefits that might be accruing to residential gas consumers are being achieved at the costs of greater inflation for all consumers including oil, electricity, and propane users who are bearing these higher costs of manufactured goods, but receiving no benefits whatsoever when their utility bills arrive. In effect, residential oil and electricity users are subsidizing residential gas users. In addition, whenever industrial users leave the gas system, the fixed costs of distribu-

tion and transmission of natural gas must be paid by a smaller pool of users. This, of course, raises rates to exactly those groups the Congress meant to protect when incremental pricing was proposed.

5. ELIMINATE MARKET SEGMENTATION

Because gas bought and sold in the intrastate market is exempt from this program, incremental pricing has effectively reintroduced the segmentation of the national gas market into interstate and intrastate components. Such segmentation could induce industries to relocate or expand their operations in those States not subject to incremental pricing.

Mr. Speaker, for these reasons, Mr. DERRICK, Mr. GRAMM, and I believe it is time to repeal title II—incremental pricing—of the Natural Gas Policy Act of 1978. We urge our colleagues to join us in this effort.●

WE SPEND TOO MUCH ON DEFENSE

(Mr. DELLUMS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. DELLUMS. Mr. Speaker, as we begin to examine the budget for fiscal year 1982, it is important that we look at every item with the same scrutiny. I would like to bring to the attention of my colleagues the following article which appeared in the New York Times on Sunday. I believe that it brings another much needed perspective on ways to cut Government spending.

[From the New York Times, Feb. 1, 1981]

WE SPEND TOO MUCH ON DEFENSE

(By Gene R. LaRocque) [1]

Ronald Reagan has come to power on a platform of alleged United States military weakness and imminent world dominance by the Soviet Union. Mr. Reagan calls for huge increases in military spending as the chief means of showing the world that the nation is still No. 1. The military budget is again to be used as the central symbol of America's world role.

Any assessment of military budgets must acknowledge that they are first of all political instruments in the hands of American leaders. No clear relationship has been established between the level of military spending and measurable calculations of national security, victory in battle or deterrence of conflict.

The vagaries of public opinion, political interests and media attention have more to do with budgets than strictly military considerations. The military budget is formed to accord with the mood of the American electorate, and is shaped by the American political process. There is little that is indisputedly rational or inevitable about it, but there is much that a consensus of habit and custom has sanctified. From year to year, the latest fad of military strategy or foreign policy prevents tinkering at the edges.

Today, the military budget is more than ever the victim of changing circumstances. The budget is increasingly utilized as a vehicle for sending "messages" and "symbols" of will and intention. However, because we do not understand the rest of the world very well and the rest of the world certainly does not understand us very well, the military budget as a symbol is even less effective than the military budget as a measure of our real defense capability.

Too many extensive programs are competing in the military arena and even the budget increases contemplated by the Reagan Administration cannot accommodate all of them. We cannot simultaneously acquire a vast new arsenal of nuclear weapons, expand costly forces for defending countries in Europe and Asia, add to substantial equipment and manpower for rapid intervention everywhere in the world, enlarge a very expensive Navy for deployment on all the world's oceans, develop new weapons that are always better than Soviet weapons and keep existing forces at a high level of readiness and training.

The most unneeded feature of the new budget is its stepped-up pursuit of nuclear weaponry. Mr. Reagan and his advisers have stated that their first priority is a "quick fix" of nuclear forces. Their plans include an expanded MX missile program, revival of a manned bomber, additions to the existing Minuteman missile force, acceleration of the Trident II submarine-based missile, speeded deployment of new Trident submarines, increased spending on antiballistic-missile programs, and accelerated and expanded new nuclear-tipped Cruise and Pershing missiles for deployment in Europe. Mr. Reagan's new Deputy Secretary of Defense, Frank Carlucci, has summed up this nuclear expansion program in claiming that the United States must develop a "nuclear war-fighting capability." As Mr. Carlucci admits, "that's a very large order."

But programs like the proposed MX missile and new nuclear missiles for Europe do not enhance our security. They contribute little to the defense of the United States and are probably harmful. New nuclear missiles do not help to secure oil supplies or promote the resolution of international turbulence. They are irrelevant to most real-world problems.

Obession with extremely remote scenarios for fighting nuclear war at a time when the nation has other clear and present dangers distracts us from taking those realistic steps that are genuinely needed for national defense.

"Quick fixes" in the area of nuclear weaponry will waste tens of billions of dollars over the next decade. These billions will likely come at the expense of other programs, both military and nonmilitary, which could contribute far more to the defense and well-being of America.

"The first priority for military expenditures should be insuring that the existing military establishment, including personnel and weapons, is utilized in the most appropriate and efficient manner. Of course, this only sounds like common sense and everyone rhetorically endorses the proposition. However, we cannot underestimate the power of the ingrained habit of undervaluing what we already have in pursuit of fancy new weapons incorporating the newest features of technology. The rush to produce these new aircraft, ships, tanks and missiles will inevitably lead to neglect of weapons already in the field. Congress and the American people, even in the current pro-defense climate, can only be brought to provide the funds for very expensive new weapons if they are convinced of the alleged inadequacies of existing weapons. At best, we will continue to hear partisan views about the purported inferiority of our weapons.

The economic costs of military power are great. The real present danger is rampant inflation that affects every American, and there should be strong pressures to contain all aspects of government spending. We must strive to maintain some sense of balance about our military and foreign policy problems. As Thomas Ross, who was Mr. Carter's Assistant Secretary of Defense for Public Affairs, recently said, "The military is getting such a favorable hearing that there is a danger that everything that drops from their lips will be taken as holy writ." The 1980 election-year rhetoric about American weakness could lead to an extremely wasteful period of throwing money at military problems. Overstatements of problems usually lead to overreactions and most frequently to "solutions" that offer no real solution.

The United States has strong and wealthy allies who today can more than ever look after their own defense. Consultation with our military allies to achieve a redistribution of the burdens of defense must be undertaken. This is a necessary component of a Western campaign to slow inflation in the world economy.

The sensible areas of military investment in the coming years are increased military pay, more funding for military readiness and maintenance of existing weapons, more spending on non-carrier Naval forces (particularly for antisubmarine warfare), greater procurement of proven existing weapons (such as A-10 antitank aircraft and antitank missiles), enhanced protection for sea-based strategic nuclear forces and adequate funding for fundamental and advanced military research and development. If we are to do what is required in these areas, we will have to be tough-minded in rejecting many other proposed military programs.

It is difficult to measure how much military spending is enough. But it is clear that spending is excessive if the nation's political, social or economic fabric is weakened in the process.●

[1] Gene R. LaRocque, a retired rear admiral, is director of the Center for Defense Information, a nonprofit independent research institute.

OAKLAND RAIDERS SHOULD STAY IN OAKLAND

(Mr. DELLUMS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. DELLUMS. Mr. Speaker, I speak today in support of H.R. 823, which I am cosponsoring with Messrs. STARK and EDWARDS.

It has been said that victory has a thousand fathers, but that defeat is an orphan. I speak today as one who is concerned that, in its hour of victory, the city of Oakland might be in the process of being orphaned by the prospective departure of the Super Bowl Champion Oakland Raiders.

The fan support given the black and silver over the years compares more than favorably with any other team in the entire National Football League.

Despite the chaos engendered by the front office machinations to relocate the team—before, during, and after the season—Coach Tom Flores held the team together in order to present a united front to the opposition on the playing field. He provided inspiration and encouragement for Quarterback Jim Plunkett. He devised offensive and defensive game plans that stymied the opposition week after week, despite a long list of player injuries. And most of all, he leveled with the fans—always.

The fans reciprocated this faith by supporting the team on the field, even after their poor record in the early part of the season. The playoff victories against Houston, Cleveland, San Diego, and Philadelphia were testimonials to the mutual bond created between players and fans. These fans—and the city of Oakland—deserve to have a municipal voice in the retention of the team in the city where it all began.●

THE 63D ANNIVERSARY OF DECLARATION OF INDEPENDENCE OF LITHUANIA

(Mr. DeNARDIS asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

● Mr. DeNARDIS. Mr. Speaker, I am pleased to join my colleagues in honoring the 63d anniversary of the Declaration of Independence of Lithuania. On February 16, 1918, the Lithuanian National Council unanimously proclaimed a free and independent State of Lithuania. Independence brought considerable progress in Lithuanian social, cultural, and economic life. This freedom was short-lived, however. On June 15, 1940, after only 22 years of independence, the Soviet Union invaded Lithuania. This action was in blatant violation of the peace treaty the Soviet Union had signed with Lithuania in 1920. At that time the Soviet Union had declared:

Russia, without any reservation whatever, recognizes Lithuania as a self-governing and independent state with all juridical consequences that follow from such a recognition and in the spirit of free and good will renounces for all time all sovereignty rights of Russia concerning the Lithuanian nation and Lithuanian territory.

This obligation was confirmed by Russia on September 28, 1926, in a nonaggression pact with Lithuania.

Despite these commitments, however, Lithuania was forceably incorporated into the Soviet Union as the 14th republic in 1940. To this day the United States has refused to recognize this illegal conquest. The Lithuanian diplomatic missions that have been in our country since 1940 continue to enjoy full recognition as representatives of a free and independent Lithuania.

The United States must continue to speak out in support of determined Lithuanians who consistently fight to regain their independence. I truly admire the courage of these individuals. They deserve our respect and support. I strongly urge all Americans to join with the Lithuanian people in celebrating their independence day and in working toward the day when Lithuania can regain its sovereignty.●

RULES OF COMMITTEE ON THE BUDGET FOR THE 97TH CONGRESS

(Mr. JONES of Oklahoma asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. JONES of Oklahoma. Mr. Speaker, in accordance with clause 2(a) of rule XI of the Rules of the House of Representatives, I submit herewith for publication in the Record the rules of the Committee on the Budget which were adopted by the committee in open session on Wednesday, January 28, 1981.

RULES OF THE COMMITTEE ON THE BUDGET

A. MEETINGS

Rule 1. Regular meetings

The regular meeting day of the Committee shall be the 2nd Wednesday of each month at 11:00 a.m., while the House is in session.

The Chairman is authorized to dispense with a regular meeting when he determines there is no business to be considered by the Committee, provided that he gives written notice to that effect to each member of the Committee as far in advance of the regular meeting day as the circumstances permit.

Regular meetings shall be cancelled when they conflict with meetings of either party's caucus or conference. [Required by House Rule XI, cl. 2.]

Rule 2. Additional and special meetings

The Chairman may call and convene additional meetings of the Committee as he considers necessary, or special meetings at the the request of a majority of the members of the Committee in accordance with House Rule XI, clause 2(c).

In the absence of exceptional circumstances, the Chairman shall provide written or verbal notice of additional meetings to the office of each member at last 24 hours in advance while Congress is in session, and at least 3 days in advance when Congress is not in session.

Rule 3. Open business meetings

Each meeting for the transaction of Committee business, including the markup of measures, shall be open to the public except when the Committee, in open session and with a quorum present, determines by rollcall vote that all or part of the remainder of the meeting on that day shall be closed to the public. No person other than members of the Committee and such congressional staff and departmental representatives as they may authorize shall be present at any business or markup session which has been closed to the public. This rule shall not apply to any meeting that relates solely to matters concerning the internal administration of the Committee.

Rule 4. Quorums

A majority of the Committee shall constitute a quorum. No business shall be transacted and no measure or recommendation shall be reported unless a quorum is actually present.

Rule 5. Recognition

Any member, when recognized by the Chairman, may address the Committee on any bill, motion, or other matter under consideration before the Committee. The time of such member shall be limited to 5 minutes until all members present have been afforded an opportunity to comment.

Rule 6. Consideration of business

Measures or matters may be placed before the Committee, for its consideration, by the Chairman or by a majority vote of the members of the Committee, a quorum being present.

Rule 7. Rollcall votes

A rollcall of the members may be had upon the request of at least 20% of those present.

Rules 8. Proxies

Any member of the Committee may vote by special proxy if the proxy authorization is in writing, asserts that the member is absent on official business or is otherwise unable to be present at the meeting of the Committee, designates the person who is to execute the proxy authorization, and is limited to a specific measure or matter and any amendments or motions pertaining thereto; except that a member may authorize a general proxy only for motions to recess, adjourn or other procedural matters. Each proxy to be effective shall be signed by the member assigning his or her vote and shall contain the date and time of day the proxy is signed. Proxies may not be counted for a quorum. [Required by House Rule XI, cl. 2(f).]

B. HEARINGS

Rule 9. Announcement of hearings

The Chairman shall publicly announce the date, place, and subject matter of any Committee hearing at least one week before the commencement of that hearing, unless he determines there is good cause to begin such hearing at an earlier date, in which case public announcement shall be made at the earliest possible date.

Rule 10. Open hearings

Each hearing conducted by the Committee or any of its Task Forces shall be open to the public except when the Committee or Task Force, in open session and with a quorum present, determines by rollcall vote that all or part of the remainder of that hearing on that day shall be closed to the public because disclosure of testimony, evidence, or other matters to be considered would endanger the national security or would violate any law or rule of the House of Representatives. The Committee or Task Forces may by the same procedure vote to close one subsequent day of hearing.

Rule 11. Quorums

For the purpose of hearing testimony, not less than two members of the Committee shall constitute a quorum. [Required by House Rule XI, cl. 2(h).]

Rule 12. Time for questioning witnesses

Committee members shall have not to exceed five minutes to interrogate each witness until such time as each member who so desires has had an opportunity to interrogate such witness.

After all members have had an opportunity to ask questions, the round shall begin again under the 5-minute rule.

In questioning witnesses under the 5-minute rule, the Chairman and the ranking minority member may be recognized first after which members may be recognized in the order of their arrival at the hearing. Among the members present at the time the hearing is called to order, seniority shall be recognized. In recognizing members to question witnesses, the Chairman may take into consideration the ratio of majority members to minority members and the number of majority and minority members present and shall apportion the recognition for questioning in such a manner as not to disadvantage the members of the majority.

For the purposes of House Rule XI. 2.(g)(2) The Task Forces of the Committee are considered to be Subcommittees.

Rule 13. Subpoenas and oaths

In accordane with House Rule XI, clause 2(m), subpoenas authorized by a majority of the Committee may be issued over the signature of the Chairman or of any member of the Committee designated by him, and may be served by any person designated by the Chairman or such member.

The Chairman, or any member of the Committee, may administer oaths to witnesses.

Rule 14. Witnesses' statements

So far as practicable, any prepared statement to be presented by a witness shall be submitted to the Committee at least 24 hours in advance of presentation, and shall be distributed to all members of the Committee in advance of delivery.

Rule 15. Committee prints

All Committee prints and other materials prepared for public distribution shall be approved by the Committee prior to any distribution, unless such print or other material shows clearly on its face that it has not been approved by the Committee.

C. BROADCASTING

Rule 16. Broadcasting of meetings and hearings

It shall be the policy of the Committee to give all news media access to open hearing of the Committee, subject to the requirements and limitations set forth in House Rule XI, clause 3. Whenever any Committee business meeting is open to the public, that meeting may be covered, in whole or in part, by television broadcast, radio broadcast, and still photography, or by any of such methods of coverage, in accordance with House Rule XI, clause 3. However, a majority of the Committee may decide at any time to exclude radio, television, and still camera equipment from the Committee room.

D. STAFF

Rule 17. Committee staff

(a) Subject to approval by the Committee, and to the provisions of the following paragraphs, the professional and clerical staff of the Committee shall be appointed, and may be removed, by the Chairman.

Committee staff shall not be assigned any duties other than those pertaining to Committee business, and shall be selected without regard to race, creed, sex or age, and solely on the basis of fitness to perform the duties of their respective positions.

All Committee staff shall be entitled to equitable treatment, including comparable salaries, facilities, access to official Committee records, leave, and hours of work.

(b) In addition to the staff provided in paragraph (a) each member of the Committee may select and designate an associate staff member who shall serve at the pleasure of that member. Such staff member shall be compensated at a rate, determined by the member, not to exceed 75 per centum of the maximum established in clause 6(c) of Rule XI of the House of Representatives; *provided,* that no member shall appoint more than one person pursuant to these provisions; *provided further,* that members designating a staff member under this subsection must certify by letter to the Chairman that the employee is needed and will be utilized for Committee work.

(c) In addition to the staff provided in the above paragraphs, the Chairman shall appoint three professional and two clerical staff, recommended by the minority members, who shall provide staff assistance to the minority members.

Rule 18. Staff supervision

Staff shall be under the general supervision and direction of the Chairman, who shall establish and assign their duties and responsibilities, delegate such authority as he deems appropriate, fix and adjust staff salaries (in accordance with House Rule XI, clause 6(c)) and job titles, and, in his discretion, arrange for their specialized training.

Staff assigned to the minority shall be under the general supervision and direction of the minority members of the Committee, who may delegate such authority as they deem appropriate.

E. COMMITTEE RECORDS

Rule 19. Preparation and maintenance of committee records

An accurate stenographic record shall be made of all hearings.

The proceedings of the Committee shall be recorded in a journal which shall, among other things, include a record of the votes on any question on which a record vote is demanded.

Members of the Committee shall correct and return transcripts of hearings as soon as practicable after receipt thereof.

Any witness may examine the transcript of his own testimony and make grammatical or technical changes that do not substantially alter the record of testimony.

The Chairman may order the printing of a hearing record without the corrections of any member or witness if he determines that such member or witness has been afforded a reasonable time for corrections, and that further delay would seriously impede the Committee's responsibility for meeting its deadlines under the Congressional Budget Act of 1974.

Transcripts of hearings and meetings may be printed if the Chairman decides it is appropriate, or if a majority of the members so request.

Rule 20. Access to committee records

The Chairman shall promulgate regulations to provide for public inspection of rollcall votes and to provide access by members to Committee records (in accordance with House Rule XI, clause 2(e)).

Access to classified testimony and information shall be limited to members of Congress and to House Budget Committee staff and stenographic reporters who have appropriate security clearance.

Notice of the receipt of such information shall be sent to the Committee members. Such information shall be kept in the Committee safe, and shall be available to members in the Committee office.

F. APPLICABILITY OF HOUSE RULES

Rule 21. Applicability of House Rules

Except as otherwise specified herein, the Rules of the House are the rules of the Committee so far as applicable, except that a motion to recess from day to day is a motion of high privilege.

G. CONFEREES

Rule 22. Appointment of conferees

Majority party members recommended to the Speaker as conferees shall be recommended by the Chairman subject to the approval of the majority party members of the Committee. The Chairman shall recommend such minority party members as conferees as shall be determined by the minority party, provided that the recommended party representation shall be in approximately the same proportion as that in the Committee.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. DAVIS) to revise and extend their remarks and include extraneous material:)

Mr. CONTE, for 15 minutes, on February 26.

(The following Members (at the request of Mr. LEE) to revise and extend their remarks and include extraneous material:)

Mr. CORCORAN, for 10 minutes, today.

(The following Members (at the request of Mr. DWYER) to revise and extend their remarks and include extraneous material:)

Mr. BLANCHARD, for 5 minutes, today.

Mr. NEAL, for 5 minutes, today.

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. ADDABBO, for 5 minutes, today.

Mr. LEVITAS, for 5 minutes, today.

Mr. MONTGOMERY, for 5 minutes, today.

Mr. ENGLISH, for 5 minutes, today.

Mr. JONES of North Carolina, for 5 minutes, today.

Mr. FAUNTROY, for 60 minutes, on February 25.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. DAVIS) and to include extraneous matter:)

Mr. GOODLING.

Mr. HAGEDORN.

Mr. HOLLENBECK.

Mr. HYDE in two instances.

Mr. DANNEMEYER in two instances.

Mr. MICHEL in two instances.

Mrs. HOLT.

Mr. SENSENBRENNER.

Mr. LAGOMARSINO in two instances.

Mr. HARTNETT in three instances.

Mr. DORNAN of California in five instances.
Mr. MCCLOSKEY.
Mrs. SCHNEIDER in three instances.
Mr. DERWINSKI in three instances.
Mr. SMITH of New Jersey.
(The following Members (at the request of Mr. DWYER) and to include extraneous matter:)
Mr. GAYDOS in three instances.
Mr. MCHUGH.
Mr. DORGAN of North Dakota.
Mr. FOLEY.
Mr. WAXMAN.
Mr. YATRON.
Mr. SCHUMER in two instances.
Mr. LANTOS.
Mr. STOKES in three instances.
Mr. FORD of Tennessee.
Mr. ROSENTHAL.
Mr. MONTGOMERY.
Mr. MOTTL.
Mr. SCHEUER.
Mr. GUARINI.
Mr. BLANCHARD.
Mr. PEASE.
Mr. SANTINI.
Mr. OBERSTAR.
Mr. STARK.
Mr. GEJDENSON.

ADJOURNMENT

Mr. CONYERS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 25 minutes p.m.), the House adjourned until tomorrow, Wednesday, February 25, 1981, at 3 p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

587. A letter from the Secretary of Agriculture, transmitting the 1980 annual report on the Nation's agricultural research, extension, and teaching activities, pursuant to section 1410 of Public Law 95-113; to the Committee on Agriculture.

588. A letter from the Secretary of Labor, transmitting a report on the number of cases reviewed and the number of exemplary rehabilitation certificates issued during calendar year 1980, pursuant to section 6(f) of Public Law 90-83; to the Committee on Armed Services.

589. A letter from the Assistant Secretary of the Air Force (Research, Development and Logistics), transmitting notice of the proposed conversion to contractor performance of the commissary shelfstocking and custodial function at Castle Air Force Base, Calif., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

590. A letter from the Acting Adminstrator, Environmental Protection Agency, transmitting the main report on the Ohio River Basin Energy Study, requested by Senate Report No. 94-326; to the Committee on Energy and Commerce.

591. A letter from the Acting Assistant Secretary of State for Congressional Relations, transmitting a report on the executive branch's estimates of the international volume of arms traffic, including estimates on an annual basis of the sale and delivery of weapons and weapons-related defense equipment by all major arms suppliers to all major recipient countries since 1977, pursuant to subsection 25(e) of the Arms Export Control Act, as amended; to the Committee on Foreign Affairs.

592. A letter from the Acting Inspector General, Department of Agriculture, transmitting a report on the food stamp antifraud matching programs; to the Committee on Government Operations.

593. A letter from the Director of Administration, Department of Energy, transmitting a report on the Department's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

594. A letter from the Acting Director, Community Services Administration, transmitting a report on the Administration's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

595. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a report on the Bank's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

596. A letter from the Comptroller General of the United States, transmitting a report on Federal records management (PLRD-81-2, Feb. 24, 1981); to the Committee on Government Operations.

597. A letter from the Comptroller General of the United States, transmitting a list of reports issued or released by the General Accounting Office during January 1981, pursuant to section 234 of the Legislative Reorganization Act of 1970; to the Committee on Government Operations.

598. A letter from the Clerk, U.S. House of Representatives, transmitting his quarterly report of receipts and expenditures for the period October 1 through December 31, 1980, pursuant to section 105(a) of Public Law 88-454, as amended (H. Doc. No. 97-24); to the Committee on House Administration and ordered to be printed.

599. A letter from the U.S. Trade Representative, transmitting a draft of proposed legislation to authorize appropriations for the Office of the U.S. Trade Representative through fiscal year 1985 and to provide express authority for certain necessary actions; to the Committee on Ways and Means.

600. A letter from the Comptroller General of the United States, transmitting a report on management of battlefield intelligence data (LCD-81-23, Feb. 24, 1981); jointly, to the Committees on Government Operations and Armed Services, and the Permanent Select Committee on Intelligence.

601. A letter from the Comptroller General of the United States, transmitting a report on the national productivity effort established under Executive Order 12089 (AFMD-81-29, Feb. 18, 1981); jointly, to the Committees on Government Operations, and Banking, Finance and Urban Affairs.

602. A letter from the Comptroller General of the United States, transmitting a report on the civil case backlog in Federal district courts, and recommendations to increase efficiency (GGD-81-2, Feb. 24, 1981); jointly, to the Committees on Government Operations, and the Judiciary.

603. A letter from the Comptroller General of the United States, transmitting a report on revisions in nursing home regulations proposed by the Department of Health and Human Services (HRD-81-50, Feb. 20, 1981), pursuant to section 119 of Public Law 96-536; jointly, to the Committees on Government Operations, Ways and Means, and Energy and Commerce.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ALEXANDER:

H.R. 2014. A bill to amend the Internal Revenue Code of 1954 to revise and simplify the exclusion of income of U.S. citizens and residents abroad; to the Committee on Ways and Means.

By Mr. AUCOIN:

H.R. 2015. A bill to enable the Secretary of the Interior to erect permanent improvements on land acquired for the Confederated Tribes of Siletz Indians of Oregon; to the Committee on Interior and Insular Affairs.

Mr. BROWN of Ohio:

H.R. 2016. A bill to add representatives of town officials to the membership of the Advisory Commission on Intergovernmental Relations; to the Committee on Government Operations.

By Mr. CORCORAN (for himself, Mr. DERRICK, and Mr. GRAMM):

H.R. 2017. A bill to repeal the Federal requirement of incremental pricing under the Natural Gas Policy Act of 1978; to the Committee on Energy and Commerce.

By Mr. CORRADA:

H.R. 2018. A bill to amend title 44, United States Code, to designate the Public Library of Puerto Rico a depository library for Government publications; to the Committee on House Administration.

By Mr. DANNEMEYER:

H.R. 2019. A bill to amend the Natural Gas Policy Act of 1978 to eliminate Federal price control and allocation authority over natural gas; to the Committee on Energy and Commerce.

By Mr. FORD of Tennessee:

H.R. 2020. A bill to provide coverage for eyeglasses, hearing aids, and dentures under the medicare program; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. ENGLISH:

H.R. 2021. A bill to amend the Freedom of Information Act with respect to procedures for the disclosure of certain types of information, and for other purposes; to the Committee on Government Operations.

By Mr. FLORIO:

H.R. 2022. A bill to incorporate the Pearl Harbor Survivors Association; to the Committee on the Judiciary.

By Mr. FLORIO (for himself, Mr. SMITH of New Jersey, Mr. ROE, Mr. DWYER, Mrs. FENWICK, Mr. GUARINI, Mr. HOWARD, Mr. RINALDO, Mr. HOLLENBECK, Mr. COURTER, and Mrs. ROUKEMA):

H.R. 2023. A bill to designate the proposed new Veteran's Administration Medical Center in Camden, N.J., as the "Carlton R. Rouh Memorial Veterans' Medical Center"; to the Committee on Veterans' Affairs.

By Mr. GAYDOS (for himself, Mr. ATKINSON, Mr. BAILEY of Pennsylvania, Mr. JAMES K. COYNE, Mr. DOUGHERTY, Mr. ERTEL, Mr. LEDERER, Mr. MARKS, Mr. MCDADE, Mr. MURPHY, Mr. MURTHA, Mr. RITTER, Mr. YATRON, Mr. BONER of Tennessee, Mr. ADDABBO, Mr. ANTHONY, Mr. HANSEN of Utah, Mr. ZEFERETTI, and Mr. FORD of Michigan):

H.R. 2024. A bill to amend the Clean Air Act to provide compliance date extensions for steelmaking facilities on a case-by-case basis to facilitate modernization; to the Committee on Energy and Commerce.

By Mr. GLICKMAN:

H.R. 2025. A bill to amend the Congressional Budget Act of 1974 to establish a ceiling on revenue loss from tax expenditures, to require authorization of new tax expenditures, and for other purposes; to the Committee on Rules.

By Mr. GUARINI (for himself, Mr. COURTER, Mr. DWYER, Mrs. FENWICK, Mr. FLORIO, Mr. HOWARD, Mr. HUGHES, Mr. MINISH, Mr. RINALDO, Mr. RODINO, Mr. ROE, Mrs. ROUKEMA, Mr. SMITH of New Jersey, and Mr. EVANS of Delaware):

H.R. 2026. A bill to amend the Communications Act of 1934 to provide that not less than one very high frequency commercial television broadcasting station be located in each State; to the Committee on Energy and Commerce.

By Mr. SAM B. HALL, JR. (for himself, Mr. MONTGOMERY, and Mr. EDGAR):

H.R. 2027. A bill to amend title 38, United States Code, to provide a cost-of-living increase in the rates of disability compensation for disabled veterans and in the rates of dependency and indemnity compensation for survivors of disabled veterans; to the Committee on Veterans' Affairs.

By Mr. SAM B. HALL, JR. (for himself, Mr. MONTGOMERY, and Mr. WYLIE):

H.R. 2028. A bill to amend title 38, United States Code, to increase the maximum amount of Servicemen's Group Life Insurance and Veterans' Group Life Insurance to $35,000; to the Committee on Veterans' Affairs.

By Mr. SAM B. HALL, JR. (for himself and Mr. WYLIE):

H.R. 2029. A bill to amend title 38, United States Code, to provide that the Secretary of Defense shall be responsible for insuring that the Secretaries of the military departments properly carry out their functions required by such title to collect, account for, and transfer to the Veterans' Administration amounts necessary to cover the costs of insuring each member of the Army, Navy, Air Force, and Marine Corps participating in the Servicemen's Group Life Insurance program; to the Committee on Veterans' Affairs.

By Mr. SAM B. HALL, JR. (by request):

H.R. 2030. A bill to provide that the injuries which qualify a member of the Armed Forces for award of the military decoration of the Purple Heart shall include, in the case of a member who was held as a prisoner of war, damage inflicted during captivity; to the Committee on Armed Services.

H.R. 2031. A bill to amend title 38, United States Code, to expand eligibility of former prisoners of war for certain health care benefits, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. HARTNETT:

H.R. 2032. A bill to amend the Food Stamp Act of 1977 to prohibit certain households containing persons involved in labor-management disputes from participating in the food stamp program; to the Committee on Agriculture.

H.R. 2033. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for contributions to saving accounts for use by first-time home buyers in purchasing a principal residence; to the Committee on Ways and Means.

By Mr. HYDE:

H.R. 2034. A bill to amend title 18 of the United States Code to prohibit the robbery of a controlled substance from a pharmacy, and for other purposes; to the Committee on the Judiciary.

By Mr. KAZEN:

H.R. 2035. A bill to authorize certain employees of the Department of Agriculture to carry firearms in the performance of their duties; to the Committee on Agriculture.

By Mr. LAGOMARSINO:

H.R. 2036. A bill to require the U.S. Government and persons carrying on federally assisted programs, projects, and activities to pay interest to business concerns for overdue sales and lease agreement payments, and to take early payment discounts only when payment is timely made; to the Committee on Government Operations.

By Mr. LAGOMARSINO (for himself, Mr. PORTER, Mr. FISH, Mr. SOLOMON, Mr. FORSYTHE, Mr. KILDEE, Mr. KOGOVSEK, Mr. LEBOUTILLIER, Mr. WON PAT, Mr. CRAIG, Mr. GUYER, Mr. LOTT, Mr. ANNUNZIO, and Mr. DUNCAN):

H.R. 2037. A bill to amend the Internal Revenue Code to provide for individual housing accounts; to the Committee on Ways and Means.

By Mr. LEATH of Texas:

H.R. 2038. A bill to amend chapter 37 of title 38, United States Code, to authorize the Administrator of Veterans' Affairs to guarantee loans for the purchase of single-family residential units in cooperative developments or projects; to the Committee on Veterans' Affairs.

By Mr. LEATH of Texas (for himself, Mr. GUYER and Mr. BRINKLEY):

H.R. 2039. A bill to amend chapter 37 of title 38, United States Code, to authorize the Administrator of Veterans' Affairs to guarantee home loans with provisions for variable payment plans; to the Committee on Veterans' Affairs.

By Mr. LEVITAS:

H.R. 2040. A bill to establish an Office of Regulatory Review in the General Accounting Office to assist the Congress in evaluating the economic impact of agency rules; to the Committee on Government Operations.

By Mr. MCCLOSKEY:

H.R. 2041. A bill to extend the right to vote in primary and runoff elections for Federal office to citizens who will be 18 years of age or older on the date of the related general and special election; to the Committee on House Administration.

H.R. 2042. A bill to amend the Shipping Act of 1916; to the Committee on Merchant Marine and Fisheries.

By Mr. MAZZOLI (for himself, Mr. SAM B. HALL, JR., Mrs. SCHROEDER, Mr. FISH, and Mr. LUNGREN):

H.R. 2043. A bill to amend the Immigration and Nationality Act, and for other purposes; to the Committee on the Judiciary.

By Mr. MICA:

H.R. 2044. A bill to reform the Powerplant and Industrial Fuel Use Act of 1978 to support the reduction of oil, air pollution, and consumer costs by existing electric powerplants; to the Committee on Energy and Commerce.

By Mr. MITCHELL of Maryland (for himself, Mr. BENJAMIN, Mr. HAWKINS, Mr. WOLPE, Mr. ADDABBO, Mr. MURPHY, Mr. RICHMOND, Ms. MIKULSKI, Mr. WHITEHURST, Mr. VENTO, Mr. CORRADA, Mr. ROE, Mr. FORD of Tennessee, Mrs. CHISHOLM, Mr. OTTINGER, Mr. FAUNTROY, Mr. DIXON, Mrs. COLLINS of Illinois, Mr. PHILLIP BURTON, Mr. GRAY, Mr. WASHINGTON, Mr. SAVAGE, Mr. GREEN, Mr. HUGHES, Mr. PEPPER, Mr. STARK, and Mr. CROCKETT):

H.R. 2045. A bill to provide for the striking of medals in commemoration of Maggie Lena Walker; to the Committee on Banking, Finance and Urban Affairs.

By Mr. MITCHELL of New York:

H.R. 2046. A bill to amend title XVI of the Social Security Act to provide that payments of tuition, fees, or other training costs by any person for a mentally retarded adult individual attending a school for the retarded shall not be treated as income of such individual in determining his or her eligibility for supplemental security income benefits; to the Committee on Ways and Means.

By Mr. MOORE:

H.R. 2047. A bill to establish reasonable limits on the power of courts of the United States in the imposition of injunctive relief in suits to protect the constitutional rights of individuals in public education and to authorize the Attorney General to institute suits to enforce such limits; to the Committee on the Judiciary.

By Mr. MONTGOMERY (by request):

H.R. 2048. A bill to amend title 38, United States Code, to eliminate provisions of outpatient dental treatment for service-connected noncompensable dental conditions which are unrelated to service trauma or prisoner-of-war status; to the Committee on Veterans' Affairs.

By Mr. MOTTL:

H.R. 2049. A bill to impose quotas on the importation of automobiles, trucks, and certain engines for a 3-year period; to the Committee on Ways and Means.

By Mr. NICHOLS (for himself and Mr. DICKINSON):

H.R. 2050. A bill to authorize the Secretary of the Army to correct certain slope failures and erosion problems along the banks of the Coosa River; to the Committee on Public Works and Transportation.

By Ms. OAKAR:

H.R. 2051. A bill to amend the Internal Revenue Code of 1954 to provide for the exclusion from gross income of certain retirement benefits received by individuals who have attained age 55; to the Committee of Ways and Means.

By Mr. OBERSTAR (for himself and Mr. RHODES):

H.R. 2052. A bill to require the Secretary of Transportation to administer a national driver register to assist State driver licensing officials in electronically exchanging information regarding the motor vehicle driving records of certain individuals; to the Committee on Public Works and Transportation.

By Mr. PATTERSON (for himself and Mr. BLANCHARD):

H.R. 2053. A bill to amend the Internal Revenue Code of 1954 to provide incentives for the construction and rehabilitation of

real property; to the Committee on Ways and Means.

By Mr. PORTER:

H.R. 2054. A bill to amend the Uniform Time Act of 1966 to provide that the period of observance of daylight saving time each year shall begin on the last Sunday in March, rather than the last Sunday in April, and shall end on the last Sunday in November, rather than the last Sunday in October; to the Committee on Energy and Commerce.

By Mr. REGULA:

H.R. 2055. A bill to amend the Clean Air Act to provide compliance date extensions for steelmaking facilities on a case-by-case basis to facilitate modernization; to the Committee on Energy and Commerce.

By Mr. RODINO (for himself and Mr. WAXMAN):

H.R. 2056. A bill to amend the Immigration and Nationality Act with respect to alien graduates of foreign medical schools; jointly, to the Committees on the Judiciary and Energy and Commerce.

By Mr. SCHUMER:

H.R. 2057. A bill providing for a reduction in the amount paid each year by the United States as its contribution toward the assessed budget of the United Nations, such reduction to be equal to the amount of that contribution which would be used for the expenses of the Committee on the Exercise of the Inalienable Rights of the Palestinian People and the Special Unit on Palestinian Rights; to the Committee on Foreign Affairs.

By Mr. STANTON of Ohio:

H.R. 2058. A bill to modify the project for Ashtabula Harbor, Ohio, to authorize the enlargement of a turning basin; to the Committee on Public Works and Transportation.

By Mr. THOMAS (for himself, Mr. LUNGREN, Mr. LAGOMARSINO, Mr. CLAUSEN, Mr. MINETA, Mr. LOWERY of California, Mr. BEDELL, and Mr. JOHNSTON):

H.R. 2059. A bill to amend title I of the Elementary and Secondary Education Act of 1965 to permit the Secretary of Education to waive the requirements of subsection (c), (d), or (e) of section 126 of such act in the case of local educational agencies participating in experimental State programs that increase local flexibility in the use of educational funds by consolidating certain categorical educational programs; to the Committee on Education and Labor.

By Mr. TRAXLER:

H.R. 2060. A bill to amend title XIV of the Public Health Service Act to authorize States with primary enforcement responsibility for drinking water standards to grant variances from turbidity requirements for certain public water systems; to the Committee on Energy and Commerce.

H.R. 2061. A bill to amend title 18 of the United States Code to increase the sentences for certain gun-related offenses and to extend the mandatory nature of such sentences to certain additional gun-related offenses; to the Committee on the Judiciary.

H.R. 2062. A bill to amend title II of the Social Security Act to provide that the automatic cost-of-living increases in benefits which are authorized thereunder may be made on a semiannual basis (rather than only on an annual basis as at present); to the Committee on Ways and Means.

H.R. 2063. A bill to amend the Internal Revenue Code of 1954 to allow individuals a refundable income tax credit of $1,000 for purchasing a new American-made passenger automobile; to the Committee on Ways and Means.

H.R. 2064. A bill to amend the Internal Revenue Code of 1954 to increase the amount of the credit for the elderly, and to eliminate the adjusted gross income limitation applicable to such credit; to the Committee on Ways and Means.

H.R. 2065. A bill to amend the Internal Revenue Code of 1954 to repeal the inclusion in gross income of unemployment compensation; to the Committee on Ways and Means.

H.R. 2066. A bill to amend the Internal Revenue Code of 1954 to allow individuals under age 55 to elect the one-time exclusion of gain from sale of principal residence; to the Committee on Ways and Means.

By Mr. TRAXLER (for himself and Mr. BRODHEAD):

H.R. 2067. A bill to amend the Internal Revenue Code of 1954 to make permanent certain rules relating to travel expenses of State legislators; to the Committee on Ways and Means.

By Mr. YOUNG of Florida:

H.R. 2068. A bill to amend the Public Health Service Act to provide for research concerning Reye's syndrome, and for other purposes; to the Committee on Energy and Commerce.

H.R. 2069. A bill to provide a penalty for unlawful assault upon policemen, firemen, and other law enforcement personnel, and for other purposes; to the Committee on the Judiciary.

H.R. 2070. A bill to amend title 5 and title 44, United States Code, to lengthen the time period between the publication of a Federal rule and the effective date of such rule, and the time period between the publication of notice of a hearing and the beginning of such hearing; to the Committee on the Judiciary.

H.R. 2071. A bill to require that the U.S. Government prepare and make public annual consolidated financial statements utilizing the accrual method of accounting, and for other purposes; to the Committee on Government Operations.

H.R. 2072. A bill to provide that individuals who retired on disability before October 1, 1976, shall be entitled to the exclusion for disability payments under section 105(d) of the Internal Revenue Code of 1954 without regard to the income limitation in such section, and for other purposes; to the Committee on Ways and Means.

H.R. 2073. A bill to amend title 18, United States Code, to provide for the personal safety of persons engaged in furthering the foreign intelligence operations of the United States; jointly, to the Committees on the Judiciary and the Permanent Select Committee on Intelligence.

H.R. 2074. A bill to repeal the Foreign Intelligence Surveillance Act of 1978; jointly, to the Committees on the Judiciary and the Permanent Select Committee on Intelligence.

By Mr. DELLUMS:

H.J. Res. 185. Joint resolution designating February 28, 1982, as "National Minority Military History Day"; to the Committee on Post Office and Civil Service.

By Mr. SAM B. HALL, JR. (by request):

H.J. Res. 186. Joint resolution directing the President to designate April 9 as a day for observance each year as "National P.O.W./M.I.A./Hostage Recognition Day"; to the Committee on Post Office and Civil Service.

By Mr. ROBERT W. DANIEL, JR.:

H. Con. Res. 75. Concurrent resolution disapproving the action of the Council of the District of Columbia approving the District of Columbia Statehood Constitutional Convention Initiative of 1979; to the Committee on the District of Columbia.

By Mr. UDALL:

H. Res. 82. Resolution to require a study of congressional employment levels; to the Committee on House Administration and Appropriations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. HORTON:

H.R. 2075. A bill for the relief of Mordechai Dror; to the Committee on the Judiciary.

H.R. 2076. A bill for the relief of William Eugene Maney; to the Committee on the Judiciary.

By Mr. LAGOMARSINO:

H.R. 2077. A bill for the relief of Jeffrey Parrack; to the Committee on the Judiciary.

H.R. 2078. A bill for the relief of Jeffrey Parrack and Wanda Parrack; to the Committee on the Judiciary.

By Mr. PORTER:

H.R. 2079. A bill for the relief of Mary Jane Shaw; to the Committee on the Judiciary.

By Mr. RODINO (by request):

H.R. 2080. A bill for the relief of Lucia Jurkauskas; to the Committee on the Judiciary.

By Mr. WOLF:

H.R. 2081. A bill for the relief of Chi K. Lee; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 13: Mr. BEREUTER.

H.R. 27: Ms. FERRARO, Mr. MCCLOSKEY, Mr. MILLER of California, Mr. MINETA, Mr. RAHALL, Mr. WYDEN, and Mr. YOUNG of Florida.

H.R. 31: Mr. EVANS of Delaware, Mr. WYLIE, Mr. CARMAN, Ms. OAKAR, Mr. MINISH, Mr. NEAL, Mr. GONZALEZ, Mr. PATTERSON, Mr. HUBBARD, Mr. HYDE, Mr. PARRIS, Mr. VENTO, Mr. MATTOX, Mr. SHUMWAY, Mr. BLANCHARD, Mr. JAMES K. COYNE, Mr. BARNARD, and Mr. WORTLEY.

H.R. 33: Mr. WORTLEY.

H.R. 380: Mr. BIAGGI, Mr. BROWN of Ohio, Mr. COLLINS of Texas, Mr. EDGAR, Mrs. HOLT, Mr. RUSSO, Mr. ST GERMAIN, Mr. DERWINSKI, and Ms. FERRARO.

H.R. 385: Mr. KILDEE.

H.R. 390: Mr. HUGHES, Mr. WILSON, Mr. JAMES K. COYNE, Mr. EDGAR, Mr. ROE, Mr. LUKEN, and Mr. BENJAMIN.

H.R. 750: Mr. HAGEDORN, and Mr. ANNUNZIO.

H.R. 760: Ms. FIEDLER.

H.R. 1064: Mr. MONTGOMERY, and Mr. BURGENER.

H.R. 1100: Mr. WHITE and Mr. CORCORAN.

H.R. 1125: Ms. FIEDLER.

H.R. 1294: Mr. WHITEHURST, Mr. MURPHY, Mr. VENTO, Mr. SAM B. HALL, JR., Mr. FASCELL, Mr. HUGHES, Mr. SOLOMON, Mr. ZEFERETTI, Mr. AKAKA, Mr. NEAL, Mr. RINALDO, Mr. TRAXLER, Mr. CHAPPELL, Mr. COURTER,

Mr. KINDNESS, Mr. DAUB, Mr. FROST, Mr. JAMES K. COYNE, and Mr. BENJAMIN.

H.R. 1400: Mr. BRINKLEY.

H.R. 1506: Mr. DOWNEY, Mr. MURPHY, Mr. LAGOMARSINO, Mr. ZEFERETTI, Mr. MITCHELL of Maryland, Mr. DONNELLY, Mr. RUSSO, Mr. ST GERMAIN, Mr. YATRON, Mr. MOTTL, Mr. MILLER of California, Mr. CORRADA, Mr. BOLAND, Mr. SIMON, Mrs. CHISHOLM, Mr. BINGHAM, Mr. TRAXLER, Mr. EDGAR, Mr. BEVILL, and Mr. FLORIO.

H.R. 1509: Mr. FAUNTROY, Mr. EDWARDS of California, Mr. MAVROULES, Mr. DELLUMS, Mr. GARCIA, Mr. VENTO, Mrs. COLLINS of Illinois, Mr. STARK, Mrs. CHISHOLM, Mr. MITCHELL of Maryland, Mr. BROWN of California, Mr. FORD of Tennessee, Mr. CONYERS, Mr. DOWNEY, Mr. EARLY, Mr. OTTINGER, Mr. STOKES, Mr. WEAVER, Mr. PRICE, Mr. REUSS, Mr. MARKEY, Mr. CROCKETT, Mr. PHILLIP BURTON, Mr. PANETTA, Mr. RAHALL, and Mr. GEJDENSON.

H.R. 1532: Mr. STUMP.

H.R. 1541: Mr. JEFFRIES, Mr. ROBERT W. DANIEL, JR., Mr. SNYDER, Mr. BARNARD, Mr. GOLDWATER, Mr. BENEDICT, Mr. YOUNG of Missouri, Mr. RAILSBACK, Mr. DUNCAN, Mr. ECKART, Mr. WYDEN, Mr. WILLIAM J. COYNE, and Mr. STANGELAND.

H.R. 1574: Mr. BONIOR of Michigan, Mr. BROWN of California, Mr. MATSUI, Mr. MURPHY, and Mr. SCHEUER.

H.R. 1580: Mr. ARCHER, Mr. KRAMER, Mr. FORSYTHE, Mr. MARTIN of North Carolina, Mr. MCKINNEY, Mr. WHITEHURST, Mr. WINN, and Mr. SABO.

H.R. 1640: Mr. KOGOVSEK, Mr. RAHALL, Mr. DASCHLE, Mr. GORE, Mr. CONYERS, Mr. BAILEY of Pennsylvania, Mr. MOTTL, and Mr. EVANS of Georgia.

H.R. 1765: Mr. LUJAN, Mr. LEATH of Texas, Mr. MICA, Mr. PATTERSON, and Mr. LEWIS.

H.R. 1768: Mr. WEAVER.

H.R. 1769: Mr. WEAVER.

H.R. 1853: Mr. CARNEY, Mr. RITTER, Mr. GOODLING, and Mr. HILER.

H.R. 1863: Mr. KILDEE, Mr. ROE, Mr. MITCHELL of Maryland, Mr. EDGAR, Mr. LEHMAN, Mr. JAMES K. COYNE, and Mr. DE LUGO.

H.R. 1911: Mr. JOHNSTON, Mr. DANNEMEYER, Mr. STUMP, Mr. DERWINSKI, and Mr. FLIPPO.

H.R. 1918: Mr. GONZALEZ, Mr. PETRI, Mr. MICA, and Mrs. BYRON.

H.J. Res. 50: Mr. DERWINSKI, Mr. CORCORAN, Mr. YOUNG of Missouri, and Mr. FIELDS.

H.J. Res. 84: Mr. DYMALLY, Mr. MOLLOHAN, Mr. WINN, Mr. LAGOMARSINO, Mr. TRAXLER, Mr. GUYER, Mr. BRODHEAD, Mr. GIBBONS, Mrs. COLLINS of Illinois, Mr. GRAMM, Mr. WEBER of Minnesota, Mr. JAMES K. COYNE, Mr. DUNCAN, Mr. MAVROULES, Mr. HAWKINS, Mr. CORRADA, Mr. GRADISON, Ms. MIKULSKI, Mr. PETRI, Mr. WIRTH, Mr. RUSSO, Mr. BENJAMIN, Mr. FARY, Mr. WALGREN, Mr. WAXMAN, Mr. LEHMAN, Mr. HANCE, Mr. SPENCE, Mr. CHENEY, Mr. MORRISON, Mr. AKAKA, Mr. HEFTEL, Mr. YATES, Mr. SHAW, Mr. LEACH of Iowa, Mr. PORTER, Mr. DELLUMS, Mr. BROWN of Ohio, Mr. MCDADE, Mr. BARNARD, Mr. LUKEN, Mr. GRAY, Mr. SNYDER, Mr. ST GERMAIN, Mr. MOTTL, Mrs. HOLT, Mr. SWIFT, Mr. O'BRIEN, Mr. ROBERTS of South Dakota, Mr. NICHOLS, Mr. DORNAN of California, Mr. FAUNTROY, Mr. GUARINI, Mr. HARTNETT, Mr. FINDLEY, Mr. TAUKE, Mr. HILER, Mr. BONIOR of Michigan, Mr. PRICE, Mr. BEARD, Mr. LOWERY of California, Mr. QUILLEN, Mr. DE LUGO, Mr. PASHAYAN, Ms. OAKAR, Mr. BINGHAM, Mr. ROBERTS of Kansas, Mr. STOKES, Mr. BAILEY of Pennsylvania, and Mr. LEATH of Texas.

H.J. Res. 102: Mr. EVANS of Delaware, Ms. MARTIN of Illinois, Mr. BENEDICT, Mr. GREGG, Mr. REGULA, and Mrs. HECKLER.

H.J. Res. 104: Mr. CARMAN.

H.J. Res. 124: Mr. NAPIER and Mr. MOAKLEY.

H.J. Res. 125: Mr. BREAUX, Mr. MCDADE, Mr. LOWERY of California, Mr. LIVINGSTON, and Mr. MADIGAN.

H.J. Res. 156: Mr. BROOMFIELD, Mr. WINN, Mr. MURPHY, Mr. FOUNTAIN, Mr. MAZZOLI, Mr. LOWERY of California, Mr. ERDAHL, Mr. PEPPER, AND Mr. CAMPBELL.

H. Con. Res. 1: Mr. SHARP.

H. Con. Res. 55: Mr. PORTER, Mr. GRAY, and Mr. WALGREN.

H. Con. Res. 67: Mr. FRANK, Mr. WOLPE, Mr. WEISS, Mrs. COLLINS of Illinois, Mr. KASTENMEIER, Mr. DOWNEY, Mr. EDWARDS of California, Mr. AUCOIN, Mr. VENTO, Mr. MOFFETT, Mr. WEAVER, Mrs. CHISHOLM, Mr. HARKIN, Mr. OTTINGER, Ms. OAKAR, Mr. CONTE, Mr. GARCIA, Mr. STOKES, Mr. RAHALL, Mr. CROCKETT, Mr. PHILLIP BURTON, Mr. SEIBERLING, Mr. ECKART, Mr. MARKEY, Mr. KILDEE, Mr. MAVROULES, Mr. DELLUMS, Mr. JEFFORDS, and Mr. DE LUGO.

H. Res. 33: Mr. EMERY, Mr. BAFALIS, Mr. PETRI, Mr. DUNCAN, Mr. LAGOMARSINO, Mr. FORSYTHE, Mr. BUTLER, Mr. SAM B. HALL, JR., Mr. STANGELAND, Mr. MCCLORY, Mr. MOTTL, Mr. HOPKINS, Mr. LEE, Mr. LUNGREN, Mr. BARNARD, Mr. THOMAS, and Mr. BENEDICT.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

28. By the SPEAKER: Petition of the City Council, Berkeley, Calif., relative to Jobs for Peace; to the Committee on Armed Services.

27. Also petition of the Independent Petroleum Association of Mountain States, Denver, Colo., relative to the windfall profit tax; to the Committee on Ways and Means.

EXTENSIONS OF REMARKS

MILITARY PERSONNEL HARDSHIPS

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. STARK. Mr. Speaker, I would like to bring to the attention of my colleagues the following San Francisco Examiner article on the hardships faced by our military personnel.

This scenario is shameful. America faces a shortage of its most important military resource, while it is spending billions on less essential components of defense. The number of people who consider making the military service a career has been steadily declining, and the token wage increases are simply not enough to compensate for the other disadvantages of military life.

Many enlisted men are being forced to leave military service after having received expensive training and rising to positions of responsibility simply because they can make a substantially better living in civilian job markets. This exodus of noncommissioned officers has produced serious shortages of experienced personnel in all services: More than 40,000 in the Army, 20,000 in the Navy, 5,000 in the Marine Corps, and 3,000 in the Air Force. With this magnitude of trained, experienced men and women leaving the military, it is no wonder our Nation's state of military preparedness is low.

Defense begins with manpower. What is the use of having some of the most technologically advanced weaponry in the world if the military cannot stop the outflow of dedicated professionals needed to insure that it will be maintained and utilized by knowledgeable, trained personnel? Before authorizing more money on elaborate weapons, we must first adequately compensate our dedicated military personnel.

The article follows:

THE SERGEANT CAN'T AFFORD THE ARMY

(By Arnold Abrams)

FORT DIX, N.J.—For the first time since he joined the Army more than six years ago, Sergeant Michael Estright had to make an unhappy decision last year about celebrating the holidays. The choice was clear-cut: he and his family would be able to have either Thanksgiving dinner or Christmas dinner. Not both.

"There was no way around it," said Estright, 24, a military policeman with two children and a third on the way. "We could not afford two celebrations."

So he and his wife skipped Thanksgiving and opted for a Christmas turkey with all the fixings—or mostly all, depending upon prevailing prices and the state of their checkbook.

But that forced decision, it turned out, involved more than a short-range financial problem. It was the last straw from a family man whose list of non-affordables extends well beyond holiday meals, and who views himself as a father first and a soldier second.

Unable to afford decent clothes for his children, or new furniture for his home, or even an occasional night out for himself and his wife, a heartsick Michael Estright made a more far-reaching decision: to forsake his Army career.

When his current service term expires this month, Estright, who likes the Army and enjoys his military police duties, will not re-enlist. What he will do, with regret, is join a steady stream of skilled soldiers who are leaving the military for financial reasons.

After spending years in military service, receiving expensive training and rising to positions of responsibility, senior enlisted men like Estright find themselves and their families on the edge of poverty.

They earn low pay, live in shoddy housing, receive second-rate medical care and, perhaps most important of all, feel that neither Washington officials nor the nation they defend is concerned about their plight.

"Still, if it were just me and my wife, we probably would stay," said Estright. "But there's more than the two of us involved. We owe it to our children to improve our living circumstances."

That decision, made after much agonizing, has ironic overtones. It came in the wake of a recent military pay increase designed to forestall such action, and it was made by a man who is the re-enlistment officer of his military police unit, responsible for convincing soldiers to stay in the service.

The exodus of non-commissioned officers, who comprise the military's critical middle management, has produced serious shortages of experienced personnel in all services: more than 40,000 in the Army, 20,000 in the Navy, 5,000 in the Marine Corps, 3,000 in the Air Force.

Such shortages figure significantly in the nation's low state of military preparedness, which finds most stateside Army units unready for combat, increasing numbers of naval vessels unable to sail and key air squadrons grounded.

But that's the big picture, which is little more than an abstraction in the Estrights' dingy and cramped Fort Dix quarters, where an occasional Sunday night supper at McDonald's is an indulgence.

Estright, a hefty, broad-shouldered man with soft voice and easy-going manner, shook his head while contemplating the recent 11.7 percent military pay hike, which increased his gross monthly paycheck by about $80 to a total of $918—about $11,000 annually.

"I wasn't about to turn it down," he said about the raise, "but when you're hurting as bad as we are, that kind of money doesn't make much difference."

Although it is too soon to tell whether the pay raise and other increased military benefits will stem the service exodus, Pentagon officials are dubious. Senior enlisted men still find they can command much larger salaries for their skills in civilian society.

After taxes and other fixed deductions, the military policeman's take-home pay amounts to $770 per month. Food, gas and telephone bills, coupled with car insurance and loan payments, leave his family with approximately $50 at month's end.

"And that's on paper," observed the sergeant, who always carries a pocket calculator—for cost-planning purposes—on the family's weekly commissary visits. "In practice, we usually are left with less."

Pride, more than practicality, has prevented Estright and his wife Carol, 26, from applying for food stamps. But it has not stopped some 30,000 other military families who now utilize more than $10 million worth of stamps annually.

"It's not a national scandal," said a senior Fort Dix officer about enlisted men's financial plight, "but it should be a source of shame. We expect these people to fight, and possibly die, for their country. Yet we pay them wages below the poverty level."

In any event, the first place Estright will head after leaving the military will be an unemployment office in his home state of Pennsylvania. Then he will seek a job in the law-enforcement field or, failing that, enroll in college.

"I'm not afraid of what's ahead," he said. "I don't think we can end up any worse off than we are now."

Ironically, the civilian society into which Estright will venture has long assumed that military men are compensated for low salaries with such perquisites as housing allowances, cut-rate shopping facilities and free medical benefits.

That is no longer true. Military perks are less attractive these days; in addition, many similar benefits, such as health insurance, are commonplace in the civilian sector.

Free housing remains a major military selling point, but there are problems. When it is available, enlisted men usually must take base housing, which often consists of cheesebox apartments in look-alike blocks of row houses. When base quarters are not available, housing allowances rarely match inflated rental levels—particularly in urban areas, where demand invariably outstrips supply.

Moreover, while prices at base post exchanges and commissaries generally are cut-rate, there is a catch: Choices are narrow and usually limited to top-of-the-line items, forcing many enlisted men to spend more than they wish, even at reduced prices.

Equally limited is the free treatment offered servicemen at most military medical facilities, where low pay and the absence of a draft have produced a serious shortage of qualified physicians.

"We are treated like second-class citizens," said Sergeant Jorge Nicholas, 33, a ten-year veteran entrusted with troop training, one of the Army's most demanding jobs. "There is no medical concern shown for us," he added.

So lengthy is the normal wait at military facilities, and so haphazard the treatment, Nicholas said, that he usually opts to pay for civilian care. "I really can't afford it," he

---

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

said, "but what kind of life is it if you can't have decent medical help?"

A mean one, answers Colonel Richard E. George, commander of Fort Dix's Walson Army Hospital, who conceded that Nicholas' complaints were substantially justified.

"I've got real staff problems—numbers and otherwise," said the colonel, who explained that his hospital—like most military medical centers—is burdened not only by personnel shortages, but also by the professional shortcomings of those who serve.

"I've got some slots filled by uniformed personnel that would be better off empty," he said. "But you get what you pay for, and we're not paying much."

Although many of his colleagues have left the Army, creating significant shortages in the critical area of training, Nicholas, whose gross monthly pay is $943, said he will probably stay—reluctantly.

"I'm locked in," he explained, citing one of the service's prime benefits: the ability to retire at half-pay, with other perks, after 20 years' duty. "I've thought a lot about leaving," he added, "but I've already done ten years, and I'm one of those people who's scared about old age and security."

So is Sergeant James M. Clay, a 13-year veteran who is reponsible for quality control on all aircraft maintenance work done by the Fort Dix Flight Detachment.

Clay, who oversees the professional and personal welfare of 12 enlisted men, earns $1,220 a month for a demanding job that, in civilian society, would pay three to four times as much. He is so financially strapped that, by his own account, shopping for Christmas gifts began in his household last July.

"We need sufficient time to do some price-comparing," he said, "and also to lay away some money."

Shortly after starting his summer Christmas shopping, the 31-year-old staff sergeant recalled, he confronted the most difficult decision he has ever made: whether or not to stay in the military.

He chose to stay, largely because of time already invested. "Thirteen down, seven to go," Clay said of his years in service. "I'm not about to throw all those years away by turning my back on retirement pay."

That pay—about $800 per month, according to Clay's estimate—will be applied to monthly mortgage payments on a house, which is what he and his wife Donna, 26, have wanted since being married in 1972.

What's more, although he expressed confidence in his technical abilities, Clay noted that he would need a year's schooling before taking the certification test required of maintenance personnel by civilian airlines.

"Who would feed my family during that time?" asked the father of two, who then wondered aloud about future security even if he landed a good job.

"There's something about that monthly check, however small, that's very comforting," he said. "At least an enlisted man can say this about the Army: you're not going to come to work one day and find a pink slip on your desk. That kind of security is important to me."

And that kind of attitude prompted the following observation from a senior Pentagon official: "The story of enlisted men in today's Army is not a proud one. The good ones are gone or going. The remaining ones are either counting their years or not very good to begin with. Either way, we lose."●

YOUNG INTRODUCES LEGISLATION TO COMBAT REYE'S SYNDROME

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. YOUNG of Florida. Mr. Speaker, today I am reintroducing legislation I offered in the 96th Congress to provide for research by the National Institutes of Health on Reye's syndrome.

Reye's syndrome is a mysterious condition which follows outbreaks of influenza or other viral diseases, usually affecting children between the ages of 1 and 18 years. It is frightening in that it appears quickly—without warning—and often causes death within hours. Vital research is needed in this area, to find the exact cause of and the treatment necessary to combat and eventually eliminate this child killer. Although Reye's syndrome has received considerably more attention on a national level, due to the dramatic increase in Reye's syndrome cases reported, most people are unaware of the disease and the potential threat which it creates to children of all ages. For the most part, Americans are not informed of the symptoms associated with Reye's syndrome, and many cases go unreported, making it virtually impossible to keep track of just how many children are afflicted with Reye's syndrome each year. This realization in itself proves that not only does the general public need to be alerted to the potential dangers associated with Reye's syndrome, but vital research is needed so that a cure or immunization can be discovered for this childhood killer.

I was grateful to the House when my efforts to secure passage of my Reye's syndrome legislation in the 96th Congress were successful with the adoption of my bill as an amendment to the Health Research Act of 1980. However, it was disappointing to me and to many other people in the Nation that the other body did not agree to the amendment when the Health Research Act of 1980 went to conference. Because my concerns over Reye's syndrome have not been altered, I am reintroducing my bill in the 97th Congress.

The bill would provide for the establishment of a Reye's Syndrome Coordinating Committee to make grants to and enter into contracts with public and nonprofit private entities for a 3-year project to establish two comprehensive Reye's syndrome diagnostic and treatment centers. These centers would serve four basic functions in helping doctors diagnose and treat Reye's syndrome patients. Those functions include: First, conducting basic and clinical research; second, developing new and improved treatments; third, providing physician training programs; and fourth, information services with respect to the detection, diagnosis, and treatment of the disease. My bill would also authorize the Reye's Syndrome Coordinating Committee to provide financial assistance to public agencies, nonprofit private entities, and individuals not associated with the centers, to conduct research on Reye's syndrome.

Realizing the need for this important legislation, it is my hope that the House will act in a most expeditious manner to consider this serious threat to children, early in the 97th Congress. Vital research to combat and eventually eliminate this child killer could save the lives of many young children in America.●

LOUIS J. GIACONA, CITIZEN OF THE YEAR

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. RINALDO. Mr. Speaker, on March 8, Union Lodge 1782 of B'nai B'rith will honor one of New Jersey's most outstanding public administrators, Mr. Louis J. Giacona, of Union Township, N.J., with its "Citizen of the Year" award.

During a period when Washington is seeking to shift the administration of more federally funded programs to the States and local communities, it is particularly reassuring to know that we have such capable and proven administrators as Lou Giacona on the local scene. His breadth of experience and ability to supervise programs and public funds in a prudent and effective manner give us hope that Federal programs transferred to local communities will give our citizens the highest possible return on their tax dollars.

Lou Giacona has demonstrated this over a period of 24 years of outstanding public service, beginning with his appointment as assistant building inspector of Union Township in 1957. He helped to direct the orderly growth of Union during a period of residential and commercial expansion. As a result of his capable handling of these responsibilities, Mr. Giacona was named the township's first and only administrator in 1974. He supervises 400 employees and a budget of $16 million.

During this period, Union Township was singled out as an all-American city because of the mix of public and private services, and the depth of the human resources contributed to the community through its many private institutions. Mr. Giacona has encouraged this development by respecting the rights and property of our private institutions and businesses.

In 1976, Mr. Giacona was honored by the Union Housing Corp., which dedicated its recreation center in his name. A man of talent and enthusiasm, Mr. Giacona has encouraged the development of the arts, cultural activities, sports, outdoor recreation, and many other healthy and constructive pursuits in Union, N.J.

As the B'nai B'rith award also testifies, Lou Giacona's service has been marked by respect for the principles of equal justice in our society, and for the rights of people of all faiths and races. He exemplifies the American spirit of service to our fellow man and Nation.●

METRICS AND 1984

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. DORNAN of California. Mr. Speaker, we, in California, are proud of the fact that in 1984 Los Angeles will become the international capital of the sports world when it hosts the Olympic games. Since its beginnings in 1896, the Olympics have used the metric system. Phrases such as the 100 meter dash and the 5,000 meter run are familiar to all sports fans. Moreover, as far back as 1893, the United States made the international meter and kilogram standard units of measurements in sports competition. America's entries in those long ago Olympic games had to train using metric measurements, and they continue to do so today.

Recently, the South Bay Chapter of the U.S. Metric Association hosted Col. Barney Oldfield (USAF ret., former newspaperman, radio/TV script writer, lecturer, educator, and ghost writer for celebrities) as a speaker, and his topic was "Getting Metrification Off the Flat Wheel by Public Relations." I commend his remarks as worthy of your attention:

GETTING METRIFICATION OFF THE FLAT WHEEL WITH PUBLIC RELATIONS

(By Col. Barney Oldfield (USAF, ret), Litton Industries, Inc.)

Being invited to discuss metrification raises some misgivings . . . because metric matters at Litton Industries seem to revolve around your USMA president, Valerie Antoine. If we get a metric question at Litton, it usually is referred to her. My own first encounter with metric terminology was a country boy's "Saturday night special": the film that was delivered to our small town in a battered tin can, off an afternoon passenger train, for the Saturday night movie. The film width was 35 millimetres and it was never spoken of in inches and fractions of an inch, just 35 millimetres.

My second encounter was more lethal and less imaginative. It was metric units used with the rifle I first used to hunt rabbits and later the weapons and ammunition used in the Infantry. The third occurred during WWII. As we were poised in England, before Normandy, the word was passed that in France there would be roadside signposts with numbers on them, coupled with two letters (km) and those letters stand for kilometres. So we wouldn't get confused, we were told each kilometre is six-tenths of a mile. But it was in Helsinki, Finland, in 1952 that I tumbled onto something. The Olympic games which embrace athletic excellence from everywhere have always used metric measurements for length, area, volume, and mass. It was in Helsinki, in the Olympic stadium pressbox, that we received score cards after each event. There were columns for the metric measurements—and the one for the outlanders was given in feet, yards, miles, fractions of a mile, and pounds. Considering the few representatives from other nations who had to have the feet, miles, and pounds toted up for them, I had the vague feeling that I had come from a backward country.

When working in the military environment of the North Atlantic Treaty Organization (NATO), where a defeated Europe was being re-armed with mainly American-produced equipment, the continent was busily learning about feet, yards, miles, and just to make it more exciting and obscure, about knots. It was the popular thing to say in the NATO experience that what America wanted above all was for all those continental nations to recover their economy and their pride. U.S. military aid and U.S. military advisors were to help accomplish this. The next step was having military-weapons-system contracts carry the proviso that significant parts of the weapons systems would be manufactured in facilities in various European countries (where metric units were used), to restore Europe's economy and build its aerospace expertise.

Metrication again showed up when Litton Industries participated in that (up to then) biggest of all international contractual undertakings, the over $2 billion consortium buy of the Lockheed F-104 Starfighter. The fine print said that 950 of these planes would be built on the continent, on four assembly lines. This meant every drawing, chart, model . . . every measurement used . . . had to be converted to metric units. The manhours involved were fantastic. It got done. It did work. But as I look back, I think how costly this American backwardness is. How cumbersome it is for the U.S. to engage in international trade, unless of course we hasten in the metric direction.

But the metric changeover currently has its problems. The resistance is formidable. The pace is slow, and the progress almost imperceptible. I do think, however, that there is something on the horizon which can get metrics off the flat wheel that is slowing its progress. This is something that lends itself to a public relations metrication effort, provides something to talk about, and furnishes an exciting backdrop before which to play on imaginations, particularly among all school age people. This involves writing off the older dunderheads, resisters, the intellectual plodders and the obstructionists. Go for the young people, and tie it to something they relate to more than anybody else.

In any public relations effort or in any communications out-reach, there are usually two ways to go. One is to plow your own furrow, break new ground, and this means one has to mount a prodigious, sustained effort. The other is to tie onto something which already has its own generated momentum . . . something that is a comfortable associated effort which has been demonstrated as working and has enduring characteristics about it.

For example, when I was in high school, I heard a statement which I have never forgotten. One teacher said, as we were struggling with Latin, that while the root of many languages was Latin, there were really two international languages: mathematics and music. People who could not talk to each other could calculate together. People who could not read each others' language could enjoy and be entertained by the same music.

In promoting metrication, I see an even better means of international communication coming down the pike. I refer to the language of sports, its vast reach, and the riveting of attention it attracts. Even politicians have begun to realize the value of this international language and use sports in ways never before imagined.

In 1984, Los Angeles will become the international or world capital of sport, by being the host for the Olympic games. I believe with the Olympic games on our front lawn in 1984, this is an opportunity to promote metric consciousness and its general acceptance. Tie it in with sports in the schools of this country. Given the Olympics tie, you can suggest a kind of knowledge gamesmanship when the family is out for a drive. Challenge them to use the occasional highway sign that posts kilometers to acquaint themselves with the measurement units they will hear throughout the Olympic games.

Where there is a speech to be made, against the backdrop of preparing for the Olympics of 1984, it can be the peg on which to hang your rationale for metric acceptance at a faster pace than it enjoys now. Where there's a "talk" show on TV or radio, just bringing in the topic of metric measurements will not command as much interest from listeners as would be the case if you bring in the fact that Americans will understand the upcoming Olympics better if they learn the metric units to be used.

How strong is this sports linkage and language? To get the metric message across, there is no activity that will equal the stimulation the Olympic games can provide. Moscow had intended to show the world its best face in 1980, via the Olympic games. It was left with egg on its face because it understood how valuable pageantry is to its leadership, but it never calculated how bad it would look without full world participation. Japan rose from the ashes of defeat in a war to a new respect in the world by hosting the Olympics. Host countries allocate billions for the staging of these games because of the total focus on them which results.

The objective of promoting international marketing via acceptance of the metric system is a practical one. Oncoming generations now in our schools are going to be in tougher international marketing competition than this country has known before. I don't have to tell you what cumbersome baggage it is for us to carry as a nonmetric country in world trade. What more painless way would there be to encourage metric learning than against the sports panorama soon to be with us in Los Angeles? We render all kinds of homage to that long-ago unknown who first moved heavy loads by putting logs under them, leading to invention of the wheel. We never seem to give as much credit to that equally unknown indi-

vidual who invented the ball, threw it, and somebody caught it.

I recommend to your attention and assessment for the crutch to consciousness you see for metrics: the entrancing, transfixing communications medium of sports, and the upcoming Olympic games in Los Angeles.●

ESTONIAN INDEPENDENCE

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. GEJDENSON. Mr. Speaker, it is a great pleasure for me to join with my colleagues today in celebrating the 63d anniversary of the proclamation of the independence of the Republic of Estonia. After centuries of struggle against domination by Imperial Russia, Estonia, on February 24, 1918, became an independent, sovereign country.

During the following 22 years, the Estonian Republic developed economic relations with the countries of Western Europe, doubled its gross national product, and distinguished itself as the first nation to grant cultural autonomy to its minorities. Tragically, however, in 1941, Russian armies again invaded the Baltic States, as a result of the Nazi-Soviet pact. Among those who had to escape the occupation of their countries by the Germans and the Soviets were my parents, both native Lithuanians. The Red army imposed puppet regimes on these freedom loving nations and intimidated the population with executions and mass arrests.

Ever since, almost 1 million ethnic Estonians have fought and suffered in the struggle against Soviet suppression of freedom and individual rights. They have remained outspoken in the face of Communist prosecution, although 350,000 of them have been killed, imprisoned, or forced into exile.

We have observed during the last months how the people of Poland, a nation very close to Estonia, have made progress in their efforts to gain human rights. That progress is still being overshadowed by fear of a Soviet invasion. Had it not been for the encouragement and the moral support rendered to the Polish workers by the peoples of democratic nations, Soviet battalions might already have moved into Poland. So far they have not; but let us not forget that Poland might still suffer the same fate as the Ukraine, Byelorussia, and the Baltic States, which have lost their sovereignity and let us extend our sympathies to these nations.

America has a responsibility to support the efforts of peoples to achieve national self-determination everywhere. We have never recognized Soviet annexation of Estonia, and we never shall. Instead, we shall honor the Estonian struggle by commemorating, today, the all too brief period of Estonian independence.●

IOSEF MENDELEVICH

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. SCHUMER. Mr. Speaker, only 2 weeks ago, I participated in a vigil at the Isaiah Wall of the United Nations on behalf of Soviet prisoner of conscience Iosef Mendelevich; today, I am delighted to be able to join my colleagues in the House, the Jewish community around the world, and all people concerned with human rights in celebrating his release on February 18, 1981, after 10 years of brutal incarceration in a Soviet labor camp. His arrival in Israel that same day marked the end of a long and determined struggle for freedom.

Of the 12 Jews convicted at the infamous 1970 Leningrad trials of attempting to emigrate to Israel, Mr. Mendelevich is the last to be freed. Only 19 years old at the time of his arrest, Mendelevich suffered special persecution during his years in prison for refusing to cave in to Soviet pressures to abandon his Jewish faith and heritage. His commitment to keeping the Sabbath, to observing Jewish dietary laws, and to preserving his beliefs brought him terrible punishment. His singular courage and dedication should serve as an example to us all.

Iosef Mendelevich's release is an occasion for rejoicing. Yet it must also serve as a time to remember the thousands of his fellow citizens in the Soviet Union who are still not free to express their identity as Jews, or to participate in the world Jewish community. The Soviet Union must be required to fulfill its international commitments to human rights. I urge my colleagues to join me in rededicating ourselves to the task of securing full human rights, including the right to emigrate, for all of Soviet Jewry and the entire people of the U.S.S.R.●

THE ADMINISTRATION'S NEW HUMAN RIGHTS POLICY: FOXES GUARDING THE HEN HOUSE?

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. VENTO. Mr. Speaker, the editorial in this morning's Saint Paul Pioneer Press cogently describes a fundamental flaw in the emerging foreign policy of the Reagan administration. It is a concise and accurate portrayal of a potentially disastrous and counterproductive change in American foreign policy. The editorial need no other introduction and I commend this excellent article to the attention of my colleagues:

WHAT'S THE DIFFERENCE?

Move over, Sam Hayakawa: There's another semanticist in the federal government and he's a real whiz at orthological distinctions.

Ernest Lefever, President Reagan's new assistant secretary of state for human rights (an appropriate office for a man who has said it's not the business of this country to promote human rights abroad), says the United States must support friendly "authoritarian" governments so they won't be replaced by "totalitarian" ones.

What's the difference? Lefever says a "totalitarian" (i.e., Communist) government allows no rights, while an "authoritarian" government allows some, such as freedom of religion and the press. This is shaky political science at best (where's the evidence for press or religious freedom being synonymous with "authoritarian" regimes?), but Lefever's drift is clear enough. He means the United States should support—with arms and money—any government that is (a) not Communist and (b) doesn't give the United States any trouble. Such a government can be as repressive as it damned well pleases.

That this is to be administration policy has been evident from the start. Alexander Haig, the new secretary of state, began his incumbency with the declaration that human rights were not a top priority. The appointment of Lefever seconded the motion. Now we have the application of this policy in strident statements about blockading Cuba if arms shipments to guerrillas in El Salvador aren't halted, while at the same time we make plans to ship our own weapons to the "authoritarian" junta there.

One of the reasons Latin America—Central America in particular—seethes with revolution today is that the United States has so long pursued just such a policy of buttressing the status quo, helping to keep in power feudal aristocracies of landlords and, military officers that haven't changed much in nearly 500 years. We have supported those who could maintain "stability"—and to hell with what happened to the peasantry or to the aspirations of a struggling middle class.

Finally, in the last decades of the fifth century of such exploitation in Spanish America, the days remaining to the oligarchies appear to be numbered, their overthrow inevitable. And American conservatives, blind both to history and to ordinary justice, insist on acting as if nothing had changed.

And who benefits from such a policy? No one but the very elements the conservatives fear most.—The Marxists. The more miserable the condition of the ordinary people of Latin countries becomes, the better the Marxists like it, for that makes their influence the greater, their ultimate triumph the more certain. When we support the reactionaries, we polarize the situation. Moderation, the only hope of democracy, is doomed. Moderation loses. We lose.

One more thing must be said about Lefever's reported remarks. He was critical of priests and nuns who have involved themselves in the political struggle in Latin America. They have, he said, "overstepped their bounds."

Lefever's appreciation of religion and its responsibilities is as flawed as his knowledge of political science. By what right does he deline the "bounds" of political participation by priests, nuns or anyone else in another country (or this one, for that matter)? Does he understand the difference between "separation of church and state" (in the American sense) and the church's obligation to seek the greatest common good, to fight evil and to favor justice (all in the universal sense)?

Obviously he does not. Nor does he know much of Latin American history. For most of the centuries since the Conquest, the Roman Catholic church has been the prop and servant of the ruling class. Only in recent years has a considerable body of the clergy turned to the fight for social reform, seeking, among other things, to undo the vast harm of the past. Some of these clerics are, to be sure. Marxist-oriented. The vast bulk are not, and whatever they can accomplish in changing the condition of Latin America's masses can only act to frustrate the aims and purposes of the Communists.

Lefever ought to be applauding, not condemning, these priests and nuns. He doesn't know it, to be sure, but they are among his—and America's—best friends in the hemisphere.●

SAVINGS INCENTIVES

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. LEHMAN. Mr. Speaker, I have recently introduced legislation, H.R. 1725, which would permanently increase to $500 the amount of dividends and interest an individual may exclude from gross income on an individual tax return. For married persons filing jointly, the amount would be $1,000. During the 96th Congress, legislation was enacted which excluded $200, or $400 on a joint return, from gross income. This exclusion is only available for 1981 and 1982.

My legislation would provide even more of an incentive for the average citizen to save. More savings means more private money for investment, and eventually higher productivity. This in turn would help lower the inflation rate and strengthen our dollar.

At the present time, the incentives for saving are impaired by inflation and taxation. We must make it more attractive for people to save rather than to spend money on credit-financed goods.

The increased accumulation of funds by savings institutions can also lead to the lowering of mortgage rates. Families who cannot now afford houses would be able to enter the housing market.

The elderly of our society would also benefit since they are the ones who primarily depend upon their savings and dividends to pay for everyday necessities. By increasing this exclusion, we would be helping our elderly to survive in these difficult economic times.

Mr. Speaker, it is my sentiment that this legislation is not only beneficial to the individual but to our society as a whole. I am confident that my colleagues will agree with me concerning the need for this legislation and enact H.R. 1725 into law.●

CONGRATULATIONS TO THE SANTA MONICA FOUNDATION ON ITS 25TH ANNIVERSARY

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. DORNAN of California. Mr. Speaker, on February 27, 1981, the Santa Monica Foundation will be honored at a community luncheon commemorating its 25 years of service to the city of Santa Monica and the students of Santa Monica College.

The Santa Monica Foundation was formed in 1956 for the purpose of receiving and investing funds to provide scholarships and loans to students attending Santa Monica College. A 2-year institution of higher learning, the college offers education in the liberal arts, science, commercial fields, and vocational training in day and evening programs. The Santa Monica Foundation has enabled approximately 2,000 students to attend the college through scholarship and loan funding.

The foundation has taken its role to heart. By encouraging gifts to the scholarship fund and investing wisely, the group has increased the fund principal over the past 25 years from $13,000 to $700,000, with earnings of $335,000.

The city of Santa Monica, and the many students who have benefited from the efforts of the foundation, owe a debt of gratitude to the men and women who have dedicated their time and effort toward improving the educational opportunities at Santa Monica College. I am proud to join with Santa Monica community leaders in honoring the Santa Monica Foundation.●

THE ILA'S 50-MILE RULE

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. McCLOSKEY. Mr. Speaker, I have today introduced a bill to outlaw a particularly bad type of featherbedding, the so-called 50-mile rule promoted by the International Longshoreman's Association (ILA) in order to protect longshoremen's jobs which are no longer necessary because of the use of containers in ocean shipping.

The 50-mile rule violates every concept of our national policy to increase productivity. It adds to the costs of most U.S. exports, and thus makes such exports less competitive.

The 50-mile rule, conceived by the ILA some years ago, requires that shipping containers—large, metal boxes, 8 by 8 feet square and from 20 to 40 feet long—that have been filled by nonlongshoreman labor, be emptied—stripped—and then repacked—stuffed—before they can be loaded aboard ship, if the containers originate within 50 miles of a seaport. This is make-work featherbedding at its worst.

Containers were a U.S. innovation in shipping; they have revolutionized ocean shipping procedures. They can be moved on and off vessels by large cranes and placed intact on a truck chassis or railroad car. They are customarily stuffed or stripped away from the dock at company plants, or by consolidators who package the goods of several small exporters and importers into one container. The containers, themselves, are loaded on and off ships by longshoremen, but a few men using cranes can move the tonnage that formerly required hundreds of men. Containers can reduce handling costs by 80 percent. In order to avoid job losses the ILA has not only insisted on the 50-mile rule in its labor contracts, but now insists, as a means of enforcing the rule, that employers be prohibited from even making their containers available to known consolidators within the 50-mile radius.

This rule has been fought over in the courts, the Federal Maritime Commission, and the National Labor Relations Board for years. The NLRB found these practices to be unlawful, but the Supreme Court overturned the decision, without going to the merits, after concluding that the Board had based its decision on an incorrect interpretation of the law. The four-justice minority decision which did go to the merits concluded that the rule was "nothing less than an invidious form of featherbedding to block full implementation of modern technological progress." The issue will now have to be relitigated again in several different forums unless Congress acts.

If we are to restore U.S. competitiveness and productivity, this rule and all like it should be clearly and simply prohibited by law.

A recent Department of Transportation study has concluded that freight rates out of U.S. ports average over 100 percent higher than those from our major trading partners. The 50-mile rule clearly contributes to this serious competitive disadvantage.

Between 1974 and 1976, more than $1 billion in U.S. cargo was transported by land to Canada for shipment overseas in order to avoid restrictions such as these.

If U.S. exporters and importers, and the jobs they sustain, are to have a fair chance in the increasingly competitive world marketplace, they need to use the technological benefits that are freely available to our foreign competitors.

Last year, Congress enacted the first maritime industry antifeatherbedding law in history, the Small Vessel Manning Act of 1980—Public Law 96-378. This bill to accomplish a similar result on the waterfront is one more small step back to a productive and competitive U.S. economy.●

NATIONAL DRIVER REGISTER

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. OBERSTAR. Mr. Speaker, I am introducing a bill today which will help States prevent the issuance of a driver's license to an individual whose driving privilege has been denied or suspended in another State. My legislation converts the already existing National Driver Register to an online, rapid response communications network, significantly improving the exchange of problem driver information among the States.

The National Driver Register was established in 1961 in recognition of the need for a nationwide clearinghouse for locating and identifying individuals with unsafe driving records. At the time, State motor vehicle officials cited the obvious impracticality and expense of checking each licensing jurisdiction for a problem driving record before the issuance of a license. Responding to these concerns and recommendations by the Department of Commerce for a national records clearance center, Congress enacted Public Law 86-660 on July 14, 1960. The National Driver Register subsequently became operational a year later.

The files contained in the Register are limited to those drivers whose licenses have been suspended, revoked, or denied by the States. Information is kept as an index of adverse driver records, duplicating those maintained on the State level. The States voluntarily participate in the program by notifying the NDR when an individual's driving privileges have been revoked or suspended and in turn requesting checks on applicants for original or renewal driver licenses. Inquiries from the States are received by the NDR through the mail and positive identification reports are mailed back. The whole process takes anywhere from 10 to 14 days.

Over the 20 years of its operation, the Register has not been used to the fullest extent possible. In 1977, for example, the NDR received over 25 million inquiries. These inquiries were processed for matches with the names listed in the NDR and approximately 215,000 identifications were made. Although the figure varies according to the particular level of use by each State, the overall average rate of identification—1 percent—has remained constant. Several deficiencies in the operation of the Register, relating to the timeliness, accuracy, and useability of the data, account for the relatively low level of effectiveness.

When the Register was first established, the States required time to check State driving records and the NDR was able to respond within that allotted time. Many States currently have automated driving licensing systems which enable them to perform over-the-counter service in the issuance of a license. The response time of the NDR remains the same as 20 years ago—10 to 14 days. In most States, the NDR report is not received until after the applicant is issued a license.

The need for reliable and useable driver records is another concern. For State driving officials to effectively perform their functions, they need access to complete driving history records of those persons classified as problem drivers, regardless of which State has the record. One significant reason for inadequate participation by some States has been the varying degrees of NDR use among the States. States are selective in the type of data submitted to the Register, in the type of retrieval request, and in the subsequent use of the data. These inconsistencies hinder the effectiveness of the States to detect problem drivers and discourage effective participation.

Another weakness of the system relates to legislative restrictions on the use and access to the Register. The present law limits use to only that of license issuance or renewal. Both the National Highway Safety Board and the National Highway Traffic Safety Administration have recommended motor carrier access to NDR information for employment purposes. Many interstate commercial drivers obtain multiple State licenses in order to divide their record of accidents and highway violations among several licensing jurisdictions. As a result, drivers can maintain their legal driving privilege and obtain a job driving a truck, despite the fact that they have incurred enough driving violations to warrant a suspension, if the issuing States were aware of the complete record.

I became interested in NDR revision when the 14-year-old daughter of my next door neighbors, Ken and Fran Nathanson, was tragically killed in a highway accident, involving a truck-driver whose license had been suspended in the State of New Jersey 3 months earlier. The driver had had a record of 25 driving violations in a period of 8 years. Nevertheless, when he lost his license in New Jersey, he simply went to Arizona and acquired another license, and was, once again, driving. The Department of Transportation estimates there are 14 million other drivers on our Nation's highways which have taken advantage of the system and illegally obtained another license.

Under my new legislation, the current index system would be changed to a referral type system, supported by quick-response electronics communication equipment. All substantive data on the driver will remain in the State—only the identification data and the name of the State of record would be sent to the Register. The overall reliability and integrity of the information would be improved because the States would have complete control and management over the actual driving records. The Register would serve only as a clearinghouse of information on problem drivers, only the chief motor vehicle licensing official of the State would have authorization to use the Register. The States would continue to make the final decision as to issuance or renewal, according to their own criteria. Employers would be permitted to check a prospective employee's license status through the chief State licensing official.

The National Highway Traffic Safety Administration has recently released a comprehensive report on the potential advantages of the improvements incorporated under this new proposal. The primary improvement concerns the timeliness of the information. Notification of the existence of a driving record in another State will be provided within 60 seconds versus the 10 to 14 days under the present system. In other words, the driving record of the individual will be accurate up until to the point of inquiry. The report concludes that the referral type system is the most preferable because it provides the "highest information usability level at the lowest cost of all the systems compared."

An improved, more responsive NDR has long had the support of a wide range of interest groups, including State motor vehicle officials, national trucking organizations, and citizen public safety groups. I believe my legislation to be a positive step in providing this much-needed revision in order to provide adequate means for States to obtain complete, accurate and usable driver records in carrying out their driving licensing responsibilities. I urge my colleagues to join me in supporting this legislation.●

VHF TELEVISION FOR THE CITIZENS OF NEW JERSEY

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. GUARINI. Mr. Speaker, today I have introduced a bill which will have significant ramifications for the citizens of the two States in our Nation which have been deprived of their own VHF commercial broadcasting station. The legislation I have introduced will redress a situation that has continued much too long for the citizens of New Jersey and Delaware.

After years of petitioning the FCC the citizens of these two States still have not achieved their objective. My bill calls for amending the Communications Act of 1934 to bring a locally based VHF station to each State of the Nation. New Jersey needs its own VHF station, and the legislation I am proposing today is the quickest and surest way to solve the present problem.

With the importance of television in bringing the local news to the people of America, it is beyond reason to allow the Nation's ninth most populated State to remain without any VHF television stations. Members of New Jersey's delegation have been working for years to achieve the provisions of my bill. We need to provide each State with at least one commercial VHF television station.

At the present time New Jersey residents receive their television coverage from New York and Philadelphia stations. Because of the local nature of TV news reporting, New Jersey citizens receive very little information concerning the affairs of their own State. The situation varies very little in Delaware. However, VHF stations located in each individual State would be required to serve the needs and interests of its local broadcasting area. This would be much better than present FCC attempts to get the Philadelphia and New York stations to provide for better news coverage, attempts that have been well meaning but considerably short of being effective.

The legislation I am introducing today will provide a process for the FCC to follow in order to move a station from a State which has more than enough VHF stations to the two States which do not have any. The bill states that the rights of all broadcasters shall be protected. No license can be removed because of this legislation. However, if the FCC in the normal course of its decisionmaking declines to renew, or revokes, a VHF license, it must move that station from a State that has more than one VHF station to a State that has none if it is technically feasible.

The issue of bringing a VHF commercial broadcasting station to New Jersey and Delaware has broad bipartisan support. During the last session a bill with the same language as the one I am introducing today was reported by the House Committee on Interstate and Foreign Commerce. I hope that the committee will once again find this bill with merit.

On Friday, February 20, Senators WILLIAMS and BRADLEY introduced companion legislation in the Senate. It is my belief that the circumstances surrounding this issue are such that the citizens of New Jersey and Delaware will be successful in their fight during this Congress.●

LEAGUE OF WOMEN VOTERS LETTER TO PRESIDENT REAGAN

HON. HAROLD WASHINGTON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. WASHINGTON. Mr. Speaker, the Chicago League of Women Voters recently sent President Reagan a very timely, thoroughly researched, and factually precise memo on the consequences of his proposed budget reductions for low-income people in Chicago, and across the Nation. The leaders of the league were good enough to share that letter with me. Because they have done such an outstanding job of analyzing the consequences—most of them extremely harmful—of Mr. Reagan's proposed cuts in social programs, I wish to urge all my colleagues to closely study that memo. I would also suggest to my fellow Members of Congress that they encourage other civic groups across the country to undertake similar analysis of Mr. Reagan's proposals. I think they will find, as the Chicago League of Women Voters found, that the budget cuts are a disaster which must be prevented.

The text of the League of Women Voters letter follows:

LEAGUE OF WOMEN VOTERS OF CHICAGO,
Chicago, Ill., February 20, 1981.

President RONALD REAGAN,
The White House,
Washington, D.C.

DEAR PRESIDENT REAGAN: We add the voice of the Chicago League of Women Voters to the nationwide plea by leagues and other concerned citizen groups that your Administration's budget address the basic priority needs of all Americans. In the immediate context failure to do so is inhumane; in the longer prospect the result will be a costly boomerang.

In that vein we applaud the announcement regarding "protected programs," particularly the assurance of continued funding for school lunches and breakfasts, Headstart, and summer youth jobs, all of which are preventive and supportive measures designed to promote the health of both society and individuals.

As for the promise that the proposed budget cuts will not harm the "truly needy," we believe that your Administration misreads both the current programs and the plight of the poor. The broad-gauged legislative vehicles like food stamps and CETA have already been strictly and narrowly targeted to those most in need by restrictive amendments in 1978. The determining income eligibility regulation for most the CETA participation is the poverty line or welfare status. The allowable monthly income for a family of four on food stamps is $542 which is below the poverty line. How much more truly needy must one be?

The harsh fact is that 57% of the cuts you have proposed come from programs for the poor and unemployed.

It is noted with poignant irony that recent reports attest to the success of CETA initiatives: for example, over 5,000 general assistance recipients were moved off welfare rolls in New York City and into CETA training and jobs, providing a vital "middle step" for those who have little chance without preparation. CETA VII provides a further link to unsubsidized work with the provision of tailored training for private sector jobs.

The League strongly urges, also, continued public service employment. Elimination would have a devastating effect on Chicago and Chicagoans—the immediate loss of over 6,000 jobs.

There can be no doubt about the eagerness for work. The opening of seventy Social Security Administration entry level jobs in Baltimore last fall resulted in a line of 10,000 people. Laid-off Wisconsin Steel workers in Chicago have responded similarly to job openings, far too few for their numbers. It is true that eventually despair and bitterness result in the "discouraged worker" who finds himself outside the market system; thus, approximately one million discouraged workers are not counted among the officially defined unemployed.

In Chicago BLS statistics indicate that 600,000 persons are trapped in permanent deprivation with little hope in the mainstream economy of earnings incomes above the poverty line. The Illinois Bureau of Employment Security year-end report said it had over 140,000 applicants and only 11,000 jobs on file, a situation not likely to be reversed soon by tax incentives and reductions. CETA programs, though shrinking and threatened, are an essential retraining and job resource when low-skill jobs are disappearing.

The League is especially concerned about racial inequity. Eighty-five percent of the poor in Chicago are non-white. Unemployment, in fact, exacerbates all inequity; for every 1% increase in unemployment, there is a 2.2% decline in income equality: seniority and hiring practices tend to leave the black male, black female and white female out in the cold. The median wage of black men, age 20 to 55, is 59% of that of whites. The party of Lincoln should view that as an urgent, unfinished agenda.

The idea of shifting social programs to state control is strongly opposed by the League. The result, the League believes, would be fifty welfare systems and inevitable unfairness. The probable net federal cutback implicit in the block grant approach would strain state budgets, particularly those beset by the "Great Lakes recession." The projected food stamp cuts will cost the Illinois economy $80 million—and bring necessary pressure to increase the state's basic welfare grant level. (The Chicago Food Stamp Hotline averages 165 calls per day.) Governor Thompson has already asserted the need to cut Medicaid and has

reduced his original increase in school aid, desperately needed by Chicago public schools.

The shrinking supply of affordable housing and the rising cost of mass transit, both of which are severe hardships on the working poor, are thrown into deeper crisis by your budget. Of the highest order of necessity, housing and transit are also prime sources of jobs. Your place in history would be assured, Mr. Reagan, if you would put people to work rebuilding the railroads and housing stock of this nation.

The oft-cited psychological imperative for federal budget cutting is ephemeral when compared with the plight of those affected. Further, contrary to the claims of the Office of Management and Budget, the proposed cuts cannot be equitable; we urge you to note that the cost of necessities—food, housing, energy, health care—rose even faster than the over-all inflation rate, 13.8% compared with 12.3%, a blow with compound impact on the lowest incomes. Removal of aid in any category is a retreat from humane policy. The poor have already sacrificed.

If psychological effect is a purpose in the Administration's proposed budget cutting, the League is more concerned about the signals sent to those who are left out of the economic system. The connection between joblessness and rising crime is now well documented. One percentage point of unemployment increases state prison admissions by four percentage points. With the average total cost of maintaining an individual in prison now approaching $20,000 per year (not to mention the social cost), it is clear that measures that deliberately induce unemployment—or cutting programs designed to train and employ—are myopic and expensive. Jobs programs, now honed to greater effectiveness, offer escape from dependency, a trained work force, and an alternative to crime.

Finally, we respectfully question the matching of problem and solution. By any calculation the proposed budget cuts would have a negligible effect on inflation—a fraction of a percent—too small to justify the removal of aids which are a vital margin on the receiving end. It is at best an unfair gamble, with real suffering as one side of the equation.

Even if the combination of incentive and spending reduction should restore American prosperity, we are worried about what could be the prolonged interim to which you have alluded, the loss of hope for marginal families, and misery-bred explosions.

We hope that meanness will not characterize your Administration, President Reagan. All Americans would be diminished.

Sincerely,

PAULINE PANTSIOS,
President.
BETTY WILLHOITE,
Vice President, Welfare Study.●

SOVIET REPRESSION OF POLAND

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. RINALDO. Mr. Speaker, Soviet oppression and policies of terrorism both at home and abroad have been systematic and unrelenting. They have deviously and mercilessly spread political and economic repression, ruthlessly imposed military control over Eastern Europe, and have shamelessly rewritten history to disguise their dastardly tyranny.

Soviet treatment of its own citizens and people in other lands comes as no surprise to us. The present threat to Polish sovereignty by Soviet troops along the Polish border has been a fact of life ever since the Soviets joined with the Nazis in a pact to carve up Poland. We must not allow the Soviets and their Communist partners to forget the massacre of Polish Army officers at Katyn Forest. These events were recounted by Dr. Jan Zaprawa Ostromecki, chairman of the Polish Cultural Society at Seton Hall University in South Orange, N.J., in an address delivered on the 40th anniversary of the Katyn Forest massacre.

Dr. Ostromecki was a leader of the Polish underground home army in World War II and was imprisoned by the Nazis in the infamous concentration camp at Auschwitz. He is determined that the events of the Katyn Forest massacre of 5,000 Polish Army officers on orders of the Soviet Government, and another 10,000 Polish officers executed in Soviet camps, should not be forgotten.

In his address at Seton Hall commemorating the 40th anniversay of this brutal mass murder, Dr. Ostromecki said:

> The indifferent and passive western powers have emboldened Soviet rulers to further aggressiveness and crimes. There would be, perhaps, no Afghanistan-Katyn recently, nor the disastrous and tragic situation in peace-loving Poland if the perpetrators were punished for the Katyn Forest massacre 40 years ago, and if there was no infamous Yalta Agreement in 1945.
>
> Katyn stands as a tragic and ghastly warning to the free world of what the Soviet Russia can do. It lies deeply upon the conscience of all civilized nations.

Dr. Charles Allan Baretski, a distinguished historian and member of the Research History Cultural Society at Seton Hall University, submitted a resolution which was adopted by the Polish Cultural Society for presentation to President Reagan. This resolution documents the evidence of Soviet atrocities and the failure of the United States and our allies to confront the Soviets with these charges in the same fashion as the Nuremberg war trials which found the Nazis guilty of mass murder.

Furthermore, the resolution calls on the President to seek the formation of an international commission to set up a judicial panel to judge the Katyn massacre evidence and to recommend punishment for those guilty of this act of genocide.

I also hope, Mr. Speaker, that one of the worst atrocities of World War II by the Soviet Union would attract the interest of the television networks in order to remind the American people and the world of the horrible deeds and genocidal politics that have enabled the Communist Politburo in Moscow to forge its military and political control of Eastern Europe.

The strongest enemy of Soviet power is the truth. In order to bring freedom to the people of Poland and other nations in Eastern Europe, Afghanistan, Cuba, and other Soviet-dominated countries, we must speak the truth at every opportunity without fear of upsetting diplomatic ties with the Soviet Union.●

PROTECTION FOR LAW ENFORCEMENT OFFICERS AND FIREFIGHTERS

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. YOUNG of Florida. Mr. Speaker, today I am reintroducing legislation to address the issue of adequate protection for the many men and women in our Nation whose responsibility it is to protect the American people from crime and violence. This important group of dedicated individuals—local, State, and Federal law enforcement officers and firefighters—put their own lives on the line every day in the hope that our communities will be safer for each and every one of us. Unfortunately, many of these dedicated public servants are slain each year in the course of performing their official duties while protecting others, and I believe legislation is desperately needed to deter those who commit these acts of injustice.

My bill would penalize individuals who assault, strike, wound, or discharge a firearm or explosive at any firefighter or law enforcement officer during the course of their official duties. Such offenders would subject themselves to a 10-year imprisonment or a fine of $10,000, or both. If personal injury results, the criminal would be subject to imprisonment for 20 years or a fine of $20,000, or both; and, if death should occur the criminal would be subject to the death penalty, unless specifically qualified by a jury or a court. Such threats, in my opinion, will be powerful deterrents to criminals who would assault such dedicated public servants.

Mr. Speaker, with the increasing incidence of assaults upon policemen, firefighters, and other law enforcement officials while engaged in the conduct of their duties, it is our responsibility to see that these brave men and women have protection for themselves as well. I believe my legislation addresses this problem and hope this issue will be considered early in the 97th Congress, so we can deter

those who would commit this type of personal injustice to dedicated public servants.●

SERVING THE NATIONAL INTEREST THROUGH HUMAN RIGHTS POLICY

HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. PEASE. Mr. Speaker, to be successful our foreign policy must be based upon broad-based support among the American people. The basic fairness of the American people and the importance we attach to liberty and self-determination manifest themselves most clearly in our commitment to human rights for all people and not just ourselves.

This fundamental point that seemingly escapes Mr. Ernest Lefever, President Reagan's appointment to be Assistant Secretary of State for Human Rights and Humanitarian Affairs. I call my colleagues' attention to the following article I authored in the February 16 edition of the Cleveland Plain Dealer which summarizes my view that defending human rights serves our national interest.

AMERICA MUST REPRESENT HUMAN RIGHTS

(By Don J. Pease)

President Reagan is a patriot who seeks to serve the national interests. That's why I am hopeful he will continue the Carter administration emphasis on human rights as a base for our foreign policy and foreign assistance programs.

For human rights as a key foreign policy factor need not depend on do-gooder cries for simple humanity or on appeals to U.S. traditions of support for individual liberty, as valid as they are.

The case for a strong human rights policy can be made best on the practical basis of serving American national interests.

Continuation of a strong, consistent human rights commitment will enhance the national interests. Retrenchment or abandonment of human rights could severely damage those interests.

It is no accident that one reads few Third World diatribes anymore about Americans as "imperialist pigs." To be sure, the United States still serves as a whipping boy for extremist governments like those in Iran and Libya. But our standing is much higher among non-aligned, developing countries now that we have focused international concern on defense of basic rights.

Nor is it coincidental that the United States received as much, if not more, support on the hostage situation in Iran, the Soviet invasion of Afghanistan and the subsequent Olympic boycott from Third World nations as from our traditional Japanese and West European allies.

Nor that U.S. credibility among African nations has never been higher than it is today.

Nor that democratic values are being reasserted in Peru, Panama, Brazil and elsewhere in Latin America, and that the exploiter/manipulator image of the "giant of the north" has been dimmed in the eyes of the average Latin American.

Human rights policy cannot claim sole credit for these developments, but it has played an important role.

Right now, there is only one recognized imperialist power in the world—the Soviet Union. Surely it is not in the U.S. national interest to return to the days when the Third World viewed both the United States and the U.S.S.R. as imperialist behemoths.

Increasingly, the East-West struggle will be waged in Africa, Asia and Latin America. An important element of the struggle will be over ideologies and values. Common sense dictates that the United States will gain to the extent that the Soviets are viewed as imperialists while we as a nation are viewed as having a genuine interest in the economic well-being and individual human rights of ordinary people.

A strong human rights policy allows us to capitalize on the power of the ideas—individual liberty, freedom and self-determination—for which we stand as a nation.

For the United States to prosper economically over the next two decades, we will badly need the oil, gas and uranium, the metals without which our factories cannot operate, and the markets of the Third World nations.

In some cases, we'll also need their land for military bases and their political support in international forums.

Holding steady our human rights banner will assure us of a receptive relationship for difficult negotiations.

Recently Reagan met with President Lopez-Portillo of Mexico. Isn't it beyond argument that abandonment of human rights would adversely affect our relationship with Mexico, whose vast oil reserves may make it the single most important country in the world to the U.S. economy?

Two impediments may face a Reagan commitment to human rights as a cornerstone of foreign policy.

One is the identification of human rights with the vanquished Jimmy Carter. In truth, however, this nation's international human rights commitment pre-dates Carter. As long ago as 1904, Theodore Roosevelt criticized human rights violations against Armenians in Turkey. In the early 1970s, while Richard Nixon was president, Congress wrote a statutory commitment to human rights into the Foreign Assistance Act and other basic laws.

A second impediment, especially for a president committed to decisiveness, is the zigs and zags which are inevitable when human rights considerations are factored into foreign policy. And it doesn't help that consistency if human rights policy requires the punishment of right-wing dictators who torture and kill opposition leaders who may have Marxist leanings.

But Reagan can overcome those hang-ups if he rivets his attention on the central issue: the national interest of the United States.

Pending a policy review, I implore the president to avoid any single step—such as backing away from our commitment to a ceasefire and internally supervised elections for Namibia—that could be taken as a premature signal in the Third World that the United States is no longer interested in human rights.●

MRS. CONSTANCE ADAMS SPARKS A REVIVAL

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. STOKES. Mr. Speaker, I would like to take this opportunity to salute a dedicated citizen from Cleveland who has been a leader in the rehabilitation of the St. Clair-Superior area in the city—Mrs. Constance Ruby Adams. In many respects, she has been the spark which ignited community interest in housing and neighborhood revitalization in this section of the city.

As the revitalization has progressed, she has been the guiding force for other residents. Her efforts to renovate her own house in this area and actions have served as a blueprint for others to follow. Her activities within the St. Clair-Superior Coalition renovation branch called Cohab has earned her the respect and admiration of people throughout the community.

At this time, Mr. Speaker, I would like my colleagues to join me in saluting Mrs. Adams. I think that it would be appropriate to insert an article on Mrs. Adams which appeared in the Cleveland Plain Dealer in the RECORD:

LITTLE HELP FROM FRIENDS SPARKS A REVIVAL

There are several houses on E. 87th St. that have been spruced up in the last two years, including the one being bought by Constance (Ruby) Adams, one of the revitalization pioneers in St. Clair-Superior neighborhood.

The new yellow-and-auburn paint on her house is complemented by the pastels on a number of houses up and down the street, which runs between Ansel Rd. and Superior Ave.

The neighborhood is no Shaker Heights or Rocky River. In fact, the lots are smaller than those in most moderate-income suburbs. And there is plenty of vacant land where frame residences once stood proud against the Lake Erie elements, only to be destroyed by the ravages of abandonment.

But there are parks, places to shop, convenience to downtown—where Adams works as a cashier at the Federal Office Building cafeteria—and a slowly improving housing stock.

There are also efforts to make the neighborhood more livable. Adams recalled that the house across the street had been condemned. Once hers was fixed up, new paint and other improvements appeared on the condemned building.

Adams and other people credit several groups working in the neighborhood, such as the St. Clair-Superior Coalition; its housing renovation arm, Cohab; the Famicos Foundation, and the Lutheran Housing Corp.

Adams, 48, is the mother of five children, three of whom live with her in her two-family house. She has been involved with Cohab since its inception in January 1978, when Famicos and the St. Clair-Superior Coalition began talking about improving housing in the neighborhood.

Her eldest son, Otis, 29, did much of the work on her house, she said. Other work, including new kitchen cabinets and a counter, new plumbing and wiring, was done through Famicos. The house was bought by Adams on a land contract with Famicos. Slowly, as the $188 monthly payments accure, Adams will own the house.

Adams can wait. She has lived in the neighborhood for 16 years.

"I was in three (rental) places," she said. "One I fixed up and it got condemned. Then the second one, I was burned out of.

"I wanted to own my own home for a long time. Everybody in my family had nicer homes way out, and they said, "Why don't you move out?"

Adams said that a few years ago she saw the neighborhood declining. It was not the same one she had moved to a dozen years before. The block on which she lived on E. 81st St. was down to 13 houses.

Solid citizens in the neighborhood, such as the Adams family, had to bear the situation.

About 2½ years ago, however, Adams became active in the coalition's housing efforts, and then was one of its first benefactors.

"I could see, after the coalition got involved, the area has been cleaned up immensely," said Adams. "People are getting back to being interested in the neighborhood."●

A TRIBUTE TO REV. EMMETT HUNTER, JR.

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. DORNAN of California. Mr. Speaker, on Sunday, March 8, the Greater Morning Star Baptist Church of Santa Monica, Calif., will gather for a worship service commemorating the second anniversary of Rev. Emmett Hunter, Jr.'s installation as their pastor.

I would like to take this opportunity to cite some of the outstanding accomplishments of Reverend Hunter.

Reverend Hunter, a native of Georgia, has earned bachelor's degrees in business administration and theology. Before coming to the Greater Morning Star congregation, Reverend Hunter served as pastor of the Olivet Baptist Church in the city of Ventura. His outreach ministry consisted of participation in 13 areas of community service.

Upon accepting the call to the Greater Morning Star Church, Reverend Hunter preached his initial sermon on the theme of emphasizing love, togetherness, prayer, Bible study, and increased community outreach, combined with improving Christian family fellowship for the betterment of his congregation.

Reverend Hunter has demonstrated outstanding abilities as a minister by strengthening his church spiritually, improving its financial position, and building its membership.

He has promoted improvement projects benefiting the church nursery, parking area, fellowship hall, and study. He also supervises the recently begun construction of a church library.

Mr. Speaker, it is people like Reverend Hunter who are the backbone of our communities. As a spiritual and moral leader, he is influential in guiding the lives of hundreds of families in his neighborhood. He has taken an active role in helping his congregation successfully meet the challenges imposed by modern society. On his second anniversary, as a leader in the Santa Monica community, I congratulate him for a job well done.●

YOUTH EDUCATION AND WORK OPPORTUNITY ACT

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. GOODLING. Mr. Speaker, during the 2d session of the 96th Congress, the House approved a comprehensive education and work bill combining education, employment, and vocational functions to provide compensatory services for disadvantaged youths. The legislation would have coordinated efforts to provide remedial education and job training to the Nation's neediest youth. This proposal was consistent with Republican goals to prepare youth for jobs through basic and employment skills training instead of establishing make-work public sector jobs which only aggravate, over the long run, the unemployment situation of young adults.

Although the time is not ripe for creating an entirely new spending program, it is appropriate to consider a more rational, efficient and effective method for achieving the goals currently embodied in various Federal education and jobs-training programs.

Consequently, today I am pleased to introduce along with my colleagues Congressman JEFFORDS and Chairman PERKINS, the Youth Education and Work Opportunity Act of 1981. This proposal embodies the crucial concepts which would forge linkages among education, CETA prime sponsors, business, unions, and community-based organizations in order to launch a comprehensive effort at eliminating some of the root causes of our unacceptable level of youth unemployment. It is basically the same proposal that overwhelmingly passed the House last year.

It is significant that we keep this legislation foremost in our minds as we approach the reauthorization of the CETA jobs training program and the Vocational Education Act during the 97th Congress. These reauthorizations provide a real opportunity to incorporate the basic concepts embodied in the Youth Education and Work Opportunity Act. It is significant that most of the major innovations developed in last year's Youth Act providing for the increased linkages among the sectors mentioned above received widespread support, not only among Members of the House of Representatives, but also among the diverse education and labor interest groups affected by the proposed changes. Congress should concentrate on adopting the concepts developed in the Youth Act to the appropriate segments of the Vocational Education and CETA reauthorizations.

In addition, it is clear that Congress will consider some form of an education consolidation program to replace the patchwork assortment of categorical programs which often ascerbate problems they are designed to remedy because of the overly prescriptive and cumbersome mandates embodied in the legislation and regulations. Again, the Youth Act can serve as a model for significant reform and sensible consolidation of various programs with similar functions and goals. There is no reason why this proposal cannot become a part of a comprehensive block grant approach. The current separate, parallel, and mostly uncoordinate efforts at dealing with the complicated problem of youth employment should be attacked more rationally and in a more holistic manner. This is a major reason for my willingness to introduce this bold initiative.

Although this current proposal does not contain a provision for a youth differential or subminimum wage, I feel that such a measure is essential if we are ever going to entice the private sector to become an active partner in solving youth unemployment. Obviously such a provision would have to contain appropriate safeguards to avoid abuses, but this can be achieved through proper legislation. I intend to press for this reform during legislative consideration of this issue.

I am convinced that the Youth Education and Work Opportunity Act provides us with a working model for formulating a more efficient and effective program for achieving our goals.●

HOUSING REVITALIZATION IN CLEVELAND

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. STOKES. Mr. Speaker, thank you for providing me with this opportunity to bring the news of a housing revitalization in the inner-city area of Cleveland which I represent to the attention of my colleagues.

For many years, Cleveland has suffered from the same housing and neighborhood malaise as other inner-city areas particularly in the Northeast. Quite candidly, Mr. Speaker, there have been times that I described large portions of my congressional district as looking like parts of war-torn, bombed out Germany. As you can imagine, it has been painful for me and my constituents to witness the deterioration of our neighborhoods.

During this time, Cleveland suffered and was labeled as having the crippling symptoms of a city on its way out—population loss, abandoned and substandard housing, economy in a tailspin, and a general feeling of hopelessness. But, the residents really never gave up hope.

Mr. Speaker, while the situation has not yet been totally turned around, I am encouraged to report that we are making substantial strides in the area of housing and neighborhood revitalization. The citizens in my district have served as the impetus for this revitalization movement. As a result of their interest, the city government, HUD, and other concerned individuals have become involved in various projects in sections like St. Clair-Superior and Buckeye-Woodland.

Led by community coalitions such as the Buckeye-Woodland Community Congress and the Union-Miles Coalition along with the Lutheran Housing Corp., exciting and encouraging things in the area of housing are happening in Cleveland. Unlike some other areas, Mr. Speaker, this rehabilitation is being done for the current residents and not for outside middle- to upper-class income buyers or speculators.

It has taken a lot of hard work, unfaltering commitment and grants from the city, the Federal Government, and private organizations. We still have a long road ahead of us. But, we now have a strong foundation from which to build.

Mr. Speaker, I would like to take this opportunity to salute the residents who have worked so diligently with this revitalization program. Accordingly, I would like to enter an article which appeared in the Cleveland Plain Dealer on this activity in the RECORD so that my colleagues can too salute these individuals.

The article follows:

[From the Plain Dealer, Feb. 8, 1981]

PUTTING ON A NEW FACE

(By Thomas S. Andrzejewski)

After years of population loss, stagnation and demolition of housing in the city, Clevelanders are now renovating hundreds of houses annually.

This turnaround does not mean Cleveland is experiencing a back-to-the-city movement, which is happening in some other cities. It is more of a stick-to-the-city action.

Low- and moderate-income families have been buying improved housing mainly in the neighborhoods where they live, said neighborhood group leaders, city officials and other housing analysts.

Those invoved with a patchwork of housing programs say people buying renovated houses are not necessarily the so-called urban gentry: high-income people who have displaced poorer families in some other cities.

The lack of a flow of upper-income households into Cleveland also may be a reason why the private sector has not been investing in the movement to any great extent, some neighborhood groups and city officials said.

The private sector, mainly lenders, insurance companies and local foundations has become involved in some projects to varying degrees. But neighborhood leaders said business and industry have yet to become part of the urban partnership

Instead, there is more evidence of disinvestment than investment, they said. Those patterns are being reversed by self-help projects across the city and, in some cases, neighborhood groups as well as federal laws have prompted more business involvement.

While no one keeps track of the total progress of housing improvement, The Plain Dealer pieced together information from several places to find residential rebuilding is occurring at a slow, but growing rate. As many as 1,000 inner-city houses, and perhaps more, underwent renovation last year.

There are many programs, all of which work in different ways.

Examples show the piecemeal nature of residential rejuvenation in Cleveland. But they also show there is a market and demand which, some experts pointed out, has been ignored by the real estate and lending industries.

One is a pilot program for the Department of Housing and Urban Development, run by the Buckeye-Woodland Community Congress and the Union-Miles Coalition in their respective neighborhoods. That program, begun as an experiment two years ago, is responsible for renovation of 60 vacant houses, 17 of which have been sold at prices from $18,000 to $30,000.

Agnes Jackson, executive vice president of the Buckeye-Woodland group, said it presented a program to HUD that residents would make work. The project was to renovate houses abandoned and eventually vandalized after government-insured mortgages were foreclosed.

"Everywhere you looked, there were abandoned houses, putting our property values down and making it hard to get insurance," she said. "They were just plain eyesores."

But her group was among several that proposed a way for HUD to recover what otherwise would be losses to taxpayers and government. Among other things, citizens would take care of security of abandoned houses and marketing them once they were fixed up.

"At one of the regional hearings, they (HUD officials) were proud we told them how to put it together," she said. "And it worked. We showed them how to make a profit.

"We've been called crazy and everything else, but if you drive through this neighborhood now, you'll see how clean it is," said Jackson. "And it hasn't been the politicians who did it."

One neighborhood where the private sector became involved in housing improvement was St. Clair-Superior. About a year ago, Aetna Life & Casualty Co. awarded $30,000 to the St. Clair-Superior Coalition to begin a housing renovation organization called Cohab. Aetna also promised financing.

"The thing about St. Clair-Superior is that the middle class never really bailed out completely," said Edward J. McNeely, a member of Cohab. Therefore, Cohab's efforts are being directed to the so-called conventional mortgage market, rather than subsidized or guaranteed mortgages.

Even so, the housing problem in Cleveland is of such proportions that even dramatic inroads would not necessarily save neighborhoods from eventual destruction. For example, McNeely said, there are more than 100 vacant houses in St. Clair-Superior. At present, Cohab can only work on about 25.

"There's a lot of movement that's impressive, and we're going to see a lot more of it," said Dr. Carol S. Franklin, research associate for the urban recovery project of Cleveland State University's college of urban affairs.

A program that renovated about a dozen houses in several Cleveland neighborhoods last year was run by Lutheran Housing Corp., whose director, Ray L. Miklethun, said more and more groups are entering the housing business.

Morever, housing improvement is contagious, he added.

The major part of Lutheran Housing's role is counseling, instruction and tool loan. Last year, for example, 2,300 persons were given lessons in home maintenance, and about 4,000 tools were loaned. About 130 people were given credit counseling, allowing about half of them to save their houses from foreclosure, he said.

There are other housing organizations, such as Neighborhood Housing Services in Buckeye and the near West Side.

And the Union-Miles Coalition has a $100,000 grant from the Cleveland Foundation to use in creating a housing and commercial development corporation, to renovate at least 10 houses a year.

And some community organizations that are not in the housing business do offer at least some encouragement, such as the Detroit-Shoreway Development Corp. Raymond L. Pianka, director of the group, estimated about 60 houses have been improved in the neighborhood since last year.

The city has not idly stood by, either. Last year, 651 houses had some kind of major work done for which the community development department—through its CASH (Cleveland Action to Support Housing) and 3% loan programs—provided loans or grants, and sometimes combinations of both.

"I do not think we are doing enough," said Charles Ramsey, the city's rehabilitation commissioner. "We are maintaining a lot of stuff, but just maintaining."

Ramsey said that CASH has the participation of 23 banks and savings and loan associations, which are making loans to creditworthy persons at 12%, which is about 6% below market rates. While they are making a contribution in that program, the private sector for the most part should improve its role in housing, Ramsey and others said.

Even in CASH, lenders have been criticized for not doing enough. For example, last year, they put up $255,901 in home improvement loans, which was only about 12% of the $2.1 million CASH granted or loaned. The rest was federal money.

While government has cooperated, business has not, said Buckey-Woodland's Jackson. Part of the problem is the private sector has dealt more with niceties and protocol than with substantive programs.

"A lot of business people really think it is uncouth when we come in and make demands," she said. "But if they can sit down with us, they can see that we will negotiate and even help them."●

AMERICA'S DEPENDENCE ON IMPORTED STRATEGIC MINERALS

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. YATRON. Mr. Speaker, I am becoming increasingly concerned over America's dependence on imported strategic minerals. These minerals, such as titanium, manganese, cobalt, platinum, and chromium, are vital to the preservation of our national security. The steel, tool, missile, and other major U.S. industries need these minerals for their operations.

I believe that we are quickly rendering ourselves vulnerable to blackmail and price gouging by countries that export the critical metals. Only a few countries do any exporting and many of these, such as South Africa, Zambia, Zimbabwe, Zaire, and Gabon, are located in volatile parts of the world. Thus, they may not be a reliable source for these minerals in the future. In addition, the Soviet Union, another supplier of key minerals to the West, cannot be counted on to continue exporting should East-West relations erode further. Moreover, the Russians are gaining footholds in Third World countries where they could one day threaten Western access to strategic minerals.

Mr. Speaker, the poor state of U.S. preparedness in this regard is disturbing. Imports meet more than 50 percent of our requirement for 20 important minerals, and the situation in Western Europe and Japan is even worse. It was reported in Fortune magazine that the U.S. stockpile of strategic minerals falls short of its official goals for 37 out of 62 items. Most of our allies have virtually no government stockpiles at all.

I call on my colleagues in the Congress and on the administration to address this issue because of its implications to our national security. It is important that we learn the lessons from the oil boycott so that preventive action can be taken.●

THE CASE FOR EDA: THE COST PER JOB

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. OBERSTAR. Mr. Speaker, last Wednesday the President announced, as part of his proposed budget cuts, his intent to terminate the Economic Development Administration.

As chairman of the Public Works and Transportation Subcommittee on Economic Development, which has jurisdiction over EDA, I intend thoroughly to evaluate the President's proposal, as well as arguments for that agency's preservation, at a series of hearings beginning early next month.

My own experience with EDA tells me that this is one of the showpieces of Federal assistance to local communities: seed money which leverages private capital for jobs and businesses, keeping people off the unemployment and welfare rolls, and generating tax revenues. However, I will listen to the administration and, if we decide to preserve EDA, will work with the Reagan administration to remedy what they see as faults.

What deeply concerns me, however, is that one of their main arguments for terminating EDA—the cost of a single EDA job—is so far off the mark. I want to set the record straight so we can start dealing with facts and not with shadow arguments.

The administration in its "black book" claimed that a single EDA job costs the taxpayers $50,000. By the time the proposed cuts were formally submitted to Congress that figure had risen to $60,000 to $70,000 per job.

I do not know where these figures came from, nor do I know the motivation for their development. But a reputable consulting firm, Abt Associates, has come up with very different figures, and while I know that damaging figures, once out, however wrong, are repeated ad infinitum, I want the friends of EDA, and those with open minds, to know that the administration's figures are open to question, and stand radically contradicted by a good independent firm.

Abt found that: First, the average public works permanent job costs $3,789 in EDA funds, accompanied by $2,134 in other public moneys and $16,722 in private capital, for a total of $22,845 total public and private money. Second, the average job created or saved under the business loan and loan guarantee program costs $8,538 in EDA dollars. However, since over 90 percent of the total value of EDA's regular loans and loan guarantees are fully repaid, the real cost to EDA is much lower—$662 for direct loans, $1,000 for loan guarantees.

None of the above figures include jobs indirectly created, nor do they include the savings to the taxpayer in decreased unemployment compensation or increased revenues from the taxes the new businesses and employees pay.

Mr. Speaker, I am certainly willing to listen to the Reagan administration's arguments for cutting Federal spending, even when it comes to EDA. But the administration had better be ready to deal in real facts and figures, because we are talking about real people and real businesses and real jobs and a role for EDA in the President's recovery program. Let's argue the case for EDA on its merits, not on the basis of misleading figures.●

MY COMMITMENT TO MY COUNTRY

HON. THOMAS S. FOLEY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. FOLEY. Mr. Speaker, I would like to take this opportunity to share with my colleagues in the House a recent speech given by a young man from my district as part of the Veterans of Foreign Wars voice of democracy contest.

Mel Detrick of Deer Park, Wash., was judged to be the winner of the contest from the State of Washington and will be coming to Washington, D.C., as one of the finalist in this outstanding competition organized and conducted by the Veterans of Foreign Wars. I am sure that all of us share the sentiments and devotion of Mr. Detrick as contained in his speech "My Commitment to My Country" which is the contest theme of this year.

I also think this is an appropriate time to commend the Veterans of Foreign Wars of the United States for their leadership in expanding the awareness of young Americans as to the importance of a free society to a strong country. They have established an outstanding record in this most important public education effort and can be proud of their success:

MY COMMITMENT TO MY COUNTRY

(By Mel Detrick)

My Commitment To My Country; words to live by indeed—words which can only bring to mind that beautiful composition of my patriotic ideals which fill my heart as I approach our flag.

"I pledge allegiance to the flag of the United States of America and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all."

What more can be said? What better way could there be to express my commitment to my country? As I was confronted with the theme, a theme that summarizes how I strive to live a life committed to my country, those words filled my mind so that I could think of nothing else—words which fill my heart with a deep sense of awe each time I recite them, words that provide a beautiful outline through which to express what my commitment to my country is. Therefore, I must look closely at each part of this pledge and explore what it says to me about my commitment to my country.

First, I must examine what is meant by the phrase: "I pledge allegiance to the flag of the United States of America." To me, it

means to commit myself totally to the cause I represent, to be loyal to my country just as the brave men of our history have been. Men like Thomas Jefferson, John Adams, and Abraham Lincoln, who, each in their own way fought to protect the freedoms of a country which they had faith in, a country dedicated to democracy. Men like George Washington who suffered through the bitter cold and miseries of Valley Forge and proved along with his men, his loyalty to his country. Men like the gallant warriors who fought for freedom on filthy, foreign grounds to defend the amber waves of grain and majestic purple mountains at home, men who I admire and respect as representatives of the ideals of my country which are written deep within my heart. These are the men who set the example for me of what it means to pledge my allegiance to my country.

Second, I must examine the phrase: "and to the Republic for which it stands." These men didn't represent just another country, it was for the Republic for which that nation stands that they fought as they did, a nation of democracy, a nation which represents the people, a nation of, by, and for the people, a nation with freedoms which no other country enjoys, a nation richly endowed with natural resources and the talent to utilize them. This is the beautiful country for which those great men of our history fought, a nation which I would exchange for no other. My pride for my country is untold, and I hold to protect the freedoms which are so important to me for many generations into the future.

Third, is the phrase: "one nation under God, indivisible". I firmly believe that this great nation of mine surely could not have come this far without the guiding protection from God which has been so prevalent throughout our history, a God which has held our nation together through thick and thin through the Great Depression and the Civil War. God has blessed America, My Home, Sweet Home.

Finally, the closing phrase of the pledge of allegiance, "with liberty and justice for all". This is the attribute of my country which I treasure more than any other. I am very proud of this nation's freedoms and I hope for and strive to protect them all of my life and for many generations to come.

These are the things which come to my mind when I consider my commitment to my country. I feel firmly convinced that in order to be committed, I must be as brave as the great men before me who protected the freedoms which I enjoy today. I must protect this richly endowed nation along with its beautiful people from any invasion of the freedoms which they now enjoy. I must rely on God for my strength and power just as the great men before me have. But most important, I must strive to be like one of those great men, so that my grandchildren will be able to look back and see me as one of the men who defended the freedoms which they enjoy. I believe that it is the man who desires above all else to protect and insure for others in the future the freedoms and privileges that he enjoys today, that is committed to his country. And that is the man I want to be, that is My Commitment To My Country.●

U.S. INTELLIGENCE AGENTS NEED PROTECTION

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. YOUNG of Florida. Mr. Speaker, every day countless unsung heroes risk their lives on behalf of the United States, working in the shadowy world of foreign intelligence. These brave men and women, some of whom spend their entire lives in this sensitive field without recognition, carry out their duties in anonymity because disclosure of their identities would not only compromise their effectiveness but also endanger their lives.

Yet, in recent years, it has become fashionable in some quarters to expose our intelligence agents, a practice which earns praise from some who equate intelligence gathering with illegality. What may seem like a harmless stunt to these people, though, can in effect mean a death sentence for the hapless individuals they expose. We all remember how Richard Welch, our CIA station chief in Athens, was assassinated after one of these antispy groups revealed his identity. More recently, the homes of two alleged CIA operatives in Jamaica were machinegunned after a publication named them as agents.

Not only are our citizens endangered by these disclosures, but so are foreign nationals who work for our intelligence services. Even innocent acquaintances of intended victims are placed in danger, for radical groups may suspect that these people, too, are working as our agents. For instance, the recent murder in El Salvador of two American AFL-CIO officers and the head of the Salvadoran land reform program is a case in point. The publication Counterspy erroneously identified one of the Americans as a CIA agent, and the Salvadoran as an accomplice. Soon after, both they and another AFL-CIO man who happened to be having breakfast with them were gunned down.

This kind of disclosure must be stopped, not only for the sake of saving lives but also to insure that our intelligence gathering remains effective. I again introduce my legislation to make the disclosure of an intelligence agent's identity punishable by fine and imprisonment. In addition, my bill would increase the fine and prison sentence if bodily harm or death comes to the agent as a result of the disclosure of his identity.

Such a law would punish those who deliberately release secret information which results in the identification of an individual's affiliation, whether past or present, with our foreign intelligence operations. The bill is designed to provide a measure of protection to a special group of dedicated people who risk their lives for their country, while at the same time punishing those who would imperil our agents and do incalculable damage to our national security.

Mr. Speaker, I urge immediate consideration and passage of this very important legislation.●

SYNTHETIC FUELS NOW BEFORE IT IS TOO LATE

HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. BLANCHARD. Mr. Speaker, the administration is sending a budget to Congress which, among other things, is designed to strengthen national defense, fight inflation and also save the taxpayers some money. However, it simply fails to do that in some very important respects, especially in regard to synthetic fuels development.

Last June, following many years of intensive study, the Congress approved and the President signed a carefully crafted bill called the Energy Security Act. That legislation was intended to get this Nation moving toward the development of a viable synthetic fuels industry. An overwhelming bipartisan majority in both the House and Senate saw it as perhaps the most important action of the decade to produce more energy. The House vote was 317 to 93. This was done for many reasons:

First, U.S. national security is extremely vulnerable to cutoffs in imported oil from nations that have little, if any, love for the United States, and even those sources who are friendly may be forced to cut off supplies because of circumstances beyond their control. Our military leaders have worried about this for some time and argue convincingly that you cannot strengthen national defense without providing for assured domestic supplies of liquid synthetic fuels. Tanks and jet fighters simply do not run on lumps of coal or good intentions. As a matter of fact, every new major weapons system we have on the drawing boards for the next 25 years—I repeat the next 25 years—depends upon petroleum or a synthetic fuel substitute to be successful. And, of course, you realize the Defense Department is the largest energy user in the United States.

Second, the cost of foreign oil is currently approaching $100 billion a year, and this flood of U.S. dollars overseas is feeding the fires of inflation here at home. It is robbing American workers of jobs, driving American companies out of business and depriving State and local governments and the Federal Government of desperately needed

tax revenues. The establishment of a U.S. synthetic fuels industry would put hundreds of thousands of people to work in America and help to reduce inflation.

Today, there is not a single commercial synthetic fuels plant in existence, what is more, operating, in the United States. This is true despite all the current and past actions to decontrol the price of domestic oil. Why? Because it is simply more profitable for oil companies to import petroleum as long as it is available and pass along any increased costs to the American consumer. The record profits of the large oil companies demonstrate that quite vividly. It is also easy to see why some of these same companies are in no hurry to invest heavily in new technologies that might pose substantial financial risks without some Federal guarantees.

However, there is a greater risk to our national security in waiting until the private sector is ready to move at a time distant of its own choosing.

These plants take years to build but major, perhaps even devastating oil shortages, can occur overnight. We should have learned something in World War II when our supplies of natural rubber were cut off, and we had to scramble to develop synthetic rubber. Status-quo and laissez-faire economics did not help us then and they would not now in a world fraught with sudden dangers. This country needs an insurance policy in the form of synthetic fuels, not only to protect our national security, but also our economic health.

Right now foreign oil is costing us about $35–$40 a barrel. But that is hardly the real cost to the American economy in terms of inflation, our trade balance, the loss of thousands of jobs and badly needed domestic tax revenues and corporate income to keep this country economically healthy. A recent study by the Institute of Gas Technology, with headquarters in Chicago, estimates the true national cost of imported oil at $80 to $109 per barrel. That is a conservative estimate because there are a lot higher ones. While the actual oil purchaser does not pay that cost, you and the rest of the American people do indeed pay the higher price tag in terms of our cost of living.

Thus, the real cost of imported oil is substantially above the production cost of natural and synthetic fuels from our own domestic resources, which convinces me of the pressing need to rapidly develop the capability to reduce those oil imports.

Now the effect of the budget cuts which the administration is contemplating will delay the development of this new vital industry. The cost of delay is absolutely mind-boggling. What it means is simply this: For every single hour that we delay the construction of just one synthetic fuels plant, its cost goes up by $30,000. Now I am talking about $30,000 an hour, 24 hours a day. What this means to me is that we may reach the point where we desperately need synthetic fuel plants because of some major oil cutoff from the Middle East and we simply will not be able to build them because they are just too expensive.

You see the advantage in moving ahead now is that when the plant is completed, it becomes a fixed capital asset and is no longer subject to inflationary pressures except for operating and maintenance costs. That is a big number. That is a fantastic number. That is such a large number that first-generation technologies will actually remain competitive with second- and third-generation technologies to follow in the field of synthetic fuels.

I think I ought to give you some more details about the national security danger involved in this whole budget chess game. Although I am hopeful that recent decontrol actions will increase the supply of domestic oil, we will still need major supplies of foreign oil to keep our country militarily and economically strong.

If major supplies of imported oil are cut off at the Strait of Hormuz or by some other cataclysmic international event, there will not be enough oil left in the United States to do the job.

We were lucky when the war between Iran and Iraq broke out that world inventories were high and sufficient to meet demands for a number of months.

However, we cannnot gamble the survival of America and our allies on the chance that this situation will continue. I can say this to you—if those inventories did not exist, the West would have a major industrial crisis on its hands right now.

For example, if the Strait of Hormuz was closed, about 60 percent of all OPEC oil exports would be cut off. Japan would be without 75 percent of its industrial energy supply, and Western Europe would have lost half of its supply. America would be short some 2 million barrels of imported oil. That amount of oil supports almost 5 million jobs in this country and, if not available, likely would increase unemployment up to 15 percent.

Remember also that the United States has entered into international agreements which require this country to share its oil with its allies if severe shortages develop. So, without synthetic fuels, we will be leaning on some pretty thin reeds. What are they? A totally inadequate strategic petroleum reserve and a highly controversial gasoline rationing plan which might take up to a year to carry out.

Now a word or two about the alleged high cost of the new synthetic fuels program which Congress felt was so important. That program was given a price tag of $88 billion—$20 billion in the first stage and an additional $68 billion if Congress approves a second stage over a number of years, but I want to tell you something. Those numbers are not just a little deceptive. They are highly deceptive.

Those figures are what it would cost the United States over roughly the next two decades if every single synthetic fuels project was a miserable loss and the U.S. Government had to make good on every penny of that loss. Of course that is ridiculous.

Interestingly enough, that figure of $88 billion covering our maximum exposure over many years is still less than what we are paying each year for foreign oil with not a nickel of it going to American workers.

And, incidentally, the Federal financial incentives that we provided are not grants or big tax writeoffs which would take money away from our budget. The incentives we approved are loan guarantees and price guarantees, which will never cost the taxpayers a single dime unless these companies default or the price of world oil goes down. Neither is likely to occur. So what we are talking about here is saving a lot of money we never really intended to spend anyway.

Interestingly enough, there are a number of companies not now in the energy business which with the encouragement of such Federal incentives, are ready, willing and able to provide some new competition to the same big oil companies mentioned earlier. There is nothing in the law forcing the Federal Government to assist any oil giant that can pay its own way.

Now comes the administration with a plan to scale down this high-priority effort and instead have the new Synthetic Fuels Corporation help build a handful of little demonstration plants and focus more effort on research and development. In effect, we would turn back the clock and return to square one. There is not a single commercial-sized synthetic fuels plant in the United States today. And there won't be if we continue this way.

Unlike some nations, our great country is blessed with a variety of plentiful feedstocks to make synthetic fuels. Among them are coal, oil shale, tar sands, renewable resources such as biomass and many others which could carry us hundreds of years into the future. The technology is ready to go. It can be done in an environmentally sound way; these plants can produce cleaner fuels than we now use to run our automobiles and generate our electricity. We can forge a weapon to defend ourselves against the constant OPEC price rises and their attendant international political intimidations.

Through synthetic fuels, we can strengthen our national security and economic health.

And we can keep our promise to American industry, which has spent millions of dollars responding to our country's call for help in developing this industry.

In short, we can make America strong again, prepared to meet any challenge before and not always after it faces us.●

NORTH DAKOTA'S WINNING VOICE OF DEMOCRACY CONTESTANT

HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. DORGAN of North Dakota. Mr. Speaker, there is a young man from Casselton, N. Dak., Steven Spilde, who has won the Veterans of Foreign Wars voice of democracy contest in our State.

Steve represents the very best in our American youth. His interests are many—athletics, music, and community work—and his academic record is excellent.

Steve's winning speech on the theme, "My Commitment to My Country," is a rallying call for all Americans who have the courage and commitment to meet the many challenges which face our country today. His speech is an inspiration to all of us—youth and adult alike—to renew our pledge of allegiance to America and to the spirit that built our Nation.

This is a fine moment for Steve and his family. He is well-deserving of the honor the Veterans have bestowed on him, and all North Dakotans are proud of his achievement.

I am pleased to have this opportunity to insert Steve's speech at this point in the RECORD:

STEVEN LEE SPILDE, CASSELTON, N. DAK.

On July 4, 1776, a group of men gathered in Philadelphia to signal the birth of a new nation. As they signed the Declaration of Independence, they shared a commitment to establish the greatest nation on the face of the earth.

To back this commitment they were willing to fight, to sacrifice their way of life, and even to give their lives. Because of this type of commitment, their dreams blossomed into a nation which stretches from sea to shining sea.

Today I have inherited the fruits of their labor, a land in which we are free to speak, think, worship, and live as we please. To preserve this heritage I must also inherit their commitment. As I read the newspapers and listen to the news it is obvious that America faces many challenges at this time. Our American spirit is challenged. Our economy is challenged. Our national security is challenged. All of these are challenges I must be willing to face as an American citizen.

Some Americans are losing faith in this country's ability to deal with its problems, but I will remain optimistic. I will preserve the attitude of John Paul Jones when he declared, "I have not yet begun to fight!" This frame of mind is contagious and is necessary to solve our problems.

To face these challenges, my commitment to my responsibilities, as an American citizen, must remain strong. First of all, I will defend our constitution which guarantees my rights as an American citizen. If our security is threatened I must be ready to serve in our armed forces. As a good citizen I have a responsibility to be informed. I must be willing to sacrifice in times of need. I must vote and support out public servants. I must obey the laws which they establish and support the officials who enforce these laws. Finally, I am determined to pass this commitment on to future generations. This is the key to our nation's future. I will teach my children and grandchildren about their country. Hopefully my feelings for this country will strengthen their own. By supporting public education, I may also preserve this commitment through future generations.

Davy Crockett and Jim Bowie died fighting for the Alamo because they were willing to give everything they had for their country. Nathan Hale shared this attitude when he stated, "I regret that I have but one life to give to my country."

This type of determination built this land and this type of commitment will preserve it. I am willing to give everything I have to keep America as the greatest nation on the face of the earth.

This is my commitment to my country.●

FREE REIN

HON. MARJORIE S. HOLT

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mrs. HOLT. Mr. Speaker, the following article appeared in the January 22 issue of the Enquirer-Gazette, which is published in Upper Marlboro, Md. It calls for a free rein for President Reagan as he guides our country away from our present condition onto a truer course. I believe the editorial expresses the hopes and good wishes of most of our citizens.

The article follows:

FREE REIN

President Reagan, as a horseman, knows that a throughbred performs eloquently with no strings attached and a free rein. He also knows that this magnificent animal is capable of performing on its own without the tugs and pulls of an owner or trainer.

President Reagan, himself, is in the unique position of the throughbred. Because of his age, he certainly will not be performing for a repeat election four years from now. Without the shackles of future support and fears of retaliation he has a free rein to perform to his utmost with only his conscience to answer to.

As a great American performer he has had the exposure to be considered a thoroughbred in the eyes of his supporting public. He is trained to give his best. That background and free rein create the opportunity to make Mr. Reagan one of the top 40 presidents.

This will be the greatest performance of his life, viewed by the entire world. He has already attained the goal of billions of other people, to become the President of the greatest country in the world.

The stage has now been set and it is his. He is charged with steering this country and many associated parts of the world out of a strangling recession. He must right the ship of state that is foundering in a sea of greed and government strings that keep it lopsidedly off course.

His job is tremendous, but the rein is free and it is within his power to set policies that will eventually bring us into the calm waters of cooperation and security with the government acting as our leader without being our possessor.

Like the great riderless black stallion that accompanies the caissons of deceased dignitaries, may your spirit be free and unhampered, may your course to true and your performance unblemished. This is your show, Mr. President, and may God be with you.●

SUSAN ANN GOULD WINS RHODE ISLAND'S VOICE OF DEMOCRACY CONTEST

HON. CLAUDINE SCHNEIDER

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mrs. SCHNEIDER. Mr. Speaker, as I am sure our colleagues are aware, each year the Veterans of Foreign Wars and its ladies auxiliary sponsor the Voice of Democracy contest, in which thousands of high school students compete for college scholarships. The theme of the VFW contest this year was "My Commitment to My Country," and over a quarter of a million students participated.

Mr. Speaker, I am pleased to advise my colleagues that the winning essayist from Rhode Island is Susan Ann Gould, of Warwick, a senior at Pilgrim High School. Susan is the daughter of Mr. and Mrs. John E. Gould.

Susan's speech addresses many of the problems and challenges which confront young people today, and I would like to take the opportunity to share her award-winning and inspiring essay with my colleagues:

The United States of America is a young country. Before our time, the empires of Egypt, of Carthage, of Rome, rose up to the wonder of all the world and cast their nets of influence around them. America has known only a relatively brief period of greatness in this long history of power, and yet of all the great nations of history, the United States has contributed more to the cause of human liberty and prosperity than any government the Earth has ever known. Any American would be moved to commit himself to our system and its tenets when motivated by the memory of our forefathers and their efforts to bring the benefits of freedom to all peoples. This commitment demands respect and sacrifice for the country in which we live, the country which gives us the liberty which is life.

I believe that service is the duty of every citizen. Whether we are to serve in a small way or large, to serve the many or the few, to serve the cause of prosperity at home or

abroad, we must remember we are Americans. As Americans, the fulfillment of our duties can be a rewarding endeavor. Our nation promotes peace and freedom, not only for ourselves, but also for the entire world. Democracy; human rights; equal justice under the law—Americans labor for these hard-won privileges of mankind, and this labor demands the sympathy and support of every citizen. We should all feel proud of our country and respect her aspirations for all men to live in harmony with each other. Americans continue to lead the world in opposing famine, disease, and war. We aim to spread tolerance, equality, and freedom of expression.

Because I believe that our way is the best way, I know I must commit all the energy and intelligence I possess to the project of improving the world around me. The system which created me and gave me the strengths of its traditions must continue to bring emancipation to all peoples. As an individual privileged to be born among the responsibly free citizens of America, I have inherited the task of broadening the scope of all mankind. Man's body is still held captive on our little planet, but his spirit has begun to seek out its limitations. We must work for the day when the promise of every mind can be fulfilled. Humanity should know no confines which are imposed by one man on another: these are the shackles which men on Earth still bear; these are the chains which Americans in every age have vowed to break.

I know that America offers a brighter future for every man, for every mind eager to break new ground. From the age of our nation's birth we have taken liberty, justice, and human freedom as the bywords of our existence, but without a belief that we can maintain these, our nation cannot fulfill her promise. It takes the commitment of every young citizen to see that we can continue to offer an alternative to oppression and injustice. We must resolutely take up the burdens which we assume as we are granted the full benefits of our citizenship. We must responsibly answer the call of our government as it urges each of us to conserve, to vote, to lay aside our personal ambitions, to fight for our way of life. I am committed to the continuation of our society, even though it is threatened by many crises which the modern age has fostered. I am committed to my country and her aspirations, even though I may not endorse all of her actions. It is the duty of every American to be informed, to ask questions, to contribute his unique talents to our country's progress. And progress means change. Our heritage is filled with instances where men of vision perceived the flaws in the system and struggled to change the way men lived their lives. We urgently need to attack present problems with their spirit. We have only begun to fight against a Gargantuan bureaucracy, crippling taxes, and rampant inflation, and we must fight to continue our progress toward detente and environmental controls. As the young people of today search for the fortitude and conviction to continue the struggle for reform, let us keep in trust for them the words of Carl Schurz, who, over one hundred years ago, said: "Our country, right or wrong! When right, to be kept right; when wrong, to be put right!"●

GREAT DAY FOR THE IRISH

HON. RONALD M. MOTTL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. MOTTL. Mr. Speaker, a great holiday is fast approaching us in which we will celebrate Ireland's patron saint, Saint Patrick.

The day is of special importance, not only to the Irish, but to everyone else in the country who enjoys taking some time to revel over the fortunes of the past year or who want to find ways to forget any lingering miseries.

It is said that everyone is Irish on Saint Patrick's Day and we Members of Congress are no exceptions. So it is with a mutual pride that we can applaud the declaration of March 17, St. Patrick's Day, as a legal holiday in the village of Briarwood Beach, Ohio. This declaration was the first official act of Mayor Leonard English after he became mayor of the village January 1.

Briarwood Beach is in the 13th District of Ohio represented by my good friend, DON PEASE. I am sure he will join me in saluting this fitting tribute to the descendants of the Auld Sod.●

THE ENDLESS POTENTIAL OF BILINGUAL EDUCATION

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. STOKES. Mr. Speaker, I would like to take this opportunity to address my colleagues in the House on an issue which potentially could have significant impact on both the education of this Nation's young people and communication with people around the world—Federal funding of bilingual education.

As many of my colleagues know, the President has proposed that Federal funds earmarked for bilingual education be changed. Instead, the President and key supporters plan to substitute block education grants to local systems for use at their own discretion.

Mr. Speaker, if the House passes this part of the budget, we may sound the death knell for any effective national bilingual education program. Not only will we lose the bilingual education program as we know it today, but also the potential for Americans to communicate with one another of different backgrounds and to effectively communicate and understand the cultures and even political philosophies of different nations.

For example, Mr. Speaker, most of the bilingual programs to date in this Nation have focused on the Spanish language. We have American-born children learning Spanish and Spanish-speaking immigrants learning English. I am sure that the officials who administer this program around the Nation will agree with me that bilingual education has enhanced the total educational experience of all the participants. What we have is Americans learning to converse with other Americans with different backgrounds.

But, Mr. Speaker, the long-range potential results of bilingual education go much further. With adequate followup, these young people may be able to speak fluently a second language. Armed with this skill, they will be able to comprehend different cultures and a different pool of information. This pool of information extends from literary works to the analysis of political philosophies and actions of various nations—something that is often lost in the translation process. The key word, Mr. Speaker, is communication.

Although it may sound idealistic, I believe that with a comprehensive bilingual public education program, the possibilities for communication transcending national boundaries and backgrounds are endless. But, first, we must keep the Federal funding of bilingual education in tact and give it all the support we can. I have come across an appropriate article written by Mr. Pete Hamill which expands on the potential of bilingual education. At this time, Mr. Speaker I would like to enter this article in the RECORD which appeared in the Cleveland Plain Dealer.

[From the Cleveland Plain Dealer, Feb. 8, 1981]

BILINGUAL EDUCATION: PATH TO A BETTER UNITED STATES

(By Pete Hamill)

A long time ago, I went to school in Mexico City on the GI Bill. I was 21, and it was the best year of my life. I met a lot of people, saw some great prize-fighters, and was introduced to the turbulent world of Mexican art. But the most important thing that happened to me in Mexico was that I learned to speak Spanish.

As a reporter in the years that followed, I could speak to people who were ignored by other journalists. I could read the news in Spanish, and began to plunge into the extraordinary world of Latin American literature. Most important, I made friends with men and women I would not otherwise have known. If I hadn't learned Spanish, my life would have been a narrower, poorer experience.

So I'm saddened by the ferocity of the arguments over so-called bilingual education, and the recent decisions to eliminate it in many communities. In truth, even those programs now described as bilingual are not: When Spanish-speaking kids are taught in Spanish, that is monolingual. And what the country really could use is true bilingual education.

What I'm proposing is a revolutionary change in American education that would have every child in the United States learn two languages: English and Spanish.

I choose Spanish as the official second language. More than 20 million residents of

this country speak Spanish as a first language; hundreds of thousands of new Spanish-speaking people are arriving every month, legally or otherwise.

Many cities in the American Southwest are essentially bilingual, as is Miami. Thirty per cent of the people of Los Angeles speak Spanish as a first language, and almost three million Spanish-speaking people live in New York and its suburbs. Strom Thurmond may not like it, but the situation is real.

Most Spanish-speaking citizens do, in fact, learn English. Despite the staggering growth of the Latin population in the New York area, the circulation of the daily newspaper, El Dario-La Prensa, has remained at a constant 65,000 for almost 20 years. Some news is picked up from Spanish radio and TV shows, but the younger generation learns English and reads mainstream newspapers.

Sadly, many younger Latinos also lose Spanish, or begin to speak a dialect called "Spanglish." As Spanish fades or is corrupted, the wider English-speaking population is losing its great opportunity to learn Spanish from human beings, instead of from textbooks or phonograph records. It is one thing to learn Spanish grammar in a classroom, quite another to use it as a living language in daily life.

Other countries have been bilingual for years, and are at least as civilized as ours. It doesn't hurt the Swiss to know German and French; most Swedes speak English; possession of two languages did not harm Albert Einstein, Isaac Bashevis Singer, Albert Camus, Anwar Sadat, Menachem Begin or thousands of other distinguished human beings.

If English-speaking American kids were also taught Spanish from their earliest years, they would be true world citizens by the time they graduated from high school. They could travel anywhere in this hemisphere and be capable of intelligent conversation. Their capacity for friendship would be broadened.

They would have access, in the original language, to the most exciting literature now being produced in the world: the work of Gabriel Garcia Marquez, C. Cabrera Infante, Carlos Fuentes, Mario Vargas Llosa and older writers such as Borges, Neruda and Antonio Machado. They would be able to understand the songs of Ruben Blades, the powerful singer-writer from Panama.

They could better comprehend what Mexican President Lopez Portillo is saying to us, instead of depending upon the rough approximations, devoid of nuance, that come from translation.

A truly bilingual United States could be a marvelous country, where the abstract value of technology would be warmed by the humanist values of the Spanish heritage. It would be a nation truly united, instead of arbitrarily divided by the accidents of language and birth. Culturally, we would be richer. Politically, we would be stronger in this hemisphere, where our most critical interests will always be.

On a deeper, more distressing level, the current crusade against bilingualism is another example of the almost terminal nostalgia that is choking this country. Nostalgia is a lie told about the past; it denies the reality of both the present and the past.

Our nostalgia is rooted in the movies, where the good guys all spoke English, accents were used for comic relief, and those who did not speak English were usually bad guys who ended up dead. But the movies were a lie; this was never a country that spoke only English, and it never will be. The genius of the United States is pluralism. And the extension of Spanish would make us truly plural. Meanwhile, chico, digame: que es el nombre of that girl over there, la guapa with the red dress?●

ARMS SALES TO SAUDI ARABIA

HON. DAN MICA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. MICA. Mr. Speaker, once again our Nation faces a most difficult decision of foreign policy, which is the proposed sale of sophisticated military equipment to Saudi Arabia for use on its F-15 fighter aircraft. This decision is especially important because the outcome is likely to signal the thrust of the new administration of Mr. Reagan, as well as the strength of the new Congress to affect the decisionmaking process in the executive branch.

Mr. Speaker, I am disturbed at this proposed sale for two reasons. First, I was very hopeful that the new administration could initiate a Middle East policy that was not alarming to our staunch ally, Israel. I had hoped that one result of our recent national elections would be that the State of Israel, and its friends and supporters in the United States, would know clearly where they stand with us. I am fearful that this sale may already cloud their vision.

Second, Mr. Speaker, I firmly believe that U.S. policy in the Middle East should focus on restraining the armament there. Perhaps we can still make some inroads along those lines in the future.●

WE NEED AN ACCURATE FEDERAL ACCOUNTING METHOD

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. YOUNG of Florida. Mr. Speaker, I am today introducing legislation requiring the Federal Government to publish annual consolidated financial statements using the accrual method of accounting.

At the present time, the Federal Government has no precise idea of how it stands financially because it does not compile consolidated financial statements. With a $700 billion plus annual budget, huge assets, and a massive public debt which distorts our economy, the Federal Government should know exactly where it has committed the taxpayers' dollars. We could know this if we had a central place where all of the immense Government money machine's activities were compiled and tabulated. That is where my proposal comes in. We need an accurate, annual accounting of where we are financially.

Without this, it is difficult for us to intelligently decide on funding priorities, and it is virtually impossible to control backdoor spending. This latter problem, which represents a large leak in the National Treasury, comes from bureaucracies knowing how to hide pet projects in various accounts, where it would take an expert to root them out. Often, this spending is the kind which would wither away if exposed to the public eye. A consolidated financial statement would enable us to bring all Government financial activities together and thereby identify these drains on the overburdened taxpayers.

The General Accounting Office and other agencies have already set up a task force to study ways to implement the very provisions my bill contains. Through this legislation, then, Congress has an opportunity to recognize the importance of that work and at last adopt this vitally needed accounting procedure. I urge immediate consideration and passage of the bill.●

TRIBUTE TO BENJAMIN KAUFMAN, MEDAL OF HONOR WINNER

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. SMITH of New Jersey. Mr. Speaker, I would like to take this opportunity to honor the memory of Benjamin Kaufman, a Medal of Honor recipient from Trenton, N.J., who passed away on February 5.

Ben Kaufman was a tough soldier and a dedicated friend of his fellow enlisted men. He twice refused the honor of a commission because it would have meant leaving the regiment and his company.

His courage was legendary. Blinded by a gas shell during an engagement in France while aiding in the rescue of several of his men, Ben dodged the medical detail and groped his way to find out how his company was getting on. The doctors sent him to a hospital but before he was officially released he made his way back to his unit and joined his men on the front lines.

On October 4, 1918, Ben Kaufman performed his ultimate act of heroism during the Battle of the Argonne in France. He and two privates had been separated from their patrol. Within a few minutes the privates were wounded by German machinegun fire, leaving Kaufman on his own. As he charged the machinegun nest, an enemy bullet shattered his right arm. Using his left arm, he advanced alone

lobbing hand grenades toward the Germans.

When he got to the machinegun nest, he found 11 of the enemy dead. He took a 12th man prisoner and brought him back to the American lines.

Ben Kaufman's bravery in the face of great danger earned him awards from nine governments and our country presented him with the Congressional Medal of Honor.

A continuing dedication to his fellow veterans led Ben Kaufman to serve for 3 years as the national commander of the Jewish War Veterans and 9 years as the organization's executive director. He also served as the director of the New Jersey Employment Service in Trenton.

Mr. Speaker, I am proud that Ben Kaufman was a resident of my congressional district and I am sure that my colleagues are equally proud of him for the service he rendered to our Nation. His bravery and love of country should serve to remind us all that our freedoms are precious.●

NATURAL GAS DECONTROL ACT OF 1981

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. DANNEMEYER. Mr. Speaker, today I am introducing legislation to effect the immediate, total decontrol of both old and new natural gas. As you know, natural gas is presently priced and allocated according to the provisions of the Natural Gas Policy Act of 1978 (NGPA). This act partially decontrols natural gas in stages. Most natural gas found after April 20, 1977—so called new gas—will be decontrolled on January 1, 1985. In addition, gas from new wells shallower than 5,000 feet in old fields will be deregulated on January 1, 1987. It is important to note that selected categories of natural gas will not be deregulated under current law. Old gas, defined as that gas found before April of 1977, will remain regulated with the price allowed to increase with inflation. This latter category accounts for two-thirds of present interstate supply. Some stripper well gas and gas production from the Alaskan Prudhoe Bay will also not be deregulated. Finally, it is important to note in this connection that the NGPA took a giant step backward by extending controls to previously unregulated intrastate natural gas.

President Reagan's recent decision to accelerate the decontrol of domestic crude oil reinforces the arguments in favor of immediate decontrol of natural gas. First, the economic principles are the same in each case. A free market based upon a price mechanism allowed to move with the interaction of supply and demand in a reasonably competitive environment will allocate scarce resources more efficiently than a Government bureaucracy. The failure to incorporate this basic economic concept into our natural gas policy since 1954 accounts for the periodic shortages we have experienced. By artificially holding down the price of natural gas, we have signaled suppliers to explore and produce less and consumers to demand more of this energy source. Restoring a proper, efficient, equitable price element is the largest, single step we can take to improve our Nation's energy position. We will encourage both production and conservation when the price paid by natural gas users reflects the marginal cost rather than the artificially low price of natural gas under current controls.

Second, unless we decontrol natural gas, the decontrol of crude oil will make the exploration for oil increasingly more attractive than the search for natural gas. In the past, natural gas was discovered almost as a byproduct of oil exploration. However, less and less natural gas is found in conjunction with oil exploration today. To the extent that crude oil price decontrol increases the rate of return of oil over gas, a distortion is introduced that could diminish the discovery and production of new natural gas supplies.

Third, there is also a possible substitution effect of gas for oil by flexible users under oil decontrol while natural gas remains substantially regulated. Within the constraints of technology and Federal fuel use restrictions, users of oil will switch to the relatively cheaper natural gas. While we do want to reduce oil consumption and increase production, to do so via oil decontrol without natural gas decontrol is to largely shift the shortage problem from oil to gas rather than eliminate the shortage by encouraging the production and conservation of both oil and natural gas.

The cumulative effect is to encourage demand for natural gas in a regulatory environment in which the necessary incentives for production are reduced and the incremental pricing process of NGPA insulates nonindustrial gas users from the price increases that would otherwise foster conservation.

Ample historical data can be presented to demonstrate the validity of traditional economic price and allocation theory as just described. When the natural gas industry was in its infancy in the 1940's, supply was plentiful at a very low price. Yale University Prof. Paul MacAvoy, in an October 1979 article in Natural Resources Journal reprinted by the American Enterprise Institute, stated:

When pipeline demands exceeded annual production rates from the reserves in those fields under contract, prices increased and the consequent profit incentives eventually led to exploration specifically for gas, and this led to expanded new reserve offerings.

Conversely, the Environmental Study Conference's February 4, 1981, Fact Sheet pointed out:

From 1963 to 1973, interstate gas prices fell relative to inflation. Those low prices stimulated consumption but reduced the incentive to hunt for new gas. By 1967, additions to U.S. reserves had peaked, and the nation began to consume more gas each year than the industry found.

Even the modest steps toward decontrol contained in the NGPA had somewhat of an upward impact on production. In 1979, the first year after enactment, the Department of Energy reported that additions to proven reserves were approximately 14 TCF. This figure represented the highest additions to proven reserves since 1967. However, more incentives than those permitted under the NGPA are necessary to produce additional potential supplies. The regulatory complications of a pricing structure that incorporates 23 different categories of gas, each with a different price and escalation rate, offset at least some of the economic incentives to produce more gas contained in the NGPA. Natural gas exploration and production has a long tail. Uncertainty over the future policy environment cannot help but inhibit production activities. Immediate decontrol would remedy this situation by removing any doubts over what legislation might amend or replace the NGPA after 1985.

Some, but not all, of the arguments in favor of immediate decontrol would be weakened if significant quantities of natural gas were simply not in existence. Several years ago there were those who cried that we only had a dozen or so years supply of natural gas. Much of this sentiment was generated by the U.S. Geological Survey data of 1974–75, based solely on the state-of-the-art technology and economics of that year. Since then, however, more than a reasonable amount of evidence has been developed to support the proposition that sizable quantities of natural gas from conventional and supplemental sources are potentially available.

The November 1980 issue of the Gas Energy Review, published by the American Gas Association, summarized the full report of the AGA's Gas Supply Committee on the outlook for conventional and supplemental sources of gas energy through the year 2000.

Potential Gas Committee estimates of recoverable conventional natural gas indicate that 1,010 TCF including 163 TCF of proved reserves, remain to be produced, not including Alaska.

To be sure, while there is inherent uncertainty in estimating quantities of natural resources, these figures indicate the key role natural gas can play in our energy future.

That future will encompass an expanded role for supplemental sources of natural gas such as liquified natural gas (LNG), synthetic natural gas (SNG), coal seams, Devonian shale, tight sands, and others. These sources currently provide less than 7 percent of the total U.S. supply. Supplemental sources are forecast to account for 40 to 60 percent of U.S. supply by the year 2000. Furthermore, the AGA summary stated:

Available gas supply for the year 2000 will in all cases be in excess of 23 TCF compared with the 1979 actual supply of 21.3 TCF, this level of supply constitutes an eight percent increase.

Average supply estimates for the four (policy) scenarios for the year 2000 are in excess of 28 TCF per year, constituting an increase of 33 percent over the 1979 level of gas supply.

The upper limits of the gas supply estimates for the year 2000 vary between 30.1 TCF and 33.1 TCF. These levels represent approximately a 50 percent increase over current levels of available gas.

It is important to consider deregulation of natural gas in the context of other national energy initiatives. In many respects it seems that we have turned things upside down. We are spending billions of public and private funds on long term, exotic sources such as synthetic fuels while ignoring less expensive, faster, cleaner sources such as natural gas. Significant amounts of money will be needed to expand natural gas supplies, funds to be generated in large part by decontrol. However, the AGA points out, "gas energy supply and utilization projects generally require only two-thirds the capital investment of projects to generate and utilize electricity and synthetic liquid fuels from domestic resources."

Deregulation of natural gas is consistent with the manner in which we generally approach the pricing and allocation of resources in the American economy. The energy issue has developed into a recent problem because of the Government's past policies. An analogy taken from the American Enterprise Institute's publication "Energy—A Crisis In Public Policy" is very illuminating.

While there are obvious and vast differences between the OPEC-dominated market for nonrenewable resources such as oil and the temporary supply and price movements of an agricultural commodity such as coffee, it is interesting to look at the governmental response and its result. As the price of that commodity escalated, consumers have discovered the virtues of tea and of going without, while lower-priced new blends are finding their way to grocers' shelves. Fortunately, the government has not established a ceiling price for coffee, frozen the price of "old" coffee, allocated entitlements to coffee importers, offered tax incentives to encourage shifting from coffee to cocoa, instituted a massive research and development program for substitutes, or any of the other panoply of existing or proposed programs that have mushroomed in response to the energy crisis. Consumer's use patterns as well as producer's supply response for oil and natural gas could and would follow a similar pattern if the true economic signposts could be read through the mists of policy chaos.

While the mist would be lifted and the signposts readable under the total decontrol proposed by this legislation, I am under no illusion that decontrol is an energy panacea. Decontrol is a necessary, but not a sufficient condition for energy security. A great deal will depend on the emergence of a national commitment to research and development generally, the advancement of the state of the art in natural gas technology, and the availability of the investment capital needed to finance these many activities. Several of these variables will be influenced by the impending debate on national economic policy. However, there will be considerable less chance of future stable supplies in the absence of natural gas decontrol.

The warning of July 16, 1979, Newsweek article is even more pertinent today:

America cannot count on any single solution to its energy problem. A rational policy must include many elements, rely heavily on private markets and satisfy a basic requirement—to wean the nation from oil in general and from imported OPEC oil in particular. The transition will not be easy, cheap or painless, but it can be done. It must begin now.

In conclusion, Mr. Speaker, the comments of Nobel Prize winning economist Milton Friedman on oil controls are applicable to natural gas because the logic is the same. Professor Friedman has said:

Do you want a shortage? Have the government legislate a maximum price that is below the price that would otherwise prevail. That is why there is an energy crisis and a gasoline crisis. There is one simple way to end the energy crisis and the gasoline shortage tomorrow—and I mean tomorrow and not six months from now, not six years from now. Eliminate all controls on the prices of crude oil and other petroleum products.

As a member of the House Energy and Commerce Subcommittee on Fossil and Synthetic Fuels I look forward to exploring the full range of issues and questions surrounding natural gas decontrol in the 97th Congress.●

A TRIBUTE TO THE LATE HONORABLE ELLA GRASSO

HON. CLAUDINE SCHNEIDER

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mrs. SCHNEIDER. Mr. Speaker, I wish to join with my colleagues in the House of Representatives in paying tribute to the late Ella Grasso, former Governor of Connecticut and Member of Congress, who passed away earlier this month.

The loss of Governor Grasso will be felt not only by the citizens of Connecticut but by her friends and admirers all over the country. For more than 30 years she served her State and her country, and as the first woman to be elected Governor in her own right, she was an outstanding example for other women in this country who contemplate a career in public service.

Governor Grasso's compassion and unfailing good humor will be sorely missed, but her courage, grace, and dignity will remain as inspiration to us all.●

LOCAL CONDO CONVERSION LAWS

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. ROSENTHAL. Mr. Speaker, while the condo conversion phenomenon is made possible by Federal laws and policies, many local communities are acting to preserve affordable housing at minimal expense to the taxpayer. A recent article by Daniel Lauber in the February 1981 issue of Planning magazine describes the programs underway in San Francisco, Oakland, and Washington, D.C. Other localities may be interested in these programs and I want to share the article with my colleagues.

The article follows:

[From Planning Magazine, February 1981]

CONDO CONVERSION LAWS: THE NEXT GENERATION

(By Daniel Lauber)

Strip away the emotionalism and propaganda from condominium conversions and what do you get? Inflated housing costs, displacement, and a serious reduction in the supply of affordable housing in many communities.

With Section 8 funds shrinking, leaving 11.5 million lower income households nationwide in need of housing assistance, cities are hard put to meet their housing goals. Condominium conversions, which shrink the supply of housing that low- to middle-income families can afford, make the situation worse.

CITIES RESPOND

Realizing that condominium conversions may have adverse effects, officials in a growing number of cities have attempted to limit conversions by imposing an automatic moratorium when the rental vacancy rate falls below a preset level. (A recent APA Planning Advisory Service report—No. 343, *Condominium Conversion Regulations: Protecting Tenants;* $10; PAS subscribers, $5—describes some of these efforts.)

But three cities—Washington, D.C., San Francisco, and Oakland, California—have gone farther. They have developed legislation and supportive programs to preserve affordable housing at minimal expense to the taxpayer.

SAN FRANCISCO

In July 1979, San Francisco adopted a law requiring at least 40 percent of the tenants in every proposed conversion to sign an intent-to-purchase agreement. Like many other West Coast ordinances, San Francisco's contains the increasingly common tenant protections: life leases for the elderly, exclusive tenant right to purchase, payment of moving expenses, relocation assistance. But San Francisco's ordinance goes far beyond the types of provisions that merely ease the pain of conversion. It tries to preserve the city's stock of low- and moderate-income housing.

Under the San Francisco law, converters of buildings that contain low- or moderate-income units—as determined by the planning commission—have two choices. They can continue to rent the units (under special rent limitations), or they can price them for sale at a figure that is no more than two and a half times the upper income limit of low- to moderate-income households.

In addition, converters of all condos and coops of five or more units must reserve 10 percent of the units for low- or moderate-income families. If more than 10 percent of the units were low- or moderate-income prior to conversion, then the larger of the two figures must be met.

Developers have four ways to meet this requirement:

Sell the designated units to low- or moderate-income families at the figure noted above. Current occupants have first choice; second choice goes to people who can show that they were displaced by other condominium conversions. Resale prices are limited to the original price of the unit plus the cost of owner improvements and increases in the residential housing component of the Bay Area Cost of Living Index.

Retain the units as rental property for at least 20 years. Rent increases are limited to increases in the residential rent component of the Bay Area Cost of Living Index or a rent control ordinance, if one is in effect. Hardship exemptions are available.

Construct an equal number of low- or moderate-income units in areas not impacted with subsidized housing.

Contribute a certain amount (determined by formula) into the city's Housing Development Fund. The fund is used to assist in the development of new housing resources or to subsidize home purchases by low- and moderate-income people.

Does it work?

Yes and no. Conversions have increased rather than declined, as had been expected. By last August, the city had exceeded its self-imposed limit of converting no more than 1,000 units a year. By the end of September, developers already had filed applications for consideration of 700 units under the 1981 quota.

And, according to Alec Bash, who oversees the planning department's understaffed condo conversion division, the part of the law requiring 40 percent of the tenants to agree to a conversion has been thoroughly abused. As a result, the planning commission has recommended a whole series of amendments to the Board of Supervisors to assure that the person who signs the intent-to-purchase form actually lives in the apartment, that tenants who choose not to buy are not evicted, and that units are not kept vacant to reduce the number of signatures needed to win approval to convert.

On the other hand, the law does seem to preserve low- and moderate-income units. Although the city has no precise figures—the staff has its hands full trying to process conversion applications—Bash thinks the law is working. "Quite a few developers are retaining units as low- or moderate-income—15 to 20 percent, we estimate—or agreeing to make payments to the Housing Development Fund," he says.

OAKLAND

Across the bay, Oakland has taken one of the options San Francisco offers developers, refined it, and made it the cornerstone of the city's effort to preserve reasonably priced housing.

Most of Oakland's 3,521 condo units are concentrated around downtown Lake Merritt, where many of the city's elderly live. Here, as elsewhere, the elderly, lacking the mobility and financial resources of younger people, are the hardest hit by conversions.

Last March, the city passed a law that requires local officials to deny an application to convert a building of five or more units unless "every conversion unit will be replaced with a rental unit added to the city's housing." To comply, developers must earn "conversion rights" equal to the number of units they plan to convert.

A developer can earn conversion rights by building new rental structures, converting nonresidential buildings to residential rentals, renovating buildings that have been vacant for at least a year, or building a new condominium or cooperative and agreeing to keep all the units rental for at least seven years.

In addition, the law requires the city to deny an application to convert if the conversion would be inconsistent with the city's general plan, create a shortage of rentals, or have other negative impacts on rental housing.

So far, there have been only three conversions under the new law, all four-unit buildings exempt from the replacement rule. "If you assume its purpose was to get new rentals built we have not been successful as yet," says senior planner Sheldon Siegel, chief author and administrator of the new law. "I think, though, that developers of low- and moderate-income housing will catch on soon and realize that they can generate front-end money for subsidized housing by selling their conversion rights to condominium converters. Then the new law may help expand our stock of low- and moderate-income housing."

The trouble with this approach is that, while it may keep the number of low- and moderate-income units constant, it will not keep down the cost of providing them. Currently, the private sector is providing these units without government subsidy. Converting them to higher cost condominiums and then replacing them with government-subsidized new construction is a risky and expensive approach. Not only are subsidies shrinking, but their future availability is uncertain.

This approach does nothing to stabilize the cost of providing these units, and it does nothing to take affordable housing out of the inflationary speculative market. It may be the only approach politics in Oakland allowed, but it amounts to little more than treading water.

WASHINGTON, D.C.

Washington, D.C., on the other hand, is tackling the issue head on by giving tenants the laws and tools necessary to preserve affordable housing in the face of development industry pressures to convert to condominiums.

The key to preserving affordable housing in Washington is a provision carried over from earlier legislation. That provision requires the seller of a residential rental building to offer it to its tenants first and to allow them to match an outside buyer's price. (A provision of the city's new Rental Housing Conversion and Sales Act of 1980 also requires the approval of 51 percent of a building's tenants before a conversion can occur. But in the past, bribes of tenants and other chicanery have won owners enough votes for approval to render this provision ineffective.)

As of last July, tenants had used the law to buy 27 buildings with 2,713 units. During the same period, developers were converting nearly 4,300 units to much higher priced condominiums.

In buildings with five or more units, tenants have 45 days to exercise their right of first refusal to buy their building. During that time, they must form an association representing at least 51 percent of the tenants. The association, which then acts as the tenants' sole representative, has a minimum of 120 days to sign a contract to buy the building and another 120 days to secure a loan.

By itself the Washington law means little. It merely provides a legal framework for preserving reasonably priced housing. It is the financial aid and technical assistance the city provides to establish low-equity cooperatives that make the law work. As of July, 464 units in 12 low-equity coops had been created.

As in any cooperative, residents of a low-equity coop don't own their individual units. Instead, they own shares in a nonprofit corporation, which owns the building and the land. In a conventional coop, the cost of these shares is whatever the market will bear. But in a low-equity cooperative, the increase in share cost is limited by the coop's by-laws. By holding down the resale price of shares, the cooperative guarantees that low- and moderate-income families will be able to afford the shares in the future, breaking the speculative resale cycle that has fueled inflation in multifamily housing.

Tenants in Washington are not told which form of ownership they should seek. "We explain the advantages of each type and provide technical assistance to evaluate the alternatives," explains Marie Nahikian, special assistant to the administrator of the District's Housing Business Resources Administration (HBRA). "But the tenants have to make their own choice."

As it happens, however, low-income tenants nearly always turn to low-equity cooperatives, Nahikian reports. And when that happens, the public money starts to flow.

The HBRA, part of the city's Department of Housing and Community Development, operates a Coop Seed Money Loan Program, which provides loans to low-income tenant associations converting to low-equity coops.

A $500,000 HUD innovative grant started up the revolving loan fund used by the HBRA programs. Tenant associations repay the loans out of their permanent financing. The city also provides deferred payment loans to help finance down payments to write down monthly costs so they do not exceed 28 percent of a household's income.

Another HUD innovative grant for $3 million of city funds staked another revolving loan fund, the First Right Purchase Program. This fund provides short-term, low-interest "prepurchase loans" to help tenant associations pay their earnest money deposits.

Because of the revolving loan funds and because the private sector provides nearly all the permanent financing, public costs are largely administrative. There is probably no other housing program of this scale in the country today that provides so much at so little public cost. For a public investment of $4.03 million, or about $8,600 per unit, 464 apartments have been preserved for low-income families. Compare that figure to the $35,000 to $42,000 per-unit cost of new apartment construction.

Morever, Washington's program is one of the first to offer a direct challenge to a major cause of inflation in housing costs: speculation. By helping tenants buy their buildings, it cuts out inflationary middlemen. And by encouraging low-equity coops, it allows tenants to take their buildings out of the speculative cycle permanently while keeping them within the range of low- and moderate-income families. Best of all, once these conversions receive permanent private financing, the need for continuing government subsidies usually ends.

"You must develop a perspective that views housing as something more than just the single-family house," says Marie Nahikian in attempting to explain the success of the District's program. That's an attitude more government officials will have to accept if other cities are to preserve their supply of affordable housing in the 1980s.●

YOUNG MOVES TO REPEAL FOREIGN INTELLIGENCE SURVEILLANCE ACT

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. YOUNG of Florida. Mr. Speaker, I am today reintroducing legislation to repeal the Foreign Intelligence Surveillance Act of 1978, a dangerous and potentially disastrous law which places severe restrictions on the ability of the President and the intelligence community to monitor the activities of foreign agents in the United States. I first introduced this legislation in January of 1979, within weeks of the passage of this ill-conceived act.

The law was designed to address the concerns of some who feared Federal surveillance of our citizens. Instead, it hamstrings our intelligence-gathering agencies by requiring them to get court permission before using virtually any clandestine intelligence source, including electronic surveillance and informants, to track down national security threats.

The law requires the agencies to provide evidence that the targets of the surveillance are already involved in criminal activity before the surveillance is permitted. This incredible cart-before-the-horse provision means that our intelligence agencies can no longer find out ahead of time if a crime is being prepared, unless they happen to stumble upon evidence of it by some great stroke of luck. Then, they must ask judges with little, if any, day-to-day experience in intelligence matters to decide on the merits of one piece of intelligence gathering which alone may appear relatively insignificant, but which may help complete a larger intelligence puzzle.

What is worse, the act allows targets of surveillance to be notified in certain instances that they have been monitored, placing us in the ludicrous position of revealing to would-be lawbreakers our efforts to put them out of business. The law does not provide this protection to American citizens alone, but even to selected foreigners, including some whom our intelligence services may have identified as spies.

Widening the circle of people with access to secret data increases the chances of a damaging leak or a tipoff of a suspected spy, yet that is what this act does. In addition, it involves the judiciary in what is obviously an executive function: the administration of our intelligence laws, and the day-to-day decisions of how to handle national security threats. It abridges the power granted to the President by the Constitution to gather intelligence in order to protect our country from foreign aggression. Under the law, not even the President can authorize discrete surveillance for more than a limited period of time without a court order, even in time of war.

The law was a victory for the anti-intelligence forces in the United States who would like nothing better than to dismantle our entire intelligence community. It must be repealed so that the FBI and other intelligence agencies can get on with the work of tracking down potential threats to our citizens. The only people this law protects are the very ones who pose a threat to our national security.

With the rising tide of terrorism throughout the world, and the growing boldness of our enemies who want to see our great country discredited and humiliated, we need to untie our intelligence agencies and allow them to do their jobs. For the sake of all of us, I urge that this dangerous law be repealed quickly, so that the President may once again effectively collect intelligence on the enemies of the United States.●

THE DISABLED VETERAN

HON. G. V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. MONTGOMERY. Mr. Speaker, 1981 has been designated as the Year of the Disabled Person to call attention to the plight of millions of Americans and other handicapped men and women throughout the world. This yearlong observance will focus on both the accomplishments and the needs of the disabled.

Beginning with the 97th Congress, it is my privilege and high honor to have been elected by my colleagues to serve as chairman of the House Committee on Veterans' Affairs. Programs, benefits, and services affecting over 30 million veterans in addition to their eligible survivors and dependents fall under the jurisdiction of our committee. A large part of this commitment rests in caring for the very specific needs of disabled veterans. As we begin this very special year of observance for the disabled of the world, I believe it important to recognize the unique sacrifice of over 2.3 million American veterans who have been disabled while serving in defense of this Nation. In doing so we should also strengthen our continuing obligation to them.

Military service and the effects of combat in particular have produced the most disabling and crippling injuries. Among disabled veterans are thousands of paraplegics, amputees, the blind, the deaf, the helpless, and countless others who will spend the rest of their lives carrying the scars of their service to this country.

As I review the list of goals scheduled for the U.S. observance of the Year of the Disabled Person, I am confident that our Government, through the Veterans' Administration, has already come a long way in meeting many of those objectives.

Over the past years, successive Congresses have approved extensive assistance through the GI bill for education, readjustment, and rehabilitation for the disabled. Last year, in particular, the 96th Congress updated and liberalized the vocational rehabilitation program for service-connected disabled veterans through Public Law 96-466, the Veterans Rehabilitation and Education Amendments of 1980. These program adjustments will extend and improve job training and job placement services for thousands of disabled veterans. The Congress and the American people have long supported veterans preference and special consideration in hiring disabled veterans in both Federal and private employment. Included in the assistance provided disabled veterans are home loan guar-

antees, grants for automobile adaptive equipment, and financial aid for the specially adapted homes for seriously disabled veterans such as paraplegics who are confined to wheelchairs.

The primary purpose of the VA medical system has always been to care for the needs of those disabled while on active duty in the military service. The service-connected veteran has always received highest priority for care and treatment in VA medical facilities. The VA has led the Nation in both medical and psychological rehabilitation. Funds appropriated by Congress for the care of veterans have led to breakthroughs in advanced treatment, research in the area of spinal cord injury, prosthetics, and preventive health care to name a few. These accomplishments benefit not only disabled veterans but have brought about a better way of life for millions of disabled individuals around the world through improved technology.

Mr. Speaker, we have come a long way in meeting our commitment to the disabled veteran. However, this is not to say that we have fulfilled that commitment. Much still needs to be done both to maintain what we have already achieved and to advance a quality system of medical, readjustment, and rehabilitation programs to meet the ever changing needs of the disabled veteran. That is my goal as the incoming chairman of the House Committee on Veterans' Affairs. It is an objective we share on our committee to fulfill a just obligation to all veterans, both men and women, who have so faithfully served our country in the past. It is also our continuing obligation to preserve this system of benefits and services for those who may have to serve or even fight for our country in years to come.●

STANFORD SOVIET JEWRY PROGRAM

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. LANTOS. Mr. Speaker, in connection with Student Solidarity Day for Soviet Jewry, students at Stanford University are sponsoring a vital forum on the topic of "Reagan, Russia, and Human Rights." This program will focus needed attention on the current status of United States-Soviet relations and the worsening situation of Soviet Jews. The panelists include Nobel Laureate Dr. Kenneth Arrow and Dr. Morris Pripstein, chairman of the Scientists for Sakharov, Orlov, and Shcharansky. In addition to the main program, the students are bringing their concerns to four dormatories and a Hillel lunch. I would like to commend the sponsors of the program, Stanford Hillel, the Stanford Committee on Political Education, the Stanford Newman Center, the Jewish Community Relations Council and the Temple Beth Am Sisterhood. It is indeed refreshing, Mr. Speaker, to be reminded of the strong support for human rights and Soviet Jewry at Stanford University.●

BUSING REALITIES NO ASSURANCE OF BETTER TOMORROW

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. DERWINSKI. Mr. Speaker, there has been more practical conversation and less artificial rhetoric on the subject of busing students. While this is an issue of much concern in the metropolitan areas, it is, in fact, a subject that has nationwide significance. I was especially pleased to see an editorial appearing in the Economist Newspapers, which serve suburban Cook County, Ill., on the impact of school busing in the residential areas. The editorial, appearing in the February 18 edition, follows for the Members' attention:

BUSING REALITIES NO ASSURANCE OF BETTER TOMORROW

As we have remarked in the past, it is time to get the school busing issue out in the open and admit the real purpose of metropolitan-wide busing plans is to advance residential integration.

We pointed to a study entitled, "Breaking Down Barriers: New Evidence on the Impact of Metropolitan School Desegregation on Housing Pattern," by Diana Pearce at the Center for National Policy Review, School of Law, Catholic University of America.

A major conclusion of this report is that "substantial housing desegregation" accompanies metropolitan school desegregation and the more metropolitan the scope of busing, the stronger its impact on housing segregation.

Diana Pearce, in case you haven't noted the connection, is one of three members of a task force appointed by the Chicago Board of Education Desegregation Planning Team to gather data.

She was in the news the other day for having written a letter to the DuPage County Superintendent of Schools on how many students are bused to schools there, what grades they are in and how long and how far they ride the buses.

She was criticized by one of the associates of the planning team for making it look like a metropolitan-wide busing plan is being studied "right now," which, the official claimed, is not the case.

That's not a very strong denial. Take out the words "right now" and it's a virtual admission that metropolitan busing is being studied.

We make two points:

1. Let's start being honest in listing the reason for school busing, which is to break down the housing barriers for blacks and other minorities. This may be a very good reason, but let's argue it out on these grounds. Let's not use the children as pawns in a contest that belongs to the adults. And let's not make the schools bear the burden of a problem that they in no way created.

2. Is busing worth the effort? That, readers may recall, was the subject of a series of articles prepared by the highly respected Christian Science Monitor News Service and run on these pages recently. The conclusion has to be that it isn't, best summed up by Milly Harmon, an ardent Los Angeles busing advocate who has completely reversed her opinion on the subject since the start of busing in that city two years ago.

"I really saw a better tomorrow as we all did," said Milly Harmon of the attitudes she developed in the 1960s, "but the realities have not worked out that way."●

PHARMACY PROTECTION—THE TIME IS NOW

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. HYDE. Mr. Speaker, on several occasions in the past, I have risen to speak about a brutal and vicious drug-related crime which gives me great concern: The robbery of pharmacies for the purpose of obtaining controlled substances. I am particularly disturbed by the violent nature of this crime, which endangers not only the industrious businessman, but the innocent customer as well.

As I have mentioned, the dramatic escalation in the incidence of this crime is a regrettable byproduct of Federal efforts to restrict the availability of illegal drugs. Determined and resourceful addicts and dealers have targeted neighborhood drugstores instead of the previous sources which now pose an increased likelihood of apprehension by Federal authorities. I do not subscribe to the misguided notion that Federal Government intervention will cure all of society's ills. On the other hand, we cannot permit the Federal Government to ignore the adverse effects of its actions, no matter how commendable and unintended, particularly where it appears that the States and localities have insufficient resources to cope with the problem. It is incongruous, in my view, that the resources of the Federal Government may be brought to bear against one who illegally dispenses controlled substances, but not against one who takes them at the point of a gun.

I have sponsored and supported various measures designed to correct this deficiency in the past, including an amendment to the Criminal Code revision bill (H.R. 6915) which was considered by the Committee on the Judiciary last year, and other bills. Today, I am introducing a bill which differs from past versions in an effort to create the most effective Federal deterrent to this activity.

Specifically, my bill penalizes the taking of controlled substances, by force or intimidation, which are under the control, or on the premises of any pharmacy. The penalties for a first offense range from a minimum of 5 years imprisonment, to a maximum of 20 years imprisonment and/or a $5,000 fine. In the case of a second or subsequent conviction, the penalties range from a minimum prison sentence of 10 years to a maximum term of 25 years and/or a $10,000 fine. Because these crimes pose a serious threat to life and limb, there are increased penalties, including a minimum sentence of 15 years imprisonment, for assualts committed in connection with the offense or the use of a dangerous weapon. If the offender kills anyone, he is subject to imprisonment for life, but not less than 20 years. Penalties are also imposed for attempting to commit such a robbery or for engaging in a conspiracy to commit the offense.

Mr. Speaker, one of the novel features in this bill is the provision for mandatory minimum sentences. I believe that this sort of certainty in sentencing is imperative if we are to effectively deter criminal activity. To insure that these minimums will not only be imposed, but will also be served, the bill prohibits the sentencing judge from suspending any part of the minimum sentence or giving probation with respect to that minimum. Furthermore, anyone convicted of the offense cannot be eligible for parole before serving the mandatory minimum sentence. I believe that this approach comports with the theme so wisely sounded by the Chief Justice of the United States in his recent speech before the American Bar Association. As he observed, a crucial factor in abolishing crime is the deterrent effect of "swift and certain consequences," including certain penalty.

Finally, my bill mandates the compilation of certain statistics relating to crimes of this nature. The FBI is required to include pharmacy robbery data in its uniform crime reports. In addition, during the first 3 years following enactment, the Attorney General must report to Congress on the Justice Department's enforcement efforts with respect to the offenses created under this bill. This will enable us to monitor the needs of the Department for investigative and prosecutorial staff in this area.

Mr. Speaker, a Federal response to this problem is long overdue. I believe that the bill which I am introducing today presents a comprehensive and effective approach and I urge my colleagues to support it. I hope that we can act expeditiously so that the pharmacists and their customers can soon enjoy the protection of the Federal Government, which they most assuredly deserve.●

COMMEMORATIVE MEDALLION IN HONOR OF MAGGIE LENA WALKER

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. MITCHELL of Maryland. Mr. Speaker, today I am introducing a legislative initiative which pays tribute to a great American black woman. This bill, which was also introduced during the 96th Congress, calls for the striking and public sale of a commemorative medallion in honor of Maggie Lena Walker. Mrs. Walker had the distinguished honor of being the first woman president of a bank anywhere in the world. The bank survives today in the Consolidated Bank & Trust Co., in Richmond, Va. I am introducing this measure on behalf of myself, and Congresspersons BENJAMIN, HAWKINS, WOLPE, ADDABBO, MURPHY, RICHMOND, MIKULSKI, WHITEHURST, VENTO, CORRADA, ROE, FORD of Tennessee, CHISHOLM, OTTINGER, FAUNTROY, DIXON, COLLINS of Illinois, PHILLIP BURTON, GRAY, WASHINGTON, and GREEN.

Mrs. Walker is known as having been an astute businesswoman, dedicated community leader, and organizer. Born in Richmond, Va., on July 15, 1867, Maggie Walker began her public service career at the age of 14, when she joined the Independent Order of St. Luke. Her membership in this organization—which was established for the expressed purpose of helping the sick and burying the dead during the post Civil War period—lasted for the duration of her life. Her accomplishments within the organization during this time included: a secretarial position for the Good Idea Council No. 16; appointment as a delegate to the annual convention at Petersburg, Va.; holding the grand sentinel, right worthy grand chief, and national deputy positions respectively. In her capacity as executive secretary, Mrs. Walker established councils in Virgina and West Virginia.

Maggie Walker's lifelong work and dedication to the Independent Order of St. Luke did not preclude her participation in other rewarding activities. Mrs. Walker continued her education from the Richmond public and normal schools, to Virginia Union University where she received an honorary master of science degree in 1925. Mrs. Walker was a trustee of the university in 1931, and in that same year, was the director of a training and an industrial school in the District of Columbia and Virginia respectively.

In addition to having taught school from 1883 until 1886, Mrs. Walker, in various years, served as president of the Council of Colored Women, Inc.; vice president of the Negro Organization Society of Virginia; executive board member of the NAACP; and, member of numerous other fraternal organizations.

Mrs. Walker's home has been designated as a national historic site, and the Maggie L. Walker Historical Foundation continues to work arduously in the area of historic preservation.

This commemorative medallion bill will be referred to the House Banking, Finance and Urban Affairs Committee's Consumer Affairs Subcommittee. In accordance with this subcommittee's policy, I am actively seeking cosponsorship of the measure by a majority of the House. The policy stipulates that such a requirement be met prior to the holding of a hearing on bills of this nature.

Again, I urge my colleagues to please join me in an appropriate tribute to a great American by cosponsoring the Maggie L. Walker commemorative medallion initiative.●

MAKING THE REGULATORY SYSTEM MORE RESPONSIVE

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. YOUNG of Florida. Mr. Speaker, 6 years ago I identified a basic problem with the Federal regulatory process, and I introduced legislation to correct it. Today, I introduce this bill again in an effort to make the regulatory system more responsive to those affected by regulations, the ones who suffer most from our present inadequate procedures.

Increasingly, Congress has passed legislation which delegates broad regulatory powers to the Federal agencies responsible for administering the laws. This, of course, leads to government by executive fiat, rather than by representative assembly, and I oppose it. While I urge my colleagues to abandon this approach and return to government by the people's representatives, as our Founding Fathers envisioned, I think it would be wise to simultaneously reform the regulatory system now to immediately correct some of the deficiencies of the present.

Under present procedures, agencies hold hearings on proposed regulations, draft them, publish them in the Federal Register and invite comments, then, after reviewing the comments, publish final regulations. Unfortunately, agencies are now required to give only 2 weeks' notice before their hearings, and to allow only 30 days for comments on proposed regulations. Most of those affected by these regulations are small businessmen, farmers, manufacturers, and others who have little time to analyze regulations as it is. With current deadlines, they

sometimes find it virtually impossible to participate in rulemaking.

My legislation is an attempt to redress this vexing problem. It would double the time an agency must allow before holding hearings on regulations, and it would likewise double the time for comments on proposed rules. This basic change would mean an increased opportunity for many Americans to have advance knowledge of the seeming flood of Federal regulations, and to organize effective responses to the more onerous ones. Under our present system, Federal dictates often emerge bearing little relation to the problem they supposedly address.

President Reagan has already announced his intention to reduce Federal mandates, and I join wholeheartedly in endorsing that goal. The legislation I propose is in keeping with that spirit of making the Federal Government the servant of the people, not the other way around, and it is endorsed by those in Florida's Sixth Congressional District and around the Nation who have had to suffer under hastily drawn regulations approved after all too brief public hearings.

For the sake of all our citizens, I urge the speedy approval of this basic yet essential revamping of the Federal regulatory process.●

SCITUATE CELEBRATES 250TH ANNIVERSARY

HON. CLAUDINE SCHNEIDER

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mrs. SCHNEIDER. Mr. Speaker, I would like to call to the attention of my distinguished colleagues an event taking place in my congressional district this year, and offer my congratulations to the residents of the town of Scituate, R.I., which is celebrating its 250th anniversary. Scituate was the birthplace of both Stephen Hopkins, a signer of the Declaration of Independence, and Esek Hopkins, the first commander of the revolutionary navy.

I am sure my colleagues will join with me in extending my admiration and appreciation of the spirit and tradition of patriotism and involvement which began 250 years ago, and continues to be a part of life in Scituate today. I offer my congratulations to the residents of Scituate and wish them well on this historic occasion.●

HUMAN RIGHTS—THE STATE DEPARTMENT'S BUREAU OF HUMAN RIGHTS AND HUMANITARIAN AFFAIRS

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. BONKER. Mr. Speaker, last Friday the administration nominated Ernest W. Lefever to be the Assistant Secretary for the Bureau of Human Rights and Humanitarian Affairs and sent his name to the Senate for confirmation. Mr. Lefever will have a tough act to follow.

Patt Derian, who held that office during the Carter administration, conducted herself and the human rights policy with courage, devotion, and a tenacity that won her begrudging respect. During an interview with John M. Goshko of the Washington Post which took place in the final days of her term, Ms. Derian said:

What Reagan and his people have been saying about human rights is not based on reality—on knowledge of the situation, the law and the methods and machinery that the law imposes on this government. My hope is that once they've pondered the law and gotten a good fix on the situation, they'll drop all this strange talk, face the fact that human rights have become a fact of life in foreign policy and start thinking about what has to be done to make the policy better and more consistent.

The administration would be wise to read that interview. I would like to commend that article to the attention of all my distinguished Colleagues.

The article follows:

AFTER PATT DERIAN LEAVES STATE, WHITHER HUMAN RIGHTS POLICY?

Patt Derian plans to stay home on Inauguration Day next Tuesday. That's in contrast to four years ago, when even the arrival of a furniture-laden moving van 20 minutes before Jimmy Carter was due to be sworn in couldn't keep her away.

Inevitably, there's a temptation to take that as a metaphor for how quickly Ronald Reagan is expected to downgrade many of the Carter administration's key policy priorities. Among the first candidates for this whittling away is the effort to make human rights a consideration in the conduct of foreign policy.

For four years, Derian—a Mississippi housewife who never had held a paying job—personified that policy. As Carter's assistant secretary of state for human rights, the bluntly outspoken Derian waged an unceasing battle to force governmental leaders abroad and entrenched bureaucrats at home to revise their traditional view that moral judgments have no place among the power politics of diplomacy.

Now, buoyed by repeated statements from the Reagan camp that human rights factors no longer will be a major determinant of U.S. foreign relations, Derian's myriad opponents are counting the days until the influence she wielded is eliminated. Derian, though, isn't so sure that her work can be relegated to the attic quite so easily.

"What Reagan and his people have been saying about human rights is not based on reality—on knowledge of the situation, the law and the methods and machinery that the law imposes on this government," she says. "My hope is that once they've pondered the law and gotten a good fix on the situation, they'll drop all this strange talk, face the fact that human rights have become a fact of life in foreign policy and start thinking about what has to be done to make the policy better and more consistent."

The reality, Derian contends, is that Carter's championing of human rights "saved an awful lot of people's lives" and, as a result, raised expectations among the people of the communist bloc and the Third World.

"It reached the point where practically every important national leader felt compelled to stand up—hand placed piously on heart—and swear his loyalty to the human rights factor in international relations," she says. "Once that happens, people expect tangible evidence that this fervent regard for principles is being translated into practical results, and if the evidence isn't forthcoming people will chafe, with increasingly dangerous consequences, at repression."

"What we did was so unprecedented because it touched lives, governments, organizations and institutions," she says, adding: "My hardest task was to make that clear to a bureaucracy that for 100 years had been weaned on the idea that American political, commercial or security interests were the only things that counted in diplomacy. I tried to make them see that human rights was something that wouldn't tarnish their polished and exquisite view of classical diplomacy, but that actually could serve as a powerful new weapon for American interests. . . ."

Although her husband, former State Department spokesman Hodding Carter, recently wrote a much-remarked account of the infighting among leading Carter administration policymakers, Derian says she will not "publicly bash" those who opposed her ideas. But their identities are implicit in her comment that "certain organs of the government—in particular the bureaus of the State Department that deal with different global regions, the Pentagon, the CIA, the staff of the National Security Council—all have a tendency to view policy from their own narrow perspectives and an excess of clientitis."

"It was pathetic," she recalls, "the way these groups were always arguing that we overlook the excesses of X government or adjust to Y government because they don't understand our system and democratic ways. It gave our foreign policy a spineless, weak-kneed quality."

That attitude led Derian into a number of battles that already have become legends within the State Department. She didn't win them all (Iran before the revolution and South Korea are two instances where she concedes that human rights were made secondary to strategic considerations), but when it came to other areas, particularly Latin America and Southern Africa, the bureaucrats quickly learned that Derian wasn't simply a nice, do-gooding lady whose ideas could be ignored.

In part, that was because she had considerable clout with Carter and his two secretaries of state: Cyrus R. Vance and Edmund S. Muskie. But Derian and her aides were able to build on that influence to make the views of the bureau of human rights a major factor in determining economic and military aid.

The power to deny assistance to dictatorial regimes because of poor human rights records was the principal innovation Derian introduced into the policy-making machinery. It also is the one the Reagan people have talked most about eliminating, on the grounds that it was applied in an erratic and inconsistent way, and that the primary consideration in dispensing aid should be the U.S. national interest.

On the first point, Derian admits the criticism is justified. She says, "We did things on a country-by-country and case-by-case basis, and that ultimately proved to be a very limiting and erroneous approach."

But, she adds, "that's where a Reagan administration could improve the system. It could formulate a series of guidelines, based on basic principles of decent behavior, against which to weigh all countries being considered for economic or military aid." As to the idea that American interests are served by supporting dictators, Derian shows no patience. "Take Central America, where they talk about backing rightist governments because otherwise the Cubans will take over. Well, when people are oppressed and ripe for exploitation, that kind of approach lets them win on the cheap."

Derian has no illusions that the new administration will start out disposed to take her advice. But she is hopeful it might learn.

"The president-elect has said he wants to make Washington 'a shining city on a hill.' I don't think he's talking about one made out of sequins. What makes us solid and sparkling is our freedom and our adherence to democratic values," she says. "If you try to be one kind of government at home and another kind in your foreign relations, you've kicked away half of the girders that you need to build that 'shining city on the hill.' "●

H.R. 2029

HON. SAM B. HALL, JR.

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. SAM B. HALL, JR. Mr. Speaker, this morning I am introducing a measure, H.R. 2029, which I believe will solve a serious problem which has occurred in the servicemen's group life insurance program as it relates to Reserve Forces.

At hearings which the Subcommittee on Compensation, Pension and Insurance held last year, it was brought out that 60 percent of nonpay reservists and 13 percent of pay reservists participating in this program are delinquent for an amount in excess of $1.3 million. A much larger but undetermined number of separated members are also indebted to the program—and in the Navy alone, it is estimated that the insurance indebtedness could be as much as $3.3 million.

Though the program is in a sound financial condition at present, it must be understood that those who do pay for their insurance coverage are obviously paying as well for the delinquent group.

My bill therefore would require the Secretary of Defense to take action to collect these premiums.

Mr. Speaker, not only would this clear up the delinquency problem by preventing further shortages but it would also make sure that the premium-paying burden is shared by all of the individuals who choose to have this protection.●

NADA PRESIDENT'S ADDRESS

HON. MATTHEW F. McHUGH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. McHUGH. Mr. Speaker, Wendell H. Miller, of Binghamton, N.Y., is a constituent of mine and recently became president of the National Automobile Dealers Association. Given the difficult time that the automotive industry is going through, Mr. Miller's remarks at the recent NADA convention may be of special interest to my colleagues, and I therefore include them in the RECORD at this point.

REMARKS BY WENDELL H. MILLER, 1981 NADA PRESIDENT TO THE GENERAL SESSION, NADA CONVENTION AND EXPOSITION, LOS ANGELES, CALIF., FEBRUARY 10, 1981

Ladies and gentlemen, I want you to know that I eagerly accept the challenge to lead NADA thru the coming year.

A few weeks ago, an editorial headline in the Automotive News declared "1980 Was One Hell of a Year." I am sure George Irvin would totally agree.

I want to thank him right now for all of us for keeping a cool and level head in some traumatic times. And for working with your officers and directors and our fine staff of over 300 to keep NADA responsive and effective for our dealers during 1980.

Actually, it has been "one hell of a past 25 months". It is difficult to remember that only a brief 25 months ago—January 1979—gas was selling for sixty-five cents a gallon; full-size cars were on maximum overtime; V8 engines were in short supply; manufacturers' sales incentives were on most small cars; and the import inventory was at a 127-day supply.

But then the Iranian oil embargo upset the apple cart and in a 90-day period the market turned upside down, and so did inventories. From them on, the economy and energy took turns bouncing our automobile and truck dealers around, and every dealer who could, hung on.

Unfortunately, over 1,600 dealers in 1980 lost their grip and could not hang on. The shame was that most of those 1,600 dealers went out, not for mismanagement or for lack of dedication to their businesses but for a myriad of external reasons far beyond their control.

Total car sales went down over 20% in this 25-month period but within that framework domestic sales dropped 30% while imports rose 20%.

Dealer profits are averaging one-half of one percent and our domestic manufacturers are indicating 1980 pretax losses of over 8 billion dollars.

There is no question that our industry today is in deep trouble. Quoting Keith Crain, publisher of the Automotive News, at the AOT luncheon on Sunday: "The buzz word at this convention seems to be 'survival.' "

Well, the bad news is certainly obvious, and we could continue forever editorializing about the sins of our manufacturers, our government, our unions and our banks, but it really would accomplish nothing.

The positive question is, how does this great industry that means so much to all of us, rise from the ashes of the past 25 months? Certainly, there are already some bright spots appearing—

However slight the decline, our crippling prime rate is on the way down.

However slight the incline, our national economy is on the way up.

We have a new and concerned administration which recognizes the trouble our industry is in and has us on the front burner for a major recovery effort.

There seems to be a new feeling of mutual trust, understanding and cooperation in Washington between Government, industry and labor.

The Chrysler experience has been a valuable workshop and has proven that reasonable men can put aside their differences and work to a mutual benefit.

There is a tremendous pent-up retail demand for cars and trucks waiting for some trigger or sign indicating confidence in our national efforts to reduce inflation, curb Federal spending and lower interest rates.

The love affair for the automobile is not over—just on "hold." Consider that the great New York Auto Show had increased attendance last week even with an increased admission price.

There is no question that 1981 will be a critical year for our dealers, our industry, our national economy and our country. There is no question that 1981 will be a transition year of monumental changes for our manufacturers and our dealers as we adjust to a brand new set of world market conditions and consumer requirements.

The past will just not be prologue as we enter what could be the most exciting, innovative and profitable period in our business lives.

We have often said that nothing happens in our industry until one salesman sells one car or truck at retail.

We have also said that America has never had a successful national economy without the base of a healthy automotive industry.

If these assumptions are true, then it follows that the 20,000 franchised dealer members of NADA have got to be the cutting edge of any national recovery effort.

I say that to clearly and firmly establish the importance of every franchised dealer in America, as represented by NADA, to that effort. Nothing will work until a dealer unplugs the supply pipeline at the retail end.

A domestic manufacturing industry, fully recovered and producing a quality product with good productivity priced right and fitting the needs of the consumer and our economy, will mean nothing unless an adequate number of experienced and quality dealers are in the right places to sell and service those products.

We deeply appreciate Secretary Lewis being with us today in his first appearance since his appointment by President Reagan as Secretary of the Department of Transportation. It certainly indicates his urgent concern for the current plight of our industry, and we welcome the chance to let him know of the special and more immediate problems of the retail part of our industry—and hear his plans.

I also want him to carry back to President Reagan a clear message from the 20,000 franchised dealer members of NADA and from this convention that we totally support his program for a "new beginning" in our fight against inflation and will bear our share of whatever burden or sacrifice is necessary to get the job done.

We will also carefully study in detail the program recently presented to President Reagan by the manufacturers—as referred to by Mr. Caldwell on Saturday.

NADA will soon be presenting an action plan of our own to ensure that dealers interests are understood.

1981 will be a transition year. The beginning will certainly be no worse than 1980, and I feel the end will indicate us to be well on the way to the exciting decade ahead.

It will, however, take every bit of patience, intelligence and cooperation from every sector of our economy involved—Government, labor, manufacturers and dealers.

Certainly, product, productivity and quality have contributed to the success of the Japanese auto industry, but these talents would have died on the vine were it not for the climate created by the total and intelligent cooperation of government, labor, industry and banking in Japan.

We can no longer afford in this country to dissipate our energies with intramural bickering and cheap shots. We must attend to our true consumer responsibilities of product, productivity, quality and price and attend to it together.

But NADA represents over 20,000 franchised new car and truck dealers fighting for their business lives—right now! What is necessary right now—short range—to ensure minimal continued attrition and ensure their still being here to bear the fruits of the ultimate success of President Reagan's plan for an American "new beginning" and Secretary Lewis' task force efforts?

All environmental and safety regulations must be frozen for a two-year period.

No. 1—We need immediate relief from ill-conceived and poorly applied regulations that have been piled on this industry, sometimes vindictively, with little or no concern for cost-effectiveness. Certainly, we support responsible and necessary regulations, but we have gone far beyond the point of diminishing returns with this burden.

No. 2—NADA supports an immediate tax credit as a first and necessary step to stimulate new vehicle sales and to lead the recovery of the automobile industry at both the wholesale and retail levels.

No. 3—We must continue to improve dealer-manufacturer relations.

We must deal in a climate of mutual respect for our responsibilities to each other and on a true bilateral basis.

It is true that while we, as dealers, are natural partners with our manufacturers, we are also natural adversaries.

But our destinies are parallel and our daily and ongoing discussions must be conducted in a climate of mutual concern and respect.

I have said many times that our basic industry relations frustration is that we, as dealers, suffer from a lack of leverage with our manufacturers. We can demand and recommend, but if the answer is no, there just is no next step. The power of 20,000 dealers working together is obvious, and somehow we must find a way to use that power.

No. 4—Our manufacturers must roll back prices to a realistic level.

Since adopting this position at our NADA board meeting on Friday, there has been considerable discussion of this recommendation at this convention and in the national press.

I would like to take a minute to clarify just why NADA has taken this position and the rationale behind it.

The Board of Directors of NADA is committed to reflect the concern of the dealers they represent. These dealers are on the daily firing line with constant contact with their customers and their prospects.

The message for the past several months has been crystal clear—dealers felt the 1981 introductory prices were too high. Dealers felt that the rapid price rises since introduction, in the face of a declining market and rising interest rates, made no economic sense. Dealers felt that the recent incentive programs by some manufacturers have proven that a five- or six-hundred dollar price reduction will stimulate a stagnant market.

Obviously, no manufacturer can absorb this reduction as a normal operating cost any more than this country can absorb three successive 10% cuts in personal tax revenue.

But our philosophy in making this request was identical to President Reagan's tax cut proposal.

Just as President Reagan expects to offset this immediate loss of income by stimulating offseting income in other areas, NADA feels a price rollback would trigger a market response of enough volume to offset the reduction.

NADA is committed to working for regulatory relief, a tax credit, a more bilateral dealer-factory relationship and a price rollback to minimize dealer attrition in the immediate year ahead.

Internally, one thing I would like to see in the coming months is the total involvement of every dealer member with NADA.

I want every dealer member to be totally informed, totally committed and totally supportive of the only broad-based national organization he has that can be there when he needs it.

I want 1981 at NADA to be "The Year of the Dealer".

I want to thank you again for the chance to be your president in this critical transition year from "the worst of times—to the best of times."

I pledge to you my best efforts to ensure that one year from today the picture will be far brighter, and we will be well on the way toward the exciting, innovative and profitable 1980's I see ahead.

Thank you very much.●

PRESIDENT REAGAN'S BUDGET CUTS

HON. BOB SHAMANSKY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. SHAMANSKY. Mr. Speaker, President Reagan has proposed substantial reductions in Federal spending as part of his efforts to restrain inflation. I fully support efforts to reduce substantially the budget deficit, and intend to work to see that budget-cutting effort succeed.

Because the burden of these budget cuts will fall most heavily upon the least fortunate in our country, it is especially important that these cuts be as fair as possible. This is a responsibility which Congress cannot shrug. No one region or income group should be asked to make a disproportionate sacrifice.

In this regard I recommend to my colleagues the following article which appeared in the Columbus Dispatch showing how the current plan would favor the so-called Sunbelt over the Midwest and thereby increase the outflow of much needed jobs from my region of the country. We must avoid this result, be it intended or unintended.

SUNBELT BENEFITS MOST, ANALYSTS SAY

WASHINGTON.—President Reagan's economic program favors the Sunbelt over the Frostbelt, analysts concerned over the decline of the nation's old manufacturing region contend.

The White House denies that this was the intent, or will be the result, of the president's package of tax and spending cuts, but various organizations and individuals who have looked at the package say it will only hasten the Frostbelt's economic decline.

"If there is any new investment, there will be one general decision by companies: Go south, go west," said Gar Alperovitz, an economist for the liberal-leaning Center for Economic Alternatives, a think tank.

"We think the president's program favors growing, cheap land areas," said Tom Cochran, executive director of the Northeast-Midwest Congressional Coalition, a group formed by representatives from the Frostbelt states.

"What you have already is a migration of taxpayers away from the Northeast and Midwest, and that could be accelerated by this program," said Felix Rohatyn, a senior partner in the investment banking firm of Lazard Freres & Co. of New York.

Analysts cite the following reasons why the program could speed up the region's decline:

Business tax cuts: Reagan's plan to reduce from 25 to 10 years the period in which companies can write off, with depreciation tax deductions, the cost of building new factories will induce many companies to move plants to the Sunbelt states.

Rohatyn, Cochran, Alperovitz and others interviewed said that the depreciation schedules could and should be changed to permit some tax writeoff to rehabilitate existing structures.

Firms will be led to warmer climates because labor, land and energy costs are relatively cheaper in the Sunbelt, they say.

Military spending: All the analysts interviewed noted that the economies of western states, where the defense industry is centered, will be dramatically affected by Reagan's planned huge increase in the defense budget.

Oil decontrol: Rohatyn said that higher oil prices brought about by Reagan's decision will add to production costs in the Northeast, where manufacturing is heavier and where the weather is colder.

At the same time, he said, the Sunbelt states will collect an additional $120 billion over the next decade from their various energy taxes—taxes they are able to charge because they happen to be where the oil is.

Public financing: Rohatyn said that Frostbelt cities are going to have a much more difficult time financing their projects

through borrowing from the municipal bond market.

"The municipal bond market has been very difficult for some time," he said. "This situation, and the dimmer outlook for the Northeast and Midwest, is going to make local financing more difficult. The creditworthiness of the entire region becomes more questionable."

Bonds now rated AAA in some Northeast and Midwest cities will find their ratings lowered, while Sunbelt cities will see the credit-worthiness of their bonds increased.●

INTERVIEW WITH REV. JERRY FALWELL—PART II

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. McDONALD. Mr. Speaker, continuing a review of the danger of secular humanism as a basis of morality, society, and ultimately government, the second part of the recent Penthouse interview with Rev. Jerry Falwell, the president of the Moral Majority, is instructive.

That portion of the interview follows for the benefit of my colleagues interested in the essential question of what form of morality as a basis of society and government.

REVEREND JERRY FALWELL

Penthouse: When you say you're a fundamentalist, does this actually mean you believe that everything in the Bible is specifically correct?

Falwell: Yes. The reason I use the word fundamentalist in preference to the word evangelical is this: 20 years ago I did not object to the word evangelical, because it meant the same thing that fundamentalist means today. But today there are many who have come in . . . under the shelter of evangelicalism who in fact are not evangelicals. The basic tenet of former evangelical Christianity, now what I call fundamentalist Christianity, is that we have one basic document on which we predicate everything we believe, our faith, our practice, our lifestyle, our homes et cetera, government—is the inherency of scripture, not only in matters of theology, but science, geography, history, et cetera—totally and entirely, the very word of God.

Penthouse: Do you believe the sort of things [found in the Bible] like Lot's wife is turned into a pillar of salt?

Falwell: I do.

Penthouse: You must believe in science. . . . The dating of radio carbons says that there were animals here millions of years ago, and obviously there was human civilization in China, Egypt, Sumeria, the Aztecs, whatever, long before the span that the Bible says. How do you reconcile this?

Falwell: No problem at all with that. I thoroughly, totally agree with all of these findings. And the Bible in no way is contradicted, nor does the Bible contradict that. In the beginning, God created the heaven and the earth. If you'll read the first three chapters of Genesis carefully, there's a very clear, unlimited time span there. It could have been millions of years; it could have been hundreds of millions of years.

The only thing I reject, of course, and there is not one shred of scientific fact to support it, is the evolution of man from a lower form of animal life. I believe that man never was animal. I don't believe that there's a scientific fact to prove it. There are many who support various theories, but not one fact. . . . I believe that God made man in his own image and that he was as he is today: body, soul, and spirit.

Penthouse: [Do you also believe the Bible when it says that] serpents spoke and things like that?

Falwell: Oh, of course. Absolutely. And so would over half the preachers in America. . . . That is what the Christian church was built upon, and it's only when we've gotten away from that that we've gotten in trouble. That's one reason Pope John Paul today is a hero in some areas and a crude radical in other areas.

Penthouse: A crude radical in what areas?

Falwell: He has demanded that Roman Catholicism come back to their position of absolutism. Which I say "amen" to him. He came to America, and he looked into a very hostile American media on these moral issues and without batting an eye said that "We will not ordain women." He said that homosexuality is perversion, abortion is murder, and that is where we are and where we will be. Well, 40 years ago that wouldn't have shocked anybody in America or in the Catholic church. But today it does . . . . He . . . believes that the Bible is the inherent word of God and therefore is not to be questioned.

And that is where I am. . . . That's where Dr. Billy Graham is; that's where at least 110,000 fundamentalist pastors are in America today. And this is where the action is going. If you'll get the numerics, the churches in America that are growing, really growing, and are filled and running over, are churches that adhere to that position. The main-line denominational churches that are merging are those churches that have decided: "We don't want an authoritative message; we want rather to create our own religion, do our own thing, and rewrite it and update it as time passes."

So that is where the neo-evangelicals and the liberals are today, and that is why they are going out of business. People want what people have always wanted: they want a message from God. They don't want your message; they want God's message. And that's a big difference, by the way. . . .

Penthouse: . . . There are a lot of people in the same business who are not totally respectable, aren't there?

Falwell: Well, Jim Jones, for instance, yes. The same freedoms that protect us, that protect a journalist—First Amendment rights in America. . . . While I oppose these people like Sun Myung Moon and self-appointed messiahs . . . I'd die for their right to do what they do. . . . This question of censorship, it is so delicate. . . . It is a fine, fine line. So I say that there's a vast difference between a cult and fundamental Christianity. In a cult people follow a charismatic personality; whether there's a written document or not, they will follow him to hell or death, as in the case of Jones. And I think that Moon's followers would do the same thing. . . . But in the fundamentalist case, the message, the written book, is their creed, their catechism. And if we, the preachers of that message, stop living by it or stop preaching it, they will throw us over for somebody in favor of that book.

Penthouse: This fine line . . . surely it is you who is trying to draw it?

Falwell: Well, yes and no. [I am] trying to create an awareness of right and wrong because we're raising up a generation today that doesn't know right from wrong. They have grown up in that kind of society. We are trying to define the issues so that people know right from wrong. However, on the matter of censorship, the only answer to the removal of what I call pornography from the television screen—I'm more concerned about the television screen than the movie screen because we don't have to go to that. The television set is in our living room; that's a different story. And our family may be watching it while we're out, and there is nobody there to help the children. I object to that. . . . Now I say we have to be careful, because to make a rule and say, "This will not be seen and that will not be seen." . . . The question is, who will decide that? That bothers me.

So I concede there that we have a very delicate problem. However, I think where the problem comes is this: I think there must be men and women at the top of these industries who have personal moral values, who judgmentally decide, "No, we will not do this; yes, we will do this," and who do it not because they have to do it but because they want to do it. . . .

[In] an interview I had in Washington recently . . . someone from ABC said, "Doctor, don't you think that . . . we are presenting life the way it really is?" I said, "That's the problem. You and I, whether we like it or not, we are opinion makers; we are leaders; the way we go, millions will go with us. We have an obligation not to present life the way it is but the way it ought to be."

Penthouse: The way you think it ought to be?

Falwell: Well, I think that the American tradition—forget the Bible—is the sanctity of the family, the husband, wife, legally married relationship, is unquestionably the cornerstone of this republic. And we need to work towards its preservation, not its destruction. And today the television industry, without any question, is geared towards and directing all of its energies towards the ridicule of that basic institution.

Penthouse: Which sort of programs? Do any spring to mind that you think are pornographic?

Falwell: . . . A couple of years ago I'd say "Soap" is offensive. But now they're all. . . . One just opens a door and here's a bedroom scene, there's a bedroom scene, here are two young people living together who are not married, here's a homosexual brought into a very favorable light. These situation comedies really are promoting a cause, developing a theme. And in almost every case the opposite of what I believe to be the Judeo-Christian ethic. . . . Take the soap operas in the afternoon! . . . They teach women how to run around on their husbands in a very sophisticated fashion and get by with it.

So I say that television has become a vendor of perniciousness. And I think we need some men and women at the top who are not motivated by the gods of the almighty dollar.

Penthouse: There are fairly extensive passages in the Bible which, in less permissive times, could have been considered . . . pornographic. . . . How do you reconcile that?

Falwell: I think there's a difference between reportorial writing of what is happening and the graphic, illustrative portrayal of the gory details. For example, I've never opposed sex education in schools, as long as it's taught as biological science. I have no problem with human anatomy being taught; I have no problem with the scientific ap-

proach to hygiene, to puberty, adolescence, et cetera.

My problem is when we cheapen, when we take what is sacred—and sex is sacred, marriage is sacred, the marriage act is sacred—when we take what is sacred and cheapen it by making it something less than God intended it to be. Then it becomes pornography. . . . The Song of Solomon tells of a love relationship he had with his love. He told of the kisses and the physical affection that transpired between them. I don't object to that at all. I'd have no problem reading that, preaching from that, as I do, in a mixed audience. I would certainly object, however, to taking that same story and cheapening it to a Playboy or Penthouse level, where four-letter words, vulgar applications, unholy relationships were applied.

Penthouse: Just before he was elected, [Jimmy Carter] confessed . . . that he had sometimes lusted after women. . . . Have you ever lusted after other women in your heart? And if you had, would you admit it in public?

Falwell: Well, I never objected to . . . then-candidate Carter's comment that he had lusted after women. There is not a man on earth alive today . . . who was never guilty of lust. Because we are human beings. . . . My objection was not to what he said but to whom he said it. Giving an interview to Playboy magazine was lending the credence and the dignity of the highest office in the land to a salacious, vulgar magazine that did not even deserve the time of his day. . . . He should have denied them the interview. . . . I feel that he was pitching; he was campaigning to an audience that doesn't read the Baptist Sunday school quarterlies. . . .

Penthouse: A senator asked you when you were going to get out of politics, and you said to him when he gets out of morality business. . . .

Falwell: Okay. Religion and politics. I think the problem is simply this: that the Founding Fathers did not have in mind separation of God and state, only religion and state. And when you're dealing with moral issues . . . that are basically shared by the American populace and the churches in America, you're talking about something that touches the majority of the people of this nation. And therefore, as part of the electorate, we have not only a right but a responsibility to speak out. . . . We, what I consider to be the moral majority in America . . . still believe the Ten Commandments are valid for today. I don't mean they all live by them; none of us live up to what we believe. But the vast moral majority in America are out speaking loudly and clearly and articulately and getting the attention of the people in the decisionmaking process in our states and in Washington who can do something about the turning leftward of our nation on moral issues. . . .

That's really where the role [of the church] is. If I were going to run for president, that would be bad, that would be wrong. I would be using. . . . If I were going to run for U.S. Senate in my state, I would be using my influence that I have developed from my ministry to pick up—and I probably could—a majority of voters to go into the U.S. Senate. Okay. That's the Khomeini approach. That's wrong. But if I can create a moral climate and consciousness in our state, if we can provide such a moral conscience that it is easier for politicians to do right than to do wrong, which is not the case today, then we have made our contribution.

Penthouse: Dr. Falwell, do you know anything about politics?

Falwell: I think I do.

Penthouse: . . . There are no easy answers in politics, whereas there are easy answers in what you say . . .

Falwell: Well, doing right is not easy. It's always easier, always easier to do wrong than right. When . . . a little child has done something he shouldn't do . . . it's easier to lie and say, "I didn't do it." But though it's more difficult to say, "Yes, I did," it's the right thing to do, and it will ultimately contribute to his betterment and the betterment of the relationship in that home and the development of his character as well. The same thing is true of a nation. Right now we are is such a sick condition that there are not going to be any easy routes out. As a matter of fact, I don't know that America can recover from some of the problems that we have created without going bankrupt, without literally wiping out economically. . . .

Who could go into office right now, as a presidential candidate or even a senatorial candidate, and say that "I am going to work diligently to eliminate the unnecessary spending of welfare dollars where unworthy people are receiving those dollars. I'm not talking about Social Security for the aged or the indigent of those who cannot work. We're talking about the absolutely illicit use of $222 billion proposed budget of this year of HHS." Well, he couldn't be elected; it's a matter of fact. He'd have to go in and . . . than reverse himself and lie after he got in. . . . I think that really the country may have to go down financially, or that we cannot honor our commitments. And then the next administration start from zero. I'm not saying that's going to happen. . . .

Morally, I think this is where pastors can make the difference. But the legislators at every level must assist then and work with them. We must come right across the grain, knowing full well that we're going to make a lot of people mad, and decide, as I've said repeatedly, that it's more important to be right than popular. And do what is right, if it costs us everything, so that our next generation, our children, can once again enjoy what we have known in this country.

Penthouse: [Who comprises the Moral Majority?]

Falwell: . . . The Moral Majority is a coalition of "religious people," and I put that in quotes, of all sorts: Mormons, Catholics, Jews, fundamentalists, you name it. We've got 70,000 such pastors and religious leaders in that group right now, and several million lay people. . . . We don't compromise our theological principles. However in the matter of survival, the matter of freedom, the matter of Americanism, the matter of moral values, we join hands together without any compromise whatsoever.

It isn't compromise for us to say, "Hey, let's put together a coalition. This ship of state is sinking, as we see it. Let's pull it out together; let's fight together now so we can fight each other later." That's the terminology we use. And it's the kind of thing that people in all religious persuasions will buy, because we're not trying to change their religious beliefs, nor can they change ours. And if we allow our difference to keep us from getting together, then we will never accomplish what we're trying to accomplish—and that is a change in the nation, morally. . . .

This is the first time in 30 to 35 years that the amoral forces in America have had any substantial opposition. They've been accustomed to doing their own thing, gaining gradually but surely the support of the government. And hardly anyone on what they call "the Right" speaking against them. . . .

Penthouse: . . . Would you say that the people who put forward . . . points of view opposed to yours . . . are sincere, or would you categorize them as . . . malfeasant or [of] bad faith?

Falwell: Oh, many of the people who oppose my moral philosophy are good people. I could name many of them who are religious people. It has nothing to do with their character or my character. It has to do with philosophy.

Penthouse: If a large number of the Moral Majority people get . . . into the Senate, would you not think of banning pornography?

Falwell: No question we would. That wouldn't stop it, of course. All we would do is keep it away from children. . . . It's like Prohibition 40 years ago, 50 years ago; you're not going to stop people from drinking by preventing it from being sold in the public markets. It's still going to be sold. And that is an unenforceable law. If I'd lived then I would not have been a part of it. I do not think it's an unenforceable thing to restrict the sale of damaging pornographic material on the public newstands. I think we've done that up until 20 years ago. . . .

Penthouse: . . . You've been in trouble with the SEC at one stage, and then there was trouble down in San Diego: campaign funds, illegally giving $31,000, and so on. Do you feel there is some potential for embarrassment?

Falwell: Oh, always. You just named two; I could probably name you a hundred. We obviously are coming down hard. The Securities and Exchange Commission, in 1972, attacked us on the basis of our issuing bonds and borrowing money from our own members to build our national network. They never mentioned that we paid back, as we always have, every dime. They never mentioned that, first of all, they lost in court and second, we won the court case and everybody, as always, got every penny of interest and principal promised, et cetera. The California situation? I was out there campaigning for Proposition 6, and we raised a lot of money—$60,000—for the committee that Senator Briggs heads up. And the federal election commission questioned our right to do that. They have a right to question; anybody can question. But that doesn't stop us; it doesn't bother us at all. . . . I can mention to you many, many other cases where one person sued us for a million dollars for making a statement on morality. We've had stations put us off the air for taking a stand that I take, only to have the station across town take the program, and quickly.

So we have just determined—and it's going to get worse . . . that opposition will not scare us or stop us.

Penthouse: Do you feel embarrassed . . . in asking for money in the way that you do, when there is a vast amount coming in?

Falwell: No. We're going to have to raise a great deal more . . . We'll have to probably have a 45-to-50-percent increase in giving next year, just to meet the demands of our enlargement and the inflationary problems. . . . We have 3½ million families who

are part of our ministry and who support us to some degree. Some are totally committed to what we're doing. Some, nominally so. But all somewhat.

And we present all the facts. For example, I believe that a Christian ministry, like a public corporation on the New York Stock Exchange, because of the public nature of its ministry, ought to be required to make public and full disclosure of its finances. Which we do. There is an evangelical council for financial accountability which is a self-policing organization, created by the evangelical leading ministries. The Billy Graham Evangelistic Association, ours, World Vision . . . are among the largest ministries of some 80 that have been approved. . . . It is the Better Business Bureau of evangelical ministries. And it's voluntary.

. . . I think that every [church] ought to come forth . . . offering audited financing by outside auditors, making your books available to any and all, at any time, for any reason; having an outside board with a membership of outside persons who actually have control of the ministry, actually spending the money for the very purpose for which you raised it, and proven by certified auditors. The reason I believe that is because every time a ministry goes wrong—the Pallentine Fathers, that type of thing—it hurts every one of us.

Penthouse: Do you have any doubts that you are right?

Falwell: None whatsoever.

Penthouse: Never?

Falwell: Not once. I've been a Christian for 28 years, [since] January 20, 1952.

Penthouse: How can you date it so specifically?

Falwell: I had been listening for years to a radio broadcast while I was going to high school and college, Dr. Charles E. Fuller, the old-fashioned revival hour. . . . He is dead, of course. But he was the pioneer in Christian broadcasting. . . . I don't have any religious background at all. But listening to him on radio Sunday mornings in bed, I became convinced that what he was saying was so. But I didn't know where to find anybody who could help me. And so I began looking for a church that preached what I'd been hearing him preach. . . . And I found such a church . . . on the twentieth day of January, and that night I went to church to become a Christian. And that night, when the service was over, the pastor gave an open invitation, as Dr. Graham does, to come forward and publicly acknowledge your faith in Christ as your Lord and master. And I did that. I didn't own a Bible, I didn't know a verse of scripture, and I explained that to them. I said, "Hey, I am just an ignorant college student. I don't know the first thing about spiritual matters. But I want to be a Christian, and I have come here not to go part of the way; I want to go all the way."

So the next day I purchased a Bible. And for the last 28 years I've been studying that Bible; I've been sitting under, I think, the best scholars of this generation. I've been spending . . . time in prayer and meditation and ministry. And I can honestly say, for that date to this, I have never one time questioned that the word of God is, in fact, the word of God.●

CHIEF WARREN SMITH HONORED FOR SERVICE

HON. HAROLD C. HOLLENBECK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. HOLLENBECK. Mr. Speaker, Chief Warren Smith, who has compiled 34 years of distinguished service with the Cresskill Police Department, 11 of those years as chief of police, has retired from his position. I wish to join his colleagues, members of the force, borough officials, and area residents and friends in paying much-deserved tribute to Chief Smith for a job well done. We recognize, not only the longevity of his service, but his dedication to duty and to our community interest.

For more than three decades, day in and day out, Chief Smith has carried out the tremendous responsibility of protecting the citizens of his community with unwavering commitment and steadfast belief in the dignity of the law. He has realized in his career the almost unbelievably high standards expected of law enforcement officials by their fellow officers and by the citizens they serve. And for this dedication, he has earned our sincere gratitude and deep affection.

I am proud to offer Chief Smith my congratulations and commendation for his fine record of service and my very best wishes for happiness and good health in his retirement.●

MINORITY BUSINESS OPPORTUNITIES IN TRANSPORTATION

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. MITCHELL of Maryland. Mr. Speaker, I would like to submit the following remarks by Interstate Commerce Commissioner, Reginald E. Gilliam, for my colleagues' review. The remarks are entitled, "Reindustrialization, Deregulation: Opportunity for Minority Economic Development." They address the vital area of adequate minority business participation in the transportation industry via the additional opportunities which deregulation in this industry will facilitate. Such participation is critical to the strengthening of our national economy.

Mr. Gilliam's remarks follow:

REINDUSTRIALIZATION, DEREGULATION: OPPORTUNITY FOR MINORITY ECONOMIC DEVELOPMENT

Transportation, in one form or another permeates every aspect of business or economic life in this country today. Whether one is involved in manufacturing, farming, processing, buying, selling, building or simply consuming, one is of necessity involved in commercial transportation as an integral part of everyday life. More fundamental is the fact that transportation considerations influence and often dictate where jobs are located, what type of local or regional economy exists, as well as how resources are to be developed and utilized.

Stated in economic terms, transportation expenditures in the United States amount to over twenty percent of the annual gross national product. Because of the everyday nature of transportation this large expenditure has often been taken for granted. To put this expenditure into proper perspective we need only consider a recent finding made in a major study for Congress by the National Transportation Policy Study Commission that in the next 20 years, the United States will spend $1.2 trillion in a combination of private, corporate and tax dollars on transportation alone.

Despite these huge expenditures few minorities are involved in the field of transportation. This phenomenon can largely be attributed to institutional factors which have operated historically to create an almost insurmountable barrier. One need not recite the history of obstacles and blatent discrimination, sanctioned and made legal by law and policy, that kept minorities out of most mainstream economic fields, including transportation, for many years. What needs to be emphasized at present is that many of these obstacles have been lifted as a result of both the struggle for racial equality and changed economic and political circumstances and that there is now room for greatly expanded minority participation in the field of transportation. Minorities must move quickly and decisively to take advantage of these opportunities.

America is now experiencing a wave of deregulation in the transportation industry. The first step was the Air Cargo Deregulation Act of 1977, followed by the Airline Deregulation Act of 1978, which significantly changed the degree of regulation in the commercial air transportation industry, and eventually eliminates the Civil Aeronautics Board. This year Congress passed the Motor Carrier Act of 1980, which makes major changes in the way trucking rates are established and in the regulatory controls on entry into the industry. Additionally, Congress has recently passed bills to deregulate the rail and household movements industries. Congress is considering further measures to deregulate both the bus and maritime industry.

Clearly, in the 1980's, there are deep and pervasive economic and political trends at work that are causing significant changes in the relationship of government to the private sector, and in the very nature of competitive price and service innovation within the private sector.

What is happening is much more than a manifestation of the oft-repeated rallying cry of "get government off our backs". It is also more than the very valid judgment that governmental bodies are ill-equipped to make business decisions. Congress and our political leaders are making a fundamental economic judgment that it is now time to reduce and de-emphasize government's role as a market place regulator while giving increased impetus to competition as a regulator. The commercial transportation industry is at the front line in this process because it, more than any other industry, is the weathervane of the economy. When industries begin to slip and deteriorate, or

suffer from plant obsolescence and loss of trade competitiveness, the transportation industry immediately feels and reflects these circumstances. Conversely, when new industrial growth opportunities present themselves, by market, by region, or by commodity, transportation industries should be at the front line to share in that growth and to compete for the profits.

Modernized, reinvigorated domestic industries will demand equally modern and efficient transportation. Thus reindustrialization and reduced government regulation are combining to form a new economic environment.

As an example, consider how world oil prices have revived the United States Coal industry. The United States coal export business is now at record levels—domestic coal consumption is targeted for dramatic growth as a substitute for foreign oil. As a by-product, the hauling of coal offers the potential for halting much of the earlier decline of American railroads, as well as stimulating new growth in the rail industry. When 86 ships await coal loading in the Norfolk Harbor, it is easy to visualize the opportunities presented in mining, shipping, processing, and facility-building industries to name only a few. This is the heart of the process that is called "reindustrialization". Enterprising minority businessmen must be aware of the process and take advantage of it.

It is significant, but largely unnoticed that during this period of major deregulation legislation, the national transportation policy has been unequivocally amended with respect to the motor carrier industry to include "increased minority participation". Serious and well-advised minority businesses must be prepared to take advantage of this strong articulation of support from Congress and start moving in a bold, new direction.

For the first time in 45 years, entry into the Motor Carrier Industry is almost assured if one seriously seeks that opportunity. In fact, all that the Motor Carrier Act of 1980 requires is a showing that the applicant for a license is "fit, willing and able" to provide a service and show that it meets a "useful purpose." While the new law significantly relaxes entry standards, it also provides increased ratemaking freedom for competing carriers. Clearly, this is an example of congressional judgment that increased competition is what is needed to promote a healthy, thriving transportation industry. Couple that competitive thrust and increased rate flexibility with the minority participation provision and the opportunities for minority participation are myriad. Minorities and small businesses generally should now be better able to fashion innovative services and price structures and compete for shares of the market that were formerly the sole province of large companies.

Equally provocative, from a businessman's point of view, are the recent signs of resurgence in the railroad industry. Again, another specific reference to coal is particularly relevant. The National Coal Association estimates that total coal production east of the Mississippi River will increase 33 percent from 554 billion tons in 1979 to 736 billion tons in 1990. Western Coal production, on the other hand, is expected to increase approximately 140 percent from 216 billion tons last year to 514 billion tons in 1990. In addition to coal, there will be increased demands on the railroads to transport grain and other bulk commodities including oil shale, methanol and liquified natural gas. Transportation of bulk commodities is particularly well suited to the railroads. This phenomenon, combined with the fact that the trend is likely to continue, presents a unique incentive not only for minority businessmen to enter the railroad business, but also to participate in the spin-off businesses that will be spawned by this growth. Specifically, these ancillary businesses include providing railroad cars, equipment and parts, the manufacture of rail, ties, and spikes, the building of railroad signaling systems, railbed maintenance and so on. One other opportunity to be explored is the possibility of forming shortline railroads such as the ones being formed out of segments of abandoned Rock Island and Milwaukee Road Lines. Shippers and many local businesses that are located off of large roads have a strong interest in moving their products to larger rail facilities. Piggy-back and shortline railroads offer real opportunity for moving products to market while rewarding those who are enterprising enough to move those products efficiently.

In addition to opportunities in the motor carrier and rail sectors of the transportation arena, the intra-intercity bus industry offers a significant opportunity to minority businessmen. As a result of the recent oil embargo, Americans are turning to public transit in record numbers. In 1979, the intercity bus industry carried 360 million passengers, 22 million more passengers than in 1978. And along similar lines, ridership for the first 6 months of 1980 was up 2 percent from the same period in 1979. Also, it is important to note that of the 1,100 intercity bus companies in America today many are small family operations. If this ridership trend continues, it will create increasingly tailored and specialized service needs which minority businessmen can capitalize upon by accommodating this regional and local growth pattern.

In conclusion, today's new economic climate has greatly enhanced the prospects of minority businessmen entering into the transportation field. As expertise and knowledge is developed to utilize the tools that are not available, the prospects for long-range growth and efficient, profitable business development are greatly increased. Surely the problems of financing and capitalization remain, however the obstacles of regulatory policy are at least being knocked down. The American minority businessman is, by virtue of his historical survival, a strong, industrious, imaginative individual. Today's new economic climate should serve to reward those characteristics in the years ahead.●

EXEMPT QUALIFIED PENSION PLANS FROM TAXATION

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Ms. OAKAR. Mr. Speaker, today I am introducing a bill to amend the Internal Revenue Code of 1954 to provide for the exclusion from gross income of certain retirement benefits received by individuals who have attained age 55. The effect of this legislation is to exempt from taxation the first $17,000 in benefits received by beneficiaries from public and private pension plans.

The wisdom of exempting retirement income from taxation has been discussed and debated since 1935. A 1937 Supreme Court decision and a 1941 ruling of the Bureau of Internal Revenue rendered the benefits from social security tax exempt. In 1957 Congress sought to assure greater equity between the tax treatment of social security benefits and other kinds of retirement income by allowing a tax credit for low-income elderly. However, this tax credit is very limited in application, extremely complicated, and has not been updated to keep pace with inflation.

While these are important steps, there is a pressing need to provide equitable tax treatment to public and private pensions to the millions of Americans relying on this type of income. The cost of fuel, housing, and food has skyrocketed in the last decade. As much as one-fourth of the elderly's income is spent on health care alone. However, only some public pensions permit cost-of-living adjustments for annuities, while most private pensions contain no cost-of-living adjustments at all. Yet income from these pensions are subject to taxation. For those Americans who depend in part or entirely on income from pension annuities, and who have seen the value of their pension annuities ravaged by the high rate of inflation, I believe it is imperative that we enact legislation to exempt qualified pension plans from taxation.●

THE SNEAK ATTACK ON JAPANESE AUTOS

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. GAYDOS. Mr. Speaker, much learned lamentation has been heard recently because Americans are increasingly monolingual, and it is a problem Congress should speak to directly, promptly, and in plain English.

French should be our second language, Mr. Speaker.

In fact, the study of French ought to be mandatory for our highest leadership, particularly those who set our trade policies in regard to the Japanese, who the French understand.

The reasons for my new found admiration for that flowing tongue can be found in the following article from the March 2, 1981, issue of Business Week:

THE SNEAK ATTACK ON JAPANESE AUTOS

Taking a leaf out of Japan's book of trade tricks, French customs officers are tying up thousands of imported Japanese cars at docksides and warehouses as part of an orchestrated campaign by Industry Minister André Giraud to pressure Tokyo into limit-

ing the flood of its autos into Europe. Officially, Japan is allowed only a 3 percent share of the French car market, and actual figures show it achieved just 2.93 percent last year. But the Japanese are penetrating what the French see as their own export markets in other European Community countries such as West Germany and Belgium.

To curb that, the French are turning to nontariff barriers. As the new Japanese autos are unloaded, they are being held up until they receive certificates of conformity to local technical standards. Although the imports theoretically passed such tests weeks ago, Giraud has ordered his subordinates not to sign the certificates on the flimsiest grounds. In one case, Toyo Kogyo Co.'s Mazda 626 is being held up because its bumper bar is 1 cm. longer than last year.

PURE POLITICS?

The action by French customs is reminiscent of that taken by the Japanese against manufactured goods from Western Europe and fresh produce from the United States. Both have long been subject to excessive inspection and complex regulations in a clear bid to protect Japanese producers.

Not surprisingly, the Japanese are protesting France's new tactic, although so far they have confined themselves mainly to diplomatic pressure. Toshihiko Yano, Vice-Minister of the Ministry of International Trade and Industry, claims the French measures violate the General Agreement on Tariffs and Trade.

Other Japanese attribute the French minister's action to pure politics. With an election only nine weeks away, they claim it is just a bid to help President Valery Giscard d'Estaing retain power. "They are using Japanese cars as a scapegoat," huffs one Japanese auto company executive.

Paradoxically, though, many of the loudest protests are coming from the French themselves. With more than 5,000 cars now clogging French ports, import dealers and concessionaires fear they soon may have trouble meeting their expenses. "These are small French family firms, and they are going to make a lot of noise if they go broke," warns Robert Borlot, an executive of Automobiles Mazda, France Motors, the national Mazda distributor that indirectly provides employment for 1,000 people.

Giraud seems unmoved by the furor and plans to stick to his guns. Despite warnings that France's own auto exports may attract reprisals, the minister claims that one Frenchman joins the unemployed for every 5 to 10 Japanese cars admitted. Aiding the import of Japanese cars "is not a priority consideration (for the government)," he recently told a radio interviewer.

You see, Mr. Speaker, my hope is that if our leaders learn to talk French, they also will learn to think French, particularly in matters of trade.

The sooner we can say "ici on parle francais"—French is spoken here—and mean it, the sooner we can say "ici on parle turkey"—here we talk turkey—and have the Japanese understand it. It is time to talk turkey with them.

You see, the French have a saying: "le style c'est l'homme"—the style is the man.

And to that saying, I add, the style is the nation as well.●

NOTEWORTHY OBSERVATIONS ON PRESIDENT REAGAN'S BUDGET CUTS

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. HYDE. Mr. Speaker, there is a great deal of discussion surrounding President Reagan's economic address to the Nation and his budget-cutting proposals and, no doubt, even more heated debate will ensue in the weeks and months ahead. For that reason, I would like to commend to the attention of my colleagues the following recent article by one of our country's most astute political columnists, Meg Greenfield of Newsweek. I believe her opinions and observations are certainly noteworthy:

[From Newsweek, Feb. 23, 1981]

WHAT IF HE ISN'T KIDDING?

(By Meg Greenfield)

As a student at Cambridge University in the dim and distant past, I once made the mistake of questioning the wisdom of some regulation or other than was getting in the way of my social plans. I can still see the smug, chill and utterly uncomprehending smile that fixed itself on my tutor's face. "Well, Miss Greenfield," she said, calling down a rockslide of history on my poor argument, "we've always done it that way." So much for the revolution. Next question, please.

A similar spirit has animated Washington's response, and that of a variety of feeder-line bureaucracies and establishments, to the Reagan Administration's planned assault on the budget. We've always done it that way—or at least for a few decades—and the feeling here, made up in equal parts of hypocrisy and fatalism, has been that the technique can't, won't and shouldn't be drastically changed. I don't know, as I write, what the final proposed budget cuts will be. But I do know this: you can mark down the first two weeks in February as the time when people all over this city—not just those ritually opposed to domestic budget cuts, but also those ritually and noisily in favor of them—looked at each other with disbelief and said, with shared alarm, "My God, what if he isn't kidding?

Cuts: The key word here is "kidding," and it goes to the subject of that hypocrisy which has had so prominent a part in our national budget-cutting arguments up till now. I must confess that for some of us it is a truly warming experience to see political and business figures who have made a career of lambasting Uncle Sugar and his profligate ways having it slowly borne in upon them that their own subsidies have turned up in David Stockman's knitting. What appears to be radical in the Reagan-Stockman approach, what we are all still unwilling to credit, is the possibility that some relatively consistent and objective standards might be made the test of whether or not a program should be supported.

Stockman and Reagan may be dead wrong about the secondary effects some of their cuts would have and they may be viewing programs insensitively or harshly. But the political irreverence of their approach has already had its uses. It has forced people to forget the palaver, the verbal tricks they have been playing for decades, an get down to explaining and defending their own preferred government expenditures (if they can) in serious ways.

It's not just those well-subsidized people on the right who have been inveighing against deficit spending over the years, confident in the knowledge that nothing would be done about their own boodle, who are having to revise their arguments. It is also that colony of folks who have come to inhabit the lazy left, people who long ago stopped thinking about what they were supporting just as long as it could go by some irreproachable general name.

Science, art, education, anti-poverty, social welfare—fraudulently, but in the name of all these purposes and pursuits, any number of costly, pointless and nest-feathering little enclaves have been financed that are simply not defensible in social-policy terms. The only way you can defend them is by hollering "social welfare!" or "education!" loud enough so that no one notices that all you are talking about is a lot of Federal bucks helping to fly middle-class consultants from here to there for yet another conference and another report that will not provide a single thought, skill, book, idea, bandage or spoonful of food to those who could use them.

Can government at this late date really distinguish between the legitimate and essential programs, on the one hand, and, on the other, these unessential borderline scams? The fatalism that marks the other part of Washington's response to the Reagan-Stockman assault is based on the assumption that it can't and/or doesn't want to. The domestic-budget argument theoretically engages conservatives versus liberals. In truth, the web of subsidies and support systems that has grown up over the years mixes these people up together and creates a common stake in perpetuating programs that already exist. All this has gotten more, not less, rigid and ingrained with the passage of time.

Complexities: You can go to seminars now at respectible universities for instruction in how to write grant applications and work the levers of the Federal-government dispensing programs. Downtown Washington is the scene of seemingly endless construction of new office buildings intended to house the headquarters of every lobby and interest and industry you can think of (and then some)—the fragmentation of interest-group politics. That is the terrain on which this budget war is supposed to take place. Some fifteen or so years back, John Gardner, then at HEW and newly in charge of making much of the Great Society go, was complaining about the iron triangles—tripartite arrangements of bureaucrat, lobbyist and congressman that controlled Federal expenditures and confounded efforts to make those expenditures more rational, humane and efficient.

That was then. Now is worse. Listen to your legislators talk about the political-action committee that finances their campaigns and pressures their activities ever after. Hear people in both the legislative and executive branches marvel, in total gloom, at the degree to which government action has become a series of recurrent struggles to paste together a special-interest-group coalition, good for some one-shot endeavor and needing to be created in some new form for the next maneuver. We sigh about these things in Washington. We write learnedly about how little it is possible to do

to alter them. There are the "constraints." There are the "complexities." there is the terrible fact that—deep down—business, labor, academia, the professions and even the leadership of some organized supplicants rather like the thing the way it is: they know how to work it.

What is so radical (and doomed?) in the Administration approach is this: they are committed to crashing through that layer of hypocrisy and that structure of legal payoffs that characterize our traditional budget building. And—this is the weird part—they actually think they can do it.●

FEDERAL EXPRESS—OVERNIGHT SUCCESS

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. FORD of Tennessee. Mr. Speaker, I would like to bring to your attention, and to the attention of my colleagues, the feature article from the Washington Post magazine of February 22, 1981. The article describes the business ingenuity of one of my constituents, Mr. Fred Smith. The company is one we have all heard of, and frequently use—Federal Express. I would like to commend the Washington Post for recognizing the work of Mr. Smith and all those employed by him who serve people from all parts of our Nation. I would further like to commend Fred Smith, and his 8,233 employees, 4,750 of whom are residents of Memphis, for the exemplary job they are doing at Federal Express.

I insert the Post article in the RECORD, so that all my colleagues and those they represent may have the opportunity to learn about Federal Express and those who make it the success that it is.

OVERNIGHT SUCCESS

(By Blaine Harden)

The idea was to buy a bunch of jets, fly only at night, shuffle packages at one central location, pick up and deliver to customers' doorsteps and charge oodles of money, it worked!

A moonless, winter midnight in Memphis beside the Mississippi and it's time for the nightly miracle. Forty-eight purple-tailed jets, stuffed with 90,832 terribly important packages, slide down out of the windless Tennessee sky. Four hours from now the packages will be shuffled and gone, off to Buffalo, Burbank, Bangor and 15,000 other communities. All terribly important, all shuffled, all gone.

Somewhere between here and Washington, moving at 517 miles an hour in the hold of a Boeing 727, is a six-pound box of monkey kidney tissue that the Oregon State Public Health Laboratory needs by noon tomorrow. A rhesus monkey gave his life to science two weeks ago in the Flow Laboratories of McLean. His kidney tissues are fading fast. If the package doesn't arrive in Portand tomorrow, the tissue will be useless for a lab test that's supposed to isolate influenza. If Federal Express, the overnight package airline, muffs it, shuffles the kidneys wrong in Memphis, the monkey will have died in vain.

When it absolutely, positively has to be there overnight, why—in the name of modern technology, the bottom line and all that is holy in corporate America—does it first have to come to the town where Elvis Presley died?

One reason is that the father of Federal Express lives here. That's Fred Smith, and, by all accounts, Fred Smith is a helluva guy. Listen to one man who works for him: "Fred's a 36-year-old former Marine who is attractive, intelligent and rich. He has the same effect on a crowd as John Kennedy. He could walk into Yankee Stadium and everyone would turn their heads and stare. Fred Smith is the kind of man you want to root for. You want him to score."

Frederick W. Smith has scored; since he founded Federal Express eight years ago, he has amassed a net worth of more than $92 million. Fortune magazine describes his company as one of the top 10 business triumphs of the 1970s. Last year Federal Express had gross revenues of $415.4 million and net income of $38.7 million, up 81 percent from 1979. Smith was the first to cash in on the national need for overnight delivery of computer components, legal documents and monkey kidneys.

Inspiration struck when Smith attended Yale in the mid-1960s. Desperate to find a subject for a much-procrastinated economics paper, Smith stayed up late one night and stumbled upon his legendary idea: Buy a fleet of jets, fly only in the middle of the night, shuffle packages at one centrally located hub, pick up and deliver to customers' doorsteps and charge oodles of money. He got a C on the paper.

"I had the advantage of not knowing anything," Smith recalls. His model was the phone company, which uses a central switching exchange to transfer calls from distant points. As an ignorant undergraduate, Smith remembers thinking: "With the hub, the aggregate of all transmission would be enormously efficient."

The storybook epiphany at Yale is just one chapter in Smith's storybook life. Born the son of a millionaire Memphis interstate bus entrepreneur, Smith suffered as a child from Perthes' disease, a rare hip-bone ailment. He taught himself how to beat up bullies with his crutches. He overcame the disease, became a pilot at age 15 and played first-string football at Memphis University School. After graduating with honors from Yale, he joined the Marines and as a pilot flew more than 200 combat missions, winning five medals, including the Bronze and Silver stars.

Since 1972, Smith has proved himself a young Arthur in corporate Camelot, extracting money from stone-hearted investors with an almost mystical ease. In the largest venture-capital deal in American history, he raised $91 million, in addition to his $4 million inheritance, to fund Federal for its first three years. Despite Smith's sexy idea, the company foundered near bankruptcy for more than two years, losing $29 million in its first 26 months. To help bail out Federal, Smith says he once flew to Las Vegas with $200, won $26,000 in blackjack and took the money home to Memphis to help meet his payroll.

"I didn't know anything about gambling. There must be some sort of foreordination for the company," Smith says.

More about the amazing Fred Smith later. It's now 2:15 a.m. in Memphis and the Portland-bound monkey kidneys, along with 27,063 pounds of cargo, have just landed on a Federal 727 out of Baltimore-Washington International airport. The shuffle is about to begin.

After taxiing from the Memphis airport to the attached Federal Express package sorting complex, the 727 with the monkey kidneys aboard pokes its nose into a sprawling U-shaped hub building. Like dairy cows in a milk barn, the 727 and 47 other jets (including two giant DC-10s, 13 other 727s and 32 smaller French-made Dassault Falcons) crowd around the hub to drop their freight and slurp fuel. The Federal fleet goes through 225,000 gallons of jet fuel a day. A cargo door on the port side of the 727 is thrown open, disgorging seven tent-shaped aluminum cargo containers. Hooked together like boxcars, the containers are pulled into position where an insomniac Federal Express army of 705 mostly part-time sorters unloads them, tossing packages on conveyor belts.

The night spectacle of the sort—pinball-like flappers swatting packages off conveyor belts, honking and lurching electric tractors, a herd of jets gleaming in harsh white light—is presided over by a giant digital clock on top of the hub. At 12:20 a.m., the clock was set to count down from 120 minutes. The sort was supposed to be done when the clock ran out. It wasn't. A DC-10 from Los Angeles, carrying about 15 percent of the night's packages, arrived late.

Alongside the conveyor belts, the part-timers, primarily local college students working from 12:30 a.m. to 3:30 a.m., have sorted stranger and more threatening things than monkey kidneys.

They've sorted: an eight-foot-long bright green plastic pickle (which wasn't particularly threatening), canisters of xenon 133 radioactive gas (which were), peek-a-boo panties from Frederick's of Hollywood, radioactive human sperm, baby body parts, laboratory rats (some of which have escaped into the hub) and thousands and thousands of electronic gizmos with names like TRW Cinch Connections and Racal Vadic data channel modems. The electronic devices, primarily replacement parts for computers, amount to about a fourth of Federal's business. The record package count for one night, set during the Christmas rush in December, is 100,331.

On that one night, Federal Express took in about $2.5 million. It isn't cheap to ship a package overnight through Memphis. The monkey kidneys, weighing six pounds—two pounds less than the average package—cost $34.84 to ship.

Gene Powell, the 727 captain who will fly the monkey kidneys to Portland this morning, has no idea how the packages are sorted. Powell, a 41-year-old Mississippi farm boy who's been flying for Federal since its inception, doesn't have to touch a single package to make his $91,000 a year. At 2:45 a.m., in the flight operation center (about 400 yards and two light years from the package handlers), he's eating buttered popcorn with copilot Don Grant. They're worried about the weather in Seattle, an intermediate stop, along with Denver, on the Portland flight. Their flight engineer, Mark Gatling, has already gone out to a 727 parked near the hub to warm up the cockpit and check over the plane.

"It ain't good, is it?" Powell asks Grant, who has just received a weather report indicating heavy fog at Boeing Field in Seattle. The airfield is forecast to be "illegal" for landings until late morning because of low visibility.

"This means I got to go to work," says Grant, a hulking 44-year-old former Marine fighter pilot. He looks up alternate airports—Yakima, Moses Lake, Spokane. But a decision doesn't have to made right away.

"We've been released [by federal flight controllers] to Denver," Powell tells his copilot. "From there we'll see if we can get to Seattle."

At 3:10, Powell, Grant and scores of pilots—dressed smartly in powder-blue shirts with epaulets, dark blue ties, trousers, overcoats and flight caps—scramble to waiting shuttle buses on the tarmac. Jets are already pulling out, jamming up near the take-off runway, engines screaming. The gritty smell of jet fuel lies heavy on the night air. "Looks like there's an attack going on somewhere," Powell says in the bus, en route to a 727 named Nicole. The predawn scene has a discombobulated World War II romance: It's "Twelve O'Clock High" in Memphis with packages and purple airplanes.

In the cockpit of Nicole, the pilot, copilot and engineer strap themselves in, commence a liturgy of gauge checking and start the three jet engines. At 4:03 Nicole takes off, with 36,290 pounds of packages in the back where passengers usually sit. The plane is 90 percent full. Captain Powell does not introduce himself to the packages, welcome them to the friendly skies of Federal Express or point out the twinkling lights of Little Rock, Fayetteville or Tulsa.

"Packages don't get sick, they don't bitch and they don't spill their drinks," says Powell. He makes no attempt to fly around bumpy air for the convenience of the monkey kidneys. Yet his job is astoundingly similar to that of pilots who fly passengers. Federal pilots operate under the same federal flight regulations, have equivalent training, undergo the same twice-a-year medical examinations and check flights and make about the same money as airline passenger pilots. Powell's yearly salary of $91,000, Grant's $60,000 and Gatling's $45,000 for no more than 80 hours flying time a month put them above average for passenger pilots, slightly higher than United Airlines, the nation's largest passenger air carrier. The pilots spend about 15 days a month out of town.

By airline industry standards, Federal Express pays its 420 pilots well and has excellent benefits. Because the young company has grown quickly (with revenues nearly doubling every two years), its pilots have gained seniority faster than their passenger-flying counterparts. Federal has the youngest DC-10 captain in the United States: Terry Crosby, 35 years old, who makes $105,000 a year. A pilot can become a 727 captain at Federal after six years whereas attaining a similar position with a major airline could take 20 years. Federal's waiting list of qualified pilots who want jobs is 6,500 names long.

There are, however, disadvantages to being a pilot in this fly-by-night operation. Federal pilots feel passenger pilots look down on them.

"They think of us as dirtball, has-been, beer-belching pilots with leather jackets and silk scarves," says Eddie Storo, a pilot who's been with Federal two years. "They expect us to grow up and come fly passengers."

Also, Federal owns relatively old airplanes acquired from other airlines. Nicole, for instance, a 13-year-old former United jet with 22,739 takeoffs and landings, has spent 32,345 hours in the air and flown approximately 11,756,000 miles. Excellent maintenance, the pilots say, mitigates the age problem. But nothing mitigates the pilot's major complaint—flying by night, only flying by night. That, they say, makes life miserable.

At 31,000 feet over Arkansas, with the autopilot flying Nicole to Denver and little to do in the cockpit but kill time, Capt. Powell and his crew bemoan their lousy hours. Says Powell: "When I'm not flying [which is about half the time] I still live like most ordinary people—the daylight cycle, grocery shopping, church and that stuff. But I have to stay up all night to work. The end result is you lose sleep. If that doesn't bother you, that's great, but it bothers me. When I work, I'm almost always uncomfortable."

Many Federal pilots believe they are shaving years off their lives by flying at night. Mark Gatling, the 31-year-old flight engineer on board Nicole, has worked the nights for two years and says the hours are killing him: "I don't see how I could last 29 more years [until retirement at age 60] in this business."

Dr. Saul B. Sells, a research professor and director of the Institute of Behavorial Research at Texas Christian University in Fort Worth, Tex., says that while sleep interruption can make life seem miserable, the precise physiological effects are unknown. He has begun a study of Federal pilots to look at the effect of constant time zone changes and accumulated fatigue on moods and possible premature aging.

Night flying, however, apparently isn't dangerous. Federal, the nation's largest airline in unduplicated miles flown, has never had a fatal plane crash. The worst accident occurred in October of 1975 when a Falcon tried to take off in Warwick, R.I., and smashed into a DC-9 and 727 on the runway. Airports are usually empty and air traffic very light when Federal Express planes are working.

On the runway in Denver at 4:48 Mountain Standard Time. It's dark and mercilessly cold and only one other aircraft besides Nicole can be seen moving. A bundled-up ground crew of four (Federal has 8,233 employes; 4,750 are in Memphis, the rest spread out in places like this) labors on the runway. With a hydraulic loader, they pull four cargo containers weighing 15,000 pounds out of the plane and stuff them into a tractor-trailer rig.

No packages bound for Seattle are loaded here because every package that Federal ships must first go to Memphis for the Sort. Ludicrous as it may sound, a package shipped from Denver to Seattle flies to Memphis first, then back to Denver and then to Seattle.

Nicole has burned 2,560 gallons of fuel to get here from Memphis. She refuels, needing 5,230 gallons of fuel for the Seattle flight. But the pilots, having heard only sketchy weather details during the flight, still don't know if they can file a flight plan for Seattle.

Powell and Grant leave the airplane to call the Federal Express flight operations center in Memphis which has a computer link to Eastern Airline's national weather forecasting center in Atlanta. After 76 minutes on the ground, the pilots return to Nicole, strap in, go through the preflight liturgy and take off. Atlanta says Seattle is legal.

In winter, bad weather more than anything else forces Federal to renege on its promise of overnight delivery. Chicago snows in, Seattle fogs over, Newark ices up. Federal claims and its regular customers confirm that about 97 percent of the packages get through on time. (The Postal Service, by comparison, claims 96 percent on-time overnight delivery for its "express-guaranteed" mail.) Weather accounts for 1 percent of Federal's delays; mechanical failure of the jets, improper addressing, "missorts" and theft account for the rest. Federal says it loses about 160 packages a month, or about .002 percent of each night's shuffle.

To deal with the goofs that a $14-million-a-year-plus advertising campaign claims do not occur (television commercials in which a long-faced secretary is shown staring at a telephone and the announcer says, "They wait and they wait for the complaint that never comes"), there are 50 tracers in Memphis who soothe outraged customers and try to figure out what went wrong.

Neither the soothing nor the tracing is easy. Consider the case of the switched shipping bill which sent black lace underwear to a church in Los Angeles and religious pamphlets to a private home in New York. Among other hard-to-explain gaffes, Federal has lost a family heirloom wedding dress (prompting both the bride-to-be and her mother to call in, sobbing), mutilated an X-ray needed for surgery on a baby and permanently misplaced irreplaceable child photographs of a former Illinois senator. Recently some live lobsters disappeared. On the morning of Jan. 6, 1981, Joe Novak of Cupertino, Calif., opened two crates of live lobsters shipped the day before from New Bedford, Mass., and discovered 13 missing. Discounting an organized escape by the lobsters, Novak called Federal. In Memphis, tracers are investigating.

"The customers see our advertisement and they take it at its word," complains Bill Daniels, manager of the complaint department which fields about 1,000 complaints a day. "The advertisements can create the impression in someone's mind that overnight delivery is absolutely, positively guaranteed. We are not guaranteeing delivery."

Federal actually guarantees only a "commitment" to deliver a "priority-one package" by noon of the day after a pick-up. If the company fails, it will refund the shipping charge. "I'd like to see them change the slogan to 'absolutely, positively overnight or your money back,'" says Daniels.

Over Salt Lake City at 6:51 Mountain time, with a pale orange sunrise outracing them to Seattle, the three pilots aboard Nicole are tired, red-eyed and jabbering to make time pass. Because of light air traffic, the plane has an arrow-straight flight route into Boeing field. The autopilot is on again. Copilot Grant, drinking coffee, his feet on the jet's control panel, listens off and on to Charlie Douglas' all-night truckers show on radio station WWL in New Orleans ("Freightliner Fever" and "Ride That Rig to Glory"). The Portland run—1,684 nautical miles, six and a half hours, three landings—is Federal's longest and most exhausting.

"It's boring, like driving on the interstate," says Powell, a laconic former crop duster with a blond mustache and a penchant for telling stories. Federal pilots like to talk about the tricks they play on their jumpseat passengers. The 727 has two jumpseats, which are available to company employes who make reservations and don't mind staying up all night, sitting on miserably uncomfortable perches and putting up with the conversation-starved pilots. One

trick with female jumpseat riders, according to Powell, involves epaulets, through which the pilots thread the belts of their shoulder harnesses, turn to their passengers and ask, "Hmmm, you don't have any epaulets? FAA regulations require that you use something to hold the shoulder harness on." The pilots huddle together with concerned seriousness and then helpfully suggest that the shoulder harness could be held down by bra straps. It's funny, the pilots say, in the middle of the night.

Along with nearly everyone who works for Federal Express, Powell and his crew spend an inordinate amount of time talking about Fred Smith. The creator of the company, partly because of Federal's in-house television network, has become an icon for his employes. Last October's "Employe Family Briefing," a televised annual meeting combining the format of the Johnny Carson Show with the atmosphere of a faith healer's festival, presented Smith as a sort of demigod of package delivery.

More than 5,000 employees in a Memphis convention center and thousands of others in hotels across the country watched a multimedia salute to Smith. He appeared on a screen amid billowy clouds at sunrise, striking dashing poses as inspirational music blared and Federal jets swooped by. When he finally walked on stage in the flesh—after being introduced as "our chairman, our founder and our friend"—he received a standing, cheering ovation.

They love Smith because he pays relatively high wages (higher than average in Memphis), he thinks big (right now he's considering using dirigibles for package delivery to the West Coast and SST's for delivery to Europe) and his growing company hasn't had to lay off employes. Smith and his company are fiercely antiunion, using high wages and morale-boosting gimmicks like the televised family briefing to fight off organizing attempts by the Teamsters Union.

Smith, the prematurely gray Wunderkind who invented the industry his company dominates, says he's confident Federal will continue growing. The company's last reported quarterly earnings showed revenues up 41 percent for a similar period in 1979 and profits up 25 percent. Federal lays claim to about a third of the overnight package market. Emery Air Freight Corp., Federal's major competitor, has about 19 percent; United Parcel Service, 16 percent; Airborne Freight Corp., 8 percent; passenger airlines, 4 percent, and the rest (including the Postal Service's overnight delivery service) 23 percent. Federal is the only major small-package service that owns its own fleet of jets, an enormously expensive investment for an upstart company. The fleet of 55 jets is valued at more than $285 million. It also owns 2,500 delivery vans.

"We are so much bigger than anybody else," Smith says. "It would take a corporate behemoth to muscle its way into our business."

Landing gear grind down out of Nicole at 8:31 Pacific Standard Time as Powell and his crew prepare to land in Portland. It's an atypically bright morning in the Northwest. The Columbia River shimmers below, strands of fog curl in the wooded foothills of the Cascades and off to the right stands snow-streaked Mt. Hood. Rush-hour traffic clogs the suburban freeways. An hour earlier, the fog in Seattle had dissipated at Boeing Field to permit a routine delivery of 12,400 pounds of packages. Before landing in Seattle, Powell said, "Oh boy, I'm tired. This is hard." His copilot nearly nodded off to sleep.

On the ground in Portland, the pilots take a taxi downtown to the Portland Hilton for sleep and a 36-hour layover. Nicole will be refueled, serviced and flown back to Memphis this afternoon by a crew that arrived two days earlier.

The monkey from McLean did not die for naught. His kidneys, having traveled 2,724 miles overnight, are delivered at 10:04 by van to the Oregon Public Health Lab.●

JOHN P. MUELLER IS MINNESOTA WINNER OF VOICE OF DEMOCRACY CONTEST

HON. TOM HAGEDORN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. HAGEDORN. Mr. Speaker, I would like to bring to the attention of my colleagues in the House of Representatives the following speech by John P. Mueller, a resident of Minnesota's Second Congressional District. Mr. Mueller, a student at Mapleton High School, earned first place honors in the State of Minnesota in the VFW voice of democracy contest.

Mr. Mueller's fine speech impressively expresses the commitment to freedom and the allegiance to democratic principles that have made and will continue to make our country great.

In the 6th century B.C the great Chinese philosopher, Master Confucius, introduced to his country a proverb that dealt with how his countrymen should conduct themselves. Confucius said:

"If there be righteousness in the heart, there be beauty in the character.

If there be beauty in the character, there be harmony in the home.

If there be harmony in the home, there be order in the nation.

If there be order in the nation, there be peace in the world."

This concise statement serves as a model for my commitment. It must be rooted in my heart. The father of our country, George Washington, began with his heart. His inner convictions for a country governed by and for the people, influenced his character. Because of Washington's sterling character and because of his actions, he encouraged his fellow countrymen and future generations to make a commitment to their country.

So, first of all, my commitment is to my character. I can benefit my own generation, as well as others to come, but I must start with my heart. If I want an effective government, I must be effective. If I want more participation in government, I must participate. And if I want a great nation, I must strive for no less! The benefits of my commitment hinge on me. If I am a rusted hinge, the door is shut. If I am a lubricated, moving hinge, the door swings open for democracy.

The freedoms I have as an American citizen are virtually unlimited. There is one basic privilege afforded everyone, and that is the freedom of life, liberty, and the pursuit of happiness. From this democratic principle my country's constitution guarantees me many rights, such as: Freedom to voice my opinion; Freedom to live a private and secure life; Freedom to be equal, and expect justice before the law; And finally, the freedom to privately own property.

When the forefathers of our country wrote the constitution, they looked for rights that would promote order in the nation. My commitment to these rights is a pledge to assure that order in the nation.

But how do I show my commitments? Well, if I continually accept favors from a friend and do not give something in return, I will lose his respect, as well as my own; therefore, to preserve my self-respect, I am going to give something out of appreciation for the rights and privileges afforded me by my government. One of the ways that I support my government is by allegiance, that bond of loyalty and obligation to my country and its laws. I will show my allegiance by informing myself on public questions, selecting the right type of officials to run my government, and if I have the right qualifications, sharing them by serving in my government. One of the most obvious ways to show my allegiance is to serve in my country's armed forces, defending my country from enemies that would infringe upon its rights.

James Russell Lowell said, "Once to every man and nation comes the moment to decide, in the strife of truth with falsehood, for the good or evil side." I, too, must decide. What is it in my country that is worth cherishing and preserving? There should be a substance—a "rock". To me, this rock is the vision of democracy. My devotion, therefore, is not just to a specific geographical location or a specific nationality of people, or a specific way of life. My devotion is to the promise of freedom, which isn't much honored elsewhere in the world. With dedicated commitment to my character, my rights, and my responsibilities, I am promoting the realization of this mighty vision. My commitment speaks to my countrymen, to future generations, and to the world. Like that saying coined nearly 2500 years ago: From my heart my commitment shows singleness of purpose. From my character it shows beauty. From my family it shows harmony. From my nation it shows order, and to the world, my commitment offers the hope of freedom and the promise of peace.●

REAGAN ECONOMIC PACKAGE: THE ROYKO PERSPECTIVE

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. MICHEL. Mr. Speaker, there has been much said about the President's program for economic recovery, but I doubt it has been said better than by Chicago Sun Times columnist Mike Royko.

Most of the newpaper accounts of the Reagan budget reforms leave the reader with the impression that the Republican administration is bent upon cutting programs for the poor, the disabled, the elderly, and otherwise disadvantaged in our society. It is true, of course, that a number of programs in the reform package were and are designed for America's disadvantaged. Unfortunately, the newspaper

stories and television and radio accounts have not taken the discussion any further. While I have seen emotional interviews with poverty-stricken Americans on the television screen night after night, reinforcing the perception that the Reagan program will leave them more improverished, I have not yet seen any television interviews dealing with the individual who, through Government subsidy, can actually earn more while unemployed than he can while working in the Nation's most lucrative skilled trades. Nor have I seen interviews with those who shop supermarkets for lobster and steak and then pay the bill with food stamps. The point is that abuse of Federal programs and neglect of them by Govenment has created what is now an intolerable situation.

Mr. Royko deals with these seemingly contradictory circumstances in a simple, clear, and informative manner that is uniquely his. To me, it is must reading for everyone. I am, therefore, inserting at this point in the RECORD, "Are All Cuts Unkind," by Mike Royko, from the Friday, February 20, 1981, issue of the Chicago Sun Times:

ARE ALL CUTS UNKIND?

(By Mike Royko)

A Democratic politician was on my phone only minutes after President Reagan finished his economic message. He had several hot ideas for ways I could try to shoot holes in some of Reagan's proposals.

There's no sport I enjoy more than target practice on a politician's programs, whether he is a president or an alderman. But not this time. I'll have to disappoint anyone who is in the mood for Reagansniping. I have two reasons. Maybe more will come to me as I go along.

First, Reagan said nothing that he hadn't promised during his campaign. And these promises are what led to the huge landslide. If the overwhelming majority of voting Americans thought they were good ideas only three months ago, they probably think they're even better ideas now.

So Democrats—especially congressmen—would be wise to keep in mind that Reagan's economic plan is something most people want. It is their money, after all.

And the Democrats in Congress should also remember that they and a Democratic president had four long years to do something about this country's economic mess, and they did nothing but act goofy and make it messier.

Since they couldn't do anything but bicker, bicker, bicker for four long years, then they should be sporting enough to give somebody else a chance to try something.

Second, I can't really argue with most of Reagan's programs. Not after years of writing countless columns about that bloated federal bureaucracy, federal programs that only a computer could understand, and Washington crazies running around the country telling everyone how they should live and spend their money.

For example, I can't quarrel with cutting the food stamp program when one of my closest friends—a person who can usually be counted on to say the liberal thing—grinds her teeth every time she goes food shopping and sees someone using food stamps to pay for frozen lobster, while she has been carefully selecting the cheapest cuts of meat.

Should one out of every 10 people really be drawing food stamps, paid for by people who are working hard and barely making ends meet themselves?

And when Reagan talked about the special unemployment benefits that only auto and steel workers receive, I remember a Florida winter vacation I took a few years ago.

I began the vacation at a time when there were widespread layoffs in Detroit because of a temporary fuel crisis. Suddenly, the resort area where I was staying was flooded with campers with Michigan license plates. Floridians said they had never seen anything like it.

Now, I feel for the unemployed. I would like to see everyone have a job (especially all teen-agers—and the dirtier and harder the better).

But most of my friends were in Chicago working because they couldn't afford to go to Florida and sit on a beach or fish. Besides supporting themselves, they had to pay their income taxes.

So it didn't make sense to me that people in the freezing North would be working to pay income taxes that would then be used to provide unemployed people with a chance to take a long vacation in the sunny South. I don't think that's the way unemployment compensation was intended to work.

Then there is the student loan program. As I understand it, I'm pretty dumb because for the last four years I did not have my oldest son get a loan.

The reason I didn't was because I could have let him get a loan, which would be repaid at very moderate interest rates—and in shrunken inflationary dollars—after he finished college.

Then I could have taken the money I used to pay his tuition and invested it at much higher interest rates. And when we finally added the numbers, I would have turned a neat profit. The interest I earned on an investment would have been bigger than the interest I later paid on the student loan.

But when somebody makes a profit, it's coming from somewhere. And in the case of the student loans, the profit I could have made would have been coming from somebody else's taxes. And it doesn't seem fair that people who earn enough money to pay college tuition should be indirectly subsidized by those who can't.

Nor does it seem fair that free hot lunch programs should be provided for children whose parents can afford to provide their own hot lunches.

Now, before my liberal friends call to scold me about turning into a heartless, right-wing, capitalist running dog of Wall Street, please. . . .

Cross my heart and hope to die—I am all for giving food stamps to people who really need them. But I mean really. I grew up in a Depression household where women could perform kitchen miracles by stretching a chicken or a piece of rockhard beef all around the dinner table. But if the ladies had shopped for frozen convenience foods and TV snacks, we'd have eaten the wallpaper three times a week.

And I'm for unemployment comp. But not a special program that lets some people live better while out of work than while on the job.

I'm for helping any struggling family get a kid through college. I'm for giving hot lunches to poor families. I'm for most of the major welfare programs. My heart bleeds with the best of them.

But you have to be blind not to see that in the 48 years since Roosevelt's New Deal began, one Congress after another has had one New Deal after another. And their motto has been: When in doubt, give somebody something.

If nothing else, the law of averages says that once in a while, some program isn't needed and ought to be dumped.

Reagan's cuts might not all be fair. But until I see somebody's ribs sticking out because of him, I'm not going to wring my hands.

In the meantime, I admit that after four years of listening to The Peanut drone on and on about how tough his job is, how complicated everything is, and how nothing works, it was almost a shock to hear somebody just say: "Here's what I'm going to do."

See? The day after the election I said that having tried all kinds of presidents recently, we might as well try one who isn't too bright.

And I was right. Reagan hasn't figured out how tough the job is, and how complicated it is, and how nothing works.

If he just stays that way, maybe it will work.●

CONFRONTING THE THREAT TO RFE/RL

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. ZABLOCKI. Mr. Speaker, the bomb explosion which occurred last Saturday evening at the Munich headquarters of Radio Free Europe/Radio Liberty is a matter of deep concern to all Members of this body who are aware of the importance of these broadcast operations in promoting U.S. foreign policy and national security objectives. This explosion, which marks the first violent act involving RFE/RL since its inception more than 30 years ago, resulted in extensive damage to the headquarters building and injured four employees—two critically.

While this is a serious development with dangerous implications for the future of East-West relations, especially if it marks the beginning of an overt campaign of violence and intimidation against the radios and their employees, there is an evident need—at this point—to avoid rushing to judgment and thereby creating an atmosphere of panic.

In a statement issued by RFE/RL, President Glenn Ferguson, Sunday, February 22, 1981, it was emphasized that the Munich police have cooperated fully in investigating the circumstances and in providing extraordinary security service for an indefinite period. Internal security has also been increased appreciably, and I am informed that the building is considered secure and that with the exception of certain designated areas, the radios' staff is free to use the premises. Above

all, it should be noted that normal programing is progressing and that all studios are in operation.

Although it appears that the bombing, apparently by a timing device on the outside of the RFE/RL building near the Czechoslavak service area, was a professional effort, there is as yet no indication or evidence which would point to any particular cause, institution group or individual. Further details, however, will be provided as they become available as a result of the ongoing investigation. Clearly, the first priority is to improve and tighten long-term security procedures.

This unfortunate episode serves to highlight a basic underlying principle: These radios must, I believe, be assessed in the context of our national security interests—not in isolation. They are part and parcel of our overall defense effort, which the Reagan administration has promised to upgrade. Both are under attack by the Soviets at the bilateral level and at the Madrid Conference on Security and Cooperation in Europe—a development which clearly indicates how these stations are viewed by our potential adversaries.

Despite the pressing need, not only for enhanced security measures, but also for better transmission power in certain key areas of the world, the Office of Management and Budget has continued in effort a $4 million cut on the RFE/RL budget which was also imposed on the preceding administration by the very same office. It appears, in fact, that there is a certain bureaucratic inertia in OMB which transcends administrations—despite the new directions we have been reading so much about lately—and despite the campaign promises made by both the President and the Vice President last fall.

Mr. Speaker, I include in the RECORD at this time an article by Mr. Cord Meyer, a former senior intelligence official, which makes these points rather persuasively and which I commend to the attention of my colleagues.

The article follows:

THE RADIO VOICES OF AMERICA

(By Cord Meyer)

In a sharply disputed decision that may yet be reversed, David Stockman's budget cutters have decreed that Radio Free Europe-Radio Liberty (RFE-RL) must accept the $4 million cut in their '82 budget that was imposed by the Carter administration before it left office.

Advised that they were lucky to have escaped additional reductions, supporters of these hard-hitting broadcasts aimed at Russia and Eastern Europe are dismayed by what appears to be a repudiation of a firm campaign commitment.

As candidates, both President Ronald Reagan and Vice President George Bush condemned the Carter administration for its failure to support adequately RFE-RL broadcasting. They are both on record with promises to reverse Carter's policy of keeping these radios on short rations with a skeleton staff and insufficient transmitter strength.

This preliminary budget decision looks all the more penny-wise and pound-foolish when weighed against the extraordinary opportunities that have been opened up by the heavy-handed Soviet attempts to keep the Russian and Eastern European populations in ignorance of the real significance of the Polish renaissance and the Afghan resistance. By increased jamming and censorship, the Kremlin is desperately trying to protect its propaganda version of these events from being challenged by exposure to the facts.

Whether the continuing Polish dream ends in blood-stained tragedy or in the triumphant assertion of free trade union rights, the Polish workers are changing the basic conditions of Soviet rule within the Kremlin's far-flung empire. Unable to intervene because of the risk of world war, the West has at least the moral obligation to tell their story straight, above the jamming, to the millions who listen to foreign broadcasts.

But in addition to this general obligation, there is a specific and hard-headed practical purpose to be served by increasing the power and reach of RFE-RL broadcasts. The only really effective pressure that can be brought to bear on the Kremlin leaders to cut their rate of military spending is the fear that their own resentful workers may follow its Polish example.

THE NEWS IN MOSCOW

The rulers in the Kremlin are more aware than the West of the potential for trouble in Russian mines and factories among workers whose patient endurance of privation and official corruption is not endless. All news of strikes is rigidly suppressed but they are known to have occurred.

It cannot have escaped Moscow's notice that a year ago there were only a few dozen labor activists under police harassment in all Poland and that now the Solidarity labor federation claims 10 million members. To check the spread over the air waves of this contagious freedom, the Soviets are already attempting to destroy the credibility of the radios and to knock their transmitters off the air.

On the diplomatic level, Foreign Minister Gromyko in his recent letter to Secretary of State Haig charged that "radio stations under U.S. control" are guilty of provocation, in spite of the fact that State Department monitoring has found RFE-RL to be scrupulously accurate. Similarly, the Soviet delegation at the Madrid Conference has unsuccessfully tried to force West Germany, Spain and Portugal to cancel the rights of RFE-RL to broadcast from transmitters in their territories.

THE KGB CAMPAIGN

In order to backup their false allegation that the broadcasts are funded and controlled by the CIA, the Soviets have now charged that the radios are transmitting coded messages to secret agents. An orchestrated program of blackmail, disinformation and covert action against the radios is being undertaken by the KGB in a sustained effort by the Kremlin to reduce its own vulnerability.

If these defensive reactions by the Politburo are not enough to prove to Stockman's budgeteers that their proposed cuts are unwise, they should read the report of Reagan's transition team on RFE-RL. Although not yet published, this report castigates the Carter administration for having allowed inflation to impose crippling personnel cuts and calls for a full restoration of the $4 million that Carter slashed.

In addition, Reagan's transition team points out that the medium-wave RFE transmitter on which millions of Poles rely for accurate news was purchased in 1949 and is badly in need of replacement. They also call for an additional $2 million to strengthen Radio Liberty's transmitting power directed at Soviet Central Asia, where 50 million Soviet Moslems are largely kept in ignorance of events in Afghanistan.

Minuscule in comparison with the costs of modern weaponry, these modest increases are far more in line with Reagan's campaign commitments than Stockman's ill-advised economies. When Reagan's top policy advisers focus on this problem, as they are beginning to do, there is hope that these essential broadcasts will finally get the financial support that they deserve and that Reagan promised.●

AMENDING FOOD STAMP ACT

HON. THOMAS F. HARTNETT

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. HARTNETT. Mr. Speaker, one of the most frequent complaints which I receive from the taxpayers of this country concerns the waste and abuse in various Federal programs. Most people believe that we need a serious review and reform of our Nation's food stamp program.

I am certainly encouraged by President Reagan's efforts to revise entitlements in order to eliminate unintended food stamp benefits. In addition to the President's recommendations, I believe we need to go one step further by eliminating striking workers—workers who are voluntarily unemployed—from food stamp eligibility. The Federal Government should not provide food stamps to people who voluntarily walk off their jobs. By providing food stamp benefits to striking workers, the Federal Government is intervening in a labor dispute.

In essence, the Federal Government is taking sides in a labor dispute, and I feel this is very inappropriate. Providing food stamps to striking workers only prolongs strikes, causing greater damage to the economy. Preliminary figures from the Department of Labor statistics indicate that in 1980, there were 4,000 strikes in this country involving 1,400,000 workers. These strikes resulted in 31,500,000 days of idleness which had a severe impact on productivity. It is estimated that in fiscal year 1981, $41 million will be paid in food stamp benefits to striking households. It is my opinion that feeding those who voluntarily go on strike is the responsibility of the union and not of the Federal Government.

For this reason, I am introducing legislation which has also been sponsored by the senior Senator from my home State, Senator STROM THUR-

MOND. Under this legislation, no household would be eligible to receive food stamps if any member of that household is on strike.

Mr. Speaker, enactment of my bill would prevent the Federal Government from subsidizing striking workers and would result in substantial savings to the American taxpayers who are in desperate need of tax relief.

The text of the bill follows:

H.R. 2032

A bill to amend the Food Stamp Act of 1977 to prohibit certain households containing persons involved in labor-management disputes from participating in the food stamp program

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 6(d)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)) is amended by striking out the last colon in, and the third proviso to, such section.

SEC. 2. Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) is amended by striking out subsection (i).●

ACHIEVEMENTS OF MRS. MARVA COLLINS

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the achievements of Mrs. Marva Collins. Mrs. Collins, who had been teaching in the Chicago Public School System for 14 years, opened the Westside Preparatory School 5 years ago for children who were thought to have learning disabilities or emotional problems.

I am sure my colleagues will find the attached article interesting.

PROUD STUDENTS

TEACHER OPENS CHALLENGING SCHOOL

CHICAGO.—Children kicked out of school and labeled hopeless—Marva Collins wants them all.

The waiting list for her inner-city Westside Preparatory School runs over 1,000. "Those who are failing the most miserably" are selected first, Mrs. Collins said.

"We take the problem children," she said. "We take the children that no one else wants. Every child in here was thrown out of somewhere else."

The children were told they were mentally retarded, or had learning disabilities or emotional problems.

That just is not so, Mrs. Collins said.

Now every two weeks, they read a book straight from college booklists—Shakespeare, Plato, Aristotle, Socrates, Goethe, Nietzsche, Jane Austen, Ralph Waldo Emerson and Oscar Wilde.

At Westside, a 4-year-old's reading level is equal to what the average youngster reaches in the second semester of first grade. Sixth-graders read at college level.

Children's underestimated minds are stimulated more by reading Emerson's "Every man has pure thoughts . . ." than simplistic sentences, Mrs. Collins said.

"I certainly think a child will get more out of that than 'See Sue run.' Life just is not like that. It does not give them anything to think about. I think school should be a miniature society that will prepare children for life.

"To keep saying the same foolish thing over and over, children are just a bit too sophisticated to sit and listen to that. They come to us with word knowledge, after watching television and everything.

"A child's mind is like a piggy bank. If you put nothing in it, there is nothing to come out. Life is as much as you are willing to put into it."

Teachers said Chris, 9, had a learning disability and kept him behind in public schools. One month later, he read Beowulf and "Catcher in the Rye."

"I can not believe it," his mother said. "Chris had never read a whole book in his entire life. It has always been in him. It really nurtured."

It took Marva Collins to nurture it.

She makes each child feel he is the most important person in the world and can do anything he wants to do.

She holds a young boy's hand while he tells the class about the book he is reading. She glances to the other side of the room to help another child. She calls them sweetheart, gives them kisses.

She treats them all the same. "Here you cannot tell the welfare children from the very super rich."

Wearing designer clothes and carrying a Louis Vitton handbag, Mrs. Collins, 43, looks out of place in the crowded, makeshift school. That's typical. She instills pride in her students and encourages them to look their best.

Five years ago, Mrs. Collins began the school with 18 pupils at her own house on Chicago's tough West Side. The school grew. It moved to a nearby rented bank building. There are now 200 students, predominantly black and aged 4 to 14, seven teachers and six classrooms.

Mrs. Collins, a mother of three, had taught in the Chicago public school system for 14 years before starting her own school.

"I just was very disenchanted with what was happening, and I couldn't change it. People would think I was going too fast . . . for a 7-year-old child to read 'Pride and Prejudice.'

"I'm so excited about my own program. I don't have to have people saying, 'You're nuts.'"

Mrs. Collins teaches the oldest class where age makes no difference. The 7-year-olds sit with the 14-year-olds. They all read "Vocabulary for the College-bound Student."

"We're beginning to have all the fancy schools across the country here to ask for our children now," she said.

When school's over, the children, who haven't been outside all day or had a recess, don't want to leave. They hide behind doors and bookshelves. They stay behind, writing sentences on blackboards and showing off what they just learned.

Ruth, a 6-year-old who has just recited Rudyard Kipling's poem "If" by memory, writes with her piece of chalk: "The physician examined Neal's trachea."

Mrs. Collins helps her with the spelling. She says: "Speak up, because if you don't, someone else will speak for you. And when other people speak for you, it's always to their advantage.

"Every morning you jump out of bed and look in the mirror and say, 'Hey, I'm the brightest girl in the whole world and I'm going to give it all I have today.'"

She talks about becoming doctors and lawyers. She tells the children: "If you don't like the books that are written, write your own."

Her class recites in unison the words: curious and discontent.

"I think any person who does well has to be curious or discontented," she said.

Her methods of discipline are innovative.

"One child kept chewing gum today. So she has to write the art of chewing bubbles and she has to look up the etiology of gum tonight and she has to write me a recipe of the ingredients that's in that gum that she insisted on chewing. And that's all.

"If they say they're going to hurt someone, I make them hug each other and say 'I love you.' They hate that. I tell them. 'The next time I'll make you kiss each other.' That stops it. And then I make them sit next to each other, too."●

SOME THEORY ON DECONTROL IS SO MUCH NATURAL GAS

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. GAYDOS. Mr. Speaker, barely a month ago the new President swore the oath of office and promised a new direction; since then he has fully decontrolled gasoline and heating oil—petroleum—and sent up a trial balloon proposing decontrol of natural gas for next winter and all winters to come. It is a bad idea.

This pending double dose of decontrol shows a poor sense of direction; if whipping inflation is the goal, as it should be, then decontrol is not a new direction but the wrong direction.

It could greatly heat up inflation and take up to $92 billion right out of the pockets of working and retired middle Americans, according to the experts.

That $92 billion would be in the shrinking dollars of retired workers whose fixed incomes threaten the cruel choice of heat or eat; and it would come from working families who right now are conserving, cutting, scrapping, and giving up things just to stay even. So it would signal a big, immediate step back in our standard of living.

And it would make some of our more pressing problems a little tougher to solve in ways tangible and intangible.

These problems facing the administration and the Congress, and more importantly, the people are great.

We have inflation, credit crunches, recession, and monetary problems that make the realistic goals of yesterday's America, such as homeownership, the unattainable daydreams of today's Americans.

We have an abused industrial base crumbling under the hammer blows of unfair foreign competition and mud-

dled trade policies, and an accompanying loss of jobs numbering in the thousands.

Further, we have public schools that do not educate; epidemic use of drugs and more crime than we should; there still are avoidable deaths in the workplace; the people continue to face bankruptcy in the event of prolonged illness; and the social security system is shaky; and more.

And, although energy is a problem, this proposed double dose of decontrol will do nothing to provide more natural gas for residential or industrial use or any purpose, the experts and some energy associations say.

More important, though, is the intangible of attitude.

We have a mess, and we all are in it together, and the people want to get on with the business of finding answers.

However, those answers will not be found in giving the people the business, which should be understood from the start, whatever the direction.

But this double decontrol would give them the business thoroughly.

In the 20th Congressional District of Pennsylvania, it could have the people devoting nearly 20 percent of their household buying power to energy alone.

Many similar steps in this new direction and the term middle American will take on bitter new meaning for them; it will mean Americans caught in the middle, lodged firmly between the rock and the hard place of contemporary folklore. It never is comfortable there.

Caught between the rock of unchanging pay envelopes and the hard place of rising prices. When all do not share the pressures of that particular position, those who get the grinding become angry and resentful; and a wearing away begins on the consensus that could see the Nation through the task of rebuilding. We are not all in it together when the pressure is not shared.

Our current ills require strong medicine, but the shock of double-dose decontrol may be more than the economy can stand. The Consumer Price Index could probe new highs.

Dose No. 1: Decontrol of petroleum; the experts say it will take $11.7 billion from working and retired middle America in fiscal 1981 and, of course, more later. In return they get more exploration, more gasoline. That is how it looks in the textbooks and to the economists.

But between the rock and the hard place in the 20th District it looks like this: You and your wife both work just to keep up and your household buying power is the average $20,724; you need two older cars to get you to two jobs, and you drive 25,000 miles a year between you.

Your gasoline bill will be $2,343 a year at 16 miles per gallon and $1.50 for each gallon; and that is 11 percent of your buying power.

Dose No. 2: Decontrol of natural gas; the experts say it could take up to $80 billion annually under the most drastic forseen increase that would face working and retired middle Americans. In return they get more exploration, more natural gas. That is how it looks to the economists and other theoreticians.

But between the rock and the hard place the most commonly heard expert speculation is for a more moderate increase, a simple doubling of price; and from the 20th District it looks like this: You are paying $663 a year at current rates and reeling under recent increases, adjustments and pass-ons, but nevertheless getting by; you have insulated, turned down the thermostat, and wear sweaters indoors.

But next year you can expect heating to push your gas use to $1,325, which is 6 percent of your buying power, if natural gas only doubles.

That is 17 percent of your buying power for energy, but that is not all decontrol does to your buying power.

Added to the 17 percent must be the indirect costs that will be passed on in price increases on every service and every piece of goods bought or sold that involves the use of natural gas: Automobiles, anything made of steel or aluminum, food, clothing, cleaning, new shelter, hospital care, and school operating expenses.

Wherever the inquiring mind can look, there it will see decontrol putting strong upward pressure on inflation.

The President must decide whether he wants the Nation to unite in fighting inflation or fall to bickering over who represents what interests, and who is profiteering, and how badly. That is how a consensus erodes.

Now the pure economic theorists in this House will argue strenuously that decontrol will stimulate exploration and discovery of petroleum and natural gas, and that the higher prices will force individual conservation.

All of that is just so much uncontrolled natural gas, Mr. Speaker.

The theory has half a dozen holes in it under conditions that apply currently in the United States:

First, most natural gas is found in conjunction with petroleum; petroleum drilling is up and will continue to rise as quickly as possible.

Second, the reason more wells are not drilled is not a shortfall of incentive but a shortage of rigs and trained personnel; our experts say new rigs cannot be obtained without a substantial wait and that oil companies are engaged in massive personnel raids to find trained hands to run them.

Third, natural gas controls are to be phased out through 1985 under existing law; and the experts say the presence of waning controls will not make any real difference in exploration.

Fourth, some gas lobbies have acknowledged a surplus productive capacity; that means they have more gas than they can sell.

Fifth, the American Gas Association favors the existing schedule.

Sixth, individual conservation measures—insulation, storm windows, lowered thermostats, timers—have been underway for several years now, and some experts feel that most who can afford such conservation efforts have made them; and when use falls, prices generally rise to meet a regulated company's guaranteed rate of return, which makes conservation-minded consumers angry.

Decontrolling the price of natural gas under these conditions amounts to bleeding working and retired middle America for no visible benefit except to increase already record profits. U.S. News & World Report recently estimated that gas utility profits are up 18.4 percent while petroleum profits are up 5.8 percent.

Double decontrol is the wrong way to go, Mr. Speaker.

Strong medicine often is necessary to cure serious illness. Curare is strong medicine, so powerful it is not used without painstaking care. A controlled dose to a patient is invaluable to surgeons in operating. But too big a dose will kill, for it is a deadly poison.

And in the case at hand, a double dose of decontrol will poison and kill the spirit of pulling together that we have now, and that we need to put things right. The people will eagerly carry their share of the burden, accept their portion of the pain; but they should have only a fair share, not the whole load.

For these reasons I would oppose any recommended double decontrol. I would urge the House to reject it. In fact, I urge the President not to send it to us.

Then we can get on with the business of finding answers for the people instead of answering the people by giving them the business.●

SALUTING THE MAKER OF THE INAUGURAL MEDALS

HON. WILLIAM R. RATCHFORD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. RATCHFORD. Mr. Speaker, I commend the attention of my colleagues today to the creative industry of a company in the Fifth District of Connecticut, the Medallic Art Co., Inc., which has struck and is producing a series of unique and highly collectible medals commemorating the in-

auguration of Ronald Reagan as President.

The Medallic Art Co. has been in the buisness of manufacturing high-quality medals for years, and has been a valued employer, taxpayer, and good neighbor in my home city of Danbury. But, of course, Medallic Art's business has been more than just a business: A sense of artistry is palpably apparent in each of its creations; a sense of history informs and inspires its entire collection.

Medallic Art's inaugural medal—in five different size and metal combinations—displays on its obverse a careful portrait of the President, prepared from a life mask, and on its reverse a detailed depiction of the west front of the Capitol, where Mr. Reagan took the oath of office as our Nation's 40th President. The medal is more than a fine piece of work and a credit to all of us in western Connecticut—a region that is proud to be the home of a number of collection-quality medallic mints. It is a testament to the esteem numismatists have long accorded Medallic Art—for the Presidential medals that have preceded the current edition, for the special Olympic collection minted to commemorate the games at Lake Placid, N.Y., last year, and for dozens of other brilliantly wrought examples of the numismatic art.

I trust my colleagues will join me in saluting the care and craftsmanship of Medallic Art Co.—a business I and all the citizens of the Fifth District are proud to call a neighbor, a business we are pleased to see building success from a firm tradition of innovation, artistry, and the highest standards of minting excellence.●

FUTURE HOMEOWNERS' SAVINGS ACCOUNT ACT

HON. THOMAS F. HARTNETT

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. HARTNETT. Mr. Speaker, only 18 percent of the homes sold in 1979 were firsttime buyers, compared to 36 percent in 1977. If the current trend in housing costs continues, the average price of a new home in 1984 will be $100,000.

Firsttime homebuyers need some form of tax relief. Between fiscal year 1976 and fiscal year 1981, Federal taxes will rise from $300 billion to $608 billion, a 101-percent increase. The Federal Government took 26.1 percent of the average person's income in taxes in 1976, compared to an estimated 30.1 percent in 1981. Federal taxes per household will rise from $3,900 to $7,500 over the same period which is the largest share of income going to Federal taxes in the history of our Nation.

Under current law, Federal taxes will increase to $11,200 per household in fiscal year 1984 or 32.6 percent of a person's income. Young people today simply cannot afford to buy a home.

To help correct this situation, I am introducing legislation which would allow an individual to deposit up to $1,500–$3,000 if married—per year for a maximum of 10 years into an individual housing account. The account would be nontaxable as long as the principal and earned-interest on the account is applied toward the purchase of a first home.

The money from this account must be used within 10 years to purchase a home. If the account is used for any other purpose, the money would be taxed at the full rate for the full amount of years it had been deferred.

My bill would provide the necessary incentive for people to save money for the purchase of a home by reducing their tax liabilities up to $3,000. If a married couple earns $25,000 together, they must pay $4,050 in Federal taxes. If they place $3,000 in an individual housing account, their new taxable income is $22,000, paying $3,220 in Federal taxes. The interest on $3,000 at a 7-percent rate is $210 per year. By saving $3,000 in an individual housing account, in 1 year, this married couple would have $830 in tax savings plus $210 in interest toward purchasing a new home.

The Future Home Savings Account Act would give people the opportunity to save enough money to put a down payment on a first home and it would increase the money market supply for mortgages and conventional homebuyers. This would certainly help the entire housing industry as well as the overall economy.

The text of the bill follows:

H.R. 2033

A bill to amend the Internal Revenue Code of 1954 to allow a deduction for contributions to saving accounts for use by first-time homebuyers in purchasing a principal residence

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "————".

SEC. 2. HOUSING SAVINGS ACCOUNTS.

(a) IN GENERAL.—Part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to additional itemized deductions for individuals) is amended by redesignating section 221 as section 222 and by inserting after section 220 the following new section:

"SEC. 221. HOUSING SAVINGS ACCOUNT.

"(a) DEDUCTION ALLOWED.—In the case of an individual, there is allowed as a deduction the sum of—

"(1) amounts paid in cash, and

"(2) the fair market value of stocks, bonds, or other securities, readily tradeable on an established securities market, transferred during the taxable year by such individual to a housing savings account.

"(b) LIMITATIONS.—

"(1) MAXIMUM ANNUAL DEDUCTION.—The amount allowable as a deduction under subsection (a) to an individual for any taxable year may not exceed $1,500 ($3,000 in the case of married individuals filing a joint return).

"(2) MAXIMUM LIFETIME DEDUCTION.—The amount allowable as a deduction under subsection (a) to an individual for all taxable years may not exceed $15,000 ($30,000 in the case of married individuals filing a joint return).

"(3) STOCK, ETC., TO BE VALUED ON TRANSFER DATE.—The fair market value of stock, bonds, and other securities is to be determined as of the date on which it is transferred to the account, or, if the transfer occurs on a Saturday, Sunday, or other public legal holiday, on the last preceding day on which it could have been traded.

"(4) ADJUSTMENT OF LIMIT FOR INFLATION.—

"(A) IN GENERAL.—Beginning in 1983, the dollar amounts in paragraph (1), paragraph (2), and subsection (c)(1)(A) shall each be adjusted by multiplying such amounts by the inflation adjustment factor for the 12-month period ending on July 31 of the preceding calendar year and, as adjusted, shall be substituted for such amounts for taxable years ending with or within the calendar year next beginning after such 12-month period.

"(B) COMPUTATION OF INFLATION ADJUSTMENT FACTOR.—

"(i) DETERMINATION AND PUBLICATION.—The Secretary shall, not later than October 1 of each calendar year (beginning in 1982), determine and publish in the Federal Register the inflation adjustment factor for the immediately preceding 12-month period ending on July 31 in accordance with this paragraph.

"(ii) INFLATION ADJUSTMENT FACTOR.—The term 'inflation adjustment factor' means, with respect to a calendar year, a fraction the numerator of which is the average monthly Consumer Price Index (all items—United States city average) published by the Bureau of Labor Statistics of the Department of Labor for the most recent 12-month period ending on July 31 and the denominator of which is the average monthly Consumer Price Index (all items—United States city average) for the 12-month period ending on July 31, 1981.

"(c) HOUSING SAVINGS ACCOUNT DEFINED.—For purposes of this section, the term 'housing savings account' means a trust created or organized in the United States for the exclusive benefit of an individual, or in the case of a married individual, for the exclusive benefit of the individual and his spouse jointly, but only if the written governing instrument creating the trust meets the following requirements:

"(1) No contribution will be accepted unless it is in cash or in stocks, bonds, or other securities readily tradeable on an established exchange, and contributions will not be accepted for the taxable year in excess of $1,500 on behalf of any individual ($3,000 in the case of a trust for an individual and his spouse), or in excess of $15,000 on behalf of an individual for all taxable years ($30,000 in the case of a trust for an individual and his spouse).

"(2) The trustee is a bank (as defined in section 401(d)(1)) or another person who demonstrates to the satisfaction of the Secretary that the manner in which that

person will administer the trust will be consistent with the requirements of this section.

"(3) No part of the trust assets will be invested in life insurance contracts.

"(4) The assets of the trust will not be commingled with other property except in a common trust fund or common investment fund.

"(5) The entire interest of an individual or married couple for whose benefit the trust is maintained will be distributed to him, or them, not later than 120 months after the date on which the first contribution is made to the trust.

"(6) The assets of the trust shall be invested in accordance with the directions of the individual contributing to the trust, but, if more than 1 individual makes contributions to the trust the consent of all such individuals shall be required with respect to such direction.

"(d) TAX TREATMENT OF DISTRIBUTIONS.—

"(1) IN GENERAL.—Except as otherwise provided in this subsection, any amount paid or distributed out of a housing savings account shall be included in gross income by the payee or distributee for the taxable year in which the payment or distribution is received, unless such amount is used exclusively in connection with the purchase by the payee or distributee of a dwelling which constitutes his principal residence and which is the first dwelling in which the payee or distributee has an ownership interest. The basis of any person in such an account is zero.

"(2) EXCESS CONTRIBUTIONS RETURNED BEFORE DUE DATE OF RETURN.—Paragraph (1) does not apply to the distribution of any contribution paid during a taxable year to a housing savings account to the extent that such contribution exceeds the amount allowable as a deduction under subsection (a) if—

"(A) such distribution is received on or before the day prescribed by law (including extensions of time) for filing such individual's return for such taxable year,

"(B) no deduction is allowed under subsection (a) with respect to such excess contribution, and

"(C) such distribution is accompanied by the amount of net income attributable to such excess contribution.

Any net income described in subparagraph (C) shall be included in the gross income of the individual for the taxable year in which it is received.

"(3) TRANSFER OF ACCOUNT INCIDENT TO DIVORCE.—The transfer of an individual's interest in a housing savings account to his former spouse under a divorce decree or under a written instrument incident to a divorce is not to be considered a taxable transfer made by such individual notwithstanding any other provision of this subtitle, and such interest, at the time of the transfer, is to be treated as a housing savings account of the spouse, and not of such individual. After the transfer, the account is to be treated, for purposes of this subtitle, as maintained for the benefit of the spouse.

"(e) TAX TREATMENT OF ACCOUNTS—

"(1) EXEMPTION FROM TAX.—Any individual housing account is exempt from taxation under this subtitle unless such account has ceased to be a housing savings account by reason of paragraph (2) or (3). Notwithstanding the preceding sentence, any such account is subject to the taxes imposed by section 511 (relating to imposition of tax on unrelated business income of charitable, etc., organizations).

"(2) LOSS OF EXEMPTION OF ACCOUNT WHERE INDIVIDUAL ENGAGES IN PROHIBITED TRANSACTION.—

"(A) IN GENERAL.—If, during any taxable year of the individual for whose benefit a housing savings account is established, that individual engages in any transaction prohibited by section 4975 with respect to the account, the account ceases to be a housing savings account as of the first day of that taxable year. For purposes of this subparagraph the individual for whose benefit any account was established is treated as the creator of the account.

"(B) ACCOUNT TREATED AS DISTRIBUTING ALL ITS ASSETS.—In any case in which any account ceases to be a housing savings account by reason of subparagraph (A) on the first day of any taxable year, paragraph (1) of subsection (d) applies as if there were a distribution on such first day in an amount equal to the fair market value (on such first day) of all assets in the account (on such first day).

"(3) EFFECT OF PLEDGING ACCOUNT AS SECURITY.—If, during any taxable year, the individual for whose benefit a housing savings account is established uses the account or any portion thereof as security for a loan, the portion so used is treated as distributed to that individual.

"(f) ADDITIONAL TAX ON CERTAIN AMOUNTS INCLUDED IN GROSS INCOME.—

"(1) DISTRIBUTION NOT USED TO PURCHASE RESIDENCE.—If a distribution from a housing savings account to an individual for whose benefit such account was established is made, and not used in connection with the purchase of a principal residence for such individual, the tax liability of such individual under this chapter for the taxable year in which such distribution is received shall be increased by an amount equal to 10 percent of the amount of the distribution which is includable in his gross income for such taxable year.

"(2) DISQUALIFICATION CASES.—If an amount is includable in the gross income of an individual for a taxable year under subsection (e), his tax under this chapter for such taxable year shall be increased by an amount equal to 10 percent of such amount required to be included in his gross income.

"(3) DISABILITY CASES.—Paragraphs (1) and (2) do not apply if the payment or distribution is attributable to the taxpayer becoming disabled within the meaning of section 72(m)(7).

"(g) COMMUNITY PROPERTY LAWS.—This section shall be applied without regard to any community property laws.

"(h) CUSTODIAL ACCOUNTS.—For purposes of this section, a custodial account shall be treated as a trust if the assets of such account are held by a bank (as defined in section 401(d)(1)) or another person who demonstrates, to the satisfaction of the Secretary, that the manner in which he will administer the account will be consistent with the requirements of this section, and if the custodial account would, except for the fact that it is not a trust, constitute a housing savings account described in subsection (c). For purposes of this title, in the case of a custodial account treated as a trust by reason of the preceding sentence, the custodian of such account shall be treated as the trustee thereof.

"(i) REPORTS.—The trustee of a housing savings account shall make such reports regarding such account to the Secretary and to the individual for whom the account is maintained with respect to contributions, distributions, and such other matters as the Secretary may require under regulations. The reports required by this subsection shall be filed at such time and in such manner and furnished to such individuals at such time and in such manner as may be required by those regulations.

"(j) REDUCTION OF BASIS.—The basis of any residence acquired with funds withdrawn from a housing savings account shall be reduced by an amount equal to the amount of expenditures made in connection with the acquisition of the residence out of such funds.".

(b) DEDUCTION ALLOWED IN ARRIVING AT ADJUSTED GROSS INCOME.—Paragraph (10) of section 62 of such Code (relating to adjusted gross income) is amended to read as follows:

"(10) RETIREMENT AND HOUSING SAVINGS.—The deductions allowed by sections—

"(A) 219 (relating to retirement savings),

"(B) 220 (relating to retirement savings for certain married individuals), and

"(C) 221 (relating to housing savings)."

(c) TAX ON EXCESS CONTRIBUTIONS.—Section 4973 of such Code (relating to tax on excess contributions to individual retirement accounts, certain section 403(b) contracts, certain individual retirement annuities, and certain retirement bonds) is amended—

(1) by inserting "HOUSING SAVINGS ACCOUNTS," after "ACCOUNTS," in the heading of such section,

(2) by redesignating paragraphs (2) and (3) of subsection (a) as (3) and (4), respectively, and by inserting after paragraph (1) the following:

"(2) a housing savings account (within the meaning of section 221(c)),", and

(3) by adding at the end thereof the following new subsection:

"(d) EXCESS CONTRIBUTIONS TO HOUSING SAVINGS ACCOUNTS.—For purposes of this section, in the case of a housing savings account, the term 'excess contributions' means the amount by which the amount contributed for the taxable year to the account exceeds the amount allowable as a deduction under section 221(b)(1) for such taxable year. For purposes of this subsection, any contribution which is distributed out of the housing savings account and a distribution to which section 221(d)(2) applies shall be treated as an amount not contributed.".

(d) TAX ON PROHIBITED TRANSACTIONS.—Section 4975 of such Code (relating to prohibited transactions) is amended—

(1) by adding at the end of subsection (c) the following new paragraph:

"(4) SPECIAL RULE FOR HOUSING SAVINGS ACCOUNTS.—An individual for whose benefit a housing savings account is established shall be exempt from the tax imposed by this section with respect to any transaction concerning such account (which would otherwise be taxable under this section) if, with respect to such transaction, the account ceases to be a housing savings account by reason of the application of section 221(e)(2)(A) or if section 221(e)(3) applies to such account.", and

(2) by inserting "or a housing savings account described in section 221(c)" in subsection (e)(1) after "described in section 408(a)".

(e) FAILURE TO PROVIDE REPORTS ON HOUSING SAVINGS ACCOUNTS.—Section 6693 of such Code (relating to failure to provide reports on individual retirement account or annuities) is amended—

(1) by inserting "OR HOUSING SAVINGS ACCOUNTS" after "ANNUITIES" in the heading of such section, and

(2) by adding at the end of subsection (a) the following: "The person required by section 221(i) to file a report regarding a housing savings account at the time and in the manner required by such section shall pay a penalty of $10 for each failure unless it is shown that such failure is due to reasonable cause.".

(f) ADJUSTMENT OF BASIS OF RESIDENCE PURCHASED THROUGH USE OF AMOUNTS IN ACCOUNT.—Section 1016(a) of such Code (relating to adjustments to basis) is amended by striking out "and" at the end of paragraph (21), by striking out the period at the end of paragraph (22) and inserting in lieu thereof ", and", and by inserting after paragraph (22) the following new paragraph:

"(23) in the case of a residence the acquisition of which was made in whole or in part with funds from a housing savings account, to the extent provided in section 221(j)."

(g) CLERICAL AMENDMENTS.—

(1) The table of sections for part VII of subchapter B of chapter 1 of such Code is amended by striking out the item relating to section 221 and inserting in lieu thereof the following:

"SEC. 221. Housing savings accounts.
"SEC. 222. Cross references."

(2) The table of sections for chapter 43 of such Code is amended by striking out the item relating to section 4973 and inserting in lieu thereof the following:

"SEC. 4973. Tax on excess contributions to individual retirement accounts, housing savings accounts, certain 403(b) contracts, certain individual retirement annuities, and certain retirement bonds."

(3) The table of sections for subchapter B of chapter 68 of such Code is amended by striking out the item relating to section 6693 and inserting in lieu thereof the following:

"SEC. 6693. Failure to provide reports on individual retirement accounts or annuities or housing savings accounts."

(h) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1981.●

NOISE CONTROL ACT

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. SCHEUER. Mr. Speaker, President Reagan has wisely instructed all agency heads to weigh the cost of major new regulations and to impose on taxpayers and industry the least expensive way to fulfill congressional mandates.

I support President Reagan's efforts to fashion a more rational regulatory framework. It is imperative, however, that the Federal Government not abandon its fundamental commitment to the health and safety of the American people in the name of "regulatory reform."

There is no single area where intelligent Federal regulation is more important and necessary than in the area of aircraft noise abatement.

That is why an Environmental Protection Agency internal memorandum suggesting that the administration is contemplating a recommendation of zero funding for implementation of the Noise Control Act and recission of all existing noise regulations is an outrage, particularly since the EPA's formal statement make no mention of the possibility of these draconian and ill-advised cuts.

Such a recommendation would be totally unacceptable to the millions of Americans who suffer from the debilitating effects of excessive aircraft noise, and to the Congress.

If the administration were to succeed in rescinding these regulations, it is clear that noise beleaguered citizens would turn to their local governments to solve the problems which were ignored by the Federal Government.

Airport operators have repeatedly stated that a weakening of Federal noise standards would result in a series of local, uncoordinated noise regulations and operational restrictions at numerous airports.

This nightmare of conflicting regulations would plunge airport operators and aircraft manufacturers into utter chaos, while unabated aircraft noise would continue to diminish the quality of life and seriously endanger the health of 6 to 10 million Americans.

Excessive aircraft noise has been linked to damaged hearing, cardiovascular disease, diabetes, arthritis, fetal damage, increased heart rate, and high blood pressure. In addition, excessive aircraft noise has a devastating impact on property values, often affecting healthy communities which were in existence long before the airports were constructed.

In 1976, after 7 years of extensive study and debate the Federal Aviation Administration (FAA) concluded that it was economically reasonable and technologically practical to require that all older generation aircraft be retrofitted or replaced so that there would be a noise-certified fleet by 1985.

In an overly generous effort to make compliance with these regulations as painless as possible, the FAA told noise-impacted communities to wait 9 long years for these economically reasonable regulations to take effect.

In an effort which I vehemently opposed, the Congress last year rolled back these compliance deadlines up to 5 years for some aircraft.

It was unequivocally clear that this was to be the last delay in fulfilling our commitment to provide essential relief to noise-impacted communities.

Any further delay would be an indefensible affront to the millions of Americans whose quality of life and very health are seriously undermined by excessive aircraft noise, and to those carriers who in good faith and enlightened corporate decisionmaking, have undertaken the cost of complying with the FAA regulations.●

INTRODUCTION OF H.R. 2027

HON. SAM B. HALL, JR.

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. SAM B. HALL, JR. Mr. Speaker, compensation paid to service-connected disabled veterans and dependency and indemnity compensation payable to the survivors of veterans who have died of service-connected causes has a high priority with the Committee on Veterans' Affairs.

Historically, these benefits have been viewed as an obligation to a preferred class of citizens since payments are directly related to the veteran's loss of earning capacity or death of the veteran flowing from service to the Nation.

These cost-of-living adjustments are not automatically indexed by law. Therefore, congressional action is necessary if these benefits are not to be eroded by increased living costs.

I am today introducing a bill (H.R. 2027) which would provide for a 12.3-percent cost-of-living increase in these vital benefits. This is the estimate contained in the budget that the President sent to the Congress last week; and for want of a crystal ball, we are at this point accepting this estimate.

It has always been the purpose of the committee to seek equitable rates of payment for our service-connected disabled veterans and their eligible survivors in order that they do not have to bear a disproportinate share of the burden associated with the continued escalation in the costs of all goods and services.

We will, of course, as usual be following the economic trends as well as conducting hearings in which all views about the needs of these people and the proper way to meet them will be fully aired.

Mr. Speaker, although the administration has not submitted a specific legislative program at this time, this bill, which is intended to carry out the administration's budget request, would provide an across-the-board, cost-of-living increase of 12.3 percent. Following hearings on this bill and others that may be pending before the subcommittee, the committee will be in a position to make a judgment as to whether or not an across-the-board increase should be passed or whether other alternatives may be available to the committee. It has always been my personal view that the greater benefit should be bestowed to the more seriously disabled veteran and that is the way in which the committee has acted for many, many years.●

AFTER THE KILLING

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. LAGOMARSINO. Mr. Speaker, with all the attention being given to El Salvador, many people are overlooking a paradox within the leadership of that country. Although President Duarte's opposition to the terrorists and leftist guerrillas has been well publicized, little notice has been given to his opposition to free enterprise.

Duarte's support for socialization of the economy is viewed by many private businessmen as a significant contributing factor toward the collapse of the Salvadoran economy.

The following article by Jerry Flint appeared in the February 2, 1981, edition of Forbes magazine. In it, Mr. Flint describes the reactions of a number of Salvadoran businessmen to the reforms that have been pushed in their country.

I urge my colleagues to give careful consideration to their views:

AFTER THE KILLING

(By Jerry Flint)

You've been reading and hearing about terror-torn El Salvador, but not in the way Luis Escalante, an old Salvadoran banker who limps from bullet wounds, knows it. "The economy?" he says. "If this junta continues it will go to hell." Escalante's friend couldn't cash a $1,200 check in Miami from his old bank, Banco Agricola Commercial—now nationalized—because there were no funds. "Twelve hundred dollars!" he laughed sarcastically at the government's ruin of his enterprise.

That's the problem. The Salvadoran government may win its fight with Marxist guerrillas but destroy its economy with so-called reforms that will drive out private investment.

It's a too-common story in the world today. Americans are told a tale of redistribution of the wealth. It sounds like social justice, but the legacy is bitter and bare. In overpopulated, underdeveloped countries like El Salvador, redistribution may be simply spreading the poverty and replacing an old economic elite with a new political one.

The country loses not the idle rich but the productive middle class.

Says Manuel Enrique Hinds, an economics minister in an earlier junta: "The economy may be near collapse. It's worsening every day. There's almost no foreign exchange so we can't buy raw materials for our industry. There's a liquidity crisis, capital flight, inflation and production is going down. Worse, the invisible fabric is going. The trained people. When you lose that fabric it takes forever to recover."

A poultryman, who lost some of his farm to nationalization but still has much of his property, says: "Every year egg production went up 20 percent. Now it's down 20 percent, demand for chickens is down 50 percent. I can't get credit for feed. What kind of business can you do there?"

The present government, called moderate and headed by Christian Democrat José Napoleon Duarte, began to socialize the economy under prodding by the Carter Administration. It could well intensify the effort as peace returns. The largest farms, the banks and the agricultural export businesses were seized without payment, not even the promised 30-years, low-interest bonds. This was not moderate, it was extreme. Even the Marxists who rule neighboring Nicaragua left private planters alone—except for the Somoza estates—to insure production.

But in El Salvador, the expropriation was backed by the army. "The army hates foreign investment," says one businessman. "They think free enterprise is exploitation, and that a certain amount of socialism will prevent communism." There is confusion in El Salvador, and a return to a less-productive former age.

On the largest cotton farms, where peasant cooperatives are being set up, the cotton harvest is expected to be down sharply this year, maybe 40 percent to 50 percent, which will devastate export earnings as well as manufacturing and processing industries. On some of the old cotton lands corn is being grown. The only trouble is there's no shortage of corn, and the cotton was worth more.

The junta threatens, but keeps postponing confiscation of smaller plots used for another key export crop, coffee. But the effect of the expropriation threat is a cutback in investment, less fertilizer and insecticide use, which would be reflected in spreading blight and probably cause a serious slump in next year's harvest. The combination of guerrilla burnings and the government's policies may be halving production of the third crop, sugar. Indeed, El Salvador is traditionally a sugar exporter, and just when prices are high the country probably won't be exporting.

The truth is El Salvador—a nation of 5 million people in an area the size of Massachusetts—was near the takeoff stage in development. Listen to Roberto Llach, a former minister of agriculture: "We had the highest productivity [in yield per acre] of coffee in the world; we're number two in cotton in Latin America, sometimes number one; number one in sugar productivity, second in potato productivity in Latin America, first in use of fertilizer. We are forced to work hard and we do," Llach says.

The industrial and commercial base had also been growing rapidly. But now, says Enrique Altamirano, publisher of the nation's largest newspaper, El Diario de Hoy, "we hear rumors of industrial reform, some kind of takeover of industrial firms." How many real jobs will those firms provide without the enterprising brains that built them or the capital that fed them?

Does a poorer, less stable El Salvador matter to Americans? Consider the geography and the politics: A Marxist regime already controls neighboring Nicaragua. Cuba trains and aids the Salvadoran rebels, and a second Communist victory would intensify efforts to topple all non-Marxist regimes on the land bridge between Mexico's oilfields to the north and Venezuela's to the south.

To be sure, the Carter Administration recognized El Salvador's importance, but misunderstood its situation. The Carter people failed to see a society changing to modern ways, with the educated children of the old rich, the young businessmen and technicians forming a new middle class. They believed that the old rich still ruled with an iron hand, as in the story books. Social revolution to them was a kind of laxative. The influential U.S. press was at times romantic, as in a January Washington Post editorial: "This program [agrarian reform] deserves to be seen not as some wild-eyed socialist scheme of the left, but as an effort to set up something like the family farms of the American Midwest." In fact, anyone with the land and money of an Iowa corn farmer is a target for expropriation in El Salvador.

The Reagan Administration is likely to supply arms and training that would help defeat the rebels, but unless the now-collapsing economy recovers the trouble will reappear. "You have to correct what is the main mistake, the belief that the developing sector is developing at the expense of the other," says Altamirano of El Diario.

Altamirano is right, as any American should know. Did U.S. factory workers achieve a two-car, three-television standard of living that is the world's envy because a Rockefeller, a Morgan or even a Roosevelt was made poorer? Of course not. The rising tide of U.S. economic growth lifted all boats, the yacht as well as the dinghy.

So also, backing the modern outward-looking business people of El Salvador doesn't mean stopping efforts at social progress, or even returning already expropriated land since that would only lead to more bloodshed. Instead, Salvadoran businessmen such as Altamirano say the government must be pushed by the U.S. to accept the private sector as a partner.

"Let the government concentrate on social development, education, health, housing," says Hinds, the former economic minister who speaks for the major business groups in the country. "Economically we've got to make a lot of reforms, but to open up the economy, encourage local manufacture, cut red tape and allow international banking."

What El Salvador needs is an evergrowing pie, not a division of the crumbs. It certainly does not need Castro-type dictatorship that would merely reshuffle the poverty and replace the old oligarchic elite with a new Marxist one.●

LITHUANIAN INDEPENDENCE

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. PHILIP M. CRANE. Mr. Speaker, in commemoration of the 63d anniversary of the Lithuanian Declaration of Independence, I pledge my support for the people of Lithuania who yearn to exercise their inalienable right of self-determination and national sovereignty.

Until June 1940, Lithuania enjoyed soaring resurgence in every aspect of its national life: Educationally, culturally, economically, and politically. However, like many Eastern European states, Lithuania has had its sovereignty violated and its freedom suppressed by the Soviet Union.

The people of Lithuania have endured great injustices at the hands of the Soviets, yet their aspirations for national independence and individual freedom remain unyielding.

The United States is now, and has always been deeply committed to the idea that freedom is preferable to tyranny, and self-government superior to

dictatorship. The United States must therefore continually reaffirm its desire to have the unalienable rights of the Lithuanian people restored.

The will of the Lithuanian people to be free continues, and their resistance to political repression, religious persecution, and the denial of basic human rights is ever strong.

I salute the brave people of Lithuania and voice my hopes that these people living under Communist domination will again enjoy their freedom.●

STRATEGIC MINERALS: THE INVISIBLE WAR

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. SANTINI. Mr. Speaker, the February issue of Reader's Digest magazine contains an article on strategic minerals, entitled "Strategic Minerals: The Invisible War." I want to commend the author, Mr. Fred Warshofsky, for his treatment of the subject and for his indepth background research prior to writing the article.

As chairman of the Interior Subcommittee on Mines and Mining, I am deeply concerned over our future minerals posture. As such, I was delighted that the Digest chose to inform its vast readership of the importance of strategic minerals to our national security. With a circulation in the United States and many nations abroad the focus on minerals will be greatly increased.

I am placing the article in the RECORD for review by my colleagues.

STRATEGIC MINERALS: THE INVISIBLE WAR

(By Fred Warshofsky)

While most Americans are worrying about the energy crisis, an even more serious resource crunch could bring the U.S. economy to its knees. Of the 36 non-fuel minerals essential to the United States as an industrial society, we are crucially dependent upon foreign sources for 22 of them. In 1980, we were obliged to import 91 percent of our chromium, 88 percent of our platinum-group metals, 93 percent of our cobalt and 97 percent of our tantalum and manganese. By contrast, we were only 42-percent dependent on imported oil.

Chromium, for example, is widely used in oil refining, petrochemicals, conventional and nuclear power plants, tanker trucks, gas turbines, industrial machinery and in all stainless steel. In some applications, demanding high strength and high-temperature corrosion resistance, there is no substitute for chromium. Yet our major sources of supply are South Africa and the Soviet Union.

Cobalt, essential to jet engines, nuclear-propulsion systems, high-speed cutting tools, synthetic-fuel production and high-grade steels, comes from Zaire and Zambia; manganese, essential to steel-making, is imported primarily from South Africa, Brazil and India; tantalum, used mainly in machinery and electronic components, comes from Thailand, Canada, Malaysia and Brazil; and platinum, used for its properties as a chemical catalyst, comes largely from South Africa and the Soviet Union.

So critical are mineral supplies in some industries that they must be ordered three years in advance of production. In 1979, materials shortages caused production delays that prevented the Defense Department from obtaining critical weapons and equipment on schedule.

A complex combination of political, economic and environmental events has conspired to place us in this vulnerable situation. Composing only five percent of the world's population, Americans consume about 20 percent of the world's production of non-fuel minerals. Competition for minerals has increased dramatically as Western Europe and Japan have become more aggressive in manufacturing and trading. At the same time, many of the industrializing Third World nations are reducing their exports of raw materials in order to meet their own needs.

THE RUSSIAN CONNECTION

The demand on world markets for scarce strategic minerals is aggravated by the actions of the Soviet Union. The United States imports more than half of its cobalt from Shaba Province in Zaire. In 1978, Cuban-trained troops from neighboring Angola invaded Shaba. Mining was interrupted for months and the price of available cobalt shot from $6.85 a pound to $50. No one has proved that the Russians were behind that military action, but shortly before the invasion Soviet purchasing agents bought up large supplies of cobalt.

On any given day in this country, according to defense analyst William Schneider, Jr., of the Hudson Institute, the equivalent of three of the Air Force's 26 fighter wings are grounded for a lack of spare parts. "On the F-15, for example," he notes, "there's a serious shortage of critical high-temperature engine-core parts due to a lack of cobalt."

The United States is also dependent upon the platinum group of metals and chromium for many industrial products. These minerals are found in the Soviet Union and South Africa, a nation beset by racial problems and increasing African guerrilla pressures and terrorist attacks. Should our supplies of these vital materials from South Africa be cut off, we would experience a sharp drop in our standard of living, which could eventually threaten the entire Western world.

WITHDRAWAL SYMPTOMS

We have arrived at this perilous state by ignoring a basic historical truism—that a vigorous, healthy economy with assured sources of raw materials is essential to national defense.

Rather than looking to the long-term health of our economy we have pursued a policy of stockpiling critical materials for use in time of war. Unfortunately, even that policy has been subject to so much political and economic pressure that stockpiles of many critical materials are far below our goals. Chromium, for example, is 180,000 tons short of stockpile goals of 1.35 million tons, and cobalt is 44 million pounds short. The goal for bauxite, from which alumina and aluminum are made, is 27.1 million tons, yet only 14.1 million tons are in the inventory. In all, the National Defense Stockpile is about 50-percent short of targeted levels.

At least $6 billion needs to be spent to bring the stockpile up to par. In fiscal 1980, however, Congress authorized only $237 million for stockpiling. The actual appropriation, according to most Congressional experts, will be closer to $100 million.

In the last two decades, various Administrations have gained permission from Congress to sell existing stockpiles of certain materials on the ground that they were no longer needed. Those minerals must now be replaced at four or more times the price realized from the original sale.

To remove the temptation to use the stockpile as a means of balancing the budget or manipulating prices, and to ensure that the nation's needs are met in time of emergency, Sen. James McClure (R., Idaho) has introduced a bill that would set goals for stockpiling based upon the nation's import dependence for each critical material. The McClure Bill also contains a provision that would apply any funds realized from the sale of surplus stockpile materials to the future purchase of critical minerals.

Adequate stockpiles are only part of the answer, however. At the present time, most government agencies concerned with mining and minerals seem more concerned with preventing the exploration and development of America's mineral-rich lands. The federal government owns one-third of the land in the United States. Yet, as a result of exclusion laws designed to protect the environment, mineral exploration in the United States has been severely limited.

"In 1964, when the Wilderness Act was passed," says Rep. James Santini (D., Nev.), chairman of the House Subcommittee on Mines and Mining, "14 percent of the public lands had been withdrawn from mineral exploration and recovery. According to the Department of the Interior, the percentage of public lands withdrawn from mineral entry today is approximately 65 percent."

In 1978, President Carter, acting on an environmental-impact statement by the Department of the Interior, withdrew 102 million acres of Alaskan wilderness from mineral exploration. Congress has recently passed a bill that makes this Presidential withdrawal permanent.

The effect of this withdrawal could be staggering. A study by SRI-International (the Stanford Research Institute) of the potential value of the Alaska federal lands concluded that, in the absence of extensive regulatory impediments, a mining industry could develop by the 1990s that would provide substantial quantities of non-fuel minerals, including gold, silver, copper, nickel, lead, zinc, molybdenum and asbestos, while ultimately disturbing a land area of only about 25 square miles.

Recently the Congress voted to create a more than 2.2-million-acre wilderness in central Idaho called the River of No Return. It also includes a belt about six miles wide and 30 miles long that is part of the only known deposit of cobalt within the United States. Congress voted to delete 39,000 acres of potentially cobalt-rich land from the wilderness area, but the amendment pleased neither the mining interests who want the right to explore far more of the land nor the environmentalists who want the entire region to remain a wilderness.

It is on this point—the desire to maintain the wilderness beauty of the land and the need to explore and mine it for the minerals we need to remain economically healthy—that the major conflict arises.

OBSTACLE COURSE

Mineral exploration and development have also been severely hampered by administrative delays. Lease applications go through the Interior Department's Geological Survey and its Bureau of Land Management and the Agriculture Department's Forest Service. The minimum processing time for approval of a prospecting lease, according to one Forest Service official, has been 17 months, and for a mineral lease and a mining plan more than three years.

The development of refining and processing plants calls for a number of other applications and licenses, environmental-impact statements, air- and water-quality and solid-waste-disposal plans, negotiation of mineral and water rights, and a variety of state and local clearances. It takes about four years and costs about $1,000 per ton of capacity to obtain the required approvals and construct a new steel mill in the United States. (By contrast, a similar steel mill in Japan, which also has strict environmental standards, takes two years from planning to construction and costs $600 per ton of capacity.)

Environmental and safety regulations have also added tremendously to the cost of operating mines and smelters. To take one example, the costs of complying with environmental regulations have led to the shutdown of eight zinc smelters in the last ten years. As a result, our imports of zinc have risen from 25 percent to 50 percent over the same period.

Crushing amounts of paper work and increasing pollution controls have acted to make mining and minerals processing less and less profitable in this country. Vast sums of money that were formerly invested in the U.S. mining industry are now being put into the development of overseas ventures, which offer a greater return on investment. With that flight of capital go American jobs.

Can we reduce our dependence on foreign imports of vital minerals and restore to health our ailing mining and minerals industry? Indeed we can, and the means to do so is already in place. The Mining and Minerals Policy Act of 1970 calls for the government "to foster and encourage private enterprise in the development of economically sound and stable domestic mining, minerals, metal and mineral-reclamation industries."

This policy needs implementation immediately by first making a thorough assessment of existing mineral resources. Only then can we make intelligent decisions as to the lands that can remain wilderness and those with mineral potential that must be made available for development.

Environmental, health and safety regulations must be established that will provide reasonable goals at reasonable cost. Inevitably some tradeoffs will have to be made between critical minerals and pure air and water.

Our foreign policy must take into account the sources of critical materials, and simultaneously we must increase our metallurgical research in substitutes for those strategic materials. Finally, conservation and recycling of materials must become part of our way of life, for the minerals we use and need are not inexhaustible.

We have already experienced the threats posed by the energy crisis. The mineral crisis could be far worse, the dangers much greater. What is needed now is the will to recognize the crisis and confront it.●

MILITARY MANPOWER

HON. THOMAS F. HARTNETT

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. HARTNETT. Mr. Speaker, today our Nation is facing a critical shortage of military manpower. We need to provide proper incentives to recruit and maintain quality personnel in the military. One such incentive in the establishment of a workable and beneficial educational assistance program for the armed services and veterans.

The current educational assistance program has clearly not worked. There is only a 25-percent participation by active duty personnel in this program where the accumulation of contributions by the service member is matched 2 for 1 by the VA.

Many of the active duty personnel in our armed services are below the national average in educational quality. Only 38 percent of the volunteers in the Army are high school graduates.

Military preparedness is at an all-time low. In order to have a strong military, it is essential that we not only increase weaponry, but manpower as well. For this reason, I have cosponsored the Post-Vietnam Era Veterans Educational Assistance Act of 1981 which was introduced by Mr. MONTGOMERY.

The bill will provide up to a maximum of $550 per month for 36 months. There are three main provisions of the bill.

First, basic entitlement. Completion of 3 years of continuous active duty service, or 2 years of continuous active duty plus 4 years continuous Selected Reserve or National Guard; 1 month of educational assistance will be entitled for each month of active duty service up to a maximum of 36 months.

Second, supplemental benefits. In addition to the basic rate outlined above, an individual would be entitled to an additional $300 per month upon completion of 6 years of continuous active duty or 4 years of continuous active duty plus 8 continuous years in the Selected Reserve or National Guard.

Third, transfer of entitlement. Critical specialties identified by the Secretary of Defense may authorize an individual to elect to transfer his or her entitlement to educational benefits to his or her spouse or children, provided such individual (i) agrees to contribute x percent of his or her base pay per month, (ii) completed no less than 8 years of active duty, or no more than 12 years, and (iii) continues to serve on active duty.

Participants will have up to 10 years after discharge to use the benefits.

So long as we have an All Volunteer Force, we must continue to improve both the compensation and other benefits for persons serving in the military. I believe that educational benefits for those serving in the military can play a vital role in attracting and retaining qualified military personnel, especially in areas where there are critical shortages.

The U.S. Army stated in a recent report:

> Manning the total force is the major challenge the Army faces today. Our immediate concern is assessing to meet our requirements today by balancing qualification and potential capability in our new recruits.

The U.S. Navy also recently stated:

> First-line combat vessels patrol the Mediterranean, the Pacific, and the Indian Ocean dangerously short of key personnel, such as aircraft mechanics, radar operators, and even pilots. In the event of attack, our navy would be hard pressed indeed.

The Air Force also lacks personnel with critical skills. We are told there is a shortage of pilots in both the Navy and the Air Force, and it is estimated there will be an increase in the shortage of pilots, as well as navigators, during the next fiscal year.

In order to strengthen America's military system, Congress must address the problems of sufficient pay and adequate education.●

HOUSE OF REPRESENTATIVES—*Wednesday, February 25, 1981*

The House met at 3 p.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We thank You, gracious Lord, that we can commune with You from the depths of our own experience, and that we may place before You our innermost feelings, confess our faults, acknowledge our ambitions, and receive strength and grace for the day. May we not only speak our words of need in our prayer, but may we also listen in the quiet confidence that You hear us and bless us. May the words of our mouths and the meditations of our hearts be acceptable in Your sight, O Lord, our Rock and our Redeemer. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

FORMER AMBASSADOR TESTIFIES

(Mr. MOFFETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOFFETT. Mr. Speaker, I would like to call my colleagues' attention to the testimony of the former Ambassador to El Salvador, Ambassador White, this morning before the Congress of the United States. I know that in the sixties—some of us were not here then, others of us were—in many, many ways we did not see the Vietnam quagmire sneaking up on us; and I think we may be about to make the same mistake.

In his testimony this morning, Ambassador White pointed out that the rightwing forces in El Salvador are at least as much of a threat, if not a greater threat, than the leftwing forces. He pointed out the sheer madness of our attempting to suggest that there is a military solution to the El Salvador problem, when, in fact, almost all experts agree that ultimately it will be a political solution.

He said that "Anyone who thinks," and I quote, "the murder of the nuns was done by leftists just is searching for excuses not to face reality."

Mr. Speaker, I hope that we will not support the administration in what appears to be a foolhardy and extremely dangerous direction in which they appear to be heading in El Salvador.

GENERATION SKIPPING TAX RELIEF ACT

(Mr. SENSENBRENNER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SENSENBRENNER. Mr. Speaker, today I am introducing a bill to amend the Internal Revenue Code to exempt from the term "generation skipping trust equivalents" custodianships under the Uniform Gifts to Minors Act, guardianships and estates during the period of estate administration.

When Congress last reformed the tax law, these arrangements were placed under the generation skipping trust tax. According to regulations the Internal Revenue Service has presently up for comment, a grandparent who places $500 in a custodial account under the Uniform Gifts to Minors Act will be subject to a generation skipping trust tax. That is patently unfair and certainly was not intended by the authors of the generation skipping trust.

I urge the Committee on Ways and Means to promptly consider the legislation that I will introduce today in order to give the grandparents of this world some tax relief.

SUGGESTED STUDY OF THE ADMINISTRATION'S ECONOMIC PROGRAM

(Mr. VOLKMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VOLKMER. Mr. Speaker, last week I commended the President and our former colleague, Dave Stockman, for taking initiatives in trimming the budget and cutting back fat in the budget and unnecessary Government spending.

Today I would like to call the attention of my colleagues to an article in this morning's Washington Post by our colleague and chairman of the Budget Committee, the gentleman from Oklahoma (Mr. JONES).

This article, as written by the gentleman from Oklahoma (Mr. JONES), pointed out some of the things that we need to study very carefully as we prepare to study the President's program for economic recovery. I commend it to my colleagues and strongly recommend that all Members read the article and follow our colleague's lead in this. I believe that the gentleman from Oklahoma (Mr. JONES) is an outstanding budget cutter and will do well for the Nation.

CARTER GRAIN EMBARGO SHOULD BE LIFTED

(Mr. TAUKE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TAUKE. Mr. Speaker, for 5 weeks now we have been waiting—waiting in the Midwest for the end of the grain embargo. Many of us in Congress have been reluctant to speak out on this issue because of the fact that we feel that the President and the administration need our support. In fact, they need all the support they can get.

But, on the other hand, I think that it is necessary now to point out that the President did promise during the campaign to lift the embargo. He indicated that it was ineffective and unfair. Yet, to date he has done nothing to remedy the situation.

I fear that unless the President acts quickly the Carter embargo will soon become the Reagan embargo and the President's credibility will be undermined throughout the Farm Belt.

The question of the embargo and the administration's response to the embargo will be the basis upon which the agricultural community will judge the President's commitment to farming interests and the basis on which it will judge the strength and the effectiveness of the new Secretary of Agriculture.

So, Mr. Speaker, I strongly urge the President and his Cabinet to take action to lift the Carter grain embargo lest he soon face the prospect of undermined credibility in the agricultural community.

THE GROWTH OF IMPERIAL PRESIDENCY

(Mr. PARRIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PARRIS. Mr. Speaker, I doubt there was a single campaign for Congress this past November that did not contain at least one attack on the excesses of the regulatory agencies or Federal departments for some rule or regulation which was promulgated in response to a previously authorized congressional mandate.

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

All too often, the Congress has correctly identified a problem which needs to be addressed and simply authorizes the appropriation of funds which it feels is necessary to correct the situation.

As an example, Congress rarely tells an agency what it specifically wants done and how to accomplish that goal. Rather, they say, "Hey EPA, the air's dirty. Go out there and set some rules and regulations to make it clean by 1986." Or: "Hey LEAA, there's a lot of crime in the streets. Here's $1 billion. Come back to us in 3 years and tell us that crime has been abated."

This approach to legislating has allowed the Members of Congress to go home and tell their constituencies that they have solved the problem of crime or dirty air or improperly funded pensions, and then go back a few months later and complain about the nonpertinent rules which were issued in response to those so-called solutions.

This trend toward legislating in a nonspecific manner is an abrogation of the responsibilities of the Congress and has led to the creation of the so-called imperial Presidency. For years the Congress has been delegating powers and therefore responsibilities, to the executive branch. In so doing, Congress has not only contributed psychologically to the unrealistic expectations of the Presidency but actually wrote those expectations into law.

I am hopeful that this Congress will properly exercise its legislative responsibilities and draft bills with a more specific outline of how the goals stated in the bill are to be met. Through this approach Congress will have a benchmark by which to properly conduct its oversight function as well as recapturing the responsibility that is rightfully ours, under the Constitution.

□ 1515

SOUTH BRONX IS HOME OF REAL PEOPLE

(Mr. GARCIA asked and was given permission to address the House for 1 minute.)

Mr. GARCIA. Mr. Speaker, last Sunday, the CBS television program "Sunday Morning" carried a piece on the South Bronx. It was a report on the real people of the South Bronx.

The story was a sensitive portrayal of the lives of some of the real people who reside in this area. It stood in stark contrast to the stereotypical characters portrayed in the movie, "Fort Apache, the Bronx." Unlike the movie, CBS found and interviewed people who consider the South Bronx home. Judging from their report, I think even the most hardened cynic would come away feeling that the Bronx is not the unsalvageable urban wasteland many believe but rather a community of people who are struggling to overcome inflation, budget cuts, and assorted problems like the rest of us. What set this report apart from the others, though, is that despite the broken promises, the unfulfilled campaign pledges and rhetoric that most news stories dwell upon, the abandoned buildings and such, the real people of the Bronx had a chance to express their feeling about the place they call home. CBS should be commended for their report.

SOVIET SUPPORT OF SWAPO

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUDD. Mr. Speaker, I commend the administration for its forthright long overdue presentation of information earlier this week about Soviet and Cuban links to terrorists in El Salvador. I regret to say that this region is not the only one in which the Soviets are fomenting revolution.

I had recently received pictures purporting to show a great quantity of Soviet supplies, weapons, and equipment captured by South-West Africa/Namibia security forces in July 1980 during a raid into Angola against the South-West Africa People's Organization.

The Defense Intelligence Agency has today verified to me through public sources that the weapons pictured are indeed of Soviet origin.

This mounting evidence of Soviet complicity in supporting international terrorist organizations demands a more determined U.S. resolve to counter and eradicate this threat to free nations throughout the world.

THE MESSAGE FROM FLINT

(Mr. PAUL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PAUL. Mr. Speaker, 3,500 working men of Flint, Mich., are sending a startling signal to this Government—one that may turn out to be the 20th-century equivalent of the Boston Tea Party.

The open defiance of the IRS by these good Americans shows just how oppressive and unfair our tax burden is.

Deliberate Government inflation, and threatening massive unemployment that flows from it, have forced these working Americans to take a stand. I prefer to work in a more conventional way to reform the system through legislation, however. But we must recognize that court challenges to reinstate constitutional rights are legitimate and have been used throughout our history.

The open confrontation of the IRS by these 3,500 men strikes me as far more honest than typical tax evasion, or total tax avoidance by the rich through loopholes.

High taxes—and depreciating, unconstitutional paper money—have prompted these law-abiding Americans to challenge, en masse, the abusive tax and inflation system that has brought havoc to our economy.

These citizens who are demanding change are not the wealthy, nor are they unwilling to pay their fair share for the legitimate functions of the Federal Government. They are only working people, patriotic Americans, insisting that the Constitution be followed and that the tax burden be reasonable.

The church only asks 10 percent—why should the Government get more?

The message is loud and clear, and it could sweep the Nation. It is our responsibility, as representatives of the American taxpayers, to get our house in order immediately. Not in 1984, but now. We must cut taxes and spending drastically, and stop inflating. The people are still in charge in this country, and if we do not do our job, the message from Flint reminds us that the people will act.

FOLLY OF SENDING AMERICAN TROOPS TO EL SALVADOR

(Mr. LEACH of Iowa asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEACH of Iowa. Mr. Speaker, there have been recent reports that the administration is giving serious consideration to sending military advisers to El Salvador. In the strongest possible terms I would caution against such substantive intervention in this very unfortunate civil war. President Reagan has properly given renewed emphasis to U.S. security interests around the world, but a prudent emphasis on security need not imply interventionism. Central America should be viewed as a conflict caused by poverty and exacerbated by outside powers, particularly Cuba. But it need not be the next battleground between East and West. If we send advisers, and one or more is killed, we may well cause a nasty civil war to become a Vietnam in our own backyard.

By supporting the Government of El Salvador with our own troops we will be doing exactly what the leftists want. Their cause will no longer just be Marxist, but anticolonial. American military intervention in El Salvador not only jeopardizes the prospect of economic revival in the United States, it is counterproductive in our long-term efforts to advance the cause of democracy and social justice in Latin America.

Outside the confines of El Salvador, demonstrations of concern will almost certainly be sparked in countries as disparate as Mexico, West Germany, and Austria, as well as in our own cities and on our own campuses. If the best efforts of our advisers prove futile and the side we back begins to lose the tenuous base of support it currently enjoys, we will be confronted with the option either of committing whole armies to occupy the country or cutting our losses and making a grave defeat out of a skirmish more effectively combated through nonmilitary means.

It was just 20 years ago that John F. Kennedy made the fateful choice of expanding military involvement in Vietnam. Now is the time to embrace rather than ignore the lessons of history. Helping our Central American friends help themselves is one thing, but sending American troops to fight their battles is very different. Colonial interventionism is an idea whose time on the historical clock has passed.

AN ACT OF MORAL INTEGRITY

(Mr. CONTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONTE. Mr. Speaker, I would like to call my colleagues' attention to an act of moral integrity demonstrated by one of this Nation's outstanding academic institutions.

I am referring to Georgetown University's return of a gift of more than $600,000, plus accrued interest, to the Government of Libya. The donation had been pledged in 1977 to support the University's Center for Contemporary Arab Studies.

Georgetown's President Timothy Healy delivered a check for $641,721 on Monday to the Libyan Embassy. Father Healy and the university's trustees had concluded that their moral reservations over Libya's emphasis upon terrorism and violence as instruments of its foreign policy would not tolerate Georgetown's continued association with the Libyan Government despite substantial financial advantages in that relationship.

The decision to sever that tie underscores the integrity of Georgetown as an academically independent institution, albeit now a monetarily poorer one. It is all the more commendable because it is taken at a time when private colleges and universities such as Georgetown are undergoing some of their most severe financial strains in history.

HOUSE ADMINISTRATION COMMITTEE INCREASES COMMITTEE SPENDING

(Mr. GINGRICH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GINGRICH. Mr. Speaker, the Democrats in the House Administration Committee this morning voted against President Reagan's call for cuts in Government spending. Again and again, Democrats of the House Administration Committee voted for more congressional committee spending and more congressional staff.

The President wants to cut Federal spending. The American people want to cut Federal spending. Next week, we will have a chance, the first major test, of our willingness here in the House to cut Federal spending by tightening our own belts. If this morning is any indication, the country will see clearly the difference between the two political parties during our floor votes on committee spending next week.

HOUSE NEEDS TO CUT COMMITTEE EXPENSES

(Mr. COLLINS of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COLLINS of Texas. Mr. Speaker, I want to commend the gentleman from Georgia (Mr. GINGRICH) and our ranking member of the House Administration Committee, for the fight they are putting up. This committee spending is coming to the floor, and it is interesting to see that on the Senate side, where the Republicans are in control, they have taken a strong step forward. I have here the copy of their record on what they have done. They have cut their committee budgets this year by 10 percent—cut them by 10 percent. That does not mean any kind of pie-in-the-sky. They cut 1980 by 10 percent in 1981. They cut one committee by 28 percent, and one by 1 percent, but they are cutting, cutting, cutting.

We are going to cut when they come to the House floor, because we need to reduce the spending in this country.

HOUSE URGED TO VOTE AGAINST COMMITTEE BUDGET INCREASES

(Mr. FRENZEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FRENZEL. Mr. Speaker, I invite the attention of the body to the remarks of the two speakers who immediately preceded me, and I commend them for those remarks.

Today, the House Administration Committee passed a number of committee budgets, which reveal that the strategy of the majority group here is not business as usual, but business as usual times two. Committee budgets are being increased as much as 20 percent at a time when the rest of our country is being asked to make a sacrifice.

We will have a chance to debate these items on the floor next Tuesday, and I hope you, like me, will vote against these unreasonably large increases.

SELECT COMMITTEE ON NARCOTICS ABUSE

(Mr. CARMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CARMAN. Mr. Speaker, I rise in support of the Select Committee on Narcotics Abuse. Drug pushers and organized crime are poisoning our children and our people. They must be stopped.

The problem begins with a deadly poppy in a foreign country. Why, in the name of humanity, any foreign nation would allow the cultivation of opium poppies is beyond me. The poppy ends its journey on the streets of our cities, in the form of heroin.

Recent news reports claim that heroin use in New York City has now reached epidemic proportions. The fight against such abuse must be waged at all levels—local, State, and Federal. Congress would be failing our people if it fails to create this watchdog committee. The panel will cost only a small amount when compared to the over $50 billion that the international drug pushers are making every year.

Mr. Speaker, I hope this House will approve this resolution. That will put the drug dealers on notice that we care, very much, that their dirty business is stopped.

EARTHQUAKE STRIKES GREECE

(Mr. BIAGGI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BIAGGI. Mr. Speaker, last evening tragedy struck one of our oldest and strongest allies in Europe. A major earthquake registering 6.8 on the Richter scale—and another aftershock measuring 6.6—struck Greece. As of 2:45 p.m. today, State Department officials advised me that there are at least 13 deaths, and an unconfirmed report of some 300 persons injured. While the exact estimate of the damage is not yet known, there are indications that at least 250 buildings were destroyed, including 2 hotels in the town of Loutraki.

If asked, we should be ready to lend our technical and financial assistance to the Greek Government, which has stood by this country consistently in our mutual efforts to repel the spread of communism throughout Europe.

The strategic importance of Greece to the collective security of Europe cannot be minimized. In addition, the role of the Greeks has yet to be realized in the European Economic Community, of which they are the newest member, but I am confident that their contribution to the economic stability of Europe will be substantial.

This Congress responded in a timely manner when a similar earthquake hit Italy late last year. I introduced one of the first bills to provide $50 million in foreign assistance to Italy and personally traveled there to oversee its distribution. I am confident that our Government can respond to this latest tragedy in Greece in the same fashion by exhibiting our willingness to provide support and assistance to our friend and ally, the country of Greece, in their time of need.

CALL OF THE HOUSE

Mr. FOLEY. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members responded to their names:

[Roll No. 12]

Addabbo	Conte	Fazio
Akaka	Conyers	Fenwick
Albosta	Corcoran	Ferraro
Alexander	Cotter	Fiedler
Anderson	Coughlin	Fields
Annunzio	Courter	Findley
Anthony	Coyne, James	Fish
Ashbrook	Coyne, William	Fithian
Atkinson	Craig	Flippo
AuCoin	Crane, Daniel	Florio
Bafalis	Crane, Philip	Foglietta
Bailey (MO)	Daniel, Dan	Foley
Bailey (PA)	Daniel, R. W.	Ford (TN)
Barnard	Danielson	Forsythe
Barnes	Dannemeyer	Fountain
Beard	Daub	Fowler
Bedell	Davis	Frank
Benedict	Deckard	Frenzel
Benjamin	Dellums	Frost
Bennett	DeNardis	Fuqua
Bereuter	Derrick	Garcia
Bethune	Dickinson	Gaydos
Bevill	Dicks	Gejdenson
Biaggi	Dingell	Gephardt
Bingham	Dixon	Gibbons
Blanchard	Donnelly	Gilman
Bliley	Dorgan	Gingrich
Boland	Dornan	Ginn
Bolling	Dougherty	Glickman
Boner	Downey	Goldwater
Bowen	Dreier	Gonzalez
Breaux	Duncan	Goodling
Brinkley	Dunn	Gore
Brodhead	Dwyer	Gradison
Brooks	Dymally	Gramm
Broomfield	Dyson	Gray
Brown (CA)	Early	Green
Brown (CO)	Eckart	Gregg
Broyhill	Edgar	Grisham
Burton, Phillip	Edwards (AL)	Guarini
Butler	Edwards (CA)	Gunderson
Byron	Edwards (OK)	Guyer
Campbell	Emerson	Hagedorn
Carman	Emery	Hall, Sam
Chappell	English	Hamilton
Chapple	Erdahl	Hammerschmidt
Clausen	Erlenborn	Hance
Clinger	Ertel	Hansen (ID)
Coats	Evans (DE)	Hansen (UT)
Coelho	Evans (GA)	Harkin
Coleman	Evans (IA)	Hartnett
Collins (IL)	Evans (IN)	Hatcher
Collins (TX)	Fary	Hawkins
Conable	Fascell	Heckler
Hefner	Miller (CA)	Sawyer
Heftel	Miller (OH)	Schneider
Hendon	Mineta	Schroeder
Hertel	Minish	Schulze
Hightower	Mitchell (MD)	Schumer
Holland	Mitchell (NY)	Sensenbrenner
Hollenbeck	Moakley	Shamansky
Holt	Moffett	Shannon
Horton	Molinari	Sharp
Howard	Mollohan	Shaw
Hubbard	Montgomery	Shelby
Huckaby	Moore	Shumway
Hughes	Moorhead	Simon
Hunter	Morrison	Skeen
Hutto	Mottl	Skelton
Ireland	Murphy	Smith (AL)
Jacobs	Murtha	Smith (IA)
Jeffords	Myers	Smith (NE)
Jeffries	Napier	Smith (NJ)
Jenkins	Natcher	Smith (OR)
Johnston	Neal	Snowe
Jones (TN)	Nelligan	Snyder
Kastenmeier	Nelson	Solomon
Kazen	Nichols	Spence
Kemp	Nowak	St Germain
Kildee	O'Brien	Stangeland
Kogovsek	Oakar	Stanton
Kramer	Oberstar	Staton
LaFalce	Panetta	Stenholm
Lagomarsino	Parris	Stokes
Lantos	Pashayan	Stratton
Latta	Patman	Studds
Leach	Patterson	Stump
Leath	Paul	Swift
LeBoutillier	Pease	Synar
Lehman	Pepper	Tauke
Lent	Perkins	Tauzin
Levitas	Petri	Taylor
Livingston	Peyser	Thomas
Loeffler	Pickle	Trible
Long (MD)	Porter	Vander Jagt
Lott	Price	Vento
Lowery (CA)	Pritchard	Volkmer
Lowry (WA)	Quillen	Walgren
Lujan	Rahall	Walker
Luken	Railsback	Wampler
Lundine	Rangel	Weber (OH)
Lungren	Ratchford	Weiss
Markey	Regula	White
Marks	Rhodes	Whitehurst
Marlenee	Richmond	Whitley
Martin (IL)	Rinaldo	Whittaker
Martin (NC)	Ritter	Williams (OH)
Martin (NY)	Roberts (KS)	Winn
Matsui	Roberts (SD)	Wirth
Mattox	Robinson	Wolf
Mavroules	Rodino	Wolpe
Mazzoli	Roemer	Wortley
McClory	Rogers	Wright
McCollum	Rose	Wyden
McCurdy	Rosenthal	Yates
McDade	Rostenkowski	Yatron
McEwen	Roukema	Young (FL)
McGrath	Rousselot	Young (MO)
McHugh	Roybal	Zablocki
Mica	Rudd	Zeferetti
Michel	Russo	
Mikulski	Sabo	

□ 1545

The SPEAKER pro tempore (Mr. DANIELSON). On this rollcall 364 Members have recorded their presence by electronic device, a quorum.

Under the rule, further proceedings under the call are dispensed with.

DESIGNATING MEMBERSHIP ON CERTAIN STANDING COMMITTEES OF THE HOUSE

Ms. FERRARO. Mr. Speaker, as secretary of the Democratic Caucus, and at the direction of the caucus, I send to the desk a privileged resolution and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 84

Resolved, That the following-named Members be, and are hereby, elected to the following standing committees of the House of Representatives:

COMMITTEE ON EDUCATION AND LABOR

Dennis E. Eckart, Ohio.

COMMITTEE ON FOREIGN AFFAIRS

David R. Bowen, Mississippi.

COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

Ray Kogovsek, Colorado.

COMMITTEE ON VETERANS' AFFAIRS

Austin J. Murphy, Pennsylvania; and Byron L. Dorgan, North Dakota.

COMMITTEE ON WAYS AND MEANS

Don Bailey, Pennsylvania.

The SPEAKER pro tempore. The Chair recognizes the gentlewoman from New York (Ms. FERRARO) for 1 hour.

Ms. FERRARO. Mr. Speaker, this is a resolution designating Members to fill vacancies on various standing committees of the House. The committee assignments contained in the resolution have been approved by the Democratic Caucus.

Mr. Speaker, I have no request for time.

Mr. MICHEL. Mr. Speaker, will the gentlewoman yield?

Ms. FERRARO. I would be happy to yield to the distinguished minority leader for the purpose of debate only.

Mr. MICHEL. I appreciate the gentlewoman's yielding to me.

We understand that the resolution calls for the appointment of several Members to serve on committees as proposed by the Democratic Caucus. The gentleman from Illinois rises only to point up again the last appointment appearing on that resolution having to do with the Committee on Ways and Means. With no disrespect, and with no intention to be critical at all of the gentleman from Pennsylvania who has been recommended for membership on the Committee of Ways and Means (Mr. BAILEY of Pennsylvania), I would make the point again that we on our side have to say that it is an unfair ratio that they have imposed upon us on that very important Committee on Ways and Means. Whereas the committee has already begun to meet on the tax proposals of the administration, and there have been several days of hearings, with a 22-to-12 ratio because of the vacancy occurring as a result of Mr. LEDERER's departure from that committee, that would have been a little fairer ratio; but the Democratic Caucus has seen fit to fill that position now with the gentleman from Pennsylvania (Mr. BAILEY) bringing that membership again to 23 to 12.

I would remind the Members again that we would concede that a 3-to-2 ratio on the Committee on Ways and Means would be acceptable, but 2 to 1,

minus 1, is, indeed, unfair. We simply wanted to underscore that point.

We could have offered a privileged resolution here with the Members appointed on our side to balance that. I understand the temper of the House. We have made the point a number of times. I would also caution Members on our side that this is a prerogative of the majority party to name whom they will on a committee, just as we want to retain for ourselves the prerogative of naming whom we want to fill our positions, so a rollcall vote would be rather redundant or useless in this case. It is not a question of rejecting what the majority is offering us here by way of their selected appointee, but rather for us simply, as I am doing here, to make the point again that we feel that the ratio of the Committee on Ways and Means is unfair. Having said that, I appreciate again the gentlewoman's yielding to the Member from Illinois.

Mr. JACOBS. Mr. Speaker, will the gentlewoman yield?

Ms. FERRARO. I yield to the gentleman from Indiana for purposes of debate only.

Mr. JACOBS. I might say to the minority leader that there are those on this side of the aisle who might have had some hesitation about the ratio of the Committee on Ways and Means on which I serve, but when the message from the President came up and recommended that the personal tax cut not take effect, as he had pledged in his campaign, on January 1, 1981, but take effect July 1, 1981, I concluded that we needed a good healthy ratio of Democrats on my Committee on Ways and Means in order to keep the President's promise to the American people.

I thank the gentlewoman for yielding.

Ms. FERRARO. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

RESIGNATION AS MEMBER OF COMMITTEE ON ARMED SERVICES

The SPEAKER pro tempore laid before the House the following resignation as a member of the Committee on Armed Services:

WASHINGTON, D.C.,
February 24, 1981.

HON. THOMAS P. O'NEILL, Jr.,
Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the action of the Democratic Steering and Policy Committee and the Democratic Caucus, and in anticipation of the approval of the Full House of Representatives, I hereby resign from the House Committee on Armed Services.

Sincerely,

DON BAILEY,
Member of Congress.

The SPEAKER pro tempore. Without objection, the resignation is accepted.

There was no objection.

ESTABLISHING A SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL

Mr. ZEFERETTI. Mr. Speaker, by direction of the Committee on Rules, I call up a privileged resolution (H. Res. 13) and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 13

Resolved, That there is hereby established in the House of Representatives a select committee to be known as the Select Committee on Narcotics Abuse and Control (hereinafter referred to as the "select committee").

FUNCTIONS

SEC. 2. The select committee shall not have legislative jurisdiction. The select committee shall have authority—

(1) to conduct a continuing comprehensive study and review of the problems of narcotics, drug, and polydrug abuse and control, including (but not limited to) the study and review of (A) the abuse and control of opium and its derivatives, other narcotic drugs, psychotropics, and other controlled substances, as defined in the Comprehensive Drug Abuse Prevention and Control Act of 1970 and any such drug or substance when used in combination with any other substance; (B) domestic and international trafficking, manufacturing, and distribution; (C) treatment, prevention, and rehabilitation; (D) narcotics-related violations of the Internal Revenue Code of 1954; (E) international treaties and agreements relating to the control of narcotics and drug abuse; (F) the role of organized crime in narcotics and drug abuse; (G) problems of narcotics and drug abuse and control in the Armed Forces of the United States; (H) problems of narcotics and drug abuse and control in industry; and (I) the approach of the criminal justice system with respect to narcotics and drug law violations and crimes related to drug abuse.

(2) to review any recommendations made by the President, or by any department or agency of the executive branch of the Federal Government, relating to programs or policies affecting narcotics or drug abuse or control; and

(3) to recommend to the appropriate committees of the House legislation or other action the select committee considers necessary with respect to programs or policies affecting narcotics or drug abuse or control.

APPOINTMENT AND MEMBERSHIP

SEC. 3. (a) The select committee shall be composed of seventeen Members of the House, who shall be appointed by the Speaker, one of whom he shall designate as chairman. At least one member of the select committee shall be chosen from each of the following committees of the House: The Committee on Agriculture, the Committee on Armed Services, the Committee on Government Operations, the Committee on Foreign Affairs, the Committee on Energy and Commerce, the Committee on the Judiciary, the Committee on Merchant Marine and Fisheries, and the Committee on Ways and Means.

(b) Any vacancy occurring in the membership of the select committee shall be filled in the same manner in which the original appointment was made.

AUTHORITY AND PROCEDURES

SEC. 4. (a) For purposes of carrying out this resolution the select committee is authorized to sit and act during the present Congress at such times and places within the United States, including any Commonwealth or possession thereof, or elsewhere, whether the House is in session, has recessed, or has adjourned, and to hold such hearings as it deems necessary.

(b) The provisions of clauses 1, 2, and 3 of rule XI of the Rules of the House of Representatives shall apply to the select committee.

ADMINISTRATIVE PROVISIONS

SEC. 5 (a) Subject to the adoption of expense resolutions as required by clause 5 of rule XI of the Rules of the House of Representatives, the select committee may incur expenses in connection with its duties under this resolution.

(b) In carrying out its functions under this resolution, the select committee is authorized—

(1) to appoint, either on a permanent basis or as experts or consultants, such staff as the select committee considers necessary;

(2) to prescribe the duties and responsibilities of such staff;

(3) to fix the compensation of such staff at a single per annum gross rate which does not exceed the highest rate of basic pay, as in effect from time to time, of level V of the Executive Schedule in section 5316 of title 5, United States Code;

(4) to terminate the employment of any such staff as the select committee considers appropriate; and

(5) to reimburse members of the select committee and of its staff for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties and responsibilities for the select committee, other than expenses in connection with any meeting of the select committee held in the District of Columbia.

REPORTS

SEC. 6. (a)(1) The select committee shall report to the House with respect to the results of any field investigation or inspection it conducts.

(2) The select committee shall submit an annual report to the House which shall include a summary of the activities of the select committee during the calendar year to which the report applies.

(b) Any such report which is made when the House is not in session shall be filed with the Clerk of the House.

Mr. ZEFERETTI (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the resolution be dispensed with and that it be printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

COMMITTEE AMENDMENTS

The SPEAKER pro tempore. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: On page 3, line 22, strike "seventeen" and insert in lieu thereof "nineteen".

The committee amendment was agreed to.

The SPEAKER pro tempore. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: On page 6, line 4, after the word "applies" strike out the period and insert a comma and "and its recommendations for a comprehensive program to control the world-wide problem of drug abuse.".

The committee amendment was agreed to.

The SPEAKER pro tempore. The gentleman from New York (Mr. ZEFERETTI) is recognized for 1 hour.

Mr. ZEFERETTI. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Arizona (Mr. RHODES), pending which I yield myself such time as I may consume.

Mr. Speaker, the Committee on Rules ordered favorably reported, by voice vote, House Resolution 13, to establish a Select Committee on Narcotics Abuse and Control. This is a privileged resolution accorded 1 hour of debate in the House.

Mr. Speaker, the resolution stipulates the select committee shall not have legislative jurisdiction but shall have the authority to conduct a continuing comprehensive study and review of the problems of narcotics, drug, and polydrug abuse and control, including—but not limited to—the study and review of: first, the abuse and control of opium and its derivatives, other narcotic drugs, psychotropics, and other controlled substances as defined in the Comprehensive Drug Abuse Prevention and Control Act of 1970, and any such drug or substance when used in combination with any other substance; second, domestic and international trafficking, manufacturing, and distribution; third, treatment, prevention, and rehabilitation; fourth, narcotics related violations of the Internal Revenue Code of 1954; fifth, international treaties and agreements relating to the control of narcotics and drug abuse; sixth, the role of organized crime in narcotics and drug abuse; seventh, problems of narcotics and drug abuse and control in the Armed Forces of the United States; eighth, problems of narcotics and drug abuse and control in industry, and ninth, the approach of the criminal justice system with respect to narcotics and drug law violations and crimes related to drug abuse.

Additionally, the select committee is to review any recommendations made by the President, or by any department or agency of the executive branch of the Federal Government, relating to programs or policies affecting narcotics or drug abuse of control; and to recommend to the appropriate committees of the House legislation or other action the select committee considers necessary with respect to programs or policies affecting narcotics or drug abuse or control.

At least one member of the select committee shall be chosen from each of the following committees of the House: The Committee on Agriculture, the Committee on Armed Services, the Committee on Government Operations, the Committee on Foreign Affairs, the Committee on Energy and Commerce, the Committee on the Judiciary, the Committee on Merchant Marine and Fisheries, and the Committee on Ways and Means.

The select committee is subject to the provisions on clauses 1, 2, and 3 of rule XI of the Rules of the House of Representatives, will report to the House with respect to the results of any field investigation or inspection, and will be required to submit an annual report.

Mr. Speaker, during consideration of House Resolution 13 in the Rules Committee two amendments were agreed to: First, an amendment was adopted whereby the membership of the select committee would be increased from 17 to 19 and; second, an amendment offered by Congressman RHODES which would require the annual report of activities filed by the select committee to include a summary of its activities and recommendations for a comprehensive program to control the worldwide problem of drug abuse.

Mr. Speaker, at the beginning of the 96th Congress our chairman of the Narcotics Select Committee Lester L. Wolff, expressed a commitment that he would not seek to reconstitute the committee as a select committee in the next Congress. Basic to our mission was the mandate for the select committee to determine how the House can most effectively continue its comprehensive oversight of the complex problem of preventing and controlling drug abuse when the select committee terminated its work. Pursuant to this mandate, Chairman Wolff appointed me to chair a task force to study this critical matter and to prepare a report setting forth our recommendations.

Mr. Speaker, that report was prepared and approved by the members of the select committee. Our report entitled, "Recommendation for Continued House Oversight of Drug Abuse Problems" was circulated to all the Members of the House during the closing days of the 96th Congress. After careful study of the alternatives, the select committee recommended that the House establish a permanent Special Oversight Committee on Drug Abuse and Control with authority, responsibilities, membership, and budget basically the same as the select committee. The considerations underlying our recommendations include the tremendous magnitude and complexity of drug abuse and drug trafficking problems that, unfortunately, will persist for the foreseeable future; the need for a long-term, comprehensive strategy that can respond flexibly to the frequent and rapid shifts in drug abuse trends and drug trafficking patterns; and the inability of the standing committees to address these problems effectively due to jurisdictional fragmentation and the overriding demands of their other responsibilities.

Although we see the need for creating a permanent Drug Oversight Committee, due to changes in the membership of the House, its leadership in both parties, the changes in certain chairmanships of the standing committees, and a new administration, the leadership has urged that we defer our efforts to seek a permanent Drug Oversight Committee until the full membership of the House has sufficient time to study in detail the select committee's recommendation. In the interim, to assure that the important work of the committee continues, we are urging at this time the adoption of House Resolution 13.

Mr. Speaker, House Resolution 13 as amended mandates that the select committee recommend a comprehensive program to control drug abuse. We welcome this mandate and when reconstituted we shall urge the White House to cooperate with our select committee to develop an effective Federal drug strategy. We seek a spirit of close cooperation and understanding in working with the new administration in this effort. Our committee has been bipartisan and we—the members of the select committee from both sides of the aisle, have joined together in a common objective to stem the tide of this terrible plague on our society. We will never achieve any degree of success until the administration and the Congress recognize the critical magnitude of the problem and together develop the most effective programs to control drug abuse and drug trafficking.

To assure that an effective Federal drug strategy is formulated and implemented, the Congress must exercise strong oversight to assist in the formation and implementation of this strategy. This congressional responsibility has been carried out by our select committee which is the only congressional body that has been continually mandated to devote its entire efforts to comprehensively oversee all aspects of the complex drug problem, including helping to raise the con-

sciousness of the public regarding the dangers of drug abuse.

Mr. Speaker, there is strong grassroots support to continue the work of our select committee. Parents, educators, State, local, and private drug abuse organizations, and law enforcement agencies have urged that the work of the select committee be continued. The National Federation of Parents for Drug Free Youth, comprised of more than 600 chapters of concerned parents from all over this Nation, recently passed a resolution strongly urging our continuation. The New York State Division of Substance Abuse Services; the International Narcotics Enforcement Officers Association, Inc.; the Alcohol and Drug Problems Association of North America, and similar drug related organizations have expressed their support for continuation of our select committee. These concerned citizens look to our select committee as the primary congressional committee that has helped raise the consciousness of the public regarding the dangers of drug abuse and that has devoted its entire efforts to assist them in meeting the debilitating effects of drug dependence and drug addiction. They need our continued support.

I urge my colleagues to support House Resolution 13 to reconstitute the Select Committee on Narcotics Abuse and Control. I seriously doubt whether any Member of the House can rise and state that his district does not have a drug problem. If you do not know, ask your children, your educators, concerned parent groups and your local police. If the select committee is not reconstituted this will be a message to parents and other concerned citizens throughout the United States that the Congress no longer considers drug abuse a serious problem.

□ 1600

Mr. RHODES. Mr. Speaker, I yield myself 3½ minutes.

Mr. Speaker, House Resolution 13 establishes a Select Committee on Narcotics Abuse and Control. The resolution was reported from the Committee on Rules and is a privileged matter. Unless the floor manager of the resolution yields for amendment or the previous question is defeated and an amended version proposed, the resolution is not open to amendment.

The Select Committee on Narcotics Abuse and Control was first established in the 94th Congress. The 95th and 96th Congresses adopted resolutions reestablishing the select committee.

Currently, jurisdiction for drug abuse and trafficking is shared by at least eight committees of the House—Agriculture, Armed Services, Government Operations, Foreign Affairs, Energy and Commerce, Judiciary, Merchant Marines and Fisheries, and Ways and Means. The primary reason for the establishment of the Select Committee on Narcotics Abuse and Control was to coordinate efforts to study drug abuse and trafficking in a comprehensive manner. The sole function of the select committee has been to study the problem and make recommendations to those committees having legislative jursidiction.

As reported by the Rules Committee, House Resolution 13 establishes a 19-member Select Committee on Narcotics Abuse and Control for the 97th Congress. It is not granted legislative authority but may recommend legislation. Its function is to study problems of narcotics abuse and control, domestic and international trafficking, treatment and prevention, treaties, organized crime, drug abuse in the Armed Forces, the criminal justice system, and recommendations by the President and executive agencies.

Though there is no funding ceiling in the resolution, Mr. ZEFERETTI has indicated that he anticipates this year's funding request to be less than $600,000.

Like most of my colleagues, I believe select committees should be established only for very special circumstances. And though our Nation's drug and drug-related problems are indeed staggering, the continual reestablishment of a select committee to deal with these problems was a point of concern during the Rules Committee hearing on House Resolution 13. The questioning and statements made during this hearing indicated, however, that the country's problems of drug abuse and trafficking certainly warrant special and particular attention. While Members expressed support for this special attention to the narcotics problem, they were concerned that the select committee's efforts should not just result in more studies and increasing public awareness. Rather, the select committee's efforts should yield some very tangible progress toward solving our drug problems.

Given the valuable base of knowledge gained by the select committee during the past 6 years of studying the drug problem, and the taxpayers' money already invested in the process, it would be unwise to put an end to the select committee's efforts at this point without first having obtained more tangible benefits from its work.

Consequently, an amendment to the resolution was adopted by the Rules Committee which requires the select committee to submit a report to the House recommending a comprehensive program to control the worldwide problem of drug abuse. In offering this amendment, it was my intent that the comprehensive program recommended by the select committee would provide the basis for a sound program to be authorized by the standing committees with legislative jurisdiction in this area. Such a program should finally put the country on the track of actually doing something about our drug problem. With this mandate in its authorization, I feel the select committee's existence is justified for 2 additional years.

Mr. BEARD. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from Tennessee.

Mr. BEARD. Mr. Speaker, I would like to express my strong support for House Resolution 13, which establishes the Select Committee on Narcotics Abuse and Control for the 97th Congress.

My 4-year association with the select committee has convinced me that the standing committees having jurisdiction over drug abuse issues do not have the time, expertise, or inclination to effectively address the complex issues surrounding the drug abuse problem. Combating the problem requires a concentrated, full-time effort that only a forum resembling the select committee can undertake. For example, I am personally involved in two ongoing projects of the select committee which are extremely important, but probably would not have been studied or addressed had it not been for the existence of the select committee.

First, as a member of the Armed Services Committee, I know all Americans are vitally concerned about the preparedness of our military units stationed both here and abroad. For the past 3 years, the select committee's task force on drug abuse in the military has also been interested in this issue and has conducted an extensive series of investigations and hearings on the prevalence of drug abuse among our military personnel stationed in the Federal Republic of Germany and West Berlin. The task force found that drug abuse was a serious problem for the military which could adversely affect our national security if left unchecked. The select committee recommended several corrective measures for the Department of Defense to develop and implement. Partially as a result of the committee's recommendations, drug abuse among our military personnel is beginning to decline. Despite these encouraging signs, much more work remains to be done. During this Congress, the select committee intends to conduct further investigations into this crucial area.

Second, I have long been concerned about the escalating use of marihuana and other drugs by the youth of our Nation. Last year, the select committee conducted a hearing in Memphis to ascertain the extent of student drug abuse and to evaluate the types of drug prevention and education pro-

grams provided to students. In addition, we asked the students who testified for suggestions on what the Federal Government could do to discourage young people from using drugs. One student suggested that the Federal Government should launch a campaign which would resemble the highly successful antismoking public service advertisements and would use members of the recording and entertainment industry to serve as role models. The select committee is in the process of enlisting the support of the entertainment industry in this effort and in other drug abuse prevention activities. I have also been working on a similar project with the National Association of Broadcasters.

These are just two reasons why the work of the select committee must be continued. If you are serious about combating drug abuse, I urge each of my colleagues to vote in favor of this resolution.

Mr. GUYER. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from Ohio.

Mr. GUYER. I thank the gentleman for yielding.

As a member of this committee, I fervently support its important continuation. The pandemic magnitude of this deadly traffic would make nonsupport of this resolution unconscionable.

Mr. Speaker, I wish to associate myself with the remarks of my colleagues in support of House Resolution 13, which will reconstitute the Select Committee on Narcotics Abuse and Control. I believe the need for persistent congressional input into the formulation of domestic and international narcotics control policy cannot be understated, and it is clear to me that the select committee is an essential mechanism in this regard.

In the 4½ years that the select committee has been in existence, it has produced a long list of solid achievements. The committee has addressed a plethora of narcotics-related problems that often impact upon the very fiber of our society. Hearings on PCP and prescription drug abuse, the health hazards and therapeutic uses of marihuana, the special problems of drug abuse among women, the elderly, and minorities as well as hearings covering international narcotics control and specific regional drug problems have been held. In 1979, I had the privilege of chairing a series of hearings which examined both the physical effects and trafficking of cocaine. All of these hearings and investigations have provided the Congress and the public with invaluable insight into the role that drugs have come to play in our society today. An insight, I submit, we might not have had if it were not for the exemplary work of this committee. In addition, there are a number of issues that I think might not have come to light at all without the presence of this committee.

The select committee has been the principal catalyst in creating a public awareness of the extent to which our Nation's Armed Forces are plagued with a very serious drug abuse problem. Hearings and study missions conducted by the committee prompted the Department of Defense to begin coming to terms with this dilemma. I want to remind my colleagues that this issue calls into question the very nature of our military preparedness, our ability to meet an external threat and retain the blessings of liberty that have been bestowed upon us. It seems to me that the praiseworthy effort to improve our defensive capabilities undertaken by President Reagan is unquestionably undermined if the United States cannot even maintain a drug-free military force. I suggest that one of the most effective steps we can take here today to enhance the prospects of the President's attempts to improve our defense posture would be to vote in favor of House Resolution 13. This would insure that the Defense Department continues to have the proper oversight that they will need to implement programs to solve this problem.

One of my great concerns is the increased influx of Southwest Asian heroin into the United States. The impact of this high-grade heroin has already been felt in the Northeast. I believe this surge in the production of Southwest Asian opium and its subsequent refining and trafficking out of the region as heroin represents the clearest and most present drug danger to our global society today. Given the implications of a full-fledged heroin invasion of our shores, it seems to me that this is hardly the time for the Congress to signal the world that we are no longer as committed to dealing with this dilemma, by eliminating this body's only committee with sole jurisdiction over narcotics problems.

My concerns rest not only with Southwest Asian heroin but also with the truly global dimensions of drug abuse. Just recently I had occasion to review the newspaper headlines of countries from the far corners of the Earth and was struck with the persistence of the drug abuse theme, One of the major dailies in Jakarta, Indonesia, ran a story in November entitled, "Drug Related Offenses Increase in 1980." In Namibia, an article reviewing the "Widespread Increase in Drug Trafficking" was published. Le Figaro, one of the largest French newspapers, ran a series of articles late last year regarding drug abuse increases and police fears of a new French connection. A Hong Kong daily published a story which indicated that the heroin seizures of 1980 were double that of 1979. New Zealand, Norwegian, and British papers all recently ran stories regarding increasing drug problems—and I could go on and on. The point is that all of these stories present us with a composite picture which suggests that there are universal drug abuse problems and this is certainly not the proper time for the Congress of the United States to take the heat off by eliminating the Select Committee on Narcotics.

A few years ago, the use of paraquat to eradicate marihuana in Mexico grew into a highly emotional and contentious issue which had the potential of raising grave uncertainties regarding not only the integrity of our mutual efforts to restrict the flow of marihuana into this country but our entire bilateral relationship with Mexico as well. The select committee, in fulfilling its mandate, held a series of hearings and issued a report which shed the light of objectivity on this sensitive issue and encouraged the Federal Government to rethink its position in light of wider bilateral commitments vis-a-vis Mexico. I might add that the select committee's involvement in this issue represented the only attempt in the Congress to examine all facets of this highly complex subject.

The revelation of drug abuse as a global problem has only recently come to the forefront, just as prior to the establishment of the select committee, international narcotics control policy was accorded such a level within the State Department that the issue was only rarely raised as one of vital national interest. Thanks to the impetus of the select committee, in 1978 the State Department created the Bureau of International Narcotics Matters. This action insured that narcotics will be considered an integral part in the development of American foreign policy. Although there remains much to be done to continue to raise the profile of narcotics on a global scale, I believe the committee's influence in this matter constitutes an outstanding accomplishment.

In today's atmosphere, which is favorable to budget cutting, a sentiment that I have long been in accord with, it is imperative that we review the cost effectiveness of programs. Concomitant with financial prudence is the ability to expend money in a manner which has the potential of producing future profits. I believe that the estimated $500,000 per annum in expenditures that would be required to maintain this committee over the next 2 years would be a legitimate and cost-effective investment and I urge my colleagues to support this worthy investment—in America's future.

Mr. FRENZEL. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from Minnesota.

Mr. FRENZEL. Mr. Speaker, I rise in opposition to the extension of the Select Committee on Narcotics. The committee was supposed to expire in the 95th Congress. Two Congresses later, it is still humming along, devoid of legislative authority, spending over half a million dollars each year.

In my judgment, select committees are supposed to fade away. They are supposed to recommend legislation to the real committees of jurisdiction, and expire. However, this committee fails to fade away.

The Select Committee on Drugs apparently wants to exist forever. We can put it out of its misery, save the taxpayers one-half a million dollars, and not reduce our efforts to combat drugs and drug abuse. All we have to do is to vote against this committee. That will send the jurisdiction back to the standing committee where it belongs.

Mr. ZEFERETTI. Mr. Speaker, for the purpose of debate only, I yield 3 minutes to the gentleman from New York (Mr. RANGEL).

Mr. RANGEL. Mr. Speaker, I ask today for the Members' support for the Select Committee on Narcotics because, after having a conversation with Peter Bensinger, who is the Director of the Drug Enforcement Administration, I am more convinced than ever that our select committee should be allowed to continue, because it is the only legislative arm that our Federal Government will have to attempt to get a handle on the international drug trafficking problem that we are facing in this country.

There are hundreds of thousands of young people who so far have not fallen into the net of addiction, notwithstanding the fact that, as it relates to the importation of heroin that recently in the New York Times it was reported that we do not have a handle on the countries in which the opium is being produced, I can think of no committee, standing or select, that has enjoyed the cooperation of both Republicans and Democrats, liberals and conservatives, in trying to cut this cancerous sore away from the American lifestyle as relates to the lives that are destroyed by drugs. And I am hoping that, as the Reagan administration has indicated, that we have to hit the ground running, the Members might see fit to allow this committee to continue to work, because, as they have said, there is no alternative to the Select Committee on Narcotics, there has been no committee that has jurisdiction that has had the resources to effectively deal with the problem.

We do not have, I say to the gentleman from Arizona (Mr. RHODES), all of the answers that we wish we could have in providing legislative suggestions. Our major problem is that we have no idea of the scope of the problem that this Nation faces, and we have no one out there providing the leadership and saying that we can get a handle on it.

I hope to be included in that number that, once we find some vehicle, whether in the administration or legislatively, we can eliminate the concept of the select committee. I hope that my vote could be included in that number. But I certainly ask every individual Member, knowing that each one of you are genuinely concerned, and in hoping and praying that the disease and the epidemic that has swept my community, that it comes nowhere near your community, which forces you to support a committee such as a select committee, I do hope that you review the resources that are available, both on the legislative level and on the administrative level, and to talk with your colleagues that have served on the committee. And when you find that the State Department, the Justice Department, the DEA, and local and State law enforcement officials around the country support our efforts, I hope that you would see your way clear to support the committee's proposal.

Mr. RHODES. Mr. Speaker, I yield 4 minutes to the gentleman from Illinois (Mr. RAILSBACK).

Mr. RAILSBACK. Mr. Speaker, I am pleased to join with my committee colleagues and the 93 cosponsors who have endorsed House Resolution 13. I am anxious to share with you the reasons why I believe the Select Committee on Narcotics Abuse and Control should continue its work in the House during the 97th Congress.

One of the most important features of the pending resolution is the provision contained in section 3 which requires that at least one Member from each of eight standing committees serve on the select committee. The diversified membership has served as a unique asset to the work of the committee. I have gained valuable insight from other Members who possess a different background and expertise.

Since the inception of the select committee it has pursued a variety of inquiries and investigations. Many have developed into major projects which produced noteworthy results. For example, the gentleman from Oklahoma (Mr. ENGLISH) has undertaken a lengthy study of the abuse of drugs by U.S. Armed Forces personnel. The committee developed recommendations for the military and we have seen noticeable improvement. More needs to be done, however, and further work has been planned for this year. In another area, the gentleman from Ohio (Mr. GUYER) initiated a series of hearings which examined the health consequences, and manufacture and distribution of cocaine.

Mr. Speaker, many of us who have served on the select committee realize full well that the Government, acting by itself, cannot even begin to solve the drug problem. I think it is absolutely essential that we enlist the support of parents, of the churches, of business, of labor, and others in the private sector. But there are some things that we can do and I believe we have done.

During the 96th Congress, we held 33 hearings which covered such diverse topics as the illicit drug trafficking and production, the health consequences of paraquat-contaminated marihuana, the diversion of licit drugs to illicit markets, and then we held a hearing in the fall of 1979 which I sincerely believe was the catalyst that prompted State and local legislatures around the country to take a close look at the sale and distribution of drug paraphernalia, particularly to minors, within their jurisdictions.

□ 1615

With our help and support, major retail chains have begun to talk frankly and openly about the problems associated with the misuse of both prescription and illicit drugs. Both the Drug Fair and Peoples Drug chain, in our particular area, have launched major campaigns to alert Americans to the dangers of drug use.

Mr. Speaker, I could cite numerous examples of the select committee's work. I really believe, however, that our most important contribution has been to try to focus and inform the American people—and I might add our own Government—about the problems which result from the abuse of drugs in our Nation and around the world. We have tried to bring the problems associated with drug abuse to the forefront of our national agenda.

One of the most important things we have done is to try to coordinate the activities of the various responsible Federal agencies in such areas as Customs and the Coast Guard and the DEA and many others. In my opinion, they have been fragmented, they have been having overlapping jurisdiction, they have been duplicating one another. One of the most important things we can do is impress upon them the need to cooperate.

Over the past 4 years, I have observed a noticeable change in the attitudes of Americans toward dangerous drugs. Concerned parents have organized nationwide. Through numerous local chapters these parent groups are beginning to learn how to react to and prevent the abuse of drugs by family members. The select committee has been closely associated with their efforts to learn more about the prevention and treatment of drug abuse.

Just the presence of this committee in the House of Representatives has let our colleagues in the other body, representatives of the administration, and concerned citizens know that the

House is committed to the issue and concerned about the alarming abuse and trafficking trends. The select committee is the only forum in America which has the mandate to address all aspects of the worldwide drug problem. We have provided the Nation with a singular focus on the issues—a place where all who are concerned about the efforts to reduce drug trafficking and use can look for leadership.

One of our principal objectives over the last 4 years has been to coordinate the executive branch agencies which administer drug programs. We prodded the Carter White House to become involved, and right now, the new administration is watching our action here today closely. Soon they will be evaluating the ongoing drug programs and deciding how much emphasis drug abuse issues will receive. I ask you to send a clear message: Drug abuse will not be abandoned by the House, but instead, it will be one of the most important areas addressed by this body.

No American family can claim to be immune from drug abuse; no congressional district can escape the problem; and no Member of Congress should deny that this problem undermines the fiber of American society. We must send a signal to parents, young people, physicians, and law enforcement officers. Let us tell the American people that the Congress is committed to working on our drug problem. I urge overwhelming support of House Resolution 13.

Mr. COUGHLIN. Mr. Speaker, will the gentleman yield?

Mr. RAILSBACK. I yield to the gentleman from Pennsylvania.

Mr. COUGHLIN. Mr. Speaker, I want to associate myself with the remarks of my colleague from Illinois.

Mr. Speaker, I rise in sincere and enthusiastic support of House Resolution 13, which calls for the continuation of the House Select Committee on Narcotics Abuse and Control.

There is no need to recite once more the frightening and dreary statistics of the toll that drug abuse and addiction exacts on the health and safety of every citizen of our country and, in particular, our children. All of us know of the shattered lives, the lost years, the deaths which drugs have caused. The plain, ugly truth is that drug abuse represents the most serious threat to the health and safety of its citizens that this Nation has ever faced.

The House Select Committee on Narcotics Abuse and Control is the only congressional body, in either the House or the Senate, with the mandate and the ability to view the drug problem in its complicated and diversified entirety. There are literally dozens of Federal agencies with authority and responsibility over various facets of this Nation's efforts to combat drugs. Eight House committees share the enormous responsibility of providing guidance and oversight to the activities of these diverse agencies.

Drug abuse, however, is an issue which crosscuts the lines of authority and responsibility drawn between agencies and between congressional standing committees.

The House select committee has the mandate to address all of the ramifications of the drug problem: Diplomatic; intelligence; law enforcement; criminal justice; treatment; rehabilitation; prevention; education; and research.

The House select committee can provide a critically needed service to every Member of the Congress and to every concerned committee of the Congress by providing a coordinated perspective on the entire issue.

The drug problem, while constantly changing, is not going away, nor are there magic solutions. The new influx of heroin as a result of changing world situations and the advent of a substantial traffic in illicitly manufactured drugs by clandestine laboratories are manifestations of this. The continuation of the select committee will help to insure that the complex and difficult issues dealing with the drug problems will be identified and impartially and aggressively investigated.

I urge each and every one of you to support the passage of House Resolution 13 to insure that the drug issues will be addressed in a coordinated and responsible manner.

Mr. MAZZOLI. Mr. Speaker, will the gentleman yield?

Mr. RAILSBACK. I yield to the gentleman from Kentucky.

Mr. MAZZOLI. Mr. Speaker, I am not really settled in my mind whether to vote for or against this committee. The gentleman has helped me because he is the first speaker to talk about what has been done as against what we would like to do.

Let me ask the gentleman why it has been such a big problem to come up with a national agenda? Why do we need this mandate from the Rules Committee, which the gentleman from Arizona ordered, to give us something to get into an overall plan? I would have thought that would be something in the gentleman's kin without that resolution.

Mr. RAILSBACK. The gentleman, in my opinion, makes a very good point. I think that many of us on the select committee have really kind of educated ourselves. I think we are doing a much better job.

One of the major objectives of this particular session, if we get reconstituted, which I believe we will, is to address that very problem. In other words, finally try to come out with a national policy relating to drugs and drug abuse.

The SPEAKER pro tempore. The time of the gentleman from Illinois (Mr. RAILSBACK) has expired.

Mr. ZEFERETTI. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. STARK) for purposes of debate only.

Mr. STARK. Mr. Speaker, I rise in support of the Select Committee on Narcotics. In the past two Congresses, I have been privileged to serve on this committee.

I have often been dismayed at the lack of adherence, however, to the tasks mandated by our authorization.

We can all agree that the collective Federal drug policies of the past decade have been a dismal failure. A new approach is needed—a comprehensive overhaul of our goals both on the supply and demand reduction sides of this problem.

This committee, if it is reauthorized—and I suppose it should be—should do less world traveling and more work here in this country. There are literally hundreds of addicts in East Oakland, people I represent, who need some hope that there is a path out of drug dependence. They need the help provided by the altogether inadequate Federal prevention and treatment programs.

I would hope that this committee would move aggressively to investigate the alleged corruption in this Nation's law enforcement and financial communities which have been repeatedly connected with domestic drug trafficking in this country. We should track down the big money behind this $64 billion a year business and identify the role of organized crime.

This is the job of the select committee as I see it. Without question, alcohol is the most abused substance in this country. The National Institute on Alcohol Abuse and Alcoholism estimates there are more than 10 million alcoholics and abusers in America. Certainly, this problem has touched the lives of Members of this body.

According to leading pharmacologists, alcohol is classified as a depressant, behaving in much the same way as barbituates do. When taken together, alcohol and other drugs account for serious medical trauma and a large number of deaths in this country.

Since the costs to society of alcohol abuse easily rival those of other drugs—nearly $60 billion according to the National Institute of Medicine—I am glad to include this substance within the jurisdiction of the select committee.

Under new leadership, I expect we could lay the groundwork in the next 2 years for substantive action by the appropriate legislative committees having jurisdiction over drug abuse.

Mr. ZEFERETTI. Mr. Speaker, I yield 4 minutes to the gentleman from

Georgia (Mr. EVANS) for purposes of debate only.

Mr. EVANS of Georgia. Mr. Speaker, as a member of the House Select Committee on Narcotics Abuse and Control for the past 4 years, I would like to rise in support of the resolution to continue this most important work.

Never before has this Nation been faced with such widespread psychoactive drug use by its young. Three-fifths of America's high school seniors and nearly one-third of our children aged 12 to 17 have now tried marihuana, while 1 in 10 seniors smoke marihuana daily—daily. Moreover, cocaine use among children has nearly quadrupled in just 7 years and nearly doubled among seniors in just 5.

According to the Gallup polls of the past 2 years, the No. 1 problem in the schools, say the students, is drug abuse. When polled, the parents gave the same response. I am sure that there are few educators that would not have the same answers. The knowledge parents have, that their child has a slim chance of getting through school drug free is frightening. Those of you in this body with children in school must know what I am talking about. I hear the same story all over the country, regardless of race, region, religion, or party affiliation. This problem must be addressed. This problem must be stopped.

The Federal Government is not doing its job. We currently assign responsibility for drug research, treatment, prevention, education, law enforcement, and so forth, to 27 Federal agencies. Often, many agencies interpret Federal drug policy differently and consequently work at cross purposes with each other. And just as often, citizens seeking to utilize the resources of these agencies get caught in the crossfire and come away angry, frustrated and disgusted with their inability to get satisfactory answers to their question. It is here that the select committee has and must continue to play its most valuable role in its service to Congress and to the American taxpayer. Our committee's oversight power in the past has been the single, most important role we have played.

It is in the spirit of total frustration that we have seen the upsurge of what we have come to term "parent groups" throughout the Nation. The approximately 1,000 community groups that have formed thus far in all 50 States and Puerto Rico and Canada are already a cohesive, political force. Many of your offices have received letters and visits from parents, educators, attorneys, and others involved in this movement on the issue of the select committee. I assure you that someone, somewhere in every single State in this country is watching your vote this afternoon and anxiously awaiting the outcome.

For you see, the committee has provided the assistance that these groups have been searching for and could not find elsewhere. When the National Institute on Drug Abuse (NIDA) had not updated their information on the health consequences of certain drugs, it was the select committee that forced the issue. For the first time in years, we are beginning to see accurate and current information coming from that agency and you can feel confident in referring a constituent to them for information. Prior to this, many of our offices were having to supply the information personally.

I am extremely concerned about the future of this oversight power which no other committee in Congress possesses.

Oversight is not the only contribution that has and will be made by the committee. We have created a forum and an information source on many of the controversial and confusing issues of late. Just to mention a few, we held hearings on the controversial herbicide paraquat in order to determine its health consequences to marihuana smokers and the environment; drug paraphernalia and the need for a model State bill which we now have prohibiting the sale and distribution; health consequences of marihuana and cocaine, and therapeutic use of THC and marihuana.

In addition to this, the committee has played an important role in the international picture. Our committee has traveled to the actual source countries and negotiated with foreign leaders on such crucial programs as paraquat spraying in Mexico, crop substitution programs, and law enforcement assistance. When there was concern about drug abuse in the military and the Army was denying it, our congressional investigation surfaced the disturbing truth about our forces in Germany and the extent of drug use on duty, thus forcing the high command to acknowledge the problem and address it.

The hearings in the Southeastern United States on trafficking and law enforcement unearthed severe problems about the cooperation between local, State, and Federal drug enforcement officials as well as the manpower and resource disadvantage that law enforcement was working under. Much needed legislation has been introduced by our members as a result of this investigation.

The select committee has looked at many things from prevention, to treatment, to smuggling, to foreign affairs, to parent groups—things that no legislative committee has the time nor the initiative to do. We have tried to make sure that all the agencies of the Federal Government come together and form a clear and concise policy on drugs. If not this committee then what committee will have jurisdiction over all phases of the drug problem. There is none.

In light of a new administration, their proposed budget cuts, and the rumors floating around that the White House Drug Policy Office's existence may be threatened, we in Congress cannot afford to relinquish this power to the many and diverse agencies and offices throughout the Federal Government. We cannot allow them to operate as they will without the knowledge that there is a final authority to be answered to: the Congress and the American people. I urge your support of this resolution. Thank you.

Mr. LEVITAS. Mr. Speaker, will the gentleman yield?

Mr. EVANS of Georgia. I yield to the gentleman from Georgia.

Mr. LEVITAS. I thank the gentleman for yielding.

I would like to commend my colleague from Georgia for his leadership in this area. He has rendered a great service, not only to the people of Georgia, but to the people of the United States in these many community groups that have looked out for some assistance and some support from the Federal Government. I commend the gentleman and support his efforts in this regard.

Mr. RHODES. Mr. Speaker, I yield 5 minutes to the gentleman from Virginia (Mr. BLILEY).

Mr. BLILEY. Mr. Speaker, I rise in opposition to the pending resolution, House Resolution 13, to continue the Select Committee on Narcotics Abuse and Control.

I want to make it clear that in opposing this resolution, I am not prodrug. As a former mayor, as a Congressman, and as a parent of two teenage children, I realize the seriousness of the drug abuse problem in this country. I do not deny that the problem is nationwide and even international in scope. I realize that its implications and solutions touch on the authority of numerous House committees and subcommittees.

But I will assert to my colleagues, however, is that this select committee has not done a sufficiently good job of exploring the nature of and offering solutions to the problem of drug abuse and control to justify its continued existence.

I would like to explain to my colleagues three concerns which lead me to believe that the continuance of the Select Committee on Narcotics Abuse and Control is unjustified.

Before making those points, however, I would like to discuss what I believe is the insufficient rationale behind the very existence of a Select Committee on Narcotics Abuse and Control. I have already explained that I realize the seriousness of the drug

abuse problem. But our Nation faces other serious problems. Poverty, for instance, is a serious national problem. Its long-term implications are quite severe, possibly even threatening the foundations of the Nation, and no one would want to assert that the Congress, has after 50 years of effort even come close to solving the poverty problem. Not counting the appropriations and budget committees, at least nine committees have jurisdiction over poverty and related programs: Agriculture, Banking, Education and Labor, Government Operations, Post Office and Civil Service, Public Works and Transportation, Small Business, Ways and Means, and even another select committee—one on Aging.

On a poll of national concerns, the rising crime rate far outranks narcotics abuse as an issue of importance in the public mind. There is certainly a link among the issues of crime, narcotics abuse, and poverty. Why not have select committees on all three of those areas? By concentrating on drug abuse through a select committee, might we be treating only the symptoms of deeper problems in our society? Would not the time and expense of the Congress be better spent in exploring the deeper social ills which result in drug abuse and numerous other problems?

But even given the existence of a select or special body to concentrate on drug abuse problems there are several problems with the operation and structure of the select committee which indicate that it should not be continued. The first among these are the obvious abuses in foreign travel which have occurred on the committee in the past. I am very well aware that the former chairman of the committee is no longer a Member of Congress, in large part owing to his heavy schedule of trips to foreign nations. But the chairman was not the only member of the committee who participated in these trips.

For the enlightenment of my colleagues I would like to point out exactly how widespread instances of foreign travel by members of the Select Committee on Narcotics Abuse and Control has been during the last two Congresses. Last year alone select committee members visited Australia, Italy, Israel, India, Pakistan, and Sri Lanka. One of these trips lasted around 2 weeks. In 1977 committee members traveled on a seven-nation factfinding mission and a South American study mission. Some of the countries which committee members have visited over the past 4 years include: Thailand, Hong Kong, Macao, West Germany, Colombia, Bolivia, Puerto Rico, Japan, and the Soviet Union. Select committee members have apparently visited several other countries as well.

In addition to the foreign travel by members of the committee on a factfinding basis, the committee has seen fit to hold hearings in a number of overseas locations including West Germany and West Berlin, Guam, and Puerto Rico. I would like to point out to my colleagues that the budgets for such overseas travel are paid out of the House contingency fund and are not included in the budget for the select committee. In addition, travel expenses paid out of the House contingency fund are not auditable and therefore such expenditures are in no way open to public scrutiny or accountability.

We were assured that under different leadership the committee's foreign travel will be curbed. I hope that is the case. However, as I pointed out numerous members of the subcommittee have seen fit to take foreign trips on committee business in the past. Unless we can be assured that foreign travel will not be undertaken on select committee business in the future, I see no reason to continue sanctioning the committee's operations. If the select committee is to operate as coordinating mechanism it should leave missions to specific foreign nations to the foreign affairs or other committees which may have direct jurisdiction over international drug traffic.

The issue of overseas hearings brings me to the second point: Has the way in which the select committee been discharging its duties over the past 5 years been acceptable?

The Select Committee on Narcotics Abuse and Control held only seven hearings last year, during the second session of the 96th Congress. The first of these hearings was a 2-day set in Germantown, Tenn., chaired by the Congressman who represents that area on the subject of drug abuse problems in the schools there.

Second, came a 1-day hearing in Washington. Third, were 3 days of hearings in Macon and Brunswick, Ga., chaired by the Congressman who represents that district on the problem of drug traffic in Georgia. The fourth hearing, in New York City, was attended presumably by three Congressmen from the New York metropolitan area and served on the select committee. The fifth hearing was in Washington, for a change. The sixth hearing was held in Philadelphia, chaired by a Congressman from Philadelphia, and attended by another Congressman from the area who was not a member of the select committee. Finally, the seventh hearing was held in Washington.

Four out of the seven hearings the select committee held last year, comprising most of its time in session, were held in the home congressional districts of members of the committee. I do not deny that there were drug problems in any of these areas. I do not deny that field hearings can be useful to congressional committees. But I do believe that this kind of pattern of hearings indicates that the select committee has spent an inordinate amount of its time and resources on hearings which have the effect if not the intent of generating a great deal of publicity in the home districts of Congressmen who are members of the select committee.

The unusual way in which the select committee has discharged its hearing duties does not stop with its hearing schedule last year. I urge my colleagues to carefully examine the select committee's annual report from which all of the facts which I have used today have come. The pattern of hearings in past sessions is equally appalling.

Many of the committee's other activities as described in the annual report for 1980 involved members of the committee speaking in their own congressional districts on drug abuse problems. I do not see a need to continue funding a select committee staff which spends a large amount of its resources on what may amount to work to directly benefit individual Members of Congress.

Among the committee's primary purposes have been to act as an integrating force for the various congressional committees which have authority over drug abuse problems. Unfortunately, the committee has failed in this integrative function. The task force approach used by the select committee has led to the same fragmentation in hearings and efforts by the select committee as exists in the Congress as a whole. In continuing and establishing itself over a long period of time the select committee has simply become another level in the congressional bureaucracy interested in its own self-continuance rather than in integrating other functions of the Congress.

This brings me to the third issue which I would like to address. The select committee was originally intended to have finished its work during the 95th Congress. It was extended into the 96th Congress with instructions to complete a final report to the House.

The recommendation of that final report presented September 24, 1980, is to form a new permanent special oversight committee on drug abuse and control in the House. I would like to point out to my colleagues that the vote in the select committee to turn itself into a new permanent special oversight committee was unanimous, 15 to 0.

Something that happened last November seems to have changed the committee's view of the wisdom of establishing a new permanent congressional committee.

In its September report, however, the committee came to the conclusion that we have reached the firm conclusion that a temporary body such as the select committee is no longer an

appropriate vehicle for responding to the chronic and complex problems of drug abuse.

Now, 5 months later the select committee is back asking us to continue it as a temporary body. My point is that any extension of this committee through the 97th Congress will have the effect of making this special committee a permanent committee.

Rather than carry out the duty with which it was charged to come up with solutions and ways of handling drug abuse problems, the committee decided only to perpetuate itself. I would like to address three questions to the chairman. If he answers these to my satisfaction I will withdraw my opposition to this resolution.

First, will the chairman assure the House that members of the select committee will engage in no overseas travel on committee business during the coming Congress?

Second, will the chairman assure the Congress that no field hearings will be held in home congressional districts of committee members during the 97th Congress?

Third, will the chairman give the House his absolute assurance that by the end of the 97th Congress the select committee will report back with recommendations about how to handle the drug abuse problem which do not entail the continuance of the select committee or the establishment of a similar permanent committee?

Fourth, and finally, will the chairman give us his personal assurances on these issues?

Mr. RHODES. Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. GILMAN).

□ 1630

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding, and I commend the gentleman from Arizona, Mr. RHODES, and the gentleman from New York, Mr. ZEFERETTI, for their leadership in bringing this measure to the House floor.

Mr. Speaker, as a charter member of the Select Committee on Narcotics Abuse and Control since the committee was created late in 1976, and as a cosponsor of House Resolution 13, establishing the committee in the 97th Congress, I am pleased to rise in support of this resolution.

Narcotics trafficking and drug abuse have reached epidemic proportions both in our Nation and abroad. Drug trafficking just in the United States alone is estimated to have reached a staggering annual $64 billion. The tentacles of drug trafficking and drug abuse have reached into nearly every city, town, and school district throughout our Nation, causing untold misery for hundreds of thousands of our citizens. No congressional district, no State and no nation is immune to the drug traffickers who reap unknown billions of untaxed dollars from their sordid business transactions.

Our Nation is fast becoming a pill-popping, drug abusing, drug-oriented society. The young, the elderly, the rich and the poor, men, women, and children from all sectors of society are resorting to marihuana, cocaine, heroin, phencyclidine—commonly known as PCP or angel dust—uppers, downers, painkillers, tranquilizers, and hallucinogens in seeking to escape their problems. Hardly a day goes by that a hospital emergency room does not report a drug-related injury or death from the abuse of these drugs. Unfortunately, there is also a growing social acceptance for some of these deadly drugs.

As legislators, we are continually asked what we are doing to help raise the consciousness of the public regarding the dangers of drug abuse and the global pervasiveness of drug trafficking. Let us ask ourselves, how has the House of Representatives organized itself to monitor the complex problem of narcotics trafficking and drug abuse.

Drug trafficking and drug abuse is too vast and complex a subject for any single standing committee, as presently constituted, to monitor comprehensively. That is the reason that the Narcotics Select Committee initially came into existence: To help raise the consciousness of the public regarding the dangers of drug trafficking and drug abuse, to prod the administration into formulating, as required by law, a comprehensive, coordinated Federal drug strategy, a strategy that is sorely needed but regrettably has not been fully developed, to monitor the administration's drug-related programs and policies, and to assist our standing committees in their piecemeal drug-related activities.

As a member of the Foreign Affairs Committee, I can report that while our committee has examined some of the problems pertaining to international narcotics control, we have not been able to comprehensively attack this problem. The problem is much too large. Our Foreign Affairs Committee does not even possess jurisdiction over the international aspects of drug abuse prevention that belongs to another standing committee. Furthermore, our Foreign Affairs Committee does not have the time or the resources to devote its entire efforts to international narcotics control. There are other issues and other legislative matters that compete for our attention. This situation is not unique to the Foreign Affairs Committee. It exists among numerous standing committees and their subcommittees having piecemeal interests in drug abuse prevention and control.

Mr. Speaker, what standing committee is going to be able to comprehensively monitor the drug-related programs and policies of the new administration? What standing committee is going to prod the White House to elevate drug-related issues to a top priority on the President's agenda, to commit Presidential leadership to the war on drug abuse, and to formulate a comprehensive, coordinated Federal drug strategy?

During the past 4 years, our Narcotics Select Committee has been instrumental in obtaining closer cooperation among the Federal drug-related agencies, in elevating the State Department's senior adviser on international narcotics matters to the position of Assistant Secretary, thereby placing increased importance on drug-related issues in developing this Nation's foreign policy, and in focusing attention on drug abuse among our soldiers stationed in West Germany and West Berlin that resulted in the Defense Department's 12-point narcotics plan. But much work remains. Only the select committee can devote its entire efforts to comprehensively monitor the activities of the new administration, to assist our standing committees in their drug-related endeavors, and to help raise the consciousness of our citizens regarding the dangers of drug trafficking and drug abuse.

Without any drug oversight committee, I am fearful that efforts to wage war on drug abuse and drug trafficking will be placed on the back burner of the Congress and of the administration, and that this Nation will continue to muddle along without an effective, comprehensive, coordinated drug strategy. If that occurs, then our Nation will sink more and more into the morass of drug-dependency.

Accordingly, Mr. Speaker, I urge my colleagues to help prevent the drug epidemic from spreading by supporting House Resolution 13, reconstituting the Narcotics Select Committee. In an effort to more fully inform my colleagues of some of the major accomplishments of the select committee, I am inserting at this point in the RECORD a summary of the select committee's activities from its report entitled, "Recommendation for Continued House Oversight of Drug Abuse Problems" (Rept. No. 96-1380), pages 13 to 20, and two recent editorials in support of reconstituting this select committee:

ACCOMPLISHMENTS

LEGISLATIVE INITIATIVES

Although the Select Committee does not have any legislative jurisdiction, the Committee has supported the legislative efforts of several standing committees. Individual Committee Members also have undertaken legislative initiatives based on their Select Committee experience.

Coast Guard authority

Hearings held by the Select Committee in New York City and in Miami, Florida, revealed a critical omission in the Coast Guard's jurisdiction to interdict drugs on

the high seas. Members of the Select Committee introduced H.R. 2538, a bill to facilitate increased high seas enforcement by the Coast Guard of laws relating to the importation of controlled substances. As a result of close cooperation among the Select Committee, the Subcommittee on Coast Guard and Navigation, and the Committee on Merchant Marine and Fisheries, H.R. 2538 passed the House on July 23, 1979. Both the House and the Senate recently agreed upon an amended version of the bill which was signed into law (P.L. 96-350) by the President on September 15, 1980.

Drug Enforcement Administration (DEA) authorization, fiscal year 1980

Concerned over the reduced authorization provided for DEA in legislation reported to the House, the Select Committee prepared amendments to restore DEA's fiscal 1980 authorization to $202,366,000, the amount required by DEA to maintain its fiscal year 1979 level of operations. These amendments were offered in the Committee of the Whole and were adopted by voice vote.

Psychotropic substances

The Select Committee played an active role with other congressional committees in obtaining enactment of Public Law 95-633, the Psychotropic Substances Act of 1978. This important Act amended existing laws to meet U.S. obligations under the 1971 Convention on Psychotropic Substances.

Stricter control of PCP

At the request of the Interstate and Foreign Commerce Subcommittee on Health, the Select Committee held hearings on Phencyclidine (commonly called PCP or "Angel Dust") which contributed directly to several significant actions designed to curb PCP abuse:

Regulation under the Controlled Substances Act (CSA). The DEA tightened controls on PCP by raising that substance from Schedule III to Schedule II of the CSA. In May of 1978, two immediate precursors of PCP also were placed under Schedule II of the CSA.

Increased Penalties and Piperidine Reporting. The record established by the Select Committee led to the inclusion of provisions in Public Law 95-633 (the Psychotropic Substances Act of 1978) increasing the penalties for trafficking in PCP and establishing restrictions on commerce in Piperidine, a PCP precursor.

Forfeiture of monetary instruments

The Select Committee recommended an amendment to the Controlled Substances Act to permit the seizure and forfeiture of all moneys, negotiable instruments, securities, or other things of value used in connection with drug violations. Subsequently, Members of the Select Committee helped to formulate a provision included in the Psychotropic Substances Act of 1978 that provided this authority.

Administrative forfeiture

The Select Committee recommended legislation to amend the Tariff Act of 1930 by increasing from $2,500 to $10,000 the value of items seized in violation of the drug laws which may be disposed of administratively. The Customs Procedural Reform and Simplification Act of 1978 (Public Law 95-410) included such a provision.

Drug abuse and the elderly

The Select Committee recommended a provision vis-a-vis drug abuse and drug dependence among the elderly that ultimately was incorporated in Public Law 96-181, the Drug Abuse Prevention, Treatment and Rehabilitation Act Amendments of 1979. This provision requires that representatives of the elderly participate on State drug abuse prevention advisory councils.

Money laundering

The Select Committee's hearings in Chicago and Florida highlighted the extensive use of domestic financial institutions by drug traffickers to launder the immense proceeds of their illicit trade. The issues that these hearings raised led to the introduction of H.R. 5961 which would close certain loopholes in our banking laws. The Senate is considering similar legislation.

Mandatory minimum sentences for drug traffickers

In an effort to crack down on narcotics trafficking in this country, Mr. Gilman, joined by 44 cosponsors (including 10 Members of the Select Committee), introduced H.R. 3674, a bill to provide mandatory minimum prison sentences for persons illegally manufacturing, distributing, or dispensing controlled substances.

Marihuana pre-trial diversion

Following the Select Committee's hearings in 1977 on the pros and cons of reducing Federal penalties for possession of small amounts of marihuana for personal use, Members of the Select Committee introduced H.R. 12587 (95th Congress), the Marihuana Pre-trial Diversion Act. Under this legislation, reintroduced in the 96th Congress as H.R. 3470, persons subject to criminal prosecution for possession of small amounts of marihuana would be channeled out of the traditional criminal justice system and placed instead in an educational counseling program that stresses the serious dangers and ramifications, both for the individual and society, associated with the abuse of marihuana and other drugs. Upon successful completion of the program, all official public records relating to the offense would be destroyed and no adjudication of guilt would be made.

Clarification of the Percy amendment

In conjunction with Senator Percy, the Select Committee developed an amendment to the International Security Assistance Act of 1979 (P.L. 96-92) to make clear that the Percy Amendment's prohibition on the use of U.S. assistance for the purpose of spraying marihuana with paraquat would not jeopardize the successful program by the Mexican Government to eradicate opium poppies.

FEDERAL OVERSIGHT

In carrying out its oversight responsibilities, the Select Committee has continually monitored the activities of the principal Federal departments and agencies engaged in all aspects of drug abuse prevention and has attempted to assist them in improving their drug abuse efforts.

Congressional resource guide

In 1978, the Select Committee published the "Congressional Resource Guide to the Federal Effort on Narcotics Abuse and Control," which for the first time identified the entire Federal effort directed at drug abuse prevention.

Increased executive agency cooperation

The Select Committee has attempted to bring together the principal departments and agencies responsible for drug abuse prevention to resolve their differences and establish mutual and coordinated objectives. As an example, our hearings in South Florida in June of 1978 not only focused national attention on the catastrophic situation involving cocaine and marihuana trafficking but also resulted in intensified efforts by all Federal agencies engaged in narcotics interdiction to coordinate their activities in that area.

Drug abuse in the military

Prompted by the Select Committee's hearings on drug abuse among our soldiers in West Germany and West Berlin, the Department of Defense developed the "12-Point Plan" to combat the situation. Although our follow-up hearings have shown that the problem is still not under control, the Army recently announced that it will shorten the time many young soldiers must spend overseas from the current 24-32 months to 18 months. The Select Committee recommended this step in 1978 and again in 1979, citing the length of overseas tours as a contributing factor to drug abuse in the military.

State Department

At the urging of our Committee, the position of Senior Adviser to the Secretary of State and Coordinator for International Narcotics Matters was elevated to the position of Assistant Secretary. As a result of this change, international narcotics issues have received greater attention in overall foreign policy development, and the ability to negotiate international narcotics matters with foreign governments has been significantly enhanced.

Federal strategy

The absence of a comprehensive, coordinated Federal drug strategy has been a major concern of the Narcotics Select Committee. Although the Drug Abuse Office and Treatment Act of 1972 established a Federal Strategy Council to develop a comprehensive, coordinated Federal drug strategy and evaluate the implementation of the strategy, our oversight hearings have exposed the inactivity of the Strategy Council and the corresponding failure of the Council to fulfill its statutory mandate.

New heroin threat

In May of this year, the Select Committee held a hearing in New York City to examine the effects increased heroin supplies entering our country from Southwest Asia are having on drug abuse treatment and law enforcement efforts and to gauge the impact of the Administration's proposed $40 million cut in Federal funds for drug treatment, rehabilitation and prevention. Witnesses described the situation as being potentially catastrophic to the treatment providers and to the enforcement and welfare agencies. The Select Committee has worked vigorously with other Members of the Congress to restore these critical funds to the budget for the National Institute on Drug Abuse (NIDA).

Paraquat

Following the 1978 "paraquat scare" initiated when the Department of Health, Education, and Welfare (now Health and Human Services) issued warnings of irreversible lung damage from smoking paraquat-sprayed marihuana, the Select Committee conducted a thorough investigation and held a series of public hearings to examine the paraquat issue within the entire context of American public health/narcotics control policies and objectives. The Committee recently issued a comprehensive report summarizing its inquiry and sent a copy to HHS Secretary Patricia Harris, urging her to help clarify some of the misconceptions

surrounding the paraquat problem revealed by the Committee's investigation.

The efforts of the Select Committee represent the only attempt to examine all facets of this highly complex issue.

Drug education

Through our investigations and hearings in New York City, Memphis, Tennessee and Macon, Georgia, the Committee gained first-hand insights into the epidemic proportions of drug abuse and drug trafficking in the nation's schools. We also found that the resources provided for drug education are grossly deficient. The Committee is pursuing this problem with the new Department of Education and NIDA to assure that drug education is given a high priority and that effective programs are supported.

Cargo security

A hearing conducted by the Select Committee at John F. Kennedy International Airport spotlighted the use of international air cargo to smuggle narcotics and assessed the problem of cargo theft and diversion. The Select Committee recommended several measures to enhance cargo inspection efforts by the United States Customs Service and to improve the cargo security procedures of air carriers.

INTERNATIONAL INITIATIVES

The Select Committee has directed its efforts not only at drug abuse in the United States but also at developing an awareness of and responses to drug abuse and drug trafficking within the entire international community.

Hermosillo declaration

Members of the Select Committee urged Mexican and American Government officials to intensify their efforts to interdict narcotics trafficking and to eradicate the illicit production, use and abuse of heroin and other dangerous drugs. As a result of these efforts, the Mexican and United States delegations to a 1977 bilateral interparliamentary conference adopted the Hermosillo Declaration on Combatting the International Trafficking of Drugs. Subsequently, the U.S. Congress passed House Concurrent Resolution 265 expressing the commitment of the United States to the joint U.S.-Mexican effort to combat international narcotics trafficking and drug abuse.

United Nations

In 1977, Chairman Wolff, as a representative to the U.S. delegation to the United Nations, introduced a precedent-setting resolution before the 32d Session of the U.N. General Assembly requesting that the Commission on Narcotic Drugs launch an international drug abuse control strategy. The United Nations Fund for Drug Abuse Control (UNFDAC) was invited to design models for drug abuse prevention, treatment and rehabilitation and to study the feasibility of establishing treatment and rehabilitation centers to care for individuals suffering from drug abuse. This resolution was adopted by the General Assembly and is in the process of being implemented.

United Nations Fund for Drug Abuse Control (UNFDAC)

Concerned with the low level of financial contributions by member nations of UNFDAC, the Select Committee has focused continuous attention on this issue and has been successful in encouraging other nations to support the Fund. As a result of this effort, the percentage of the U.S. contribution to the U.N. Fund has been reduced from 80 percent to 41 percent. In this connection, our hearings in the Federal Republic of Germany on drug abuse in the Armed Forces highlighted the drug abuse problem for West German authorities and contributed to increased Western European participation in the Fund.

Vatican initiative

During an audience with Members of the Select Committee earlier this year, Pope John Paul II requested relevant and meaningful suggestions as to how he and the Church could assist the international effort to counter the menace of drug abuse. Members of the Select Committee recently presented to the Papal Secretary of State a number of proposals for consideration by the Holy Father. On August 9, 1980, in a Mass for former drug addicts at Castel Gandolfo, Pope John Paul II delivered the strongest statement of his papacy on drug abuse. The Select Committee's meetings with His Holiness and the Papal Secretary of State helped lay the groundwork for this message.

Study missions abroad

Members of the Select Committee have participated in a number of fact-finding missions abroad to study first-hand the problems of drug abuse and drug trafficking in South America, Europe, Southeast Asia, Japan, the Soviet Union and other areas of the world. Through these on-site investigations and meetings with representatives of various foreign governments, the Select Committee has gained valuable insights into the global dimensions of the drug abuse problem and has encouraged other nations to increase their drug abuse prevention efforts.

OTHER SIGNIFICANT ACCOMPLISHMENTS AND ACTIVITIES

The Select Committee has held a number of other hearings that have focused public attention on specific problem areas.

Marihuana—Dangers and potential benefits

The Select Committee has conducted hearings to examine important new research on the adverse health consequences of chronic marihuana use and also to investigate the potential therapeutic uses of tetrahydrocannabinol (THC), a major psychoactive substance in marihuana, in treating glaucoma victims and lessening the debilitating reactions to cancer chemotherapy.

Talwin

As a result of a hearing held by the Select Committee to highlight the hazards of polydrug abuse, DEA placed Talwin on Schedule IV of the Controlled Substances Act, effective February 9, 1979.

Prescription drug abuse

The Select Committee examined the problem of prescription drug misuse and abuse and established a record that was a factor in encouraging the American Medical Association to issue drug prescribing guidelines. The Committee also has focused attention on the widespread diversion of prescription drugs into the illicit market.

Paraphernalia

The Select Committee's hearing on drug paraphernalia dramatized the impact of the burgeoning paraphernalia industry which encourages and glamorizes drug abuse among children. The hearing also focused widespread attention on the Model Drug Paraphernalia Act drafted by Justice and DEA as a guide to States for coping with the paraphernalia problem. Subsequent to the hearing, several localities adopted statutes based on the Act.

Drug abuse among specific population groups

The Select Committee has conducted a number of hearings to highlight the special drug abuse problems of women, minorities and the elderly.

[From the Washington Star, Feb. 25, 1981]

DRUG ABUSE OVERSIGHT

The House today is to decide whether to reconstitute the Select Committee on Narcotics Abuse and Control. We trust that the commendable Capitol Hill mood to do a bit of slimming down will not tempt the House to try to save half a million dollars by letting the committee lapse. That would be a case of pound-foolish—as the Rules Committee recognized in approving the resolution to keep the body in existence.

The assignment of national priorities is often a ragged process. Sometimes the priorities established in the political arena are obvious. From time to time, priorities are assigned by cultural fashion or fear and, alternately, diminished when public attention wanders.

The latter is some respects seems to be the case with drug abuse. A dozen years ago the issue commanded intense concern. Public perceptions of the ravages of addiction and habituation matched reality. The Nixon administration ranged its federal battalions for an assault, premised on a relationship between increases in crime and drug abuses. There were many battles and some victories. But the trumpeted priority crested in the middle 1970's, for reasons not altogether clear.

That did not mean, of course, that the problem drastically diminished or was extirpated: to the contrary. But the urgency associated with combating the narcotics plague in part may have faded from a clear and present concern to one more hazy because of its virulent spread into the suburbs and the middle class. The pervasiveness of illicit drug use contributed, we suspect, both to a skepticism that the affliction could be successfully fought and, perversely, a kind of sanction—dignified by the awful label of "recreational drugs."

So here we are again, appalled by a resurgent crime rate and confronting again the depredations of narcotics. In the past several years, drug overdoses have been on the rise (deaths from heroin overdoses in Washington increased from 40 in 1979 to 62 last year). The Golden Crescent of the Middle East is assuming the supply dominance that the Golden Triangle of Southeast Asia held a dozen years ago. The traffickers have become increasingly sophisticated; law-enforcement agencies are spread increasingly thin.

This is not, as it was not a dozen years ago, a figment of vivid imaginations. The case for reconstituting the House Select Committee is persuasive, primarily to provide a focus for congressional oversight. Jurisdiction over narcotics-related federal functions now is spread across 13 standing committees in the House. If that does not actually insure that legislative attention will be diffuse and duplicative or lacking coherence, it suggests the probability.

The committee in the past has done some service and, in combination with what we trust will be a commitment by the Reagan administration, a renewed federal assault on

this pernicious problem may be stimulated. It is needed.

[From the New York Times, Feb. 25, 1981]

FOCUS ON DRUGS

The use of heavy and dangerous narcotics is growing, yet the Select Committee on Narcotics Abuse and Control will be fighting for its life in the House today. The House committee has been working for four years; it deserves to do so for another two.

The overlapping structure of standing committees in the House makes this select, or temporary, committee desirable: it can coordinate among eight standing committees that are involved with the narcotics problem. The select committee introduces no legislation directly but has helped to point out faults in the laws. It investigates and calls public attention to new troubles, like "angel dust," or phencyclidine. With effective leadership, probably under the chairmanship of New York's Representative Leo Zeferetti, the committee can bring needed focus to a costly national problem.

Mr. ZEFERETTI. Mr. Speaker, for purposes of debate only I yield 4 minutes to the distinguished chairman of the Judiciary Committee, the gentleman from New Jersey (Mr. RODINO).

Mr. RODINO. Mr. Speaker, ordinarily I would be opposing the establishment of any select committee. I believe that in accordance with the concept of the Legislative Reorganization Act, the standing committees of the House certainly can function and have functioned.

There are, however, some gaps. There are areas where I believe it becomes necessary to focus attention on a problem that somehow or other might be escaping the attention not only of the Congress but of the people. As far back as 6 years ago, when the select committee was first established, I announced then my reservations, but I recognized, however, that reality compelled me to say that while the Committee on the Judiciary has jurisdiction in this area, legislative jurisdiction, oversight jurisdiction, that we were not equipped with all the necessary information that I thought was important to do the job that needs to be done; that we do and should have established a select committee.

Since that time, the select committee has developed an impressive record; has inspired better cooperation between those law enforcement agencies concerned with drug trafficking; has increased the flow of information to Congress and helped to inform the public of the continuing dangers facing our country in the area of drug abuse.

I give my time to that select committee because I think it is important. I believe that it is compatible with the work of the Committee on the Judiciary that is now trying to implement some of the findings and recommendations made by the select committee.

In 1976, when the select committee was first created, our country faced a dangerous drug-trafficking and drug-abuse problem. Estimates of heroin addicts in our population ranged from 400,000 to 600,000. Marihuana and cocaine was freely available to teenagers and to an adult population increasingly agreeable to experimenting with these dangerous illegal drugs. There was also a constant increase in the ingestion of manmade painkillers, sedatives, tranquilizers and so-called uppers such as amphetamines. LSD and PCP were prevalent and the Government was increasingly hard pressed to keep up with the crime generated by the drug traffic then in existence.

Now, 4 years later, through world forces over which we have little control, the situation appears infinitely worse. For example, the bulk of the heroin brought into the United States in the past came from Mexico. A 1977 poppy eradication program supported by our Government resulted in a decrease of some 50 percent of the heroin being brought in from Mexico. Unfortunately, the countries of Iran, Afghanistan, and Pakistan have now more than adequately filled the supply void left by Mexico and we find poppy production and heroin refining at an alltime high. Trafficking in Southwest Asian heroin is presently affecting our Armed Forces stationed abroad and is devastating our population at home. The Shan States of northern Burma have currently produced a record crop of approximately 700 tons of Southeast Asian poppies, resulting in much greater availability for U.S. consumption this year. There are now, once again, as many U.S. heroin addicts as existed in 1976, all due to increased trafficking. These dreadful statistics, I believe, clearly illustrate the need for Congress to continue to keep a close and current watch on heroin trafficking and heroin abuse in our country.

We are also experiencing a devastating influx of marihuana and cocaine originating in Colombia. The select committee, in the past 3 years, began a series of investigations and hearings which focused attention on the need to support a policy of diplomacy that will eventually persuade the Colombian Government to take firm and decisive action against the growers, refiners and traffickers in its own territory. Our law enforcement agencies cannot cope with interdicting more than, at most, 10 percent of this traffic. The sheer volume of drugs coming from this source has inundated Florida, States on the eastern and southern seaboard and has spread throughout the United States as a whole. We are left with the problem of billions of dollars on which no taxes are paid, with the serious ancillary problems of political and police corruption, and with the corruption of financial institutions that are aiding and abetting the traffickers. The lure of easy money is corrupting heretofore legitimate individuals and we have seen recent convictions of bankers, doctors, students, lawyers, and businessmen with otherwise unblemished records. This specific problem demands more congressional attention and I understand will be major priority for the select committee in the present Congress.

Congress requires a window on this underworld. The select committee can serve as that window. It can continue its examinations of proposed remedies and at the same time work hand in glove with the standing committees of the House to achieve solutions that can be reached through legislation. It can exhort public and private institutions to do better, expose trafficking patterns, and focus on the urgency of the problem and the need to reduce the unprecedented demand for drugs in our society.

Mr. Speaker, my colleagues may recall that on many occasions I have opposed the creation of or the continuance of select committees believing that the policy expressed in the Legislative Reorganization Act of 1946 is a correct one—namely, that standing committees having jurisdiction over a subject matter should take the laboring oar on oversight and investigation and that few, if any, select committees should be created.

For the reasons I have expressed and more, I believe the proposed Select Committee on Narcotics Abuse and Control presents us with a fundamental exception to the policy I have always followed. I, therefore, urge my colleagues to approve House Resolution 13 so that the select committee may continue its valuable work.

I believe that this Congress needs the kind of compelling information, the kind of buildup, the kind of searchlight, that the select committee has brought upon this issue. For too long, I think this problem has not been properly dealt with by the executive branch of the Government and by those who should have responsibility for dealing with a problem that has cost us loss of a great many lives, the young of our country, resulting in about $50 billion of illegal trafficking in narcotics which continues to plague us.

Mr. RHODES. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. DANNEMEYER).

Mr. DANNEMEYER. Mr. Speaker, I wish to take this opportunity as the House considers House Resolution 13, authorizing the Select Committee on Narcotics Abuse and Control for the 97th Congress, to comment on the select committee and the serious problem it is designed to address.

I supported the creation of the select committee in the 96th Congress and will do so again today, albeit conditionally. I want to voice my belief

that this body, with the help of the select committee, must really address the narcotics and drug problem and not merely engage in window dressing every 2 years with yet another study panel.

The drug problem is serious. A segment of the Sunday, February 22, 1981, broadcast of CBS "60 Minutes" highlighted the split jurisdictional difficulties that hamper Federal activities in the Florida area where many of our drug imports reach the United States. The broadcast pointed out that Federal efforts are split between the Internal Revenue Service, the Drug Enforcement Administration, the Federal Bureau of Investigation, the Coast Guard, and the U.S. Customs Service. Here in the House our jurisdiction over drugs is similarly split and also paralyzes us from taking effective action. The following committees exercise some jurisdiction: Agriculture, Armed Services, Government Operations, Foreign Affairs, Energy and Commerce, Judiciary, Merchant Marine and Fisheries, and Ways and Means.

There are those who will argue that the select committee overcomes this structural problem. But the select committee can only go so far without any legislative jurisdiction. We need more than oversight, we need coordinated Federal activity. We should address the organizational problem in the executive branch. We should increase penalties for drug trafficking, if necessary. We should examine banking practices as revealed in the "60 Minutes" broadcast. What we should not do is merely create this select committee once more to suggest the appearance that we are doing something. I, for one, will not support the creation of the select committee in the next Congress if effective action is not forthcoming.

Mr. Speaker, the select committee was created in the 94th Congress. A colloquy on the floor on March 21, 1979, during consideration of the resolution creating the select committee for the 96th Congress, revealed that the chairman of the select committee had testified before the House Administration Accounts Subcommittee in 1978 that the select committee would not be returning for reauthorization. During the exchange, the former chairman of the select committee, Mr. Wolff, stated that the select committee had hoped to finish but did not do so. Mr. Murphy of Illinois reassured the House, and I quote:

> The committee has stated before the Committee on Rules that this would be its last 2 years.

Well, the 2 years are up and here we are again re-creating a select committee that seems to have nine lives.

My sole reason for supporting the select committee despite these strong reservations is that the drug problem needs attention. We should establish the select committee for the 97th Congress with an eye toward using the next 2 years to tackle the real culprit—the jurisdictional problem among legislative committees in the House. Without an internal restructuring, no matter how well the select committee performs, we must still negotiate the legislative labyrinth to secure passage of needed legislation.

The recently released narcotics intelligence estimate contains a number of sobering statistics. Illegal drugs generated $64 billion in retail sales in 1979, compared to $50 billion in 1978 and $48 billion in 1977. An estimated 25 to 31 metric tons of cocaine were smuggled into the United States in 1979, compared to 19 to 25 tons in 1978, a 27-percent increase. Availability of marihuana continued to rise in 1979, and the report forecast continued high use of marihuana and cocaine.

The note of good news for the future comes from the University of Michigan Institute for Social Research's annual national survey of high school seniors. According to the results of the survey released last week, attitudes toward drug use are changing. The number of daily users of marihuana, for example, declined 12 percent, the first decline since the survey began in 1975.

Let us not allow this encouraging news to create a false sense of security. My concerns about the select committee stem not from a lack of appreciation for the problem on my part. Quite the opposite. I want to guarantee that we as lawmakers are doing the utmost to combat narcotics-related activities at home and abroad. In that connection I look forward to reviewing the recommendations of the select committee on a comprehensive worldwide program against drug abuse required under the resolution and commend the gentleman from Arizona (Mr. RHODES) for offering this amendment in the Rules Committee. I hope that the select committee will meet the challenge ahead of it in the next 2 years. The select committee has had 4 years now to complete its work. This extension through the 97th Congress should be more than enough for it to accomplish its objectives.

Mr. ZEFERETTI. Mr. Speaker, for the purposes of debate only I yield 2 minutes to the gentleman from Florida (Mr. FASCELL).

Mr. FASCELL. Mr. Speaker, I am pleased to have this opportunity to voice my support for the reconstitution of the Select Committee on Narcotics. In view of the prevalence of drug trafficking in my home State which has reached crisis proportions in recent years, I must admit that I have a personal stake in supporting House Resolution 13, because the Select Committee on Narcotics was the first congressional entity to draw public awareness to the situation in Florida. Mr. Speaker, the drug problems in south Florida are unprecedented and admittedly difficult to describe. Murders connected with the drug trade are now committed on virtually a daily basis. The situation has simply gotten out of hand, and I am very concerned that if the Congress allows this committee to expire we will be sending the wrong signal to the criminals who engage in this business.

A few years ago when the select committee held field hearings in south Florida, law enforcement officials testified that in Florida alone an estimated $7 billion worth of marihuana and cocaine were being smuggled in from South America. This figure indicated that narcotics trafficking had come to rival tourism as our State's largest industry. I am convinced that the illicit drug trade in Florida is now reaping significantly higher profits than was ascertained at those field hearings.

Thanks to the work of the select committee, a number of deficiencies have been pointed out in our efforts to curtail the flow of illicit substances into the United States. This has served to illustrate the special needs of the narcotics law enforcement community. For example, one area which I believe reinforces the necessity of eliminating drugs at the growing areas, is the revelation that the United States manages to seize only 20 percent of the ships carrying illegal narcotics cargo based upon prior intelligence. This means that 80 percent of the interdictions on the high seas are on a cold-hit basis. Given the lack of resources available to the authorities, it is no small wonder that the influx of marihuana and cocaine continues practically unabated and has developed into a magnet for organized crime figures.

Because of the constructive oversight and recommendations that the select committee has been providing, many in the law enforcement field have expressed their concern over the potential adverse consequences to the effort to interdict narcotics entering our country if the committee is not reconstituted. Last year, Mr. Donald L. Willey, president of the International Narcotic Enforcement Officers Association, wrote me that he felt that the select committee played a vital role in improving our illicit drug interdiction capabilities at the Federal, State, and local levels. Mr. Willey concluded that—

> With conflicting agency priorities in addition to geographic considerations, a single central authority capable of objective oversight is necessary.

I certainly concur with this assessment and I therefore believe it is imperative that we support the reconstitution of the Select Committee on Narcotics.

Mr. RHODES. Mr. Speaker, I yield 3 minutes to the gentleman from Alabama (Mr. SMITH).

Mr. SMITH of Alabama. Mr. Speaker, today we are being asked to vote to reestablish the Select Committee on Narcotics Abuse and Control. There is no question but that the United States faces a severe and ever-increasing drug problem that threatens the moral and social fiber of our society. Drug trafficking is most sobering when it reaches our schools and impairs or halts the promise of our young people.

I certainly agree there is a crying need for drug control enforcement. I further acknowledge that the Select Committee on Narcotics Abuse and Control has a very noble goal. Nevertheless, I will be casting my vote today against the reestablishment of the select committee.

Last year it is estimated over 45 billion hard-earned taxpayer dollars were spent to combat drug trafficking. There are already in existence 8 permanent congressional committees and over 100 Federal agencies, such as the Drug Enforcement Administration, the Federal Bureau of Investigation, the Coast Guard, and the Customs Service, with jurisdiction over drug control. In addition, State and local official investigative agencies cooperate with their Federal counterparts.

I commend the committee for its work in past Congresses, but am not convinced of the need for yet another duplicative congressional committee. The Select Committee on Narcotics Abuse and Control was created in the 94th Congress and has had an extended existence beyond its original intent.

Committee costs range between $600,000 and $700,000 annually. President Reagan and the Congress will of necessity be asking the American people to make economic sacrifices to reinvigorate our failing economy. We must bring the budget under control and I submit we can begin holding the line here in Congress by eliminating House Resolution 13. Let us demonstrate the type of fiscal responsibility and commitment to cutbacks we will be expecting from the populous at large.

□ 1645

Mr. ENGLISH. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Alabama. Yes.

Mr. ENGLISH. The reason I rise and ask the gentleman to yield——

The SPEAKER pro tempore. The time of the gentleman from Alabama has expired.

Mr. ZEFERETTI. Mr. Speaker, I yield 1 additional minute to the gentleman.

Mr. ENGLISH. Mr. Speaker, if the gentleman will yield, I think the gentleman certainly put his finger on this, although I think he is a bit misguided. The very point that many of our speakers have missed today—and that is the reason we created the select committee to begin with—the reason we created the select committee is because the jurisdiction is so fragmented, not only within the House of Representatives, but also within the administration. As has been pointed out by a number of speakers, you have a number of different agencies and different departments and all have some responsibility, but in total no one has responsibility. That is exactly what this select committee has found out over the last 4 years. We have attempted to bring together all the forces, all the resources to eliminate the feeling that is taking place within the agencies that have this responsibility and to direct those tax dollars toward an effective drug problem effort. I think without this committee and without a continuation of the committee, there simply is no chance of a future.

Mr. RHODES. Mr. Speaker, I yield 3 minutes to the gentleman from Florida (Mr. SHAW).

Mr. SHAW. Mr. Speaker, I rise today in support of House Resolution 13 reconstituting the Select Committee on Narcotics Abuse and Control. I do so as I have a vested interest in the problems caused by drug abuse all across our country, a geographical vested interest as a Member of the 12th District in south Florida; a personal vested interest as a father of four children.

As a former city prosecutor, judge, and three-term mayor of Fort Lauderdale, I know that local law enforcement is no match against the growing menace of drug trafficking in our country. Florida alone has 8,000 miles of shoreline and as many as 200 deserted air strips, which has made my State the port of entry for perhaps as much as 70 percent of the drugs illegally smuggled into this country. In Florida alone, it is estimated to be a $7 billion industry, which makes it the largest commercial activity in the State.

The effects of drug activity in Florida have been staggering. The number of drug-related homicides grows every week, drug-related crimes, such as robbery and muggings against the helpless and elderly are up sharply.

It is easy to state the impact of drugs in dollars, but the toll in broken lives cannot be expressed statistically, although the select committee estimated that 50 million Americans have used marihuana, 15 million cocaine, and over 450,000 of our citizens are addicted to heroin, most of whom have been swept to the back streets and to the subcultures out of sight but a constant menace to themselves and society.

With 1 out of 10 high school seniors using marihuana on a daily basis, there is no wonder that those of us with children and grandchildren of high school age live in constant fear.

I am not talking to you this afternoon about a Florida problem. I am talking to you about a problem that threatens the future of America as much as double-digit inflation and rising unemployment. We must work to achieve a Federal commitment to rid this country of this menace.

I urge the adoption of House Resolution 13 reconstituting the Select Committee on Narcotics Abuse and Control.

I yield back the balance of my time.

Mr. RHODES. Mr. Speaker, I yield 1 minute to the gentlewoman from Rhode Island (Mrs. SCHNEIDER).

Mrs. SCHNEIDER. Mr. Speaker, as a cosponsor of this legislation, I rise in support and urge my colleagues' favorable votes on House Resolution 13.

The recent upsurge of drug use and drug trafficking in the United States is cause for alarm and demands prompt effective and corrective measures. The fact that in 1979 alone the narcotics subculture was a $64 billion industry indicates the magnitude of our national problem. The question of drug abuse is complex and far reaching. All sectors of our society are affected, from our children in their schoolyards to our friends and neighbors who are dependent on drugs prescribed by their very own physicians.

In addition to the dramatic negative health impact, we must also concern ourselves with the interconnectedness of drugs and the increase in crime.

The House Select Committee on Narcotics Abuse and Control has had a stellar record as the first to coordinate the efforts of the myriad of congressional committees and Federal agencies involved in combating drug trafficking and abuse. This committee has served as an effective tool in fostering cooperation on the Federal, State, and local levels. In this regard, the select committee prompted the White House to establish a streamlined task force to insure the proper allocation of available resources.

Again, I urge favorable support of the resolution to continue the Select Committee on Narcotics Abuse and Control.

Mr. ZEFERETTI. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. SCHEUER).

Mr. SCHEUER. Mr. Speaker, I congratulate the previous speaker for her fine remarks. She mentioned that this is a $64 billion industry. She is absolutely right. The Federal Government is spending $1 billion in a futile attempt to control it and yet still the Federal Drug Enforcement Administration tells us that 97 to 98 percent of the drugs that cross our borders reach their intended customers.

Listen to this quote, this appalling quote from Deputy Chief of Police Charles H. Kelly of the New York City narcotics division in the police department:

It is so easy to smuggle drugs and once drugs get into our country forget it. There is very little we can do about it. If you can't prevent them from growing it, we can't stop it.

Now, that gives you some idea of the order of magnitude of this horrendous problem facing our country. The Select Committee on Narcotics is the one place that is a clearinghouse for ideas that is an exchange place for renovation.

Mr. Speaker, I attach a recent article from the February 15 front page of the New York Times:

HEROIN TRADE RISING DESPITE U.S. EFFORTS—IN THE NEW YORK REGION, PROBLEM IS SAID TO BE WORSE THAN EVER

(By Leslie Maitland)

After more than 15 years of trying to develop ways to fight the influx and distribution of heroin in the United States, law enforcement officials say that their efforts are still not succeeding and that in some parts of the country, especially New York, the problem is worse than ever.

The hundreds of millions of Federal and local dollars spent each year in the battle against narcotics have brought only brief interludes when trafficking seemed to be declining, these officials say. And many acknowledge that after congratulating themselves on wiping out the Turkish and Mexican connections of years past, they failed to anticipate adequately the flourishing of new sources.

THE SCOPE IS STAGGERING

While some disagreement exists over how much heroin is actually entering the country and being confiscated by law enforcement authorities, the Federal Drug Enforcement Administration estimates that only 2 to 5 percent is being kept from distribution channels.

And because nothing can be done to curb production from Iran, Afghanistan and parts of Pakistan, where American influence is limited, law enforcement officials contend that vast quantities of heroin are pouring into the United States and that, as one official put it, it is only the "rare unlucky" importer who is detected and prosecuted.

"The scope of it is absolutely staggering—I wish I had a penny for every pound of heroin that's getting through," said Victor J. Rocco, chief of the criminal division in the United States Attorney's office for the Eastern District of New York, whose words were echoed by many other law enforcement authorities involved in the narcotics battle.

District Attorney Robert M. Morgenthau of Manhattan, for example, maintains that heroin abuse has reached a crisis level.

"It's the single most frustrating problem that I've got," he said, adding that he blamed it for almost half the robberies and burglaries committed in the city.

In interviews, senior government officials at the local and Federal levels cited these major obstacles to combatting the heroin trade in the United States, in addition to their inability to stem the growth of poppies in Southwest Asia:

Budgetary cutbacks coupled with inflated prices for heroin have left law enforcement strapped for funds, particularly for undercover investigations, which need money to purchase drugs.

The Carter Administration is perceived by law enforcement officials as having been uncommitted to fighting drugs.

A lack of long-term planning in the campaign against heroin distribution is cited by some officials, and others criticize the tendency of law enforcement to accumulate so-called "buy and bust" cases, instead of focusing on major heroin conspiracies.

The bail system is attacked for allowing dealers, who have ready access to huge sums of cash, to leave prison while awaiting trial and return to dealing. Knowing that another charge is not likely to bring added sanctions, the dealers are said to believe that the authorities will be reluctant to spend money making another case.

EASE OF SMUGGLING CITED

Law enforcement officials are forthright in acknowledging that no matter how much is spent to curtail the use of heroin, they will not eradicate the problem unless the poppy-growing countries can be influenced to stop production. Opium, they say, inevitably finds its way to sophisticated, secret laboratories around the world to be manufactured into heroin and shipped to the United States, where it commands the highest prices.

"It's so easy to smuggle drugs," said Deputy Chief Charles H. Kelly of the Police Department's Narcotics Division. "And once drugs get into the country, forget it—there's very little we can do about it. If you can't prevent them from growing it, we can't stop it."

The effort, however, is commanding the full attention of narcotics enforcement officials, who say the heroin problem has forced them to curtail drastically their fight against other drugs.

"Pills, uppers, downers, pot, cocaine—we can't even address them" said Sterling Johnson, the city's special narcotics prosecutor, whose 46 assistants handle drug cases for all five district attorneys in New York. "Our priority is heroin, and with our fiscal problems, we can't do everything."

FEDERAL MONEY PROBLEMS

On the Federal level, also, money is a problem. The Government spends about $1 billion annually to counter drugs—dividing that sum equally between law enforcement and social services. But critics who maintain that the battle to combat drugs lacks adequate financing point out that the narcotics trade is conservatively estimated to be worth $64 billion a year in the United States alone.

Most of the money that the Federal Government devotes to law enforcement in the drug area goes to the Drug Enforcement Administration, which was founded in 1973 under President Richard M. Nixon as the sole Federal agency responsible for investigating narcotics cases. At present it accounts for 25 percent of the Federal criminal docket nationwide. Of its budget of approximately $206 million, it spends $14.3 million in New York City, where it has stationed 170 of the 2,000 agents it has placed in this country and around the world.

In pursuing their investigations, drug enforcement agents rely heavily on undercover purchases of drugs. The often-criticized theory behind this approach is that by buying drugs in ever larger quantities the agents will work up the ladder of distribution, gradually coming closer to the wholesale supplier. Arrests are made only when the agents have reached the highest level they think possible.

There is general agreement, however, that the importer at the top rung may never handle the heroin himself and is therefore difficult to prosecute unless an informer can be enlisted.

And the cost of drugs, authorities contend, has made this sort of investigation exceedingly expensive.

"The inflated cost of heroin has hurt," said John W. Fallon, the administrator for the Drug Enforcement Administration's Northeast region, who is responsible for 12 states, from Canada to Delaware. The district office, he said, has approximately $1 million in "buy money" each year, and the task force has $500,000. But with heroin now selling at $140,000 to $250,000 for a kilogram, according to the narcotics agency, the money does not go far.

"An ounce of heroin now runs at least $10,000, up from $2,000 six years ago," said James Moss, chief of the narcotics unit in the United States Attorney's office for the Southern District of New York. "But the D.E.A. budget has not increased five times since 1975. Now, if you want to begin an investigation with a bag of four ounces, you need at least $40,000, while you needed only $8,000 before. And if you want to win the trust of the people dealing, you have to keep on buying."

According to Chief Kelly of the Police Department's Narcotics Division, the difficulties posed by the increase in the price of heroin have been compounded by a decrease in his budget for purchases—from $2.5 million in 1972 to $700,000 in 1980. And the Legislature, as of 1979, increased the amount of drugs that the undercover detective must purchase at one time—from one ounce to two—in order to bring a top felony charge. Accordingly, fewer cases can be made.

PROSECUTIONS IN MANHATTAN

David Cunningham, until recently the chief assistant to Mr. Johnson, the special narcotics prosecutor, also contended that lack of money had prevented the office from prosecuting many of the 4,500 felony heroin arrests made in New York last year, the vast majority in Manhattan.

"There were almost 1,200 technical felonies that were not indicted and were instead handled in Criminal Court because we lacked prosecutors," said Mr. Cunningham. "We're trying to handle more and more with fewer people."

Local law enforcement officials in New York say that their lack of funds reflects the Carter Administration's failure to commit itself to fighting drugs.

"They were afraid to face up to it," Mr. Morgenthau said. "They were afraid to make a commitment because they thought they'd fail."

PSYCHIATRIST VOICES CRITICISM

Dr. David Musto, a research professor of psychiatry at Yale Medical School who served on President Jimmy Carter's White House Strategy Council on Drug Abuse Policy, was particularly vehement in denouncing the Carter Administration.

"We were supposed to establish drug abuse policy for the Federal Government, and we did not do it," Dr. Musto said. "During the time of this influx of heroin, the council, which was supposed to devise a strategy to deal with it, did not meet, despite our frequent requests for meetings."

Lee Dogoloff, associate director for drug policy in the Carter Administration, disputed those opinions, but agreed that the heroin problem was far from resolution.

"We're not having the success we'd like to have," Mr. Dogoloff conceded, shortly before leaving office with other Carter Administration appointees. "We're not solving the problem. But as long as there is demand, there is a tremendous profit to be made, and there will always be some people willing to take the risk to make the money."

DOUBT ABOUT ESTIMATES

Mr. Dogoloff, whose successor has not yet been named by the Reagan Administration, also argued that "there is a serious heroin problem in New York and a couple of other places in the country, but not nationwide," and said that he distrusted estimates of how much heroin is entering the country or being seized by law enforcement.

"I've never understood how you could estimate percentage of a whole when you don't know the whole," he said. "We really have no idea how much is entering the country. I think they are only guessing."

Law enforcement officials such as Gordon Fink, the D.E.A.'s assistant administrator for intelligence, contend that such factors as heroin purity, hospital administrations and death rate help determine the flow of drugs into the country. But Mr. Dogoloff is not alone in his avowed skepticism of such figuring.

"I question whether the increase in heroin is occurring with anywhere near the alarm generated by people who are looking for resources," said Irvin B. Nathan, who served as deputy attorney general in the criminal division of the Justice Department under Mr. Carter. "The trouble is that the people who purport to know the statistics are the same people who are looking for increases in their budget."

Mr. Nathan said, however, that the Administration had paid "insufficient attention to long-term planning about drug matters or to looking for long-term solutions."

Dominic F. Amorosa, the chief of the Organized Crime Strike Force and former chief of the narcotics unit in the Southern District, also asserted that drug investigations were not as effective as they might be because of what he termed the failure of Federal prosecutors to make use of wiretaps and "bugs" to gain intelligence on major importers, instead of relying on street purchases to make cases.

Like several of the local prosecutors, Peter B. Bensinger, administrator of the Drug Enforcement Administration, contended that the bail system represented a particularly critical problem where narcotics cases were concerned.

"Our bail system is a national disgrace," said Mr. Bensinger, adding that the ranks of fugitives—2,700—outnumbered his complement of agents. "They post bail, flee the jurisdiction, intimidate witnesses, threaten judges and agents. Before the ink is dry on the arrest report, the trafficker is on the street and back in business. He knows that we can't afford to bother making a second case on him."

Mr. ZEFERETTI. Mr. Speaker, I yield 1 minute to the gentleman from Hawaii (Mr. AKAKA).

Mr. AKAKA. Mr. Speaker, I lend my full support to the reestablishment of the Select Committee on Narcotics and Drug Abuse. I can think of no problem which undermines the very values of our society more than the problem of drug abuse does. Drug abuse is a problem which cuts across every segment of our society, saps the strength of our young, and destroys many of our most talented citizens. Drug abuse is a problem which can have long-term negative effects on the economic, social, and political structure of our Nation. And, statistics indicate that drug abuse has eaten away at our Nation's ability to have a military defense force prepared to fight. The sad fact is that young men who are stoned cannot shoot straight.

The facts of drug abuse are frightening: 450,000 people are addicted to heroin, 50 million people have used marihuana, 15 million have used cocaine, 8 million PCP, 13 million inhalants, and 16 million people have used hallucinogens. These figures explain lost time on the job, lost productivity, and lost hope.

At the same time, the profits for retail trade in illegal substances continue to grow. Last year it was estimated that the retail illegal drug trade was a $64 billion industry. The impact of this subterranean economy cannot be understated. It undermines our economic structure in untaxed business revenues and adversely affects our balance of payments.

Unfortunately, the Federal Government has no comprehensive strategy to deal with drug abuse. This makes the role of the Select Committee on Narcotics and Substance Abuse critical. In its first 4 years, the select committee has indeed accomplished a great deal in the areas of prevention and substance control. The select committee has, through its emphasis on prevention at the community level, helped to challenge local communities, in an effort to stimulate prevention programs at a local level.

Through the committee's work a number of agencies have been stimulated to address specific problems around the country. I know that the committee's work has just begun. I urge all my colleagues in the House to join me in support of House Resolution 13.

Mr. RHODES. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin (Mr. SENSENBRENNER).

Mr. SENSENBRENNER. Mr. Speaker, I rise in opposition to the resolution. One week ago the President of the United States stood in this very Chamber and urged the American people to make sacrifices in order to revitalize our economy and to restore prosperity to the American people. We in Congress ought to heed that call by cutting back on our own expenditures, just like we are asking other segments of the economy to do. One way to cut back on congressional expenditures is to reduce the number of committees and subcommittees that have proliferated in this House. Every Member of Congress knows that this body has far too many committees and subcommittees and each one of those bodies has got its own staff and its own budget and each one of them spends money.

I will be the first to recognize that narcotics abuse and control is important. We must clamp down on the drug trafficking that is poisoning the minds and bodies of children and adults alike; but established committees should be able to do the job. If the jurisdiction of committees is too differentiated, then why do we not propose and adopt a resolution that consolidates that jurisdiction in the hands of one existing committee?

The title of this resolution should more aptly be stated, "Old committees never die, nor do they fade away."

Two years ago the then chairman of the Select Committee on Narcotics Abuse and Control said that this would be the last 2 years that we would have this select committee, so let us start right now to show the country that Congress itself can tighten the belt and cut down on its own expenses just as the President is asking everybody else to do.

I urge the defeat of this resolution.

Mr. RHODES. Mr. Speaker, I have one more speaker.

Mr. ZEFERETTI. Mr. Speaker, I yield 2 minutes for purposes of debate only to the gentleman from California (Mr. DORNAN).

Mr. DORNAN of California. Mr. Speaker, we have heard a few forceful arguments against this resolution. I rise in support of it.

I would like to first address the budget arguments. Sometimes a truism, a platitude, an axiom, becomes a cliche because it is so good, it is used so often. "Better be safe than sorry" is one.

"Pennywise and pound foolish," is another. I think that we have a classic example of arguments that are pennywise and pound foolish.

There was a man arrested, a drug smuggler in the New York area just in the last few days who was carrying more heroin in rubberized containers, like a child's balloon, in his stomach than this committee could spend in any year. The committee in the 4 years that I have been associated with it, 2 years as an ex officio volunteer and 2 years as a member, has turned back money every year. No committee in this House is free from criticism, but I believe this committee has worked hard; on foreign trips it has worked very hard.

I do not believe that in my first term after we adjourned, but before the 96th Congress, a Member would have been murdered, the first Congressman ever murdered in the line of duty, Leo Ryan of California, if it had not been for the drug use at Jonestown.

Three Congressmen were advised a few months later that they were the

target of an army of drug transporters and smugglers in the opium fields of the Shan Province of Burma.

There has been a Senator who miraculously survived death, shot five times in the stomach, because of the growing crime around here involving young males who are trying to support a drug habit.

I just asked the minority leader on our side if he felt that the young people who so viciously beat him were probably supporting a drug habit and the police in this area will tell you that the incredible increase in crime is obviously due to drugs.

I called the FBI today to firm up some statistics that I gave to the Rules Committee on murder in this country and my own city was shocking, because of my own city of Los Angeles.

The SPEAKER pro tempore. The time of the gentleman from California has expired.

□ 1700

Mr. ZEFERETTI. I yield 1 additional minute to the gentleman from California (Mr. DORNAN).

Mr. DORNAN of California. Because of the statistics in my city, I would bring those to the attention of the House and ask the Members to seek the statistics in their own districts. Murder in the 4 years I have been here has increased from 16,605 to 20,591, and the largest reason for that increase is drug-related crime—killings. Of course, a Member like myself from Los Angeles, or a Member from Illinois, or a Member from New York or Florida certainly would want to serve on this committee, which also would give some justification to why the committee has members on it from major city areas, but every high school in this country is now being affected. The murder rate in Los Angeles has gone from 394 10 years ago in 1970 to 1,021 in 1980. The police department just told me that of 1,021 homicides, 337 were drug related.

If you read the current issue of TV Guide that is going to be a two-part series starting this week on cocaine and heroin, you will find out that the hot light we have put on this issue of cocaine, heroin, and psychotropic drugs has helped.

Mr. RHODES. Mr. Speaker, I yield 2½ minutes of the remainder of my time to the gentlewoman from California (Ms. FIEDLER).

Ms. FIEDLER. I thank the gentleman.

Mr. Speaker, I rise in support of House Resolution 13. I come to you today to talk for a few moments about some experiences I have had in the area of drug abuse. I am deeply concerned about what is happening to the youth of our Nation, and when you remove all of the rhetoric, dialog, and statistics, it comes down really to an issue of children being abused for the financial benefit of a handful of people who are willing to take action against the heart and the future of our society—our children.

I have stood across the table from young people whose lives have been destroyed by the use of marihuana and other assorted illegal drugs. As I sat as a member of the Los Angeles School Board, I saw week after week after week the tremendous increase in lawlessness in the schools which was directly and unequivocally related to the illegal use of drugs.

It is essential that this body deal with the very serious problem of illegal drug use and do everything that we can within our power in order to stop the epidemic crises affecting our youth today.

The SPEAKER pro tempore. The gentlewoman from California (Ms. FIEDLER) used 1½ minutes. She would have 1 minute remaining.

Mr. ZEFERETTI. Mr. Speaker, I yield 1 minute to the gentleman from New York, (Mr. BIAGGI).

Mr. BIAGGI. I thank the gentleman for yielding.

I think it is important to know I am not a member of the committee, but what I extrapolate from the discussion that has been going on this afternoon is that we are waging a losing war. I would concede that the war is a losing issue. The question we ask is do we throw down our arms and just permit the wrongdoers in this area to run wild and rampant? I have heard the argument about President Reagan's program, and I dare say I am going to tell my colleagues on the other side of the aisle they can find a great deal of sympathy in my attitude and response to his philosophy and program, but I do not accept this opposition as something that the President desires, to oppose the establishment of a committee that spends less than $600,000. To offer that as a reflection of the Presidential attitude I think is unfair and without basis.

Let me suggest to you some of the things that have happened.

● Mr. CORRADA. Mr. Speaker, I rise in strong support of House Resolution 13, which provides for the reestablishment of the Select Committee on Narcotics Abuse and Control.

Late in 1976, this select committee was established with the main responsibility of conducting a comprehensive and continuing oversight of the narcotics situation in the United States. Since its inception the select committee held hearings in the United States and abroad in an effort to gather the information necessary to inform the Congress of the effect of illegal traffic in narcotics and the widespread problem of drug abuse on matters of domestic and international policy. The circumstances that led to the creation of this committee, have not changed since then.

Narcotics trafficking and drug abuse are still major problems that affect our society. It is our responsibility, as elected representatives of our communities to keep on going, looking for the hard to find solutions to this nightmare that haunts our communities. By not supporting this resolution we are turning our back to our responsibilities.

Without the reestablishment of the Select Committee on Narcotics Abuse and Control, we will have in Congress at least eight standing committees sharing oversight responsibility in the area of drug abuse. This select committee will insure that all aspects of this enormous problem receive comprehensive study, and be the umbrella that covers all aspects in an orderly way.

I urge you, my fellow Congressmen to vote in support of House Resolution 13, for the benefit of all Americans who in one way or another is affected by the horrors of drug abuse.●

● Mr. FAUNTROY. Mr. Speaker, I rise in support of House Resolution 13, a bill to continue the existence of the Select Committee on Narcotics Abuse and Control.

The role and contributions of this select committee are crucial in these days of ever increasing drug activity at a local, national, and international level. No other legislative committee in the House of Representatives exerts the mandate of total investigative, educational, and review functions in the area of drug control and abuse as does this important select committee.

At a time when the numbers of drug users—at all economic and social levels—are increasing with epidemic proportions, with the age level dropping to an ever younger age for user and addict, our cities, our Nation, and the world community must give immediate and concentrated attention to this threat to the moral well-being, health, and certainly safety of all citizens.

The problem has steadily grown this past year to such degree, that no single arm of the Government agencies can coordinate the investigation of causes and solutions—the Select Committee is ably equipped to concentrate on that dilemma.

As the Congressman from the District of Columbia, with the responsibility for the well-being of its citizens and the Federal presence, as chairman of the Congressional Black Caucus, I urge all my colleagues in the U.S. House of Representatives to join in the support of this bill and the crucial attention it directs to a volatile, even tragic dilemma. Its work will be available to each of you in your own jurisdictions, with the growing menace of drug traffic and abuse that each of you faces in this next period.

In the name of our children across the Nation, the senior citizens who may be victims of crime because of drug activity, and the wasted lives of those who have much to contribute to our Nation's good but for the destruction of drugs, I ask you to join me in this vote for House Resolution 13, the Select Committee on Narcotics Abuse and Control.●

The SPEAKER pro tempore. All time has expired.

Mr. ZEFERETTI. Mr. Speaker, I move the previous question on the resolution and the amendments thereto.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution, as amended.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BLILEY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 276, nays 101, not voting 5, as follows:

[Roll No. 13]

YEAS—276

Addabbo	Coughlin	Ford (TN)
Akaka	Courter	Fountain
Albosta	Coyne, James	Fowler
Anderson	Coyne, William	Frost
Andrews	Daniel, R. W.	Fuqua
Annunzio	Danielson	Garcia
Anthony	Dannemeyer	Gaydos
Applegate	Daub	Gejdenson
Archer	Davis	Gephardt
Ashbrook	Deckard	Gilman
Aspin	Dellums	Ginn
Atkinson	DeNardis	Goldwater
Bafalis	Derrick	Gonzalez
Bailey (PA)	Dickinson	Gore
Barnard	Dicks	Gradison
Barnes	Dingell	Green
Beard	Dixon	Guarini
Benedict	Donnelly	Guyer
Bennett	Dorgan	Hall (OH)
Bereuter	Dornan	Hammerschmidt
Bevill	Dougherty	Hance
Biaggi	Downey	Harkin
Bingham	Dreier	Hatcher
Blanchard	Duncan	Hawkins
Boland	Dwyer	Hefner
Bolling	Dymally	Hendon
Boner	Dyson	Hertel
Bonior	Edwards (CA)	Hightower
Bouquard	Emery	Holland
Bowen	English	Hollenbeck
Breaux	Erdahl	Hopkins
Brinkley	Ertel	Horton
Brooks	Evans (GA)	Howard
Broomfield	Fary	Hubbard
Brown (CA)	Fascell	Huckaby
Burton, John	Fazio	Hunter
Butler	Ferraro	Hutto
Byron	Fiedler	Ireland
Carman	Fields	Jeffords
Chappell	Findley	Jeffries
Clausen	Fish	Jenkins
Coelho	Fithian	Jones (TN)
Coleman	Flippo	Kastenmeier
Collins (IL)	Florio	Kazen
Conable	Foglietta	Kemp
Conte	Foley	Kildee
Conyers	Ford (MI)	Kogovsek
LaFalce	Napier	Seiberling
Lagomarsino	Natcher	Shannon
Lantos	Neal	Shaw
Latta	Nelligan	Shelby
Leach	Nelson	Shuster
Leath	Nichols	Simon
Lee	Nowak	Skelton
Lent	O'Brien	Smith (IA)
Levitas	Oakar	Smith (NE)
Livingston	Ottinger	Smith (NJ)
Loeffler	Panetta	Snowe
Lowry (WA)	Parris	Snyder
Luken	Patman	Spence
Lundine	Pease	St Germain
Lungren	Pepper	Stangeland
Madigan	Perkins	Stanton
Markey	Petri	Stark
Marks	Peyser	Staton
Martin (NY)	Porter	Stenholm
Matsui	Price	Stokes
Mattox	Pritchard	Stratton
Mavroules	Quillen	Stump
McClory	Rahall	Tauzin
McCollum	Railsback	Taylor
McCurdy	Rangel	Thomas
McDade	Ratchford	Volkmer
McDonald	Regula	Wampler
McEwen	Reuss	Watkins
McGrath	Rhodes	Waxman
McHugh	Richmond	Weiss
McKinney	Rinaldo	White
Mica	Ritter	Whitehurst
Michel	Roberts (KS)	Whitley
Mineta	Rodino	Whitten
Minish	Rogers	Williams (MT)
Mitchell (MD)	Rose	Williams (OH)
Mitchell (NY)	Rosenthal	Winn
Moakley	Rostenkowski	Wolf
Molinari	Roybal	Wolpe
Mollohan	Rudd	Wright
Montgomery	Russo	Yatron
Moorhead	Sabo	Young (FL)
Morrison	Scheuer	Young (MO)
Murphy	Schneider	Zablocki
Murtha	Schumer	Zeferetti

NAYS—101

Alexander	Frank	Moffett
AuCoin	Frenzel	Moore
Bailey (MO)	Gibbons	Mottl
Bedell	Gingrich	Myers
Beilenson	Glickman	Oberstar
Benjamin	Goodling	Patterson
Bethune	Gramm	Paul
Bliley	Gregg	Pickle
Brodhead	Gunderson	Roberts (SD)
Brown (CO)	Hall, Sam	Robinson
Broyhill	Hamilton	Roemer
Chappie	Hansen (ID)	Roukema
Clinger	Hansen (UT)	Santini
Coats	Hartnett	Sawyer
Collins (TX)	Heckler	Schroeder
Corcoran	Heftel	Sensenbrenner
Cotter	Holt	Shamansky
Craig	Hughes	Sharp
Crane, Daniel	Jacobs	Shumway
Crane, Philip	Jones (OK)	Skeen
D'Amours	Kindness	Smith (AL)
Daniel, Dan	Kramer	Smith (OR)
Daschle	LeBoutillier	Studds
Dunn	Lehman	Swift
Early	Long (MD)	Synar
Eckart	Lott	Tauke
Edgar	Lujan	Walgren
Edwards (AL)	Marlenee	Weber (OH)
Emerson	Martin (IL)	Whittaker
Erlenborn	Martin (NC)	Wirth
Evans (IA)	Mazzoli	Wortley
Evans (IN)	McCloskey	Wyden
Fenwick	Miller (CA)	Yates
Forsythe	Miller (OH)	

NOT VOTING—55

Badham	de la Garza	Johnston
Boggs	Derwinski	Jones (NC)
Bonker	Edwards (OK)	Lederer
Brown (OH)	Evans (DE)	Leland
Burgener	Gray	Lewis
Burton, Phillip	Grisham	Long (LA)
Campbell	Hagedorn	Lowery (CA)
Carney	Hall, Ralph	Marriott
Cheney	Hiler	Mikulski
Chisholm	Hillis	Obey
Clay	Hinson	Pashayan
Crockett	Hyde	Pursell
Roe	Traxler	Weaver
Roth	Trible	Weber (MN)
Rousselot	Udall	Wilson
Savage	Vander Jagt	Wylie
Schulze	Vento	Young (AK)
Solarz	Walker	
Solomon	Washington	

□ 1715

The Clerk announced the following pairs:

On this vote:

Mrs. Boggs for, with Mr. Johnston against.

Mr. de la Garza for, with Mr. Hiler against.

Mr. Leland for, with Mr. Weber of Minnesota against.

Until further notice:

Mr. Jones of North Carolina with Mr. Wylie.

Mr. Ralph Hall, with Mr. Vander Jagt.

Mr. Udall with Mr. Rousselot.

Mr. Obey with Mr. Pashayan.

Mr. Weaver with Mr. Lowery of California.

Ms. Mikulski with Mr. Pursell.

Mr. Long of Louisiana with Mr. Lewis.

Mr. Vento with Mr. Badham.

Mr. Savage with Mr. Campbell.

Mr. Phillip Burton with Mr. Burgener.

Mrs. Chisholm with Mr. Derwinski.

Mr. Bonker with Mr. Edwards of Oklahoma.

Mr. Crockett with Mr. Grisham.

Mr. Clay with Mr. Hillis.

Mr. Gray with Mr. Roth.

Mr. Roe with Mr. Hyde.

Mr. Traxler with Mr. Solomon.

Mr. Wilson with Mr. Trible.

Mr. Solarz with Mr. Walker.

Mr. Washington with Mr. Schulze.

Mr. Brown of Ohio with Mr. Marriott.

Mr. Carney with Mr. Evans of Delaware.

Mr. Hagedorn with Mr. Cheney.

Mr. OBERSTAR changed his vote from "yea" to "nay."

Mr. DORGAN of North Dakota and Mr. WATKINS changed their votes from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ZEFERETTI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolution just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
February 24, 1981.

Hon. THOMAS P. O'NEILL, JR.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the permission granted in the Rules of the House of Representatives, I have the honor to transmit a sealed envelope from The White House, received in the Clerk's Office at 3:15 p.m. on Tuesday, February 24, 1981 and said to contain a message from the President wherein he transmits a message regarding the suspension of certain litigation against Iran, together with a copy of an Executive Order which he issued today.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, JR.,
Clerk, House of Representatives.
By W. RAYMOND COLLEY,
Deputy Clerk.

SUSPENSION OF CERTAIN LITIGATION AGAINST IRAN—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 97-25)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Foreign Affairs and ordered to be printed:

(For message, see proceedings of the Senate of Tuesday, February 24, 1981, page 2810.)

APPOINTMENT AS MEMBERS OF SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL

The SPEAKER. Pursuant to House Resolution 13, 97th Congress the Chair appoints as members of the Select Commitee on Narcotics Abuse and Control the following Members of the House: Mr. ZEFERETTI of New York, chairman; Mr. RODINO of New Jersey; Mr. RANGEL of New York; Mr. STARK of California; Mr. ENGLISH of Oklahoma; Mr. EVANS of Georgia; Mr. NEAL of North Carolina; Mr. SCHEUER of New York; Mrs. COLLINS of Illinois; Mr. AKAKA of Hawaii; Mr. GUARINI of New Jersey; Mr. RAILSBACK of Illinois; Mr. BEARD of Tennessee; Mr. GILMAN of New York; Mr. GUYER of Ohio; Mr. COUGHLIN of Pennsylvania; Mr. DORNAN of California; Mr. DENARDIS of Connecticut; and Mr. SHAW of Florida.

APPOINTMENT AS MEMBERS OF BOARD OF DIRECTORS OF GALLAUDET COLLEGE

The SPEAKER. Pursuant to the provisions of section 5, Public Law 420, 83d Congress, as amended, the Chair appoints as members of the Board of Directors of Gallaudet College the following Members on the part of the House: Mr. BONIOR of Michigan and Mr. PETRI of Wisconsin.

APPOINTMENT AS MEMBERS OF BOARD OF VISITORS TO U.S. MILITARY ACADEMY

The SPEAKER. Pursuant to the provisions of title 10, United States Code, section 4355(a), the Chair appoints as members of the Board of Visitors to the U.S. Military Academy the following Members on the part of the House: Mr. GINN of Georgia; Mr. DIXON of California; Mr. GILMAN of New York; and Mr. ROTH of Wisconsin.

APPOINTMENT AS MEMBERS OF BOARD OF VISITORS TO U.S. AIR FORCE ACADEMY

The SPEAKER. Pursuant to the provisions of title 10, United States Code, section 9355(a), the Chair appoints as members of the Board of Visitors to the U.S. Air Force Academy the following Members of the House: Mr. FOLEY of Washington; Mr. DICKS of Washington; Mr. ROBINSON of Virginia; and Mr. KRAMER of Colorado.

APPOINTMENT AS MEMBERS OF BOARD OF VISITORS TO U.S. NAVAL ACADEMY

The SPEAKER. Pursuant to the provisions of title 10, United States Code, section 6968(a), the Chair appoints as members of the Board of Visitors to the U.S. Naval Academy the following Members on the part of the House: Mr. LONG of Maryland; Mr. MURTHA of Pennsylvania; Mrs. HOLT of Maryland; and Mr. SPENCE of South Carolina.

COMMUNICATION FROM MICHAEL F. BARRETT, CHIEF COUNSEL AND STAFF DIRECTOR

The SPEAKER laid before the House the following communication from Michael F. Barrett, chief counsel and staff director:

COMMITTEE ON ENERGY AND COMMERCE,
February 23, 1981.

Hon. THOMAS P. O'NEILL, Jr.,
SPEAKER, HOUSE OF REPRESENTATIVES,
Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the provisions of H. Res. 722, 96th Congress this is to advise you that on February 20, 1981, I was served with a subpoena to appear for the purpose of taking a deposition in the action entitled *William P. Tavoulareas et al.* v. *The Washington Post Company, et al.* It is apparent that the deposition involved activities of the Subcommittee on Energy and Power during a study and investigation concerning the Mobil Oil Corporation, is clearly within the jurisdiction of the former Committee on Interstate and Foreign Commerce which includes energy matters and the Securities and Exchange Commission and thus is related to the official functions of the House. As such, I hereby request that you assist in my representation insofar as I am called upon to discuss matters within the purview of my employment with the Subcommittee.

Similar subpoenas were served upon Peter D. H. Stockton on February 19, 1981, and upon David Schooler on February 23, 1981, with respect to the identical action. Both individuals were served in their capacities as staff members involved in the Mobil Oil Corporation investigation.

We are examining the subpoena and will advise you of determinations made pursuant to the provisions of Rule L of the Rules of the House.

Sincerely,

Michael F. Barrett, Jr.,
CHIEF COUNSEL AND STAFF DIRECTOR.

NO MIRACLE CURES

(Mr. LANTOS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. LANTOS. Mr. Speaker, my distinguished colleague, Congressman JIM JONES of Oklahoma, the most able chairman of the Budget Committee, has given us this morning a thoughtful and perceptive analysis and appraisal of Prime Minister Margaret Thatcher's economic program for the United Kingdom.

Chairman JONES draws a most timely analogy between the policies of Prime Minister Thatcher and those of the present administration.

We had all better heed JIM JONES' basic conclusion, that the Thatcher government has overpromised and this administration runs the risk of overpromising.

I agree with JIM JONES: We must cut spending and act together to increase productivity. We must strengthen our defenses. We cannot afford a massive untargeted personal tax cut. We first must get our interest rates and deficits down and our employment and production up. Yes; it will be hard, and it will hurt, and it will take time.

But, just as there is no free lunch, there are also no miracle cures.

I include the following:

[From the Washington Post, Feb. 25, 1981]

JAMES R. JONES: NO MIRACLE CURES

Prime Minister Margaret Thatcher should not be meeting President Ronald Reagan in Washington. Reagan should be meeting Thatcher in London.

There, the president would see the future and could judge whether it indeed works. "Thatcherism" has been in place in Great Britain for two years now, and its similarities to the Reagan proposals are striking. If the results prove similar, the British experience assumes profound importance for the American people.

Thatcher began her term with two great weapons. Her people agreed that the status quo had failed, that change was essential.

Her people also desperately wanted her program to succeed. She had promised tax cuts and spending cuts. She had promised to end inflation, and she believed that the

money supply was the root cause of that inflation. President Reagan shares these precepts and has similar support from the American people.

Now, in the language of our new secretary of state, let me "caveat" a bit. Britain is quite different from the United States. It is 10 years farther down that slippery incline that all western democracies are traveling. It is a society in which class lines are sharper, where people are less willing to move to new jobs, where foreign trade is more important and where disputes between labor and management are more bitter.

Government is bigger, public housing bigger, national ownership and intervention in industry bigger, social programs bigger, jobless benefits bigger.

In short, in almost every way but one, the problems are more difficult. That one area is energy, for with the North Sea fields, Great Britain is self-sufficient in oil and has a resource of such magnitude that it could enable that lovely island to solve its many problems and prosper in the years ahead.

One more caveat. The fate of Thatcherism—whether success or failure—will be decided by the British people, not by any visiting American. The House Budget Committee did not go to London recently to judge the British but to learn how their experience might apply to our future.

What did we learn?

Thatcher's policies have provided a rigorous and necessary jolt to her people. Britain must change many of its practices and attitudes, and she has furthered that cause.

Her government also has made progress in cutting spending, a step that must be taken by all of the Western democracies. Inflation is down to about 8 percent.

President Reagan also can succeed on these points. The U.S. government is taking up too big a portion of GNP. Americans have become too dependent on government. The relationship among lobby, Congress and federal agency had left us apparently incapable of cutting spending.

Ronald Reagan may well have ensured his place in history by destroying that debilitating barricade.

But now for the bad news.

Unemployment in Great Britain is about 15 percent in U.S. terms. A grim adjective is applied to those out of work—they are termed "redundant." Production fell 14 percent last year, the biggest drop since the Great Depression. Interest rates are very high (though several points below our dreadful rates). Excellent companies as well as inefficient ones are on the verge of bankruptcy.

What has gone wrong?

There was an obsessive attention to monetary targets and the apparent belief that if only the money supply were held to the right target, all else would be well. Monetarists will argue that their theory is sound and that Thatcher has not applied it purely enough. A more realistic view would be that money supply is important, but no more so than many other factors. You do not just take a patient's pulse before operating. You use every diagnostic tool available.

The Reagan economic team seems to have a tendency toward the same overdependence on monetary targets.

The Thatcher government spending cuts were incomplete. She did not deal with indexing, one of the driving forces in inflation in all of the advanced nations.

President Reagan—who now has nearly overwhelming support for spending cuts—has also ducked this toughest issue of them all. The failure to address indexing is likely to haunt us all in years to come.

The Thatcher government cut taxes across the board, then raised the value-added tax, which is hardest on the poor and middle-income families. The result was no stimulation for the economy, no growth, no job creation.

The Reagan administration's Kemp-Roth plan also will be pleasant for the rich. But the middle class will find its cuts taken up by higher Social Security taxes, higher fuel costs and inflation. There is no indication, let alone assurance, that Kemp-Roth tax savings will go to investment in productive assets.

The extraordinary growth rates upon which the Reagan budgets are based are unlikely to occur, just as they have not occurred in Britain.

And without such growth, the combination of personal tax cuts, major increases in defense spending (Britain also raised defense spending sharply) and the rising cost of unemployment stemming from the impact of high interest rates will result in very high deficits, on the order of $100 billion. Such deficits will drive interest rates up, and government borrowing to cover the debt will absorb money that otherwise would have been available for private investment. The housing and auto industries will suffer badly, and that will ripple through the entire economy.

Last and most dangerous, the Thatcher government is perceived to have overpromised.

President Reagan, as did the prime minister, runs the risk of overpromising.

We are told that Kemp-Roth, monetarism, regulatory reduction and reduced federal government will bring us almost overnight to the promised land of high growth and strong defense, low taxes and low inflation. And it won't even hurt.

When his advisers are asked to explain how that will come to pass, the answer is: because they say so. They have asked the American people for an act of faith, and the American people are granting them that faith.

The administration is offering a miracle cure. But what will happen if there is no miracle cure?

Britain has seen no miracle. Will similar policies produce one in the United States?

To President Reagan's everlasting credit, he has created a climate in which the American people are demanding that the problems be attacked. But what a sad day it will be if in a few years we look back and say, "Lord, what an opportunity we had in 1981. If only we hadn't fallen for theories that made it all sound so easy. If only we had faced up to the problems then and had said there is no magic solution."

Yes, we must cut spending and act to get productivity rising again. Yes, we must strengthen our defenses. No, we can't afford a massive untargeted personal tax cut. We first must get our interest rates and deficits down and our employment and production up. Yes, it will be hard, and it will hurt, and it will take time.

BOARDING HOMES: A TIME TO ACT

(Mr. RATCHFORD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RATCHFORD. Mr. Speaker, I rise today to call to the attention of my colleagues the dimensions of a most horrifying and deplorable situation that now confronts many of our elderly and mentally impaired citizens.

Court mandates and perceived cost savings prompted the States during the seventies to deinstitutionalize roughly 62 percent of State mental hospital patients. Wholesale and indiscriminate discharges ensued, with many residents of these facilities placed in so-called boarding homes. Coupled with the need to provide for a growing elderly population, the result has been the staggering growth of this new industry. It is estimated that up to 1.5 million elderly, handicapped, and mentally impaired people reside in some 300,000 boarding homes across the Nation. There are now possibly 10 times as many boarding homes as there are nursing homes and hospitals combined.

The House Select Committee on Aging has learned of countless cases of abuse and poor care of residents, as well as fraudulent practices and financial mismanagement by home proprietors. Many homes, particularly in the urban centers, have become nothing more than psychiatric ghettos, where residents are often subjected to physical abuse, grossly overprescribed drug programs, and are often without adequate food, shelter, and clothing.

Evidence suggests that each year many home proprietors defraud the Federal Government for millions of dollars in medicaid, SSI, food stamp, veterans, and other benefits; yet there exists little accountability on the use of these funds.

Further, over the last 2 years there has been a series of tragic fires in boarding homes resulting in the death of 120 persons. Subsequent investigations indicate gross violations of fire and safety codes, yet again little or no accountability exists because most States fail to license such homes and have yet to establish minimum standards and enforcement procedures as exist in the nursing home industry.

Mr. Speaker, the time to act is now. I call upon my colleagues as well as new Department of Health and Human Services Secretary Schweiker to join in a vigorous investigation of this problem of disturbing proportions. We can no longer turn our backs on these people seemingly at the mercy of unscrupulous operators ill equipped to provide an acceptable level of care.

A BALANCED BUDGET REMAINS ELUSIVE

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks and include extraneous matter.)

Mrs. SCHROEDER. Mr. Speaker, aside from the rather bizarre economics of the tax cuts, my main reservation about President Reagan's program for economic recovery is that he did not make more spending cuts and balance the budget.

Early in an administration the winds are prevailing. Later on, the going gets tougher. It may be that the President missed his one and only chance to bring the budget into balance.

I sent the following letter to budget chief David Stockman which has a few suggestions on how to achieve that balance:

CONGRESS OF THE UNITED STATES,
Washington, D.C. February 23, 1981.

DAVID STOCKMAN,
Director, Office of Management and Budget, Washington, D.C.

DEAR DAVE: I want to commend you and your troops for an herculean effort on the administration's Program for Economic Recovery.

As I understand it, you are now making a further review of government spending in order to send more refined estimates to Congress on March 10.

This is an opportunity, then, to point out that the administration's proposal to increase the 1982 federal deficit by $10 billion over the previous administration's figures with only the forecast of a balanced budget by 1986 is rather perplexing.

A balanced budget is possible, it seems to me, because several other groups have recently reviewed the federal budget and come up with cuts and savings way beyond what the administration is proposing.

For example, last fall the House Republican Study Committee, relying on published General Accounting Office and Inspectors General reports, identified $34.4 billion in unnecessary federal expenditures, including $14.7 billion savings in military spending entirely overlooked by the Reagan administration.

Congress Watch recently cited $52 billion in corporate subsidies alone that could be eliminated. Some of these subsidies were cut in the administration's program, but most were not.

Finally, earlier this month the Congressional Budget Office released a report, "Reducing the Federal Budget: Strategies and Examples, 1982-1986," which located 105 potential cuts in the federal budget totaling $400 billion savings over a five year period.

Why can't OMB identify additional budget cuts and savings, beyond the present $49 billion, and come up with a balanced budget?

Set out below are a few examples of the cuts and savings proposed by these other groups:

HOUSE REPUBLICAN STUDY COMMITTEE

Navy F/A-18 program savings, $4.5 billion.
Army and Air Force exchange consolidation, $1.4 million.
Air Force field repair service centralization, $44 million.
Foreign military sales savings, $420 million.
Army parts labor cost savings, $18 million.
Army, Navy, and Air Force flying hour program savings, $124 million.
Army National Guard and Reserve pay waste and abuse, $1 million.
Navy ship building contracts improved management, $774 million.
DoD computer software savings, $12 million.

CONGRESS WATCH

Farm deficiency payments, $90 billion.
Synthetic fuel programs, $19 billion.
Nuclear energy, $1.5 billion.
Timber sales losses, $100 million.
Water projects, $857 million.
Medicaid reimbursement for needless/ineffective drugs, $125 million.
Tax subsidies, $22.1 billion.
Highway user charges, $1 billion.

CONGRESSIONAL BUDGET OFFICE

Private financing of strategic petroleum reserve, $3.9 billion.
Joint military advertising, $18 million.
Increase state share of Army National Guard costs, $210 million.
Phase out Domestic International Sales Corporation, $200 million.
Eliminate Clinch River Breeder reactor program, $300 million.

Many other areas have not even been looked at because it is assumed they are untouchable. The U.S. spends, for example, between $35 and $81 billion a year to defend NATO. Why not consider a cut? Likewise, we spend about $2 billion a year to defend South Korea. And several billion more on Persian Gulf activities, which provide a free security guard service for Japan's oil lines.

These kinds of "defense" activities constitute a form of "foreign aid" that is rarely, if ever scrutinized. Perhaps now is the time to begin. We all have to pull in our belts, even our so-called allies.

I would appreciate your consideration of the cuts and savings outlined in the three reports cited above. Many more sectors of the country stand ready to sacrifice in order to balance the budget. They need only be asked.

Sincerely,

PAT SCHROEDER,
Congresswoman.

TEENAGE DRUG ABUSE

(Ms. FERRARO asked and was given permission to address the House for 1 minute and to revise and extend her remarks and include extraneous matter.)

Ms. FERRARO. Mr. Speaker, throughout the Nation, drug and alcohol abuse among youth has risen alarmingly and is now reaching epidemic proportions. In view of the budget cuts which threaten domestic programs, it is imperative that we find ways to encourage low-cost community-based efforts to curb this tragic problem.

For too long, too many of us, as parents, have looked the other way when the problem of drug abuse is discussed. We are all too quick to assume that it is not a problem which affects us, that our children could not possibly be involved in such troubles. Unfortunately, hiding our heads in the sand will not make the problems go away.

More and more, people are beginning to realize that youthful drug and alcohol abuse is a problem which touches all our lives. If not because our children are directly involved, or because the drug culture can be so tempting, we must also fight drug and alcohol abuse simply because of the high costs to society that such abuse creates due to property crimes committed to provide funds for their purchase or the expenses of the legal system into which these youthful offenders enter.

Recently established programs which place the family in the role of the first line of defense against such drug and alcohol abuse are being recognized as perhaps the most effective method of dealing with these problems. I commend to the attention of my colleagues an article from the Washington Post detailing these efforts which I am inserting in the RECORD:

FAMILIES: GRAPPLING WITH TEEN-AGE DRUG ABUSE

(By Carol Krucoff)

For Joyce Tobias of Annandale it was discovering her 16-year-old son stuffing a bong under his mattress.

For Joyce Nalepka of Silver Spring it was a Capital Centre rock concert at which her son became sick from the fog of marijuana smoke.

For Judy Reidinger of Falls Church it was a drug-related suicide in her family.

These area mothers are part of a nationwide surge of parents who have banded together to fight the alarming epidemic of adolescent drug abuse. Through parent-education and action groups they are teaching members about teen-age drug abuse and developing strategies to deal with the problem. In many cases this means practicing "tough love" (see story below)—by establishing curfews, enforcing house rules, chaperoning parties and forbidding drugs in the house.

This "parent movement"—which experts say includes about 700 groups nationwide and nearly 60 in the metropolitan Washington area—is partially responsible for "the beginnings of a turnaround in drug use by teen-agers," says Dr. William Pollin, director of the National Institute on Drug Abuse.

"As of a few years ago there was a general feeling among parents of nihilism and hopelessness in dealing with the drug problem. They were inadvertently communicating these feelings to their children. But now there is a very real commitment on the part of rapidly increasing numbers of parents to get together with other parents and decide they're not going to stand for it anymore."

Instead of getting stuck in debatable issues—such as how harmful illegal drugs like marijuana are compared to legal drugs like alcohol—parents are concentrating on the "unquestionable notion," says Pollin, "that drug use on a regular basis by kids is not a good idea, and going to school stoned is a dreadful idea."

These tactics appear to be working, he says, pointing to a NIDA-University of Michigan study of student drug abuse in 1980, released last week. The study, he says, contains "some good news and some bad news.

"The bad news is that in the past 20 years there has been a 10- to 20-fold increase in the use of all drugs among young people, making the level of drug use as high or higher than in any other industrialized country.

"The good news is that for the second year in a row, there's been a decrease in the daily use of drugs by high-school seniors. Of

the 16 different categories of drugs—including cigarettes and alcohol—the use of all but two have leveled off, or is down."

Drug use, however, among high school seniors remains widespread, according to the study, with nearly two-thirds having used an illicit drug and nearly two out of five having used an illicit drug other than marijuana. But it also reports a sharp drop in regular cigarette smoking, a drop in marijuana use and a drop in PCP use.

"Parental involvement," says former White House drug-policy adviser Lee Dogoloff, "is the way to make change. Experts and laws are important, but in a battle of attitudes there's a lot you can do at home. The fact that parents are getting this idea simultaneously in community after community around the country shows how profoundly important it can be."

These hundreds of parent groups were recently brought together under the newly-formed National Federation of Parents for Drug-Free Youth (NFPDFY), headquartered in Silver Spring. "It's the most exciting thing," say Dogoloff, who is executive consultant to the group, "that I've seen in the area of drug prevention."

Washington-area parent groups also are forming a network, through a public service program sponsored by Drugfair. Kensington mother Rita Rumbaugh, an active member of a parent group in her community, is scheduled to announce the formation of the Metropolitan Washington Parent Network at a press conference today.

The network will run a free parent leadership-training seminar next month, and Drugfair plans to run about 30 community workshops on teen-age drug abuse throughout the spring.

Most parent groups are based on three "gets," says Bob Kramer, Anne Arundel County substance abuse prevention coordinator and NFPDFY board member:

Get informed.

Get involved.

Get together with other parents.

"If a parent says, 'Johnny, I better not catch you shooting marijuana' they'll lose their credibility because the kids realize they don't know what they're talking about. If a parent doesn't know drug jargon, their kids may be making drug deals over the phone without their knowing it.

"Getting involved with your kids doesn't mean doing a midnight search-and-seizure raid. It means sitting down and discussing your values and taking a clear, consistent and informed stand on drug abuse. And when you make rules, stand by them.

"Drugs have really changed the whole ballgame of adolescence. Parents need to equip their kids to be able to say 'no' to their peer group effectively. Getting together with other parents before there's a problem can help both the kids and the parents. Kids need an ally, and that's the parent. Parents need an ally, and that's another parent."

Kramer's advice: "Write down the names of your child's five closest friends and 15 closest acquaintances. That's the child's peer group. Call up those parents, get together and talk. Don't accuse each other, but concentrate on the positive steps and guidelines you can agree on to help your kids stay off, or get off, drug abuse."

Counselors, parents and professionals in substance abuse added these suggestions for concerned parents:

Be prepared for questions about your own drug (including alcohol) habits. "You may have to clean up your act, too," says one father. But don't feel you have to stop using all intoxicating substances, adds drug education specialist Thomas Gleaton. "I contend that's an adult privilege, when used responsibly," he says. "But it's a decision adolescents aren't equipped to make emotionally, socially or economically."

"Don't push alcohol on your kids in hopes they won't then use drugs," says Patricia O'Gorman of the National Institute on Alcohol Abuse. "It doesn't work."

"Praise your child and give out big warm hugs when they're good," says one father whose child was nearly killed from alcohol abuse.

"Don't blame yourself," says Iola Scrafford, founder of the Crossroads Drug Abuse Control Program in Fairfax, Va. "Don't worry about what would have happened if you'd done something differently—it may not have made any difference. Concentrate on what to do about the problem now. If your child won't go for help, get help for yourself."

Don't panic. Look at the whole picture—is the child in trouble at school, is there a behavior change, are there other problems?

"Think back to your own adolescence," says Scrafford, "and remember that some kids today use drugs as a phase in their life—not that I'm condoning it—and it goes away.

"Don't come down too hard until you know."

"Tough Love": The Bottom Line

Although David and Phyllis York were professional drug and alcohol counselors, "we weren't that good with our own two kids," admits David York. Several years of family therapy, he says, didn't help.

"Then one day the police came to my house with shotguns and an arrest warrant for my 18-year-old daughter," he recalls. "They said she stuck up a cocaine dealer. It hit me that my kids were really going bonkers on us and there had to be something better we could do."

So the Sellersville, Pa., couple formed "Tough Love," a program that works, he says, "for kids who are creating a crisis within their family. We mobilize parents to get together, support and help each other."

The group's "philosophy in a nutshell," he says, "is to get parents to act like people. They wouldn't take abusive, violent behavior from someone else, so why should they take it from their kids?

"Parents today feel like they have to respond to kids with tender loving care, openness and honesty. But if your kid is acting like a little bastard, all that stuff doesn't work. So many parents today feel like failures. Our message is you've got to be tough, because you love them."

Parents who join the group, says York, 52, start by identifying "one small behavior they'll no longer tolerate, then they set a bottom line. The group develops a support system around that rule.

"For example, say you decide you won't tolerate your kid coming in past midnight any more. Your bottom line is that if they get home past midnight, they won't be able to get into the house.

"You lock the door and put a card on it with the names of parents in the group who've agreed to take them in until they decide whether they want to live at home by your rules or not.

"It usually happens that when they are in someone else's home they're model kids—cleaning the dishes, vacuuming their room. Then the group gets together for a negotiating session. They assign an advocate for the kid and an advocate for the parent, and they work out the problem."

There are now 12 "Tough Love" groups in Pennsylvania, notes York, whose recent appearance on a nationwide talk show has swamped him with mail. "We're just amazed," he says. "But we've really struck this chord with parents."

A major attraction of the group, he says, "is that kids have to accept the fact that they are dependent on the parent. They need their family for three hots and a cot. In return they have to act like decent human beings.

"I think it's tougher on the parent than it is on the kids. It's fun to act like Santa, give your kid things and say 'yes' to them. But you have to accept the fact that sometimes, for their own good, you've got to act like Scrooge. It feels awful.

"But my daughter who was in trouble is in really good shape now. She said if we hadn't done what we did, she would still be in trouble. And hearing that feels great."

Getting Parents Going

Among the resources parents can tap for information:

Metropolitan Washington Parent Network is a new association of the approximately 55 area parent groups geared to ending teenage drug abuse. Call 237-0333.

Parent Leadership Training is a free workshop for those already involved in parent groups or who want to start parent groups. It will be held on Saturday, March 7, at Annandale High School. Call 237-0333 or 533-1143.

National Federation of Parents for Drug-Free Youth is a newly-created umbrella organization of the hundreds of parent groups springing up around the country. For their "starter kit"—including information on the parent's movement and how to start a local group—send $1 to P.O. Box 6272, Silver Spring, Md. 20906. Call 593-9256.

National Drug Abuse Foundation has a parent-information packet that includes material on prevention and strategies for dealing with adolescent drug abuse. Send $2 to NDAF at 6500 Randall Place, Falls Church, Va. 22044 or call 533-1143 or 534-2206.

WACADA (Washington Area Council on Alcohol and Drug Abuse) Hotline counselors provide help and referrals for any alcohol and/or drug-related problem, 24 hours a day. Call 783-1300.

National Institute on Drug Abuse has a free booklet "Parents, Peers and Pot" and pamphlets "For Parents Only" and "For Kids Only", plus films on drug abuse that they will loan, free, to parents and parent groups. Write the National Clearinghouse for Drug Abuse Information, Room 10 A 53, 5600 Fishers Lane, Rockville, Md. 20857.

The National Institute on Alcohol Abuse will send a free "youth kit" on alcohol abuse and children. Write the National Clearinghouse for Alcohol Information, Box 2345, Rockville, Md. 20852.

Parent-Awareness Pamphlets on topics such as "What Parents Should Know About Drugs" and "Where to Find Help," are available free at prescription drug counters at Drugfair stores. If your local store is out, write Drugfair at 6295 Edsall Rd., Alexandria, Va. 22314.

Parent Resources Information for Drug Education will send free information on the range of materials they offer to parents, or will send a complete parent-information packet for $5. Write PRIDE, University

Plaza, Georgia State University, Atlanta, Ga. 30303.

Families in Action is a grass-roots parent-education and community-action organization. Their 165-page booklet on "How to Form a Families in Action Group" includes information on their successful anti-paraphernalia law campaign. Send $10 to Families in Action, P.O. Box 15053, Atlanta, Ga. 30333.

Tough Love, a network of parent groups for families in which a youngster's drug involvement is creating a crisis, will send a free newsletter about the groups. Their book on "Tough Love" is available for $5.95. Write the Community Service Foundation, Box 70, Sellersville, Pa. 18960.

American Council on Marijuana has a free "information sampler" for parents, write them at 767 Fifth Ave., New York, N.Y. 10022.

Mental Health Centers in most jurisdictions have programs for youngsters involved in substance abuse. Call your city or county's health or mental health department for information.

SELECT COMMITTEE ON NARCOTICS AND DRUG CONTROL SUPPORTED

(Mr. SUNIA asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. SUNIA. Mr. Speaker, I rise in support of House Resolution 13, to reestablish the Select Committee on Narcotics and Drug Control. I feel that the problem of drug abuse remains critical and therefore the work which has been done by this committee in the past should continue. I have learned that in the past, the select committee has served as a forum for raising public awareness of the drug abuse problem and has undertaken a number of significant initiatives in response to critical issues. I commend my colleagues on this committee for recognizing the need to continue the select committee. I urge the adoption of this measure. This motion is more eloquently and forcefully supported in an editorial in the Washington Star this morning, and I insert it into the RECORD:

DRUG ABUSE OVERSIGHT

The House today is to decide whether to reconstitute the Select Committee on Narcotics Abuse and Control. We trust that the commendable Capitol Hill mood to do a bit of slimming down will not tempt the House to try to save half a million dollars by letting the committee lapse. That would be a case of pound-foolish—as the Rules Committee recognized in approving the resolution to keep the body in existence.

The assignment of national priorities is often a ragged process. Sometimes the priorities established in the political arena are obvious. From time to time, priorities are assigned by cultural fashion or fear and, alternately, diminished when public attention wanders.

The latter in some respects seems to be the case with drug abuse. A dozen years ago the issue commanded intense concern. Public perceptions of the ravages of addiction and habituation matched reality. The Nixon administration ranged its federal battalions for an assault, premised on a relationship between increases in crime and drug abuse. There were many battles and some victories. But the trumpeted priority crested in the middle 1970's, for reasons not altogether clear.

That did not mean, of course, that the problem drastically diminished or was extirpated to the contrary. But the urgency associated with combating the narcotics plague in part may have faded from a clear and present concern to one more hazy because of its virulent spread into the suburbs and the middle class.

The pervasiveness of illicit drug use contributed, we suspect, both to a skepticism that the affliction could be successfully fought and, perversely, a kind of sanction—dignified by the awful label of "recreational drugs."

So here we are again, appalled by a resurgent crime rate and confronting again the depredations of narcotics. In the past several years, drug overdoses have been on the rise (deaths from heroin overdoses in Washington increased from 40 in 1979 to 62 last year). The Golden Crescent of the Middle East is assuming the supply dominance that the Golden Triangle of Southeast Asia held a dozen years ago. The traffickers have become increasingly sophisticated; law-enforcement agencies are spread increasingly thin.

This is not, as it was not a dozen years ago, a figment of vivid imaginations. The case for reconstituting the House Select Committee is persuasive, primarily to provide a focus for congressional oversight. Jurisdiction over narcotics-related federal functions now is spread across 13 standing committees in the House. If that does not actually insure that legislative attention will be diffuse and duplicative or lacking coherence, it suggests the probability.

The committee in the past has done some service and, in combination with what we trust will be a commitment by the Reagan administration, a renewed federal assault on this pernicious problem may be stimulated. It is needed.

□ 1730

BLACK HISTORY MONTH

The SPEAKER pro tempore (Mr. MOAKLEY). Under a previous order of the House, the gentlewoman from Illinois (Mrs. COLLINS) is recognized for 60 minutes.

Mrs. COLLINS of Illinois. Mr. Speaker, it was a privilege to reserve this special order in commemoration of the celebration of Black History Month. I want to thank all of the Members who are joining me today to highlight the glorious contribution blacks have made to history. A history replete with heroes and heroines from Crispus Attucks, Harriet Tubman, and Frederick Douglass to today's Dorothy Height and Vernon Jordan. Each has contributed something of note to the long upward climb of black people in this country.

The son of former slaves, Dr. Carter Godwin Woodson—who received his B.A. and M.A. from Chicago University in the early 1900's and later Ph. D. degree at Harvard—delved into and brought light to shine upon the rich but long neglected field of black history. In 1926, he established Negro History Week to "dramatize the achievements of the race, not to play up grievances but to demonstrate what Negroes have achieved in spite of their handicaps." The early celebration of black history has been modernized throughout the years into Black History Month.

Accordingly, I am introducing today a resolution designating the month of February in 1982 as Black History Month and invite my colleagues to cosponsor.

Besides the famous, there have been the thousands of lesser known but inspiring black folk like one whose works were celebrated by the State of South Carolina last month. He was Gen. Robert Smalls of Beaufort, a former slave who, during Reconstruction, served in the State house and senate, introducing the legislation which established the first public schools in South Carolina. He later served in the U.S. Congress.

His war record was as illustrious as his political life. During the Civil War, while a crew member of a Confederate gunboat, he commandeered the ship and turned it over to Union forces. And how many of us today ever heard of Robert Smalls of Beaufort?

There is much hidden history in the lives of black folks, hidden because white historians have not been interested and/or have willfully revised U.S. history to exclude us. It is also hidden because many of us have been too occupied with survival in this racist society to carefully set down the record of our illustrious forebearers. Or, indeed, some of us have been so brainwashed that we did not always recognize their feats of valor even when we knew of them.

In looking at blacks' contribution to history, the ministry comes first to mind because of the brilliance and genius of Dr. Martin Luther King, Jr., truly our own great Gandhi who liberated a nation from bigotry and discrimination as surely as Gandhi liberated India from British control. Reverend King symbolized the great black pastors whose passion for social justice was as fervent as their religious beliefs.

Men like Rev. Marshall Sheppard of Philadelphia, once U.S. Recorder of Deeds; the great Congressman-Minister Adam Clayton Powell of New York City, and today's vibrant vocal black religious leaders like Rev. Jesse Jackson of Operation PUSH and Rev. Joseph Lowery who leads the Southern Christian Leadership Conference. Another was my former congressional colleague, Andy Young who left the pulpit after working with Dr. King, was elected to Congress, and then

became the first black U.S. Ambassador to the United Nations. These men have all preached a powerful Gospel but have used the church and their following to foster social justice for the poor. They have truly sought to emulate Jesus' teachings to advance their people.

Bishop R. R. Wright was another great black churchman who later headed Wilberforce University, and whose father founded the first black bank in Philadelphia. Incidentally, George Leile organized the first black Baptist church in 1773 in Savannah, Ga.

Blacks have excelled in city planning and architecture from the days of Benjamin Banneker, the first black astronomer who helped lay out the Nation's Capital, Washington, D.C. More recent architects of excellence are the late Paul Williams and my hometown's celebrated John Moutoussamy.

Blacks have always excelled in the arts and letters. Phyllis Wheatly, who was born in the 18th century, was among the first American poets, followed by Paul Lawrence Dunbar. Abroad, great writers of African heritage included the celebrated Aleksander Pushkin whom the Russians still revere and the famed Alexandre Dumas, pere, of France. How many of those who have enjoyed the great old movies "The Three Musketeers" and "The Count of Monte Cristo," know they were filmed from books by a long dead black author?

There is a wealth of talented black writers in the long stretch of the 20th century, Countee Cullen, a leading figure in the "Harlem Renaissance," Alain Locke, Arna Bontemps, Langston Hughes, Richard Wright, Nicki Giovanni, a very prolific author, Leroy Jones, Ralph Ellison, author of "Inside Man," James Baldwin, and Maya Angelou to name a few, even millioniare authors of historical potboilers, like the famed Frank Yerby. And no list of black authors is complete without the incomparable poet James Weldon Johnson, who wrote our moving black national anthem, "Lift Every Voice and Sing." My hometown, Chicago, gave the world the young, gifted, and black Lorraine Hansberry whose words so eloquently became her. Chicago is also home to the remarkable Gwendolyn Brooks, poet laureate of Illinois and first black writer to win a Pulitzer Prize in 1950.

Earlier there were the brilliant Zora Neale Hurston, Jessie Fauset, and Charles Chestnut, outstanding authors of their generation.

If I may digress a moment in the private celebration of the riches of black life and talent, recall with me all the great black writers I have just mentioned and scores besides. If I tried to name all the blacks of great distinction in the past 400 years of our life in America, I would never finish. Virtually all our gifted writers sought more than personal expression time and again.

In the visual arts, there have been the great black painters Hale Woodruff, Romare Bearden, Jacob Lawrence, Edouard Scott, Laura Wheeling Waring; and sculptors Richmond Barthe, Richard Hunt, and Selma Burke, to name a few.

In the marvelous world of entertainment—music, dance, theater—black folk are the crème de la crème—the very, very best. Who can forget the ravishing Josephine Baker of post-World War I fame and Alberta Hunter who is still going strong in her eighties. Jo Baker was the toast of Paris for decades. In the movies of the 1930's and 1940's, they brilliantly illuminated the often painful experience of being black in America for all the world to read and to understand. The great tap-dancer-singer, Bill "Bojangles" Robinson was as much a star as the Shirley Temple he taught to dance. Do you remember the beautiful Katherine Dunham and today's Alvin Ailey dance troupe?

W. C. Handy fathered the blues with "St. Louis Blues," "Memphis Blues," and all that good stuff. Black jazz, drawn from a rich African heritage, is the basis of most American popular music today.

The wonderfully creative Duke Ellington influenced popular music in this country for two generations. Add to him Louis Armstrong, Count Basie, Dizzy Gillespie, Ray Charles, and the wonderfully gifted and socially aware Stevie Wonder.

And singers, have we had singers! Marian Anderson, Roland Hayes, Paul Robeson, a great hero as well as singer. Today's Leontyne Price, Grace Bumbry, and William Warfield. And the popular song stylists like the late Nat King Cole, also a Chicagoan, Aretha Franklin, Nancy Wilson, the late Billie Holiday, today's Diana Ross, Billy Eckstine, Sarah Vaughn, Harry Belafonte, Johnny Mathis, B. B. King, Diahann Carroll, Dionne Warwick, Joe Williams, and who, white or black, can match Lena Horne, the alltime star Sammy Davis, Jr., or the late Mahalia Jackson, one of the famous citizens of Chicago? Great comedians include the early Bert Williams and today's Bill Cosby, Flip Wilson, and Richard Pryor. In the theater, there was double threat singer-actress Ethel Waters and today's distinguished actors Cicely Tyson, James Earl Jones, Sidney Poitier, Paul Winfield, and Billy Dee Williams of the movies.

In sports also, blacks, once given the chance to fully compete, have stolen the show. Who can forget the marvelous, pigeon-toed Jackie Robinson, stealing a base, or the imperturbable catcher Roy Campanella behind home plate after they integrated the old Brooklyn Dodgers? Hank Aaron of homerun fame, Bill Russell and Kareem Abdul Jabbar of basketball, Joe Louis, the masterful boxing champ of all times, and today's boxers Muhammad Ali and Sugar Ray Leonard are the best at what they do. O. J. Simpson and Walter Payton are just two of the unparallelled football greats. Few sports are without a black champion—even tennis has Arthur Ashe and had Althea Gibson.

Blacks have made formidable inventors and scientists, as well. Albert P. Albert invented the cotton picking apparatus in the early 1900's. Norbert Rillieus revolutionized the refining of raw sugar in the 1840's, and some 40 years later, Granville T. Woods patented many electrical and railroad devices including the controls of the New York City elevator. Closer to our time, the distinguished Dr. George Washington Carver, of Tuskegee Institute, revolutionized agriculture in the South with his pioneering research on the peanut. We should also not forget the political and educational skills of Booker T. Washington who founded Tuskegee. Chicago scientists J. Ernest Wilkins, George Reed, and Walter Massey are especially distinguished. Reed was the only black to study Moon rocks and Dr. Massey heads the important Argonne National Laboratory.

And speaking of all those Washingtons brings to mind the fact that the so-called Father of our Country and first President, George Washington, might not have lived to become President if it were not for a spunky, young black woman, Phoebe Fraunces. Phoebe was a waitress in a New York tavern in 1776 when her lover, who opposed the Revolution, gave her a dish of poisoned peas to serve George Washington. Instead, she warned old George and threw the peas on the ground outside. Chickens in the yard ate the peas and dropped dead. Who knows, this Nation may owe its very life to Phoebe, the black waitress.

Our forebears were also great explorers. Matthew Hensen, with the Admiral Peary expedition to discover the North Pole, was the first man to stand at the top of the world.

In medicine, black men and women have excelled for generations beginning in 1800 with Dr. James Durham, the Nation's first black physician. The world owes a debt of gratitude to Dr. Daniel Hale Williams, a black physician who performed the first open heart surgery. In more recent years, there have been women physicians who have made their mark in medicine, notably Dr. May Chinn, of New York, who died last year after a lifelong commitment to medicine in Harlem. Dr. Jane Wright, also of New York, is an outstanding pioneer in cancer research. The late world-famous Dr. Charles Drew developed

the first blood plasma bank which saved numerous lives and enabled hospitals to store blood for longer periods of time. Ironically, he died because, as a black man, he was not allowed in the nearest hospital because they did not treat blacks.

Black men, who were not physicians, have also given much to medicine, including chemist Percy Julian whose research in cortisone freed millions from pain and misery.

When we consider black contributions in education, we must remember the world-famous Mary McLeod Bethune, who against all odds, founded Bethune-Cookman College in Florida nearly 50 years ago. There is also the great Dr. Benjamin Mays who, after years of leadership at Morehouse College, did not retire, bless him, but took an interest in the public school education of all Atlanta children, going on to become president of the Atlanta Board of Education. The distinguished historian, Dr. John Hope Franklin, has written many books and chaired the history department at the University of Chicago. Noted theologian Nathan Scott, who now holds a chair at Duke University, has a bibliography 2 feet long of literary criticism.

Blacks have excelled in the law, too, my friends, from the days of John S. Rock who, in 1865, was the first black to practice before the Supreme Court. No one better symbolizes this than our great Justice Thurgood Marshall, who led the fight in Federal courtrooms around the country against discrimination and racism and then was tapped by President Johnson for the Supreme Court. His cohorts like the late Charles Ming and Charlie Houston, James Nabrit—can we ever honor their untiring work and devotion enough? They brain trusted scores of NAACP cases which broke the back of segregation and Jim Crow. Today—thanks to Jimmy Carter—there are increasing numbers of outstanding black Federal judges North and South. Blacks are now chief justices of some State supreme courts and, in Illinois, a distinguished black jurist, Judge James B. Parsons, is presiding judge of the Federal District court for Chicago.

We have taken a short walk back through black history today and I have mentioned a few of our heroes and heroines and probably omitted scores who should have been mentioned. As I contemplate the long sweep of history with you, it seems there were always black men and women of distinction in the arts and letters, even a few doctors and lawyers, gifted entertainers, many great preachers and educators. What distinguishes our own era is the exciting breakthrough in Government and politics, which as I indicated, has not been equaled since Reconstruction.

We may not all be captains of commerce or professionals, but each of us possesses the most precious thing in our democratic society, the vote. Using that one remarkable tool in every hamlet, every city, every State in the Nation, we can make new strides in our long upward advance. We can put into power those who will not only govern wisely for all but will also be innovative and creative in providing jobs and income for black people generally.

At the dedication of a State historical marker honoring General Smalls in Beaufort a week or two ago, a black pastor, the Reverend D. R. Bodison, said: "I believe the general would say to us today, 'stay in the trenches, fight for the legislation.' "

And as Robert Smalls said himself:

My race needs no special defense, for the past history of them in this country proves them to be the equal of any person anywhere. All they need is an equal chance in the battle of life.

Mr. FORD of Tennessee. Mr. Speaker, will the gentlewoman yield?

Mrs. COLLINS of Illinois. I yield to the gentleman from Tennessee.

Mr. FORD of Tennessee. Mr. Speaker, in Dr. Chancellor William's "A Sumer Legend," from "Destruction of Black Civilization," the following comment was made: "What became of the black people of Sumer?" The traveler asked the old man, "for ancient records shows that the people of Sumer were black. What happened to them?" "Ah," the old man sighed, "They lost their history so they died."

As we near the completion of February, I would like to remind my colleagues that February has been the month in which we celebrated Black History Month as well. It is important that our young people, both black and white, understand the contributions that black people have made not only throughout American history, but throughout the history of mankind in general.

Young people must understand what the history books do not acknowledge. Black people have made a magnificent contribution to the success of the country, and they continue to do so.

We must know our full history and the contributions which all our citizens have made in order to understand the future.

Black history is more than just dates, events, and places. It exemplifies people from a highly sophisticated civilization in Africa who were kidnaped, and brought to a strange land called America. Black history is also the story of survival and perseverance.

We, as black citizens, are proud of our contributions, and hopefully our young people will have this sense of pride in themselves as they confront the challenges of the present and the future.

Today, the successes of blacks are being challenged by those who wish to eliminate many of our achievements. There are those who say that blacks have come too far, and now the clock should be turned back, and hard fought rights negated. We have an administration that views poor and disadvantaged people, many who are black, as the problem of the country. The administration's philosophy seems to be, to coin a phrase recently heard, "Tax breaks for the rich and budget cuts for the poor." It is important that we not forget that black people have as big of a challenge not only in continuing to move forward, but to retain the rights we have. One must fight to be free, and fight to stay free, it is a continuous process.

The following are remarks that I have recently made at several junior and senior high schools in Memphis, Tenn., that were celebrating Black History Month:

BLACK HISTORY MONTH—LEARNING ABOUT THE PAST FOR THE FUTURE

(Speech delivered by Congressman HAROLD FORD, February 1981)

Today, we celebrate black history month which is a misnomer in that we really should celebrate black history each day of our lives.

My message today is entitled: learning about our past and our present for the future. It was Machiavelli, a 14th century philosopher, who I believe said: "He who wishes to foresee the future must consult and understand the past." This adage has always been prevalent in the history of black people. If you remember in Roots, the village historian was one of the most important people, and he was trained for that job almost at the time he was born. In fact, Alex Haley would not have found his roots had not it been for the historians in the village who had for almost 200 years passed down the stories of his ancestors.

Our history, and we do have a great and very significant one, is a distorted one. We have, in general, been left out of the history books, and when we were included, we were portrayed as singing, dancing, carefree, and happy people with little ambition. Even now, I bet you are still taught that President Lincoln started the Civil War in order to get the slaves free. You are not told that before the war he contacted nearly every country in the world to see if they would take some slaves. The war was started over economics. Lincoln had to declare war in order to keep the nation solvent. Yet, February was selected as black history month because it is the birth month of Lincoln as well as Frederick Douglass.

History shows us as savages from a dark country. The church justified and condoned slavery on that basis. Yet even before the birth of Christ, we had, in Africa, sophisticated governments, legal codes, and highly structured social and family systems.

Let's for a minute reflect on the arrival of the slave ships. Human beings packed like sardines. They represented the epitome of greed. A race enslaved and sent 4,000 miles to pick cotton, tobacco, and chop wood.

Sixty-days they spent on those ships with little water or food, and they had to lie flat so they could be stacked on each other. The slavemasters wanted to pack as many slaves as they could, knowing that one-fifth would die.

Thousands arrived to America, thousands more never got to America because they died on the way, or when they got sick they were fed to the sharks. The bones of our forefathers cover the ocean floor. Only the strong survived the long journey.

The slaves on the ship did not have a slave mentality. They hated their condition. Many committed suicide, lost their will to live, and the crew on the ships lived in constant fear of their lives because of threat of mutiny by the chained slaves.

Every attempt was made to dehumanize the slave. Take his name, give him a first name—no last name. Make it a punishable crime of death to teach a slave how to read or write, forbid marriages, separate families, rape the women, sell the kids because there often was more money in selling them than raising them.

All this time, the slave hoped for freedom. 5,000 fought in the revolutionary war. I know you have heard of Crispus Attucks.

How many people know of Crispus Attucks?

One of the first men to die in the Revolutionary War—He was black.

As we learn of our history, let us not be guilty of distorting our past either. There was a reason why we sang and danced. The Africans were geniuses when it came to the arts, folklore, crafts and building. Have not you listened to music when you were sad, have not you whistled in the wind as you walked. The dance and the songs had a hidden message:

This Old Hammer Killed John Henry but it Won't Kill Me—that's what they sang.

Did you know that the Uncle Remus stories about Brer Rabbit and others were African folklores—In Africa, it was Shulo the Hare.

How much of your past do you understand?

Today, we are no longer slaves in the physical sense.

Yet, many of us have a slave mentality. Something the slaves did not have.

We can recite every song in the top 100, but we can't read or remember our history or even take the time to do so.

We buy clothes that are outdated before we put them on because we are a slave to fads.

The movie *Superfly* ruined a whole generation of black youths—some of us still dress like superfly, and act like superfly.

Here it is, 1981, and we're back to processed hair—they call them jerri curls and hair relaxers now.

Our major heroes are the Commodores, Reggie Jackson, O. J. Simpson.

We rush home to watch the soap operas, and we're more concerned about who shot Jr. on Dallas rather than who is murdering black youths in Atlanta.

We're getting down, getting over, getting high, and getting back—Jack, rather than getting on with the businesses of self-discovery.

Young people, the free rides are over. The times are changing. Life is becoming a footrace. Running as hard as you can, you can barely keep up. Yet, some of us having stopped running.

As we watch soap operas, and spend hours learning the new dances or playing basketball * * * the following is happening:

The KKK (and I don't mean Kool Kolored Kats) have resurfaced.

Black unemployment is 14 percent and rising.

Black youth unemployment is almost 50 percent and rising.

The unemployment levels of black college graduates is higher than that of white school drop-outs.

Everything that we believe in is being challenged—civil rights, voting rights, desegregation, health care.

Almost 100 bills have been introduced to sponsor Constitutional Amendments to take our rights.

We have suddenly become the new scapegoats for every problem that exists in the world today.

As you party down on the weekend, even our history and culture is being taken. Our forefathers have had cornrows for thousands of years. Some of you get hassled for having cornrows—try getting a job with one—it becomes a revolving door. But it's OK for Bo Derek to have one—after thousands of years, she has suddenly discovered platted hair. Everyone talks black slang now—but you better not try getting a job by saying: "What's happening, Man." Everyone can wear flashy clothes, but you better not wear them to a job interview or you'll get laughed at and out the door.

So even the things that you thought were cool are taboo if you're doing them. But it's OK if someone else is doing them.

We walk about talking about our parent's big cars—will you have that car?

Do you know the cost of a college education today—where will you go?

Are you concerned about a job—look at the want ads tonight and see what jobs you qualify for, and how much they pay.

You still want to be cool? (Illustrate the walk.)

Someone asked me last week, Congressman, aren't you proud that there are 18 black Congressmen in the Capitol today. I laughed, and asked did you know that between 1868 and 1901 20 black Congressmen served in the U.S. Capitol including two black U.S. Senators—that these representatives came from Mississippi, Florida, Alabama, North and South Carolina and Louisiana.

So have we really progressed?

Black History is more than dates, places and the names of people. It is your responsibility to know yourself as the philosophers would say. This generation has been handed the torch of hope—the light to guide those of the future. Are you going to drop the torch and burn the forest down?

Our history is there, but you must learn it, and understand it.

As a child, my family was very poor. Part of the year, we had no electricity because we could not pay the bill. We didn't get an indoor toilet until I was away at school. Yet, my parents taught us to be proud of our past.

* * * * *

I was always told that our forefathers were kings and queens from a far-a-way place. I remember how good and proud that made me feel—nobody was ever going to change my mind. I knew that I also had to carry the torch that was handed to me.

It is important that you believe in yourself. I believe that it was Roosevelt who said that, "No one can make a person inferior. A person is inferior only if he believes that he is." Knowing your history strengthens that feeling as Brother Jesse Jackson would say—you are somebody. You have a past, and one that has endured, despite the atrocities that have been committed.

Not only should we as blacks know our history, I think that white students should learn more about black history as well in order to dispell many of the myths that have been perpetuated. It is obvious to me that we must understand each other since blacks, born and raised in America, aren't going to just disappear.

There is an African saying that goes like this: "A zebra has black and white stripes. If you shoot him with an arrow, it matters not if you hit the black stripe or the white stripe. Either way, he will surely die."

I also say that we must be positive about ourselves and our people. When blacks start to accept stereotypes, it's tragic. You act according to the way you think. You all have heard of CPT time. So we accept that and when the party starts at 9 p.m., no one shows up until midnight. In fact, if you came to the party at 10, the hosts would still be preparing food and getting dressed.

I have heard people say: Harold Ford is a good old guy—I mean young man—and he represents his district but * * *.

When they get through with the buts, they have negated everything nice that was said.

Everything is beautiful in its own way, and we must learn to look for and to appreciate that which is beautiful in all of us.

As you go through life, remember that our history is filled with richness as well as with tragedy and sadness. Yet, we have survived. Your life will be filled with happiness at times and sadness at others. You will experience setbacks. Do not look at life as a win/loss column—that if you are not a winner, you must be a loser—that is the attitude of a loser.

The real mark of success is how you learn from mistakes and bounce back after defeat and setbacks—you must have bouncebackability. Throughout history, we have bounced back—this legacy was handed to you along with the torch and you must continue.

As I have previously mentioned. It is your responsibility to learn your history and to pass it on. Don't make excuses about they don't teach it. The books are there—read them. Discover how great you are. That's my challenge to you. I hope that I can come to your school next year, and let you tell me about:

Sojourner Truth—who was sold as a slave three times before she was 12. She could neither read nor write—yet in the early 1800s, she was considered the greatest and most revolutionary prophetess of her time. Tell me about Sojourner Truth preaching about the goodness of black folks.

Tell me about Phyllis Wheatley, black poetress—famous before the Declaration of Independence was signed in 1777. Cite her beautiful words to me.

Tell me about Harriet Tubman, who helped 300 slaves to freedom. Tell me how she said to the slaves—you will be free or you will die. Tell me how white men were so afraid of her that they had a $40,000 price on her head. Imagine $40,000 in the 1800s.

Tell me about Mathew Hensen—the first man to ever set foot on the North Pole who was later joined by Peary who helped plant the American flag, and became a co-founder of the North Pole. Tell me how Peary's entire crew received medals except Hensen. Tell me that the Congress, 45 years after Hensen's death, finally gave him a medal and named him as co-founder of the North Pole.

Well, young folks, that's the Real McCoy—did you know that expression came from Elijah McCoy—world famous inventor. He's not by himself. Tell me, next year,

about Benjaman Banneker, black scientist in 1789, (Banneker had the first Almanac) or Granville Woods who had fifty patents approved by the government. Tell me that Banneker was the man who completed the plans that resulted in Washington, D.C. that we see today. So you can tell me about Alex Haley finding his Roots. Next year, maybe, you can tell me about Major Martin Delaney—a Harvard Educated medical doctor who traced his linkage to Africa in the 1850s after traveling many years there to find his roots.

What magnificence. Think of what we could have done had not it been for 200 years of slavery. Look at what we have done with it. What will you become. These people had dreams, and worked to make their dreams come true. What will you do. The Challenge is yours.

As we reaffirm our commitment to our history and ourselves, bear in mind that we don't want to experience what I call the Christoper Columbus Syndrome. Ole Chris didn't know where he was going when he sailed for the new world, didn't know where he was when he got to the new world, and didn't know where he had been when he got back to Spain.

We want to know where we are going, where we are when we arrive and where we have been.

I sincerely hope that one day, America will be so sensitive to our history and aware of our achievements that we will no longer have to celebrate a month of black history. We will not have to call attention to the world, and to ourselves, of our history.

For we are those who have stood on the shoulders of grandparents, parents, and relatives, and now they have handed us the torch. It is our turn to carry them by continuing our history. One day we will pass the torch as well.

I think it most appropriate to close with a poem by the great black poet Langston Hughes entitled "Mother to Son":

Well son, let me tell you
Life for me ain't been no crystal stair.
It's had tacks in it, and splinters
And board torn up—and sometimes son
Dare's been places on de' flor'
Whar dar ain't been no carpet, it's been bare
But all 'de time, I'sa been a climbin' on
And reachin' landin's and turnin'
In de' dark
Whar dar ain't been no light.
So don't you set down—on de steps
Cause you find's it's kinda hard
I'sa still a'climbin'
And, life for me ain't been no crystal stair.

Thank you for inviting me here today.

Mr. CONTE. Mr. Speaker, will the gentlewoman yield?

Mrs. COLLINS of Illinois. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Speaker, as we observe Black History Month, an outgrowth of Negro History Week first conceived by Dr. Carter G. Woodson in February 1925, we take great pride as we remember the struggles, the courage, the indomitable will, and nobel deeds of those distinguished Americans who have paved the road to freedom.

Dr. Carter G. Woodson was born on December 19, 1875, in New Canton, Va. He was reared in a community surrounded by the conditions of poverty, neglect, and denial. From these humble beginnings, young Woodson emerged as one of the most brilliant black minds of the 20th century. Although he pursued the field of education as a career, his chief interest was the history of the black people. This eventually led to the founding of the Association for the Study of Negro Life and History, September 9, 1915. Assuming the role of director and historian, Dr. Woodson remained in that capacity for 35 years.

I would like to mention a few blacks that are not as well known, but stand out for their courage and achievement. One is William Still, secretary of the Philadelphia Vigilance Committee for the underground railroad. The vigilance committee which he chaired encouraged fugitives to relate information concerning degradations suffered on plantations. There were a number of agents of the underground railroad spread through the lower Northern States and in the East. Among these Levi Coffin, stationmaster and king of the road in Cincinnati; William Whipper, the moving spirit at Columbia, Pa.; Harriet Tubman, the great conductor of Philadelphia; and David Ruggles, agent in New York.

Undoubtedly one of the leading black women of today is Dr. Dorothy B. Ferebee. Born in Boston, Dr. Ferebee received her education there, earning her undergraduate degree from Simmons College, which recently honored her as one of its outstanding alumnae. She received her M.D. with honors from the top-rated Tufts Medical School. Dr. Ferebee began her career in medicine in the southeast section of Washington, where she became very active in civic and social work.

Since religion has played such an important role in black life, it is especially fitting to reflect upon the struggles and the accomplishments of the founder of the black church. In northern communities, Negroes went furthest along the line of establishing independent churches. The best example of this trend can be found in the work of Bishop Richard Allen and his followers in Philadelphia. Allen organized the Free African Society with the help of Absolom Jones and was able to organize and dedicate the Bethel Church in 1794. In 1799, Bishop Asbury ordained him as deacon, and later he was elevated to elder. His church became known as the Bethel African Methodist Episcopal Church. Later branches of the AME Church began to spring up in Baltimore, Wilmington, and various Pennsylvania and New Jersey towns.

Although many of us participate in Black History Month every February, we also recognize the need for ongoing comprehensive studies of the history of black America. The oldest black learning institution, Wilberforce University in Ohio, was established out of the AME Church. More than a decade ago, the citizens of Ohio discussed the idea of establishing a national Afro-American Museum in the Wilberforce area. A major step was taken toward developing this idea in June 1972, when the Ohio Assembly passed a bill authorizing the Ohio Historical Society to establish and operate a museum in the vicinity of Wilberforce to be known as the National Museum of Afro-American History and Culture. This cultural center will contain exhibits highlighting the Afro-American experience from Africa to the present. The focus of the cultural center will be on research, training, and teaching in cooperation with the university and Central State University.

Through the recognition of institutions like these, and the observance of Black History Month each year, our Nation will continue to laud the achievements of black Americans and encourage further movement toward true equality.

● Mr. PHILLIP BURTON. Mr. Speaker, I have been proud to join my constituents in San Francisco and my colleagues in the Congress in the observance of Black History Month, which has been a tradition since 1926. As the month comes to a close, I want to take this opportunity to commend the Black Caucus for their leadership role in bringing some of the most vital issues before the Congress to our attention. I also would like to point out that the Congress has supported the nationwide effort to increase awareness of the contributions of blacks to American history and culture by establishing several relevant new historic units of the national park system in the past few years. Following are examples of these new areas:

Martin Luther King, Jr. National Historic Site in Atlanta recognizes the life and work of the pastor who was not only a great leader in black history but also someone who demonstrated to the world through his own life the real meaning of humanitarianism, courage, and justice for all people.

Maggie Walker National Historic Site in Richmond honors a paraplegic who became first woman president of an American financial institution. In 1903, Maggie Walker consolidated her bank with other black-run banks to insure that people would be able to get their money during the depression.

Boston-African American National Historic Site in Massachusetts preserves important early 19th century structures occupied by the free black community of that era.

The National Afro-American History and Culture Commission, established at the end of the previous Congress in 1980, will prepare a plan for submission to the President and the Congress by no later than October 1982 for con-

structing a new National Center for the Study of Afro-American History and Culture.●

● Mr. STOKES. Mr. Speaker, I would like to take this opportunity to thank my distinguished colleague from Illinois (Mrs. COLLINS) for taking this special order so that Members of the House officially can celebrate February as Black History Month.

Mr. Speaker, if the late Dr. Carter G. Woodson who in 1926 started Negro History Week were alive today, he would be proud of the attention given to the contributions of black Americans not only by this body but across this great land this month. At the time he started the observance of what he called Negro History Week, Dr. Carter wrote:

> The achievements of the Negro properly set forth will crown him as a factor in human progress and a maker of human civilization.

By taking this time to acknowledge Black History Month, this body is acknowledging that the history of black Americans is intricately woven into the history of this Nation. As a black American, it is particularly gratifying for me to note that today so much attention is given to the history of black Americans. For, Mr. Speaker, just a few years ago, the subject of black history was either taboo or ignored outside of the black community. This action was detrimental to the education of all Americans regardless of race.

Mr. Speaker, we all know that the treatment of the black man in this Nation has been, at times, unjust and unequal. Black people in this country have a long tradition and history of struggling for freedom and equality. From the slave revolts to the Reconstruction period to the civil rights movement to the present—the history and treatment of blacks in America has not always been rosy. I think that it is important to note that on this occasion.

But, despite this treatment or in some cases because of it, the fact of the matter is that without the leadership, scientific research, inventions, cultural contributions of black Americans in this Nation, America would not be what it is today. As we review the exhaustive list of prominent figures in black history, such names as A. Phillip Randolph, W. C. Handy, W. E. B. DuBois, Benjamin Banneker, Charles Drew, Martin Luther King, Malcom X, Crispus Attucks, and Mary McLeod Bethune, to name a few, come to mind.

Mr. Speaker, even as we meet in this Chamber, the contributions of black Americans in the Government come to mind. Many people in this country are familiar with the Congressional Black Caucus but few know about Jefferson Long from Georgia who was the first black elected to the U.S. House of Representatives. Even fewer people are familiar with the unfair treatment given to Hiram R. Revels and Blanche K. Bruce, both of Mississippi who were the first blacks to serve in the U.S. Senate.

These individuals were the leaders of black Americans throughout the years. They had the dubious distinction of being representatives of a group of people who have been unceasing in their quest for freedom and equality. Black History Month gives us an opportunity to reflect on the progress that has been made toward this goal as the result of our predecessors and the potential that lies ahead. Although this is the history about black Americans, it will always be a part of this Nation's history. Mr. Speaker, I am happy that we took time today to call attention to Black History Month.●

● Mr. MATTOX. Mr. Speaker, February is Black History Month. As we come to the end of it, I would like to point out how inappropriate it is that the shortest month of the year is the one in which we honor black Americans and their contributions to our country.

The list is long, the accomplishments many; and far too many of them were made in the face of extreme adversity.

Rather than naming names and citing contributions, I want to talk about just one aspect of black achievement—and that is black business. There are many triumphs to list here, all the more remarkable in the face of the problems that inexperienced blacks have met trying to borrow money to finance business ventures. It is like the old dilemma of trying to get your first job when everyone you apply to demands experience.

In the last decade, though, almost every Federal agency has made available some sort of incentive program to stimulate formation and support of minority businesses. The two major sources of aid to black businesses have been the Small Business Administration and the Minority Business Development Agency in the Department of Commerce.

There is still a long way to go down the road to business equality. "The Negro Almanac: A Reference Work on the Afro-American," 1976, reports the annual sales of the country's top black firm, Motown Industries—$46 million—were no more than those produced by General Motors in one-half of 1 day.

Incidentally, Mr. Speaker, I was proud to observe that the 10th largest black-owned business listed in the almanac got its start in my Fifth Congressional District in Dallas—this despite the fact that, in 1973, only 6 of the 100 largest black businesses were located in the South.

February is far too short to commemorate black history. We should be aware all year of the contributions black citizens have made to the economic strength of the country. More important, we must continue to encourage black business skills to come to full flower. We know there is a pressing need for greater economy in Government. Cuts will be made in the Small Business Administration. But we have to be absolutely sure that any cuts are made across the board, and that fledgling black businesses do not bear more than their share of the pain.●

● Mr. McCLORY. Mr. Speaker, as we near the end of the month of February, we approach the conclusion of this year's celebration of Black History Month. By observing this celebration each year, we acknowledge the countless contributions black Americans have made to our Nation.

Although it is not possible to express in these brief remarks the importance of this celebration, we are privileged to remember the dedication to American ideals and patriotism which our fellow Americans of African heritage have continually displayed. Therefore, it is incumbent on us to publicly express our gratitude and appreciation of this proud history while we reaffirm our commitment to the continued progress of the black American community.

Mr. Speaker, earlier this year I introduced legislation to establish the third Monday in January as a legal public holiday in memory of the late Rev. Martin Luther King, Jr., because, although Reverend King was but one man, he personified the courage and vision the black American community has consistently produced.

While black history was submerged and neglected for quite awhile, that did not mean that it was nonexistent. But, rather black history continually evolved and flourished despite the lack of attention it received.

Mr. Speaker, I am quite pleased to see that our appreciation and knowledge of the history of black Americans can now be enhanced through outstanding programs like "I Remember Harlem," which was recently aired by public broadcasting and by congressional recognition through special orders.

As we embark on this decade in which we can expect an increased black American population to continue to multiply its physical and spiritual contribution to society, we are privileged to have the opportunity to learn more about black American history.●

● Mr. WYDEN. Mr. Speaker, black Americans and black Oregonians have made innumerable contributions to our society. In recognition of this fact and in tribute to Black History Month, I recently submitted the following ar-

ticle for publication in the Portland Observer in Portland, Oreg. I insert the statement into the RECORD in its entirety:

A TRIBUTE FOR BLACK HISTORY MONTH

The contributions of Black Oregonians to the development of state and national leadership run deep. During Black History Month, it is appropriate that we recognize the contributions of the Bill and Gladys McCoys, the Herb Cawthornes, the Emmanuel Scotts and the Sheldon Hills.

It is also appropriate, however, that we look ahead to the work that remains—ensuring that all blacks have a job, a decent place to live and the opportunity to put their creative talents to good use.

I am a member of three committees that can help make sure that this happens—the Small Business Committee, the Select Committee on Aging and the Energy and Commerce Committee.

As a member of the Small Business Committee, I will work to eliminate unnecessary and burdensome regulations, locate sources of equity capital, institute tax incentives and expand export opportunities for black men and women who are struggling to establish, maintain or expand their own businesses.

As a member of the Aging Committee, I will push for new senior housing in the Albina area and will work to reform Medicare and Medicaid so that they emphasize preventive health care rather than the more-expensive hospital care. I will also work to reform the Social Security System so that it serves as a pension plan for minority elderly and other elderly persons—instead of a duplicative social welfare grabbag. I will put particular emphasis on working with community groups to bring a senior center to the Albina area.

As a member of Energy and Commerce, I will work toward a comprehensive national energy policy that encourages development of renewable, low-cost alternatives and places the cost of oil and other energy sources on the big oil companies instead of on Albina families and other eastside families who heat their homes with oil. I will also support efforts to attract new businesses to the eastside—thus creating more jobs for blacks and other Third District residents.

The needs of the black community are not unlike those of the Third District as a whole—more jobs, better housing and a better business climate. During the 97th Congress, I will devote my energies to achieving these goals.●

● Mr. RAHALL. Mr. Speaker, I am pleased to join my colleagues today in recognizing "Black History Month."

The contributions made by black Americans to the history of this great land are endless, and I would like to take this opportunity to reflect upon a little-mentioned aspect of black history.

With spring in the air, the thoughts of many turn to baseball. After the turn of the century, ball teams sprang up across the mountains of southern West Virginia, the area I am proud to represent. Since the more formal leagues were comprised of all-white teams, a separate network of black teams grew up. Black teams from my home county of Raleigh, played over a wide geographic area, meeting both black and white teams in Raleigh, Fayette, and Wyoming Counties. Local black teams included: The Raleigh Clippers, Slab Fork Indians, Lillybrook Red Sox, East Gulf Stonecoal Giants, Tams Black Sox, Glen Rogers Red Sox, New River Giants, and other teams in Mullens, Gary, and White Sulphur Springs.

Some local black players also went on to play professional ball, such as Grover Lewis, who played for the Homestead Grays in the late 1920's, and S. G. Totten, who pitched for the New York Cubans in the early 1940's. Nathan Payne of Rhodell, who managed local black teams, became a scout in southern West Virginia for the Brooklyn Dodgers and Pittsburgh Pirates after the major leagues were integrated in 1947.

Most of the players were coal miners, who worked during the days and played baseball at night. They were hard working and talented, but most of all they were Americans who added a great deal to our society.●

● Mr. SMITH of New Jersey. Mr. Speaker, this is Black History Week, and I am glad this House is using today to commemorate those black men and women who have played such a large part in shaping our Nation's history.

History cannot only be just a table of places and dates and events. It has to be the chronicle of men and women—real, living people—who have put their imprint on our Nation. Some are well known; some are obscure; all have played a part.

Too often we tend to forget that not just one race, or one sex, has played its part in creating the national destiny. We are using occasions such as the present one to renew our acquaintance with historical greats.

Crispus Attucks, who might have been fleeing from slavery, was apparently the first man to shed his blood for American freedom, when he was shot down by British troops in the Boston massacre. American blacks joined General Washington's army during the siege of Boston, and black men fought through the Revolution with the Continental Army.

A free Maryland black, Benjamin Banneker, was the surveyer for this city of Washington. When Pierre L'Enfant was dismissed by President Washington as the city planner for the District of Columbia it was Banneker who saw to it that L'Enfant's plans were carried through to completion.

Even in the darkest hour of the American black experience—the time of slavery—courageous and unique individuals gave inspiration through their performance. Frederick Douglass fled from slavery, educated himself, and was a writer, speaker, and courageous opponent of slavery. Douglass was a friend of President Lincoln, and became a marshal of the District of Columbia. Two great black women, Sojourner Truth and Harriet Tubman, made many lonely trips into the South to lead slaves to freedom on the "Underground Railroad."

In the Civil War black troops were essential to Union victory—these are the words of President Lincoln. They proved themselves by great gallantry on many fields of battle. After the war the immortal Booker T. Washington pioneered college education and vocational training for southern black youth. George Washington Carver revolutionized southern agriculture by finding so many uses for the lowly peanut, a crop that southerners thought was of no value to them whatsoever. A black surgeon performed the first successful open heart surgery, in 1893.

In our century blacks have excelled in many fields. We have only rediscovered the genius of Scott Joplin. Jim Europe transformed American music. American blacks fought in both World Wars, and Benjamin O. Davis is our first black general. Lorraine Hansbury was a bright light of our theater playwrights, Langston Hughes distinguished American poetry.

We still remember with affection Dr. Martin Luther King; we still mourn his passing. Vernon Jordan is a respected spokesman for his community; so is Roy Wilkins. Dr. Thomas Sowell is having a profound and dynamic impact on the Nation's thinking in economics.

Our Nation is a great blend of races and colors and nationalities. What they have in common is this—all are Americans. All have contributed to this great land of ours. All have seen visions of what our Nation can be, and do, if we all work together.

We cannot pretend everything is perfect in the United States. Very plainly, things are not perfect. I am not trying to gloss over the real inequalities that affect the black community.

But I want to add my comments today to honor a special group of Americans. From these men and women we take new inspiration. Many tried and succeeded against overwhelming odds. Their names and deeds shall be forever emblazoned on the page of our national heritage.●

● Mr. SHAMANSKY. Mr. Speaker, it is with great pleasure that I join my colleagues today in commemorating Black History Month.

It is appropriate that we reflect on the contributions that black men and women have made to this institution and to this country. These contributions have been widespread and permeate our everyday life.

We have a sincere obligation to fulfill and continue the progress that has

been made in achieving equality and full participation for black citizens. Historical evidence shows that there has been significant change compared to a few years ago. However, we cannot deny that there is still more to do.

Commemorating Black History Month, as symbolic as it may seem, is imperative in recognizing and remembering the progress that has been made. It should also serve as a stimulus to further advances. In these times of high inflation, high unemployment, and budget cutting, we must not allow degradation of this progress. Let us not become complacent. To honor Black History Month also should be a promise to the future. Neither we in this House nor any others in this Government should forget our responsibility to achieving equality for all men.●

● Mr. ADDABBO. Mr. Speaker, I welcome this opportunity to join my distinguished colleagues today in the observance of February as Black History Month. It has been a month of renewed appreciation and recognition by all Americans, of the culture, traditions, and history of the black community, and of the impact of blacks in American history.

Black Americans as have other groups in our society, have played important roles in the growth, advancement, and maturation of our Nation since its inception. Since the founding of our country blacks have carved a special niche for themselves in countless fields of endeavor. In sports, black Americans have thrilled us in track and field, basketball, baseball, and football, just to name a few. In the arts, black artists, dancers, singers, musicians, actors, actresses, and writers, have attained the highest in excellence. In education, politics, and science, the contributions made by black Americans are known and revered the world over.

Black Americans have contributed much to the greatness of our country, and in literally every city in America the hard working, dedicated, and patriotic spirit of these people is as strong as ever. By increasing public awareness of what blacks have done for this country, we recognize that without them and all of other distinct groups which exist here, our Nation would be a far more difficult and bleaker place to live.●

● Mr. LANTOS. Mr. Speaker, the month of February is observed throughout our Nation as Black History Month. All Americans share, with increasing awareness and pride, in the recognition of the unique, diverse, and pervasive contributions black Americans have made in shaping our Nation. Famous names make a luminous roster of outstanding black Americans; but the extraordinary contributions of ordinary citizens are often overlooked. It is not well known, for example, that 5,000 blacks were among the early American patriots who helped America gain its independence from Britain.

Carter G. Woodson, the father of black history, started the observance of Negro History Week in 1926 to curb widespread misconceptions about black people; misconceptions held not only by white people, but also by many black Americans.

Mr. Woodson was opposed to a black history, per se; he believed blacks should be in, and part of, a holistic human history. However, it was clear the achievements of black men and women were largely omitted from American history books. Black history in the United States has been particularly vulnerable to neglect and distortion. In the past decade, however, new perspectives have been emerging reflecting a new maturity in writings about the black experience in America by both black and white scholars.

Lyndon Baines Johnson once said:

> A nation, like a person, not conscious of its own past is adrift without purpose or protection from the contending forces of dissolution.

I urge Americans to go beyond the superficialities of racial pride, to go beyond a ritualistic recognition of a roster of great black leaders past and present, to be open to communication across newly erected racial barriers, and to share both the pride and pain of the past, present, and future experience of black America.

Renowned black names in history illustrate outstanding contributions in every area of our lives: In religion, science, the arts, literature, education, politics, medicine, sports, and entertainment. There are thousands of unsung heroes, as well, who fought and died on the battlefields of all of America's wars.

Although profound beneficial changes have taken place in societal structures in recent years, the hope and promise of our constitutional principles have not yet been adequately met. For example, the participation of black Americans in the political process as reflected in this political body, the Congress of the United States, is less now than in the years following the Civil War. In the Reconstruction era, 22 black southerners served in Congress; today there are only 17 blacks in the 97th Congress and no blacks in the Senate.

Further, there is a rising sense of concern within black communities that the progress of the last 25 years in black human rights is being threatened today. Specifically, terrorism of young children in Atlanta, as well as the more widespread conditions of inadequate housing, rising unemployment, permanent poverty, chronic illness, and increasing crime rates which disproportionately affect black families, bring to mind Frederick Douglass' admonition that the struggle for black human rights must be forever fought.

Frederick Douglass spoke for justice long before the Civil War, not as a black leader for black Americans, but as a human being for the human race. He said:

> My sympathies are not limited by my relation to any race. I can take no part in oppressing and persecuting any variety of the human family. Whether in Russia, Germany, or California, my sympathy is with the oppressed, be he Chinaman or Hebrew.

Black History Month, 1981, with its special theme, "Role Models for Youth" focuses our attention on the achievements and courage of our fellow citizens of black heritage. It also offers us all a time to soberly reflect on our responsibilities to insure the future proud history of black Americans in our pluralistic Nation.●

● Mr. DWYER. Nearly two decades ago, in a letter written from a Birmingham, Ala., jail, Martin Luther King wrote:

> We have waited for more than 340 years for our constitutional and God-given rights.

It is to those 340-plus years that the month of February—Black History Month—has been dedicated.

The American black community has made major contributions in every facet of our society: Politics, literature, music, art, and so many others, steadfast in its commitment to a celebration of life and culture, against what for most of us would be insurmountable odds.

It is right that today we also pay tribute to the dedication of blacks and others to attain and safeguard the basic freedoms most Americans take for granted.

Despite significant strides made by the brave leadership of the black community, blacks are still faced with discrimination in the workplace and the marketplace. It is incumbent upon us today and every day to take a moment to reflect on the freedoms we enjoy and cherish and be sure that those freedoms are shared by all.

Mrs. COLLINS, thank you for taking this special order commemorating Black History Month. It underscores our need to continually strive to achieve equality in employment, education, and opportunity for all, and further, to keep a constant vigil that once achieved, these rights never be usurped.●

● Mr. CORRADA. Mr. Speaker, it is with great pleasure that I join my colleagues today in commemoration of Black History Month.

I think that it is fitting that the month of February has been proclaimed to commemorate the great contributions that black Americans have made to all aspects of our society and history.

Since colonial days to the present, black Americans have actively partici-

pated in the shaping of our country and of our character as a people.

Americans of all walks of life should join together in celebrating and commemorating this month and also in a unity of purpose to make this country greater in fulfilling the concept of equal justice and opportunity handed to us by our Founding Fathers.●

● Mr. MAZZOLI. Mr. Speaker, for many years the rich heritage and contributions of black Americans have been ignored by American historians and excluded from our history books. This has resulted in the absence of knowledge of an awareness of the black heritage in America on the part of many generations of American students, black and white.

Black Americans, in spite of a history of slavery and racial discrimination, have and continue to make meaningful contributions to America's history. These contributions are in many areas: literature, science, medicine, law, the military, the performing arts, and sports.

I would like to especially recognize the educational achievements of black Americans and in so doing, pay a tribute to Carter G. Woodson (1875–1950), the father of negro history.

Following is an excerpt borrowed from the 1981 heritage of black America calendar, published by the office of minority affairs at the University of Louisville.

EDUCATION

The African-American has long possessed a deep faith in the power of education to bring about a change in his status and in the conditions affecting his personal life. He has believed that education is the key to many of the shackles that bind him. In the days of slavery this belief was strengthened by slave masters who, believing in the importance of education, declared it criminal for blacks to be illiterate.

The history of education of black Americans can be traced to the church. The Quakers in Philadelphia provided schools for Africans as early as 1774. In New York, the African Free School was opened in 1787. Primus Hall opened a school in his Boston home in 1798. General support for the education of free blacks began in N.J. in 1777.

Many Africans imported to the English colonies in 1619 had a brilliant cultural and educational background. As the importation of slaves increased, education in America met great difficulties. Statutes prohibiting education for blacks were strengthened following the slave uprising by Nat Turner and Denmark Vesey. Yet progress was made.

As early as 1787, Prince Hall petitioned the City of Boston to establish a school for black children. Societies and organizations devoted to the cause of education for blacks date back to 1790. A few individual schools were established by churches, slaveholders and free Negroes, yet only two Negro institutions of higher learning existed prior to the Civil War: Wilberforce University (1856) and Lincoln University (1854). Immediately following the War the Freedmen's Bureau established 4,239 schools with 9,307 teachers and 247,333 students. Ten colleges and universities were founded in the South between 1865 and 1876. The next decade saw "agricultural and manual arts" or "agricultural and industrial" (A&M/A&I colleges develop in nearly all of the ex-Confederate states. The most celebrated, Tuskegee Institute (1881) is today a leading institution.

Probably the next major push in black education came with the Supreme Court decision of 1954, the implementation of which is of major concern.

The lamp of education for blacks were carried by many men and women whose struggles and leadership are immortal. Symbolic of these is Carter G. Woodson.

Carter G. Woodson was born in Canton, Virginia in 1875. Being of extreme poverty, he was twenty-two years old when he completed high school. During this period, Woodson supported himself by working as a coal miner. He went on to study at Berea College in Kentucky and at the University of Chicago. He earned a Ph.D degree from Harvard in 1912. Three years later, he organized the Association for the Study of Negro Life and History, the first systematic treatment of Negro history. Woodson set the pace for research into the black man's past, writing numerous books and papers, and starting The Journal of Negro History in 1916. He initiated the observance of Negro History Week in 1926, and in 1937 started publication of The Negro History Bulletin. Dr. Woodson firmly believed that "the achievements of the Negro properly set forth will crown him as a factor in early human progress and a maker of modern civilization".●

● Mr. SAVAGE. Mr. Speaker, it is both an honor and a privilege to join my distinguished colleagues today in participation in this special order in celebration of Black History Month.

I believe that it is particularly important that we, in Congress, take the opportunity to recognize and honor the many achievements of black Americans, and the many contributions that black Americans have made to our American society.

When I speak of black Americans contributing to our country's greatness and who are deserving of a place in our history, I speak not only of those who have already achieved acclaim, such as Dr. Martin Luther King, W. E. B. Du Bois, and Paul Robeson—those whose daily endeavors have, however, been no less of a vital contribution to the history of our country.

I take great personal pride in commemorating black Americans today, not only in the Second District of Illinois which I represent, but black Americans throughout our country. I particularly wish to pay tribute to black working parents; those who labor daily in our factories and in our fields, sacrificing much to give their children an opportunity for a better life—those who have worked to overcome seemingly insurmountable obstacles to achieve dignity and respect for themselves and for their families—and those who have struggled to achieve a future based on the dream of Dr. Martin Luther King, that their children participate equally in the freedoms and opportunities that America stands for and should provide for all of her citizens.

As Black History Month draws to a conclusion, I feel that it is appropriate to pay special tribute to these black Americans—the unsung heroes and heroines, no less worthy of our admiration and no less worthy of distinction because they have not been included in the pages of our history books.

Thank you, Mr. Speaker.●

GENERAL LEAVE

Mrs. COLLINS of Illinois. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on the subject of my special order today, Black History Month.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Illinois?

There was no objection.

VETERANS' LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. MOTTL) is recognized for 5 minutes.

● Mr. MOTTL. Mr. Speaker, today I am introducing four Veterans' Administration medical bills, two of which will serve to insure the quality and quantity of medical care and treatment to our Nation's veterans and two of which will provide some cost savings for the Veterans' Administration.

One bill would expand the scope of a study mandated by Public Law 96–151, which requires the Administrator of Veterans' Affairs to determine the effect on humans of exposure to the chemical known as agent orange. This legislation will provide the Administrator with discretionary authority to expand the scope of the study to include indepth examinations of additional factors; that is other herbicides, chemicals, medications, or environmental hazards or conditions. It would also provide discretionary authority to study the literature concerning this subject. The recommendation to expand the scope of the agent orange study was made by the scientific panel of the Presidential Interagency Work Group. The Congressional Budget Office estimates that this bill should not have a significant budgetary impact.

Another measure would amend title 38, United States Code, to extend by 12 months the period during which funds appropriated for grants by the Veterans' Administration for the establishment and support of new State medical schools may be expended. Those State medical schools participating in the VA grant program would thus be allowed to expend residual

grant funds for 1 additional year for the purpose of paying school faculty salaries. Inasmuch as these are previously appropriated funds, no additional costs will be incurred.

The third bill would amend title 38, United States Code, by adding a provision for the recovery of certain cost of health care provided by the Veterans' Administration under specific conditions.

Present statutes, specifically the Federal Medical Care Recovery Act, have given rise to uncertainty of the Veterans' Administration's express statutory authority to collect the cost of health care from certain veterans suffering from non-service-connected conditions. This group of veterans would include those individuals covered for such care under workers' compensation or employers' liability laws or by an act of a tortiously liable third party. An example of the latter would be an automobile accident where the tortfeasor's negligence is conceded or proved in those States where automobile no-fault laws have not been enacted. Also covered by this proposed bill would be express authority for the Veterans' Administration to recover from victims of automobile accidents in those States where no-fault insurance coverage is required by law, as well as those covered by State law to receive compensation to victims of criminal acts.

The enactment of the legislation I am introducing today would supersede those State or local statutes which provide for payment to private health care providers but which exclude payment to Federal health care providers.

The Congressional Budget Office has stated that it is difficult to estimate with precision the impact this bill will have on recoveries because of the differences in present laws from State to State. That office does provide, however, a rough estimate that medical care recoveries will increase by approximately 5 percent per year based on historical trends. It is further assumed that recoveries will increase by about 2 percent in the first year to about 20 percent by fisal year 1986. The CBO estimates are $0.5 million in fiscal year 1983, $1 million in fiscal year 1984, $1.7 million in fiscal year 1985, and $2.3 million in fiscal year 1986.

Finally, I am introducing a bill that would provide for greater coordination and sharing of medical resources between the Veterans' Administration and the Department of Defense during peacetime. Together, these two agencies operate approximately 300 hospitals in 50 States. A number of recent studies on Federal interagency sharing of scarce medical resources clearly identifies a large number of supporters for reducing direct Federal health care costs while at the same time enhancing the quality of health care through greater sharing and coordination. This proposed legislation will provide better medical services for both our Nation's veterans and our active duty and retired unformed services personnel. In the case of the latter group, the provision of the best quality health care should have a positive impact upon the recruitment and retention of personnel in the All-Volunteer Force.●

RULES OF THE COMMITTEE ON MERCHANT MARINE AND FISHERIES FOR THE 97TH CONGRESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. JONES) is recognized for 5 minutes.

Mr. JONES of North Carolina. Mr. Speaker, pursuant to rule XI 2(a) of the House of Representatives, I offer the Rules of the Committee on Merchant Marine and Fisheries for the 97th Congress, which were adopted at the committee's organizational meeting on February 19, 1981, and insert them in toto, in the CONGRESSIONAL RECORD:

COMMITTEE ON MERCHANT MARINE AND FISHERIES, (97TH CONGRESS)

Clause 2(k)(2) of Rule XI, of the Rules of the House of Representatives reads as follows: "A copy of the committee rules and this clause shall be made available to each witness."

RULE I. APPLICABILITY OF OTHER RULES

The Rules of the House insofar as they are applicable shall be the Rules of the Committee and its Subcommittees. The procedure in the Committee and its Subcommittees shall follow the procedure of the House. Written Rules adopted by the Committee, not inconsistent with the Rules of the House, shall be binding on each Subcommittee of the Committee. Each Subcommittee of the Committee is a part thereof and subject to the authority and direction of the Committee and to its Rules.

RULE II. MEETINGS

(A) The Committee shall meet at 10 a.m., on the first Wednesday of each month in the Committee Hearing Room, Longworth House Office Building, while Congress is in session. However, the regularly scheduled monthly meeting of the Committee may be dispensed with at the discretion of the Chairman, in consultation with the Ranking Minority Member, in the absence of any business to come before the Committee at such meeting. If the Chairman of the Committee is not present at any meeting of the Committee, the Ranking Member of the Majority Party on the Committee who is present shall preside at that meeting.

(B)(1) Each meeting for the transaction of business, including the markup of legislation, of the Committee or a Subcommittee, shall be open to the public except when the Committee or Subcommittee, in open session and with a majority present, determines by rollcall vote that all or part of the remainder of the meeting on that day shall be closed to the public: *Provided, however,* That no person other than Members of the Committee and such Congressional staff and such departmental representatives as the Members may authorize shall be present at any business or markup session which has been closed to the public. This paragraph does not apply to Committee hearings which are provided for by subparagraph (2) of this paragraph, or to any meeting that relates solely to internal budget or personnel matters.

(2) Each hearing conducted by the Committee or a Subcommittee shall be open to the public except when the Committee or Subcommittee, in open session and with a majority present, determines by rollcall vote that all or part of the remainder of that hearing on that day shall be closed to the public because disclosure of testimony, evidence, or other matters to be considered would endanger the national security or would violate any law or rule of the House of Representatives. Notwithstanding the requirements of the preceding sentence, a majority of those present, there being in attendance the requisite number required under the rules of the Committee to be present for the purpose of taking testimony,

(i) may vote to close the hearing for sole purpose of discussing whether testimony or evidence to be received would endanger the national security or violate Rule XI 2(k)(5) (Rules of the House) or

(ii) may vote to close the hearing, as provided in Rule XI 2(k)(5), (Rules of the House): *Provided, however,* That the Committee or Subcommittee may by the same procedure, vote to close one subsequent day of hearing.

(C)(1) The Chairman of the Committee may call and convene, as he or she considers necessary, additional meetings of the Committee for the consideration of any bill or resolution pending before the Committee or for the conduct of other Committee business. The Committee shall meet for such purpose pursuant to that call of the Chairman.

(2) If at least three Members of the Committee desire that a special meeting of the Committee be called by the Chairman, those Members may file in the offices of the Committee Clerk their written request to the Chairman for that special meeting. Such request shall specify the measure or matter to be considered. Immediately upon the filing of the request, the Clerk of the Committee shall notify the Chairman of the filing of the request. If, within three calendar days after filing of the request, the Chairman does not call the requested special meeting, to be held within seven calendar days after the filing of the request, a majority of the Members of the Committee may file in the offices of the Committee their written notice that a special meeting of the Committee will be held, specifying the date and hour of, and the measure or matter to be considered at, that special meeting. The Committee shall meet on that date and hour. Immediately upon the filing of the notice, the Clerk of the Committee shall notify all Members of the Committee that such special meeting will be held and inform them of its date and hour and the measure or matter to be considered; and only the measure or matter specified in that notice may be considered at that special meeting. The above procedures shall also apply to Subcommittees, except that the number of Subcommittee Members required to request a special Subcommittee meeting shall be two, and a majority of the Members of the Subcommittee must file their written notice for a special Subcommittee hearing.

(D) The date, time, place and subject matter of meetings of the Committee shall

be announced to all Members of the Committee and the public at least one week before the meeting, unless the Chairman in consultation with the Ranking Minority Member determines that there is good cause to begin the meeting at an earlier date. If such determination is made by the Chairman, the Committee shall make public announcement and provide oral and confirming written notice to Committee Members at the earliest possible date. Any announcement under this paragraph shall be promptly published in the Daily Digest and promptly entered into the Committee scheduling service of the House Information Systems.

(E) When a duly called Party Caucus or Conference of either Party is scheduled on a date and at a time which directly conflicts with a scheduled Committee meeting, the meeting of the Committee shall be cancelled and oral and confirming written notice to that effect shall be given to all Committee Members and staff by the Clerk of the Committee, and the Chairman shall reschedule the meeting at the earliest practical time.

RULE III. COMMITTEE PROCEDURE

(A) Unless authorized by the Chairman of the Committee, or a Subcommittee, a witness shall not be permitted to testify or present evidence, and such statement or testimony will not be included in the Committee hearing record, unless seventy-five copies thereof have been delivered to the Clerk of the Committee at least twenty-four hours prior to such meeting at least ten of which must be delivered at least forty-eight hours prior to the meeting. Such prepared statement shall include a summary which may not exceed five pages in length. To the extent feasible, statements and testimony of witnesses from Federal and Administrative agencies shall be accompanied, if not previously received, by fifty copies of the Federal agency report requested by the Committee on matters pending before it. The presentation of testimony by any one witness shall not exceed ten (10) minutes. This will be a synopsis of the prepared testimony which will be presented for the record.

(B) Committee Members may question witnesses only when they have been recognized by the Chairman for that purpose. All questioning shall be pertinent to the subject matter of the hearing. In accordance with Rule XI, clause (2)(j)(2), Rules of the House, each Committee Member may request up to five minutes in the first round of questioning to question a witness until each Member who so desires has had such opportunity. After completing his questioning, the Chairman shall recognize the Ranking Minority and then the Ranking Majority Members, and thereafter, in recognizing Members present shall alternate between minority and majority, taking into consideration the ratio of Majority to Minority representation on the Committee. Thereafter, additional time may be extended to a Committee Member at the discretion of the Chairman. Responses to Member's or Committee staff questions and other data offered for the record, shall be submitted in triplicate to the Committee Clerk. One copy of such material shall be retained by the Clerk for printing, the remainder furnished to the Chief Counsel for further transmittal to the appropriate Subcommittee Counsel and the Minority Counsel.

(C) One-third of the Members of the Committee shall constitute a quorum for the purpose of transacting Committee business, other than reporting a measure or recommendation when a majority quorum is required, but testimony may be taken and evidence received in any meeting at which there are present not fewer than two Members of the Committee, one of whom should be, whenever possible, a Minority Member. Unless at least two Members are present, at least one of whom is a Majority Member, the meeting must be adjourned.

(D) No point of order shall lie with respect to any measure ordered to be reported by the Committee on the ground that hearings on such measure was not conducted in accordance with the provisions of Rule XI, Clause 2(g) (1)-(4), Rules of the House; except that a point of order on that ground may be made by any Member of the Committee which reported the measure if, in the Committee, such points of order was (A) timely made and (B) improperly overruled or not properly considered.

(E) A rollcall vote may be ordered by one-fifth of the Members present. The results of each rollcall vote in any meeting of the Committee shall be made available in the Committee office for inspection by the public, as provided in Rule XI, clause 2(e)(1), rules of the House. Information so available for public inspection shall include a description of the amendment, motion, order, or other proposition and the name of each Member voting for and each Member voting against such amendment, motion, order, or proposition and whether by proxy or in person and the names of those Members present but not voting. With respect to each record vote by the Committee to report any bill or resolution, the name of each Member voting for and voting against the motion to report, and whether by proxy or in person, and the names of those Members present but not voting shall be included in the Committee report.

(F) Whenever any hearing is conducted by any Committee upon any measure or matter, the minority party Members on the Committee shall be entitled, upon request to the Chairman by a majority of them before the completion of the hearing, to call witnesses selected by the minority to testify with respect to that measure or matter during at least one day of hearing hereon.

(G) The Committee, by majority vote, may permit any of its public hearings or meetings to be televised, broadcast by radio, or photographed subject to the following requirements:

(1) If the television or radio coverage of the hearing or meeting is to be presented to the public as live coverage, that coverage shall be conducted and presented without commercial sponsorship.

(2) No witness served with a subpoena by the Committee shall be required against his or her will to be photographed at any hearing or to give evidence or testimony while the broadcasting of that hearing, by radio or television, is being conducted. At the request of any such witness who does not wish to be subjected to radio, television, or still photography coverage, all lenses shall be covered and all microphones used for coverage turned off. This subparagraph is supplementary to clause 2(k)(5) of Rule XI of the Rules of the House, relating to the protection of the rights of witnesses.

(3) Not more than six television cameras, operating from fixed positions, shall be permitted in a hearing or meeting room. The allocation among the television media of the positions of the number of television cameras permitted in a hearing or meeting room shall be in accordance with fair and equitable procedures devised by the Executive Committee of the Radio and Television Correspondents' Galleries.

(4) Television cameras shall be placed so as not to obstruct in any way the space between any witness giving evidence or testimony and any Member of the Committee or the visibility of that witness and that Member to each other.

(5) Television cameras shall not be placed in positions which obstruct unnecessarily the coverage of the hearing or meeting by the other media.

(6) Equipment necessary for coverage by the television and radio media shall not be installed in, or removed from, the hearing or meeting room while the Committee is in session.

(7) Floodlights, spotlights, strobelights, and flashguns shall not be used in providing any method of coverage of the hearing or meeting, except that the television media may install additional lighting in the hearing or meeting room, without cost to the Government, in order to raise the ambient lighting level in the hearing or meeting room to the lowest level necessary to provide adequate television coverage of the hearing or meeting at the then current state of the art of television coverage.

(8) Not more than five press photographers shall be permitted to cover a hearing or meeting by still photography. In the selection of these photographers, preference shall be given to photographers from Associated Press Photos and United Press International Newspictures. If request is made by more than five of the media for coverage of the hearing or meeting by still photography, that coverage shall be made on the basis of a fair and equitable pool arrangement devised by the Standing Committee of Press Photographers.

(9) Photographers shall not position themselves, at any time during the course of the hearing or meeting, between the witness table and the Members of the Committee.

(10) Photographers shall not place themselves in positions which obstruct unnecessarily the coverage of the hearing by the other media.

(11) Personnel providing coverage by the television and radio media shall be then currently accredited to the Radio and Television Correspondents' Galleries.

(12) Personnel providing coverage by still photography shall be then currently accredited to the Press Photographers' Gallery.

(13) Personnel providing coverage by television and radio media and by still photography shall conduct themselves and their coverage activities in an orderly and unobtrusive manner.

(H) A Member may vote by special proxy only on a specific measure or matter and any amendments or motions pertaining thereto; except that a Member may authorize a general proxy only for motions to recess, adjourn, or other procedural matters. In order to be considered a valid and duly executed proxy, the proxy authorization shall be in writing, shall assert that the Member is absent on official business, or is otherwise unable to be present at the meeting of the Committee and shall designate the person who is to execute the proxy authorization. If it is desired to give a proxy for sessions on succeeding days, it must be so stipulated in the proxy, and if not stipulated, it cannot be voted. Each proxy to be effective shall be signed by the Member assigning his or her vote and shall contain the date and time of day that the proxy is signed. Proxies may not be counted for a quorum. All executed proxies shall be delivered to the Clerk and kept at the desk during the proceedings of the Committee

for which they are given and shall be included in the official records of the meeting after they have been voted. Points of order as to the validity of proxies must be made at the time the proxies are voted.

(I) The Ranking Majority Member shall be designated Vice Chairman.

RULE IV. SUBCOMMITTEES

(A) There shall be five standing Subcommittees as follows: The Subcommittee on Merchant Marine; the Subcommittee on Fisheries and Wildlife Conservation and the Environment; the Subcommittee on Coast Guard and Navigation; the Subcommittee on Oceanography; the Subcommittee on the Panama Canal and the Outer Continental Shelf, together with such other special, select or ad hoc committees as the Chairman or a majority of the Committee may establish or determine to be appropriate for the conduct of Committee business. A Committee Member may temporarily resign from his Subcommittee assignment to serve on another Subcommittee of the Committee in the event of vacancies on that other Subcommittee. Members returning to their Subcommittee assignment at the end of the temporary assignment shall return to their original assignment without prejudice to tenure or seniority.

(B) All legislation and other matters referred to the Committee shall be referred by the Chairman to all Subcommittees of appropriate jurisdiction within two weeks, unless by majority vote of the Majority Party Members of the Full Committee or by agreement between or among the Chairman and all the Subcommittee Chairmen to whom the legislation or other matter would otherwise be referred, consideration is to be by the Full Committee.

(C) The Chairman and Ranking Minority Member of the Full Committee shall serve as ex-officio Members of all Subcommittees of which they are not designated as Chairman or Ranking Minority Member and shall have the right to participate fully including the right to vote on all matters before such Subcommittees, but shall not be counted in establishing the requirements of or in determining a quorum. Any other Member of the Full Committee has the privilege of sitting with any Subcommittee of which he is not a Member during its hearings or deliberations and participating therein (including closed meetings), but shall not have the authority to vote on any matter, nor be counted present for the purpose of determining a quorum, nor raise points of order, and except as the Subcommittee Chairman may permit, participate in questioning under the five-minute rule, unless he is a Member of such Subcommittee.

(D) Subcommittees are authorized to hold hearings, receive evidence, hear witnesses, and report to the Committee for final action, together with such recommendations as may be agreed upon by the Subcommittee, on such matters as the Chairman may refer to a Subcommittee. Available dates for Subcommittee meetings shall be assigned as a result of consultation between the Chairman and Subcommittee Chairmen and as nearly as practicable in relation to and in accordance with workloads: Provided, however, That Subcommittees shall not meet at the same time as the Full Committee without express permission of the Chairman of the Committee. The ratio of Majority Party Members to Minority Party Members on Subcommittees and Conference Committees, including ex officio Members, shall be no less favorable to the Majority Party than the ratio of Membership on the Full Committee.

(E) In carrying out paragraph (B) with respect to any matter, the Chairman may refer the matter simultaneously to two or more Subcommittees for concurrent consideration or for consideration in sequence (subject to appropriate time limitations in the case of any Subcommittee) or divide the matter into two or more parts (reflecting different subjects and jurisdictions) and refer each such part to a different Subcommittee.

RULE V. COMMITTEE REPORTS/PUBLICATIONS

(A) Records and transcripts of open hearings before the Committee shall not be available to the public for quotation of any Member until after such Member has had an opportunity to examine and approve such hearing records. No more than forty-five (45) days after the conclusion of hearings the transcript shall be closed and no further changes made. In no instance will the Committee staff distribute, or prepare for distribution, to persons, other than Members and witnesses for the purpose of correction, any open hearing transcript that has not yet been closed and transmitted to the GPO for publication. Closed session transcripts and records shall be available to Members of the House of Representatives and Merchant Marine and Fisheries Committee staff for inspection in the office of the Committee, but may not be released or divulged to any other person without the consent of the Chairman or a majority of the Committee. In no event shall executive session or markup transcripts and records be taken from the Committee offices by anyone.

(B) All Committee or Subcommittee prints and other material prepared for public distribution shall be approved by the Chairman of the Full Committee prior to such distribution.

(C) The permanent records of the Committee shall be available to all Members of the House for examination.

(D)(1) It shall be the duty of the Chairman to report or cause to be reported promptly to the House any measure approved by the Committee and to take or cause to be taken necessary steps to bring the matter to a vote.

(2) In any event, the report of the Committee on a measure which has been approved by the Committee shall be filed within seven calendar days (exclusive of days on which the House is not in session) after the day on which there has been filed with the Clerk of the Committee a written request, signed by a majority of the Members of the Committee, for the reporting of that measure. Upon the filing of any such request, the Clerk of the Committee shall transmit immediately to the Chairman of the Committee notice of the filing of that request.

(E)(1) No measure or recommendation shall be reported from the Committee unless a majority of the Committee was actually present.

(2) With respect to each rollcall vote on a motion to report any bill or resolution of a public character, the total number of votes cast for, and the total number of votes cast against, the reporting of such bill or resolution shall be included in the Committee Report.

(F) The report of the Committee on an approved measure shall include (1) the oversight findings and recommendations required pursuant to clause 2(b)(1) of Rule X of the House Rules separately set out and clearly identified; (2) the statement required by section 308(a) of the Congressional Budget Act of 1974, separately set out and clearly identified, if the measure provides new budget authority or new or increased tax expenditures; (3) the estimate and comparison prepared by the Director of the Congressional Budget Office under section 403 of such Act, separately set out and clearly identified, whenever the Director (if timely submitted prior to the filing of that report) has submitted such estimate and comparison to the Committee; and (4) a summary of the oversight findings and recommendations made by the Committee on Government Operations under clause (4)(c)(2) of Rule X of the House Rules separately set out and clearly identified whenever such findings and recommendations have been submitted to the Committee in a timely fashion to allow an opportunity to consider such findings and recommendations during the Committee's deliberations on the measure.

(G) Each report of the Committee on each bill or joint resolution of a public character reported by the Committee shall, insofar as possible, contain a detailed analytical statement as to whether the enactment of such bill or joint resolution into law may have an inflationary impact on prices and costs in the operation of the national economy.

(H) Within twenty-four (24) hours of time of approval of any measure or matter by the Committee (excluding Saturdays, Sundays and Legal Holidays), the Members of the Committee must give notice of intention to file supplemental, minority or additional views. Members shall be entitled to not less than three (3) calendar days (excluding Saturdays, Sundays and Legal Holidays) in which to file such views, in writing and signed by that Member, with the Clerk of the Committee. All such views so filed by one or more Members of the Committee shall be included within and shall be a part of, the report filed by the Committee with respect to that measure or matter. The report of the Committee upon that measure or matter shall be printed in a single volume which—

(1) shall include all supplemental, Minority, or additional views which have been submitted by the time of the filing of the report, and

(2) shall bear upon its cover a recital that any such supplemental, Minority, or additional views (and any material submitted under subdivisions (3) and (4) of section (F)) are included as part of the report.

This subparagraph does not preclude—

(i) the immediate filing or printing of a Committee Report unless timely request for the opportunity to file supplemental, Minority, or additional views has been made as provided by this section, or

(ii) the filing by the Committee of any supplemental report upon any measure or matter which may be required for the correction of any technical error in a previous report made by the Committee upon that measure or matter.

(I) No bill which directly or indirectly authorizes the expenditure of over $1 million in federal funds shall be brought to the House Floor by the Committee under Suspension of the Rules if the text of the bill has been changed after it was reported by the Committee unless—

(1) the changes are purely technical and conforming, or

(2) all members of the Committee have been provided a written copy of the changes

at least twenty-four hours prior to the time the bill is considered in the House.

RULE VI. USE OF COMMITTEE FUNDS FOR TRAVEL

(A)(1) Funds authorized for the Committee under Clause 5 of Rule XI of the House Rules are for expenses incurred in the Committee's activities within the United States; however, local currencies owned by the United States shall be made available to the Committee and its employees engaged in carrying out their official duties outside the United States, its Territories or Possessions. No appropriated funds shall be expended for the purpose of defraying expenses of Members of the Committee or its employees in any country where local currencies are available for this purpose; and the following conditions shall apply with respect to travel outside the United States or its territories or possessions:

(a) No Member or employee of the Committee shall receive or expend local currencies for subsistence in any country at a rate in excess of the maximum per diem rate set forth in applicable Federal law.

(b) Each Member or employee of the Committee shall make to the Chairman of the Committee an itemized report showing the dates each country was visited, the amount of per diem furnished, the cost of transportation furnished, and any funds expended for any other official purpose and shall summarize in these categories the total foreign currencies and/or appropriated funds expended. All such individual reports shall be filed no later than 60 days following the completion of travel with the Chairman of the Committee for use in complying with the reporting requirements in applicable Federal law and shall be open for public inspection.

(2) A substantive report shall be filed with the Chairman within one month of any Committee trip or any trip related to matters of Committee jurisdiction which has been approved by the Chairman.

(B)(1) All voting Members of a Subcommittee shall have adequate notice prior to the date or dates fixed for Subcommittee investigations or hearings at locations other than Washington, D.C.

(2) All Travel of Members and staff of the Committee or of a Subcommittee, to hearings, meetings, conferences, investigations, foreign conferences and meetings, and all foreign travel, must be authorized by the Chairman prior to any public notice thereof or the actual travel.

RULE VII. COMMITTEE AND SUBCOMMITTEE STAFF

(A) The Committee shall appoint, by majority vote of the Committee, from a list submitted to the Committee by the Chairman, appropriate professional and clerical staff personnel, in accordance with the provisions of Clause 6 of Rule XI of the House Rules.

(B) Each employee on the permanent staff is entitled to pay at a single per annum gross rate to be fixed by the Chairman, which does not exceed the highest rate of basic pay, as in effect from time to time, of level V of the Executive Schedule in Section 5316 of Title 5, United States Code, except that two professional staff members shall be entitled to pay at a single per annum gross rate to be fixed by the Chairman, which does not exceed the highest rate of basic pay as in effect from time to time of level IV of the Executive Schedule in Section 5215 of Title 5, United States Code.

(C) Subject to the provisions of paragraph G, each Committee staff member, other than a member appointed pursuant to the request of Minority Party Members, is assigned to the Chairman for the purposes of general supervision and control and shall perform such duties as the Chairman may assign. In the case of staff members appointed pursuant to the request of Minority Party Members, the Ranking Minority Member shall exercise general supervision and control, subject to the assignments designated by Minority Party Members in accordance with Clause 6 of Rule XI of the House Rules.

(D) The Committee, by majority vote, may terminate the services of any staff member appointed by the Committee and may, from time to time, take appropriate action to fill any staff vacancies.

(E) When any staff member is assigned directly to Subcommittee staff duties, the staff member shall remain under the general supervision and control of the Chairman of the Committee or Ranking Minority Member of the Committee as appropriate, but under the direct control of the Subcommittee Chairman or Ranking Minority Member, as appropriate, for duty assignment purposes.

(F) From the funds provided for the appointment of Committee staff pursuant to primary and additional expense resolutions—

(1) The Chairman of each standing Subcommittee is authorized to appoint one staff member who shall serve at the pleasure of the Subcommittee Chairman.

(2) The Ranking Minority Party Member of each standing Subcommittee is authorized to appoint one staff person who shall serve at the pleasure of the Ranking Minority Party Member.

(3) The staff members appointed pursuant to the provisions of subparagraphs (1) and (2) shall be compensated at a rate determined by the Subcommittee Chairman not to exceed (a) 75 per centum of the maximum established in paragraph (c) of Clause 6 of Rule XI, or (b) the rate paid the staff member appointed pursuant to subparagraph (1) of this paragraph.

(G) The Subcommittee staff members appointed pursuant to paragraph (F) are subject to the supervision and control of, and shall be responsible to, the Subcommittee Chairman or Ranking Minority Member of the Subcommittee as appropriate.

RULE VIII. COMMITTEE BUDGET

(A) At the beginning of each session, after consultation with each Subcommittee Chairman, the Chairman shall propose and present to the Committee for its approval a budget of the estimated total amount of funds to be requested under a primary expense resolution submitted in accordance with Clause 5 of Rule XI, for use by the Committee, for such session of the Congress for all anticipated activities and programs of the Committee and of its Subcommittees.

(B) In presenting the budget, the Chairman shall insure that it contains sufficient funds to enable the Committee and each Subcommittee to discharge its responsibilities for legislation and oversight.

(C) Authorization for the payment of additional or unforeseen Committee and Subcommittee expenses may be procured by one or more additional expense resolutions processed in the same manner as set out above.

(D) Once monthly, the Chairman shall require the appropriate staff personnel to prepare a full and detailed accounting of all expenditures made during the period since the last such accounting from the amount budgeted to the Full Committee. Each report shall show the amount and purpose of each expenditure and the budget to which such expenditure is attributed. This report shall be available upon request to the Committee offices for any Member of the House of Representatives.

RULE IX. POWER TO SIT AND ACT; SUBPOENA POWER; CONTEMPT OF CONGRESS

(A) For the purpose of carrying out any of its functions and duties under this Rule and Rule X of the House of Representatives (including any matters referred to it under Clause 5 of Rule X of the House Rules), the Committee, or any subcommittee of the Committee, is authorized (subject to subparagraph (B)(1) of this paragraph)—

(1) to sit and act at such times and places within the United States, whether the House is in session, has recessed, or has adjourned, and to hold such hearings, and

(2) to require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents as it deems necessary. The Chairman of the Committee, or any Member designated by such Chairman, may administer oaths to any witness.

(B)(1) A subpoena may be authorized and issued by the Committee or a Subcommittee under subparagraph (A)(2) in the conduct of any investigation or activity or series of investigations or activities, only when authorized by a majority of the Members voting, a majority being present. The power to authorize and issue subpoenas is also delegated to the Chairman of the Committee. Authorized subpoenas shall be signed by the Chairman of the Committee or by any Member designated by the Committee.

(2) Compliance with any subpoena issued by a Committee or a Subcommittee under subparagraph (A)(2) may be enforced only as authorized or directed by the House.

RULE X. AMENDMENT OF THE RULES OF THE COMMITTEE

The rules of the Committee may be modified, amended or repealed, by a majority vote of the Committee, provided that two legislative days written notice of the proposed change has been provided each Member of the Committee prior to the meeting date of which such changes are to be discussed and voted upon.●

CRIMINAL JUSTICE SUBCOMMITTEE TO HOLD HEARING ON VIOLENCE AGAINST MINORITIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. CONYERS) is recognized for 5 minutes.

● Mr. CONYERS. Mr. Speaker, I wish to announce that the Subcommittee on Criminal Justice will hold its first day of hearings, since the 96th Congress ended, on Wednesday, March 4, 1981, to study the increasing violence against minorities.

The hearing will be held in room 2237, Rayburn House Office Building, and will commence at 9:30 a.m.

Testimony will be received from the following witnesses: Dr. Kenneth Clark, social psychologist and author, New York, N.Y.; Dr. M. Harvey Brenner, sociologist, School of Hygiene and

Public Health, Johns Hopkins University, Baltimore, Md.; and Mr. Jerry Thompson, newspaper reporter, the Tennessean, Nashville, Tenn.●

BEDELL TO MOBIL: PUT UP OR SHUT UP

The SPEAKER pro tempore. Under a previous order to the House, the gentleman from Iowa (Mr. BEDELL) is recognized for 15 minutes.

Mr. BEDELL. Mr. Speaker, there are some who believe that if you tell a story loudly enough and often enough, people will come to believe it, whether or not the story is true. This seems to be the plan now being put into effect by the public relations people at Mobil Oil.

The Mobil Oil Corp. has been using its very considerable public relations resources lately to urge that the Federal Government exit the energy field entirely. Day after day we see their advertising telling us that private industry, if left alone and free of Government involvement, will surge forward and solve our Nation's energy problems. What their publicists do not tell us, though, is that Mobil is happily lapping up Federal energy research dollars by the millions.

Now, they are not alone in this hypocrisy of complaining about Government involvement in energy while soaking up millions in taxpayers' dollars. At least half a dozen of the big oil companies are playing this game, and others are seeking their places at the trough. But Mobil is so shamelessly blatant and yet so publicly disingenuous that I feel compelled to focus my remarks on that company.

AN OBSERVATION

Parade magazine is a weekly publication distributed in Sunday newspapers throughout the United States. It is one of the largest circulation newsweeklies in the country. The February 15 issue of Parade carried one of the paid ads in Mobil's series entitled "Observations."

In this ad, Mobil hails the development of the experimental catalyst ZSM-5, a chemical agent that is supposed to convert coal into gasoline. The ad goes on to explain that Mobil's entrepreneurial spirit led them to develop this catalyst, which they say will go a long way toward improving America's energy supply situation.

What Mobil failed to tell the public in their ad is that their catalyst was developed with substantial financial help from the taxpayers. They also neglected to mention that through the contracts Mobil has negotiated with the U.S. Government—which has been labeled an obstacle to energy development in other Mobil ads—Mobil will be allowed to keep the full patent rights to the catalyst.

So far, the U.S. Government has spent almost $3 million on three separate contracts designed to help develop the commercial viability of Mobil's catalyst. Mobil's share of the contracts' cost was about $1 million. In addition, the United States and West German Governments are planning to fund a pilot project using the Mobil catalyst in West Germany. The cost to the American taxpayers: an additional $10 million.

Mobil's contribution to this demonstration project, for which they pat themselves on the back in their own advertising, will be to provide the catalyst. Nothing else. Just the catalyst that all those taxpayer dollars helped develop.

The potential financial rewards to Mobil may be enormous, as the company has first rights to any U.S. patents that result from this project. Apparently, though, the profit potential is not so great that Mobil can spare any of its advertising dollars to say thank you to the American public.

Actually, money already is flowing into Mobil's coffers as a result of the Government-financed research they did. In the February 15 advertisement, Mobil mentioned that New Zealand has contracted to use the ZSM-5 catalyst.

The ad left out the fact that the U.S. Government figured heavily in developing the commercial viability of the New Zealand project. Mobil and the U.S. Government shared the cost of a contract that led to the New Zealand deal; taxpayers contributed 70 percent of the costs of that contract. Mobil is receiving almost $400 million from New Zealand for building the new facility there.

Compounding the arrogance of this case of corporate amnesia regarding the U.S. Government's role in the development of the catalyst, the president of Mobil's Research and Development Corp. was quoted in Forbes magazine on July 21, 1980, saying that the plant is being built overseas because—

New Zealand has made a national decision it wants to do this. (The U.S.) still doesn't have a dedicated step-by-step approach.

IS IT A TURKEY?

But wait. That is not the only interesting statement by Mobil executives. Recently, Mr. Allen Murray, president of Mobil's marketing and refining division, spoke before the Washington D.C., Society of Investment Analysts and gave us all a new insight into Mobil's attitudes.

Published accounts indicate that Mr. Murray followed the Mobil company line and advocated the ending of Federal funding for synthetic fuel projects. According to an article in the Washington Post of February 23, this is how the Mobil spokesman explained the role of the Federal Government in the development of new energy technologies:

What's going to happen is if I have a good idea, I'm going to do it myself; if I have a lousy idea, I'm going to get the government to finance it so I don't lose any money.

So, what is Mr. Murray telling us about the coal-to-gasoline project involving Mobil's ZSM-5 catalyst? And what is he telling us about the Government's $25 million participation in a new joint venture with Mobil, announced last December in the second round of the synfuels program awards? $25 million, by the way, is the largest award allowed by law.

Could it be that Mobil has conned the Government into investing in a turkey? Or have they simply decided to grab for all the dollars they can?

AGREEMENT

I am in full agreement with the Mobil spokesman on one point, though. The Government ought not to be providing financial assistance to those who do not need it. And the way I see it, Mobil hardly qualifies as one of the needy.

Last year the major oil companies accounted for an astonishing 40 percent of all of the profits reported by U.S. manufacturers. This is a fact I have not seen yet in any of Mobil's ads. I also have not seen any mention there of the fact that, with profits in excess of $3.25 billion in 1980, they are the second largest oil company in the United States.

Instead of this information, I see Mobil's ads telling the Government to keep its hands off the energy industry. I would find Mobil's arguments more credible if that company, and others in the petroleum industry, would get their hands out of the taxpayer's pockets.

It takes some nerve for an oil company with $3.25 billion in annual profits to put the arm on the American public for an additional $10 million to develop their catalyst and then to mount a public relations campaign criticizing government funding of energy research projects. Perhaps this is the same kind of nerve that is required of those who would take risks on new ventures.

If this is so, I recommend that Mobil take a dose of its own medicine. If the catalyst is as good as their ads claim, and if Government support is as bad as the company claims, then the Mobil Oil Corp. ought to put its own money where its mouth is.

It seems to me that this is a pretty clear case. I believe Mobil ought to either put up or shut up.

TAX RELIEF IS NEEDED FOR SENIOR CITIZENS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, on the first day of the 97th Congress I introduced H.R. 38, which provides an

exemption from income tax of $5,000 of retirement income for either an individual or married couple. It is without question that the aged, as a group, have relatively low incomes. My legislation which provides a basic exemption will help alleviate the hardship so many of our older citizens are having to endure by providing them with some relief from the high cost of living due to inflation and at the same time make the Federal income tax system more equitable.

Complete exemption from taxation is accorded social security and railroad retirement benefits. Most pensions and annuities are, for tax purposes, divided into two parts, the first being recognized as a tax-free return of the cost of the pension or annuity, and the second being considered as taxable income.

The retirement income credit was changed by the Tax Reform Act of 1976 to a tax credit for the elderly, available to taxpapers 65 or over regardless of whether they have retirement income or earned income. The maximum amount for computing the credit was increased to $2,500 for a single taxpayer and to $3,750 for a married couple filing a joint return where both are 65 or over. The Tax Reform Act of 1976 eliminated the earnings cutback feature for taxpayers 65 and over and greatly simplified other rules, thus making the credit easier to compute.

While the earnings cutback feature was eliminated for taxpayers 65 and over, an income phaseout based on adjusted gross income was substituted. This phaseout provides that the credit be reduced $1 for each $2 of adjusted gross income above $7,500 for single taxpayers and $10,000 for married couples filing a joint return. Additionally, the maximum amount must be reduced by tax-exempt retirement income, such as social security. Under my bill, the exemption of retirement income is no subject to any phaseout provision. Retired persons can expect at least a $5,000 tax free retirement income—year after year—without burdensome rules for eligibility and difficult computations.

There is a discriminatory feature in the Tax Reform Act of 1976. This is the application of the tax credit for the elderly to taxpayers under 65 years of age. The tax credit for the elderly is only available to those under 65 receiving a pension under a public retirement system. As in the case for taxpayers 65 or over, the maximum base for computing the credit was increased—to $2,500 for a single taxpayer and $3,750 for a married couple filing a joint return. However, the base is restricted to retirement income and the earnings cutback feature is retained. The adjusted gross income phaseout does not apply to these retirees.

These special provisions for public retirees under age 65 are certainly questionable. First, why should one group of early retirees be singled out for favorable tax treatment? Increasingly, participants in private pension plans are seeking early retirement. There is no reason to expect that their needs in retirement will be any different from those of public retirees. They should be treated the same by our Federal income tax laws. Second, if these public retirees under age 65 do not earn income, they do not have to reduce the base for computing the credit even if their adjusted gross income exceeds the levels applicable to taxpayers age 65 and over. This gives public retirees under age 65 an advantage over taxpayers age 65 and over who do not have earned income. My bill, H.R. 38, eliminates these inequities since it has no age and income level limitations, and it does not restrict its benefits to retirees of any particular retirement system.

In recent years the financial problems confronting older Americans have become more and more acute. Inflation hits those living on fixed incomes the hardest, and many older Americans live on fixed incomes. Increases in the cost of housing, food, medical care and transportation are particularly hard on them. I feel strongly that a basic exemption of $5,000 for these individuals will lift a tremendous burden from that segment of our society which is the least able to carry it.

The census figures for 1978, the most recent year available, show that the median income for a husband and wife family with the husband 65 years of age or older is $10,141. This figure compares with a median income of $17,640 for all families—a difference of $7,499. The least we can do is give some minimal relief to older persons by leaving $5,000 of retirement income exempt from Federal taxes.

This bill is designed to place once again the major emphasis of our Federal income tax system where it belongs—on those with the ability to pay. It is unfair to tax our elderly living on fixed and small incomes. The passage of my bill, H.R. 38, is a step in the right direction, and I urge the support of my colleagues for this vital legislation.●

PLANT PEST EMERGENCY ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PANETTA) is recognized for 5 minutes.

● Mr. PANETTA. Mr. Speaker, today I am introducing legislation, the need for which has become apparent in recent months due to the outbreak of the highly destructive Mediterranean fruit fly in California. The Plant Pest Emergency Act would give the Secretary of Agriculture authority to declare an extraordinary emergency to combat unanticipated outbreaks of plant pests that pose a significant threat to the fresh fruit and vegetable industry.

A measure of the very serious nature of this threat to California's multibillion dollar fresh fruit and vegetable industry is found in the high level of attention paid to it on both the State and Federal level. On Monday, January 5, California undertook a massive fruit tree stripping operation in a 90-block area in the heart of the infestation. By midweek, more than 1,000 State employees were involved in the campaign with 450 California Conservation Corps members encamped at the county fairgrounds and 160 Cal Trans dump truck drivers and spray rig operators headquartered with their equipment at the nearby Cupertino Cal Trans maintenance yard. A quarantine has been imposed on all fresh fruits and vegetables within the affected area and an extensive sterile fruit fly release program is underway to eliminated this threat. These eradication efforts are continuing.

Shortly before the conclusion of the 96th Congress, the House and Senate responded swiftly to the need to construct a sterile fruit fly rearing facility in Hawaii by appropriating $3.8 million for this purpose. This facility, to be constructed under a cooperative agreement with the States, will insure an adequate supply of sterile flys to respond to future emergency eradication efforts. In addition, the long-term eradication efforts in areas where the fruit fly is well established will be greatly enhanced as well.

The serious nature of the immediate problem, however, points to the need to grant the Secretary of Agriculture sufficient authority to respond to unanticipated outbreaks of dangerous plant pests that threaten the fresh fruit and vegetable industry. My bill would allow the Secretary to declare an extraordinary emergency and to immediately borrow from Government sources the funds necessary to combat such infestations. It would also allow the Secretary to compensate growers for the economic losses they may suffer as a result of the Department of Agriculture's quarantine and destruction of fresh fruit and vegetables within infested areas.

The Secretary presently has authority comparable to that which I propose, but it is limited to dealing with outbreaks of dangerous diseases in livestock. I seek, therefor, to extend this authority to cover unanticipated plant pest outbreaks as well.

It is time for the 97th Congress to adopt a forward looking plan for dealing with emergencies of this nature. In mid March, the Mediterranean fruit fly will come out of its dormant stage.

We will then know how effective our eradication efforts have been. We must be prepared, however, to deal with any eventuality. For that reason, it is vitally important that my legislation be enacted.

I invite my colleagues to give their consideration and support to this measure. The text of the bill follows for your convenience:

H.R. 2159

A bill to authorize the Secretary of Agriculture to pay compensation to producers of fruits or vegetables for economic losses resulting from the destruction or quarantine of plants or plant products carried out to control plant pests in emergencies

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of Agriculture (hereinafter in this Act referred to as the "Secretary") may pay compensation to producers of fruits or vegetables grown in the United States for economic losses incurred by such producers as a result of the quarantine, destruction, or other disposal under the authority of the Secretary of crops of such fruits or vegetables to detect, eradicate, suppress, or control, or to prevent or retard the spread of, plant pests which in the opinion of the Secretary constitute an emergency and threaten the fresh fruit and vegetable production industry of the United States. The determination by the Secretary of the amount of any compensation to be paid under this subsection shall be final.

(b) For purposes of subsection (a)—

(1) the term "plant pests" has the meaning given it in section 102(d)(1) of the Department of Agriculture Organic Act of 1944 (7 U.S.C. 147a(d)(1)),

(2) the term "living stage" has the meaning given it in section 102(d)(2) of such Act (7 U.S.C. 147a(d)(2)), and

(3) the term "United States" has the meaning given it in section 102(d)(3) of such Act (7 U.S.C. 147a(d)(3)).

SEC. 2. Notwithstanding section 102(f) of the Department of Agriculture Organic Act of 1944 (7 U.S.C. 147a(f)) and section 5 of the joint resolution entitled "Joint Resolution making funds available for the control of incipient or emergency outbreaks of insect pests or plant diseases, including grasshoppers, Mormon crickets, and chinch bugs", approved April 6, 1937 (7 U.S.C. 148d), funds in the Treasury available for carrying out plant pest control activities shall be used to carry out the first section of this Act.

SEC. 3. This act shall take effect on October 1, 1981.●

□ 1745

RULES OF COMMITTEE ON POST OFFICE AND CIVIL SERVICE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. FORD) is recognized for 5 minutes.

● Mr. FORD of Michigan. Mr. Speaker, pursuant to rule XI, clause 2(a) of the Rules of the House of Representatives, I submit for printing in the CONGRESSIONAL RECORD the rules of the Committee on Post Office and Civil Service for the 97th Congress:

RULES OF THE COMMITTEE ON POST OFFICE AND CIVIL SERVICE

RULE 1. RULES OF THE HOUSE

The Rules of the House are the rules of the committee and the subcommittees so far as applicable, except that a motion to recess from day to day is a motion of high privilege.

RULE 2. CHAIRMAN

(a) The chairman of the committee or of a subcommittee, as appropriate, shall preside at meetings or hearings or, in his absence, the next ranking majority member present shall preside.

(b) In the temporary absence of the chairman of the committee or of a subcommittee, as appropriate, the next ranking majority member of the committee or subcommittee, as appropriate, and so on, as often as the case shall happen, shall act as chairman.

RULE 3. COMMITTEE MEETINGS

(a) A regular meeting of the committee shall be held on the second and fourth Wednesday of each month. The usual time of a regular meeting shall be 9:45 a.m. A regular meeting may be canceled by the chairman of the committee after consultation with the ranking majority member and the ranking minority member.

(b) Additional meetings of the committee may be called by the chairman as he considers necessary.

(c) A special meeting of the committee shall be held in accordance with the provisions of House Rule XI, Clause 2(c)(2).

(d) Regular, additional, and special meetings of the committee for the transaction of business shall be open to the public, except when the committee, in open session and with a majority present, determines by rollcall vote that all or part of the remainder of the meeting on that day shall be closed to the public in accordance with House Rule XI, Clause 2(g)(1).

RULE 4. RECORD OF ACTION

(a) A complete record of all committee or subcommittee action shall be kept which shall include a record of the votes on any question on which a record vote is demanded.

(b) There shall be made available for inspection by the public, at reasonable times in the offices of the committee, a record of the votes on any question on which a record vote is demanded, a description of the amendment, motion, order or other proposition on which a record vote is demanded, and the name of each member voting for and each member voting against such amendment, motion, order, or proposition, and whether by proxy or in person, and the names of those members present but not voting.

(c) A committee or subcommittee report on a bill or resolution of a public character ordered reported by a record vote shall include the number of votes cast for, and the number of votes cast against, the motion to report.

RULE 5. COMMITTEE QUORUM

(a) Except as provided under paragraphs (b) and (c) of this rule, or under House Rule XI, Clause 2(g)(2), one-third of the total membership of the committee shall constitute a quorum for the purpose of transacting committee business.

(b) A majority of the total membership of the committee shall constitute a quorum for the purpose of—

(1) reporting a measure or recommendation in accordance with rule 13(a);

(2) voting to close a meeting under rule 3(d);

(3) authorizing the issuance of a subpena under rule 12(c); and

(4) recalling a bill, resolution, or other matter under rule 9(c).

(c) Not less than two members of the committee shall constitute a quorum for the purpose of taking testimony and receiving evidence.

(d) The presence of a quorum shall be determined and announced by the chairman before the committee shall proceed to the transaction of business and shall be recorded in the records of committee action.

RULE 6. ROLLCALL VOTE

A rollcall vote on any question may be demanded by any member of the committee or of a subcommittee, as appropriate.

RULE 7. PROXIES

A member may vote on any matter before the committee or a subcommittee by proxy. A proxy shall (1) be in writing, signed by the member authorizing the proxy, and show the date and time of day that the proxy is signed; (2) assert that the member is absent on official business or is otherwise unable to be present at the meeting; (3) designate the member who is to execute the proxy authorization; and (4) be limited to a specific measure or matter and any amendments or motions pertaining thereto. A member may authorize a general proxy for motions to recess, adjourn, or other procedural matters. A proxy may not be used unless a quorum is present, cannot be used to make a quorum, and shall be presented to the chairman at the time the proxy is voted.

RULE 8. ADDRESSING COMMITTEE OR SUBCOMMITTEES

(a) Recognition by the chairman shall first be obtained by any member addressing the committee or subcommittee, as appropriate, proposing a motion, or interrogating a witness.

(b) The 5-minute rule shall apply in the markup of a bill. The 5-minute rule shall apply in the interrogation of witnesses until such time as each member who so desires has had an opportunity to question the witness.

(c) the regular order shall be observed in all proceedings, and all questions and statements in the interrogation of witnesses shall be germane to the legislation or other matters then being considered.

RULE 9. REFERENCE OF LEGISLATION

(a) Each bill, resolution, or other matter referred to the committee, subject to the provisions of this rule, shall be re-referred to the subcommittee, having jurisdiction over its principal subject within two weeks from the date of referral to the committee unless the chairman of the committee orders that it be held for the committee's direct consideration. If the chairman so orders, he shall inform the members of the committee of his decision and it shall not become final until 1 week after he has so informed them and then only if a majority of the members of the committee have not, in the meantime, advised him in writing of their disagreement therewith.

(b) A bill, resolution, or other matter referred by the chairman of the committee to a subcommittee may be recalled by him for the committee's direct consideration or for referral to another subcommittee. If recalled, the chairman shall inform the members of the committee of his decision and it shall not become final until 1 week after he has so informed them and then only if a majority of the members of the committee have not, in the meantime, advised him in

writing of their disagreement with his decision.

(c) A bill, resolution, or other matter referred to a subcommittee may be recalled by a majority vote of the committee, a majority being present, for its direct consideration or for reference to another subcommittee.

(d) A bill, resolution, or other matter referred to the committee may be referred simultaneously by the chairman of the committee to two or more subcommittees for concurrent consideration, for consideration in sequence, or for consideration of particular parts, or the matter may be referred by the chairman to a special ad hoc subcommittee or task force established under rule 21.

RULE 10. STATEMENTS; DEPOSITIONS

Statements, depositions, letters, and such other pertinent matter in appropriate form as may be timely submitted may be accepted for inclusion in printed hearings, records, or documents, or in the permanent files of the committee, by the chairman of the committee or subcommittee, as appropriate, without objection or upon motion duly adopted.

RULE 11. HEARINGS; WITNESSES

(a) Public announcement of the date, place, and subject matter of each hearing to be conducted by the committee, or by a subcommittee, shall be made at least 1 week before the commencement of a hearing, unless the chairman of the committee or subcommittee, as appropriate, determines that there is good cause to begin a hearing at an earlier date in which event such public announcement shall be made at the earliest possible date.

(b) Hearings shall be open to the public except when the committee, or subcommittee, as appropriate, votes to close a hearing in accordance with House Rule XI, Clause 2(g)(2).

(c) Except as otherwise provided in these rules, the scheduling of witnesses and the time allowed for the presentation of testimony and interrogation shall be at the sole discretion of the chairman, unless otherwise ordered by a majority vote of the committee or subcommittee, as appropriate, a quorum being present.

(d) When any hearing is conducted upon any measure or matter, the minority party members of the committee, or subcommittee, as appropriate, upon request to the chairman by a majority of the minority party members before completion of the hearings, shall be entitled to call witnesses to testify on at least 1 day of such hearings.

(e) Each witness who is to appear before the committee, or subcommittee, as appropriate, and who has had appropriate and timely notice of such appearance shall file with the committee, or subcommittee, as appropriate, at least 48 hours in advance of his appearance, at least 35 copies of the statement of his proposed testimony and limit his oral presentation at his appearance to a brief summary of his argument. The requirement of this rule may be waived, in whole or in part, by the chairman, without objection, or pursuant to a motion duly adopted.

(f) A witness may obtain a transcript of his testimony given at a public session or, if given at an executive session, when authorized by the committee or subcommittee, as appropriate.

RULE 12. POWER TO SIT AND ACT; SUBPENA POWER; OATHS

(a) The committee and each subcommittee is authorized—

(1) to sit and act at such times and places, whether the House is in session, has recessed, or has adjourned, and to hold hearings; and

(2) subject to paragraph (c), to require by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents as it deems necessary.

(b) The chairman of the committee or of a subcommittee, as appropriate, or any member designated by the chairman, may administer oaths to witnesses.

(c) A subpena may be authorized and issued by the committee or by a subcommittee in the conduct of its functions and duties under House Rules X and XI or under the committee rules when authorized by a majority vote of the committee or subcommittee, as appropriate, a majority being present, or when authorized by the chairman of the committee.

(d) Authorized subpenas shall be signed by the chairman of the committee or, in his absence, by a member designated by the chairman.

RULE 13. FILING REPORTS; SUPPLEMENTAL, MINORITY, OR ADDITIONAL VIEWS

(a) No measure or recommendation, including any report or submission required to be made to the House or to the Committee on the Budget by the committee under paragraphs (g), (h), and (i) of Clause 4 of Rule X of the Rules of the House, shall be reported unless a majority of the committee or subcommittee, as appropriate, was actually present.

(b) It shall be the duty of the chairman of the committee to report or cause to be reported promptly to the House any measure approved by the committee and to take or cause to be taken necessary steps to bring the matter to a vote.

(c) It shall be the duty of the chairman of a subcommittee to promptly request consideration in the committee of any measure approved by the subcommittee, and it shall be the duty of the chairman of the committee to schedule such measure for consideration by the committee as promptly as possible.

(d) In the event the report of the committee on a measure which has been approved by the committee has not been filed as prescribed by paragraph (b) of this rule, such report shall be filed within 7 calendar days (exclusive of days on which the House is not in session) after the day on which there has been filed with the general counsel of the committee a written request, signed by a majority of the members of the committee, for reporting of that measure.

(e) If, at the time of approval of any measure or matter by the committee, any member of the committee gives notice of intention to file supplemental, minority, or additional views, that member shall be entitled to not less than 3 calendar days (excluding Saturdays, Sundays, and legal holidays) in which to file such views with the general counsel of the committee. Such views shall be in writing and signed by the member.

(f) All committee, subcommittee, or staff reports printed pursuant to legislative or oversight investigations and not approved by a majority of the members of the committee or subcommittee, as appropriate, shall contain the following disclaimer on the cover of such report: (This report has not been officially approved by the (subcommittee/committee) and, therefore, may not necessarily reflect the views of all of its members.)

RULE 14. LEGISLATIVE OVERSIGHT

The committee, together with its subcommittees, shall review and study, on a continuing basis, the application, administration, and execution of those laws, or parts of laws, the subject matter of which is within the jurisdiction of the committee.

RULE 15. INVESTIGATIVE STAFF

Except as provided in Rule XI, clause 5(d) of the Rules of the House of Representatives, the investigative staff of the Committee on Post Office and Civil Service shall be appointed as follows:

(1) The subcommittee staff shall be appointed, and may be removed, and their remuneration determined by the subcommittee chairman within the budget approved for the subcommittee by the committee;

(2) The staff assigned to the minority shall be appointed and their remuneration determined in such manner as the minority party members of the committee shall determine within the budget approved for such purposes by the committee; and

(3) The staff of the committee not assigned to a standing subcommittee or to the minority under the above provisions shall be appointed, and may be removed, and their remuneration determined by the chairman within the budget approved for such purposes by the committee.

RULE 16. SPECIAL FUNDS, BUDGET, EXPENSES, AND ACCOUNTS

(a) The chairman of each standing subcommittee shall propose and present to the chairman of the committee, for each session of the Congress, a subcommittee budget of the estimated amount of special funds necessary to carry out the anticipated activities and programs of the subcommittee for that particular session of the Congress.

(b) The chairman of the committee shall review each proposed subcommittee budget and, after consultation with the ranking minority member, shall propose and present to the committee, for each session of the Congress, a committee budget of the estimated total amount of special funds to be requested under a primary expense resolution required under House Rule XI, Clause 5, for use by the committee, both the majority and the minority, for such session of the Congress for all anticipated activities and programs of the committee and of the standing subcommittees.

(c) The staff director shall establish and maintain records and accounts, consistent with sound accounting practices, of committee and subcommittee special funds and of expenses incurred and paid as obligations of such funds. He shall prepare and submit to each member of the committee, not later than 10 days after the end of each quarter of the calendar year, an itemized report of the amounts of such funds expended and on hand at the end of the quarter. Such quarterly reports shall be made a part of the permanent official records of the committee.

(d) Vouchers for payment of obligations of special funds shall be prepared by the staff director for signature by the chairman of the committee, except as otherwise authorized by the House, and shall be supported by receipts or other documentation consistent with the requirements of the Committee on House Administration. Signed vouchers shall be returned to the staff director for entry in the committee accounts and final processing.

RULE 17. BROADCASTING HEARINGS

A hearing conducted by the committee, upon approval by a majority vote of the committee, a quorum being present, or a hearing conducted by a subcommittee, upon approval by a majority vote of the subcommittee, a quorum being present, may be covered in whole, or in part, by television broadcast, radio broadcast, and still photography, in accordance with House Rule XI, Clause 3, subject to the following:

(1) live coverage is to be broadcast without commercial sponsorship;

(2) no subpenaed witness may be photographed, televised, or broadcast against his will;

(3) television coverage shall be limited to four fixed cameras not obstructing committee or subcommittee proceedings or other media;

(4) equipment must be installed prior to the hearing;

(5) lighting shall be at the lowest adequate level;

(6) no more than five still photographers may cover any hearing;

(7) still photographers shall not come between the witnesses and committee members or obstruct the other media during the hearing; and

(8) broadcast and photography personnel shall be orderly and unobtrusive and shall be currently accredited to the Radio, Television Correspondents', or the Press Photographers' Galleries, as appropriate.

RULE 18. AVAILABILITY OF SUBCOMMITTEE REPORTS

A summary and explanation of each measure or matter reported by a subcommittee shall be furnished to each member of the committee in advance of the committee meeting at which such measure or matter is to be considered.

RULE 19. TRAVEL

(a) All members of the committee shall have adequate notice prior to the date or dates fixed for investigations or hearings at locations other than Washington, D.C.

(b) Travel of members and staff of the committee or of a subcommittee to hearings, meetings, conferences, and investigations must be authorized by the chairman of the committee prior to any public notice thereof or the actual travel. Before such authorization is given, there shall be submitted to the chairman of the committee a statement in writing which includes the following:

(1) the purpose of the travel;

(2) the dates during which the travel is to be made and the date or dates of the event for which the travel is being made;

(3) the location of the event for which the travel is to be made; and

(4) the names of members and staff seeking authorization.

(c) A report on the travel (except travel in connection with hearings) of each member or staff member shall be submitted to the chairman of the committee as soon as possible after the trip is completed.

(d) Not later than 60 days after the completion of foreign travel, each member or staff member shall submit to the chairman of the committee an itemized report showing the dates each country was visited, the amount of per diem furnished, the cost of transportation furnished, and funds expended for any other official purpose, and shall summarize in these categories the total foreign currencies and/or appropriated funds expended. Such reports shall be made available for inspection by the public, as required by House Rule XI, Clause 2(n).

(e) To facilitate the oversight and other legislative and investigative activities of the committee, the chairman of the committee may, at the request of a subcommittee chairman, make a temporary assignment of any member of the committee to such subcommittee for the purpose of enabling such member to participate in any public hearing, investigation, or study by such subcommittee to be held outside of Washington, D.C.

RULE 20. CLASSIFIED MATERIAL

(a) All classified material received by the committee or by a subcommittee shall be deemed to have been received in executive session and shall be given appropriate safekeeping.

(b) The chairman of the committee shall establish such procedures as in his judgment may be necessary to prevent the unauthorized disclosure of any such classified material. Such procedures shall, however, insure access to this information at the committee offices by any member of the committee or any other Member of the House of Representatives who has requested the opportunity to review such material.

RULE 21. STANDING AND SPECIAL SUBCOMMITTEES

There shall be seven standing subcommittees of the committee. The Subcommittee on Investigations shall have investigative jurisdiction over all matters within the jurisdiction of the committee, and the other six subcommittees shall have legislative and investigative jurisdiction as provided under paragraphs (2) through (7) of rule 22. In addition to the standing subcommittees, the chairman of the committee may establish such special ad hoc subcommittees and task forces and assign to them such jurisdiction as the chairman deems necessary.

RULE 22. JURISDICTION OF SUBCOMMITTEES

The titles and jurisdiction of the standing subcommittees shall be as follows:

(1) SUBCOMMITTEE ON INVESTIGATIONS. The investigation, review, and study, on a continuing basis, of the application, administration, and execution of those laws, or parts of laws, the subject matter of which is within the jurisdiction of the committee.

(2) SUBCOMMITTEE ON COMPENSATION AND EMPLOYEE BENEFITS. Compensation, including pay rates and pay systems; the merit pay system; dual compensation; classification of positions; leave; allowances; retirement; insurance; health benefits; and other benefits of Federal officers and employees.

(3) SUBCOMMITTEE ON HUMAN RESOURCES. Federal civilian personnel requirements and ceilings, including the establishment of supergrade and executive level positions; effect of Government reorganizations on Federal personnel; employee utilization; reductions in force; contracting out; rights of privacy; code of ethics, including financial disclosure and conflicts of interest; alternative work schedules; White House personnel authorization; and intergovernmental personnel programs.

(4) SUBCOMMITTEE ON THE CIVIL SERVICE. Federal civil service matters, generally, except those matters specifically within the jurisdiction of other subcommittees; Federal labor management relations (excluding the Postal Service); the Senior Executive Service; productivity of Federal employees; and employee political activities.

(5) SUBCOMMITTEE ON POSTAL OPERATIONS AND SERVICES. The United States Postal Service and the Postal Rate Commission, generally, including operation and administration thereof; postal finances and expenditures (except those relating to matters within the jurisdiction of the Subcommittee on Postal Personnel and Modernization); public service aspects, requirements, and reimbursements; and the United States mails (except those matters specifically within the jurisdiction of the Subcommittee on Postal Personnel and Modernization).

(6) SUBCOMMITTEE ON POSTAL PERSONNEL AND MODERNIZATION. Postal officers and employees, generally, including their status and appointment; postal management and other personnel requirements and practices; employee utilization; postal labor management relations; postal facilities and mechanization, including modernization and research and development; mailability of matter; mail transportation; and military mail.

(7) SUBCOMMITTEE ON CENSUS AND POPULATION. The Bureau of the Census, generally; population and demography; statistics collection; reporting and data processing activities of the Government, generally; and holidays and celebrations.

RULE 23. MEMBERSHIP OF SUBCOMMITTEES

(a) The Subcommittee on Civil Service and the Subcommittee on Postal Operations and Services shall each have ten members, divided between the majority and minority members in the ratio of six to four. The Subcommittee on Census and Population shall have eight members, divided between the majority and minority members in the ratio of five to three.

(b) Except as provided in paragraph (a), each subcommittee shall have five members, divided between the majority and minority members in the ratio of three to two.

(c) The chairman and ranking minority member of the committee shall be ex officio voting members of each legislative subcommittee on which they do not serve.

(d) Each member of the committee may sit with any subcommittee during its hearings or deliberations, but no member who is not a member of a subcommittee shall vote on any matter before that subcommittee.

RULE 24. POWERS AND DUTIES OF SUBCOMMITTEES

Each subcommittee is authorized to meet, hold hearings, conduct investigations, receive evidence, and report to the committee on all matters referred to it. Subcommittee chairmen shall set meeting and hearing dates after consultation with the chairman of the committee and other subcommittee chairmen with a view toward avoiding simultaneous scheduling of committee and subcommittee meetings or hearings whenever possible. A subcommittee may exercise none of the powers or authorities hereinbefore provided with respect to any investigation or other activity which is not within the jurisdiction of the subcommittee or which requires the expenditure of funds in excess of the subcommittee's budget as approved by the committee, except upon authorization by a majority vote of the committee, a quorum being present.

RULE 25. REQUIRED MEETING

Each standing subcommittee, as referred to in rule 22, shall meet for the transaction of subcommittee business from time to time while Congress is in session, at a time and on a day determined by the subcommittee with due regard to the time and dates of the regular meetings of the committee and other subcommittees. All meetings of each subcommittee shall be open to the public except when the subcommittee, in open session and with a majority present, deter-

mines by rollcall vote that all or part of the reminder of the meeting on that day shall be closed to the public in accordance with House Rule XI, Clause 2(g)(1).

RULE 26. SUBCOMMITTEE QUORUM

(a) Except as provided under paragraphs (b) and (c) of this rule, or under House Rule XI, Clause 2(g)(2), one-third of the total membership of a subcommittee shall constitute a quorum for the purpose of transacting subcommittee business.

(b) A majority of the total membership of a subcommittee shall constitute a quorum for the purpose of—

(1) reporting a measure or recommendation to the committee;

(2) voting to close a meeting under rule 25; and

(3) authorizing the issuance of a subpena under rule 12(c).

(c) Not less than two members of a subcommittee shall constitute a quorum for the purpose of taking testimony and receiving evidence.

RULE 27. AMENDMENTS

Any amendment offered to any pending legislation before the committee must be made available in written form when requested by any member of the committee. If such amendment is not available in written form when requested, the chairman shall allow an appropriate period of time for the provision thereof.

RULE 28. OTHER ACTIONS; STAFF SUPERVISION

The chairman of the committee may establish such other procedures and take such actions as may be necessary to carry out the foregoing rules or to facilitate the effective operation of the committee, including the general supervision of the statutory and investigative staffs of the committee.

LEGISLATION TO ESTABLISH OFFICE OF INSPECTOR GENERAL IN VARIOUS AGENCIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. BROOKS) is recognized for 5 minutes.

● Mr. BROOKS. Mr. Speaker, I am today introducing a bill to establish Offices of Inspector General in the Departments of Defense, Justice, and Treasury and the Agency for International Development.

The House overwhelmingly, and with bipartisan support, approved similar legislation late in the session last year but, unfortunately, the Senate was not able to complete action on it before Congress adjourned. I hope both bodies will act speedily this year so we can get this important legislation enacted.

This bill completes the action begun in 1976 when we established an Office of Inspector General in the Department of Health, Education, and Welfare. Through other bills, particularly the Inspector General Act of 1978, we extended the concept of a separate, independent Office of Inspector General that is responsible for internal auditing and investigating to most other departments and major agencies. For various reasons the Departments of Defense, Justice, and Treasury, and AID were left out of that earlier legislation. Now they will be included under the bill I am introducing today, which is cosponsored by the ranking member of the Government Operations Committee, the Honorable L. H. FOUNTAIN, the ranking minority member, the Honorable FRANK HORTON, and by all members of the Legislation and National Security Subcommittee.

Mr. Speaker, the Offices of Inspector General, in the brief time they have been established in other departments, have proven to be of great value in uncovering waste and fraud and in helping agencies operate more efficiently. The concept is sound. It works, and it should be made governmentwide. This bill will do it and it should be acted on promptly.●

POTATO RESEARCH AND PROMOTION AMENDMENTS OF 1981

(Mr. PANETTA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. PANETTA. Mr. Speaker, today I am introducing, on behalf of the National Potato Council, amendments to the Potato Research and Promotion Act. This law was enacted in 1971 and approved by U.S. potato producers soon thereafter. It established the National Potato Promotion Board and vested it with authority to assess potato producers up to 1 cent per hundredweight to fund advertising and marketing programs, export promotion, and research and development assistance.

The assessment rate, however, has remained constant since 1971 while the Consumer Price Index has risen over 100 percent. To continue to provide vital marketing and research assistance it is necessary to change the assessment rate in a manner that will increase from $2.5 million to $5 million the amount available for these purposes. My legislation would achieve this result by assessing potato producers no more than one-half of 1 percent of the immediate past 10-year average price received by growers as reported by the U.S. Department of Agriculture. This change will allow for modest increases in each successive year as well to keep pace with inflation.

It is important to recognize the tremendous support for this program among potato growers. Participation is strictly voluntary, yet over 97 percent of growers participate. There is also strong producer support for this change in the assessment rate, as evidenced by the resolution of support enacted at the last annual meeting of the National Potato Council. In addition, the measure, once enacted, would be subject to approval in referendum by the producers.

The Potato Promotion Board has made many significant contributions to the industry during the past 10 years. These contributions include an industrywide merchandizing program which has increased U.S. potato consumption, consumer education, export promotion, the production of award-winning advertising, and significant achievements in nutrition data and guidelines development.

I urge my colleagues to join me in supporting this measure. The text of my bill is reproduced here for your convenience.

H.R. 2160

A bill to amend the Potato Research and Promotion Act

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Potato Research and Promotion Amendments of 1981".

REQUIRED TERMS IN PLANS

SEC. 308(e) of the Potato Research and Promotion Act (7 U.S.C. 2671) is amended by striking out all existing language and substituting the following: Providing that the board shall recommend to the Secretary and the Secretary shall fix the assessment rate required for such costs as may be incurred pursuant to subsection (d) of this section: *Provided*, That the rate of assessment for fiscal year 1982 and each year thereafter shall not exceed one-half of 1 percent of the immediate past ten year United States average price received by growers as reported by the United States Department of Agriculture.

REQUIREMENT OF REFERENDUM

SEC. 314 (7 U.S.C. 2623) of the Potato Research and Promotion Act is amended by the addition of the following statement: The failure of potato producers to approve an amendment to any Potato Research and Promotion plan shall not be deemed to invalidate the plan existing at the time amendments are being voted upon.●

RULES OF THE PERMANENT SELECT COMMITTEE ON INTELLIGENCE FOR THE 97TH CONGRESS

(Mr. BOLAND asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BOLAND. Mr. Speaker, pursuant to clause 2(a) of rule XI of the Rules of the House of Representatives, I submit for printing in the RECORD the rules of the Permanent Select Committee on Intelligence for the 97th Congress. These rules were adopted by the committee on February 18, 1981:

RULES OF PROCEDURE FOR THE HOUSE PERMANENT SELECT COMMITTEE ON INTELLIGENCE

1. CONVENING OF MEETINGS

The regular meeting day of the Permanent Select Committee on Intelligence for the transaction of committee business shall be on the first Wednesday of each month, unless otherwise directed by the chairman.

In the case of any meeting of the committee, other than a regularly scheduled meeting, the clerk of the committee shall notify every member of the committee of the time and place of the meeting and shall give reasonable notice which, except in extraordinary circumstances, shall be at least 24 hours in advance of any meeting held in Washington, D.C., and at least 48 hours in the case of any meeting held outside Washington, D.C.

2. PREPARATIONS FOR COMMITTEE MEETINGS

Under the direction of the chairman, designated committee staff members shall brief members of the committee at a time sufficiently prior to any committee or subcommittee meeting to assist the committee members in preparation for such meeting and to determine any matter which the committee members might wish considered during the meeting. Such briefing shall, at the request of a member, include a list of all pertinent papers and other materials that have been obtained by the committee that bear on matters to be considered at the meeting.

The staff director shall recommend to the chairman the testimony, papers, and other materials to be presented to the committee or subcommittee at any meeting. The determination whether such testimony, papers, and other materials shall be presented in open or executive session shall be made pursuant to the Rules of the House and Rules of the Committee.

3. MEETING PROCEDURES

Meetings of the committee and its subcommittees shall be open to the public except that a portion or portions of any such meeting may be closed to the public if the committee or subcommittee, as the case may be, determines by record vote in open session and with a majority present that the matters to be discussed or the testimony to be taken at such portion or portions:

1. Will disclose matters necessary to be kept secret in the interests of national defense or the confidential conduct of the foreign relations of the United States;

2. Will relate solely to matters of committee staff personnel or internal staff management or procedure;

3. Will tend to charge an individual with crime or misconduct, to disgrace or injure the professional standing of an individual, or otherwise to expose an individual to public contempt or obloquy, or will represent a clearly unwarranted invasion of the privacy of an individual except that, at a hearing which may tend to defame, degrade or incriminate any person, the hearing may be closed to the public consistent with clause 2(g)(2) and clause 2(k)(5) of Rule XI of the Rules of the House;

4. Will disclose the identity of any informer or law enforcement agent or will disclose any information relating to the investigation or prosecution of a criminal offense that is required to be kept secret in the interests of effective law enforcement; or

5. Will disclose information relating to the trade secrets or financial or commercial information pertaining specifically to a given person if—

(A) an act of Congress requires the information to be kept confidential by Government officers and employees; or

(B) the information has been obtained by the Government on a confidential basis, other than through an application by such person for a specific Government financial or other benefit, and is required to be kept secret in order to prevent undue injury to the competitive position of such person.

6. Will violate any other law of the United States or any rule of the House of Representatives.

Except for purposes of taking testimony or receiving evidence, for which purposes a quorum shall consist of two committee members, a quorum for the transaction of any other committee business shall consist of eight committee members. Decisions of the committee shall be by majority vote of the members present and voting.

Whenever the committee by rollcall vote reports any measure or matter, the report of the committee upon such measure or matter shall include a tabulation of the votes cast in favor of and the votes cast in opposition to such measure or matter by each member of the committee.

4. PROCEDURES RELATED TO THE TAKING OF TESTIMONY

Notice.—Witnesses required to appear before the committee shall be given reasonable notice and all witnesses shall be furnished a copy of these rules.

Oath or Affirmation.—Testimony of witnesses shall be given under oath or affirmation which may be administered by any member of the committee, except that the chairman of the committee or of any subcommittee shall not require an oath or affirmation where he or she determines that it would not be appropriate under the circumstances.

Interrogation.—Committee or subcommittee interrogation shall be conducted by members of the committee and such committee staff as are authorized by the chairman or the presiding member.

Counsel for the Witness.—(A) Any witness may be accompanied by counsel. A witness who is unable to obtain counsel may inform the committee of such fact. If the witness informs the committee of this fact at least 24 hours prior to his or her appearance before the committee, the committee shall then endeavor to obtain voluntary counsel for the witness. Failure to obtain such counsel will not excuse the witness from appearing and testifying.

(B) Counsel shall conduct themselves in an ethical and professional manner. Failure to do so shall, upon a finding to that effect by a majority of the members of the committee, a majority being present, subject such counsel to disciplinary action which may include censure, removal, or a recommendation of contempt proceedings, except that the chariman of the committee or of a subcommittee may temporarily remove counsel during proceedings before the committee or subcommittee unless a majority of the members of the committee or subcommittee, a majority being present, vote to reverse the ruling of the chair.

(C) There shall be no direct or cross-examination by counsel. However, counsel may submit in writing any question he or she wishes propounded to his or her client or to any other witness and may, at the conclusion of his or her client's testimony, suggest the presentation of other evidence or the calling of other witnesses. The committee or subcommittee may use such questions and dispose of such suggestions as it deems appropriate.

Statements by Witnesses.—A witness may make a statement, which shall be brief and relevant, at the beginning and conclusion of his or her testimony. Such statements shall not exceed a reasonable period of time as determined by the chairman, or other presiding member. Any witness desiring to make a prepared or written statement for the record of the proceedings shall file a copy with the clerk of the committee, and insofar as practicable and consistent with the notice given, shall do so at least 72 hours in advance of his or her appearance before the committee.

Objections and Ruling.—Any objection raised by a witness or counsel shall be ruled upon by the chairman or other presiding member, and such ruling shall be the ruling of the committee unless a majority of the committee present overrules the ruling of the chair. A transcript shall be made of the testimony of each witness appearing before the committee or any subcommittee during a committee or subcommittee hearing or briefing.

Inspection and Correction.—All witnesses testifying before the committee or any subcommittee shall be given a reasonable opportunity to inspect the transcript of their testimony to determine whether such testimony was correctly transcribed. The witness may be accompanied by counsel. Any corrections the witness desires to make in the transcript shall be submitted in writing to the committee within 5 days from the date when the transcript was made available to the witness. Corrections shall be limited to grammar and minor editing, and may not be made to change the substance of the testimony. Any questions arising with respect to such corrections shall be decided by the chairman. Upon request, those parts of testimony given by a witness in executive session which are subsequently quoted or made part of a public record shall be made available to that witness at his or her expense.

Requests to Testify.—The committee or any subcommittee will consider requests to testify on any matter or measure pending before the committee or subcommittee. A person who believes that testimony or other evidence presented at a public hearing, or any comment made by a committee member or a member of the committee staff may tend to affect adversely his or her reputation, may request to appear personally before the committee to testify on his or her own behalf, or may file a sworn statement of facts relevant to the testimony, evidence, or comment, or may submit to the chairman proposed questions in writing for the cross-examination of other witnesses. The committee shall take such action as it deems appropriate.

Contempt Procedures.—No recommendation that a person be cited for contempt of Congress shall be forwarded to the House unless and until the committee has, upon notice to all its members, met and considered the alleged contempt, afforded the person an opportunity to state in writing or in person why he or she should not be held in contempt, and agreed, by majority vote of the committee to forward such recommendation to the House.

Release of Name of Witness.—At the request of any witness, the name of that witness scheduled to be heard by the committee shall not be released prior to, or after, his or her appearance before the committee, unless otherwise authorized by the chairman.

Closed hearings.—A vote to close a committee or subcommittee hearing may not be taken by less than a majority of the committee or the subcommittee pursuant to clause 4 of House Rule XLVIII unless at least one member of the minority is present to vote upon a motion to close the hearing.

5. SUBCOMMITTEES

Creation of subcommittees shall be by majority vote of the committee. Subcommit-

tees shall deal with such legislation and oversight of programs and policies as the committee may direct. The subcommittees shall be governed by the rules of the committee.

Except for purposes of taking testimony or receiving evidence, for which purposes a quorum shall consist of two subcommittee members, a quorum for the transaction of any other subcommittee business shall consist of four subcommittee members.

There are hereby established the following subcommittees:

(1) Program and Budget Authorization.
(2) Legislation.
(3) Oversight and Evaluation.

6. INVESTIGATIONS

No investigation shall be conducted by the committee unless approved by the full committee, a majority being present; provided, however, that an investigation may be initiated—

(1) at the direction of the chairman of the full committee, with notice to the ranking minority member of the full committee, or

(2) at the written request to the chairman of the full committee of at least five members of the committee,

except that any investigation initiated under (1) or (2) must be brought to the attention of the full committee for approval at the next regular meeting of the full committee following initiation of the investigation. Authorized investigations may be conducted by members of the committee and/or by designated committee staff members.

7. SUBPENAS

Subpenas authorized by the committee for the attendance of witnesses or the production of memoranda, documents, records or any other material may be issued by the chairman, or any member of the committee designated by the chairman, and may be served by any person designated by the chairman or member issuing the subpenas. Each subpena shall have attached thereto a copy of these rules.

8. STAFF

For the purpose of these rules, committee staff means employees of the committee, consultants to the committee, employees of other Government agencies detailed to the committee, or any other person engaged by contract or otherwise to perform services for or at the request of the committee.

The appointment of committee staff shall be by a majority vote of the committee. After confirmation, the chairman shall certify committee staff appointments to the Clerk of the House in writing.

The committee staff works for the committee as a whole, under the supervision of the chairman of the committee. Except as otherwise provided by the committee, the duties of committee staff shall be performed and committee staff personnel affairs and day-to-day operations, including security and control of classified documents and material, shall be administered under the direct supervision and control of the staff director.

The committee staff shall assist the minority as fully as the majority in all matters of committee business and in the preparation and filing of additional, separate and minority views, to the end that all points of view may be fully considered by the committee and the House.

The members of the committee staff shall not discuss either the classified substance or procedure of the work of the committee with any person not a member of the committee or the committee staff for any purpose or in connection with any proceeding, judicial or otherwise, either during his or her tenure as a member of the committee staff or at any time thereafter except as directed by the committee in accordance with clause 7 of House Rule XLVIII and the provisions of these rules, or, in the event of the termination of the committee, in such a manner as may be determined by the House.

No member of the committee staff shall be employed by the committee unless and until such a member of the committee staff agrees in writing, as a condition of employment, not to divulge any classified information which comes into his or her possession while he or she is a member of the committee staff or any classified information which comes into his or her possesson by virtue of his or her position as a member of the committee staff to any person not a member of the committee or the committee staff, either during his or her tenure as a member of the committee staff or at any time thereafter except as directed by the committee in accordance with clause 7 of House Rule XLVIII and the provisions of these rules, or in the event of the termination of the committee, in such manner as may be determined by the House.

No member of the committee staff shall be employed by the committee unless and until such a member of the committee staff agrees in writing, as a condition of employment to notify the committee, or, in the event of the committee's termination, the House, of any request for his or her testimony, either during his or her tenure as a member of the committee staff or at any time thereafter with respect to classified information which came into his or her possession by virtue of his or her position as a member of the committee staff. Such classified information shall not be disclosed in response to such requests except as directed by the committee in accordance with clause 7 of House Rule XLVIII and the provisions of these rules, or in the event of the termination of the committee, in such manner as may be determined by the House.

The committee shall immediately consider disciplinary action to be taken in case any member of the committee staff fails to conform to any of these rules. Such disciplinary action may include, but shall not be limited to, immediate dismissal from the committee staff.

9. RECEIPT OF CLASSIFIED MATERIAL

In the case of any information classified under established security procedures and submitted to the committee by the executive or legislative branch, the committee's acceptance of such information shall constitute a decision by the committee that it shall not be disclosed unless the committee, by rollcall vote, determines that it wishes to disclose publicly a part or all of such information under the procedures set forth in clause 7 of House Rule XLVIII. For purposes of receiving information from either the executive or legislative branch, the staff director of the committee, or the chief counsel in his or her absence, may accept information on behalf of the committee.

10. PROCEDURES FOR HANDLING CLASSIFIED OR SENSITIVE MATERIAL

Committee staff offices shall operate under strict security precautions. At least one security guard shall be on duty at all times by the entrance to control entry. Before entering the office all persons shall identify themselves.

Sensitive or classified documents and material shall be segregated in a secure storage area. They may be examined only at secure reading facilities. Copying, duplicating, or removal from the committee offices of such documents and other materials are prohibited except as is necessary for use in, or preparation for, interviews or committee meetings, including the taking of testimony in conformity with these rules.

Each member of the committee shall at all times have access to all papers and other material received from any source. The staff director shall be responsible for the maintenance, under appropriate security procedures, of a registry which will number and identify all classified papers and other classified materials in the possession of the committee, and such registry shall be available to any member of the committee.

Pursuant to clause 7(c)(2) of House Rule XLVIII and to clause 2(e)(2) and clause 2(g)(2) of House Rule XI, members who are not members of the committee shall be granted access to such hearings, records, data, charts and files of the committee and be admitted on a nonparticipatory basis to hearings of the committee which involve classified material, on the basis of the following provisions:

(1) Members who desire to examine materials in the possession of the committee or to attend committee hearings on a nonparticipatory basis should notify the clerk of the committee in writing.

(2) Each such request by a member must be considered by the committee, a quorum being present, at the earliest practicable opportunity. The committee must determine by record vote whatever action it deems necessary in light of all the circumstances of each individual request. The committee shall take into account, in its deliberations, such considerations as the sensitivity of the information sought to the national defense or the confidential conduct of the foreign relations of the United States, the likelihood of its being directly or indirectly disclosed and such other concerns—constitutional and otherwise—as affect the public interest of the United States. Such actions as the committee may take include, but are not limited to: (i) approving the request, in whole or part; (ii) denying the request; (iii) providing in different form than requested information or material which is the subject of the request.

(3) In matters touching on such requests, the committee may, in its discretion, consult the Director of Central Intelligence and such other officials as it may deem necessary.

(4) In the event that the member making the request in question does not accede to the determination or any part thereof of the committee as regards the request, that member should notify the committee in writing of the grounds for his or her disagreement. The committee shall subsequently consider the matter and decide, by record vote, what further action or recommendation, if any, it will take.

Whenever the select committee makes classified material available to any other committee of the House or to any member of the House not a member of the committee, the clerk of the committee shall be notified. The clerk shall at that time provide a copy of the applicable portions of these rules and of House Rule XLVIII to such members or such committee and insure that the conditions contained therein under which the classified materials provided are clearly presented to the recipient. The clerk of the committee shall also maintain a written record identifying the particular infor-

mation transmitted and the committee or Members of the House receiving such information. The staff director of the committee is further empowered to provide for such additional measures as he or she deems necessary in providing material which the committee has determined to make available to a member of the House or a committee of the House.

Access to classified information supplied to the committee shall be limited to those committee staff members with appropriate security clearances and a need-to-know, as determined by the committee, and under the committee's direction, the staff director.

No member of the committee or of the committee staff shall disclose, in whole or in part or by way of summary, to any person not a member of the committee or the committee staff for any purpose or in connection with any proceeding, judicial or otherwise, any testimony given before the committee in executive session, or the contents of any classified papers or other classified materials or other classified information received by the committee except as authorized by the committee in accordance with clause 7 of House Rule XLVIII and the provisions of these rules, or in the event of the termination of the committee, in such a manner as may be determined by the House.

Before the committee makes any decision regarding a request for access to any testimony, papers, or other materials in its possession, the committee members shall have a reasonable opportunity to examine all pertinent testimony, papers, and other materials that have been obtained by the committee.

11. LEGISLATIVE CALENDAR

The clerk of the committee shall maintain a printed calendar for the information of each committee member showing the measures introduced and referred to the committee and the status of such measures—and such other matters as the committee determines shall be included. The calendar shall be revised from time to time to show pertinent changes. A copy of each such revision shall be furnished to each member of the committee.

Unless otherwise ordered, measures referred to the committee shall be referred by the clerk of the committee to the appropriate department or agency of the Government for reports thereon.

12. COMMITTEE TRAVEL

No member of the committee or committee staff shall travel on committee business unless specifically authorized by the chairman. Requests for authorization of such travel shall state the purpose and extent of the trip. A full report shall be filed with the committee when travel is completed.

When the chairman approves the foreign travel of a member of the committee staff not accompanying a member of the committee, all members of the committee are to be advised, prior to the commencement of such travel of its extent, nature and purpose. The report referred to in the previous paragraph shall be furnished to all members of the committee and shall not be otherwise disseminated without the express authorization of the committee pursuant to the rules of the committee.

13. BROADCASTING COMMITTEE MEETINGS

Whenever any hearing or meeting conducted by the committee or any subcommittee is open to the public, a majority of the committee or subcommittee, as the case may be, may permit that hearing or meeting to be covered, in whole or in part, by television broadcast, radio broadcast, and still photography, or by any of such methods of coverage, subject to the provisions and in accordance with the spirit of the purposes enumerated in clause 3 of Rule XI of the Rules of the House.

14. CHANGES IN RULES

These Rules may be modified, amended, or repealed by the committee, provided that a notice in writing of the proposed change has been given to each member at least 48 hours prior to the meeting at which action thereon is to be taken.

RULES OF THE COMMITTEE ON THE DISTRICT OF COLUMBIA FOR THE 97TH CONGRESS

(Mr. DELLUMS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DELLUMS. Mr. Speaker, pursuant to the requirement of rule XI, clause 2(a), of the Rules of the House of Representatives, I submit herewith the rules of the Committee on the District of Columbia for the 97th Congress and insert them in the RECORD at this point. The rules were adopted by unanimous voice vote in the presence of a quorum on February 25, 1981.

RULES GOVERNING PROCEDURES, COMMITTEE ON THE DISTRICT OF COLUMBIA, 97TH CONGRESS (ADOPTED FEBRUARY 25, 1981)

A. IN GENERAL

(1) The Rules of the House are the rules of this Committee and each subcommittee so far as applicable, except that a motion to recess from day to day is a motion of high privilege in the Committee and subcommittees.

(2) Each subcommittee is a part of this Committee, and is subject to the authority and direction of the Committee and to its rules insofar as applicable. The rules of the Committee shall be the rules of its subcommittees.

(3) No major investigation by a subcommittee shall be initiated without approval of the Chairman of the Committee or the majority of the full Committee.

(4) Any Member, when recognized by the Chairman, may address the Committee on any bill, motion, or other matter under consideration before the Committee. The Chairman may limit to 5 minutes the time of any such member, after giving due consideration to the importance of the subject matter and to the length of time available.

B. REGULAR MEETING DAYS

(1) The full committee shall have its regular meetings on the first Tuesday in each calendar month at 10:00 A.M. When the House is in recess, the regular monthly meeting of the Committee may be dispensed with at the discretion of the Chairman upon notice of such action to all Members of the Committee.

(2) The Committee shall meet, for the consideration of any bill or resolution pending before the Committee or for the transaction of other committee business, on all regular meeting days fixed by the Committee.

(3) Subcommittee chairmen shall set meeting and hearing dates after consultation with the Chairman and other subcommittee chairmen with a view toward avoiding simultaneous scheduling of committee and subcommittee meetings or hearings wherever possible.

C. ADDITIONAL AND SPECIAL MEETINGS

(1) The Chairman may call and convene, as he considers necessary, additional meetings of the Committee for the consideration of any bill or resolution pending before the Committee or for the conduct of other committee business. The Committee shall meet for such purpose pursuant to that call of the Chairman.

(2) If at least three members of the Committee desire that a special meeting of the Committee be called by the Chairman, those members may file in the offices of the Committee their written request to the Chairman for that special meeting. Such request shall specify the measure or matter to be considered. Immediately upon the filing of the request, the clerk of the Committee shall notify the Chairman of the filing of the request. If, within three calendar days after the filing of the request, the Chairman does not call the requested special meeting, to be held within seven calendar days after the filing of the request, a majority of the Members of the Committee may file in the offices of the Committee their written notice that a special meeting of the Committee will be held, specifying the date and hour of, and the measure or matter to be considered at, the special meeting. The Committee shall meet on that date and hour. Immediately upon the filing of the notice, the clerk of the Committee shall notify all members of the Committee that such special meeting will be held and inform them of its date and hour and the measure or matter to be considered; and only the measure or matter specified in that notice may be considered at that special meeting.

D. RANKING MAJORITY MEMBER TO PRESIDE IN ABSENCE OF CHAIRMAN

If the Chairman of the Committee or subcommittee is not present at any meeting of the Committee or subcommittee, the ranking Member of the majority party on the Committee or subcommittee who is present shall preside at the meeting.

E. COMMITTEE RECORDS AND ROLLCALLS

(1) The Committee shall keep a complete record of all committee action which shall include a record of the votes on any question on which a rollcall vote is demanded. The result of each rollcall vote shall be made available by the Committee for inspection by the public at reasonable times in the offices of the Committee. Information so available for public inspection shall include a description of the amendment, motion, order, or other proposition and the name of each Member voting for and each Member voting against such amendment, motion, order, or proposition, and whether by proxy or in person, and the names of those Members present but not voting.

A record vote in subcommittee may be had upon the request of any subcommittee Member, and in full Committee upon the request of any Committee member.

(2) Records of hearings before the Committee shall not be available to the public for quotation of any Member until after such Member has had an opportunity to examine and approve such hearing records.

(3) All Committee and subcommittee hearings, records, data, charts, and files shall be kept separate and distinct from the congressional office records of the chairman of the Committee or a subcommittee; and such records shall be the property of the

House and all Members of the House shall have access thereto.

F. PROXIES

A vote by any Member in the Committee or in any subcommittee may be cast by proxy, but shall be in writing, shall assert that the member is absent on official business or is otherwise unable to be present at the meeting of the Committee, shall designate the person who is to execute the proxy authorization, and shall be limited to a specific measure or matter and any amendments or motions pertaining thereto; except that a Member may authorize a general proxy only for motions to recess, adjourn or other procedural matters. Each proxy to be effective shall be signed by the Member assigning his or her vote and shall contain the date and time of day that the proxy is signed. Proxies may not be counted for a quorum.

G. OPEN MEETINGS AND HEARINGS

(1) Each meeting for the transaction of business, including the markup of legislation, of the Committee or subcommittee shall be open to the public except when the Committee or subcommittee, in open session and with a majority present, determines by rollcall vote that all or part of the remainder of the meeting on that day shall be closed to the public; provided, however, that no person other than Members of the Committee and such congressional staff and such departmental representatives as they may authorize shall be present at any business or markup session which has been closed to the public. This paragraph does not apply to open committee hearings which are provided for by (2) of this rule, or to any meeting that relates solely to internal budget or personnel matters.

(2) Each hearing conducted by the Committee or subcommittee shall be open to the public except when the Committee or subcommittee, in open session and with a majority present, determines by rollcall vote that all or part of the remainder of that hearing on that day shall be closed to the public because disclosure of testimony, evidence, or other matters to be considered would endanger the national security or would violate any law or rule of the House of Representatives; notwithstanding the requirements of the preceding sentence, or rule H. (2), a majority or those present, (but not less than two Members voting in the affirmative),

(A) May vote to close the hearing for the sole purpose of discussing whether testimony or evidence to be received would endanger the national security or defame, degrade, or incriminate any person; or

(B) May vote to close the hearing if testimony or evidence to be received would defame, degrade, or incriminate any person; *Provided, however,* That the Committee or subcommittee may by the same procedure vote to close one subsequent day of hearing.

H. QUORUM

(1) The number of Members to constitute a quorum for the purpose of taking testimony and receiving evidence in full Committee or subcommittee is two.

(2) One-third of the Committee or a subcommittee shall constitute a quorum for other meetings, except that a majority of the Committee or subcommittee shall constitute a quorum for the purposes of reporting a bill and closing a meeting to the public.

I. CALLING AND INTERROGATING WITNESSES

(1) Whenever any hearing is conducted by the Committee or a subcommittee upon any measure or matter, the minority party Members on the Committee or subcommittee shall be entitled, upon request to the Chairman of the Committee or subcommittee by a majority of the minority party Members before the completion of the hearing, to call witnesses selected by the minority to testify with respect to that measure or matter during at least one day of hearing thereon.

(2) The Committee and subcommittees shall apply the five-minute rule in the interrogation of witnesses in any hearing until such time as each Member of the committee or subcommittee who so desires has had an opportunity to question each witness.

(3) Committee Members may question witnesses only when they have been recognized by the Chairman for that purpose.

(4) All questions put to the witnesses before the Committee shall be pertinent to the bill or other subject matter before the Committee for consideration.

(5) Insofar as is practicable, each witness who is to appear must file with the Committee (in advance of his or her appearance) a written statement of the proposed testimony and limit the oral presentation at such appearance to a brief summary of his or her argument.

J. INVESTIGATIVE HEARING PROCEDURES

(1) The Chairman of the Committee or subcommittee at an investigative hearing shall announce in an opening statement the subject of the investigation.

(2) A copy of the Committee rules and this clause shall be made available to each witness.

(3) Witnesses at investigative hearings may be accompanied by their own counsel for the purpose of advising them concerning their constitutional rights.

(4) The Chairman of the Committee or subcommittee may punish breaches of order and decorum, and of professional ethics on the part of counsel, by censure and exclusion from the hearings; and the full Committee may cite the offender to the House for contempt.

(5) Whenever it is asserted that the evidence or testimony at an investigatory hearing may tend to defame, degrade, or incriminate any person,

(A) such testimony or evidence shall be presented in executive session, if by a majority of those present, there being in attendance the requisite number required under the rules of the Committee to be present for the purpose of taking testimony, the Committee or subcommittee determines that such evidence or testimony may tend to defame, degrade, or incriminate any person;

(B) the Committee or subcommittee shall proceed to receive such testimony in open session only if a majority of the members of the Committee or subcommittee, a majority being present, determine that such evidence or testimony will not tend to defame, degrade, or incriminate any person.

In either case the Committee or subcommittee shall:

(A) afford such person an opportunity voluntarily to appear as a witness; and

(B) receive and dispose of requests from such person to subpoena additional witnesses.

(6) Except as provided in subparagraph (5), the chairman shall receive and the Committee shall dispose of requests to subpoena additional witnesses.

(7) No evidence or testimony taken in executive session may be released or used in public sessions without the consent of the Committee.

(8) In the discretion of the Committee or subcommittee, witnesses may submit brief and pertinent sworn statements in writing for inclusion in the record. The Committee or subcommittee is the sole judge of the pertinency of testimony and evidence adduced at its hearing.

(9) A witness may obtain a transcript copy of his testimony given at a public session or, if given at an executive session, when authorized by the Committee.

K. REPORTING BILLS AND RESOLUTIONS

(1) No measure or recommendation shall be reported from the Committee unless a majority of the Committee was actually present.

(2) Any Member at the meeting of the full Committee or any Member of the subcommittee involved may make a point of order that a quorum is not present.

(3) (A) Each Committee report shall include in its text a statement of the reported legislation's intent or purpose, need, the results of motions to report, a five-year cost estimate, oversight statement, inflationary impact statement, any statement required by section 308(a) and 403 of the Budget and Impoundment Control Act of 1974, Administration or Departmental position (if any), and changes in existing law, in addition to such provisions as the Chairman deems necessary.

(B) If, at the time of approval of any measure or matter by the Committee, any Member of the Committee gives notice of intention to file supplemental, minority or additional views, that Member shall be entitled to not less than three calendar days (excluding Saturdays, Sundays, and legal holidays) in which to file such views, in writing and signed by that member, with the clerk of the committee. All such views so filed by one or more Members of the Committee shall be included within, and shall be a part of, the report filed by the committee with respect to that measure or matter. The report of the Committee upon that measure or matter shall be printed in a single volume which—

(1) shall include all supplemental, minority, and additional views which have been submitted by the time of the filing of the report, and

(2) shall bear upon its cover a recital that any such supplemental, minority, or additional views (and any material submitted pursuant to the requirements of sections 308(a) and 403 of the Budget and Impoundment Control Act of 1974) are included as part of the report. This subparagraph does not preclude—

(A) the immediate filing or printing of a committee report unless timely request for the opportunity to file supplemental, minority, or additional views has been made as provided by this subparagraph; or

(B) the filing by the Committee of any supplemental report upon any measure or matter which may be required for the correction of any technical error in a previous report made by the Committee upon that measure or matter.

L. POWER TO SIT AND ACT; SUBPOENA POWER

(1) For the purpose of carrying out any of its functions and duties under these rules, the Committee, or any subcommittee thereof, is authorized—

(A) to sit and act at such times and places within the United States, whether the House is in session, has recessed, or has adjourned, and to hold such hearings, and

(B) subject to (2)(A) of this rule, to require, by subpoena or otherwise, the attend-

ance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents as it deems necessary. The Chairman of the Committee, or any member designated by the Chairman, may administer oaths to any witness.

(2) (A) A subpoena may be issued by the Committee or subcommittee under (1)(B) of this rule in the conduct of any investigation or activity or series of investigations or activities, only when authorized by a majority of the Members voting, a majority being present, and authorized subpoenas shall be signed by the Chairman of the full Committee or by any Member designated by the Committee.

(B) Compliance with any subpoena issued by a Committee or subcommittee under (1)(B) of this rule may be enforced only as authorized or directed by the House.

M. BROADCASTING OF COMMITTEE HEARINGS AND MEETINGS

Whenever any hearing or meeting conducted by the Committee or any subcommittee is open to the public, the Committee or subcommittee may permit, by majority vote of the Committee or subcommittee, that hearing or meeting to be covered, in whole or in part, by television broadcast, radio broadcast, and still photography, or by any of such methods of coverage, but only under the following rules:

(1) If the television or radio coverage of the hearing or meeting is to be presented to the public as live coverage, that coverage shall be conducted and presented without commercial sponsorship.

(2) No witness served with a subpoena by the Committee shall be required against his or her will to be photographed at any hearing or to give evidence or testimony while the broadcasting of that hearing, by radio or television, is being conducted. At the request of any such witness who does not wish to be subjected to radio, television, or still photography coverage, all lenses shall be covered and all microphones used for coverage turned off.

(3) Not more than four television cameras, operating from fixed positions, shall be permitted in a hearing or meeting room. The allocation among the television media of the positions of the number of television cameras permitted in a hearing or meeting room shall be in accordance with fair and equitable procedures devised by the Executive Committee of the Radio and Television Correspondents' Galleries.

(4) Television cameras shall be placed so as not to obstruct in any way the space between any witness giving evidence or testimony and any Member of the Committee or the visibility of that witness and that member to each other.

(5) Television cameras shall not be placed in positions which obstruct unnecessarily the coverage of the hearing or meeting by the other media.

(6) Equipment necessary for coverage by the television and radio media shall not be installed in, or removed from, the hearing or meeting room while the Committee is in session.

(7) Floodlights, spotlights, strobelights, and flashguns shall not be used in providing any method of coverage of the hearing or meeting, except that the television media may install additional lighting in the hearing or meeting room, without cost to the Government, in order to raise the ambient lighting level in the hearing or meeting room to the lowest level necessary to provide adequate television coverage of the hearing or meeting at the then current state of the art of television coverage.

(8) Not more than five press photographers shall be permitted to cover a hearing or meeting by still photography. In the selection of these photographers, preference shall be given to photographers from Associated Press Photos and United Press international Newspictures. If request is made by more than five of the media for coverage of the hearing or meeting by still photography, that coverage shall be made on the basis of a fair and equitable pool arrangement devised by the Standing Committee of Press Photographers.

(9) Photographers shall not position themselves, at any time during the course of the hearing or meeting, between the witness table and the Members of the Committee.

(10) Photographers shall not place themselves in positions which obstruct unnecessarily the coverage of the hearing by the other media.

(11) Personnel providing coverage by the television and radio media shall be then currently accredited to the Radio and Television Correspondents' Galleries.

(12) Personnel providing coverage by still photography shall be then currently accredited to the Press Photographers' Gallery.

(13) Personnel providing coverage by the television and radio media and by still photography shall conduct themselves and their coverage activities in an orderly and unobtrusive manner.

N. COMMITTEE STAFFS

(1) Subcommittee staffs: From the funds provided for the appointment of Committee Staff pursuant to primary and additional expense resolutions of the House:

(A) The Chairman of each standing subcommittee is authorized to appoint one staff member who shall serve at the pleasure of the subcommittee chairman.

(B) The ranking minority party Member of each standing subcommittee is authorized to appoint one staff person who shall serve at the pleasure of the ranking minority party Member.

(C) The staff members appointed pursuant to the provisions of subparagraphs (A) and (B) shall be compensated at a rate determined by the subcommittee chairman not to exceed (a) 75 per centum of the maximum established in 2(C) of this rule or (b) the rate paid the staff member appointed pursuant to 1(A) of this rule.

(D) No Member shall appoint more than one person pursuant to 1(A) and 1(B) of this rule.

(E) The staff positions made available to the subcommittee Chairman and ranking minority party Members pursuant to 1(A) and 1(B) of this rule shall be made available from the staff positions provided under clause 6 of Rule XI of the House unless staff positions are made available pursuant to a primary or additional expense resolution.

(2) Committee staffs:

(A) (1) Subject to subparagraph 2(A)(2) of this rule and paragraph 2(D) of this rule, the Committee may appoint, by majority vote of the Committee not more than eighteen professional staff members. Each professional staff member appointed under this subparagraph shall be assigned to the Chairman and the ranking minority party Member of such Committee, as the Committee considers advisable.

(2) Subject to 2(D) of this rule, wherever a majority of the minority party Members of the Committee so request, not more than six persons may be selected, by majority vote of the minority party Members, for appointment by the Committee as professional staff members from among the number authorized by 2(A)(1) of this rule. The Committee shall appoint any persons so selected whose character and qualification are acceptable to a majority of the Committee. If the Committee determines that the character and qualifications of any person so selected are unacceptable to the Committee, a majority of the minority party members may select other persons for appointment by the Committee to the professional staff until such appointment is made. Each professional staff member appointed under this paragraph shall be assigned to such Committee business as the minority party Members of the Committee consider advisable.

(3) The professional staff members of the Committee—

(a) shall be appointed on a permanent basis, without regard to race, creed, sex or age, and solely on the basis of fitness to perform the duties of their respective positions;

(b) shall not engage in any work other than Committee business; and

(c) shall not be assigned any duties other than those pertaining to committee business.

(4) Services of the professional staff members of the Committee may be terminated by majority vote of the Committee.

(B) (1) The clerical staff of the full Committee shall consist of not more than twelve clerks, to be attached to the office of the Chairman, to the ranking minority party Member, and to the professional staff, as the Committee considers advisable. Subject to 2(B)(2) and 2(D) of this rule, the clerical staff shall be appointed by majority vote of the Committee, without regard to race, creed, sex, or age. Except as provided by 2(B)(2) of this rule, the clerical staff shall handle committee correspondence and stenographic work both for the Committee staff and for the Chairman and the ranking minority party Member on matters related to Committee work.

(2) Subject to 2(D) of this rule, whenever a majority of the minority party Members of the Committee so request, four persons may be selected, by majority vote of the minority party Members, for appointment by the Committee to positions on the clerical staff from among the number of clerks authorized by 2(B)(1) of this rule. The Committee shall appoint to those positions any person so selected whose character and qualifications are acceptable to a majority of the Committee. If the Committee determines that the character and qualifications of any person so selected are unacceptable to the Committee, a majority of the minority party Members may select other persons for appointment by the Committee to the position involved on the clerical staff until such appointment is made. Each clerk appointed under this subparagraph shall handle committee correspondence and stenographic work for the minority party Members of the Committee and for any members of the professional staff appointed under 2(A)(2) of this rule on matters related to committee work.

(3) Services of the clerical staff members of the full Committee may be terminated by majority vote of the Committee.

(C) Each employee on the professional staff, and each employee on the clerical staff of the Committee, is entitled to pay at a single per annum gross rate, to be fixed by the Chairman, which does not exceed the highest rate of basic pay, as in effect from time to time, of level V of the Executive

Schedule in section 5316 of title 5, United States Code, except that 2 professional staff members of the Committee shall be entitled to pay at a single per annum gross rate to be fixed by the Chairman, which does not exceed the highest rate of basic pay, as in effect from time to time, of level IV of the Executive Schedule, section 5315 of title 5, United States Code.

(D) If a request for the appointment of a minority professional staff member under paragraph (A), or a minority clerical staff member under paragraph (B), is made when no vacancy exists to which that appointment may be made, the Committee nevertheless shall appoint, under paragraph (A) or paragraph (B), as applicable, the person selected by the minority and acceptable to the Committee. The person so appointed shall serve as an additional member of the professional staff or the clerical staff, as the case may be, of the Committee, and shall be paid from the contingent fund, until such a vacancy (other than a vacancy in the position of head of the professional staff, by whatever title designated) occurs, at which time that person shall be deemed to have been appointed to that vacancy. If such vacancy occurs on the professional staff when seven or more persons have been so appointed who are eligible to fill that vacancy, a majority of the minority party Members shall designate which of those persons shall fill that vacancy.

(E) Each staff member appointed pursuant to a request by minority party Members under paragraph (A) or (B), and each staff member appointed to assist minority party Members of a Committee pursuant to an expense resolution, shall be accorded equitable treatment with respect to the fixing of his or her rate of pay, the assignment to him or her of work facilities, and the accessibility to him or her of Committee records.

(F) Paragraphs (A) and (B) shall not be construed to authorize the appointment of additional professional or clerical staff members of the Committee pursuant to a request under either of such paragraphs by the minority party Members of that Committee if six or more professional staff members or four or more clerical staff members provided for in paragraph (A)(1) or paragraph (B)(1) as the case may be, who are satisfactory to a majority of the minority party Members, are otherwise assigned to assist the minority party Members.

(G) Notwithstanding paragraphs (A)(2) and (B)(2), the Committee may employ nonpartisan staff, in lieu of or in addition to Committee staff designated exclusively for the majority or minority party, upon an affirmative vote of a majority of the Members of the minority party.

(3) Members seeking assistance from the staff shall make their requests through the Chairman or the ranking minority Member.

O. REFERRAL OF BILLS, RESOLUTIONS AND OTHER MATTERS TO SUBCOMMITTEE

(1) All the legislation and other matters referred to the Committee shall be referred to the subcommittee of appropriate jurisdiction within 2 weeks unless, by majority vote of the majority Members of the full Committee, consideration is to be by the full Committee. If a concurrent resolution of disapproval of a Council Act is introduced in the House during the first 15 legislative days of layover, the resolution shall be referred to the subcommittee of appropriate jurisdiction. If the concurrent resolution is introduced during the last 15 days of congressional layover, the matter shall be kept at the full Committee level with such comments from the subcommittee as they may wish to give.

(2) The Chairman may refer a matter simultaneously to two or more subcommittees for concurrent consideration or for consideration in sequence (subject to appropriate time limitations in the case of any subcommittee after the first), or divide the matter into two or more parts (reflecting different subjects and jurisdictions) and refer each such part to a different subcommittee.

(3) Should a subcommittee fail to report back to the full Committee on any measure within a reasonable time, the Chairman may withdraw the measure from such subcommittee and report that fact to the full Committee for further disposition. In order to permit the full Committee to take timely action on special resolutions, a subcommittee should complete action on a concurrent resolution of approval of a charter amendment under section 303(b) of the Home Rule Act not later than 15 calendar days before the expiration of the 35 day period named in the Home Rule Act. The subcommittee should complete action within 12 calendar days of the introduction of a simple resolution of disapproval of a Council Act relating to title 22, 23 or 24 of the District of Columbia Code under subsection (c)(2) of section 602 of the Home Rule Act.

P. SUBCOMMITTEES

(1) There shall be the following standing subcommittees:

Fiscal Affairs and Health.

Government Operations and Metropolitan Affairs.

Judiciary and Education.

(2) Additional legislative subcommittees may be established by a majority of those voting, a quorum being present, of the full Committee.

(3) Each Member shall be given an equal number of subcommittee assignments insofar as practicable.

(4) Bills shall be assigned to subcommittees in accordance with the subject matter of the subcommittees.

(5) Any member of the full Committee may have the privilege of sitting with any subcommittee during its hearings or deliberations and to participate but shall not have authority to vote on any matters before the subcommittee unless he is a Member of such subcommittee.

(6) The majority Members of the Committee shall determine an appropriate ratio of Majority to Minority Members for each subcommittee and shall authorize a Member or members to negotiate that ratio with the Minority.

Q. GENERAL OVERSIGHT RESPONSIBILITIES

The Committee and each subcommittee shall review and study, on a continuing basis, the application, administration, execution, and effectiveness of those laws, or parts of laws, the subject matter of which is within the jurisdiction of the Committee or the subcommittee, respectively, and the organization and operation of the Federal and District agencies and entities having responsibilities in or for the administration and execution thereof, in order to determine whether such laws and the programs thereunder are being implemented and carried out in accordance with the intent of the Congress and whether such programs should be continued, curtailed, or eliminated. In addition, the Committee and each subcommittee shall review and study any conditions or circumstances which may indicate the necessity or desirability of enacting new or additional legislation within the jurisdiction of the Committee or subcommittee, respectively (whether or not any bill or resolution has been introduced with respect thereto), and shall on a continuing basis undertake future research and forecasting on matters within the jurisdiction of the Committee or subcommittee, respectively. Each subcommittee is required to conduct oversight in the area of their respective jurisdiction, to assist in carrying out the full Committee's responsibilities under Rule X, cl. 2, of the House of Representatives. The establishment of an oversight subcommittee shall in no way limit the responsibility of the subcommittees with legislative jurisdiction from carrying out their oversight responsibilities.

R. ADDITIONAL FUNCTIONS

(1) The Committee and each subcommittee shall, in its consideration of all bills and joint resolutions of a public character within its jurisdiction, insure that appropriations for continuing programs and activities of the Federal Government and the District of Columbia Government will be made annually to the maximum extent feasible and consistent with the nature, requirements and objectives of the programs and activities involved. For the purposes of this paragraph, a Government agency includes the organizational units of government listed in clause 7(d) of Rule XIII of the House of Representatives.

(2) The Committee and each subcommittee shall review, from time to time, each continuing program within its jurisdiction for which appropriations are not made annually in order to ascertain whether such program could be modified so that appropriations therefore would be made annually.

S. POINTS OF ORDER

No point of order, other than a point of order that a quorum is not present, against the hearings of business procedures of the Committee shall be sustained unless it is made in a timely fashion (1) at the commencement of the hearing or meeting, or (2) at the time such point of order first occurs. Any point of order not raised in a timely manner in subcommittee shall not be sustained in full Committee.

T. NOTICE OF MEETINGS AND AGENDA

(1) The Committee and each subcommittee shall make public announcement of the date, place and subject matter of any Committee hearing at least one week before the commencement of the hearing. If the Committee determines that there is good cause to begin the hearing sooner, it shall make the announcement at the earliest possible day. Any announcement made under this paragraph shall be promptly published in the Daily Digest.

(2) The agenda for all committee meetings, setting out all items of business to be considered, including a copy of any bill or a summary of any bill and of any subcommittee amendments, shall be furnished each Committee Member by delivery to his office at least two full calendar days (excluding Saturday, Sunday and Legal Holidays) before the meeting. This requirement may be waived by a two-thirds vote, a quorum being present, of the Committee.

(3) No bill or other matter shall be brought up for hearing or other consideration except with the approval of the Chairman or by a majority of those voting, a quorum being present; provided, that any Member (other than the Chairman) making the motion for consideration under this rule

has given 2 days' notice in writing to all Members of the Committee.

U. AMENDING COMMITTEE RULES

The Committee rules may not be amended unless the Member proposing the amendments gives two days' notice (excluding Saturday, Sunday and Legal Holidays) in writing of the text of the proposed changes to all Members.

V. OTHER PROCEDURES AND REGULATIONS

The Chairman of the full Committee may establish such other procedures and take such actions as may be necessary to carry out the foregoing rules or to facilitate the effective operation of the Committee.

RULES OF THE COMMITTEE ON APPROPRIATIONS FOR THE 97TH CONGRESS

(Mr. WHITTEN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. WHITTEN. Mr. Speaker, in accordance with clause 2(a) of rule XI of the Rules of the House of Representatives, I submit herewith for publication in the RECORD the rules of the Committee on Appropriations adopted by the committee on January 29, 1981:

COMMITTEE RULES OF THE COMMITTEE ON APPROPRIATIONS

(Adopted for the 97th Congress on January 29, 1981)

Resolved, That the rules and practices of the Committee on Appropriations, House of Representatives, in the Ninety-sixth Congress, except as otherwise provided hereinafter, shall be, and are hereby adopted as the rules and practices of the Committee on Appropriations in the Ninety-seventh Congress:

The foregoing resolution adopts the following rules:

Sec. 1: Power to Sit and Act:

For the purpose of carrying out any of its functions and duties under Rules X and XI of the Rules of the House of Representatives, the Committee or any of its subcommittees is authorized:

(a) To sit and act at such times and places within the United States whether the House is in session, has recessed, or has adjourned, and to hold such hearings; and

(b) To require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such books, reports, correspondence, memorandums, papers, and documents as it deems necessary. The Chairman, or any Member designated by the Chairman, may administer oaths to any witness.

(c) A subpoena may be authorized and issued by the Committee or its subcommittees under subsection 1(b) in the conduct of any investigation or activity or series of investigations or activities, only when authorized by a majority of the Members of the Committee voting, a majority being present. The power to authorize and issue subpoenas under subsection 1(b) may be delegated to the Chairman pursuant to such rules and under such limitations as the Committee may prescribe. Authorized subpoenas shall be signed by the Chairman or by any Member designated by the Committee.

(d) Compliance with any subpoena issued by the Committee or its subcommittees may be enforced only as authorized or directed by the House.

Sec. 2: Subcommittees:

(a) The Majority Caucus of the Committee shall establish the number of subcommittees and shall determine the jurisdiction of each subcommittee.

(b) Each subcommittee is authorized to meet, hold hearings, receive evidence and report to the Committee all matters referred to it.

(c) All legislation and other matters referred to the Committee shall be referred to the subcommittee of appropriate jurisdiction within two weeks unless, by majority vote of the Majority Members of the full Committee, consideration is to be by the full Committee.

(d) The Majority Caucus of the Committee shall determine an appropriate ratio of Majority to Minority Members for each subcommittee. The Chairman is authorized to negotiate that ratio with the Minority. Provided, however, that party representation in each subcommittee, including ex-officio members, shall be no less favorable to the Majority than the ratio for the full Committee.

(e) The Chairman is authorized to sit as a member of any subcommittee and to participate in its work.

Sec. 3: Committee Staff:

(2) The Chairman is authorized to appoint the staff of the Committee, and make adjustments in the job titles and compensation thereof subject to the maximum rates and conditions established in Clause 6(c) of Rule XI of the Rules of the House of Representatives. In addition he is authorized, in his discretion, to arrange for their specialized training. The Chairman is also authorized to employ additional personnel as necessary.

(b) The chairman of each subcommittee may select and designate a staff member who shall serve at the pleasure of the subcommittee chairman. Such selection shall be subject to the approval of a majority of the Majority Members of the full Committee. Such staff member shall be compensated at a rate, determined by the subcommittee chairman not to exceed 75 per centum of the maximum established in Clause 6(c) of Rule XI of the Rules of the House of Representatives; Provided, That no Member shall appoint more than one person pursuant to these provisions.

(c) The ranking minority member of each subcommittee may select and designate a staff member who shall serve at the pleasure of the ranking minority member. Such staff member shall be compensated at a rate, determined by the subcommittee chairman not to exceed 75 per centum of the maximum established in Clause 6(c) of Rule XI of the Rules of the House of Representatives or the rate paid the staff member appointed pursuant to subsection (b) of this section; Provided, That no Member shall appoint more than one person pursuant to these provisions.

(d) The Chairman, and the Ranking Minority Member with the approval of the Chairman, may each select and designate a staff member at an annual gross salary of not to exceed 75 per centum of the maximum established in Clause 6(c) of Rule XI of the Rules of the House of Representatives and may each select and designate one additional staff member.

(e) Each member not mentioned in subsection (a), (b), (c) or (d) of this section may select and designate a staff member who shall serve at the pleasure of that member. Such staff member shall be compensated at a rate, determined by the member, not to exceed 75 per centum of the maximum established in Clause 6(c) of Rule XI of the Rules of the House of Representatives; Provided, That no member shall appoint more than one person pursuant to these provisions; Provided further, that members designating a staff member under this subsection must specifically certify by letter to the Chairman that the employee is needed and will be utilized for Committee work.

Sec. 4: Committee Meetings:

(a) Regular Meeting Day—The regular meeting day of the Committee shall be the first Wednesday of each month while the House is in session, unless the Committee has met within the past 30 days or the Chairman considers a specific meeting unnecessary in the light of the requirements of the Committee business schedule.

(b) Additional and Special Meetings:

(1) The Chairman may call and convene, as he considers necessary, additional meetings of the Committee for the consideration of any bill or resolution pending before the Committee or for the conduct of other Committee business. The Committee shall meet for such purpose pursuant to that call of the Chairman.

(2) If at least three Committee Members desire that a special meeting of the Committee be called by the Chairman, those Members may file in the Committee Offices a written request to the Chairman for that special meeting. Such request shall specify the measure or matter to be considered. Upon the filing of the request, the Committee Clerk shall notify the Chairman.

(3) If within three calendar days after the filing of the request, the Chairman does not call the requested special meeting to be held within seven calendar days after the filing of the request, a majority of the Committee Members may file in the Committee Offices their written notice that a special meeting will be held, specifying the date and hour of, and the measure or matter to be considered. The Committee shall meet on that date and hour.

(4) Immediately upon the filing of the notice, the Committee Clerk shall notify all Committee Members that such special meeting will be held and inform them of its date and hour and the measure or matter to be considered. Only the measure or matter specified in that notice may be considered at the special meeting.

(c) Ranking Majority Member to Preside in the Absence of Chairman—If the Chairman is not present at any meeting of the Committee, the Ranking Majority Member on the Committee who is present shall preside.

(d) Business Meetings:

(1) Each meeting for the transaction of business, including the markup of legislation, of the Committee and its subcommittees shall be open to the public except when the Committee or its subcommittees, in open session and with a majority present, determines by roll call vote that all or part of the remainder of the meeting on that day shall be closed.

(2) No person other than Committee Members and such congressional staff and departmental representatives as they may authorize shall be present at any business or markup session which has been closed.

(3) The provisions of this subsection do not apply to open hearings of the Committee or its subcommittees which are provided for in Section 5(b)(1) of these Rules or to any meeting of the Committee relating solely to internal budget or personnel matters.

(e) Committee Records:

(1) The Committee shall keep a complete record of all Committee action including a record of the votes on any question on which a roll call is demanded. The result of each roll call vote shall be available for inspection by the public during regular business hours in the Committee Offices. The information made available for public inspection shall include a description of the amendment, motion, or other proposition and the name of each Member voting for and each Member voting against, and the names of those Members present but not voting.

(2) All hearings, records, data, charts, and files of the Committee shall be kept separate and distinct from the congressional office records of the Chairman of the Committee. Such records shall be the property of the House and all Members of the House shall have access thereto.

Sec. 5: Committee and Subcommittee Hearings:

(a) Overall Budget Hearings—Overall budget hearings by the Committee, including the hearing required by Sec. 242(c) of the Legislative Reorganization Act of 1970 and Clause 4(a)(1) of Rule X of the Rules of the House of Representatives shall be conducted in open session except when the Committee in open session and with a majority present, determines by roll call vote that the testimony to be taken at that hearing on that day may be related to a matter of national security; except that the Committee may by the same procedure close one subsequent day of hearing. A transcript of all such hearings shall be printed and a copy furnished to each Member, Delegate and the Resident Commissioner from Puerto Rico.

(b) Other Hearings:

(1) All other hearings conducted by the Committee or its subcommittees shall be open to the public except when the Committee or subcommittee in open session and with a majority present determines by roll call vote that all or part of the remainder of that hearing on that day shall be closed to the public because disclosure of testimony, evidence, or other matters to be considered would endanger the national security or would violate any law or rule of the House of Representatives. Notwithstanding the requirements of the preceding sentence, a majority of those present at a hearing conducted by the Committee or any of its subcommittees, there being in attendance the number required under Section 5(c) of these rules to be present for the purpose of taking testimony, (1) may vote to close the hearing for the sole purpose of discussing whether testimony or evidence to be received would endanger the national security or violate Clause 2(k)(5) of Rule XI of the Rules of the House of Representatives or (2) may vote to close the hearing, as provided in Clause 2(k)(5) of such rule. No Member of the House of Representatives may be excluded from nonparticipatory attendance at any hearing of the Committee or its subcommittees unless the House of Representatives shall by majority vote authorize the Committee or any of its subcommittees, for purposes of a particular series of hearings on a particular article of legislation or on a particular subject of investigation, to close its hearings to Members by the same procedures designated in this subsection for closing hearings to the public; Provided, however, That the Committee or its subcommittees may by the same procedure vote to close one subsequent day of hearing.

(2) Subcommittee chairmen shall set meeting dates after consultation with the Chairman and other subcommittee chairmen with a view toward avoiding simultaneous scheduling of Committee and subcommittee meetings or hearings.

(3) Each witness who is to appear before the Committee or any of its subcommittees as the case may be, insofar as is practicable, shall file in advance of his appearance a written statement of the proposed testimony and shall limit the oral presentation at such appearance to a brief summary, except that this provision shall not apply to any witness appearing before the Committee in the overall budget hearings.

(c) Quorum for Taking Testimony—The number of Members of the Committee which shall constitute a quorum for taking testimony and receiving evidence in any hearing of the Committee shall be two.

(d) Calling and Interrogation of Witnesses:

(1) The Minority Members of the Committee or its subcommittees shall be entitled, upon request to the Chairman or subcommittee chairman, by a majority of them before completion of any hearing, to call witnesses selected by the Minority to testify with respect to the matter under consideration during at least one day of hearings thereon.

(2) The Committee and its subcommittees shall observe the five-minute rule during the interrogation of witnesses until such time as each Member of the Committee or subcommittee who so desires has had an opportunity to question the witness.

(e) Broadcasting and Photographing of Committee Meetings and Hearings:

(1) The Chairman is authorized to determine the extent and nature of broadcasting and photographic coverage for the overall budget hearing and full Committee meetings and hearings, subject to the guidelines for such coverage set forth in Sec. 116(b) of the Legislative Reorganization Act of 1970 and Clause 3(f) of Rule XI of the Rules of the House of Representatives.

(2) Unless approved by the Chairman and concurred in by a majority of the subcommittee, no subcommittee hearings or meetings shall be recorded by electronic device or broadcast by radio or television.

(3) Unless approved by the subcommittee chairman and concurred in by a majority of the subcommittee, no subcommittee hearing or meeting or subcommittee room shall be photographed.

(4) Broadcasting and photographic coverage of subcommittee hearings and meetings authorized under the provisions of (2) and (3) above shall be subject to the guidelines for such coverage set forth in Clause 3(f) of Rule XI of the Rules of the House of Representatives.

(f) Subcommittee Meetings—No subcommittee shall sit while the House is reading an appropriation measure for amendment under the five-minute rule or while the Committee is in session.

(g) Public Notice of Committee Hearings—The Chairman is authorized and directed to make public announcements of the date, place and subject matter of Committee and subcommittee hearings at least one week before the commencement of such hearings. If the Committee or any of its subcommittees as the case may be, determines that there is good cause to begin a hearing sooner, the Chairman is authorized and directed to make the announcement at the earliest possible date.

Sec. 6: Procedures for Reporting Bills and Resolutions:

(a) Prompt Reporting Requirement:

(1) It shall be the duty of the Chairman, except as provided in subsection (3) herein, to report or cause to be reported promptly to the House any bill or resolution approved by the Committee and to take or cause to be taken necessary steps to bring the matter to a vote.

(2) In any event, a report on a bill or resolution which the Committee has approved shall be filed within seven calendar days (exclusive of days in which the House is not in session) after the day on which there has been filed with the Committee Clerk a written request, signed by a majority of Committee Members, for the reporting of such bill or resolution. Upon the filing of any such request, the Committee Clerk shall notify the Chairman immediately of the filing of the request. This subsection does not apply to the reporting of a regular appropriation bill prior to compliance with subsection (3) herein or to the reporting of a resolution of inquiry addressed to the head of an executive department.

(3) Before reporting the first regular appropriation bill for each fiscal year, the Committee shall, to the extent practicable and in accordance with Sec. 307 of the Congressional Budget Act of 1974, complete subcommittee markup and full Committee action on all regular appropriation bills for that year and submit to the House a report comparing the Committee's recommendations with the appropriate levels of budget outlays and new budget authority as set forth in the most recently agreed to concurrent resolution on the budget for that year.

(b) Presence of Committee Majority—No measure or recommendation shall be reported from the Committee unless a majority of the Committee was actually present.

(c) Roll Call Votes—With respect to each roll call vote on a motion to report any bill or resolution, the total number of votes cast for, and the total number of votes cast against, the reporting of such a bill or resolution shall be included in the Committee report.

(d) Compliance with Congressional Budget Act—A Committee report on a bill or resolution which has been approved by the Committee shall include the statement required by Sec. 308(a) of the Congressional Budget Act of 1974, separately set out and clearly identified, if the bill or resolution provides new budget authority.

(e) Inflationary Impact Statement—Each Committee report on a bill or resolution reported by the Committee shall contain a detailed analytical statement as to whether the enactment of such bill or resolution into law may have an inflationary impact on prices and costs in the operation of the national economy.

(f) Changes in Existing Law—Each Committee report on a general appropriation bill shall contain a concise statement describing fully the effect of any provision of the bill which directly or indirectly changes the application of existing law.

(g) Rescissions and Transfers—Each bill or resolution reported by the Committee shall include separate headings for rescissions and transfers of unexpended balances with all proposed rescissions and transfers listed therein. The report of the Committee accompanying such a bill or resolution shall include a separate section with respect to such rescissions or transfers.

(h) Supplemental or Minority Views:

(1) If, at the time the Committee approves any measure or matter, any Committee Member gives notice of his intention to file

supplemental, minority or additional views, he shall be entitled to not less than three calendar days (excluding Saturdays, Sundays and legal holidays) in which to file such views in writing and signed by him, with the Clerk of the Committee. All such views so filed shall be included in and shall be a part of the report filed by the Committee with respect to that measure or matter.

(2) The Committee report on that measure or matter shall be printed in a single volume which—

(i) shall include all supplemental, minority or additional views which have been submitted by the time of the filing of the report, and

(ii) shall have on its cover a recital that any such supplemental, minority or additional views are included as part of the report.

(3) Subsection (h)(1) of this section, above, does not preclude—

(i) the immediate filing or printing of a Committee report unless timely request for the opportunity to file supplemental, minority or additional views has been made as provided by such subsection; or

(ii) the filing by the Committee of a supplemental report on a measure or matter which may be required for correction of any technical error in a previous report made by the Committee on that measure or matter.

(4) If, at the time a subcommittee approves any measure or matter for recommendation to the full Committee, any Member of that subcommittee gives notice of his intention to offer supplemental, minority or additional views, he shall be entitled, insofar as is practicable and in accordance with the printing requirements as determined by the subcommittee, to include such views in the Committee Print with respect to that measure or matter.

(i) Availability of Reports—A copy of the bill and report on each general appropriation bill shall be made available to each Member of the Committee at least 3 calendar days (excluding Saturdays, Sundays, and legal holidays) in advance of the date on which the Committee is to consider each bill and report.

Sec. 7: Voting:

(a) No vote by any Member of the Committee or any of its subcommittees with respect to any measure or matter may be cast by proxy.

(b) The vote on any question before the Committee shall be taken by the yeas and nays on the demand of one-fifth of the members present.

Sec. 8: Studies and Examinations:

The following procedure shall be applicable with respect to the conduct of studies and examinations of the organization and operation of Executive Agencies under authority contained in Sec. 202(b) of the Legislative Reorganization Act of 1946 and in Clause 2(b)(3) of Rule X, of the Rules of the House of Representatives.

(a) The Chairman is authorized to appoint such staff and, in his discretion, arrange for the procurement of temporary services of consultants, as from time to time may be required.

(b) Studies and examinations will be initiated upon the written request of a subcommittee which shall be reasonably specific and definite in character, and shall be initiated only by a majority vote of the subcommittee, with the chairman of the subcommittee and the ranking minority member thereof participating as part of such majority vote. When so initiated such request shall be filed with the Clerk of the Committee for submission to the Chairman and the Ranking Minority Member and their approval shall be required to make the same effective. Notwithstanding any action taken on such request by the chairman and ranking minority member of the subcommittee, a request may be approved by a majority of the Committee.

(c) Any request approved as provided under subsection (b) shall be immediately turned over to the staff appointed for action.

(d) Any information obtained by such staff shall be reported to the chairman of the subcommittee requesting such study and examination and to the Chairman and Ranking Minority Member, shall be made available to the members of the subcommittee concerned, and shall not be released for publication until the subcommittee so determines.

(e) Any hearings or investigations which may be desired, aside from the regular hearings on appropriation items, when approved by the Committee, shall be conducted by the subcommittee having jurisdiction over the matter.

Sec. 9: Official Travel:

(a) The chairman of a subcommittee shall approve requests for travel by subcommittee members and staff for official business within the jurisdiction of that subcommittee. The ranking minority member of a subcommittee shall concur in such travel requests by minority members of that subcommittee and the Ranking Minority Member shall concur in such travel requests for Minority Members of the Committee. Requests in writing covering the purpose, itinerary, and dates of proposed travel shall be submitted for final approval to the Chairman. Specific approval shall be approved for each and every trip.

(b) The Chairman is authorized during the recess of the Congress to approve travel authorizations for Committee Members and staff, including travel outside the United States.

(c) As soon as practicable the Chairman shall direct the head of each government agency concerned not to honor requests of subcommittees, individual Members, or staff for travel, the direct or indirect expenses of which are to be defrayed from an executive appropriation, except upon request from the Chairman.

(d) In accordance with Clause 2(n) of Rule XI of the Rules of the House of Representatives and section 502(b) of the Mutual Security Act of 1954, as amended, local currencies owned by the United States shall be available to Committee Members and staff engaged in carrying out their official duties outside the United States, its territories or possessions. No Committee Member or staff member shall receive or expend local currencies for subsistence in any country at a rate in excess of the maximum per diem rate set forth in applicable Federal law.

(e) Travel Reports:

(1) Members or staff shall make a report to the Chairman on their travel covering the purpose, results, itinerary, expenses, and other pertinent comments.

(2) With respect to travel outside the United States or its territories or possessions, the report shall include: (1) an itemized list showing the dates each country was visited, the amount of per diem furnished, the cost of transportation furnished and any funds expended for any other official purpose; and (2) a summary in these categories of the total foreign currencies and/or appropriated funds expended. All such individual reports on foreign travel shall be filed no later than sixty days following completion of the travel with the Chairman for use in complying with reporting requirements in applicable Federal law and shall be open for public inspection.

(3) Each Member or employee performing such travel shall be solely responsible for supporting the amounts reported by him.

(4) No report or statement as to any trip shall be publicized making any recommendations in behalf of the Committee without the authorization of a majority of the Committee.

(f) Members and staff of the Committee performing authorized travel on official business pertaining to the jurisdiction of the Committee shall be governed by applicable laws or regulations of the House and of the Committee on House Administration pertaining to such travel, as promulgated from time to time by the Chairman.

Sec. 10: Eligibility of Committee Member Serving as Budget Committee Chairman for Appropriations Subcommittee Chairmanship:

If the Chairman of the Budget Committee of the House of Representatives is chairman of a subcommittee on the Appropriations Committee when he becomes Budget Committee Chairman or would be eligible to become chairman of an Appropriations subcommittee under the rules of the Majority Caucus of the House of Representatives during his tenure as Budget Committee Chairman, the Appropriations Committee may nominate such Member to serve as chairman of such subcommittee subject to the approval of the Majority Caucus. But if so elected and confirmed, the Member shall take a leave of absence while Chairman of the Budget Committee, and the responsibilities of the subcommittee chairmanship shall devolve onto a temporary chairman as determined by the Appropriations Committee and the Majority Caucus of the House.

RULES OF THE COMMITTEE ON GOVERNMENT OPERATIONS FOR THE 97TH CONGRESS

(Mr. BROOKS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BROOKS. Mr. Speaker, pursuant to clause 2(a) of rule XI of the House of Representatives, herewith are submitted for publication in the CONGRESSIONAL RECORD the rules of the Committee on Government Operations, which were adopted on February 3, 1981:

I. RULES OF THE COMMITTEE ON GOVERNMENT OPERATIONS, 97TH CONGRESS

RULE 1.—APPLICATION OF RULES

Except where the terms "full committee" and "subcommittee" are specifically referred to, the following rules shall apply to the Committee on Government Operations and its subcommittees as well as to the respective chairmen.

[See House Rule XI, 1.]

RULE 2.—MEETINGS

The regular meetings of the full committee shall be held on the second Tuesday of each month at 10 a.m., except when Congress has adjourned. The chairman is authorized to dispense with a regular meeting or to change the date thereof, and to call

and convene additional meetings, when circumstances warrant. A special meeting of the committee may be requested by members of the committee in accordance with the provisions of House Rule XI, 2(c)(2). Subcommittees shall meet at the call of the subcommittee chairman. Every member of the committee or the appropriate subcommittee, unless prevented by unusual circumstances, shall be provided with a memorandum at least three calendar days prior to each meeting or hearing explaining (1) the purpose of the meeting or hearing; and (2) the names, titles, background and reasons for appearance of any witnesses. The minority staff shall be responsible for providing the same information on witnesses whom the minority may request.

[See House Rule XI, 2(b).]

RULE 3.—QUORUMS

A majority of the members of the committee shall constitute a quorum, except that two members shall constitute a quorum for taking testimony and receiving evidence. Proxies shall not be used to establish a quorum. If the chairman is not present at any meeting of the committee or subcommittee, the ranking member of the majority party on the committee or subcommittee who is present shall preside at that meeting.

[See House Rule XI, 2(h).]

RULE 4.—COMMITTEE REPORTS

Bills and resolutions approved by the committee shall be reported by the chairman in accordance with House Rule XI, 2(l).

Every investigative report shall be approved by a majority vote of the committee at a meeting at which a quorum is present. Supplemental, minority, or additional views may be filed in accordance with House Rule XI, 2(l)(5). The time allowed for filing such views shall be three calendar days (excluding Saturdays, Sundays, and legal holidays) unless the committee agrees to a different time, but agreement on a shorter time shall require the concurrence of each member seeking to file such views. A proposed report shall not be considered in subcommittee or full committee unless the proposed report has been available to the members of such subcommittee or full committee for at least three calendar days (excluding Saturdays, Sundays, and legal holidays) prior to the consideration of such proposed report in subcommittee or full committee. If hearings have been held on the matter reported upon, every reasonable effort shall be made to have such hearings available to the members of the subcommittee or full committee prior to the consideration of the proposed report in such subcommittee or full committee.

RULE 5.—PROXY VOTES

A member may vote by proxy on any measure or matter before the committee and on any amendment or motion pertaining thereto. A proxy shall be in writing and be signed by the member granting the proxy; it shall show the date and time of day it was signed and the date for which it is given and the member to whom the proxy is given. Each proxy authorization shall state that the member is absent on official business or is otherwise unable to be present; shall be limited to the date and the specific measure or matter to which it applies; and, unless it states otherwise, shall apply to any amendments or motions pertaining to the measure or matter.

[See House Rule XI, 2(f).]

RULE 6.—ROLLCALLS

A rollcall of the members may be had upon the request of any member.

[See House Rule XI, 2(e).]

RULE 7.—RECORD OF COMMITTEE ACTIONS

The committee staff shall maintain in the committee offices a complete record of committee actions including a record of the rollcall votes taken at committee business meetings. The original records, or true copies thereof, as appropriate, shall be available for public inspection whenever the committee offices are open for public business. The staff shall assure that such original records are preserved with no unauthorized alteration, additions, or defacement.

[See House Rule XI, 2(e).]

RULE 8.—SUBCOMMITTEES; REFERRALS

There shall be seven subcommittees with appropriate party ratios which shall have fixed jurisdictions. Bills, resolutions, and other matters shall be referred by the chairman to subcommittees within two weeks for consideration or investigation in accordance with their fixed jurisdictions. Where the subject matter of the referral involves the jurisdiction of more than one subcommittee or does not fall within any previously assigned jurisdiction, the chairman shall refer the matter as he may deem advisable. Bills, resolutions, and other matters referred to subcommittees may be reassigned by the chairman when in his judgment, the subcommittee is not able to complete its work or cannot reach agreement thereon.

[See House Rule XI, 1(a)(2).]

RULE 9.—EX OFFICIO MEMBERS

The chairman and the ranking minority member of the committee shall be ex officio members of all subcommittees. They are authorized to vote on subcommittee matters; but, unless they are regular members of the subcommittee, they shall not be counted in determining a subcommittee quorum other than a quorum for the purpose of taking testimony.

RULE 10.—STAFF

Except as otherwise provided by House Rule XI, 5 and 6, the chairman of the full committee shall have the authority to hire and discharge employees of the professional and clerical staff of the full committee and of subcommittees subject to appropriate approval.

RULE 11.—STAFF DIRECTION

Except as otherwise provided by House Rule XI, 5 and 6, the staff of the committee shall be subject to the direction of the chairman of the full committee and shall perform such duties as he may assign.

RULE 12.—HEARING DATES AND WITNESSES

The chairman of the full committee will announce the date, place, and subject matter of all hearings at least one week prior to the commencement of any hearings, unless he determines that there is good cause to begin such hearings at an earlier date. In order that the chairman of the full committee may coordinate the committee facilities and hearing plans, each subcommittee chairman shall notify him of any hearing plans at least two weeks in advance of the date of commencement of hearings, including the date, place, subject matter, and the names of witnesses, willing and unwilling, who would be called to testify, including, to the extent he is advised thereof, witnesses whom the minority members may request. The minority members shall supply the names of witnesses they intend to call to the chairman of the full committee or subcommittee at the earliest possible date. Witnesses appearing before the committee shall, so far as practicable, submit written statements at least 24 hours in advance of their appearance.

[See House Rule XI, 2(g)(3), (g)(4), (j), and (k).]

RULE 13.—OPEN MEETINGS

Meetings for the transaction of business and hearings of the committee shall be open to the public or closed in accordance with Rule XI of the House of Representatives.

[See House Rule XI, 2(g) and (k).]

RULE 14.—FIVE-MINUTE RULE

A committee member may question a witness only when recognized by the chairman for that purpose. In accordance with House Rule XI, 2(j)(2), each committee member may request up to five minutes to question a witness until each member who so desires has had such opportunity. Until all such requests have been satisfied, the chairman shall, so far as practicable, recognize alternately on the basis of seniority those majority and minority members present at the time the hearing was called to order and others on the basis of their arrival at the hearing. Thereafter, additional time may be extended at the direction of the chairman.

RULE 15.—INVESTIGATIVE HEARINGS; PROCEDURE

Investigative hearings shall be conducted according to the procedures in House Rule XI, 2(k). All questions put to witnesses before the committee shall be relevant to the subject matter before the committee for consideration, and the chairman shall rule on the relevance of any questions put to the witness.

RULE 16.—STENOGRAPHIC RECORD

A stenographic record of all testimony shall be kept of public hearings and shall be made available on such conditions as the chairman may prescribe.

RULE 17.—TV, RADIO, AND PHOTOGRAPHS

When approved by a majority vote, an open meeting or hearing of the committee or a subcommittee may be covered, in whole or in part, by television broadcast, radio broadcast, and still photography, or by any of such methods of coverage, subject to the provisions of House Rule XI, 3. In order to enforce the provisions of said rule or to maintain an acceptable standard of dignity, propriety, and decorum, the chairman may order such alteration, curtailment, or discontinuance of coverage as he determines necessary.

RULE 18.—ADDITIONAL DUTIES OF CHAIRMAN

The chairman of the full committee shall:

(a) Make available to other committees the findings and recommendations resulting from the investigations of the committee or its subcommittees as required by House Rule X, 4(c)(2);

(b) Arrange such meetings, designate participants and submit such reports to the House as may be necessary to carry out the coordination of oversight activities and reporting requirements under House Rule X, 2(c);

(c) Direct such review and studies on the impact or probable impact of tax policies affecting subjects within the committee's jurisdiction as required by House Rule X, 2(d);

(d) Submit to the Committee on the Budget views and estimates required by House Rule X, 4(g), and to file reports with the House as required by the Congressional Budget Act;

(e) Authorize and issue subpenas as provided in House Rule XI, clause (2)(m)(1), in the conduct of any investigation or activity or series of investigations or activities

within the jurisdiction of the committee; and

(f) Prepare, after consultation with subcommittee chairmen and the minority, a budget for the committee which shall include an adequate budget for the subcommittees to discharge their responsibilities.

RULES OF THE COMMITTEE ON EDUCATION AND LABOR FOR THE 97TH CONGRESS

(Mr. PERKINS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PERKINS. Mr. Speaker, pursuant to rule XI, clause 2(a), of the Rules of the U.S. House of Representatives, I submit for printing in the CONGRESSIONAL RECORD the rules of the Committee on Education and Labor for the 97th Congress, adopted by the committee on February 24, 1981:

RULES OF THE COMMITTEE ON EDUCATION AND LABOR

Rule 1. Regular and Special Meetings.—(a) Regular meetings of the committee shall be held on the second and fourth Tuesdays of each month at 9:45 a.m., while the Congress is in session. When the Chairman believes that the committee will not be considering any bill or resolution before the committee and that there is no other business to be transacted at a regular meeting, he will give each member of the committee, as far in advance of the day of the regular meeting as the circumstances make practicable a written notice to that effect and no committee meeting shall be held on that day.

(b) The Chairman may call and convene, as he considers necessary, additional meetings of the committee for the consideration of any bill or resolution pending before the committee or for the conduct of other committee business. The committee shall meet for such purposes pursuant to that call of the Chairman.

(c) If at least three members of the committee desire that a special meeting of the committee be called by the Chairman, those members may file in the offices of the committee their written request to the Chairman for that special meeting. Immediately upon the filing of the request, the clerk of the committee shall notify the Chairman of the filing of the request. If, within three calendar days after the filing of the request the Chairman does not call the requested special meeting to be held within seven calendar days after the filing of the request, a majority of the members of the committee may file in the offices of the committee their written notice that a special meeting of the committee will be held, specifying the date and hour thereof, and the measure or matter to be considered at that special meeting. The committee shall meet on that date and hour. Immediately upon the filing of the notice, the clerk of the committee shall notify all members of the committee that such meeting will be held and inform them of its date and hour and the measure or matter to be considered; and only the measure or matter specified in that notice may be considered at that special meeting.

(d) All legislative meetings of the committee and its subcommittees shall be open. No business meeting of the committee, other than regularly scheduled meetings, may be held without each member being given reasonable notice. Such meeting shall be called to order and presided over by the Chairman, or in the absence of the Chairman, by the ranking majority party member of the committee present.

Rule 2. Questioning of Witnesses.—Committee members may question witnesses only when they have been recognized by the Chairman for that purpose, and only for a 5-minute period until all members present have had an opportunity to question a witness. The 5-minute period for questioning a witness by any one member can be extended only with the unanimous consent of all members present. The questioning of witnesses in both committee and subcommittee hearings shall be initiated by the Chairman, followed by the ranking minority party member and all other members alternating between the majority and minority party. In recognizing members to question witnesses in this fashion, the Chairman shall take into consideration the ratio of the majority to minority party members present and shall establish the order of recognition for questioning in such a manner as not to place the members of the majority party in a disadvantageous position. The Chairman may accomplish this by recognizing two majority party members for each minority party member recognized.

Rule 3. Records and Rollcalls.—Written records shall be kept of the proceedings of the committee and of each subcommittee, including a record of the votes on any question on which a rollcall is demanded. The result of each such rollcall vote shall be made available by the committee or subcommittee for inspection by the public at reasonable times in the offices of the committee or subcommittee. Information so available for public inspection shall include a description of the amendment, motion, order or other proposition and the name of each member voting for and each member voting against such amendment, motion, order, or proposition, and whether by proxy or in person, and the names of those members present but not voting. A record vote may be demanded by one-fifth of the members present or, in the apparent absence of a quorum, by any one member.

Rule 4. Standing Subcommittees: Size, Ratio and Jurisdiction.—(a) There shall be eight standing subcommittees with the following jurisdictions:

Subcommittee on Elementary, Secondary and Vocational Education.—Education from preschool through the high school level and vocational education including, but not limited to elementary and secondary education generally, vocational education, school lunch and child nutrition, adult basic education, migrant and agricultural labor education, and overseas dependent schools.

The Subcommittee on Elementary, Secondary and Vocational Education shall consist of 19 Members, 11 from the Majority and 8 from the Minority. This ratio does not include the assignment of any Delegate or Resident Commissioner to this subcommittee, but does include Ex Officio Members.

Subcommittee on Employment Opportunities.—Comprehensive employment and training, work incentive and equal employment opportunities including, but not limited to Comprehensive Employment and Training Act, equal employment opportunities, Humphrey-Hawkins, displaced homemakers, Wagner-Peyser (employment services), Youth Conservation Corps, Young Adult Conservation Corps, import trade impacts, plant relocation impact, and WIN.

The Subcommittee on Employment Opportunities shall consist of 10 Members, 6 from the Majority and 4 from the Minority. This ratio includes Ex Officio Members, but does not include the assignment of any Delegate or Resident Commissioner to this subcommittee.

Subcommittee on Labor-Management Relations.—Relationship between employer and employee and their representatives including, but not limited to labor-management relations generally, Bureau of Labor Statistics, pension reform (ERISA), and Service Contract Act.

The Subcommittee on Labor-Management Relations shall consist of 13 Members, 8 from the Majority and 5 from the Minority. This ratio includes Ex Officio Members.

Subcommittee on Health and Safety.—Worker's health and safety including, but not limited to, occupational safety and health, mine health and safety, youth camp safety, and migrant and agricultural labor, health and safety.

The Subcommittee on Health and Safety shall consist of 8 Members, 5 from the Majority and 3 from the Minority. This ratio includes Ex Officio Members.

Subcommittee on Human Resources.—All matters dealing with programs and services for the elderly, for the elimination of poverty and for the care and treatment of children, exclusive of education programs including, but not limited to Economic Opportunity and Community Services Acts (Headstart, Community Services, etc.), Juvenile Justice and Delinquency Prevention, Runaway Youth Act, early childhood services, nutrition programs for the elderly, and older Americans.

The Subcommittee on Human Resources shall consist of 5 Members, 3 from the Majority and 2 from the Minority. This ratio includes Ex Officio Members, but does not include the assignment of any Delegate or Resident Commissioner to this subcommittee.

Subcommittee on Postsecondary Education.—Education beyond the high school level including, but not limited to higher education generally, education professions development, postsecondary student assistance, arts and humanities, museums, and library services and construction.

The Subcommittee on Postsecondary Education shall consist of 13 Members, 8 from the Majority and 5 from the Minority. This ratio includes Ex Officio Members.

Subcommittee on Labor Standards.—Wages and hours of labor including, but not limited to Davis-Bacon Act, Walsh-Healey Act, Fair Labor Standards Act (including child labor), workers' compensation generally, Longshoremen's and Harbor Workers' Compensation Act, Federal employees' compensation, and the Farm Labor Contractor Registration Act.

The Subcommittee on Labor Standards shall consist of 12 Members, 7 from the Majority and 5 from the Minority. This ratio includes Ex Officio Members.

Subcommittee on Select Education.—Special education programs including, but not limited to alcohol and drug abuse, education of the handicapped, rehabilitation, environmental education, National Institute of Education, migrant and agricultural labor day care, child adoption, child abuse, domestic violence, and domestic volunteers, ACTION (excluding volunteer older American programs).

The Subcommittee on Select Education shall consist of 8 Members, 5 from the Ma-

jority and 3 from the Minority. This ratio includes Ex Officio Members.

(b) The Majority party Members of the Committee may provide for such special and select subcommittees as determined to be appropriate.

Rule 5. Ex Officio Membership.—The Chairman of the Committee and the ranking Minority party Member of the Committee shall be ex officio members of each Subcommittee established pursuant to Rule 4.

Rule 6. Special Assignment of Members.—To facilitate the oversight and other legislative and investigative activities of the committee, the Chairman of the committee may, at the request of a subcommittee chairman, make a temporary assignment of any member of the committee to such subcommittee for the purpose of enabling such member to participate in any public hearing, investigation, or study by such subcommittee to be held outside of Washington. Any member of the committee may attend public hearings of any subcommittee and shall be afforded an opportunity by the subcommittee chairman to question witnesses.

Rule 7. Subcommittee Chairmanship.—The majority party members of the committee shall have the right, in order of full committee seniority, to bid for subcommittee chairmanships. Any such request shall be subject to approval by a majority of those present and voting in the majority party caucus of the committee. Members so elected shall be chairman of their respective subcommittees.

Rule 8. Subcommittee Scheduling.—Subcommittee chairmen shall set meeting dates after consultation with the Chairman and other subcommittee chairmen with a view toward avoiding simultaneous scheduling of committee and subcommittee meetings or hearings wherever possible. Available dates for subcommittee meetings during the session shall be assigned by the Chairman to the subcommittees as nearly as practicable in rotation and in accordance with their workloads.

Rule 9. Subcommittee Rules.—The rules of the committee shall be the rules of its subcommittees.

Rule 10. Committee Staffs.—Except as provided in Rule XI, clause 5(d) of the Rules of the House of Representatives, the staff of the House Committee on Education and Labor shall be appointed as follows:

A. The subcommittee staff shall be appointed, and may be removed, and their remuneration determined by the subcommittee chairman in consultation with and with the approval of the majority party members of the subcommittee within the budget approved for the subcommittee by the full committee;

B. The staff assigned to the minority shall be appointed and their remuneration determined in such manner as the minority party members of the committee shall determine within the budget approved for such purposes by the committee;

C. The employees of the committee not assigned to a standing subcommittee or to the minority under the above provisions shall be appointed, and may be removed, and their remuneration determined by the Chairman in consultation with and with the approval of the majority party members of the committee within the budget approved for such purposes by the committee.

Rule 11. Supervision and Duties of Committee Staffs.—The staff of a subcommittee shall be under the general supervision and direction of the chairman of that subcommittee. The staff assigned to the minority shall be under the general supervision and direction of the minority party members of the committee who may delegate such authority as they determine appropriate. The staff of the committee not assigned to a subcommittee or to the minority shall be under the general supervision and direction of the Chairman, who shall establish and assign the duties and responsibilities of such staff members and delegate authority as he determines appropriate.

Staff members shall be assigned to committee business and no other duties may be assigned to them.

Rule 12. Hearings Procedure.—(a) The Chairman, in the case of hearings to be conducted by the committee, and the appropriate subcommittee chairman, in the case of hearings to be conducted by a subcommittee, shall make public announcement of the date, place, and subject matter of any hearing to be conducted on any measure or matter at least one week before the commencement of that hearing unless the committee or subcommittee determines that there is good cause to begin such hearing at an earlier date. In the latter event the Chairman or the subcommittee chairman whichever the case may be shall make such public announcement at the earliest possible date. The clerk of the committee shall promptly notify the Daily Digest Clerk of the Congressional Record as soon as possible after such public announcement is made.

(b) So far as practicable, each witness who is to appear before the committee or a subcommittee shall file with the clerk of the committee, at least 24 hours in advance of his appearance, a written statement of his proposed testimony and shall limit his oral presentation to a summary of his statement.

(c) When any hearing is conducted by the committee or any subcommittee upon any measure or matter, the minority party members on the committee shall be entitled, upon request to the Chairman by a majority of those minority party members before the completion of such hearing, to call witnesses selected by the minority to testify with respect to that measure or matter during at least one day of hearing thereon.

Rule 13. Meetings—Hearings—Quorums.—(a) Subcommittees are authorized to hold hearings, receive exhibits, hear witnesses, and report to the committee for final action, together with such recommendations as may be agreed upon by the subcommittee. No such meetings or hearings, however, shall be held outside of Washington or during a recess or adjournment of the House without the prior authorization of the committee Chairman or a majority of a quorum of the subcommittee: *Provided*, That where feasible and practicable, 14 days notice will be given of such meeting or hearing.

(b) One-third of the members of the committee or subcommittee shall constitute a quorum for taking any action other than amending committee rules, closing a meeting from the public, reporting a measure or recommendation, or in the case of the committee authorizing a subpoena. For the enumerated actions a majority of the committee or subcommittee shall constitute a quorum. Any two members shall constitute a quorum for the purpose of taking testimony and receiving evidence.

(c) In the absence of the chairman of the committee or a subcommittee, the ranking majority party member present shall preside.

Rule 14. Subpoenas.—A subpoena may be authorized and issued by the Committee or subcommittee in the conduct of any investigation or series of investigations or activities, only when authorized by a majority of the Members of the full Committee voting, a majority being present. Authorized subpoenas shall be signed by the Chairman of the Committee or by any Member designated by the Committee.

Rule 15. Reports of Subcommittees.—(a) Whenever a subcommittee has ordered a bill, resolution, or other matter to be reported to the committee, the chairman of the subcommittee reporting the bill, resolution, or matter to the committee, or any member authorized by the subcommittee to do so, may report such bill, resolution, or matter to the committee. It shall be the duty of the chairman of the subcommittee to report or cause to be reported promptly such bill, resolution, or matter, and to take or cause to be taken the necessary steps to bring such bill, resolution, or matter to a vote.

(b) In any event, the report, described in the proviso in paragraph (d) of this rule, of any subcommittee on a measure which has been approved by the subcommittee shall be filed within seven calendar days (exclusive of days on which the House is not in session) after the day on which there has been filed with the clerk of the committee a written request, signed by a majority of the members of the subcommittee, for the reporting of that measure. Upon the filing of any such request, the clerk of the committee shall transmit immediately to the chairman of the subcommittee notice of the filing of that request.

(c) All committee or subcommittee reports printed pursuant to legislative study or investigation and not approved by a majority vote of the committee or subcommittee, as appropriate, shall contain the following disclaimer on the cover of such report:

"This report has not been officially adopted by the Committee on Education and Labor (or pertinent subcommittee thereof) and may not therefore necessarily reflect the views of its members."

(d) Bills, resolutions, or other matters favorably reported by a subcommittee shall automatically be placed upon the agenda of the committee as of the time they are reported and shall be considered by the full committee in the order in which they were reported unless the committee shall by majority vote otherwise direct: *Provided*, That no bill reported by a subcommittee shall be considered by the full committee unless it has been in the hands of all members at least 48 hours prior to the meeting, together with a comparison with present law and a section-by-section analysis of the proposed change.

Rule 16. Proxies.—(a) A vote by any member in the committee or in any subcommittee may be cast by proxy, but such proxy must be in writing and in the hands of the chief clerk of the committee or the clerk of the subcommittee, as the case may be, during each rollcall in which they are to be voted. Each proxy shall designate the member who is to execute the proxy authorization and shall be limited to a specific measure or matter and any amendments or motions pertaining thereto; except that a member may authorize a general proxy only for motions to recess, adjourn or other procedural matters. Each proxy to be effective shall be signed by the member assigned his vote and shall contain the date and time of day that the proxy is signed. Proxies may not be counted for a quorum.

(b) Proxies shall be in the following form:

Hon. ——.
House of Representatives,
Washington, D.C.

DEAR ——. Anticipating that I will be absent on official business or otherwise unable to be present, I hereby authorize you to vote in my place and stead in the consideration of —— and any amendments or motions pertaining thereto.

————,
Member of Congress.

Executed this the —— day of ——, 19—, at the time of —— P.M./A.M.

Rule 17. Authorization for Travel.—(a) Consistent with the primary expense resolution and such additional expense resolutions as may have been approved, the provisions of this rule shall govern travel of committee members and staff. Travel to be paid from funds set aside for the full committee for any member or any staff member shall be paid only upon the prior authorization of the Chairman. Travel may be authorized by the Chairman for any member and any staff member in connection with the attendance of hearings conducted by the committee or any subcommittee thereof and meetings, conferences, and investigations which involve activities or subject matter under the general jurisdiction of the committee.

Before such authorization is given there shall be submitted to the Chairman in writing the following:

(1) The purpose of the travel;

(2) The dates during which the travel is to be made and the date or dates of the event for which the travel is being made;

(3) The location of the event for which the travel is to be made;

(4) The names of members and staff seeking authorization.

(b) In the case of travel of members and staff of a subcommittee to hearings, meetings, conferences, and investigations involving activities or subject matter under the legislative assignment of such subcommittee to be paid for out of funds allocated to such subcommittee, prior authorization must be obtained from the subcommittee chairman and the Chairman. Such prior authorization shall be given by the Chairman only upon the representation by the appropriate chairman of the subcommittee in writing setting forth those items enumerated in (1), (2), (3), and (4) of paragraph (a) and in addition thereto setting forth that subcommittee funds are available to cover the expenses of the person or persons being authorized by the subcommittee chairman to undertake the travel and that there has been a compliance where applicable with Rule 12 of the committee.

(c)(1) In the case of travel outside the United States of members and staff of the committee or of a subcommittee for the purpose of conducting hearings, investigations, studies, or attending meetings and conferences involving activities or subject matter under the legislative assignment of the committee or pertinent subcommittees prior authorization must be obtained from the Chairman, or, in the case of a subcommittee, from the subcommittee chairman and the Chairman. Before such authorization is given, there shall be submitted to the Chairman, in writing, a request for such authorization. Each request, which shall be filed in a manner that allows for a reasonable period of time for review before such travel is scheduled to begin, shall include the following:

(A) the purpose of travel;

(B) the dates during which the travel will occur;

(C) the names of the countries to be visited and the length of time to be spent in each;

(D) an agenda of anticipated activities for each country for which travel is authorized together with a description of the purpose to be served and the areas of committee jurisdiction involved; and

(E) the names of members and staff for whom authorization is sought.

(2) Requests for travel outside the United States may be initiated by the Chairman or the chairman of a subcommittee (except that individuals may submit a request to the Chairman for the purpose of attending a conference or meeting) and shall be limited to members and permanent employees of the committee.

(3) The Chairman shall not approve a request involving travel outside the United States while the House is in session (except in the case of attendance at meetings and conferences or where circumstances warrant an exception).

(4) At the conclusion of any hearing, investigation, study, meeting or conference for which travel outside the United States has been authorized pursuant to this rule, each subcommittee (or members and staff attending meetings or conferences) shall submit a written report to the Chairman covering the activities and other pertinent observations or information gained as a result of such travel.

(d) Members and staff of the committee performing authorized travel on official business shall be governed by applicable laws, resolutions, or regulations of the House and of the Committee on House Administration pertaining to such travel, including rules, procedures and limitations prescribed by the Committees on House Administration with respect to domestic and foreign expense allowances.

(e) Prior to the Chairman's authorization for any travel the ranking minority party member shall be given a copy of the written request therefor.

Rule 18. Oversight.—(a) In order to enable the Committee to carry out its responsibilities under Rule X, clause (2) of the Rules of the House of Representatives, each subcommittee shall review and study, on a continuing basis, the application, administration, execution, and effectiveness of those laws, or parts of laws, the subject matter of which is within the jurisdiction of that subcommittee, and the organization and operation of the Federal agencies and entities having responsibilities in or for the administration and execution thereof, in order to determine whether such laws and the programs thereunder are being implemented and carried out in accordance with the intent of the Congress and whether such programs should be continued, curtailed, or eliminated. In addition, each such subcommittee shall review and study any conditions or circumstances which may indicate the necessity or desirability of enacting new or additional legislation within the jurisdiction of that subcommittee (whether or not any bill or resolution has been introduced with respect thereto), and shall on a continuing basis undertake future research and forecasting on matters within the jurisdiction of that subcommittee.

(b) The Chairman of the committee, consistent with Rule 4, from time to time in order to fulfill the committee's responsibility under Rule X, clause (3)(c) of the Rules of the House of Representatives, shall assign matters to subcommittees for reviewing, studying, and coordinating, on a continuing basis, all laws, programs, and Government activities dealing with or involving domestic educational programs and institutions, and programs of student assistance, which are within the jurisdiction of other committees.

(c) The Chairman of the committee, consistent with Rule X, clause (2)(d) of the Rules of the House of Representatives, shall from time to time assign matters to subcommittees for reviewing and studying on a continuing basis the impact or probable impact of tax policies affecting subjects within the jurisdiction of the committee.

Rule 19. Referral of Bills, Resolutions, and Other Matters.—(a) Each bill, resolution, or other matter which relates to a subject listed under the jurisdiction of any subcommittee named in Rule 4 referred to the Committee shall be referred to the subcommittee of appropriate jurisdiction within two weeks, unless, by majority vote of the majority party members of the committee, consideration is to be by the full committee.

(b) In carrying out paragraph (a) with respect to any matter, the Chairman may refer the matter simultaneously to two or more subcommittees, consistent with Rule 4, for concurrent consideration or for consideration in sequence (subject to appropriate time limitations in the case of any subcommittee), or divide the matter into two or more parts (reflecting different subjects and jurisdictions) and refer each such part to a different subcommittee, or refer the matter, pursuant to Rule 4, to a special ad hoc subcommittee, appointed by the Chairman (from the members of the subcommittees having legislative jurisdiction) for the specific purpose of considering that matter and reporting to the committee thereon, or make such other provisions as may be considered appropriate.

(c) Referral to a subcommittee shall not be made until three days shall have elapsed after written notification of such proposed referral to all subcommittee chairmen, at which time such proposed referral shall be made unless one or more subcommittee chairmen shall have given written notice to the chairman of the full committee and to the chairman of each subcommittee that he intends to question such proposed referral at the next regularly scheduled meeting of the committee, or at a special meeting of the committee called for that purpose at which time referral shall be made by the majority members of the committee. All bills shall be referred under this rule to the subcommittee or proper jurisdiction without regard to whether the author is or is not a member of the subcommittee. A bill, resolution, or other matter referred to a subcommittee in accordance with this rule may be recalled therefrom at any time by a vote of the majority members of the committee for the committee's direct consideration or for reference to another subcommittee.

Rule 20. Committee Reports.—(*a*) All committee reports on bills or resolutions shall comply with the provisions of clause 2 of Rule XI of the Rules of the House of Representatives.

(*b*) No such report shall be filed until copies of the proposed report have been available to all members at least 36 hours prior. No material change shall be made in the report distributed to members unless agreed to by majority vote: *Provided*, That any member or members of the committee may file, as part of the printed report, individual, minority, or dissenting views, without reference to the preceding provisions of this rule.

Rule 21. Budget and Expenses.—The Chairman, in consultation with the majority party members of the committee shall, for each session of the Congress, prepare a preliminary budget. Such budget shall include necessary amounts for staff personnel, for necessary travel, investigation, and other expenses of the committee and after consultation with the minority party membership, the Chairman shall include amounts budgeted to the minority party members for staff personnel to be under the direction and supervision of the minority party, travel expenses of minority members and staff, and minority party office expenses. All travel expenses of minority party members and staff shall be paid for out of the amounts so set aside and budgeted. The chairman of each standing subcommittee, in consultation with the majority party members thereof, shall prepare a supplemental budget to include funds for each additional staff, and for such travel, investigations, etc., as may be required for the work of such subcommittee. Thereafter, the Chairman shall combine such proposals into a consolidated committee budget, and shall present the same to the committee for its approval or other action. The Chairman shall take whatever action is necessary to have the budget as finally approved by the committee duly authorized by the House. After said budget shall have been adopted, no change shall be made in such budget unless approved by the committee. The Chairman or the chairman of any standing subcommittee may initiate necessary travel requests as provided in Rule 16 within the limits of their portion of the consolidated budget as approved by the House, and the Chairman may execute necessary vouchers therefor.

Once monthly, the Chairman shall notify the committee, in writing, that a full and detailed accounting of all expenditures made during the period since the last such accounting from the amount budgeted to the committee is available to every Member in the office of the Clerk of the Committee. Such report shall show the amount and purpose of each expenditure and the budget to which such expenditure is attributed.

Rule 22. Appointment of Conferees.—Whenever in the legislative process it becomes necessary to appoint conferees, the Chairman shall recommend to the Speaker as conferees the names of those members of the subcommittee which handled the legislation in the order of their seniority upon such subcommittee and such other committee members as the Chairman may designate with the approval of the majority party members. Recommendations of the Chairman to the Speaker shall provide a ratio of majority party members to minority party members no less favorable to the majority party than the ratio of majority members to minority party members on the full committee. In making assignments of minority party members as conferees the Chairman shall consult with the ranking minority party member of the committee.

Rule 23. Broadcasting of Committee Hearings.—(a) Whenever any hearing or meeting of the committee or a subcommittee is open to the public, that hearing or meeting may be covered in whole or in part by television broadcast, radio broadcast, and still photography, or by other such methods of coverage. Such coverage of hearings and meetings is a privilege made available by the House and shall be permitted and conducted only in strict conformity with the purposes, provisions and requirements of clause 3 of Rule XI of the rules of the House of Representatives.

(b) The general conduct of each hearing or meeting covered under authority of this clause and the personal behavior of committee members, staff, other government officials and personnel, witnesses, television, radio and press media personnel, and the general public at the hearing or other meeting, shall be in strict conformity with and observance of the acceptable standards of dignity, propriety, courtesy, and decorum traditionally observed by the House.

(c) Persons undertaking to cover committee hearings or meetings under authority of this rule shall be governed by the following limitations:

(1) If the television or radio coverage of the hearing or meeting is to be presented to the public as live coverage, that coverage shall be conducted and presented without commercial sponsorship.

(2) No witness served with a subpena by the committee shall be required against his or her will to be photographed at any hearing or to give evidence or testimony while the broadcasting of that hearing, by radio or television, is being conducted. At the request of any such witness who does not wish to be subjected to radio, television, or still photography coverage, all lenses shall be covered and all microphones used for coverage turned off. This subparagraph is supplementary to clause 2(k)(5) of Rule XI of the Rules of the House of Representatives, relating to the protection of the rights of witnesses.

(3) Not more than four television cameras, operating from fixed positions, shall be permitted in a hearing or meeting room. The allocation among the television media of the positions of the number of television cameras permitted in a hearing or meeting room shall be in accordance with fair and equitable procedures devised by the Executive Committee of the Radio and Television Correspondents' Galleries.

(4) Television cameras shall be placed so as not to obstruct in any way the space between any witness giving evidence or testimony and any member of the committee or the visibility of that witness and that member to each other.

(5) Television cameras shall not be placed in positions which obstruct unnecessarily the coverage of the hearing or meeting by the other media.

(6) Equipment necessary for coverage by the television and radio media shall not be installed in, or removed from, the hearing or meeting room while the committee is in session.

(7) Floodlights, spotlights, strobelights, and flashguns shall not be used in providing any method of coverage of the hearing or meeting, except that the television media may install additional lighting in the hearing or meeting room, without cost to the Government, in order to raise the ambient lighting level in the hearing or meeting room to the lowest level necessary to provide adequate television coverage of the hearing or meeting at the then current state of the art of television coverage.

(8) Not more than five press photographers shall be permitted to cover a hearing or meeting by still photography. In the selection of these photographers, preference shall be given to photographers from Associated Press Photos and United Press International Newspictures. If request is made by more than five of the media for coverage of the hearing or meeting by still photography, that coverage shall be made on the basis of a fair and equitable pool arrangement devised by the Standing Committee of Press Photographers.

(9) Photographers shall not position themselves, at any time during the course of the hearing or meeting, between the witness table and the members of the committee.

(10) Photographers shall not place themselves in positions which obstruct unnecessarily the coverage of the hearing by the other media.

(11) Personnel providing coverage by the television and radio media shall be then currently accredited to the Radio and Television Correspondents' Galleries.

(12) Personnel providing coverage by still photography shall be then currently accredited to the Press Photographers' Gallery.

(13) Personnel providing coverage by the television and radio media and by still photography shall conduct themselves and their coverage activities in an orderly and unobstrusive manner.

Rule 24. Changes in Committee Rules.—A proposed change in these Rules shall not be considered by the committee unless the text of such change has been in the hands of all Members at least 48 hours prior to the meeting in which the matter is considered.

RULE XI, CL. 2(k)

Rules of the U.S. House of Representatives, 96th Congress

Investigative Hearing Procedures

(k)(1) The chairman at an investigative hearing shall announce in the opening statement the subject of the investigation.

(2) A copy of the committee rules and this clause shall be made available to each witness.

(3) Witnesses at investigative hearings may be accompanied by their own counsel for the purpose of advising them concerning their constitutional rights.

(4) The chairman may punish breaches of order and decorum, and of professional ethics on the part of counsel, by censure and exclusion from the hearings; and the committee may cite the offender to the House for contempt.

(5) Whenever it is asserted that the evidence or testimony at an investigatory hearing may tend to defame, degrade, or incriminate any person,

(A) such testimony or evidence shall be presented in executive session, notwithstanding the provisions of clause 2(g)(2) of this Rule, if by a majority of those present, there being in attendance the requisite number required under the rules of the committee to be present for the purpose of taking testimony, the committee determines that such evidence or testimony may tend to defame, degrade, or incriminate any person; and

(B) the committee shall proceed to receive such testimony in open session only if a majority of the members of the committee, a majority being present, determine that such evidence or testimony will not tend to defame, degrade, or incriminate any person.

In either case the committee shall afford such person an opportunity voluntarily to appear as a witness; and receive and dispose of requests from such person to subpena additional witnesses.

(6) Except as provided in subparagraph (5), the chairman shall receive and the committee shall dispose of requests to subpena additional witnesses.

(7) No evidence or testimony taken in executive session may be released or used in

public sessions without the consent of the committee.

(8) In the discretion of the committee, witnesses may submit brief and pertinent sworn statements in writing for inclusion in the record. The committee is the sole judge of the pertinency of testimony and evidence adduced at its hearing.

(9) A witness may obtain a transcript copy of his testimony given at a public session or, if given at an executive session, when authorized by the committee.

RULES OF THE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION FOR THE 97TH CONGRESS

(Mr. HOWARD asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HOWARD. Mr. Speaker, pursuant to clause 2(a) of rule XI of the Rules of the House of Representatives, and the unanimous consent request of February 4, 1981, which extended the time for all committees to publish their rules in the CONGRESSIONAL RECORD to Friday, February 27, I submit the attached rules of the Committee on Public Works and Transportation for the 97th Congress. These rules were adopted in open session by voice vote in the presence of a quorum at the committee's organizational meeting on February 19, 1981:

NINETY-SEVENTH CONGRESS, 1981-82, COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION—COMMITTEE RULES

RULE NO. I.—GENERAL PROVISIONS

(a) The Rules of the House are the rules of the committee and subcommittees so far as applicable, except that a motion to recess from day to day is a motion of high privilege in committees and subcommittees. Each subcommittee of the committee is a part of the committee, and is subject to the authority and direction of the committee and to its rules so far as applicable.

(b) The committee is authorized at any time to conduct such investigations and studies as it may consider necessary or appropriate in the exercise of its responsibilities under Rule X of House Rules and (subject to the adoption of expense resolutions as required by Rule XI, clause 5 of House Rules) to incur expenses (including travel expenses) in connection therewith.

(c) The committee is authorized to have printed and bound testimony and other data presented at hearings held by the committee. All costs of stenographic services and transcripts in connection with any meeting or hearing of the committee shall be paid from the contingent fund of the House.

(d) The committee shall submit to the House, not later than January 2 of each odd-numbered year, a report on the activities of the committee under Rules X and XI of House Rules during the Congress ending at noon on January 3 of such year.

(e) The committee's rules shall be published in the Congressional Record no later than 30 days after the Congress convenes in each odd-numbered year.

RULE NO. II.—REGULAR AND SPECIAL MEETINGS; OPEN COMMITTEE MEETINGS

(a) Regular meetings of the committee shall be held on the first Tuesday of every month to transact its business unless such day is a holiday, or Congress is in recess or is adjourned, in which case the Chairman shall determine the regular meeting day of the committee for that month. The Chairman shall give each member of the Committee, as far in advance of the day of the regular meeting as the circumstances make practicable, a written notice of such meeting. If the Chairman believes that the Committee will not be considering any bill or resolution before the full committee and that there is no other business to be transacted at a regular meeting, the meeting may be cancelled, delayed or deferred until such time as, in the judgment of the Chairman, there may be such matters which require the committee's consideration. This paragraph shall not apply to meetings of any subcommittee.

(b) The Chairman may call and convene, as he considers necessary, additional meetings of the committee for the consideration of any bill or resolution pending before the committee or for the conduct of other committee business. The committee shall meet for such purpose pursuant to that call of the Chairman.

(c) If at least three members of the committee desire that a special meeting of the committee be called by the Chairman, those members may file in the offices of the committee their written request to the Chairman for that special meeting. Such request shall specify the measure or matter to be considered. Immediately upon the filing of the request, the clerk of the committee shall notify the Chairman of the filing of the request. If, within three calendar days after the filing of the request, the Chairman does not call the requested special meeting to be held within 7 calendar days after the filing of the request, a majority of the members of the committee may file in the offices of the committee their written notice that a special meeting of the committee will be held, specifying the date and hour thereof, and the measure or matter to be considered at that special meeting. The committee shall meet on that date and hour. Immediately upon the filing of the notice, the clerk of the committee shall notify all members of the committee that such meeting will be held and inform them of its date and hour and the measure or matter to be considered; and only the measure or matter specified in that notice may be considered at that special meeting.

(d) If the Chairman of the committee or subcommittee is not present at any meeting of the committee or subcommittee the ranking member of the majority party on the committee or subcommittee who is present shall preside at that meeting.

(e) The committee may not sit, without special leave, while the House is reading a measure for amendment under the five-minute rule.

(f)(1) Each meeting for the transaction of business, including the markup of legislation, of the committee or each subcommittee thereof shall be open to the public except when the committee or subcommittee, in open session and with a majority present, determines by roll call vote that all or part of the remainder of the meeting on that day shall be closed to the public: Provided, however, that no person other than members of the committee and such congressional staff and such departmental representatives as they may authorize shall be present at any business or markup session which has been closed to the public. This paragraph does not apply to open committee hearings which are provided for by clause 4(a)(1) of House Rule X or by subparagraph (2) of this paragraph, or to any meeting that relates solely to internal budget or personnel matters.

(2) Each hearing conducted by the committee or each subcommittee thereof shall be open to the public except when the committee or subcommittee, in open session and with a majority present, determines by roll call vote that all or part of the remainder of that hearing on that day shall be closed to the public because disclosure of testimony, evidence, or other matters to be considered would endanger the national security or would violate any law or rule of the House of Representatives. Notwithstanding the requirements of the preceding sentence, a majority of those present, there being in attendance the requisite number required under the rules of the committee to be present for the purpose of taking testimony,

(A) may vote to close the hearing for the sole purpose of discussing whether testimony or evidence to be received would endanger the national security or violate clause (g)(5) of Rule VII, or

(B) may vote to close the hearing, as provided in clause (g)(5) of Rule VII. No member of the House of Representatives may be excluded from nonparticipatory attendance at any hearing of the committee or any subcommittee, unless the House of Representatives shall by majority vote authorize the committee or a particular subcommittee, for purposes of a particular series of hearings on a particular article of legislation or on a particular subject of investigation, to close its hearings to members by the same procedure designated in this subparagraph for closing hearings to the public; *Provided, however,* That the committee or subcommittee may by the same procedure vote to close one subsequent day of hearings.

RULE NO. III.—RECORDS AND ROLL CALLS

(a) There shall be kept in writing a record of the proceedings of the committee and of each subcommittee, including a record of the votes on any question on which a roll call is demanded. The result of each such roll call vote shall be made available by the committee for inspection by the public at reasonable times in the offices of the committee. Information so available for public inspection shall include a description of the amendment, motion, order or other proposition and the name of each member voting for and each member voting against such amendment, motion, order, or other proposition and the name of each member voting for and each member voting against such amendment, motion, order, or proposition, and whether by proxy or in person, and the names of those members present but not voting. A record vote may be demanded by one-fifth of the members present.

(b) All committee hearings, records, data, charts, and files shall be kept separate and distinct from the congressional office records of the member serving as Chairman of the committee; and such records shall be the property of the House and all members of the House shall have access thereto.

RULE NO. IV.—PROXIES

(a) A vote by any member in the committee or in any subcommittee may be cast by proxy, but such proxy must be in writing. Each proxy shall designate the member who is to execute the proxy authorization and shall be limited to a specific measure or matter and any amendments or motions pertaining thereto; except that a member may authorize a general proxy only for mo-

tions to recess, adjourn or other procedural matters. Each proxy to be effective shall be signed by the member assigning his vote and shall contain the date and time of day that the proxy is signed. Proxies may not be counted for a quorum.

(b) Proxies shall be in the following form:

Hon. ————,
House of Representatives,
Washington, D.C.

DEAR ————: Anticipating that I will be absent on official business or otherwise unable to be present, I hereby authorize you to vote in my place and stead in the consideration of ———— and any amendments or motions pertaining thereto.

————,
Member of Congress.

Executed this the —— day of ————, 19——, at the time of ———— p.m./a.m.

RULE NO. V.—POWER TO SIT AND ACT; SUBPOENA POWER

(a) For the purpose of carrying out any of its functions and duties under House Rules X and XI, the committee, or any subcommittee thereof, is authorized (subject to subparagraph (b)(1) of this paragraph)

(1) to sit and act at such times and places within or without the United States, whether the House is in session, has recessed, or has adjourned, and to hold such hearings, and

(2) to require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents as it deems necessary. The Chairman of the committee, or any member designated by the Chairman, may administer oaths to any witness.

(b)(1) A subpoena may be issued by the committee or subcommittee under subparagraph (a)(2) in the conduct of any investigation or activity or series of investigations or activities, only when authorized by a majority of the members voting, a majority being present. Such authorized subpoenas shall be signed by the Chairman of the Committee or by any member designated by the committee. If a specific request for a subpoena has not been previously rejected by either the committee or subcommittee, the Chairman of the committee, after consultation with the ranking minority member, may authorize and issue a subpoena under subparagraph (a)(2) in the conduct of any investigation or activity or series of investigations or activities, and such subpoena shall for all purposes be deemed a subpoena issued by the committee. Whenever a subpoena is issued under this subparagraph, as soon as practicable thereafter, the Chairman shall notify all members of the committee of such action.

(2) Compliance with any subpoena issued by the committee or subcommittee under subparagraph (a)(2) may be enforced only as authorized or directed by the House.

(c) Each witness who has been subpoenaed, upon the completion of his testimony before the committee or any subcommittee, may report to the office of counsel of the committee, and there sign appropriate vouchers for travel allowances and attendance fees. If hearings are held in cities other than Washington, D.C., the witness may contact the counsel of the committee, or his representative, prior to leaving the hearing room.

RULE NO. VI.—QUORUMS

(a) One-third of the members of the committee or a subcommittee shall constitute a quorum for taking any action other than the closing of a meeting pursuant to subparagraph (f) of committee Rule II, the authorizing of a subpoena pursuant to subparagraph (b) of committee Rule V, the reporting of a measure or recommendation pursuant to subparagraph (b)(1) of committee Rule VIII, and the actions described in subparagraph (b), (c) and (d) of this Rule.

(b) A majority of the members of the committee or a subcommittee shall constitute a quorum for the reporting of a measure or recommendation.

(c) A majority of the members of the committee or a subcommittee shall constitute a quorum for approval of any of the following actions:

(1) Construction, alteration, purchase or acquistion of a public building involving an expenditure in excess of $500,000 and lease of space at an average annual rental in excess of $500,000 (section 2 of P.L. 92-313, 40 U.S.C. 606).

(2) Survey investigation of a proposed project for navigation, flood control, and other purposes by the Corps of Engineers (section 4 of the Rivers and Harbors Act of March 4, 1913, 33 U.S.C. 542).

(3) Construction of a water resources development project by the Corps of Engineers with an estimated Federal cost not exceeding $15,000,000 (section 201 of the Flood Control Act of 1965, as amended).

(4) Continuation of the authorization of water resources development project to be constructed by the Corps of Engineers where such project has been recommended for deauthorization pursuant to the provisions of section 12 of the Water Resources Development Act of 1974.

(5) Deletion of water quality storage in a Federal reservoir project where the benefits attributable to water quality are 15 percent or more but not greater than 25 percent of the total project benefits (section 65 of the Water Resources Development Act of 1974).

(6) Authorization of a Soil Conservation Service watershed project involving any single structure of more than 4,000 acre feet of total capacity (section 2 of P.L. 566, 83rd Congress, as amended).

(d) Two members of the committee or subcommittee shall constitute a quorum for the purpose of taking testimony and receiving evidence.

RULE NO. VII.—HEARING PROCEDURES

(a) The Chairman, in the case of hearings to be conducted by the committee, and the appropriate subcommittee chairman, in the case of hearings to be conducted by a subcommittee, shall make public announcement of the date, place, and subject matter of any hearing to be conducted on any measure or matter at least one week before the commencement of that hearing unless the committee determines that there is good cause to begin such hearing at an earlier date. In the latter event the chairman or the subcommittee chairman whichever the case may be shall make such public announcement at the earliest possible date. The clerk of the committee shall promptly notify the Daily Digest Clerk of the Congressional Record and shall promptly enter the appropriate information into the committee scheduling service of the House Information Systems as soon as possible after such public anouncement is made.

(b) So far as practicable, each witness who is to appear before the committee or a subcommittee shall file with the clerk of the committee, at least 2 working days before the day of his appearance, a written statement of his proposed testimony and shall limit his oral presentation to a summary of his statement.

(c) When any hearing is conducted by the committee or any subcommittee upon any measure or matter, the minority party members on the committee shall be entitled, upon request to the Chairman by a majority of those minority members before the completion of such hearing, to call witnesses selected by the minority to testify with respect to that measure or matter during at least one day of hearing thereon.

(d) Upon announcement of a hearing, to the extent practicable the Clerk and Staff Director shall cause to be prepared a concise summary of the subject matter (including legislative reports and other material) under consideration which shall be made available immediately to all members of the committee. In addition, upon announcement of a hearing and subsequently as they are received, the Chairman shall make available to the members of the committee any official reports from departments and agencies on such matter.

(e) All other members of the committee may have the privilege of sitting with any subcommittee during its hearing or deliberations and may participate in such hearings or deliberations, but no such member who is not a member of the subcommittee shall vote on any matter before such subcommittee.

(f) Committee members may question witnesses only when they have been recognized by the chairman for that purpose, and only for a 5-minute period until all members present have had an opportunity to question a witness. The 5-minute period for questioning a witness by any one member can be extended only with the unanimous consent of all members present. The questioning of witness in both full and subcommittee hearings shall be initiated by the chairman, followed by the ranking minority party member and all other members alternating between the majority and minority. In recognizing members to question witnesses in this fashion, the chairman shall take into consideration the ratio of the majority to minority members present and shall establish the order of recognition for questioning in such a manner as not to disadvantage the members of the majority nor the members of the minority. The chairman may accomplish this by recognizing two majority members for such minority member recognized.

(g) The following additional rules shall apply to investigative hearings:

(1) The Chairman at an investigative hearing shall announce in an opening statement the subject of the investigation.

(2) A copy of the committee rules and this clause shall be made available to each witness.

(3) Witnesses at investigative hearings may be accompanied by their own counsel for the purpose of advising them concerning their constitutional rights.

(4) The Chairman may punish breaches of order and decorum and of professional ethics on the part of counsel, by censure and exclusion from the hearings; and the committee may cite the offender to the House for contempt.

(5) Whenever it is asserted that the evidence or testimony at an investigative hearing may tend to defame, degrade, or incriminate any person.

(A) such testimony or evidence shall be presented in executive session, notwithstanding the provisions of clause (f)(2) of Rule No. II, if by a majority of those present, there being in attendance the requisite number required under the rules of

the committee to be present for the purpose of taking testimony, the committee determines that such evidence or testimony may tend to defame, degrade, or incriminate any person; and

(B) the committee shall proceed to receive such testimony in open session only if a majority of the members of the committee, a majority being present, determine that such evidence or testimony will not tend to defame, degrade, or incriminate any person.

In either case the committee shall afford such person an opportunity to voluntarily appear as a witness; and receive and dispose of requests from such person to subpoena additional witnesses.

(C) receive and dispose of requests from such person to subpoena additional witnesses.

(6) Except as provided in subparagraph (5), the Chairman shall receive and the committee shall dispose of requests to subpoena additional witnesses.

(7) No evidence or testimony taken in executive session may be released or used in public sessions without the consent of the committee.

(8) In the discretion of the committee, witnesses may submit brief and pertinent sworn statements in writing for inclusion in the record. The committee is the sole judge of the pertinency of testimony and evidence adduced at its hearing.

(9) A witness may obtain a transcript copy of his testimony given at a public session or, if given at an executive session, when authorized by the committee.

(10) No major investigation by a subcommittee shall be initiated without approval of a majority of such subcommittee.

RULE NO. VIII.—PROCEDURES FOR REPORTING BILLS AND RESOLUTIONS

(a)(1) It shall be the duty of the Chairman of the committee to report or cause to be reported promptly to the House any measure approved by the committee and to take or cause to be taken necessary steps to bring the matter to a vote.

(2) In any event, the report of the committee on a measure which has been approved by the committee shall be filed within 7 calendar days (exclusive of days on which the House is not in session) after the day on which there has been filed with the clerk of the committee a written request, signed by a majority of the members of the committee, for the reporting of that measure. Upon the filing of any such request, the clerk of the committee shall transmit immediately to the Chairman of the committee notice of the filing of that request.

(b)(1) No measure or recommendation shall be reported from the committtee unless a majority of the committee was actually present.

(2) With respect to each roll call vote on a motion to report any bill or resolution of a public character, the total number of votes cast for, and the total number of votes cast against, the reporting of such bill or resolution shall be included in the committee report.

(c) The report of the committee on a measure which has been approved by the committee shall include

(1) the oversight findings and recommendations required pursuant to clause 2(b)(1) of Rule X of the House separately set out and clearly identified;

(2) the statement required by section 308(a) of the Congressional Budget Act of 1974, separately set out and clearly identified, if the measure provides new budget authority or new or increased tax expenditures;

(3) the estimate and comparison prepared by the Director of the Congressional Budget Office under section 403 of such Act, separately set out and clearly identified, whenever the Director (if timely submitted prior to the filing of the report) has submitted such estimate and comparison to the committee; and

(4) a summary of the oversight findings and recommendations made by the Committee on Government Operations under clause 4(c)(2) of Rule X of the House separately set out and clearly identified whenever such findings and recommendations have been submitted to the legislative committee in a timely fashion to allow an opportunity to consider such findings and recommendations during the committee's deliberations on the measure.

(d) Each report of the committee on each bill or joint resolution of a public character reported by the committee shall contain a detailed analytical statement as to whether the enactment of such bill or joint resolution into law may have an inflationary impact on prices and costs in the operation of the national economy.

(e) If, at the time of approval of any measure or matter by the committee, any member of the committee gives notice of intention to file supplemental, minority, or additional views, that member shall be entitled to not less than three calendar days (excluding Saturdays, Sundays, and legal holidays) in which to file such views, in writing and signed by that member, with the clerk of the committee. All such views so filed by one or more members of the committee shall be included within, and shall be a part of, the report filed by the committee with respect to that measure or matter. The report of the committee upon that measure or matter shall be printed in a single volume which

(1) shall include all supplemental, minority, or additional views which have been submitted by the time of the filing of the report, and

(2) shall bear upon its cover a recital that any such supplemental, minority, or additional views (and any material submitted under subdivisions (3) and (4) of subparagraph (c) are included as part of the report. This subparagraph does not preclude

(A) the immediate filing or printing of a committee report unless timely request for the opportunity to file supplemental, minority, or additional views has been made as provided by this subparagraph; or

(B) the filing by any such committee of any supplemental report upon any measure or matter which may be required for the correction of any technical error in previous report made by that committee upon that measure or matter.

(f)(1) All committee and subcommittee prints, reports, documents, or other materials, not otherwise provided for under Rule VIII, that purport to express publicly views of the Committee or any of its subcommittees or members of the committee or its subcommittees shall be approved by the committee or the subcommittee prior to printing and distribution and any member shall be given an opportunity to have views included as part of such material prior to printing, release and distribution in accordance with subparagraph (e) of this rule.

(2) No committee or subcommittee document containing views other than those of members of the committee or subcommittee shall be published without approval of the committee or subcommittee.

RULE NO. IX. OVERSIGHT

(a) In order to assist the House in:

(1) its analysis, appraisal, and evaluation of (A) the application, administration, execution, and effectiveness of the laws enacted by the Congress, or (B) conditions and circumstances which may indicate the necessity or desirability of enacting new or additional legislation, and

(2) its formulation, consideration, and enactment of such modifications or changes in those laws, and of such additional legislation, as may be necessary or appropriate, there shall be in conformity with Rule XV a Subcommittee on Investigations and Oversight.

(b) The Subcommittee on Investigations and Oversight and the appropriate subcommittee with legislative authority shall cooperatively review and study, on a continuing basis, the application, administration, execution, and effectiveness of those laws, or parts of laws, the subject matter of which is within the jurisdiction of the committee, and the organization and operation of the Federal agencies and entities having responsibilities in or for the administration and execution thereof, in order to determine whether such laws and the programs thereunder are being implemented and carried out in accordance with the intent of the Congress and whether such programs should be continued, curtailed, or eliminated. In addition, the Subcommittee on Investigations and Oversight and the appropriate subcommittee with legislative authority shall cooperatively review and study any conditions or circumstances which may indicate the necessity or desirability of enacting new or additional legislation within the jurisdiction of the committee (whether or not any bill or resolution has been introduced with respect thereto), and shall on a continuing basis undertake future research and forecasting on matters within the jurisdiction of the committee. The Subcommittee on Investigations and Oversight shall in no way limit the responsibility of the subcommittees from carrying out their oversight responsibilities.

(c) The Subcommittee on Investigations and Oversight and the appropriate subcommittee with legislative authority shall cooperatively review and study on a continuing basis the impact or probable impact of tax policies affecting subjects within the jurisdiction of the committee.

RULE NO. X.—REVIEW OF CONTINUING PROGRAMS; BUDGET ACT PROVISIONS

(a) The committee shall, in its consideration of all bills and joint resolutions of a public character within its jurisdiction, insure that appropriations for continuing programs and activities of the Federal Government and the District of Columbia government will be made annually to the maximum extent feasible and consistent with the nature, requirements, and objectives of the programs and activities involved. For the purposes of this paragraph a Government agency includes the organizational units of government listed in clause 7(d) of Rule XIII of House Rules.

(b) The committee shall review, from time to time, each continuing program within its jurisdictions for which appropriations are not made annually in order to ascertain whether such program could be modified so that appropriations therefore would be made annually.

(c) The committee shall, on or before March 15 of each year, submit to the Committee on the Budget (1) its views and estimates with respect to all matters to be set forth in the concurrent resolution on the

budget for the ensuing fiscal year which are within its jurisdiction or functions, and (2) an estimate of the total amounts of new budget authority, and budget outlays resulting therefrom, to be provided or authorized in all bills and resolutions within its jurisdiction which it intends to be effective during that fiscal year.

(d) As soon as practicable after a concurrent resolution on the budget for any fiscal year is agreed to, the committee (after consulting with the appropriate committee or committees of the Senate) shall subdivide any allocations made to it in the joint explanatory statement accompanying the conference report on such resolution, and promptly report such subdivisions to the House, in the manner provided by section 302 of the Congressional Budget Act of 1974.

(e) Whenever the committee is directed in a concurrent resolution on the budget to determine and recommend changes in laws, bills, or resolutions under the reconciliation process it shall promptly make such determination and recommendations, and report a reconciliation bill or resolution (or both) to the House or submit such recommendations to the Committee on the Budget, in accordance with the Congressional Budget Act of 1974.

RULE NO. XI.—BROADCASTING OF COMMITTEE HEARINGS

(a) It is the purpose of this clause to provide a means, in conformity with acceptable standards of dignity, propriety, and decorum, by which committee hearings, or committee meetings, which are open to the public may be covered, by television broadcast, radio broadcast, and still photography, or by any of such methods of coverage

(1) for the education, enlightenment, and information of the general public, on the basis of accurate and impartial news coverage, regarding the operations, procedures, and practices of the House as a legislative and representative body and regarding the measures, public issues, and other matters before the House and its committees, the consideration thereof, and the action taken thereon; and

(2) for the development of the perspective and understanding of the general public with respect to the role and function of the House under the Constitution of the United States as an organ of the Federal Government.

(b) In addition, it is the intent of this clause that radio and television tapes and television film of any coverage under this clause shall not be used, or made available for use, as partisan political campaign material to promote or oppose the candidacy of any person for elective public office.

(c) It is, further, the intent of this clause that the general conduct of each meeting (whether of a hearing or otherwise) covered, under authority of this clause, by television broadcast, radio broadcast, and still photography, or by any of such methods of coverage, and the personal behavior of the committee members and staff, other Government officials and personnel, witnesses, television, radio, and press media personnel, and the general public at the hearing or other meeting shall be in strict conformity with and observance of the acceptable standards of dignity, propriety, courtesy, and decorum traditionally observed by the House in its operations and shall not be such as to

(1) distort the objects and purposes of the hearings or other meeting or the activities of committee members in connection with that hearing or meeting or in connection with the general work of the committee or of the House; or

(2) cast discredit or dishonor on the House, the committee, or any member or bring the House, the committee, or any member into disrepute.

(d) The coverage of committee hearings and meetings by television broadcast, radio broadcast, or still photography is a privilege made available by the House and shall be permitted and conducted only in strict conformity with the purposes, provisions, and requirements of this clause.

(e) Whenever any hearing or meeting conducted by any committee of the House is open to the public, that committee may permit, by majority vote of the committee, that hearing or meeting to be covered, in whole or in part, by television broadcast, radio broadcast, and still photography, or by any of such methods of coverage, but only under such written rules as the committee may adopt in accordance with the purposes, provisions, and requirements of this clause.

(f)(1) If the television or radio coverage of the hearing or meeting is to be presented to the public as live coverage, that coverage shall be conducted and presented without commercial sponsorship.

(2) No witness served with a subpoena by the committee shall be required against his or her will to be photographed at any hearing or to give evidence or testimony while the broadcasting of that hearing, by radio or television, is being conducted. At the request of any such witness who does not wish to be subjected to radio, television, or still photography coverage, all lenses shall be covered and all microphones used for coverage turned off. This subparagraph is supplementary to subparagraph (g)(5) of Rule VII, relating to the protection of the rights of witnesses.

(3) Not more than four television cameras, operating from fixed positions, shall be permitted in a hearing or meeting room. The allocation among the television media of the positions of the number of television cameras permitted in a hearing or meeting room shall be in accordance with fair and equitable procedures devised by the Executive Committee of the Radio and Television Correspondents' Galleries.

(4) Television cameras shall be placed so as not to obstruct in any way the space between any witness giving evidence or testimony and any member of the committee or the visibility of that witness and that member to each other.

(5) Television cameras shall not be placed in positions which obstruct unnecessarily the coverage of the hearing or meeting by the other media.

(6) Equipment necessary for coverage by the television and radio media shall not be installed in, or removed from, the hearing or meeting room while the committee is in session.

(7) Floodlights, spotlights, strobelights, and flashguns shall not be used in providing any method of coverage of the hearing or meeting, except that the television media may install additional lighting in the hearing or meeting room, without cost to the Government, in order to raise the ambient lighting level in the hearing or meeting room to the lowest level necessary to provide adequate television coverage of the hearing or the meeting at the then current state of the art of television coverage.

(8) Not more than five press photographers shall be permitted to cover a hearing or meeting by still photography. In the selection of these photographers, preference shall be given to photographers from Associated Press Photos and United Press International Newspictures. If request is made by more than five of the media for coverage of the hearing or meeting by still photography that coverage shall be made on the basis of a fair and equitable pool arrangement devised by the Standing Committee of Press Photographers.

(9) Photographers shall not position themselves, at any time during the course of the hearing or meeting, between the witness table and the members of the committee.

(10) Photographers shall not place themselves in positions which obstruct unnecessarily the coverage of the hearing by the other media.

(11) Personnel providing coverage by the television and radio media shall be then currently accredited to the Radio and Television Correspondents Galleries.

(12) Personnel providing coverage by still photography shall be then currently accredited to the Press Photographers' Gallery.

(13) Personnel providing coverage by television and radio media and by still photography shall conduct themselves and their coverage activities in an orderly and unobtrusive manner.

RULE NO. XII.—COMMITTEE AND SUBCOMMITTEE BUDGETS

(a) The Chairman, in consultation with the chairman of each subcommittee, the majority members of the committee and the minority membership of the committee, shall, for each session of the Congress, prepare a consolidated committee budget. Such budget shall include necessary amounts for staff personnel, for necessary travel, investigation, and other expenses of the full committee and its subcommittees.

(b) Authorization for the payment of additional or unforeseen committee and subcommittees' expenses may be procured by one or more additional expense resolutions processed in the same manner as set out herein.

(c) The Chairman or any chairman of a subcommittee may initiate necessary travel requests as provided in Rule XIV within the limits of the consolidated budget as approved by the House and the Chairman may execute necessary vouchers thereof.

(d) Once monthly, the Chairman shall submit to the Committee on House Administration, in writing, a full and detailed accounting of all expenditures made during the period since the last such accounting from the amount budgeted to the full committee. Such report shall show the amount and purpose of such expenditure and the budget to which such expenditure is attributed. A copy of such monthly report shall be available in the committee office for review by members of the committee.

RULE NO. XIII.—COMMITTEE AND SUBCOMMITTEE STAFF

(a) The professional and clerical staff assigned to the minority shall be appointed and their remuneration determined in such manner as the minority members of the committee shall determine within the budget approved for such purposes; Provided, however, that no minority staff person shall be compensated at a rate which exceeds that paid his or her majority party staff counterpart.

(b) The professional and clerical employees of the committee not assigned to a subcommittee or to the minority under the above provision shall be appointed, and may be removed, and their remuneration determined by the Chairman.

(c) The professional and clerical staff assigned to the minority shall be under the general supervision and direction of the ranking minority party member of the full committee who may delegate such authority as he determines appropriate.

(d) The professional and clerical staff of the committee not assigned to a subcommittee or to the minority shall be under the general supervision and direction of the chairman, who shall establish and assign the duties and responsibilities of such staff members and delegate such authority as he determines appropriate.

(e) It is intended that the skills and experience of all members of the committee staff shall be available to all members of the committee.

(f)(1) The chairman of each standing subcommittee of this committee is authorized to appoint one staff member who shall serve at the pleasure of the subcommittee chairman.

(2) The ranking minority member of each standing subcommittee on this committee is authorized to appoint one staff person who shall serve at the pleasure of the ranking minority party member.

(3) The staff members appointed pursuant to the provisions of subparagraphs (1) and (2) shall be compensated at a rate determined by the subcommittee chairman not to exceed (A) 75 per centum of the maximum established in paragraph (c) of clause 6 of House Rule XI; Provided, however, a staff person appointed by a ranking minority member shall be compensated at a rate not to exceed that paid his or her majority party staff counterpart.

(4) Subparagraphs (1), (2), and (3) shall apply to six subcommittees only, and no member shall appoint more than one person pursuant to the above provisions.

(5) The staff positions made available to the subcommittee chairmen and ranking minority party members pursuant to subparagraphs (1) and (2) shall be made available from the staff positions provided under clause 6 of House Rule XI unless such staff positions are made available pursuant to a primary or additional expense resolution.

(6) Except as provided by the above provisions, the professional and clerical members of the subcommittee staffs shall be appointed, and may be removed, and their remuneration determined by the subcommittee chairman in consultation with and with the approval of a majority of the majority members of the subcommittee, and with the approval of the chairman.

(7) The professional and clerical staff of a subcommittee shall be under the supervision and direction of the chairman of that subcommittee.

RULE NO. XIV.—TRAVEL OF MEMBERS AND STAFF

(a) Consistent with the primary expense resolution and such additional expense resolutions as may have been approved, the provisions of this rule shall govern travel of committee members and staff. Travel to be reimbursed from funds set aside for the full committee for any member or any staff member shall be paid only upon the prior authorization of the chairman. Travel may be authorized by the chairman for any member and any staff member in connection with the attendance of hearings conducted by the committee of any subcommittee thereof and meetings, conferences, and investigations which involve activities or subject matter under the general jurisdiction of the committee. Before such authorization is given there shall be submitted to the Chairman in writing the following:

(1) The purpose of the travel;

(2) The dates during which the travel is to be made and the date or dates of the event for which the travel is to be made;

(3) The location of the event for which the travel is to be made;

(4) The names of members and staff seeking authorization.

(b) In the case of travel of members and staff of a subcommittee to hearings, meetings, conferences, and investigations involving activities or subject matter under the legislative assignment of such subcommittee to be paid for out of funds allocated to such subcommittee, prior authorization must be obtained from the subcommittee chairman and the Chairman. Such prior authorization shall be given by the Chairman only upon the representation by the applicable chairman of the subcommittee in writing setting forth those items enumerated in (1), (2), (3), and (4) of paragraph (a) and in addition thereto setting forth that subcommittee funds are available to cover the expenses of the person or persons being authorized by the subcommittee chairman to undertake the travel and that there has been a compliance where applicable with Rule VII of the committee.

(c)(1) In the case of travel outside the United States of members and staff of the committee or of a subcommittee for the purpose of conducting hearings, investigations, studies, or attending meetings and conferences involving activities or subject matter under the legislative assignment of the committee or pertinent subcommittee, prior authorization must be obtained from the Chairman, or, in the case of a subcommittee from the subcommittee chairman and the Chairman. Before such authorization is given, there shall be submitted to the Chairman, in writing, a request for such authorization. Each request, which shall be filed in a manner that allows for a reasonable period of time for review before such travel is scheduled to begin, shall include the following:

(A) the purpose of the travel; (B) the dates during which the travel will occur; (C) the names of the countries to be visited and the length of time to be spent in each; (D) an agenda of anticipated activities for each country for which travel is authorized together with a description of the purpose to be served and the areas of committee jurisdiction involved; and (E) the names of members and staff for whom authorization is sought.

(2) Requests for travel outside the United States may be initiated by the Chairman or the chairman of a subcommittee (except that individuals may submit a request to the Chairman for the purpose of attending a conference or meeting) and shall be limited to members and permanent employees of the committee.

(3) At the conclusion of any hearing, investigation, study, meeting or conference for which travel outside the United States has been authorized pursuant to this rule, each subcommittee (or members and staff attending meetings or conferences) shall submit a written report to the Chairman covering the activities and other pertinent observations or information gained as a result of such travel, when requested by the Chairman. (d) Members and staff of the committee performing authorized travel on official business shall be governed by applicable laws, resolutions, or regulations of the House and of the Committee on House Administration pertaining to such travel.

RULE NO. XV.—NUMBER AND JURISDICTION OF SUBCOMMITTEES

(a) There shall be 6 standing subcommittees. All proposed legislation and other matters related to the subcommittees listed under standing subcommittees named below shall be referred to such subcommittees, respectively:

(1) Subcommittee on Aviation (2) Subcommittee on Economic Development (3) Subcommittee on Investigations and Oversight (4) Subcommittee on Public Buildings and Grounds (5) Subcommittee on Surface Transportation (6) Subcommittee on Water Resources.

(b) The committee may provide for such additional subcommittees as determined to be appropriate: Provided however, that such additional subcommittees are approved by a majority of the majority members on the committee.

RULE NO. XVI.—POWERS AND DUTIES OF SUBCOMMITTEES

(a) Each subcommittee is authorized to meet, hold hearings, receive evidence, and report to the full committee on all matters referred to it or under its jurisdiction. Subcommittee chairmen shall set dates for hearings and meetings of their respective subcommittees after consultation with the chairman and other subcommittee chairmen with a view toward avoiding simultaneous scheduling of full committee and subcommittee meetings or hearings wherever possible.

(b) Whenever a subcommittee has ordered a bill, resolution, or other matter to be reported to the committee, the chairman of the subcommittee reporting the bill, resolution, or matter to the full committee, or any member authorized by the subcommittee to do so, may report such bill, resolution, or matter to the committee. It shall be the duty of the chairman of the subcommittee to report or cause to be reported promptly such bill, resolution, or matter, and to take or cause to be taken the necessary steps to bring such bill, resolution, or matter to a vote.

(c) In any event, the report of any subcommittee on a measure which has been approved by the subcommittee shall be filed within seven calendar days (exclusive of days on which the House is not in session) after the day on which there has been filed with the clerk of the committee a written request, signed by a majority of the members of the subcommittee, for the reporting of that measure. Upon the filing of any request, the clerk of the committee shall transmit immediately to the chairman of the subcommittee notice of the filing of that request.

(d) All committee or subcommittee reports printed pursuant to legislative study or investigation and not approved by a majority vote of the committee or subcommittee, as appropriate, shall contain the following disclaimer on the cover of such report: "This report has not been officially adopted by the Committee on (or pertinent subcommittee thereof) and may not therefore necessarily reflect the views of its members."

(e) Bills, resolutions, or other matters favorably reported by a subcommittee shall automatically be placed upon the agenda of the committee as of the time they are reported and where practicable shall be considered by the full committee in the order in which they were reported unless the committee shall by majority vote otherwise direct. No bill reported by a subcommittee shall be considered by the full committee

unless it has been delivered to the offices of all members at least 48 hours prior to the meeting, unless the chairman determines that such bill is of such urgency that it should be given early consideration. Where practicable, such bills, resolutions, or other matters shall be accompanied by a comparison with present law and a section-by-section analysis of the proposed change.

RULE NO. XVII.—REFERRAL OF LEGISLATION TO SUBCOMMITTEES

(a) Each bill, resolution, investigation, or other matter which relates to a subject listed under the jurisdiction of any subcommittee named in Rule XV referred to or initiated by the full committee shall be referred by the chairman to all subcommittees of appropriate jurisdiction within two weeks, unless, by majority vote of the majority members of the full committee, consideration is to be by the full committee.

(b) Referral to a subcommittee shall not be made until three days shall have elapsed after written notification of such proposed referral to all subcommittee chairmen, at which time such proposed referral shall be made unless one or more subcommittee chairmen shall have given written notice to the Chairman of the full committee and to the chairman of each subcommittee that he intends to question such proposed referral at the next regularly scheduled meeting of the committee, or at a special meeting of the committee called for that purpose at which time referral shall be made by the majority members of the committee. All bills shall be referred under this rule to the subcommittee of proper jurisdiction without regard to whether the author is or is not a member of the subcommittee. A bill, resolution, or other matter referred to a subcommittee in accordance with this rule may be recalled therefrom at any time by a vote of the majority members of the committee for the committee's direct consideration or for reference to another subcommittee.

(c) In carrying out Rule XVII with respect to any matter, the Chairman may refer the matter simultaneously to two or more subcommittees, consistent with Rule XV, for concurrent consideration or for consideration in sequence (subject to appropriate time limitations in the case of any subcommittee after the first), or divide the matter into two or more parts (reflecting different subjects and jurisdictions) and refer each such part to a different subcommittee, or refer the matter to a special ad hoc subcommittee appointed by the Chairman (from the members of the subcommittee having legislative jurisdiction) for the specific purpose of considering that matter and reporting to the full committee thereon, or make such other provisions as may be considered appropriate.

RULE NO. XVIII.—SIZES AND PARTY RATIOS ON SUBCOMMITTEES AND CONFERENCE COMMITTEES

(a) To the extent that the number of subcommittees and their party ratios permit, the size of all subcommittees shall be established so that the majority party members of the committee have an equal number of subcommittee assignments; Provided, however, that a member may waive his or her right to an equal number of subcommittee assignments on the committee; and provided further, that the majority party members may limit the number of subcommittee assignments of the Chairman and the subcommittee chairman in order to equalize committee workloads.

(b) On each subcommittee there shall be a ratio of at least two majority party members for each minority party member, plus one majority party member. In calculating the ratio of majority party members to minority party members, there shall be included all ex officio voting members of the subcommittees.

(c) Following shall be the sizes and majority/minority ratios for subcommittees:

(1) Subcommittee on Aviation: (26 members) (15 majority; 11 minority) (2) Subcommittee on Economic Development: (19 members) (11 majority; 8 minority) (3) Subcommittee on Investigations and Oversight: (19 members) (11 majority; 8 minority) (4) Subcommittee on Public Buildings and Grounds: (10 members) (6 majority; 4 minority) (5) Subcommittee on Surface Transportation: (28 members) (16 majority; 12 minority) (6) Subcommittee on Water Resources: (26 members) (15 majority; 11 minority)

(d) The full committee Chairman shall recommend to the Speaker as conferees the names of those members (1) selected by the majority party members of the committee in a manner determined by them, and (2) selected by the minority. Provided, however, that recommendations of conferees to the Speaker shall provide a ratio of majority party members to minority party members which shall be no less favorable to the majority party than the ratio for the full committee.

RULES OF THE COMMITTEE ON SCIENCE AND TECHNOLOGY FOR THE 97TH CONGRESS

(Mr. FUQUA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FUQUA. Mr. Speaker, pursuant to clause 2(a), rule XI, of the Rules of the House of Representatives, I am submitting for printing in the RECORD the rules of the Committee on Science and Technology, adopted by the full committee on February 5, 1981.

RULES GOVERNING THE PROCEDURE OF THE COMMITTEE ON SCIENCE AND TECHNOLOGY

GENERAL

1. The Rules of the House of Representatives, as applicable, shall govern the committee and its subcommittees. The rules of the committee, as applicable, shall be the rules of its subcommittees.

COMMITTEE MEETINGS

Time and place

2. Unless dispensed with by the chairman, the meetings of the committee shall be held on the 1st and 3rd Tuesday of each month the House is in session at 10:00 a.m. and at such other times and in such places as the chairman may designate.

The chairman of the committee may convene as necessary additional meetings of the committee for the consideration of any bill or resolution pending before the committee or for the conduct of other committee business.

*4. The committee shall make public announcement of the date, place and subject matter of any of its hearings at least one week before the commencement of the hearing. If the chairman determines that there is good cause to begin the hearing sooner, he shall make the announcement at the earliest possible date. Any announcement made under this subparagraph shall be promptly published in the Daily Digest.

*5. The committee may sit while the House is reading a measure for amendment under the 5-minute rule, provided 10 or more Members on the House floor do not object when special leave for such committee or subcommittee to sit is requested.

Presiding officer

*6. If the chairman of the committee is not present at any meeting of the committee, the ranking Member of the Majority Party on the committee who is present shall preside.

Order of business

*7. The order of business and procedure of the committee and the subjects of inquiries or investigations will be decided by the chairman, subject always to an appeal to the committee.

Membership

8. A majority of the Majority Members of the committee shall determine an appropriate ratio of Majority to Minority Members for each subcommittee and shall authorize the chairman to negotiate that ratio with the Minority Party: *Provided, however,* that party representation on each subcommittee (including any ex-officio Members) shall be no less favorable to the Majority than the ratio for the full committee. *Provided, further* that recommendations of conferees to the Speaker shall provide a ratio of Majority Party Members to Minority Party Members which shall be no less favorable to the Majority party than the ratio for the full committee.

Special meetings

9. If three or more Members of the committee desire a special meeting of the committee such Members may file in the offices of the committee their written request to the chairman for such meeting. The request shall specify the measure or matter to be considered. Immediately upon the filing of the request, the clerk of the committee shall notify the chairman of such filing. If, within three calendar days after the filing of the request, the chairman does not call a special meeting, to be held within seven calendar days after the filing of the request, a majority of the Members of the committee may file in the offices of the committee a written notice that a special meeting of the committee will be held, specifying a time and place, and the measure or matter to be considered. The committee shall meet at that time. Immediately upon the filing of the notice, the clerk of the committee shall notify all Members of the committee when the meeting will be held and the measure or matter to be considered. Only the measure or matter specified in the notice may be considered at that meeting.

COMMITTEE PROCEDURES

Quorum

*10. One-third of the Members of the committee shall constitute a quorum for all purposes except that a majority must be present in order to: (1) report or table any legislation, measure or matter; (2) close committee meetings or hearings; or (3) authorize the issuance of subpenas.

*11. The number of Members to constitute a quorum for taking testimony and receiving evidence shall not be less than two, one of whom shall be a Member of the Minority.

*Indicates rules applicable to subcommittees.

*Indicates rules applicable to subcommittees.

*12. The committee shall not make any determination by poll on any measure or matter involving its substantive, or non-procedural, legislative or oversight functions.

Proxies

*13. A member may authorize a general proxy only for motions to recess, adjourn or other procedural matters. However, a Member may vote by special proxy. The special proxy authorizaton shall be in writing, shall assert that the Member is absent on official business or is otherwise unable to be present at the meeting of the committee, shall designate the person who is to execute the proxy authorizaton and the dates for which it is to be used and shall be limited to a specific measure or matter and any amendments or motions pertaining thereto. Each proxy to be effective shall be signed by the Member assigning his or her vote and shall contain the date and time of day that the proxy is signed. Proxies may not be counted for quorum purposes.

Witnesses

*14. The committee shall, insofar as is practicable, require each witness who is to appear before it to file with the committee (in advance of his or her appearance) a written statement of the proposed testimony and to limit the oral presentation at such appearance to a summary of his or her statement.

*15. Whenever any hearing is conducted by the committee on any measure or matter, the Minority Members of the committee shall be entitled, upon request to the chairman by a majority of them, before the completion of the hearing, to call witnesses selected by the Minority to testify with respect to the measure or matter at least one day during the hearing.

16. Clause 2(k) of Rule XI of the Rules of the House of Representatives is hereby incorporated by reference (rights of witnesses under subpena).

Subject matter

*17. Bills and other substantive matters may be taken up for hearing only when called by the chairman of the committee or by a majority vote of a quorum of the committee, except those matters which are the subject of special-call meetings outlined in Rule 9.

18. No private bill will be reported by the committee if there are two or more dissenting votes. Private bills so rejected by the committee will not be reconsidered during the same Congress unless new evidence sufficient to justify a new hearing has been presented to the committee.

*19. (a) It shall not be in order for the committee to consider any new or original measure or matter unless written notice of the date, place and subject matter of consideration and to the extent practicable, a written copy of the measure or matter to be considered, has been available in the office of each Member of the committee for at least three calendar days in advance of consideration, excluding Saturdays, Sundays and legal holidays.

(b) Notwithstanding the foregoing sections of this rule, consideration of any legislative measure or matter by the committee shall be in order by vote of two-thirds of the Members present, provided that a majority of the committee is present.

Open meetings

*20. Each meeting for the transaction of business, including the markup of legislation, of the committee shall be open to the public except when the committee, in open session and with a quorum present, determines by roll call vote that all or part of the remainder of the meeting on that day shall be closed to the public. No person other than Members of the committee and such congressional staff and such departmental representatives as they may authorize shall be present at any business or markup session which has been closed to the public. This paragraph does not apply to open committee hearings which are provided for by Rule 21 contained herein, or to any meeting that relates solely to internal budget or personnel matters.

*21. Each hearing conducted by the committee shall be open to the public except when the committee, in open session and with a quorum present, determines by roll call vote that all or part of the remainder of that hearing on that day shall be closed to the public because disclosure of testimony, evidence or other matters to be considered would endanger the national security or would violate any law or rule of the House of Representatives; *Provided, however,* that the committee may by the same procedure vote to close one subsequent day of hearing.

Requests for roll call votes

22. A roll call of the Members may be had at the request of three or more Members.

Committee records

*23. The committee shall keep a complete record of all committee action which shall include a record of the votes on any question on which a roll call vote is demanded. The result of each roll call shall be made available by the committee for inspection by the public at reasonable times in the offices of the committee. Information so available for public inspection shall include a description of the amendment, motion, order or other proposition and the name of each Member voting for and each Member voting against such amendment, motion, order or proposition, and the names of those Members present but not voting.

5-Minute rule during committee proceedings

*24. The time any one Member may address the committee on any bill, motion or other matter under consideration by the committee or the time allowed for the questioning of a witness at hearings before the committee will be limited to five minutes, and then only when the Member has been recognized by the chairman, except that this time limit may be waived by the chairman or acting chairman. The rule of germaneness will be enforced by the chairman.

Requests for written motions

*25. Any legislative or non-procedural motion made at regular or special meeting of the committee and which is entertained by the chairman shall be presented in writing upon the demand of any Member present and a copy made available to each Member present.

SUBCOMMITTEES

Structure and jurisdiction

26. The committee shall have the following standing subcommittees with the jurisdiction indicated.

(a) Subcommittee on Energy Development and Applications.—Legislation, general and special oversight and all other matters relating to research, development and demonstration programs in fossil energy R&D; solar applications; solar technology; advanced energy technology; energy conservation; biomass; basic energy sciences; high energy and nuclear physics; geothermal energy; international cooperation in non-nuclear energy; and policy and management programs of the Department of Energy.

(b) Subcommittee on Natural Resources, Agriculture Research and Environment.—Legislation, general and special oversight and all other matters relating to natural resources, including, but not limited to, water research, and, to the extent appropriate, agriculture R&D; legislation, risk assessment and other matters relating to environmental research and development generally—including, but not limited to, research and development activities of the Environmental Protection Agency; environmental health, safety, life sciences, pharmaceutical and biomedical activities of Executive departments and agencies, as appropriate; operational and research and development activities related to the atmosphere (including meteorology, aeronomy, climate, weather modification); and those ocean R&D activities related to the quality and management of the environment of the National Oceanic and Atmospheric Administration.

(c) Subcommittee on Energy Research and Production.—Legislation, general and special oversight and all other matters relating to research, development and demonstration involving nuclear fission and the nuclear fuel cycle; nuclear fusion; electric energy systems; energy storage systems; hydroelectric energy systems; international cooperation in nuclear matters (except for exports of nuclear technology and hardware); and policy and management programs of the Department of Energy.

(d) Subcommittee on Science, Research and Technology.—Legislation, general and special oversight and all other matters relating to the National Science Foundation; the National Bureau of Standards; the Office of Science and Technology Policy; the Office of Technology Assessment; scientific research and development and applications; science policy; scientific resources (including manpower); science education; science information and information sciences; technology transfer; technology assessment; innovation, productivity, and industrial R&D; standards (weights, measures, etc.); patent policies as they relate to Federal research and development programs; R&D involving governmental health, biomedical, nutritional and handicapped programs; biotechnology; intergovernmental mechanisms for R&D; and international cooperation in science and technology.

(e) Subcommittee on Space Science and Applications.—Legislation, general and special oversight and all other matters relating to the national Aeronautics and Space Administration (except aeronautical research and development); national programs of research and development in space exploration, space applications, space communications and related matters; and all matters relating to a land observing system.

(f) Subcommittee on Transportation, Aviation and Materials.—Legislation, general and special oversight and all other matters relating to civil aviation research and development (includes aeronautical research and technology programs of the National Aeronautics and Space Administration and research and development programs of the Federal Aviation Administration); transportation programs of the Department of Energy; aviation-weather services; materials R&D and national materials policies, both domestic and international; oversight of sur-

*Indicates rules applicable to subcommittees.

*Indicates rules applicable to subcommittees.

face transportation research and development programs of the Department of Transportation, Urban Mass Transportation Administration, Federal Railroad Administration, Federal Highway Administration, National Highway Traffic Safety Administration, and Coast Guard and the Maritime Administration; oversight of research and development in communications other than that for which the Subcommittee on Space Science and Applications is responsible.

(g) Subcommittee on Investigations and Oversight.—Review and study, on a continuing basis, of the application, administration, execution, and effectiveness of those laws, or parts of laws, the subject matter of which is within the jurisdiction of the Committee and the organization and operation of the Federal private agencies and entities having responsibilities in or for the administration and execution thereof, in order to determine whether such laws and the programs thereunder are being implemented and carried out in accordance with the intent of the Congress. In addition, the Subcommittee on Investigations and Oversight and the appropriate subcommittee with legislative authority may cooperatively review and study any conditions or circumstances which indicate the necessity or desirability of enacting new or additional legislation within the jurisdiction of the Committee, and may undertake future research and forecasting on matters within the jurisdiction of the Committee. The Subcommittee on Investigations and Oversight shall in no way limit the responsibility of other subcommittees from carrying out their oversight responsibilities, nor shall any investigation be undertaken by the Subcommittee on Investigations and Oversight without (a) consultation with the chairman of the appropriate subcommittee with legislative authority and (b) approval of the chairman of the Committee.

Referral of legislation

27. All legislation and other matters referred to the committee shall be referred to all subcommittees of appropriate jurisdiction within two weeks unless, by consent of a majority of the Majority Members of the full committee, consideration is to be by the full committee. Subcommittee chairmen may make requests for referral of specific matters to their subcommittee within the two-week period if they believe subcommittee jurisdictions so warrant.

Ex Officio members

28. The chairman and ranking Minority Member shall serve as ex officio Members of all subcommittees and shall have the right to vote and be counted as part of the quorum on all matters before the subcommittees.

Procedures

29. No subcommittee shall meet for markup or approval when any other subcommittee of the committee is meeting to consider any measure or matter for markup or approval.

30. Each subcommittee is authorized to meet, hold hearings, receive evidence, and report to the committee on all matters referred to it. Each subcommittee shall conduct legislative and general oversight, inquiries for the future and forecasting, and budget impact studies on matters within their respective jurisdictions. Subcommittee chairman shall set meeting dates after consultation with the chairman and other subcommittee chairmen with a view toward avoiding simultaneous scheduling of committee and subcommittee meetings or hearings wherever possible.

31. Any Member of the committee may have the privilege of sitting with any subcommittee during its hearings or deliberations and may participate in such hearings or deliberations, but no such Member who is not a member of the subcommittee shall vote on any matter before such subcommittee.

32. During any subcommittee proceeding for markup or approval, a roll call vote may be had at the request of one or more Members of that subcommittee.

REPORTS

Substance of legislative reports

33. The report of the committee on a measure which has been approved by the committee shall include the following, to be provided by the committee:

(A) the oversight findings and recommendations required pursuant to clause 2(b)(1) of Rule X of the Rules of the House of Representatives, separately set out and identified, [Clause 2(l)(3)(A), Rule XI];

(B) the statement required by section 308(a) of the Congressional Budget Act of 1974, separately set out and identified, if the measure provides new budget authority or new or increased tax expenditures, [Clause 2(l)(3)(B), Rule XI];

(C) a detailed analytical statement as to whether the enactment of such bill or joint resolution into law may have an inflationary impact on the national economy, [Clause 2(l)(4), Rule XI];

(D) with respect to each roll call vote on a motion to report such bill or resolution, the total number of votes cast for and the total number of votes cast against the reporting of such bill or resolution, [Clause 2(l)(2)(B), Rule XI];

(E) the estimate and comparison prepared by the committee under Clause 7(a)(1) and (2) of Rule XIII of the Rules of the House of Representatives, unless the estimate and comparison prepared by the Director of the Congressional Budget Office prepared under subdivision (A) of Rule 34 has been timely submitted prior to the filing of the report and included in the report, [Clause 7, Rule XIII]; and

(F) in the case of a bill or joint resolution which repeals or amends any statute or part thereof, the text of the statute or part thereof which is proposed to be repealed, and a comparative print of that part of the bill or joint resolution making the amendment and of the statute or part thereof proposed to be amended, [Clause 3, Rule XIII].

34. (a) The report of the committee on a measure which has been approved by the committee shall further include the following, to be provided by sources other than the committee:

(A) the estimate and comparison prepared by the Director of the Congressional Budget Office required under section 403 of the Congressional Budget Act of 1974, separately set out and identified, whenever the Director (if timely submitted prior to the filing of the report) has submitted such estimate and comparison to the committee, [Clause 2(l)(3)(C), Rule XI];

(B) a summary of the oversight findings and recommendations made by the Committee on Government Operations under clause 2(b)(2) of Rule X of the Rules of the House of Representatives, separately set out and identified, [Clause 2(l)(3)(D), Rule XI].

(b) Notwithstanding the foregoing sections of this rule, if the committee has not received prior to the filing of the report the material required under subdivisions (A) and (B) of this rule, then it shall include a statement to that effect in the report on the measure.

Minority and additional views

35. If, at the time of approval of any measure or matter by the committee, any member of the committee gives notice of intention to file supplemental, minority, or additional views, that member shall be entitled to not less than 3 calendar days (excluding Saturdays, Sundays, and legal holidays) in which to file such views, in writing and signed by that member, with the clerk of the committee. All such views so filed by one or more members of the committee shall be included within, and shall be a part of, the report filed by the committee with respect to that measure or matter. The report of the committee upon that measure or matter shall be printed in a single volume which shall include all supplemental, minority, or additional views which have been submitted by the time of the filing of the report, and shall bear upon its cover a recital that any such supplemental minority, or additional views (and any material submitted under subdivisions (A) and (B) of Rule 34) are included as part of the report. However, this rule does not preclude (1) the immediate filing or printing of a committee report unless timely request for the opportunity to file supplemental, minority, or additional views has been made as provided by this subparagraph or (2) the filing by the committee of any supplemental report upon any measure or matter which may be required for the correction of any technical error in a previous report made by that committee upon that measure or matter.

36. The Chairman of the committee or subcommittee, as appropriate, shall advise Members of the day and hour when the time for submitting views relative to any given report elapses. No supplemental, minority or additional views shall be accepted for inclusion in the report if submitted after the announced time has elapsed unless the Chairman of the committee or subcommittee, as appropriate, decides to extend the time for submission of views beyond 3 days, in which case he shall communicate such fact to Members, including the revised day and hour for submissions to be received, without delay.

Consideration of subcommittee reports

37. Reports and recommendations of a subcommittee shall not be considered by the full committee until after the intervention of three calendar days, excluding Saturdays, Sundays, and legal holidays, from the time the report is submitted and printed hearings thereon shall be made available, if feasible, to the Members, except that this rule may be waived at the discretion of the chairman.

Timing and filing of committee reports

38. It shall be the duty of the chairman to report or cause to be reported promptly to the House any measure approved by the committee and to take or cause to be taken the necessary steps to bring the matter to a vote.

39. The report of the committee on a measure which has been approved by the committee shall be filed within seven calendar days (exclusive of days on which the House is not in session) after the day on which there has been filed with the clerk of the committee a written request, signed by a majority of the Members of the committee, for the reporting of that measure. Upon the filing of any such request, the clerk of the committee shall transmit immediately to

the chairman of the committee notice of the filing of that request.

40. Any committee or subcommittee report published by the committee or a subcommittee shall follow the same procedures for its approval, including the opportunity to submit views, as is followed in the case of a report accompanying a bill or resolution which has been approved by the committee.

MEDIA COVERAGE

*41. The committee may permit, by majority vote, hearings or meetings which are open to the public to be covered in whole or in part by television, radio and still photography—or by any such methods of coverage—in accordance with clause 3 of Rule XI of the Rules of the House of Representatives.●

RULES OF THE COMMITTEE ON THE JUDICIARY FOR THE 97TH CONGRESS

(Mr. RODINO asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. RODINO. Mr. Speaker, in accordance with clause 2(a) of rule XI of the Rules of the House of Representatives, I submit herewith for publication in the RECORD the rules of the Committee on the Judiciary which were adopted by the committee in open session on Thursday, February 5, 1981:

COMMITTEE ON THE JUDICIARY RULES OF PROCEDURE, 97TH CONGRESS

Rule I. The Rules of the House of Representatives are the rules of the Committee on the Judiciary and its subcommittees with the following specific additions thereto.

Rule II. Committee Meetings:

(a) The regular meeting day of the Committee on the Judiciary for the conduct of its business shall be on Tuesday of each week while the Congress is in session.

(b) Additional meetings may be called by the Chairman and a regular meeting of the Committee may be dispensed with when, in the judgement of the Chairman, there is no need therefor.

(c) At least 24 hours (excluding Saturdays, Sundays, and legal holidays) before each scheduled Committee or subcommittee meeting, each Member of the Committee or subcommittee shall be furnished a list of the bill(s) and subject(s) to be considered and/or acted upon at the meeting. Bills or subjects not listed shall be subject to a point of order unless their consideration is agreed to by a two-thirds vote of the Committee or subcommittee.

(d) Committee and subcommittee meetings for the transaction of business, i.e., meetings other than those held for the purpose of taking testimony, shall be open to the public except when the Committee or subcommittee, by majority vote, determines otherwise.

(e) Every motion made to the Committee and entertained by the Chairman shall be reduced to writing upon the demand of any Member, and a copy made available to each Member present.

(f) In all subcommittee proceedings where a vote on a motion to report a bill to the full Committee results in a tie, such bill shall be reported to the full Committee without recommendation.

(g) For purposes of taking any action at a meeting of the full Committee or any subcommittee thereof, a quorum shall be constituted by the presence of not less than one-third of the Members of the Committee or subcommittee, except that a full majority of the Members of the Committee or subcommittee shall constitute a quorum for purposes of reporting a measure or recommendation from the Committee or subcommittee, closing a meeting to the public, or authorizing the issuance of a subpoena.

(h) A complete transcript shall be made of any full Committee meeting, or any portion thereof, upon the request of any Member of the Committee made before the close of business of the preceding day, excluding Saturdays, Sundays, and legal holidays.

Rule III. Hearings:

(a) The Committee or any subcommittee shall make public announcement of the date, place and subject matter of any hearing to be conducted by it on any measure or matter at least 1 week before the commencement of that hearing, unless the Committee or the subcommittee before which such hearing is scheduled, determines that there is good cause to begin such hearing at an earlier date, in which event it shall make public announcement at the earliest possible date.

(b) Committee and subcommittee hearings shall be open to the public except when the Committee or subcommittee, by majority vote, determines otherwise.

(c) For purposes of taking testimony and receiving evidence before any subcommittee, a quorum shall be constituted by the presence of two Members. For purposes of taking testimony and receiving evidence before the full Committee, a quorum shall be constituted by the presence of 10 Members.

(d) In the course of any hearing each Member shall be allowed 5 minutes for the interrogation of a witness until such time as each Member who so desires has had an opportunity to question the witness.

Rule IV. Proxy Voting. A vote by any Member of the Committee with respect to any measure or matter being considered in the Committee or in subcommittee may be cast by proxy if the proxy authorization is in writing, asserts that the Member is absent on official business or is otherwise unable to be present at the meeting of the Committee, designates the person who is to execute the proxy authorization, and is limited to a specific measure or matter and any amendments or motion pertaining thereto; except that a Member may authorize a general proxy for motions to recess, adjourn or other procedural matters. Each proxy to be effective shall be signed by the Member assigning his or her vote and shall contain the date and time that the proxy is signed. Proxies may not be counted for a quorum.

Rule V. Broadcasting:

(a) Whenever any hearing or meeting conducted by the Committee or any subcommittee is open to the public, the Committee or subcommittee, as the case may be, may permit that hearing or meeting to be covered, in whole or in part, by television broadcast, radio broadcast, and still photography, or by any of such methods of coverage, under the following rules:

(1) If the television or radio coverage of the hearing or meeting is to be presented to the public as live coverage, that coverage shall be conducted and presented without commercial sponsorship.

(2) No witness served with a subpoena by the Committee or subcommittee, as the case may be, shall be required against his will to be photographed at any hearing or meeting or to give evidence or testimony while the broadcasting of that hearing or meeting, by radio or television, is being conducted. At the request of any such witness who does not wish to be subjected to radio, television, or still photography coverage, all lenses shall be covered and all microphones used for coverage turned off.

(3) Not more than four television cameras, operating from fixed positions, shall be permitted in a hearing room. The allocation among the television media of the positions of the number of television cameras permitted in a hearing room shall be in accordance with fair and equitable procedures devised by the Executive Committee of the Radio and Television Correspondents' Galleries.

(4) Television cameras shall be placed so as not to obstruct in any way the space between any witness giving evidence or testimony and any Member of the Committee or subcommittee, as the case may be, or the visibility of that witness and that Member to each other.

(5) Television cameras shall not be placed in positions which obstruct unnecessarily the coverage of the hearing or meeting by the other media.

(6) Equipment necessary for coverage by the television and radio media shall not be installed in, or removed from, the hearing room while the Committee or subcommittee, as the case may be, is in session.

(7) Floodlights, spotlights, and flashguns shall not be used in providing any method of coverage of the hearing or meeting, except that the television media may install additional lighting in the hearing room, without cost to the Government, in order to raise the ambient lighting level in the hearing room to the lowest level necessary to provide adequate television coverage of the hearing at the then current state of the art of television coverage.

(8) Not more than five press photographers shall be permitted to cover a hearing or meeting by still photography. In the selection of these photographers, preference shall be given to photographers from Associated Press Photos and United Press International Newspictures. If request is made by more than five of the media for coverage of the hearing by still photography, that coverage shall be made on the basis of a fair and equitable pool arrangement devised by the Standing Committee of Press Photographers.

(9) Photographers shall not position themselves, at any time during the course of the hearing or meeting, between the witness table and the Members of the Committee or the subcommittee, as the case may be.

(10) Photographers shall not place themselves in positions which obstruct unnecessarily the coverage of the hearing or meeting by the other media.

(11) Personnel providing coverage by the television and radio media shall be then currently accredited to the Press Photographers' Gallery.

(12) Personnel providing coverage by still photography shall be then currently accredited to the Press Photographers' Gallery.

(13) Personnel providing coverage by the television and radio media and by still photography shall conduct themselves and their coverage activities in an orderly and unobtrusive manner.

(B) Subcommittees may authorize the broadcasting or photographing of any of their public hearings or meetings without the specific permission of the Committee.

*Indicates rules applicable to subcommittees.

Rule VI. Standing Subcommittees. There shall be seven standing subcommittees of the Committee on the Judiciary as follows:

(a) *Subcommittee on Immigration, Refugees, and International Law:* Immigration and Naturalization, Citizenship, Admission of Refugees, Treaties and International Agreements, Passports, Admiralty, other appropriate matters as referred by the Chairman, and relevant oversight.

(b) *Subcommittee on Administrative Law and Governmental Relations:* Administrative Law, Claims against the United States, other appropriate matters as referred by the Chairman, and relevant oversight.

(c) *Subcommittee on Courts, Civil Liberties, and the Administration of Justice:* U.S. Attorneys and U.S. Marshals, Courts, Judicial Ethics, Prisons, Paroles, Patents, Trademarks, Copyrights, other appropriate matters as referred by the Chairman, and relevant oversight.

(d) *Subcommittee on Civil and Constitutional Rights:* Civil Rights and Liberties, other appropriate matters as referred by the Chairman, and relevant oversight.

(e) *Subcommittee on Monopolies and Commercial Law:* Antitrust, Judgeships, Bankruptcy, Economic Regulation generally, other appropriate matters as referred by the Chairman, and relevant oversight.

(f) *Subcommittee on Crime:* Prevention of Crime, Problems of Criminal Offenders, other appropriate matters as referred by the Chairman, and relevant oversight.

(g) *Subcommittee on Criminal Justice:* Federal Criminal Code, Rules of Criminal Procedure, Rules of Civil Procedure, other appropriate matters as referred by the Chairman, and relevant oversight.

Rule VII. Powers and Duties of Subcommittees. Each subcommittee is authorized to meet, hold hearings, receive evidence, and report to the full Committee on all matters referred to it or under its jurisdiction. Subcommittee chairmen shall set dates for hearings and meetings of their respective subcommittees after consultation with the chairman and other subcommittee chairmen with a view toward avoiding simultaneous scheduling of full Committee and subcommittee meetings or hearings whenever possible.

Rule VIII. Non-Legislative Reports. No report of the Committee or a subcommittee which does not accompany a measure or matter for consideration by the House shall be published unless all Members of the Committee or subcommittee issuing the report shall have been apprised of such report and been given the opportunity to give notice of intention to file supplemental, additional, or dissenting views as part of the report. In no case shall the time in which to file such views be less than three calendar days (excluding Saturdays, Sundays, and legal holidays).

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. LONG of Louisiana (at the request of Mr. WRIGHT), for an indefinite period, on account of medical reasons.

Mr. SAVAGE (at the request of Mr. WRIGHT), for this week, on account of a death in the family.

Mr. JONES of North Carolina (at the request of Mr. WRIGHT), for February 24 and 25, on account of illness.

Mrs. BOGGS (at the request of Mr. WRIGHT), for today, on account of official business.

Mr. CARNEY (at the request of Mr. MICHEL), for today and February 26, on account of official business.

Mr. HILER (at the request of Mr. MICHEL), for today and February 26, on account of official business.

Mr. HYDE (at the request of Mr. MICHEL), for today and February 26, on account of official business.

Mr. WEBER of Minnesota (at the request of Mr. MICHEL), for today and February 26, on account of official business.

Mr. ROTH (at the request of Mr. MICHEL), for today and February 26, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. ECKART) to revise and extend their remarks and include extraneous material:)

Mr. MOTTL, for 5 minutes, today.

Mr. JONES of North Carolina, for 5 minutes, today.

Mr. FORD of Tennessee, for 10 minutes, today.

Mr. CONYERS, for 5 minutes, today.

Mr. BEDELL, for 15 minutes, today.

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. PANETTA, for 5 minutes, today.

Mr. FORD of Michigan, for 5 minutes, today.

Mr. BROOKS, for 5 minutes, today.

Mr. SMITH of Iowa, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. DANNEMEYER) and to include extraneous matter:)

Mr. HYDE.

Mr. WORTLEY.

Mr. MARLENEE in two instances.

Mr. TAUKE.

Mr. KEMP.

Mr. BROWN of Colorado.

Mr. LUNGREN.

Mr. LEBOUTILLIER.

Mr. SENSENBRENNER.

Mr. PETRI.

Mr. ROUSSELOT.

Mr. YOUNG of Alaska.

Mr. GOODLING.

Mr. LOTT.

Mr. FIEDLER.

Mr. MARKS.

Mr. VANDER JAGT.

Mr. GILMAN.

Mr. MCCLORY.

Mr. KINDNESS in two instances.

Mr. LUJAN in two instances.

Mr. MICHEL in two instances.

(The following Members (at the request of Mr. ECKART) and to include extraneous matter:)

Ms. OAKAR.

Mr. BONER of Tennessee in two instances.

Mr. STARK in two instances.

Mr. DWYER.

Mr. OTTINGER.

Mr. BRODHEAD.

Mr. CORRADA.

Mr. DYSON.

Mr. MINISH in two instances.

Mr. BRINKLEY.

Mr. HALL of Ohio.

Mrs. SCHROEDER.

Mr. MCDONALD in five instances.

Mr. MILLER of California.

Mr. EDGAR.

Mr. LEHMAN.

Mr. WRIGHT.

Mr. ERTEL.

Mr. WEISS in 10 instances.

Mr. DONNELLY in two instances.

Mr. DAN DANIEL.

Mr. SHELBY in two instances.

Mr. SIMON in two instances.

Mr. APPLEGATE.

Mrs. BOGGS.

Ms. MIKULSKI.

Mr. CONYERS.

Mr. ATKINSON.

Mr. PANETTA.

Mr. PICKLE in five instances.

ADJOURNMENT

Mr. BEDELL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 45 minutes p.m.) the House adjourned until tomorrow, Thursday, February 26, 1981, at 11 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

604. A letter from the Assistant Secretary of Defense (Comptroller), transmitting selected acquisition reports and SAR summary tables for the quarter ended December 31, 1980, pursuant to section 811(a) of Public Law 94-106, as amended; to the Committee on Armed Services.

605. A letter from the Assistant Secretary of the Air Force (Research, Development and Logistics), transmitting notice of the proposed conversion to contractor conversion of the family housing maintenance function at Barksdale Air Force Base, La., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

606. A letter from the Vice President, Government Affairs, National Railroad Passenger Corporation, transmitting the Corporation's financial report for the month of December 1980, pursuant to section 308(a)(1) of the Rail Passenger Service Act of 1970, as amended; to the Committee on Energy and Commerce.

607. A letter from the Acting General Counsel, Department of Energy, transmitting a draft of proposed legislation to extend the expiration date of section 252 of the Energy Policy and Conservation Act; to the Committee on Energy and Commerce.

608. A communication from the President of the United States, transmitting a report on international agreements transmitted to Congress after the expiration of the 60-day period specified by law, pursuant to 1 U.S.C. 112b(b); to the Committee on Foreign Affairs.

609. A letter from the Acting Chairman, Federal Energy Regulatory Commission, transmitting a report on the Commission's administration of the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

610. A letter from the Administrative Director, U.S. Arms Control and Disarmament Agency, transmitting a report on the Agency's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

611. A letter from the Executive Director, the Neighborhood Reinvestment Corporation, transmitting a report on the Corporation's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

612. A letter from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of certain aliens, pursuant to section 212(d)(6) of the act; to the Committee on the Judiciary.

613. A letter from the Chairman, Merit Systems Protection Board, transmitting a report on the number of appeals filed during the 1980 calendar year, pursuant to 5 U.S.C. 7701(i)(2); to the Committee on Post Office and Civil Service.

614. A letter from the Deputy Administrator, Veterans' Administration, transmitting a draft of proposed legislation to amend title 38, United States Code, to authorize the Administrator to make contributions for construction projects on land adjacent to national cemeteries in order to facilitate safe ingress or egress; to the Committee on Veterans' Affairs.

615. A letter from the Chairman of the Board of Governors, Federal Reserve System, transmitting the Board's monetary policy report, pursuant to section 2A of the Federal Reserve Act, as amended (92 Stat. 1897); jointly, to the Committees on Banking, Finance and Urban Affairs and Education and Labor.

616. A letter from the Chairman, U.S. Nuclear Regulatory Commission, transmitting a report by the Advisory Committee on Reactor Safeguards on the Commission's safety research program, pursuant to section 29 of the Atomic Energy Act of 1954, as amended (91 Stat. 1483); jointly, to the Committees on Interior and Insular Affairs and Energy and Commerce.

617. A letter from the Chairman, U.S. Nuclear Regulatory Commission, transmitting the 22d report on abnormal occurrences at licensed nuclear facilities, covering the third quarter of calendar year 1980, pursuant to section 208 of Public Law 93-438; jointly, to the Committees on Interior and Insular Affairs and Energy and Commerce.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ARCHER:

H.R. 2082. A bill to provide duty-free treatment with respect to parts of pipe organs; to the Committee on Ways and Means.

By Mr. BAFALIS:

H.R. 2083. A bill to amend the Internal Revenue Code of 1954 to eliminate the holding period requirements for capital gains treatment; to the Committee on Ways and Means.

H.R. 2084. A bill to amend the Internal Revenue Code of 1954 to eliminate estate and gift taxes on interspousal transfers which are not transfers of terminable interests; to the Committee on Ways and Means.

By Mr. BIAGGI:

H.R. 2085. A bill to amend title 18 of the United States Code to prohibit certain damage to, and theft of property used for religious purposes, and for other purposes; to the Committee on the Judiciary.

By Mrs. BOGGS:

H.R. 2086. A bill to suspend for 3 years the duty on ground or otherwise prepared chicory roots; to the Committee on Ways and Means.

By Mrs. BOUQUARD:

H.R. 2087. A bill to prohibit any change in the status of any member of the uniformed services who is in a missing status under chapter 10 of title 37, United States Code, until the provisions of the Paris Peace Accord of January 27, 1973, have been fully complied with, and for other purposes; to the Committee on Armed Services.

H.R. 2088. A bill to repeal sections 102 and 202 of the Flood Disaster Protection Act of 1973 which make flood insurance coverage and community participation in the national flood insurance program prerequisites for approval of any financial assistance in a flood hazard area, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

H.R. 2089. A bill to enable service station dealers to compete with refiner operated service stations by terminating certain petroleum allocation and pricing regulations, and to promote fair competition in the sale of motor gasoline at retail; to the Committee on Energy and Commerce.

H.R. 2090. A bill to amend the Buy American Act to increase the incentives for the purchase of domestic articles, materials, and supplies with regard to Federal and federally funded procurements; to the Committee on Government Operations.

H.R. 2091. A bill to amend title I of the Omnibus Crime Control and Safe Streets Act of 1968 to authorize programs for the provision of escort services to the elderly in high crime areas, and for other purposes; to the Committee on the Judiciary.

H.R. 2092. A bill to amend title 39, United States Code, to require that the notice included in a mailed solicitation stating that such solicitation is not a bill or an account due shall be displayed at or near the beginning of such solicitation; to the Committee on Post Office and Civil Service.

H.R. 2093. A bill to amend title 39, United States Code, to prevent deceptive business solicitations by providing that any such solicitation which is designed to resemble a bill or statement of account shall be nonmailable matter; to the Committee on Post Office and Civil Service.

H.R. 2094. A bill to amend the Internal Revenue Code of 1954 to permit an exemption of the first $5,000 of retirement income received by a taxpayer under a public retirement system or any other system if the taxpayer is at least 65 years of age; to the Committee on Ways and Means.

H.R. 2095. A bill to amend the Internal Revenue Code of 1954 to exempt nonprofit volunteer firefighting or rescue organizations from the Federal excise taxes on gasoline, diesel fuel, and certain other articles and services; to the Committee on Ways and Means.

H.R. 2096. A bill to assure that an individual or family whose income is increased by reason of a general increase in monthly social security benefits will not, because of such general increase, suffer a loss of or reduction in the benefits the individual or family has been receiving under certain Federal or federally assisted programs; to the Committee on Ways and Means.

H.R. 2097. A bill to amend the Immigration and Nationality Act to provide for a one-House congressional veto of Presidential determinations that the number of refugee admissions in a fiscal year should exceed 50,000; jointly, to the Committees on the Judiciary and Rules.

By Mr. BROOKS (for himself, Mr. FOUNTAIN, Mr. FASCELL, Mr. FUQUA, Mr. LEVITAS, Mr. EVANS of Indiana, Mr. WAXMAN, Mr. HORTON, Mr. ERLENBORN, Mr. BUTLER, Mr. CLINGER, and Mr. DIXON):

H.R. 2098. A bill to amend the Inspector General Act of 1978 to establish Offices of Inspector General in certain departments and agencies, and for other purposes; to the Committee on Government Operations.

By Mr. JOHN L. BURTON:

H.R. 2099. A bill to amend title 5, United States Code, to increase the minimum coverage under the Government life insurance policies for civil service retirees from 25 per centum to 40 per centum; to the Committee on Post Office and Civil Service.

H.R. 2100. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income a certain portion of amounts received under public retirement systems; to the Committee on Ways and Means.

By Mr. COTTER:

H.R. 2101. A bill to amend title XVIII of the Social Security Act with respect to determining the amount of payment for certain drugs under the medicare program; jointly, to the Committees on Energy and Commerce and Ways and Means.

Mr. COURTER:

H.R. 2102. A bill to amend title XVI of the Social Security Act to provide that the income and resources of parents shall not be attributed to their children (for purposes of determining the eligibility of such children for supplemental security income benefits) in certain cases where the payment of such benefits is necessary to enable the parents to provide disability-related home care without which the children would require continued institutionalization; to the Committee on Ways and Means.

H.R. 2103. A bill to amend the Internal Revenue Code of 1954 to take inflation into consideration for purposes of determining an individual's gain or loss in the sale or other disposition of a principal residence; to the Committee on Ways and Means.

H.R. 2104. A bill to amend title II of the Social Security Act to increase to $24,000 in 1981 (with automatic adjustments thereafter) the amount of outside earnings which a beneficiary age 65 or over may have in any

taxable year without suffering reductions in the amount of his benefits; to the Committee on Ways and Means.

By Mr. COURTER (for himself, Mr. HYDE, and Mr. LAGOMARSINO):

H.R. 2105. A bill to amend the provisions of the Immigration and Nationality Act relating to certain deportable aliens; to the Committee on the Judiciary.

By Mr. DONNELLY:

H.R. 2106. A bill entitled "Longshoremen's and Harbor Worker's Compensation Act Amendments of 1981"; to the Committee on Education and Labor.

H.R. 2107. A bill to amend title 18 of the United States Code to allow the publishing and broadcast of information about lotteries in certain cases, and for other purposes; to the Committee on the Judiciary.

H.R. 2108. A bill to amend title 17 of the United States Code to provide that certain performances and displays of profitmaking educational institutions and nonprofit veterans' and fraternal organizations are not infringements on the exclusive rights of copyright owners; to the Committee on the Judiciary.

H.R. 2109. A bill to extend from 5 to 10 years (until November 30, 1987) the period during which spouses and surviving spouses who are eligible for Government pensions may qualify for an exemption from the pension offset provisions in title II of the Social Security Act; to the Committee on Ways and Means.

H.R. 2110. A bill to promote the development of methods of research, experimentation, and testing that minimize the use of, and pain and suffering to, live animals; jointly, to the Committees on Energy and Commerce and Science and Technology.

H.R. 2111. A bill to require recipients of financial assistance from the Small Business Administration and the Economic Development Administration to apply a preference to domestic suppliers in all acquisitions made with such assistance; jointly, to the Committees on Small Business and Public Works and Transportation.

By Mr. DOWNEY:

H.R. 2112. A bill to amend title III of the Elementary and Secondary Education Act of 1965 to provide for one or more National Centers for Personal Computers in Education; to the Committee on Education and Labor.

H.R. 2113. A bill to amend the Internal Revenue Code of 1954 to exempt from taxation a certain portion of the earned income of individuals working outside the United States; to the Committee on Ways and Means.

By Mr. EDWARDS of Alabama:

H.R. 2114. A bill to amend the National Environmental Policy Act of 1969 to provide for a statute of limitations with respect to judicial review of environmental impact statements; to the Committee on Merchant Marine and Fisheries.

H.R. 2115. A bill to amend the act of August 13, 1946, to increase the Federal contribution to 90 per centum of the cost of shore restoration and protection projects; to the Committee on Public Works and Transportation.

H.R. 2116. A bill to modify the project for navigation improvements in Mobile Harbor, Theodore Ship Channel, Ala., and for other purposes; to the Committee on Public Works and Transportation.

By Mr. FASCELL:

H.R. 2117. A bill to reform the Powerplant and Industrial Fuel Use Act of 1978 to encourage a reduction of air pollution and oil consumption by existing electric powerplants; to the Committee on Energy and Commerce.

By Mr. FINDLEY:

H.R. 2118. A bill to amend the Internal Revenue Code of 1954 to provide estate and gift tax equity for family enterprises, and for other purposes; to the Committee on Ways and Means.

By Mr. FINDLEY (for himself, Mr. CORRADA, Mr. MARKS, and Ms. MIKULSKI):

H.R. 2119. A bill to make the first Monday in February a legal public holiday for Lincoln's Birthday; to the Committee on Post Office and Civil Service.

By Mr. FLORIO:

H.R. 2120. A bill to facilitate the ability of product sellers to establish product liability risk retention groups, to facilitate the ability of such sellers to purchase product liability insurance on a group basis, and for other purposes; to the Committee on Energy and Commerce.

By Mr. GARCIA (for himself, Mr. ADDABBO, Mr. NOWAK, Mr. BROWN of California, Ms. MIKULSKI, Mr. FORD of Michigan, Mr. WEISS, Mr. KILDEE, Mr. MITCHELL of Maryland, Mr. CLAY, Mr. WILLIAMS of Montana, Mr. FAUNTROY, Mrs. SCHROEDER, Mr. FORD of Tennessee, Mr. ROE, Mr. BINGHAM, Mr. SCHUMER, Mr. ST GERMAIN, Mr. PEPPER, Mr. BIAGGI, Mr. BONIOR of Michigan, Mr. DOWNEY, Mr. FRANK, Mr. STOKES, Mr. DWYER, Mr. STARK, and Mr. RICHMOND):

H.R. 2121. A bill to establish a program under which the Secretary of Housing and Urban Development may provide funds to local educational agencies for the renovation of underutilized school buildings, and to amend section 392(b) of the Energy Policy and Conservation Act to provide that school facilities under the jurisdiction of local educational agencies which have experienced declining student enrollments shall be given priority for the receipt of grants under part G of title V of such act; jointly, to the Committees on Banking, Finance and Urban Affairs, Education and Labor, and Energy and Commerce.

By Mr. GIBBONS:

H.R. 2122. A bill relating to the application of section 103(b) of the Internal Revenue Code of 1954 to certain bonds for harbor improvements; to the Committee on Ways and Means.

H.R. 2123. A bill to encourage the formation and operation of export trading companies, and for other purposes; jointly, to the Committees on Foreign Affairs, Banking, Finance and Urban Affairs, the Judiciary, and Ways and Means.

By Mr. GILMAN (for himself, Mrs. CHISHOLM, Mr. FISH, Mr. HYDE, Mr. MURPHY, Mr. NICHOLS, Mr. PEPPER, Mr. SCHEUER, Mr. SIMON, and Mr. TAUKE):

H.R. 2124. A bill to amend sections 3307(d) and 8335(b) of title 5, United States Code, with respect to age limits for appointment and mandatory retirement of law enforcement officers engaged in detention activities; to the Committee on Post Office and Civil Service.

By Mr. GONZALEZ:

H.R. 2125. A bill to amend title 38, United States Code, to extend the period of Vietnam era veterans' eligibility for readjustment counseling and related mental health services; to the Committee on Veterans' Affairs.

H.R. 2126. A bill to provide adequate mental health care and psychiatric care to all Americans; jointly, to the Committees on Energy and Commerce and Ways and Means.

By Mr. GOODLING:

H.R. 2127. A bill to amend title 18, United States Code, to increase the term of imprisonment for certain offenses relating to carrying or using firearms, to eliminate eligibility for parole with respect to such term, and to require that such term be served before and consecutively to any related sentence of imprisonment; to the Committee on the Judiciary.

By Mr. GUARINI (for himself, Mr. COURTER, Mr. DWYER, Mrs. FENWICK, Mr. FLORIO, Mr. HOLLENBECK, Mr. HOWARD, Mr. HUGHES, Mr. MINISH, Mr. RINALDO, Mr. RODINO, Mr. ROE, Mrs. ROUKEMA, Mr. SMITH of New Jersey, and Mr. EVANS of Delaware):

H.R. 2128. A bill to amend the Communications Act of 1934 to provide that not less than one very high frequency commercial television broadcasting station be located in each State; to the Committee on Energy and Commerce.

By Mr. JACOBS:

H.R. 2129. A bill to provide for the garnishment of the wages of Federal employees; to the Committee on Post Office and Civil Service.

H.R. 2130. A bill to amend the Internal Revenue Code of 1954 to provide that an individual who does not itemize deductions may deduct an amount equal to one-half of his charitable contributions; to the Committee on Ways and Means.

By Mr. JENKINS:

H.R. 2131. A bill to amend section 1114 of title 18, United States Code, to provide for protection of U.S. probation officers and pretrial service officers; to the Committee on the Judiciary.

H.R. 2132. A bill to prohibit the removal before January 1, 1982, of houseboats or floating cabins from water resource areas under the jurisdiction of the Corps of Engineers; to the Committee on Public Works and Transportation.

H.R. 2133. A bill to amend the Internal Revenue Code of 1954 with respect to the treatment of certain shale oil property as energy property for the purposes of the energy investment credit; to the Committee on Ways and Means.

By Mr. JENKINS (for himself and Mr. GINN):

H.R. 2134. A bill to amend the Internal Revenue Code of 1954 to exempt from the manufacturers excise tax chassis primarily designed as feed, seed, or fertilizer equipment and chassis, and parts and accessories therefor, sold in connection with the first retail sale of trucks and trailers with feed, seed, or fertilizer bodies; to the Committee on Ways and Means.

By Mr. KINDNESS:

H.R. 2135. A bill to amend the Internal Revenue Code of 1954 to allow individuals a deduction for tuition expenses for the higher education of themselves, their spouses, or their dependents; to the Committee on Ways and Means.

By Mr. LEATH of Texas (for himself, Mr. GUYER, Mr. MONTGOMERY, Mr. HAMMERSCHMIDT, Mr. DANIELSON, and Mr. HEFNER):

H.R. 2136. A bill to amend title 38, United States Code, to revise the provisions of such title relating to the construction and alteration of, and acquisition of land for, national cemeteries; to the Committee on Veterans' Affairs.

By Mr. LEVITAS:

H.R. 2137. A bill to amend the Inspector General Act of 1978 to establish 7-year terms of office and to restrict the conditions under which Inspectors General may be removed from office, and for other purposes; to the Committee on Government Operations.

By Mr. LUJAN:

H.R. 2138. A bill to amend title 10 of the United States Code to allow members of the Armed Forces of the United States to elect whether they will retire for physical disability or will retire for length of service, if they are eligible for both types of retirement; to the Committee on Armed Services.

By Mr. LUJAN (for himself and Mr. SKEEN):

H.R. 2139. A bill to provide that if any land or interest in land is taken from any person or State by the Federal Government by eminent domain, such person or State may, instead of accepting monetary compensation therefor, acquire certain Federal lands or interests in land of approximately equal value; to the Committee on Interior and Insular Affairs.

By Mr. LUJAN:

H.R. 2140. A bill to authorize the Chief of Engineers to undertake repairs and renovations to certain water diversion structures of an historical character, and for other purposes; to the Committee on Public Works and Transportation.

H.R. 2141. A bill to amend title 38 of the United States Code to allow persons receiving retired pay for the length of their service in the Armed Forces of the United States to concurrently receive any pension or compensation under the laws administered by the Veterans' Administration to which they are entitled; to the Committee on Veterans' Affairs.

By Mr. LUNGREN (for himself and Mr. DANIELSON):

H.R. 2142. A bill to amend the Refugee Act of 1980 to extend the period for payment of child welfare services and cash and medical assistance for certain refugees; to the Committee on the Judiciary.

By Mr. McDONALD (for himself and Mr. GINGRICH):

H.R. 2143. A bill to amend the Internal Revenue Code of 1954 to restore the deduction for State and local taxes on gasoline and other motor fuels and to allow the deduction for such taxes without regard to whether the taxpayer itemizes other deductions; to the Committee on Ways and Means.

By Mr. McEWEN:

H.R. 2144. A bill to establish a uranium enrichment fund; jointly, to the Committees on Energy and Commerce, Interior and Insular Affairs, and Science and Technology.

By Mr. MARLENEE:

H.R. 2145. A bill to amend the Controlled Substances Act to provide mandatory minimum sentences for certain drug offenses; to the Committee on Energy and Commerce.

H.R. 2146. A bill to amend title 18 of the United States Code to provide mandatory minimum sentences for repeat offenders; to the Committee on the Judiciary.

H.R. 2147. A bill to amend section 924(c) of title 18 of the United States Code to increase the mandatory minimum penalties applicable to certain firearms offenses; to the Committee on the Judiciary.

H.R. 2148. A bill to repeal section 154 of title 23 of the United States Code relating to the national maximum speed limit; to the Committee on Public Works and Transportation.

H.R. 2149. A bill to amend title II of the Social Security Act to make it clear that social security benefits are and will continue to be exempt from all taxation; to the Committee on Ways and Means.

H.R. 2150. A bill to amend title II of the Social Security Act to provide that a beneficiary who dies shall (if otherwise qualified) be entitled to a prorated benefit for the month of his death; to the Committee on Ways and Means.

H.R. 2151. A bill to provide for minimum fines for certain offenses relating to welfare and unemployment fraud; jointly to the Committees on Agriculture, Energy and Commerce, and Ways and Means.

By Mr. MINISH:

H.R. 2152. A bill to amend title 5 of the United States Code to increase the efficiency of Government-wide efforts to collect debts owed the United States, to require the Office of Management and Budget to establish regulations for reporting on debts owed the United States, and to provide additional procedures for the collection of debts of the United States; jointly to the Committees on Government Operations and the Judiciary.

By Mr. MOTTL:

H.R. 2153. A bill to extend from 5 to 10 years (until November 30, 1987) the period during which certain individuals becoming eligible for public pensions may qualify for an exemption from the pension offset provisions in title II of the Social Security Act; to the Committee on Ways and Means.

H.R. 2154. A bill to eliminate the reduction in social security benefits for spouses and surviving spouses receiving certain Government pensions, as recently added to title II of the Social Security Act by section 334 of the Social Security Amendments of 1977; to the Committee on Ways and Means.

By Mr. MOTTL (for himself and Mr. HAMMERSCHMIDT):

H.R. 2155. A bill to amend title 38, United States Code, to provide for recovery by the United States of the cost of certain health care provided by the Veterans' Administration; to the Committee on Veterans' Affairs.

By Mr. MOTTL (for himself, Mr. HAMMERSCHMIDT, and Mr. BROWN of Ohio):

H.R. 2156. A bill to amend title 38, United States Code, to extend by 12 months the period during which funds appropriated for grants by the Veterans' Administration for the establishment and support of new State medical schools may be expended; to the Committee on Veterans' Affairs.

By Mr. MOTTL (for himself, Mr. HAMMERSCHMIDT, Mr. MONTGOMERY, Mr. DASCHLE, and Mr. HEFNER):

H.R. 2157. A bill to expand the scope of a study required to be conducted by the Administrator of Veterans' Affairs concerning the effect on humans of exposure to the chemical known as agent orange; to the Committee on Veterans' Affairs.

By Mr. MOTTL (for himself and Mr. HAMMERSCHMIDT):

H.R. 2158. A bill to amend title 38, United States Code, to provide for greater coordination and sharing of the medical resources of the Veterans' Administration and the Department of Defense; jointly, to the Committees on Armed Services and Veterans' Affairs.

By Mr. PANETTA:

H.R. 2159. A bill to authorize the Secretary of Agriculture to pay compensation to producers of fruits or vegetables for economic losses resulting from the destruction or quarantine of plants or plant products carried out to control plant pests in emergencies; to the Committee on Agriculture.

By Mr. PANETTA (for himself and Mr. MORRISON):

H.R. 2160. A bill to amend the Potato Research and Promotion Act; to the Committee on Agriculture.

By Mr. PEPPER:

H.R. 2161. A bill to improve information practices in the insurance industry, to amend the Privacy Act of 1974, and for other purposes; jointly, to the Committees on Energy and Commerce and Government Operations.

By Mr. PETRI:

H.R. 2162. A bill to extend duty-free treatment to certain toy tea sets; to the Committee on Ways and Means.

By Mr. RHODES (for himself and Mr. LATTA):

H.R. 2163. A bill to amend the Impoundment Control Act of 1974 to require that any amount of budget authority proposed to be rescinded or reserved by the President not be made available for obligation unless both Houses of the Congress approve a resolution of disapproval within a prescribed period of time; to the Committee on Rules.

By Mr. ST GERMAIN:

H.R. 2164. A bill to establish a commission to encourage, plan, develop, and coordinate the commemoration of the bicentennial of the Constitution; to the Committee on Post Office and Civil Service.

By Mr. SENSENBRENNER:

H.R. 2165. A bill to amend the Internal Revenue Code of 1954 to provide that certain arrangements shall not be treated as a generation-skipping trust equivalent for purposes of the tax on generation-skipping transfers; to the Committee on Ways and Means.

By Mr. SHARP (for himself and Mr. BROWN of Ohio):

H.R. 2166. A bill to amend the Energy Policy and Conservation Act to extend certain authorities relating to the international energy program; to the Committee on Energy and Commerce.

By Mr. SIMON:

H.R. 2167. A bill to amend the National Labor Relations Act to authorize the Secretary of Labor to prohibit the awarding of Federal contracts to persons who have violated certain judicial orders or orders issued by the National Labor Relations Board; to the Committee on Education and Labor.

By Mr. SKELTON:

H.R. 2168. A bill to amend the Food and Agriculture Act of 1977 with respect to loan levels applicable to certain commodities when commercial export sales of such commodities are terminated by a member of the executive branch of Government, and for other purposes; to the Committee on Agriculture.

By Mr. SMITH of Iowa:

H.R. 2169. A bill to amend section 403 of the Federal Food, Drug, and Cosmetic Act to require that foods intended for human consumption be labeled to show the amount of sodium and potassium they contain; to the Committee on Energy and Commerce.

By Mrs. SMITH of Nebraska (for herself, Mr. PERKINS, Mr. CLINGER, Mr. BROWN of Colorado, Mr. DAUB, Mr. HAGEDORN, Mr. STANGELAND, Mr. ATKINSON, and Mrs. BYRON):

H.R. 2170. A bill to amend title 23, United States Code, to authorize the Secretary of Transportation to make grants relating to energy impacted rail and highway transportation; jointly, to the Committees on Energy and Commerce and Public Works and Transportation.

By Mr. STANGELAND (for himself, Mr. COLLINS of Texas, Mr. JAMES K. COYNE, Mr. ERLENBORN, Mr. FOR-

SYTHE, Mr. FRENZEL, Mr. HILER, Mr. LAGOMARSINO, and Mr. PASHAYAN):

H.R. 2171. A bill to amend the Comprehensive Employment and Training Act to remove the requirement that unemployment benefits be paid on the basis of services performed in public service jobs; to the Committee on Education and Labor.

By Mr. VANDER JAGT:

H.R. 2172. A bill to amend the Internal Revenue Code of 1954 to increase the competitiveness of American firms operating abroad and to help increase markets for U.S. exports; to the Committee on Ways and Means.

By Mr. VANDER JAGT (for himself, Mr. CONABLE, and Mr. JONES of Oklahoma):

H.R. 2173. A bill to amend section 119 of the Internal Revenue Code of 1954 to provide that meals furnished by an employer to an employee may be considered furnished for the convenience of the employer if the meals are furnished on the business premises of the employer generally, except under certain conditions whereby meals may be furnished off the business premises of the employer; to the Committee on Ways and Means.

By Mr. WATKINS:

H.R. 2174. A bill to amend the Internal Revenue Code of 1954 to phase out the Federal estate and gift tax; to the Committee on Ways and Means.

H.R. 2175. A bill to repeal the windfall profit tax; to the Committee on Ways and Means.

H.R. 2176. A bill to exempt newly discovered oil from the windfall profit tax; to the Committee on Ways and Means.

H.R. 2177. A bill to exempt stripper well oil from the windfall profit tax; to the Committee on Ways and Means.

H.R. 2178. A bill to exempt certain royalty interests from the windfall profit tax; to the Committee on Ways and Means.

H.R. 2179. A bill to exempt incremental tertiary oil from the windfall profit tax; to the Committee on Ways and Means.

By Mr. WATKINS (for himself, Mr. HIGHTOWER, and Mr. GLICKMAN):

H.R. 2180. A bill to amend the Internal Revenue Code of 1954 to exempt from the windfall profits tax crude oil from certain royalty interests; to the Committee on Ways and Means.

By Mr. WHITE:

H.R. 2181. A bill to amend chapter 55 of title 10, United States Code, to authorize the provision of full dental care benefits to dependents of members of the uniformed services on active duty under the civilian health and medical program of the uniformed services and in facilities of the uniformed services; to the Committee on Armed Services.

H.R. 2182. A bill to eliminate the offset against social security benefits in the case of spouses and surviving spouses receiving certain Government pensions; to the Committee on Ways and Means.

By Mr. WHITTEN:

H.R. 2183. A bill to amend the Internal Revenue Code of 1954 to allow estates required to file estate tax returns before July 13, 1978, the date on which regulations under section 2032A of such Code were proposed, to elect the valuation of certain farm and other real property under section 2032A of such Code within 90 days after the enactment of the amendments to such Code proposed by this bill; to the Committee on Ways and Means.

By Mr. WILLIAMS of Montana:

H.R. 2184. A bill to repeal the increases in social security taxes which would otherwise be in effect in 1981 and 1982, while protecting the social security trust funds (through appropriations from the general fund in the Treasury) against any revenue losses they might otherwise sustain as a result of such repeal; to the Committee on Ways and Means.

By Mrs. BOUQUARD:

H.J. Res. 187. Joint resolution to amend the Constitution of the United States to provide for balanced budgets and elimination of the Federal indebtedness; to the Committee on the Judiciary.

H.J. Res. 188. Joint resolution to amend the Constitution of the United States to provide for balanced budgets and elimination of the Federal indebtedness; to the Committee on the Judiciary.

By Mrs. COLLINS of Illinois:

H.J. Res. 189. Joint resolution to provide for the designation of the month of February 1982, as "National Black History Month"; to the Committee on Post Office and Civil Service.

By Mr. COURTER:

H.J. Res. 190. Joint resolution conferring U.S. citizenship posthumously on Rosinella Verdi; to the Committee on the Judiciary.

By Mr. GUYER:

H.J. Res. 191. Joint resolution designating August 8, 1982, as "National Children's Day"; to the Committee on Post Office and Civil Service.

By Mr. KINDNESS:

H.J. Res. 192. Joint resolution proposing an amendment to the Constitution of the United States to provide that equality of rights under the law shall not be denied or abridged by the United States or by any State on account of sex; to the Committee on the Judiciary.

H.J. Res. 193. Joint resolution proposing an amendment to the Constitution of the United States; to establish a Court of the States, to the Committee on the Judiciary.

By Mr. SHELBY:

H.J. Res. 194. Joint resolution proposing an amendment to the Constitution of the United States which requires (except during time of war and subject to suspension by the Congress) that the total amount of money expended by the United States during any fiscal year not exceed the amount of certain revenue received by the United States during such fiscal year and not exceed 20 percent of the gross national product of the United States during the previous calendar year; to the Committee on the Judiciary.

Mr. BONER of Tennessee:

H. Con. Res. 76. Concurrent resolution expressing the sense of the Congress that the Secretary of the Army should place a plaque in Arlington National Cemetery honoring members of the U.S. Armed Forces who died during an attempt to rescue American hostages held in Iran; to the Committee on Veterans' Affairs.

By Mr. DONNELLY:

H. Con. Res. 77. Concurrent resolution expressing the sense of the Congress with respect to the abrupt decontrol of domestic natural gas prices; to the Committee on Energy and Commerce.

By Mr. FRANK:

H. Con. Res. 78. Concurrent resolution authorizing and requesting the President to designate January 20, 1982, as "Hostage Release Day"; to the Committee on Post Office and Civil Service.

By Mr. LEBOUTILLIER:

H. Con. Res. 79. Concurrent resolution expressing the sense of the Congress with respect to the interdependence of Israel and the United States, their ability to deter Soviet aggression in the Middle East, and their ability to retain freedom of action; to the Committee on Foreign Affairs.

By Mr. DE LA GARZA (for himself and Mr. WAMPLER):

H. Res. 83. Resolution to provide for the expenses of investigations and studies to be conducted by the Committee on Agriculture; to the Committee on House Administration.

By Mr. BIAGGI:

H. Res. 85. Resolution to express the sense of the House of Representatives in support of "Solidarity Sunday"; to the Committee on Post Office and Civil Service.

By Mrs. BOUQUARD:

H. Res. 86. Resolution expressing the sense of the House of Representatives that the effect on our society of the level of violence depicted on television requires more consideration and study; to the Committee on Energy and Commerce.

H. Res. 87. Resolution to amend the Rules of the House of Representatives to establish the Committee on Internal Security, and for other purposes; to the Committee on Rules.

By Mr. COURTER:

H. Res. 88. Resolution to amend the Rules of the House to require information on House votes by Members in their patron newsletters; to the Committee on Rules.

By Mr. JONES of North Carolina (for himself and Mr. SNYDER):

H. Res. 89. Resolution to provide for the expenses of investigations and studies to be conducted by the Committee on Merchant Marine and Fisheries; to the Committee on House Administration.

By Mr. MONTGOMERY (for himself and Mr. HAMMERSCHMIDT):

H. Res. 90. Resolution to provide for the expenses of investigations and studies to be conducted by the Committee on Veterans' Affairs; to the Committee on House Administration.

By Mr. PEPPER (for himself and Mr. RINALDO):

H. Res. 91. Resolution to provide for the expenses of investigations and studies to be conducted by the Select Committee on Aging; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII,

12. The SPEAKER presented a memorial of the Senate of the State of Washington, relative to taking necessary measures to determine the fate of Americans reported missing in action or being held as prisoners of war in Vietnam; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BETHUNE:

H.R. 2185. A bill for the relief of Hanife Frantz; to the Committee on the Judiciary.

By Mr. BIAGGI:

H.R. 2186. A bill for the relief of Richard A. Gamble; to the Committee on the Judiciary.

By Mr. EDWARDS of Alabama:

H.R. 2187. A bill for the relief of Meenakshiben P. Patel; to the Committee on the Judiciary.

By Mr. FRANK:

H.R. 2188. A bill for the relief of Sito Industries, Inc.; to the Committee on the Judiciary.

By Mr. FROST:

H.R. 2189. A bill for the relief of Candido Augusto Urizar and Delores de Jesus Turcios Urizar; to the Committee on the Judiciary.

By Mr. HANSEN of Idaho:

H.R. 2190. A bill for the relief of Gilles Roserens; to the Committee on the Judiciary.

H.R. 2191. A bill for the relief of Rodrigo and Eva Sandoval; to the Committee on the Judiciary.

By Mr. HUTTO:

H.R. 2192. A bill for the relief of Grace M. Shelley; to the Committee on the Judiciary.

H.R. 2193. A bill for the relief of Berendina Antonia Maria van Kleeff; to the Committee on the Judiciary.

By Mr. KASTENMEIER:

H.R. 2194. A bill for the relief of Michael Treble Lysenko and Beverly Carol Dancho; to the Committee on the Judiciary.

H.R. 2195. A bill for the relief of Michael Treble Lysenko and Beverly Carol Dancho; to the Committee on the Judiciary.

By Mr. LUJAN:

H.R. 2196. A bill for the relief of Sammy H. Marr; to the Committee on the Judiciary.

H.R. 2197. A bill for the relief of Pedro Delgado Rodriguez; to the Committee on the Judiciary.

By Mr. ROUSSELOT:

H.R. 2198. A bill for the relief of Benjamin Bane; to the Committee on the Judiciary.

By Mrs. SMITH of Nebraska:

H.R. 2199. A bill for the relief of Jasmina Zivic Donovan; to the Committee on the Judiciary.

By Mr. WRIGHT:

H.R. 2200. A bill for the relief of Calvin L. Graham; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 4: Mr. WRIGHT, Mr. LEBOUTILLIER, and Mr. MCCLORY.

H.R. 15: Mr. MOORHEAD, and Ms. MARTIN of Illinois.

H.R. 41: Mr. BEVILL.

H.R. 43: Mr. NATCHER, Mr. ROE, Mr. PEPPER, Mr. MURPHY, Mr. LEBOUTILLIER, Mr. NEAL, and Mr. MITCHELL of New York.

H.R. 70: Mr. ADDABBO, Mr. BIAGGI, Mr. BINGHAM, Mrs. BOUQUARD, Mr. BROWN of Ohio, Mr. BROWN of California, Mr. JOHN L. BURTON, Mr. CHAPPELL, Mr. CLINGER, Mr. CORCORAN, Mr. DAN DANIEL, Mr. DAVIS, Mr. DE LA GARZA, Mr. DELLUMS, Mr. DORNAN of California, Mr. DOUGHERTY, Mr. DOWNEY, Mr. EVANS of Georgia, Mr. FARY, Mr. FAUNTROY, Mr. FORD of Tennessee, Mr. FOWLER, Mr. FRANK, Mr. GUYER, Mr. GRADISON, Mr. GRAY, Mr. GUARINI, Mr. HAWKINS, Mr. HERTEL, Mr. HINSON, Mr. HOPKINS, Mr. HOWARD, Mr. KILDEE, Mr. KOGOVSEK, Mr. LEACH of Iowa, Mr. LEHMAN, Mr. MCCLORY, Mr. MCCLOSKEY, Mr. MCGRATH, Mr. MCKINNEY, MR. MINETA, Mr. MOTTL, MS. OAKAR, Mr. PEPPER, Mr. PRITCHARD, Mr. RATCHFORD, Mr. ROSENTHAL, Mr. ROTH, Mr. SCHEUER, Mrs. SCHROEDER, Mr. SCHUMER, Mr. SIMON, Mr. SMITH of New Jersey, Mrs. SCHNEIDER, Mr. SOLARZ, Mr. SOLOMON, Mr. STARK, Mr. STOKES, Mr. STRATTON, Mr. VENTO, Mr. WALKER, Mr. WEAVER, Mr. WHITTEN, Mr. WINN, Mr. WIRTH, Mr. ZABLOCKI, Mr. D'AMOURS, and Mr. LELAND.

H.R. 81: Mr. COELHO, Mr. DANIELSON, Mr. GARCIA, Mr. HUGHES, Mr. KOGOVSEK, Mr. MINETA, Mr. MITCHELL of Maryland, Mr. MURPHY, Mr. PEPPER, and Mr. RICHMOND.

H.R. 269: Mr. APPLEGATE, Mr. BADHAM, Mr. BAILEY of Missouri, Mr. BARNARD, Mr. BEARD, Mr. BENEDICT, Mr. BROWN of Ohio, Mr. CAMPBELL, Mr. COLEMAN, Mr. COURTER, Mr. ROBERT W. DANIEL, JR., Mr. DANNEMEYER, Mr. DAVIS, Mr. DUNN, Mr. EVANS of Georgia, Mr. FROST, Mr. GIBBONS, Mr. GLICKMAN, Mr. GRAMM, Mr. HINSON, Mr. JACOBS, Mr. JEFFRIES, Mr. JOHNSTON, Mr. KRAMER, Mr. LAGOMARSINO, Mr. LEATH of Texas, Mr. LOTT, Mr. MARLENEE, Mr. MORRISON, Mr. RITTER, Mr. ROBINSON, Mr. ROUSSELOT, Mr. RUSSO, Mr. SENSENBRENNER, Mr. SMITH of New Jersey, Mr. WEBER of Minnesota, Mr. CORCORAN, Mr. HENDON, Mr. EMERSON, Mr. STANGELAND, AND Mr. TAUKE.

H.R. 393: Mr. STENHOLM.

H.R. 459: Mr. MURPHY, Mr. WON PAT, Mr. YOUNG of Alaska, Mr. PETRI, Mr. JEFFORDS, Mr. ROBERT W. DANIEL, JR., Mr. MCCLOSKEY, Mr. LAGOMARSINO, Mr. DUNCAN, Mr. HALL of Ohio, Mr. MCKINNEY, Mr. WILSON, Mr. WHITTAKER, Mr. THOMAS, Mr. LOWERY of California, Mr. LOEFFLER, Mr. STENHOLM, Mr. BEARD, and Mr. JEFFRIES.

H.R. 465: Mr. JACOBS.

H.R. 523: Mr. GUNDERSON, and Mr. ADDABBO.

H.R. 580: Mr. MINETA.

H.R. 581: Mr. DIXON.

H.R. 588: Mr. PEPPER.

H.R. 643: Mr. ROBERT W. DANIEL, JR.

H.R. 645: Mr. ROBERT W. DANIEL JR., Mr. KRAMER, Mr. ROBERTS of South Dakota, and Mr. ROSE.

H.R. 646: Mr. KRAMER.

H.R. 750: Mr. RAILSBACK and Mr. JEFFRIES.

H.R. 857: Mr. KASTENMEIER, Mr. BINGHAM, Mr. WON PAT, Mr. WEAVER, Mr. MILLER of California, Mr. MARKEY, Mr. MURPHY, Mr. VENTO, Mr. WILLIAMS of Montana, Mr. MOAKLEY, Mr. BEILENSON, Mr. EDWARDS of California, Mr. SEIBERLING, and Mr. LOWRY of Washington.

H.R. 878: Mr. FAZIO, Mr. IRELAND, Mrs. FENWICK, Mr. GINGRICH, Mr. CROCKETT, Mr. SMITH of Alabama, Mr. GUARINI, Mr. PAUL, Mr. MOTTL, Mr. PANETTA, and Mr. GREGG.

H.R. 879: Mr. SHARP.

H.R. 880: Mr. SHARP.

H.R. 896: Mr. FORSYTHE, Mr. WINN, Mr. WHITEHURST, Mr. GIBBONS, Mr. WALKER, Mrs. HOLT, Mr. JEFFORDS, Mr. FRENZEL, Mr. GUYER, Mr. LUNGREN, Mr. DAUB, Mr. COLLINS of Texas, Mr. JOHNSTON, Mr. SHELBY, Mr. PORTER, Mr. RUDD, and Mr. JEFFRIES.

H.R. 905: Mr. LUKEN.

H.R. 911: Mr. FIELDS, Mr. TAUKE, and Mr. LOWERY of California.

H.R. 920: Mr. DUNCAN, Mr. WILSON, Mr. COLLINS of Texas, Mr. GUYER, Mr. THOMAS, Mr. ROBINSON, and Mr. HANCE.

H.R. 1008: Mr. BEVILL, Mr. COLLINS of Texas, Mr. KOGOVSEK, Mr. EVANS of Georgia, Mr. FORSYTHE, Mr. YOUNG of Missouri, Mr. BEDELL, Mr. BARNARD, Mr. FRENZEL, Mr. COELHO, Mr. JAMES K. COYNE, Mr. BEARD, Mr. JOHNSTON, and Mr. SOLOMON.

H.R. 1267: Mr. LANTOS, Mr. BEILENSON, Mr. STARK, Mr. EDWARDS of California, Mr. FAZIO, Mr. DELLUMS, Mr. MILLER of California, Mr. MATSUI, and Mr. MINETA.

H.R. 1290: Mr. ARCHER, Mr. LOEFFLER, Mr. CAMPBELL, Mr. YOUNG of Alaska, Mr. MCDADE, Mr. PORTER, and Mr. SMITH of Alabama.

H.R. 1294: Mr. LEATH of Texas, Mr. OTTINGER, Mr. RUDD, Mr. GLICKMAN, and Mr. COELHO.

H.R. 1313: Mr. WINN, Mr. KAZEN, Mr. D'AMOURS, Mr. PETRI, Mr. BENJAMIN, Mr. ERTEL, Mr. CONTE, Mr. JEFFORDS, Mr. FROST, Mr. DONNELLY, Mr. FRANK, Mr. TRAXLER, Mr. BENIOR of Michigan, Mr. DWYER, Mr. ERDAHL, Mr. HUGHES, Mr. IRELAND, Mr. FRENZEL, and Mr. CHAPPELL.

H.R. 1357: Mr. WHITEHURST, Mr. WALKER, Mr. MURPHY, Mr. BADHAM, Mr. YATRON, Mr. BLILEY, Mr. STENHOLM, Mr. BROOMFIELD, Mr. HUBBARD, Mr. CRAIG, Mr. SENSENBRENNER, and Mr. GUYER.

H.R. 1531: Mr. LOWERY of California and Mr. BURGENER.

H.R. 1574: Mr. FARY, Mr. OTTINGER, and Mr. SIMON.

H.R. 1603: Mr. EMERY, Mr. DICKINSON, Mr. LAGOMARSINO, Mr. BROWN of Ohio, Mr. BUTLER, Mr. FORSYTHE, Mr. KRAMER, Mr. WHITEHURST, Mr. DUNCAN, Mr. GINN, Mr. ALEXANDER, Mr. SHUMWAY, Mr. SENSENBRENNER, Mr. LEATH OF TEXAS, Mr. HILER, Mr. MONTGOMERY, Mr. GLICKMAN, Mr. ERDAHL, Mr. LEE, Mr. KINDNESS, Mr. HEFNER, Mr. MYERS, Mr. PAUL, Mrs. HOLT, Mr. MCDONALD, Mr. ANTHONY, Mr. ROBINSON, Mr. LIVINGSTON, Mr. JEFFORDS, Mr. REGULA, Mr. COLLINS of Texas, Mr. LOEFFLER, Mr. ARCHER, Mr. MITCHELL of New York, Mr. STRATTON, Mr. LOTT, Mr. FRENZEL, Mr. PASHAYAN, Mr. HIGHTOWER, and Mr. BEREUTER.

H.R. 1643: Mr. WINN, Mr. LAGOMARSINO, Mr. BEARD, Mrs. HOLT, Mr. BEVILL, Mr. BUTLER, Mr. GINGRICH, Mr. SPENCE, Mr. LOTT, Mr. COLLINS of Texas, Mr. CRAIG, Mr. MCCLOSKEY, Mr. RUDD, Mr. JAMES K. COYNE, Mr. SMITH of Alabama, Mr. MCKINNEY, Mr. CARMAN, and Mr. JOHNSTON.

H.R. 1659: Mr. STRATTON, Mr. COLLINS of Texas, Mr. MONTGOMERY, Mr. WINN, Mr. LAGOMARSINO, Mr. MCDONALD, Mr. SAM B. HALL, JR., Mr. DOUGHERTY, Mr. BUTLER, Mr. LOTT, Mr. DORNAN OF CALIFORNIA, Mr. DANNEMEYER, Mr. JEFFRIES, Mr. CHAPPELL, Mr. ROE, Mr. BAILEY of Missouri, Mr. GUYER, Mr. SAWYER, Mr. SMITH of Alabama, Mr. BAFALIS, Mr. BEARD, Mr. MCKINNEY, Mr. CARMAN, Mr. BEVILL, Mr. JAMES K. COYNE, and Mr. RITTER.

H.R. 1756: Mr. SMITH of New Jersey.

H.R. 1767: Mr. ROUSSELOT, Mr. SHUMWAY, Mr. JOHNSTON, Mr. HARTNETT, Mr. GOLDWATER, Mr. LEATH of Texas, Mr. GRAMM, Mr. COLLINS of Texas, Mr. LOWERY of California, Mr. BUTLER, Mr. WHITEHURST, Mr. KRAMER, Mr. BENEDICT, Mr. BEARD, Mr. DANNEMEYER, Mr. MCDONALD, Mr. CHAPPELL, Mr. DICKINSON, and Mr. SMITH of Alabama.

H.R. 1778: Mr. DERWINSKI, Mr. FINDLEY, Mr. JACOBS, and Mr. ROUSSELOT.

H.R. 1779: Mr. BAILEY of Missouri, Mr. FINDLEY, and Mr. JACOBS.

H.R. 1862: Mr. KRAMER, Mr. ECKART, Mr. PATTERSON, Mr. OBEY, Mr. ERTEL, and Mr. OTTINGER.

H.R. 1962: Mr. YATRON, Mr. MCKINNEY, and Mr. WEAVER.

H.R. 1991: Mr. DUNCAN, Mr. KINDNESS, Mr. NEAL, and Mr. BURGENER.

H.R. 2024: Ms. OAKAR, Mr. NELLIGAN, and Mr. GRAY.

H.J. Res. 2: Mr. BAILEY of Missouri, Mr. COLLINS of Texas, Mr. DAUB, Mr. GINGRICH, Mr. GOODLING, Mr. HARTNETT, Mr. MCDADE, Mr. MILLER of Ohio, and Mr. WAMPLER.

H.J. Res. 8: Mr. LEATH of Texas, Mr. GUYER, Mr. DOUGHERTY, and Mr. BURGENER.

H.J. Res. 56: Mr. EVANS of Indiana, Mr. DANNEMEYER, Mr. WYLIE, Mr. WHITTAKER, Mr. CARNEY, Mr. DINGELL, Mr. LOTT, Mr. HANCE, Mr. TAYLOR, Mr. ROUSSELOT, Mr.

RUSSO, Mr. ROBINSON, Mr. JEFFRIES, Mr. LENT, Mr. LOWERY of California, Mr. CHAPPELL, Mr. ROEMER, Mr. DOUGHERTY, and Ms. FIEDLER.

H.J. Res 68: Mr. TRIBLE.

H.J. Res. 69: Mr. STANGELAND.

H.J. Res. 89: Mr. WHITEHURST, Mr. ROBERT W. DANIEL, Jr., Mr. LAGOMARSINO, Mr. LUNGREN, Mr. NEAL, Mr. MCDONALD, Mr. GOODLING, Mr. COLLINS of Texas, Mr. ROBINSON, Mr. BADHAM, Mr. BURGENER, Mr. HARTNETT, Mr. PORTER, Mr. HILER, Mr. FORSYTHE, and Mr. JEFFRIES.

H.J. Res. 96: Mr HANCE and Mr. D'AMOURS.

H.J. Res. 131: Mr. SUNIA, Mr. BROWN of Colorado, Mr. HUGHES, Mr. HORTON, Mr. RICHMOND, Mr. ADDABBO, Mr. AKAKA, Mr. KRAMER Mr. CORCORAN, Mr. MINETA, Mr. STARK, Mr. GORE, Mr. CHENEY, Mr. PERKINS, Mr. OTTINGER, Mr. MINISH, Mr. CHAPPELL, Mr. MCGRATH, Mr. EMERY, and Mr. CHAPPIE.

H. Con. Res. 27: Mrs. HOLT, Mr. BRODHEAD, Mr. LANTOS, and Mr. CROCKETT.

H. Con. Res. 28: Mr. WON PAT, Mr. BAFALIS, Mr. WINN, Mr. LAGOMARSINO, Mr. MARRIOTT, Mr. FROST, Mr. LUNGREN, Mr. HINSON, Mr. BUTLER, Mr. DAUB, Mr. GOLDWATER, Mr. DICKS, Mr. MILLER of California, Mr. ROE, Mr. COLLINS of Texas, Mr. HEFNER, Mr. BARNARD, Mr. BONIOR of Michigan, Mr. MARKS, Mr. DE LA GARZA, Mr. MCGRATH, Mr. MCDONALD, Mr. DUNCAN, Mr. CAMPBELL, Mr. LIVINGSTON, Mr. JAMES K. COYNE, Mr. GREEN, Mr. ERLENBORN, Mr. MYERS, Mr. HUGHES, Mr. HEFTEL, Mr. COURTER, Mr. CARNEY, Mr. DICKINSON, Mr. PORTER, Mr. ARCHER, Mr. BURGENER, Mr. DORNAN of California, Mr. SOLOMON, Mr. MCCLOSKEY, Mr. HAGEDORN, Mr. BLANCHARD, Mr. CORRADA, Mr. ZEFERETTI, Mr. DOWNEY, Mr. KEMP, Mr. EDWARDS of Alabama, Mr. MCCLORY, Mr. SIMON, Ms. FIEDLER, Mr. FINDLEY, Mr. NEAL, MR. FRENZEL, Mr. RUDD, Mr. ENGLISH, Mr. EVANS of Georgia, and Mr. TRIBLE.

H. Con. Res. 61: Mr. BOLAND, Mr. D'AMOURS, Mr. FORD of Michigan, Mr. GEPHARDT, Mr. MOAKLEY, Mr. LEHMAN, Mr. MITCHELL of Maryland, Mr. DOUGHERTY, Mr. YATRON, Mrs. HECKLER, Mr. WALKER, Mr. RATCHFORD, Mr. MURPHY, Mr. BLANCHARD, Mr. MAVROULES, Mr. ZEFERETTI, Mr. CORRADA, and Mr. DAN DANIEL.

H. Con. Res. 71: Mr. LEHMAN.

H. Res. 10: Mr. PEPPER, Mr. YATRON, Mr. MURPHY, Mr. SIMON, Mr. MURTHA, Mr. EDGAR, Mr. RAHALL, Mr. CONTE, Mr. ATKINSON, Mr. KOGOVSEK, Mrs. BYRON, Mr. JAMES K. COYNE, and Mr. MOLLOHAN.

H. Res. 38: Mr. JAMES K. COYNE and Mr. RATCHFORD.

H. Res. 50: Mr. DE LUGO.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

29. By the SPEAKER: Petition of Lithuanian Americans of Greater Boston, Mass., relative to existing problems in Lithuania; to the Committee on Foreign Affairs.

30. Also, petition of the National Association of State Treasurers, Dallas, Tex., relative to encouraging corrective legislation to guarantee the fullest possible participation in the electoral process; to the Committee on House Administration.

31. Also, petition of Assemblyman Melvin N. Zimmer, Assembly of State of New York, relative to enacting legislation to implement an agreement with regard to land claims of the Cayuga Nation of Indians; to the Committee on Interior and Insular Affairs.

32. Also, petition of the National Association of State Treasurers, Providence, R.I., relative to opposition to Revenue Procedure 80-55 of the Internal Revenue Service; to the Committee on Ways and Means.

33. Also, petition of the Chautauqua County Legislature, Mayville, N.Y., relative to supporting Federal legislation re income tax deduction on special savings account for higher education student costs; to the Committee on Ways and Means.

EXTENSIONS OF REMARKS

MONTHLY LIST OF GAO REPORTS

HON. JACK BROOKS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. BROOKS. Mr. Speaker, the monthly list of GAO reports includes summaries of reports which were prepared by the staff of the General Accounting Office. The December 1980 list includes:

NATIONAL DEFENSE

More Effective Internal Controls Needed to Prevent Fraud and Waste in Military Exchanges. FPCD-81-19, December 31.

Department of Defense Still Paying Some Foreign Taxes. C-ID-81-2, December 15.

Legislation on Sizing Military Medical Facilities Needed to Correct Improper Practices, Save Money, and Resolve Policy Conflicts. Acc. No. 114009, HRD-81-24, December 17.

LETTER REPORTS

Details concerning Naval Air Systems Command Contracts with Patty Precision Products Company. Acc. No. 113930, PSAD-81-1, November 24.

Defense's overall master plan for air defense should consider certain issues in its development. Acc. No. 113924, PSAD-81-15, December 5.

The Congress should be provided with more information on the distribution of minorities and females in the military services. Acc. No. 114005, FPCD-81-6, December 18.

The financial inventory accounting system of the Standard Army Intermediate Supply System. Acc. No. 114007, AFMD-81-19, December 19.

Evaluation of Selective Service's summer 1980 draft registration drive for 19- and 20-year old males. FPCD-81-30, December 19.

INTERNATIONAL AFFAIRS

American Employment Generally Favorable at International Financial Institutions. Acc. No. 113938, ID-81-3, December 10.

The Value-Added Tax in the European Economic Community. Acc. No. 113921, ID-81-2, December 5.

SCIENCE, SPACE AND TECHNOLOGY

NASA Lewis Research Center Attempts to Procure Suitable Wind Turbine Rotor Blades. Acc. No. 113891, PSAD-81-12, November 21.

LETTER REPORTS

NASA needs to provide Congress more complete cost information on its projects. PSAD-81-7, November 26.

ENERGY

Implications of the U.S.-Algerian Liquefied Natural Gas Price Dispute and LNG Imports. Acc. No. 513623, EMD-81-34, December 15.

Long-Term Economic Planning Needed in Oil- and Gas-Producing States. Acc. No. 113959, PAD-81-10, December 10.

Management Problems Impede Success of DOE's Solar Energy Projects. Acc. No. 114013, EMD-81-10, December 22.

Improved Data and Procedures Needed for Development and Implementation of Building Energy Performance Standards. Acc. No. 114012, EMD-81-2, December 23.

Financial and Regulatory Aspects of Converting Oil-Fired Utility Boilers to Coal. Acc. No. 113858, EMD-81-31, November 21.

Electric Powerplant Cancellations and Delays. Acc. No. 113933, EMD-81-25, December 8.

Financing Rural Electric Generating Facilities: A Large and Growing Activity. Acc. No. 113925, CED-81-14, November 28.

Economic Impact of Closing Indian Point Nuclear Facility. Acc. No. 113928, EMD-81-3, November 7.

LETTER REPORTS

Status of Strategic Petroleum Reserve activities for October 1980. Acc. No. 113912, EMD-81-24, November 3.

The Department of Energy did not validate or determine the Argonne National Laboratory's early retirement program to be appropriate. Acc. No. 113857, EMD-81-33, November 26.

NATURAL RESOURCES AND ENVIRONMENT

Mapping Problems May Undermine Plans for New Federal Coal Leasing. Acc. No. 113967, EMD-81-30, December 12.

Costly Wastewater Treatment Plants Fail to Perform As Expected. Acc. No. 113976, CED-81-9, November 14.

States' Experience with Beverage Container Deposit Laws Shows Positive Benefits. Acc. No. 113944, PAD-81-08, December 11.

Managing Foreign Mineral Information Programs to Support Policy Analyses. Acc. No. 113945, EMD-81-32, December 10.

Environmental Protection Issues in the 1980s. Acc. No. 114227, CED-81-38, December 30.

AGRICULTURE

Promoting Agricultural Exports to Latin America. Acc. No. 113946, ID-81-95, December 11.

COMMERCE AND HOUSING CREDIT

Most Borrowers of Economic Opportunity Loans Have Not Succeeded in Business. Acc. No. 113926, CED-81-3, December 8.

Increasing Use of Data Telecommunications Calls for Stronger Protection and Improved Economies. Acc. No. 113962, LCD-81-1, November 12.

More Can Be Done to Ensure That Industrial Parks Create New Jobs. Acc. No. 113909, CED-81-7, December 2.

Administrative Procedures and Controls Need Strengthening to Reduce Losses to HUD's Mortgage Insurance Fund. Acc. No. 114003, CED-81-29, December 18.

Better Planning Needed by Postal Service in Relocating Mail Processing Operations. Acc. No. 113990, GGD-81-11, December 18.

LETTER REPORTS

Delays in implementing HUD's accounting system for its mortgage insurance program. Acc. No. 113941, FGMSD-80-37, March 4, 1980.

TRANSPORTATION

Impact of Work Cutbacks on Northeast Corridor Improvement Project. Acc. No. 113890, CED-8-23, October 31.

SOCIAL SERVICES

Guyana Tragedy Points to a Need for Better Care and Protection of Guardianship Children. HRD-81-7, December 30.

CETA Demonstration Provides Lessons on Implementing Youth Programs. Acc. No. 113934, HRD-81-1, December 8.

LETTER REPORTS

Allegations about administration of the Emergency Energy Assistance Program by the Economic Opportunity Commission of Nassau County, New York. HRD-81-23, December 22.

HEALTH

Further Federal Action Needed to Detect and Control Environmental Contamination of Food. CED-81-19, December 31.

LETTER REPORTS

Federal diabetes activities. Acc. No. 113927, HRD-81-21, October 23.

Validation of health care related convictions attributed to the Department of Health and Human Services. Acc. No. 113930, HRD-81-34, December 5.

INCOME SECURITY

Public Assistance Benefits Vary Widely From State to State, But Generally Exceed the Poverty Line. Acc. No. 113975, HRD-81-6, November 14.

Implementing GAO's Recommendations on the Social Security Administration's Programs Could Save Billions. HRD-81-37, December 31.

LETTER REPORTS

Improvements for the Civil Service Disability Retirement Program. FPCD-81-1, December 15.

VETERANS AFFAIRS

VA Needs Better Visibility and Control over Medical Center Purchases. Acc. No. 113960, PSAD-81-16, December 12.

ADMINISTRATION OF JUSTICE

Women in Prison: Inequitable Treatment requires Action. Acc. No. 113947, GGD-81-6, December 10.

Congressional Sourcebook Series—1980 Edition. (The Sourcebook Series is a part of GAO's efforts to provide the Congress with the information it needs to carry out its budget control and oversight responsibilities.)

GENERAL GOVERNMENT

An assessment of 1980 Census Results in 10 Urban Areas. GGD-81-29, December 24.

Voluntary Early Retirements in the Civil Service too often Misused. FPCD-81-8, December 31.

Federal Work Force Planning: Time for Renewed Emphasis. FPCD-81-4, December 30.

Problems in Developing and Implementing a Total Compensation Plan for Federal Employees. FPCD-81-12, December 5.

Achieving Representation of Minorities and Women in the Federal Work Force. Acc. No. 113910, FPCD-81-5, December 3.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Proposals for Improving the Management of Federal Travel. FPCD-81-13, December 24.

The Office of the Special Counsel Can Improve its Management of Whistleblower Cases. FPCD-81-10, December 30.

Continued Use of Costly, Outmoded Computers in Federal Agencies Can Be Avoided. Acc. No. 113974, AFMD-81-9, December 15.

Most Federal Agencies Have Done Little Planning For ADP Disasters. Acc. No. 113993, AFMD-81-16, December 18.

Oversight of the Government's Security Classification Program—Some Improvement Still Needed. Acc. No. 113985, LCD-81-13, December 16.

Voluntary Pay and Price Standards have had no Discernible Effect on Inflation. Acc. No. 113943, PAD-81-02, December 10.

Department of Labor Has Failed to Take the Lead in Promoting Private Sector Productivity. Acc. No. 113920, AFMD-81-10, December 4.

Audit of Financial Transactions of the Sergeant at Arms for the 12 Months Ended June 30, 1980 House of Representatives. Acc. No. 113885, GGD-81-16, December 2.

Audit of the United States Capitol Historical Society for the Year Ended January 31, 1980. Acc. No. 113919, GGD-81-15, December 4.

LETTER REPORTS

TVA could have avoided substantial expenditures in supplementing the processing capacity of its central computing system. Acc. No. 113929, EMD-81-20, November 7.

Delays in providing office space for the Merit Systems Protection Board. Acc. No. 113931, LCD-81-14, December 5.

Most Government agencies have done little to ensure that federally assisted programs and activities comply with section 504 of the Rehabilitation Act. Acc. No. 113923, HRD-81-35, December 5.

Data on exclusionary rule procedures in 36 States. Acc. No. 114008, GGD-81-33, December 22.

GENERAL PURPOSE FISCAL ASSISTANCE

Revenue Sharing Act's 1976 Amendments: Little Effect on Improving Administration and Enforcement of Nondiscrimination Provisions. Acc. No. 113940, GGD-81-9, December 10.

Federal Assistance System Should Be Changed to Permit Greater Involvement by State Legislatures. Acc. No. 114004, GGD-81-3, December 15.

Proposed Changes in Federal Matching and Maintenance of Effort Requirements for State and Local Governments. Acc. No. 114014, GGD-81-7, December 23.

The Monthly List of GAO Reports and/or copies of the full texts are available from the U.S. General Accounting Office, Distribution Section, Room 1518, 441 G Street, N.W., Washington, D.C. 20548. Phone (202) 275-6241.●

CHANGES IN THE LONGSHOREMEN'S AND HARBOR WORKERS' COMPENSATION ACT

HON. BRIAN J. DONNELLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. DONNELLY. Mr. Speaker, today I have introduced legislation making important changes in the Longshoremen's and Harbor Workers' Compensation Act. These changes recognize the long-term effects on health experienced by workers who have been exposed to asbestos while building ships.

Those workers who have inhaled or ingested asbestos have suffered various respiratory diseases, including asbestosis and mesothelioma. These diseases often lead to lung cancer. This legislation recognizes that such illnesses in shipyard workers are employment related, and it extends to the victims the protection of the Longshoremen's and Harbor Workers' Compensation Act.

The current law requires that claims for compensation, including those claims arising from asbestos-related disease, must be filed within 1 year of first diagnosis. It often takes up to 7 years for asbestos-related illnesses to become debilitating. It is at this point that many workers apply for compensation, only to be turned down for failing to file the claim earlier. This legislation would permit the afflicted worker to receive appropriate compensation.

This legislation also establishes an appeals procedure to protect workers whose benefits are now subject to termination unilaterally by the employer.●

WOMEN OF ACHIEVEMENT—SYRACUSE, N.Y.

HON. GEORGE C. WORTLEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. WORTLEY. Mr. Speaker, it is with the greatest of pleasure that I ask my colleagues to direct their attention for the next couple of minutes to the contributions of the women of achievement from Syracuse, N.Y. There are 10 of them—each very different from the other; but each has in common the desire to reach out to the community with helping hands.

Gladys McElroy, a lay minister of the Tucker Missionary Baptist Church, works full time at the cooperative extension as a supervising staff aide. In addition, she is president of the Visiting Nurses Association, secretary of the Transitional Living Services, and a board member of Home-Aides of Central New York. But perhaps most interesting is that Gladys McElroy does all this on top of caring for her seven children.

Thank heavens for Ann Biesemeyer or what else would Girl Scout cookie lovers do? For 23 years, Ann has been a leader of the Girl Scouts. As district chairwoman, a member of the Girl Scout Council Board and trainer of leaders, she has left her mark in the community. She has also put in 17 years of work with the student exchange program, the American Field Service.

Mrs. Deeds at Carrier Foundation—Patricia Gonzales, vice president of the Carrier Foundation, has the job of giving away $1.2 million annually to nonprofit organizations. Patricia Gonzales also was elected mayor of the village of Phoenix—the first woman to hold that post.

"A one-woman welcome wagon" is an apt description of Eunice Aikman, who is usually accompanied by her homemade peach marmalade or a casserole. Besides spreading central New York good cooking around the neighborhood, Eunice Aikman has been involved with the New York State and Onondaga County Medical Society auxiliaries and the Girl Scouts.

Dr. Marie Blackman knows everything you would ever want to know about children since she is chief of pediatrics at Crouse Irving Memorial Hospital and chief of pediatric cardiology at the Upstate Medical Center. She has also developed an extensive pediatric cardiology research program at Upstate and established a fellowship for doctors.

Patricia Howard is the kind of teacher all parents wish their children could learn from. During her 4 years as principal at Edward Smith Elementary School, Patricia Howard has been instrumental in developing a program for gifted children, a resource center for students and a learning disabilities team that has become a model for Syracuse City schools.

One of the six women in the United States to head a university press, Arpena Mesrobian is director and editor of the Syracuse University Press. Involved in both scholastic affairs and the community, she is acting as president of the Syracuse chapter of the Armenian Relief Society, and serves on the board of the Armenian Review.

The Florence Nightingale of Cazenovia, Orletta Vadeboncoeur, worked in the Victory Center during World War II. Her philanthropic career includes being chairman of the women's division of the Community Chest, now the United Way; fundraiser for Van Duyn for almost 32 years; last year's chairman of Corinthian Club dinner which raised $10,000; chairman of the tribute to Margot Northrup which raised $100,000 for the Crouse-Irving Memorial Foundation; life member of the Community General Hospital Auxiliary; and life member of the Syracuse Boys' Club. She is indeed an alltime woman of achievement.

Ida Benderson's first career was spent at the Syracuse University Library; her second career began in 1964 when she became director of adult and senior activities at the Jewish Home for the Aged—a part of the program of the Jewish Community Center. Ida

Benderson's activities have also included involvement with community development, the nurses' association, libraries, and religious classes at the temple. For her lifetime of contribution, the Ida Benderson Senior Center was given her name in 1975. Ida Benderson is an alltime woman of achievement.

I trust my colleagues will join me in saluting the myriad contributions these 10 women have made to the 32d Congressional District of New York. They have been recognized at home, but I wanted to share the personal histories of these women, a national treasure in their own right, with you today.

Thank you.●

CALL-TO-CONSCIENCE VIGIL

HON. WILLIAM M. BRODHEAD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. BRODHEAD. Mr. Speaker, I am honored to participate in the call-to-conscience vigil sponsored by my colleague Representative MICHAEL BARNES and the Union of Councils for Soviet Jewry. As the sponsor of the vigil for freedom for Soviet Jewry in 1978, I believe it is essential for the Congress to bring the attention of the world to bear on the restrictive, discriminatory, and repressive emigration policies of the Soviet Union.

In no case are these harsh policies more evident than in that of Mr. and Mrs. Alexander Maryasin and their daughter, Faina. The Maryasins have repeatedly sought permission from the Soviet Government to join their oldest daughter in Israel. Again and again, they have been refused. No reason for these refusals was ever given.

Shortly after he applied for exit permission, Alexander Maryasin was fired from his executive position at a Riga, Latvia, manufacturing plant. Faina Maryasin was expelled from the university she was attending. The family has been jobless since then and has struggled to survive from day to day. Last year, in desperation, the Maryasins conducted a hunger strike in an attempt to bring their plight to the attention of Soviet authorities. In spite of their repeated and determined efforts to emigrate to Israel, they have so far failed.

The Maryasins first applied for exit permission in 1973, and I became involved in the case in 1977. Since that time, I have written dozens of letters on their behalf to Soviet authorities. None was ever answered.

The case of the Maryasin family is not unique in the Soviet Union. It is duplicated thousands of times over and shows signs of worsening. We must continue our efforts on behalf of these people and all peoples of the world who seek to live in peace and freedom. A national policy which officially turns its back on the Maryasins and those struggling for basic human rights is a national disgrace.●

A TRIBUTE TO TROOP 967

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. DYSON. Mr. Speaker, last week I had the privilege of presenting an American flag to Troop 967 in Havre de Grace, Md., on the occasion of Scout Sunday. It was an honor to be able to participate in that celebration of American youth and brotherhood. I include in the RECORD the message presented by Rev. Eddie L. Henry of Havre de Grace Methodist Church:

INTERNATIONAL BROTHERHOOD

The fog was so thick that the city lighted the street lamps at noon to aid residents and travelers alike. Mr. Boyce, an American publisher, was helplessly lost on the foggiest day of the year in London, England. The year was 1909. A young lad approached Mr. Boyce and inquired if he could be of any assistance. Mr. Boyce told the youngster where he wanted to go and was told the boy would take him there. Several blocks later, after arriving at his destination, Mr. Boyce reached into his pocket to offer a reward. The boy refused, stating that boy scouts did not accept rewards for "good turns." Mr. Boyce was very impressed. After further inquiry, and further discussion, the boy took Mr. Boyce to see Lord Robert Baden-Powell, the founder of Boy Scouts. When the two arrived at scout headquarters, the youngster disappeared.

Several months later, after returning to America, Mr. Boyce and several interested colleagues incorporated the Boy Scouts of America on February 8, 1910—on this day seventy-one years ago. The scouting program in America mushroomed and in 1920 the first World Jamboree was held in England with 321 scouts and thirty-two countries represented. The scouting program has continued to grow into a World-Wide program of International Brotherhood. The fourth scout law, "a scout is friendly," exemplifies the brotherhood and certainly lifts up the "good turn" done for Mr. Boyce in 1909.

One can only imagine the complications of that first World Jamboree. With thirty-two nations represented, consider the language barrier. However, scout ingenuity overcome the barriers and friendliness overcome language. From that first World Jamboree to the ones held today, scouters have always promoted the brotherhood of man.

With all the warm feelings expressed for our scouting program, the idea of World brotherhood is not original. The idea transcends time—to one of the greatest proponents of brotherhood of all time—the Apostle Paul.

Paul was a nation hopper. Never satisfied with staying in one place for more than three or four years at a time, Paul moved throughout the world carrying the Gospel of Jesus Christ from one city to the next. A dynamic organizer and preacher, Paul easily broke down the barriers of religion, language, and politics. Paul was never one to build on his own foundation however and soon became restless. He would rather leave local church building to local disciples. Paul built the fires and left the job of tending the fire to others.

Paul did spend some time in Rome. He had a marvelous ministry there and received many converts. However, sometime after leaving, he wrote a letter to the Romans reminding them of the Christian virtues that he left them. Recall the words of Paul as recorded in Romans 12: 9-16

"Let love be genuine; hate what is evil, hold fast to what is good; love one another with brotherly affection; outdo one another in showing honor. Never flag in zeal, be aglow with the Spirit, serve the Lord. Rejoice in your hope, be patient in tribulation, be constant in prayer. Contribute to the needs of the saints, practice hospitality. Bless those who persecute you; bless and do not curse them. Rejoice with those who rejoice, weep with those who weep. Live in harmony with one another; do not be haughty, but associate with the lowly; never be conceited."

Today, I would like to lift up just two passages from this text. Each phrase alone deserves special attention but I would call your attention to verses ten and sixteen. "Love one another with brotherly affection" and "live in harmony with one another." Both passages, so closely related and so close together in the passage lead us to believe that Paul placed a great emphasis on International Brotherhood. Paul made no secret wherever he went that all the missionary money he collected would go to the church in Jerusalem to feed the hungry, clothe the naked, and shelter the poor. Wherever Paul went in the name of Jesus Christ, he overcame great obstacles to preach. However even Paul's concept of International Brotherhood was not original.

The idea of International Brotherhood originated with Jesus Christ. While stuffy sadducees were oppressing the poor; Jesus was giving them hope. While top ranking pharisees were ignoring the sick and maimed; Jesus was healing them and giving aid and comfort. While the officials were turning their backs on children, women, and the old; Jesus was busy building their self-worth. Jesus saw brotherhood as transcending sex, color, race, age, and religion. He faithfully loved each person as they were regardless of their station in life. Even though Jesus never traveled world-wide, His concept of brotherly love has been reaped by the world. Jesus told His disciples to love one another as much as He loved them. From the ministry of Jesus, brotherhood has spread throughout the world and touches us here today.

Last Friday night, our confirmation class worshiped at the Harford Jewish Center. During the course of the service, a twelve year old girl gave the evening sermon. She said, in essence, that all Jewry could never again allow the extermination of six million people in another Holocaust. I felt like standing up and saying, not only must Jews never let it happen again, but so must Christianity never again let it happen.

The past couple of weeks our country has seen the raising of the ugly head of racism through cross burnings. While we don't want to do anything too quickly to give needless publicity to a few wrong thinking individuals, we also have to do whatever is necessary to suppress this vein of evil that goes specifically against the brotherly affection that both Jesus and Paul taught.

The French have a word—sabot—it means wooden shoes. During the early days, French workers would throw their shoes into the machinery to protest unfair working conditions. This is where we get the word sabotage.

Satan tries his very best to sabotage brotherly affection. He makes every effort to thwart our attempts to live in harmony. As Christians, we must overcome Satan's efforts. We can get along if we just live and let live. Jesus' message of brotherhood must spoil the attempts of Satan. Christianity teaches us to love one another. We must see that Jesus' word is still represented in today's world. Boy Scout Troop 967, sponsored by our church, represents the concept of Jesus' idea of brotherly love. Our troop represents the concept of Paul's idea of living together in harmony. Nowhere is this message more prominent than the testimony of Scout Sunday here today.

Our scout troop for the past six years has been traveling to the Canadian border for a World Brotherhood Camporee. One year the more than twenty-five hundred campers camp on the American side and the next year the Canadian side. Last year, the Canadians presented to the camporee, a flag that had been flown over their parliament. This would be a permanent gift to be flown each year. At the closing ceremony, the Canadians issued a challenge for the Americans to respond with an American flag flown over Congress. Our troop, one of the charter troops of this camporee, accepted the challenge.

Today, our new Congressman, Roy Dyson, presented to our troop, an American flag that will be presented to the World Brotherhood Camporee in Canada during the first weekend of October 1981. This spirit of giving and sharing exemplifies the spirit of Paul and Jesus of brotherly affection. It's certainly a challenge to us all as we learn to live in harmony with each other—whether it's next door or the next country.

The words of Jesus; the message of Paul; the fourth law of scouting; the World Brotherhood Camporee in Canada; all seem to converge and lift up the purpose of Christianity. Breaking down barriers; living in harmony; campers coming from all over Canada and Northeast America expanding International Brotherhood and international understanding.●

BENJAMIN BANE

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. ROUSSELOT. Mr. Speaker, I have just introduced legislation that will provide that Benjamin Bane shall be considered not to have lost his status as a citizen of the United States. I am pleased to sponsor this measure on behalf of Benjamin Bane.

The story of Benjamin Bane is an unfortunate one. He has been the victim of a series of catastrophic and administrative situations beyond his individual control.

Born in Durham, N.C., in 1905, Dr. Bane left 6 years later to travel with his parents to South Africa. He remained in that country until his 23d birthday. Dr. Bane wished to return to the United States to complete his education and pursue a career in dentistry. He did discover, however, that his premedical education was not acceptable for U.S. medical schools. Consequently, he completed his studies in England where he obtained his doctorate of dentistry.

During these years, the Hall of Records in North Carolina, where the birth certificate for Dr. Bane was filed, was destroyed by fire. When Benjamin Bane tried to obtain a passport to return to the United States, he was informed by the U.S. Embassy in England that a passport could not be issued in the absence of a birth certificate. Failing to obtain proper evidence of his birth, he was later informed by officials that it would be expeditious for him to apply for and travel on a British passport. Dr. Bane did not understand that an application for a British passport would affect his American citizenship.

Dr. Benjamin Bane is now 76 years of age and is terminally ill. Throughout the years his efforts to prove his citizenship have been unsuccessful, despite the fact that he was able to secure another record of his American birth.

Dr. Benjamin Bane is American-born, and I believe that this Congress should recognize Dr. Bane's citizenship without delay.●

NOW IS NOT THE TIME TO REMOVE PRICE CONTROLS FROM NATURAL GAS

HON. BRIAN J. DONNELLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. DONNELLY. Mr. Speaker, today I have introduced a resolution on behalf of a large number of my colleagues expressing the sense of the Congress that now is not the time to remove price controls from natural gas.

President Reagan has indicated he may ask us to lift the remaining controls. Abrupt decontrol would have a staggering impact on the rate of inflation and would impose a crushing burden on millions of Americans.

Congress has already laid out an orderly timetable for the removal of the remaining controls on newly discovered natural gas. This cautious approach will still provide the capital and incentives necessary for increased gas production. It has the added advantage of cushioning the inflationary effects of decontrol, and of allowing homeowners a reasonable period in which to adjust their household budgets to reflect anticipated doubling or tripling of prices.

For the poor, the elderly, the people dependent on fixed incomes, the cost of abrupt decontrol of natural gas prices would be literally unbearable.

There's too much important work on the economy and on energy for Congress and the President to do in the next few months without a bitter and divisive fight over decontrol. This resolution is a message to the President: "Don't waste your time or ours on an issue that Congress has already studied, debated, and decided."●

IN THE COUNTRY IN OTHER THAN LEGAL STATUS

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

Mr. HYDE. Mr. Speaker, last year in this Chamber we debated the merits of the Census Bureau's widely publicized effort to seek out and count illegal aliens in the decennial census, for the purpose of reapportionment.

Some of us criticized the Carter administration's strenuous efforts to augment the count of those who are in this country in violation of our immigration laws. My colleagues no doubt recall that some in that administration even recorded special television and radio messages, while then-Attorney General Civiletti ordered a suspension of enforcement of the law, while pledging that census data on illegal aliens would "not be sought by, accepted by, or divulged to the Immigration and Naturalization Service or any other arm of the Department of Justice."

There was considerable debate at the time as to whether or not the Census Bureau could determine who was an illegal alien, or to use the former administration's term, "undocumented alien." The Census Bureau maintanined such a determination was not possible, hence illegal aliens were sought out, counted, and we now have the results before us.

The Census Bureau, in its February 23, 1981, press release, announced that—

> The larger 1980 count of Hispanics is a result of improvements in census taking and *improved public relations*, which, in turn, resulted in the inclusion of a sizable but unknown number of persons *in the country in other than legal status.* (Italics are mine.)

The improved public relations efforts were already known about. They apparently served their purpose; illegal aliens were not arrested for violating the law. We do not know how many were counted, but the Census Bureau tells us that a "sizable but unknown number of persons" were included. If they know there was a sizable number, why do they not know how many?

Finally, why beat around the bush with the terminology "in the country

in other than legal status"? Why not just say "illegal aliens"?

The term "undocumented aliens" fascinated me. Shall we call a bank robber a "holder not in due course"? A drug pusher an "unlicensed pharmacist"? Of course, I am not comparing illegal aliens with bank robbers or drug pushers, but the fact is these people are here in violation of the law. Being undocumented, or to use the newest phrase, "in the country in other than legal status," is a consequence of their illegal presence.

I can remember when the prohibition laws were a mockery and led to massive disrespect for law enforcement and the law itself. Are we to treat our laws on immigration the same way? And what do we say to someone who must wait years to emigrate legally to our country? We equate stupidity with abiding by the law.

Now they have been counted. We do not know how many, but the Census Bureau tells us their numbers are sizable.

Their numbers will be included in the numerical base for reapportionment, and our cherished one-man, one-vote principle no longer holds true for American citizens. Distortions in drafting new legislative and congressional districts are inevitable. Being an American citizen has lost its one remaining distinction, and our political base has been eroded by those who are in this country illegally, or to use the Census Bureau's phrase, "in the country in other than legal status."

MY COMMITMENT TO MY COUNTRY

HON. THOMAS J. TAUKE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. TAUKE. Mr. Speaker, I wish to first congratulate John Alan Stevens of Dubuque for winning the State competition on the voice of democracy contest sponsored by the Veterans of Foreign Wars.

I believe that his speech is a real tribute to our Nation's veterans and to our country as a whole. It is for this reason that I would like to share Mr. Stevens' speech with my colleagues:

MY COMMITMENT TO MY COUNTRY

We live in a time that doesn't know hardship or want. My generation has grown up under the infinitely warm wing of protection democracy gives unsacrificingly. Our proud heritage ascended out of the fountain of blood that our brave American veterans sacrificed willingly for us all. I know that not only can I not coast through life without focus, but I know without a hint of a second thought that I have an undeniable commitment to my country to carry on the ever burning torch of righteousness that only America's true believers dare carry.

Our nation was founded in a tumult of shouting where the whisper of wisdom rang out like Gabriel's last stand surely shall. We faced our first test in 1812, only a quarter century after our founding, and we faced it not like a stumbling group of colonies, but as a nation forged in God's cold wrath.

If now we could only know the awe Francis Scott Key felt as the Stars and Stripes emerged out of a dense cannonade smoke, if we only shared the terror Patrick Henry knew in his soul as he put his life on the line between liberty and the crown of England, perhaps then a confused generation would turn from drugs, put down their protest signs and rally behind the Zephyr of Justice.

This confusion stems from the transition we're going through in the United States. At the turn of the century, we were a nation of European refugees escaping tyranny, and as such were ethnically sectored. But now we have lived, shared and fought together for over three generations.

We went through the great depression, as more oppressed people yearning to breathe free, landed in the New York harbors. We put our faith behind Franklin Roosevelt and we even put our freedom on the line as his rebuilding of America meant sacrifice. But wasn't it worth risking on a gamble confronted with losing everything we held dear?

His Socialist-like programs put a kink in our democracy for awhile but it taught us what America was really all about—taking food and clothes to a neighbor in need when you didn't have it to give, and working harder than you ever thought you could for the right cause.

We're overcoming the prejudice of the 1960's and now are all full fledged Americans, far more pre-occupied with pursuing our dreams and aspirations than sloshing through the rut of racial prejudice.

We are all united in this spirit, following justice, equality, opportunity and hard work to their ends. We use all America has for ourselves, and I have a commitment to my country to preserve that spirit, the spirit of an impossible dream envisioned by Thomas Jefferson.

America is still changing, we face a critical re-examination of world dominance as it transforms into world cooperation. The energy crisis among other chronic problems such as pollution, waste disposal and nuclear energy will tax our unity, devotion and ingenuity as Americans to scale the wall of foreshadowed problems affronting us.

To all of this we owe a commitment to be better than our best, to scoff at the median and strive for nothing less than the greatest nation on earth need be represented by.

We are bound to remember what we have—our tremendous prosperity was given to us just as it may be taken away, but it is our freedom that is most dear—its winged spirit is our guiding hope.

The opportunity to make of ourselves what we are able to is the sole salvation of our individuality amidst the people of the world and our own daily grind. The spirit of freedom and justice has kept us great, strong and given us the courage to venture into darkness in search of light. That spirit lies within us all, and it's my commitment to look beyond what I see, and recognize that, once found, that hope leads to the stuff dreams are made of and the will to overcome anything.

We must commit ourselves, as the new generation Americans to preserve that spirit, to work just as our forefathers did—for America in the name of Democracy whenever she calls.

I know what lies ahead, and my duty speaks from within me in my commitment to my country and to the rights of all men.●

MRS. JOHN F. CONROW

HON. JOHN LeBOUTILLIER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. LeBOUTILLIER. Mr. Speaker, it is with great pleasure and extreme pride that I take this opportunity to recognize an outstanding and devoted citizen from Roslyn, N.Y.

Mrs. John F. Conrow has been a great asset to the community, serving as a crossing guard at the busy corner of Locust Lane and Round Hill Road for the past 25 years. Her dedication, hard work, and service has provided a safe means by which schoolchildren may be protected from the busy intersection, thus relieving parents' concern.

Anita Conrow began her career after being informed of the need for crossing guards in Nassau County. Before she was assigned a position, she underwent 1 week of intensive training in traffic control at police headquarters in Mineola, N.Y.

Through the year, Mrs. Conrow has developed a code of conduct which incorporates two rules:

First, A smile and a pat on the head will bring more obedience from the youngsters than a scowl and harsh commands.

Second, Nobody rides a bicycle across the street when she is in charge.

Her code has proven to be quite effective, for she claims she has never had any trouble with children, and motorists have always been cooperative.

Through her unselfish dedication to the welfare of the children and the betterment of the community, Anita Conrow had truly enhanced the quality of life in the Roslyn community, and at the same time, earned the respect and admiration of those she so ably serves.●

TRIBUTE TO HARRY WALD, A 1981 HORATIO ALGER

HON. JIM WRIGHT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. WRIGHT. Mr. Speaker, today I would like to salute a truly great American—one who knows the full meaning of U.S. citizenship. He is Brig. Gen. Harry Wald, ARNG (retired), of Las Vegas, Nev., whose chari-

table and civic activities have enriched the lives of countless thousands, not just in his own State but throughout the Nation.

Harry Wald's life story reads like that of a modern day Horatio Alger. Born in Rheine, Germany, he fled at the age of 13 from the tyranny of Hitler's regime. He obtained his U.S. citizenship in 1943, entered active military duty in World War II, and had a distinguished military career for 33 years.

Serving in military intelligence with the 30th Infantry Division in Comsat in Europe, Harry Wald received numerous decorations for his heroism, including the Legion of Merit, Bronze Star, five battle stars, the Combat Infantryman's Badge, and the French and Belgian Fourageres.

Following World War II, he remained active in the Army National Guard, attaining the rank of brigadier general and for 4 years served as assistant adjutant general for the State of Nevada. On June 6, 1980, he was reappointed for a second term as civilian aide to the Secretary of the Army.

Seventeen years ago General Wald was retained as project coordinator and was actively involved in the construction of Caesar's Palace in Las Vegas. By the time the business opened 2 years later, Harry Wald's hard work had earned him a vice-presidency. Later he was promoted to executive vice president and chief operating officer and now he has just been elected president.

While pursuing his business career, Harry Wald has remained active in industry as well as charitable and civic affairs, serving two terms as president of the Nevada Resort Association and also as that industry's representative on the Greater Las Vegas Chamber of Commerce Executive Committee. He also was named by the Nevada Governor to the White House Conference on Balanced National Growth and Economic Development.

Despite the countless hours he spends looking after his business interests, General Wald has always found time to serve others. He has served as general campaign chairman for United Way and is presently its senior vice president; ambassador at large for the Knights of Malta; member of the executive board of the Boy Scouts of America; member of the advisory council of the Clark County Community College; a two-term member of the board of the Las Vegas Convention and Visitors Authority; a member of the board of the Las Vegas Symphonic Society; a member of the Association of the U.S. Army, American Legion, Reserve Officers Association, and National Guard Association. He also has been actively involved as a member of the Southern Nevada Drug Abuse Council.

Harry Wald's beautiful wife, Pamela, comes from Abilene, Tex. They have two lovely children, Allyson, 13, and Kerry Lee, 9.

On March 13-14 of this year, hundreds of Harry Wald's friends will be in Nevada for a 2-day celebration honoring him on his promotion to the presidency of Caesar's Palace. This will be a milestone in the distinguished career of an American who has never been too busy to offer a helping hand to a fellow human being.

Therefore, let me offer this special salute to an adopted son of the United States, a distinguished business leader, and a champion of many altruistic causes—Gen. Harry Wald.●

ESTONIAN INDEPENDENCE DAY

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. ANDERSON. Mr. Speaker, this week marks the 63d anniversary of the independence of the Estonian Republic. It is a bittersweet day for many, as Estonians in the Western Hemisphere are able to celebrate with songs and dances, yet their brothers and sisters living in Estonia proper are barred from participating. It is unfortunate indeed that a people is forbidden to proclaim to the world their anniversary of independence, but this is exactly what is happening now in Estonia, as the Soviet Union continues to crush all vestiges of nationalism.

We are all aware of the fierce fight which the Estonian nation gave the Soviet Union in order to wrest its independence. History has forced the Estonian people to fight for their nation's freedom time and again; the struggle 63 years ago was a successful one, but these noble people were sacrificed to the Russians in 1939, after they had achieved many inroads and successes in forging a free and self-governing nation. Since Soviet occupation during World War II, the people of Estonia have not forsaken their dream that their country will once again be their own. History has shown that, and so the fight continues.

The United States has never recognized the illegal incorporation of Estonia into the Soviet Union. This fact was recently affirmed at the Conference on Security and Cooperation in Europe being held in Madrid, and it will continue to be a central part of American foreign policy toward the Soviet Union until the day that Estonia and her people are allowed to govern themselves.

Mr. Speaker, the desire of the Estonian people to regain their freedom will never abate. And while the celebrations here will be full of dancing and joyful songs, the knowledge that their countrymen are unable to join them makes this celebration rather hollow. I am certain that one day, this national day of joy will be celebrated by all Estonians, wherever they reside, since their determination to retain their national identity is so strong as to be felt by all of us, including the leaders of the Soviet Union.●

THE SUCCESS OF REAGAN'S ECONOMICS

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. GINGRICH. Mr. Speaker, George Gilder, the program director of the International Center for Economic Policy Studies, had a superb article in a recent Washington Post.

Mr. Gilder presents the argument that President Reagan's supply side economic policies can—and will—succeed.

I'd like to share Mr. Gilder's remarks with my colleagues, and hope it will help convince them that President Reagan's economic plan will work if given a chance.

WHY REAGAN'S ECONOMICS WILL SUCCEED

(By George Gilder)

Following a splendid series of appointments at the Treasury and the Office of Management and Budget, President Reagan's Thursday evening address signified a resounding triumph for supply-side theorists in his administration. As the cautionary tale of Margaret Thatcher's British regime will suggest, however, supply-side theory and monetary restraint can be easier to pronounce than apply.

Thatcher failed to combine her reduction in basic monetary growth rates with a reduction in government taxing and spending. But without spending cuts, tight money merely chokes the private sector. In 1980 and 1981, British manufacturing output is expected to drop by a total of 20 percent, while the obsolescent, inefficient and overmanned British public sector industries absorbed billions of pounds of scarce capital beyond their previously budgeted borrowing levels. Dramatically increasing the need for these bail-outs is the very recession that is at least partly attributable to Thatcher's failure to cut taxes and government spending when she restricted monetary growth.

Now President Reagan has made a seemingly similar commitment to cut tax rates and government spending and to fight inflation by monetary restraint. The possibility naturally arises—indeed, Caroline Atkinson has already predicted it in this newspaper—that Reagan will suffer the same vicious circles of recession and failure.

But Reagan's deeper supply-side convictions—and more committed Cabinet—make this result unlikely. If Congress accepts the three-year schedule for Kemp-Roth, reducing the top tax rate on income to under 38 percent, the benefits will be even more dramatic than Reagan's advisers predict.

The current tax structure, in combination with transfer payments that must be given up as earnings rise, imposes marginal tax

rates of over 50 percent on over half of the earners in America. This means that most Americans can do better by hiding a dollar of existing income than by earning another dollar: a sure formula for a tax system that on the margin loses more revenue than it gains. Moreover, these rates doubly penalize savings, both by deterring the effort to earn the additional dollars that are most likely to be saved and then by taxing the returns at the highest rate.

As has been shown repeatedly in both the United States and Japan, cutting marginal income tax rates will therefore impart twice the stimulus to savings as to consumption. In the lower brackets, people pay off debt and in the upper brackers they leave newly unprofitable tax shelters. Since the U.S. economy is swimming in consumer debt and honeycombed with tax shelters—and since personal savings are near all-time lows—there is vast room for response to substantial cuts in tax rates. The combined benefits of the Reagan programs on revenue, outlays and private savings mean that Kemp-Roth can be enacted without creating unmanageable federal borrowing requirements.

Overseas experience, however, strongly shows that these benefits cannot be achieved through the approach of focusing on corporate tax cuts or through the kind of compromise tax bill reported out of the Senate Finance Committee and now widely supported in Congress. Both Britain and Sweden maintained precisely this combination of high rates on personal income and low rates on corporations during the very years that their productivity plunged and their economies failed. Britain, in fact, has 100 percent one-year depreciation of investments, while Sweden raises just 4 percent of its tax revenue from corporations, less than any other European country and approximately one third of the U.S. proportion.

The result is to concentrate most capital spending within the existing corporate structure and slowly to transform corporations from instruments of production into vessels of disguised consumption. Employees who cannot take money out of the firm without facing confiscatory taxation instead are compensated with company cars, vacation resorts, housing and other perks. These devices tie down workers to particular firms, obstruct entrepreneurship, foster totally spurious "capital formation" and retard productivity and growth.

The world's fast-growing Asian economies, on the other hand, have combined monetary restraint with lower rates of taxation on personal incomes and higher rates on corporations. Japan, for example, has depreciation allowances similar in effect to ours but has far lower marginal rates on comparable levels of personal income, with a top bracket of 70 percent that applies only to earnings over $396,000.

Under current political circumstances, so-called "surgically targeted" tax cuts are particularly perilous in the United States, as in England, because the likely beneficiaries are heavy industries in decline like steel and autos, and housing, already massively subsidized (though the United States has for decades spent an eight-times greater portion of its capital on housing than European countries and a three-times greater share than Japan). The decline of the housing, auto and steel industries portends a desirable shift in the U.S. economy toward vitally needed investments in energy, high technology, sophisticated services and other entrepreneurial ventures. Any effort to retard this change will greatly damage the nation's future.

The one bad portent in Reagan's speech, therefore, is his apparent nostalgia for the days when the United States dominated the world's horizons with industrial smokestacks. Those days are happily gone forever. But as is shown by the British experience—as well as by the effects of the Chrysler bail-out on Ford and General Motors and by the continuing romance of subsidized synfuels—smokestack fetishism can lead rapidly from small doses of "targeted aid," on into the deadly addictions of lemon socialism.

The 1980s can be a period of global economic boom, as the energy prices recede as a result of new efficiencies and natural gas and oil discoveries, and as the full potential of the microcomputer revolution unfolds. But the future can prevail only if governments do not allow themselves to be paralyzed by the claims of the obsolescent past—the stagnant industries, socialist ideologies and government bureaucracies that stand between us and an exciting new decade of discovery and affluence.●

LITHUANIAN INDEPENDENCE DAY

HON. DAN LUNGREN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. LUNGREN. Mr. Speaker, I would like to join my colleagues in commemorating the Lithuanian people's valiant fight for freedom during this month which marks the 63d anniversary of the original establishment of a democratic Lithuanian state. Although Lithuania and her Baltic neighbors remain under Soviet domination, the Lithuanian people continue to look resolutely toward the reinstitution of their rights to a free and independent existence.

Following the First World War with the defeat of the Germans and the revolution in Russia, conditions were favorable for Lithuanian independence. In 1917, the German council proclaimed Lithuania an autonomous state and in 1920 Russia signed a peace treaty renouncing all sovereign rights to the nation. For 23 years Lithuania progressed as an independent entity, gaining admittance to the League of Nations and exercising its constitutionally accorded freedoms of speech, assembly, and communication. In 1940, the Germans invaded, the Soviets annexed the Baltic territory, and Lithuania lost its right to self-determination.

The United States recognized the independent Government of Lithuania in 1922 and has since refused to acknowledge the forced incorporation of the Baltic States into the U.S.S.R. Today, the United States still actively opposes Soviet suppression of these peoples and aspires to see the blessings of freedom and human liberty restored.

I am proud to join my colleagues and all other free peoples throughout the world in paying tribute to the Lithuanian people's courageous fight for sovereignty. We must never forget their bold struggle against oppression and let it stand as a reminder to all men of the privilege of freedom.●

CONSTITUTIONAL AMENDMENT TO PROVIDE FOR A BALANCED BUDGET

HON. RICHARD C. SHELBY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. SHELBY. Mr. Speaker, I am introducing a joint resolution proposing a constitutional amendment which would require a balanced budget and a limit on Federal spending except in times of war and subject to suspension by the Congress. On February 5, the House approved a bill to increase the limit on the national debt from $935.1 billion to $985 billion. I voted against this public debt limit increase for the reason that to increase the debt ceiling is to ratify fiscally irresponsible behavior. By passing the bill in a business-as-usual manner, this Congress once again signaled its unwillingness to respond to growing public demands to fight inflation by ending budgeting irresponsibility.

My proposal is not a new one. There have been other such proposals. I am not concerned whether my proposal is adopted or some other proposal is adopted. I am merely attempting to provide the impetus for an external force that is needed to compel the Congress in controlling spending. It is time for Congress to break the patterns of the past and bring the Federal budget under control.

The resolution I am introducing provides two methods of controlling Government spending. It contains a balanced budget requirement which restores the link between spending and revenue and reestablishes the historically proven norm in which public officials first determine what resources are available to Government and, against that restraint, choose among, the many competing claims on Government spending. Thus, if the Congress voted new spending programs, it would have to eliminate old programs, or raise additional taxes. There is little doubt that the resistance to the elimination of existing programs or to tax increases would discourage many new spending proposals, thereby eliminating the current bias toward overspending. It would end future deficits and eliminate the inflationary effect of new money creation which has in past years financed these deficits and hit hardest those on fixed income, particularly individuals in the lower and middle economic groups.

Second, the resolution I am introducing restricts Federal expenditures to 20 percent of the gross national product for the previous calendar year. Thus the amount of permitted expenditures is not dependent on any projection of future gross national product. A balanced budget need not prevent future increases in Federal spending, but my spending limitation would successfully place a cap on Federal outlays. Although my spending limitation is a stiff requirement, I believe it should be stiff in order that Congress can demonstrate conclusively that it can discipline itself.

By merging a limit on Government spending into a balanced budget requirement, the size of Government would be limited and the inflationary pressures of Federal deficits would dissolve. Political life would be different from what we know it to be today, but, I believe, much healthier.

Some say that the objectives I seek to accomplish could be achieved by the passage of a simple statute rather than by passing a bill amending the Constitution. However, a provision was enacted in October 1978 which banned deficits in fiscal year 1981 and thereafter. This provision was passed by an overwhelming majority in both the Senate and the House and was signed into law by President Carter. That law has subsequently been ignored, which dramatizes the need for a constitutional amendment.

The constitutional amendment I propose simply reduces the rate of increase of tax revenues and of Government spending to the rate of growth of some broad measure of economic activity. As any such sensible amendment should, my proposal contains an emergency escape hatch. The balanced budget requirement and the spending limit could be set aside for any year by the approval of a concurrent resolution by a majority of the Members in the Senate and in the House for that year. Further, the balanced budget requirement and the spending limit would also be set aside when we are at war.

I believe Government performs best when it provides rules or principles that are as clear and definite as men can make them. This is the purpose of a constitutional amendment that limits the size of Government and the growth of taxes and spending, and this is the purpose that I have attempted to serve with my proposal.●

TRIBUTE TO TOM FLORES

HON. CHARLES PASHAYAN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. PASHAYAN. Mr. Speaker, I rise today to salute and honor a quiet, determined leader in the sports world, a man of talent in human relations and with uncanny ability to mold a group of independent people into a disciplined, well-organized team of champions. That man is Tom Flores, coach of the Oakland Raiders, Super Bowl champions for 1981, and a native of Sanger, a city in central California.

Tom Flores is a man who lets his actions and accomplishments speak for him. Humility is his characteristic, but let no one be mistaken—this quiet man is a strong, tenacious leader of considerable dimension.

Little did Tom, Sr., and Nelly Flores realize that their "quiet boy who no one knew was around" should make such a mark in the world of sports.

From humble beginnings Tom Flores emerged an all-around athlete in high school and an honor student. He was senior class president and captain of the football team. Although he was offered many athletic scholarships, Tom chose to pursue his higher education on a scholastic scholarship.

An all-American football player in junior college and college; selected to play in the East-West Shrine game; most valuable player for Oakland in 1966; Super Bowl rings in 1970 and 1977, the honors go on and on. True to himself, Tom Flores succeeded in his own quiet way.

He is an inspiration to us all, a person who gets things done by doing them. As the World Champion Oakland Raiders point out unanimously: "Tom Flores is the quiet guy who made us champions."●

MISREADING MIDDLE EAST ISSUES

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

●Mr. OTTINGER. Mr. Speaker, I am including in today's RECORD a perceptive New York Times letter to the editor by Mr. Ivan J. Novick, president of the Zionist Organization of America, concerning the false perception among many nations that oil prices are linked to the Arab-Israeli conflict.

Mr. Novick's analysis shows that relations between Arab States and the world's oil importers are merely commercial and have nothing to do with the Arab-Israeli conflict. He also notes that the most destabilizing factor in the Middle East is not the Arab-Israeli conflict, but the continued divisiveness of the Arab nations as well as the relationship between the terrorist PLO and Moscow.

The entire world has much to lose by misreading the issues of the Middle East. I praise Mr. Novick for bringing to our attention some popular myths, and I commend his letter to the attention of my colleagues:

JAPAN'S MISREADING OF THE PALESTINIAN PROBLEM

To the EDITOR:

In his review of Japanese policy toward the Persian Gulf area [Op-Ed Feb. 2], Prof. Michael M. Yoshitsu succeeds in reaffirming the axiom that a myth, if repeated often enough, is accepted as reality.

Japan, evidently unable to distinguish between myth and reality, is recklessly following the stratagem of the European Common Market countries. Convinced that they must ingratiate themselves with Arab producers of petroleum and Arab consumers of industries, they now proceed to undermine the Camp David Agreements and to adopt policies harmful to Israel, America's ally in the Middle East.

Without factual justification, Japan and other nations have concluded that peace and stability in the Middle East depend on solving the so-called Palestinian issue. The reality is that the relationships of the Arab states with Japan or other nations are purely commercial; they consist of economic transactions that have no connection whatsoever with the Arab-Israeli conflict.

Why then should Japan and the European countries, which have so much to lose by misreading the Palestinian problem, victimize Israel and in the process appease the Soviet-dominated P.L.O.? Gen. Alexander M. Haig, Jr., in an address made in Miami Beach on Oct. 27, 1979, spelled out the issues in concise terms:

"Will the price of oil be stabilized by a settlement of the Arab-Israeli conflict? A resounding 'No.' The link between an Arab-Israeli settlement and oil prices is at best tenuous.

"First, not all members of OPEC are Arab. Second, oil prices are determined by supply, demand and the value of the dollar, not by the issue of who rules Jerusalem. Third, to speak of such a link is dangerous not only to us but also to the leading Arab oil producers themselves. Fourth, how can one be considered to be a superpower if foreign policies are distorted solely by domestic needs?

"Linking oil needs and prices to foreign policy only invites more dictation by radical or anti-American states. This is not in our interest, nor is it in the interest of such states as Saudi Arabia."

Mr. Yoshitsu referred to the Iranian-Iraqi war to vindicate Japan's policy favoring the Arabs and the P.L.O. Astonishingly, he sees this as a great unifying force in the area, when in fact this conflict has demonstrated that pan-Arabism is a fictional concept. The Arab states are hopelessly divided; some support Iraq, and others, like Syria, Libya, South Yemen and the P.L.O., side with Iran.

The lesson Mr. Yoshitsu should learn is that the instability of the Middle East continues to be caused by the internal restiveness of the masses, submerged in poverty and not afforded the opportunity to determine their own destiny. In such a climate, radical and anarchistic movements are skillfully orchestrated by the Soviet Union in its efforts to further expand its ambitions and its influences.

The P.L.O. is the most sophisticated element in this Soviet design. Armed and trained by the Soviet Union, the P.L.O. holds a "Sword of Damocles" over the heads of all Arabia. Although primary attention has been focused on the "Palestinian issue," it is the Soviet-P.L.O. partnership that constitutes the real danger in the area.

Professor Yoshitsu would do an important service if he advised Foreign Minister Ito that capitulation to the terrorist P.L.O. is not the answer to the aspirations of the Japanese people or the democratic world.

IVAN J. NOVICK,
President, Zionist Organization of America.●

ON THE 63D ANNIVERSARY OF THE ESTONIAN PROCLAMATION OF INDEPENDENCE

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. YOUNG of Florida. Mr. Speaker, I rise to honor the 63d anniversary of the proclamation of the independence of the Republic of Estonia, a country whose all-too-short life of freedom was snuffed out by Soviet occupation in 1940.

Since then, the people of Estonia and their compatriots abroad have kept alive the dream of a free and independent homeland. Through their courage, sacrifice, and dedication, they have not let the world forget that Estonia is still a slave nation, deprived of its separate voice by the Soviet aggression of the past 41 years.

The struggle of the Estonians is not a decades-old footnote of history, but rather a tragic fact of life even to this day. In Estonia, human rights violations are a daily occurrence, as the Soviet invaders suppress even the most basic of freedoms and imprison those who dare to protest. The Helsinki accords which gave the world hope for improved conditions for captive nations such as Estonia are only a cruel joke for Estonians who every day live the Soviet nightmare.

But the world has not forgotten them, and we refuse steadfastly to recognize the legitimacy of the Soviet presence in Estonia. Meanwhile, in the United States and all over the globe, Estonians and their descendants keep alive the traditions, heritage, and aspirations of their beloved homeland. They know, as do we who today honor their country, that one day Estonia will again be free.

Mr. Speaker, I am honored to be a part of this tribute to a gallant nation which serves as an inspiring reminder to us all. Freedom is a very precious treasure, easily lost if not jealously guarded. The people of Estonia lost theirs under the force of overwhelming arms, yet that event alone cannot stamp out their love of liberty. They have kept the spirit of Estonian independence alive for over four decades. The people of the United States and the entire world marvel at this courage and steadfastness, and I am proud to join the ranks of those wishing Estonia and its people well.●

HONORS 63D ANNIVERSARY OF ESTONIAN INDEPENDENCE

HON. LAWRENCE J. DeNARDIS

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. DeNARDIS. Mr. Speaker, I am very pleased to join my colleagues in honoring the 63d anniversary of the independence of the Republic of Estonia on February 24.

In 1918, Estonians fought a successful war of independence against the invading Bolshevik Russians. Freedom brought economic, cultural, and social advancements to Estonia.

Unfortunately, this freedom was short-lived, Estonia, Latvia, and Lithuania lost their sovereignty during World War II. These three Baltic countries were forcibly incorporated into the U.S.S.R. after the Russian forces invaded them in 1940 as a result of the Hitler-Stalin pact.

This illegal annexation not only terminated Estonia's independence, but led to massive slaughter and deportations. Human rights violations by the Soviet regime in Estonia continue to this day. The United States must vehemently oppose such treatment.

I strongly urge that all Americans join with the Estonian people in celebrating their independence day and in working toward the day when Estonians can enjoy the freedoms that Americans too often take for granted.●

EDUCATION AND LABOR

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. WEISS. Mr. Speaker, today I am submitting for the RECORD my legislative summary of education and labor issues during the 96th Congress.

The Education and Labor Committee on which I serve dealt with a wide range of education and work-related issues in the 96th Congress. As a member of three subcommittees—Employment Opportunities, Labor-Management Relations, and Postsecondary Education—I was able to play an important role in developing legislation to address many such issues, including higher education, elimination of asbestos from our Nation's schools, educational testing, prohibiting discrimination against homosexuals in employment and housing, employment for artists, and discrimination against the aged.

Perhaps the most important legislation that emerged from this committee to become law this session was the reauthorization of the Higher Education Act. Comprised of programs which make up the principal Federal effort to assist colleges, universities, and students, this legislation authorizes $48 billion for Federal higher education programs through 1985. Enacted in October, the bill expands existing, successful student loan and grant programs, and provides new assurances against possible fraud and defaults.

For the first time, the act makes federally guaranteed loans available to parents of undergraduate students. Through an amendment I sponsored, some financial aid will be available for students who attend less than half time. This will help to insure access to schooling for an estimated 11 million students above the traditional student age of 22 who previously may have been unable to enroll, or chosen not to do so. Other amendments, I offered, which the committee adopted will provide grants to schools of education to train teachers to be placed in new fields such as education for the handicapped, gifted, and with Comprehensive Employment and Training Act (CETA) programs, and others.

The CETA program received a great deal of attention during the 96th Congress. By working closely with officials of the Labor Department and the White House, I helped some 10,000 New York City CETA employees extend their jobs beyond their original date of termination. I was also able to be of assistance to the city in obtaining an additional $45 million in CETA moneys targeted for public service jobs which had not been spent by other localities. More than 1,200 older workers were able to continue in their public service jobs in 1980 as a result of an amendment I offered to CETA, and by extensive negotiation with the Labor Department for funding.

The employment of our Nation's youth, and especially minority youths, is one of the most crucial legislative areas that Congress must address. In the 95th Congress I helped rewrite the current youth employment legislation. This session, the Education and Labor Committee considered a number of proposals, including two of my own—the Full Youth Employment Act and an expansion of the targeted jobs tax credit—in addition to the Carter administration's youth employment and education initiative. However, the legislation, which included aspects of my proposals, was not enacted. With the unemployment rate for youth over 17 percent nationwide, and 30 percent in New York City, this is a critical issue for the 97th Congress.

The committee also considered a welfare reform package which would have provided almost 1 million new job opportunities. Unfortunately, this also lacked a broad base of support and the legislation was not enacted.

The problem of employer pressure and intimidation of an employee in the workplace has been a prime concern of the Subcommittee on Labor-Management Relations. Issues raised during hearings in these areas included management's use of lie detector tests, psychological examinations, sexual harassment, and consultants for union busting. A focal point of these hearings was a bill I introduced after a subcommittee visit to the J. P. Stevens textile plant in North Carolina. On that tour we found that an "employee educational association" was engaged in opposing alleged unionization on behalf of the company. My bill would simply require disclosure of the financial sources of these so-called employee organizations.

This same subcommittee drafted a bill which deals with the termination insurance provisions of multiemployer pension plans. An amendment I offered which would enhance the economic well-being of the entertainment industry was adopted by the committee. The amendment permits employers in this industry to make payments into a pension plan only during the run of their productions or engagements. This bill was enacted into law in September 1980.

Also enacted was legislation I cosponsored with Congressman GEORGE MILLER, Democrat of California, providing grants and loans totaling $130 million for inspection and elimination of hazardous asbestos in public and private elementary and secondary schools. In New York City alone, over 150 schools needed some type of repair due to this problem.

In November, the Congress adopted a 3-year extension of child nutrition programs which include summer food service and the women's infant and children's feeding program (WIC). Under the summer feeding program, for example, over 4 million lunches were served to school age children in New York City alone.

The Education and Labor Committee also has jurisdiction over the Juvenile Justice and Delinquency Prevention Act. This act funds State, local government, and agency programs which aid in the prevention of juvenile delinquency, and improve the juvenile justice system.

With Congressman HENRY WAXMAN, and 50 other cosponsors, I reintroduced legislation to end discrimination on the basis of sexual orientation. The Subcommittee on Employment opportunities held hearings on the bill in October 1980 in California. These amendments to the Civil Rights Act, if adopted, would prohibit discrimination against homosexual individuals in housing, employment, education, and public accommodations.

The massive influx of immigrants from Cuba and Haiti in 1980 also came to the attention of the committee. It was feared that this large, unanticipated flow of refugee children into local schools could place a severe financial burden on local school districts. In response, the Congress adopted a committee bill which provides an estimated $21 million per year in financial assistance to schools which enroll a large number of these refugee children.

The White House Conference on Library and Information Services held in Washington in November 1979 focused national attention on the continuing importance of libraries within our communities. One of the most significant achievements of the Conference was a proposal for new and comprehensive legislation for libraries. The National Library and Information Services Act would provide for coordination of interlibrary resource sharing and to expand the Federal Government's support of public library services for all segments of the population. The legislation is designed to replace the Library Services and Construction Act (LSCA) which will expire at the end of fiscal year 1982. As a member of the committee which has jurisdiction over this legislation, I hope to be actively involved in its development.

Funding for public libraries under title I of LSCA for fiscal year 1981 remained at $62,500,000, the same amount as that appropriated during the past 2 years. The failure to increase Federal funds for public libraries has had harsh effects on the New York Public Library, forcing curtailed hours and staff reductions in many of the branch libraries.

The Subcommittee on Elementary, Secondary and Vocational Education held extensive hearings on my legislation—H.R. 4949—to establish a national truth-in-testing law similar to that passed in New York State in 1979. The bill is a disclosure measure requiring the testing companies which administer standardized tests for college and graduate school admissions to open their studies of testing to public review, and to guarantee students access to their answer sheets along with the test questions and correct answers. It is not an attempt to create a Government testing system, nor would it appreciably increase the industry's costs. It would be, however, a major step toward reform of an industry with powerful influence over millions of lives. I plan to reintroduce this legislation and actively pursue its passage in the new Congress.●

THE HONORABLE ELLA T. GRASSO

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. PANETTA. Mr. Speaker, I would like to join my colleagues in paying tribute to the memory of Gov. Ella T. Grasso.

While Mrs. Grasso served in a State across the continent from my own, I know that she always had the admiration and love of my constituents. Therefore, I know the whole country must have felt the same way. But the people of Connecticut must feel a very special loss, and I pay tribute to them, as well, not only for the burden they must now bear but also for having had the wisdom in the first place to have elected Mrs. Grasso twice as their Governor, in addition to other offices, including membership in this body.

Ella Grasso was an extremely effective Governor. But she was a national symbol as well. As the first woman elected Governor of a State in her own right, and as a woman with her own family, she proved the enormous capacity of women all over our Nation to live rich and rewarding lives both in and outside of the home. In part because of her pioneering role, the election of women to high political office will, some day, no longer be unusual or even remarked upon in our country.

Mr. Speaker, Ella Grasso was a wise Governor whose constituents truly loved her. At a time when politicians in general were held in low esteem, she stood as an example to the people that the art of governing is not only vital to our society but also a worthy professional goal. Even in her last days, she showed the courage and good humor that had always been her trademarks. The Nation owes her a debt of gratitude.

At this time, I would also like to express my sympathy to Ella Grasso's family. We all know that family life for elected officials creates unique pressures. But her husband and children have maintained the kind of dignity that is increasingly difficult to hold onto in today's society, and they do tribute to Mrs. Grasso's memory.●

THOUGHTS FOR OUR NEW PRESIDENT

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. GINGRICH. Mr. Speaker, although these thoughts were given before the inauguration, I still think they are important today.

I would like to share with you the sermon of Dr. Frank Harrington, the pastor of the Peachtree Presbyterian Church in Atlanta. I hope you will find his thoughts to be as inspiring as I did.

JANUARY 18, 1981.

DEAR MR. REAGAN—OR SOME THOUGHTS FOR OUR NEW PRESIDENT

"* * * How long will these people despise me? Will they never believe me, even after all the miracles I have done among them?" Numbers 14:11 (The Living Bible)

On Tuesday, January 20, at about high noon, Ronald Reagan will lift his right hand and take the oath of office. It takes about a minute for the torch to pass! The Chief Justice of the United States, The Honorable Warren Burger, will then say to the nation and to the world:

"* * * Ladies and gentlemen, the President of the United States * * *"

Immediately in front of the inaugural stand a military band will play, "Hail to the Chief" and the National Anthem and the twenty-one gun salute will sound. As the new president steps to the podium, he will begin his inaugural address * * * his first public statement as the President of the United States.

At precisely that same moment * * * when the mantle of leadership has been passed, James Earl Carter, the thirty-ninth President of the United States, will step back into history and will reverse his steps * * * moving from the Potomac to Plains. From the moment that he takes office until he is defeated in an election, or voluntarily declines to run for office again, or in the ways of Providence is prevented from serving * * * Ronald Reagan will assume the privileges, the powers, and the burdens of the most powerful position on the face of this earth!

I have attended two inaugurals, and there is much about the simplicity and straightforwardness of that event for which we can be grateful.

* * * It is, for example, a peaceful transition! In many places on the face of this earth, government is changed with a palace coup and a hail of bullets. The naked seizure of power and control is the order of the day * * * usually accompanied by much bloodshed, for men do not relinquish power easily!

* * * It is a transition prescribed by constitutional means! All the people know that the power has passed and how the power is transferred! In Russia, for example, leadership is determined by the infighting and control of the levers of power behind the Kremlin wall. It is leadership determined by "intrigue and deceit" and the emerging leader has demonstrated the law of the jungle * * * the survival of the fittest! In this nation a change in government reflects the will of the people.

* * * We can be grateful that in taking the oath of office Mr. Reagan, from that moment, becomes "our president" not the Republican President. He is the leader of all the people * * * and it is our duty and our responsibility to remember him in our prayers and to support him in his best efforts to lead our nation. It has disturbed me immensely that in recent years we seem to have lost our respect for the office of the presidency. Granted, we have had men occupy that office who were not worthy of it, but that does not alter your responsibility and mine as good citizens of this country to look up to it and to uphold the leaders of this nation in our prayers and in our efforts.

Now let's turn for a moment from the banks of the Potomac to a remote place in the wilderness called Kadesh! Moses had led the children of Israel out of Egypt and here two years later, after wandering around, they were on the verge of achieving their destiny! From slavery to freedom is a long march! Moses had listened to their complaints and their murmuring and the desire always to go back * * * to go back to Egypt * * * but now they stood on the border of the promised land!

All the promises that God had made to them about becoming a "nation" were about to come true. Moses, as any wise leader would do, sent spies to determine both potential and the peril of going forward before moving into the land. The spies were gone for forty days and when they returned their report was mixed * * *

* * * They agreed that the land was rich and bountiful. They described it as a place flowing with milk and honey and brought back fruit and produce to prove their point! It was a land of promise and great potential.

* * * It was also a land of peril and danger! The people who inhabited the land were powerful and warlike, and were described as giants.

The record states that they were panic-stricken when they saw them, and said * * *

"* * * We seemed as grasshoppers in our own eyes * * * they were so big!"

It is at this point that a serious problem develops! The twelve spies agreed unanimously on both the promise and the peril of the land before them, but there was disagreement on what they should do next! Ten of the twelve said * * *

"* * * We cannot take the land. The inhabitants are too strong! They live in fortified cities! They are too entrenched in their positions!"

Only Joshua and Caleb felt differently, and so they filed a minority report which in essence said * * *

"* * * Let's get moving, for we are well able to possess the land!"

It was Joshua who pled with the people to get moving! He said * * *

"* * * Do not rebel against the Lord and do not fear the people of the land * * * the Lord is with us and he has removed his protection from them! Don't be afraid of them!" (Numbers 14:9)

The people were in panic; they wanted to go back; they wanted to stone Joshua for making such a ridiculous proposal! It was one of those classic moments in history when the majority ruled, but the majority was wrong! On the brink of achieving their destiny, the people faltered and their faith gave way to fear!

I believe on Tuesday * * * with the inauguration of our fortieth president * * * that we shall either make a new beginning as a nation or we shall accelerate our downward slide. Our new President will immediately be faced with the enormous and oftentimes exaggerated expectations of the people! Given the landslide proportion of his election, I believe the enormity of the expectations that are facing Mr. Reagan, is his greatest danger in the early days of his leadership. We need to remember that he comes to office at a time when there are many problems facing this nation that are not of his own making.

Judge Bell, who became Attorney General in the last administration, tells a story that illustrates the point. Someone asked him what it was like to be Attorney General. This is the story he told:

A man appeared before a judge for drunk and disorderly conduct and for setting his bed on fire. The judge said, "How do you plead?"

The man said, "There ain't no question about it, I was drunk and disorderly. But your Honor, the bed was on fire when I got in it."

So, Mr. President * * * As you assume office I would like for you to remember three words. The first word is * * *

I. PROMISE

You were elected by an enormous mandate of the people. Your election was overwhelming. You have behind you the expressed will of the people to initiate changes, sweeping changes, and so your assumption of office is fraught with great promise! You will shortly realize, though, that it is easier to promise than to perform! Campaign rhetoric often fades with pragmatic reality hammering at you day after day! It would be well for you to remember, Mr. President, the often quoted words of Robert Frost * * *

"We have promises to keep and miles to go before we sleep!"

There are many who believe that this nation is in decline, that the western world has had its ascendancy, that we have lost our will to claim the promise that is ours! Some words of Sir William Watson have come back to haunt me in recent days as I have thought about this sermon and about our nation. Watson wrote:

"* * * Outwardly splendid as of old;
Inwardly sparkless, void and cold;
Her force and fire are all spent and gone,
Like the dead moon, she still shines on * *"

We have our problems, but we must remember our promise! The resources of our people * * the bounty of our land * * the creative genius inherent in many of our people * * our educational system * * the inventive capacity of our technology * * and the great talents of our people, collectively! All these resources must be summoned again and directed by a new sense of national will! Like the children of Israel, we stand on the verge of the promised land if we will move forward. It is only when our hearts grow cold with fear that our way becomes confused!

An English mother once said to her friends who came to offer their condolences when her son was killed in the Battle of Britain * * *

"Why do you commiserate with me? He lived for twenty happy years and then died for England. What better could he had done with his life than that?" (Footnote No. 1)

It is that kind of determined spirit * * that kind of faith * * that needs rekindling for us to claim the promise that is ours as a nation! The president of our nation is the nation's chief cheerleader. He can, by example, lift us above the pettiness of partisan politics and articulate for us again the vision that our fathers had for us and enable us to keep our promises before we sleep!

In 1776 John Adams, Benjamin Franklin, and Thomas Jefferson were on a committee to design the great seal of the United States. They decided to have the Latin words "E Pluribus Unum" stamped across the face of the seal.

"Out of many, one!"

The thirteen colonies that were then coming together to form a nation were diverse * * * competitive * * * and different in their aims and objectives. But there was one overriding thing that bound them together * * * they all wanted to be free!

"Out of many, one." * * * That has never been fully achieved, in my judgment. It has always been more of a dream than a reality, but it is a mighty dream that can lift us. As we join hands together, let's not blame everything on our "President." When he fails, we all have failed and lost * * * When he succeeds, we all have won! Remember, Mr. President, the word "promise" but, secondly, the word * * *

II. PERIL

This is a time of great danger! The perception in the world of power is that we are weak * * * that we no longer have the will to be a great nation in the world of power! Many believe like Adolph Hitler who said "* * * I don't see much future for the Americans."

Some of our people * * * and our politicians * * * are as naive as H. L. Mencken who wrote in the twenties * * *

"* * * The American Republic, as nations go, has led a safe and easy life, with no serious enemies, either within or without, and no grim struggle with want." (Footnote No. 2)

I am not sure that that statement has ever been true * * * I am positive that it is not true today. We have enemies within and without! We have serious problems that need to be addressed at home and abroad, and in my lifetime and in the lifetime of many of you who are here today, we are going to experience as a people a struggle with want! It is, Mr. President, a time of peril!

* * * Our cities are decaying!

* * * There is a rising rage among the poor!

* * * Inflation is running rampant. Newsweek, in a cover article this week said:

"Federal spending is running wildly out of control. Like some crazed creature from a science fiction fantasy, the already bloated budget continues to balloon, feeding on the very mechanisms that are supposed to govern it and smothering growth in other sectors of the economy. The figures are staggering. Since 1966 federal expenditures have exploded from 134 million to more than 660 billion * * * More than 75 percent of federal spending falls into the uncontrollable category * * *" (Footnote No. 3)

* * * The auto industry, one of the basic industries of this nation, is on the ropes.

* * * Unemployment is growing more and more severe!

* * * The pressure of the tightening screws from OPEC and the oil cartel is pinching us more and more.

* * * Renewed Soviet power and adventurous mischief-making has us under a full court press around the world!

* * * A game of brinkmanship is still being played in the Middle East as war rages between Iraq and Iran * * * and as 52 Americans are still held hostage in a criminal outrage without precedent in diplomatic history!

It's a time of peril for us as a nation * * * and we would be naive not to face the facts! You will be called upon in the future to be patient and to exercise restraint * * * to sacrifice and to serve! As the children of Israel found out as they stood on the border of the promised land, one does not waltz his way into his destiny! There are problems to be dealt with here at home every day. On the average day in America * * *

* * * There are 2,986 divorces granted.

* * * Drunk Drivers do 18 million dollars worth of damage.

* * * Prime time television is watched by 88 million persons and a lot of it is pure garbage.

* * * 2,740 kids run away from home.

* * * Over 2,700 teen-age girls get pregnant.

* * * 63,288 automobiles are involved in accidents and 120 persons are killed.

* * * 1,070 people die of cancer.

* * * 63,493 teen-agers come down with venereal disease! (Footnote No. 4)

Oh, friends, we have our problems * * * and all of them cannot be blamed on the president! We tend to do that * * * we find a surrogate villain and we say, with the help of the media, "If you had done better we would not be in this predicament." Like the children of Israel, as they saw the giants in the land of promise * * * they immediately wanted to go back to Egypt. They thought of stoning their leader who had brought them to such a God-forsaken place!

In the novel, "The King Must Die," by Mary Renault, the story is told of the mythical kingdom of Naxos and their bloody political system. Every year the ruling king fought a stranger and died. The stranger became king for a year and then lost his crown and his life, and the people celebrated. It sometimes seems that we are following that same form of government in this country. We pile exaggerated hopes on our president and when he inevitably fails and does not measure up, we destroy him! (From a column by Anthony Lewis in the Atlanta Constitution, Friday, January 16, 1981)

A Seattle lawyer once interrupted his lengthy cross examination of a witness, turned with indignation to the judge and said:

"Your Honor, one of the jurors is asleep!"

The judge replied:

"You put him to sleep, you wake him up!"

Every single one of us has played some part in the moral bankruptcy of the modern world, most frequently by what we are not doing for the common good of all. There is not one of us who has not contributed to the deterioration which we see on all sides—directly or through our sins of omission! It is only fair that we should now join hands and do our best to reverse the trend of things * * * to renew our march toward our destiny! (Page 21, "Three Minutes a Day.")

We collectively share the burden of our perils! We are collectively responsible for the moral muddle of our time! The perils of our time will call forth our best efforts and we will have to be supportive and patient!

Remember, Mr. President, the words "promise" and "peril" * * * but, thirdly, the word,

III. PURPOSE

This is what the children of Israel forgot in their fear! They forgot the great purpose of faith that had brought them out of the land of Egypt, from a life of bondage, and had set their bare feet on the road to freedom. They let their fears drown out the resources of faith, and because it happened they were doomed to wander for forty more years in the wilderness until that generation died. And they deserved it! God cannot build a worthy nation on fear! He cannot build a great church with a timid people! The people must have faith in him and go forward!

"Ain't this a terrible world, O Lord!
Ain't this a terrible world, O Lord!
Where's there quiet, where's there peace, O Lord?
There's moaning and sighing and hating and lying,
There's shouting and crying and shooting and dying
Where's there pity, where's there love, O Lord?
You say there's a place called journey's end,
A place called heaven, too,
Where we are all each other's friend,
And there ain't no work to do!
Why, thank you, Lord, thank you! That's very encouraging.
O Lord, show me that place
That you're telling me of,
Where there ain't no creed or race,
And all is brotherly love.
What's that you say, Lord?
I've got to spread the brotherly love down here,
To poor sinners, before I gets the call?
Yes, Lord!" (Footnote No. 5)

You see, there is work to be done here * * * where you live * * * where I live! We have to remember the purposes of God that have led us thus far and get moving! It is a plaintive, frustrating word from God that serves as our text for today. When the people refused to move forward because of fear, having forgotten the resources of faith, the Lord God Almighty said * * *

"How long will these people despise me? Will they never believe me, even after all the miracles I have done among them?" (Numbers 14:11—The Living Bible)

We all need to remember how God has led us in the past and how his promises have been sure and brought us security! It is as we have looked to him that we have been at our best!

Theodore Roosevelt and a friend frequently walked together in the evening. As was their custom, they would look up into the heavens and one of them would say * * *

"That is the spiral galaxy in Andromeda.
It is as large as our Milky Way.
It is one of a hundred million galaxies.
It is 750,000 light years away.
It consists of one hundred billion suns, each larger than our sun."

Then after a quiet interval, Theodore Roosevelt would say * * *

"Now, I think we are small enough! Let's go to bed!"

We need to realize how small we are and how great God is, and look full into his face and walk with him as a people! Harry Emerson Fosdick put it this way * * *

"Not so much what life brings to us in her hands as what we bring to life in our spirits makes the difference between people."

Mr. President, citizens one and all * * * our promise and our peril * * * is related to our adherence to and belief in the purposes of God! If we look to him and have faith we will fulfill our promise and all will yet be well! If we turn our backs on him and seek in our own strength and resources to deal with our peril, then we are doomed!

"What makes a nation great?
Not serried ranks with flags unfurled
Not armored ships that gird the world,
Not hoarded wealth, nor busy mills,
Not cattle on a thousand hills,
Not sages wise, nor schools, nor laws,
Not boasted deed in freedom's cause * * *
All these may be, and yet the state
In the eye of God be far from great.
That land is great which knows the Lord,
Whose songs are guided by his word;
Where justice rules, twixt man and man,
Where love controls in art and plan;
Where breathing in his native air,
Each soul finds joy in praise and prayer,
Thus may our country, good and great,
Be God's delight * * * man's best estate." (Footnote No. 6)

May it be so! May it be so!

Footnotes at end of article.

PRAYER

"We give thanks, our Father, for these moments together. And we ask that you would bless us and move us toward a better exercise of citizenship so that we might make our Nation a nation under God. Bless our new president and help us to walk with him for the good of all * * * For the glory of God." Amen.

W. FRANK HARRINGTON, TH. M., D.D.

FOOTNOTES

1. From "Questions People Ask," by Robert J. McCracken. Published by Harper and Brothers.
2. From "The Royal Bank of Canada Monthly Letter," volume 60, Number 8, August, 1979.
3. From "Newsweek," January 19, 1981, pp. 34 and 37.
4. From "Presbyterian Outlook," p. 9, November 17, 1980.
5. From "The Secret of Abundant Living," by Charles L. Allen, p. 99. Published by Fleming H. Revell Company, Old Tappan, N.J. 1980.
6. From "Dynamic Living for Difficult Days," by Fred M. Wood. Published by Broadman Press, Nashville, Tenn., 1973—p. 71.●

HOUSING AND ECOMOMIC DEVELOPMENT

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. WEISS. Mr. Speaker, today I am submitting for the RECORD my legislative summary of housing and ecomomic development issues during the 96th Congress.

HOUSING AND ECONOMIC DEVELOPMENT ISSUES IN THE 96TH CONGRESS

The 96th Congress completed action last year on major legislation reauthorizing the Housing and Community Development Act of 1980. The bill authorizes funding for the community development block grant (CDBG) and urban development action grant (UDAG) programs for 3 years, and provides approval necessary to continue HUD's assisted housing programs and rehabilitation loan programs.

Community development block grants have significantly improved the ability of cities to deal with the continued problems of housing, neighborhood conservation, and community revitalization. The Congress authorized $3.8 billion for this program in 1981 which will increase to $4.1 billion in 1983. Of this amount, New York City was expected to receive $270 million in 1981 for in rem housing programs, rehabilitation aid for low- and moderate-income people, and other service programs such as arson prevention and sanitation.

Funds were also approved under this legislation for urban development action grants through 1983. In the last several years the program has enabled many distressed communities to make progress in stimulating the private economic investment necessary to create jobs and strengthen local economies. Up to 20 percent of these funds may also be used in otherwise ineligible communities containing pockets of poverty, a provision which extends the benefits of the program to additional needy neighborhoods. New York City has received $59 million under 26 such grants in the last 3 years.

I am pleased to report that an extremely damaging provision in the Housing and Community Development Act affecting predominantly urban areas was eliminated during joint House/Senate consideration of the bill. The amendment would have excluded any city with rent control laws from participating in a new multifamily housing initiative, originally included in the act. Members of Congress representing New York City joined with me in voicing our strongest opposition to this discriminatory measure which was subsequently dropped from the bill.

Housing loan and rent subsidy programs geared to low and moderate income dwellers were also authorized under the act. Section 312 rehabilitation loans were authorized for 2 years at a level of $144 million in fiscal years 1981 and 1982. The program subsidizes interest rates for loans used to rehabilitate residential and nonresidential properties. An increase in the maximum loan amounts allowable under section 312 was approved from $27,000 to $33,000. The section 8 subsidy program was authorized in the bill making funds available to low-income renters. This program requires tenants to pay 25 percent of their income for rent, with Federal subsidies compensating landlords for the remainder of the rental payments. New York City is expected to receive $170 million in 1981 under the section 8 program.

Another significant legislative achievement was passage of the National Historic Preservation Act which assures the continuation of the historic preservation fund through 1987. The bill reaffirms the important Federal commitment to historic preservation and provides better definitions of and guidance to State and local governments. The bill also establishes a National Buildings Museum in the beautiful old Pension Building in Washington, D.C.

The failure of the Senate to act on the Fair Housing Act amendments forces the postponement of what has been called the most significant civil rights legislation of the last decade. Passed by the House in June 1980, this bill would have established administrative procedures through which the Fair Housing Act could have been inexpensively and expeditiously enforced. Pressure by special interest groups affected by the legislation stalled the bill in the Senate, where it died during the last days of the 96th Congress. Although the Senate Republican leadership has promised to make it a priority when the new Congress convenes, civil rights advocates were keenly disappointed that these amendments are still not law.

During the 96th Congress I joined with other members of the New York State delegation to urge the Internal Revenue Service to support a State decision regarding the tax treatment of rental property. A bill passed in the New York State Legislature allowed landlords to itemize their costs including property taxes in their rent bills to tenants who could then deduct this amount from their taxes. Residential tenants in New York, and in other parts of the country as well, are subject to economic discrimination because they are denied the tax advantage of real property deductions enjoyed by homeowners. The IRS argued that a Federal law was necessary to accomplish this change. I will continue to support this rightful deduction for renters and work for legislation with the goal in the 97th Congress.

Escalating fuel costs in recent years have hit especially hard at lower income families and those living on fixed incomes. Low income energy assistance to aid these citizens was included in the windfall profits tax legislation passed in March 1980. The provision authorizes $3.1 billion for fiscal year 1981 for a program of block grants to the States to provide assistance to needy families for heating and cooling costs. In addition, States may give aid, regardless of income, to households which receive food stamps, AFDC, veterans pensions, or SSI.

As a member of the congressional travel and tourism caucus I have been particularly involved with issues affecting the tourism industry. More than 6.5 million Americans are employed in travel and tourism related jobs making it the third largest retail industry in the United States. Of all the industries in New York, tourism is now the most important. As the gateway to America for more than 30 percent of all visitors from abroad, New York City hosts more than 17.5 million visitors each year. The 96th Congress officially recognized the social and economic importance of tourism and efforts will continue in the 97th Congress to promote and support this vital segment of our economy.

In recent years the rate of inflation has often exceeded the interest rates on savings accounts and taxes on the interest accrued further erodes the value of savings. As a result lower income taxpayers are penalized for being thrifty. Thus, savings accounts not only fail to produce real income for the savers after adjustments for inflation, but the value of the principal

is diminished as well. This is a cruel burden especially for people whose low income makes it difficult to save in the first place. One provision of the 1980 windfall profits tax legislation began to address this inequity by exempting from taxes up to $400 of interest on savings. However, this bill is only effective through 1983. I introduced a bill in the 96th Congress which would broaden and make permanent the exemption for lower income persons up to $1,000 in the case of a single individual earning less than $10,000 and up to $1,500 in the case of married persons filing jointly whose income does not exceed $15,000. I will continue to push for this legislation and any others that would protect small savers from raging inflation and unreasonable taxes.

During the 96th Congress I also introduced legislation which sought to improve living conditions of former mental patients and provide assistance to the communities where they live. Former mental patients, thousands of whom have been deinstitutionalized under changing Federal and State policies, are frequently forgotten once they leave institutions and are left to their own inadequate resources, often becoming prey for violent crime. My legislation would continue supplemental security income (SSI) payments for 3 months after a person is institutionalized, so that the individual's home or apartment can be maintained while he or she is residing in a public facility. The bill would also eliminate the benefit reduction that now occurs when a former patient is receiving some financial support from other persons with whom he or she is living.

Legislation to authorize funds for public works and economic development was passed in 1979, the first year of the 96th Congress. The Economic Development Administration (EDA), created in 1965 to provide grants to poor communities to help lure new business investment to the area or revive failing industries, was authorized by this bill. In addition, the EDA's authority was expanded to offer $2.5 billion in loan guarantees in 1981 and interest subsidies, as well as grants totaling $750 million in 1981 to companies that agreed to locate in needy areas. The bill also extended the Appalachian Regional Development Commission and a network of other regional commissions for 2 more years and established a $2 billion standby local works program if national unemployment rose above 6.5 percent. This program would provide direct grants to help communities build or improve facilities such as water and sewer systems, courthouses, fire stations, and schools. Though passed by the House, a joint House/Senate conference was unable to reconcile differences between the two Houses before the session ended. EDA programs were then continued under a stopgap funding resolution.

Legislation approving Small Business Administration (SBA) programs through 1984 also cleared the 96th Congress. The bill also revised disaster assistance programs administered by the SBA and FmHA, and continued loans for residential and commercial properties. These loan funds are made available to small businesses which do not have a bad credit rating, but which need short-term loans to handle cash flow problems, thus avoiding the high-cost temporary financing. In addition, the legislation authorizes the SBA to make grants through a small business development center pilot program funded at a level of $20 million in 1981.●

PRODUCT LIABILITY RISK RETENTION ACT OF 1981

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. FLORIO. Mr. Speaker, I am introducing today the Product Liability Risk Retention Act of 1981. This legislation was approved overwhelmingly by both the House and Senate last year, only to fail in the closing moments of the Congress.

It addresses a critical need of many manufacturers, retailers, distributors, and wholesalers in our economy. Product liability insurance rates have risen dramatically, and have caused severe economic distress to many small businesses.

The Interagency Task Force on Product Liability, chaired by the Department of Commerce, recognized product liability insurance ratemaking practices as a severe problem, and proposed legislation to address the problem. Product liability rates have not generally been set by actuarial techniques, but rather through underwriting judgments. Judicial decisions have increased the potential liability of manufacturers and product sellers throughout the 1970's. Premiums collected today must cover all claims resulting from defective products during the policy period, including claims resulting from old products and claims incurred but not reported for several years. Not surprisingly, underwriters have generally exercised their judgment in a conservative fashion because of the extraordinary variables.

The bill would address the problem in two ways. First, it would allow the formation of risk retention groups, which are essentially self-insurance groups. Second, it would allow group purchase of product liability insurance, giving small purchasers some of the advantages of large purchasers. State laws which prohibit either of these practices would be preempted only to allow these two practices.

This legislation is important, and it will be a priority for the Subcommittee on Commerce, Transportation and Tourism in the months ahead. I would urge other Members, as they look at the problems of small businesses in their States, to give this bill their consideration. The problem of product liability insurance must be addressed, and with the interest and suggestions of other Members I am sure a solution such as the one I am proposing today, or another one, can be found.●

RECOGNIZE JERUSALEM AS ISRAEL'S CAPITAL

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. OTTINGER. Mr. Speaker, I have reintroduced legislation which expresses the sense of Congress that the United States should recognize Jerusalem as the capital of Israel and move its Embassy there. This resolution would simply recognize a fact that has existed since the creation of the State of Israel.

I believe it is vital for the United States to take the lead in supporting the policies of our best ally in the Middle East. We must help Israel resist the pressure that the Arab nations have applied to our allies by using the oil weapon. By relocating our Embassy from Tel Aviv to Jerusalem, we will send a signal to the world that the United States stands behind the sovereign rights of its democratic allies.

Jerusalem is unique in the search for peace in the Middle East. Its historical, emotional, and international complexities distinguish it from other issues in the conflicts of that region. The future of Jerusalem cannot be decided by drawing a line; Jerusalem must remain a united city in Israel forever. As Mayor Donald Fraser, of Minneapolis, said when he visited Jerusalem:

> You come to Jerusalem and leave it with a clear smell of freedom and a sense of a people who demonstrate compassion and a dedication to human dignity.

The United States must demonstrate its support for Israel's policies on Jerusalem by relocating its Embassy there. I urge my colleagues to join me in this important endeavor by cosponsoring House Concurrent Resolution 71, which I am including in today's RECORD:

H. CON. RES. 71

A bill expressing the sense of the Congress that the United States should recognize Jerusalem as the capital of Israel, and that the United States Embassy in Israel should be relocated to Jerusalem

Whereas the city of Jerusalem has been the capital of the State of Israel since Israel's independence was declared in 1948; and

Whereas the city of Jerusalem is the seat of Israel's President, Parliament, and Supreme Court, and the site of numerous government ministries and social and cultural institutions; and

Whereas the city of Jerusalem is predominantly Jewish, and is the spiritual center for Judaism, and of no other religion; and

Whereas it is the sovereign right of the people of Israel to designate the city of Jerusalem as the capital of the State of Israel: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that the President and Secretary of State should take all necessary steps to bring about—

(1) recognition by the United States of Jerusalem as the capital of Israel; and

(2) relocation of the United States Embassy in Israel to Jerusalem.●

LITHUANIAN INDEPENDENCE DAY

HON. FLOYD J. FITHIAN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. FITHIAN. Mr. Speaker, I am privileged to join my colleagues in the observation and commemoration of the 63d anniversary of Lithuanian Independence Day. February 16 is a day to remember the tragedy of Lithuania's lost independence, and to reaffirm our recognition of Lithuania's right to exist as a free and independent nation.

The Lithuanian people should be commended for their nationalistic spirit that cannot be extinguished, despite Soviet annexation of their borders in 1940. Instead they continue to maintain their own culture, language, history, and desire for liberty.

As a nation who struggled for freedom, and the right to become a self-governing nation 204 years ago, the United States has an obligation to encourage these viable, independent, and free-thinking people who wish to live in their nation, with their government, following their customs.

We are truly blessed to live in a country that values and protects the basic human rights of its citizens. I wish to express my support for Lithuanians trying to achieve that same protection for themselves.●

OPERATION OUTREACH

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. GONZALEZ. Mr. Speaker, I am introducing a bill today that will extend for 3 years a program known as Operation Outreach, a Veterans' Administration program that provides Vietnam-era veterans' readjustment counseling and related mental health services.

The program began in 1979 after it was recognized that Vietnam-era veterans continued to face problems related to their tour in Southeast Asia. Most common of these readjustment problems is "delayed stress syndrome" or "post traumatic stress disorder."

These types of delayed stress problems have recently received a great deal of media coverage since the return of the hostages from Iran, but these conditions were first diagnosed among the POW's and veterans of the Vietnam conflict.

There is an Operation Outreach center in my district in San Antonio that has been a great success in dealing with the problems confronting the Vietnam veteran population, and there is a definite need, as well as an obligation on the part of the U.S. Government to have this type of service continued.

The return of the hostages brought to our attention the contrast in the way they were welcomed home as compared to that of the Vietnam veteran. The Vietnam-era veteran was left out in the cold by our Nation and Operation Outreach is a small attempt at this late date to bring them in.

Because Operation Outreach will expire this year I am afraid that the Reagan administration will target it for extinction, but I hope that many Members will join me in the fight to continue the program until 1984.

Unfortunately, for a variety of reasons, our Nation has attempted to block out the Vietnam war, but we cannot block out those veterans who fought there. They were patriotic and they obeyed the law, two principles that our Nation holds in high regard. The least that we can do for these dedicated veterans is to provide them with the help that they need to become productive citizens, and Operation Outreach seems to be the answer.●

ARTS AND HUMANITIES

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. WEISS. Mr. Speaker, today I am submitting for the RECORD my legislative summary of arts and humanities issues during the 96th Congress.

The latest Harris poll on Americans and the arts vividly demonstrates that the American public is participating in and attending cultural events in unprecedented numbers. Just as importantly, the poll reports that a clear majority of citizens, between 65 to 75 percent, are willing to pay increased taxes for Federal funding of the arts. Congressional interest in the arts and humanities has also burgeoned, with more members introducing legislation to assist the arts and humanities in a variety of ways.

The most significant legislation affecting the arts and humanities passed by the 96th Congress was the reauthorization of the National Endowments for the Arts and Humanities (NEA and NEH) and the Institute of Museum Services (IMS). This bill extends the life of these cultural agencies for 5 more years and establishes spending ceilings for each year. As a member of the Subcommittee on Postsecondary Education, which has jurisdiction over the Endowments and IMS, I was actively involved in the entire reauthorization process.

The reauthorization legislation reflects a continued Federal commitment to the arts and humanities, while enabling the Endowments and IMS to be more flexible and responsive to their constituencies. None of its new provisions substantively change their basic operations.

I am pleased to report that the reauthorization incorporates, in part, the purposes of the Federal Artists Program Act (H.R. 5518), which I introduced in October 1979. The Federal artists program was designed to provide increased employment opportunities for professional artists in community-based residencies. The bill was endorsed by artists and arts organizations across the Nation, but fiscal restraints within the Congress precluded the passage of any substantial new authorization for the arts. Nevertheless, with the impetus provided by my bill, the reauthorization takes two major steps toward addressing the problems of artists' unemployment.

An extension of the existing challenge grant program will enable State and community arts agencies to apply jointly for grants to support local arts activities, including support of professional artists in community-based residencies. The committee report specifies that the design of these residencies should parallel the Federal artists program. In addition, the reauthorization mandates a study of employment opportunities for professional artists. The study, to be conducted by the Federal Council on the Arts and Humanities and the Department of Labor, will examine the effectiveness of existing programs and the need for

new programs to help reduce the high rate of unemployment and under-employment among artists. I am gratified that the Congress has taken some steps forward in assisting individual artists. I will continue to work during the next Congress for greater recognition and understanding of the contributions artists make to our society.

Other significant new provisions in the reauthorization include loan authority for the Arts Endowment (the Humanities Endowment already has such authority, although it has never been used); specific authority for NEA to support programs for the arts at the local level; a requirement that State Governors and legislators choose between bringing humanities councils within the framework of State government or maintaining them as private bodies; modification of the present formula for allocating NEH funds for State humanities councils; a second study to be conducted by the Federal council on the effectiveness of the Arts and Artifacts Indemnity Act; a study by both Endowments on the effectiveness of Treasury funds (a separate authorization of money which must be matched on a 2-to-1 basis, rather than the usual 1 to 1); and greater independence for the Institute of Museum Services within the Department of Education.

SPENDING LEVELS AUTHORIZED FOR THE NEXT 5 YEARS FOR EACH AGENCY

[In millions of dollars]

	Fiscal year—				
	1981	1982	1983	1984	1985
NEA	175	190.5	207	227	250.5
NEH	170	187.5	205	225	247.5
IMS	25	30.0	35	40	45.0

The appropriations for fiscal year 1981 passed during the 96th Congress illustrate the usual difference between the amount which Congress is permitted to spend for a given fiscal year and the amount that is actually appropriated. These figures are: NEA—$158,560,000; NEH—$151,299,000; and IMS—$12,857,000.

The fiscal year 1981 appropriations provide little growth for the two Endowments; 2.7 percent increase for NEA and a mere 0.8-percent increase for NEH over last year's appropriations. These figures are not encouraging and reflect the fiscally conservative mood of the Congress. However, I and other supporters of the arts will be fighting during the upcoming Congress to insure that these vital programs have the necessary funding to continue to meet the American public's increasing demand for quality cultural experiences.

The economic well-being of the entertainment industry will be enhanced as a result of an amendment I offered to the Multiemployer Pension Plan Amendments Act. This legislation, signed into law in September 1980, modifies the 1974 pension reform law (ERISA) by redesigning the termination insurance provision for multiemployer plans. My amendment allows employers in the entertainment industry, such as theatrical producers, to make payments into a pension plan only during the run of their productions or engagements. These employers will not be subject to the plan withdrawal liability that the act imposes on most other industries. While I strongly endorse the concept of withdrawal liability in order to discourage employer withdrawals, I believe it makes little sense in a highly mobile field such as the entertainment industry. Requiring withdrawal liability could, for example, inhibit the startup of productions by introducing an additional and unnecessary element of financial risk on employers in a field where job instability and unemployment are already high.

The final days of the 96th Congress witnessed failure of congressional efforts to overturn an Internal Revenue Service decision to apply a Supreme Court tax ruling to publishing companies. The Supreme Court's 1979 decision in Thor Power Tool Company against Commissioner of Internal Revenue, held that the valuation of warehouse stock could not be reduced for tax purposes unless it was disposed of or sold at reduced prices. The IRS subsequently applied this decision to the publishing industry in February 1980, bringing strong protests from both publishers and writers.

As a result of the IRS action, many publishers feared that they would have to destroy or sell at a discount millions of books held in their inventories. Other effects of the IRS ruling could be fewer contracts for slower selling, noncommercial, and scholarly books; books going out of print sooner; and smaller first printings as well as fewer second printings, resulting in increased prices of individual books. I plan to sponsor legislation to provide a permanent exemption for publishing companies in the new Congress.

Other bills affecting arts and humanities wound their way through various stages of the legislative process, although no other significant cultural legislation was enacted during the 96th Congress. The Public Buildings Act of 1979, which mandates a small percentage of the public buildings construction budget to be spent on art for new and renovated Federal buildings and which establishes Federal design standards, was passed by both the House and Senate but died in conference. It will be reintroduced this year. Other legislation sought to change current tax laws that affect artists inequitably as a result of the uniqueness of their profession. The bills address such issues as artists' inability to deduct the market value of their own works of art which they contribute, while art collectors are permitted to do so; estate tax liabilities resulting from the market value of their artistic endeavors at the time of their death; and the difficulty of deducting home studio space as a legitimate business expense when the income derived from this work is small. Hearings were held on several of the Senate bills, but none were close to passage. Copyright issues, including royalties for performances on sound recordings, were also the subject of congressional hearings and will be addressed again during the 97th Congress.

Passage of the National Historic Preservation Act assures the continuation of the historic preservation fund through 1987. This legislation reaffirms Federal commitment to historic preservation and provides better definitions of and guidance to Federal, State, and local government roles in this field. The bill also establishes a National Buildings Museum in the beautiful old Pension Building in Washington, D.C.

Many arts programs and projects funded under the Comprehensive Education and Training Act (CETA) were sharply cut back or phased out during 1980 as a result of reduced appropriations of CETA, especially in title VI, the public jobs component of the program. Arts organizations in New York City suffered particular hardship because of a sudden decision to terminate their contracts months before they were scheduled to end. I led the New York congressional delegation in strong protest against these drastic cuts. As a result of our efforts and those of the New York arts community, the Department of Labor made sufficient funds available to New York City to complete the projects. Nonetheless, prospects for all CETA programs in 1981 are not bright, as congressional sentiment against public service employment programs continues to grow.●

ELIMINATE THE TAX ON MARRIAGE

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. KEMP. Mr. Speaker, I was pleased to join with 200 of my colleagues in reintroducing Congresswoman FENWICK's marriage tax bill last week. It is time to eliminate the tax on marriage. Two-wage-earner families pay an $8.3 billion penalty each year just for being married, and they face the highest marginal tax rates of any group in the country. The disincentives for married women who want to go to work are overwhelming.

The first dollar of income a wife earns is taxed at the same rate as the last dollar earned by her husband. This means that a husband with a nonworking wife and a $15,000 salary pays $1,635 in Federal income tax—assuming he does not itemize his deductions—if the wife goes to work for the same salary of $15,000, the couple's tax liability increases by $3,958 to $5,593. They increase their tax bill by a whopping 342 percent when the wife takes a job, and they pay an extra $903 for filing as a married couple instead of as single.

This marriage tax hits hardest those low-income families which need two incomes to simply make ends meet. Two people who earn $3,750 will pay an extra $168 in Federal income tax if they are married—an increase of 133 percent above the $63 each would have paid if single. And a study by an IRS economist found that 74 percent of the people paying the marriage tax in 1974 had incomes under $20,000.

Congresswoman FENWICK is to be commended for her leadership on this important issue, and I am pleased to again cosponsor her bill, which would simply allow two-earner couples the option of being taxed as if they were single. This approach would preserve the benefits of filing jointly for one-earner couples, and it would not change the tax rates for singles. It would merely eliminate the current requirement that two-earner couples pay more simply because they are married.

The 1980 Republican Party platform condemns the marriage tax and calls for equity in the tax treatment of families. More than 38 million Americans may be affected by the marriage tax next year. Is it not time we joined together to bring an end to this unfair tax policy, once and for all?●

TRIBUTE TO ALPHONSE MIELE

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. MINISH. Mr. Speaker, recently I had the pleasure of participating in a dinner honoring one of my friends and constituents, Mr. Alphonse Miele of West Orange, N.J. Together we celebrated the 25th anniversary of Al Miele's presidency of the service organization, Unico National. His participation in Unico, spanning almost four decades, includes an outstanding list of committees and every elective office in the Newark chapter and at the national level.

Although a quarter of a century has passed since Al held the organization's highest office, his level of involvement has not diminished. In recognition of his extraordinary contributions, he has received innumerable honors, including Unico's most coveted award, the Vastola Medal. Most recently he received a Presidential Commendation Medal for his work on an Italian American awareness project. An annual Unico National scholarship has been awarded in his name for the past 20 years.

Al Miele's record is legendary. The original chairman of the Garden State Festa Italiana, he was the executive secretary of the National Coordinating Committee which later became the NIACA—the National Italian American Coordinating Association. A list of Al Miele's Unico and other civic activities looks more like a dictionary than a résumé.

Al's life story reads like the classic American success story. He was an orphan in Italy at the age of 4. Brought to the United States by his grandparents, Al Miele started life in America at the very bottom of the economic ladder. He has been an achiever since the age of 8. He sold newspapers, dug ditches, and held several jobs while attending high school and college in the evenings.

Now the managing owner of one of the largest independent insurance claims firms in the East, he has achieved an outstanding reputation among jurists, attorneys, physicians, and other professionals in the insurance field.

Al Miele's valuable efforts for the Boys' Club of Newark will long be remembered. He has been instrumental in establishing 17 Unico chapters and has been a major force in shaping the format of the Unico magazine.

I am proud to be Al Miele's friend, and equally proud to call him one of my constituents. It was my privilege to join in the tribute to him.●

FIRE CHIEF EDWARD P. SCHWEITZER

HON. F. JAMES SENSENBRENNER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. SENSENBRENNER. Mr. Speaker, in a few days, the city of Brookfield, Wis., will lose an exemplary public servant who has given his community many years of dedicated service. Fire Chief Edward P. Schweitzer is retiring on March 7, following a 32-year career with the Brookfield Fire Department. I believe this is an appropriate time to recognize and honor Ed for his accomplishments.

Ed is the first and only full-time fire chief the city of Brookfield has ever had. However, Ed's service predates the city itself, beginning as a volunteer firefighter with the old town of Brookfield Volunteer Fire Department in 1949. When Brookfield was incorporated as a city, he took over as fire inspector, later as assistant chief, and finally as chief of the volunteer firefighters in 1962.

Ed was appointed full-time city of Brookfield fire chief in 1965 with the task of organizing and developing a full-time city fire department. He began with three full-time men and a small fire station.

Under Ed's administration and guidance, the department now has three well-equipped stations, strategically located for quick response to all areas of the city, and a force of 42 men, well trained in all aspects of firefighting and disaster response.

Ed has also served as the city's civil defense director and the careful planning that went into the city's disaster preparedness plans was carried out under his direction and supervision.

Mr. Speaker, the city of Brookfield regretfully loses Ed Schweitzer to retirement and its citizens will miss his presence. However, it also takes this opportunity to thank Ed for his service and to wish him good health, happiness, and fulfillment in his retirement. I want to join in expressing these sentiments and to say thanks, Ed, for a job well done.

Thank you, Mr. Speaker.●

TENSIONS IN POLAND—PART I

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. McDONALD. Mr. Speaker, tension appears to have temporarily eased in Communist Poland, but all the basic problems remain. None have really been solved. Many of the so-called pundits have analyzed this situation in terms of United States-Soviet relations and Polish-Soviet relations, but few of the experts have delved into the overall picture, and such subjects as the Western role in supporting Communist nations economically as well as communism in the general context of today's world. Prof. Hans Sennholz, the distinguished economist from Grove City College, has analyzed the problem in a three-part article. In the first part he discusses the nature of the Communist system as well as the role played by Western economic policies in the development of Communist policies. In the second part Professor Sennholz outlines the reasons for the failure of socialism in Poland and why only private enterprise could restore Poland's economy, a thing the Soviet Union would never tolerate. Plain old nationalism is a greater problem in the Soviet Union than Poland, he concludes. In the final part, Professor Sennholz outlines why the Soviets compulsively expand into other people's territories and suggests some ways in which the West might better

respond to Soviet aggression. This article will appear in the May issue of the Freeman magazine published by the Foundation for Economic Education, Inc., Irvington-on-Hudson, N.Y. 10533, a very fine organization promoting fundamental principles of economics. Part I follows:

TENSIONS IN POLAND

The workers' revolt in Poland raises momentous questions not only about the future of communism as a poltical-economic system, but also on its many implications for the West. Does it signal a terminal ideological crisis that in due time will bring about changes in communist thought and practice? Is it shaking the foundation of communism as a system of political rule and oppression? Is it damaging the engine of Soviet power and influence? And how can and should the West respond to the proletarian revolution in Poland? The answers may be found in the thoughts and aspirations of the Polish workers who are voicing their frustrations about the economic order and the humiliating role they are playing in that order. In final analysis, we must search for our answer in diverse politicial and economic philosophies that are creating insoluble tensions and conflicts.

Communism is the most extreme form of totalitarianism. It is the root and prototype of all others, such as Nazism and Fascism that sprang from it. Since the destruction of German Nazism it is the only surviving power that constitutes a real danger to the West. In fact, it is far more dangerous than its other variations ever have been because, at this very moment, it is conquering the hearts and minds of millions of people around the globe. For Nazism and Fascism it was surely a difficult task to convince the peoples of Africa or Asia of the superiority of the Arian race or the rejuvenation of the Roman Empire. But it is rather easy to indoctrinate them with the slogans and potions of communsism.

Communism bears little resemblance to the despotic regimes of kings and dictators who continue to make their brief appearances in many parts of the world. It is totalitarian, all comprising, subjugating the individual and sacrificing him to the State. It is the total politicalization of life that permits no exceptions or limits, no sphere without the state. It is a secularized faith, a religiously fervent atheism.[1]

It is built on the socialistic economic order. Economic life hinges around the omnipotent and sovereign center that can tolerate neither private property in production nor individual enterprise. Every economic transaction becomes a political transaction that aims to sustain the omnipresent state. Every trade is used to strengthen the regime and, if at all possible, to weaken the capitalistic world. Its lack of prices and markets makes it a chaotic system that stumbles through waste and corruption, from crisis to crisis. If it were not for the capitalistic production structure and Western technology that are copied or imported, the Soviet economic order would operate in utter darkness, unable to sustain its hapless population. In fact, living conditions in the Soviet Union that always have been on the level of underdeveloped countries have worsened considerably in recent years. Death rates are rising for almost every age group. There is not a country in Europe in which individual lives are so short and children's death rates so high as in the Soviet Union.

Wherever communism comes to power, a peculiar law of population and trade takes effect: the people seek to escape wherever and whenever they can; but the authorities forcibly keep them in the country through high walls and barbed wire, mine fields, tanks and machine guns. While many individuals lose their lives in desperate attempts to escape, a few succeed every day in reaching safety in the capitalistic West.

The flow of goods proceeds in the opposite direction, from the capitalistic countries to communist areas. They flow as alms or extortions, through lies or deception, or as the result of credits and loans that are repayable in the distant future.

The communist economies are straining and reaching the breaking point in a desperate effort to sustain the ruling class and build a powerful military machine. While the masses of people under communist rule linger in hopeless poverty, a bloated state bureaucracy enjoys all the perks and privileges the system can provide. The manifest disparity between the lifestyle of the working population and that of the party establishment is a source of chronic discontent. Despite all the impudent boasts of the Soviet leaders, there is no hope whatever that socialism will ever provide the amenities of life to which the working people in the capitalistic countries are accustomed.

And yet, two circumstances come to mind that may actually give substance and truth to the communist boasts. If the West, in utter blindness and stupidity, were to destroy its own economic order by adopting the methods and policies of socialism, or by ravishing its own productivity through currency and credit destruction, the West may actually sink to Soviet levels. Moreover, if the West, for any reason, were to transfer its productive capital and technological know-how to the Soviets and modernize communist production along capitalistic lines, new life could be imported to the barren system.

It is an undeniable fact that in incredible blindness the West actually has moved in this direction, giving new hope and comfort to world communism. It has severely weakened its own currency and credit structure through rampant inflation and extended massive loans and credits to the Soviet Empire.

THE WEST IS FINANCING SOVIET OPPRESSION

In recent years, mostly since 1970, Western governments and financial institutions loaned the Soviet bloc countries at least $88 billion. According to some estimates that include the credits granted by suppliers and other lenders, this amount may actually exceed $113 billion. The West is bailing the socialistic countries out of their inherent difficulties through massive transfusions of capital. It is buying the bread for the restive masses and capitalist technology for socialized industries.

Why are we propping up the socialistic economies and their dictatorial regimes? Three factors may have contributed to this awful blunder: Western ignorance about the nature of communism, rampant inflation, especially in the U.S., that triggered the outflow of funds to all corners of the world and, finally, Western euphoria about detente.

It is gross ignorance to view the relationship of a communist government and its people as normal and healthy. Communist governments are not the representatives of the people, and the people are not the constituency of the government. When we are dealing with communist officials we are not dealing with the people, but with the political agents of a monolithic apparatus of oppression that lacks any legitimate claim to represent the people. To grant a loan to a communist state is to join cause with the oppressors, to see them through their difficulties and preserve intact the dictatorship, which the people are risking their lives to dismantle. And yet, in their incredible confusion the big banks in the capitalist West, encouraged and goaded by equally confused government officials, supported the regimes to the tune of $88 billion or more.

Surely the banks were under severe pressure to invest huge funds rolling off the printing presses and credit systems of their respective governments. The 1970's were years of rampant inflation as Western governments were indulging in massive deficit spending that was financed primarily by currency and credit expansion. Commercial banks were the happy depositories of these new funds that needed to be invested securely and profitably. To the eager bankers it was a pleasant coincidence that the communist governments were ready to receive those funds in large and convenient blocs. Moreover, the banks were obligated to "recycle" the massive influx of O.P.E.C. petrodollar that were flowing from the oil-consuming countries to Arab producers and back to commercial banks in the consuming countries. Some deposits found their way from the banks to the national treasuries that spent them on massive deficit schemes. Third World countries in Africa and Asia managed to borrow a total of $365 billion, the communist countries no less than $88 billion. Of course, this grant of loans constituted a huge transfer of real wealth from the capitalist West to socialist and communist governments all over the globe. It sustained and supported the oppressors and mortal enemies of capitalism at a rate and magnitude unprecedented in history.

The euphoria that followed the detente blinded many Western leaders. Although Moscow continued its psychological warfare with all available methods, aiming at the political attrition of the capitalist West, Western neutralists and appeasers rejoiced about the detente and eagerly promoted the wealth transfer. The Kremlin continued to wage its war at alternating fronts, either psychological or economical, or military, or all together; the West simply disregarded the challenge and acted as if the incessant blows and contemptuous injuries simply did not exist.

By now the banks probably have come to realize the full meaning of lending to the Soviet bloc. But it is too late for them. The Communist debt has long since passed the point at which it could simply be written off. The magnitude exceeds by far the bank's capital and surplus, the loss of which would bring instant ruin and bankruptcy. As they cannot cut their losses they are likely to make every effort to protect their old loans through new loans. As long as they finance the interest falling due, they can live by the fiction that the loans are perceptible and secure. But the protection of loans implies the protection of the debtors, i.e. the communist states. The banks as creditors thus become partners of the communist debtors and the loans become political intervention on behalf of the communist regimes. When seen in this light, the $1 billion bank loan extended to the Polish gov-

[1] The writings of Aleksandr Solzhenitsyn are a living memorial to the untold millions of Soviet victims.

ernment by West German and American banks during the present crisis is political intervention on behalf of communism.

If the Polish government should default on its debt because Western banks cease to finance it or because the Kremlin decides to rattle the financial structure of the West, the 400-500 billion dollar pyramid of debt built on the ability and willingness to repay may come crashing down on the gullible West. A communist default, which appears inevitable to this observer, would have a domino effect on those debtor countries that have virtually no chance of ever repaying their debts. It is almost certain that sooner or later the Soviets will use this threat of default to gain political concessions from the West.

Given the financial structure of the West and the dominant role of governments in those structures, it is doubtful that such a default would actually crush the debt pyramid. But it probably would alter its color and nature. No Western government would permit its banking system to collapse as a result of foreign default, with the inevitable consequences of severe depression and mass unemployment. Instead, the governments of creditor countries could be expected to issue instant guarantees for the defaulted obligations and thus assume the communist and Third World debt. The crisis would be averted by Western governments through the assumption of another $400-500 billion of debt, which in time would exert its powerful influence toward more inflation and credit expansion in the West. It would contribute its share to the gradual and utlimately total destruction of the world monetary order. Unfortunately, such a destruction would devastate the capitalistic countries without a single shot being fired.●

INFANT FORMULA IN THE THIRD WORLD

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. WEISS. Mr. Speaker, since 1977 many consumers all over the country have boycotted products made by the Swiss-based Nestle Corp. to protest the firm's misleading promotion of infant formula in the Third World. The distribution of such products is not limited to Nestle, and several American multinationals are involved in these activities to a lesser extent. However, responsibility for the tragic consequences of improper marketing techniques must be shared and stronger controls on the promotion of infant food products in poor regions of the world should be imposed.

The following article from the Village Voice, "Nestle's Good Fortune," examines this controversy and the corporation's response to increasing public awareness of the problem.

NESTLE'S GOOD "FORTUNE"

(By Geoffrey Stokes)

Nestle, the giant Swiss-based multinational corporation, has since 1977 been working to defeat a boycott of its United States operations by consumers protesting the parent firm's aggressive merchandising of packaged infant formula in third world countries (see box). The company has tried to be unobtrusive, but internal Nestle documents cited in The Washington Post earlier this month and subsequently obtained in full by The Village Voice reveal Nestle funneling money through a tax-exempt "public policy" conduit in an attempt to influence "third-party" coverage of the infant-formula issue. The document names the Washington-based Ethics and Public Policy Center, Fortune magazine, and Fortune's Washington editor Herman Nickel as actors in the previously hidden drama. It is unclear precisely to what extent these figures were willing conspirators and to what extent they were Nestle's patsies, but the publication of the memorandum—from Nestle's international vice-president to its chief executive officer—has severely damaged Fortune's reputation. More seriously, this example of covert corporate manipulation poisons the well and forces readers to question the entire world of "objective reporting."

Nestle originally adopted a plan of direct confrontation with the boycotters. Oswaldo Ballarin, president of Nestle-Brazil, attended a 1978 Senate hearing and capped hours of medical testimony about the damage caused by the improper or unnecessary use of his company's products with the assertion that the charges were "actually an indirect attack on the free world's economic system. A worldwide church organization, with the stated purpose of undermining the free enterprise system, is in the forefront of this acitivity." He was virtually laughed out of the room, and in the wake of his blunder a newly-hired public relations firm advised Nestle to keep a low profile on the issue. The recent memorandum, a 1500-word summary of "intensive discussions" held last August 2 to 4 in New York and Washington among international and United States Nestle officials, confirms that the strategy still operates. In the memorandum (whose authenticity has not been disputed by the company), international Veep Ernest Saunders reports that "the Fortune article, together with the interest of the Ethics and Public Policy Center, is the best opportunity we have had yet to put the record straight, and *must be fully exploited* [his italics]." The story behind that article—Herman Nickel's "The Corporation Haters," which ran in the June 16, 1980, Fortune—is a textbook example of hidden corporate influence in the media.

The origins of the article begin at the Ethics and Public Policy Center (EPPC), a Washington think-tank generally described as conservative, but which its founder and president, Ernest Lefever, prefers to think of as "mainstream." In 1979, the center published a 126-page attack on the World Council of Church's social activism in the third world. The study came to the attention of neoconservative social critic Irving Kristol, who suggested to Lefever in September 1979 that a study of the infant formula controversy would be "a natural for you because it involves churches."

"A few weeks later," according to the principals, Lefever had lunch with Herman Nickel, Fortune's Washington editor. During that lunch, at Washington's F Street Club, Lefever proposed that Nickel study the infant formula issue for EPPC and offered a $5000 fee, half to be paid on submission of the manuscript (due March 1980 but not yet completed), and half when the foundation published it.

Nickel says that at the time he knew nothing about EPPC's funding and "didn't think to ask about it." This was perhaps naive, but as any journalist will testify, the prospect of a significant fee can often lead to a willing suspension of cynicism.

Nickel expressed interest in the project but said he could not accept it until he cleared the outside assignment with his editor. Richard Lubar, then managing editor, gave his approval. Though time has rendered the circumstances of that go-ahead murky, the Post article describes the okay as "conditioned on [Fortune's] getting a 'spinoff' article," a description which current editor William Rukeyser vigorously denies. Nickel remembers that Lubar said he'd "always been interested" in the story and gave his approval with the explicit comment that "you can get a good Fortune story out of it." In any event, it is clear that Nickel began the research leading to the Fortune story with the promise of EPPC money.

Before he had actually begun work, he discovered to his dismay that the money came with strings attached—in particular that a three-person panel, including at least one representative from the infant formula industry, would review his manuscript before EPPC published it. Nickel was disturbed enough by this news that he got Lefever's agreement to terms he set forth in a letter stating that the presence of an industry reviewer on the panel "will in no way impair the independence of my study and my right to reach whatever conclusions I find are warranted by the evidence . . ." He did not, however, seek to alter the basic agreement, meaning that his article would go unpublished—depriving him of $2500—if it was vetoed by the panel's industry representative. Nickel, who has a decent reputation for independence, stoutly maintains he "will come to no other conclusions than those justified by my research into the evidence," but admits that "strictly, legalistically" such fealty could cost him $2500 if his evidence leads him in a direction contrary to that favored by the industry.

Nickel, still unaware of EPPC's funding, began his work toward the end of 1979. Meanwhile, EPPC itself, which had been affiliated with Georgetown University, was coming to what both sides describe as an "amicable" separation. In January 1980, it became an independent, fully tax-exempt institution, eagerly seeking public and corporate donations. Among the first companies Lefever contacted was Nestle.

By all indications, Nestle hadn't even heard of EPPC until Nickel began interviewing corporate officers for his study. But, as a spokesman at the company's PR agency explained, "if a study is undertaken in something in which you have an interest, you are curious about it. [Nestle was] curious about EPPC and looked into it." They read some of the center's publications, and met with Lefever, who cheerfully says he told them that while the center didn't undertake contract work on specific projects, its general fund did accept contributions: "They raised it," he reports, "and I said, as I always do, 'We'd welcome it—and please make it a big one.'" In what Lefever and Nestle officials maintain was sheerest coincidence, Nestle gave the center $5000—the amount Nickel was to receive—in March 1980—the month he was to receive it.

Because of assignments abroad and a personal health problem, Nickel missed his original deadline, and he was still working on the project for EPPC in the late spring when someone at Fortune asked him for an article on church activists, corporate re-

sponsibility, and the infant formula controversy. Whether the timing of this request was spontaneous or represented management's expectation that his EPPC work should by then have "spun off" a Fortune story is unclear. In any case, Nickel says, "I spent more time looking into the infant formula issue than I could have spent just for a Fourtune article. In that sense, I was a good deal for the magazine."

Nickel's Fortune article, though it is slanted in a way that routinely reflects the magazine's editorial policy, is not a loonily unbalanced attack on the industry's critics. There are some factual problems with it (his estimate of rising formula use in Algeria despite nationalized distribution comes slolely from industry sources and was flatly contradicted by the Algerian delegation at the May 1980 World Health Assembly), but the major objections to the piece have been directed less to its factual content than to its characterization of religious leaders active in the boycott as "Marxists marching under the banner of Christ."

The phrase, as it happens, wasn't written by Nickel, but was contributed by Fortune's editor, Richard Armstrong. Nickel, indeed, says, "I would not have used it. I did not use it. He felt that the evidence warranted it." But, in a way that implicitly undermines his protestations of independence in the forthcoming EPPC study, Nickel accepted the change.

Needless to say, the article was greeted with great rejoicing in Nestle's corporate headquarters, and a major proportion of the meetings Saunders held in this country last summer were devoted to the question of how best to exploit it. Enter ever-ready Ernest Lefever.

Under the "Actions Proposed" section of the leaked memorandum, Saunders writes: "There must be maximum exploitation of the opportunities presented by the Fortune article and the Ethics and Public Policy Center's willingness to undertake additional activity." Nestle USA's president, David Guerrant, was apparently less than enthusiastic about all this, for Saunders further notes that "Mr. Guerrant is somewhat concerned that Nestle should not be seen to be the dominant subscriber to the Ethics and Public Policy Center." Help, however, was at hand in the form of Nestle's Washington consul, Thomas Ward, of Ward, Lalos, Leeds, Keegan, and Lett. "Mr. Ward," the memo continues, "informs us that there are ways in which this matter can be handled, and . . . I suggest that Mr. Ward remain closely involved in follow-up activity with the Center."

Even a mind untainted by memories of the colorful methods of laundering money revealed during the Watergate investigation would read this passage as a suggestion that Nestle's contributions to the center be hidden, but a Nestle rep claims that the senior partner of a Washington law firm was merely suggesting that there was no problem because Nestle wasn't a dominant contributor.

Ward himself was unavailable for comment, and no one else in his firm was able to discuss the matter, but there was no question that Nestle—already planning to give the center an additional $20,000—was about to become EPPC's dominant corporate contributor. Lefever pooh-poohs the notion, claiming that the center received donations from 26 corporations during 1980. But he also admits that $25,000 was the largest contribution received from any single firm. More importantly, in May 1980, two months after Nestle's first gift, Lefever issued a report estimating EPPC's entire corporate budget for the year as slightly under $100,000—making Nestle the source of one-fourth of the center's corporate donations and indicating that Guerrant's fears were well founded.

But they were overridden, for the Saunders memo continues: "We should review the optimum mailing list for the Fortune reprint and then decide how to finance the operation."

Shortly after these meetings, Lefever's center received another $20,000 from Nestle. Lefever says that he had independently decided to reprint the Fortune article (with a preface identifying it as "a direct outgrowth of a comprehensive study of the infant formula issue that Mr. Nickel is writing for the Ethics and Public Policy Center") as an EPPC fund-raising device; but admits that "when Nestle saw Nickel's piece, they decided it would be good to use it." Shortly after receiving this second Nestle contribution, EPPC rented a mailing list of "community leaders" from a New York firm and sent out the largest promotional mailing in its history. Lefever says the mailing—including, of course, a reprint of Nickel's article (now retitled, without *Fortune's* permission, "Crusade Against the Corporation: Churches and the Nestle Boycott")—went to "several thousands" of community leaders, adding that "normally, we send out a few hundred." The mailing list, Lefever says, was not provided by Nestle, though he admits the center had never used the list, or any like it, before.

Fortune did its part as well in indirectly underwriting the distribution. When Lefever's center had reprinted an earlier piece of Nickel's on South Africa, it had been charged *Fortune's* standard rate of 10 cents per copy. "With all we wanted to reprint this time," says Lefever, "that wouldn't be possible. So I went to *Fortune*—to the top of *Fortune*—and pleaded for a flat-rate sale. They agreed to let us print as many as we wanted for a single fee of $150." Editor Rukeyser denies that he was "the top" in question, but confirms that the center got reprint rights for "a token fee." Thus *Fortune*, which had had an article's research partially underwritten by EPPC, donated the equivalent of several thousand dollars to Lefever's operation. And thus, of course, community leaders all over the country received, from a center which had no official connection with Nestle, reprints of an attack on the boycotters from a magazine which had no acknowledged connection with the center.

How well the strategy would have worked had the memo not been leaked can only be guessed; disclosure has certainly backfired on the company. But no crime seems to have been committed; Nestle's giving five times what the study cost to an organization that was supposedly studying it is surely in bad taste, but if processed-food companies went to jail for bad taste, the prisons would be overflowing. Rather, the memo and an investigation of the circumstances surrounding it give us a rare look at the operations of an informal Corporate Ministry of Disinformation—which we must prudently fear is the operative force behind much of the "objective" information we read.

A case in point is a recent *Wall Street Journal* article entitled "Politics and Baby Formula in the Third World," by our old friend Ernest Lefever. Though the article was published 10 days *after* the *Washington Post* revealed his connections with Nestle, Lefever is identified only as "president of the Ethics and Public Policy Center in Washington and author of 'Amsterdam to Nairobi: The World Council of Churches and the Third World.' " Asked if he had told the *Journal* that Nestle was a major supporter of the center, Lefever replied, "Of course not."

Behind the Boycott

Though there is no doubt that breast milk is the ideal food for infants—it is free, nutritionally complete, transfers immunity, and requires neither sterilized bottles nor potable water—the use of various bottled substitutes has increased dramatically during this century. Among non-breast-milk foods (absolutely necessary for some percentage of mothers), specially prepared infant formulas appear to be preferable on a purely nutritional basis, though they are markedly less cost-effective than other substitutes.

Until relatively recently, the sale of these formulas had been concentrated in the urbanized West, but with the decline in Western birth rates during the '60s and '70s, manufacturers faced flat or sinking sales and turned their attention to third world mothers. Since their aggressive campaign began, third world sales of infant formula have consistently grown at a rate of more than 10 percent per year, and some six million babies in less-developed countries now receive it.

Nestle supplies about a third of this formula, with estimated annual sales of $200 million to $250 million in the third world. Perhaps because of its background as a food company (virtually all United States formula manufacturers are pharmaceutical firms), Nestle became a leader in direct consumer advertising of infant formula on television, radio, and billboards.

In addition to its direct advertising, Nestle promoted itself in more insidious ways: Nestle employees, dressed as nurses, regularly "assisted" in "educating" new mothers in hospital maternity wards, and the company established "milk banks" where new mothers could purchase Nestle formula at a discount for the first couple of weeks after they left the hospital (i.e., until their milk dried up and they had little choice but to purchase the cripplingly expensive formula at its full price).

Though it is exceedingly difficult to prove scientifically that there is a link between promotion and sales (companies certainly believe in it; otherwise they wouldn't spend the money), it is clear that the decline in breast feeding which followed the aggressive merchandising of infant formula has created a number of public health problems in developing countries. A 1973 World Health Organization publication reported that a study of rural Chilean mothers, "There were three times as many deaths among babies given bottles before the age of three months as among those who were wholly breast fed. . . . As living standards improved, weaning was accelerated and a higher proportion of children were fed on the bottle alone. The anomalous consequence was that infant mortality rose with income."

Largely under the leadership of third world health professionals, an international campaign for the regulation of infant-formula sales was begun. Working through the United Nations (primarily UNICEF and WHO) and through national governments, the campaign showed marginal success. In 1975, for example, the manufacturers im-

plicitly admitted that something was wrong, when they formed the International Council of Infant Food Industries (ICIFI), whose aim was to establish self-regulation as the way of controlling the industry.

The changes recommended by ICIFI—described as unprecedented by the industry and as superficial by its critics—seem in either case to have been only half-heartedly implemented, and in 1977 a number of American religious and consumer groups announced a national boycott of Nestle products. The boycott, perhaps the only way for American citizens to influence the behavior of a Swiss-based multinational, has had only mixed success. Though it has clearly affected sales in some Nestle operations—most notably Stouffer's and the "fund-raising" division (which promotes sales of Nestle chocolates to high schools and civic groups)—its overall effect seems more successful as public relations than as an economic lever (Nestle has not hesitated to increase its U.S. holdings during the boycott, even of such "natural" targets as Beech-Nut Bady Foods).

But for all its troubles at home, the boycott—and the very real threat of further WHO and national regulation—has had some effect in the third world. In October 1979, ICIFI announced a new set of self-determined policies that would eliminate the most egregious marketing practices. Since then, the boycott's leaders have published a report charging 682 violations (by 34 companies in 50 different countries) of the self-imposed code. The industry specifically denied 112 of the initial 202 charges (the boycott coalition subsequently withdrew five of the 112 for lack of documentation), but has not responded to the remainder. As a result, the working coalition of third world health professionals and American boycott leaders is actively compaigning for stiffer national and international regulation at the upcoming WHO meetings in Geneva.

Thus the boycott—which the leaked memorandum describes as a "smouldering fire"—continues to disturb Nestle, which wishes to minimize consumer influence on the WHO (where it has continued to cultivate its own power by such time-honored mechanisms as job offers to prominent WHO officials whose terms of office are expiring). Thus, the corporate decision to discredit both the boycott and it organizers.●

KEEPING AN UNPOPULAR DESPOT AT ARM'S LENGTH

HON. TONY P. HALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. HALL of Ohio. Mr. Speaker, the recent visit of Pope John Paul II to the Philippines has served to focus attention on the Philippines and the government of Ferdinand Marcos. It was particularly significant—and appropriate—that the Pope issued a call for greater respect for human rights in the presence of President Marcos.

Stephen Cohen, former Deputy Assistant Secretary of State for Human Rights under the Carter administration and presently a professor at the Georgetown University Law Center, has written an interesting and timely analysis of the current political situation in the Philippines. In his assessment of the Philippines under Marcos, Mr. Cohen draws on firsthand information he acquired during two extended visits to the Philippines.

Mr. Cohen offers several specific recommendations with respect to U.S. policy toward the Marcos government. I hope that the new administration will adopt the policies outlined by Mr. Cohen. Mr. Cohen's observations underscore that an effective and consistently applied human rights policy truly is in our own national interest.

I commend Mr. Cohen's article to the attention of my colleagues:

[From the Washington Post, Feb. 22, 1981]

KEEPING AN UNPOPULAR DESPOT AT ARM'S LENGTH

(By Stephen B. Cohen)

Last Wednesday Pope John Paul II visited the slums of Manila. Afterward, a student spoke to the pope about his people's need for political freedom and economic justice. As the student knelt to kiss the papal ring, the pope lifted him up by his arms to embrace him and the crowd cheered.

Before mass audiences and face to face with President Ferdinand Marcos, the pope called for "greater respect for human rights" and electrified the Filipino people. He arrived in the Philippines one month to the day after Marcos declared an end to eight years of martial law.

The pope's strong appeal and the response he evoked raise a serious question: How much was really changed by Marcos' declaration? The answer is important to us because of our military bases there and the Philippines' role as a pro-Western country in Southeast Asia.

Despite the end of martial law, Marcos' exceptional powers are vitually intact. He can still legislate by personal fiat. He can detain, without trial, anyone he regards as "subversive." His family and friends, who seized all significant newspapers and radio and television stations when martial law began, continue to control the mass media.

Lifting martial law was more public relations than substance, designed to impress the new Reagan administration as well as the pope. The Marcos government is still regarded by a broad cross-section of Filipinos as corrupt, incompetent and frequently repressive.

How bad is official corruption? Filipinos from all walks of life say that it is more pervasive than ever before in their history and that the worst corruption involves Marcos, his wife Imelda and their families and close associates. One popular Philippine riddle goes: "How do you do the Marcos dance?" The answer: "One step forward, two kickbacks."

It is widely believed—and, in political terms, perception is reality—that the Marcoses demand a cut in major investment projects as the price of governmental approval and that the amounts accumulated by them run into the hundreds of millions of dollars. Even defenders of Marcos' record freely concede, as one said, that "he can be faulted for one thing: failing to stop corruption."

Filipino businessmen who are not part of the inner circle are expressing strong opposition to Marcos, at least in private, as they find themselves victimized by official favoritism and extortion. Using his power to legislate by fiat, Marcos exempts certain firms from taxes applied to all others. One Marcos ally in the filter cigarette business, for example, is relieved from customs duties that his competitors must pay. Another, who manufactures television sets, can import Japanese component parts without paying the usual taxes.

Another Marcos tactic is to force the sale of successful businesses at a bargain price to his close associates. Filipino businessmen fear doing too well lest, as one told me, "they notice your success and make you an offer you can't refuse."

A former correspondent for the Asian Wall Street Journal described the effect on the economy: "People are afraid to go into a new line of business, because one of Marcos' cronies, some of whom are just into primitive accumulation, may take it over."

The more desperate members of the business community have resorted to violence. Several, including one Harvard MBA, were arrested last year for joining a so-called "Light a Fire Group," which allegedly conspired to set fire to properties belonging to Imelda Marcos. Others have begun to finance the communist insurgency, in the belief that it will never be strong enough to seize power but may cause enough trouble to force a change of regime.

The Catholic Church, as well, has become increasingly open and strident in its criticism of Marcos. Last year a Catholic conference in the Southern Philippines began with a morality play about the pharaoh's abuse of Hebrew slaves in ancient Egypt. The Egyptian pharaoh, shown beating the slaves, bore an unmistakable resemblance to Marcos, and the Hebrews were dressed as Filipino peasants. The political message was clear: "Let my people go."

Over 80 percent of Filipinos are Catholic. They are by and large devout, and the church is the most important nongovernmental institution in the Philippines, with an extensive network of schools and hospitals. A large majority of the priests are staunchly anti-Marcos, and a significant minority now argue that violence is justified and required to achieve change.

The church hierarchy—about 50 bishops—periodically criticizes specific practices of the Marcos regime, including corruption, election fraud and the imprisonment and torture of political dissidents. The archbishop of Manila, one of two Philippine cardinals, has warned of civil violence if Marcos does not end authoritarian rule and permit fair elections.

Among all segments of the population, anti-Marcos sentiment has grown as the economy has deteriorated. Per capita income has fallen about 15 to 20 percent since Marcos declared martial law. Inflation ran 20 to 25 percent in 1979 and 1980, and wages have not risen to make up for the increased cost of living. While unemployment officially hovers at 5 percent, underemployment is four to six times as great. Roughly three-quarters of Filipino households have an income at or below the poverty threshold. The Philippine government estimates that 60 percent of all children are malnourished.

Every informed observer believes the economic position of the average Filipino will deteriorate further over the next five years. The best hope is that the decline will not be too abrupt or severe.

Although the Marcos regime is authoritarian, the repression has been neither indiscriminate nor unrelenting. Marcos' approach is to employ the minimum coercion

needed to maintain control, and even to ease up when to do so poses no threat.

For example, opposition politicians may speak out against the regime, provided the audience is not too large and the gathering is closed to the general public. In Manila, one opposition weekly newspaper is permitted and it regularly attacks Marcos' policies; but the editors are told that if circulation exceeds 20,000, they will be shut down. A critical account of martial law was circulated in an English language edition. But an edition in Tagalog, the native language of about one-third of Filipinos, was suppressed by the secret police and the author, a former Philippine president, was charged with sedition by a military panel.

During the first years of martial law, 70,000 individuals in Manila alone were detained for political reasons, and reports of torture and mistreatment were common. Most detainees have now been released, although about 1,000 political prisoners remain, and occasional cases of torture still occur. The government continues to use preemptive arrest when a mass protest or demonstration threatens.

Meanwhile, there has been an alarming increase in reported military abuses against civilians, with the Ministry of Defense registering 150 complaints a day during one period. Soldiers rarely come from the area where they serve and often abuse the local population to deter cooperation with local insurgents.

A typical incident was reported in the American press a few weeks ago. Alexander Garsales, a farmer, father of four and lay worker in a Christian social action group, was seized at home by soldiers. Five weeks later his body, hands tied behind his back, was discovered in a deep hole in a nearby field.

What are the chances of a popular explosion, as in Iran? Filipinos do not appear likely to engage in mass action against the regime, either at this moment or in the immediate future. While anti-Marcos sentiment is increasing, the opposition to the regime is neither well organized nor particularly effective, in part due to restrictions on the exercise of political rights.

The moderate opposition centers around half a dozen former members of the pre-martial-law Senate. They waged an effective political campaign against Marcos during the 1978 parliamentary elections, and polls predicted that their slate would win most of the Manila area seats. The election, however, was marked by pervasive fraud, ballot-box stuffing and voter intimidation. When the votes were counted, the opposition failed to gain a single Manila seat; in some precincts, the Marcos candidate was reported winning unanimously. Since that campaign, the ex-senators have limited their activities to speaking before small audiences, circulating political newsletters and manifestos and organizing occasional demonstrations and protest marches.

The other major organized opposition is the New People's Army (NPA) communist insurgency. The Philippine government estimates its armed strength at 3,000 to 5,000, with sympathizers in the tens of thousands or more.

Over the past few years, the NPA has acquired a Robin Hood image because of its "good behavior." Unlike the Philippine armed forces, which are notorious for preying upon the civilian population, the NPA actively seeks the allegiance of Filipino peasants.

One attorney, practicing in an area where the NPA is active, commented: "Local inhabitants are concerned when the NPA moves out. I have clients worried that cattle rustling and robberies will start again. The NPA represents law and order. They say they feel more secure with the NPA than the military."

Despite its increasing acceptability, the NPA does not now threaten the regime, nor is it close to mounting an effective challenge. It is many times outmanned and outgunned by the 250,000-man Philippine army.

But can one confidently predict that popular opposition will not threaten Marcos over the next five years? With the trends in anti-Marcos feeling and the deteriorating economic position of the average worker, spontaneous protests could erupt. If the NPA continues to exploit its Robin Hood image, it could create a broader-based movement over the next decade. Assassination also is a constant danger to Marcos. Two hundred current and former military officers were reportedly arrested last year for planning a New Year's coup attempt.

Even if Marcos is not forced out by others, he is approaching age 65. Some time in the not too distant future, if nothing else intervenes first, either ill health, old age or death will end his rule.

Whether or not Marcos survives the next five years, our interests will be affected by the evolution of Philippine attitudes toward us. The long-run prospect is for increasing nationalism, assertion of Philippine self-worth and anti-Americanism.

We have benefited so far from widespread pro-American feelings. Filipinos admire the United States and most things American. A university professor who is a vociferous opponent of Marcos and of American aid to his regime told me, "Our problem is that Filipinos are American-lovers."

In the future, however, pro-American feelings are likely to lessen. There is a wide difference in how older and younger Filipinos view the United States. Among the older generation there is strong pro-American sentiment, a product of our joint struggle against Japanese occupation of the Philippines in the 1940s, the granting of independence in 1948 and American aid over the years since.

The younger generation (over 50 percent of the population) knows less of World War II and the immediate postwar years. Its formative political experience has been government under Marcos, and younger Filipinos increasingly resent us for supporting his regime.

The critical issue for our foreign policy is how to protect U.S. interests in the Philippines—not just for the moment, but for the longer term as well. As of today, our position is not as secure as it should be, because we are too closely identified with the Marcos regime.

A centrist Filipino journalist told me: "There is a perception that the U.S. is selling the Filipino people down the river, that the U.S. is willfully supporting Marcos. You need to be less supportive."

The primary cause of this perception was a new agreement in 1979 which doubled the amount of military aid provided to the Philippines in return for the use of our bases there.

The object of increasing aid was to secure our access to the bases. Instead, the new agreement has increased the risks by associating us with a regime that so many Filipinos find repugnant. One opposition leader recently commented that our support for Marcos could lead to "widespread and open hostility [which could] render these bases eventually untenable."

Moreover, while the term of the previous base agreement ran until 1991, the new one provides for review of its provisions by January 1984. At some earlier date, the process of review and renegotiation will begin, thereby increasing once again our identification with Marcos.

How will the Reagan administration conduct relations with the Philippines? There are already signs that it will read—or choose to read—the end of martial law as genuine progress, justifying warmer relations with the Marcos regime. President Reagan met with Imelda Marcos in New York for an hour last December, one of the few exceptions he made to his own rule against seeing foreign leaders before his inauguration. And a meeting between Marcos and Reagan (something that Marcos assiduously sought but never obtained from Carter, Ford or Nixon) is being considered.

Instead of seeking warmer relations, the United States should distance itself from the Marcos regime. While there is essential business which we must conduct, the relationship should be more cool, correct and formal than it is today. In concrete terms, how might we conduct a diplomacy of distancing?

We should abstain from unnecessary public acts that indicate our support for the regime. There should be a ban on high-level official visits to Manila, such as the 1977 trip of Vice President Mondale. Our ambassador should be instructed to avoid public appearances with the Marcoses that are trumpeted in the Philippine press and taken as a sign of our approval. And Marcos must not be invited to Washington.

Furthermore, we should adopt a position for the 1984 review of the new base agreement designed to disassociate us from the worst practices of the regime. As a sign of concern over widespread military abuses, for example, we might propose shifting part of the base compensation package from military to economic assistance.

A prudent foreign policy would recognize the growing opposition to Marcos, the approaching end of his rule and the unfavorable trends in Filipino attitudes toward the United States. It would therefore be designed to lessen our identification with Marcos and his government.●

SUMMARY STATEMENT ON BEHALF OF THE SMALL BUSINESS COUNCIL OF AMERICA, INC.

HON. JACK BRINKLEY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. BRINKLEY. Mr. Speaker, it is a genuine pleasure to share with the House of Representatives the attached summary of the statement given by Mr. Morton A. Harris on behalf of the Small Business Council of America, Inc., to the Senate Finance Committee Subcommittee on Savings, Pensions, and Investment Policy on February 24, 1981.

Mr. Harris and I began our practice of law in the city of Columbus, Ga., about the same time, and Mr. Speaker,

I know you will understand the pardonable pride which I take in his life and service. Morton's accomplishments include presidency of the Small Business Council of America, Inc. and immediate past chairman of and presently special adviser to the professional service corporations committee of the American Bar Association's tax section. He is a leading lawyer in the Southeastern United States, and I commend his views to the attention of all the Members.

STATEMENT OF MORTON A. HARRIS

This statement is submitted on behalf of the Small Business Council of America, Inc., a nation-wide organization of business and professional men and women whose aim is to monitor and comment on federal tax and employee benefit legislation on behalf of small business corporations.

The Small Business Council of America, only two years old, has a growing membership, presently covering 43 states. The organization has both a legal and a business advisory board which includes leading tax attorneys, accountants, tax and employee benefit consultants and, well-known business owners located throughout the country.

I am President of the Small Business Council of America and am also a practicing attorney in Columbus, Georgia. Many of my law firm's clients are owners and principals of small businesses.

SUMMARY OF STATEMENT—S. 12 AND S. 243

In general

The Small Business Council of America (SBCA) strongly supports and commends Senator Dole and Senator Chafee (and others who may become sponsors of S. 12 or S. 243) for seeking ways to encourage savings by individual employees for their own retirement and the education of their children.

The SBCA generally supports both S. 12 and S. 243 which, the SBCA believes, will provide a significant incentive to encourage employees to voluntarily contribute to either a qualified retirement plan, if they are covered and if the plan contains provisions for such contributions, or, in lieu thereof, to an individual retirement account (IRA).

The SBCA strongly supports the traditional concept that there are three fundamental elements of retirement security: (1) Social Security as a base, (2) private employer sponsored retirement plans, and (3) individual savings. Therefore, the SBCA favors and supports economic incentives which encourage the adoption and expansion of privately sponsored retirement plans and which encourage employees to individually save for their own retirement.

Although economic incentives of the kind embodied in S. 12 and S. 243 will not, alone, "cure" inflation and will not totally protect employees in their retirement, these bills are constructive steps which will tend to mitigate inflation and assist employees in providing for their own retirement.

The SBCA has previously supported similar bills and has submitted a position paper to the President's Commission on Pension Policy on November 29, 1979, dealing with matters of the kind involved in these bills. Since there is not time to restate all of the points which can be made in support of these bills at this hearing, I refer you to our position paper for detailed information and statements of our support for legislation of the kind here under consideration.

Recommendation for improvement

If the incentives provided in these bills are to give meaningful encouragement to private savings, two changes in the legislation should be considered.

1. Need for Equality Between Qualified Plans and IRA's. There should be no distinction between an employee who is covered under a qualified retirement plan and one who is not insofar as the dollar limit of the voluntary deductible contribution; otherwise, there will remain incentives for employees in certain instances to opt out of the qualified plan.

2. Need for Higher Deductible Contribution. The amount of the deductible contribution should be increased to a higher level, at least $5,000.00 per year, to encourage savings at a meaningful level for both lower and middle income employees earning less than $35,000.00 per year. The SBCA feels that the amount of the deductible contribution should be: (1) large enough so that the deductible amount will adequately encourage a level of retirement savings which is significant for a majority of America's employees; and (2) large enough so that the administrative costs involved will not be so great in relation to the amount of the deduction that it diminishes the incentive intended by these bills. For example, with a $1,000.00 per year limit, there can be only a maximum of $20,000.00, plus earnings, saved over a period of 20 years. In light of present inflationary conditions and future expectations, this level of savings cannot give many people a feeling that they could adequately save for their own retirement.

Conclusion

To summarize, it is important that there be an equal deductible contribution limit (whether or not covered by a qualified plan) as provided for in S. 243 which will remove any incentive for individuals to withdraw from participation in a qualified plan in order to participate only in an IRA and receive a higher deduction. Thus, if $1,000.00 is the limit on deductible contributions as provided for in S. 12 while $1,500.00 is the limit on IRA's, then some individuals will still find it to their benefit to drop out of qualified plans in order to establish IRA's.

Of the two legislative proposals dealing with employee contributions, we urge the format of S. 243 with a $5,000.00 deductible limit for the reasons stated above.●

REALISM AND RHETORIC IN THE BUDGET BATTLE

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. MILLER of California. Mr. Speaker, there is general agreement in the Congress and the Nation of the need for reductions in the Federal budget. Surely the major job of the 97th Congress will be the thorough examination and paring of Federal expenditures. As we undertake this task, I think it is extremely important that we make clear to the American people just how difficult the job will be and how dramatic the impact of budget reductions will be on the rate of inflation.

It is my hope that the administration will keep in mind the need to use realism as well as rhetoric toward this mutually desired end. Utilization of inaccurate statistics and jumbled analyses in order to serve partisan political purposes would be very unwise. The American people have indicated their support for budget cutbacks, even if they are painful; the Congress will hopefully join the administration in challenging the vested interests of the powerful as well as assaulting the programs designed to assist the unemployed, the ill, the poor, and the hungry.

A recent column in the Washington Post by Clayton Fritchey illustrates the rhetorical excesses of some recent administration statements about the economy. Mr. Fritchey suggests that we utilize more realism in describing the severity and nature of our economic plight: perhaps then we would find Americans better informed about our problems and more willing to cooperate in solving them.

The article follows:

* * * OF THE BUDGET MELODRAMA

(By Clayton Fritchey)

Two months ago, an admirer and backer of Ronald Reagan predicted (in The American Spectator) that when the president "sits down with his advisers to consider budget recommendations for the first fiscal year of his administration, he will be forced to confront—as policymaker rather than campaigner—a set of facts that may well make him wish he had gone into some other line of work."

Things have hardly come to that. Nonetheless, if the public is confused over how Ronald Reagan's much-heralded economic package is going to work, it has good reason. Even some of the president's longtime advisers, including six former chairmen of the Council of Economic Advisers, have some misgivings about its size, shape and timing.

This much seems certain: when the first flush of excitement over the Reagan package wears off, there are going to be many surprised and disappointed Americans, especially those who believed everything they heard during the recent presidential campaign.

As things are shaping up, the 1981-82 tax bill, regardless of what the new administration intends, is not going to be less than it was in 1980, but much more. As the fiscal 1982 budget stands, it calls for an increase of $107 billion in tax revenues. The Reagan men hope to lop $50 billion or so off the tax bill, but even if they succeed, the bottom line will still be an increase of $50 billion or more over last year. So what is really at stake is not a tax reduction in the accepted sense, but simply a potential reduction of the scheduled increase.

President Carter's budget projects expenditures of $739 billion. Reagan hopes to cut that by about $40 billion, but it is a sound bet that the final spending figure will be closer to the Carter mark. When Congress gets through with the Reagan program, the proposed cuts will probably not greatly exceed $25 billion, and that saving would be cancelled out by the administra-

tion's plan for increasing military expenditures by $25 billion or more.

The 1982 budget estimates a deficit of $27 billion. Obviously it will be much larger than that if expenditures remain about the same, while estimated tax revenues are cut by around $50 billion, as planned. In that event, spending would total $739 billion as against receipts of around $660, leaving a deficit of almost $80 billion, or even more with continued stagflation.

President Reagan is being ill-served by his advisers when they provide him with melodramatic statements and statistics that can't stand scrutiny, as was notably the case in his recent television speech on the state of the economy. Who, for instance, is going to believe that we are in "the worst economic mess since the Great Depression"?

Back then 25 percent of our workers were unemployed, the banks were closed, and we were fighting deflation rather than inflation. Today, the banks are secure, and 60 percent of all persons of working age are employed, and all-time high. That adds up to 97.7 million jobs, with another 415,000 added last month.

Reviewing the American standard of living since 1960, Reagan says, "We all know we are very much worse off," whereas in fact, average personal income, even after allowing for inflation and taxes, has almost doubled in that period. Gardner Ackley, former chairman of the Council of Economic Advisers, bluntly says, "Clearly in every respect we are better off than we were then." Much better off, other economists would say.

The president says "we have too much money chasing to few goods," although the problem is just the reverse in many of our largest industries, such as autos and steel, where supply far exceeds demand. Plants in the United States are operating at less than 80 percent of capacity.

Finally, the president warns that business is being taxed so hard that it is "being priced out of the world market." Actually, exports in 1980 were 22 percent higher than in 1979. Foreign trade, reports The Wall Street Journal, "which once played only a minor part in the country's economic picture, now occupies a huge, rapidly expanding role."

Are we, a Reagan asserts, "threatened with an economic calamity of tremendous proportions"? In the wake of that speech, the financial pages have been dominated by headlines like these: "Corporate Profits Rise 10 Percent," "Gross National Product Jumps 5 Percent," "U.S. Industrial Production Gains Fifth Month In a Row, Dollar Scores Fresh Gains."

The moral seems to be: Don't sell America short.●

AFTER TITO, A STRUGGLE—PART II

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. McDONALD. Mr. Speaker, part I of this article appeared in the CONGRESSIONAL RECORD for January 16, 1981, on pages 392 and 393. Part II covers World War II events up to the present. I recommend this concluding article by Hilaire du Berrier to the attention of my colleagues. A future chapter in this story will record whether President Reagan supported the forces of freedom in Yugoslavia, minus the heavy hand of Tito, or the forces of communism. Part II follows:

AFTER TITO, A STRUGGLE—PART II

General Dragoljub-Draza Mihailovich was 48 years old when a message reached him in the Bosnian town of Doboj, on April 16, 1941, ordering him to surrender the motorized unit of the IV Yugoslav Army. Disregarding the order, Mihailovich and his aide-de-camp, Miodrag Palosevich, sabotaged the materiel they could not take with them and led their followers into the hills of Upper Serbia. On April 19 he planted his flag on the plateau of Ravna Gora and launched what was to be his war cry: "With faith in God, for King and Country!" Again and again Mihailovich and Captain Hudson tried to establish a common front against the Germans, but the aim of the partisans was to survive the war, to let the Germans exterminate the royalists and hold Yugoslavia when the war was over.

Towards the end of 1942 Generals Glaise and Globotschnik, the German commanders in Yugoslavia, established a permanent arrangement with Tito and his partisans. Regularly they exchanged prisoners and information, and Tito's former comrade, Milovan Djilas, tells in his book, "Wartime," how Tito arranged a truce with the Germans in early 1943. The partisan leader was to be recognized as supreme chief of Slovenia, Croatia and Bosnia-Herzegovina, his partisan groups were permitted to leave areas where they were encircled and the Germans would be free to concentrate on the British while the partisans were destroying Mihailovich. The truce lasted until the end of 1943 when the German High Command assured Hitler they could wipe out Tito's 12,000 guerrillas and 130,000 supporters anytime he gave the order. Still, the British tried to bring Tito into a unified war effort. Sir Fitzroy Maclean and Randolph Churchill, the son of the Prime Minister, were sent to plead with the partisans but Tito continued to take orders from Moscow and as the flow of duped Americans assured him of Washington's support he was less inclined than ever to listen to the British. Milton Katz, the man to whom Averill Harriman turned for the green light on Jimmy Carter, gave all the assistance he could from his OSS base in Caserta. Colonel Henry Mays was to earn Tito's eternal friendship and a decoration and Colonel Richard Weil, Jr., the son of the owner of Macy's Department Store, was invaluable to Tito and his reds. It was easy for a young American during the years when Stalin was Roosevelt's "Good Old Joe" to be taken in, but others in that list too long to name were out-and-out communists.

Tito's attacks on isolated German groups, after the Germans broke their truce, became heroic battles when recounted to the Americans attached to the Tito camp. What they never realized was the frightfulness of the German reprisals on helpless civilians. Over 7,000 Serbs were massacred to avenge Tito's killing of 123 Germans. When Mihailovich tried to take the German strong point at Kraljevo, Tito remained in his camp and let the Germans encircle Mihailovich's 4,000 attackers. Not only did Tito kill more Yogoslavs than the Germans but because of him the Germans killed more Yugoslav hostages than Hitler ever lost to Tito. Shortly after the Germans broke their truce and in so doing forced Tito to look like a patriot, an attractive communist agent named Vera Posic gained the confidence of the British mission to Tito, with the assistance of two known communists on the inside. From that moment the partisans were given credit for Mihailovich's victories and London was conditioned for a change in alliances. General Albert Seitz, one of the Americans who had no delusions about the reds, protested with all his might, but he was up against Vera Posic's recruits and Americans such as Major Louis Huot, the Minnesota OSS officer who joined the reds on his own initiative.

The Teheran Conference of December 1943 decided Mihailovich's fate. Abandonment of Mihailovich meant the death of 500,000 loyal Yugoslavs. Between September and December 1944 Tito executed over 30,000 Mihailovich's soldiers under the approving eyes of General Tolboukhine of the Soviet Army. Between 200,000 and 300,000 more were handed over to Tito by the British after the German surrender in May 1945. All were executed. Of the 3,677,777 Yugoslavs who entered Tito's prisons between October 1944 and May 1951, there is no record as to how many came out. Churchill always maintained that he hoped to limit Russian expansion in the Balkans but that Stalin and Roosevelt lined up against him at Teheran and forced the signing of an accord with Tito in June 1944, which was violated clause by clause. Shortly after the June 1944 agreement, Tito was wounded and had to be transferred to Rome for treatment. There Churchill met him in the Grand Hotel and British authorities later agreed that the man who charmed Churchill was not the original Tito but his substitute, the polished Lebedev whom Tito's mother refused to recognize as her son. Churchill left Rome filled with enthusiasm for the man who had promised eternal gratitude and friendship for Britain. Where he had anticipated meeting an awkward Balkan peasant, he thought he had found a gentleman on whom he could count. "That man isn't a communist," he told his friends, who opposed forcing King Peter II to make the famous broadcast of September 1944 in which he called on all Yugoslavs to rally to Tito. Tito showed his gratitude by refusing to let the King return to his country. Years later, at the marriage of Princess Elizabeth, Churchill saluted King Peter and confided in an undertone: "Forgive me, Your Majesty. I was shamefully deceived."

Mihailovich continued to fight on. Lieutenant-Colonel Robert MacDowell, the American assigned to him, was probably Mihailovich's closest friend among the allies. Yet, Mihailovich continued to believe that America would see what was going on and send him supplies. The Serbs were loyal to him to a man and he was still successfully blocking German passage of the Danube when Tito-Lebedev received orders from Stalin to invade Serbia at all costs and link up with Marshal Malinovsky, the Russian commander in Romania. Lieut-Colonel MacDowell told Mihailovich to stand firm, that American aid was coming, and twenty-four hours later Tito proclaimed himself head of the government of Yugoslavia. As head of government and commander-in-chief of the Yugoslav Army, he called on Russian forces to come to his aid. It was a move that has since become classic and may soon be repeated in most of the states in the Yugoslav federation.

The first reaction of British commanders was to go to Mihailovich's aid, but a telegram from Churchill called them back and

the red army entered Serbia. Still believing in America, Mihailovich withdrew to the mountains of Upper-Serbia and Bosnia for a last stand. Before flying out on November 15, 1944, MacDowell begged him to go with him, to live out his life in exile, in America. Mihailovich refused. Sacrificed by the accords of the head of Teheran and Yalta he continued to hold off Tito and the Russians until his capture by the head of the Yugoslav GPU (Military Intelligence) in April 1946. The official version states that Mihailovich was executed by firing squad at the camp of Jajinci, 8 miles south of Belgrade, on July 17, 1946. Reliable witnesses state that he was thrown to savage police dogs in the prison courtyard, under the eyes of Milovan Djilas's wife, who was known as the Yugoslav "Passionaria," before her husband himself went to prison.

The story of Tito's substitution by a double could be verified if any nation found it in its interests to do so. On September 28, 1948, the Berlin editor of the Flensburger Tagblatt received a report from Belgrade on the Tito-Lebedev mystery. As late as 1971 a Belgrade woman who knew the original Tito wrote a confidential report stating that the Head of State was not the Tito she had known. Your correspondent has talked to people who knew both the nine-fingered Tito and the Tito with ten. The London Sunday Telegraph, of October 29, 1978, suggested that Mr. Norris McWhirter write a book on the Tito-Lebedev exchange. An abundance of papers and letters exist providing reasonable doubt as to the true identity of the man in the coffin before which the estranged Jovanka wept in the great hall of the Parliament in Belgrade. The question that remains is: Why did the man who was placed in power by the Kremlin defy Stalin in 1948?

One explanation is that the man we knew as Tito was a Stalinist by ambition, Djilas by imagination, Rankovitch by passion and Kardelj by conviction. The Stalinist Tito with a missing finger would have been willing to follow Moscow's orders at the head of a Balkan federation, but he had seen too many men disappear to be willing to put himself completely at Stalin's mercy. The medal-bedecked ex-czarist knew how determined Stalin was not to tolerate any Yugoslav leader with too many friends in the Italian, Albanian and Bulgarian communist parties. His break with Moscow came at a period when Stalin was unleashing another purge. Old comrades from the International Brigade in Spain were disappearing for knowing too much and Jewish communists who refused to forget the pact with Hitler were poor insurance risks. The final break came in early 1948 when Stalin installed the new Komintern in Belgrade. To a man who knew Stalin's methods it was time to break ranks and arrange for a fall-out of secrets that would shake the world if anything were to happen to him, and this is what Tito did.

Twenty-one days after Stalin died, Tito sent his trusted lieutenant, Josipovic, to Moscow on a secret mission and the same sort of truce that had been arranged with the Germans in 1942 was ironed out. It has held until this day. But now Tito is gone.

There was no threat of an open attack on Yugoslavia over the years, but as in all the other communist countries, men waiting for Moscow's orders wormed their way into ministries and key services in the communist parties of Yugoslavia's six republics and two autonomous regions. And America has guaranteed the independence of this mosaic of infiltrated nations! There are two alphabets, Latin and Cyrillic, eleven minorities and at least nine languages, including Serbia, Croatian and Slovenian-Macedonian in the Yugoslav package of peoples. There are four religions: Islam, Orthodox Christian, Catholic and Judaism. Nationalist break-away movements have kept the Serbs, Croatians, Slovenians, Montenegrans and Macedonians plotting for years, and surrounding the lot are seven neighbors, four of them communist, Italy, communist in all but name, Austria, neutral, and Greece unstable.

The politically astute Carter dodged any formal commitment when Yugoslav Defense Minister Nikola Ljubicic went to Washington to purchase arms in September 1978, but U.S. Defense Secretary Harold Brown declared: "Any aggression against Yugoslavia, any violation of its territorial integrity or its independence will be considered a serious menace by Washington." Certainly it will, but what will Washington do if Yugoslav communists invoke the Brezhnev doctrine and call on Moscow for aid? European consensus is that Afghanistan was a test case, to see how far America will go. The conclusion is that America is weak and Europe afraid.

Foreign Minister Andrei Gromyko was not lying when he told the Yugoslav ambassador to Moscow on May 5, 1980, that the Soviet Union would not attack his country. Communization of Yugoslavia when it comes will be an expression of the will of Yugoslavia already in place and if the Russians come it will be by invitation.

The last chapter of the Tito-Lebedev story is not going to be changed by America unless a great strengthening of will takes place.●

LEGAL SERVICES CORPORATION

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. WEISS. Mr. Speaker, the Legal Services Corporation has played a crucial role in our Nation's civil justice system since its establishment in 1974. The following article appeared recently in the New York Law Journal by Acting New York State Supreme Court Justice Leonard Cohen in support for continuing the excellent work of the Corporation.

[From the New York Law Journal, Feb. 3, 1981]

DECREASED FUNDING IMPERILS LEGAL SERVICES

To the Editor:

The recent Law Journal articles "Cutback in Funds Feared by Legal Services" by Martin Fox and "Funds for Legal Services Corporation Urged to Provide Court Access to Poor" by Archibald R. Murray, point up the necessity to mobilize the bar and public opinion in support of this sole federally funded program for equal access to the civil courts of our nation by those unable to afford private counsel.

Judges have a stake in the Congressional reauthorization of an adequately funded Legal Services Corporation, without restrictive amendments, because of our unique responsibility to ensure that justice is administered equally and fairly in the courtrooms. This is especially important in our city's civil courts where pro se litigants, lacking funds for counsel, are often deprived of adequate representation. Moreover, hundreds of thousands of people in our city, mostly blacks and hispanics, have no one to turn to for advice and counsel prior to litigation involving their non-criminal legal problems.

Decreased funding is one peril facing the Legal Services Corporation. Other perils are Congressional proposals which may undermine this program by imposing unreasonable restrictions on the legal services permitted, such as migrant labor and alien representation; abortion related litigation; and administrative and legislative advocacy. In addition, there are proposals to allocate 50 percent of federal funds to the private bar, often mislabeled "Judicare." Characterizing such proposals as "Judicare" implies an element of judicial approval which is untrue and therefore misleading.

Such efforts may serve as a prelude to cripple the morale of the dedicated staff, structured and attuned to the local needs of their clients.

Although the private bar has and ought to continue to make substantial contributions to the representation of the disadvantaged, it cannot adequately duplicate the structured commitment and continuity of independent and non-partisan staff concept, devoted exclusively to their disadvantaged clients. The training, experience and commitment which the Legal Services Corporation has developed for its professional staff should be expanded and encouraged rather than downgraded and reduced.

As judges, we sought to be in the vanguard of support for continuing the Legal Services Corporation which channels $20 million annually to our state, employing about 400 staff attorneys. Often we are the last resort for people in the resolution of their civil disputes and we should not sit back and watch the slow demise of a national policy and program protective of equal justice under the law.

Our city reflects the growing national gap of inequality because of race and economic class, the impact of which ends up in the courthouse. The Legal Services Corporation, imperfect as it may be, is one way to bridge this inequity. It seems to me that we, as judges, together with the organized bar and other concerned groups, ought to reinforce this bridge consistent with the true administration of justice and make our voices heard loud and clear in the halls of Congress.

LEONARD N. COHEN.●

COMMITMENT TO COUNTRY

HON. HANK BROWN

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. BROWN of Colorado. Mr. Speaker, each year the Veterans of Foreign Wars of the United States and its Ladies Auxiliary conduct a voice of democracy contest. The contest theme this year was My Commitment to My Country.

The winning speech this year from Colorado was submitted by 17-year-old Michael Sarchet, a constituent of mine from Fort Lupton, Colo. Although patriotism has not always been fashion-

able in recent times, I feel Michael has articulately expressed what it means today to love one's country. I commend his comments to my colleagues.

1980-81 VFW VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM COLORADO WINNER

When I was five years old, my kindergarten teacher taught me these words: "I pledge allegiance to the flag of the United States of America." I didn't yet understand what I was saying, but I was making a commitment, a commitment to my country.

Yet how could I or any one else be committed to a country, or to a flag? For a country is only a set of boundaries drawn on a map, and a flag is only a piece of cloth meant to represent something else entirely different. To these things alone I cannot be committed. Yet I do have a commitment. My commitment is to a nation of people who live within my country's borders, to their ideals of freedom and justice, and to the people all over the world who share these ideals, for they also are my countrymen.

It is to these ideals and to these people that I, and the rest of the nation must be committed, not only in word but in deed as well, for commitment is a reality that is shown through action. It is such an easy thing to say "I believe" but this is not commitment. Your commitment speaks for itself with every action you take and every deed that you do. To fulfill our commitment to these ideals and to these people to whom these ideals belong, we therefore must take on certain responsibilities: the responsibility of using our voice in government, the responsibility of defending our liberty, and the responsibility to our future.

Our first great responsibility is to use our voice in our nation's politics. To fail to do this is not only to fail to use and protect one of our greatest rights, but it is also a failure to insure that America continues to have conscience. America is capable of injustice as well as justice, it has the potential to be as wrong as it is right but by using our voice in government we the people can change what is wrong and unjust. By voting, by writing our representatives, and by standing up for what we believe is right we become our nations conscience.

The second great responsibility is that of defending our freedom. Our freedom was bought with blood. Men died so that we the children that they would never see could be free. We therefore must also be committed to insuring the freedom of our children, no matter what the cost.

This is our greatest commitment. It is to our future, to insure that the freedom, the liberty, and the justice that we inherited from out past will still be there for our children to give to their children.

If we leave this world a little freer, and a little more just than it was when we inherited it, then people will know that we did fulfill our responsibilities, and that we had a commitment, not to a boundary, or to a flag, but to the ideal of freedom, and to a nation of people who love that ideal, wherever they may be in the world. It is this commitment that made a few men fight and die for freedom in 1776, and it is this commitment that may someday let all human beings walk free.

To this end "I pledge allegiance to the flag of the United States of America" and to the commitment for which it stands.●

RECREATION FOR ALL CHILDREN AT ADVENTURE ISLAND

HON. TRENT LOTT

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. LOTT. Mr. Speaker, Adventure Island Playground located in Pascagoula, Miss., is a unique facility and a real treasure chest for children ages 14 and under. The new playground is especially geared to handicapped children in the area and is the first park not associated with a facility for handicapped children to center on developing motor and perceptual skills.

Many recreational facilities for handicapped children are isolated and set apart from areas reserved for so-called normal children. This new playground will allow mentally and physically retarded children to interact on a one-to-one basis with nonhandicapped children, allowing each to benefit from the other. It is intended to be not only a device for exploration but also an extension of the more traditional methods of teaching handicapped children.

An interesting aspect of the facility is its use as a device for the physical therapist. Both handicapped children with poor muscle tone as well as children with broken bones can benefit from a program of exercises designed to use the playground equipment in strengthening muscles and maximizing muscle tone and movement. In fact, a local physical therapist is developing rehabilitation programs using playground equipment as a part of the therapy. Regarding the equipment itself, each piece is to be accessible to handicapped children and surprisingly enough that includes almost all of the usual playground apparatus.

One of the most important parts of the program is the role of volunteers in making Adventure Island a success. If the time of these volunteers were to be counted in determining the total cost, the bottom line figure would be considerably greater than it is. However, numerous individuals in the Pascagoula area have given of themselves and their talents to make this a prime example of a program which successfully incorporates Federal and local efforts and financing to reach a common goal.

The people of the city of Pascagoula are bubbling with excitement over this novel idea which has become a reality. They deserve to be proud of such an achievement and I congratulate them on their success.●

INFLATION BENEFITS THE RICH, NOT THE POOR

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. MICHEL. Mr. Speaker, we continue to hear the hue and cry that President Reagan's proposals to cut Government spending, taxation, and inflation will hurt the poor when, in fact, the opposite is true. Government-fueled inflation, which reduces the purchasing power of the currency and pushes working Americans into higher tax brackets, is rapidly reducing the middle class into the ranks of poverty and making the poor worst off, while simultaneously benefiting the powerful and well off.

The Wall Street Journal of February 24 carried three articles of interest which I would like to call to the attention of my colleagues. The first is an editorial, "Crash Course," showing the illogical economic thinking of congressional Democrats and the news media on President Reagan's proposals.

The second editorial, "Meanwhile in Autoland," notes the tax revolt in Michigan by 3,500 autoworkers.

The third article, "The Rich Got Richer From History's Inflations," is a review of a recently published book reminding us that past and present inflations benefit the privileged while impoverishing everyone else, particularly the poor, the workers, and the small businessmen.

Mr. Speaker, it is time we stopped the game of political charades and move rapidly toward enacting the President's package of spending and tax cuts. Ending the price spiral will insure that the winners will be the poor, the retired, and the working American. The losers will be the rich and privileged.

The articles follow:

CRASH COURSE

The nation is getting a crash course in economics from President Reagan's plans for tax rate cuts, budget program reduction, regulatory relief and monetary restraint. The ensuing debate promises major advances in economic thinking.

A novel and intriguing explanation of inflation, for example, has already emerged in press and congressional reaction to Mr. Reagan's tax plans. To wit, the cause of inflation is a reduction in the rate of tax increases. At least, that would seem to be the logic behind the worries that it would be inflationary to pare back scheduled tax increases in the way Mr. Reagan's plan proposes.

We particularly loved the variant of this theme offered by columnist Tom Wicker. This is a bad time to cut taxes, he suggested, because the reduction would be "an added inflationary pressure to those already unleashed this year." Among the pressures already unleashed he included "a sharp rise

in Social Security payroll taxes." Whew, if tax cuts cause inflation, and tax increases also cause inflation, no wonder it is such an intractable problem.

Up on Capitol Hill, meanwhile, the chairman of the Ways and Means Committee thinks he needs a couple of months to sort things out. Rep. Dan Rostenkowski is new to his job, and says he will need a lot of public hearings on the Reagan proposals. Last week he was saying a tax bill couldn't be reported to the House floor until mid-May, and by this week that had already slipped to late May. Since Mr. Rostenkowski was working on tax matters on Ways and Means long before he became chairman, we kept wondering what it was he needed to know.

The answer became clear upon pondering the Democrats' televised response to the Reagan message. They need a little time to figure out how to change the tax code in ways that will encourage more savings and investment, but will not give more money to those taxpayers who save and invest. Two themes ran through the broadcast by three Democrats—that the Reagan plan did not have enough economic stimulus and that by cutting taxes across the board it "gave" too much to "the rich."

On the other hand, New York Times reporter Steven Rattner has discovered that "the rich" are being discriminated against because the 10% rate reductions do not apply to the 50% maximum rate on "personal service income." The interaction between this provision and the reductions that do apply to the top 70% rate on investment income was complicated enough to confuse both the White House and tax cut leader Rep. Jack Kemp. In fact, everyone's total tax bill will be lower if Mr. Reagan's plan is passed, but Mr. Rattner has a point that for some taxpayers the marginal tax rate will be unchanged. Those taxpayers, that is, who have $215,000 in taxable income from wages and salaries and nothing from investment income.

How Mr. Reagan's proposals will fare against congressional nibbling remains to be seen. But at the moment he seems not only to have the only plan in town, but to have done a mighty job of sowing confusion in the ranks of the enemy.

Meanwhile in Autoland

While the U.S. House of Representatives does its tax-cut gavotte, auto workers in Michigan have taken matters into their own hands. In outright defiance of the federal income tax, some 3,500 taxpayers around Flint and Detroit are refusing to file returns or are claiming dozens of fictitious dependents. It is not necessary to defend this kind of illegal action to point out that tax revolts, like revolts of all kinds, have political means. They mean people think they aren't getting their money's worth from government. As the Democrats in the House make their fancy parliamentary steps, we suggest that they cast a wary eye over their shoulders.

The Rich Got Richer From History's Inflations

(By Alfred L. Malabre, Jr.)

Curbing inflation will necessitate, among other things, holding down federal handout programs, and that's bound mainly to hurt the poor.

That popular conviction, which sounds so logical, makes the fight against inflation, from a political standpoint, exceedingly difficult to carry on. How much simpler the inflation fight would be, politically, if the truth were that the powerful and well-off, and not the poor, would be the ultimate losers if the price spiral could once and for all be ended. How much easier for the Reagan people if they could honestly proclaim, while slashing the budget that the cutbacks were aimed ulitmately against the nation's privileged.

Impressive support for the view that inflation chiefly benefits the privileged shows up in a new book titled "The Penniless Billionaires" (Times Books, $15, 308 pages) by Max Shapiro, who has worked for various investment firms and written for a number of financial publications. The book focuses on periods of severe inflation. For instance, the author recounts in detail such notorious inflations as occurred in Imperial Rome, 18th Century France and Germany in the early 1920s.

The book, his first, is far from faultless. Mr. Shapiro, for all his grasp of economic history, is hard to read. Two favorite words are agglomerator and purblind. Parts of the narrative, moreover, are tedious, overusing quotations from earlier histories. But such faults are outweighed by the book's intriguing message:

That the worst inflations generally served, before they got out of hand, to benefit the privileged and, in fact, tended to be "created by the small majority at the center of power, in order to maintain and expand . . . power and simultaneously accumulate a mounting store of assets."

Mr. Shapiro stresses this point, among other places, in his account of France's price spiral in the late 18th Century. "Throughout the hyperinflation of the assignats [paper currency]," he writes, "the bourgeoisie, motivated by the desire to retain power and by the financial advantages which are ancillary to power, repeatedly chose the expediency of excessive money creation . . . and rejected the much-needed but considerably less popular course of diligent tax collection."

The author explains how the well-off managed to create a situation in France where the average person was "never able to secure enough money to buy anything but the barest necessities" because his income, though nominally rising, in reality was eroding from inflation. Mr. Shapiro further notes that persons "able to command a great quantity of money" meanwhile could acquire highly expensive items constituting a "reservoir of value" as inflation worsened. Extensive borrowing, he writes, further enabled "this privileged coterie . . . to buy up a considerable share of the nation's wealth."

A similar pattern is detected, for example, in Germany in the early 1920s. Recalling Germany's surging money supply in 1922. Mr. Shapiro states that "hordes of new marks were created for the sole use of the large German industrialists" to facilitate their grabbing up "hundreds of small firms" financially hobbled by the price spiral. In the period, he adds, "legislation abetting the formation of conglomerates was enacted."

Along the way, Mr. Shapiro sketches various beneficiaries of these inflations. There is Hugo Stinnes, the super-rich German said to have amassed in the early 1920s "more industrial, banking and mining companies than any other individual in recorded history." There is Gabriel Ouvrard, the son of a French grocer, who became the owner of 24 houses and in 1796 boasted an annual income "almost equal to the yearly stipend collected by Louis XVI for the maintenance of the entire royal court" during his reign.

When the various price spirals collapsed, as all eventually did, so did the inflation-built empires of such men as Hugo Stinnes. In the author's view, such inflations usually pass through three stages, starting with rapid money-creation to help finance governmental excesses. The second stage, where the privileged prosper most, involves investment-hedging in tangible assets. Then there is a so-called hyper period when things get out of hand and a currency's buying power virtually vanishes amid such economic dislocations that normal business dealings come to a near halt.

Mr. Shapiro suggests that phase two prevails today, and recent data tend to support that view. Government figures show, for instance, a slight recent rise in Americans deemed by federal analysts to live in poverty. Other data show a sharp rise in the nation's millionaire population, an appreciably swifter rise than can be attributed simply to the impact of inflation.

The author hopes, but is by no means certain, that phase three can be averted. Much will depend, of course, on the success of the inflation-fighting effort taking shape in Washington. It's interesting to note early complaints from the powerful likes of the American Medical Association and oil companies involved in the costly synthetic fuels program. As for the wealthy, a recent report shows that the housing market, while lagging in many areas, is booming as never before in Palm Beach, Fla.

A NEW EQUAL RIGHTS AMENDMENT

HON. THOMAS N. KINDNESS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. KINDNESS. Mr. Speaker, those who believe as I do that there is a need for clarification of the equality of rights of male and female under the law should start to consider where we go from here, since the prospects for ratification of the current equal rights amendment proposal look bleak indeed.

The time for ratification of that amendment expired on March 22, 1979, except for those who believe that the extension, passed by the 95th Congress, removed all doubt about the ultimate ratification of the ERA.

Although reports of opposition to the ERA have centered on such matters as the drafting of women into the military, abortion rights, and other controversial implications, I believe that an underlying concern in the minds of many State legislators is the fact that section 2 of the proposed ERA empowers only the Congress to enforce the principle of equal rights by appropriate legislation, thus potentially preempting considerable areas of current State authority. For example, could not an argument be fashioned that there should be a uniform, national law on the procedures for divorce, property settlement, and child custody? What about marriage, licens-

ing of occupations and professions, contract law, probate law, and perhaps other areas of law traditionally within the authority of the States, but potentially affected by differences related to sex?

Because I believe that there is a need for clarification of the law in this respect, I am again introducing a new ERA which recognizes and protects the appropriate jurisdiction of the States to share in the enforcement of equal rights.

I realize that the thought of starting all over again with another ERA is anathema even to supporters of the current ERA proposal. That was a major reason behind the push for an extension of the ratification period. Nevertheless, there is a need for the principle to be established and the pending proposal appears very unlikely to be ratified. Thus, I offer my alternative with the hope that those who believe in the principle of equal rights will come to support this new proposal.●

MORAL MAJORITY A REACTION TO ATTACK ON BASIC VALUES OF MILLIONS OF AMERICANS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. McDONALD. Mr. Speaker, throughout history, societies and their government have been based upon some set of values of morality. The totalitarian Communists have a strict code of morality, although such a statement will surprise many. The Communist morality is far removed from the set of values that made America great and far removed from what might be termed Western civilization values.

Communism is a militant form of humanism; that is, the placing of man at the center of the universe and the kicking out of God. Under such a moral code, whatever benefits man or society is right, good, and truthful; and whatever hinders man and his society is wrong, bad, and dishonest. Such a code or morality is technically humanism and for the Communists and their willing allies, a militant form of humanism. Karl Marx observed that Marxism is humanism and humanism is Marxism. He was right.

Our Nation, America, was founded upon an equally firm set of values—values that sprang from a Biblical basis of morality. These values have as a central point of understanding the knowledge that God is at the center of all things and that laws and society spring from God's Commandments—not man's whims. Basic rights, therefore, come from God, not man or government. Under Biblical morality, it is held that the function of government is to protect the God-given rights.

In the classical American view, our laws have as their foundation this Biblical basis of morality, and for a century and a half that view of morality has run through our society as a matrix or glue.

The problem today is that for a generation and a half the American society and its Government have embraced secular humanism as its new guideposts. This is evident in our entertainment, textbooks of government in our schools, general attitudes of many of our churches and their literature, sermons, pronouncements, and so forth, and unfortunately in our Government.

With the transition away from constitutional law as the basis of law to social law in our courts there has been concurrent shift away from Biblical morality to humanism with its adherence to shifting or relative values.

In my opinion, these changes of the past one and a half generations have brought a disaster. To combat and reverse these dangers and to restore sound—eternal concepts—values across the board, various groups have been formed. One of the most effective of these groups is the Moral Majority, founded by Rev. Jerry Falwell, of Lynchburg, Va.

In the January 1981 issue of the Conservative Digest, Dr. Falwell reviews the position of the Moral Majority. Perhaps Gen. Douglas MacArthur was right when he said that in the final analysis, the question is theological.

For the benefit and interest of my colleagues, the article follows:

WE'RE HERE TO STAY AND WON'T GO AWAY—MORAL MAJORITY A REACTION TO ATTACK ON BASIC VALUES OF MILLIONS OF AMERICANS

(By Dr. Jerry Falwell, President, Moral Majority)

I wasn't the best physics student in college, but one law I do remember is that for every action there is an identical and equal reaction. Not only is this an absolute law in physics, but it also has repercussions in the moral and political worlds.

In any assessment of what is happening in the so-called New Right that has produced what may prove to be the most phenomenal political metamorphosis since the Roosevelt era of the early 1930s, it is important to remember that what is being observed is a "reaction" to the "action" that preceded it.

Many liberal columnists and commentators are waxing apoplectic about the election results of 1980. The American Civil Liberties Union and Playboy magazine have spent thousands of dollars in full-page advertisements in the New York Times to warn that the advent of the so-called New Right foretells a danger greater than the Black Plague. I think their biggest problem is that they and their philosophies are now "out" and they are used to being "in." How will they ever carry on an acceptable conversation at those Washington dinner parties, assuming that they'll be invited by conservatives?

I founded Moral Majority in 1979, not to take over the country, as some have charged, but because I believed that a majority of decent Americans were fed up to the teeth with having their values rejected and, in many cases, reversed by the power of a government to which they paid taxes and sent sons to fight its wars.

Let us remember that it was not the moral majority that in 1963 outlawed prayer in the public schools. Such prayers had helped produce young citizens with the kinds of values that opposed stealing and murder and supported hard work, integrity and honesty. It was not the moral majority that in 1972 decided it was all right to murder defenseless, unborn babies and then, Pilate-like, wash their hands of the whole affair, saying that "for purposes of this ruling, it is not necessary to determine when human life begins." It was not the moral majority that in the mid '70s gave credibility to the practice of homosexuality as a "valid, alternative lifestyle" and sought special legislation and court rulings that would provide civil rights protection to those who chose to indulge in homosexual behavior—the same type of protection that is afforded legitimate minorities.

Those in the Moral Majority of a religious persuasion (and we count among us fundamentalists, Protestants, Roman Catholics, Jews, Mormons and persons of no particular religious convictions at all who believe in the moral principles we espouse) had been virtually disenfranchised by our own government, a government and a republic founded by our pro-moral ancestors. We were told by our previous President that he did not consider religious convictions a high priority on his agenda for hiring personnel for his administration. So he hired persons who represented a "red flag" to the pro-moral forces: a top aide who argued the Roe vs. Wade abortion case before the Supreme Court, a large number of radical feminists, a humanist for Secretary of Education and other humanists and atheists for federal judgeships.

Our response to these 17 years of liberal insensitivity to pro-moral concerns was not only to cry "enough," but also to stop crying and organize to do something about it. Thus, Moral Majority, Inc., was born and grew faster than any of us could have predicted.

We grew because we touched a raw nerve in the American electorate. Pro-moral people, who felt disenfranchised, saw a rallying point, an organization that would speak to the issues they were concerned with but could never get discussed through the liberal-controlled media.

Many pastors, like myself, had in recent years preached against what we are doing now. But we saw no one else willing to "stand in the gap" and take the heat, so we acted, lest our beloved country go down the tube and not be fit for anything, including the spreading of the Gospel to the ends of the earth.

We have been called "ayatollahs" by government officials, "fascists" by those who don't know the meaning of the word and never experienced the terror of Adolf Hitler and "religious fanatics" by those who know little about religion and never believed enough in a cause or a principle to become "fanatical" about it. Of course the words hurt—sometimes worse than sticks and stones when they come from government officials and those within the church community.

But we are here to stay. We are not going away. We intend to broaden our base, to speak to more issues and, instead of being "reactors," to be leaders in the battle to restore this nation to her moral foundations and principles. We can expect more attacks, but we are not giving up. We don't pretend to have all the answers, but we believe we have more of them than the liberals whose policies have been so soundly repudiated at the polls. No less a liberal than New York Rep. Shirley Chisholm has acknowledged in print the failure of the nearly 50-year-old liberal agenda.

Let's just remember, as our liberal friends continue to impugn everything from our integrity to our intelligence, just who set in motion what we are observing today. The Moral Majority is simply a "reaction" to the "action" begun by the liberals as they sought to dismantle our moral heritage.●

THE SURPLUS SCHOOL CONVERSION ACT OF 1981

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. GARCIA. Mr. Speaker, I am today introducing legislation to solve the economic and social evils of abandoned schools.

The bill, the Surplus School Conversion Act, would permit the Department of Housing and Urban Development to provide funds to local educational agencies (LEA's), based on declining enrollment priorities, to renovate underutilized school buildings. It also provides funds to provide technical assistance for planning the best use of surplus school buildings. Additionally, the bill amends the Energy Policy and Conservation Act to provide that school facilities under the jurisdiction of LEA's which have experienced certain declining student enrollments will be given priority for the receipt of grants under that act.

In determining whether to approve an application submitted under this bill, the Secretary will give priority to applications requesting funds to renovate buildings for the following types of purposes: Community centers, day care centers, senior citizens' centers, recreational centers, private enterprise, educational purposes, or housing.

School buildings which have closed or are not fully utilized represent valuable resources which could be operated for other productive uses. Because most local educational agencies lack the funds necessary to adequately renovate such underutilized school buildings, the Federal Government could provide funds to convert such buildings to other useful purposes in furtherance of our national effort to preserve valuable resources. By providing this initial seed money to renovate underutilized or abandoned schools, we can save valuable financial and environmental resources and help preserve community assets.

Surveys from educational research centers have shown that the phenomenon of underutilized or abandoned schools is present not only in large urban areas, but also has taken place in rural regions. I feel that this bill will make use of these abandoned facilities in a manner which is beneficial to all communities.

A report issued by the General Accounting Office on January 19, 1981, found that there were nearly 2,500 vacant schools in 19 States, and that student enrollment in public schools is expected to continue to decline, with 34 States projecting a net decrease in enrollment of 2 million students over the next 5 years. This decrease in student population will force additional school closings. Because there may be opportunities for substantial cost savings by using more vacant schools, the General Accounting Office believes that an evaluation of the feasibility of using such schools should be required before construction funds are awarded to grantees.

There is no reason why abandoned schools should be neglected when they can be put to a useful purpose. Scores of abandoned school buildings that now serve no useful purpose represent potential solutions to the present problem.●

THE NEW YORK TIMES GIVES WARNING ABOUT THE ADMINISTRATION'S HUMAN RIGHTS POLICY

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. WEISS. Mr. Speaker, several actions of the Reagan administration signal a dangerous policy turn away from the important role of human rights in our international relations. The President's recent meeting with South Korea's President, the proposed appointment of a staunch antihuman rights advocate to the State Department's top human rights post, and proposed foreign aid budget cuts which would undermine U.S. foreign policy forewarn us of a growing trend in the administration's thinking.

A recent editorial in the New York Times discusses this series of actions by the administration and warns of the dangers such a policy could bring. I urge my colleagues to consider carefully the concerns raised by this editorial:

[From the New York Times, Friday, February 6, 1981]

WRONG TURNS ON HUMAN RIGHTS

A once-promising American commitment to human rights may have been swept under the red carpet rolled out this week for Chun Doo Hwan. During his White House visit, the South Korean President got about all he wanted: a legitimizing pat from President Reagan, a promise of hardware and an assurance that American troops will stay in South Korea. And butter would have melted on Mr. Reagan's toast to Mr. Chun: "In the short time you've had, Mr. President, you've done much to strengthen the tradition of 3,000 years' commitment to freedom."

Conservatives argue that a secure, self-confident Korean regime is more likely to follow a democratic path. They point out, plausibly, that the Carter Administration got nowhere with a human rights policy that was sufficient to annoy but too weak to sway an authoritarian regime. In the end, both the Seoul Government and its democratic opponents came to regard the policy as self-righteous humbug.

It is plainly true that, in the case of Seoul, the new Administration can already declare a victory. Just before his trip, President Chun ended martial law and commuted the death sentence of his most outspoken critic, Kim Dae Jung. Nonetheless, Mr. Reagan's approach risks signaling total indifference to whatever an allied government may do to its own people.

Case in point: to spare President Chun embarrassment, the Administration got Congress to delay for a week the publication of an annual report on human rights that the State Department is required by law to prepare. If that is worrying, it is altogether alarming that the Administration is considering Ernest W. Lefever as head of the department's Bureau of Human Rights. He is an ultraconservative who sneers at existing policy as sentimental nonsense and believes it is profound error to embarrass allies, however repressive, with talk about habeas corpus.

Not all conservatives share that view. William F. Buckley Jr., for one, has argued that there is precious substance in a policy of opposing all repression, on the right and left. There is strong appeal in his proposal to create an independent Commission on Human Rights, whose sole purpose would be to provide authoritative reports.

The human rights issue is not partisan or ideological. An American commitment to human rights serves both moral and practical ends. To dilute or, worse, to parody that commitment serves neither.●

MEMORIAL PLAQUE AT ARLINGTON FOR EIGHT WHO DIED

HON. WILLIAM HILL BONER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. BONER of Tennessee. Mr. Speaker, today I am introducing a bill which calls for the creation of a permanent memorial plaque at Arlington National Cemetery for the eight American servicemen who lost their lives in the ill-fated Iranian rescue mission.

Now that the excitement and the emotion surrounding the safe return of all of our hostages has begun to die down, I believe that it is important for us to remember those who will not be coming home.

Even though their mission ended in tragedy, these eight Americans were heroes in the truest sense of the word. They willingly laid down their lives trying to help their fellow countrymen, and this is the highest tradition of valor.

I am hopeful that a lasting memorial at Arlington will serve as a reminder to all of us of the courage and the sacrifice of these eight men, and serve as an inspiration for all Americans.

The original idea for a memorial was first suggested to me in a letter from one of my constituents, Mrs. Mary V. Cunningham of Nashville.

In her letter, Mrs. Cunningham said:

DEAR CONGRESSMAN BONER: I think it would be a good idea to institute a motion to have erected in Washington a memorial plaque with the names of the servicemen who gave their lives in the rescue attempt of our hostages. God bless them.

I thought it was a wonderful idea, and so I began to research the question with the Department of Defense and others. The response was uniformly favorable, and so I went ahead and developed the legislation.

I have always been a strong believer in staying close to the people back home and paying attention to their ideas, and I am delighted to have had Mrs. Cunningham's input on this legislation.

I suspect that her feelings on this issue are representative of many of the people in our country, and I hope that they will feel as much a part of this legislation as she does.

Thank you, Mr. Speaker.●

WASTE IN THE DEFENSE BUDGET

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. STARK. Mr. Speaker, I would like to bring to the attention of my colleagues the following article from the Christian Science Monitor which discusses President Reagan's proposed increase in defense spending.

President Reagan's proposed increases in defense spending would amount to $31 billion by next fiscal year. The Reagan administration should look at this increase carefully in the light of their policy of searching out waste and extravagance in the Government.

The Congressional Republican Study Committee reported that the Pentagon could save $15 billion if it reduced waste and abuse of funds. The House Appropriations Committee report on the defense appropriation bill for 1981 cites many ways in which the Defense Department wastes the taxpayer's money. Keeping these reports in mind, President Reagan should require housecleaning in the Pentagon as well as in the many social programs he proposes cutting. The establishment of this criteria for all departments will insure that any increase in defense spending passed by Congress will be used efficiently.

[From the Christian Science Monitor]

STUDY CITES 46 ABUSES—WASTED DOLLARS AT PENTAGON: HOW MUCH WILL REAGAN SAVE?

(By Stephen Webbe)

Admirals and generals are striding Pentagon corridors these days with a new spring in their step.

But their elation at the prospect of billions of dollars' worth of additional defense expenditures may be tempered somewhat as they are required to ferret out waste in the nation's sprawling defense establishment. According to a congressional report, US armed forces squander billions of dollars yearly.

The Reagan administration plans to ask Congress to boost the Pentagon's budget for this fiscal year and the next by $31 billion. About $6 billion extra will be sought this year and another $25 billion will be asked for fiscal 1982.

Former President Carter had submitted a $194.6 billion defense budget to Congress for the latter fiscal year, the largest such request in peacetime history.

But with the additional billions comes President Reagan's injunction to Defense Secretary Caspar W. Weinberger to "search out" waste and extravagance at the Pentagon. He might well have added fraud and abuse to the list.

The Congressional Republican Study Committee has estimated that the Pentagon could save $15 billion yearly if it puts its house in order. A House Appropriations Committee report on the defense appropriation bill for 1981 lists 46 ways in which the armed services fritter away taxpayers' dollars—to the tune of tens of billions yearly.

According to the little-publicized report, failure to levy "proper and complete" charges on countries receiving military equipment under the Foreign Military Sales Program—notably for training and transportation—is a habit that incurs considerable losses. Indeed, the General Accounting Office (GAO) estimates that the Defense Department is more than a billion dollars out of pocket as a result.

Losses are also incurred, adds the report, by failure to return to depots millions of dollars' worth of equipment that needs repair, a practice that results in simultaneous disposal and procurement of costly items.

Poor record-keeping and accounting practices have permitted the theft of millions of gallons of fuel, it adds.

Altogether, the report asserts that billions of dollars are wasted by such practices as:

Repeatedly paying "outrageous prices" for small, simple-to-manufacture items.

Paying maintenance contractors for work never performed.

Storing clothing at supply depots thousands of miles from training bases where it is issued.

Failing to reduce the theft and "misappropriation" of supplies and materials.

Operating duplicate facilities for the overhaul of air-launched missiles and falling to consolidate various training and education activities.

Scrutiny of the published hearings of the House Appropriations Defense Subcommittee discloses additional, dramatic wastage in the armed forces.

Last year, for instance, an inspection of the Naval Supply Center in Oakland, Calif., revealed that 240 propellers, propulsion shafts, and other components valued at $8 million were rusting in the open air for lack of warehouse space.

The subcommittee also discovered that in fiscal year 1978 the Defense Logistics Agency lost $6 million worth of goods, much of it from the Defense General Supply Center in Richmond, Va. It declared that warehouses at the depot were "literally stuffed with pilferable and nice-to-have items." Security at the center has since been tightened up.

According to the committee's investigative staff, the Navy's research and development effort wastes "millions of dollars" each year by leasing computers an average of 48 months "beyond the period at which purchase would have been the best decision."

Moreover, the committee cites defense auditors for the assertion that the Department of Defense employs 17 obsolete computer systems costing $1.8 million annually to operate when more modern equipment exists that could do the work.

The Navy often seems to suffer from greater abuse than its sister services. Its clothing and tools are regularly pilfered by personnel and last year it was alleged that its exchange system (on-base stores) had lost more than $100 million through kickbacks, mismanagement, and cover-ups.

Navy shipbuilding practices do not seem to be dictated by economy, either. Rep. Norman D. Dicks (D) of Washington claims yards could build warships a lot more cheaply "if there wasn't all the Navy bureaucracy superimposed upon them with its apparent inability to make up their minds on the design of ships." He is also critical of the "tremendous" number of costly changes the Navy makes once a ship is under construction.●

MONTANA'S WINNING SPEECH IN THE VETERANS OF FOREIGN WARS' VOICE OF DEMOCRACY CONTEST

HON. RON MARLENEE

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. MARLENEE. Mr. Speaker, I am proud to share with my colleagues Montana's winning speech in the Veterans of Foreign Wars' voice of democracy contest. This speech, entitled "My Commitment to My Country," was written by Michael Stoeckig, a 17-year-old from Glendive, Mont.

America. A word that stands for more than merely a large chunk of earth that some quarter of a billion people occupy. America stands for so much more than only a portion of a continent, a slab of ground, a country if you will. The word does not, cannot stand for only one thing. America stands for something entirely different to each and every citizen of the great bastion of freedom that was labeled America some 204 years ago.

There are some 220 million people that call this country home. 220 million minds that each have a different idea that they call America. To the artist, America means a place where he or she can work without censorship; without fear that the government will intervene and change the meaning of a work of sculpture, a line of poetry, or a stroke of a brush. To the critic it means the ability to point out, perhaps make fun of a flaw in the makeup of our social system. To the immigrant, America may mean not having to look over one's shoulder, not to worry about unfair imprisonment for one's deeds. America means all things to some people, some things to all people, but no matter who is asked, America has some meaning to all. All people who are referred to as Americans have some meaning associated with the word America.

And that leads to the theme of my dissertation, the statement, "My commitment to my country." Before a person can be committed to anything, he must first ask himself what meaning it has to him and where it comes on his list of priorities. That is what I have done in finding exactly what my commitment to my country really is. I have asked myself what my country means to me. I have asked what matters most to me, my country, my family, my friends or something entirely different.

And I have come up with some answers. At first, it was hard to find where my country placed on my list of priorities. I worked and re-worked the list a dozen times, got a dozen different answers, and got a dozen more questions. But suddenly, I realized that I would have none of the things that matter most dearly to me if I did not live in a place called America. Indeed I may not have even been born, for my ancestors were among those who came to this country under the label "immigrant." Had they not come here at the times they did I would not be speaking here today.

So I saw that America is indeed a lot more than a slab of ground or a portion of a continent. America is my home.

My home, my country, means a great deal to me; so much so that I cannot put into words the extent of the feelings that it evokes. Something that has had so much meaning to me, deserves an extremely large commitment from me. I must be dedicated to upholding the principles and ideals that this great nation has represented throughout history. I must help to make the way clear for forthcoming generations to appreciate the things that I have been privileged enough to come in contact with. And I must do so with pride. A pride that our people have so often shown. A pride in their nation that the whole world recognizes as uniquely American. A pride that our founding fathers would be proud of, for America was their home too.

I know not what form this dedication will take. Whether it is through public service, political office, military life, or just through the responsibilities that the average citizen possesses, matters not to me. What matters is that I may make this country and this world a better place in some way, no matter how small, no matter how tiny, for some people who are yet to come. That is commitment to my country, one which I will uphold.●

AN ALASKAN'S NATIONAL COMMITMENT

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. YOUNG of Alaska. Mr. Speaker, each year the Veterans of Foreign Wars of the United States and its Ladies Auxiliary conduct a voice of democracy contest. The entrants in this contest are required to speak upon a particular theme, this year's theme being "My Commitment to My Country." From the State of Alaska, as one of 250,000 students nationally who competed in this contest, Miss Kimberly Marie Judge of Ketchikan, Alaska, will be competing for one of five national scholarships. A sophomore from Ketchikan High School, Kimberly Marie Judge, hopes to pursue a career in medicine at Iowa State University upon graduation from high school. Miss Judge will have an opportunity to visit the Nation's Capital both for final judging and to be honored for her eloquent expression of her commitment to our country which follows:

MY COMMITMENT TO MY COUNTRY

There is no just one way I can commit myself to my country. I must do it in many ways. I must commit myself not only to my country's government, but also to her people.

I must commit myself to keeping my country clean. I feel a clean and beautiful country is one people will want to talk about and people will feel proud to live in.

I must commit myself to getting a good education. The more you learn and know, the more people will listen to you and the better you can serve your country.

I commit myself to obeying and upholding all my country's laws and rules. For in doing this, I will have given my country's law officers one less person to worry about.

I will walk down my country's streets and, instead of picking out the bad things of our country, I will pick out and point out to all the people all the good things of our country. And then I will teach them to appreciate their country as I do.

I feel I must open up my mind and my eyes to new ideas. I feel I must look at and learn from others. Those others, being not only the rich and the powerful, but also the poorer and less noticed people—for they too have good ideas.

People often close their eyes to the sick and the old. Another of my commitments is to open up these people's eyes and to show them that just because these people are this way doesn't mean they are of no value to society. They just need a few people to take the time to listen to their ideas. I will commit myself to this cause.

I will also commit myself to learning and upholding our democratic system. My first step in doing this will be to learn and uphold this system in my own school in the Student Body.

There is a saying that "All men are created equal." Some people don't believe this saying and to these people I must show great strength. I must show them that just because a person's skin or beliefs is different, he is still a person and every person's life is valued.

When someone asks me if I would fight for my country in war, I'd probably take a while to think about it. I'd probably ask myself many times over, "Am I willing to die for my country?" I must think about this for a while too. I must think about the freedom this country offers me. Am I willing to die for this freedom? Then I will think about the opportunities this country offers me. Am I willing to die for these? Then I have my family and my friends. Am I willing to die for them and their freedoms and opportunities? I feel I must say yes to all these questions, not only for my family and friends, but also for the government that represents us and for this country we live in.

Our country is made up of people, their ways, ideas, and beliefs. And to these people I give my services and ideas. I hope I can benefit everyone and everything; the people, the government, and the land in giving these.

Though I may be young and inexperienced in my country's ways and government, I still feel it is my duty and my responsibility to do everything in my power for my country and its people.●

MANDATORY SENTENCING IN COMMISSION OF FELONIES WITH FIREARMS

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. GOODLING. Mr. Speaker, I would like to share some information with my colleagues on the bill which I have joined in sponsoring today regarding mandatory sentencing for individuals who commit felonies with the use of firearms.

Specifically, the bill would impose a sentence of no less than 5 years' imprisonment to those individuals convicted in a U.S. court of a felony in which he or she used or carried a firearm. This sentence would be additional to that required for the commission of the offense. In effect, it raises the existing law's minimum penalty for criminal gun use from 1 to 5 years, and raises the minimum penalty for a second or subsequent conviction from 2 to 8 years. Furthermore, this bill makes what I consider to be an important stipulation regarding the possible parole of such offenders. It specifies that the imposition of any term of imprisonment under this section: First, may not be suspended; second, may not run concurrently; and third, may not include parole.

I feel that the need for such legislation is obvious when one considers statistics which, rather than shocking or horrifying the average American, are being accepted more and more as the way things are these days. The Federal Bureau of Investigation's uniform crime report indicates that there were 21,456 reported murders in 1979; 50

percent of these were committed with handguns, 5 percent with rifles, and 8 percent with shotguns. Out of 456,881 reported robberies in 1979, 40 percent occurred with the use of firearms. And in 614,213 cases of reported aggravated assaults that same year, more than 23 percent took place with the use of firearms. The FBI "Crime Clock" shows that, in America—the land of opportunity—a violent crime occurs every 27 seconds, a murder every 24 minutes, a robbery every 68 minutes, an aggravated assault every 51 seconds, and a forcible rape every 7 minutes.

Firearms predominate as the weapons used most often in the commission of murders throughout the Nation. Available data suggest that an attack with a gun is five times more likely to be lethal than an attack with a knife. The greatest percentage of murders result from arguments, and most offenders are recidivists—that is, people with prior arrest records. According to a 1978 report to Congress by the Comptroller General, 64 percent of those arrested for assault and 68 percent of those arrested for murder had prior arrests. The statistics go on and on—and they are frightening.

I for one feel that we, as a nation, must redefine and reexamine our approach to handgun violence. Dr. Charles H. Browning of the University of Oregon has reported that, in comparison with other countries, the handgun homicide rate in the United States is 3.5 to 10 times greater than the total homicide rate of at least 13 other nations. Even as we sit in this Chamber, it is estimated that 24 Americans will be murdered with handguns within the next 24 hours.

A 1978 Harris poll indicated that more than 80 percent of the American public—including gun owners—favors some form of gun control legislation. Mandatory sentencing is, in my opinion, a viable alternative to usual gun control proposals.

Mandatory sentencing was reported by the Comptroller General's Office in 1978 as being a relatively new method of reducing gun-related crime. I believe that it deserves further examination.

As quoted from the Comptroller General's report to the Congress:

> The concept of mandatory sentencing is that is will discourage crime as well as counteract the "abuse" of judicial or prosecutorial discretion. Many people feel that the criminal too often receives probation or suspended sentence, only to return to crime.

This concern is understandable.

Opponents of mandatory sentencing criticize it because they fear: First, it will curtail judicial discretion in delivering a just sentence; second, it could be costly in terms of court time and prison facilities; and third, it may not curb crime. Yet, mandatory sentencing for crimes committee with guns has been enacted in approximately 13 States. A Harvard study of mandatory sentencing in Massachusetts showed that it resulted in a dramatic increase in compliance with the existing gun control law. The Bartley-Fox amendment in that State imposed a mandatory minimum prison sentence of 1 year for carrying firearms without an appropriate permit:

> The introduction of Bartley-Fox and its attendant publicity radically increased compliance with the law. On the one hand, issuance of F.I.D. (Firearms Identification) cards and licenses to carry surged dramatically throughout Massachusetts. At the same time, the evidence suggests that those who still lacked these permits were less likely to carry firearms on a casual basis.
>
> Boston's crime statistics for the twelve months after the law's effective date show a reduction in the use of firearms in assaults. * * * Our research suggests—but cannot firmly establish—that without this shift away from firearm use in assault, firearm homicides could have increased significantly in 1975. In fact they declined somewhat.

Much discussion has taken place in this Chamber and throughout the country on deterrents of crime in addition to, or in place of, gun control. Punishment does deter. If I may quote again from the Comptroller General's report:

> If we raise the cost (length of imprisonment) and the risk (probability of going to prison) of committing a crime, *fewer people will become criminals.* (Emphasis added.)

Of the three major pieces of firearm legislation passed in the United States in this century, all were instigated by public outrage to violence involving the use of guns. Gangster-type violence of the "Tommy-Gun Era" prompted the National Firearms Act of 1934 and the Federal Firearms Act of 1938. The assassinations of the sixties led to passage of the Omnibus Crime Control and Safe Streets Act and the Gun Control Act. With the recent tragic deaths of John Lennon and Dr. Michael Halberstam, once more are we reminded by editorials and by concerned constituents that the United States is the only leading Western nation without sufficient curbs to firearm violence.

Law enforcement, the courts, and correctional institutions can have a deterrent effect on crime. It is the probability of apprehension, conviction, and punishment that dissuades potential lawbreakers. What is important—and what this bill will establish—is that the potential criminal knows that the stakes are high, that he or she will be sentenced for an established time period for felonies involving firearms, and that this time will not be reduced for good behavior. As our present criminal justice system now exists, this one factor remains unmeasurable; we cannot continue to ignore the fact that the potential offender's concept of the severity, and more importantly, the certainty of punishment, is not harsh enough to prevent him or her from committing violent crimes with handguns.

The frequency of gun use in assaults continues to rise. This bill would correct what I and many others consider to be a wretched situation by imposing a mandatory 5-year penalty for felonies committed with firearms, and by eliminating the chance for parole. I ask each one of you for your support.●

THE 63D ANNIVERSARY OF ESTONIAN INDEPENDENCE

HON. GUY VANDER JAGT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. VANDER JAGT. Mr. Speaker, the pleasure of having this opportunity to join my colleagues in marking the anniversary of the proclamation of independence by the Baltic State of Estonia is marred by the realization that this small nation shares with its neighbors of the Baltic the oppression of Soviet domination.

During this month, as we have recalled the brief moments of freedom shared by the Baltic States earlier in this century, we cannot but sympathize with these proud people as they yearn for a life of the freedom to choose, to share, to move about, which we in our great Nation take for granted.

In the recent past the United States and the Soviets engaged in the Helsinki discussions and came to agreements regarding the right to freedom of choice and lack of oppression to which all peoples are entitled. It is so easy for us to overlook the situation faced by millions of people in Eastern Europe, including the Baltic, whose lives have been lived in the shadow of the Soviet bear for so many years.

Let us hope that this anniversary of Estonian independence will mark a new beginning in the process of freedom, that the coming months and years will see a new dedication to the principle that the freedom of peoples around the world deserves our serious and continuing attention, and that it will not be too long before the struggle of the Estonian people will be rewarded with the freedom that all people have as a right.●

THE EUROPEAN INITIATIVE

HON. DAN MICA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. MICA. Mr. Speaker, many of us in the Congress, and most of the people of the United States, have a common background of heritage and culture with the people of Europe.

Often, we look to our European allies to be counted on in the defense of freedom and democratic principles anywhere in the world.

Thus, it is with some surprise that I have become aware of something called the European Initiative. This is an effort, as it is currently being displayed, to seek yet another approach to a peaceful resolution of the long standing and difficult problems in the Middle East.

Yet, Mr. Speaker, a closer examination of the European Initiative reveals potentially a very counterproductive effort. This initiative is expected to be high on the agenda when Prime Minister Thatcher and her foreign minister meet with Members of Congress and the administration. I would like to call to the attention of Members and those in the executive branch the following article of Mr. William Safire, which appeared in the New York Times, Monday, February 23, 1981, and which sheds some light on this whole matter.

THE CARRINGTON SHADOW
(By William Safire)

WASHINGTON.—Not since the days of grand designers Roosevelt and Churchill has there been such a natural affinity between American and British leaders. The meeting this week of conservatives Ronald Reagan and Margaret Thatcher should put the "Special" back in the special relationship between the English-speaking allies.

We can expect sweetness and light, in Jonathan Swift's phrase, as the two leaders reassure each other of the rightness of the rightward road in domestic affairs, and of the wisdom of a hard line against Soviet aggression in the world. However, when their talks turn to the Middle East, the "Carrington shadow" will fall.

Lord Carrington, the British Foreign Secretary, is a darling of the American left. With the strong backing of the Andrew Young faction in the Carter Administration, he persuaded Mrs. Thatcher to back the "forces of change" in Zimbabwe. He has been fretting at our new resolve in El Salvador and has been seeking to promote the cause of Yasir Arafat in the Middle East.

Sir John Graham, Permanent Under Secretary in the Foreign Service, followed Lord Carrington's instructions and last year became the first senior British official to meet with the P.L.O. leader. The object was to advance the "European initiative" in the Middle East, a scheme to replace the U.S.-Egypt-Israel Camp David approach with a simple sellout of Israel to appease the Saudis.

Sir John has been in Washington this past week, meeting with his U.S. counterpart, Walter Stoessel; another British official, Patrick Moberly, has been plugging in with the new Reagan Middle-East and political-military team. One of their key missions has been to pave the way for Reagan acquiescence in the Carrington plan.

As the British have explained it, the plan is eminently evenhanded. East Jerusalem would be taken away from Israel, with the city divided or internationalized; the West Bank would be cleared of all Jewish settlements and the area turned over to whatever state the world's Palestinian Arabs chose; the Golan Heights invasion route would be returned to Syria; and what is left of Israel's security would then be assured by the presence of a U.N. force ready to run as soon as the Soviets pulled the P.L.O.'s trigger.

For some strange reason having to do with survival, Israelis from Begin to Peres will have nothing to do with the Carrington capitulation. Even the Arabists at our State Department look askance at Carrington's approach, since it undermines U.S. efforts in the Middle East and endangers Egypt's Sadat. Lord Carrington brushes this aside with the assertion that U.S. and British efforts are "complementary . . . not identical." But in fact, he has placed our interests in direct conflict.

Why is the British Foreign Secretary so eager to press his "initiative" to the detriment of the Atlantic alliance, and the weakening of Western power in the Eastern Mediterranean and Persian Gulf? One reason was described by columnist Philip Geyelin in The Washingtion Post: ". . . a bid for European influence in the Middle East at the expense of the United States."

Lord Carrington sees the road to influence with Saudi Arabia and Persian Gulf states to be appeasement of the Arab desire for a Palestinian state carved out of Israel. The Reagan Administration, on the contrary, sees the road to power in the Middle East to be the military protection of oil states menaced by the Soviet military and subversive threat.

Those Carrington and Reagan approaches clash. If pursued, Carrington's appeasement of the P.L.O. will harm American interests; Prime Minister Thatcher cannot be unaware of this. When the Middle East subject comes up in the Oval Office, President Reagan is expected to make it clear that—contrary to whatever the Carter Administration might have secretly hinted—the U.S. now considers the "initiative" to be unhelpful and destructive of progress toward Palestinian autonomy.

In furtherance of his policy to answer power with power, Mr. Reagan has quietly persuaded Israel to accept the previously unacceptable—the provision of F-15's to the Saudis that have the capability of striking Tel Aviv. (Israel may be mistaken to tolerate this added danger, but on such close security decisions it is difficult to instruct a grandmother on the sucking of eggs.)

In return for tacit acceptance of our arming the Saudis, Israel will not only receive extra F-15's and other sophisticated weaponry to defend against the untoward use of the U.S. arms supplied to the Arabs, but the right to sell to Taiwan, Ecuador, South Africa and other countries its Kafir jets and other armaments produced in Israel with U.S. components. Such foreign trade is needed to stabilize Israel's economy; still, the decision to keep quiet reflects Israel's willingness to gamble on Reagan's reliability.

That reliability is on the line this week. If Mrs. Thatcher presses for Carrington's appeasement, Mr. Reagan must push back; if she decides not to play Trilby to her Foreign Secretary's Svengali, the Anglo-American alliance and the free world will be stronger for it.●

SHARON, PA., LOST A DEAR FRIEND

HON. MARC L. MARKS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. MARKS. Mr. Speaker, I would like to bring to the attention of my colleagues that, on February 3, Sharon, Pa., lost a dear friend with the passing of Bill Hoyle. No single person has had a greater impact on youth athletics in the Shenango Valley.

Bill devoted his life to bringing excellent basketball programs to the children of my hometown. I know Bill as a tireless coach and friend to hundreds of boys. In addition, Bill Hoyle was the founder of the Sharon Amateur Basketball Tournament, the name of which was later changed to the Hoyle Tournament. Last year, this nationally known tournament drew basketball players from more than a dozen States, as well as scouts and coaches from collegiate and professional ranks.

The hard work and dedication of this fine man have not gone unnoticed. Among the many honors bestowed upon Bill Hoyle over the years were: "Sharon's Friend of the Boy of 1956" by the Sharon Optimist Club; Distinguished Service Award in 1953 by the Shenango Valley Junior Chamber of Commerce; "Ten Commandments Award" for service to youth, by the Fraternal Order of Eagles; and an outstanding citizen award by the Shenango Valley Chamber of Commerce in 1971.

Indeed, the people of western Pennsylvania lost a fine neighbor and great humanitarian earlier this month. Few people in youth athletics have had Bill Hoyle's gift to teach the values of good sportsmanship, along with the rules and fundamentals of basketball. We will miss this fine man who instilled in so may young people his beliefs in fair play and loyalty.●

GAO FINDS CENSUS UNDERCOUNT IN PITTSBURGH

HON. EUGENE V. ATKINSON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. ATKINSON. Mr. Speaker, the Census Bureau serves the purpose of identifying the population of each State. The underlying constitutional purpose for the census is to determine, as accurately as possible, the number of inhabitants of each State, so that representatives may be apportioned among and within the States to insure fair representation of the people and

to fulfill the fundamental goal of achieving equal representation for equal numbers of people.

The methods for determining what each State's population is need to be examined. In the case of *Kirpatrick* v. *Preisler*, 394 U.S. 526 (1969), the Supreme Court indicated that a State could use population predictions for purposes of redistricting where these estimates can be thoroughly documented.

This ruling was upheld and further broadened in *Republican Party of Shelby County* v. *Dixon*, 429 U.S. (1976), when a three-judge district court held that population estimates may be considered in establishing congressional districts if they are highly accurate and are accompanied by evidence sufficient to overcome the "presumptive correctness" of the head count upon which the 1970 Federal census was based.

The so-called Detroit case; *Young* v. *Klutznick*, Civil No. 80-71330 (E.D. Mich. 1980), is the present case most pertinent in the 1980 census problems. The legal theory of the plaintiffs was based on the concept that every congressional district within a State must be as nearly equal in population as possible. The plaintiffs alleged that since the Census Bureau was not as successful in counting blacks and other minorities as it was in counting whites, a district with a large minority population would have a larger percentage of uncounted individuals residing within its boundaries than other areas in the State. The court ruled in favor of the plaintiffs saying that there was an undercount which ultimately would lead to unequal representation.

The problem in all three cases stated above has to do with the method the Census Bureau used in reaching the final population figures. In a report by the Comptroller General on an assessment of the 1980 census results in 10 urban areas, they found that there was a significant difference in the expected population results in Pittsburgh and the actual findings. This suggests an undercount, in addition to leaving many questions unanswered. For one, no reason is given as to why there is this difference. If we knew what the expected figures were based on, we could identify the source of the problem. Second, if this significant difference was found in part of Pittsburgh one could assume that it happened elsewhere.

The Census Bureau claims that if there were an undercount that any attempts to identify the undercounted areas would result in the findings that proportionally, all areas were undercounted. More specifically, a recount would yield the same findings with additional people. But this may not be so. Based upon the Detroit case it would seem that an area with a high percentage of minorities would have been significanlty undercounted, while a middle- to high-income area would have been fully accounted for.

Pennsylvania will suffer because of the findings of the 1980 census. The loss of two congressional seats will impair the needs of the people in Pennsylvania because they will not be as fully represented. We contend that the census figures are incorrect based upon the methods and procedures of the Census Bureau in determining their figures.

Specific steps should be taken to insure that depressed areas are surveyed better. And in cases where a governmental report shows that there was a significant difference in expected versus actual findings, such as the GAO found in Pittsburgh, mandatory steps should have been taken to ascertain why this was so.

It seems that the fault lies with the Census Bureau. The remedy then also lies within the Bureau. A report by an unbiased agency on the methods of the Census Bureau is needed. Then perhaps we will be able to find if the results they found are accurate or if they are deficient.●

BIAGGI SPONSORS LEGISLATION TO CURB ANTIRELIGIOUS VIOLENCE

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. BIAGGI. Mr. Speaker, I am today introducing legislation imposing stiff new Federal penalties against those who seek to injure, intimidate or interfere with the free exercise of religious beliefs as secured by the Constitution and various laws of the United States.

While my bill is designed to protect the rights of all persons to freely exercise their religious beliefs—the primary motivation for my authorship of this measure is to try and curb the alarming increase in anti-Semitic activity in this Nation.

More specifically, according to a recent report by the Anti-Defamation League of B'nai B'rith—1980 witnessed the greatest outbreak of anti-Semitism in the United States in 20 years. A total of 377 reported anti-Semitic incidents occurred in the United States during 1980 as compared to 129 in 1979. These included such heinous acts as firebombings, swastika daubings, arson, cemetery desecrations. At this point in the RECORD I wish to insert the full text of an article entitled "Anti-Semitic Episodes Up in 1980," from the February 1981 ADL Bulletin.

ANTI-SEMITIC EPISODES UP IN 1980

Compared to 1979, there was a sharp increase in reported anti-Semitic episodes, including assaults and vandalism against Jewish institutions, houses of worship, cemeteries and private property last year, according to the nationwide survey conducted annually by the Anti-Defamation League. The findings revealed 377 reported anti-Semitic incidents in 1980 as against 129 in 1979. These included firebombings, swastika daubings, anti-Jewish graffiti and other vandalisms in 29 states and the District of Columbia.

The largest number of incidents—120—was reported from New York State, with 69 of these in New York City's five boroughs and 39 in Nassau and Suffolk Counties. New Jersey came next with 69 reported incidents, Massachusetts with 34, California 27, Michigan 21, Illinois and Rhode Island 12 each, Minnesota 10, North Carolina 9, Connecticut 8, Missouri 8, Virginia 8, Arizona 6, Oregon 5, Colorado 4, Wisconsin 4, Tennessee 3, Florida, Nebraska, Ohio and Washington, each 2. One incident was reported in each of the following states: Alabama, Georgia, Kentucky, Maryland, Mississippi, Nevada, Pennsylvania and Texas, and DC.

In addition, there were 112 anti-Semitic incidents involving bodily assaults against Jews, harassments or threats by phone or mail directed at Jewish institutions, their officials or private Jewish citizens that were not included in the total of ADL's 1980 audit. This class of anti-Semitic activity was separately noted because it was not part of the 1979 audit and offered no basis for comparison.

The audit was based on reports from ADL's regional offices across the country. The data received indicated that 20 persons were arrested or apprehended in 11 of the total of 377 incidents. Of these, 14 were aged 17 or under. On such limited information, however, no firm conclusions can be reached that teenagers or juveniles were mainly responsible.

Two of those arrested—in connection with a fire at a Jewish temple in Los Angeles—were 24 and 35 years of age and were linked by police to the neo-Nazi National Socialist American Workers Party. The Los Angeles episode was the only one with charges brought against members of an organized hate group.

The increase in the number of tabulated incidents in 1980 may stem partly from improved reporting procedures following last year's audit, which revealed 129 anti-Semitic episodes as against 49 in 1978. As a result of making those findings public, the report said, there was heightened awareness by local Jewish communities around the country and a greater tendency for victims to report anti-Semitic episodes to ADL.

There are still Jewish institutions and communities, however, that are wary of reporting incidents because they fear publicity might encourage imitative behavior patterns that would result in further assaults. Even without improved reporting procedures and greater awareness of the problem, the number of incidents for 1980 is undoubtedly higher than 1979 and in any year is higher than reported. In general, the statistics of anti-Jewish incidents would seem to suggest that there is still a high quotient of anti-Semitism and anti-Jewish hostility existing just beneath the surface of American life.

Among the findings of the ADL survey were the following:

Almost 65 percent of the 377 anti-Semitic incidents were reported from five northeastern states—New York, New Jersey, Massachusetts, Rhode Island and Connecticut;

Forty-one percent of the total incidents were directed against Jewish institutions—houses of worship, schools, community centers, cemeteries;

Forty-two percent took place at private Jewish properties such as homes or stores, while the remainder occurred on public property or in the streets.

In the view of ADL leaders, the findings underscore that anti-Semitism and other forms of racial and religious bigotry remain a virulent social disease. What is called for is greater public concern manifested through strengthened law enforcement, realistic penalties and expanded educational programs.

My legislation adds a new section 13 to title 18 making the following subject to felony criminal penalties of at least 5 years in prison or $10,000 in fines.

Any person or persons who willfully vandalizes, defaces, sets fire to, tampers with, or in any other way damages or destroys any cemetery, any building of other real property used for religious purposes, or any religious article contained therein or any religious article contained in any cemetery or any building or other real property used for religious purposes. Similarly anyone who attempts to do any of the aforementioned acts would be subject to the same penalties.

What is critical to my legislation is the fact that it is not necesssary to establish intent in order to be subject to the penalties in my bill. Those who commit acts of this magnitude should not be provided with loopholes from which to escape prosecution.

It is my intent to have the following be subject to the penalties in my legislation:

Painting of swastikas or other offensive emblems on religious buildings;

Stealing of religious articles such as Torahs, which would interfere with the ability to conduct religious services;

Vandalizing in any fa hion, religious buildings, grounds or ce.neteries;

Arsons or firebombings of religious facilities or property including cross burnings;

Bodily assaults and harassment;

Any other activity which interferes with the free exercise of religious beliefs including efforts to intimidate individuals from worshipping.

It should also be noted that my legislation imposes a graduated series of penalties dependent on whether the given action results in bodily injury or death. Life imprisonment can be imposed in the most severe of cases.

I have prepared this legislation after extensive consultations with legal officials and representatives of major Jewish organizations. It is critical that we remember that first amendment freedoms, especially freedom of religion, are considered the most fundamental of all in this Nation. Therefore we must be prepared to protect them from those who would threaten the free exercise of religion—any religion.●

A CONSTITUTIONAL AMENDMENT TO CREATE A COURT OF THE STATES

HON. THOMAS N. KINDNESS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. KINDNESS. Mr. Speaker, some years ago, a constituent who was concerned over the increasing usurpation of authority by the Congress and Federal courts of functions previously thought to be the responsibility of the States, suggested the creation of a Court of the States to hear cases from the Supreme Court involving questions of Federal versus State authority.

The legal basis for the suggestion was the 10th amendment to the U.S. Constitution which states:

> The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.

Through the 19th and well into the 20th centuries, the U.S. Supreme Court gave an increasingly expansive interpretation of Congress commerce power. The 10th amendment was argued to be a limitation on the commerce power. But the Supreme Court in *U.S.* v. *Darby* (312 U.S. 100, 124 (1941)), said that—

> The amendment states but a truism that all that is retained which has not been surrendered. There is nothing in the history of its adoption to suggest that it was more than declaratory of the relationship between the national and state governments as it had been established by the Constitution before the amendment.* * *

The ultimate extension of this interpretation was the decision in the case of *Maryland* v. *Wirtz* (392 U.S. 183 (1967)), wherein the Supreme Court upheld the 1966 amendments to the Fair Labor Standards Act which applied Federal minimum wage standards to school and hospital employees of the States. Justice William O. Douglas dissenting, said:

> If [on the basis of this decision] this can be done, then the National Government could devour the essentials of state sovereignty, though that sovereignty is attested by the Tenth Amendment. * * * In this case the State as sovereign power is being seriously tampered with, potentially crippled.

In 1976, the Supreme Court wisely overruled *Maryland* v. *Wirtz* in the case of *National League of Cities* v. *Usery*, 426 U.S. 833 (1976), the Court stating that the 10th amendment precludes the exercise of the commerce power "in a fashion that would impair the States' ability to function in a federal system."

In the current term, the Supreme Court has taken a case which will give it another opportunity to breathe life into the 10th amendment and give further definition to the line beyond which the Congress may not go in the exercise of its authority over commerce. That case is *Virginia Surface Mining and Reclamation Association, Inc.* v. *Andrus*, 483 F. Supp. 425 (1980), on which the Court noted jurisdiction on October 6, 1980. Oral arguments will be heard on February 23. In that case, Judge Williams of the Western District of Virginia found that certain of the reclamation provisions of the Surface Mining Control and Reclamation Act of 1977 were in contravention of the 10th amendment, citing National League of Cities.

However promising these developments are, we are still left with the reality that the States ability to function effectively in the federal system is in the hands of the Congress and the Federal courts. For that reason, I put my constituent's suggestion into the form of a proposed constitutional amendment which provides for the establisment of a court of the States. The court would have jurisdiction to hear all cases arising under the 10th amendment appealed from the Supreme Court and would be composed of one judge from each State, whose method of selection, term, and compensation would be determined by the State. The court could sit in panels to hear such appeals, and panel decisions would be subject to the concurrence of two-thirds of the judges of the court.

On the surface, this may appear to be a considerable departure from our constitutional tradition; but it is certainly not a departure from the principles of federalism. In establishing the Senate and the Electoral College, the Constitution provides for State participation in two of the three branches of the Federal Government. The court of the States would provide an opportunity for the States to participate in the judicial branch in a limited but crucial manner and once again, as in the past three Congresses, I commend it to my colleagues.●

TRIBUTE TO SHIRLEY PALMER

HON. RICHARD C. SHELBY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. SHELBY. Mr. Speaker, I would like to pay a tribute to my good friend Shirley Palmer. This person is a fine, dedicated citizen of our great country, the State of Alabama, and the Tuscaloosa community.

Shirley represents those persons who are active participants in the day-to-day life of the American scene. He cares about his country and is concerned about lawmaking decisions made on Capitol Hill. All of us have people like Shirley Palmer in our districts, for these men and women keep the wheels oiled in the affairs of our States and towns. They believe in America and are true citizens in every sense of the word.

Let me share with you today some of Shirley's fine, outstanding achievements. As a veteran of World War II and wounded in the Battle of the Bulge, Shirley is a special part of our citizenry who knows what it means to put your life on the line for your country.

Shirley has been a successful local contractor for the past 19 years. Now, semiretired, he still has ownership on the wholesale end as a heating and air-conditioning distributor. As an active farmer and cattle rancher, he carries a deep love for our good earth and the people and animals that are part of his daily activities.

Shirley is involved in his community as a member of the Tuscaloosa Exchange Club, a local business-civic organization. He voices his concerns for the agriculture industry by being involved in the County Farmers Association.

He has demonstrated the unique ability at the grassroots level to bridge the gap between labor and management, having served as county president of the Cattleman's Association, while also holding office as State president of the Roofing Subcontractors Association.

All of us should recognize individuals such as Shirley Palmer who continue to carry the ball at the State and local level, while we make laws and policies in Washington. These special people understand and live the problems of inflation and recession both as consumers and producers. They are energy conscious and are concerned about our future oil supplies. They pay taxes and want to know how the money will be spent when it comes to community development.

The Shirley Palmers of our society are the lifeline of America. They take life's ups and downs and put them in a proper perspective. We need today more citizens like Shirley Palmer.

I am honored to have a gentleman of this caliber in my district. This tribute, Mr. Speaker, recognizes men who we as Congressmen depend on for help and advice back home. It is a real pleasure to know Shirley Palmer and I appreciate his love of, and devotion to, the American way of life.●

TO ELLA GRASSO, LIFE WAS A CHALLENGE

HON. LAWRENCE J. DeNARDIS

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. DeNARDIS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

[From the New York Times, Feb. 15, 1981]

TO ELLA GRASSO, LIFE WAS A CHALLENGE

(By Lawrence Fellows*)

During a blizzard in 1978, Ella Grasso started out in a State Police car for the Armory in Hartford to direct rescue work, but the car got stuck in the deep snow on Farmington Avenue, a mile from the building.

"That's it," Trooper Bill Taylor said.

"That's not it," Ella Grasso replied, and walked the mile alone through the snow. She arrived at the Armory looking like a snow man and stayed until the emergency was over. That single effort probably assured her re-election that year as Governor.

It was a reminder to the people of Connecticut—not really needed by those of us who worked around her—that the woman had a will that could not be daunted, whatever she sometimes pretended.

Ella Grasso once said that she would not want to be Governor, that a woman could not be Governor and manage a family at the same time.

And she once said she felt somehow that her life was not really her own, that she had to move from one challenge to another, carrying the mantle of leadership on her shoulders wherever she could.

"It's an old Mount Holyoke attitude," she said. "One has a very serious responsibility, doing just for the sheer delight of doing."

For Ella Grasso, the daughter of hard-working Italian immigrants in Windsor Locks named Tambussi, school too presented a challenge—first at the noted Chaffee School in Windsor, then at Mount Holyoke College, in South Hadley, Mass.

She used to say sometimes that, as a girl from a poor mill town, she felt out of place at both schools, but that was not likely. She swept through both schools like an empress, standing out from the crowd all the way. In her yearbook at Chaffee it was predicted she would be the first woman to be mayor of Windsor Locks. At Mount Holyoke she was elected in her junior year to Phi Beta Kappa. In 1942, after receiving a master's degree in economics, she went to Washington, where she worked for four years at the War Manpower Commission.

She married Thomas Grasso, settled down for "20 minutes," as she put it, and then headed into politics, beginning with the League of Women Voters.

She joined the Republican Party briefly in Windsor Locks, but soon switched to the Democratic Party. She said she felt more comfortable there, probably because of her memories of the 1930's Depression in Windsor Locks.

She worked her way into the Democratic Party organization by the customary hard route, helping on other people's campaigns, writing speeches, registering voters, getting them out to vote on Election Day.

Ella T. Grasso served two terms as a member of Connecticut's House of Representatives, three terms as Connecticut's Secretary of the State, two terms as a member of the United States House of Representatives. Lieut. Gov. William A. O'Neill succeeded her in her second term as Governor of Connecticut.

In 1954, when she was campaigning for her second term in the State House of Representatives, she worked at Abraham A. Ribicoff's campaign headquarters when he was seeking re-election as Governor.

"I learned something there," she said. "I learned the importance, the integrity of compromise, the necessity to get varying opinions, varying points of view."

If she learned about the importance of compromise, she never got to be good at it. She was good at politics in her own way. But Ella Grasso liked to win, and did win all her election campaigns. She lost some political battles along the way, but they were not lost piecemeal through compromise. They were really lost.

She tried to replace William O'Neill as Democratic state chairman in hope of putting together a political alliance with the larger cities in Connecticut. With small-town backing, Mr. O'Neill stood his ground. Mrs. Grasso yielded, and two years later she took him onto her re-election ticket as Lieutenant Governor.

She kept her distance from the General Assembly and in 1977 allowed the budget to get stalled in committee until the small-town Representatives there gave up their fight to limit the spending. When the budget went to Governor Grasso she refused to sign it, and then asked the Assembly leaders to trim it. They refused, and the budget became law without her signature.

She alienated one group after another—old party regulars, labor, state employees, judges, veterans, the police. But the people loved her for her combativeness and what they saw as her straightforward ways.

She sold the state plane and limousine, and turned off the lights on the Capitol dome, and the people loved her for that. And she loved them. As Ella Grasso saw it, the people in the street were her real following.

"It's people," she said. "It's party zealots. It's guys on motorcycles who stop and talk to me, senior citizens sitting in the sun at the Bethlehem Fair, young people with families."

She had never been the protége of John Bailey, who ran the Democratic Party in Connecticut for more than a quarter of a century before he died of cancer in 1975. He would rather have seen the nomination for Governor in 1974 go to Robert Killian. Ella Grasso would not yield on that one.

"I was screaming at him," she said, recalling how she pressed Mr. Bailey to get the nomination. Mr. Killian was at the meeting, in Mr. Bailey's home in Hartford. Mr. Bailey did not make the big decision. He went instead for doughnuts, and asked the two to decide while he was gone from the house. By the time he returned, Mrs. Grasso had won the argument. Mr. Killian would be on her ticket as Lieutenant Governor.

She was in politics full time. Almost the only diversion she allowed herself was to weed her lawn in Windsor Locks occasionally. There were a lot of weeds in it and she thought of it as more a meadow than a lawn. Sometimes she gathered wildflowers by the road, and tried to get them started

*Lawrence Fellows, a former reporter for The New York Times, was press secretary for Ella Grasso's reelection campaign in 1978. He is now editor of The Westport News.

on her lawn. Al Binford of Connecticut Public Television suggested to her that it might have been a reflection on her strong urge to shape things, to make things happen.

"All of that, and the exquisite beauty of plants, and the fact that it is life developing in all of its fullness," Ella Grasso said. "Then, sometimes, with that beautiful chartreuse thumb of mine, they don't. They fade, fall apart. But that's all right, then I start over again. There's always another season."●

DOUBLE JEOPARDY

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. SIMON. Mr. Speaker, the New York Times on Sunday, February 8, had a small editorial on tuition tax credit which my colleagues will find of interest if they have not read it already.

DOUBLE JEOPARDY

For government to pay tuition tax credits, says Terrel H. Bell, the new Secretary of Education, is a matter of "fairness and equity." Why? Because parents who send their children to private schools are "in effect, paying twice for education. They pay their education taxes and then they pay their tuition."

What a breathtaking principle of taxation. If tax policy is to be based on it, there should be tax credits to the fellow who pays twice for his right to enjoy the open spaces—once for a country club membership and again with taxes that maintain public parks. There should be reimbursement to all car owners for their tax contribution to maintain mass transit systems. There should be a tax rebate for every bottle of Perrier drunk in place of tax-paid tap water.

Fairness and equity? Self-indulgence and anarchy would be more like it.●

AGEISM HAS NO PLACE IN PRISON EMPLOYMENT

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. GILMAN. Mr. Speaker, today I am introducing, with nine of my colleagues as cosponsors, a bill to correct a serious inequity in employment practices in the Federal prison system.

At present, all workers in Federal prisons—guards, secretaries, and cooks—are classified as "law enforcement officers", together with FBI and DEA agents, U.S. marshals, and so forth.

As such, they are eligible for early retirement and for augmented pensions under Public Law 93-350. I do not argue with providing benefits for any of these employees.

However, the same law that established these special retirement benefits also gave the Attorney General, with the concurrence of the OPM, authority to set a maximum age for appointment as a law enforcement officer. The Attorney General has decided that no one over the age of 35 could be appointed to a position in the Federal service within a prison—with a few limited exceptions for physicians and others.

This policy is one of unabashed ageism. In an effort to procure a vigorous workforce for the Federal prisons, the Justice Department bars from possible appointment just about all 36-year-olds—and everybody who is older—no matter how experienced, talented, or physically fit they may be.

This same law provides that prison employees may be involuntarily retired at age 55.

My bill provides that no regulations may bar individuals under the age of 45 from appointment as law enforcement officers working in prisons, and that such individuals may not be involuntarily retired solely by reason of their age before age 65. Nothing in the law would alter the authority of management to require that all individuals working in prisons be physically and mentally fit to perform their assigned duties.

I want to thank my colleagues, Mrs. CHISHOLM, Mr. FISH, Mr. HYDE, Mr. MURPHY, Mr. PEPPER, Mr. SCHEUER, Mr. SIMON, and Mr. TAUKE, for joining me as original cosponsors of this measure. I urge my colleagues who have not yet cosponsored this bill to consider doing so, and for their information I request that a copy of the bill be printed in the RECORD at this point:

H.R. —

A bill to amend sections 3307(d) and 8335(b) of title 5, United States Code, with respect to age limits for appointment and mandatory retirement of law enforcement officers engaged in detention activities

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3307(d) of title 5, United States Code, is amended—

(1) by striking out "The" and inserting in lieu thereof "(1) Except as provided in paragraph (2), the", and

(2) by adding at the end thereof a new paragraph as follows:

"(2) The maximum limit of age for original appointments to a position as a law enforcement officer whose duties primarily involve detention activities may not be fixed under paragraph (1) at an age lower than 45 years."

SEC. 2. The first sentence of section 8335(b) of title 5, United States Code, is amended—

(1) by inserting ", or 65 years of age in the case of a law enforcement officer engaged primarily in detention activities," after "55 years of age", and

(2) by striking out "that age" and inserting in lieu thereof "the applicable age".●

PROTECTING OLDER AMERICANS AGAINST OVERPAYMENT OF INCOME TAXES

HON. DENNIS E. ECKART

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. ECKART. Mr. Speaker, the House Select Committee on Aging recently issued their annual checklist of itemized deductions for protecting older Americans against overpayment of income taxes.

The senior citizens of our country, many of whom are on fixed incomes, have been tremendously affected by high inflation rates in recent years. Since this is income tax time in the United States, I believe it is important that this checklist be made available to these people in order to allow them to take full advantage of the legal tax reduction avenues open to them.

Mr. Speaker, I insert the Aging Committee's report in the CONGRESSIONAL RECORD at this time:

PROTECTING OLDER AMERICANS AGAINST OVERPAYMENT OF INCOME TAXES

(A Revised Checklist of Tax Return Information for Use in Taxable Year 1980)

A. FILING REQUIREMENTS

Single Individuals

Single individuals under the age of 65 must file a return if they had gross income of $3,300 or more for the year. Those over age 65 must file if they had gross income of $4,300 or more.

Married Individuals

Married individuals under the age of 65 must file a return if the couple's combined gross income was $5,400 or more. If only one spouse is age 65 or older, the filing level is $6,400. If both spouses are age 65 or older, the filing level is $7,400.

An individual who is married and whose spouse files a separate return must file a return if gross income was $1,000 or more.

Qualifying Widow or Widower

Qualifying widows or widowers must file a return if they had gross income of $4,400 or more during the year. For qualifying widows or widowers who are 65 or older, the filing level is $5,400.

Self-Employed Persons

Self-employed individuals must file a return if they had net earnings from self-employment of $400 or more.

B. PERSONAL EXEMPTIONS

Each taxpayer is entitled to a $1,000 personal exemption. Married taxpayers generally are entitled to an additional $1,000 exemption for their spouses. Furthermore, additional exemptions are provided for age (65 or older) and blindness. Finally, individuals may take an exemption for each person who qualifies as a dependent.

C. ZERO BRACKET AMOUNT

The zero bracket amount (formerly, the standard deduction) is the portion of an individual's income which is not subject to tax. The zero bracket amount is (1) $3,400 for married individuals filing jointly, or qualifying widows or widowers, (2) $2,300 for single individuals, or heads of house-

holds, and (3) $1,700 for married individuals filing separately.

D. EXCLUSIONS

Capital Gains

In general, 60 percent of net long-term capital gain is excluded from gross income.

Sale of Personal Residence

Individuals who are age 55 or older may elect to exclude, on a one-time basis, up to $100,000 of the gain from the sale of a personal residence. For the exclusion to apply, the taxpayer must have owned and occupied the residence for 3 of the 5 years ending on the date of sale.

Dividends and Interest

In general, individuals may exclude up to $100 ($200 on a joint return if each spouse has at least $100 of dividends) of dividends received during the year.

For 1981 and 1982 tax years (to be reflected on 1981 and 1982 tax returns), $200 ($400 in the case of joint returns) of interest and dividends may be excluded from gross income.

Disability Income Exclusion

Certain individuals may exclude up to $5,200 per year of disability income. In general, to qualify for this exclusion, an individual must be under age 65, must have retired on disability, and must have retired because of permanent and total disability.

E. ITEMIZED DEDUCTIONS [1]

Medical and Dental Expenses

The portion of medical expenses that exceeds 3 percent of a taxpayer's adjusted gross income may be deducted. (However, medicine and drug expenses are taken into account only to the extent that they exceed 1 percent of adjusted gross income.)

One-half of the amount spent for medical insurance (up to $150) may be deducted without regard to the 3-percent floor. The remainder is lumped with other medical expenses and is subject to the 3-percent floor.

Taxes

In general, State, local or foreign income tax, real property tax, personal property tax, and general sales taxes are deductible.

Interest

Interest payments are deductible by individuals who are legally liable to make them. Items commonly deducted as interest include: Mortgage interest, "points" paid by a borrower, mortgage prepayment penalties, separately stated finance charges, bank credit card plan interest, interest on personal loans, and interest on business loans.

Contributions

Contributions of cash or property to qualified organizations may be deducted. In general, the deduction may not exceed 50 percent of an individual's adjusted gross income.

Casualty and Theft Losses

Personal casualty and theft losses are deductible to the extent that they exceed $100 per occurrence and are not reimbursed through insurance or otherwise.

Miscellaneous Deductions

In addition to medical and dental expenses, taxes, interest, charitable contributions, and casualty and theft losses, a number of other, miscellaneous expenses may be claimed as itemized deductions. Some of the more common expenses in this category include: dues paid to professional societies, employment-seeking expenses, employment-related education, subscriptions to professional journals, union dues, investment counsel fees, safe deposit box rental, and tax counsel and assistance.

F. TAX CREDITS

Credit for the elderly

Individuals who are age 65 or older, or who are under age 65 and receive a taxable pension or annuity from a public retirement system, may be entitled to claim the credit for the elderly. The maximum amount of the credit is 15 percent of one of the following amounts: (1) $2,500 for a single person, head of household, or qualifying widow or widower; (2) $2,500 for a married individual filing a joint return, if only one spouse is 65 or older; (3) $3,750 for a married individual filing a joint return, if both spouses are 65 or older; or (4) $1,875 for a married individual filing a separate return, if the individual and his or her spouse were not members of the same household during the year.

Child and Disabled Dependent Care Credit

Taxpayers may be entitled to a credit equal to 20 percent of the amount paid for the care of a dependent under the age of 15, a disabled dependent, or a disabled spouse, if the payment is made to enable the taxpayer to work or look for work. For a taxpayer with one qualifying dependent, the maximum credit is $400. If there are two or more qualifying dependents, the maximum credit is $800.

Earned Income Credit

Taxpayers with dependent children generally are entitled to a refundable credit equal to 10 percent of the first $5,000 of earnings (for a maximum credit of $500). The credit phases out a rate of 12.5 percent as income rises from $6,000 to $10,000 (that is, a reduction of 12½ cents for each additional dollar of income).

Residential Energy Credit

Taxpayers are entitled to a credit equal to 15 percent of the first $2,000 spent on qualifying energy-saving items. Qualifying energy-saving items include: insulation, storm or thermal windows or doors, caulking or weather stripping, clock thermostats, furnace replacement burners, and meters that display the cost of energy use.

In addition, taxpayers may receive an additional energy credit for amounts spent on solar, wind-powered, or geothermal equipment for their homes. This credit is for 40 percent of the first $10,000 of those costs.

Credit for Political Contributions

Taxpayers may take credits for up to one-half of political contributions made during the year. The maximum credit is $50 on a single return and $100 on a joint return.

G. PRESIDENTAL ELECTION CAMPAIGN FUND CHECKOFF

Additionally, an individual taxpayer may voluntarily earmark $1 of taxes ($2 on joint returns) each year for the Presidential Election Campaign Fund. (This does not result in any increase or decrease of the tax liability.)

ITEMIZED DEDUCTIONS

A. CHECKLIST OF ITEMIZED DEDUCTIONS FOR SCHEDULE A (FORM 1040)

Medical and Dental Expenses

Medical and dental expenses (unreimbursed by insurance or otherwise) are deductible to the extent that they exceed 3 percent of your adjusted gross income (line 31, Form 1040).

Insurance Premiums

One-half of medical, hospital or health insurance premiums are deductible (up to $150) without regard to the 3 percent limitation for other medical expenses. The remainder of these premiums can be deducted, but is subject to the 3 percent rule.

Drugs and Medicines

Included in medical expenses (subject to 3 percent rule) but only to extent exceeding 1 percent of adjusted gross income (line 31, Form 1040).

Other Medical Expenses

Other allowable medical and dental expenses (subject to 3 percent limitation):

Abdominal supports (prescribed by a doctor).
Acupuncture services.
Ambulance hire.
Anesthetist.
Arch supports (prescribed by a doctor).
Artificial limbs and teeth.
Back supports (prescribed by a doctor).
Braces.
Capital expenditures for medical purposes (e.g., elevator for persons with a heart ailment)—deductible to the extent that the cost of the capital expenditure exceeds the increase in value to your home because of the capital expenditure. You should have an independent appraisal made to reflect clearly the increase in value.
Cardiographs.
Chiropodist.
Chiropractor.
Christian Science practioner, authorized.
Convalescent home (for medical treatment only).
Crutches.
Dental services (e.g., cleaning, X-ray, filling teeth).
Dentures.
Dermatologist.
Eyeglasses.
Food or beverages specially prescribed by a physician (for treatment of illness, and in addition to, not as substitute for, regular diet; physician's statement needed).
Gynecologist.
Hearing aids and batteries.
Home health services.
Hospital expenses.
Insulin treatment.
Invalid chair.
Lab tests.
Lipreading lessons (designed to overcome a handicap).
Neurologist.
Nursing services for medical care, including nurse's board paid by you.
Occupational therapist.
Ophthalmologist.
Optician.
Optometrist.
Oral surgery.
Osteopath, licensed.
Pediatrician.
Physical examinations.
Physical therapist.
Physician.
Podiatrist.
Psychiatrist.
Psychoanalyst.
Psychologist.
Psychotherapy.
Radium therapy.
Sacroiliac belt (prescribed by a doctor).
Seeing-eye dog and maintenance.
Speech therapist.
Splints.
Supplementary medical insurance (Part B) under medicare.

[1] For further details see itemized deductions.

Surgeon.

Telephone/teletype special communications equipment for the deaf.

Television set if individual has a hearing impairment and the set is specially equipped with a visual display of the audio portion of television programs. Similarly the cost of an adaptor for a conventional television that performs the same function is now considered a medical deductive by the IRS.

Transportation expenses for medical purposes (9¢ per mile, plus parking and tolls or actual fares for taxi, buses, etc.).

Vaccines.

Vitamins prescribed by a doctor (but not taken as a food supplement or to preserve general health).

Wheelchairs.

Whirlpool baths for medical purposes.

X-rays.

Expenses may be deducted only in the year you paid them. If you charge medical expenses on your bank credit card, the expenses are deducted in the year the charge is made regardless of when the bank is repaid.

Taxes

Real estate.

General sales.

State and local income.

Personal property.

If sales tax tables are used in arriving at your deduction, ordinarily you may add to the amount shown in the tax tables the sales tax paid on the purchase of the following items: automobiles, trucks, motorcycles, airplanes, boats, mobile homes, and materials used to build a new home when you are your own contractor.

When using the sales tax tables, add to your adjusted gross income any nontaxable income (e.g., social security, veterans' pensions or compensation payments, railroad retirement annuities, workmen's compensation, untaxed portion of long-term capital gains, dividends untaxed under the dividend exclusion, interest on municipal bonds, unemployment compensation and public assistance payments).

Contributions

In general, contributions may be deducted up to 50 percent of your adjusted gross income (line 31, Form 1040). However, contributions to certain private nonprofit foundations, veterans organizations, or fraternal societies are limited to 20 percent of adjusted gross income.

Cash contributions to qualified organizations for (1) religious, charitable, scientific, literary or educational purposes, (2) prevention of cruelty to children or animals, or (3) Federal, State or local governmental units (tuition for children attending parochial schools is not deductible).

Fair market value of property (e.g., clothing, books, equipment, furniture) for charitable purposes. (For gifts of appreciated property, special rules apply. Contact local IRS office.)

Travel expenses (actual or 9¢ per mile plus parking and tolls) for charitable purposes (may not deduct insurance or depreciation in either case).

Cost and upkeep of uniforms used in charitable activities (e.g., scoutmaster).

Purchase of goods or tickets from charitable organizations (excess of amount paid over the fair market value of the goods or services).

Out-of-pocket expenses (e.g., postage, stationery, phone calls) while rendering services for charitable organizations.

Care of unrelated student in your home under a written agreement with a qualifying organization (deduction is limited to $50 per month).

Interest

Home mortgage.

Auto loan.

Installment purchases (television, washer, dryer, etc.).

Bank credit card—can deduct the finance charge as interest if no part is for service charges, loan fees, credit investigation fees, or similar charges.

Other credit cards—you may deduct as interest the finance charges added to your monthly statement, expressed as an annual percentage rate, that are based on the unpaid monthly balance.

Points—deductible as interest by buyer where financing agreement provides that they are to be paid for use of lender's money and only if the charging of points is an established business practice in your area. Not deductible if points represent charges for services rendered by the lending institution (e.g., VA loan points are service charges and are not deductible as interest). Not deductible if paid by seller (are treated as selling expenses and represent a reduction of amount realized).

Penalty for prepayment of a mortgage—deductible as interest.

Revolving charge accounts—may deduct the separately stated "finance charge" expressed as an annual percentage rate.

Casualty or Theft Losses

Casualty (e.g., tornado, flood, storm, fire, or auto accident provided not caused by a willful act or willful negligence) or theft losses—the amount of your casualty loss deduction is generally the lesser of (1) the decrease in fair market value of the property as a result of the casualty, or (2) your adjusted basis in the property. This amount must be further reduced by any insurance or other recovery, and, in the case of property held for personal use, by the $100 limitation. Report your casualty or theft loss on Schedule A. If more than one item was involved in a single casualty or theft, or if you had more than one casualty or theft during the year, you may use Form 4684 for computing your personal casualty loss.

Miscellaneous

Appraisal fees to determine the amount of a casualty loss or to determine the fair market value of charitable contributions.

Union dues.

Cost of preparation of income tax return.

Cost of tools for employee (depreciated over the useful life of the tools).

Dues for chamber of commerce (if as a business expense).

Rental cost of a safe-deposit box used to store income-producing property.

Fees paid to investment counselors.

Subscriptions to business publications.

Telephone and postage in connection with investments.

Uniforms required for employment and not generally wearable off the job.

Maintenance of uniforms required for employment.

Special safety apparel (e.g., steel toe safety shoes or helmets worn by construction workers; special masks worn by welders).

Business entertainment expenses.

Business gift expenses not exceeding $25 per recipient.

Employment agency fees under certain circumstances.

Cost of a periodic physical examination if required by employer.

Cost of installation and maintenance of a telephone required by your employment (deduction based on business use).

Cost of bond if required for employment.

Expenses of an office in your home if used regularly and exclusively for certain business purposes.

Transportation expenses for business purpose (20 cents per mile for the first 15,000 miles, and 11 cents per mile in excess of 15,000 miles, plus parking and tolls or actual fares for taxi, buses, et cetera.)

B. OTHER TAX RETURN INFORMATION ITEMS

Tax Tables

Tax tables have been developed to make it easier for you to find your tax if your income is under certain levels. Even if you itemize deductions, you may be able to use the tax tables to find your tax easier. In addition, you do not have to deduct $1,000 for each exemption because these amounts are also built into the tax table for you.

Multiple Support Agreements

In general, a person may be claimed as a dependent of another taxpayer, provided five tests are met: (1) support; (2) gross income; (3) member of household or relationship; (4) citizenship, and (5) separate return. But in some cases, two or more individuals provide support for an individual, and no one has contributed more than half the person's support. However, it still may be possible for one of the individuals to be entitled to a $1,000 dependency deduction if the following requirements are met for multiple support:

1. Two or more persons—any one of whom could claim the person as a dependent if it were not for the support test—

2. Any one of those who individually contribute more than 10 percent of the mutual dependent's support, but only one of them, may claim the dependency deduction.

3. Each of the others must file a written statement that he will not claim the dependency deduction for that year. The statement must be filed with the income tax return of the person who claims the dependency deduction. Form 2120 (Multiple Support Declaration) may be used for this purpose.

Sale of Personal Residence

You may exclude from your gross income some or all of your gain from the sale of your principal residence, if you meet certain age, ownership, and occupancy requirements at the time of the sale. These requirements, and the amount of gain that may be excluded, differ depending on whether you sold your home before July 27, 1978, or on or after that date. The exclusion is elective, and you may elect to exclude gain only once for sales before July 27, 1978, and only once for sales on or after that date.

If you sold your home before July 27, 1978, and you were age 65 or older before the date of sale, you may elect to exclude the gain attributable to $35,000 of the adjusted sales price if you owned and occupied the residence for 5 of the 8 years ending on the date of sale. If you sold the home after July 26, 1978, and you were age 55 or older before the date of the sale, you may elect to exclude $100,000 of gain on the sale if you owned and occupied the residence for 3 of the 5 years ending on the date of sale (or 5 of 8 years under certain circumstances). Form 2119 (Sale or Exchange of Personal Residence) is helpful in determining what gain, if any, may be excluded.

Additionally, you may elect to defer reporting the gain on the sale of your person-

al residence if within 18 months before or 18 months after the sale you buy and occupy another residence, the cost of which equals or exceeds the adjusted sales price of the old residence. Additional time is allowed if (1) you construct the new residence; (2) you were on active duty in the U.S. Armed Forces; or (3) your tax home was abroad. Publication 523 (Tax Information on Selling or Purchasing Your Home) may also be helpful.●

SPORTS FANS HAVE RIGHTS, TOO

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. STARK. Mr. Speaker, I have introduced legislation designed to restrict the capricious movement of professional sports franchises. The bill, H.R. 823, would not preclude entirely the relocation of a sports team if the move proved necessary for the franchise's profitable economic survival. It simply takes into account the interests and the investments, the fans, and local governments.

The House Judiciary Committee has agreed to hold hearings on this proposal in early April. I invite my colleagues to join me in cosponsoring this measure.

The following article, which appeared recently in the Washington Star, spells out in further detail the goal of the Sports Franchise Relocation Act.

[From the Washington Star]

STOPPING AL DAVIS—THE GOAL OF H.R. 823

(By Morris Siegel)

Nobody in the Oakland area except Al Davis and a few of his trained seals wants to see the Raiders move to Los Angeles, which is what the Raiders are dying to do.

In addition to the people who have supported the recently crowned Super Bowl champs comfortably during the years, the coach, Tom Flores, a number of his players, and NFL Commissioner Pete Rozelle, of course, have said in so many words that they think Davis' greedy plan stinks.

Running back Mark van Eeghen has called it "crazy" and Rozelle, who goes to court Monday to try and prevent the Raiders from cheap-shotting their loyal fans, labeled it "unconscionable".

Recently Pete Stark joined the movement to throw up some kind of preventive defense to kill off Davis' highly unsupportable scheme to become wealthier than he already is and than he needs to be as well.

Pete Stark is not just another voice in the Oakland mob shouting foul. He is not much of a spectator sports fan, but Pete Stark is in a better position to do something about Davis' attempted grand larceny than the other Oakland citizens.

Fortney H. "Pete" Stark represents the 9th congressional district in California, which covers Oakland, in the U.S. House of Representatives. Recently be brought the matter to the attention of his colleagues on the Hill.

He introduced a bill, technically H.R. 823, "to establish certain limitations relating to the movement of professional sports franchises, to require the equal sharing of revenues under certain professional sports broadcasting agreements and for other purposes."

In man-to-man talk, it is the Sports Franchise Relocation Act. Stark's bill does not prohibit a franchise from moving, but under the stringent terms only clubs as bad off as the Chrysler Corporation qualify for a change of venue.

To become eligible just to be considered for parole from its present location, a team must lose money for three years, or there must be disagreement over the stadium lease of "material significance" that cannot be remedied within a reasonable period of time or the stadium has become inadequate and the stadium authority is indifferent toward remedying the inadequacies.

The legislation is not aimed at at any particular team and it is mere coincidence nothing more, that the bill happened to be introduced by a congressman from Oakland, the only city currently facing the prospect of losing anything as major as an NFL franchise.

The Raiders would go 0 for 3 if they based the reason for their intended disloyalty on any of the above. Even before Davis announced his designs on Los Angeles, Rozelle declared "it would take a genius to go broke in the NFL today," alluding to the $5.6-million annual grant in aid clubs receive for TV rights.

So poverty is out and so is any hassle over the lease. Oakland might claim "inadequate" stadium facilities, but this is suspect. Davis has demanded a slew of luxury boxes to sell for $30,000 annually, which Oakland has agreed to but only if the Raiders consent to hang around long enough to pay construction costs. They have refused.

The Sports Franchise Relocation Act presently rests with the Judiciary Committee and Stark is not optimistic that it will give him an OK to hold hearings.

Stark, however, is not dismayed over this prospect. He is a member of the Ways and Means Committee, from which all tax favors flow, and feels comfortably sure that from Ways and Means he can exact a threat to cut off player depreciation benefits without which pro franchises cannot exist unless they are all owned by OPEC nations.

While individual congressmen are automatically sympathetic to developments that injure their constituency, Congress as a whole has been of little aid and comfort to the people's plea that "we have been robbed" when they air complaints that relate to pro sports.

The vote to lift the NFL blackout several years ago was not unanimous. Several congressional resolutions to bring baseball back to Washington, as another example are painful also-rans.

Stark is aware of this, but he will press on as a symbolic gesture that Raider fans do not deserve to be "dumped on" as he said, citing several benefits that sports entrepreneurs have already gotten from Congress. These include the NFL–AFL merger, which required special legislation, plus another special act, which permitted the NFL to negotiate its megabuck TV contracts.

"I am generally opposed to government meddling in private interprise," Stark said, "except where public interest overrides private interest, which appears to be the case (Raiders) here. To suddenly desert the city and county that made the Raiders' prosperity possible would be the height of corporate irresponsibility, a gross violation of public trust."

In the Federal courtcase scheduled to begin Monday in Los Angeles, the plaintiff, acting in behalf of Davis, is the City of Los Angeles. which has asked that the NFL rule requiring three-fourths majority approval to move a team be declared illegal.

Los Angeles' hands are not exactly clean either. For one thing the Ram franchise it "lost" is not a loss in any sense. It simply moved 28 miles south, to Anaheim, where most of the Ram season ticket customers live.

It is no more of a "loss" than the Lions' move out of Detroit to a domed facility in Pontiac. And L.A. city officials strike me as being somewhat phony or certainly victims of acute amnesia.

The Rams franchise they acquired in 1946 did not have its beginning in Los Angeles. It was filched from Cleveland.

Just how much support Pete Stark's Sports Franchise Relocation Act receives remains to be seen, but it certainly deserves the backing of Walter Fauntroy, who should not have to be reminded that Washington lost two baseball franchises to greed.

Unfortunately, Fauntroy's support must be moral. The District's sole voice on Capitol Hill is a non-voting delegate.●

BLACK LUNG BENEFITS

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. APPLEGATE. Mr. Speaker, it is said that special interest groups will prevent President Reagan's economic package from total success. That may or may not be.

I represent a special interest group called coal miners, and I intend to fight for black lung benefits that President Reagan recommends be cut. Black lung benefits, in fact, need to be increased. The benefits are paid to those who suffer from respiratory, cancer-causing, and heart debilitating diseases and are paid for through a tax on coal.

Cut back on the program, Mr. President? It needs to be increased, not decreased, to include an automatic entitlement to benefits for those actually working in the mines for at least 20 years. Costly, Mr. President? Work in the mines for just 30 days, and then answer these questions. The cost must be borne by the coal tax, which needs to be increased to assure an actuarially sound program. You may argue that that is paid for by the consumers, but what tax isn't? I think the general public sympathizes with beneficial programs when they see good results. And this program is a good one.●

MENTAL HEALTH ACT OF 1981

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. GONZALEZ. Mr. Speaker, today I am reintroducing a bill entitled "Mental Health Act of 1981," which would provide adequate mental health care and psychiatric care to all Americans. I have been proposing such legislation for several Congresses and I hope that this legislation, aimed at providing comprehensive mental health coverage as part of a national health insurance program, will be given favorable consideration this year.

The purpose of the bill, at least one of its most important goals, is to give to all individuals residing in the United States a right to obtain adequate preventive mental health care at a price they can afford. During the past 20 years, outpatient mental health care has increased from 23 percent in 1955 to 70 percent in 1975. While this increase is promising in that it shows people are seeking the mental health care that they need, they are doing so at great personal cost since most do not have health insurance plans that will cover their treatment.

For people on fixed incomes, the poor, the elderly, and minorities, this burden is tremendous. Even though the Federal Government has supported community mental health centers which utilize a sliding fee scale, these services still remain inaccessible for the poor and many middle-income families. The poor also tend to be multiple users of human services and most of us know that it is the poor and middle-income who find it difficult to pay for such services.

An estimated 15 percent of the population is predicted to eventually suffer from severe mental illness. This can mean one or more of several serious conditions. Recent figures by the National Institute of Mental Health reveals that of all those who received mental health care, 3.1 percent were mentally retarded; 5.4 percent had organic brain syndromes; 22.5 percent suffered from schizophrenia; 15 percent from depressive disorders; 8.8 percent from alcoholism; 2.9 percent from drug disorders; 1.5 percent from other psychoses; 32.4 percent listed as "all others" including personality disorders and various neuroses; and a perplexing 8 percent classified as undiagnosed.

Mr. Speaker, since the vast majority of the population in this country are from the middle and lower income categories and the cost of mental health care remains prohibitive to them, there exists a need to provide funds for national mental health insurance.

The proposed program would be funded through a mental health tax with the funding mechanism similar to those under some of the pending national health insurance program bills. This program that I am recommending could be supplemental to any health insurance plan or could be implemented as a separate program. The major services provided for under this bill would include psychiatric hospital care, psychotherapy, prescribed drugs, community health center services, and home therapy. Innovative services provided would include halfway house care, day mental hospital care, and night mental hospital care.

I encourage my colleagues to take the time and remember the people they represent and consider their needs for responsible and affordable mental health care.●

ABELARDO VALDEZ PROPOSES A UNITED STATES-MEXICO BORDER FREE TRADE ZONE

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. LEHMAN. Mr. Speaker, earlier this month, Ambassador Abelardo L. Valdez, former White House Chief of Protocol and U.S. AID Assistant Administrator, testified in Miami before the Trade Advisory Committee of the Office of the U.S. Trade Representative. In his presentation, he outlined a very innovative proposal, the creation of a free trade zone along the United States-Mexico border. This idea is well worth bringing to the attention of my colleagues, and I am therefore inserting Ambassador Valdez's testimony in today's CONGRESSIONAL RECORD at this point:

AMBASSADOR VALDEZ' TESTIMONY

Mr. Chairman and Members of the Trade Advisory Committee: I am pleased to appear before you today to discuss North American Trade Agreements. My testimony will be relevant to this subject, but it also will have hemispheric dimensions.

This hearing is very timely in view of the social and economic challenges and opportunities which confront not only the United States but also the other countries of the Western Hemisphere. At this very moment, we in the United States are experiencing the results of economic underdevelopment and unbalanced ecomomic systems in Latin America and the Caribbean in the form of millions of undocumented migrants from the region. We are also witnessing violent upheavals in El Salvador and other countries in Central America resulting from these conditions. I believe that inter-American trade can contribute to the solution of these problems by fostering equitable economic development in Latin America and the Caribbean.

There are other reasons why this hearing is timely. In recent years, the United States has suffered record trade deficits, mounting inflation and a steady deterioration in the value of its currency. It is increasingly more difficult for us to compete in world markets. This is mainly due to decreased productivity and ineffective marketing.

While there are several possible remedies to our present ills, I believe that the best medicine is to improve our trading ability. Today we are competing for world markets with other nations which have needed to depend upon international trade for their economic survival. On the other hand, we have only begun to realize that our economic health at home now depends on our ability to compete in the international market.

ECONOMIC CHALLENGER AND OPPORTUNITIES CONFRONTING THE WESTERN HEMISPHERE

There are exciting opportunities for increasing trade with Latin America and the Caribbean, and with Canada, but there is also increased concern with the existing socio-economic problems affecting the nations of the region. According to World Bank statistics, approximately 40 percent of the people of this region have annual incomes of less than $300 per person. The doubling of the region's population to more than 600 million people by the year 2000 promises to exacerbate the existing poverty and economic imbalance found in every country of the region.

The impact of these problems will be felt in the United States as well as throughout the region. Already the large numbers of persons forced to migrate to the United States and to other more developed countries of the region has become a source of social tension. It is estimated that there are from three to six million undocumented persons from Latin America and the Caribbean in the United States today. In Venezuela there are approximately two million undocumented persons, mostly Colombians. Also, there are approximately 200,000 Haitians in the Dominican Republic. Mexico is experiencing a migration of large numbers of Central Americans through its southern border; at the same time, it is sending approximately 50 percent of the undocumented workers from Latin America entering the United States every year.

The problem of undocumented migration is truly a hemispheric problem, which will continue to grow unless balanced economic development can be achieved.

The poverty and the accompanying economic imbalances within the region are the main causes of the political and economic instability of many nations of the region, particularly in Central America and the Caribbean. This instability has become a major foreign policy issue for the United States in recent years. It should motivate us to find ways and means to support economic development in the region before the results escalate to tragic proportions. Armed camps, locked in protracted conflict, is not the scenario which we desire for our neighbors.

In recent years, the principal markets for our exports have shifted from the industrialized nations to the developing countries. The largest share of our exports to the developing areas now goes to Latin America and the Caribbean. Last year United States-Latin America trade amounted to $75.7 billion. In 1980, United States exports to the region comprised 48 percent of United States exports to developing countries and about 18 percent of global United States exports. In the same year, United States imports from the region constituted 33 percent of U.S. imports from developing countries and 15 percent of total U.S. imports.

The top three customers for U.S. products in Latin America and the Caribbean in 1980, accounting for three-fifths of U.S. export trade with the region, were: Mexico ($15.1 billion), Venezuela ($4.6 billion) and Brazil ($4.3 billion).[1] These three countries were, also, the leading suppliers of the U.S. market in 1980. Imports from them comprised 58 percent of total U.S. import trade from the region. Mexico supplied $12.5 billion worth of goods and services, Venezuela accounted for $5.3 billion, and Brazil, $3.7 billion.[2]

In terms of foreign investment, Latin America and the Caribbean represent a prime area for U.S. investors. In 1979, U.S. investment in the region amounted to $38.6 billion and earned $6.3 billion. This investment represents approximately 20 percent of all U.S. investment abroad and more than 50 percent of U.S. investment in the developing world. In the period 1975–79, U.S. investment in the region nearly doubled (from $19.5 billion to $36.8 billion).[3]

These statistics confirm the importance of U.S. trade with the other countries of the hemisphere.

It is vital to our future prosperity to increase our trade around the world but especially with our neighbors in this hemisphere. This trade is also vitally important to create economic development in Latin America and the Caribbean. Only through this kind of balanced economic development can the people of this hemisphere improve their economic lot; create jobs for millions of unemployed and underemployed persons; and bring about the economic and social stability needed for the protection of human rights and democratic institutions.

While Latin America is a region plagued by severe economic problems, it also has the most potential for economic growth and development than any other developing region of the world. It is already the most economically advanced of the developing regions, with an average GNP/capita of more than $1,000. If the countries of this region can succeed in achieving economic development and political reform, at least in some of them, the possibilities for economic progress and for U.S. trade in the region are unlimited. Our own trading future is linked to the development of our neighbors in the Americas.

PROPOSAL FOR A FREE TRADE ZONE ALONG THE UNITED STATES-MEXICO BORDER

It is in this context that I appear before you today to propose a modest first step toward the creation of a Hemispheric Common Market: A Free Trade Zone along the United States-Mexico border. My proposal would establish a Free Trade Zone extending 200 miles into each country's territory and running along the border from Brownsville, Texas, to San Diego, California. In essence, it would constitute a mini-Common Market; *i.e.*, any product grown, produced or manufactured within the zone, on either side of the border, could move duty free, throughout the zone.

This Zone would exist for a period of time sufficient to test its feasibility. I would recommend a minimum period of ten years. If it proved successful, it could then be expanded to include a greater part of each country's territory or the entirety of both countries. My hope is that the Zone would succeed so that, in time, it could be expanded to include not only the United States and Mexico, but also Canada and the other countries of Latin America and the Caribbean.

Another possibility for the United States and Mexico to establish a free trade zone is to do it along sectoral lines; e.g., agricultural, manufactured goods, or other sectors. Building from sector to sector, two countries could eventually establish a complete common market between them. From there they could join the other countries of the hemisphere in establishing a western hemisphere common market. It is well for us to remember that the European Common Market first began as a European Coal and Steel Community and from there developed into a complete common market.

My proposal for a free trade zone, created or established along geographic limits or by sectoral arrangements, could also be implemented along the United States-Canada border, simultaneously with its establishment along the United States-Mexico border. However, it is my judgment that the critical point of departure for this initiative should be with Mexico, for this is the key to future integration with the rest of Latin America and the Caribbean. It is at the United States-Mexico border that the developed world meets the developing world; and it is there that the great opportunities and challenges for trade and economic cooperation in this hemisphere will be found.

Many benefits could accrue from this Free Trade Zone:

This project between our country and Mexico would become a focal point for concerted economic cooperation;

New jobs would be created on both sides of the border for the chronically unemployed and underemployed. And here we should recognize that one of the most depressed job markets in our entire economy is located on our side of the U.S.-Mexico border;

New opportunities for U.S.-Mexican joint ventures would develop wherein the best of U.S. and Mexican skills, resources and technologies could attack traditional economic stagnation;

And, the Zone would provide incentives for new industries and would stimulate innovative marketing approaches;

No doubt, other benefits for both countries such as urban development; new transportation links; and, in general, an expanded base for improving the quality of life would be generated by such an arrangement.

In addition to increasing trade within the Zone, I can foresee a skyrocketing of the competitive position of firms operating within the zone relative to world trade. The muscle and wit of two peoples could combine to produce goods and services which would be even more competitive in the world market.

There are several reasons which support my proposal for the establishment of such a zone at this time and in this geographic location. First, there has been a twin plant industry program in operation along the border for the last fifteen years. This program allows U.S. firms to export unfinished products to the Mexican side of the border, duty-free, for assembly and finishing work. Upon the return to the U.S. side for marketing purposes, these products are charged duty only on the value-added portion resulting from the work done in Mexico. This has been a very successful program, mutually beneficial to both countries, and resulting in increased job creation on both sides of the border and lower prices for products produced or manufactured under this program.

Secondly, the people who live in the region covered by the proposed Foreign Trade Zone have had a historical trade experience and cultural regionship. Many of the residents of the area are bilingual and bicultural.

Thirdly, the area covered by the Zone includes some of the most important industrial and agricultural centers of both countries. On the Mexican side, the Zone would include such cities as Monterrey, Saltillo, Chihuahua and Torreon. On the U.S. side, it would include Corpus Christi, San Antonio, Abilene, Phoenix, Albuquerque, San Diego and Los Angeles. This makes the Zone area adequate for a free trade experiment. Also, the historical movement of people, goods and services throughout this zone strengthens the possibility for the Foreign Trade Zone concept to provide mutual benefits to both sides of the border.

In my judgment, it is critical that both countries recognize the mutual benefits of such a zone. Only if both are convinced that they will benefit mutually will they both consider participating in establishing such a zone. The development needs of both countries along their portions of the Zone argue strongly for its establishment. On both sides of the border there are tremendous needs for increased job creation and infrastructure development (transportation, health, education and urban development). While not a panacea for solving the problem of undocumented workers, it would contribute positively to its resolution.

THE FOREIGN TRADE ZONE: A STEP TOWARD A HEMISPHERIC COMMON MARKET

Mr. Chairman, this Zone would be a practical experiment in developing a common market in the northern part of the hemisphere, which in time could join the integration movement which began in Latin America more than twenty years ago. The end result could well be a common market for the Western Hemisphere by the year 2000.

The proposed Zone is a manageable first step, and this is important because past North American Common Market proposals, especially those made during the past presidential campaign, have been perceived in Mexico as being one-way streets—the United States trying to monopolize Mexico's oil reserves or take over its industry. This experiment, however, can be mutually beneficial to both countries. It is also limited by time, geography and/or economic sectors so that any adverse consequences could be manageable. Any free trade proposal requires time, commitment and confidence by the parties involved. I believe that my proposed Trade Zone concept is sound enough to inspire these qualities on the part of both countries.

It is my judgment that the proposed Free Trade Zone could be the first step toward the creation of an inter-American equivalent of the European Common Market. For the last twenty years the United States has supported several initiatives for Latin American economic integration—the Latin American Free Trade Association

---

[1] Principal U.S. exports to these markets were machinery and transport equipment, manufactured goods of various kinds, chemicals and related products, and food products.

[2] The main imports from the three suppliers were petroleum and related products, food products and manufactured products of various kinds.

[3] This increase was led by investment in manufacturing industries primarily in Brazil, Mexico, Venezuela, and Argentina and by the growth of financial contribution in the Caribbean.

(LAFTA);[4] the Central American Common Market and the Andean Common Market—but it, itself, has never joined these efforts at economic integration. I think the time has come for the United States to consider joining these efforts and, with the participation of Canada, eventually to enlist all the countries of the Western Hemisphere in creating a common market.

There already exist several building blocks to forming the foundation for a hemispheric market. LAFTA, the Central American Common Market, the Andean Common Market and the Caribbean communities constitute those building blocks. While the experience of these regional common markets has been one of mixed results, this experience has been invaluable to further endeavors at economic integration. The fact is that the northern part of the hemisphere is twenty years behind the Latin American countries in economic integration experience.

While I understand that the mandate of this Committee is limited to North American Trade Agreements, I submit that South American participation in future U.S. trade agreements is important for your consideration and to the creation of a hemispheric common market. The reasons for this premise are clear. Aside from Mexico, the most developed countries in the Latin American and Caribbean region are in South America. I have already mentioned that Venezuela and Brazil, along with Mexico, are the principal trade partners of the United States in the region. The other countries in South America, with the exception of Bolivia, are all more economically advanced than the Central American and Caribbean countries. Thus, the South American countries all have greater trade potential for the United States than those of Central America and the Caribbean.

In my view, the South American countries, because of their trade potential and level of economic development, are an indispensable "building block" for a hemispheric common market.

For these reasons, I would suggest that your deliberations and preparation of the report required by the Congress from the President (pursuant to Section 1104 of the Trade Agreements Act of 1979) consider this important factor.

CONCLUSION

My statement before you today is not a definitive blueprint for the estabishment of a Free Trade Zone between the United States and Mexico, nor is it a definitive analysis of its potential for both countries. It is, rather, a statement of concern and a call for action—to meet crucial economic needs in the United States and Mexico in an effective manner; and, perhaps, a way to turn perceived problems into exciting opportunities.

The proposed Free Trade Zone along the U.S.-Mexico border is a positive and concrete initiative which the United States and Mexico can take to spur economic development, increase trade, and promote a spirit of mutual cooperation. The economic challenges which confront both countries demand that urgent steps be taken to support and promote economic development and job creation to meet the needs of a rapidly expanding population in Mexico. It is a concept which merits serious study by both countries to determine its feasibility. If it were to succeed, it might be only the first step of a broader application of this concept by both countries; and, perhaps, in time, the other countries of the Western Hemisphere.

It is time that the North joins the South in the great objective of establishing a common market for the Western Hemisphere. Such a market would help the fight against inflation by reducing prices of exports and imports; it would enable equitable economic development and job creation to meet the needs of a population that will double in twenty years; and it would provide a great and noble goal for cooperation among all the countries of the hemisphere.

The proposed Free Trade Zone could be the catalyst for a movement to create a Common Market for the Western Hemisphere. Thus, I would hope that your Committee will consider this proposal for inclusion in the Presidential Report requested by Congress on North American Trade Agreements.●

[4] Since 1980, LAFTA has been restructured and renamed ALADI under the Montevideo Treaty of 1980.

WILLFUL VIOLATIONS OF LABOR PRACTICES

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. SIMON. Mr. Speaker, today I am introducing a bill to amend the National Labor Relations Act to enable the Secretary of Labor to prohibit the awarding of Federal contracts to persons who have willfully violated orders issued under the authority of the NLRA.

Our national labor policy has been to protect workers who want to form associations and to encourage collective bargaining to settle differences between employers and employees. In one area, however, this national policy has been deficient. Flagrant and willful violators of the NLRA can virtually ignore the NLRA while continuing to collect millions of dollars in Federal Government contracts.

This bill will establish the authority and a mechanism for the Federal Government to debar flagrant and willful violators from lucrative Federal contracts. This mechanism will enable contracting officials to reject a low bidder because of a history of NLRA violations, after certification by the Secretary of Labor. It is important to note that this mechanism can be invoked only after certification by the Secretary of Labor.

I urge you to support this bill to assure the continued maintenance of our national labor policy of protecting employee rights and to eliminate unfair advantages one potential contractor may have over another in obtaining Federal contracts, because of willful violations of labor practices.●

TMI TASK FORCE—PART 1

HON. ALLEN E. ERTEL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. ERTEL. Mr. Speaker, this is the first in a series of papers discussing the activities of the Pennsylvania Congressional Delegation Task Force on Three Mile Island, its recommendations, and the hearings and deliberations which led up to its recommendations. Current cleanup cost estimates are about $1.3 billion with insurance covering only $300 million. Where the remaining money will come from has been the principal area of investigation for the task force.

On August 27, 1980, the members of the Pennsylvania Public Utility Commission (PaPUC) met with the Pennsylvania Congressional Delegation. PaPUC Chairman Susan Shanaman outlined the concerns of the Commission that the ratepayers of the TMI utility should not be forced to pay the cleanup costs after the accident. The PaPUC expressed the desire for Federal assistance to deal with the costly and difficult TMI-2 cleanup. Specifically, Chairman Shanaman stated:

> What form financial relief to the citizens of Pennsylvania should take is, of course, within your province and expertise. Whether it should be a national surcharge, an interest-free loan, an outright grant of money, or something else is for you to decide. All we and the ratepayers ask is a fair consideration of our needs.

This meeting resulted in the creation by the Pennsylvania Congressional Delegation of a task force on Three Mile Island comprised of eight members of the delegation: Mr. ATKINSON, Mr. BAILEY, Mr. GOODLING, Mr. KOSTMAYER, Mr. RITTER, Mr. WALKER, Mr. YATRON, and myself as the appointed chairman. The task force was charged with the responsibility of analyzing the financial difficulties associated with recovery after the accident at TMI—particularly as they relate to the cleanup—and to make recommendations back to the full Pennsylvania Delegation on a course of action for the Federal Government. The task force has now made its recommendations to the delegation and in the near future the delegation will be coming to some conclusion on the recommendations.

On Tuesday, February 17, the task force met and unanimously endorsed and sent a proposal to the full delegation to create a national nuclear powerplant property damages insurance program. This would address the deficiencies which the task force discovered in the presently available insurance in the event of a future accident, and would provide some remedial assistance for the TMI-2 cleanup effort. This recommendation is the

culmination of 6 months of investigations, hearings, discussions, and deliberations.

In discharging its responsibility, the task force was assisted by staff of the House Science and Technology Committee, the Congressional Research Service, and the PaPUC. Below is a chronology of the task force's briefings and consultations.

TASK FORCE BRIEFING AND CONSULTATION CHRONOLOGY

September 17—Washington: Task Force, Staff, and Representatives of the Nuclear Regulatory Commission.

September 29—Washington: Task Force, Staff, and Representatives of General Public Utilities Corporation.

September 30—Washington: Task Force, Staff, and Representatives of the New Jersey Board of Public Utilities.

October 8—Harrisburg: Task Force, Staff, and Representatives of the Pennsylvania Public Utility Commission and its consultants, Theodore Barry and Associates.

October 17—Washington: Staff, Roger Sant, Mellon Institute Energy Productivity Center.

October 20—Harrisburg: Task Force, Staff, and Representatives of the Securities and Exchange Commission.

October 22—Harrisburg: Task Force, Staff, and Representatives of the Amercian Society of Utility Investors.

October 24—Washington: Staff, Representatives of Edison Electric Institute.

October 30—Harrisburg: Staff, Representatives of GPU Creditors.

November 4—Washington: Staff, and Representatives of the Atomic Industrial Forum.

November 14—Washington: Staff, Representatives of GPU, American Nuclear Energy Council.

November 20—Washington: Staff, Task Force, Representatives of GPU.

November 21—Washington: Staff, Task Force, Representatives of Critical Mass and other organizations.

November 24—Harrisburg: Staff, Task Force, Representatives of Local Harrisburg Groups Concerned with Federal TMI Assistance Issues.

December 9—Washington: Task Force, Staff, and Representatives from the PA Public Utility Commission, the NJ Board of Public Utilities, GPU, the NRC, SEC, FERC, Nuclear Industry, and the Banking Community.

The assistance of the Congressional Research Service proved to be invaluable in the efforts of the task force. Within 6 days of the first formal meeting of the task force, the CRS presented an overview and options paper which helped set the course of the task force's investigations. In fact, the final recommendations of the task force incorporates a great deal of this early work of CRS. Specifically, in a memo to the task force dated September 23, 1980—which was distributed to the task force members—CRS described the current availability of nuclear powerplant property insurance and described how actions to address deficiencies in the current insurance could also be employed to deal with the difficulty of financing the TMI-2 cleanup. That memo stated:

A federal nuclear plant insurance corporation could be established with coverage made retroactive to include TMI. Under current procedures, insurors will not cover nuclear units for more than $300 million due to the risk exposure. Federal insurance would cover costs from $400 million up to perhaps $1.5 billion, with the upper limit indexed to construction costs.

The gap between private and public insurance would have to be covered by the utility as an incentive to be efficient. Funding could be derived from a tax on electricity, or as a premium levied on each nuclear unit in the rate base of a utility. Initial premiums would be set to cover the cost of rehabilitating TMI-2 and provide an adequate insurance reserve against future accidents. TMI costs would be amortized over a 10-20 year period. Initial funding would be obtained by either borrowing on the market, or from U.S. Treasury loans. This has the advantage of providing permanent protection for all nuclear units, being self-liquidating, and not being unduly burdensome on the ratepayer. At the same time it internalizes the costs of an accident, and spreads the cost of TMI over time and space.

This suggestion later proved to be the basic approach adopted by the task force with several modifications.

In November, at the request of the task force, this same CRS team, together with the task force staff, prepared 6 options outlining various ways in which Federal action could be brought to bear on the TMI-2 cleanup problem. A summary of the options submitted to the task force follows.

STAFF OPTIONS FOR POSSIBLE FEDERAL LEGISLATION RELATED TO THE TMI ACCIDENT RECOVERY

OPTION SUMMARY

All but one option are based on an explicit principle of distributed responsibility for bearing the costs and inconvenience of the accident. This distribution of responsibility includes the federal and state governments, the Pennsylvania and New Jersey Utility Commissions, company management, creditors, equity holders, and ratepayers.

Option 1 is a ten-year federal loan guarantee option for accident related costs not in the rate base. The loan guarantee would be contingent on a joint Pennsylvania and New Jersey Utility Commission financial recovery plan utilizing all possible financial options to solve current economic problems. It would also require that creditors provide adequate notification procedures to allow planning for service provision and public health and safety in the event of further economic crisis.

Option 2 suggests federal purchase (or state purchase with federal assistance) of TMI Units 1 and 2. The ownership entity would rehabilitate and clean-up the plants, and sell power back to the GPU corporation at rates compatible with recovery of costs.

Option 3 allows issue of federal bonds for the clean-up costs. The two states involved would back 50% of the bonds equity, and the federal government the other 50%. The GPU Corporation would dedicate annual revenues for bond repayment. In the event of default a nation-wide electricity tax would be levied to cover the federal share of the liability.

Option 4 establishes a mandatory national property insurance program for nuclear plants. It would include the TMI accident retroactively, and assess member companies an amount adequate to cover payments to TMI. A variation could involve making the current purchased power insurance program mandatory and retroactively covering TMI.

Option 5 is a condemnation option in which current owners would transfer ownership of the units to the federal government by a condemnation mechanism. Other details would be similar to option 2.

Option 6 is a court recovery option in which cost recovery is envisioned through court action designed to establish formal liability. A federal loan would expedite cleanup and recovery pending reimbursement from proceeds of legal actions.

As a result of the task force deliberations, sections and ideas were taken from all of the options except option No. 5. These options and the various memorandums represent only a small part of the overall assistance provided to the task force by the people of the Congressional Research Service. In future entries I will describe the provisions and reasoning behind the final recommendations adopted by the task force, why certain options were rejected, and why parts of the options were merged into the final product.●

CONGRATULATIONS TO JENNIFER R. FORD

HON. MANUEL LUJAN, JR.

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. LUJAN. Mr. Speaker, I wish today to again submit for publication in the Extension of Remarks the text of this year's winning voice of democracy scholarship program from Jennifer R. Ford of Santa Fe, N. Mex.

Jennifer is a sophomore at St. Michael's High School who has won this years scholarship contest for New Mexico. The text of that essay follows:

We all have numerous commitments to our country; the commitment to respect our national symbols; the commitment to uphold our constitution; and the commitment to abide by our laws.

Too many of us have an erroneous understanding of our commitment to vote. Too many of us decide when and how to vote for the wrong reasons.

What I want to talk with you about today is my commitment to learn when to vote and what to base my vote upon. Voting does not only require choosing between candidates and issues but also deciding whether to vote at all.

The growing emphasis in the United States today has been to vote—regardless of the amount of knowledge we possess about the candidates and the issues. Our own government, public service advertisements on television, and special interest groups encourage us to exercise our right to vote even if we do not understand the political issues or the candidates background and stand on such issues.

Too many of us vote without knowledge and for the wrong reasons. Political Scientist, Angus Campbell, states: "The average individual either votes or does not vote entirely out of habit".

When we do vote we tend to vote without knowledge simply because we do not have enough information. This lack of information leads us to be tempted by appealing advertisements and slogans. A book entitled "Public Opinion" proves this:

"The relatively low amount of information possessed by most persons means that they must decide their political preferences on the basis of comparatively simple slogans since the subtle analysis will pass them by."

Over one-fourth of us do not possess the information needed to make intelligent decisions regarding politics. On major domestic and foreign policy issues and questions, 10-39% of the voting public were willing to offer opinions unsupported by information. Social characteristics also determine our political preference as proven in a study by Paul Lazarfield; consequently, we unawaringly make political judgments based on family beliefs or social backgrounds. Often we support a political party, simply because our families have done so in the past.

This problem of being uninformed is easily corrected. We can take advantage of the news media by listening and paying attention to the issues and the candidates. We can also take advantage of such groups as the League of Women Voters who encourages intelligent voting and voting information. This was evident in their sponsoring of the 1976 and 1980 political debates in which we became more aware of the candidates and their stands on current issues. Those of us who are informed voters can encourage others around us to do the same. We all should make an active commitment to our country, but this does not mean we should simply vote to exercise our right to vote. We can live up to our commitment for the future by encouraging our friends, our children, and our other family members to make intelligent decisions on their political choices, and not to vote on elections and issues they know nothing about. We can set a good example by following this guideline ourselves. Santayana, the philosopher, once said: "To be an American is of itself almost a moral condition, an education, and a career." As I approach voting age and become more involved in that career, I will try my best to be an informed voter and not vote when I cannot make an educated decision. By doing this, and by realizing that the right to vote is a choice and not a duty, we can all live up to our commitment to our country.●

AN AMERICAN TRAGEDY

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Ms. MIKULSKI. Mr. Speaker, the actions of the Reagan administration in increasing military aid to the Government of El Salvador have grave consequences for all Americans. During my visit to Central America this January, I spoke to hundreds of refugees who testified to torture, brutality, and murder occuring in that country with the use of American weapons. I think this country stands for something better than that; and I don't believe the taxpayers want their money spent to help terrorize the people of a nation.

I submit for the RECORD an article I wrote for yesterday's Baltimore Sun about my trip and the situation in El Salvador.

[From the Baltimore Sun, Feb. 24, 1981]

AN AMERICAN TRAGEDY—REPEATING THE MISTAKES OF VIETNAM AND IRAN

(By BARBARA MIKULSKI)

I could have been killed on my recent trip to Central America because of the State Department. Tragically, others *will* be killed because of the State Department.

A whole region of the world struggling to be free will be pushed either into repression or extremism because of the State Department's gross misreadings and manipulations in Costa Rica, Nicaragua, Honduras and El Salvador. The State Department lies to the Congress, to you and to itself.

It is creating the false impression:

That all of Central America is a cockpit of extremism between the right and left, which it is not;

That there are clear definitions of "good guys" and "bad guys" which there are not;

That Uncle Sam is one of the "good guys," leading the way to a centrist alternative, which it is not.

Misinformation and manipulation can be seen concretely in what happened to me.

When a member of Congress goes to a foreign country on official business, he or she gets briefings, both in Washington and later at the local U.S. Embassy. This takes place regardless of who sponsors or pays for the trip. The trip I took to Central America last month with two other members of Congress was sponsored by the Unitarian Universalist Service Committee. In my four years in the House, I have found the Washington briefings shallow at best and inaccurate at worst, with lots of ideological editorializing in all cases. There are truthful, competent and courageous people within the State Department—but in my experience they have been hard to come by. Careerism seems to be the more dominant mode.

Officials at the State Department did not want Representatives Gerry Studds (D., Mass.), Robert W. Edgar (D., Penna.) and me to go to El Salvador, and they did everything they could to scare us out of it, emphasizing the immediate personal danger to us. They emphasized what desirable targets we would be. Yet, cables from State's own diplomats in El Salvador clearly stated that we would be all right if we did not draw attention to ourselves. We couldn't have been more discreet. Nevertheless, State Department officials opposed to our fact-finding trip leaked our plans to CSB—thereby violating State's own recommendations and placing our lives in jeopardy. I was outraged. This became intensified as the trip went on.

On the plane trip to Central America, I compared the information given to me by State with the package given to me by the religious community working in Central America. I learned more concrete information from a Maryknoll handout and Christianity and Crisis magazine than I had from my own government.

Throughout the trip, we found out that the State Department actually did not know what was going on—or did not want to tell us. Some of the techniques State employed were half truths, steering us only to people who supported the official position and using "buzz-words," (e.g., "another Cuba" as an inaccurate description of Nicaragua, another "Pol Pot-Cambodia" as a false description of El Salvador and its refugees). Officials of the State Department did not seem to be in very close touch with the people of the country to which they were assigned.

Regarding Costa Rica, for example, the State Department gave us a favorable assessment of that country's political and economic condition. Yet, the president of the Legislative Assembly in Costa Rica gravely told us of serious economic problems. He said his country was at a cross-roads that could lead to an internal political and economic crisis. Issues of food for the people, depressed export markets and paying the bills for social programs were paramount in his mind. The more Costa Rica imitates the United States in mechanizing agriculture and attempting to develop industry, the deeper into debt it goes and the more it suffers from inflation, the Legislative Assembly president told us. He was by no means confident about the future. This dedicated leader's portrayal of his own country was in direct contrast to that of the State Department.

In Nicaragua, I found a country that is trying to feed its people, save its children and get out from under the criminal corruption and debt left by the Somoza dictatorship, while recovering from the terrible effects of a civil war.

The U.S. Embassy in Nicaragua arranged for us to confer with leaders of the opposition party and representatives of private business (i.e., managers of multinational companies), all of whom said they were able to operate normally in Nicaragua.

Through the Unitarian Universalist Service Committee we made arrangements to get an alternative viewpoint. For example, we met members of the religious community, other American citizens and Nicaraguans themselves.

We were told many distortions about Nicaragua, but I will focus on health, my specialty. Our delegation had been told that the Nicaraguans would not accept American help in the field of health care and that they wanted only Cubans. With a great deal of probing, we found that the "help" offered by the United States consisted of military hospital administrators. Nothing had been offered in the way of civilian doctors, nurses or midwives.

From the Maryknoll nuns running the *barrio* health clinic to the nation's minister of Health; from the Junta to the Jesuits, we learned that one of Nicaragua's most important priorities is health, particularly saving the lives of children. Fifty percent of Nicaraguan children die before the age of five because of malnutrition and communicable diseases.

Anastasio Somoza—the ousted, now dead Nicaraguan dictator—left no money to buy polio vaccine, immunization drugs or the basic medical tools found in any doctor's kit. Instead he left an enormous debt to Western drug companies for unneeded or undelivered pharmaceuticals.

I specifically asked the minister of Health, "Would you accept free drugs from the United States to immunize your children against typhoid, meningitis, measles and polio? Would you allow U.S. civilian doctors and nurses to come to Nicaragua?" She said yes, as did officials of the ruling Junta and the parliamentary body.

Fouled up foreign policy of this kind is unconscionable because children die. It is chilling to think that a new government in Central America cannot turn to the United States to protect its children from polio.

But in some parts of Central America, women and children cannot count on the

United States for protection. Whether we were speaking with exiles from El Salvador and Guatemala or whether we were interviewing Salvadoran refugees near the Honduran border, we were told how women and children are particularly brutalized under two regimes supported by the United States.

We interviewed refugees who said they had been victims of atrocities or had witnessed them. Their accounts were corroborated in place by members of the religious community and representatives of international humanitarian organizations who either had seen the incidents themselves or had given medical treatment or spiritual comfort to victims afterwards. We made tape recordings of some of our interviews.

The atrocities reported to us had a macabre consistency. Rape, we were told, is used systematically as a form of terror and torture in Guatemala and El Salvador by the Army, National Guard and para-military groups. In Guatemala soldiers gang-rape teen-age girls. In El Salvador the military has sodomized 10-year-old boys and girls and children have been thrown into the air and used for target practice. Their dead bodies have been cut up with machetes and left for the dogs to eat. Pregnant women, when caught by the Salvadoran National Guards, have been tortured and killed by diswombing (i.e. their torsos are slit open and their wombs pulled out).

In each and every instance the killers were identified as military personnel—armed with weapons and equipment from the United States or its allies. In El Salvador, military helicopters were particularly lethal, we were told, because they are used for rapid pursuit of villagers.

I asked if the leftist guerrillas and members of the anti-Junta Popular Front in El Salvador had also committed these types of crime. The answers were consistently no.

In all the State Department "briefings" we got, little had been said about these atrocities.

The American ambassador in Honduras denied the validity of taped eyewitness accounts we played for him. Yet, neither he nor his staff had ever been to the border area to talk with any of the thousands of Salvadoran refugees there.

Although we did not go to El Salvador because of a sudden rise in military activity there, Representative Studds spoke by telephone to Robert White, the U.S. ambassador. Ambassador White said there had been no meaningful U.S. investigation into the murders of three American nuns and a lay volunteer in El Salvador. A report resulting from an investigation conducted by U.S. officials led to the resumption of U.S. military aid to the government. It has been reported that government soldiers controlled the road where the four American women were raped and killed. Now the Reagan administration says it's not particularly important to know who killed the nuns and who supplied the weapons. It wants to know who is supplying weapons to the insurgents.

So here the United States is in Central America repeating the mistakes of Vietnam and Iran. Once again some of its officials are lying about terrorism and exploitation that the United States supports and helps pay for.

I support Secretary of State Alexander Haig when he says we should stop terrorism. I hope we know how to identify the real terrorists and stop giving them the tools of repression.

[Barbara Mikulski represents Maryland's Third District in the House of Representatives. The Central American trip she describes here took her to Honduras, Costa Rica and Nicaragua from January 9 to January 19.]●

SUMMARY OF ACHIEVEMENTS IN FOREIGN LANGUAGE FIELD

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. PANETTA. Mr. Speaker, because March 1, 1981, marks the beginning of National Foreign Language Week, I thought my colleagues in the House would appreciate having a summary of achievements made in recent months in calling attention to the importance of foreign language study. Through the indefatiguable efforts of Congressman SIMON, along with persistent and thoughtful prodding on the part of Representatives MILLICENT FENWICK, TIMOTHY WIRTH, DON BONKER, DANTE FASCELL, JIM OBERSTAR, ED DERWINSKI, and a host of other dedicated colleagues, we truly have made important strides forward in this field. I am pleased to provide a progress report for my colleagues' convenience, and trust that you will be able to make valuable use of this information.

In November 1979 the President's Commission on Foreign Language and International Studies issued its final report, "Strength Through Wisdom: A Critique of U.S. Capability." The report (GPO stock number 017-080-02065-3) expressed alarm at declining foreign language and international competence among Americans, with fewer than eight percent of American colleges and universities now requiring a foreign language for admission. The Commission called upon the Congress, the President, and the nation to support strengthened foreign language and international studies programs.

As a follow up to the President's Commission, the National Commission on Foreign Language and International Studies was created through a joint effort by private foundations, business corporations, and government agencies. The council's interests encompass all elements of language and international studies in the United States: advanced training and research; overseas study; global awareness; primary, secondary, and collegiate education; citizen and community education; and the needs of business, labor, and government. Executive director is Allen H. Kassof, 655 3rd Avenue, New York, New York (212) 490-2002.

A Washington office of the Joint National Committee for Languages was established to provide information to Congress and the executive branch concerning foreign language and international studies and to serve as a liaison with interested members of a variety of foreign language associations throughout the country. Director is Dave Edwards (202) 483-7200.

Congressman Panetta formed an informal international education group of Members of Congress to focus attention on issues of concern and to build support for legislative and other initiatives on foreign language and international studies. Thirty-five members of the House and four Senate offices were affiliated with this group last year. Those wishing to join should contact Matthew Cossolotto in Congressman Panetta's office.

Last year the House Permanent Select Committee on Intelligence expressed its grave concern about the shortage of linguists in the military and directed the Secretary of Defense and the Director of Central Intelligence to develop a program which encompasses a communitywide approach toward alleviating the linguist shortfalls. The committee requested that the program address personnel rotation policies, language training facilities, alternative approaches to language training, the adequacy of recruitment policies and techniques, and the adequacy of career ladders and pay policies for language-trained individuals.

As a result of amendments by Congressman Panetta in 1979, the General Accounting Office issued a report on April 15, 1980, concluding that more competence in foreign languages was needed among U.S. personnel stationed overseas. In addition, GAO agreed last year to a request by Congressman Panetta to review a variety of issues and concerns related to the Defense Language Institute in Monterey, California, and to review a range of issues related to defense-wide foreign language programs.

Congressman Simon amendment to the Department of Education bill included foreign language and international studies as one of seven priority concerns of the new department.

The Congress last year approved an amendment by Congressman Simon and Congressman Panetta to the Foreign Service Act (H.R. 6790) requiring the establishment of at least two "foreign language competence" posts at U.S. Diplomatic Missions abroad.

The Congress last year approved an amendment by Congressman Panetta to the International Security and Development Cooperation Act directing the Peace Corps to develop a plan to better utilize returned Peace Corps volunteers in international education. This would help to strengthen goal three in the Peace Corps' original mandate.

The Congress approved last year's reauthorization for the National Institute of Education which included a provision prepared by Congressman Simon including the encouragement of the study of languages and culture as one of the Institute's research projects.

The Higher Education Act of 1980 authorized an increase of $8 million for international education programs, including an important new program, part B, which would provide U.S. businesses with a stronger international education base. That effort was sponsored by Senator Stafford.

Both the House and the Senate passed H. Con. Res. 301, expressing the sense of the Congress that local education agencies and institutions of higher education should consider strengthening the study of foreign language and cultures. This resolution was sponsored by Congressman Simon in the House and Senator Tsongas in the Senate.

CONDOS—BUY IT OR GET OUT

HON. BENJAMIN S. ROSENTHAL
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. ROSENTHAL. Mr. Speaker, increasing numbers of people who rent apartments are faced with the often awful dilemma brought about by conversions to condo or co-op status: Buy it or get out. In the name of providing homeownership and speculative opportunities for the young and able, we are allowing less mobile elderly and lower income people to be sacrificed. The Commerce, Consumer and Monetary Affairs Subcommittee, which I chair, has been working on the condo co-op conversion issue and will continue to oversee Federal laws and programs affecting the conversion process. When faced with the dilemma, however, the unsuspecting tenant needs immediate advice and some of that is provided in an article in the March 1981 issue of Changing Times magazine. I commend it to my colleagues whose constituents are faced with a conversion problem.

The article follows:

YOUR BUILDING IS GOING CONDO. SHOULD YOU BUY?

Buy it or get out. That dilemma confronts thousands of apartment dwellers all over the country as the rental developments they live in are turned into condominiums or cooperatives.

For some the decision is easy. They welcome the opportunity to acquire property, build equity, qualify for tax breaks and share the gains if the place appreciates.

For others the decision is complex, painful, sometimes traumatic. Even if they can find a suitable place to move to, getting out is both disruptive and expensive. Buying almost always means a steep increase in monthly expense and disturbing uncertainty over whether the substantial investment is a sound one.

If this hard choice falls to you, there may be a number of things you can do in self-defense—knock down the price, get better terms, negotiate concessions, possibly even stay where you are without buying. The better informed you are, the better you're likely to make out. Here is guidance to help you make reasoned and dispassionate decisions.

First, some background. Condominiums are developments in which the resident-buyers own their living quarters plus a share of the common facilities—hallways, elevators, exterior walls, grounds and such. In a typical co-op the residents own shares of a corporation that owns the property, with the shares conferring the right to live in a specified unit. The condo form is generally considered preferable from a legal standpoint—residents get deeds to their units and usually have more control over them.

Generally, condos have been selling for considerably less than new detached dwellings. And resale values of condos have been increasing almost as quickly as those of houses, according to the Federal National Mortgage Association, which invests in home mortgages.

PROFITS FUEL THE BOOM

Why are rental projects converted to condos or co-ops? Because conversion can be profitable to the building owner who sells the units off. "It's the golden goose of the landlord industry," says John Atlas of the National Tenants Union. Example: The Promenade, a 1,072-unit luxury high-rise in a suburb of Washington, D.C., was acquired for $49,700,000 but could bring up to $100,000,000 from unit sales.

The spread of conversions has set off swirls of controversy and sometimes bitter clashes between owners and tenants. There have been protest demonstrations, lawsuits, demands for government regulations—even bomb threats. Critics say conversions inflate prices, put tenants at a disadvantage, drive the elderly from their homes, worsen scarcities of rental housing and mortgage money, and force tenants who purchase to pay from 30% to over 100% more a month just to live where they lived before, not to mention what they lay out in down payments and closing costs. Most of the increased monthly expense goes to mortgage interest and taxes, which usually double when the property is reassessed to reflect the selling price rather than its value as a rent producer.

Defenders respond that conversions enlarge tax bases, enable thousands of young and modest-income people to become homeowners and improve neighborhoods because homeowners maintain properties better than landlords do.

The boom has also spawned a new and controversial real estate specialty—buying up properties and selling the units. The biggest outfit, the Chicago-based American Invsco (pronounced IN-VES-CO), has logged more than 60 conversions around the country and is currently embroiled in about 40 tenant lawsuits. Along with professional converters have come lawyers who specialize in representing tenants. If there is no tenant organization, the lawyers usually help form one, then handle negotiations with the owner.

The furor has tended to magnify the conversion movement. Only about 366,000 rental units, or 1.3% of the U.S. total, were converted during the 1970s, a study by the Department of Housing and Urban Development found. However, the volume is expected to grow, with another 1,100,000 units, accounting for another 4.3% of the total, likely to be converted by 1986, according to the HUD study. About 6% of the rental units in the Chicago, Denver and Washington, D.C., areas have been converted, but in some localities the proportion runs as high as 30%.

TEN THINGS YOU SHOULD DO

Statistics cannot ease the anguish of a contented renter who receives a buy-or-move ultimatum. If one turns up in your mailbox, here are some strategies to consider.

Unite. A strong tenant organization may be able to negotiate far better terms than those offered—or even block the conversion. Maybe a tenant takeover and conversion would be possible. See the box on the next page for an example of how this works. Consider hiring a conversion lawyer. Though you are free to bargain on your own, individuals lack the clout of an organization.

Ascertain your rights. About half the states, the District of Columbia and a number of communities regulate conversions. Most jurisdictions that regulate conversions require that tenants be given time to decide what to do (120 days is fairly common, though viewed by many as inadequate) and be permitted to buy their units before they can be publicly offered. Most local ordinances also mandate such things as building inspections, engineering reports or disclosure statements. Some localities require warranties on major structural features, financial assistance for displaced residents, lifetime lease extensions for the elderly, retention of some units for continued rental, and the approval of a stated number of tenants before a conversion can take place.

Your state attorney general's office, a consumer protection or housing agency, or a real estate board should know where you can get copies of any laws in your area.

Canvass your options. What other housing is available? If you can't find a suitable rental, you may find a better purchase deal somewhere else. How do prices compare?

Ponder common ownership. In a condo or co-op you and your neighbors would run things. An elected board would set fees, adopt budgets, negotiate maintenance contracts, pay bills and enforce house rules. Board approval is often needed to sell, rent or remodel. Would this appeal to you?

Brace for a sales pitch. It could include enticing brochures, cocktail parties, assurances of rock-bottom prices, exciting talk about property appreciation and tax savings, discounts for buying early, and claims that units are selling fast and 15 people are lined up to buy yours. Listen and learn. Attend all gatherings but take nothing for granted. Sellers often exaggerate values, tax advantages, investment potential and sales volume.

Analyze the offer. You'll receive details on the conversion, a plan of ownership and a purchase contract. You may also get an audited schedule of operating costs, an engineer's report on the building's condition and an appraisal report. All of these documents are essential to reveal just what you're getting into. Study the documents by yourself—and then get a professional opinion.

Get expert advice. A savvy lawyer is a must. So are a competent appraisal and an evaluation of the building by a reputable, independent engineer. "That's crucial," says Errol Brett, a New York City lawyer who has represented about 50 tenant groups. "Nobody should buy property without checking it out." not only may serious defects exist, but also the structure may have to be brought in compliance with fire, electrical and other building codes. Many communities require such compliance when conversions take place. People are often shocked at the costs, which can run to hundreds of thousands of dollars, says Jerrily Kress, a consulting engineer in Washington, D.C.

A few developers have resisted demands for inspections and audits. That could be grounds for a suit, and you probably shouldn't buy under such circumstances.

Assess the investment potential. "The first thing we look at is the supply of condominiums and the prices being asked in the community for all types of housing," says Craig Distelhorst, a vice-president of the Mortgage Guaranty Insurance Corp. (MGIC), a provider of mortgage insurance. "Condominium prices must be in line with . . . other forms of housing if they are to compete effectively." The quality of the neighborhood as well as the building is all-important. Also consider the proximity to jobs, hospitals, schools, recreation centers, cultural facilities and public transportation. Crank in what you know about local population trends and housing demand.

Bide your time. The longer you wait to commit yourself, the more you may know. Are your neighbors buying? If sales are slow, the owner could drop prices, improve the terms or abandon the conversion. If sales are brisk, the owner may offer incentives for tenants to leave before leases or waiting periods expire. When a fashionable but aging building in Baltimore was converted recently, most of the tenants moved out. Prices were then slashed by 25%. At the Promenade, tenants used their waiting time to organize and present a number of demands to the owners. If the developer will agree, stipulate in the contract that if prices are later reduced, your price will be similarly adjusted.

It's not uncommon for investors to buy units in developments where prices are reasonable and prospects for appreciation are good. This too is something to watch. Large numbers of rental units can have a "negative impact on the economic viability and success" of a project, says a house subcommittee. Not only are speculators more likely to default on loans, but such absentee owners also cannot give the place the day-to-day attention that residents would. On the other hand, you might be able to keep renting your unit if a speculator buys it.

Obey all rules. When units are selling fast, developers prefer to have tenants move before deadlines. Some attempt eviction—especially of activists—for the slightest rules infractions. So be careful.

A FEW MORE THINGS TO KNOW

More and more building owners now provide buyers with a reserve fund for emergency outlays and some future maintenance. Get one if you can. "No one should buy without finding out whether provisions have been made for this," says James Dowden, executive vice-president of the Community Associations Institute, an alliance of residents' organizations.

Residents' organizations often have a rough time, at least initially, in taking over and managing a development. The CAI, through over 30 chapters, gives training programs for association officers. For information, write to the Community Association Institute, Dept. CT, 3000 S. Eads St., Arlington, Va. 22202. The CAI also offers two publications, The Homebuyer & the Community Association (70 cents) and The Homeowner & the Community Association (85 cents).

Be particularly wary if the seller tries to retain ownership of any of the common facilities, such as a clubhouse, pool, golf course or commercial space, to be leased to the unit owners. "If they are leased . . . instead of owned, they may not be completed or maintained to the satisfaction of the condo unit owners," warns the MGIC. "The situation can drastically alter the market value of a condominium unit." Also, watch out for long-term management contracts with the converter.

Finally, if the seller promises to improve or renovate the property, get a statement in writing of exactly what will be done, when and at what cost. The HUD study found that in most conversions, the proferred alterations were mostly cosmetic.

For a booklet published by the Cooperative Extension Services of the Northeast States that discusses and compares condominiums and cooperatives, send $1.25 for Booklet NE200 to Distribution Center—CT, Seven Research Park, Cornell University, Ithaca, N.Y. 14850.

TENANTS BUY IT AND SAVE

Residents of the Monroe House apartments in Washington, D.C., made the best of things when they learned that conversion was imminent. They bought the place and converted it themselves.

Result: a 20% average savings in costs of their units plus thousands of dollars in profits from sales of vacated units to the public.

"At least 90% of us couldn't have afforded to stay here if anybody else had taken over," says Sarah Maddox, head of the tenants' organization.

The District of Columbia requires that tenants of buildings slated for conversion be allowed to buy the property if they present an acceptable offer. Monroe House's owners wanted $4,400,000. After three negotiating sessions they accepted $3,950,000.

Tenants purchased 63 of the building's 112 units for prices that translated to $85 a square foot. Outsiders bought 35 units for $105 a square foot—and that was below market value. What's more, each tenant-purchaser will share the proceeds from those sales—up to $8,000 each, according to one estimate.

In the beginning nobody in the group had any real estate experience to speak of. Nevertheless, they chipped in $220,000 for a deposit, hired advisers, raised financing on favorable terms, obtained engineering and auditors' reports and arranged for about $800,000 in renovations. These included a new roof, new heating system and double-insulated windows.

"It's been a lot of fun," relates Maddox, but there was some difficulty. At least two lawyers demanded a share of the proceeds for representing the group. Some lenders and brokers quoted exorbitant rates. "It seemed for a while that everybody was trying to rip us off," Maddox says. Ultimately, however, the group assembled a "terrific" conversion team that included a broker, lawyer, accountant, architect and engineering firm. "Without them we would have been dead."

Multiple purchases were vetoed by the group to preserve the development's residential character, but some people tried it anyway, using fictitious names. Units of elderly and handicapped tenants were sold at insiders' prices to investors who agreed to let them continue renting for life, with no increases.

The tenants of Monroe House followed an unusual course in acting as their own developer. Tenant groups doing their own conversion usually contract with an outside developer who handles all of the rehabilitation and other work of the conversion; tenants then pay below-market prices for their units. Maddox's advice to other tenant groups: Do not attempt a conversion like theirs unless the leaders can devote a lot of time to it. Find out exactly what state and local laws require. Be very selective in hiring professional help (her group interviewed 16 brokers and five law firms). Get the vital facts and figures—including engineering and appraisal reports—before starting to negotiate. Be sure to get a thorough title search.

Incidentally, a building owner may welcome a tenant purchase. It can mean quicker action, fewer snags and no selling commissions.●

THE BENEFITS OF REGULATION

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. EDGAR. Mr. Speaker, I am concerned that the current preoccupation of the administration with cost benefits has made all regulations the scapegoat for low productivity, high cost overruns, and a lack of investment by businessmen. The least-cost approach coupled with the requirement that a new regulation be issued only if benefits to society are reasonably related to its costs ignore the very real advantages and improvement in the quality of life which millions of Americans enjoy thanks to many regulations. Perhaps we need to be reminded that regulations often were issued because a vacuum existed and necessary initiatives were not taken by the responsible parties. In this light, I wish to commend to my distinguished colleagues' attention Richard Cohen's recent column in the Washington Post entitled "Most Regulations Have a Worthwhile Purpose."

The article follows:

MOST REGULATIONS HAVE A WORTHWHILE PURPOSE

For a time, I went to college in the building that once housed the Triangle Shirtwaist factory. It was there, in 1911, that 145 garment workers, most of them women, died in a horrible fire that shocked a nation into thinking seriously about fire code regulations. All that remains now is a commemorative plaque on the base of the building and the regulations themselves. What has been forgotten, I'm afraid, is the tragedy that inspired them. As a nation, we have a short memory.

At the moment, for instance, politicians are extolling deregulation as if there were never any reason for regulation in the first place. Suddenly, it is as if the past never happened, as if nothing was ever learned, as if we have forgotten that regulation is often good and deregulation is sometimes just another word for irresponsibility.

People talk now only about the costs of regulation. It costs this and it costs that, and you have to have lawyers in Washington and that, of course, costs some more. You have to fill out forms and then do things the right way and answer to some jerk in Washington who knows from nothing about your business and never—and this is the operative cliche, so pay attention—had to meet a payroll.

Well, by George and by God, there is something to this. I, for one, can cite you horror story after horror story about what the pointy heads of Washington have done. They have ruined some businesses, and taken the profit out of others and their insistent paper work sure has spoiled the nights of more than one business person. Anyone who has read how Grumman tried to build a bus to meet all the federal regs would understand what I mean. It's a regulatory jungle out there.

But then people still do die in coal mines and people still die of black lung and even more would be dying if the government had

not forced the coal mine operators to do something about the problem. People are acting now as if the coal mine operators of the country had cleaned up their industry on their own initiative and then the government came in to muck things up. That's not the way it happened.

It did not happen that way in most industries. It was not the government that built the Corvair or, for that matter, the Edsel. It was not the government that marketed thalidomide or cars that disintegrated from little more than a dirty look. The government does not make cigarettes and tell kids how terrific they are and the government did not put poison in the ground all over the country. No cow was ever poisoned by a regulation.

Where are these awful government regs when chemical workers get contaminated? Where are these hated regulations when atomic energy workers get cooked and when they have to turn, as they did at Kerr-McGee in Oklahoma, to a medical officer who had studied something like animal husbandry? Show me the corporation that ever got radiation poisoning. Show me a board of directors who got black lung, who got Kepone poisoning or went into a coal mine where the cold is raw and you have to work hunched over in water. Show me.

How is it that we think the problems are solved when you still can't swim in the Potomac River and the marvelous Chesapeake Bay is dying and all over Long Island you can't drink the well water? Acid rain falls on the forests and fish die in the ponds and in the summer the air of Washington, D.C., keeps the elderly indoors, breathing through air conditioners they can ill afford to keep running. Deregulation will, I know, solve all this.

No one seems to remember these things anymore. Regulations that were designed to save lives, protect consumers and preserve the environment are now seen as examples of government excess. Well, times change and with it so do remedies. There is nothing wrong with rectifying mistakes, with redressing grievances, with what Vice President Bush calls "seeking a balance" and with trying new solutions.

But there is something wrong in forgetting the reason for the regulations, in pretending that the regulations were imposed by a malevolent government intent on doing nothing more than making things harder for American business. And there is also something wrong in pretending that the problems have been solved and that the last thing in the world American industry would do is endanger a worker or rip off a consumer or spoil the environment. They are the same guys they used to be.

Or have we forgotten?●

CHICORY ROOT IMPORT DUTY SUSPENSION

HON. LINDY (MRS. HALE) BOGGS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mrs. BOGGS. Mr. Speaker, today I am introducing a bill to temporarily suspend to import duty on processed chicory roots for a period of 3 years. Currently this duty is 1½ cents per pound.

Chicory root, once it is ground and roasted, is used as an additive to coffee in many parts of the world and is particularly popular in Louisiana. It gives our coffee its distinctive and pleasant flavor. In addition to improving the taste of coffee, chicory is a very economical coffee extender.

At one point in our history chicory was produced in several areas of the country, in Michigan in particular. This tariff dates from that time. In checking with the Department of Agriculture I understand that chicory is no longer produced commercially in the United States.

Since there is no longer any domestic chicory production and since there appears to be no firm currently processing raw chicory root, it appears logical to conclude that the imposition of a tariff, however small, serves no purpose to protect U.S. agriculture or industry. Likewise the revenue involved is hardly worth the amount of time and trouble involved in processing and collecting the amount of customs duties which presently are imposed on imported chicory.

This legislation would temporarily suspend the duty and would give the Congress time to evaluate the need for a permanent suspension.

The bill follows:

A bill to suspend for 3 years the duty on ground or otherwise prepared chicory roots

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subpart B of part 1 of the Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by inserting in numerical order the following new item:

"930.64.....	Chicory roots, ground or otherwise prepared (provided for in item 160.35, part 11A, schedule 1).	Free ...	No change	On or before the 3-year period beginning on the date of the enactment of this item."

SEC. 2. The amendment made by the first section of this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of the enactment of this Act.●

PROTECTING OLDER AMERICANS AGAINST OVERPAYMENT OF INCOME TAXES

HON. STEVE GUNDERSON

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. GUNDERSON. Mr. Speaker, inflation hits all Americans very hard, but our older citizens living on fixed incomes are hit hardest. Their problems of coping with the escalating cost of living are compounded by the serious economic situation in the country today.

While the President has proposed a bold plan for redirecting economic policy to curb inflation, increase employment, and encourage economic growth, many older people continue to feel the effects of a limited income.

A vast number of older Americans are overpaying their income taxes, based on reports from the Select Committee on Aging, because they do not take advantage of tax reduction provisions contained in the law.

To help our older citizens avail themselves of these provisions, I am submitting a revised checklist of tax return information for use in taxable year 1980.

Prepared by the select committee, the checklist should be helpful to our senior citizens and their families as they try to live with the economic stress we are all experiencing today.

PROTECTING OLDER AMERICANS AGAINST OVERPAYMENT OF INCOME TAXES

(A Revised Checklist of Tax Return Information for Use in Taxable Year 1980)

A. FILING REQUIREMENTS

Single Individuals

Single individuals under the age of 65 must file a return if they had gross income of $3,300 or more for the year. Those over age 65 must file if they had gross income of $4,300 or more.

Married Individuals

Married individuals under the age of 65 must file a return if the couple's combined gross income was $5,400 or more. If only one spouse is age 65 or older, the filing level is $6,400. If both spouses are age 65 or older, the filing level is $7,400.

An individual who is married and whose spouse files a separate return must file a return if gross income was $1,000 or more.

Qualifying Widow or Widower

Qualifying widows or widowers must file a return if they had gross income of $4,400 or more during the year. For qualifying widows or widowers who are 65 or older, the filing level is $5,400.

Self-Employed Persons

Self-employed individuals must file a return if they had net earnings from self-employment of $400 or more.

B. PERSONAL EXEMPTIONS

Each taxpayer is entitled to a $1,000 personal exemption. Married taxpayers generally are entitled to an additional $1,000 exemption for their spouses. Furthermore, additional exemptions are provided for age (65 or older) and blindness. Finally, individuals may take an exemption for each person who qualifies as a dependent.

C. ZERO BRACKET AMOUNT

The zero bracket amount (formerly, the standard deduction) is the portion of an individual's income which is not subject to tax. The zero bracket amount is (1) $3,400 for married individuals filing jointly, or qualifying widows or widowers, (2) $2,300 for single individuals, or heads of households, and (3) $1,700 for married individuals filing separately.

D. EXCLUSIONS

Capital Gains

In general, 60 percent of net long-term capital gain is excluded from gross income.

Sale of Personal Residence

Individuals who are age 55 or older may elect to exclude, on a one-time basis, up to $100,000 of the gain from the sale of a personal residence. For the exclusion to apply, the taxpayer must have owned and occupied the residence for 3 of the 5 years ending on the date of sale.

Dividends and Interest

In general, individuals may exclude up to $100 ($200 on a joint return if each spouse has at least $100 of dividends) of dividends received during the year.

For 1981 and 1982 tax years (to be reflected on 1981 and 1982 tax returns), $200 ($400 in the case of joint returns) of interest and dividends may be excluded from gross income.

Disability Income Exclusion

Certain individuals may exclude up to $5,200 per year of disability income. In general, to qualify for this exclusion, an individual must be under age 65, must have retired on disability, and must have retired because of permanent and total disability.

E. ITEMIZED DEDUCTIONS [1]

Medical and Dental Expenses

The portion of medical expenses that exceeds 3 percent of a taxpayer's adjusted gross income may be deducted. (However, medicine and drug expenses are taken into account only to the extent that they exceed 1 percent of adjusted gross income.)

One-half of the amount spent for medical insurance (up to $150) may be deducted without regard to the 3-percent floor. The remainder is lumped with other medical expenses and is subject to the 3-percent floor.

Taxes

In general, State, local or foreign income tax, real property tax, personal property tax, and general sales taxes are deductible.

Interest

Interest payments are deductible by individuals who are legally liable to make them. Items commonly deducted as interest include: Mortgage interest, "points" paid by a borrower, mortgage prepayment penalties, separately stated finance charges, bank credit card plan interest, interest on personal loans, and interest on business loans.

Contributions

Contributions of cash or property to qualified organizations may be deducted. In general, the deduction may not exceed 50 percent of an individual's adjusted gross income.

Casualty and Theft Losses

Personal casualty and theft losses are deductible to the extent that they exceed $100 per occurrence and are not reimbursed through insurance or otherwise.

Miscellaneous Deductions

In addition to medical and dental expenses, taxes, interest, charitable contributions, and casualty and theft losses, a number of other, miscellaneous expenses may be claimed as itemized deductions. Some of the more common expenses in this category include: dues paid to professional societies, employment-seeking expenses, employment-related education, subscriptions to professional journals, union dues, investment counsel fees, safe deposit box rental, and tax counsel and assistance.

[1] For further details see itemized deductions.

F. TAX CREDITS

Credit for the elderly

Individuals who are age 65 or older, or who are under age 65 and receive a taxable pension or annuity from a public retirement system, may be entitled to claim the credit for the elderly. The maximum amount of the credit is 15 percent of one of the following amounts: (1) $2,500 for a single person, head of household, or qualifying widow or widower; (2) $2,500 for a married individual filing a joint return, if only one spouse is 65 or older; (3) $3,750 for a married individual filing a joint return, if both spouses are 65 or older; or (4) $1,875 for a married individual filing a separate return, if the individual and his or her spouse were not members of the same household during the year.

Child and Disabled Dependent Care Credit

Taxpayers may be entitled to a credit equal to 20 percent of the amount paid for the care of a dependent under the age of 15, a disabled dependent, or a disabled spouse, if the payment is made to enable the taxpayer to work or look for work. For a taxpayer with one qualifying dependent, the maximum credit is $400. If there are two or more qualifying dependents, the maximum credit is $800.

Earned Income Credit

Taxpayers with dependent children generally are entitled to a refundable credit equal to 10 percent of the first $5,000 of earnings (for a maximum credit of $500). The credit phases out a rate of 12.5 percent as income rises from $6,000 to $10,000 (that is, a reduction of 12½ cents for each additional dollar of income).

Residential Energy Credit

Taxpayers are entitled to a credit equal to 15 percent of the first $2,000 spent on qualifying energy-saving items. Qualifying energy-saving items include: insulation, storm or thermal windows or doors, caulking or weather stripping, clock thermostats, furnace replacement burners, and meters that display the cost of energy use.

In addition, taxpayers may receive an additional energy credit for amounts spent on solar, wind-powered, or geothermal equipment for their homes. This credit is for 40 percent of the first $10,000 of those costs.

Credit for Political Contributions

Taxpayers may take credits for up to one-half of political contributions made during the year. The maximum credit is $50 on a single return and $100 on a joint return.

G. PRESIDENTAL ELECTION CAMPAIGN FUND CHECKOFF

Additionally, an individual taxpayer may voluntarily earmark $1 of taxes ($2 on joint returns) each year for the Presidential Election Campaign Fund. (This does not result in any increase or decrease of the tax liability.)

ITEMIZED DEDUCTIONS

A. CHECKLIST OF ITEMIZED DEDUCTIONS FOR SCHEDULE A (FORM 1040)

Medical and Dental Expenses

Medical and dental expenses (unreimbursed by insurance or otherwise) are deductible to the extent that they exceed 3 percent of your adjusted gross income (line 31, Form 1040).

Insurance Premiums

One-half of medical, hospital or health insurance premiums are deductible (up to $150) without regard to the 3 percent limitation for other medical expenses. The remainder of these premiums can be deducted, but is subject to the 3 percent rule.

Drugs and Medicines

Included in medical expenses (subject to 3 percent rule) but only to extent exceeding 1 percent of adjusted gross income (line 31, Form 1040).

Other Medical Expenses

Other allowable medical and dental expenses (subject to 3 percent limitation):

Abdominal supports (prescribed by a doctor).
Acupuncture services.
Ambulance hire.
Anesthetist.
Arch supports (prescribed by a doctor).
Artificial limbs and teeth.
Back supports (prescribed by a doctor).
Braces.
Capital expenditures for medical purposes (e.g., elevator for persons with a heart ailment)—deductible to the extent that the cost of the capital expenditure exceeds the increase in value to your home because of the capital expenditure. You should have an independent appraisal made to reflect clearly the increase in value.
Cardiographs.
Chiropodist.
Chiropractor.
Christian Science practioner, authorized.
Convalescent home (for medical treatment only).
Crutches.
Dental services (e.g., cleaning, X-ray, filling teeth).
Dentures.
Dermatologist.
Eyeglasses.
Food or beverages specially prescribed by a physician (for treatment of illness, and in addition to, not as substitute for, regular diet; physician's statement needed).
Gynecologist.
Hearing aids and batteries.
Home health services.
Hospital expenses.
Insulin treatment.
Invalid chair.
Lab tests.
Lipreading lessons (designed to overcome a handicap).
Neurologist.
Nursing services for medical care, including nurse's board paid by you.
Occupational therapist.
Ophthalmologist.
Optician.
Optometrist.
Oral surgery.
Osteopath, licensed.
Pediatrician.
Physical examinations.
Physical therapist.
Physician.
Podiatrist.
Psychiatrist.
Psychoanalyst.
Psychologist.
Psychotherapy.
Radium therapy.
Sacroiliac belt (prescribed by a doctor).
Seeing-eye dog and maintenance.
Speech therapist.
Splints.
Supplementary medical insurance (Part B) under medicare.
Surgeon.
Telephone/teletype special communications equipment for the deaf.
Television set if individual has a hearing impairment and the set is specially equipped with a visual display of the audio

portion of television programs. Similarly the cost of an adaptor for a conventional television that performs the same function is now considered a medical deductive by the IRS.

Transportation expenses for medical purposes (9¢ per mile, plus parking and tolls or actual fares for taxi, buses, etc.).

Vaccines.

Vitamins prescribed by a doctor (but not taken as a food supplement or to preserve general health).

Wheelchairs.

Whirlpool baths for medical purposes.

X-rays.

Expenses may be deducted only in the year you paid them. If you charge medical expenses on your bank credit card, the expenses are deducted in the year the charge is made regardless of when the bank is repaid.

Taxes

Real estate.

General sales.

State and local income.

Personal property.

If sales tax tables are used in arriving at your deduction, ordinarily you may add to the amount shown in the tax tables the sales tax paid on the purchase of the following items: automobiles, trucks, motorcycles, airplanes, boats, mobile homes, and materials used to build a new home when you are your own contractor.

When using the sales tax tables, add to your adjusted gross income any nontaxable income (e.g., social security, veterans' pensions or compensation payments, railroad retirement annuities, workmen's compensation, untaxed portion of long-term capital gains, dividends untaxed under the dividend exclusion, interest on municipal bonds, unemployment compensation and public assistance payments).

Contributions

In general, contributions may be deducted up to 50 percent of your adjusted gross income (line 31, Form 1040). However, contributions to certain private nonprofit foundations, veterans organizations, or fraternal societies are limited to 20 percent of adjusted gross income.

Cash contributions to qualified organizations for (1) religious, charitable, scientific, literary or educational purposes, (2) prevention of cruelty to children or animals, or (3) Federal, State or local governmental units (tuition for children attending parochial schools is not deductible).

Fair market value of property (e.g., clothing, books, equipment, furniture) for charitable purposes. (For gifts of appreciated property, special rules apply. Contact local IRS office.)

Travel expenses (actual or 9¢ per mile plus parking and tolls) for charitable purposes (may not deduct insurance or depreciation in either case).

Cost and upkeep of uniforms used in charitable activities (e.g., scoutmaster).

Purchase of goods or tickets from charitable organizations (excess of amount paid over the fair market value of the goods or services).

Out-of-pocket expenses (e.g., postage, stationery, phone calls) while rendering services for charitable organizations.

Care of unrelated student in your home under a written agreement with a qualifying organization (deduction is limited to $50 per month).

Interest

Home mortgage.

Auto loan.

Installment purchases (television, washer, dryer, etc.).

Bank credit card—can deduct the finance charge as interest if no part is for service charges, loan fees, credit investigation fees, or similar charges.

Other credit cards—you may deduct as interest the finance charges added to your monthly statement, expressed as an annual percentage rate, that are based on the unpaid monthly balance.

Points—deductible as interest by buyer where financing agreement provides that they are to be paid for use of lender's money and only if the charging of points is an established business practice in your area. Not deductible if points represent charges for services rendered by the lending institution (e.g., VA loan points are service charges and are not deductible as interest). Not deductible if paid by seller (are treated as selling expenses and represent a reduction of amount realized).

Penalty for prepayment of a mortgage—deductible as interest.

Revolving charge accounts—may deduct the separately stated "finance charge" expressed as an annual percentage rate.

Casualty or Theft Losses

Casualty (e.g., tornado, flood, storm, fire, or auto accident provided not caused by a willful act or willful negligence) or theft losses—the amount of your casualty loss deduction is generally the lesser of (1) the decrease in fair market value of the property as a result of the casualty, or (2) your adjusted basis in the property. This amount must be further reduced by any insurance or other recovery, and, in the case of property held for personal use, by the $100 limitation. Report your casualty or theft loss on Schedule A. If more than one item was involved in a single casualty or theft, or if you had more than one casualty or theft during the year, you may use Form 4684 for computing your personal casualty loss.

Miscellaneous

Appraisal fees to determine the amount of a casualty loss or to determine the fair market value of charitable contributions.

Union dues.

Cost of preparation of income tax return.

Cost of tools for employee (depreciated over the useful life of the tools).

Dues for chamber of commerce (if as a business expense).

Rental cost of a safe-deposit box used to store income-producing property.

Fees paid to investment counselors.

Subscriptions to business publications.

Telephone and postage in connection with investments.

Uniforms required for employment and not generally wearable off the job.

Maintenance of uniforms required for employment.

Special safety apparel (e.g., steel toe safety shoes or helmets worn by construction workers; special masks worn by welders).

Business entertainment expenses.

Business gift expenses not exceeding $25 per recipient.

Employment agency fees under certain circumstances.

Cost of a periodic physical examination if required by employer.

Cost of installation and maintenance of a telephone required by your employment (deduction based on business use).

Cost of bond if required for employment.

Expenses of an office in your home if used regularly and exclusively for certain business purposes.

Transportation expenses for business purpose (20 cents per mile for the first 15,000 miles, and 11 cents per mile in excess of 15,000 miles, plus parking and tolls or actual fares for taxi, buses, et cetera.)

B. OTHER TAX RETURN INFORMATION ITEMS

Tax Tables

Tax tables have been developed to make it easier for you to find your tax if your income is under certain levels. Even if you itemize deductions, you may be able to use the tax tables to find your tax easier. In addition, you do not have to deduct $1,000 for each exemption because these amounts are also built into the tax table for you.

Multiple Support Agreements

In general, a person may be claimed as a dependent of another taxpayer, provided five tests are met: (1) support; (2) gross income; (3) member of household or relationship; (4) citizenship, and (5) separate return. But in some cases, two or more individuals provide support for an individual, and no one has contributed more than half the person's support. However, it still may be possible for one of the individuals to be entitled to a $1,000 dependency deduction if the following requirements are met for multiple support:

1. Two or more persons—any one of whom could claim the person as a dependent if it were not for the support test—

2. Any one of those who individually contribute more than 10 percent of the mutual dependent's support, but only one of them, may claim the dependency deduction.

3. Each of the others must file a written statement that he will not claim the dependency deduction for that year. The statement must be filed with the income tax return of the person who claims the dependency deduction. Form 2120 (Multiple Support Declaration) may be used for this purpose.

Sale of Personal Residence

You may exclude from your gross income some or all of your gain from the sale of your principal residence, if you meet certain age, ownership, and occupancy requirements at the time of the sale. These requirements, and the amount of gain that may be excluded, differ depending on whether you sold your home before July 27, 1978, or on or after that date. The exclusion is elective, and you may elect to exclude gain only once for sales before July 27, 1978, and only once for sales on or after that date.

If you sold your home before July 27, 1978, and you were age 65 or older before the date of sale, you may elect to exclude the gain attributable to $35,000 of the adjusted sales price if you owned and occupied the residence for 5 of the 8 years ending on the date of sale. If you sold the home after July 26, 1978, and you were age 55 or older before the date of the sale, you may elect to exclude $100,000 of gain on the sale if you owned and occupied the residence for 3 of the 5 years ending on the date of sale (or 5 of 8 years under certain circumstances). Form 2119 (Sale or Exchange of Personal Residence) is helpful in determining what gain, if any, may be excluded.

Additionally, you may elect to defer reporting the gain on the sale of your personal residence if within 18 months before or 18 months after the sale you buy and occupy another residence, the cost of which equals or exceeds the adjusted sales price of the

old residence. Additional time is allowed if (1) you construct the new residence; (2) you were on active duty in the U.S. Armed Forces; or (3) your tax home was abroad. Publication 523 (Tax Information on Selling or Purchasing Your Home) may also be helpful.●

PRESERVING THE ACEQUIAS OF NORTHERN NEW MEXICO

HON. MANUEL LUJAN, JR.

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. LUJAN. Mr. Speaker, today I am introducing legislation to assist in the preservation of the acequias of northern New Mexico.

Some of these acequias are over 200 years old and have been in almost continuous use as irrigation canals since their origin. The fact that they are still in use is a testament to the quality of work that went into their building, and which provides for us today a good foundation for the repair work that is needed.

Unfortunately, over the years, the need for repair has increased while the actual rehabilitation has decreased. We are now faced with a situation where the estimated price of improving these systems is $40 million, and my bill calls for this. If passed, it will not only preserve these historically important structures, but will also assist the many small farmers in New Mexico whose livelihood depends on their use.

A similar bill has already been introduced in the Senate and I hope that together Senator DOMENICI and I will be able to see this through to enactment in this Congress.

Thank you.●

IN HONOR OF DOROTHY AND FORTNEY STARK'S 50TH WEDDING ANNIVERSARY

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. STARK. Mr. Speaker, my parents, Dorothy and Fortney Stark, are celebrating their 50th wedding anniversary February 26, and I pay tribute to them for the gallantry, humor, and good sense they have brought to their lives and to their marriage.

My brother Tom joins me in thanking them for the steadfast and unfailing support they have given to us all our lives. We are proud of them and we hope we can make them proud of us.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, February 26, 1981, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

FEBRUARY 27

8:30 a.m.
Armed Services
Strategic and Theater Nuclear Forces Subcommittee
To resume closed hearings on proposed authorizations for fiscal year 1982 for sea-based deterrent programs of the Department of Defense.
224 Russell Building

9:00 a.m.
Governmental Affairs
Permanent Subcommittee on Investigations.
To continue hearings on alleged corruption in the International Longshoremen's Association's influence and control over the waterfront industry along the east and gulf coasts.
3302 Dirksen Building

9:30 a.m.
Armed Services
Tactical Warfare Subcommittee
To hold closed hearings on proposed authorizations for fiscal year 1982 for missions and requirements of the U.S. Navy, Department of Defense.
212 Russell Building

10:00 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on S. 270, to provide for the deregulation of the radio broadcasting industry.
235 Russell Building

Environment and Public Works
To continue hearings to review those items in the President's budget for fiscal year 1982 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee, receiving testimony from officials of the Public Buildings Service.
4200 Dirksen Building

Foreign Relations
International Economic Policy Subcommittee
To resume hearings to examine current U.S. interests in developing countries and alternative strategies to advance U.S. interests.
4221 Dirksen Building

10:30 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Human Development Services, and for certain departmental management programs and the Office for Civil Rights of the Department of Education.
1114 Dirksen Building

MARCH 2

9:00 a.m.
Agriculture, Nutrition, and Forestry
To hold hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

Select on Intelligence
To hold closed hearings on proposed authorizations for fiscal year 1982 for intelligence activities of the United States.
S-407, Capitol

9:30 a.m.
Commerce, Science, and Transportation
*Science, Technology, and Space Subcommittee
To hold hearings to assess the Nation's critical shortages of strategic materials and minerals and evaluate the impact of the National Materials and Minerals Policy, Research and Development Act.
235 Russell Building

Environment and Public Works
To hold joint hearings with the Subcommittee on Health and the Environment of the House Committee on Interstate and Foreign Commerce on the recent report of the National Commission on Air Quality.
318 Russell Building

2:00 p.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for elementary and secondary educational programs of the Department of Education.
1114 Dirksen Building

Environment and Public Works
To resume hearings to review those items in the President's budget for fiscal year 1982 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee, receiving testimony from officials of the U.S. Army Corps of Engineers, Water Resources Council, and the Office of Water Research and Technology.
4200 Dirksen Building

MARCH 3

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture
322 Russell Building

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the American Battle Monuments Commission, Army Cemeterial Expenses, the Office of Consumer Affairs, and the Consumer Information Center.
1224 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the U.S. Fish and Wildlife Service, Department of the Interior.
1318 Dirksen Building

9:30 a.m.
Environment and Public Works
To hold oversight hearings on the implementation of the steel tripartite agreement.
4200 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for impact aid programs, and emergency school aid programs of the Department of Education.
1114 Dirksen Building

11:50 a.m.
*Veterans' Affairs
To hold hearings to receive the Veterans of Foreign Wars legislative recommendations for fiscal year 1982.
318 Russell Building

2:00 p.m.
*Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for library and learning resource programs and vocational and adult education programs of the Department of Education.
1114 Dirksen Building

*Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Inspector General of the Department of Transportation; and the Civil Aeronautics Board.
S-126, Capitol

MARCH 4

8:30 a.m.
*Governmental Affairs
Oversight of Government Management Subcommittee
To hold hearings to review Governmentwide debarment and suspension practices.
3302 Dirksen Building

9:00 a.m.
*Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Water Research and Technology, Department of the Interior, the Holocaust Memorial Commission, and the Advisory Council on Historic Preservation.
1318 Dirksen Building

Select on Intelligence
Closed business meeting.
S-126, Capitol

9:30 a.m.
Labor and Human Resources
To hold hearings on S. 234, to encourage the establishment of home health programs and to provide expanded coverage of home health services under the medicare and medicaid programs.
4232 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for educational, rehabilitation, and research programs for the handicapped of the Department of Education.
1114 Dirksen Building

Banking, Housing and Urban Affairs
To resume hearings on the conduct of monetary policy.
5302 Dirksen Building

Environment and Public Works
To resume hearings to review those items in the President's budget for fiscal year 1982 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee, receiving testimony from officials of the Environmental Protection Agency.
4200 Dirksen Building

2:00 p.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain energy research and environmental programs of the Department of Energy.
S-128, Capitol

Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain student financial assistance programs of the Department of Education.
1114 Dirksen Building

Environment and Public Works
To continue hearings to review those items in the President's budget for fiscal year 1982 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee, receiving testimony from officials of the U.S. Fish and Wildlife Service.
4200 Dirksen Building

MARCH 5

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building

Governmental Affairs
Oversight of Government Management Subcommittee
To continue hearings to review Governmentwide debarment and suspension practices.
3302 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain school improvement programs, special institutions, and Howard University of the Department of Education.
1114 Dirksen Building

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the U.S. Coast Guard, Department of Transportation.
1224 Dirksen Building

Environment and Public Works
To continue hearings to review those items in the President's budget for fiscal year 1982 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee, receiving testimony from officials of the Economic Development Administration, Appalachian Regional Commission (title V), and the Federal Emergency Management Agency.
4200 Dirksen Building

Select on Intelligence
To resume closed hearings on proposed authorizations for fiscal year 1982 for intelligence activities of the United States.
S-407, Capitol

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Institute of Education, fund for the improvement of postsecondary education, educational statistics, educational research and training activities overseas on the Department of Education.
1114 Dirksen Building

MARCH 6

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

Labor and Human Resources
Business meeting, to consider those matters and programs which fall within the committee's jurisdiction with a view toward submitting its views and budgetary recommendations to the

Committee on the Budget by March 15.
4232 Dirksen Building

10:00 a.m.
Environment and Public Works
To hold hearings on S. 533, establishing public buildings policies for the Federal Government, permanently establishing the Public Buildings Service in the General Services Administration, authorizing funds for fiscal year 1982 for the construction, renovation, and maintenance of public buildings and related activities of the Public Buildings Service.
4200 Dirksen Building

Rules and Administration
To hold hearings on the proposed extension of the West Front of the Capitol Building, the status and progress of construction of the Hart Senate Office Building, modifications to the Russell and Dirksen Senate Office buildings, and to review the U.S. Capitol Master Plan.
301 Russell Building

MARCH 9

9:00 a.m.
Agriculture, Nutrition, and Forestry
To resume hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

9:30 a.m.
Finance
International Trade Subcommittee
To resume hearings on the aspects of problems facing the domestic automobile industry.
2221 Dirksen Building

10:00 a.m.
Environment and Public Works
To resume hearings on S. 533, establishing public buildings policies for the Federal Government, permanently establishing the Public Buildings Service in the General Services Administration, authorizing funds for fiscal year 1982 for the construction, renovation, and maintenance of public buildings and related activities of the Public Buildings Service.
4200 Dirksen Building

2:00 p.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

MARCH 10

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Institute of Building Science, Federal Home Loan Bank Board, National Credit Union Administration, and the Office of Revenue Sharing (NYC).
1224 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for Indian health service programs, and the Bureau of Land Management, Department of the Interior.
1318 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building

Labor and Human Resources
Labor Subcommittee
To hold hearings on S. 398, permitting certain employees to work four 10-hour days.
4232 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Community Services Administration.
1114 Dirksen Building

*Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Interstate Commerce Commission, Washington Metropolitan Area Transit Authority (Metro), and the Architectural and Transportation Barriers Compliance Board.
S-126, Capitol

Environment and Public Works
Business meeting, to consider those matters and programs which fall within the Committee's jurisdiction with a view toward submitting its views and budgetary recommendations to the Committee on the Budget by March 15.
4200 Dirksen Building

Select on Intelligence
To resume closed hearings on proposed authorizations for fiscal year 1982 for intelligence activities of the United States.
S-407, Capitol

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Mediation and Conciliation Service, the National Labor Relations Board, the National Mediation Board, the Occupational Safety and Health Review Commission, and the Federal Mine Safety and Health Review Commission.
1114 Dirksen Building

MARCH 11

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

Select on Intelligence
To continue closed hearings on proposed authorizations for fiscal year 1982 for intelligence activities of the United States.
S-407, Capitol

9:30 a.m.
Judiciary
Constitution Subcommittee
To hold hearings on miscellaneous proposals to balance the budget.
2228 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Railroad Retirement Board, domestic operations programs of ACTION, and the Soldiers' and Airmen's Home.
1114 Dirksen Building

Environment and Public Works
Business meeting, to continue consideration of those matters and programs which fall within the committee's jurisdiction with a view toward submitting its views and budget recommendations to the Committee on the Budget by March 15.
4200 Dirksen Building

2:00 p.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Corporation for Public Broadcasting, the National Commission on Libraries and Information Science, and the President's Commission on Ethical Problems in Medicine.
1114 Dirksen Building

MARCH 12

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Heritage Conservation and Recreation Service, Department of the Interior.
1114 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building

Judiciary
To hold oversight hearings to review the administration's budget recommendations to the Federal Trade Commission, relative to the Commission's retention of antitrust authority.
2228 Dirksen Building

Labor and Human Resources
Labor Subcommittee
To hold hearings on S. 351, to transfer certain surface mining operations

from the Mine Safety and Health Administration to the Occupational Safety and Health Administration, and other pertinent proposals.
4232 Dirksen Building

10:00 a.m.
Appropriations
*Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Highway Traffic Safety Administration, Department of Transportation.
1318 Dirksen Building
Environment and Public Works
To mark up S. 533, establishing public buildings policies for the Federal Government, permanently establishing the Public Buildings Service in the General Services Administration, authorizing funds for fiscal year 1982 for the construction, renovation, and maintenance of public buildings and related activities of the Public Buildings Service.
4200 Dirksen Building

MARCH 13

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

9:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on proposed authorizations for fiscal years 1982 and 1983 for the National Railroad Passenger Corporation (Amtrak).
235 Russell Building

MARCH 16

9:00 a.m.
Agriculture, Nutrition, and Forestry
To resume hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

2:00 p.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

MARCH 17

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Veterans' Administration.
1224 Dirksen Building.

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings to review the proposed budget for fiscal year 1982 for the Department of Agriculture.
1223 Dirksen Building
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To resume hearings on proposed authorizations for fiscal years 1982 and 1983 for the National Railroad Passenger Corporation (Amtrak).
1202 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building
*Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Urban Mass Transportation Administration, Department of Transportation.
1318 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

MARCH 18

9:00 a.m.
Select on Intelligence
To resume closed hearings on proposed authorizations for fiscal year 1982 for intelligence activities of the United States.
S-407 Capitol

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the office of Inspector General, Department of Agriculture, and the General Accounting Office.
1224 Dirksen Building
Labor and Human Resources
Employment and Productivity Subcommittee
To hold hearings on proposed legislation on youth employment.
4232 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

MARCH 19

9:00 a.m.
Agriculture, Nutrition, and Forestry
To resume hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Science and Education Administration, Office of the Secretary, Departmental Administration, Office of Governmental and Public Affairs, and the Office of the General Counsel, Department of Agriculture.
1224 Dirksen Building
Labor and Human Resources
Employment and Productivity Subcommittee
To continue hearings on proposed legislation on youth employment.
4232 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Highway Administration, Department of Transportation.
1318 Dirksen Building
Select on Intelligence
To continue closed hearings on proposed authorizations for fiscal year 1982 for intelligence activities of the United States.
S-407, Capitol

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

MARCH 20

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

9:30 a.m.
Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain public

health categorical programs of the Department of Health and Human Services.
4232 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building.

MARCH 23

9:00 a.m.
Agriculture, Nutrition, and Forestry
To resume hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

9:30 a.m.
Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for national centers for health statistics of the Department of Health and Human Services
4232 Dirksen Building

2:00 p.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

MARCH 24

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Foreign Agricultural Service, Office of International Cooperation and Development, Federal Crop Insurance Corporation, Economics and Statistics Service, and the World Food and Agricultural Outlook and Situation Board.
1223 Dirksen Building
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold oversight hearings to review supplemental assistance and restructuring policies for Consolidated Rail Corporation (Conrail) of the U.S. Railway Association.
235 Russell Building
Labor and Human Resources
Labor Subcommittee
To hold hearings on S. 348, to increase job opportunity by allowing employers to pay young people the minimum wage at a reduced rate.
4232 Dirksen Building

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Railroad Administration, Department of Transportation, and the National Railroad Passenger Corporation (Amtrak).
1224 Dirksen Building

MARCH 25

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for alternative fuel programs and the Economic Regulatory Administration, Department of Energy.
1114 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To continue oversight hearings to review supplemental assistance and restructuring policies for Consolidated Rail Corporation (Conrail) of the U.S. Railway Association.
5110 Dirksen Building
Labor and Human Resources
Labor Subcommittee
To continue hearings on S. 348, to increase job opportunity by allowing employers to pay young people the minimum wage at a reduced rate.
4232 Dirksen Building

2:00 p.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

MARCH 26

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of the Interior and certain related agencies.
1114 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building
Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain public health professional education and nurse training programs of the Department of Health and Human Services.
4232 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of State; and to review certain foreign assistance programs.
S-126 Capitol

MARCH 27

9:30 a.m.
Labor and Human Resources
To resume hearings on proposed legislation authorizing funds for certain public health categorical programs of the Department of Health and Human Services.
4232 Dirksen Building

MARCH 31

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Soil Conservation Service, Agricultural Stabilization and Conservation Service, and the Animal and Plant Health Inspection Service, Department of Agriculture.
1223 Dirksen Building
Labor and Human Resources
To hold hearings to review family planning programs.
4232 Dirksen Building

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Aviation Administration, Department of Transportation.
1224 Dirksen Building
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Management and Budget.
S-146 Capitol

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Agency for International Development; and to continue review of certain foreign assistance programs.
S-126 Capitol
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the White House Office, Office of Administration, official residence of the Vice President, executive residence, special assistance to the President, compensation of the President, and other unanticipated needs.
S-146 Capitol

APRIL 1

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 and for the Federal Emergency Management

Agency and the Selective Service System.
S-126 Capitol

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Bureau of Indian Affairs, Department of the Interior.
1114 Dirksen Building

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Farmers Home Administration, Rural Electrification Administration, and the Farm Credit Administration.
1223 Dirksen Building

Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain adolescent pregnancy programs of the Department of Health and Human Services.
4332 Dirksen Building

10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Secretary of the Treasury.
1224 Dirksen Building

2:00 p.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Secretary, international affairs programs, Bureau of the Mint, Bureau of Engraving and Printing, and Bureau of Government Financial Operations of the Department of the Treasury.
1224 Dirksen Building

APRIL 2

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Surface Mining Reclamation and Enforcement, Department of the Interior; and the Smithsonian Institution.
1114 Dirksen Building

9:00 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1982 from officials of Paralyzed Veterans of America, Blinded Veterans Association, Military Order of the Purple Heart, and Veterans of World War I.
412 Russell Building

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of Transportation and related agencies.
S-126 Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the U.S. Postal Service.
S-146 Capitol

11:00 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1982 from AMVETS.
412 Russell Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Agency for International Development, and certain foreign assistance programs.
S-126 Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the U.S. Customs Service, U.S. Secret Service, Federal Law Enforcement Training Center, and the Bureau of Alcohol, Tobacco and Firearms.
S-146 Capitol

APRIL 7

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Food and Nutrition Service, and the Food Safety and Quality Service, Department of Agriculture.
1223 Dirksen Building

Labor and Human Resources
To hold hearings on proposed authorizations for fiscal year 1982 for the National Science Foundation.
4232 Dirksen Building

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the U.S. Railway Association and Consolidated Rail Corporation (Conrail).
S-126 Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the General Services Administration.
1318 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Agency for International Development, and certain foreign assistance programs.
S-126 Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Personnel Management, Merit Systems Protection Board and Special Counsel, Federal Labor Relations Authority, Advisory Commission on Intergovernmental Relations, Advisory Committee on Federal Pay, Commission on Executive, Legislative and Judicial Salaries, and the President's Commission on Pension Policy.
1318 Dirksen Building

APRIL 8

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Science and Technology Policy, Council on Environmental Quality, and the National Regulatory Council.
S-126 Capitol

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Secretary and the Office of the Solicitor, Department of the Interior.
1114 Dirksen Building

9:30 a.m.
Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain health maintenance organizations of the Department of Health and Human Services.
4232 Dirksen Building

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Department of Transportation.
1224 Dirksen Building

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Administrative Conference of the United States, Federal Elections Commission, Office of Federal Procurement Policy, Domestic Policy Staff, U.S. Tax Court, and the Committee for Purchase from the Blind and Other Severely Handicapped.
1318 Dirksen Building

APRIL 9

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for strategic petroleum reserve programs, the Energy Information Administration, and naval petroleum reserve programs, Department of Energy.
1114 Dirksen Building

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Secretary, Department of Transportation, and to review budgetary recommendations.
S-126 Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Internal Revenue Service, and the savings bond division of the Bureau of the Public Debt.
1318 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain international security assistance programs of the Department of State.
S-126 Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Council of Economic Advisers, National Security Council, and the Council on Wage and Price Stability
1318 Dirksen Building

APRIL 21

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for Forest Service programs, the Office of the Federal Inspector for the Alaska Natural Gas Transportation System, and the Pennsylvania Avenue Development Corporation.
1114 Dirksen Building

9:30 a.m.
Labor and Human Resources
To resume hearings on alleged sex discrimination in the workplace.
4232 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1224 Dirksen Building

APRIL 22

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Environmental Protection Agency.
1318 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Secretary of Energy.
1114 Dirksen Building

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Food and Drug Administration, Commodity Futures Trading Commission, Agricultural Marketing Service, Federal Grain Inspection Service, Office of Transportation, and the Agricultural Cooperative Service, Department of Agriculture.
1223 Dirksen Building

Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain community/migrant health centers and the National Health Service Corps of the Department of Health and Human Services.
4232 Dirksen Building

APRIL 23

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1224 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for certain international aid programs of the Department of State.
S-126 Capitol

APRIL 28

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Endowment for the Arts and the National Endowment for the Humanities.
1114 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1224 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain international monetary programs of the Department of Treasury.
S-126 Capitol

APRIL 29

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Consumer Cooperative Bank, and the Consumer Product Safety Commission.
1318 Dirksen Building

APRIL 30

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Science Foundation.
1318 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Park Service, Department of the Interior.
1114 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1224 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the multilateral development banks of the Department of the Treasury.
S-126 Capitol

MAY 5

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Export-Import Bank of the United States.
S-126 Capitol

MAY 6

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Geological Survey, Department of the Interior.
1223 Dirksen Building

MAY 7

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for conservation and fossil energy programs.
1223 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Agency for International Development, and certain international aid programs.
S-126 Capitol

MAY 12

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Na-

tional Aeronautics and Space Administration.
1224 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Peace Corps.
S-126 Capitol

MAY 13

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Commission of Fine Arts, the National Gallery of Art, and the Bureau of Mines, Department of the Interior.
1223 Dirksen Building

MAY 14

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Territorial Affairs, Department of the Interior.
1223 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain international programs.
S-126 Capitol

MAY 19

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

MAY 20

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development.
1224 Dirksen Building

MAY 21

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development, and the Neighborhood Reinvestment Corporation.
1224 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

JUNE 2

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development, and certain independent agencies.
1224 Dirksen Building

CANCELLATIONS

FEBRUARY 27

10:00 a.m.
Budget
Business meeting, to continue markup of proposed revisions to the Second Concurrent Budget Resolution for fiscal year 1981.
6202 Dirksen Building

MARCH 3

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building

MARCH 4

10:00 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on proposed legislation authorizing funds for the U.S. Fire Administration of the Federal Emergency Management Agency.
235 Russell Building

HOUSE OF REPRESENTATIVES—*Thursday, February 26, 1981*

The House met at 11 a.m.

Rev. Lawrence A. Glassco, D.D., pastor, Heritage Presbyterian Church, Alexandria, Va., offered the following prayer:

Eternal God our heavenly Father, we are gathered here today from places all across our great land to seek Your divine guidance. We stand on the shoulders of giants who have been here before us, and we are mindful also of those who will follow us in this place dependent on the decisions made here today. We pray, O Lord, for peace and justice in our world—for open minds, clear vision, and enlightened understanding of the issues of our time. And we pray that those who make decisions which affect the lives of others might be guided not by selfish motives, but by compassionate concern for the welfare of all Thy people. We ask it in Thy name and for Thy sake. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the following resolution:

S. RES. 76

Resolved, That Senate Resolution 36, Ninety-seventh Congress (a resolution providing for members on the part of the Senate of the Joint Committee on Printing and the Joint Committee on the Library), agreed to February 3, 1981, is amended on the first page (1) by inserting on line 5, immediately after "Virginia," the following: "Mr. Hatfield of Oregon,", (2) by striking out "and" on line 5, and (3) by inserting immediately after "Nevada" on line 6 the following: ", and Mr. Ford of Kentucky".

SEC. 2. The amendments made by the first section of this resolution shall take effect on the date this resolution is agreed to.

THE REVEREND LAWRENCE A. GLASSCO

(Mr. MARTIN of North Carolina asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MARTIN of North Carolina. Mr. Speaker, we are delighted today to welcome as our guest minister the Reverend Lawrence A. Glassco. He serves the people of this area as pastor of the Heritage United Presbyterian Church, in Fairfax County, Va., just north of Mount Vernon.

This church and this preacher have been a blessing to many families, who, like ours, have been members of or associated with the congregation.

Larry Glassco and his family came to Heritage in 1975 from Niles, Ohio, after serving pastorates in Ohio. He is a graduate of the Union Theological Seminary in New York, where he also attained the masters degree in Christian education. He also attended the McCormick Theological Seminary in Chicago, and graduated from the University of Wisconsin.

We are pleased to have him with us today.

THE REVEREND LAWRENCE A. GLASSCO

(Mr. BEARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BEARD. Mr. Speaker, I also would like to welcome our minister, Lawrence Glassco. I would also like to welcome his wife, Marjorie, who is with us this morning, along with Reverend Glassco's older son, Rick, and his wife Sarah.

It is a great honor to have my minister and his family join us today in the House of Representatives. Reverend Glassco has provided to my colleague from North Carolina (Mr. MARTIN) and myself, spiritual guidance through his church at the Heritage United Presbyterian Church.

He has also on numerous occasions transferred that spiritual guidance into navigation guidance on occasional sailing outings that we have been fortunate enough to take together, so it is with great honor that I welcome the Reverend Glassco and his family to the House of Representatives.

UNITED STATES MAKING TRAGIC ERROR IN EL SALVADOR

(Mr. STUDDS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STUDDS. Mr. Speaker, U.S. military support for the Duarte regime in El Salvador is a tragic mistake, directly contrary to our own ideals and national interests, and chilling in its parallels to the early days of U.S. involvement in Vietnam.

Our current policy is based on several assumptions about the situation in El Salvador which are grievously in error. It is a policy which puts at grave risk future U.S. interests in Central America, while it may endanger, in the long run, unity and civil peace in our own country as well.

Accusations approaching hysteria have been made in recent days about Nicaraguan, Cuban, and Russian involvement in supplying weapons to the Salvadoran left. The issue of outside intervention in El Salvador is important, and well worth examining. But other questions also need to be discussed thoroughly and dispassionately before a balanced judgment about proper U.S. policy toward El Salvador can emerge.

We need now to ask the type of questions which we waited far too long to ask with respect to American involvement in Vietnam. We need, for example, to identify the true source of violence and terrorism in El Salvador; we need to know what kind of government it is to which the United States has committed its resources and prestige; we need to examine the history and the motives of those now in opposition to the Duarte government; and we need to think with enormous care about the nature and the long-range implications of the policies which we appear about to implement in El Salvador and other parts of Central America.

Yesterday, Mr. EDGAR, Ms. MIKULSKI, and I testified on this subject before the Subcommittee on Foreign Operations of the Committee on Appropriations. Because of the enormous importance of U.S. policy decisions being contemplated at this time, I shall place the full text of our testimony in the Extensions of Remarks in today's CONGRESSIONAL RECORD.

NO MORE VIETNAMS IN EL SALVADOR

(Mr. SHANNON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHANNON. Mr. Speaker, President Reagan seems to be moving deliberately toward greater U.S. military involvement in El Salvador.

Our present military support of El Salvador is a mistake. It could quickly become a tragedy.

Thousands of Salvadorans have been killed in the last year in political warfare. Many of them have been killed

by the very military which we assist. Yet the administration talks of sending more military advisers to El Salvador.

The Reagan administration has a mandate to solve this country's economic problems. It does not have a mandate to commit this country's resources and Army to the defense of whatever government it chooses.

El Salvador is not the place for the United States to draw any lines. The American people want no more Vietnams.

A CALL TO WORK WITH PRIME MINISTER THATCHER FOR PEACE AND JUSTICE IN IRELAND

(Ms. FERRARO asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. FERRARO. Mr. Speaker, today marks the first full day of Prime Minister Margaret Thatcher's visit to the United States. This visit should focus our attention on the continuing tragedy in the north of Ireland.

Traditionally, the United States has maintained a moral commitment to the attainment of human rights. In conjunction with Prime Minister Thatcher's visit, we, as Members of Congress, should call upon Great Britain to set forth a new peace initiative for all of Ireland that will put an end to the gross violations of human rights occurring in the north of Ireland.

While Great Britain has been a longtime ally of the United States, the time has come for us to take a stand in the name of peace and justice. I believe that the solution to the problems in Ireland must come from the Irish people, and not from a nation which is occupying their homeland. The essential problem in Northern Ireland is whether England has the moral or legal right to govern any of the northern Irish counties.

The citizens of Northern Ireland, both Protestant and Catholic alike, have experienced years of violence and bloodshed. The past decades have been sadly marked by the loss of thousands of lives. Despite repeated promises by the British Government to bring about a peaceful solution to the conflict, there is no end in sight.

The time has come for the British occupation of Irish soil to end. The time has come for Ireland to be one, undivided. Therefore, I ask all my colleagues to pledge themselves toward the attainment of peace and justice in Ireland, and join me in asking Mrs. Thatcher to work toward that end.

CONGRESSMAN HALL INTRODUCES DOMESTIC CONTENT TAX CREDIT BILL FOR NEW VEHICLES

(Mr. HALL of Ohio asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. HALL of Ohio. Mr. Speaker, today I am introducing a bill to provide a refundable income tax credit for the purchase of new automobiles and light trucks based upon their domestic content. I am pleased that my colleague from Michigan, Representative WILLIAM BRODHEAD, is joining with me to cosponsor this legislation. He is the cochairman of the House Auto Task Force and one of the leading spokesmen in the House on issues relating to the auto industry.

SUMMARY OF DOMESTIC CONTENT TAX CREDIT BILL FOR NEW VEHICLES

The tax credit allowed by the bill initially would be calculated by taking 10 percent of the purchase price of the new car or truck, up to a limit of $1,000. This portion of the tax credit formula reflects the amounts suggested for such a credit by the National Automobile Dealers Association in December 1980.

This figure would then be multiplied by the percentage of domestic content of the vehicle. Thus, a new car with a purchase price of $9,000, with 70-percent domestic content, would be eligible for a $630 tax credit. A $7,500 car made entirely in the United States would receive a $750 tax credit. A $13,000 car with 100 percent domestic content would get a $1,000 credit—the maximum permitted.

Manufacturers presently must calculate domestic content under regulations issued by the Environmental Protection Agency (40 CFR 600.511-80) to implement the Energy Policy and Conservation Act of 1975. For purposes of determining corporate average fuel economy, a car is considered to be an import if it has less that 75-percent domestic (United States and Canadian) content.

My bill would use current law and regulations to determine domestic content. It would add the requirement that information about the domestic content of a new vehicle be brought to the attention of potential buyers by a certificate attached to the vehicle or some other simple method.

The refundable tax credit would go to individuals. It would be available upon the date of enactment of the bill and expire 2 years from the date of enactment, or September 30, 1983, whichever is later. Any new car or light truck purchased during this period would be eligible for the credit. Although the original use of the vehicle must commence with the taxpayer for it to be eligible, vehicles used as dealer demonstrators would also qualify.

These are the principal features of the bill.

AN INCENTIVE FOR CONSUMERS TO BUY AMERICAN

Tax credits which reward high domestic content would provide a much-needed incentive to U.S. consumers to purchase new American cars and light trucks. Such credits would help to offset the high interest rates and higher new car prices that are discouraging potential buyers. As a consumer opinion survey conducted by the U.S. Chamber of Commerce in December 1980 revealed, 57 percent of the families surveyed believe that now is a bad time to buy a new car.

Most new car buyers choose to take loans to pay for their cars over 2 to 4 years. A tax credit of up to $1,000 in the tax year in which the car is bought would help to offset the first-year cost of a new car and make it more attractive for a consumer to buy now, rather than postpone a purchase because of the initial costs involved. In particular, the Federal refundable tax credit would help to balance the State sales tax, local personal property tax, and high insurance premiums that usually fall during the first year of purchasing a new car or truck.

A tax credit based on domestic content also will help to make U.S. vehicles less costly to U.S. consumers. In this regard, it is important to note that, according to the Transportation Department's report, "The U.S. Automobile Industry, 1980," Japanese automakers currently enjoy a $1,000 to $1,500 comparative cost advantage over U.S. automakers. Domestic content tax credits of up to $1,000 per car would help to shave this significant competitive edge.

A BOOST FOR U.S. COMPONENT PARTS AND LABOR

Roughly one out of every six jobs in the United States is related to the auto industry. The auto industry utilizes 21 percent of the Nation's steel output, 60 percent of all synthetic rubber, 11 percent of the primary aluminum produced, 30 percent of the ferrous castings, 25 percent of glass, 20 percent of machine tools, and significant percentages of plastics and electronics produced domestically. In total, more than 4 million people directly owe their employment to the automobile, including approximately 800,000 in direct manufacturing—900,000 in past peak years—1.4 million in supplier industries, and 2.6 million in sales and servicing.

In the Dayton, Ohio, area, which I represent, there are 11 auto-related plants that employ 41,800 workers—about 52 percent of all manufacturing employment in the area. General Motors alone employs more than 20,000 workers in four divisions, and Chrysler's air-conditioner manufactur-

ing in Dayton has employed up to 2,000. There are scores of tool and die shops and other component parts producers in the Dayton area which are heavily dependent upon the fate of automobile sales.

In July 1980, unemployment in the auto-related industry in the Dayton metropolitan area stood at 9.6 percent. This coincided with the national layoffs, both temporary and indefinite, of 313,500 for that same month. At the end of 1980, indefinite layoffs affected 190,000 workers, or 24 percent of the automotive work force.

It is clear that continued losses of markets to imports result in similar losses of auto-related industry jobs at home. As the Transportation Department's report, "The U.S. Automobile Industry, 1980" noted:

It is estimated, for example, that for each 100,000 units of production lost to imports, approximately 8,500 workers in the primary manufacturing industry and another 13,000 to 16,000 workers in the supplier industries will lose their jobs. Additionally, pressure to develop lower cost sources for components has forced manufacturers to look to foreign countries and foreign workers to supply many of them. As component manufacturing moves overseas, domestic auto-related jobs are lost.

The bill I am introducing would help to provide both an immediate inducement for consumers to buy domestically produced cars and an inducement for auto manufacturers to use more domestically produced component parts. It would encourage both American and foreign car manufacturers to use more U.S.-made parts in their cars and trucks. Several of the major U.S. auto manufacturers are purchasing component parts made in countries like Japan, Mexico, and Brazil. At the same time, some foreign-based manufacturers are increasing their use of domestic components. Volkswagen, for example, increased its purchase of U.S. components from $208.9 million in 1979 to $404 million in 1980. Tax credits based on domestic content would help to discourage the former type of activity and encourage the latter. This is especially important in view of the pessimistic Transportation Department projections discussed in "The U.S. Automobile Industry, 1980":

U.S. suppliers of engine, body and chassis components will be under intense competitive pressure from foreign suppliers. while the demand for some component suppliers' products will decline, sales of parts to the U.S. auto industry are projected to grow at approximately 3 percent annually during the 1980s. While a large percentage of future purchases will be from domestic suppliers, the U.S. automakers are expected to increase foreign parts sourcing from their current level of less than 5 percent to 10 percent by 1985 and to 15 percent by 1990. This trend will be partially offset over the same time period, as U.S. auto parts manufacturers are anticipating a 10 percent gain in exports of U.S.-produced parts to offshore automakers. On balance, however, the U.S.'s current negative trade balance in motor vehicle parts of $2.5 billion is likely to grow worse.

Now is the time for the Government to act to prevent this pattern from solidifying. Domestic content tax credits would offer an inducement for U.S. manufacturers to avoid foreign parts sourcing and an attraction for foreign manufacturers to use more U.S. parts and labor in their cars.

ASSISTING AUTO AND TRUCK DEALERS

The poor state of the economy, high interest rates, and foreign competition have combined to create a dramatic downturn in sales of U.S. cars and trucks. The 6.6 million U.S.-made cars sold in 1980 represented the lowest sales level since 1961. The downward trend is continuing into this year, with January 1981 domestic auto sales down 20.1 percent from the January 1980 level. This monthly figure was the lowest since 1975.

At the same time, sales of imports have been taking a greater percentage of the U.S. market. In 1980, imports accounted for about 27 percent of all cars sold in the United States.

In particular, Japanese imports have significantly increased their penetration of the U.S. market. As "The U.S. Automobile Industry, 1980" report notes:

Japan's share of U.S. imports rose from 68 percent in 1977 to 80 percent early in 1980, and their share of the increasingly important small-car market went from 33 percent to 37 percent. The value of Japanese automotive exports to the U.S. in 1979 was $9.3 billion, compared to $0.2 billion in U.S. exports of motor vehicles and parts to Japan, leaving a Japanese trade surplus in this category of $9.1 billion.

Thus, the Japanese and other foreign competitors are capturing more and more of the dwindling U.S. auto market.

Increased operating costs and lower sales forced an estimated 1,600 dealerships to close in 1980, compared to an average of 167 closings per year the previous 3 years. Many of these were small businesses that were established pillars of their local communities.

I believe that domestic content tax credit legislation would help to stimulate auto and truck sales that will help to keep the 26,600 franchised dealers in the United States in business. We simply cannot afford to lose more of the 700,000 jobs they provide.

Under my bill, the tax credits would take effect upon the date of enactment. This would provide an incentive for consumers to consider acting upon their postponed wish to purchase a new car or truck.

The United States has the highest level of car ownership in the world. In 1977, about 87 percent of all U.S. households owned motor vehicles, and 54 percent owned two or more. This means that most new car sales in this country are to replace existing cars in possession or add extra cars for additional family use. Decisions to buy cars for these reasons are relatively easy to put off in the face of high prices, high interest rates, and a sagging economy. In the Third District of Ohio, which I represent, a total of only 33,000 new cars and trucks were registered in Montgomery County in 1980, compared to 41,600 in 1979. According to the Dayton Area Chamber of Commerce, higher prices and higher interest rates may prevent auto sales from reaching 1981 industry expectations.

Unfortunately, it is not likely that the economy will take an early dramatic upswing or that new car prices and interest rates will plummet. The current market is like a car with a dead battery: An outside boost is needed to get it to turn over. I believe that the early enactment of tax credits for new vehicle sales can provide that boost.

THE QUESTION OF COST

Any tax credit proposal involves an initial loss of revenues to the Treasury. A flat tax credit of $500 for new domestic cars and light trucks has been projected to cost about $3.3 billion for 1 year. A straight $1,000 tax credit for new domestic cars and light trucks would cost twice as much, or $6.6 billion for 1 year.

However, the $500 credit has been estimated to provide 194,000 additional jobs, with the $1,000 credit providing 388,000 extra jobs. The addition of these workers would result in increases in Federal income tax paid by the employees, increases in social security taxes paid, and increases in corporate income tax paid. Further, the States would realize increases in State income taxes paid and in State sales tax revenues.

At the same time, unemployment, welfare, and trade adjustment assistance payments would decrease, resulting in additional Treasury funds. My colleagues will recall that the supplemental funding in fiscal 1980 alone for trade adjustment assistance was $1.5 billion.

It is also important to keep in mind the impact on the economy of the losses suffered by the auto manufacturers in the United States. According to U.S. News & World Report, estimates are that 1980 losses ran at $700 million to $1 billion at General Motors, $1.7 billion at Chrysler, and $1.5 billion at Ford. American Motors reported a deficit of $156 million for the last fiscal year. The impact of such large losses on the entire auto-related industry and its communities across the Nation is staggering. Tax credits that could help to prevent such losses would be well worth the tax expenditures involved.

I should add that substantial fuel savings would result from the tax credit legislation. The average car being traded in gets about 14.5 miles

per gallon, compared to the new car average of 23 miles per gallon. A $500 tax credit for domestic cars and light trucks would promote the sales of enough new fuel-efficient vehicles to save about 309 million gallons of gasoline. A $1,000 credit for one year for such vehicles would save an estimated 618 million gallons.

CONCLUSION

It is evident that a healthy and productive auto-related industry is essential to the economic well-being of the entire Nation. Certainly, the dramatic drop in sales of new U.S.-built cars and light trucks has resulted in human and economic suffering across the country.

When a key economic sector like the auto-related industry suffers, a national, Federal response is called for. Already, the resources of the Federal Government have been tapped in reaction to the crisis through payments of unemployment, welfare, and trade adjustment benefits.

The Federal Government has become an integral part of the plan to assist one of the major automobile manufacturers, the Chrysler Corporation. Should overall sales of cars and light trucks continue to decrease, it is possible that the Federal Government might become similarly involved in efforts to save the other manufacturers in this country.

I hope that the Federal Government will not be forced to intervene to aid the domestic auto-related industry through mechanisms such as subsidies, loans, and loan guarantees. Instead, I would prefer to see the Government provide cost-effective tax incentives to encourage more sales. In the long run, I believe that the tax credit approach is preferable to the other forms of Federal involvement in the activities of the industry.

Through tax credits based on domestic content, individual consumers would be encouraged to buy cars and light trucks with the highest percentage of domestic content. This would promote increased sales which would benefit manufacturers, auto workers, the component parts industry and its workers, and dealerships throughout the country. In addition, both U.S. and foreign auto manufacturers would have an incentive to use more U.S. parts and labor in their cars and light trucks.

I urge my colleagues to support this bill, and I hope that they will join with me to request the House Ways and Means Committee to hold early hearings on it.

The text of the domestic content tax credit bill follows:

H.R. 2208

A bill to amend the Internal Revenue Code of 1954 to provide a refundable income tax credit for the purchase of new highway vehicles

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, (a) subpart A of part IV of subchapter A of chapter I of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by inserting after section 44E the following new section:

"SEC. 44F. PURCHASE OF NEW HIGHWAY VEHICLE.

"(a) GENERAL RULE.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount (for each qualified highway vehicle acquired by the taxpayer during the taxable year) equal to the vehicle's U.S. content percentage of the lesser of—

"(1) 10 percent of the cost of such vehicle, or

"(2) $1,000.

"(b) DEFINITIONS.—For purposes of this section—

"(1) QUALIFIED HIGHWAY VEHICLE.—

"(A) IN GENERAL.—The term 'qualified highway vehicle' means a highway vehicle—

"(i) which is purchased by the taxpayer after the date of the enactment of this section and before the later of (I) the date 2 years after such date of enactment, or (II) October 1, 1983, and

"(ii) the original use of which commences with the taxpayer.

"(B) USE AS DEMONSTRATOR BY DEALER NOT TREATED AS ORIGINAL USE.—For purposes of subparagraph (A)(ii), use as a demonstrator by the dealer of a highway vehicle shall not be treated as the original use of such vehicle.

"(2) HIGHWAY VEHICLE.—The term 'highway vehicle' means any vehicle propelled by fuel which is manufactured primarily for use on public streets, roads, and highways. Such term does not include any vehicle having a gross vehicle weight of 10,000 pounds or more (as determined under regulations prescribed by the Secretary).

"(3) PURCHASE.—The term 'purchase' has the meaning given such term by section 44(c)(3).

"(4) U.S. CONTENT PERCENTAGE.—The term 'U.S. content percentage' means, with respect to any vehicle, the percentage of the cost of such vehicle to the manufacturer which is attributable to value added in the United States or Canada.

"(c) SPECIAL RULES.—For purposes of this section—

"(1) JOINT ACQUISITION.—If any qualified highway vehicle is jointly acquired by 2 or more persons—

"(A) the aggregate amount allowable as a credit under subsection (a) to such persons with respect to such vehicle shall not exceed the amount determined under subsection (a)(2), and

"(B) the amount allowable as a credit for the taxable year shall be apportioned among such persons on the basis of their respective shares of the cost of such vehicle.

"(2) CERTIFICATION PROCEDURE.—The Secretary shall by regulations prescribe a procedure for notifying potential buyers that the vehicle is a qualified highway vehicle and for notifying potential buyers with respect to the vehicle's U.S. content percentage. Such notice may be by means of a certificate attached to a highway vehicle or otherwise.

"(d) SECTION NOT TO APPLY TO ESTATES AND TRUSTS AND NONRESIDENT ALIENS.—This section shall not apply to any estate or trust and shall not apply to any nonresident alien individual."

(b)(1) Subsection (b) of section 6401 of such Code (relating to amounts treated as overpayments) is amended—

(A) by striking out "and 43 (relating to earned income credit)" and inserting in lieu thereof "43 (relating to earned income credit), and 44F (relating to purchase of new highway vehicle)", and

(B) by striking out "39, and 43" and inserting in lieu thereof "39, 43, and 44F".

(2) Paragraph (2) of section 55(b) of such Code (defining regular tax) is amended by striking out "and 43" and inserting in lieu thereof ", 43, and 44F".

(3) Subsection (c) of section 56 of such Code (defining regular tax deduction) is amended by striking out "and 43" and inserting in lieu thereof "43, and 44F".

(c) The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 44E the following new item:

"Sec. 44F. Purchase of new highway vehicle."

(d) The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

CONGRESSMAN WALGREN INTRODUCES BILL TO PRESERVE JOBS IN THE STEEL INDUSTRY

(Mr. WALGREN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WALGREN. Mr. Speaker, I am today introducing a bill that will help preserve jobs in the Pennsylvania steel industry and help the steel industry remain productive while meeting Federal environmental standards. This bill reflects the finely tuned agreement of the Steel Tripartite Advisory Committee, an unprecedented agreement initiated by the Carter administration between steel management and steel labor.

The bill essentially allows for the stretchout of deadlines that the steel industry must meet to comply with environmental standards, while allowing the industry to invest immediate funds in productive capacity.

My bill adds two strengthening provisions that I feel are important. The first is that it would require the steel industry to allocate money saved by the extension of deadlines to the local area from which the savings are made, thus insuring that jobs are not moved from one part of the country to the other.

The second is that it would allow the States and local governments affected and the recognized bargaining agents of the employees involved to enforce the consent decrees envisioned under the bill.

I have included the requirement that industries seeking an extension invest funds saved by the stretchout in

the local community in which the company is located to encourage modernization of capacity, thus preserving and creating jobs where steelworkers now live and work. It will encourage industries not to run plants into the ground and move steel production to faraway places across the country. This situation is much like that of maintaining an automobile. It is far wiser to provide ongoing, preventive maintenance to one's car, to keep it running reliably, to be able to depend on it, than to let it become totally dysfunctional. I believe that we must encourage the steel industry to continually maintain upkeep on its plants, so that Pennsylvanians and other workers in steel communities will have the security of knowing their jobs will stay in their hometowns.

Additionally, encouraging modernization of existing plants, where they are now located, will give workers the added security that their company's investments will preserve their jobs—not move their jobs to another part of the country.

Finally, an added advantage of this provision—reinvesting in the community in which the money was generated—is the ripple effect. Encouraging the maintenance and modernization of existing plants will create other jobs in the community. With population shifts out of the Northeast and businesses increasingly locating in the Sun Belt, we must do all we can to preserve jobs for Pennsylvanians.

Western Pennsylvania has lost 15,000 jobs in the last year. I do not want that trend to continue. I hope my bill will help stop that trend.

OPPORTUNITY FOR LOCAL CITIZENS

The terms of this legislation would also provide opportunities for the citizens of Allegheny County to express their views on the desirability or effects of a requested extension. Under my bill, EPA must look at a balance of information on the industry's need for the extension—information from the industry, Federal agencies like Commerce and IRS, and residents of the area affected. Additionally, when EPA receives an application for a deadline stretchout from a company, EPA must notify State and local governments in the area where the company is located. Mr. Speaker, we all know that the average citizen does not wake up every morning and read the Federal Register. Nor does all wisdom reside in Washington. I believe the citizens of Allegheny County must have a clear avenue to express their views on the need for and consequences of an extension of air quality deadlines.

Finally, my bill would guarantee State and local governments and industry unions the opportunity to enforce a consent agreement once it is in effect. Here again, we cannot rely on the courts or the Government to sufficiently monitor compliance. Citizens should have a clear right to take actions to insure that the air they breathe is clean. My bill would give local governments and workers that opportunity.

THE TRIPARTITE AGREEMENT

Mr. Speaker, the Steel Tripartite Advisory Committee which addressed the fundamental problems of the steel industry, was composed of representatives of the industry, labor, environmental groups, and EPA. Their consensus was thoroughly deliberated, carefully worked out, and agreed to by all parties. My bill includes all the elements of the committee's agreement on air quality compliance. It also includes several additional, strengthening features important to the citizens of my district.

Neither this bill, nor the tripartite agreement, are a blanket relaxation of Clean Air Act deadlines. An extension could be granted only if the industry promised to invest funds saved by deferral of expenditures on pollution control in the modernization of its facilities in the local community. Additionally, the steel industry would have to commit to the following:

That the extension will be no longer than necessary to allow the company to make modernization expenditures;

That the company will have sufficient capital to meet requirements set out in the new consent decrees in a timely manner;

That the company is in compliance with existing Clean Air Act consent decrees;

That the extensions will not result in air quality degradation;

That the company establish a phased schedule for compliance and for modernization; and

That the company is under a judicial order which establishes penalties and periodic reporting.

INDUSTRY PROGRESS AND UNIQUE NEEDS

Mr. Speaker, the steel industry has unique and serious difficulties with pollution control. Iron and steel production are inherently dirty processes which produce pollutants. Controlling these pollutants requires unusually large capital expenditures. It has been estimated that the steel industry faces an annual capital shortfall of $1.7 to $2 billion between 1980 and 1984 to meet modernization, environmental and safety requirements.

EPA has testified that in 1978 only 32 percent of air pollution sources in the steel industry were in compliance or on court-ordered compliance schedules with environmental standards; by the end of 1980, that number was up to 84 percent, a commendable improvement. Even so, full compliance in this final phase will require large, additional expenditures at the same time that the industry must incur large expenditures to modernize plants and equipment.

By allowing a stretchout of Clean Air Act requirements, this bill will insure that expenditures for reducing air pollution do not threaten the financing of replacing obsolete facilities. We will thereby preserve and create jobs, at a time when nationwide 54,000 American steelworkers are jobless and 15,000 are on short weeks. As a member of the House Commerce Subcommittee on Health and the Environment, I will be working hard in the coming months for stretchout legislation, to help American workers and the American steel industry.

I urge that the House act swiftly on this measure and hope very deeply that the House Energy and Commerce Committee will be able to hold hearings on this and related provisions in the very near future because the aid is required now.

OOPS SYNDROME ON THE BUDGET

(Mr. PANETTA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PANETTA. Mr. Speaker, as someone who has worked on the budget process over the last few years, there is what is known as the oops syndrome in budgeting. This refers to oops, we had to vary our estimates with regard to what we hoped to cut. Oops, we forgot to submit legislation to implement certain cuts. Oops, we thought we had a deficit of $26 billion, or $30 billion, or $40 billion, and we really have a deficit of $50 billion to $60 billion.

It is refreshing to know that out of the apparent clarity and decisiveness of the administration, the oops syndrome is still very much alive and well to the tune of about $3 to $6 billion.

If there is to be a cooperative effort at trying to get these reductions, we have to have realistic, accurate, and reliable information provided by the administration. We cannot do an effective job on the budget based on words or on the oops syndrome.

Otherwise, we could very well wind up with an oops, I am sorry economy.

HOUSE SHOULD DEFEAT COMMITTEE FUNDING RESOLUTIONS

(Mr. JAMES K. COYNE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JAMES K. COYNE. Mr. Speaker, Members on both sides of the aisle, in both Houses of Congress, have pledged support for the President's efforts to restrain Government spending.

However, even as we are considering a $50 billion spending cut nationwide,

the House will begin to vote on a series of requests for our own committee budgets that contain increases—over actual 1980 expenditures—of up to 39.2 percent. I simply do not believe that we can justify, to ourselves or to our constituents, such dramatic fiscal irresponsibility.

Of the first seven budgets approved at committee level, only one—House Administration—requested an amount below that expended in 1980. The others, without exception, were for increases of at least 16 percent. Considered in total, the 1980 committee funding resolution of $42 million represents a shocking sevenfold increase over the 1970 resolution.

We must begin immediately to put our own House in order by putting a lid on these expenditures. I firmly support the 10-percent across-the-board cuts proposed by my fellow Republicans on the House Administration Committee, and urge that you defeat the committee funding resolutions when they are brought to the House floor.

□ 1120

CONGRESS, TOO, MUST SACRIFICE

(Ms. MARTIN of Illinois asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. MARTIN of Illinois. Mr. Speaker, my constituents are without doubt some of the country's most caring citizens. Day after day their letters tell me, "our economy and our Nation is in trouble. We do not have much, but we are willing to sacrifice for the future. We trust you to make sure that the sacrifices required of all of us are fair and equitable."

Well, I have the privilege to serve on the Accounts Subcommittee of the Committee on House Administration which is now hearing committee funding requests. With the single shining exception of the distinguished gentleman from California (Mr. HAWKINS), these gentlemen are requesting 20 percent, 30 percent, 50 percent over last year's expenditures.

What a sacrifice, 100 percent increases.

My constituents would not understand this kind of sacrifice, nor do I. It is neither fair nor equitable to expect our citizens to sacrifice while we have business as usual, plus 100 percent, in the Congress.

VIOLENCE CONTINUES IN NORTHERN IRELAND

(Mr. GILMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GILMAN. Mr. Speaker, the troubles and violence in Northern Ireland have not abated over the past decade, and in fact, are worsening.

During the years of 1971-75, the status quo was internment without a trial. From 1975 through 1979, the Castelreagh courts convicted many innocent people. And in 1981, the British are convicting people on the basis of a verbal statement alone.

The continuing violations of human rights are of grave concern to us. We want to welcome Prime Minister Thatcher to our Nation, and urge her to look carefully at the problems of justice and violence in the north. We hope and pray for peace in Northern Ireland.

GETTING OUR HOUSE IN ORDER

(Mr. GUNDERSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GUNDERSON. Mr. Speaker, just a little over a week ago, President Reagan presented our country with its greatest economic challenge in 40 years. One of the central goals of the President's economic recovery program is to reduce the rate at which Government spending increases. And there is no better place to start to accomplish this goal than at home—that is to say, the House.

It is widely recognized that the uncontrolled growth of spending by the Federal Government has resulted in the inflation which has been the demise of the American economy. A comparison of what the Federal Government spent in fiscal year 1971 and what is slated to be spent in fiscal year 1981 demonstrates a 210-percent increase in total Federal spending during the decade.

Yet, the 450-percent increase in expenditures for the House statutory and investigatory committees during the same period of time dwarfs this overall increase in Government spending.

Clearly, there is not more logical place to begin our battle against increased Government spending than with our own committee expenses. We, too, must tighten our belts and share in the sacrifices that all Americans will have to make to get our economy back on its feet. To fail to do so would be nothing short of hypocrisy.

STEERING THE SHIP OF STATE WITH A LANDLUBBER AS FIRST MATE

(Mr. DOWNEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DOWNEY. Mr. Speaker, if certain rhetoric is to be believed, the Democrats are the party of well-meaning but woolly-headed, wild-eyed, and wishy-washy wafflebrains. The Republicans, on the other hand, are supposed to be the party of hard-eyed, square-jawed paragons of competence.

It is not clear exactly how this is supposed to reconcile with the appointment of William P. Clark to fill the distinguished shoes of Warren Christopher as Deputy Secretary of State. What is clear is that if Mr. Clark's foreign affairs IQ were expressed in degrees centigrade, it would not be high enough to melt hydrogen. At his confirmation hearing he was unable to name the Prime Ministers of South Africa or Zimbabwe, could not describe the problems in our relations with Brazil, and had no views on nonproliferation or the status of Jerusalem, or even on détente.

It has been suggested that he will serve entirely as an internal administrator and therefore needs no substantive background. It is not clear how this reconciles with the fact that he was earlier offered the job of CIA Director, unless it is Mr. Reagan's intention to convert the term Central Intelligence into an oxymoron.

AUTO IMPORT LIMITATIONS: A SMALL DOSE OF BITTER MEDICINE, WHILE AWAITING A CURE

(Mr. PURSELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks and to include extraneous matter.)

Mr. PURSELL. Mr. Speaker, the new administration established an Auto Task Force, which is soon to issue findings and recommendations regarding both the short-run problems of the automobile industry and its long-term health. The task force is headed by Secretary of Transportation Drew Lewis, who recently visited southeastern Michigan to observe firsthand the plight of this vital industry and its thousands of workers.

Secretary Lewis recognized that an immediate concern is the overwhelming importation of Japanese vehicles—a situation that must be dealt with promptly while work progresses with respect to long-range solutions. The Secretary indicated that "the present level of Japanese imports is unacceptable" and that he is "prepared, if necessary and if it appears reasonable, to recommend to the President some kind of voluntary import restraint."

Because of the importance of this issue to the entire Nation, it has been my view that the people's representatives in Congress should indicate their position loud and clear. Accordingly, I am today reintroducing, along with a bipartisan group of 14 Members, legislation urging the President to consider entering into negotiations with representatives of the Government of Japan with respect to a temporary vol-

untary restraint in the exportation of automobiles into the United States.

The resolution I am submitting today is identical to the version of House Concurrent Resolution 363 that was approved last year by the House Foreign Affairs Committee. That action was taken following hearings by the Subcommittee on Asian Affairs, as well as the panel on international economic policy and trade.

In preparing my remarks today, I received encouragement from an unexpected source—the distinguished, conservative columnist, George F. Will. In the latest issue of Newsweek magazine, he makes an eloquent and, I think, unrefutable case for a temporary restraint on imports. Accordingly, I include a copy of his comments in the RECORD at this point and urge my colleagues to carefully review them:

[From Newsweek, Mar. 2, 1981]

THE CASE FOR AUTOMAKERS

(By George F. Will)

In 1973 Egypt attacked Israel and devastated Detroit. As a result, senators from Missouri and Texas have threatened Japan, an Ohio senator has castigated an eighteenth-century Scot, and a congressman named Ford (I'm not kidding) from Michigan has denied parking places to staffers who drive foreign cars. America's shattered auto industry demonstrates the connectedness of things in the modern world, and suggests the limited relevance of conservatism, as currently understood.

The Yom Kippur war triggered OPEC's oil shocks, and a desire for small cars. Gasoline lines following the 1979 Iranian shortfall deepened that desire. Among 1981 cars nine of the ten most fuel-efficient are Japanese. The tenth? VW's diesel Rabbit. Small wonder more U.S. dealers sell imports as well as domestics than sell domestics alone.

In 1979 Japan sent $9.3 billion worth of automotive exports to the United States, and had a $9.1 billion trade surplus in that category—one-third of the U.S. trade deficit. Early last year Japan's share of the import market hit 80 per cent. Now two thoughtful senators, Missouri's Danforth and Texas's Bentsen, propose legislating a limit of 1.6 million Japanese imports a year (the average for 1978-79) through 1983. This proposal may prompt Japan to negotiate limits, as it has done elsewhere. Meanwhile, it is estimated that every 100,000 imports cost the jobs of 8,500 workers in the primary manufacturing industry and up to 16,000 in supplier industries.

Crisis: Ohio's Senator Glenn says "the Adam Smith school of thought" (pure laissez faire) about the crisis is "shortsighted, naive and irresponsible" because it would spread the crisis. One in six jobs is related to the auto industry. Its products and services involve 8.5 per cent of GNP and 25 per cent of retail sales. It uses 21 percent of America's steel, 60 per cent of synthetic rubber, 25 per cent of glass, 20 per cent of machine tools. It is the primary purchaser from 2,000 companies.

As cars become lighter, iron and steel companies suffer. Domestic tire sales are 14 per cent below the peak year 1973 and the industry's capacity exceeds demand by 33 million units: radials last longer, lighter cars are easier on tires, and less driving means fewer replacements (which are 72 per cent of the entire market). New electronic controls of auto functions improve fuel efficiency, but 27,000 franchised dealers face costly investments in complex repair equipment and training. Many small repair shops may fold. In the category of parts, there already is a negative balance of $2.5 billion, and it may grow worse.

The auto industry faces a potential loss of 500,000 manufacturing jobs in one region: 90 per cent of all vehicles and parts are made in New York, Pennsylvania, Ohio, Indiana, Illinois and, of course, Michigan, which has seven of the nation's ten cities with the highest unemployment. Even progress will be painful: assuming, optimistically, a production level of 13 million units, a 5 per cent annual increase in productivity would mean 200,000 fewer jobs by 1985.

The auto industry enters the 1980s under a cloud of high interest rates, under a heavy debt load (Ford took on nearly $1 billion in debt financing last year) and facing huge capital needs. The Big Three lost more than $4 billion in 1980. Ford lost $1.5 billion, a U.S. corporate record (at least until Chrysler reports). But between 1979 and 1985 U.S. companies must spend up to $80 billion on retooling. That is the largest private investment program in history, far larger than the Alaskan pipeline, larger even than the government's Apollo program.

Much is made of Japan's nontariff barriers to imports. Japan does not practice free or fair trade regarding many products. But barriers are beside the point where cars are concerned so long as Japan has $1,000 to $1,500 cost advantage per car—about 20 per cent of the price of the average small car sold here. Because of high profit margins, Japanese firms are poised to use discounts to hold or expand their U.S. market shares. They plan a 20 per cent increase in production capacity by 1983. European nations set strict limits on Japanese imports (Britain holds Japan to 10 per cent of the market; Italy allows just 2,200 cars). Such limits divert the Japanese flood to America.

Protectionism: "Free trade," said Disraeli, "is not a principle, it is an expedient." Actually, it is a principle but, like all principles, it is not always expedient. Granted, departures from it often are imprudent. Nineteenth-century protectionism was rationalized as necessary for the new nation's "infant industries." Today's protectionists say it will provide a "breathing space" for America's "elderly industries" while they seek a fountain of youth. But protectionism is a drug that creates industrial dependencies; it is welfare that makes wards of the state. Nevertheless, free trade is not a game at which only one nation can play. Increasingly, U.S. firms compete not with foreign firms comparably exposed to market stringencies, but with foreign governments that regard their auto (like their steel) industries as jobs programs.

Protection might make the industry more attractive to investors, but its capital needs are so staggering that in addition to Reagan's proposed accelerated depreciation, subventions may seem necessary. Some people are proposing a new Reconstruction Finance Corp., a publicly funded source of equity capital. An RFC might have sufficient leverage to require wage restraint by America's highest paid manufacturing workers, the autoworkers. Every dollar-per-hour decrease or deferral of an increase would save manufacturers $1 billion a year.

All this—call it "Tory socialism"—would be risky medicine with uncertain side effects. We should hope it is not necessary. Certainly it goes against the grain of Reaganism and the mood of the moment. And it is not conservatism as currently understood—an economic doctrine favoring free markets. But it might be a political doctrine for conserving the core of the industrial system, and the social fabric of many communities. A conservatism too pristine to accommodate those goals is politically irrelevant, socially irresponsible and not conservatism properly understood.

INTERIOR COMMITTEE STAFF SHOULD NOT BE INCREASED

(Mr. BROWN of Colorado asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROWN of Colorado. Mr. Speaker, the Committee on House Administration has recommended a 16-percent increase in the budget of the Committee on Interior and Insular Affairs over the amount they expended last year.

I would hope the Members of this body, before they vote on that measure, would examine the workload of that committee and what has happened to the budget in the past.

The workload of that committee, comparing the 91st Congress to the 96th Congress, has dropped dramatically. The number of bills referred to that committee in comparing those two sessions has dropped 28 percent. The number of bills enacted coming out of that committee has dropped as well. At the same time the workload was dropping, the staff has increased consistently. In 1947, it had a staff of four. By 1970 it reached a staff of 15 members, almost a fourfold increase. In 1980, that staff reached 69—4½ times as many people on the staff at a time the workload dropped.

I submit to you that to increase the budget of that committee further at this time is a travesty. To ask the American people to sacrifice without sacrificing ourselves should not be permitted.

CONGRESS MUST TIGHTEN ITS OWN BELT

(Mr. ROGERS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROGERS. Mr. Speaker, I commend my distinguished colleagues from Minnesota and Pennsylvania for focusing attention on the spiralling costs of committees.

Last Wednesday, the President announced his plan for paring down Government spending. There is no better place for us to begin than here in our own backyard.

Since 1973, committee staffs have grown by more than 118 percent, while their expenses have leaped more than 200 percent.

But the expense extends far beyond the appropriations to cover the costs of the staffs. With increased staffs comes increased legislation, and increased intervention in areas once the domain of individuals and States. American businesses and consumers have borne the burden: They pay over $116 billion a year to comply with rules and regulations.

The clear mandate of the November elections was to hack away at Federal spending and Federal intervention. As the Congress calls on the rest of the Nation to make sacrifices, it is only appropriate that we tighten our own belts as well.

I urge my colleagues to bear these considerations in mind when we consider the committee budget resolutions next week.

POST OFFICE AND CIVIL SERVICE COMMITTEE FUNDING REQUEST IS OUTRAGEOUS

(Mr. DANNEMEYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DANNEMEYER. Mr. Speaker, yesterday, the House Administration Committee reported seven committee funding resolutions which this body is due to consider next week. Not only do I fail to see any merit in allowing, as a general rule, a 5-percent funding increase over and above inflation, but the 24-percent increase over what was spent in 1980 for the Post Office and Civil Service Committee is particularly outrageous. There is simply no excuse, especially in light of the efforts of the other body to cut committee spending by 10 percent, for allowing this committee to spend some $1,178,530 on its activities in 1981. To do so would make a mockery of efforts to hold down spending and would exhibit a blatant disregard for the expressed will of the American people. The House can demonstrate its commitment next week to work toward fiscal responsibility by rejecting this proposal.

COMMITTEE STAFF BUDGETS MUST BE REDUCED

(Mrs. ROUKEMA asked and was given permission to address the House for 1 minute and to revise and extend her remarks and include extraneous matter.)

Mrs. ROUKEMA. Mr. Speaker, it was just 8 days ago that President Reagan stood in this Chamber and asked the Congress and the American people to join with him in a program of economic recovery. His message was clearly stated and clearly understood: To achieve economic recovery, we will require discipline on spending policies that signals no more business as usual. Moreover, it is a common theme for my constituents to ask—when is Congress going to learn to discipline itself? In the case of the ever-increasing committee budgets, such self-discipline is clearly required.

Yet I am dismayed because I fear that the House itself, in one of its earliest tests, will be unwilling to impose self-discipline on its own committee budgets. For if we accept the recommendations of the House Administration Committee, we will be committing ourselves to an average increase in committee budgets for investigative staff of 20 percent over last year. In the case of one committee, the increase is an unbelievable 39.2 percent. This is unsupportable and unjustifiable.

It is the growth of these investigative staff positions that is particularly disturbing. Not only are these staff members exempt from prohibitions applying to regular statutory staff members, but they also account for nearly two-thirds of the total individuals employed by the standing committees.

In the last 25 years, our budget for statutory and investigative staffs has grown by 539 percent while the Consumer Price Index has increased by 185 percent. It is time to make a stand and hold the line on continuing growth of committee budgets. Not only has committee staff growth become unmanageable and excessive, but it has resulted in thousands of pieces of unnecessary and self-serving legislation that is fast becoming a national disgrace.

Parkinson's first law is operating overtime in the U.S. Congress. It says: "Work expands to fill the time and space available."

We have all spoken of equitable reductions in the Federal budget. The place to start is in the House of Representatives, and we should begin by reducing committee staff budgets in an action that is long overdue.

GOVERNMENT REGULATION: WHERE DO WE GO FROM HERE?

(Mr. ROBERTS of Kansas asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ROBERTS of Kansas. Mr. Speaker, all of us here will agree, I am sure, with President Reagan in regard to the problem of overregulation by the Federal Government which adds billions of dollars to our Nation's costs of conducting business.

Nowhere is this problem more evident than in agriculture and especially within the area of food safety. I would like to bring to the attention of my colleagues the excellent speech given by my colleague and ranking minority member of the Committee on Agriculture, the gentleman from Virginia (Mr. WAMPLER). Mr. WAMPLER has been in the forefront of the effort by Members of this body to achieve reform of our regulatory system.

GOVERNMENT REGULATION: WHERE DO WE GO FROM HERE?

(Remarks of Representative WILLIAM C. WAMPLER)

I am delighted to be here . . . to meet with the members of an organization as important to this country as yours. I particularly appreciated Roy Lennartson's suggestion that I talk with you this morning about Government regulation—for that is a subject near to my heart and I know close to your pocketbook.

When you consider that American companies, by best estimates, fork up one hundred billion dollars a year just to meet the costs of complying with Government regulations, you begin to see why prices are out of control. According to one study I saw, each consumer shells out more than 470 dollars each year just to help business pay for the increases in meeting regulations, keeping records and filling out forms.

Another study of regulatory costs—this one by the Business Roundtable and involving 48 companies—came up with these startling figures:

That regulatory costs incurred in just one year by these 48 firms amounted to 10 percent of their aggregate capital expenditures.

That these costs totaled 16 percent of their after-tax profits.

And that these outlays constituted at least 43 percent of their entire research and development expenditures.

When you talk about the direct costs of regulations in these terms, you are referring to big money—not to mention the indirect costs involved: The inflationary pressures added by these expenditures, the drag on productivity, the disincentives they create for risk-taking and for innovation and the misallocation of resources and inefficiencies. Over the long haul, the effects of these indirect or secondary costs are even more devastating on business and on the economy than the direct costs.

How did we arrive at this point—where this Government of ours is able to demand from American business so much time and effort and money to comply with these regulations? In all fairness, the regulatory zeal which President Reagan is now trying to tame had its origins in legitimate concerns—concern for safer and more reliable products, concern for better safety and health conditions where we work, concern for the quality of the air we breath and the water we drink and the food we consume.

I am sure few of you here this morning would disagree with these objectives—in fact, I know many of you here were ahead of the Government in moving towards these goals long before the regulators got into the act.

But the fact of the matter is—the regulatory objectives we all agree upon became distorted by Government zealots who felt constrained to justify their existence on the payrolls of some 40 Federal agencies now involved in regulatory activity of some kind or another.

By number, these employees total up to more than 125,000—that is more than the population of Berkeley across the bay.

To be fair, let me note that a lot of the fault behind Government regulatory excesses lies with the Congress—the body which writes the laws and lays out the ob-

jectives it wants the laws to accomplish. The problem is—once the Congress passes a regulatory act, it then turns the entire process of administering the law over to the regulators, abdicating its oversight responsibilities at that point. For example, it was the regulators who came up with the theory of zero risk and zero tolerance in determining whether or not a substance posed a cancer risk. You will not find these terms used in the law.

In sum, we in the Congress have practically given carte blanche to the regulators to take the laws we passed and do with them what they choose. To me, this was a lot like placing Dracula in charge of the blood bank—and as a result, a lot of the life of American business was drained by the bloodsuckers on the Federal payroll—so much so that this Nation's entire economic system was in danger of collapse.

I say was—because help is now on the way. I was pleased when President Reagan decided to place all Government regulation-making on hold for 60 days. I was glad when he announced a number of the regulatory agencies which were the biggest offenders in this area would be phased out. And I was delighted when he implemented his pronouncements with action.

There is no question in my mind that the stakes in this war on deregulation are high in terms of the economic survival of this Nation and of our individual liberties. As you so well know in your business, bacteria, which may be tiny in size compared to a healthy steer, can kill the animal—not by butchering it, of course, but by impairing one after another of its essential life-given organs. That is essentially what we faced over the past few years with the well-intentioned but misguided activists who dominated the policymaking posts in the previous administration.

If you wondered why the Carter administration failed, you can trace it right back to these high-paid fanatics in influential positions who, as my father used to say, never met a payroll. In short, the established channels of power in the Carter administration were dominated by those whose sole expertise was in taking in and doling out money collected from taxpayers. To them, this was the highest form—actually, the only acceptable form—of public service.

In a recent profile in the Washington Post on departing Carterites—especially those in middle and upper management positions—the newspaper cited what it called the "Serious Dilemma" facing these people. Most were in their late 30's or early 40's, most were lawyers who longed to return to their public interest careers or their old jobs with Ralph Nader or some other noble crusader of this type. What was holding them back was this: They had been making 50,000 dollars or more a year and Nader was not willing to pay them half of that sum.

One bright aide to Stu Eizenstat, President Carter's domestic policy director, was apparently terribly shook up over the possibility of having to return to the private sector for a job. And the thought obviously turned his stomach—for he was quoted as saying, "private profit-making was something one did only as long as one couldn't find something more interesting in public service." End of quote.

When you hear that kind of nonsense from the men and women who had been running our Government for the past four years, you find little difficulty in understanding why Jimmy Carter's Presidency failed. In paying off his campaign debts to the left, he surrounded himself with men and women whose only claim to a Government job was high ideals but who lacked practical experience of the kind that demanded results. They never understood the plight of businessmen whose profits they were so quick to attack but whose tax money they felt free to use in promoting their misguided vision of what the world ought to be like.

In this regard, let me say I am most pleased with the top appointments to date of President Reagan. Most are hardnosed, practical businessmen and women who have met payrolls and produced results. They live in a real world. I was especially heartened at the selection of Jack Block—whom I consider a "hands on" farmer—as Secretary of Agriculture, and of Dick Lyng, former president of the American Meat Institute, as Deputy Secretary of Agriculture. And do not forget Bill McMillen, vice president of the National Cattlemen's Association, who was named Assistant Secretary at U.S.D.A. for marketing and transportation services.

For the first time in many years, you can be assured that there will be effective spokesmen for your industry in the highest councils of Government. I am sure you welcome that as much as I do.

I just wish we had representation of similar caliber on Capitol Hill where a lot of laws affecting your business will be considered in the 97th Congress. The problem is—as you well know—a lot of the political clout of rural America which once dominated the Congress is now gone. At the present time, there are only about 40 congressional districts which qualify as rural—that is, districts in which 10 percent or more of the population is engaged in farming or ranching. Agriculture is vastly underrepresented in the Congress when you take into account its importance to the Nation.

As a result, we in the Congress who recognize the importance of a healthy agricultural economy must too often drag the rest of our colleagues along with us on major legislation, sometimes kicking and screaming. This problem was compounded over the past few years by an administration which seemed to view farmers and ranchers as unnecessary as long as there are supermarkets.

Needless to say, we will have a range of issues before us in the months ahead affecting agriculture. The biggest one, of course, will be the need to either write a new omnibus farm bill to replace the present one that expires or extend the 1977 act with some minor modifications. I unequivocally favor a 4-year bill—one which would extend programs into the mid-1980's. I was pleased to see Secretary Block take the same view.

Dairy legislation is another problem area—for we will have to decide whether or not to extend the support program at the present 80 percent of parity level. Food stamps will require a major reauthorization this year—and I know the Reagan administration has some ideas of its own to make this program more effective. The same for legislation to promote exports of U.S. agricultural products abroad.

One pressing need is to beef up U.S.D.A.'s research, extension and teaching programs—and I introduced legislation last month to extend the basic act, improve Federal-State cooperative research and extension and substantially increase Federal funding in these areas. I am hopeful we will be able to increase funding in the next budget for animal disease research.

As you know, there are three major laws affecting the safety of the Nation's food supply—the Federal Meat Inspection Act, the Federal Food, Drug and Cosmetic Act and the Poultry Products Inspection Act. These laws range in age from 20 to 75 years.

They have been amended from time to time—mostly with minor amendments—but they have not been revised to take into account new technology that can detect the most minute traces of substances in food.

Of particular concern to your industry—and to us on Capitol Hill—is the so-called Delaney clause in the Federal Food, Drug and Cosmetic Act. Under this clause, if a substance is shown after scientific analysis to induce cancer when fed to test animals—it must be banned by the Food and Drug Administration.

There is no escape clause here: The law says the substance must be removed from the market if there is evidence that it causes cancer in man or animals.

As a result of the Delaney clause, the public has had its pants scared off over the years—starting with the cranberry scare, the saccharin scare, the bacon scare, the beer scare, and the peanut scare, just to mention a few. No wonder public confidence in our food safety is eroding. No wonder the Government's credibility is suffering.

The problem is—in this case, the regulatory agencies administering food safety laws have no flexibility in decisionmaking. The question we must take up in this Congress is whether to retain the Delaney clause, perhaps with some modifications, or to come up with a better way to handle this problem.

I intend to press for consideration of the Delaney clause in early hearings and I am hopeful we will be able to include in any such legislation a proposal I pushed in the last Congress and just reintroduced last month. I am referring to H.R. 638, which would establish a blue-ribbon panel of scientists under the National Science Council to judge on a scientific basis whether a suspect chemical actually is a health risk to humans.

What I am saying is simply this: We must establish a sensible food safety policy, firmly based on good science and on the best health and economic interests of all our people. I intend to do what I can to insure that we never have another regulatory fiasco of the kind that involved the abortive effort to ban the use of nitrites in meat processing.

Along with this, I suggest—and will press in the Congress for such a course—we suspend the proposed mandatory food labeling provisions proposed by the Carter administration. I personally favor a continuation of the time-tested voluntary program of labeling.

These are some of the regulatory areas to which I suggest the new Reagan administration address its efforts and which I will urge the Congress to take up. I can assure you that I intend to be right in the middle of these legislative battles ahead. But let me hasten to add that we on Capitol Hill will need your help as we seek to write legislation affecting areas of particular concern to your industry. Make your views known to the Senator from your State and to the Congressman from your district. Encourage your employees to do the same. Get involved in the business of Government—or the Government will get more and more involved in your business.

Let me emphasize that I personally—and I know just about every Member of the House of Representatives as well—welcome your input on legislation, for you are far more knowledgeable about the problems of your

industry and their possible solutions than the faceless bureaucrats in Washington who too often helped to create the very problems we seek to solve.

Thank you.

CONGRESSIONAL EXPENDITURES MUST BE CUT

(Mr. PARRIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PARRIS. Mr. Speaker, everyone is familiar with the childhood story of Rip Van Winkle and his famous 20-year sleep. I think I can say that I now know what he must have felt like when he woke up from that long sleep.

Mr. Speaker, I can assure you that I have not been asleep for 20 years but I have been away from this House for 6 years and I am amazed to learn of the growth of the committee staffs in those 6 years and of the tremendous escalation in the committee budgets.

During my previous period of service in the 93d Congress I served on the Committees on Government Operations and Science and Astronautics—now known as Science and Technology. At that time, the Science and Astronautics Committee had a budget of $400,000 and a total staff of 29 employees. By 1980 the size of the staff had grown to 90 employees, an over 300-percent increase, the committee budget had more than quadrupled to $1,896,000, all in a short period of 6 years.

By comparison, the Government Operations Committee was a model of fiscal restraint. That committee's budget only increased by $1,383,600, a mere 255-percent increase in their budget. The staff, meanwhile, only grew by 33 percent from 64 to 85.

The mandate on which this Congress was elected was one of balanced budgets and reduced expenditures. I hope this Congress has the integrity and good sense to begin that process by cutting back on the level of expenditures right here in our own congressional staff.

I commend the effort begun by my friend and colleague from Texas (Mr. COLLINS) and would like to assure him of my support for his endeavor.

STOPPING THE BUCK

(Mr. COATS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COATS. Mr. Speaker, on November 4, millions of Americans committed themselves to some sacrifice for the sake of controlling the growth of Government. I am concerned that in the matter of determining committee budgets, this body considers itself exempt from such sacrifice.

Uncontrolled growth in committee staffs is clearly evident. Total House investigative staff increased from 570 in 1973 to 1,221 in 1979. And in my own committee, Energy and Commerce, investigative staff increased from 40 in 1973 to 116 in 1980—an increase of 190 percent. All of us occupying a seat in the House of Representatives are here because the public believes that we finally want to take action to reduce the size of Government. We must break with business as usual and enact some tough, substantial cuts in our own spending.

President Reagan recently asked all Americans to participate in reducing the growth of Federal spending. Congress must exercise its responsibility in this regard as well. How can we ask the American people to make sacrifices if we cannot get our own House in order?

We all know that President Harry Truman had a sign on his desk reading, "The Buck Stops Here." Our motto seems to have been, "The Buck Starts Here." If we do not start to stop the buck here—the buck will never stop.

AD HOC CONGRESSIONAL COMMITTEE FOR IRISH AFFAIRS WELCOMES PRIME MINISTER THATCHER TO UNITED STATES

(Mr. BIAGGI asked and was given permission to address the House for 1 minute.)

Mr. BIAGGI. Mr. Speaker, as chairman of the bipartisan Ad Hoc Congressional Committee for Irish Affairs, I welcome Prime Minister Margaret Thatcher of Great Britain. I and my colleagues' statements are evidence that the continuing tragedy of Northern Ireland is a matter of profound concern.

For more than 10 years, Northern Ireland has been under the direct and ofttimes harsh rule of Great Britain—whose policies have failed. There has been a steady and dangerous erosion of human and civil rights in the north—economy of the region is devastated, and more than 2,000 persons have died in violence.

Our committee exists to elevate the priority and visibility of the Northern Ireland issue in the United States as well as internationally to help advance the road toward peace and justice. Prime Minister Thatcher should be commended for the peace initiatives she has undertaken in this matter including discussions with Ireland's Prime Minister Haughey. Predictably the former have failed. A similar course was pursued in Zimbabwe, Rhodesia, and only finally successful when the United Kingdom brought all parties to the negotiating table and emerged with a resolution to a thorny problem.

The ad hoc committee remains firmly opposed to all violence—civilian or official in Northern Ireland. I and 37 of my ad hoc committee colleagues have written to President Reagan to urge he maintain the 19-month embargo on U.S. arms shipments to the Royal Ulster Constabulary imposed after my 1979 amendment. To bring peace to Northern Ireland—we must end all violence.

● Mr. WALGREN. Mr. Speaker, I am pleased to participate in this special order organized by the Ad Hoc Congressional Committee for Irish Affairs. As a Member of Congress who is strongly interested in the issue of human rights throughout the world, and Northern Ireland in particular, I would like to call the attention of Prime Minister Thatcher to the absolute need to embark on a peaceful and fair solution to the political and military strife in Northern Ireland.

The problem of human rights is well documented in Northern Ireland. In 1978, the Royal Ulster Constabulary, the major British police force in Northern Ireland, was cited by Amnesty International for violations of the rights of prisoners and suspects. The European Commission and Court of Human Rights confirmed this finding. As a result of these actions Great Britain stated its intent to rectify these abuses.

Now that Prime Minister Thatcher is here in Washington to discuss matters of mutual concern between our two countries, I want to join with my fellow members of the Ad Hoc Committee for Irish Affairs in expressing our deep concern as well as the concern of many of our constituents. Mr. Speaker, throughout history we have learned that violence and suppression of basic human rights is self-defeating. I hope our actions here today serve as a reminder of this basic human truth.●

● Mr. BLANCHARD. Mr. Speaker, as a member of the Ad Hoc Congressional Committee for Irish Affairs, I join my colleagues in asking that the 18-month embargo of U.S. arms to the Royal Ulster Constabulary be continued. The suspension of arms resulted from statutory language in the 1980 appropriations act which provided funds for the Department of State. The action is consistent with section 502(b) of the Foreign Assistance Act of 1961, which bars the sale or export of American arms to any organization with a proven record of human rights violations.

I join my colleagues in the Ad Hoc Congressional Committee for Irish Affairs in urging a peaceful, diplomatic solution for Northern Ireland. It is my present view that any decision to lift the arms embargo would be both counterproductive and premature.●

● Mr. DONNELLY. Mr. Speaker, the visit of Prime Minister Margaret Thatcher is an appropriate occasion for us to restate our Nation's deep

desire for peace and justice in Northern Ireland.

The chances for any real solution to the problems of Ulster are hurt rather than helped by the continuing extremist violence.

That fact is not changed by the political or economic or religious banners of the contending forces.

We Americans condemn equally all terrorist violence in Northern Ireland.

Our sense of justice is also offended by the suspension of jury trials and of habeas corpus in Ulster.

The tradition of justice that the United States shares with the United Kingdom considers these guarantees absolute.

All Americans, especially those of Irish heritage, urge Prime Minister Thatcher to begin a serious effort to bring peace and justice to Ulster without delay.●

● Mr. ANNUNZIO. Mr. Speaker, I rise to join my good friend and colleague, the Honorable MARIO BIAGGI, chairman of the Ad Hoc Congressional Committee for Irish Affairs, to urge the Government and the people of our country to continue to do everything possible to encourage peace and justice in Northern Ireland.

Our own Nation has been immeasurably strengthened by the contributions of ethnic and religious groups from around the world, including both Catholics and Protestants from Northern Ireland, and our country's traditional ties of friendship with the peoples of Ireland and Britain have greatly benefited the well-being of all three nations.

It is precisely because of these close ties that Americans continue their deep concern about strife and violence in Northern Ireland, and wish to aid in any way possible the peaceful pursuit of justice for the people residing there. All parties were encouraged by reports that British authorities were taking strong action to stop the mistreatment of prisoners in Northern Ireland, for violence from any of the parties there only hinders progress toward reconciliation and peace.

Peace and justice must be a goal to which our great Nation remains committed, in both words and action, and the human rights and peace of Ireland must remain a vital part of U.S. foreign policy as it affects the British.●

● Mr. DWYER. Mr. Speaker, I join my colleagues on the Ad Hoc Congressional Committee for Irish Affairs today in reiterating our commitment to the achievement of a peaceful and just resolution of the conflict that still rages in Northern Ireland, a peace that cannot be achieved by lifting our present embargo on arms for the Royal Ulster Constabulary.

The Royal Ulster Constabulary, the main police force in Northern Ireland, has a proven record of human rights violations, a record which prompted the weapons suspension which has been in effect since August 1979.

That suspension, Mr. Speaker, should remain in effect. What is needed in Northern Ireland is a continuing dialog between parties who are dedicated to ending violence on both sides of the conflict. Selling weapons to the Royal Ulster Constabulary certainly would not help achieve a humanitarian end to centuries of confrontation and strife.

This appeal to the President to maintain the Royal Ulster Constabulary arms embargo focuses our attention yet again on the ongoing political strife in war-torn Northern Ireland. We in America must never forget their never-ending struggle for independence and religious freedom.

It is right that today those of us who are opposed to all violence, civilian or official, in Northern Ireland, urge that all parties to this ordeal work to end it—finally—with an eye toward a just and lasting peace.●

● Mr. BRODHEAD. Mr. Speaker, I am pleased to join with Chairman MARIO BIAGGI and my colleagues on the Ad Hoc Congressional Committee for Irish Affairs to call again for just and peaceful resolution to the conflicts in Northern Ireland. As one of the signers of a recent letter to the President urging that the embargo against arms shipments to the Royal Ulster Constabulary of Northern Ireland be continued, I wish to stress my view that the answer to the troubles of this land lies not in guns and slogans, but in serious and meaningful communications between responsible parties.

The United States can have considerable influence over the situation in Northern Ireland. The imminent visit of British Prime Minister Thatcher will afford the President an opportunity to reconfirm the commitment of our Nation to humane and enlightened policies in this area. This commitment is shared by myself, my colleagues on the floor today, and millions of Americans. It should be reflected in a decision to continue suspension on arms sales to the Royal Ulster Constabulary. Unless the embargo is continued, it will be impossible for the United States to remain a credible advocate of a peaceful political solution to the terrible problems of Northern Ireland.

I have been very pleased with the high level of interest and concern that the American people have shown toward the issue of Northern Ireland. I am hopeful that it will remain at the forefront of their thinking about world matters, and I am proud to have this opportunity to express my views and those of many of my constituents who deeply and fervently hope for justice and peace in that troubled land.●

● Mr. HOLLENBECK. Mr. Speaker, as a member of the Ad Hoc Congressional Committee on Irish Affairs, I rise to reiterate my strong opposition to all violence, civilian or official, in Northern Ireland. I am proud to have my name included within the ranks of this fine committee and have the greatest respect for its distinguished chairman, Representative MARIO BIAGGI. By working together, I have little doubt that we will continue to make progress toward our goal of ending the human rights violations taking place on a daily basis throughout Northern Ireland. I, for one, will continue to use all the resources of my office in an effort to ease the plight of those being denied their inalienable rights.

Along these lines, I respectfully urged President Reagan to maintain the 18-month embargo of U.S. arms to the Royal Ulster Constabulary of Northern Ireland despite the widely anticipated request from visiting Prime Minister Margaret Thatcher to lift the same. I think that the President's decision on this matter will provide us with a good indication of how his administration intends to approach the question of human rights in Northern Ireland. In any case, I believe that the role of the United States should be one of assisting in the achievement of a peaceful solution in Northern Ireland and, in conjunction with the committee, I will direct my efforts to that end.●

● Mr. SMITH of New Jersey. Mr. Speaker, with the advent of spring nearly at hand we are soon going to be celebrating St. Patrick's Day, March 17. This day is the national holiday of Ireland, a time of festivity as well religious worship. In this country the celebrations tend to be more boisterous and lively, but the result enlivens us as a nation. St. Patrick's Day is part of our national heritage. We are all Irish on St. Patrick's Day, a concession we Irish Americans are happy to make.

Ireland is not at peace this St. Patrick's Day. Violence has torn Northern Ireland apart since 1969. In the rural areas, by night, farmers are roused from their beds and then shot down. Their only crime is the misfortune to be Catholic or Protestant. Children are blown to bits or disfigured for life by bombs set off in crowded public places. Women are murdered while praying the rosary. Indiscriminate killing has become the norm.

This violence has spilled over the border into the Irish Republic. There have been bombings in Dublin as well as Belfast. The British are losing their soldiers in Ulster, but there have been bombs set off in London. The British Ambassador to Dublin was murdered in 1976. In 1979 Lord Mountbatten was murdered in an explosion.

The tragic ties that always seem to bind the British and Irish people are

reaffirmed. Misunderstanding and misjudgment lead to cruelty and terror, to murder and death. This is the terrible theme of Anglo-Irish relations.

As an American of Irish descent, I say we have had enough.

As an American of Irish descent, I say we must start anew.

As an American of Irish descent, I say the killings must end.

We could argue what happens in Northern Ireland is not our affair. But it is our affair, as anything must be that involves the murder of women and children, the senseless killing of men because of their religion.

How can anyone think this killing is going to produce positive results? Hatred engenders hatred—blood begets blood—violence means more violence. There will be a legacy of hate that will never go away.

You cannot make peace on a pyramid of skeletons. In Northern Ireland we are starting to approach the solution urged by Tacitus, the Roman historian: "Make a desert and call it peace."

Time and again public opinion surveys have shown a deep desire for an impartial settlement. The people of Northern Ireland want a peaceful solution. They reject the counsel of extremists on both sides. They do not want murder squads, or bigots in clerical collars stirring up hate, or ambushes in the countryside.

We must appeal to men and women of good will—Protestants, Catholics, no religion—to help end this bloody strife. Let them stand up to the killers. Let us revive the peace movement in Northern Ireland, that seems to have died away.

We in the United States should stand firmly against violence in Northern Ireland. There should be no sale of arms there—no gun running. Humanitarian aid should be aid for life, not death. Food, medicine, and clothing should be shipped to Northern Ireland, not submachineguns. We should offer our services to procure a settlement.

I hope this St. Patrick's Day marks a new start for Northern Ireland. That gentle kindness, so much a part of the Irish character, should come to the fore. It is that kindness that shines forth in the prayer traditionally attributed to St. Patrick: "May the road rise to meet you, may the wind be ever at your back * * *."●

□ 1130

GENERAL LEAVE

Mr. BIAGGI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include extraneous material on the subject of my statement today.

The SPEAKER pro tempore (Mr. KAZEN). Is there objection to the request of the gentleman from New York?

There was no objection.

RESUMPTION OF ARMS SHIPMENT TO ROYAL ULSTER CONSTABULARY OPPOSED

(Mr. NELLIGAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NELLIGAN. Mr. Speaker, I strongly oppose any move to lift the suspension of arms shipments to the Royal Ulster Constabulary of Northern Ireland.

The suspension, of course, was imposed nearly 2 years ago after Chairman BIAGGI and other members of the Ad Hoc Congressional Committee for Irish Affairs—of which I am now a member—stressed to the State Department that the sale would be in violation of a provision of the Foreign Assistance Act which prohibits the sale of U.S. arms to nations or organizations engaging in patterns of human rights violations.

That regrettable history is one reason why we should continue the ban. We must not be in a position of endorsing and materially supporting any organization whose offenses have been cited by Amnesty International and other human rights organizations.

I want to stress, however, that I favor continuation of the current policy not merely because of past actions by the Royal Ulster Constabulary. The weapons sale also would introduce a volatile new element in this long-simmering situation.

Violence should not be condoned, regardless of the perpetrator.

I hope and pray that the time will come when peace reigns in the land so many Americans look to with special fondness.

NUMBER OF HOUSE COMMITTEE STAFFERS SHOULD NOT BE INCREASED

(Mr. SMITH of Alabama asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Alabama. Mr. Speaker, my colleagues and I are being asked to agree to increased expenditures for congressional committee staffing which accounts for the lion's share of the committee budgets. Feeling a commitment to my constituents to hold the line on Federal spending, I investigated the various committee budgets and I rise to address the Chair because my findings revealed obvious inequities. I respectfully submit the matter of staff allocations for consideration and action.

During the last Congress, a survey by the minority leader disclosed that only 19.2 percent of committee staffs were serving Republican Members of the House of Representatives. It is my understanding the discrepancy has been most prevalent in the investigative staff category where entitlements for the minority membership do not apply.

Mr. Speaker, the American people elected a Republican majority in the Senate and an increase of 33 Republicans in the House of Representatives in the election this past November. The Republican membership of the House currently comprises 44 percent. Committee support staffs should reflect this proportion as decided by the will of the voters in the election.

Given the current economic difficulties our Nation faces and the fact that Congress will be asking the American people to accept sacrifices to promote economic recovery, I recommend Congress refrain from increasing the total number of committee staffers. However, I respectfully submit, once again, that the incumbent committee resources reflect the makeup of the House membership.

LEGISLATIVE PROGRAM

(Mr. LOTT asked and was given permission to address the House for 1 minute.)

Mr. LOTT. Mr. Speaker, I ask to address the House for 1 minute so that I might ask the acting majority leader about the program for next week.

I would yield to the gentleman from Massachusetts for whatever time is necessary, however long it might take, so that he could explain what the very extensive schedule would be for next week.

Mr. STUDDS. Mr. Speaker, if the gentleman is not overly pressed and will yield, this will not take the balance of the day.

The schedule for next week is as follows:

On Monday, the House meets at noon. There are no bills on the Consent Calendar. It will simply be a pro forma session.

On Tuesday, the House meets at noon in another pro forma session. There are no bills on the Private Calendar.

On Wednesday, the House meets at 3 p.m. We will consider House Resolution 67, authorizing an investigation and inquiry by the Committee on Standards of Official Conduct.

On Thursday, the House meets at 11 a.m. in a pro forma session, with no business scheduled.

On Friday, we rest. There will be no session.

Mr. LOTT. I believe the gentleman is saying, then, that other than the one resolution reauthorizing an inves-

tigation and inquiry by the Committee on Standards of Official Conduct, we have nothing else next week?

Mr. STUDDS. That is the same conclusion I reach upon a careful scrutiny of the schedule.

Mr. LOTT. The official picture which was to be taken next week has been indefinitely postponed?

Mr. STUDDS. I have been authorized to respond to the gentleman that apparently the photographer has a schedule at least as heavy as our own and will not be able to prepare for that picture. It might come as early as the following week.

Mr. LOTT. I thought we were going to have half a dozen or so funding resolutions for our committees. I am thinking that maybe the House will want to get underway here in the next month or two, and that the funding resolutions would begin to come before the House. Does the gentleman have any idea of when we might expect the funding resolutions would come up?

Mr. STUDDS. The gentleman is again correct. A perusal of the schedule will reveal that they are not scheduled for next week. I am told that the earliest they might be scheduled is the week following.

Mr. LOTT. Would the gentleman have any idea of when we might begin work on some parts of the economic program? It concerns me that the committees have not even had their funding, and therefore it is difficult for the committees to do too much without their funding resolutions being brought before the House.

Mr. STUDDS. I trust that means that the gentleman's side will be recognizing the importance of those funding resolutions, that they be dealt with as promptly as he can see we are trying to do, as quickly as possible and as generously as possible. When that time comes, I am sure the Members on this side will join the gentleman in wanting to get at the President's program as quickly as possible.

Mr. LOTT. It concerns me, the way the gentleman puts that. We do want to make sure that these committees have adequate funding but not excessive funding.

I thank the gentleman.

ADJOURNMENT TO MONDAY, MARCH 2, 1981

Mr. STUDDS. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. STUDDS. Mr. Speaker, I ask unanimous consent to dispense with business in order under the Calendar Wednesday rule on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

IMPROVED RETIREMENT INCOME PROTECTION

The SPEAKER pro tempore. Under a previous order of the House, the gentlemen from Minnesota (Mr. FRENZEL) is recognized for 10 minutes.

● Mr. FRENZEL. Mr. Speaker, my colleagues Mr. PICKLE, MR. ROUSSELOT, and myself are today introducing legislation which will help to fill in some of the cracks which currently exist in the individual retirement program, and will help to provide retirement income protection to millions of workers who currently are not adequately covered for their retirement years. Our bill would allow a tax deduction to employees who make contributions to his or her employer's retirement plan or to an individual retirement account.

Under current law, many employees are barred from making contributions to an individual retirement account (IRA), because they are active participants in an employer sponsored pension plan, even though the benefits that they eventually will receive from the plan are very small, or they are not vested in the plan at all. Therefore, these individuals are denied the opportunity to prepare adequately for their retirement by receiving a tax deduction for their contributions to a retirement savings plan.

Our bill takes care of this problem, by allowing employees to take a deduction for their contributions to either an employer sponsored pension plan, or to a retirement account. Under the bill, the employee would receive the same tax treatment for his contributions to this so-called limited employee retirement account (LERA), as most individuals now receive for their contributions to an IRA. This would limit the amount that an employee could contribute to the plan to the lesser of 15 percent of the employees gross income or $1,500, the same limits as are imposed on IRA's.

This proposal also treats all individuals the same whether they are employed in the public or private sector, or whether they are self-employed. The contributions that an employee who is not covered by social security makes to either a qualified plan or to a LERA would be treated as a substitute for social security contributions, and would not be deductible under our bill until after the amount of the contribution to the plan had exceeded the amount the employee would normally have contributed to social security.

I believe that this bill is a fiscally responsible, sound, means of providing employees with the opportunity to save for their retirement years. In addition, the bill will help to solve the current shortage of capital the country is experiencing for investment, as it will encourage more individuals to save larger amounts of money in retirement accounts, where it will remain on deposit, available for investment, for many years. I urge all of my colleagues to join me in supporting this important legislation.●

SENATE CUTS STAFF BUDGET 10 PERCENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. COLLINS) is recognized for 30 minutes.

● Mr. COLLINS of Texas. Mr. Speaker, as we look to the other body, we learn that they have cut their budget by 10 percent. This is a positive 10-percent cut in spending from 1980 to 1981.

The cuts varied from 28 percent in Judiciary under the able leadership of Senator THURMOND to the smaller Committee of Aging which was reduced less than 1 percent. The total was a reduction from $46,332,196 in 1980 down to $41,696,299 for 1981.

The Senate and House have the same legislation. Why should the Senate budget for staffs be $41,696,299 when most House committees are requesting large increases in the 1981 budgets.

As we work on the cuts we could establish an objective of cutting House staff budgeting so we would move toward balancing America's budget.

SENATE COMMITTEE BUDGETS

[As approved by the Senate Rules Committee]

	1980	1981	Difference	Percent change
Committee:				
Agriculture	$1,379,346	$1,322,000	−$57,346	−4.2
Appropriations	4,154,165	3,791,203	−353,962	−8.5
Armed Services	1,569,498	1,554,400	−15,000	−9.6
Banking	1,759,346	1,583,411	−175,935	−10.0
Budget	2,999,246	2,693,632	−305,614	−10.2
Commerce	3,219,146	3,169,146	−50,000	−1.6
Energy	2,150,046	2,029,259	−120,787	−5.6
Environment	2,394,346	2,166,000	−228,346	−9.5
Finance	2,103,241	2,063,200	−40,000	−1.9

SENATE COMMITTEE BUDGETS—Continued

[As approved by the Senate Rules Committee]

	1980	1981	Difference	Percent change
Foreign Relations	2,592,293	2,333,100	−259,193	−10.0
Governmental Affairs	5,258,362	4,672,526	−585,836	−11.1
Judiciary	5,924,629	4,272,722	−1,651,907	−27.9
Labor	4,237,288	4,004,000	−233,288	−5.5
Rules	1,415,372	1,273,800	−141,572	−10.0
Veterans' Affairs	835,346	748,630	−86,716	−10.4
Aging	908,946	901,946	−7,000	−0.7
Small Business	954,220	902,000	−52,220	−5.5
Intelligence	1,856,000	1,648,000	−208,000	−11.2
Indian Affairs	630,360	567,324	−63,036	−10.0
Total	46,332,196	41,696,299	−4,625,897	−10.0

CONGRESS SHOULD ELIMINATE UNFAIR TAXATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, on the 1st day of the 97th Congress I introduced H.R. 37, a bill to equalize taxes for married couples when both are employed, and also to extend to all single people the full tax benefits of income tax splitting now enjoyed by married individuals filing joint returns.

Under our present system of Federal income taxation, individuals with equal incomes do not pay equal taxes. There are a number of reasons for this. Some individuals have more itemized deductions, some use the standard deduction, and some have more dependents. Even after these factors are accounted for, individuals with equal taxable incomes may not pay equal taxes.

One reason for these differences is the taxpayer's filing status. Under present law there are five individual tax rate schedules: First, for married individuals filing joint returns and for surviving spouses; second, one for single persons who qualify as heads of households; third, one for single individuals; fourth, one for married individuals filing separate returns; and fifth, one for estates and trusts.

Although each of the five rate tables has rates ranging from 14 to 70 percent of taxable income, each has a different level of progressivity. As a result of the way the rates are structured, the rates for estates and trusts are the most steeply graduated, the rates for married individuals filing a joint return and surviving spouses are the least steeply graduated, followed by the head of household rates, the single individual rates, and the rates for married persons filing separately.

All of these different rates result in the following inequities: First, single individuals pay up to 20 percent more tax than married individuals earning the same amount of income if the married person's spouse earns no income. This difference is viewed as a tax on being single or a marriage subsidy. Second, in many cases two wage earners pay more tax on the same incomes if married than if unmarried. This discrepancy is often called the marriage penalty.

My bill is intended to cure both these problems. H.R. 37 would extend the benefits of the income splitting tax rates now enjoyed by married individuals filing joint returns to all unmarried individuals. In addition, the bill would allow married couples with two wage earners to be taxed at the same rates as any other two individuals with the same income levels. The married couple would, for the most part, no longer be a taxable unit.

H.R. 37 provides that every individual other than an estate or trust would use the table currently used by married individuals filing joint returns and by certain surviving spouses. The rate tables for single individuals, for married individuals filing separately and for heads of households would be eliminated. The rate table for trusts and estates would be retained.

The bill would also allow married couples the option of filing a joint or a separate return. In almost every case which both spouses have income, it would be advantageous for the couple to file separate returns. Prior to the Revenue Act of 1948, there was only one Federal individual income tax rate schedule, and the individual was the sole taxable unit. This bill would return to those simpler days with one improvement. Before the Revenue Act of 1948 allowed marital income splitting and created a special rate table for married individuals filing a joint return, couples living in community property States enjoyed a tax advantage over other taxpayers. Community property State laws permitted married couples in those States to file income tax returns on which each spouse reported half of the total income earned by the couple.

When one spouse received most or all of a married couple's income, the filing of separate returns could greatly reduce the combined tax liability of the married couple in a community property State. The discrepancy between community property treatment and common law treatment of married couples was so great that Congress enacted income splitting and the joint return rates to cure the inequity.

In order to prevent a return to that pre-1948 problem, H.R. 37 provides that a married individual filing a separate return must report his or her own earned income and that earned income of one spouse cannot be taken into account by the other spouse. This would prevent married couples from shifting earned income from one spouse to the other.

Mr. Speaker, this legislation takes a positive approach for curing both the marriage subsidy and the marriage penalty problems which exist in the Tax Code. Individuals with equal taxable incomes ought to pay equal taxes. H.R. 37 will take a giant step toward that goal, and I urge the support of my colleagues for this legislation.●

EQUITY FOR THE PHILIPPINE SCOUT VETERANS OF WORLD WAR II

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PANETTA) is recognized for 5 minutes.

● Mr. PANETTA. Mr. Speaker, I am today reintroducing legislation which I introduced in the 95th and 96th Congresses. My bill is simple in its content, yet quite profound in its importance, and I urge all my colleagues to support it. My bill simply authorizes equal pay for equal risk for veterans of the World War II Philippine Scouts who fought so bravely as part of the U.S. Army. These were not foreign soldiers; they were an integral part of our Army and of the allied effort in Asia. The service and sacrifices which they provided at Bataan and Corregidor was critical to the war against Japanese aggression in Asia. We are all indebted to the Philippine Scouts, and yet by paying them less than half the average pay of American troops during the war years, we have done them a serious disservice.

Mr. Speaker, on March 31, 1942, the U.S. Senate passed S. 2387, a bill to equalize the rates of pay of all personnel in the U.S. Army, the Philippine Scouts, and Philippine Commonwealth Army. The House counterpart measure, H.R. 6829, was reported favorably by the House Military Affairs Committee, chaired by Congressman May. It is interesting to note that the report on that bill, issued as it was at the height of hostilities, recognized the principle of equal pay for equal risk. I will quote from that report (No. 1969, 77th Congress):

> The purpose of this legislation is to permit the Secretary of War to equalize the rates of pay of the personnel of the United States Army, the Philippine Scouts, and the Philippine Commonwealth Army. All of these classes of persons are now jointly engaged in the defense of the Philippine Islands against a common foe. They are all subject equally to the same hardships and dangers. Your committee is of the opinion

that, in view of this equality which war has imposed, the disparity which now exists in the rates of pay of the various classes of persons concerned is no longer justified and should be removed.

It is also worth noting that the Secretary of War, Mr. Henry L. Stimson, strongly supported passage of this pay equalization bill.

Mr. Speaker, it is truly sad that we should allow the passage of time to blind us to the sacrifices of Philippine soldiers. It is sad that our high principles of equality and fair play should only be valid during a crisis, and when the dying is done, we should then turn our backs on those same principles. If our commitment to equality is based on expediency, then we should not wonder when other nations seem wary to accept the word of the United States as a solemn commitment. It may seem old fashioned for me to suggest that the principles of equality and fair play for the Philippine Scouts are every bit as valid today as they were when the Senate passed its pay equalization bill in 1942, and when the Military Affairs Committee of the House of Representatives reported the same legislation favorably to the House.

In the late 1930's, the Philippine Scouts were made a part of the U.S. Army to help defend the South Pacific against totalitarian domination. Gen. Douglas MacArthur described the Scouts as "excellent troops, completely professional, loyal and devoted." They were an elite organization with a high esprit de corps in which membership was considered an honor by Filipinos and the strictest standards were followed in selection.

General Wainwright, who took command of forces on Bataan and Corregidor after General MacArthur moved Army headquarters to Australia, reported that by the beginning of December 1941 the "Philippine Scouts were fit, trained in combat principles and ready to take the field in any emergency."

At the onslaught of the war in the Pacific when the enemy attacked Pearl Harbor and invaded the Philippine Islands, these soldiers became key to the success of our entire South Pacific strategy. It was the continued resistance on Bataan that denied the Japanese an essential base for the projected thrust to the South Pacific. The enemy was forced to retain large army and navy forces in the Philippines, which otherwise could have been employed against Allied shipping of men and materials to Australia and New Caledonia from the United States and the Middle East. Their protracted defense of these islands against incredible odds allowed the United States time to recover from the first blows of the war and begin to send in supplies and reinforcements.

The defenders of Bataan were hopelessly outnumbered and undersupplied. During their entrenchment they endured severe hardships. When they entered Bataan in January they were already in need of new issues of clothing and shoes. General Wainwright reports that most of the soldiers "walked into Bataan barefooted." Disease and starvation were problems dealt with daily. At least 30 percent of the troops had dysentery, and the rest some variety of worm infestation of the bowel. By mid-March at least 75 percent of the command was incapacitated to some extent. But for 4 months they held out, fighting the enemy guerrilla fashion, buying time for an Allied force buildup in Australia.

With all the hardships endured by these soldiers, they never received the comparable benefits they were due. Brig. Gen. W. E. Brougher, Commander of the 11th Division on Bataan, pointed out in his prison diary, the moral factor that most disturbed him was "discrimination against Philippine Scouts officers by the U.S. Army forces in the Far East—in matters of promotion, pay, and allowances." For despite their gallant service and tremendous suffering, the Philippine Scouts received only a fraction of the pay and benefits received by their American counterparts. And that discrimination continues today.

It is time to rectify that wrong.

For the convenience of my colleagues, I have reprinted below the full text of my legislation. Again, I urge your support for this worthwhile measure.

H.R. 2202

A bill to authorize pay and benefits for members and survivors of members of the Philippine Scouts on the same basis as such pay and benefits are authorized for other members of the Armed Forces and their survivors

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of the Army shall pay to each person who served as a Philippine Scout after December 6, 1941, and before December 31, 1946, in a lump sum the difference between the basic pay which he would have received for his military service during that period if the rates of pay of the Philippine Scouts had been the same as the rates of basic pay for other members of the Army of the United States of corresponding grades and length of service, reduced by the basic pay actually received by such person.

(b) In the event a person entitled to payment under subsection (a) is deceased, payment shall be made to the persons, and in the manner, prescribed in section 2771 of title 10, United States Code.

SEC. 2. The retired pay of each former Philippine Scout shall be computed for periods after the effective date of this Act on the basis of the rates of pay prescribed for other members of the Army of the United States or corresponding grades and length of service.

SEC. 3. This Act shall take effect as of the first day of the first calendar month which begins after the date of enactment of this Act.●

A TRIBUTE TO EUNICE SAVAGE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from the District of Columbia (Mr. FAUNTROY) is recognized for 5 minutes.

● Mr. FAUNTROY. Mr. Speaker, February is Black History Month—a month in which tribute is paid to Black American pioneers whose lives and work were dedicated to achieving social, political and economic justice for black Americans.

Today, we are reminded that countless numbers of black Americans embody the spirit of these black American pioneers by their extraordinary commitment to civil rights and social justice. Such a person is the late Eunice Savage, wife for over 34 years to Congressman GUS SAVAGE, of Illinois, devoted mother and dedicated civic and community worker.

Mrs. Savage passed on, Monday, February 23, 1981, in Chicago, Ill., after having suffered an extended period of illness. She was a civil rights activist who participated in numerous demonstrations, not only at the White House but in Chicago as well, during the fifties and sixties. In addition, Mrs. Savage served as general manager of the Citizens Newspaper, which her husband founded in the early sixties. Mrs. Savage was also a well-known amateur golfer, who often took her children with her on tournament tours.

Mrs. Savage was born in Dancey, Ala., and grew up in Birmingham. She graduated from the Englewood High School in Chicago, and attended Crane Junior College in the same city. She was a staunch supporter of her husband, and devoted her life to his work and her family. She worked for 41 of her 55 years and was best known for her smile, which she maintained even while enduring her painful illness.

She leaves her husband, Congressman GUS SAVAGE; a son, Thomas James; a daughter, Emma; a sister, Carrie King and a brother, Col. Jimmy King to mourn her, as well as a host of friends.●

● Mrs. COLLINS of Illinois. Mr. Speaker, it was with great sadness that I learned of the death of Mrs. Eunice K. Savage, wife of our colleague from Illinois, GUS SAVAGE.

The late Eunice Savage was a very dedicated hard worker who, in earlier years was general manager of her husband's Citizens Newspaper. She was active in the civil rights movement in the fifties and sixties and later went on to become a well-known amateur golf player. Her commitment and good humor were a source of strength to her family and friends.

Mrs. Savage's death is a loss to her family to whom I extend my condolences and sympathies and also to the Chicago community. Accordingly, I would like to dedicate the following poem, written by Lt. Col. Robert L. Tinsley, USAF, retired:

A HANDFUL OF EARTH

A handful of earth
Represents the cycle of life—
The origin and destiny of man and his creations.
From the earth, man was created,
And back to the earth, he shall surely return.
Will we ever learn?
After the body returns to earth,
It loses its earthly significance and regains its original identity—
A handful of earth.●

● Mr. STOKES. Mr. Speaker, I would like to thank my distinguished colleague, the gentleman from the District of Columbia (Mr. FAUNTROY) for taking this special order so that Members can acknowledge the passing of Mrs. Eunice Savage—wife of our colleague, the Honorable GUS SAVAGE of Illinois. Mrs. Savage passed on, Monday, February 23, 1981, in Chicago at the age of 55.

Mr. Speaker, Mrs. Savage was that kind of rare individual who was a courageous soldier in the struggle for civil rights and social justice for all Americans. Through her civil rights activities, she gave untirelessly of her time, energy, and intellect to those who without her had little hope or few advocates.

Mr. Speaker, as we pause to eulogize Mrs. Savage, it is appropriate to note that she leaves not only the Members of this body but people across this Nation who are committed to equality and social justice, a powerful legacy.

Few people can boast of the vigor and unflinching commitment to the civil rights movement that Mrs. Savage displayed every day of her life. This commitment led her to participate in demonstrations in the fifties and the sixties at places ranging from the White House to the city hall in Chicago.

Further, Mr. Speaker, working closely with her beloved husband of 34 years, GUS, on the Citizens Newspaper in Chicago, she helped to spread the word about the triumphs and challenges of the civil rights movement to the community.

In her spare time, she was a well-known amateur golfer who often took her children with her on tournament tours.

Mr. Speaker, Eunice Savage was a staunch supporter of her husband and family. She was probably best known for her seemingly eternal optimism and smile even in the face of adversity.

In closing, Mr. Speaker, I would like to note that Eunice Savage's life and her high principles stand as a tribute to her. I am sure that in the difficult days ahead, the memories of her triumphs and tenacity will also be a source of comfort and continuing encouragement for our colleague Mr. SAVAGE and his children. At this time, I join my colleagues in paying tribute to the late Eunice Savage.●

● Mr. WASHINGTON. Mr. Speaker, I rise to express my deepest sympathy for my colleague and friend, the Honorable GUS SAVAGE. I join GUS, his son Thomas, and his daughter Emma, in mourning the passing of GUS' wife, their mother, Eunice Savage.

It has been my great and good fortune to know Eunice Savage, and to number her among my friends, for virtually my entire adult life. We first met 35 years ago, when her husband and I were students together at Roosevelt University.

Her passing leaves a void that will not be filled. But her warmth, her quiet yet vivacious presence, her skill as a businesswoman, her involvement in our community as a caring and concerned citizen, will be forgotten by none of us who were fortunate enough to know her.

Eunice will be remembered by many, for many reasons.

Some will remember her as the skilled, hardworking businesswoman who served as general manager of several of Chicago's finest newspapers, the Citizen Newspaper group and Chicago Weekend.

Others will remember the athlete, for Eunice was a highly talented golfer. Her fellow sportswomen will remember Eunice as their helper and their leader. She was the one always available to take the lead in organizing a tournament, always eager to guide young athletes new to golfing.

Still others will remember her as a concerned and active participant in the political and social life of our community. Eunice was one of those rare individuals who give unstintingly of themselves without asking for reward or recognition.

I personally, owe Eunice a real debt of gratitude. Since 1964, when I first sought political office, she has been a supporter and a guide.

In particular, I will not forget the help and support she gave me in 1977, when I was a candidate for mayor of the city of Chicago. It was a difficult campaign, one from which many of my friends stood aside. Eunice, like her husband GUS, was with me at the time when I most needed advice, support, and guidance.

Eunice will certainly be remembered through her lifetime companion and husband, GUS SAVAGE, with whom she walked, talked, and worked with through the years, and more than any other person, is responsible for the high office which he now holds.

Eunice will be remembered, finally, through her two fine children, Thomas and Emma. It has been a great joy to watch them grow into adulthood and responsible citizens. Their lives are, and will be, the best and truest memorial to a wonderful woman, Eunice Savage.●

GENERAL LEAVE

Mr. DYSON. Mr. Speaker, I ask unanimous consent that all Members may be permitted to extend their remarks and to include extraneous material on the subject of the special order speech by the gentleman from the District of Columbia (Mr. FAUNTROY).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. CRAIG) to revise and extend their remarks and include extraneous material:)

Mr. FRENZEL, for 10 minutes, today.

Mr. COLLINS of Texas, for 30 minutes, today.

(The following Members (at the request of Mr. DYSON) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. PANETTA, for 5 minutes, today.

Mr. FAUNTROY, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. CRAIG) and to include extraneous matter:)

Mr. DANNEMEYER.

Mr. HARTNETT.

Mr. YOUNG of Florida in five instances.

Mr. CARNEY.

Mr. DORNAN of California in two instances.

Mr. BADHAM.

Mr. HOLLENBECK.

Mr. BROYHILL.

Mr. LEBOUTILLIER.

Mr. BEREUTER.

(The following Members (at the request of Mr. DYSON) and to include extraneous matter:)

Mr. SKELTON.

Mr. GEJDENSON.

Mr. HAMILTON.

Mr. ROE.

Mr. EDWARDS of California.

Mr. GARCIA.

Mr. STUDDS.

Mr. ALEXANDER.

Mr. CHAPPELL.
Mr. BLANCHARD.
Mr. PANETTA.

ADJOURNMENT

Mr. DYSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 42 minutes a.m.), under its previous order, the House adjourned until Monday, March 2, 1981, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

[*Omitted from the Record of February 25, 1981*]

618. A communication from the President of the United States, transmitting notice of his intention to issue an executive order extending for an additional year the waiver of the application of restrictions governing the retransfer or reprocessing of nuclear fuel exported from the United States to the European Atomic Energy Community (EURATOM), pursuant to section 126a.(2) of the Atomic Energy Act of 1954, as amended; to the Committee on Foreign Affairs.

[*Submitted February 26, 1981*]

619. A letter from the Deputy Assistant Secretary of Defense, transmitting a report on negotiated contracts for experimental, developmental, test or research work, for industrial mobilization in the interest of the national defense, covering the period April through September 1980, pursuant to 10 U.S.C. 2304(e); to the Committee on Armed Services.

620. A letter from the Secretary of Energy, transmitting the fourth annual report on the Strategic Petroleum Reserve, pursuant to section 165 of the Energy Policy and Conservation Act of 1975; to the Committee on Energy and Commerce.

621. A letter from the Acting Assistant Secretary for Congressional Relations, transmitting notice of the State Department's intention to consent to a request by the Government of Australia for permission to transfer certain U.S. origin defense equipment to Malaysia, pursuant to section 3 of the Arms Export Control Act; to the Committee on Foreign Affairs.

622. A letter from the Freedom of Information/Privacy Officer, Interstate Commerce Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

623. A letter from the Executive Secretary, National Mediation Board, transmitting a report on the Board's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

624. A letter from the Postmaster General, transmitting a report on the Postal Service's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

625. A letter from the Chairman, Foreign Claims Settlement Commission of the United States, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

626. A letter from the Secretary of Energy, transmitting the fourth annual report on activities under the Electric and Hybrid Vehicle Research, Development, and Demonstration Act of 1976, pursuant to section 14 of the act; to the Committee on Science and Technology.

627. A letter from the Deputy Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to amend title 38, United States Code, to authorize the Administrator to provide a memorial plaque or marker in appropriate situations to the next of kin of an individual who would otherwise be memorialized in a national, private or local cemetery; to the Committee on Veterans' Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BROYHILL (for himself, Mr. MADIGAN, Mr. BROWN of Ohio, Mr. BENEDICT, Mr. RITTER, and Mr. RINALDO):

H.R. 2201. A bill to revise and extend the Consumer Product Safety Act; to the Committee on Energy and Commerce.

By Mr. PANETTA:

H.R. 2202. A bill to authorize pay and benefits for members and survivors of members of the Philippine Scouts on the same basis as such pay and benefits are authorized for other members of the Armed Forces and their survivors; to the Committee on Armed Services.

By Mr. DANNEMEYER:

H.R. 2203. A bill to amend the Communications Act of 1934 to permit the Federal Communications Commission to employ voluntary services for purposes of monitoring violations of the act by amateur and citizens band radio service station operators and for purposes of preparing and administering examinations for certain amateur station operator licenses; to the Committee on Energy and Commerce.

By Mr. DICKINSON:

H.R. 2204. A bill to require that not more than one-fourth of the budget authority of any department or agency of the executive branch may be obligated during the last quarter of a fiscal year; to the Committee on Government Operations.

By Mr. FLORIO (for himself and Mr. BIAGGI):

H.R. 2205. A bill to provide compensation for the disability and death of Federal law enforcement officers resulting from injuries sustained while making arrests for certain violations of State criminal laws, and for other purposes; jointly, to the Committees on Education and Labor, the Judiciary, and Ways and Means.

By Mr. FRENZEL:

H.R. 2206. A bill to increase the value limitation applicable to informal entries of imported merchandise; to the Committee on Ways and Means.

By Mr. FRENZEL (for himself, Mr. PICKLE, and Mr. ROUSSELOT):

H.R. 2207. A bill to amend the Internal Revenue Code of 1954 to allow employees a deduction for savings contributions to employer retirement plans or to individual retirement plans; to the Committee on Ways and Means.

By Mr. HALL of Ohio (for himself and Mr. BRODHEAD):

H.R. 2208. A bill to amend the Internal Revenue Code of 1954 to provide a refundable income tax credit for the purchase of new highway vehicles; to the Committee on Ways and Means.

By Mr. KINDNESS:

H.R. 2209. A bill to amend chapter 5 of title 5, United States Code, and for other purposes; to the Committee on the Judiciary.

By Mr. PURSELL:

H.R. 2210. A bill to provide for a reduction in the number of Federal employees through voluntary attrition; to the Committee on Post Office and Civil Service.

H.R. 2211. A bill to condition the approval of Federal highway aid projects in a State on the establishment by that State of a system of identification and penalties for use in reserving parking spaces for motor vehicles used by handicapped individuals; to the Committees on Public Works and Transportation.

H.R. 2212. A bill to provide for a Federal program for health promotion and disease prevention; jointly, to the Committee on Energy and Commerce and Education and Labor.

H.R. 2213. A bill to protect the public from traffickers in heroin and other opiates, and for other purposes; jointly, to the Committees on Energy and Commerce, the Judiciary, Banking, Finance and Urban Affairs, and Ways and Means.

By Mr. PURSELL (for himself, Mr. GILMAN, and Mr. BEILENSON):

H.R. 2214. A bill to establish a Federal program to provide public information on wildlife preservation and the endangered species; to the Committee on Merchant Marine and Fisheries.

By Mr. PURSELL (for himself, Mr. NEAL, Mr. WALGREN, Mr. BROYHILL, Mr. BAFALIS, Mr. GINGRICH, Mr. KILDEE, Mr. COURTER, and Mr. TAUKE):

H.R. 2215. A bill to amend title 39, United States Code, relating to nonprofit service clubs qualifying for third-class nonprofit rates of postage; to the Committee on Post Office and Civil Service.

By Mr. PURSELL (for himself, Mr. WEISS, Mr. SAWYER, Mr. JEFFORDS, and Mr. STOKES):

H.R. 2216. A bill to establish a National Energy Trust Fund, and to provide for the use of such Fund by the Secretary of Energy in conducting and supporting research, development, and demonstrations designed to develop alternative energy sources; to the Committee on Science and Technology.

By Mr. PURSELL (for himself, Mr. TRAXLER, Mr. PANETTA, Mr. LAGOMARSINO, and Mr. STOKES):

H.R. 2217. A bill to amend section 1304 of the Internal Revenue Code of 1954 relating to income tax returns of married individuals; to the Committee on Ways and Means.

By Mr. SANTINI:

H.R. 2218. A bill to direct the Secretary of Agriculture to convey certain National Forest System lands in the State of Nevada, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. WALGREN:

H.R. 2219. A bill to amend the Clean Air Act to provide compliance date extensions for steelmaking facilities on a case-by-case

basis to facilitate modernization; to the Committee on Energy and Commerce.

By Mr. YOUNG of Florida:

H.R. 2220. A bill to amend chapter 44 of title 18 of the United States Code (respecting firearms) to penalize the use of firearms in the commission of any felony and to increase the penalties in certain relating existing provisions; to the Committee on the Judiciary.

H.R. 2221. A bill to amend title II of the Social Security Act to provide that a beneficiary shall (if otherwise qualified) be entitled to a prorated benefit for the month in which he (or the insured individual) dies; to the Committee on Ways and Means.

H.R. 2222. A bill to amend title XVI of the Social Security Act to provide that burial plot or crypt shall be excluded from an individual's resources in determining his or her eligibility for supplemental security income (and medicaid) benefits; to the Committee on Ways and Means.

H.R. 2223. A bill to amend part A of title XVIII of the Social Security Act to reduce the inpatient hospital deductible under the medicare program to its 1978 level; to the Committee on Ways and Means.

H.R. 2224. A bill to amend part B of title XVIII of the Social Security Act to provide for fair hearings on disputed medicare claims by an impartial person other than a carrier; jointly, to the Committees on Energy and Commerce and Ways and Means.

H.R. 2225. A bill to amend titles II and XVIII of the Social Security Act to include qualified drugs, requiring a physician's prescription or certification and approved by a formulary committee, among the items and services covered under the hospital insurance program; jointly, to the Committees on Energy and Commerce and Ways and Means.

By Mr. PURSELL (for himself, Mr. BROOMFIELD, Mr. BRODHEAD, Mr. BLANCHARD, Mr. DAVIS, Mr. DINGELL, Mr. MCDADE, Mr. WYLIE, Mr. GUYER, Mr. BONIOR of Michigan, Mr. WOLPE, Mr. FORD of Michigan, Mr. TRAXLER, Mr. SAWYER, and Mr. DUNN):

H. Con. Res. 80. Concurrent resolution urging the President of the United States to enter into negotiations with representatives of the Government of Japan with respect to a temporary restraint in the exportation of automobiles into the United States, an equitable relationship between prices charged in domestic and foreign sales, and elimination of trade barriers affecting purchase of American products; jointly, to the Committees on Foreign Affairs and Ways and Means.

By Mrs. COLLINS of Illinois:

H. Con. Res. 81. Concurrent resolution expressing the sense of the Congress that State and local governments should support the fire safety efforts of the U.S. Fire Administration to reduce lives and property damage lost by fire; to the Committee on Science and Technology.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 3: Mr. PEPPER and Mr. JEFFORDS.

H.R. 65: Mr. WAXMAN, Mr. STOKES, Mr. HAWKINS, Mr. QUILLEN, Mr. ROBINSON, Mr. MARLENEE, Mr. JEFFRIES, Mr. BADHAM, Mr. ANTHONY, Mr. DYSON, Mr. PRITCHARD, Mr. O'BRIEN, Mr. LOEFFLER, Mr. WOLF, Mr. GORE, Mr. BENEDICT, Mr. RODINO, Mr. LOWERY of California, Mr. BONKER, Ms. FERRARO, Mr. RALPH, M. HALL, Mr. LUKEN, Mr. DAVIS, Mr. BROWN of Ohio, Mr. RAILSBACK, Mr. YOUNG of Alaska, Mr. GREGG, Mr. BAILEY OF MISSOURI, Mr. ASPIN, Mr. SMITH of Alabama, Mr. EMERSON, Mr. STUMP, Mr. CARMAN, Mr. STENHOLM, Mr. FARY, Mr. ROGERS, and Mr. CROCKETT.

H.R. 188: Mr. CORCORAN, Mr. MOORHEAD, Mr. GUYER, Mr. SHELBY, Mr. WHITEHURST, Mr. KRAMER, Mr. SNYDER, Mr. JACOBS, Mrs. BYRON, Mr. SHUMWAY, Mr. MCDONALD, Mr. KEMP, Mr. DUNCAN, Mr. BENJAMIN, Mr. GRISHAM, Mr. COLLINS of Texas, Mr. WAMPLER, and Mr. JEFFRIES.

H.R. 556: Mr. PATTERSON, Mr. CONTE, Mrs. BOUQUARD, Mr. MINISH, and Mr. FRANK.

H.R. 568: Mr. ROE, Mr. HUGHES, Mr. DAVIS, Mr. NEAL, Mr. DYSON, Mr. HARTNETT, Mr. HUCKABY, Mr. JAMES K. COYNE, Mr. PETRI, Mr. STOKES, Mr. CRAIG, Mr. ROBINSON, Mr. O'BRIEN, and Mr. PORTER.

H.R. 644: Mr. ADDABBO, Mr. BEARD, Mr. BROWN of Ohio, Mr. CORRADA, Mr. DOUGHERTY, Mr. FORSYTHE, Mr. HORTON, Mr. LAGOMARSINO, Ms. MIKULSKI, Mr. MITCHELL of Maryland, Mr. OTTINGER, Mr. PANETTA, Mr. PEPPER, Mr. SAWYER, Mr. SOLARZ, Mr. WAMPLER, Mr. WILLIAMS of Montana, Mr. YATRON, and Mr. YOUNG of Florida.

H.R. 703: Mr. LUNGREN, Mr. PETRI, Mr. ROUSSELOT, Mr. WHITEHURST, Mr. BOWEN, Mr. WINN, Mr. HYDE, Mr. GILMAN, Mr. DERWINSKI, Mr. FROST, Mr. EVANS of Georgia, Mr. LOTT, Mrs. HOLT, Mr. FORSYTHE, Mr. TAUKE, Mr. COURTER, Mr. LIVINGSTON, Mr. RAILSBACK, and Mr. HOPKINS.

H.R. 706: Mr. MURPHY, Mr. GUYER, Mr. WHITEHURST, Mr. FORSYTHE, Mr. DOUGHERTY, Mr. BONIOR of Michigan, Mrs. HOLT, Mr. ROBERTS of South Dakota, Mr. MITCHELL of Maryland, Mr. PRITCHARD, Mr. MAVROULES, Mr. SAWYER, Mr. DAUB, Mr. LOTT, and Mr. KINDNESS.

H.R. 1053: Mr. ASHBROOK, Mr. BADHAM, Mr. BEVILL, Mr. BIAGGI, Mr. COLEMAN, Mr. DAUB, Mr. DENARDIS, Mr. FOLEY, Mr. GOLDWATER, Mr. GUNDERSON, Mrs. HECKLER, Mr. HOLLAND, Mr. HOPKINS, Mr. HUNTER, Mr. LEACH of Iowa, Mr. LUKEN, Mr. MARTIN of New York, Mr. REGULA, Mr. SHARP, Mrs. SMITH of Nebraska, Mr. WAMPLER, Mr. WHITTEN, Mr. WILLIAMS of Ohio, Mr. WYLIE, and Mr. YOUNG of Florida.

H.R. 1100: Mr. DUNN, Mr. COURTER, and Mr. OBEY.

H.R. 1110: Mr. JOHNSTON, Mr. MYERS, Mr. WOLF, Mr. COLEMAN, Mr. BEDELL, Mr. LOWERY of California, Mr. SIMON, Mr. MCKINNEY, and Ms. FERRARO.

H.R. 1206: Mr. COURTER, Mr. JAMES K. COYNE, Mr. DAUB, Mr. DE LUGO, Mr. RITTER, Mr. WOLF, and Mr. YATRON.

H.R. 1207: Mr. COURTER, Mr. JAMES K. COYNE, Mr. DAUB, Mr. DE LUGO, Mr. RITTER, and Mr. YATRON.

H.R. 1540: Mr. BEARD, Mr. BROWN of California, Mr. BUTLER, Mr. LAGOMARSINO, Mr. MONTGOMERY, Mr. PANETTA, Mr. SOLARZ, and Mr. WEISS.

H.R. 1703: Mr. SKEEN.

H.R. 1964: Mr. BENJAMIN, Mr. FORD of Tennessee, Mr. LEHMAN, and Mr. VANDER JAGT.

H.J. Res. 5: Mr. BRODHEAD, Mr. KILDEE, Mr. APPLEGATE, Mr. MURPHY, Mr. GUYER, Mr. STARK, Mr. FROST, Mr. PEASE, Mr. WOLPE, Mr. FRANK, Mr. PEPPER, Mr. FORD of Tennessee, Mr. DINGELL, Mr. KOGOVSEK, Mr. HOLLENBECK, Mr. HALL of Ohio, Mr. OBERSTAR, Mr. CLAY, Mr. NOWAK, Mr. RODINO, Mr. MOTTL, Mr. DAVIS, Mr. BENJAMIN, Ms. MIKULSKI, Mr. VENTO, Mr. YATRON, Mrs. COLLINS of Illinois, Mr. CHAPPELL, Mr. HILLIS, Mr. CONYERS, Mr. OTTINGER, Mr. YOUNG of Missouri, Mr. BROOMFIELD, Mr. BONIOR of Michigan, Mr. CORRADA, Mr. FORD of Michigan, Mr. WON PAT, Mr. BLANCHARD, Mr. MOFFETT, Mr. CROCKETT, Mr. HERTEL, Mr. ATKINSON, and Mr. BROWN of Ohio.

H.J. Res. 104: Mr. PHILIP M. CRANE and Mr. SMITH of Alabama.

H.J. Res. 150: Mr. MOFFETT, Mr. BROWN of California, Mr. KOGOVSEK, Mr. WON PAT, Mr. MITCHELL of Maryland, Mr. EDGAR, Mr. MURPHY, Mr. PANETTA, Mr. DASCHLE, AND Mr. PATTERSON.

H. Con. Res. 59: Mr. GUYER, Mr. KINDNESS, Mr. LATTA, Mr. WEBER of Ohio, Mr. MOFFETT, Mr. DERWINSKI, Mr. HUGHES, Mr. GAYDOS, Mr. ATKINSON, Mr. HILER, Mr. WINN, Mr. FAZIO, Mr. WALGREN, Mr. LOWERY of California, Mr. DICKINSON, Mr. O'BRIEN, Mr. LUKEN, Mr. GARCIA, Mr. PERKINS, Mr. OTTINGER, Mr. COLLINS of Texas, Mr. SOLOMON, Mr. MORRISON, Mr. LEHMAN, Mr. JEFFRIES, Mr. ROE, Mr. ADDABBO, Mr. DOUGHERTY, Mr. WHITEHURST, Mr. VENTO, Mr. GOLDWATER, Mr. MCKINNEY, Mr. HIGHTOWER, Mr. BETHUNE, Mr. SIMON, Mr. PORTER, Mr. BENJAMIN, Mr. TAUKE, Mr. BAFALIS, and Mr. BEDELL.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

34. By the SPEAKER: Petition of the City Council, Worcester, Mass., relative to the urban development action grant program; to the Committee on Banking, Finance and Urban Affairs.

35. Also, petition of the City Council, Woonsocket, R.I., relative to the economy; to the Committee on Banking, Finance and Urban Affairs.

SENATE—*Thursday, February 26, 1981*

(Legislative day of Monday, February 16, 1981)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., offered the following prayer:

Let us pray.

Almighty God, judge of all the Earth and perfect in Thy justice, we beseech Thee for the Members of the Senate and all public servants. Make us aware that our ultimate accountability is to Thee.

The Word declares that we have no secrets from Thee; that Thou dost know our thoughts afar off and the words yet unspoken on our tongue. Thou dost see not only what we do but why we do it. Put a watch on our motivation. Imbue us with the desire and determination to act in ways pleasing to Thee. Help us to think God's thoughts after Him knowing that as we conform to Thy will we shall most certainly fulfill our responsibility to the people.

Fill our hearts, O God, with a passion for Thy glory, through Jesus Christ the Lord. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

THE JOURNAL

Mr. BAKER. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that, following the time allocated to the two leaders under the standing order and the special orders for Mr. JEPSEN and for Mr. BAUCUS, there be a period for the transaction of routine morning business not to exceed 30 minutes in length and that Senators be permitted to speak therein for not to exceed 5 minutes each.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR DANFORTH IN PLACE OF SENATOR JEPSEN

Mr. BAKER. Mr. President, I ask unanimous consent that the special order granted to Senator JEPSEN be transferred this morning to the Senator from Missouri (Mr. DANFORTH).

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, may I inquire of the distinguished minority leader if there is some possibility of turning to consideration of those nominations on the Executive Calendar for today or any of the items that have appeared on today's General Orders Calendar.

Mr. ROBERT C. BYRD. Mr. President, the minority is ready to proceed with nominations on the Executive Calendar.

Mr. BAKER. I thank the minority leader.

EXECUTIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous censent that the Senate now go into executive session for the purpose of considering the nominations appearing on the Executive Calendar.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDENT pro tempore. The clerk will state the nominations.

DEPARTMENT OF STATE

The legislative clerk read the nomination of James L. Buckley, of Connecticut, to be Under Secretary of State for Coordinating Security Assistance Programs.

The PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The legislative clerk read the nomination of Richard T. Kennedy, of the District of Columbia, to be Under Secretary of State for Management.

The PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The legislative clerk read the nomination of Walter J. Stoessel, Jr., of California, to be Under Secretary of State for Political Affairs.

The PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The legislative clerk read the nomination of Richard Fairbanks, of the District of Columbia, to be an Assistant Secretary of State.

The PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. ROBERT C. BYRD. Mr. President, with great reluctance, I move to lay on the table the motion offered by my very distinguished friend, the majority leader, the distinguished Senator from Tennessee, a man whose motions I hesitate to table, but I move reluctantly.

Mr. BAKER. Mr. President, before the Chair acts, may I say that the distinguished minority leader, in his present role and previously, as majority leader, has brought considerable distinction to the Senate, but none done more eloquently than this one.

The motion to lay on the table was agreed to.

The legislative clerk read the nomination of Robert Carl McFarlane, of Maryland, to be Counselor of the Department of State.

The PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AGENCY FOR INTERNATIONAL DEVELOPMENT

The legislative clerk read the nomination of M. Peter McPherson, of Maryland, to be Administrator of the Agency for International Development.

The PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE FOREIGN SERVICE

Mr. BAKER. Mr. President, I ask unanimous consent that the nominations placed on the Secretary's desk be considered en bloc.

The PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nominations were agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, do I have time remaining under the standing order?

The PRESIDENT pro tempore. The Senator has 5 minutes and 14 seconds remaining.

Mr. BAKER. I thank the Chair.

Mr. President, it is my intention in a moment to yield that time remaining to the Senator from Missouri (Mr. DANFORTH), who is the assignee of time under a special order this morning. Before I do that, I should like to yield to the distinguished minority leader for time he may need under his standing order.

I ask unanimous consent that I may yield the time remaining to me under the standing order to the Senator from Missouri (Mr. DANFORTH) to be added to the time he has under the special order.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAKER. I now yield to the minority leader.

RECOGNITION OF THE MINORITY LEADER

Mr. ROBERT C. BYRD. Mr. President, I have time under the standing order. I yield 5 minutes of it to the distinguished majority leader for his use by unanimous consent and I shall yield 5 minutes to Mr. BAUCUS, who has an order for 15 minutes. That is in case he needs additional time.

RECOGNITION OF SENATOR DANFORTH

The PRESIDENT pro tempore. Under the previous order and pursuant to the motion of the minority leader, the Senator from Missouri is recognized for 15 minutes, plus the additional time yielded by the Senator from Tennessee.

Mr. BAKER. Mr. President, will the Senator from Missouri yield to me for a question?

Mr. DANFORTH. Yes, I yield.

Mr. BAKER. Mr. President, does the Senator from Missouri require any additional time? The reason for the inquiry is that the minority leader, in his characteristic generosity, has given me an additional 5 minutes that otherwise would be under his control under the standing order. I shall yield all of that to the Senator from Missouri, if he wishes.

Mr. DANFORTH. Mr. President, I very much appreciate the courtesy of the majority leader. I think this will take about 20 minutes, give or take a few minutes. If the majority leader could yield me 10 minutes, maybe, I might be in a position to yield it back.

Mr. BAKER. Mr. President, I yield to the Senator from Missouri the time just generously yielded to me by the minority leader, which would give him a total of 25 minutes, would it not?

The PRESIDENT pro tempore. Twenty-four minutes.

Mr. BAKER. I thank the Chair.

THE MYTH OF FREE TRADE

Mr. DANFORTH. Mr. President, 2 weeks ago, Senator BENTSEN and I introduced a bill to impose a quota for 3 years on the number of Japanese cars imported into this country. Neither one of us likes the idea of a quota. But both of us feel that the current plight of the U.S. auto industry and auto workers constitutes an emergency. Something must be done to help the Americans who have lost their jobs, the Americans who have been hurt by an ailing auto industry, and the Americans who rely on an economy in which the auto industry is a major factor. Ultimately, that is all Americans.

Our bill has received mixed reviews. Many critics have been quick to say that a quota is a "restraint of free trade," which will invite retaliation. Mr. President, in this particular context, the phrase "free trade" is a complete myth.

Free trade implies an unhampered flow of goods and services between countries, a flow which is affected only by market forces, only by supply and demand. Under that definition, there is no free trade in world markets in general, and certainly no free trade between the United States and Japan. Japanese import restrictions apply to all manner of goods and services produced in the United States. To pretend that we have open access to Japanese markets is to ignore reality.

Since the creation of the General Agreement on Tariffs and Trade—GATT—we have worked in concert with our trading partners to set ground rules for international trade. In general, these rules have been useful and productive. And the United States clearly has been the most faithful of all nations in adhering to them. But we fool ourselves by not admitting that many of our trading partners both employ and seek every available means to circumvent these rules.

I do not condone such activities. I remain strongly committed to maintaining our leadership role in the pursuit of free and fair trade. We must be realistic, however. We cannot possibly be so naive as to think that just because our market is open, others will be as well.

Consider our trading relationship with Japan: The U.S. market is wide open to interested Japanese exporters—more open, in fact, than any other market in the world. The only delays involved in Japanese car sales in this country are the 14 days it takes to ship a boatload from Yokohama. By contrast, it took over 2 years of intense negotiations by our Government to give U.S. companies a chance just to bid on sales to Japan's national telecommunications entity. Just how competitive this arrangement really is still remains to be seen.

Japan has taken great advantage of free access to the U.S. market. Nothing illustrates this better than the fact that in the past decade, Japanese exports to the United States have exceeded our exports to Japan by a total of $47 billion. Our deficit in 1979 alone exceeded $8 billion. The deficit for 1980 is even greater—almost $10 billion.

In achieving this surplus, Japan has relied on protectionism to close its markets to U.S. interests. Our difficulty in gaining access to Japan's telecommunication market was not unique. Take the case of cigarettes, for example. The Japanese are the world's greatest smokers. Japan's cigarette market is worth $10 billion a year. U.S. suppliers, however, are restricted to 1 percent of that market. Moreover, the retail pricing formula for cigarettes in Japan is rigged so that American brands are sold for 110 yen more than domestic Japanese brands.

In the case of Japan's national railroad, JNR, equipment traditionally has been purchased from selected domestic manufacturers, without bidding. One Japanese corporation alone supplies approximately 90 percent of JNR's wheel and axle requirements. This same corporation also sells wheels and axles to U.S. railroads. But when Japan placed JNR purchasing under the MTN Government Procurement Code, it added a qualification. A small footnote to the order reads:

Materials connected with operational safety of transportation are not included.

This footnote is certain to include JNR's wheels and axles, not to mention sophisticated switching equipment. In the case of JNR, "free trade" may eventually prove nonexistent.

I am not denying that we have made progress with Japan in recent years. But in spite of this progress, Japan still maintains 27 illegal quantitative import

restrictions, including rigid quotas on beef, citrus, and leather goods. Japanese quotas on high quality beef imports mean that many Tokyo restaurants charge $35 a steak. By 1983, Japan will increase its beef import quota to 30,800 metric tons per year—an amount that would yield a mere two "quarter pounders" per Japanese citizen per year.

Beef is not a unique example. Oranges retail in Japan for up to $1 each. A glass of orange juice at one of Tokyo's major hotels can set you back $4. All because of import quotas.

There is also the case of leather, where an increase in the quotas for U.S. exports brought us to less than 2 percent of Japanese consumption. And not even this quantity is being filled. Although there may be a number of plausible explanations for this fact, I suspect the 20-percent duty placed on top of the quota may be a factor.

In addition to its procurement practices and quotas, the Japanese market also has numerous invisible import barriers, including a complex distribution system, interminable delays, and red-tape, and discriminatory taxes and regulations. The prospects of eliminating these barriers are poor at best. Processed foods are a good example of the way they work. A Trade Subcommittee report notes the following:

> Food sanitation standards problems arise because each prefecture establishes standards for domestically-produced products, while the Ministry of Health and Welfare establishes standards for imported products. There is no requirement that the standards be uniform, occasionally leading to stricter standards for foreign products than domestic products.
>
> Finally, Japan has a "positive list" for food additives, compared to a "negative list" in use in countries such as the United States. The use of a positive list and the practice of the Food Sanitation Investigators Council to reject additives on the arbitrary basis of "need" . . . constitute a significant nontariff barrier to imported processed food products ranging from peanut butter to maraschino cherries.

Regarding the distribution system, the report continues:

> Basically, Japan is a nation of small shopkeepers—and wholesalers. There is often at least one more wholesaler in the distribution system than exists in the U.S. system. In Japan, with a population about half that of the United States, there were 240,000 wholesalers in 1976 compared with 370,000 in the United States in 1972. Further, there are more retail establishments in Japan than in the United States (1.6 million as opposed to 1.55 million.) Inventories are kept small because of space problems—deliveries must be frequent—special services must be offered—mark-ups multiply.

The cumulative effect of these hidden barriers is obvious in the case of Japanese automobile imports. Japan has no tariff on autos. Yet a car that sells for a little over $6,000 in the United States may cost as much as $20,000 in Japan.

Trade policy is one of the United States most vital concerns. As we formulate that policy, we severely handicap ourselves if we ignore all of the factors mentioned here. The multiple barriers which face U.S. exports who seek Japanese markets, the ongoing effects of Japanese protectionism, and Japanese trade strategies that affect both domestic and foreign producers. For a mere glance at these Japanese policies reveals several basic patterns: On the import side, Japan's market is open only to those products which it needs, and which Japan will never be able to produce in the necessary quantities. Most agricultural products fall into this category; out of necessity, Japan is and will continue to be a major purchaser of U.S. agricultural products.

In other areas, however, the Japanese have decided to develop strong domestic production. In those areas, the government has restricted imports severely in order to give domestic producers time to become competitive both at home and abroad. This practice has been obvious in numerous Japanese products, including automobiles, cameras, motorcycles, stereo components, and the color television industry. It is evident today in high-technology areas, such as semiconductors and computers—where a few barriers of the recent past are only now being eased—now that the Japanese industries involved have firmly penetrated our market.

Consider semiconductors, the building blocks of computers. Traditionally, we have a trade surplus with Japan in "chips." However, due to high tariffs this surplus was erased. Last year, for the first time, our surplus became a deficit. Moreover, Japan is the only country in the world where U.S. computer firms do not control most of the market; and as of last year, Japan is the only country where IBM is no longer the No. 1 source of sales. Japan's drive to gain a major share of the world computer market can only cut into our export leadership in that area. In fact, one estimate claims that:

> By 1985 (Japan) plans to sell some $384 billion yen ($1.66 billion) worth of computers to the U.S.—some 15 percent to 20 percent of their total production and 60 percent of their total exports . . .

Similar management of the marketplace is evident on the export side as well. The Japanese Government encourages exports—which is admirable in theory, but often irresponsible in practice. Japan is quick to restrict exports to some foreign markets on the basis of political considerations. Take, for example, Japan's willingness to limit automobile exports to most European countries. In every case, the legality of these restrictions is extremely questionable under international trade rules. In no case is there evidence of Japan retaliating against other countries or of referring them to the GATT. Why? Because the Japanese know that the Europeans are doing precisely what the Japanese have done for so long—protecting their home industries. The United States alone has failed to follow suit. At present, ours is the only large open market for cars in the world. And new arrangements between the Europeans and the Japanese will soon divert even more Japanese cars to our shores.

But there is more, Mr. President. In spite of the fact that the yen rose against the dollar between 1973 and 1978, the drop in Japanese real imports supports the view that trade restrictions may explain the increased Japanese surplus. For as a CBO study points out:

> Quite unusually, Japanese real imports fell despite a rise in Japanese GNP and a fall in import prices.

Clearly, Japan is exporting more than just cars. Japan is also letting us subsidize its oil purchases.

Furthermore, Japan exports unemployment to the United States as well. A recent edition of "News from Japan," a registered foreign agent of the Japanese Government, reported that—

> Employment rose substantially in Japan last year and unemployment declined slightly to 2.0 percent of the labor force . . . The number of workers rose to 55.3 million, an increase of 570,000 during 1980. Unemployment dropped by 30,000 to 1.1 million.

Mr. President, let us be honest in describing trade. In some cases we may not be selling to Japan because we are not trying hard enough, because our producers are faced with export barriers of our own making, or because our products may not be competitive. But we cannot ignore the overwhelmingly negative impact of Japan's past and current import barriers.

Free trade with Japan is a myth. Free trade with Japan is nothing but a one-way street that runs their way. Until we face up to that fact, and until American trade policy rests squarely on an honest realization of what we are up against, we will never hold our own in world markets. And if we do not hold our own, American workers, manufacturers, and consumers will continue to suffer for it. It is incumbent on the leadership of this Government—on Congress and the executive branch alike—to open our eyes to reality—to see world trade for what it is, not for what we wish it might be. Only then can world trade fulfill the interests of America as well as those of our trading partners.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. GRASSLEY). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER addresed the Chair.

The PRESIDING OFFICER. The Chair recognizes the majority leader.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER VITIATING THE ORDER FOR THE RECOGNITION OF SENATOR BAUCUS

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the recognition of Mr. BAUCUS be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed 30 minutes, and Senators will be allowed to speak for 5 minutes each.

REDUCTION OF SENATE OPERATING BUDGET

Mr. BAKER. Mr. President, the Committee on Rules and Administration has reported to the Senate a resolution reducing our annual operating budget by 10 percent.

I wish to congratulate, commend, and express my appreciation to the chairman of that committee, Mr. MATHIAS, and all the members of the Rules Committee, and all of the chairmen and ranking members of the Senate's various standing committees. Indeed, I would express my gratitude to each Member of the Senate as we will all be affected to some degree by this reduction in the levels of the committee budgets.

As my colleagues may recall, this past September 15, I joined my distinguished counterpart from the House of Representatives, JOHN RHODES, and then-candidates Ronald Reagan and GEORGE BUSH in pledging to reduce the operating costs of the Federal Government. We further pledged at that time to set an example for other branches of the Government by reducing the expenses, and in keeping with our pledge, we established a goal of a 10-percent reduction in the Senate operating budget.

I am pleased to say that the leadership of MAC MATHIAS, JOHN WARNER, WENDELL FORD, and our standing committee chairmen and ranking members has allowed the Senate to now receive a report and resolutions from the Rules Committee to honor the representations made that we would be first among those who would attempt to effect economies in Government.

The Rules Committee has reported reductions in spending for Senate committees that exceed $4.6 million. Our objective for a 10-percent cut, assuming that the resolutions are adopted by the Senate, will have been met.

Not only is this accomplishment a testimony to the leadership of those individuals on both sides of the aisle, whom I have previously mentioned, but it also underscores the commitment of the Senate as a whole to reduce the cost of government.

Furthermore, and, perhaps, more significant in the difficult days ahead, we have set by this example a standard for all other agencies and departments within the Federal Government.

Clearly we have shown that spending can be reduced. It has been done on a bipartisan basis. Clearly we have shown that the Senate is determined to see that that shall occur.

Once again, Mr. President, I commend the distinguished chairman of the Rules Committee, Mr. MATHIAS, the ranking member and all members of the Rules Committee for reporting to us resolutions which will make it possible for us to reduce by 10 percent the operating costs of the committees of the Senate.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished majority leader yield?

Mr. BAKER. I am happy to yield.

Mr. ROBERT C. BYRD. I join the distinguished majority leader in complimenting the chairman of the Committee on Rules and members of the Committee on Rules on both sides of the aisle for effectuating the reductions that have been made in the operating budgets of the various committees.

Last year I offered an amendment that would require a 10-percent, across-the-board, in-the-aggregate reduction of funds for the operation of the Senate as a whole.

That amendment was adopted. As I view this action by the Rules Committee, I think it is thoroughly in keeping with the spirit and the intent of the amendment which I offered on that occasion.

I, again, commend the members of the Rules Committee, the chairman, the ranking member, and the majority leader on the statement that he has made with respect to the action taken by the committee.

Mr. BAKER addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senate majority leader.

Mr. BAKER. Mr. President, I wish to thank the distinguished Senator from West Virginia, the minority leader, for indeed he was a trailblazer in this field with the resolution that he introduced. More to the point, he is a member of the Rules Committee, as I am a member of the Rules Committee, and I pay my respect and extend my compliments to him for his early effort in this respect and for his participation in the operation of the Rules Committee.

Once again, I think these resolutions give testimony to the spirit of bipartisan cooperation that exists in the Senate and will lead us to the point where we can perform our bipartisan commitment to try to reduce the cost of government.

Mr. WARNER. Mr. President, I express my most sincere thanks to both the majority and minority leaders for their statements on behalf of the work done by the Rules Committee over the past weeks in effecting an aggregate 10-percent cut in the operating budgets of the committees of the Senate. It was their joint leadership that enabled the chairman and ranking member of the Committee on Rules to work effectively with the members of the Rules Committee in achieving a recommendation in the form of a resolution soon to be considered by the Senate.

The first set of budgets in the Senate to be considered this year are these committee budgets for the new committee fiscal year, which begins on March 1, 1981.

It has been the firm desire of the majority leader, the chairman of the Rules Committee, the distinguished Senator from Maryland, Mr. MATHIAS, and a number of Members of Congress that we be able to achieve a 10-percent reduction in aggregate committee budgets for fiscal year 1981, as a first step toward the goal of a 10-percent cut in overall Senate funds.

I have been asked by the distinguished chairman of the Committee on Rules (Mr. MATHIAS) to place in the RECORD this morning the work of that committee so that it can be studied by our colleagues before this matter comes up for review by the Senate.

We Republicans certainly must not forget what the Republican Conference voted on December 4, 1980. We adopted the following language:

> Each Senator and committee chairman, and the chairman of the Policy and Conference Committees of the Senate, shall strive to achieve at least a 10-percent reduction from the levels of the fiscal year 1981 budgets of the committees. The Secretary of the Senate, the Sergeant at Arms, and the Secretary of the majority shall also strive to achieve at least a 10-percent reduction in the total costs of the Senate. The collective efforts of the above shall constitute at least a 10-percent reduction in the total costs of the Senate for fiscal year 1981.

The reductions taken by the Rules Committee with reference to the committees of the Senate have been incorporated into resolutions which will soon be brought before the Senate.

Last year, committees were authorized to spend $46,332,196. Committees this year voluntarily reduced their budget requests by $4,332,897, and the Rules Committee cut another $300,400 for a total reduction of $4,633,297. This represents a 10-percent cut from last year's authorized levels. Authorized spending totals for Senate Committees this year will be $41,698,899.

Senator BAKER said on the Senate floor on February 5 that this process of cutting will not be easy. He said—

> There will be days when that will be a difficult job, even an unpleasant job, and some of our good friends and colleagues may grow testy over the requirements that will be laid on them to accomplish that purpose.

Mr. President, I sat through many of the hearings; and while there was an occasional inflection in voice and the committee chairmen stood their ground, in each instance that I observed, it was done with complete decorum and dignity. The chairman and ranking member of the committee are to be praised for the manner in which they handled this delicate task, and the chairman and ranking member of each committee that came before the Rules Committee are to be praised.

The job, as Senator BAKER predicted, was not easy, but was made possible by the cooperation of the committee chairmen and the ranking minority members.

I should also like to pay special tribute to the ranking minority member of the Rules and Administration Committee, Senator WENDELL FORD. He sat through every minute of the testimony, asked some of the toughest questions, was completely objective and dedicated to achieving this 10-percent cut which is to be brought before the Senate.

Of course, my colleagues on the committee join in praising the chairman, Senator MATHIAS. The Senator from Maryland is not able to be here today, but he will be present at the time the resolutions come before the Senate. He presided over the hearings and reminded his colleagues that we would not slip off from our goal of a 10-percent cut.

While this reduction involved only Senate committee budgets, I am confident that a mandate of the Senate will be carried out as the authorization process continues for other activities of the Senate.

I believe it is essential that the Senate take this important first step to reduce the growth of this branch of the Federal Government.

It is hoped that the eventual adoption by the Senate of the recommendations of the Rules Committee will send a clear signal to the President and to the executive branch to follow the example in their endeavors to cut the operating expenses of the various departments and agencies of the Federal Government.

Mr. President, I ask unanimous consent to have printed in the RECORD an article published today in the Washington Post which compares the work of the Senate Rules Committee and our colleagues in the House of Representatives.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

While the Senate Rules Committee has been cutting committee budgets by an average of 10 percent below last year's authorizations as an example of frugality, House committee spending is moving up as usual.

In approving seven committee budgets yesterday the House Administration Committee applied in general a formula of adding 10.6 percent to last year's figures for inflation, another 5 percent for unexpected contingencies and anything more that could be justified for added work. The House Armed Services Committee, for instance, expects extra work as it copes with a bigger defense budget. Republicans will try to cut the committee budgets by 10 percent or so on the House floor next week.

Mr. WARNER. Mr. President, I ask unanimous consent to have printed in the RECORD a table which details the cuts that will be incorporated in the resolutions soon to be brought before the Senate. By providing it for the RECORD today, it will enable our colleagues to have a source of reference as they consider this matter.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

[COMMITTEE PRINT NO. 2]

U.S. SENATE, COMMITTEE ON RULES AND ADMINISTRATION—SENATE COMMITTEE FUNDING, 97TH CONGRESS, 1ST SESSION, FEBRUARY, 1981

Calendar No.	S. Res. No.	Committee	96th Congress, 2d session [1] Total authorizations [4]	Unobligated balance (estimated) (Feb. 28, 1981)	97th Congress, 1st session [2] Amount requested (12 mo)	Difference between 1980 authorizations and 1981 request	Amount of Rules Committee amendment	Amount reported by Rules Committee	Amount authorized by Senate [5]	Number of committee employees [3] 1980 (permanent and investigative)	Jan. 31, 1981, payroll	1981 budget
		Ethics Committee (Select).[6]										
		All other committees	$46,332,196	$4,317,790	$41,999,299	−$4,332,897(−9.35%)	−$300,400 (−0.65%)	$41,698,899		1,310(716-594)	1,123(685-438)	1,134(686-448)
(10)	43	Agriculture, Nutrition, and Forestry	1,379,346	13,403	1,325,000	−54,346(−3.94%)	−3,000	1,322,000		34(17-17)	34(20-14)	34(20-14)
(11)	55	Appropriations	4,145,165	75,000	3,791,203	−353,962(−8.54%)	0	3,791,203		84(58-26)	83(57-26)	79(52-27)
(12)	60	Armed Services	1,569,498	334,440	1,569,400	−98(−0.00%)	−15,000	1,554,400		34(19-15)	30(17-13)	36(21-15)
(13)	75	Banking, Housing, and Urban Affairs	1,759,346	163,742	1,583,411	−175,935(−10.00%)	0	1,583,411		45(26-19)	36(23-13)	39(25-14)
(14)	50	Budget	2,999,246	59,236	2,693,632	−305,614(−10.19%)	0	2,693,632		91(55-36)	76(54-22)	82(55-27)
(15)	52	Commerce, Science, and Transportation	3,219,146	234,975	3,219,146	0	−47,400	3,171,746		95(53-42)	99(60-39)	78(47-31)
(16)	56	Energy and Natural Resources	2,150,046	148,916	2,039,259	−110,787(−5.15%)	−10,000	2,029,259		55(27-28)	46(21-25)	50(25-25)
(17)	49	Environment and Public Works	2,394,346	371,917	2,186,000	−208,346(−8.70%)	−20,000	2,166,000		75(47-28)	63(40-23)	56(39-17)
(18)	25	Finance	2,103,241	553,066	2,103,200	−41(−0.00%)	−40,000	2,063,200		52(28-24)	43(26-17)	50(32-18)
(19)	39	Foreign Relations	2,592,293	169,016	2,333,100	−259,193(−9.99%)	0	2,333,100		69(33-36)	73(37-36)	59(31-28)
(20)	57	Governmental Affairs	5,258,362	439,962	4,732,526	−525,836(−10.00%)	−60,000	4,672,526		177(108-69)	156(110-46)	153(110-43)
(21)	53	Judiciary	5,924,629	634,237	4,295,722	−1,628,907(−27.49%)	−23,000	4,272,722		192(87-105)	110(60-50)	134(55-79)
(22)	62	Labor and Human Resources	4,237,288	419,380	4,054,000	−183,288(−4.32%)	−50,000	4,004,000		132(64-68)	108(65-43)	119(74-45)
( )	35	Rules and Administration	1,415,372	135,220	1,273,800	−141,572(−10.00%)	0	1,273,800	[5a] $1,273,800	36(20-16)	31(20-11)	31(20-11)
(23)	61	Veterans' Affairs	835,346	131,415	748,630	−86,716(−10.38%)	0	748,630		24(10-14)	23(11-12)	22(12-10)
(24)	45	Aging (Special)	908,946	149,633	908,946	0	−7,000	901,946		22(12-10)	22(12-10)	27(15-12)
(25)	34	Small Business (Select)	954,220	43,583	905,000	−49,220(−5.16%)	−3,000	902,000		24(14-10)	24(16-8)	25(17-8)
(26)	54	Intelligence (Select)	1,856,000	233,649	1,670,000	−186,000(−10.02%)	−22,000	1,648,000		50(24-26)	46(22-24)	44(24-20)
(27)	51	Indian Affairs (Select)	630,360	7,000	567,324	−63,036(−10.00%)	0	567,324		19(14-5)	20(14-6)	16(12-4)

[1] Senate committee funding year 1980—Mar. 1, 1980-Feb. 28, 1981.
[2] Senate committee funding year 1981—Mar. 1, 1981-Feb. 28, 1982.
[3] Figures in parentheses show division of the preceding figure into professionals and clericals, respectively.
[4] This column includes all funds authorized for committees, which consists of the following: (1) maximum compensation payable to permanent staff (including agency contributions), (2) inquiries and investigations resolutions, (3) one-half of $10,000 per Congress for routine purposes, and increments thereto, and (4) the allocations from the Stationery Revolving Fund.
[5] Date authorized: Mar.—, 1981, except—
[5a] S. Res. 35, Feb. 3, 1981.
[6] Pursuant to sec. 3 of S. Res. 338, 88th Congress, agreed to July 24, 1964, as amended, the Select Committee on Ethics "is authorized to (1) make such expenditures; * * * (7) employ and fix the compensation of a staff director, a counsel, an assistant counsel, one or more investigators, one or more hearing examiners, and such technical, clerical, and other assistants as it deems advisable; and (8) to procure the temporary services (not in excess of one year) or intermittent services of individual consultants, or organizations thereof, by contract as independent contractors or, in the case of individuals, by employment at daily rates of compensation not in excess of the per diem equivalent of the highest rate of compensation which may be paid to a regular employee of the Select Committee."

Mr. WARNER. Mr. President, I hope and trust that the Members of the Senate will eventually concur in the judgment of the Rules Committee and adopt the resolutions which, as I understand, will be brought before the Senate next week.

Mr. FORD. Mr. President, on Tuesday, February 24, the Committee on Rules and Administration ordered reported 18 Senate committee funding resolutions. At the request of our committee, but on a voluntary basis, those committees, in aggregate, reduced their requests for 1981 funds by 9.35 percent from the amount available to them for 1980.

The members of our committee, without dissent, agreed that we should cut committee funding by not less than 10 percent even though this was not strictly required by the provisions of section 10 of Public Law 96-508, agreed to December 8, 1980, which mandates that 1981 Senate expenditures be no greater than 90 percent of the total funds available to the Senate for 1980. Therefore, it became our committee's painful and difficult duty to recommend to the Senate additional cuts totaling just under $300.400, or 0.65 percent of the funds available to Senate committees in 1980.

With the utmost of harmony and cooperation, totally without partisan motivation, our committee members agreed upon additional reductions in that amount, spread over 12 of the 18 committees. The reductions in the resolutions reported to the Senate range from under 1 percent to as high as 28 percent for individual committees. The 10-percent aggregate reduction amounts to $4.633,158.

I can think of no more thankless job than passing judgment on the judgment of others as reflected in a budget. And when we are operating under a statutory mandate to reduce Senate expenditures by 10 percent, it is an even more difficult and unpleasant task.

One change legislated last year made the job at least simpler if not easier. This year we began the process of dealing with committee funding allocations on a single resolution basis. All expendi-

tures for each committee will be authorized in one Senate resolution.

This major improvement in our procedures will increase our control over spending in the Senate and is a monument to the recent past chairman of the Rules Committee, Senator PELL, and the then ranking minority member, Senator HATFIELD.

Making reductions in committee budgets when their workloads are not declining, if in fact they are not increasing, is not only difficult, it is dangerous. Our committees face complex and important issues, many involving billions of dollars. We must not become penny-wise and pound-foolish in our effort to save money and reduce Federal expenditures.

We do not believe that the total reductions recommended to the Senate will impair any committee's ability to fully and responsibly meet its obligations and perform its legislative duties. We have advised all of the committees that, if we have erred, we would be available to them to consider supplemental allocations if the need is there and is demonstrable.

We are confident that our desire to live within these reduced budgets is shared by all members. We feel certain that no committee will come back for more funds unless there is real and great need.

I hope we can approve these resolutions next Tuesday, and without amendment. I join our committee chairman in urging their passage.

I want to express my appreciation for the kind words and thoughtful remarks which were made regarding the work of the committee earlier today. It is not very often when you cut money and budget that people say nice things about you, so I think it is a special flower to the committee, and I compliment Chairman MATHIAS for his good work.

AFL–CIO REPORT ON INTERNATIONAL TRADE AND INVESTMENT

Mr. DANFORTH. Mr. President, on February 17 the Executive Council of the AFL–CIO issued its report on international trade and investment. The report begins:

America's basic industries are in trouble.

And I wholeheartedly agree. The paper goes on to say—

The domestic economic problems of energy, inflation and high interest rates these industries face are being compounded by the increasingly adverse impact of international trade and finance.

It is indeed the case that we must recognize the current pressures on the U.S. automobile industry, for these are both domestic and import related.

To deal with the import side, Senator BENTSEN and I introduced S. 396, providing for temporary relief from the deluge of Japanese cars entering this market. The AFL–CIO strongly endorsed the bill in their report as "an important step" and urged swift enactment in the Congress.

Many of our colleagues here in the Senate agree.

I ask unanimous consent that the Senator from Nevada (Mr. CANNON) be added as a cosponsor to S. 396.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DANFORTH. Mr. President, this brings to 15 the number of cosponsors to this legislation.

Mr. PROXMIRE addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Wisconsin.

TAX FUNDS GO TO SUPPORT INAUGURAL

Mr. PROXMIRE. Mr. President, I have given my Golden Fleece of the Month award for February to the Presidential Inaugural Committee for taking the taxpayers for a ride. While proclaiming that no public money was spent on the Inauguration, the Inaugural Committee commandeered 1,120 marines, soldiers, sailors and other service personnel to act as chauffeurs and aides to 274 inaugural VIP's as well as several hundred additional inaugural celebrants. The estimated cost to the taxpayer of this chauffeur and escort service, only one of several hidden costs of the inauguration, was $1.8 million.

Of the 1,120 military personnel commandeered for the inauguration, 616 served as drivers, 175 served as personal military escorts for inaugural VIP's, and 329 served as "social aides" on call at the various inaugural festivities.

These military personnel spent the equivalent of 105.4 man-years chauffeuring and escorting inaugural bigwigs around town. While the new administration has proclaimed there is a serious shortage of ships, the man-years used for this purpose could crew an attack submarine at sea for a year.

The military drivers logged an incredible 250,000 miles ferrying members of the Presidential Inaugural Committee and VIP's around Washington. That is the equivalent of driving from Washington, D.C., to Pacific Palisades, Calif.—and back—47 times.

Using Pentagon formulas, salary costs for the 1,120 drivers and aides are estimated at $1.2 million. In addition, the Armed Forces spent at least $600,000 in administrative costs and expenses involved in importing service personnel from as far away as Fort Eustis and Fort Lee in Virginia to act as chauffeurs.

Some Presidential Inaugural Committee members had an Armed Forces chauffeur driving them to and from home from the third week of November until the end of January. That is 2½ months of chauffeur service courtesy of Uncle Sam.

The Presidential Inaugural Committee was far more generous in authorizing chauffeur-driven limousine service to the 274 inaugural VIP's than the law—title 31, section 638a—allows for big shots actually in the Government.

Portal-to-portal limousine service is legally limited to the President, Vice President, and the actual heads of departments—no more than 20 individuals overall in the whole executive branch of the Government—Under Secretaries, Assistant Secretaries, White House staff, and chairmen of regulatory agencies are not included.

In fairness to the military, in the past they have raised the issue of whether these activities were authorized by law but their vigorous objections were overruled by civilian authorities.

The cars and gasoline used for this chauffeur service were donated, but taxpayers paid the salaries of the 616 military drivers while they were ferrying inaugural bigwigs around town.

MILITARY USED AS ESCORTS

In addition to being provided with a personal chauffeur—in many cases on call 24 hours a day—a number of VIP's also had their own military escort. Service personnel were required to have the rank of major or above to be chosen as escorts—although occasional exceptions were made for "a really outstanding captain," according to the Armed Forces Inaugural Committee.

While it is reasonable for the newly elected President and Vice President to be provided with drivers and escorts, is not providing 274 VIP's—including some members of the Kitchen Cabinet—with Government drivers a bit extravagant? We have been told the Kitchen Cabinet wants to cut spending and reduce the size of Government.

After repeated inquiries, the Defense Department supplied my office with statistics on the number of service personnel who acted as chauffeurs and escorts and the number of hours they spent performing those duties. The Presidential Inaugural Committee, however, has not responded to my requests for information, despite a week of repeated telephone calls to the committee by my staff.

Obviously some costs related to the inauguration are necessary. However, there has been a presumption that it was all paid for by private donation. In fact, the records of the Senate Appropriations Committee show the following appropriations dedicated to the inauguration:

Appropriated $1.3 million to the District of Columbia for general inauguration support.

Appropriated $463,000 to the Joint Congressional Inaugural Committee for expenses related to the swearing-in ceremony.

Appropriated $661,000 to the General Services Administration for office space, furnishings, and detail of employees.

HIDDEN COSTS

Including the Armed Forces expenses, the cost to the taxpayer adds up to at least $4 million, a figure which does not include the cost to the Treasury of the tax deductions granted for the $10 million in contributions to the Inaugural Committee.

Because we have been told repeatedly by the Presidential Inaugural Committee that none of the estimated $10 million spent on the balls, parties, and receptions came out of public funds, the taxpayer has been led to believe that no public money was involved in the inauguration. That statement overlooks the hidden costs, such as the military escort and chauffeur service. Including all the costs, we estimate at least $4 million of the public's money was spent on the inauguration, far more—far more—than ever before in the history of the country.

The Presidential Inaugural Committee

was responsible for deciding how many VIP's received taxpayer-funded chauffeurs and escorts. While the new administration was preaching the need for austerity in Government, its Presidential Inaugural Committee was practicing conspicuous consumption.

AUDIO-VISUAL DOCUMENTATION OF HOLOCAUST VICTIMS BY WISCONSIN JEWISH ARCHIVES SOCIETY

Mr. PROXMIRE. Mr. President, the Wisconsin Jewish Archives Society is completing an important project. In December 1979, it began an oral history and photographic documentation of Jewish survivors of the holocaust who resettled in Wisconsin.

These men and women told their stories freely, eloquently, and in great detail, and the hours of interviews were hardly sufficient to contain their experiences and memories. As expected, the conversations were often quite emotional. The survivors told of their terrible suffering. Retrospectives of this kind seek to tell the story fully, so that future generations will never forget, or allow the tragedy to recur.

The Genocide Convention was formulated in this spirit. The world's first human rights treaty, it sought to affirm that the lessons of the holocaust would not be forgotten. Its ratification would constitute an important pledge by the United States. Yet the convention is not self-executing, but part of a two-step process: After ratification, the Congress would then enact legislation prescribing penalties for the crime of genocide. Nothing in the treaty would limit U.S. sovereignity, or increase our military commitments abroad. Both the American Bar Association and the American Civil Liberties Union have affirmed its constitutionality.

The treaty would provide a foundation for future laws and declarations, and also strengthen our credibility when criticizing current human rights violations. Ratifying the genocide convention would be a vital first step in securing our most basic, unquestionable of rights—the right to live.

Let us help insure that we will no longer have the need for holocaust retrospectives—by not having such horrors to look back upon again.

Let us ratify the Genocide Convention.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HAYAKAWA). Without objection, it is so ordered.

OFFICIALS LOOK FOR WAYS COMMUNITIES CAN HELP POOR DURING TROUBLED TIMES

Mr. GRASSLEY. Mr. President, I call the attention of this body to a reaction to the President's budget proposals in one of the larger cities in my State by planning in the private sector to mitigate potential harm that may come as a result of the budget crunch that we will experience as a result of the economic program of this new administration. We know that this economic program is needed and we are also aware of the President's promise that there will be nothing in his economic program—and I think I agree with him at this point—that is going to harm those who have true economic need. Those programs that help the truly needy will be kept intact.

On the other hand, who knows what the future might hold for various programs, and for the future of those who have been helped by some Government programs? For that reason, I would like to recognize and applaud a meeting that took place in Waterloo, Iowa, on February 17, in which 40 representatives of social service organizations, churches, and other groups met to discuss what community action might be taken to meet some unpredictable demands for help for the truly needy.

One of the suggestions that came out of this meeting was the establishment of a food bank, a cooperative effort to gather monetary resources, as well as surplus food that is edible but maybe not salable. That food bank can be used to meet the nutritional needs of those who otherwise might not have their needs met. I call attention to this article in the Waterloo Courier and ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

OFFICIALS LOOK FOR WAYS COMMUNITY CAN HELP POOR DURING TROUBLED TIMES

(By Mark Klein)

As government money for poverty programs decreases or fails to increase, communities most likely will be asked to take up the slack.

That's the main theme developed Tuesday at a four-hour meeting in Waterloo of about 40 representatives of social service agencies, churches and other groups.

A committee was formed to establish a community food bank, which would collect, store and distribute unsaleable but edible food to needy people in the area.

Another group was set up to investigate what non-government sources of funds are available to help poor people meet the ever-increasing expenses for heating.

One sub-theme of the meeeting was that churches must renew their responsibility for the poor as funds for social service programs dwindle.

President Reagan's speech this Wednesday night will be watched intently to learn which programs will be pared. Some, such as food stamps, are expected to be cut.

"The problems of the poor people remain, even if the federal government isn't going to deal with them," said Steven Bishop, acting director of the anti-poverty agency Operation Threshold.

"The needs of poor people are increasing due to inflation, the high cost of living and other reasons," said Bishop, who was one of six people on a panel at the meeting.

The number of people using food stamps, for example, has increased in the last year in Black Hawk County, according to Reda Carmichael of the Department of Social Services.

This January, 4,761 households in the county involving 10,668 people divided up food coupons worth $461,617.

That's up from the 1980 figures for January of 3,851 households involving 9,230 people using $316,803 worth of coupons.

Not only is the demand for food stamps high, Mrs. Carmichael said, the coupons also are being used as the sole tool for buying food, instead of as a supplement.

Add to that any emergency situations that crop up (the quickest one can get food stamps is three days), and the need for a community food bank is there, she said.

"A food bank is practically going to be a necessity to meet the needs of poor people," said Mrs. Carmichael, who also was on the panel.

To get the food bank going, a storage building with coolers and freezers would need to be donated, according to Tammy Schnock of the Black Hawk-Buchanan Poor Peoples Coalition.

Miss Schnock, another panelist, estimated the start-up cost for the food bank at between $4,000 and $5,000. A full-time manager would be needed at the food bank, which also would make use of volunteers.

The food would be distributed to meal sites and individuals.

If set up properly, the food bank could conceive commodities from across the country as well as from area sources.

Food stamps and Aid to Dependent Children are continuing income programs. Once a person qualifies, he stays on as long as his income situation doesn't change.

But the programs set up to help people heat their homes are one-shot grants.

Operation Threshold is about finished with taking applications for nearly $1.4 million in energy assistance grants for a three-county area. The maximum grant is $150, which may not be enough in some situations.

When a furnace goes out, the $150 won't cover the total cost, which could go as high as $3,000. If unpaid utility bills are $500, the $150 falls short.

Other agencies, such as County Relief and Veterans Affairs, are using up their money quickly to meet the needs Threshold cannot.

Churches and private sources of funds may have to be sought to fill in the gaps that government-funded programs can't take care of, the group agreed.

Panelist Ernie Fleuette, district supervisor of Catholic Charities, said some churches are involved with helping the poor, but others are not.

He said his job recently has been one of "sensitizing parishes to the responsibilities for their brothers and sisters."

With the expansion of governmental social service programs, churches have become less sensitive to the needs of poor people, he said.

He said activities such as the food bank and extra heating assistance should be started soon, "so if these (government funded) programs do collapse, the community can take over."

"I really think we should pull ourselves together," Fleuette said.

Mr. GRASSLEY. Mr. President, I suggest that Members read this article in hopes that it will bring attention to an effort of people to help themselves. I also call it to the attention of President Reagan and people in his administration, and suggest efforts to encourage, work with, and facilitate private sector efforts to fill a void that may be caused by a readjustment of the budget.

In a very real sense, when, in times of need, resources in this country may be limited, particularly if high taxes have a detrimental impact on the economy, a budget crunch may require Americans to work more closely together.

I think this example of people in my State trying to anticipate need and cooperate to meet that need is one effort that we ought to applaud. I urge people

throughout this great Nation to have dialog along that same line.

Mr. President, I yield back my time.

EXTENSION OF TIME FOR ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that the time for morning business be extended for 30 minutes under the same conditions as previously ordered.

The PRESIDING OFFICER. Without objection, it is so ordered.

TAX EXPENDITURES—ANOTHER CANDIDATE FOR BUDGET CUTS

Mr. BAUCUS. Mr. President, for over a month, Washington has been filled with rumors, press accounts, and discussion about budget cuts. The unfolding story of President Reagan's economic proposals has preempted debate on virtually every other issue.

I want to at this point say I strongly support the effort to cut Federal spending, and I support a tax cut. I think we need it. But I want spending and tax cuts that are fair and evenhanded.

Everyone is talking about what programs are going to be slashed by the new administration. But few are discussing the scores of tax breaks that have been built over the years into the tax code.

The fair way to make a tax cut possible is to reduce both unnecessary spending and tax expenditures that benefit the few, and use these savings to provide a significant tax cut to all Americans.

This Nation's tax system was designed to raise the money the Federal Treasury needs to pay for all the programs, benefits, and services the Federal Government provides.

In his February 18 speech to Congress and the Nation, President Reagan reinforced that point. He said:

The taxing power of the government must be used to provide revenues for legitimate government purposes. It must not be used to regulate the economy or bring about social change. We've tried that and surely must be able to see it doesn't work.

Most students of the tax system would agree with this assessment. The tax system now is being used to carry a far heavier burden.

It has become a mechanism for achieving a whole host of social and economic objectives.

There are over 100 tax loopholes or tax expenditures now part of the tax code. They range from tax credits for people who install solar heating and cooling devices in their homes, to being able to deduct home mortgage interest.

There are tax incentives designed to help preserve historic buildings, and capital gains tax breaks for a whole host of products. I ask unanimous consent that a full list of these tax expenditures be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TABLE G-1. TAX EXPENDITURE ESTIMATES BY FUNCTION

(In millions of dollars)

Description	Fiscal years					
	Corporations			Individuals		
	1980	1981	1982	1980	1981	1982
NATIONAL DEFENSE						
Exclusion of benefits and allowances to Armed Forces personnel				1,470	1,585	1,715
Exclusion of military disability pensions				135	170	200
INTERNATIONAL AFFAIRS						
Exclusion of income earned abroad by U.S. citizens				555	640	665
Deferral of income of domestic international sales corporations (DISC)	1,430	1,600	1,830			
Deferral of income of controlled foreign corporations	450	480	520			
GENERAL SCIENCE, SPACE, AND TECHNOLOGY						
Expensing of research and development expenditures	1,760	2,015	2,230	35	40	45
ENERGY						
Expensing of exploration and development costs:						
Oil and gas	1,505	1,875	1,895	670	860	1,030
Other fuels	20	25	25			
Excess of percentage over cost depletion:						
Oil and gas	370	545	535	1,120	1,580	1,725
Other fuels	455	530	540	20	20	25
Capital gains treatment of royalties on coal	10	10	10	70	80	90
Exclusion of interest on State and local government industrial development bonds for certain energy facilities	(*)	(*)	5	(*)	(*)	5
Residential energy credits:						
Supply incentives	(*)	(*)	5	55	115	190
Conservation incentives				430	425	420
Alternative, conservation and new technology credits:						
Supply incentives	140	220	290	10	15	20
Conservation incentives	190	305	375			
Alternative fuel production credit	5	25	55			
Alcohol fuel credit [1]		(*)	(*)		(*)	10
Energy credit for intercity buses [2]	(*)	5	5			
NATURAL RESOURCES AND ENVIRONMENT						
Expensing of exploration and development costs, nonfuel minerals	20	25	25			
Excess of percentage over cost depletion, nonfuel minerals	345	390	380	15	15	15
Exclusion of interest on State and local government pollution control bonds	425	490	500	210	230	255
Exclusion of payments in aid of construction of water, sewage, gas and electric utilities	60	110	110			
5-yr amortization on pollution control facilities	15	35	65			
Tax incentives for preservation of historic structures	10	20	30	25	45	70
Capital gains treatment of iron ore	10	10	10	10	10	10
Capital gains treatment of certain timber income	420	470	535	120	135	150
Investment credit and seven-year amortization for reforestation expenditures		(*)	10		(*)	(*)
AGRICULTURE						
Expensing of certain capital outlays	75	80	85	430	475	545
Capital gains treatment of certain income	20	25	25	385	405	425
Deductibility of noncash patronage dividends and certain other items of cooperatives	540	625	630	−175	−190	−200
Exclusion of certain cost-sharing payments				30	75	80
COMMERCE AND HOUSING CREDIT						
Dividend and interest exclusion				430	1,325	3,170
Exclusion of interest on State and local industrial development bonds	730	1,000	1,245	180	230	310
Exemption of credit union income	110	115	125			
Excess bad debt reserves of financial institutions	470	340	470			
Exclusion of interest on life insurance savings				3,490	4,080	4,770
Deductibility of interest on consumer credit				4,745	5,260	6,040
Deductibility of mortgage interest on owner-occupied homes				15,615	19,805	25,295
Deductibility of property tax on owner-occupied homes				7,310	8,915	10,920
Exclusion of interest on State and local housing bonds for owner-occupied housing	245	470	655	202	370	565
Expensing of construction period interest and taxes	555	585	615	140	160	160
Excess first-year depreciation	50	50	55	135	145	150
Depreciation on rental housing in excess of straight line	75	80	80	310	330	350
Depreciation on buildings (other than rental housing) in excess of straight line	135	140	150	120	125	135
Asset depreciation range	2,880	3,585	3,895	150	180	225
Capital gains (other than agriculture, timber, iron ore and coal)	715	940	1,020	15,415	16,230	18,990
Deferral of capital gains on home sales				1,010	1,110	1,220
Exclusion of capital gains on home sales for persons age 55 and over				535	590	650
Capital gains at death				4,750	5,085	5,440
Surtax exemption (through 1978)	110					
Reduced rates on the first $100,000 of corporate income	7,210	7,395	7,590			
Investment credit, other than ESOP's and rehabilitation of structures and energy	15,200	16,395	17,340	3,050	3,130	3,425
Investment credit for rehabilitation of structures						
Amortization of start-up costs		(*)	10		20	65
TRANSPORTATION						
5-yr amortization on railroad rolling stock	−40	−40	−40			
Deferral of tax on shipping companies	75	75	75			
COMMUNITY AND REGIONAL DEVELOPMENT						
5-yr amortization for housing rehabilitation	5	10	15	10	15	20
Investment credit for rehabilitation of structures	120	145	160	60	65	65

Description	Fiscal years					
	Corporations			Individuals		
	1980	1981	1982	1980	1981	1982
EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES						
Exclusion of scholarship and fellowship income				355	410	490
Exclusion of interest on State and local student loan bonds	30	55	85	15	25	40
Parental personal exemption for students age 19 or over				1,030	1,045	1,055
Exclusion of employee meals and lodging (other than military)				350	380	410
Employer educational assistance				30	35	40
Exclusion of contributions to prepaid legal services plans				20	35	10
Investment credit for ESOP's	695	770	820			
Deductibility of charitable contributions (education)	305	310	310	785	950	1,150
Deductibility of charitable contributions, other than education and health	375	385	385	5,895	7,135	8,630
Maximum tax on personal service income				1,320	1,655	2,105
Credit for child and dependent care expenses				885	1,025	1,175
Credit for employment of AFDC recipients and public assistance recipients under work incentive programs	45	50	50	5	10	10
General jobs credit	190	85	25	(*)		
Targeted jobs credit	130	255	150	25	50	30
HEALTH						
Exclusion of employer contributions for medical insurance premiums and medical care				12,075	14,165	16,610
Deductibility of medical expenses				3,150	3,580	4,080
Exclusion of interest on State and local hospital bonds	285	395	450	140	185	220
Deductibility of charitable contributions (health)	190	195	190	1,180	1,425	1,725
INCOME SECURITY						
Exclusion of social security benefits:						
Disability insurance benefits				690	815	955
OASI benefits for retired workers				6,890	9,020	11,265
Benefits for dependents and survivors				1,015	1,250	1,480
Exclusion of railroad retirement system benefits				320	380	435
Exclusion of workmen's compensation benefits				2,200	2,675	3,260
Exclusion of special benefits for disabled coal miners				90	100	105
Exclusion of untaxed unemployment insurance benefits				3,350	5,275	4,530
Exclusion of public assistance benefits				390	465	510
Exclusion of disability pay				170	170	170
Net exclusion of pension contributions and earnings:						
Employer plans				19,785	23,605	27,905
Plans for self-employed and others				1,925	2,105	2,305
Exclusion of other employee benefits:						
Premiums on group term life insurance				1,675	1,855	2,055
Premiums on accident and disability insurance				90	100	105
Income of trusts to finance supplementary unemployment benefits				15	20	20
Additional exemption for the blind				30	30	30
Additional exemption for elderly				2,040	2,260	2,505
Tax credit for the elderly				130	125	120
Deductibility of casualty losses				570	715	895
Earned income credit [3]				720	635	755
Exclusion of interest on State and local housing bonds for rental housing	135	195	240	175	255	315
VETERANS BENEFITS AND SERVICES						
Exclusion of veterans disability compensation				1,065	1,300	1,575
Exclusion of veterans pensions				75	85	95
Exclusion of GI bill benefits				190	180	160
GENERAL GOVERNMENT						
Credits and deductions for political contributions				80	100	80
GENERAL PURPOSE FISCAL ASSISTANCE						
Exclusion of interest on general purpose State and local debt	3,300	4,035	4,315	1,625	1,885	2,165
Deductibility of nonbusiness State and local taxes other than on owner-occupied homes				14,690	18,405	23,060
Tax credit for corporations receiving income from doing business in U.S. possessions	905	1,005	1,095			
INTEREST						
Deferral of interest on savings bonds				80	−75	335
MEMORANDUM—COMBINED EFFECT OF PROVISIONS DISAGGREGATED ABOVE						
Capital gains	1,175	1,455	1,600	22,295	23,645	26,975
Exclusion of interest on State and local debt	7,150	9,025	10,020	3,565	4,340	5,195
Deductibility of State and local nonbusiness taxes				20,495	25,480	31,680
Deductibility of charitable contributions	870	890	885	7,860	9,510	11,505
Itemized deductions [4]				40,915	50,955	62,315
Deductibility of mortgage interest and property tax on owner-occupied homes				22,170	28,065	35,465
Benefits for the elderly [5]				10,320	12,965	15,760
Fringe benefits [6]				35,010	41,335	48,550
Government benefits and payments [7]				18,280	23,765	26,450

*$5,000,000 or less. All tax expenditure estimates have been rounded to the nearest $5,000,000.

[1] In addition, the exemption from the excise tax for alcohol fuels results in a reduction in excise tax receipts of $50,000,000 in 1980, $120,000,000 in 1981, and $190,000,000 in 1982.

[2] In addition, the exemption from excise tax for buses, bus parts and certain items used in connection with buses results in a reduction in excise tax receipts of $40,000,000 in 1980, $50,000,000 in 1981, and $50,000,000 in 1982.

[3] The figures in the table indicate the effect of the earned income tax credit on receipts. The effect on outlays is: 1980, $1,275,000,000; 1981, $1,205,000,000; 1982, $1,115,000,000.

[4] Interest on consumer loans; mortgage interest and property taxes on owner-occupied homes; charitable contributions; medical expenses; casualty losses; nonbusiness State and local taxes other than on owner-occupied homes.

[5] Exclusion of social security and railroad retirement plus the additional exemption and tax credit for the elderly.

[6] Employer contributions for medical insurance, medical care, pensions and earnings plus premiums on group life, accident and disability insurance.

[7] Exclusion of military benefits, allowances, and disability pensions; OASDI disability insurance; OASI for retirees, dependents and survivors; Railroad retirement; workmen's compensation, benefits for disabled coal miners; untaxed unemployment benefits; public assistance benefits; veterans disability compensation pensions, and GI bill benefits.

Mr. BAUCUS. Mr. President, these expenditures are, in effect, direct spending programs, but historically, they have escaped congressional review. As the old saying goes, "once a tax loophole, always a tax loophole."

The first tax expenditure budget in 1968 consisted of just 40 items and amounted to $44 billion. That is, in 1968 there were 40 deductions, credits, and exemptions, and they amounted to spending $44 billion. Today that list has reached over 100 items, up from 44, and amounting to now over $310 billion.

Equally astounding is the fact that since 1975, just 6 years ago, the revenue losses resulting from tax expenditures are rising faster, 14 percent a year, than direct outlays which are rising at 11 percent.

Between 1980 and 1981 alone, tax expenditures rose nearly 20 percent.

I am not opposed to tax expenditures. Sometimes this is the most effective way to accomplish an objective.

But if we are really serious about cutting Government spending we also must look critically at the maze of special tax breaks that have become part of the tax system.

We all know there is waste and fat in Federal programs that receive direct Federal funding. But I am convinced that some tax expenditures need to be revised or eliminated.

Unfortunately, so far the Reagan administration has ignored this area. I hope it will change its perspective in the next weeks, months, and years ahead on this issue.

These exclusions and deductions in our Tax Code favor the rich over the middle-class and lower income people. This is because our income tax system is progressive. The higher a taxpayer's marginal rate, the greater the tax subsidy. While direct Government spending programs generally target assistance based on need, tax expenditures target assistance to those least in need.

Last week, David Stockman, the President's Budget Director appeared before the Joint Economic Committee and was confronted with the observation that rich oxen were not really gored, in the President's proposed spending cuts.

Mr. Stockman replied that he had made strenuous efforts in going through the budget to find rich oxen to gore. But he did not find very many, because apparently over the last 10 or 15 years, in his view, "the Congress has not been voting much welfare for rich people."

I challenge Mr. Stockman. How hard did he really look for rich oxen? Did he examine any of the 100 tax loopholes that primarily subsidize the well-to-do? Can he tell me why nearly one-third of the Federal budget is not scrutinized for reductions in spending?

It is simply not true to state that the Reagan plan is evenhanded when virtually no tax breaks are adjusted.

I wholeheartedly support the President's efforts to reduce Government

spending, to trim the Federal deficit and to regain control over the economy.

But I do not want to support a program that is not fair to all Americans.

I propose that we take a look at tax expenditures. There is a way to cut these costs. A 5-percent, across-the-board cut would result in a savings of $10 to $15 billion.

More importantly, by cutting these tax expenditures, we would be able to reduce the Federal deficit—and thereby eliminate one of the underlying causes of inflation.

There are some who mistakenly maintain that even to mention the term "tax expenditures" implies a belief that all funds belong to the Government and that it is only through the Government's grace that individuals and businesses get to keep any of their incomes.

In fact, however, just the opposite is true. Tax expenditures may lighten the tax burden of their beneficiaries, but they inevitably also must increase the burden on everyone else.

It is my concern that the majority of taxpayers get to keep more of their incomes which prompts a focus on tax expenditures, just as the same concern is now causing a focus on direct spending.

Furthermore, tax expenditures are like entitlement programs—they are open ended and it is difficult for Congress to limit their cost.

If we desire to control the budget and Government spending and to seek efficiency in Federal programs, a focus on tax expenditures—the fastest growing in the budget—is essential.

The Internal Revenue Service is efficient, but it cannot do everything and remain efficient. If it is administering countless programs outside its own bailiwick, it will be less able to administer successfully its own program—a situation which we are already facing.

We have made great strides in simplifying the tax laws for the majority of taxpayers, but for many the laws remain necessarily complex. If, by adding tax expenditures, we make the system even more complex—perhaps impossibly so—we risk serious dangers.

The argument that tax expenditures do not involve Government handouts cannot be accepted. Obviously, money is involved; why else do interested parties seek the tax expenditures? And these lost funds reduce revenues and increase the deficit.

Nor can we accept the argument that when tax expenditures are used bureaucrats and redtape are avoided. A revenue agent is a bureaucrat, and the tax law has its own redtape. How much bureaucracy and how much redtape there must be is a matter of program design, not a feature of who administers the program.

I believe Americans are ready and willing to make sacrifices as part of this effort to get our country moving again. But I also believe that these sacrifices must be fair and equitable. Everyone must be asked to sacrifice—not just a few.

Is ask unanimous consent that an editorial that appeared in the Christian Science Monitor on February 1 on the subject of tax expenditures be printed in the RECORD at this point, along with a recent column by Richard Cohen, which appeared in the Washington Post.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Christian Science Monitor, Feb. 17, 1981]

CUT TAX EXPENDITURES, TOO

Recently we listed in this space some items on the budget-cutting menus of President Reagan, the Congress, and outside think tanks that seemed to make a sensible package.

Today, in advance of the President's own budget speech, let's look at a sometimes hidden budget drain—what the Congressional Budget Office calls "tax expenditures." They are so named because they are, the CBO says, "equivalent to direct payments by the federal government" to individual taxpayers.

These tax revenue losses have been rising more rapidly (14 percent a year since 1975) than the government's direct spending (11 percent). The total amount of loss in this category is estimated by the CBO at more than $200 billion for fiscal 1981, equal to about a third of the federal budget. Unlike the government's direct budget expenditures, these tax revenue losses grow each year without congressional appropriation. In this, they run parallel to the insidious "bracket creep" which propels taxpayers, rich and poor, into higher brackets as their money inflates in numbers but not in buying power.

Of course the "bracket creep" in the case of these $200 billion in tax losses has the opposite effect. It tends to give escalating tax relief to those individuals and corporations who are eligible for tax exceptions. Many of these exemptions and deductions continue long after the initial economic justification has disappeared, or continue when their goals could be achieved less expensively.

President Reagan has called for a comprehensive review of both spending and taxation. He has warned that all segments of society will be called upon to sacrifice. So it will not be surprising to discover that Congress is looking at both types of bracket creep. If so the law writers ought to be balancing all factors in the interest of fair sharing of sacrifice—with the hope of increased real wealth for all in the future.

Some of the items in the $200 billion revenue loss or "tax expenditure" are so built into contemporary life that any review is bound to be contentious. Four prominent examples are: consumer-credit interest deductions, tax-exempt municipal bonds, home-mortgage interest deductions, and nontaxation of unemployment benefits.

The temptation for any of us is to say: go ahead on taxing unemployment benefits but don't touch municipal bonds—or vice versa—depending upon one's position in society. It would appear that any examination of these parts of the tax structure would pit upper-bracket Americans against unemployed wage earners; time-payment buyers against house mortgage holders, etc.

But Americans can, and should, avoid emotional divisions and look at the facts dispassionately. Only that way can we proceed with the national reordering of priorities that is inherent in the Reagan call for massive budget and tax cutting. There are going to be trade-offs. Sacrifices, especially society-wide ones, operate that way. But the aim of economy, greater efficiency, less bureaucracy, and long-range gain for all make the trade-offs worthwhile.

For instance, the tax-writers in Congress may gulp and take a look at the deduction for mortgage interest. There is a huge constituency for this deduction. But, if most Americans are going to get a big tax cut, perhaps they will countenance their lawmakers' looking at an upper limit on the amount of interest that might be deducted. The CBO calculates that if an annual ceiling of $10,000 were set, the federal budget would be saved $800 million for fiscal 1982. If the ceiling were lowered to $5,000, the saving would be $4.3 billion.

Obviously any such pruning would have to be approached carefully. No one would wish to make home buying impossible for the next generation. Although it is more complicated than can be detailed here, in theory, any lowering of the deduction would also result in lowering skyrocketing home real estate prices. (Canada, which has no deduction, has comparably lower housing prices.) It would tend to discourage excessive speculative buying. But any venture in this direction should be undertaken slowly, since its effects might be less predictable than the statisticians believe. It could also, for instance, create hardships for families which are heavily in debt for their homes.

There is presumably an equally large constituency for the consumer interest deduction (although only 17 percent of taxpayers claimed this deduction in 1979). But here, too, big money is involved—about $6 billion next year; some $39.6 billion over the next 5 years. The question here is whether all taxpayers should, in effect, support credit buying by the relatively small number who benefit from this deduction. As long as this money-saver has existed, it has made good sense for people to use it. But if Americans are to return to habits of saving and investment—in the path of both their ancestors and their counterparts in Western Europe and Japan—this might be a useful place to start.

A smaller constituency exists for the tax-free state and municipal bond. That device has served two purposes: (1) to help communities borrow at cheaper rates and thus benefit local property taxpayers, and (2) to help upper-bracket taxpayers diminish the impact of 50 to 70 percent income taxation. If Congress examines this exemption it ought to do so with an eye to improving revenues ($6 billion is involved) while not destroying the dual benefits.

Suggestions have been made that local government units might be given the option of using the current low-interest, tax-free system or shifting to prevailing rates of bond interest and receiving a federal subsidy to make up the difference. This would make sense only if the federal subsidy turned out to be appreciably less than what is lost in taxes. And much of any benefit could be drained away if this change resulted in a new layer of federal bureaucracy to administer the subsidies. On the other side, high-bracket taxpayers might feel better about this proposal if their brackets were lowered, as Reagan planners say they wish.

A fluctuating-sized constituency would be concerned over proposals to tax unemployment benefits. Tax law was changed in 1978 to make a portion of unemployment compensation taxable for those with incomes of over $20,000 (single) or $25,000 (married couples). To make all the compensation taxable might result in raising the compensation (since it was originally calculated to be nontaxable). The trade-offs would have to be carefully weighed. But to tax these benefits would bring a revenue gain of $17.8 billion between 1983 and 1986. The Congressional Budget Office suggests that the result might also be a lessening of the work disincentives associated with the benefits.

The list could go on, as the debate must. Even where tax expenditures serve a necessary purpose, that purpose can sometimes be achieved more economically through direct subsidy. Cost, fairness, ease of administration, and what the CBO calls "budget visibility and controllability" are among the criteria for deciding which method is best in each circumstance.

[From the Washington Post, Feb. 24, 1981]

MEA CULPA, MEA CULPA, I'M PART OF A TAX RIP-OFF

(By Richard Cohen)

It is time to confess.

Oh please forgive me because I really want that tax break Ronald Reagan is promising and because sometimes I really do think the poor are taking advantage of the system and that things are really getting awful and that something has to be done and I am, sort of, on Reagan's side. But there are things I have to confess.

I have to confess that a lot of the time I eat lunch for free. I take someone to lunch and I discuss business a bit and then I pay for him or her, put the tab on my expense account and then have the company pay for it. Then the company deducts it from its taxes so we all wind up paying for my lunch—you, me and the very poor, assuming you are not the very poor.

I have more to confess. I know of worse outrages than the poor who cheat on welfare and the kids who don't deserve food stamps and the people who take advantage of government and don't do any work. I know people who take their girlfriends or their mistresses to lunch, put it on their expense accounts and wind up having the government pay for some of it. I know people who work for themselves and then just deduct almost every meal from their taxes.

I have even more to confess. I know someone who bought a yacht that he uses just part of the time. The rest of the time he rents it out to a company that charters it to still other people. It's a tax dodge. It's perfectly legal and probably the people who rent the yacht from the company that charters it deduct the cost from their taxes. It's legal for them, too. This is called smart business. When the poor do it it's called cheating.

Oh I have even more to confess. I deduct the interest on my mortgage. I am entitled to do it and so I do it and it was this deduction that forced me to stop being a renter and become an owner. If you are poor, you cannot become an owner and so you cannot take this deduction.

If the poor were getting away with what the rich are getting away with, someone in Congress would introduce a bill to stop it all from happening. They would say something about how it's ruining the fabric of society. Time Magazine would make it the cover story. I would buy it and believe it—and deduct the cost of the magazine. This is something else I confess.

I confess also that I deduct the newspapers I might buy anyway and the books that I cherish. I do not belong to any clubs, but if one would have me and I did belong, I probably would deduct the cost of that also. Either that, or my company would pay for it and it would deduct it from its taxes. It's okay. Its always okay when the rich do it. Only the poor rip off the government. Those are the rules.

I confess that I sometimes do not understand why I am allowed to deduct for things that I would buy anyway. I confess that I do not think it's fair that some guy has to buy his lunch and I can get mine free and I confess that a good deal of the time I think I have all this coming—that I am entitled to it. I lose sight, I think, of what is really fair and really right and I start to think that if it benefits me, it has to be right and fair. I know lots of people like that. By and large, they won the last election.

I know, of course, that there is more to tax law than just what is fair and equitable. There is the little matter of making policy, of encouraging the housing industry, say, or wanting to help people who will take some financial risks—like drilling for oil. I understand all that and I suppose it is a good idea, but I have to confess that I feel a bit guilty when I get worked up over something like welfare fraud and discuss it, say, over a swell lunch that the government has just helped me buy.

There is more for me to confess. I confess that I know a man who earns more than $100,000 a year and paid something like $4,000 in taxes. He deducts almost everything. I know people who have summer homes, rent them most of the year, stay in them something like two weeks, and save a bundle on taxes. They deduct, they depreciate, they finagle and they fib a little and when all is said and done the government pays for their house. So nice of us to do that for them.

I confess I have yet to hear anyone in the Reagan Administration talk of saving money by closing these loopholes. I confess I take advantage of these loopholes and I confess, further, that if it were not for the government, I might not be able to afford my house or, for that matter, my lunches.

I'll repent. I'll take a poor person to lunch.

Mr. BAUCUS. Mr. President, unless the Senator from Oklahoma desires to speak, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PRESSLER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE HEARING ON THE LAW OF THE SEA TREATY

Mr. PRESSLER. Mr. President, I wish to alert my colleagues that on Thursday, March 5, from 9 a.m. to 12 noon in Dirksen 4221, a Foreign Relations Subcommittee hearing on the Law of the Sea Treaty will be held. Also, I have sent a letter to President Reagan giving him my assessment that the present draft treaty probably would not pass the Senate without his personal involvement. Therefore, I hope our Nation does not get into the embarrassing position of initialing a treaty which does not have the President's fullest support.

In the letter I warn the President that in my judgment the present treaty would have great difficulty in passing the Senate. I think we should know that and make an assessment as to where we are going with that Law of the Sea Treaty at this time.

Mr. President, I ask unanimous consent that my letter to President Reagan be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C., February 23, 1981.

The PRESIDENT,
The White House.

DEAR MR. PRESIDENT: As Chairman of the Subcommittee on Arms Control, Oceans, International Operations, and Environment, I would like to express my concern about the forthcoming session of the Law of the Sea Conference in New York. This session is apparently regarded by many participants as the final substantive negotiating session of the Conference. Therefore, it is critical that the United States delegation enter into the New York session with clear instructions as to the final changes which must be achieved in the draft treaty to make it politically acceptable to this country. In my judgment the present treaty would have great difficulty in passing the Senate. If it is to pass the Senate, it will require your personal participation from this time forward.

I understand that a review of the United States position in these negotiations is presently in process under your supervision. I think it is critical that such a review be completed in time to formulate instructions for our delegation which truly reflect the long-term position of the Reagan Administration on these issues. It would be tragic for the United States to participate in this session on the basis of preliminary or interim instructions which do not reflect through deliberations and a considered consensus within the Reagan Administration which adequately reflects the concerns voiced by Congress and others.

Specific Congressional concerns about these negotiations have generally focused on the deep seabed mining aspects of the draft treaty. While I acknowledge the many other critical issues at stake in these negotiations and possible trade-offs required to achieve a comprehensive agreement, I do believe that certain minimum standards must be met in the seabeds provisions.

In particular, the general criterion of assured access for private enterprise is critical to future Senate approval of a Law of the Sea Treaty. The formulation set out in Title II of the Deep Seabed Hard Minerals Act of 1980 received widespread support. I trust that the U.S. delegation will be prepared to insist upon provisions which make clear the basic protections called for in that legislation.

After so many years of painstaking negotiations, the United States cannot afford to mislead the rest of the world about its willingness to enter into the treaty which emerges from the Law of the Sea Conference. If additional negotiating sessions are required to satisfy our concerns, it is essential that we not be pressured into accepting the present text simply because of the understandable impatience of some participants to conclude a treaty this spring. It is important that our conditions for final approval be clear to all.

At the same time, the United States must proceed with great care and skill to assure that the advantages of a comprehensive agreement are not lost through the complete breakdown of negotiations.

I urge you, therefore to take a direct and continuing interest in the formulation and presentation of the United States position at the forthcoming session of the Conference.

With best regards,
Sincerely,

S/LARRY PRESSLER.

HUMAN RIGHTS

Mr. PRESSLER. Mr. President, recently I had the opportunity to travel to Brazil, Argentina, and Peru. I know that the human rights question is very great in at least Brazil and Argentina.

I was convinced that great progress has been made. In fact, we had a meeting with the incoming president of Argentina, who said that an accounting will be given for some of the disappeared.

Let me also say that I was very much impressed by the sincerity of the leaders. Perhaps our country sort of has a double standard in some instances. But throughout our visit, particularly the Argentineans were very forthcoming in discussing this matter and I went away convinced that they have made great progress.

Indeed, I am one who hopes that our country is not setting impossible standards that even we do not meet ourselves in some of these areas.

ANTI-SEMITISM

Mr. PRESSLER. Mr. President, the despicable scourge of anti-Semitism continues to plague our own society and the rest of the world. Nowhere is this bigotry more rampant than in the Soviet Union, where official policy condones mistreatment of Jews.

However, there are alarming signs that anti-Semitism is on the rise once again in free societies. Last year the Anti-Defamation League of B'nai B'rith reported 377 anti-Semitic acts in the United States. This is unacceptable behavior in a civilized society. Fortunately, these episodes of American anti-Semitism are not condoned by American law. But this fact does not make those acts any more acceptable, and those of us in official positions must be alert against this evil.

The work of the Anti-Defamation League has helped to educate the American people of all faiths and creeds to a better understanding of Jewish religious and cultural traditions. They should be commended for their vigilance in keeping us all informed of the tragedy of anti-Semitism.

Mr. President, I ask unanimous consent that a recent Newsweek article on the subject of anti-Semitism be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AGAIN, ANTI-SEMITISM

Charles Benjamin, a leader of the Jewish community in his quiet, suburban New Jersey town, came home to find bright red swastikas painted on his back door. The outdoor furniture had been dumped into the pool. The mailbox had been looted. "My knees buckled," Benjamin later told a television interviewer. "I sat down on the ground, not believing that this could happen in . . . my little patch in the United States."

Anti-Semitism is an ancient story that is suddenly making news across the United States. The Anti-Defamation League of B'nai B'rith reported 377 anti-Semitic "episodes" in 1980, a nearly threefold increase in one year. Most of these sporadic incidents involved little more than scrawled graffiti or vandalism, but there were also ten cases of arson, four firebombings and several death threats. No one has been killed or seriously injured, and no evidence suggests a campaign of any scale; most of the incidents have been juvenile pranks. Yet many American Jews are worried. "Hitler started with a handful of people and paint brushes," says Jeffrey Maas of the ADL in New Jersey. And many government officials agree that the incidents cannot be shrugged off. "There is a tendency . . . to treat incidents of anti-Semitic or racial vandalism as isolated acts of mischief," warns New Jersey Attorney General John J. Degnan. "Unfortunately . . . these acts may represent deep-seated racial and religious hatred."

To combat the flurry of anti-Semitic incidents, Degnan and other law-enforcement officials around the country have stepped up their investigations, often forming special police and prosecution units. Many Jewish leaders have begun holding seminars on bigotry and rallies against anti-Semitism, such as the one that drew 3,000 people in California's San Fernando Valley a fortnight ago. Not satisfied with these steps, Jewish militants have redoubled their own controversial efforts at self-defense—patrolling Jewish neighborhoods and training Jews in the use of high-powered rifles and pistols.

Some Jewish organizations are reluctant to read too much into the new statistics of anti-Semitism, noting that vandalism and violent crime are on the rise generally. "It will take another year of monitoring to find out what the numbers actually mean," says a spokesman for the American Jewish Committee in New York. Other Jews see the low-level violence and harassment as part of a larger pattern. With mounting alarm, they note the renewed organizing efforts of the Ku Klux Klan and American Nazi Party, the tone of some of the criticism of Israel in the United Nations and above all the bloody attacks on Jews in several European cities last year. "There is a feeling," says Murray Wood, an executive of the Jewish Federation Council of Greater Los Angeles, "that all roads somehow lead to Auschwitz."

Anti-Semitism in the United States today hardly compares in virulence with the anti-Jewish attitudes and actions in the 1920s and 1930s. Then, Henry Ford's Dearborn Independent (circulation: 700,000) ran anti-Semitic diatribes with headlines such as Jewish Gamblers Corrupt American Base-Ball. More damaging, unstated quotas and restrictions kept Jews out of schools, jobs, neighborhoods and hotels. Today, most such barriers have fallen, and many public-opinion polls show a continuing decline in prejudice against Jews. In one survey last year, for example, only 8 per cent of those questioned thought Jews had "too much political influence."

But other polls indicate a persistent suspicion and distaste for Jews as "pushy, clannish, unethical." In "Anti-Semitism in America," published two years ago, authors Charles Y. Glock and Harold E. Quinley reported that a third of Americans share such negative attitudes—about the same number, according to a more recent poll, that suspect Jews of being more loyal to Israel than to the United States.

Alan Sandler and his bride, Zipporah, had just returned from their honeymoon in New York City. The mailbox of their Cranston, R.I., home was brimming with congratulatory cards. One was decorated with two lovebirds on the front. But inside was a swastika and the words: "We are back."

Many experts blame the nation's economic problems for the new signs of anti-Semitism. "Times of distress, social unrest and economic depression [are] often preliminary to outbreaks of anti-Semitism," explains the Rev. Edward H. Flannery, author of another book on the subject, "Anguish of the Jews." In hard times people find it comforting to have a scapegoat, Flannery says, "and they always look in the direction of the Jews." In the spotlight of full media coverage, one episode often leads to others. Says New York City police official Patrick J. Murphy: "The incidents feed off each other. The kids read about themselves . . . and any dope can see himself immortalized."

In three days last month, officials at the University of Florida in Gainesville found thirteen examples of anti-Semitic graffiti on campus. After the wife of university president Robert Marston spoke out forcefully against such bigotry, her telephone rang. "This is the Florida-wide organization of Hitler," said the caller. "I am going to kill you."

In fact, few of the reported incidents seem directly connected with extremist groups. "If it were more organized," says Long Island ADL director Melvin Cooperman, "we could zero in and nail them." But both the Nazi Party and the Klan have run avowedly anti-Semitic candidates for public office—with disturbing success. Harold Covington, 27, chairman of the National Socialist Party of America in North Carolina, won more than 43 per cent of the vote in the state's Republican primary for attorney general last year. The rise of racist groups also seems to create a climate favorable to individual extremists and a certain public tolerance for isolated incidents.

The dramatic growth of Christian fundamentalism—and Moral Majority politics—may also spur anti-Semitism. Just last week, the Rev. Dan C. Fore, Moral Majority leader in New York City, told a reporter: "Jews have a God-given ability to make money, almost a supernatural ability. . . . They control this city." Even without such stereotyping, the fundamentalist emphasis on "Christian politics" and efforts to convert Jews are threatening, says William Gralnick of the American Jewish Committee in Atlanta. "What it says is that the Jewish faith is not a valid path to salvation; it tends to separate us from grace." Last year in Macon, Ga., says Gralnick, Protestant ministers refused to speak out when the head of the Southern Baptist Convention said, "God Almighty does not hear the prayer of a Jew."

It was shortly after 1 a.m. when two men drove up to the synagogue in Temple City, Calif. They pried open a window, poured gasoline over a wooden pew and set the synagogue ablaze. Seven stained-glass windows were shattered and other damage to Temple Beth David was estimated at $180,000. The incident was followed by nearly 30 more anti-Semetic outbursts in the Los Angeles areas over the last eight weeks.

The randomness of anti-Semitic incidents, and the absence of links to organized groups in most cases, makes prosecution difficult. In the 377 cases reported by the ADL last year, only twenty arrests were made. Even when there are arrests, the charge is normally a misdemeanor. State assemblymen in California and New Jersey have proposed legislation that would stiffen penalties for religiously motivated vandalism. "When a cross is burned or a swastika is smeared, the terror it generates is as intense as from a bomb threat," says New Jersey Assemblyman Bryon Baer. But some judges prefer to sentence juvenile perpetrators to study Jewish history and the Nazi Holocaust. Said one such youth: "I am beginning to realize through these books the great deal of suffering I must have caused."

Many Jewish organizations have escalated their own programs of public education. Last week the ADL—working with the Urban League and the U.S. Justice Department—sponsored a conference in Providence, R.I., on "extremist groups" and another in Boston on "religious and racial harassment." About 1,500 people attended an anti-Nazi rally last month at the Wiesenthal Center for Holocaust Studies in Los Angeles, itself a target of three anti-Semitic attacks earlier this year. But education didn't seem to do much good at Great Neck North Senior High School in New York. Though the school has offered courses on the Holocaust for five years, vandals spray-painted the walls with "KKK" and "'HI' Hitler" last October. And police in many areas reported a flurry of similar anti-Semitic incidents after the "Holocaust" series on television.

Such incidents have only encouraged militant groups like the Jewish Defense League to expand their often provocative paramilitary operations. The JDL plans to offer ten-week courses in "warfare tactics" at secret sites in southern California, Michigan and upstate New York. Most mainstream Jewish organizations see these steps as an inflammatory overreaction. But equally dangerous, they agree, would be simply to ignore the current upsurge in anti-Semitic incidents. "There's no reason to panic; the country is not being overrun by anti-Semites," says Art Teitelbaum of the Anti-Defamation League

in Miami. "But it is something to be vigilant about."

Mr. PRESSLER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF TIME FOR ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that the time for the transaction of routine morning business be extended by 30 minutes under the same conditions as previously stated.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mrs. KASSEBAUM). Without objection, it is so ordered.

NUCLEAR ENERGY

Mr. HARRY F. BYRD, JR. Madam President, this Nation would be making a great mistake were it to unreasonably impede the development of nuclear energy. I am convinced that nuclear generating capacity is important to the continued economic growth of our Nation.

This, of course, is an emotional subject, and there are many who feel there should be no new nuclear powerplants and many who feel that the existing plants should be shut down.

The Senator from Virginia disagrees.

In the United States today, 13 percent of our total generating capacity is nuclear. In Virginia, nearly 30 percent is nuclear.

What is the trend in other nations?

Within 20 years—by the year 2000—according to figures obtained by the Atomic Industry Forum and recently made available, Japan will rely upon nuclear generating capacity for 28 percent of her total energy needs.

For Russia, the figure is 33 percent.

For Spain, the present 4-percent nuclear capacity will go to 40 percent.

East Germany will rely on nuclear power for 50 percent of her energy needs.

And France, which is currently 17 percent nuclear, is expected to obtain 85 percent of her energy from nuclear sources.

The United States is expected to go from the present 13 percent to 19 percent. It would be wise, I believe, to plan for a higher percentage.

To those who question the safety of nuclear power, I present the experience of the U.S. Navy. In a letter to me dated May 31, 1979, from Admiral Rickover, the following facts are developed:

The Navy had 127 nuclear-powered vessels in operation. Since the U.S.S. *Nautilus* put to sea in 1955, nuclear-powered ships have steamed over 40 million miles and have accumulated over 1,800 reactor years of operation.

And then Admiral Rickover added this significant statement:

> There has never been an accident involving a naval reactor, nor has there been any release of radioactivity which has had a significant effect on the environment.

Quite a record.

And it dramatizes that nuclear power can be safe. We need to concentrate on safety, not abolition. Nuclear is an important energy source, and we need all the energy sources we can get.

Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FORD. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRESIDENT REAGAN'S PROGRAM FOR ECONOMIC RECOVERY

Mr. FORD. Madam President, it was with a great deal of interest that I listened to President Reagan's address to Congress on his administration's program for economic recovery. I liked the style of the President's message and I will say again that he is a very able and effective communicator.

Let me also say that I agree with the President on many of the objectives he put forth. I want to see the Federal budget balanced. I want a strong national defense and I want to bring interest rates down and inflation under control.

Without question, the two most pressing issues facing this country today are inflation and national security. The cornerstone to resolving both these problems is energy, and I am afraid that this fact has been underemphasized in what the administration has proposed.

We cannot conquer inflation until we stop sending $100 billion each year out of this country for the purchase of energy, and the private sector simply does not have the capability to shoulder this burden without incentives and encouragement from the public sector.

The administration's proposals regarding synthetic fuels and fossil fuels research and development fly in the face of an overall strategy to bring inflation under control.

You can pare Federal spending to the bone. You can give everybody a substantial tax cut—but these actions alone do not strike at the basic necessity for ending this country's dependence on imported energy. Quite frankly, I think the administration has made a basic miscalculation.

Eliminating the Department of Energy's leadership role in the development of synthetic fuels technologies and transferring the $5.3 billion earmarked for this program to the Synthetic Fuels Corporation will bring the progress we are finally seeing in this area to a screeching halt.

No one should be fooled by the sleight of hand.

While this idea may look appealing on paper, in reality it has no future. First of all, the Synfuels Corporation is far from being operational at this point in time. Second, the Corporation, by law, is restricted to assisting four major commercial projects, and thus would be literally unable to take over the five Department of Energy-sponsored demonstration projects. Third, new legislation would be required for the Corporation to become heavily involved in the financing of demonstration projects.

So, in essence, all we have here is a blueprint for the dismantling of the synfuels program—the program that is the focal point of the national energy strategy that the 96th Congress put in place and this country's one hope for establishing near-term energy security.

If we stop the clock now on putting a national energy strategy in place, this country will never have either the strong national security or the stable, growing economy that is essential to our way of life.

While fossil energy will take a tremendous beating if all these proposals are placed in effect, let me point once again Congress, as always will have the final say.

Every alternative source of energy has been singled out for free market treatment, with one notable exception—nuclear energy. This administration would propose all fossil fuels and other alternative sources prove themselves in the market. They do not do this for nuclear. Why? Nuclear energy cannot stand the test of the free market system any more than other alternative energy sources.

I look for this administration to emphasize Federal participation in nuclear energy. When this happens, I am going to fight as hard as I can for equal treatment. For instance, will the Federal Government develop a breeder or will free enterprise develop a breeder? Can nuclear energy operate if it has to bear all the costs of insurance liability that is borne by other sources of energy? Where does Price-Anderson fit into the market system?

One final point needs to be made: I think anyone is operating under false illusions when they argue that we have a free market in fuels. We have not had a free market in oil for over a decade and we never will. A free market in energy is not applicable to national defense. It never has been. It never should be. Defense is the priority and the weapon is energy, not missiles.

Many big businesses argue that a free market will take care of the problems until it comes to the problem related to their particular industry. Then, they argue that maladjustments in the free market mechanism need to be corrected. The adjustments always seem to work

to the advantage of those who now have a lock on our present sources and distribution of energy.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MOYNIHAN. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF TIME FOR ROUTINE MORNING BUSINESS

Mr. BAKER. Madam President, I ask unanimous consent that the time for the transaction of routine morning business be extended, not to extend beyond 2:15 p.m., under the same conditions as previously ordered.

The PRESIDING OFFICER. Without objection, it is so ordered.

JOSEPH L. FRISTACHI

Mr. MOYNIHAN. Madam President, my dear friend and revered former colleague, my predecessor as senior Senator from New York, Jacob K. Javits, and his friend and colleague, Louis J. Lefkowitz, the former attorney general of New York, have asked me to help them pay tribute to the memory of a young man who served them, and the people of New York, with great devotion and energy.

Joseph L. Fristachi, of Bayside, Queens, in New York City, died suddenly last month at age 38, having given his entire professional career to public service. First as a public high school teacher in New York City, then as an assistant New York State attorney general, as the executive assistant attorney general, and finally as Senator Javits' executive assistant, Mr. Fristachi worked with great diligence and ability for the people of my State.

His warmth, his intelligence, his enthusiasm and his love of his family and his work is admirably expressed in remarks made by Senator Javits at a memorial service for him here in Washington, in a eulogy delivered by General Lefkowitz at his funeral and in a resolution adopted unanimously by the senate of the State of New York. Mr. President, I ask unanimous consent that these tributes to Joseph L. Fristachi be placed in the CONGRESSIONAL RECORD.

There being no objection, the tributes and resolution were ordered to be printed in the RECORD, as follows:

REMARKS BY SENATOR JACOB K. JAVITS

None of us ever know when we will go, or what lies ahead if we do not go. In Joe's case, this was a very important point. He was cut off so young, full of vigor, in the very prime of life, with so many talents and so many possibilities that those of us who loved him, as you did and I did, can only hope that it was in the great design, the best for him.

He was the soul of loyalty and devotion. He threw himself into managing the New York City office, and into running the campaign with the same fidelity, holding nothing back and giving of his all.

His relationship to Angela and his children was such a dear one, again of such complete dedication and no conceivable reservation. I can hear now his somewhat high-pitched laughter when he was really pleased, indeed, tickled, at something. It will always sound in my ear, as clear as a bell, as a firm and dear recognition of such a fine human being.

We know he will rest in peace. He deserves it.

EULOGY DELIVERED BY LOUIS J. LEFKOWITZ

I speak as a former associate of Joseph L. Fristachi in the Attorney General's Office and as a close personal friend to share the grief of his loved ones and the void in his untimely death that is in my heart and in the hearts of all who knew him.

I loved Joe like I love my own son. In thinking of Joe this morning, we should treasure the friendship and happiness he gave us over many years.

Joe was a warm human being and kind hearted—always willing to serve and help his fellow man, his church and the community. He had a deep understanding heart.

If we were to try to identify Joe's special qualities, one would note his superb skill as an advisor, a doer, a public servant and his marvelous capacity for friendship. He brought to government, as he did to all things, wise counsel, boundless energy and enthusiasm.

The impeccable character of Joe's wise counsel and sound judgment always emerged following a consultation or a conference. One of the reasons people turned to him was that he had an extraordinary capacity for inspiring confidence. With an easy, kindly manner and a warm smile, he always seemed to know exactly what he was doing.

Joe regarded loyalty as an essential ingredient in friendship. He gave loyalty and expected loyalty in return.

All of us are here today because Joe was our friend and we were his friends. He had a deep and natural interest in people.

Joe was an exemplar of a devoted public servant. He had common sense and integrity of purpose. He was forthright, firm but always fair.

Joe loved his work whether as teacher, in the Attorney General's Office as my executive assistant Attorney General or in Senator Javit's office where he served with distinction as Chief of Staff in the Senator's New York City office.

One of Joe's chief characteristics was a strong commitment to be very thorough no matter what the cause. He was truly a perfectionist, resourceful, and he constantly "dug in" to find an answer to a problem or resolve a crisis.

Joe was impatient with red tape and bureaucracy. He was not a yes man. He took positions he believed in and argued forcefully for their adoption. Blunt, straight-from-the-shoulder talk was Joe's style.

He was never power-hungry or impressed with his own important position in the office. He enjoyed the greatest respect of all who knew him and worked with him in government, in the community and in all walks of life.

Joe was very loyal and invaluable to me personally. I relied and depended upon him. He made himself available to me 24 hours a day and often on weekends. He was always willing to serve me in any capacity. Yes, he was my trouble shooter whenever a sensitive problem arose in any of the numerous offices of the Attorney General's Office. He performed and got things done.

Joe took a leave of absence from his official duties to help in my campaigns for reelection and worked day and night. He was always there and available when I needed him.

Our friendship grew over the years. There are few who can say they will miss Joe more than I will.

At the very center of Joe's life was his love for his family—Angela—his children, Joseph Michael and Michelle Marie—his parents Joseph and Carmela—his brothers Mario and Robert and his sister Camile.

Joe and Angela lived together in great love and harmony. He was deeply devoted to and very fond of his children. Joe often spoke to me about his son, Joseph Michael and especially his son's talent as an athlete. Joe, as you know, was a good athlete and he was so proud that his son was following in his footsteps.

When Joe ran for public office, his son then 7 years of age, campaigned for him. I was present on many occasions, when I heard the son, while handing out campaign literature, say to voters, "vote for my father—he will be good for the community." How true was that statement.

We often think that brick, mortar and steel are the real monuments of life—that really is not true. It is really the soul and character of man which are eternal and the good he brought on earth.

Joe's immortality is what he did in his love for man, his contributions to his church and in the community and his devotion to his wife and children, his family and his friends.

Joe's good works in the Attorney General's offices, in Senator Javit's office and throughout his life in the community, will stand as monuments to him.

It was indeed tragic that Joe's life should have ended when he had so much to offer to his fellowmen through his many contributions of public service and community activity.

In our sorrow, we can take solace in the memory of Joe's good works, in the memory of his love and affection for his family and us and in memory of a man whose life brightened our own.

Joe Fristachi was a man for all seasons, with his heart always in the right place.

It was a joy to know him. It was an honor to work with him, and it puts a lump in my throat this morning to bid him good-bye.

Joe Fristachi will forever be loved and missed by his family and friends. We shall never forget him.

May his soul rest in peace.

LEGISLATIVE RESOLUTION

Whereas, the untimely death, after thirty-eight short years, of Joseph L. Fristachi instilled a deep sense of mourning in all who knew him; and

Whereas, Most of his life was dedicated to public service as executive assistant attorney general to Attorney General Louis J. Lefkowitz and assistant to United States Senator Jacob K. Javits; and

Whereas, Those who were close to Joseph knew of his unique capabilities to serve and help his fellow man, his church and the community; and

Whereas, The love for his family—his wife Angela, his children Joseph Michael and Michelle Marie, his parents Joseph and Carmela, his brothers Mario and Robert and his sister Camille, exemplified the kind of love and devotion all hope to attain; and

Whereas, Joseph's dedication and devotion to public service and family will be the vehicle of immortality to family and all who knew him; now, therefore, be it

Resolved, That this Legislative Body mourns the untimely death of Joseph L. Fristachi and adjourns out of respect to his memory; and be it further

Resolved, That a copy of this resolution, suitably engrossed, be transmitted to his wife Angela and his children Joseph Michael and Michelle Marie.

Mr. MOYNIHAN. I thank the Chair for her gracious attention.

Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RETIREMENT OF ELMER STAATS, COMPTROLLER GENERAL OF THE UNITED STATES

Mr. BAKER. Madam President, this coming Tuesday, the Federal Government will lose the service of truly one of its most distinguished and dedicated employees, Comptroller General of the United States, Elmer Staats.

After a prescribed statutory term of 15 years in that post, Mr. Staats is taking a much deserved leave of the Government.

Under the statute, he cannot succeed himself, and retirement from that post is mandatory. He will leave behind a General Accounting Office that is a model of efficiency and reliability. He will leave a legacy of truly remarkable accomplishment and unflagging devotion and honor.

In his 15-year term, Mr. Staats has issued more than 8,000 reports to the Congress on various Federal programs and agencies. In addition, there have been innumerable similar reports to other agencies of the Government.

It is estimated that the cost-efficiency studies of the General Accounting Office during this time have saved the Federal Treasury, and the American taxpayers, some $20 billion, much of that savings having been accrued in the past few years through such enterprising devices as the fraud hotline Mr. Staats activated in 1979.

On more than 1,000 occasions during his tenure, Mr. Staats has appeared before various committees of the Congress to report the findings of his agency and to share with us his experience and counsel.

The Office of Comptroller General, by the very nature, its duties, can be, and certainly is on occasion, a much maligned and pressured outpost. For example, Mr. Staats, appointed by former President Lyndon Johnson in 1966, served during the terms of five Presidents, each having their own distinctive goals and policies, and each, on occasion, differing sharply with the goals and policies of the Congress itself.

Yet, throughout his tenure, Mr. Staats has maintained the operations of the GAO on a highly professional and nonpartisan plane. His service surely personifies the best traditions of public service.

That service and tradition, Madam President, have marked not only the 15 years of Mr. Staats tenure as Comptroller General, but also in the Bureau of the Budget, which he last served as Deputy Director, and also, during the Korean conflict, when he served as executive officer of the National Security Council's Operations Coordinating Board.

In total, Mr. Staats has served this Government and this Nation for some 41 years. As he now leaves that service for a retirement, I know every Senator joins me in wishing Mr. Staats and his wife, Margaret, every happiness.

All of us in this country are so very much the better for Elmer Staats labors in our behalf.

The PRESIDING OFFICER. The Presiding Officer, in her capacity as the Senator from Kansas, would certainly like to be associated with the remarks of the distinguished majority leader.

Mr. BAKER. I thank the Senator from Kansas, the distinguished occupant of the chair.

Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ANDREWS). Without objection, it is so ordered.

WHY NURSES LEAVE NURSING

Mr. HATCH. Mr. President, the most severe health manpower shortage facing our Nation is the shortage of qualified and willing nurses whose training and talent we desperately need. In rural and underserved areas in particular, the inability of hospital administrators to attract skilled nursing professionals passed the threshold of crisis proportions many months ago.

Congress can continue to dicker over whether or not this problem results from an actual personnel shortage or whether it is in the wake of a maldistribution of nurses and practitioners. Regardless, it is a problem the Federal Government helped to create by subsidizing health manpower training categories to the detriment of the nursing profession, and it is something those of us charged with legislative health responsibility must work to help solve very early on in the life of this Congress.

This is the principal reason I scheduled a March 17 hearing on nursing education to accompany the matter of health professions education during its reauthorization hearing in the Committee on Labor and Human Resources. It is an enormous problem, and the question of money is only part of it.

In order to acquaint those of my colleagues less familiar with nurses' special plight, I ask unanimous consent that the article "Why Nurses Leave Nursing and What Can Be Done About It," appearing in the January 1981 issue of the American Journal of Nursing, be printed in the RECORD. This is not a problem for the back burner. It is one all of us are obliged to help solve during the first session of this Congress.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHY NURSES LEAVE NURSING AND WHAT CAN BE DONE ABOUT IT

(By Mabel A. Wandelt, Patricia M. Pierce, and Robert R. Widdowson)

"As they said in the book 'Nurse', it's a wonder nobody died."

The supervisor of labor and delivery in a Texas hospital offered the above comment during an interview. She is a good nurse, but she is frustrated and angry with her practice. She doesn't have time to provide the kind of patient care that she was prepared to give; she feels trapped and alone with overwhelming responsibilities. Like many of her colleagues, she may leave nursing.

In Texas, about 18,000 registered nurses are licensed to practice and are not currently working in nursing; yet some hospital beds cannot be used because there are not enough nurses to care for the patients who might occupy those beds.

In a study of the nurse shortage, the staff of the Center for Research at The University of Texas at Austin set out to identify factors associated with nurse unemployment and to suggest ways to attract non-working nurses into the work force. They sought opinions, feelings, and ideas about nursing from nurses themselves. Thirty-five hundred nurses responded to the study by filling out a questionnaire; 30 hospital nurses in six small-group interviews supplied reasons for working/not working in nursing and things that would encourage nurses to return to work; and in a daylong conference interested persons, including consumers, nurses, physicians, administrators, educators, and legislators, produced innovative suggestions for attracting nurses back to work.

Data from each part of the investigation reinforced the findings in each other part. The questionnaire gave us a broad overview of the way nurses in Texas perceive the work of nurses; the interviews and conference lent depth to the necessarily statistical findings from the questionnaire. In a sense, the data from the questionnaire add to the stockpile of information about nurses' perceptions of the job of nursing; those from the interviews add to the raw materials for understanding nurses' feelings about patient care and about opportunities for professional practice. The findings show that nurses leave nursing and remain outside the work force because of conditions in the job setting that interfere with the practice of nursing.

QUANTITATIVE DATA

The questionnaire collected descriptive data to provide basic information on the supply of registered nurses in Texas. The findings were not surprising. For example, Blacks and Hispanics are underrepresented among licensed nurses, child care responsibilities were related to both initial and continued withdrawal from the work force, and the mean annual salary range was from $14,000 for nurses with fewer than five years' experience to $18,000 for nurses with 40 years' experience—a salary increment of $100 per year.

The questionnaire asked for opinions from both employed and unemployed licensed registered nurses about a variety of factors associated with the job of nursing. The employed nurses were asked to rate the importance of each factor and then to rate how satisfied they were with that factor in their present job. Unemployed nurses were asked to rate the same items by the importance of each item in influencing them to leave nursing and then to rate the importance of each item in keeping them out of nursing.

The rank order of the 10 job conditions with which the largest percentage of employed nurses were dissatisfied was as follows:

1. Availability of adequate salaries
2. The amount of paper work

3. Support given by the administration of the facility
4. Opportunity for continuing education
5. Adequacy of laws regulating the practice of nursing in Texas
6. Support given by nursing administration
7. Availability of acceptable child-care facilities
8. Availability of inservice education
9. Availability of fringe benefits
10. Competence of non-registered nursing staff

High percentages of non-employed nurses listed many of the same items as their reasons for leaving nursing. Additional highly ranked items included:

1. Family responsibilities
2. Unavailability of desired work schedule
3. Environment that does not provide a sense of worth as a member of the health care team
4. Lack of positive professional interactions with physicians
5. No emphasis placed on individualized patient care

Of the factors which foster dissatisfaction and contribute to withdrawal from practice, all but family responsibilities are directly related to employment conditions common to the hospital setting. Data from the interviews reinforced the conclusion that dissatisfaction stems from the work setting rather than nursing practice.

QUALITATIVE DATA

The small-group interviews were held with three categories of registered nurses: employed staff nurses, unemployed staff nurses, and supervisors. Two groups were from a large metropolitan hospital, two groups from a medium-sized hospital in a small mid-Texas town, and two groups from a medium-sized hospital in a large west Texas city.

The conference of health care experts was arranged to generate innovative and practical ideas for attracting nurses back into the work force; using the Nominal Group Technique, the meeting yielded more than 150 suggestions.

The following are samplings of comments elicited during the interviews grouped with some of the suggestions from the conference. The data are categorized by employment factors which seemed important to registered nurses in Texas.

STAFFING

Staffing problems relate to overload and overwork. Nurses worry about whether they have completed all necessary things; they feel guilty about not having been able to give adequate and complete care.

INTERVIEWS

When overload reaches a point and continues for weeks with no support or relief, and nurses cannot give safe, adequate care, a nurse will leave. Her conscience will not allow her to remain in the situation.

Nurses need time to provide care beyond minimal physical necessities. They want to provide teaching, emotional support, discharge planning with the patient.

A part of the overload for nurses in patient care is the need to interact with so many other services. These services request assistance from nursing and expect that nurses will do things for them just because the nurse is there. Besides the extra work, there is the need for the nurse to pay attention to a heavy input from various sources in requests for kinds of actions that she must take and decisions that she must make.

Nurses do not like to be pulled because they know that they are leaving their own unit short staffed. There is an occasional time when they plan that with full staffing they will be able to do some of the nice and extra things for patients, but then they get on duty and one is pulled to another unit. So they are again under pressure of short staffing on their own unit, and the one who has to go to the other unit has the uncomfortable feeling of not being able to give safe and adequate care.

IDEAS

Agencies could use short shifts—four to six hours. Nurses could come in specifically to provide for some special patient care needs—e.g., pre-op teaching, 5 to 9 p.m.; discharge planning, 11 to 3 p.m.; instructions about diagnostic tests, 3 to 7 p.m.; recovery room care, 12 to 6 p.m.; etc.

Nurses on the unit should be encouraged to plan staffing, including collaboration with the hospital pool of part-time employees.

Part-time staff could be offered all inservice opportunities provided to full-time staff to attract nurses who are interested in maintaining knowledge and skills.

Establish a pool from the faculties of nursing schools which could provide part-time employees during the school year and full-time employees during holidays, vacations, and summers.

PROFESSIONALISM

Nurses believe that the tasks they perform constitute a meaningful part of health care delivery. Regardless of whether a student attends a four-year baccalaureate program, a two-year associate degree program, or a three-year hospital diploma program, the nursing care plan is emphasized as an integral part of the total therapeutic regimen.

INTERVIEWS

Physicians should pay attention to nurses' input into planning for patient care. The nurse has her own care to contribute, not just doing what the doctor says. The doctor and the nurse plan together so that the contribution of each can blend to the benefit of the patient. Nursing is not a service for the doctor; rather it is a service for patients.

A part of the support and encouragement from supervisors and administration would be to encourage nurses to have an active role in planning for changes and in planning all aspects of nurse involvement in the nursing care program. Administrators need to listen to the ideas of staff nurses and to encourage nurses to develop their ideas and try some changes that they really believe will improve conditions for patient care.

IDEAS

Have a staff nurse serve on all committees making policy about patient care and personnel matters. Provide information for all nurses about committee activities and assist nurse members in developing knowledge and skills needed for entering fully into activities and planning of the committee. On-duty time should be provided for committee participation.

A Joint Practice Committee could be established to act as a grievance board to handle disputes between the professions and to offer appropriate counseling. The chairmanship of the committee could be alternated between nurse members and physician members.

AUTONOMY

As licensed professionals, nurses expect to be able to exercise some discretion and choice over work methods. Yet, nurses report that they are seldom asked to participate in hospital policy decisions. This inability to exercise control over their clinical practice produces feelings of career stagnation.

INTERVIEWS

There needs to be collaboration among the total health care team. There should be mutual respect and a mutual goal to improve care. There should be awareness by all, including nurses themselves, of the contribution of a nurse to the total care of the patient.

The public image of nursing needs to be improved—that is, the public needs to know what nurses do. There should be TV commercials to recruit young persons to consider a career in nursing. The public does not know what nurses do, the variety of their work, the opportunity for mobility, and nurses' contribution to society. They are unaware of nurses' involvement in caring for the ill, health care and planning, health education, care of children, the handicapped the mentally retarded, the aged; they do not really know about nurses' work in hospitals, clinics, doctors' offices, schools, industry, the community, the military, the Veterans Administration, etc.

There should be clinical supervisors who can serve as role models for nurses in patient care. Supervisors need to have continuous updating in patient care, not only in administrative tasks. They need to focus on the quality of care rather than on the quantity; this does not necessarily mean more paper work but that nursing care plans are needed for the care of the individual patients. Nursing supervisors should help nurses understand this.

Nurses should be allowed to plan for their own coverage. They should be provided an adequate staff, and then that staff should be responsible for all nursing care for all periods of time on a particular unit. This yields a situation of peer collaboration and peer pressure. Nurses in these circumstances do not call in sick, nor do they take extra holiday time, and they do take a fair share of weekend work. In this situation, if you call in, you know that a friend has to cover for you—it becomes very personal. Also, in these circumstances, there develops a very personal pride in the care provided. There is more discussion among nurses about the care needs of patients and the possibilities of improving practice.

IDEAS

Establish primary care with all RN staff on all units in the hospital. Nursing service should identify a specific nursing theory that will serve as a base for the content and quality of care provided throughout the hospital. Nurses in each decentralized unit would hold responsibility and accountability for the quality of care provided. They would plan for staffing in terms of numbers needed on particular shifts and in relation to time off.

Allow RNs to write nursing prescriptions or orders for nursing portions of the order sheet. Legalize nurse progress notes and nursing orders.

Nursing management and hospital management should encourage self-scheduling by nurses, charging them with accountability appropriate to the responsibility. A hospital accounting system should be established wherein the cost for nursing service is identified, and nurse salaries should be paid according to a reasonable fee-for-service determination. Nurse directors should be responsible for managing the nursing budget and allowed to utilize non-traditional ways of delivering nursing care.

Do a job analysis of various nursing stations or assignments; rate them for complexity. Develop a career ladder from simple to complex and use part-time nurses for the least complex stations. Develop a wage scale that correlates with the complexity of the job.

FEEDBACK

Nurses need to have occasional recognition for a job well done. They need a timely "pat on the back" and not only negative evaluations.

INTERVIEWS

Patients and families appreciate nurses, but supervisors and administration give infrequent recognition of a job well done.

Supervisors should be alert to nurses' needs and not always wait for the nurse to seek change; rather, they should periodically and as indicated, counsel the nurse about her feelings about herself, her interests, and

her job. The counselor should be prepared to offer the nurse various options for assignments and opportunities for self-renewal; she should assist the nurse to consider variout implications of change and to reach a decision that will allow her to remain in nursing and to be satisfied with the decision.

IDEAS

Establish a quality assurance program with evaluation of individual nurse performance as one component of the program. Plan recognition and awards for outstanding performance and continued high-quality patient care.

Tie rewards into the personal value system of the professional, and use the satisfaction that comes from providing care of exemplary quality. Use merit awards related to professional growth and pride—e.g., travel and costs for continuing education on agency time, educational leave, journal subscriptions, new books for nursing unit, paid time off for course work, etc.

QUALITY OF CARE: A TALE OF TWO HOSPITALS

In this study, nurses portrayed hospitals of major contrasts.

In some hospitals, there is little or no integration of structural elements with the process of nursing care. Almost all conditions that distress nurses exist: being pulled to work on unfamiliar units; rotation of shift more frequently than once a week; prolonged assignments on undesirable shifts; infrequent weekends off; short staffing and overtime at the end of shift; absence of recognition for a job well done; time to provide only the barest necessities of physical care for patients; being expected to perform non-nursing tasks that are responsibilities of other disciplines; lack of autonomy in planning and implementing nursing care; low salaries; lack of salary difference for qualifications, shifts, longevity, performance, or overtime; and many others.

The nurses employed in these hospitals report that they like nursing, that they know how to give good nursing care, and that they want to give good care. In almost the same breath they rush to describe the only care it is possible for them to give and their feelings about it. They tell of specific situations in which they know that a patient was not receiving needed care. They think of quitting, but then they think of the patients and the other nurses, and that it will be worse for them if they leave, so they stay.

These nurses are confident in their abilities. They are ashamed of their practice, worried about their patients, fearful of errors that may be made, and discouraged. These nurses are working in hospitals with inadequate staffing where conditions that would attract more nurses are lacking.

But there are a few hospitals in which nurses paint a very different picture. Each unit has a staff of registered nurses with two or three assisting staff, all under the charge of a head nurse. The head nurse has at least a baccalaureate and frequently holds a master's; she bears full responsibility for the unit, including hiring of personnel. All nursing care is provided by registered nurses; the assisting staff fulfill secretarial, messenger, supply, patient transportation, and communication activities. The assigned staff plan for total coverage of the unit, shifts, days off, holidays, etc.

On these units, primary nursing is practiced. Each nurse has three or four patients for whom she is responsible; she and a second primary care nurse share the responsibility for care of their patients on days off. Nurses on evenings and nights also have primary care assignments, so they have input equal to that of the nurses on the day shift into the total nursing care program of the unit.

Planning for inservice education is done to provide opportunities for meeting everyone's learning needs. And a shift differential ensures that enough nurses choose to work the evening and night shifts so rotation is not a problem. There is collaboration among units in the hospital and among nearby hospitals for educational programs, so that nurses have a choice of opportunities to update their knowledge and skills. Staff nurses may participate in selected programs while on duty and may take advantage of additional programs on their own time at no cost. Tuition and fees are paid for continuing education, workshops, and courses taken for credit in degree programs.

A quality assurance program provides evaluations of the quality of care provided patients and of performance of individual nurses. Salary increases are tied to performance. Nurses may have input into all policies affecting nursing practice, patient care, or personnel benefits. Nurses share planning for patient care with physicians, pharmacists, nutritionists, and other health care disciplines, and take part in decisions about patient discharge or movement to another care unit.

There are no shortages of nurses in these hospitals. Nurses are happy in their positions; they have confidence in the quality of care that they are providing and that their patients are receiving.

PROBLEMS AND SOLUTIONS

Conditions in the structure of the hospital organization often inhibit the process of professional nursing. A conflict results because nurses perceive themselves as professionals engaging in nursing practice while administration views them as employees carrying out the job of nursing.

As Henderson defines nursing practice:

The unique function of the nurses is to assist the individual, sick or well, in the performance of those activities contributing to health or his recovery (or to peaceful death) that he would perform unaided if he had the necessary strength, will, or knowledge. And to do this in such a way as to help him gain independence as rapidly as possible.[1]

The nursing job encompasses nursing practice, but it also includes setting the work schedule; coordination of patient activities; and interactions with other departments, visitors, new employees, and students. The data show that nurses are dissatisfied with employment when job conditions do not allow them to administer professional nursing care to patients. These conditions are due to hospital policies and administrative attitudes that fail to accommodate the following professional prerogatives:

Autonomy of practice and respect for the judgment of the professional.

Determination of standards of quality of care and determination of staffing needs and work schedules to achieve the standards.

Educational programs and support (financial and time) for updating knowledge and skills.

Participation with full vote in establishing policy related to patient care, personnel benefits, and working conditions.

Work responsibilities that are nursing related, with elimination of requirements for nurses to perform tasks that are the responsibility of other services.

Recognition and personnel benefits comparable to those accorded other health care professionals.

Failure to recognize these professional prerogatives creates a disparity between the nurse's job expectations and the nursing care that can actually be provided within the hospital structure. Responsibility for integrating the elements of job-related factors and professional practice lies with both hospital and nursing administrations. But nurses report that a major area of dissatisfaction is administrative support. This is a misunderstanding of the most fundamental nature, one that has major impact on whether nurses are satisfied with their jobs and satisfied with the care they provide to patients.

Proper functioning of a system as complex as modern health care requires an extremely strong mechanism for measuring effectiveness. The quality of nursing care delivered to the patient must rest on primary standards by which proper functioning of the system is evaluated. If the process of nursing is not providing high quality care to patients, then the structure within which that process operates must be reevaluated.

Evaluation should begin by defining each aspect of nursing care with enough precision to identify objective standards of performance. A system of quality assurance could relieve many of the job conditions that nurses find distressful. Institutionalization of a complete program would necessarily involve all nurses in evaluating the quality of care provided patients and in identifying the program's strengths and weaknesses and the nurses' learning and skill development needs.

A quality assurance program is a natural process for initiating staff nurse involvement in assessment, planning, and development; in policy and practice changes; in implementation of programs; and in processing reviews for accounting for quality of both practice and care received by patients.

In hospitals where nurses are dissatisfied because of limitations in the amount of input and influence they have in matters of concern to themselves and to the patient care program, the introduction of a quality assurance program would allow them to become involved in matters with which they are most familiar and in ways in which they would feel most competent to contribute. From the beginning, with a quality assurance program, nurses could move to participation in assessment, planning, development, and decision making at all levels of program functioning within the hospital.

Staff nurses can assume a large responsibility for changes in situations that cause distress. They need to document episodes of unsafe or inadequate care in specific detail, particularly when job conditions are responsible.

Head nurses should take the lead in organizing such documentation. Staff can also outline, for administration, plans for change and offer to be involved in implementing the plans. Proposals should include a rationale, precise steps for implementing a plan, and a way to evaluate its impact.

Nursing education has a responsibility to provide educational programs that will accommodate registered nurses who wish to update their own formal education. Also, nursing faculty need to recognize staff nurses for the experts that they are and allow them greater interaction with students.

If nurse educators were to involve staff nurses as mentors for students, the students could learn the practice of nursing in the context of the job nursing. Nurse educators must assume responsibility for initiating action; they must invite collaboration with administration and staff nurses to allow more opportunity for student practice in the nursing units.

Nursing faculty members need to maintain their clinical skills and encourage student nurses to consider direct patient care in a hospital setting as a long-term career, rather than a stepping-stone to a different career.

Nursing service administration, registered staff and head nurses, and nurse educators can all take action to improve job conditions and promote professional nursing practice. There must be collaboration and compromise among these three groups to effect work conditions conducive to providing good nursing care for patients.

[1] Henderson, V. The nature of nursing AJN 64:62–68, Aug. 1964.

To summarize, nurses who leave nursing and choose to remain outside the work force do so because of work conditions which interfere with the practice of professional nursing.

There is overwhelming evidence that what nurses complain about and report as reasons for leaving and staying out of nursing does exist; it is real. There is also evidence that the distressful conditions need not exist. Where they do not exist, there is no shortage of nurses, and nurses judge the quality of care provided patients to be good.

Nurses are concerned about the quality of care they are able to render patients; when quality compromised because of the work environment, nurses become dissatisfied with the job of nursing.

Nurses in either stressful or satisfying situations identify support by nursing service administration and clinically competent nurse supervisors as keys to quality of conditions of work and the care provided patients.

Concerted efforts are needed by hospital and nursing administrations to grant autonomy and recognition to staff nurses. The description of nurses working and not working in this report derive from what nurses think, feel, and believe about the job and professional practice of nursing. Those who seek to attract nurses into the work force would do well to attend to what nurses themselves are saying.

THE JOB CORPS

Mr. HATCH. Mr. President, The Washington Post recently asked in an editorial entitled, "A Social Program That Works" this question:

How do you know if a social program is a success when weighing the hundreds of existing social programs in the budget balance? Why not start by considering the history and performance of the Jobs Corps—it is instructive. Not an automatic ticket to the middle-class, but a long step in a good direction.

With these observations in mind, 3 weeks ago I returned from my home State of Utah. I had just completed an extensive tour of the Clearfield Job Corps Center, operated under contract from the Department of Labor by the Management and Training Corp., of Ogden, Utah. As the new chairman of the Senate Labor and Human Resources Committee, I am more committed than ever to insure the continuation of the Post's description of what "a social program can hope to achieve." Here at last, in that process of achievement, is a Government job training program that provides jobs and saves more dollars than it expends.

And achieve it has—for the 100 percent poor—for the 53 percent of all corpsmembers with less than a sixth grade reading achievement—for the 85 percent high school dropouts—and 69 percent minorities. These are the ones who in fiscal year 1979 were among the 70 percent placed in jobs, 18 percent who returned to school and 5 percent who entered the military, representing a 92.6 percent placement rate. These were also the ones being served through a national network of now more than 100 residential centers. More than 50 percent are operated by major private corporations and smaller companies under competitively, let cost-reimbursable contracts with the Department of Labor.

Job Corps serves disadvantaged youth who have limited abilities to obtain and hold productive jobs. Before they enroll in the program—young people between the ages of 16–21 who have extremely poor work histories as evidenced by high unemployment, few hours of work, low wage rates, and small earnings—young people, some of who have histories of contact with law enforcement agencies and the courts—those are much more likely to grow up in one-parent or no-parent families, the size of which is nearly twice as large as that for the typical U.S. family. These youngsters come from families with low levels of education who have experienced severe poverty, welfare dependency or both—young people often without role models for work. I have observed and assessed Job Corps to be one of the most intensified education and training programs in this country, a program whose congressionally mandated purpose has not changed over the past 15 years, but whose programs, size, and methods of operation have changed considerably.

Job Corps has always had both the courage and skill to deal with the most difficult population and, unlike other job training programs, has not geared its selections to those who might find work anyway. Secretary of Education Terrel Bell recently noted that Job Corps is succeeding with this population where public schools have failed. Bell went on to say that Job Corps has taken the very real risk of accepting its designated population and has dealt realistically with the very small percentage of failures and problems which do occur.

As I walked through classrooms and dormitory areas at the Clearfield Center with National Job Corps Director Richard Jaffe and spoke spontaneously with individual students and staff members alike. I learned firsthand how the Job Corps works and why. How could a program not succeed that gives dignity to kids heretofore locked into the slavery of America's rural and urban poverty? A program that offers vocational skill training in 160 occupational areas, a program that offers basic and remedial reading, mathematic and language skills, a program that offers a full range of the necessary supportive services designed to insure that students obtain and maintain jobs. These services include medical and dental care, health education, comprehensive counseling, world of work training, and leadership development, among others, all carefully integrated with the goal of fully developing each individual's potential.

I was impressed by this program that stresses individual achievement—that diagnoses each student's current level and develops realistic plans as well as the accountability systems that monitor and insure their attainment of goals at their own pace, without competition for grades. This is a program that proves to many scholastic failures that they can learn and learn rapidly. The Job Corps has been a leader in synthesizing methods and materials to educate and train the most hardcore disadvantaged. Using the best of commercially developed materials in conjunction with new and exciting concepts tested in the "living laboratory" of a Job Corps center, this program is in the forefront of the development of educational programs. The basic Job Corps education program, though to be extremely innovative when it was introduced 15 years ago, is now used in many public schools across the country.

I talked with students who never thought a high school equivalency degree was ever possible; who are or have been involved in preapprenticeship programs currently offered by nine major unions in a marriage of labor, industry, and government; who are receiving both shop-type instruction as well as "hands-on" training in which actual construction and/or repair is accomplished. Many of these students help build the dorms in which they live, install the lights by which they read, create the wardrobe closets where they keep their belongings; repair the pipes that supply their water and heat; prepare the food that provides their nourishment and who are the officers of the student government organizations and peer discipline courts they run. Many of the students volunteer to give of their time and even their blood in local Red Cross drives and disaster relief efforts; assist in crowd control at community functions; help the young and the old, the infirm and the handicapped. These students, who never before had pride in their accomplishments, self assurance, and the greatest gift, that of self esteem are learning vital interpersonal skills, a strong work ethic and a critically needed value in America—citizenship.

I saw, at the Clearfield Center, the startup phase of a new, innovative national demonstration premilitary training program, initiated by the Reagan administration for a cooperative effort of the Departments of Defense and Labor, designed to prepare Job Corps enrollees nationwide to qualify for entry into the various aspects of military life with better chances for success. I talked with the young men and women who want to serve their country and become sufficiently skilled so they may meet the eligibility criteria for entry into military service. This is a program that not only will assure better quality of military recruits than the armed services are currently getting, but a cost-cutting approach that will decrease turnovers of military personnel while, at the same time, providing a new, national resource for recruitment.

Undoubtedly, a visit to the Job Corps center has been one of the most impressive experiences of my career and provides some of the impetus for insuring these opportunities are continued for young people throughout the country who otherwise would not have a chance.

This administration has made the commitment to the American people, and to the taxpayers of this country, that they will get a better break for their dollars. With that commitment comes the need to change the expenditure of

funds away from unsuccessful efforts into programs that teach marketable skills and deliver employment—that have withstood the test of time—programs that do not offer handouts but demand a return on the taxpayers' investment—programs that take a "wholistic" approach to the development and fullest potential of each individual—that require self-discipline, respect for and from its participants, their peers and those of authority—programs that prescribe a full schedule of daily participation in classwork as well as other supervised activities.

The students I met will join the over 750,000 who have already gone through the program. Many who have now the masters degrees and even doctorates and are professors at institutions of higher education; Business, industry, and Government line workers and executives not only in Washington, but in all the cities, towns, and farms of our country.

These students who have enrolled in Job Corps, according to both Government statistics and an ongoing independent study by a private and independent research firm, have markedly increased their employment and earnings, reduced their dependence on welfare assistance and other public transfers, reduced criminality, reduced extramarital children, delayed family formation in females, and almost doubled the likelihood of entering the Armed Forces.

Are these benefits worth the cost when measured against an average student staying 6 months with an average center operational cost of $3,800 per student? The comprehensive evaluation of the social benefits and costs back up observations that, indeed, the public investment in Job Corps is economically efficient. In addition to the economic benefits to the students, the 12,000 staff employees at 100 centers add an average payroll of more than $1.2 million a year at each center to the economic base of local communities. This is in addition to the center's local expenditures for foodstuffs, materials, and the like. Three-fourths of center employees are in the private sector.

To reduce inflation, I totally subscribe to Federal budget cuts which will improve the economy. However, it would be foolhardy to reduce Job Corps which is doing that already. In the final analysis, the American answer to the economic crises we face is work—real work in the private sector—performed by trained people with a lifelong commitment to working with the skills necessary to carry out the commitment. I believe that under President Reagan's leadership, the economy will grow to create the jobs for those people.

I will be escorting my full committee back to the Clearfield Center and taking individual committee members to many other centers with Director Jaffe so they too may see first hand the benefits of this exciting program—a program which shows how Government can work in harmony with private industry, unions, as well as State and local governments in successfully providing effective education and jobs.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGE FROM THE HOUSE

At 12:47 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 31. An act to amend the Truth in Lending Act to encourage cash discounts, and for other purposes.

The message also announced that pursuant to the provisions of 10 U.S.C. 6968 (a), the Speaker appoints as members of the Board of Visitors to the U.S. Naval Academy the following Members on the part of the House: Mr. LONG of Maryland, Mr. MURTHA, Mrs. HOLT, and Mr. SPENCE.

The message further announced that pursuant to the provisions of section 14 (b) of Public Law 96-296, the Speaker appoints as members of the Motor Carrier Ratemaking Study Commission the following Members on the part of the House: Mr. ROE, Mr. SEIBERLING, and Mr. SHUSTER.

The message also announced that pursuant to the provisions of section 5, Public Law 420, 83d Congress, as amended, the Speaker appoints as members of the Board of Directors of Gallaudet College the following Members on the part of the House: Mr. BONIOR of Michigan and Mr. PETRI.

The message further announced that pursuant to the provisions of 10 U.S.C. 9355(a), the Speaker appoints as members of the Board of Visitors to the U.S. Air Force Academy the following Members on the part of the House: Mr. FOLEY, Mr. DICKS, Mr. ROBINSON, and Mr. KRAMER.

The message also announced that pursuant to the provisions of 10 U.S.C. 4355 (a), the Speaker appoints as members of the Board of Visitors to the U.S. Military Academy the following Members on the part of the House: Mr. GINN, Mr. DIXON, Mr. GILMAN, and Mr. ROTH.

HOUSE BILL HELD AT DESK

Under the authority of the order of the Senate of February 24, 1981, the following bill was held at the desk pending further disposition:

H.R. 31. An Act to amend the Truth in Lending Act to encourage cash discounts, and for other purposes.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

E-436. A communication from the Secretary of Agriculture, transmitting, pursuant to law, notice that the rural development strategy report, due on January 31, 1981, will be delayed until approximately January 31, 1982 because of the detailed work to be done and the change of administration; to the Committee on Agriculture, Nutrition, and Forestry.

EC-437. A communication from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend Section 201 of the Agricultural Act of 1949, as amended, to delete the requirement that the support price of milk be adjusted semiannually; to the Committee on Agriculture, Nutrition and Forestry.

EC-438. A communication from the Secretary of Agriculture, transmitting, pursuant to law, a report on the Nation's agricultural research, extension, and teaching activities, dated February 1981; to the Committee on Agriculture, Nutrition, and Forestry.

EC-439. A communication from the Deputy Director of the Office of the Management and Budget, Executive Office of the President, transmitting, pursuant to law, notice that the appropriation to the Department of Transportation, U.S. Coast Guard, for "Operating Expenses" for fiscal year 1981 has been reapportioned on a basis indicating a need for a supplemental estimate of appropriation; to the Committee on Appropriations.

EC-440. A communication from the Principle Deputy Assistant Secretary of the Navy (Logistics), transmitting, pursuant to law, notice of a study with respect to converting the keypunch services function at the Weapons Station, Yorktown, Virginia, and the decision that performance under contract is the most cost-effective method of accomplishment; to the Committee on Armed Services.

EC-441. A communication from the Assistant Secretary of the Air Force (Research, Development, and Logistics), transmitting, pursuant to law, notice of a study with respect to converting the family housing maintenance function at McConnel Air Force Base, Kansas, and the decision that performance under contract is the most cost-effective method of accomplishment; to the Committee on Armed Services.

EC-442. A communication from the Acting Assistant Secretary of Defense (Manpower,

Reserve Affairs, and Logistics), transmitting, pursuant to law, the Department of Defense manpower requirements of the Carter fiscal year 1982 budget, and does not reflect amendments or supplements that may be proposed by the new Administration or the impact of the current hiring freeze; to the Committee on Armed Services.

EC–443. A communication from the Principal Deputy Assistant Secretary of the Navy (Logistics), transmitting, pursuant to law, notice of a study with respect to converting the guard service function at the Cheatham Annex and the Craney Island Fuel Facility of the Naval Supply Center, Norfolk, Virginia, and the decision that performance under contract is the most cost-effective method of accomplishment; to the Committee on Armed Services.

EC–444. A communication from the Assistant Secretary of the Air Force (Research, Development, and Logistics), transmitting, pursuant to law, notice of a study with respect to converting the refuse collection function at Loring Air Force Base, Maine, and the decision that performance under contract is the most cost-effective method of accomplishment; to the Committee on Armed Services.

EC–445. A communication from the Acting Assistant Secretary of the Army (Installations, Logistics, and Financial Management), transmitting, pursuant to law, notice of a study with respect to converting the wearing apparel activity at Fort Meade, Maryland, and the decision that performance under contract is the most cost-effective method of accomplishment; to the Committee on Armed Services.

EC–446. A secret communication from the Assistant Secretary of Defense (Comptroller), transmitting, pursuant to law, 47 Selected Acquisition reports and the Summary Tables for the quarter ended December 31, 1980; to the Committee on Armed Services.

EC–447. A communication from the Acting Administrator of the General Services Administration, transmitting, pursuant to law, a follow-up report on the recommendations of the National Commission on Neighborhoods entitled "People Building Neighborhoods—Final Report"; to the Committee on Banking, Housing, and Urban Affairs.

EC–448. A communication from the Chairman of the Marine Mammal Commission, transmitting, pursuant to law, the eighth annual report of the Commission for calendar year 1980; to the Committee on Commerce, Science, and Transportation.

EC–449. A communication from the Chairman of the National Transportation Safety Board, transmitting, pursuant to law, the justification for the Board's programs in the enclosed 1982 budget and some of the accomplishments of the Board of the past year; to the Committee on Commerce, Science, and Transportation.

EC–450. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report on the utilization of authority granted in 37 USC 306 to pay special pay to U.S. Coast Guard officers holding positions of unusual responsibility and of a critical nature; to the Committee on Commerce, Science, and Transportation.

EC–451. A communication from the President and Executive Officer of the United States Railway Association, transmitting, pursuant to law, the seventh annual report of the Association and a report on activities of the Association from October 1, 1979 through December 31, 1980; to the Committee on Commerce, Science, and Transportation.

EC–452. A communication from the President of the National Railroad Passenger Association, transmitting, pursuant to law, the annual report of the Association for fiscal year 1980; to the Committee on Commerce, Science, and Transportation.

EC–453. A communication from the Secretary of the Interior, transmitting, pursuant to law, an application for repayment of excess gas royalties by Gulf Oil Exploration and Production Company; to the Committee on Energy and Natural Resources.

EC–454. A communication from the Acting Chairman of the Board of the United States Synthetic Fuel Corporation, transmitting, pursuant to law, the quarterly report of the Corporation for the period October 1 through December 31, 1980; to the Committee on Energy and Natural Resources.

EC–455. A communication from the Deputy Assistant Secretary of the Interior for Land and Water Resources, transmitting, pursuant to law, a copy of an application by the Buffalo Rapids Project, Irrigation District No. 2, Custer and Prairie Counties, Montana, for a loan under the Small Reclamation Projects Act; to the Committee on Energy and Natural Resources.

EC–456. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report on the findings of an effort to reduce the time necessary to complete a highway project; to the Committee on Environment and Public Works.

EC–457. A communication from the Acting Administrator of the United States Environmental Protection Agency, transmitting, pursuant to law, the Ohio River Basin Energy Study Main Report; to the Committee on Environment and Public Works.

EC–458. A communication from the Assistant Legal Advisor for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements, other than treaties, entered into by the United States in the sixty-day period prior to January 19, 1981; to the Committee on Foreign Relations.

EC–459. A communication from the Assistant Legal Advisor for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements, other than treaties, entered into by the United States in the sixty-day period prior to February 12, 1981; to the Committee on Foreign Relations.

EC–460. A communication from the Assistant Legal Advisor for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements, other than treaties, entered into by the United States in the sixty-day period prior to January 16, 1981; to the Committee on Foreign Relations.

EC–461. A communication from the Administrator of the Panama Canal Commission, transmitting, pursuant to law, the report on the disposal of excess foreign property for fiscal year 1982; to the Committee on Governmental Affairs.

EC–462. A communication from the Executive Director of the Neighborhood Reinvestment Corporation, transmitting, pursuant to law, the annual report of the Corporation for calendar year 1980 on compliance with the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC–463. A communication from the Chairman of the United States Nuclear Regulatory Commission, transmitting, pursuant to law, the quarterly report on the number of full-time permanent employees hired and promoted between July 1 and September 30, 1980; to the Committee on Governmental Affairs.

EC–464. A communication from the Acting Inspector General, Department of Agriculture, transmitting, pursuant to law, the Inspector General's matching report as required under Section 5 of the Office of Management and Budget's Matching Guidelines; to the Committee on Governmental Affairs.

EC–465. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Federal-Interstate Compact Commissions: Useful Mechanisms For Planning And Managing River Basin Operations"; to the Committee on the Judiciary.

EC–466. A communication from the Acting Director of the Community Services Administration, transmitting, pursuant to law, the annual report of the Administration under the Freedom of Information Act for calendar year 1980; to the Committee on the Judiciary.

EC–467. A communication from the Acting Commissioner of the Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, a report on certain aliens found admissible to the United States under section 212(a)(28)(I)(ii) of the Immigration and Nationality Act; to the Committee on the Judiciary.

EC–468. A communication from the Acting Director of ACTION, transmitting, pursuant to law, a copy of the final guideline entitled "Final Notice of Guidelines for Minigrants"; to the Committee on Labor and Human Resources.

EC–469. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Evaluation of Defense Attempts To Manage Battlefield Intelligence Data"; to the Committee on Armed Services.

EC–470. A communication from the Assistant Secretary of the Air Force (Research, Development, and Logistics), transmitting, pursuant to law, notice of a study with respect to converting the commissary shelf-stocking and custodial function at Castle Air Force Base, and the decision that performance under contract is the most cost-effective method of accomplishment; to the Committee on Armed Services.

EC–471. A communication from the Assistant Secretary of the Air Force (Research, Development, and Logistics), transmitting, pursuant to law, notice of a study with respect to converting the family housing maintenance function at Barksdale Air Force Base, Louisiana, and the decision that performance under contract is the most cost-effective method of accomplishment; to the Committee on Armed Services.

EC–472. A communication from the Deputy Assistant Secretary of Defense (Comptroller), transmitting, pursuant to law, a list of Department of Defense prime contract awards of over $10,000 for the last half of fiscal year 1980; to the Committee on Armed Services.

EC–473. A communication from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting, pursuant to law, a report on three construction projects to be undertaken by the Naval and Marine Corps Reserve; to the Committee on Armed Services.

EC–474. A communication from the Chairman of the Federal Reserve System, transmitting, pursuant to law, the Monetary Policy Report to the Congress; to the Committee on Banking, Housing, and Urban Affairs.

EC–475. A communication from the Secretary of Housing and Urban Development, transmitting, pursuant to law, a report concerning approval of a Home Improvement and Energy Loan Program; to the Committee on Banking, Housing, and Urban Affairs.

EC–476. A communication from the Vice President for Government Affairs, National Railroad Passenger Corporation, transmitting, pursuant to law, information concerning its operation for the month of December, 1980; to the Committee on Commerce, Science, and Transportation.

EC–477. A communication from the Acting Chairman of the Federal Energy Regulatory

Commission, transmitting, pursuant to law, notice that the Commission plans to take no position on the constitutionality of the veto provision in "Consumer Energy Counsel of America, et al. v. Federal Energy Regulatory Commission"; to the Committee on Energy and Natural Resources.

EC–478. A communication from the Secretary of Energy, transmitting, pursuant to law, notice that the annual report on the Strategic Petroleum Reserve Program will be delayed for approximately thirty days; to the Committee on Energy and Natural Resources.

EC–479. A communication from the Acting Administrator of the Energy Information Administration, Department of Energy, transmitting, pursuant to law, a report on sales of refined petroleum products and a report on sales of retail gasoline for November 1980; to the Committee on Energy and Natural Resources.

EC–480. A communication from the Secretary of Energy, transmitting, pursuant to law, the fourth annual report on activities pursuant to the Electric and Hybrid Vehicle Research, Development, and Demonstration Act of 1976; to the Committee on Energy and Natural Resources.

EC–481. A communication from the Chairman of the United States Nuclear Regulatory Commission, transmitting, pursuant to law, a report on abnormal occurrences at licensed nuclear facilities for the third quarter of 1980; to the Committee on Environment and Public Works.

EC–482. A communication from the Chairman of the Advisory Committee on Reactor Safeguards, United States Nuclear Regulatory Commission, transmitting, pursuant to law, the report of the Advisory Committee on the Commission's safety research program for fiscal year 1982; to the Committee on Environment and Public Works.

EC–483. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Analysis of Proposed New Standards for Nursing Homes Participating in Medicare and Medicaid"; to the Committee on Finance.

EC–484. A communication from the Assistant Administrator for Legislative Affairs, Agency for International Development, transmitting, pursuant to law, a report regarding activities carried out under section 121 of the Foreign Assistance Act; to the Committee on Foreign Relations.

EC–485. A communication from the President of the United States, transmitting, pursuant to law, the status of certain negotiations with the European Atomic Energy Community; to the Committee on Foreign Relations.

EC–486. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a list of reports transmitted to the Congress by the General Accounting Office for the month of January 1981; to the Committee on Governmental Affairs.

EC–487. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Federal Records Management: A History of Neglect"; to the Committee on Governmental Affairs.

EC–488. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report concerning surplus real property disposed of to public health and educational institutions; to the Committee on Governmental Affairs.

EC–489. A communication from the Chairman of the Foreign Claims Settlement Commission, transmitting, pursuant to law, a proposed new system of records under the Privacy Act; to the Committee on Governmental Affairs.

EC–490. A communication from the Chairwoman of the Merit Systems Protection Board, transmitting, pursuant to law, the report of the Board for 1980; to the Committee on Governmental Affairs.

EC–491. A communication from the President and Chairman of the Export-Import Bank of the United States, transmitting pursuant to law, the 1980 report of the Bank under the Freedom of Information Act; to the Committee on the Judiciary.

EC–492. A communication from the Comptroller General of the United States, transmitting pursuant to law, a report entitled "Better Management Can Ease Federal Civil Case Backlog"; to the Committee on the Judicary.

EC–493. A communication from the Executive Secretary of the National Mediation Board, transmitting, pursuant to law, the 1980 report of the Board under the Freedom of Information Act; to the Committee on the Judiciary.

EC–494. A communication from the Freedom of Information/Privacy Officer of the Interstate Commerce Commission, transmitting, pursuant to law, the 1980 report of the Commission under the Freedom of Information Act; to the Committee on the Judiciary.

EC–495. A communication from the Acting Chairman of the Federal Energy Regulatory Commission, transmitting pursuant to law, the 1980 report of the Commission under the Freedom of Information Act; to the Committee on the Judiciary.

EC–496. A communication from the Administrative Director of the U.S. Arms Control and Disarmament Agency, transmitting pursuant to law, the 1980 report of the Agency under the Freedom of Information Act; to the Committee on the Judiciary.

EC–497. A communication from the Special Assistant to the Assistant Secretary of Defense for Public Affairs, transmitting, pursuant to law, the Department's 1980 report under the Freedom of Information Act; to the Committee on the Judiciary.

EC–498. A communication from the Deputy Administrator of the Veterans Administration, transmitting a draft bill to authorize the Administrator to provide a memorial marker to the next of kin of an individual who otherwise would be memorialized in a national, private, or local cemetery; to the Committee on Veterans Affairs.

EC–499. A communication from the Acting General Counsel of the Department of Energy, transmitting proposed legislation to extend the expiration date of section 252 of the Energy Policy and Conservation Act; to the Committee on Energy and Natural Resources.

EC–500. A communication from the United States Trade Representative, transmitting a proposed bill to provide authorization for the Office of Trade Representative through fiscal year 1985 and to provide express authority for certain actions; to the Committee on Finance.

PETITIONS

The following petition was laid before the Senate, together with accompanying papers, and referred as indicated:

POM–19. A petition from the country at large sponsored by Statewide Committees Opposing Regional Plan Areas (SCORPA), requesting the Senate to conduct an investigation of the establishment of regional governance; to the Committee on Governmental Affairs.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. ROTH, from the Committee on Governmental Affairs: Edwin L. Harper, of Missouri, to be Deputy Director of the Office of Management and Budget.

(The above nomination from the Committee on Governmental Affairs was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

THE NOMINATION OF DR. EDWIN L. HARPER

Mr. ROTH. Mr. President, the Committee on Governmental Affairs, to which was referred the nomination of Dr. Edwin L. Harper, of St. Louis, Mo., to be Deputy Director of the Office of Management and Budget, having considered the same, reports favorably thereon and recommends that the nomination be confirmed subject to the nominee's commitment to respond favorably to requests to appear and testify before any duly constituted committee of the Senate.

SUBMISSION OF NOMINATION

The Senate formally received the nomination of Dr. Edwin L. Harper, of St. Louis, Mo., to be Deputy Director of the Office of Management and Budget on January 30, 1981. The nomination was subsequently referred to the Committee on Governmental Affairs.

TRAINING, EDUCATION, AND EXPERIENCE OF EDWIN L. HARPER

Dr. Harper was born in Belleville, Ill., on November 13, 1941. He graduated from Principia Upper School in St. Louis, Mo., in June 1959. He then entered Principia College in Elsah, Ill., where he received a bachelor of arts degree in June 1963 with a major in international relations and a minor in economics. Dr. Harper completed his studies at the University of Virginia in Charlottesville where he earned a Ph. D. in government and public affairs. His doctoral dissertation was concerned with regulation of the national banking system.

Dr. Harper has had an extensive and diverse employment record. Most recently, he was the vice president for strategic planning at Emerson Electric in St. Louis, Mo. From December 1975 to August 1978, he was the chief administrative officer for the CertainTeed Corp. of Valley Forge, Pa., a manufacturer of building materials and construction products.

From January 1975 to December 1975 he acted as the resident chief executive officer for Air Balance, Inc. of Chicago, and he served as the vice president of the INA Corp. in Philadelphia from January 1973 to January 1975.

Prior to these executive corporate positions, Dr. Harper was a special assistant to the President with the title of Assistant Director to the Domestic Council. He held these White House positions

from December 1969 until December 1972 during the Nixon administration.

For the short period of time from April 1969 until December 1969, he served as a senior consultant at Arthur D. Little in Washington, D.C.

From August 1968 to April 1969, Dr. Harper was the assistant to the Director of the Resources Planning Staff of the U.S. Bureau of the Budget. He was a fellow at the American Society for Public Administration from June until August 1968.

While obtaining his Ph. D., Dr. Harper was a lecturer at Rutgers State University in New Brunswick, N.J.

COMMITTEE ACTION

Under procedures established by the committee for considering nominations, a detailed biographical and financial information questionnaire was submitted to Dr. Harper. The committee also requested that the nominee respond to prehearing questions in writing. These questions concerned both substantive policy matters relating to the mission of the Office of Management and Budget and specific actions Dr. Harper intends to take as Deputy Director of that agency. Both the biographical and financial information, and the responses to the prehearing questions are appendixes to this report. It is the policy of the committee that a nominee's financial disclosure statement is not reproduced or published as a part of the hearing record. However, this information is retained in the committee offices for inspection by the public.

Committee procedures call for an independent review of a nominee's background. This includes a review of any investigative reports compiled concerning the nominee, including the Federal Bureau of Investigation's summary report on the background of the nominee and an interview with the nominee. All of these requirements were met during the committee's investigation, and a confidential staff report, which concluded that no further investigation is necessary, was filed with the chairman and the ranking minority member and made available to all other members of the committtee.

On February 17, 1981, Dr. Harper appeared before the Committee on Governmental Affairs to testify on his appointment to be Deputy Director of the Office of Management and Budget. Dr. Harper was introduced to the committee by the junior Senator from Missouri, Senator DANFORTH.

COMMITTEE RECOMMENDATION

Based on its review of the nominee's responses to the biographical and financial questionnaire, the FBI investigative report, the responses to the prehearing questions, personal interview with the nominee, and the testimony and responses to questions at the hearing itself, the committee believes that Dr. Harper is well qualified by reason of training, education, experience, and integrity to be the Deputy Director of the Office of Management and Budget.

ROLLCALL VOTE IN COMMITTEE

The chairman polled the committee on February 20, 1981, to recommend that the nomination of Dr. Edwin L. Harper to be Deputy Director of the Office of Management and Budget be confirmed. The response was unanimous.

Yeas: Senator Roth, Senator Percy, Senator Stevens, Senator Mathias, Senator Danforth, Senator Cohen, Senator Durenberger, Senator Mattingly, Senator Rudman, Senator Eagleton, Senator Jackson, Senator Chiles, Senator Glenn, Senator Sasser, Senator Pryor, and Senator Levin.

Nays: None.

FOREIGN CURRENCY REPORTS

In accordance with the appropriate provisions of law, the Secretary of the Senate, herewith submits the following reports of standing committees of the Senate, certain joint committees of the Congress, delegations and groups, and select and special committees of the Senate, relating to expenses incurred in the performance of authorized foreign travel:

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, PUBLIC LAW 95-384—22 U.S.C. 1754(b), COMMITTEE ON THE BUDGET, FOR THE PERIOD FROM DEC. 13 TO 18, 1980

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Ernest F. Hollings:									
Panama			242.55						242.55
Total			242.55						242.55

Jan. 26, 1981.

PETE V. DOMENICI,
Chairman, Committee on the Budget

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, PUBLIC LAW 95-384—22 U.S.C. 1754(b), MAJORITY LEADER (R. BYRD), FOR THE PERIOD FROM DEC. 13 TO 18, 1980

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator David H. Pryor:									
Panama			251.85						251.85
Robert H. Dockery:									107.28
Panama			107.28						
Total			359.13						359.13

Feb. 17, 1981.

ROBERT C. BYRD,
Democratic Leader.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, PUBLIC LAW 95-384—22 U.S.C. 1754(b), COMMITTEE ON APPROPRIATIONS, FOR THE PERIOD FROM OCT. 9 TO 12 AND DEC. 13 TO 18, 1980

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Warren W. Kane:									
Panama	Dollar		200.82						200.82
Nicaragua	Cordoba	1,450	145.00	50	5.00			1,500	150.00
Guatemala	Quetzales	65.42	65.42	5	5.00			70.42	70.42
Total			411.24		10.00				421.24

Jan. 22, 1981.

WARREN G. MAGNUSON,
Chairman, Committee on Appropriations.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, PUBLIC LAW 95-384—22 U.S.C. 1754(b), SELECT COMMITTEE ON INTELLIGENCE, FOR THE PERIOD FROM OCT. 1 TO DEC. 31, 1980

Name and continent	Name of currency	Per diem: Foreign currency	Per diem: U.S. dollar equivalent or U.S. currency	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency	Miscellaneous: Foreign currency	Miscellaneous: U.S. dollar equivalent or U.S. currency	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency
Senator Daniel Patrick Moynihan:									
North America									724.33
Total									724.33

Jan. 21, 1981.

BARRY GOLDWATER,
Chairman, Select Committee on Intelligence.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, PUBLIC LAW 95-384—22 U.S.C. 1754(b), COMMITTEE ON GOVERNMENTAL AFFAIRS, FOR THE PERIOD FROM NOV. 9 TO 26, 1980

Name and country	Name of currency	Per diem: Foreign currency	Per diem: U.S. dollar equivalent or U.S. currency	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency	Miscellaneous: Foreign currency	Miscellaneous: U.S. dollar equivalent or U.S. currency	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency
Senator Charles McC. Mathias, Jr.:									
Portugal	Escudo		598.75		1,344.46				1,943.21
France	Franc		163.27						163.27
Received 40,581.30 escudos ($792), returned 2,780 escudos ($54.25).									
Received 4,118.40 francs ($936), returned 3,400 francs ($772.73).									
Casimir A. Yost:									
Portugal	Escudo		643.39		1,344.46				1,987.85
France	Franc		149.64						149.64
Received 40,581.30 escudos ($792), returned 390 escudos ($7.61).									
Received 4,118.40 francs ($936), returned 3,460 francs ($786.36).									
John H. O'Neill, Jr.:									
France	Franc		250.87		910.00				1,160.87
Received 4,633.20 francs ($1,053), returned $681.13.									
Total			1,805.92		3,598.92				5,404.84

Jan. 23, 1981.

WILLIAM V. ROTH, JR.,
Chairman, Committee on Governmental Affairs.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, PUBLIC LAW 95-384—22 U.S.C. 1754(b), COMMITTEE ON GOVERNMENTAL AFFAIRS, FOR THE PERIOD FROM OCT. 23 TO NOV. 9, 1980

Name and country	Name of currency	Per diem: Foreign currency	Per diem: U.S. dollar equivalent or U.S. currency	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency	Miscellaneous: Foreign currency	Miscellaneous: U.S. dollar equivalent or U.S. currency	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency
Martin L. Steinberg:									
Korea	Won	170.346	267.00					170.346	267.00
Thailand	Baht	7,713.75	375.00		28.60			7,713.75	403.00
Malaysia			300.00						300.00
Hong Kong	Dollar	1,465.90	288.00					1,465.90	288.00
Travel prior to Oct. 26, 1980, reimbursed by U.S. Senate.									
Total			1,230.00		28.60				1,258.00

Jan. 23, 1981.

WILLIAM V. ROTH, Jr.,
Chairman, Committee on Governmental Affairs.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, PUBLIC LAW 95-384—22 U.S.C. 1754(b), COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS, FOR THE PERIOD FROM JAN. 1 TO DEC. 31, 1980

Name and country	Name of currency	Per diem: Foreign currency	Per diem: U.S. dollar equivalent or U.S. currency	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency	Miscellaneous: Foreign currency	Miscellaneous: U.S. dollar equivalent or U.S. currency	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency
Senator Mike Gravel:									
Panama			468.75						468.75
Senator Larry Pressler:									
Japan	Yen	42,636	204.00	36,000	172.00			78,636	376.00
Taipei			156.00						156.00
Hong Kong	Dollar	968.85	192.00	254.15	49.93			1,223	241.93
Total			1,020.75		221.93				1,242.68

Jan. 7, 1981.

ROBERT T. STAFFORD,
Chairman, Committee on Environment and Public Works.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. WALLOP (for himself, Mr. BENTSEN, Mr. TOWER, Mr. SIMPSON, Mr. GOLDWATER, Mr. GARN, and Mr. BOREN):

S. 566. A bill to amend the Internal Revenue Code of 1954 to retain the oil percentage depletion rate at 22 percent; to the Committee on Finance.

By Mr. THURMOND:

S. 567. A bill to amend title 10, United States Code, to allow the military departments to accept voluntary, uncompensated services from persons desiring to provide such services for military department museums; to the Committee on Armed Services.

By Mr. ARMSTRONG:

S. 568. A bill to amend the Federal Mine Safety and Health Act of 1977; to the Committee on Labor and Human Resources.

By Mr. JEPSEN:

S. 569. A bill to amend the Internal Revenue Code of 1954 to provide an investment tax credit for certain soil and water conservation expenditures; to the Committee on Finance.

By Mr. MATHIAS (for himself, Mr. METZENBAUM, Mr. KENNEDY, Mr. WEICKER, Mr. MOYNIHAN, Mr. TSONGAS, Mr. PROXMIRE, Mr. GLENN, Mr. LEAHY, and Mr. BIDEN):

S. 570. A bill to amend title VIII of the act commonly called the Civil Rights Act of 1968 to revise the procedures for the enforcement of fair housing, and for other purposes; to the Committee on the Judiciary.

By Mr. DOMENICI:

S. 571. A bill to establish the San Joaquin del Canondel Rio de Chama Grant Commission, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. HUDDLESTON (for himself and Mr. FORD):

S. 572. A bill to expand the scope of the small operators assistance program in the 1977 Surface Mining and Reclamation Act; to the Committee on Energy and Natural Resources.

By Mr. McCLURE (by request):

S. 573. A bill to extend the expiration date of section 252 of the Energy Policy and Conservation Act; to the Committee on Energy and Natural Resources.

By Mrs. KASSEBAUM:

S. 574. A bill to amend the Internal Revenue Code of 1954 to allow the estate of a decedent a deduction for certain bequests of interests in property used in farms or other trades or businesses, and for other purposes; to the Committee on Finance.

By Mr. ABDNOR:

S. 575. A bill for the relief of Samuel Bo-Wen Huang, Mei-Sue Huang, Shu-Yuan Huang, and Hui-Li Huang; to the Committee on the Judiciary.

By Mr. MOYNIHAN (for himself and Mr. RANDOLPH):

S. 576. A bill to authorize the construction of harbor improvements to promote domestic commerce and to facilitate United States export of coal and other commodities, and for other purposes; to the Committee on Environment and Public Works.

By Mr. MOYNIHAN:

S. 577. A bill to amend the Internal Revenue Code of 1954 to eliminate the requirement that States reduce the amount of unemployment compensation payable for any week by the amount of certain retirement benefits, and for other purposes; to the Committee on Finance.

S. 578. A bill to amend the Internal Revenue Code to change certain accounting rules related to inventory; to the Committee on Finance.

By Mr. HEINZ:

S. 579. A bill for the relief of Nikola Markarian, Maral Markarian, Pakrad Markarian, Gayane Markarian and Hera Markarian; to the Committee on the Judiciary.

By Mr. LEVIN (for himself, Mr. HAYAKAWA, Mr. RIEGLE, and Mr. GLENN):

S. 580. A bill to establish program levels for the Small Business Adminstration Pollution Control Bond program; to the Select Committee on Small Business.

By Mr. BIDEN:

S. 581. A bill to amend the Congressional Budget Act of 1974 to limit the period for which the enactment of new budget authority may be authorized, and for other purposes; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977.

S. 582. A bill to amend the Congressional Budget Act of 1974 to require authorizing legislation for tax expenditures, and for other purposes; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977.

By Mr. HATCH:

S. 583. A bill to limit the jurisdiction of the courts of the United States in matters relating to abortion; to the Committee on the Judiciary.

S. 584. A bill to amend section 1979 of the Revised Statutes (42 U.S.C. 1983), relating to civil actions for the deprivation of rights, to limit the applicability of that statute to laws relating to equal rights; to the Committee on the Judiciary.

S. 585. A bill to provide a special defense to the liability of political subdivisions of States under section 1979 of the Revised Statutes (42 U.S.C. 1983) relating to civil actions for the deprivation of rights; to the Committee on the Judiciary.

S. 586. A bill to amend the Privacy Act of 1974; to the Committee on Governmental Affairs.

S. 587. A bill to amend the Freedom of Information Act and to effect other changes in the law for the purpose of increasing the ability of law enforcement agencies to protect the public security; to the Committee on the Judiciary.

By Mr. MATSUNAGA:

S. 588. A bill for the relief of George A. Albert; to the Committee on the Judiciary.

By Mr. KASTEN:

S. 589. A bill for the relief of Martin John Lavery; to the Committee on the Judiciary.

By Mr. HEINZ:

S. 590. A bill to amend the Energy Security Act by adding a domestic procurement requirement; to the Committee on Energy and Natural Resources.

By Mr. PERCY (for himself, Mr. SASSER, Mr. HUDDLESTON, Mr. LUGAR, Mr. HAYAKAWA, and Mr. LEVIN):

S. 591. A bill to increase the efficiency of Government-wide efforts to collect debts owed the United States, to require the Office of Management and Budget to establish regulations for reporting on debts owed the United States, and to provide additional procedures for the collection of debts of the United States, consistent with the rights of Privacy for the United States; to the Committe on Governmental Affairs.

By Mr. BENTSEN:

S.J. Res. 37. Joint resolution proposing an amendment to the Constitution of the United States with respect to the length of the term of Office of the President and Vice President and the number of terms a President may serve; to the Committee on the Judiciary.

By Mrs. KASSEBAUM (for herself, Mr. CRANSTON, Mr. BAKER, Mr. BURDICK, Mr. WILLIAMS, Mr. INOUYE, Mr. MATHIAS, Mr. HOLLINGS, Mr. HEFLIN, Mr. DOMENICI, Mr. LEVIN, Mr. GOLDWATER, Mr. CHILES, Mr. DECONCINI, Mr. RANDOLPH, Mr. DOLE, Mr. BAUCUS, Mr. NUNN, Mr. PRYOR, Mr. ABDNOR, Mr. SASSER, Mr. DURENBERGER, Mr. PELL, Mr. MOYNIHAN, Mr. CANNON, Mr. HEINZ, Mr. LUGAR, Mr. MATSUNAGA and Mr. GRASSLEY):

S.J. Res. 38. Joint resolution to provide for designation of the first Friday of March as "Teacher Day, United States of America"; to the Committee on the Judiciary.

By Mr. HEINZ (for himself and Mr. SPECTER):

S.J. Res. 39. Joint resolution to authorize and request the President to designate January 17 of each year as "Benjamin Franklin Day"; to the Committee on the Judiciary.

By Mr. RIEGLE (for himself, Mr. BAUCUS, Mr. BENTSEN, Mr. BOREN, Mr. BRADLEY, Mr. BUMPERS, Mr. BURDICK, Mr. CANNON, Mr. CHAFEE, Mr. COHEN, Mr. DANFORTH, Mr. DECONCINI, Mr. DIXON, Mr. DOLE, Mr. DOMENICI, Mr. EAGLETON, Mr. FORD, Mr. GARN, Mr. GLENN, Mr. GORTON, Mr. HART, Mr. HATCH, Mr. HAYAKAWA, Mr. HEINZ, Mr. HOLLINGS, Mr. HUDDLESTON, Mr. INOUYE, Mr. JACKSON, Mr. JOHNSTON, Mrs. KASSEBAUM, Mr. LAXALT, Mr. LEVIN, Mr. LONG, Mr. LUGAR, Mr. MATSUNAGA, Mr. MITCHELL, Mr. MOYNIHAN, Mr. NICKLES, Mr. NUNN, Mr. PELL, Mr. PRYOR, Mr. RANDOLPH, Mr. SARBANES, Mr. SASSER, Mr. SIMPSON, Mr. SYMMS, Mr. TOWER, Mr. TSONGAS, Mr. WILLIAMS, and Mr. ZORINSKY):

S.J. Res. 40. Joint resolution to designate April 26, 1981, as "National Recognition Day for Veterans of the Vietnam era"; to the Committee on the Judiciary.

By Mr. HATCH:

S.J. Res. 41. Joint resolution proposing an amendment to the Constitution of the United States relating to affirmative action; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTION

By Mr. WALLOP (for himself, Mr. BENTSEN, Mr. TOWER, Mr. SIMPSON, Mr. GOLDWATER, Mr. GARN, and Mr. BOREN):

S. 566. A bill to amend the Internal Revenue Code of 1954 to retain the oil percentage depletion rate at 22 percent; to the Committee on Finance.

OIL PRODUCTION TAX INCENTIVE ACT OF 1981

● Mr. WALLOP. Mr. President, today I am introducing legislation that would amend a provision of the 1975 Tax Reduction Act. Specifically, this bill would halt the scaledown in the rate of percentage depletion scheduled to occur between now and 1984.

If the scaledown is allowed to take effect, domestic independent oil producers would soon face more difficulty in pursuing an already difficult task. I find it hard to believe that at a time when we so desperately need to increase our domestic energy reserves, we would penalize those individuals and companies who are culpable of nothing; who seek only to find and to produce new sources of oil and gas.

Those affected by the reduction are not the major oil companies, but the 12,000 smaller, independent producers. These independents drill almost 90 percent of the wildcat wells to find many of the significant new oil and gas fields. Why do we punish those that are so important to us?

It is like asking a carpenter to build a house, then taking away his hammer and saw. This bill would not allow the punitive scaledown of percentage depletion to take effect. It would preserve the independent producers ability to finance oil exploration by freezing the rate at the 27-percent level.

Depletion allowances for mineral producers have always been part of U.S. tax policy. In 1913, when the 16th amendment authorized a tax on incomes, Congress recognized that in the case of mineral producers, their capital was depleted as the resource was consumed, and its value declined.

Thus, a portion of the money returned from sale of the mineral was exempted from the income tax. As the resource was depleted, tax dollars were saved and used by domestic producers to fund the exploration and development of new mineral deposits. Under the original law, determination of the income amount to be exempted proved extremely difficult, so in 1926, Congress established the "percentage method" to simplify the procedure. This method utilized a fixed percentage of 27½ percent of gross from wellhead sales as the exhausted portion of capital not to be taxed as income of oil companies.

The 1969 Tax Reform Act marked the beginning of successful political moves to limit the attractiveness of percentage depletion. That year's legislation reduced the percentage rate from 27½ to 22 percent. The next piece of punitive legislation came in the midst of the public and Congressional backlash against the oil industry in the midseventies.

The Tax Reduction Act of 1975 not only excluded the major oil companies from claiming depletion, but it also created a schedule for percentage reductions beginning in 1981 and ending in 1984 with a rate of 15 percent.

Other limitations include reducing the volume of production eligible for percentage depletion, prohibiting transfers of producing properties except upon penalty of loss of percentage depletion, and imposing a 15-percent minimum tax on part of a producer's depletion.

A tax expert is not required to predict the effects of these rate reductions. As the applicable rate of depletion is reduced, tax liability is increased. The independent producer must pay more money to the Government, therefore he will have less money to devote to productive investments such as exploration and development of new oil and gas reserves.

As provided in the Tax Reduction Act of 1975, when the rate scaledown is fully effective in 1984, every producer eligible for percentage depletion will find that he is entitled to approximately 32 percent less depletion than he was in 1980.

Since most producers are subject to the 70-percent individual marginal tax rate, rather than the 48 percent corporate tax rate, each one dollar of cash flow lost due to the reduction of percentage depletion requires him to earn an additional $3.60 in gross income to replace it.

The magnified effect on cash flow from denied percentage greatly diminishes the amount of funds available to the producer—funds needed for financing the exploration and development of new resources.

Cash flow is all the more precious because it comes from so few wells. In 1979, over 70 percent of the wildcat wells drilled were dry holes, investments with no return, just pure loss. Clearly, exploratory drilling is a very risky business. The high risk of exploration leads to high capital costs, so borrowing money is prohibitively expensive.

To pay for new exploration, the producer must rely on a combination of internally generated funds and investor risk capital. Yet, the scaledown in percentage depletion drives away the outside investor.

The stock issues become less attractive to the investor because the increase in the producer's tax liability decreases his company's after-tax return. In an industry where return on equity is already relatively low—a 21-year average of 10.4 percent compared to 11.2 percent for all manufacturing companies—producers cannot afford a decline in their returns that would limit their ability to raise external capital.

With less cash to spend, the independent producer must cut his budget. Among the first cuts to be made are expenditures for exploratory wells. Support of this assertion comes from the statistics gathered after the 1969 rate scaledown. The Tax Reform Act of 1969 authorized a 20-percent reduction in the percentage depletion allowance. The very next year, 2,008 fewer wells were drilled, a drop of 21 percent.

This was the largest single year decline in exploratory drilling in the history of the domestic petroleum industry. Exploratory activity did not recover to the 1969 level until 1977, even though oil and gas prices began to rise dramatically after the 1973 Arab embargo. The 1981–84 rate reductions may be 1½ times as great in impact as that of 1969, since those reductions represent a 32-percent cut in the percentage depletion rate as opposed to the 20-percent cut in 1969.

Independents have traditionally reinvested all of the revenues from their wellhead sales of oil and gas in exploration, drilling, and production activities, especially since they face great difficulty in borrowing funds.

The independents' investment behavior bears a direct relationship between tax liability and expenditure for drilling activity. The experience following the negative action taken by the Tax Reform Act of 1969 serves as a dramatic illustration of this near direct correspondence.

The reduction in depletion, together with other changes, increased the tax liability of domestic producers by about $600 million annually.

In the 3 years following that action, expenditures for domestic exploration and development averaged $700 million less than in the 3 previous years, again at a time when prices were rising. A decline in exploratory activity means a decline in the amount of new domestic reserves of oil and gas discovered. By failing to develop domestic sources of oil and gas, we are prolonging the U.S. dependence on foreign oil and contradicting our energy policy goals.

We are almost twice as dependent on OPEC for our domestic energy supply now as we were in 1970. Today, OPEC's share of our total imports runs at about 45 percent, while in 1970 the figure was only 23 percent.

Not only has our dependence increased, but our vulnerability to supply disruptions has placed our economic security in danger. No one wants a repeat of the long lines of motorists waiting hours to purchase just a few gallons of gas, not to mention the slowdown in industrial and agricultural production that would result from supply disruptions.

Yet if we are to attain energy security and have access to the oil and gas we need, then we have to expand domestic production. Expanding production will not be cheap, however.

In a recent report by the IPAA, it was estimated that to increase domestic production enough to reduce oil and gas imports 50 percent by the end of the decade, the petroleum industry would have to spend $1.564 trillion and drill 1.448 million wells.

To meet this goal would require expenditures for exploration and development to rise from $51.619 billion in 1980 to $292.108 billion in 1990. Without a doubt, a sixfold-spending increase in such a risky enterprise requires a strength of commitment and confidence rarely found in industry.

Consequently, it is unrealistic to expect the independent producers to make those commitments in the face of punitive reductions in the percentage depletion rate.

If energy security is the goal, then the Federal Government must encourage, not penalize, producers. The Government must act to reduce the risk inherent in such a massive investment project. This can be done by allowing percentage depletion to continue to play a crucial role in stimulating investments in energy production. Concurring with this evaluation of the benefits of depletion, the late President John F. Kennedy said:

> The depletion allowances which affect over 100 items should be considered primarily as a matter of resources policy and only secondarily as a tax issue. Its purpose and its value are first of all to provide a rate of exploration, development and production adequate to our national security and the require-

ments of our economy . . . The oil depletion allowance has served us well by this test.

Without incentives like percentage depletion, known but economically unattractive reserves remain undeveloped and new but harder to locate reserves remain undiscovered.

Mr. President, in the long run, the availability of secure energy supplies will do much to resolve the problems afflicting our economy. But, we must start now to give the producers the incentives required to attain energy security. A favorable, not onerous, environment for production must be fostered by the Government. We can ill afford more punitive legislation vis-a-vis the energy industry. That is why I urge my colleagues to support the Oil Production Tax Incentive Act of 1981.

Mr. President, I request unanimous consent that the bill be reprinted in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 566

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This Act may be cited as the "Oil Production Incentive Act of 1981".

SEC. 2. Paragraph (5) of section 613A(c) of the Internal Revenue Code of 1954 (relating to percentage depletion in the case of oil and gas wells) is amended by striking out in the table contained therein the item relating to 1980 and all that follows, and inserting in lieu thereof the following:

"1980 and thereafter---------- 22".

Mr. BENTSEN. Mr. President, I am delighted to cosponsor this legislation with my good friend and colleague from Wyoming, Senator WALLOP. This bill could well mean the difference between higher levels of domestic energy production and continued increased dependence on foreign oil. Last year, we sent abroad nearly $100 million for foreign oil. It seems strange to me that Congress would stand by and endorse a policy that takes money away from the very people who are the true pioneers of oil and gas exploration in America, our independent producers.

Independents drill almost 90 percent of the wildcat wells and 80 percent of all wells drilled in the United States. This bill will freeze the percentage depletion rate on oil and gas at 22 percent. If the current schedule is allowed to continue, more money will be taken out of the hands of those who have traditionally taken the risks of the marketplace and drilled in unexplored areas of this great Nation.

Ever since 1926 Congress has recognized the need to provide producers with a means to expense their capital as a finite energy resource is consumed. These funds have been used to reinvest in further exploration and development of new resources. The original rate was 27½ percent of gross income from wellhead sales. In the 1969 Tax Reform Act, the rate was reduced to 22 percent. Finally, in the Tax Reduction Act of 1975 a schedule was established for the reductions of percentage depletion to a rate of 15 percent in 1984.

As the applicable rate of depletion is reduced, the tax liability is increased. Since percentage depletion is one of the most important sources of cash flow available to finance new exploration and drilling activity, independents will have less money to devote to finding and developing new oil and gas reserves.

As provided in the Tax Reduction Act of 1975, when the scaledown is fully effective in 1984, every producer eligible for percentage depletion will find that he is entitled to approximately 32 percent less depletion than he was in 1980.

Since most producers are subject to the 70-percent individual marginal tax rate, rather than the 46-percent corporate tax rate, each $1 of cash flow lost due to the reduction of percentage depletion requires him to earn as much as an additional $3.60 in gross income to make up for the lost cash flow.

With less cash to spend, the independent producer must cut his budget. Among the first cuts to be made are expenditures for exploratory wells. Support for this assertion comes from statistics gathered after the 1969 rate scaledown. The tax Reform Act of 1969 authorized a 20-percent reduction in percentage depletion, from a rate of 27½ to 22 percent.

The next year, 2,008 fewer wells were drilled, a drop of 21 percent. This was the largest single year decline in exploratory drilling in the history of the domestic petroleum industry. Exploratory activitv did not recover to the 1969 level until 1977, even though oil and gas prices began to rise dramatically after the 1973 Arab oil embargo.

Independents have traditionally reinvested $105 for every $100 of revenues from their wellhead sales of oil and gas exploration, drilling, and production activities. If we desire to prolong our dependence on foreign oil, we should let the percentage depletion rate scale down at its present rate.

However, if we desire to diminish our rising dependence on foreign oil, we should immediately freeze the current rate of percentage depletion at 22 percent so that the 12,000 independent producers in this country can do what they do best: Explore, search, and find new oil and gas resources for our domestic needs.

I hope that my colleagues will quickly act on this important piece of legislation.

Mr. BOREN. Mr. President, will the Senator yield?

Mr. BENTSEN. I am glad to yield to our distinguished colleague from Oklahoma, who has been a real stalwart in this fight.

Mr. BOREN. I thank my friend from Texas.

Mr. President, I wish to associate myself with the remarks which the distinguished Senator from Texas has just made.

Surely, at this time all Americans realize the great threat to our national security which is posed by our dependence on foreign oil. We are dependent on the Middle East area, principally the Persian Gulf States, for approximately 40 percent of all the oil which we use in this country every day.

To point out the importance of that 40 percent, I might say that we use about 60 percent of the oil in this country for industrial purposes, for the generation of electricity, for the production of chemical products, and for other industrial purposes; we use about 40 percent of the oil in this country every day for transportation.

So one way of putting it in perspective is to say that from the Persian Gulf we receive the amount of oil necessary to move everything that moves even 1 inch in this country every day on land, sea, or air.

Again, I think that the people of this country are aware of the fragile nature of that source of supply, the fact that it is dependent upon the physical security of docking and shipping facilities in the Middle East that could be subject to destruction through military action.

If we are going to restore the security of this country and to assure our energy independence, it is going to take capital. It takes money to drill oil wells or to drill gas wells. It takes money to dig a coal mine. It takes money to develop solar energy panels. Whatever source of energy we are talking about, it will take increased capital investment over and above what is now taking place if we are going to have energy independence. There is simply no other way to do it.

Therefore, it becomes increasingly important that we maintain the depletion allowance at the current levels. If we do not maintain it, we are simply going to be draining from the private sector the funds which are necessary for future capital investment to drill oil and gas wells and develop other sources of energy in this country.

As the Senator from Texas has pointed out, this allowance goes across the board to many forms of mineral products. So if we want to prevent a decline in the amount of exploration for new energy sources that will go on in this country, it is absolutely essential that we support the efforts of the Senator from Texas and others to maintain the depletion allowance at its current levels.

This is something that every American citizen should be concerned about. It is something that is in the interests of all citizens, whether they live in Texas or Oklahoma, whether they have ever seen an oil well or not, let alone whether or not they have an interest in any kind of oil or mineral operation because it is an action which will promote the security of the entire country.

I congratulate my colleague from Texas for the leadership which he has given in this field, and I associate myself with his remarks.

Mr. BENTSEN. Mr. President, I thank the distinguished senior Senator from Oklahoma who had such an illustrious career as Governor of Oklahoma that the people of that great State saw fit to send him here, and in his role as Governor and Senator he has had an intimate

knowledge of developing the energy resources of this country and as a member of the Finance Committee has made a very major contribution in that regard.

By Mr. THURMOND:

S. 567. A bill to amend title 10, United States Code, to allow the military departments to accept voluntary, uncompensated services from persons desiring to provide such services for military department museums; to the Committee on Armed Services.

LEGISLATION TO ALLOW MILITARY DEPARTMENTS TO ACCEPT VOLUNTARY UNCOMPENSATED SERVICES

Mr. THURMOND. Mr. President, I am pleased to introduce legislation to amend title 10 of the United States Code to allow the military departments to accept voluntary, uncompensated services from persons desiring to provide such services for military department museums. This measure should help reduce the operating costs of these fine museums, so that they may continue to operate and remind us of our proud military heritage.

Mr. President, I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 567

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. (a) Chapter 81 of title 10, United States Code, is amended by adding after section 1586 the following new section:

"§ 1587. Authority to accept voluntary services for museums operated by military departments.

"(a) Notwithstanding section 3679(b) of the Revised Statutes of the United States (31 U.S.C. 665(b)), the Secretary of the military department concerned may accept from any person voluntary services to be provided for any museum operated by such military department.

"(b) Except for purposes of chapter 81 of title 5 (relating to compensation for work-related injuries) and chapter 171 of title 28 (relating to tort claims), any person providing voluntary services under subsection (a) shall not be considered by reason of the provision of such services to be an employee of the United States for any purpose".

(b) The table of sections at the beginning of such chapter is amended by adding after the item relating to section 1586 the following new item:

"1587. Authority to accept voluntary services for museums operated by military departments".

SEC. 2. (a) Chapter 81 of title 5, United States Code, is amended by inserting after section 8143a the following new section:

"§ 8143b. Individuals providing voluntary services for museums operated by military departments.

"This subchapter applies to any individual providing voluntary services under section 1587(a) of title 10 for a museum operated by a military department".

(b) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 8143a the following new item:

"8143b. Individuals providing voluntary services for museums operated by military departments".

By Mr. ARMSTRONG:

S. 568. A bill to amend the Federal Mine Safety and Health Act of 1977; to the Committee on Labor and Human Resources.

MINE SAFETY AND HEALTH ACT AMENDMENTS

● Mr. ARMSTRONG. Mr. President, we hear much these days about the need for increased American industrial productivity. President Reagan has recently outlined his comprehensive program for economic recovery and every day my colleagues address this body with innovative and progressive ideas for overhauling the way America does business. Incentive, enterprise, deregulation, a shot in the arm, a new beginning—call it what you will, the common theme of our pressing legislative agenda is: Productivity. There is general agreement in this country that the principal obstacle to improving the productivity of American enterprise is the excessive zeal with which the Federal bureaucracy regulates commerce and industry.

We must act now, Mr. President, to remove this obstacle wherever it is possible and prudent to do so. There is one area, in my judgment, where it is not only possible for us to act, but also where it would be imprudent not to act, and that is the case of the Mining Safety and Health Administration. Today I am introducing a bill which has two important features. First, this bill eliminates mandatory civil penalties in the case of nonserious violations of the Mining Safety and Health Act of 1977—a "nonserious" violation being defined as one that does not threaten imminent bodily injury or death—provided that the fatality and injury rates for that mine are below the national average for comparable mines in the preceding year and that, upon reinspection, the violation is found to be totally abated. Second, this bill withdraws "small mines"—defined as having 15 or fewer employees—from Federal supervision where a State has enacted legislation providing for the safety of mines and the health of miners.

In addition, this bill provides for cooperation and assistance between the Mine Safety and Health Administration and States which wish to develop their own programs of mine safety and health. This measure addresses several of the principal concerns of the mining industry, but it is not intended to be regarded as comprehensive. I am aware that Members of the other body have proposed other amendments to the Mine Safety and Health Act and it may be that, as our deliberations on this measure proceed, I will want to refine and improve its content.

I believe the provision eliminating mandatory civil penalties for nonserious violations is critically necessary if we are to put America's mines and miners back to work. The first task of this country's miners is extracting the wealth of America from the Earth, and not dancing attendance on Federal inspectors. This measure, I am certain, will untie the hands of the American miner and foster an atmosphere of cooperation and assistance, instead of adversarial conflict, between the Mine Safety and Health Administration on the one hand and mines and mine operators on the other.

The provision in this bill to remove small mines altogether from the regulatory control of the Mine Safety and Health Administration does no more than right a historical wrong of long standing. Statistically, small mines are much safer than large ones and, in any event, it is absurd to require the small operations—in some cases just father and son mines—to adhere to the incredibly complicated regime that is imposed on mammoth coal mines with thousands of employees and a battery of attorneys whose sole task is navigating the regulatory maze.

Just consider a few examples of this absurdity. Imagine, if you will, requiring that mine-to-surface telephones be installed—not just in vertical shafts, but in horizontal drifts as well—when the few people working in the mine are underground and no one is at the surface to answer the phone. Or put yourself in the place of the small miner whom MSHA requires to install a "stench device" in a mine's air supply to warn the underground miners of a problem on the surface, when everyone at the mine is underground and there is no one on the surface to give the alarm.

Mr. President, if you and your brother operated a small silver mine in the mountains of, say, Colorado, you would have to decide which of you would become your mine's safety trainer and undergo around 30 hours of certification training so you could then subject the other to annual training sessions. Or, if you and a few family members operated a small uranium mine in Utah, for example, you would have to install a brass checkboard at the entrance to your mine so that each of you could check in and out of the mine; in this way, you could readily determine which members of your family might be trapped underground in the case of an accident. In most American uranium mines, gamma radiation is well below any hazard level for men and nonpregnant women but you and your brother would have to take regular gamma readings just in case a pregnant woman were to stray into your mine.

It sounds absurd, Mr. President, and it is. And yet, these things are all required of the small miner trying to keep his mine working despite the no doubt good intentions of MSHA.

Small miners play a critical role in discovering and developing the mineral wealth of this country and, if we fail to give them some relief, they will be driven to extinction by the blizzard of Federal regulations and this country will be poorer for it. The time to act, Mr. President, is now.●

By Mr. JEPSEN:

S. 569. A bill to amend the Internal Revenue Code of 1954 to provide an investment tax credit for certain soil and

water conservation expenditures; to the Committee on Finance.

SOIL AND WATER CONSERVATION INCENTIVES ACT OF 1981

● Mr. JEPSEN. Mr. President, today I am introducing some much-needed legislation, the Soil and Water Conservation Incentives Act of 1981. This act would allow private landowners and operators to claim a 10-percent investment tax credit when they invest their own money in installing and maintaining conservation practices on their lands.

Much has been said in the last few years about the critical need to insure adequate soil and water conservation practices on our Nation's farm and rangelands. New statistics reveal a loss of a staggering 2 billion tons of cropland topsoil per year. It is possible that the loss of agricultural land quality, coupled with agricultural land quantity, could be so great within the next few years that what once seemed like an infinite capacity to produce food and fiber may no longer be possible.

We all know that the basic and most important ingredient for providing abundant food for a hungry world is good soil.

I have been able to learn about soil erosion firsthand. My State of Iowa contributes more funds and services to soil and water conservation districts than any other State in the country. At the same time, Iowa is one of our largest crop-producing States and loses more cropland to erosion than any other State—10 tons per acre per year. Understanding Iowa's problem makes it clear why soil erosion has serious and significant national implications.

Mr. President, our farmers have a special feeling about the land. They are enthusiastic and interested in conserving and protecting that land and its soil. But the fact is, it takes an extra special effort for a farmer to conserve his land for future generations. Soil conservation pays off over a number of years, but in the short term, especially in today's market, when most farmers have to worry about going under, paying for soil conservation can be an economic burden. Sam Rayburn, former Speaker of the House of Representatives, once said that the one thing besides people he claimed to know was land. The one thing I claim to know, besides land and people in general, is a special category of people, farmers, and I know that a soil conservation tax credit is one of several measures which will make widespread use of conservation practices a reality in today's economy.

As chairman of the Senate Agriculture Subcommittee on Soil and Water Conservation, my goal is to restore vitality in our conservation efforts by adopting adequate incentives to successfully promote widespread voluntary participation. In my opinion, the conservation tax credit takes the right step in this direction.

The popularity of the soil and water conservation tax credit is unquestionable. When the Senate Agriculture Committee held soil and water conservation hearings last summer in Iowa, nearly every person who testified gave support for the conservation tax credit. Late last fall I sent a questionnaire on conservation policy options to the food producers in my State. Eighty-five percent of those who responded supported a conservation investment tax credit. In addition, every farm and conservation group I have contacted wholeheartedly supports the concept. One of the biggest advantages to the conservation tax credit incentive is that it does not increase the Federal budget.

Another bonus is that tax credits should have a particular appeal to absentee landowners who generally have little incentive to conserve soil and water. While there are no concrete statistics regarding the conservation activities of absentee landowners, many conservationists believe the absentee landowner does not conserve the soil at the same rate as a farmer who owns, operates, and lives on his land. The tax credit would provide the necessary incentive.

The Soil and Water Conservation Incentives Act of 1981 is practical legislation. It builds on the section of the Tax Code, 175, which allows farmowners or operators to deduct the land management and conservation expenditures already listed in the code. My bill would allow for a choice of either a full tax deduction the year the structure is installed or a 10-percent investment tax credit the first year, with deductions that year and thereafter on a standard depreciation schedule. For example, a farmer uses his own money to install an erosion control structure at a cost of $2,000. My bill will allow him to:

First, deduct the $2,000 from his gross income that taxable year; or

Second, take a $200 tax credit—10 percent—off his tax liability that taxable year with deductions thereafter amounting to the full cost of the structure over the span of its appreciable life.

Mr. President, in order to meet national needs for food and fiber and maintain a favorable balance of trade, it is essential that productive land and water resources, owned and operated by our Nation's food producers, be conserved and managed in a way that allows for long-term quality and productivity of the land. Because the cost of conservation measures cannot be easily recovered in the marketplace, there must be financial incentives for the private landowner. The investment tax credit will help to accomplish this goal.

As one of my fellow Iowans remarked to me this summer, "Oil can be replaced by another form of energy, but nothing known to mankind can replace our soil." I could not say it better, and I am very hopeful that my fellow Senators who are concerned, as I am, about soil and water conservation and its effect on the long-range productivity of our farm and rangelands, will support the Soil and Water Conservation Incentives Act of 1981.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD immediately following my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 569

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Soil and Water Conservation Incentives Act of 1981"

FINDINGS; DECLARATION OF POLICY

SEC. 2. (a) FINDINGS.—The Congress finds and declares that—

(1) in order to meet national needs for food and fiber, and to maintain a favorable balance of trade, it is essential that the productive land and water resources of the Nation be used and treated in a manner which provides for sustained production and environmental stability;

(2) the management and use of the Nation's productive soils and waters are in the hands of private landowners and operators, and the actions of such persons with respect to such management and use determine the long-term quality and productivity of the Nation's land; and

(3) the cost of conservation measures cannot be readily recovered in the market place, which places an unfair burden on private producers for providing a public benefit and which often makes the production of food and fiber economically unsound for the producer.

(b) POLICY.—It is the policy of Congress that the Federal Government should provide financial incentives, in the form of investment tax credits, to encourage private landowners and operators to conserve and manage land and water within their capabilities and to treat such land and water in a manner which provides for sustained production and the prevention of environmental deterioration.

INVESTMENT CREDIT FOR SOIL AND WATER CONSERVATION EXPENDITURES

SEC. 3. (a) IN GENERAL.—Paragraph (1) of section 48(a) of the Internal Revenue Code of 1954 (defining section 38 property) is amended—

(1) by striking out the period at the end of subparagraph (F) and inserting ", or"; and

(2) by inserting after subparagraph (F) the following new subparagraph:

"(G) in the case of soil and water conservation expenditures (within the meaning of section 175(c)), that portion of such expenditures for the taxable year (other than that portion attributable to property which otherwise qualifies as section 38 property) which the taxpayer does not elect under section 175 to treat as expenses which are not chargeable to capital account.".

(b) Conforming Amendment.—The last sentence of paragraph (1) of section 48(a) of such Code is amended—

(1) by inserting "or (G)" after "subparagraph (F)"; and

(2) by inserting ", or 7 years, respectively" after "growing period"

EFFECTIVE DATE

SEC. 4. The amendments made by this Act shall apply to taxable years beginning after December 31, 1988.●

By Mr. MATHIAS (for himself, Mr. METZENBAUM, Mr. KENNEDY, Mr. WEICKER, Mr. MOYNIHAN, Mr. TSONGAS, Mr. PROXMIRE, Mr. GLENN, Mr. LEAHY, and Mr. BIDEN):

S. 570. A bill to amend title VIII of the act commonly called the Civil Rights Act of 1968 to revise the procedures for the enforcement of fair housing, and for other purposes; to the Committee on the Judiciary.

FAIR HOUSING AMENDMENTS ACT OF 1981

● Mr. MATHIAS. Mr. President, the lack of an effective enforcement mechanism for title VIII of the Civil Rights Act of 1968 remains a glaring omission in that statute and in this Nation's commitment to equal access to housing for all Americans.

The legislation I am introducing today is not new to this body. In fact, only 2 months ago the Senate engaged in 9 days of procedural motions and protracted negotiations in order to bring a fair housing bill to the floor. The cloture motion to limit debate on the bill itself failed by a small margin in those waning days of the 96th Congress.

That failure to bring the fair housing bill before the full Senate for debate was a great disappointment to me personally, as it was for the 13 bipartisan cosponsors of the bill. We had devoted a great deal of time on the Judiciary Committee to crafting that legislation.

The companion House bill had passed that body in June of last year by an overwhelming bipartisan vote of 310 to 95.

So I rise again here today for the third time since February of 1977 to introduce legislation providing an enforcement mechanism for those denied equal access to housing.

The need for this legislation was amply documented in the 6 days of hearings last year by the Senate Subcommittee on the Constitution and 8 days of hearings by the House Subcommittee on Civil and Constitutional Rights. Prior to that, hearings had been held on similar legislation in the 95th Congress. And in the 94th, 93d, and 92d Congress, oversight hearings had been held by the House Subcommittee on the Federal Government's role in enforcing title VIII, the nature of segregated housing markets, the problems of equal opportunity in rural housing and in housing programs administered by the Veterans' Administration.

Then, in 1978, a HUD-commissioned study of 3,000 rental agents and brokers in 40 metropolitan areas found that blacks seeking a rental unit have an 85-percent chance of encountering at least one instance of discrimination. In the instance of black homebuyers, nearly 50 percent were found to encounter discrimination in the marketplace.

HUD estimates that more than 2 million instances of housing discrimination occur each year. Yet only a small percentage of those cases of discrimination are even reported to HUD, in large part because HUD lacks the enforcement power to bring relief to the person encountering such discrimination.

In 1978, HUD received 3,910 title VIII discrimination complaints, yet it successfully conciliated only 8 percent of them.

In 1979, of 2,831 complaints, the Department was able to successfully conciliate only 17.5 percent, and, in 1980, of 3,039 complaints, conciliation succeeded in only 11 percent of the cases.

Mr. President, I ask unanimous consent that a chart prepared by HUD documenting the types of complaints received be printed at this point in the RECORD.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

STATISTICAL TABLES ON FAIR HOUSING

	Fiscal year		
	1980	1979	1978
I. Complaints received	3,039	2,833	3,169
II. Complaints closed:			
(a) By HUD	2,523	2,768	3,803
(b) Referred by HUD to State and local agencies	337	150	106
Total	2,860	2,918	3,909
III. Investigations completed	1,953	2,057	2,637
IV. Determination to resolve	665	581	596
V. Conciliations attempted	703	644	736
VI. Successful conciliations where relief was obtained	496	342	293
VII. Issues involved:			
(a) Refusal to sell	138	184	241
(b) Refusal to rent	1,420	1,252	1,572
(c) Discriminatory advertisement	17	17	14
(d) False representation	54	33	30
(e) Blockbusting	8	39	9
(f) Discriminatory financing	113	138	149
(g) Discrimination brokerage service	13	19	21
(h) Discriminatory membership	2	0	0
(i) Discrimination terms and condition	1,273	1,149	1,129

Mr. MATHIAS. Mr. President, as my colleagues can readily see, the types of discrimination encountered by minorities run the gamut, including discriminatory advertising, false representation, blockbusting, and discrimination in the terms and conditions of a rental unit.

Housing discrimination today is more subtle and sophsticated than the 1950's—to the point where the homeseeker may not be even sure he or she has been treated unfairly unless they can compare their experience with that of the white majority.

For example, discrimination today can involve providing a member of a class protected by title VIII with different information than that provided others, thereby making the unit less available or not available at all; "steering," that is, suggesting that blacks look for a home only in black neighborhoods, or only showing homes in a neighborhood of one race to those of the same race; "redlining," that is, refusing or setting different terms for the "financing or insurance of a dwelling because of the racial composition of the neighborhood in which it is located; requiring different security or cleaning deposits, different downpayments, or interest rates depending on the race of the renter or buyer.

All of these practices and more mean unequal treatment in the housing market and effectively deny equal access to housing. The broader adverse effect of such actions is to perpetuate racially segregated neighborhoods which, in turn perpetuate racially segregated schools. It also contributes to the problems of equal access to health care, public services, and employment opportunities.

At present there are three ways in which a person who thinks he or she has been discriminated against in the housing market can seek redress:

1. HUD CONCILIATION

Under present law HUD can investigate complaints brought to it and seek to conciliate between the two parties. However, neither party is obliged to conciliate, nor is there any way to enforce the agreement reached in the few instances in which conciliation succeeds.

2. FEDERAL SUIT

The person alleging discrimination may file a Federal suit in Federal district court to secure a house or apartment. This method, however, is time-consuming and costly for both parties and deters people from resorting to it.

In most metropolitan Federal districts, for example, the time to trial is almost 2 years. Moreover, the time off the job necessary to pursue litigation, the out-of-pocket costs, and the need to hire an attorney often deter both parties from taking their case to court.

Simply put, when a person needs an apartment by the beginning of the month, HUD conciliation or suing in Federal district court is not going to produce the desired housing in a timely way.

3. PATTERN AND PRACTICE SUITS BY THE ATTORNEY GENERAL

The 1968 Civil Rights Act authorizes the Attorney General to sue in Federal district court where a pattern or practice of discrimination is alleged; 330 such suits have been filed since 1968, 90 percent of which have been resolved. A large proportion of those cases are settled by a consent decree entered the day the suit is filed.

In addition, since 1969, 198 cases were referred to the Attorney General by HUD of which 20 resulted in court suits. These cases represent a variety of discrimination complaints including individual denials of housing; pattern and practice; discriminatory advertising, and discrimination in membership in multiple listing services.

Last, since 1969, a total of 10 zoning or land use cases have been brought by the Attorney General, 6 of which have been decided, all in favor of the United States. The four outstanding land-use suits have been filed by the Justice Department in the past 8 to 12 months.

Such suits however, do not provide timely housing relief to the individuals discriminated against.

The bill I am introducing today is based on and very similar to legislation

which the Senate failed to debate in the last Congress.

It provides for an administrative hearing by independent law judges answerable to a three-member, Presidentially appointed Fair Housing Review Commission.

This administrative enforcement mechanism is a well-established method of expediting small, but significant cases and is employed by 28 Federal agencies and departments. It is the same enforcement mechanism agreed to and favorably reported by the Senate Judiciary Committee in the last Congress.

An administrative law judge would hear the facts of the case, render a decision, order appropriate legal and equitable relief, or dismiss the case. The administrative law judge would be appointed by the Presidentially appointed, three member Fair Housing Review Commission, which would set its rules of procedure and serve as an appeals board for decisions by the administrative law judge which might be contested.

To assure due process for all parties, determinations of the Fair Housing Review Commission are appealable to a Federal court of appeals.

The existing right of the aggrieved party to go directly to Federal court remains unchanged under this bill. Likewise, the bill preserves States' authority to resolve individual housing discrimination complaints as it requires the mandatory referral of cases to State and local authorities with substantially equivalent powers.

In this bill, mentally and physically handicapped persons are added as a protected class to the existing protected classes of race, color, religion, sex, and national origin. I would emphasize, however, that I and my cosponsors do not intend that the Nation's housing stock be retrofitted for this purpose. Rather, the expense of modifying an apartment or house for a handicapped person is to be borne by that individual.

The hearing process established by S. 570 is an expeditious and less costly method than the courts for adjudicating individual complaints. The sponsors of this legislation believe it provides a workable solution to continuing housing discrimination complaints.

Enforcement powers for housing discrimination complaints have been endorsed by every Secretary of Housing and Urban Development since the creation of the Department in 1964.

Yet, here we are 13 years later, without any enforcement teeth for title VIII of the Civil Rights Act to make its promise of equal access to housing for all Americans a reality.

The current individual court suit remedy is not effective, nor is it widely used, despite the continued evidence that housing discrimination persists in our society. To my mind, this contributes a denial of justice which must be remedied. The bill I am introducing here today, the Fair Housing Amendments Act, will insure that justice is served.●

● Mr. KENNEDY. Mr. President, I join with the Senator from Maryland (Mr. MATHIAS) in introducing the Fair Housing Amendments of 1981.

The fair housing provisions in title VIII of the 1968 Civil Rights Act promised equal housing opportunity to all Americans. Yet today, 13 years later, that proud promise remains unfulfilled. It is time to keep our commitment.

Unfortunately, the 1968 act failed to put real teeth in the enforcement provisions of the fair housing law. The cost and delay faced by private litigants who suffer discrimination is a stiff deterrent. Discrimination in housing is still all too common. As the New York Times pointed out in a recent editorial, it is hardly a radical proposition to suggest "that people should not be lied to, given the runaround or otherwise discriminated against in the sale or rental of property." But that is really the issue before us.

I will ask unanimous consent, Mr. President, that the editorial from last December be printed at the conclusion of my remarks.

The introduction of today's bill makes clear that the battle for fair housing goes on. We must still strive to honor our 12-year-old commitment to fair housing. I look forward to working with Senator Mathias and others to pass strong fair housing legislation in this Congress.

The legislation we introduce today is essentially the measure reported by the Senate Committee on the Judiciary last year. This bill represents a reasonable and responsible effort to strengthen the enforcement provisions of title VIII. It would provide for expeditious hearings before an administrative law judge versed in fair housing law. Complaints could be pursued by the Government, with victims of discrimination particpating if they wished. Cases could be resolved more quickly and inexpensively than they would through the courts.

At the same time, the plan devised by the Senator from Alabama (Mr. HEFLIN), which this bill contains would create an independent system of review within HUD. That would insulate the administrative law judges and the appelate review board from undue influence by the Secretary of HUD or those with enforcement functions within the Department.

Finally, as we made clear during last year's debate, the substantive law for fair housing would not change with respect to the showing required to establish a violation and to seek relief.

I hope my colleagues will study the issue carefully and then give this measure the full support which it deserves and which our consciences demand.

Mr. President, I now ask unanimous consent that the editorial referred to earlier be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times, Dec. 9, 1980]

FOR FAIR HOUSING, AT LAST

The United States Senate today will act on a radical proposition: that people should not be lied to, given the runaround or otherwise discriminated against in the sale or rental of housing.

Radical? Of course not. Congress explicitly outlawed housing discrimination years ago. But now there is a new bill, to protect victims of such discrimination, and Senators like Strom Thurmond and Orrin Hatch are urging strangulation by filibuster. It would shame the Senate if they succeed.

The original fair housing law, enacted in 1968, outlawed discrimination. But it gave the Government little enforcement power. In cases of asserted discrimination, the Department of Housing and Urban Development was authorized to serve only in the role of conciliator. The Justice Department was authorized to sue only if discrimination was systematic. Individual victims have had to fend for themselves if recalcitrant realtors, sellers and landlords refused to cooperate.

The debate on Capitol Hill has therefore centered on how best to strengthen Federal enforcement powers. The House months ago created a system of administrative judges to adjudicate discrimination cases. But the Senate has refused to go along. It has insisted on a compromise; suits must come before Federal magistrates. Since they are often preoccupied, special administrative judges would have been better. Still, the Senate bill is a decided improvement over no Federal enforcement at all.

Whether one relies on objective housing data or personal experience, the persistence of housing discrimination is plain as day. The bill before the Senate would not unleash Washington to reshape local land-use patterns. It would do no more than give victims of discrimination a realistic way to vindicate their rights. Cutting off the filibuster and then approving the fair housing bill would be a decent way for the Senate to conclude its business.●

o Mr. GLENN. Mr. President, I am pleased to announce that I am a cosponsor of the Fair Housing Amendments Act of 1981 which is being introduced today. If enacted, this legislation would put teeth in our fair housing laws by providing a strong and comprehensive, administrative enforcement mechanism.

Unfortunately, the Senate failed to consider and pass the fair housing bill during the 96th Congress. This failure is essentially the result of two attempts to filibuster the legislation late last year. Although unsuccessful, the first filibuster attempt consumed much precious time during the few remaining days prior to final adjournment of the 96th Congress. The second attempt was successful largely because efforts to terminate the filibuster took a back seat in the rush to adjourn for Christmas. Any chances of saving the bill through compromise were lost due to the intransigence of those who felt assured of the bill's defeat. I consider the Senate's failure to enact this legislation a tragic step backward.

However, with today's introduction of the Fair Housing Amendments Act of 1981 we continue our seemingly endless battle against racism and discrimination in housing. And, while certain compromises appear inevitable, I believe that our goal of obtaining fair and decent housing for all Americans can be accomplished through the enactment of this bill during this first session of the 97th Congress.

Mr. President, as a cosponsor of the fair housing bill, I ask my Senate colleagues to join with me in seeking swift passage of this important legislation.●

● Mr. LEAHY. Mr. President, title VIII

of the Civil Rights Act of 1968 promised to "provide for fair housing throughout the United States," and that all Americans would have an equal opportunity to get good housing in the neighborhoods of their choice. Nonetheless, housing discrimination continues to be a major problem in this country. While it may be very subtle, discrimination in housing is an underlying factor in the continued segregation of our society along racial and ethnic lines. Furthermore, housing discrimination has prevented our handicapped citizens from living independent lives and realizing their full potential.

Under existing law, the only real enforcement mechanism available to persons subjected to unlawful housing discrimination is the time consuming and costly process of litigation. We are left with a clear national policy against discrimination articulated in the Civil Rights Act of 1968, but in the important area of housing, the victims of discrimination, who are least able to afford either the money or the time it takes to pursue private litigation, are left largely unprotected.

I think we can all agree that there is a real need to strengthen this law by providing an adequate enforcement mechanism. This bill utilizes an administrative hearing process with independent administrative law judges appointed by a Presidentially appointed Fair Housing Review Commission. While I think this approach is a reasonable one, I will not be reticent to study alternative ideas during the hearing process.

In addition to providing an effective mechanism for the enforcement of existing laws to prevent housing discrimination on the basis of race, color, religion, sex, or national origin, the bill we are introducing today extends fair housing protections to handicapped persons by making them a protected class under title VIII. Handicapped persons now number some 36 million people in the United States, including many elderly Americans. Discrimination against the handicapped often involves refusing to rent, or requiring a higher security deposit or rental rate because the landlord just assumes a handicapped person is more likely to damage his property. In other cases, the landlord may refuse to permit the physical modifications which the handicaped individual needs to live in that dwelling.

Under this bill, handicapped persons would have to be allowed to make changes, at their own expense, to accommodate their homes to their needs. Such changes, however, could not significantly alter the building's use, make it unavailable to nonhandicapped tenants, or reduce its value or marketability.

Finally, this bill meets the concern of many of my colleagues and I share about the intrusion of the Federal Government in State matters. I am pleased to say the bill incorporates an amendment I offered to S. 506 during the last Congress which requires the Secretary of Housing and Urban Development (HUD), before taking any action on a complaint, to refer it to a State or local agency which has been certified by the Secretary as having substantially equivalent remedial authority.

The fair housing amendments would put some teeth into a law which has been on the books for 12 years, thereby helping to make fair housing a reality for those who are traditionally most discriminated against—racial and ethnic minorities, women, and the handicapped.●

● Mr. BIDEN. Mr. President, I rise in support of the Fair Housing Act Amendments of 1981.

The purpose of this legislation is to prevent discrimination by race, sex, religion, color, national origin, or handicap in the sale or rental of housing.

Discrimination in housing is a fundamental root of racial segregation in this country today. Racially discriminatory private housing practices as well as discriminatory practices in operation of public housing programs have contributed heavily to the isolation and segregation of many American communities.

Although title VIII of the 1968 Civil Rights Act outlawed many of these practices, it failed to provide adequate remedies for individuals to seek redress from discrimination.

Presently, a victim of discrimination may seek relief only through the Federal courts or through an inadequate and ineffective conciliation procedure within the Department of Housing and Urban Development.

In 1973, 2,733 discrimination complaints were reported to HUD. This number rose to 3,391 complaints in 1977. Of those complaints, approximately 70 percent were filed by blacks charging racial discrimination in the sale or rental of housing.

Conciliation conferences were called in approximately 21 percent of all complaints. However, only half of these conferences were successful in resolving the discrimination complaint. In the remainder of the cases, the parties either had to turn to the court system for relief or the complaint went unresolved.

A further indication of the continued existence of discriminatory housing practices was the survey conducted by the National Commission Against Discrimination in Housing during 1977. The survey made over 3,200 test visits to realtors and landlords in 40 metropolitan areas throughout the country.

The results indicated that 29 percent of rental agents and 21 percent of all sales agents discriminated against blacks. The chance of any black encountering discrimination in visits to any four realty agents was 75 percent for rental housing and 62 percent for the sale of owner-occupied housing. The study concluded that significant housing discrimination still existed in many areas of the country.

A number of studies by the General Accounting Office, the Civil Rights Commission, the Leadership Conference on Civil Rights and other civil rights groups have highlighted the inadequacies of the present system. The inadequacies include:

First, inability of HUD to order temporary or permanent relief for persons discriminated against by realtors or landlords.

Second, lack of authority for HUD to initiate investigations of individuals or groups practicing discrimination.

Third, lack of authority for the Attorney General to file suit on behalf of individuals.

Fourth, lack of adequate staffing and budget for HUD to enforce title VIII complaints.

Fifth, lack of systematic procedures within HUD to investigate and conciliate complaints.

Mr. President, the bill before us today addresses many of the present inadequacies in the law.

First, temporary equitable relief may be ordered by a Federal judge for persons who are victims of discrimination if it is likely that such discrimination may deprive an individual of a home or apartment before proceedings under a court or administrative law judge can be completed.

Second, under the administrative grievance system provided for in the bill, administrative law judges may order appropriate relief to plaintiffs including civil penalties, compensation for out-of-pocket losses and equitable relief.

The bill also expands the authority of the Department of Housing and Urban Development to investigate discriminatory practices which may be a violation of the act.

The bill also mandates that cases be referred to State and local fair housing agencies if such agencies have laws substantially equivalent to the Federal laws.

This bill is similar to the bill reported by the Senate Judiciary Committe last year. Under the new administrative grievance procedure, an aggrieved person may bring a complaint before an administrative law judge. The administrative law judge may hold an evidentiary hearing and may order remedies for the relief of the complaint if a showing of discrimination is made.

Appeals may be made directly to a three-member Presidentially appointed Fair Housing Review Commission. Any final order may be appealed to a Federal court of appeals.

Many of the administrative safeguards contained in last year's bill are also contained in this legislation The losing party has the right to appeal to an administrative appeals board as well as to a Federal court. HUD may not order preliminary relief without obtaining such an order from a Federal district court. Attorneys fees may be awarded to prevailing parties in any litigation.

Although the bill contains many of the administrative safeguards in last year's bill, I am concerned that there is inadequate protection to small landlords and realtors wrongfully enjoined under the statute.

Under the act, a realtor or landlord is not protected against economic loss incurred during the period when a wrongful injunction or temporary restraining order is in place. There may be a few cases in which a temporary restraining order is issued but the case is without merit. In such cases I would like to see a provision which states that if a court has issued a preliminary injunction or temporary restraining order against a respondent, and if the agency seeking the action has not prevailed, then the court may compensate the respondent for unavoidable economic loss incurred

during the period of the injunction. This provision is a very important procedural safeguard protecting small realtors and landlords from wrongful injunctions ordered by the courts.

At an appropriate time, I expect that I will offer an amendment to the bill to correct this deficiency. It is my hope that the final version of the fair housing bill will contain this provision. I believe that it is vitally important that both the plaintiff and the respondent in fair housing cases be adequately protected. However, in most areas I believe there are sufficient safeguards in the bill.

Mr. President, what is at stake here is whether or not we will have a fair and workable system of enforcement for our fair housing laws. The opponents of the bill argue that we should leave the problem of housing discrimination to the Federal courts. But for the average citizen seeking to find housing the existing enforcement system alone is not an effective remedy.

Litigation is expensive and time consuming. The average citizen nor the small realtor or landlord do not have the time nor money to go before a Federal court.

For the average person making $14,000 a year and seeking a home, the Federal court system is a poor alternative. If you have been discriminated against, it will cost you $2,000 to $5,000 to pay for a full jury trial. It will probably cost you 1 or 2 weeks in lost time at work.

And even if the court finds in your favor 10 or 20 months later it is likely that the apartment or new home which you were seeking will no longer be available. It is likely that the realtor will have sold the home or rented the apartment to another person.

It is little wonder that many persons do not even bother to follow through with their complaints. Under the enforcement system envisioned under this act, the aggrieved person would be entitled to a hearing before an administrative law judge.

This procedure need not involve batteries of lawyers on each side but allows the person to present their case in a fair and timely fashion. It would be quicker and more effective in delivering justice than the existing system.

Mr. President, I believe that it is vitally important that we pass the Fair Housing Act Amendments of 1981. We need to fulfill the promise of the 1968 Civil Rights Act.

The consequences of not fulfilling that promise means that many thousands of Americans will be deprived of the home of their choice. I believe that this legislation is a fair and workable solution to one of the remaining gaps in the enforcement of our fair housing laws.●

By Mr. DOMENICI:

S. 571. A bill to establish the San Joaquin del Canon del Rio de Chama Grant Commission, and for other purposes; to the Committee on Energy and Natural Resources.

SAN JOAQUIN DE CANON DEL RIO DE CHAMA GRANT COMMISSION ACT

● Mr. DOMENICI. Mr. President, because of a lack of a definitive agreement over title to lands adjoining the regions San Joaquin and Gallina, the State of New Mexico has witnessed numerous legal discrepancies with regard to these properties. So that this shortcoming might be rectified, the New Mexico Legislature passed a resolution outlining the pressing need for Federal investigation of and recommendations for allaying the problems surrounding the inadequate title to these lands.

The legislation which I introduce today creates a commission whose prerogative it will be to investigate and make appropriate recommendations to the Congress for future legislation. The enactment of this bill will insure the adoption of a solution whose affect will lay this controversy to rest.●

By Mr. HUDDLESTON (for himself and Mr. FORD):

S. 572. A bill to expand the scope of the small operators assistance program in the 1977 Surface Mining and Reclamation Act; to the Committee on Energy and Natural Resources.

EXPANSION OF SCOPE OF SMALL OPERATOR ASSISTANCE UNDER THE SURFACE MINING AND RECLAMATION ACT

● Mr. HUDDLESTON. Mr. President, I am introducing legislation today to expand the scope of the small operators assistance program (SOAP) which was established under section 507(c) of the 1977 Surface Mining Control and Reclamation Act (Public Law 95–87).

As it now stands, though well intentioned, SOAP does not really offer the degree of assistance necessary for qualified small operators who must meet the stringent regulatory requirements of Public Law 95–87 and at the same time remain competitive in the marketplace with large scale producers. Providing financial assistance for the "determination of probable hydrological consequences" is indeed a helpful tool to those operators who mine under 100,000 tons of coal per year.

However, it is hardly the type of assistance that can assure the competitive position of the small operator and at the same time dictate even more clearly his intention to meet the necessary environmental standards in Public Law 95–87 and the accompanying regulations promulgated by the Office of Surface Mining (OSM).

My bill would be a step toward achieving both of these highly important goals. Without it, I fear the dire predictions of various State officials and mining representatives that the small operator will be forced out of the business or be absorbed as subcontractors to large coal operators, with resultant tighter market controlling of coal prices, may come to full fruition in the coming months. Already since the enactment of Public Law 95–87 the number of small operators had decreased dramatically.

We must avoid this danger for the sake of our environment and in order to maintain a stable, competitive coal marketplace. Making funds available for the purposes I have listed in this legislation: Drilling required observation well; alternative water supply information; climatological information; vegetation information; fish and wildlife resources information; soil resources information; land use information; mapping requirements; water compliance monitoring; and soil tests; will at least put us on the right track.

Also, this legislation will change the definition of small operator from one who mines 100,000 tons or less per year to one who mines 200,000 tons or less per year. I believe this is a much more realistic definition of the small operators that provide the much needed competition for the major coal companies. It also will put Federal statutes in line with the laws of Kentucky where most small operators do business.

Some have said that this program will be costly. I am convinced that without it the costs will be much higher. And, it should be pointed out that there are large amounts of money already available for SOAP in the abandoned mine reclamation fund that was established in Public Law 95–87. If we can gain a consensus on the need for expanding SOAP I am hopeful we will be able to adjust the mechanism for the distribution of already available funding for these purposes without appropriating any new funds.

Legislation almost identical to this was introduced in the last Congress and received favorable attention from many sectors. Yet because of the seemingly ever present struggle over other aspects of the Surface Mining Act we saw little forward movement on the bill. Now that we seem to have a fresh attitude toward Public Law 95–87 perhaps we can also gain some help for the operators of small coal mines.

I urge my colleagues to join me in this effort.●

By Mr. McCLURE (by request):

S. 573. A bill to extend the expiration date of section 252 of the Energy Policy and Conservation Act; to the Committee on Energy and Natural Resources.

EXTENSION OF ANTITRUST EXEMPTION UNDER ENERGY POLICY AND CONSERVATION ACT

● Mr. McCLURE. Mr. President, today I am introducing by request a bill submitted by the Secretary of Energy on behalf of the administration. The bill would amend section 252 of the Energy Policy and Conservation Act by extending the expiration date for the antitrust exemption contained in section 252 of the act. The expiration date in the current law is March 15, 1981. The amendment would continue the antitrust exemption for slightly more than 9 additional months, to December 31, 1981.

During the last Congress, the expiration date was extended on three separate occasions. This fact illustrates the strong interest of the Congress in the antitrust exemption. The purpose of the exemption is to extend temporarily the current statutory defense against any antitrust suits that may be brought against U.S. oil companies participating in the agreement on an international energy program (IEP). Extending the exemption to December 31, 1981, would facilitate the continued participation of U.S. oil companies in the IEP.

The IEP was originally signed in 1974 as the result of an effort by the United States to promote cooperation among major industrial countries in reducing

dependence on imported oil. There are presently 21 signatories to the IEP, consisting of most of the principal industrialized oil-consuming nations. The agreement provided for creation of the International Energy Agency (IEA) and, under the auspices of the IEA, the development of an international oil-sharing system for use during oil supply emergencies, and an information system on the international oil market. It also requires each country to establish an emergency petroleum storage program, and to have a means for restraining demand for petroleum products in the event of an interruption of petroleum supplies ot the IEP countries.

Section 252 of the Energy Policy and Conservation Act sets out procedures for the development of voluntary agreements and plans of action to implement the allocation and information provisions of the IEP. Under this authority, U.S. oil companies entered into the voluntary agreement and plan of action to implement the international energy program. At present, 22 U.S. oil companies, including both major international oil companies and independent oil companies, are participants in the voluntary agreement.

The antitrust defense made available by section 252(f) is essential to the participation of U.S. oil companies in the voluntary agreement and, through it, in the IEP. The IEP, in turn, can function effectively only with participation by U.S. and foreign oil companies, which are primary sources of information about conditions in the international oil market and would be the primary actors in redistributing oil if the IEP's emergency-sharing provisions were activated.

It is my understanding that the administration currently is examining the adequacy of section 252 with respect to IEA activities. The proposed extension will provide time for these deliberations without interruption of U.S. company participation in the IEA.

I am pleased to note, Mr. President, that the legislation would not result in an increase in the budgetary requirements for the Department of Energy.

As I noted earlier, the current expiration date for the exemption is March 15, 1981. Consequently, the Congress must act swiftly to enact an extension before that date to prevent a dangerous dislocation in the international energy program. It is particularly important that the IEP remain fully in force in the months ahead in light of the continuing serious potential for major oil supply disruptions caused by events such as the Iraq-Iran conflict in the Persian Gulf area.

The Energy and Natural Resources Committee has scheduled a hearing on this bill on Monday, March 2, 1981, and a business meeting on Wednesday, March 4 to consider the measure. A hearing on companion legislation has been scheduled for today in the House Energy and Commerce Committee, and quick action on the House bill is anticipated. Mr. President, I am hopeful that Congress will enact an extension of the exemption before the current expiration date of March 15, 1981.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD following my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 573

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 252(j) of the Energy Policy and Conservation Act (42 U.S.C. §(6272(j)) is amended by striking "March 15, 1981" and inserting in its place "December 31, 1981".●

By Mrs. KASSEBAUM:

S. 574. A bill to amend the Internal Revenue Code of 1954 to allow the estate of a decedent a deduction for certain bequests of interests in property used in farms or other trades or businesses, and for other purposes; to the Committee on Finance.

PRESERVATION OF FAMILY FARMS AND BUSINESSES

● Mrs. KASSEBAUM. Mr. President, on January 14, the Washington Post reported that "dozens of Government policies have hastened the trend toward bigger and fewer farms and have jeopardized the future of family farm ownership." The Post thus recognized what those of us from rural States have known for some time: The family farm is in danger of becoming extinct. This fate may also be in the offing for small, family-owned businesses that find it difficult to continue in the face of high interest and inflation rates, Government regulation and increasing estate tax burdens.

The estate tax has its greatest impact on women who, generally speaking are not considered to have an ownership interest in the property involved. Unfortunately, many women learn too late in life that property in which they have invested much of their lives could be lost upon the death of a husband because the farm or business might have to be sold to finance Federal estate taxes.

Farmers face a unique problem in that approximately 95 percent of farm assets are tied up in production. This lack of liquidity, coupled with rapid increases in farmland values due to inflation, has often forced the sale of all or part of farm real estate to pay estate taxes.

The combination of lack of liquidity and increase in property values due to inflation has a cumulative impact on the surviving spouse under section 2040(a) of the Internal Revenue Code. This section creates the presumption that all jointly held property is included in the decedent's estate for tax purposes, unless the survivor shows a monetary contribution. The only other way this presumption can be rebutted is by showing "material participation" in the operation of the farm or business.

A good deal of controversy has arisen over the meaning of the term "material participation." The Tax Code fails to recognize a wife's work as a contribution to the maintenance of the farm or business. These wives often combine homemaking and child rearing responsibilities with aid in operation of the family enterprise. Although these unpaid contributions add significantly to the prosperity of the operation, they may not satisfy the material participation test. The reality of this problem was expressed by one of my constituents who wrote:

> When my husband and I were married he had $500 and a car. I had $800, three cars, a horse and a piano, so tell me why after thirty-five years of marriage our estate is considered all his?

Surely Mr. President, this is not the intended consequence of our laws.

This result conflicts with income tax provisions which allow all income to be jointly taxed to the spouses, regardless of ownership of the farm or business. It is unreasonable and unproductive to expect family farms to tailor their operations as if they are run by lawyers, accountants, and estate planners.

Mr. President, I am pleased that a number of my colleagues share my concern about this inequity and are supporting efforts to eliminate this anachronism in the law. Many of them joined me in hearings which I chaired on February 4 before the Special Committee on Aging. These hearings focused on the impact of estate tax policy on rural women and a number of the problems I have just mentioned were discussed.

The purpose of the bill I am introducing today is to encourage the preservation of family farms and businesses.

First of all, the bill increases the marital deduction to an upper limit of $750,000 in cases where a family farm or business comprises at least 50 percent of the estate. The current deduction is $250,000 which was established in 1976. Since then cumulative annual inflation has been 8 percent.

Second, heirs other than a spouse would qualify for a $750,000 total deduction where the farm or business is at least 50 percent of the estate. This amount is not available to each heir. It is a combined limit on the amount deducted on behalf of all heirs other than the spouse.

Third, the bill would recapture any tax benefit upon the sale of the operation or upon failure to continue to use it for the same purpose. If either of these events occurs within 5 years of the decedent's death, 100 percent of the tax benefit would be recaptured. After that, 10 percent of the value of the estate per year is protected from recapture so that after 15 years recapture would not apply.

Finally, this provision will apply automatically to those qualified heirs and spouses. This will avoid the inherent problem an elective provision creates with losses due to failure of estate tax planning.

Mr. President, the time has come to remove these obstacles to the continuation of family farms and businesses. These enterprises have traditionally been the backbone of our economy and our heritage. This bill accommodates the needed reforms without doing violence to our efforts to reduce Federal deficits. I urge the Finance Committee to act favorably on this matter.●

By Mr. MOYNIHAN (for himself and Mr. RANDOLPH):

S. 576. A bill to authorize the construction of harbor improvements to promote domestic commerce and to facilitate U.S. export of coal and other commodities,

and for other purposes; to the Committee on Environment and Public Works.

NATIONAL HARBOR IMPROVEMENT ACT OF 1981

Mr. MOYNIHAN. Mr. President, over the last year, interest in devcloping an active coal export market for American coal has led to task forces and conferences, the courting of foreign buyers, intense competition among ports, and, I might add, a ream of legislation in both the House and Senate. All of the legislation proposed to date has had a common purpose in mind: to stimulate the development of deepwater harbors to accommodate the larger vessels, and to cut through the cumbersome Federal administrative and statutory procedures.

Our difficulties lie not so much in agreeing to the desirability of port development. Our problem is how to achieve our goals with a rational and equitable selection process and how to apportion the costs of the projects among the various levels of government and the private sector to encourage the greatest economic efficiency. The days of full Federal responsibility for dredging and maintenance of harbors are over.

Today I introduce with my distinguished colleague from West Virginia (Mr. RANDOLPH) the National Harbor Improvement Act. Its purpose is threefold. First, the bill deals with the question of how national priorities should be set for harbor improvements. Selecting projects on a first-come, first-serve basis is hardly a responsible approach to public investment. Second, the bill recognizes that these harbor projects ought not to be thought of as free goods. In addition to the general benefit to the Nation, these projects have clearly identifiable beneficiaries who should share in the costs of the projects. Finally, the bill will set a 2-year deadline on the completion of project feasibility studies.

If one agrees with the premise that there is at least some Federal role in these projects, then one must take the next step and conclude that some planning on a national level must occur. It is obvious that there are presently more projects than could be funded by the Treasury. I cite as evidence the list of coastal ports (table I) where plans have been made to expand capacity. This list accompanied the interim report of the coal export task force, an interagency group established by President Carter last summer. The length of the list demonstrates that our choices will not be easy ones.

I ask unanimous consent that the table be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE I.—EXISTING AND POTENTIAL EFFECTIVE CAPACITY FOR HANDLING EXPORT COAL AT U.S. PORTS

[Millions of short tons]

Port/ terminal	Vessel size (DWT)		Existing capacity (10^6 tons)		Capacity expansion (10^6 tons)		Total mid- to long-term* effective capacity, 1985 (10^6 tons)
	Existing	Proposed	Designed	Effective	Planned	Underway	
East coast:							
New York, New York (P)	80,000				5.0		5.0
Philadelphia—Pier 124(E)	60,000		5.0	2.5		6.5	9.0
Camden, New Jersey (P)	35,000				2.0		2.0
Wilmington, Delaware (P)	30,000				7.5		7.5
Lower Delaware Bay (P)	100,000+				10.0		10.0
Baltimore (E)	70,000	100,000+	27.2	16.6	11.0	6.5	34.1
Norfolk:							
Pier 6 North (E)	80,000	100,000+	58.0	29.0	7.3		36.3
Pier 5 South (E)			8.0	4.0	1.0		5.0
Newport News:							
Pier 14 (E)	80,000	100,000+	33.0	16.5			16.5
Pier 15 (E)			34.6	5.3		5.0	10.3
Pier 9 (E)					5.0		5.0
Portsmouth (P)	50,000	100,000+			10.0		10.0
Morehead City (P)	50,000	100,000+			5.0		5.0
Charleston (P)	40,000	50,000			5.0		5.0
Savannah (P)	50,000	70,000			7.5		7.5
Brunswick (P)	30,000	43,000			5.0		5.0
Total east coast			145.8	73.0	81.3	18.0	173.2
Gulf coast:							
Mobile (E)	60,000	100,000+	11.0	5.0		5.0	10.5
New Orleans—Davant (E)	60,000	100,000+	14.0	7.0	3.0		10.0
Myrtle Grove (E)	60,000	100,000+	6.0	3.0	9.0		12.0
Mile 118 (P)	60,000	100,000+			4.0		4.0
Baton Rouge (Burnside) (E)	60,000	100,000+	5.0	2.0	4.0		6.0
Port Arthur (P)	60,000	100,000+			2.0		2.0
Galveston (P)	55,000	100,000+			10.0		10.0
Corpus Christi (P)	75,000	100,000+			0.5		0.5
Total gulf coast			36.0	17.6	32.5	5.0	55.0
West coast:							
Los Angeles (E)	100,000+		4.0	1.5	7.5		9.0
Long Beach (E)	100,000+		4.0	1.5	5.0		6.5
Sacramento (P)	30,000	40,000			1.2		1.2
Stockton (P)	35,000	40,000			1.2		1.2
Astoria (P)	50,000				5.0		5.0
Portland (P)	55,000				3.0		3.0
Coos Bay (P)	35,000				3.0		3.0
Kalama (P)	50,000				7.5		7.5
Bellingham (Cherry Point) (P)	100,000+				1.2		1.2
Dupont Washington (P)	100,009+				3.0		3.0
Grays Harbor (P)	40,000	60,000			3.0		3.0
Anchorage (P)	100,000+				3.0		3.0
Trading Bay (P)	100,000+				3.0		3.0
Total west coast			8.0	3.0	46.6		46.6
Total United States			159.8	94.4	160.4	23.0	277.8

(E) Existing facility.
(F) Potential facility.
*Based on survey of U.S. ports, using 1935 as nominal date for mid- to long-term coal port development plans.

Source: Maritime Administration.

Mr. President, our bill would establish a task force, similar in composition to the coal export task force, to act as a planning and coordinating body for proposed port projects and to advise the President on which projects are in the highest national interest. The task force shall also develop long-range harbor development plans. Dredging decisions will have a profound impact on inland transportation and production. Regional economic effects will be substantial. Indeed, regional equity will be a primary criterion which the task force will consider when evaluating individual projects and formulating long-range national plans.

The task force will eliminate the duplicative review procedures within the

Corps of Engineers and at the same time broaden the participation of the other executive agencies with responsibilities in the areas of transportation, energy, commerce and the environment. The task force will also serve as the focal point for local, State and regional interests to negotiate with the Federal Government over the breadth of a project and the mechanism for financing.

The second purpose of our bill would be to permit more flexible financing arrangements with the Federal Government and at the same time establish the principle that harbor improvements are not free goods. Indeed, one reason for pursuing the harbor deepening projects is to capture the economies of scale brought about by use of large deep-draft vessels. It is misguided economics to hide the costs of dredging in another part of the economy and claim the free goods in the form of reduced shipping costs.

Projects may proceed under two methods of financing, depending on the desirability of the project from the national perspective. For the best projects, the first method of financing provides for the initial payment of all construction costs by the Federal Government and the repayment of 25 percent of such costs within 20 years of the completion of the project. The rate of interest on repayment will be set by the Secretary of the Treasury. For projects financed in this way, the Federal Government will assume the full cost of operation and maintenance for the first 3 years after the completion of the project. In each year thereafter, the Federal share of such costs will be reduced by 5 percent until the Federal share represents 50 percent of annual operation and maintenance costs.

For the projects of lower national priority, the Federal share of the construction costs will be set at a proportion commensurate with the proportion of the most cost-effective dredging depth to the depth preferred by the non-Federal interests. The non-Federal interests shall repay the Federal Government for the portion of Federal construction costs greater than 50 percent. Under this method of financing, the Federal share of the operation and maintenance costs will be the same percentage as the Federal share of construction costs for the first 5 years following construction. Thereafter, the Federal share will be reduced by 5 percent each year until the Federal share represents 25 percent of operation and maintenance costs.

The third purpose of the National Harbor Improvement Act is to set a time limit on the process of studying the feasibility of the harbor projects. As the interim report of the coal export task force notes, the average study time is on the order of 9 to 10 years. This is unacceptable. If we are serious about comparing a variety of alternatives, then we must be capable of making intelligent decisions in a timely fashion. Our bill suggests a 2-year study period.

Of course, the implication of a compressed study period is that more resources will have to be dedicated to the study than has usually been the practice. But that is precisely my point. These studies should be fully funded and approached as any serious investor might.

America has coal in abundance. We have grain and other bulk commodities to market to the rest of the world. We therefore must encourage the most efficient combination of transportation and loading facilities to market these commodities. Our bill, by requiring the participation of parties outside the Federal Government, opens up the economic choice of major harbor improvements to the marketplace. The deepening of harbor channels is one part of the transportation chain. Government subsidies to railroads are being reduced. The tax on inland waterway users is being raised. These are signs of a desire to let the market select the most efficient modes of transportation. This by no means suggests that the public character of transportation services should be negated—simply that it should be balanced by the forces in the marketplace. It is my hope that the National Harbor Improvement Act will establish the institutional structure to achieve this balance.

Mr. President, I ask unanimous consent that the bill and a section-by-section analysis be printed in the RECORD.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 576

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this may be cited as the "National Harbor Improvement Act of 1981".

FINDINGS AND DECLARATIONS

SEC. 2. The Congress finds and declares that—

(1) the Federal Government has traditionally assumed the full cost of construction, operation, and maintenance of inland waterways, rivers, and harbors determined to be navigable waters;

(2) during the last 40 years the Federal Government has spent $6.5 billion on construction of navigation projects and $5.9 billion on operation and maintenance of rivers and harbors;

(3) world demand for steam coal will increase substantially over the next several decades and the United States will supply approximately one-third of the coal, almost all of which will be exported through deep-draft ports;

(4) the United States will have a capability of handling approximately 200 million tons of coal per year by 1985;

(5) foreign demand for United States coal is in part limited by the inability of United States ports to handle ships greater than those of 150,000 dry-weight tons each;

(6) current procedures as established by statutes, administrative rules, and traditional practice require an average of 24.4 years for the study, authorization, funding, design, and construction of a Federal navigation project;

(7) long periods of time after the authorization of a Federal navigation project, amounting to as much as 10 years, are spent waiting for funds, for both engineering and design work and for construction; and

(8) the current arrangement of authorization projects as studies are completed, without regard to national priorities or regional economic balance, leads to an economically inefficient and inequitable investment program.

POLICY

SEC. 3. It is the policy of the Congress that—

(1) investments in transportation by water should be developed in the context of national transportation policy;

(2) the use of improved harbors is dependent on rail and inland waterway connections, production levels of bulk export commodities, and port handling facilities;

(3) the Federal Government should facilitate the deepening of harbors when economically justified to increase foreign and domestic commerce of all commodities;

(4) harbors handling all commodities should have the benefit of expedited procedures with respect to harbor improvements;

(5) regional economic development should be an objective of the Federal program of navigation improvements in addition to national economic development, social welfare, and environmental quality;

(6) improvement work for a project should be conducted in segments to accelerate the benefits of channel deepening; and

(7) to the extent such harbor improvements benefit non-Federal public and private interests, these parties should also share in the costs of construction, operation, and maintenance.

DEFINITIONS

SEC. 4. As used in this Act—

(1) the term "local interest" is a legally constituted public body other than a State which has full authority and capability to enter into and perform agreements and to pay damages, if necessary, in the event of failure to perform;

(2) the term "non-Federal interest" means a State or a local interest; and

(3) the term "State" means any State of the United States, the District of Columbia, Puerto Rico, Guam, or the Virgin Islands.

ESTABLISHMENT

SEC. 5. (a)(1) There is established an Interagency Harbor Development Task Force (hereafter in this Act referred to as the "Task Force"), which shall be composed of the Secretary of the Army, the Secretary of Transportation, the Secretary of Energy, the Secretary of the Interior, the Secretary of Commerce, and the Administrator of the Environmental Protection Agency. The Secretary of the Army or his designee shall serve as Chairman of the Task Force.

(2) The Task Force shall meet at the call of the Chairman. A majority of the members of the Task Force shall constitute a quorum.

(3) A member of the Task Force may designate another officer of his department or agency to attend meetings of the Task Force. Designees shall be from the level of assistant secretary or the equivalent.

(b) The Task Force shall—

(1) review feasibility studies and prepare reports thereon in accordance with section 6; and

(2) develop national harbor development plans for five, ten, and fifteen-year periods, taking into account the feasibility studies reviewed during the preceding year, and shall prepare and transmit to the President a report setting forth such plans for inclusion in the annual presentation of the budget by the President.

(c) In carrying out its functions under this Act, the Task Force may—

(1) appoint such staff personnel as may be necessary, subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and to fix their compensation in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates;

(2) procure temporary or intermittent personnel services to the same extent as is authorized by section 3109 of title 5, United States Code, at rates not to exceed the daily equivalent of the rate provided for GS–18; and

(3) allow those providing temporary or intermittent personal services, while away from their homes or their regular places of business, travel expenses (including per diem in lieu of subsistence) as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently, while so employed.

STUDIES

SEC. 6. (a) Whenever required by law to conduct a feasibility study of a proposed harbor improvement, the Chief of Engineers shall, as part of such study, evaluate the need for and desirability of carrying out such proposed project with respect to national economic development, regional economic development, environmental quality, and social welfare. In making the evaluation referred to in the preceding sentence, the Chief of Engineers shall use the appropriate criteria set forth in the Principles and Standards of the Water Resources Council authorized under section 103 of the Water Resources Planning Act, except that, notwithstanding section 7 of the Department of Transportation Act, transportation costs shall be calculated on the basis of marginal costs.

(b) Each feasibility study described in subsection (a) shall be conducted by the office of the District Engineer for the district in which the project is proposed to be undertaken. The District Engineer for such district shall review the study in consultation with the appropriate Division Engineer. Notwithstanding 33 U.S.C. 541, the District Engineer shall transmit the study directly to the Chief of Engineers. Not later than 18 months after the date of the beginning of such study, the Chief of Engineers shall transmit such study to the Task Force.

(c)(1) The Task Force shall review each feasibility study received from the Chief of Engineers, including any feasibility study completed by a District Engineer before the date of enactment of this Act for which a project was not approved, and such review shall include—

(A) an evaluation of the national priority of the proposed harbor improvement project in relation to the national priority of other such projects for which construction has not begun; and

(B) an evaluation of the need for and desirability of carrying out such proposed project with respect to national economic development, regional economic development, environment equality, and social welfare.

(2) The Task Force shall review comments on the feasibility study by interested states and agencies.

(3) The Task Force shall prepare a report summarizing the conclusions of its review, including a plan for the disposal of dredge material and a statement on its evaluation of the anticipated impact of the proposed project on the environment. Such statement shall be deemed to be an environmental impact statement for purposes of the National Environmental Policy Act of 1969.

(4) The Task Force shall also examine the means of financing the proposed project to determine which method best assures the efficient and equitable Federal contribution to harbor improvements. The Task Force shall consider the following:

(A) the payment of all construction costs of the proposed project by the Federal Government and the repayment by the non-Federal interest concerned of 25 percent of such costs not later than 23 years after the date of completion of such project, together with interest at a rate not less than a rate determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding short-term obligations of the United States, or

(B) the payment by the Federal Government of a share of such construction costs, which share bears the same proportion to the non-Federal share as the proportion of the additional depth of the proposed harbor improvement which is most cost effective bears to the additional depth which the controlling non-Federal interest desires.

(5) Not later than 45 days after receiving a feasibility study the Task Force shall transmit to the President a report prepared in accordance with paragraph (3), together with recommendations for the financing of the proposed project under paragraph (4).

PROJECT SELECTION

SEC. 7. (a) The President shall examine each report of the Task Force transmitted to him, together with the recommendations of the Task Force regarding construction and financing, and shall further transmit the report to the Congress within 90 days of receipt of such report, together with his recommendations regarding authorization and project financing. In recommending approval of a project, the President must determine that the project evaluated in such report is in the national interest and is consistent with the national harbor development plans developed by the Task Force and will be included in the annual budget presentation in the next fiscal year.

(b) If the President recommends for a proposed project the financing method for lower priority national projects described under section 6(c)(4)(B), he shall direct the Chairman of the Task Force to ascertain whether the non-Federal interest has the ability to finance the non-Federal share of the costs of the project.

CONGRESSIONAL REVIEW

SEC. 8. (a) Any report transmitted to the Congress under section 7 shall be referred to the Committee on Public Works and Transportation of the House of Representatives and the Committee on Environment and Public Works of the Senate.

(b)(1) Not later than 45 days of continuous session of Congress after the date on which a report is transmitted to it under section 7, the harbor improvement project described in such report and recommended favorably by the President shall be deemed to be authorized for purposes of this Act unless either house of Congress adopts a resolution stating in substance that it objects to the approval of such project.

(2) For purposes of this subsection—

(A) continuing of session is broken only by an adjournment of Congress sine die; and

(B) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of any period of time in which Congress is in continuous session.

(C) A resolution of disapproval referred to in subsection (c) shall be introduced into and considered by each House of Congress in accordance with the applicable provisions of sections 910 through 912 of title 5, United States Code, with respect to resolutions of disapproval of reorganization plans, except that references in such sections to the Committee on Governmental Affairs of the Senate and the Committee on Government Operations of the House of Representatives shall be deemed to be references to the Committee on Environment and Public Works of the Senate and the Committee on Public Works and Transportation of the House of Representatives, respectively.

PROJECT FINANCE

SEC. 9. (a) Advanced engineering and design work shall be undertaken for each project authorized under section 8 and such work shall be completed by the close of the second fiscal year following the fiscal year in which the respective project is authorized. The President shall submit to the Congress in his budget request for the fiscal year following completion of the advanced engineering and design work for a project a request for funds for the construction of such project.

(b)(1) Whenever a project is financed by the method described in section 6(c)(4)(B) the non-Federal interest concerned shall expend at least 25 percent of its share of the construction costs of the project before the President shall request the Congress to provide full funding of the Federal share of such costs.

(2) If the Federal share of such costs exceeds 50 percent of such costs, the non-Federal interest shall repay, not later than 20 years after the date of completion of such project, to the Federal Government an amount equal to the amount by which the Federal share of such costs exceeds 50 percent of such costs.

(c) The failure of a non-Federal interest to repay the Federal Government for financing described in section 6(c)(4) shall preclude such non-Federal interest from receiving operation and maintenance funds under section 10.

OPERATION AND MAINTENANCE

SEC. 10. (a) In the case of any project authorized under section 8 and financed by the method described in section 6(c)(4)(A), the Federal Government shall assume all operation and maintenance costs with respect to such project for the 36 months after the date of completion of such project. Thereafter, for each following year, the Federal share of operation and maintenance costs shall be reduced by 5 percent of such costs until the Federal share represents 50 percent of such costs.

(b) In the case of any project authorized under section 8 and financed by the method described in section 6(c)(4)(B), for a period of 60 months after the date of completion of such project, the Federal share of operation and maintenance costs with respect to such project shall be the same percentage of such costs as is the Federal share of the construction costs for such project. Thereafter, for each following year the Federal share of operation and maintenance costs shall be reduced by 5 percent of such costs until the Federal share represents 25 percent of such costs.

AUTHORIZATION OF APPROPRIATIONS

SEC. 11. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act, except that—

(1) with respect to feasibility studies, there are authorized to be appropriated such sums as may be necessary to carry out authorized studies at full funding during an 18-month period or $20,000,000 annually, whichever is less;

(2) with respect to the administrative expenses of the Task Force, there are authorized to be appropriated not to exceed $2,500,000 for a fiscal year; and

(3) with respect to construction costs, there are authorized to be appropriated for a fiscal year an amount not to exceed the sums necessary to fully fund one project authorized under section 8 and financed by the method described in section 6(c)(4)(A)

and two projects authorized under section 8 and financed by the method described in section 6(c)(4)(B).

SECTION-BY-SECTION ANALYSIS OF THE NATIONAL HARBOR IMPROVEMENT ACT

Section 2. Findings and Declarations: The Federal government has traditionally assumed the full cost of construction, operation, and maintenance of inland waterways, rivers and harbors. However, the present arrangement for studying, authorizing, appropriating funds and constructing such harbor improvement projects takes on the average 26 years. Study time alone is typically on the order of nine to ten years. As world demand for United States steam coal rises over the next decade, and as the world fleet for bulk commodities increases in size, the economic incentive will grow for American coastal ports capable of handling deep draft vessels.

Section 3. Policy: Harbor improvements financed by the Federal government should take place in the context of national transportation and energy policy. The utility of improved harbor facilities is dictated by the connections with other land and water modes of transportation. The Federal government should facilitate the deepening of harbors when economically justified to increase foreign and domestic commerce of all commodities. However, to the extent such harbor improvements benefit non-Federal public and private interests, these parties should also share in the costs of construction, operation, and maintenance.

Section 4. Definitions.

Section 5. Establishment of the Interagency Harbor Development Task Force:

(a) The Task Force shall be made up of six members: the Secretary of the Army (chairman), the Secretary of Transportation, the Secretary of Energy, the Secretary of the Interior, the Secretary of Commerce, and the Administrator of the Environmental Protection Agency.

(b) The Task Force will review the feasibility studies completed by the Corps of Engineers. In addition, the Task Force will develop national harbor development plans for five, ten, and fifteen-year periods.

(c) The Task Force may appoint staff to assist in the conduct of its duties.

Section 6. Feasibility Studies:

(a) Studies shall be initiated as they now are under existing law, either by Act of Congress or by resolution of the House Public Works Committee or the Senate Environment and Public Works Committee. The Corps of Engineers shall conduct the feasibility study and shall follow the evaluation procedures described in the Principles and Standards of the Water Resources Council. However, net transportation benefits shall be calculated on the basis of their true worth in the economy (marginal cost) and not simply by the measure of savings to shippers as reflected in regulated shipping rates.

(b) The District Engineer of the Corps shall conduct the study and transmit the study to the Chief of Engineers in Washington. This eliminates both the formal transmittal to the Division Engineer and to the Board of Engineers for Rivers and Harbors.

(b) For projects financed under Method Not later than 18 months after the date of the study's initiation, the Chief of Engineers shall transmit the study to the Task Force.

(c) The Task Force shall review each study received from the Corps including those initiated before the enactment of this legislation. Their recommendation to the President shall take into account the national significance of the project as well as the regional implications of the project. Their final report shall also include a plan for dredged material disposal and the means by which the project shall be financed.

Two methods of project financing may be considered by the Task Force. Method (A) provides for the initial payment of all construction costs by the Federal government and the repayment of 25 percent of such costs within 20 years of completion of the project. Repayment terms will be set by the Task Force at an interest rate determined by the Secretary of the Treasury.

Method (B) sets the Federal government's share of the construction costs at a proportion commensurate with the proportion of the most cost-effective dredging depth to the depth preferred by the non-Federal interests. As described in Section 9, the non-Federal interests shall repay the Federal government for the portion of Federal construction costs greater than 50 percent.

The Task Force has 45 days on which to act on the feasibility study and report to the President with their recommendation.

Section 7. Project Selection:

(a) Within 90 days of receiving the report from the Task Force, the President must transmit the report to Congress together with his recommendation on whether the project should be approved and, if so, under which terms of project financing. Approval of the project shall be accompanied by a commitment to fully fund the project.

(b) Should the President recommend a project under the financing terms of Method (B) for lower priority projects, then he shall direct the Task Force to ascertain the ability of the non-Federal interests to finance their share of the costs of the project.

Section 8. Congressional Review: Reports shall be referred to the House and Senate Public Works committees. A project shall be authorized if either house of Congress fails to pass a resolution of disapproval against the project within 45 legislative days following the receipt of the report from the President.

Section 9. Project Financing: (a) Funds for advanced engineering and design shall become immediately available following project authorization. Such work shall be completed by the end of the second fiscal year after the project has been authorized. The President must include construction funds for the project in the budget of the fiscal year following the completion of the engineering and design work.

(b) For projects financed under Method (B) described in section 6, the non-Federal interests must first expend at least 25 percent of their share of the construction costs of the project before the President requests full funding. Federal costs above 50 percent of total construction costs shall be repayed to the Federal government at an interest rate set by the Secretary of the Treasury.

(c) Failure to repay the Federal government under the financing terms described in section 6 shall preclude further receipt of operation and maintenance funds.

Section 10. Operation and Maintenance: (a) For projects financed under Method (A), the Federal government shall assume the full cost of operation and maintenance for the first three years after the completion of the project. In each year thereafter, the Federal share of such costs shall be reduced by 5 percent until the Federal share represents 50 percent of operation and maintenance costs.

For projects financed under Method (B), the Federal share of the operation and maintenance costs shall be the same percentage as the Federal share of construction costs for the first five years following construction. Thereafter, the Federal share shall be reduced by 5 percent each year until the Federal share represents 25 percent of such costs.

Section 11. Authorization of Appropriations: Feasibility studies shall be fully funded to permit their completion within 18 months, but in no fiscal year shall funding for such studies exceed $20 million. The administrative costs of the Task Force shall not exceed $2.5 million each year. With respect to construction costs, funds are authorized to initiate and fully fund not more than one project at full Federal expense according to financing under Method (A) and not more than two projects financed by Method (B).

By Mr. MOYNIHAN:

S. 577. A bill to amend the Internal Revenue Code of 1954 to eliminate the requirement that States reduce the amount of unemployment compensation payable for any week by the amount of certain retirement benefits, and for other purposes; to the Committee on Finance.

LEGISLATION TO REPEAL SOCIAL SECURITY PENSION OFFSETS OF UNEMPLOYMENT COMPENSATION

Mr. MOYNIHAN. Mr. President, I rise today to introduce a bill to repeal social security pension offsets of unemployment compensation. This bill is identical to one that former Senator Javits and I introduced last July.

Millions of older Americans have been adversely affected by a law that requires a reduction in unemployment compensation benefits for people who receive social security. This dollar-for-dollar offset, which went into effect in April 1980, denies to older workers who lose their jobs the full amount of the unemployment insurance which they earned.

Mr. President, this is wrong. What is more, Congress knows that it is wrong. Last July Congress passed an amendment to the multiemployer pension plan amendments that repeals the offset of private pensions and allows the States to repeal the social security offset. This law, effective September 26, 1980, has restored to hundreds of thousands of senior citizens the protection afforded all other workers covered by unemployment insurance programs.

However laudable, this legislation does not go far enough. It fails to help the group that needs help most desperately. those who depend on social security pensions for their income. No State has yet repealed the social security offset. The result is that between 400,000 and 500,000 people across the country are being denied the unemployment insurance owed them.

I know—as you know—that this is an injustice. Unemployment insurance is not a charity program but an earned employment benefit to which workers are entitled.

I ask that we delay no longer in restoring to older Americans the right to collect full unemployment compensation. Let us act quickly.

By Mr. MOYNIHAN:

S. 578. A bill to amend the Internal Revenue Code to change certain accounting rules related to inventory; to the Committee on Finance.

MODIFICATION OF THOR POWER TOOL TAX RULING

Mr. MOYNIHAN. Mr. President, I am introducing legislation today that would modify the Thor Power Tool tax ruling.

The bill has three provisions. The first would let any company that can demonstrate that a portion of its inventory will eventually be sold below cost write down that portion to its net realizable value.

The second provision would drop the so-called conformity requirement for LIFO accounting.

And the third would give companies that switch from FIFO to LIFO accounting 10 years over which to spread out any sudden profits that result from the change.

The heart of the bill is section 1. It, more than any other part, is aimed at the real Thor controversy. The controversy arises because of a decision by the Supreme Court in the case *Thor Power Tool Co.* v. *Commissioner,* 439 U.S. 522 (1979).

The Thor Power Tool Co. was—and still is—a FIFO taxpayer. FIFO is an accounting method; the acronym stands for first-in, first-out. And under that accounting method, a company must figure out at the end of each tax year how much its inventory is worth. The law says that the inventory must be listed at its cost—or at its market value, but only if the market value is lower. The law also says that each item of inventory must be valued separately.

In 1963, the Thor Co. had in its inventory 44,000 spare parts for hand-held power tools and rubber products. The company had recently come under new management. The new managers decided that many of these spare parts would never be sold; hence, in the managers' view, the parts had little, if any, market value. Consequently, the company used the market value, rather than the cost of the parts, when it reported how much its inventory was worth at the end of 1964 to the IRS.

This process of suddenly choosing a low-market value, when up to now a company has listed its inventory at cost, is known as "writing down" one's inventory. In 1964, it yielded the Thor Power Tool Co. a tax deduction of $744,030.

However, there was one problem with what the company did. And that is there was no evidence that the spare parts were worth what the company said they were.

Company officials merely projected demand for the parts using their experience with sales in 1964. Parts that the company expected to sell in 1965 were said to be worth something, and were listed on the company's books at cost. But parts that the company expected to sell in 1966 were said to have a market value of from 50 to 75 percent below cost. And the company claimed that the parts it might sell in 1967 or in later years were worthless. These were listed at zero, or thereabouts—their assumed market value.

The company's claim was absurd. The market values it selected had no demonstrable basis in fact. Therefore, the Internal Revenue Service disallowed the company's deduction. And when the case went to the Supreme Court the Justices agreed with the IRS. Their decision was unanimous.

What the Court said is that a taxpayer must be able to prove that his inventory has a low market value, before he may write down the inventory. And the IRS may insist on "a high evidentiary standard."

Tax regulations, in effect at the time, said that a company may prove that its inventory has a low market value in one of two ways. The company may sell the inventory at less than cost within 30 days after the close of the tax year. Or it may cut its prices below cost, in which case the IRS will accept the company's word that the inventory is not worth more than the company is charging for it.

The Court did not say that there are no other ways that a company may prove that its inventory has a low market value. What it said was there must be proof. And it is reasonable for the IRS to demand the kind of evidence that it wanted of taxpayers.

My bill suggests a third method of proof.

Consider the following case: A publisher has 1,000 copies of a 1960 best seller in his warehouse. The books are still being held out for sale at the list price, although there are few purchasers. Intuitively, one knows that each book is not worth the list price; some of the books will never be sold and are not worth even the cost of printing them. But how does one prove it?

That is the "Thor problem." The answer is that a taxpayer should be able to look to his experience. If the publisher's records show that, on average, 10 percent of any books that have not been sold within a year after they were printed will eventually be remaindered, then each year the publisher should be able to write down 10 percent of his 1-year-old books to their remainder value.

By the same token, if the records show that, on average, 40 percent of 2-year-old books are eventually remaindered, then 40 percent of 2-year-old books would be written down each year to their remainder value.

I hasten to add that the books need not actually be remaindered in the strictest sense of the word. It is enough that they will be sold eventually at less than cost. And when that is the case, they may be written down to what the publisher's experience tells him he will receive for them.

I want also to stress that while I used a book publisher in my example, this new approach would be available to all companies in all industries. The only restrictions are that a company would have to segregate its inventory items by age. And it would have to point to its most recent 5 years of experience with inventories.

The bill would take effect retroactively and apply to the 1979 tax years. A company would be able to redo its taxes for 1979 and 1980 using this new method, if it wishes; 1979 was the year in which the IRS began aggressively to enforce the holding in the Supreme Court decision. Companies would not have to seek the IRS' permission in order to file amended returns.

That is section 1 of the bill.

The other two sections deal with LIFO, or last-in, first-out, accounting. There are two ways to resolve the "Thor problem"; one is to address the issue directly, as I have already done. The other is to persuade more companies to switch to LIFO; companies on LIFO do not have a Thor problem since under LIFO, all inventories must be valued at cost. There is no need to supply evidence of market value.

LIFO is more favorable to taxpayers since it makes them appear less profitable. Nevertheless, many companies do not use it because of the so-called conformity requirement—a rule that says a company that uses LIFO for its taxes must also use LIFO for its financial statements to shareholders.

My bill would drop the conformity requirement. The Internal Revenue Service recommended this last month and, in fact, is in the process of removing the requirement from its regulations. But Congress will have to act, too, because the rule appears in section 472 of the Tax Code.

Another reason companies do not use LIFO is that when a company switches to it from FIFO, adjustments must be made to the company's inventory and this often causes the company's income to increase suddenly in the year of the change. My bill would give a company making a switch 10 years over which to spread out the adjustments.

I intend to let a taxpayer make a 10-year spread without having to seek the advance consent of the IRS. Under present law, a taxpayer must get the IRS's permission for a spread within the first 180 days of the tax year. That rule would not apply here.

The LIFO provisions of the bill would take effect prospectively in tax years beginning after the date of enactment.

That is the plan.

In concluding, let me note that the bill has been carefully written over a period of several months. Almost everyone who has told me he has an interest in the subject has been consulted and given a chance to participate in the drafting.

In addition, Treasury and Joint Tax Committee experts have been kept advised of the bill's progress at every step of the way.

I am proposing that we resolve the Thor problem in a manner that is consistent with the Supreme Court's decision. A company should be able to prove that its inventory has a low market value before it claims a loss on its taxes. The only question is what kind of evidence should the company be required to provide.

I ask unanimous consent, Mr. President, that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 578

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXCESS INVENTORY ITEMS MAY BE WRITTEN DOWN TO SCRAP VALUE.—Section 471 of the Internal Revenue Code of 1954 (relating to the general rule for inventories) is amended by adding at the end thereof the following new sentences: "A taxpayer may value his excess inventory at its net realizable value. For purposes of this section, the term 'excess inventory' means that portion of the taxapyer's inventory which the taxpayer reasonably expects will be disposed of at less than full realization of its cost. Such portion shall be determined with respect to each group of articles by age by referring to the taxpayer's most recent 5-year experience with inventories.".

SEC. 2. REPEAL OF REQUIREMENT THAT THE LIFO METHOD USED FOR TAX PURPOSES CONFORM TO THE ACCOUNTING METHOD USED FOR FINANCIAL PURPOSES.—Section 472 of such Code (relating to last-in, first-out inventories) is amended by striking out subsections (c) and (e) and by redesignating subsection (d) as subsection (c).

SEC. 3. TEN-YEAR SPREAD PERMITTED FOR INCREASES IN INVENTORY VALUE REQUIRED FOR ADOPTION OF LIFO METHOD.—Subsection (b) of section 472 of such Code (relating to last-in, first-out inventories) is amended by adding at the end thereof the following new sentence: "For purposes of section 481, any increase in the valuation of inventory required by paragraph (2) shall be treated as an adjustment attributable to a change in a method of accounting initiated by the taxpayer.".

SEC. 4. EFFECTIVE DATES.—

(a) The amendment made by section 1 of this Act shall apply to taxable years ending on or after December 25, 1979.

(b) The amendments made by sections 2 and 3 of this Act shall apply to taxable years beginning after the date of enactment.

By Mr. LEVIN (for himself, Mr. HAYAKAWA, Mr. RIEGLE, and Mr. GLENN):

S. 580. A bill to establish program levels for the Small Business Administration pollution control bond program: to the Select Committee on Small Business.

POLLUTION CONTROL FINANCING ACT OF 1981

● Mr. LEVIN. Mr. President, today I am introducing a bill in behalf of myself, and Senators HAYAKAWA, RIEGLE, and GLENN, which will increase the guarantee level of the Small Business Administration's pollution control financing guarantee program from $110 million to $250 million for fiscal 1981, 1982, 1983, and 1984. This program is important to small business as it allows firms to finance pollution control equipment at a reasonable rate of interest. Since Congress authorized this program in 1976 there has been great demand for the guarantee and a real need has been met in the small business community. Because of this demand, it is necessary to increase the ceiling to $250 million. Already in this fiscal year, $49 million has been committed in guarantees. SBA has another $85 million in requests pending for what they consider to be worthy applications for this program. As you know, we are not even 5 months into the fiscal year.

Basically, the way this program operates is that a public entity sells tax free pollution control revenue bonds. The proceeds are loaned to a business for the planning, design, financing or installation of the pollution control facilities or equipment. SBA guarantees the repayment. Many of these guarantees are used to finance equipment that will enable a small firm to comply with various types of pollution regulations. This aspect of the program cannot be overlooked. If the Federal Government is to impose regulations that create financial burdens for small business, we in Congress should consider creative methods of assisting these firms. This program is one that addresses this issue. SBA estimates that over 80 percent of the loans guaranteed through this program to date have been to firms which were installing pollution control equipment to meet some form of government regulation. We have a dual purpose served by this program—helping small business with their financing needs and helping small business, and in turn the general public, comply with antipollution regulations.

This bill will not increase the budget authority needed for the Small Business Administration. When Congress initiated this program, an initial appropriation of $15 million was put into a revolving fund and no further funding has been required. Since 1976, $204 million in loan guarantees have been approved by SBA to a total of 171 firms. Not only will this bill not cost the Federal Government any money, but it will probably make money. According to SBA, the pollution control bond program has been a moneymaker for the Government. Over $11 million in guarantee fees have been collected; $58,000 has been made in interest on funds invested. This is contrasted with only one default which has resulted in $26,000 being paid out.

I urge my colleagues to give swift approval to this bill. As you may know, provisions similar to those contained in this bill were adopted twice by the 96th Congress, though they failed to become law. In this Congress, let us meet the reasonable expectations of small businesses throughout the Nation.●

● Mr. GLENN. Mr. President, I rise to join my colleague from Michigan (Mr. LEVIN) in support of S. 580, The Pollution Control Financing Act of 1981. The bill, by almost doubling the moneys available under the SBA's pollution control guarantee program, will insure that small businesses continue to be enabled to finance pollution control equipment at reasonable rates of interest. Because it involves only loan guarantees, however, the bill requires no new Federal appropriations.

Under the SBA program, a public entity—such as a town, city, county, or State—issues tax-free pollution control revenue bonds and then lends the proceeds from the sale of those bonds to small businesses for the planning, design, financing and installation of pollution control facilities or equipment. The companies themselves pay the fees associated with the sale of the bonds, normally about 1 to 2 percent above the bond rates. It is important to note that because the SBA is involved only in guaranteeing the repayment of the loan, the pollution control guarantee program is essentially a private sector program, not a Government giveaway.

In fact, the program costs the taxpayers nothing and has actually made money during the years it has been in operation. To date, the SBA has collected over $11 million in guarantee fees and has earned $581,000 in interest on funds that have been invested. Moreover, the program must rank as one of the safest and most successful loan guarantee programs in the entire Federal Government.

Out of a total of 171 guarantees, there has been only one default. Even that company is still in business and the SBA advises me that the firm is expected to begin repayment very soon. Perhaps best of all, S. 580 would require no new Federal appropriations. When the program was first authorized in 1976, Congress appropriated $15 million for a revolving fund, and these moneys are sufficient to keep the program operational. We merely propose to increase the guarantee authority of the SBA from its present level of $110 million in fiscal year 1981 and $125 million in fiscal years 1982 to 1984 to $250 million in each of those years. Particularly in this time of bugetary austerity, it seems to me that this is precisely the kind of program we in Government ought to encourage and expand.

An increase in present and proposed funding levels is necesary because of the phenomenal growth in demand. In fiscal year 1978, the program's first full year of operation, SBA guaranteed $11 million in loans. In 1979, that figure increased to $41 million and last year, to $98.5 million. As of February 11, SBA had committed $49 million worth of loan guarantees and had received additional applications worth $108.5 million. Combined, those figures total $157 million—and we are only 4½ months into the current fiscal year. Under present program allocations, however, SBA can guarantee only $110 million in loans for the whole of fiscal year 1981 and only $125 million for the next 3 fiscal years. By increasing available money to $250 million for each of these years, S. 580 seeks to insure that the program will be able to more closely match supply with demand.

Since its inception, the pollution control financing guarantee program has been of particular benefit to Ohio firms—particularly those in the electroplating, foundry, and waste disposal industries. Indeed, along with California, Wisconsin, Illinois, and Michigan, Ohio has consistently ranked among the top five States in the Nation using the program. Through 8 different bond issues, 16 Ohio companies have already received loan guarantees totaling $30.2 million. And I have been advised by SBA that there are pending, in various stages of completion another 17 applications from Ohio firms worth at least $21 million.

Mr. President, I believe it is vital that we in Congress recognize the special importance of small business to the American economy. But equally important, we must also recognize the special needs of small business and then do our level best to meet those needs. Though all businesses must comply with America's en-

vironmental standards, larger firms, because of their ability to issue corporate bonds and their greater access to other forms of financing, are better able to meet the costs associated with those requirements. S. 580 will help remove this disadvantage for smaller firms and insure that they are not unnecessarily penalized for complying with our pollution control laws. I urge my colleagues to give this bill their careful consideration.●

● Mr. HAYAKAWA. Mr. President, I enthusiastically join my colleague and fellow member of the Senate Small Business Committee, Senator CARL LEVIN, in introducing the Pollution Control Financing Act of 1981. We introduced similar legislation last year in another form, and while the Senate approved it, Members of the House did not. We do not believe, however, that the House action indicated disfavor with the intent of the legislation, and, since we believe so strongly in it, we are reintroducing it with the hope that committee action will be timely and favorable.

The bill very simply requests new program levels for the Small Business Administration's pollution control financing guarantee program, as follows:

Present levels: Fiscal year 1981—$110 million; fiscal year 1982, 1983, 1984—$125 million.

Proposed level: Fiscal year 1981, 1982, 1983, 1984—$250 million.

The program is important to small businesses because it permits firms to finance government-mandated pollution control equipment at a reasonable rate.

Perhaps the most attractive feature of the bill is that no additional appropriation will be needed to meet the loan demands. On the contrary, this particular program not only costs the taxpayers no money, it actually has brought in a profit to the Government through collection of over $11 million in guarantee fees and $58,000 in interest on funds invested. An extremely low default rate—only one of 171 guarantees since the program began in 1976—helps to account for this very positive picture. I think my colleagues will agree that this excellent record should be applauded—and supported. By the way, I would like the record to show that the one firm that committed the default is still in business and expects to begin paying off the loan in the near future.

My own State of California, always alert to new programs and opportunities, was the first State in the Nation to utilize the program. State officials advise me that they are enthusiastic about this cooperative government/private sector venture and they support the increased program level we request. The need for the bond guarantee program is larger than Congress or the administration projected in 1976, and if the ceiling is not raised the program will fall short of filling its expectations. I would certainly not like to see a successful and productive program like this operating at a lower capacity than the occasion demands, especially when it is financially self-sustaining.

Mr. President, recently a California small businessman wrote to me about the SBA pollution control program. He stated his case so well that I would like to quote verbatim from his letter and request that it be inserted in the RECORD:

We wish your assistance in getting an increase in the authorization for the Small Business Administration's Pollution Control Financing Guarantee program. The lack of adequate authorization would seriously curtail the ability of many small businesses to meet the environmental quality standards.

Our metal finishing firm services several major electronics firms with plating of electronic parts. At the same time that we need to expand to meet our customers' needs, we must comply with water pollution control regulations. The $1,000,000 cost of installing these compliance facilities for our production facilities is almost equal to the capital budget for our production facilities, but we recognize the need to do so.

We have received approval for a low-cost loan through the California Pollution Control Financing Guarantee, which will give us access to long term credit sources. Without the guarantee, it will be very difficult to proceed with our present and future pollution control plans and impede our ability to meet our customers' demands.

We have been advised that there is insufficient authorization for SBA to accept our application for a guarantee, and that legislation is being prepared to correct this problem. Without it, ours and thousands of other small firms are going to be further and irreparably hurt in these trying economic times.

This guarantee program is exemplary and unique among the financial assistance provided by all federal agencies, in that it is funded completely by the users, and does not impinge on the Federal Treasury. You would perform an immediate and critical service by supporting this legislation.

Thank you, Mr. President.●

By Mr. BIDEN:

S. 581. A bill to amend the Congressional Budget Act of 1974 to limit the period for which the enactment of new budget authority may be authorized, and for other purposes; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977.

FEDERAL SPENDING CONTROL ACT OF 1981

● Mr. BIDEN. Mr. President, I am introducing today a new, simplified version of sunset legislation—the Federal Spending Control Act of 1981. This bill offers an effective means of controlling Federal spending. At the same time it is designed so that its implementation will not be costly or burdensome. I hope that this streamlined version of sunset can be adopted quickly so that its benefits will start to accrue.

This legislation, once adopted, will provide Congress with an essential tool for reviewing the need for Federal programs; for controlling the growth of Federal spending; for alleviating the overkill of regulatory activity; and for restraining the sprawling Federal bureaucracy. I know that is a lot to claim for one proposal. But I have been working with this idea for years and I am convinced it can lead to more effective and reasonable congressional control over our Government, without sacrificing a single essential Government service. In fact, it should enhance the provision of truly necessary Government services. Waste makes no useful contribution toward fulfilling national needs.

I am a long-time advocate and supporter of sunset legislation. I introduced my first sunset bill in 1975. As the sunset idea was discussed over the years, it was expanded. It grew in complexity. Although it passed the Senate overwhelmingly in 1978, it never came to a vote in the last session of Congress. Its complexity damaged it, even in the eyes of its supporters.

But complexity is not necessary. The essence of sunset is simplicity itself—to require the periodic termination and reconsideration of spending programs.

The bill I am introducing today goes back to basics. No new spending program could run for more than 4 years. Most existing spending programs would have to conform to the 4-year rule—social security is a major exception. There is a waiver process to deal with problems where 4 years is clearly too short a period to achieve measurable results or where the stability of national commitments could be called into question. As each program's funding is scheduled to expire, there would be the usual opportunity for review by the appropriate committee. Then the Senate, and the House of Representatives, would vote on whether to continue the program, or modify it, or terminate it. The possibility of termination will force a review of each spending program. And the review will assure that the decision to terminate or not will be a rational one. It is really a very simple mechanism—like all good mechanisms.

This is a bill that could really make a difference in the size and effectiveness of our Government, unlike some of the overly simplistic and unrealistically restrictive proposals often discussed these days. We need sunset legislation because we have not yet stemmed the tide of government growth in this country. Congress has not done its best to provide cost-effective programs tailored to meet the most urgent needs. Instead, it often has tried to overwhelm problems with a multitude of programs. That approach rarely works, and it is always expensive. With the need for fiscal restraint that inflation and public opinion have imposed on government at all levels, it is clearly time for Congress to focus precisely and prudently on all spending programs one by one. I have long felt that sunset is the best approach for achieving such a detailed review. Our economic and budgetary problems today present us with the opportunity and the necessity for getting sunset onto the books and into action. If we in Congress do not act to take greater command over Government programs and Government spending, events will force less desirable solutions upon us.

The issue before us is sunset and the contribution it can make to fiscal responsibility. The need to adopt responsible workable approaches is clear. I am sure the Senate will recognize the need to put our fiscal house in order and act on this legislation favorably.

I ask unanimous consent that the text of the Federal Spending Control Act of 1981 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 581

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Spending Control Act of 1981".

SEC. 2. (a) Title IV of the Congressional Budget Act of 1974 is amended by adding at the end thereof the following new sections:

"LIMITATIONS ON AUTHORIZING LEGISLATION; AUTHORIZATIONS REQUIRED

"SEC. 405. (a) TIME PERIOD PRESCRIBED.—Except as provided in subsection (c), it shall not be in order in either the Senate or the House of Representatives to consider any bill or resolution, or any amendment thereto, which authorizes the enactment of new budget authority for a program for a period of more than four fiscal years or for an indefinite period.

"(b) AUTHORIZATION REQUIRED.—It shall not be in order in either the Senate or the House of Representatives to consider any bill or resolution or any amendment thereto which provides new budget authority for a program for any fiscal year beginning after two years after the effective date of this section, unless the provision of such new budget authority is specifically authorized by law.

"(c) WAIVER IN THE SENATE.—If any committee of the Senate determines that an authorization of the enactment of new budget authority for a period in excess of four fiscal years is necessary to accomplish the purposes for which the authorization is to be made, the committee may report a bill or resolution authorizing the enactment of new budget authority for a definite period in excess of four fiscal years. At the same time or after the committee reports such bill or resolution, the committee shall report a resolution to the Senate providing for a waiver of the provisions of subsection (a) which limit the authorization of the enactment of new budget authority to a period not in excess of four fiscal years and stating the reasons why such a waiver is necessary. The resolution shall be referred and considered in accordance with section 407.

"TERMINATION OF CERTAIN EXISTING AUTHORIZATIONS

"SEC. 406. (a) LIMITATION ON THE PROVISION OF NEW BUDGET AUTHORITY.—Except as provided in subsection (b) and (c), it shall not be in order in either the Senate or the House of Representatives to consider a bill or resolution providing new budget authority for any fiscal year beginning after the date which is five years after the effective date of this section if the provision of such budget authority is made pursuant to a law, in effect on the effective date of this section, authorizing the enactment of new budget authority for a period of more than four fiscal years or for an indefinite period.

"(b) EXCEPTIONS.—Subsection (a) shall not apply to the provision of new budget authority for—

"(1) payments to or from a trust fund established by the Social Security Act;

"(2) payments of interest on obligations constituting a part of the public debt of the United States; or

"(3) payments of refunds of internal revenue collections, but subsection (a) shall apply to payments to any person in excess of his tax liability under the internal revenue laws.

"(c) WAIVER IN THE SENATE.—If the Committee on Appropriations of the Senate determines that subsection (a) should not apply to a bill or resolution providing new budget authority for a particular program, the committee shall report a resolution to the Senate providing for a waiver of such subsection with respect to the consideration of such bill or resolution and stating the reasons why the waiver is necessary. The resolution shall be referred and considered in accordance with section 407.

"PROCEDURES FOR THE CONSIDERATION OF WAIVER RESOLUTIONS IN THE SENATE

"SEC. 407. (a) REFERRAL AND DISCHARGE.—Any resolution reported under section 405(c) or 406(c) shall be jointly referred to the Committees on Appropriations and the Budget of the Senate. Each such committee shall report such resolution to the Senate within ten days after the resolution is referred to it (not counting any day on which the Senate is not in session) beginning with the day following the day on which it is so referred, accompanied by that committee's recommendations and reasons for such recommendations with respect to the resolution. If either committee does not report the resolution within such ten-day period, it shall automatically be discharged from further consideration of the resolution and the resolution shall be placed on the calendar.

"(b) CONSIDERATION OF RESOLUTION.—During the consideration of any such resolution, debate shall be limited to one hour, to be equally divided between, and controlled by, the majority leader and minority leader or their designees, and the time on any debatable motion or appeal shall be limited to twenty minutes, to be equally divided between, and controlled by, the mover and the manager of the resolution. In the event the manager of the resolution is in favor of any such motion or appeal, the time in opposition thereto shall be controlled by the minority leader or his designee. Such leaders, or either of them, may, from the time under their control on the passage of such resolution, allot additional time to any Senator during the consideration of such debatable motion or appeal. No amendment to the resolution is in order.

"(c) EFFECT OF ADOPTION OF RESOLUTION.—If, after both committees have reported (or have been discharged from further consideration of) a resolution waiving the application of section 405(a) or 406(a) with respect to the consideration of a bill or resolution, the Senate agrees to the resolution by a rollcall vote, section 405(a) or 406(a), as the case may be, shall not apply with respect to which the resolution so agreed to applies.

"(d) OVERSIGHT PLAN REQUIRED.—Whenever any bill or resolution is reported by a committee under the provisions of section 405(a), or a resolution is reported by the Committee on Appropriations under the provisions of section 406(c), the report accompanying such bill or resolution shall contain a plan for oversight hearings by the committee to determine progress being made toward the intended objectives of the program with which the bill or resolution is concerned.".

(b) The table of contents in section 1(b) of the Congressional Budget Act of 1974 is amended by inserting after the item relating to section 404 the following new items:

"Sec. 405. Limitations on authorizing legislation; authorizations required.
"Sec. 406. Termination of certain existing authority.
"Sec. 407. Procedures for the consideration of waiver resolutions in the Senate.".

EFFECTIVE DATE

SEC. 3. This Act and the amendments made by this Act shall take effect on the first day of the first regular session of the Congress which begins after the date of the enactment of this Act.●

By Mr. BIDEN:

S. 582. A bill to amend the Congressional Budget Act of 1974 to require authorizing legislation for tax expenditures, and for other purposes; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977.

TAX EXPENDITURE CONTROL ACT OF 1981

● Mr. BIDEN. Mr. President, we are all about to embark on a new effort to reinvigorate our economy, to eliminate the deficit, and to reduce tax burdens. This effort is not going to be painless. It will undoubtedly bring many changes in what the Federal Government does and how it does it. If we are successful, the benefits will be many. But, as we make the effort, there will have to be sacrifices by many.

We owe it to those who may be affected by the coming retrenchment to seek out every possible opportunity to reduce the deficit. One opportunity which is often overlooked is the reduction of tax expenditures—those provisions in the tax code that provide Federal incentives or subsidies. To the extent that we can root out unnecessary, wasteful or duplicative tax expenditures we can lower the deficit correspondingly.

The stumbling block to achieving this is that Congress has no system for dealing effectively with tax expenditures. They are often passed as obscure provisions in larger tax bills. The tax law does not state the objectives of a tax expenditure, which would permit a measurement of its effectiveness. There is no integration of tax expenditures with direct spending programs with similar purposes. Once adopted, they usually remain effective forever, with no periodic review.

Today, I am introducing legislation which I believe can help us exercise more care in the adoption and review of tax expenditures—and thus help us reduce the deficit. It is the same bill I introduced about 2 years ago, but the need for it today is perhaps even greater than it was then.

The concept of such a thing as a tax expenditure is still relatively new. Briefly stated, a tax expenditure is a deviation from the basic tax structure for the purpose of providing a subsidy, a preference or an incentive payment to an individual or business through the tax system, rather than by direct expenditure through the appropriations process. The real point is that tax expenditures, although contained in tax law, are not really a part of tax and revenue raising policy. They have the same objective as direct spending programs—the accomplishment of some purpose that the Congress feels to be in the national interest. They are another means of carrying out Government policy.

There are many direct expenditure programs in the budget each year which provide assistance payments for such programs as housing, agriculture, medical care, and encouragement of exports, to name a few. There are also tax expenditure programs in the tax laws relating to all of these matters. However, in times of fiscal restraint such as we are experiencing now, it is the direct expenditures that tend to receive the scrutiny, while the less visible tax expenditures remain untouched. There is no reason why an incentive for housing or exports should receive more scrutiny when it is delivered through the appropriations process than when it is delivered through the tax system.

Therefore, better scrutiny of tax ex-

penditures can become an important tool in our efforts to achieve efficiency and economy in the use of Federal funds. A regular examination of tax expenditures should help to assure that our various tax expenditure programs are working in consonance. It will make it possible for Congress to review the equity of these tax programs and to consider their effectiveness in achieving national policy goals.

What can the Congress do in an orderly efficient manner to regain control over tax expenditure programs that show individual costs which will total some $250 billion?

In this $250 billion is buried many a program which affects the economy of our Nation, the deficit in our budget and the well-being of our citizens. Some of them work well; others may not.

Also hidden among these tax expenditures are subsidies to individuals and corporations that might never be granted if direct payments were being made. It is in this budget that many of the often-abused tax loopholes reside. The results achieved through the use of some tax expenditures could be in direct contradiction to the results sought through other directly appropriated funds.

Mr. President, I believe that, considering the magnitude of the sums involved, the Congress should begin immediately to consider what possible actions it might take to assure control of the use of tax expenditures. That is the purpose of the Tax Expenditure Control Act of 1981.

Briefly stated, my bill recognizes tax expenditures for what they are. It considers them, in fact, to be Government spending through the tax system, but without the usual controls that are attached to direct expenditures. Specifically, these tax expenditure programs are not reviewed by the committees that would normally oversee the activity with which the tax expenditure is associated.

On the appropriations side, we have a system of checks and balances. There, the legislative committee with jurisdiction over the subject and with the expertise on the subject, develops authorizing legislation. Only after that authorizing legislation has been adopted do the Appropriations Committees apply their fiscal expertise to weigh priorities and develop appropriation bills. Most important, the Appropriations Committees apply that expertise in the framework of legislative policy set down by the Congress.

There is no such system for tax expenditures—no equivalent to the authorization process that is used for appropriated funds. The tax law does not state the objectives of the law. The Congress does not consider, in light of recommendations from committees with specialized information, the content of the programs which are to be financed by tax expenditures. Nor does it consider the integration of tax expenditures with direct spending.

This bill, the Tax Expenditure Control Act, would require authorizing legislation for each tax expenditure. Authorizing legislation would be referred to the standing committee normally responsible for the activity covered by the tax expenditure. The Ways and Means and Finance Committees would continue to be charged with the responsibility for using their expertise to develop the appropriate tax mechanisms for best carrying out the programs authorized by Congress, as well as for developing revenue-raising measures.

The Tax Expenditure Control Act would limit the life of legislation authorizing tax expenditures to 10 years. Since eventually all tax expenditures would be subject to the new authorizing process, all tax expenditures would become subject to a sunset review process at least once every 10 years.

In these days, direct Government spending programs are coming under more careful, periodic review. A periodic review and reconsideration of the subsidies, preferences and incentives in the tax system is as important as a review of direct spending programs. To the extent that one individual's tax is forgiven or reduced, the taxes of the others must rise—or else the deficit must rise. In these times of fiscal strain, anything that causes the deficit to rise must not be overlooked. It is important, therefore, that we look periodically to see what we are getting for our tax expenditure dollars.

I think the advantages of such a system will be many. It will provide for better coordination of tax and budget expenditure programs because they will each be reviewed and authorized by the same committee. It will also require more careful and deliberate consideration of tax expenditure policy because Congress will be required to consider each tax expenditure as a Government program, and make a conscious decision as to whether it is a good program for the country. These questions tend to get lost when the subject is presented in tax language.

Tax expenditures are not necessarily bad. That is the last thing that my remarks or my bill are intended to imply. But just like Federal spending programs, the tax laws can become a haven for unwise subsidies, undeserved preferences and unneeded incentives that manage to escape regular scrutiny and consideration. I do hope that this legislation will stimulate thought and discussion among my colleagues on this $250 billion question.

I ask unanimous consent that the text of the Tax Expenditure Control Act of 1981 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 582

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Tax Expenditure Control Act of 1981".

SEC. 2. Title IV of the Congressional Budget Act of 1974 is amended by adding at the end thereof the following new section:

"AUTHORIZING LEGISLATION FOR TAX EXPENDITURES

"SEC. 405. (a) AUTHORIZATION REQUIREMENT.—It shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution, or any amendment to a bill or resolution, which, directly or indirectly, enacts new tax expenditures unless such enactment is authorized by law.

"(b) REQUIRED REPORTING DATE.—It shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution which, directly or indirectly, authorizes the enactment of new tax expenditures to become effective during a fiscal year—

"(1) unless that bill or resolution is reported in the House or the Senate, as the case may be, on or before May 15 preceding the beginning of such fiscal year, and

"(2) if that bill or resolution authorizes the enactment of new tax expenditures to be effective during a period exceeding 10 consecutive calendar years.

"(c) REFERENCE.—A bill or resolution authorizing the enactment of new tax expenditures shall be referred to the committee of the House of Representatives or the Senate, as the case may be, which has jurisdiction over the activity which such new tax expenditure is intended to affect.

"(d) WAIVER IN THE SENATE.—The provisions of section 402(c) of the Congressional Budget Act of 1974 shall apply to any bill or resolution reported under section 405 of this Act.

"(e) NEW TAX EXPENDITURES.—For purposes of this section, the term 'new tax expenditures' means the enactment of a tax expenditure or the increase of an existing tax expenditure.".

SEC. 3. (a) The amendment made by section 2 of this Act shall take effect on the first day of the first regular session of the Ninety-eighth Congress. Any tax expenditure enacted before the date of enactment of this Act shall be repealed on the earlier of—

(1) the termination date of such tax expenditure, or

(2) December 31, 1992.

(b) The provisions of section 904 of the Congressional Budget Act of 1974 shall apply to section 405 of that Act as added by section 2 of this Act.

By Mr. HATCH:

S. 583. A bill to limit the jurisdiction of the courts of the United States in matters relating to abortion; to the Committee on the Judiciary.

HUMAN LIFE ANTI-INJUNCTION ACT

Mr. HATCH. Mr. President, I am reintroducing legislation that would limit the jurisdiction of the lower Federal courts to issue any restraining order or temporary or permanent injunction in certain types of cases involving abortion. More precisely, the legislation would prohibit such judicial actions in: First, cases involving or arising out of any Federal or State law or municipal ordinance that prohibits, limits, or regulates abortion; or second, cases involving or arising out of any Federal or State law or municipal ordinance that prohibits, limits, or regulates the provision at public expense of funds, facilities, personnel, or other assistance for the performance of abortions.

This legislation parallels in many respects the Norris-LaGuardia Act (47 Stat. 70, 1932) which imposed similar restrictions upon Federal courts in the area of labor disputes. In *Lauf* v. *Shinner* 303 U.S. 323 (1938), the Supreme Court upheld the constitutionality of the act, observing—

There can be no question of the power of

Congress thus to define and limit the jurisdiction of the inferior courts of the United States.

Having been reaffirmed on a number of occasions (see *Boys Market* v. *Retail Clerks Union*, 398 U.S. 235 (1970)), Lauf is clearly authority for the proposition that there is no inherent power in these courts to issue injunctions in contravention of statutory provisions.

The present legislation is not only similar in structure to the Norris-LaGuardia Act but is motivated by much the same difficulties. In each instance, policies adopted by representative legislative bodies, in important areas of substantive public controversy, have been nullified and overturned by a single appointed Federal judge. Policies that have been adopted through the arduous give and take and compromise of the legislative process have been summarily rejected by individual judges.

The Human Life Anti-Injunction Act would not entirely remove the subject matter jurisdiction over abortion from the Federal courts. It would simply require that injunctions or restraining orders on the matter of abortions—a matter concerning which I and many others would argue individual life is at stake—be issued by the highest and most final court of the land. In addition, State courts would be permitted to issue such orders subject, of course, to State law.

Federal law presently prohibits the issuance of injunctions by Federal courts against nonviolent labor union activities, as well as those impeding utility rate changes. I do not believe that we can tolerate hasty decisionmaking in the area of abortion any more than we can in these areas. Innocent lives have been lost by the tens of thousands while lower court decisions in such cases as *McMaher* v. *Roe*, 432 U.S. 464 (1977), or *McRae* v. *Harris*, No. 79-1268 (1980), have wended their way to the Supreme Court only to have the Court reaffirm an elected legislature's right to refuse to fund abortions. Whatever substantive decisions are ultimately reached by the judicial branch on these issues, I simply do not feel that we can continue to allow the considered judgment of representative bodies to be subordinated during that period of time prior to a high court decision.

I would refer my colleagues to an outstanding article on this subject that I placed in the CONGRESSIONAL RECORD during the last Congress. It is entitled, "A Wink From the Bench: The Federal Courts and Abortion" by Prof. Basile Uddo (Tulane Law Review) and appeared on page S18740 of the December 15, 1979, RECORD. I ask unanimous consent that the bill be printed in the RECORD.

There being no objection. the bill was ordered to be printed in the RECORD, as follows:

S. 583

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That, notwithstanding any other provision of law, a court of the United States may not issue any restraining order or temporary or permanent injunction in any case—

(a) involving or arising out of any Federal or State law or municipal ordinance that prohibits, limits, or regulates abortion (including any such law or ordinance relating specifically to abortion clinics or persons that provide abortions); or

(b) involving or arising out of any Federal or State law or municipal ordinance that prohibits, limits, or regulates the provision at public expense of funds, facilities, personnel, or other assistance for the performance of abortions.

SEC. 2. As used in this Act, the term "court of the United States" means any court, other than the United States Supreme Court, established by or under Article III of the Constitution of the United States.

By Mr. HATCH:

S. 584. A bill to amend section 1979 of the Revised Statutes (42 U.S.C. 1983), relating to civil actions for the deprivation of rights, to limit the applicability of that statute to laws relating to equal rights; to the Committee on the Judiciary.

S. 585. A bill to provide a special defense to the liability of political subdivisions of States under section 1979 of the Revised Statutes (42 U.S.C. 1983) relating to civil actions for the deprivation of rights; to the Committee on the Judiciary.

MUNICIPAL LIABILITY UNDER SECTION 1983

Mr. HATCH. Mr. President, during the post-Civil War Reconstruction era, the 42d Congress passed the Civil Rights Act of 1871 to protect persons from the deprivation, under the color of State law, "of any rights, privileges, or immunities secured by the Constitution of the United States." The Revised Statutes of the United States enacted in 1874, contained a remedial provision, now 42 U.S.C. 1983, for securing these rights. I am in strong agreement with the intent of these laws—to guarantee to every American the rights secured by the Constitution and laws providing for equal rights. Indeed, I feel one of our most sacred obligations is to insure the constitutional rights of all our citizens.

However, in two cases decided last year, the Supreme Court significantly broadened the interpretation of section 1983 in ways that have little or nothing to do with anyone's constitutional rights but will wreak havoc in the ability of our State and local governments to perform important services to the public.

In the case of *Maine* v. *Thiboutot*, U.S. , 100 S.Ct. 727 (1980), the Court expressly ruled, for the first time ever, that the phrase "and laws" was intended by Congress to provide a section 1983 remedy for deprivations of rights secured by any law of the United States. Civil actions may now be brought against State and local officials under 42 U.S.C. 1983 based on violations of laws which have no relevance whatsoever to deprivations of constitutional or statutory equal rights.

In *Owen* v. *City of Independence*, 445 U.S. 622 (1980), the Court held that local governmental entities may not assert the good faith of their agents as a defense to liability under section 1983 suits. In other words, a local government may be liable in damages for violating a constitutional right that was unknown when the event occurred.

The burdens imposed by these holdings will be onerous. At the very least, our crowded courts will become even more crowded; our tax dollars will increasingly be spent in damage suits instead of providing needed services; further, our State and local governments will be paranoid to the point of paralysis lest their action or inaction be later interpreted as unconstitutional and thus subject to costly damage suits.

The Court has been careful to point out in many of its section 1983 cases, including Owen and Thiboutot, that Congress could, if it chose to do so, modify the statute or limit its application to certain types of statutes. Although the Supreme Court has been far from unimaginative in its section 1983 decisions over the last 20 years, its most recent interpretation of congressional silence compels us to let our voice be heard on this matter.

Mr. President, because the Court's recent rulings, in the cases of Maine against Thiboutot and Owen against City of Independence, involve areas of the law which are better left to Congress than to judicial activism, I wish to introduce some relatively simple, yet important amendments to 42 U.S.C. 1983. I want to emphasize that my amendments will not compromise the intent of section 1983—to provide persons with a remedy for violations of rights secured by the Constitution and laws providing for equal rights.

MAINE VS. THIBOUTOT

The Thiboutots were recipients of AFDC benefits administered by the Maine Department of Human Services. The amount paid to the family was calculated on the number of dependents of Mr. Thiboutot—three children from a previous marriage—rather than on the number of dependents he and his present wife claimed. Their petition for a reassessment of the benefits was based on amounts due them as parents of eight children. The Superior Court of Maine, in an order affirmed by the Supreme Judicial Court of Maine, required the agency to make the requested changes and adopt new policies for similar cases. The supreme judicial court also awarded attorney's fees, 405 A.d 230 (Me. 1979); on appeal, the Supreme Court of the United States affirmed.

The Court observed that the debate over the "scanty legislative history" of section 1983 did not result in a definitive answer on the intended scope of section 1983. Justice Brennan, writing for the majority of the Court, interpreted the "plain language" of section 1983 as providing a broad base for claims arising not only out of violations of constitutional rights, but also out of statutory rights unrelated to equal rights. Such claims are not limited to constitutional rights or equal rights created by statute, reasons Justice Brennan, because the section merely states "and laws" and "Congress attached no modifiers" to explain what type of laws were intended to be covered by the section.

The result is that a cause of action under section 1983 may now rest on the violation or deprivation of any rights secured by any statute. In other words, a disgruntled citizen, feeling that an

official deprived him or her of some benefit under a program provided for by Federal law, may sue that official for damages under section 1983. Prior to this decision, section 1983 cases only involved rights secured by the Constitution and statutes which provided for equal rights. Now the Court has transformed this remedy into a catchall cause of action for the redress of any infringement of statutory rights.

In his dissenting opinion, Justice Powell, joined by the Chief Justice and Justice Rehnquist, stated that the "legislative history alone refutes the Court's interpretation of section 1983," and, further, that "until today this court never had held that section 1983 encompasses all purely statutory claims."

CONSEQUENCES OF THIBOUTOT

Even if we assume that the Court's interpretation of legislative history and legal precedent are correct, an assumption that is questionable at best, the devastating effect of the decision in Thiboutot on our State and local governments would necessitate our action.

Commenting on the ruling in Thiboutot, the Wall Street Journal said that it—

Couldn't do more harm if it were deliberately designed to subvert the federal system and bankrupt cities from coast to coast.

I do not think this statement is too far off the mark.

Justice Powell illustrates the new areas likely to be affected by the Court's extension of liability. I include the appendix to his opinion at this point because of the importance of understanding the extent to which this holding will intrude into the performance of State and local government officials.

Note the wide range of programs included in the list:

A small sample of statutes that arguably could give rise to § 1983 actions after today may illustrate the nature of the "civil rights" created by the Court's decision. The relevant enactments typically fall into one of three categories: (A) regulatory programs in which States are encouraged to participate, either by establishing their own plans of regulation that meet conditions set out in federal statutes, or by entering into cooperative agreements with federal officials; (B) resource management programs that may be administered by cooperative agreements between federal and state agencies; and (C) grant programs in which federal agencies either subsidize state and local activities or provide matching funds for state or local welfare plans that meet federal standards.

A. JOINT REGULATORY ENDEAVORS

1. Federal Insecticide, Fungicide, and Rodenticide Act, 86 Stat. 973 (1972), as amended. 7 U.S.C. §§ 136 et seq.; see, e.g., 7 U.S.C. §§ 136u, 136v.

2. Federal Noxious Weed Act of 1974, 88 Stat. 2148 (1975), 7 U.S.C. §§ 2801-2813; see 7 U.S.C. § 2808.

3. Historic Sites, Buildings, and Antiquities Act, 49 Stat. 666 (1935), as amended, 16 U.S.C. §§ 461–467; see 16 U.S.C. § 462(e).

4. Fish and Wildlife Coordination Act, 48 Stat. 401 (1934), as amended, 16 U.S.C. § 661–666c; see 16 U.S.C. § 661.

5. Anadromous Fish Conservation Act, 79 Stat. 1125 (1965), as amended, 16 U.S.C. § 757a–757d; see 16 U.S.C. § 757a(e).

6. Wild Free-Roaming Horses and Burros Act, 85 Stat. 649 (1971), as amended, 16 U.S.C. §§ 1331–1340; see 16 U.S.C. § 1336.

7. Marine Mammal Protection Act of 1972, 86 Stat. 1027, as amended, U.S.C. §§ 1361–1407; see 16 U.S.C. § 1379.

8. Wagner-Peyser National Employment System Act, 48 Stat. 113 (1933), 29 U.S.C. §§ 49 et seq.; see 29 U.S.C. § 49g (employment of farm laborers).

9. Surface Mining Control and Reclamation Act of 1977, 91 Stat. 447, 30 U.S.C. §§ 1201–1328; see 30 U.S.C. § 1253.

10. Interstate Commerce Act Amendments of 1935, 49 Stat. 548, as amended, 49 U.S.C. § 11502(a)(2) (enforcement of highway transportation law).

B. RESOURCE MANAGEMENT

1. Laws involving the administration and management of national parks and scenic areas: e.g., Act of May 15, 1965, § 6, 79 Stat. 111, 16 U.S.C. § 281e (Nez Perce National Historical Park); Act of Sept. 21, 1959, § 3, 73 Stat. 591, 16 U.S.C. § 410u (Minute Man National Historical Park); Act of Oct. 20, 1972, § 4, 86 Stat. 1302, 16 U.S.C. § 460bb–3(b) (Muir Woods National Monument).

2. Laws involving the administration of forest lands: e.g., Act of March 1, 1911, § 2, 36 Stat. 961, 16 U.S.C. §§ 563; Act of Aug. 29, 1935, ch. 808, 49 Stat. 963, 16 U.S.C. §§ 567a–567b.

3. Laws involving the construction and management of water projects: e.g., Water Supply Act of 1958, § 301, 72 Stat. 319, 43 U.S.C. §390b; Boulder Canyon Project Act, §§ 4, 8, 45 Stat. 1058, 1062 (1928), as amended 43 U.S.C. §§ 617c, 617g; Rivers and Harbors Act of 1899, § 9, 30 Stat. 1151, 33 U.S.C. § 401.

4. National Trails System Act, 82 Stat. 919 (1968), as amended, 16 U.S.C. §§ 1241–1249; see 16 U.S.C. § 1246(h).

5. Outer Continental Shelf Lands Act Amendment of 1978, § 208, 92 Stat. 652, 43 U.S.C. § 1345 (oil leasing).

C. GRANT PROGRAMS

In addition to the familiar welfare, unemployment, and medical assistance programs established by the Social Security Act, these may include:

1. Food Stamp Act of 1964, 78 Stat. 703, as amended, 7 U.S.C. § 2011–2025; see, e.g., 7 U.S.C. § 2020e–2020(g).

2. Small Business Investment Act of 1958, § 602(d)(1), 72 Stat. 698, as amended, 15 U.S.C. §636(d).

3. Education Amendments of 1978, 92 Stat. 2153, as amended, 20 U.S.C. §§ 2701 et seq.; see, e.g., 20 U.S.C. §§ 2734, 2902.

4. Federal-Aid Highway legislation, e.g., 21 U.S.C. §§ 128, 131.

5. Comprehensive Employment and Training Act Amendments of 1978, 92 Stat. 1909, 29 U.S.C. §§801 et seq.; see, e.g., 29 U.S.C. §§ 823, 824.

6. United State Housing Act of 1937, as added, 88 Stat. 653 (1974), as amended, 42 U.S.C. § 1437 et seq.; see, e.g., 42 U.S.C. §§ 1437d(c), 1437j.

7. National School Lunch Act, 60 Stat. 230 (1946), as amended, 42 U.S.C. §§ 1751 et seq.; see, e.g., 42 U.S.C. § 1758.

8. Public Works and Economic Development Act of 1965, 79 Stat. 552, as amended, 42 U.S.C. §§3121 et seq.; see, e.g., 42 U.S.C. §§ 3132, 3151a, 3243.

9. Justice System Improvement Act of 1979, 93 Stat. 1167, 42 U.S.C. §§ 3701–3797; see, e.g., 42 U.S.C. §§ 3742, 3744(c).

10. Juvenile Justice and Delinquency Prevention Act of 1974, 88 Stat. 1109, as amended, 42 U.S.C. §§ 5601 et seq.; see, e.g., 42 U.S.C. § 5633.

11. Energy Conservation and Production Act of 1976, 90 Stat. 1125, as amended, 42 U.S.C. §§ 6801 et seq.; see, e.g., 42 U.S.C. §§ 6805, 6836.

12. Developmentally Disabled Assistance and Bill of Rights Act, 89 Stat. 486 (1975), as amended, 42 U.S.C. §§ 6001 et seq.; see, e.g., §§ 6011, 6063.

13. Urban Mass Transportation Act of 1964, 78 Stat. 302, as amended, 49 U.S.C. §§ 1601 et seq.; see, e.g., §§ 1602, 1604(g)(m).

Mr. HATCH. Now, "virtually every * * * program, together with the State officials who administer [them] becomes subject to judicial oversight at the behest of a single citizen, even if such a dramatic expansion of Federal court jurisdiction never would have been countenanced when these programs were adopted." See *Chapman* v. *Houston Welfare Rights Org.*, 441 U.S. 600, 645 (1978), (concurring opinion, Justice Powell).

Ironically, with the expenses of increased litigation and court ordered spending that will accompany this decision, local governments will be less able to implement federal programs than they were before the ruling in Thiboutot. In addition, as if this expanded liability was not enough to invite a deluge of litigation, the Court opened the floodgates further by ruling that attorney's fees are available in any section 1983 action. Thus, there is even more incentive to initiate litigation.

This is not to say that a person should be without remedy when truly deprived; on the contrary, causes of action are provided for by many statutes. When necessary, Congress, not the Courts, should create specific statutory rights such as the remedies included in many of the programs listed by Justice Powell. However, the use of section 1983 as an all-inclusive remedy is not appropriate. Justice Powell summed up the effect of the Thiboutot decision:

No one can predict the extent to which litigation from today's decision will harass state and local officials; nor can one foresee the number of new filings in our already over-burdened courts. But no one can doubt that these consequences will be substantial.

As we all know, our local governments face the problem of providing services to the public with limited budgets. Our State and local governments are already strapped. Why should we leave them in a straitjacket?

PROPOSED AMENDMENT

My amendment to section 1983 would add the words "and by any law providing for equal rights" in the place of the ambiguous and broad "and laws" language. The text would then read:

Every person who, under color of any statute, ordinance, regulation, custom, or usage, of any state or territory, subjects, or causes to be subjected, any citizen of the United States or other person within the jurisdiction thereof to the deprivation of any rights, privileges, or immunities secured by the Constitution and by any law providing for equal rights of citizens or of all persons within the jurisdiction of the United States, shall be liable to the party injured in an action at law, suit in equity, or other proper proceeding for redress.

This wording would provide that section 1983 actions be based on deprivations of those rights secured by the Constitution and by those laws which provide for equal rights. Thus, State and local governments would not face the harassment that is sure to follow the decision in Thiboutot, and, at the same time, the civil rights of individuals will be protected as Congress originally intended.

OWEN VERSUS CITY OF INDEPENDENCE

In this case, a dismissed city police chief sued the city, city manager, and city council for violating his due process rights. The Supreme Court, reversing the court of appeals, held that the city was liable to the police chief because its ordinance allowing his summary dismissal was unconstitutional and went against the Court's holdings in *Roth* v. *Board of Regents*, 408 U.S. 564 (1972) and *Perry* v. *Sindermann*, 408 U.S. 593 (1972). These decisions had been handed down after the actions taken by the city. Therefore, the district court had allowed a good faith defense because the city and its officials could not have anticipated the Supreme Court's future interpretations of constitutional law. The Supreme Court, however, disallowed the good faith defense and held the city liable even though it had no way of predicting the Court's actions. The Court reasoned that since Congress was silent on municipal immunity, no immunity was intended.

Justice Powell, joined by the Chief Justice, Justice Rehnquist, and Justice Stewart, stated in dissent:

This strict liability approach inexplicably departs from this court's prior decisions under section 1983 and runs counter to the concerns of the 42nd Congress when it enacted the statute. The court's ruling also ignores the vast weight of common-law precedent as well as the current state of municipal immunity.

The dissenters also noted that—

Municipalities . . . have gone in two short years from absolute immunity under section 1983 to strict liability.

CONSEQUENCES OF OWEN

Again, even if we accept the questionable use of legislative history and legal precedent, the policy considerations of this ruling force us to act. The ruling is not only unfair in holding a city responsible for violating a right which first came into existence after the city acted, but it is also detrimental in shackling local governments with the need to predict future Federal court decisions. In this ruling, the Court has administered what could be, for many of our local governments, a fatal dose of municipal immobilization.

While the Court could find no reason for any immunity for local governments, it has given numerous reasons for immunity to government officials such as judges, police officers, school board members, prison officials, and prosecutors. In Owen, the Court stated that—

We concluded that overriding considerations of public policy nonetheless demanded that the official be given a measure of protection from personal liability.

The Court's justification for individual immunity was—

That the threat of personal monetary liability will introduce an unwarranted and unconscionable consideration into the decision making process, thus paralyzing the governing official's decisiveness and distorting his judgment on matters of public policy.

Justice Harlan also listed reasons for granting immunity to Government officials:

Officials of government should be free to exercise their duties unembarrassed by the fear of damage suits in respect of acts done in the course of those duties—suits which would consume time and energies which would otherwise be devoted to government service . . . *Barr* v. *Matteo*, 360 U.S. 564.

The Court stated that these considerations did not apply when the damage award comes from the public treasury instead of the official's pocket.

With such reasoning, the Court must assume that our State and local governments are guided by irresponsible individuals who would be prudent with their own money but would not flinch at the risk of depleting the public treasury. This type of official is not characteristic of the men and women I have associated with, in Utah and throughout the country, who take seriously their trust over the taxpayer's money. State and local leaders like these will be forced to continually look over their shoulder and into the mind of the Federal judiciary to determine future decisions—lest ruinous judgments threaten municipal solvency. Each decision must be made with constant consideration of section 1983 liability, and the officials will no doubt feel the pressure of accountability to citizens and colleagues for costly judgments. Also, small towns, were retained counsel is an unaffordable luxury, will now be forced to cut back on some service to try to protect themselves by retaining counsel. Do all these concerns not represent, "an unwarranted and unconscionable consideration into the decisionmaking process?" Since a municipality's actions are essentially the actions of its chief officials and since most of our local officials are conscientious in their stewardship over public funds, I see little logic in distinguishing between the actions of the municipality and the acts of the individual officials; therefore, the dire effects that the Court sees in a lack of immunity for an individual official also apply to the lack of municipal immunity.

The Court also reasoned that the municipality's liability for constitutional violations is a proper concern of its officials. I certainly agree that the constitutional rights of individuals should be of the utmost concern in the decisions of municipalities and that they should be liable for violations of existing constitutional rights, but I do not agree that municipalities should be immobilized by rights that have not been invented yet. I do not think that the Supreme Court itself could predict future constitutional rights—in the Owen case, for example, four justices found no constitutional violation while five found that there was a violation. Local governments will need more than counsel, they will need a crystal ball.

Furthermore, the doctrine of separation of powers provides that some government decisions should be insulated from review by the courts. A costly damage judgment or court-ordered spending, where officials have acted in good faith, represents a needless intrusion into municipal decisionmaking. As Justice Powell noted in Owen:

The allocation of public resources and the operational policies of the government itself are activities that lie peculiarly within the competence of the executive and legislative bodies. When charting those policies, a local official should not have to gauge his employer's possible liability under section 1983 if he incorrectly—though reasonably and in good faith—forecasts the course of constitutional law. Excessive judicial intrusion into such decisions can only distort municipal decision-making and discredit the courts. Qualified immunity would provide presumptive protection for discretionary acts, while still leaving the municipality liable for bad faith or unreasonable constitutional deprivations.

Another problem, as Justice Powell pointed out, is that the Court's decision in this case is completely out of step with the prevailing situation of the law of municipal immunity in the States. Most States have some form of immunity, the most common being a qualified immunity. Only five States practice the form of blanket immunity introduced by the Court in Owen.

Finally, Judge Learned Hand once observed:

To submit all officials, the innocent as well as the guilty to the burden of a trial and to the inevitable danger of its outcome, would dampen the ardor of all but the most resolute, or the most irresponsible, in the unflinching discharge of their duties. Again and again, the public interest calls for action which may turn out to be founded on a mistake, in the face of which an official may later find himself hard put to it to satisfy a jury of his good faith. There must indeed be a means of punishing public officers who have been truant at their duties; but that is quite another matter from exposing such as have been honestly mistaken to suit by anyone who has suffered from their errors. As is so often the case, the answer must be found in a balance between the evils inevitable in either alternative. In this instance it has been thought in the end better to leave unredressed the wrongs done by dishonest officers than to subject those who try to do their duty to the constant dread of retaliation. *Gegoire* v. *Biddle*, 177F. 2d 579, 581. Quoted in *Barr* v. *Matteo*.

PROPOSED AMENDMENT

In its Owen decision, the Court provides for municipal liability because Congress had not provided for municipal immunity. The second amendment which I propose today will provide that municipalities and other political subdivisions of States shall have a good faith defense in section 1983 actions. This new section on the liability of political subdivisions will read:

No civil action may be brought against a political subdivision of a State under this section if the political subdivision acted in good faith with a reasonable belief that the actions of the political subdivision were not in violation of any rights, privileges, or immunities secured by the Constitution or by laws providing for equal rights of citizens or persons.

Section 1983 will continue to allow recovery when there has been an intentional or bad faith violation by the municipality, or, in other words, when officials "knew or should have known that their conduct violated the constitutional norm." (*Procunier* v. *Navarette*, 434 U.S., a 562.) Municipalities will be protected when they have acted in good faith. This amendment strikes an equitable balance between two very important considerations—the constitutional rights of individuals and the ability of local governments to serve all the people.

CONCLUSION

Evidently tired of waiting for Congress to break its silence on the intended scope of 42 U.S.C. 1983, the Supreme Court has rendered decisions in Maine against Thiboutot and Owens against City of Independence which will severely impair the ability of our local governments to serve the people, while doing little for individual constitutional rights. These rulings require that Congress let its voice be heard. Justice Rehnquist foresaw such a need in his dissenting opinion in Monell against City of New York Department of Social Services:

> Only Congress, which has the benefit of the advice of every segment of this diverse nation, is equipped to consider the results of such a drastic change in the law. It seems all but inevitable that it will find it necessary to do so after today's decision. *Monell v. City of New York Department of Social Services*, 436 U.S. 658, 715 (1978) (dissenting opinion).

I therefore urge immediate action to avoid the onerous consequences of the rulings in Thiboutot and Owen by the adoption of these two important amendments to section 1983.

I ask unanimous consent that the text of these bills be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 584

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1979 of the Revised Statutes (42 U.S.C. 1983) is amended by striking out "and laws" and inserting in lieu thereof the following: "and by any law providing for equal rights of citizens or of all persons within the jurisdiction of the United States".

S. 585

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1979 of the Revised Statutes (42 U.S.C. 1983) is amended by inserting "(a)" before "Every" and by adding at the end thereof the following new subsection:

"(b) No civil action may be brought against a political subdivision of a State under this section if the political subdivision acted in good faith with a reasonable belief that the actions of the political subdivision were not in violation of any rights, privileges, or immunities secured by the Constitution or by laws providing for equal rights of citizens or persons.".

By Mr. HATCH:

S. 586. A bill to amend the Privacy Act of 1974; to the Committee on Governmental Affairs.

S. 587. A bill to amend the Freedom of Information Act and to effect other changes in the law for the purpose of increasing the ability of law enforcement agencies to protect the public security; to the Committee on the Judiciary.

FREEDOM OF INFORMATION ACT AND PRIVACY ACT AMENDMENTS

Mr. HATCH. Mr. President, today I am re-introducing two pieces of legislation from the 96th Congress. First, the Law Enforcement and Public Security Act—would amend the Freedom of Information Act, and the other would amend the Privacy Act. Both bills are designed to enhance the ability of law enforcement agencies to protect the public security.

Over the course of 1977 and 1978, I participated in a series of hearings dealing with the erosion of law enforcement intelligence and the impact that this erosion has had on all aspects of public security—from the physical security of the patient in a hospital to the security of nuclear powerplants. The hearings were held under the auspices, first, of the Senate Subcommittee on Internal Security and, later, under the auspices of the Senate Subcommittee on Criminal Laws and Procedures. In these hearings, we took the testimony of scores of law enforcement officials at the Federal, State, and local levels. A good deal of the testimony had to do with the impact of the Freedom of Information Act and the Privacy Act.

I want to emphasize that I strongly support the basic purposes of these acts. But, it is in the nature of new legislation such as these measures that it is often impossible to predict all future consequences. As often as not, even prudent legislation must be reexamined after a trial period of several years. I believe that the time has come for a reexamination of the privacy legislation now on the books, particularly as it relates to the issue of security in our society.

The law enforcement witnesses whose testimony we took largely agreed on the point that the Freedom of Information Act and Privacy Act had brought important benefits. Among other things, they said that this legislation had assisted in the restoration of public confidence in Government and in criminal justice law enforcement. Witness after witness, however, testified that the Freedom of Information and Privacy Acts have also impaired legitimate law enforcement and intelligence activities. They all recommended that these laws be amended with a view toward striking a better balance between legitimate rights of privacy and equally legitimate ones of law enforcement. Last year, FBI Director Webster formally submitted a carefully drawn set of amendments which he felt were essential to more effective law enforcement.

No one proposes the abolition of the Freedom of Information or Privacy Acts. As Prof. Charles Rice of the Notre Dame Law School observed before the subcommittee:

> What is necessary now is not a dismantling of those statutes but rather corrective surgery to bring them more into line with their original and laudable purpose.

Mr. President, I would like to briefly describe the major provisions of these pieces of legislation.

SECTION 2

As matters now stand, Government agencies are required to respond within 10 days to freedom of information requests. It is universally recognized that this time limit is arbitrary and unachievable with the best of intent. Government agencies today will in most instances acknowledge the receipt of request within 10 days of its arrival. In the very great majority of cases, however, requests take substantially more than 10 days to process. In part, this is because of the serious backlog of requests in most Government agencies; in part, it is due to the fact that those responsible for writing the laws simply failed to take into account the enormous amount of time that would be required to go through files containing sensitive information on a page by page, paragraph by paragraph, word by word basis.

All of the witnesses from Government agencies who testified before the Senate Subcommittee on Internal Security (later the Subcommittee on Criminal Laws and Procedures) were agreed on the point that the 10-day time limit was completely unworkable. The amendment to FOIA suggested in section 2—which closely parallels the recommendations of the FBI on this point—is designed to provide agencies with more realistic time limits in which to respond. The time limit in the case of each request would be prorated against the number of record pages encompassed by the request.

SECTION 4

FOIA exempts certain categories of information from the requirement of release. The purpose of this section is to expand the list of exemptions to cover areas not now exempted by FOIA.

Testimony taken by the Subcommittee on Internal Security established that the U.S. Customs had been obliged to release a roster of women custom inspectors, in response to a request from the Women's Division of the ACLU. DEA also testified that they were concerned that they might have to release rosters of law enforcement personnel—although they said that they would bitterly resist such a release.

The proposed amendment would put a blanket exemption on the release of rosters of law enforcement personnel and the personnel of national intelligence agencies.

Witnesses before the subcommittee also testified that they would favor a blanket prohibition on the release of confidential law enforcement training manuals, investigative handbooks, and manuals dealing with confidential investigative technologies. This is an area where FOIA is ambiguous and subject to varying interpretations. DEA, for example, testified that they had been obliged to release to a felon, serving time in prison on a drug offense, a copy of a confidential DEA manual dealing with methods used by drug traffickers to manufacture liquid hashish.

The proposed amendment provides for a blanket exemption covering all confidential law enforcement training manuals, investigative handbooks, and manuals dealing with confidential investigative technologies.

The subcommittee took much testimony relating to the increasing reluctance of State and local government agencies and of foreign governments to share law enforcement intelligence with the U.S. agencies because of the fear that this information might be disclosed pursuant to a Freedom of Information or Privacy Act request. The proposed amendment seeks to deal with this situation by exempting from disclosure all information received from foreign governments or from State and local government agencies on a confidential basis.

SECTION 5

Under FOIA, requests for information from foreign nations have precisely the same status as requests for information from U.S. citizens. It was pointed out in the course of the subcommittee's hearings that not only could criminal elements in other countries conducting operations in the United States, or tied in with criminal operations in the United States, discover how much Federal law enforcement agencies knew about their activities, but that this provision of the law could also be used to good advantage by members of foreign intelligence agencies. The proposed amendment establishes that "the provision of information to foreign nationals, other than those admitted for legal residence to the United States, shall not be mandatory, but each agency may, at its discretion, promulgate regulations that provide for access to records and the availability of information to foreign nationals and corporate entities."

SECTION 6

Law enforcement agencies have complained that when applicants under FOIA bring court challenges against decisions by law enforcement or intelligence agencies to withhold records on the basis of exemptions specified in FOIA, the court procedure itself has sometimes brought about de facto release of the information they sought to protect. Section 6 seeks to remedy this situation by specifying that in all such cases the court examination of the material for which an exemption is claimed shall take place in camera; and that the court shall maintain under seal any affidavits submitted to the court by a law enforcement or intelligence agency requesting an in camera examination. This parallels one of the basic recommendations of the FBI.

SECTION 7

Point 7 of this section is motivated by the need to protect law enforcement intelligence and to protect informants against the possibility of identification as the result of the release of information under FOIA.

As testimony before the subcommittee established, informants have become a nearly extinct species in consequence of the growing apprehensions about the jeopardy in which they have been placed by FOIA and the Privacy Act. The proposed amendment closely follows the provisions of one of the amendments by FBI Director Webster.

It calls for a blanket ban on the release of records maintained, collected, or used for law enforcement purposes for a period of 10 years after termination of an investigation without prosecution, or for a period of 10 years after prosecution.

This provision will make it much more difficult for criminal elements to utilize FOIA for their own purposes, and will at the same time, when coupled with the other restrictions on the release of information, provide a much higher degree of protection for informants.

SECTION 8

Witnesses before the subcommittee complained that their agencies are in many cases plagued by requests for records that consist primarily of newspaper clippings, magazine articles, court records, and other items which are publicly available, but which now have to be xeroxed and copies sent to the requesting parties.

They also complained about the burden or repetitive requests from the same parties, each request requiring not just an updating of the previous response but the copying of all the material in the file which was not subject to exemption.

Finally, they thought it would be better, even where agency records contain no confidential information obtained from other agencies, that the burden of disclosure be imposed on the originating agency.

To deal with these criticisms of FOIA as it operates today, the proposed amendments, paragraphs 7, 8, and 9 stipulates that:

(i) "In cases in which a portion of a record requested . . . consists of newspaper clippings, magazine articles, court records, or any other item which is public record . . . the agency shall not be required to copy that portion of the record but shall identify such portions by date and source.

(ii) "Any person making a request to an agency for records under . . . shall be required to state in the request the number of previous requests that he or she has made and the date of each such request. No person shall make more than one request per year per agency in any one subject. In any case in which a person makes more than one request on the same subject in consecutive years, the agency shall not be required to copy any portion of the record previously submitted to the requestor. It shall only be required to update the request with information, if any, which has been added to the record since the previous request. Each agency head may promulgate regulations which provide for exceptions to these requirements."

(iii) In any case in which the records requested contain information which has been received on a non-confidential basis from another agency, the agency to which the request is addressed may notify the person seeking access to the records that the information requested is available with the original agency, and the burden of disclosure shall be with the originating agency.

These three provisions are repeated in the second bill which amends the Privacy Act of 1974.

SECTION 9

Under the FOIA and Privacy Acts requestors can be charged for the costs of copying the records for which they have requested access, but not for the other labor involved—which frequently far exceeds the cost of copying. Agencies receive numerous frivolous requests, or requests from high school or junior high school students, or repetitive requests from the same citizen, all of which have to be accorded precisely the same treatment as serious requests coming from serious citizens.

In order to discourage frivolous or repetitive or schoolboy requests, it is proposed in this section that, in addition to the cost of duplication, applicants be charged a flat fee of $10 for processing their request. This will not eliminate all abuses of FOIA—but it will eliminate a significant volume of them.

The same section is repeated in the amendments to the Privacy Act.

SECTION 10

This section, which is to be added to FOIA, has to do with access to criminal background information of prospective employees. Witnesses for the American Society for Industrial Security testified that there is nothing illegal about doing a criminal background check on a prospective employee—but while such information is publicly available at the county courthouse and district court level, it becomes unavailable when the bits and pieces are brought together under Federal control from all over the country.

This makes it possible to lose a criminal background record simply by moving from one part of the country to another. The result of this is that hospitals have no way of knowing whether they are employing applicants who have prior convictions for rape, arson, or drug offences; insurance companies have no way of knowing whether an applicant has a prior conviction for conspiracy to commit fraud; nuclear powerplants have no way of knowing whether applicants have records as terrorists.

Frequently employers will discover that employees have prior criminal background records only at the point where these employees are apprehended and indicted in connection with the commission of some new crime.

The proposed amendment stipulates that Federal law enforcement agencies shall be required, upon request under FOIA, to release criminal background information to prospective employers—subject to two important limitations:

First. Such information shall be available only to prospective employers who are engaged in work which relates to the national security; or in the case of hospitals or nursing homes, gives employees access to drugs or physical access to residents; and

Second. The second qualification has to do with the nature of the information that is to be released. In the interest of protecting young people who may be picked up for pot smoking, shoplifting, or other misdemeanors, all information relating to misdemeanors, under the terms of this provision, are barred from release. With this across-the-board exception, Federal law enforcement agencies shall be required to release records of criminal history information concerning a prospective employee which reflects convictions; pertains to an incident for which the prospective employee is currently within the system of criminal justice, including parole or probation; and reflects arrests for charges, other than misdemeanors, that have not resulted in convictions, but only where there have been three or more arrests.

A word on clause 10(g)(1)(ii). It frequently happens that criminal elements are arrested and indicted a number of times—even many times—on similar or related crimes before they are finally convicted. While one or two arrests without conviction may signify nothing, at the point where there has been a larger series of such arrests, prudence suggests that there is serious reason for concern. Again it is to be emphasized that this provision talks about arrests other than for misdemeanors.

The provision contains a strong stipulation of confidentiality. It provides that criminal background information shall be released to prospective employers on the strict understanding that it is for the use of the employer, and that the release of this information to any third party shall be a violation of the law punishable by a fine of up to $10,000.

SECTION 11

Under the Privacy Act of 1974 and under FOIA applicants may be denied access to the information contained in their files if they are the subject of current investigations. The trouble is that, in invoking this exclusion, responding Government agencies must, in effect, let the applicants know that they are under current investigation. The release of such information to criminal elements obviously undermines the hand of law enforcement. The proposed amendment stipulates that in the interests of not alerting applicants to the fact that they are under criminal investigation, responding law enforcement agencies shall be required to develop a standard form response, applicable both to applicants about whom there is no information and applicants who are the subjects of current investigations.

Mr. President, I earnestly hope that this body will give this legislation the careful attention which it merits. I note that it incorporates all of the major amendments recommended by Director Webster—as well as several additional modifications recommended by a number of the law enforcement officials who testified before the subcommittees. In connection with this legislation, I would strongly urge my colleagues to examine the Criminal Laws Subcommittee's report on "The Erosion of Law Enforcement Intelligence and Its Impact on the Public Security."

I ask unanimous consent that the text of these bills be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 586

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 552a of title 5, United States Code, is amended by adding at the end thereof the following:

"(r) PUBLIC RECORD.—In any case in which a portion of a record requested under this subsection consists of newspaper clippings, magazine articles, court records, or any other item which is public record or otherwise available, the agency shall not be required to copy that portion of the record but shall identify such portions by date and source.

"(s) REQUEST HISTORY.—Any person making a request to an agency for records under this section shall be required to state in the request the number of previous requests that he or she has made and the date of each such request. No person may make more than one request per year per agency on any general subject. In any case in which a person makes more than one request on the same general subject in consecutive years, the agency shall not be required to copy any portion of the record previously submitted to the requestor but shall only be required to update the request with information, if any, which has been added to the record since the previous request. Each agency head may promulgate regulations which provide for exceptions to the requirements of this paragraph.

"(t) INFORMATION FROM OTHER AGENCIES.—In any case in which the record requested contains information which has been received from another agency and such information has not been received on a confidential basis, the agency may notify the person requesting the record that such information is available with the originating agency and the burden of disclosure under this section shall be with the originating agency.".

SEC. 2. (a) Section 552a(k)(2) of title 5, United States Code, is amended to read as follows:

"(2) subject to the provisions of subsection (u), records maintained, collected, or used for law enforcement purposes, but only to the extent that the production of such law enforcement records would (A) interfere with enforcement proceedings, (B) deprive a person of a right to a fair trial or an impartial adjudication, (C) constitute an unwarranted invasion of personal privacy or the privacy of a natural person who has been deceased for less than 25 years, (D) tend to disclose the identity of a confidential source, including a State or local government agency or foreign government which furnished information on a confidential basis, and in the case of a record maintained, collected, or used by a criminal law enforcement authority in the course of a criminal investigation, or by an agency conducting a lawful national security intelligence investigation, confidential information furnished by the confidential source, (E) disclose investigative techniques and procedures, (F) danger the life or physical safety of any natural person, or (G) disclose information relating to any investigation of organized crime, racketeering, espionage, or any conspiratorial activity specified by the Attorney General;".

(b) Section 552a of such title is amended by adding at the end thereof the following:

"(u) LAW ENFORCEMENT RECORDS.—A law enforcement agency shall not make available any records maintained, collected, or used for law enforcement purposes which pertain to a law enforcement investigation until the date which is—

"(1) 10 years after the termination of any investigation not resulting in prosecution;

"(2) if the person who is the subject of the record has been the subject of two or more investigations not resulting in prosecution, 10 years after the termination of the last investigation; or

"(3) if the person who is the subject of the record has, as a result of an investigation, been convicted and subject to probation or a sentence of imprisonment or fine, 10 years after the termination of probation, the term of imprisonment, or the imposition of the fine, as the case may be.".

SEC. 3. Section 552a(f)(5) of title 5, United States Code, is amended to read as follows:

"(5) provide that each person requesting a record under this section shall be charged a fee of $10 plus the cost of duplication, except that documents shall be furnished without charge or at a reduced charge in any case in which the agency determines that a waiver or reduction of the fee is justified upon a showing of financial hardship.".

SEC. 4. Section 552a(e) of title 5, United States Code, is amended by adding at the end thereof the following: "Each agency which carries out law enforcement functions shall prepare and furnish the same general standardized written response to a person making a request for records under this section both in cases where the agency does not have the records requested and in cases where the records are protected from disclosure because disclosure would reveal that a criminal investigation concerning the person is in progress.".

S. 587

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Law Enforcement and Public Security Act".

AMENDMENTS TO THE FREEDOM OF INFORMATION ACT

SEC. 2. Section 552(a)(6)(A) of title 5, United States Code, is amended—

(1) by striking out clause (i) and inserting in lieu thereof the following:

"(i) within thirty days after receipt of the request, notify the person making the request of such receipt, the number of pages encompassed by the request, and the time limits imposed upon the agency under clause (ii) for responding to the request;

"(ii) determine whether to comply with the request and notify the person making the request of such determination and the reasons therefor, within sixty days from receipt of the request (excepting Saturdays, Sundays, and legal public holidays) if the request encompasses less than two hundred pages of records, with an additional sixty days (excepting Saturdays, Sundays, and legal public holidays) permitted for each additional two hundred pages of records encompassed by the request, up to a maximum period of one year;

"(iii) notify the person making the request of the right of such person to appeal to the head of the agency any adverse determination; and"; and

(2) by redesignating clause (ii) as clause (iv).

SEC. 3. The first and second sentences of section 552(a)(6)(B) of title 5, United States Code, are amended to read as follows: "Any person making a request to any agency for records under paragraph (1), (2), or (3) of this subsection shall be deemed to have exhausted his administrative remedies with respect to such request if the agency fails to comply with the applicable time limit provisions of this paragraph. If the agency can show that exceptional circumstances exist and that the agency is exercising due diligence in attempting to respond to the request, the court shall allow the agency additional time to complete its review of the records.".

SEC. 4. Section 552(b) of title 5, United States Code, is amended—

(1) in paragraph (8), by striking out "or" at the end thereof;

(2) in paragraph (9), by striking out the period and inserting in lieu thereof a semicolon; and

(3) by adding at the end thereof the following:

"(10) rosters of law enforcement personnel or of the personnel of any national intelligence agency;

"(11) confidential law enforcement training manuals, investigative handbooks, and manuals dealing with investigative technologies, developed by the department or agency, or developed through research contracts entered into by the department or agency; or

"(12) any information received on a confidential basis from a foreign government or from a State or local government agency.".

SEC. 5. (a) Section 552(e) of title 5, United States Code, is amended—

(1) by inserting "(1)" immediately after "(e)"; and

(2) by adding at the end thereof the following:

"(2) For the purposes of this section, the term 'person' means a 'United States person' as defined by the Foreign Intelligence Surveillance Act of 1978.".

(b) Section 552 of that title is amended by adding at the end thereof the following:

"(f) The head of each agency may promulgate regulations which provide for access to records by, and the availability of infor-

mation to, foreign nationals and foreign corporate entities under the provisions of this section. This section does not require the provision of information or access to records to foreign nationals or to foreign corporate entities.".

SEC. 6. Section 552(a)(4)(B) of title 5, United States Code, is amended by inserting the following immediately after the second sentence: "If the court examines the contents of any record of a law enforcement or intelligence agency withheld by the agency under any of the exemptions set forth in subsection (b)(1), (b)(3), or (b)(7), the examination shall be in camera. The court shall maintain under seal any affidavit submitted to the court by a law enforcement or intelligence agency to examine in camera.".

SEC. 7. (a) Section 552(b)(7) of title 5, United States Code, is amended to read as follows:

"(7) subject to the provisions of subsection (f), records maintained, collected, or used for law enforcement purposes, but only to the extent that the production of such law enforcement records would (A) interfere with enforcement proceedings, (B) deprive a person of a right to a fair trial or an impartial adjudication, (C) constitute an unwarranted invasion of personal privacy or the privacy of a natural person who has been deceased for less than twenty-five years, (D) tend to disclose the identity of a confidential source, including a State or local government agency or foreign government which furnished information on a confidential basis, and in the case of a record maintained, collected, or used by a criminal law enforcement authority in the course of a criminal investigation, or by an agency conducting a lawful national security intelligence investigation, confidential information furnished by the confidential source, (E) disclose investigative techniques and procedures, (F) endanger the life or physical safety of any natural person, or (G) disclose information relating to any investigation of organized crime, espionage, or any conspiratorial activity specified by the Attorney General;".

(b) Section 552 of such title is amended by adding at the end thereof the following:

"(f) A law enforcement agency shall not make available any records maintained, collected, or used for law enforcement purposes which pertain to a law enforcement investigation until the date which is—

"(1) ten years after the termination of any investigation not resulting in prosecution;

"(2) if the person who is the subject of the record has been the subject of two or more investigations not resulting in prosecution, ten years after the termination of the last investigation; or

"(3) if the person who is the subject of the record has, as a result of an investigation, been convicted and subject to probation or a sentence of imprisonment or fine, ten years after the termination of probation, the term of imprisonment, or the imposition of the fine, as the case may be.".

SEC. 8. Section 552(a) of title 5, United States Code, is amended by adding at the end thereof the following new paragrapns:

"(7) In any case in which a portion of a record requested under this subsection consists of newspaper clippings, magazine articles, court records, or any other item which is public record or otherwise available, the agency shall not be required to copy that portion of the record but shall identify such portions by date and source.

"(8) Any person making a request to an agency for records under this section shall be required to state in the request the number of previous requests that he or she has made and the date of each such request. No person may make more than one request per year per agency on any general subject. In any case in which a person makes more than one request on the same general subject in consecutive years, the agency shall not be required to copy any portion of the record previously submitted to the requestor but shall only be required to update the request with information, if any, which has been added to the record since the previous request. Each agency head may promulgate regulations which provide for exceptions to the requirements of this paragraph.

"(9) In any case in which the record requested contains information which has been received from another agency and such information has not been received on a confidential basis, the agency may notify the person requesting the record that such information is available with the originating agency and the burden of disclosure under this section shall be with the originating agency.".

SEC. 9. Section 552(a)(4)(A) of title 5, United State Code, is amended to read as follows:

"(4)(A) Each person requesting a record under this section shall be charged a fee of $10 plus the costs of duplication. Documents shall be furnished without charge or at a reduced charge in any case in which the agency determines that a waiver or reduction of the fee is justified upon showing of financial hardship.".

SEC. 10. (a) Section 552(b) of title 5, United States Code, is amended by striking out "This section does not" and inserting in lieu thereof "Subject to the provisions of subsection (g), this section does not".

(b) Section 552 of such title is amended by adding at the end thereof the following:

"(g)(1) Notwithstanding any provision of subsection (b), upon a written request which otherwise meets the requirements of this section from a prospective employer engaged in (A) production, distribution, research, special studies or other activities related to the national security, or (B) in the case of a hospital or other health care facility, a business which provides employees access to drugs or physical access to patients or residents, a law enforcement agency shall furnish the prospective employer the following criminal history information with respect to a prospective employee:

"(i) Prior convictions other than for misdemeanors, including the date, location, charge, and sentence imposed for each conviction.

"(ii) Prior arrests which have not resulted in conviction, other than for misdemeanors, including date, location, charge, and disposition, if three or more such arrests are reflected in the records.

"(2)(A) If a law enforcement agency has serious reason to believe that a prospective employee is engaging or has been engaged in espionage, terrorist or terrorist support activities, or that such prospective employee is a knowing, active, and purposive member of a group about which the Federal Bureau of Investigation maintains intelligence for national security purposes, the agency, upon a written request which otherwise meets the requirements of this section by any prospective employer, engaged in production, distribution, research, special studies, or other activities related to the national security, shall so inform such prospective employer unless the release of such information might prejudice the national security.

"(B) No information may be released under subparagraph (A) without the approval of the Attorney General or his designee.

"(3) Any information provided to a prospective employer in accordance with this subsection shall be used only by such employer, and the release of such information to any third party by an employer shall be an offense punishable by a fine of not to exceed $10,000.".

SEC. 11. Section 552(b) of title 5, United States Code, is amended by adding at the end thereof the following: "Each agency which carries out law enforcement functions shall prepare and furnish the same general standardized written response for issuance to any person making a request for records under this section to be used both in cases where the agency does not have the records requested and in cases where the records are protected from disclosure because disclosure would reveal that a criminal investigation concerning the person is in progress.".

By Mr. HEINZ:

S. 590. A bill to amend the Energy Security Act by adding a domestic procurement requirement; to the Committee on Energy and Natural Resources.

AMENDMENT OF THE ENERGY SECURITY ACT

● Mr. HEINZ. Mr. President, today I am reintroducing legislation I first proposed late in the 96th Congress to insure that in our development of alternative energy resources under the Energy Security Act, we adhere to a strong Buy American policy so that projects which receive Federal funds or guarantees purchase an appropriate share of U.S. materials.

The Energy Security Act was passed by Congress in an effort to establish American energy independence through the development of alternative energy sources within the United States. It follows as a corollary that the construction and maintenance of these projects should also encourage independence by relying on American materials and labor. However, as projects have begun, we have discovered that some of them have relied in part on foreign materials, at the expense of American labor and industry. During this time of high unemployment, the continued loss of our Nation's technology, materials, and jobs to foreign competition, particularly in the area of federally financed synthetic fuels development, is a matter of grave concern.

One recent case illustrates the problem that confronts us. Last fall a large contract for the production of heavy-gage plate steel, to be used in a synthetic fuels plant, was awarded to a Japanese firm. The Japanese firm, Hitachi, Ltd., had originally bid $10 million for the job, the same as the lowest domestic bidder, Chicago, Bridge, and Iron Works. Yet Hitachi was subsequently allowed to revise its bid, which it reduced to $8 million, largely by lowering its expected transportation costs. As a result of the new bid, Hitachi was awarded the contract to supply 14 gasifier vessels to the American Natural Resource project in Beulah, N. Dak. Fortunately, in this case a compromise was ultimately reached, and the contract award was divided between the domestic and foreign producer, assuring a domestic share of the project.

There is no indication that future synthetic fuel constructors will feel similarly compelled to purchase domestic materials despite the clear economic rationale for doing so. A Congressional Research Service study for example, indicates that the return to the domestic economy, in the form of taxes on domestic purchases, outweighs the savings realized through a foreign purchase unless the offshore price is at least 50-percent below the domestic price.

Mr. President, I ask that that study be included in the RECORD at the conclusion of my remarks.

The threat of continued importation of foreign materials in the construction of synthetic fuels plants makes it essential to assure American participation in the fabrication of major capital equipment for these programs. Such action will prevent the shutdown of essential, high technology, production facilities, the unemployment of skilled workers and the loss of American technological leadership.

Underutilization of America's primary industries cannot continue. The awarding of contracts for the production of synthetic fuels, with over $20 billion to be expended by 1982 and billions more likely to be allocated by 1990, underscores the urgent need to prevent this from occurring again in the future.

Present law authorizing these expenditures contains no special "Buy American" provisions of its own, and to the extent that Federal financing is indirect, as with loan guarantees, the current Buy American Act would not apply either. My legislation seeks to correct this anomaly by establishing the general presumption of domestic procurement with appropriate exceptions for foreign sources such as domestic unavailability or a situation where the foreign bid is substantially lower than the domestic one.

Specifically, the legislation I introduce today seeks to amend the present Energy Security Act by providing that:

Funds authorized under the Energy Security Act or by any Act amended by it and administered as part of the synthetic fuels programs shall not be obligated, authorized or guaranteed where the cost would exceed $500,000, unless such articles, materials and supplies, to be used by contractors or subcontractors in the performance of construction work financed in whole or in part with assistance under this Act, have been mined, produced, and manufactured in the United States.

The above provision would not apply where the administrator of the particular program in question determines that: First, its application would be inconsistent with the public interest; second, supplies of the class or kind to be used in the manufacture of articles, materials or supplies are not mined, produced, or manufactured in the United States in sufficient or reasonably available quantities; third, its application would result in a more than 20 percent increase in cost of the overall project after applying and granting appropriate price adjustment to domestic products based on the portion of the project cost likely to be returned to the United States and to States in the form of tax revenues (25 percent, if the domestic articles, materials, and supplies are produced in a "Substantial Labor Surplus Area" as defined by the U.S. Department of Labor.

In conclusion, I want to emphasize the importance of building a truly independent American synthetic fuels industry. It is essential that we maintain a high level of productivity in our Nation's indispensible, high technology production facilities. Moreover, we must safeguard the continued employment of our skilled workers. These considerations make the establishment of a domestic procurement program in our development of synthetic fuels of primary importance. My proposed legislation is not rigid in its approach, allowing for appropriate exceptions for the purchase of foreign materials under conditions of domestic unavailability or when the foreign bid is substantially below the domestic one. I ask that my colleagues in the Senate join me in assuring the continued strength of our Nation's industry and economy through the enactment of this legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 590

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Energy Security Act (Public Law 96-294) is amended by adding at the end thereof the following new title:

"TITLE IX—RESTRICTION OF CERTAIN EXPENDITURES

"GENERAL PROVISION

"SEC. 901. (a) Notwithstanding any other provision of law, no funds authorized by this Act or by any Act amended by this Act and administered as part of this Act shall be obligated, authorized or guaranteed where the cost would exceed $500,000, unless goods, to be used by contractors or subcontractors in the performance of construction work financed in whole or in part with assistance under this section, have been mined, produced, or manufactured in the United States.

"(b) The provisions of subsection (a) of this paragraph shall not apply where the contracting authority determines that—

"(1) the application of such restriction would be inconsistent with the public interest;

"(2) goods of the class or kind to be used in the manufacture of articles, materials or supplies are not mined, produced or manufactured in the United States in sufficient or reasonably available quantities; or

"(3) the application of such restriction would result in a more than 20 percent increase in cost of the articles, materials or supplies after applying and granting appropriate price adjustments to domestic goods based on the portion of the item's cost likely to be returned to the United States and to States in the form of tax revenues.".

(c) For the purposes of subsection (b) 20 percent increase in cost shall be deemed to be 25 percent increase in cost where the domestic goods are produced in a substantial labor surplus area as defined by the Secretary of Labor.●

By Mr. PERCY (for himself, Mr. SASSER, Mr. HUDDLESTON, Mr. LUGAR, Mr. HAYAKAWA, and Mr. LEVIN):

S. 591. A bill to increase the efficiency of Government-wide efforts to collect debts owed the United States, to require the Office of Management and Budget to establish regulations for reporting on debts owed the United States, and to provide additional procedures for the collection of debts of the United States, consistent with the rights of privacy for the United States; to the Committee on Governmental Affairs.

DEBT COLLECTION ACT OF 1981

● Mr. PERCY. Mr. President, today I am reintroducing comprehensive legislation which will give the Federal Government new tools and incentives to put some teeth into the Government's lagging debt collection effort. I am happy to have Senator SASSER as a cosponsor.

When I began examining Federal debt collection early last year, I recognized that the Government's failure to collect loans and other debts was a significant area of lost tax dollars—reports at the time indicated that several billion dollars was involved. New reports, which surfaced at a hearing Senator SASSER and I held last November on this issue, however, showed that losses resulting from mismanagement and the absence of basic collection tools were much higher than we ever dreamed—$16 billion according to OMB officials.

In view of these enormous losses, and the mandate we received last November from the American taxpayers to balance the budget, I am sure that my colleagues will agree that sweeping legislative reforms are urgently needed to provide the Federal agencies with new incentives and tools to get on with collecting billions of dollars owed them.

The American taxpayers would be justifiably angry if they knew what little effort is being exerted by Uncle Sam to collect these debts—after all, a dollar owed the Federal Government is a dollar owed the American taxpayer. If the Government could collect the $16 billion that is now overdue, we could send a check for $178 to each and every taxpayer in the United States. We could achieve this significant tax cut, merely by collecting what is already owed, and without slashing any Government program.

OMB STUDY OF DEBT COLLECTION SHOWS MASSIVE LOSSES

In 1979, OMB assigned a special task force to study Federal debt collection. During this review, they uncovered new figures revealing the enormity of the Government's collection problem.

The Federal Government is owed a staggering $175 billion—$126 billion from individuals, businesses, and organizations in the United States and $49 billion from foreign governments. Of the $126 billion owed from domestic sources, loans made by the Government represent most of it: $102 billion, with the remaining $24 billion owed from unpaid taxes, overpayments to beneficiaries, interest, and other sources. Clearly, Uncle Sam operates one of the world's largest lending institutions.

I am sure that a private lending institution would have a difficult time keeping track of the Government's maze of loan programs—there are no less than 358 loan programs run by 24 Federal agencies. The agencies owed the most are the Departments of Agriculture, Treasury, Agency for International Development, and Housing and Urban Development. The Department of Education, the agency receiving most of the attention with regard to debt collection, ranks a distant seventh on this list.

Clearly, the most disturbing information discovered by OMB is the amount of debts going uncollected. While most of the $175 billion owed the Government is due to be repaid over several years, in fiscal 1979 Uncle Sam was due to be paid back $46.9 billion from all sources. Of this amount, $25.3 billion, over 53 percent,

was not collected. Government loans due to be repaid that year accounted for $17.7 billion of which at least $6.5, more than one-third, was not paid.

It is not known precisely how much of these debts will ever be collected. Conservative estimates are that at least $6.3 billion will be written off. What is known is that much of what is going uncollected is clearly collectable. In a hearing Senator SASSER and I held last November, OMB officials testified that new reforms in the ways the Government collects its debts could return $16 billion, $10 billion in unpaid taxes and $6 billion in defaulted loans and other debts, to the Treasury.

AGENCIES GEARED TOWARD SPENDING MONEY—NOT COLLECTING IT

Studies of debt collection by OMB, GAO, and congressional committees have concluded that low priority given collections, the absence of accurate information on the performance of agencies in collecting debts, and, most important, the lack of even the most basic collection tools used in the private sector, all combine to make the Federal Government's debt collection record nothing less than shocking and embarrassing.

GOVERNMENTAL AFFAIRS COMMITTEE HEARING REVEALS MISMANAGEMENT

At our November hearing we heard one horror story after another of agencies failing to collect millions of dollars owed them. For example, in the law enforcement education program, we were told that only four employees were assigned to manually service 210,000 student accounts worth over $150 million. Even worse, the $34 million Cuban student loan program, administered by the Department of Education, stopped collections entirely in 1976 to shift employees elsewhere. As a result, the default rate skyrocketed from about $7 million in 1976 to $24 million last year.

It is no wonder why these agencies neglect these programs. There are few requirements imposed on agencies to keep track of how much they are loaning, collecting, and losing. Thus, Congress continues to reappropriate funds year after year without regard for what is lost. For example, when the GAO asked HUD to report on the portion of its $3.7 billion multifamily housing loan program that was delinquent, HUD responded that they had little interest in knowing how much was delinquent and had no system for determining total delinquencies. When GAO finished tallying up the figures, they found that an incredible $500 million was past due.

AGENCIES LACK BASIC COLLECTING TOOLS

Ironically, the Federal Government has the most difficult time collecting debts owed by its own employees. In a match run by the Department of Education to determine how many Federal employees owe them for defaulted student loans, it was found that almost 18,000 Federal employees getting a regular paycheck from Uncle Sam have been identified as student loan defaulters. Although the exact dollar amount is not known, Department of Education officials estimate that the Federal Government is owed about $18 million by its own employees who have defaulted on student loans. Similarly, Federal employees are responsible for $37 million in unpaid debts to the Veterans' Administration. These amounts represent only two agencies—there are hundreds of other loan programs for which we do not know how much is owed by Federal workers.

In the private sector, garnishment of wages is used widely and effectively as a means of collecting unpaid debts. Unfortunately, the Federal Government, unlike the private sector, is prohibited from setting off its employees wages for repayment of a debt except under extremely limited conditions. Thus, for the bulk of debts owed, Uncle Sam is almost powerless in its ability to collect.

Federal agencies are equally powerless in collecting debts from others owing them for defaulted loans. They are unable to use the single most powerful collection tool: Credit reporting.

Private firms, in contrast to the Government, place primary reliance in collecting unsecured debts on aggressive collection backed by the consequences of adversely affecting the debtor's credit rating. When faced with losing one's credit standing, most debtors agree to pay.

State governments have begun using credit reporting and have improved collections significantly. The State of New Jersey, testifying at our hearing, told us that they have doubled their collections, primarily through the use of credit reporting, for example.

The Federal Government is, for the most part, unable to use credit reporting because the Justice Department, contrary to the Comptroller General's opinion, has ruled that any credit bureau which receives data from a Federal agency must abide by the specific requirements of the Privacy Act in handling the data. Credit bureaus, already governed by the Fair Credit Reporting Act, will not accept Federal records under these conditions.

I helped draft the Privacy Act and continue to firmly support it. I do not believe, however, it was the intent of Congress in enacting the Privacy Act to prevent Federal agencies from pursuing well-accepted methods of collecting debts owed them.

Finally, one of the most formidable obstacles to collecting these debts is obtaining current addresses of debtors. Debtors often frustrate collection efforts by moving—for example, the VA reported that of 285,000 new debt claims handled in the first 7 months of 1980, nearly 49,000 debtors, about 17 percent, moved and did not leave forwarding addresses.

By far, the most inexpensive and reliable source of current addresses is the IRS. A recent GAO study found IRS addresses to be about 12 times cheaper, and 5 times more effective than any other locator. Here again, however, legal complications have derailed the Government's attempts to collect its debts.

While the Tax Reform Act of 1976 provides specific authority for the IRS to disclose addresses to other Federal agencies for their debt collection activities, the IRS has interpreted this to mean that agencies may not redisclose these addresses to credit bureaus assisting the Government in collecting debts. This ruling has seriously impaired the ability of the Government to carry out its collection responsibilities. For instance, the VA may be forced to write off a large portion of $100 million in debts owed them because they cannot order credit reports on 45,000 debtors to determine their ability to repay the Government due to this decision.

Furthermore, the Federal Government's effectiveness in using credit bureaus as a collection tool will be limited by this restriction on redisclosure. The Department of Education and Veterans' Administration, just 2 of the 23 Federal agencies having significant outstanding debts, will be unable to refer 670,000 claims for unpaid debts to credit bureaus because of this restriction.

THE DEBT COLLECTION ACT OF 1981

This bill, if enacted, will remove the major obstacles to effective debt collection and reverse the Government's abominable record in this area. It will do the following:

Amend the Privacy Act to allow Federal agencies to refer bad debtor information to commercial credit bureaus. This provision would only allow referral under strictly limited conditions. Before an agency could report debtor information, it would be required to send written notice to the debtor informing him of the name and address of the credit bureau to which the information would be reported, and the specific information to be released. Also, the agency would have to allow a 60-day grace period to permit the debtor, upon his request, to receive a full explanation of his debt and to have his debt reviewed should there be a dispute about any part of it.

Amend the Civil Service Code to permit a Federal employee's salary to be set off for unpaid debts to the Government. Before the employee's salary could be set off, the agency would be required to give proper notice and provide the debtor with an opportunity to dispute the debt or enter into an agreement to repay the debt.

Allow agencies to disclose addresses obtained from the IRS, under strictly limited conditions, to agencies assisting the Government with its debt collection effort.

Finally, require Federal agencies to report fully and accurately to Congress annually on their debts including total receivables, delinquencies, and other information pertaining to their collection efforts. This information is essential if we hope to hold these agencies accountable for their collection record.

In fairness to the taxpayers, who must foot the bill for these enormous losses, I urge that the Congress move expeditously to enact these needed reforms.

I ask unanimous consent that the text of the Debt Collection Act be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 591

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Debt Collection Act of 1981".

AMENDMENTS TO TITLE 5 OF THE UNITED STATES CODE

SEC. 2. (a) Section 552a of title 5 of the United States Code is amended—

(1) in subsection (b)(10), by striking out "or";

(2) in subsection (b)(11), by striking out the end thereof and inserting in lieu thereof a semicolon and "or";

(3) by adding at the end thereof the following:

"(12) to a consumer reporting agency, as defined in section 603(f) of the Fair Credit Reporting Act, consistent with the provisions of this section.".

(b) Section 552a of title 5 of the United States Code is further amended in subsection (m) thereof—

(1) by striking out "When an agency provides" and inserting in lieu thereof "(1) Except as provided in paragraph (2), when an agency provides"; and

(2) by adding at the end thereof the following:

"(2) A consumer reporting agency to which a record is disclosed under subsection (b)(12) of this section shall not be considered a contractor for the purposes of this section.".

(c) Section 552a of title 5 of the United States Code is further amended by adding at the end thereof the following:

"(r) Disclosure to a Consumer Reporting Agency.—Whenever the head of an agency or his designee attempts to collect a claim of the United States under section 3(a) of the Federal Claims Collection Act of 1966 (31 U.S.C. 952(a)), the head of the agency or his designee—

"(1) may notify a consumer reporting agency that a person is responsible for a claim if—

"(A) the head of the agency or his designee has sent a written notice to the most recently available address for such person informing such person that the agency intends to notify a consumer reporting agency, in not less than 60 days after sending such notice, that the person is responsible for such claim;

"(B) such notice includes the name and address of the consumer reporting agency that the agency intends to notify, the specific information intended to be released, and a statement of such person's right to a full explanation of the claim and to dispute any information concerning the claim in the records of the agency; and

"(C) such person—

"(i) has not repaid or agreed to repay such claim under a repayment plan which is agreeable to the head of the agency or his designee and is in a written form signed by such person, or

"(ii) has not filed for review of such claim under paragraph (2) of this subsection; and

"(2) shall provide, upon request of any person alleged by the agency to be responsible for such claim, for the review of the obligation of such person, with an opportunity for reconsideration of the initial decision upon review, and under such regulations and procedures as the head of the agency may provide, prior to the notification of any consumer reporting agency under paragraph (1) of this subsection and at such other times as may be permitted by law; and

"(3) shall, prior to the notification under paragraph (1), obtain satisfactory assurances from such consumer reporting agency concerning the compliance of the consumer reporting agency with the Fair Credit Reporting Act and any other Federal law governing the provision of consumer credit information.".

SALARY OFFSET

SEC. 3. (a) The first sentence of section 5514(a) of title 5, United States Code, is amended to read as follows:

"(a)(1) When the head of an agency or his designee determines that an employee of such agency, including civilian agencies and the armed forces or Reserve of the armed forces, is indebted to the United States, the amount of the indebtedness may be collected in monthly installments, or at officially established pay intervals, by deduction from the current pay account of the individual. The deductions may be made from basic pay, special pay, incentive pay, retired pay, retainer pay, or, in the case of an individual not entitled to basic pay, other authorized pay. The amount deducted for any period may not exceed one-half of the pay from which the deduction is made, unless the deduction of a greater amount is necessary to make the collection within the period of anticipated active duty or employment. If the individual retires or resigns, or if his employment or period of active duty otherwise ends, before collection of the amount of the indebtedness is completed, deduction shall be made from later payments of any nature due the individual from the agency concerned.

(b) Such section is amended by adding at the end thereof the following new paragraph:

"(2) Prior to collecting any indebtedness of an individual under paragraph (1), the head of the agency collecting the debt, or his designee, shall provide the individual (A) written notification of the nature and amount of the indebtedness, the agency's intention to offset his salary, and an explanation of his rights pursuant to this subsection, (B) an opportunity to inspect and copy the agency's records with respect to the debt, (C) an opportunity for the review of the determination of the agency with respect to the indebtedness of the individual and (D) an opportunity to enter into a written agreement with the agency, under terms agreeable to the head of the agency or his designee, for the repayment of the debt. The collection of any amount under this section shall be in accordance with the standards promulgated pursuant to the Federal Claims Collection Act of 1966.".

DEBTOR IDENTITY INFORMATION

SEC. 4. Section 6103(m)(2) of the Internal Revenue Code of 1954 is amended to read as follows:

"(2) Federal claims.—

"(A) Upon written request, the Secretary may disclose the mailing address of a taxpayer to officers and employees of an agency directly engaged in carrying out collection activities relating to such taxpayer under the Federal Claims Collection Act of 1966 or other statutory authority for the collection of claims of the United States. Any officer or employee of an agency receiving the mailing address of a taxpayer under the preceding sentence may redisclose such mailing address to any agency employed by the agency to assist in such collection activities. A Consumer Reporting Agency may redisclose such mailing addresses where such redisclosure is in accordance with the Fair Credit Reporting Act."

"(B) For purposes of this paragraph the term 'Consumer Reporting Agency' has the same meaning as in section 603 of the Fair Credit Reporting Act."

REPORT ON AGENCY DEBT COLLECTION ACTIVITIES

SEC. 5. (a) The Director of the Office of Management and Budget, in consultation with the Secretary of the Treasury and Comptroller General of the United States, shall establish regulations requiring each agency with outstanding debts to prepare and transmit to the Director at least once each year a report containing—

(1) the total amount of loans and accounts receivable owed to the agency and when the owed funds are due to be repaid;

(2) the total amount of receivables and number of claims that are at least 30 days past due;

(3) the total amount written off as uncollectable, actual and allowed for;

(4) the rate of interest charged for overdue debts and the amount of interest charged and collected on debts;

(5) the total number of claims and total amount collected;

(6) the total cost to the agency of collecting debts;

(7) the number of claims and the total amount of such claims referred to the Department of Justice for settlement and the number of claims and the total amount of such claims settled by such Department;

(8) for each program or activity administered by the agency, the information described in clauses (1) through (7) of this subsection; and

(9) such other information as the Director finds necessary in order to determine whether the agency is engaging in aggressive action to collect such debts.

(b) The Director shall analyze the reports received by each agency under subsection (a) and shall report annually to the Congress on the management of agency debt collection activities, including the information provided to the Director under subsection (a) above.●

● Mr. SASSER. Mr. President, I am pleased to join my colleague, Senator PERCY, today, in introducing the Debt Collection Act of 1981, a bill that would allow the Federal Government—through the use of commercial credit bureaus and the establishment of improved debt collection practices—to be more efficient, economical and business-like in the management of credit.

To put the situation graphically, unless we can control the problem of burgeoning Federal debts owed to the Federal Government, the problem will, like Moby Dick, consume us first. We need to assemble all the cost-saving weapons possible for a long siege against this leviathan.

One of the most potentially effective weapons at our disposal as we embark upon the first session of the 97th Congress is the Debt Collection Act.

Our target is certainly large enough. Debtors now owe the Federal Government $175 billion. But though our target is large, we have not carelessly constructed our weapon.

It builds upon legislation which Senator PERCY and I introduced last year. It considers very carefully the input of concerned financial officers of the various Federal agencies that lend money to groups and individuals. It reflects the professional input of private sector individuals and organizations most familiar with credit management. It responds to recommendations made by the General Accounting Office.

The GAO, I should point out, has developed considerable expertise on the problems of debt collection and credit management, and has assembled voluminous data which underscore the need for swift and comprehensive action to address the overgrown problem now confronting us.

Addressed also in the Debt Collection Act of 1981 are concerns over individual protections regarding government information and records as outlined in the Privacy Act of 1974. No measure, including this one, should in any way substantively diminish the spirit or intent of this act.

Mr. President, I have referred to this problem of debts owed to the Federal Government as a leviathan—a monster.

I suspect that one of the reasons that Americans are not sufficiently alarmed about the problem is that its vastness has no relevance on our day-to-day lives. That is, it is so large and so overwhelming that we have nothing against which to measure it. The notion that $175 billion is owed the Federal Government is, in effect, beyond the realm of normal comprehension.

So, I would like to put the problem in perspective.

Take the figure, $1 billion. What does it mean? One billion dollars is the amount of money that Federal agencies simply wrote off for fiscal year 1979. One billion dollars—never to be recovered by the Federal Government.

Do you realize that $1 billion represents the total receipts for the first 60 years of the U.S. Government. And in fiscal year 1979, the total receipts of the U.S. Government for its first 60 years of its existence were written off as bad debts—uncollectable.

Take the figure $6.5 billion. What does that represent? According to the Office of Management and Budget, that is probably the smallest amount that will be written off as bad debts for fiscal year 1980. The actual figure could go as high as $12 billion.

But consider the smaller figure—$6.5 billion. Add it to the $1 billion and you have the total receipts of the U.S. Government for nearly its first century.

Just think of that. The first century of our Nation's public finances will have been written off as bad debts, uncollectable.

Or consider it this way. Take that $7.5 billion and consider it in this light. It is about the size of the entire gross national product of Zarie, a sizable resource-rich African nation. Consider that carefully. The U.S. Government is writing off as a bad debt an amount equal to the gross national product of a nation of 25 million people.

Not only that, the American Government's total of bad debts about to be considered as uncollectable exceeds the gross national product of nations like Ecuador, which is a member of OPEC, Syria, Kenya, the Ivory Coast and the oil-rich nation of Qatar.

Entire nations, entire regions and entire countries could be built with what the U.S. Government is simply writing off as a bad debt.

And all of these incredible comparisons, mind you, are with the use of the most conservative estimate of the amount of debt owed the U.S. Government that will be written off.

When one considers that $7.5 billion is but a fraction of the $175 billion that is owed to the Government, the possibilities of relative comparisons are mind-boggling.

Mr. President, these figures and the many reports by the General Accounting Office on governmental debt collection efforts clearly document a history of ineptitude, indifference and indecision.

And now that the new administration has made it clear that severe budget cuts are not possibilities but realities, and that curbing Federal spending is and will be a common denominator in all of its deliberations, we can and must do something about improving our Government's debt collection policies.

Strict credit management and aggressive debt collection policies will realize our Government billions of dollars yearly. It is, perhaps, the cleanest and most cost-efficient technique of any available at providing a quick and reliable source of Federal revenues.

And besides, it is just.

This, Mr. President, is the basic argument for the Debt Collection Act of 1981. As taxpayers, each one of us in this Chamber is penalized every time our Government writes off a debt as uncollectable.

Every taxpayer in Tennessee, every taxpayer in the Nation, is cheated everytime someone or some group cheats on their debt and the Government writes it off.

So, Mr. President, improved debt collection practices such as those that the Debt Collection Act will engender are not only inexpensive and cost-efficient; they are right and just.

And it is in this context that I urge each and every one of you to join Senator PERCY and me in working for quick passage of the Debt Collection Act of 1981.●

By Mr. BENTSEN:

S.J. Res. 37. Resolution proposing an amendment to the Constitution of the United States with respect to the length of the term of Office of the President and Vice President and the number of terms a President may serve; to the Committee on the Judiciary.

PROPOSED CONSTITUTIONAL AMENDMENT TO LIMIT THE PRESIDENT TO ONE 6-YEAR TERM

Mr. BENTSEN. Mr. President, I am introducing legislation today calling for a constitutional amendment limiting the President to a single, 6-year term of office. This concept has been endorsed by the past four Presidents of the United States, and I think we might consider why the single 6-year term is a good idea whose time has come.

The last American President to seek, win and serve two full terms was Dwight David Eisenhower. For a variety of reasons we appear to have entered into an era of one-term Presidents. The tendency today is to give an American President a brief honeymoon and then turn on him with a vengeance when his administration fails to resolve promptly and to our satisfaction some of the most difficult problems in the world.

In my view, 6 years is a more realistic period of time to permit a President to achieve the goals he has established for his administration. I also believe we should go a step further and free the President of the additional time-consuming burdens inhtrtnt in running for a second term. Once he is elected to his first term, the incumbent will very likely have to devote at least 1 year out of 4, preparing for reelection. The demands of renomination impose an additional of renomination impose an additional burden that serve to distract the Chief Executive from the prevailing issues and concerns of the Nation. The President is obliged to wear two hats, with the result that his ability to perform effectively as the leader of the Nation and the head of his party, is gradually diminished.

Time that is taken away from management of the Government is only one reason to consider a single 6-year term. During the process of renomination the incumbent becomes subject to the intense lobbying of special interests. The growth and power of single-issue confluences has increased dramatically in the past years. Responding to the narrow demands of these groups to gain additional political support may not be in the interests of the Nation.

Regardless of a President's ultimate intentions, what he does and says becomes subject to intense scrutiny during an election year. Actions taken for the best of reasons become colored with suspicion and distrust. Honest actions will be viewed in a political context, thereby diminishing the prestige of a President elected to represent all the people.

While no one would suggest that we can or should isolate politics from the Office of the President, I do believe that our Presidents will be better able to cope with their enormous responsibilities if they are relieved of the requirement of running for a second term.

Once freed from electoral politics, the President can embark on fulfilling his constitutional mandate, shape and implement his policies and know that he has a full 6 years in which to do the job. This reform would create an environment conductive to policymaking and consistent with the national interest.

The American President's position as a world leader would be strengthened because of the certainty of his 6-year term, which would encourage consistency and long-range policy planning.

Finally, a 6-year term in office can enhance the President's working relationship at home with Congress. In recent decades, we have witnessed an increased tendency toward confrontation between the executive and legislative branches of Government. At a time when both bodies should be consulting and working together to address the critical problems of this Nation. We find ourselves tugging at each others sleeves and denying the American people strong and effective leadership. We can bolster this relationship by giving the President a longer period of time to present, lobby for, and implement his legislative program. At the same time, we in the Congress must work to foster a better relationship with the President and give him a fair opportunity to carry out his programs.

The single term Presidency is not a new idea. It has been an element of public debate throughout our Nation's history, first emerging during the Constitutional Convention in 1787 when it was strongly supported by Thomas Jefferson. While the Founding Fathers finally compromised on a 4-year term of office, the question of unlimited tenure was soundly rejected by the actions of our first President, George Washington who declined to serve a third term. His tradition was observed until 1940.

The limitation on Presidential tenure has been very much a part of our political heritage. With the adoption of the 22d amendment, Congress and the people of the United States affirmed their support for limiting the number of years a President could serve in office. While I agree that such a limitation was needed, I also submit the Nation would have been better served if Congress had adopted a single 6-year term during the debate of the 22d amendment, limiting a President to two 4-year terms.

In introducing a constitutional amendment calling for a fundamental reform, I recognize there are those who will argue that limiting a President to a single term deprives the people of the opportunity to reelect a popular incumbent. To this I would reply that our fundamental concern should be whether he shall be deprived of leadership because an incumbent is forced to spend valuable time seeking reelection.

Throughout the history of this Nation, there has been bipartisan support for a single 6-year term of office of the President. Further, I believe it is significant that those who have advocated limitations on Presidential terms have been formed Chief Executives who have had to grapple with the complex problems of that office. I believe a 6-year Presidential term, if adopted, will launch us in a new era, in which the President will be better equipped to respond with greater vigor and effectiveness to the problems and concerns of the Nation.

Therefore, I ask your support in adopting this amendment to the Constitution and provide the Nation an opportunity to begin a dialog on this important and critical issue. I ask that the accompanying joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 37

Resolved by the Senate and the House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States:

"ARTICLE —

"SECTION 1. The term of office for the President and the Vice President shall be six years. No person otherwise eligible under this Constitution to be President shall be eligible to be President if he has previously been elected to such office, and no person who has held the office of President, or acted as President, for more than three years of a term to which some other person was elected President shall be eligible to be elected to the office of the President.

"SEC. 2. The term of office provided for the President and Vice President by section 1 of this article shall apply to the terms of office of Presidents and Vice Presidents elected after the date on which this Article is ratified.

"SEC. 3. This Article shall be valid only if it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within seven years after its submission to the States for ratification.".

By Mrs. KASSEBAUM (for herself, Mr. CRANSTON, Mr. BAKER, Mr. BURDICK, Mr. WILLIAMS, Mr. INOUYE, Mr. MATHIAS, Mr. HOLLINGS, Mr. HEFLIN, Mr. DOMENICI, Mr. LEVIN, Mr. GOLDWATER, Mr. CHILES, Mr. DECONCINI, Mr. RANDOLPH, Mr. DOLE, Mr. BAUCUS, Mr. NUNN, Mr. PRYOR, Mr. ABDNOR, Mr. SASSER, Mr. DURENBERGER, Mr. PELL, Mr. MOYNIHAN, Mr. CANNON, Mr. HEINZ, Mr. LUGAR, Mr. MATSUNAGA, and Mr. GRASSLEY):

S.J. Res. 38. Joint resolution to provide for designation of the first Friday of March as "Teacher Day, United States of America"; to the Committee on the Judiciary.

TEACHER DAY, UNITED STATES OF AMERICA

● Mrs. KASSEBAUM. Mr. President, Americans have long recognized the value of education. In my own State of Kansas, for example, schoolhouses were among the first buildings to appear in budding prairie towns. Our Nation was the first to endorse the concept of a free universal education, thereby translating firmly held convictions into a specific public policy.

Without the work and commitment of our Nation's teachers, our goal of bettering the world around us through education could never be met. We all owe a great debt to the men and women who opened our eyes to our capacity to improve our lives and to contribute to the advancement of society as a whole. Not only have teachers provided the inspiration to reach beyond present achievements, but they have also offered us the tools for accomplishing these goals and ambitions.

It is ironic that our most fundamental beliefs are those which we are most likely to take for granted. We simply assume that education for ourselves and our children will be available without thinking about the essential role played by teachers in this process. Too often, the efforts of these dedicated individuals go unappreciated. Although we all have positive memories of those teachers who contributed to our own moral and intellectual growth. We have rarely made the effort to express our gratitude.

Because I feel that it is extremely important that we explicitly recognize the contributions made by our teachers, I am introducing a resolution to designate the first Friday of March as "Teacher Day, United States of America." In sponsoring this resolution, I am pleased to be joined by Senators CRANSTON, BAKER, BURDICK, WILLIAMS, INOUYE, MATHIAS, HOLLINGS, HEFLIN, DOMENICI, LEVIN, GOLDWATER, CHILES, DECONCINI, RANDOLPH, DOLE, BAUCUS, NUNN, PRYOR, ABDNOR, SASSER, DURENBERGER, PELL, MOYNIHAN, CANNON, HEINZ, LUGAR, MATSUNAGA, and GRASSLEY.

By setting aside 1 day each year to honor our Nation's teachers, I feel that we can begin to express our deep gratitude to these individuals for their role in enriching our lives and making possible the fulfillment of our collective goals.●

By Mr. HEINZ (for himself and Mr. SPECTER):

S.J. Res. 39. Joint resolution to authorize and request the President to designate January 17 of each year as "Benjamin Franklin Day"; to the Committee on the Judiciary.

BENJAMIN FRANKLIN DAY

● Mr. HEINZ. Mr. President, today it gives me great pleasure to introduce a joint resolution requesting the President to designate January 17 of each year as "Benjamin Franklin Day" honoring this great American's birthday. The 275th anniversary of his birth which is being celebrated in Philadelphia this year, marks just the beginning of what I hope will be the year Ben Franklin is admitted to the esteemed company of nationally celebrated colonial figures. I would like to take this opportunity to urge the swift passage of this resolution which will insure that posterity commemorates the achievements of Dr. Franklin with appropriate ceremonies and activities on Federal, State, and local levels.

The record of this unique man's public service is rich and varied. Even before this Nation had declared its independence, Franklin was one of the chief spokesmen for the American colonies in their debates with the British monarch and his ministers over self-government. As a leading Pennsylvania citizen, Dr. Franklin was appointed as a delegate to the Second Continental Congress where he was instrumental in the drafting and final passage of the Declaration of Independence.

Beginning in September of 1776, Franklin served in Europe as America's chief diplomat. Through his tireless efforts, he was able to secure financial and military aid from France during the American Revolution.

The statesman Franklin was also one of the American negotiators for the Treaty of Paris which brought a formal end to the hostilities with England and recognition of the 13 former colonies as a sovereign state.

One of Franklin's most important services to our country came while he was a member of the 1787 Constitutional Convention. At the advanced age of 79, Benjamin Franklin helped to frame the U.S. Constitution. Arguing for principles we now so commonly accept, Franklin helped to define the delicate relationship between democratic ideals and institutional soundness which our Constitution so successfully embodies.

As impressive as Benjamin Franklin's public service was, his accomplishments were not restricted to these endeavors. Franklin was also an inventor, author, publisher, and scientist of repute. Many of his ideas are now taken for granted. He invented a type of stove, still manufactured today, as well as the lightning rod and bifocal eyeglasses. In addition to these achievements, he helped to establish institutions such as the fire company, library, insurance company, and hospital. In some cases, these institutions were the first of their kind in colonial America. In many ways, then, Ben Franklin has bequeathed a legacy

that stands as a monument to his imaginative pursuit of a better life for all Americans.

Pennsylvania has long been active in promoting one of its best known and most beloved sons. Spending the better part of his adult life in Philadelphia, Franklin enriched city life with many enjoyable and informative publications such as the Pennsylvania Gazette and Poor Richard's Almanac.

In addition, his service as postmaster, civic leader, scientific innovator, and revolutionary spirit has been a source of pride for all Pennsylvanians. The Franklin Institute, Independence Hall, Franklin Court, and numerous other civic institutions, statues, and monuments in Philadelphia each testify to Franklin's strong influence even today on the social and political life of all Pennsylvania.

With the approach of Philadelphia's landmark 300th anniversary celebration next year, it seems only fitting that its best loved son be commemorated nationally for his profound service and unwavering loyalty to our country.

Franklin exemplified in his own nature the ideals and principles upon which this Nation was built. With the enactment of this resolution we can assure that future generations will continue to remember and pay tribute to a symbol of our country's greatness.

Mr. President, I ask unanimous consent that the text of this resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 39

Whereas Benjamin Franklin as an inventor, author, publisher, scientist, and public servant, exemplifies the imagination and ingenuity which contributed greatly to improving the quality of American life throughout its history;

Whereas Benjamin Franklin, as a representative to the Second Continental Congress, was instrumental in the adoption of the Declaration of Independence as both a coauthor and signatory, and as such, is honored as one of our country's foremost patriots and Founding Fathers;

Whereas Benjamin Franklin's tireless efforts in the service of the Nation as a statesman and a diplomat secured the invaluable support of France during the Nation's most trying days;

Whereas Benjamin Franklin, as a delegate to the Constitutional Convention of 1787 and as a signer of the Constitution, helped to insure that the hard won freedoms of the new Nation would be preserved for future generations; and

Whereas Benjamin Franklin was an architect and spokesman for the principles which have become the foundation and basic tenets of American life which still remain applicable today: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to designate January 17 of each year as "Benjamin Franklin Day" and to call upon Federal, State, and local government agencies, and the people of the United States to observe such day with appropriate programs, ceremonies, and activities.●

By Mr. HATCH:

S.J. Res. 41. Joint resolution proposing an amendment to the Constitution of the United States relating to affirmative action; to the Committee on the Judiciary.

EQUAL PROTECTION AMENDMENT

Mr. HATCH. Mr. President, I am reintroducing a proposed amendment to the Constitution that would prohibit the adoption of so-called affirmative action programs or any other program that establishes quotas or preferential treatment on the basis of race, color, or national origin. I regret the need to introduce this amendment—the equal protection amendment—since I believe that it merely restates what has traditionally been explicit in the 14th amendment to the Constitution. The need arises, however, from the fact that the Federal Judiciary, particularly the Supreme Court, has chosen to interpret this amendment in a manner completely contrary to its language and its intent.

I discussed the problems of affirmative action at some length when I originally introduced this amendment during the last Congress (CONGRESSIONAL RECORD, September 3, 1980, pages 23772–23884 I will not repeat what I said at that time except to emphasize that, in my opinion, there is no public policy with as much potential for undermining the social fabric of this Nation as affirmative action. It represents an assault upon some of the most enduring and permanent values of our Republic. If we simply turn our heads from what is taking place within our society, and permit the institutionalization of affirmative action, I am afraid that we will forever lose sight of a society striving, albeit imperfectly, for a time in which each individual is judged on the basis of personal worth and merit.

At this point, I would simply like to resummarize the provisions of the equal protection amendment. All are fully consistent with traditional notions of the equal protection clause of the 14th amendment and, I believe, with the views of the great majority of the American people of all races.

Section 1 of the proposed amendment establishes the basic principle that neither Congress nor the States are to make or enforce any laws which make distinctions on account of race, color, or national origin. It would insure that public policy in this country is pursued on a genuinely colorblind basis—the traditional goal of the civil rights movement. This provision would clearly render unconstitutional laws such as the Public Works Employment Act (Public Law 95–28, 91 Stat. 116) which established a 10-percent minority set-aside or quota for Federal Public Works contracts. This law was upheld last year by the Supreme Court in *Fullilove* v. *Klutznick* (Docket No. 78–1007).

Section 2 would address the problem dealt with by the Court in the case of *United Steelworkers* v. *Weber*, 443 U.S. 193 (1979). In that decision, the Court purported to interpret title VII of the Civil Rights Act of 1964 which made it an unlawful employment practice for an employer to hire, discharge, or otherwise discriminate against an individual because of race, color, or national origin. Through remarkable judicial sleight of hand, the Court transformed this into language excepting the adoption of preferential hiring programs for racial minorities if adopted "voluntarily" by employers.

What section 2 would clarify is that laws adopted by the Congress or the States which prohibit racial discrimination by private employers shall not be construed to permit the establishment or maintenance by these employers, however voluntary, of any program that makes distinctions on account of race, color, or national origin. Once Congress has chosen to limit the freedom of private individuals to make employment decisions on account of these factors, I do not see the propriety in allowing courts to carve out exceptions with respect to employment decisions for certain races, colors, or national origins. Nor does the concept of permitting voluntary programs of preferential hiring have any justification when we are dealing with laws that are expressly directed at limiting voluntarily adopted practices.

Section 3 of the amendment emphasizes that "goals, quotas, timetables, ratios, or numerical objectives" all fall within the scope of proscribed practices to the extent that they draw distinctions on account of race, color, or national origin. Such practices could neither be adopted voluntarily by the Federal Government or the States, nor imposed upon private individuals or enterprises. They would not be permitted to be adopted voluntarily by persons within the scope of laws that otherwise prohibit discrimination on account of race, color, or national origin.

Section 4 would prohibit the adoption of laws which made illegal actions that have a disparate effect on racial or other covered groups where such actions were not adopted with an intent or purpose of motivation to discriminate. This is a policy in accord with the Supreme Court's interpretation of the equal protection clause in such recent cases as *Washington* v. *Davis*, 426 U.S. 229 (1976); *Arlington Heights* v. *Metropolitan Housing Development Corporation*, 429 U.S. 252 (1977); and *City of Mobile* v. *Bolden*, Docket No. 77–1844 (1980). As the Court noted in the Washington case—

A law neutral on its face and serving ends otherwise within the power of government to pursue is not invalid under the equal protection clause simply because it may affect a greater proportion of one race than another, 426 U.S. 229, 242.

The need for this provision arises because the Court in the context of title VII of the Civil Rights Act has suggested that proof of discriminatory intent is not required, *Griggs* v. *Duke Power*, 401 U.S. 424 (1971), while lower Federal courts have suggested in the context of title VIII that mere discriminatory effects may suffice to establish a violation, *Arlington Heights* v. *Metropolitan Housing Authority*, 558 F. 2d 1283 (7th Cir. 1977); *Resident Advisory Board* v. *Rizzo*, 564 F. 2d 126 (3d Cir. 1977); *Contra Boyd* v. *Lefrak Organization*, 509 F. 2d 1110 (2d Cir. 1975); *Skillken* v. *Toledo*, 528 F. 2d 86, (6th Cir. 1975). It is the development of the so-called effects test, more than anything else in the area of civil rights law, that has transformed our legitimate Federal antidiscrimination

statutes into social engineering tools for HEW, HUD, the EEOC, and other Federal agencies.

Section 5 of the amendment clarifies that the proscriptions contained in it are not to be circumvented through the adoption of policies which do not make express distinctions on account of race, color, or national origin but which are intended to result in such distinctions. Whether or not such intent exists is, of course, a question of fact that requires consideration of the totality of circumstances that surround some action. There need be no overt expressions of bigotry or prejudice. This would also be true with respect to the intent to discriminate standard established in section 4.

Thus, section 4 establishes that the basic standard for determining civil rights violations is an intent standard, not an effects standard. Section 5 establishes that this standard need not be satisfied by express statements or by express statutory provisions relating to race, color, or national origin.

Section 6—the final substantive section of the amendment—would prohibit judicially imposed affirmative action orders or decrees; that is, all that make distinctions on account of race, color, or national origin, except where necessary to remedy the effects of earlier policies or actions that had been adopted in violation of this amendment. Such a remedy, however, would have to be directed toward persons who have themselves been the objects of such violations, not toward entire classes of persons.

Section 7 would invest authority in Congress and the States to enforce the amendment through appropriate legislation. This is similar to the standard enforcement clause for recent amendments to the Constitution.

Mr. President, I have found that this is an area in which it is extremely difficult to draft a thorough, yet succinct, constitutional amendment. In large part, this is attributable to the penchant of the bureaucracy and the judiciary for circumventing the plain language of other constitutional and statutory enactments. I anticipate changes in some of the specific provisions of this amendment as it is considered by the Senate Judiciary Subcommittee on the Constitution.

Whatever happens to this amendment, I can assure my colleagues that the issue of affirmative action is not one that will quietly go away if we ignore it. Nothing, in my opinion, has more potential for becoming an explosive and divisive issue during the next decade. The incredible amount of response to my introduction of this amendment last year—and the passion of that response—affirms my belief in this. It would be most ironic if the Bicentennial of our Nation's Constitution were marked by indecision in our Nation's commitment to due process and equal protection of the laws for all individual citizens.

I ask unanimous consent that the text of this joint resolution be printed at this point in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 41

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution if ratified by the legislatures of three-fourths of the several States:

"ARTICLE—

"SECTION 1. Neither the United States nor any State shall make or enforce any law which makes distinctions on account of race, color, or national origin.

"SEC. 2. All laws of the United States or any State which prohibit discrimination on account of race, color, or national origin by private individuals or enterprises shall not be construed to permit the establishment or maintenance by such private individuals or enterprises of any program or policy that makes distinctions on account of race, color, or national origin.

"SEC. 3. Neither the United States nor any State shall establish or maintain, or require or permit any private individual or enterprise within the scope of section 2 to establish or maintain, goals, quotas, timetables, ratios, or numerical objectives which make distinctions on account of race, color, or national origin.

"SEC. 4. Neither the United States nor any State shall make any law which prohibits any person in the absence of intent to discriminate on account of race, color, or national origin, to take actions, otherwise lawful, which have a disproportionate impact or effect upon individuals on the basis of race, color, or national origin.

"SEC. 5. All limitations in this article upon laws, regulations, orders, programs, or actions which make distinctions on account of race, color, or national origin, shall encompass laws, regulations, orders, programs, or actions which either make express distinctions on account of such race, color, or national origin or which are intended to result in distinctions on such account.

"SEC. 6. No order or decree shall be issued by any court of the United States or any State that makes distinctions on account of race, color, or national origin (except to the extent that such order or decree is necessary to remedy the enforcement of a law by the United States or any State, or the establishment or maintenance of a program or policy by a private individual or enterprise, that is in volation of this artcle).

"SEC. 7. The Congress and the States shall have power to enforce this article by appropriate legislation.".

ADDITIONAL COSPONSORS

S. 31

At the request of Mr. ARMSTRONG, the Senator from Montana (Mr. BAUCUS) was added as a cosponsor of S. 31, a bill to amend the Internal Revenue Code of 1954 with respect to the deduction of certain expenses in connection with the business use of homes and the rental of residences to family members, and for other purposes.

S. 33

At the request of Mr. BURDICK, the Senator from Montana (Mr. MELCHER) was added as a cosponsor of S. 33, a bill to rescind the agricultural commodity export embargo to the Union of Soviet Socialist Republics.

S. 46

At the request of Mr. THURMOND, the Senator from North Dakota (Mr. BURDICK) was added as a cosponsor of S. 46, a bill to amend title 5 of the United States Code to permit present and former civilian employees of the Government to receive civil service annuity credit for retirement purposes for periods of military service to the United States as was covered by social security, regardless of eligibility for social security benefits.

S. 69

At the request of Mr. CANNON, the Senator from Michigan (Mr. RIEGLE) was added as a cosponsor of S. 69, a bill to facilitate the ability of product sellers to establish product liability risk retention groups, to facilitate the ability of such sellers to purchase product liability insurance on a group basis, and for other purposes.

S. 200

At the request of Mr. BAKER, the Senator from Michigan (Mr. LEVIN) was added as a cosponsor of S. 200, a bill to amend the Internal Revenue Code of 1954 to provide a refundable credit against income tax up to $750 of the cost of purchasing a new highway vehicle.

S. 267

At the request of Mr. DECONCINI, the Senator from South Carolina (Mr. HOLLINGS), the Senator from Minnesota (Mr. DURENBERGER), the Senator from Montana (Mr. BAUCUS), the Senator from Oklahoma (Mr. BOREN), the Senator from Arkansas (Mr. BUMPERS), the Senator from Alabama (Mr. HEFLIN), the Senator from Kentucky (Mr. FORD), the Senator from Texas (Mr. BENTSEN), the Senator from Washington (Mr. JACKSON), the Senator from Vermont (Mr. LEAHY), the Senator from Mississippi (Mr. COCHRAN), the Senator from Utah (Mr. GARN), and the Senator from Montana (Mr. MELCHER) were added as cosponsors of S. 267, a bill to amend title 28, United States Code, to provide that the Federal tort claims provisions of that title are the exclusive remedy in medical malpractice actions and proceedings resulting from federally authorized National Guard training activities, and for other purposes.

S. 269

At the request of Mr. DOLE, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of S. 269, a bill to amend title 28, United States Code, relating to Federal court jurisdiction, and for certain other purposes.

S. 287

At the request of Mr. HEINZ, the Senator from Utah (Mr. GARN), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Oregon (Mr. PACKWOOD), and the Senator from Arizona (Mr. DECONCINI) were added as cosponsors of S. 287, a bill to amend the Internal Revenue Code of 1954 to provide a system of capital recovery for investment in plant and equipment, and to encourage economic growth and modernization

through increased capital investment and expanded employment opportunities.

S. 354

At the request of Mr. PERCY, the Senator from Nebraska (Mr. ZORINSKY), and the Senator from Washington (Mr. GORTON) were added as cosponsors of S. 354, a bill to amend the Export Administration Act of 1979.

S. 396

At the request of Mr. DANFORTH, the Senator from Nevada (Mr. CANNON) was added as a cosponsor of S. 396, a bill to impose quotas on the importation of automobiles from Japan during 1981, 1982, and 1983.

S. 398

At the request of Mr. ARMSTRONG, the Senator from South Dakota (Mr. ABDNOR), the Senator from Minnesota (Mr. DURENBERGER), and the Senator from Oregon (Mr. HATFIELD) were added as cosponsors of S. 398, a bill to amend the Walsh-Healey Act and the Contract Work Hours Standards Act to permit certain employees to work a 10-hour day in the case of a 4-day workweek, and for other purposes.

S. 434

At the request of Mr. MATSUNAGA, the Senator from Ohio (Mr. GLENN) was added as a cosponsor of S. 434, a bill to authorize an accelerated research, development, and demonstration program to advance in situ technologies for energy production from underground coal deposits and unconventional gas resources.

S. 440

At the request of Mrs. KASSEBAUM, the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of S. 440, a bill to make certain amendments to title 18 relating to bail.

S. 451

At the request of Mr. LEAHY, the Senator from Arkansas (Mr. PRYOR), the Senator from Arkansas (Mr. BUMPERS), and the Senator from Oregon (Mr. HATFIELD) were added as cosponsors of S. 451, a bill to require Federal agencies to take steps to mitigate losses of U.S. agricultural land caused by Federal programs or actions, and for other purposes.

S. 456

At the request of Mr. MATSUNAGA, the Senator from Montana (Mr. BAUCUS) was added as a cosponsor of S. 456, a bill to provide for an accelerated program of research, development, and demonstration to achieve the early technology applications for advanced batteries technologies for energy storage, and for other purposes.

S. 498

At the request of Mr. D'AMATO, his name was added as a cosponsor of S. 498, a bill to amend the Internal Revenue Code of 1954 to provide a tax credit to homebuilders for the construction of residences incorporating certain solar energy utilization characteristics.

SENATE JOINT RESOLUTION 4

At the request of Mr. BURDICK, the Senator from Arizona (Mr. DECONCINI), the Senator from Wyoming (Mr. WALLOP), the Senator from Maryland (Mr. SARBANES), and the Senator from Montana (Mr. MELCHER) were added as cosponsors of Senate Joint Resolution 4, a joint resolution to authorize the President to issue annually a proclamation designating that week in November which includes Thanksgiving Day as "National Family Week."

SENATE JOINT RESOLUTION 9

At the request of Mr. THURMOND, the Senator from Oklahoma (Mr. BOREN), the Senator from South Dakota (Mr. PRESSLER), and the Senator from Colorado (Mr. ARMSTRONG) were added as cosponsors of Senate Joint Resolution 9, a joint resolution proposing an amendment to the Constitution to promote fiscal responsibility.

SENATE JOINT RESOLUTION 10

At the request of Mr. HUDDLESTON, the Senator from Michigan (Mr. LEVIN), the Senator from Arkansas (Mr. PRYOR), and the Senator from Arkansas (Mr. BUMPERS) were added as cosponsors of Senate Joint Resolution 10, a joint resolution to establish a Commission on Presidential Nominations.

SENATE JOINT RESOLUTION 22

At the request of Mr. PROXMIRE, the Senator from Arizona (Mr. DECONCINI), the Senator from Vermont (Mr. LEAHY), the Senator from Arkansas (Mr. BUMPERS), and the Senator from Montana (Mr. BAUCUS) were added as cosponsors of Senate Joint Resolution 22, a joint resolution authorizing the President to proclaim March 16 of each year as "Freedom of Information Day."

SENATE CONCURRENT RESOLUTION 12—CONCURRENT RESOLUTION EXPRESSING SENSE OF THE SENATE WITH REGARD TO PRESIDENT'S ECONOMIC RECOVERY PROPOSALS

Mr. ROTH (for himself and Mr. PROXMIRE, Mr. PERCY, Mr. MATTINGLY, Mr. RUDMAN, Mr. DURENBERGER, Mr. DANFORTH, Mr. NICKLES, Mrs. HAWKINS, Mr. EAST, Mr. LUGAR, Mr. KASTEN, Mr. ABDNOR, Mr. THURMOND, Mr. HEINZ, Mr. HATCH, Mr. WALLOP, Mr. HUMPHREY, Mr. LAXALT, Mr. SPECTER, Mr. HELMS, Mr. WARNER, Mr. HAYAKAWA, Mr. MCCLURE, Mr. STEVENS, Mr. GARN, Mr. BOSCHWITZ, Mrs. KASSEBAUM, Mr. SCHMITT, Mr. DENTON, Mr. JEPSEN, Mr. SYMMS, Mr. PRESSLER, Mr. COHEN, Mr. ANDREWS, Mr. TOWER, Mr. D'AMATO, Mr. PACKWOOD, Mr. GOLDWATER, Mr. GORTON, Mr. CHAFEE, Mr. GRASSLEY, Mr. SIMPSON, Mr. ARMSTRONG, Mr. COCHRAN, Mr. QUAYLE, Mr. MURKOWSKI, and Mr. NUNN) submitted the following concurrent resolution, which was referred to the Committee on the Budget:

S. CON. RES. 12

Resolved by the Senate (the House of Representatives concurring) expressing the sense of the Congress that Congress shall work its will and take final action no later than May 31, 1981 on the economic recovery proposals which President Reagan presented to the Congress on February 18, 1981.

Whereas inflation as measured by the consumer price index reached a rate of 13.3 percent in 1979 and 12.4 percent in 1980, up from 4.8 percent in 1976.

Whereas short term interest rates have reached 20 percent and home mortgage rates have exceeded 15 percent, two and one-half times 1960 levels;

Whereas almost eight million Americans are unemployed;

Whereas Federal spending has been growing at a rate of 16 percent per year;

Whereas the Federal budget deficit for 1981 is expected to exceed $50 billion;

Whereas the national debt is approaching $1 trillion;

Whereas excessive government regulation is impeding economic growth and reducing productivity; and

Whereas high unemployment and inflation are serious economic problems which require prompt Congressional action: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that Congress shall work its will and final action by the House of Representatives and the Senate shall be taken no later than May 31, 1981 on the economic recovery package which President Reagan presented to the Congress on February 18, 1981.

SENSE OF THE CONGRESS RESOLUTION

● Mr. ROTH. Mr. President, I am today submitting a concurrent resolution expressing the sense of the Congress that Congress shall work its will and take final action no later than May 31, 1981 on the economic recovery proposals which President Reagan presented to the Congress on February 18, 1981. BILL PROXMIRE and 45 of my colleagues are joining me as original cosponsors of this resolution.

Last week the President announced a bold new plan to get our Nation's economy going again. He provided us with the first comprehensive blueprint I have seen from a President in my 14 years in the Congress.

This country is in very serious economic straights. Time is essential if we are to turn our economic nightmare around. Congress must show bold leadership, just as the President has done, if we are to move forward on the road to economic recovery. Indeed, every day that passes without Congress acting on the President's message means more and more misery for millions of Americans. High unemployment and inflation are serious economic problems which require prompt congressional action.

I am hopeful this resolution will receive bipartisan support because the answers to our present problems must be solved in a bipartisan manner. In my judgment, failure to act promptly will lead to disastrous consequences for our country's economy.

The problem is that people are not distinquishing between long-term and short-term solutions. What the President's package tries to do, as I understand it, is to cut Federal spending, reduce the burden of Government, and increase our productivity. And the only way you are going to reduce inflation is by putting more goods on the shelf. The problem is that America is losing both jobs and markets to foreign competition. Every day, every week, every month we delay, it seems to me, we are adversely affecting middle America.

There are some who say we should not enact tax cuts until we balance the budget. Others are arguing just the opposite. I believe our best chance of suc-

cess will come by moving in tandem, both on the proposed spending reductions and the tax cuts. The President used the expression "in lockstep," and that is exactly the way we should move his spending and tax cut proposals through the Congress.

The fact is, the longer we delay putting these policies into effect, the more jobs, the more markets we are losing to foreign competition. By moving forward on the President's proposed tax and spending reductions, we will be creating more jobs, more goods, and lowering the perception of inflation in the long term. The sooner we get started, the faster we will once again meet foreign competition head on in the export markets. We will export products, not jobs, and create more jobs domestically.

The President's proposed budget cuts are intended to be shared evenly and fairly by all Americans in all segments of our economy and society. His tax relief proposal calls for a 10-percent across-the-board tax cut for 3 years. Middle-income taxpayers will receive tax cuts in proportion to what they are paying in taxes. In fact, middle-income Americans, those earning from $15,000 to $60,000 a year, currently bear 66 percent of the Federal tax burden. They will receive 67 percent of the proposed reduction in taxes. In my judgment, this is an eminently fair tax cut, just as Jack Kennedy's was in the sixties.

Almost two decades ago President Kennedy proposed substantial reductions in marginal tax rates in order to do something about American productivity. He proposed reducing taxes from 94 to 70 percent on the high side, and from 20 to 14 percent on the low side. The fact is that enactment of that legislation did not result in the loss of Federal revenues but, if anything, an increase in Government revenues because wealthy individuals took their dollars out of tax shelters and put them into more productive investments.

We should not forget the lessons of the Kennedy years. President Kennedy's advisors told him that there probably would be a $83 billion static revenue loss, were he to persist in cutting rates at the margin.

The facts turned out to be that there was an absolute revenue gain of $56 billion for the Federal Government as a result of the cuts in marginal tax rates. And business and economic growth were stimulated from 1962 until the time of the Vietnam war when our current inflationary cycle started. As President Kennedy said at the time, "A rising tide lifts all boats." That is exactly what happened almost 20 years ago.

I believe the same thing will happen today if President Reagan's tax cut is enacted by the Congress. Some opponents reflect so little faith in the American people. What we are trying to do in the President's economic recovery package is to build some incentives into the system that will reward our work, that will reward our savings. It is most important that the American middle class which is bearing a far greater burden of taxation today than any other time in its history be involved in this program. The longer we delay in enacting this program, the longer it will take to have a beneficial impact on our economy. And even if Congress does enact the President's proposals, even if it does its work early, it may take 2, 3, or 4 years to really get the country moving again.

The sooner we get started on it, the quicker the returns will come in on the positive side.●

SENATE RESOLUTION 84—SUBMISSION OF A RESOLUTION TO AMEND THE STANDING RULES OF THE SENATE

Mr. HATCH submitted the following resolution, which was referred to the Committee on Rules and Administration:

S. RES. 84

Resolved, That rule 14 of the Standing Rules of the Senate is amended by adding at the end thereof the following new clause:

"11. The Senate shall neither receive nor consider any bill or resolution unless it contains a statement citing, as precisely as possible, the article, section, paragraph, and clause, or amendment, of the Constitution of the United States which is the basis of authority for the bill or resolution. Statements which cite language contained in the final paragraph of article I, section 8 of the Constitution of the United States shall further specify that language conferring the "powers" to which such paragraph refers.".

Mr. HATCH. Mr. President, this resolution would amend rule 14 of the Standing Rules of the Senate and require that all bills introduced in, or considered by this body contain succinct statements of constitutional authority. Such statements would be expected to cite, as precisely as possible, the article, section, and clause, or amendment, which forms the justification for the exercise of legislative authority contemplated by the bill. Similar legislation has been introduced in the House to amend that body's rules by Representative TOM HAGEDORN.

The purpose of this legislation is simply to insure that each Member of this body gives at least a few moments consideration before he introduces legislation to the fact that our National Government is one of limited and delegated powers. Each exercise of legislative authority by Congress must be affirmatively granted by the Constitution. As the 10th amendment to the Constitution reads:

The powers not delegated to the United States by the Constitution nor prohibited by it to the States, are reserved to the States respectively, or to the people.

I believe that it would be instructive for Members to have to accord these facts at least passing consideration each time they introduce new legislative initiatives.

I have no illusions that this legislation will prove a panacea for the increasing number of legislative actions that some of us consider to be outside Federal legislative authority. Its only purpose is to remind all Members that there is a test for legislation beyond simply determining whether or not it promotes "good" public policy. It is a test to which each of us takes our oath of office.

In this regard, I take the liberty of quoting Representative HAGEDORN who remarks that he has witnessed the introduction of legislation in this body covering such diverse subjects as—

Spaying clinics, oyster producers, zoos, aquariums, home repairs, climate, scholastic sports, boxing, condominiums, seeds, military toys, the calendar, every disease and malady known to mankind, railroad depot art, local property taxes, poet laureates, agriculture halls of fame, fertility, pate fois gras, blood donations, garden tools, burglar prevention devices, summer camps, the arts and humanities, school field trips, travel agents, automobile repairmen, drivers' education, teachers' sabbaticals, temporary employment services, brainwashing cults, urban trees, and polygraphs.

While I do not suggest that each of these areas of endeavor is necessarily an improper one for Federal legislation, I would nevertheless find it interesting to learn the ostensible constitutional basis for legislation in a number of these areas. Let us at least better understand the nature of the Constitution under which Members of this body believe they are operating.

Mr. President, I ask unanimous consent that an excellent column on this legislation by James J. Kilpatrick be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BUT DOES THE CONSTITUTION LET US?

(By James J. Kilpatrick)

Congressman Tom Hagedorn, a second-termer from the Second District of Minnesota, has just come up with the year's niftiest idea for improving the quality of federal legislation. I know this is a nifty idea because I have been promoting this same idea off and on for nearly 30 years.

Hagedorn proposes to amend the rules of the House by adding a short paragraph to this effect:

"The House shall not receive or consider any bill or resolution unless it contains a statement citing, as precisely as possible, the article, section, paragraph, and clause, or amendment, of the Constitution of the United States which is the basis of authority for the bill or resolution."

Excellent! Splendid! If such a rule were adopted and enforced, it might accomplish more than any other restraint in curbing our rampant government. Hagedorn has this explanation:

"In the short time that I have served in Congress, I have witnessed legislation being introduced which would regulate, promote or prohibit virtually every area of private human behavior.

"Among a few of the subjects which have been the focus of congressional legislation during that period have been spaying clinics, oyster producers, zoos, aquariums, home repairs, climate, scholastic sports, boxing, condominiums, seeds, military toys, the calendar, every disease and malady known to mankind, railroad depot art, local property taxes, cigarettes, poet laureates, Agriculture Halls of Fame, fertility, pate de foie gras, blood donations, home garden tools, burglar prevention devices, summer camps, the arts and humanities, school field trips, travel agents, automobile repairmen, drivers' education, teachers' sabbaticals, temporary employment services, brainwashing cults, urban trees and polygraphs."

Some of these areas may be areas of valid federal interest; some may not be. Hagedorn's point—it is an old-fashioned point—is that the federal government was created by the states as a government of limited and

enumerated powers. Congress has no legislative powers beyond those delegated by the Constitution.

If the Hagedorn Rule had been in effect in 1965, the sponsors of the Arts and Humanities Act might have been hard-pressed to cite any article, section, paragraph or clause of the Constitution that delegates power to Congress to appropriate public funds for these purposes. They would have had to fall back on the power to provide for the general welfare, which in the old-fashioned Madisonian view is no substantive grant of power at all.

If the general welfare clause were intended to grant unlimited powers to the Congress, the enumerated powers would be reduced to so much surplusage. Alexander Hamilton, Justice Story and Justice Roberts to the contrary notwithstanding, the Constitution never was intended to authorize Congress to enact whatever laws the Congress pleases to enact.

The last time I sounded off on these themes, a law professor sent me a hoity-toity letter suggesting that newsmen should stick to the grubby business of the news, and leave constitutional construction to their betters. He read me the lecture on the "flexible" Constitution and the "living" Constitution; he reminded me that if Mr. Jefferson had been a strict constructionist, we never would have consummated the Louisiana Purchase. He chided me for not comprehending that certain powers are "inherent" in the nature of all governments, and need not be spelled out particularly.

Well and good. But the Hagedorn Rule would provide a useful reminder, all the same, of the Constitution the members are sworn to uphold. And the next time a member proposed a bill to regulate the design of canvas tents at summer camps, perhaps the member might draw back. Where's the power?

This is a great proposal, but don't hold your breath until it's added to the rules of the House.

NOTICES OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. McCLURE. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of a public hearing before the Committee on Energy and Natural Resources. The hearing concerns a bill introduced by request to extend the existing antitrust exemption for oil companies that participate in the agreement on an international energy program and is scheduled for Monday, March 2, 1981, at 10:30 a.m. in room 3110 of the Dirksen Senate Office Building. Testimony will be received from administration witnesses.

For further information regarding this hearing, you may wish to contact Mr. David Doane at 224–7144.

SUBCOMMITTEE ON INTERNATIONAL FINANCE AND MONETARY POLICY

Mr. HEINZ. Mr. President, as chairman of the Subcommittee on International Finance and Monetary Policy of the Senate Banking Committee, I am pleased to announce that there will be a hearing on S. 144, the Export Trading Company Act of 1981, on March 5, 1981, in room 5302 Dirksen Senate Office Building, beginning at 9:30 a.m. This bill to promote the formation of export trading companies is the same, with only minor changes, as S. 2718, which passed the Senate last September 3 by a vote of 77 to 0. S. 144 presently has 55 cosponsors. Earlier hearings on this bill were held February 17 and 18.

The Export Trading Company Act is the product of nearly 3 years of concerted effort by the subcommittee, chaired by former Senator Adlai Stevenson, which has held hearings including witnesses from virtually every segment of our economy, from academias, from business people, from labor and consumers, from exporters and importers. Witnesses for the new set of hearings will include representatives of the administration, the Federal Reserve Board, the business and financial communities, and other expert witnesses.

It is my belief that this bill can substantially and permanently expand U.S. exports, particularly by small and medium-sized firms that are presently not involved in exporting.

The legislation would revise Government policies which have tended to discourage formation of U.S. export trading companies in the past. It aims at long-term improvement in America's trade posture through improved export intermediation by private American export traders.

Witnesses testifying at the hearing or submitting statements should direct their comments to the issues raised by S. 144, including but not limited to:

The necessity for bank participation in trading companies;

The circumstances under which banks should be permitted control of trading companies, and what safeguards, if any, are necessary over that control;

Whether an antitrust immunity is necessary to encourage the formation of export trading companies; and

The method of which the antitrust immunity is to attach to the formation of export trading companies.

Witnesses should also comment on how the various sections of S. 144 resolve the above issues and whether, if the legislation were enacted, the financial provisions of the bill are adequate to successfully implement it.

Any questions regarding this hearing should be directed to Dr. Paul Freedenberg, counsel to the subcommittee, 5300 Dirksen Senate Office Building, Washington, D.C. 20510 (202) 224–0891.

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. HATCH. Mr. President, I wish to announce that the Committee on Labor and Human Resources has scheduled the following hearings for the months of March and April:

Friday, March 20 at 9:30 a.m. in room 4232, Dirksen Senate Office Building, on Public Health Categorical Programs (first day).

Thursday, March 26 at 9:30 a.m. in room 4232, Dirksen Senate Office Building, on Health Professions Education/Nurse Training.

Friday, March 27 at 9:30 a.m. in room 4232, Dirksen Senate Office Building, on Public Health Categorical Programs (second day).

Tuesday, March 31 at 9:30 a.m. in room 4232, Dirksen Senate Office Building, on Family Planning.

Wednesday, April 1 at 9:30 a.m. in room 4232, Dirksen Senate Office Building, on Adolescent Pregnancy.

Wednesday, April 8 at 9:30 a.m. in room 4232, Dirksen Senate Office Building, on Health Maintenance Organizations.

Wednesday, April 22 at 9:30 a.m. in room 4232, Dirksen Senate Office Building, on Community/Migrant Health Centers and National Health Service Corps.

Persons wishing to testify or submit written statements, please contact: Phyllis Brown or Judy Stefanki, 224–3191, 4228 Dirksen Senate Office Building, of the committee staff.

Mr. President, I wish to announce that the Committee on Labor and Human Resources has scheduled a hearing on Wednesday, March 4, at 9:30 a.m. in room 4232, Dirksen Senate Office Building, on home health care (S. 234).

Persons wishing to submit written testimony statements, please contact: Judy Stefanki, 224–3191, 4228 Dirksen Senate Office Building, of the committee staff.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON AGRICULTURE

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Agriculture be authorized to meet during the session of the Senate on Thursday, March 5, to hear a full day of testimony pertaining to the 1981 farm bill.

Mr. President, I ask unanimous consent that the Committee on Agriculture be authorized to meet during the session of the Senate on Thursday, March 12, and Thursday, March 19, to hear testimony on the 1981 farm bill.

ADDITIONAL STATEMENTS

RULES OF PROCEDURE OF THE COMMITTEE ON VETERANS' AFFAIRS

● Mr. SIMPSON. Mr. President, paragraph 2 of rule XXVI of the Standing Rules of the Senate requires each standing, select, or special committee of the Senate, at the beginning of each session, to publish in the CONGRESSIONAL RECORD the rules the committee has adopted to govern procedures within the committee.

On January 30, 1981, the Senate Committee on Veterans' Affairs met in open session and unanimously adopted the committee's rules of procedure. I ask that the rules of the Committee on Veterans' Affairs be printed in the RECORD.

The rules are as follows:

RULES OF PROCEDURE OF THE COMMITTEE ON VETERANS' AFFAIRS

I. Meetings—(a) Unless otherwise ordered, the committee shall meet on the first Wednesday of each month. The chairman may, upon proper notice, call such additional meetings as he deems necessary.

(b) Except as provided in subparagraphs (b) and (d) of paragraph 5 of rule XXVI of the Standing Rules of the Senate, meetings of the committee or a subcommittee shall be open to the public.

(c) The chairman of the committee or of a subcommittee, or the vice chairman in the absence of the chairman, or the ranking majority member present in the absence of

the vice chairman, shall preside at all meetings.

(d) No meeting of the committee or any subcommittee shall be scheduled except by majority vote of the committee or by authorization of the chairman of the committee.

(e) The committee shall notify the office designated by the Committee on Rules and Administration of the time, place, and purpose of each meeting. In the event such meeting is canceled, the committee shall immediately notify such designated office.

II. Quorums—(a) Subject to the provisions of paragraph (b), seven members of the committee and four members of a subcommittee shall constitute a quorum for the reporting or approving of any measure or matter or recommendation. Four members of the committee or a subcommittee shall constitute a quorum for purposes of transacting any other business.

(b) In order to transact any business at a committee or subcommittee meeting, at least one member of the minority shall be present. If, at any meeting, business cannot be transacted because of the absence of such a member, the matter shall lay over for a calendar day. If the presence of a minority member is not then obtained, business may be transacted by the appropriate quorum.

(c) One member shall constitute a quorum for the purpose of receiving testimony.

III. Voting—(a) Votes may be cast by proxy. A proxy may be written or oral, and may be conditioned by personal instructions. A proxy shall be valid only for the day given except that a written proxy may be valid for the period specified therein.

(b) There shall be a complete record kept of all committee action. Such record shall contain the vote cast by each member of the committee on any question on which a "yea" and "nay" vote is requested.

IV. Subcommittees—(a) No member of the committee may serve on more than two subcommittees. No member of the committee shall receive assignment to a second subcommittee until all members of the committee, in order of seniority, have chosen assignments to one subcommittee.

(b) The committee chairman and the ranking minority member shall be ex officio nonvoting members of each subcommittee of the committee.

(c) Subcommittees shall be considered de novo whenever there is a change in committee chairmanship and, in such event, subcommittee seniority shall not necessarily apply.

(d) Should a subcommittee fail to report back to the committee on any measure within a reasonable time, the chairman may withdraw the measure from such subcommittee and so notify the committee for its disposition.

V. Hearings and Hearing Procedures—(a) Except as specifically otherwise provided, the rules governing meetings shall govern hearings.

(b) At least 1 week in advance of the date of any hearing, the committee or a subcommittee shall undertake, consistent with the provisions of paragraph 4 of rule XXVI of the Standing Rules of the Senate, to make public announcement of the date, place, time, and subject matter of such hearing.

(c) The committee or a subcommittee shall require each witness who is scheduled to testify at any hearing to file 40 copies of such witness' testimony with the committee not later than 48 hours prior to the witness' scheduled appearance unless the chairman and ranking minority member determine there is good cause for failure to do so.

(d) The presiding officer at any hearing is authorized to limit the time allotted to each witness appearing before the committee or subcommittee.

VI. General—All applicable requirements of the Standing Rules of the Senate shall govern the committee and its subcommittees.

VII. Presidential Nominations—Each Presidential nominee whose nomination is subject to Senate confirmation and referred to this committee shall submit a statement of his or her background and financial interests, including the financial interests of his or her spouse and of children living in the nominee's household, on a form approved by the committee which shall be sworn to as to its completeness and accuracy. The committee form shall be in two parts—

(A) information concerning employment, education, and background of the nominee which generally relates to the position to which the individual is nominated, and which is to be made public; and

(B) information concerning financial and other background of the nominee, to be made public when the committee determines that such information bears directly on the nominee's qualifications to hold the position to which the individual is nominated.

Committee action on a nomination, including hearings or a meeting to consider a motion to recommend confirmation, shall not be initiated until at least five days after the nominee submits the form required by this rule unless the chairman, with the concurrence of the ranking minority member, waives this waiting period.

VIII. Amendments to the Rules—The rules of the committee may be changed, modified, amended, or suspended at any time, provided, however, that not less than a majority of the entire membership so determine at a regular meeting with due notice, or at a meeting specifically called for that purpose. The rules governing quorums for reporting legislative matters shall govern rules changes, modifications, amendments, or suspension.●

RULES OF THE SELECT COMMITTEE ON ETHICS

● Mr. WALLOP. Mr. President, in accordance with the requirement to publish the rules of each Senate committee in the RECORD not later than March 1 of each year, I submit the procedural rules of the select committee.

The procedural rules are as follows:

RULES OF PROCEDURE, SELECT COMMITTEE ON ETHICS

RULE 1. GENERAL PROCEDURES

(a) Officers: The Committee shall select a Chairman and a Vice Chairman from among its members. In the absence of the Chairman, the duties of the Chair shall be filled by the Vice Chairman or, in the Vice Chairman's absence, a Committee member designated by the Chairman.

(b) Procedural Rules: The basic procedural rules of the Committee are stated as a part of the Standing Orders of the Senate in Senate Resolution 338, 88th Congress, as amended, as well as other resolutions and laws. Supplementary Procedural Rules are stated herein and are hereinafter referred to as the Rules. The Rules shall be published in the Congressional Record not later than thirty days after adoption, and copies shall be made available by the Committee office upon request.

(c) Meetings:

(1) The regular meeting of the Committee shall be the first Thursday of each month while the Congress is in session.

(2) Special meetings may be held at the call of the Chairman or Vice Chairman if at least forty-eight hours notice is furnished to all members. If all members agree, a special meeting may be held on less than forty-eight hours notice.

(3)(A) If any member of the Committee desires that a special meeting of the Committee be called, the member may file in the office of the Committee a written request to the Chairman or Vice Chairman for that special meeting.

(B) Immediately upon the filing of the request the Clerk of the Committee shall notify the Chairman and Vice Chairman of the filing of the request. If, within three calendar days after the filing of the request, the Chairman or the Vice Chairman does not call the requested special meeting, to be held within seven calendar days after the filing of the request, any three of the members of the Committee may file their written notice in the office of the Committee that a special meeting of the Committee will be held at a specified date and hour; such special meeting may not occur until forty-eight hours after the notice is filed. The Clerk shall immediately notify all members of the Committee of the date and hour of the special meeting. The Committee shall meet at the specified date and hour.

(d) Quorum:

(1) A majority of the members of the Select Committee shall constitute a quorum for the transaction of business involving complaints and allegations of misconduct, including the consideration of matters involving sworn complaints, unsworn allegations or information, resultant preliminary inquires, initial reviews, investigations, hearings, recommendations or reports and matters relating to Senate Resolution 400, agreed to May 19, 1976.

(2) Three members shall constitute a quorum for the transaction of the routine business of the Select Committee not covered by the first subparagraph of this paragraph, including requests for opinions and interpretations concerning the Code of Official Conduct or any other statute or regulation under the jurisdiction of the Select Committee, if one member of the quorum is a Member of the Majority Party and one member of the quorum is a Member of the Minority Party. During the transaction of routine business any member of the Select Committee, constituting the quorum shall have the right to postpone further discussion of a pending matter until such time as a majority of the members of the Select Committee are present.

(3) The Select Committee may fix a lesser number as a quorum for the purpose of taking sworn testimony.

(e) Order of Business: Questions as to the order of business and the procedure of the Committee shall in the first instance be decided by the Chairman and Vice Chairman, subject to reversal by a vote by a majority of the Committee.

(f) Hearings Announcements: The Committee shall make public announcement of the date, place and subject matter of any hearing to be conducted by it at least one week before the commencement of that hearing, and shall publish such announcement in the Congressional Record. If the Committee determines that there is good cause to commence a hearing at an earlier date, such notice will be given at the earliest possible time.

(g) Open and Closed Committee Meetings: Meetings of the Committee shall be open to the public or closed to the public (executive session), as determined under the provisions of paragraphs 5(b) to (d) of Rule XXVI of the Standing Rules of the Senate. Executive session meetings of the Committee shall be closed except to the members and the staff of the Committee. On the motion of any member, and with the approval of a majority of the Committee members present, other individuals may be admitted to an executive session meeting for a specified period or purpose.

(h) Record of Testimony and Committee Action: An accurate stenographic or tran-

scribed electronic record shall be kept of all Committee proceedings, whether in executive or public session. Such record shall include Senators' votes on any question on which a recorded vote is held. The record of a witness' testimony, whether in public or executive session, shall be made available for inspection to the witness or his counsel under Committee supervision; a copy of any testimony given by that witness in public session, or that part of the testimony given by the witness in executive session and subsequently quoted or made part of the record in a public session, shall be made available to any witness if he so requests. (See Rule 6 on Procedures for Conducting Hearings.)

(i) Secrecy of Executive Testimony and Action and of Complaint Proceedings:

(1) All testimony and action taken in executive session shall be kept secret and shall not be released outside the Committee to any individual or group, whether governmental or private, without the approval of a majority of the Committee.

(2) All testimony and action relating to a sworn complaint shall be kept secret and shall not be released by the Committee to any individual or group, whether governmental or private, except the respondent, without the approval of a majority of the Committee, until such time as a report to the Senate is required under Senate Resolution 338, 88th Congress, as amended, or unless otherwise permitted under these Rules. (See Rule 9 on Procedures for Handling Committee Sensitive and Classified Materials.)

(j) Release of Report to Public: No information pertaining to, or copies of any Committee report, study, or other document which purports to express the views, findings, conclusions or recommendations of the Committee in connection with any of its activities or proceedings may be released to any individual or group whether governmental or private, without the authorization of the Committee. Whenever the Chairman or Vice Chairman is authorized to make any determination, then the determination may be released at his or her discretion. Each member of the Committee shall be given a reasonable opportunity to have separate views included as part of any Committee report. (See Rule 9 on Procedures for Handling Committee Sensitive and Classified Materials.)

(k) Ineligibility or Disqualification of Members and Staff:

(1) A member of the Committee shall be ineligible to participate in any Committee proceeding that relates specifically to any of the following:

(A) The member's own conduct;

(B) The conduct of any employee or officer that the member supervises, as defined in paragraph 11 of Rule XXXVII of the Standing Rules of the Senate;

(C) The conduct of any employee or any officer that the member supervises; or

(D) A complaint, sworn or unsworn, that was filed by a member, or by any employee or officer that the member supervises.

(2) If any Committee proceeding appears to a member of the Committee in a manner described in subparagraph (1) of this paragraph, the staff shall prepare a report to the Chairman and Vice Chairman. If either the Chairman or the Vice Chairman concludes from the report that it appears that the member may be ineligible, the member shall be notified in writing of the nature of the particular proceeding and the reason that it appears that the member may be ineligible to participate in it. If the member agrees that he or she is ineligible, the member shall so notify the Chairman or Vice Chairman. If the member believes that he or she is not ineligible, he or she may explain the reasons to the Chairman and Vice Chairman, and if they both agree that the member is not ineligible, the member shall continue to serve. But if either the Chairman or Vice Chairman continues to believe that the member is ineligible, while the member believes that he or she is not ineligible, the matter shall be promptly referred to the Committee. The member shall present his or her arguments to the Committee in executive session. Any contested questions concerning a member's eligibility shall be decided by a majority vote of the Committee, meeting in executive session, with the member in question not participating.

(3) A member may also disqualify himself from participating in a Committee proceeding in other circumstances not listed in subparagraph (k)(1).

(4) The President of the Senate shall be given written notice of the ineligibility or disqualification of any member from an initial review, investigation, or other proceeding requiring the appointment of another member in accordance with subparagraph (k)(5).

(5) Whenever a member of the Committee is ineligible to participate in or disqualifies himself from participating in any initial review, investigation, or other substantial Committee proceeding, another Member of the Senate who is of the same party shall be appointed by the Senate in accordance with the provisions of paragraph 1 of Rule XXIV of the Standing Rules of the Senate, to serve as a member of the Committee solely for the purposes of that proceeding.

(6) A member of the Committee staff shall be ineligible to participate in any Committee proceeding that the staff director or outside counsel determines relates specifically to any of the following:

(A) the staff member's own conduct;

(B) the conduct of any employee that the staff member supervises;

(C) the conduct of any Member, officer or employee for whom the staff member has worked for any substantial period; or

(D) a complaint, sworn or unsworn, that was filed by the staff member. At the direction or with the consent of the staff director or outside counsel, a staff member may also be disqualified from participating in a Committee proceeding in other circumstances not listed above.

(l) Recorded Votes: Any member may require a recorded vote on any matter.

(m) Proxies; Recording Votes of Absent Members:

(1) Proxy voting shall not be allowed when the question before the Committee is the initiation or continuation of an initial review or an investigation, or the issuance of a report or recommendation related thereto concerning a Member or officer of the Senate. In any such case an absent member's vote may be announced solely for the purpose of recording the member's position and such announced votes shall not be counted for or against the motion.

(2) On matters other than matters listed in paragraph (m)(1) above, the Committee may order that the record be held open for the vote of absentees or recorded proxy votes if the absent Committee member has been informed of the matter on which the vote occurs and has affirmatively requested of the Chairman or Vice Chairman in writing that he be so recorded.

(3) All proxies shall be in writing, and shall be delivered to the Chairman or Vice Chairman to be recorded.

(4) Proxies shall not be considered for the purpose of establishing a quorum.

(n) Approval of Blind Trusts and Foreign Travel Requests Between Sessions and During Extended Recesses:

During any period in which the Senate stands in adjournment between sessions of the Congress or stands in a recess scheduled to extend beyond fourteen days, the Chairman and Vice Chairman, or their designees, acting jointly, are authorized to approve or disapprove blind trusts under the provision of Rule XXXIV, and to approve or disapprove foreign travel requests which require immediate resolution.

(o) Committee Use of Services or Employees of Other Agencies and Departments:

With the prior consent of the department or agency involved, the Committee may (1) utilize the services, information, or facilities of any such department or agency of the Government, and (2) employ on a reimbursable basis or otherwise the services of such personnel of any such department or agency as it deems advisable. With the consent of any other committee of the Senate, or any subcommittee, the Committee may utilize the facilities and the services of the staff of such other committee or subcommittee whenever the Chairman and Vice Chairman of the Committee, acting jointly, determine that such action is necessary and appropriate.

RULE 2: PROCEDURES FOR SWORN COMPLAINTS

(a) Sworn Complaints: Any person may file a sworn complaint with the Committee, alleging that any Senator, or officer, or employee of the Senate has violated a law, the Senate Code of Official Conduct, or any rule or regulation of the Senate relating to the conduct of any individual in the performance of his or her duty as a Member, officer, or employee of the Senate, or has engaged in improper conduct which may reflect upon the Senate.

(b) Form and Content of Complaints: A complaint filed under paragraph (a) shall be in writing and under oath, and shall set forth in simple, concise and direct statements:

(1) The name and legal address of the party filing the complaint (hereinafter, the complainant);

(2) The name and position or title of each Member, officer, or employee of the Senate who is specifically alleged to have engaged in the improper conduct or committed the violation (hereinafter, the respondent);

(3) The nature of the alleged improper conduct or violation, including if possible, the specific provision of the Senate Code of Official Conduct or other law, rule, or regulation alleged to have been violated.

(4)(A) A statement of the facts within the personal knowledge of the complainant that are alleged to constitute the improper conduct or violation.

(B) The term "personal knowledge" is not intended to and does not limit the complainant's statement to situations that he or she personally witnessed or to activities in which the complainant was a participant.

(C) Where allegations in the sworn complaint are made upon the information and belief of the complainant, the complaint shall so state, and shall set forth the basis for such information and belief.

(5) The complainant must swear that all of the information contained in the complaint either (a) is true, or (b) was obtained under circumstances such that the complainant has sufficient personal knowledge of the source of the information reasonably to believe that it is true. The complainant may so swear either by oath or by solemn affirmation before a notary public or other authorized official.

(6) All documents in the possession of the complainant relevant to or in support of his or her allegations may be appended to the complaint.

(c) Processing of Sworn Complaints:

(1) When the Committee receives a sworn complaint against a Member, officer or employee of the Senate, it shall determine by majority vote whether the complaint is in substantial compliance with paragraph (b) of this rule.

(2) If it is determined by the Committee that a sworn complaint does not substantially comply with the requirements of paragraph (b), the complaint shall be returned promptly to the complainant, with a statement explaining how the complaint fails to comply and a copy of the rules for

filing sworn complaints. The complainant may re-submit the complaint in the proper form. If the complaint is not revised so that it substantially complies with the stated requirements, the Committee may in its discretion process the complaint in accordance with Rule 3.

(3) A sworn complaint against any Member, officer, or employee of the Senate that is determined by the Committee to be in substantial compliance shall be transmitted to the respondent within five days of that determination. The transmittal notice shall include the date upon which the complaint was received, a statement that the complaint conforms to the applicable rules, a statement that the Committee will immediately begin an initial review of the complaint, and a statement inviting the respondent to provide any information relevant to the complaint to the Committee. A copy of the Rules of the Committee shall be supplied with the notice.

RULE 3: PROCEDURES ON RECEIPT OF ALLEGATIONS OTHER THAN A SWORN COMPLAINT; PRELIMINARY INQUIRY

(a) Unsworn Allegations or Information: Any member or staff member of the Committee shall report to the Committee, and any other person may report to the Committee, any credible information available to him or her that indicates that any named or unnamed Member, officer or employee of the Senate may have—

(1) violated the Senate Code of Official Conduct;

(2) violated a law;

(3) violated any rule or regulation of the Senate relating to the conduct of individuals in the performance of their duties as Members, officers, or employees of the Senate; or

(4) engaged in improper conduct which may reflect upon the Senate. Such allegations or information may be reported to the Chairman, the Vice Chairman, a Committee member, or a Committee staff member.

(b) Sources of Unsworn Allegations or Information: The information to be reported to the Committee under paragraph (a), may be obtained from a variety of sources, including but not limited to the following:

(1) sworn complaints that do not satisfy all of the requirements of Rule 2;

(2) anonymous or informal complaints, whether or not satisfying the requirements of Rule 2;

(3) information developed during a study or inquiry by the Committee or other committees or subcommittees of the Senate, including information obtained in connection with legislative or general oversight hearings;

(4) information reported by the news media; or

(5) information obtained from any individual, agency or department of the executive branch of the Federal Government.

(c) Preliminary Inquiry:

(1) When information is presented to the Committee pursuant to paragraph (a), it shall immediately be transmitted to the Chairman and the Vice Chairman, for one of the following actions.

(A) The Chairman and Vice Chairman, acting jointly, may conduct or may direct the Committee staff to conduct, a preliminary inquiry.

(B) The Chairman and Vice Chairman, acting jointly, may present the allegations or information received directly to the Committee for it to determine whether an initial review should be undertaken. (See paragraph (d).)

(2) A preliminary inquiry may include any inquiries or interviews that the Chairman and the Vice Chairman deem necessary or appropriate. In particular, the preliminary inquiry may seek independent credible evidence that tends to corrobrate the information received and may also include discussions or correspondence with the complainant, if any, and the respondent, if any.

(3) At the conclusion of a preliminary inquiry, the Chairman and Vice Chairman shall receive a full report of its findings. The Chairman and Vice Chairman, acting jointly, shall then determine what further action, if any, is appropriate in the particular case, including any of the following:

(A) No further action is appropriate, because the alleged improper conduct or violation is clearly not within the jurisdiction of the Committee;

(B) No further action is appropriate, because there is no reason to believe that the alleged improper conduct or violation may have occurred; or

(C) The unsworn allegations or information, and a report on the preliminary inquiry, should be referred to the Committee, to determine whether an initial review should be undertaken. (See paragraph (d).)

(4) If the Chairman and the Vice Chairman are unable to agree on a determination at the conclusion of a preliminary inquiry, then they shall refer the allegations or information to the Committee, with a report on the preliminary inquiry, for the Committee to determine whether an initial review should be undertaken. (See paragraph (d).)

(5) A preliminary inquiry shall be completed within sixty days after the unsworn allegations or information were received by the Chairman and Vice Chairman. The sixty day period may be extended for a specified period by the Chairman and Vice Chairman, acting jointly. A preliminary inquiry is completed when the Chairman and the Vice Chairman have made the determination required by subparagraphs (3) and (4) of this paragraph.

(d) Determination Whether to Conduct an Initial Review: When information or allegations are presented to the Committee by the Chairman and the Vice Chairman, the Committee shall determine whether an initial review should be undertaken.

(1) An initial review shall be undertaken when—

(A) there is reason to believe on the basis of the information before the Committee that the possible improper conduct or violation may be within the jurisdiction of the Committee; and

(B) there is reason to believe on the basis of the information before the Committee that the improper conduct or violation may have occurred.

(2) The determination whether to undertake an initial review shall be made by recorded vote within thirty days following the Committee's receipt of the unsworn allegations or information from the Chairman or Vice Chairman, or at the first meeting of the Committee thereafter if none occurs within thirty days, unless this time is extended for a specified period by the Committee.

(3) The Committee may determine that an initial review is not warranted because (a) there is no reason to believe on the basis of the information before the Committee that the improper conduct or violation may have occurred, or (b) the improper conduct or violation, even if proven, is not within the jurisdiction of the Committee.

(A) If the Committee determines that an initial review is not warranted, it shall promptly notify the complainant, if any, and any known respondent.

(B) If there is a complaint, he or she may also be invited to submit additional information, and notified of the procedures for filing a sworn complaint. If the complainant later provides additional information, not in the form of a sworn complaint, it shall be handled as a new allegation in accordance with the procedures of Rule 3. If he or she submits a sworn complaint, it shall be handled in accordance with Rule 2.

(4)(A) The Committee may determine that there is reason to believe on the basis of the information before it that the improper conduct or violation may have occurred and may be within the jurisdiction of the Committee, and that an initial review must therefore be conducted.

(B) If the Committee determines that an initial review will be conducted, it shall promptly notify the complainant, if any, and the respondent, if any.

(C) The notice required under subparagraph (B) shall include a general statement of the information or allegations before the Committee, and a statement that the Committee will immediately begin an initial review of the complaint. A copy of the Rules of the Committee shall be supplied with the notice.

(5) If a member of the Committee believes that the preliminary inquiry has provided sufficient information for the Committee to determine whether there is substantial credible evidence which provides substantial cause for the Committee to conclude that a violation within the jurisdiction of the Committee has occurred, the member may move that the Committee dispense with the initial review and move directly to the determinations described in Rule 4(f). The Committee may adopt such a motion by majority vote of the full Committee.

RULE 4: PROCEDURES FOR CONDUCTING AN INITIAL REVIEW

(a) Basis for Initial Review: The Committee shall promptly commence an initial review whenever it has received either (1) a sworn complaint that the Committee has determined is in substantial compliance with the requirements of Rule 2, or (2) unsworn allegations or information that have caused the Committee to determine in accordance with Rule 3 that an initial review must be conducted.

(b) Scope of Initial Review:

(1) The initial review shall be of such duration and scope as may be necessary to determine whether there is substantial credible evidence which provides substantial cause for the Committee to conclude that a violation within the jurisdiction of the Committee has occurred.

(2) The initial review may include any inquiries or interviews that the Committee deems appropriate to obtain the evidence upon which to make the determination required by subparagraph (1), including the taking of sworn statements and the use of subpoenas.

(c) Opportunity for Response: An initial review may include an opportunity for any known respondent or his designated representative, to present either a written or oral statement, or to respond orally to questions from the Committee. Such an oral statement or answers shall be transcribed and signed by the person providing the statement or answers.

(d) Status Reports: The Committee staff or outside counsel shall periodically report to the Committee in the form and according to the schedule prescribed by the Committee. The reports shall be confidential.

(e) Final Report: When the initial review is completed, the staff or outside counsel shall make a confidential report to the Committee on findings and recommendations.

(f) Committee Action: As soon as practicable following submission of the report on the initial review, the Committee shall determine by a recorded vote whether there is substantial credible evidence which provides substantial cause for the Committee to conclude that a violation within the jurisdiction of the Committee has occurred. The Committee may make any of the following determinations:

(1) The Committee may determine that there is not such substantial credible evidence. In this case, the Committee shall report its determination to the complainant, if

any, and to the respondent, together with an explanation of the basis for the determination. The explanation may be as detailed as the Committee desires, but it is not required to include a complete discussion of the evidence collected in the initial review.

(2) The Committee may determine that there is such substantial credible evidence, but that the alleged violation is inadvertent, technical, or otherwise of a de minimis nature. In this case, the Committee may attempt to correct or to prevent such violation by informal methods. The Committee's final determination in this matter shall be reported to the complainant, if any, and to the respondent, if any.

(3) The Committee may determine that there is such substantial credible evidence, but that the alleged violation, if proven, although not of a de minimis nature, would not be sufficiently serious to justify the severe disciplinary actions specified in Senate Resolution 338, 88th Congress, as amended (i.e., for a Member, censure, expulsion, or recommendation to the appropriate party conference regarding the Member's seniority or positions of responsibility; or for an officer or employee, suspension or dismissal). In this case, the Committee, by the recorded affirmative vote of at least four members, may propose a remedy that it deems appropriate. If the respondent agrees to the proposed remedy, a summary of the Committee's conclusions and the remedy proposed and agreed to shall be filed as a public record with the Secretary of the Senate and a notice of the filing shall be printed in the CONGRESSIONAL RECORD.

(4) The Committee may determine, by recorded affirmative vote of at least four members, that there is such substantial credible evidence, and also either:

(A) that the violation, if proved, would be sufficiently serious to warrant imposition of one of the severe disciplinary actions listed in paragraph (3); or

(B) that the violation, if proven, is less serious, but was not resolved pursuant to the procedure in paragraph (3).

In either case, the Committee shall order that an investigation promptly be conducted in accordance with Rule 5.

RULE 5: PROCEDURES FOR CONDUCTING AN INVESTIGATION

(a) Definition of Investigation: An "investigation" is a proceeding undertaken by the Committee, by recorded affirmative vote of at least four members, after a finding on the basis of an initial review that there is substantial credible evidence which provides substantial cause for the Committee to conclude that a violation within its jurisdiction has occurred.

(b) Scope of Investigation: When the Committee decides to conduct an investigation, it shall be of such duration and scope as is necessary for the Committee to determine whether a violation within its jurisdiction has occurred. In the course of the investigation, designated outside counsel, or if the Committee determines not to use outside counsel, the Committee or its staff, may conduct inquiries or interviews, take sworn statements, use compulsory process as described in Rule 7, or take any other actions that the Committee deems appropriate to secure the evidence necessary to make this determination.

(c) Notice to Respondent: The Committee shall give written notice to any know respondent who is the subject of an investigation. The notice shall be sent to the respondent no later than five working days after the Committee has voted to conduct an investigation. The notice shall include a statement of the nature of the possible violation, and a description of the evidence indicating that a possible violation occurred. The Committee shall offer the respondent an opportunity to present a statement or to respond to questions from members of the Committee, the Committee staff, or outside counsel.

(d) Right to a Hearing: The Committee shall accord a respondent an opportunity for a hearing before it recommends disciplinary action against that respondent to the Senate.

(e) Progress Reports to Committee: The Committee staff or outside counsel shall periodically report to the Committee concerning the progress of the investigation. Such reports shall be delivered to the Committee in the form and according to the schedule prescribed by the Committee, and shall be confidential.

(f) Report of Investigation:

(1) Upon completion of an investigation, including any hearings held pursuant to Rule 6, the outside counsel or the staff shall submit a confidential written report to the Committee, which shall detail the factual findings of the investigation and which may recommend disciplinary action, if appropriate. Findings of fact of the investigation shall be detailed in this report whether or not disciplinary action is recommended.

(2) The Committee shall consider the report of the staff or outside counsel promptly following its submission. The Committee shall prepare and submit a report to the Senate, including a recommendation to the Senate concerning disciplinary action, if appropriate. A report shall be issued, stating in detail the Committee's findings of fact, whether or not disciplinary action is recommended. The report shall also explain fully the reasons underlying the Committee's recommendation concerning disciplinary action, if any. No recommendation or resolution of the Committee concerning the investigation of a Member, officer or employee of the Senate may be approved except by the affirmative recorded vote of not less than four members of the Committee.

(3) Promptly after the conclusion of the investigation, the Committee's report and recommendation shall be forwarded to the Secretary of the Senate, and a copy shall be provided to the complainant and the respondent. The full report and recommendation shall be printed and made public, unless the Committee determines by majority vote that it should remain confidential.

RULE 6: PROCEDURES FOR HEARINGS

(a) Right to a Hearing: The Committee may hold a public or executive hearing in any inquiry, initial review, investigation, or other proceeding. The Committee shall accord a respondent an opportunity for a hearing before it recommends disciplinary action against that respondent to the Senate. (See Rule 5(e).)

(b) Non-public Hearings: The Committee may at any time during a hearing determine in accordance with paragraph 5(b) of Rule XXVI of the Standing Rules of the Senate whether to receive the testimony of specific witnesses in executive session. If a witness desires to express a preference for testifying in public or in executive session, he or she shall so notify the Committee at least five days before he or she is scheduled to testify.

(c) Adjudicatory Hearings: The Committee may, by majority vote, designate any public or executive hearing as an adjudicatory hearing; and, any hearing which is concerned with possible disciplinary action against a respondent or respondents designated by the Committee shall be an adjudicatory hearing. In any adjudicatory hearing, the procedures described in paragraph (j) shall apply.

(d) Subpoena Power: The Committee may require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such correspondence, books, papers, documents or other articles as it deems advisable. (See Rule 7.)

(e) Notice of Hearings: The Committee shall make public an announcement of the date, place, and subject matter of any hearing to be conducted by it, in accordance with Rule 1(f).

(f) Presiding Officer: The Chairman shall preside over the hearings, or in his absence the Vice Chairman. If the Vice Chairman is also absent, a Committee member designated by the Chairman shall preside. If an oath or affirmation is required, it shall be administered to a witness by the Presiding Officer, or in his absence, by any Committee member.

(g) Witnesses:

(1) A subpoena or other request to testify shall be served on a witness sufficiently in advance of his or her scheduled appearance to allow the witness a reasonable period of time, as determined by the Committee, to prepare for the hearing and to employ counsel if desired.

(2) The Committee may, by majority vote, rule that no member of the Committee or staff or outside counsel shall make public the name of any witness subpoenaed by the Committee before the date of that witness' scheduled appearance, except as specifically authorized by the Chairman and Vice Chairman, acting jointly.

(3) Any witness desiring to read a prepared or written statement in executive or public hearings shall file a copy of such statement with the Committee at least two working days in advance of the hearing at which the statement is to be presented. The Chairman and Vice Chairman shall determine whether such statements may be read or placed in the record of the hearing.

(4) Insofar as practicable, each witness shall be permitted to present a brief oral opening statement, if he or she desires to do so.

(h) Right to Testify: Any person whose name is mentioned or who is specifically identified or otherwise referred to in testimony or in statements made by a Committee member, staff member or outside counsel, or any witness, and who reasonably believes that the statement tends to adversely affect his or her reputation may—

(1) request to appear personally before the Committee to testify in his or her own behalf; or

(2) file a sworn statement of facts relevant to the testimony or other evidence or statement of which he or she complained. Such request and such statement shall be submitted to the Committee for its consideration and action.

(i) Conduct of Witnesses and Other Attendees: The Presiding Officer may punish any breaches of order and decorum by censure and exclusion from the hearings. The Committee, by majority vote, may recommend to the Senate that the offender be cited for contempt of Congress.

(j) Adjudicatory Hearings Procedures:

(1) Notice of Hearings: A copy of the public announcement of an adjudicatory hearing, required by paragraph (e), shall be furnished together with a copy of these Rules to all witnesses at the time that they are subpoenaed or otherwise summoned to testify.

(2) Preparation for Adjudicatory Hearings:

(A) At least five working days prior to the commencement of an adjudicatory hearing, the Committee shall provide the following information and documents to the respondent, if any:

(i) a list of proposed witnesses to be called at the hearing;

(ii) copies of all documents expected to be introduced as exhibits at the hearing; and

(iii) a brief statement as to the nature of the testimony expected to be given by each witness to be called at the hearing.

(B) At least two working days prior to the commencement of an adjudicatory hearing, the respondent, if any, shall provide the information and documents described in divi-

sions (i), (ii) and (iii) of subparagraph (A) to the Committee.

(C) At the discretion of the Committee, the information and documents to be exchanged under this paragraph shall be subject to an appropriate agreement limiting access and disclosure.

(D) If a respondent refuses to provide the information and documents to the Committee (see (A) and (B) of this subparagraph), or if a respondent or other individual violates an agreement limiting access and disclosure, the Committee, by majority vote, may recommend to the Senate that the offender be cited for contempt of Congress.

(3) Swearing of Witnesses: All witnesses who testify at adjudicatory hearings shall be sworn unless the Presiding Officer, for good cause, decides that a witness does not have to be sworn.

(4) Right to Counsel: Any witness at an adjudicatory hearing may be accompanied by counsel of his or her own choosing, who shall be permitted to advise the witness of his or her legal rights during the testimony.

(5) Right to Cross-Examine and Call Witnesses:

(A) In adjudicatory hearings, any respondent who is the subject of an investigation, and any other person who obtains the permission of the Committee, may personally or through counsel cross-examine witnesses called by the Committee and may call witnesses in his or her own behalf.

(B) A respondent may apply to the Committee for the issuance of subpoenas for the appearance of witnesses or the production of documents on his or her behalf. An application shall be approved upon a concise showing by the respondent that the proposed testimony or evidence is relevant and appropriate, as determined by the Chairman and Vice Chairman.

(C) With respect to witnesses called by a respondent, or other individual given permission by the Committee, each such witness shall first be examined by the party who called the witness or by that party's counsel.

(D) At least one working day before a witness' scheduled appearance, a witness or a witness' counsel may submit to the Committee written questions proposed to be asked of that witness. If the Committee determines that it is necessary, such questions may be asked by any member of the Committee, or by any Committee staff member if directed by a Committee member. The witness or witness' counsel may also submit additional sworn testimony for the record within twenty-four hours after the last day that the witness has testified. The insertion of such testimony in that day's record is subject to the approval of the Chairman and Vice Chairman acting jointly within five days after the testimony is received.

(6) Admissibility of Evidence:

(A) The object of the hearing shall be to ascertain the truth. Any evidence that may be relevant and probative shall be admissible, unless privileged under the Federal Rules of Evidence. Rules of evidence shall not be applied strictly, but the Presiding Officer shall exclude irrelevant or unduly repetitious testimony. Objections going only to the weight that should be given evidence will not justify its exclusion.

(B) The Presiding Officer shall rule upon any question of the admissibility of testimony or other evidence presented to the Committee. Such rulings shall be final unless reversed or modified by a majority vote of the Committee before the recess of that day's hearings.

(7) Supplementary Hearing Procedures: The Committee may adopt any additional special hearing procedures that it deems necessary or appropriate to a particular adjudicatory hearing. Copies of such supplementary procedures shall be furnished to witnesses and respondents, and shall be made available upon request to any member of the public.

(k) Transcripts:

(1) An accurate stenographic or recorded transcript shall be made of all public and executive hearings. Any member of the Committee, Committee staff member, outside counsel retained by the Committee, or witness may examine a copy of the transcript retained by the Committee of his or her own remarks and may suggest to the official reporter any typographical or transcription errors. If the reporter declines to make the requested corrections, the member, staff member, outside counsel or witness may request a ruling by the Chairman and Vice Chairman, acting jointly. Any member or witness shall return the transcript with suggested corrections to the Committee offices within five working days after receipt of the transcript, or as soon thereafter as is practicable. If the testimony was given in executive session, the member or witness may only inspect the transcript at a location determined by the Chairman and Vice Chairman, acting jointly. Any questions arising with respect to the processing and correction of transcripts shall be decided by the Chairman and Vice Chairman, acting jointly.

(2) Except for the record of a hearing which is closed to the public, each transcript shall be printed as soon as is practicable after receipt of the corrected version. The Chairman and Vice Chairman, acting jointly, may order the transcript of a hearing to be printed without the corrections of a member or witness if they determine that such member or witness has been afforded a reasonable time to correct such transcript and such transcript has not been returned within such time.

(3) The Committee shall furnish each witness, at no cost, one transcript copy of that witness' testimony given at a public hearing. If the testimony was given in executive session, then a transcript copy shall be provided upon request, subject to appropriate conditions and restrictions prescribed by the Chairman and Vice Chairman. If any individual violates such conditions and restrictions, the Committee may recommend by majority vote that he or she be cited for contempt of Congress.

RULE 7: SUBPOENAS

(a) Procedure: Subpoenas may be issued either—

(1) by majority vote of the Committee, or

(2) by the Chairman and Vice Chairman, acting jointly.

All subpoenas shall be signed by the Chairman or the Vice Chairman and may be served by any person eighteen years of age or older, who is designated by the Chairman or Vice Chairman. Each subpoena shall be served with a copy of the Rules of the Committee and a brief statement of the purpose of the initial review, investigation, or other proceeding.

(b) Subpoena Power: Pursuant to Federal law (2 U.S.C. 190(b)), the Committee is authorized to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Senate as it deems advisable. The Committee is similarly authorized to require by subpoena or otherwise the attendance of such witnesses or the production of such correspondence, books, papers, documents, or other articles as it deems advisable.

(c) Withdrawal of Subpoena: The Committee may, by majority vote, withdraw any subpoena issued by it or issued by the Chairman and Vice Chairman, acting jointly.

The Chairman and Vice Chairman, acting jointly, may withdraw any subpoena issued by them.

RULE 8: VIOLATIONS OF LAW; PERJURY; LEGISLATIVE RECOMMENDATIONS; AND APPLICABLE RULES AND STANDARDS OF CONDUCT

(a) Violations of Law: Whenever the Committee determines by majority vote that there is reason to believe that a violation of law may have occurred, it shall report such possible violation to the proper state and federal authorities.

(b) Perjury: Any person who knowingly and willfully swears falsely to a sworn complaint or any other sworn statement to the Committee does so under penalty of perjury. The Committee may refer any such case to the Attorney General for prosecution.

(c) Legislative Recommendations: The Committee shall recommend to the Senate by report or resolution such additional rules, regulations, or other legislative measures as it determines to be necessary or desirable to ensure proper standards of conduct by Members, officers, or employees of the Senate. The Committee may conduct such inquiries as it deems necessary to prepare such a report or resolution, including the holding of hearings in public or executive session and the use of subpoenas to compel the attendance of witnesses or the production of materials. The Committee may make legislative recommendations as a result of its findings in an initial review, investigation, or other proceeding.

(d) Applicable Rules and Standards of Conduct:

(1) No initial review or investigation shall be made of an alleged violation of any law, rule, regulation, or provision of the Senate Code of Official Conduct which was not in effect at the time the alleged violation occurred. No provision of the Senate Code of Official Conduct shall apply to, or require disclosure of any act, relationship, or transaction which occurred prior to the effective date of the applicable provision of the Code.

(2) The Committee may conduct an initial review or investigation of an alleged violation of a rule or law which was in effect prior to the enactment of the Senate Code of Official Conduct if the alleged violation occurred while such rule or law was in effect and the violation was not a matter resolved on the merits by the predecessor Committee.

RULE 9: PROCEDURES FOR HANDLING COMMITTEE SENSITIVE AND CLASSIFIED MATERIALS

(a) Procedures for Handling Committee Sensitive Materials:

(1) Committee Sensitive information or material is information or material in the possession of the Select Committee on Ethics which pertains to illegal or improper conduct by a present or former Member, officer, or employee of the Senate; to allegations or accusation of such conduct; to any resulting preliminary inquiry, initial review, or investigation by the Select Committee on Ethics into such allegations or conduct; to the investigative techniques and procedures of the Select Committee on Ethics; or to other information or material designated by the staff director, or outside counsel designated by the Chairman and Vice Chairman.

(2) The Chairman and Vice Chairman of the Committee shall establish such procedures as may be necessary to prevent the unauthorized disclosure of Committee Sensitive information in the possession of the Committee or its staff. Procedures for protecting Committee Sensitive materials shall be in writing and shall be given to each Committee staff member.

(b) Procedures for Handling Classified Materials:

(1) Classified information or material is information or material which is specifically designated as classified under the authority of Executive Order 11652 requiring protection of such information or material from unauthorized disclosure in order to prevent damage to the United States.

(2) The Chairman and Vice Chairman of

the Committee shall establish such procedures as may be necessary to prevent the unauthorized disclosure of classified information in the possession of the Committee or its staff. Procedures for handling such information shall be in writing and a copy of the procedures shall be given to each staff member cleared for access to classified information.

(3) Each member of the Committee shall have access to classified material in the Committee's possession. Only Committee staff members with appropriate security clearances and a need-to-know, as approved by the Chairman and Vice Chairman, acting jointly, shall have access to classified information in the Committee's possession.

(c) Procedures for Handling Committee Sensitive and Classified Documents:

(1) Committee Sensitive and classified documents and materials shall be segregated in secure filing safes. Removal from the Committee offices of such documents or materials is prohibited except as necessary for use in, or preparation for, interviews or Committee meetings, including the taking of testimony, or as otherwise specifically approved by the staff director or by outside counsel designated by the Chairman and Vice Chairman.

(2) Each member of the Committee shall have access to all materials in the Committee's possession. The staffs of members shall not have access to Committee Sensitive or classified documents and materials without the specific approval in each instance of the Chairman, and Vice Chairman, acting jointly. Members may examine such materials in the Committee's offices. If necessary, requested materials may be taken by a member of the Committee staff to the office of a member of the Committee for his or her examination, but the Committee staff member shall remain with the Committee Sensitive or classified documents or materials at all times except as specifically authorized by the Chairman or Vice Chairman.

(3) Any Member of the Senate who is not a member of the Committee and who seeks access to any Committee Sensitive or classified documents or materials, other than documents or materials which are matters of public record, shall request access in writing. The Committee shall decide by majority vote whether to make documents or materials available. If access is granted, the Member shall not disclose the information except as authorized by the Committee.

(4) Whenever the Committee makes Committee Sensitive or classified documents or materials available to any Member of the Senate who is not a member of the Committee, or to a staff person of a Committee member in response to a specific request to the Chairman and Vice Chairman, a written record shall be made identifying the Member of the Senate requesting such documents or materials and describing what was made available and to whom.

(d) Non-disclosure policy and agreement:

(1) Except as provided in the last sentence of this paragraph, no member of the Select Committee on Ethics, its staff, or any person engaged by contract or otherwise to perform services for the Select Committee on Ethics shall release, divulge, publish, reveal by writing, word, conduct, or disclose in any way, in whole, or in part, or by way of summary, during tenure with the Select Committee on Ethics or anytime thereafter, any testimony given before the Select Committee on Ethics in executive session (including the name of any witness who appeared or was called to appear in executive session), any classified or Committee Sensitive information, document or material, received or generated by the Select Committee on Ethics or any classified or Committee Sensitive information which may come into the possession of such person during tenure with the Select Committee on Ethics or its staff. Such information, documents, or material may be released to an official of the executive branch properly cleared for access with a need-to-know, for any purpose or in connection with any proceeding, judicial or otherwise, as authorized by the Select Committee on Ethics, or in the event of termination of the Select Committee on Ethics, in such a manner as may be determined by its successor or by the Senate.

(2) No member of the Select Committee on Ethics staff or any person engaged by contract or otherwise to perform services for the Select Committee on Ethics, shall be granted access to classified or Committee Sensitive information or material in the possession of the Select Committee on Ethics unless and until such person agrees in writing, as a condition of employment, to the non-disclosure policy. The agreement shall become effective when signed by the Chairman and Vice Chairman on behalf of the Committee.

RULE 10: BROADCASTING AND NEWS COVERAGE OF COMMITTEE PROCEEDINGS

(a) Whenever any hearing or meeting of the Committee is open to the public, the Committee shall permit that hearing or meeting to be covered in whole or in part, by television broadcast, radio broadcast, still photography, or by any other methods of coverage, unless the Committee decides by majority vote that such coverage is not appropriate at a particular hearing or meeting.

(b) Any witness served with a subpoena by the Committee may request not to be photographed at any hearing or to give evidence or testimony while the broadcasting, reproduction, or coverage of that hearing, by radio, television, still photography, or other methods is occurring. At the request of any such witness who does not wish to be subjected to radio, television, still photography, or other methods of coverage, and subject to the approval of the Committee, all lenses shall be covered and all microphones used for coverage turned off.

(c) If coverage is permitted, it shall be in accordance with the following requirements:

(1) Photographers and reporters using mechanical recording, filming, or broadcasting apparatus shall position their equipment so as not to interfere with the seating, vision, and hearing of the Committee members and and staff, or with the orderly process of the meeting or hearing.

(2) If the television or radio coverage of the hearing or meeting is to be presented to the public as live coverage, that coverage shall be conducted and presented without commercial sponsorship.

(3) Personnel providing coverage by the television and radio media shall be currently accredited to the Radio and Television Correspondents' Galleries.

(4) Personnel providing coverage by still photography shall be currently accredited to the Press Photographers' Galley Committee of Press Photographers.

(5) Personnel providing coverage by the television and radio media and by still photography shall conduct themselves and the coverage activities in an orderly and unobtrusive manner.

RULE 11: PROCEDURES FOR ADVISORY OPINIONS

(a) When Advisory opinions are Rendered:

(1) The Committee shall render an advisory opinion, in writing within a reasonable time, in response to a written request by a Member or officer of the Senate or a candidate for nomination for election, or election to the Senate, concerning the application of any law, the Senate Code of Official Conduct, or any rule or regulation of the Senate within the Committee's jurisdiction, to a specific factual situation pertinent to the conduct or proposed conduct of the person seeking the advisory opinion.

(2) The Committee may issue an advisory opinion in writing within a reasonable time in response to a written request by any employee of the Senate concerning the application of any law, the Senate Code of Official Conduct, or any rule or regulation of the Senate within the Committee's jurisdiction, to a specific factual situation pertinent to the conduct or proposed conduct of the person seeking the advisory opinion.

(b) Form of Request: A request for an advisory opinion shall be directed in writing to the Chairman of the Committee and shall include a complete and accurate statement of the specific factual situation with respect to which the request is made as well as the specific question or questions which the requestor wishes the Committee to address.

(c) Opportunity for Comment:

(1) The Committee will provide an opportunity for any interested party to comment on a request for an advisory opinion—

(A) which requires an interpretation on a significant question of first impression that will affect more than a few individuals; or

(B) when the Committee determines that comments from interested parties would be of assistance.

(2) Notice of any such request for an advisory opinion shall be published in the Congressional Record, with appropriate deletions to insure confidentiality, and interested parties will be asked to submit their comments in writing to the Committee within ten days.

(3) All relevant comments received on a timely basis will be considered.

(d) Issuance of an Advisory Opinion:

(1) The Committee staff shall prepare a proposed advisory opinion in draft form which will first be reviewed and approved by the Chairman and Vice Chairman, acting jointly, and will be presented to the Committee for final action. If (A) the Chairman and Vice Chairman cannot agree, or (B) either the Chairman or Vice Chairman requests that it be taken directly to the Committee, then the proposed advisory opinion shall be referred to the Committee for its decision.

(2) An advisory opinion shall be issued only by the affirmative recorded vote of a majority of the members voting.

(3) Each advisory opinion issued by the Committee shall be promptly transmitted for publication in the Congressional Record after appropriate deletions are made to insure confidentiality. The Committee may at any time revise, withdraw, or elaborate on any advisory opinion.

(e) Reliance on Advisory Opinions:

(1) Any advisory opinion issued by the Committee under Senate Resolution 338, 88th Congress, as amended, and the Rules may be relied upon by—

(A) Any person involved in the specific transaction or activity with respect to which such advisory opinion is rendered if the request for such advisory opinion included a complete and accurate statement of the specific factual situation; and

(B) any person involved in any specific transaction or activity which is indistinguishable in all its material aspects from the transaction or activity with respect to which such advisory opinion is rendered.

(2) Any person who relies upon any provision or finding of an advisory opinion in accordance with the provisions of Senate Resolution 338, 88th Congress, as amended, and of the Rules, and who acts in good faith in accordance with the provisions and findings —of such advisory opinion shall not, as a result of any such act, be subject to any sanction by the Senate.

RULE 12: PROCEDURES FOR INTERPRETATIVE RULINGS

(a) Basis for Interpretative Rulings: Senate Resolution 338, 88th Congress, as amended, authorizes the Committee to issue inter-

pretative rulings explaining and clarifying the application of any law, the Code of Official Conduct, or any rule or regulation of the Senate within its jurisdiction. The Committee also may issue such rulings clarifying or explaining any rule or regulation of the Select Committee on Ethics.

(b) Request for Ruling: A request for such a ruling must be directed in writing to the Chairman or Vice Chairman of the Committee.

(c) Adoption of Ruling:

(1) The Chairman and Vice Chairman, acting jointly, shall issue a written interpretative ruling in response to any such request, unless—

(A) they cannot agree,

(B) it requires an interpretation of a significant question of first impression, or

(C) either requests that it be taken to the Committee, in which event the request shall be directed to the Committee for a ruling.

(2) A ruling on any request taken to the Committee under subparagraph (1) shall be adopted by a majority of the members voting and the ruling shall then be issued by the Chairman and Vice Chairman.

(d) Publication of Rulings: The Committee will publish in the Congressional Record, after making appropriate deletions to ensure confidentiality, any interpretative rulings issued under this Rule which the Committee determines may be of assistance or guidance to other Members, officers or employees. The Committee may at any time revise, withdraw, or elaborate on interpretative rulings.

(e) Reliance on Rulings: Whenever an individual can demonstrate to the Committee's satisfaction that his or her conduct was in good faith reliance on an interpretative ruling issued in accordance with this Rule, the Committee will not recommend sanctions to the Senate as a result of such conduct.

(f) Rulings by Committee Staff: The Committee staff is not authorized to make rulings or give advice, orally or in writing, which binds the Committee in any way.

RULE 13: PROCEDURES FOR COMPLAINTS INVOLVING IMPROPER USE OF THE MAILING FRANK

(a) Authority to Receive Complaints: The Committee is directed by section 6(b) of Public Law 93–191 to receive and dispose of complaints that a violation of the use of the mailing frank has occurred or is about to occur by a Member or officer of the Senate or by a surviving spouse of a Member. All such complaints will be processed in accordance with the provisions of these Rules, except as provided in paragraph (b).

(b) Disposition of Complaints:

(1) The Committee may dispose of any such complaint by requiring restitution of the cost of the mailing if it finds that the franking violation was the result of a mistake.

(2) Any complaint disposed of by restitution that is made after the Committee has formally commenced an initial review or investigation, must be summarized, together with the disposition, in a notice promptly transmitted for publication in the Congressional Record.

(3) If a complaint is disposed of by restitution, the complainant, if any, shall be notified of the disposition in writing.

(c) Advisory Opinions and Interpretative Rulings: Requests for advisory opinions or interpretative rulings involving franking questions shall be processed in accordance with Rules 11 and 12.

RULE 14: PROCEDURES FOR WAIVERS

(a) Authority for Waivers: The Committee is authorized to grant a waiver under the following provisions of the Standing Rules of the Senate:

(1) Section 101(h) of the Ethics in Government Act of 1978, as amended, (Rule XXXIV) relating to the filing of financial disclosure reports by individuals who are expected to perform or who have performed the duties of their offices or positions for less than one hundred and thirty days in a calendar year;

(2) Section 102(a)(2)(D) of the Ethics in Government Act, as amended, (Rule XXXIV) relating to the reporting of gifts;

(3) Paragraph 1 of Rule XXXV relating to acceptance of gifts; or

(4) Paragraph 5 of Rule XLI relating to applicability of any of the provisions of the Code of Official Conduct to an employee of the Senate hired on a per diem basis.

(b) Requests for Waivers: A request for a waiver under paragraph (a) must be directed to the Chairman or Vice Chairman in writing and must specify the nature of the waiver being sought and explain in detail the facts alleged to justify a waiver. In the case of a request submitted by an employee, the views of his or her supervisor (as determined under paragraph 11 of Rule XXXVII of the Standing Rules of the Senate) should be included with the waiver request.

(c) Ruling: The Committee shall rule on a waiver request by recorded vote, with a majority of those voting affirming the decision.

(d) Availability of Waiver Determinations: A brief description of any waiver granted by the Committee, with appropriate deletions to ensure confidentiality, shall be made available for review upon request in the Committee office. Waivers granted by the Committee pursuant to the Ethics in Government Act of 1978, as amended, may only be granted pursuant to a publicly available request as required by the Act.

RULE 15: DEFINITION OF "OFFICER OR EMPLOYEE"

(a) As used in the applicable resolutions and in these rules and procedures, the term "officer or employee of the Senate" means:

(1) An elected officer of the Senate who is not a Member of the Senate;

(2) An employee of the Senate, any committee or subcommittee of the Senate, or any Member of the Senate;

(3) The Legislative Counsel of the Senate or any employee of his office;

(4) An Official Reporter of Debates of the Senate and any person employed by the Official Reporters of Debates of the Senate in connection with the performance of their official duties;

(5) A member of the Capitol Police force whose compensation is disbursed by the Secretary of the Senate;

(6) An employee of the Vice President, if such employee's compensation is disbursed by the Secretary of the Senate;

(7) An employee of a joint committee of the Congress whose compensation is disbursed by the Secretary of the Senate;

(8) An officer or employee of any department or agency of the Federal Government whose services are being utilized on a full-time and continuing basis by a Member, officer, employee, or committee of the Senate in accordance with Rule XLI(3) of the Standing Rules of the Senate; and

(9) Any other individual whose full-time services are utilized for more than ninety days in a calendar year by a Member, officer, employee, or committee of the Senate in the conduct of official duties in accordance with Rule XLI(4) of the Standing Rules of the Senate.

RULE 16: COMMITTEE STAFF

(a) Committee Policy:

(1) The staff is to be assembled and retained as a permanent, professional, nonpartisan staff.

(2) Each member of the staff shall be professional and demonstrably qualified for the position for which he or she is hired.

(3) The staff as a whole and each member of the staff shall perform all official duties in a nonpartisan manner.

(4) No member of the staff shall engage in any partisan political activity directly affecting any congressional or presidential election.

(5) No member of the staff or outside counsel may accept public speaking engagements or write for publication on any subject that is in any way related to his or her employment or duties with the Committee without specific advance permission from the Chairman and Vice Chairman.

(6) No member of the staff may make public, without Committee approval, any Committee sensitive or classified information, documents, or other material obtained during the course of his or her employment with the Committee.

(b) Appointment of Staff:

(1) The appointment of all staff members shall be approved by the Chairman and Vice Chairman, acting jointly.

(2) The Committee may determine by majority vote that it is necessary to retain staff members, including a staff recommended by a special counsel, for the purpose of a particular initial review, investigation, or other proceeding. Such staff shall be retained only for the duration of that particular undertaking.

(3) The Committee is authorized to retain and compensate counsel not employed by the Senate (or by any department or agency of the Executive Branch of the Government) whenever the Committee determines that the retention of outside counsel is necessary or appropriate for any action regarding any complaint or allegation, initial review, investigation, or other proceeding, which in the determination of the Committee, is more appropriately conducted by counsel not employed by the Government of the United States as a regular employee. The Committee shall retain and compensate outside counsel to conduct any investigation undertaken after an initial review of a sworn complaint, unless the Committee determines that the use of outside counsel is not appropriate in the particular case.

(c) Dismissal of Staff: A staff member may not be removed for partisan, political reasons, or merely as a consequence of the rotation of the Committee membership. The Chairman and Vice Chairman, acting jointly, shall approve the dismissal of any staff member.

(d) Staff Works for Committee as Whole: All staff employed by the Committee or housed in Committee offices shall work for the Committee as a whole, under the general direction of the Chairman and Vice Chairman, and the immediate direction of the staff director or outside counsel.

(e) Notice of Summons to Testify: Each member of the Committee staff shall immediately notify the Committee in the event that he or she is called upon by a properly constituted authority to testify or provide confidential information obtained as a result of and during his or her employment with the Committee.

RULE 17: CHANGES IN SUPPLEMENTARY PROCEDURAL RULES

(a) Adoption of Changes in Supplementary Rules: The Rules of the Committee, other than rules established by statute, or by the Standing Rules and Standing Orders of the Senate, may be modified, amended, or suspended at any time, pursuant to a majority vote of the entire membership taken at a meeting called with due notice, when prior written notice of the proposed change has been provided each member of the Committee.

(b) Publication: Any amendments adopted to the Rules of the Committee shall be published in the Congressional Record not later than thirty days after adoption.●

THE HOSTAGES AND THE VIETNAM VETERANS

● Mr. BIDEN. Mr. President, after 444 days of captivity, our hostages have come home from Iran, and America is glad.

Not since the summer of 1945 brought an end to World War II has this country seen such an outpouring of national good feeling as we have seen in the weeks since the hostages returned to a triumphant welcome here in the National Capital and in their hometowns all across the land.

I had the good fortune to take part in such a celebration, as the Delaware town of Seaford welcomed home a native son, Marine Sgt. Greg Persinger, back from his long ordeal in Iran. The sincerity of that welcome, in Seaford as in Washington, was beyond question. Greg Persinger and his fellow hostages displayed throughout their imprisonment in Iran that quality of courage Ernest Hemingway characterized as "grace under pressure," and they were deservedly celebrated by Americans everywhere as heroes.

But those hostages have reminded us, Mr. President, and a grateful nation has sadly agreed, that perhaps the greatest heroes of that long national nightmare were the eight servicemen who volunteered for the attempt to rescue the hostages and gave up their lives in the Iranian desert. There was no triumphal welcome for them, but their death in the service of their country has been and must be recognized as the highest sacrifice ever asked of Americans.

There was more than enough heroism to go around in Iran, and the Nation has reacted to it with noteworthy enthusiasm—an enthusiasm I believe we all recognize as not only a response to the character and bravery of both the hostages and those who died attempting to rescue them, but also as the resurgence of pride in a nation that has for too long doubted itself, for too long feared it had nothing left to take pride in.

The reaction of the American people to the return of the hostages strongly expresses, I believe, a sense of national relief after more than 15 years of frustration—frustration with a war which dragged on too long and about which the American people were never able to arrive at a unified conclusion—and nearly 10 years of dismay over Watergate and what it seemed to be saying to us about the state of our political institutions. We have felt a need for heroes, and we have found them in the hostage cells of Tehran and during a tragic night in the Iranian desert. We have needed an opportunity to be glad, and the successful conclusion of the complex negotiations that brought the hostages home has given us that opportunity.

It has been refreshing and inspiring to see once again an uninhibited and straightforward display of genuinely patriotic feelings on such a grand scale all over the United States. The morale of the American people has received a much-needed lift, and I believe that glimpse of a resurgent American national unity has encouraged our friends and dismayed our adversaries all over the world. It has been a good time to be an American, Mr. President, the best opportunity our leaders have had in more than a decade to truly amplify the spirits of Americans.

But, Mr. President, the current national mood and the welcome we have extended to our returning hostages have also established a stark and even painful contrast to the lack of appreciation and the neglect we have displayed as a nation toward another group of Americans who have deserved better of our gratitude—the nearly 9 million American men and women who served in our Armed Forces during the difficult era of the Vietnam war, of whom almost 2 million saw action in the Vietnam theater of operations. More than 50,000 Americans lost their lives there, and hundreds of thousands of others came home bearing wounds of the body and spirit from which they still suffer today. And they came home to no celebration of their service and their sacrifice.

They came home instead to a nation morally exhausted with the unresolved dilemmas of the war which had consumed the national energies even as it consumed their youth, their health and their lives. They came home to a people that had lost its capacity to celebrate the commitment to duty and the courage of its young people on the field of battle. They came home to an America that could welcome them only as the disturbing reminders of a war Americans had made up their minds to forget.

Mr. President, I believe the reinvigoration of the national spirit we have experienced in recent weeks offers us also the opportunity as a nation to renew our appreciation for the contributions to our freedom and security we have received from all the veterans of all our wars. The post-Vietnam syndrome from which we have suffered too long as a nation has made us so reluctant to recognize the necessary role of our military services that we have also tended to forget the enormous debt we owe to our veterans of those services. But I believe the conclusion of the Iranian episode in our history has restored our sense of proportion as to the proper place of the military services in the world s most powerful democracy, and I hope it will also restore our appreciation for the men and women who have served and still serve in the Armed Forces. We are by preference a peaceful people, but without military strength we have little hope of preserving the peace in a world where democracy is under seige.

It is clear, I think, from the comments of our hostages that they would find such a renewed appreciation of our need for national strength as a compensation for the hardships they endured for more than 14 months in Iran. Sergeant Persinger has said as much, and I believe he speaks both for his fellow hostages and for the great majority of his fellow Americans.

Moreover, Mr. President, acknowledging our debt of gratitude to the men and women who served during the war in Vietnam in no way obliges us to reopen our unresolved national debate over that conflict. Opening our hearts to those who sacrificed there does not require us to refight that agonizing struggle in our minds or in our public forums. There certainly need not be any debate about their motives. What they felt was in fact the case—their country called upon them, and out of a sense of personal duty they answered that call, as countless other Americans have done throughout the more than 200 years of our history. That motive deserves the same respect today that Americans have historically accorded it.

Unfortunately, as we all know, they have not so far received that respect, nor have they experienced, either morally or materially, the kind of gratitude we have historically extended to our veterans—any more than they received the kind of homecoming we have so enthusiastically, and so rightly, bestowed upon our returning hostages. They have been the invisible, forgotten Americans of our time.

That discrepancy is so glaring that it is very much to the credit of our Vietnam veterans that, although they could hardly ignore the difference, they have not been mean-spirited about it. More than most of us, I am sure, they have understood and applauded the manner in which the hostages endured their captivity. But I think there is equally no doubt that their inevitable sensitivity to that difference has only aggravated their already strong feelings of alienation in the midst of their own society. In that sense, Mr. President, I fear that what has been an occasion of renewed pride among most Americans has only redoubled the burden our Vietnam veterans have had to bear.

But I am convinced, and I believe the majority of Americans can now agree, that the resurgence of good feelings in this country should and can be expanded to relieve those men and women of that undeserved burden—that this is just the time to open our hearts and let them feel our long-denied esteem.

It is a moment, and the fulfillment of a national obligation, that is long overdue. It is, Mr. President, a call to our national conscience.

And it requires only a glance at the statistics of our Vietnam veterans to grasp just how clear a call it is.

At an average age of 34, most of our Vietnam veterans have managed to put the war and its after-effects behind them—but their success at getting on with their lives is a tribute to their own guts and determination, not to the encouragement of a grateful nation. At the age when, under ordinary circumstances, they would be approaching the most productive period of their lives, when they would be making settled and secure homes for their young families, far too many others still find their lives in great disarray.

The divorce rate among all Vietnam veterans is twice the national average. They are twice as likely as other American workers to be unemployed. One out of four is employed at less than $7,000 a year.

More than 60 percent of them came home a decade or more ago suffering from major emotional problems, alcoholism, and drug abuse—and 40 percent

of them still have not recovered from those debilitating difficulties. An estimated 700,000 suffer from the "delayed stress syndrome" that causes periodic depressions, insomnia, marital discord, job problems, and occasional irrational rages, often directed toward their own families and friends. Indeed, fully 75 percent of all Vietnam veterans report at least some of those effects.

About 70,000 Vietnam veterans are now in jail. More than 200,000 others are out on bail, parole, or probation.

There are more than 600,000 active Veterans' Administration compensation and pension cases concerning Vietnam-era veterans—and of the 30,000 compensation cases rated at 100-percent disability, some 19,000 are for psychiatric and neurological disorders. And the suicide rate for Vietnam veterans is 25 percent higher than it is for their nonveteran peers.

That is a tragic catalog of misfortunes—and there may be worse yet to come. Untold thousands of service men and women were exposed in Vietnam to agent orange, a defoliant widely suspected of causing cancer and other disorders. VA studies yet to be completed may well reveal genetic effects not only on the veterans themselves but also on their children.

Mr. President, no matter how we approach the circumstances of our Vietnam war veterans, we cannot be encouraged by this situation—and we can take no pride as a nation in how we have treated them since their return to civilian life. If we are truly to take a new lease on our national spirit, we cannot allow that neglect of their needs to continue.

It is especially important that we keep that history in mind as we review President Reagan's recommendations for the reductions in Federal spending we all know are so necessary to the long-term economic health of our country. As a charter member of the Budget Committee, I need no convincing as to the absolute necessity of such cuts in spending; throughout my 8 years in the Senate I have strongly advocated strict fiscal controls and a balanced budget, and I know as well as all other.Members of this body know that we have reached the point where we can no longer delay reining in the Federal budget.

But, Mr. President, I believe it is vital to the revival of our pride in ourselves and our country that we do not further impugn the integrity of our commitment to the men and women who have fought all our wars—and especially the veterans of the war in Vietnam who have already suffered so much from our indifference—by asking them to absorb a disproportion sacrifice in addition to those they have already made on our behalf. They deserve better of us than we have so far accorded them, and we must not ask more of them now than they should rightfully bear.

We must not ask those suffering from service-connected disabilities to accept a decline in their already-modest standard of living, and we must continue to provide them with the physical care and psychological counseling they need.

We must find ways to promote the employment of Vietnam veterans now out of work and to improve the incomes of others employed at wages far below standard.

We must make certain that our veterans receive the health care that was promised them when they entered the service, and we must vigorously pursue the resolution of the agent orange issue that haunts hundreds of thousands of men and women who served in Vietnam and may threaten the lives of their children.

But most of all, Mr. President, even as we embark upon a time when all Americans will be called upon to make sacrifices, we must recognize the special sacrifices our veterans have made for all of us—and we must do all within our power to overcome the effects among our Vietnam veterans of more than a decade of our neglect and indifference.

We have always been a proud people, proud of our heritage and proud of our national accomplishments. Today, both in answer to the example set for us by our hostages in Iran and to the challenges we know lie before us, we are rediscovering the sources of that well-earned national pride. I believe, Mr. President, that that rediscovery is absolutely critical to our success in meeting our challenges and to our future as a nation—but I do not believe we can fully rediscover what is best in ourselves and in our country if we fail to meet to the fullest possibility our commitment to the men and women who have fought, suffered, and died in our wars.

We can be true to ourselves only if we are true to our promises to them. That is the call to conscience to which I believe America must answer today and in the years ahead if we are to enjoy, and deserve, the fullest measure and the much-needed benefits of a renewed national pride.●

STEEL INDUSTRY COMPLIANCE EXTENSION ACT OF 1981

● Mr. PERCY. Mr. President, I am pleased to announce that I recently became a cosponsor of S. 63, the Steel Industry Compliance Extension Act of 1981. I urge my colleagues to act upon this legislation in the very near future, so that the American steel industry can make necessary capital investments to compete with foreign steel producers and remain a vital and healthy part of our national economy. Just as importantly, S. 63 is a measure which will help upgrade our steel plants so they can conform to the stringent and necessary pollution control requirements of the Environmental Protection Agency.

Under the current provisions of the Clean Air Act, steel and iron plants must meet EPA emission requirements by December 31, 1982.

We are in an era in which our steel manufacturers face ever-increasing foreign competition; reduced sales and greater regulatory costs have made it more and more difficult to invest the capital necessary for plant expansion and modernization.

If steel companies were forced to meet the EPA's current compliance timetable, the huge capital investments required could force them to forego many of the expansion and modernization plans that would make them competitive worldwide for decades to come. Some industry representatives have warned that the current EPA compliance schedule might result in the premature shutdown of as much as 26 million tons of producing capacity; older plants simply will be uneconomic to modernize. This is a scenario we must work actively to avoid.

To their great credit, the original sponsors of S. 63—Senators RANDOLPH, HEINZ, GLENN, and LUGAR—have recognized that there is another way. Written with the full compliance of the EPA itself, the Steel Industry Compliance Extension Act would authorize the EPA Administrator to enter into consent decrees with individual iron and steel producers, creating a new schedule for full compliance by the end of 1985. Companies being awarded compliance extensions would have to invest their savings toward modernizing existing facilities.

S. 63 would not offer a blanket extension of the Clean Air Act to all steel producers. The EPA Administrator must be convinced that a steel plant cannot modernize without this compliance deadline "stretchout"; that the extension will not result in any degradation of surrounding air quality; and that all EPA compliance requirements will be met by December 31, 1985. It is vital to note, Mr. President, that not only the EPA but also the Natural Resources Defense Council has endorsed the philosophy behind this legislation.

The American Iron and Steel Institute reported recently that, in 1980, U.S. steelmaking capacity dropped from 158 million tons to 155 million tons. Actual production fell from 137 million tons to 135 million tons. A further decline of 10 to 15 percent is predicted by 1982. The impact of this loss of capacity on jobs is great. For every million tons of capacity which are lost, Mr. President, roughly 4,000 jobs are lost, too. That is a staggering figure.

Mr. President, S. 63 is a measure which will allow American steel companies to not only stay competitive and grow, but also prepare for full compliance with environmental control requirements of the Clean Air Act. It is a very practical and intelligent piece of legislation which can help America meet two highly laudable goals: a healthy economy and clean air. I urge the adoption of S. 63 as quickly as possible.●

JOHN K. NORTHROP

● Mr. CANNON. Mr. President, John K. Northrop passed away at the age of 85. Being aware of his significant contributions to aviation I think it would be appropriate to give this pioneer recognition by inserting his biography in the CONGRESSIONAL RECORD.

John K. Northrop, founder of the Northrop Corp., is recognized as one of the world's most creative and prolific aircraft designers. In addition to forming

the company that bears his name, he was one of the founders of the Lockheed Corp. and was cofounder of Northrop University in Los Angeles.

Mr. Northrop is perhaps best remembered as the creator of the "Flying Wing." However, he actually designed a total of 48 aircraft, in the process pioneering aeronautical concepts that have been carried into the jet age. Among these was the first successful all-metal, stressed skin (in which the covering carries the load), monocoque (without use of internal framework) fuselage aircraft. This design concept, developed by Mr. Northrop in the 1920's, is used in virtually all commercial and military aircraft in service today.

Often stating that he got his start as a "grease monkey," Mr. Northrop was responsible for designing such famed aircraft as the Lockheed Vega; the Douglas A–17 for the U.S. Army Corps; the Douglas BT–1 dive bomber for the U.S. Navy; the Northrop Alpha, Beta, Gama, and Delta series of civil aircraft; the Army Air Corps Northrop P–61 Black Widow, the first airplane ever designed specifically for night fighting; the U.S. Air Force Northrop F–89 Scorpion, the first twin-jet, all-weather interceptor and the first interceptor to carry atomic armament; as well as the USAF Northrop B–35 and B–49 Flying Wing bombers.

He received the President's Certificate of Merit for his contributions to the Nation's defense in World War II and the Spirit of St. Louis Medal of the American Society of Mechanical Engineers for "meritorious service in the advancement of aeronautics."

The Smithsonian Institution has three Northrop-designed aircraft, a 1930 Alpha and two Vegas—Amelia Earhart's "Little Red Wagon" and Wiley Post's "Winnie Mae." Mr. Northrop's N–1M Flying Wing is now being restored by the museum.

After retiring from Northrop Corp., Mr. Northrop retained an active interest in aviation and continued to serve as honorary director of the company bearing his name.●

ESTONIAN INDEPENDENCE DAY

● Mr. RIEGLE. Mr. President, Tuesday marked the 63d anniversary of the Republic of Estonia. The Madrid Conference is continuing its work, but the evidence is clear that the Soviet Union has not honored the commitment it made in Helsinki in 1975. The Estonian people continue to live in the shadow of Soviet domination. The official policy of "Russification" has resulted in many Estonians being forced from their homeland, and the influx of thousands of Russians into Estonia. These events have restricted the practice of the traditional religion and culture, and may pose a threat to the survival of the Estonian people.

Through this all, the Estonian people have maintained their dignity and identity as one people. One needs only to look at the close-knit communities in the United States to see the essence of the Estonian spirit. On this special day, we should take a moment to remember the sacrifices that the Estonian people have endured, and continue to endure, to preserve the dream of freedom. Two examples of this stand out in particular. Mart Niklus and Juri Kukk have attempted to oppose the Russian system imposed on their nation. They have been subjected to severe penalties for their actions, but their cause lives on in the hearts of Estonians everywhere.

I hope that their support of the Helsinki principles will one day result in freedom for all Estonians and that February 24 will once again become "Independence Day" for all Estonia.●

AMBASSADOR WATSON'S REMARKS ON LEAVING MOSCOW

● Mr. PERCY. Mr. President, last month our Ambassador to Moscow, Tom Watson, paid his farewells after a year and a half of distinguished public service in lieu of the well-deserved retirement he and his wife might have chosen. They both deserve the thanks of all of us for a job well done.

His thoughts on leaving Moscow, reprinted in the New York Times of January 19, 1981, contain some wisdom on coping effectively with the Soviets that we would all do well to ponder.

He reminds us that, however, exasperating the Soviets are, we have to live in the world as it is, not as we wish it were, and compete with them in present day terms. This means abandoning the nostalgia of a bygone world of unchallenged American hegemony. It means accepting the national will and discipline required to compete effectively in today's conditions. And it means giving up the illusion that the Soviet Union is so beset with internal problems it is likely to collapse amid its own difficulties.

Ambassador Watson concludes:

To face the Soviet challenge, we should commit the United States to a carefully considered program aimed at putting our house in order and restoring our allies' confidence in us. That process could and should include conventional-arms increases, a program of universal military service, a reduction in Government spending, a balanced budget even with the sacrifice of increased taxes, a national energy policy, and a carefully reasoned foreign policy—one that will both allow us to stand up to the Soviet Union when our national interests are at stake and also will allow us to work with it when we can.

But let us do this realistically. Let us do it with the idea that we can never return to those good old days of yesteryear when American power was supreme. Now, for our lives, and the lives of everyone in the world, we must learn to reason with our opponents, and they with us. There is no other alternative.

Mr. President, I ask to have printed in the RECORD the full text of Ambassador Watson's remarks.

DEALING WITH MOSCOW

(By Thomas J. Watson, Jr.)

Moscow.—When I said farewell to the American press corps in Moscow the other day, I complimented them on the quality of their reporting. They have done much to explain the workings of that country to all of us. But, at the same time, I had to tell them that despite their best efforts, the Soviet Union is not basically understood by most Americans.

Oh, yes, we know who controls the levers of power; we know they are an aging lot, most of whom will not survive this decade; and we know something about the factors that lie behind those policies, both internal and external, that we so often find abhorrent. America's lack of understanding does not result from a lack of information.

It stems instead from a mistaken belief, augmented from time to time by articles in our press, that we can continue to assert ourselves in the world and successfully compete with the Soviet Union without sacrifice and without major new demonstrations of national will.

We long for days gone by when the United States had nuclear superiority over the Soviet Union and knew that if push came to shove, we were in a dominant position. There are snake-oil salesmen and medicine men in America today purveying their various and sundry balms with all sorts of promises of quick fixes that would restore us to this position. A basic element in most of these elixirs is a call for a rapid build-up of our nuclear forces, accompanied by assurances that the Soviet Union will be unable to match us.

Even if one could achieve meaningful nuclear superiority—and one cannot—I submit that this is a fundamental and dangerous misunderstanding of the Soviet Union.

I spent six months in the Soviet Union in 1942 and watched as the Soviet people made incredible sacrifices for their homeland. I see no evidence today that the small group of men in the Kremlin who wield power arbitrarily would be any less successful in imposing sacrifices on their people, deflecting still more resources from the civilian to the military sector to match any build-up of arms that we make. The Soviet people are accustomed to sacrifices and to shortages, and, except for a few brutally suppressed dissidents, they have no experience in challenging—or inclination to challenge—the decisions imposed by their leaders.

During my tenure as Ambassador, we heard frequent reports of alleged food shortages, work shortages, and the like. On occasion, I sensed that various wishful thinkers back home were ready to seize on such reports as evidence that the Soviet system could not long survive in its present form.

In my judgment, nothing could be further from the truth, nor more likely to lead the United States toward unwise policy decisions.

While our officers regularly reported scarcities of some food items, and while living standards are indeed far below those of most Americans, in no case have we found evidence of public unrest or any serious challenge to the established authority. The Soviet economy has made good progress since World War II and does provide the Soviet people with much more than they had earlier.

What does all this mean? Simply that we can and should be equal but that neither of us can dominate.

The leaders of the Soviet Union have both the will and the means to match any arms build-up we make. All we will accomplish is to throw good money after bad and to heighten the dangers of an accidental nuclear exchange. Like it or not, we have to acknowledge that the Soviet Union will not accept second-class status. Once we understand this, our attitude toward an attempt to gain nuclear superiority should be far different—as should our attitude towards arms control.

On the other hand, neither should we accept second-class status. We have the strongest economy in the world and the social system best suited to deal with a changing world.

To face the Soviet challenge, we should commit the United States to a carefully considered program aimed at putting our house in order and in restoring our allies' confidence in us. That process could and should

include conventional-arms increases, a program of universal military service, a reduction in Government spending, a balanced budget even with the sacrifice of increased taxes, a national energy policy, and a carefully reasoned foreign policy—one that will both allow us to stand up to the Soviet Union when our national interests are at stake and also will allow us to work with it when we can.

But let us do this realistically. Let us do it with the idea that we can never return to those good old days of yesteryear when American power was supreme. Now, for our lives, and the lives of everyone in the world, we must learn to reason with our opponents, and they with us. There is no other alternative.●

WILBERFORCE UNIVERSITY: 125 YEARS OF ACHIEVEMENT

● Mr. METZENBAUM. Mr. President, in 1844, at a time in our history when slavery was a powerful and seemingly permanent institution in this country, an inspired clergyman named Daniel Payne founded an institution whose purpose was the liberation of black Americans. Inspired by the work of Bishop William Wilberforce, who led the campaign to abolish slavery in the British colonies, Reverend Payne established in rural Ohio a place where children of the oppressed could come to acquire the emancipation that comes from higher education; 12 years later, in 1856, Wilberforce University received the charter that today gives it the distinction of being the oldest black university in the United States.

This week Mr. President, Wilberforce University will celebrate the 125th anniversary of its charter.

Among the celebrants will be more than 1,100 students, representing 34 States and 11 foreign countries. Those students pursue their courses of study on a very attractive, modern campus with a strong and growing reputation for academic excellence in the context of an outstanding moral and religious environment provided by the university's long-standing relationship with the African Methodist Episcopal church. I am confident that the future will see new and impressive chapters written in the university's proud history.

Mr. President, I offer my warmest congratulations in this occasion to Wilberforce's president, Dr. Charles Taylor, to Vinton R. Anderson, who chairs the board of trustees and to the entire Wilberforce family—the students, faculty, alumni and friends of this fine institution.●

THE MORAL ARCHITECTURE OF RAOUL WALLENBERG

● Mr. LEVIN. Mr. President, I was recently privileged to present the seventh annual Raoul Wallenberg lecture at the School of Architecture and Urban Planning at the University of Michigan. In my remarks, I attempted to do two things. First, I wanted to communicate my sense of frustration and fury at our inability to resolve the questions which surround the fate of Raoul Wallenberg.

As my colleagues well know, repeated efforts by the Congress and the executive branch have failed to elicit an adequate explanation of his fate from the Soviet Union. To date, we have only received repeated claims that he was apparently taken into custody by Soviet forces in 1945 and died in 1947. These claims, however, ignore the documented reports which have been received with regularity indicating that Wallenberg was still alive long after that date.

As recently as 3 years ago, a released prisoner reported having heard of Wallenberg's survival after 30 years in captivity. That former prisoner, Jan Kaplan has since been rearrested and repeated attempts to talk with him or even discover his whereabouts have been rebuffed. I wanted to indicate, in my remarks, that I found this denial of information by the Soviets to be a repeat of their actions in the Wallenberg matter and, accordingly, I wanted to pledge to my audience—as I pledge to my colleagues—that I will continue to pursue this case until it is resolved.

But I also wanted to talk about the legacy of Raoul Wallenberg: a legacy which I believe ought to contribute to our understanding of the environment which surrounds us. In this context, I tried to draw from his life a concept which could help us deal with the issues of ethnicity and separation which so directly affected his life and molded his actions in the closing days of the Nazi holocaust.

I tried to suggest that the kind of moral architecture which Wallenberg practiced could allow us to approach the concept of ethnicity, and its implications for city planning, from a perspective which might free us to acknowledge tne value of ethnicity and develop its potential. In my remarks, I talked about the need to allow identifiable communities to develop as communities; I spoke of the desirability of city planners fostering a sense of ethnic neighborhoods and community cohesiveness; and I stressed the need I felt, as a policymaker, for more help in this area from the academic and professional community.

I believe that my remarks may be of some interest to my colleagues and, accordingly, I ask unanimous consent that they appear in the RECORD at this point.

WALLENBERG LECTURE

(By Senator CARL LEVIN)

Goethe once wrote that "the fate of the architect is the strangest of all. How often he expends his whole soul, his whole heart and passion, to produce a building he himself will never enter."

That epigram is both profound and paradoxical. It speaks to us about the gulf which separates people from the products they produce. But there is a deeper layer and labyrinth that we all experience as well: The separation of groups from society and the impact—both productive and destructive—that this separation has on the quality of our lives.

We might begin the process of seeking to understand this concept of separation—its positive prospects, and its more frequently identified negative nature—by looking at the life of Raoul Wallenberg.

In fact, Wallenberg's life becomes an effective metaphor for separation since it was itself separated into two distinct periods, in much the same way that Oriental thought separated the nature of reality, dividing it into the duality represented by the Yin and Yang of ancient design. In terms of Wallenberg, the Yang would be power: A man able to act in a time of evil and through that action, create at least an island of humanity in a sea of events devoid of any sense or value. And the Yin would be impotence: A man captured in another time of insanity, unable to break through a bureaucracy of pain and, as a result of his agony, becoming a symbol of the complexity of an age which too often chains our spirit and dulls our sense of effective outrage.

We need to understand those separate halves of his life, the duality of his experience. For in that experience, there is a hint of a concept capable of leading us to an understanding of the relationship between separation and society.

Let me begin, then, with the brighter half of this dichotomy, with the Yang of a man of action in a world of evil. Raoul Wallenberg was born in Sweden in 1912. His family was wealthy, his relationship with his society secure. But rather than being satisfied with what society offered, Wallenberg set out on a journey of exploration—a journey which brought him to this campus and the study of architecture. He sought, it seems, to understand the forms which surrounded him. He found a certain harmony in the orderly progression his discipline taught him. And he excelled in design, in creating patterns on paper which could be translated into a more humane living environment.

But his skills were ultimately to be used in an environment which was dedicated neither to humanity nor to life. Sent to Budapest in 1944 by the Swedish Government, at the urging of the War Refugee Board, and under cover of his family's financial interest in exports, he soon discovered that the business of the state in the tragic end-game of war was death and its exports were people rather than products.

To a certain extent, the separation of time has worked its tragic magic on us. The faded gray of the black and white photos of the period have dulled our sense of shock. We see the pictures of families gathered together, hope still there despite the fear, and we know—know with the certainty of time—that their hope is false and their fear is inadequate.

Wallenberg, though, was not separated in time. He was there—there in the center of a whirling turn of events which he felt could be altered, which he believed could be stopped, which he knew he must confront.

Others, though, did separate themselves from the reality he could not ignore. They closed their eyes when the beatings took place, they blocked their ears when the cries of pain echoed through the streets, they turned their head when the herds of human cattle were gathered in the streets and marched to the trains. Wallenberg could not escape that easily. He saw, he heard, he sensed the evil that surrounded him. And he decided to act.

Physically isolated from his homeland, spiritually aliented by the relative safety of Christian Budapest which could have been his, he sought to save a people who had been thrown into a world of chaos and divorced from the society which they had once shared. He went as an emissary into the Jewish ghetto, a physical enclave which must have affronted every principle of architectural harmony he had ever learned. He entered the twisted world of the Jew under Nazi rule, a universe which must have insulted every principle of human conduct he had ever absorbed.

He acted in that environment for less than a year. But in that time he touched the lives of over 100,000 human beings. He created passports, paper pledges of protection issued in the name of the Swedish government. And he took those passports and distributed them to those who were about to be taken away—

then threatened their guards with unknown but horrible consequences if they violated the protection those passports promised. It worked. People marched away from railroad cars which led to death and walked into apartments that Wallenberg rented as a refuge for the displaced.

He dined with Adolf Eichmann, mastermind of mass murder, in his desperate efforts to delay death. He met with the Mayor of Budapest and left with lives. He challenged soldiers on the street and produced safety for people. He was here and then he was there: hunted by the local Nazis and haunted by the image of what they were doing.

His life, once as orderly as the buildings he designed, was now a jagged line of dashes and danger. But out of that chaos came salvation for some and faith for others. Separated as he was from the prevailing immorality of that time and place, he was able to design a legend of heroism and hope that still lives on, in the belief that a single individual can, through a concern for and a commitment to good, bring a light to a night darker than any we can now imagine.

So, Wallenberg took the plight of a people packed into a ghetto and isolated from society as his cause. He saw in their forced separation an evil to be eliminated and in making that effort, he voluntarily separated himself from the society to which he belonged and the culture to which he had been born.

That was the legacy of the Yang that was Wallenberg. But there is a Yin as well. And in that Yin, Wallenberg changes. No longer is he the lone individual acting to conquer evil. In this new environment, he becomes the victim rather than a victor.

This world began for him as the war wound down and the flow of blood slowed. Wallenberg saw a city in ruins and a civilization in need of repair. The training he received at this University had prepared him for such a challenge. In the sleepless nights of saving, he had stolen minutes away from danger to design, to commit to paper a plan for a new city, a Budapest whose architecture would be worthy of the suffering it had seen and whose spirit would reflect the meaning of the struggle it had housed.

He wanted that design to become real, and he wanted it to serve as a home for the people whose lives had touched his. He was used to negotiating for his needs. And so, in the closing days of the war, he did not wait for the Russian troops to march into Budapest. Instead he sought to meet with their victorious generals and begin the process of building anew, physically and psychologically, a home for the displaced and the dispirited.

But the Russians had no interest in seeing a city built which would enhance human hope and reflect human dignity. And so there were no negotiations, and no discussions. There wasn't even an accusation. All there was, was an arrest. And then a trip to a jail cell in Moscow.

His story from this point on could serve as a model for Kafka's "Prisoner"—but for the fact that the novel is, incredibly enough, both clearer and more coherent. As best we can reconstruct it now, the Soviets thought Wallenberg a spy, an agent of the American government. They sought information from him—information he did not have. They sought confessions from him—confessions he could not make. And when they failed to get what they wanted, they decided to take what they could get: they decided to break him as they had broken so many others.

But Wallenberg did not break. Isolated though he was, separated from any semblance of social sanity or legal process, he stood firm.

And, as a result, he began a long journey which even now we do not totally understand or know. It appears, from all reports, that he was transferred from one prison to another. But no one knew for sure since the Soviets, in a singular act of denial, refused to even acknowledge that they were holding him prisoner. As interest in his plight built, however, pressure on the Soviets to account for him continued to grow. Finally in 1957, they produced a document, signed by the current Foreign Minister of the Soviet Union, Andrei Gromyko. That document purported to demonstrate that newly discovered records indicated that Wallenberg had, indeed, been imprisoned but had died of a heart attack in July, 1947. No death certificate accompanied the document. No explanation for his arrest was contained in the document. It simply reported the death and blamed any past misunderstandings and confusion on already discredited figures of the discarded Stalinist regime.

Since then, the Soviets have persisted in saying that they have no additional information on the case.

But those who are interested do have additional information. For years there have been reports of sightings, stories of meetings, tales of conversations. Just three years ago, a man named Jan Kaplan was released from a Soviet prison. He called his daughter in Israel and, in an attempt to assure her that he had survived his ordeal in good health, told her that he had seen a Swedish prisoner who had been held for over 30 years. Word of that conversation circulated throughout the growing community of those concerned about Wallenberg and, ultimately, to the Soviet authorities. Those authorities promptly arrested Jan Kaplan again. Repeated attempts by our Government and others to locate him or talk to him have been rebuffed by the Russians. His crime appears to have been making a casual, inadvertent statement which might imply that even after thirty years of isolation, Raoul Wallenberg still lived somewhere in the frozen wild of the Gulag. And for that statement, he now suffers the same fate as Wallenberg—separation from a society which seeks to make him a part of the larger, more human world.

Kaplan's fate tells us that Wallenberg still lives—at least in the sense that the horror he suffered, the separation he has endured, still survive as a fact of life.

But there is a danger in looking at that horror and that separation too superficially. Confronted by the forced separation of the ghetto and the Gulag, we may conclude that our moral mandate is to tear all the walls down, to destroy the barriers to complete social integration, to rip apart the forces that seek to separate peoples.

That is, however, a conclusion which we must modify. I suspect we ought to begin by acknowledging that there is no moral for us in Wallenberg—only morality; no specific commitment we can emulate—just a compassion we can envy. We have to recognize that he acted in response to an evil more total than any we now know. To transplant his behavior into this more complex time and confused place would be to distort his actions and diminish his accomplishments.

We run the risk, it seems to me, of being misled if we read Wallenberg too literally; if we see in his attempt to destroy the forced separation of the ghetto a corollary which compels us to prevent the self-selected cohesiveness which is the core of a continuing community and sense of identity.

In the layers of history, there are levels of irony and insight. And in this case, they build to a paradox—the same ghetto that stigmatizes individuals also strengthens and saves a collective identity. The ghetto, by isolating a people, historically developed a closeness and sense of group stability. In the long history of the Jews, for example, the evidence suggests that our ability to survive as a people, as a nation, came in part from our forced separation from society. As we were forced together by fate, we forged a future. The external hate which threatened us fueled an internal love which helped save us. In the life of the ghetto, our traditions flourished, our culture developed, our rituals remained a vital and valued part of our lives.

That experience, of course, is not unique to the Jewish people. In this country, the less formalized ghettos created at least in part by private preference have created vibrant centers of ethnic life. In the section of Miami known as Little Havana, for example, a Cuban culture flourishes with at least as much life as that found in the Homeland left behind. In the Chinatowns of San Franciso and New York, a community has developed through the simple process of identifying and organizing, within its own resources, along the lines suggested by its own culture.

Clearly I am not suggesting that the profit of the ghetto experience is so great that we should seek to enforce separation as a way of life. But I am suggesting that in an act of self-selection, in an attempt to freely draw from and associate with one's own ethnicity, there is a positive social and personal value—one that needs to be protected and preserved by all of us.

We celebrate the existence and experience of Detroit's Greektown; we point to Hamtramck's concentration of Poles with pride; we are enriched by the Creole influence in New Orleans or the French populations in New England.

There is then, a powerful part of us which is pulled into a ghetto of our own choice, into the sense of community we experience there, into the ethnic identification it help's to satisfy and serve.

Wallenberg confronted an excess of separation and stigmatization. He saw a ghetto of force, not choice. And while all prisons of compulsion must ultimately yield their seed, a sense of identity ought not be scattered, if a people elect to tend it in their own garden.

And so we face the delicate task of attempting to find a balance point, an epicenter in the shifting landscape of modern morality which will allow us to save our shrinking sense of the heritage represented by our pasts while still permitting us to develop a more inclusive future.

This is a dangerous topography, full of ethical and political pitfalls. You may recall the storm created by candidate Carter's 1976 pledge to protect the "ethnic purity" of our neighborhoods. Many saw in those words the fuel which had been used to ignite the crosses which burn in a landscape populated by the white sheeted equivalents of the brown shirts who marched through Nazi Germany. But many also saw in them something else—a plea to preserve the sense of identity which has been such a vital and potent force in our individual and cultural development.

It is, of course, in this later sense that I wish to be understood. I am not calling for the re-ghettoization of America—but I am calling for a recognition of the value that comes from people of the same heritage, if they choose, forming a community based on that heritage and culture. I am not calling for building impenetrable walls which keep people out of society—but I am calling for permeable barriers which help keep people together. We want to break down the ghetto walls erected by hate—but we don't want to rip apart the bonds of love that those walls helped create.

This duality of desire, when combined with the racial and economic implications of our decisions, has produced a schizophrenic public policy. On the one hand, we pursue policies designed to make our cities livable and attractive centers of human contact. We design programs designed to fight

the "gentrification of the city" which results in the disbanding of whole communities in the face of a wave of "in-migration". We deplore condominium conversions which compel the poor to abandon their homes and neighborhoods in the face of soaring housing costs. We ultimately rejected urban renewal clearance programs because we recognized that their cost in terms of displacement were greater than their benefits in revitalization.

But at the same time, we have mandated programs designed to achieve "spatial deconcentration" of minorities—which means, in essence, that we don't want too many folks of the same race or economic class living in any given neighborhood. Our attempts to encourage deconcentration are directly inconsistent with our efforts to prevent displacement. But we persist nonetheless. While fighting against the destruction of communities, we entice people to leave their neighborhoods and homes by offering them a host of services designed to make new suburban dwellings appear more attractive. Such services—available only for those willing to consider suburban relocation—include bus tours, babysitting, educational programs, staff assistance in negotiating rent levels, followup counseling and crisis intervention. That is an attractive package—but, importantly, it is a package which is not available to those who prefer not to relocate but rather choose to stay in their present neighborhoods.

So, we move in different directions at the same time. We reject and resist those economic forces which lead to displacement, but we encourage and create governmental programs which lead to deconcentration. Clearly this is not the most inspiring example of consistency of purpose or strength of will.

Indeed, we have become so paranoid about exclusivity based on race and so fearful of any signs of separation rooted in economics that we have created an environment in which our legitimate concerns prevent positive action in less charged areas of social life. For example, if an ethnic group—say the Chinese—wants to build a senior citizens home, and if they seek HUD guarantees to support the construction of that facility, they must promise that it will be an open facility—one that will totally ignore any factor like national origin when deciding who shall be eligible to reside there. While such a statement may be required by law, no public policy compels it. Who really would object if an ethnic group concludes that their aged population would like to live in an environment suffused with the trappings of their own culture? Common sense says that there is a reason for such an approach and a benefit to such a policy. But in order to achieve that common sense solution, in order to fill the lives of some elderly people with the food they love, the language they speak and the traditions they revere, a fiction is created to by-pass the law. That fiction, which demonstrates the poverty of our policy, is simple: as soon as the promise has been made and the project approved, five thousand aged Chinese line up to place their names on the waiting list for a 200-unit apartment. Thereafter, all vacanices are filled from that waiting list. And when the list begins to run low, the call goes forth again and, lo, more aged Chinese appear at the door. Thus law escapes intact and a culture, and a people are allowed to remain intact as well.

I know as a child of the civil rights era, that this country has not yet escaped the racial hate which still threatens to consume us. I realize that if we relax the laws that prevent forced segregation, we endanger our prospects of ever freely achieving integration. But my point is that at least in some areas, primarily related to ethnicity, we have achieved the kind of ethical growth which does allow us to act in ways which are consistent with a morality that the law acting alone can never achieve. When proper motives are present, we can allow for separation without fearing segregation.

Those motives are not yet universal. But we need to recognize those situations which do pass the test of ethics. And we need to nurture those situations in which separation involves no stigmatization and implies no segmentation.

In that effort, those of us who grapple with the morality of classification, need the assistance of those who deal with the aesthetics of community. As Sol King, one of your alumni and a leading figure in your profession and a founder of these lectures once remarked, your profession is being asked "to design buildings and even whole communities which can reunite people without destroying individuality . . . We are being asked to somehow save the world from a growing sense of dehumanization and depersonalization and to accomplish all this before a lack of the human element becomes a way of life."

Obviously, even Mr. King stood in some awe of that task. But it seems to me to be a challenge totally consistent with the aspirations of the design professions. It was, for example, Eric Larrabee who said, in an early Wallenberg lecture, that "to build is a proud act . . . in that it attempts to outdo nature and readapt it to a changing biology, to match its landscape with another filled with the same harmony and delight as the world of rocks and trees and water and sky."

That world to which Larrabee refers is one in which separation and integration co-exist. The rocks are separate and distinct from the sky, the water different from the trees. Yet they also interact: the water nourishing the trees, the sky giving color and context to the rocks. In nature, there is a balance and harmony which accepts each element for what it is and what it can add to the world it shares. That is at least a partial model for us.

I am neither an architect nor a planner, but rather a politician. But in that role I have spent enough time in enough neighborhoods and communities to have at least an outsider's sense of what allows them to function and what encourages them to malfunction.

I know, for example, that a community must have a center—a physical and spiritual focal point which serves as the glue that holds it together. In some communities it is a school or a church: an institutional core for community relations and activity. In others, it is a store: a place where the medium of exchange is as much memory as it is money. Anyone who seeks to revitalize a neighborhood must understand that such institutions create community and as a result, they must be retained.

I also know that communities have a sense of space and time—of physical presence. The lure of the neighborhood of our childhood comes from many things, but surely one of them is the tree we used to climb or the vacant lot in which we used to play. Ours is an age increasingly divorced from the past: our rootlessness intensified by travel and our life styles altered by changing technologies. I would suggest that there is, then, an urgent need for continuity which cannot be ignored without risk. In our plans for revitalization there must be room for renewal, for preservation, for the past. Those of us in political life need your help. We need to learn how to design policies which will allow you to design communities which promote identity and stability.

In saying that, I do not mean to suggest we should seek to create timeless oases. I know that change is part of our lives, that growth is part of our destiny. But in change and growth, there ought to be some sense of a pattern, some feeling that the future flows from the past, that our tomorrows grow out of our yesterdays.

I have tried to suggest a little of that continuity tonight. We must pledge, with Raoul Wallenberg, to destroy the walls created by fear and hate. But we should also seek, as we accomplish that destruction, to erect curtains which allow us at least a sense of identity, and the richness of life and sense of belonging which comes from knowing that we are a part of a living chain of being and do fit into a pattern of development which transcends our own individual growth.

Distinguishing between attempts to divide and a desire to diversify is not an easy task. But Raoul Wallenberg undertook such a task many years ago. In that sense, he was not just a man who mastered the physical demands of architecture; he was also a man who mastered the moral demands of architecture as well.

The designs which his moral architecture have traced constitute his living legacy and our modern challenge.

He taught us that we must be willing to take risks if we expect to achieve results. We may not need to match the risks he was willing to take. Certainly we cannot match his deeds. But we can emulate his motives.

We can learn from him that the moral dimensions of action demand our attention and that the ethical issues of conduct require our continued concern. That is, after all, the task we ultimately must accept when we realize that while a truly human life may be neither simple or easy, it is both possible and desirable.●

EXPORT TRADING COMPANY LEGISLATION II

● Mr. HEINZ. Mr. President, at the International Finance and Monetary Policy's Subcommittee hearing on February 17, Commerce Secretary Baldrige presented excellent testimony endorsing S. 144, the Export Trading Company Act of 1981. I am pleased that the Reagan administration appreciates the importance of creating a comprehensive export policy and that S. 144 should properly be a part of it. Mr. President, I ask that Secretary Baldrige's testimony be printed in the RECORD at this point.

The testimony follows:

STATEMENT OF MALCOLM BALDRIGE, SECRETARY OF COMMERCE

I am pleased to appear today before the International Finance Subcommittee to present the Administration's views on S. 144. This bill would increase U.S. exports by facilitating the formation and operation of export trading companies and export trade associations. I am particularly pleased to have a chance to testify on a matter of considerable importance to our export expansion effort.

Mr. Chairman, my statement will be brief. The Administration strongly supports S. 144. Bills similar to S. 144 were carefully considered in six separate hearings during the last session of Congress. The need to increase U.S. exports, and the utility of export trading companies in meeting this need, have been well demonstrated. I urge the Congress to pass this legislation quickly.

THE IMPORTANCE OF EXPORTS TO THE U.S. ECONOMY

As you know, Mr. Chairman, the President will be appearing before Congress tomorrow to announce his economic program. This action, coming as it does with the Administration not yet a month old, reflects the urgency with which the President views the economic

problems of the United States. Exports already play a vital role in the U.S. economy and will only become more so in the years to come. Thus, it is also with a sense of urgency that I testify this morning.

U.S. merchandise exports alone are now running at about 8.5 percent of our gross national product, twice the ratio of 10 years ago. Exports in general stand at $221 billion, almost one-fifth of all the goods produced in this country ($1,132.7 billion in 1980). The most rapidly expanding markets for many U.S. goods are export markets. Most economists feel that the growth of the world economy will be less than it has been in the last decade. Thus, international competition for available world export markets will increase substantially. If we fall behind in this race, it will be U.S. jobs which suffer most.

Exports preserve and create jobs in the United States. Exports can lead to increased production and increased jobs for U.S. firms. In a real sense, U.S. exports pay for our imports of oil and other necessary or desirable commodities. Yet competition for our export markets is more severe each year.

Although the U.S. share of manufactured goods exported by the major industrial nations increased in the second quarter of 1980 to 8.4 percent, its highest level since 1976, it still remains considerably below our share in 1960 which stood at 25.3 percent.

We should acknowledge that successful exporting requires special effort and expertise. Our competitors abroad have had to learn how to export—small and medium-sized firms as well as large firms—in order to survive. Too large a share of U.S. exports come from large firms. We need a mechanism to stimulate and train these smaller firms in this skill such as their foreign competitors are doing. This Administration acknowledges the responsibility of the government to create a legal and economic atmosphere conducive to exporting. Enactment of the bill before us, with changes I will describe later, would be a first step in creating such an environment and would be particularly helpful for our small and medium-sized firms.

THE NEED FOR EXPORTING SPECIALISTS

In considering our international competition most of us think immediately of Japan. Significant, in my view, is the fact that two-thirds of Japan's exports are handled by trading companies.

Moreover, Japan has learned how to export from America. The sixth largest U.S. exporter is none other than Mitsui, one of the largest Japanese trading companies. I believe that Mitsui is merely doing that which an American trading company should. Japan is not alone among our industrialized trading partners in making use of specialized export entities. West Germany, France, and Hong Kong do likewise.

With a few notable exceptions, the United States does not have large export trading entities. There are some 700–800 export management companies in the United States, many of them well-managed and successful businesses, and several thousand small export merchants. Not all of these export companies are adequately financed or managed, however, and many cannot provide a full range of export services, market intelligence and knowledge of local business practice.

We need export trading companies that provide a full range of export services to firms of any size interested in exporting. These exporting companies must be sufficiently capitalized to allow operations on a scale that would achieve substantial economies in selling and distributing. These companies must be large and experienced enough to develop new markets for U.S. goods.

Large manufacturers are already exporting extensively and typically have spent time and money building up overseas networks which our smaller U.S. companies have not been able to afford.

Similarly, many banks have national and foreign coverage through branches, agents, or correspondent banks and are already in the business of evaluating risks and researching foreign markets. Banks already involved in international transactions understand the subtleties of international financing and exchange. Banks with foreign affiliates are also in a better position than many U.S. companies to understand foreign regulations affecting our export trade. Therefore, they also are logical candidates to form and participate in effective export trading companies.

As an example of how a trading company could increase exports, the Commerce Department undertook a study to determine the usefulness of export trading companies for the textile and apparel industries. Preliminary findings indicate that a trading company would be very useful in promoting American textile and apparel exports. Many firms in this industry are small and now find it difficult or impossible to devote the financial and managerial resources needed to establish an effective export arm. We will provide the Committee with the complete study shortly.

THE NEED FOR LEGISLATION

A key feature of this Administration's program is to eliminate regulation that unnecessarily limits our economic growth. We apply the same principle to government regulation that unnecessarily retards export growth. With the exception of bank holding companies which can purchase up to five percent of the shares of any U.S. company, our banking laws and regulations do not allow bank investments in export trading companies. There is also considerable uncertainty over application of the antitrust laws to export activities, and this uncertainty inhibits the development of joint export activities.

We need legislation that allows bank ownership participation in export trading companies. And we need legislation that provides a way for businessmen to ensure that they will not run afoul of the antitrust laws in their export activities. S. 144 will achieve both these aims. Both the Attorney General and the Secretary of the Treasury endorse the concept of Export Trading Companies embodied in this bill.

We believe the need to increase U.S. exports is a compelling reason to make an exception from the general principle of separating banking and commerce. S. 144 provides such an exception and thereby creates opportunities for banks of all types and sizes. The limitations and protections in Title I are adequate to safeguard the integrity of our financial system.

We expect that the bill's encouragement of cooperation among U.S. companies for exporting will extend to cooperation among banks for the same end. In particular, we hope that banks outside the major urban centers, whose clients often are the small and medium-size companies S. 144 targets, will be able to cooperate through bankers' banks or otherwise in working together to form and operate trading companies.

The business community must have assurance that specified cooperative export activity will not lead to antitrust liability. We believe the procedure in Title II for obtaining a certification of antitrust immunity will enable most businessmen to obtain just this assurance while, at the same time, providing safeguards to protect competitive principles.

I must note before closing that the Administration opposes sections 106 and 107 of the bill, the two provisions on financing. As we all strive to reduce government spending substantially, we cannot support new appropriations or authorizations for expenditure programs. Furthermore, we believe we could administer Title II of this bill within our International Trade Administration without major additional resources. Therefore, we feel it is unnecessary to require legislatively the establishment of a special Office of Export Trade to carry out the certification and promotion functions.

To sum up, Mr. Chairman, the Administration urges adoption of the banking and antitrust provisions of S. 144. I look forward to working with this Subcommittee and the Congress to secure quick passage of export trading company legislation.●

CONGRESSIONAL MEDAL OF HONOR

● Mr. TOWER. Mr. President, on Tuesday, I had the distinct pleasure of attending a ceremony honoring a fellow Texan for an extreme act of heroism. At this ceremony, the Congressional Medal of Honor was bestowed upon M. Sgt. Roy P. Benavidez, USAR, by President Reagan as a tribute to one who saved the lives of at least eight men at tremendous risk to himself.

Sergeant Benavidez was wounded several times when, as an Army staff sergeant in Vietnam, he volunteered to join a rescue mission for a 12-man team that had been trapped by heavy enemy fire. Benavidez jumped from a hovering helicopter, and ran through a barrage of small arms fire to join the trapped men, who were all either dead or wounded. He then took charge of the trapped team, not only rescuing the wounded, but saving classified documents as well.

Certainly these acts demonstrate that Sergeant Benavidez not only represents the finest tradition of our Armed Forces, but also is an outstanding representative for his country, and, of course, for the State of Texas as well.

Mr. President, I would like to share with my colleagues the remarks made by President Reagan at this impressive ceremony. I ask that the text of the President's speech be printed in the RECORD.

The remarks follow:

REMARKS OF THE PRESIDENT AT MEDAL OF HONOR CEREMONY

The PRESIDENT: Thank you, Mr. Secretary. Men and women of the armed forces, ladies and gentlemen, several years ago, we brought home a group of American fighting men who had obeyed their country's call and who had fought as bravely and as well as any Americans in our history. They came home without a victory not because they'd been defeated but because they'd been denied permission to win. (Applause.)

They were greeted by no parades, no bands, no waving of the flag they had so nobly served. There's been no thank you for their sacrifice. There's been no effort to honor and, thus, give pride to the families of more than 57,000 young men who gave their lives in that far away war.

As the poet Lawrence Binyon wrote, "They shall grow not old as we that are left to grow old. Age shall not weary them nor the years condemn. But the going down of the sun and in the morning, we will remember them."

Pride, of course, can not wipe out the burden of grief borne by their families, but it can make that grief easier to bear. The pain will not be quite as sharp if they know their fellow citizens share that pain.

There's been little or no recognition of the gratitude we owe to the more than 300,000 men who suffered wounds in that war. John Stuart Mill said, "War is an ugly thing but not the ugliest of things. A man who has nothing which he cares about more than his

personal safety is a miserable creature and has no chance of being free unless made and kept so by the exertions of better men than himself."

Back in 1970, Kenneth Y. Tomlinson wrote of what he had seen our young men do beyond and above the call of military duty in Vietnam—a marine from Texas on his way in at dawn from an all night patrol stopping to treat huge sores on the back of an old Vietnamese man, an artillery man from New Jersey spending his free time stacking sandbags at an orphanage to protect the children from mortar attacks, an army engineer from California distributing toys he'd bought in Hong Kong to the orphans his unit had adopted. One senior military officer told Tomlinson, "My hardest task is keeping track of the incurable humanitarianism of our troops." None of the recent movies about that war have found time to show those examples of humanitarianism. In 1969 alone, the United States Army Volunteers helped construct 1253 schools and 597 hospitals and dispensaries, contributing $300,000 from their own pockets. Marines from the Third Amphibious Force helped build 268 classrooms, 75 dispensaries, 78 churches, temples and pagodas. Marines contributed $40,000 to insure an education for 935 children. Air force men gave their money and their own labor to 1218 schools, medical facilities and orphanages. Air forces doctors, dentists, and medics treated 390,000 Vietnamese in volunteer programs.

At Hoa Khanh, Children's Hospital treated in that one year, some 16,000 children, many of whom might have died without the hospital. One of the finest and most modern in the Far East, it was built and financed with money raised by combat marines.

An 11-year-old boy burned over three quarters of his body was one of those saved. He interrupted the game he was playing with visiting marines to say, "All my life, I will never forget this place and these healing people. Some way, I will repay them."

A 27 year old chaplain from Springfield, Missouri, came upon an orphanage where 60 children were sleeping on the floor of a school and subsisting on one or two bowls of rice a day. He told some men of the Americal Divisions, Fifth Battalion, 46th Infantry, about what he'd seen. A veteran sergeant said, "Don't worry, Chaplain. Those kids have just got themselves some new parents." And they had.

Army combat troops began sacking enemy food they had captured and shipping them back on returning helicopters. They found cots in a salvage dump, repaired them and soon the children were sleeping in beds for the first time. One day, the cup was passed. Marines earmarked 10 percent of all poker winnings and by the end of the year, the orphans were in a new building.

An air force pilot saw 240 lepers living in unimaginable filth. Soon there were volunteers from all branches of the military spending their weekends building houses at a hospital.

The stories go on and on. A Green Beret learned that a mother in a remote mountain village was having trouble in childbirth. He made his way to her home, carried her to a truck, and raced to Camranh where a Navy doctor delivered her baby. On Christmas he gave 1,500 orphans toothpaste, soap, candy, and nuts he had collected from fellow servicemen.

Bob Hope, who visited our men there as he had in two previous wars, said of them, "The number of our GI's who devote their free time, money, and energy to aid the Vietnamese would surprise you." And then he added, "But maybe it wouldn't. I guess you know what kind of guys your sons and brothers and the kids next door are."

Well, yes, we do know. I think we just let it slip our minds for a time. It is time to show our pride in them and to thank them.

In his book, "The Bridges of Toko-Ri," novelist James Michener writes movingly of the heroes who fought in the Korean Conflict. In the book's final scene an admiral stands on the darkened bridge of his carrier waiting for pilots he knows will never return from their mission. And as he waits he asks in the silent darkness, "Where did we get such men?" Almost a generation later, I asked that same question when our POW's were returned from savage captivity in Vietnam. "Where did we find such men?" We find them where we have always found them, in our villages and towns, on our city streets, in our shops and on our farms.

I have one more Vietnam story, and the individual in this story was brought up on a farm outside Cureo in DeWitt County, Texas, and he is here today. Thanks to the Secretary of Defense, Cap Weinberger, I learned of his story which had been overlooked or buried for several years. It has to do with the highest award our nation can give, the Congressional Medal of Honor, given only for service above and beyond the call of duty.

Secretary Weinberger, would you please escort Sergeant Benavidez forward.

Ladies and gentlemen, we are honored to have with us today Master Sergeant Roy P. Benavidez, U.S. Army, Retired. Let me read the plain, factual military language of the citation that was lost for too long a time.

"The President of the United States of America, authorized by Act of Congress, March 3, 1863, has awarded in the name of the Congress the Medal of Honor to Master Sergeant Roy P. Benavidez, United States Army, Retired, for conspicuous gallantry and intrepidity in action at the risk of his life above and beyond the call of duty: Where there is a brave man, it is said, there is the thickest of the fight, there is the place of honor.

"On May 2, 1968, Master Sergeant (then Staff Sergeant) Roy P. Benavidez distinguished himself by a series of daring and extremely valorous actions while assigned to Detachment B-56, Fifth Special Forces Group (Airborne), First Special Forces, Republic of Vietnam. On the morning of May 2, 1968, a twelve-man Special Forces Reconnaissance Team was inserted by helicopters in a dense jungle area west of Loch Ninh, Vietnam to gather intelligence information about confirmed large-scale enemy activity.

"This area was controlled and routinely patrolled by the North Vietnamese Army. After a short period of time on the ground, the team met heavy enemy resistance, and requested emergency extraction. Three helicopters attempted extraction, but were unable to land due to intense enemy small arms and anti-aircraft fire. Sergeant Benavidez was at the Forward Operating Base in Loch Ninh monitoring the operation by radio when these helicopters returned to off-load wounded crewmembers and to assess aircraft damage.

"Sergeant Benavidez voluntarily boarded a returning aircraft to assist in another extraction attempt. Realizing that all the team members were either dead or wounded and unable to move to the pickup zone, he directed the aircraft to a nearby clearing where he jumped from the hovering helicopter, and ran approximately 75 meters under withering small arms fire to the crippled team.

"Prior to reaching the team's position, he was wounded in his right leg, face, and head. Despite these painful injuries, he took charge, repositioning the team members and directing their fire to facilitate the landing of an extraction aircraft, and the loading of wounded and dead team members.

"He then threw smoke canisters to direct the aircraft to the team's position. Despite his severe wounds and under intense enemy fire, he carried and dragged half of the wounded team members to the awaiting aircraft. He then provided protective fire by running along side the aircraft as it moved to pick up the remaining team members. As the enemy's fire intensified, he hurried to recover the body and the classified documents on the dead team leader. When he reached the team leader's body, Sergeant Benavidez was severely wounded by small arms fire in the abdomen and grenade fragments in his back.

"At nearly the same moment, the aircraft pilot was mortally wounded, and his helicopter crashed. Although in extremely critical condition due to his multiple wounds, Sergeant Benavidez secured the classified documents and made his way back to the wreckage, where he aided the wounded out of the overturned aircraft, and gathered the stunned survivors into a defensive perimeter.

"Under increasing enemy automatic weapons and grenade fire, he moved around the perimeter distributing water and ammunition to his weary men, reinstilling in them a will to live and fight. Facing a buildup of enemy opposition with a beleaguered team, Sergeant Benavidez mustered his strength, and began calling in tactical air strikes and directing the fire from supporting gunships, to suppress the enemy's fire and so permit another extraction attempt.

"He was wounded again in his thigh by small arms fire while administering first aid to a wounded team member just before another extraction helicopter was able to land. His indomitable spirit kept him going as he began to ferry his comrades to the craft.

"On his second trip with the wounded, he was clubbed from behind by an enemy soldier. In the ensuing hand-to-hand combat he sustained additional wounds to his head and arms before killing his adversary. He then continued under devastating fire to carry the wounded to the helicopter. Upon reaching the aircraft, he spotted and killed two enemy soldiers who were rushing the craft from an angle that prevented the aircraft door-gunner from firing upon them. With little strength remaining, he made one last trip to the perimeter to ensure that all classified material had been collected or destroyed, and to bring in the remaining wounded.

"Only then, in extremely serious condition from numerous wounds and loss of blood, did he allow himself to be pulled into the extraction aircraft.

"Sergeant Benavidez' gallant choice to join voluntarily his comrades who were in critical straits, to expose himself constantly to withering enemy fire, and his refusal to be stopped despite numerous severe wounds, saved the lives of at least eight men.

"His fearless personal leadership, tenacious devotion to duty, and extremely valorous actions in the face of overwhelming odds were in keeping with the finest traditions of the military service, and reflect the utmost credit on him and the United States Army."

Sergeant Benavidez, a nation grateful to you and to all your comrades living and dead, awards with highest symbol of gratitude for service above and beyond the call of duty, the Congressional Medal of Honor.●

ANGOLA

● Mr. TSONGAS. Mr. President, the Senate Foreign Relations Committee, of which I am a member, recently held hearings on the nomination of General Haig to be Secretary of State. A frequent subject of discussion in those hearings was covert intervention, and in particular, covert activities in Angola.

The Reagan administration reportedly is conducting a review of our Angola

policy. Here in the Senate, many of my colleagues probably are conducting their individual assessments of the Angola situation. The guerrilla insurgency of Jonas Savimbi is a well-known potential recipient of covert or even overt military assistance from the United States. As General Haig noted in his testimony, Savimbi's organization, UNITA, is "strong and functioning" in southern Angola. President Reagan indicated during his campaign that he would support U.S. military assistance to Savimbi and his guerrillas.

Angola is clearly on the foreign policy agenda of the United States. But, as is usual and admirable in the American system, such an important policy issue will be discussed and debated extensively before action, if any, is taken. I would like to contribute to that discussion with five articles by Anthony Lewis from the New York Times.

The articles are a thoughtful presentation of the costs of American intervention in Angola. And, in the final analysis, costs versus benefits to American interests should determine whether or not America intervenes in Angola.

Mr. President, I request that these five articles be reprinted in the RECORD.

The articles follow:

[From the New York Times, Jan. 22, 1981]

CHOICES IN ANGOLA

(By Anthony Lewis)

LUANDA, ANGOLA, January 21.—Secretary of State Alexander Haig told the Senate Foreign Relations Committee last week that he opposed United States recognition of the Angolan Government "so long as there are 20,000 or 18,000 Cuban mercenaries within their borders." The day he said that the French Foreign Minister, Jean Francois-Poncet, ended a four-day official visit to Angola with a joint statement pledging development of the two countries' economic and political relations.

The United States and its European allies have taken opposite courses on Angola since the Popular Movement for the Liberation of Angola, known by its initials M.P.L.A., won power here in 1975 and held it with Cuban help. Washington has said no to diplomatic relations. Britain, France, West Germany, Italy and others have embassies here and are working to expand their activities, as the French example shows.

France's trade with Angola is now about $250 million a year and growing fast. French oil companies won two exploration concessions last year. There is a Renault assembly plant. A French company built and is helping to manage a huge textile plant in Catumbela, near Lobito.

Economic dealings with Angola are not, as in the case of some developing countries, a matter of aid and rolling loans. Angola pays for what it buys. Its oil revenues give it a small balance of payments surplus even after very large purchases abroad.

General Haig wisely avoided a rigid position on Angola in his Senate testimony. He indicated that an undertaking for the Cuban troops to start leaving might create "an entirely different situation." And he said there were other factors to consider, among them "the degree of opportunity afforded to Western enterprise" by Angola's Marxist Government.

As to that, the briefest visit to Luanda by a representative of the new American Administration would be an eye-opener. The place is crawling with Western businessmen, and their products are in evidence. New Volvo buses wind through the city, and the Swedes are here training mechanics. The Austrians are looking for iron ore. De Beers mines diamonds. Corn is bought from France, rice from Thailand. Japanese trucks are on the way.

Angola has virtually no trade, in oil or anything else, with the Eastern bloc. The M.P.L.A. Government has reportedly refused to join Comecon, the trade group of the Soviet Union and its satellites, despite its dependence on Soviet weapons and Soviet, East German and Cuban military advisers.

Most remarkable of all, on the economic side, is the fact that American businessmen are here despite the chill from Washington. And they are obviously welcome.

Gulf Oil is the well-known example. It produced 160,000 barrels a day from its wells off the Angolan enclave of Cabinda last year. About 100,000 ended up in the United States, the rest mainly in Europe and Japan.

"The Angolan Government is responsible in carrying out its obligations," a Gulf executive in the United States said. And Angola's Minister of Planning, Roberto de Almeida, said here: "We have good relations with Gulf."

The General Tire Company of Ohio has a 10 percent interest in a tire plant here and provides technical advisers. During my five-day visit an executive from Akron, T. J. Fahey, was here looking over the situation. Like the Gulf people, he was upbeat.

"We are delighted to be here," Mr. Fahey said. "They pay us meticulously—our fees and the salaries of our people.

"I think it's a tragic mistake," he said, "that we don't recognize Angola. Here is a country with incredible buying power and a need for every product on earth. I'm talking about America's commercial self-interest. When I see what the Italians, the Germans, the French, the Brazilians are doing here . . . I'm just an old peddler, but I think it's ridiculous."

By every sign the Angolan Government wants products and industrial and technical advice from the West. And despite its Marxist ideology it evidently wants better political relations with the West, too.

Before his death in September 1979, President Agostinho Neto took significant steps away from rigid adherence to the Soviet line. He signed a cooperation agreement with Portugal, the former colonial power, and eased hostile relationships with neighboring Zaire and Zambia. Most important, he went for the Western plan on independence of Namibia and gave critical help in arranging cease-fire proposals.

His successor, José Eduardo dos Santos, has stuck to that line on Namibia. South Africa's flat no at the recent Geneva conference has not changed the position. Angolan leaders reacted with remarkable mildness, saying nothing about sanctions against South Africa and calling for continuation on the diplomatic path with the West.

A Western-oriented African, a long-time visitor here, told me: "The crucial question is whether the United States will come in here and help them do what they want to do—escape from dependence on the East." An Angolan official quoted what he said was a French maxim: "For the great to be absent is a mistake."

[From the New York Times, Jan. 23, 1981]

ANGOLAN AIDE LINKS A FREE NAMIBIA TO CUBANS' EXIT

(By Anthony Lewis)

LUANDA, ANGOLA, January 19.—Angolan leaders say they want to keep working with Western countries to find a "diplomatic way" to achieve independence for South-West Africa. If the problem is solved, they say, Cuban troops can start to leave Angola.

These two points were made by officials of the Government and the Marxist ruling party, the Popular Movement for the Liberation of Angola. The Popular Movement, aided by the Cubans, won control in the civil war that broke out after the Portugese left their colony in 1975, and the Cubans later helped the Government keep a South African invasion at bay. About 17,000 Cuban soldiers are still here.

Lúcio Lara, the Popular Movement's secretary, is regarded as its leading theoretician and the most powerful figure here after President Jose Eduardo dos Santos. He was asked in an interview what the next step should be on South-West Africa, which is also known as Namibia.

STRESSES FIVE POWERS' ROLE

"I feel we must press on with the diplomatic way," Mr. Lara said. He emphasized the role of the five Western powers that have been trying to work out a solution with South Africa, the United States, Britain, France, West Germany and Canada.

Mr. Lara said he was "worried about the new American administration" and assumed that South Africa had refused to come to an agreement at the recent conference on Namibia in Geneva because it wanted to "wait for President Reagan."

The Reagan administration will have to be given time to make its policy, Mr. Lara said. But in any event, he added, "West Germany, France, Canada, even Madame Thatcher, are all concerned about the position of South Africa in Namibia." He referred to Prime Minister Margaret Thatcher of Britain.

South Africa has administered South-West Africa for 60 years. It has agreed in principle to independence for the territory but wants to hand it over to internal parties that it has fostered rather than to the guerrilla movement, the South-West Africa People's Organization.

PLAN CALLS FOR ELECTIONS

A plan drawn up by the five Western powers under United Nations auspices calls for a cease-fire, the entry of a United Nations force and elections. South Africa had seemed to agree but at Geneva refused to set a date for the plan to begin.

Angola, which borders on South-West Africa, supports the guerrillas, and South Africa has carried out frequent and punishing raids into Angola.

The South African threat was mentioned by Mr. Lara and others when the question of the Cubans was raised. The United States has refused to recognize the Government here because of the Cuban presence. Mr. Lara said that "of course" he understood that, but he continued:

"The problem of the Cubans is the problem of South Africa. We are not yet in a position to be on our own. Every day they kill our people. We experienced an invasion, and we will suffer. We do not feel safe.

"Naturally, if we have an independent Namibia, if the South African situation is peaceful and as we develop our own forces we don't need the Cubans forever."

FOREIGN MINISTER IS EXPLICIT

Foreign Minister Paulo Jorge was more explicit. Asked whether the Cubans would leave if the issue of South-West Africa was settled, he said:

"Of course. We have said this very clearly to the Americans. When the threat from South Africa disappears—and we believe it will with the independence of Namibia—then we won't need the Cuban presence here."

Mr. Jorge spoke with some optimism about the possibility that South Africa would in time accept the Western-United Nations plan on South-West Africa. And he pointedly did not say that it was time to seek United Nations sanctions against South Africa.

"We were disappointed in South Africa at Geneva," the Foreign Minister said. "But we do think it was an important step to sit together with the South Africans and talk."

Mr. Lara, a heavy smoker with a long pale-brown face and wispy beard, has a reputation as a Marxist hard-liner. But his tone in the interview was matter-of-fact, notably so when he talked about South Africa.

"If we have no more direct conflicts with South Africa," he said speaking of a settlement on South-West Africa, "conditions will be created for discussion and a way of getting on despite apartheid."

He added: "The South Africans are beginning to change: not the change that we want, but they are convinced now that they must change. How they do it is their problem. We understand that they have difficulties; they have their ultras."

There have been rumors that South African and Angolan rerpresentatives have held private meetings in recent months. Officials here denied that, except for Mr. Lara, who said: "There have been talks, but not deep in intention or results."

Apart from the South African incursions, the Popular Movement Government faces guerrilla raids in the southern part of the country by a party that lost out in 1975, the National Union for the Total Independence of Angola. It has South African support, and its leader, Jonas Savimbi, has links to conservatives in the United States and Western Europe.

FORCE SAID TO DECLINE

Well-informed foreign observers here, including Western diplomats, say the National Union has declined as a force in the last year. Its support is said to be local, and it does not have continuing administrative control of any territory, operating only in guerrilla bands.

Two ambassadors who traveled hundreds of miles around the country in the last six months said they encountered no National Union presence. But one who toured the south said he saw the results of South African bombing: destroyed highway bridges, a destroyed furniture factory and craters on the runway of a provincial airport.

The National Union's most persistent activity has been in interrupting the Benguela Railway, which runs from Zaire in the east to the Atlantic at Lobito. It used to carry Zambian and Zairian copper before 1975.

Last year, according to Western experts, the railroad managed to carry 12,000 tons of Zairian manganese ore to Lobito. But local people say there is still roughly an incident a day on the railroad.

POLITICAL INTERESTS CITED

Mr. Lara suggested that South Africa had political reasons for wanting the Benguela Railway not to function.

'They want to force Zambia and even Zaire to ship through South Africa," he said. "There is a special Unita group, supplied by South African helicopters, to interrupt the railroad. We have found thousands of tons of explosives." The National Union is often referred to by its initials, Unita.

Diplomats believe the National Union's continuing activity is linked to South Africa's attempts to get a more favorable settlement in South-West Africa. If there is international agreement on South-West African independence, they say, the National Union will probably fade away.

[From the New York Times, Jan. 24, 1981]

REPORTER'S NOTEBOOK: FOOD CAN BE A STRUGGLE IN ANGOLA

(By Anthony Lewis)

LUANDA, ANGOLA.—A drive around this sprawling city any morning makes a visitor immediately aware of Angola's No. 1 problem: the distribution of food. There are lines outside the supermarkets waiting for the doors to open at 10 A.M. Some have been there since the midnight-to-6 A.M. curfew ended.

There is enough food in Luanda; no one looks hungry. But it is a time-consuming struggle to find this item or that from day to day: bread, salt, soap, fruit. Embassy wives bake their own bread and grow their own vegetables to save the effort.

An American businessman with an interest in a factory here says his biggest problem is absenteeism. "That's understandable," he went on. "To get food or clothes our employees have to stand in line. We're trying to help by arranging to have a store right at the plant."

Shortages are not unusual in developing countries. Next door in Zambia, which got its independence from Britain peacefully more than 15 years ago, salt and soap are hard to find right now. But Angola has a special and overwhelming reason for its problems: the way Portugal ran the place as a colony and left it in 1975.

The Portuguese were not just a thin top layer here, a colonial elite. They were the taxi drivers, the secretaries, the waiters and—crucially—the farmers. At independence 300,000 Portuguese pulled out, taking cars and trucks and whatever else they could move. Virtually no one was left who knew how to do anything.

"Even to find a typist, a driver, was impossible at independence," said Paulo Teixeira Jorge, the Angolan Foreign Minister. "And it's still hard."

A Western businessman who deals with the Minister of Industry said: "The Minister has no assistant—none. If someone is qualified, we need him at our plant more than the Minister does."

In 1975 about 90 percent of the population of six million was illiterate. Foreign Minister Jorge said that since then 500,000 have been taught to read and write the official language, Portuguese—which some of them had not even spoken.

Officials of the Marxist Government do not try to blame everything on the Portuguese. They all talk a good deal, with disarming candor and explicit examples, about their own mistakes.

In a speech last October the Minister of Agriculture, Manuel Pedro Pacavira, said that Angola had one of the world's great forest reserves but that the way things were going it might soon have to import wood for coffins.

A potentially rich country, it has oil and other minerals and good agricultural land, but organization and distribution are chaotic. The situation is said to be much worse in outlying areas than in Luanda.

A big question on people's minds—and sometimes in the conversation—is the role here of the Soviet Union and its Communist allies. The Soviet Union supplies most of Angola's weapons. Cuban forces came in 1975 to help what is now the governing party, the Popular Movement for the Liberation of Angola, and 17,000 Cuban soldiers are still here. East Germans and Cubans train the Angolan Army and are believed to play a significant part in the intelligence service.

But apart from substantial Cuban aid in building apartment blocks and in supplying teachers, the Communist countries do not do much on the economic side. Or at least that seems to be the popular feeling. Fishing, the most visible Soviet economic activity—very visible—is taking from Angola rather than giving. Soviet factory ships can be seen every day in the Atlantic right off Luanda, and there is evident resentment at their vacuum-cleaner methods.

"We have some of the best fishing grounds in the world," an Angolan said. "But it's difficult to buy fish, and you know why."

Long negotiations preceded a new fishing agreement with the Russians last April, diplomats say, and it was for only a year. A fishing boat was reportedly arrested for violation of the rules and held in port for a time.

Luanda is not exactly like other cities in sub-Saharan Africa. In look and feeling it is more nearly Mediterranean, doubtless reflecting the Portuguese influence here in southwestern Africa.

It is a city of pastels and white. There are some tower blocks, put up in a false boom just before the Portuguese left. The charm lies in such buildings as the National Bank of Angola, a long, low fairy-tale structure in pink stucco with white columns and trim and a central dome covered in red tile.

The bank is on a palm-lined esplanade that runs along the harbor front. Across the water is a sandy peninsula that contains one of Luanda's two operating hotels, the Panorama, and, a mile away, a shabby naval training station with a sign in Russian outside. The end of the peninsula is a beach. On Sundays it is crowded, and cafes offer drinks and ice cream cones. Old foreign hands say the open cafes are a sign, one of many, that things are improving.

Newcomers notice the abandoned Portuguese shops and the mostly empty shelves in stores that are open, but people say life is distinctly better than a year ago.

The people as well as the architecture have something of a Latin quality: casual, irreverent. There is Marxist rhetoric in official pronouncements and a bust of Lenin in party headquarters, but officials seem relaxed and joke a lot.

A resident foreigner, one who bristles at official attempts to create a Communist economy, nevertheless says: "They are nice people, not rigid. And they really are tired of economics being subordinated to politics."

A striking aspect of the Luandan scene is the human colors—every shade from black to white. In the Government as in the general population faces look European or mixed or African.

The politics of color is surprising. Jonas Savimbi, the guerrilla leader who has been praised by American conservatives, is an advocate of black power and all-black politics. On the other hand, even critics credit the governing party with maintaining a multiracial system so far, but how long the Government's color blend will continue is a question.

[From the New York Times, Jan. 25, 1981]

LINKAGE IN AFRICA

(By Anthony Lewis)

LUANDA, ANGOLA.—What hints there have been of the Reagan Administration's likely outlook toward black Africa suggest, not surprisingly, an emphasis on stability. America will keep supporting Robert Mugabe's effort to hold Zimbabwe on course. It will try to prevent economic collapse in Zaire. It will work to maintain improved relations with Nigeria, the economic giant of the region, with its new civilian government.

But as to one country there are contrary indications. That is Angola. Some American conservatives have talked about trying to destabilize the Government party, the Popular Movement for the Liberation of Angola, known by its initials M.P.L.A., which won power in 1975 with Soviet and Cuban help and still has perhaps 17,000 Cuban soldiers in the country. And Secretary of State Haig, in his Senate confirmation hearings, sounded as though he might be tempted by the idea.

Secretary Haig said he personally felt that the U.S. "could have done something to prevent the outcome"—the M.P.L.A. victory. He criticized the Clark amendment, which prohibits covert American intervention in Angola. And he said Unita, the group that lost in 1975 but maintains guerrilla activity, was "still going strong."

It would be unfair to read a policy out of

those words. General Haig kept saying, on African questions, that he needed time to understand them more deeply. But if the indicated sentiments did in fact become policy—if Washington's attitude toward Luanda turned from coldness to hostile action—the consequences could be extremely serious.

To put it briefly, a policy designed to promote stability cannot work if, with the other hand, the United States encourages instability in a key part of the region. The result is almost certain to be widening instability—and severe damage to the American position in Africa.

The point was brought home to me in Nigeria, where I stopped on may way here. Both Nigerian officials and Western diplomats said that President Shagari would react strongly, both personally and officially, if the United States intervened actively against the Angolan Government.

Though emphatically capitalist in outlook, Nigeria is committed to the M.P.L.A. regime as the legitimate Government of Angola. A Nigerian diplomat who knows Angola well said: "The Government is in control—no doubt about it. We may not like it, we may not approve of their system, but it's a fact."

An adverse reaction in Lagos would matter to American interests. Nigeria ships one million barrels of oil a day to the United States, about 15 percent of our imports. And Nigerians connect their oil to politics. They believe that their nationalization of British Petroleum in 1979 had a lot to do with pushing Britain toward the policy that made Zimbabwe independent.

"They wouldn't just turn off the tap," one diplomat said when asked about Nigerian reaction to possible American moves to help Unita against the Angolan Government. "But the next time there's a shortage, they'll give preference to others. When they have a $750 million power project to put out to contract, American bidders will not win. The poisoning will set in."

Another diplomat said a struggle in Angola would put its neighbors under strain. He said: "There would be destabilizing effects on Zaire and Zambia and Zimbabwe. Mugabe would come under pressure to concentrate more on the external struggle and possibly to accept support from the East at last."

And there would be a final irony: A policy of trying to destabilize the Angolan Government would inevitably tend to increase rather than decrease Soviet and Cuban influence in Angola. Where else would Luanda turn for help?

The Angolan Government has been explicit in saying that the Cuban troops will start leaving if South Africa stops its raids on sphere. Western business is being invited to participate in all kinds of activities here—including Americans, despite the coldness from Washington.

An American banker said his contacts here had convinced him that there was a special desire for Americans to get involved economically. He suspected that one reason, though unstated, was to reduce political dependence on the East. "I think the easiest way to get the Cubans out of Angola," he said, "is to get American businessmen in."

The Angolan Government has been explicit in saying that the Cuban troops will start leaving if South Africa stops its raids on Angola, which the Government says are frequent. That in turn depends on a settlement of the dispute over independence for Nambia. Angola's Foreign Minister, Paulo Jorge, said: "When the threat from South Africa disappears—and we believe it will with the independence of Namibia—then we won't need the Cuban presence."

Secretary Haig supports the doctrine of linkage in Soviet-American relations. But African questions are linked, too: Namibia, Angola, Nigeria, Zimbabwe. And the crucial building blocks for stability now are a settlement in Namibia and an opening to the West in Angola.

[From the New York Times, Feb. 26, 1981]

ANGOLA TRIES "PRAGMATIC" POLICY

(By Anthony Lewis)

LUANDA, ANGOLA.—The Minister of Planning, Roberto d'Almeida, searched for the right word in English to describe the Government's new approach to Angola's economic problems. It was "pragmatic."

People have to be "motivated" to work, he said. He gave as an example small farmers, who own their own land. When the Popular Movement for the Liberation of Angola took power in 1975, it nationalized only farms abandoned by Portuguese settlers and large corporate tracts—about 15 percent of the land.

"We have been in a phase when small farmers wouldn't sell their crops for money because there was nothing to buy," Mr. d'Almeida said. "They asked, 'Why do I want money when I can't buy clothes with it?' So they just grew enough for their own subsistence."

To give farmers some incentive to grow cash crops, he said, the Government urgently needs to build a working transportation system and get goods to the villages. The Portuguese left almost no trucks behind in 1975; and of those bought since then, many have been "spoiled," he said.

AGRICULTURAL ASSISTANCE

Small farmers would also get more help, the minister said, with the Government supplying seeds, fertilizer and machinery through cooperatives. Until now agricultural investment has gone almost entirely into big state farms.

Food is Angola's biggest economic problem by far. Asked how much of its food this country imports, Mr. d'Almeida said without hesitation: "90 percent."

Before independence in 1975 Portuguese farmers here supplied much of the domestic market for corn, sugar and potatoes. And they grew for export large crops of coffee and cotton.

When the Portuguese left, production plunged—and, as officials acknowledge, the new Government's economic policy did not help. Today Angola grows less than a fourth as much corn and coffee as it did before 1975 and probably less of the food staples.

Transportation is critical because the towns have been short of food and the villages short of industrial goods, a system of barter and unofficial trucking has developed. People in the towns get whatever goods they can, drive out to the country and trade what they have for food. They take some themselves and sell the rest in town.

The Agriculture Minister, Manuel Pedro Pacavira, has estimated that 50 percent of the food grown in Angola goes into this barter trade, which the Government calls a black market and says it is determined to end.

At a special congress held in Luanda in December, the party made agricultural development its No. 1 priority. Mr. d'Almeida, who was one of three committee chairmen at the congress, said the aim was self-sufficiency in food.

The critical comments by Mr. d'Almeida and other officials echo the observations of foreigners here. And at least one of the foreigners' prescriptions for improving the economic situation is the same as the Government's: Bring more managers and technicians from abroad.

"The essential question is how to deliver the goods," a West European who has been here for years said. "Things are better than a year ago, but it's still fitful. The key is still getting more experienced people in here."

A Scandinavian said: "There's an atmosphere of not caring. People have nothing much to buy, so they don't see why they should work to earn money. A lot of people wish the Americans would come and start organizing things."

The Government makes no secret of the need for foreign experts—not just executives but electricians, telephone workers, hotel managers and tire makers. Some who have come here, but so far not very many, are Americans.

A Brazilian company has a contract to refurbish and manage Luanda's two operating hotels and one that is out of commission. French experts are going to advise the state farms on grain production. West German pilots fly the Angolan Airline's Boeing 707's and 737's. Volvo and Fiat and an East German company are training auto mechanics. Perhaps they will repair Launda's mostly inoperative fleet of Mercedes taxis.

The big American company here is the Gulf Oil Corporation, which pumps oil from offshore wells in Cabinda, an enclave separated from the rest of Angola by a bit of Zaire. Gulf's local manager, Tom King, says he is optimistic about business prospects.

"We do have some frustrations, but you have those anywhere in the world," Mr. King said. "It's no different from our operations elsewhere except that supplies are spread a little thinly. You have to have a greater degree of self-sufficiency."

RAPID MOVEMENT

Mr. King added, "But the country is on a learning curve, and at least in the petroleum sector there is rapid movement on that curve. They are moving very quickly in understanding our needs."

Gulf has 100 foreign regular employees here and 140, mostly Portuguese, under contract. It employs 350 Angolans and is starting a program to train them for more skilled oil operations.

Texaco is renegotiating with Angola a pre-independence oil agreement. Two French companies, Total and Elf, won concessions last year to explore offshore. The other oil news is that Angola is considering joining the Organization of Petroleum Exporting Countries.

One of the big bottlenecks in the country is the port of Luanda, where the piers are piled high with goods—46,000 tons, according to a recent official statement. On one recent day, 28 ships were at anchor in the harbor waiting to dock.

According to Mr. d'Almeida, the Planning Minister, one reason for the congestion is that the port was designed by the Portuguese mainly to export Angolan raw materials. Now it principally handles food and industrial goods coming in.

Technicians from Denmark and East Germany have been brought in under contract to help on the port. Some local people suggested that this was one problem that could use American experts—or perhaps Japanese.

There are two obstacles to bringing in more foreigners. One is language. Portuguese is essential for ready communication, as not many Angolans speak any other European Language.

The other is places for visitors to live. The hotels are full, and so are all the apartments. At least one company from France, is reportedly bringing in its own plumbers and electricians to get an unused building ready for its staff.

Foreign companies come into Angola under contract or as investors in projects in which the government has majority control. For those who bring in capital, a 1979 law assures them that they will be allowed to stay at least 10 years and to repatriate profits up to 25 percent of their investment annually.

YELLOW RIBBON RESOLUTION

● Mr. HUDDLESTON. Mr. President, the students and teachers of Gallatin County High School, located in Warsaw, Ky., recently forwarded to me a resolution that I wish to bring to the attention of my colleagues. Dubbed the "Yellow Ribbon Resolution" in honor of the symbol that touched the Nation as we attempted to recognize the plight of our hostages in Iran, the resolution contains a patriotic message that must not be lost. The message is simple:

The American people will not stand idly by as outside forces attempt to smear America's image.

The Yellow Ribbon Resolution is based on the theory that the Iranians "unreasonably and unjustly delayed" the release of the hostages "to deprive President Carter of the satisfaction of having obtained their freedom during his presidency." There can be little or no doubt that this theory is true.

Thus, I think it is important that Congress attempt, at least in some degree, to redress the wrong done President Carter and all the abuses suffered by the hostages by reviewing the Yellow Ribbon Resolution.

Try as we might, indeed as Congress has tried by establishing various 3-day holiday weekends, we cannot change history as is suggested by the resolution. It is nonetheless important that we recognize the Yellow Ribbon Resolution and the people behind it. These individuals continue, with torches held high, the true spirit of America.

I urge my colleagues to join me in recognizing these outstanding citizens history as is suggested by the resolution be printed in the RECORD.

The resolution follows:

GALLATIN COUNTY HIGH SCHOOL,
Warsaw, Ky., January 23, 1981.

Hon. WALTER HUDDLESTON,
Dirksen Building,
Washington, D.C.

DEAR SENATOR HUDDLESTON: We, the undersigned students and teachers of the Gallatin County High School wish to propose to the Congress of the United States, in behalf of the people of the Commonwealth of Kentucky and United States of America the following joint resolution, to wit:

Be it resolved by the Congress of the United States of America as follows:

Whereas, the 39th President of the United States, James Earl Carter, did labor with unflagging perseverence under extremely difficult circumstances for a grueling and unremitting period of 444 days, to secure the freedom of the 52 Americans held hostage in Iran, and

Whereas, despite having been incessantly confronted with seemingly insurmountable obstacles, the said James Earl Carter did successfully facilitate and achieve the safe return to American soil of the 52 Americans held hostage in Iran, and

Whereas, for reasons unbeknownst to and unfathomable by the world-wide public, the Iranian government saw fit to delay release of the Americans held hostage until such time as the term of the said James Earl Carter as President of the United States had expired, and

Whereas, it is only fitting and proper that the said James Earl Carter be acknowledged in this nation and throughout the world as the person most responsible for the liberation of the 52 Americans held hostage,

Now, therefore, it is hereby resolved by the Congress of the United States that from this day forward, the official time and date of release of the 52 Americans held hostage in Iran shall be, and is hereby, deemed to be for all official purposes, 11:55 a.m. Eastern Standard Time, the 20th day of January, 1981:

And, further, it is resolved by the Congress of the United States, that by this resolution, the Congress, in behalf of the people of the United States of America, hereby publicly, and for all time, expresses its deepest appreciation to and admiration for the said James Earl Carter; and further it is resolved by the Congress of the United States of America that this resolution shall be known by and as the Yellow Ribbon Resolution.

We offer this resolution for your consideration because we believe that the release of the hostages was unreasonably and unjustly delayed by the Iranian government so as to deprive President Carter of the satisfaction of having obtained their freedom during his presidency. We believe that this nation should, in some way, permanently record its recognition that it was through the efforts of Mr. Carter, as President, that the hostages were released.

Your consideration of this proposed resolution is greatly appreciated. If you would consent to introduce this resolution in Congress, we will be most sincerely grateful.

Neal D. Aulib, Amy Bachman, Annie Brinkman, Donna Davis, Lisa Gatwood, Karen E. Long, Nancy Ellis, Douglas R. Ball, James R. Hinsdale, Dale Samuel, Linda Lewis, Lisa Crouch, John Jones, K. K. Patton, and Missy Keough.

Jennifer Riley, Joan Glass, Jana Garriott, Charlotte Dunanent, Christine Utz, Sandra Nichols, Beth Brown, Cathy Combs, Becky Judge, Kay Brinkman, Pamela Davis, Sharri Alexander, Travis Breisocher, Cyndi Robinson, and Dorothy Brooks.

Joe Wright, Steven Ray Moscoe, James Potter, Jim Williamson, Barry Lusty, Jeff Scudden, Jim Frasure, Karl Gullion, Brian Wilson, Gayle Riddle, Susan Hicks, Ronald G. Hoffman, Steve Oberstat, and Elizabeth A. Arnold.

Chris Front, Kevin Bladen, Scott Golfs, John McKee, Dawn Tedrick, Kim Caplinger, Marty Mink, Tracy Giles, Candy Strawn. Sandi Plowman, Teresa Hastings, Derek Cuzick, Atha Stewart, Paula Morgan, Nanie Brown, Nancy Moore, Wendy LaVan, Jodie Zalla, Joe Nuxoll, Donna Giles, Steven Loomer, Brenda Davis, Alice Burk, Jamie Perkins, Jackie Alexander, and Carnie Wilson.

Brandl Skirvin, Todd Ryder, Kirby Brown, Kenny Herndon, Dana Mullins, Missy Strawn, Julie King, Wilma Pittman, Sharon Pittman, Dorothy Sullivan, Frances Cozine, Mary Pittman, Ellen Proctor, Melinda Mayhew, Debbie Ferrell, Tammy Littrell, Ron Smith, Jackie Cordeiz, Mark Wilson, Jeff McGarty, Joey Lillard, and Paul Sparks.

Jennifer Breisacher, Bruce Brown, Giles Rankin, Brian Karshner, Connie Miller, Bobby Coomer, Johanna Brown, Debbie Peace, Jenny Johnson, Debbie Harsin, Tony Foster, Dennis Smith, Tony Carver, Carla Moore, Gina Townsend, Jerry Lilland, Richard McGuire, Angie Jackson, Tina Smith, Cindy Courtney, Dallas Mashaberry, Jason Lowe, David Poland, and Shannon Keeton.

Dale Davis, Rolland Asher, Edda Gould, Linda Davis, Diane Aulich, Katie Lowe, Sue Scott, Gordon Hendrix, Ken Stone, Marge Bladen, Lisa Kiden, Connie Asher, Dawn Williamson, DeRhonda Smith, Beth Courtney, Kevin Weldon, Leny Collett, Lynn Cottrell, Missy Feenish, Carolyn Hedges, Lou Herndon, Shawn O'Connor, Tom Connell, Loren Roberts, Willie Nevils, Aaron Terrell, and Dale Morgan.

Jackie Courtney, Sarah J. Nice, James W. McKee, Mary Jo Oldham, Terry Wallace, Sandy Giles, Jim Mefford, Todd Noell, Greg O'Brien, R. Carlton, Eddie Bickers, Karen Ayres, Sheila Buchanan, Paulena Miller, Phyllis Maupin, Yvonne Henderson, Brenda Meitz, Jack Webster, Teresa Schedler, Randy Dunavent, Andy Dryden, and Danny Welster.

Mart Bledsoe, Kervin H. Morris, Stephen O'Connor, Steve Frontz, Rodney Brown, Carey Boher, Donnie Giorees, Anthony Beckers, Lansile Lusty, Karen Proctor, Mark Smith, Gary Roel, Shannon Dryder, Nora Wright, Tammie Hamilton, Kim Proctor, Dwaphan Tudor, Anthony Hill, Kusho Hunter, L. Aquillo Garrett, Marty Price, and James Perry.

Kelley Clifton, Stacy Blafort, Chip Mefford, Cindy West, Heather Liggett, Kurt Hoffman, Bill Isgrigg, Sonya Hawkins, Sando Alexander, Denise Chipman, Linda Junup, Eva Hicks, Jerry Webster, Kevin Jones, Duane Beatty, Chris Beal, Natalie Rea, Susan Lawson, Bonnie Wash, and Inselia Satchwell.

Jeff Graves, Billy Foster, Mark H, Tina Brooks, Barbara Mertz, Shonda Price, Shawn Tacket, David Hedges, Nathan Lowe, Barry Hearn, Jeff Moore, Sonya Smith, Angie Perkins, and Lois Combs.

Jan Wallace, Mickey Dunavent, Melinda Beckett, Grace Jones, Terri Collins, Cristal Wilson, Cindy Groves, Mary Boots, Rhonda Davis, Kathy McGuire, Carmen Craig, Julanne Mylor, Yolande Crist, Steven Coome, Donnie Sullivan, Michelle Williamson, Beth Bledsoe, Shelly Jones, Donna Tiles, John Keough, Kevin Lawson, Kenny Mucley, and Lin Biddle.

Susan Nuxoll, Floyd Marlena, Michele Townsend, Renee Calendar, Connie Easton, Dawn Pate, Darrell Hearn, Michael McCord, Howard Braun, Donny Young, Mike Rhoades, David Patton, Jerry Kettle, James Brock, Billy Armstrong, James Proctor, Eugene Webster, David Gross, Garlena Baumgardner, Dona Webster, Tom Wilson, Chris Carlton, Rodney Morris, Garrett Smith, Donald Miller, Kim Rudd, Darla Poland, Todd Hamilton, Ruth McIntyre, Sharon Ligon, Lueanoll Craij, Billy Sullivan, Curtis Sharon, James Bears, and Denise Wilson.●

SENATE CONCURRENT RESOLUTION 10—RELATING TO CONVERSION OF PRODUCTIVE AGRICULTURAL LANDS TO NONAGRICULTURAL USES

● Mr. CHAFEE. Mr. President, I rise in enthusiastic support of Senate Concurrent Resolution 10 which expresses the sense of Congress as to the importance of preserving our agricultural land base. I am also most pleased to see that a grand number of my colleagues are cosponsoring this measure.

Mr. President, our Nation's steady loss of agricultural land has serious repercussions from both national and international perspectives. More countries depend on us for food than any other nation. For every 3 acres of land put into cultivation, 1 acre is devoted to ex-

port production. Our receipts from agriculture exports total over $30 billion and the world food requirement is expected to double over the next 40 years. With these figures in mind, can we continue to allow farmland conversion at a rate of 12 square miles a day or 3 million acres each year? The answer is an emphatic "No." Our economy, in terms of our balance of payments, and our commitment to humanitarian goals, depends heavily on preserving one of our greatest natural resources.

Not only does a decline in our agricultural base jeopardize our economic growth, but it also seriously impacts on our pocketbooks at home. As land disappears, less food can be grown—even though demand continues to rise. What we have seen in the past and will continue to see is soaring food prices. Certain produce, for example, such as citrus fruits and avocados, will become luxury items if the regions in which they grow continue to be excavated.

Food potential, however, is not the only reason to save our land. The beauty and potential resources of our open space certainly enhances our quality of life. Today, the choice is still ours whether to spend time in the country or in a shopping mall. But will we have that same choice in 5 years, 10 years? And what will happen to our wildlife population if we continue to cement over their habitats?

New England has already lost one-half of its native farmland. My own State of Rhode Island is losing approximately 15,000 acres each year, 5,000 of which is prime farmland. At this rate, Rhode Island is destined to lose all of its prime land by the year 2000. What a frightening prospect.

Rhode Island has 200 working farms which produce between $30 and $40 million worth of food each year. These farms do make a difference. They make it possible for us in Rhode Island to have fresher produce, better milk, eggs, vegetables and potatoes at a lower price than we would have otherwise. In addition, these farms directly or indirectly employ over 4,000 people. If Rhode Island farms continue to vanish, so will a network of related industries.

America's land and water base, as strong and productive as it has been, is not infinite. The truth of the matter is, all of us have been somewhat spoiled. We have always had a surplus of land and a surplus of food. There has been no need to conserve—or so we thought. This situation, however, no longer exists. We cannot continue wasting such a valuable, nonrenewable resource without later facing serious consequences.

Mr. President, I am pleased to cosponsor this resolution and view it as a positive first step in the right direction.●

PRESIDENT REAGAN IS THE NINTH SUCCESSIVE PRESIDENT TO SUPPORT WATERWAY USER CHARGES

● Mr. DOMENICI. Mr. President, one of the issues the 97th Congress will doubtless confront concerns the vast and counterproductive subsidies that taxpayers provide to the inland barge operators.

Beginning with Franklin Roosevelt, every President has supported user charges on major Federal waterway investments. President Reagan has made increased waterway user charges an integral part of his program for economic recovery.

Specifically, President Reagan requests that the present barge fuel tax be increased to 30 cents a gallon, which is the sum that is needed to recover what the taxpayers spend annually to operate and maintain the waterways for commercial users.

I applaud the President in this bold initiative. But I would note that the President's proposal seems to leave in place the full construction subsidy on waterway development.

In addition, the Congressional Budget Office recently issued a study, "Reducing the Federal Budget: Strategies and Examples, Fiscal Years 1982–1986." This study also evaluates the issue of navigational user charges, including the need for user charges for deep-draft navigation.

Mr. President, I ask that a copy of the waterway user taxes portion of the President's program, together with a portion of the CBO study, be printed in the RECORD.

The material follows:

AMERICA'S NEW BEGINNING: A PROGRAM FOR ECONOMIC RECOVERY

3. RECOVER CLEARLY ALLOCABLE COSTS FROM USERS (INCREASE IN GOVERNMENTAL RECEIPTS)

Eliminate inland waterway subsidies

The Administration will seek to eliminate the subsidy on inland waterways, beginning in 1983, by increasing users fees on barge fuel. The Federal Government now spends over $325 million per year in the operation and maintenance of certain inland waterways for commercial traffic which until this year has paid no tax or fee for system use. This year a new charge of 4 cents per gallon on barge fuel will cover only 11% of that cost. Under this proposal, user fees will increase from 6 cents per gallon to about 30 cents per gallon in 1983 to collect the $325 million the Government will spend on the operation and maintenance of the waterways. It is estimated that the increase in cost to shippers will be less than 0.4 cents per ton mile. The program will be designed to increase receipts thereafter as expenses rise and to pay for new construction and operation and maintenance of future new waterways as they are completed.

Receipts will be placed in the inland waterway trust fund and will be used to place the waterways on a self-sustaining basis. Users will not be required to repay the construction cost of the existing system (estimated at $6 billion)—only the cost of additions as they are completed. To the extent that traffic may be diverted to other less costly forms of transportation because of changes in shipping costs resulting from the proposed tax increase, our total transportation system will be economically more efficient.

Legislation will be submitted to raise the user fees.

The legislation will increase the fees per gallon as shown in the following table:

[In millions of dollars]

	1981	1982	1983	1984	1985	1986
Potential receipts:[1]						
Current receipts	30	58	67	80	90	115
Proposed increase			258	275	300	315
Proposed budget	30	58	325	355	390	430
Estimated rates (cents per gallon):						
Existing legislation	4	6	6	8	8	10
Proposed level	4	6	30	31	32	34

[1] These items are governmental receipts, not offsets to outlays

REDUCING THE FEDERAL BUDGET: STRATEGIES AND EXAMPLES, FISCAL YEARS 1982–1986

The federal government has subsidized inland waterway transportation through construction, operation, and maintenance of inland waterway facilities. Over the next five years, the Army Corps of Engineers will spend an estimated $7.5 billion for inland navigation purposes. Approximately $440 million of these expenditures will be recovered through the existing waterway user charges, leaving a federal subsidy of about $7.0 billion over the 1982–1986 period.

INCREASED WATERWAY USER CHARGES

	Annual added revenues (millions of dollars)					Cumulative 5-year increase
	1982	1983	1984	1985	1986	
CBO baseline:						
No subsidy	1,170	1,280	1,400	1,530	1,650	7,030
50-percent subsidy	560	610	660	710	760	3,300
Carter budget:						
No subsidy	1,210	1,590	1,650	1,640	1,630	7,720
50-percent subsidy	580	770	790	760	750	3,650

Note: Preliminary estimates, subject to change.

Current waterway user charges, in the form of a fuel tax, were established under the Inland Waterways Revenue Act of 1978. These charges take effect in 1981 and will be phased in over the next five years, rising from 4 cents a gallon at the outset to 10 cents in 1986 and thereafter. The estimated $440 million in receipts for the five-year period 1982–1986 will cover only 6 percent of projected federal expenditures for waterway navigation purposes during the period.

Full recovery of these costs through a fuel tax would require a tax equal to about $1.30 a gallon. Such a high tax is impractical and unlikely to be imposed because of administrative problems and because fuel consumption does not necessarily reflect the benefits received by a given waterway user. The same revenues could be raised through fees or tolls that reflect the actual costs of constructing, maintaining, or operating a particular water-

way segment. The use of segment tolls would mean that some marginal projects would not be built and others might be closed down. Thus, the estimated savings would consist of two parts—increased revenues through user fees and reduced outlays by the Corps of Engineers as certain projects were dropped.

The full recovery of total federal expenditures for inland waterways would result in taxpayer savings of approximately $7.0 billion in 1982–1986. Most of the costs of increased user charges would be passed along to shippers and ultimately to consumers in the form of higher prices. The cost burden of waterway facilities would thus be shifted from the general taxpayer to the beneficiaries of these facilities—specifically, the barge industry, shippers, and consumers.

Shifting the full cost of waterway navigation facilities to the beneficiaries (or users) of such facilities would promote more efficient resource allocation. The rates charged to shippers would more nearly reflect the true economic costs of this form of transportation. Distortions in the choice among forms of transportation resulting from taxpayer subsidies would thus be reduced.

Users of waterway facilities might object to the imposition of charges to cover the full costs on the grounds that other forms of transportation are still subsidized. If charges were imposed to cover half of the costs of these projects, the cumulative savings over the 1982–1986 period would be approximately $3.3 billion.

President Carter's budget proposal for fiscal year 1982 recommends a slightly higher program level for waterway projects than assumed in the CBO baseline. Thus, the savings from increased charges are even larger relative to the Carter budget.

USER CHARGES FOR DEEP-DRAFT NAVIGATION

	Annual added revenues (millions of dollars)					Cumulative 5-year increase
	1982	1983	1984	1985	1986	
CBO baseline	540	600	650	710	770	3,270
Carter budget	590	730	810	820	850	3,800

Note: Preliminary estimates, subject to change.

The Army Corps of Engineers and the Coast Guard spend about $560 million a year improving and maintaining ports and channels to accommodate oceangoing vessels and Great Lakes shipping. Full recovery of these costs from users would total about $3.3 billion between 1982 and 1986.

Except for the military, all deep-draft vessels are engaged in for-profit shipping. If the federal government recovered all deep-draft expenditures from international shipping alone, shipping costs would increase by only about 30 cents a ton, or less than 0.2 percent. Such a level seems unlikely to harm the general economy or divert significant traffic to other ports or transportation modes.

Several different taxing mechanisms are available to recover costs. The most common approach used in other countries is a harbor and channel use fee, under which a charge is assessed each time a ship uses a particular channel or harbor. Another possibility is a fuel tax, but in international shipping it can easily be avoided. Costs could also be recovered through taxes based on the value, volume, or weight of the cargo. The U.S. Customs Service already collects a small tonnage tax on international shipping. Receipts from this tax, which go into the general fund, totaled $14 million in 1980, an effective rate of about one cent a ton. Further study would be required to evaluate the effectiveness of these alternatives and to determine the proper allocation of costs among various classes of users and among different types of facilities.

One argument in favor of this option is that the Congress has broadly applied the user charge principle to other modes of transportation, including highways, airports, and to some extent inland shipping.

Arguments against this proposal include the administrative difficulty of allocating the relevant expenditures by the Corps of Engineers and the Coast Guard, and the possibility of some small reductions in international trade and coastal trade.

President Carter's fiscal year 1982 budget recommendations assume a slightly different program level for improving and maintaining deep-draft ports and channels from that assumed in the CBO baseline, thus accounting for the small savings differences shown in the table.●

NAMIBIA

● Mr. PERCY. Mr. President, the recent deadlocked conference on implementation of an independence plan for Namibia (South West Africa) was a disappointment for those of us who believe that a settlement holds great promise for U.S. interests in the region.

The territory of Namibia has been administered by South Africa since World War I, but for many years South Africa's jurisdiction has been challenged by the United Nations and the World Court. About three years ago South Africa accepted in principle a United Nations plan for the independence of the territory. The United States, the United Kingdom, Canada, Germany, and France formed the Western contact group which worked to develop the independence plan promised by the United Nations. Nigeria and the important African frontline nations of Botswana, Tanzania, Zambia, Zimbabwe, Angola, and Mozambique joined with us in actively supporting the plan.

Since then, disagreements over terms for a cease-fire and implementation of the independence plan have prevented a final resolution. Progress has been halting, frustrations have run high, and pressures for new sanctions against South Africa have been building.

Last month, all sides in the dispute met in Geneva at a United Nations-sponsored all-parties conference which was to be a step toward achieving independence. Regrettably, no progress was made at the conference.

The fact that the conference was convened at all provided a sharp contrast to the situation that existed when I visited South Africa and Namibia in 1976. At that time a constitutional conference on Namibia had been organized by the South African Government, but it did not include all of Namibia's main political parties. There was an urgent need to expand the conference.

The U.S. approach to the Namibia situation at that time was, in its own way, equally unrealistic. To demonstrate American disapproval of a continued South African presence in Namibia, U.S. policy severely limited official contact with the territory; in fact, no U.S. officials at all were stationed there. When I visited Namibia accompanied by a junior officer of our Embassy in Pretoria, it was to my knowledge the first time a member of the U.S. Senate or a representative of the U.S. Embassy in South Africa had ever done so.

By being practically invisible in Namibia, it seemed to me that the United States was only minimizing the role that it might have played in helping to encourage a satisfactory political solution. Upon my return I urged a more active U.S. role, and I have been gratified that the issue was subsequently given a much higher priority by Secretary Kissinger and the Department of State.

Mr. President, I believe that the issue should remain one of high priority for this administration. A peaceful settlement will bring to an end 15 years of war with guerrilla forces which enjoy sanctuary in neighboring Angola—a war which can only escalate and widen if the problem is allowed to fester.

A settlement on Namibia increases the likelihood that Angola would have the confidence to begin to reduce the Cuban presence of 15,000 to 19,000 military personnel. Angola's Foreign Minister has stated publicly that his Government's reliance on the Cubans would be diminished once a Namibian settlement, including the removal of South African troops from its border, were concluded.

Beyond these desirable political developments, peace in Namibia will allow development of Namibia's virtually untapped sources of valuable minerals, especially uranium and diamonds.

In many ways, a Namibia settlement can contribute to the achievement of stability and progress in the region. In a time of increasing tensions around the world, this could be an encouraging and positive development for the United States and the West.

Mr. President, a recent Chicago Sun-Times editorial discussed the Namibia problem. The language of the editorial is very strong but the message—that Namibia should be a high priority matter for this administration—is important. I ask that Chicago Sun-Times' February 2 editorial about Namibia be printed in the RECORD.

The editorial follows:

STALLING ON NAMIBIAN FREEDOM

A crisis centering on Namibia is brewing for the new Reagan administration.

If "crisis" has become a turn-off word for benumbed Americans, let's add that this one involves a threat to U.S. oil imports.

That strikes closer to home than the larger issue, the deserved independence of the black Namibian people from the illegal, white-racist domination of South Africa.

Namibia is a huge, thinly populated former German colony that was put under South

African mandate by the League of Nations after World War I. The United Nations, with U.S. support, terminated the mandate in 1966, but South Africa hasn't been listening.

Three years ago, under international pressure, it finally appeared to agree to a settlement that called for a cease-fire between South African forces and guerrillas of SWAPO (the South-West Africa People's Organization) and elections to be held under the eyes of UN observers. But South Africa's spokesmen recently dug in their heels again, saying it would be "premature" to implement the settlement now, that "time" is needed to establish a climate of trust."

Bunk. South Africa fears that SWAPO would win an election over the Namibian elements it sponsors, as it probably would. And SWAPO is led by Sam Nujoma, who is looked upon by South Africans as a communist, though others who are more objective judge him to be a non-ideologue fighting only for the freedom of his people.

If South Africa's new intransigence is prompted by hope that Reagan will go easy on it and loosen the Carter administration's commitments to black African independence, that hope should be frustrated. Support for South Africa on this issue would deprive Namibians of self-determination and the United States of the friends Carter won among black nations, including the largest—Nigeria.

Enter oil. Nigeria, which supplies the United States with 15 percent of its oil imports, has threatened to use the oil weapon in the cause of African independence movements.

The issue could come to a head soon African and other Third World nations are preparing to seek a United Nations trade boycott against South Africa. The Reagan administration then would be forced to make a painful choice—veto the boycott, thus alienating our friends, or support it, thus inflicting new woes on South Africa's black workers as well as its white government.

Firm diplomatic pressure on South Africa to bend to the inevitable might avert the dilemma. Alexander Haig's State Department should pursue that as a priority matter.●

CONTINUING SUPPORT FOR THE SPACE SHUTTLE

● Mr. THURMOND. Mr. President, I rise today to urge our continuing support of the Nation's Space Shuttle program. Despite some unavoidable delays, the prelaunch countdown of the orbiter Columbia is moving along toward a scheduled launch in mid-April.

I recently visited the launch site at Cape Canaveral where Columbia, mated to its large external tank and solid rocket boosters, is in the final stages of prelaunch preparations. The crucial 20-second, on-pad firing of Columbia's three main engines has just been successfully completed, giving a virtual green light to the scheduled launch.

The Space Shuttle is America's newest and most versatile manned spacecraft. It is a reusable, aircraft-like ship designed for years of service and to make space flight a relatively economical and routine event. The Shuttle can transport larger and heavier payloads than can be launched by expendable boosters, check them out and repair them in orbit, and even retrieve them and return them to Earth. It can be used to assemble large structures in space, and to launch planetary explorers on deep-space missions.

With these capabilities, the Space Shuttle cannot help but enhance the free world's defense capability, assure continued U.S. technological leadership, and promote international cooperation in scientific and industrial uses of space.

Two decades after it all began, Mr. President, our space program is at a critical turning point. We have all but retreated from space. Russian and Soviet bloc cosmonauts come and go like weekend tourists at Salyut 6. The Russians, West Europeans, and Japanese will visit Halley's comet while we sit home and watch.

In April, Mr. President, America will get its brandnew chariot to the heavens when Columbia flies. But having this space transportation systems is not enough. We must make sure that we keep its flight manifest full with the military and scientific payloads that will help to make America first in the world again and keep America first.

The Space Shuttle comes at just the right time to be an important part of America's new beginning. We are on the threshold of a new era not unlike the beginning of aviation 75 years ago. Let us all work together to make the Shuttle's promise come true.●

S. 496—AMENDMENTS OF MINE SAFETY AND HEALTH ACT OF 1977

● Mr. PRYOR. Mr. President, I am pleased to join Senator MELCHER, Senator BUMPERS, and others in introducing legislation which will amend the Mine Safety and Health Act of 1977. The legislation we have introduced will transfer authority over surface construction at mine sites from the Mine Safety and Health Administration to the Occupational Safety and Health Administration and transfer authority over public mining operations from MSHA to State and local governments.

In the past, I have cosponsored legislation to transfer the operation of sand, gravel, and stone industries from the jurisdiction of MSHA to OSHA. It was my belief that MSHA regulations were designed to protect those working in deep, underground mines, not surface operations where mining operations are of quite a different character. This bill accompanies that effort to bring all operations at surface mining sites under the proper jurisdiction.

At present, an independent contractor involved in construction activities at the surface of a mine is placed under the jurisdiction of MSHA, while the same contractor doing the identical construction work at another site would fall under OSHA's jurisdiction. As a result, contractors must adhere to two sets of rules and regulations, two enforcement and penalty systems, and two operating procedures. This burdensome duplication adds to costs while not improving the safety and health conditions for construction workers.

In addition, the bill eliminates the coverage of State and local governments by MSHA. This will relieve county road building operations which produce a limited amount of gravel for rural road building from Federal intervention in their operations.

Mr. President, this legislation will bring us one step closer to bringing order and rationality to our present chaotic and sometimes unpredictable regulatory system. I urge my colleagues to consider and support this legislation.●

SOUND ADVICE ABOUT DEREGULATION

● Mr. CANNON. Mr. President, there is a disturbing tendency in much of the business community to extoll the virtues of free enterprise—for the other guy. I do not know how many times I have heard people begin their testimony before the Senate Commerce Committee with the phrase: "I firmly believe in the free market system, but * * *" There is always a special reason why this industry or that business is a special exception in need of protection by the Government against full and free competition.

Recently, I had the pleasure of reading a speech by Walter B. Wriston, chairman of Citibank/Citicorp that addresses this issue directly. His remarks reflect the observation of a multitude of enterprises that have received protective regulation of some form or another from Federal and State government. Just as importantly, his view is one of an executive in an industry that itself has been regulated to excess by the Federal Government—often at the explicit request of the industry.

I commend the following excerpt from his remarks as excellent reading material for all my good friends in the many businesses that we have subjected to various degrees of economic deregulation during the past few years:

YOU CAN'T TELL THE PLAYERS WITH A SCORECARD

(By Walter B. Wriston)

Too many of us, unfortunately, practice doublethink. We defend free markets in public, but in our own offices and before government agencies we do our damndest to create protected industries. This damages not only the fabric of the whole business community, but inevitably leads to the loss of freedom. It may be obvious, but it needs repeating: Protected markets are the exact opposite of free markets.

The philosophy of the divine right of kings died hundreds of years ago, but not, it seems, the divine right of inherited markets. Some people still believe there's a "divine" dispensation that their markets are theirs—and no one else's—now and forevermore. It is an old dream that dies hard, yet no businessman in a free society can control a market when the customers decide to go somewhere else. All the king's horses and all the king's men are helpless in the face of a better product.

Our commercial history is filled with examples of companies which failed to change with a changing world, and became tombstones in the corporate graveyard.

The landmark date of 1984 is only a few years away, and the choice facing us becomes clearer every day; either free men and women working in free markets or Big Brother regulating everything. In Orwell's world of Big Brother and "doublethink," Jefferson's Declaration of Independence becomes "a panegyric on absolute government," and doublethink is "the power of holding two contradictory beliefs in one's mind simultaneously, and accepting both of them."

Investors in canal bonds in the nineteenth century who refused to invest in railroad bonds reflect the kind of vision I'm talking about. Besides saying the usual

things—"There're too many moving parts," "I'll wait until all the technical problems are solved," "It'll always be too expensive to catch on"—some came up with an answer they thought irrefutable. "Railroads rust," they said. "But what can happen to a canal?"

The railroads themselves, with the help of the government, fell victim to the same delusion of protected markets and did not recognize new forms of competition. Though many of them received federal land grants to expand their rail networks, they shed bitter tears when government engineers dredged canals to help the barge lines. Some of them failed to realize that they were in the transportation business, and that steel rails were only a means to an end. Railroads continued to act and be seen by regulators as a monopoly long after the tracks had rusted, and the buses, cars and trucks were whizzing down four-lane highways and freeways, with jumbo jets flying overhead.

Peter Drucker points to another example, that of printing-press manufacturers who paid no attention to the new processes for office reproduction that came on the market after World War Two. One manufacturer, offered several of these processes by the inventors, turned them down; the systems were not "printing," he said, and the equipment wasn't being sold to "printers." The industry finally realized they faced a serious and powerful competitor, but only when they began to lose substantial business. They discovered that former customers were doing their own printing, with their own office reproduction equipment, and really did not care about nomenclature.

Too many companies, when faced with the losing verdict of the marketplace, have run to the government for help. Adam Smith wrote about them in 1776. "The cruellest of our revenue laws," he said, "are mild and gentle, in comparison of some of those which the clamor of our merchants and manufacturers has extorted from the legislature, for the support of their own absurd and oppressive monopolies." It is fair to say that the financial services business is not immune from this ancient practice. The Congressional Record is full of such pleas and they are all based on a fallacy which in the end is always exposed.

The false dream of mankind is the belief that we can somehow control others while remaining free ourselves. Half slave-half free didn't work in this country, and in any equitable system of government or justice, neither will the belief that only competitors should be regulated while we can do whatever we want. Protective regulation, once let loose, can and will strike all of us. George Shultz has written about the comparative advantage of government and of the free market. He has pointed out that government has to pay attention to equity and he puts it very strongly: ". . . fairness demands attention to equity of opportunity."

It is for this reason that unequal laws are a transient phenomenon, as by its nature government has to strive for equity.

Modern parlance talks about level playing fields. The poet John Donne wrote, "Never send to know for whom the bell tolls. It tolls for thee." It tolled for banks when the Monetary Control Act of 1980 gave the Federal Reserve vast new powers over the whole banking industry. It tolled for money-market funds last year when President Carter invoked the Credit Control Act to impose reserve requirements on them. It tolled for Merrill Lynch when the Oregon attorney general ruled that their Cash Management Account was unlicensed banking and barred it from the state.

The public doesn't really care about our internecine problems. What the public wants and is entitled to is a fair return on its money. If we can't serve them, they will—and should—go elsewhere. And neither we nor the government has any right to stop them.

It's time we realized there's no social security for companies in the world marketplace, no seniority rights, no disability pensions. It's time we recognized the fact that the computer and the electronic revolution have created a new marketplace. The noted mathematician John von Neumann has seen this with great clarity and has written that electronics has overturned traditional concepts of time and geography, and consequently, traditional ways of doing business. It's time we recognized that we're all in the same business—financial services—and got on with the business of competing on equal terms for the public's dollar. At the end of the day, the public must be served in the most cost-effective way so that he or she can make the best deal. I don't believe the public cares about market segmentation problems. But I do believe they watch and listen to what we say in Wall Street about free enterprise, and they do judge whether our actions match our words. The children of our customers who entered college this past September will graduate in 1984. It is up to us to determine if free markets or "doublethink" will be the theme of their graduation address.●

EL SALVADOR

● Mr. PERCY. Mr. President, the situation in El Salvador poses one of the most serious and difficult foreign policy problems now facing this country.

Henry E. Catto, Jr., former U.S. Ambassador to El Salvador, writing in a recent edition of the Washington Post, says that

The conflict agonized the Carter administration and promises to do the same for President Reagan.

In view of his experience, Ambassador Catto's views are worth considering. To him the challenge is clear:

Great power spheres of influence are more than textbook verbiage; to let significant parts of Central America and the Caribbean fall to our enemies would proclaim our abdication from superpower status. On the other hand, to sit by and watch brutal rightist authoritarians take over would be equal folly.

In a January 29 Washington Post article entitled "'Toward Success in El Salvador," Ambassador Catto advocates a program which includes U.S. military and development support. So that his views can be considered by all of my colleagues, I ask that his views be printed in the RECORD.

The material follows:

TOWARD SUCCESS IN EL SALVADOR

(By Henry E. Catto, Jr.)

Voices on the left in this country have protested U.S. aid to the Salvadoran government. The brutal murder of the archbishop of San Salvador, the killings of three American nuns and the assassinations of two Americans employed by the American Institute of Free Labor Development have intensified the outcry. (Knowledgeable people in the AFL–CIO, which supports the institute, believe these latest crimes were commissioned by right-wingers living in Miami.)

The conflict agonized the Carter administration and promises to do the same for President Reagan. The October 1979 coup, which ousted the old military-led government, was welcomed by the Carterites, for it gave the promise of improvement in human rights. Salvadoran Marxists feared the new group's reforms would weaken their appeal; they stepped up their violence and courted non-Marxist leftists to present the appearance of a broad, benign, "popular" front. Left-wing propaganda throughout the world joined in the word war, while terrorist bazookas blew out the secure conference room on the top floor of the U.S. Embassy.

The State Department's dilemma became acute when the nuns were murdered. All aid was suspended while a special commission went from Washington to investigate. The conclusion was that undisciplined national guardsmen, acting on their own, may have been responsible. Aid was resumed, and FBI agents were dispatched to assist Salvadoran police. That the Carter administration would provide police assistance is, incidentally, ironic. Prodded by human rights activists, the United States years ago ended help to Latin American police for fear they might engage in torture. The current reversal has not evoked a squeak from those who earlier would have raised a hue and cry.

Basic decisions will confront Reagan. He is publicly on record as saying that the present government offers the only promising alternative. The president of the ruling junta is a longtime Christian Democrat, and, although the left may label itself a "popular front," there is little sign that the populace supports it.

It seems clear that the Sandinista government in Nicaragua is tilting toward left totalitarianism and that it might, like Moscow's Cuban lap dog, become the next base for Soviet adventurism. That El Salvador should follow suit is plainly intolerable. Great power spheres of influence are more than textbook verbiage; to let significant parts of Central America and the Caribbean fall to our enemies would proclaim our abdication from superpower status.

On the other hand, to sit by and watch brutal rightist authoritarians take over would be equal folly. Salvadoran refugees who finance the murder of Americans should be expelled. We should never forget the recurrent pattern: corrupt and oppressive rightist regimes beget dangerous and oppressive leftist regimes. Cuba itself, Grenada, Nicaragua and perhaps El Salvador make the lesson plain. Often the debate in this country poses a false choice between extremes: if we don't help the Somozas, the communists will take over. The point is that within our spheres of influence we should strive to see that Somozas do not arise. A policy of strong support for democrats would obviate the frequent choice between Scylla and Charybdis.

Last month I lunched with two friends visiting from El Salvador, a lawyer and a banker. Neither is a member of the wealthy "14 families" (most of whom have fled the country), and both have chosen to stay in spite of clear danger. I asked why. "Because," the lawyer replied, "we want to see our country a stable democracy. By staying, we can help bring that about." Given U.S. military and development support, they and others like them might just succeed.●

AUTOMOBILE IMPORT RESTRAINTS

● Mr. LEVIN. Mr. President, last year Senator RIEGLE and Senator DANFORTH and I were deeply involved in an attempt to clarify the authority of the President to negotiate an agreement which would result in some restraint on the part of Japan in relation to the number of cars and trucks they export to this country. As my colleagues may remember, despite substantial support for that legislation, as evidenced in the defeat of a motion to table by a vote of 65 to 12, the parliamen-

tary situation on the floor prevented us from bringing the resolution to a final vote.

This year, we have again filed the same bill, Senate Joint Resolution 5. This year, however, the bill will be considered under significantly different circumstances.

Last year, it was possible to argue that there was some doubt about the authority of the President to initiate such negotiations in the absence of any congressional action. That argument is less weighty this year for the following reason.

Late last year, I wrote to the Attorney General requesting an opinion on the range of Presidential power in this area. The Department concluded that the President possesses the "inherent constitutional authority" to enter into negotiations with a foreign government seeking import relief. Further, the Department makes it clear that under almost any set of circumstances, any agreement which resulted would not be a violation of our antitrust laws nor would it subject the Government to any significant discovery proceedings.

That letter makes it clear that President Reagan has it within his power to pursue a course of action which he promised to undertake during the campaign. Then he said that—

We Republicans are going to . . . put Americans back to work. If that means talking tough to Japan to get an orderly trade agreement without restrictive barriers, I will go to Japan.

Now it is time for him to use the power he has and do just that.

Mr. President, there are many who suggest that import restraint would be inconsistent with our free trade policy. But trade must be fair as well as free, and things are certainly not fair in the world of international trade right now.

All auto-producing nations have effective limitations on the number of foreign cars they will allow into their markets. In this environment, our open door policy invites the Japanese in while closing American workers out. We have to adopt policies which recognize the reality of the international economic order. And President Reagan has the power to do that through negotiations with Japan now.

Mr. President, I ask that my letter to the Attorney General and the response I received from the Department of Justice be made a part of the RECORD.

The letters follow:

DECEMBER 8, 1980.

Hon. BENJAMIN R. CIVILETTI,
Attorney General of the United States,
Department of Justice,
Washington, D.C.

DEAR MR. ATTORNEY GENERAL: In light of the recent International Trade Commission decision, increased attention has been focused on the options available to the President in an effort to achieve reasonable reduction in the number of imported cars and trucks coming into this country. In that context, a number of questions have been raised relative to the impact of existing domestic anti-trust law on the ability of the President to enter into negotiations with a foreign government in an effort to bring about import restraint.

My questions will assume that the President acts in a way which is independent of any "private interests" seeking similar relief. When I use the word "President," it always includes his representatives.

My understanding is that the President clearly has the Constitutional authority to enter into such negotiations. Would the Department agree?

Additionally, my understanding is that any agreement reached as a result of such negotiations would clearly not constitute a violation of anti-trust law on the part of the President if the foreign government involved required, through its legal process, the compliance of firms located in its country. Would the Department agree?

Additionally, it is my understanding that, if the President's request is limited to asking the foreign government to mandate reductions, the President would clearly not be in violation of our anti-trust laws even if the foreign government turned around and suggested restraint rather than compelling it. Would the Department agree?

In the above situations, would the Department also agree that the law is so clear that a suit against the President would in all likelihood be dismissed without the trouble or expense of discovery proceedings?

Would the Department also agree that the President would be likely to prevail in an anti-trust suit against him if he urged the foreign government to obtain restraint, without distinguishing as to whether he was asking the foreign government to mandate or suggest such restraint? Would the Department agree that, in this latter situation, it is further likely that such successful result would be achieved only after costly and time-consuming discovery process were completed?

Given the importance of these issues, I would appreciate a response to these questions within the next two weeks.

Many thanks.

Sincerely,

CARL LEVIN.

U.S. DEPARTMENT OF JUSTICE, OFFICE OF THE ASSOCIATE ATTORNEY GENERAL,
Washington, D.C., December 29, 1980.

Hon. CARL LEVIN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR LEVIN: The Attorney General has asked me to respond to your letter of December 8, which posed several questions regarding the antitrust constraints affecting the ability of the President and his representatives to negotiate with foreign governments "in an effort to bring about import restraints."

You first ask whether the Department of Justice would agree that the President clearly has the constitutional authority to enter into negotiations with a foreign government seeking import restraints. (All of your questions assume that "President" means not only the President but the executive branch officials charged with negotiating responsibility.) The Department agrees that the President possesses such inherent constitutional authority.

Second, you ask if we agree that an agreement between the two governments reached as a result of such negotiations would not be an antitrust violation by the American government negotiators if the foreign government required through its legal process compliance by its national firms. We would agree.

Third, you ask about a situation in which the President asks the foreign government to mandate controls, but the foreign government merely suggests restraint by its national firms. Again we would agree that in all probability the American government negotiators would ultimately be held to have no liability.

Fourth, you ask if we agree that in all of the foregoing hypothetical situations the law is so clear that a suit against the President or his negotiators would be dismissed without discovery. While it is likely that the President and his representatives would prevail ultimately, perhaps on a motion for summary judgment, there is a significant possibility that an artfully drafted complaint could withstand a motion to dismiss prior to at least some limited discovery.

Finally, you ask whether the President and his representatives would likely prevail in an antitrust suit if they urged the foreign government to obtain restraints, without distinguishing between mandatory and voluntary restraints. While we believe that the United States government negotiators would likely prevail in such a suit, the ambiguity inherent in the type of agreement you posit increases the degree of antitrust risk as well as the likelihood that there would be costly and time-consuming discovery before the issue was resolved.

I should add that this response attempts to answer the specific questions you have posed, which relate solely to the potential antitrust liability of the President and United States government negotiators under the circumstances you set forth. I have not addressed the potential antitrust exposure under current United States law for other involved parties, such as the foreign manufacturers.

I hope that these comments have been helpful, and appreciate your concern for the antitrust issues involved in negotiations with foreign governments on import questions.

Sincerely yours,

JOHN H. SHENEFIELD,
Associate Attorney General.●

FEDERAL ASSISTANCE REFORM ACT OF 1981, S. 45

● Mr. LEVIN. Mr. President, on January 5, Senator SASSER introduced the Federal Assistance Reform Act of 1981, S. 45, which proposes reforms in the Federal grants process. As Senator SASSER indicated in his statement, the bill was fashioned during the 96th Congress by the Governmental Affairs Committee and was unanimously approved there, and passed the full Senate in that session. I was a cosponsor then, as I am now, and I am pleased to again speak on behalf of this much needed bill.

As the former president of the Detroit City Council, I can assure you of the importance of reform in this area. This bill addresses many concerns about the Federal grants process.

In trying to conform to Federal regulations, local governments are often confounded by requirements of one set of regulations and the conflicting requirements of another. One agency says you must meet emission standards; another says you must improve gas mileage, and the goals work at cross purposes. One agency requires that floors be washed frequently for health reasons; another says floors must be dry for safety reasons. The EPA requires that measurement of noise pollution resulting from airport construction be made according to one formula. The FAA requires the same measurement by a different formula. Basic education grants are supplemented by other programs which are on different timetables and require unnecessary duplication by applicants. The list goes on and on.

The grant consolidation approach taken by title I of S. 45 promises to fa-

cilitate the adaption of Federal assistance programs to the particular needs of State and local governments, and to promote better administration and more effective planning of such programs. Title II of the act proposes a single audit requirement for organizations receiving Federal assistance; this provision would relieve State and local governments of the costs and paperwork burdens which result from conflicting and redundant auditing requirements. The problem of inflexibility in adapting Federal programs to local needs is also addressed in title III, which encourages arrangements between Federal and State governments where Federal and State resources may be effectively combined.

The three reforms I have just cited undoubtedly will vastly improve the current Federal assistance process. However, I also felt that there was a need for ways to protect and guarantee the procedural rights of State and local governments in their dealings with Federal granting agencies.

As a result of that belief, I proposed that the provisions of title V of the act be added. That title embodies my concept of a procedural "Bill of Rights" for State and local governments which receive Federal grants. These provisions were included in the bill when it was approved by the Senate Governmental Affairs Committee and by the full Senate last session.

The provisions of title V would allow Federal agencies to waive newly promulgated regulations and requirements for those State and local governments which have made a substantial commitment of time and expenditures under the superseded regulations. This could give recipients of grants some protection from revisions in grant regulations and requirements in the middle of a program.

A number of problems encountered by local officials grow out of the Federal agencies' practice of changing regulations in the middle of a program. There is nothing more aggravating and costly to local governments than changing the rules in the middle of the game. Where there is a midstream change in regulations, the Federal agency should, at a minimum, have the power, absent clear legislative intent to the contrary, to allow the local government to abide by the earlier set of regulations once work has begun or the local government has taken substantial action pursuant to the earlier regulations.

The cost to local governments of midstream changes in regulations include not only the actual cost of complying with the changes but the cost of determining what the impact of those changes will be. In Wisconsin, for example, it was estimated that every time a Federal regulation changes, it costs the State $50,000 a year just to determine what changes must be made.

Title V would also require Federal agencies to provide advance notice to State and local governments of funding decisions in three instances: First, when a Federal agency withdraws funds from an ongoing project or program; second, when a Federal agency refuses to renew funding for a grant which had been funded in the previous year; and third, when a Federal agency withdraws from a public commitment of funds for a State or local program. In these circumstances the agency would be required, on request, to give the State or local government an opportunity to demonstrate why agency action should not be taken. In addition, in the circumstance where applications for assistance are rejected, agencies would be required, on request, to provide an explanation of the reason or reasons for their action to the State or local government.

This provision addresses problems which are created by the lack of Federal agency notice before changes in funding patterns are made, and the absence of any opportunity for the State or local government to learn the reasons for funding decisions.

As a former local official, I am particularly sensitive to the need for communication and flexibility between State and local governments and Federal agencies. The opportunity for exchange and consultation not only enables the State and local governments to better administer their local programs, but it also provides the Federal agency with meaningful review of its own grant programs.

Several specific examples from my own experience affirm the need for the provisions contained in title V.

There was a sewer project in Michigan where the Federal Government, after requiring the local government to put up a local share, and after that money was spent planning the sewer improvement, changed the regulations on Federal eligibility so that the sewer plan was no longer eligible.

A number of years ago, the Federal Bureau of Prisons notified Detroit that it wished to build a Federal detention center in downtown Detroit across the street from the Federal courthouse. The city agreed and set aside some valuable land which remained off-limits to other development for a number of years. The Federal Bureau of Prisons requested an appropriation for the center from the Congress and the appropriation was approved. Then, the Federal Bureau of Prisons, without any notice to the city, decided to cancel the project and so informed the Appropriations Committees of the House and the Senate which began reprograming the funds.

The consequences of this decision were quite damaging financially to the city; the valuable land had sat idle for years, generating no revenue and forestalling needed development. Yet the decision was not communicated directly to the city, and was only revealed eventually by rumor.

When a local government has acted in reliance on an announced Federal project, the least the Federal agency should do is to notify the local government prior to reaching a final decision to drop the project.

Title V of this bill will require an agency to provide State or local governments, upon their request, with explanations of their actions. The process created by these provisions will create an opportunity for improved consultation and more frequent contact among agency personnel and State and local officials. Finally, the process should help assure all parties in the Federal assistance system that specific and reasoned procedures are in place to guarantee the effectiveness of grant programs.

Although most of the examples I have mentioned are based on my experience in Michigan, most of my colleagues have heard similar examples from local governments in their own States.

This title and the entire Federal Assistance Reform Act offer the opportunity to insure fairness and commonsense and at the same time contribute to the overall simplification and streamlining of all Federal assistance programs. I hope we will promptly act upon this much-needed bill.●

THE NEED FOR PASSIVE SOLAR ENERGY TAX INCENTIVES

● Mr. D'AMATO. Mr. President, I join today my distinguished colleague from Colorado, Senator HART, in cosponsoring S. 498, legislation that would encourage homebuilders to include passive solar energy systems in new homes by providing tax credits based on the efficiency of the passive solar system.

As one who wholeheartedly believes that this Nation must move to a position of energy independence as quickly as possible, I have consistently pressed for the development of alternative energy sources. Over the past decade, ever since the first Arab oil embargo in 1973, our Nation's economy has been decimated by rising energy prices and threatened by a cutoff of imported oil from the volatile Persian Gulf region. Today, this dependence continues and we remain unsure of the length, outcome, and impact of the Iran-Iraq war.

While I supported the President's decision to remove controls on the price and allocation of oil, the cost of home heating fuel is becoming more burdensome on our middle class and those less able to pay rising costs in an already inflation-ridden economy. I believe that this piece of legislation is an important step in our effort to ween this Nation off imported oil.

S. 498 is simple and straightforward. In this time of bureaucratic redtape and burdensome regulation such an approach is refreshing and welcome. To be eligible for a tax credit, a homebuilder must demonstrate that all the elements of a passive solar system are included in the design of the home. To determine the amount of the credit, the builder must contribute only three pieces of information:

First, the location of the home; second, the number of square feet of the solar collector area; and third, the energy efficiency of the home prior to the addition of the passive solar system.

The information required can be easily provided by the builder. These factors are then compared on a simple chart which will predetermine the amount of

the credit based on the extent to which the passive solar system has reduced the heating and cooling requirement of the home. The maximum credit under the legislation would be $2,000 with the average expected to be about $1.000.

This tax credit will provide the homebuilders and developers with the incentive, approximately a 20-percent subsidy, to invest in efficient passive solor energy systems. Without this credit, the builder cannot afford the necessary additions to a home because of the present extremely tight capital market. Our Nation's residential housing stock will be completely replaced over the next 50 years. If we are to make progress in developing alternative energy sources for the future, we must provide the incentive to our people today.

While in some respects solar energy is not doing as well as expected, in the passive area, which this bill seeks to promote, there is great optimism that improvements can be made in energy efficiency and conservation. In new housing, basic conservation practices can reduce energy requirements by more than half, the addition of good passive solar features can reduce the remaining energy needs by more than 60 percent.

For example, a conventional single family residence in New York State, typically a two-story, three-bedroom structure with moderate insulation, uses approximately 20 British thermal units per degree-day per square foot (Btu/dd/sq. ft.). This amounts to 1,200 gallons of fuel oil annually. Effective passive solar designs use significantly less than 4 Btu/dd/sq. ft., or as little as 20 percent of the oil, natural gas, electricity, or wood used as fuel in conventional housing.

The average monthly costs of living in homes with passive solar devices, including mortgage payments, insurance, taxes and maintenance—as well as energy bills—will be significantly less than the monthly costs of living in conventional housing.

This legislation deserves careful consideration by my colleagues. Without great expense, the tax credits furnished in this timely measure provide an important step in the development of alternate energy sources. The American consumer demands relief from increasing energy costs, and the construction of passive solar homes will greatly reduce his heating bills while putting us on the road to energy independence.●

ORDER FOR RECESS UNTIL 11 A.M. TOMORROW, FEBRUARY 27, 1981, AND 3 P.M., TUESDAY, MARCH 3, 1981

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 11 a.m. tomorrow, February 27, and that when the Senate convenes on tomorrow, it immediately stand in recess until 3 p.m., Tuesday, March 3, 1981.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER PERMITTING THE INTRODUCTION OF BILLS, RESOLUTIONS, AND STATEMENTS AND AUTHORIZING COMMITTEES TO FILE REPORTS ON FRIDAY, FEBRUARY 27, 1981

Mr. BAKER. Mr. President, I ask unanimous consent that on Friday, February 27, 1981, between the hours of 9 a.m. and 3 p.m., Senators be permitted to introduce bills, resolutions, and statements, and that committees be authorized to file reports.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER AUTHORIZING THE SENATE TO TAKE CERTAIN ACTION DURING THE RECESS

Mr. BAKER. Mr. President, I ask unanimous consent that during the recess of the Senate over until Friday, February 27, and Tuesday, March 3, messages from the President of the United States and the House of Representatives may be received by the Secretary of the Senate and appropriately referred, and that the Vice President, the President pro tempore and the acting President pro tempore be permitted to sign duly enrolled bills and joint resolutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. BAKER. Mr. President, as I have just indicated, it is my intention to move shortly to recess the Senate over until tomorrow at which time on tomorrow we will have a pro forma session.

The provision has been made, of course, for Senators to introduce bills, resolutions, and statements between the hours of 9 a.m. and 3 p.m. on tomorrow.

The Senate then will reconvene, pursuant to recess, at 3 p.m. on Tuesday next.

The 3-day rule and other requirements will have been complied with by that time in respect to the resolutions on committee budgets reported recently by the Rules Committee and it will be the intention of the leadership to proceed to the consideration of those resolutions after the routine and regular business of the Senate in conjunction with the compliance with the standing order for the recognition of the two leaders, a special order which I will shortly provide, and a brief period for the transaction of routine morning business, at which time I will either move or ask consent to proceed to the consideration of the resolutions in respect to the budgets of the several committees.

FUNDING RESOLUTIONS—ORDERS FOR TUESDAY

Mr. BAKER. Mr. President, in that connection I ask unanimous consent that on next Tuesday a rollcall vote occur at 5 p.m. on the 18 committee funding resolutions and that the consideration of those resolutions be considered en bloc, being Calendar Items Nos. 10 through 27 on the Calendar of General Orders; I further ask unanimous consent that no nongermane amendment to any of those resolutions will be in order at that time; and I further ask unanimous consent that it may be in order to ask for the yeas and nays on those resolutions to be considered en bloc at this time.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, and I will not object, there is no objection on this side of the aisle to the request. Therefore, I do not object.

Mr. BAKER. I thank the minority leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. I thank the Chair.

Mr. President, do I understand that it is in order to ask for the yeas and nays?

The PRESIDING OFFICER. It is in order.

Mr. BAKER. Then, Mr. President, I ask for the yeas and nays on the resolutions en bloc.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

ORDER FOR THE RECOGNITION OF SENATOR HARRY F. BYRD, JR., ON TUESDAY, MARCH 3, 1981

Mr. BAKER. Mr. President, I ask unanimous consent that after the recognition of the two leaders under the standing order there be a special order for the recognition of Senator HARRY F. BYRD, JR., of Virginia, for 15 minutes on next Tuesday.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE RECORD TO REMAIN OPEN UNTIL 5 P.M. TODAY

Mr. BAKER. Mr. President, I ask unanimous consent that the RECORD may remain open until the hour of 5 p.m. today for the purpose of inserting statements, bills, and resolutions, and the filing of committee reports.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. BAKER. Now, Mr. President, might I inquire of the distinguished acting minority leader if there is any further business on his side of the aisle?

Mr. LEVIN. The acting minority leader knows of none.

RECESS UNTIL 11 A.M. TOMORROW

Mr. BAKER. Mr. President, I move, in accordance with the provisions of the order previously entered, that the Senate stand in recess until the hour of 11 a.m. tomorrow.

The motion was agreed to; and, at 2:33 p.m., the Senate recessed until Friday, February 27, 1981, at 11 a.m.

79-059 O 1984 — 31 — (Vol. 127 Pt. 3)

NOMINATIONS

Executive nominations received by the Senate February 26, 1981:

DEPARTMENT OF LABOR

Albert Angrisani, of New Jersey, to be an Assistant Secretary of Labor, vice Ernest Gideon Green, resigned.

DEPARTMENT OF THE TREASURY

John E. Chapoton, of Texas, to be an Assistant Secretary of the Treasury, vice Donald Cyril Lubick, resigned.

Paul Craig Roberts, of Virginia, to be an Assistant Secretary of the Treasury, vice Curtis Alan Hessler, resigned.

IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. Charles Robert Myer, xxx-xx-xxxx xxx-... (age 56), Army of the United States (major general, U.S. Army).

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

To be lieutenant general

Maj. Gen. William Ivan Rolya xxx-xx-xxxx, Army of the United States.

IN THE MARINE CORPS

The following-named brigadier general of the Marine Corps Reserve for temporary appointment to the grade of major general under the provisions of title 10, United States Code, section 5902:

John B. Hirt

CONFIRMATIONS

Executive nominations confirmed by the Senate, February 26, 1981:

DEPARTMENT OF STATE

James L. Buckley, of Connecticut, to be Under Secretary of State for Coordinating Security Assistance Programs, vice Matthew Nimetz, resigned.

Richard T. Kennedy, of the District of Columbia, to be Under Secretary of State for Management, vice Benjamin H. Read, resigned.

Walter J. Stoessel, Jr., of California, to be Under Secretary of State for Political Affairs, vice David D. Newsom.

Richard Fairbanks, of the District of Columbia, to be an Assistant Secretary of State, vice J. Brian Atwood, resigned.

Robert Carl McFarlane, of Maryland, to be Counselor of the Department of State, vice Rozanne L. Ridgway.

AGENCY FOR INTERNATIONAL DEVELOPMENT

M. Peter McPherson, of Maryland, to be Administrator of the Agency for International Development, vice Douglas J. Bennet, Jr., resigned.

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

DEPARTMENT OF STATE

Foreign service nominations beginning John H. Trattner, to be a Foreign Service officer of class 2, and ending Daniel Alan Spike, to be a Foreign Service Information officer of class 7, which nominations were received by the Senate and appeared in the Congressional Record of February 3, 1981.

EXTENSIONS OF REMARKS

THE USE OF VOLUNTEERS BY THE FEDERAL COMMUNICATIONS COMMISSION

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. DANNEMEYER. Mr. Speaker, at the close of the 96th Congress I sponsored H.R. 8445, to permit the use of volunteers by the Federal Communications Commission in the monitoring of violations by amateur radio operators. This legislation grew out of discussions I had with constituents of my district within the ham radio community who were having problems pursuing their hobby amidst interference by those who escape FCC enforcement of permissible wattage levels and other regulations.

Since the introduction of H.R. 8445 on December 9, 1980, I have benefited greatly from the advice and counsel of a number of concerned citizens and private organizations. On the basis of this information, I am today reintroducing the legislation in an amended and expanded form.

First, the bill allows the FCC to use volunteers and voluntary organizations to monitor violations of the Communications Act and regulations made pursuant to the act by citizens band and amateur station operators. The bill from the last Congress included only amateur station operators. It is my understanding that the CB community is facing the same or similar problems which resulted in this concept in the first place.

Specifically, the bill addresses two legal obstacles to the implementation of a volunteer monitoring program in the absence of this legislation. Title 31, United States Code, section 665(b) precludes the use of voluntary services by an officer or employee of the U.S. Government. This bill effectively grants an exception to this general rule for FCC monitoring volunteers. There are at least 10 other exceptions of this nature, including ones for the Coast Guard Auxiliary, the National Park Service, the Office of Drug Abuse Policy, and the Teachers Corps.

The second legal obstacle is contained in title 47, United States Code, section 605, which states that:

> No person not being authorized by the sender shall intercept any radio communication and divulge or publish the existence, contents, substance, purport, effect or meaning of such intercepted communication to any person.

There is an exception to this ban for FCC employees. Section 2 of the bill I am introducing today makes it clear that volunteer monitors are also exempt from the ban when performing their monitoring functions.

A relatively few individuals operate CB and amateur stations in violation of FCC regulations, particularly as they relate to permissible power levels. These violators literally interfere with the transmissions of the law-abiding majority within the amateur and the CB communities. I have even been informed of persons interfering with the transmissions of those within both the CB and the amateur communities engaged in emergency communications for natural disasters and other occurrences.

It is my understanding that individual volunteers and especially the national and local CB and amateur organizations are willing and able to assist the FCC monitor the transmissions of those responsible for these violations. I have been told that the FCC is hampered in its enforcement both by the volume of complaints and by the necessity for an FCC engineer to locate and observe or hear the transmission of a violator.

While the bill does not set down the specific details of the monitoring program and instead leaves such matters to the discretion of the FCC, it is my intention, after talking with those concerned, that this legislation permit local committees to be formed which would monitor transmissions, and report such information to the local FCC field office. Furthermore, the local FCC field office would be allowed to establish a. working relationship with local CB and amateur organizations to assist the FCC in screening the complaints. It is conceivable that the serious violations could be handled by the FCC while less serious infractions could be corrected through the peer pressure imposed by the local organizations. I believe this concept is in the best spirit of voluntarism and local community control over as many concerns as possible. It should be made clear that volunteers will only monitor transmissions and are in no way empowered to invade property rights of others or issue sanctions and other enforcement actions. The FCC retains its full and complete authority in this area. All the bill does, if you will, is create additional eyes and ears for the FCC. Furthermore, I am confident that the FCC, working with the amateur and CB organizations, can establish eligibility criteria for volunteers that will reduce the possibility of abuse.

Furthermore, I wish to point out that the program envisioned to be established pursuant to this bill would have amateur volunteers and organizations monitoring amateur transmissions and CB volunteers and organizations monitoring CB transmissions. In addition, nothing in the bill should be interpreted to require the FCC to operate both a CB and an amateur volunteer program in concert. One may be operated independently of the other.

The second major provision of the bill would clarify the use of volunteers by the FCC to prepare and administer novice amateur radio licenses. It is my understanding that since 1938 qualified volunteer examiners have assisted the FCC in the performance of this function. Recently, however, this longstanding practice was called into question on the grounds that it, too, violated the 31 U.S.C. 665(b) ban on the use of voluntary services. This practice saves the FCC money if it decided to give the test itself. In addition, the volunteer-run program is more convenient for the amateur community by eliminating the need to travel to an FCC field office which is often a good distance away.

In short, Mr. Speaker, I believe that this bill extends the principle of decentralized government to an important segment of our society. Accordingly, I urge the swift consideration of this legislation by the House Energy and Commerce Committee, of which I am proud to be a member. I insert the bill at this point in the RECORD.

H.R. 2203

A bill to amend the Communications Act of 1934 to permit the Federal Communications Commission to employ voluntary services for purposes of monitoring violations of the Act by amateur and citizens band radio service station operators and for purposes of preparing and administering examinations for certain amateur station operator licenses

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4(f) of the Communications Act of 1934 (47 U.S.C. 154(f)) is amended by adding at the end thereof the following new paragraph:

"(4)(A) For purposes of monitoring any violation of any provision of this Act, and of any regulation made by the Commission pursuant to this Act, relating to amateur station transmissions, the Commission, without regard to part III of title 5, United States Code, may (i) recruit and train any individual licensed by the Commission to operate an amateur station; and (ii) accept and employ voluntary and uncompensated services of such individual. For purposes of recruiting and training such individual, the Commission, without regard to part III of title 5, United States Code, may accept and

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

employ voluntary and uncompensated services of any amateur station operator organization.

"(B) For purposes of monitoring any violation of any provision of this Act, and of any regulation made by the Commission pursuant to this Act, relating to transmissions of any citizens band radio service station, the Commission, without regard to part III of title 5, United States Code, may (i) recruit and train any individual licensed by the Commission to operate a citizens band radio service station; and (ii) accept and employ voluntary and uncompensated services of such individual. For purposes of recruiting and training such individual, the Commission, without regard to part III of title 5, United States Code, may accept and employ voluntary and uncompensated services of any citizens band radio service station operator organization.

"(C) For purposes of preparing or administering any examination for the least privileged class of amateur station operator license established under section 303(1) of this Act, the Commission, without regard to part III of title 5, United States Code, may accept and employ voluntary and uncompensated services of any individual who is licensed by the Commission to operate an amateur station and whose license is not of such class.

"(D) Any person who provides voluntary and uncompensated services under this paragraph shall not be considered, by reason of having provided such services, a Federal employee for any purpose.

"(E) For purposes of this paragraph, the term 'citizens band radio service station' has the meaning given such term in sections 95.401 and 95.603 of title 47, Code of Federal Regulations, including any amendment to such term as hereafter may be made by the Commission.".

SEC. 2. Section 605 of the Communications Act of 1934 (47 U.S.C. 605) is amended by adding at the end thereof the following new sentence: "This section shall not apply to any receipt, divulgence, publication, or utilization of the contents of any amateur or citizens band radio service station transmission by any individual in the course of providing voluntary and uncompensated monitoring services to the Commission under subparagraph (A) or (B) of section 4(f)(4) of this Act.".●

W. THOMAS ANDREWS HONORED

HON. EUGENE V. ATKINSON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. ATKINSON. Mr. Speaker, I wanted to take a few moments from today's session to insert into the CONGRESSIONAL RECORD special remarks to pay tribute to a fine gentleman who chose not to seek reelection as a member of the Pennsylvania State Senate.

W. Thomas Andrews, an outstanding resident of New Castle, Pa., in Lawrence County, was elected to the Pennsylvania Senate in 1972 and reelected in 1976, representing Butler and Lawrence Counties.

Throughout his 8 years in Harrisburg, Tom maintained a solid reputation as a dedicated, loyal, hardworking lawmaker. He tirelessly tried to help each and every constituent who came to him with a problem. The people he represented know Senator Andrews as a compassionate man with a deep concern for the feelings of others.

Tom is married to the former Leslie Nord; they have one son, William Robert, and a daughter, Arlyn Elizabeth. The senator was a graduate of New Castle High School and the College of Wooster. He received his law degree from the University of Pittsburgh.

He has participated in dozens of civic organizations in Butler and Lawrence Counties and was chosen one of the outstanding young men of America in 1973.

Senator Andrews' public service ability will be sorely missed. We are all looking forward to his continued involvement in the affairs of our community.

I want to wish Tom and his entire family the very best in good health and happiness in his years to come.●

WORKERS AND PEASANTS THREATEN SOVIET RULE IN EASTERN EUROPE

HON. JOHN LeBOUTILLIER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. LEBOUTILLIER. Mr. Speaker, I would like to introduce into the CONGRESSIONAL RECORD an excellent article by Prof. Charles A. Moser of the George Washington University. This article, which appeared in the New York Times on January 25, 1981, adds a new dimension to our perception of the economic, social, and political ferment in Poland by focusing on and providing a historical context for understanding the Polish farmers' attempt to organize their own union—Rural Solidarity.

The fact that the Communist authorities in Warsaw backed down last year and legalized a mass independent labor union, Solidarity, but stubbornly refused to permit a comparable organization for farmers, is instructive. There are far more urban laborers in Poland than farmers. Why this uncompromising resistance by the Communist authorities to Rural Solidarity? What millions of farmers seek in Rural Solidarity is an officially sanctioned organization to promote their own class interest; that is, the well-being of individually owned family farms.

Professor Moser's brief article explains why Communist rulers dare not allow this. For it is in the countryside that communism has its weakest hold in Eastern European societies—and in Soviet Russia. The countryside is an area of economic, social, and political weakness and vulnerability, a potential Achilles heel throughout the Communist world, which must be shielded and insulated at all costs. The ineradicable striving of farmers to own the land they work and to enjoy unrestricted the fruits of their labor runs deep and strong throughout Eastern Europe, and is inimical to the Communist dictatorships there. The Communists have struggled to repress this movement where they could not destroy it. But if millions of Polish farmers, intent upon securing their own family farms, were to join hands with millions of Polish workers, intent upon securing the rights of free working men, that is, if rural solidarity join urban solidarity—Communist dictatorship, as such, would be impossible in Poland.

This is the specter which haunts the regimes in East Germany and Czechoslovakia, and their masters in the Kremlin as well. Professor Moser does well to remind us that Communist leaders have more to fear than Western military might. Closer to home and all around them is the danger that workers and peasants may harken to the old battle cry, arise and throw off their chains.

As the new administration and we in the Congress formulate our policies in response to the events in Poland and in United States-Soviet relations in general, we would do well to remember Professor Moser's conclusion, that a genuine coalition between workers and peasants may lead to the end of Communist power in Eastern Europe.

The article follows:

POLES AND PEASANTS

WASHINGTON.—Although workers have led the way in Poland over the last few months, the Polish peasantry has not been far behind. Like the workers—and like the Communist Party itself—the peasantry understands that political organization is the key to the restoration of its liberties.

Although those of us in the West have tended to ignore the historical reality of organized agrarian political movements in the 20th century, the fact is that between the World Wars such movements were very strong in Eastern Europe. In 1920 an entirely agrarian movement took power in Bulgaria by democratic means. Headed by the greatest prime minister of 20th-century Bulgaria, Alexander Stamboliyski, the Bulgarian Agrarian Government instituted wide-ranging reforms in Bulgarian society.

These reforms included land redistribution, the spread of public education and the establishment of reading rooms for the general population. Stamboliyski downplayed militarism and instituted a foreign policy of peaceful cooperation with Bulgaria's neighbors. The old-line political parties resisted Stamboliyski's reforms, however, and in 1923 the Prime Minister was overthrown and brutally murdered. But during the brief time he had been in power, Stamboliyski managed to sow the seeds of an international organization of agrarian organizations in Eastern Europe.

That organization, commonly called Green International, was based in Prague, since Czechoslovakia had a large and influential peasant party, which also came to power later in the 1920's. When Stamboliyski announced the formation of the Green International in 1921, it was constituted by the peasant parties of Czechoslovakia, Bulgaria, Serbia, and Poland.

At that time, the Polish peasant party was headed by Wincenty Witos, who also occupied the post of Polish Premier. Witos may have had his own, rather Polish reasons for supporting the Green International, but support it he did. The irony of the history of the Green International was that it never developed the truly effective unity among the various peasant parties and agrarian organizations that the times required. At the same time, its constituent parties were genuine forces in their own countries, parties that could and did come to power through open and democratic means.

The Communist International, on the other hand, developed remarkable international coordination, but its constituent parties were never in anything approaching the strong electoral positions of the East European agrarian organizations.

When Communist governments were imposed upon Eastern Europe through Soviet military conquest at the end of World War II, the sturdiest opposition to Communist dictatorship was mounted in many countries precisely by these peasant-based parties. In Bulgaria, for example, the Bulgarian Agrarian Union held mass political rallies in the final months of 1944, after the Soviet invasion, to oppose the imposition of Communism on a rural country. The consolidation of Communist power in Poland was signalled by the flight of Prime Minister Stanislaw Mikolajczyk, who was also the head of the Polish peasant party.

The political doctrine of the agrarian movement was based, among other things, on the primacy of the family farm and the right of private property. The agrarians were also committed to democratic representation and parliamentary government. Their leaders constantly preached the importance of political organization if they were to reach their goals.

To those who know something of the real history of Eastern Europe—and not that history as reflected through the narrow prism of Communist historiography—it comes as no surprise that the Polish peasants are now making the demands they are.

The peasants are demanding the right to their own "union," which is in essence a political organization for the advancement of their interests, though they may call it by another name. Nor is it surprising that the Polish peasants assembled resolved to "fight for the interests of the family farms and through this the development of Polish agriculture," or that they demanded the guarantee of private property in land. These were part of the agrarian program for years.

Perhaps it is the case that in history there are neither final victories nor final defeats. Western scholars have tended to ignore or dismiss the influence of the agrarian movements in Eastern Europe simply because they were suppressed by Soviet bayonets. But the history of Eastern Europe, and of Poland in particular, has not yet ended, and the ideas that once seemed defeated may rise from the ashes.

The Polish workers and peasants may forge a genuine political coalition in a way which the Communists have never been able to do despite their talk of "workers' and peasants' governments." And that genuine coalition may lead to the end of Communist power in Eastern Europe.●

LEGISLATION TO ADDRESS THE REAL GUN CONTROL ISSUE

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. YOUNG of Florida. Mr. Speaker, the increasing incidence of handgun murders in the United States, has inspired widespread pressure for stricter gun control laws. Although the Omnibus Crime Control and Safe Streets Act of 1968 was enacted in response to such pressure, its registration provisions have not had any noticeable influence on the rate of crime involving guns. We all realize, I am sure, that a person who commits a crime is not going to obey a new law any more than the laws already on the books. So, in an attempt to reduce this type of violence, today I am introducing legislation which emphasizes the use of a firearm in the commission of a crime, by calling for a separate penalty in addition to the penalty for the crime itself.

My bill requires any individual who uses a gun in the commission of a Federal felony to be sentenced to an additional term of imprisonment for such use, consisting of 5 to 10 years for the first offense, and 10 years to life for the second offense. This term of imprisonment must be served separately and in addition to the term imposed for the crime itself.

In these days of reduced sentences, plea bargaining, easy parole, and other means by which hardened criminals return swiftly to the streets, my bill provides the absolute guarantee of incarceration for a minimum of 5 years—in addition to the original sentence—and the possibility of life imprisonment for a second offense. Such a threat should be a powerful deterrent to the use of firearms for criminal purposes, and I hope the leadership will consider it a more viable alternative than creating additional gun control restrictions which will not accomplish our mutual objective, and which would be ignored by criminals just as they ignore the other laws of our land.●

STATEMENT ON VLADIMIR PRESTIN

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. EDWARDS of California. Mr. Speaker, I take this opportunity to bring my colleagues' attention to the case of Vladimir Prestin, a refusenik.

It is an honor to be able to take part in the "Congressional Vigil for Soviet Jewry" this year. I welcome this opportunity to voice my concern for the many refuseniks in the Soviet Union who are bravely enduring one of the worst human rights offenses in our world today. It is no secret that the Soviets are defying the law and spirit of the Helsinki accords in their treatment of Soviet Jewry.

As most are aware, last year was a dismal one for Jewish emigration from the Soviet Union. We were optimistic after 51,300 Jews were allowed to leave the country in 1979. But due to deteriorating relations with the rest of the world, the emigration figure plummeted to 21,700 last year.

I was encouraged by recent statements made by our President in reference to a proposed summit between himself and Soviet President Leonid I. Brezhnev. Reportedly, Mr. Reagan responded:

> I think that you can't just deal with just one facet of the international relationship, you've got to deal with all the problems that are dividing us.

I would stongly encourage the President to include the question of Jewish emigration in his list of problems.

This year I rise again to speak on the case of Vladimir Prestin. This is the second year I have spoken in Mr. Prestin's behalf. I hope we will meet with success this year.

Mr. Prestin, born December 1934, is an electrical engineer. He is married with one son. Vladimir worked in closed institutes in various capacities, from senior engineer to chief of laboratory after graduating from the Energetics Institute in 1958. He wrote several articles and has three patents. Since 1969 he has not worked on any projects that could be considered as being of a secret nature.

From 1970 he has been active and outspoken in the issue of human rights in the Soviet Union. Shortly after he applied for permission to emigrate, he became a refusenik. He was forced to resign from his position.

Vladimir is currently employed doing menial work in a factory. He spends his spare time teaching Hebrew, taking part in scientific seminars and other educational and cultural programs for fellow Jews.

Vladimir's wife Elena Prestin also graduated from the Energetics Institute, and worked in a factory for the manufacture of lamps for electrovacuum apparatus before leaving her job. Vladimir and Elena have a son Misha, who spends much time at his grandmother's as they try to shield him from the terror of frequent searches of the Prestin apartment.

As a leading refusenik, Prestin has had his phone disconnected and has

been subjected to constant harassment and frequent arrests. His home has been repeatedly searched and many personal documents, letters, and Jewish publications have been confiscated. This persecution has not intimidated Prestin, and he has been a signatory to every important letter of appeal and protest that has been circulated by the activists in Moscow.

I would like to remind all those with an interest in this area that the vigil will continue. We will not turn our back on the Jews in the Soviet Union.●

EL SALVADOR

HON. BRIAN J. DONNELLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. DONNELLY. Mr. Speaker, the issue of military assistance for the Government of El Salvador has sparked intense controversy in the United States, and around the world. Recent developments in El Salvador, coupled with increasing signals from the Reagan administration, cause me to express my deep concern about the call to escalate U.S. involvement at this time.

If supplying military aid in the form of vehicles and armament is to be the President's policy, the Congress has a solemn responsibility to know the stipulations of such security assistance. Unless the administration recognizes that we have a moral responsibility to the people of El Salvador to use that aid as leverage to insure that the social, economic, and political shortcomings that triggered that embattled nation's reign of carnage are remedied, I cannot support the administration's policy.

The suggestion of an increased contingent of U.S. military advisers for El Salvador is one that troubles me greatly. Such concern cannot be dismissed by the President's characterization of such thought as the Vietnam syndrome. I will vigorously oppose the commitment of U.S. military personnel to El Salvador, and I urge my colleagues to oppose any such decision.●

VFW CONDUCTS A VOICE OF DEMOCRACY CONTEST

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. ALEXANDER. Mr. Speaker, each year the Veterans of Foreign Wars conducts a voice of democracy contest. This year more than 250,000 secondary school students participated in the contest competing for the five national scholarships which are awarded as prizes. First prize is a $14,000 scholarship, second prize is $7,000, third prize is $4,500, fourth prize is $3,500, and the fifth prize is $2,500. The contest theme this year was "My Commitment to My Country."

This year's winner from the State of Arkansas is also a resident of my district. Mr. Carl Matthew Briggs has written a speech which clearly will strike a responsive chord to those who read it. Patriotism is not dead among our youth as so often stated. It is alive and well and visible in the speech by Mr. Briggs which follows:

"These are the times that try men's souls, the summer soldier and the sunshine patriot will in these times shrink from the service of their country."

Thomas Paine voiced these words through a pamphlet called "The American Crisis." In retrospect to these words we can see today another crucial period in our history. It will be seen how much summer soldier lies at the depths of us all.

This crisis presents itself in the form of a threat directed towards democracy and personal freedoms. These dangers, be they external or internal, must be identified, confronted, and overcome. We struggle not solely for ourselves, nor for those within this generation, but the outcome of our conflict will shape and mold the future of our children, as by our ancestors it was molded for us. Freedom's struggle, however, affects not only Americans, but all people whose desire is towards democracy. From the Asiatic peoples of South Korea, over whose head hangs annihilation, to the Afghanistan rebels, whose daily routine is a struggle against innumerable odds mixing death with hope, all peoples look to us and ponder the result of our "American Crisis".

The conflict is not solely military, with armies of men and arsenals of missiles, but rather I assert that we the people possess the "ultimate weapon". And if we become trained in the use of it, we may render ineffective any enemy who would harm us. What is this great weapon you may ask, it is my, no, our commitment to our country.

Let us then learn of and become proficient with our weapon in order to secure the things we know to be right.

If we are to be a people of commitment, we must clearly understand what commitment involves. It is, by definition, the act of giving something or someone charge or trust. For understanding, let us define commitment to one's country as the act of the will that places trust in the nation and produces a life of support, loyalty, and obedience.

As with any true decision, there will be action to give evidence of it.

Support we can see as a desire to show honor and respect, such as standing at the sound of the National Anthem. A simple action, no doubt, but most definitely a result of commitment, especially when one honors such a stance.

Loyalty we can see as a fulfillment of duty, and other actions performed for the good of the nation; an agreement to serve your term on a jury although a bit inconvenient, taking time to buck the popular theory, "Well, it doesn't matter anyway," as you vote. Yes, loyalty, a characteristic that strengthens union and creates purpose, is a result of commitment.

Obedience, the last characteristic listed and probably most important, can be seen not as an act of blind folly, but rather a conscientious execution of what is agreed upon by the people as right. An example: driving within the legal speed limit as you inhale the exhaust of passing cars. It was this fruit of commitment that transformed a revolutionary group of patriots into a union firm and strong.

As you can see, true commitment will have measurable results in our life styles. A way to monitor our effective or ineffective use of freedoms weapon.

James Lowell said, "Once to every man and nation comes the moment to decide * * *." Any movement of a nation will come only when her people begin that move individually. If we are to arm ourselves with the ultimate weapon, then we, then I, must come to the point of supporting loyal, and obedient commitment as an individual. It is because of an individual commitment, a personal commitment to God in whom I trust through His Son, that my role as a citizen can be rightly played.

Let us examine ourselves as well as our values, and find the true level of commitment, to our country and to God. Let us then take up the weapon of commitment to destroy an enemy who would sever the bonds of a union, strong, brave and free.●

TRIBUTE TO HERBERT W. SUTTON

HON. ROBERT E. BADHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. BADHAM. Mr. Speaker, it is my privilege to rise before this honorable body today to pay tribute to Herbert W. Sutton, who will be honored March 21, 1981, by the City of Hope with Spirit of Life Award given annually by this great medical center.

Sutton, who is publisher of three California community newspapers in Newport Beach, Costa Mesa, and Irvine—all located in the 40th Congressional District, which I have the honor to represent—has shown an uncommon interest and dedication to his community and is well deserving of this award to be given at the City of Hope testimonial dinner.

Sutton serves on the board of trustees of the Newport Harbor Art Museum, is a trustee of Chapman College, a director of the American Red Cross, Orange County chapter, and is a director at large of the Braille Institute of Orange Coast.

In addition to his community efforts, Sutton, who is a third generation Californian, has found time to be chairman of the board of governors of the Balboa Bay Club. He is a member of the Printing Industries of America and past director of the National Association of Advertising Publishers. He is a member of the California Newspapers Publishers Association and is chairman and chief executive officer of Sutton Industries, Inc.

Herb Sutton is a dedicated marathon runner, usually managing to run 7

miles each day and has competed in marathon races. He has been a credit to his community and I am pleased today to call the attention of my colleagues to his fine civic achievements and to the award he will receive from the City of Hope.●

CIVIL DEFENSE—A WEAPON FOR THE FUTURE

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. SKELTON. Mr. Speaker, a student at Truman High School in Independence, Mo., Hugh Vest, recently wrote a paper on civil defense. It is titled, "Civil Defense—A Weapon for the Future." I find it very encouraging that more of today's youth are becoming aware of the importance of civil defense. I am especially hopeful when the logic is as well thought as that of Hugh Vest. Mr. Speaker, my colleagues and the Nation should be aware of Hugh Vest's fine paper.

The paper follows:

CIVIL DEFENSE: A WEAPON FOR THE FUTURE

My name is Mr. Tanimoto. I remember the morning well—very normal, still, cool and pleasant. I was beginning to unload a handcart when the tremendous flash cut across the sky. I reacted in terror throwing myself in my rockgarden. Following the blast, I, unhurt, ran for the city and my family. Roaming the streets were hundreds and hundreds of people—silent, dazed, all injured! Some had the skin burned off their hands and faces their eyebrows hanging limp. Many, because of the pain, held their arms up as if carrying something. Most vomited as they walked. Naked or in shreds of clothing I remember these people; walking silent with bowed heads, expressionless. As I approached I looked out over the city—ruins, flames, destruction. Every other house was a collapsed trap upon the family inside who, buried, cried out in vain. I thought, as I looked, that in the midst of this flattened city were my wife and baby

• • •

August 6, 1945. The first atomic bomb devastated the city of Hiroshima. This small Japanese city was caught up in the fury of the greatest destructive force ever encountered by man. Since then the destructive force has intensified and we are less prepared than that small city. The stage is set for central Missouri to go down in the annals of history as the next Hiroshima or Gettysburg of destruction with you, if lucky, living to tell Mr. Tanimoto's story.

What comes to your mind when you think of our state, Missouri?—Peaceful? Warm, friendly people? Soft rolling hillsides? The beautiful countryside? When considering danger, what area comes to mind? New York City? Los Angeles? Chicago? Yet this peaceful countryside happens to be sitting on a powder keg! We find in U.S. News that in the event of a nuclear war or surprise attack aimed at destroying weapon installations the greatest casualties would not be inflicted in New York City, Los Angeles, or Chicago, but on central Missouri. Not far from where I am standing right now 300 nuclear warheads, each capable of destroying several Hiroshimas, would come thundering down on the 150 missile silos in our state. More than half of our state's geography would instantly be eliminated—4.8 million would die. Yes, peaceful, friendly Missouri is one of 9 missile fields in the U.S., a high risk area whose citizens live under the gun day and night. In 15 minutes our Missouri could be changed into a hell on earth. Areas like Missouri, who for the benefit of others live under the gun of destruction, should be given some protection. After all, we didn't ask to have the missile silos put in our backyards so we deserve some shelter.

Maybe the problem is not that we didn't ask, but that we don't care. Congressman Ike Skelton from the Journal of Civil Defense: "Civil defense in this country is facing an uphill battle. It currently lacks the necessary public awareness. I believe this is our greatest challenge. And why shouldn't there be public apathy? For years upon years doctors and certain politicians have presented us with untold number of studies proving we couldn't survive a nuclear war." Yet all these forecasted results are supposing that we have no civil defense as we have now. It seems that there is a myth or a good old firm held belief that we are all going to die. Many claim that if the explosion doesn't kill you the 1000 mph winds will, and if the winds don't the fire will and if the fire doesn't the fallout will. We can survive a nuclear war!! All studies claim that taking civil defense measures would drastically change the number of lives lost in a confrontation. To admit to the theory that we can't survive a nuclear war is to admit complete hopelessness. On a national level this is suicide.

But as our great survival debate lingers on, proof for the effectiveness of civil defense measures is in waiting just across the ocean. This proof? It happens to be the greatest threat to the free world. The U.S.S.R. . . . It seems that the Soviets have taken their civil defense all too seriously. Shelters have been built on a massive scale, education in survival techniques starts in the second grade, food has been stored away to last until the next harvest? Some say this buildup is a grim reality of an upcoming holocaust. Recently America was set free as our hostages returned home from their captivity in Iran, but America has been held hostage for years by the Soviet threat. Here is a firm fact for those still skeptical about civil defense. In a present war without our country taking any civil defense measures, ten Americans would die for every one Soviet citizen. Russian shelter a waste of money? The U.S.S.R. likely would only lose a massive 4 percent of its population in a full scale assault and would return to work in less than 2 weeks as calculated by a U.S. SALT negotiator. This buildup drastically affects the balance of power in the free world. We are vulnerable! Looking and laughing at our ability to survive a nuclear war, the Kremlin can certainly believe we wouldn't become involved in a confrontation over an issue like Afghanistan or Poland. Civil defense has become most ironically, a weapon.

This weapon, a leftover from World War II, lost in the advancement of technology, is a necessity for America. I hope while President Reagan is busy beefing up our defense budget he will consider the defense of millions of Americans living in high risk areas like Missouri. The ultimate responsibility for providing defense for these Americans lies in the federal government. However, in Missouri this task may not be as astronomical in price as it seems. Nearby limestone caves in Missouri are a gold mine in ready made civil defense shelters. For citizens in risk areas isolated from public shelter they should be given tax breaks for the building of private shelters. Companies should receive the same program. Those living outside risk areas need an effective plan of mass evacuation. One such study called Crisis Relocation Planning already exists. As of yet, we have no plans, only studies. For citizens living on potential ground zero, we are only inching towards this goal. We need shelters not plans, education not goals, action not apathy. Our Constitution preamble begins with "We the people" because we are our own government. If we are our own government, why do we spend billions on defense and leave our population defenseless, and why do we remain blind to the fact that our friends, family, lives, and possessions are in danger? America must awake from its sleeping apathy; the responsibility is ours. Congressman Ike Skelton, a long time proponent of civil defense, once said: "Man is a survivor. It is not his nature to throw up his hands in resignation and say all is lost, nor is it his inclination to stand idly by while his government holds him and his family hostage to Soviet missiles. Have we become so spoiled by our current lifestyles that anything less than luxury makes us gladly anticipate a quick death?"

Politicians, doctors, and statisticians can offer you the distant future goals of SALT talks and dissarmament. Missiles loom in the sky, the public runs frantic in the streets, the media blares out hopeless warnings. What happened to the SALT talks? The negotiations? I offer you present action, the only alternative, civil defense.●

EQUAL RIGHTS MEAN IMPARTIAL HEARINGS

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. YOUNG of Florida. Mr. Speaker, one of the fundamental rights of the citizens of this great country is the right to a fair hearing by an impartial person. Yet, under present social security law, the carrier for medicare has the total authority to make final determinations on disputed part B medicare claims. The claimant, therefore, has no opportunity to have his case reviewed by anyone completely disassociated with the carrier.

Today, I have introduced legislation to amend this unfair section of the Social Security Act, to require a fair hearing by an impartial person—other than the carrier—on disputed claims.

In too many cases, the individuals making medicare claims are living on small fixed incomes and the difference in the figure that the carrier has allowed and the amount of money actually paid out for medical services can be very important. Considering this and the tough economic times we are living in, it is vital that these people receive every possible opportunity for

a fair hearing and a thorough review of their claims.

Medicare claims under part A are allowed certain appeal rights and consideration by the Social Security Bureau of Hearings and Appeals. I urge prompt enactment of my legislation to give those under part B similar rights.●

WEDDING GIFTS DISCLOSURE OF HON. ROBERT GARCIA

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. GARCIA. Mr. Speaker, ordinarily, a wedding is a highly personal and private matter between two people. Likewise, wedding gifts are given as a personal expression of love and affection for the couple.

However, as a Member of Congress who recently wed, I am acutely aware that one's personal affairs cannot easily be separated from official duties and obligations, and that the propriety of any gift regardless of value or source may be questioned unless disclosed forthrightly.

Accordingly, I am herewith publishing a list of all gifts, and their value, if known, received by me and my wife, Jane, on the occasion of our marriage.

Mr. Speaker, the list follows:

1 China Picture Frame: Cong. & Mrs. Baltasar Corrada, San Juan, Puerto Rico.

1 Set Lucite Salt & Pepper Shaker: Ms. Myrna Prieto, New York, New York.

1 Decanter: Mr. & Mrs. Jerry Patterson, New York, New York.

1 Flower Arrangement: Mr. Robert Payne & Mrs. Amalia Payne, New York, New York.

1 Set Candlesticks: Mr. & Mrs. Stanley Kriegle, New York, New York.

1 Decanter: Mr. & Mrs. Ica Scott, New York, New York.

1 Set Shell Candle Holders with Candles: Mrs. Rosalyn Persijonow, New York, New York.

4 Yugoslavian Wine Glasses: Mr. George Omas, Washington, D.C.

1 China Pitcher: Mr. & Mrs. Jim Sanchez, New York, New York.

1 Water Color Framed 16x14 Painting: Dr. & Mrs. Jack Friedman, New York, New York.

1 Decanter: Staff—Washington, D.C.

1 Towel set: Ms. Lillian Fernandez, Washington, D.C.

1 Pewter Candy Dish: Cong. & Mrs. Edward Derwinski, Palos Heights, Illinois.

2 Watches (Lady-Man): Mr. Pedro Rodriguez, New York, New York.

10 Art Serigraphs and Prints: Taller Boricua, New York, New York.

1 Flower Arrangement: Mr. and Mrs. Hugh Andrews, San Juan, Puerto Rico.

1 Illuminated Electrical Clock: Mr. Paul Schosberg, New York, New York.

1 Bronze Sculpture—Sea Birds on Rock: Mr. and Mrs. Ralph Garcia, New York, New York.

1 Brass and Enamel Candy Dish: Mr. and Mrs. Freddie Ferrer, New York, New York.

1 Hand Painted China Dish: Mr. and Mrs. Kenneth Marty, Springfield, Virginia.

1 Glass Bonbonier: Dr. and Mrs. Hugo Morales, New York, New York.

1 Glass Dinner Bell: Miss Esme Stephens, Miss Rose Collazo, New York, New York.

1 Crystal Cut Sculpture: Mr. Robert Abrams, New York, New York.

$1,000.00: Mr. and Mrs. John Mariotta, New York, New York.

$150.00: Honorable Herman Badillo, New York, New York.

$50.00: Honorable Jose E. Serrano, New York, New York.

$200.00: Mario E. Mureno, New York, New York.

$10.00: Mrs. Louise M. McLemore, New York, New York.

$25.00: Mr. and Mrs. John G. Moran, New York, New York.

$500.00: Mr. Daniel Schiffman, New York, New York.

$100.00: Mr. Luis M. Rivera, Mr. Abelardo Montanez, New York, New York.

In addition, three receptions were given by friends and relatives in Washington and New York for me and my wife.●

SUPPORTING BAN ON SHIPMENT OF ARMS TO ULSTER

HON. WILLIAM CARNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. CARNEY. Mr. Speaker, America has a proud tradition in world affairs of being the leader in the struggle for peace and freedom. Today I would like to remark on an area of the world which has not had the opportunity to enjoy peace or freedom.

With the arrival of Prime Minister Thatcher here in the United States, it seems appropriate to address the tragic situation in the north of Ireland. Since the formation of Northern Ireland in 1920, the Catholic community has been a victim of state sponsored terrorism. Systematic discrimination in housing and employment, along with repressive legislation, have been commonplace.

In August of 1979, the United States suspended the shipment of arms to the Royal Ulster Constabulary. I strongly urge that President Reagan continue to support this suspension. Maintaining this ban is a must if the United States is to have an honorable policy in this troubled area of our world.

My concern for this problem lies in the fact that this is an American issue which the Congress of the United States cannot turn its back on.●

VOICE OF DEMOCRACY CONTEST

HON. THOMAS F. HARTNETT

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. HARTNETT. Mr. Speaker, each year the Veterans of Foreign Wars of the United States and its ladies auxiliary conduct a voice of democracy contest. This year more than 250,000 secondary students participated in the contest, competing for five national scholarships.

The winning speech from my home State of South Carolina was delivered by Mr. Laurence S. Peeples of Charleston, S.C. I would like to share Mr. Peeples' outstanding speech on national pride with my colleagues.

The text of the speech follows:

My commitment to my country is a commitment to its people, a people that were made American by their optimism, by their clear vision, and by their pride. It was that same optimism, that same pride that sustained the United States through its own Revolution, through civil and international wars as well as through a great depression. But does this pride prevail today? Many will say this pride is gone, but I believe it is here, waiting to be reborn. My commitment to my country is to bring this pride back to America by bringing it back to its people.

America respects individual rights more than any other country on earth, and this respect deserves not mere gratitude but active respect. We must make this commitment because to respect the principles of the United States is to respect ourselves.

The belief in man's intrinsic goodness and wisdom and its role in American society was one of Thomas Jefferson's most important ideals. It has been updated by such great Americans as Andrew Jackson, Abraham Lincoln, Woodrow Wilson, and John F. Kennedy. Our national pride is nothing more than an amplification of my personal pride and yours. Therefore it is only natural that my first step in fulfilling my commitment is to believe in myself, and my second step is to turn this pride toward society, toward people I see every day. The second step requires sincere commitment, to the point where it becomes a way of life. But one does not need to be a counselor or a social worker to help society—any more than one needs to be a president or a Supreme Court judge to commit himself to his country. There are millions of great Americans restoring pride and helping people at this very moment. Because when you help people, whether it is through your job, your free time, whether it is in development of a child or in saving a life, you are helping your country. You are upholding the freedoms inherent to American society. You are bringing pride to our country by bringing pride to its people.

The policeman, the social worker, the doctor, the salesman, in his own way, each makes a commitment to America, in the most fundamental way, by helping its people—by taking that second step of giving the Americans reason to believe in themselves.

Everyone cannot become president, everyone cannot become a four star general, everyone cannot go down in the history books as a great American, but everyone can be a great American and we all must make our commitments through work and social service, through our votes and through our personal pride.

If America is in need of national pride the blame cannot be placed on inflation, on unemployment or even on Iran, because this is the land of the individual and we cannot believe in America until we believe in ourselves.

"The men and women I saw were all near to me. Others the same; others who looked back on me because I looked forward to them." These are the words of the American poet Walt Whitman. In this quotation, Whitman tells us that mankind is an eternal spirit, and I'm sure Whitman would agree that if America is to prevail, more hardships in the future its people must unite and develop a healthy spirit today. My commitment to my country is a fundamental one, but one which I demonstrate every day . . . my pride, not only in myself, but also in my fellow Americans.●

INFLATION OR DEFLATION FOR THE 1980's

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. McDONALD. Mr. Speaker, for a generation and a half, American economic policy planners have violated basic laws of sound government and monetary policy.

Unfortunately, the laws of basic arithmetics are just as firm and unforgiving as the laws of gravity. One may postpone the day of reckoning but not abolish that time.

Well, after almost a half a century of violating mathematical laws and fiscal soundness, the chickens are coming home to roost. One group of economic planners after another have had to admit that their fine tuning or even gross tuning of the economy just does not work.

The Keynesians are dead; the mixed economists are dying. The question now is do the American people face a period of massive, or even runaway, inflation followed by a bust or do the American people face a sudden credit collapse and massive deflation without the inflationary blowoff. Both the inflationary school and deflationary school have their champions.

For the benefit of my colleagues, I am submitting an interesting review by economist Murray Rothbard entitled "Inflation or Deflation for the 1980's."

The article follows:

INFLATION OR DEFLATION FOR THE 1980'S

(By Murray N. Rothbard)

Professor Rothbard is a major theoretician of the Libertarian movement and a leading economist of the Austrian school. He is teaching economics at the Brooklyn Polytechnic Institute in New York.

Professor Rothbard also is the author of many important books on economics, government and monetary policy as well as numerous articles and pamphlets. The titles of his writings are the best illustration of the range of his expertise: "Man, Economy and State"—"The Panic of 1819"—"America's Great Depression"—"What Has Government Done To Our Money?".

A perennial favorite at every hard-money seminar or convention is another installment of the Great Debate: Will there be inflation or deflation in the months and years ahead? Until the onset of the severe recession of 1973, all hard-money advocates were united in predicting continued and severe inflation; but since 1973, many "gold bugs" have been forecasting drastic deflation, while other agnostics hedge their bets by claiming an equal probability for either event.

One curious aspect of the debate is that inflation has never been so severe in the United States as it has since 1973; and yet the acceleration of inflation since the debate began doesn't seem to have sapped the confidence of the "deflationists" in the slightest degree. Why do the deflationists continue to flourish in the teeth of hard inflationary facts?

There seem to be two basic reasons. First, the deflationists are looking myopically at the facts of American history: in particular, they see that whatever went up eventually came down. The longer we have had inflation, according to this view, the more likely is the economy to come down in a resounding deflationary crash.

Looking at history is admirable, except when we fail to realize that underlying conditions have fundamentally changed. There is a reason why prices, in the old days before World War II, always went down after they had gone up. For in those days, a functioning gold standard provided a stringent limit on how much the banking system, and particularly the Central Bank, could inflate. But now that we are off the gold standard, there are literally no limits on the Federal Reserve's power to inflate, to create new money. The Fed is a vast engine of counterfeiting, and there are no longer any restraints whatever on that power. A law of human nature, as well as a law of history, says that he who has the power to counterfeit will use it. The counterfeiter will turn on the money taps to finance his spending, and in the case of government, to purchase allies and political supporters.

Besides, the deflationists have been looking at history myopically. For there have been many cases in the past when what went up did not go down, but instead went ever and ever upward to a catastrophic hyperinflation, or "crack up boom." The American and French Revolutions, and, in more modern times, Germany, Austria, Hungary, and China are all examples. In each of these cases, the country was on fiat paper, unrestrained by any metallic standard.

A second, more substantive, reason for the self-confidence of the deflationists is their alarm at the huge amount of accumulated debt, public and private. The mass of debt will have to be liquidated, and since it cannot be repaid, the liquidation will have to take the classic form of bankruptcies and drastic deflation. The economy will have to go through the familiar deflationary wringer.

The problem with this analysis is that it ignores another, and far more likely way of liquidating debt: inflation. If a person or a corporation owes $1,000,000 in debt, and the dollar then declines to one-fifth of its worth through inflation, the $1 million will be worth only $200,000 in original purchasing power. Inflation liquidates the debt by gradually—or not so gradually—expropriating the creditor and the bond holder. One of the major reasons for the German runaway inflation of 1923 is that it served as a way of expropriating the suckers (mainly Americans) who had purchased and held on to German bonds. When the mark declined from 25 cents to virtually nothing, a 100,000 mark bond was scarcely worth lighting one's cigar with. Lord Keynes spoke of the goal of his policy as the "euthanasia of the rentier"—the mercy killing of the creditor—and that is precisely what Keynesianism does, although not very mercifully.

But even if public debt can be wiped out by inflation, what about private debt? Wouldn't that precipitate deflationary debt liquidation? It might, but only if the Fed had suddenly lost the will to use its powers or had been miraculously converted to the hard money gospel. Would the Fed bail out big corporations or banks in trouble? A mere glance at what happened to Lockheed or Chrysler is enough to supply the answer. There is no way that the Fed would permit a large bank to fail. The very point of setting up the Fed in the first place was to enable inflation of the money supply, and bailing out of banks in trouble.

Some deflationists assert that the Fed could not increase the money supply in an economic crisis even if it wanted to, that it could try but would only be "pushing on a string." In the first place, it could clearly bail out any banks in trouble, by simply lending or even giving them more reserves, or by purchasing bank assets. Secondly, even in the rare case where banks, because of widespread bankruptcies, might be afraid to lend out reserves, they could always buy government bonds, and pour money into the economy that way.

The persistence of inflation, and the willingness and the power of the Fed to inflate, are clearly revealed by many hard facts. The recession of 1973–75, though the deepest and most extensive contraction since 1938, did not trigger deflation, despite the predictions of the deflationists. Quite the contrary, we had, during that recession, the greatest peacetime inflation in American history up to that point. Inflation now persists during boom or bust, and the best we can hope for is not deflation, but a more moderate rate of inflation. Once again, when the current sharp recession began in the spring of 1980, the deflationists proclaimed the success of their prophecies, but inflation persists. And the alleged devotion of the Paul Volcker Fed to "tight money" may be gauged by its congratulating itself for "anti-inflationary" policies when only last month the money supply was bubbling along at a more than 14 percent annual rate of increase.

Furthermore, the inflationary determination of the Fed is shown by its pushing through the notorious Monetary Control Act of 1980, which lowers outright reserve requirements of banks—thereby causing more monetary expansion; permits the Fed further to lower those requirements drastically, even to zero; allows the Fed to buy any and all assets and not simply government bonds; and even allows the Fed to permit banks to continue in operation without redeeming their debts or deposits ("bank holidays"). The Fed now has a fully equipped armamentarium for instant bailout and all-out inflation of the money supply.

Neither can deflationists look to the Reagan administration. Before the Republican convention, when Professor Arthur Laffer was his economic adviser, Reagan advocated going back to the gold standard. Any such return would have put severe checks on the Fed's power to inflate, and would have required us to take another hard look at the deflationist scenario. But, with the Reagan nomination and the Bush nomination for Vice-President, the whole stable of Nixon-Ford economic advisers—the

Burnses, the Shultzes, the Greenspans, the Walkers, the Widenbaums, etc.—the whole stable of moderate Keynesians who had given us the Nixon-Ford years of wage-price controls and 14 percent inflation, rushed in to take over. Laffer was sent his walking papers, and the gold standard was heard of no more, And so, there will be no free market or hard-money revolution from the Reagan administration; the same crew that brought us most of the 1970's will be bringing us the 1980's. And that means more inflation ahead.

But it's even worse that that. With each decade, the basic or core rate of inflation keeps rising. For as inflation proceeds, more and more people come to realize that inflation has become a permanent part of life. Everyone comes to know in their hearts that the price of nearly everything will be considerably higher next year than it is today. And this spurs people to spend faster, to buy now before prices rise. These "inflationary expectations" make inflation a much tougher problem to overcome, and therefore inflation is bound to be even worse in the 1980's than it has been so far.

Deflation? You can bet your bottom rubber dollar that it won't happen.●

FLORIDIAN'S ELOQUENT TRIBUTE TO HER COUNTRY

HON. L. A. (SKIP) BAFALIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. BAFALIS. Mr. Speaker, America is undergoing a rebirth of patriotism, of the heartfelt meaning of just what this country stands for to each of us. Occasionally, we question if future generations feel a swelling of pride when they hear our National Anthem played.

Well, I, for one, have proof that we need not worry about our future Americans. For an 18-year-old girl from my district has won Florida's Voice of America Scholarship Program Contest sponsored by the Veterans of Foreign Wars and its Ladies Auxiliary. And that young woman speaks for many of those in her generation who feel as we do when seeing our flag fluttering in a soft breeze.

Miss Kimberlin Ruth Berry's speech, a most moving and sensitive tribute to this Nation, has won for her a chance to vie for the VFW's national scholarship. I insert her speech into the RECORD so each of us might reflect as to how we could ever have doubted the patriotism of today's younger generation.

DEAR AMERICA

If my love for You could only be measured, I feel it would drown Your troubles away. Though as much as I wish it were true, my feelings cannot ease the load which You so bravely carry on your burdened shoulders. I feel that I owe you so very much and I yearn to give all that I have and all that I am to help and comfort You. Tell me, Fair Lady, how can I best commit myself to You?

Do you need me as a protector? When I see the awesome dawn of morning, I can hear Your majestic voice beckoning me to defend You and all for which You so gracefully stand. If cause ever arises and You call me to fight for Your freedom, I shall conquer in Victory's name or I shall die saluting Old Glory— The Red, White and Blue. Surely, I shall not stand by You, but with You and should some force rise against Your dream, I shall stand in front of You.

Do you need me on the battle-fields of Capitol Hill? Shall You require more of me than my vote? Is this where I can best serve You? Not in wage of war but in debate and compromise of Congress? If this is what I can do, then do I must with the vigor and vitality set forth by undying faith and steadfast courage. I must lay down my arms and hold my pen as the sharpest sword. My mouth shall be the cannon and the words I speak are my battle-shot. I shall use the weapons of reason and logic as wisely as the bomb of yesteryear. I shall raise the citadel of patience, understanding and wisdom from God Almighty as my omnipotent shield. For moving the law in defense of the innocent is as great a defeat as subduing the foreign enemy. I am also aware through the pages of history that our greatest enemy can be ourselves. We, the people, when and if misguided can hurt You deeper than all else. The pain would be inflicted from within Your heart and soul. It could spread like an unchecked cancer until it devours all You cherish. Therefore, my duty on Capitol Hill would be to guide the People, to watch over them, to keep them United in Your States and not lead them astray.

Is my greatest commitment to You in the home? Can the most precious gift I may offer You be seen in the eyes of Tomorrow? If so, then I shall give You a part of the future. I shall raise my children in the Path of Righteousness and teach them to always follow Your Torch of Freedom that glows from the embers of God's own Light of Liberty. I shall show them to love, to respect, to be loved and to defend what is theirs and what is right. My children shall know You the way I know you—the way you are and the way You shall always be; and for that they shall love You and walk proudly in Your name.

Does my commitment fall upon keeping sacred the things which You hold so dear? The unalienable rights of life, liberty and the pursuit of happiness must thrive in Your lands and in Your people. No matter how many miles separate Your people—from Hawaii to Maine, from Washington to Iran—Your love and Your passion for freedom and God-given rights shine in the eyes of the American People and glow in the hearts of men and women who believe in You. For me to instill these virtues, I must follow the God who watches over us all in times of cheer and through the valley of shadows and uncertain doubts. I shall dive into His World and emerge with a new found hope for Your tomorrow.

All of these shall I do willingly. For You are more than a great land to me. So very much more: You, my Beautiful America, are my friend. And above all else, I shall remain Your friend to smile with You on Independence Day and to cry with You on contemplations of loved ones lost as each Memorial Day the number increases ever so bravely. I shall pray with You diligently and with the undaunted faith of blind youth for those who are already serving You so well. Most importantly, I shall remember with You, the American Hostages in Iran and I vow we shall never forget them and may God bless their every need.

America, to You I commit myself as Protector and Citizen on Capitol Hill, the Home and in the Church. And as a Friend, I shall never stop needing You and loving You and may You never lose sight of God's path as together, we travel through the endless night's journey to the morning light of freedom, liberty and justice for all.●

GEORGETOWN UNIVERSITY RETURNS MONEY TO SUPPORTERS OF TERRORISM

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. FRANK. Mr. Speaker, I was pleased to learn that earlier this week, the president of Georgetown University returned a gift of $600,000 to the Libyan Arab Republic. It is not easy for American universities to turn money away in these fiscally difficult times, but Georgetown University has taken a sound move by returning the money it had taken from the Libyans.

The State Department's country reports on human rights practices released earlier this month states that: "Since Colonel Qadhafi came to power in 1969, Libya has supported a wide range of terrorist groups in every part of the globe." Libya's role as one of the world's worst perpetrators of subversion, insurrection, instability, and violence has given it the well-deserved reputation as one of the worst enemies of those nations seeking a reduction of international tensions.

I have written to the president of Georgetown University, Timothy S. Healy, S.J., to congratulate him for his recent action. As I indicated in my letter to him, I hope other universities around the country will follow Georgetown's lead. The letter follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., February 26, 1981.

TIMOTHY S. HEALY, S.J.,
President, Georgetown University,
Washington, D.C.

DEAR FATHER HEALY: I congratulate you for returning the $600,000 gift that was donated by the Libyan Arab Republic to Georgetown University's Center for Contemporary Studies.

As you know, the Government of Libya has a long and sordid record of engaging in acts of violence that has led to a dramatic rise in international terrorism. The Government of Libya has engaged in training and coordinating a system of terrorist groups that has resulted in subversion or insurrection in 45 countries around the globe.

I would hope that other universities would follow the lead that you have taken by refusing to accept money from nations that contribute to the blatantly destructive and violent tactics typified by Colonel Mu'ammar Qadhafi's Libyan Arab Republic.

BARNEY FRANK,
Member of Congress.●

REDUCTION IN MEDICARE DEDUCTIBLE FOR HOSPITAL COSTS NEEDED

HON. C. W. (BILL) YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. YOUNG of Florida. Mr. Speaker, as our social security laws are now structured, a medicare recipient needing inpatient hospital services must pay a deductible. Unfortunately, the laws also provide for an annual escalator for that deductible, and it has become increasingly difficult for many medicare recipients to pay that sum.

That is why I am today introducing legislation to reduce the inpatient hospital deductible under the medicare program to its 1978 level. This rollback is necessary because the deductible now stands at $204, and without congressional action it will rise yet again on July 1 of this year.

Medicare patients have in recent years been particularly affected by our double-digit inflation. They are generally on fixed incomes which have not kept up with the cost of living, or they earn such meager sums that a $204 outlay for hospital care makes this a service bordering on a luxury. When older Americans must pay a higher percentage of their income for such necessities as food and shelter, the need to decide between eating and hospital care makes for a cruel choice. The simple lowering of the medicare deductible would place professional medical care within the reach of many more people, while still providing the desired result of discouraging inpatient hospital care for trivial problems.

The elderly do not deserve this kind of Government insensitivity, Mr. Speaker. I urge my colleagues to immediately approve this change in the law and provide our citizens with a vitally needed break from inflation.●

SOCIAL SECURITY: THE SYSTEM AND ITS PROBLEMS

HON. LEE H. HAMILTION

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, February 25, 1981, into the CONGRESSIONAL RECORD:

SOCIAL SECURITY: THE SYSTEM AND ITS PROBLEMS

To date, I have received 10,000 replies to the questionnaire I mailed to Ninth District residents in February. Responses are still coming in. The future of the social security system is the single most important concern that Hoosiers are expressing to me. In this newsletter and the one next week, I will discuss the status of the system, its problems, and what may be done to solve the problems.

Last month workers took home smaller paychecks as they felt the bite of the latest increase in the social security tax. More than half of all families now pay more social security tax than income tax, and more increases are ahead. Between 1978 and 1985, the maximum tax paid by workers and matched by their employers will rise from $1,071 to $3,067. By 1990, it will be $5,118. The increases come from higher tax rates and higher maximum taxable salaries.

Despite the increases, however, a recent poll found that 61% of those working have little confidence that the benefits of social security will be there for them when they retire. Their concern must be taken seriously. Many social security experts claim that the system will soon face serious problems unless corrective steps are taken.

The social security tax supports three separate trust funds—an old age fund for retired workers and their dependents and survivors, a disability fund for disabled workers and their dependents, and a hospital fund to pay for hospital care under medicare. All three funds are financed on a "pay-as-you-go" basis, with annual benefits approximately equaling annual revenues. The revenues are provided almost solely by the social security tax, but the trust funds do receive some payments from the general fund of the Treasury and some interest on investments. Social security benefits comprise about 21% of the federal budget, $138 billion in fiscal year 1981.

The social security system faces two basic funding problems—one short-term and the other long-term. The short-term problem is due to inflation and unemployment. Because social security beneficiaries receive cost-of-living adjustments tied to the Consumer Price Index, high inflation automatically pushes benefits up. Last July's 14.3% cost-of-living adjustment will increase federal outlays by $17 billion in fiscal year 1981. The current high rate of unemployment takes a toll, too, because it raises the number of recipients by prompting people to take early retirement. It also reduces the revenues coming into the system. The system lost about $100 million in contributions for every one million workers laid off for one month in 1980.

The long-term problem faced by the social security system is a demographic one. Americans 65 years of age or older make up the fastest growing segment of our population. About 600,000 of them are added to the population every year. In addition, older workers are retiring earlier and living longer. Since 1900, average life expectancy at age 65 has increased 35%. On the other hand, there has been a decline in the birthrate following the post-war "baby boom" (the period from 1945 to 1965 during which 78.6 million children were born). As more people receive more benefits, there are fewer workers to pay for them. A funding crisis may occur when the "baby boom" generation reaches retirement age early in the next century. By 2030, the ratio of workers to beneficiaries, currently 3.2 : 1, could drop to 1.9 : 1.

The financial condition of the social security system is expected to vary considerably over the next half century due to changing economic and demographic circumstances. In fact, unfavorable economic circumstances would already have caused a temporary cash shortage in the old age trust fund had Congress not addressed the problem by transferring in $9 billion from the disability trust fund during 1980 and 1981. All the funds should be sufficient to pay benefits through 1981. Beginning in the middle of 1982 and running through 1990, however, the same unfavorable economic circumstances could cause shortfalls of money. Even if the old age and disability funds borrow from the hospital fund, serious cash shortages are projected until the 1990's. No relief is in sight before 1990, when increased revenues and better demographic circumstances will begin to give the system substantial reserves once again. Funding will then be sound until 2025.

It has been argued that a simple reallocation of cash among the trust funds would be enough to carry the system through the difficulties of the 1980's, but the experts say that things look different now. Additional congressional action appears necessary to prevent the cash shortfalls that would otherwise occur. Such action also seems necessary to eliminate the danger of the funding crisis that would otherwise arise when the "baby boom" generation retires.

I believe that Congress will do what it must to keep the system solvent, but neither I nor any other public official can guarantee it. My belief is based on the system's forty-year history of timely payment to recipients. It is also based on the recognition by legislators that the system is critically important to millions of Americans.●

ADOPTION EXPENSES TAX DEDUCTION BILL

HON. THOMAS E. PETRI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. PETRI. Mr. Speaker, I recently introduced a bill, H.R. 1337, to amend the Internal Revenue Code to treat adoption expenses in the same manner as medical expenses. Under current law, medical costs incurred for births can be deducted from Federal income tax, and I believe it is only fair to treat the lawful costs involved in adoption proceedings in the same way. My bill would amend section 213 of the IRC to allow the taxpayer to lump adoption expenses with medical expenses for the purpose of itemizing medical expense deductions.

The term "adoption expenses" means reasonable and necessary adoption agency fees, court costs, attorney fees, and other costs which are directly related to the legal adoption of a child by the taxpayer and are not incurred in violation of Federal or State law. The taxpayer would be able to deduct adoption expenses paid during the taxable year whether or not the adoption is completed.

We all know how time consuming, complicated, and expensive adoption proceedings can be. My bill would encourage prospective parents to pursue the adoption process by providing a positive incentive. It would also assist the settlement of foster children in permanent homes. The cost of foster care under aid to families with dependent children is estimated to have exceeded $400 million in 1980.

The need for this legislation is increasingly evident as sentiment grows to curb abortion. Adoption is one serious alternative to abortion, and my bill is a positive way of encouraging strong family ties and improving the welfare of the child.

While I was a member of the Wisconsin Senate, I authored legislation which permitted the costs of adoption to be deducted from State income taxes. A Federal statute would have the additional benefit of bringing Federal and State laws into agreement.

I urge my colleagues to join me in the sponsorship of this bill.●

SALUTE TO DONALD DOUGLAS

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. DORNAN of California. Mr. Speaker, it is with great sadness and pride that I rise to pay tribute to one of the giants of aviation history, Donald W. Douglas.

Donald Douglas passed away on February 1 in Palm Springs; however, he will live forever as one of the legendary pioneers of the aerospace industry. The company he created contributed much to the growth and development of both civilian and military aircraft, as well as to the prosperity of southern California. The beach communities which comprise my 27th District were the home of Douglas Aircraft, and many of the people who live there played a part in the development of aviation which Douglas fostered.

While Douglas Aircraft Co. is no longer, having merged with the McDonnell Aircraft Co. of St. Louis, the Douglas family continues to play a leading role in the Santa Monica Bay area.

Donald Douglas, Jr., son of the founder of Douglas Aircraft, currently heads Biphase Energy Systems of Santa Monica. There, he continues the Douglas pioneering tradition by pursuing breakthroughs in the most crucial technical field of our time, energy. Biphase also serves as a base of employment for a new generation of area residents.

While I could recount for you many of the outstanding contributions to the development of aviation brought about by Donald Douglas and the Douglas Aircraft Co., I would like to offer the following editorial from the hometown newspaper of the Douglas Aircraft Co., the Santa Monica Evening Outlook. The Outlook has done a superb job of describing the impact that this "quiet genius" had on the community, and the affection with which he was regarded. I commend it to your attention.

SALUTE TO DONALD W. DOUGLAS

Sen. John P. Jones commonly receives credit for founding the community of Santa Monica in 1875, but it was Donald W. Douglas who put it on the map.

And before he died Sunday at the age of 88, Douglas put a lot of places on the map for millions of travelers by shrinking the globe with his DC (Douglas commercial) series of airliners. These aircraft, beginning with the DC-1 prototype, in 1933, and later the DC-2 and DC-3, popularized air travel by making it comfortable and reliable. For a period after World War II, more than half of all the airline passengers in the world were flown to their destinations by Douglas airliners, many of them built in Santa Monica.

Douglas, a pioneer in the industry, came to Santa Monica in the early 1920s. One of the company's "factories," before it moved to Clover Field (Santa Monica Municipal Airport) in 1929, was on the site of what is now Douglas Park on Wilshire Boulevard. It was there Douglas built the "World Cruiser" aircraft that completed the first flight aroung the world in 1924. That accomplishment produced Douglas' motto: "First Around the World."

The company's long-term relationship with Santa Monica was solidified in 1926 when the voters approved an $860,000 bond issue to acquire additional land at Clover Field to accommodate Douglas' growing needs. The voters' foresight in approving the bonds paid dividends for the community during the following decade; Douglas provided the city with a healthy payroll, and much needed tax dollars, at a time when many parts of the nation were struggling to survive the Great Depression.

Employment at Douglas surged with the beginning of World War II. The Santa Monica plant produced rugged A-20 attack bombers as well as the military version of the DC-3, the C-47. The El Segundo plant built torpedo and dive bombers for the Navy.

The largest aircraft of its day, the experimental four-engine B-19 bomber, was built in Santa Monica. The Santa Monica plant also was the birthplace of the propeller-driven DC-4, DC-6 and DC-7 airliners which dominated the industry until the advent of jet aircraft. Production lines for the later DC-8, DC-9 and DC-10 jetliners were set up at the company's Long Beach plant because the newer aircraft could not be accommodated safely by the 5,000-foot runway at Santa Monica Airport.

Douglas merged with McDonnell Aircraft Co. of St. Louis in 1967, becoming McDonnell Douglas. By that time, the Santa Monica plant was mostly engaged in space work. It was closed in 1975, and much of the site now is developed with the Santa Monica Business Park.

The closure of the Santa Monica plant marked an end of an era, but Douglas' legacy to his adopted community endures. Douglas, or McDonnell Douglas, has a special place in the hearts of thousands of residents of the Santa Monica Bay Area because they moved here after finding work at the company.

There also is a special place in Santa Monica dedicated to this quiet genius. It is the Donald Douglas Museum and Library at Santa Monica Airport.

The museum houses an outstanding collection of aviation memorabilia dating back to the first manned powered flight at Kitty Hawk in 1903.

There will be an open house at the museum Feb. 15 featuring an aviation art show. Curator Arch Wallen said the exhibition, which will continue through Feb. 22, will help visitors "see the man behind the name."

The name was better known than the man largely because Douglas, although honored many times during his lifetime, did not actively seek popular acclaim. This opportunity to "see the man behind the name" at the Douglas Museum and Library should prove rewarding.●

SECRET OF AMERICAN LIBERTY IS TO BIND GOVERNMENT OR GOVERNMENT WILL BIND US

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. McDONALD. Mr. Speaker, of those organizations working for renewed appreciation for Biblical morality in government, the Moral Majority has been the most active. This organization has also been developing among its audience an increased understanding of the dangers of secular humanism in society and as the basis for our legal and judicial system.

In addition to organizational development, there have been a number of outstanding leaders who have become the modern prophets. Perhaps the most effective of the modern-day prophets is James Robison.

In the January 1981 issue of Conservative Digest, James Robison gives an excellent review of the proper role of government. For the benefit of my colleagues the article follows:

ATTACKS ON FAMILY AT ALL-TIME HIGH—SECRET OF AMERICAN LIBERTY IS TO BIND GOVERNMENT OR GOVERNMENT WILL BIND US

(By James Robison, President, James Robison Evangelistic Association)

When Ronald Reagan and the Republican Party won in a landslide over Jimmy Carter and shook the Democratic hold on Congress, it was a victory for the American people and for America's future. It was not a triumph for a political movement, a party or a slate of candidates. It was a triumph for concerned Americans who are fed up with excessive government masquerading as God and who are demanding a return of this nation to the foundational strength of its past.

With their ballots, the overwhelming majority spoke an unmistakable message. They said they love the family and will no longer tolerate policies in any area of public life that assail or undermine this basic institution. They said they resent having their tax dollars used to support the murder of the unborn and the dissemination of immoral sex information to the young. They said they are sick of leadership that is responsible to single-issue activist groups but not to the will of the majority. They said they have had enough of uncertainty and indecisiveness in the face of crisis situations at home and abroad. They said they are tired of aggressors getting by with murder and terrorism running rampant throughout the world while America negotiates and vacil-

lates. They said they are unwilling to let their homes and their children become hostage to foreign powers because of a leadership committed to military weakness in the name of arms control.

Never has the freedom to express sensual, suggestive and raw sexuality known such freedom and liberty. Attacks on the family are unequaled at any time in American history.

I'm convinced that defense is a moral issue. Unless America builds up its military defenses and erects a wall of resistance against the Soviet Union's aggressive thrust, this nation won't exist as a free country for more than five years. And it would be immoral for us to lose by default the freedom others have purchased for us with their lives.

The people have been deceived into believing government is the all provident answer to every problem. Instead, it has become a tyranny that depresses, oppresses and suppresses.

God said, "Thou shalt not murder." Yet we have allowed our highest court and our Congress to approve the mutilated massacre of the innocent unborn. America has passed the consequences of its sin to the innocent with public approval, and while complaining about the death of snail darters, baby seals and porpoises, we tolerated the murder of 2 million human beings through abortion last year.

God warns about those "enemies of the cross" whose "glory is in their shame" (Phil. 3:18-19). Yet Christians stay in the closet while the morally perverted come out of their closet and parade their sin down Main Street. God will not allow us to condone moral perversion (sodomy) as a civil right. He condemns sex between men and men and between women and women as "vile affections" (Rom. 1:24-27). And yet our legislators continue to enact laws which would uphold these acts as an exercise of freedom of choice. The federal government must not condone sexual perversion.

God warns about suppressing the truth in unrighteousness (Rom. 1:18). Yet we allow our tax dollars to fund the teaching of secular humanism—a religion, according to the Supreme Court—in our public schools, where devotional reading of the truth of God is banned. Humanism denies God created man and implies man created God.

Court rulings have brought about a de facto prayer ban. Whether or not the court intended to prohibit voluntary prayer in the schools, that has been the effect of its decision. They have emboldened anti-Christian individuals and groups to challenge prayers and devotionals in whatever form they take. The constant threat of legal harassment intimidates many school officials and teachers. Rather than risk a court battle, with its expense to the local district and possible personal repercussions, they simply forbid prayers and Bible readings of any type in the classroom.

Government oppresses the poor by giving them less than they need. Instead of a handout, they need a hand. Government has given them money and material things but robbed them of their dignity and sense of self-worth. Politicians have used them as pawns to buy votes and acquire power. The answer is local involvement with the needy.

The secret of liberty in America has never been the power of government but, rather, the limitation of that power. We must bind government, or government will bind us. When we turn to the government as the all-provident source of every need, we have made a god of government.●

OVERSIGHT HEARINGS INTO OCCUPATIONAL SAFETY AND HEALTH OF THE FEDERAL EMPLOYEE TO CONTINUE

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. GAYDOS. Mr. Speaker, I wish to announce that the Subcommittee on Health and Safety of the Education and Labor Committee, on which I have the honor to serve as chairman, will continue its oversight hearings into the occupational safety and health of the Federal employee. The purpose of these hearings will be to determine whether or not the existing law properly protects the health and safety of Federal employees.

The first 3 days of public hearings will be on March 4, 1981, at which time representatives of the Department of Energy will testify, on March 18, 1981, the Department of the Treasury will testify, and on March 31, 1981, at which time representatives of the Veterans' Administration have been invited to appear before this subcommittee.

There will be additional hearings scheduled, at which time representatives of other Federal agencies will be invited, as well as representatives of employee organizations and members of the public.●

CONGRESSIONAL SALUTE TO THE HONORABLE ALVENA SECKAR OF POMPTON LAKES, N.J., A MOST COURAGEOUS LADY AND DISTINGUISHED CITIZEN

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. ROE. Mr. Speaker, all of us here in the Congress are dedicated to helping the handicapped of our Nation and in our mutual endeavors I know you will be interested in a brief profile on one of our most distinguished citizens and good friend, the Hon. Alvena Seckar of my congressional district, whose courage and fortitude in fighting back against great physical odds to seek to regain and achieve her most illustrious career as an artist can serve as an inspiration to all of us.

Mr. Speaker, with your permission I would like to insert at this point in our historic journal of Congress a recent news article published in the Bergen Record by one of their most eminent staffwriters, Roger Cohen, who has conveyed a most heartwarming story of the unselfish dedication, free spirit and silent courage of Miss Seckar, as follows:

[From Bergen Record, Dec. 29, 1980]

ARTIST USES LEFT HAND TO OVERCOME ILLNESS

(By Roger Cohen)

POMPTON LAKES.—When the crippling effects of multiple sclerosis began to deprive artist Alvena Seckar of the use of her right arm—her painting arm—eight years ago, it might well have ended a distinguished career. But that possibility simply didn't occur to Miss Seckar. Instead, she learned to paint left-handed.

"I felt it was just something I had to do, like learning to eat with my left hand. You do it because you have to eat," the sunny, indomitable, 65-year-old explained with a shrug that suggested her disease was more a nuisance than a major handicap.

"I make no excuses. I'm a humanist who believes that people are responsible for what happens to them. I try to solve problems as they come along," Miss Seckar said, sitting in her wheelchair amid the comfortable clutter of the ground floor of her house here that serves as living room, studio, and bedroom. "If you want to paint, you find a way to paint. I know of one paraplegic who paints with his mouth, and another who has learned to use his feet."

PREPARING MONTCLAIR EXHIBIT

Because she wanted to paint, Alvena Seckar solved the problem of partial paralysis, and has continued to produce pictures of pastoral serenity or biting social and political commentary executed in an eclectic style that has brought her attention from art institutes and galleries throughout the Northeast. She is currently assembling her recent works for a showing next spring at Montclair's Chopin Gallery.

"My paintings are socially conscious paintings. When something bothers me, I paint it out," she said, pulling from a large shelf a six-foot-square canvas of the recent toxic chemical explosion and fire at the Chemical Control Corp in Elizabeth—a troubling, Dantesque vision of foreboding blacks and grays being overtaken by fiery splashes of scarlet.

IMPRESSIONISTIC INFLUENCE

Much of Miss Seckar's art, particularly the bright, airy landscapes, shows the influence of the French impressionists, with broad swaths of vibrant colors. But her acerbic political and social paintings are marked by a starkly realistic precision that approaches photojournalism—which is one of her principal sources of subject matter. However, the artist says, she has never consciously emulated any single painter, and sees her style as one in a constant process of evolution.

"I have never had a model in mind. I'm not a great painter—there are many who are better—but I feel my ideas are worthy and I try to use my artwork to express something," she said. "I want my medium to express that idea and I will use any technique that does so. I don't want a stationary technique."

The artist enjoys portraying common people from various cultures, capturing the quiet dignity of their daily existence. Her renderings of Nigerian and Chinese women—images she brought back from travels over the years—are the paintings she believes are her finest. And she is particularly

fond of her renditions of the distinctive folk costumes of Czechoslovakia, from which her mother emigrated early in the century.

Miss Seckar has visited Czechoslovakia, and, interestingly, it was a retired Prague neurologist who correctly diagnosed her ailment as multiple sclerosis after several New York doctors had told her she suffered from a terminal brain tumor.

When the illness began to impair the use of her right arm, the artist started to draw with both hands. As the right side lost strength and she gained proficiency with her left, she switched hands altogether. Now, she says, as a result of the therapeutic regiment of vitamins and massage, she is slowly regaining strength and the partial use of her right hand, and looks forward to the day when she'll be ambidextrous again.

Except for painting with her left hand, neither her art nor her lifestyle has changed much as a result of her illness. She lives with a recently emigrated Czech couple who help care for her, and she continues to produce works of art that win prizes and advance her ideas of social justice.

Shortly after she began to paint left-handed, eight of her works—half of them done with her right hand, the rest done with her left—were exhibited at the Kessler Institute for Rehabilitation in West Orange.

"No one could tell the difference," Miss Seckar declared triumphantly.

Mr. Speaker, Alvena Seckar will be celebrating her 65th birthday on Sunday, March 1 and I know you will want to join with me in extending our warmest greetings, felicitations and best wishes for a happy birthday. It is a pleasure to have the opportunity to call to the attention of you and our colleagues here in the Congress the exemplary good works of a great lady. Her most noble battle to overcome severe physical impediments will surely provide hope to our handicapped and add impetus to our continuing efforts toward developing legislative proposals and action programs that will insure the handicapped of our Nation the quality of life with the highest standards of excellence which they so richly deserve.

We do indeed salute a most valiant and courageous woman, an outstanding artist and distinguished citizen—Hon. Alvena Seckar.●

SURVIVOR BENEFITS

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. YOUNG of Florida. Mr. Speaker, as you well know, many millions of Americans rely on the benefits of social security. To many of this Nation's elderly, these benefits are the only source of income they receive. Today, I have introduced legislation to correct an inequity in the Social Security Act that unfairly keeps these earned benefits from a beneficiary's survivors.

To insure that a survivor receives benefits that are now required to be returned to the Government for the month in which a recipient dies, I have introduced legislation to allow the widow, widower or other beneficiary to keep a pro rata share of the social security check for the portion of the month in which the recipient was alive.

Under present law, if a husband receiving social security should die on the 29th of the month, the widow is now required to return the entire check for the month rather than being able to keep her husband's earned 28 days of benefits.

In these economic times, it is hard to see how those who must rely primarily on social security income could be much worse off than they already are, but adding the financial burden of returning money due the recipient certainly adds to a family's misfortune, especially during one of the most devastating experiences a family encounters, death of a loved one.

All too frequently, the present law places the surviving family in very serious financial straits; therefore, I urge prompt enactment of my legislation. The Government must not add to the suffering of grieving family members.●

THE NECESSITY OF THE CENTRAL ARIZONA PROJECT

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. RUDD. Mr. Speaker, water is the lifeblood of our Southwestern United States. Without it we can neither live nor prosper. Currently, in my State of Arizona, there exists a critical ground water overdraft situation which necessitates the import of a dependable supply of water to serve the demands of a growing population. The population of our State is concentrated in two areas, Phoenix and Tucson. This has created a critical overdraft of our ground water supplies amounting to some 2 million acre-feet each year.

We need a dependable supply of water to augment our ground water. That supply will come from the central Arizona project which is scheduled to bring 1.2 million acre-feet of water from the Colorado River into central Arizona beginning in 1985. This vital project funded cooperatively with the Federal Government, is recognized by central Arizona business leaders as a critical element in assuring the continued prosperity of Phoenix. The Phoenix Metropolitan Chamber of Commerce and its Congressional Action Committee have forwarded to my office the accompanying resolution in support of this vital project.

This central Arizona project is not some western water boondoggle. This is a much needed, vital project to Arizona as recognized by the Phoenix Chamber of Commerce in the following resolution:

RESOLUTION

Whereas, the Phoenix Metropolitan Chamber of Commerce and its Congressional Action Committee are vitally concerned with water supply in Central Phoenix;

Whereas, the long-term dependable supply of water in Central Arizona is inadequate for meeting the economic needs of this fast-growing area: and

Whereas, the Central Arizona Project, authorized by the Congress in 1968 and presently under construction affords the best means of substantially alleviating the problem;

Be it resolved, that the Phoenix Metropolitan Chamber of Commerce reaffirms its support for legislation to appropriate whatever funds are required to maintain a construction completion schedule for delivery of water at the earliest possible time.

Be it therefore further resolved, that the Chamber encourages the endorsement and support of the Arizona Congressional delegation in urging the Congress of the United States for resolution of these needs, including, but not limited to as outlined in this resolution.

Respectfully submitted this 4th day of February, 1981.

H.R. 2165

HON. F. JAMES SENSENBRENNER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. SENSENBRENNER. Mr. Speaker, on February 25, 1981, I introduced H.R. 2165 to exempt from the term "generation skipping trust equivalents" custodianships, under the Uniform Gifts to Minors Act, guardianships and estates during the period of estate administration.

I include as part of the RECORD the following summary which explains the need for this legislation:

The generation-skipping transfer tax created by the Tax Reform Act of 1976 was designed to prevent taxpayers from avoiding U.S. estate tax and U.S. gift tax by placing substantial assets in trusts which lasted for more than one generation. Generally, the law provides that when assets are placed in a trust for the benefit of both a child and a grandchild of the grantor, a tax similar to an estate tax is imposed when the interest of the child terminates and the property passes to the grandchild.

Proposed Regulations under the generation-skipping transfer tax were published in the Federal Register on January 2, 1981, and written comments thereon must be delivered to the Internal Revenue Service by March 3, 1981. The Proposed Regulations purport to extend the law beyond the statute enacted by Congress in a number of respects, but one which is particularly troublesome is the purported application of the statute to gifts made by a grandparent to a grandchild under the Uniform Gifts to Minors Act. The Proposed Regulations take the position that a gift by a grandparent to

a grandchild under the Uniform Gifts to Minors Act is a "generation-skipping trust equivalent" which, depending upon whether any distributions are ever made in discharge of a parent's support obligation out of the custodial property (and perhaps who serves as custodian), may be subject to a generation-skipping transfer tax either during administration or when the property is turned over to the granchild at age 18 as required by law.

A direct gift by a grandparent to a grandchild is not subject to a generation-skipping transfer tax since the grantor's children have no interest in property so given. Nevertheless, the Proposed Regulations take the position that if the grandchild is a minor and if the grandparent chooses to make the gift in the form of a transfer under the Uniform Gifts to Minors Act, the tax may apply on the theory that the grandchild's parent is a beneficiary because support obligations could be paid out of custodial property. Property given to a minor under the Uniform Gifts to Minors Act belongs to the minor. To consider the minor's parent as a permissible beneficiary is wrong and to have a tax imposed when the minor reaches 18 as though the grandparent made a gift first to the minor's parent who then in turn made a gift of the property to the minor at age 18 is a distortion of the generation-skipping transfer tax.

In addition to the troublesome application in the Proposed Regulations of the generation-skipping transfer tax to gifts made under the Uniform Gifts to Minors Act as discussed in the prior memorandum, the Proposed Regulations take the position that an estate during the period of administration can be a generation-skipping trust equivalent, even in the case of a will containing no bequests in trust. This is another overextension of the law beyond the original intentions of Congress and is likely to involve estates of not only wealthy people but also individuals with less substantial means and, in particular, will prove a trap for the unwary. One must recall that the original intent of Congress in enacting the generation-skipping transfer tax provisions was to impose an estate or gift tax or their equivalent once at each generation level and to prohibit the avoidance of such tax, particularly by wealthier families, through the use of long-term generation-skipping trusts which were administered over the span of several generations without the imposition of an estate of gift tax. A decedent's estate is not such a generation-skipping trust or its equivalent and is not established to avoid tax for long periods of time nor could it be administered for such a purpose. An estate is typically administered for only a few years and is subject to Court scrutiny so that the probate cannot be continued beyond a reasonable period of time. Estates are probated primarily to wind up a decedent's affairs and are not used as a long-term plan to avoid tax. Accordingly, it is inappropriate to include an estate as a generation-skipping trust equivalent.●

EPISTLE ON INFLATION

HON. JOHN P. HAMMERSCHMIDT

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. HAMMERSCHMIDT. Mr. Speaker, I want to share with my colleagues a timely Harrison Daily Times article excerpted from the daily column "On the Inside" by editor-publisher J. E. Dunlap, Jr.

He often calls on his friend and fellow journalist, Paul Buchanan of the Batesville Daily Guard. I have never been sure whether with or without his permission, but together they bring us these words of wisdom. The text of the article follows:

Paul Buchanan, writer of "Two Cents Worth" in the Batesville Daily Guard, probably hit the national inflation problem on the head with the following "epistle" in a recent column:

"And it came to pass that a new ruler, a Thespianite from a western province by the great sea, came to power and began his reign in the City of Kings, which is by the Potomac and is called Washington. And the new ruler, called Reagan, was three score and ten years, and professed to be wise in the ways of the kingdom.

"And Reagan henceforth summoned around him his personal chieftains and advisers, all from a tribe called Republican, and they pondered the state of the kingdom, and they frowned mightily.

"'Lo and behold,' Reagan counseled his advisers, 'I must reveal my oracle. Our people have over-indulged for many seasons and now believeth their manna cometh from Heaven and not from sacrifice and toil. But our royal treasury is barren and without replenishment of coin of the realm, and many must biteth the bullet. I must counsel them to asketh not what their kingdom can do for them, but rather asketh what they can do without, for we must averteth a calamity and a blight upon the land.'

"And Reagan told the multitudes, 'Thou desireth truth, so I will tell thee the naked truth. Gird up thy loins and prepareth thyselves for the worst, for thy lot and thy allotment will be slashed to the bone or taken away in one fell swoop.'

"And there was a great cry of wrath and anguish heard throughout the land, yea from sea to sea. And the wailing extended even unto the counsels of the chieftains from 50 provinces, who also dwell and labor in the City by the Potomac.

"And King Reagan, upon hearing the loud grumbling, confided to the queen, called Nancy: 'I fear my people wanteth their cake and eateth it, too."

"And Queen Nancy said, 'God saveth the King.'"

Peace!●

JACK NORTHROP, REST IN PEACE

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. DORNAN of California. Mr. Speaker, on February 18, 1981, the great John Northrop, founder of the Northrop Corp. and one of the leading lights of aviation history, passed from this life into the next. "Jack," as he was affectionately known, died at the age of 85.

Well into the next century, students of aviation history will remark upon the achievements of Jack Northrop, who lived and worked in an exciting era—the golden age of aviation. His fellow pioneer in aviation, Donald Douglas, Sr., said admiringly of him:

Jack Northrop was a man with a million ideas—all of them good. He was an innovator and a dreamer, whose innovations succeeded and whose dreams became real. There is a little bit of him in every airplane that flies.

It is a poignant bit of aviation history that the great Donald Douglas and the incomparable Jack Northrop should have passed into the next world in the same month—Mr. Douglas having preceded him by only 17 days.

As cofounder of three major aircraft corporations, Jack's incredible and imaginative innovations included the Flying Wing, an aircraft with no fuselage or tail. Elimination of the fuselage and tail reduced drag and transformed the craft into a near pure surface in which practically every part contributed to the plane's weight-lifting capability. He designed the N-1M, the world's first successful all-wing airplane. Later models led to the successful development of the B-35 and B-49.

Jack Northrop was also responsible for designing the famed Lockheed Vega aircraft, which he designed in an incredible 6 months. The Vega was a full cantilever, high-wing monocoque airplane, a fuselage in which all stresses are borne by veneer strips. The Vega's construction was years ahead of its time. Wiley Post flew the Vega, the *Winnie Mae*, solo around the world in 1933, setting the world altitude record of 55,000 feet. Amelia Earhart piloted her *Little Red Wagon*, a Vega, across the Atlantic and Pacific. Other famed pilots, such as Frank Hawks and Hubert Wilkins, set world speed and endurance records in the Vega.

Mr. Northrop is also credited with designing and producing the Army A-17 attack aircraft, and the Navy B-1 dive bombers and attack aircraft used by the U.S. Allies. In addition, he designed the Northrop Alpha, Beta, Gamma, and Delta series of civil aircraft; the Army Air Corps Northrop P-61 Black Widow, the first airplane ever designed specifically for night fighting; the U.S. Air Force Northrop F-89 Scorpion, the first twin-jet, all-weather interceptor and the first interceptor to carry atomic armament; as well as the USAF Northrop B-35 and B-49 Flying Wing bombers.

The Smithsonian Institution's National Air and Space Museum here in Washington, D.C., is honoring John Northrop with a show entitled, "The Douglas-Northrop Legacy" which opened in July of 1980. This 2-year exhibit, which also focuses attention on

the achievements of Mr. Northrop's associate, Donald Douglas, refers to Jack Northrop as "a pioneer aircraft designer and an industrialist who made a powerful impact on the evolution of civil and military aviation in the United States." The Smithsonian Institution has on display three Northrop designed aircraft: a 1930 Alpha and two Vegas—Amelia Earhart's *Little Red Wagon* and Wiley Post's *Winnie Mae*. Mr. Northrop's N-1M Flying Wing is now being restored by the museum.

The man who incredibly held more than 100 basic patents, and who actually designed a total of 48 aircraft, was honored repeatedly throughout his life. His most recent honor was "The Wings of Man Award" presented to Mr. Northrop by the Society of Experimental Test Pilots. This prestigious honor has been awarded only twice before—to James "Jimmy" Doolittle and Neil Armstrong. Mr. Northrop was also inducted into the International Aerospace Hall of Fame in 1972, the Aviation Hall of Fame in 1974, and was elected to the National Academy of Engineering in 1979 for "innovation, invention and leadership in airframe design and manufacture."

Jack Northrop applied his versatile and energetic mind not only to aircraft design but to humanitarian causes as well. After World War II, when veterans came to work for his firm, he established a prosthetics department at the company "to give them the same fingertip precision engineering we put into plane controls," he said. The result was a pioneering effort in lightweight, precision, artificial limbs. Approximately 22 prosthetic device patents were issued to the company, and were later turned over to the Veterans' Administration.

After retiring from Northrop Corp., Jack retained an active interest in aviation, and continued to serve as honorary director of the company bearing his name. He was also active in a number of humanitarian and educational enterprises, including the Boy Scouts of America.

Mr. Speaker, Jack Northrop was a shining example of what the human spirit is able to accomplish with energy, persistence, and vision. We shall perhaps best remember him in his own memorable words:

Aviation was a fun job * * * I would get up early in the morning, eager to see what we could do with the planes. And at night, I would say: "Tomorrow, we'll see what we can do to make them fly better." It was a big thrill every day. You know, if I had a chance to do it all again—I would! And I don't think I'd change much of anything * * *.●

SOCIAL SECURITY SYSTEM: A NEED FOR REFORM

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. BEREUTER. Mr. Speaker, I would like to call the attention of my colleagues to a recent editorial from the Omaha World Herald.

I believe it is imperative, given the questionable financial viability of the social security trust funds and the need to reduce overall Federal spending, that the 97th Congress consider substantial legislative changes in the social security program. In my opinion, the editorial provides an excellent overview of the situation and many valuable recommendations for congressional action that should receive serious consideration. The text of the editorial follows:

[From the Omaha World-Herald, Feb. 2, 1981]

NATION NEEDS SOUND, AFFORDABLE SOCIAL SECURITY PROGRAM

When the Social Security tax was first imposed in 1937, it was 1 percent collected from workers on a maximum of $3,000 in wages—a top of $30 a year.

By 1957, the rate had gone to 2.25 percent on wages up to $4,200—a maximum of $94.50. In 1967, the rate was 4.4 percent on $6,600 or $290.40. The 1977 rate was 5.85 percent collected on $16,500, a maximum of $965.25.

This year, the tax is 6.65 percent on wages up to $29,700 and the maximum assessment is $1,975.05 on employees. Employers match the amount paid by employees.

The self-employed tax this year is 9.30 percent on a taxable wage base of $29,700.

The regular tax is scheduled to increase sharply each year until 1990, when the tax rate will hit 7.65 percent on wages up to $66,900. The maximum tax would be $5,117.85, or more that $10,000 for worker and employer combined.

Despite these hefty collections, the Social Security funds are expected to incur short-term financial problems and eventually huge deficits.

The only thing to do is to reduce expenses, raise more revenues or both. Congress, for political reasons, has usually treated Social Security as an untouchable subject, except for increasing benefits.

That attitude must change. Over the next 40 years, the ratio of workers to retirees will drop from about 3.3 to 2 to 1, based on population projections.

The Social Security payments to retirees and the disabled totaled $138.3 billion this year and are budgeted at $159.6 billion for the coming fiscal year.

In 1950, Social Security took 2 percent of the Gross National Product. Today, the payments exceed 8 percent.

High unemployment has trimmed payments into the Social Security fund, while inflation has hiked benefit checks.

By law, old age, survivor and disability benefits are increased each July by the percentage rise in the Consumer Price Index. This hike last July was 14.3 percent.

Before leaving office, former President Carter recommended a revision in the formula for making cost-of-living raises. The present index includes new homes. Soaring mortgage interest rates alone raised the index by some 2 percentage points. Yet how many over-65 retirees or other beneficiaries buy homes? Certainly not every month that the index is figured.

Carter proposed that a specially calculated "rent" figure be substituted. Had this provision been in effect the past year, the Social Security system would have saved $4 billion.

The Congressional Budget Office has suggested another idea: that annual adjustments be limited to 85 percent of the rise in the price index. This would save $14 billion a year by 1985.

These revisions wouldn't reduce the present numbers on a single Social Security check, but only make the rate of increase more affordable.

Another idea is to phase the 1.9 million federal workers into the system. The infusion of this new money would mean a net gain to the system of about $2 billion a year.

If this could apply only to new incoming workers, starting say, in 1985, the shock shouldn't be too great. The federal pension system would then be like most private plans, a combination of Social Security and supplementary pension programs.

How can Congress defend its present system of forcing most private and local government workers into the Social Security system, while exempting its own federal employees?

Another idea being considered is to gradually increase the retirement age from 65 to 68. With life expectancy up, this shouldn't be a hardship, particularly if it were approved well in advance so workers could plan accordingly.

Whether part or all of Medicare health payments should be shifted to general revenues also is being studied. These benefits are not related to a worker's earnings. Should they be financed by the payroll tax?

On the other hand, a dollar sent to Washington is the same from the standpoint of the payer, whether it carries a label of Social Security payment or income tax.

Although Social Security is considered to be a "hot" political subject, reasonable persons can conclude that relatively unpainful options are available for putting Social Security on a sounder financial footing.

Benefits are paid monthly to 36 million retired and disabled workers as well as their spouses or survivors. This year, Social Security taxes will be paid by 107.8 million employees, 6 million employers and 8.7 million self-employed persons.

Workers, employers and Social Security recipients are entitled to a financially-secure system that can be afforded. The new administration and Congress should see that they get it.●

MY COMMITMENT TO MY COUNTRY

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. GEJDENSON. Mr. Speaker, I am pleased to take this opportunity to bring to the attention of my colleagues the accomplishments of Miss Janet Weingart, a resident of the

Second District who lives in Lebanon, Conn.

Janet, who is 17, is the Connecticut winner of the Veterans of Foreign Wars Voice of Democracy Contest. This competition has 250,000 secondary school students as entrants this year, each assigned to write a speech on "My Commitment to My Country." Each State's winning contestant is brought to Washington for the final judging and the awarding of scholarship money to the top five national winners.

A student at the Norwich Free Academy in Norwich, Conn., Janet lives with her parents Herman and Patricia Weingart on a dairy farm in the State. One of ten children, Janet works 20 to 30 hours a week on the farm.

Janet includes among her achievements membership in the National Honor Society, honorable mention in the Norwich Free Academy Girl's Prize Reading Contest, State Gold Medal winner in the Connecticut High School Russian Speaking Contest; the Norwich Free Academy's U.S. History Prize, first place in the Norwich Free Academy's Russian Club Prize Exam and German Club Prize Exam, the West German Consulate German One Book Award and the Connecticut State winner in the 4-H public speaking project.

I am happy to share with you Janet's award winning speech: "My Commitment to My Country."

The speech follows:

MY COMMITMENT TO MY COUNTRY

I pledge my head to clearer thinking,
My heart to greater loyalty,
My hands to larger service,
And my health to better living,
For my club, my community and my country.

These words, the words of the 4-H pledge, reflect what I feel is my commitment to my country. To think more clearly, to be more loyal, to do larger service, and to keep myself healthy—these things I owe my country for the privilege of being an American citizen.

"I pledge my head to clearer thinking . . ." This doesn't mean just going to college or getting good grades in school, though these things can help. It means reading newspapers and history books. It means knowing who—and what—you're voting for. It means knowing what's happening in your country.

For me, reading history is fun—and important. It helps me think more clearly because, knowing other people's mistakes of the past, I can avoid them in the future.

And though I'm not old enough to vote yet, I am old enough to read about and think about candidates for public office. I can evaluate them, and what they stand for, and come to a decision. This year, I had a chance to voice my decision in my school's mock election. Although none of my choices won, making the decision and carrying through with it gave me practice in thinking more clearly.

". . . My heart to greater loyalty . . ." When I was in first grade, loyalty to my country meant standing up to say the Pledge of Allegiance, putting flags on veterans' graves for Memorial Day, and maybe knowing the words to the Star-Spangled Banner. My idea of loyalty got more and more complex as I got older. Now, I'm a high school senior, and I've come to the conclusion that loyalty goes deeper than just singing patriotic songs or reciting the Pledge. Loyalty is not a cut-and-dried issue—it doesn't mean always agreeing with what the country is doing. Loyalty is also saying "no"—speaking out—if something is wrong. But even more than just voicing dissent—get out and help turn that wrong into right.

"I pledge my hands to larger service." One of the hardest questions for any American—or anyone of any nationality—to answer is, "Just how far would I go to serve my country? Would I run for public office? Or get a government job? Or maybe join the armed forces?"

To be called an American citizen, there are certain things one must do—follow the law for instance—but to be a true American citizen, one must go beyond doing only what has to be done. The true American citizen willingly volunteers his time to help improve his country.

This year when I helped get out the vote during the elections, I felt I was doing a service for my country. And to me that was a good feeling because I think my country deserves my time and effort.

". . . And my health to better living . . ." If I'm not healthy, I'm sure not going to feel like helping to keep something else healthy, especially something as diverse and as complex as the United States of America. We know that a broken bone in the human body can heal by itself, with a little help, and a country can heal too, with just a little bit of TLC from the people living in it.

Like my country, I'm not perfect. I'd like to improve myself and help with improving our country at the same time. I opened my talk with the 4-H pledge. I'd like to close with the 4-H motto applied to this country: "To make the best—better."●

LET US EXEMPT BURIAL PLOTS FROM CALCULATIONS OF ELDERLY'S ASSETS

HON. C. W. (BILL) YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. YOUNG of Florida. Mr. Speaker, I am today reintroducing legislation to exclude the value of burial plots in determining eligibility for SSI and medicaid benefits.

Congress has yet to adopt this obviously simple and basic, yet vitally necessary, change in our present laws. The problem was first identified in my State of Florida, where an elderly woman was denied medicaid payments for her nursing home expenses because the Federal Government counted the value of her prepaid burial plan as part of her net worth. The Florida Legislature approved legislation to end this ridiculous practice by a virtually unanimous vote, yet Federal requirements prevent the Florida law from taking effect. As important as it is to end this problem by amending title XVI of the Social Security Act, Congress to date has not done so.

The policy of counting assets is a sound one, because we certainly do not want someone with large property and financial holdings taking SSI and medicaid money which rightly belongs to the truly needy. Yet the inclusion of a burial plot as an asset is absurd: the plot adds nothing to one's standard of living, and it certainly cannot be considered an investment opportunity. What burial plots or prepaid funerals represent are an individual's last bit of dignity, a guarantee that when the end comes his mortal remains will be properly taken care of, often placed next to a deceased spouse or other loved one.

It is unworthy of us to suggest that our Nation's elderly give up this meager provision just to enable them to qualify for temporal Government benefits. I urge that we put an immediate end to this practice and approve this modest but essential legislation.●

SAVING $11 MILLION MAY BE WASTING $33 MILLION

HON. JAMES T. BROYHILL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. BROYHILL. Mr. Speaker, today I am introducing legislation to authorize the appropriations for the Consumer Product Safety Commission. The legislation that I am introducing today authorized appropriations of $33 million for fiscal year 1982 and $35 million for fiscal year 1983. I have included the $33 million figure in the legislation because there are indications that this is the figure that Office of Management and Budget is going to be recommending to the Appropriations Committee. If OMB requests a higher figure to the Appropriations Committee, I will certainly be favorably disposed to including a higher figure in the authorization bill.

I recognize that the fiscal year 1982 authorization figure represents a very substantial cut from the appropriations level in fiscal year 1981. I am concerned that if we cut the agency's budget too substantially we will be impairing the agency's ability to carry out its statutory mission. Rather than saving $11 million, we may be wasting $33 million, since the agency may not have sufficient resources to carry out its responsibilities. I would not support a budget cut that is so substantial that the agency cannot carry out its responsibilities. However, until we get a final recommendation from the Office of Management and Budget I have included the $33 million level in this authorization bill as a starting point for discussion on this issue.

The legislation also makes a number of substantive changes in the Consumer Product Safety Act. For example,

the legislation includes provisions which are identical to the regulatory impact analysis provisions of the President's recently issued Executive order on regulatory reform. The CPSC has been one of the first agencies to use cost benefit analysis in its decisionmaking process, and for these efforts the agency is to be congratulated. This bill formalizes that process in the statute.

The legislation also contains a legislative veto provision which would guarantee that Congress can take a look at consumer product safety rules which the agency has issued before they go into effect. The legislative veto is a way of guaranteeing that Congress engages in the more effective job of overseeing the activities of the agencies which it creates.

The legislation also seeks to reinforce the agency's role in encouraging efforts of industry to write voluntary product safety standards. It does this in three ways. First, it specifically directs the agency to work with private organizations to assist them in writing safety standards. Second, it directs the agency to consider the existence of voluntary standards when it considers the alternatives to regulation in its regulatory impact analysis. Third, it prohibits the agency from imposing a mandatory standard when industry has in place a voluntary standard, unless the Commission determines that the voluntary standard is not technically adequate or that there is insufficient compliance within the industry.

Hopefully these changes will be sufficient to indicate to the agency that one of its primary functions is to help industry establish and maintain voluntary standards. The agency's jurisdiction is so broad that it cannot hope to police the marketplace by itself. Encouraging industry to share in this function is the goal which should be encouraged.

Finally, the legislation contains changes with respect to the standards writing processes of the agency and the agency's information gathering authorities. I believe these are helpful changes in the Consumer Product Safety Act.

Hearings on this legislation commence next week, I hope that my colleagues will join me in supporting this bill. The text of the bill and a more detailed description of it follows:

H.R. 2201

A bill to revise and extend the Consumer Product Safety Act

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE; REFERENCE TO ACT

SECTION 1. (a) This Act may be cited as the "Consumer Product Safety Amendments of 1981".

(b) Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Consumer Product Safety Act.

REGULATORY IMPACT ANALYSIS

SEC. 2. (a) Section 9(c) (15 U.S.C. 2058(c)) is amended by redesignating paragraph (2) as paragraph (3) and by adding after paragraph (1) the following:

"(2) The Commission may not promulgate a consumer product safety rule unless it has prepared, on the basis of the findings of the Commission under paragraph (1) and on other information before the Commission, a regulatory impact analysis of the rule containing the following information:

"(A) A description of the potential benefits of the rule, including any beneficial effects that cannot be quantified in monetary terms, and the identification of those likely to receive the benefits;

"(B) A description of the potential costs of the rule, including any adverse effects that cannot be quantified in monetary terms, and the identification of those likely to bear the costs;

"(C) A determination of the potential net benefits of the rule, including an evaluation of effects that cannot be quantified in monetary terms; and

"(D) A description of alternative approaches (including voluntary industry consumer product safety standards) that could substantially achieve the same regulatory goal at lower cost, together with an analysis of the potential benefits and costs of the alternative approaches and a brief explanation of the legal reasons why such alternatives, if proposed, could not be adopted.".

(b) Section 9(a)(1)(A) (15 U.S.C. 2058(a)(1)(A)) is amended by inserting before the comma the following: "and prepares the regulatory impact analysis required by such subsection".

INDUSTRY VOLUNTARY STANDARDS

SEC. 3. (a) Section 9(c)(2) (15 U.S.C. 2058(c)(2)) is amended—

(1) by striking out "and" at the end of subparagraph (B);

(2) by striking out the period at the end of subparagraph (C) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new subparagraph:

"(D) in the case of a rule which relates to a risk of injury with respect to which persons who would be subject to such rule have adopted a voluntary consumer product safety standard, that—

"(i) compliance with such voluntary consumer product safety standard is not likely to result in the elimination or reduction of such risk of injury; or

"(ii) it is unlikely that there will be substantial compliance with such voluntary consumer product safety standard.".

(b) Section 5(b) (15 U.S.C. 2054) is amended by striking out paragraph (3) and inserting in lieu thereof the following:

"(3) offer training in product safety investigation and test methods.

The Commission shall assist public and private organizations, administratively and technically, in the development of safety standards and test methods.".

CONGRESSIONAL VETO

SEC. 4. (a) The Consumer Product Safety Act is amended by adding at the end the following new section:

"CONGRESSIONAL VETO OF CONSUMER PRODUCT SAFETY RULES

"SEC. 33. (a) The Commission shall transmit to the Secretary of the Senate and the Clerk of the House of Representatives a copy of any consumer product safety rule promulgated by the Commission under section 9.

"(b) Any rule specified in subsection (a) shall not take effect if—

"(1) within the 90 calendar days of continuous session of the Congress which occur after the date of the promulgation of such rule, both Houses of the Congress adopt a concurrent resolution, the matter after the resolving clause of which is as follows (with the blank spaces appropriately filled): "That the Congress disapproves the consumer product safety rule promulgated by the Consumer Product Safety Commission with respect to ——, such rule having been transmitted to the Congress on ——.."; or

"(2) within the 60 calendar days of continuous session of the Congress which occur after the date of the promulgation of such rule, one House of the Congress adopts such concurrent resolution and transmits such resolution to the other House and such resolution is not disapproved by such other House within the 30 calendar days of continuous session of the Congress which occur after the date of such transmittal.

"(c) For purposes of this section—

"(1) continuity of session is broken only by an adjournment of the Congress sine die; and

"(2) the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of the periods of continuous session of the Congress specified in subsection (b).".

(b) The amendment made by subsection (a) shall apply with respect to consumer product safety rules promulgated by the Consumer Product Safety Commission after the date of the enactment of this Act.

CONTRIBUTION

SEC. 5. Section 7(d)(2) (15 U.S.C. 2056(d)(2)) is amended by striking out the last sentence and inserting in lieu thereof the following: "No contribution may be made to the cost of developing a proposed consumer product safety standard or participating with the Commission in the development of a standard unless the contribution is made under an agreement entered into under this paragraph. Payments under such agreements may be made without regard to section 3648 of the Revised Statutes of the United States (31 U.S.C. 529) and may not exceed in the aggregate $15,000 in any fiscal year.".

SAMPLING PLANS

SEC. 6. Section 7(a) (15 U.S.C. 2056(a)) is amended—

(1) by striking out paragraph (2), and

(2) by striking out "(1)", and (3) by redesignating subparagraphs (A) and (B) as paragraphs (1) and (2), respectively.

REPORTS

SEC. 7. (a) Section 27(b)(1) (15 U.S.C. 2076(b)(1)) is amended by inserting "to carry out a function under this Act" after "may prescribe".

(b) Section 27(b) is amended by adding after and below paragraph (9) the following: "An order issued under paragraph (1) shall contain a complete statement of the reason the Commission requires the report or answers specified in the order to carry out a function under this Act. Such an order shall

be designed to place the lease burden on the person subject to the order as is practicable taking into account the purpose for which the order was issued.".

AUTHORIZATIONS

SEC. 8. Section 32(a) (15 U.S.C. 2081(a)) is amended (1) by striking out "and" at the end of paragraphs (4) and (6), (2) by striking out the period at the end of paragraph (7) and inserting a semicolon, and (3) by adding at the end the following:

"(8) $33,000,000 for the fiscal year ending September 30, 1982; and

"(9) $35,000,000 for the fiscal year ending September 30, 1983.".

MISCELLANEOUS

SEC. 9. Section 9(a)(2) (15 U.S.C. 2058(a)(2)) is amended by inserting after "Code," the following: "as amended from time to time before or after the date of the enactment of this Act,".

SECTION-BY-SECTION DESCRIPTION

Section 1. Short Title.

Section 2. The section directs the Commission to do a regulatory impact analysis before promulgating a consumer product safety rule. The language in this provision, which is identical to language contained in the President's Executive Order on Regulatory Reform, sets forth four criteria which the Commission must address as a part of its impact analysis: (1) a description of potential benefits, monetary and non-monetary, of the rule; (2) a description of the potential costs, monetary and non-monetary, of the rule; (3) a determination of the potential net benefits of the rule; and (4) a description of alternative approaches (including voluntary industry consumer product safety standards) that could substantially achieve the same regulatory goal at lower cost.

Section 3. The section directs the Commission to consider the merits of existing voluntary standards before promulgating mandatory safety standards. It prohibits the agency from imposing a mandatory standard unless the agency finds that compliance with an existing voluntary standard will not eliminate or reduce the risk of injury, or that it is unlikely that there will be sufficient compliance with the voluntary standard within the industry group.

Section 4. The section incorporates a legislative veto provision. Under this section, a safety standard could not go into effect if one body of Congress disapproved the standard and that action was not overturned by the other body.

Section 5. The provision puts a $15,000 aggregate ceiling on contributions to persons participating with the Commission in the development of the proposed consumer product safety standard.

Section 6. The Section amends Section 7(a) of the Act, which now provides that, with two exceptions, no consumer product safety standard shall require, incorporate, or reference any sampling plan. Enactment of this amendment would permit the Commission to consider sampling plans.

Section 7. The provision amends Section 27(b) of the Act by requiring the Commission, in connection with orders calling for the furnishing of information, to state the reasons why such information is needed in order for the Commission to carry out its functions under the Act, and by further requiring that such orders issued by the Commission be designed to place the least burden on the person subject to order as is practicable.

Section 8. The Section provides an authorization level of $33,000,000 for fiscal year 1982 and $35,000,000 for fiscal year 1983.●

A TRIBUTE TO ALL UKRAINIANS

HON. BILL CHAPPELL, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. CHAPPELL. Mr. Speaker, today I wish to pay tribute to 49 million Ukrainians who on January 22 celebrated, albeit quietly there the 63d anniversary of Ukrainian Independence.

Although the Ukrainian people have lost overt control over their nation, many still retain the indomitable spirit of independence. This spirit has sustained them through repeated Soviet brutalities. Indeed, the years of suffering under Soviet domination have been exacerbated by religious and national persecution. And yet, despite the best efforts of the Soviet Communists to suppress the will of these people, they still cannot weaken their goal for political and cultural independence.

Soviet propaganda would lead many of us to believe that the Ukrainians are a people wholly committed to the interests of the Soviet Union, and that they have no special feeling for their own country, its culture, language, literature, and traditions. However, this is not the case. Evidence abounds to demonstrate the Ukrainian preference for their own national traditions and even open opposition to the russifying and centralizing tendencies of the political leadership in Moscow.

At his recent press conference, President Reagan called for a new resolve to confront, through strength, Communist aggression and oppression. His words should comfort our oppressed friends in the Ukraine and reaffirm our continued support for the Ukrainian people in their quest for freedom and independence.●

THE FEDERAL LAW ENFORCEMENT OFFICERS' SECURITY ACT OF 1981

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. FLORIO. Mr. Speaker, Congressman MARIO BIAGGI has joined me today in introducing legislation which would remove certain barriers which have prevented Federal law enforcement officers from arresting persons whom they suspect have committed State felonies. This proposal seeks to provide securities to Federal law agents when they believe they have a moral obligation and duty to stop a State felony crime happening in their presence. In this way, the legislation can immediately place nearly 40,000 Federal law agents in a position to enforce State felony law, and help halt the dramatic rise in serious crime we are witnessing across the country.

Federal law enforcement officers currently have no authority vested in them by the U.S. Government to enforce State law. The separation of law enforcement powers between the Federal Government and the States is a principal doctrine of our federalist system. The Federal Law Enforcement Officers' Security Act of 1981 does not amend this basic constitutional concept.

Our proposal does address those situations where it is in the public's interest for a Federal law agent to go beyond his official duties and enforce an infraction of State law. Some legal barriers are presently preventing Federal law agents from doing this. Under Federal statute, if a Federal law agent is killed or injured while enforcing State law, the officer and his survivors are not eligible for any benefits under the Federal Employees Compensation Act.

In addition, under the Federal Tort Claims Act, the U.S. Government does not accept liability for claims which result from negligent or wrongful acts of Federal employees if the employee was acting outside the scope of his office or employment. Since enforcing State law is outside of Federal law agents' official duties, the Federal agent is liable for any negligent acts he may commit while arresting a possible violator of State law.

Federal law enforcement agents working in New Jersey have informed me that many of their colleagues have reluctantly ignored violations of State law because of the legal and other risks that they would assume by becoming involved. At the same time, the officers have expressed their exasperation over the barriers which prevent them, as lawmen, from directly stopping a crime when they have the moral obligation and training to do so.

The Florio/Biaggi legislation address these situations by providing certain securities to Federal law officers when they arrest a person whom they believe has or is about to commit a State felony. If the officer is injured or killed while making such an arrest, my proposal would permit the officer and his survivors to be eligible for the same level of benefits under the Federal Employees Compensation Act as if the injury or death occurred while the officer was performing his official duties. In addition, the United States would reimburse to any Federal law officer the criminal or civil fines imposed on him which result from any negligent act committed by the officer while making a State felon arrest. No Federal reimbursement for monetary

penalties would be provided to Federal officers if a court of law determines that the wrongful act committed by the Federal officer exceeds the immunity protection the State provides to its own law enforcement officers.

Our legislation also provides payments to Federal law enforcement officers for litigation costs which incur from the officer defending himself in State court on charges connected with his enforcement of State felon law. Litigation costs would not be reimbursed to Federal law officers, however, if the U.S. Attorney General determines that the charges filed against an officer are a result of the officer's willful misconduct.

I believe that this legislation provides appropriate securities to Federal law officers who go beyond their official duties to stop a State crime while it is happening. The increasing loss of life and property from crime demands that we make the best possible use of our law enforcement resources, at all levels of government. I urge my colleagues to support Congressman BIAGGI and me in this effort.●

TRIBUTE TO ELLA GRASSO

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. BIAGGI. Mr. Speaker, I wish to join my colleagues in paying a richly deserved tribute to a most outstanding woman, Ella Grasso. It is with great sadness that I, along with the many others whose lives she so deeply touched, must mark her passing.

Ella Grasso was one of the finest political leaders of our time. Throughout her remarkable career, which spanned over 25 years and never once met with defeat, she dazzled us all with her brilliance, her diligence, her integrity, and her compassion. In her native State of Connecticut, she served as State representative for 4 years, as secretary of state for 12, as a Member of the U.S. House of Representatives from 1971 to 1975, and, finally, as Governor. She was the first woman ever to be elected to that most prestigious office of State Governor in her own right, and not as the wife of a former incumbent. She was elected to this office in 1974 and again in 1978.

One could list endlessly Ella's impressive contributions to this great country and particularly to the State of Connecticut. In noting her record of achievement, however, one must not disregard the obstacles she first had to overcome. Ella was the child of Italian immigrants. From these humble origins, she earned the respect of all who came to know her and her work. I, too, am the child of Italian immigrants and, as a result of this, had always felt a strong sense of kinship with Ella, always appreciating the amount of hard work needed to attain what she did. Ella would, I must assert, have disregarded these concessions, wanting no special attention or consideration solely on the basis of her sex or background. She wanted first and foremost to be viewed not as a woman, not as the child of immigrants, but as a strong and effective leader—and that she was.

Working closely with her on various issues of mutual concern, both on the State and Federal level, I saw all of this come through. She was always there—willing to work, wanting to know, trying to help. A strong consumer advocate, she had high ideals and clear-cut, practical methods by which to insure that those ideals were implemented.

I heard others describe Ella Grasso as tough, outspoken, unbeatable and courageous. What I believe shines through above all, however, is the indomitable strength of spirit that this remarkable individual possessed.

I offer my deepest sympathies to her family; weakened by this great loss, yet strengthened by the knowledge that her vibrant memory shall last forever in the hearts and minds of all.●

BLACK HISTORY MONTH 1981

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. PANETTA. Mr. Speaker, the month of February is being celebrated as Black History Month. I believe this is an appropriate opportunity to recognize and honor the many contributions made by black Americans in the growth and development of this great country.

Blacks have contributed enormously in all areas of our society, and these great achievements must be made known to all Americans. The accomplishments of people such as Martin Luther King, George Washington Carver, Booker T. Washington, Charles Drew, and many others cannot be overlooked or forgotten. They are an indispensable part of our national history.

Though the month of February has been designated to pay special attention to the accomplishments of black Americans, it is important that the spirit of this month be carried and expressed throughout the year. I am pleased to join with my colleagues in commemorating Black History Month 1981.●

ON THE ANNIVERSARY OF THE LITHUANIAN NATION

HON. GERALD B. H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. SOLOMON. Mr. Speaker, this month marks the 63d anniversary of the establishment of the Republic of Lithuania and the 730th anniversary of the formation of the Lithuanian State in 1251. I would like to take this opportunity to direct a few words to the fate of this valiant little nation on the Baltic Sea.

A peaceful, industrious nation with a proud history, Lithuania received its independence in the eventful days following the fall of Imperial Russia, under whose rule the Baltic region has fallen during the days of czarist expansionism. For the little over 20 years of its existence as a free republic, Lithuania prospered, a beacon of freedom and economic stability amid the gathering shadows of totalitarianism and militarism. In the late 1930's, Stalin, unable to bear the sight of this prosperous, free nation on the doorstep of his own Socialist slave state, concluded with Hitler the infamous agreement which allowed the latter to march unmolested in Poland, and subsequently launch the war in Western Europe, while Red army troops "extending the hand of brotherly aid," as Soviet propaganda expresses it, seized the Baltic countries of Lithuania, Latvia, and Estonia. To this very day, the Soviet Union continues to occupy Lithuania, propagating the myth that the Lithuanian people voluntarily acquiesced to this blatant violation of all international law, written and unwritten. Furthermore, this outrageous act of military occupation has been followed by a systematic effort of the Soviet Government to destroy the culture, religious tradition, and national consciousness of the very people whom it claims to be protecting. Indeed, thousands of Lithuanian patriots have been jailed, exiled, and even executed for protesting the occupation and accompanying russification of their homeland.

Mr. Speaker, I am proud that the United States of America does not recognize the Soviet annexation of Lithuania, but has continued to recognize the diplomatic mission established by independent Lithuanians on this side of the Iron Curtain. I urge my esteemed colleagues to keep in mind the struggle of the Lithuanian people, and I urge our administration to support and strengthen our diplomatic representation of free Lithuania. I'm sure that I speak for all the Members of this body when I say that I look forward to the day when the independent diplomatic mission that we recognize

will represent the once again free republic of Lithuania.●

ESTONIAN INDEPENDENCE

HON. HAROLD C. HOLLENBECK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. HOLLENBECK. Mr. Speaker, I rise to take this opportunity to join with my distinguished colleagues in commemorating the 63d anniversary of Estonian independence. On February 24, 1918, the smallest of the Baltic States declared its independence as a democratic republic.

Enjoying freedom for a mere 20 years, Estonia has remained illegally occupied by Soviet forces since 1939. Although independence may have been shortlived, I greatly admire the Estonians' spirit of freedom and national pride which has allowed them to persevere through repeated Soviet attempts to deprive Estonians of their cultural heritage through forced russification programs. It is precisely this spirit which we celebrate today.

In the two decades that they enjoyed true sovereignty, the Estonians demonstrated their sincere commitment to democratic principles when they authored a constitution which embraced the ideals of justice, liberty, and protected the legal and ethical rights of all its linguistic minorities. Estonians can also reflect with great pride on the agricultural achievements and industrial accomplishments which they attained during this time.

As noted earlier, Estonia has been under illegal Soviet domination for 41 years. Through deportation, execution, and emigration, the small nation has suffered a tragic loss of its people: In the 1940's alone one-third of the population was lost. Yet the Estonians have managed, despite Soviet tyranny, to not only maintain their hopes for absolute freedom but their unique cultural identity as well. Just as I know that the Estonian people will continue their opposition to Soviet rule, I also know that the West will not lose its resolve in pursuing a restoration of democratic principles throughout the Baltic region.●

COMMEMORATION OF LITHUANIAN INDEPENDENCE DAY

HON. BOBBI FIEDLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Ms. FIEDLER. Mr. Speaker, I wish to commemorate an event which occurred 63 years ago, and which deserves the attention of my colleagues, my constituents, the members of our free Nation, and the entire free world.

On February 16, we celebrated a nation of Eastern Europe, Lithuania, which rose like a phoenix from the ashes, from legal nonexistence to the status of a fully independent nation, sovereign and free. On that day, Lithuanians rejoiced in having achieved their identity after a struggle of 180 years.

Free and independent Lithuania, by choice and inclination, alined itself with the forces of civility, freedom, and above all, individual human dignity which the Lithuanian people had savored and admired as the essentials of a Western, Judeo-Christian world.

Today, this impulse of 63 years ago is not only alive, but has been strengthened and elevated through fate, tragedy, and horror. It was fate, through a Lithuanian perspective, that brought about World War II between neighbors on all sides of its territory. Tragedy was manifest in the ensuing destruction of a legally constituted, universally recognized, and popularly supported government. Horror was supplied by the murder and deportation of hundreds of thousands of men, women, and children at the point of Soviet bayonets, and beneath the treads of Soviet tanks.

The intimidation of the remaining Lithuanians within their own country was complete. Since 1939, to this very day, any free expression of Lithuanian sentiment from within Lithuania itself is absent. We are told by their Soviet-imposed spokesmen that it does not exist. We know better. Years of bitter partisan warfare after World War II ended are eloquent testimony.

A nation which has fought, lived, died, lived again, contributed to human thought, human values, and set a human example for more than a thousand years cannot be declared extinct by a morally bankrupt, alleged revolution which seems today to have difficulty surviving its seventh decade.

I salute a valiant people and their commitment to values we all hold dear. Next year in Vilnius.●

UNITED STATES MAKING TRAGIC ERROR IN EL SALVADOR

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. STUDDS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

STATEMENT OF REPRESENTATIVES GERRY STUDDS, BARBARA MIKULSKI, AND ROBERT EDGAR, BEFORE THE FOREIGN OPERATIONS SUBCOMMITTEE, HOUSE COMMITTEE ON APPROPRIATIONS, FEBRUARY 25, 1981

U.S. military support for the Duarte regime in El Salvador is a tragic mistake, directly contrary to our own ideals and national interests, and chilling in its parallels to the early days of U.S. involvement in Viet Nam.

Our current policy is based on several assumptions about the situation in El Salvador which are grievously in error. It is a policy which puts at grave risk future U.S. interests in Central America, while it may endanger in the long run, unity and civil peace in our own country as well.

Accusations approaching hysteria have been made in recent days about Nicaraguan, Cuban and Russian involvement in supplying weapons to the Salvadoran left. The issue of outside intervention in El Salvador is important, and well worth examining. But other questions also need to be discussed thoroughly and dispassionately before a balanced judgement about proper U.S. policy towards El Salvador can emerge.

We need now to ask the type of questions which we waited far too long to ask with respect to American involvement in Viet Nam. We need, for example, to identify the true source of violence and terrorism in El Salvador; we need to know what kind of government it is to which the United States has committed its resources and prestige; we need to examine the history and the motives of those now in opposition to the Duarte government; and we need to think with enormous care about the nature and the long range implications of the policies which we appear about to implement in El Salvador and other parts of Central America.

From January 9 to January 19, we traveled to the Central American countries of Costa Rica, Nicaragua and Honduras, meeting with a host of groups and individuals from all walks of political and economic life. We were originally scheduled to spend three days in El Salvador, but were ultimately persuaded by the State Department that such a visit could not be safely undertaken at the time.

Although we did not enter El Salvador, we were able to visit in San Jose, Costa Rica with several leading figures in Salvadoran politics, including Jose Morales Ehrlich, the number two civilian in the Duarte government, and Ruben Zamora and Fabio Castillo, two leaders of the opposition Revolutionary Democratic Front.

Members of our group also made two separate trips to the area along the border between Honduras and El Salvador where an estimated 25,000 refugees from the violence in El Salvador now exist on the charity of international relief agencies and Honduran peasants who are desperately poor themselves.

In addition, we were in frequent telephone contact with our Ambassador to El Salvador, Robert White.

The details of our trip are provided in the full report by Representative Studds, which we have appended to our testimony.

Since returning from the trip, each of us has been in contact with numerous other experts on El Salvador in an effort to broaden our knowledge about the situation there. We have heard from several Salvadoran exiles including former junta member Ramon Mayorga, former number two man in the Agrarian Reform, program, Leonel Gomez, former Deputy Minister of Agriculture Jorge Villacorta, and have met with Members of the Salvadoran Chamber of Commerce. In addition, we have talked with members of the American press who have been to El Salvador recently, with officials in the State Department and with both public and private experts on the agrarian

reform program now being attempted with U.S. support in El Salvador.

We would like, at this time, to discuss in detail the issues which we believe are of primary importance in judging the wisdom of U.S. military assistance to the government of El Salvador.

WHO IS THE PRIMARY SOURCE OF VIOLENCE AND TERRORISM IN EL SALVADOR?

Current U.S. strategy appears to rest on the assumption that we will be able to successfully mobilize world opinion in opposition to Soviet and Cuban support for the left in El Salvador, on the grounds that their aid is being used to subvert a sitting government.

The implicit corollary to this strategy is the assumption that equally damaging criticisms can not be made against the United States for supplying weapons to the Salvadoran military.

Both sides in El Salvador have committed acts of violence which cannot be justified by any standard of human decency. But we believe very strongly, on the basis of our own conversations with refugees, and after consultations with others genuinely familiar with the recent history of El Salvador, that by far the greatest responsibility for violence and terrorism rests with those forces now receiving U.S. guns, helicopters, grenades and ammunition. It is these forces, far more than the opposition, that have been waging a systematic campaign of harassment, torture and murder against large segments of the Salvadoran population. There is absolutely no reason to believe that supplying these forces with more weapons will lead to anything other than an escalation of the violence, the further polarization of both Salvadoran and Central American politics, and the radicalization of thousands more within El Salvador.

The violence in El Salvador is one of many factors reminiscent of Viet Nam. The enemy are often hard to find for they are peasants, children, women, teenagers. They look, sound and act the same as non-combatants. They blend into villages, and they don't ever seem to go away.

The strategy of the military was summarized by one commander as follows: "The subversives like to say that they are the fish and the people are the ocean. What we have done in the north is to dry up the ocean so we can catch the fish easily."

The Salvadoran method of "drying up the ocean" is to eliminate entire villages from the map, to isolate the guerrillas and deny them any rural base off which they can feed. This requires a premeditated campaign of terrorism, the burning of homes and crops, making it impossible for people to live.

This violence has produced a steady stream of refugees across the border into neighboring Honduras, and to other countries throughout the hemisphere. The Salvadoran Church now estimates the total number of refugees both within and outside the country at more than 200,000 or almost 5 percent of the total population of El Salvador. These refugees have described in vivid detail (to us and to many others) the murder and torture of their friends and relatives, the de-wombing of pregnant women, the machine-gunning of children, the rape of little girls. These are acts committed repeatedly and intentionally by the security forces now receiving U.S. aid. Consider, as well, the following incidents:

It was about a year ago today that Archbishop Romero, the single most charismatic and beloved figure in El Salvador, was murdered while presiding over a mass in San Salvador. His killer has not been found, but the evidence indicates he was shot by a professional sharpshooter. It is worth remembering that he died shortly after protesting publicly the granting even of "non-lethal" military aid to the government of El Salvador;

In late November, six leading members of opposition organizations were kidnapped at a political rally by 200 uniformed members of the security forces. Their bodies were discovered the next day;

On December 3, four U.S. religious workers were raped and murdered while returning from the San Salvador airport. Even the State Department will admit that these individuals were probably killed by security forces. There is excellent reason to believe that the subsequent investigation into these deaths has been obstructed by officials in the government of El Salvador.

On January 3, gunmen walked into a hotel restaurant in San Salvador and murdered the leader of the Salvadoran agrarian reform institute, ISTA, along with two American agricultural reform technicians. No one we have talked to, whether Salvadoran or American, revolutionary or State Department official, has expressed any doubt that these murders were committed by or on behalf of the military.

Last June, Amnesty International wrote in a letter to Secretary of State Muskie: "Since the 3 January 1980 resignation of much of the Salvadoran government—on human rights grounds— at least 2,000 Salvadorans have been killed or 'disappeared' while in the hands of conventional and auxiliary security forces of El Salvador. Many were tortured and savagely mutilated—arms lopped off, flayed, beheaded."

In December, Salvadoran Archbishop Rivera Damas departed from his own past policy of restraint and silence to describe in detail the campaign of persecution being waged against the Church. He concluded by saying:

"Therefore we hold the Security Forces and ultra-rightist groups responsible for the persecution against the Church and specifically for the assassination of priests and lay pastoral workers. We therefore also hold responsible the Government Junta, which given its ultimate authority over the Armed Forces is responsible for actions by members of the military. We lament the fact that past governments and the present Government Junta itself have not fulfilled their promise to clarify the criminal assassinations of Mgr. Romero, Priests, Sisters and Lay Pastoral Workers.

"Therefore, their statements lose credibility. We can no longer accept the customary excuses, after the fact; nor can we accept promises of investigations.

"Only an immediate and effective end to the repression and persecution could demonstrate the clear will to stop such acts; only this could exonerate the Junta, at least to some degree, repression and persecution would give credibility to the repeated offers of dialogue for bringing peace to the country. In any other case, all possibilities for finding a true peace in the country through non-violent means will be strangled."

With the Army and the National Guard as our allies, any U.S. campaign for the hearts and minds of the Salvadoran people will never succeed—for every martyred innocent is sure to engender the transformation of others into supporters of the revolution and create new and unneeded enemies for the United States.

WHAT SORT OF GOVERNMENT ARE WE SUPPORTING IN EL SALVADOR?

There is little reason to believe that Napoleon Duarte and the other civilians still participating in the Salvadoran government prefer terrorism or repression as a means of maintaining themselves in power.

The problem is that they see themselves as having no other choice. If they were to confront the extremists within the military, they would lose the support of that military, and without that support, they would not remain in power.

Our own intelligence agencies will admit, when pressed, that the Duarte government has almost no base or popular support, and that it would not even be a major contender in a fairly contested election. Throughout our visit to Central America, we found even supporters of Duarte admitting that he was unable to control the military forces which have been using him to maintain the superficial legitimacy of their own real power.

The civilian leaders do not make the decisions which count in El Salvador. Important matters are determined by the military and by the military alone. Thus, it is nonsense now to describe this government as a centrist government, or a force for democracy in El Salvador,

Jose Morales Ehrlich discussed the military/civilian relationship in the following way:

"Morales Ehrlich is optimistic about the future because he thinks that the power of both extremes has been reduced, and that the split in the military has been resolved by the ouster of Colonel Majano. He says that the military is a partner in the reform process, despite its occasional mistakes from a human rights point of view. He says that changes have been made in an effort to exert greater control over the military, but that those could not be made public for three reasons:

"1. Any military official publicly denounced for committing atrocities would be killed by the left;

"2. It is not proper for one partner in government to condemn the actions of another partner; and

"3. Anything which publicly embarrasses the military provides a benefit to the Marxists.

"Therefore, instead of putting military outlaws on trial, the worst of them have been assigned to desk jobs or given scholarships to study abroad."—(Excerpt from Representative STUDDS' report to the House Committee on Foreign Affairs.)

El Salvador's government has not been able to summon the courage necessary to enforce the law against its own military forces. Until this has been done, El Salvador will have no center at all.

WHO MAKES UP THE OPPOSITION IN EL SALVADOR?

The inability of civilian governments to stem the tide of military violence has made it impossible for many prominent Salvadoran moderates to continue to participate in the government. As a result, they have joined the swelling ranks of opposition to what remains of the civilian government in El Salvador, not because they oppose the purported aims of that government, but because they believe that any regime unable to control the military cannot accurately call itself a government at all.

There are five basic categories of people in opposition to the government in El Salvador: 1. Social Democrats, 2. dissident Christian Democrats, 3. many independent pro-

fessionals, bureaucrats, students and technicians, 4. many of those involved in the Church, and 5. fifth and largest, the popular organizations which represent not only the guerrillas but thousands of unarmed campesinos and the poor as well.

We in the United States must remember that when our government commits itself to supporting the Salvadoran armed forces against those that are called "Marxist guerrillas" we are also committing ourselves to the use of violence against policies supported by a large number of non-Marxist, nonterrorists as well. These are people who may support many of our announced political objectives but who cannot condone or participate in the repression by violence of innocent civilians.

In addition, we align ourselves in the minds of many throughout Central America with the forces which have created many of the social and political inequities which are at the root of the region's unrest today. Although we may argue that Cuba is seeking to exploit the actual and potential violence which exists throughout the region, others may argue with equally good cause that it has been the United States and its local allies who created the conditions under which this violence has become inevitable.

Consider then some of those now in opposition to the "centrist" government of El Salvador:

Guillermo Ungo: Member of the first junta, strongly supported at the time by the United States. He resigned on January 3, 1980, arguing that "the Revolutionary Government junta has only minimal, and essentially formal, power. It lacks the capacity to lead the process of democraticization and social change." Ungo, a Social Democrat, is now the leading Member of the Revolutionary Democratic Front.

Ramon Mayorga: A University Rector, who also served in the first revolutionary junta. He resigned along with Ungo, and is currently teaching in Mexico.

Colonel Adolfo Majano: A member of both the first and second juntas, Majano is the youngest and most charismatic of the democratic military leaders who had begun to emerge in El Salvador. His ouster by the military shortly after the nuns were killed in December was aimed at solidifying rightwing control over the military at the time they were under attack in the United States and elsewhere. Majano was arrested last week in El Salvador, for the crime of being in opposition to the government.

Hector Dada Hirezi: Minister of Foreign Relations in the first junta, then a member of the second junta. Resigned on March 3, 1980, saying: "While it is true that the obstacles along the road have been enormous, it is equally true that the Junta is incapable of acting against those whom I perceive to be the principal opponents of the process, and it is clearer with each passing day that those persons are encysted in the very structure of the government. The democratic government to be developed is travelling a road towards total perversion."

Dada, formerly a Christian Democrat, is now working in Mexico.

Ruben Zamora: Minister to the Presidency in the first junta, Zamora was also a leading member of the Political Commission of the Christian Democratic Party. He resigned along with Hector Dada, and is now serving as a member of the Political-Diplomatic Commission of the Revolutionary Democratic Front.

Roberto Lara Velado: A founder of the Christian Democratic Party, and Secretary-General of the party for 10 years. Velado was appointed by the first junta to the task of examining charges of repression by the military. After several months of frustrated attempts to have his recommendations for investigations taken seriously, he resigned.

Alberto Arene: A Member of the Political Commission of the Christian Democratic Party during the first and second juntas. An economist, he resigned from the government in March, 1980, and is now representing the Revolutionary Democratic Front in Rome.

Francisco Diaz: Formerly Executive Secretary of the Christian Democratic Party, he resigned from his post in March, 1980, and now represents the Revolutionary Democratic Front in Quito.

Hector Silva: Former Executive Secretary for the Christian Democratic Party in the eastern zone of El Salvador, he also resigned last March and is now working on behalf of the Revolutionary Democratic Front.

Jorge Villacorta: Served as Sub-Secretary of Agriculture during the first and second juntas, and was one of the most prominent planners of the Agrarian reform program. He resigned in late March because of the violence of the military. He now lives in Costa Rica, with a $10,000 price on his head.

Julietta De Colinderes: Former Secretary for Women's Affairs within the Christian Democratic Party. Resigned in March, 1980, and is now working in Mexico for the Revolutionary Democratic Front.

Oscar Menjivar: Sub-secretary of Economics in the first junta, and Secretary in the second junta. Also a former member of the Executive Committee of the Christian Democratic Party. Resigned in March, 1980, now living in Managua.

Areonette de Zamora: Member of the Christian Democratic Party, and served on the Municipal Council in San Salvador. Resigned shortly after her husband, Marion Zamora, also a Christian Democratic official, was assassinated. She now works in Mexico for the external commission of the Revolutionary Democratic Front.

Eduardo Calinderes: Served as Minister of Education in the second junta, and was Secretary for Doctrine within the Christian Democratic Party. He resigned late last March along with Villacorta.

Finally, one should note the words of Salvador Samayoa, Minister of Education and Agriculture Minister Enrique Alvarez Cordova, at the time of their resignation from the first junta in January, 1980:

"Real power is exercised by the head of the Ministry of Defense and Public Safety and several Military Commanders—as indicated in the document presented by the Cabinet to the Permanent Council of the Armed Forces on December 28—transcending the authority of the governing Junta and against the democratic aspirations of our people.

"Once again, the democratic sectors of the country are being deceived and used. The most reactionary sectors of the oligarchy have been strengthened and once again have imposed the thesis—already invalidated by history—of carrying out 'reforms' with repression; a thesis that in practice always and necessarily means a great deal of repression and no reform.

"All of our efforts, as public functionaries, have been obstructed by the vast power of the oligarchy and by the Military plan that has been put into effect.

"We have been forced to submit ourselves to humiliations and threats, both subtle and blatant, on the part of certain commanders. Boasting of the habitual prepotency with which they have alway treated the people, they have let us know that in their eyes, we have been 'seated' in the government because they 'put us there,' and that they do not need us to do what has to be done in this country."

If you listen only to the State Department or to President Reagan, you will come to believe that President Duarte's government is opposed almost solely by Cuban-supplied Marxist guerrillas seeking to spread the influence of Communism through the hemisphere. Such forces do exist, and they will grow in direct proportion to the amount of U.S. weapons provided to the Salvadoran military. But the opposition to the junta is much broader than the government would have us believe, for it includes many members of Duarte's own Christian Democratic Party, Social Democrats, much of the Catholic Church, a flock of young professionals, bureaucrats and military men, and thousands of peasants whose politics are not determined by ideology but by their knowledge about who is responsible for the death and destruction they see around them.

The opposition in El Salvador is currently a very diverse group, but we in the United States have the capacity to unite them, to bring together Marxists and non-Marxists; guerrillas and those who abhor the use of violence; the religious and the non-believers; the educated and the poor; the Christian Democrats and the socialists. Yes, we have the power to unite them in opposition to ourselves, or to any policy which provides arms to those who use such weapons to make economic and social progress in El Salvador impossible.

WHAT, EXACTLY, IS U.S. POLICY, AND WHERE WILL IT LEAD?

Current U.S. policy is based on the premise that the Duarte Government is centrist, but this is not so. The Duarte government is not centrist, because real power is held by rightwing elements of the military.

The United States accuses Communist nations of supporting terrorism through its assistance to the left; but the evidence indicates that most of the terrorism in El Salvador has been perpetrated by the forces now receiving U.S. arms and training.

U.S. policy denounces any government which commits or tolerates acts of terrorism committed against American citizens. In Iran, we justly protested the government's complicity in the seizure of 52 hostages. In El Salvador, we are sending ten million dollars in weapons to a government which may well be obstructing the investigation into the murder of at least six Americans.

What policies will not in the future be justified under the heading of anti-Communism? Last week, we learned that the United States was putting pressure on the European Economic Community to delay a $1.5 million grant of food to starving Salvadoran refugees. This action was apparently justified on the grounds that some of the food might be eaten by individuals sympathetic to the guerrillas or by guerrillas themselves. The fact is that most refugees are sympathetic to the guerrillas, because it is the Army that has made them refugees. To halt food aid in the name of anti-Communism is to do Communism a propaganda service it does not deserve.

The most tragic irony of all is that the growing U.S. intervention in El Salvador is precisely what will benefit Communist propagandists the most. If the Soviet Union is seeking to benefit at all from the unrest in

Central America, it is to divert attention from its own brutality in Afghanistan, and its threatened intervention in Poland. As long as U.S. weapons are pouring into El Salvador, Fidel Castro will seem to many millions of Central and South Americans more right than wrong in his condemnations of North American imperialism. Castro is very good at playing David to the U.S. Goliath; he will welcome the opportunity to forget the embarrassment caused by his economic problems, by the thousands fleeing his "workers paradise," and by the revelations of heroic individuals such as Huber Matos.

In seeking to strengthen the military forces of El Salvador we are making a commitment to that military absent any commitment from them to act in a responsible fashion. We are making it clear to them and to the world that U.S. military assistance will not depend on whether that aid is used to kill and torture civilians; they have used our assistance all along for these purposes and now the aid has been increased. We are making it clear that the death, possibly at their own hands, of American citizens is not sufficient to halt the aid; they appear to have killed Americans, or at least to have obstructed the investigations into those killings, and yet their aid has once again increased. They need not share real power with the civilian government; they have suffered the resignations in protest of dozens of Christian democrats and other moderate government officials, and have seen their assistance increase further still.

We are sending to the military in El Salvador a signal that any acts committed in the name of Anti-Communism are acts committed with the prestige and support and power and backing of the United States. It is a signal that has long been awaited, in El Salvador, in Guatemala, in Argentina, in Chile and in other areas where reactionary forces from an era which most of us thought had passed away some years ago still cling to power.

We are told now, that U.S. policy in El Salvador has broad public and Congressional support. Even if this were true—which we do not for one minute believe—it would remain so only as long as the truth of El Salvador lay hidden beneath our propaganda and the diversions of other aspects of public and private life. For our policy cannot be supported by the facts, nor can it be justified by the ideals and principles for which we are supposed to stand, nor will it serve our long or even our short term national interests. It is a policy obsolete in conception, and naive in implementation, forgetful all too soon of the most recent lessons of American history.

We will remind you, in closing, that the Gulf of Tonkin Resolution passed 98-2.

RECOMMENDATIONS

1. The United States should encourage the governing junta to open negotiations with the opposition for the purpose of halting the violence, and putting into power a truly centrist government. Our objective should be to assist in the design and implementation of a reform program capable of isolating, rather than continuing to encourage, the brutality of the right and the destructive tendencies born of desperation on the left.

2. U.S. military training, sales and assistance to El Salvador should be suspended on the grounds that Salvadoran security forces are operating independent of responsible civilian control.

3. U.S. economic assistance to El Salvador's land reform program should be suspended because the violence and corruption caused by the military's opposition to genuine reform makes it unlikely such funds can efficiently be utilized at this time.

4. Congress should initiate forthwith an inquiry into the killing and disappearance of U.S. citizens in El Salvador.

5. The United States should provide generous support for the efforts of the United Nations and various private charitable organizations to provide food and medicine to the thousands made homeless by violence in El Salvador.

6. Special consideration ought to be given to Salvadoran refugees now in the United States who request political asylum or the right of extended voluntary departure.

7. The United States should consult regularly with other governments, most particularly Mexico, before deciding major foreign policy questions affecting Central America.●

SENATE—*Thursday, February 27, 1981*

(Legislative day of Monday, February 16, 1981)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

The PRESIDENT pro tempore. Under the previous order, the Senate stands in recess until 3 p.m. next Tuesday.

RECESS UNTIL TUESDAY, MARCH 3, 1981, AT 3 P.M.

Thereupon, at 11:01 a.m., the Senate recessed until Tuesday, March 3, at 3 p.m.

MESSAGE FROM THE PRESIDENT RECEIVED DURING THE RECESS

Under the authority of the order of the Senate of February 26, 1981, the Secretary of the Senate, on February 27, 1981, received a message from the President of the United States, submitting a nomination; which was referred to the Committee on the Judiciary.

(The nomination received today, is printed at the end of the Senate proceedings.)

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. GARN, from the Committee on Banking, Housing, and Urban Affairs, with an amendment:

S. 414. A bill to amend the Truth in Lending Act to encourage cash discounts, and for other purposes (together with additional views) (Rept. No. 97-23).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. DECONCINI:

S. 592. A bill to amend the act of October 5, 1978, to extend the duration of the Select Commission on Immigration and Refugee Policy; to the Committee on the Judiciary.

By Mr. SASSER:

S. 593. A bill for the relief of Rosita N. Pacto; to the Committee on the Judiciary.

S. 594. A bill for the relief of Juan Aristorenas, doctor of medicine; to the Committee on the Judiciary.

S. 595. A bill for the relief of Celemente Diaz Ibarra; to the Committee on the Judiciary.

S. 596. A bill for the relief of Dennis L. Dalton and James Edward Dalton; to the Committee on the Judiciary.

By Mr. JEPSEN:

S. 597. A bill to eliminate the position of elevator operator in the Senate Office Buildings; to the Committee on Rules and Administration.

S. 598. A bill to amend the Internal Revenue Code of 1954 to exempt from taxation the earned income of certain individuals working outside the United States; to the Committee on Finance.

By Mr. HAYAKAWA (for himself and Mr. CRANSTON):

S. 599. A bill to amend the Internal Revenue Code of 1954 to provide for a definition of the term "artificial bait"; to the Committee on Finance.

By Mr. HELMS:

S. 600. A bill to provide procedures for calling constitutional conventions for proposing amendments to the Constitution of the United States, on application of the legislatures of two-thirds of the States, pursuant to article V of the Constitution; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DECONCINI:

S. 592. A bill to amend the Act of October 5, 1978, to extend the duration of the Select Commission on Immigration and Refugee Policy to the Committee on the Judiciary.

SELECT COMMISSION ON IMMIGRATION AND REFUGEE POLICY

● Mr. DECONCINI. Mr. President, today I am introducing a bill to extend the life of the Select Commission on Immigration and Refugee Policy for 90 days after the report of its recommendations. This extension is to allow the Commission to complete its business and to allow the new administration to have a meaningful role in reviewing the Commission's recommendations.

It has been my pleasure to serve on this Commission. I would like to commend the members for their dedication and hard work. Special thanks are owed to Father Hesburgh, who chaired the commission. I look forward to additional work on these issues with Senator SIMPSON and his Subcommittee on Immigration.●

By Mr. JEPSEN:

S. 597. A bill to eliminate the position of elevator operator in the Senate Office Buildings; to the Committee on Rules and Administration.

ELIMINATION OF ELEVATOR OPERATOR JOBS IN THE SENATE OFFICE BUILDINGS

● Mr. JEPSEN. Mr. President, on November 4 the American people sent a message to Washington: They are fed up with extravagant Federal spending and they are tired of enduring multibillion-dollar deficits.

In recognition of that message, I am introducing a bill which would eliminate the elevator operator jobs in the Capitol complex. This includes the Capitol, along with the Senate and House Office Buildings.

As of June 30 of last year, there were 89 automatic elevator operators still employed in the Capitol and the various congressional office buildings. In my opinion, this is 89 too many.

On the average, these operators earn more than $10,000 per year: they work 6-hour shifts but are paid for 8 hours. And their job is to push buttons for Members of Congress, staff, and visitors.

As you know, Mr. President, several years ago the elevators in the Capitol complex were converted from manual to automatic. This was done at a cost of more than $3 million. At the time, the projected savings was substantial. However, by continuing to pay salaries for elevator operators, any savings that might have been achieved is greatly diminished.

As the Senate undertakes its effort to cut the Federal budget, I cannot think of a better place to start than in our own backyard. All too often Congress becomes so concerned with pointing the finger at wasteful Government programs that we forget we do a fair share of it here on Capitol Hill.

Eliminating these positions will save close to $1 million. While this may not seem like a great deal in light of the $600 billion budget, it is a start. Furthermore, it sends a clear signal to the American people that we heard the message they sent us in November and we are going to do something about it.

I urge my colleagues to join me in supporting this bill.●

By Mr. JEPSEN:

S. 598. A bill to amend the Internal Revenue Code of 1954 to exempt from taxation the earned income of certain individuals working outside the United States; to the Committee on Finance.

ELIMINATION OF TAXATION ON THE FOREIGN EARNED INCOME OF AMERICAN CITIZENS

● Mr. JEPSEN. Mr. President, today I am introducing legislation to eliminate taxation on the foreign earned income of American citizens. The taxation of so-called unearned income—interest and dividends—remains unaffected by the bill.

The proposed change in present law is necessary for reasons both of equity and efficiency.

The United States is the only industrialized nation in the world which taxes the foreign earned income of its citizens, regardless of where they reside. Canada, Japan, South Korea, Germany, and Sweden, to name just a few examples, offer substantial tax relief to their citizens working overseas. It is not coincidental that these countries are the ones leading the erosion of America's share

of international commerce. The Foreign Earned Income Act of 1978 places American exporters at a severe competitive disadvantage vis-a-vis the rest of the world. Our ability to engage in foreign trade has been hampered.

The intent of the current law was to insure that Americans working overseas bore a fair share of their responsibilities as citizens of the United States. The "citizenship basis" for taxation on foreign earned income is, in theory, a powerful argument. In practice, it turns out to be punitive. American citizens abroad suffer hardships and inconvenience that place them in an inferior position to their colleagues at home. The equity argument loses credibility when confronted with fact. Living in the Middle East, the Orient, and South America is not the paradise supporters of the 1978 law would have us believe. It involves considerable psychological and professional sacrifice. Hostile climates, separation from American life and American friends, poor living conditions, and general dislocation are no small burden. It is beyond me why the law punishes these people. It should reward them.

Both with respect to other nations' treatment of its expatriots and with respect to our treatment of domestic taxpayers, the Foreign Earned Income Act of 1978 discriminates against our citizens living abroad. The equity purpose has failed miserably.

The efficiency argument is even stronger. Current law not only burdens American individuals working abroad, more importantly, it restricts our foreign trade initiatives considerably. As a result, our position in international markets has suffered. This, in turn, has adversely impacted on employment and production here in the United States.

U.S. construction contractors have been especially hard hit. Between June 1975 and April 1978, when the current law became effective, American firms were able to win more than 10 percent of all construction contracts awarded in the Middle East. In the 2 years since passage of the act, the performance record has undergone a dramatic retrenchment. In 1979 the American share of construction contracts was a meager 1.5 percent. In 1980 it fell even farther. The outlook for the future is not encouraging. It is not mere coincidence that this frightening decline in the competetive position of the United States parallels the effective term of the Foreign Earned Income Act.

Our construction companies can no longer afford the elevated personnel costs due to the tax.

Korean, Indian, and Japanese competitors undercut our bids time and time again. Although many countries would prefer to do business with the United States, they are unable to ignore the high cost. They cite personnel expenses due to our tax code almost every time. In my own State Green Construction pleads the case in simple terms. To employ a British engineer, it costs them $25,000. A German is about $30,000. An American of comparable skill requires almost $80,000. In other words, Green Construction can hire three foreign engineers for the price of one American.

Of the $80,000, $50,000 of it goes for increased living expenses and to compensate for the unfavorable tax status. In the absence of the law, American engineers would be competitively priced. However, the inability of American firms to subsidize their own personnel overseas is not principally an employment problem. It is the secondary effects which produce the most critical economic difficulties. Because of the familiarity with American equipment demanded for a construction project, foreign employees are ill-equipped to be substituted in American contracts. Often, the contract is lost as a result. If it is won, foreign equipment is frequently used. The American economy loses either way, since it is equipment orders generated by foreign contracts which stimulate employment and production here at home.

Although Iowa is usually thought of primarily as an agricultural State, it has a substantial manufacturing sector, much of which is involved in overseas trade. Nearly 800 firms in Iowa derive substantial sales from abroad and some 20 percent of the Iowa industrial work force is employed in export or related services. Our competitiveness in international markets is critical to the Iowa economy. In conversations with business executives in the State, a recurring problem on their lists of barriers to foreign trade erected by the Federal Government is the Foreign Earned Income Act of 1978. They are losing contracts and Iowa is losing jobs. They want something done and they want it done now.

American firms need to station marketing, sales, and administrative people overseas or they lose out on export contracts. The United States loses production and job opportunities. It is that simple. State export commissions have the same requirements. Ones such as the Iowa Development Commission inform me that their effectiveness is radically restricted because they can afford to man only one foreign office. The entire State suffers.

The legislation I am introducing today parallels a bill introduced by Congressman BILL FRENZEL, of Minnesota. It eliminates all U.S. taxes on foreign-earned income. Americans working overseas continue to pay foreign taxes and exemption does not apply to unearned income. With a $60 billion deficit expected for the current fiscal year, this is no small matter. Every time we generate $1 billion of incremental export trade, we provide 60,000 new jobs. Our present policy of discouraging a competitive position in world markets for our companies is hurting all Americans. It is time to halt this practice. My bill accomplishes this in an equitable and straightforward way. I strongly urge its adoption.

I ask unanimous consent to have printed in the RECORD at this point an article from the New York Times on the adverse effects of U.S. tax law on exports.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

COSTLY FALL IN EXPATRIATE JOBS

(By Robert D. Hershey, Jr.)

LONDON, February 18.—Tax penalties, a weak dollar and soaring inflation have made it so expensive to employ Americans overseas that large numbers of them are being replaced by other nationalities at what appear to be major economic and political costs to the United States.

American executives say the problem which has been building for many years, now jeopardizes billions of dollars of exports and hundreds of thousands of job at home and abroad.

A recent report issued by the President's Export Council, an advisory group headed by Reginald H. Jones, chairman of the General Electric Company, echoed that view. The council declared that the trend of Americans being taxed out of competing in foreign markets had produced a "sharp" loss of business, contributing to the balance-of-payment deficit, a loss of American jobs and a decline in "presence and prestige" abroad.

Not only are United States and foreign companies increasingly reluctant to subsidize American workers overseas, but the workers themselves are rejecting job offers because of the financial burdens posed by such a move.

The expatriates say that many laws and practices tend to make second-class citizens of the two million of them who live overseas, but income taxes are regarded as the most damaging factor. The United States is the only major country that taxes income earned abroad, a fact that increasingly places Americans and their companies at a competitive disadvantage. Americans overseas often pay foreign income taxes as well, but they receive a credit for such levies when they file their American tax returns.

"What we're seeing is a form of discrimination against Americans by our own Government," said John G. McCarthy, Jr., vice president of Russell Reynolds Associates, an executive recruiting company. "It means Americans seeking to work abroad are burdened with cost factors which other nationals do not have."

Mr. McCarthy, who runs the firm's Middle East operation from London, said the company had conducted searches for about 35 Middle East clients last year, all of whom would have preferred an American. In all but three cases, however, the jobs were filed by Britons for reasons of cost. Other American jobs overseas, he said, are being taken by Canadians, who pay no income tax at home so long as the employee is accompanied abroad by his family.

American companies are confronted by the same problem. William Ferguson, a senior manpower manager for General Electric here, said it could cost G.E. $90,000 or more in pay and allowances to maintain an American overseas who is paid only $30,000 at home.

"It's really disturbing," said Mr. Ferguson. "We can hire two fully qualified British nationals and afford to train them in our products for less than we can put one American on the payroll."

He added that five years ago the United States was the leading exporter to Saudi Arabia, but that it had slipped to third or fourth position because of the high cost of doing business there. "We would love to double our sales and marketing operation in the Middle East, but we just can't afford it," he added.

While a British employee can quadruple his after-tax earnings by going overseas, his American counterpart usually fares no bet-

ter than he would have at home. At times, the American is actually penalized by taxes levied on allowances for what in many cases are astronomic costs for housing and education. In some cases, an American's tax liability may exceed his basic salary before adjustments.

One group of activists, the Geneva-based American Citizens Abroad, has listed 63 ways in which they say the Government discriminates against them. They range from taxes on "phantom" income arising from currency fluctuations and loss of Social Security benefits to the sometimes bizarre rules governing the citizenship of children born abroad.

The latest frustration for overseas Americans is the Carter Administration's response late last month to a Congressional demand that it identify and evaluate all the statutes and regulations that treat expatriates differently and that it recommend action to eliminate discrepancies.

Critics say, however, that the Treasury report fell far short of its mandate. The report found that while taxation of Americans abroad could have adversely affected United States exports, "it is not clear how prevalent this type of situation is or what its impact is." It added that the studies done so far did not permit decisions about what changes, if any, should be made.

The Treasury's report was characterized by Andy Sundberg of American Citizens Abroad as a "red herring that the White House has just dragged across the path that was supposed to lead toward an unambiguous statement of where overseas Americans are supposed to fit into the political, social, economic and ideological life of the United States."

He said that what he called inconclusive findings on the relationship between income taxes and exports were "a silly answer to the wrong question."

A task force of the President's Export Council, headed by Robert Dickey 3d of the Dravo Corporation, recommended that the United States align its tax policy with that of its competitors, none of which now taxes its citizens who meet overseas residency tests.

This would restore to Americans abroad the status enjoyed by most of them until 1962, when income of less than $20,000 was tax-exempt. By the mid-1970's, inflation, the decline of the dollar and rising salaries and benefits put heavy financial pressure on Americans overseas.

Instead of liberalizing the exemptions, Congress decided in 1976 to eliminate them altogether. At the same time, the Internal Revenue Service decided that any goods or services workers received, even housing in the Saudi Arabian desert, had to be declared and taxed at full market value.

"It's not just a matter of dollars and cents," said Mr. McCarthy, the recruiter. "If you don't have American people of some stature on the ground, you're just not going to get across the American point of view. You can project power with aircraft carriers, but you can also spread American influence with businessmen."●

By Mr. HAYAKAWA (for himself and Mr. CRANSTON):

S. 599. A bill to amend the Internal Revenue Code of 1954 to provide for a definition of the term "artificial bait"; to the Committee on Finance.

DEFINITION OF "ARTIFICIAL BAIT" FOR TAXATION

● Mr. HAYAKAWA. Mr. President, I am pleased to be joined by my colleague from California (Mr. CRANSTON) in introducing legislation to define the term "artificial bait" for the purposes of the Internal Revenue Code.

Section 4161(a) of the Internal Revenue Code specifies that "artificial lures, baits, and flies" are subject to an excise tax of 10 percent of the sales price. It is clear to me that in linking these terms together Congress intended to tax articles associated with fishing which are artificial in substance. To my mind, these would include flies made of metal, string, and feathers; lures made of cloth and metal; and bait made of plastic or rubber.

In my State, California, there is a company that manufactures a fishing bait which is ingestible by fish and composed primarily of natural substances. In 1971, the company was verbally assured by the Los Angeles office of the IRS that their product was not subject to the excise tax. Subsequently, two separate audits made no mention of the excise tax; yet in 1977, the IRS assessed retroactive taxes from 1969.

This is a prime example of bureaucratic response to unclear statutes. Although it is clear to me what Congress intended by modifying the word "bait" with the word "artificial," apparently the IRS has a different view. I feel, therefore, that it is incumbent on the Congress to clarify terms where there is an ambiguity.

The bill we are introducing today will define "artificial bait" as a substance containing less than 85 percent by weight of plant and animal material which can be ingested by fish. This will allow the various kinds of bait to sell on a competitive basis. Natural baits, such as worms and cheese, will continue to be free of the excise tax, along with other natural, ingestible substances. Plastic or rubber baits will be classified as "artificial" and subject to the excise tax. Since the two are mutually exclusive, they will enjoy clarified competitive markets, which I believe was the intent of Congress.●

By Mr. HELMS:

S. 600. A bill to provide procedures for calling constitutional conventions for proposing amendments to the Constitution of the United States, on application of the legislatures of two-thirds of the States, pursuant to article V of the Constitution; to the Committee on the Judiciary.

FEDERAL CONSTITUTIONAL CONVENTION PROCEDURES ACT OF 1981

● Mr. HELMS. Mr. President, article V of the Constitution provides that upon the application of the legislatures of two-thirds of the States, the Congress shall call a convention to proposed amendments to the Constitution.

Presently the Congress is facing an impending crisis regarding an article V convention: 30 States have now petitioned the Congress to call a convention to propose an amendment to provide for a balanced budget and four more States—West Virginia, Ohio, Missouri, and Washington—have had one house of their legislature pass such a resolution. If the other legislative body in those four States should act, the required two-thirds of the States will have petitioned the Congress and the constitutional obligation to call a convention will be established.

Those States which have already petitioned the Congress are: Alabama, Arizona, Arkansas, Colorado, Delaware, Florida, Georgia, Idaho, Iowa, Indiana, Kansas, Louisiana, Maryland, Mississippi, Nebraska, New Hampshire, New Mexico, Nevada, North Carolina, North Dakota, Oklahoma, Oregon, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Utah, Virginia, and Wyoming.

Today, I am introducing legislation to establish procedures for such a convention and I urge my colleagues, especially those who are members of the Senate and House Judiciary Committee, to act promptly to develop such procedures and to consider in a timely fashion an amendment providing for a balanced budget.

This legislation, with the exception of a few technical changes, is identical to that which was introduced by my friend and distinguished former Senator from North Carolina, the Honorable Sam J. Ervin, Jr. This bill was passed by the Senate with slight modification by a vote of 84 to 0 in 1971 and by voice vote in 1973.

In 1971, the Senate Judiciary Committee reported that it was the responsibility of Congress "to enact legislation which makes article V meaningful" and not to make the constitutional convention "a dead letter."

In 1973, the American Bar Association resolved that it was "desirable" for Congress to establish procedures for such a convention. The ABA report on the resolution concluded that—

So long as the convention method of proposing amendments is part of our Constitution, it is proper to establish procedures for its implementation and improper to place unnecessary and unintended obstacles in the way of its use.

This legislation provides an even-handed, nonpartisan, and fair resolution of the problems inherent in calling a convention under article V. It provides these procedures now, in the absence of a constitutional crisis in which a dispassionate resolution of the problems may not be possible.

The procedures which this legislation establishes do not favor or assist any particular call for a constitutional convention. Support of this proposal should not be viewed as support or opposition to any presently proposed constitutional amendment or convention call.

FEDERAL CONSTITUTIONAL CONVENTION PROCEDURES ACT—OUTLINE

1. States use the same procedure for adopting a resolution petitioning the Congress to call a constitutional convention as they use for the passage of statutes, but without the approval of the Governor.

2. Receipt of a State's petition by Congress is to be announced on the Floor of both

Houses, and copies sent to each Member of Congress and the several state legislatures.

3. Each application is to remain in effect for 7 years, unless rescinded by the state legislature.

4. Applications may be rescinded by state legislatures until two-thirds of the states have submitted applications, then all applications remain in effect.

5. After Congress determines the validity of the applications, it shall pass a concurrent resolution calling for a convention.

6. The convention must be convened within 1 year after adoption of the concurrent resolution by Congress.

7. Delegates to the convention shall be popularly elected, one delegate from each congressional district and two additional at-large delegates from each state.

8. Each delegate may cast one vote. Each delegate's vote must be recorded and a verbatim record kept.

9. Amendments shall be proposed by majority vote of the delegates.

10. The convention shall be limited to subjects named in the state applications and convention delegates shall subscribe to an oath to refrain from proposing or voting in favor of any proposed amendment not concerning the proper subject. Congress may disapprove a proposed amendment on the ground that it pertains to a subject different from that described in the resolution calling the convention.

11. The convention shall be terminated 1 year after the date of its first meeting unless Congress extends its life.

12. The proposed amendment must be ratified by three-fourths of the states.

Mr. President, perhaps the best analysis of the problems involved in proposing amendments through a constitutional convention was written by former Senator Ervin for the March 1968 issue of the Michigan Law Review. That article, entitled "The Convention Method of Amending the Constitution," was reprinted in the spring 1977 issue of the Human Life Review.

Mr. President, I ask unanimous consent that the following excerpts from former Senator Ervin's article be printed at this point in the RECORD, to be followed by the text of the "Federal Constitutional Convention Procedures Act."

There being no objection, the article and the bill were ordered to be printed in the RECORD, as follows:

THE CONVENTION METHOD OF AMENDING THE CONSTITUTION

(By Sam J. Ervin, Jr.)

Article V of the Constitution of the United States [1] provides that constitutional amendments may be proposed in either of two ways—by two-thirds of both houses of the Congress or by a convention called by the Congress in response to the applications of two-thirds of the state legislatures. Although the framers of the Constitution evidently contemplated that the two methods of initiating amendments would operate as parallel procedures, neither superior to the other this has not been the case historically. Each of the twenty-five constitutional amendments ratified to date was proposed by the Congress under the first alternative. As a result, although the mechanics and limitations of congressional power under the first alternative are generally understood, very little exists in the way of precedent or learning relating to the unused alternative method in article V. This became distressingly clear recently, following the disclosure that thirty-two state legislatures had, in one form or another, petitioned the Congress to call a convention to propose a constitutional amendment permitting states to apportion their legislatures on the basis of some standard other than the Supreme Court's "one man-one vote" requirement. The scant information and considerable misinformation and even outright ignorance displayed on the subject of constitutional amendment, both within the Congress and outside of it—and particularly the dangerous precedents threatened by acceptance of some of the constitutional misconceptions put forth—prompted me to introduce in the Senate a legislative proposal designed to implement the convention amendment provision in article V . . .

III. Questions raised by the bill

Before going to specific issues and matters of detail, it seems appropriate to discuss briefly two threshold problems posed by the bill: whether the Congress has the power to enact such legislation, and, if it does, what policy considerations should guide it in exercising such power.

I have no doubt that the Congress has the power to legislate about the process of amendment by convention. The Congress is made the agency for calling the convention, and it is hard to see why the Congress should have been involved in this alternative method of proposal at all unless it was expected to determine such questions as when sufficient appropriate applications had been received and to provide for the membership and procedures of the convention and for review and ratification of its proposals. Obviously the fifty state legislatures cannot themselves legislate on this subject. The constitutional convention cannot do so for it must first be brought into being. All that is left, therefore, is the Congress, which, in respect to this and other issues not specifically settled by the Constitution, has the residual power to legislate on matters that require uniform settlement. Add to this the weight of such decisions as *Coleman* v. *Miller*,[9] to the effect that questions arising in the amending process are nonjusticiable political questions exclusively in the congressional domain, and the conclusion seems inescapable that the Congress has plenary power to legislate on the subject by amendment by convention and to settle every point not actually settled by article V of the Constitution itself.

With respect to the second problem, within what general policy limitations that power should be exercised, I think the Congress should be extremely careful to close as few doors as possible. Any legislation on this subject will be what might be called "quasi-organic" legislation; in England it would be recognized as a constitutional statute. When dealing with such a measure, it is wise to bear in mind Marshall's well-worn aphorism that it is a Constitution we are expounding and not get involved in "an unwise attempt to provide, by immutable rules, for exigencies which, if foreseen at all, must [be] seen dimly, and which can best be provided for as they occur." [10] This approach is reflected at several points in the bill, notably in its failure to try to anticipate and enumerate the various grounds on which Congress might justifiably rule a state petition invalid, and its failure to prescribe rigid rules of procedure for the convention. In addition, I think the Congress, in exercising its power under article V, should bear in mind that the Framers meant the convention method of amendment to be an attainable means of constitutional change. This legislation can be drawn so as to place as many hurdles as possible in the way of effective use of the process; or it can be drawn in a manner that will make such a process a possible, however impossible, method of amendment. The first alternative would be a flagrant disavowal of the clear language and intended function of article V. I have assumed that the Congress will wish to take the second road, and the bill is drawn with that principle in mind.

Open or limited convention?

Perhaps the most important issue raised by the bill is the question of the power of the Congress to limit the scope and authority of a convention convened under article V in accordance with the desires of the states as set forth in their applications. This was, as I have noted, one of the issues that most troubled me when I first heard of the efforts by the states to call a convention.

It has been argued that the subject matter of a convention convened under article V cannot be limited, since a constitutional convention is a premier assembly of the people, exercising all the power that the people themselves possess, and therefore supreme to all other governmental branches or agencies. Certainly, according to this argument, the states may not themselves, in their applications, dictate limitations on the convention's deliberations. They may not require the Congress to submit to the convention a given text of an amendment, nor even a single subject or idea. For the convention must be free to "propose" amendments, which suggests the freedom to canvass matters afresh and to weigh all possibilities and alternatives rather than ratify a single text or idea. The states may in their applications specify the amendment or amendments they would hope the convention would propose. But once the Congress calls the convention, those specifications would not control its deliberations. The convention could not be restricted to the consideration of certain topics and forbidden to consider certain other topics, nor could it be forbidden to write a new constitution if it should choose to do so.

I will concede that such an interpretation can be wrenched from article V—but only through a mechanical and literal reading of the words of the article, totally removed from the context of their promulgation and history. My reading of the debates on article V at the Philadelphia Convention and the other historical materials bearing on the intended function of the amendment process [11] leads me to the opposite conclusion. As I understand the debates, the Founders were concerned, first, that they not place the new government in the same straitjacket that inhibited the Confederation, unable to change fundamenetal law without the consent of every state. The amendment process, rather a novelty for the time, was therefore included in the Constitution itself. Second, the final form of article V was dictated by a major compromise between those delegates who would utilize the state legislatures as the sole means of initiating amendments and those who would lodge that power exclusively in the national legislature. The forces at the convention that sought to limit the power of originating amendments to the states were at first dominant. The original Virginia Plan, first approved by the convention, excluded the national legislature from participation in the amendment process. On reconsideration, the forces that would limit the power of origination of amendments to the national legislature became prevalent. The arguments on both sides were persuasive: the improprieties or excess of power in the national government would not likely be corrected except by state initiative, while improprieties by the state governments or deficiencies in national power would not likely

Footnotes at end of article.

be corrected except by national initiative. In the spirit that typified the 1787 Convention, the result was acceptance of a Madison compromise proposal which read, as the final article was to read, in terms of alternative methods.

It is clear that neither of the two methods of amendment was expected by the Framers to be superior to the other or easier of accomplishment. There is certainly no indication that the national legislature was intended to promote individual amendments while the state legislatures were to be concerned with more extensive revisions. On the contrary, there is strong evidence that what the members of the convention were concerned with in both cases was the power to make specific amendments. They did not appear to anticipate a need for a general revision of the Constitution. And certainly this was understandable, in light of the difficulties that they had in finding the compromises to satisfy the divergent interests needed for ratification of their efforts. Provision in article V for two exceptions to the amendment power underlines the notion that the convention anticipated specific amendment or amendments rather than general revision. For it is doubtful that these exceptions could have been expected to control a later general revision.

This construction is supported by references to the amendment process in the Federalist Papers. In Federalist No. 43, James Madison explained the need and function of article V as follows:

"That useful alterations will be suggested by experience, could not but be foreseen. It was requisite therefore that a mode for introducing them should be provided. The mode preferred by the Convention seems to be stamped with every mark of property. It guards equally against that extreme facility which would render the Constitution too mutable; and that extreme difficulty which might perpetuate its discovered faults. It moreover equally enables the general and the state governments to originate the amendment of errors as as they may be pointed out by the experience on one side or on the other. . ."

Apart from being inconsistent with the language and history of article V, the contention that any constitutional convention must be a wide open one is neither a practicable nor a desirable one. If the subject matter of amendments were to be left entirely to the convention, it would be hard to expect the states to call for a convention in the absence of a general discontent with the existing constitutional system. This construction would effectively destroy the power of the states to originate the amendment of errors pointed out by experience, as Madison expected them to do. Alternatively, under that construction, applications for a limited convention deriving in some states from a dissatisfaction with the school desegregation cases, in others because of the school prayer cases, and in still others by reaon of objection to the Miranda rule, could all be combined to make up the requisite two-thirds of the states needed to meet the requirements of article V. I find it hard to believe that this is the type of consensus that was thought to be appropriate to calling for a convention. . .

The bill provides that state petitions to the Congress which request the calling of a convention under article V shall state the nature of the amendment or amendments to be proposed by such convention. Upon receipt of valid applications from two-thirds or more of the states requesting a convention on the same subject or subjects, the Congress is required to call a convention by concurrent resolution, specifying in the resolution the nature of the amendment or amendments for the consideration of which the convention is being called. The convention may not propose amendments on other subjects and, if it does, the Congress may refuse to submit them to the states for ratification. . .

May Congress refuse to call a convention?

Perhaps the next most important question raised by the bill is whether the Congress has any discretion to refuse to call a convention in the face of appropriate applications from a sufficient number of states.

Article V states that Congress "shall" call a convention upon the applications of the legislatures of two-thirds of the states. I have absolutely no doubt that the article is peremptory and that the duty is mandatory, leaving no discretion to the Congress to review the wisdom of the state applications. Certainly this is the more desirable construction, consonant with the intended arrangement of article V as described in the preceding section of this article. The founders included the convention alternative in the amending article to enable the states to initiate constitutional reform in the event the national legislature refused to do so. To concede to the Congress any discretion to consider the wisdom and necessity of a particular convention call would in effect destroy the role of the states.

The comments of both Madison and Hamilton, subsequent to the 1787 Convention, sustain this construction. In a letter on the subject, Madison observed that the question concerning the calling of a convention "will not belong to the Federal Legislature. If two-thirds of the states apply for one, Congress cannot refuse to call it: if not, the other mode of amendments must be pursued."[13] Hamilton, in the Federalist No. 85, stated:

"By the fifth article of the plan the congress will be obliged, 'on the application of the legislatures of two-thirds of the states, (which at present amounts to nine) to call a convention for proposing amendments, which shall be valid to all intents and purposes, as part of the constitution, when ratified by the legislatures of three-fourths of the states, or by conventions in three-fourths thereof.' The words of this article are peremptory. The congress 'shall call a convention.' Nothing in this particular is left to the discretion . . ."

Sufficiency of State applications

Assuming the Congress may not weigh the wisdom and necessity of state applications requesting the calling of a constitutional convention, does it have the power to judge the validity of state applications and state legislative procedures adopting such applications? Clearly the Congress has some such power. The fact alone that Congress is made the agency for convening the convention upon the receipt of the requisite number of state applications suggests that it must exercise some power to judge the validity of those applications. The impotence or withdrawal of the courts underlines the necessity for lodging some such power in the Congress. The relevant question, then, concerns the extent of that power.

It has been contended that Congress must have broad powers to judge the validity of state applications and that such power must include the authority to look beyond the content of an application, and its formal compliance with article V, to the legislative procedures followed in adopting the application. The counterargument is that to grant Congress the power to reject applications, particularly if that power is not carefully circumscribed, would be to supply it with a means of avoiding altogether the obligation to call a convention. The result would be that the Congress could arbitrarily reject all applications on subjects it did not consider appropriate for amendment, leaving us in effect with only one amendment process. . . .

One further important point should be mentioned. Most of the states obviously do not now understand their role in designating subjects or problems for resolution by amendment, and many of them do not even know where to send their applications. By setting forth the formal requirements with respect to content of state applications and designating the congressional officers to whom they must be transmitted, the bill furnishes guidance to the states on these questions and promises to avert in the future some of the problems that have arisen in the current effort to convene a convention. The bill also requires that all applications received by the Congress be printed in the Congressional Record and that copies be sent to all members of Congress and to the legislature of each of the other states. In this way, the element of congressional surprise can be eliminated, and each state can be given prompt and full opportunity to join in any call for a convention in which it concurs.

The role of State Governors

The argument has been made that a state application for a constitutional convention must be approved by both the legislature and the governor of the state to be effective. This argument rests on the claim that article V intended state participation in the process to involve the whole legislative process of the state as defined in the state constitution. I do not agree with that argument. We do not have here any question about the exercise of the lawmaking process by a state legislature in combination with whatever executive participation might be called for by state law. We have rather a question of heeding the voice of the people of a state in expressing the possible need for a change in the fundamental document. . . .

Closely analogous court decisions support this interpretation. The Supreme Court in *Hawk* v. *Smith, No. 1*[14] interpreted the term "legislatures" in the ratification clause of article V to mean the representative lawmaking bodies of the states, since ratification of a constitutional amendment "is not an act of legislation within the proper sense of the word."[15] Certainly the term "legislature" should have the same meaning in both the application clause and the ratification clause of article V. Further support is found in the decision in *Hollingsworth v. Virginia*,[16] in which the Court held that a constitutional amendment approved for proposals to the states by a two-thirds vote of Congress need not be submitted to the President for his signature or veto.

The bill therefore provides specifically that a state application need not be approved by the state's governor in order to be effective.

May a State rescind its applications?

The question of whether a state should be allowed to rescind an application previously forwarded to the Congress is another of the political questions to which the courts have not supplied answers and presumably cannot. The Supreme Court has held that questions concerning the rescission of prior ratifications or rejections of amendments proposed by the Congress are determined solely by Congress.[17] Presumably, then, the question of rescission of an application for a convention is also political and nonjusticiable. Although the Congress has previously taken the position that a state may not rescind its prior ratification of an amendment, it has taken no position concerning rescission of applications. My strong conviction is that rescission should be permitted. Since a two-thirds consensus among the states at some point in time is necessary in order for the Congress to call a convention, the Congress should consider whether there has been a change of mind among

some states that have earlier applied. Moreover, an application is not a final action, since it serves merely to initiate a convention, and does not commit even the applicant state to any substantive amendment that might eventually be proposed.

The bill therefore provides that a state may rescind at any time before its application is included among an accumulation of applications from two-thirds of the states, at which time the obligation of the Congress to call a convention becomes fixed. Incidentally, the bill also provides that a state may rescind its prior ratification of amendment proposed by the convention up until the time there are existing valid ratifications by three-fourths of the states, and that a state may change its mind and ratify a proposed amendment that it previously has rejected. . . .

The Congress and the courts have agreed that constitutional amendments proposed by the Congress and submitted to the states for ratification can properly remain valid for ratification for a period of seven years. It has been felt that there should be a "reasonably contemporaneous" expression by three-fourths of the states that an amendment is acceptable in order for the Congress to conclude that a consensus in favor of the amendment exists among the people, and that ratification within a seven-year period satisfies this requirement.[18] Presumably, the same principle should govern the application stage of the constitutional amendment process . . .

Calling the convention

The bill provides that the Secretary of the Senate and the Clerk of the House of Representatives shall keep a record of the number of state applications received, according to subject matter. Whenever two-thirds of the states have submitted applications on the subject or subjects, the presiding officer of each house shall be notified and shall announce the same on the floor. Each house is left free to adopt its own rules for determining the validity of the applicants, presumably by reference to a committee followed by floor action. Once a determination has been made that there are valid applications from two-thirds or more of the state legislatures on the same subject or subjects, each house must agree to a concurrent resolution providing for the convening of a constitutional convention on such subject or subjects. The concurrent resolution would designate the place and time of meeting of the convention, set forth the nature of the amendment or amendments the convention is empowered to consider and propose, and provide for such other things as the provision of funds to pay the expenses of the convention and to compensate the delegates. The convention would be required to be convened not later than one year after adoption of the resolution.

. . . the bill has been amended to require that delegates be elected—not appointed—and that they be elected by the same constituency that elects the states' representatives in Congress. Under the amended bill, each state will be entitled to as many delegates as it is entitled to Senators and Representatives in Congress. Two delegates in each state will be elected at large and one delegate will be elected from each congressional district in the manner provided by state law. Vacancies in a state's delegation will be filled by appointment of the governor.

Convention procedure and voting

The bill provides that the Vice President of the United States shall convene the constitutional convention, administer the oath of office of the delegates and preside until a presiding officer is elected. The presiding officer will then preside over the election of other officers and thereafter. Further proceedings of the convention will be in accordance with rules adopted by the convention. A daily record of all convention proceedings, including the votes of delegates, shall be kept, and shall be transmitted to the Archivist of the United States within thirty days after the convention terminates. The convention must terminate its proceedings within one year of its opening unless the period is extended by the Congress by concurrent resolution.

Finally, the bill provides that amendments may be proposed by the convention by a vote of a majority of the total number of delegates to the convention. The alternative would be to impose a two-thirds voting requirement analogous to the requirement for congressional proposal of amendments. However, article V does not call for this, and I think that such a requirement would place an undue and unnecessary obstacle in the way of effective utilization of the convention amendment process.

Ratification of proposed amendments

The bill provides that any amendment proposed by the convention must be transmitted to the Congress within the thirty days after the convention terminates its proceedings. The Congress must then transmit the proposed amendment to the Administrator of General Services for submission to the states. However, the Congress may, by concurrent resolution, refuse to approve an amendment for submission to the states for ratification, on the grounds of procedural irregularities in the convention or failure of the amendment to conform to the limitations on subject matter imposed by the Congress in the concurrent resolution calling the convention. The intent is to provide a means of remedying a refusal by the convention to abide by the limitations on its authority to amend the Constitution. Of course, unlimited power in the Congress to refuse to submit proposed amendments for ratification would destroy the independence of the second alternative amending process. Therefore, the Congress is explicitly forbidden to refuse to submit a proposed amendment for ratification because of doubts about the merits of its substantive provisions. The power is reserved for use only with respect to amendments outside the scope of the convention's authority or in the case of serious procedural irregularities.

Ratification by the states must be by state legislative action or convention, as the Congress may direct, and within the time period specified by the Congress. The Congress retains the power to review the validity of ratification procedures. As noted earlier, any state may rescind its prior ratification of an amendment by the same processes by which it ratified it, except that no state may rescind after that amendment has been validly ratified by three-fourths of the states. When three-fourths of the states have ratified a proposed amendment, the Administrator of General Services shall issue a proclamation that the amendment is a part of the Constitution, effective from the date of the last necessary ratification.

IV. CONCLUSION

There is some evidence that the current effort to require the Congress to call a convention to propose a reapportionment amendment has failed and that the danger of a constitutional crisis has passed. The two additional applications needed to bring the total to thirty-four have not been received and there is a strong likelihood that some applicant states will rescind their applications. Even if this is the case, however, the need for legislation to implement article V remains. There may well be other attempts to utilize the convention amendment process and, in the absence of legislation, the same unanswered questions will return to plague us. The legislation therefore is still timely, and the Congress may now have the opportunity to deal with the sensitive constitutional issues objectively, uninfluenced by competing views on state apportionment or any other substantive issue.

Some have argued that the convention method of amendment is an anomaly in the law, out of step with modern notions of majority rule and the relationship between the states and the federal government. If so, that part of article V should be stricken from the Constitution by the appropriate amendment process. It should not, however, be undermined by erecting every possible barrier in the way of its effective use. Such a course would be a disavowal of the clear language and history of article V. The Constitution made the amendment process difficult, and properly so. It certainly was not the intention of the original Convention to make it impossible. Nor is it possible to conclude that the Founders intended that amendments originating in the states should have so much harder a time of it than those proposed by Congress. As I have pointed out, that issue was fought out in 1787 Convention and resolved in favor of two originating sources, both difficult of achievement, but neither impossible and neither more difficult than the other. My bill seeks to preserve the symmetry of article V by implementing the convention alternative so as to make it a practicable but not easy method of constitutional amendment.

FOOTNOTES

[1] The Congress, whenever two thirds of both Houses shall deem it necessary, shall propose Amendments to this Constitution, or, on the Application of the Legislatures of two thirds of the several States, shall call a Convention for proposing Amendments, which, in either Case, shall be valid to all Intents and Purposes, as part of this Constitution, when ratified by the Legislatures of three fourths of the several States, or by Conventions in three fourths thereof, as the one or the other Mode of Ratification may be proposed by the Congress; Provided that no Amendment which may be made prior to the Year One thousand eight hundred and eight shall in any Manner affect the first and fourth Clauses in the Ninth Section of the first Article; and that no State, without its Consent, shall be deprived of its equal Suffrage in the Senate, *U.S. Const. Art. V.*

* * * * *

[9] 307 U.S. 433 (1939).

[10] *McCulloch v. Maryland,* 17 U.S. (4 Wheat.) 316, 407, 415 (1819).

[11] *E.g.,* LEGISLATIVE REFERENCE SERV., LIBRARY OF CONGRESS, THE CONSTITUTION OF THE UNITED STATES OF AMERICA; ANALYSIS AND INTERPRETATION, S. Doc. No. 39, 88th Cong., 1st Sess. 135–36 (1964); THE FEDERALIST Nos. 43 & 85 (J. Cooke ed. 1961); L. ORFIELD, AMENDING THE FEDERAL CONSTITUTION (1942); THE RECORDS OF THE FEDERAL CONVENTION OF 1787 (M. Farrand ed. 1937). The relevant excerpts from these and other sources are printed as an appendix to the *Hearings on the Federal Constitutional Convention Before the Subcomm. on Separation of Powers of the Senate Comm. on the Judiciary,* United States Senate, Oct. 30 and 31, 1967.

* * * * *

[13] U.S. BUREAU OF ROLLS AND LIBRARY, DOCUMENTARY HISTORY OF THE CONSTITUTION OF THE UNITED STATES OF AMERICA V, 141, 143, *quoting* Madison's letter to Mr. Eve, dated Jan. 2, 1789.

[14] 253 U.S. 221 (1920).

[15] *Id.* at 229.

[16] 3 U.S. (3 Dall.) 378 (1798).

* * * * *

[18] *Dillon v. Gloss,* 256 U.S. 368 (1921).

S. 600

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Constitutional Convention Procedures Act".

APPLICATIONS FOR CONSTITUTIONAL CONVENTION

SEC. 2. The legislature of a State, in making application to the Congress for a constitutional convention under article V of the Constitution of the United States, shall adopt a resolution pursuant to this Act stating, in substance, that the legislature requests the calling of a convention for the purpose of proposing one or more amendments to the Constitution of the United States and stating the nature of the amendment or amendments to be proposed.

APPLICATION PROCEDURE

SEC. 3. (a) For the purpose of adopting or rescinding a resolution pursuant to section 2 or section 5 of this Act, the State legislature shall follow the rules of procedure that govern the enactment of a statute by that legislature, but without the need for approval of the legislature's action by the Governor of the State.

(b) Questions concerning the adoption of a State resolution cognizable under this Act shall be determinable by the Congress of the United States and its decisions thereon shall be binding on all others, including State and Federal courts.

TRANSMITTAL OF APPLICATIONS

SEC. 4. (a) Within thirty days after the adoption by the legislature of a State of a resolution to apply for the calling of a constitutional convention, the secretary of state of the State, or, if there be no such officer, the person who is charged by the State law with such function, shall transmit to the Congress of the United States two copies of the application, one addressed to the President of the Senate and one to the Speaker of the House of Representatives.

(b) Each copy of the application so made by any State shall contain—

(1) the title of the resolution;

(2) the exact text of the resolution signed by the presiding officer of each house of the State legislature; and

(3) the date on which the legislature adopted the resolution; and shall be accompanied by a certificate of the secretary of state of the State, or such other person as is charged by the State law with such function, certifying that the application accurately sets forth the text of the resolution.

(c) Within ten days after receipt of a copy of any such application, the President of the Senate and Speaker of the House of Representatives shall report to the House of which he is presiding officer, identifying the State making application, the subject of the application, and the number of States then having made application on such subject. The President of the Senate and Speaker of the House of Representatives shall jointly cause copies of such application to be sent to the presiding officer of each house of the legislature of every other State and to each Member of the Senate and House of Representatives of the Congress of the United States.

EFFECTIVE PERIOD OF APPLICATION

SEC. 5 (a) An application submitted to the Congress by a State, unless sooner rescinded by the State legislature, shall remain effective for seven calendar years after the date it is received by the Congress, except that whenever within a period of seven calendar years two-thirds or more of the several States have each submitted an application calling for a constitutional convention on the same subject all such applications shall remain in effect until the Congress has taken action on a concurrent resolution, pursuant to section 6 of this Act, calling for a constitutional convention.

(b) A State may rescind its application calling for a constitutional convention by adopting and transmitting to the Congress a resolution of rescission in conformity with the procedure specified in sections 3 and 4 of this Act, except that no such rescission shall be effective as to any valid application made for a constitutional convention upon any subject after the date on which two-thirds or more of the State legislatures have valid applications pending before the Congress seeking amendments on the same subject.

(c) Questions concerning the rescission of a State's application shall be determined solely by the Congress of the United States and its decisions shall be binding on all others, including State and Federal courts.

CALLING OF A CONSTITUTIONAL CONVENTION

SEC. 6. (a) It shall be the duty of the Secretary of the Senate and the Clerk of the House of Representatives to maintain a record of all applications received by the President of the Senate and Speaker of the House of Representatives from States for the calling of a constitutional convention upon each subject. Whenever applications made by two-thirds or more of the States with respect to the same subject have been received, the Secretary and Clerk shall so report in writing to the officer to whom those applications were transmitted, and such officer thereupon shall announce on the floor of the House of which he is an officer the substance of such report. It shall be the duty of such House to determine that there are in effect valid applications made by two-thirds of the State with respect to the same subject. If either House of the Congress determines, upon a consideration of any such report or of a concurrent resolution agreed to by the other House of the Congress, that there are in effect valid applications made by two-thirds or more of the States for the calling of a constitutional convention upon the same subject, it shall be the duty of that House to agree to a concurrent resolution calling for the convening of a Federal constitutional convention upon that subject. Each such concurrent resolution shall (1) designate the place and time of meeting of the convention, and (2) set for the nature of the amendment or amendments for the consideration of which the convention is called. A copy of each such concurrent resolution agreed to by both Houses of the Congress shall be transmitted forthwith to the Governor and to the presiding officer of each house of the legislature of each State.

(b) The convention shall be convened not later than one year after adoption of the resolution.

DELEGATES

SEC. 7. (a) A convention called under this Act shall be composed of as many delegates from each State as it is entitled to Senators and Representatives in Congress. In each State two delegates shall be elected at large and one delegate shall be elected from each congressional district in the manner provided by law. Any vacancy occurring in a State delegation shall be filled by appointment of the Governor of that State.

(b) The secretary of state of each State, or, if there be no such officer, the person charged by State law to perform such function shall certify to the Vice President of the United States the name of each delegate elected or appointed by the Governor pursuant to this section.

(c) Delegates shall in all cases, except treason, felony, and breach of the peace, be privileged from arrest during their attendance at a session of the convention and in going to and returning from the same; and for any speech or debate in the convention they shall not be questioned in any other place.

(d) Each delegate shall receive compensation for each day of service and shall be compensated for traveling and related expenses. Provision shall be made therefor in the concurrent resolution calling the convention. The convention shall fix the compensation of employees of the convention.

CONVENING THE CONVENTION

SEC. 8. (a) The Vice President of the United States shall convene the constitutional convention. He shall administer the oath of office of the delegates to the convention and shall preside until the delegates elect a presiding officer who shall preside thereafter. Before taking his seat each delegate shall subscribe to an oath by which he shall be committed during the conduct of the convention to refrain from proposing or casting his vote in favor of any proposed amendment to the Constitution of the United States relating to any subject which is not named or described in the concurrent resolution of the Congress by which the convention was called. Upon the election of permanent officers of the convention, the names of such officers shall be transmitted to the President of the Senate and the Speaker of the House of Representatives by the elected presiding officer of the convention. Further proceedings of the convention shall be conducted in accordance with such rules, not inconsistent with this Act, as the convention may adopt.

(b) There are hereby authorized to be appropriated such sums as may be necessary by the payment of the expenses of the convention.

(c) The Administrator of the General Services shall provide such facilities, and the Congress and each executive department, agency, or authority of the United States, including the legislative branch and the judicial branch, except that no declaratory judgment may be required, shall provide such information and assistance as the convention may require, upon written request made by the elected presiding officer of the convention.

PROCEDURES OF THE CONVENTION

SEC. 9. (a) In voting on any question before the convention, including the proposal of amendments, each delegate shall have one vote.

(b) The convention shall keep a daily verbatim record of its proceedings and publish the same. The vote of the delegates on any question shall be entered on the record.

(c) The convention shall terminate its proceedings within one year after the date of its first meeting unless the period is extended by the Congress by concurrent resolution.

(d) Within thirty days after the termination of the proceedings of the convention, the presiding officer shall transmit to the Archivist of the United States all records of official proceedings of the convention.

PROPOSAL OF AMENDMENTS

SEC. 10. (a) Except as provided in subsection (b) of this section, a convention called under this Act may propose amendments to the Constitution by a vote of a majority of the total number of delegates to the convention.

(b) No convention called under this Act may propose any amendment or amendments of a nature different from that stated in the concurrent resolution calling the convention. Questions arising under this subsection shall be determined solely by the Congress of the United States and its decisions shall be binding on all others, including State and Federal courts.

APPROVAL BY THE CONGRESS AND TRANSMITTAL TO THE STATES FOR RATIFICATION

SEC. 11. (a) The presiding officer of the convention shall, within thirty days after the termination of its proceedings, submit to the Congress the exact text of any amendment or amendments agreed upon by the convention.

(b) (1) Whenever a constitutional convention called under this Act has transmitted to the Congress a proposed amendment to the Constitution, the President of the Senate and the Speaker of the House of Representatives, acting jointly, shall transmit such amendment to the Administrator of General Services upon the expiration of the first period of ninety days of continuous session of the Congress following the date of receipt of such amendment unless within that period both Houses of the Congress have agreed to (A) a concurrent resolution directing the earlier transmission of such amendment to the Administrator of General Services and specifying in accordance with article V of the Constitution the manner in which such amendment shall be ratified, or (B) a concurrent resolution stating that the Congress disapproves the submission of such proposed amendment to the States because such proposed amendment relates to or includes a subject which differs from or was not included among the subjects named or described in the concurrent resolution of the Congress by which the convention was called, or because the procedures followed by the convention in proposing the amendment were not in substantial conformity with the provisions of this Act. No measure agreed to by the Congress which expresses disapproval of any such proposed amendment for any other reason, or without a statement of any reason, shall relieve the President of the Senate and the Speaker of the House of Representatives of the obligation imposed upon them by the first sentence of this paragraph.

(2) For the purposes of paragraph (1) of this subsection, (A) the continuity of a session of the Congress shall be broken only by an adjournment of the Congress sine die, and (B) the days on which either House is not in session because of an adjournment of more than three days to a day certain shall be excluded in the computation of the period of ninety days.

(c) Upon receipt of any such proposed amendment to the Constitution, the Administrator shall transmit forthwith to each of the several States a duly certified copy thereof, a copy of any concurrent resolution agreed to by both Houses of the Congress which prescribes the time within which and the manner in which such amendment shall be ratified, and a copy of this Act.

RATIFICATION OF PROPOSED AMENDMENTS

SEC. 12. (a) Any amendment proposed by the convention and submitted to the States in accordance with the provisions of this Act shall be valid for all intents and purposes as part of the Constitution of the United States when duly ratified by three-fourths of the States in the manner and within the time specified.

(b) Acts of ratification shall be by convention or by State legislative action as the Congress may direct or as specified in subsection (c) of this section. For the purpose of ratifying proposed amendments transmitted to the States pursuant to this Act the State legislatures shall adopt their own rules of procedure. Any State action ratifying a proposed amendment to the Constitution shall be valid without the assent of the Governor of the State.

(c) Except as otherwise prescribed by concurrent resolution of the Congress, any proposed amendment to the Constitution shall become valid when ratified by the legislatures of three-fourths of the several States within seven years from the date of the submission thereof to the States, or within such other period of time as may be prescribed by such proposed amendment.

(d) The secretary of state of the State, or if there be no such officer, the person who is charged by State law with such function, shall transmit a certified copy of the State action ratifying any proposed amendment to the Administrator of General Services.

RESCISSION OF RATIFICATIONS

SEC. 13. (a) Any State may rescind its ratification of a proposed amendment by the same processes by which it ratified the proposed amendment, except that no State may rescind when there are existing valid ratifications of such amendment by three-fourths of the States.

(b) Any State may ratify a proposed amendment even though it previously may have rejected the same proposal.

(c) Questions concerning State ratification or rejection of amendments proposed to the Constitution of the United States, shall be determined solely by the Congress of the United States, and its decisions shall be binding on all others, including State and Federal courts.

PROCLAMATION OF CONSTITUTIONAL AMENDMENTS

SEC. 14. The Administrator of General Services, when three-fourths of the several States have ratified a proposed amendment to the Constitution of the United States, shall issue a proclamation that the amendment is a part of the Constitution of the United States.

EFFECTIVE DATE OF AMENDMENTS

SEC. 15. An amendment proposed to the Constitution of the United States shall be effective from the date specified therein or, if no date is specified, then on the date on which the last State necessary to constitute three-fourths of the States of the United States, as provided for in article V, has ratified the same.●

ADDITIONAL COSPONSORS

S. 158

At the request of Mr. HELMS, the Senator from Iowa (Mr. JEPSEN) was added as a cosponsor of S. 158, a bill to provide that human life shall be deemed to exist from conception.

S. 267

At the request of Mr. DECONCINI, the Senator from North Dakota (Mr. BURDICK) and the Senator from Rhode Island (Mr. PELL) were added as cosponsors of S. 267, a bill to amend title 28, United States Code, to provide that the Federal tort claims provisions of that title are the exclusive remedy in medical malpractice actions and proceedings resulting from federally authorized National Guard training activities, and for other purposes.

SENATE JOINT RESOLUTION 30

At the request of Mr. RIEGLE, the Senator from Alabama (Mr. DENTON) was withdrawn as a cosponsor of Senate Joint Resolution 30, a joint resolution to designate April 26, 1981 as "National Recognition Day for Veterans of the Vietnam Era."

SENATE JOINT RESOLUTION 40

At the request of Mr. RIEGLE, the Senator from Connecticut (Mr. WEICKER), the Senator from Wisconsin (Mr. KASTEN), and the Senator from Massachusetts (Mr. KENNEDY) were added as cosponsors of Senate Joint Resolution 40, a joint resolution to designate April 26, 1981 as "National Recognition Day for Veterans of the Vietnam Era."

SENATE CONCURRENT RESOLUTION 10

At the request of Mr. HATFIELD, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of Senate Concurrent Resolution 10, a concurrent resolution expressing the sense of the Congress concerning the continuing permanent conversion of productive agricultural lands to nonagricultural uses.

NOTICES OF HEARINGS

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. HATCH. Mr. President, I wish to announce that the Committee on Labor and Human Resources has scheduled a hearing on Wednesday, March 4, at 9:30 a.m. in room 4232, Dirksen Senate Office Building, on home health care (S. 234).

Persons wishing to testify or submit written statements, please contact Judy Stefanki, 224–3191, 4228 Dirksen Senate Office Building, of the committee staff.

Mr. President, I wish to announce that the Committee on Labor and Human Resources has scheduled the following hearings for the months of March and April:

Friday, March 20, at 9:30 a.m. in room 4232, Dirksen Senate Office Building, on public health categorical program (first day).

Thursday, March 26, at 9:30 a.m. in room 4232 Dirksen Senate Office Building, on health professions education/nurse training.

Friday, March 27, at 9:30 a.m. in room 4232 Dirksen Senate Office Building, on public health categorical programs (second day).

Tuesday, March 31, at 9:30 a.m. in room 4232 Dirksen Senate Office Building, on family planning.

Wednesday, April 1, at 9:30 a.m. in room 4232 Dirksen Senate Office Building, on adolescent pregnancy.

Wednesday, April 8, at 9:30 a.m. in room 4232, Dirksen Senate Office Building, on health maintenance organizations.

Wednesday, April 22, at 9:30 a.m. in room 4232, Dirksen Senate Office Building, on community/migrant health centers and National Health Service Corps.

Persons wishing to testify or submit written statements, please contact Phyllis Brown or Judy Stefanki, 224–3191, 4228 Dirksen Senate Office Building, of the committee staff.

COMMITTEE ON RULES AND ADMINISTRATION

Mr. MATHIAS. Mr. President, I wish to announce that the Rules Committee will be holding a hearing on Friday, March 6, at 10 a.m. in room 301, Russell Building.

The Architect of the Capitol, George M. White, will be testifying on the west front of the Capitol, the Hart Building, proposed modifications to the Russell and Dirksen Buildings, and the master plan for the U.S. Capitol.

ADDITIONAL STATEMENTS

CENTER FOR DEMOCRATIC POLICY FORMED

● Mr. KENNEDY. Mr. President, a promising new Democratic policy group has just been formed to explore the important questions of foreign and domestic policy facing the Nation.

Announced earlier this week, the Center for Democratic Policy, chaired by President Terry Sanford of Duke University, will call on the talents of leading public policy experts, activists, and former officials in the Democratic Party. It will seek out new ideas and innovative approaches for the 1980's. Above all, it will help to reaffirm the historic values of the party and its current commitment to progressive leadership on all the critical issues of the American agenda.

It is clear that those of us who believe in liberal principles and progressive policies now face a special challenge. There are as many explanations as there are experts about the election and the events of the 1980 campaign. But we cannot afford to take easy comfort from convenient excuses.

We must honestly face the fact that successive efforts at governing under different parties and public philosophies have been tried and found wanting. The prevailing answers have proved unequal to the dimensions of our problems or the expectations of our people.

For the past decade, inflation has been a central issue. Yet, all the attempts to resolve it have brought only recurring recession without effective price restraint. In fact, the result of each cycle has been higher inflation, deeper human suffering, and greater public frustration.

We face a similar impasse in foreign and defense policy. For the better part of two decades, ever since the debate began on the Vietnam War, we have been without a consistent framework to reshape and revitalize the American role in the world.

For too long, we have evaded hard choices across the range of public policy. We have neglected the overriding need to modernize and reindustrialize our economy. We have failed to meet the fundamental challenge of a worldwide energy revolution. Increasingly, the people doubt our capacity to achieve the ideal of social justice. They wonder whether it is possible in our time, in the truest sense, "to secure the blessings of liberty to ourselves and our posterity"—to assure both private initiative and public efficiency, to provide equity and economic progress at the same time.

Too often, it seems that we are reliving old quarrels and perpetuating old divisions. The past can offer lessons, but not dogma for the future. Enduring principles must never be confused with programs that fall short.

We must preserve liberal principles by adapting them to our present condition. We must reexamine conventional approaches to continuing problems. We must seek contemporary answers to new problems that transcend old categories. We must find 1980's solutions to the challenges of the 1980's.

A readiness to think anew and act anew has always been the sustaining strength of the American system and of the progressive cause. From the Square Deal to the Fair Deal, from the New Freedom to the New Frontier, from the New Deal to the Great Society, we have pursued our dream down the distinct paths of different generations. So we met the crisis of the Depression and the moral imperative of civil rights. We developed a new economics for the 1960's and a new environmental conscience in the 1970's. And in recent years we have led the way to deregulation of the transportation industry and ended government interference in the competitive marketplace.

There has been a common theme through all this history, a guiding star in all these efforts. The progressive cause has always been a dynamic cause. It has been our tradition never to follow tradition blindly—yet never to yield on essential values.

As we redefine our policies for the next decade, we must rededicate ourselves to the great principles of fairness and compassion. As I said to the Democratic Convention last summer, the commitment we seek "is not to outworn views, but to old values that will never wear out. Programs may sometimes become obsolete, but the ideal of fairness always endures. Circumstances may change, but the work of compassion must continue."

It is time now for a coherent and thoughtful effort to take a fresh look, to marshal new ideas and new insights, to offer a realistic agenda still true to the idealism of America.

We must encourage research and discussion. We must work to bring together the best minds from the academic world and public affairs, from business and labor, from consumer and citizen groups. We must examine the role of progressive values and the relationship between public authority and the private sector. We must explore ways to improve the political process in America. We must review past programs to achieve prosperity, equity, and efficiency in domestic policy. We must search for new means to advance both the national security and the prospects for international peace.

A broad effort is essential, because we can no longer afford the clash of special interests and narrow visions. And the effort must also be substantive, because we cannot master the future with words that merely repeat or renounce the policies of the past. Indeed, too many of the most important liberal ideas have never had the chance to succeed or to fail; the problem is that they have never been tried.

Americans are dissatisfied, but their demand is not to undo the progress that has been made. They do not want reaction or retreat. They want to see this Nation move forward. They want the system to work.

We need more than the slogans of an old conservatism or a new liberalism. It is vital to question conventional assumptions, but that is not enough. We must find innovative answers, but we must also preserve existing answers that serve us well—and improve them where we can.

I am confident that we can find those answers. We must be honest about the sacrifices ahead. But we can be hopeful about the vitality of our national values and about the possibilities of national progress.

So I welcome the creation of the Center for Democratic Policy as an important step toward realizing these goals. I commend the founders and organizers for the worthwhile initiative they have undertaken, and I look forward to the results of their endeavor.

Mr. President, I believe that the activities of the Center for Democratic Policy will be of interest to all of us who share these goals for the future of our country. I ask that the announcement of the center, its statement of purpose, and a list of its officers and the members of its National Advisory Board be printed in the RECORD.

The material follows:

NEW CENTER FOR DEMOCRATIC POLICY FORMED; SANFORD, VANCE, OTHER WELL-KNOWN DEMOCRATS TO SERVE AS BOARD MEMBERS

WASHINGTON, D.C., February 24.—A broadly based group of Democratic thinkers, activists and former officials, chaired by Duke University President Terry Sanford, announced today the formation of a Center for Democratic Policy, a non-profit educational organization which will address both foreign and domestic policy questions, as well as issues involving reform of the political process.

Former Secretary of State Cyrus Vance and California Assembly leader Maxine Waters will serve as vice-chairpersons. Two other vice-chairs are to be designated during the next two weeks. Ted Van Dyk, former aide to Hubert Humphrey and George McGovern and an official in past Democratic administrations and national campaigns, will serve as full-time president and chief executive officer.

A board of advisors, still in formation, includes former Labor Secretaries Ray Marshall and Willard Wirtz; Assemblywoman Cleta Deatherage, chairperson of the Oklahoma Assembly's Ways and Means Committee; Antonia Hernandez, Executive Director of the Mexican-American Legal Defense Fund; Democratic Forum President Lester Hyman; Mayors Kenneth Gibson of Newark, New Jersey, Richard Hatcher of Gary, Indiana, and Henry March of Richmond, Virginia; attorney and conservationist Cathy Douglas; consumer leader Carol Tucker Foreman; California Assemblyman Mel Levine; North Carolina women's leader Amanda Mackey Smith; Donald Siegleman, Alabama Secretary of State; Mississippi civil rights leader and state legislator Aaron Henry; former VISTA director Marge Tabankin; Barbara Blum, former deputy administrator of the Environmental Protection Agency; D.C.

Councilman John Ray; Carter administration human rights coordinator Patt Derian; former Senator Adlai Stevenson; LBJ Counsel Harry McPherson; Carter domestic advisor Stuart Eizenstat; United Autoworkers president Douglas Fraser; Carter aide Anne Wexler; Kennedy aides Peter Edelman and Paul Kirk; Mondale aides Richard Moe, Jim Dyke and Bert Carp; Hunter College President Donna Shalala; former Defense Department officials Paul Warnke and Adam Yarmolinsky; Democratic Vice-Presidential candidate R. Sargent Shriver; former State Department spokesman Hodding Carter; U.N. Delegate Marge Benton; former White House counsel Lee White; former Ohio Governor John Gilligan; political scientist James David Barber; Harvard law professor Abram Chayes; and a number of past contributors to public-interest causes including Joseph Filner, Bernard Rapoport, Arnold Picker, Nathan Landow, and Maurice Rosenblatt. The group also includes a number of young Democrats identified with policy development.

No incumbent Senators, Congressmen, Governors or speculated Presidential candidates will be asked to serve on the Center's board, Sanford said, so as to underscore the fact that the group will undertake no lobbying, have no direct political involvement, and make no political contributions or endorsements. The sole federal officeholder on the board is Rep. Michael Barnes of Maryland, who in 1973 was instrumental in founding the Center's predecessor organization, the National Demorcatic Forum, which was active from 1973–77 in promoting issues-discussions among Democrats.

The Center's statement of purpose says it wants "to reach beyond the ideas of the New Deal and the Great Society" in a period in which "the Democratic Party is in a crisis of confidence." A program subcommittee, initially consisting of Carol Tucker Foreman, Adam Yarmolinsky, Ray Marshall, Stuart Eizenstat, Eleanor Holmes Norton, Peter Edelman and Cathy Douglas, is charged with proposing a substantive work agenda to the Council board sometime in late March. Economic issues, Sanford said, will have initial priority.

The Council's budget for the remainder of 1981 will be approximately $500,000, Van Dyk said, with 1982 expenditure planned of from $1–1.5 million. Permanent offices will open before June 1 in Washington, D.C.

The group's activities will include a number of policy symposia and studies; seminars; publication of a monthly newsletter and quarterly journal; and undertaking of a national issues conference in early 1982.

STATEMENT OF PURPOSE—CENTER FOR DEMOCRATIC POLICY

The Democratic Party has been the active ingredient in American politics throughout this century. In or out of office, Democrats have advanced the fundamental ideas that helped to define the role of government in our society and the role of our nation in the world.

Today, after an electoral defeat that lost the White House, and, for the first time in more than twenty-five years, one House of Congress, the Democratic Party is in a crisis of confidence. On the one hand the reforms that were intended to broaden the base of participation in the Party have reduced the role and influence of Party leaders at every level. On the other hand, the ideas that have been the lifeblood of Democratic policy are increasingly under attack as outmoded or wrongly conceived to begin with. Traditional Democratic constituencies are alienated, while young idealists and older intellectuals are not turning to the Party as a vehicle to move their ideas into action.

The Party is no longer seen as a tabernacle where diverse groups can find common ground in the national interest, but rather as a bazaar where special interests—perhaps less well-heeled than their Republican counterparts—can trade favors.

We are all Democrats who take pride in our Party's past and have faith in its future. We believe that, to paraphrase William Faulkner, the Democratic Party will not only survive; it will prevail. We see the need for several kinds of efforts to rebuild the Party: organizational efforts from the precinct and ward level on up; fund-raising efforts; efforts to find and encourage new candidates for elective offices, local, state and national; and efforts to bring new ideas into the cauldron of Democratic politics. This last activity is the one we have chosen to pursue.

We have come togther to form a new organization, independent of formal Party structures. We propose to engage in active exploration of new ways in which the Democratic Party can contribute to making government a better servant of human needs.

We have no program that we are attempting to promulgate or to promote. We do not intend to endorse or align ourselves with any political candidate, ideological faction, or special interest group. Rather we intend to reach out to sources of new ideas—and new variations of old ideas—in labor and business, in the academic world, in the professions, and to introduce those ideas into the political process. We want to help restore the searching liveliness of that process within the Party, confident that what emerges will provide the substantive materials for political action.

We have identified four premises as essential elements of the Democratic tradition going back to Thomas Jefferson:

1. It remains a self-evident and fundamental truth that governments are instituted to secure the rights of all men and women to life, liberty and the pursuit of happiness, and that they derive their just powers from the consent of the governed.

2. Government, tightly managed at every level and channelled by the challenge of new problems, is a necessary and useful instrument for the common good and not the underlying cause of our current difficulties. We reaffirm the Democratic Party's historical values and goals, particularly the goal of economic and social justice; we seek to explore new approaches to achieve them.

3. We seek the rebuilding of a vital American economy in which productivity, initiative and work are appropriately rewarded; but we need not and must not do so at the expense of the poor and the powerless.

4. The world today is interdependent, and our ability to get along in it depends as much on how we work with other nations as friends as on how we counter those who would be our adversaries.

The United States is in a time of awkward and painful transition to a new era at home and abroad. Nostalgia is no answer. Domestically, we have to reach beyond the ideas of the New Deal and the Great Society, acknowledging the inadequacy of our intellectual response to deal with the central resolving persistent problems of distribution Internationally, we have to rethink our role as a superpower, ensuring adequate military strength, sharing the burdens of leadship even with reluctant allies and friends, while recognizing our newly exposed vulnerabilities in a world-wide economic system.
problem of productivity, as a prerequisite to

The immediate specific tasks are enormous. We need to find new ways to meet old objectives: to control the twin evils of inflation and unemployment, to restore high and rising productivity, to achieve energy independence while we help our friends to achieve energy security, to stop the multiplication and the spread of nuclear weapons, to provide for flexible military strength at reasonable cost, to protect our natural resources without stifling the economy, to foster trade and development as the best remedies for starvation, poverty and unrest around the world, and to meet our obligations as an exemplar and advocate of human rights.

As new problems arise, we are confident that Democrats can and must offer new answers in the humane and innovative tradition of our party. We plan to involve ourselves in that process.

We expect to operate through task forces and study groups of our own members, calling on academic and other specialists as appropriate. We will disseminate and exchange ideas through publications, conferences, forums and other meetings around the country, and by responding to requests from members of Congress. In particular we hope in time to develop state and local affiliate organizations and correspondents so that ideas and activities flow from all over the country into Washington.

We will invite people to join our organization from a wide range of occupations and interests, mindful of the broad base of the Democratic Party itself. We believe we can serve as a forum for the rising generation of leaders. We will limit our membership only by our capacity to involve our members in the work of helping to rebuild the intellectual base for our Party and for a democratic society.

CENTER FOR DEMOCRATIC POLICY

Hon. Terry Sanford, Chairman of the Board; Hon. Cyrus Vance, Vice Chairman; Hon. Maxine Waters, Vice Chairperson.

Ted Van Dyk, President; Lanny Davis, Secretary; Gregory B. Craig, Treasurer; David Ifshin, Legal Counsel.

NATIONAL ADVISORY BOARD (Still in formation)

Madeline Albright, Kenneth Arrow, James David Barber, Michael D. Barnes, Richard Beattie, Josiah Beeman, Margery Benton, Sandy Berger, Ellen Berman, Albert Beveridge, III, David Birenbaum, Barbara Blum, Jack E. Brown, Ron Brown, Bert Carp, Elizabeth Carpenter, Hodding Carter, III, Abram Chayes, Kenneth B. Clark, Sheldon Cohen, Elliot Cole, Cleta Deatherage, Patt Derian, Sally Determan, William Dobrivir, Cathleen H. Douglas, Alfredo Duran, James W. Dyke.

Marian Wright Edelman, Peter Edelman, Stuart Eizenstat, Joseph H. Filner, Vic Fingerhut, Pam Fleischaker, Nancy M. Folger, Carol Tucker Foreman, John Frank, Raquel Frankel, Doug Fraser, Kenneth Gibson, John J. Gilligan, Milt Gwirtzman, Keith Haller, Ellen Hass, Richard Hatcher, Ben Heineman, Jr., Aaron Henry, Antonia Hernandez, Harold Himmelman, Mark Hogan, Harry Huge, Robert Hunter, Lester Hyman, Johnny Iaccio, Robert Kapp, Nicholas deB. Katzenbach.

Robert Keefe, John Kester, James King, Paul Kirk, William Lake, W. Anthony Lake, Carol Lancaster, Nate Landow, Si Lazerus, Thomas Lemberg, Richard Leone, Sander Levin, Mel Levine, Judy Lichtman, Hamilton Loeb, Frank Loy, Henry March, Ray Marshall, Ann Martindell, Tom McCoy, Pat Gwaltney McGinnis, Harry McPherson, Pancho Medrano, Lloyd Meeds, Peggy Michelman, Dick Moe, Richard Murphy, Richard Neustadt, Jr., Vern Newton, John Nolan, Eleanor Holmes Norton, William Oldaker, Charles Palmer, Arnold Picker.

Carol Randles, Bernie Rapaport, John Ray, Mary Louise Reid, Richard Rivers, James Rosapepe, Alvin Rosenbaum, Maurice Rosenblatt, David Rubenstein, Barbara Schley,

Adam Schloss, Stephen Schlossberg, Polly Shackleton, R. Sargent Shriver, Donna Shalala, Donald Siegelman, Amanda Mackey Smith, Tim Smith, Dan Spiegel, Maureen Steinbruner, Al Stern, Adlai Stevenson, Jr., Kevin Sullivan, Marge Tabankin, Paul Warnke, Anne Wexler, Lee C. White, Susan Williams, Willard Wirtz, Harris Wofford, Robert C. Wood, Adam Yarmolinsky, Raul Yzaguirre.●

COMMEMORATING THE 200TH ANNIVERSARY OF RATIFICATION OF THE ARTICLES OF CONFEDERATION

● Mr. MATHIAS. Mr. President, March 1 marks the 200th anniversary of the unanimous ratification by the Thirteen Colonies of the Articles of Confederation, our "first Constitution." Debate over this document lasted 4 years. Alterations were made with an eye toward forming a more perfect Union. Eight States accepted the articles as early as July 4, 1778, and four more had joined the ranks by February of 1779. The lone holdout was the delegation from the State of Maryland under the direction of George Hanson, William Paca, and George Plater.

Maryland, small in size but large on commitment to the Nation, faced a showdown against three major "landed" States to the south, particularly its neighbor and old rival, Virginia. The issue focused on which States would control what part of the Northwest Territory. The Maryland delegation insisted as a precondition to the unanimous ratification of the Articles of Confederation that the Northwest Territory should be the property of the United States.

By persuading the States to relinquish their claims, real or pretended, to the vast territory of the Northwest, Hanson performed perhaps the greatest service to the Union of any individual from the signing of the Declaration of Independence to the adoption of the second Constitution in 1789. Perhaps inspired by the words of Patrick Henry who stated at the First Continental Congress in Philadelphia in 1774 that "British oppression has effaced the boundaries of several colonies. I am not a Virginian but an American." Hanson believed that common ownership creates a strong feeling of fellowship.

The Maryland delegation's insistence that all lands beyond the natural geographical borders of the States be ceded to the United States for the common benefit reflected the hope that new States would be created out of the western territories to form one great Nation. The vision of the Maryland delegation sought to promote the general welfare of the young republic against the parochial interests of individual States. Maryland insisted that the business at hand revolve around the formation of a more perfect Union. With 200 years of experience behind us, the business at hand is still the formation of a more perfect Union.

I commend to my colleagues an article that was published in the February 1981 edition of the American Bar Association Journal, entitled "Our First Constitution: The Articles of Confederation," by William F. Swindler, for its insight into the complexities of the birth of American democracy, and I ask that it be printed in the RECORD.

The article follows:

OUR FIRST CONSTITUTION: THE ARTICLES OF CONFEDERATION

(By William F. Swindler)

The period of the nation's bicentennial, from independence to the final implementation of the federal government under the Constitution to be observed in 1987–89, includes several events less familiar in history but significant in their own place and time. In 1979 was the bicentennial of legal education marked by the founding of the chair of law at the College of William and Mary on December 4, 1779 (see 64 A.B.A.J. 1872). In 1981 will come two events—the final ratification of the Articles of Confederation in March and the final victory of the Revolution at Yorktown in October.

Of these two, it is safe to say that the Yorktown event will be more widely recognized. But as a milestone in the unique experiment in government that became the United States of America, the quiet happening at Philadelphia on March 1, 1781, may be more significant in constitutional history. For with that event—the final adoption by the 13 states of the Articles of Confederation—the American people moved toward identity as a nation. This was the vital transitional step from the ad hoc Continental Congress to "the United States in Congress assembled" to the ultimate drafting of the Constitution and "the more perfect union" of a federal form of government.

The drafting and approval of the "Articles of Confederation and Perpetual Union" did not come easily. A confederation was first formally proposed in May, 1776, when Richard Henry Lee of Virginia offered his famous resolution, "That these United Colonies are, and of right ought to be, free and independent States." This resolution was in fact one of three related proposals, the second calling for the seeking of foreign alliances for the coming war with Great Britain, and the third stating "That a plan of confederation be proposed and transmitted to the respective Colonies for their consideration and approbation."

These resolutions in themselves marked a transitional step in American constitutional thought. The famous Declaration of Independence, which followed in July, was actually the third in a series of declarations by the Continental Congress, which, as the years passed, had moved the 13 colonies slowly and reluctantly toward independence. In 1774 the First Continental Congress had published its Declaration and Resolves, which called on the mother country to ensure to the colonists their rights as Englishmen. When Parliament ignored this representation, the Second Continental Congress in 1775 issued its Declaration on the Reasons for Taking Up Arms—in defense of the inalienable rights of Englishmen. Thus the Declaration of 1776 was the final step in an inexorable process: in order to secure their rights as Englishmen, the English colonists now declared that they had to be independent of England itself.

There were, literally speaking, only two Continental Congresses. The first met from September 5 to October 26, 1774. The Second, which opened May 10, 1775, continued until it was converted into the permanent organ of a national government by the final adoption of the Articles on March 1, 1781. The use of the title, Continental Congress, actually continued throughout the confederation period until the new Constitution went into effect in April 1789.

The idea of an intercolonial parliamentary union had appeared recurrently in American colonial history. The New England Confederation of 1643 was a regional version of the concept, largely in reaction to the civil war then raging in the mother country. In 1697 William Penn had proposed a federation for all the then existing colonies, and in 1754 the Albany Congress, convened at the encouragement of the mother country to mobilize colonial efforts for the French and Indian War, had debated a formal "plan of union." All of these assumed the ultimate supremacy of the British government, and in the first two sessions of the Continental Congress a similar proposal for a confederation of the colonies was offered as an alternative to the radical proposal for complete independence.

With the Declaration of 1776, however, the issue had fundamentally changed. For the immediate and wartime present, the Continental Congress existed of necessity to co-ordinate—poor though the co-ordination was—colonial or state efforts to carry on the War of Independence. The postwar question obviously was: assuming that there should be some continuing forum for the exchange of information and for co-ordinating activities of the sovereign states, how should it be organized?

A central government, whether in London or Philadelphia, was seen as a restraint on the freedom of local legislatures and hence to be resisted by radicals like Sam and John Adams of Massachusetts, or Thomas Jefferson or Patrick Henry of Virginia. Somewhat self-consciously, men like these in these two most militant of the erstwhile colonies came to call their new governments commonwealths, after the form of government during the English Revolution. It was perhaps that equally zealous radical, Benjamin Franklin, who persuaded Pennsylvania to follow the same example. The fourth commonwealth of the modern Union—Kentucky—inherited the tradition from its parent state, Virginia.

In the debate over Lee's threefold resolutions of May, 1776, in fact, there was some argument that confederation should precede independence. How, it was asked, could 13 separate colonies legally declare their joint or simultaneous independence and make the declaration recognized as valid by the society of nations? On the other hand, some of the erstwhile colonies, like Virginia, were making their own declarations part of their new state constitutions.

John Dickinson, from the "three lower counties" of Pennsylvania (Delaware), was the first draftsman of a plan for confederation, prepared by a committee made up of a delegate from each of the colonies, with the draft being reported back to Congress a week after the formal proclamation of the Declaration of Independence. When debate on the details of the draft began, the divisions among the states immediately manifested themselves and became so sharp that Joseph Hewes from North Carolina gloomily predicted that "we shall never modell it so as to be agreed to by all the Colonies."

A month later the debate was broken off, primarily because of the overriding concerns of the developing military action of the Revolution. It would be the following April before the subject was put back on the calendar, at which time it was agreed that two days a week should be spent in debate on the articles until final agreement on an instrument could be reached. That came in November, when the final form was approved and the articles submitted to the states for action.

The major concerns that had to be resolved in this quasi-convention of April–November, 1777, involved the preservation of all but complete independence or sovereignty for the individual states, equality of representation or voting power among the delegations of the several states to the Continental Congress, apportionment of costs of supporting the national government, and—knottiest of all—disposition of the great tracts of land held by some states as against the "landlessness" of the others.

The opening article of the 13 finally agreed on simply stated: "The stile of this confederacy shall be 'The United States of America.'" The official designation of the new government, however, was always expressed as "the united States, in Congress assembled." The small "u" told the story: this government only took on valid character when the independent states came together to act in concert on those matters the other articles empowered them to address. The matter of state status within this "confederacy" was firmly declared by the second article: "Each State retains its sovereignty, freedom, and independence, and every power, jurisdiction, and right, which is not by this confederation expressly delegated to the united States, in Congress assembled."

Herein, of course, lay two seeds of future constitutional dispute, which have continued to the present day. The retention of ultimate sovereignty always has been the crux of the argument of the "states' rights" school of constitutional theory. And the words "expressly delegated" always have been strenuously argued by this school to have been implied in the creation of the new government under the Constitution of 1787.

As for representation in Congress, it was understood almost from the outset that the unit rule of one vote per state, which had been practiced from the First Continental Congress, would obtain. Each state was entitled, under Article V, to not less than two nor more than seven delegates, who would have to agree among themselves as to how their state's vote was to be cast. Delegates served a three-year term and were not eligible for re-election until after a term's interval. Each state bore the expenses of its own delegation.

Throughout the history of the Continental Congress, there were only two continuing offices, a secretary and a president. The secretary, who was Charles Thomson of Philadelphia, was elected at the opening session in 1774 and served until all the affairs of the old government were wound up and its papers delivered to the new government under the Constitution in 1789. It is to Thomson that we owe most of our knowledge and all of our surviving documentation of this first national government. Often working without any clerical assistance, and never having but a token staff, Thomson managed to keep a journal of every session of Congress, copies of reports of all committees, records of correspondence, expenses, official papers of military and diplomatic activity, and bits and pieces of everything else.

He deserved better of his country. The emerging nation he served paid him only the dubious honor of continuing him in office throughout these formative 15 years. When he finally turned over to the new federal government the complete papers of the confederation, he was given neither special recognition nor the offer of a place in the national agencies then being organized.

Thomson bore all of this with equanimity. An Irish orphan of ten when he was put ashore with five brothers and sisters at New Castle, Delaware, in 1739, he gained enough education to support himself as a schoolmaster until he was able to turn to trade, where he quickly proved his abilities in business. By 1757 he was so well known for his fairness and integrity that the Indian tribes named him "the man who speaks truth" and made him their representative at the Treaty of Easton. By the time of the First Continental Congress he was known as "the Sam Adams of Philadelphia, the life of the cause of liberty." In July 1789, when he retired from public service, he took up a scholarly life on his estate near Philadelphia, producing a well-endorsed four-volume study of the Bible. He died at the age of 95 in 1824, still little recognized or honored.

As for the presidents of the Congress, they came and went, and are little more remembered than is Thomson, being merely chairmen of the general sessions of the body. The most notable, by accident of the fact that he held the office in the summer of 1776, was John Hancock of Massachusetts, who signed his name first on the final Declaration of Independence in a hand large enough, he said, that King George could read it without his spectacles. Fourteen men held the office for varying lengths of time, including John Jay, who was to become the first chief justice under the Constitution. Jay's presidency was short, since he was needed for more important diplomatic assignments abroad. In 1784 Jay became secretary of foreign affairs under the confederation, the only other government office purporting to be permanent.

Many of the proposed powers of government set out in the articles were to be repeated, some in haec verba, in the later Constitution. Full faith and credit, jurisdiction over interstate commerce, power of coinage, operation of a postal service, authority to set standards of weights and measures, even training and disciplining of military forces (saving various state prerogatives). The Achilles heel was the provision in Article VIII that all expenses of government were to be paid from a "common treasury, which shall be supplied by the several states," the legislatures of which would levy special taxes to meet their proportionate share of the costs. If this were not enough to lay a fatal impediment on the national government, the sixth clause of Article IX took away most of what appeared to be granted by the first five clauses, by stipulating that with respect to conducting or financing national defense (the supposed primary concern of an interparliamentary union) Congress was not to act without the consent of at least nine of the 13 states.

There was also, interestingly enough, an ad hoc judicial process provided by Article IX, to hear two types of interstate disputes—boundaries or land claims, on the one hand, and maritime prize cases appealed from the state admiralty courts, on the other. In an elaborate legislative formula, this article provided for a commission to be drawn from Congress' membership to hear the land dispute whenever the states that were parties to the action should submit to adjudication. This procedure had a rather poor track record. Of half of a dozen potential cases noted in the journals of Congress, only one was pursued to final judgment, another never reached a point where the congressional commission could take jurisdiction, and the others were either dropped or settled by direct negotiations between the states affected.

The two cases in which issues were or could have been joined involved the Wyoming Valley lands in Pennsylvania, claimed by Connecticut under a prior charter, and the "Hampshire grants" disputed by New Hampshire and New York, an issue that finally became moot when the area was admitted to the Union as the state of Vermont. The Wyoming case involved conflicting claims by Pennsylvania under its charter of 1681 and the Connecticut charter of 1662. It came to a head following the massacre of settlers by a joint force of Tories and Indians in the summer and fall of 1778. When the survivors began to make plans for resettling, Pennsylvania sought to forestall a renewal of Connecticut's allegation of jurisdiction by petitioning Congress to create a special commission to hear the arguments of both sides. When Connecticut agreed to the jurisdiction, a five-man court was sworn in at Trenton where, after 42 days of hearing testimony, a unanimous judgment was rendered in favor of Pennsylvania.

As for the prize appeals, the problem of interstate judicial review was recognized by George Washington as early as November, 1775, nearly eight months before independence and on his recommendation Congress later that year set up a special committee to formulate a procedure to deal with the matter. When 12 of the states had created their own admiralty courts (New York, with its only seaport occupied by the British throughout the war, never had occasion to do so), a standing committee of Congress was established to hear appeals from them. The volume of business was such that in May, 1780, the first statute creating a national court was passed by Congress, setting up the special Court of Appeals in Cases of Capture. This court, with the first "federal" judges (William Paca of Maryland, Cyrus Griffin of Virginia, George Read of Delaware, and John Lowell of Massachusetts), heard 118 appeals from the various states, affirming 39 and reversing 45. The records for the remainder are too fragmentary for one to determine their disposition. (For a definitive study, see Henry J. Bourgignon's The First Federal Court, published by the American Philosophical Society in 1977.)

Ratification of the Articles of Confederation began fairly expeditiously, and by July 9, 1778, enough states had favorably instructed their delegates in Congress to encourage that body to draft a form of ratification and open it to signature. Eight states thereupon affixed their names—Connecticut, Massachusetts, New Hampshire, New York, Pennsylvania, Rhode Island, South Carolina, and Virginia. By February, 1779, four more had signified their approval: Delaware, Georgia, New Jersey, and North Carolina. But one state, Maryland, was holding out, and without unanimous approval, the articles could not go into effect.

Maryland's opposition went to the most fundamental of the issues hampering the birth of the nation—the Western lands.

Early colonial charters had been vague as to geography; several of them made grants, between specified lines of latitude, from the "western shores of the Atlantic" to the "South Seas." Eventually the Mississippi River became tacitly accepted as the major body of water marking the western boundaries for the colonies of Georgia, North Carolina, and Virginia. Massachusetts and Connecticut had claims to smaller strips to the west, but both saw these claims gradually extinguished until Connecticut retained only a "Western Reserve" on the shores of Lake Erie for the resettlement of the victims of the "firelands"—coastal regions ravaged by British naval bombardment. New York and Pennsylvania had such vast territories that they made little effort to add to them until others, principally the Ohio Company of Virginia, preempted the area that became the "old Northwest." Rhode Island and Delaware, for various historical reasons, had no basis for claiming territories beyond the seaboard. New Jersey and South Carolina were geographically hemmed in, so their demands that Western lands be ceded to the new nation were matters of principle or at least pro forma. New Hampshire's interest had been in the "Hampshire grants."

Maryland was left as the sole holdout against the three major "landed" states to the south, and particularly against its old rival and neighbor, Virginia. Indeed, Virginia did present a monolithic threat. In addition to the huge jurisdictions represented in its District of Kentucky and its "county" of Illinois, its Ohio Company had taken out

patents for great tracts on which it proposed to promote settlements in what were to become the states of Ohio, Indiana, Michigan, Wisconsin, and part of Minnesota. With the capture of Vincennes by its own troops under George Rogers Clark early in the Revolution, Virginia further asserted claim to the entire area by right of conquest.

In lieu of a tax power, the Continental Congress could anticipate a significant asset, convertible into bounties for Revolutionary veterans, in the form of the land cessions. The national interest also pointed to a progressive expansion of new states to be created from these lands and added to the Union. And it is worth noting that the one major legislative accomplishment of the Confederation was the enactment, in its declining months, of the famous Northwest Ordinance of 1787, which offered a kind of constitutional bridge between the ineffective Articles of Confederation and the Constitution that the Philadelphia Convention at that same time was bringing to final form. The ordinance was to be incorporated into the statutes of the First Federal Congress and would serve as the model for territorial organization throughout most of the national history.

When Virginia finally gave in to Maryland's insistence, early in 1781, the last obstacle to ratification of the Articles of Confederation was removed. By February the unanimous adoption of the new frame of government was certified, and one month later the new government formally came into being. There were no stirring speeches, or anything to mark the event at the time. The Congress continued as it had before, although the community celebration outside the legislative halls made up for the prosaic course of business within. John Paul Jones's warship, the *Ariel*, fired off salutes in the harbor, and these were answered by fireworks from the city. The evening was filled with receptions, dinners, and "collations" in celebration.

It had taken three years of effort to achieve the adoption of the Articles of Confederation. They would last for eight more.●

RULES GOVERNING THE PROCEDURE OF THE COMMITTEE ON APPROPRIATIONS

● Mr. HATFIELD. Mr. President, I submit, for printing in the RECORD, the rules governing the procedure of the Committee on Appropriations, adopted pursuant to section 133(b) of the Legislative Reorganization Act of 1946, as amended.

The rules are as follows:

RULES GOVERNING THE PROCEDURE OF THE SENATE COMMITTEE ON APPROPRIATIONS

[Adopted Pursuant to Section 133(b) of the Legislative Reorganization Act of 1946, as Amended]

1. Meetings:

The Committee will meet at the call of the Chairman.

2. Quorum:

(a) Reporting a bill.—A majority of the members must be present for the reporting of a bill.

(b) Other business.—For the purpose of transacting business other than reporting a bill or taking testimony, one-third of the members of the Committee shall constitute a quorum.

(c) Taking testimony.—For the purpose of taking testimony, other than sworn testimony, by the Committee or any subcommittee, one member of the Committee or subcommittee shall constitute a quorum. For the purpose of taking sworn testimony by the Committee, three members shall constitute a quorum, and for the taking of sworn testimony by any subcommittee, one member shall constitute a quorum.

3. Proxies:

Except for the reporting of a bill, votes may be cast by proxy when any member so requests.

4. Attendance of Staff Members at Closed Sessions:

Attendance of staff members at closed sessions of the Committee shall be limited to those members of the Committee staff that have a responsibility associated with the matter being considered at such meeting. This rule may be waived by unanimous consent.

5. Broadcasting and Photographing of Committee Hearing:

The Committee or any of its subcommittees may permit the photographing and broadcast of open hearings by television and/or radio. However, if any member of a subcommittee objects to the photographing or broadcasting of an open hearing, the question shall be referred to the Full Committee for its decision.

6. Availability of Subcommittee Reports:

When the bill and report of any subcommittee is available, they shall be furnished to each member of the Committee twenty-four hours prior to the Committee's consideration of said bill and report.

7. Points of Order:

Any member of the Committee who has in charge an appropriation bill, is hereby authorized and directed to make points of order against any amendment offered in violation of the Senate Rules on the floor of the Senate to such appropriation bill.●

THE ARTICLES OF CONFEDERATION

● Mr. DOLE. Mr. President, Sunday, March 1, 1981, is the anniversary of yet another significant occasion in the creation of our Federal form of government known as the United States of America.

As part of our continuing celebration of our Nation's bicentennial, which extends from our observation of the anniversary of our Declaration of Independence until the final adoption of our Constitution, I should like to observe that Sunday, March 1 is the anniversary of the day on which the Articles of Confederation were finally adopted by the Thirteen States.

Prof. William F. Swindler, the John Marshall professor of law, emeritus, at the College of William and Mary, has studied the confederation government of the United States and has observed that the adoption of the Articles of Confederation marked an important milestone in our transition from a group of independent, sovereign States joined only by an ad hoc Continental Congress to our present United States in Congress assembled and our Federal form of government.

Professor Swindler notes that the primary purpose of the Continental Congress had been to coordinate colonial efforts to carry on the war with the mother country. Even though the various States saw a centralized government as a threat to their freedom, they realized the need for a more organized confederation to provide a forum for the exchange of information and to coordinate State activities. Toward this end, the Articles of Confederation were developed, and, 3 years after the Declaration of Independence was signed, adopted by the Thirteen States. This established Congress as a permanent body and it continued in that form until the Constitution was adopted in 1789.

Professor Swindler is one of the leading constitutional scholars of our time, and he has written an excellent article on the adoption of the Articles of Confederation which was published this month in the Journal of the American Bar Association. Mr. President, I ask that Professor Swindler's article be printed in the RECORD.

The article follows:

OUR FIRST CONSTITUTION: THE ARTICLES OF CONFEDERATION

(By William F. Swindler)

The period of the nation's bicentennial, from independence to the final implementation of the federal government under the Constitution to be observed in 1987–89, includes several events less familiar in history but significant in their own place and time. In 1979 was the bicentennial of legal education marked by the founding of the chair of law at the College of William and Mary on December 4, 1779 (see 64 A.B.A.J. 1872). In 1981 will come two events—the final ratification of the Articles of Confederation in March and the final victory of the Revolution at Yorktown in October.

Of these two, it is safe to say that the Yorktown event will be more widely recognized. But as a milestone in the unique experiment in government that became the United States of America, the quiet happening at Philadelphia on March 1, 1781, may be more significant in constitutional history. For with that event—the final adoption by the 13 states of the Articles of Confederation—the American people moved toward identity as a nation. This was the vital transitional step from the ad hoc Continental Congress to "the United States in Congress assembled" to the ultimate drafting of the Constitution and "the more perfect union" of a federal form of government.

The drafting and approval of the "Articles of Confederation and Perpetual Union" did not come easily. A confederation was first formally proposed in May, 1776, when Richard Henry Lee of Virginia offered his famous resolution, "That these United Colonies are, and of right ought to be, free and independent States." This resolution was in fact one of three related proposals, the second calling for the seeking of foreign alliances for the coming war with Great Britain, and the third stating "That a plan of confederation be proposed and transmitted to the respective Colonies for their consideration and approbation."

These resolutions in themselves marked a transitional step in American constitutional thought. The famous Declaration of Independence, which followed in July, was actually the third in a series of declarations by the Continental Congress, which, as the years passed, had moved the 13 colonies slowly and reluctantly toward independence. In 1774 the First Continental Congress had published its Declaration and Resolves, which called on the mother country to ensure to the colonists their rights as Englishmen. When Parliament ignored this representation, the Second Continental Congress in 1775 issued its Declaration on the Reasons for Taking Up Arms—in defense of the inalienable rights of Englishmen. Thus the Declaration of 1776 was the final step in an inexorable process: in order to secure their rights as Englishmen, the English colonists now declared that they had to be independent of England itself.

There were, literally speaking, only two Continental Congresses. The first met from September 5 to October 26, 1774. The Second, which opened May 10, 1775, continued until it was converted into the permanent organ of a national government by the final adoption of the Articles on March 1, 1781. The use of the title, Continental Congress, actually continued throughout the confederation period until the new Constitution went into effect in April, 1789.

The idea of an intercolonial parliamentary union had appeared recurrently in American colonial history. The New England Confederation of 1643 was a regional version of the concept, largely in reaction to the civil war then raging in the mother country. In 1697 William Penn had proposed a federation for all the then existing colonies, and in 1754 the Albany Congress, convened at the encouragement of the mother country to mobilize colonial efforts for the French and Indian War, had debated a formal "plan of union." All of these assumed the ultimate supremacy of the British government, and in the first two sessions of the Continental Congress a similar proposal for a confederation of the colonies was offered as an alternative to the radical proposal for complete independence.

With the Declaration of 1776, however, the issue had fundamentally changed. For the immediate and wartime present, the Continental Congress existed of necessity to coordinate—poor though the co-ordination was—colonial or state efforts to carry on the War of Independence. The postwar question obviously was: assuming that there should be some continuing forum for the exchange of information and for co-ordinating activities of the sovereign states, how should it be organized?

A central government, whether in London or Philadelphia, was seen as a restraint on the freedom of local legislatures and hence to be resisted by radicals like Sam and John Adams of Massachusetts, or Thomas Jefferson or Patrick Henry of Virginia. Somewhat self-consciously, men like these in these two most militant of the erstwhile colonies came to call their new governments commonwealths, after the form of government during the English Revolution. It was perhaps that equally zealous radical, Benjamin Franklin, who persuaded Pennsylvania to follow the same example. The fourth commonwealth of the modern Union—Kentucky—inherited the tradition from its parent state, Virginia.

In the debate over Lee's threefold resolutions of May 1776, in fact, there was some argument that confederation should precede independence. How, it was asked, could 13 separate colonies legally declare their joint or simultaneous independence and make the declaration recognized as valid by the society of nations? On the other hand, some of the erstwhile colonies, like Virginia, were making their own declarations part of their new state constitutions.

John Dickinson, from the "three lower counties" of Pennsylvania (Delaware), was the first draftsman of a plan for confederation, prepared by a committee made up of a delegate from each of the colonies, with the draft being reported back to Congress a week after the formal proclamation of the Declaration of Independence. When debate on the details of the draft began, the divisions among the states immediately manifested themselves and became so sharp that Joseph Hewes from North Carolina gloomily predicted that "we shall never modell it so as to be agreed to by all the Colonies."

A month later the debate was broken off, primarily because of the overriding concerns of the developing military action of the Revolution. It would be the following April before the subject was put back on the calendar, at which time it was agreed that two days a week should be spent in debate on the articles until final agreement on an instrument could be reached. That came in November, when the final form was approved and the articles submitted to the states for action.

The major concerns that had to be resolved in this quasi-convention of April-November, 1777, involved the preservation of all but complete independence or sovereignty for the individual states, equality of representation or voting power among the delegations of the several states to the Continental Congress, apportionment of costs of supporting the national government, and—knottiest of all—disposition of the great tracts of land held by some states as against the "landlessness" of the other.

The opening article of the 13 finally agreed on simply stated: "The stile of this confederacy shall be 'The United States of America.'" The official designation of the new government, however, was always expressed as "the united States, in Congress assembled." The small "u" told the story: this government only took on valid character when the independent states came together to act in concert on those matters the other articles empowered them to address. The matter of state status within this "confederacy" was firmly declared by the second article: "Each State retains its sovereignty, freedom, and independence, and every power, jurisdiction, and right, which is not by this confederation expressly delegated to the united States, in Congress assembled."

Herein, of course, lay two seeds of future constitutional dispute, which have continued to the present day. The retention of ultimate sovereignty always has been the crux of the argument of the "states' rights" school of constitutional theory. And the words "expressly delegated" always have been strenuously argued by this school to have been implied in the creation of the new government under the Constitution of 1787.

As for representation in Congress, it was understood almost from the outset that the unit rule of one vote per state, which had been practiced from the First Continental Congress, would obtain. Each state was entitled, under Article V, to not less than two nor more than seven delegates, who would have to agree among themselves as to how their state's vote was to be cast. Delegates served a three-year term and were not eligible for re-election until after a term's interval. Each state bore the expenses of its own delegation.

Throughout the history of the Continental Congress, there were only two continuing offices, a secretary and a president. The secretary, who was Charles Thomson of Philadelphia, was elected at the opening session in 1774 and served until all the affairs of the old government were wound up and its papers delivered to the new government under the Constitution in 1789. It is to Thomson that we owe most of our knowledge and all of our surviving documentation of this first national government. Often working without any clerical assistance, and never having but a token staff, Thomson managed to keep a journal of every session of Congress, copies of reports of all committees, records of correspondence, expenses, official papers of military and diplomatic activity, and bits and pieces of everything else.

He deserved better of his country. The emerging nation he served paid him only the dubious honor of continuing him in office throughout these formative 15 years. When he finally turned over to the new federal government the complete papers of the confederation, he was given neither special recognition nor the offer of a place in the national agencies then being organized.

Thomson bore all of this with equanimity. An Irish orphan of ten when he was put ashore with five brothers and sisters at New Castle, Delaware, in 1739, he gained enough education to support himself as a schoolmaster until he was able to turn to trade, where he quickly proved his abilitities in business. By 1757 he was so well known for his fairness and integrity that the Indian tribes named him "the man who speaks truth" and made him their representative at the Treaty of Easton. By the time of the First Continental Congress he was known as "the Sam Adams of Philadelphia, the life of the cause of liberty." In July, 1789, when he retired from public service, he took up a scholarly life on his estate near Philadelphia, producing a well-endorsed four-volume study of the Bible. He died at the age of 95 in 1824, still little recognized or honored.

As for the presidents of the Congress, they came and went, and are little more remembered than is Thomson, being merely chairmen of the general sessions of the body. The most notable, by accident of the fact that he held the office in the summer of 1776, was John Hancock of Massachusetts, who signed his name first on the final Declaration of Independence in a hand large enough, he said, that King George could read it without his spectacles. Fourteen men held the office for varying lengths of time, including John Jay, who was to become the first chief justice under the Constitution. Jay's presidency was short, since he was needed for more important diplomatic assignments abroad. In 1784 Jay became secretary of foreign affairs under the confederation, the only other government office purporting to be permanent.

Many of the proposed powers of government set out in the articles were to be repeated, some in haec verba, in the later Constitution. Full faith and credit, jurisdiction over interstate commerce, power of coinage, operation of a postal service, authority to set standards of weights and measures, even training, and disciplining of military forces (saving various state prerogatives). The Achilles heel was the provision in Article VIII that all expenses of government were to be paid from a "common treasury, which shall be supplied by the several states," the legislatures of which would levy special taxes to meet their proportionate share of the costs. If this were not enough to lay a fatal impediment on the national government, the sixth clause of Article IX took away most of what appeared to be granted by the first five clauses, by stipulating that with respect to conducting or financing national defense (the supposed primary concern of an interparliamentary union) Congress was not to act without the consent of at least nine of the 13 states.

There was also, interestingly enough, an ad hoc judicial process provided by Article IX, to hear two types of interstate disputes—boundaries or land claims, on the one hand, and maritime prize cases appealed from the state admiralty courts, on the other. In an elaborate legislative formula, this article provided for a commission to be drawn from Congress's membership to hear the land dispute whenever the states that were parties to the action should submit to adjudication. This procedure had a rather poor track record. Of half a dozen potential cases noted in the journals of Congress, only one was pursued to final judgment, another never reached a point where the congressional commission could take jurisdiction, and the others were either dropped or settled by direct negotiations between the states affected.

The two cases in which issues were or could have been joined involved the Wyoming Valley lands in Pennsylvania, claimed by Connecticut under a prior charter, and the "Hampshire grants" disputed by New Hampshire and New York, an issue that finally became moot when the area was admitted to the Union as the state of Vermont. The Wyoming case involved conflicting claims by Pennsylvania under its charter of 1681 and the Connecticut charter of 1662. It came to a head following the massacre of settlers by a joint force of Tories and Indians in the summer and fall of 1778. When the survivors began to make plans for resettling, Pennsylvania sought to forestall a renewal of Connecticut's allegation of jurisdiction by petitioning Congress to create a special commission to hear the arguments of both sides. When Connecticut agreed to the jurisdiction, a five-man court was sworn in at Trenton where, after 42 days of hearing testimony, a unanimous judgment was rendered in favor of Pennsylvania.

As for the prize appeals, the problem of interstate judicial review was recognized by George Washington as early as November, 1775, nearly eight months before independence and on his recommendation Congress later that year set up a special committee to formulate a procedure to deal with the matter. When 12 of the states had created their own admiralty courts (New York, with its only seaport occupied by the British throughout the war, never had occasion to do so), a standing committee of Congress was established to hear appeals from them. The volume of business was such that in May, 1780, the first statute creating a national court was passed by Congress, setting up the special Court of Appeals in Cases of Capture. This court, with the first "federal" judges (William Paca of Maryland, Cyrus Griffin of Virginia, George Read of Delaware, and John Lowell of Massachusetts), heard 118 appeals from the various states, affirming 39 and reversing 45. The records for the remainder are too fragmentary for one to determine their disposition. (For a definitive study, see Henry J. Bourgignon's The First Federal Court, published by the American Philosophical Society in 1977.)

Ratification of the Articles of Confederation began fairly expeditiously, and by July 9, 1778, enough states had favorably instructed their delegates in Congress to encourage that body to draft a form of ratification and open it to signature. Eight states thereupon affixed their names—Connecticut, Massachusetts, New Hampshire, New York, Pennsylvania, Rhode Island, South Carolina, and Virginia. By February, 1779, four more had signified their approval: Delaware, Georgia, New Jersey, and North Carolina. But one state, Maryland, was holding out, and without unanimous approval, the articles could not go into effect.

Maryland's opposition went to the most fundamental of the issues hampering the birth of the nation—the Western lands.

Early colonial charters had been vague as to geography; several of them made grants, between specified lines of latitude, from the "western shores of the Atlantic" to the "South Seas." Eventually the Mississippi River became tacitly accepted as the major body of water marking the western boundaries for the colonies of Georgia, North Carolina, and Virginia. Massachusetts and Connecticut had claims to smaller strips to the west, but both saw these claims gradually extinguished until Connecticut retained only a "Western Reserve" on the shores of Lake Erie for the resettlement of the victims of the "firelands"—coastal regions ravaged by British naval bombardment. New York and Pennsylvania had such vast territories that they made little effort to add to them until others, principally the Ohio Company of Virginia, preempted the area that became the "old Northwest." Rhode Island and Delaware, for various historical reasons, had no basis for claiming territories beyond the seaboard. New Jersey and South Carolina were geographically hemmed in, so their demands that Western lands be ceded to the new nation were matters of principle or at least pro forma. New Hampshire's interest had been in the "Hampshire grants."

Maryland was left as the sole holdout against the three major "landed" states to the south, and particularly against its old rival and neighbor, Virginia. Indeed, Virginia did present a monolithic threat. In addition to the huge jurisdictions represented in its District of Kentucky and its "county" of Illinois, its Ohio Company had taken out patents for great tracts on which it proposed to promote settlements in what were to become the states of Ohio, Indiana, Michigan, Wisconsin, and part of Minnesota. With the capture of Vincennes by its own troops under George Rogers Clark early in the Revolution, Virginia further asserted claim to the entire area by right of conquest.

In lieu of a tax power, the Continental Congress could anticipate a significant asset, convertible into bounties for Revolutionary veterans, in the form of the land cessions. The national interest also pointed to a progressive expansion of new states to be created from these lands and added to the Union. And it is worth noting that the one major legislative accomplishment of the Confederation was the enactment, in its declining months, of the famous Northwest Ordinance of 1787, which offered a kind of constitutional bridge between the ineffective Articles of Confederation and the Constitution that the Philadelphia Convention at that same time was bringing to final form. The ordinance was to be incorporated into the statutes of the First Federal Congress and would serve as the model for territorial organization throughout most of the national history.

When Virginia finally gave in to Maryland's insistence, early in 1781, the last obstacle to ratification of the Articles of Confederation was removed. By February the unanimous adoption of the new frame of government was certified, and one month later the new government formally came into being. There were no stirring speeches, or anything to mark the event at the time. The Congress continued as it had before, although the community celebration outside the legislative halls made up for the prosaic course of business within. John Paul Jones's warship, the *Ariel*, fired off salutes in the harbor, and these were answered by fireworks from the city. The evening was filled with receptions, dinners, and "collations" in celebration.

It had taken three years of effort to achieve the adoption of the Articles of Confederation. They would last for eight more.●

REPORT OF THE SELECT COMMISSION ON IMMIGRATION AND REFUGEE POLICY

● Mr. KENNEDY. Mr. President, the Select Commission on Immigration and Refugee Policy, which Congress established in 1978, today formally submitted its final report and recommendations to the President and Congress.

Under the dedicated chairmanship of Father Theodore Hesburgh, the Select Commission has struggled with some of the most difficult issues confronting our Nation. I have been privileged to serve on the Commission and to work with my colleagues in reviewing our immigration policy in light of America's national interests, but with full regard for our immigrant heritage and humanitarian traditions.

I believe we have, by and large, succeeded in this difficult task, and I commend the leadership of Father Hesburgh and the hard work of the Commission staff.

Although considerable consensus developed on many issues, we obviously did not reach full agreement and many contentious questions remain. But I think all of us agree that the Commission's work represents a solid and sound basis for congressional review and action.

For the information of the Senate, I should like to share the comments today of Father Hesburgh at a press conference where he formally submitted the Commission's report to Congress. I also ask that his introductory comments in the report and an executive summary, as well as my additional comments, be printed at this point in the RECORD.

The material follows:

REMARKS OF THE REVEREND THEODORE M. HESBURGH, PRESS CONFERENCE, FEBRUARY 27, 1981

I would like to read a short statement to give you a little historical background as to why we are here today.

The Immigration and Nationality Act—the second longest piece of U.S. legislation—has grown like Topsy. It has never received a comprehensive systematic examination by a joint Congressional-Presidential Commission, and that examination has long been overdue. But the facts which precipitated the creation of this Commission go beyond the details of the inadequacy of that legislation.

In addition to concern about the need to overhaul, simplify and clarify the law, the Commission was created by Congress for a number of reasons:

A large number of undocumented/illegal migrants live in the United States and continue to come here;

Legal immigration had grown substantially since 1965;

The number of refugees in the world has grown tremendously in the last ten years; and

There is great dissatisfaction with the way our law was working and how it was administered;

And some Americans, as has been true in the past, have begun to doubt their own ideals and their own interests in accepting immigrants.

When such doubts surfaced almost 75 years ago, another Select Commission on overall immigration policy—the only other one in history—was created. Four years later, it gave its answer in terms of fear and even despair. Its major finding, which even contradicted some of the material submitted in 42 volumes of reports and research, was that immigration from Southern and Eastern European countries should be curtailed sharply because Italians, Greek, Poles, Slavs and Jews could not be assimilated as Americans.

The report led to sharp cutbacks in immigration from Eastern and Southern Europe and to a bar on Asian immigration altogether. The cost in human terms was staggering since some persons who otherwise would have immigrated or come as refugees met their fate in the Holocaust. Their loss to the United States in talent and manpower was enormous.

Since the passage of restrictionist legislation, the Immigration and Nationality Act has received major attention only twice. First, in the passage of the McCarran-Walter Act of 1952, which continued the restrictionist policy and the discriminatory national origins quota system intended to discriminate against certain kinds of persons as not suitable for immigration into the United States. Then, in 1965, the national origins quota was abolished, partly under the leadership of two of our present Commissioners, Representative Peter W. Rodino and Senator Edward M. Kennedy. Several new features were added to our immigration law, the most important of which was an explicit provision for refugees and an explicit ceiling on immigration from the Western Hemisphere for the first time in American history.

This time, our Commission took a comprehensive look. Unlike the Select Commission of 1907, we approached this extremely complicated and emotional subject with open minds. Certain beliefs have underlined our work:

We believe there are no inferior and superior peoples;

We believe that people are capable of becoming good Americans regardless of nationality.

We also believe that it is no longer possible to have unlimited immigration and that our laws must be enforced.

After 18 months of work including 21 pub-

lic consultations with experts on a variety of subjects, 12 public hearings held in different cities all over the country and a systematic review and analysis of all existing research on immigration, including the commissioning of more than two dozen new studies, we are ready with our final report, to be followed in the next two months by a much more detailed documentation transmitted from the staff to the Congress, including a redraft of the Immigration and Nationality Act.

The emphasis in the Commission's recommendations, which are themselves complex, can be summed up quite simply:

We recommend closing the back door to undocumented/illegal migration;

Opening the front door a little more to accommodate legal migration since that is in the best interests of this country;

Defining our immigration goals clearly and providing a structure to implement them effectively; and

Setting forth procedures which lead to fair and efficient adjudication and administration of U.S. immigration laws.

I will stop talking now. I am sure you have questions not just of me but of other Commissioners who are here. The attention on immigration now shifts to the Congress and the Administration. We have provided an agenda for deliberation and action which we hope will serve them well.

U.S. IMMIGRATION POLICY AND THE NATIONAL INTEREST

(The final report and recommendations of the Select Commission on Immigration and Refugee Policy with supplemental views by Commissioners, March 1, 1981)

"If I am not for myself, who will be for me? But if I am for myself only, what am I? And if not now, when?"—Hillel, "Sayings of the Fathers" 1:14.

Our history is largely the story of immigration. Even the Indians were immigrants. The ancestors of all other Americans—when measured in terms of world history—came here only yesterday.

As a refuge and a land of opportunity, the United States remains the world's number one magnet. This fact reaffirms the faith of our founding fathers and the central values we have adopted as a nation—freedom, equality under the law, opportunity and respect for diversity. Throughout our history, our leaders have seen in immigration the articulation of these deeply held and religiously based values. President Ronald W. Reagan, in his speech accepting the Republican nomination for the presidency, reminded us of that fact when he said:

"I ask you to trust that American spirit which knows no ethnic, religious, social, political, regional or economic boundaries: the spirit that burned with zeal in the hearts of millions of immigrants from every corner of the earth who came here in search of freedom . . ."

Then, examining the events of the recent past, the President asked:

"Can we doubt that only a divine Providence placed this land—this island of freedom here as a refuge for all those people in the world who yearn to breathe free? Jews and Christians enduring persecution behind the Iron Curtain, the boat people of Southeast Asia, Cuba, and Haiti, the victims of drought and famine in Africa, the freedom fighters in Afghanistan and our own countrymen held in savage captivity."

Letters and oral testimony to the Select Commission affirms the continuing vitality of President Reagan's characterization of the United States as a land of opportunity and as a beacon of liberty for immigrants. We have listened carefully to these moving voices, but we have also been faced with the reality of limitations on immigration. If it is a truism to say that the United States is a nation of immigrants, it is also a truism that it is one no longer, nor can it become a land of unlimited immigration. As important as immigration has been and remains to our country, it is no longer possible to say as George Washington did that we welcome all of the oppressed of the world, or as did the poet, Emma Lazarus, that we should take all of the huddled masses yearning to be free.

The United States of America—no matter how powerful and idealistic—cannot by itself solve the problems of world migration. This nation must continue to have some limits on immigration. Our policy—while providing opportunity to a portion of the world's population—must be guided by the basic national interests of the people of the United States.

The emphasis in the Commission's recommendations, which are themselves complex, can be summed up quite simply: We recommend closing the back door to undocumented/illegal migration, opening the front door a little more to accommodate legal migration in the interests of this country, defining our immigration goals clearly and providing a structure to implement them effectively, and setting forth procedures which will lead to fair and efficient adjudication and administration of U.S. immigration laws.

THE UNITED STATES AND THE WORLD

In emphasizing that our recommendations must be consistent with U.S. national interests, we are aware of the fact that we live in a shrinking, interdependent world and that world economic and political forces result in the migration of peoples. We also are aware of how inadequately the world is organized to deal with the dislocations that occur as a result of such migrations. None of the great international issues of our time—arms control, energy, food or migration—can be solved entirely within the framework of a nation-state world.

Certainly, there is no unilateral U.S. solution to any of these problems; we must work with a world organized along nation-state lines and with existing international organizations. As a nation responsible for the destiny of its people and their descendants, we can better deal with these problems by working with other nations to build more effective international mechanisms. That is why we begin our recommendations with a call for a new emphasis on internationalizing world migration issues. Since many, large-scale, international migrations are caused by war, poverty and persecution within sending nations, it is in the national interests of the United States to work with other nations to prevent or ameliorate those conditions.

IMMIGRATION AND THE NATIONAL INTEREST

That immigration serves humanitarian ends is unquestionable: most immigrants come to the United States seeking reunion with their families or as refugees. But in examining U.S. immigration policy and developing its recommendatons, the Select Commission also asked another question: Is immigration and the acceptance of refugees in the U.S. national interest? That question was asked by many in this country when Fidel Castro pushed his own citizens out of Cuba knowing that their main destination would be the United States. Nothing about immigration—even widespread visa abuse and illegal border crossings—seems to have upset the American people more than the Cuban push-out of 1980. But these new entrants were neither immigrants nor refugees, having entered the United States without qualifying as either. Their presence brought home to most Americans the fact that U.S. immigration policy was out of control. It also brought many letters to the Select Commission calling for restrictions on U.S. immigration.

It is easy to understand the feelings which motivate these opinions, but in the light of hard-headed U.S. interests it would be a mistake to let the emotion generated by an unusual, almost bizarre episode guide national policy. While the Cuban push-out should not be permitted to happen again, the fact that it happened once should not blind us to the advantages of legally accepting a reasonable number of immigrants and refugees.

To the question: Is immigration in the U.S. national interest?, the Select Commission gives a strong but qualified yes. A strong yes because we believe there are many benefits which immigrants bring to U.S. society; a qualified yes because we believe there are limits on the ability of this country to absorb large numbers of immigrants effectively. Our work during the past 19 months has confirmed the continuing value of accepting immigrants and refugees to the United States, in addition to the humanitarian purpose served.

The research findings are clear: Immigrants, refugees and their children work hard and contribute to the economic well-being of our society; strengthen our social security system and manpower capability; strengthen our ties with other nations; increase our language and cultural resources and powerfully demonstrate to the world that the United States is an open and free society.

New immigrants benefit the United States and reaffirm its deepest values. One can see them in New Orleans, where Indochinese refugees, hard at work during the day, crowd classrooms at night to learn English; in Fall River, Massachusetts, a city with more than 20 identifiable ethnic groups whose ancestral flags fly in front of City Hall and which has been restored to economic health by recent Portuguese immigrants; in Koreatown in Los Angeles, where Korean Americans have taken an inner-city slum and transformed it into a vital community; in Florida, where Cuban Americans have renewed the City of Miami, through economic ties to Latin America; in Chicago, where young Jewish immigrants from the Soviet Union work two jobs in addition to attending high school; in San Antonio, where new Mexican immigrants are taking advantage of English-literacy classes and have joined Mexican Americans with many generations of U.S. residence to create a healthy economy and to strengthen trade and cultural ties with our border neighbor; and in Denver, where, in a third grade class, students from five countries are learning the history of the United States and are learning to count in two foreign languages in addition to English, and where, in February 1980, a Vietnamese American third grader who had been in this country for only six months, identified George Washington as "the father of our country."

But even though immigration is good for this country, the Commission has rejected the arguments of many economists, ethnic groups and religious leaders for a great expansion in the number of immigrants and refugees to be accepted by the United States. Many of those in favor of expanded immigration have argued that the United States is capable of absorbing far greater numbers of immigrants than are now admitted. They contend that:

The United States has the lowest population density of any wealthy, industrial nation in the world, with the exceptions of Canada and Australia; and

The United States, with only six percent of the world's population, still accounts for 25 percent of the world's gross national product.

They further point out that the United States faces serious labor shortages in the decade to come, particularly of young and middle-aged workers. Greatly expanded immigration, they believe, will go a long way towards providing needed workers.

Religious leaders have presented some of

these same arguments from a different perspective. They, too, note the vast resources and relatively low population density of the United States, but argue that this nation has a humanitarian responsibility to provide immigration opportunities to those seeking entry on the basis of family reunification or as refugees. They wish the United States to preserve its role as a country of large-scale immigration, despite fears about the entry of the foreign-born.

Historians, in their support of increased immigration, have cautioned against overly restrictionist tendencies. They point out that U.S. citizens have always been concerned about the arrival of immigrants, but note that immigrants have always made contributions to U.S. society. These scholars also state that the proportion of foreign-born citizens in the United States is now at an all-time low since 1850, when the government began to keep such statistics. If immigration did no harm to U.S. society when foreign-born citizens accounted for 14 to 15 percent of the population, they argue it should certainly cause no internal problems now.

The Select Commission is, however, recommending a more cautious approach. This is not the time for a large-scale expansion in legal immigration—for resident aliens or temporary workers—because the first order of priority is bringing undocumented/illegal immigration under control, while setting up a rational system for legal immigration.

The Commission is, therefore, recommending a modest increase in legal immigration sufficient to expedite the clearance of backlogs—mainly to reunify families—which have developed under the current immigration system and to introduce a new system, which we believe will be more equitable and more clearly reflect our interests as a nation.

Such a modest increase will continue to bring the benefits of immigration to the United States without exacerbating fears—not always rational—of competition with immigrants. Such an increase recognizes that immigrants create as well as take jobs and readily pay more into the public coffers than they take out, as research completed for the Select Commission shows. It also recognizes that immigrants in some locales do compete for jobs, housing and space in schools with citizens and previously entered resident aliens. In the case of refugees, there is an immediate competition with needy U.S. citizens for a variety of services which must be paid for by U.S. taxpayers. In many communities, local officials have complained about the strains which a sudden influx of refugees has placed on their capabilities to provide health services, schooling and housing.

The American people have demonstrated that they are willing to do what must be done to save a portion of the world's refugees from persecution and sometimes even from death. That is why the Select Commission has endorsed the Refugee Act of 1980, even while questioning aspects of its administration. But it is impossible for the United States to absorb even a large proportion of the 16 million refugees in this world and still give high priority to meeting the needs of its own poor, especially those in its racial and ethnic minorities. Our present refugee policy may seem unduly harsh and narrow to many, particularly when a terribly poor country such as Somalia has more than one million refugees in its care. But we must be realistic about our obligations as a society to persons in need who already live in this country.

UNDOCUMENTED/ILLEGAL MIGRATION

Illegal migrations of persons in search of work occur extensively throughout Europe, Latin America, as well as in Canada and the United States. Such migration to the United States is so extensive that hundreds of thousands of persons annually enter this country outside of the law. Although these migrants usually do not stay, each year tens of thousands of other aliens remain in the United States illegally after coming here originally as students or other nonimmigrant aliens. The Select Commission is well aware of the widespread dissatisfaction among U.S. citizens with an immigration policy that seems to be out of control.

Some have argued before the Select Commission that there is virtually nothing that can be done about the tidal movements of people that are propelled by economic forces. They believe this is particularly true in a country such as ours, with land and coastal borders which are easy to cross and where millions of tourists and students, having entered, find it easy to stay. Some have further testified that the United States has nothing to fear from illegal migration since immigrants who come or remain outside of the law are self-selected, hard working, highly creative persons who, even if they remain in this country, aid rather than harm U.S. society. This is a view that the Commission believes does not sufficiently consider the serious problems created by illegal migration.

One does not have to be able to quantify in detail all of the impacts of undocumented/illegal aliens in the United States to know that there are some serious adverse effects. Some U.S. citizens and resident aliens who can least afford it are hurt by competition for jobs and housing and a reduction of wages and standards at the workplace. The existence of a fugitive underground class is unhealthy for society as a whole and may contribute to ethnic tensions. In addition, widespread illegality erodes confidence in the law generally, and immigration law specifically, while being unfair to those who seek to immigrate legally.

The Select Commission's determination to enforce the law is no reflection on the character or the ability of those who desperately seek to work and provide for their families. Coming from all over the world, they represent, as immigrants invariably do, a portion of the world's most ambitious and creative men and women. But if U.S. immigration policy is to serve this nation's interests, it must be enforced effectively. This nation has a responsibility to its people—citizens and resident aliens—and failure to enforce immigration law means not living up to that responsibility.

The strong desire to regain control over U.S. immigration policy is one of several reasons for the Commisison's unanimous vote to legalize a substantial portion of the undocumented/illegal aliens now in our country. Another is its acknowledgement that, in a sense, our society has participated in the creation of the problem. Many undocumented/illegal migrants were induced to come to the United States by offers of work from U.S. employers who recruited and hired them under protection of present U.S. law. A significant minority of undocumented/illegal aliens have been part of a chain of family migrants to the United States for at least two generations. Often entering for temporary work, these migrants began coming to the United States before this nation imposed a ceiling on legal immigration from the Western Hemisphere in 1968 and a 20,000 per-country visa ceiling on legal immigration for each Western Hemisphere country in 1976.

But that is not the main reason for legalizing a substantial portion of those who are here. Legalizing those who have settled in this country and who are otherwise qualified will have many positive benefits for the United States as a whole:

Hard-working, law-abiding persons with a stake in U.S. society will come out into the open and contribute much more to it;

No longer exploitable at the workplace, they no longer will contribute to depressing U.S. labor standards and wages;

New and accurate information about migration routes and the smuggling of people into the United States will contribute to the targeting of enforcement resources to stop illegal migrations in the future;

New and accurate information about the origins of migration will enable the United States to work with large sending countries in targeting aid and investment programs to deal with migration pressures at the source, in the villages and provinces of those countries;

New and accurate information about patterns of visa abuse by those who entered as nonimmigrant aliens will help to make our visa issuance process and control at ports of entry more effective;

The recommended legalization program will help to enforce the law, however, only if other enforcement measures designed to curtail future illegal migration to the United States are instituted. That is why the Commission has linked the legalization program to the introduction of such measures. Recognizing that future migration pressures could lead to even higher levels of illegal migration to the United States, the Commission has emphasized the development of effective enforcement strategies, including a new law to penalize employers who hire undocumented/illegal aliens and new measures to control the abuse of nonimmigrant status.

No one on this Commission expects to stop illegal migration totally or believes that new enforcement measures can be instituted without cost. But we do believe that we can reduce illegal entries sharply, and that the social costs of not doing so may be grave. What is a serious problem today could become a monumental crisis as migration pressures increase.

THE REUNIFICATION OF FAMILIES

A better immigration system may help to reduce the pressures for illegal migration to some extent. A look at present U.S. immigration statistics reveals one relatively small but important source of illegal migration. Of the more than one million persons now registered at consular offices waiting for visas, more than 700,000 are relatives of U.S. citizens or resident aliens, including spouses and minor children of resident aliens. There is something wrong with a law that keeps out—for as long as eight years—the small child of a mother or father who has settled in the United States while a nonrelative or less close relative from another country can come in immediately. Certainly a strong incentive to enter illegally exists for persons who are separated from close family members for a long period of time.

What is basically wrong is that we have not made clear our priority to reunify the immediate relatives of U.S. residents regardless of their nationality. Among our recommendations are two which would help to do just that. The first puts immigrants whose entry into the United States would reunify families on a separate track from other immigrants. The second puts spouses and minor children of lawful permanent resident aliens under a separate, numerically limited category without country ceilings. Eliminating country ceiling in this category should help assure the reunification of the families of permanent resident aliens on a first-come, first-served basis within a fixed world ceiling.

INDEPENDENT IMMIGRANTS

The creation of a separate category for nonfamily immigrants—the independent category—may also somewhat reduce illegal immigration by broadening immigration opportunities. It reaffirms the importance to the United States of traditional "new seed" immigrants who come to work, save, invest and plan for their children and grandchildren, and creates an immigration channel for persons who cannot enter the United States on the basis of family reunification. It is the Commission's hope that this category will provide immigration opportunities for those

persons who come from countries where immigration to the United States has not been recent or from countries that have no immigration base here.

Many other important issues have also been addressed by the Select Commission, including an upgrading of our system for administering U.S. immigration laws, the need to streamline deportation proceedings, and the importance of English-language acquisition. We have tried to address these and other issues with open minds, recognizing that few of them can be resolved easily.

That there is disagreement on some issues among Commissioners is not surprising since we represent a great variety of perspectives and since the complex issues of immigration are charged with emotion and special interest. Even though we have disagreed among ourselves in formulating some answers, we have reached consensus on a great many of the questions which faced us. Our basic concern has been the common good which must characterize good U.S. law, and we have tried to recommend policies that would be responsible, equitable, efficient and enforceable.

We have not, of course, answered every question and our answers are far from perfect, but we believe we asked the right questions and that the answers are free from the cant, hypocrisy and racism which have sometimes characterized U.S. immigration policy in years gone by. With that in mind, we hope that our recommendations, in the words of George Washington, "set a standard to which the wise and honest can repair."

Rev. THEODORE M. HESBURGH.

EXECUTIVE SUMMARY—RECOMMENDATIONS OF THE SELECT COMMISSION ON IMMIGRATION AND REFUGEE POLICY

SECTION I. INTERNATIONAL ISSUES

I.A. Better Understanding of International Migration:

The Select Commission recommends that the United States continue to work with other nations and principal international organizations that collect information, conduct research and coordinate consultations on migratory flows and the treatment of international migrants, to develop a better understanding of migration issues.

I.B. Revitalization of Existing International Organizations:

The Select Commission recommends that the United States initiate discussion through an international conference on ways to revitalize existing institutional arrangements for international cooperation in the handling of migration and refugee problems.

I.C. Expansion of Bilateral Consultations:

The Select Commission recommends that the United States expand bilateral consultations with other governments, especially Mexico and other regional neighbors regarding migration.

I.D. The Creation of Regional Mechanisms:

The United States should initiate discussions with regional neighbors on the creation of mechanisms to:

Discuss and make recommendations on ways to promote regional cooperation on the related matters of trade, aid, investment, development and migration;

Explore additional means of cooperation for effective enforcement of immigration laws;

Establish means for mutual cooperation for the protection of the human and labor rights of nationals residing in each other's countries;

Explore the possibility of negotiating a regional convention on forced migration or expulsion of citizens; and

Consider establishment of a regional authority to work with the U.N. High Commissioner for Refugees and the Intergovernmental Committee on Migration in arranging for the permanent and productive resettlement of asylees who cannot be repatriated to their countries of origin.

SECTION II. UNDOCUMENTED/ILLEGAL ALIENS

II.A. Border and Interior Enforcement:

II.A.1. Border Patrol Funding:

The Select Commission recommends that Border Patrol funding levels be raised to the numbers and training of personnel, replacement sensor systems, additional light planes and helicopters and other needed equipment.

II.A.2. Port-of-Entry Inspections:

The Select Commission recommends that port-of-entry inspections be enhanced by increasing the number of primary inspectors, instituting a mobile inspections task force and replacing all outstanding border-crossing cards with a counterfeit-resistant card.

II.A.3. The Select Commission recommends that regional border enforcement posts be established to coordinate the work of the Immigration and Naturalization Service, the U.S. Customs Service, the Drug Enforcement Administration and the U.S. Coast Guard in the interdiction of both undocumented/illegal migrants and illicit goods, specifically narcotics.

II.A.4. Enforcement of Current Law:

The Select Commission recommends that the law be firmly and consistently enforced against U.S. citizens who aid aliens who do not have valid visas to enter the country.

II.A.5. Nonimmigrant Visa Abuse:

The Select Commission recommends that investigations of overstays and student visa abusers be maintained regardless of other investigative priorities.

II.A.6. Nonimmigrant Document Control:

The Select Commission recommends that a fully automated system of nonimmigrant document control should be established in the Immigration and Naturalization Service to allow prompt tracking of aliens and to verify their departure. U.S. consular posts of visa issuance should be informed of non-departures.

II.A.7. Deportation of Undocumented/Illegal Immigrants:

The Select Commission recommends that deportation and removal of undocumented/illegal migrants should be effected to discourage early return. Adequate funds should be available to maintain high levels of alien apprehension, detention and deportation throughout the year. Where possible, aliens should be required to pay the transportation costs of deportation or removal under safeguards.

II.A.8. Training of INS Officers:

The Select Commission recommends high priority be given to the training of Immigration and Naturalization Service officers to familiarize them with the rights of aliens and U.S. citizens and to help them deal with persons of other cultural backgrounds. Further, to protect the rights of those who have entered the United States legally, the Commission also recommends that immigration laws not be selectively enforced in the interior on the basis of race, religion, sex, or national origin.

II.B. Economic Deterrents in the Workplace:

II.B.1. Employer Sanctions Legislation:

The Select Commission recommends that legislation be passed making it illegal for employers to hire undocumented workers.

II.B.2. Enforcement Efforts in Addition to Employer Sanctions:

The Select Commission recommends that the enforcement of existing wage and working standards legislation be increased in conjunction with the enforcement of employer responsibility legislation.

II.C. Legalization:

The Select Commission recommends that a program to legalize illegal/undocumented aliens now in the United States be adopted.

II.C.1. Eligibility for Legalization:

The Select Commission recommends that eligibility be determined by interrelated measurements of residence—date of entry and length of continuous residence—and by specified groups of excludability that are appropriate to the legalization program.

II.C.2. Maximum Participation in the Legalization Program:

The Select Commission recommends that voluntary agencies and community organizations be given a significant role in the legalization program.

II.C.3. Lgalization and Enforcement:

The Select Commission recommends that legalization begin when appropriate enforcement mechanisms have been instituted.

II.C.4. Unqualified Undocument/Illegal Aliens:

The Select Commission recommends that those who are ineligible for a legalization program be subject to the penalties of the Immigration and Nationality Act if they come to the attention of immigration authorities.

SECTION III. THE ADMISSION OF IMMIGRANTS

III.A. Numbers of Immigrants:

III.A.1. Numerical Ceilings on Total Immigrant Admissions:

The Select Commission recommends continuing a system where some immigrants are numerically limited but certain others—such as immediate relatives of U.S. citizens and refugees—are exempt from any numerical ceilings.

III.A.2. Numerically Limited Immigration:

The Select Commission recommends an annual ceiling of 250,000 numerically limited immigrant visas with an additional 100,000 visas available for the first five years to provide a higher ceiling to allow backlogs to be cleared.

III.B. Goals and Structure:

III.B.1. Categories of Immigrants:

The Select Commission recommends the separation of the two major types of immigrants—families and independent (nonfamily) immigrants—into distinct admissions categories.

III.C. Family Reunification:

The Select Commission recommends that the reunification of families continue to play a major and important role in U.S. immigration policy.

III.C.1. Immediate Relatives of U.S. Citizens:

The Select Commission recommends continuing the admission of immediate relatives of U.S. citizens outside of any numerical limitations. This group should be expanded slightly to include not only the spouses, minor children and parents of adult citizens, but also the adult unmarried sons and daughters and grandparents of adult U.S. citizens. In the case of grandparents, petitioning rights for the immigration of relatives do not attach until the petitioner acquires U.S. citizenship.

III.C.2. Spouses and Unmarried Sons and Daughters of Permanent Resident Aliens:

The Select Commission recognizes the importance of reunifying spouses and unmarried sons and daughters with their permanent resident alien relatives. A substantial number of visas should be set aside for this group and it should be given top priority in the numerically limited family reunification category.

III.C.3. Married Sons and Daughters of U.S. Citizens:

The Select Commission recommends continuing a numerically limited preference for the married sons and daughters of U.S. citizens.

III.C.4. Brothers and Sisters of U.S. citizens:

The Select Commission recommends that the present policy of admitting all brothers and sisters of adult U.S. citizens within the numerical limitations be continued.

III.C.5. Parents of Adult Permanent Residents:

The Select Commission recommends including a numerically limited preference for certain parents of adult permanent resident

aliens. Such parents must be elderly and have no children living outside the United States.

III.C.6. Country Ceilings:

The Select Commission recommends that country ceilings apply to all numerically limited family reunification preferences except to that for the spouses and minor children of permanent resident aliens, who should be admitted on a first-come, first-served basis within a worldwide ceiling set for that preference.

III.C.7. Preference Percentage Allocations:

The Select Commission recommends that percentages of the total number of visas set aside for family reunification be assigned to the individual preferences.

II. D. Independent Immigration:

The Select Commission recommends that provision should be made in the immigrant admissions system to facilitate the immigration of persons without family ties in the United States.

III.D.1. Special Immigrants:

The Select Commission recommends that "special" immigrants remain a numerically exempt group but be placed within the independent category.

III.D.2. Immigrants With Exceptional Qualifications:

The Select Commission recognizes the desirability of facilitating the entry of immigrants with exceptional qualifications and recommends that a small, numerically limited category be created within the independent category for this purpose.

III.D.3. Immigrant Investors:

The Select Commission recommends creating a small, numerically limited subcategory within the independent category to provide for the immigration of certain investors. The criteria for the entry of investors should be a substantial amount of investment or capacity for investment in dollar terms, substantially greater than the present $40,000 requirement set by regulation.

III.D.4. Retirees:

The Select Commission recommends that no special provision be made for immigration of retirees.

III.D.5. Other Independent Immigrants:

The Select Commission recommends the creation of a category for qualified independent immigrants other than those of exceptional merit or those who can qualify as investors.

III.D.6. Selection Criteria for Independent Immigrants:

The Select Commission believes that specific labor market criteria should be established for the selection of independent immigrants, but is divided over whether the mechanism should be a streamlining and clarification of the present labor certification procedure plus a job offer from a U.S. employer, or a policy under which independent immigrants would be admissible unless the Secretary of Labor ruled that their immigration would be harmful to the U.S. labor market.

III.D.7. Country Ceilings:

The Select Commission recommends a fixed-percentage limit to the independent immigration from any one country.

III.E. Flexibility in Immigration Policy:

III.E.1. Suggested Mechanism:

The Select Commission recommends that ranking members of the House and Senate subcommittees with immigration responsibilities, in consultation with the Departments of State, Justice, and Labor, prepare an annual report on the current domestic and international situations as they relate to U.S. immigration policy.

SECTION IV. PHASING IN NEW PROGRAMS RECOMMENDED BY THE SELECT COMMISSION

The Select Commission recommends a coordinated phasing-in of the major programs it has proposed.

SECTION V. REFUGEE AND MASS FIRST ASYLUM ISSUES

V.A. The Select Commission endorses the provisions of the Refugee Act of 1980 which cover the definition of refugee, the number of visas allocated to refugees and how these numbers are allocated.

V.A.1. Allocation of Refugee Numbers:

The Select Commission recommends that the U.S. allocation of refugee numbers include both geographic considerations and specific refugee characteristics. Numbers should be provided—not by statute but in the course of the allocation process itself—for political prisoners, victims of torture and persons under threat of death.

V.B. Mass First Asylum Admissions:

V.B.1. Planning for Asylum Emergencies:

The Select Commission recommends that an interagency body be established to develop procedures, including contingency plans for opening and managing federal processing centers, for handling possible mass asylum emergencies.

V.B.2. Determining the Legitimacy of Mass Asylum Claims:

The Select Commission recommends that mass asylum applicants continue to be required to bear an individualized burden of proof. Group profiles should be developed and used by processing personnel and area experts (see V.B.4.) to determine the legitimacy of individual claims.

V.B.3. Developing and Issuing Group Profiles:

The Select Commission recommends that the responsibility for developing and issuing group profiles be given to the U.S. Coordinator for Refugee Affairs.

V.B.4. Asylum Admissions Officers:

The Select Commission recommends that the position of asylum admissions officer be created within the Immigration and Naturalization Service. This official should be schooled in the procedures and techniques of eligibility determinations. Area experts should be made available to these processing personnel to provide information on conditions in the source country, facilitating a well-founded basis for asylum determinations.

V.B.5. Asylum Appeals:

The Select Commission holds the view that in each case a simple asylum appeal be heard and recommends that the appeal be heard by whatever institution routinely hears other immigration appeals.

V.C. Refugee Resettlement:

The Select Commission endorses the overall programs and principles of refugee resettlement but takes note of changes that are needed in the areas of cash and medical assistance programs, strategies for resettlement, programs to promote refugee self-sufficiency and the preparation of refugee sponsors.

V.C.1 State and Local Governments:

The Select Commission recommends that state and local governments be involved in planning for initial refugee resettlement and that consideration be given to establishing a federal program of impact aid to minimize the financial impact of refugees on local services.

V.C.2. Refugee Clustering:

The Select Commission recommends that refugee clustering be encouraged. Mechanisms should be developed, particularly within the voluntary agency network, to settle ethnic groups of similar backgrounds in the same areas.

V.C.3. Resettlement Benefits:

The Select Commission recommends that consideration be given to an extension of federal refugee assistance reimbursement.

V.C.4. Cash-Assistance Programs:

The Select Commission recommends that stricter regulations be imposed on the use of cash-assistance programs by refugees.

V.C.5. Medical-Assistance Programs:

The Select Commission recommends that medical assistance for refugees should be more effectively separated from cash-assistance programs.

V.C.6. Resettlement Goals:

The Select Commission recommends that refugee achievement of self-sufficiency and adjustment to living in the United States be reaffirmed as the goal of resettlement. In pursuance of this goal, "survival" training—the attainment of basic levels of language and vocational skills—and vocational counseling should be emphasized. Sanctions (in the form of termination of support and services) should be imposed on refugees who refuse appropriate job offers, if these sanctions are approved by the voluntary agency responsible for resettlement, the cash-assistance source and, if involved, the employment service.

V.C.7. Sponsors:

The Select Commission recommends that improvements in the orientation and preparation of sponsors be promoted.

V.D. Administration of U.S. Refugee and Mass Asylum Policy:

V.D.1. Streamlining of Resettlement Agencies:

The Select Commission recommends that the Administration, through the office of the Coordinator for Refugees, be directed to examine whether the program of resettlement can be streamlined to make government participation more responsive to the flow of refugees coming to this country. Particular attention should be given to the question of whether excessive bureaucracy has been created, although inadvertantly, pursuant to the Refugee Act of 1980.

V.D.2. U.S. Coordinator for Refugee Affairs:

The Select Commission recommends that the office of the U.S. Coordinator for Refugee Affairs be moved from the State Department and be placed in the Executive Office of the President.

SECTION VI. NONIMMIGRANT ALIENS

VI.A. Nonimmigrant Adjustment to Immigrant Status:

The Select Commission recommends that the present system under which eligible nonimmigrants and other aliens are permitted to adjust their status into all immigrant categories be continued.

VI.B. Foreign Students:

VI.B.1. Foreign Student Employment:

The Select Commission recommends that the United States retain current restrictions on foreign student employment, but expedite the processing of work authorization requests; unauthorized student employment should be controlled through the measures recommended to curtail other types of illegal employment.

VI.B.2. Employment of Foreign Student Spouses:

The Select Commission recommends that the spouses of foreign students be eligible to request employment authorization from the Immigration and Naturalization Service under the same conditions that now apply to the spouses of exchange visitors.

VI.B.3. Subdivision of the Foreign Student Category:

The Select Commission recommends dividing the present all-inclusive F–1 foreign student category into subcategories: a revised F–1 class for foreign students at academic institutions that have foreign student programs and have demonstrated their capacity for responsible foreign student management to the Immigration and Naturalization Service; a revised F–2 class for students at other academic institutions authorized to enroll foreign students that have not yet demonstrated their capacity for responsible foreign student management and a new F–3 class for language or vocational students. An additional F–4 class would be needed for the spouses and children of foreign students.

VI.B.4. Authorization of Schools to Enroll Foreign Students:

The Select Commission recommends that the responsibility for authorizing schools to enroll foreign students be transferred from the Immigration and Naturalization Service to the Department of Education.

VI.B.5. Administrative Fines for Delinquent Schools:

The Select Commission recommends establishing a procedure that would allow the Immigration and Naturalization Service to impose administrative fines on schools that neglect or abuse their foreign student responsibilities (for example, failure to inform INS of changes in the enrollment status of foreign students enrolled in their schools).

VI.C. Tourists and Business Travelers:

VI.C.1. Visa Waiver for Tourists and Business Travelers from Selected Countries:

The Select Commission recommends that visas be waived for tourists and business travelers from selected countries who visit the United States for short periods of time.

VI.C.2. Improvement in the Processing of Intracompany Transferee Cases:

The Select Commission recommends that U.S. consular officers be authorized to approve the petitions required for intracompany transfers.

VI.D. Medical Personnel:

VI.D.1. Elimination of the Training Time Limit for Foreign Medical School Graduates:

The Select Commission recommends the elimination of the present two- to three-year limit on the residency training of foreign doctors.

VI.D.2. Revision of the Visa Qualifying Exam for Foreign Doctors:

The Select Commission recommends that the Visa Qualifying Exam (VQE) be revised to deemphasize the significance of the Exam's Part I on basic biological science.

VI.D.3. Admission of Foreign Nurses as Temporary Workers:

The Select Commission recommends that qualified foreign nurses continue to be admitted as temporary workers, but also recommends that efforts be intensified to induce more U.S. nurses who are not currently practicing their professions to do so.

VI.D.4. Screening of Foreign Nurses Applying for Visas:

The Select Commission recommends that all foreign nurses who apply for U.S. visas continue to be required to pass the examination of the Commission on Graduates of Foreign Nursing Schools.

VI.E. H-2 Temporary Workers:

The Department of Labor should recommend changes in the H-2 program which would improve the fairness of the program to both U.S. workers and employers. Proposed changes should:

Improve the timeliness of decisions regarding the admission of H-2 workers by streamlining the application process;

Remove the current economic disincentives to hire U.S. workers by requiring, for example, employers to pay FICA and unemployment insurance for H-2 workers; and maintain the labor certification by the U.S. Department of Labor.

The Commission believes that government, employers, and unions should cooperate to end the dependence of any industry on a constant supply of H-2 workers. The above does not exclude a slight expansion of the program.

VI.F. Authority of the Attorney General to Deport Nonimmigrants:

The Select Commission recommends that greater statutory authority be given to the Attorney General to institute deportation proceedings against nonimmigrant aliens when there is conviction for an offense subject to sentencing of six months or more.

SECTION VII. ADMINISTRATIVE ISSUES

VII.A. Federal Agency Structure:

The Select Commission recommends that the present federal agency structure for administering U.S. immigration and nationality laws be retained with visa issuance and the attendant policy and regulatory mechanisms in the Department of State and domestic operations and the attendant policy and regulatory mechanisms in the Immigration and Naturalization Service of the Department of Justice.

VII.B. Immigration and Naturalization Service:

VII.B.1. Service and Enforcement Functions:

The Select Commission recommends that all major domestic immigration and nationality operations be retained within the Immigration and Naturalization Service, with clear budgetary and organizational separation of service and enforcement functions.

VII.B.2. Head of the INS:

The Select Commission recommends that the head of the Immigration and Naturalization Service be upgraded to director at a level similar to that of the other major agencies within the Department of Justice and report directly to the * * *

VII. B. 3. Professionalism of INS Employees:

The Select Commission recommends the following actions be taken to improve the responsiveness and sensitivity of Immigration and Naturalization Service employees:

Establish a code of ethics and behavior for all INS employees.

Upgrade employee training to include meaningful courses at the entry and journeymen levels on ethnic studies and the history and benefits of immigration.

Promote the recruitment of new employees with foreign language capabilities and the acquisition of foreign language skills in addition to Spanish—in which all officers are now extensively trained—for existing personnel.

Sensitize employees to the perspectives and needs of the persons with whom they come in contact and encourage INS management to be more sensitive to employee morale by improving pay scales and other conditions of employment.

Reward meritorious service and sensitivity in conduct of work.

Continue vigorous investigation of and action against all serious allegations of misfeasance, malfeasance and corruption by INS employees.

Give officers training to deal with violence and threats of violence.

Strengthen and formalize the existing mechanism for reviewing administrative complaints, thus permitting the Immigration and Naturalization Service to become more aware of and responsive to the public it serves.

Make special efforts to recruit and hire minority and women applicants.

VII. C. Structure for Immigration Hearings and Appeals:

Article I Court:

The Select Commission recommends that existing law be amended to create an immigration court under Article I of the U.S. Constitution.

VII.C.2. Resources for Article I Court:

The Select Commission urges that the court be provided with the necessary support to reduce existing backlogs.

VII.D. Administrative Naturalization:

The Select Commission recommends that naturalization be made an administrative process within the Immigration and Naturalization Service with judicial naturalization permitted when practical and requested. It further recommends that the significance and meaning of the process be preserved by retaining meaningful group ceremonies as the forum for the actual conferring of citizenship.

VII. E. Review of Consular Decisions:

The Select Commission recommends that the existing informal review system for consular decisions be continued but improved by enhancing the consular post review mechanism and using the State Department's visa case review and field support process as tools to ensure equity and consistency in consular decisions.

VII.F. Immigration Law Enforcement by State and Local Police:

The Select Commission recommends that state and local law enforcement officials be prohibited from apprehending persons on immigration charges, but further recommends that local officials continue to be encouraged to notify the Immigration and Naturalization Service when they suspect a person who has been arrested for a violation unrelated to immigration to be an undocumented/illegal alien.

SECTION VIII. LEGAL ISSUES

VIII.A. Powers of Immigration and Naturalization Officers:

VIII.A.1. Temporary Detention for Interrogation:

The Select Commission recommends that statutes authorizing Immigration and Naturalization Service enforcement activities for other than activities on the border clearly provide that Immigration and Naturalization Service Officers may temporarily detain a person for interrogation or a brief investigation upon reasonable cause to believe (based upon articulable facts) that the person is unlawfully present in the United States.

VIII.A.2. Arrests With and Without Warrants:

The Select Commission recommends that:

Arrests, effected with or without the authority of a warrant, should be supported by probable cause to believe that the person arrested is an alien unlawfully present in the United States.

Warrantless arrests should only be made when an INS officer reasonably believes that the person is likely to flee before an arrest warrant can be obtained.

Arrest warrants may be issued by the Immigration and Naturalization Service District Directors or Deputy District Directors, the heads of suboffices and Assistant District Directors for Investigations acting for the Attorney General.

Persons arrested outside the border area without a warrant should be taken without unnecessary delay before the Immigration and Naturalization Service District Director, Deputy District Director, head of suboffice or Assistant Director for Investigations acting for the Attorney General or before an immigration judge who will determine if sufficient evidence exists to support the initiation of deportation proceedings. With respect to arrests at the border, persons arrested without a warrant should be taken without unnecessary delay before an immigration judge or a supervisory responsible Immigration and Naturalization Service official who will determine whether sufficient evidence exists to support the initiation of deportation proceedings.

VIII.A.3. Searches for Persons and Evidence:

The Select Commission recommends that the Immigration and Nationality Act include provisions authorizing Immigration and Naturalization Service officers to conduct searches:

With probable cause either under the authority of judicial warrants for property and persons, or in exigent circumstances;

Upon the receipt of voluntary consent at places other than residences;

When searches pursuant to applicable law are conducted incident to a lawful arrest; or

At the border.

VIII.A.4. Evidence Illegally Obtained:

The Select Commission recommends that enforcement officials using illegal means to obtain evidence should be penalized. The evidence thus obtained should not be excluded from consideration in deportation cases.

VIII.B. Right to Counsel:

VIII.B.1. The Right to Counsel and Notification of that Right:

The Select Commission recommends that the right to counsel and notification of that right be mandated at the time of exclusion and deportation hearings and when petitions for benefits under the INA are adjudicated.

VIII.B.2. Counsel at Government Expense:

The Select Commission recommends amending the current law to provide counsel at government expense only to permanent resident aliens in deportation or exclusion hearings, and only when those aliens cannot afford legal counsel and alternative sources of free legal services are not available.

VIII.C. Limits on Deportation:

VIII.C.1. Revision of Section 244 of the Immigration and Nationality Act:

The Select Commission recommends that the words "extreme hardship" in Section 244 of the Immigration and Nationality Act be changed to "hardship." And that the reference to congressional confirmation of suspension of deportation be eliminated from this section.

VIII.C.2. Long-Term Permanent Residence as a Bar to Deportation:

The Commissioners did not reach a consensus on this issue.

VIII.D. Exclusions:

VIII.D.1. Grounds for Exclusion:

The Select Commission believes that the present exclusionary grounds should not be retained. The Select Commission recommends that Congress reexamine the grounds for exclusion set forth in the INA.

VIII.D.2. Reentry Doctrine:

The Select Commission recommends that the reentry doctrine be modified so that returning lawful permanent resident aliens (those who have departed from the United States for temporary purposes) can reenter the United States without being subject to the exclusion laws, except the following:

Criminal grounds for exclusion (criminal convictions while abroad);

Political grounds for exclusion;

Entry into the United States without inspection; and

Engaging in persecution.

SECTION IX. LANGUAGE REQUIREMENT FOR NATURALIZATION

The Select Commission recommends that the current English-language requirement for naturalization be retained, but also recommends that the English-language requirement be modified to provide a flexible formula that would permit older persons with many years of permanent residence in the United States to obtain citizenship without reading, writing or speaking English.

SECTION X. TREATMENT OF U.S. TERRITORIES UNDER U.S. IMMIGRATION AND NATIONALITY LAWS

The Select Commission recommends that U.S. law permit, but not require, special treatment of all U.S. territories.

STATEMENT OF SENATOR EDWARD M. KENNEDY ON REPORT OF THE SELECT COMMISSION ON IMMIGRATION POLICY

At the first meeting of the Select Commission two years ago, I noted that our mandate touched the heart of what American is today and will be tomorrow. For immigration is both America's past and future.

Immigration demonstrates the confidence in the continuing promise of our land. It honors our traditional concern for family reunion. It strengthens the economic and cultural life of our country. And it assures that America will always be a home for the homeless.

However, the Select Commission was created by Congress with the clear recognition that our current immigration laws and policies are out of date and inadequate to handle the world migration pressures of our time.

Our task as members of the Commission has been to consider immigration policy in light of America's basic interests, with full regard for our immigrant heritage and our humanitarian tradition. The Commission has succeeded in this difficult task. Its work, its findings and recommendations, and the extensive research material and staff reports represent the most significant and thoughtful study of American immigration law in three decades. Its work has laid the basis for Congressional action this year on reforms that are long overdue.

The Commission did not come to complete agreement on a number of significant points. Many contentious issues remain. My votes have supported the thrust of the Commission's work and I agree with most of the Commission's recommendations. However, I would like to note some areas of disagreement and offer some additional comments.

INTERNATIONAL COOPERATION

I fully concur in the Commission's finding that there must be increased international cooperation on world migration and refugee problems. The United States must provide leadership in revitalizing existing international organizations that deal with migrants and refugees.

We must strengthen international mechanisms to deal with the growing tide of refugees. The focal point in any such effort must be the United Nations High Commissioner for Refugees. The High Commissioner's role is crucial in our effort to assist and protect refugees. Yet, the UNHCR labors under many limitations flowing from his mandate, which was basically fashioned after World War II and in the protocol to the U.N. Convention Relating to the Status of Refugees concluded over 14 years ago. The last major effort to mobilize worldwide attention on refugee problems occurred over 20 years ago during the World Refugee Year of 1959.

Since then, there has been an enormous increase in the number of refugees. Relief and resettlement needs have grown dramatically. The complexity of refugee problems has consistently outpaced the ability of governments to respond. Yet the powers of the High Commissioner have remained unchanged.

I support the Select Commission's call for an international conference on refugees, to focus attention on world refugee problems and to review the mandate and authority of the UNHCR and other international agencies involved in refugee programs.

THE 1980 REFUGEE ACT

In the meantime, here at home, the Refugee Act of 1980 gives us the tools to deal with the resettlement needs of refugees of special concern to the United States. I strongly support the overwhelming vote of the Commission endorsing the general provisions of the Refugee Act. It provides a flexible framework for admitting and resettling refugees, and it has been a catalyst for reforming and strengthening the resettlement process. As the report notes, further administrative changes must be made for greater efficiency, but these can be accomplished under the Act without new legislation.

Some have voiced criticism of the Refugee Act. One area of controversy involves the number of refugees eligible for admission under the Act. Implicit in this controversy is the criticism that too many refugees have been admitted under the Act.

But nothing in the Act requires the United States to admit any refugees. The Act was adopted by Congress to improve the framework for resolving the public policy issue of how many refugees, and which refugees, should be admitted to this country.

The Act has worked. It has succeeded in facilitating this process. It has helped to resettle refugees of special concern to the United States in a more humane and effective way. It has increased Congressional control, without impairing the nation's ability to respond to refugee emergencies.

Some have suggested that the Act should be blamed for the difficulty in dealing with the Cuban and Haitian refugee crisis last year. That criticism is unwarranted. The Refugee Act was never used by the government in dealing with that crisis. It was deliberately by-passed. At the time, I urged the Administration to invoke the procedures of the Act. The Cuban and Haitian crisis involved a flow of people to our shores unprecedented in its character and its diplomatic complexity. The Act was designed for such situations, and it should have been used.

AMERICA'S NEIGHBORS

I strongly endorse the Commission's recommendation that the United States should expand bilateral consultation to promote cooperation on migration and refugee issues in the Western Hemisphere—especially with our neighbors, Canada and Mexico. These two nations deserve special consideration in our policies. I support higher immigration quotas for each nation. I also support proposals to expand and facilitate the movement of non-immigrants across the Canadian and Mexican borders.

If we are to achieve greater cooperation with our neighbors, we must consult and agree in advance, before our immigration policies are set. The past teaches that barbed wire fences do not make good neighbors. Immigration is not solely a domestic issue. It is a bilateral and international concern as well.

UNDOCUMENTED ALIENS

I support the Commission's view that we need new measures to cope with the flow of undocumented aliens. The United States cannot have a policy that permits an uncontrolled flow of immigrants. But any controls—and their enforcement—must be fair and humane.

One of the concerns expressed over the Commission's recommendations in this area has been that the Commission is unduly preoccupied with closing the border and with enforcement, rather than facilitating entry or safeguarding rights under the law. I share this concern, especially as it reflects the continuing need for more scrupulous sensitivity to the fundamental civil rights of Hispanic-Americans.

In most areas, however, the Commission's votes and actions reflect this sensitivity and embrace generous and humane proposals for dealing with immigration problems. For example, the Commission voted unanimously to support a flexible program to adjust the status of undocumented aliens already leading productive lives in the United States. The Commission's votes and discussions indicate a clear recognition that, for an amnesty program to work, it must be comprehensive, it must reach out to as many undocumented aliens as possible, and it must have as few exclusions as possible. Only in this way will undocumented aliens come forward.

One of the most serious omissions in the Commission's votes was the failure to specify a period of continuous residence for undocumented aliens to qualify under the legalization program. In earlier "straw ballots" of the Commission, most Commissioners voted for two years from the time of the Commission's report, some calling for one year, and no one calling for more than three to four years. It would be my view that the continuous residence requirement should be no more than one year prior to January 1, 1980.

Also I believe it would be inadvisable to attempt to deport those undocumented aliens who do not meet the specified resi-

dence requirement. A special temporary status could be authorized for those who are not otherwise excludable and who wish to work in the United States. At some point they, too, should be eligible to adjust their status.

Finally, I agree that increased enforcement efforts must be undertaken as part of the overall reforms the Commission is recommending. But this does not mean that the legalization program should be delayed until the implementation of all the other short-run and long-run administrative and enforcement procedures recommended by the Commission. Rather, the legalization program should be undertaken at the same time new enforcement efforts are initiated and funds are authorized. To delay the program beyond this period would only exacerbate the enforcement problems.

EMPLOYER SANCTIONS

Legal sanctions against employers are essential as a matter of fairness. Sanctions under current law fall solely on the undocumented aliens, not on the employers who may be exploiting them. I favor sanctions against employers who engage in pattern-and-practice hiring of undocumented aliens. The government should have this enforcement tool to deal with the serious problem of exploitation by employers of undocumented aliens.

Part of the incentive to hire undocumented aliens is their willingness to accept substandard wages and working conditions. We must therefore intensify the enforcement of existing laws, including the minimum wage, OSHA, the Fair Labor Standards Act, social security insurance, unemployment insurance, and Title VII of the Civil Rights Act. Vigorous and effective enforcement of these laws will reduce the incentive for employers to hire undocumented workers.

I oppose the establishment of a new national employee eligibility card or data-bank system. These sweeping proposals are extremely costly. There are questions whether taken alone, these measures would substantially stem the flow of illegal aliens. And they present serious threats to privacy and civil liberties. Until these doubts are dispelled, existing identification documents and procedures can and should be used to determine employment eligibility.

One obvious step is to make the Social Security system and card less susceptible to misuse so that it can be used as an effective fraud-proof form of employee identification. The General Accounting Office has recently recommended that the Social Security card needs to be strengthened to protect the integrity of the Social Security system itself. Over a reasonable period of time we should take the necessary steps to protect the social security number and establish penalties for its fraudulent use. This step will benefit the Social Security system. It will also avoid the need for launching a costly, new identification system for employment eligibility purposes.*

*The General Accounting Office report, issued on December 23, 1980, makes clear the social security number is already used extensively for identification purpcses. It can and should, therefore, be used for employment identification if steps are taken to strengthen the Social Security Administration and protect the use of the identification number. Below is the GAO listing of some of the current uses of the social security card by public and private entities:

1. 70 percent of the States now use the social security number (SSN) for driver's licensing purposes.

2. Several States use the SSN as one of the identifiers or authenticators in a cooperative, date-sharing network linked with the F.B.I.

3. The National Driver's Register of the U.S. Dept. of Transportation used the SSN.

4. Florida and Utah use the SSN for statewide, educational recordkeeping for high schcol students.

5. The SSN is used in some instance for vendor identification, for fishing or hunting licenses.

6. Students are sometimes required to use the SSN when applying for the "college board" exams.

7. Many colleges and universities use the SSN for student admission and recordkeeping.

8. Credit bureaus use the SSN in their data banks as an identifier or authenticator.

9. Many employers, including the U.S. Senate, use the SSN for employee recordkeeping and identification.

10. In addition, the GAO found the SSN is required to:

Attend a meeting or social function at the White House;
Join the Chamber of Commerce or Jaycees;
Take out an insurance policy;
Fi'e an insurance claim;
Obtain benefits from an estate or trust;
Obtain a home mortgage or loan;
Check into a hospital;
Purchase or obtain title to an automobile;
Register to vote;
Install a telephone;
Argue a case before the Supreme Court;
Contribute to charitable organizations through payroll deductions;
Register a motor vehicle;
Obtain a library card; or
Give blood.

INCREASED CEILINGS FOR IMMIGRATION

I strongly support the revision of the current preference system to reflect our essential and traditional priorities for the admission of immigrants, such as family reunion, the relief of refugees, and those who will contribute to the economic development and cultural enrichment of our country.

I support the modest increase in the annual immigration ceiling to accommodate these priorities and to end the backlogs under the existing system. The proposed 350,000 ceiling is a reasonable target for current immigration policy. In fact, it is less than what is necessary for our country to achieve zero population growth in 40 years at current fertility levels.

No ceiling should be placed on immediate family reunion cases. To do so would be to impose serious and unfair burdens on the rights of American citizens. The admission of refugees can be adequately controlled under the Refugee Act, which requires annual consultations and annual budgetary actions by Congress before refugees can be admitted.

TEMPORARY WORKERS

I support the unanimous view of the Commission that there is no sound basis for a vastly expanded temporary worker program. Adoption of the amnesty recommendation and implementation of the new immigration system will result in the admission of significant numbers of additional immigrants and an adjustment in the status of up to three million aliens already in this country.

Until the impact of these changes is assessed, there is no justification for a large new temporary worker program. If, over time, there is a need for temporary labor, the Congress can and should address the issue. There is no justification for such action at this time. The flow of undocumented workers from Mexico cannot be stemmed by a temporary worker program. And any such program would have serious consequences for American labor that must be fully studied before any such step is taken.

The existing need for temporary workers can be met by streamlining the current H-2 program and making it more effective. I concur in Secretary of Labor Marshall's recommendations on implementing the labor certification process.

LEGAL ISSUES

I regret that the Commission did not vote on the suggestions for reforming the current exclusion provisions in the law. The work of the staff and the Commission's Subcommittee, led by Attorney General Civiletti and Congresswoman Holtzman, offered reasonable proposals for overhauling the archaic and harsh provisions of Section 212(a) of the Immigration and Nationality Act. Grounds for exclusion should be carefully designed to exclude only those who are deemed a threat to our national security or to public health, safety and welfare. Non-immigrants—such as those visiting this country as tourists or for professional purposes—should not be excluded except on grounds relating to security or criminal conduct. Ideological grounds of exclusion are repugnant to the American tradition of liberty and individual freedom.

CONCLUSION

As the Commission concludes its work, it is well for us to remember again the comment of Oscar Handlin when he began his study, the Uprooted: "Once I thought to write a history of the immigrants in America. Then I discovered that the immigrants were American history."

I am confident that they will remain a part of our nation's future because of this Commission's work. I hope that our recommendations will be promptly implemented so that we can fulfill the bright future of our immigrant heritage.●

THE REAGAN ECONOMIC PROGRAM

● Mr. PELL. Mr. President, President Reagan has presented to Congress an unusual and dramatic economic program. Because of the importance of the proposal, it deserves and requires, I believe, a more reasoned response than simple approval or rejection, particularly from the Senate Democratic minority, which has a major responsibility for critical analysis.

Indeed, President Reagan, to his credit, challenged Members of Congress to offer alternative policies if they could not support his program in its entirety.

It is in that constructive spirit that I offer my points of agreement, and disagreement, with the President's proposals, and some alternative policies, which would still provide large budget cuts, but would reduce the proposed Federal spending deficit by one-third.

I agree fully with the President's economic objectives—control inflation, promote sound economic growth, and improve the productivity and competitiveness of American industry.

The President is right, also, that to achieve these objectives we must restrain the growth of Federal Government spending and make absolute cuts in many programs. We must not permit Federal Government spending to grow faster than Federal Government income, nor should Federal Government spending grow faster than our overall national economy.

I agree, also, that the Federal Reserve should be encouraged to reduce the growth of the money supply and credit. This is particularly important when we consider that business and consumer debt has multiplied at twice the growth

rate of the Federal Government debt during the past 20 years.

I am concerned, however, that the President's program may not achieve all of those objectives and, unless modified, runs a serious risk of adding to both unemployment and inflation.

These are my concerns:

First, I am astounded that this conservative administration, knowing that budget deficits can fuel inflation, has proposed a whopping $45 billion deficit for the coming fiscal year. This deficit would be 60 percent bigger and $17 billion more than the deficit projected by President Carter for the same year. Controlling inflation is our highest economic priority, and the administration's proposal for a $45 billion deficit is going to make control of inflation much, much harder.

My second concern with the Reagan program is the very large increase proposed for defense spending. The administration proposes an increase of $30 billion. That is an increase of almost 20 percent in 1 year and a full 11½ percent after inflation is discounted. This huge increase in defense spending is one of the major reasons for the big spending deficit proposed by the administration. Much of this defense increase will be paid for through inflationary deficit financing.

Defense spending must be increased to meet our legitimate national security needs. I have voted for the past 2 years for defense spending increases of 3 percent over and beyond inflation, but I am unconvinced that a $30 billion increase can be used effectively and efficiently to increase our real national security. If this money is approved, we will see rapid inflation in the costs of weapon systems because defense industries are just not geared up to produce on this scale. Too much and too fast in defense spending means waste, inflation, and a larger deficit.

We should not be led into excessive defense spending solely by comparisons with Soviet Union defense spending, which often is overstated by using American cost factors instead of actual, lower Soviet costs.

My third concern with the Reagan program is the size of the tax cut. A $54 billion tax cut in a budget that is $45 billion in the red makes no economic sense. Just as the Federal Government cannot spend money like water, neither can the Government throw tax reductions around like water without risking higher inflation. We do need carefully targeted tax cuts and especially accelerated depreciation for business to increase investment. We also need tax cuts for individuals to offset the impact of higher social security withholding and inflation. But I believe the individual tax reductions proposed by the President are too large and tilted too much in favor of the well off. A full 70 percent of the reduction in individual taxes would go to taxpayers making over $25,000 a year.

My final concern with the Reagan administration program is the depth and severity of some of the budget cuts. As I have said before, Government programs need pruning to bring spending back within our means. But, some of the budget reductions are ill-advised and too severe. Education programs are one example. The education of our youngsters remains the best capital investment we can make—and one with a remarkably high cost-benefit value. In many cases, the budget cuts at the Federal Government level will simply add a new burden to State and local governments and school districts. Taking spending out of the Federal budget and putting it on local governments does nothing to reduce the burden on the taxpayer or on the economy.

In other cases proposed budget cuts will mean a saving for the Government budget, but a new burden for hard-pressed family budgets. And, in some cases, the budget cuts are fully justified.

In many cases neither the administration, the Congress, nor the public has had a chance to study and understand the full implication of the proposed reductions.

What is deeply troubling to me is the rationale offered by the administration for many of these budget cuts.

It is clear that many policymakers in this administration do not believe that the Federal Government has any role in assuring that Americans have adequate food, decent housing, jobs, basic health care, and educational opportunity.

It is here that I have a fundamental disagreement with the Reagan administration. I believe the Government has a very significant responsibility in trying to assure us that these basic requirements of decent human existence are met.

While I have served in the Senate during the past 20 years, the Federal Government has done much to make a better life possible for all Americans of all economic levels, of all races, in all regions of the Nation. The evidence can be seen in statistics of improved family income, increased education, better health care, and a vast increase in jobs. We are today a far wealthier nation than we were 20 years ago, and that wealth has been broadly shared among all Americans.

Today we face new economic problems, and it is necessary to cut back Government programs. But it should be clear that these programs did not cause our economic problems. They must be cut because of economic and budget necessity, not because they are wrong.

I want to support our President; I intend to support him when I believe he is right—and I want him to be right.

It is because of this that I offer modifications to the President's program, which I believe make it economically sounder.

First, increase defense spending by $20 billion, instead of $30 billion, providing a full 5-percent increase over and above inflation.

Second, provide a tax cut to individuals of $25 billion, instead of the $42 billion proposed. The American people have indicated repeatedly that they will forego a tax cut to combat inflation.

Third, cut nondefense spending by $30 billion instead of the $41 billion proposed. This would still be a cut of unprecedented dimensions in nondefense spending and would require belt tightening and more than symbolic cuts in many programs that are of real value.

With these modifications, the projected deficit for 1982 would be about $29 billion—or about one-third less than the deficit proposed by the President for 1982.

This program would be more conservative than the administration's program. And while it might lose something in shock value, it is more prudent and avoids the very real inflationary risks posed by a deficit, tax cuts, and defense spending increases that are just too large.●

COMMONSENSE ON EL SALVADOR

● Mr. KENNEDY. Mr. President, earlier this week I expressed my opposition to military intervention from the United States and all other outside sources in El Salvador and proposed a negotiated political solution for this tragic conflict.

The Boston Globe recently published a thoughtful editorial along these lines. The Globe warns that—

> The Administration is moving sharply closer to a regime that may be relying heavily on terror tactics in dealing with the general population.

In a very cogent article in the New York Times, Prof. Richard Ullman, of Princeton University, also warns that—

> The costs in Salvadoran lives and perhaps our own, too, and to the United States' reputation will be gigantic.

Mr. President, I believe that these views deserve the most serious attention of the administration and Congress as we formulate our future policies toward El Salvador and both Latin America and the Third World as a whole. I request that the Boston Globe editorial of February 24, entitled "Reagan and El Salvador" and Professor Ullman's article entitled "Saving Salvador" from the February 25 issue of the New York Times, be printed in the RECORD.

The articles follow:

[From the Boston Globe, Feb. 24, 1981]

REAGAN AND EL SALVADOR

In some respects the world would be an easy place in which to live if Ronald Reagan turned out to be right that the fighting in El Salvador was the result of arming of rebels by Cuba. Cutting off the supplies, which might be achieved, would mean an end to the fighting.

Such a scenario would also presumably produce political tranquility in a troubled country. Lacking the divisiveness that the Reagan Administration says is being imposed on El Salvador by Cuban and Soviet agentry, all the parties would be more apt to accommodate each other.

The trouble is that there are very strong indications that even if the Cuban arms flow stops, fighting probably will not end. Unless or until there are fundamental economic and political reforms, the conflict in El Salvador will surely endure.

The Administration appears embarked on a course that involves risks for itself as well as El Salvador. The taking of risks is perfectly proper in many situations; one only wishes that the odds were better in this situation.

First, the Administration is moving sharply closer to a regime that may be relying heavily on terror tactics in dealing with the general population. Ugly reports, including some from members of the U.S. Congress who have recently visited Central America, indicate that the Salvadoran army is participating in attacks on civilians that, in fact, drive them into the arms of the rebels

out of a sense of desperation. The danger is that the Salvadoran army, which seems to have a mind of its own, will misread American opposition to Cuban aid for rebels as support for its own misdeeds and thereby only make the lives of all Savadorans more hazardous.

Second, the Administration is complicating relations with some of our allies. The Mexicans, who are fully as interested in developments in El Salvador as the United States, do not accept the Reagan view of events or of Cuba and have been careful to say so in recent days. The difference could complicate US-Mexican relations on other issues, including our nascent energy trade.

Third, the ambiguous threats of American intervention in the El Salvador question may be seized upon by the Soviet Union as justification for some adventure of its own, notably in Poland. Soviet propaganda has increasingly attributed Polish unrest to outside provocation and assistance. It would be sad indeed if the gains of the Polish Solidarity movement were squandered through American miscalculation in El Salvador.

Last, the truculent tone of the Reagan Administration in facing the Soviet Union should not be carried too far. As new players in the game, the Administration might understandably want to dispel any notions in Moscow that it will be a pushover in any dispute. That tactic should not blind the Administration to the fact that the Soviet Union itself could be close to changes in leadership and that unnecessary conflict only tends to strengthen the hawks in Soviet circles.

El Salvador is a deeply wounded country. Last year more than 10,000 persons were slain by private and public armies of the left and right. Deeply poor and long dominated by an entrenched autocracy, El Salvador's future depends on peace, compromise and reform. The Reagan moves have the odor of polarization and division that suggest the Salvadoran anguish will not soon end.

[From the New York Times, Feb. 25, 1981]

SAVING SALVADOR

(By Richard H. Ullman)

PRINCETON, N.J.—The Administration seems headed toward disaster in El Salvador. Its obsessive concern to demonstrate that the United States can no longer be pushed around by the Soviet Union and Cuba has tied our prestige to the survival of a brutal military regime. In so doing, it is inviting a confrontation from which, no matter what the outcome, Moscow will emerge a winner.

Our standing—in the eyes of much of the rest of the world, and perhaps even in those of our own people—will surely diminish. The ultimate losers will be those whom the Administration in its simplistic Realpolitik has overlooked: El Salvador's four million people.

The Soviet Union will emerge enhanced because governments and publics in many countries, including Mexico and Western Europe, seem to believe that the Salvadoran rebels, who now enjoy Moscow's and Havana's support, are much more worthy of support than the regime they oppose. Thus, if large-scale United States assistance saves the junta, Washington will be accused of again stifling a "progressive third-world revolution." On the other hand, now that Washington's prestige is engaged, an insurgent victory will seem yet another sign of declining United States power. For Moscow, no matter what the outcome, the applause of much of the third world will come as a welcome diversion from the opprobrium that has rightly attached to its brutal intervention in Afghanistan.

Like the Carter White House, the Reagan Administration purports to regard the junta as courageous centrists battling repression from left and right. But the overwhelming evidence is that whatever democratic center there may have been exists no longer. Its fragile chances were snuffed out with the lives of six civilian opposition leaders rounded up by army units in November and executed, just as nearly every other voice for moderation—including many priests and an archbishop—have similarly been silenced. And the land reform on which Washington has placed its bets for weaning the rural poor from the insurgents has proved largely a sham, as much undermined in the countryside by the army as ballyhooed by the junta.

Yet the Administration has firmly nailed its flag to the junta's mast. No longer can there be a graceful exit. Our military mission in El Salvador has doubled; the flow of arms will surely double, too. But the Pentagon's own analysis is said to conclude that the junta is not capable by itself of putting down the insurgency even with vastly enhanced resources. So the next steps will surely include a gradual assumption of more active roles by our own forces. They will fly the helicopters that ferry Salvadorans into battle. They will operate electronic sensors to detect the influx of arms. And when they begin to die in combat, the Administration will find its prestige even more irrevocably on the line.

El Salvador is not Vietnam, however. "Our side" will almost surely win. But the costs, in Salvadoran lives and perhaps our own, too, and to the United States' reputation will be gigantic. And the sparks of revolution will have ample tinder for reignition.

The tragedy is that these costs are so unnecessary. Our prestige is on the line only because the Administration insists it be there. The fact of Soviet and Cuban support for insurgents need not trigger automatic United States opposition. There are conflicts for which no satisfactory resolution is possible. The civil war became such a conflict when the army and right-wing death squads liquidated the moderate center.

The insurgents undoubtedly include many Communists among their number. Their blueprint for a reconstructed society will not accord with the preferences of most people in this country. But they nevertheless seem the favorites of a terrorized population that evidently feels that an insurgent victory will bring the more equitable distribution of wealth so long denied it by El Salvador's rulers.

That fact alone should give us pause. But if it does not, then Washington's policy should at least be shaped by the likelihood—indeed, certainly—that a victorious left in El Salvador, as in Nicaragua, would scarcely be anyone's willing client. The Soviet Union and Cuba are useful arms suppliers during civil war. But it is to the United States that victorious insurgents look for aid in rebuilding their countries. Then our resources and influence can decisively shape events.

Alas for the Salvadorans, and also for ourselves, the Administration has all but foreclosed such an outcome. Any hope for preventing a disastrous escalation of our involvement in the war must rest with the Administration's critics at home—with Democrats, liberal Republicans, and the churches, especially the Roman Catholic Church. They may yet save the honor the Administration is so recklessly squandering.●

TRIBUTE TO GLADYS NOON SPELLMAN

● Mr. MATHIAS. Mr. President, all who serve in the Congress know that our tenure here is limited and that the privilege of serving will end for us as it did for those who came before us. The Republic survives our departure, our successors take our seats, and the work goes on. But there is a special sadness in the end of the remarkable term of service of Representative GLADYS NOON SPELLMAN. Fate is not obliged to be either kind or fair, and in the case of GLADYS SPELLMAN it is neither.

It has been my pleasure to share many public occasions with GLADYS SPELLMAN; and each time I saw her with her friends and constituents, I was struck by her ability to convey a sense of personal warmth and human concern to each of them. She could address a vast audience and give each of them the feeling that she was in intimate private conversation. This was more than a political trick; it was the important ability to make citizens feel close to Government to personalize the relation of the citizen to the State and to engage the loyalty of the people to the political process. Without neglecting the many material achievements of Representative SPELLMAN, it seems to me that the gift of making politics work and bringing Government into a human dimension was her real genius. The votes of 88 percent of her constituents prove how well she succeeded in it.

The days that were once so full for GLADYS are now quiet and lonely. She has been unable to tell us how she feels about the great change that has come over her life. Her family have given her the love and support that we all need in such times, and their burden of helping her when they themselves must want help is very great. Mrs. Mathias and I hope and pray that she may improve and enjoy the contentment and satisfaction she has earned.

But the GLADYS we have known will always be with us as part of the best tradition of American politics. Her career has extended the boundaries not just for women in politics, but for all of us.

I ask that an editorial tribute to GLADYS SPELLMAN, the public servant, and GLADYS SPELLMAN, the person, which appeared in the February 25, 1981, edition of the Washington Post, appear at this point in the RECORD.

The editorial follows:

GLADYS SPELLMAN'S BRILLIANT CAREER

By anyone's account, Gladys Noon Spellman entered the race for reelection to a fourth term in Congress as the most popular politician in Prince George's County. Today, that reputation has not changed a bit—but, as Mrs. Spellman's millions of admirers in the county, in Congress and throughout the Washington region have had to accept—her own circumstances have. Her remarkable 19-year political career has been halted, though it remains a classic for all who would seek public office and serve successfully.

To have watched Mrs. Spellman on the campaign trail, on the phones, in the schools or up and down the aisles and office hallways of Congress was to see a woman obviously reveling in her work and loving her constituents. You could watch with amusement, too, as Mrs. Spellman would bat those big dark eyes, smile, gosh-golly it a few times—and then systematically strip the socks off of unsuspecting colleagues in the House to make another point or two on behalf of her constituents.

There has always been more to it than charm and cunning, though; Mrs. Spellman has been a political pro in every way, with an uncanny sense of her constituency's interests—most notably those of federal employees, from elevator operator to secretary, clerk and middle-level professional. To this group that always suffers as the easy target

of the "anti-Washington" candidates, what better music than Mrs. Spellman's "Beautiful Bureaucrat" column in her newsletter, commending "wonderfully responsive" government workers and championing those who, "far from slowing down the wheels of government, are really the people who keep them churning"?

This keen appreciation of her constituents and of government at its best has been instrumental in promoting the best of Prince George's County—where Mrs. Spellman first came into the public eye as a crusading PTA activist, elected as a Democratic reformer to the old County Board of Commissioners in 1962. Four years later, she became board chairman, the first woman to head Maryland's largest county. Mrs. Spellman remained in the political thick of things when the county changed to a charter form of government, winning election to the new county council and, in 1974, to the U.S. House.

The bubbling omnipresence of Gladys Spellman—in meetings large and small, at those open-door complaint sessions for constituents, at the nightly sessions throughout her district, at the PTAs, at the clubs or in the family rooms around the neighborhoods—is no more. And yesterday's declaration of a vacancy of this seat was only right, for representation of this district must continue.

Still, we can know what Mrs. Spellman's daughter means when she says, "I'm waiting for her to look up and tell me to cut my hair, or to tell the boys to trim their beards." After all, everybody knows by now that Gladys Spellman has never been one to be underestimated.●

RULES OF THE SELECT COMMITTEE ON INDIAN AFFAIRS

● Mr. COHEN. Mr. President, in compliance with section 133(b) of the Legislative Reorganization Act of 1946, as amended, the Select Committee on Indian Affairs is publishing the committee's rules, which I submit for printing in the RECORD.

The rules are as follows:

RULES OF THE SELECT COMMITTEE ON INDIAN AFFAIRS

COMMITTEE RULES

Rule 1. The Standing Rules of the Senate, Senate Resolution 4, and the provisions of the Legislative Reorganization Act of 1946, as amended by the Legislative Reorganization Act of 1970, to the extent the provisions of such acts are applicable to the Select Committee on Indian Affairs and as supplemented by these rules, are adopted as the rules of the Committee.

MEETINGS OF THE COMMITTEE

Rule 2. The Committee shall meet on the first Wednesday of each month while the Congress is in session for the purpose of conducting business, unless, for the convenience of Members, the Chairman shall set some other day for a meeting. Additional meetings may be called by the Chairman as he may deem necessary.

OPEN HEARINGS AND MEETINGS

Rule 3. Hearings and business meetings of the Committee shall be open to the public except when the Committee by majority vote orders a closed hearing or meeting.

HEARING PROCEDURE

Rule 4. (a) Public notice shall be given of the date, place, and subject matter of any hearing to be held by the Committee at least one week in advance of such hearing unless the Chairman of the Committee determines that the hearing is noncontroversial or that special circumstances require expedited procedures and a majority of the Committee involved concurs. In no case shall a hearing be conducted with less than 24 hours notice.

(b) Each witness who is to appear before the Committee shall file with the Committee, at least 24 hours in advance of the hearing, a written statement of his or her testimony in as many copies as the Chairman of the Committee prescribes.

(c) Each Member shall be limited to 5 minutes in the questioning of any witness until such time as all Members who so desire have had an opportunity to question the witness unless the Committee shall decide otherwise.

(d) The Chairman and ranking Minority Member or the ranking Majority and Minority Members present at the hearing may each appoint one Committee staff member to question each witness. Such staff member may question the witness only after all Members present have completed their questioning of the witness or at such other time as the Chairman and the ranking Majority and Minority Members present may agree.

BUSINESS MEETING AGENDA

Rule 5. (a) A legislative measure or subject shall be included in the agenda of the next following business meeting of the Committee if a written request for such inclusion has been filed with the Chairman of the Committee at least 1 week prior to such meeting. Nothing in this rule shall be construed to limit the authority of the Chairman of the Committee to include legislative measures or subjects on the Committee agenda in the absence of such request.

(b) The agenda for any business meeting of the Committee shall be provided to each Member and made available to the public at least 3 days prior to such meeting, and no new items may be added after the agenda is so published except by the approval of a majority of the Members of the Committee. The Clerk shall promptly notify absent Members of any action taken by the Committee on matters not included in the published agenda.

QUORUMS

Rule 6. (a) Except as provided in subsecs. (b) and (c), four Members shall constitute a quorum for the conduct of business of the Committee.

(b) No measure or matter shall be ordered reported from the Committee unless four Members of the Committee are actually present at the time such action is taken.

(c) One Member shall constitute a quorum for the purpose of conducting a hearing or taking testimony on any measure before the Committee.

VOTING

Rule 7. (a) A rollcall of the Members shall be taken upon the request of any Member.

(b) Proxy voting shall be permitted on all matters, except that proxies may not be counted for the purpose of determining the presence of a quorum. Unless further limited, a proxy shall be exercised only upon the date for which it is given and upon the items published in the agenda for that date.

SWORN TESTIMONY AND FINANCIAL STATEMENTS

Rule 8. Witnesses in Committee hearings may be required to give testimony under oath whenever the Chairman or ranking Minority Member of the Committee deems such to be necessary. At any hearing to confirm a Presidential nomination, the testimony of the nominee, and at the request of any member, any other witness shall be under oath. Every nominee shall submit a financial statement on forms to be perfected by the Committee, which shall be sworn to by the nominee as to its completeness and accuracy. All such statements shall be made public by the Committee unless the Committee on executive session determines that special circumstances require a full or partial exception to this rule. Members of the Committee are urged to make public a complete disclosure of their financial interests on forms to be perfected by the Committee in the manner required in the case of Presidential nominees.

CONFIDENTIAL TESTIMONY

Rule 9. No confidential testimony taken by or confidential material presented to the Committee or any report of the proceedings of a closed Committee hearing or business meeting shall be made public in whole or in part or by way of summary, unless authorized by a majority of the Members of the Committee at a business meeting called for the purpose of making such a determination.

DEFAMATORY STATEMENTS

Rule 10. Any person whose name is mentioned or who is specifically identified in, or who believes that testimony or other evidence presented at, an open Committee hearing tends to defame him or otherwise adversely affect his reputation may file with the Committee for its consideration and action a sworn statement of facts relevant to such testimony or evidence.

BROADCASTING OF HEARINGS OR MEETINGS

Rule 11. Any meeting or hearing by the Committee which is open to the public may be covered in whole or in part by television broadcast, radio broadcast, or still photography. Photographers and reporters using mechanical recording filming, or broadcasting devices shall position their equipment so as not to interfere with the seating, vision, and hearing of Members and staff on the dais or with the orderly process of the meeting or hearing.

AMENDING THE RULES

Rule 12. These rules may be amended only by a vote of a majority of all Members of the Committee in a business meeting of the Committee; *Provided*, That no vote may be taken on any proposed amendment unless such amendment is reproduced in full in the Committee agenda for such meeting at least three days in advance of such meeting. Such proposed amendments shall be mailed to each Member of the Committee at least seven (7) calendar days in advance of the meeting.●

ANNUAL REPORT OF THE JOINT ECONOMIC COMMITTEE

● Mr. KENNEDY. Mr. President, in the annual report of the Joint Economic Committee, released yesterday, the Democratic members of the committee, under the leadership of Chairman HENRY REUSS, have submitted a thoughtful and far-ranging alternative economic program for the Nation. I am proud to have joined in this program, which contains 33 specific recommendations for action, and I commend the outstanding leadership of Congressman REUSS in preparing and presenting this important Democratic alternative.

Mr. President, a news article by Harry Ellis in today's Christian Science Monitor provides an excellent summary of the JEC's report, and I ask that it be printed in the RECORD. I also ask that the text of the 33 recommendations be printed in the RECORD.

The material is as follows:

[From the Christian Science Monitor, Feb. 27, 1981]

DEMOCRATIC LEADERS SAY GUNS-AND-BUTTER BUDGET RISKS INFLATION—SMALLER TAX CUT URGED IN REPORT ON FISCAL ALTERNATIVES

(By Harry B. Ellis)

WASHINGTON.—As a great debate kindles in Congress over President Reagan's economic policies, the vision of America's future

looks very different from opposing sides of the political aisle.

Congressional Democrats, taking up Mr. Reagan's challenge to come up with a better program, see danger signals down the road—including higher inflation—if key elements of the President's proposals are not changed.

Rep. Henry S. Reuss (D) of Wisconsin sees in the Reagan program a "weird combination" of "supertight money," leading to higher interest rates, and a "sloppy fiscal policy" of unwise tax cuts.

All this, plus alternative suggestions, are embodied in the Democratic version of a fresh Joint Economic Committee (JEC) report, outlining what lies ahead for the U.S. economy.

Because the JEC, chaired by Mr. Reuss, has 10 Democrats and an equal number of Republicans, the GOP members produce their own report—strongly supportive of the President.

Democrats, according to Reuss, generally agree with President Reagan on several aspects of his program:

Business should get faster tax write-offs for investment in new plants and equipment, as the most efficient way to create jobs and improve productivity.

Reform of the federal regulatory system is needed, to "reduce unnecessary government regulations and paper work."

Government spending should be reduced "promptly," with no program to be exempt from scrutiny.

Here consensus ends, as Democrats on the JEC level their big guns at the President's plan to trim individual income taxes across the board and to support the Federal Reserve Board's tightening of money supply targets.

Long-term commitments to tax cuts—i.e., the three-year 30 percent across-the-board income tax cuts advocated by the White House—risk "reigniting inflation" and also favor the well-to-do, the Democrats claim.

Instead, JEC Democrats argue, Congress should pass the kind of income tax cuts that would offset this year's payroll (social security) tax increase, thus relieving a burden on middle-income taxpayers.

Further tax cuts should be considered, only "when we can be sure that we have made progress against inflation, that the budget is under control," and that tax incentives for business have upgraded plant, equipment, and productivity sufficiently to "accommodate the new surge of demand."

Republicans on the JEC, led by Sen. Roger W. Jepsen (R) of Iowa, committee vice-chairman, deny that the Reagan-planned tax cuts would be inflationary, especially when coupled with major budget trims.

If Americans know, Republicans argue that their tax burden will decline over three years, they will work harder, save and invest more, boost the output of goods and services, and help to moderate inflation.

The guns-and-butter issue crops up in the JEC report, with chairman Reuss noting that President Reagan plans both to increase defense spending and to cut taxes.

Such a policy, Reuss told reporters, risks repeating the mistake Democrats made during the Vietnam war of thinking that the nation could have guns and butter at the same time.

"Guns and butter piled on top of each other," said the Wisconsin Democrat, "are as dangerous in 1981 as they were in 1967."

Reuss and his Democratic colleagues deplore the fact that the Federal Reserve Board wants to slow down the growth of the nation's money supply even more this year than it did in 1980.

Fed chairman Paul A. Volcker says he plans a "frankly restrictive" policy to combat inflation by lowering money supply growth targets by a half percentage point in 1981.

"The federal reserve," says Reuss, "should indeed keep growth targets austere, but not more so than in 1980, when they caused two bouts of 20 percent interest rates."

Targets just announced by the Fed, said Mr. Reuss, mean a "harsh blow to capital investment," because competition for supertight capital will drive up interest rates, making it too expensive for many businessmen to borrow.

Monetary restraint, according to JEC Democrats, should be "moderate," combining the need to reduce inflation with the equal need to maintain steady growth of the economy.

What Americans now are seeing, many analysts believe, is a shrinking of consensus between Democrats and Republicans on the President's economic program, as Congress examines both its details and implications.

Democrats, well aware of the political whirlwind which swept through the land last November—and, in the House, aware that they face voters again in less than two years—still seek agreement where possible with the White House.

But officials on both sides differ honestly over whether the Reagan tax cuts would lead to higher inflation and whether budget trims will fall too heavily on Americans on the lower rungs of the economic ladder.

JOINT ECONOMIC COMMITTEE REPORT—RECOMMENDATIONS IN DEMOCRATIC VIEWS

I. MONETARY POLICY

Recommendation No. 1: Long-term monetary restraint

Monetary policy should be moderately restrained to reduce inflation while sustaining steady economic growth. The long-run rate of growth of money and credit is of primary importance, rather than temporary deviations from the long-run growth trajectory.

Recommendation No. 2: The Federal Reserve should explain its targets

The Federal Reserve should set forth publicly each year a careful explanation of how its monetary targets have been selected. Such an explanation should relate the target to potential growth of real gross national product (GNP), to unavoidable (core) inflation, and to expected changes in the growth of velocity.

Recommendation No. 3: Bring interest rates down

Consistent with control over the growth of money and credit, the Administration, the Federal Reserve, and the Congress should concert their actions, through the methods set forth in Recommendations 4–6, to lower interest rates.

Recommendation No. 4: Do not tighten targets

The Federal Reserve should refrain from tightening its 1981 monetary targets from those in effect in 1980.

Recommendation No. 5: Avoid interest rate wars

The Administration and the Federal Reserve should work to avoid further international "interest rate wars," in which certain countries rely excessively on monetary rather than fiscal policy to fight inflation, thus raising interest rates and forcing other countries to follow suit to protect their currencies. This "beggar-thy-neighbor" high interest rate competition should be replaced by much closer international coordination of economic policy, both at and between summit meetings.

Recommendation No. 6: Encourage banks to fight inflation

The Administration and the Federal Reserve should encourage the banking system to develop effective methods to prevent destabilizing bursts of bank-financed lending for speculative and purely financial purposes, which make less credit available to enhance productivity and thus fight inflation.

II. FISCAL POLICY

Recommendation No. 7: Fiscal policy: Coordination with monetary policy

Fiscal policy should be closely coordinated with monetary policy. To achieve better coordination, the Administration should make public the monetary policy assumptions it employs in reaching its budget and economic forecasts.

Recommendation No. 8: Fiscal policy: Fight inflation and recession

Fiscal policy should be steady and moderately restrained. This policy is necessary to reinforce the Federal Reserve's efforts to reduce inflation while supporting growth. All proposed tax and expenditure actions should be examined closely for their effects on productivity and costs. Those which combat both inflation and recession should get priority over all other measures. Recommendations 9–11 deal with taxes, 12–13 with spending.

Recommendation No. 9: Liberalize business depreciation

Once again, we urge Congress to enact promptly a liberalization of the business depreciation allowance for new investment, to increase incentives to invest and to ensure that tax treatment does not distort business investment decisions. Prompt enactment is justified because it is the most efficient incentive to capital investment, which is especially important now in view of the entry of vast numbers of new workers into the labor pool.

Recommendation No. 10: Offset 1981 payroll tax increases

An individual tax reduction designed to offset the January 1, 1981, increase in the social security payroll tax, and thus undo substantially all of the hardship imposed on the low- and middle-income groups who pay the payroll tax, should be enacted immediately.

Recommendation No. 11: Beyond these: beware

Other proposed immediate tax reductions, particularly if they imply a commitment to large fiscal stimulus in future years, present the risk of reigniting inflation. Congress should consider a further tax cut when we can be sure that we have made progress against inflation, that the budget is under control, and that the investment incentive measures urged here have improved the Nation's stock of plant and equipment and their productivity so that they can accommodate the new surge of demand. We should avoid commitments now to long-term proposals whose consequences are unpredictable.

Recommendation No. 12: Control spending

Federal spending must be reduced promptly. No government spending program should be exempt from scrutiny.

Recommendation No. 13: Cut spending equitably

It is essential that spending reductions be made in a fair and equitable manner. Middle- and lower-income groups should not be required to carry a disproportionately great burden of budget cutbacks. Proposals to terminate or to make major reductions in Federal programs should be accompanied by economic analyses showing the effects on the living standards of different income groups and on different regions.

III. INCOME DISTRIBUTION

Recommendation No. 14: Do not worsen the distribution of income

The poor are threatened by proposed cutbacks in transfer programs, and the middle class has suffered a significant decline in its real income in recent years. Government tax

and expenditure actions should not increase poverty or reduce the share of income going to the middle class.

IV. STRUCTURAL REFORM

Recommendation No. 15: Long-term structural improvement must start now

Even sensible monetary and fiscal policies cannot achieve full employment without inflation unless we reform our economic structure to rid it of rigidities and disincentives.

IV.A INVESTMENT AND JOBS

Recommendation No. 16: Needed investment and jobs

We support the goal set out in the 1981 Economic Report of the President and by the new Administration of increasing the share of investment in GNP over the next several years. This goal is necessary to reconcile moderately restrained macroeconomic policy with a sustained push toward full employment, full production, and higher productivity growth. Components of a comprehensive investment and jobs strategy should be developed, including the actions outlined in Recommendations 17–24.

Recommendation No. 17: Tax incentives for investment

Tax reduction incentives should stress the enhancement of existing and new industrial capacity and the reduction of costs of production.

Recommendation No. 18: Basic research

Funding for basic research should be maintained and private research further encouraged.

Recommendation No. 19: Infrastructure

Investment in infrastructure—roads, water systems, rails, ports, utilities, and other physical support systems—should be maintained at adequate levels. Federal economic development programs which can help State and local governments provide necessary infrastructure should be examined to improve their effectiveness and reduce the risk of waste.

Recommendation No. 20: Targeted jobs tax credit

Better use should be made of the targeted jobs tax credit specifically:

(1) the revision of eligibility criteria to cover the main categories of structurally unemployed workers should be examined;

(2) eligibility criteria should be simpler and more readily verifiable by employers; and

(3) there should be effective publicity to increase awareness on the part of the employers.

Recommendation No. 21: Labor force and small business

The Congress should consider ways to facilitate job creation by small businesses and to increase the proportion of Federal procurement and research and development funding that is available to small businesses, and particularly to minority-owned businesses.

Income support programs should be designed to help improve the employability of individuals by emphasizing training, education, and skill development and should utilize small businesses, and particularly minority-owned businesses, whenever possible.

Recommendation No. 22: Labor-management cooperation

The Committee supports private efforts to improve productivity through cooperative activities by labor and management.

Recommendation No. 23: Exports

Smaller, innovation-minded firms and agricultural commodities should receive enhanced incentives and assistance for exports.

Recommendation No. 24: Regional growth

Noninflationary growth is essential to real income growth and central to the resolution of the fiscal problems of many of the Nation's cities. A strategy for investment and jobs should take advantage of the opportunities in and meet the needs of our many diverse regions. Federal policies should not impede growth and development in any region of the country. Federal policies should be examined for unintended, implicit regional, urban, or rural biases.

IV.B PRICES

Recommendation No. 25: Many steps needed for war on inflation

Inflation is the major obstacle to sustained economic growth, lower unemployment, and increased investment. Past anti-inflation policies, from voluntary guidelines to engineered recessions, have not worked, and we doubt that anything short of a comprehensive program will work now. Inflation is a complex, deep-seated phenomenon and the war on inflation must encompass all of the measures listed in Recommendations 26 to 29.

Recommendation No. 26: Energy

Energy policy should focus on reducing the sensitivity of U.S. energy supply and price to external shocks by continuing to encourage conservation, greater domestic energy production, including the development of improved techniques for enhanced oil and unconventional gas recovery, and establishment of substantial petroleum reserves.

Recommendation No. 27: Regulation

We should reduce unnecessary government regulations and paperwork, and utilize the most cost-effective techniques to meet necessary regulatory objectives.

Recommendation No. 28: Productivity

We must increase our rate of productivity growth, which requires attention to investment, employment, infrastructure, labor force, education and training, research and development, business leadership, and improved labor-management relations.

Recommendation No. 29: Standby wage-price control authority

The Administration has disbanded the Council on Wage and Price Stability. While COWPS had lost effectiveness, the stubborn nature of the wage-price spiral may require some form of incomes policy. We are willing to support an Administration initiative for standby wage-price control authority. Such authority should only be invoked as part of a comprehensive anti-inflation strategy.

V. INTERNATIONAL ECONOMIC POLICY

Recommendation No. 30: International financial institutions

We support an enlarged role for the International Monetary Fund and the World Bank to deal with oil-induced economic adjustment, and we support an enlarged role for oil-exporting nations in programs administered by these institutions.

Recommendation No. 31: Promote worldwide growth

The United States must work to foster economic growth and financial stability around the world, and particularly in the non-oil exporting LDC's, which now purchase 27 percent of our manufactured exports. We should support fair and reciprocal efforts to achieve freer and more open trade and capital flows in order to promote growth and adjustment in developed and developing countries.

Recommendation No. 32: Replenish IDA

World Bank lending to lower income developing countries has played a vital role in furthering international development. At the same time, it preserves a Western presence in many parts of the world and helps build the export markets of the next decade. The Congress should act favorably on the sixth replenishment of the International Development Association.

VI. REVIEW OF THE CURRENT SERVICES BUDGET AND THE PRESIDENT'S ECONOMIC GOALS

Recommendation No. 33

The Congressional Budget Reform and Impoundment Control Act of 1974 should be modified to require submission by the President of a Current Services Budget by January 31 of each year, with the Joint Economic Committee evaluation to follow by March 1. This change would make the law consistent with the present satisfactory practice.●

DR. RIDDICK'S "SENATE PROCEDURE"

● Mr. MATHIAS. Mr. President, I am pleased to join my colleagues in congratulating Dr. Floyd M. Riddick on the completion of his new edition of "Senate Procedure" and to express my appreciation for the dedication that it required.

When Dr. Riddick retired in 1974 at the end of the 93d Congress, the Senate bestowed upon him the title of Parliamentarian emeritus. It was an honor well deserved, since Dr. Riddick's service on Capitol Hill and the ability of our modern-day Senate to conduct its business in an orderly fashion are inextricably intertwined. For instance, the history of "Senate Procedure" itself—now in its fourth edition—is, to a large extent, also the history of some of Dr. Riddick's most significant and enduring work. From its first edition, "Senate Procedure" has reflected the knowledge, insight, and sensitivity of Dr. Riddick.

Dr. Riddick once described his original association with "Senate Procedure" as follows for the oral history program of the Senate Historical Office:

Mr. (Charles) Watkins started as parliamentarian, no question about it. He tried to equip himself and educate himself by going back and picking up all of the precedents and practices of the Senate since 1884, which was the last general revision of the Senate rules, or the last readoption of the rules in entirety.

Since 1884 there have been amendments, but basically the rules of the Senate have remained the same since then; hence, unless something was a major precedent or major practice, or something that had been carried through 1789, he did not try to collate them as much as things that had occurred since 1884. He wrote up most of these precedents.

When I first joined the staff, that was the first assignment I had, to spend a year doing nothing but sitting and reading these precedents that we had written up. They were . . . on long legal-size stationery. I guess I would say he had 30,000 or more pages of such literature, in typewritten form, that I had to read to equip myself. He didn't care to sit down and write a book on it . . .

So I inquired of Mr. Watkins even then, that if I took the job (offered to me to be) assistant parliamentarian, would he permit me to compile the precedents of the Senate and put them into a volume on *Senate Procedure*. He assured me he would. So the first volume printed in '54 I had written completely, except he read it all carefully to check any possible mistakes, but since I had used all the precedents that he'd compiled, as well as those that I'd dug up later, I felt it was only right that he should have his name first, particularly since he was the parliamentarian and I was the assistant parliamentarian, and that's the way it was done. We stated in the preface at that time, I believe, that we had used maybe a million precedents to bring this into being.

The rest is history, and we now have the fourth edition of "Senate Procedure." This important volume, however, is not the only reminder we have on a daily basis of Dr. Riddick's service. For instance, each day we see the Daily Digest of the CONGRESSIONAL RECORD. Dr. Riddick came to work on Capitol Hill in 1946, "on loan" from the U.S. Chamber of Commerce, to help establish what eventually became the Daily Digest in accordance with an authorization by the 79th Congress. He never returned to the private sector, I am pleased to say.

Like the previous editions, the newly revised "Senate Procedure" which we now have will guide the Senate through the myriad precedents which bind the Senate as a body. For this we are grateful; for this we say to Dr. Riddick, as we have so often in the past: "Well done; thank you." ●

DEMOCRACY IN SPAIN

● Mr. KENNEDY. Mr. President, the people of Spain have just emerged from an ordeal which, in spite of its brevity, could have seriously disrupted the progress which they have made in the historic development of democracy in their country. I congratulate the King, the Parliament, and the loyal members of the armed forces for their courageous, levelheaded, and constitutional response to the attempted coup on February 23, 1981.

Having just emerged from a painfully long experience with fellow citizens held hostage in Iran, Americans can well appreciate the gravity of taking hostage the entire Congress of Deputies as it was voting on a new Prime Minister. All friends of Spain should be greatly relieved that the support of the Spanish people for the swift and principled actions of the constitutional authorities demonstrated to the perpetrators of the coup that they could count on no help.

Mr. President, King Juan Carlos made an impressive address to the Spanish people on February 24 urging calm and ordering that the response to the crisis be made within constitutional limits. I request that the full text of his address be printed in the RECORD, along with editorials which appeared in the February 25 editions of the Boston Globe, the New York Times, and the Washington Star.

The material is as follows:

ADDRESS BY KING JUAN CARLOS

On addressing all Spaniards with brevity and conciseness in the extraordinary circumstances which we are experiencing at the moment I appeal to everyone for the utmost calm and trust, and I inform you that I have instructed the Captains-General of the military regions, Maritime zones and Air regions with the following order:

In view of the situation created by the incidents which occurred at the Palace of Congresses and to avoid any possible confusion, I conform that I have ordered the Civil authorities and the Council of Joint Chiefs of Staff to take all necessary steps to maintain constitutional order within the legality in force. In the event of any measure of a military nature which should be taken, it must have the approval of the Council of Joint Chiefs of Staff.

The Crown, symbol of the permanence and unity of the Fatherland, cannot tolerate in any form actions or attitudes by persons who try to disrupt by force the Democratic process which the Constitution approved by the vote of the Spanish people prescribed through a referendum.

[From The Boston Globe, Feb. 25, 1981]

SPAIN SURVIVES HANDILY

Were it not for the fact that real bullets were fired into the ceiling of the Spanish parliament as its members prepared to vote on a new government, the attempt by militiamen to undo Spanish democracy would have something of the comic opera to it.

As it was, many sectors of Spain's fragmented society found that they could hold together in the face of a threat difficult to measure in its early moments; Spain has benefited. So have people in other countries who worry about the fragility of democracy.

The authority of the scene, conveyed to the world by television, is hard to overstate. The nearly comic caps worn by leaders of the coup attempt, the gesticulations, the scuffling—all seemed unreal.

It is possible now to wonder how such a bizarre escapade could carry the day in a modern nation: Quickly, the world discovered that the Spanish army wanted no part in the change. While the army seemed to respond directly to swift repudiation of the move by King Juan Carlos, there was more than monarchical loyalty to the army's action: the king is authentically popular and was voicing the view of the majority of Spaniards. The army was in reality accepting the view of the people of Spain.

Perhaps the final fragments of the Franco era may now disappear from Spanish politics. The leaders of the coup, demanding a return to the authoritarianism of Gen. Francisco Franco, have thoroughly demonstrated the political poverty of their position.

Spain still has serious problems. It is the victim of violence from extremist groups on the right and left. Its varied ethnic groups have not yet sorted out the competing interests of national identity and federal strength. Its parliamentary government, deep in a leadership crisis, has yet to prove its ability to cope with the array of problems confronting a country that still lags economically behind its European neighbors.

With luck, the mini-trauma imposed on Spain by a group of latter-day Falangists will bolster Spanish confidence in the nation's ability to resist counter-revolution from the right and to deal successfully with future difficulties. Certainly Spaniards are entitled to that result.

[From the New York Times, Feb. 25, 1981]

THE MORTAR OF MONARCHY IN SPAIN

It could have been a Spanish tragedy; it turned out to be opera bouffe. A takeover of Parliament by the Civil Guard ended in less than a day with all captives safely released. "The only thing that will happen," said the colonel who led the attempted coup, "is that I will have to pay with 30 or 40 years in prison." It would be nice to forget the matter entirely and join with the freed members of Parliament in exclaiming, "Long live democracy!"

Nice, but too simple. In truth, Spain's two-year-old democratic system was saved by the King and the regular army. Juan Carlos is an able, popular and democratic-minded monarch. However much some generals may long for a restoration of a Franco-style dictatorship, they remained loyal to crown and Constitution when their demedaled King appealed on television for them to do so.

Their loyalty cannot be taken for granted. No Spaniard needs to be reminded that a three-year civil war exploded in 1936 when a unit of the same Civil Guard murdered the monarchist leader José Calvo Sotelo. He was the uncle, it happens of Prime Minister-designate Leopoldo Calvo Sotelo, who was trying to form a centrist government when the guardsmen struck Monday. And they were counting, vainly, it turned out, on the support of a hard-line general, Jaime Milans del Bosch, an unreconstructed apostle of the Franco dictatorship.

Spain has changed greatly since the civil war. An economic boom has transformed the social landscape, and the country is now poised for membership in the Common Market. Its church is no longer a conservative monolith and private political armies no longer wage open war. For the most part, Spain contends with the familiar ills of Western democracies: inflation (16 percent), unemployment (12 percent) and the surge in energy costs.

But there is an important exception. In the northern Basque provinces, violent separatists and the Civil Guard are engaged in bitter conflict. Each side accuses the other, credibly, of atrocities. The dispute has inflamed the worst in Spanish politics. With the resignation last month of Prime Minister Adolfo Suárez, Juan Carlos faced the first serious succession crisis since Franco's death in 1975. While members of Parliament wrangled, the Basque terrorism provided a pretext for Monday's assault on the Cortes.

The deed showed the world how fragile democracy remains on the Iberian Peninsula. This time, thanks to the mortar of monarchy, the center held.

[From the Washington Star, Feb. 25, 1981]

THE SPANISH CRISIS

For a while there it looked as though the rush to congratulate Spain on its successful transition from a dictatorship to representative government was a bit premature. A legislative chamber full of armed intruders and crouching deputies doesn't look much like democracy in flower.

Once again, though, the remarkable character of King Juan Carlos seems to have saved Spain's hopes of a free society. Thanks to the king's speed and firmness in calling out the army and rallying public sentiment with a television appearance, what might have been a *coup d'etat* became a passing incident.

The grievances that led members of the Civil Guard to seize the Cortes, Spain's parliament, are real enough. This paramilitary national police force, which numbers 64,000 men, has been a principal victim of terrorist assassinations that have been increasing over the last year or so. The guardsmen blame the government for failing to work out an effective strategy for preventing them.

Behind this failure, of course, lies the failure to either satisfy or subdue the Basque separatists who are thought to be responsible for most of the recent bloodshed in Spain. While the fanatic element among the Basques appears to be smaller than, for example, the terrorist contingent in Northern Ireland, it is large enough to deny an entire nation the civic tranquility needed for democratic institutions to function fully.

Furthermore, the nationalist aspirations that are, in part at least, responsible for contemporary terrorism in Spain are deep-rooted and they are not limited to the Basque country. The Basques' self-assertion on behalf of their ancient language and culture has proved to be exportable. After all, Catalans too have a language of their own and a sense of tribal allegiance mythical in its intensity. There have been stirrings among the Galicianos.

Whether any concessions to local autonomy short of full national independence would pacify these people is an open question. It is also a question that shades off into further questions about how Spanish terrorism relates to the international communist kind where the primary objective is to weaken nations committed to Western values.

What is certain is that the Spanish government has not found a way to deal with either the terrorism or the separatist movements within its purview. Spain's economic shortfalls are still around too, a continuing threat to a fragile democracy.

The bright side of the picture remains bright, though. A crisis surmounted can do more for a ruling group's power and prestige than a crisis forestalled. Even in the Civil Guard, a majority of Spaniards remain committed to the search for peaceful solutions to the nation's problems. The army has shown itself to be capable of emergency action without taking permanent command. The king remains not only a model constitutional monarch but more—a positive force impelling Spain along the road to stable self-government. With such assets, Spain's prospects still look good.●

WHY NURSES LEAVE NURSING

● Mr. HATCH. Mr. President, the most severe health manpower shortage facing our Nation is the shortage of qualified and willing nurses whose training and talent we desperately need. In rural and underserved areas in particular, the inability of hospital administrators to attract skilled nursing professionals passed the threshold of crisis proportions many months ago. Congress can continue to dicker over whether or not this problem results from an actual personnel shortage or whether it is in the wake of a maldistribution of nurses and practitioners. Regardless, it is a problem the Federal Government helped to create by subsidizing health manpower training categories to the detriment of the nursing profession, and it is something those of us charged with legislative health responsibility must work to help solve very early on in the life of this Congress.

This is the principal reason why I scheduled a March 17 hearing on nursing education to accompany the matter of health professions' education during its reauthorization hearing in the Committee on Labor and Human Resources. It is an enormous problem, and the question of money is only part of it. In order to acquaint those of my colleagues less familiar with nurses' special plight, I ask that the article, "Why Nurses Leave Nursing and What Can Be Done About It," appearing in the January 1981 issue of the American Journal of Nursing be included in the RECORD. This is not a problem of secondary importance. It is a major health care crisis which all of us are obliged to help solve during this 1st session of the 97th Congress.

The article follows:

WHY NURSES LEAVE NURSING AND WHAT CAN BE DONE ABOUT IT

(By Mabel A. Wandelt, Patricia M. Pierce, and Robert R. Widdowson)*

"As they said in the book 'Nurse,' it's a wonder nobody died."

*Mabel A. Wandelt, R.N., Ph. D., is director of the Center for Research at the School of Nursing, University of Texas at Austin. She was principal investigator of the study "Conditions Associated With Registered Nurse Employment in Texas," reported here. Her coauthors, both of whom were members of the study team, are doctoral candidates at the University of Texas, Austin. Patricia M. Pierce, R.N., M.S.N., is in nursing; Robert R. Widdowson, in biochemistry. The study was requested by the Texas Senate Special Committee on Delivery of Human Services.

The supervisor of labor and delivery in a Texas hospital offered the above comment during an interview. She is a good nurse, but she is frustrated and angry with her practice. She doesn't have time to provide the kind of patient care that she was prepared to give; she feels trapped and alone with overwhelming responsibilities. Like many of her colleagues, she may leave nursing.

In Texas, about 18,000 registered nurses are licensed to practice and are not currently working in nursing; yet some hospital beds cannot be used because there are not enough nurses to care for the patients who might occupy those beds.

In a study of the nurse shortage, the staff of the Center for Research at The University of Texas at Austin set out to identify factors associated with nurse unemployment and to suggest ways to attract non-working nurses into the work force. They sought opinions, feelings, and ideas about nursing from nurses themselves. Thirty-five hundred nurses responded to the study by filling out a questionnaire; 30 hospital nurses in six small-group interviews supplied reasons for working/not working in nursing and things that would encourage nurses to return to work; and in a daylong conference interested persons, including consumers, nurses, physicians, administrators, educators, and legislators, produced innovative suggestions for attracting nurses back to work.

Data from each part of the investigation reinforced the findings in each other part. The questionnaire gave us a broad overview of the way nurses in Texas perceive the work of nurses; the interviews and conference lent depth to the necessarily statistical findings from the questionnaire. In a sense, the data from the questionnaire add to the stockpile of information about nurses' perceptions of the job of nursing; those from the interviews add to the raw materials for understanding nurses' feelings about patient care and about opportunities for professional practice. The findings show that nurses leave nursing and remain outside the work force because of conditions in the job setting that interfere with the practice of nursing.

QUANTITATIVE DATA

The questionnaire collected descriptive data to provide basic information on the supply of registered nurses in Texas. The findings were not surprising. For example, Blacks and Hispanics are underrepresented among licensed nurses, child care responsibilities were related to both initial and continued withdrawal from the work force, and the mean annual salary range was from $14,000 for nurses with fewer than five years' experience to $18,100 for nurses with 40 years' experience—a salary increment of $100 per year.

The questionnaire asked for opinions from both employed and unemployed licensed registered nurses about a variety of factors associated with the job of nursing. The employed nurses were asked to rate the importance of each factor and then to rate how satisfied they were with that factor in their present job. Unemployed nurses were asked to rate the same items by the importance of each item in influencing them to leave nursing and then to rate the importance of each item in keeping them out of nursing.

The rank order of the 10 job conditions with which the largest percentage of employed nurses were dissatisfied was as follows:

1. Availability of adequate salaries
2. The amount of paper work
3. Support given by the administration of the facility
4. Opportunity for continuing education
5. Adequacy of laws regulating the practice of nursing in Texas
6. Support given by nursing administration
7. Availability of acceptable child-care facilities
8. Availability of inservice education
9. Availability of fringe benefits
10. Competence of non-registered nursing staff

High percentages of non-employed nurses listed many of the same items as their reasons for leaving nursing. Additional highly ranked items included:

1. Family responsibilities
2. Unavailability of desired work schedule
3. Environment that does not provide a sense of worth as a member of the health care team
4. Lack of positive professional interactions with physicians
5. No emphasis placed on individualized patient care

Of the factors which foster dissatisfaction and contribute to withdrawal from practice, all but family responsibilities are directly related to employment conditions common to the hospital setting. Data from the interviews reinforced the conclusion that dissatisfaction stems from the work setting rather than nursing practice.

QUALITATIVE DATA

The small-group interviews were held with three categories of registered nurses: employed staff nurses, unemployed staff nurses, and supervisors. Two groups were from a large metropolitan hospital, two groups from a medium-sized hospital in a small mid-Texas town, and two groups from a medium-sized hospital in a large west Texas city.

The conference of health care experts was arranged to generate innovative and practical ideas for attracting nurses back into the work force; using the Nominal Group Technique, the meeting yielded more than 150 suggestions.

The following are samplings of comments elicited during the interviews grouped with some of the suggestions from the conference. The data are categorized by employment factors which seemed important to registered nurses in Texas.

STAFFING

Staffing problems relate to overload and overwork. Nurses worry about whether they have completed all necessary things; they feel guilty about not having been able to give adequate and complete care.

Interviews

When overload reaches a point and continues for weeks with no support or relief, and nurses cannot give safe, adequate care, a nurse will leave. Her conscience will not allow her to remain in the situation.

Nurses need time to provide care beyond minimal physical necessities. They want to provide teaching, emotional support, discharge planning with the patient.

A part of the overload for nurses in patient care is the need to interact with so many other services. These services request assistance from nursing and expect that nurses will do things for them just because the nurse is there. Besides the extra work, there is the need for the nurse to pay attention to a heavy input from various sources in requests for kinds of actions that she must take and decisions that he must make.

Nurses do not like to be pulled because they know that they are leaving their own unit short staffed. There is an occasional time when they plan that with full staffing they will be able to do some of the nice and extra things for patients, but then they get on duty and one is pulled to another unit. So they are again under pressure of short staffing on their own unit, and the one who has to go to the other unit has the uncomfortable feeling of not being able to give safe and adequate care.

Ideas.

Agencies could use short shifts—four to six hours. Nurses could come in specifically

to provide for some special patient care needs—e.g., pre-op teaching, 5 to 9 p.m., discharge planning, 11 to 3 p.m.; instructions about diagnostic tests, 3 to 7 p.m.; recovery room care, 12 to 6 p.m.; etc.

Nurses on the unit should be encouraged to plan staffing, including collaboration with the hospital pool of part-time employees.

Part-time staff could be offered all inservice opportunities provided to full-time staff to attract nurses who are interested in maintaining knowledge and skills.

Establish a pool from the facilities of nursing schools which could provide part-time employees during the school year and full-time employees during holidays, vacations, and summers.

PROFESSIONALISM

Nurses believe that the tasks they perform constitute a meaningful part of health care delivery. Regardless of whether a student attends a four-year baccalaureate program, a two-year associate degree program, or a three-year hospital diploma program, the nursing care plan is emphasized as an integral part of the total therapeutic regimen.

Interviews

Physicians should pay attention to nurses' input into planning for patient care. The nurse has her own care to contribute, not just doing what the doctor says. The doctor and the nurse plan together so that the contribution of each can blend to the benefit of the patient. Nursing is not a service for the doctor; rather it is a service for patients.

A part of the support and encouragement from supervisors and administration would be to encourage nurses to have an active role in planning for changes and in planning all aspects of nurse involvement in the nursing care program. Administrators need to listen to the ideas of staff nurses and to encourage nurses to develop their ideas and try some changes that they really believe will improve conditions for patient care.

Ideas

Have a staff nurse serve on all committees making policy about patient care and personnel matters. Provide information for all nurses about committee activities and assist nurse members in developing knowledge and skills needed for entering fully into activities and planning of the committee. On-duty time should be provided for committee participation.

A Joint Practice Committee could be established to act as a grievance board to handle disputes between the professions and to offer appropriate counseling. The chairmanship of the committee could be alternated between nurse members and physician members.

AUTONOMY

As licensed professionals, nurses expect to be able to exercise some discretion and choice over work methods. Yet, nurses report that they seldom asked to participate in hospital policy decisions. This inability to exercise control over their clinical practice produces feelings of career stagnation.

Interviews

There needs to be collaboration among the total health care team. There should be mutual respect and a mutual goal to improve care. There should be awareness by all, including nurses themselves, of the contribution of a nurse to the total care of the patient.

The public image of nursing needs to be improved—that is, the public needs to know what nurses do. There should be TV commercials to recruit young persons to consider a career in nursing. The public does not know what nurses do, the variety of their work, the opportunity for mobility, and nurses' contribution to society. They are unaware of nurses' involvement in caring for the ill, health care and planning, health education, care of children, the handicapped, the mentally retarded, the aged; they do not really know about nurses' work in hospitals, clinics, doctor's offices, schools, industry, the community, the military, the Veterans Administration, etc.

There should be clinical supervisors who can serve as role models for nurses in patient care. Supervisors need to have continuous updating in patient care, not only in administrative tasks. They need to focus on the quality of care rather than on the quantity; this does not necessarily mean more paper work but that nursing care plans are needed for the care of the individual patients. Nursing supervisors should help nurses understand this.

Nurses should be allowed to plan for their own coverage. They should be provided an adequate staff, and then that staff should be responsible for all nursing care for all periods of time on a particular unit. This yields a situation of peer collaboration and peer pressure. Nurses in these circumstances do not call in sick, nor do they take extra holiday time, and they do take a fair share of weekend work. In this situation, if you call in, you know that a friend has to cover for you—it becomes very personal. Also, in these circumstances, there develops a very personal pride in the care provided. There is more discussion among nurses about the care needs of patients and the possibilities of improving practice.

Ideas

Establish primary care with all RN staff on all units in the hospital. Nursing service should identify a specific nursing theory that will serve as a base for the content and quality of care provided throughout the hospital. Nurses in each decentralized unit would hold responsibility and accountability for the quality of care provided. They would plan for staffing in terms of numbers needed on particular shifts and in relation to time off.

Allow RNs to write nursing prescriptions or orders for nursing portions of the order sheet. Legalize nurse progress notes and nursing orders.

Nursing management and hospital management should encourage self-scheduling by nurses, charging them with accountability appropriate to the responsibility. A hospital accounting system should be established wherein the cost for nursing service is identified, and nurse salaries should be paid according to a reasonable fee-for-service determination. Nurse directors should be responsible for managing the nursing budget and allowed to utilize non-traditional ways of delivering nursing care.

Do a job analysis of various nursing stations or assignments; rate them for complexity. Develop a career ladder from simple to complex and use part-time nurses for the least complex stations. Develop a wage scale that correlates with the complexity of the job.

FEEDBACK

Nurses need to have occasional recognition for a job well done. They need a timely "pat on the back" and not only negative evaluations.

Interviews

Patients and families appreciate nurses, but supervisors and administration give infrequent recognition of a job well done.

Supervisors should be alert to nurses' needs and not always wait for the nurse to seek change; rather, they should, periodically and as indicated, counsel the nurse about her feelings about herself, her interests, and her job. The counselor should be prepared to offer the nurse various options for assignments and opportunities for self-renewal; she should assist the nurse to consider various implications of change and to reach a decision that will allow her to remain in nursing and to be satisfied with the decision.

Ideas

Establish a quality assurance program with evaluation of individual nurse performance as one component of the program. Plan recognition and awards for outstanding performance and continued high-quality patient care.

The rewards into the personal value system of the professional, and use the satisfaction that comes from providing care of exemplary quality. Use merit awards related to professional growth and pride—e.g., travel and costs for continuing education on agency time, educational leave, journal subscriptions, new books for nursing unit, paid time off for course work, etc.

QUALITY OF CARE: A TALE OF TWO HOSPITALS

In this study, nurses portrayed hospitals of major contrasts.

In some hospitals, there is little or no integration of structural elements with the process of nursing care. Almost all conditions that distress nurses exist: being pulled to work on unfamiliar units; rotation of shift more frequently than once a week; prolonged assignments on undesirable shifts; infrequent weekends off; short staffing and overtime at the end of shift; absence of recognition for a job well done; time to provide only the barest necessities of physical care for patients; being expected to perform non-nursing tasks that are responsibilities of other disciplines; lack of autonomy in planning and implementing nursing care; low salaries; lack of salary difference for qualifications, shifts, longevity, performance, or overtime; and many others.

The nurses employed in these hospitals report that they like nursing, that they know how to give good nursing care, and that they want to give good care. In almost the same breath they rush to describe the only care it is possible for them to give and their feelings about it. They tell of specific situations in which they know that a patient was not receiving needed care. They think of quitting, but then they think of the patients and the other nurses, and that it will be worse for them if they leave; so they stay.

These nurses are confident in their abilities. They are ashamed of their practice, worried about their patients, fearful of errors that may be made, and discouraged. These nurses are working in hospitals with inadequate staffing where conditions that would attract more nurses are lacking.

But there are a few hospitals in which nurses paint a very different picture. Each unit has a staff of registered nurses with two or three assisting staff, all under the charge of a head nurse. The head nurse has at least a baccalaureate and frequently holds a master's she bears full responsibility for the unit, including hiring of personnel. All nursing care is provided by registered nurses; the assisting staff fulfill secretarial, messenger, supply, patient transportation, and communication activities. The assigned staff plan for total coverage of the unit, shifts, days off, holidays, etc.

On these units, primary nursing is practiced. Each nurse has three or four patients for whom she is responsible; she and a second primary care nurse share the responsibility for care of their patients on days off. Nurses on evenings and nights also have primary care assignments, so they have input equal to that of the nurses on the day shift into the total nursing care program of the unit.

Planning for inservice education is done to provide opportunities for meeting everyone's learning needs. And a shift differential ensures that enough nurses choose to work the evening and night shifts so rotation is not a problem. There is collaboration among units

in the hospital and among nearby hospitals for educational programs, so that nurses have a choice of opportunities to update their knowledge and skills. Staff nurses may participate in selected programs while on duty and may take advantage of additional programs on their own time at no cost. Tuition and fees are paid for continuing education, workshops, and courses taken for credit in degree programs.

A quality assurance program provides evaluations of the quality of care provided patients and of performance of individual nurses. Salary increases are tied to performance. Nurses may have input into all policies affecting nursing practice, patient care, or personnel benefits. Nurses share planning for patient care with physicians, pharmacists, nutritionists, and other health care disciplines, and take part in decisions about patient discharge or movement to another care unit.

There are no shortages of nurses in these hospitals. Nurses are happy in their positions; they have confidence in the quality of care that they are providing and that their patients are receiving.

PROBLEMS AND SOLUTIONS

Conditions in the structure of the hospital organization often inhibit the process of professional nursing. A conflict results because nurses perceive themselves as professionals engaging in nursing practice while administration views them as employees carrying out the job of nursing.

As Henderson defines nursing practice:

"The unique function of the nurse is to assist the individual, sick or well, in the performance of those activities contributing to health or his recovery (or to peaceful death) that he would perform unaided if he had the necessary strength, will, or knowledge. And to do this in such a way as to help him gain independence as rapidly as possible".[1]

The nursing job encompasses nursing practice, but it also includes setting the work schedule, coordination of patient activities; and interactions with other departments, visitors, new employees, and students. The data show that nurses are dissatisfied with employment when job conditions do not allow them to administer professional nursing care to patients. These conditions are due to hospital policies and administrative attitudes that fail to accommodate the following professional prerogatives:

Autonomy of practice and respect for the judgment of the professional.

Determination of standards of quality of care and determination of staffing needs and work schedules to achieve the standards.

Educational programs and support (financial and time) for updating knowledge and skills.

Participation with full vote in establishing policy related to patient care, personnel benefits, and working conditions.

Work responsibilities that are nursing related, with elimination of requirements for nurses to perform tasks that are the responsibility of other services.

Recognition and personnel benefits comparable to those accorded other health care professionals.

Failure to recognize these professional prerogatives creates a disparity between the nurse's job expectations and the nursing care that can actually be provided within the hospital structure. Responsibility for integrating the elements of job-related factors and professional practice lies with both hospital and nursing administrations. But nurses report that a major area of dissatisfaction is administrative support. This is a misunderstanding of the most fundamental nature, one that has major impact on whether nurses are satisfied with their jobs and satisfied with the care they provide to patients.

[1] Henderson, V. The nature of nursing, AJN 64:62–68, Aug. 1964.

Proper functioning of a system as complex as modern health care requires an extremely strong mechanism for measuring effectiveness. The quality of nursing care delivered to the patient must rest on primary standards by which proper functioning of the system is evaluated. If the process of nursing is not providing high quality care to patients, then the structure within which that process operates must be reevaluated.

Evaluation should begin by defining each aspect of nursing care with enough precision to identify objective standards of performance. A system of quality assurance could relieve many of the job conditions that nurses find distressful. Institutionalization of a complete program would necessarily involve all nurses in evaluating the quality of care provided patients and in identifying the program's strengths and weaknesses and the nurses' learning and skill development needs.

A quality assurance program is a natural process for initiating staff nurse involvement in assessment, planning, and development; in policy and practice changes; in implementation of programs; and in processing reviews for accounting for quality of both practice and care received by patients.

In hospitals where nurses are dissatisfied because of limitations in the amount of input and influence they have in matters of concern to themselves and to the patient care program, the introduction of a quality assurance program would allow them to become involved in matters with which they are most familiar and in ways in which they would feel most competent to contribute. From the beginning, with a quality assurance program, nurses could move to participation in assessment, planning, development, and decision making at all levels of program functioning within the hospital.

Staff nurses can assume a large responsibility for changes in situations that cause distress. They need to document episodes of unsafe or inadequate care in specific detail, particularly when job conditions are responsible.

Head nurses should take the lead in organizing such documentation. Staff can also outline, for administration, plans for change and offer to be involved in implementing the plans. Proposals should include a rationale, precise steps for implementing a plan, and a way to evaluate its impact.

Nursing education has a responsibility to provide educational programs that will accommodate registered nurses who wish to update their own formal education. Also, nursing faculty need to recognize staff nurses for the experts that they are and allow them greater interaction with students.

If nurse educators were to involve staff nurses as mentors for students, the students could learn the practice of nursing in the context of the job of nursing. Nurse educators must assume responsibility for initiating action; they must invite collaboration with administration and staff nurses to allow more opportunity for student practice in the nursing units.

Nursing faculty members need to maintain their clinical skills and encourage student nurses to consider direct patient care in a hospital setting as a long-term career, rather than a stepping-stone to a different career.

Nursing service administration, registered staff and head nurses, and nurse educators can all take action to improve job conditions and promote professional nursing practice. There must be collaboration and compromise among these three groups to effect work conditions conducive to providing good nursing care for patients.

To summarize, nurses who leave nursing and choose to remain outside the work force do so because of work conditions which interfere with the practice of professional nursing.

There is overwhelming evidence that what nurses complain about and report as reasons for leaving and staying out of nursing does exist; it is real. There is also evidence that the distressful conditions need not exist. Where they do not exist, there is no shortage of nurses, and nurses judge the quality of care provided patients to be good.

Nurses are concerned about the quality of care they are able to render patients; when quality is compromised because of the work environment, nurses become dissatisfied with the job of nursing.

Nurses in either stressful or satisfying situations identify support by nursing service administration and clinically competent nurse supervisors as keys to quality of conditions of work and the care provided patients.

Concerted efforts are needed by hospital and nursing administrations to grant autonomy and recognition to staff nurses. The description of nurses working and not working in this report derive from what nurses think, feel, and believe about the job and professional practice of nursing. Those who seek to attract nurses into the work force would do well to attend to what nurses themselves are saying.●

POLLUTION CONTROL FINANCING ACT OF 1981—S. 580

● Mr. RIEGLE. Mr. President, I am pleased to support the Pollution Control Financing Act of 1981, S. 580. My colleague from Michigan has already outlined the thrust of the act. I do not want to repeat those points, but I do want to add emphasis to the need for this legislation.

There has been a great deal of talk about the effect of Government regulation on business growth. I recognize the problems here. In fact I have participated in the debate as an advocate for intelligent regulation. Certainly we need to protect our environment. Efforts to preserve our air, water, and other natural resources need to be a continuing national priority.

These are goals that benefit all of us, but meeting pollution control requiremeans costs money. The demands on the resources of a small business are significant and the SBA's pollution control financing guarantee program does a good job of helping businessmen meet those demands.

Mr. President, SBA involvement is limited to guaranteeing the repayment of loans for installing pollution control facilities and equipment, but demand for this program has increased. In the current fiscal year, $49 million in guarantees have already been committed. Another $85 million in requests are pending from firms which SBA considers to be worthy applicants. Yet we are barely a third of the way through the fiscal year and the guarantee level for fiscal year 1981 is now $110 million. The legislation before us increases it to $250 million.

No new appropriation will be needed to increase the guarantee levels here. In fact, the program has been a moneymaker. Over $11 million in guarantee fees have been collected and $58,000 has been made in interest on funds invested. When the program began in 1976, Congress appropriated $15 million for a revolving fund and since that time we have had only 1 default out of 171 guarantees.

In conclusion Mr. President, it is the proper role of Government to assist small business in this instance. SBA estimates that 80 percent of the loan guarantees are made to firms installing pollution control equipment required by Government regulation. Yet the demand for the program is outpacing the program levels. Bearing in mind that this is an efficient and cost-effective program, I ask my fellow Senators to join us in support of the Pollution Control Financing Act of 1981.●

CODDLING CHILEAN TERRORISM

● Mr. KENNEDY. Mr. President, earlier this week I expressed my strong opposition to the administration's decision to seek closer ties with the Pinochet regime in Chile, despite its refusal to extradite Chilean intelligence officers indicted by an American grand jury for conspiracy to murder a former Chilean foreign minister, Orlando Letelier, and his American associate on the streets of Washington. This move comes in complete contradiction to the administration's emphasis on combatting international terrorism.

Mr. President, the Boston Globe published an important editorial protesting this decision on February 25, I request that the text of this editorial be printed in the RECORD.

The editorial is as follows:

CODDLING CHILEAN TERRORISM

It is no surprise that the Reagan Administration seeks closer ties with rightist governments than its predecessor viewed askance. Many in key foreign policy posts have long made clear their willingness to abide military rule, particularly in Latin America, in return for stability and adamant opposition to forces on the left. However, the Administration's early decision to ease sanctions against Chile is both disturbing and surprising.

Sanctions were imposed by the Carter Administration in November, 1979, after the Pinochet government refused to extradite two former Chilean intelligence officers indicted by an American jury for conspiring to murder a former Chilean official and an associate in Washington in the fall of 1976.

Those murders, of one-time Chilean Foreign Minister Orlando Letelier and Ronni Moffett, constitute the most onerous act of international terrorism committed within the borders of the United States in recent years. From the testimony of others who have been tried in the case—and convicted—there can be little doubt that ultimate responsibility for the murders rests in Chile.

By refusing to extradite the two former intelligence officers, one a close associate of Chilean President Augusto Pinochet, Chile impugned the integrity of the American judicial system. In going along with Chile, the Reagan Administration seems to be taking a soft line against an outburst of international terrorism.

The Administration has now lifted two sanctions imposed on Chile—a ban on Export-Import Bank financing for US-made products sold to Chile and exclusion from annual joint exercises by US and Latin American naval forces in the Pacific.

The moves are particularly puzzling in light of Secretary of State Haig's declaration at his first formal press conference that "international terrorism will take the place of human rights in our concern because it is the ultimate abuse of human rights."

The Administration ought not be giving the impression that it will tolerate the "ultimate abuse of human rights" by any government of any political stripe and especially not when that abuse occurred on the streets of Washington.●

RULES OF PROCEDURE OF THE COMMITTEE ON LABOR AND HUMAN RESOURCES

● Mr. STAFFORD. Mr. President, rule 26 of the Standing Rules of the Senate requires that each committee of the Senate adopt and publish its rules not later than March 1 of each year.

On February 25, the Committee on Labor and Human Resources adopted rules of procedure governing committee activities for the 97th Congress. On behalf of Chairman HATCH and the other members of the committee, I submit for printing in the RECORD the rules of procedure of the Committee on Labor and Human Resources.

The rules are as follows:

SENATE COMMITTEE ON LABOR AND HUMAN RESOURCES

(ORRIN G. HATCH, Chairman)

RULES OF PROCEDURE (AS AMENDED FEBRUARY 25, 1981)

Rule 1.—Unless the Senate is meeting at the time, or it is otherwise ordered, the Committee shall meet regularly at 10:30 a.m. on the fourth Thursday of each month in room 4232, Dirksen Senate Office Building. The Chairman may, upon proper notice, call such additional meetings as he may deem necessary.

Rule 2.—The Chairman of the Committee or of a subcommittee, or if the Chairman is not present, the ranking Majority member present, shall preside at all meetings.

Rule 3.—Meetings of the Committee or a subcommittee, including meetings to conduct hearings, shall be open to the public except as otherwise specifically provided in subsections (b) and (d) of Rule 25.7 of the Standing Rules of the Senate.

Rule 4.—(*a*) Subject to paragraph (b), one-third of the membership of the Committee, actually present, shall constitute a quorum for the purpose of transacting business. Any quorum of the Committee which is composed of less than a majority of the members of the Committee shall include at least one member of the Majority and one member of the Minority.

(*b*) A majority of the members of a subcommittee, actually present, shall constitute a quorum for the purpose of transacting business: provided, no measure or matter shall be ordered reported unless such majority shall include at least one member of the Minority who is a member of the subcommittee. If, at any subcommittee meeting, a measure or matter cannot be ordered reported because of the absence of such a Minority member, the measure or matter shall lay over for a day. If the presence of a member of the Minority is not then obtained, a majority of the members of the subcommittee, actually present, may order such measure or matter reported.

(*c*) No measure or matter shall be ordered reported from the Committee or a subcommittee unless a majority of the Committee or subcommittee is actually present at the time such action is taken.

Rule 5.—With the approval of the Chairman of the Committee or subcommittee, one member thereof may conduct public hearings other than taking sworn testimony.

Rule 6.—Proxy voting shall be allowed on all measures and matters before the Committee or a subcommittee if the absent member has been informed of the matter on which he is being recorded and has affirmatively requested that he be so recorded. While proxies may be voted on a motion to report a measure or matter from the Committee, such a motion shall also require the concurrence of a majority of the members who are actually present at the time such action is taken.

The Committee may poll any matters of Committee business as a matter of unanimous consent; provided that every member is polled and every poll consists of the following two questions:

(1) Do you agree or disagree to poll the proposal; and

(2) Do you favor or oppose the proposal.

Rule 7.—There shall be prepared and kept a complete transcript or electronic recording adequate to fully record the proceedings of each Committee or subcommittee meeting or conference whether or not such meetings or any part thereof is closed pursuant to the specific provisions of subsections (b) and (d) of Rule 25.7 of the Standing Rules of the Senate, unless a majority of said members vote to forgo such a record. Such records shall contain the vote cast by each member of the Committee or subcommittee on any question on which a "yea and nay" vote is demanded, and shall be available for inspection by any Committee member. The Clerk of the Committee, or the Clerk's designee, shall have the responsibility to make appropriate arrangements to implement this Rule.

Rule 8.—The Committee, and each subcommittee, shall undertake, consistent with the provisions of section 133A of the Legislative Reorganization Act of 1946, as amended, to issue public announcement of any hearing it intends to hold at least one week prior to the commencement of such hearing.

Rule 9.—The Committee or a subcommittee shall, so far as practicable, require all witnesses heard before it to file written statements of their proposed testimony at least 24 hours before a hearing, unless the Chairman and the ranking Minority member determine that there is good cause for failure to so file, and to limit their oral presentation to brief summaries of their arguments. The presiding officer at any hearing is authorized to limit the time of each witness appearing before the Committee or a subcommittee. The Committee or a subcommittee shall, as far as practicable, utilize testimony previously taken on bills and measures similar to those before it for consideration.

Rule 10.—Should a subcommittee fail to report back to the full Committee on any measure within a reasonable time, the Chairman may withdraw the measure from such subcommittee and report that fact to the full Committee for further disposition.

Rule 11.—No subcommittee may schedule a meeting or hearing at a time designated for a hearing or meeting of the full Committee. No more than one subcommittee executive meeting may be held at the same time.

Rule 12.—It shall be the duty of the Chairman in accordance with section 133(c) of the Legislative Reorganization Act of 1946, as amended, to report or cause to be reported to the Senate, any measure or recommendation approved by the Committee and to take or cause to be taken, necessary steps to bring the matter to a vote in the Senate.

Rule 13.—Whenever a meeting of the Committee or subcommittee is closed pursuant to the provisions of subsection (b) or (d) of Rule 25.7 of the Standing Rules of the Senate, no person other than members of the Committee, members of the staff of the Committee, and designated assistants to members of the Committee shall be permitted to attend such closed session, except by special dispensation of the Committee or subcommittee or the Chairman thereof.

Rule 14.—The Chairman of the Committee or a subcommittee shall be empowered to adjourn any meeting of the Committee or a subcommittee if a quorum is not present

within fifteen minutes of the time scheduled for such meeting.

Rule 15.—Whenever a bill or joint resolution repealing or amending any statute or part thereof shall be before the Committee or a subcommittee for final consideration, the Clerk shall place before each member of the Committee or subcommittee a print of the statute or the part or section thereof to be amended or replaced showing by stricken-through type, the part or parts to be omitted, and in italics, the matter proposed to be added.

Rule 16.—An appropriate opportunity shall be given the Minority to examine the proposed text of Committee reports prior to their filing or publication. In the event there are supplemental, minority, or additional views, an appropriate opportunity shall be given the Majority to examine the proposed text prior to filing or publication.

Rule 17.—(*a*) The Committee, or any subcommittee, may issue subpoenas, or hold hearings to take sworn testimony or hear subpoenaed witnesses, only if such investigative activity has been authorized by majority vote of the Committee.

(*b*) For the purpose of holding a hearing to take sworn testimony or hear subpoenaed witnesses, three members of the Committee or subcommittee shall constitute a quorum: provided, with the concurrence of the Chairman and ranking minority member of the Committee or subcommittee, a single member may hear subpoenaed witnesses or take sworn testimony.

(*c*) The Committee may, by a majority vote, delegate the authority to issue subpoenas to the Chairman of the Committee or a subcommittee, or to any member designated by such Chairman. Prior to the issuance of each subpoena, the ranking minority member of the Committee or subcommittee, and any other member so requesting, shall be notified regarding the identity of the person to whom it will be issued and the nature of the information sought and its relationship to the authorized investigative activity, except where the Chairman of the Committee or subcommittee, in consultation with the ranking minority member, determines that such notice would unduly impede the investigation. All information obtained pursuant to such investigative activity shall be made available as promptly as possible to each member of the Committee requesting same, or to any assistant to a member of the Committee designated by such member in writing, but the use of any such information is subject to restrictions imposed by the Rules of the Senate. Such information, to the extent that it is relevant to the investigation shall, if requested by a member, be summarized in writing as soon as practicable. Upon the request of any member, the Chairman of the Committee or subcommittee shall call an executive session to discuss such investigative activity or the issuance of any subpoena in connection therewith.

(*d*) Any witness summoned to testify at a hearing, or any witness giving sworn testimony, may be accompanied by counsel of his own choosing who shall be permitted, while the witness is testifying, to advise him of his legal rights.

(*e*) No confidential testimony taken or confidential material presented in an executive hearing, or any report of the proceedings of such an executive hearing, shall be made public, either in whole or in part or by way of summary, unless authorized by a majority of the members of the Committee or subcommittee.

Rule 18.—Presidential nominees shall submit a statement of their background and financial interests, including the financial interests of their spouse and children living in their household, on a form approved by the Committee which shall be sworn to as to its completeness and accuracy. The Committee form shall be in two parts—

(I) information relating to employment, education and background of the nominee relating to the position to which the individual is nominated, and which is to be made public; and

(II) information relating to financial and other background of the nominee, to be made public when the Committee determines that such information bears directly on the nominee's qualifications to hold the position to which the individual is nominated.

Information relating to background and financial interests (Part I and II) shall not be required of (a) candidates for appointment and promotion in the Public Health Service Corps; and (b) nominees for less than full-time appointments to councils, commissions or boards when the Committee determines that some or all of the information is not relevant to the nature of the position. Information relating to other background and financial interests (Part II) shall not be required of any nominee when the Committee determines that it is not relevant to the nature of the position.

Committee action on a nomination, including hearings or meetings to consider a motion to recommend confirmation, shall not be initiated until at least five days after the nominee submits the form required by this rule unless the Chairman, with the concurrence of the ranking minority member, waives this waiting period.

Rule 19.—Subject to statutory requirements imposed on the Committee with respect to procedure, the rules of the Committee may be changed, modified, amended or suspended at any time: *provided*, not less than a majority of the entire membership so determine at a regular meeting with due notice, or at a meeting specifically called for that purpose.

Rule 20.—In addition to the foregoing, the proceedings of the Committee shall be governed by the Standing Rules of the Senate and the provisions of the Legislative Reorganization Act of 1946, as amended.●

CHAIRMAN STAFFORD'S LEADERSHIP IN THE FIGHT TO REMOVE HIGHWAY BILLBOARDS FROM COSTLY FEDERAL REGULATIONS

● Mr. LEAHY. Mr. President, a recent issue of Sierra contained a very interesting article, "On Billboards." This article discussed the history of the Federal billboard removal program, noting that recent amendments "to twist the intent of the act" have made the program unworkable. These same amendments have also driven the program's cost to the taxpayers into the billions of dollars.

Frankly, this is unacceptable. We must find a way to return this program to its original intent—to beautify our highways—or to return it to State control.

The Sierra article notes the leadership of my colleague, Chairman STAFFORD of the Committee on Environment and Public Works, and his efforts to return this program to State control. I support that effort, and I shall continue to do so. I hope that the Senate will act to accomplish this goal.

Because of the need for Congress to understand this issue, I ask that the article, "On Billboards," be printed in the RECORD.

The article follows:

ON BILLBOARDS

(By Nelson Price) *

They loom large and tall along American roads, yelling their messages in capital letters: MUFFLERS FIXED, SEE INJUN JOE WRESTLE THE ALLIGATOR, HAPPINESS HOTEL—2 EXITS AWAY, SMITH DESERVES YOUR VOTE, TRY OUR HOT AND JUICY BAR-B-Q. With just as much force and fervor, the owners of the nation's billboards have been, for more than 20 years, fighting government efforts to clean up roadways.

Outdoor advertisers encountered their biggest setback so far in 1965 with the passage of the Highway Beautification Act. But now that act, which has periodically been amended and diluted since its adoption, may be toppled completely before even half the signs it finds nonconforming have been removed.

The U.S. Department of Transportation is conducting a study to determine whether the program is worth maintaining. The investigation, which has included a series of public hearings throughout the country and the establishment by then-Transportation Secretary Brock Adams of a 25 member "blue chip" committee, probably won't be completed until next spring—"and even that's a very, very optimistic prediction," according to Richard Moeller, the Federal Highway Administration's overseer of the act.

In the meantime, enforcement of the Highway Beautification Act's provisions varies widely from state to state, and back-up federal funding has dipped while "Lady Bird's bill"—as it is commonly called because Mrs. Lyndon Johnson considered it her special project—sits in limbo.

The Transportation Department investigation will recommend that the federal government select one of three options: strengthen the Highway Beautification Program; scuttle it altogether; or, as Moeller put it, proceed "with the status quo."

Because post-1965 amendments so twist the intent of the act, some supporters of the original legislation now favor abandoning it. Senator Robert F. Stafford (R-Vermont), whose state has been one of the six best in terms of sign removal, has introduced a bill (S 344) that would make state compliance with the program voluntary. His aim is to let states and local government units enforce their own beautification policies instead of having to comply with some of the recent amendments of the national act, which he considers to have failed.

The amendment that most enrages opponents of neon jungles and billboard alleys is a 1978 addition regarding the payment of whose signs are removed, even under local ordinances. The amendment specifies that the federal government will fund 75% of the compensation, with the state or city government being forced to foot the remainder of the bill. The net result, as many see it, is a financial windfall for the sign owners. The amendment is expected to inhibit many cities from clamping down on their sign-infested downtowns, which, as a New York industrial designer once said, resemble "cocktail parties in low-ceilinged rooms."

For instance, this was pre-sign-ordinance Denver of 1970: A two-mile stretch of South Colorado Boulevard was marred by the flashing neon exhibited by go-go palaces, discount furniture stores and pancake houses. Some signs were six stories tall, an one billboard stretched the length of a football field. The

*Nelson Price is a reporter with the Journal-Gazette in Fort Wayne, Indiana. He is also a free-lance magazine writer with an interest in environmental issues.

city was quickly losing its Rocky Mountain splendor. Colorado State Bank even promoted an "Endorse Denver's Beauty" campaign by sticking its message on billboards that obscured the view of that very city.

Then, through the efforts of housewives, environmentalists and some businesses, Denver passed a sign ordinance and improved its appearance. Other cities in the state also have enacted restrictive legislation; Boulder's law, which bans billboards and places strict limits on wall and pole signs, serves as a model.

In some municipalities, where progress has been slower or nonexistent, frustrated residents have taken upon themselves the burden of removing signs that pollute visually. In the Colorado mountain community of Allenspark, 56-year-old Maggie Walter, soon known as "Chain Saw Maggie," became a local heroine after she took her two chain saws and downed a 15-foot-high billboard advertising a condominium project. She was charged with a misdemeanor felony, and the sheriff's department confiscated her saws, but that didn't stop admirers from selling T-shirts bearing her nickname.

In 1972, a group of Ann Arbor, Michigan, high-school boys with chain saws felled more illegal billboards in a single night than years of federal administration had done. The boys were appropriately charged with a felony. Often, the penalties set for states that have allowed nonconforming billboards to remain have not been dished out.

The states that have complied most fully with the act's intent are Alaska, Oregon, Vermont, Washington and Hawaii; the latter became a forerunner in the battle against city and roadside blight by adopting strict controls, including bans on billboards, in 1927 when the islands were still a U.S. territory.

According to the Transportation Department study, which classified the country according to regions, the Northwest (Alaska, Idaho, Oregon and Washington) has by far the best compliance record—an average of 83%—with the beautification act. In distant second place is the Rocky Mountain and Western Plains region, consisting of Colorado, Montana, North Dakota, South Dakota, Utah and Wyoming, with an average 49% compliance. The region of the country worst at sign removal has been the Southeast. The states of Alabama, Florida, Georgia, Kentucky, Mississippi, North and South Carolina and Tennessee together average only a 14% compliance rating.

The performance of individual American cities has been similarly erratic. The Highway Beautification Act was intended to serve as an example for the drafting of local ordinances. Some municipalities, however, seem to pretend that it doesn't exist. An example is Seaside, Oregon, which has no local sign regulation at all, despite its presence in a state that, overall, has done well in billboard removal.

Ironically, the cities with the best track records for sign legislation often are resorts, too—but of a different sort. Subdued and well-planned, these communities emphasize the wonders of nature from which their fame originates: The mountains, forests and beaches that color the landscape. Carmel, California, has effectively limited all signs to small simple ones made of wood.

In 1970, Aspen, Colorado, ordered all billboards razed on approaches to the town and designated a "sign mall" area where businesses could advertise—if their signs met specific size regulations. The same year, Montgomery County in Maryland banned banners, moving signs and certain billboards; and the city of Medina, Ohio, hurt by criticism from a design consultant who called it Uglyville, began refurbishing its downtown business district.

The roots of national sign legislation extend back to a 1954 U.S. Supreme Court opinion by William O. Douglas. "It is within the power of the legislature," he wrote, "to determine that the community should be beautiful." Included in the Federal Aid Highway Act of 1958, which came out of Congress when Lyndon Johnson was Senate Majority Leader, were provisions allowing states to receive bonus funds if they initiated sign removal. Yet little was accomplished. In 1965, as president, Johnson announced the need for a national beautification act, saying, "It is in the best interests of neither the advertising industry nor the nation to permit a further decrease of our national beauty."

The Highway Beautification Act, which prohibited billboards within 660 feet of highways outside of commercial areas, was passed by congressional representatives with the words of Lady Bird Johnson ringing in their ears: "Ugliness is bitterness, an eroding force on the people of our land."

However, outdoor advertisers quickly found a way to circumvent the act. They began erecting jumbo-sized signs just 661 feet away from highways. The giant signs proliferated to such an extent that the act was amended in 1974 to extend the zone of control to "the limits of visibility" of motorists outside urban areas.

The amendment, however, contained wording that set the precedent for sign owners to receive public money as a result of compliance with the program. The amendment provided payment for the removal of any sign lawfully erected—for example, those put up next to a highway before 1965.

Then, four years later, came the more sweeping amendment that effectively prohibits cities or states from forcing removal through police power unless compensation is involved. As a result, state and city governments are increasingly reluctant to adopt or enforce sign laws—large outlays of taxpayer money could be involved.

What is the solution? Should the Highway Beautification Act be injected with new strength?

The Federal Highway Administration now is accepting public comment on the matter. Letters can be sent to the FHA at 400 Seventh Street S.W., Washington, D.C. 20590.●

FAIR SHARE OF BUDGET CUTS FOR THE NUCLEAR INDUSTRY

● Mr. KENNEDY. Mr. President, in its $41 billion total of proposed budget cuts, the Reagan administration has not proposed to cut a single dollar of Federal spending for the nuclear industry. There is a sharp inconsistency between two administration policies—on the one hand, the free-market approach applied in the form of oil price decontrol at a cost to Massachusetts consumers of $25 billion in the 1980's; and on the other hand, big-government, special-interest subsidies for the nuclear industry. There is a clear contrast between the cuts in CETA job training for unemployed workers and inner cities, and lavish Federal assistance for uneconomic nuclear power projects, which are, in fact, nothing more than CETA programs for nuclear engineers.

For example, in a 1977 letter to his Republican colleagues in the House of Representatives, David Stockman, now Director of OMB, insisted that funding of the Clinch River breeder reactor was a test of "whether, as Republicans, we will consistently adhere to * * * free-market views on energy policy * * *." Yet the administration budget proposes no reduction in Federal subsidies for the $3 billion Clinch River project.

In light of the deep cuts proposed in the solar, coal, and conservation budget, I hope that the administration will review its program and will insist that the nuclear industry bear its fair share of the budget burden. Whatever our views on nuclear power, we should be able to agree that the nuclear industry should not be given special subsidies, special protection, or special privilege.

Mr. President, I ask that my letter to Mr. Stockman of February 23, 1981, and Mr. Stockman's letter and memorandum of September 17, 1977, be printed in the RECORD.

The material follows:

U.S. SENATE,
Washington, D.C., February 23, 1981.

Hon. DAVID STOCKMAN,
Director, Office of Management and Budget, Executive Office Building, Washington, D.C.

DEAR MR. STOCKMAN: I was quite disturbed in examining the recent budget cut proposals to find that absolutely no cuts were proposed in the nuclear energy budget. Other energy programs, solar conservation, and coal, have been deeply cut.

On many different occasions, both you and President Reagan have emphasized the primacy of the free market. This is the reason you have given for many of the budget cuts that will exact the highest price in human terms. And it is the rationale you cited when the Reagan Administration accelerated oil price decontrol, a policy which will cost the nation $200 billion and the consumers of Massachusetts $25 billion during this decade.

What I fail to understand is why an Administration that claims so deep a commitment to the free market in other areas continues to countenance vast federal subsidies for the nuclear utilities. Especially disturbing is the subsidy for the Clinch River Breeder Reactor project which you so forcefully opposed in a September 17, 1977, letter to your Republican colleagues, a copy of which is appended. At that time, you called the $3 billion Clinch River project "totally incompatible with our free market approach to energy policy."

In the same letter, you wrote that "the precedent set by continuing the Clinch River project will be . . . massive federal subsidies to underwrite future national energy costs." You concluded: "it (funding Clinch River) is a test of whether, as Republicans, we will consistently adhere to . . . free market views on energy policy. . . ."

Your Administration faces that same test now. It is a test of the fundamental fairness and the fundamental consistency of your program. An Administration that demands an end to CETA job training for unemployed workers in depressed industries and inner cities should not be advocating a breeder reactor project which involves, in your own words, "a large, uneconomic subsidy"—a breeder project that is, in fact, nothing more than a CETA program for nuclear engineers.

If you regard a painful policy of decontrol as right for the ordinary families of New England heating their homes, then surely it is right that the multi-billion dollar nuclear industry should not receive the comfort of excessive government spending. I hope that

when the final federal budget recommendation is released, the nuclear industry will not be given special subsidies, special protection, and special privilege.

Sincerely,

EDWARD M. KENNEDY.

MEMORANDUM: CONSERVATIVE ECONOMICS AND FREE MARKET PHILOSOPHY SAY "NO TO THE CLINCH RIVER BREEDER PROJECT

As a member of the Energy and Power Subcommittee, I worked to defeat the Administration's National Energy Plan on the grounds that it was anti-free market in nearly every respect.

Along with most of our Republican colleagues, I advocated decontrol of oil and natural gas prices because I believe the market will furnish additional supplies in response to higher prices. I opposed bureaucratically administered conservation programs because I believe the free market is the best means of achieving conservation. As prices rise, businesses, households, and other energy users substitute lower cost factors—insulation, improved engineering efficiency, and other capital improvement—for energy, thereby lowering demand and costs. I also opposed the Administration's red-tape-ridden coal conversion program. The market system will lead to increased coal use by utilities and industry as the Btu cost of gas and oil rises without the costly "help" of a Washington bureaucracy.

Until a few months ago, I assumed that the Clinch River Breeder project was a good idea. It promised vast amounts of energy free from foreign control. But after a careful, in-depth review of the economics of the project, I have come to the conclusion that it is totally incompatible with our free-market approach to energy policy.

The case for the Clinch River project and early breeder commercialization has been constructed almost without reference to the principles that we applied in the earlier energy debate. It ignores the dynamic resource adjustment process that will take place in the energy market during the next three decades. As a result, it overstates future demand for electric power and understates the expanded supply of uranium that will be generated by higher prices. This lack of market reference in the case for the breeder obscures the clear cost advantage of sticking with conventional nuclear power over the next thirty years. The breeder cannot compete with existing nuclear technologies within the time frame contemplated by its advocates without continuing massive subsidies.

The precedent set by continuing the Clinch River project will be one of increasingly deeper government involvement in the development, marketing, and commercialization of alternate energy sources and massive federal subsidies to underwrite future national energy costs. Today it is the nuclear breeder lobby looking for a large, uneconomic subsidy. Tomorrow it will be the solar power gang, then the windmill freaks, and so on in a never ending stream of outstretched palms.

As I said in my previous Dear Colleague, I believe that government support for basic scientific research, laboratory experimentation, and pilot scale demonstrations is a laudable and appropriate policy. But government should not become involved in the provision of subsidies for the commercialization of new energy technologies that cannot pass the market test of competitiveness with alternatives on a price basis. The breeder reactor will not pass this test until well into the next century, if ever.

If your view is similar to my initial reaction, you assumed that the vote on Clinch River was a struggle between the pro-production forces and the anti-growth Doomsday squad that has done so much damage to our situation already. It is not. Ironically, it is a test of whether, as Republicans, we will consistently adhere to the free-market views on energy policy that we so forcefully advocated during the debate on the energy bill earlier this session.

I hope that you will carefully consider the attached memorandum and vote in favor of the Brown amendment to cut back the funding for Clinch River.

With all best wishes, I am

Yours very truly,

DAVE STOCKMAN,
Member of Congress.

THE MARKET CASE AGAINST THE CLINCH RIVER BREEDER PROJECT

I. URANIUM SUPPLY, DEMAND FOR ELECTRICITY, AND POWER COST: TWO NUCLEAR TECHNOLOGIES IN COMPETITION

The issue of whether to continue heavy federal subsidies to the Clinch River project is fundamentally a question of energy costs, not one of quantity or supply adequacy. Clearly, we must make large additions to our electrical generating capacity between now and early in the next century. Due to dwindling fossil fuel supplies, an increasing share of this additional capacity must be nuclear. The market case against early breeder commercialization, as distinguished from the anti-growth and anti-nuclear arguments, does not deny either of these propositions.

But it does focus on a very specific and important question regarding the appropriate choice of nuclear technologies and the timing of their introduction into the commercial market. The question is, within the time frame under consideration—roughly the period from 1990 to 2010/15—which nuclear technology offers the prospect of adequate electric power production at the lowest cost: the conventional light-water cooled reactor or the proposed breeder-plutonium fuel cycle?

Either of these nuclear power variants can fill our electric needs. The question presented by the Brown amendment is which will be the best bargain for the economy, electric customers, and the Federal treasury.

This question cannot be answered apart from the dynamics of the marketplace and its complex interaction of electric power demand, uranium ore supply, and the comparative capital and fuel cycle costs of the two technologies.

No one has seriously argued that the breeder is competitive or ought to be added to our electric energy supply system so long as there is an adequate supply of low-cost uranium. Current figures indicate that the capital cost of the breeder will be from $100 to $200 greater per kilowatt of capacity than for conventional light-water reactors. Similarly, at current uranium prices, the once-through fuel cycle of the conventional reactor is also cheaper due to the high cost of separating, reprocessing, and refabricating spent reactor fuel, as required by the breeder.

However, at such time as our supply of low-cost uranium is depleted and the price rises to levels perhaps three or four times above historic uranium prices, the comparative economics change. The breeder fuel cycle becomes cheaper because it does not require fresh uranium ore. Eventually, these fuel cycle savings more than off-set the higher capital costs of the more complex breeder reactor design and technology. Under these conditions the breeder variant would displace the light-water reactor as the lowest cost source of nuclear electric power.

In a normal product market, the interaction of supply and demand would determine this threshold point, and thereby determine whether 1990, 2020, or any point in between, is the appropriate date for the introduction of the commercial breeder. However, the market for advanced nuclear electric technologies (and indeed advanced energy technologies of all types) is heavily influenced by extensive Federal involvement in research, development, and demonstration.

In the present case, this involvement is appropriate due to the unusual national security implications of civilian nuclear power and due to the clear national economic benefits which result from public financing of research and development activities that would have prohibitively long pay-back periods in the private sector, especially in the risk-averting utility industry.

But development of energy technology options should not be confused with their marketing and commercial introduction. An essential principle of the market approach to energy policy is that when the stage of commercialization or near commercialization is reached, the market choice mechanism must take over and development subsidies must largely end. Therefore, the only justification for any continued funding of the Clinch River project is the hard economic judgment that under foreseeable conditions, the market would select the breeder during the 1990's as the lowest-cost form of nuclear electric power production.

Advocates of the Clinch River project have recently shifted their justification in an attempt to avoid this crucial test, and are soft-pedalling the former argument that Clinch River is the first stage in an integrated commercialization program. But even a cursory review of the nature and scope of the timetable proposed by the Science Committee demonstrates that the Clinch River Project cannot be served from the overall timetable for early commercialization.

The new argument is that the Clinch River project offers a kind of energy "insurance policy," or a scaled-up R & D option on which a commercialization choice can be made in the late 1980's—after the project is in operation. But this argument ignores economic and political realities. The Clinch River project will cost at least $2.7 billion. In conjunction with the other elements of the breeder development program, it will generate a vast industrial support and supply infrastructure among private companies engaged in all phases of reactor design, component manufacture, and plutonium fuel cycle support. The development of this infrastructure is in fact one of the central goals of the project.

The notion that after the government and private firms have invested billions of dollars in developing a commercial breeder industry infrastructure, it will somehow be easier to make a decision on commercialization is absurd. All of the expenditures on the project and its infrastructure will have become sunk investments. It would make no sense to write off all of this investment and put the breeder reactor on the shelf for two or three decades until economic conditions become more favorable, should that be the conclusion of the Clinch River test. What will happen is that the breeder will develop still greater institutional momentum. As difficult as the decision to defer breeder commercialization is today in the face of clear and convincing evidence, it will become still more difficult at the so-called "commercialization decision date" in the 1980's.

What about the "insurance policy" argument? It may seem attractive to support the Clinch River project despite its very unfavorable economics against the risk of unpredicted deterioration in the world uranium market. But uranium is not the only fuel source facing the prospect of depletion of low-cost reserves. Supply uncertainties

are at least as strong for conventional sources of natural gas and crude oil. If we adopt the "insurance policy" rationale, the Federal government should make a commitment to very heavy subsidies for commercial scale synthetic crude, oil shale, geopressurized gas, and coal gasification plants as well—just to provide an "insurance policy" for other vital energy sources. This kind of logic obviously leads very rapidly to a nonmarket based energy supply system, something that I fervently hope is *not* our goal.

In light of these considerations, it is clear that the time to make the choice between accelerated or deferred commercialization of the breeder is now. The following sections demonstrate quite clearly that market conditions will not be conducive to breeder introduction until well into the next century.

II. THERE IS NO SUCH THING AS FREE ENERGY

The preceding makes clear that the breeder is an advanced technological variant of current reactor and fuel cycle design, not the energy equivalent of a perpetual motion machine. Contrary to the popular image, it does not "breed" more energy than it consumes; rather, the breeder facilitates a more complete extraction or recovery of the energy potential of uranium ore than is possible with current technology. This enhanced recovery, however, comes at a substantial premium in reactor capital investment and fuel reprocessing facilities.

For this reason, the widely advertised fact that the enrichment tailings left over from the conventional nuclear process contain the energy equivalent of a trillion barrels of oil is of little significance divorced from the context of economic costs. For one thing, this huge, dramatic number represents electric-generation input equivalents, not end-use energy available to the economy. Given the inherent thermal conversion inefficiency of electric power generation, the end-use value is something in the order of only 300 billion barrels of oil equivalent.

More importantly, incomplete energy recovery from fuel resources is by no means unique to the uranium 235 fueled light water reactor; the extraction and conversion process for nearly every fuel in use in the economy today exhibits the same pattern.

On the average, almost two-thirds of the crude oil in a given reservoir is left in the ground because the costs of a higher rate of recovery are prohibitive. In fact, since the beginning of the petroleum age in the United States, nearly 300 billion barrels of oil have been left in the ground due to the economic limits of recovery.

Similarly, until recently most U.S. coal seams have been deep-mined, yet the typical "room and pillar" method of extraction has left considerably more than half of the available coal behind. The amount of energy in this unrecovered coal is the equivalent of another 300 billion barrels of oil.

A proposal to launch a massive Federal subsidy program to re-open abandoned mines and wells, or to encourage much higher rates of recovery from currently producing properties, would not be given serious consideration at the present time. Yet the much bally-hooed stored uranium tailings are no different in principle. The desirability of enhanced BTU recovery from any fuel is essentially a matter for the market to decide; physical potential is a thoroughly inadequate justification for a large subsidy program.

III. FUTURE ELECTRIC POWER DEMAND AND MARKET ADJUSTMENT

The linchpin in the case for subsidized breeder commercialization has been enormous projected increases in electric power demand during the next three decades. As recently as 1974, for example, the ERDA mid-case estimate showed a need for 2,200 gigawatts of generating capacity by the year 2000—a figure which represents generating capacity more than *four times greater* than available today.

Under this demand scenario, a minimum of *1,000 gigawatts* of nuclear capacity would have been absolutely essential (this compares with 40 gigawatts of nuclear capacity on-line at present). Nevertheless, even at this high level of nuclear supply, coal-steam capacity would have had to increase *four-fold* to make up the difference. Obviously, under these electric demand conditions, known and even speculative supplies of low-cost uranium would have been inadequate, making early breeder commercialization imperative.

In truth, however, these demand projections represent an inexcuseable ignorance of market dynamics. Rather than being sophisticated economic projections, these numbers were merely mechanical extrapolations of the electric power consumption growth rate that had prevailed for the previous decade or so, about *seven* percent per year.

Yet this high electric consumption growth rate—nearly double the average growth in GNP—was made possible by a single key economic factor that even in the early 1970's should not have been viewed as indefinitely sustainable: a steadily declining real price of electric power.

Between 1945 and 1970, for example, the constant dollar cost of residential electricity dropped from 11 cents per kilowatt hour to only 2.5 cents per kilowatt hour; similarly, industrial rates were reduced by more than one-half during the same period. The result of this unique combination of steeply declining unit prices and rapidly growing total consumption was that the share of GNP devoted to purchased electricity remained almost constant at 2 percent during the entire post-war period.

It is clear today that declining real prices for any energy source, including electricity, are a thing of the past. Indeed, average electricity rates in constant dollar terms have already increased by 34 percent since 1972.

Due to huge additional costs for environmental controls, rising costs of utility financing and capital, and sharply increasing utility fuel costs, a substantial continuing rise in real electric rates over the next 20 or 30 years is highly probable. Indeed, one recent study by ERDA's Institute for Energy Analysis indicated that real electricity prices will increase by more than 60 percent by the year 2000.

Yet assuming a seven percent growth rate in electrical consumption (as per earlier ERDA demand studies) in combination with the undeniable prospect of something in the order of a 50–60 percent increase in electric rates (as per recent ERDA price studies) produces an entirely absurd proposition: namely, that the fraction of GNP devoted to the purchase of electric power would jump from its historic 2 percent level to more than 15 percent! Even at a more modest 5 percent annual consumption growth rate, the mathematical outcome is nearly a 10 percent share of GNP going to electrical purchases.

There is little reason to believe that the economy would permit such a drastic shift in resource allocation to occur. The residential market, which has been a source of differentially high growth in recent decades, provides a good case in point.

This sector is now nearly saturated with basic appliances, as symbolized by the Census Bureau's decision to discontinue its questions on basic appliance ownership because levels have reached 99 percent. In addition, the stabilization of the population growth rate indicates a much lower rate of new household formation than in previous decades. There is also a strong prospect of large increases in household thermal efficiency in both space conditioning and appliance applications, spurred by mandatory efficiency standards, the likelihood of strong solar penetration, and of course simply by rising power rates. For these reasons it is probable that aggregate household consumption of central station power will grow very modestly, if at all, during the next few decades.

The process of factor substitution will greatly constrain the rate of industrial and commercial power growth as well. To take one specific instance, it is almost certain that the two and one-half decade long decline of industrial co-generation, during which co-generated power declined from almost 20 percent of industrial use to 10 percent, will be sharply reversed, thereby constraining demand for purchased central station power.

As a result, an average electrical consumption growth rate in the three percent range seems highly probable in the decades ahead. Even this would mean an increase in the central station electricity share of GNP to nearly 5 percent by the year 2000, assuming a 60 percent increase in real prices.

Since the long-term growth rate for real GNP is roughly in the 3 percent range, this would imply a 1:1 growth ratio between electrical consumption and GNP, a sharp contrast with the 2:1 ratio implicit in the pro-breeder scenarios.

There is already strong evidence accumulating that this sharply reduced growth rate in central electric power is likely. During the last two years of strong economic recovery and high real GNP growth, electrical consumption has increased only at a 1:1 ratio with GNP. This contrasts markedly with the pattern during previous decades in which even strong cyclical recovery years exhibited electrical consumption growth rates far in excess of GNP.

IV. MEETING ELECTRIC DEMAND UNDER A REALISTIC MARKET SCENARIO

The foregoing considerations make clear that rather than in excess of 2,000 gigawatts of electric capacity by the turn of the century, the more probable estimate is in the range of 1,000 gigawatts (based on a three percent average growth rate instead of seven). On the basis of current trends, it is likely that even 350 gigawatts of nuclear electric capacity is an optimistic estimate of the nuclear share of this total capacity requirement.

Two strong considerations support this estimate. First, there is little reason to believe that there would be serious restraints on achieving roughly 650 gigawatts of non-nuclear capacity. Presently, for example, hydro-electric accounts for 65 gigawatts. The Interior Department projects that this will reach nearly 100 gigawatts by 1985. In addition, it is almost certain that a minimum of 5 percent of capacity will have to be fired with liquid or gaseous fuels (perhaps synthetics) because it is simply economically prohibitive to use large coal or nuclear fired plants for peak-shaving purposes.

This leaves a requirement for baseload coal capacity in the range of 500 gigawatts. Presently, there are 250 gigawatts of coal capacity in place. According to current surveys, another 100 gigawatts of coal capacity is either under construction or planned through 1985. Thus, over the remaining fifteen years of the century only another 150 gigawatts of capacity would be required, an average of 10 coal-fired plants per year.

These coal fired capacity estimates imply annual coal production of slightly over 1.2 billion tons per year, even after allowing for substantial increases in direct industrial use. Since the Carter Administration has targeted this production level for 1985—15 years earlier—there is little reason to think that there would be serious supply constraints.

The second reason to believe that nuclear capacity would not exceed 350 gigawatts under a realistic demand scenario is simply the lagging rate of light water nuclear plant additions in the past three years. The 350

gigawatt figure for the year 2000 implies that 14 new 1,000 megawatt units will become operational during each of the next 22 years.

Yet in 1975, there were only two new orders for nuclear plants; in 1976 there were only three; and this year there have been none. Moreover, during the same period there have been 18 units cancelled representing nearly 20,000 megawatts of nuclear capacity. Compared to the 5,500 megawatts of new orders, this means that just since 1975 there has been a net decline of nearly 14,000 megawatts of nuclear capacity ordered for the 1980's.

Certainly it is to be hoped that Congress will act soon to streamline the present disasterously complicated and prolonged licensing process, and that the intense social and political opposition to nuclear power generation will be overcome. Nevertheless, the experience of the past few years makes clear that the required annual addition rate of 14 nuclear plants will be difficult to achieve, and that 350 gigawatts of nuclear capacity by the year 2000 is indeed a conservative reference target for analyzing uranium supply and prices.

V. URANIUM SUPPLY AND PRICES: BUREAUCRATIC VS. MARKET PERSPECTIVE

The second critical question regarding early breeder commercialization concerns future prices and supplies of uranium ore. Specifically, is there likely to be a sufficient supply of low-cost uranium ore to support the lifetime requirements of 350 gigawatts of nuclear capacity, thus permitting a deferral of breeder commercialization program until after the turn of the century?

The answer to this question depends first of all upon future enrichment practices. Uranium oxide contains roughly .7 percent U–235, but the extent of enrichment extraction of this fissionable material can range from 57 percent (.3 tails assay), to between 87 and 100 percent (.1–0 tails assay). For this reason, projections of uranium oxide requirements are very sensitive to assumptions about enrichment methods and the tails assay.

Specifically, the lifetime requirements of the 350 gigawatts of nuclear capacity projected previously would be 2.5 million tons, assuming .3 tails; 2.2 million tons, assuming .2 tails; and 1.8 million tons, assuming .1 tails. The high tails assay thus produces uranium ore requirements nearly 40 percent greater than under the low assay.

Traditionally, U.S. enrichment facilities have operated at a .2 tails assay. But in 1973 this was temporarily increased to .3 in response to what appeared to be a growing shortage of enrichment capacity relative to projected rapid growth in the nuclear power market. The effect of this change was to increase the apparent uranium oxide requirements for current and planned light water reactors by 26 percent.

However, it is likely that the future trend will be toward increasing rather than declining extraction of fissionable material from our uranium supplies. The anticipated shortage of enrichment services capacity has become extremely unlikely because of the serious slowdown in reactor deployments and because of the active enrichment capacity expansion program now underway.

Another factor determining the level of extraction efficiency is the cost of enrichment services relative to the cost of uranium. As the price of raw uranium rises relative to the price of enrichment, the percentage of U–235 that can be economically extracted from raw ores increases. Thus even assuming that there are no breakthroughs in enrichment technology, the proportion of useable fuel that can be extracted from raw uranium will rise over the next decades.

The biggest potential increase in extraction efficiency will come from new technologies, however. These new processes promise to radically reduce the amount of U–235 left in the tailings. The most promising new technology from a theoretical standpoint is laser isotope separation. This process may be capable of extracting nearly 100 percent of the U–235 from uranium ore, thus vastly expanding the amount of fuel that could be produced from our uranium supplies. The tailings piles that breeder advocates point to as a huge potential source of energy could be used to produce fuel for light-water reactors if laser isotope separation becomes commercially viable.

Another promising variant in enrichment technology is the gas centrifuge. Current U.S. enrichment plants use immense quantities of electricity. When all three plants are operating at full capacity, they use nearly as much electricity as the entire state of Minnesota.

But because these plants had access to the very cheap electric power produced by the TVA, the cost of enrichment remained within reasonable limits. Now that even TVA power has become significantly more costly, less electricity-intensive enrichment technologies such as the centrifuge may be able to lower the cost of enrichment services. This will permit a higher rate of extraction.

Both of these new enrichment technologies are under intense development. The Administration requested more than $50 million in FY 1978 for advanced isotope separation techniques. A gas centrifuge plant is planned for construction within the next decade as an expansion of the Portsmouth, Ohio enrichment facility.

In light of these almost certain improvements in enrichment efficiency, it would be prudent to assume a maximum uranium oxide requirement of 2.0 to 2.2 million tons to meet the lifetime fuel needs of the 350 gigawatts of capacity projected above. It is necessary to make some very unreasonable and non-market oriented assumptions to show that uranium supplies in these magnitudes will not be available in the decades ahead.

Before proceeding to a discussion of current reserve estimates, two frequently encountered red herrings need to be disposed of. The first is that the current "proved" reserves of uranium only total 680,000 tons, or roughly one-third of the supply requirement indicated above.

However, the term "reserves" refers only to uranium resources that have been specifically located and delineated by drilling and other engineering techniques. Placing resources into this category thus requires mining companies to make substantial investments These investments will obviously not be profitable unless these reserves can be produced in the relatively near future. Thus, the widely quoted reserve number actually represents a "*production inventory*" and has little to do with the potential resource base, the relevant concept for decision-making purposes.

The most apt analogy is the case of natural gas, for which proven reserves now stand at about 200 trillion cubic feet. Were this taken as the potential resource base and were production to continue at current rates we would reach absolute depletion in 1987. Even the most conservative analysts of the natural gas industry have not suggested this extreme possibility.

For one thing, natural gas, uranium and almost every other extractable resource has a clear "*extension*" pattern in which economically delineated reserve levels imply a somewhat fixed "new find" rate in adjacent deposits or reservoirs within prevailing price ranges. Current ERDA estimates put these uranium extension reserves, the most conservative category of resource base expansion, at *1.1 million* tons. This, in combination with what has previously been termed the production inventory, amounts to nearly 1.8 million tons of known reserves, a figure nearly equal to the lifetime supply requirements given above.

Unfortunately, advocates of early breeder commercialization have used this figure (1.8 million tons) as the "prudent planning base" for calculation of breeder economics. But this is clearly a bureaucratic expedient rather than an economics based estimate, because it implies nearly a zero elasticity of supply beyond presently identified reserves. As will be shown more fully below, this assumption has even less credibility than that employed by proponents of continued regulation of natural gas.

The other item in the red herring category is the frequently recited fact that current spot market prices are in the $40 per pound range. But the spot market for uranium ore is extremely thin as most uranium is purchased under long-term contracts. As a result, the spot market price is highly volatile and can be highly affected by short-run demand conditions. In fact, the present high spot market price is a temporary aberration reflecting the surge in short-term demand induced by recent changes in ERDA enrichment practices, ERDA contracting procedures, and the massive abrogation of supply contracts by Westinghouse in late 1975.

A more reflective indicator of long-term price trends is the price for 1980's delivery contained in contracts written during the past year. These are almost entirely under $20 per pound in real terms.

To return to the critical question of long-run supply it is clear as a matter of resource economics that the "prudent planning base" estimate of roughly 2 million tons used by breeder advocates is in fact, not only imprudent but actually nonsensical. By definition, proved and probable (extensions) reserves essentially represent past exploration activities. Therefore, to assume that this figure embodies the producible uranium supply for the indefinite future implies that either there will be absolutely no additional exploration for new uranium deposits in the coming decades or that the marginal cost of new reserves will escalate upward on nearly a vertical path.

The relatively brief history of the uranium mining industry offers no support whatever for either of these assumptions. Two trends tell the story. First, after the government-supported launching of the uranium mining industry in the early fifties, there was a persistent and steady decline in real prices—from $28 per pound in 1954 to less than $9 per pound in 1973. Yet despite this sharp drop in prices, exploration activity and production moved sharply upward. From 1950 to 1960 annual production increased nearly twenty-fold, and low-cost ($15 per pound and under) proved reserve levels rose from a negligible 3,000 tons to nearly 200,000 tons in 1960. By 1975 this category of the lowest cost reserves had again more than doubled to 430,000 tons. Resource base estimates (as distinguished from proved and probable reserves) were expanded in a similar manner.

Thus, in order to accept the prudent planning base estimates as the limit of future producible uranium supplies, it is necessary to assume that an industry that has been characterized by declining marginal costs, rapidly expanding reserve additions and drilling productivity rates that increased by nearly 6 percent annually for two decades will precipitously reverse course and careen down a path of sky-rocketing marginal costs and vanishing exploratory drilling productivity. The fact, however, is that even during the last three years of demand-induced market instability, drilling productivity in the low-cost reserve categories (under $30 per pound) has actually increased substantially, indicating continuing with past trends.

ERDA currently places the potential resource base, which includes both current reserves and future discoveries, at 3.7 million tons—a level nearly twice that necessary to sustain the 350 gigawatt scenario devel-

oped above. But these are of necessity extremely conservative figures because they embody geologic data gathered by an industry whose exploratory activities have been constrained by historic $10 per pound prices to the very lowest-cost uranium formations.

It is clear, however, that the breeder will not be competitive at a uranium price below $75 to $100 per pound. Under these conditions there is little doubt that as long-term prices rise above the extremely low historic levels additional geologic data will be gathered permitting a substantial expansion of the potential resource base, and therefore, future uranium reserves and production.

The final environmental impact statement on the breeder, for example, estimated that with the addition of new geologic data derived from increased search for higher-cost deposits, the potential resource base at prices of $50 per pound is nearly 9 million tons—over four times the level necessary to sustain the 350 gigawatt scenario.

VI. THE MAGNITUDE OF THE COST PENALTY FOR BREEDERS: UNCERTAIN BUT GROWING

The third reason why the breeder will not be commercially viable if introduced on the accelerated schedule proposed by the Science Committee is that the current projected cost differences between breeders and conventional reactors, both for the capital cost of the plant and for the fuel cycle facilities, are almost certain to widen in the years ahead.

When the Clinch River plant was originally proposed in the late 1960's, the projected cost of the plant was only $500 million, or about $1400 per kilowatt of generating capacity. By the time the project received its original authorization in 1973, the cost had gone to $690 million, or $2000 per kilowatt. Today, ERDA estimates a completion cost of $2.3 billion, or more than $7000 per kilowatt. Some experts have speculated that the cost may well go to $3 billion by the time construction is completed, since construction has not yet begun and experience with the Fast Flux Test Facility has been that most of the increases occur during construction.

At $7000 per kilowatt, Clinch River will cost more than ten times as much as current light water plants per unit of capacity. Of course, the cost of Clinch River includes many first-time expenses, and other costs associated with the prototype status of the plant that make a direct comparison unjust. But this factor of ten represents the improvement that will have to be made in the economics of building breeders in order to make them competitive with light-water reactors. The increases in the cost of building Clinch River have been reflected in the increases in the estimated cost of later commercial breeders, however.

In a 1974 study supporting the rapid commercialization time table, ERDA calculated that breeders would cost $100 per kilowatt more than conventional reactors at their 1995 commercial introduction date, and that this difference would be eliminated in thirteen years. The most recent ERDA projections show a cost difference of $145 per kilowatt initially, declining to $50 after thirteen years. This reduction in the cost of breeders is absolutely essential to the commercial success of the development effort on the present timetable, yet the history of the light-water reactor and the great unknowns in breeder and reprocessing technology make the likelihood of achieving cost reductions of the requisite magnitude almost nil.

As commercial technologies mature, process costs almost invariably decline. One notable exception to this rule has been the light-water cooled nuclear power reactor. By the end of 1967 after nearly ten years of commercial operation, the cost per kilowatt of LWR's had reached about $180 (1975 dollars). By 1973, the average cost had increased to $475 per kilowatt of capacity. Thus, even after setting aside the 34 percent increase in general price levels during this six year period, the real cost of light-water capacity rose nearly 200 percent.

The reason for the high rate of cost increases for nuclear plants was primarily regulatory and contractor design changes to meet safety and environmental problems, though of course some of it is attributable to the differentially high inflation rate of the construction industry in general. We simply did not know all there was to know about these facilities, however, and consequently the regulatory mechanisms for internalizing costs in the plants resulted in the continual addition of new, unpredicted cost factors.

This process seems to be nearing an end for the light-water cooled reactors. The latest ERDA projections for the cost of building reactors for delivery in the early 1980's is $667 per kilowatt in 1976 dollars. This represents a rate of real increase of only about 2 to 3 percent annually, well below the levels of the previous decade. The implications of this stabilizing trend in the cost of conventional reactors for the competitive position of the breeder are enormous. The breeder has yet to go through any of the licensing and development processes that produced the great escalations in the cost of building light-water reactors. Yet the inherently greater technological complexity of the breeder, the large number of materials and design engineering problems that remain unsolved and for which the basic research is not complete, all indicate a high probability that the cost difference between breeders and conventional reactors will widen, not narrow. Even on the basis of current knowledge, some experts have predicted a gap of over $200 per kilowatt well into the beginning of the next century if we proceed on the present timetable. At this level, uranium prices would have to be four times higher than current projections to make the breeder cost-competitive.

In addition to the risk of cost escalations from plant construction costs, the breeder also faces a great risk of escalations from increases in the cost of reprocessing. This is a risk that is completely absent from the once-through uranium fueled light-water reactor, and consequently a particularly sensitive part of the competitive equation.

Experience in reprocessing light-water fuel has been dismal. The private plant at Barnwell, South Carolina, originally projected to cost $250 million, will cost over $700 million—if it is ever completed. Its private sponsors have backed out of the project as uneconomical, and are now attempting to secure a huge federal subsidy to operate the plant as a "demonstration" project.

The likelihood that breeder fuel of reprocessing will encounter even more serious problems than current reprocessing efforts is great, yet the cost figures used in the economic analyses relied upon by the backers of Clinch River have been extrapolations from experience with spent light-water reactor fuel. The accuracy of these extrapolations is open to serious question because of two major technical differences between reprocessing spent LWR fuel and reprocessing breeder fuel.

The plutonium content of spent breeder fuel will be approximately 40 times greater than that contained in spent LWR fuel. Thus a breeder fuel reprocessing facility will have to contend with the safety problems associated with keeping this substantially larger proportion of plutonium from reforming into a critically-sized accumulation. In addition to the plutonium related problems, the breeder reprocessing plants will have to contend with fuel that has been irradiated at a higher temperature than present LWR fuel. This, combined with embrittlement caused by the higher neutron irradiation levels to which the breeder fuel has been exposed, will make the fuel more difficult to process. The West Germans have reported considerable difficulty in the handling of fuel from high temperature gas cooled reactors on an experimental basis, which may well be an indication of the problems that will develop with breeder fuel.

The bottom line, then is quite clear. Due to the inherent risk of nuclear technology, and to strong public attitudes (increasingly embodied in regulatory policy) insistent upon nearly absolute risk reduction, there is no basis for assuming "learning curve" cost reductions for new nuclear technologies.

The last decade of experience with the light-water reactor, which is an inherently less risky and less complex technology, has demonstrated this unequivocally. Therefore, the most reasonable assumption is that the currently projected capital cost and fuel cycle disadvantage of the breeder relative to conventional reactors will widen, rather than narrow. In that event, only drastic, highly improbable long-term changes in the uranium market would make the breeder a competitive option.

VII. CONCLUSION

Under the following conditions the breeder will not be competitive until well into the next century:

1) Electric demand grows at only half the 1960's rate and the maximum share of year 2000 capacity required to be filled by nuclear-electric generation is on the order of 300–400 gigawatts;

2) There is a reasonably assured supply of at least 2.5 million tons of low-cost uranium ore (under $50 per pound);

3) Reactor cost differentials between the breeder and conventional plans are $100 or more, with similar differences in fuel cycle costs.

This analysis of the relevant economic markets makes clear that all of these conditions can be readily met. For that reason, early commercialization of the breeder will result in large economic losses to society in addition to a lengthy list of non-monetary risks in the safety, environmental and international relations-proliferation areas. Therefore, no further subsidization of the Clinch River project, an integral step in the early commercialization program, can be justified.

DAVE STOCKMAN,
Member of Congress.

SEPTEMBER 17, 1977.●

RULES OF PROCEDURE OF THE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

● Mr. STAFFORD. Mr. President, under the rules of the Senate, each committee is required to publish annually, by March 1, its rules in the CONGRESSIONAL RECORD.

At our organizational meeting, on January 8, the Committee on Environment and Public Works adopted the rules which I submit today. These rules are identical with those of the 96th Congress, except for a revision of rule 10 which changed the name of the "Subcommittee on Resource Protection" to the "Subcommittee on Toxic Substances and Environmental Oversight."

Our rules were circulated at that time to members of the committee with a request that they be examined for suggested amendments or further discussion at a future meeting of the committee. While I have received no recommendations at this time, neither has the committee had an opportunity to place a

discussion of its rules on the agenda of a business meeting.

I point out that rules may be amended during the year by vote of the committee, and simply state at this time that if any change is made when we next consider this matter, it will, of course, be printed in the RECORD as Senate rule XXVI also provides.

I submit the rules for printing in the RECORD.

The rules are as follows:

RULES OF PROCEDURE OF THE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Rule 1. *Regular Meeting Days.*—The regular meeting day of the Committee shall be the first and third Thursday of each month at 10:00 A.M., except that if there be no business before the Committee, the regular meeting shall be omitted.

Rule 2. *Committee Meetings.*—Subject to section 133(a) of the Legislative Reorganization Act of 1946, as amended, Committee meetings for the conduct of business, for the purpose of holding hearings, or for any other purpose, shall be called by the Chairman, after consultation with the ranking Minority Member. Subcommittee meetings shall be called by the Chairman of the respective subcommittee, after consultation with the ranking Minority Member. Notice of a meeting and the agenda of business to be discussed by the Committee will be provided to all Members not less than twenty-four hours in advance of such meeting. Additions to the agenda after that time may be made with the concurrence of the ranking Minority Member. Such 24-hour notice may be waived in an emergency by the Chairman, with the concurrence of the ranking Minority Member.

Rule 3. *Open Committee Meetings and Legislative Mark-up Sessions.*—Meetings of the Committee, including hearings and legislative mark-ups, shall be open to the public, except that a portion or portions of any such meeting may be closed to the public if the Committee determines by record vote of a majority of the members of the Committee present that the matters to be discussed or the testimony to be taken at such portion or portions—

(1) will disclose matters necessary to be kept secret in the interests of national defense or the confidential conduct of the foreign relations of the United States;

(2) will relate solely to matters of committee staff personnel or internal staff management or procedure; or

(3) constitute any other grounds for closure under paragraph 7(b) of rule XXV of the Standing Rules of the Senate (as amended by Senate Resolution 9, 94th Congress).

Rule 4. *Presiding Officer.*—(a) The Chairman shall preside at all meetings and hearings of the Committee except that in his absence the ranking Majority Member who is present at the meeting shall preside;

(b) Subcommittee Chairmen shall preside at all meetings and hearings of their respective Subcommittees, except that in the absence of the Subcommittee Chairman, the ranking Majority Member of the Subcommittee who is present at the meeting shall preside;

(c) Notwithstanding the rule prescribed by subsections (a) and (b), any Member of the Committee may preside over the conduct of a hearing.

Rule 5. *Quorums.*—(a) Except as provided in subsections (b) and (d), five Members, two of whom shall be Members of the Minority party, shall constitute a quorum for the purpose of reporting any measure or matter.

(b) Quorums for the conduct of business by the Subcommittees shall be a simple majority of the Membership of the Subcommittees with at least one Minority Member present.

(c) Once a quorum as prescribed in subsections (a) and (b) has been established for the conduct of business, the Committee may continue to conduct business.

(d) Notwithstanding the rule prescribed in subsection (a), one Member shall constitute a quorum for the purpose of conducting a hearing.

Rule 6. *Proxy Voting.*—(a) Proxy voting shall be allowed on all measures, amendments, resolutions, or any other issue before the Committee or any Subcommittees. Any Member who is unable to attend the meeting may submit his vote on any such issue, in writing or through personal instructions; however, proxies shall not be voted for the purpose of reporting any measure or matter except when the absent Committee Member has been informed of the matter on which he is being recorded and has affirmatively requested that he be so recorded. A proxy given in writing shall be valid until revoked, while a proxy given orally or by personal instructions is valid only on the day given.

(b) At the discretion of the Chairman, after consultation with the Ranking Minority Member, Members who are unable to be present and whose vote has not been cast by proxy may have their positions recorded on any vote on the same business day so long as the vote will not change the outcome.

Rule 7. *Public Announcement of Vote.*—Whenever the Committee by rollcall vote reports any measure or matter, or acts upon any measure or amendments thereto, the report of the Committee on such measure or matter shall include a tabulation of the votes cast in favor of and the votes cast in opposition to such measure or matter by each Member of the Committee.

Rule 8. *Announcement of Hearing.*—The Committee, or any Subcommittee thereof, shall make public announcement and provide notice to Members of the date, place, time and subject matter of any hearings to be conducted on any measure or matter, at least one week in advance of such hearing, unless the Committee Chairman, or Subcommittee Chairman, with the concurrence of the ranking Minority Member, determines that there is good cause to begin such hearing at an earlier date, in which event not less than twenty-four hours notice shall be given.

Rule 9. *Statements of Witnesses at Hearings.*—(a) Each witness who is scheduled to testify at any hearing of the Committee, or any Subcommittee thereof, shall file a written statement of his proposed testimony not later than noon of the last business day preceeding the day on which he is scheduled to appear. At the time of his appearance, he shall supply for the use of the Committee or Subcommittee, 25 copies of his prepared testimony or such greater number as may be requested in the letter of invitation. Except for witnesses from the Federal Government, this rule may be waived with regard to field hearings.

(b) The presiding officer at a hearing may have a witness confine his oral presentation to a summary of his statement.

Rule 10. *Regularly Established Subcommittees.*—The Committee shall have six regularly established Subcommittees as follows:

Subcommitee on Environmental Pollution

Subcommittee on Water Resources.

Subcommittee on Transportation

Subcommittee on Regional and Community Development

Subcommittee on Toxic Substances and Environmental Oversight

Subcommittee on Nuclear Regulation

Rule 11. *Subcommittee Membership.*—Following consultation with the Majority Members and the Ranking Minority Member of the Committee, the Chairman shall announce selections for membership of the Subcommittee referred to in Rule 10.

Rule 12. *Environmental Impact Statements.*—No project or legislation proposed by the Administration shall be approved or other action taken on such project or legislation unless the Committee has received a final environmental impact statement relative to it, in accordance with section 102(2)(C) of the National Environmental Policy Act of 1970, and the written comments of the Administrator of the Environmental Protection Agency, in accordance with section 309 of the Clean Air Act. This rule is not intended to broaden, narrow, or otherwise modify the class of projects or legislative proposals for which environmental impact statements are required under section 102(2)(C).

Rule 13. Whenever the Committee authorizes a project, under Public Law 89-298, Rivers and Harbors Act of 1965, Public Law 83-566, Watershed Protection and Flood Prevention Act, or Public Law 86-249, Public Buildings Act of 1959, as amended, the Chairman shall submit for printing in the Congressional Record, and the Committee shall publish periodically as a committee print, a report that describes the project and the reasons for its approval, together with any dissenting or individual views.

Rule 14. *Naming of Public Facilities.*—No building, structure or facility authorized by the Committee, shall be named for any living person, except former Presidents or former Vice Presidents of the United States, or former Members of Congress over 70 years of age.

Rule 15. *Committee Resolutions.*—(a) The Chairman, after consultation with the ranking Minority Member, is authorized to certify and pass on Committee resolutions for review of flood control and river and harbor reports and resolutions for studies of public building project, and forward the resolutions to the appropriate Federal agency.

(b) Proponents of Committee resolutions shall submit appropriate evidence showing need for review or reports on river and harbor and flood control projects.

Rule 16. *Broadcasting of Hearings.*—Public hearings of the Committee, or any Subcommittee thereof, may be televised or broadcast, or recorded for television or broadcast, upon notification in advance to the Chairman through the Chief Clerk. During public hearings, photographers and other reporters using mechanical recording or filming devices shall position and use their equipment in such fashion as will not interfere with the seating, vision, or hearing of Committee Members or Staff on the dais, nor with the orderly process of the hearing.

Rule 17. *Amendment of Rules.*—The rules may be added to, modified, amended or suspended by a majority of the Committee Membership.●

PSYCHIATRIC NURSES

● Mr. INOUYE. Mr. President, in 1982, psychiatric nursing was formally conceived with the opening of a training school for nurses at the McLean Hospital for the mentally ill in Waverly, Mass. The workrole of the nurse in psychiatric facilities has had a little less than 100 years of historical development. Yet this role has grown beyond the walls of psychiatric facilities and expanded into the communities in direct correlation with the changing mental health needs of the Nation. Currently in the United States, there are 60,000 licensed professional psychiatric and mental health nurses. At the forefront of this group is a new breed numbering 10,000 commonly called the psychiatric and mental health nurse specialist, whose

distinguishing features are graduate education and supervised clinical experience. Today, it is this particular group of nurses, the psychiatric and mental health nurse specialists, that I would like to acknowledge for providing direct mental health care services to the American people. These services include individual and group psychotherapy, family therapy, screening and evaluation, making house calls, conducting health teaching activities, providing support and medication surveillance, and responding to clients' needs through community action, if appropriate. In addition, they provide teaching, supervision, and coordination of psychiatric and mental health nurses and other mental health-care providers.

The nursing profession has with great deliberation and diligence prepared the psychiatric and mental health nurse specialist to perform the role of direct-care provider. A psychiatric and mental health nurse specialist is first of all a registered nurse; that is, a graduate of an approved nursing education program that was authorized by the State to prepare persons for licensure. This graduate must then meet various State requirements for licensure in the State he or she wishes to practice. Next, this licensed registered nurse must complete a master's level program approved by the National League of Nursing. These programs emphasize the theory and application of preventive treatment and rehabilitative aspects of mental health care. Presently, there are 74 accredited nursing programs; for example, Catholic University, Yale, and Columbia, in 37 States which offer a master's degree with a primary or secondary emphasis in psychiatric nursing. Since 1948, more than 80 schools of nursing have received educational grants from the National Institute of Mental Health to prepare psychiatric and mental health nurses at the graduate level. NIMH officially recognizes psychiatric and mental health nursing as one of the four core mental health disciplines and recently has redlined this discipline as a critical shortage area.

To further assure the quality of the care provided by the psychiatric and mental health specialist, in 1977 the American Nurses' Association implemented a system of certification of qualified psychiatric and mental health nurse specialists who have a minimum of 12 years of supervised clinical experience in addition to a master's degree. The certification process involves voluntary assessment by examination and documentation of a nurse's knowledge of her field of practice. It recognizes expertise both in application of current knowledge, and in the ability to consider and initiate new alternatives and strategies in clinical practice. Currently there are 223 certified psychiatric mental health specialists with a total of 443 applicants for certification in process.

Not surprisingly, with this well-structured educational background, the psychiatric and mental health nurse specialist is prepared to work in a variety of settings, including acute and long-term care hospitals and other health-care institutions, outpatient ambulatory clinics and community mental health-care centers and schools, offices, courts, and industries. They function well both in institutions characterized by high levels of teamwork and technology and in community-based, noninstitutional settings where the nurse practices on a highly independent, self-directed basis. Their work embodies responsibilities for collaboration and coordination with those who may be working concomitantly with the client and with others whose expertise can enhance the quality of the total health-care package for the client.

As a representative of one of the four core mental health disciplines, the psychiatric and mental health nurse specialist owns the responsibility to "serve the underserved" as recommended by the President's Commission on Mental Health. In a 1977 survey of 1,576 psychiatric and mental health specialists conducted by the American Nurses' Association, 87 percent provided services to minorities, 59 percent to the elderly, and 94 percent to families of low income (under $12,000). While 12 percent of these specialists surveyed worked primarily in rural areas, 75 percent of a subsample group stated they would consider relocating to rural areas if recognized as providers by third-party payors. As an increasing number of nurses are prepared as primary care providers in such areas as psychiatric and mental health, a separate identification of nursing costs and a direct reimbursement system for those costs could be a major factor in the extension of health-care services to underserved populations. Currently, however, the majority of psychiatric and mental health nursing specialists practice in more populated areas, where they can be employed in salaried positions and where they are near physicians to supervise and sign for their nursing services. Until these psychiatric and mental health nursing specialists are independently reimbursed for their services, they are limited in providing the full range of services they are prepared to render at locations where their services are greatly needed.

Yet, despite these obstacles, more than two-thirds (69 percent) of the employed survey respondents were engaged in direct patient services. Of these, 46 percent provided direct services in their primary job; 66 percent in their second job; and 47 percent in their third job. A much higher percentage of respondents with second and third jobs were in private practice arrangements than those with only primary jobs. Unfortunately, it seems most nurses engaged in private practice required at least one additional nursing position to support themselves. It is also evident specialists place a high value on providing direct services since they seek these additional work responsibilities outside of their primary position.

I am convinced that the major obstacle to having a mental health-care delivery system with a flexible network of services supplied by a range of qualified providers is the lack of direct reimbursement for services for these qualified providers such as the psychiatric and mental health nurse specialist. Yes, in 100 years the role of the "psychiatric nurse" has expanded into the psychiatric and mental health nurse specialist, beyond the walls of the psychiatric facility; but only to be blocked by the lagging pace of the Federal and private bureaucracies. Today, I salute the psychiatric and mental health nurse specialist's persistence and determination in providing direct mental health services of high quality to the American people.●

NOMINATIONS

Executive nomination received by the Secretary of the Senate February 27, 1981, under authority of the order of the Senate of February 26, 1981:

DEPARTMENT OF JUSTICE

William Francis Baxter, of California, to be an Assistant Attorney General, vice Sanford M. Litvack, resigned.

HOUSE OF REPRESENTATIVES—*Monday, March 2, 1981*

The House met at 12 o'clock noon.

Rev. Edward Gardiner Latch, D.D., offered the following prayer:

Let us search and try our ways, and turn again unto the Lord.—Lamentations 3: 40.

Eternal God, our Father, who is ever seeking to enter the lives of Your children to strengthen them and to sustain them come into our hearts as we pray, reveal Your ways to us and give us courage to walk with You in the paths of justice and good will. Make us so conscious of Your presence and so receptive to the leading of Your Spirit that we make wise decisions, be led in right paths, and may formulate worthy plans for the good of our people and the welfare of all nations.

Bless our President, our Vice President, our Speaker, and all Members of Congress. Help them to accept their privileges with gratitude, their troubles with fortitude, and their responsibilities with fidelity. Make them gloriously equal to their experiences and truly adequate to the tasks at hand to keep freedom for all, justice for all, and good will for all alive in our Nation and in our world. Amen and amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

EXPORT-IMPORT BANK SHOULD NOT BE SCALED BACK

(Mr. LANTOS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. LANTOS. Mr. Speaker, the Export-Import Bank is one of the most effective global weapons in the increasingly fierce battle of trade rivalry. Its activities have consistently yielded a profit to the U.S. Treasury, while providing American exporters with critically needed financing to compete against the outright subsidies Japan and Europe give their export businesses.

At a time when we need more jobs and more exports, it makes no sense to scale down the direct lending authority of the Eximbank. Instead of cutting back its support of American business in its efforts to sell abroad, the administration ought to be working overtime to develop new and creative ways to stimulate our exports and thereby reduce our unemployment and strengthen our economy. The administration's proposal is counterproductive; it will reduce exports, increase unemployment and worsen our balance of trade.

I am calling on this administration to abandon its ill-conceived proposal and give American exporters a chance to compete in the tough international marketplace.

U.N. HIGH COMMISSIONER'S REPORT ON REFUGEES IS CHILLING

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, I think this weekend's report from the U.N. High Commissioner on refugees was absolutely chilling. He said after touring East Africa and watching over 20,000 people dying, that it was the worst situation he had ever seen in all the different refugee camps that he had toured. He said that never before had he seen so many children so tremendously emaciated.

I would certainly hope that this administration would do everything they can to aid Somalia and to aid the areas in East Africa where this tremendous starvation is going on because of the terrific displacement being done due to the incredible famine that has captured that part of the world.

Mr. Speaker, I yield back the remainder of my time.

CHIEF JUSTICE BURGER SPEAKS OUT ON CRIME

(Mr. DANIELSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANIELSON. Mr. Speaker, Chief Justice Warren E. Burger recently gave a most perceptive speech on the subject of crime in the United States, the impact of crime on our society and our economy, and the present status of our system of criminal justice. The speech is of great importance and value to the Congress and to the public and I caused it to be included in the CONGRESSIONAL RECORD in the hope that it would thereby come to the attention of those who share responsibility on the subject of crime.

Unfortunately, my remarks and the speech were headed and will be indexed, "Annual Report to the American Bar Association," and I am afraid that it will be noted by very few. For that reason, I am making these remarks and have provided what I hope is a more effective heading which will catch the eye of the Members and of the public. The speech of Chief Justice Burger was inserted in the RECORD on Monday, February 23, 1981, at page 2720 and following.

CONGRESSIONAL COMMITTEES SHOULD VOLUNTARILY REDUCE THEIR OWN SPENDING

(Mr. STATON of West Virginia asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STATON of West Virginia. Mr. Speaker, we have all been elected to serve our respective districts of this Republic to represent their views on legislative matters, to be advocates for our constituents, and to provide leadership. I can think of no better example for this Nation than for this body to, of its own accord, voluntarily reduce its own spending. I refer to the proposed budgets for the committees of the House of Representatives.

Undeniably, Mr. Speaker, a good case can be made to keep intact all of the budgets. However, I believe an even better case can be made to substantially reduce them. How can we require economy and frugality from our citizens when we refuse to practice the same? How can we encourage sacrifice while we follow the path of extravagance? And how, Mr. Speaker, can we provide leadership when we refuse to heed the wisdom of the masses of our fellow citizens who recognize the desperate condition of our economy and seek to cure it.

Mr. Speaker, I urge you to reject all committee budgets which do not reflect deep dramatic cuts. Only when we are willing to economize do we have the right to expect economy from others.

LET US REDUCE COMMITTEE STAFF FUNDING

(Mr. COLLINS of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COLLINS of Texas. Mr. Speaker, as I was reviewing the recent expense statement from our own Commerce Committee, I was interested to see that we listed an expense of $1,006

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

79-059 O 1984 — 35 — (Vol. 127 Pt. 3)

for one member of the staff to go out and make a speech in San Francisco. I will tell you now how I feel about spending over $1,000. If they want these people on committee staffs to go out and make speeches, conventions ought to pay for it, not the taxpayers. The reason staff are out making these speeches coast to coast is they have too much time. We have too many staff sitting around the Halls of Congress.

I was just reviewing some of these committee staff budgets to see how large these committee budgets have grown. Agriculture staff from the 92d to the 96th Congress grew from $250,000 to $2,272,000. Banking grew from $1,500,000 to over $5 million of staff committee funds. Our Energy Committee, which is certainly a big spender, has grown from $1,400,000 to $7,500,000. That is the way committee staff spending has expanded with massive expenditures from the 92d to the 96th Congress.

Let us reduce committee staff funding when it comes to the floor of the House. We need less government and with smaller staffs we will have more efficient government.

THE PEOPLE EXPECT A GENUINE EFFORT BY CONGRESS TO CUT THE BUDGET

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUDD. Mr. Speaker, the people of our country expect a genuine effort by Congress to cut the out-of-control Federal budget.

President Reagan's laudable reduction proposals—if enacted—would still allow fiscal year 1982 spending to increase about $40 billion over current spending.

But as the House Budget and Appropriations Committees begin their work on setting preliminary 1982 spending targets, with the President due to provide more complete budget revisions within 2 weeks, there is a strong undercurrent of resistance among many in Congress against even these preliminary budget reductions.

I believe we all have a solemn obligation to help implement the President's budget package as soon as possible.

The people of our country expect this.

The people do not expect the Congress to obstruct the President's program in any way.

Congress itself must make every effort to find additional areas to cut Federal spending—beyond the laudable reductions already proposed by the Reagan administration.

THE MOVE TOWARD GROUP DECISIONS

(Mr. ROBERTS of Kansas asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ROBERTS of Kansas. Mr. Speaker, last week the Council for Agriculture, Science and Technology, an organization comprised of scientists from land-grant universities across our Nation, held its annual breakfast for Members of Congress.

I am calling to the attention of my colleagues the remarks delivered at that breakfast by Dr. Duane Acker, president of Kansas State University. Kansas State is coincidentally my alma mater, but it is highly typical of the many fine land-grant universities in the United States; institutions that play a vital role in providing a factual base of knowledge from which we can better determine farm and food policies in future years.

In his remarks, Dr. Acker traced the decisionmaking process down on the farm some 30 years ago to the situation today where individuai decisions in agriculture rely on agricultural research.

Dr. Acker's remarks follow:

THE MOVE TOWARD GROUP DECISIONS

(By Dr. Duane Acker)

On some weekends and during some vacation time, my wife and I spent time on my home farm in southwestern Iowa. That farm was purchased by my great-grandparents in November of 1870. We are proud to be the fourth generation owners.

When my great-grandparents moved to that farm and for many of the decades after that, they and the immediate next generation were able to make, individually, about any decision they wanted to make regarding the operation of the farm, the enterprises, the purchase and sale of goods and commodities.

If they wanted to go into the dairy business, they bought a cow or two; if they wanted to plow up the sod, they did; if they wanted to smooth the roadway, they hooked horses to a drag and did it.

In a few years though, the township was organized, trustees were elected and my grandfather, a son-in-law of the original family purchasers, became a member of the township trustees. He participated then in a group decision of the township. They established policy, assessed taxes, and arranged for the maintenance of the roads.

Over time, more and more decisions have moved from the responsibility of an individual person to the respective group—school board, township trustees, county commissioners, legislators, zoning board, environmental council, pricing commissions, state conservation boards, public land commissions, state or federal agency heads and their immediate staff and others.

Now, I know that many of these groups have existed for a century or more. We have long had the representative form of government. But in early years of representative government, elective commissions or legislative bodies were charged only with a limited number of responsibilities. As time has gone by, they have been given additional responsibilities—law passed as the result of citizen pressure, programs established to care for wildlife, to aid the elderly, to protect the environment, or to provide orderly use of the landscape.

Today, if I want to go into the dairy business on my farm, I will need to obtain a milk marketing quota; I will need permission from the county zoning administrator and his board to build a dairy barn; the waste handling lagoon will need to meet the specifications of the State Environmental Commission; and to receive some federal construction funding, which has been established as public policy, the county ASCS committee will need to approve the plans on the advice of the soil conservation work unit conservationist.

To obtain an effective milk market, I will need to join a producers cooperative—policies of which are established by a Board of Directors, some of whom may be neighbors.

The price of my milk will not result from a contractual agreement between me and the purchaser. It will be established in a market-wide pool, supervised by a Federal Milk Market Administrator, and the price will fluctuate month by month as established by a federal milk order, and generally based on a Wisconsin milk price series which is tabulated regularly by USDA employees.

One of the incentives for going into the dairy business would be a law passed by the Iowa Legislature limiting the amount of soil runoff that can occur from a tract of land. This will encourage putting more of the land in grass. It is public policy to encourage putting land in grass and providing financial help for lime, which legumes need for establishment. Again, I need concurrence by the county ASCS committee for lime money allocation.

To establish a wind break, similar cost sharing is provided and I likely will buy the trees through the county extension office which is guided and packaged by the Iowa Conservation Commission which is guided by a six-member policy board.

When my grandfather and his neighbors wanted electricity they bought poles, built a line, and entered into a contract with the city seven miles away for purchase of electricity. When the line needed repair, my grandfather and his neighbors did it. Today, after ownership of the line was transferred from the farmers to the Atlantic Municipal Utilities, a public-owned corporation, management is by professional staff reporting to a Board of Trustees. The operation of the corporation is regulated by the Iowa State Commerce Commission. The rate is determined on a cost-to-serve analysis and set by the Board of Trustees.

The process of change, toward group decision making, has had a significant impact on all of society, including demands placed on land-grant universities. In earlier years, a farmer sought information on which he as an individual would base decisions. They wanted to know the most adapted corn variety for their areas and soil type, best fertilizer rates, weed control techniques, tillage practices, etc. He took the information and as an individual implemented it.

This resulted in immediate application of research knowledge—quick benefit and almost immediate recognition and appreciation of the investments that are made in agriculture research and extension education.

Increasingly, the land-grant university is now asked for information that would be used for group decisions. How many people are needed to support a church? Support a

school? What are the taxing alternatives in a sparsely populated area? What effect would taxing alternative a, b, or c have on farm versus industrial versus retail property in a school district or a county? What effect do tillage practices have on the pollution level in streams? How rapidly is the water level lowering in the aquifer lying underneath ten counties? What is the effect of agricultural pesticides use on water quality or on present population? What effect does hunting pressure or the length of the hunting season have on population of pheasant, quail, deer, etc?

Certainly, we continue to receive many requests for knowledge on corn varieties, fertilizer rates, livestock nutrition, etc. to be implemented by individual farm and feedlot operators, but the demand on us for knowledge to be assimilated and used in decisions to be made by groups is impressive.

During any week of the Kansas Legislature, there will be from one to six of our faculty in Topeka testifying before or answering questions of legislative committees on topics ranging from public school funding alternatives to the risks of nuclear power plants to effectiveness of alternatives for controlling noxious weeds by the employees of county weed boards under state guidelines.

Our staff consults regularly with every unit of the executive branch of state government and with legislative committee staff. They are on the programs of the State Association of County Commissioners, rural electric cooperatives, state association of rural water districts, local cooperatives, zoning boards, school boards, city councils, etc. These people want information and help from their land-grant university.

So be it. It is proper. The early land-grant university rightly dealt with providing primarily information of a "micro decision" character, i.e., alternatives were presented to an individual producer, business manager, consumer, or householder. As our society developed, requests to land-grant universities for decision information of a group of "macro level" emerged.

It has affected the minds of people we hire, disciplines that are in our research or extension portfolio, the degree to which we tap talent in many academic departments of the university, and utilization of staff even from other institutions.

If one looks beyond the individual state, where the individual land-grant university plays such a predominate role as a reservoir of knowledge and alternatives, one might ask the question how can the information, knowledge and alternative needs of a national decision-making group be accommodated? Congress increasingly assumes or assigns to boards, commissions, and agencies, responsibilities for group decisions for the "general welfare." Were I a member of Congress or a Senator, I would want to be able to tap the disciplines of the land-grant and other universities. I would want to have available to me on a fairly broad base, the same kinds of knowledge that are available to our state legislators or county commissioners.

It seems to me that the agricultural and related Science and Technology provides, perhaps in a modest way, but in a very real and respected way, some of these knowledge needs. It was born of the unified interest and desire of the agricultural scientific societies to provide knowledge from the scientists themselves.

I have observed that state legislators, boards, commissioners, coop directors, etc. soon identify those scientists who give the straight story. In good universities there are a majority of that type. Good scientists have been taught to be critical, analytical, objective and to outline alternatives, leaving it up to the individual decision maker, whether it be the farmer, the homeowner, or a legislative committee, to make the decision that they want to make.

The Council For Agricultural Science and Technology, through its task forces, provides the same opportunity, the same objectivity, the same directness, and operates on the same philosophy—provide the knowledge base and let the decision makers, in this case mostly at the national level, make the decisions they are charged to make.

It seems to me that the Council for Agricultural Science and Technology is a very natural outgrowth of our societal development as the decision-making responsibility has moved from individuals to townships, to counties, to states and then on to the national level. In more and more of those issues, that effect human beings and society as a whole, the concept and responsibility of the land-grant university—provision of a knowledge base and a set of alternatives that might be considered—must be available to the decision maker.

Mr. or Ms. Member of Congress—I believe you are fortunate CAST exists.

PREVENTIVE HEALTH CARE FOR THE ELDERLY NEEDED

The SPEAKER. Under a previous order of the House, the gentleman from Iowa (Mr. BEDELL) is recognized for 5 minutes.

● Mr. BEDELL. Mr. Speaker, I am today introducing legislation which I believe will contribute significantly to the improvement of health care services for our Nation's elderly by placing greater emphasis on preventive care.

As health care costs continue to rise, no group of Americans remains more vulnerable to the cruel toll that illness takes than the elderly. Many times extraordinary expenses could be avoided, or significantly reduced, by regular medical examinations. However, the potential of such preventive health care measures has yet to receive the national emphasis and attention it deserves.

This lack of attention is most clearly reflected in the attitudes of the elderly themselves. At one of a series of hearings on the problems of the elderly which I held in my district in the 96th Congress, almost two-thirds of those present said they had not had a complete physical exam in the past year. An Iowa physician who has worked closely with preventive care clinics in one Iowa county concluded that most of the elderly she saw "had no conception of preventive medicine at all. They had no thought of going to see a physician unless they were ill."

My proposal mandates the establishment of a series of demonstration programs to provide preventive health care services to the elderly, which I believe would greatly help to change peoples' attitudes toward preventive care and tangibly benefit a significant number of older Americans who otherwise might not receive needed medical assistance. The bill would amend the Social Security Amendments of 1967 to require that the Secretary of HEW provide, in at least three States, preventive care clinics to be operated throughout the State by traveling health care practitioners.

This legislation was inspired by a program of "well-elderly" clinics which has been in operation in my home State of Iowa since 1975. The clinics, which are funded by the State of Iowa and operated by counties, meet once or twice a month in various locations in their respective areas to provide physical examinations to individuals over 60. They are intended for people who are not under regular medical supervision and are run by specially trained public health nurses who do physical assessments, run various medical tests, and take comprehensive health histories of the patients. Patients needing further medical assistance are referred to physicians. Followup checks to insure that patients seek and receive the care they need are strongly emphasized. Another important component of the well-elderly program is counseling on a one-to-one basis between the nurse and patient on the importance of preventive care and on various other social services available to the elderly in their communities.

In the Iowa program, individuals are given an envelope detailing the cost of the physical and are encouraged to pay the full amount. However, if they feel they cannot afford to do so, they can pay whatever they feel they can afford.

The well-elderly program has been a tremendous success in Iowa and has expanded to cover almost twice the number of counties which participated in the original pilot program begun in 1975. In 1978 over 6,000 patients were seen in a 16-county area, many of whom were referred to physicians or other social services. According to a doctor closely involved with one of the clinics—

> The presence of the well-elderly clinic * * * has made everybody, including the population at large, community leaders, politicians, physicians * * * more aware of the special problems of the elderly.

I believe that this well-elderly concept that has proved so successful holds much promise for other areas of the country as well, and merits consideration and demonstration on a larger scale. The time is right for this legislation. At a time when health care costs continue to skyrocket and when a recognized need to trim the Federal budget threatens to price even more of those most susceptible to illness out of the health care they need and deserve, we can no longer afford not to empha-

size effective programs of preventive health care for our Nation's elderly.

I am confident that the demonstration programs mandated in my legislation would contribute significantly to the well-being and health care awareness of our Nation's older Americans; to increased community awareness of the health needs of senior citizens; and to the increased support and emphasis at the national level that well-elderly programs need and deserve.

The text of the bill follows:

H.R. 2226

A bill to amend section 402 of the Social Security Amendments of 1967 to provide for demonstration projects for provision of preventive health services to the elderly

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 402(a) of the Social Security Amendments of 1967 (42 U.S.C. 1395b-1(a)) is amended by adding after paragraph (2) the following new paragraph:

"(3) Under the authority of subsection (a)(1)(B)(i), the Secretary shall provide for demonstration projects, in at least three States and at least one of which is located in a rural area, which relate to the provision of preventive health services (including basic health screening, referral, and health education) to the elderly throughout the State through traveling health care practitioners (other than physicians, but including public health nurses) who provide such services in or through different public and private nonprofit facilities (including churches, schools, and senior citizen centers). The Secretary shall report to Congress on the results of such demonstration projects not later than three years after the date of the enactment of this paragraph. For purposes of this paragraph, the term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands.".●

THE CONSTITUTION AND THE ECONOMY

The SPEAKER. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 15 minutes.

● Mr. GONZALEZ. Mr. Speaker, President Reagan made the astonishing statement that the Federal Government ought not use its powers to regulate the economy or bring about social change. As fine as that sounds, it ignores the fundamental reality that the Federal Government was erected largely because it was necessary to regulate the economy—and it follows that economic regulation brings about social change. The President, in other words, profoundly misunderstands what the Constitution and the Federal Government are about. Everything the Government does affects the economy; everything the Government does has a social impact. In the northwest ordinance, the Federal Government set aside lands for the support of education—a social priority two centuries ago, and today as well. In writing the Constitution, the Founders carefully set out great powers of economic regulation. These social and economic powers are in the Constitution; they are there because they were necessary in 1789 just as they are today.

All of this is set forth in greater detail in a newspaper column I wrote for March 1 publication, and included in the RECORD at this point.

[From the San Antonio Light, Mar. 1, 1981]

THE CONSTITUTION AND THE ECONOMY

(By Representative Henry B. Gonzalez)

In his address to Congress a few days ago, President Reagan said, "The Taxing power . . . must not be used to regulate the economy or bring about social change." Sounds good, but it ignores what the Constitution says, and in fact what government is all about. It also ignores the realities of his program, which in fact is intended to produce profound economic and social change.

The writers of the Constitution knew that one of the fundamental purposes of the Federal government would be to regulate the economy. That is why they provided that the States couldn't interfere with commerce by enacting taxes against each other's products; it is why only the Federal government has the power of coinage. In fact, the Constitution gives the Congress the explicit, exclusive power to regulate commerce—in other words, the economy.

The Founders knew perfectly well that economic regulation is done, among other things, by the taxing power. And they knew that the tax power could create social change as well as economic regulation. The Constitution provided that slavery couldn't be prohibited for at least twenty years, and that in the meanwhile nobody could stop the slave trade through taxation. In other words, the authors of our Constitution knew perfectly well that the Federal government could and would use the tax power not only to regulate commerce but to bring about social change.

Curiously, the United States is the only country in the world that cannot put a tax on exports. The Constitution prohibits it. Why? Because the framers of the Constitution wanted to protect the export trade that was vital to the South.

The President might have meant to say that government should get off everybody's back, but his words simply show a profound misunderstanding of the nature of government.

California is probably the biggest single benefactor of Federal "interference" in the economy. It was the Federal Reclamation Act of 1902 that made California the rich agricultural state that it is today—by using tax dollars to bring water to the deserts. And California's electricity comes largely from projects built and owned by the Federal government. California is the biggest defense contractor as well. Using tax dollars to regulate the economy? California is the nation's best example that it works.

Use the tax power to bring about social change? Consider education, the single most important thing taxes pay for. Education is the biggest engine of social change; it is what gives everybody in the country an opportunity to get ahead. The writers of the Constitution intended that government use its powers for "the general welfare;" they knew perfectly well that everything government does has a social impact. Using the tax power to build roads, for instance, opened up the West, with the social consequence that America wasn't confined to the eastern seaboard. Using the tax power to buy Louisiana was meant to have profound economic consequences, not just widen the border and get rid of France as a next door neighbor.

Obviously, not everything the Federal government does is popular. Buying Alaska was thought to be a great folly, an inexcusable example of government extravagance and outright waste. Seward turned out to be pretty smart to buy Alaska and the Czar awfully dumb to sell it; Alaska was a good deal. The lesson here is that the government has to take risks now and then. Alaska wasn't a guaranteed good deal, any more than the first armored ship—but the risk had to be taken.

It's easy to forget today just why government got into the regulation business in the first place. The reason was that without regulation, people were buying dangerous food, and drugs that were worse than useless. Without regulation, the economy ran through endless, tragic boom and bust cycles, and ripoffs became an ordinary way of life.

Without Federal aid, the railroads West would never have been built, the Mississippi couldn't be navigated, the San Antonio's freeways would still be so many potholed streets. Federal investment in air traffic control and in airports makes it possible for the President (and you and me) to fly in safety and comfort. Thanks to regulations we can be sure that the food we eat is clean, that clocks tell the correct time, and that a pound weighs sixteen ounces. All of this is economic regulation. None of it, if you take the President literally, is the business of government. The writers of the Constitution felt differently, and knew better.

All this goes to show that a fine-sounding phrase is no substitute for good sense. Government plays an indispensable role in a successful, productive, prosperous country. The trick is to be certain that the people remain in control of the government, so that the needs of the people are understood and taken care of. The President clearly knows that every action of government has an economic and social consequence. What he really thinks is, as he said in another speech, is that we're all spoiled children, and that our allowance ought to be reduced. Even that, however, begs the question, because even as he cuts some allowances, he wants to increase others. Thus, the President thinks that twenty per cent higher rent would be a good thing for people who live in public housing, but that the nuclear power industry could use even heavier subsidies than it gets today. He thinks that funding for the arts scholarship, and for student aid ought to be cut, but that there should be more help for major corporations. The President thinks that there shouldn't be any power to enforce anti-trust laws at the Federal Trade Commission, and that small businesses should get even less help than they do today. Who's the spoiled child? The megabuck corporation, or the struggling Mom and Pop operation that's assailed by monopolistic tactics?

The long and short of it is that the President's budget is designed to produce economic and social change, just as every budget is. The nature of government doesn't change, just the people in charge. The budget, just as always, is a political agenda, not holy writ.●

IMMIGRATION INEQUITIES NEED TO BE CORRECTED

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, we take great pride in the fact that our Nation is a nation of immigrants—men and women who made their way to our shores for a better way of life and for the freedoms they did not have in their mother countries.

Our Immigration and Nationality Act has been amended many times to further make its regulations more just and equitable. Public Law 89-236, for example, repealed the national origins quota concept as a system for selecting immigrants to the United States and substituted a ceiling on Eastern Hemisphere immigration on a first-come, first-served basis, within various preference categories, and a 20,000 limit per country. Public Law 94-571 further amended the Immigration and Naturalization Act to apply the 7 category preference system, as well as the 20,000-per-country limit, to the Western Hemisphere as well as the Eastern Hemisphere. Public Law 95-412 contained the two ceilings in a single worldwide ceiling of 290,000, with a single preference system. The Refugee Act of 1980, Public Law 96-212, eliminated refugees as a category of the preference system, set the worldwide ceiling at 270,000, and made separate provision for the annual and emergency admission of refugees.

Some foreign nationals are inadvertently still being discriminated against, despite the new limitations. Ireland, for example, was the mother country for millions of our new seed immigrants in the last century. These hard-working men and women helped make our Nation great.

Ireland used 6,307 immigrant visas in fiscal 1964 and 1,180 in fiscal 1978. And as far as we know, this reduction was not voluntary. When we realize that between 1820 and 1978, 4,723,344 immigrants have come from Ireland, we begin to get a sense of the problem. It seems that the natives of countries highly favored by the national origins quota system almost by definition are more apt to have ancestors buried here than close relatives who can petition for their entry. Because so many Irish came so long ago, the preference quota system—brother or sister of a U.S. citizen for example—rarely applies.

Therefore, I introduced legislation, H.R. 34, to correct this inequitable situation which has gone on for too many years. In 1965, we were assured that upon passage of the new immigration amendments, all nationalities would be treated on an equal footing. History has taught us otherwise. Thousands of deserving immigrants are unable to qualify for visas under the new law and immigrants from those countries have dwindled considerably.

I urge the support of my colleagues for H.R. 34.

POSTAL APPROPRIATIONS

The SPEAKER. Under a previous order of the House, the gentleman from Michigan (Mr. FORD) is recognized for 10 minutes.

● Mr. FORD of Michigan. Mr. Speaker, in his zeal to reduce the size of Government, President Reagan has proposed slashing public service appropriation for the U.S. Postal Service. To me this represents a palpable insensitivity to the public need on the part of the new administration's budget cutters.

"The administration believes that the cost of mail service should be borne by users, not taxpayers, " said the White House in the budget reform plan it sent to us last month, ignoring the fact that the users are the taxpayers.

The administration wants the Postal Service to function as an impersonal business firm, concerned chiefly with cost accounting. We all want the Postal Service to be economically efficient. But we certainly do not want to lose sight of individual needs. The "large Federal subsidies" that Mr. Reagan refers to are carefully calculated appropriations authorized by law 10 years ago when the Postal Service was established as an independent agency rather than as a Cabinet-level department.

The public service appropriation of $644 million for 1982—which the President wants to cut to $300 million—is the result of a deliberate decision by the Congress to maintain a permanent taxpayer contribution to insure that the Postal Service does not become a totally business-oriented delivery system. A postal operation that is absolutely business-like certainly would not maintain 25,000 rural post offices, hundreds of suburban postal substations, or deliver mail to more than 80 million doors 6 days a week. Here quite plainly the public interest is having rural free delivery, post offices in small towns across the land, mail delivery in the far reaches of Alaska or Arizona, and daily delivery to millions of people at home.

The President's proposal to slash the public payment—which represents less than 3 percent of total postal costs—would have the inevitable effect of separating the people from the post office. It would also double the mailing costs for small rural newspapers, charitable fundraising, and public libraries.

What the administration chose to ignore is that the users of the mail are the taxpayers. The average citizen sends very few letters and maybe a parcel or two at Christmastime, but as recipients, average citizens are the predominant users. Regardless of location, every citizen in this country receives daily mail delivery at business and residential locations served by 30,000 post offices and 30,000 rural routes, from the far corners of Alaska to the sandy shores of the Virgin Islands. That is, in large measure, the public service of the postal system. It is designed for the convenience of the average citizen, so that he can send and receive letters with ease and regularity. It is not designed for the benefit of the big mail users, who send most of the mail. The insurance companies, publishers, public utilities, and thousands of other business mail users who use the postal system to reach the public would be perfectly satisfied if the service were reduced and rates were lowered. Clusterbox delivery, the elimination of Saturday delivery—or more—and the closing of thousands of small rural post offices would undoubtedly satisfy business mail users if they had reason to believe postal costs would be reduced. But the taxpayer, the average citizen, who gets mail at his door and who sends a letter from the corner box, is the true beneficiary of the public service-oriented postal system.

The great weakness in the administration's argument to cut public service appropriations and eliminate Saturday delivery as an alternative is that it simply is not an answer. It might be an answer for a year or two but costs will continue to rise, and the Postal Service would forever be seeking ways to control costs by reducing services. The next step might be to close or consolidate rural services in 1985 or 1990, which would "help keep costs down"—a term consistently used whenever cuts in service are proposed.

The American people have been generous in supporting scientific research for the cure of diseases, charities, churches, volunteer fire departments, and many other activities that require response from the public in order to function.

The drastic increase in mailing rates by the President's actions would curtail the ability of these charitable institutions to receive the public support they have traditionally relied upon.

In my judgment, the best way is to continue to provide the level of public funds which the 1970 act authorized, so that services can be gradually revised to meet the timetable imposed upon the Service by rising costs and changing communication patterns. If a different answer is necessary, it should be developed with some clear notion of postal operations and the needs of the people rather than a swing of the ax.

I strongly oppose these reductions and I am sorry to see that the Reagan administration apparently has little

understanding of the complexity of the postal system. In the coming weeks, I hope that the administration will demonstrate a willingness to learn about the necessity for understanding the postal needs of the country and the postal system. Responsible changes undoubtedly can be made, but they should be made only after careful and effective planning.

What the President is proposing is a sharp reduction in the appropriation that permits certain mailers, mostly nonprofit charitable fund-raising organizations, to mail at rates which are lower, by law, than regular commercial rates. Eleven years ago when we established the Postal Service, Congress deemed that these mailers, who have historically benefited from congressional preferential rate treatment, would continue to receive that preference and that Congress, through appropriations, would insure that their activities would continue. As a result of that decision, nonprofit organizations, educational foundations, schools, churches, libraries, symphony orchestras, and many, many others are able to reach the public and solicit the support they need to continue charitable and philanthropic activities at nominal postal cost. President Reagan's proposal would just about double the rates applicable to those mailers. That increase in cost could be passed on; it would mean simply reducing the activities of these organizations. The public once again would be the loser.●

NATIONAL PATRIOTISM WEEK CELEBRATED

(Mr. PRICE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. PRICE. Mr. Speaker, as you and my colleagues know, Februrary 16 through 22 of this year was designated National Patriotism Week by Congress.

With this in mind, I would like to include in the RECORD an article which appeared in the February 16, 1981, edition of the St. Louis Globe-Democrat. The article, entitled "Make Patriotism a Way of Life," is written by one who has done just that—the author is Gen. Robert E. Huyser, Commander in Chief of the Military Airlift Command.

General Huyser has given the last 38 years of his life to the service of his country. He enlisted in the Army Air Corps in April of 1943 and is presently a four-star general, commanding some 140,000 men and women. He is a proud and dedicated member of our Armed Forces and, truly, one of the patriots of whom he speaks in this article.

It is my pleasure to share General Huyser's thoughts with my colleagues in the House. It is my even greater privilege to call General Huyser my friend. I hope you will find his comments as enlightening as I did.

[From the St. Louis Globe-Democrat, Feb. 16, 1981]

MAKE PATRIOTISM A WAY OF LIFE

(By Gen. Robert E. Huyser, Commander in Chief, Military Airlift Command, Scott Air Force Base, Ill.)

Feb. 16-22 marks the beginning of what should become an important tradition in American life. Congress has designated these dates National Patriotism Week—a time when we Americans can pause and reflect upon the proud heritage and sustained achievements of our nation and our people. I fully support this congressional initiative. While many Americans already practice patriotism and good citizenship on a daily basis, setting aside this special week to reflect upon the greatness of our country can do much to restore our sense of national pride and spark a resurgence of commitment to the time-tested principles upon which our country was founded—trust in God, liberty and justice for all.

Moreover, I would hope that we would not limit our celebration of America's greatness to this seven-day period. We should be proud of our country 365 days a year—patriotism full-time.

Make no mistake about it. Ours is not only the greatest nation in the world today, but the greatest nation in recorded history. By any measure—economic resources, military power, individual freedom, humanitarianism—we set the standard among the family of nations. Ours is the oldest, continuously existing republic on earth operating under its original constitution.

We have stood the tests of time. We have endured and prevailed. Why shouldn't we be proud? Proud of the legacy passed down by our forefathers. Proud of what we are. Proud of what we have done.

Sometimes we tend to focus too much on the negative aspects of American life. To be sure, we do have problems. We have made mistakes. We will likely make more. But, on balance, the strengths of America far outstrip our shortcomings. And we should not lose sight of—"What's good about America."

America remains the ultimate shining hope for millions upon millions of people around the world who yearn for opportunity, personal liberty and a better way of life. We reach out to those who would share the American dream. Each year we open our doors to more newcomers than all the other nations of the world combined. The "boat people" of Vietnam, the Cuban refugees and all the others come to seek sanctuary and a new life. For these people and even for those who remain behind, America stands alone as a beacon of freedom—the land of opportunity.

My own life and career bear witness that America is, indeed, the land of opportunity. Where else in the world could an 18-year-old son of a first generation immigrant be drafted right out of high school as a private and rise through the ranks to become a four star general?

Experience gained during my 38 years of military service has strengthened my conviction that our pride in America is well-justified. I have visited 97 other countries, lived in many, worked with their leaders, commanded multi-national forces, and made a life-long study of geopolitics in the process. Thus I know well both our strengths and the threat we face from totalitarian ideologies. I know too that the free world looks to us as a bulwark against potential aggression. We stand as their rallying point because of our steadfast resolve to resist tyranny and oppression.

We are also committed to the principles of compassion and humanitarian service to the people of the world. As commander in chief of the Military Airlift Command, I see examples of America's humanitarian forces in action every day. Through this command, America provides desperately needed disaster relief supplies to people worldwide, and literally at a moment's notice. For instance, last year when earthquakes devastated portions of the Azores, Algeria, and Italy, MAC aircraft delivered hundreds of tons of tents, blankets, and other emergency items to citizens left homeless by these catastrophes.

Similarly, MAC's Aerospace Rescue and Recovery Service also projects the best of American values at home and abroad, and saved some 1,691 lives during 1980. Our aeromedical service aided more than 65,000 people during the year.

I have talked with many of the 140,000 dedicated men and women of my command—active, Guard and Reserve forces—who have represented America so well through these humanitarian missions. They are proud of what they are doing and proud of this country's willingness to help others. These selfless individuals represent America at her best, and I consider them patriots of the first order.

In the past year I visited every part of our great land and addressed well over a hundred civilian groups. I have found our citizens still committed to our bedrock principles, still dedicated to the nation, still eager to serve others, in other words, still great Americans!

I hope that all Americans will take the time during this special week to celebrate their nation's greatness, to rededicate themselves to service to their country and to join with the millions upon millions across this land who staunchly affirm, "I am proud to be an American."●

RULES OF THE COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS FOR 97TH CONGRESS

(Mr. ST GERMAIN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ST GERMAIN. Mr. Speaker, pursuant to rule XI, clause 2(a), of the Rules of the U.S. House of Representatives, I submit for printing in the CONGRESSIONAL RECORD the rules of the Committee on Banking, Finance and Urban Affairs for the 97th Congress, adopted by the committee on February 5, 1981:

RULES FOR THE COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS

RULE NO. I.—GENERAL PROVISIONS

(a) The Rules of the House are the rules of the committees and subcommittees so far as applicable, except that a motion to recess from day to day is a motion of high privilege in committee and subcommittees. Each subcommittee of the committee is a part of the committee, and is subject to the authority and direction of the committee and to its rules so far as applicable.

(b) The committee is authorized at any time to conduct such investigations and studies as it may consider necessary or ap-

propriate in the exercise of its responsibilities under rule X of House Rules and (subject to the adoption of expense resolutions as required by rule XI, clause 5 of House Rules) to incur expenses (including travel expenses) in connection herewith. The ranking minority member of the full committee or the relevant subcommittee shall be notified in advance at such times as any committee funds are expended for investigations and studies involving international travel.

(c) The committee is authorized to have printed and bound testimony and other data presented at hearings held by the committee. All costs of stenographic services and transcripts in connection with any meeting or hearing of the committee shall be paid from the contingent fund of the House.

(d) The committee shall submit to the House, not later than January 2 of each odd-numbered year, a report on the activities of the committee under rules X and XI of House Rules during the Congress ending at noon on January 3 of such year.

(e) The committee's rules shall be published in the Congressional Record not later than 30 days after the Congress convenes in each odd-numbered year.

RULE NO. II.—REGULAR AND SPECIAL MEETINGS: OPEN COMMITTEE MEETINGS

(a) Regular meetings of the committees shall be held on the first Tuesday of each month while the Congress is in session. When the chairman believes that the committee will not be considering any bill or resolution before the full committee and that there is no other business to be transacted at a regular meeting, he will give each member of the committee, as far in advance of the day of the regular meetings as the circumstances makes practicable, a written notice to that effect and no committee meeting shall be held on that day.

(b) The chairman may call and convene, as he considers necessary, additional meetings of the committee for the consideration of any bill or resolution pending before the committee or for the conduct of other committee business. The committee shall meet for such purpose pursuant to that call of the chairman.

(c) If at least three members of the committee desire that a special meeting of the committee be called by the chairman, those members may file in the offices of the committee their written request to the chairman for that special meeting. Such request shall specify the measure or matter to be considered. Immediately upon the filing of the request, the clerk of the committee shall notify the chairman of the filing of the request. If, within 3 calendar days after the filing of the request, the chairman does not call the requested special meeting to be held within 7 calendar days after the filing of the request, a majority of the members of the committee may file in the offices of the committee their written notice that a special meeting of the committee will be held specifying the date and hour thereof, and the measure or matter to be considered at that special meeting. The committee shall meet on that date and hour. Immediately upon the filing of the notice, the clerk of the committee shall notify all members of the committee that such meeting will be held and inform them of its date and hour and the measure or matter to be considered; and only the measure or matter specified in that notice may be considered at that special meeting.

(d) If the chairman of the committee or subcommittee is not present at any meeting of the committee or subcommittee the ranking member of the majority party on the committee or subcommittee who is present shall preside at that meeting.

(e) The committee may not sit, without special leave, while the House is reading a measure for amendment under the 5-minute rule.

(f)(1) Each meeting for the transaction of business, including the markup of legislation, of the committee or each subcommittee thereof shall be open to the public except when the committee or subcommittee, in open session and with a majority present, determines by rollcall vote that all or part of the remainder of the meeting on that day be closed to the public: Provided, however, That no person other than members of the committee and such congressional staff and such departmental representatives as they may authorize shall be present at any business or markup session which has been closed to the public. This paragraph does not apply to open committee hearings which are provided for by clause 4(a)(3) of House Rule X or by subparagraph (2) of this paragraph, or to any meeting that relates solely to internal budget or personnel matters.

(2) Each hearing conducted by the committee or each subcommittee thereof shall be open to the public except when the committee or subcommittee, in open session and with a majority present, determines by rollcall vote that all or part of the remainder of that hearing on that day shall be closed to the public because disclosure of testimony, evidence, or other matters to be considered would endanger the national security or would violate any law or rule of the House of Representatives: Provided, however, That the committee or subcommittee may by the same procedure vote to close one subsequent day of hearing.

(g) No person other than a Member of Congress, committee staff, or a person from a Member's staff when that Member has an amendment under consideration, may walk in or be seated at the rostrum area of the committee unless the chairman, the chairman of the subcommittee, or a majority of the committee determines otherwise.

RULE NO. III.—RECORDS AND ROLLCALLS

(a) There shall be kept in writing a record of the proceedings of the committee and of each subcommittee, including a record of the votes on any question on which a rollcall is demanded. The result of each such rollcall vote shall be made available by the committee for inspection by the public at reasonable times in the offices of the committee. Information so available for public inspection shall include a description of the amendment, motion, order or other proposition and the name of each member voting for and each member voting against such amendment, motion, order, or proposition, and whether by proxy or in person, and the names of those members present but not voting. A record vote may be demanded by any three of the members present or, in the apparent absence of a quorum, by any one member. With respect to each record vote by the committee to report any bill or resolution, the name of each member voting for and voting against the motion to report, and whether by proxy or in person, and the names of those members present but not voting, and the names of those members absent, shall be included in the committee report.

(b) All committee hearings, records, data, charts, and files shall be kept separate and distinct from the congressional office records of the member serving as chairman of the committee; and such records shall be the property of the House and all Members of the House shall have access thereto.

RULE NO. IV.—PROXIES

(a) No vote by any member of the committee or any of its subcommittees with respect to any measure or matter may be cast by proxy unless a proxy authorization is given in writing by the member desiring to cast a proxy, which authorization shall assert that the member is absent on official business or is absent due to personal illness and is thus unable to be present at the meeting of the committee or subcommittee and shall be limited to a specific measure or matter and any amendments or motions pertaining thereto. Each proxy to be effective shall be signed by the member assigning his/her vote and shall contain the date and time of the day that the proxy is signed. No proxy shall be voted on a motion to adjourn or shall be counted to make a quorum or be voted unless a quorum is present.

(b) Proxies shall be in the following form:

Hon. ——,
House of Representatives,
Washington, D.C.

DEAR ——: I will be absent on official business/due to personal illness and thus unable to be present at the meeting of the committee or subcommittee. I hereby authorize you to vote in my place and stead in the consideration of —— and any amendments or motions pertaining thereto. The official business that necessitates my absence is ——.

——,
Member of Congress.

Executed this the —— day of ——, 19 —— at the time of —— p.m./a.m.

RULE NO. V.—POWER TO SIT AND ACT; SUBPENA POWER

(a) For the purpose of carrying out any of its functions and duties under House Rules X and XI the committee, or any subcommittee thereof, is authorized (subject to subparagraph (b)(1) of this paragraph)—

(1) to sit and act at such times and places within the United States, whether the House is in session, has recessed, or has adjourned, and to hold such hearings.

(2) in the case of such hearings which are to require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents as it deems necessary, such hearings must be authorized by a vote of a majority of the members of the full committee, a majority being present. The chairman of the committee, or any member designated by the chairman, may administer oaths to any witness.

(b)(1) A subpena may be authorized and issued by the committee under subparagraph (a)(2) in the conduct of any investigation or activity or series of investigations or activities, only when authorized by a majority of the members voting, a majority being present. The power to authorize and issue subpenas under subparagraph (a)(2) may be delegated to the chairman of the committee pursuant to such limitations as the committee may prescribe. Authorized subpenas shall be signed by the chairman of the committee or by any member designated by the committee.

(2) Compliance with any subpena issued by the committee under subparagraph (a)(2) may be enforced only as authorized or directed by the House.

(c) Each witness who has been subpenaed, upon the completion of his testimony before the committee or any subcommittee, may report to the office of counsel of the committee, and there sign appropriate vouchers for travel allowances and attendance fees. If hearings are held in cities other than Washington, D.C, the witness may contact the counsel of the committee, or his representative, prior to leaving the hearing room.

RULE NO. VI.—QUORUMS

A majority of the members of the full committee or subcommittees shall constitute a quorum of the full committee or subcommittees for the reporting of a measure or recommendation: Provided, that the number of members constituting a quorum for the taking of any action other than the reporting of a measure or recommendation shall be one-third of the members of the committee or subcommittee, and any two members shall constitute a quorum for the purpose of taking testimony and receiving evidence.

RULE NO. VII.—HEARING PROCEDURES

(a) The chairman, in the case of hearings to be conducted by the committee, and the appropriate subcommittee chairman, in the case of hearings to be conducted by a subcommittee, shall make public announcement of the date, place, and subject matter at least one week before the commencement of that hearing unless the committee determines that there is good cause to begin such hearing at an earlier date. In the latter event the chairman or the subcommittee chairman whichever the case may be shall make such public announcement at the earliest possible date. The clerk of the committee shall promptly notify all members of the committee, the Daily Digest Clerk of the Congressional Record and the committee scheduling service of the House Information Systems as soon as possible after such public announcement is made.

(b) So far as practicable, each witness who is to appear before the committee or a subcommittee shall file with the clerk of the committee, at least 24 hours in advance of his appearance, 100 copies of his proposed testimony and may be required to limit his oral presentation to a summary of his statement.

(c) When any hearing is conducted by the committee or any subcommittee upon any measure or matter, the minority party members on the committee shall be entitled, upon request to the chairman by a majority of those minority members before the completion of such hearing, to call witnesses selected by the minority to testify with respect to that measure or matter during at least one day of hearing thereon.

(d) Upon announcement of a hearing, the Clerk and Staff Director shall cause to be prepared a concise summary of the subject matter (including legislative reports and other material) under consideration which shall be made available immediately to all members of the committee. In addition, upon announcement of a hearing and subsequently as they are received, the chairman shall make available to the members of the committee any official reports from departments and agencies on such matter.

(e) All other members of the committee may have the privilege of sitting with any subcommittee during its hearings or deliberations and may participate in such hearings or deliberations after members of the subcommittee have been given an opportunity to participate, but no such member who is not a member of the subcommittee shall vote on any matter before such subcommittee.

(f) Committee members may question witnesses only when they have been recognized by the chairman for that purpose, and only for a 5-minute period until all members present have had an opportunity to question a witness. The 5-minute period for questioning a witness by any one member can be extended only with the unanimous consent of all members present. The questioning of witnesses in both full and subcommittee hearings shall be initiated by the chairman, followed by the ranking minority party member and all other members alternating between the majority and minority. In recognizing members to question witnesses in this fashion, the chairman shall take into consideration the ratio of the majority to minority members present and shall establish the order of recognition for questioning in such a manner as not to disadvantage the members of the majority.

(g) The following additional rules shall apply to investigative hearings:

(1) The chairman at any investigative hearing shall announce in an opening statement the subject of the investigation.

(2) A copy of the committee rules and this clause shall be made available to each witness.

(3) Witnesses at investigative hearings may be accompanied by their own counsel for the purpose of advising them concerning their constitutional rights.

(4) The chairman may punish breaches of order and decorum, and of professional ethics on the part of counsel, by censure and exclusion from the hearings; and the committee may cite the offender to the House for contempt.

(5) If the committee determines that evidence or testimony at an investigative hearing may tend to defame, degrade, or incriminate any person it shall—

(A) receive such evidence or testimony in executive session;

(B) afford such person an opportunity voluntarily to appear as a witness; and

(C) receive and dispose of requests from such person to subpena additional witnesses.

(6) Except as provided in subparagraph (5), the chairman shall receive and the committee shall dispose of requests to subpena additional witnesses.

(7) No evidence or testimony taken in executive session may be released or used in public sessions without the consent of the committee.

(8) In the discretion of the committee, witnesses may submit brief and pertinent sworn statements in writing for inclusion in the record. The committee is the sole judge of the pertinency of testimony and evidence adduced at its hearing.

(9) A witness may review and photostat a copy of his or her testimony given at a public session or, if given at an executive session, when authorized by the committee.

RULE NO. VIII.—PROCEDURES FOR REPORTING BILLS AND RESOLUTIONS

(a)(1) It shall be the duty of the chairman to the committee to report or cause to be reported promptly to the House any measure approved by the committee and to take or cause to be taken necessary steps to bring the matter to a vote.

(2) In any event, the report of the committee on a measure which has been approved by the committee shall be filed within 7 calendar days (exclusive of days on which the House is not in session) after the day on which there has been filed with the clerk of the committee a written request, signed by a majority of the members of the committee, for the reporting of that measure. Upon the filing of any such request, the clerk of the committee shall transmit immediately to the chairman of the committee notice of the filing of that request.

(b)(1) No measure or recommendation shall be reported from the committee unless a majority of the committee was actually present.

(2) With respect to each record vote by the committee to report any bill or resolution, the name of each member voting for and voting against the motion to report, and whether by proxy or in person, and the names of those members present but not voting, and the names of those members absent, shall be included in the committee report.

(c) The report of the committee on a measure which has been approved by the committee shall include—

(1) the oversight findings and recommendations required pursuant to the last sentence of clause 2(b)(1) of rule X of the House separately set out and clearly identified;

(2) the statement required by section 308(a) of the Congressional Budget Act of 1974, separately set out and clearly identified, if the measure provides new budget authority or new or increased tax expenditures;

(3) the estimate and comparison prepared by the Director of the Congressional Budget Office under section 403 of such act, separately set out and clearly identified, whenever the Director (if timely submitted prior to the filing of the report) has submitted such estimate and comparison to the committee; and

(4) a summary of the oversight findings and recommendations made by the Committee on Government Operations under clause 2(b)(2) of rule X of the House separately set out and clearly identified whenever such findings and recommendations have been submitted to the legislative committee in a timely fashion to allow an opportunity to consider such findings and recommendations during the committee's deliberations on the measure.

(d) Each report of the committee on each bill or joint resolution of a public character reported by the committee shall contain a detailed analytical statement as to whether the enactment of such bill or joint resolution into law may have an inflationary impact on prices and costs in the operation of the national economy.

(e) If, at the time of approval of any measure, matter or any report or submission to be made to the House or to the Committee on the Budget under subclauses (g), (h), and (i) of clause 4 of Rule X of the Rules of the House of Representatives by the committee, any member of the committee gives notice of intention to file supplemental, minority, or additional views, that member shall be entitled to not less than 3 calendar days (excluding Saturdays, Sundays, and legal holidays) in which to file such views, in writing and signed by that member, with the clerk of the committee. All such views so filed by one or more members of the committee shall be included within, and shall be a part of, the report filed by the committee with respect to that measure or matter. No report shall be filed until the chairman has consulted with the ranking minority member of the committee and the chairman of the subcommittee from which the legislation emanated or would have emanated.

The report of the committee upon that measure or matter shall be printed in a single volume which—

(1) shall include all supplemental, minority, or additional views which have been submitted by the time of the filing of the report, and

(2) shall bear upon its cover a recital that any such supplemental, minority, or additional views (and any material submitted under subdivisions (3) and (4) of subparagraph (c)) are included as part of the report. This subparagraph does not preclude—

(A) the immediate filing or printing of a committee report unless timely request for the opportunity to file supplemental, minority, or additional views has been made as provided by this subparagraph; or

(B) the filing by any such committee of any supplemental report upon any measure or matter which may be required for the correction of any technical error in a previous report made by that committee upon that measure or matter.

(f) If hearings have been held on any such measure or matter so reported, the committee shall make every reasonable effort to have such hearings printed and available for distribution to the Members of the House prior to the consideration of such measure or matter in the House. This subparagraph shall not apply to—

(1) any measure for the declaration of war, or the declaration of a national emergency, by the Congress; or

(2) any decision, determination, or action by a Government agency which would become, or continue to be, effective unless disapproved or otherwise invalidated by one or both Houses of Congress.

For the purposes of the preceding sentence, a Government agency includes any department, agency, establishment, wholly owned Government corporation, or instrumentality of the Federal Government or the government of the District of Columbia.

RULE NO. IX.—OVERSIGHT SUBCOMMITTEE

(a) In order to assist the House in:

(1) its analysis, appraisal, and evaluation of (A) the application, administration, execution, and effectiveness of the laws enacted by the Congress, or (B) conditions and circumstances which may indicate the necessity or desirability of enacting new or additional legislation, and

(2) its formulation, consideration, and enactment of such modification or changes in those laws, and of such additional legislation, as may be necessary or appropriate, there shall be established in conformity with rule XV an Oversight Subcommittee.

(b) The Oversight Subcommittee shall review and study, on a continuing basis, the application, administration, execution, and effectiveness of those laws, or parts of laws, the subject matter of which is within the jurisdiction of the committee, and the organization and operation of the Federal agencies and entities which have responsibilities in or for the administration and execution thereof, in order to determine whether such laws and the programs thereunder are being implemented and carried out in accordance with the intent of the Congress and whether such programs should be continued, curtailed, or eliminated. In addition, the Oversight Subcommittee shall review and study any conditions or circumstances which may indicate the necessity or desirability of enacting new or additional legislation within the jurisdiction of the committee (whether or not any bill or resolution has been introduced with respect thereto), and shall on a continuing basis undertake future research and forecasting on matters within the jurisdiction of the committee. The Oversight Subcommittee shall in no way limit the responsibility of the subcommittees from carrying out their oversight responsibilities.

(c) The Oversight Subcommittee shall review and study on a continuing basis the impact or probable impact of tax policies affecting subjects within the jurisdiction of the committee.

RULE NO. X.—REVIEW OF CONTINUING PROGRAMS; BUDGET ACT PROVISIONS

(a) The committee shall, in its consideration of all bills and joint resolutions of a public character within its jurisdiction, insure that appropriations for continuing programs and activities of the Federal Government and the District of Columbia government will be made annually to the maximum extent feasible and consistent with the nature, requirements, and objectives of the programs and activities involved. For the purposes of this paragraph a Government agency includes the organizational units of government listed in clause 7(d) of Rule XIII of the House Rules.

(b) The committee shall review, from time to time, each continuing program within its jurisdiction for which appropriations are not made annually in order to ascertain whether such program could be modified so that appropriations therefor would be made annually.

(c) The committee shall, on or before March 15 of each year, submit to the Committee on the Budget (1) its views and estimates with respect to all matters to be set forth in the concurrent resolution on the budget for the ensuing fiscal year which are within its jurisdiction or functions, and (2) an estimate of the total amount of new budget authority, and budget outlays resulting therefrom, to be provided or authorized in all bills and resolutions within its jurisdiction which it intends to be effective during that fiscal year.

(d) As soon as practicable after a concurrent resolution on the budget for any fiscal year is agreed to, the committee (after consulting with the appropriate committee or committees of the Senate) shall subdivide any allocations made to it in the joint explanatory statement accompanying the conference report on such resolution, and promptly report such subdivisions to the House, in the manner provided by section 302 of the Congressional Budget Act of 1974.

(e) Whenever the committee is directed in a concurrent resolution on the budget to determine and recommend changes in laws, bills, or resolutions under the reconciliation process it shall promptly make such determination and recommendations, and report a reconciliation bill or resolution (or both) to the House or submit such recommendations to the Committee on the Budget in accordance with the Congressional Budget Act of 1974.

RULE NO. XI.—BROADCASTING OF COMMITTEE HEARINGS

Any meeting or hearing that is open to the public may be covered in whole or in part by radio or television or still photography, subject to the requirements of Rule XI, clause 3 of the Rules of the House of Representatives. At all such meetings or proceedings, coverage by radio, television or still photography will be allowed unless specifically forbidden by a record vote of the committee or subcommittee. The coverage of any hearing or other proceeding of the committee or any subcommittee thereof by television, radio, or still photography shall be under the direct supervision of the chairman of the committee, the subcommittee chairman, or other member of the committee presiding at such hearing or other proceeding and, for good cause, may be terminated by him/her.

RULE NO. XII.—COMMITTEE AND SUBCOMMITTEE BUDGETS

(a) The chairman, in consultation with the majority members of the committee shall, for each session of the Congress, prepare a preliminary budget. Such budget shall include necessary amounts for staff personnel for necessary travel, investigation, and other expenses of the full committee, and after consultation with the minority membership, the chairman shall include amounts budgeted to the minority members for staff personnel to be under the direction and supervision of the minority, travel expenses of minority members and staff, and minority office expenses. All travel expenses of minority members and staff shall be paid for out of the amounts so set aside and budgeted.

(b)(1) The chairman of each subcommittee, in consultation with the majority members thereof, shall prepare a budget to include funds for staff, travel, investigations, and miscellaneous expenses as may be required for the work of the subcommittee.

(2) The chairman of each subcommittee shall control the funds provided for in the subcommittee budget.

(c) The chairman shall combine the proposals of each subcommittee with the preliminary budget of the full committee into a consolidated committee budget, and shall present the same to the committee for its approval. The chairman shall then take all action necessary to bring about its approval by the Committee on House Administration and by the House.

(d) Authorization for the payment of additional or unforeseen committee and subcommittees' expenses may be procured by one or more additional expense resolutions processed in the same manner as set out herein.

(e) The chairman, the ranking minority member of the full committee, or any chairman of a subcommittee may initiate necessary travel requests as provided in Rule XIV within the limits of their portion of the consolidated budget as approved by the House, and the chairman may execute necessary vouchers thereof.

RULE NO. XIII.—COMMITTEE AND SUBCOMMITTEE STAFF

(a) The professional and clerical staff assigned to the minority shall be appointed and their remuneration determined in such manner as the minority members of the committee shall determine within the budget approved for such purposes by the committee; provided, however, that no minority staff person shall be compensated at a rate which exceeds that paid his or her majority party staff counterpart.

(b) The professional and clerical employees of the committee not assigned to a subcommittee or to the minority under the above provision shall be appointed, and may be removed, and their remuneration determined by the chairman in consultation with and with the approval of the majority members of the committee within the budget approved for such purposes by the committee.

(c) The professional and clerical staff assigned to the minority shall be under the general supervision and direction of the minority members of the committee who may

delegate such authority as they determine appropriate.

(d) The professional and clerical staff of the committee not assigned to a subcommittee or to the minority shall be under the general supervision and direction of the chairman, who shall establish and assign the duties and responsibilities of such staff members and delegate such authority as he determines appropriate.

(e) It is intended that the skills and experience of all members of the committee staff be available to all members of the committee.

(f)(1) The chairman of each standing subcommittee of this committee is authorized to appoint one staff member who shall serve at the pleasure of the subcommittee chairman.

(2) The ranking minority member of each standing subcommittee on this committee is authorized to appoint one staff person who shall serve at the pleasure of the ranking minority party member.

(3) The staff members appointed pursuant to the provisions of subparagraphs (1) and (2) shall be compensated at a rate determined by the subcommittee chairman not to exceed (A) 75 per centum of the maximum established in paragraph (c) of clause 6 of the House Rule XI; provided, however, a staff person appointed by a ranking minority member shall be compensated at a rate not to exceed that paid his or her minority staff counterpart.

(4) Subparagraphs (7) and (2) and (3) shall apply to six subcommittees only, and no member shall appoint more than one person pursuant to the above provisions.

(5) The staff positions made available to the subcommittee chairmen and ranking minority party members pursuant to subparagraphs (1) and (2) shall be made available from the staff positions provided under clause 6 of House Rule XI unless such staff positions are made available pursuant to a primary or additional expense resolution.

(6) Except as provided by the above provisions, the professional and clerical members of the subcommittee staffs shall be appointed, and may be removed, and their remuneration determined by the subcommittee chairman in consultation with and with the approval of a majority of the majority members of the subcommittee, and with the approval of a majority of the majority members of the full committee, within the budget approved for the subcommittee.

(7) The professional and clerical staff of a subcommittee shall be under the supervision and direction of the chairman of that subcommittee.

RULE NO. XIV.—TRAVEL OF MEMBERS AND STAFF

(a) Consistent with the primary expense resolution and such additional expense resolution as may have been approved, the provisions of this rule shall govern travel of committee members and staff. Travel to be reimbursed from funds set aside for the full committee for any member or any staff member shall be paid only upon the prior authorization of the chairman. Travel may be authorized by the chairman for any member and any staff member in connection with the attendance of hearings conducted by the committee or any subcommittee thereof and meetings, conferences, and investigations which involve activities or subject matter under the general jurisdiction of the committee. Before such authorization is given there shall be submitted to the chairman in writing the following:

(1) The purpose of the travel;

(2) The dates during which the travel is to be made and the date or dates of the event for which the travel is being made;

(3) The location of the event for which the travel is to be made;

(4) The names of members and staff seeking authorization.

(b) In the case of travel of members and staff of a subcommittee to hearings, meetings, conferences, and investigations involving activities or subject matter under the legislative assignment of such subcommittee to be paid for out of funds allocated to such subcommittee, prior authorization must be obtained from the subcommittee chairman, the ranking minority member of the full committee whenever minority staff is involved, and the chairman of the full committee. Such prior authorization shall be given by the chairman only upon the representation by the applicable chairman of the subcommittee in writing setting forth those items enumerated in (1), (2), (3), and (4) of paragraph (a) and in addition thereto setting forth that subcommittee funds are available to cover the expenses of the person or persons being authorized by the subcommittee chairman to undertake the travel and that there has been a compliance where applicable with Rule VII of the committee.

(c)(1) In the case of travel outside the United States of members and staff of the committee or of a subcommittee for the purpose of conducting hearings, investigations, studies, or attending meetings and conferences involving activities or subject matter under the legislative assignment of the committee or pertinent subcommittee, prior authorization must be obtained from the chairman or, in the case of a subcommittee from the subcommittee chairman and the chairman. Before such authorization is given, there shall be submitted to the chairman, in writing, a request for such authorization. Each request, which shall be filed in a manner that allows for a reasonable period of time for review before such travel is scheduled to begin, shall include the following:

(A) the purpose of the travel;

(B) the dates during which the travel will occur;

(C) the names of the countries to be visited and the length of time to be spent in each;

(D) an agenda of anticipated activities for each country for which travel is authorized together with a description of the purpose to be served and the areas of committee jurisdiction involved; and

(E) the names of members and staff for whom authorization is sought.

(2) Requests for travel outside the United States may be initiated by the chairman or the chairman of a subcommittee (except that individuals may submit a request to the chairman for the purpose of attending a conference or meeting).

(3) At the conclusion of any hearing, investigation, study, meeting or conference for which travel outside the United States has been authorized pursuant to this rule, each subcommittee (members and staff attending meetings or conferences) shall submit a written report to the chairman covering the activities and other pertinent observations or information gained as a result of such travel.

(d) Members and staff of the committee performing authorized travel on official business shall be governed by applicable laws, resolutions, or regulations of the House and the Committee on House Administration pertaining to such travel.

RULE NO. XV.—NUMBER AND JURISDICTION OF SUBCOMMITTEES

(a) There shall be eight standing subcommittees as follows: Subcommittee on Domestic Monetary Policy; Subcommittee on Housing and Community Development; Subcommittee on Economic Stabilization; Subcommittee on Consumer Affairs and Coinage; Subcommittee on International Development Institutions and Finance; Subcommittee on Financial Institutions Supervision, Regulation and Insurance; Subcommittee on International Trade, Investment and Monetary Policy; and Subcommittee on General Oversight and Renegotiation. All proposed legislation and other matters related to the subcommittees listed under standing subcommittees named below shall be referred to such subcommittees respectively.

SUBCOMMITTEE ON DOMESTIC MONETARY POLICY

The jurisdiction of the Subcommittee on Domestic Monetary Policy extends to all matters relating to monetary policy and agencies which directly or indirectly affect monetary policy, including the effect of such policy and other financial actions on interest rates, allocation of credit, and the structure and functioning of domestic and foreign financial institutions.

Further, the jurisdiction of the Subcommittee on Domestic Monetary Policy extends to all private foundations and charitable trusts.

SUBCOMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT

The jurisdiction of the Subcommittee on Housing and Community Development extends to all matters relating to housing and mortgage credit (except programs administered by the Veterans' Administration), including mortgage and loan insurance pursuant to the National Housing Act; FHA mortgage interest rates; rural housing; housing assistance programs; secondary mortgage market programs and all other activities of FNMA, GNMA, and FHLMC; private mortgage insurance; housing construction and design standards; housing-related energy conservation; housing research and demonstration programs; financial and technical assistance for nonprofit housing sponsors; counseling and technical assistance; regulation of the housing industry (including landlord-tenant relations); real estate lending powers of financial institutions (including regulation of settlement costs); and interest charges for members of the Federal Home Loan Bank System.

The jurisdiction of the subcommittee further extends to matters relating to community development and community planning, training and research, including community development block grants; urban renewal; model cities; rehabilitation loans and grants; neighborhood facilities grants; open space land and urban beautification grants; water and sewer facilities grants; public facilities loans; national, urban or community development banks; advance acquisition of land programs; new communities assistance programs; national urban growth policies; comprehensive planning (including land use and areawide programs); community development training and fellowships; and urban research and technologies.

Further, jurisdiction of the subcommittee extends to flood insurance and related land use controls, urban property protection and reinsurance, crime insurance, and regulation of interstate land sales.

Also, the jurisdiction of the subcommittee includes FHA property improvement loans under title I of the National Housing Act which can be used to finance the preservation of historic structures; community development block grant funds authorized under title I of the 1974 Housing Act which can be used to finance the acquisition and preservation of historic properties; and section 701 comprehensive planning grants to public bodies which can be used to finance surveys of historic sites and structures.

SUBCOMMITTEE ON ECONOMIC STABILIZATION

The jurisdiction of the Subcommittee on Economic Stabilization shall extend to all matters relating to financial aid to all sectors and elements within the economy, all matters relating to economic stabilization, and all defense production matters as contained in the Defense Production Act of 1959, as amended, and all related matters thereto.

SUBCOMMITTEE ON CONSUMER AFFAIRS AND COINAGE

The jurisdiction of the Subcommittee on Consumer Affairs and Coinage shall include all matters relating to consumer credit, including those matters in the Consumer Credit Protection Act dealing with truth-in-lending, extortionate credit transactions, restrictions on garnishments, reports of the National Commission on Consumer Finance, and fair credit reporting. The jurisdiction shall further include collection practices, discrimination in the extension of consumer credit, creditor remedies and debtor defenses, Federal aspects of the Uniform Consumer Credit Code, and credit cards.

The jurisdiction of the subcommittee shall further extend to matters relating to the price of consumer goods, services and commodities; the rationing of consumer products; and hoarding.

Further, the subcommittee's jurisdiction extends to all matters relating to coins, coinage, currency and medals, including commemorative coins, commemorative medals, proof and mint sets and other special coins, Coinage Act of 1965, gold and silver, including coinage thereof (but not the par value of gold), gold medals, counterfeiting, and currency denominations and designs.

SUBCOMMITTEE ON INTERNATIONAL DEVELOPMENT INSTITUTIONS AND FINANCE

The jurisdiction of the Subcommittee on International Development Institutions and Finance extends to all matters relating to all multilateral development lending institutions, including activities of the National Advisory Council on International Monetary and Financial Policies as related thereto; and monetary and financial developments as they relate to the activities and objectives of such institutions.

SUBCOMMITTEE ON FINANCIAL INSTITUTIONS SUPERVISION, REGULATION AND INSURANCE

The jurisdiction of the Subcommittee on Financial Institutions Supervision, Regulation and Insurance extends to all agencies which directly or indirectly exercise supervisory or regulatory authority in connection with, or provide deposit or other insurance for financial or other institutions, the establishment of interest rate ceilings on deposits, and all auxiliary matters affecting or arising in connection with the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, the National Credit Union Share Insurance Fund, the Federal Home Loan Bank Board, the Federal Reserve Board and System, the National Credit Union Administration, and the Comptroller of the Currency, together with those activities and operations of any other agency or department which relate to both domestic or foreign financial institutions.

Further, jurisdiction extends to and includes, with respect to financial institutions and the department and agencies which regulate or supervise them, all activities relating to and arising in connection with the matters of chartering, branching, mergers and acquisitions, consolidations, and conversions.

SUBCOMMITTEE ON INTERNATIONAL TRADE, INVESTMENT AND MONETARY POLICY

The Subcommittee on International Trade, Investment and Monetary Policy shall have jurisdiction over all matters within the jurisdiction of the committee relating to international trade, including but not limited to the activities of the Export-Import Bank.

Further, the jurisdiction of the subcommittee shall extend to international investment policies, both as they relate to U.S. investments for trade purposes by citizens of the United States and investments made by all foreign entities in the United States.

Further, the subcommittee shall have jurisdiction over the International Monetary Fund, its permanent and temporary agencies, and all matters related thereto.

SUBCOMMITTEE ON GENERAL OVERSIGHT AND RENEGOTIATION

The Subcommittee on General Oversight and Renegotiation shall assist the House Committee on Banking, Finance and Urban Affairs in appraising the administration of the laws and regulations under the jurisdiction of the committee and present such recommendations as deemed necessary to the appropriate subcommittee(s) of the committee.

Further, the subcommittee shall exercise continuing oversight of the execution by the administrative agencies concerning any of the laws the subject matter of which reside within the jurisdiction of the committee and shall study all pertinent reports, documents and data pertinent to the jurisdiction of the committee and make the necessary recommendations or reports thereon to the appropriate subcommittee(s) of the committee.

Further, the subcommittee shall have full jurisdiction over the Renegotiation Act of 1951, as amended.

(b) The committee may provide for such additional subcommittees as determined to be appropriate; Provided, however, that such additional subcommittees are approved by a majority of the majority members on the committee.

(c) A member serving as chairman of any subcommittee on this committee shall not also serve as the chairman of a subcommittee on any other standing committee; Provided, however, that this provision shall not apply to members serving as subcommittee chairman on the Budget Committee; House Administration Committee; Joint Committees; or on the Small Business Committee who served as a subcommittee chairman on the Select Committee on Small Business as of October 8, 1974.

RULE NO. XVI.—POWERS AND DUTIES OF SUBCOMMITTEES

(a) Each subcommittee is authorized to meet, hold hearings, receive evidence, and report to the full committee on all matters referred to it or under its jurisdiction. Subcommittee chairmen shall set dates for hearings and meetings of their respective subcommittees after consultation with the chairman and other subcommittee chairmen and with a view toward avoiding simultaneous scheduling of full committee and subcommittee meetings or hearings whenever possible.

(b) Whenever a subcommittee has ordered a bill, resolution, or other matter to be reported to the committee, the chairman of the subcommittee reporting the bill, resolution, or matter to the full committee, or any member authorized by the subcommittee to do so, may report such bill, resolution, or matter to the committee. It shall be the duty of the chairman of the subcommittee to report or cause to be reported promptly such bill, resolution, or matter, and to take or cause to be taken the necessary steps to bring such bill, resolution, or matter to a vote.

(c) No bill or joint resolution approved by a subcommittee shall be considered by the committee unless such measure, as approved, has been made available to all members at least two calendar days prior to the meeting, accompanied by a section-by-section analysis of such measure. The provisions of this paragraph may be suspended by the committeee by a two-thirds vote or by the chairman, with the concurrence of the ranking minority member of the full committee.

(d) All committee or subcommittee reports printed pursuant to legislative study or investigation and not approved by a majority vote of the committee or subcommittee, as appropriate, shall contain the following disclaimer on the cover of such report.

"This report has not been officially adopted by the Committee on Banking, Finance and Urban Affairs (or pertinent subcommittee thereof) and may not therefore necessarily reflect the views of its members."

(e) Bills, resolutions, or other matters favorably reported by a subcommittee shall automatically be placed on the agenda of the committee as of the time they are reported and shall be considered by the full committee in the order in which they were reported unless the chairman after consultation with the ranking minority member and appropriate subcommittee chairman, otherwise directs: Provided, that no bill reported by a subcommittee shall be considered by the full committee unless each member has been provided with reasonable time prior to the meeting to analyze such bill, together with a comparison with present law and a section-by-section analysis of the proposed change, and a section-by-section justification.

RULE NO. XVII.—REFERRAL OF LEGISLATION TO SUBCOMMITTEES

(a) Each bill, resolution, investigation, or other matter which relates to a subject listed under the jurisdiction of any subcommittee named in Rule XV referred to or initiated by the full committee shall be referred to all subcommittees of appropriate jurisdiction within 2 weeks unless, by majority vote of the majority members of the full committee, consideration is to be by the full committee.

(b) Referral to a subcommittee shall not be made until 3 days shall have elapsed after written notification of such proposed referral to all subcommittee chairmen, at which time such proposed referral shall be made unless one or more subcommittee chairmen shall have given written notice to the chairman of the full committee and to the chairman of each subcommittee that he

intends to question such proposed referral at the next regularly scheduled meeting of the committee, or at a special meeting of the committee called for that purpose at which time referral shall be made by the majority members of the committee. All bills shall be referred under this rule to the subcommittee of proper jurisdiction without regard to whether the author is or is not a member of the subcommittee. A bill, resolution, or other matter referred to a subcommittee in accordance with this rule may be recalled therefrom at any time by a vote of the majority members of the committee for the committee's direct consideration or for reference to another subcommittee.

(c) Committee reports shall be filed at such time as the committee shall determine with reasonable time allowed for members to file supplemental, individual, dissenting or other views.

(d) In carrying out Rule XVII with respect to any matter, the chairman may refer the matter simultaneously to two or more subcommittees, consistent with Rule XV, for concurrent consideration or for consideration in sequence (subject to appropriate time limitations in the case of any subcommittee after the first), or divide the matter into two or more parts (reflecting different subjects and jurisdictions) and refer each such part to a different subcommittee, or refer the matter pursuant to Rule X to a special ad hoc committee appointed by the chairman (from the members of the subcommittee having legislative jurisdiction) for the specific purpose of considering that matter and reporting to the full committee thereon, or make such other provisions as may be considered appropriate.

RULE NO. XVIII.—SIZES AND PARTY RATIOS ON SUBCOMMITTEES AND CONFERENCE COMMITTEES

(a) To the extent that the number of subcommittees and their party ratios permit, the size of all subcommittees shall be established so that the majority party members of the committee have an equal number of subcommittee assignments: Provided, however, that a member may waive his or her right to an equal number of subcommittee assignments on the committee: and provided further, that the majority party members may limit the number of subcommittee assignments of the chairman and the subcommittee chairmen and the minority party members may limit the number of subcommittee assignments of ranking minority party members in order to equalize committee workloads.

(b) Following shall be the sizes and majority/minority ratios for subcommittees:

(1) Subcommittee on Domestic Monetary Policy: Total—14. Majority—8. Minority—6.

(2) Subcommittee on Housing and Community Development: Total—33. Majority—19. Minority—14.

(3) Subcommittee on Economic Stabilization: Total—22. Majority—13. Minority—9.

(4) Subcommittee on Consumer Affairs and Coinage: Total—10. Majority—6. Minority—4.

(5) Subcommittee on International Development Institutions and Finance: Total—10. Majority—6. Minority—4.

(6) Subcommittee on Financial Institutions Supervision, Regulation and Insurance: Total—24. Majority—14. Minority—10.

(7) Subcommittee on International Trade, Investment and Monetary Policy: Total—17. Majority—10. Minority—7.

(8) Subcommittee on General Oversight and Renegotiation: Total—16. Majority—9. Minority—7.

(c) The full committee chairman, or a member designated by a majority of the majority members on the committee, shall recommend to the Speaker as conferees the names of those members (1) selected by the majority party members of the committee in a manner determined by them, and (2) selected by the minority party members of the committee in a manner determined by them.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Member (at the request of Mr. CONTE) to revise and extend his remarks and include extraneous material:)

Mr. CONTE, for 15 minutes, on March 3, 1981.

(The following Members (at the request of Mr. LANTOS) to revise and extend their remarks and include extraneous material:)

Mr. BEDELL, for 5 minutes, today.

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. FORD of Michigan, for 10 minutes, today.

Ms. FERRARO, for 10 minutes, today.

Mr. ENGLISH, for 5 minutes, today.

Mr. BARNES, for 60 minutes, on March 4.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. DREIER) and to include extraneous matter:)

Mrs. HECKLER.

Mrs. MARTIN of Illinois.

Mr. PETRI.

Mr. MICHEL.

Mr. DERWINSKI in two instances.

Mr. MCGRATH in two instances.

Mr. BEREUTER.

Mr. PHILIP M. CRANE in two instances.

Mr. CONTE.

Mr. NELLIGAN.

Mr. ROUSSELOT in two instances.

Mr. COLLINS of Texas.

Mr. FRENZEL.

(The following Members (at the request of Mr. LANTOS) and to include extraneous matter:)

Mr. EDWARDS of California.

Mr. GAYDOS.

Mr. COELHO in two instances.

Mr. ANDERSON in 10 instances.

Mr. GONZALEZ in 10 instances.

Mr. ROSENTHAL in 10 instances.

Mrs. BOUQUARD in five instances.

Mr. HAMILTON in 10 instances.

Mr. BROWN of California in 10 instances.

Mr. ANNUNZIO in six instances.

Mr. BONER of Tennessee in five instances.

Mr. ROE.

Mr. BLANCHARD.

Mr. TRAXLER.

Mr. DYSON.

Mr. FUQUA.

Mr. AUCOIN in two instances.

Mrs. SCHROEDER in two instances.

Mr. ENGLISH.

Mr. MINETA.

Mr. ATKINSON.

Mr. SEIBERLING.

ADJOURNMENT

Mr. LANTOS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 11 minutes p.m.), the House adjourned until tomorrow, Tuesday, March 3, 1981, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

628. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting reports of military construction contracts placed under contract in fiscal year 1980, in which it was necessary to exceed the amount authorized for the project by Congress by more than 25 percent, or reduce the project scope more than 25 percent in order to permit contract award within the available authorization for such project, pursuant to section 603(f) of Public Law 96-418; to the Committee on Armed Services.

629. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Army's proposed sale of certain defense equipment to Morocco (Transmittal No. 81-26) pursuant to section 813 of Public Law 94-106; to the Committee on Armed Services.

630. A letter from the Secretary of Housing and Urban Development, transmitting notice of the conditional approval of a Fannie Mae home improvement and energy loan program, pursuant to section 339(a)(2) of Public Law 96-399; to the Committee on Banking, Finance and Urban Affairs.

631. A letter from the Executive Director, Neighborhood Reinvestment Corporation, transmitting a draft of proposed legislation to extend the authorization of appropriations for the Neighborhood Reinvestment Corporation; to the Committee on Banking, Finance and Urban Affairs.

632. A letter from the Acting Director, Federal Mediation and Conciliation Service, transmitting the agency's 32d annual report, covering fiscal year 1979, pursuant to section 202(c) of the act of June 27, 1947; to the Committee on Education and Labor.

633. A letter from the Chairman, National Commission on Air Quality, transmitting the Commission's final report, pursuant to section 323 of the Clean Air Act, as amended; to the Committee on Energy and Commerce.

634. A letter from the President, National Academy of Sciences, transmitting a report on the prevention of significant deterioration of air quality, pursuant to section 323(f) of the Clean Air Act, as amended; to the Committee on Energy and Commerce.

635. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment and services to Morocco (Transmittal No. 81-26), pursuant to section 36(b) of the Arms Export Control Act, as amended; to the Committee on Foreign Affairs.

636. A letter from the Assistant Administrator for Legislative Affairs, Agency for International Development, transmitting the annual report on the Sahel Development Fund, pursuant to section 121(b) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

637. A letter from the Chairman, Japan-United States Friendship Commission, transmitting the fourth annual report of the Commission, pursuant to section 5(b) of Public Law 94-118; to the Committee on Foreign Affairs.

638. A letter from the Comptroller General of the United States, transmitting a report on Federal agencies' maintenance of computer programs (AFMD-81-25, February 26, 1981); to the Committee on Government Operations.

639. A letter from the staff secretary, National Security Council, transmitting a report on the Council's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

640. A letter from the Deputy Director, Office of Administration, Executive Office of the President, transmitting a report on the Office of Administration's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

641. A letter from the Special Assistant to the Assistant Secretary of Defense (Public Affairs), transmitting a report on the Department's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

642. A letter from the Acting Director of ACTION, transmitting a report on the Agency's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

643. A letter from the Chairman, Board of Governors of the Federal Reserve System, transmitting a report on the Board's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

644. A letter from the Chairman, Board of Governors of the Federal Reserve System, transmitting a report on the Federal Open Market Committee's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

645. A letter from the Secretary, Federal Trade Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

646. A letter from the Chairman, National Credit Union Administration, transmitting a report on the Administration's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

647. A letter from the Chairman, U.S. Nuclear Regulatory Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

648. A letter from the Secretary, Railroad Retirement Board, transmitting a report on the Board's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

649. A letter from the Executive Director, Committee for Purchase from the Blind and Other Severely Handicapped, transmitting a report on the Committee's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

650. A letter from the Secretary of the Interior, transmitting the annual report for fiscal year 1980 on administration of the Helium Act, pursuant to section 16 of the act; to the Committee on Interior and Insular Affairs.

651. A letter from the Acting Secretary of the Interior, transmitting a report on activities carried out by the Geological Survey during calendar year 1980 in areas outside the national domain, pursuant to section 2 of Public Law 87-626, as amended (88 Stat. 1971); to the Committee on Interior and Insular Affairs.

652. A letter from the Comptroller General of the United States, transmitting a report on his review of the Defense Department's fiscal year 1982 estimates of revenue to be deposited in the Panama Canal Commission Fund, pursuant to section 1302(c)(2) of Public Law 96-70; to the Committee on Merchant Marine and Fisheries.

653. A letter from the Chairman, President's Commission on Pension Policy, transmitting the Commission's final report, pursuant to section 2(c) of Public Law 96-14; jointly, to the Committees on Education and Labor, and Ways and Means.

654. A letter from the Chairman, National Transportation Safety Board, transmitting program justification for the Board's fiscal year 1982 budget request, pursuant to section 304(b)(7) of Public Law 93-633; jointly, to the Committees on Energy and Commerce, Public Works and Transportation, and Appropriations.

655. A letter from the Comptroller General of the United States, transmitting a report on the management of HUD programs (CED-81-41, February 26, 1981); jointly, to the Committees on Government Operations and Banking, Finance and Urban Affairs.

656. A letter from the Comptroller General of the United States, transmitting a report on the impact of various regulatory requirements on industry efforts to explore and develop OCS oil and gas resources (EMD-81-48, February 27, 1981); jointly, to the Committees on Government Operations, Interior and Insular Affairs, and Merchant Marine and Fisheries.

657. A letter from the Comptroller General of the United States, transmitting a report on transit subsidies (CED-81-28, 1981); jointly, to the Committees on Government Operations and Public Works and Transportation.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. REUSS: Joint Economic Committee. Report of the January 1981 Economic Report of the President (Rept. No. 97-5). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BEDELL:

H.R. 2226. A bill to amend section 402 of the Social Security Amendments of 1967 to provide for demonstration projects for provision of preventive health services to the elderly; to the Committee on Ways and Means.

By Mr. COELHO:

H.R. 2227. A bill to amend title 10, United States Code, to provide for the payment by the Department of Defense of certain expenses incident to the death of retired members of the Armed Forces who were patients in a U.S. hospital at the time of their death; to the Committee on Armed Services.

H.R. 2228. A bill to amend section 501 of title 37, United States Code, to exempt from a maximum limitation of 60 days certain payments to members of the uniformed services for unused accrued leave; to the Committee on Armed Services.

H.R. 2229. A bill to amend title 38, United States Code, to allow the Veterans' Administration to furnish outpatient medical services to any veteran exposed to ionizing radiation as a result of atmospheric testing of nuclear weapons; to the Committee on Veterans' Affairs.

By Mr. FISH (for himself and Mr. GARCIA):

H.R. 2230. A bill to amend title VIII of the act commonly called the Civil Rights Act of 1968 to revise the procedures for the enforcement of fair housing, and for other purposes; to the Committee on the Judiciary.

By Mr. PHILIP M. CRANE:

H.R. 2231. A bill to amend the Internal Revenue Code of 1954 to provide a Federal income tax credit for tuition; to the Committee on Ways and Means.

By Mr. DE LUGO (for himself, Mr. WON PAT, and Mr. SUNIA):

H.R. 2232. A bill to apply duty-free treatment under certain circumstances to articles produced in the insular possessions of the United States, and for other purposes; to the Committee on Ways and Means.

By Mr. ENGLISH (for himself, Mr. MARLENEE, Mr. STENHOLM, Mr. GLICKMAN, Mr. ROBERTS of Kansas, Mr. DASCHLE, Mr. BEDELL, Mr. STANGELAND, Mr. ANTHONY, Mr. COELHO, Mr. ROBERTS of South Dakota, Mr. MORRISON, and Mr. DORGAN of North Dakota):

H.R. 2233. A bill to establish certain price support loan levels in the event of the suspension of export sales of agricultural commodities; to the Committee on Agriculture.

By Mr. GLICKMAN:

H.R. 2234. A bill to amend title 44, United States Code, to eliminate certain binding for Members of Congress; to the Committee on House Administration.

H.R. 2235. A bill to amend title 44, United States Code, to eliminate certain printing

and binding; to the Committee on House Administration.

H.R. 2236. A bill to amend title 44, United States Code, to reduce gratuitous distribution of the Congressional Record; to the Committee on House Administration.

By Mr. MINETA:

H.R. 2237. A bill to amend the Comprehensive Employment and Training Act to establish a solar energy youth employment and training program, and for other purposes; to the Committee on Education and Labor.

By Mr. PETRI:

H.R. 2238. A bill to amend the Internal Revenue Code of 1954 to provide that the Internal Revenue Service shall send a notification of responsibility for Federal income taxes in lieu of tax return forms to individuals electing to receive such forms; to the Committee on Ways and Means.

By Mrs. SNOWE:

H.R. 2239. A bill to establish a State set-aside system for propane, middle distillates, motor gasoline, residual fuel oil, and aviation fuels, and for other purposes; to the Committee on Energy and Commerce.

By Mr. STENHOLM:

H.R. 2240. A bill to increase the amount of the exemption of certain interest and dividend income from taxation, and to make permanent the exemption of interest from taxation; to the Committee on Ways and Means.

By Mr. WEAVER (for himself and Mr. AUCOIN):

H.R. 2241. A bill to provide for the establishment of the Bandon Marsh National Wildlife Refuge, Coos County, State of Oregon; to the Committee on Merchant Marine and Fisheries.

By Mr. FUQUA:

H. Res. 92. Resolution to provide for the expenses of investigations and studies to be conducted by the Committee on Science and Technology; to the Committee on House Administration.

By Mr. GLICKMAN:

H. Res. 93. Resolution to amend the Rules of the House of Representatives regarding the printing of remarks in the Congressional Record; to the Committee on Rules.

By Mr. HOWARD (for himself and Mr. CLAUSEN):

H. Res. 94. Resolution to provide for the expenses of investigations and studies to be conducted by the Committee on Public Works and Transportation; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

13. By the SPEAKER: A memorial of the Legislature of the State of Georgia, relative to relocation of utility lines to allow the use of center-pivot irrigation systems; to the Committee on Agriculture.

14. Also, memorial of the Legislature of the State of Indiana, relative to Vietnam veterans; to the Committee on Veterans' Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII.

Mr. COELHO introduced a bill (H.R. 2242) for the relief of Irene Elizabeth Evans; which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 177: Mr. GINGRICH, Mr. GOLDWATER, and Mr. REGULA.

H.R. 178: Mr. GINGRICH.

H.R. 743: Mr. HARTNETT.

H.R. 1011: Mr. GUARINI.

H.R. 1015: Mr. BREAUX, Mr. BROYHILL, Ms. FERRARO, Mr. HANCE, and Mr. LEE.

H.R. 1200: Mr. GREGG, Mr. WYDEN, Mr. NEAL, and Mr. ROEMER.

H.R. 1364: Mr. ARCHER, Mr. BAFALIS, Mr. DUNCAN, Mr. HOLLAND, Mr. JACOBS, and Mr. VANDER JAGT.

H.R. 1711: Mrs. ROUKEMA, Mr. STARK, Mr. CROCKETT, Mr. BENEDICT, Mr. MORRISON, Mr. EDWARDS of California, Mr. GINGRICH, and Mr. OBERSTAR.

H.R. 1817: Mr. FINDLEY, Mr. MONTGOMERY, Mr. DERWINSKI, Mr. WALKER, Mr. BEARD, Mr. LEATH of Texas, Mr. DAVIS, Mr. FORD of Michigan, Mr. PURSELL, Mr. STRATTON, Mr. MOLLOHAN, Mr. MURPHY, Mr. MARRIOTT, Mr. JENKINS, Mr. COUGHLIN, Mr. BEVILL, Mr. HILLIS, Mr. EVANS of Indiana, Mr. ATKINSON, and Mr. MYERS.

H.R. 1894: Mr. PRITCHARD.

H.R. 1983: Mr. GIBBONS and Mr. ROUSSELOT.

H.J. Res. 159: Mr. LIVINGSTON, Mr. MCDADE, Ms. FERRARO, Ms. OAKAR, Mr. RAILSBACK, Mr. GRAY, and Mr. CHENEY.

H.J. Res. 162: Ms. OAKAR, Mr. RUSSO, Mrs. HECKLER, Mr. SHANNON, Mr. PORTER, Mr. DOUGHERTY, Mr. HOLLENBECK, Mr. STOKES, Mr. MARKEY, Mr. KILDEE, Mr. SIMON, Mr. WIRTH, Mr. LOWRY of Washington, Mr. SNYDER, Mr. MADIGAN, Mr. ADDABBO, Mr. BREAUX, Mr. BOLAND, Mr. BARNES, Mr. D'AMOURS, Mr. BRODHEAD, Mr. JAMES K. COYNE, Mr. COTTER, Mr. GRAY, Mr. YATRON, Mr. DONNELLY, Mr. FISH, Mrs. FENWICK, Mr. HOPKINS, Mr. GILMAN, Mr. LONG of Louisiana, Mr. LEDERER, Mr. MATTOX, Mr. MURTHA, Mr. OBERSTAR, Mr. PICKLE, Mr. WHITEHURST, Mr. CLINGER, Mr. MAVROULES, Mr. LONG of Maryland, Mr. STANGELAND, Mr. DINGELL, Mr. FAUNTROY, Mr. BEILENSON, Mr. AUCOIN, Ms. FERRARO, Mr. WOLF, Mr. MCCLORY, Mr. CORRADA, Mr. CONTE, Mr. SPENCE, Mr. LAGOMARSINO, Mr. RANGEL, Mr. ANDREWS, Mr. WYDEN, Mr. RAILSBACK, Ms. MARTIN of Illinois, Mr. FROST, Mr. HARTNETT, Mr. HOLLAND, Mr. SCHUMER, Mrs. SCHNEIDER, Mr. COURTER, Mr. WON PAT, Mr. BOWEN, Mr. LOWERY of California, Mrs. SCHROEDER, Mrs. SMITH of Nebraska, Mr. LANTOS, Mrs. CHISHOLM, Mrs. BYRON, Mr. SWIFT, Mr. WASHINGTON, Mr. FUQUA, Mr. GOLDWATER, Mr. SAVAGE, Mr. BINGHAM, and Mr. ERDAHL.

EXTENSIONS OF REMARKS

COMMENTS ON REAGAN'S PROPOSALS

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 2, 1981

● Mr. SEIBERLING. Mr. Speaker, last week, at the request of the editor of the Akron Beacon Journal, Congressman RALPH REGULA and I submitted separately our reactions to President Reagan's economic proposals. I am offering for printing in the RECORD our comments as printed in the edition for Thursday, February 26, as well as an accompanying editorial by David D. Cooper, associate editor of the Beacon Journal.

As Mr. Cooper points out, while there are differences of view between Mr. REGULA and me, there is also a considerable amount of consensus. We both appear to agree that action is needed to correct some of the policies and programs that have grown up over the decades and have led us to the point where Government spending is truly out of control.

We also appear to agree that it is basically a constructive thing that the President is forcing Congress to take a hard look at these programs and policies. Mr. REGULA and I also agree that tax cuts must be offset by spending reductions.

No doubt there will be differences between Democratic and Republican Members when we get down to specifics. I am disturbed at the proposed huge increase in the already enormous budget of the Defense Department. This is the largest item in the entire budget and the most inflationary. It absorbs scarce tax money, advance technology, and technical personnel whose time could be better spent in productive employment. It is no coincidence that Japan, which spends very little on defense, has the highest productivity growth rate among the industrialized nations, while the United States, which spent over $2 trillion on the military in the last 30 years, has the lowest productivity growth rate.

It is also my view that the massive tax cuts proposed by President Reagan are premature and would be inflationary. I agree with those economists who have argued that tax cuts should be relatively smaller and carefully targeted to produce new investment by industry and revitalization of depressed areas. They should also be aimed at reducing social security payroll taxes, which have become unduly burdensome as well as inflationary.

Editor Dave Cooper raises an especially good point in urging that Congress make certain that the Reagan proposals are not weighted against the older industrial cities and in favor of the Sun Belt. In that connection, it should be noted that many of the programs which Mr. Reagan proposes to reduce or eliminate were designed to help depressed areas of the type found in the Northeast and Midwest, while 80 percent of military installations that will benefit from increased defense spending are located in the Sun Belt.

The full text of the articles follows:

SPENDING RESTRAINT IS IMPORTANT—REAGAN'S MAIN THRUST ON TARGET

(By David B. Cooper)

The reaction in Congress and around the country so far to President Reagan's economic plan has generally fallen into two categories:

It's wonderful and good for the country. It's awful and bad for the country.

I don't think either of those views is totally accurate.

A more balanced reaction, I think, is displayed today on our Commentary page opposite this one—in the printed reactions to the President's programs that we sought from two prominent congressmen from Northeast Ohio, Democrat John Seiberling and Republican Ralph Regula.

Their views differ, to be sure, but they are more restrained than some of the cheering and some of the howling the country is hearing.

There are questions about the President's proposals, and they deserve to be addressed in the Congress.

However, I think it would be a mistake for the Democrats in Congress to follow their political instincts and try to gum Mr. Reagan's proposals to death.

In the main, the thrust of the Reagan budget cuts is on target. That doesn't mean that every specific cut in spending is right for the country. But it is hard to see how anyone can fail to understand that federal spending has been out of control and in need of restraint.

The Reagan tax cuts are another matter. I am less certain that they will be as anti-inflationary as the President thinks. It seems to me, however, that Congress, which can have no way of knowing what the true effect of the tax cuts will be, would be wise to give Mr. Reagan the benefit of the doubt and give them a try.

If they don't work—if they indeed add to inflation—they can be rescinded or adjusted. And, if that were to happen, Mr. Reagan would be clearly to blame for the results.

The spending cuts proposed by the President have produced reactions from many quarters that were predictable.

Over the last several decades, Washington has become dominated by special interests; not evil interests, but lobbyists and constituents with only one real goal—in each case the program that most affects them or their clients.

So, we are now hearing from the constituency represented by each Reagan spending cut—from food stamps to black lung, from businesses that want more overseas contracts to inland waterway barge owners. The cry is the same as always: Don't cut my program.

In some cases, the notion that federal programs would be cut by the Reagan administration is inaccurate.

Many of the President's proposals would actually result in more federal money being spent for specific programs over the next five years than is being spent in fiscal 1981. What would happen is that the increases would not be as large as those proposed in the fiscal 1982 budget prepared by the outgoing Carter administration.

For example, federal housing subsidies would increase from $5.6 billion in fiscal 1981 to $11 billion in 1986 under Mr. Reagan's plans. But they would have increased to $11.4 billion under the Carter plans.

There are, of course, areas where actual cuts in 1981 spending levels are proposed, as in the case with child nutrition and food stamps, the latter a cut at least for fiscal 1982. These should be examined carefully in the Congress, to make certain that damage to families and individuals is not done by the Reagan economics.

This area of the country has a special interest in making certain that the Reagan proposals are not weighted against the older industrial cities and in favor of the Sun Belt. For example, the President's tax incentives for business will not help the Midwest if they are designed solely to encourage new plants and industrial facilities. Balance requires that they also encourage plant rehabilitation.

Perhaps it was just a matter of semantics, but one line in the President's speech to Congress was jarring. "The taxing power of the government," he said, "must not be used to regulate the economy or bring about social change."

The New Deal Era that followed the Great Depression of the 1930s may have lasted too long or gone too far. But many of the safeguards and cushions built into the society as a result of that terrible economic period have served Americans well. They have prevented social unrest and disaster for millions of Americans in recessions. They were a use of taxing power to bring about social change—the best kind of social change, the kind that comes through the use of majority decision and representative government, and not through revolution.

It is not clear exactly what Mr. Reagan had in mind with that statement, especially since, through a number of his own proposals, he intends to bring about social change, that is, an uplifting of the society and an end to the ravages of inflation, by tinkering with the government's power to tax.

He may or may not succeed, but the debate over his proposals ought to be conducted at a responsible decibel level. The country needs economic change; Mr.

Reagan has put forth a serious agenda designed to bring it about.

COMMENTS BY U.S. REPRESENTATIVE RALPH REGULA

I agree with the President as to the current economic problems. I also agree with the President that, unless major and timely corrective actions are taken, we face much more serious difficulties in future years.

His program is a blueprint for economic health for our nation. Failure to change our "business-as-usual" economic policies at the federal level will condemn us to high inflation, high interest rates and high unemployment.

For the first time in my congressional experience, a truly comprehensive long-term economic plan has been proposed. This fact is important because we got into the present economic situation as the result of numerous uncoordinated, ad hoc decisions affecting fiscal and monetary policies. For example:

Regulations were added without considering their full economic costs to consumers and producers.

Spending for Great Society welfare programs has literally exploded.

Programs which were indexed to insulate beneficiaries against inflation have made the entire federal budget an engine of economic instability.

Tax cuts were enacted on political rather than economic criteria.

Monetary policy has often worked at cross-purposes to fiscal policy.

The President's four-point program—spending restraint, tax rate reforms, regulatory relief and a stable monetary policy—is a refreshing departure from the past. No president has ever proposed anything so broadly comprehensive.

No member of Congress or the public will agree with every item in the program. Changes should be expected. For example, Congress may modify the tax cut proposals to allow for a reduction in the "marriage tax." Some proposed spending cuts may never see the light. New spending cuts may be proposed. Two programs not included in the President's program come to mind—tobacco and maritime subsidies.

Such changes at the margin will not damage the outcome. What will be harmful is a failure to link all parts of the program. If, for example, the spending cuts (the most politically difficult component) are not enacted while tax cuts (the easiest component) are, the result will be a much worse, rather than much better, economic situation.

If we fail to link the spending reductions to the tax cuts, irresistible pressure will be put on the Federal Reserve system to print inflationary new money (to finance the resulting increased deficit) or, if people are induced to finance the deficit (by saving in government-issue bonds) badly needed investment capital is sapped from the private sector and interest rates will go still higher.

I am also concerned about the administration's economic forecast. While I agree strongly that people's expectations are crucial to the success of the program, the forecast, or scenario, strikes me as too optimistic. I am certainly in favor of cutting inflation in half by 1983, but I doubt that this can be achieved given the projected economic growth and the assumed tight monetary policy.

I do, however, recognize that this program is as dramatic as the forecast. Certainly, the dismal forecasting performance of traditional econometric models is no less suspect. My concern is over credibility, because legitimate questions over the reasonableness of the administration's forecast can lead to unreasonable rationalizations against what is otherwise a solid program.

If there were an easy way out of our present economic straits, we would have been out long ago. Accordingly, the plan is not without pain. However, it does appear that great effort has been made to draft a package that spreads the pain equitably while ensuring that the social "safety net" for the disabled, the elderly and the truly needy remain intact.

Nor is this program without risk. But if the package stays together, the risks are minimal. The President is asking the Congress to enact a program that will end the crisis of confidence and lead to more risk-taking (investment) in the private sector.

If implemented, this program will lead to significant change in the composition of the budget. Defense's share rises, but so does the share for the social safety net programs. All other programs, as a category, decline.

Recognizing the likelihood of program changes as well as my constitutional responsibilities as a member of the legislative branch, I plan to do all I can to help implement this program.

COMMENTS BY U.S. REPRESENTATIVE JOHN SEIBERLING

President Reagan has forcefully challenged Congress either to adopt his economic program or come up with something better. Congress, if it is wise, will do some of each.

No one disagrees with President Reagan's aims of controlling runaway federal spending programs, cutting out waste and non-essentials, reducing federal taxes and, above all, revitalizing the economy.

The nation needed an administration with the determination, skill and public backing to force Congress to take a hard look at the mass of government programs and regulations which have grown up over decades. Many were designed for different economic circumstances. Many overlap. Some benefit one group over another. Some provide benefits where no need exists.

Some taxpayers carry an unfairly large burden of government. Some laws and many regulations were written with insufficient concern for cost and need for flexibility. To the extent they correct these conditions, Congress should and, I hope, will support President Reagan's proposals.

One does not need to agree with Mr. Reagan that government is the primary cause of inflation in order to support drastic curbs on spending. Inflation is worldwide, brought on primarily by the pressure of an expanding world population on ever scarcer resources, especially oil. When these pressures are forcing cutbacks, certainly the federal government should cut back too.

The problem for Congress is how to cut back with the least harm. Many congressmen and most Democrats will disagree with the President's statement that the government's taxing and spending power "must not be used to regulate the economy or bring about social change."

Social Security, Medicare, unemployment compensation, food stamps and agricultural price supports exemplify programs that have clearly justified their existence. Not only do they help millions of people but they help stabilize our economy. This type of intervention is the main reason we have had no economic depressions since the 1930s.

Congress must look at the motivation for budget cuts. The Reagan administration may try to repeal protective laws by cutting the budgets of agencies charged with guarding the public interest. If the Environmental Protection Agency, the Occupational Safety and Health Administration, the Consumer Product Safety Commission and the Food and Drug Administration are deprived of adequate funds, workers, consumers and others will be denied protection that the laws were intended to provide.

Congress must also look at the equity of program cuts. While we should eliminate programs that are not essential, we should continue to help struggling individuals and communities. Food stamps have been highly successful in eliminating malnutrition among the poor. The Urban Development Action Grant program has helped spur investment in distressed urban areas. In the Akron area alone, UDAG is vital to the creation of thousands of new jobs.

We should also cut many programs which the President did not propose to cut. Billions of dollars could be saved by cutting "pork-barrel" water projects such as the Tennessee-Tombigbee waterway, which would duplicate the Mississippi River, with no economic justification, at a cost of over $3 billion.

The largest and most inflationary spending program in the budget is the one that the President proposes not to cut but to increase—substantially. I refer to the Department of Defense.

To President Carter's huge defense budget for 1982 of $184.4 billion, Mr. Reagan proposes to add $7.2 billion, bringing the total to $191.6 billion, the highest in history.

This is one area where government has contributed greatly to inflation. Half a trillion dollars was spent on the world's militaries last year, consuming scarce tax money, advanced technology and technical personnel whose time could be better spent more productively.

The President also has proposed massive tax cuts. Even the top tax-writing Republicans in the House and Senate object to major parts of the President's tax proposals, saying that the reductions are too large and could be too inflationary to enact all at once. I think Congress will reject a program which makes a significant shift in the tax burden from upper-income to middle- and lower-income taxpayers.

I am also concerned that the President would distribute over three-fourths of the cuts to individuals, with the remainder going to business. Our first priority must be to revitalize business and industry by enacting targeted business tax cuts to increase productivity, generate new jobs, and produce more investment in distressed areas. After these business cuts are passed and sufficient budget cuts are made, broad personal tax cuts can be enacted.

The President also failed to propose important tax reform measures to offset the cuts with revenue increases. Prime candidates are elimination of the oil depletion allowance and the foreign tax credit to oil companies for royalty payments they make to OPEC nations.

Though some disagreements are inevitable and, indeed, desirable, President Reagan's proposals present an opportunity to rethink the problems that afflict the nation and to arrive at solutions which fit the times.●

DR. LEFEVER'S APPOINTMENT

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 2, 1981

● Mr. DERWINSKI. Mr. Speaker, Dr. Ernest Lefever will soon assume the post of Assistant Secretary of State for Human Rights and Humanitarian Affairs. His appointment has resulted in a great deal of political furor and overzealous criticism from many sources. However, I, personally, believe that he will be a great human rights representative and an asset to the administration.

A column by Patrick J. Buchanan, which appeared in the Washington Inquirer of February 27, speaks of Dr. Lefever's many accomplishments and activities in the areas of human rights and foreign policy. The article follows for the attention of the Members:

[From the Washington Inquirer, Feb. 27, 1981]

DR. ERNEST LEFEVER: PRESS CAN'T FORGIVE HIM FOR BEING RIGHT

(By Patrick J. Buchanan)

WASHINGTON.—You have probably never heard of Dr. Ernest W. Lefever, but you soon will. For Dr. Lefever is Ronald Reagan's reported choice to present the new President's perspective of human rights to the world. Secondly, four years ago, Dr. Lefever committed the unpardonable sin of having been right.

When the same city that just washed its hands of Jimmy Carter was welcoming him with open arms in 1977, Ernie Lefever had the temerity to utter in print a few polite words of caution.

"It has become chic," he said, "to talk of morality and foreign policy, but there is little awareness of the pitfalls in these words. Making human rights the chief, or even major, foreign-policy determinant carries dangers."

What dangers? First among them, said the then 57-year-old foreign-policy scholar, would be the subordination to "human rights" of the central objectives of foreign policy: peace, security, the deterrence of nuclear war.

In addition to this subversive notion, Lefever saw that the "human rights standard" was often being unequally applied and sometimes used as a cloak for attacking anti-communist allies such as South Korea, Taiwan, Iran, Greece (under the colonels), Brazil and post-Allende Chile.

If there was a single theme running through his writings of these four years, it was that the primary threat to the survival of the Western way of life did not come from the lesser imitators of Gen. Franco, but the successors of Josef Stalin. After the Red army rolled into Afghanistan, a few months after Cy Vance had said Carter and Leonid Brezhnev shared the same dreams and aspirations, even Carter seemed to concede there might be something to the Lefever view.

Four years after Dr. Lefever's cautionary notes about misplaced priorities and misdirected animosities, he appeared very much the prophet.

Public Enemies No. 1 and 2 of the human rights office at State, the Shah of Iran and Gen. Anastasio Somoza of Nicaragua, were both deposed and dead, thanks in part to the sappers of the Patt Derian Brigade. But succeeding them in the seats of power were ayotollahs and Sandinistas who did, indeed, as Lefever predicted, provide less justice and freedom than the regimes they replaced.

Now that Carter's children's crusade for human rights has been ordered shut down by an impatient nation, the rage of those who helped to produce the disasters is directed at the man chosen by the President and Secretary Alexander Haig to salvage the wreckage.

A "hatchet man," sneers the Democratic chairman of the House subcommittee on human rights, a fellow named Bonker. A "human rights wrecking crew and a proven Red-baiter," echoes the aspiring Ma Barker of the Washington press corps, Mary McGrory. "Ultraconservative May Get Human Rights Post at State" read the objective headline in the Washington Post, the paper least accustomed to dissent, and least reconciled to the new political realities in Washington.

"Ultraconservative." An interesting term that—to describe a neo-conservative scholar who spent the immediate postwar years as a field secretary for the World's Alliance of YMCAs working with German POWs, who was at Amsterdam for the founding of the World Council of Churches, who holds a doctorate in Christian ethics from Yale, who has a written, authored or edited 14 books, who spent a dozen years at the Brookings Institution and left in the mid-70s' to create a small but invaluable Washington research institute called the Ethics and Public Policy Center.

What is being attempted here, with the anticipated nomination of Ernie Lefever, is what was done, successfully, to the nomination to the Supreme Court of the courtly Southern conservative, Clement Haynesworth. As the judge was tarred as an ethically insensitive closet racist, so Lefever is being painted as a fascist sympathizer and poodle of the multinationals.

When his name comes before the Senate, however, the enterprise will peter out, because the cause is born of mendacity and malice. But the hearings should prove beneficial, because there is a segment of this city which needs some remedial reading in the lessons of November Fourth.●

SAINT DAVID'S DAY OBSERVANCE

HON. JAMES L. NELLIGAN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 2, 1981

● Mr. NELLIGAN. Mr. Speaker, yesterday, March 1, the people of Wales and Welsh groups around the world honored the patron saint of their homeland, Saint David.

Saint David was a bishop, a founder of many monasteries, and a leader who brought strength and faith to the Welsh. According to legend, he was a descendant of King Arthur and traveled to the holy city of Jerusalem.

Today he is a major figure in Welsh spiritual life.

In America, the observance of Saint David's Day has taken place since 1729, and continues as a unifying celebration of the saint who greatly influenced the religion of the people of Wales. This annual event led to the formation of the Saint David's Society, a group dedicated to the preservation of the language and rich traditions of Wales, as well as providing aid and guidance to Welsh immigrants.

In the spirit of good will and fellowship that is so much a part of this celebration, I am proud to note this observance, and honor those who look to Saint David as their patron.●

NO SMOKING ON AIR CARRIERS

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 2, 1981

● Mr. MINETA. Mr. Speaker, the Civil Aeronautics Board currently has a notice of proposed rulemaking pending (Economic Regulations Docket 38048) which would change the no-smoking rules affecting air carriers. At present, CAB requires that all passengers wishing to be seated in a no-smoking section must be accommodated, even if it means expanding that section. The CAB proposal is that this right would be limited to those who arrive for boarding at least 5 minutes before scheduled departure.

The comment period on this proposal has been extended until April 13, 1981. I bring this to the attention of the Members as it may be of interest.

I also bring to their attention one of the comments which has been made, a statement by the Maryland State GASP group. Their statement follows:

MARYLAND GASP,
Bowie, Md., January 29, 1981.

Mr. MARVIN S. COHEN,
Chairman, Civil Aeronautics Board,
Washington, D.C.

DEAR BOARD MEMBERS: We are concerned about a proposed rule adjustment, Docket No. 38048, which would have the effect of denying clean-air seating to delayed arrivals. We fear that this policy may be extended to cover transfer and standby passengers—a common fact of life in this era of airline overbooking.

Our membership firmly believes that no person should ever be forced to breathe contaminated air, poisoned by the fumes of tobacco smoke, as a condition of travel on our nation's airlines. The absolute protection of the health and safety of airline passengers and crew should come before any other consideration. Smoking should be permitted only where it does not compromise these objectives.

If a majority of the Civil Aeronautics Board mandates that delayed non-smokers, transfers and standby passengers (who yet arrive before airplane departure), shall be denied clean-air seating, then those particular Members of the Board may personally incur civil liability for damages as a result of such contributory negligence in failing to adequately protect the health, safety and well-being of airline passengers.

However, there is a more serious threat to the safety and well-being of a non-smoker forced into the smoking section than illness due to the concentrated tobacco fumes. The Members of the Board and the airlines may not have been previously aware of the severe risk of fire caused by a burning cigarette igniting first a victim's clothing, and then the aircraft interior. An additional fire hazard exists due to the careless or accidental misuse of cigarettes, matches or lighters. In order to "vent" the aircraft to expel the toxic fumes, the passengers' oxygen masks are also automatically dropped and oxygen released, which would tend to fan the flames.

Thus informed, any public official who so improperly acts to force upon any unwilling person such a significantly greater risk of injury and/or trauma, may be guilty of "Misconduct in Appointed Office" and certainly may incur a greater legal liability for civil and punitive damages arising out of such negligence.

In addition, recent public hearings before the Federal Aviation Administration have shown that most of our nation's aircraft should be retrofitted with humidifiers to reduce the adverse health impact of eye, throat and lung damage from ozone brought into the high flying aircraft. Since low humidity, ozone and toxic tobacco smoke combine synergistically to worsen their individual adverse health impacts, smoking should be prohibited on those aircraft that do not adequately catalytically treat and rehumidify their incoming and recycled air. This problem is especially serious for airline personnel, who are forced to work in the smoking section as a condition of their employment. However, non-smokers with preexisting medical conditions have an even greater health risk, and will suffer greater potential injury as a result of such adverse health conditions.

The airlines are now already clearly liable for the safety and well-being of all their passengers and crew. We hope that the Civil Aeronautics Board will properly continue their leadership and commitment to protecting the right of every non-smoker to clean indoor air.

We also trust that our senior citizens, our children and those afflicted with a lung condition or heart disease, who need all the fresh air they can get, will always be treated with every due consideration and care.

Sincerely,

JEFFREY E. LEVITAN,
President.
KERMIT L. SMITH,
Executive Vice President,
Legislative Chairman.●

TRIBUTE TO SAN JOSE G.I. FORUM

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 2, 1981

● Mr. EDWARDS of California. Mr. Speaker, I would like to bring to the attention of my colleagues the 22d anniversary of an outstanding organization. On March 21, the San Jose G.I. Forum will celebrate their 22d anniversary by holding their annual Miss San Jose G.I. Forum Pageant and Coronation Ball.

The San Jose G.I. Forum was founded in 1959, the first American G.I. forum in northern California. Today, it is the largest G.I. forum on the west coast. The forum has been in the forefront of many of the civil rights struggles which have resulted in better economic, social, and educational opportunities for Hispanics and other minority and disadvantaged Americans.

The G.I. forum has a widespread, noteworthy reputation for the full range of services it provides to veterans in the San Jose area. They have been involved in veteran outreach, in voter education, in census awareness, and in a vigorous scholarship foundation that provides academic grants to needy and deserving Hispanic graduates of Santa Clara Valley high schools.

This fine organization is an example of neighbor helping neighbor, veteran assisting veteran, and the community investing in its young people. I congratulate the San Jose G.I. Forum as it begins its 22d year of service to the San Jose community.●

TITLE IX AND ATHLETICS—ANOTHER COURT DEFEAT FOR THE FEDERAL REGULATIONS

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 2, 1981

● Mr. ASHBROOK. Mr. Speaker, yesterday U.S. District Judge Charles W. Joiner, in Ann Arbor, Mich., joined a growing list of Federal judges in handing a stinging setback to Federal regulators who have consistently and deliberately misinterpreted the scope of the title IX prohibition against sex discrimination. But this case was more significant than most of the others, because for the first time it involved the issue of whether athletics can be regulated under title IX. Judge Joiner said they cannot, consistent with the plain meaning of the statute and the intent of Congress in enacting it. I agree.

In fact, I set forth a detailed argument on just that issue in a statement to the House on July 18, 1979. My remarks can be found beginning on page 19352 of the CONGRESSIONAL RECORD for that day. I am awaiting a copy of Judge Joiner's rather lengthy opinion in the case, but I understand that essentially he agreed with the position I have outlined.

That position is that the operative language of title IX, which bars sex discrimination in "any education program or activity receiving Federal financial assistance," extends only to those actual programs and activities and not to all the other activities of a school system or college which has federally funded programs. According to press reports, the judge ruled that "the reach of title IX extends only to those educational programs or activities which receive direct Federal financial assistance." Judge Joiner is absolutely correct. High school athletics, the issue in this case involving the Pioneer High School of Ann Arbor, Mich., is not a federally funded activity and was never intended to be covered by title IX.

Already some representatives of women's groups are being quoted to the effect that this decision is a defeat for women's rights. It is not. It is a victory for all citizens who prefer a government of law to one by bureaucratic edict. The title IX regulations are a classic case of legislation by regulation wherein unelected bureaucrats act to serve the agenda of special interest groups rather than the law. In essence this decision is also a victory for women who want attention paid to essential protections clearly provided by law—such as equal pay for equal work and equal access to education—rather than trivialities promoted by zealots. One typical bit of nonsense is the title IX regulation requiring unisex gym classes in our schools. Neither the law nor good sense sanctions that kind of Federal bureaucratic interference in local schools.

This decision is also a victory for all those who oppose the increasingly burdensome intrusion of the Federal Government into the management of our schools and colleges. The Reagan administration should now act to make this victory complete by withdrawing the discredited title IX regulations and rewriting them to conform with the clear intent of the law—an intent overwhelmingly affirmed by the courts which have considered the matter.

In fact, such action is long overdue and I would urge Secretary of Education Bell to give this his immediate attention.

I will provide my colleagues with an analysis of Judge Joiner's opinion when I have had an opportunity to study it.●

THE NATO TARBABY

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 2, 1981

● Mrs. SCHROEDER. Mr. Speaker, William L. Hauser, who is identified as a business executive, a former Army officer, and a writer on national security matters, had an essay in the New York Times on February 27, 1981, "Reducing Our Forces in Europe."

It ought to have been entitled, "For a Stronger America," because that was Mr. Hauser's point. We are unnecessarily tied down in Europe, and, as a

result, outfoxed elsewhere. Or, in Mr. Hauser's words:

The American fox has its paws stuck fast to the NATO tarbaby, while Soviet-proxy rabbits scamper freely through the third world.

The entire article follows:

[From the New York Times, Feb. 27, 1981]

REDUCING OUR FORCES IN EUROPE

(By William L. Hauser)

We learned the lessons of Vietnam too well. As a result, we are today exposing our country's vital interests to deadly peril.

After 50,000 deaths and untold billions of dollars, we emerged from Vietnam with two truths burned into our national soul. The first is that modern war is so costly in blood and treasure that countries dare wage it only to secure interests truly vital. The second is that lacking a national consensus about our vital interests, war cannot be won against a determined foe. Before Vietnam, the United States intervened militarily in Lebanon, in 1958, and the Dominican Republic, in 1964; since then, we have recoiled from similar involvement in Angola, Ethiopia, and in Iran.

Whether these decisions were right or wrong is not the point. We have apparently forsworn armed intervention in the third world. While rebuilding our ramparts in Europe that were neglected as a result of Vietnam, we have dismantled our ability to deploy forces elsewhere. Even the so-called Rapid Deployment Force is largely earmarked for wartime duty in Europe, its logistics dependent on unready reserve organizations, its manpower replacement in disarray, and its strategic transport pitifully inadequate.

By lacking a capability for intervention, we are risking truly vital interests. If we were to be denied access to the energy and mineral resources of Africa, the Middle East, and Southwest and Southeast Asia, our economic well-being, physical security, and even domestic liberties would be endangered. Similarly, if the Soviet Union could block our European and Japanese allies' access to those same resources and markets, they would become Soviet satellites-in-fact, however independent they remained in name. The United States would be isolated in a Soviet-dominated world.

But is not Western Europe's defense against Soviet invasion our most threatened vital interest? The answer is no, for the Red Army's Eastern European rear is unreliable, West Germany has superb conventional forces, Britain and France are nuclear powers, and United States escalation is feared by the Soviet Union's planners. Our North Atlantic Treaty Organization allies understand this, which is why they are not "doing their part" to be stronger. They understand also that the real threat—the endangered vital interest—lies elsewhere. Nonetheless, they are reluctant to join us in a military coalition outside Europe. They recognize the problems of allied operations, which are hard enough on a single partner's territory and are next to impossible across vast distances. They expect us to fulfill our global role while they limit themselves to a regional one.

We cannot afford to provide major defensive formations in Europe and simultaneously counter Soviet adventurism in the third world. We are already maintaining overstructured, hollow forces that we cannot adequately man, train, keep in repair, or competently control. Experienced officers and non-commissioned officers are leaving the military services in unprecedented numbers. We are mistakenly viewing this "leading indicator" as a matter of their benefits rather than as a vote of no confidence in an unviable profession.

If we want worldwide capability, we are going to have to reduce our forces in Europe. We deployed there in 1949 to protect a war-prostrated West from the Soviet Union's massive armies. That forward, linear strategy, which made sense then has become nonsense in the face of European strength and Soviet global mobility. The American fox has its paws stuck fast to the NATO tarbaby, while Soviet-proxy rabbits scamper freely through the third world.

Today, we are an essentially "island power," and our long-term access to the Afro-Eurasian continent requires a mobile strategy. Our land forces must be lean, highly trained, readily deployable, and sustainable by sea, air transport, and firepower. Our formations in Europe can be much reduced and still be adequate for deterrence. Europe will (if it must) strengthen its own defenses.

Regrettably, the new Administration appears to be harking back to our preeminence of yesteryear. Perhaps that is an attempt to signal, in familiar language, a resurgence of national will; perhaps the new leadership recognizes the need for a new strategy. Even so, changing the deployment of our forces will engender opposition, for major elements have European defense as their principal raison d'etre. Fears will also arise in some quarters that a capability to intervene in the third world will tempt us rashly to do so. That is a risk that we as a nation must take, or we are going to concede the battle without a shot being fired.

It is unrealistic to expect ever again to be militarily pre-eminent. But if we do not bestir ourselves, we are going to be irrelevant.●

TAX FORM REDUCTION ACT OF 1981

HON. THOMAS E. PETRI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 2, 1981

● Mr. PETRI. Mr. Speaker, today I have introduced legislation which would amend the Internal Revenue Code of 1954. The bill, entitled the Tax Form Reduction Act of 1981, proposes a minor change that could save significant quantities of paper and postage.

Very simply, my bill would give people the option of requesting that full tax return forms not be sent to them. A check box would appear on all Federal income tax forms, to be checked by individuals indicating they do not wish to have return forms sent to them the following year.

Instead of receiving the complete form packet, all box checkers would receive a postcard with their computer label on it. They could take that to their tax preparer who would do the necessary work and place the label on the tax return.

This bill is modeled after a provision that has been used successfully in the State of California since 1976. There, 10 percent of the taxpayers indicate that they do not need the full packet of forms sent to them. This saves California about $600,000 each year in postage and paper. Should only 10 percent of our Nation's taxpayers take advantage of the changes I am proposing, this would save them over $1.5 million.

Many more could make use of this relief. Figures indicate that 40 percent of America's taxpayers rely on a tax preparer service of one kind or another. In most cases, these services do not use the forms that are mailed out to the individuals. As a result, many of the tax forms sent out by the Federal Government are wasted.

We have all talked, and heard, about excessive paperwork and redtape in Government. This bill proposes one small step toward cutting back this morass.●

MARIPOSA GAZETTE

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 2, 1981

● Mr. COELHO. Mr. Speaker, it makes me proud and gives me pleasure to share with my colleagues the following article from the Los Angeles Times about the Mariposa Gazette, which is the oldest weekly newspaper in the State of California. The Mariposa Gazette is more than just a weekly tradition for the citizens of Mariposa County and the surrounding areas; it is a family tradition for my good friend, Marguerite Campbell, publisher, whose family has had the paper since 1919.

Mariposa County, which I am privileged to represent, is a beautiful county with memories of the Old West, and, of course, there is the magnificent Yosemite National Park. If any of my colleagues are fortunate enough to find themselves on a trip to California, I would urge them to include Mariposa County on their itinerary.

The article follows:

STATE'S OLDEST WEEKLY HAS STAFF TO MATCH

(By Charles Hillinger)

MARIPOSA, CALIF.—If a newspaper can be said to be long in the tooth, the Mariposa Gazette qualifies.

For 127 years, ever since the first edition came off the press on Jan. 20, 1854, it has never missed an issue. And that makes it the oldest continuously published weekly in California.

The four senior staffers—all of them women—are 71, 74, 83 and a great-grandmother who won't tell her age.

"I'm just a kid in this outfit," laughs widow Marguerite Campbell, 68, publisher since 1947 except for two years when her sister Kay ran the Gazette.

Ann Costa, the great-grandmother, has been the Gazette's Bear Valley correspondent 50 years.

She writes longhand like some of the other old timers and always begins her column with a folksy weather forecast with sage observation like:

"The buzzards are circling. Rain is imminent."

Teresa Sell, 83, has been writing a weekly column more than 30 years. Edith Turner, 74, has been a correspondent 40 years.

"I enjoy doing this," said Sell, who keeps her readers up to date on all the latest news in Ahwahnee and Nipinnawasee.

"You got to watch it or you can get in trouble being a news writer on the Gazette" confided Turner, who writes from Hornitos, population 65.

"Readers get upset if you overlook 'em and they get upset if you mention 'em."

The correspondents are paid 20 cents a column inch. On slow news periods they earn as little as $1 or $2 a column. They all get a $10 Christmas bonus, postage stamps, stationary and expenses for long-distance calls gathering news.

Another oldtimer on the Gazette staff is Mary Tanner, 71, who writes a regular column from El Portal.

Tanner is an actress, a longtime Yosemite tour guide, a librarian in the national park and the Yosemite stringer for nine other newspapers, including the Los Angeles Times.

"Ann, Teresa, Edith and Mary add sparkle to the pages of the Gazette. Writing their columns keeps them in the mainstream," the paper publisher said.

The unincorporated town of Mariposa, population 1,555, where the Gazette is published, is the county seat and largest community in Mariposa County, population 11,000.

And each week for the last 127 years the Mariposa Gazette has been the sole source of local news in these parts.

Campbell's parents, Kate and John L. Dexter, published the paper from 1919 until their deaths in 1947. Dexter was an elementary school teacher and superintendent of schools in Mariposa before buying the paper.

"I cut my teeth on type. I don't know anything but this," the 68-year-old publisher said.

She grew up cleaning out the hell boxes, (where old type is thrown, to be re-melted later), pegging hand type, running the "snapper"—an old hand press that was taken around the Horn and shipped to Mariposa by Wells Fargo in the 1850s and still in use.

The Gazette office and the paper's print shop have a mix of equipment like the old press, hand-type cases, century-old roll-top desks, along with contrasting computerized type setters and highly sophisticated offset machinery.

The Gazette's circulation is 5,000.

The first Gazette building was destroyed by fire in 1878. From then to 1942 the paper was published in the town's 1860 Sons of Temperance Building.

In 1942 the Gazette moved to a new stucco building and in 1962 shifted to enlarged quarters.

Campbell lives across the street from the Gazette in a turn-of-the-century Victorian home.

Her son, Dalmar, 41, and his wife, Ruth, are editors of the paper.

Her two other children, Linda Melton, 34, and Dexter, 32, and her sister Kay are members of the staff.

Her grandchildren are cleaning out hell boxes, sweeping the floor and doing their bit to make sure the Gazette never misses an issue.●

CONGRESSIONAL SALUTE TO THE HONORABLE FRANK AND HONORABLE CATHERINE MEGARO, 1981 KING AND QUEEN OF ITALIAN CARNEVALE IN NEW JERSEY

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 2, 1981

● Mr. ROE. Mr. Speaker, Tuesday evening, March 3, the people throughout my district and the State of New Jersey will join together with the Italian-American community of Newark and Essex County to commemorate a most festive occasion, known as Italian Carnevale, and honor two distinguished citizens, outstanding community leaders, and good friends, the Honorable Frank and Honorable Catherine Megaro of Newark, N.J., for their standards of excellence which have earned them the highly coveted award and title of king and queen of the Italian Carnevale. I know that you and our colleagues here in the Congress will want to join with me in extending our heartiest congratulations and best of wishes to the 1981 honorees of this most prestigious Italian-American festival.

The Italian Carnevale is a festive occasion just prior to the commencement of Lent celebrated in the Italian-American community of Newark and Essex County, N.J. The installation ceremonies of the king and queen of Italian Carnevale will highlight this commemorative program of merriment, joy, and revelry of great spiritual and cultural significance.

Mr. Speaker, as a nation comprised of all people of all nationalities and regions throughout the world, each singularly and rightfully so, proud of his or her individual heritage and united in common endeavor of freedom, justice and a good life for all, we can most assuredly be proud of the exemplary achievements that the people of Italian heritage have contributed to America's greatness.

Mr. and Mrs. Megaro have, by their example and many accomplishments in civic, community, and charitable endeavors, personified a quality of leadership, dedication, and sincerity of purpose that have truly enriched the cultural endeavors of our community, State, and Nation.

Frank, with the inspiration and assistance of his first lady Catherine by his side, has provided outstanding and responsible service to our people. Their personal commitment to the economic, social, and cultural renewal of the community and State of their residence is applauded by all of us.

Mr. Speaker, Frank was a former distinguished member of the New Jersey General Assembly and during his tenure in the State legislature served as chairman of the municipal governmental committee. He is a graduate of the Newark Public School System and Barringer High School. He received B.A. and M.A. degrees in political science and government from Fairleigh Dickinson University. He attended the University of Richmond School of Law and the New School for Social Research for a doctorate in political science and government. He also served as councilman of the north ward in the city of Newark and as council president.

Frank and Catherine have been actively involved in the business community in separate careers as an insurance broker and proprietor of a hairdresser establishment respectively. They are both members of many civic and fraternal organizations. Since 1963, Frank has been standard bearer of the Frank G. Megaro Civic and Welfare Association which has contributed financial aid to the needs of Newark. He is presently Secretary of the Newark UNICO and an active member of Moose Lodge 237, Belleville, N.J.

The most eminent officers of the Frank G. Megaro Civic and Welfare Association, which is comprised of many distinguished citizens and leaders in the community, are, as follows:

The Honorable: Cosmo DeCosta, president; Andrew Campione, vice president; Ed Clemente, secretary; Andrew Nappi, treasurer; and John Saiella, sergeant.

Ladies Auxiliary, the Honorable: Kathy Marano, president; Jackie Salsano, vice president; Celeste Vitelli, recording secretary; Helen Valente, corresponding secretary; Trena DeVito, treasurer; and Teddi Pannula, sergeant.

Mr. Speaker. In addition to extending our warmest greetings and felicitations to Frank and Catherine Megaro for their personal commitment, dedication and service to our people that have enabled them to achieve this high honor of the Italian-American community, may I also commend to you the former recipients of this annual esteemed citizens award—the kings and queens of Italian Carnevale in previous years, as follows:

The Honorable: Mr. and Mrs. Phil Rotondo, Mr. and Mrs. Joseph Butera, Mr. and Mrs. James DeNola, Mr. and Mrs. Anthony Rampaniello, and Mr. and Mrs. Gabe DeVito.

Mr. Speaker, to understand the present, we must understand the past; to understand the need for historical and cultural preservation, we must understand the present and future. We

do indeed need for ourselves and future generations a chance to sit and reflect in beauty and culture and gain strength from our heritage.

In helping to preserve the endowments and traditions of our forebearers which are truly the strength of our Nation's foundation and the sphere of America's heritage, the commemorative interlude of recreation and reflection that is encompassed in the festivities of the celebration of the Italian Carnevale sponsored by the Italian-American community of Newark and Essex County is a most fitting observance for extending our heartiest congratulations to the distinguished citizens and community leaders of Italian Carnevale who have truly enriched our community, State and Nation.

Mr. Speaker, as we join today in saluting the king and queen of Italian Carnevale, Frank and Catherine Megaro, may I also take this opportunity to add the deep appreciation and gratitude of all Americans for the wealth of wisdom and cultural enrichment that the people of Italian heritage have contributed to the quality of our way of life here in America.

With heartiest congratulations and best of wishes to King Frank and Queen Catherine Megaro of the Italian Carnevale in New Jersey.●

HONORING HARRY E. McCLOSKEY

HON. EUGENE V. ATKINSON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 2, 1981

● Mr. ATKINSON. Mr. Speaker, as we deliberate today major concerns facing our Nation and the people we represent, I would like to take a few moments here on the floor of the House of Representatives to share with my colleagues the citizenship and accomplishments of a fine gentleman in my congressional district.

Harry E. McCloskey of 622 Park Avenue, Ellwood City, Lawrence County, Pa., is a prime example of what one citizen can do for his community.

For over 50 years he has been active in public service. He is a leading figure in sports, civic affairs and the Democratic Party. As an example of his community dedication, Mr. McCloskey has cast his vote for the persons of his choice in every election for the past 51 years; never missing a single election.

Since 1925 he played, coached or managed some of the leading baseball, softball, boxing, and basketball teams in the tri-State area. For 10 years he was president of the neighborhood church bowling league of 80 teams representing 36 district churches; the largest in the State.

He was the leader of the Shag Level Cider Hounds, famous NBC hillbilly band which broadcast over KDKA and the National Broadcasting Co. for 9 years from 1932–1941. Dave Garroway, longtime master of ceremonies for the "Today Show" on television, and Tiny Ellen Sutton, girl singer with Gene Autry, got their start with this band.

He won the PGH Dapper Dan Award in 1967 for 40 years for the welfare of youth in sports in the Beaver Valley. He was inducted into the Lawrence County Hall of Fame in 1973, and in 1978 was awarded the Outstanding Sportsman Award by the ECAC. This past year he was honored by the PGH Old Timers Club and Baseball Town U.S.A. of Youngstown, Ohio. He was cited for his dedication and leadership in all sports.

Mr. McCloskey served as president of Let Us Put Hack Wilson in the Hall of Fame Club for nearly 40 years. He saw his dream come true when he and his wife, Blanche, were honored guests at the Baseball Hall of Fame induction ceremonies at Cooperstown, N.Y.

An active member of the volunteer fire company for 35 years, he and his family are members of the Calvin U.P. Church and served as director in the Area Council of Churches for nearly 25 years. A hard worker in the community, he retired from J. & L. Seamless Hot Mill in Aliquippa after 25 years of service.

He and Blanche have been married for 40 years and have three daughters: Mrs. Bruce "Mary" Johnston, Mrs. James "Nancy" Woods and Mrs. George "Debra" Barnhart. They have three grandchildren: Emily, Jamie, and Jeffrey.

Mr. Speaker, as we all know, February is Citizenship Month in America and I felt it was absolutely necessary that I take a few moments to fully explain the history of this fine gentleman, who stands as a model of the citizenship month we are honoring.

Thank you.●

ON THE RETIREMENT OF MARVIN "BUD" ARNOLD

HON. WAYNE GRISHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 2, 1981

● Mr. GRISHAM. Mr. Speaker, it is my pleasure to take this time to honor a man, Marvin "Bud" Arnold, whose career stands as an example of outstanding patriotism and dedication to public service.

"Bud" Arnold retired on December 29, 1980, after serving the people of the State of California for 30 years as a park and recreation professional. For the past 20 years, he has served as parks and recreation director for the city of Santa Fe Springs.

But the real measure of a man is not the posts he has held or awards he has won, but the effect his life has had on enriching the lives of those around him. I am sure all his friends, neighbors and citizens who have benefited from his dedication, will agree that by this standard, "Bud" Arnold stands head and shoulders above the rest.

Although "Bud" is retiring, he has left us a legacy. Through his years of service, he trained and inspired countless prodigies who carry on his work and wisdom throughout California.

A leader in his profession for more than three decades, "Bud" served as president of the California Park & Recreation Society in 1964 and as president of the League of California Cities Recreation and Parks Department in 1975. His service to the League of California Cities included a seat on the board of directors in 1976 and 1977. He also chaired the California Board of Park and Recreation Personnel in 1974, underscoring his longtime devotion to the registration of park and recreation professionals.

I am by no means the first to honor "Bud" Arnold's career. Among the numerous honors he has received is the 1971 California Park and Recreation Society's Fellowship Award for his lifelong leadership, enthusiasm, and dedication to the society and to public parks and recreation in California.

"Bud's" contributions have not been limited to the State of California. Before settling there, he served his country with distinction and honor as a U.S. Navy pilot during World War II.

"Bud" prepared well for his career, receiving a B.S. and M.S. degree from Purdue University near his hometown of Indianapolis, Ind. He also received valuable early career training at Hull House in Chicago.

I am sure that "Bud's" wife of 32 years, Alice Ann, his two daughters, and five grandchildren all join this House in saying "thank you" to a man whose deeds will benefit us all for years to come.●

TRADE BARRIERS

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 2, 1981

● Mr. FRENZEL. Mr. Speaker, the Minneapolis Tribune editorial of February 24 may be of special interest to Members interested in trade or in the protection of U.S. industries.

Its central point is that Japanese automobile quotas would provide little protection for American workers at a terrible cost to American consumers.

The editorial follows:

TRADE BARRIERS

Even as President Reagan urgently asks Congress for a new approach to economic problems, Sens. John Danforth and Lloyd Bentsen seek support for a bill whose backwardness is obvious and deserves quick

rebuff. The bill would limit the number of Japanese cars Americans could buy in the next three years. Instead of letting customer orders set that number, the senators think they can do it better. In a market where American drivers during 1980 bought 2 million Japanese cars, Bentsen, D-Texas, and Danforth, R-Mo., want a government quota of 1.6 million only. Reagan should tell them firmly that his administration has no interest in such notions.

He should also tell them why. With demand exceeding supply, prices on Japanese cars would go up just enough to turn away all customers beyond the quota limit. The quota would be a form of price control in reverse. No one knows for sure how high the rise would be, but anyone can see that the people turned away would be those with a need to count their car dollars carefully. Some such people would buy used cars instead, or perhaps an Italian import in place of a Japanese, or (the senators hope) a new American car more expensive than they wanted. Whatever their choice, it would not be their first choice. The government-rigged market would have taken that away.

It would also have taken away a chunk of the competition that keeps American small-car prices from being higher than they are. And when small-car prices rose (one estimate says that $750 is a likely average increase), so would the prices on medium and large models. Thus the impact of a law to block imports from Japan would reach much further than to people in the market for Japanese cars. It would hurt every car buyer and everyone making or selling the things drivers gave up in order to pay more when they needed new cars.

The purpose of this perversity is to help American auto companies and auto unions. But numerous economists and the government's International Trade Commission have pointed out already that import quotas would not address the problems of the auto industry. At best, quotas might bring back jobs for a small fraction of the workers now laid off. But quotas would weaken the companies' incentives to improve quality, offer cheaper cars, lower their labor costs and invest for efficient production.

To their credit, Danforth and Bentsen—long-time free-traders—seem embarrassed to have put their names on a blatantly protectionist bill. Reagan should remind them that embarrassment is called for, and that he wants none of it.●

ARMS AND EL SALVADOR

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 2, 1981

● Mrs. SCHROEDER. Mr. Speaker, the Denver Post, February 25, 1981, had some particularly insightful observations on the situation in El Salvador, which I would like to share with my colleagues:

ARMS AND EL SALVADOR

For the past 10 days, State Department emissaries have been trying to drum up support for the Reagan administration's first major foreign policy initiative—enlist West European backing for El Salvador's ruling junta. The effort has not been an unqualified success.

In general, officials in Bonn, Paris, London and other capitals share U.S. concerns that Russian arms are being supplied to El Salvador's leftist guerrillas via Cuba and Nicaragua. But they're not convinced that the extent of these arms movement, supposedly calculated by the United States from captured documents, has been determined accurately.

They're apprehensive, too, about what the United States plans to do to halt such alleged arms shipments. Secretary of State Haig has said we would "not remain passive" if Cuban meddling continues. But he has not been specific about responses the Pentagon might be contemplating.

On Sunday, however, Edwin Meese, a top White House adviser, warned that the United States will "take whatever measures" are necessary and "not rule out anything" to halt the flow of arms to El Salvador's insurgents. (How did Meese get into the act? Are White House advisers in addition to the Secretary of State going to be foreign policy spokesmen?)

Put bluntly, our European allies are not sold on the idea that communist military involvement has become the crucial factor in El Salvador's civil war. They are lukewarm to the suggestion the embattled El Salvador government should get direct backing from its European counterparts.

A West German official has been quoted as saying Washington is making a "serious misjudgment" in viewing the civil war primarily as a communist power play. "Social injustice," rather than the Communists, is at the heart of the El Salvador unrest, he said. This is a somber assessment containing a great deal of truth.

Is it wise for the United States, anxious to create an image of toughness when dealing with Russian mischief, to view the El Salvador situation almost wholly in military terms and assume that it will be resolved once communist aid to the rebels is halted? It is the exact opposite.

Let's assume that not so much as another handgun finds its way into El Salvador. Would that end the bitter fighting? No. As a matter of fact, the rebels, wherever the source of their arms and the extent to which they've been provided, have been faring poorly against government troops.

Arms alone won't win for the limited number of guerrillas. Arms alone won't win for the government troops, either.

What will tip the struggle one way or the other is the ultimate, collective decision of El Salvador's poor masses. Not surprisingly, these landless *descamisados* remember the murderous excesses of countless El Salvador ruling juntas.

On the other hand, they have not gone all of the way into the Marxist camp. There may still be time for the United States to approach the El Salvador war as a political and social struggle, rather than a purely military one. If that can be done, we may not lose yet another neighboring state to communist rule.

We should pressure the government of El Salvador to implement promised social reforms as rapidly as possible. We should demand that it eliminate the "death squads" that are still tolerated. We must remember that this is a hemispheric uprising protesting centuries of repression.

If, as seems likely, the United States must go it alone in putting an El Salvador policy in place, it should proceed with caution and the knowledge that military might alone isn't going to settle the issue.●

BANKRUPTCY REFORM ACT OF 1978

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 2, 1981

● Mr. EDWARDS of California. Mr. Speaker, a great deal is being said throughout the country about the Bankruptcy Reform Act of 1978 causing the increase in bankruptcies.

The Honorable Hal J. Bonney, Jr., U.S. bankruptcy judge, eastern district of Virginia, addressed this issue in a recent speech.

I commend the attention of my colleagues to Judge Bonney's careful analysis of the issue of the increase of bankruptcies.

The speech follows:

HON. HAL J. BONNEY, JR.'S, ADDRESS BEFORE THE NORFOLK AND PORTSMOUTH BAR ASSOCIATION

It is always a privilege and a pleasure to appear before the Norfolk and Portsmouth Bar Association and I appreciate this occasion today. I have been asked to speak on the subject "Observations On the Operation of the New Bankruptcy Code" and this can be best accomplished by setting forth the present setting of the Bankruptcy Reform Act of 1978 statistically.

THE FACTS

During the calendar year of 1980, 3,680 persons filed bankruptcy in the Norfolk and Newport News Divisions of the United States Bankruptcy Court for the Eastern District of Virginia. Generally, the area over which I preside encompasses the Tidewater area. This figure of 3,680 compares with 2,223 persons for the calendar year of 1979 and represents an increase of 65.5 percent.

Of all those filing in 1980, 10.9 percent represented business bankruptcies: personal, partnership and corporate. This reflects a slight increase from 10 percent but is far less than the 15 percent experienced in the mid-70's. It is worthy to note that 13.9 percent of those filing in December of 1980 were involved in business bankruptcies. Whether this reflects the beginning of a significant trend remains to be seen.

THE CAUSE

Obviously, the 3,680 persons filing bankruptcy in 1980 establishes a record, well exceeding the previous record of 2,264 in 1975. And, quite naturally, the question of "Why?" is on many tongues. Be advised that the Court is not an economist and there are those better qualified to comment on the cause of this and other discouraging economic indicators. Nor is bankruptcy a mirror of the economy; it does indeed reflect the symptoms.

I would say the causes are three: (1) inflation, (2) the recession, and (3) a greater awareness on the part of the public of the legal process called bankruptcy.

(1) Inflation. The country—all segments of it—now realizes how great and how dangerous a thing inflation is. Indeed, it is now being recognized, and correctly so, I believe, as the greatest economic disaster since the Depression of the 1930's. Inflation is the opposite of depression and by its very nature of false prosperity deceives, initially at least,

one into minimizing its effects. But it is as deadly as a depression in the long run.

As a result of inflation, we have seen over the past five years a great many people come into bankruptcy who are not likely candidates for it. They are people, chiefly young couples, who normally pay their bills, who owe no more today than they did a year ago and who detest bankruptcy. But the cost of living has overwhelmed them. One of the glaring aspects of this is the difficulty and even inability of middle-class Americans to purchase, or to keep after purchasing, a home. This is a great American tragedy.

Therefore, as a nation we can only expect there to be more bankruptcies as a result of inflation. It is either a fresh start for these citizens or the bleakest of futures and they will not be productive citizens in the latter category.

(2) Recession. While this area has been less affected by the current recession than most, it has none-the-less taken its toll. The end of the recession will in itself affect the number of bankruptcies. It would appear that while there are many factors causing a business bankruptcy, including inflation, the recession is the greatest.

(3) Greater Awareness. It is generally acknowledged throughout the country that one of the causes of the increased number of bankruptcies is advertising. This apprises a not-always-knowing public of the availability of bankruptcy as a lawful remedy at a low cost to obtain.

Well, we cannot complain about a well-informed public. Nor does every lawyer who advertises advise every debt-ridden client to file bankruptcy. The Supreme Court has spoken on lawyer advertising and like it or not, it is lawful.

THE DANGERS

However, as more and more people are brought into bankruptcy by a greater awareness of bankruptcy, a significant danger arises and it is ominous. More and more people will come into bankruptcy who might avoid it; more and more will come with a greater deliberateness. In some areas of our country there are advertisements which entice debtors to "get rid of all your debts" and, indeed, open talk of "socking it to the creditors" who can "write it off."

BANKRUPTCY: WELFARE?

I feel, too, that there is a great and potential danger many will look upon the bankruptcy process as a means of obtaining welfare when it was never intended that bankruptcy serve that purpose. It was intended to provide a fresh start in life to those into whose lives some particular misfortune had come even if of their own folly.

THE POSSIBLE RESULTS

As the result of any misuse of bankruptcy, there will develop in the country—indeed, it has already started—a public outcry against bankruptcy which may then lead to rather severe restrictions imposed by the Congress. I remind debtors at the discharge hearings that while bankruptcy is mentioned in the Constitution, it is not a Constitutional right but a privilege within the right of the Congress to bestow.

Just as we wish people did not become ill, we wish people paid their bills; they do not always do so. It has been my experience of ten years on the bench that the vast majority of bankrupts learn from the experience and return to the marketplace better citizens. One of the purposes of bankruptcy is thereby fulfilled: "To relieve the honest debtor from the weight of oppressive indebtedness" and to give him "a new opportunity in life and a clear field for future effort, unhampered by the pressure and discouragement of preexisting debt." *Local Loan Co. v. Hunt*, 292 U.S. 234, 244 (1934). When I came to the bench, I would not have been surprised to have found that ¼ or ⅓ of the bankrupts were repeaters, but this is not so. From statistics I have kept, I find the "repeater" rate varying between 5 percent and 6 percent.

The nation will support bankruptcy for the honest debtors, but it will not support the abuse of the system. And those who abuse it or who would abuse it should be on notice that the public will not abide what appear to be growing trends of rather deliberate abuse.

THE NEW BANKRUPTCY CODE

We hear a great deal about the new bankruptcy code, the Bankruptcy Reform Act of 1978, being responsible for much of the increase in bankruptcies. While there is perhaps need for reform of the reform, such a statement is too sweeping. Unfortunately, the new law came into effect at a time when bankruptcies are up for other reasons, the three mentioned above. It is, therefore, the volume and not the Code which is to blame. It would be unfortunate for the public to over-react to the problems touched upon here or for the Code to fail to receive a fair shake. Again, it is the volume of cases and not the Code which is taking the toll. We find the Code generally sensible, far more efficient than the old Bankruptcy Act and enabling the court to better serve the national economy.

As most law is imperfect, there are areas of great concern in the Code. For instance, it appears the Congress did abolish the honest debtor doctrine in the area of Chapter 13 cases. It is too easy for those with dischargeability problems to solve them in a Chapter 13 case.

It may be true in other parts of the country, but I cannot say that the Bankruptcy Reform Act of 1978 is responsible for the increase of bankruptcies here. Amendments to the law should be made where needed, but it should not be made the whipping boy for other ills. Bankruptcies are up in Canada, too, and there has been no revision of the law there.

IN CONCLUSION

Yes, bankruptcies are very much on the increase. The real culprit is inflation and the nation has just recently come to grips with the fact that inflation is devastating. When inflation ceases, bankruptcies will fall. The recession has lasted longer than originally anticipated and it takes its fee. It is presently the least of the three causes of increase, but abuses of the underlying philosophy of bankruptcy have appeared and there are those turning to bankruptcy too easily although lawfully. And relative to this you will find a growing revulsion on the part of creditors and the public. You know how it is, we enjoy a privilege until we abuse it.

The new Bankruptcy Code (Bankruptcy Reform Act of 1978) is good law. All-in-all it is working extremely well. Remember, it is the volume which is hurting, not the law itself. The weaknesses in it, the abuses permitted therein (and, indeed, there are some), can be corrected and I think you will find the Congress quick to do so. Tell them of your concerns.

The times in which we live are in many respects acute . . . and we are dealing in bankruptcy with two huge factors: the economy and morals. We trust that the economy will improve given time and effort. The fellow, for example, who deserts his wife and children forcing her to file bankruptcy has a moral problem. And that's something else.

Thank you for listening.●

TV ON BUSINESSMEN

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 2, 1981

● Mr. COLLINS of Texas. Mr. Speaker, America moves foward when business moves forward. It burns me up to see people who take shots at business. One person goes wrong but on TV they do not balance this out with the 99 to 1 that do their best and build for progress.

As I flew back to Washington last night, I read an interesting story by Irwin Frank in the Dallas Times Herald. He reviewed the CBS attacks on businessmen and how businessmen are shown as the bad guys.

I want them to have TV shows about the Horatio Alger businessmen who built America. There are 99 good men and women in business so why does TV just show the single bad apple.

Hitting it right on target is this excellent analysis in the Dallas Times Herald by Irwin Frank.

It was just your average anti-business network television programming. Nothing special, just businessmen being shown as the bad guys in programs ranging from news specials to situation comedies to dramatic entertainment.

The bad guy on television today is not the one in the black suit smoking a cigar with a gun sticking in his belt. No, often he's the one in the gray suit and white shirt, sitting behind the desk, smiling about some evil deed he has just pulled off. And, probably, he is planning something dreadful.

Top-rated 60 Minutes on CBS began with a story last week on the big drug traffic in Miami and indicated some banks in the city were knowingly helping launder millions of dollars for drug dealers. Another segment of the program dealt with families being duped by builders up north of money they had saved to buy homes. The program finished with a section dealing with discrimination against women by a small bank in Minnesota.

All three segments portrayed businessmen in unsavory situations to about 45 million Americans, many of them youngsters who will not put the incidents into proper perspective. There was no editorial note that the home builders depicted represented just a few out of thousands of U.S. home builders. Viewers were not told that what happened at the bank in Minnesota did or did not happen at banks across the nation.

At the end of the hour you did not want to run out and buy 100 shares of stock in American business.

There are, of course, few counter programs in which the businessman is shown being nice to dogs or helping Boy Scouts cross the street.

To a person who watches TV on a casual basis in the hopes of catching a Clint

Eastwood classic, it appears that the businessman as a bad guy in drama and even in comedy shows is a major theme on television.

For example, the administrator of the hospital in a recent episode of House Calls—as innocuous a 30 minute sitcom as you can get—said if the underpaid and overworked staff thought they were going to get a raise they were mistaken. Go ahead and strike, he told them, and lose your jobs.

A primary reason the businessman is portrayed as the heavy in many of the drama and comedy shows is that as a group they are defenseless when compared with the striking power of blacks, Jews, Mexicans, Italians, Catholics, Indians, Chinese, the blind, the old, women and gays. Any minority group—within minutes after a program ends—can mount a letter writing campaign or a boycott against a network or an advertiser, or at least the threat of one, that would cause the offender to swear "never again."

No TV network would dream today of portraying Italians as gangsters or women as being "only housewives" incapable of doing anything else. The organized anger of the two offended groups would cause heads to roll at the network headquarters.

But what business group protested to CBS about the House Calls comedy program with the mean hospital administrator or about the Lou Grant show that followed? That program was about an American company accused of selling faulty hospital equipment overseas that caused people to die. Another drug company sold chemicals overseas that were banned in the United States because of their potential deadly nature. And, finally, another company sold birth control devices that killed women. In every case the story showed American businessmen in as negative a role as possible. They were, in truth, depicted as criminals.

That's a pretty good dose of anti-American business programming based on the premise that some businessmen will do anything to make money and that, in the case of the hospital administrator, they are mean and ruthless.

No wonder your daughter hasn't run into the living room shouting she wants to go into the business world and your son has suggested that there might be something else he'd rather do than be a company executive.

It's basically open season on businessmen on the tube, the only group that won't boycott, picket, conduct a letter writing campaign or circulate petitions.

Someday soon we may see on network TV a businessman leaving a movie theater with a lady in red being gunned down by the FBI.●

IN POLAND, A GATHERING OF THE SPIRIT OF MILLIONS

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 2, 1981

● Mr. DERWINSKI. Mr. Speaker, while the brave Lech Walesa and his followers persist in their struggle to regain their basic rights, the problems in Poland continue. The constant possibility of military action by the Soviet Army remains a source of grave concern to the United States and the Polish people.

A very pertinent and thorough commentary by syndicated columnist Carl T. Rowan appeared in the February 20 Chicago Sun-Times on the situation in Poland. His remarks follow:

IN POLAND, A GATHERING OF THE SPIRIT OF MILLIONS

WASHINGTON.—It is such a lovely commentary on the nature and the promise of mankind that the Polish people, so ridiculed in so many bad jokes for so long, should today symbolize everything that is noble about the inhabitants of this planet.

Lech Walesa, leader of Poland's Solidarity union, has taken a place among those brave people who in every age have strived to twist a rope of sand, to make rose petals float upstream—and to force dictators to give up power. For the Poles ("you need three to change a lightbulb—one to hold the bulb and two to turn the ladder—ha ha") have turned on a new lamp of freedom at a time when so many millions in so many lands seem content to live with darkness.

Solidarity may yet be crushed by Soviet tanks and guns. But the world now knows that this movement is not just Walesa—not simply one man of brave pretenses, echoing Sir Thomas More's plaint, "Would that our workers might have glass in their windows and eat meat once a week."

Solidarity is a gathering of the spirit of millions of humans—a piling up of resentments that made people riot in Poznan a quarter century ago. Solidarity is an incredible collection of blue-collar workers, farmers, journalists, government workers, housewives, students and others who have had enough of oppression, misery and special privilege for the gendarmes of a society whose rules make phony talk of "Socialist equality."

It is easy to see and sight the grim warning that Solidarity represents for the Communist bosses in the Soviet Union and the Warsaw Pact countries: Walesa represents angry people who see that communism does not produce that utterly fair society; it builds a social monstrosity on which party bosses get fancy apartments, imported automobiles and booze, access to luxury imports, the right to travel abroad in grand style.

Walesa and the incredibly courageous people who support him are proof that the so-called "working class" is among the wisest of mankind, for these Poles know that communism does not foster justice, but that it has yielded to human nature—to what Marx and Lenin would call the ideological heresy that men and women who work harder, think smarter and are more productive ought to live better than those who just "drift along."

But Walesa and his followers know that the Communist Party has yielded in such a way as to ensure that it will always be the party bosses who are deemed to work harder, think smarter and reap the great rewards.

It is clear that Walesa and Solidarity will not swallow this. Walesa surely now knows that elements of Polish society are so fed up that they may not agree to a 90-day strike-free period. Soviet tanks could roll into Poland at any time, and the lesson for many Americans will be that the Soviets are ruthless in protecting and preserving the primacy of the Communist Party in every East European country.

If the Soviets invade Poland, let that remind us of the fragile circumstances in which freedom finds itself today. But let it remind us also that freedom and justice are imperiled even in America the Beautiful. We have our privileged classes who this very day are sticking it to the poor, the miserable, the hopeless. People who eat caviar and regularly drink Dom Perignon champagne are deciding how many food stamps and how much medical care to take away from the needy. They invite the rising up of an American Lech Walesa.

We have here a new generation of super moralists who proclaim their right to dicate to the rest of America about who can read which book, print what in which newspaper or magazine, see what at the cinema or the theater. They want to say who, getting pregnant, must carry a child to term.

We abhor Soviet domination of almost every aspect of life in Poland. We wish freedom of religion, and of the person, for the brave Poles. But let us not ignore the reality that we could so very quickly lose our own freedom.●

HOUSE SUPPORT URGED FOR NATIONAL BOTTLE BILL

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, March 2, 1981

● Mr. AuCOIN. Mr. Speaker, legislation will shortly be introduced to establish a national beverage container deposit law. I want to commend this proposal, which will be introduced by the distinguished Congressman from Vermont, Mr. JEFFORDS, to the attention of my colleagues and to urge them to join me in sponsoring this important legislation.

We have a better chance this session to enact a national bottle bill than at any time since Oregon pioneered the first deposit law. In renewing efforts to encourage the country to follow Oregon's lead, the legislation I am sponsoring would require a refund value of at least 5 cents for beverage containers.

Opponents of a deposit law can no longer claim the system only works in small States such as Oregon and Vermont. Michigan, the first large, industrial State to approve a bottle bill, has a system that has been widely deemed a success.

Six States—Oregon, Vermont, Michigan, Connecticut, Maine, and Iowa—and several cities and counties now have deposit laws.

Every study I have seen, uncolored by industrial bias, points to the same conclusion: Beverage container legislation reduces solid waste and litter, conserves energy, and creates jobs.

The General Accounting Office, in a December 1980 update of its 1977 study of the effects of a national deposit law, reported that a national law would reduce beverage container litter by more than 80 percent.

The study also supports the 1977 finding that a deposit law would cut

energy consumption for manufacturing, filling, and transporting containers by about 30 percent.

Based on the Michigan experience, the study estimates that a national bottle bill would create more than 80,000 new jobs. In addition, it finds that initial increased costs to the beverage industry would be canceled out by higher revenues from the sale of recycled materials and from unclaimed deposits.

Mr. Speaker, for all these reasons I urge bipartisan support for this legislation to call a halt to the practice of throwing away resources that can be reused and wasting energy in the process.●

TRIBUTE TO TALMAGE BURKE

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 2, 1981

● Mr. ROUSSELOT. Mr. Speaker, recently I read a quote by the late Oliver Wendell Holmes, Jr., that reminded me of a man in my district, Talmage Burke, and the service he has offered to his community. I would like to share the quote, and a bit of history about Mr. Burke, with my colleagues.

I learned in the regiment and in the class the conclusion, at least, of what I think the best service that we can do for our country and for ourselves: To see so far as one may, and to feel the great forces that are behind every detail * * * to hammer out as compact and solid a piece of work as one can, to try to make it first rate, and to leave it unadvertised.

Residents and elected officials from not just Alhambra, where Mr. Burke serves as city councilman, but from all over the State of California are meeting for "Tal Night" on Saturday, March 7, 1981, to pay tribute to Talmage Burke. Talmage Burke is a man who has worked above and beyond the call of duty to make his community a better place in which to live and work.

"Tal" came from a civic-minded family. His father, Montivel A. Burke, Jr., served the city of Alhambra as mayor from 1944 to 1945, and councilman, and the State as assemblyman. Talmage Burke began his city service career in 1946, when he was appointed to the civil service commission, continuing until his appointment in 1950 as Alhambra's first city prosecutor.

In 1952 Talmage Burke was appointed to fill an unexpired term as member of the Alhambra City Council, and was reelected to his eighth 4-year term of office November 4, 1980. He has served as a councilman longer than any other person in California.

During his 30 years of service, Mr. Burke served as mayor for 9 years, 5 of which were consecutive terms.

As mayor he has served as a member of the Board of Directors of the Los Angeles County Sanitation District. He also served as the city's representative to the San Gabriel Valley Association of Cities; City Selection Committee of the Southern California Rapid Transit District; Independent Cities of Los Angeles County; Southern California Association of Governments; Los Angeles County Division of League of California Cities; West San Gabriel Valley Juvenile Diversion Project and the Open Door Clinic.

In addition, Mr. Burke serves as a member of the Board of Trustees of the University of Redlands, in Redlands, Calif. Recently, he has been appointed to the Advisory Board of the East Los Angeles Community College.

A practicing attorney with offices in his own building, Mr. Burke is a past director of the Junior Barristers, Los Angeles County Bar Association, and a past president of the San Gabriel Valley Bar Association.

In whatever position of private life or public trust he has been placed, Talmage Burke has always maintained the same truthful and noble character as that of the Founding Fathers of our great country.

It is with pleasure that I join with the residents of Alhambra in honoring Talmage Burke this day by placing his record of accomplishments in the CONGRESSIONAL RECORD of the U.S. House of Representatives for all to see and read.●

MARXIST MODERATES AND EL SALVADOR

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 2, 1981

● Mr. PHILIP M. CRANE. Mr. Speaker, despite Moscow's insistent denial, El Salvador is the target of a major Marxist subversive effort. The Soviets claim that the leftist guerrillas are but moderates seeking self-determination and freedom from the oppressive reign of fascists.

Soviet subversion of Latin American nations constitutes an active part of their foreign policy. Fidel Castro, the chief Russian stooge, openly exports Marxist violence throughout the Western Hemisphere. His efforts are beginning to bear fruit. He views the new Marxist government in Nicaragua with pride. Guatemala and El Salvador are next on his list.

All of this was glibly brushed aside by the previous administration. Their major concern was the suppression of human rights by anti-Communist, pro-Western governments. Little was said about the denial of human rights by the leftist terrorists, frequently referred to as moderates by American liberals and Communists alike. It seems the Americans lost their "inordinate fear of communism", as Jimmy Carter said at Notre Dame University.

With the advent of the Reagan administration, a new appreciation for events past and future goals is evident. The release by the State Department of information chronicling the activities of the Salvadoran guerrillas since December 1979 is enlightening. All the usual Soviet surrogates—the European Communist countries—are supporting the moderate cause. So too are Ethiopia, Vietnam, and Iraq, all aspiring "socialist republics." However, one item in the chronology is especially interesting. Yasir Arafat, leader of the PLO, has taken an interest in Central American politics. How many Palestinians live in Nicaragua? Will a Palestinian homeland be established in Central America? Why did he come to visit?

Arafat's participation in Castro's Soviet inspired insurrection in the Americas proves once again that this terrorist is a danger to Arab States as well as to Israel and peace in the Middle East.

The Soviets call Yasir Arafat a moderate. He is their choice for dictator over all of what is now Israel. Yasir Arafat speaks with pride about the atrocities committed by the PLO on innocent Arabs and Israelis. Yasir Arafat's solution to the Arab-Israeli dispute is another holocaust. How can he be termed a "moderate?"

Given the information which has been brought to light, can there be any doubt about the ideology and goals of the Salvadoran guerrillas? Does encouraging such a group serve the United States best interests? Would permitting the PLO to stir things up serve our interests? I do not believe so, and the Reagan administration seems to agree. The summary, as printed in the New York Times, February 20, 1981, follows:

TEXT OF STATE DEPARTMENT DOCUMENT ON ARMING OF THE GUERRILLAS IN EL SALVADOR

WASHINGTON, February 19.—Following is the text of a State Department document issued in support of the Reagan Administration's contention that the Soviet bloc has been supplying arms to guerrillas in El Salvador:

The following is a summary of information, including very significant recently acquired evidence, which has allowed us to reconstruct the central role played by the Communist countries and several radical states in the political unification, military direction and arming of insurgent forces in El Salvador.

This information, which we now consider incontrovertible, has been acquired gradually over the past year. Many key details, however, have fallen into place as the result of seizures of particularly informative documents from the guerrilla forces in November 1980 and on the eve of their failed "general offensive" of January 1981. This mass of captured documents includes battle plans, letters and reports of meetings and travels, some written in cryptic language.

When deciphered and considered in conjunction with collateral intelligence evidence, the documents bring to light the chain of events leading to the January attempt by the Salvadoran armed left to oust the Government of El Salvador—a Government that has executed important reforms and has convoked a process leading to democratic elections in 1982.

This accumulated evidence reveals a highly disturbing pattern of parallel and coordinated action by a number of Communist and some radical countries seeking to impose a military solution in a small, third world nation. It is a pattern we have seen before—to be specific, in Angola and Ethiopia.

Before entering into details on the evidence, here is some background on El Salvador's internal situation:

In October 1979, progressive Salvadoran military officers and civilians overthrew the conservative regime of General Carlos Romero.

After a period of instability, the new Government stabilized around a coalition of military participants in the October 1979 revolution, the Christian Democratic Party and independent civilians. Since last spring it has put into practice a broad program of change: conversion of large estates into peasant cooperatives, distribution of land to all tenant farmers, restructuring of the foreign trade and banking sectors and convocation of democratic elections in 1982.

The Salvadoran Government is opposed by a coalition of four Marxist-Leninist guerrilla groups. Three small political parties—including a Social Democratic Party—work with the guerrilla organizations and their political fronts through the Democratic Revolutionary Front (F.D.R.), most of whose activities take place outside El Salvador. We estimate the combined membership inside El Salvador of the non-Communist parties belonging to the F.D.R. at less than 700.

The Salvadoran guerrillas launched an abortive "general offensive" against the Government of El Salvador on Jan. 18, 1981.

The chain of events that led to this offensive is summarized below, based on information taken from documents captured from the Salvadoran guerrillas and determined through careful assessment to be genuine.

INTRODUCTION

Two particularly important document caches were recovered from the Communist party of El Salvador (P.C.S.) in November 1980 and the other from the People's Revolutionary Army (E.R.P.) in January 1981. Only a very small portion of the total documents recovered are attached. Many of the documents are written using cryptic language and abbreviations. A glossary is provided before each document to define selected relevant terms.

CHRONOLOGY

December 16, 1979.—Representatives of the Communist Party of El Salvador (P.C.S.), National Resistance (FARM), and Popular Liberation Forces (F.P.L.), writing in Havana, thank Fidel Castro for his "help, and the help of (his) comrades of the party" in establishing a unity agreement among these armed groups. (See document A.)

April 1980.—"Requests" (Possibly for arms) are made in a meeting at the Hungarian Embassy in Mexico City with representatives of the German Democratic Republic, Bulgaria, Poland, Vietnam, Hungary, Cuba, and U.S.S.R. (See document B.)

April 28, 1980.—In a meeting of the political commission of the Salvadoran Communist Party, party leader Shafik Handal notes the need to take advantage of possibilities for help by the "socialist camp." Their attitude is "magnificent," he says. Handal also notes desirability of involving "everyone of the area" (i.e., Central America) as suggested to "Fidel." (See document C.)

May 19-31, 1980.—Popular Revolutionary Army is admitted to the guerrilla coalition after negotiations in Havana. Coalition leadership, which assumes name of Unified Revolutionary Directorate (DRU), meets with Fidel Castro on three occasions and with visiting German Democratic Republic leader Erich Honecker. (See document D.)

May 19-31, 1980.—Guerrilla leadership meets twice with Cuban Directorate of Special Operations (DOE)—clandestine operations/special forces unit of Cuban Ministry of Interior to discuss guerrilla military plans. In addition, they met with the Cuban Chief of Communications. (See document D.)

May 30, 1980.—Shafik Handal departs from the Navaka meeting for Moscow. (See document D.)

June 1, 1980.—Guerrilla leadership, minus Salvadoran Communist Party Chief Handal, arrives in Managua. Joint directorate of F.S.L.M.: (A) offers a headquarters for the guerrilla directorate "with all measures of security;" (B) states that it is disposed to "contribute in material terms;" (C) assumes "the cause of El Salvador as its own;" and (D) offers "advice and exchange opinions" to the guerrillas. (See document D.)

June 2-July 22, 1980.—Salvadoran Communist Party chief Shafik Handal visits in (A) the U.S.S.R., (B) Vietnam, (C) the German Democratic Republic, (D) Czechoslovakia, (E) Bulgaria, (F) Hungary and (G) Ethiopia.

June 2, 1980.—Handal meets in Moscow with Mikhail Kudachkim, deputy chief of the Latin American section of the Foreign Relations Department of the C.F.S.U. Central Committee. Kudachkim suggests that Handal travel to Vietnam to seek arms and offers to pay for Handal's trip. (See Document E.)

June 9-15, 1980.—Handal visits Vietnam, where he is received by Le Duan, Secretary General of the Vietnamese Communist Party, Xuan Thuy, member of the Communist Party Central Committee secretariat, and Vice Minister of National Defense Tran Van Quang. Vietnamese, as "first contribution," agree to provide sixty tons of arms. (See documents E and F.)

June 18-24, 1980.—Handal visits German Democratic Republic, where he is received by Hermann Axem, member of the G.D.R. Politburo, Axem states that the G.D.R. was already dispatch-(garble) indicating that additional supplies will be sent and that the G.D.R. will provide military training, particularly on clandestine operations. G.D.R. telegram adds that, although Berlin possesses no Western-manufactured weapons (which the Salvadoran guerrillas are seeking), efforts will be undertaken to find "a solution to this problem." (See documents E and F.)

June 24-27, 1980.—Handal visits Czechoslovakia, where he is received by Vasil Bilak, second secretary of the Czech Communist Party.

Bilak notes that some Czech arms circulating in the world market will be provided. Transportation will be coordinated with the G.D.R. (See documents E and F.)

June 27-28 1980.—Handal visits Bulgaria, where he is received by Dimiter Stanichev, member of the Central Committee secretariat. Bulgarians agree to supply German-origin weapons and other supplies. (See documents E and F.)

June 28-July 3, 1980.—Handal visits Hungary, where is received by Communist Party General Secretary Janos Kadar and "Guesel" (probably Central Committee secretary for foreign affairs Andras Gyenes). The latter offers radios and other supplies and indicates Hungarian willingness to trade arms with Ethiopia or Angola in order to obtain Western-origin arms for the Salvadoran guerrillas. (See documents E and D.)

July 3-6, 1980.—Handal visits Ethiopia, where he is received by Chairman Mengistu Haile Mariam and Berhamu Bayen, executive committee member. Mengistu indicates that Ethiopia will supply "several thousand weapons" and ammunition. (See documents E and F.)

July 22, 1980.—Handal is again received in Moscow, this time by Karen Brutents, chief of the Latin American section of the C.P.S.U. Central Committee. Brutents indicates that the Soviets agree in principle to transport the Vietnamese arms. (See document E.)

July 23, 1980.—"Comrade Bayardo" (Bayardo Arce of F.S.L.M. directorate) meets in Managua with a delegation of the Salvadoran guerrilla joint general staff. Arce promises ammunition to the guerrillas and arranges a meeting for them with the F.S.L.M. "military commission." Arce indicates that, since the guarrillas will receive some arms manufactured by the Communist countries, the Sandinista Army (E.P.S.) will consider absorbing some of these weapons and providing to the Salvadorans Western-manufactured arms held by the E.P.S. in exchange. (See document G.)

July 22, 1980.—Guerrilla military leadership meets in Managua, Nicaragua, with P.L.O. leader Yasir Arafat. (See document G.)

July 27, 1980.—Guerrilla general staff delegation departs from Managua for Havana, where Cuban "specialists" add final touches to their military plans. (See document G.)

August 15, 1980.—Ethiopian arms depart for Cuba. (See document F.)

September 5, 1980.—Vietnamese arms are scheduled to arrive in Cuba. (See document F.)

September 24, 1980.—Guerrillas receive and distribute $500,000 logistics donation from Iraq. Funds are distributed to the Nicaraguan F.S.L.M. and within El Salvador. (See documents H and J.)

September 26, 1980.—Guerrilla logistics committee informs its joint general staff that 130 tons of arms and other military material supplied by the Communist countries have arrived in Nicaragua for shipment to El Salvador. According to the report, this represents one-sixth of the commitments to the guerrillas by the Communist countries. (See document I.) Note: to get an idea of the dimension of this commitment, the Vietnamese offer of only 68 tons included 2 million rifle and machine gun bullets, 14,500 mortar shells, 1,620 rifles, 210 machine guns, 48 mortars, 12 rocket launchers and 192 pistols.

End of September 1980.—Nicaragua F.S.L.M. suspends its weapons deliveries to El Salvador for one month after the United States Government protests to the Nicaraguan leadership over the supply activities. (See document J.)

End of October 1980.—The Nicaraguan F.S.L.M. provides the Salvadoran guerrillas

a new delivery schedule and resumes weapons deliveries. (See document K.)

September-October 1980.—Guerrillas begin preparation for infiltrating weapons and equipment into El Salvador by land, air and sea. (See documents J, L, M, N and O.)

November 1, 1980.—The guerrilla general staff is informed that there are approximately 120 tons of military equipment now in Nicaragua ready for shipment to the Salvadoran guerrillas. By mid-November, the guerrillas indicate that 300-400 tons of weapons and material will be in Cuba ready for subsequent transfer to Nicaragua and then clandestinely to El Salvador. (See document K.)

October 29, 1980.—Guerrillas decide to open "clandestine" radio station in Nicaragua with the help of the Cubans and Nicaraguans. (See document P.)

November 1980.—Beginning in November, the F.S.L.M. sends to El Salvador more arms than the guerrillas can receive and distribute. The guerrillas note that the boats are being overloaded in Nicaragua and ask that the F.S.L.M. better coordinate its delivery activities with the guerrillas. (See documents Q and R.)

November 1, 1980.—Salvadoran guerrilla logistics representative in Mangua calls on armed groups in El Salvador—the "last link" in the supply "chain"—to work harder to absorb more arms shipments. The Communist countries in some cases, the representative notes, have doubled their promised help. (See document R.)

November 1980—Due to overloading problems, the guerrillas raise the need for talks on delivery arrangements with the F.S.L.M. (See document S.)

January 18, 1981—The guerrillas launch their "general offensive" against the El Salvadoran Government.

CONCLUSIONS

The evidence contained in the captured documents, in some instances, is the only information available to us. But collateral evidence is available which corroborates information reported in the documents. To cite only a few examples:

Arms seized in transit to El Salvador have been traced to U.S. units formerly in Vietnam.

Numerous weapons of the types mentioned in the documents, not in the Salvadoran armed forces inventory and never before in that country, have been captured during and prior to the recent "general offensive."

Arms trafficking patterns noted in the documents have been independently confirmed.

Much additional evidence bearing out the nature and extent of foreign arms supply activity has become available to the United States Government.

In sum, the captured documents, supported with other evidence, lead clearly and incontrovertibly to the following major conclusions:

The Salvadoran insurgency has unquestionably become the focus of a large-scale commitment by Communist and some radical states outside Latin America. Their massing and transport of arms to the Salvadoran guerrillas must be judged against the fact that from 1977 until January 1981, the United States provided no weapons or ammunition to the Salvadoran armed forces.

The availability of these weapons and war materiel significantly increases the military capabilities of the Salvadoran insurgents. It hardly needs adding that they also contribute directly to the killing in El Salvador.

The political direction, organization and arming of the Salvadoran insurgency is coordinated and heavily influenced by Cuba with the active support of the Soviet Union, East Germany, Vietnam and other Communist states.

A major effort has been made to provide "cover" for this operation by supplying arms of Western manufacture and by supporting a front organization known as the Democratic Revolutionary front (F.D.R.) to seek non-Communist political support through propaganda.

The F.D.R. is controlled by the DRU, the unified directorate of the armed insurgent groups, which is defiantly antidemocratic and dependent on Cuban coordination for its very existence.

Although some non-Communist states have also provided material support, the organization and delivery of this assistance, like the overwhelming mass of arms, is in the hands of Communist-controlled networks.

Finally, over the past year, the insurgency in El Salvador has been progressively transformed and a text-book case of indirect armed aggression by Communist power through Cuba.●

EASTON COUNTRY SCHOOL EIGHTH GRADE

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, March 2, 1981

● Mr. DYSON. Mr. Speaker, last week I had the privilege to meet with some of the eighth grade students from Easton Country School in Easton, Md. It was an honor for me, as the Representative from the First Congressional District of Maryland to be able to show them firsthand some of the workings of the Congress.

They were accompanied by their teachers, Mrs. Anne Kirby and Mr. Bob Boettger, and parents Mr. Tom Gale and Mrs. Pat Lewers.

The students are:

John Bain, Scott Baker, Victoria Bauman, William Carroll, Jeffry Comer, Susan Comer, Phil Comer, Phil Dietz, Brad Fountain, and Jennifer Sale.

Phil Jackson, Greg Johnson, Windy Kem, Johnny Ladinsky, Kim Lewers, Eliza Manegold, Chris Moore, Roby Myre, Julie Norris, and Henry Ramsey.

Darin Roser, Ethel Sappington, Brittain Shaw, Patrick Stokes, Ian Thomson, Beth Triplett, Catherine White, and Julie Wright.●

EDWARD TELLER COMMENTS ON THE CONTRIBUTIONS OF PHYSICISTS

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 2, 1981

● Mr. FUQUA. Mr. Speaker, Dr. Edward Teller is sometimes controversial but never shallow. He recently wrote an editorial on the "Role of Physicists in the 1980's" which appeared in the February 1981 issue of Physics Today. In this brief essay he shows how some of the best achievements of physics have been woven into the fabric of our lives—not just as gadgets or curiosities but as determinants of the system of government under which we live.

For example, he points out that work by Alan Turing enabled the British to break German codes, thus tilting the outcome of the Battle of Britain. What is the cost/benefit ratio for such work?

Dr. Teller is writing about physics, but his point could be made about other sciences. In the biological sciences we may see discoveries even more amazing and more important to our lives than those that have already occurred in physics.

For this reason, I am inserting this editorial in the RECORD, and recommending that all Members consider its message. Like it or not, we live in a world of modern science, and if we want to lead a free world, we must lead its science.

ROLE OF PHYSICISTS IN THE 1980'S

(By Edward Teller)

Throughout the country, there is worry about the future and expectation of change in coming years, born of dissatisfaction with economic troubles, decreasing respect for the United States abroad and anxiety as to whether or not peace can be maintained. All of this cannot leave physicists unaffected.

The new administration encourages both freedom of action and the responsibility which is inseparable from freedom. A splendid example of this from the past is The American Physical Society's unanimous report on nuclear waste disposal. It makes a great contribution to improving the chances of a vital energy source.

A different kind of example—more diffuse, more pervasive and incredibly effective—is the use of the laser. From precise measurement of the distance to the Moon, to calculation of wind velocities, to medical and industrial applications, there is hardly anything lasers cannot do. What will follow is even more.

Sound waves are hardly less useful than light, particularly when combined with the best computer techniques. Three-dimensional geologic exploration has led to increased effectiveness in finding oil. Sound waves are used to explore the functioning of a diseased heart. And sonar, coupled with newly developing computers, can pinpoint submarines in almost every part of the ocean.

Indeed, wherever ingenious applications emerge, the potential advantage to the country will be remarkable. What next? Will long-range weather prediction and climate modification begin to become realities? If so, we may lose our last safe topic of conversation.

The most important developments may come about in national defense. This probably will not mean bigger explosives. Defense against incoming missiles is more challenging, more important and more in accordance with what we wish to do. But, as in other areas, the most significant discoveries are those that cannot be predicted. Therefore, what anyone of us may suggest can merely serve as an example. Good science cannot be directed.

Those of us who remember the mid-1930s know that Britain was saved by the development of radar and even more by Turing's application of computing machinery to code breaking. This work was started in the Chamberlain era and was sparked by individual initiative, guided by the needs of the times. Today, the problem is similar yet different. In both cases, the danger came from an ambitious tyranny. But Hitler was an adventurer while the men of the Kremlin are cool, practical and conservative. This time, success in developing defense could prevent war.

While working on one important phase of survival, missile defense, we shall of necessity be interested in space technology. Here is a striking example of the fact that there is no sharp line of division between application in peace and in war. If scientists approach their task from a technical point of view, they may use the same tools to work on preventing war as they do to explore the great adventure of understanding how the universe began.

We find more and more surprises in the center of our galaxy, in supernovae, black holes and quasars located at billions of light years. To me, these puzzles are irresistible. Astronomy is also the part of science that has the oldest and most pervasive attraction to the non-specialist. In the space age, it may be the natural gateway through which young people will enter into our wonderful and peculiar pursuits whose ultimate aim is understanding and simplicity, but whose short-range result may well be to preserve peace and save freedom.

What will be the relationship between our new government and physics? I believe that the initiative will lie with the physicists. To physicists, their profession means beauty and spontaneous dedication. Much of this dedication has been and will be directed toward the unified understanding of the big but isolated regions which have been explained or which are being explored. In addition, physicists may be more important for our nation and the world than they have ever been. If scientists had not played their remarkable role in the past, National Socialists could well be ruling the world today. If we should be unable to help in the future by exercising technical ingenuity, it may be impossible to prevent increasing poverty and despair in great portions of the world and to deter growing aggression by an old imperialism that has recently created the most terrifying military force ever known to Man.●

KENNETH RIGGS

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 2, 1981

● Mr. COELHO. Mr. Speaker, on March 6, I will be attending a banquet honoring Mr. Kenneth Riggs. Mr. Riggs is retiring after 25 years of dedicated service as coroner of Merced County, Calif. The position of coroner is a most demanding one, often requiring one's services at any hour of the day or night and dealing with individuals during the most sensitive and trying of times, the loss of a loved one. Mr. Riggs has approached this job with the utmost vigor and thoughtfulness for the past 25 years.

At the same time, Mr. Riggs has proven to be not only an inspiration to those involved in government at the county level, but has given unselfishly of his time and resources to improve the lives of all those in the community of Merced. He has led the March of Dimes crusade, the campaign for the American Cancer Society, and the drive for funds for the American Red Cross, to mention only a few of his contributions. Mr. Riggs has been recognized before for his contributions and achievements; being named "Outstanding Man of the Year" by the Merced Chamber of Commerce in 1968, being appointed to the National Highway Safety Advisory Committee by President Johnson and the Interagency Committee on Emergency Medical Service by President Ford.

It is indeed a great pleasure to recognize my good friend and constituent, Ken Riggs, for his long history of community and government service and to wish him a healthy and happy retirement.●

PAINFUL FAMILY PARTINGS FOLLOW SMELTER'S CLOSURE

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, March 2, 1981

● Mr. AuCOIN. Mr. Speaker, at a time when there is casual talk in Washington about unemployment and declining industries, I bring to the attention of my colleagues an article that appeared in the Los Angeles Times on February 22. This moving story illustrates that we are not speaking of numbers and statistics but rather of human beings experiencing real hardships. We must always remember that fact as we debate proposals to remedy the economy.

The article follows:

INDUSTRIAL REFUGEES LEAVE ANACONDA—PAINFUL FAMILY PARTINGS FOLLOW SMELTER'S CLOSURE

(By Bill Curry)

ANACONDA, MONT.—Colleen D'Arcy was 500 miles away from Anaconda, and she wanted to know the latest about the people and the politics here in her hometown.

"Give me some gossip," her voice crackled from afar, "I really need some gossip." And her sister, Kathy Swanson, had some: "Terry Johnson, who lost his job on The Hill, took a job in Missoula. He's been living up there and the kids missed him so much they cried. But now the job's ended. He called Sharon, and said, 'I'm comin' home!' He's tickled. He thinks it's great he could come back home. The kids are tickled. They didn't want to leave either."

No ordinary telephone call, the sisters' conversation was one of the daily ham radio exchanges between here and Scappoose, Ore., designed to help mend together a family rent apart by the closing of this town's only real industry, the Anaconda copper smelter.

Three months ago, Colleen D'Arcy, her husband, Joe, a jobless Anaconda employee, and their daughter, Erin, 15, joined the first of the "industrial refugees" leaving here because of the smelter shutdown.

They did not want to leave either, but unlike Johnson, there would be no coming back for them. And in a wrenching decision, they chose to let their son Mark, 18, stay behind to finish high school; thus, the D' Arcys' daily radio conversations.

"I got an 'A' on my Shakespeare paper," N7AMZ (Mark) told W7TYN (Joe) recently in one of their long-distance family get-togethers.

But it is only the ham radio that distinguishes the D'Arcys' experiences from those of many other families here: Just minutes before Swanson broke the news of the reuniting of the Johnsons, another family was breaking apart. Scott Zeier, 22, and his wife, Vickie, 21, both Butte, Anaconda & Pacific Railroad employees and both out of work since July, packed a few remaining belongings in their car and left home for a new job and a new life in Tooele, Utah.

"I'll miss them terribly," Vickie's mother, Sharon Corkish, said through her tears moments before hugging her daughter goodby. "But I guess it has to be."

Sharon Corkish and her parents were born and reared here, but for lack of jobs, her son Bobby, 18, will also leave soon, to join the Navy after graduation this year.

"It kinda breaks up the family real quick," said his father, Bob Corkish, 43.

"The sad part is," Mildred Todorovich, 50, said, "we're losing our young people and good people and professional people." Young people like the Zeiers, she meant, and good people like the D'Arcys and professional people like her son, a teacher who faces possible relocation because of declining enrollment, which is already down by 20 more pupils than usual.

So far, only a trickle of families has left—perhaps 40—but if Anaconda dies, this is the way it will happen.

And while many people here are determined that their community not become a ghost town, its future hangs on how many more follow, a decision likely to be based more on survival than determination.

SOCIAL TRAUMA

The breaking up of families represents a part of what economists have called the "social trauma" of plant closings, whether

the plant is a lumber mill in Oregon, a tire plant in Ohio or an auto assembly line in Michigan.

Here, the trauma began last Sept. 29 when the $17-billion Atlantic Richfield Co., based in Los Angeles, abruptly announced it would not reopen the copper smelter that had been closed since a labor strike began in July. Instead, it would process its American-mined copper ore in Japan.

Arco, which has refused to disclose its profits or losses on the smelter, cited expensive federal laws regulating pollution and worker safety as the reasons for its "final and irrevocable" closure. The smelter provided a $21-million payroll in this city of 12,507—80% of the economy—and the closing eliminated nearly 1,000 jobs.

The closure was particularly painful for this company town. For nearly a century it had relied on The Hill, as it was known locally, for jobs, for corporate welfare and, perhaps most importantly, for an enduring way of life.

Anaconda is a town of visible ethnic identity, strong church ties and close-knit families, safe streets and lasting friendships and homes crowded at Christmas.

It is the kind of town where four generations of Colleen D'Arcy's family, the Keenans, at one time lived all in one block, the 1100 block of East Fifth.

It is the kind of town where Emmett O'Leary lived in the house in which he was born until he was forced to move to New Jersey for work, temporarily leaving his wife, children and 73-year-old mother behind in the old family house.

It is the kind of town where city employees volunteered their labor with others and worked far into the night to build a playground.

Joe D'Arcy, 44, and now working for Boise Cascade in a Portland, Ore., suburb after 23 years and 11 months on The Hill said, "Anaconda is continuity—security."

"It isn't a place," Colleen said, "it's a state of mind."

But today it is in a changing state of mind.

"The serious problems begin with unemployment but they seldom stop there," said a labor-backed study of plant closures published in 1980 by economists Barry Bluestone and Bennett Harrison. A dozen or so families have moved from the west side of town to lower-cost housing on the east side, two suicide attempts have been traced in part to the loss of smelter jobs, and police chief Dan Jancic reports that domestic disturbances, teen-age drinking and burglaries are up.

Property values are down. Before leaving to take a job in Pinehurst, Ida., Delbert Nelson sold his $55,000 house for $35,000. Another family refused a $68,000 bid on their house before the smelter closed but took $52,000 for it later.

Sitting in his study, the Rev. John Worcester of the First Presbyterian Church, which has seen five members move, surveyed the impact. "One result," he said "is the insecurity that everybody in the whole town is left with, having looked at a huge corporation and seeing that their profits are more important than a little town.

"There is a feeling of a loss of independence. Retired people have paid off their houses and that home is just unsellable now. The husband says, 'We had this little house and that would be (the wife's security), that if something happened to me, she could sell it and move to a retirement home and that would be her security.'

ALL AGES AFFECTED

"That was the pride of being independent enough so that the kids wouldn't have to bear the burden. The retired are as much affected as the young guy with three kids. It hits both just as hard, it shoots a whole lifetime of putting money into a house, income later for a man and woman or widow. That permeates the atmosphere here in terms of the feeling that it wouldn't have been necessary if the company had phased out and there had been a way to prepare for that, to get a new industry in and keep house values up."

"I've got a ghost house," Jack Joseph, a smelter supervisor said as he walked among the chilled furnaces that once produced copper. Joseph wondered whether he could ever sell his house now. After a fruitless job interview in Pittsburgh ("Pittsburgh!" he lamented over beer in the Billings Airport after returning from the interview, "Pittsburgh . . ."), the 50-year-old Joseph said, "There is a group of us faced with the same problem, a sort of age discrimination."

His father worked 35 years on The Hill. Joseph himself was born here and worked 28½ years at the smelter, but now he has resigned himself to setting aside his dreams and moving away. "It's the idea—you had your life plans and you were lookin' forward to retirement, and now it's completely different. I could have taken early retirement (if the smelter stayed open) at 55, and I would have done it.

"I still have a pension coming—but that's at 65. It's depressing."

There have been other costs to the closing. Ironworker Tim Magness, who used to work on The Hill, now drives 80 miles each way to work at a talc plant. "If you want to work," he said "you've got to travel."

NOT GOING BACK

"We were going to be there forever," Joe D'Arcy said over dinner in his new Oregon home in Scappoose. But they are not going back. "I decided (Arco) can do this to me once, but they aren't going to get a chance to do it again."

D'Arcy's father worked in the Butte mines of Anaconda Copper and was stoutly proud of the 35 years he put in underground. And his grandfather worked there, too, as did Colleen's father and grandfather.

It is from such rich family soil that the D'Arcys were uprooted. Remaining behind are their son in high school, a score of other relatives and an $80,000 house being rented out for $200 a month. The rent check covers the mortgage, but not the payments on the $15,000 loan they took out last summer to remodel the kitchen.

"We've got a home in Anaconda that's worthless," Colleen said. And, with a real estate tax here of $1,400 a year compared to $693.55 in Anaconda, the D'Arcys are not yet sure of the financial impact of their dislocation. They are using Joe's $30,000-plus severance pay to pay off the loan that allowed them to buy here.

But it is not in the pocketbook that Joe and Colleen D'Arcy feel the hurt of leaving Anaconda the most. It is in the heart. They miss the intangibles accrued during a lifetime there: the friends and family, the professional standing and accomplishments and benefits at work for Joe, the support of family and community standing and political activities of Colleen.

She helped elect Democrat Max Baucus to the U.S. Senate. She passed out leaflets and organized fund-raisers while Baucus cooked dinner for her children. And as a result she was invited to the White House last year and had lunch with then-President Jimmy Carter.

"People leave much more than a home or a job," said Joe D'Arcy, who wonders why everyone has to live in cities the size of Los Angeles or Portland just to have a job. "You leave the birthday parties, the telephone calls, the visits. That has been the most difficult part for us."

"It was security," Colleen added, her emotion welling up. "If anything happened they were there to help me. . . ." She forced a laugh through tears. "They ripped us all to pieces. All these things have been torn away. I'm bitter, angry, hurt—all of those things. But I'll survive, I'll make it."

And Joe said, "Both Colleen and I came from working union people. But in the '70s we became part of The Group. We worked damn hard for it, and now all of that has disappeared."

And Colleen wondered, "Can you get it back?"●

WILLIAM KO

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 2, 1981

● Mr. ROUSSELOT. Mr. Speaker, many people question our country's future, a future which rests in the hands of the youth of today. Many people also question that generation's ability to handle the responsibility of advancing our Nation through the complex years ahead. I wish to bring to the attention of my colleagues, William Ko, a young man who inspires confidence in the younger generation and in our future. William has been honored as a winner in the 40th annual Westinghouse Electric Corp.'s science talent search, an honor bestowed on only 40 students in the entire United States. Since its inception in 1942, four Westinghouse winners have gone on to win Nobel Prizes in science.

Plato said:

Solon was under a delusion when he said that a man who has grown old may learn many things—for he can no more learn much than he can run much; youth is the time for any extraordinary toil.

William has taken Plato's words to heart. His extensive research at Duarte's City of Hope Hospital on purification and characterization of EMC viral coat proteins, has shown that a strain of the virus encephalomyocarditis (EMC) can produce insulin-dependent diabetes in mice. William believes that further research on this protein could lead to the development of a synthetic vaccine for immunization.

Besides the recognition he received from Westinghouse, William has also garnered first place honors in the Veterans of Foreign Wars' voice of democracy speech competition. His attendance at San Marino High School in my district and hometown makes me, as

well as the citizens of San Marino, especially proud.

My colleagues will most assuredly join me in honoring William for his achievements, and in feeling a bit more secure in entrusting our Nation's future to the leaders of tomorrow. Our country has advanced from the horse and buggy to space travel in 100 short years. It is people like William that we have to thank for this, and it is also people like William that we must ask where this journey of progress will lead us.

William Ko will be honored, along with his 39 cowinners, at the award dinner of the 40th annual science talent search this evening at the Mayflower Hotel.●

MY COMMITMENT TO MY COUNTRY

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 2, 1981

● Mr. TRAXLER. Mr. Speaker, I would like to take this opportunity to share with my colleagues the winning speech as written by a young woman from my congressional district, for entry in the voice of democracy contest. This contest is conducted annually by the Veterans of Foreign Wars of the United States and its ladies auxiliary.

Miss Teresa Styka, 18, of Standish, Mich., is the author of Michigan's winning speech. Miss Styka, along with the winning contestants from each State, will be brought to Washington, D.C., for the final judging as a guest of the Veterans of Foreign Wars.

Please join with me in commending Miss Styka, along with the other 49 contestants, for their patriotism and outstanding achievement and service. We are proud.

The essay follows:

MY COMMITMENT TO MY COUNTRY

(By Teresa Styka)

I recall a bible story in which an account is given of Israel's defeat of the Amalekites. God required Moses to stand upon a hill and raise his arms toward heaven in order for Israel to prevail. Moses, however, found it increasingly difficult to hold up his arms for any length of time. Aaron and Hur, noticing his dilemma, came to his aid placing a rock beneath him for support and each held up one of Moses' arms until the end of the battle at sunset.

As I thought about this account I became very much excited at what I was learning through it about my commitment to America!

I believe the overall commitment that any American has to America is to keep it safe for democracy, helping it to remain a country of equal opportunities and a free society. I love my country and there's no place on this earth I would rather be! I choose wholeheartedly to be an American.

From that perspective, my commitment would seem to be very honorable, but there's just one problem—being committed does not have to mean that one necessarily acts on his commitment. I'm sure that I want to see America remain safe for democracy, but how many times do I really know what's going on in government? How many time have I looked into both sides of a human rights issue? And how many times have I tried balancing the national budget before complaining about how it's being done currently? I find a lot of faults in myself that I hadn't realized. Yes, I was committed to America—but only half way, the easy half. I was committed in thoughts only. But I must commit myself whole heartedly

I'm sure that Aaron and Hur were committed mentally to Israel winning the battle, but there was a difference in these two men. Although Israel was losing, they didn't run and hide or blame their problems on Moses, they got involved and helped support Moses by holding up his arms. They were committed to God and their way of life.

I believe that I must take an active role in supporting the government as Aaron and Hur did by holding up Moses' arms. And it has to be more than just a mental commitment. The government was in essence created by the people, for the people and that means me. I have to back the government during good times and bad. If I want something changed or feel something needs to be done. I can't wait for the next person, it has to begin with me.

If I want to keep America a land of plenty, a free society, I must uplift the arms of the government as a central body and help support it, not just complain or hide and not only be committed in sudden emotional outbursts or during crises, but a lifelong commitment, a commitment like Aaron and Hur's, they stayed with Moses until the very end. I am going to commit every moment of every hour of every day of my life to the support of the government. I will be committed to doing the very best that I can in any task I have to accomplish, committed to promoting higher morals in the United States, a higher quality of life, higher education, a better understanding of the government. I am committed to seeing the ultimate spread of democracy around the world so that someday we may live in peace, with our country as a prime example.

I am committed to keeping America safe for democracy.

I thank God over and over for allowing me to be born in America, a land of the free and home of the brave.

Oh, to remain free, free as the eagle to go where I choose, become what I choose, to reach any height that I choose. To be committed to the uplifting of the wings of an eagle—the symbol of a free America.

Like Aaron and Hur, I am committed to uplifting the arms of my country.●

EMBARGO PROTECTION FOR AGRICULTURE

HON. GLENN ENGLISH

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 2, 1981

● Mr. ENGLISH. Mr. Speaker, over a year ago President Carter ordered the suspension of all grain shipments to the U.S.S.R. in excess of 8 million metric tons.

This action, taken in retaliation for Russia's military intervention in Afghanistan, was supported by farmers and farm organizations who received assurances by the administration that the burden would not fall unfairly on them.

The suspension blocked shipment of more than 14 million metric tons of U.S. wheat and corn already under contract by the Soviets for delivery during the fourth year of the United States-Soviet Grain Agreement, and it cut by more than 68 percent the amount of U.S. grain the Russians might have imported through September 1980. In the case of wheat, it was expected that 6 million metric tons would have otherwise been shipped to the Soviet Union by the end of the 1979–80 marketing season, and it was similarly expected that a total of 8.5 million metric tons of U.S. wheat would have been exported before October of this year. This level of trade represents 16 percent of the preembargo projection of U.S. wheat exports.

Despite the suspension, Soviet grain imports during the July–June period of 1980–81 are projected by USDA to reach a record 34.5 million metric tons, 11 percent greater than the same period a year earlier.

The United States now has wheat stocks of 1.9 billion bushels, 11 percent more than last year and 17 percent more than 2 years ago, and competing grain exporting nations are broadening their share of the Soviet market by increasing traditional sales levels to the U.S.S.R.

The continuing use of food as a foreign policy tool, coupled with growing consumer pressure for relief from high food prices will provide a strong temptation for policymakers to once again resort to grain embargoes.

It is therefore extremely important that we renew our efforts to provide farmers protection from loss of income as a result of Government actions which disrupt the free markets that farmers desire.

For this reason, I am joining with several of my colleagues from the Agriculture Committee in introducing legislation to provide this much needed protection.

Approval of this legislation will provide a plan which can be activated at the time of Government-imposed embargoes to protect the Nation's farmers from serious economic damage. It will provide the stability that is vitally needed during such times, and assure that the Nation's farm prices and commodity markets do not drop through the floor when any President decides to use agriculture commodities in international political developments.

I am hopeful that President Reagan will in the very near future keep his campaign commitment to lift this em-

bargo and endorse our legislation to lift the burden from the farmers' back.

The text of the legislation follows:

H.R. 2233

A bill to establish certain price support loan levels in the event of the suspension of export sales of agricultural commodities

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 1002 of the Food and Agriculture Act of 1977 is amended by—

(1) amending subsection (a) to read as follows:

"(a) Notwithstanding any other provision of law, whenever the President of the United States or any other member of the executive branch of the Federal Government, either directly or indirectly, suspends or causes to be suspended, the export sales of any commodity as defined in subsection (d) of this section, the Secretary of Agriculture shall, on the date the suspension is initiated, set the loan level for such commodity under the Agricultural Act of 1949, if a loan program is in effect for the commodity, as provided in this subsection. If such suspension is based upon a determination of short supply, the loan level for such commodity shall promptly be set at 90 percentum of the parity price for the commodity, as such parity price is determined on the date the suspension is initiated. If such suspension is based on reasons of national security or foreign policy, the loan level for such commodity shall promptly be set at a level not less than the average market price for such commodity during the 15 marketing days immediately preceding such suspension. Producers who receive loans based on the level established under this subsection as a result of a suspension for reasons of national security or foreign policy shall not be charged interest with respect thereto and shall be entitled to storage charges for storing any such commodity at such rate as the Secretary determines to be fair and reasonable."

(2) redesignating subsection (c) as subsection (d) and inserting a new subsection (c) to read as follows:

"(c) To the extent the Secretary employs Government purchases of any commodity as defined in subsection (d) of this section as part of a program to offset the impact of a suspension of export sales of any such commodity, the Secretary shall assure that such purchases shall include classes of the particular commodity in quantities proportionate to the quantities of those classes affected by the suspension.".

SEC. 2. The provisions of the Act shall become effective October 1, 1981: *Provided,* That if a suspension of export sales as described in section 1 of this Act occurs after January 1, 1980, and remains in effect on October 1, 1981, the loan level for any commodity to which such suspension applies shall be adjusted as provided in this Act.●

THE SOVIETS ARE NOT FOOLING ANYONE

HON. RAYMOND J. McGRATH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 2, 1981

● Mr. McGRATH. Mr. Speaker, as my colleagues are already aware, the Soviet Union recently freed Iosif Mendelevich, who was the final remaining Jewish prisoner from the first Leningrad trials. This gesture, while important, does not alter the fact that the Soviet Union remains one of the world's worst violators of human rights.

Still remaining in captivity are Yuri Feodorov and Alexei Murzhenko, two non-Jewish prisoners of conscience, as well as other notable individuals as Yuri Orlow, Victor Brailovsky, and Vladimir Slepak. There are still countless refuseniks who have been denied permission to emigrate, and the Soviet Government still supports the PLO and the terrorist governments which give the PLO aid and comfort. Until the Soviet Union commits itself to a policy of respect for human rights, such acts as the release of Iosif Mendelevich will have to be viewed for what they are—tokenism—and our efforts on behalf of human rights will have to continue unabated.

The February 27 edition of Near East Report contained an excellent editorial on this subject, and I commend it to my colleagues' attention.

WRONG SIGNAL FROM MOSCOW

Anyone who ever lent a hand to save Soviet Jewry will surely rejoice at the release last week of Yosef Mendelevich from a Soviet forced labor camp.

Wildly daring, heedless of consequences, foolhardy in the end, but not the less admirable for all that, ten young Jews—Mendelevich among them—and two young non-Jews got together 11 years ago and hatched an amateurish plot to hijack a small biplane that would fly them from Leningrad to Finland. The Jews planned to go immediately to the Promised Land. The non-Jews joined their burning hunger for freedom to the Jewish determination to shake off Soviet bondage.

It was like the Biblical tale of David and Goliath—except that this time the monster prevailed. The plot was uncovered by the secret police and they were arrested, tried, and given lengthy terms of harsh prison and forced labor.

Two lonely figures out of that decade-old drama remain incarcerated: Yuri Feodorov, a Russian, and Alexei Murzhenko, a Ukrainian.

Why was Mendelevich freed? Experience strongly suggests two related motivations: (1) It is a gesture to the Western communist parties who are attending the 26th Congress of the CPSU this week and who have long urged Moscow to reverse its anti-Jewish policies. (2) It is a signal to the U.S. that Moscow desires a relaxation of tension in order to renew talks on all outstanding issues.

A HOLLOW GESTURE

It is a hollow gesture, a cheap signal, a cynical calculation.

What kind of people do they take us for? Do they really believe American public opinion can be gulled so easily? Do they really expect that the Jewish people, which worked so hard and for so long to obtain the release of the Leningrad group, will forget their non-Jewish comrades?

Moscow must be shown that the Jewish community will forge a new solidarity around a determined worldwide campaign to seek the release of Feodorov and Murzhenko, whose only crime, like that of their Jewish comrades, was to love freedom more than discretion.

Moreover, in view of Moscow's proven sensitivity to charges of human rights violations, it is essential to press unremittingly for honest gestures, real signals that show a decent respect to the opinion of mankind. Such gestures would include: Freedom for Feodorov and Murzhenko. Release from prison of human rights leader Yuri Orlov, and of Zionist activists Vladimir Slepak, Viktor Brailovsky, Anatoly Shcharansky. Emigration permits for long-standing "refuseniks" like Alexander Lerner. Restoration of full freedom to the noblest humanitarian of our time, Andrei Sakharov.

A true signal of peaceful intent would be the cessation of Moscow's sinister policy of support, directly and through such surrogates as Cuba and Communazi East Germany, of the PLO, Libya, Syria, South Yemen and other terrorist regimes and movements that harbor only hatred for the U.S. and Western democracy.

It is time, finally, for Moscow to abandon the bizarrely irrational, futile, anti-Semitic policy it adopted in July 1967, when it ruptured relations with Israel in the wake of the Six-Day War. Such a step would signify readiness to give up mischievous provocation in the region, an intention to begin to revert to civilized international behavior.

Absent such steps, the Soviet Union can only continue to be perceived as the enemy of peace, as the antagonist that seeks only confrontation with the United States.●

THE ANNIVERSARY OF THE REPUBLIC OF LITHUANIA

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. CONTE. Mr. Speaker, the month of February commemorated the 63d anniversary of the establishment of the Democratic Republic of Lithuania. Although Lithuania is still occupied by the Soviet Union, her people continue to hope for a return to freedom and independence.

Lithuania has been under Soviet domination for more than four decades. On August 23, 1939, a nonagression treaty was concluded by leaders of Nazi Germany and the Soviet Union. These two men, Stalin and Hitler, were two of the greatest tyrants in history. The result of their pact was the forceful annexation in 1940 of the Baltic States by the Soviet Union.

The U.S. Government has never recognized the Soviet Union's annexation and has continued to recognize the diplomatic corps established by independent Lithuania. I urge the Reagan administration to support and strengthen this diplomatic representation. The people of Lithuania seek the basic human and civil rights accorded by the Helsinki agreements, and it is the responsibility of the United States to aid these people in their quest for

the right to sovereignty and the right to self-determination. I salute the people of Lithuania in their fierce struggle to regain their lost independence.●

VFW VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM CONTEST WINNER FROM ILLINOIS, MISS AMY SWEDBERG

HON. LYNN MARTIN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 2, 1981

● Ms. MARTIN of Illinois. Mr. Speaker, I am pleased to offer for your reading the winning speech by Miss Amy Swedberg of Mount Morris in the Illinois VFW voice of democracy scholarship program contest:

What should my commitment be? . . . Long hours I pondered this question, and, as I thought, I saw America in all of its shimmering splendor, stretched from sea to shining sea. I pictured the snow-capped mountains of the Alaskan wilderness, their clear streams rushing toward the ocean. I saw the sun-drenched beaches of Hawaii, the awesome redwood forests, the colorful stone sculptures of the Rockies, miles of grazing land dotted with oil wells. I envisioned golden waves of wheat . . . vast stands of timber. My eyes followed the mighty Mississippi south to cotton fields . . . traced the Great Lakes east to coal mines and steel mills, stopping at last to gaze in wonder at vibrant autumn maples lining the Eastern seaboard. I saw sturdy docks reaching out to welcome ocean-borne trade. And as I watched, the Spirit of America rose above this great panorama—a spirit rugged and strong. He spoke:

"You're wondering, my young friend, what you owe to me? Listen. Long years ago, the red man walked on my soil; he loved this land and cared for it well. Then, the white man sought my shores. From north and south he came, and for many different reasons. Some came for adventure, savoring the challenge of my uncharted waterways, my untapped wealth. Others came to breathe free air, choosing the dangers of my wilderness over the security of homelands that denied choice in matters of religion and politics. Whatever their reasons for coming, whatever their backgrounds, these people shared one trait in common: courage. They dared to face the unknown, to explore where no white man had ever set foot before; and finally, they dared to fight to insure the right of all future Americans to enjoy my bounties freely.

"Many years have passed. Men have developed the wealth and resources of my land into mines, farms, and cities with factories, churches, and, at last, great institutions of learning!

"What, then, is my advice to you, in this year 1981? First, have the courage of your forefathers! Dare to dream big dreams! Take the best I have to offer! This means, go to my universities and study under men wise in all areas: coaches to develop your body; scientists and economists to stimulate your mind; artists, musicians, and theologians to feed your soul. When you have finished, take the knowledge you have gained and give it back to me as wisdom.

"You wonder how? Be wise enough to see that my resources are used well. Be wise enough to recognize any threats against democracy, from within my boundaries or from without. Be wise enough to see the needs of your fellow beings, and treat them with compassion. Last of all, do not let the prophets of doom weaken your confidence in my future! Rather, have faith in the God of your forefathers. Do all this, and you will help pass on to posterity all the riches and glory and freedom that are now yours!" With that the vision faded.

I saw America in all of its shimmering splendor, stretched from sea to shining sea. I heard the Spirit of America speaking, and I will heed his words. With courage and faith, I will seek the wisdom to help my generation handle the freedom entrusted to its care.

This is my commitment to my country.●

HOW TO HELP EL SALVADOR

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 2, 1981

● Mr. BEREUTER. Mr. Speaker, I want to call the attention of my colleagues to an excellent editorial in the Christian Science Monitor of February 26, 1981, which suggests important ingredients for building successful international relations by this country with its Latin American neighbors. Excerpts from that article are as follows:

HOW TO HELP EL SALVADOR

The compassion of the American people goes out to the tortured land of El Salvador. Despite their own wrestlings with personal adversity, they cannot but be mindful of the bitter struggle of some four million impoverished and terrorized people to grope their way out of dark misery to a better life. The challenge for the United States, which so long neglected this corner of repression and destitution so close to home, is to foster the kind of political and economic system there which will enable Salvadorans to achieve this end. It is a challenge made difficult by the complexity of the situation.

• • • There are voices within the State Department who feel that the center-right government of President Duarte still has a viable chance of putting down the leftist guerrillas, curbing its own military right wing, and carrying out reforms to win over the masses of the people. The point is debatable. By many sobering accounts, the bulk of Salvadorans today support the leftist opposition—not because they are communists but because they have been driven to it by the brutality and violence of the military. But, at the least, Mr. Reagan ought not to supply anything more—patrol boats, equipment, and certainly not advisers—without demanding something in return. Reform must go forward and the military excesses must be curbed (rightists in the security forces are believed responsible for many more thousands of killings of civilians than the leftists). In this connection, it is appalling that nothing more is heard of the supposed investigation being made into the wanton murder of four American women—slaying thought to be at the hand of government security police. That hardly inspires confidence in the Duarte junta.

This is not to fail to appreciate President Reagan's concerns about Soviet and Cuban expansionism in Central America and the Caribbean. It is possible that, with better policing of coastal waters, El Salvador will be able to stem the flow of communist arms and thereby thwart the guerrilla movement. But the problem is not essentially a military one. It is a political and social one, and that is what had so long been overlooked by U.S. policy in the region. It is an illusion to think that Cuba or its Soviet mentor have caused the problems there. They are exploiting them, yes. But popular revolution and civil war have grown because of the failure of the local ruling oligarchies—backed by the U.S.—to promote social, economic, and political justice. They have grown because of the greed and authoritarianism of the ruling elites. In El Salvador today the rich are inordinately rich and the poor are abysmally poor and illiterate. To label the whole opposition as Cuban inspired and the poor as a part of a communist conspiracy, therefore, serves only to drive the poor into the leftist camp.

• • • Much of the ineffectiveness of past U.S. policy in Latin America can be traced to failure to give the region due attention and to heed the voices of its leaders. Mr. Reagan early on showed his interest in improving ties south of the border. He is on the right track. Mexico, for instance, takes strong exception to the U.S. approach on El Salvador. Should not the President therefore be talking to the Mexicans—and other Latin American leaders—sounding out their position, making sure he is getting advice from the realists, from those who live cheek by jowl with the nations in revolutionary turmoil? Close communication and dialogue on these and other issues would open the way to greater hemispheric cooperation in averting dangerous conflicts and internal strife.

Washington, in short, must not think that an excessively military approach is the answer to fostering social change and democracy. It cannot be ruled out that a carefully moderated supply of U.S. military aid to the El Salvador junta will, as some U.S. diplomats contend, improve the training and discipline of the Salvadoran Army and thereby reduce brutality. But any policy which does not place its primary stress on economic and social reform—on the desperate needs and tragically ignored aspirations of the Salvadoran people—is bound in the long run to fail. The U.S. policymakers must surely know this.●

OUR VIETNAM VETERANS

HON. RAYMOND J. McGRATH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 2, 1981

● Mr. McGRATH. Mr. Speaker, rightly so, our Nation gave a tremendous reception to the 52 Americans who returned from captivity in Iran. This event has focused attention on one group of Americans which was not greeted with yellow ribbons and parades when they returned home, our Vietnam veterans. Indeed, there may still be several hundred prisoners from that war who are still being held captive in Southeast Asia.

Raymond Gimmler of East Rockaway, N.Y., has written an article concerning the status of the Vietnam veteran and our MIA's, and I include it in the RECORD at this point for my colleagues' consideration:

OUR HOSTAGES AND THE VIETNAM VETERAN
(By Raymond W. Gimmler)

Since the release of our hostages on January 20th, there has been an outpouring of love and patriotism for them by all Americans. From the moment of their safe arrival in the free world, the entire media covered their every movement including the organized demonstrations in Germany, Ireland, West Point, Washington, D.C., and the Big Apple. Most of them also received large welcomes as they finally returned to their hometown, U.S.A., and this is as it should be.

However, there was one negative aspect in the media coverage. That of the publicized interviews with the Vietnam Veterans who openly complained, "that there had been no yellow ribbons or parades for them."

These heroes were evidently not aware of the many parades, vigils and demonstrations that took place in support of our fighting men.

The largest event started in New York City. Coordinated by all Veteran and Labor Organizations, it occurred on May 13, 1967 when 250,000 people marched down Fifth Avenue and millions cheered the eight-and-one-half-hour parade in support of our men in Vietnam. This writer was proud and honored to have organized and chaired this patriotic event.

Like now, the mood was also right for demonstrating for our military men and women. The silent majority had in a way been held hostage to so-called anti-war demonstrations, draft cards and American flag burnings, etc. There was need to show our heroic men and women that they had the love, prayers and backing of the vast majority of patriotic Americans.

The longest and only parade by the people in any recent U.S. war made front-page news and was seen and heard around the world—if only for a brief moment. Other events supporting our military quickly followed. Auto lights throughout the country were turned on in the daytime in conjunction with five large parades in the Metropolitan area, and motorcades converged on Washington, D.C., urging our government to free the men of The Pueblo.

"Honor America Week" took place as did vigils and petitions to support civilized treatment for our captured POWs. Demands for the accounting of the MIA's were demonstrated annually in Washington, D.C. and by other hometown events for over 1,300 men missing in action.

On March 31, 1973, a thousand Army, Navy, Marine and Air Force servicemen who had served in Vietnam were invited to lead the "Home With Honor" parade. A total of 150,000 citizens proudly followed them up Broadway in New York City. Never before in any war had such demonstrations by the people taken place.

No doubt during the Vietnam war many Americans were silent or confused, but the vast majority were in support of our men and women in the service. Some prayed for our troops, others sent gift packages and many tried to show that they appreciated them fighting this long, unpopular war.

Despite all these efforts, we evidently failed in our mission to have the Vietnam Veteran know we supported him—not necessarily the war. This was evident again by their recent statements during the welcoming of our 52 returnees.

We cannot continue to fail this large loyal group of Americans who gave so much. Two past presidents have all but ignored the MIA issue. Let's pray that our new President acts with concern for these all-but-forgotten heroes and their families. If there is one single American held prisoner anywhere, we should demand and obtain his or her freedom.

Once again, we are a united nation knowing that we are free Americans. Our new administration in Washington, D.C., and the people can do what is necessary to reverse the feelings of our Vietnam Veteran. No parades or yellow ribbons will be necessary if we provide jobs, security, education, medical care and rehabilitation for all our veterans. If this is accomplished, then and only then will the Vietnam Veteran finally realize that his loyalty and sacrifices were appreciated—not forgotten.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, March 3, 1981, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MARCH 4

8:30 a.m.
Armed Services
Strategic and Theater Nuclear Forces Subcommittee
To resume closed hearings on proposed authorizations for fiscal year 1982 for the Department of Defense, receiving testimony on strategic defense programs.
224 Dirksen Building

*Governmental Affairs
Oversight of Government Management Subcommittee
To hold hearings to review Governmentwide debarment and suspension practices.
3302 Dirksen Building

9:00 a.m.
Agriculture, Nutrition, and Forestry
Business meeting, to consider S. 509, repealing authority for a semi-annual increase in dairy price supports, and to consider those items in the President's budget for fiscal year 1982 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Committee on the Budget.
324 Russell Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Water Research and Technology, Department of the Interior, the Holocaust Memorial Commission, and the Advisory Council on Historic Preservation.
1318 Dirksen Building

Armed Services
Sea Power and Force Projection Subcommittee
To hold open and closed hearings to examine the current worldwide naval sea power situation.
212 Russell Building

Select on Intelligence
Closed business meeting.
S-126, Capitol

9:30 a.m.
*Banking, Housing and Urban Affairs
To resume hearings on the conduct of monetary policy.
5302 Dirksen Building

Labor and Human Resources
To hold hearings on S. 234, to encourage the establishment of home health programs and to provide expanded coverage of home health services under the medicare and medicaid programs
4232 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for educational, rehabilitation, and research programs for the handicapped, Department of Education.
1114 Dirksen Building

Commerce, Science, and Transportation
To hold hearings on the nominations of John M. Fowler, of Pennsylvania, to be General Counsel, Robert W. Blanchette, of Maryland, to be Administrator, Federal Railroad Administration, Judith T. Connor, of New York, to be Assistant Secretary of Transportation, and Lee L. Verstandig, of the District of Columbia, to be Assistant Secretary of Transportation, all of the Department of Transportation.
235 Russell Building.

Environment and Public Works
To resume hearings to review those items in the President's budget for fiscal year 1982 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee, receiving testimony from officials of the Environmental Protection Agency.
4200 Dirksen Building

Foreign Relations
Closed briefing by officals of the Central Intelligence Agency on worldwide intelligence matters.
Room S-407, Capitol

2:00 p.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain energy research and environmental programs of the Department of Energy.
S-128, Capitol

Appropriations
*Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain student financial assistance and higher education programs, and educational research and training activities overseas.
1114 Dirksen Building

Armed Services
To hold hearings on proposed budget amendments to the authorizations for the Department of Defense.
235 Russell Building

Energy and Natural Resources
Business meeting, to consider S. 573, extending the antitrust exemption for oil companies that participate in the agreement on an international energy program, and other pending calendar business.
3110 Dirksen Building

Environment and Public Works
To continue hearings to review those items in the President's budget for fiscal year 1982 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee, receiving testimony from officials of the U.S. Fish and Wildlife Service.
4200 Dirksen Building

Foreign Relations
To resume hearings on the United States-Iranian agreement relating to the release of the American hostages.
4221 Dirksen Building

MARCH 5

8 a.m.
Armed Services
Tactical Warfare Subcommittee
To resume closed hearings on proposed authorizations for fiscal year 1982 for certain Army programs of the Department of Defense.
212 Russell Building

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

Foreign Relations
Arms Control, Oceans and International Operations, and Environment Subcommittee
To hold hearings on the proposed Law of the Seas treaty.
4221 Dirksen Building.

9:30 a.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the International Trade Commission, Chrysler Loan Guarantee Board, and the Japan-United States Friendship Commission.
Room S-146, Capitol

Banking, Housing and Urban Affairs
International Finance and Monetary Policy Subcommittee
To resume hearings on S. 144, to promote the formation of U.S. export trading companies to expand export participation by small U.S. companies.
5302 Dirksen Building

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building

Finance
To hold hearings and to consider the nominations of Paul C. Roberts, of Virginia, and John E. Chapoton, of Texas, each to be an Assistant Secretary of the Treasury, and the prospective nomination of Roscoe L. Egger, Jr., of the District of Columbia, to be Commissioner, Internal Revenue Service, all of the Department of the Treasury.
2221 Dirksen Building

Governmental Affairs
Oversight of Government Management Subcommittee
To continue hearings to review Governmentwide debarment and suspension practices.
3302 Dirksen Building

Judiciary
To hold oversight hearings to review the Administration's budget recommendations of the Federal Trade Commission.
2228 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain school improvement programs, special institutions, and Howard University of the Department of Education.
1114 Dirksen Building

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the U.S. Coast Guard, Department of Transportation.
1224 Dirksen Building

Environment and Public Works
To continue hearings to review those items in the President's budget for fiscal year 1982 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee, receiving testimony from officials of the Economic Development Administration, Appalachian Regional Commission (title V), and the Federal Emergency Management Agency.
4200 Dirksen Building

Select on Intelligence
To resume closed hearings on proposed authorizations for fiscal year 1982 for intelligence activities of the United States.
S-407, Capitol

2:00 p.m.
*Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Institute of Education, fund for the improvement of postsecondary education, and educational statistics, Department of Education.
1114 Dirksen Building

Select on Ethics
Business meeting, to further consider the proposed revisions to the Senate Code of Official Conduct.
EF-100, Capitol

MARCH 6

8:30 a.m.
Armed Services
Strategic and Theater Nuclear Forces Subcommittee
To resume closed hearings on proposed authorizations for fiscal year 1982 for the Department of Defense, receiving testimony on strategic command, control and communications programs.
224 Dirksen Building

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

Labor and Human Resources
Business meeting, to consider those matters and programs which fall within the committee's jurisdiction with a view toward submitting its views and budgetary recommendations to the Committee on the Budget by March 15.
4232 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Social Security Administration and certain refugee programs, Department of Health and Human Services.
1114 Dirksen Building

Environmental and Public Works
To hold hearings on S. 533, establishing public buildings policies for the Federal Government, permanently establishing the Public Buildings Service in the General Services Administration, authorizing funds for fiscal year 1982 for the construction, renovation, and maintenance of public buildings and related activities of the Public Buildings Service.
4200 Dirksen Building

Foreign Relations
To hold hearings on issues relating to Central America, focusing on the situation in El Salvador.
4221 Dirksen Building

Rules and Administration
To hold hearings on the proposed extension of the West Front of the Capitol Building, the status and progress of construction of the Hart Senate Office Building, proposed modifications to the Russell and Dirksen Senate Office buildings, and to review the U.S. Capitol Master Plan.
301 Russell Building

Joint Economic
To hold hearings on the employment/unemployment situation for the month of February.
2128 Rayburn Building

MARCH 9

8:00 a.m.
Appropriations
Legislative Branch Subcommittee
To hold hearings on budget estimates for fiscal year 1982 for offices of the Secretary of the Senate, Sergeant at Arms and Doorkeeper, Legal Counsel, Financial Clerk, Joint Economic Committee, and the Joint Committee on Printing.
S-128, Capitol

9:00 a.m.
Agriculture, Nutrition, and Forestry
To resume hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

9:30 a.m.
Finance
International Trade Subcommittee
To hold hearings on S. 396, to restrict importation of automobiles from

Japan for a temporary period, and on the current situation of the domestic auto industry.
2221 Dirksen Building

10:00 a.m.
Environment and Public Works
To resume hearings on S. 533, establishing public buildings policies for the Federal Government, permanently establishing the Public Buildings Service in the General Services Administration, authorizing funds for fiscal year 1982 for the construction, renovation, and maintenance of public buildings and related activities of the Public Buildings Service.
4200 Dirksen Building

Select Committee on Small Business
To hold hearings on the role of small business in the Nation's economy recovery.
424 Russell Building

2:00 p.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

MARCH 10

8:00 a.m.
Appropriations
Legislative Branch Subcommittee
To hold hearings on budget estimates for fiscal year 1982 for the Congressional Budget Office, and the Office of the Architect of the Capitol.
S-128, Capitol

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for Indian health service programs, and the Bureau of Land Management, Department of Interior.
1318 Dirksen Building

9:30 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Institute of Building Science, Federal Home Loan Bank Board, National Credit Union Administration, and the Office of Revenue Sharing (NYC).
1224 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Supreme Court of the United States, and other activities of the judicial branch.
S-146, Capitol

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building

Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold oversight hearings on the implementation of Head Start.
3110 Dirksen Building

Labor and Human Resources
Labor Subcommittee
To hold hearings on S. 398, permitting certain employees to work four 10-hour days.
4232 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Community Services Administration.
1114 Dirksen Building.

*Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Interstate Commerce Commission, Washington Metropolitan Area Transit Authority (Metro), and the Architectural and Transportation Barriers Compliance Board.
S-126, Capitol

Environment and Public Works
Business meeting, to consider those matters and programs which fall within the Committee's jurisdiction with a view toward submitting its views and budgetary recommendations to the Committee on the Budget by March 15.
4200 Dirksen Building

Judiciary
Business meeting, to consider pending calendar business.
2228 Dirksen Building

Select on Intelligence
To resume closed hearings on proposed authorizations for fiscal year 1982 for intelligence activities of the United States.
S-407, Capitol

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Mediation and Conciliation Service, the National Labor Relations Board, the National Mediation Board, the Occupational Safety and Health Review Commission, and the Federal Mine Safety and Health Review Commission
1114 Dirksen Building

MARCH 11

8:00 a.m.
Appropriations
Legislative Branch Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Library of Congress, Government Printing Office, and the Copyright Royalty Tribunal.
S-126, Capitol

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

Select on Intelligence
To continue closed hearings on proposed authorizations for fiscal year 1982 for intelligence activities of the United States.
S-407, Capitol

9:30 a.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the U.S. Metric Board and the Marine Mammal Commission.
S-146, Capitol

Judiciary
Constitution Subcommittee
To hold hearings on miscellaneous proposals to balance the Federal budget.
2228 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Railroad Retirement Board, domestic operations programs of ACTION, and the Soldiers' and Airmen's Home.
1114 Dirksen Building

Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on proposed legislation authorizing funds for the U.S. Fire Administration of the Federal Emergency Management Agency.
235 Russell Building

Environment and Public Works
Business meeting, to continue consideration of those matters and programs which fall within the Committee's jurisdiction with a view toward submitting its views and budget recommendations to the Committee on the Budget by March 15.
4200 Dirksen Building

2:00 p.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Corporation for Public Broadcasting, the National Commission on Libraries and Information Science, and the President's Commission on Ethical Problems in Medicine.
1114 Dirksen Building

MARCH 12

8:00 a.m.
Appropriations
Legislative Branch Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the General Accounting Office, and the Office of Technology Assessment.
S-126, Capitol

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Heritage Conservation and Recreation Service, Department of the Interior.
1114 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building

Judiciary
To resume oversight hearings to review the administration's budget recommendations of the Federal Trade Commission.
2228 Dirksen Building

Labor and Human Resources
Labor Subcommittee
To hold hearings on S. 351, to transfer certain surface mining operations from the Mine Safety and Health Administration to the Occupational Safety and Health Administration, and other pertinent proposals.
4232 Dirksen Building

10:00 a.m.
Appropriations
*Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Highway Traffic Safety Administration, Department of Transportation.
1318 Dirksen Building

Environment and Public Works
To mark up S. 533, establishing public buildings policies for the Federal Government, permanently establishing the Public Buildings Service in the General Services Administration, authorizing funds for fiscal year 1982 for the construction, renovation, and maintenance of public buildings and related activities of the Public Buildings Service.
4200 Dirksen Building

1:00 p.m.
*Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

MARCH 13

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

9:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on proposed authorizations for fiscal years 1982 and 1983 for the National Railroad Passenger Corporation (Amtrak).
235 Russell Building

MARCH 16

9:00 a.m.
Agriculture, Nutrition, and Forestry
To resume hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

10:00 a.m.
*Appropriations
*Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Urban Mass Transportation Administration, Department of Transportation.
1318 Dirksen Building

2:00 p.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

MARCH 17

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings to review the proposed budget for fiscal year 1982 for the Department of Agriculture.
1223 Dirksen Building

Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Veterans' Administration.
1224 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Attorney General, Department of Justice.
S-146, Capitol

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To resume hearings on proposed authorizations for fiscal years 1982 and 1983 for the National Railroad Passenger Corporation (Amtrak).
1202 Dirksen Building

Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold hearings on proposed legislation authorizing funds for the Older Americans Act.
4232 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

Energy and Natural Resources
Energy and Mineral Resources Subcommittee
To hold hearings to examine the current supply situation of anthracite coal used for home heating and future trends in this area.
3110 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

MARCH 18

9:00 a.m.
Select on Intelligence
To resume closed hearings on proposed authorizations for fiscal year 1982 for intelligence activities of the United States.
S-407, Capitol

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the office of Inspector General, Department of Agriculture, and the General Accounting Office.
1224 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Bureau of Investigation, offices of U.S. Attorneys, U.S. Marshals Service, and bankruptcy trustees, Department of Justice.
S-146, Capitol

Labor and Human Resources
Employment and Productivity Subcommittee
To hold hearings on proposed legislation on youth employment.
4232 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

MARCH 19

9:00 a.m.
Agriculture, Nutrition, and Forestry
To resume hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Science and Education Administration, Office of the Secretary, Departmental Administration, Office of Governmental and Public Affairs, and the Office of the General Counsel, Department of Agriculture.
1224 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Immigration and Naturalization Service of the Department of Justice, and the Coordinating Council on Juvenile Justice and Delinquency Prevention.
S-146, Capitol

Labor and Human Resources
Employment and Productivity Subcommittee
To continue hearings on proposed legislation on youth employment.
4232 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

Select on Intelligence
To continue closed hearings on proposed authorizations for fiscal year 1982 for intelligence activities of the United States.
S-407, Capitol

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

MARCH 20

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

9:30 a.m.
Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain public health categorical programs of the Department of Health and Human Services.
4232 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building.

*Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Highway Administration, Department of Transportation.
1318 Dirksen Building

MARCH 23

9:00 a.m.
Agriculture, Nutrition, and Forestry
To resume hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

9:30 a.m.
Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for national centers for health statistics, health services research and health care technology programs, national research service awards, and medical library assistance programs.
4232 Dirksen Building

10:00 a.m.
*Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Railroad Administration, Department of Transportation, and the National Railroad Passenger Corporation (Amtrak).
1114 Dirksen Building

2:00 p.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

MARCH 24

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Foreign Agricultural Service, Office of International Cooperation and Development, Federal Crop Insurance Corporation, Economics and Statistics Service, and the World Food and Agricultural Outlook and Situation Board.
1223 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold oversight hearings to review supplemental assistance and restructuring policies for Consolidated Rail Corporation (Conrail), and on proposed authorizations for fiscal year 1982 for the U.S. Railway Association.
235 Russell Building

Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold hearings on proposed legislation authorizing funds for low income energy assistance programs.
5302 Dirksen Building

Labor and Human Resources
Labor Subcommittee
To hold hearings on S. 348, to increase job opportunity by allowing employers to pay young people the minimum wage at a reduced rate.
4232 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Drug Enforcement Administration, and prison service programs, Department of Justice.
S-146, Capitol

MARCH 25

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for alternative fuel programs and the Economic Regulatory Administration, Department of Energy.
1114 Dirksen Building

9:30 a.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the office of the Secretary, general administration, Economic Development Administration, and the Regional Action Planning Commissions, Department of Commerce.
S-146, Capitol

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To continue oversight hearings to review supplemental assistance and restructuring policies for Consolidated Rail Corporation (Conrail), and on proposed authorizations for fiscal year 1982 for the U.S. Railway Association.
5110 Dirksen Building

Labor and Human Resources
Alcoholism and Drug Abuse Subcommittee
To hold hearings on proposed legislation authorizing funds for the Comprehensive Alcohol Abuse and Alcholism Prevention, Treatment and Rehabilitation Act.
2228 Dirksen Building

Labor and Human Resources
Labor Subcommittee
To continue hearings on S. 348, to increase job opportunity by allowing employers to pay young people the minimum wage at a reduced rate.
4232 Dirksen Building

2:00 p.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agricul-

ture programs administered by the Department of Agriculture.
322 Russell Building

MARCH 26

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture
322 Russell Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of the Interior and certain related agencies.
1114 Dirksen Building

9:30 a.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Natinal Oceanic and Atmospheric Administration, and the Maritime Administration, Department of Commerce.
S-146, Capitol

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building

Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain public health professional education and nurse training programs of the Department of Health and Human Services.
4232 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of State; and to review certain foreign assistance programs.
S-126 Capitol

MARCH 27

9:30 a.m.
Labor and Human Resources
To resume hearings on proposed legislation authorizing funds for certain public health categorical programs of the Department of Health and Human Services.
4232 Dirksen Building

MARCH 30

9:30 a.m.
Labor and Human Resources Alcoholism and Drug Abuse Subcommittee
To hold hearings on proposed legislation authorizing funds for the Drug Abuse Prevention, Treatment and Rehabilitation Act.
4232 Dirksen Building

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Aviation Administration, Department of Transportation.
1114 Dirksen Building

MARCH 31

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Soil Conservation Service, Agricultural Stabilization and Conservation Service, and the Animal and Plant Health Inspection Service, Department of Agriculture.
1223 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the International Trade Administration, Scientific and Technical Research Service, and the Patent and Trademark Office, Department of Commerce.
S-126, Capitol

Labor and Human Resources
To hold hearings to review family planning programs.
4232 Dirksen Building

10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Management and Budget.
S-146, Capitol

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Agency for International Development; and to continue review of certain foreign assistance programs.
S-126, Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the White House Office, Office of Administration, official residence of the Vice President, executive residence, special assistance to the President, compensation of the President, and other unanticipated needs.
S-146, Capitol

APRIL 1

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Bureau of Indian Affairs, Department of the Interior.
1114 Dirksen Building

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Farmers Home Administration, Rural Electrification Administration, and the Farm Credit Administration.
1223 Dirksen Building

Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Emergency Management Agency and the Selective Service System.
S-126, Capitol

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the economic and statistical analysis program, U.S. Census Bureau, National Telecommunications and Information Administration, and the Minority Business Development Agency, Department of Commerce.
S-146, Capitol

Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain adolescent pregnancy programs of the Department of Health and Human Services.
4232 Dirksen Building

10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Secretary of the Treasury.
1224 Dirksen Building

2:00 p.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Secretary, international affairs programs, Bureau of the Mint, Bureau of Engraving and Printing, and Bureau of Government Financial Operations of the Department of the Treasury.
1224 Dirksen Building

APRIL 2

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Surface Mining Reclamation and Enforcement, Department of the Interior; and the Smithsonian Institution.
1114 Dirksen Building

9:00 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1982 from officials of Paralyzed Veterans of America, Blinded Veterans Association, Military Order of the Purple Heart, and Veterans of World War I.
412 Russell Building

10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the U.S. Postal Service.
S-146, Capitol

11:00 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1982 from AMVETS.
412 Russell Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the

Agency for International Development, and certain foreign assistance programs.
S-126, Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the U.S. Customs Service, U.S. Secret Service, Federal Law Enforcement Training Center, and the Bureau of Alcohol, Tobacco and Firearms.
S-146, Capitol

APRIL 3

10:00 a.m.
Appropriations
*Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of Transportation and related agencies.
1114 Dirksen Building

APRIL 6

9:30 a.m.
Labor and Human Resources
Alcoholism and Drug Abuse Subcommittee
To hold hearings on proposed legislation authorizing funds for the Alcohol and Drug Abuse Education Act.
4232 Dirksen Building

10:00 a.m.
Appropriations
*Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the U.S. Railway Association and Consolidated Rail Corporation (Conrail).
1114 Dirksen Building

APRIL 7

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Food and Nutrition Service, and the Food Safety and Quality Service, Department of Agriculture.
1223 Dirksen Building

Labor and Human Resources
To hold hearings on proposed authorizations for fiscal year 1982 for the National Science Foundation.
4232 Dirksen Building

10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the General Services Administration.
1318 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Agency for International Development, and certain foreign assistance programs.
S-126, Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Personnel Management, Merit Systems Protection Board and Special Counsel, Federal Labor Relations Authority, Advisory Commission on Intergovernmental Relations, Advisory Committee on Federal Pay, Commission on Executive, Legislative and Judicial Salaries, and the President's Commission on Pension Policy.
1318 Dirksen Building

APRIL 8

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Secretary and the Office of the Solicitor, Department of the Interior.
1114 Dirksen Building

9:30 a.m.
*Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Science and Technology Policy, Council on Environmental Quality, and the National Regulatory Council.
S-126, Capitol

Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain health maintenance organizations of the Department of Health and Human Services.
4232 Dirksen Building

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Department of Transportation.
1224 Dirksen Building

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Administrative Conference of the United States, Federal Elections Commission, Office of Federal Procurement Policy, Domestic Policy Staff, U.S. Tax Court, and the Committee for Purchase from the Blind and Other Severely Handicapped.
1318 Dirksen Building

APRIL 9

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for strategic petroleum reserve programs, the Energy Information Administration, and naval petroleum reserve programs, Department of Energy.
1114 Dirksen Building

9:30 a.m.
Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold hearings on proposed legislation authorizing funds for the Domestic Volunteer Services Act.
4232 Dirksen Building

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Secretary, Department of Transportation, and to review proposed budgetary recommendations.
S-126, Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Internal Revenue Service, and the savings bond division of the Bureau of the Public Debt.
1318 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain international security assistance programs of the Department of State.
S-126, Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Council of Economic Advisers, National Security Council, and the Council on Wage and Price Stability.
1318 Dirksen Building

APRIL 21

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for Forest Service programs, the Office of the Federal Inspector for the Alaska Natural Gas Transportation System, and the Pennsylvania Avenue Development Corporation.
1114 Dirksen Building

9:30 a.m.
Labor and Human Resources
To resume hearings on alleged sex discrimination in the workplace.
4232 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1224 Dirksen Building

APRIL 22

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Secretary of Energy.
1114 Dirksen Building

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Food and Drug Administration, Commodity Futures Trading Commission, Agricultural Marketing Service, Federal Grain Inspection Service, Office of Transportation, and the Agricultural

Cooperative Service, Department of Agriculture.
1223 Dirksen Building

Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Environmental Protection Agency.
1318 Dirksen Building

Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain community/migrant health centers and the National Health Service Corps of the Department of Health and Human Services.
4232 Dirksen Building

APRIL 23

9:30 a.m.
Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold hearings on proposed legislation authorizing funds for certain child abuse and adoption opportunity programs.
4232 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1224 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for certain international aid programs of the Department of State.
S-126, Capitol

APRIL 28

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Endowment for the Arts and the National Endowment for the Humanities.
1114 Dirksen Building

9:30 a.m.
Labor and Human Resources
Labor Subcommittee
To hold oversight hearings on the implementation of the Davis-Bacon Act.
4232 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1224 Dirksen Building

Labor and Human Resources
Education Subcommittee
To hold hearings to review certain educational programs.
5110 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain international monetary programs of the Department of Treasury.
S-126, Capitol

APRIL 29

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Consumer Cooperative Bank, and the Consumer Product Safety Commission.
1318 Dirksen Building

Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold oversight hearings on the implementation of the Economic Opportunity Act.
457 Russell Building

Labor and Human Resources
Labor Subcommittee
To continue oversight hearings on the implementation of the Davis-Bacon Act.
4232 Dirksen Building

10:00 a.m.
Labor and Human Resources
Education Subcommittee
To continue hearings to review certain educational programs.
6226 Dirksen Building

APRIL 30

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Park Service, Department of the Interior.
1114 Dirksen Building

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Science Foundation.
1318 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1224 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the multilateral development banks of the Department of the Treasury.
S-126, Capitol

MAY 5

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Export-Import Bank of the United States.
S-126, Capitol

MAY 6

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Geological Survey, Department of the Interior.
1223 Dirksen Building

MAY 7

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for conservation and fossil energy programs.
1223 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia
1114 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Agency for International Development, and certain international aid programs.
S-126, Capitol

MAY 12

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Aeronautics and Space Administration.
1224 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Peace Corps.
S-126, Capitol

MAY 13

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Commission of Fine Arts, the National

Gallery of Art, and the Bureau of Mines, Department of the Interior.
1223 Dirksen Building

MAY 14

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Territorial Affairs, Department of the Interior.
1223 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain international programs.
S-126, Capitol

MAY 19

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

MAY 20

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development.
1224 Dirksen Building

MAY 21

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development, and the Neighborhood Reinvestment Corporation.
1224 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

JUNE 2

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development, and certain independent agencies.
1224 Dirksen Building

SENATE—*Tuesday, March 3, 1981*

(Legislative day of Monday, February 16, 1981)

The Senate met at 3 p.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson LL.D., offered the following prayer:

Let us pray.

Gracious God, our Heavenly Father, we pray for those without whom the Senate could not do its work. We pray first for the Senators' families. Protect spouses and children from all the forces peculiar to this city that are so destructive to marriage and the home. Enable the Senators to give priority to them in time, interest, and love. Preserve their families in health and strength, O God, by Thy grace and power.

We commend Senator DOLE and others who are ill for restoration to health. We commend Mrs. Stennis and Mrs. Randolph for comfort and care.

We pray for the Senators' staffs, O God, for their faithful service which frees the leaders for their tasks and provides them with the materials to legislate effectively.

We pray for all the men and women who help in the Senate—for the Sergeant at Arms and his staff, for the Secretary and his staff, for the Secretaries of the majority and the minority and their staffs, for the Parliamentarians, for the CONGRESSIONAL RECORD staff, for the Journal keepers, for the reading clerks, for those who administer the cloak rooms, for Doorkeepers and police, for pages and elevator operators. Bless these loyal friends and their families and dear God, help us to love one another as Thou dost love us.

Of special concern is the city of Atlanta. We pray especially for those who have lost children, for those who must resolve the problem and those who precipitated it.

We ask this in the Saviour's name. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

THE JOURNAL

Mr. BAKER. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR PERIOD FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that following the time allocated to the two leaders under the standing order and the special order for the recognition of the distinguished senior Senator from Virginia (Mr. HARRY F. BYRD, JR.) there be a period for the transaction of routine morning business not to exceed 30 minutes in length, and that Senators may be permitted to speak therein for not more than 5 minutes each.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, I have no need for the remainder of my time under the standing order. I am prepared to reserve it or yield it back.

I see the distinguished Senator from Arizona (Mr. GOLDWATER) in the Chamber. I would inquire if he needs any time and I would ask the distinguished minority leader if he would require any further time this morning.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished majority leader. I have no need for his time today.

Mr. BAKER. Mr. President, I yield 5 minutes of my time under the standing order to the Senator from Arizona.

(The remarks of Mr. GOLDWATER in connection with the introduction of legislation, are printed in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

ORDER FOR RECESS UNTIL THURSDAY, MARCH 5, 1981, AT 11 A.M.

Mr. BAKER. Mr. President. I ask unanimous consent that when the Senate completes its business today, it stand in recess until 11 a.m., Thursday, March 5, 1981.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR DOMENICI ON THURSDAY, MARCH 5, 1981

Mr. BAKER. Mr. President, I ask unanimous consent that on Thursday, after the recognition of the two leaders under the standing order, the Senator from New Mexico (Mr. DOMENICI) be recognized for not to exceed 15 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I am prepared to yield back the remainder of my time. Mr. President, I do yield back the remainder of my time under the standing order.

RECOGNITION OF THE MINORITY LEADER

The PRESIDENT pro tempore. Under the previous order, the minority leader is recognized.

Mr. ROBERT C. BYRD. Mr. President, I yield my time to the Senator from Virginia (Mr. HARRY F. BYRD, JR.).

The PRESIDENT pro tempore. The Senator from Virginia is recognized.

NEEDED: A STRATEGIC MINERALS POLICY

Mr. HARRY F. BYRD, JR. Mr. President, approximately 2 years ago I suggested certain actions to the Congress and to the administration which if adopted would define a strategy to protect vital security interests of the industrialized nations. Little positive action was taken by the 96th Congress or the Carter administration to support such a strategy.

Accordingly, I must once again—at the beginning of a new Congress and a new administration—express my continuing concern for a coherent strategy with respect to the availability and utilization of raw materials so important to the future of this Nation. Our Nation and other industrialized nations must take early initiatives to address and develop a total minerals policy.

During the time that our forefathers were struggling to right the wrongs under George III, several nations were struggling to become a part of what we know as the Industrial Revolution. After the unpleasantness with our mother country had been resolved, our young Nation truly entered into the industrial phenomenon. Our participation early-on was as a supplier of raw material—principally grain, cotton, furs, and tobacco to those first industrialized nations.

While we exported raw materials, we began to enter into the Industrial Revolution as a producer of goods. Our forefathers were blessed in that they learned the art of industrialization, possessed water power, and raw materials—including minerals from Earth. It has been estimated that the annual per capita consumption of minerals at the time of the American Revolution was about 1,200 pounds. By volume, sand and gravel dominated; however, lime, coal, and iron increased annually in volume; and copper, lead, potash, nitrates, sulfur, and zinc were minerals of early importance.

Our new Nation grew in size as the

Industrial Revolution grew in intensity. Fortunately, each new addition to the country brought new material wealth.

Utilizing sea trade in the 19th century, we began to import as well as export certain materials to feed our industrial growth. By the 20th century this industrial strength exceeded that of any other nation, and our standard of living exceeded the dreams of any other nation.

It is estimated that the current annual consumption of nonfuel minerals is about 41,000 pounds per person—about 4½ billion tons of new minerals are needed each year to sustain the U.S. economy. This volume is to sustain the current economy—more if we are to grow.

The National Government has played a major role in the evolution of the domestic mineral quandary in which we find ourselves today.

In the 1960's the Federal Government began a new program; it began to restrict mineral mining on Government land. However, by 1969, 83 percent of Federal land was still open to mining.

Congress was concerned with what appeared to be an oncoming mineral problem, and it passed the Mining and Minerals Policy Act of 1970. The stated policy of that act was to encourage the development of domestic energy and mineral resources.

Despite this stated policy, since the passage of this act, the National Government has discouraged the development of domestic energy and minerals. Other legislative and executive branch actions have set us on the road to a disastrous situation in which we find ourselves at this time.

The big landowner in this country is the Federal Government. It owns over 775 million acres of onshore land—approximately one-third of all land in the Nation. It has acquired some 6 million acres in the past decade, and every year it takes more from its citizens.

It is on this land that fabulous volumes of known and unknown minerals are located. It is on this land that these minerals will remain as long as our present procedures continue. It is estimated that 70 percent of Federal land is moderately or totally restricted from mineral entry.

In the past 4 years extensive land withdrawals, both de jure and de facto have been made. These withdrawals in the main have taken land areas from multipurpose agencies, transferring these areas to single purpose agencies.

Withdrawal of Federal lands does not tell the entire story, for we do not know the total adverse impact on development and production operation on lands adjacent to these withdrawal areas.

Congress in its wisdom, or lack thereof, has impeded mining, processing, and manufacturing on private lands by the passage of several acts which delay, make more costly, or in fact preclude mining, processing, and manufacturing. Illustrations, and I use these as illustrations only, are the clean air and water amendments.

Whereas these amendments are noble in purpose, restrictive requirements resulting from them have the potential for substantially inhibiting mineral exploration or extraction on private lands. No one knows the magnitude of these restrictions on the economy and our standard of living.

However, it is safe to say that these acts are not balanced. When one realizes that Congress has given to the EPA the power to close a production facility simply because it may be seen in the distance from a class I area—pristine air—then it is safe to say that Congress has gone too far.

I am not suggesting at this time that we should repeal any legislation, but I am saying that we should begin immediately to determine the impact of legislation and subsequent regulations on mineral exploration, mining, development, and manufacturing. There must be balance in our policies.

A country normally uses the richest and most readily available resources first. This we have done. As these are exhausted, new sources are found.

In the past, market forces have determined the development of new mineral sources. It is more economical for any nation to develop high grade, readily available mineral deposits. Accordingly, the United States and other industrialized nations have done this.

We have, for economic reasons, become more dependent on high-grade deposits wherever they exist in the world; thus, high-grade mineral resources have been established on a global scale in that certain mineral resource areas serve most of the industrialized countries.

If the standard of living of the masses of people throughout the world is to improve, then the output of goods from manufacturing, the industrialized nations, must increase in order to provide these goods. The worldwide population is increasing faster than the rate of economic growth.

There are about 100 categories of nonfuel minerals, depending on the manner used to identify categories of minerals.

Some of these categories represent groups of related materials in which several types are used for different purposes. These are the minerals which have allowed us to sustain our way of life and attain our standard of living. They are absolutely necessary for any industrialized economy.

Let us look closely at some of these minerals: Cobalt, bauxite, chromium, manganese, and platinum. These are essential to peacetime and wartime.

It is important to remember that the United States has imported over 90 percent of each of these minerals for the past several years, and it is equally important to remember that we must import over 90 percent of these minerals in the foreseeable future.

Cobalt is essential for the production of jet engines, magnetic materials for electronics application, metal cutting, and mineral tools. Major end uses are transportation, aerospace, electrical/electronics, machinery, paints, chemicals, and ceramics. Import sources are Zaire, Belgium, Zambia, and Finland. Zaire and Zambia account for about half of the known resource base. The 1979 recycling effort is estimated at 3 percent. We imported 97 percent in 1979.

Bauxite is largely reduced to alumina and aluminum metal with most of the remainder going to refractories, chemicals, packaging, mechanical equipment, and abrasives. Import sources are Jamaica, Australia, Surinam, and Guinea. All continents possess considerable quantities with the exception of North America. There is some recycling of aluminum metals, yet it is minimal. We imported 93 percent in 1979.

Chromium is used mainly by metallurgical, refractory, and chemical industries. Whereas there is wide end use of chromium, transportation, construction, machinery, and equipment use the greatest percentages. We import from South Africa and the Union of Soviet Socialist Republics. Zimbabwe, South Africa, and Russia account for over 90 percent of the known resource base. The 1979 recycling effort was estimated at 8 percent. We imported over 90 percent of our chromium in 1979.

Manganese is largely converted to ferromanganese, and the chief use is for steel production. Most of the remainder goes to pig iron, dry cell batteries, and various chemical processes. End use goes to many different industries. However, transportation, machinery, and construction are the major ones. Manganese is imported from Gabon, Brazil, France, and South Africa. South Africa and the Union of Soviet Socialist Republics account for over 80 percent of the known resource base. There is insignificant recycling. In 1979, we imported 98 percent of our needs.

Platinum-group metals are used to a large extent in automobiles, chemical processing, electrical industry, and petroleum refining as catalysts. We import from South Africa, the Union of Soviet Socialist Republics, and the United Kingdom. South Africa and the Union of Soviet Socialist Republics account for over 90 percent of the known resource base. Recycling accounted for about 10 percent in 1979, and we imported 90 percent.

These five minerals are illustrative of our dependence on foreign sources in transportation, electronics, manufacturing, mining, chemical processing, and construction. Whether it be automobiles or tanks, airliners or jet fighters, housing developments or naval shipyards, a continued flow or an adequate stockpile is absolutely necessary.

We could add greatly to this list if we took the time. In 1979 we imported 100 percent of the columbium, mica, strontium, and rutile titanium which our in-

dustry used. In over 30 other instances, we imported more than 50 percent of minerals essential to our economy.

My concern spreads across all 100 minerals in normal or abnormal times; however, I should like, at this point, to address part of these minerals—those minerals that are a part of the national stockpile—what we call critical and strategic.

Long before the Industrial Revolution, we learned about stockpiling. In the 41st chapter of Genesis we find an early example. Pharaoh dreamed about seeing the seven lean cows eat the seven fat cows that had preceded them from the Nile. Then he dreamed that seven thin ears of grain swallowed seven good ears of grain. He did not understand, so he called Joseph from the dungeon to interpret the dream. Joseph related that the dream meant that Egypt would experience 7 good years of production followed by 7 bad years. He recommended that Pharaoh stockpile for 7 years.

Pharaoh not only stockpiled grain—strategic and critical to Egypt—but he elevated Joseph to a position of power to supervise the stockpiling effort.

The Biblical illustration was a great success—much better than the history of stockpiling in our own case. Serious discussion on the necessity of stockpiling began during World War I in our Government. It was not until 1938, however, that Congress first appropriated funds for the Navy to acquire certain materials which were critical and in short supply. In 1939, the first Stockpiling Act was passed. The Surplus Property Act of 1944 was the forerunner of current stockpiling.

Since World War II, our stockpile requirement has been a yoyo. Following World War II, the stockpile requirement was based on anticipated usage for a 5-year war. The 5 was changed to 3, then to 1, and, finally, back to 3, where it is today. At no time were requirements met.

After 60 years of talking about the problem and 40 years of Federal legislation, the stockpile is a mountain of overages and shortages.

There are 93 critical and strategic materials which are a part of our stockpile program. Eighty of these are minerals, and 13 are agricultural. At the present time, we must import, in total or in part, 68 of these materials.

There are certain geographic locations where we find many of these minerals—such as the countries of southern Africa, and we shall address this area later.

But to fulfill the requirements, we must go elsewhere and everywhere—Western Europe, the Americas, Asia, Australia, and many of the islands of the world.

The proper stockpile represents much more than an assurance of adequate supplies in an emergency. It also represents savings in leadtimes, manpower, energy, transportation, and production capacity.

We do not always consider the leadtime necessary for weapons systems, and as we develop more sophisticated weapons systems, the greater the leadtime for the production of those systems. For instance, the 4-year leadtime for jet engines on today's fighter planes increased by 100 percent in the past 2 years.

Stated another way, we have a very limited ability to quickly increase production rates, because we can draw on only that which is in the pipeline. The chilling fact is that we have very little surge capability within any 2-year period.

There is one common thread which runs through the transportation effort of all our imports. Better than 98 percent must come by water—the sea lanes. The potential for insuring this transport is questionable.

Thirty-five years ago, we had the strongest merchant marine force ever assembled. For a number of reasons, this force was allowed to decline to such an extent that we may be someplace between 8th and 10th in world comparison with other nations, depending on how one assesses size and strength.

In the meanwhile, the Soviet Government has embarked in the past 20 years on a blue-water strategy that must be of major concern to all thinking people. Its strategy is perhaps the most coordinated ocean strategy ever conceived and implemented by any nation on the face of this Earth.

By using their intelligence-gathering vessels, ocean exploration, maritime commerce, and fishing fleet, the Soviets have devised an unparalleled plan of projecting national influence and expansion.

The fifth dimension of the plan is their naval power, and the concept of this fifth dimension is to be in a position to deny access of the world's waterways to those nations considered unfriendly by the Union of Soviet Socialist Republics.

Those most threatened are the industrialized nations which depend in times of peace on the freedom of the seas for commerce so that raw materials may be purchased and finished goods may be sold. In times of conflict, the sealanes must be kept open for survival.

Soviet leaders remember that the outcome of World Wars I and II were both determined by the denial of resources to the losers. The allies were successful in severely restricting imports. The gigantic war machines of our adversaries ran out of the essential ingredients for making war, and those armed forces were rendered ineffective.

The Battle of the Atlantic, in the early days of World War II, was not won easily. For months, victory or defeat hung in a very narrow balance.

Perhaps it is well to remember the history of the transport of bauxite. During the year 1942, 25 percent of our ships bringing bauxite to our shores were sunk by German submarines—significant indeed when we realize that bauxite was being imported from the Caribbean—our own backyard.

Our capacity to prevail darkens when one realizes that the Germans started World War II with 59 diesel submarines, and the Union of Soviet Socialist Republics has approximately 270 submarines today, most of them nuclear.

To those who say "American ingenuity will prevail," I say the time for American ingenuity is now.

In considering the minerals situation in this country, we of necessity must consider it in the Soviet Union.

There is a sharp contrast between the U.S.S.R. and the United States with respect to the availability of critical minerals: We are a "have not" nation, they are a "have" nation.

In reviewing the most critical minerals, one finds only nine of these are imported by the Soviet Union, and in no case is more than 50 percent of any mineral imported.

It is also important to note that the Soviet Union can get most of her nine imports by land—she has to depend on sea transport for only a very small amount of her imports. There is sufficient reason to believe that the Soviets are also stockpiling some materials.

Communist countries are closed societies. We do not have precise information about the use of minerals by the U.S.S.R. There is, however, sufficient information for us to reach certain conclusions about that country's mineral policy:

First. Every effort is made to attain mineral self-sufficiency. Economic cost is a secondary consideration.

Second. Since the economy is totally planned and controlled, consumption is allowed to rise only to the extent production is increased. Consumer demands will not push the U.S.S.R. into reliance on imports.

Third. In instances where the U.S.S.R is a major exporter, trade, when possible, is channeled into hard currency.

Fourth. The Soviets are clearly aware of the locations of minerals throughout the world, and they have taken steps politically to be in a position to impact on those areas at a time and choosing of the U.S.S.R.

This is particularly true in southern Africa.

The world is aware that there is an enormous concentration of minerals in the U.S.S.R. However, there are indications that the Soviets are reducing to some extent the extraction process, particularly in Siberia. Western speculation as to the reasons range from—

First, the trouble and expense of mining in permafrost;

Second, lack of capital to convert reserves into transferable ores;

Third, a reduction of the forced labor population;

Fourth, intent to retain in-country known resources; and

Fifth, the desire to expand into mineralized world regions.

Perhaps all of these reasons have caused recent Soviet actions.

We do know that the Soviet Union is ending support for the "Bucharest Principle of 1958"—the selling of raw materials to Eastern Europe countries at less than world prices.

Soviet mineral adventurism, hand-in-hand with political adventurism, is showing itself in many parts of the world—even Cuba—where, in 1979, over 3,000 metric tons of cobalt-nickel concentrates were shipped to the Soviet bloc states.

But the biggest adventurism is taking place in Africa.

For many years, Soviet designs have been moving on this continent.

As rapidly as the former colonial powers moved away from that area, the Soviet Union moved to impose its new brand of imperialism.

Soviet writers in the midforties were expanding on the need to move into known world mineral resources. While most Westerners thought that Russia would be content to remain in its long-established domain, the Russians began to move outward.

Although the most apparent thrust is in southern Africa, it is obvious that Soviet intentions include bringing much of Africa into its sphere of influence. There are reports that a number of these countries have concluded technical and economic assistance mineral agreements with the Union of Soviet Socialist Republics. Among the most important are—Angola, Benin, the Congo, Mali, Madagascar, Mozambique, Ethiopia, Nigeria, Sudan, Zaire, and Zambia.

The most blatant interference has been on the west coast of southern Africa—in Angola. Soviet and Cuban military and political forces took a calculated risk that they could directly engage in a shooting war in Angola. It would appear at this time that risk has brought them to the winning side.

The Soviets and Cubans have taken a similar gamble in Ethiopia on the east coast. Whereas this particular scenario has not been played to its conclusion, the Russians would appear to be in a favorable position there also.

In southern Africa, Communist or Marxist-oriented governments are in power in Mozambique and Zimbabwe as well as Angola. Mozambique leaders are pro-Soviet. Zimbabwe, with Mugabe being a self-avowed Marxist, had not established ties with the Union of Soviet Socialist Republics until a few days ago. Political agreements are now in existence. These countries may appear to be steering independent courses, but let us not be naive.

Zaire and Zambia are not a part of the Communist world; however, those nations lack stability, and Communist pressure is being applied. Zambia relies heavily on Russian built and supplied equipment, and if a positive approach is not taken by the leadership of the Western countries, the future of these countries—indeed all of Africa—could be bleak.

Now, let us clearly see South Africa for what it is, for this is the principal target of the Soviets. This is the one country in all of Africa which has stood against Communist aggression.

Often she has had to stand alone; yet stand she has.

I, for one, recognize and appreciate this stand.

I, for one, think it is time for the Western World to stand beside South Africa. We do not have to agree with everything that any country does. As a matter of fact, we probably have disagreements with all nations.

A true friendship is bigger than our personal desires. In a true friendship, personal or national, there is room for disagreement. There is also room for understanding others as we all attempt to reach a higher plateau.

Should the goals of the Soviet Union be realized in Africa, southern Africa in particular, the potential harm to all industrial countries—in peace or conflict—would be magnified many times.

If the Soviets bring all of southern Africa into its sphere of influence to the extent of controlling those countries, then the potential loss could be paralyzing.

By loss, I mean peacetime stagnation—perhaps through the establishment of cartels—and wartime total denial.

Free world access to most world reserves would be terminated for chrome, cobalt, platinum, manganese, gold, tantalum, diamonds, vanadium, antimony, corundum, and vermiculite.

In a hostile environment, this landmass loss would turn the littoral of this region over to the enemy. From this littoral would pass the control of the sealanes around Africa.

Let us now turn from those actions and intentions of our Communist adversary. Let us look briefly at ourselves, perhaps our greatest problem. We need to change our attitude. We act as though the industrial revolution were an undesirable series of events.

The concept that we are rapidly using up all of the world's minerals is not a valid one. There are vast deposits available.

We must reverse those actions which are driving smelters and other facilities into closure.

We must balance our health and safety regulations so that we do not destroy our ability to produce.

We must explore lands and seas so that we know where rich beds of minerals are located.

We must continue to advance and utilize our technology.

We must create incentive, not continue to destroy it.

There is no need for the industrial revolution to end in our lifetime. Those who have known the good life can know a better life. Those who have not known a good life or who have known little of it can begin to experience it, if the industrialized countries continue to produce.

To go forward as an industrial power, we must plan for it. We must work for it. We need to make a new beginning. Two years ago, in this Chamber, I asked for a coherent strategy, and I suggested several actions. Little has been done. Again, I call for a national policy with respect to minerals—domestic and foreign.

We do not need more studies. We do not need more organizations. We need positive action to define a strategy for these materials, and the time is now.

I call on the new administration to place a high priority on the establishment of a national minerals policy. I urge my colleagues to aggressively assist in this endeavor.

I pledge my total support.

(Subsequently Mr. HARRY F. BYRD, JR. stated:)

Mr. President, earlier today, I spoke in the Senate in regard to the vulnerability of the United States as a result of the need to import some of the strategic and critical minerals and materials. Many of the minerals essential to our defense needs, many minerals essential to our domestic needs, also, need to be imported from other nations to the degree of up to 98 percent. I just noted in today's Washington Star an excellent article on this very subject by Daniel James, who is a consultant to the Council of Economics and National Security.

I ask unanimous consent that Mr. James' commentary on this matter of our alarming vulnerability to minerals mischief be printed at this point in the RECORD.

There being no objection the article was ordered to be printed in the RECORD as follows:

OUR ALARMING VULNERABILITY TO MINERALS MISCHIEF

(By Daniel James)

Four unglamorous minerals whose names mean almost nothing to average Americans could have a decisive impact on their daily lives. Almost 100 per cent imported, our supplies are highly susceptible to interruption at any time—a stark prospect which could undermine our national defense.

The four minerals—cobalt, chromium, manganese, and platinum—are officially designated as "strategic" precisely because of their crucial importance to our defense and economy. Yet we depend for our supplies on such countries as South Africa, Zaire, Zambia, and Zimbabwe—mere mention of which conjures up nightmarish visions of disorder. Prone to internal violence and racial conflict, even guerilla war and foreign invasion, any day, these countries could be forced to cease producing strategic minerals for the U.S. market.

What would be the effect on America of a sudden cutoff of strategic minerals? Take the case of the impact of a single mineral, cobalt, on one industry, aviation.

COBALT CUTOFF

About 83 per cent of all U.S. commercial aircraft are powered by the JT8D jet engine,

which contains 900 pounds of cobalt. Pratt & Whitney, which makes the JT8D, estimates that it could continue supplying its customers with spare parts for one year after a cobalt cutoff. But, calculates the aircraft company, "At the end of that time the JT8D fleet would start to be grounded at the rate of about 25 per cent per year." In five or six years, U.S. civil aviation could be effectively paralyzed as though struck by a hail of Soviet missiles.

Meanwhile, what about our military aircraft, like the F–15s and F–16s, whose engines also require 900 pounds of cobalt? One can scarcely imagine the crippling effect of a cobalt shortage on them, and consequently on our ability to defend ourselves.

What are the chances of a cobalt cutoff? Consider the case of Zaire.

Zaire supplies us with half of our annual consumption (20 million pounds) of cobalt directly, and much more indirectly (through third countries such as Belgium). It is chronically unstable, and through the 1970s its cobalt production was interrupted several times. The last time, in 1978, an armed invasion by Katangese rebels from next-door Angola shut down production altogether. This forced us to ration our cobalt supplies and shot prices up 400 per cent.

New interruption of Zaire's cobalt production are at least a 60 per cent "probability" between now and 1984, according to the U.S. Bureau of Mines. If that happened, U.S. aviation could suffer a crippling crisis before President Reagan completes his term of office.

But even assuming, miraculously, a steady cobalt supply, our aviation industry would not be out of danger, since jet-engine production is dependent also on two other imported minerals: chromium and platinum. "A significant and extended interruption of our chromium supply would shut down the airline and aircraft industry," warns Pratt & Whitney.

But is there a real danger of a cutoff of chromium imports? Probably at least as great as in the case of cobalt, for again we are utterly dependent upon volatile foreign sources for nearly everything we consume—92 per cent. Most of it comes from southern Africa, and 14 per cent from—of all places—the USSR!

JETS, CARS, AND OIL

Not only jet-flying, but even auto driving would become rare if key minerals were cut off, particularly platinum. "This critical metal is doubly important," the Joint Economic Committee found, "because it is used in the process of converting crude oil into gasoline and in the manufacturing of catalytic converters." In short: no platinum, no gasoline, and no combustion-engine cars—small or large. For that matter, no oil industry.

Even our telephone system—indeed, our whole telecommunications industry—would be threatened without platinum. For one of the platinum-group metals, palladium, is essential for coating telephone contact points.

Yet 90 per cent of our platinum is imported. And a final touch of irony: the bulk of it comes from South Africa and the Soviet Union.

The fourth of the strategic minerals decisive to both our economy and national defense is manganese, which is indispensable in the making of steel. Since our steel industry is already in a bad way for other reasons, a shortage of manganese could put it and a host of steel users out of business. Still, our dependence on foreign sources is almost total—98 per cent. Half of that comes from Africa.

Clearly, shortfalls in any of the four strategic minerals mentioned here can cause countless U.S. plants and factories to slow or shut down, throwing millions out of work. Prices would go through the roof, while the social and political consequences of an economic tailspin defy the imagination.

NO BETTER OFF

If it is any consolation, our West European allies and Japan are even more dependent on foreign sources of strategic minerals than we are. West Germany, for example, must import titanium, aluminum and many other minerals besides the four discussed above, while Japan produces virtually no minerals of its own. An official West German study reveals that if imports of just one mineral, chromium, were reduced by only 30 per cent, that would force the GNP down by 25 per cent and make millions of Germans jobless.

Our overwhelming dependence upon strategic minerals imports offers a target of opportunity for the Soviet Union. The temptation is all the greater because Moscow, though practically self-sufficient in nearly all 93 minerals classed as "strategic," expects shortages in some of them to occur before long. A petroleum shortfall, for example, is predicted by the CIA for the 1990s.

Hence the Soviets have concluded that it is cheaper and more practical to reach beyond their own borders for needed minerals, than to bear the exorbitant cost of extracting them from mineral-rich Siberia. They have thus begun to compete with the West for strategic minerals in Africa, intent upon depriving us of them as well as acquiring them for their own stockpile. In so doing, they have not hesitated to use aggressive, as well as "peaceful" means to conduct what Alexander Haig and others call a "resource war" against the United States.

The Katangese invasion of Zaire in 1978 is perhaps the most blatant manifestation of the Soviet "resource war," since it was Moscow and Havana which armed and trained the rebels, and it was their client-state Angola which provided the launching pad. Most recently, of course, there is the Soviet invasion of Afghanistan, which brings them perilously close to Persian Gulf oil and could develop into a more challenging phase of the resource war.

MANIPULATING THE MARKET

The Soviets also employ more subtle weapons, such as the officially excoriated capitalist techniques of manipulating the minerals market. The House Subcommittee on Mines and Mining cites at least ten instances of the latter during the past three or four years. In one notable instance, Moscow suddenly stopped "dumping" titanium, used widely in the aerospace industry, on the U.S. market, leaving this country short and forcing American users to scour the world for enough titanium to fulfill defense contracts.

Fundamentally, the "resource war" is an extension to the contemporary scene of Leninist doctrine aimed at the destruction of world capitalism. The West's "weakest" link, declared the founder of Bolshevism, was its constant need of raw materials from the (then) colonies. He therefore advocated exploiting that "weakness," particularly through supporting "national liberation movements" directed at the overthrow of "imperialist" rule.

"Imperialism" no longer dominates Africa or Asia. But Lenin's successors—Stalin, Khrushchev and now Brezhnev—have all waged a resource war to deprive the West of strategic materials and thus undermine the very sinews of its power.

(Mr. QUAYLE assumed the chair.)

THE FIRST INAUGURAL OF THOMAS JEFFERSON

Mr. HARRY F. BYRD, JR. Mr. President, 180 years ago tomorrow in this building, Thomas Jefferson took the oath of office as the third President of the United States.

The anniversary of Jefferson's inaugural was called to our attention by a telephone call from Mrs. Lucille K. Carter of Washington.

Mrs. Carter is the widow of Steven V. Carter, who was elected to the House of Representatives in November 1958, from the Fourth District of Iowa, but died a year after the election.

Congressman Carter was a great admirer and student of Thomas Jefferson, and his wife has maintained a lively interest in our third President.

This inaugural, the first ever held in Washington, was attended with little pomp or ceremony, yet it was one of the most momentous events in the history of the United States.

Just 15 days before the inauguration, a tie for the Presidency between Jefferson and Aaron Burr had been broken in the House of Representatives after 36 ballots, taken over a period of 6 days. The election had been thrown into the House by virtue of a tie in electoral votes.

The electoral tie and subsequent struggle in the House had climaxed a campaign of a ferocity unprecedented in our early history and rarely matched since that time. The battle was between Jefferson's party, then called Republicans, and the party which had held sway since George Washington's first inaugural, the Federalists. Many issues divided these parties, but the chief cause of discord was the Republicans' insistence on protection of State and individual rights as against the Federalists' championing of a powerful central government.

The bitterness of many of the defeated Federalists knew no bounds. In New Haven, Conn., the Calvinist minister Theodore Dwight thundered his disapproval:

> We have now reached the consummation of democratic blessedness. We have a country governed by blockheads and knaves; the ties of marriage with all its felicities are severed and destroyed; our wives and daughters are thrown into the stews; our children are cast into the world from the breast and forgotten; filial piety is extinguished, and our surnames, the only mark of distinction among families, are abolished. Can the imagination paint anything more dreadful on this side hell?

Fortunately for the young Nation, Dr. Dwight's assessment of the election results was somewhat exaggerated. But anti-Jefferson and anti-Republican sentiment was widespread and extreme as the Virginian prepared to take office. Indeed, outgoing President John Adams was so resentful that he fled Washington in the early morning of Inaugural Day rather than see Jefferson succeed him.

For all that, the capital was bright and animated on March 4, 1801, the small year-round population having been swollen by the advent of Republican well-wishers from nearby communities. Artillery rounds split the air to hail the day.

Thomas Jefferson himself awoke, dressed and took his breakfast in the boarding house of Conrad and McMunn, located on South New Jersey Avenue in the block now occupied by the Longworth

Office Building. When a small group of Congressmen arrived to escort him to the Capitol, they were astounded to learn that the President-elect had spurned a carriage and proposed to walk in the midst of the throng to his own swearing-in.

And walk he did, the third President of the United States, in the stream of the common men and women in whom he lodged his hope for an enduring democracy.

Another artillery round was fired as he entered the north wing of the Capitol, the only part then completed, and entered the Senate Chamber—later the Supreme Court Chamber—for the ceremony.

In the Chamber, he was greeted by Aaron Burr, whom he had so narrowly defeated for the Presidency, and by Chief Justice John Marshall, who was to administer the oath of office. Ironically, the Chief Justice, a Federalist, had written a letter that very morning expressing dark pessimism about the country's future under Jefferson. Nevertheless, the atmosphere was cordial, and smiles prevailed as the new President took the oath.

Then Jefferson turned toward the Senators and the packed gallery to deliver his address. Unhappily, his voice was not strong, and only those closest to him were able to hear. But the words were written down in his own hand and given to the press and, of course, have been preserved.

They form a remarkable message of reconciliation after a time of intense political friction—a message pertinent to us in 1981 as it was 180 years ago.

He called on all citizens to "bear in mind the sacred principle, that though the will of the majority is in all cases to prevail, that will to be rightful must be reasonable; that the minority possess their equal rights, which equal law must protect, and to violate would be oppression."

He went on, in the same tone of reason and reconciliation, to these justly famous words:

> Every difference of opinion is not a difference of principle. We have called by different names brethren of the same principle. We are all Republicans, we are all Federalists.

Then Jefferson urged his countrymen to abandon partisanship in the common struggle to achieve this shining goal:

> A wise and frugal Government, which shall restrain men from injuring one another, shall leave them otherwise free to regulate their own pursuits of industry and improvement, and shall not take from the mouth of labor the bread it has earned.

And, shortly afterward, he was done. He accepted the congratulations of those assembled for the ceremony and departed the Capitol as he had come.

That night, the President of the United States slept once more at Conrad and McMunn's boarding house, and it was several days before he moved to the White House.

Today, 180 years later, in the era of mass media, we cannot return to the spartan simplicity of Jefferson's inaugural, but in recalling it we can remind ourselves that leadership in a democracy is not a thing of show and pageantry, but rather of constant and open communication with the people.

And, equally important in the wake of another heatedly contested national election, we can take the spirit of Jefferson's address—the spirit of reconciliation, of unity for a common purpose—as a fitting message for our own day.

Mr. BAKER. Mr. President, I commend the distinguished senior Senator from Virginia for his careful exposition describing the anniversary occasion of the inauguration of the President of the United States.

It has been a matter of some interest and pride to me that the office I now occupy in the Capitol, assigned to me in my role as the Republican leader of the Senate, is the same space occupied by the House of Representatives when that famous contest between Burr and Jefferson occurred, when Thomas Jefferson, of Virginia, was elected the third President of the United States, on the 34th ballot, and that the tie was broken by Tennessee, which voted in favor of President Jefferson.

I have contended ever since that Thomas Jefferson belongs to my party and that he is only on temporary loan to the Democratic Party. [Laughter.]

Mr. HARRY F. BYRD, JR. What the Senator from Tennessee has recited—that it was a Tennessean who broke the tie and elected the Virginian, Thomas Jefferson, to the Presidency—shows that Virginia and Tennessee have been close associates and close friends ever since that period many years ago.

Mr. BAKER. I am grateful for that expression from the Senator from Virginia. I point out that we have had, all these years, a common, unfortified boundary between us.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business, for not to exceed 30 minutes, with Senators permitted to speak therein for not to exceed 5 minutes each.

ORDER FOR THE RECOGNITION OF SENATOR BAUCUS ON THURSDAY

Mr. BAKER. Mr. President, I ask unanimous consent that on Thursday, after the recognition of the distinguished Senator from New Mexico (Mr. DOMENICI) for not to exceed 15 minutes, the Senator from Montana (Mr. BAUCUS) be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT ON COMMITTEE FUNDING RESOLUTIONS

Mr. BAKER. Mr. President, following the conclusion of routine morning business as just previously ordered, it is the intention of the leadership to ask unanimous consent or to move for consideration of Calendar Nos. 10 through 27 on the calendar of general orders, which are the resolutions reported by the Committee on Rules and Administration in respect to the authorized expenditures for the several committees of the Senate.

In that connection, I ask unanimous consent that when the Senate does turn to the consideration of those items, the Senate proceed to their consideration en bloc; that all committee amendments to those resolutions be agreed to en bloc and that they be treated as original text for the purpose of further amendment.

The PRESIDING OFFICER (Mr. ABDNOR). Without objection, it is so ordered.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIXON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

IMBALANCE IN DEFENSE CONTRACTS

Mr. DIXON. Mr. President, on March 2 an article appeared in the Chicago Tribune which speaks to the imbalance in a specific area, that of defense contracts.

The article points out that Illinois—the third largest contributor to the Federal Treasury—has the biggest gap between what it contributes and what it gets back in defense contracts.

Our State attracted only a little more than 1 percent of prime contracts awarded in 1979 by the Department of Defense, and the situation is worse now than in 1977.

In 1979, for example, my State's Federal tax burden was 6.2 percent of Federal taxes collected. If defense outlays from Washington had been commensurate with the taxes received from Illinois, my State would have been doing $3.3 billion in business with the Pentagon. The sad fact is, however, that year, Illinois companies received $752,400,000 in defense contracts. According to an analysis by the Northeast-Midwest Institute, this difference—$2.63 billion—represents the largest disparity in the country.

This practice is bound to continue, Mr. President.

Current budget proposals indicate defense spending will increase while programs designed to help depressed, urban areas are slated for major cuts and in some cases total elimination.

Federal policies in general, and Department of Defense spending practices in particular, have consistently fostered economic growth in the West and Southwest while they have blithely abandoned the economic concerns of the Midwest and Northeast.

Mr. President, I will continue to speak out on this imbalance in the hope that it will encourage my colleagues to recognize and act upon this most basic question of inequity.

PROPOSED TRANSFER OF VA DATA PROCESSING CENTER

Mr. DIXON. Mr. President, time and again, the States of the Midwest and the Northeast have sent more to Washington than they get back in Federal outlays. And, Mr. President, as the impact of the budget cuts is absorbed, it is apparent that future proposals for Federal spending will continue to enhance the growth of States in the South and the Southwest at the expense of States in the Midwest and Northeast.

Mr. President, as an example of this chronic imbalance I call your attention to a proposal by the Veterans' Administration to move a data processing center from Hines, Ill., to Austin, Tex.

I do not believe this move of 100 positions from Hines, south to Texas, is cost effective. Nor do I believe such a move south will increase the efficiency of the VA.

I have asked that the Senate Veterans' Affairs Committee and the General Accounting Office begin to evaluate the necessity of this move. I have also sent a letter to OMB Director David Stockman asking him to stop funding for this move until it can be conclusively determined that the move to Austin, Tex., will enhance the operations of the VA.

Mr. President, at this time I ask unanimous consent that a copy of the letter I have sent to the VA's Acting Administrator, Rufus H. Wilson, which outlines my opposition to this plan, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., February 27, 1981.

Mr. RUFUS H. WILSON,
Acting Administrator,
Veterans' Administration,
Washington, D.C.

DEAR MR. WILSON: It has come to my attention that the Veterans' Administration is instituting a move of Data Processing Personnel Positions and Equipment from the Hines Illinois Data Processing Center to a Centralized Development Center in Austin, Texas. I believe this project is not cost effective and is not necessary to enhance efficient operations of the V.A.

I have reviewed the information submitted by Mr. Acklen of your staff and other information given me by concerned professional employees of the V.A. I find there are many considerations which I hope you will review before any further action is taken to move the Data Processing programing at Hines.

I understand that the V.A. spent 5.6 million dollars to build a new facility at Hines. New computer hardware was procured to enhance the operation at Hines to better serve the veterans. The staff at Hines was retrained so that these professional employees at Hines are now successfully maintaining the most vital veterans' benefits system in the nation. Should Illinois lose these 100 positions, the V.A. will lose highly experienced professionally trained men and women who will not move to Austin, Texas.

Your staff only last week indicated to congressional committees that the Computer Development Center Concept was only under study. Yet I have in my hands a V.A. management paper indicating that the equipment and personnel are to begin being moved in May of this year!

I am therefore requesting that you immediately halt all plans to move the equipment and Data Processing Center programing positions from the Hines Center until the V.A. can provide me with a complete cost justification for the Austin CDC project. I also would like to know the reason this project could not be operated from the facilities at Hines.

Please do not include as part of your justification for the Austin Center or Hines the information from the "Executive Summary Management Study—Automatic Data Processing Centralized Development Maintenance Center" dated August 1, 1980. Housing costs-salary ranges do not have a bearing on whether or not the establishment of the CDC would be more cost effective at Hines or Austin.

I am also requesting today that the Senate Veterans' Affairs Committee and the General Accounting Office begin an immediate review of this entire program and determine its cost effectiveness.

I have also sent a letter to Mr. David A. Stockman of OMB requesting a halt in the expenditure of funds for this project until these studies are completed. My request to Mr. Stockman includes a moratorium on computer equipment moves and the establishment of any telecommunication lines between the Austin Center and any Data Processing Center for programing.

Sincerely,

ALAN J. DIXON.

TOBACCO PROGRAM SUPPORTS ITSELF

Mr. HELMS. Mr. President, the myth of a presumed Federal subsidy to tobacco has received rather wide currency in some media in recent days, and I feel obliged to set the record straight.

Mr. President, let me reiterate: There is no tobacco subsidy.

The point was made quite effectively in an article in the Greensboro (N.C.) Record of February 23, by staff writer Jim Schlosser.

So that Senators may have the benefit of the accurate explanation of just how the tobacco program supports itself, I ask unanimous consent that the article, "Tobacco Resale Supports Program," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TOBACCO RESALE SUPPORTS PROGRAM

(By Jim Schlosser)

With eyebrows lifted, network TV commentators told the nation last week that President Ronald Reagan had slashed price supports to dairy farmers but was leaving tobacco price supports untouched.

What the newsmen failed to point out was that there's nothing to cut from the tobacco price support program. The millions the government spends on the program each year—last year's amount was $182 million—are recouped through the eventual resale of surplus tobacco purchased from the farmers.

Every year since 1961, the program has either made a profit for the federal government or broken even, according to Fred Bond, executive director of the Raleigh-based Flue-Cured Tobacco Cooperative Stabilization Corp. It administers the program in five Southern states.

More than 3,000 farmers in Guilford County operate under the program.

Each year, a tobacco farmer hauls his harvest to a privately owned tobacco warehouse, such as the one on Old Burlington Road in Greensboro. There, buyers from the big tobacco companies—such as Reynolds, Lorillard, Phillip Morris, American—move along the rows of stacked leaf and give their bids to a fast-talking auctioneer.

When the farmer enters the warehouse he knows he is going to get a minimum price for his crop—the government guarantees it. Last year's average minimum was $1.41 cents a pound.

But the private buyers usually bid more than the minimum and the farmer returns home with a nice check.

However, if the private companies are not interested in the farmer's tobacco—perhaps the quality is not up to par—the government will step in and buy the leaf and store in warehouses like one in Fuquay-Varina.

Tobacco quality usually improves with age. After a stay in the warehouse, the government-bought tobacco is put back on the market. And this time, private companies usually buy it, often for prices higher than what the government paid for it.

From the sale proceeds, the government deducts administrative and storage costs. If any money is left over, it goes to the farmer from whom the tobacco was purchased in the first place.

"Many times a tobacco farmer ends up getting an extra check he didn't expect," says Max Sockwell of Greensboro, executive director of the Department of Agriculture's Stabilization and Conservation office here. The office administers the price support program locally.

Despite the program's profit through the years, Sockwell was worried whether the program would survive Reagan's war on federal programs.

"We have been a little concerned because of the unpopularity of tobacco in Washington," said Sockwell, referring to some representatives and senators who argue that the government should not encourage the growing of a commodity that may cause cancer.

But the program may not be out of jeopardy. Budget Director David Stockman said Sunday that the program is still subject to review. However, Secretary of Agriculture John Block was quoted Friday as saying he favors a hands off approach to tobacco. Max Sockwell says the Reagan administration may have concluded that if the price support program were eliminated the result might be more tobacco on the market, not less. He explained that one of the main purposes of the program is to control leaf production. Before 1933, farmers were flooding the market with tobacco. Companies weren't buying it all; consequently, some farmers were losing money. It was that year the government came up with the idea of a price support program to help make supply equal demand.

The government promised farmers a minimum price for their crop if they would agree to limit annual production. Each farmer was assigned an acreage allotment.

The program was not shoved down the farmers' throats. They went to polls set up at country stores and other rural locations and voted to accept it. But the program was not an instant success, and in 1939 farmers voted to abolish it. Within a year, the market was overwhelmed with tobacco. Farmers suffered heavy losses. They then promptly voted the program back in, and have done so in elections held every three years since then. The next vote is scheduled in December 1982.

According to Fred Bond of the Flue Cured Tobacco Cooperative Stabilization Corp., in Raleigh, the program lost millions during the 1950s, but has been in the black for the past 20 years.

Sockwell says the market would be chaotic without the price support program, and would force some small farmers out of business. "This would really cost the government money because a lot of the tobacco farmers would be forced to go on welfare and receive food stamps."

Otis Green, who raises 150 acres of tobacco

on his farm in the Brown Summit-Monticello area, said, "I couldn't survive without the price support program. The cost of producing tobacco is so high. I borrow $150,000 to $200,000 each year to get the corp going. Without the price support system we just wouldn't have the guarantee that we need before we can make such an investment."

He estimates that 95 percent of his crop usually is purchased by tobacco companies, with the rest bought by the government. The year before last he received an unexpected check for $1,500 from the co-op—profits from the resale of the small amount of his crop the government had purchased the year before.

THERE IS NO TOBACCO SUBSIDY

Mr. HELMS. Mr. President, it is time we laid to rest the myth about a tobacco "subsidy."

The fact is, Mr. President, there is no such thing as a tobacco subsidy.

Not only is there no tobacco subsidy, but what some fail to realize is the uniqueness of the tobacco program. It is unique in that, among all Federal farm programs, tobacco is the only one that actually does not cost the Government anything, with the exception of nominal administrative charges.

It is true that taxpayers' money is used briefly and temporarily to guarantee farmers a minimum price for their tobacco crops—and for a dozen other commodities.

But the money is not a gift. It is a loan—which is repaid, with interest. The arithmetic comes out this way: Loans advanced to farmers, minus the interest paid by farmers on the loans, minus the sales of the tobacco collateral secured by the Government in return for the loans, has equaled a net loss of $52 million over the past 44 years—total. There have been no losses at all in more than a decade. In fact, in most years the Government is paid a small profit—which amounted to some $800,000 in 1978, for instance.

The distinctive characteristic of the tobacco program which makes it possible for it to be operated without a subsidy is the very strict production control that tobacco farmers have voted in referendum to impose on themselves. When the need arises, farmers have supported reductions in production allotments to keep costs at zero. In fact, they asked for a 7-percent reduction in the flue-cured tobacco poundage quota for 1981.

Even more pertinent to the question of the mythical tobacco subsidy is the fact that Federal, State and local governments receive, in the form of direct excise taxes, three times the revenue received by farmers. The farmers' share of the 1980 crop was something over $2 billion. But the Federal Government collected $2.4 billion in direct excise taxes on manufactured tobacco products. State and local excise taxes amounted to another $4 billion. The Government is not supporting tobacco farmers—tobacco farmers are supporting the Government.

Economists have calculated that tobacco contributes more than $50 billion anually to the GNP, including a $2 billion contribution to our balance of trade with foreign countries.

And there is another matter about the tobacco program that needs to be cleared up. Namely, does the tobacco program encourage smoking? Here is what our former Health, Education and Welfare Department had to say on the subject:

If the (tobacco) program has any effect at all on public health, it is favorable. The purpose of the program is to stabilize tobacco production, and, thus, assure fair prices to the farmer. If the program were to be withdrawn, though, prices would fall, and cigarettes might become less expensive, possibly encouraging more young people to smoke.

Mr. President, last week I had the privilege of visiting with a delegation of 20 tobacco farmers from the heart of tobacco country—Wilson County, N.C. The industrious young men were representatives of the Wilson County Young Farmers Organization.

They presented to me a very fine statement which accurately and eloquently describes the importance of tobacco to farmers in the 24 States in which tobacco is produced. I believe every Senator and every interested American ought to have the opportunity to learn first-hand just how important tobacco is to all of us. I ask unanimous consent that the report of the Wilson County Young Farmers be printed in the RECORD at the conclusion of my remarks, including statistical information depicting the revenue and employment contributions tobacco makes to each State.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

WILSON COUNTY YOUNG FARMERS
TOBACCO STATEMENT

We, the Wilson County Young Farmers Club represent a cross section of the heart of tobacco land—Wilson, North Carolina. Our farming interest are diversified with tobacco, grain crops, hogs, cattle, and vegetables. Tobacco, however, contributes 55% to our county's farm income. To some in this room it represents better than 80%. It allows us to exist and improve our standard of living. We owe our farming existence to the tobacco program. Not only our livelihood, but the total economic well being of our state and to some degree the United States, depends on our tobacco program.

Today as never before, our tobacco program stands amidst countless attacks. The smoking issue has brought numerous attacks from the Lung and Heart Association. Shouts of "Outlaw tobacco," and "Put tobacco farmers on welfare" have been heard.

Other critics have shouted, "End the tobacco subsidies," as they argue why should the Federal Government scold smokers from one department and then let another department of government help farmers grow tobacco.

We feel that these people and organizations do not understand the importance of tobacco to our livelihood and to our state and federal government.

ECONOMIC IMPACT

In North Carolina, tobacco is the backbone of our economy. The golden leaf provides almost 148,000 jobs, $1.6 billion in compensation, and because all of the basic sectors of the industry operate in North Carolina it adds more than $394 million to the local, state, and federal treasures to benefit all North Carolina smokers and nonsmokers alike.

The tobacco program with its support prices and quota system helps tobacco continue to be profitable for over one half million farmers. It enables them to borrow money and more importantly pay it back. It helps guarantee a fair price on the 250 man hours it takes to produce an acre of tobacco.

Income from tobacco has made it possible for farmers to purchase equipment and facilities that could not have otherwise been bought, so as to diversify their farm operations with other crops and livestock. Thus, tobacco has made it possible for small farms to broaden their economic base and improve the family standard of living. This is especially true in North Carolina because the small fields make it economically infeasible to make a living on grain crops alone.

The support price is no gift. It is a loan repaid with interest. It has cost some money in its 44 years existence, $52 million or .12 of one percent the cost of all farm commodity support operations. During those 44 years however, purchases of tobacco products paid the U.S. Treasury more than $68 billion in excise tax alone. That's not a bad investment.

Nationally tobacco is grown in 22 states but the golden leaf in 1979 gave to all 50 states: 2 million jobs of all kinds; $30 billion in wages and earnings; $22 billion in taxes; $15.5 billion in capital investments; and $58 billion or 2.4% to America's Gross National Product.

In other words, of every dollar's worth of goods and services rendered to and by Americans in 1979, roughly 2½ cents were generated by tobacco.

EXPORTS

Exports and imports are also aided by tobacco. The U.S. is the leading exporter of tobacco and the third largest importer. In 1978 U.S. export of leaf tobacco and manufactured tobacco products totaled a record $2.12 billion. Imports totaled $428 million. The difference represents a record net contribution of more than $1.69 million to the U.S. balance of payments in calendar year 1978.

To ensure objectivity in tobacco health research, the tobacco industry has supported hundreds of independent research efforts and spent nearly $82 million.

We ask your support of our tobacco program. The quota system, support price, and grading system assures fair market prices. Even the smallest farmer whose existence depends on the golden leaf can be assured a future and a chance to offer quality leaf to the market place.

It will assure that the majority of tobacco will be grown where historically it has proven to be some of the best in the world—North Carolina. It will assure that tobacco will be a product of many instead of a select few.

We understand the program isn't perfect, but how many are? We will do what we can to save and upgrade our program. Our livelihoods are at stake. Our mere existence as farmers hinges on the program. Farmers have been able to preserve a personal dignity and sense of identity that is the essence of our greatness as a nation.[1] And that, like the tobacco program is worth preserving.

NOTE.—Facts and figures based on a study of the U.S. Tobacco Industry's Economic contribution *Wharton ARC* 1979.

---

[1] Ron Hendrickson, USDA *The Flue Cured Tobacco Farmer*, January 1981.

TABLE 1.—TOBACCO'S DIRECT CONTRIBUTIONS TO STATE AND FEDERAL TAX RECEIPTS, 1979

	State [1]	Federal	Total	Rank
Alabama	$60,457,000	$55,912,000	$116,369,000	24
Alaska	4,833,000	7,794,000	12,627,000	51
Arizona	44,721,000	37,059,000	81,780,000	29
Arkansas	50,367,000	31,469,000	81,836,000	28
California	387,277,000	421,780,000	809,057,000	1
Colorado	35,653,000	43,249,000	78,902,000	32
Connecticut	77,387,000	52,737,000	130,124,000	23
Delaware	12,721,000	12,127,000	24,848,000	44
District of Columbia	15,140,000	17,277,000	32,417,000	41
Florida	270,962,000	172,077,000	443,039,000	5
Georgia	89,782,000	92,408,000	182,190,000	16
Hawaii	14,208,000	10,901,000	25,109,000	43
Idaho	10,055,000	13,327,000	23,382,000	46
Illinois	218,215,000	218,217,000	436,432,000	6
Indiana	101,799,000	110,768,000	212,567,000	13
Iowa	55,648,000	45,043,900	100,691,000	26
Kansas	37,637,000	39,619,000	77,256,000	33
Kentucky	48,768,000	160,286,000	209,054,000	14
Louisiana	68,949,000	68,842,000	137,791,000	21
Maine	24,364,000	21,367,000	45,731,000	37
Maryland	68,353,000	76,014,000	144,367,000	20
Massachusetts	151,130,000	96,530,000	247,660,000	11
Michigan	164,727,000	170,954,000	335,681,000	9
Minnesota	90,572,000	62,651,000	153,223,000	19
Mississippi	40,646,000	40,838,000	81,484,000	30
Missouri	74,670,000	96,401,000	171,071,000	17
Montana	11,991,000	13,857,000	25,848,000	42
Nebraska	25,947,000	25,021,000	50,968,000	36
Nevada	15,269,000	18,606,000	33,875,000	40
New Hampshire	27,101,000	30,437,000	57,538,000	35
New Jersey	176,182,000	156,117,000	332,299,000	10
New Mexico	16,871,000	17,676,000	34,547,000	39
New York	390,173,000	368,477,000	758,650,000	2
North Carolina	89,964,000	278,587,000	368,551,000	8
North Dakota	10,443,000	10,455,000	20,898,000	48
Ohio	210,933,000	183,734,000	394,667,000	7
Oklahoma	51,440,000	56,863,000	108,303,000	25
Oregon	33,111,000	47,862,000	80,973,000	31
Pennsylvania	267,911,000	274,872,000	542,783,000	4
Rhode Island	25,328,000	19,961,000	45,289,000	38
South Carolina	36,027,000	53,761,000	89,788,000	27
South Dakota	9,191,000	10,155,000	19,346,000	49
Tennessee	87,917,000	94,275,000	182,192,000	15
Texas	309,285,000	235,499,000	544,784,000	3
Utah	10,960,000	12,952,000	23,912,000	45
Vermont	9,950,000	12,789,000	22,739,000	47
Virginia	61,591,000	182,989,000	244,580,000	12
Washington	74,828,000	56,343,000	131,171,000	22
West Virginia	42,102,000	31,625,000	73,727,000	34
Wisconsin	99,115,000	65,648,000	164,763,000	18
Wyoming	5,173,000	8,327,000	13,500,000	50
Total	4,317,844,000	4,442,535,000	8,760,379,000	

[1] These figures do not include local sales taxes of $62,000,000, local excise taxes of $127,900,000, or real estate and personal property taxes paid by farmers and manufacturers of $58,000,000.

TABLE 2.—TOBACCO'S DIRECT AND INDIRECT CONTRIBUTIONS TO STATE EMPLOYMENT,[1] 1979

	Direct	Indirect [3]	Total [2]	Ran
Alabama	4,200	21,700	25,900	25
Alaska	300	3,500	3,800	49
Arizona	1,800	15,700	17,500	31
Arkansas	1,700	11,600	13,300	34
California	23,700	177,600	201,300	1
Colorado	2,400	19,200	21,600	28
Connecticut	5,300	25,600	30,900	22
Delaware	800	4,400	5,200	46
District of Columbia	1,400	5,800	7,200	40
Florida	16,300	65,200	81,500	10
Georgia	12,200	33,500	45,700	15
Hawaii	600	6,500	7,100	42
Idaho	900	5,300	6,200	44
Illinois	11,900	87,800	99,700	6
Indiana	6,800	37,200	44,000	16
Iowa	3,200	19,600	22,800	27
Kansas	2,700	16,800	19,500	30
Kentucky	43,600	38,100	81,700	9
Louisiana	3,900	23,700	27,600	24
Maine	1,300	6,100	7,400	38
Maryland	6,300	30,200	36,500	18
Massachusetts	7,800	40,800	48,600	14
Michigan	9,800	66,600	76,400	11
Minnesota	4,800	28,100	32,900	20
Mississippi	2,900	12,000	14,900	32
Missouri	6,300	31,600	37,900	17
Montana	1,000	4,600	5,600	45
Nebraska	1,800	10,300	12,100	35
Nevada	800	5,500	6,300	43
New Hampshire	1,500	5,900	7,400	38
New Jersey	8,900	57,060	65,900	12
New Mexico	1,200	7,100	8,300	37
New York	27,000	132,200	159,200	2
North Carolina	72,300	75,400	147,700	3
North Dakota	800	4,000	4,800	47
Ohio	12,200	74,600	86,800	8
Oklahoma	4,000	18,900	22,900	26
Oregon	2,800	17,400	20,200	29
Pennsylvania	18,300	85,500	103,800	5
Rhode Island	1,100	6,100	7,200	40
South Carolina	9,800	18,100	27,900	23
South Dakota	800	4,000	4,800	47
Tennessee	17,600	31,300	48,900	13
Texas	15,600	91,800	107,400	4
Utah	800	7,600	8,400	36
Vermont	900	2,900	3,800	49
Virginia	31,000	59,700	90,700	7
Washington	3,000	28,500	31,500	21
West Virginia	2,300	11,300	13,600	33
Wisconsin	4,700	31,100	35,800	19
Wyoming	500	3,300	3,800	49
Unallocated [3]	5,600	(5,600)		
Total	429,200	1,622,800	2,052.00	

[1] Full-time-equivalent jobs.
[2] Due to rounding, column figures may not sum to column totals.
[3] Employment in some of the support industries and farming, totaling 5,600, could not be allocated to the States.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE HILLSHIRE FARM OF NEW LONDON, WIS.

Mr. PROXMIRE. Mr. President, I am very pleased today to honor Hillshire Farm of New London, Wis., for receiving the 1981 National Environmental Quality and the Environmental Industry Council.

Hillshire Farm was this year's overall winner out of the 80 companies which competed. The winner was selected by a panel of experts chaired by Dr. Russell Peterson, president of the National Audubon Society.

This was not the first honor for this innovative, energy-saving plant. It had already won the 1980 Engineering Excellence Award from the American Consulting Engineers Council, was judged the top Wisconsin project of 1980 by the Wisconsin Council of Environmental Consulting Engineers and was runner-up for the sixth annual Excellent in Engineering Design Award selected by Water and Waste Engineering magazine.

Not only do these awards commend Hillshire Farm's enlightened management but they are also a great tribute to the company's design engineers, Foth & Van Dyke of Green Bay, Wis.

As a result of building this new plant, Hillshire Farm was able to triple its output of meat products while reducing its discharge almost three times. In addition, the plant enabled the company to greatly expand employment.

The plant provides much more stringent pollution control than is required by State and Federal law and it is the first rendering plant in the United States to produce usable byproducts from its wastes.

Mr. President, Hillshire Farm and Foth & Van Dyke are examples of the finest in engineering quality and a tribute to Wisconsin ingenuity.

"THE LAST METRO"—THE PLIGHT OF BEING JEWISH IN NAZI-OCCUPIED EUROPE

Mr. PROXMIRE. Mr. President, today I shall speak about Francois Truffaut's latest film entitled "The Last Metro", which examines what it was like to be Jewish at a time when sinister Nazi forces were intent upon exterminating the entire Jewish race.

According to the very interesting reviews in the New York Times and the Wall Street Journal, "The Last Metro" is the story of a theater company in Paris whose leader, a respected German-Jewish stage director, is forced to go underground amid mounting anti-Semitism and the threat of arrest. It is interesting to note that while the characters are fictional, "The Last Metro" reflects Truffaut's own experiences as a non-Jewish child in wartime France. Truffaut is especially effective in illuminating the realities of the Nazi occupation by contrasting it with the world of the theater. In this case, he portrays the theater as a world where loyalty and camaraderie reign and where one's beliefs, lifestyle, and attitude are accepted or at least tolerated. Once out of the theater, however, we encounter the Nazi reality, where an intolerant and racist regime is intent upon ruling the world and killing off an entire race of people.

"The Last Metro" brings to life, through the efforts of a great filmmaker, the dehumanizing conditions a Jewish person was faced with in order to survive

the forces of Nazi Germany which intended to destroy him and commit genocide against his people. Since he must remain in hiding to survive, the troupe's director cannot openly practice his trade but must send his directions through his gentile wife. Despite these obstacles, it is clear that it is he who is staging the play and ironically, providing for the welfare of the theatrical troupe.

Mr. President, as "The Last Metro" points out, all of mankind suffers when one group attempts to annihilate another.

We now have an opportunity to officially condemn this hideous crime. Let us not pass up this chance and ratify the Genocide Convention.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ON 50TH ANNIVERSARY OF NEVADA GAMBLING

Mr. CANNON. Mr. President, on March 15, the State of Nevada will celebrate the 50th anniversary of legalized gambling. This is an occasion of great moment in our State because, over the past 50 years, we have demonstrated that gambling can be controlled and channeled into a clean, productive industry that brings great economic benefit.

Just how great that benefit is can be illustrated in a number of ways. For one, Nevada ranks securely in the top five States in per capita income and was the fastest growing State in the country between 1970 and 1980.

During that period, we avoided the burdens of a personal income tax and high sales and property taxes. One of the main reasons is the economic boost provided by reasonable taxation of gambling profits. Total gambling revenues have risen from $24.5 million in 1946 to more than $2 billion in 1980.

During 1980, State revenues realized from State tax and license fees on gaming amounted to nearly $170 million—48 percent of the revenue collected in the State general fund. The gaming industry employs approximately 25 percent of the workers in Nevada and it is estimated that an equal number are employed in other tourist-oriented businesses.

Hand in hand with this success has come growing acceptance of what used to be considered Nevada's sinful ways. Visitors to Nevada now number nearly 22 million annually and even middle America has come to consider our attractions as among its favorite forms of recreation and entertainment.

As evidence of this growing acceptance, I note Atlantic City's adoption of Nevada-style gambling in 1977 and the expanding list of States considering the same course. As a matter of fact, half our States now permit wagering in some form or another and the trend does not seem to be waning.

This is nothing to be afraid of. As I said, Nevada has shown the way with strict enforcement to keep the games honest and the take in the hands of legitimate businesses. People will always gamble and I would rather have them spend their discretionary dollars here in the United States—and preferably Nevada—than somewhere else.

As other States begin to reap the benefits of a gaming and tourism based economy, I hope they stop and think of the debt they owe Nevada. Until Atlantic City joined the fold a few years ago, we were alone in the eyes of the world, absorbing the bad press and cynicism. As befits a State owing its existence to fearless pioneers, however, we have withstood the world's scrutiny and emerged in pretty good shape.

We are proud of what we have achieved and look forward to the future. On the 100th anniversary of legalized gambling in Nevada, I suspect there will be other Atlantic Cities and that our State will still be the model they pattern themselves after. The publisher of Nevada magazine, Caroline J. Hadley, said it best in a special issue commemorating the anniversary:

Nevada has always done what it liked; it's just taken a long time for the rest of America to find out that we were right.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

Mr. BAKER. Mr. President, as I announced previously, it is my intention now to ask unanimous consent, and I do so, that the Senate proceed to the consideration of Calendar Order Nos. 10 through 27.

Mr. President, before the Chair grants that request, has a request already been granted that those items I have just identified be considered en bloc and that committee amendments to those resolutions be treated as original text for the purpose of further amendment?

The PRESIDING OFFICER. The Senator is correct.

Without objection it is so ordered.

COMMITTEE FUNDING RESOLUTIONS

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration en bloc of Calendar Orders Nos. 10 through 27.

The clerk will report.

The legislative clerk read as follows:

Various Senate resolutions beginning with Calendar Order 10 through 27.

Pursuant to the foregoing unanimous consent request, the Senate proceeded to the consideration en bloc of the resolutions (Calendar Orders Nos. 10 through 27), all committee amendments to the resolutions were agreed to en bloc, and the resolutions, as thus amended, were treated as original text for the purpose of further amendment.

The resolutions, as amended by the committee amendments, and to be treated as original text for the purpose of further amendment, are as follows:

EXPENDITURES BY THE COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

The resolution (S. Res. 43) authorizing expenditures by the Committee on Agriculture, Nutrition, and Forestry, which had been reported from the Committee on Rules and Administration, with an amendment:

On page 2, line 12, strike "$1,325,000" and insert "$1,322,000".

The resolution, as amended, follows:

S. RES. 43

Resolved, That, in carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Agriculture, Nutrition, and Forestry is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $1,322,000.

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

EXPENDITURES BY THE COMMITTEE ON APPROPRIATIONS

The resolution (S. Res. 55) authorizing expenditures by the Committee on Appropriations, which had been reported from the Committee on Rules and Administration, with an amendment:

On page 2, line 10, after "$3,791,203,", insert the following: "of which amount not to exceed $25,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1976, as amended.".

The resolution, as amended, follows:

S. RES. 55

Resolved, That in carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Appropriations is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $3,791,203, of which amount not to exceed $25,000 may be expended for the procurement of

the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

AUTHORIZING EXPENDITURES BY THE COMMITTEE ON ARMED SERVICES

The resolution (S. Res. 60) authorizing expenditures by the Committee on Armed Services, which had been reported from the Committee on Rules and Administration, with an amendment:

On page 2, line 10, strike "$1,569,400" and insert "$1,554,400".

The resolution, as amended, follows:

S. RES. 60

Resolved, That in carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Armed Services is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $1,554,400, of which amount not to exceed $35,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

EXPENDITURES BY THE COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

The resolution (S. Res. 75) authorizing expenditures by the Committee on Banking, Housing, and Urban Affairs:

S. RES. 75

Resolved, That in carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Banking, Housing, and Urban Affairs is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $1,583,411, of which amount (1) not to exceed $1,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $1,000 may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of such Act).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

EXPENDITURES BY THE COMMITTEE ON THE BUDGET

The resolution (S. Res. 50) authorizing expenditures by the Committee on the Budget, which had been reported from the Committee on Rules and Administration, with amendments, as follows:

On page 2, line 10, strike "(1)".

On page 2, line 14, strike ", and" through and including line 17.

The resolution, as amended, follows:

S. RES. 50

Resolved, That, in carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on the Budget is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $2,693,632, of which amount not to exceed $80,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

EXPENDITURES BY THE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

The resolution (S. Res. 52) authorizing expenditures by the Committee on Commerce, Science, and Transportation, which had been reported from the Committee on Rules and Administration, with an amendment:

On page 2, line 12, striking "$3,219,146" and inserting "$3,171,746".

The resolution, as amended, follows:

S. RES. 52

Resolved, That, in carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Commerce, Science, and Transportation is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $3,171,746, of which amount not to exceed $25,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

EXPENDITURES BY THE COMMITTEE ON ENERGY AND NATURAL RESOURCES

The resolution (S. Res. 56) authorizing expenditures by the Committee on Energy and Natural Resources, which had been reported from the Committee on Rules and Administration, with an amendment, on page 2, line 11, strike "$2,039,259" and insert "$2,029,259".

The resolution, as amended, follows:

S. RES. 56

Resolved, That, in carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Energy and Natural Resources is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $2,029,259, of which amount not to exceed $10,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

EXPENDITURES BY THE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

The resolution (S. Res. 49) authorizing expenditures by the Committee on Environment and Public Works, which had been reported from the Committee on Rules and Administration, with amendments, follows:

On page 2, line 11, strike "$2,186,000" and insert "$2,166,000";

On page 2, line 12, strike "$25,000" and insert "$30,000".

The resolution, as amended, follows:

S. RES. 49

Resolved, That, in carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Environment and Public Works is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $2,166,000, of which amount (1) not to exceed $30,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $1,000 may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of such Act).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

EXPENDITURES BY THE COMMITTEE ON FINANCE

The resolution (S. Res. 25) authorizing expenditures by the Committee on Finance, which had been reported from the Committee on Rules and Administration, with an amendment:

On page 2, line 10, strike "$2,103,200" and insert "$2,063,200".

The resolution, as amended, follows:

S. RES. 25

Resolved, That, in carrying out its powers, duties and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Finance is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $2,063,200, of which amount not to exceed $50,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

EXPENDITURES BY THE COMMITTEE ON FOREIGN RELATIONS

The resolution (S. Res. 39) authorizing additional expenditures by the Committee on Foreign Relations for inquiries and investigations:

S. RES. 39

Resolved, That, in holding hearings, reporting such hearings, making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, the Committee on Foreign Relations is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $2,333,100, of which amount not to exceed $18,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

EXPENDITURES BY THE COMMITTEE ON GOVERNMENTAL AFFAIRS

The resolution (S. Res. 57) authorizing expenditures by the Committee on Governmental Affairs, which had been reported from the Committee on Rules and Administration, with an amendment:

On page 2, line 11, strike "$4,732,526" and insert "$4,672,526."

The resclution, as amended, follows:

S. RES. 57

Resolved, That, in carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Governmental Affairs is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $4,672,526, of which amount (1) not to exceed $68,725.32 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $1,500 may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of such Act).

SEC. 3. (a) The committee, or any duly authorized subcommittee thereof, is authorized to study or investigate—

(1) the efficiency and economy of operations of all branches of the Government including the possible existence of fraud, misfeasance, malfeasance, collusion, mismanagement, incompetence, corruption, or unethical practices, waste, extravagance, conflicts of interest, and the improper expenditure of Government funds in transactions, contracts, and activities of the Government or of Government officials and employees and any and all such improper practices between Government personnel and corporations, individuals, companies, or persons affiliated therewith, doing business with the Government; and the compliance or noncompliance of such corporations, companies, or individuals or other entities with the rules, regulations, and laws governing the various governmental agencies and its relationships with the public: *Provided*, That, in carrying out the duties herein set forth, the inquiries of this committee or any subcommittee thereof shall not be deemed limited to the records, functions, and operations of the particular branch of the Government under inquiry, and may extend to the records and activities of persons, corporations, or other entities dealing with or affecting their particular branch of the Government;

(2) the extent to which criminal or other improper practices or activities are, or have been, engaged in the field of labor-management relations or in groups or organizations of employees or employers, to the detriment of interests of the public, employers, or employees, and to determine whether any changes are required in the laws of the United States in order to protect such interests against the occurrence of such practices or activities;

(3) syndicated or organized crime which may operate in or otherwise utilize the facilities of interstate or international commerce in furtherance of any transactions which are in violation of the law of the United States or of the State in which the transactions occur, and, if so, the manner and extent to which, and the identity of the persons, firms, or corporations, or other entities by whom such utilization is being made, what facilities, devices, methods, techniques, and technicalities are being used or employed, and whether or not organized crime utilizes such interstate facilities or otherwise operates in interstate commerce for the development of corrupting influences in violation of the law of the United States or the laws of any State, and further, to study and investigate the manner in which and the extent to which persons engaged in organized criminal activities have infiltrated into lawful business enterprise; and to study the adequacy of Federal laws to prevent the operations of

organized crime in interstate or international commerce; and to determine whether any changes are required in the laws of the United States in order to protect the public against the occurrences of such practices or activities;

(4) all other aspects of crime and lawlessness within the United States which have an impact upon or affect the national health, welfare, and safety;

(5) riots, violent disturbances of the peace, vandalism, civil and criminal disorder, insurrection, the commission of crimes in connection therewith, the immediate and longstanding causes, the extent and effects of such occurrences and crimes, and measures necessary for their immediate and long-range prevention and for the preservation of law and order and to insure domestic tranquillity within the United States;

(6) the efficiency and economy of operations of all branches and functions of the Government with particular reference to—

(A) the effectiveness of present national security methods, staffing, and processes as tested against the requirements imposed by the rapidly mounting complexity of national security problems;

(B) the capacity of present national security staffing, methods, and processes to make full use of the Nation's resources of knowledge, talents;

(C) the adequacy of present intergovernmental relationships between the United States and international organizations principally concerned with national security of which the United States is a member; and

(D) legislative and other proposals to improve these methods, processes, and relationships;

(7) the efficiency, economy, and effectiveness of all agencies and departments of the Government involved in the control and management of energy shortages including, but not limited to, their performance with respect to—

(A) the collection and dissemination of accurate statistics on fuel demand and supply;

(B) the implementation of effective energy conservation measures;

(C) the pricing of energy in all forms;

(D) coordination of energy programs with State and local government;

(E) control of exports of scarce fuels;

(F) the management of tax, import, pricing, and other policies affecting energy supplies;

(G) maintenance of the independent sector of the petroleum industry as a strong competitive force;

(H) the allocation of fuels in short supply by public and private entities;

(I) the management of energy supplies owned or controlled by the Government;

(J) relations with other oil producing and consuming countries;

(K) the monitoring of compliance by governments, corporations, or individuals with the laws and regulations governing the allocation, conservation, or pricing of energy supplies; and

(L) research into the discovery and development of alternative energy supplies; and

(8) the efficiency and economy of all branches and functions of government with particular reference to the operations and management of Federal regulatory policies and programs:

Provided, That, in carrying out the duties herein set forth, the inquiries of this committee or any subcommittee thereof shall not be deemed limited to the records, functions, and operations of the particular branch of the Government under inquiry, and may extend to the records and activities of persons, corporations, or other entities dealing with or affecting that particular branch of the Government.

(b) Nothing contained in this section shall affect or impair the exercise of any other standing committee of the Senate of any power, or the discharge by such committee of any duty, conferred or imposed upon it by the Standing Rules of the Senate or by the Legislative Reorganization Act of 1946, as amended.

(c) For the purpose of this section the committee, or any duly authorized subcommittee thereof, or its chairman, or any other member of the committee or subcommittee designated by the chairman, from March 1, 1981, through February 28, 1982, is authorized, in its, his, or their discretion (1) to require by subpena or otherwise the attendance of witnesses and production of correspondence, books, papers, and documents, (2) to holding hearings, (3) to sit and act at any time or place during the sessions, recess, and adjournment periods of the Senate, (4) to administer oaths, and (5) to take testimony, either orally or by sworn statement.

(d) All subpenas, contempt proceedings, and related legal processes of the committee and its subcommittees authorized under S. Res. 361 of the Ninety-sixth Congress, second session, including the subpena enforcement and contempt proceeding against William Cammisano, are authorized to continue.

SEC. 4. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 5. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

EXPENDITURES BY THE COMMITTEE ON THE JUDICIARY

The resolution (S. Res. 53) authorizing expenditures by the Committee on the Judiciary, which had been reported by the Committee on Rules and Administration with an amendment:

On page 2, line 10, strike "$4,295,722" and insert "$4,262,722".

The resolution, as amended, follows:

S. RES. 53

Resolved, That, in carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on the Judiciary is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $4,272,722, of which amount (1) not to exceed $172,490 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended) and (2) not to exceed $3,000 may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of such Act).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

EXPENDITURES BY THE COMMITTEE ON LABOR AND HUMAN RESOURCES

The resolution (S. Res. 62) authorizing expenditures by the Committee on Labor and Human Resources, which had been reported by the Committee on Rules and Administration, with an amendment:

On page 2, line 11, strike "$4,054,000" and insert "$4,004,000".

The resolution, as amended, follows:

S. RES. 62

Resolved, That, in carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Labor and Human Resources is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the service of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $4,004,000, of which amount not to exceed $27,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

EXPENDITURES BY THE COMMITTEE ON VETERANS' AFFAIRS

The resolution (S. Res. 61) authorizing expenditures by the Committee on Veterans' Affairs:

S. RES. 61

Resolved, That, in carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Veterans' Affairs is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $748,630.

SEC. 3. The committee shall report its findings, together which such recommendations for legislation as it deems advisable, to the

Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

EXPENDITURES BY THE SPECIAL COMMITTEE ON AGING

The resolution (S. Res. 45) authorizing expenditures by the Special Committee on Aging, which had been reported from the Committee on Rules and Administration, with amendments, as follows:

On page 1, line 1, strike "That" through and including "Senate," on line 6, and insert the following:

That, in carrying out the duties and functions imposed by section 104 of S. Res. 4, Ninety-fifth Congress, agreed to February 4, 1977, and in exercising the authority conferred on it by such section,

On page 2, line 12, strike "$908,946" and insert "$901,946".

The resolution, as amended, follows:

S. RES. 45

Resolved, That, in carrying out the duties and functions imposed by section 104 of S. Res. 4, Ninety-fifth Congress, agreed to February 4, 1977, and in exercising the authority conferred on it by such section, the Special Committee on Aging is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $901,946, of which amount (1) not to exceed $25,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $1,000 may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of such Act).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

EXPENDITURES BY THE SELECT COMMITTEE ON SMALL BUSINESS

The resolution (S. Res. 34) authorizing expenditures by the Select Committee on Small Business, which had been reported from the Committee on Rules and Administration, with an amendment:

On page 2, line 10, strike "$905,000" and insert "$902,000".

The resolution, as amended, follows:

S. RES. 34

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by paragraph 1 of rule XXVI of the Standing Rules of the Senate, and S. Res. 58, Eighty-first Congress, agreed to February 20, 1950, as amended and supplemented, in accordance with its jurisdiction under such Senate resolution, the Select Committee on Small Business is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $902,000.

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

EXPENDITURES BY THE SELECT COMMITTEE ON INTELLIGENCE

The resolution (S. Res. 54) authorizing expenditures by the Select Committee on Intelligence, which had been reported from the Committee on Rules and Administration, with an amendment:

On page 2, line 10, strike "$1,*70,000" and insert "$1,648,000".

The resolution, as amended follows:

S. RES. 54

Resolved, That, in carrying out its powers, duties, and functions under S. Res. 400, approved May 19, 1976, in accordance with its jurisdiction under section 3(a) of such resolution, including holding hearings, reporting such hearings, and making investigations as authorized by section 5 of such resolution, the Select Committee on Intelligence is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $1,648,000 of which amount not to exceed $20,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

EXPENDITURES BY THE SELECT COMMITTEE ON INDIAN AFFAIRS

The resolution (S. Res. 51) authorizing expenditures by the Select Committee on Indian Affairs for inquiries and investigations:

S. RES. 51

Resolved, That in carrying out the duties and functions imposed on it by section 105 of S. Res. 4, Ninety-fifth Congress, agreed to February 4 (legislative day, February 1), 1977, as amended, and in exercising the authority conferred on it by such section, the Select Committee on Indian Affairs is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $567,324 of which amount not to exceed $20,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

Mr. MATHIAS. Mr. President, the pending resolutions will affect the work of every standing committee in the Senate. Because the budget for each committee necessarily governs the scope and extent of the work of that committee, we want the budgets to be adequate. But in these times of financial stringency, we will want the budgets to be lean and frugal. So the vote the Senate will be taking within a few hours—1 hour to be precise—will mark a very important step in setting our books in order and in sending a signal to all the rest of the Government of the United States that the Senate intends to invoke economies and is prepared to invoke them on itself to start with.

I hope to send a message to the American people that we are serious in Washington about adopting economy measures this year.

There are 18 committee funding resolutions pending before the Senate, and they are the first budgets to be considered this year. We are looking at ourselves before we look at anybody else, and the results of the Senate's action today, I think, will create an important precedent for Senate action on spending matters throughout the rest of the year.

As we all know, the majority leader of the Senate, the Senator from Tennessee (Mr. BAKER), early announced it was his hope we could have as a target the reduction of the overall expenses of the Senate by 10 percent. At the time I was honored by my colleagues by being elected chairman of the Committee on Rules, I stated that it would be my hope, my purpose, that we could assist the majority leader in achieving that overall goal by providing as a first step a 10-percent reduction in the aggregate committee budgets. So that is what the Rules Committee has brought to the Senate today, an aggregate committee budget that does achieve a 10-percent cut as a first step toward a similar cut in overall Senate spending.

So that we understand exactly what we are talking about, we are reporting resolutions today that represent an aggregate 10 percent cut from the past year's authorized committee expenditures. Last year committees were authorized to spend $46,332,196. This year, in response to the appeal of the majority leader and, I think in response to the general situation which we all recognize we are in, the committees voluntarily reduced their budget requests by the sum of $4,332,897. So that came very close to our goal of an aggregate reduction of 10 percent. But in order not only to come close but also to hit the target we had to reduce the aggregate committee budgets by another $300,400 for a total reduction of $4,633,297. This figure is what represents a 10-percent cut from last year's authorized levels. Authorized spending for Senate committees this year will be $41,698,889.

This was not an easy job. I am sure there are some Members of the Senate who think we should have cut more, and I know there are some Members of the Senate who think as far as their committees are concerned that we should have cut less. But, by and large, we made the cuts we felt were reasonable and rational, which would not seriously inhibit the work of the committees.

The fact that we were successful in reaching the 10-percent goal is really only possible because of the cooperation of the committee chairmen and the ranking minority members, most of whom came forward voluntarily and suggested their own cuts, their own reductions and, of course, by the work of our colleagues who are members of the Rules Committee.

When I speak of the members of the Rules Committee I would like to single out for tribute the ranking minority member, the distinguished Senator from Kentucky (Mr. FORD). He was patience and loyalty personified. He sat through all of the committee testimony; he asked very tough questions; he spared no one; he played no favorites and he was as dedicated to making this 10-percent economy as anyone in the Senate.

I really believe that these resolutions could not have been, would not have been, possible if he had not so wholeheartedly taken part in the whole process.

I would also like to mention the Senator from Virginia (Mr. WARNER) who was of particular personal assistance to me and the committee in the process. He was very faithful in attending the hearings and he was one of those encouraging the committee in trying to reach the goal of 10 percent.

So I think we can be proud of the resolutions reported from the Rules Committee, and I am grateful for the dedicated work of the staff of the committee, who bore a great deal of the heat and burden of the day in preparing the resolutions so that they could come to the floor so promptly.

I think what we have done is a job that needed to be done, and am glad we were able to accomplish it. I hope the rest of the Senate will concur in our judgment.

I further hope that our action today will serve as an example to our colleagues in the other body and to the executive branch as the President grapples with the budget for the coming year.

I am happy to yield the floor to my colleague from Kentucky.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Mr. President, I thank my distinguished colleague from Maryland and appreciate the kind words that he has had to say about my efforts to assist him. And really, that is what it has been. No one could find an individual or a staff more cooperative, easier to work with, and able to take the bitter—and most of it has been bitter—with the sweet. I have enjoyed my short tenure not only with the distinguished Senator, but also those with whom he surrounds himself.

Likewise, Mr. President, I wish to compliment the minority staff that has had an equally heavy burden, with fewer employees, but assisting those new ones who are coming in. I think the cooperation among the committee members has been very good.

I think we have had the utmost of harmony and cooperation and, totally without partisan motivation on the part of our committee or its staff, we have agreed upon the additional reductions over what those committee chairmen had suggested voluntarily.

Mr. President, 10 percent does not sound like much and it really is not 10 percent. Really, it is more than that when you take in the fact of inflation, the fact of only a 5.5-percent increase in the salaries of those who have toiled for a long time helping the committees, and that being absorbed in the cut. So you can say, Mr. President, that these cuts went beyond the 10 percent.

One change that we are making here today, one change legislated last year, made the job at least simpler, if not somewhat easier. This year we began the process of dealing with committee funding allocations on a single resolution basis. All expenditures for each committee will be authorized in a single Senate resolution.

So, Mr. President, I rise to support this resolution and to stand four-square with the chairman of the Rules Committee. I hope we can approve the resolution promptly, without amendment. I join our committee chairman in urging that we agree to the resolutions—I think we have a time certain of 5:30 p.m.—and that we do so without any opposition.

The PRESIDING OFFICER. The time for the vote is 5 o'clock.

Mr. FORD. I stand corrected. I understood it was going to be 5:30. If it is going to be at 5 o'clock, I will try to make it at 5 o'clock also.

I thank the Chair and I thank the chairman.

Mr. MATHIAS. Mr. President, I thank the distinguished ranking minority member.

COMMITTEE ON THE JUDICIARY—SENATE RESOLUTION 53

Mr. THURMOND. Mr. President, the Committee on the Judiciary was allocated $5,727,629 for legislative fiscal year 1980 which ends on February 28. Additionally, in August 1980, the committee was provided $197,000 by special resolution for use in the Billy Carter investigation.

This year, the Committee on the Judiciary proposed to the Committee on Rules and Administration a significant reduction from the budget levels of the past session. For legislative fiscal year 1981, the committee proposed a total budget of $4,295,722, a reduction of $1,431,907, or 25 percent below the budget level of last year, excluding the Billy Carter investigation.

To summarize briefly the budget proposed to the Committee on Rules and Administration, the following facts should be useful.

First, overall budgeted staff is reduced from 192 to 134. Second, consultants are budgeted at $172,480 for fiscal year 1981, which is roughly comparable to the amount budgeted for fiscal year 1980, $177,500. Third, administrative expenses are budgeted at $826,131, which also is approximately equivalent to the amount budgeted for the current year, $832,120.

These figures, we believed, represented a logical plan for the activities of the committee during the new Congress. The major reduction proposed was in staff salary expense.

The committee felt that in many respects the very large staff of past Congresses impeded, rather than facilitated the work of the committee. Frankly, some members of the committee were of the view that the staff had grown to unwieldy proportions and that members were frequently responding to the demands of staff, rather than the other way around.

But, apparently, the Committee on Rules and Administration did not feel that the Committee on the Judiciary had done enough in reducing staff and expenditures.

Even though the Committee on the Judiciary made the largest dollar reduction of any standing committee of the Senate and even though the Committee on the Judiciary made the largest percentage reduction by a factor of almost three than any other standing committee of the Senate, the Committee on Rules and Administration saw fit to cut the budget of the Committee on the Judiciary by a further $23,000.

I note in that connection that the budget of the Committee on Appropriations was accepted by the Committee on Rules and Administration, even though that committee made only an 8.54-percent cut in its budget. The Committee on Rules and Administration also accepted unchanged the budget of the Committees on Foreign Relations, Banking, Indian Affairs, Budget, and Veterans' Affairs, even though each committee made cuts, respectively, of 9.99 percent, 10 percent, 10 percent, 10.19 percent, and 10.38 percent.

The reasoning of the Committee on Rules and Administration in making a further cut in the budget of the Committee on the Judiciary, a committee that made a 25-percent cut, is thus somewhat obscure.

Nevertheless, I believe so strongly that reductions in Government spending are

essential to the well-being of the country, that I am willing to accept the further, rather minor reduction, made by the Committee on Rules and Administration. I shall do my best to insure that the Committee on the Judiciary remains within its budget, even though the budget initially proposed to the Committee on Rules and Administration was the lowest budget that we felt was prudent under the circumstances.

The Committee on the Judiciary reviews one out of four bills introduced in the Senate. The Committee on the Judiciary is responsible for reviewing the nominations of all Federal judges, all U.S. attorneys, all U.S. marshals, and all of the many high-level officials of the Department of Justice, and of certain other Justice-related agencies.

The foregoing responsibilities do impose an unusual burden on the Committee on the Judiciary, and they do require an administrative and investigative effort that is unique.

Candidly, I would have preferred that the Committee on Rules and Administration had accepted the budget proposed by the Committee on the Judiciary, and I find it somewhat anomalous that a further reduction of $23,000 was voted by the Committee on Rules and Administration after the Committee on the Judiciary on its own initiative had reduced its budget by $1,431,907.

Nevertheless, I will not offer an amendment to restore the money cut, and I shall support the budget for the Committee on the Judiciary in the form reported by the Committee on Rules and Administration.

COMMITTEE ON GOVERNMENTAL AFFAIRS—SENATE RESOLUTION 57

Mr. ROTH. Mr. President, as chairman of the Committee on Governmental Affairs, I would like to speak in support of the committee budget resolution, Senate Resolution 57, which we are considering today.

This budget resolution reflects a 10-percent reduction in last year's total committee budget and an additional reduction of $60,000.

The Governmental Affairs Committee has already absorbed the 9.1-percent cost-of-living increase for last year and will absorb any cost-of-living adjustment which may be necessary this year. As you are aware, this practice of absorbing the cost-of-living adjustment effects a real reduction of much greater than 10 percent. However, despite the substantial reduction which we have included in our budget, I truly believe we will be able to sustain a dramatic increase in committee activity this year.

I believe the Governmental Affairs Committee is just beginning one of its busiest and most productive years. We look forward to carrying out greatly increased responsibilities this year. In addition to the duties we will perform as a result of the recent election, including the consideration of numerous nominations and major reorganization legislation, the members of this committee are anxious to break new ground in legislative areas and in aggressive oversight activity.

Before I begin to describe the committee activities for the coming year, I would like to make a few brief points concerning our budget.

The Governmental Affairs Committee budget has not been characterized by exponential growth in recent years. In fact, since the Governmental Operations Committee, the District of Columbia Committee, and the Post Office Committee were combined to form the Governmental Affairs Committee in 1977, the budget has had no real growth. The budget request we are submitting today reflects a dollarwise increase of only 6 percent over a period of 5 years. However, the committee has actually sustained a real reduction of over 29 percent over the past 5 years, if the rate of inflation is taken into consideration.

I have also done some preliminary research into how the Senate Governmental Affairs budget compares to the budgets of House committees. On the House side, the District of Columbia, Post Office and Civil Service, and the Government Operations Committees had combined budgets of over $8 million and 209 staff members in 1980.

These House committees have, of course, very similar functions to the Governmental Affairs Committee. I am certainly not advocating any increase in our budget or any reduction in the House committee budgets. However, I do believe it is useful to note their relative size in order to keep this issue in perspective. In addition, I would like to point out that this committee funds the permanent Subcommittee on Investigations. This subcommittee has been involved in many important investigations over the years. The House has no counterpart to this subcommittee.

In spite of the fact that this committee has not had a real increase in 5 years, I am very pleased to report that we have been able to request a 10-percent reduction in last year's budget. I repeat, I am not suggesting in any way that we will reduce the level of committee activity in order to achieve this reduction. On the contrary, I fully expect to sustain the budget reduction I have proposed while increasing the level of committee activity.

Some members of the committee have expressed concern that we would not be able to accomplish the schedule we have planned for the coming year within the budget we have proposed. I am confident that with additional effort from everyone involved the funding we have requested will be sufficient.

The Governmental Affairs Committee has historically had responsibility for a wide range of Government functions and issues. In the past year, the committee has been particularly active legislatively and in exercising oversight authority.

The committee has extensive responsibility to perform oversight over all functions and branches of the Government to promote efficiency and effectiveness of Government operations.

Oversight activities of the committee during 1980 included hearings on the following subjects:

Fraud and Abuse in Community Service Administration;
"Hurry Up" Spending;
Transfer of Technology to the Soviet Bloc;
General Revenue Sharing;
DOE Gasoline Allocation;
Regulatory Agencies; and
Freedom of Information Act.

Last year, the committee assumed an extremely active legislative role. The committee held 75 days of hearings. It reported 35 bills, 16 of which were passed by the Senate. Twelve bills reported by this committee were signed into law.

Legislation considered by the committee included such diverse issues as grant reform, regulatory reform, antiterrorism proposals, the Privacy Act and the extension of reorganization authority. The committee also considered reorganization plan No. 1 of 1980, the President's plan to strengthen management of the Nuclear Regulatory Commission.

In addition, the committee held hearings on 11 proposed Presidential nominations. The positions for which these nominations were made include Inspectors General for the Department of Education, Commissioner for the Postal Rate Commission, Special Counsel to the Merit Systems Protection Board, and Administrator of the Office of Federal Procurement Policy. Several nominations to positions in the D.C. courts were also considered by the committee.

As I have mentioned before, this year promises to be even busier for the committee.

The committee plans to expand and increase oversight activity in the coming year. Specifically, we plan to pursue oversight of the General Services Administration, the Office of Personnel Management, including the Senior Executive Service, the Small Business Administration and the Inspector General Act.

In addition, the Governmental Affairs Committee has a very critical responsibility to promote the economy, efficiency, and effectiveness of the Government at all levels. We intend to take this responsibility very seriously in the coming year. This year we will focus whatever resources are necessary on the identification and eradication of fraud, waste, and abuse in the Federal Government. I realize this is not a job which can be completed in 1 year, but we are making a commitment to begin our efforts immediately and to be vigilant and aggressive in our oversight until we get results.

We will work closely with the new administration in finding ways to streamline the Government and improve efficiency in Government at all levels and especially in the reduction of fraud and waste.

We expect to fully utilize the resources and reports which have been issued by GAO and in particular will give close consideration to the numerous GAO recommendations for legislation and other efforts to save Federal dollars. For example, GAO has identified actions—legislation and otherwise which would save several billion dollars annually. We will closely study these numerous recommendations in the coming year.

In addition, I plan, as the new chair-

man of the Permanent Subcommittee on Investigations, to increase the efforts of this subcommittee in eliminating this fraud, waste, and abuse of Government funds. To complement the subcommittee's ongoing investigations of organized crime, I intend to focus the subcommittee and its considerable resources on oversight of the Federal Government to find and root out these pervasive and recurrent conditions.

In the past, oversight has been considered less glamorous than other committee responsibilities by many. I can say with certainty that oversight will be given very high priority by this committee.

I would also like to mention for the record a few areas in which the committee expects to consider important legislation this year.

Senator EAGLETON and I have introduced legislation to create a national commission to review the operating structure and functions of Government at all levels.

It has been nearly 30 years since the Hoover Commissions of the late 1940's and early 1950's completed their work. Many of the problems identified by the Hoover Commissions have grown worse during the ensuing decades. I personally believe it is imperative that the Congress create such a commission now to reexamine the management of Government functions and the efficiency of the functions themselves. The committee will hold hearings on this proposal early next month.

Improving the management of Federal assistance programs has become an important issue over the last decade. Federal grant programs have proliferated and efficient, effective management of the chaotic Federal assistance system is becoming more difficult.

The grant reform issue will remain an important priority of the committee and will be the subject of committee consideration once again this year. Other reforms proposed to improve the grant-in-aid system such as the fiscal note legislation which would require an assessment of the cost of proposed legislation, to States and localities, will also be of concern to the committee.

Regulatory reform will also be an important committee issue this year. Last year, the committee held 13 days of hearings on the issue of reforming and improving the regulatory process. In addition, several days of hearings were conducted on compliance of regulatory agencies with Executive Order 12044—Improving Government Regulations—and on congressional review of agency rules (S. 1945).

A great deal of the committee's time last year on the regulatory reform issue was spent in marking up the legislation and in negotiations with the Judiciary Committee to report the legislation.

The committee expects to again concentrate significant amounts of time and resources on the regulatory reform issue. Oversight of activities and the policies adopted by the executive branch in the management of regulatory programs will be an important part of the committee's work. Major reform legislation will again be considered by the committee and it is likely that issues such as regulatory analysis, systematic review of existing regulations and improvements in the central management of regulatory programs will be reviewed by the committee.

Oversight of the Congressional Budget and Impoundment Control Act of 1974 will be another committee priority this year. Seven years have now elapsed since the budget process was put into place in the Congress. It is timely and very appropriate at this juncture for the committee to begin comprehensive oversight of the act itself in order to evaluate its success in achieving the original goals of the committee. In addition, this year the committee will consider the numerous legislative proposals for reform of the act.

The Governmental Affairs Committee as you are aware also has extensive responsibilities related to reorganization. Government reorganization of various departments and agencies has been widely discussed during the last year. Two departments which will probably be the subject of reorganization plans are the Department of Education and the Department of Energy. The committee would, of course, be responsible for the consideration of these plans. The committee must first consider the extension of the reorganization authority itself. The existing authority for reorganization expires early this year.

The list of nominations the committee will consider early this year is lengthy, as I have mentioned. In addition to the numerous Inspectors General who must be approved, the committee has still to consider the nominations for several positions including:

Administrator of the Federal Emergency Management Administration;

Director of the Office of Federal Procurement Policy;

Administrator of the General Services Administration (GSA);

Comptroller General and Deputy Comptroller of the General Accounting Office (GAO); and

Director and Deputy Director of the Office of Personnel Management (OPM).

The subcommittees of the Committee on Governmental Affairs have traditionally been very active in oversight as well as legislative activities. The subcommittees of the committee also have planned very ambitious agendas. The coming year promises to be extremely busy for each subcommittee as well as the committee as a whole.

In conclusion, I believe the Committee on Governmental Affairs will have an extremely active and productive year. I believe we can complete the full schedule which I have discussed within the budget we have proposed. I appreciate the efforts of the chairman and members of the Rules Committee in considering and reporting our budget resolution. On behalf of the members of the Committee on Governmental Affairs, I ask for support in this Chamber for funding for the activities I have described.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOMENICI. Are we on a time agreement here? Will the Senator yield 1 minute?

Mr. MATHIAS. Mr. President, I am happy to yield such time as the Senator may desire.

Mr. DOMENICI. I thank my good friend from Maryland.

COMMITTEE ON THE BUDGET—SENATE RESOLUTION 50

Mr. President, I congratulate the Rules Committee. Their recommendations for funding the Senate committees will reduce the total committee expenditures by 10 percent below last year.

This is a necessary first step, Mr. President, if we are to put the country's fiscal house in order.

Public Law 96–508 requires us to reduce all expenditures for operations of the Senate by 10 percent below fiscal 1980 levels. I hope—indeed I expect we will achieve economies in other Senate expenditures equal to those recommended to us by the Rules Committee, with respect to our committee budgets. I also hope, Mr. President, that the House will follow suit—and cut spending on the legislative branch overall.

The President has proposed—and we have embarked on—an historic change in our approach to this Nation's economy. This change is absolutely necessary if we are to control inflation, increase investment and productivity, revitalize our economy, and improve the quality of life for all our citizens. This is what the voters want us to do—as evidenced by the November election results; and this is what we must do. They have an innate understanding of what has been going wrong with this country and they have spoken.

As we all know, Mr. President, substantial reductions in Federal spending are an essential part of the President's proposed cure for our economic ills. Since Congress controls the purse strings, this is uniquely our responsibility. That being the case, we face the imperative: "Physician, heal thyself." We simply cannot make a case that we must cut everything except our own budgets and expect to succeed.

The Budget Committee cut our own funding request 10 percent below last year—even though we have not increased our budget since 1977.

The Rules Committee recommendation does not seek to change our committee's request. We appreciate that. We feel that operating with 10 percent less than we had 5 years ago presents a significant challenge; but it is a challenge we expect to meet successfully. We do not believe we could operate with less—or we would have further reduced our request. We appreciate the careful scrutiny the Rules Committee gave all committee budgets—and their concurrence that ours is a barebones request.

Mr. President, I am pleased that the Rules Committee has found a way to see to it that the committees of the U.S. Senate can function as they must but

with 10 percent fewer dollars than they functioned with last year.

In closing, Mr. President, I want to say again: Chairman MATHIAS and the Rules Committee have done us all a real service—and they deserve our thanks. It is never easy to cut budgets. Cutting our own colleagues' budgets, as they have done, and getting the cooperation of those whom they have cut, is a task none of us envy. They have done a superb job. And I congratulate them. I hope that we will be able to do this well in other endeavors as we seek to cut the inordinate growth of Federal Government.

Mr. MATHIAS. Mr. President, I thank the Senator for his very generous remarks, but I am sure the Senator from Kentucky would join with me in saying that it was the work of many hands and many people are to be thanked.

Mr. CANNON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. GORTON). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. NUNN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NUNN. Mr. President, I inquire of the Senator from Maryland whether there is a time allocation.

Mr. MATHIAS. We have a time limit on the vote, but no one is seeking to speak at this time, so the Senator can take such time as he may desire.

Mr. NUNN. If the Senator gets into a situation in which someone else desires to speak, I will be glad to yield at the Senator's request.

EXPENDITURES OF THE PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

Mr. NUNN. Mr. President, I have served as chairman of the Permanent Subcommittee on Investigations for the last 2 years, and before that I served as vice chairman of that subcommittee. I now have the honor of being the ranking minority member of the committee, working closely with the Senator from Delaware (Mr. ROTH), who is the chairman of both the Permanent Subcommittee on Investigations and the Committee on Governmental Affairs.

Also, Senator WARREN RUDMAN is the vice chairman, and he is doing a splendid job in that capacity.

Our committee and subcommittee really have a great deal of oversight responsibility. One of the things that many people do not focus on in this body—and I believe it is understandable—is the difference between an investigative committee and its expenses and what is called a legislative committee. We are not a legislative subcommittee.

All these remarks are directed toward the Permanent Subcommittee on Investigations. It has a long history, mostly under Senator McClellan. Senator McClellan conducted extensive hearings on organized crime, such as the Valachi hearings in 1963; and the investigation of organized crime in connection with labor racketeering, which took place when Bobby Kennedy was the chief counsel in the late 1950's. That type of inquiry is a vital part of the investigatory role of the U.S. Senate.

During the last 2 weeks, we held 6 days of hearings on corruption along the east and gulf coast waterways. We concentrated our efforts on Miami and New York, which meant that we had to have extensive travel to those two cities. We had extensive telephone bills, and we had to subpena a number of witnesses from those areas to get them here in Washington.

One thing people do not recognize in the nature of the hearings we have is that the witnesses do not come voluntarily, paid by their trade associations. Many of these people are accused of being involved in crime. Some of them are accused of being part of La Cosa Nostra. What we have to do, like it or not, if we are going to get them here, is to pay their expenses. That is a crucial difference between an investigative subcommittee and a legislative subcommittee.

When a legislative subcommittee has hearings, people are happy to come and testify, at their own expense, about their interest either for or against that particular piece of legislation.

The recent hearings we just had took us a long time to prepare. We had three to four investigators working on it for about a year.

During the last 6 or 8 weeks of this investigation, we had 15 people working on that investigation. And the best estimate we have now is that those 6 days of hearings cost somewhere between $25,000 and $30,000.

The transcripts alone for those 6 days cost $6,000. One of the reasons for that is that we have to have the transcripts the next day. If we do not get them the next day, we do not have them for cross-examination purposes, and it is essential that we have those transcripts rapidly.

The witnesses' travel and per diem for that particular set of hearings cost around $7,000. The staff travel, and this took place over about a year, cost an estimated $12,000, and the telephone bill for these hearings cost at least $4,000.

I do not think anyone who sat through these hearings would in any way say that we overspent the money in light of the pervasive influence of organized crime on the waterfronts all over America involving literally billions of dollars. We are making at least 11 different recommendations that would involve legislation. The Labor Committee has already scheduled hearings on some of these recommendations sometime in May. I think even if we pass only two or three of these recommendations, they will save untold millions of dollars and begin to do something about one of our most serious problems in terms of law enforcement.

During the years I have served as either acting chairman, vice chairman, or chairman of this subcommittee, the subcommittee investigated a number of areas of Government fraud and abuse as well as organized crime.

And the thing I wish to emphasize to my colleagues, particularly those on the Rules Committee, is that in each of these cases we found the initial leads and most of the corruption outside Washington, D.C. In order to root out the problems in the guaranteed student loan program and in medicaid-medicare—and out of these hearings came the Inspectors General bill creating the Inspector General in the Department of HEW—we had to put investigators on the road, and we had to spend some money.

We cannot have an investigatory hearing without spending some money. It is impossible. We had to make hundreds of long distance telephone calls. We had to bring witnesses from all over the country to Washington for these hearings.

In 1976, when our subcommittee budget was $1.1 million, we uncovered problems in the guaranteed student loan program alone that were costing the Government some $1 billion in defaulted loans.

Now all of these problems have not been corrected, but a major legislative package both was introduced and passed as a result of these hearings.

The Committee on Governmental Affairs, and especially our Permanent Subcommittee on Investigations, has a prime responsibility to investigate fraud, waste, abuse, mismanagement, misfeasance, and malfeasance in the administration of all Federal programs. We also have a historical mission to investigate organized crime, labor racketeering, and illicit narcotics traffic.

Our investigations and the holding of hearings have to be done in a very sensitive and a very careful way.

Quite often we would run into factual situations that have involved in them criminal liability. In doing our job we have to check every fact; we have to corroborate every witness; we have to examine every document; we have to leave no stone unturned.

I am sure that under the chairmanship of the distinguished Senator from Delaware (Mr. ROTH), we will carry on this type of activity.

As to the savings of our subcommittee, if we look at the record over a period of time, I would say we have saved literally hundreds of millions of dollars in addition to making major changes in law enforcement and in organized crime enforcement in this country.

I simply wish to give my colleagues an example of what we face next year, because I am not going to propose an amendment today. I know the Rules Committee has done a superb job, and part of our problem is not related to the Rules Committee. Part of it is related to our own committee and in the allocation that has taken place there. That is something we will have to work out over a period of time.

But I simply wish to share with my colleagues the dilemma we face.

In 1980, and this is just the Subcommittee on Investigations, our travel and per diem expenditure was $67,538, and not all the bills are in. Of course, everyone knows the airplane travel and other transportation costs went up and skyrocketed last year.

The 1981 budget for travel and per diem is $30,151. So if we do exactly what we did in 1980, and if air travel does not go up at all in 1981, our travel on this particular subcommittee will have to be more than cut in half. That means that we are going to have to drastically reduce the investigations we have underway.

This does not in any way consider the minority side as distinguished from the majority. This is the whole subcommittee, and Senator ROTH has already indicated that he plans to make a major effort in this subcommittee to try to investigate and go after fraud and corruption as well as waste in Government expenditures in numerous Federal programs.

Another example is hearing reporters. The reporters last year cost our subcommittee $25,170. In 1981 the budget under the resolution we are about to approve provides $12,331. This means we are going to have to have half as many hearings.

I do not say that hearings are the mark of whether we had a good year, but we did not have an inordinate amount of hearings last year. Senator PERCY held some very important hearings. We had some on the majority side. But I would say that we cannot possibly fulfill our role with a $12,000 hearing expense budget.

As to the witnesses' travel and per diem, in 1980 we spent $15,088. The 1981 budget under this resolution is $4,932. It has been cut to about one-third of what we spent last year.

The witnesses' fees alone in the ILA hearings, which showed corruption on the waterfront of the whole east coast, were $7,000 in those 6 days of hearings.

So our total budget in 1981 for witnesses' expenses is about $4,932, or about five-sevenths of what we spent in one set of hearings over 2 weeks.

This means very simply that we are not going to be able to investigate beyond Washington, D.C. We might get out to the National Institutes of Health in Maryland. But we may have to investigate fraud, corruption, waste, inefficiency, organized crime, and narcotics traffic by not calling witnesses from beyond the borders of Washington. We simply are not going to be able to do it.

I say this because I think it is going to be apparent to the members of the Rules Committee and to the members of the full Governmental Affairs Committee that if we really wish an investigating subcommittee, we have to change this budget.

I am not here to propose an amendment today. I know that the Rules Commitee has worked long and hard. I know that Senator ROTH has worked long and hard trying to organize the full committee, but unless someone has served and participated actively on the Permanent Subcommittee on Investigations he has no way of really comparing the activities of this committee with the activities of a legislative committee.

Our witnesses in the last 2 weeks have not appeared voluntarily. We were prepreparsed to grant immunity in five different cases. We did not grant that many immunities because we were very careful in that. We do not like to grant immunity unless we absolutely have to. We had to subpena people who came in and took the fifth amendment. We are in that process right now. We had two witnesses who came up with medical excuses for answering our subpenas. One of them had a legitimate medical excuse, it seemed, but we had to verify that because this particular individual is alleged to be a member of La Cosa Nostra. We do not believe we should just carte blanche take the word of a doctor who is paid by that particular individual without checking it out further.

So we are having to check that out by having a doctor examine that particular witness with the consent of counsel.

We had another witness from New York who came up with an excuse that we did not think had necessary documentation. We kept a subpena in effect and we demanded permission from the attorney representing that individual to be able to examine that individual. We are going to have to pay doctors to examine those individuals.

But I do not think the Senate wishes to be in a position where one of its subcommittees under a subpena power cannot verify whether alleged members of La Cosa Nostra are really sick when they refuse to show up pursuant to a subpena. I do not think we wish to be put in that ridiculous situation.

I simply wish to express, first of all, my gratitude to the Rules Committee. I join them in believing that we had some bloated budgets, and I think that we can cut down budgets of Congress. I share in that goal. When we get into the area of oversight, when we get into the area of investigating fraud, waste, corruption, organized crime, narcotics, and labor racketeering, I really do not believe that the mood of the country is such that we want to basically put a subcommittee out of business that has a historical track record as good as this subcommittee.

We are not in business to recommend programs that cost money.

We are in the business of trying to eliminate fraud and corruption and waste in the Government.

So I want to serve notice on my colleagues that we are in the position of not being able to continue the investigations we have ongoing. I am not speaking with the permission of the new majority, but I am speaking from my knowledge of the way the subcommittee works. They may not be able to investigate the inefficiency, the fraud and waste they intend to investigate now unless they confine themselves to the immediate area of the Nation's Capitol.

Just to give my colleagues an example of some of the things we had hoped to work on over the next year or 1½ years, we have an investigation on international narcotics traffic, particularly Southeast Asia, the so-called Golden Triangle; we have a quaaludes investigation, which is one of our more serious drug problems that is growing by leaps and bounds. That investigation cannot take place here in Washington.

We have a Federal sentencing, probation and parole investigation, trying to determine whether organized criminals are given favorable treatment under our existing parole system. We have an investigation which has been going on for 1½ years, and we hope to complete it in the next 4 months, which will identify members of organized crime all throughout the United States. We intend to make all the necessary documentation a part of the public record.

We have plans to undertake an investigation about espionage activities in which some of the technological secrets we have in our private sector are being stolen by the Soviet bloc. We have an investigation ongoing on organized crime's money flow. I think all of you have read the statistics which indicate that the State of Florida has several billion dollars more in bank deposits than any other Federal Reserve district in this country. This is no coincidence. It is primarily because of illegal narcotics traffic. But we have to send people to Florida to conduct that investigation.

We have plans to look at organized crime's involvement in toxic waste and in cable television. We have an investigation going on concerning narcotics in Bolivia and other countries in South America.

I say this to point out to my colleagues that this is not just what the minority side is doing. Senator ROTH and Senator RUDMAN are cooperating fully in these investigations.

They also have plans to do an awful lot of work in trying to cut out fraud, inefficiency, and waste in Government. So I really believe we are about to pass a resolution which treats this subcommittee in a way, unintentionally and inadvertently, which is going to make it almost impossible to have any kind of meaningful hearings. Frankly, if we are not going to have any more expense money than this, we are really going to have a surplus of staff. I hate to admit that, but the staff may be around here basically writing memos to each other because they are not going to be able to investigate anything.

Perhaps we will investigate the Capitol and the Congress. I do not know whether that is the intention of the committee, to channel our investigation inward. Maybe we ought to investigate what is going on in all of the Houses of Congress. But I do not think we can do the job that is expected of us, that this subcommittee has been doing historically.

I thank the chairman for yielding.

Mr. MATHIAS. I thank the Senator from Georgia for the fine words he has addressed to the Rules Committee.

I would not, however, like one implication that might be drawn from the Senator's remarks to stand on the record without challenge. When the Senator said the funds available for travel would only take him to Bethesda, Md., to the campus of the National Institutes of Health, I want to make it clear that even if the committee were so fortunate as to go to Bethesda, Md., to the campus of the National Institutes of Health, they would not find organized crime rife and in control of that great institution or that very fine community.

Mr. NUNN. I would not only concede

the point of the Senator from Maryland, but I would say that was not my intention. I was trying to draw the perimeter of our investigative activity and not directing it at the State the Senator from Maryland represents.

Mr. MATHIAS. I was sure that was not the intention of the Senator from Georgia, but I wanted to make the record crystal clear.

I want to salute the Senator for the great service he has rendered to the Senate and to the United States by his concentration on the problems brought about by the operations of organized crime. Through his work he has brought to light instances of violence and terrorism that form a pattern of conduct that the American people want to see stamped out.

He is entirely right that in order to finish this job the committee has to go forward.

I am further grateful to him for the remarks he has made here today because I think they illustrate the difficulty the Rules Committee has labored under.

Both during the hearings and since the completion of the hearings on the committee budgets, Members of the Senate came to me and said, "You haven't cut deep enough. These are only cosmetic cuts. You ought to go deeper."

From what the Senator has been telling the Senate today, it is just illustrative of the fact that it is extremely difficult to go much deeper than we have gone at this point. Perhaps some time in the future we can do something further, but at this point it is difficult to go further than the aggregate cut of 10 percent without inhibiting the necessary work of the Senate.

Maybe we can rearrange our priorities. Maybe we can readjust some of the budgets of the committees so that further economies can be made. But you have to take it a step at a time, and this is a first step leading toward an aggregate cut of 10 percent in the expenses of the Senate.

I think the Senator has given us a very good case illustration of just what happens if you cut too deeply.

I think the Senator has also spoken from the point of view of the new minority and has expressed some of the kinds of frustrations that a minority necessarily feels, that where there is expertise, knowledge, dedication, and desire to do a job there ought to be resources available to do it.

Mr. NUNN. Let me just mention this to my colleague from Maryland at this point. The figures I gave were not minority budget. The figures I gave were the minority and majority budget.

What I am saying is Senator ROTH and Senator RUDMAN are now in place, but they have just hired this week the people who are going to head the committee's staff. There has been no staff looking at the majority budget that has the investigative experience necessary to determine the amounts that are going to be necessary.

As soon as the new majority staff gets in place, and they undertake their first investigation, they are going to be coming in and saying, "We do not have enough money to travel; we do not have enough money to pay witnesses; we do not have enough money for the telephone. We cannot conduct an investigation in this way."

So I am really here, and I want to make it clear, speaking in a sense for the majority and the minority. I am not complaining in any sense about the minority's share in this. I think that is up to us to work out in the committee. I think it is the whole subcommittee that is having dramatic cuts in its ability to do its job. As I said, I applaud the efforts to reduce the cost of Congress, and I think it is overdue, but I would like the Senator to understand we will probably be asking to come back and make a special case, laying out exactly what we need in some of these expenses so that we can utilize the very strong professional talent we have in a productive way for the Senate.

Mr. MATHIAS. In the Senator's case such a request would be supported by very concrete evidence of the work you have already done. I think that provides really the best argument for maintaining its work because, at the risk of repeating myself, I am convinced that the American people will not tolerate the kind of violence, criminal activity, drug-pushing, and preying on innocent people, particularly innocent young people, in this country which is characteristic of organized crime.

I think that is really the case. It is the very key factor which will give the Senator a very strong platform on which to speak, certainly as far as I am concerned.

Mr. NUNN. I thank the Senator from Maryland.

I would just ask my colleague if the Rules Committee on request by both majority and minority, if at some point we decide we really do have to come back, will the Senator be willing at least to have a hearing and let us make a presentation at that time?

Mr. MATHIAS. I am sure the committee would be happy to lend a very sympathetic ear to the Senator.

Mr. NUNN. I thank the Senator from Maryland.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

● Mr. STAFFORD. Mr. President, the Committee on Environment and Public Works faces a very heavy workload during the 97th Congress, and particularly during the 1st session. We are all keenly aware of the requirement to review the budget of every agency and program within our jurisdiction, so as to make our recommendations to the Budget Committee by March 16. This important task is made more pressing by the strong desire this year to reduce Federal expenditures—which inevitably raises policy issues and hard decisions. And while these first recommendations may be submitted in mid-March, I have no doubt that these economic examinations and program decisions will constitute a large part of our work throughout the year.

Our largest legislative task will be the review, and modification where needed, of the Clean Air Act. This will be a complex and time-consuming task—involving dozens of difficult issues affecting large segments of industry, the strongly held views of conservationists and other public groups, and with consequences for every State and community in this country. We plan to conduct a number of field hearings; and we began our Washington hearings shortly after receiving the report of the National Commission on Air Quality.

While the Clean Air Act may be the most challenging of the committee's responsibilities and its heaviest workload, other reauthorizations are scarcely less important. For example, the Clean Water Act must be addressed this year, particularly the formula for State apportionments. It is time to again address the Federal aid highway system—which raises key policy decisions for the future. There has not been an omnibus water projects bill for 4 years, and our new subcommittee chairman, Senator ABDNOR, is anxious to address that challenge. We will again confront the issues of nuclear waste disposal, in addition to the regular authorization for the Nuclear Regulatory Commission. Senator CHAFEE, in addition to his water pollution work, will be pursuing the fish and wildlife initiatives he began last year.

The committee also plans to take prompt action on the oil spill cleanup legislation, and the public buildings reform legislation in which Senators RANDOLPH, MOYNIHAN, and SIMPSON so effectively joined last year. In addition, we must address the future of the economic development programs, reauthorization of disaster relief, and oversight of toxic substances, drinking water legislation, and environmental research and policy, among others.

While the committee, then, has been presented a major agenda of important work, despite this, and despite the increase in size of the committee we have reduced the number of budgeted staff positions by 10 percent—that is, to 56 from 62, which has been the number of staff authorized for the committee since reorganization in 1977. We consider this to be a lean but effective staff, and one which will have to continue to stretch its energies and its talents.

We have in this way succeeded in following the rule of the Republican Conference in reducing budgeted expenditures by 10 percent below the amount authorized to the committee last year.●

COMMITTEE ON ARMED SERVICES—SENATE RESOLUTION 60

Mr. TOWER. Mr. President, this measure would provide the Committee on Armed Services with $1,554,500 in spending authority for the period March 1, 1981, through February 28, 1982, for the examination, investigation, and study of all matters within the jurisdiction of the Committee on Armed Services as specified in rule XXV of the Standing Rules of the Senate.

Of this amount, direct payroll expenses account for approximately $1,282,935 to provide for a staff of 36 persons, 21 professional staff members, and 15 staff assistants. This represents the addition of only two staff assistants above the

level of staff authorized for the previous year.

At a time when national and international security concerns are the focus of an increasing level of attention, both in the Congress and in the executive branch, our committee expects to operate with an exceptionally full agenda over the coming year. The documentation forwarded to the Committee on Rules and Administration outlines the specific elements of the committee's work that will be addressed in the months ahead.

I think my colleagues are aware of the enviable record which my distinguished colleague from Mississippi, Senator STENNIS, maintained for many years as the chairman of our committee in limiting expenditures to only the minimum necessary levels. Down through the years, our committee has hired only essential staff personnel and still operates with one of the smallest committee staffs in the Senate. I fully intend to follow the precedent set by our previous chairman in this regard.

I wish to express my appreciation to the distinguished chairman of the Committee on Rules and Administration, Senator MATHIAS, and the distinguished ranking minority member, Senator FORD. They have been most fair and even-handed in their consideration of the request of the Committee in Armed Services, and their recognition of our committee's duties and responsibilities for the coming year is genuinely appreciated.

In addition, I would like to thank especially my colleague from Virginia, Senator WARNER, who serves both as a member of the Committee on Armed Services and the Committee on Rules and Administration. As I was necessarily away from Washington at the time of the Rules Committee hearings on this matter, Senator WARNER appeared at my request along with Senator STENNIS in formally presenting our request, and I am deeply grateful for his assuming this additional burden at a time that was exceptionally busy for him.

Mr. President, I urge the Senate's adoption of Senate Resolution 60, as reported by the Committee on Rules and Administration.

The PRESIDING OFFICER. Under the order previously entered, the hour of 5 p.m. having arrived, the Senate will now proceed to vote en bloc on agreeing to the funding resolution in Calendar Orders Nos. 10 through 27.

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Minnesota (Mr. DURENBERGER), the Senator from California (Mr. HAYAKAWA), the Senator from Wisconsin (Mr. KASTEN), and the Senator from Illinois (Mr. PERCY) are necessarily absent.

I also announce that the Senator from Kansas (Mr. DOLE) is absent due to illness.

I further announce that, if present and voting, the Senator from Minnesota (Mr. DURENBERGER) and the Senator from Kansas (Mr. DOLE) would each vote "yea."

Mr. CRANSTON. I announce that the Senator from Missouri (Mr. EAGLETON) and the Senator from Louisiana (Mr. LONG) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 93, nays 0, as follows:

[Rollcall Vote No. 26 Leg.]

YEAS—93

Abdnor	Glenn	Murkowski
Andrews	Goldwater	Nickles
Armstrong	Gorton	Nunn
Baker	Grassley	Packwood
Baucus	Hart	Pell
Bentsen	Hatch	Pressler
Biden	Hatfield	Proxmire
Boren	Hawkins	Pryor
Boschwitz	Heflin	Quayle
Bradley	Heinz	Randolph
Bumpers	Helms	Riegle
Burdick	Hollings	Roth
Byrd, Harry F., Jr.	Huddleston	Rudman
	Humphrey	Sarbanes
Byrd, Robert C.	Inouye	Sasser
Cannon	Jackson	Schmitt
Chafee	Jepsen	Simpson
Chiles	Johnston	Specter
Cochran	Kassebaum	Stafford
Cohen	Kennedy	Stennis
Cranston	Laxalt	Stevens
D'Amato	Leahy	Symms
Danforth	Levin	Thurmond
DeConcini	Lugar	Tower
Denton	Mathias	Tsongas
Dixon	Matsunaga	Wallop
Dodd	Mattingly	Warner
Domenici	McClure	Weicker
East	Melcher	Williams
Exon	Metzenbaum	Zorinsky
Ford	Mitchell	
Garn	Moynihan	

NOT VOTING—7

Dole	Hayakawa	Percy
Durenberger	Kasten	
Eagleton	Long	

So the resolutions were agreed to en bloc.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the resolutions were adopted.

Mr. MATHIAS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that there now be a brief period for the transaction of routine morning business, to extend not longer than 30 minutes, in which Senators may speak for not more than 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

GLADYS SPELLMAN'S BRILLIANT CAREER

Mr. SARBANES. Mr. President, it is with deep personal sadness that I rise today to pay tribute to Gladys Noon Spellman. The esteem and honor with which all of us in the Congress who have worked with Gladys held her is reflected by the House of Representatives proceedings which took place only after sufficient time has elapsed to conclude that this extraordinary public servant would be unable to take the seat to which she had so overwhelmingly been returned by the people of her district in Prince Georges and Montgomery Counties, Md.

It is certainly no overstatement to reflect that, as the Washington Post editorialized—

Gladys Spellman entered the race for reelection to a fourth term in Congress as the most popular politician in Prince Georges County.

But her loss to this Congress means much more to the people of Maryland than the end of her term of political service.

Gladys Noon Spellman was a true servant of the people in every respect. Whether forcefully and effectively advocating the best interests of the people of her district in the Congress, serving as chairman of the Board of Commissioners of Prince Georges County, or teaching in the classroom, this remarkable lady vividly demonstrated the best in dedicated public service and genuine personal commitment.

Gladys brought her considerable talents to bear in the special way that touched consumers, public employees, senior citizens, children, and indeed, all the people of Maryland. Her appreciation of and unending dedication to the needs of all of her constituents were matched only by Gladys' commitment to insure that government at all levels was serving the genuine needs of the people.

I had the honor and privilege of serving with Gladys Noon Spellman when she first came to the Congress in 1974, after her distinguished career of service and leadership in county government. I have also had the privilege of sharing with Gladys many public appearances. Perhaps I can best note that her success as a public servant was reflected by the genuine warmth and dedication that the people she represented gave back to her on those occasions.

Her tireless efforts to touch the people she represented, took her to every corner of her district with unending energy and enthusiasm. Gladys Spellman loved her constituents and they loved her. Her career stands as an example for all who would serve the people. Simply put, we will miss her greatly.

Mr. President, those of us who have known and worked with Representative Gladys Noon Spellman join in the hope that her indomitable spirit, great strength and the love and dedication of her family may in some way overcome her illness. I ask unanimous consent that the February 25, 1981, tribute to Gladys Spellman from the Washington Post be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

GLADYS SPELLMAN'S BRILLIANT CAREER

By anyone's account, Gladys Noon Spellman entered the race for reelection to a fourth term in Congress as the most popular politician in Prince George's County. Today, that reputation has not changed a bit—but, as Mrs. Spellman's millions of admirers in the county, in Congress and throughout the Washington region have had to accept—her own circumstances have. Her remarkable 19-year political career has been halted, though it remains a classic for all who would seek public office and serve successfully.

To have watched Mrs. Spellman on the campaign trail, on the phones, in the schools or up and down the aisles and office hallways

of Congress was to see a woman obviously reveling in her work and loving her constituents. You could watch with amusement, too, as Mrs. Spellman would bat those big dark eyes, smile, gosh-golly it a few times—and then systematically strip the socks off of unsuspecting colleagues in the House to make another point or two on behalf of her constituents.

There has always been more to it than charm and cunning, though; Mrs. Spellman has been a political pro in every way, with an uncanny sense of her constituency's interests—most notably those of federal employees, from elevator operator to secretary, clerk and middle-level professional. To this group that always suffers as the easy target of the "anti-Washington" candidates, what better music than Mrs. Spellman's "Beautiful Bureaucrat" column in her newsletter, commending "wonderfully responsive" government workers and championing those who, "far from slowing down the wheels of government, are really the people who keep them churning"?

This keen appreciation of her constituents and of government at its best has been instrumental in promoting the best of Prince George's County—where Mrs. Spellman first came into the public eye as a crusading PTA activist, elected as a Democratic reformer to the old County Board of Commissioners in 1962. Four years later, she became board chairman, the first woman to head Maryland's largest county. Mrs. Spellman remained in the political thick of things when the county changed to a charter form of government, winning election to the new county council and, in 1974, to the U.S. House.

The bubbling omnipresence of Gladys Spellman—in meetings large and small, at those open-door complaint sessions for constituents, at the nightly sessions throughout her district, at the PTAs, at the clubs or in the family rooms around the neighborhoods—is no more. And yesterday's declaration of a vacancy of this seat was only right, for representation of this district must continue.

Still, we can know what Mrs. Spellman's daughter means when she says, "I'm waiting for her to look up and tell me to cut my hair, or to tell the boys to trim their beards." After all, everybody knows by now that Gladys Spellman has never been one to be underestimated.

REMARKS ON THE HOSTAGE CRISIS IN IRAN

Mr. HART. Mr. President, during the last month, a great deal has been said and written about the meaning of the hostage crisis in Iran. None, in my judgment, had addressed this issue more articulately than my colleague Representative RAYMOND KOGOVSEK, who represents the Third Congressional District of Colorado. Just 10 days after the American hostages returned, he discussed what we learned during this difficult period in a speech before the El Paso County Democratic Party. His thoughtful remarks are the most eloquent expression of what we learned from the hostage crisis I have seen so far.

Representative KOGOVSEK spoke about the strength, purpose, and destiny of a free society such as ours. He was able to put in words what so many of us felt but could not adequately express. I commend him for a very thoughtful and very moving speech.

I ask unanimous consent that Representative KOGOVSEK's remarks be printed in the RECORD at this point.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

REMARKS

Life continues to be a learning experience, teaching most of us that we really aren't much better prepared for today having gone through yesterday. Few things have taught Americans that lesson any better than the 14½-month ordeal which we abbreviate as "The Hostage Crisis."

There we were—the most powerful nation on earth; the nation which waged and won simultaneous wars in Europe and the Pacific; a nation with a staggeringly wealthy Gross National Product; a nation able to explore the heavens and land men on the moon and harness nuclear power—held hostage, as a nation, by a bunch of terrorists and radicals. We seemingly were all but crippled, and it appeared that our might was reduced to negotiation, our strength reduced to humiliation, our power reduced to simple begging.

We rejoiced when it was all over (if indeed it can ever be called "over"), and we already have begun a period of painful re-assessment and self-scrutiny. It's relatively easy to Monday morning quarterback now, to say we could have done such-and-such, or hit them with thus-and-so, or told them this-and-that. But hindsight is nearly meaningless; what the Iranian hooliganism taught us about future incidents isn't all that clear. The next hostage, the next embassy, the next hijacking will be different. And I think that the only thing we know for sure is that we know we will survive. I'm not saying that we can't plan ahead, that we can't beef up our protective measure in obvious ways. But I am saying that we don't need to be reduced to a fearful, whimpering nation of paranoiacs—afraid to stick out our collective necks into a world that needs us, afraid to reach out our hands and strong arms to a world hungry for democracy.

We will be hurt; we will endure martyrdom, from time to time; we will continue to endure the smart pain of humiliation from the radicals and irrationals. But our American way long has been paved with the blood of those willing to sacrifice their time, their bodies, their total existence to make men free. Our Flag, desecrated in Teheran and elsewhere, has waved proudly over far too many victories to acquire shame because of a few crazies here and there.

We will not retaliate beyond the means equal to the necessity; we will not bully simply because we are bullied; we will, however, learn new ways—however vaguely those ways will be formulated—to do what we can to protect our legitimate interests and our lives.

I hope none of us use the hostage situation to push for hawk-like attitudes for this nation. We must and we will become more adequately defense-minded and surely we will pay the costs attached to that development. But I pray God that we quit our defense-mindedness when we are strong enough, and that we don't become a nation dedicated to the wrongful proposition that "Might Makes Right." It doesn't, it won't, and it can't.

We will continue to be strong, and indeed increase our strength, not merely because we add bombs and bullets and men; we will continue to be strong not only because we revise our planning for future crises: we will continue to be strong because of the very fiber of the American people and the leaders it selects. Because we are a free nation, choosing whomsoever we will to lead and consolidate, we will opt for moderation and strength, seeking neither hawks nor doves, but quietly powerful men and women who understand and respect and fear the awesome power that is ours.

We will be strong because we will continue the inherent trust we have in any president and any Congress to be responsive to the will of the electorate. And make no mistake about it: As long as leaders will lead, as long as they use the powers granted them by the Constitution and the people it shields, they will be trusted and respected.

The Iranians have reminded us once again how impossible it is for idealists without foundation to lead or even set a course of positive action; they reminded us once again that long after this mullah or that imam or this council or that committee have disappeared in the latest hail of bullets, our nation will still be here, moving surely on a course of improvement and sharing and growth. We are not a nation of weaklings or namby-pambies; it would be a tragic mistake for anyone to confuse patience and prudence with weakness or indecision.

The decisions ahead are tough ones; the new directions we must seek are not obvious. But I can recall the sight of millions of Americans watching, with tears in their eyes, as another 52 Americans changed planes in Algeria; I can hear anew the shouts and cheers and almost feel the tears of joy as the ex-hostages returned to American jurisdiction in Frankfurt; I can see again the overwhelming pride of Washington and Pueblo and Colorado and indeed the whole of the American nation as our neighbors were welcomed home from captivity. I can see and hear and feel that sense of unity and pride and brotherhood, and I can believe totally that we are indeed on the right track, that we will survive not because of changes-yet-to-come but because of who we already are.

Iran: You hoodlums and criminals, you pirates and kidnappers, Thank you. Your evil, which could deserve such powerful retribution, instead has actually helped us to re-focus on the strength we have, the purpose we possess; you helped us scoop away the cynicism and find again a great, sleeping national pride underneath. We are stronger than we believed, more indomitable than ever. It took 444 days to remind us of the lesson, but I suspect it will be a much longer time before we forget it.

Mr. HART. Mr. President, I have noted a disturbing trend in recent months with respect to Israel's standing in the international community. In brief, there seems to be growing respectability in the Third World to the idea of depriving Israel of its proper place in the international community. I wonder parenthetically if to some extent the vacillation in U.S. support for Israel in the United Nations over the past year has not contributed to the increasing acceptance of this idea.

Two recent incidents prompt my concern. The January Islamic Conference in Saudi Arabia called on the United Nations General Assembly to reject the credentials of the Israel delegation and to freeze its membership in that body. The conference also called for increased diplomatic as well as economic pressures on Israel to abandon Jerusalem and the West Bank, and made allusion to a "jihad"—a rough translation of which is "holy war"—to "liberate" Jerusalem.

Earlier this month, the New Delhi meeting of "Nonaligned Nations' Foreign Ministers" repeated the call for expulsion of Israel from the United Nations.

I strongly deplore these efforts to diminish Israel's diplomatic standing in the world community. It is precisely because Israel and the Arab nations have difficult, complex, and longstanding diffi-

culties, that we need their active participation in the United Nations to resolve their differences in a peaceful way. It is in everyone's interest—Israels, the Arabs, and the United States—that threats to peace be defused through peaceful diplomatic means by an international forum such as the United Nations.

The steps taken in Saudi Arabia and New Delhi only make resolution of difficult issues more unlikely. The statements made in Saudi Arabia and New Delhi are not a step in the direction of a peaceful settlement.

I hope in the future responsible world leaders—whether their common bond be as Arabs or as oil producers, poverty or Islam—would avoid facile rhetoric and focus instead on steps which will build rather than erode confidence so that reason may eventually prevail on both sides.

It is incumbent on the new administration to demonstrate—both to our ally, Israel, and to the rest of the world—that we will not stand idly by while irresponsible attempts are made to ostracize a legitimate member of the world community. The visit of the Israel Foreign Minister, Mr. Shamir, provides an excellent opportunity to demonstrate our recognition and support for Israel's role in the world community as well as to discuss other important issues.

FARM POLICY

Mr. HART. Mr. President, in the weeks ahead, the members of a number of America's farm organizations will be traveling to Washington to meet and consult with their representatives. I welcome their visit, for they are here to remind us, as they should, that the future of the family farm is one of the most important issues facing this Congress. It is an issue which gets at the very heart of our heritage, our economy, and our survival. It is not just the farmers' issue, but all of ours.

America's farmers continue to face the most serious economic conditions they have known since the early 1930's. Record interest rates, high production costs, and low prices contribute to the most difficult cost/price situation in the memory of many farmers. Added to this series of woes is a potential drought facing much of our country.

Congress will have an opportunity to address these and other important farm issues during consideration of the omnibus farm reauthorization legislation this year; $23 billion worth of Federal programs intended to lessen financial risks of farmers, feed the poor, and ensure the maintenance of family farms are up for renewal in 1981. Sound farm policy, however, must be even broader than this critical reauthorization. We must address other economic, energy, water resource, and foreign policy issues if we are to address the most important needs of the American farm community. I would like to briefly address each of these.

One of the basic economic principles that must guide our farm policy is that it is unfair to ask America's farmers and ranchers to feed the Nation for less than it cost them to produce their crops. We must continue to improve the agricultural economy through support programs, by improving exports and limiting imports, and by increasing the use of food products in foreign aid programs.

I have consistently supported a number of measures to increase and extend farm support programs. In 1977 and 1978, I cosponsored emergency bills to raise target prices to 100 percent of parity and loan rates to 90 percent of parity, as well as legislation to provide a support program for sugar beets and sugarcane. I was also a cosponsor of the Flexible Parity Act which would adjust the target price for a commodity depending upon the amount of land removed from production. I have also called for reducing the interest rate on FHA and Small Business Administration loans for farmers, and I believe we have a responsibility to provide disaster loans for farmers whose crops are destroyed.

Our Nation's energy problems will have as great an effect on farmers as any other segment of our society. Farmers, however, can be an important source of the alternative energy so necessary for reducing our imports of foreign oil.

Alcohol fuels, for example, is an exciting new idea, and it was the American farmer who brought it to our attention. It has already played a major role in alternative energy production. We currently produce 120 million gallons per year of fuel-grade alcohol from grains and biomass. I have consistently supported funding for gasohol plants and will continue to do so.

Just last week, I called on the President to unlease an energy offensive and to move quickly on incentives to promote gasohol. I joined with Senator DOLE and 17 other Senators in urging Energy Secretary Edwards and Agriculture Secretary Block to expedite currently authorized loan guarantees for the construction of commercial-size alcohol fuel plants. I strongly believe gasohol and other renewable energy resources can play an important role in achieving our energy independence.

In addition to economic and energy policies, land and water policies are also needed to strengthen our farm community. Without some kind of sensible management of our prime agricultural lands, we will lose them to industrial and urban development. I was pleased to learn that Secretary of Agriculture John Block has endorsed the findings of the national agricultural land study and has called for a land-use policy that will slow the conversion of prime agricultural farm land to nonagricultural uses.

The study indicated that the United States is losing 3 million acres of prime farmland a year to nonagricultural uses like housing subdivisions, shopping centers, recreation areas, and industrial development. This study also estimates that U.S. farmers will need to plant between 84 and 143 million acres of additional farmlands by the year 2000 to meet anticipiated domestic and foreign demands. The continued conversion of our prime agricultural land at current rates is clearly contrary to our long-term economic and environmental interests.

In an arid region such as ours, water is perhaps the most valuable resource. I am committed to protecting Colorado's agriculture base by insuring there is adequate water for irrigation even as we increase energy development. Earlier this month, I wrote President Reagan, urging him to consider adding money to the 1982 budget for new water project construction. The new administration should conduct a review, with the help of State and local officials, of new water projects which are eligible to begin construction but have been held up by the Carter administration. Energy and agricultural development in the West simply cannot proceed without greater water storage capacity.

It is increasingly important that our Government make every effort to stimulate an expansion of U.S. food shipments to other countries. I support the increased use of food in foreign aid programs, such as food for peace. One cannot talk of increasing exports, however, without commenting on the Soviet grain embargo. On January 4, 1980, President Carter announced that 17-million tons of wheat, corn, and soybeans, originally to be sold to the Soviet Union, would be embargoed. This action was in response to the Soviet invasion of Afghanistan.

For some time I questioned whether this action punished the Soviet Union as much as it harmed the American farmer. And I eventually concluded the embargo should be lifted. The Reagan administration is now in the process of deciding whether the embargo should be extended and whether it is truly punishing the Soviets, particularly when they are threatening to interfere in the affairs of Poland. I look forward to the President's decision and intend to independently reevaluate my own position at that time. Although the embargo has been only partial, it has had a bite. There is evidence that the embargo is directly responsible for a decline in Soviet meat consumption and that the Soviet Union has had to spend hard currency to increase meat imports.

In light of this evidence, it would be irresponsible not to objectively weigh all arguments for or against the embargo. If, however, the embargo should be extended, it is essential, and fairness dictates, that farmers alone not bear the burden. I would support expanding the embargo to include other commodities and products and high technology equipment so that farmers alone are not asked to sacrifice for our foreign policy.

The maintenance of a farm system dominated by productive family-sized units is and should be a basic goal of American agricultural policy. I have described several critical areas which I believe will shape the future of the family farm. The 97th Congress will have many opportunities to work with the American farmer in determining the best public policy for American agriculture. I intend to work closely with the farmers in my State in this endeavor.

RESETTLING VIETNAMESE REFUGEES

Mr. HUDDLESTON. Mr. President, a dispatch from Reuters News Service caught my attention recently. It was datelined Kuala Lumpur, Malaysia, February 11 of this year. It is the kind of report that we see frequently, a monthly update on the progress of one effort to aid refugees. A spokesman for the United Nations High Commissioner for Refugees reported that, in the month of February, 2,800 people would be resettled from refugee camps in Malaysia. The message of this brief paragraph seemed to be that international cooperation made this small success possible.

As we contemplate the immensity and intractability of the refugee problem, it is sometimes good to reflect upon those few individuals we are able to help. As we see the number of refugees in Africa grow from 1 million to 5 million in just the past 5 years, for example, it is good to think that 2,800 people have been able to find permanent homes, and leave the camps of Malaysia.

And yet, I looked more closely at the figures reported in this story, and this was the breakdown of acceptance of the refugees; 350 were going to Australia, 450 were divided among Canada, New Zealand, Japan, and the Netherlands. The remainder, 2,000 people, were coming to the United States. This represents, of this small sample, five out of every seven refugees coming to America. This continues the established world practice of sending to the United States more than twice as many refugees as the rest of the world will accept for resettlement.

I think that we all agree one of the primary goals of our refugee policy must be to internationalize the effort. There must be international cooperation to prevent displacement of people from their homes, to prevent the creation of refugees. There must be international protection of those fleeing their home countries. There must be international support for those who have become refugees housed in temporary camps. There must be international pressure to achieve repatriation of as many refugees as possible to their home countries. And lastly, when all other steps have failed, and refugees must be resettled in third countries, there must be a truly shared, international program to accept refugees from their temporary camps.

There has been much talk of such a program in the past, and the current program has been portrayed as an international effort. But, sadly, it is not. When the United States resettles two out of three refugees who find permanent new homes, that is an American program with minimal participation from other nations of the world; it is not an international effort.

On April 9 and 10, in Geneva, Switzerland, there will be an International Conference on Assistance to Refugees in Africa. It has been convened by the Secretary General of the United Nations, the Organization of African Unity, and the United Nations High Commissioner for Refugees. Our Government will send representatives. At this conference, governments will be expected to pledge their support for the 5 million refugees in Africa.

I want my Government to be generous at Geneva. I want our pledge to be outstanding among those of all nations. We are a generous country. But I do not want the Government of the United States to carry five-sevenths of the world's burden of caring for the refugees of Africa. I do not want the nations of the world to assume that the United States will accept the great majority of refugees for resettlement if they will but take a few. What I do want is for the administration to develop a plan for increasing—increasing dramatically—the participation of other countries in the resettlement effort. I want this plan to be promoted by our Government before the conference, and insisted upon by our Government at the conference.

If other nations believe that we shall continue to carry the great portion of the burden, they will continue to let us do so. It is only by our insisting that they accept their fair shares of refugees for resettlement that they will do so.

I am glad for the 2,800 refugees from Malaysia who found new homes this month. But I believe that the proportion of those refugees who came to America, five-sevenths, cannot long continue to be America's share of the refugee resettlement effort.

I ask unanimous consent that the attached news article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

U.N. AGENCY RESETTLES VIETNAMESE REFUGEES

KUALA LUMPUR, MALAYSIA, February 11.—About 2,800 Vietnamese refugees from Malaysia will be resettled in third countries this month, a spokesman for the United Nations High Commissioner for Refugees announced today.

He said 2,000 will be flown to the United States, 350 to Australia and the rest to Canada, New Zealand, Japan and the Netherlands.

U.S. HUMAN RIGHTS POLICY AND ARGENTINA

Mr. MOYNIHAN. Mr. President, recent events in Argentina remind us of the difficulty of formulating a coherent approach to the question of human rights. They also confirm the urgency of the task.

The facts of this case are simple. They are no more than what happens daily in countries around the world, where legality provides only the thinnest protection of the individual. Last weekend, in Buenos Aires, six members of the Center for Legal & Social Studies were arrested, reportedly in connection with possible violations of a law that bans political meetings. Under Argentine law, they can be held for 4 days incommunicado while the judge who issued the original warrant for their arrest pursues the fact of their case. We understand from others who were seized with them and then released that the six are being treated well. Our State Department assures us that it has expressed its concern for their well-being and legal rights; the Argentine Government has in turn replied noncommittally, but with an apparent desire to be cooperative.

This chain of routine events is of no great moment by itself and would not command international attention unless viewed in a larger context. Before long, these men may be released, and our attention will turn elsewhere. But the large significance of the affair is not in the arrest of a half-dozen opponents of the Argentine regime on possibly trumped-up charges, but in the work to which they are committed and which the authorities have tried to interrupt. These men have made it their work to accumulate names and information on the disappearance of thousands of Argentine citizens in recent years. In these cases, the word "disappearance" is particularly descriptive, for it became for a time almost commonplace in Argentina to discover that one's friends, colleagues, family members were simply no longer present, had, in a word, vanished.

In this chaos, the Center for Legal & Social Studies set a large task for itself. It accumulated lists of these vanished men and women, and indeed children, reaching as many as 6,000. It is with these lists that the center has managed to keep alive a demand that those who have vanished not be forgotten, that those who bear the responsibility for their fate be identified. These were the documents that the police seized when they arrested the six members of the center, and even if they are released, we should not expect to see the papers again. The years of work that they represent have also disappeared.

Mr. President, the violence of Argentina in recent years is a gruesome story, and it has a special relevance to our human rights policy. One man now held by the Argentine police, Emilio Mignone, president of the Center, recently returned from Geneva where he appeared before the Human Rights Commission of the United Nations to present his evidence and to appeal for an investigation of what has befallen his countrymen. It may have been precisely because Mr. Mignone sought to invoke the authority and participation of the international community that he began to appear more dangerous to the authorities in his own country.

Mr. Mignone turned to this U.N. body for help and, in doing so, reminds us that the cause of human rights is not merely an expression of the preferences of people around the world who care about liberty. Far from it. It is instead a matter of international obligation; it reflects the notion, first, that the future of peace in the world is dependent on the spread of liberal democratic political institutions; and second, that there is an international community with a legitimate interest in the protection of human rights. It is because of these views that the U.N. Commission exists in the first place.

I emphasize this point, Mr. President, because the prospective Assistant Secretary of State, Mr. Ernest Lefever, a man of great learning and considerable scholarly accomplishment, appears to believe otherwise. He has emphasized a different, and certainly honorable, tradition of

modest expectations about what can be accomplished in the protection of human rights worldwide in his writings. He has invoked John Quincy Adams' famous formula: "We are the friends of liberty everywhere, but the custodians only of our own."

He has also written that—

> In a formal and legal sense the U.S. Government has no responsibility—and certainly no authority—to promote human rights in other sovereign states.

Mr. Lefever is right to urge modesty upon us, but he is hardly correct that we and other states have no legitimate interest in the fortune of liberty elsewhere. The Human Rights Commission of the United Nations was established precisely to reflect and express the interests of an international community in the extension of liberty. It is a central part of the international setting in which Mr. Lefever will pursue his responsibilities.

The Commission reflects this interest, but one can hardly point to its proceedings with pride. It was only last month that Michael Novak, the new American representative, expressed his shock at the ugliness of what he saw and heard in the Commission. As he put it on February 6, in referring to attacks on the State of Israel:

> Imagine my shock when I heard, as I did hear in this room, so much hatred, so many lies, such squalid racism, such despicable anti-Semitism—all in the sacred name of human rights.

Michael Novak's heartfelt words may, we hope, be a sign of what the administration truly intends in the realm of human rights, and it could not be more encouraging. In his anger at what is done in the "sacred name of human rights" he also expressed the commitment of the United States to restoring the Commission to its original purposes. He was not daunted by what he had seen. He said:

> We well know, that pearls come from oysters, silk from worms, butterflies from caterpillars, and great human vision from poor human clay.

It is perhaps only fair to the administration to treat these words, and his courageous example, as the most reliable sign of what our approach to human rights will be in the next years. Michael Novak shows that human rights are irrevocably an international concern, and that the institutions have long been in place to promote them. Let us hope that he can spur his colleague, Dr. Lefever, to a less modest attachment to the spread of free institutions.

There is a further reason for rejecting the modesty of policy with which Mr. Lefever has been associated. From the fragmentary and speculative press reports that have come from Argentina we have heard the thought that the actions recently taken against such groups as the Center for Legal and Social Studies are aimed to forestall investigations under a new government that will take power at the end of this month.

This is only conjecture but the suggestion that a new government would make a fresh start with respect to human rights is most hopeful. It reminds us that even in the most desperate of circumstances, in what seems like implacably authoritarian regimes, there are friends of constitutionalism, of the legal protection of rights. They may soon be in a position to gain strength in Argentina. Even as we shun the self-defeating aspects of an inflated crusade for human rights, this is precisely the sort of opportunity that our policy must make the most of. If we are, as John Quincy Adams had it, the friends of liberty, we must also be the friends of others who make it their cause. This is a realm of policy where our goals can be easily confounded. But we must not settle for a role at the sidelines while others who look to us even for modest encouragement and assistance wage their difficult struggle.

In lending them encouragement and aid, we must understand the very different threats posed by authoritarian and totalitarian regimes. While understanding these differences, however, the United States must stand in firm opposition to both; if we do not, our opposition to one of them alone will matter little. As Mr. Robert Bernstein, who chairs the American group Helsinki Watch, has put it:

> I don't see how United States protests over Soviet violations can be taken in good faith if the Administration is silent over violations against people whose only goal is to protect human rights.

Mr. President, I ask unanimous consent that today's Washington Post editorial, "Arrests in Argentina" be printed in the RECORD, along with the article by Juan de Onis from the New York Times of March 1, "Argentina Arrests Key Rights Activists."

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Mar. 3, 1981]

ARRESTS IN ARGENTINA

It had seemed that Argentina was emerging from its dark night of the 1970s, when its struggle against terrorism shaded into a frightful assault on its citizens' liberties, and so it is especially painful to see that some courageous Argentines who have tried to aid their unfortunate brethren have themselves run afoul of the security apparatus.

Over the weekend a single judge, using the court's own police, arrested without charges a number of prominent advocates of personal freedoms for Argentine citizens. One of the new prisoners is a man whose son is among the thousands of Argentines who "disappeared" at official hands and were presumably murdered in the earlier period. Another has a son who is still a prisoner and is a known torture victim. The judge also confiscated substantial files, including the documentation on 6,000 "disappeared" people. He is the same judge who ordered raids on human rights offices and the seizure of their files before a visit to Argentina by the Inter-American Human Rights Commission in 1979.

The leading theory is that the errant judge, conceivably acting alone but more probably acting for the still-substantial unreconstructed elements in Argentina's security forces and business community, became alarmed at the progress that the human rights cause was beginning to make in the courts. It is possible that this group realized that a more sympathetic approach to civil liberties, and to the possibility of transition to constitutional rule, was likely to come from Gen. Roberto Viola. He is to take over the government on March 29 with the first mostly civilian cabinet since the 1976 coup. Little or no taste is visible among the military for any coming to terms with the atrocities that it perpetrated and sponsored in the blackest years. But there is a view that the worst of Argentina's ordeal is behind it and there is broad support for movement back to a more normal domestic life and for an end to the country's status as something of a pariah on account of its violations of liberties in the past.

For the moment at least, the Argentine government is hiding behind the contention that the arrests are the work of an independent judiciary. Given the well-documented record of judicial abuse and weakness in Argentina, however, this is a very tough proposition to sell. No Argentine regime can ask for the respect of people of good faith anywhere if it does not halt the persecution of the people newly arrested.

The first thought of many Americans, and not only Ronald Reagan's critics, was that Argentine hardliners had been emboldened by the new administration's downgrading of human rights. The State Department's nominee as human rights officer, for instance, is specifically on record with the statement—which is false as well as cruel—that the Carter administration's "scolding" of Argentina didn't really help the situation there at all.

The new administration can cite its stand at the United Nations Human Rights Commission in Geneva just the other day. The American delegate supported a resolution to keep the presure on Argentina to acount for past killings and disappearances, even while he lamented that other countries with similar or worse records were not being pursued. By yesterday, however, the State Department, saying privately that it was making inquiries in Buenos Aires, had not found public voice on the new arrests. The least it can do is to make plain that it disapproves of people's being locked up for trying to help the victims of an overweening state.

[From the New York Times, Mar. 3. 1981]

ARGENTINA ARRESTS KEY RIGHTS ACTIVISTS

(By Juan de Onis)

WASHINGTON, D.C.—Argentina's national police have arrested the leaders of that country's internationally recognized human rights movement and seized files on more than 6,000 missing persons, according to reports reaching the State Department.

A department official said the United States Embassy in Buenos Aires had been asked to determine the reason for the arrests, but he withheld comment on the reports.

The arrests reportedly began in Buenos Aires last night with a raid on the offices of the Center for Legal and Social Studies, and by midnight the police had taken eight people into custody, including Emilio Mignone, the center's president.

Mr. Mignone appeared before the United Nations Human Rights Commission in Geneva two weeks ago and presented evidence, which has also been given to courts in Argentina, on the disappearance of thousands of people who were arrested by Government security agents or abducted by unidentified armed men.

Among the missing is a daughter of Mr. Mignone who was arrested by military personnel in 1976. Also arrested yesterday was José Westerkamp, a physicist who became active in Argentina's human rights movement after security agents arrested his son on charges of involvement in a subversive organization.

According to Robert Cox, former editor in chief of The Buenos Aires Herald and now a Nieman fellow at Harvard University, Mr.

Westerkamp's family said in a telephone call from Buenos Aires that the eight arrested people were being held at national police headquarters.

The arrest order for Mr. Mignone and Mr. Westerkamp was reportedly signed by Judge Martin Anzoategui, who also ordered a raid on the offices of two human rights groups in 1979, two weeks before the Inter-American Human Rights Commission was to visit Argentina.

The commission's final report, presented to the annual meeting of the Organization of American States here in November, supports the view that Argentina's military Government has covered up the disappearance of more than 6,000 people who were arrested as suspected subversives between 1975 and early 1980.

The State Department, in its annual human rights report to Congress 2 weeks ago, said that in 1980 there were reports of 28 disappearances in Argentina, of which 12 cases had been "credibly documented."

Robert L. Bernstein, chairman of Helsinki Watch, an American human rights group that monitors Soviet repression of dissidents, said the Reagan Administration had to speak out on the Argentine arrests.

"I don't see how United States protests over Soviet violations can be taken in good faith if the Administration is silent over violations against people whose only goal is to protect human rights," said Mr. Bernstein, who is also the president of Random House, the publishing company.

The Center for Legal and Social Studies was established by Mr. Mignone, former rector of the University of Luján, west of Buenos Aires, and other human rights leaders. It receives complaints from relatives of missing persons, investigates the cases, takes legal action, and provides documentation on human rights violations in Argentina.

With Gen. Roberto Viola scheduled to become Argentina's President on March 29, the arrest of the rights leaders and the seizure of the center's files were seen by Argentine exiles here as a move by right-wing groups, with which Judge Anzoategui is openly in sympathy, to prevent possible disclosures by the new administration on missing persons. The rightist groups are thought to fear that such disclosures could lead to an investigation of the military or the police.

Mr. MOYNIHAN. Mr. President, I continue with a brief further statement.

Mr. President, Mr. Roberto Viola, the President-designate of the Republic of Argentina, is tentatively planning to visit the United States later this spring. I hope that it will be understood in Argentina that, absent a positive response to the concern that has been expressed in this Chamber and in our Nation to the recent arrests of Argentinians just returned from the U.N. Human Rights Commission in Geneva, and absent a satisfactory conclusion of those so far unexplained arrests, the President's visit will be marred by objections in this body and elsewhere. His undoubtedly sound purposes for such a visit would be undermined. If the Republic of Argentina wishes the kind of relationship with our country that we wish with theirs, they must know of our deep and grave concern, a concern that was expressed several times in recent years by the appearance in the lobbies hereabouts of Jacobo Timmerman, a man of towering stature, who was welcomed by dozens of Senators in this body after he was finally released from prison in Argentina and left for his present home in Israel.

The President-designate will be welcome if he comes with this matter behind him, but would be ill advised to do otherwise.

Mr. President, this is in no sense meant to interfere with Mr. Viola's own judgment, but only to offer the judgment of one Senator, which I believe will be shared by many, that persons who represent human rights activities in Argentina are not to be arrested, as they seemingly were, for no other reason than their attachment to this cause, and their activities in support of it; activities such as those which Mr. Robert Bernstein chairs in our country, for example; activities which are essential to human rights progress in the world at large.

With that comment, Mr. President, I hope we might learn new and more reassuring things from Argentina in the next few days. This is something that need not continue beyond this week and if it is over, it can be forgotten. If it is not, it must surely be recalled upon the occasion of such a visit.

I thank the Chair.

THE RATIFICATION BY EGYPT OF THE TREATY ON THE NON-PROLIFERATION OF NUCLEAR WEAPONS

Mr. BAKER. Mr. President, of the many problems that confront us, of the many questions that continue to defy and frustrate the best efforts of responsible governments, none is more pressing or more important than the containment of the spread of nuclear weapons. It is a question that goes to the core of the collective ability of the community of nations to maintain peace among nations or to prevent the final unspeakable act that has yet to be perpetrated in the name of terrorism. It is with special satisfaction, therefore, that I note the announcement last week by the Government of Egypt that it had deposited the instruments of ratification of the Treaty of the Non-Proliferation of Nuclear Weapons.

Mr. President, this is good news on an otherwise bleak scene. A number of nations have the ability to join and for that matter perhaps have joined the nuclear weapons club. The ability to produce the material and even to assemble the component parts of a nuclear weapon are no longer an endeavor of national proportions; regretably, the club is open to corporate and group membership. Technologically, Mr. President, the genie is out of the bottle, and we cannot put it back.

If we have any hope, then, to control nuclear proliferation, it is in the acts of political will and courage represented by this decision of the Egyptian Government. It is an expression of political maturity and confidence that we have come to expect of President Sadat and the Egyptian people, but we should not take it for granted.

We hear often, Mr. President, that the nations whose arsenals include vast stockpiles of nuclear weapons are poorly placed to argue forbearance on the part of nations who do not now possess them. That, unfortunately, has a semblance of truth to it, and therefore it is especially incumbent upon us to adhere fully to the obligations we have assumed under the NPT in exchange for the obligations now most recently assumed by Egypt.

We recognize our continuing obligation to reduce the stockpiles and the danger of nuclear war. And while we keep fully in mind the obligation to decrease the awesome destructive potential of nuclear energy, we are also obligated to increase its potential for peaceful and constructive purposes. The signing of the NPT by Egypt opens the way for negotiations to begin on a bilateral agreement for cooperation. I am advised that those negotiations will begin soon and I welcome them without reservation. With its otherwise limited energy resources, Egypt is ideally suited to exploit the peaceful potential for nuclear energy. I am confident the United States will be forthcoming in assisting Egypt in developing nuclear power and I will support the administration in that endeavor.

I should note, finally, Mr. President, Egypt's long interest in a regional nuclear free zone in the Middle East. Although that is a matter for the nations of the region to decide, and while it is yet far from reality, positive developments have occurred there as well. Since as a nation we cannot be disinterested, we welcome those developments.

Mr. President, for the information of my colleagues, I ask unanimous consent that the statement issued on February 26, 1981, by the Egyptian Ministry of Foreign Affairs be inserted in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT ISSUED BY THE MINISTRY OF FOREIGN AFFAIRS ON THE OCCASION OF THE DEPOSIT OF THE INSTRUMENTS OF RATIFICATION BY THE GOVERNMENT OF THE ARAB REPUBLIC OF EGYPT OF THE TREATY OF THE NON-PROLIFERATION OF NUCLEAR WEAPONS

The signing by Egypt of the Treaty on the Non-Proliferation of Nuclear Weapons, in 1968, and now its ratification, emanate from Egypt's conviction of the need to put an end to the proliferation of nuclear weapons, which threaten the security of all mankind. Egypt was among the first countries to urgently call for the conclusion of the Treaty, so as to complement the earlier efforts which successfully culminated in the conclusion of the 1963 Treaty banning Nuclear Weapon Tests in the Atmosphere, in Outer Space, and Under Water.

While Egypt is committed in accordance with the provisions of the Non-Proliferation Treaty to refrain, in any way, from the acquisition or the manufacture of nuclear weapons, this, however, should not impair its inalienable right to develop and use nuclear energy for peaceful purposes, in conformity with the provisions of Article IV of the Treaty. The latter affirms the inalienable right of all the Parties to the Treaty to develop research, production and use of nuclear energy for peaceful purposes without discrimination. The affirmation of that right in the Treaty itself should, in fact, be considered a codification of a basic human right, which cannot be waived or tampered with under any circumstances.

Basing itself on the above, Egypt also pays

special importance to the provisions of Article IV of the Treaty calling on the Parties to the Treaty who are in a position to do so to cooperate in contributing to the further development of the application of nuclear energy for peaceful purposes, especially in the territories of non-nuclear-weapon States Party to the Treaty, with due consideration to the needs of the developing areas of the world.

Since Egypt is embarking on a number of projects for the construction of nuclear power reactors for electric generation, in order to meet its increasing energy needs that have now proved necessary for the prosperity and welfare of its people, Egypt expects that the industrial developed countries would wholeheartedly render it their assistance and support, and this in conformity with the letter and spirit of Article IV of the Treaty. It, especially, expects this since Egypt has now undertaken to accept the application of the International Atomic Energy Agency safeguards to its peaceful nuclear activities within its territory, in accordance with the provisions of Article III of the Treaty.

Within the framework of the rights provided for in the Treaty for its Parties in the field of peaceful uses of nuclear energy, Egypt wishes to refer to the provisions of Article V of the Treaty, which affirms that benefits from any peaceful applications of nuclear explosions will be made available to non-nuclear-weapon States Party to this Treaty. Though Egypt admits that these applications are difficult to realize at the present time particularly in view of their detrimental environmental effects, yet this should not relieve the nuclear-weapon States Party to the Treaty from the responsibilities in investing in the research and development of these applications, in order to overcome all the difficulties encountered at present.

Egypt wishes to express its great dissatisfaction with the nuclear-weapon States, and in particular the two Super Powers, for failing, so far, in taking effective measures relating to the cessation of the nuclear arms race and to nuclear disarmament. Although Egypt welcomes the 1972 and 1979 Strategic Arms Limitation Treaties, the so-called SALT I and SALT II, yet it cannot but stress that the Treaties fail to realize an effective cessation of the nuclear arms race, quantitatively and qualitatively. These Treaties have even permitted the development of a new generation of weapons of mass destruction.

On the other hand, and in spite of the fact that more than 17 years have elapsed since the conclusion of the 1963 Treaty Banning Nuclear Weapon Tests in the Atmosphere, in Outer Space, and Under Water, the nuclear-weapon States are still arguing about a variety of difficulties, thus, hampering the conclusion of a permanent ban on all nuclear weapon tests. What lacks, in fact, is the political will to accomplish this.

In the light of the above, Egypt takes the opportunity of depositing its instruments of ratification of the Treaty on the Non-Proliferation of Nuclear Weapons, to appeal to the nuclear-weapon States Party to the Treaty to fulfill their undertakings to halt the nuclear arms race and to achieve nuclear disarmament.

Egypt equally calls upon all nuclear-weapon States to exert all efforts conducive to the permanent banning of all nuclear weapon tests as soon as possible. This would contribute to bring an end the development and the manufacture of new types of weapons of mass destruction, as much as the cut off of fissionable material for military purposes would contribute to bring to an end the quantitative increase of nuclear weapons.

Within the framework of achieving security for the non-nuclear-weapon States, Egypt believes that Security Council Resolution 255, of 19 June 1968, is still far from providing a real guarantee for the non-nuclear-weapon States against the use or threat of use of nuclear weapons by the nuclear-weapon States. Therefore, Egypt appeals to the nuclear-weapon States to exert their effort to reach an agreement which would prohibit once and for all the use or threat of use of nuclear weapons against any State.

The realization of the previously mentioned steps would be consistent with the letter and spirit of the basic guiding principles formulated by the General Assembly of the United Nations for the conclusion of the Non-Proliferation Treaty, the most relevant of which are the principle of balance of mutual responsibilities and obligations of the nuclear and non-nuclear Powers and the principle prescribing that the Treaty should be a step towards the achievement of general and complete disarmament and, more particularly, nuclear disarmament.

Convinced that the establishment of nuclear-weapon-free zones in different parts of the world is bound to increase the effectiveness of the Non-Proliferation Treaty in the realization of its objectives and aims, Egypt has exerted special effort to establish a nuclear-weapon-free zone in the Middle East, as well as in Africa.

In this respect, Egypt wishes to express its great satisfaction with the United Nations General Assembly Resolution adopted by consensus during its 35th session inviting the countries of the Middle East, pending the establishment of a nuclear-weapon-free zone in the area, to declare solemnly their support for the achievement of this objective, and that they will refrain on a reciprocal basis from producing, acquiring or possessing nuclear weapons, and to deposit their declarations with the United Nations Security Council.

In conclusion, Egypt wishes to point out that its ratification of the Treaty on the Non-Proliferation of Nuclear Weapons emanates from its belief that this step is in conformity with its vital interests as long as the Treaty succeeds in preventing the proliferation of nuclear weapons worldwide, and more particularly in the Middle East, which should remain completely free of nuclear weapons, if it is to play a constructive role in the erection of peace, security and prosperity for its people and the world at large.

SOVIET/CUBA TIES TO UNREST IN EL SALVADOR

Mr. THURMOND. Mr. President, I rise to commend the Reagan administration for its strong policy firmly rejecting Communist expansionism in Latin America.

Recent pronouncements by President Ronald Reagan and Secretary of State Alexander Haig have made it clear the United States will not permit the export of Communist inspired revolution to Central and South America.

This is a sound foreign policy position and one which past Presidents should have undertaken. I believe it will go a long way toward preventing the Soviet Union and Cuba from installing Communist dictatorships in the Western Hemisphere.

Mr. President, I ask unanimous consent that an editorial by James Cary entitled "El Salvador Revolt Is Cuba Based," which appeared in the February 19, 1981 issue of the Aiken Standard newspaper, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, is as follows:

EL SALVADOR REVOLT IS CUBA-BASED

(By James Cary)

WASHINGTON.—The spreading Communist revolt in El Salvador has its roots in three bases in Cuba where a guerrilla army has been trained and in a series of nine or more Soviet-controlled arsenals dispersed throughout the island, according to Cuban refugee sources.

The most important of the training centers is believed to be 100 acres in the mountains immediately south of Havana. It is close to a Soviet air base at San Antonio de los Banos.

The other two are Herradura, west of Havana, and Tarara, immediately east. Both are ports on the north coast of the island within 100 miles of the U.S. naval base at Key West, Fla.

During the last two years, the sources say, the three facilities have been devoted mainly to training guerrilla fighters from Central America, using both Cuban and Palestinian instructors.

After completing a 6-week course, the guerrillas are flown to Nicaragua, then move by land through Honduras into El Salvador, or are landed directly in El Salvador by boats crossing the Gulf of Fonseca.

There were reports recently of 100 heavily armed guerrillas landing on the beach in that fashion.

After they are in Nicaragua, the guerrillas are armed with a variety of weapons of U.S., Czechoslovak, East German and Soviet origin, brought in by ship from the Cuban arsenals.

The arms include automatic rifles, light and heavy machine guns—including U.S. 50-caliber guns—antitank bazookas, grenade launchers and explosives of many types.

There was a recent press report that two convoys from Cuba unloaded tanks and long-range artillery in Nicaragua for use in El Salvador.

Now there is an unconfirmed report that five Soviet MiG fighter aircraft have been spotted on the ground at Monte Limar, a Nicaraguan country estate formerly used by the late dictator Anastasio Somoza. The estate has an air facility.

The same source reported that MiGs also have been sighted over the Gulf of Fonseca flying out of Nicaraguan airspace.

It is believed to be the first report of MiGs in the area, although more than 200 are based in Cuba. The type and number—believed to be only a handful—were not disclosed.

The sources also reported other details about the Cuban role in the successful Sandinista revolt that overthrew Somoza in Nicaragua, and the increasingly violent effort to impose Communist rule in El Salvador.

The trainees who make the trip to Cuba receive instruction in radio communications, explosives, motor mechanics, printing, guerrilla tactics and a full spectrum of weapons.

Classes at first are held indoors, then moved into the field, where some training under fire from live ammunition is provided.

The arms needed for such operations and for guerrilla activity in El Salvador are reportedly stockpiled throughout Cuba.

Refugees report that two important arsenals are at Cienfuegos on the south central coast and La Cubilla in the mountains northeast of Cienfuegos. The two areas are connected by an eight-lane paved highway. Cienfuegos, meaning "100 fires," is known also as the site of a facility that former Sen. Richard Stone, D-Fla., said was a Soviet submarine base.

The sources said that other arsenals are located at Sierra Morena, east of Havana on

the north coast, Holguin, in the mountains of east central Cuba, Santiago de Cuba, on the south coast of Jamaica, Guantanamo, a part which is a U.S. naval base, Sagua de Tanamo, Limonar, on the west coast near Matansas, and Nuevitas, on the north coast.

Nuevitas is near the site of an unusual clash last May when Bahamian gunboat Flamingo, escorting two Cuban fishing boats caught in Bahamian waters, was attacked by Cuban ships and planes. A report in a refugee publication, La Voz de los Cristianos de Cuba, of Bell, Calif., linked the attack with tunnels reportedly being excavated by Russian and Cuban workers on the islands of Sabinal and Guajaba, which enclose the harbor of Nuevitas.

SENATOR JOHN TOWER, CHAIRMAN OF SENATE ARMED SERVICES COMMITTEE, RECEIVES THE RESERVE OFFICERS ASSOCIATION OF THE UNITED STATES ANNUAL MINUTEMAN AWARD

Mr. THURMOND. Mr. President, I rise to call to the attention of the Senate the presentation on February 17, 1981, of the Reserve Officers Association Annual Minuteman Award to Senator JOHN TOWER of Texas.

Mr. President, Senator TOWER was selected for this prestigious award in September of 1980 when he was ranking member of the Senate Armed Services Committee. Today he is chairman of that committee.

Senator TOWER's recognition by ROA as the citizen who has contributed the most to national security in these times is highly deserved. As a longtime member of the Senate Armed Services Committee, and now as ranking majority member, I have observed first hand the dedication and work Senator TOWER has put forward to strengthen our defense forces.

His untiring efforts and skillful management of military requests have been directly responsible for significant increases in the defense budget. I am confident that in his new position as chairman he will be even more effective in rebuilding our Nation's defense structure.

Mr. President, Senator TOWER follows a long line of distinguished Americans who have received this award. They are too numerous to mention, but include former President Gerald Ford, former Defense Secretary Melvin Laird, and several current Members of the Senate.

During the awards ceremony Senator TOWER was absent because of critically important national security meetings with leaders in the Middle East. Mrs. John Tower, his charming and highly competent wife, accepted the award in his behalf. I ask unanimous consent that her remarks on his occasion be printed in the RECORD following these comments.

Also, I ask unanimous consent that the remarks of Maj. Gen. John E. Lacey, ROA national president; the award citation, and the remarks of Senator JOHN WARNER, who addressed the banquet gathering in place of Senator TOWER, be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

RESERVE OFFICERS ASSOCIATION OF THE UNITED STATES ANNUAL CITATION TO THE CITIZEN WHO HAS CONTRIBUTED MOST TO NATIONAL SECURITY IN THESE TIMES

General LACY. Few men in the Congress of the United States have devoted as many years of their lives to the military as Senator Tower. He started with early experience in the Navy as a young sailor in World War II—when he served aboard an amphibious combat vessel in the Western Pacific, and then continued participation in the Naval Reserve in which he still holds the rank of chief petty officer. He has exemplified service to country. He has been a member of the Senate Armed Services Committee for many years, and he has recently been elevated to chairman of that committee.

His present responsibilities are of vital importance as the Western World faces an international situation more hazardous than at any time since World War II. John will continue to be a tower of strength in these times. Although he has looked forward to this occasion since last September, he has been required to be in the Middle East tonight in the interest of our national security. We know that he is steadfast in his dedication to our national defense, but we regret he is unable to be here on this very special evening.

However, we are delighted that his lovely wife, Lilla, is with us to receive Senator Tower's award; and Senator Warner, a fellow member of the Senate Armed Services Committee will give a response.

Will Mrs. Tower and Senator Warner please join me for the presentation of our Minute Man of the Year Award? One of my most pleasant responsibilities as national president of ROA is the honor to make this presentation.

The citation is an association resolution with respect to the career of The Honorable John Goodwin Tower:

CITATION

Whereas, for his distinguished career in the Senate of the United States, and for his exceptional service as a non-commissioned officer in the United States Naval Reserve,

His devotion to the highest concept of duty to country;

The courage and independence of his leadership for adequate preparedness which is necessary to National Security;

The steadfastness of his dedication to the Citizen-Defender tradition; and

The clarity of his judgment to insure strength, effectiveness and high morale to the Nation's Military Forces;

have given

Confidence to his generation;

Inspiration to posterity, and

Safety to this Nation's institutions and ideals.

Therefore, be it resolved, that in recognition of his extraordinary service to the United States, this Association proudly recognizes John Goodwin Tower as the Citizen of 1981 who has contributed most to the National Security shared by every American citizen in these times.

REMARKS OF MRS. JOHN TOWER IN ACCEPTING THE MINUTEMAN OF THE YEAR AWARD ON BEHALF OF THE HONORABLE JOHN GOODWIN TOWER

Thank you, General Lacy.

General Lacy, distinguished Members of the Congress, distinguished guests, members of the Reserve Officers Association, and Ladies and Gentlemen:

This is truly an extraordinary honor.

There is no tribute of any kind which is comparable to this Minuteman Award, and my husband has asked me to express to all of you his profound and deepest gratitude for your bestowing upon him this high recognition of his service to country.

And he bids me bring his deepest regrets at being unable to join you this evening. He is presently in the midst of critically important discussions with government leaders in the Middle East. Only a matter of such vital importance could have kept him from being with you tonight. He sends his warmest greetings to the delegation from the Department of Texas and to all of you who are here this evening for this special occasion.

The Senator has many friends and colleagues here tonight with whom he has worked closely down through the years. He has shared with many of you an unrelenting determination to continue to fight the long, hard battle against those who would assign a lower priority to our defense needs than he feels they command. He believes that unless this nation remains militarily strong, the world will not, the world cannot, be at peace. He therefore dedicates himself to an American military power second to none. He knows you share his commitment to this.

His goal, his single minded purpose as Chairman of the Senate Armed Services Committee is to restore this country, lately humbled, to its greatness. To restore this country, through strength, to greatness.

In this, he will be neither deflected nor deterred.

And in this, you and he are of one mind, one spirit for it is consistent with the fundamental purposes and the considerable achievements of the Reserve Officers Association.

That is why this very special and highly coveted award and all that it symbolizes means so very much to him. It is a great tribute and Senator Tower is deeply indebted to you for this recognition which he accepts, through me, with humility. He is, and will be, forever proud of your honoring him tonight as the Minuteman of 1981.

Thank you.

SPEECH OF THE HONORABLE JOHN WARNER OF VIRGINIA

Senator WARNER. Thank you very much. Mrs. Tower, President Strom Thurmond, General and Mrs. Lacey, General Roberts, distinguished Members of the Senate and House, the Service Secretaries of the Army, the Navy, the Air Force, the Members of the Joint Chiefs past and present, senior officers, fellow reserve officers, their lovely wives, and friends, I thank you indeed for this honor tonight to stand in for my boss, John Tower of Texas. His heart would have been warmed to have been here tonight to see this enormous outpouring of tribute, not only to him but to every man and woman who wears the uniform of the United States wherever she or he may be tonight.

John Tower is a leader in every sense of the word. Those of us who serve in the Senate, and there are many here tonight as you have learned through the introductions, to share in this honor, we have little ways of knowing those who are truly leaders. Let me tell you one example.

Every two years we have the option to change our Committees. And this year in the Republican side there was rather a dramatic opportunity to change. John Tower, becoming Chairman, and those of us who had served with him for years had the opportunity to go to the Foreign Relations Committee, Appropriations Committee, Finance Committee, any Committee we wanted. But every single Republican, to the man, stayed on the Armed Services Committee largely out of tribute to our leader, John Tower of Texas.

As partners—and I say that as full partners—we participated in a very historic

change in the orientation of the Subcommittees of that very venerable and famous Senate Committee. John Tower had the courage to reorient the Committees along mission lines, such that we could bring a greater consciousness to the Senate of the whole perspective of weapons programs and personnel programs and the like. And then he gave each of us—the senior members of that Committee—our chance to select that Committee that we would like to be Chairman of. Now that's real leadership.

And I miss him tonight. But I must tell you of a little personal story—true story. In the closing days of the Presidential campaign, John Tower and I went to the West Coast—Washington, Oregon, on down through California—barnstorming in a Lear Jet, night and day. Finally, the day before the election, we wheeled up and started for home, with a great feeling of confidence that something very moving was going to take place in our nation. As we crossed over the Rockies at 40,000 feet, we looked down upon those magnificent mountains. And all of a sudden, an engine failed. It flamed out and the plane began to plummet to earth. Everything that we had thought about was suddenly before us. Someone on the plane said, "Gentlemen, would you like a drink?" And as a politician, I paused a minute, because the only thing on my mind is that if Governor Reagan would lose Virginia by one vote, he would blame it on me. But John Tower, when the drink was handed to him, said "Oh no. No liquor for me. I want to meet St. Peter without any liquor on my breath."

I want to pay special salute to the Reserve, the Guard. Today our total force policy is no longer a concept, it's a full defense policy. Overall, half of the nation's combat power and two-thirds of its support capabilities are maintained in the Reserve and Guard forces and the cost of that to our taxpayers is approximately one-fourth as much if all those forces were on full-time active duty. Some $7 billion was programmed for 1981, about 5 percent of the total defense budget.

In talking today with my colleagues on the Armed Services Committee, it is our hope that collectively we will recommend to the full Senate—and I anticipate comparable action in the House of Representatives—that that figure be upped and that the funding for the Reserve and the Guard be increased, with your approval.

During your convention I am certain that, either through personal contact, briefing or otherwise, the state of our armed forces is well known to you. We have, in my judgment, just in the nick of time taken those Congressional steps necessary to correct the drastic drain of management personnel from the regular forces. All too many mid-level junior officers and mid-level enlisted have departed. But I believe that the legislation referred to by General Lacey, together with the pay cap, and let there be no mistake that John Tower was the man in the United States Senate that pushed hard for that pay cap. The combination of those two pieces of legislation has turned around this drain of vital personnel just in time.

Now, this year, we must further improve the lot of the careers in the military. And I look to one particular piece of legislation and ask your full support. And that is, it's our obligation in the Congress to restore an educational package, not only comparable but better than that that most of us experienced under the G.I. Bill of Rights.

I would not be in the United States Senate today had it not been for the G.I. Bill that I earned in World War II for engineering school and that during the Korean War which enabled me to obtain a law degree. And I'm going to do my very best to see that every young man and woman who desires to serve honorably in the forces of the United States has for himself or herself that same opportunity. However, another feature of the legislation that I've proposed is that, if they decide to make a full career in the military, thereby precluding them from attending college, then they can pass on their earned college, university or trade school education to a child.

We, those of us who have served, and those who fortunately take interest in the military, know full well that, no matter how much money we invest in weapons, no matter how brilliantly these weapons are manufactured, and no matter how great the techological advance may be over any enemy, those weapons are no better, no more effective, than the people who repair them and man them. And we must bring that thought home to every citizen in our country.

Admiral Moorer, when I reported in to him as Under Secretary, gave me a speechwriter—a young lieutenant j.g. who was finishing up his last year of obligation under the draft during Vietnam. And this was one of the brightest men ever to have served in the Navy. His speeches were so effective that I used to just pick them up and tuck them under my arm without ever checking. One day this fine officer came to me and he said, "Mr. Secretary, my time is up and I'm going to return to civilian life. But, in recognition of what you've done for me and what you've done for the Navy, I have written the finest speech ever in my career and here it is." And I tucked it under my arm, departed the Pentagon and stood before an audience such as this one evening. Page after page, I strictly adhered to the text. The audience was riveted and then I came to a page that was blank. I flipped it, thinking that it was a mistake. Another blank. I flipped it and there was the page, "Okay, big shot, you're on your own now."

In many respects, our United States of America may well be on its own. The Chief of Naval Operations, in testimony before the Armed Services Committee just days ago, pointed out very dramatically that, while the Soviet Union in this past fiscal year delivered 12 brand new submarines to the operating fleets, the United States of America delivered but one. While the Soviets delivered 40 surface combatants, the U.S. delivered but 18. In the past five years the Soviets have outbuilt us two to one in major surface naval combatants, five to one in submarines and 29 to one in all other ships.

Little wonder that, for the first time in the history of our Armed Forces since World War II, a Chief of Naval Operations had to look the Members of the Congress square in the eye and say, in all humility, "No longer does the United States of America have even the slightest margin of superiority."

I ask your support—be you Air Force, Army, Navy or Marine or Coast Guard—to wholeheartedly support the President of the United States in his drive to rebuild the U.S. Navy of the United States to a level of no less than 600 ships.

I asked John Tower if I might serve as Chairman of the Committee on Strategic Warfare. I passed up the opportunity to have served on the Seapower Committee, because I felt the time had come for me to learn in every detail the problems with respect to our strategic posture.

As you well know, in research this nation has been transformed from one of a massive retaliation capability through just sufficiencies, parity, essential equivalence, rough equivalence—now, and for the first time, again, in the history of our nation since World War II, the Secretary of Defense, Caspar Weinberger, acknowledged at long last that there today exists an imbalance in America's defensive strategic capability.

Tomorrow morning, the first Subcommittee meeting of the Armed Services Committee—the Strategic Warfare—Senator Jackson being the ranking member and myself—will start the hearing to lay the foundation upon which we can go before the whole Senate and recommend that the Congress fully fund the cruise missile program, that we accept the recommendation of the President of the United States with respect to the MX missile, that the triad be preserved and that we continue with a land-based system with a multiple protective shelter.

Further, that the time has come—in fact, the time is past—when we should have a brand new manned penetrating bomber.

And, in addition, this nation should not lose—Mr. Secretary of the Air Force—a minute's momentum in its research and development in the advanced technology which hopefully someday will give this nation another airplane with unique capabilities to defend this nation.

So there we are—five, at least, programs to begin to restore the strategic balance that this country must have—a balance that we must have if we're to have any foreign policy and a balance we must have if we're going to have any influence whatsoever in the Third World. I mention that because of our heavy dependence on strategic materials from the Third World, in sharp contrast to the Soviet Union which is self sufficient in almost every respect for their strategic material needs.

Yes, without strategic equivalence, at a bare minimum, there is no hope that this country may one day successfully negotiate a SALT agreement.

Now, how do we achieve these additional expenditures? Just in the strategic account and I have not time to cover the needs of the Army or the other Services. We're going to do it by appointing trustees. Never before in our history has a greater trust devolved upon the new Secretary of Defense and his principal subordinates, the Secretaries of the Army, Navy and Air Force. Because they will preside as trustees over dollars generated by a very courageous President in cutting federal expenditures. And I ask tonight that you join the new civilian bosses of the Pentagon—reserve officers and active duty officers alike—in seeing that, as trustees, we spend that money in such a manner there can be no question in the minds of the citizens that a single dollar was wasted or, to put it positively, that every dollar was expended as cost effectively as possible.

And, secondly, ladies and gentlemen, and most importantly, I ask, not as a politician, not as a Republican, but as an American citizen, that you support your President when he goes before the nation tomorrow night and asks for your cooperation as he struggles to reduce government spending to generate those dollars to restore America's military potential.

Our nation can be no stronger, in terms of its national defense, than we are strong in terms of our economy. We cannot hope to achieve national security unless we have national solvency. So I ask you to pledge support.

For those of us in Congress, it will be the toughest chapter of our careers. Because, time and time again, we'll have to vote our respective conscience. Time and time again, we shall have to turn back the pleas of special interest groups in order to support the President and achieve this goal of national solvency.

One other last thing, and I close with this request to you. And, that is, in order for this nation to fully accept and understand the problems that we are faced with, every American citizen should have a better and clearer concept of the Soviet Union.

Ironically, this coming week, the Soviet Congress convenes as it does every five years. There might be some advantage to convening the Congress only every five years. But they will make an assessment of what has transpired in the last five years and

what they, as a nation, must do in the coming five.

These are the facts that they will have to assess. First, the Soviet Union, in the past two or three years, has experienced the worst food production they've had in many decades. Meat is almost unobtainable. A pound of cucumbers is eight dollars equivalent to our currency.

Energy, lowest coal production. Petroleum—no longer the world's greatest producer and every indication that their supply is beginning to be inadequate, not only for Mother Russia's needs but for that of the Warsaw Pact.

Productivity—lowest in years. Birthrate—this is a very interesting fact. The birthrate is plummeting amongst those ethnic groups that traditionally have supplied the brain power in the Soviet Union.

That Congress will ask of itself, "Is there anything about Mother Russia that we can take pride in or that we can utilize to overcome these hardships of our citizens?" And clearly they know that the one shining success in the five years since the last Congress has been the emergence of their military strength.

Yes, ladies and gentlemen, that Congress will have to determine, "Do we look upon this one single asset now as a means by which to relieve the pain and the suffering and the failures of almost every other Soviet goal?"

The extent to which they will utilize their military is a key question. They see their bordering countries, from Afghanistan to Poland, asserting nationalistic feelings. They see at home a serious dwindling of the quality of life.

In my judgment, of course, they will not mount any major military confrontation with the West. But they will test this country in every single way short of that—through adventurism, militarism, and planting all types of dissidents and terrorists throughout the world to cause problems for this country.

There will be people in our nation who say, "Oh, the Soviet Union is defense minded." But ask them to just go back and look at the history of Mother Russia. The belief that Russia has undergone an extraordinary number of invasions and, as a consequence, has developed a collective paranoia against war is a misleading chapter.

True, in their thousand years they had three major invasions—the Mongols and the Tartars in the 13th Century, the French and the Prussians in 1812 and the Nazis in '41. But how many times, ask these people, how many times has the Soviet Union gone across its borders and inflicted terror and hardship on others. And I've added up, without recounting it here, a good half a dozen or more times—the latest, of course, is the subjugation of the Warsaw Pact countries in the twentieth century.

Let there be no mistake. By means of relentless movement—movement outward—Russia has expanded until she's come to occupy one-sixth of the total earth on which we live. That is not the history of a peoples uniquely defense-minded.

Ladies and gentlemen, we have a mighty task before us. Join us and we shall win.

Thank you and good night.

RULES OF THE COMMITTEE ON THE JUDICIARY

Mr. THURMOND. Mr. President, in accordance with the provisions of section 133B of the Legislative Reorganization Act of 1946, as amended, I am submitting herewith a copy of the rules of the Committee on the Judiciary. I ask unanimous consent that such rules be printed in the RECORD.

There being no objection, the rules were ordered to be printed in the RECORD, as follows:

RULES OF THE COMMITTEE ON THE JUDICIARY

I. MEETING OF THE COMMITTEE

1. Meetings may be called by the Chairman as he may deem necessary on three days notice or in the alternative with the consent of the Ranking Minority Member or pursuant to the provision of Sec. 133(a) of the Legislative Reorganization Act of 1946, as amended.

2. Each witness who is to appear before the Committee or any Subcommittee shall file with the Committee, at least 48 hours in advance of the hearing, a written statement of his testimony in as many copies as the Chairman of the Committee or Subcommittee prescribes.

3. On the request of any member, a nomination or bill on the agenda of the Committee will be held over until the next meeting of the Committee or for one week, whichever occurs later.

II. QUORUMS

1. Nine members shall constitute a quorum of the Committee when reporting a bill or nomination; provided that proxies shall not be counted in making a quorum.

2. For the purpose of taking sworn testimony, a quorum of the Committee and each Subcommittee thereof, now or hereafter appointed, shall consist of one Senator.

III. PROXIES

When a record vote is taken in the Committee on any bill, resolution, amendment, or any other question, a quorum being present, a member who is unable to attend the meeting may submit his vote by proxy, in writing or by telephone, or through personal instructions. A proxy must be specific with respect to the matters it addresses.

IV. BRINGING A MATTER TO A VOTE

The Chairman shall entertain a non-debatable motion to bring a matter before the Committee to a vote. If there is objection to bring the matter to a vote without further debate, a rollcall vote of the Committee shall be taken, and debate shall be terminated if the motion to bring the matter to a vote without further debate passes with ten votes in the affirmative, one of which must be cast by the Minority.

V. SUBCOMMITTEES

1. Any member of the Committee may sit with any Subcommittee during its hearings on any other meeting, but shall not have the authority to vote on any matter before the Subcommittee unless he is a member of such Subcommittee.

2. Subcommittees shall be considered de novo whenever there is a change in the Subcommittee chairmanship, and seniority on the particular Subcommittee shall not necessarily apply.

3. Except for matters retained at the full Committee, matters shall be referred to the appropriate Subcommittee or Subcommittees by the Chairman, except as agreed by a majority vote of the Committee or by the agreement of the Chairman and the Ranking Minority Member.

COMMISSION ON ARTS AND ANTIQUITIES, U.S. SENATE

Mr. ROBERT C. BYRD. Mr. President, pursuant to Senate Resolution 382, 90th Congress, I announce that the following Senators, pursuant to the positions that they hold, are members of the Commission on Arts and Antiquities of the U.S. Senate: The Senator from West Virginia (Mr. ROBERT C. BYRD), as minority leader; and the Senator from Kentucky (Mr. FORD), as ranking minority member of the Committee on Rules and Administration.

REMARKS BY CHIEF JUSTICE WARREN E. BURGER BEFORE THE AMERICAN BAR ASSOCIATION

Mr. THURMOND. Mr. President, I would like to place in the RECORD the text of remarks made by the Chief Justice of the United States to the American Bar Association in Houston, Tex., on February 8, 1981. This is a challenging discourse on crime in America and the necessity to reevaluate the balance and priorities of the criminal justice system. I strongly urge my colleagues to reflect with concern upon the challenges set before us by the Chief Justice.

I ask unanimous consent that the text of remarks of the Chief Justice be printed at this point in the RECORD.

There being no objection, the text of remarks was ordered to be printed in the RECORD, as follows:

ANNUAL REPORT TO THE AMERICAN BAR ASSOCIATION

(Transcript of remarks by Warren E. Burger, Chief Justice of the United States)

Today, for the twelfth time, you allow me this opportunity to lay before you problems concerning the administration of justice, as I see them from my chair. For this, Mr. President and Fellow Members of the Association, I thank you.

On previous occasions I have discussed with you a range of needs of our system. Your responses beginning in 1969 were a major factor in bringing into being the Institute for Court Management, The National Center for State Courts, The Provision for Court Administrators in the Federal System, and many other changes. And in light of my subject today, I should also mention the important contributions made beginning in 1970 by your Commission on Correctional Facilities and Services. The value of these improvements is beyond precise calculation. But the value is great. We do not always agree, but our differences are few indeed. All I ask for is equal time.

The new President who has just taken office is confronted with a host of great problems, domestic and worldwide: inflation, unemployment, energy, an overblown government, a breakdown of our educational system, a weakening of family ties, and a vast increase in crime. As he looks beyond our shores, he sees grave, long-range problems, which begin ninety miles off the shores of Florida and extend around the globe.

Today I will focus on a single subject, although one of large content. Crime and the fear of crime have permeated the fabric of American life, damaging the poor and minorities even more than the affluent. A recent survey indicates forty-six percent of women and forty-eight percent of Negroes are "significantly frightened" by pervasive crime in America.

Seventy-five years ago, Roscoe Pound shook this association with his speech on "The Causes of Popular Dissatisfaction with the Administration of Justice." In the 1976 Pound Conference, we reviewed his great critique but also examined criminal justice. My distinguished colleague, Judge Leon Higginbotham, carefully noted the imperative need for balance, in criminal justice, between the legitimate rights of the accused and the right of all others, including the victims. And, of course, we are all victims of every crime.

When I speak of "Crime and Punishment" I embrace the entire spectrum beginning with an individual's first contact with po-

lice authority through the stages of arrest, investigation, adjudication and corrective confinment. At every stage the system cries out for change, and I do not exclude the adjudicatory stage. At each step in this process the primary goal, for both the individual and society, is protection and security. This theme runs throughout all history.

When our distant ancestors came out of caves and rude tree dwellings thousands of years ago to form bands and tribes and later towns, villages and cities, they did so to satisfy certain fundamental human needs: Mutual protection, human companionship, and later for trade and commerce. But the basic need was security—security of the person, the family, the home and of property. Taken together, this is the meaning of a civilized society.

Today, the proud American boast that we are the most civilized, most prosperous, most peace-loving people leaves a bitter aftertaste. We have prospered. We are, and have been, peace-loving in our relations with other nations. But, like it or not, today here at home we are approaching the status of an impotent society—a society whose capability of maintaining elementary security on the streets, in schools, and for the homes of our people is in doubt.

I thought of this recently in a visit to the medieval city of Bologna, Italy. There, still standing are walled enclaves of a thousand years ago with a high corner tower where watch was kept for roving hostile street gangs. When the householder left his barricaded enclave he had a company of spearmen and others with cross-bows and battle-axes as guards.

Possibly some of our problem of behavior stems from the fact that we have virtually eliminated from public schools and higher education any effort to teach values of integrity, truth, personal accountability and respect for others' rights. This was recently commented on by a distinguished world statesman, Dr. Charles Malik, former president of the U.N. General Assembly. Speaking to a conference on education, he said:

"I search in vain for any reference to the fact that character, personal integrity, spiritual depth, the highest moral standards, the wonderful living values of the great tradition, have anything to do with the business of the university or with the world of learning."

Perhaps what Dr. Malik said is not irrelevant to what gives most Americans such deep concern in terms of behavior in America today.

I pondered long before deciding to concentrate today on this sensitive subject of crime, and I begin by reminding ourselves that under our enlightened Constitution and Bill of Rights, whose bicentennials we will soon celebrate, we have established a system of criminal justice that provides more protection, more safeguards, more guarantees for those accused of crime than any other nation in all history. The protective armor we give to each individual when the State brings a charge is great indeed. This protection was instituted—and it has expanded steadily since the turn of this century—because of our profound fear of the power of Kings and States developed by an elite class to protect the status quo—their status above all else—and it was done at the expense of the great masses of ordinary people.

Two hundred years ago we changed that. Indeed, in the past 30 or 40 years we have changed it so much that some now question whether the changes have produced a dangerous imbalance.

I put to you this question: Is a society redeemed if it provides massive safeguards for accused persons including pretrial freedom for most crimes, defense lawyers at public expense, trials, and appeals, re-trials and more appeals—almost without end—and yet fails to provide elementary protection for its law-abiding citizens? I ask you to ponder this question as you hear me out.

Time does not allow—nor does my case require—that I burden you with masses of detailed statistics—I assure you the statistics are not merely grim, they are frightening. Let me begin near home: Washington, D.C., the capital of our enlightened country, in 1980 had more criminal homicides than Sweden and Denmark combined with an aggregate population of over twelve million as against 650,000 for Washington, D.C. and Washington is not unique. From New York City, to Los Angeles, to Miami the story on increase in violent crime from 1979 to 1980 is much the same. New York City with about the same population as Sweden has 20 times as many homicides. The United States has one hundred times the rate of burglary of Japan. Overall violent crime in the United States increased sharply from 1979 to 1980, continuing a double-digit rate. More than one-quarter of all the households in this country are victimized by some kind of criminal activity at least once each year.

The New York Times recently reported that one documented study estimated that the chances of any person arrested for a felony in New York City of being punished in any way—apart from the arrest record—were 108 to 1! And it is clear that thousands of felonies go unreported in that city as in all others.

For at least ten years many of our national leaders and those of other countries have spoken of international terrorism, but our rate of routine, day-by-day terrorism in almost any large city exceeds the casualties of all the reported "international terrorists" in any given year.

Why do we show such indignation over alien terrorists and such tolerance for the domestic variety?

Must we be hostages within the borders of our own self-styled enlightened, civilized country? Accurate figures on the cost of home burglar alarms, of three locks on each door—and sadly, of handgun sales for householders—are not available but they run into hundreds of millions of dollars.

What the American people want is that crime and criminals be brought under control so that we can be safe on the streets and in our homes and for our children to be safe in schools and at play. Today that safety is fragile.

It needs no more recital of the frightening facts and statistics to focus attention on the problem—a problem easier to define than to correct. We talk of having criminals make restitution or have the State compensate the victims. The first is largely unrealistic, the second is unlikely. Neither meets the central problem. Nothing will bring about swift changes in the terror that stalks our streets and endangers our homes, but I will make a few suggestions.

To do this I must go back over some history which may help explain our dilemma.

For a quarter of a century I regularly spent my vacations visiting courts and prisons in other countries, chiefly Western Europe. My mentors in this educational process were two of the outstanding penologists of our time: the late James V. Bennett, Director of the United States Bureau of Prisons and the late Torsten Ericksson, his counterpart in Sweden, where crime rates were once low, poverty was nonexistent, correctional systems enlightened and humane. Each was a vigorous advocate of using prisons for educational and vocational training.

I shared and still share with them the belief that poverty and unemployment are reflected in crime rates—chiefly crimes against property. But if poverty were the principal cause of crime as was the easy explanation given for so many years, crime would have been almost nonexistent in affluent Sweden and very high in Spain and Portugal. But the hard facts simply did not and do not support the easy claims that poverty is the controlling factor; it is just one factor. America's crime rate today exceeds our crime rate during the great depression.

We must not be misled by cliches and slogans that if we but abolish poverty crime will also disappear. There is more to it than that. A far greater factor is the deterrent effect of swift and certain consequences: swift arrest, prompt trial, certain penalty, and—at some point—finality of judgment.

To speak of crime in America and not mention the drugs and drug-related crime would be an oversight of large dimension. The destruction of lives by drugs is more frightening than all the homicides we suffer. The victims are not just the young who become addicts. Their families and, in turn, their victims and all of society suffer over a lifetime. I am not wise enough to venture a solution. Until we effectively seal our many thousands of miles of borders—which would require five or ten times the present border guard personnel and vastly enlarge the internal drug enforcement staffs, there is little else we can do. Our Fourth and Fifth Amendments and statutes give the same broad protection to drug pushers as they give to you and me, and judges are oath-bound to apply those commands.

It is clear that there is a startling amount of crime committed by persons on release awaiting trial, on parole, and on probation release. It is not uncommon for an accused to finally be brought to trial with two, three or more charges pending. Overburdened prosecutors and courts tend to drop other pending charges when one conviction is obtained.* Should we be surprised if the word gets around in the "criminal community" that you can commit two or three crimes for the price of only one and that there is not much risk in committing crimes while awaiting trial?

Deterrence is the primary core of any effective response to the reign of terror in American cities. Deterrence means speedy action by society, but that process runs up against the reality that many large cities have either reduced their police forces or failed to keep them in balance with double-digit crime inflation.

A first step to achieve deterrence is to have larger forces of better trained officers. Thanks to the F. B. I. Academy we have the pattern for such training.

A second step is to re-examine statutes on pre-trial release at every level. This requires that there be a sufficient number of investigators, prosecutors, and defenders—and judges—to bring defendants to trial swiftly. Any study of the statistics will reveal that "bail crime" reflects a great hole in the fabric of our protection against internal terrorism.

To change this melancholy picture will call for spending more money than we have ever before devoted to law enforcement, and even this will be for naught if we do not re-examine our judicial process and philosophy with respect to finality of judgments. The search for "perfect" justice has led us on a course found nowhere else in the world. A true miscarriage of justice, whether 20-, 30-, or 40-years old, should always be open to review, but the judicial process becomes a mockery

* The official D. C. reports show that in the last quarter of 1975, *i.e.*, October, November and December 1975, 569 of all persons arrested for serious crimes were, at the time of their arrest, awaiting trial on one or more prior indictments. In that same period 402 persons who were arrested were, at the time of arrest, at large either on parole from a penal institution, on probation after a judgment of conviction, or on a conditional release other than the traditional parole. Remarks of Warren E. Burger at the ALI Opening Session, May 18, 1976.

of justice if it is forever open to appeals and retrials for errors in the arrest, the search, or the trial. Traditional appellate review is the cure for errors, but we have forgotten that simple truth.

Our search for true justice must not be twisted into an endless quest for technical errors unrelated to guilt or innocence.

The system has gone so far that Judge Henry Friendly, in proposing to curb abuses of collateral attack, entitled his article, "Is Innocence Irrelevant?"

And Justice Jackson once reminded us that the Constitution should not be read as a "suicide pact."

Each of these men, of course, echoed what another great jurist, Justice Benjamin Cardozo, wrote more than fifty years ago in his essays on "the nature of the judicial process."

I am not advocating a new idea but merely restating an old one that we have ignored. At this point, judicial discretion and judicial restraint require me to stop and simply to repeat that governments were instituted and exist chiefly to protect people. If governments fail in this basic duty they are not excused, they are not redeemed by showing that they have established the most perfect systems to protect the claims of defendants in criminal cases. A government that fails to protect both the rights of accused persons and also all other people has failed in its mission. I leave it to you whether the balance has been fairly struck.

Let me now try to place this in perspective: first, the bill reform statutes of recent years, especially as to non-violent crimes, were desirable and overdue; second, the provisions for a lawyer for every defendant were desirable and overdue; third, statutes to insure speedy trials are desirable but only if the same legislation provides the means to accomplish the objective.

Many enlightened countries succeed in holding criminal trials within four to eight weeks after arrest. First non-violent offenders are generally placed on probation, free to return to a gainful occupation under close supervision. But I hardly need remind this audience that our criminal process often goes on two, three, four or more years before the accused runs out all the options. Even after sentence and confinement, the warfare continues with endless streams of petitions for writs, suits against parole boards, wardens and judges.

So we see a paradox—even while we struggle toward correction, education and rehabilitation of the offender, our system encourages prisoners to continue warfare with society. The result is that whatever may have been the defendant's hostility toward the police, the witnesses, the prosecutors, the judge and jurors—and the public defender who failed to win his case—those hostilities are kept alive. How much chance do you think there is of changing or rehabilitating a person who is encouraged to keep up years of constant warfare with society?

The dismal failure of our system to stem the flood of crime repeaters is reflected in part in the massive number of those who go in and out of prisons. In a Nation that has been thought to be the world leader in so many areas of human activity our system of justice—not simply the prisons—produces the world's highest rate of "recall" for those who are processed through it. How long can we tolerate this rate of recall and the devastation it produces?

What I suggest now—and this association with its hundreds of State and local affiliates can be powerful force—is a "damage control program." It will be long; it will be controversial; it will be costly—but less costly than the billions in dollars and thousands of blighted lives now hostage to crime.

To do this is as much a part of our national defense as the Pentagon budget.

Sometimes we speak glibly of a "war on crime." A war is indeed being waged but it is a war by a small segment of society against the whole of society. Now a word of caution: That "war" will not be won simply by harsher sentences; not by harsh mandatory minimum sentence statutes; not by abandoning the historic guarantees of the Bill of Rights. And perhaps, above all, it will not be accomplished by self-appointed armed citizen police patrols. At age 200, this country has outgrown the idea of private law and vigilantes. Volunteer community watchman services are quite another matter.

Now let me present the ultimate paradox: After society has spent years and often a modest fortune to put just one person behind bars, we become bored. The media lose interest and the individual is forgotten. Our humanitarian concern evaporates. In all but a minority of the States we confine the person in an overcrowded, understaffed institution with little or no library facilities, little if any educational program or vocational training. I have visited American prisons built more than 100 years ago for 800 prisoners, but with two thousand crowded today inside their ancient walls.

Should you look at the records you will find that the 300,000 persons now confined in penal institutions are heavily weighted with offenders under age thirty. A majority of them cannot meet minimum standards of reading, writing, and arithmetic. Plainly this goes back to our school systems. A sample of this was reflected in a study of pupils in a large city where almost half of the third graders failed reading. This should not surprise us, for today we find some high school graduates who cannot read or write well enough to hold simple jobs.

Now turn with me to a few steps which ought to be considered:

(1) Restore to all pretrial release laws the crucial element of dangerousness to the community based on a combination of the evidence then available and the defendant's past record, to deter crime-while-on-bail;

(2) Provide for trial within weeks of arrest for most cases, except for extraordinary cause shown;

(3) Priority for review on appeal within eight weeks of a judgment of guilt;

(4) Following exhaustion of appellate review, confine all subsequent judicial review to claims of miscarriage of justice;

and finally:

A. We must accept the reality that to confine offenders behind walls without trying to change them is an expensive folly with short term benefits—a "winning of battles while losing the war";

B. Provide for generous use of probation for first non-violent offenders, with intensive supervision and counseling and swift revocation if probation terms are violated;

C. A broad scale program of physical rehabilitation of the penal institutions to provide a decent setting for expanded educational and vocational training;

D. Make all vocational and educational programs mandatory with credit against the sentence for educational progress—literally a program to "learn the way out of prison," so that no prisoner leaves without at least being able to read, write, do basic arithmetic and have a marketable skill;

E. Generous family visitation in decent surroundings to maintain family ties, with rigid security to exclude drugs or weapons;

F. Counseling services after release paralleling the "after-care" services in Sweden, Holland, Denmark, and Finland. All this should be aimed at developing the prisoner's respect for self, respect for others, accountability for conduct and appreciation of the value of work, of thrift, and of family.

G. Encourage religious groups to give counsel on ethical behavior and occupational adjustment during and after confinement.

The two men I spoke of as my mentors beginning twenty-five years ago—James V. Bennett and Torsten Eriksson of Sweden, were sadly disappointed at the end of their careers, on their great hopes for rehabilitation of offenders. A good many responsible qualified observers are reaching the stage that we must now accept the harsh truth that there may be some incorrigible human beings who cannot be changed except by God's own mercy to that one person. But we cannot yet be certain and in our own interest—in the interest of billions in dollars lost to crime and blighted if not destroyed lives—we must try to deter and try to cure.

This will be costly in the short run and the short run will not be brief. This illness our society suffers has been generations in developing but we should begin at once to divert the next generation from the dismal paths of the past, to inculcate a sense of personal accountability in each schoolchild to the end that our homes, schools and streets will be safe for all.

MESSAGES FROM THE PRESIDENT RECEIVED DURING THE RECESS

Under the authority of the order of the Senate of February 26, 1981, the Secretary of the Senate, on March 2, 1981, received messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received on March 2, 1981, are printed at the end of the Senate proceedings.)

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–501. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "The Nation's Unused Wood Offers Vast Potential Energy And Product Benefits"; to the Committee on Agriculture, Nutrition, and Forestry.

EC–502. A communication from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting, pursuant to law, a report of military construction projects placed under contract in fiscal year 1980 in which it was necessary to exceed the amount authorized for the project scope by more than 25 percent in order to permit the contract award within the available authorization for such project; to the Committee on Armed Services.

EC–503. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Soaring Subsidies Must Be Controlled"; to the Committee on Banking, Housing, and Urban Affairs.

EC–504. A communication from the Deputy Director of the Section of Finance, Interstate Commerce Commission, transmitting, pursuant to law, notice of a thirty day extension of the decision period in Finance Docket No. 28272, "Star Lake Railroad Company—Rail Construction and Operation in McKinley County, New Mexico;" to the Committee on Commerce, Science, and Transportation.

EC–505. A communication from the Acting Secretary of the Interior, reporting, pursuant to law, on activities carried out by the Geological Survey during the reporting period January 1 through December 31, 1980; to

the Committee on Energy and Natural Resources.

EC–506. A communication from the Chairman, National Commission on Air Quality, transmitting, pursuant to law, a report entitled "To Breathe Clean Air, March 1981, Report of the National Commission on Air Quality"; to the Committee on Environment and Public Works.

EC–507. A communication from the Assistant Legal Advisor for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements, other than treaties, entered into by the United States in the sixty day period prior to February 26, 1981; to the Committee on Foreign Relations.

EC–508. A communication from the Director of Administration of the Department of Energy, transmitting, pursuant to law, the annual report of the Department for 1980 under the Freedom of Information Act; to the Committee on the Judiciary.

EC–509. A communication from the Acting Chairman of the Equal Employment Opportunity Commission, transmitting, pursuant to law, the report of the Commission for 1980 under the Freedom of Information Act; to the Committee on the Judiciary.

EC–510. A communication from the Acting Administrator of the General Services Administration, transmitting, pursuant to law, the 1980 annual report of the Administration under the Freedom of Information Act; to the Committee on the Judiciary.

EC–511. A communication from the Chairman of the Board of Governors of the Federal Reserve System, transmitting, pursuant to law, the annual report of the Board under the Freedom of Information Act; to the Committee on the Judiciary.

EC–512. A communication from the Chairman of the Board of Governors of the Federal Reserve System, transmitting, pursuant to law, the annual report for 1980 of the Federal Open Market Committee of the Federal Reserve System under the Freedom of Information Act; to the Committee on the Judiciary.

EC–513. A communication from the Acting Director of ACTION, transmitting, pursuant to law, the 1980 annual report of the agency under the Freedom of Information Act; to the Committee on the Judiciary.

EC–514. A communication from the Secretary of the Railroad Retirement Board, transmitting, pursuant to law, the annual report of the Board for the calendar year 1980; to the Committee on the Judiciary.

EC–515. A communication from the Executive Director of the Committee for Purchase from the Blind and other Severely Handicapped, transmitting, pursuant to law, the report of the Committee for 1980 under the Freedom of Information Act; to the Committee on the Judiciary.

EC–516. A communication from the Staff Secretary of the National Security Council, transmitting, pursuant to law, the annual report of the Council for 1980 under the Freedom of Information Act; to the Committee on the Judiciary.

EC–517. A communication from the Deputy Director of the Office of Administration of the Executive Office of the President, transmitting, pursuant to law, the report of the Office of Administration for 1980 under the Freedom of Information Act; to the Committee on the Judiciary.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. GOLDWATER (for himself, Mr. PACKWOOD, Mr. PRESSLER, Mr. SCHMITT, Mr. STEVENS, Mr. KASTEN, Mr. CANNON, Mr. HOLLINGS, Mr. INOUYE, Mr. FORD, Mr. RIEGLE, and Mr. EXON):

S. 601. A bill to amend the Communications Act of 1934 to establish licensing procedures, renewal procedures, and licensing terms for television broadcast stations; to the Committee on Commerce, Science, and Transportation.

By Mr. RIEGLE:

S. 602. A bill to amend the investment credit provisions of the Internal Revenue Code of 1954 to provide for refundability of currently earned investment credits after the close of the year in which earned and for refundability of any previously earned but unused investment credit after the close of the last year to which the unused credit may be carried; to the Committee on Finance.

By Mr. ZORINSKY (for himself, Mr. THURMOND, Mr. DECONCINI, Mr. COCHRAN, Mr. MELCHER, and Mr. SIMPSON):

S. 603. A bill to amend title 17 of the United States Code to exempt nonprofit veterans' organizations and nonprofit fraternal organizations from the requirement that certain performance royalties be paid to copyright holders; to the Committee on the Judiciary.

By Mr. MATHIAS:

S. 604. A bill to amend the Communications Act of 1934 to provide that telephone receivers may not be sold in interstate commerce unless they are manufactured in a manner which permits their use by persons with hearing impairments; to the Committee on Commerce, Science, and Transportation.

By Mr. WALLOP:

S. 605. A bill to amend Title 11 of the Social Security Act to eliminate Child's Insurance Benefits in the case of youth age 18 through 21 who attend postsecondary schools; to the Committee on Finance.

By Mr. BAUCUS (for himself and Mr. DOMENICI):

S. 606. A bill to establish in the Department of State a Bureau of North American Affairs, and for other purposes; to the Committee on Foreign Relations.

By Mr. CANNON:

S. 607. A bill to declare a national weather modification policy, to establish a national program of research and development in weather modification, to provide for the reporting of weather modification activities, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. BAUCUS:

S. 608. A bill to amend the Internal Revenue Code of 1954 to allow individuals a deduction for certain expenses paid or incurred in connection with the adoption of a child; to the Committee on Finance.

By Mr. WILLIAMS (for himself and Mr. MOYNIHAN):

S. 609. A bill entitled "The Naturalization Processing Compensation Act of 1981. A bill entitled "The Naturalization Processing Compensation Act of 1981"; to the Committee on the Judiciary.

By Mr. WILLIAMS (for himself and Mr. PROXMIRE):

S. 610. A bill to amend the Securities Exchange Act of 1934 to establish a Council on State and Local Government Accounting and Financial Reporting Standards, and to establish an Institute for State and Local Government Accounting and Financial Reporting Standards, in order to ensure the availability of nationally recognized accounting and financial reporting standards for State and local governments; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. THURMOND:

S. 611. A bill to amend section 5 of the Uniformed Survivors Benefits Amendments of 1980 to provide the same annuity benefits to the surviving spouses of certain former members of the uniformed services who died before September 21, 1972, but after their discharge or release from active duty, as are provided under such section to the surviving spouses of certain former members who died before such date while serving on active duty; to the Committee on Armed Services.

By Mr. BOSCHWITZ (for himself, Mr. THURMOND, Mr. LUGAR, Mr. PERCY, Mr. JEPSEN, Mr. MELCHER, Mr. HEINZ, Mr. PRESSLER, and Mr. ANDREWS):

S. 612. A bill to amend the Internal Revenue Code of 1954 to clarify the valuation, for estate tax purposes, of farm and other real property when such property is rented by a member of a decedent's family, and for other purposes; to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. EAST, and Mr. HATCH):

S. 613. A bill to amend section 1951 of the United States Code, and for other purposes; to the Committee on the Judiciary.

By Mr. THURMOND:

S. 614. A bill to amend title 10, United States Code, to provide a new assistant Secretary of Defense for Reserve Affairs and to change the existing position of Assistant Secretary for Manpower and Reserve Affairs to Assistant Secretary of Defense for Manpower; to the Committee on Armed Services.

By Mr. LEAHY:

S. 615. A bill to amend the Internal Revenue Code of 1954 to provide a credit for television subtitle equipment used by hearing-impaired individuals; to the Committee on Finance.

By Mr. LEAHY (for himself, Mr. WEICKER, Mr. LUGAR, and Mr. RANDOLPH):

S. 616. A bill to provide for the installation of telecommunications devices for the deaf in agencies of Federal, State, and local governments, in offices of Members of Congress, and in other locations, to amend the Internal Revenue Code of 1954 to provide tax incentives for the purchase of telecommunication devices by the deaf, and for other purposes; to the Committee on Governmental Affairs.

By Mr. THURMOND (for himself, Mr. BAUCUS, Mr. BOREN, Mr. ROBERT C. BYRD, Mr. EXON, Mr. FORD, Mr. GLENN, Mr. GOLDWATER, Mr. JEPSEN, Mr. LEVIN, Mr. LONG, Mr. PRYOR, and Mr. TOWER):

S.J. Res. 42. Joint resolution designating the third Sunday in September as "National Ministers Day"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. GOLDWATER (for himself, Mr. PACKWOOD, Mr. PRESSLER, Mr. SCHMITT, Mr. STEVENS, Mr. KASTEN, Mr. CANNON, Mr. HOLLINGS, Mr. INOUYE, Mr. FORD, Mr. RIEGLE, and Mr. EXON):

S. 601. A bill to amend the Communications Act of 1934 to establish licensing procedures, renewal procedures, and licensing terms for television broadcast stations; to the Committee on Commerce, Science, and Transportation.

TELEVISION LICENSING AND RENEWAL ACT OF 1981

Mr. GOLDWATER. Mr. President, the Committee on Commerce, Science, and

Transportation's announced goal of passage of meaningful telecommunications legislation began last month with the introduction of two bills, S. 270 and S. 271. Since that time we have been examing other issues in this field with that same goal in mind.

The bill I am introducing today deals with television licensing and renewal, and continues that approach of amending the Communications Act of 1934, by removing regulatory restrictions wherever there is a competitive marketplace.

Specifically my bill accomplishes the following:

First. License terms.—The license period for television would be extended from 3 to 5 years.

Second. Licensing procedure.—The Federal Communications Commission (FCC) is permitted to use a system of random selection (lottery) to choose among otherwise qualified applicants for any initial license or construction permit.

Third. Renewal procedure.—(a) The FCC shall grant a television license renewal if it finds that: First, the licensee substantially met the problems, needs, and interests of the residents of its service area in its program service; second, the operation of the station has been free of any serious violation of the 1934 Communications Act or any FCC regulation promulgated thereunder; and third, the licensee continues to meet the qualifications prescribed under section 308(b).

(b) In acting upon any application for renewal, the FCC shall not have authority to consider any other applications for those facilities.

Mr. President, this bill addresses many of the concerns that have been expressed by broadcasters. By extending the license term, it will add stability to the operation of the broadcast facility, as well as help to insure more effective personnel management.

With the new discretionary provision for random selection, or lottery, the amount of time spent by the Commission staff on applications should be significantly reduced, insuring faster entry into the marketplace by new applicants. Furthermore, the elimination of the requirement for comparative proceedings where there is more than one applicant for a construction permit, will save new applicants time and money, and not harm the public interest. These proceedings have never guaranteed that the applicant best able to serve the public interest is selected.

The renewal procedure established by this bill focuses upon the licensee's record of performance rather than the promises of an applicant seeking the license. Eliminating competing applications means eliminating the cumbersome, expensive, and sometimes arbitrary comparative proceeding for license renewals. Also implicit in the three-prong test for renewal, is that the Commission will not be able to take into account any other ownership interests by the licensee, nor the degree of involvement of the owners of the station in the management of the station.

The comparative renewal procedure was adopted originally to provide a "competitive spur" to the broadcaster. The theory was that broadcasters would be encouraged to maximize their programing efforts if their licenses could be challenged at renewal.

While there have been few successful challenges to television broadcasters' licenses, the uncertainty created by this threat has made it more difficult for diligent broadcasters to serve their communities. Furthermore, the real "competitive spur" to the broadcaster no longer comes from potential challengers to the renewal of his license. Broadcasters are now competing against the diversity of video programing made possible by the expansion of cable television in urban markets, and the increasing use of new technologies.

If television broadcast licensees are to be expected to provide quality programing service to the public, they must be able to rely upon the knowledge that they will not be subjected to expensive, time-consuming comparative hearings as a result of a mere promise from another applicant to do a better job. It is increased competition that will guarantee the essential program quality.

While the FCC has recognized that this is a problem which neither benefits the broadcaster or the public, the courts have frustrated Commission attempts to remedy the situation. Renewal applicants are now without knowledge or definitive guidance as to how they will be judged at renewal time. The instability created by this confusion is not in the public interest.

Mr. President, it is my firm belief, and the intent of this bill, that the performance of the television broadcast licensee during his license term be the only basis for deciding whether to renew the license. If a licensee substantially meets the needs and interests of those in his service area, and is free of any serious violation of the act, and meets the basic qualifications, he should have his television license renewed.

Although this bill does not require the Commission to review its regulations and policies relating to allocation, assignment and authorization of broadcast spectrum, legislation scheduled to be introduced this spring will contain provisions relating to this matter.

Mr. President, I would welcome my colleagues to join in cosponsoring this bill. I might say that I already have 11 cosponsors. The Subcommittee on Communications will hold hearings on this bill on March 23 and March 30, 1981.

I ask unanimous consent that this bill and a factsheet describing it be printed in its entirety in the RECORD, following my remarks.

There being no objection, the bill and factsheet were ordered to be printed in the RECORD, as follows:

S. 601

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Television Licensing and Renewal Act of 1981".

LICENSE TERMS

SEC. 2. Section 307(d) of the Communications Act of 1934 (47 U.S.C. 307(d)) is amended by—

(1) inserting "television" after "operation of a";

(2) striking "three years" the first place it appears and substituting "five years";

(3) striking "three years" the last place it appears and substituting "five years"; and

(4) inserting "television" after "in the case of" the first place it appears therein.

LICENSING PROCEDURE; RENEWAL PROCEDURE

SEC. 3. Section 309 of the Communications Act of 1934 (47 U.S.C. 309) is amended by adding at the end thereof the following new subsections:

"(i) In any case where there is more than one applicant qualified in accordance with subsection (b) of section 308 for any initial license or construction permit for a television broadcast facility, the Commission may, in its discretion, grant an application based on a system of random selection. The Commission shall establish procedures for random selection not later than 180 days after the date of enactment of this subsection, which procedure shall not apply to any application filed before such date.

"(j) In any case in which a television broadcast station licensee submits an application to the Commission for renewal of a license, the Commission shall grant the application if it finds that—

"(1) the licensee, during the preceding term of its license, substantially met the problems, needs, and interests of the residents of its service area in its program service;

"(2) the operation of the station has been free of any serious violation of this Act or the regulations promulgated thereunder; and

"(3) the licensee continues to meet the qualifications prescribed under section 308(b).

"(k) In acting upon any application for the renewal of any television broadcast station license which is filed by a licensee with the Commission under section 308, the Commission shall not have authority to consider the application of any other person for the facilities for which renewal is sought. The provisions of this subsection shall not apply to any application of any other person filed prior to March 3, 1981.".

TELEVISION LICENSING AND RENEWAL ACT OF 1981

1. *License terms.*—The license period for television would be extended from three to five years.

2. *Licensing procedure.*—The Commission is permitted to use a system of random selection to choose among otherwise qualified applicants for any initial license or construction permit.

3. *Renewal procedure.*—

(a) The Commission shall grant a television license renewal if it finds that: (1) the licensee substantially met the problems, needs, and interests of the residents of its service area in its program service; (2) the operation of the station has been free of any serious violation of the 1934 Communications Act or any Commission regulation promulgated thereunder; and (3) the licensee continues to meet the qualifications prescribed under section 308(b).

(b) In acting upon any application for renewal, the Commission shall not have authority to consider any other applications for those facilities.

Mr. CANNON. Mr. President, I am delighted to join Senator GOLDWATER and many of my colleagues on the Senate Commerce Committee in offering the Television Licensing and Renewal Act of 1981, a bill which makes a small first step toward less Federal regulation of the television industry. The Senate Commerce Committee has taken a major role in the deregulation of important sectors of the American economy and the removal of obsolete and unnecessary Gov-

ernment regulation. Indeed, I am delighted that President Reagan seems to have taken note of our efforts and decided that this is the time for a broader campaign of reducing Government.

Just as Chairman PACKWOOD and the other Republican members of the Commerce Committee supported me and my fellow Democrats in a bipartisan effort to deregulate the trucking and airline and railroad industries, I am delighted to pledge our support in continuing to strive toward revitalizing the American economy by reducing the role of Government and turning the control of these industries back to the manager of the firms involved.

Last year Senators HOLLINGS, PACKWOOD, GOLDWATER, SCHMITT, and I worked very closely in an attempt to produce comprehensive telecommunications legislation which would revise the Communications Act of 1934. Our efforts were in recognition of the fact that the world has changed in the last 47 years and nowhere is it changing more rapidly than in the dynamic technology of telecommunications. The world has changed in the last 47 years from one which knew only primitive radio and telephone service to a vastly complicated and very competitive multimedia communications industry.

For a variety of reasons, comprehensive legislation was not enacted last year. This year, we are trying a different strategy. I have cosponsored, and the Commerce Committee has already had hearings on two other bills: S. 270, the Radio Deregulation Act of 1981, and S. 271, the International Record Carrier Competition Act of 1981. Each of these bills has been very favorably received and, because of the much narrower scope than the comprehensive legislation we considered last year, we expect that they will move rapidly. Thus I am delighted to be able to introduce the third—neither the last nor the least—in a series of communications bills. I would like to outline what this bill will do and then indicate what this bill does not do and some of the things we expect to do in future bills.

This legislation would do three things. First, it would extend the term for TV licenses from 3 years to 5 years. This would reduce the administrative burden on the Commission—that is, to reduce the number of cases they must hear each year and to allow them to give more careful attention to each individual case.

Second, the bill would permit the Commission to use a lottery or random selection to choose among applicants for new television licenses. Why a lottery? The answer is very simple. The Commission has struggled for years with the problem of choosing among competing applicants all of whom promise service so similar that it is difficult to make a rational choice among them. But because the FCC was required to choose among them on some logical grounds (which often did not exist) and because the losing applicants were able to sue and complain about the basis of choice (which in fact did not exist) it often takes years and years to award a television license. The cost in terms of lawyers and legal fees has been enormous.

The third thing this bill would do is to change the present process of dealing with the renewal of television licenses. This bill changes the procedural ground rules of the game while keeping intact the public interest standards imposed on license holders. Instead of everyone applying at once, an incumbent desiring a renewal of his certificate would first apply. Should he successfully demonstrate that he has substantially met the needs and problems of his service area; has not committed any serious violation of the Communications Act; and remains of good character; the Federal Communications Commission would renew the license. Other applicants would not apply in what are today largely fruitless proceedings since the incumbents are almost always relicensed.

Where the Commission, however, finds that the incumbent has not met the needs and problems of its service area, the Commission would then open the license to all comers and all community groups could apply. Thus, where a license is transferred, a much wider range of applicants may be attracted. Thus, I think this provision will reduce the amount of litigation and paperwork involved and provide greater assurance to existing stations who are adequately serving their public while, at the same time, attract a greater range of applicants where new service is needed.

Mr. President, I have talked some of what this bill does, but not yet about what the bill does not do. This bill, as I have indicated is very limited. I think it is desirable and hope that it will be endorsed by the administration, the FCC, the broadcast industry, and by responsible consumer groups. It does not, however, go as far toward deregulating the telecommunications industry as I believe we should go. I had hoped that this bill would include language requiring the Commission to periodically review all rules, regulations and policies relating to use of the radio spectrum in order to promote diversity and multiplicity of broadcast services.

I have agreed, somewhat reluctantly, with the majority that such language, while desirable, would unduly broaden this bill and that such language should be included in another bill. I expect to cosponsor such legislation with my good friends Senators GOLDWATER and PACKWOOD within the next few weeks. Indeed, we look forward to a whole series of these bills making improvements in the efficiency and competitiveness of the communications industry.

I should also note that the bills we have introduced so far and the one I have just addressed deal with the broadcast industry. The broadcast industry is but a part of the overall telecommunications industry and my staff is now working with the majority staff to produce a similar series of bills dealing with the common carrier portion of the industry. The impact of this legislation will be to better serve the consumer by making the communications industry more competitive. I look forward to rapid action on this legislation.

● Mr. HOLLINGS. Mr. President, I am pleased to join with several of my Commerce Committee colleagues in sponsoring the Broadcast Licensing and Renewal Act of 1981. This bill, together with S. 270 which I cosponsored in January, will accomplish significant improvements in radio and television licensing procedures. Extending the term of television licenses to a maximum of 5 years—instead of the present 3-year maximum—will accord increased stability to licensees, permitting them to devote greater efforts in community service and less attention to regulatory paperwork. The Commission, too, will save resources, reducing staff time necessary for routine review of renewal applications while at the same time allowing closer scrutiny.

The random selection licensing mechanism authorized under this bill (as well as under S. 270) contemplates an objective evaluation of basic qualifications of competing applicants for new licensees—as required by section 308(b) of the Communications Act. This procedure accords the Commission the flexibility essential to orderly and expeditious handling of expected substantial increases in applications for newly available broadcast authorizations. Recent initiatives in AM radio—reduction in clear channel coverage, reduction in channel separations to 9 kHz—and television—low power TV enhanced UHF comparability, subscription television, direct broadcast satellite service—some of which have already been implemented, some still under review, will create many hundreds of new radio and television outlets, and thousands of applications.

If these initiatives are to be translated into reality, we must modernize today's cumbersome and costly procedures for authorizing new stations in established and innovative broadcast services. Similar steps must be considered for nonbroadcast services as well. The proposed lottery mechanism is one among several alternative assignment and authorization methods which should be considered to replace the current unacceptably costly and time-consuming licensing methods in the broadcast services.

With respect to broadcast license renewals this bill's two-pronged standard of review clarifies and simplifies the public interest finding which the Commission must make before granting an additional license term. No radical departures from existing renewal standards and policies are contemplated; rather this standard should encourage diligent licensee performance while minimizing Commission scrutiny of programing matters, which are committed to the sound discretion of the licensee.

Notably, however, the comparative renewal procedure would be eliminated. In the judgment of the cosponsors, a viewpoint many students of communications law share, the comparative renewal process has been a failure. Indeed, the Commission has recommended that Congress abolish the comparative renewal process. I believe that the noncomparative renewal process (whereby the incumbent licensee's past record is examined in isolation) and the petition to deny process adequately serve to identify

meritorious past broadcast performance warranty renewal.

Owing to a regretable combination of ill-considered Commission policy and inappropriate judicial intervention, the comparative renewal process has evolved into a conceptually awkward and practically unworkable scheme requiring wasteful expenditures of resources by incumbent licensees, challengers, and the Commission. Superimposing on the renewal process standard comparative criteria developed for initial licensing (maximum diffusion of media control and integration of ownership and management), the Commission and the courts has created a system which, while designed to determine best practicable service among competing proposals, has instead destabilized the broadcasting industry without any appreciable countervailing gain in the larger public interest.

These comparative criteria provide little or no incentive for license performance; yet they do provide opportunity for wholly inappropriate attempts to restructure the industry ad hoc, as the recent Central Florida Enterprises (WESH) case and its predecessors amply demonstrate.

I am, however, a proponent of diversification of ownership, but believe that such matters should be considered in rulemakings of general applicability, not randomly in occasional comparative renewal proceedings.

On previous occasions I have introduced or supported legislation to modify in part current comparative renewal policies by prohibiting the Commission from considering diversification and integration in comparative proceedings. On further consideration I now believe that the comparative renewal procedure cannot be repaired and that the best course is to eliminate it altogether. Removing the diversification and integration issues would only worsen the subjectiveness inherent in the comparative renewal situation: Emphasis would be placed almost exclusively on program-content issues, thereby hightening first amendment concerns.

This bill prudently redirects the Commission's focus toward two reasonably straightforward indices of meritorious past performance: Responsiveness to the service area and conduct not characterized by willful or repeated violations of the Communications Act. This bill charts a clear course for both the Commission and the television broadcaster.

Finally, while this bill makes good progress toward rationalizing license selection, it is only a first step toward realizing tangible gains in promoting the public interest in diverse and competitive sources of broadcasting (and nonbroadcasting media services). The cosponsors of this bill agree that the Commission should periodically review its regulation of spectrum in order to promote a multiplicity and diversity of broadcast and other telecommunications services.

Moreover, they agree that the appropriate agency or agencies should examine and report to the Congress on alternative methods for allocation, assignment, and authorization generally in order to foster more efficient and economic use of the spectrum. However, in the interests of expedition they agree to confine the bill jointly introduced today to television licensing matters. Other communications bills may be introduced in the near future which would contain provisions reflecting this understanding.●

By Mr. RIEGLE:

S. 602. A bill to amend the investment credit provisions of the Internal Revenue Code of 1954 to provide for refundability of currently earned investment credits after the close of the year in which earned and refundability of any previously earned but unused investment credit after the close of the last year to which the unused credit may be carried; to the Committee on Finance.

REFUNDABLE INVESTMENT TAX CREDIT

Mr. RIEGLE. Mr. President, I am introducing today a bill to make the present investment tax credit refundable. All of our tax incentives for capital formation, including accelerated depreciation and investment tax credits are of no current use to many American firms that do not have sufficient tax liability. Our bill would help those firms finance the modern, more productive machinery that they must have to remain competitive.

Mr. President, this bill is needed if we are to revitalize and strengthen America's industrial base. American firms in most of our key industries must now undertake a surge of innovation and investment that is far greater than anything we have witnessed in peacetime history. Soaring energy costs are forcing major changes in products and manufacturing processes. Rapidly changing markets are pitting our most basic industries against powerful foreign firms that often receive many forms of assistance from their governments. As a result, American factories with a total value of hundreds of billions of dollars have become obsolete and must be completely modernized.

The challenge comes at a difficult time. Many U.S. firms find that weak sales and rising costs are reducing cash generated from operations. All U.S. firms find that, because of inflation, reserves from depreciation are inadequate to match the cost of replacement machinery which has exploded with inflation. And very high interest rates make external financing extremely expensive, or impossible. As a result, major American industries may emerge from the next few years with such heavy debt burdens that their long-term competitiveness may be jeopardized.

This problem is of strategic national importance. The Congress must make sure that the Federal incentives for capital formation are not only sufficient but also well designed. I believe that our bill would effect a major improvement.

I will first explain what this bill would do and then outline why I believe the Congress should enact it.

Mr. President, under current law a taxpayer who purchases machinery and equipment earns a tax credit equal to 10 percent of the purchase price. This credit can quickly reduce the cost of investment for a firm with sufficient tax liability. However, a firm with insufficient tax liability may not be able to use the credits for several years. Some credits are lost forever.

Thus, two firms in the same industry making identical investments may receive different treatment under the tax laws. The tax laws may place one of them at a competitive disadvantage.

Our bill would permit all firms to benefit from the 10-percent tax credit in the year they make a qualified investment. If a firm's tax liability is less than its credits, the Government would treat the excess credits as an overpayment of taxes.

That change would benefit several different types of firms. Among them are new, rapidly growing firms, which typically have little or no tax liability during their initial years of operation. Others are firms that have had low profits in recent years due to rising operating and energy costs. And a third group includes firms that must make capital investments that are very large relative to their historic taxable income.

Mr. President, refundability of the investment tax credit would promote several important objectives.

First, refundability would improve competition and competitiveness in a number of America's most basic industries; including auto manufacturing, primary metals—such as steel, copper and aluminum—railroads, airlines, electric utilities, chemicals and petroleum refining.

Second, refundability would make the tax code more equitable. Because of the 10-percent investment tax credit, an established, currently profitable firm effectively pays only $90,000 for a $100,000 machine. While current law leaves a new entrant into the industry or a firm with temporarily low profits to pay the full $100,000. Our bill would permit all firms to consider their investment decisions on a more equal footing.

Third, refundability would make the investment tax credit less distortive of private investment decisions. Currently, firms with low tax liabilities have an incentive to act in ways that do not advance innovation or productivity. Some lease machinery from firms that can take advantage of the tax credit and pass part of the credit through reduced lease payments. Innovative, new firms that cannot use credits they have earned can be drawn to mergers with more established firms that can offset the credits against tax liability. Our bill would remove those inappropriate incentives.

Fourth, refundability would prevent the investment credit from reinforcing a business downturn. Current tax laws exacerbate a recession by removing an important incentive for new capital spending from a firm whenever its profits drop. Our bill would tend to moderate swings in the business cycle.

Some critics have claimed that a refundable investment tax credit would provide Federal subsidies for inefficient firms and keep alive companies that should fail. That criticism is unfounded. The investment tax credit is designed to

stimulate future capital projects, not to reward past economic performance. The availability of current year taxable income is not a measure of long-term efficiency. Few firms in a loss position can make substantial capital expenditures unless private sources of external financing are convinced of the firm's long-term competitive strength and of the soundness of their capital projects. So long as Congress makes an investment tax credit available, it should be provided to all capital projects. It should be refundable.

Finally, refundability would not, in the long run, greatly increase revenue losses to the Federal Treasury, since most of the excess credits are ultimately used. Credits refunded this year would not be available for carryover into future years. Therefore, refundability would affect primarily the timing of the credit rather than the total amount.

For these reasons, Mr. President, I believe that a refundable investment tax credit is particularly well designed to support capital formation during these next critical years.

I ask unanimous consent that the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 602

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. REFUNDABILITY OF CURRENTLY EARNED INVESTMENT CREDITS AND CERTAIN PREVIOUSLY EARNED INVESTMENT CREDITS.

(a) IN GENERAL.—Paragraph (3) of section 46(a) of the Internal Revenue Code of 1954 (relating to limitation based on an amount of tax) is amended to read as follows:

"(3) LIMITATIONS BASED ON AMOUNT OF TAX LIABILITY.—Notwithstanding paragraph (1), the amount of the credit allowed by section 38 for the taxable year which is attributable to investment credit carryovers to such taxable year (other than a carryover for which such taxable year is the last year to which it may be carried) shall not, when added to the amount of the credit determined under paragraph (2)(A) for the taxable year, exceed the liability for tax for the taxable year.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to taxable years beginning after December 31, 1980.

SEC. 2. REFUND OF CREDIT IN EXCESS OF TAX LIABILITY.

(a) EXCESS CREDIT TREATED AS OVERPAYMENT OF TAX.—Subsection (b) of section 6401 of the Internal Revenue Code of 1954 (relating to excessive credits) is amended—

(1) by striking out "and 39" and inserting in lieu thereof", 38 (relating to investment in depreciable property) 39", and

(2) by striking out "39, and 43" and inserting in lieu thereof "38, 39, and 43".

(b) CONFORMING AMENDMENTS.—

(1) Subsection (a) of section 46 of such Code (relating to general rule for determining amount of credit) is amended by striking out paragraphs (5), (6), (7), (8), and (9), and inserting in lieu thereof the following new paragraph:

"(5) APPLICATION WITH OTHER CREDITS.—

"(A) RULE.—For purposes of determining the amount of any credit (other than a refundable section 38 credit) allowable under subpart A of this part, a refundable section 38 credit shall not be taken into account.

"(B) REFUNDABLE SECTION 38 CREDIT.—For purposes of subparagraph (A), the term 'refundable section 38 credit' means, for any taxable year, that part of the credit allowed by section 38 in respect of which (regardless of amount) paragraph (3) does not provide for a limit for the taxable year.".

(2) Section 55 of such Code (relating to alternative minimum tax for taxpayers other than corporations) is amended—

(A) by striking out "43)" in paragraph (2) of subsection (b) and inserting in lieu thereof "43, and other than any refundable section 38 credit (as defined in section 46(a)(5))", and

(B) by adding at the end of paragraph (3)(C)(ii) of subsection (c) the following flush sentence: "In applying this subparagraph, any refundable section 38 credit (as defined in section 46(a)(5)) shall not be taken into account.".

(3) Subsection (c) of section 53 of such Code (relating to definition of regular tax deduction) is amended by striking out "section 46(a)(2)(E)" and inserting in lieu thereof "section 46(a)(2)(F), or any refundable section 38 credit (as defined in section 46(a)(5))".

(4) Paragraph (4) of section 6201(a) of such Code (relating to assessment authority) is amended to read as follows:

"(4) ERRONEOUS CREDIT.—If on any return or claim for refund of income taxes under subtitle A there is an overstatement of the credit allowable by section 39 (relating to certain uses of gasoline, special fuels, and lubricating oil), section 43 (relating to earned income), or the refundable section 38 credit (as defined in section 46(a)(5)), the amount so overstated which is allowed against the tax shown on the return or which is allowed as a credit or refund may be assessed by the Secretary in the same manner as in the case of a mathematical or clerical error appearing upon the return, except that the provisions of section 6213(b)(2) (relating to abatement of mathematical or clerical error assessments) shall not apply with regard to any assessment under this paragraph.".

(5) Section 6513 of such Code (relating to time return deemed filed and tax considered paid) is amended by adding at the end thereof the following new subsection:

"(f) INVESTMENT CREDITS CONSIDERED PAID.—For purposes of sections 6511 and 6512, the taxpayer shall be considered as paying an amount of tax on the last day prescribed by law for payment of the tax (determined without regard to any extension of time and without regard to any election to pay the tax in installments) equal to so much of the credit allowed by section 38 (relating to investment credit) as is treated under section 6401(b) as an overpayment of tax.".

(6) The heading for section 6611(d) of such Code is amended to read as follows:

"(d) ADVANCE PAYMENT OF TAX, PAYMENT OF ESTIMATED TAX, CREDIT FOR INCOME TAX WITHHOLDING, AND INVESTMENT CREDITS CONSIDERED PAID.—".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to taxable years beginning after December 31, 1980.

By Mr. ZORINSKY (for himself, Mr. THURMOND, Mr. DECONCINI, Mr. COCHRAN, Mr. MELCHER, and Mr. SIMPSON):

S. 603. A bill to amend title 17 of the United States Code to exempt nonprofit veterans' organizations and nonprofit fraternal organizations from the requirement that certain performance royalties be paid to copyright holders; to the Committee on the Judiciary.

EXEMPTION OF CERTAIN NONPROFIT ORGANIZATIONS FROM PAYMENT OF CERTAIN PERFORMANCE ROYALTIES

● Mr. ZORINSKY. Mr. President, during the last session of Congress I introduced S. 2082, a bill to amend title 17 of the United States Code to exempt nonprofit fraternal and veterans' organizations from the payment of royalty fees for the use of copyrighted music. The need for this legislation was first brought to my attention by a member of the Fraternal Order of Eagles in my hometown of Omaha.

The Senate Judiciary Committee's Subcommittee on Improvements in Judicial Machinery held 2 days of hearings at which this bill was extensively studied. Testimony was heard from numerous groups who claimed that under the current law they were looking at potential liabilities of several million dollars a year in fees. When you review the many worthwhile and needed activities that are conducted by these groups, including the Lions Clubs' work with seeing eye dogs. the youth programs of the American Legion, the activities for the elderly sponsored by the Moose, and so many more too numerous to list, it is clear to me of the value of this type of legislation.

Mr. President, let us take the Fraternal Order of Eagles as an example. This organization has over 1,350,000 members in 3,500 chapters, and follows a credo "To make human life more desirable by lessening its ills and promoting peace, prosperity, gladness and hope." The Eagles have been involved in national problems such as legislation for the elderly and poor, and on local issues like blood banks to save lives, an iron lung for a polio victim and donations to the Red Cross and the Community Chest. The Eagles have been very involved in the development of Boys Town in my own State, and with all of the Boys Clubs across this country. In the 1950's the Eagles raised over $1 million for the Damon Runyon Cancer Funds, and in the last 10 years founded the Max Baer Heart Fund, which has donated over $4 million for heart research. This group pays over $550,000 a year in fees to copyright owners.

Mr. President, after hearing the testimony, it was clear to the subcommittee that this legislation was needed, and by a vote of 4 to 0 the bill was passed. Unfortunately, there was not enough time left in the session for the full committee to act, so I am again introducing this bill, along with Senators THURMOND, DECONCINI, COCHRAN, SIMPSON, and MELCHER. I am hopeful that this legislation will be considered by this new Congress and then passed so that the many organizations can move ahead with even more worthwhile contributions to society. This is just a small way of saying thanks, and of recognizing the efforts of these fine organizations.

Mr. President, I ask that a copy of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 603

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 110 of title 17 of the United States Code is amended—

(1) by striking out "performers," in paragraph (4);

(2) by striking out the period at the end of paragraph (8) and inserting a semicolon in lieu thereof;

(3) by striking out the period at the end of paragraph (9) and inserting a semicolon and "and" in lieu thereof; and

(4) by adding at the end thereof the following new paragraph:

"(10) performance of a nondramatic literary or musical work in the course of a social function which is organized and promoted by a nonprofit veteran's organization or a nonprofit fraternal organization to which the general public is not invited, if the proceeds from such performance, after deducting the reasonable costs of producing the performance, are used exclusively for charitable purposes and not for financial gain.".●

By Mr. MATHIAS:

S. 604. A bill to amend the Communications Act of 1934 to provide that telephone receivers may not be sold in interstate commerce unless they are manufactured in a manner which permits their use by persons with hearing impairments; to the Committee on Commerce, Science, and Transportation.

LEGISLATION RELATING TO THE SALE OF TELEPHONES IN INTERSTATE COMMERCE

Mr. MATHIAS. Mr. President, social attitudes toward handicapped people have changed dramatically in recent years. The American public has generally come to accept as a goal opening the doors of participation in society without regard to handicaps.

So many aspects of life—our buildings, communications technology, modes of transportation, and other programs—were developed without considering handicapped people.

Today I am introducing legislation that is an important step toward allowing those who have hearing impairments to participate fully in an activity other Americans take for granted—use of the telephone.

It is well known that the telephone is a byproduct of Alexander Graham Bell's search for a device to help the hearing impaired. It is long past time to bring full and assured access to telephones into the lives of people who rely on hearing aids.

Many telephones will not work with the telephone pickups built into hearing aids. The telephone industry now has the technology to make all telephones usable with all hearing aids.

The legislation I introduce today would require that all new telephone receivers be compatible with hearing aids. Last year testimony before the Subcommittee on Communications of the House Committee on Interstate and Foreign Commerce showed that this is not difficult or costly. Cost differentials were cited, and telephone compatibility could cost only pennies per year.

Hearing-impaired people need the telephone for equal employment opportunities, freedom of mobility, freedom from social isolation, and emergency protection.

Congress has taken action for the handicapped to expand educational opportunities, provide improved access to public facilities and services and broaden employment opportunities.

This legislation is a cost-effective step toward equality and mobility for hearing-impaired people. Its enactment would help them greatly improve the quality of their lives. By allowing hearing-impaired people a fair opportunity to make full use of the telephone, the entire Nation would benefit from their talents and abilities.

History confirms how the handicapped can surmount their burdens, sometimes spectacularly as in such cases as the blind Homer and deaf Beethoven and more often out of the limelight like those many striving to carry out their daily work with no less competence than the able-bodied.

Let us make the telephone another instrument of opportunity and not an obstacle to effective communication and participation.

I ask unanimous consent that this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD as follows:

S. 604

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress hereby finds that—

(1) all persons subscribing to or otherwise receiving telephone service in the Nation should receive the best service which is technologically possible;

(2) currently available technology is capable of providing telephone service to those individuals who, because of hearing impairments, require telephone reception by means of hearing aids with induction coils or other inductive receptors; and

(3) modifications in current telephone receiver design and manufacture should be made in order to accommodate the needs of individuals with hearing impairments.

SEC. 2. Title II of the Communications Act of 1934 (47 U.S.C. 201 et seq.) is amended by adding at the end thereof the following new section:

"REGULATION OF TELEPHONE RECEIVER DESIGN

"SEC. 225. (a) It shall be unlawful for any person to manufacture, import into the United States, install, offer for sale, offer for rent, offer for lease, or otherwise distribute any telephone receiver or other similar telephone equipment, for use in connection with any interstate or foreign communication, unless such receiver is designed and manufactured in a manner which permits telephone reception, through the use of such receiver by means of any hearing aid which uses an induction coil or any other inductive receptor.

"(b) Any person who violates the provisions of this section shall be fined not more than $5,000. Any person who is convicted of a second or subsequent offense punishable under this subsection shall be fined not more than $10,000.".

SEC. 3. The amendment made in section 2 shall apply only with respect to telephone receivers and other such similar telephone equipment manufactured one year after the date of the enactment of this Act.

By Mr. WALLOP:

S. 605. A bill to amend title 11 of the Social Security Act to eliminate child's insurance benefits in the case of youth, age 18 through 21, who attend post-secondary schools; to the Committee on Finance.

ELIMINATION OF STUDENT BENEFITS UNDER SOCIAL SECURITY

● Mr. WALLOP. Mr. President, today I am introducing a proposal to eliminate an unnecessary and costly burden for the social security system. I am referring to social security benefits for students attending postsecondary institutions. This bill parallels an amendment which I offered to the social security disability amendments in late 1979.

The social security benefits for students, ages 18 to 22, are one of the most recent expansions of the social security program. This provision was adopted in 1965. It represented a divergence in the philosophy behind social security. The program has been developed as a national social insurance program to protect workers and their families from unexpected or inevitable events, such as death, disability, or retirement. Postsecondary education is neither unexpected nor inevitable; rather it is a planned event on the part of the student. It does not properly fit the criteria which have been used over the years for social security benefits.

What prompted the Congress to take this action in 1965? There were two factors involved. At that point in time, the social security trust fund was quite healthy, and congressional actions generally focused on how to expand benefits. Also, there was a concern that many youth who were receiving dependent social security benefits would not be able to afford a postsecondary education because such benefits were terminated when the youth reached age 18. It was a noble gesture by that Congress. However, it is now no longer justified, and this Congress could make a responsible gesture by repealing the provision.

Some complain that this bill is a reduction in social security benefits, and represents a retreat from the goals of social security. In response to the first point, it is true we would eliminate an unnecessary benefit. By doing so, we are facing a reality. The social security trust fund is in precarious shape. Any benefit which is duplicative and is not true social insurance should be eliminated. The student benefit is such a benefit.

Since 1965 we have legislated numerous programs to aid students in meeting the expense of a postsecondary education. Six programs under the direction of the Department of Education provide student aid, ranging from the needs-tested Pell grants to guaranteed student loans which are available to virtually all students from low- and middle-income families. Testimony presented to the Ways and Means Oversight Subcommittee in February of 1979 by the Bureau of Student Financial Assistance indicated that these existing student aid programs would be adequate to meet the needs of students affected by a phase out of social security student benefits. The Education Amendments of 1980 reauthorized the Higher Education Act of 1965 for 5 years. That legislation broadened Federal student aid eligibility and expanded assist-

ance limits. Social security student assistance is redundant, and it is time to shift the responsibility for such aid from the Social Security Administration to the education programs where it belongs.

In response to the second criticism, the goal of the social security program is to provide social insurance. Of course, efforts have gone forward since the program was first legislated to expand the scope and purpose of the program, and also to expand the scope and purpose of the Federal Government. Public sentiment no longer supports expansion of the Government. Rather, we have a mandate to make existing programs efficient and rational. The proposal I am introducing today is part of this effort.

The bill is not an abrupt action. The change would be phased in over a 6-year period. This would allow students now receiving postsecondary education benefits to complete their education without disruption. Those students under age 16 would have ample opportunity to obtain financial aid through other Federal programs. These programs are better targeted toward those who need help and achieve more equitable results among families of similar size and resources. One of the problems with the social security student benefit is that the higher the income of the student's family, the higher the student benefit.

Adoption of this proposal would achieve substantial trust fund savings without significantly increasing outlays from general revenues. A CBO estimate indicated that there would be a net savings of $2 billion by 1987 resulting from the elimination of the student benefit and the expansion of student aid programs.

I would request unanimous consent that the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 605

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That

(1) Section 202 (d) of the Social Security Act is amended in paragraphs (1) (B), (1) (E) (ii), (1) (F) (i), (1) (G) (i), (6) (A) (i), (6) (D) (i), (6) (E) (i), (7) (A), (7) (B), and (7) (D), by striking out "full-time student" each place it appears and inserting in lieu thereof in each instance "full-time elementary or secondary school student".

(2) (A) Section 202 (d) of such Act is further amended in paragraphs (7) (A), (7) (B), and (7) (D), by striking out "educational institution" each place it appears and inserting in lieu thereof in each instance "elementary or secondary school".

(B) Section 202 (d) (7) (A) of such Act is further amended by striking out "institutions involved" and inserting in lieu thereof "schools involved".

(3) Subparagraph (C) of section 202 (d) (7) of such Act is amended to read as follows:

"(C) (i) An 'elementary or secondary school' is a day or residential school that provides elementary or secondary education, respectively, as determined under the law of the State or other jurisdiction in which it is located.

"(ii) For the purpose of determining whether a child is a 'full-time elementary or secondary student' or 'intends to continue to be in full-time attendance at an elementary or secondary school', within the meaning of this subsection, there shall be disregarded any education provided, or to be provided, beyond grade 12.".

(4) Section 202 (d) (7) (D) of such Act is further amended by striking out "degree from a four-year college or university" and inserting in lieu thereof "diploma or equivalent certificate from a secondary school (as defined in subparagraph (C) (i))".

(5) The amendments made by this Act shall apply with respect to child's insurance benefits for months beginning with September 1983 except in the case of a youth who is entitled to child's insurance benefits by reason of his full-time attendance at an educational institution for September 1983 whose benefits shall remain payable under section 202(d) of the Social Security Act as in effect prior to its amendment by this section.●

By Mr. BAUCUS (for himself and Mr. DOMENICI):

S. 606. A bill to establish in the Department of State a Bureau of North American Affairs, and for other purposes; to the Committee on Foreign Relations.

ESTABLISHMENT OF A BUREAU OF NORTH AMERICAN AFFAIRS

Mr. BAUCUS. Mr. President, as I said earlier, today Senator DOMENICI and I are presenting two proposals before the Senate: The first is a bill establishing in the Department of State a Bureau of North American Affairs, and the second is a concurrent resolution for the creation of a North American Commission for Cooperation and Development.

During the 96th Congress, I asked the GAO to review the handling of relations with Mexico and Canada. It was an interesting report and I am taking the liberty of inserting it in the RECORD again.

Mr. President, I ask unanimous consent that that report be printed in the RECORD at this point.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

U.S. GENERAL ACCOUNTING OFFICE,
Washington, D.C., September 27, 1979.

Hon. MAX S. BAUCUS,
U.S. Senate.

DEAR SENATOR BAUCUS: Subject: United States Government Agencies' Relations With Canada and Mexico. (ID–79–57).

Your letter of June 18, 1979, requested that we report on how U.S. Government agencies are organized to deal with Canada and Mexico.

We developed a questionnaire in consultation with your staff to solicit information from Federal agencies on the nature and extent of their interests in and cooperation with Canada and Mexico, and the way these interests are coordinated. In early August we sent questionnaires to 71 Federal agencies and offices (see enc. I) that have some contact with either Canada or Mexico. Although we received 68 responses from agencies and offices who deal with either Canada or Mexico, we found that 31 have frequent contact with the Federal Governments of both countries. Therefore, our analyses were based on information furnished by those 31 respondents. In addition to the questionnaire, we made contact with some respondents for clarification or elaboration of information provided.

The nature of the respondents' primary interests in either Canada or Mexico is briefly described in enclosure II. Also, the respondents' research programs are described in enclosure III.

QUESTIONNAIRE RESULTS

Responses to our questionnaire showed that:

The majority of the respondents that reported frequent staff involvement on matters relating to both Canada and Mexico stated that the staff members involved are located in several organizational units.

In most program areas of interests, respondents have similar interests in both countries.

Almost all respondents feel that cooperation received from the Canadian and Mexican Governments is adequate.

Approximately three-fourths of the respondents coordinate their activities with the Department of State while others coordinate their activities primarily with the Departments of Agriculture and Commerce which also maintain staffs in both countries. A few respondents, however, make direct contacts with their foreign counterparts.

Most respondents believe that if an organizational structure change were made in the Department of State to place the management of U.S. relations with Canada and Mexico in a single unit, there would be little, if any, change in their relationships with the two countries.

None of the respondents including the Department of State, advocated structural changes in any U.S. agencies that deal with either Canada or Mexico.

The Office of the Assistant Secretary of Defense, International Security Affairs, Inter-American Region, and Agriculture's Office of International Cooperation and Development felt that closer cooperation could be achieved among the three countries of North America if they established a trilateral mechanism to review and discuss programmatic issues of mutual interest.

State's Bureau of European Affairs includes management of Canadian affairs because Canada, unlike Mexico, is an Atlantic power and shares the same issues which confront other Organization for Economic Cooperation and Development and North Atlantic Treaty Organization members. According to the Bureau, to remove responsibility for administration of Canadian affairs from their office and place management of U.S. relations with Canada and Mexico in a single organizational unit would have a moderately negative effect on management of U.S./Canadian relations.

BILATERAL ORGANIZATIONS

In addition to the relations between U.S. agencies and Canadian and Mexican counterparts in areas falling within their purview, several bilateral organizations have been created to promote closer cooperation between the United States, Canada, and Mexico to prevent disputes regarding international boundaries, to settle questions involving rights, to consider broad plans for defense of the northern half of the Western Hemisphere, to protect common interests of either country, and to make provisions for the adjustment and settlement of any question which may arise. These organizations are listed below.

International Boundary Commission, United States and Canada.

International Joint Commission, United States and Canada.

Permanent Joint Board on Defense, United States and Canada.

International Boundary and Water Commission, United States and Mexico.

Joint Mexican-United States Defense Commission.

SPECIAL BILATERAL MECHANISM

The United States has occasionally established special bilateral mechanisms with

Canada and Mexico to examine problems and propose solutions regarding common policy interests. These mechanisms are basically bureaucratic forums which, in theory, provide a basis for governmental organizational interface on issues and help overcome any bureaucratic and political barriers to cooperation.

CANADA AND MEXICO

The United States has entered into two bilateral arrangements with Canada and two bilateral arrangements with Mexico to deal with overall relations between the countries. In each case they are called the Quadripartite Commission and the Interparliamentary Group. The Quadripartite Commissions are composed of U.S. legislators and U.S. businessmen to meet periodically to discuss bilateral relations with the other country. The Interparliamentary Groups are composed of U.S. legislators who meet yearly to exchange opinions and discuss political, social and economic issues with their counterparts in the other country.

Mexico

To focus more attention on Mexico's development problems and the need to establish a solid productive relationship, the U.S. Government and the Mexican Government formed the United States-Mexican Consultative Mechanism. This Mechanism consists of nine joint commissions (see encs. IV and V) through which high-level representatives could maintain close regular contact. These commissions are to address problems in the following areas: border cooperation, trade, finance, tourism, industry and development, migration, energy, law enforcement, and multilateral consultations. In addition, other bilateral commissions and consultative groups exist in the fields of science and technology, cultural cooperation, water and boundaries, agricultural cooperation, and parks and wildlife under the umbrella of the Consultative Mechanism.

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

The Saint Lawrence Seaway Development Corporation was established specifically to cooperate with Canada. The Corporation is directed by the Department of Transportation. It coordinates its activities with its Canadian counterpart with respect to overall operations, traffic control, safety, season extension, and related programs designed to fully developed the seaway between Montreal and Lake Erie.

As arranged with your office, unless you publicly announce its contents earlier, we plan no further distribution of this report until 5 days from the date of issue. At that time we will send copies to the Secretaries of the executive departments, selected independent agencies and bilateral organizations, and interested Members of Congress.

Sincerely yours,

J. K. FASICK,
Director.

AGENCIES WITH PROGRAMS OR INTERESTS RELATED TO CANADA AND/OR MEXICAN

INDEPENDENT AGENCIES

American Battle Monuments Commission.
Civil Aeronautics Board.
Environmental Protection Agency.
Export-Import Bank of the U.S.
Federal Communications Commission.
Federal Maritime Commission.
International Communication Agency.
Inter-American Foundation.
Interstate Commerce Commission.
Overseas Private Investment Corporation.
U.S. Arms Control and Disarmament Agency.
U.S. International Trade Commission.
Office of the Special Representative for Trade Negotiations.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

National Institute on Alcohol Abuse and Alcoholism.
National Institute on Drug Abuse.
National Institute of Mental Health.

DEPARTMENT OF THE INTERIOR

U.S. Fish and Wildlife Service.
Bureau of Mines.
Geological Survey.

DEPARTMENT OF JUSTICE

Federal Bureau of Investigation.
Immigration and Naturalization Service.
Drug Enforcement Administration.

DEPARTMENT OF AGRICULTURE

Foreign Agriculture Service.
Economics, Statistics, and Cooperatives Service.
Federal Grain Inspection Service.
Office of the General Sales Manager.
Soil Conservation Service.
Food Safety and Quality Service.
Forest Service.
Science and Education Administration.
Plant Protection and Quarantine Program.
Veterinary Services.
Federal Crop Insurance Corporation, Office of the Manager.
Office of Governmental and Public Affairs.
Attorney General-Secretariat for Agriculture, Commission of Customs.
Office of International Cooperation and Development.

DEPARTMENT OF ENERGY

Energy Information Administration.
Assistant Secretary for International Affairs.

DEPARTMENT OF LABOR

Bureau of Labor Statistics.
Deputy Under Secretary for International Affairs.

DEPARTMENT OF TRANSPORTATION

U.S. Coast Guard.
Federal Aviation Administration.
Federal Highway Administration.
Research and Special Programs Administration.
St. Lawrence Seaway Development Corporation.

DEPARTMENT OF THE TREASURY

Bureau of Alcohol, Tobacco and Firearms.
U.S. Customs Service.
Bureau of the Mint.
U.S. Secret Service.
Office of Developing Nations Finance.
Internal Revenue Service.

DEPARTMENT OF COMMERCE

Maritime Administration.
National Oceanic and Atmospheric Administration.
U.S. Travel Service.
Economic Development Administration.
Bureau of Export Development.
Bureau of International Economic Policy and Research.

DEPARTMENT OF DEFENSE

Secretary of the Air Force.
Secretary of the Army.
Secretary of the Navy.
Operations Directorate, Defense Security Assistance Agency.

Office of the Assistant Secretary of Defense, International Security Affairs, Inter-American Region.

Office of the Assistant Secretary of Defense, International Security Affairs, European Region.

DEPARTMENT OF STATE

Assistant Secretary for European Affairs.
Assistant Secretary for Inter-American Affairs.
Agency for International Development.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Assistant to the Secretary for International Affairs.

BILATERAL ORGANIZATIONS

International Boundary Commission.
International Boundary and Water Commission.
Joint Mexican-United States Defense Commission.
Permanent Joint Board on Defense-U.S. and Canada.

NOTE: List of agencies and offices compiled by GAO.

NATURE OF AGENCIES' PROGRAMS OR INTERESTS WITH CANADA AND/OR MEXICO—AS REPORTED BY THE AGENCIES

INDEPENDENT AGENCIES

American Battle Monuments Commission

Operates and maintains a closed cemetery at Mexico City. There have been no burials since 1923. (M)

Civil Aeronautics Board

The international aviation policy of Canada, Mexico or any country determines to a large extent whether or not the U.S. can successfully negotiate a liberal pro-competitive aviation bilateral agreement with that country. Although the U.S. has agreements with both countries, it is concerned about their more restrictive aviation policies.

Environmental Protection Agency

Coordinates its activities with the International Joint Commission as they apply to boundary issues and especially environmental issues associated with the Great Lakes. (C)

Coordinates World Health Organization, Pan-American Organization, etc., activities as they apply to water and air quality at the boundary. (M)

Federal Communications Commission

Frequency management (C) & (M)

International Communications Agency

To explain U.S. foreign and economic policy; to facilitate informational, educational and cultural intercourse; to assess and advise on the impact of American foreign and economic policy decisions in the two countries. (C) & (M)

Inter-American Foundation

To be responsive to the efforts of local, non-governmental groups in Mexico formed to solve basic social and economic problems. (M)

Interstate Commerce Commission

Concerned with developing compatible policies in regard to motor carrier regulation at the Federal and Provincial level. Receives and answers inquiries about the agency's regulatory policies raised by Canadian motor carriers wishing to operate in the U.S. In addition, concerned with rail service matters, such as freight car supply. (C)

Receive occasional inquiries from Mexican motor carriers about the agency's policies. Also, rail service matters are of interest. (M)

Federal Maritime Commission

Harmonizing transportation policies, particularly through movements originating in one country and passing through the other. (C) & (M)

Overseas Private Investment Corp.

Discusses policies and procedures with its Canadian counterpart, the Export Development Corp. at Ottawa. (C)

U.S. International Trade Commission

Primary interest is in policies and activities which affect bilateral trade with Canada and Mexico in products subject to the Commission's investigations and studies. (C) & (M)

U.S. Arms Control and Disarmament Agency

Coordinates with Canadian counterpart the theater nuclear and SALT policies within the NATO alliance structure; consults on entire range of arms control and disarmament negotiations and issues concerning the Committee on Disarmament. (C)

Interested in nuclear technology developments, uranium mining, science and technology, nonproliferation policy, regional

influence on nuclear issues, Treaty of Tlatelolco, OPANAL, and alternate energy systems. Also, weapons policy, conventional arms acquisition and restraint in Latin America. (M)

Office of the Special Representative for Trade Negotiations

Trade Policy. (C) & (M)

Export-Import Bank of the U.S.

Level of import demand. (C) & (M)

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

National Institute on Alcohol Abuse and Alcoholism

Policies and programs relating to alcohol use and alcoholic-related problems, including alcoholism. (C) & (M)

National Institute on Drug Abuse

International cooperation and information exchange in the area of drug abuse. (C) & (M)

National Institute of Mental Health

Mental health delivery system; mental health training programs research policies. (C) & (M)

DEPARTMENT OF THE INTERIOR

U.S. Fish and Wildlife Service

Management, research, and conservation of migratory wildlife. Joint preparation of waterfowl hunting regulations. Mitigation of adverse effects of development on both sides of border for migratory and endangered wildlife. (C) & (M)

Bureau of Mines

Mine and mineral research; production and shipments of minerals and minerals materials; reserves of minerals; planning for priorities, allocations of resources in emergencies and disasters; transportation and trade affecting minerals. (C) & (M)

Geological Survey

Mineral resources, radioactive waste disposal, hydrology, topography, nuclear raw materials, marine geology, and energy. (C) & (M)

DEPARTMENT OF JUSTICE

Drug Enforcement Administration

Primary interest is the law enforcement activities as they relate to international drug trafficking. (C)

Primary interest is the law enforcement activities and policies to reduce the flow of drugs to the U.S. (M)

Immigration and Naturalization Service

The establishment, operation, and maintenance of preclearance locations (airports) within Canada where alien applicants for admission to the U.S. are preclearanced in Canada. Necessary liaison in conjunction with the deportation of aliens to Canada and identification of smuggling activities from Canada to the U.S. (C)

Necessary liaison in conjunction with the return and/or deportation of aliens to Mexico; identification of smuggling activities from Mexico to the U.S.; activities of potential illegal entrants to the U.S.

DEPARTMENT OF AGRICULTURE

Foreign Agricultural Service

Interested in policies and activities that pertain to agricultural programs, exports and imports, production, subsidies, tariffs, and nontariff barriers. (C) & (M)

Economic, Statistics, and Cooperatives Service

Interested in policy related activities that impact or have potential of impacting on U.S. and world trade. (C) & (M)

Federal Grain Inspection Service

Grain grading, weighing, marketing and utilization. (C) & (M)

Office of the General Sales Manager

Competing exporter of wheat and barley. Also grain export policies and activities as they may affect decisions in U.S. export programs. (C)

Buyer of U.S. agricultural commodities. (M)

Soil Conservation Service

Soil and water conservation activities in Ontario that affect the Great Lakes for which the U.S. share a common interest. (C)

International drainages and streams are impacted by land and water utilization in upstream areas. Joint use of Rio Grande and Colorado River waters. (M)

Food Safety and Quality Service

Monitoring policies and procedures for importing and exporting meat, poultry, fresh fruits and vegetables, and assuring compliance with U.S. requirements. (C) & (M)

Forest Service

Log and lumber trade, forest protection, environment, recreation and tourism, pulp and paper supplies. (C) & (M)

Science and Education Administration

Interested in research planning and coordinating research activities. (C)

Has a number of research projects that are cooperative with scientists in Mexico, and cooperates with research aspects of action programs in suppression of screwworms and Medflies.

Plant protection and quarantine

Concerned with development and implementation of PPQ programs relative to agricultural pests of mutual concern and components appropriate to international plant quarantine. (C)

PPQ functions cooperatively under a Memo of Understanding with shared planning, funding and implementation. Work is carried out against plant pests under authority of the Organic Act of 1944, as amended. (M)

Veterinary Services

Interest lies in animal disease eradication programs conducted in Canada, and activities to prevent introduction of foreign animal diseases. (C)

Cooperative Screwworm Eradication Program is primary interest, however, VS is also concerned with Mexican efforts to eradicate existing animal disease and prevent introduction of foreign animal diseases. (M)

Federal Crop Insurance Corporation—Office of the Manager

To be advised of the progress of the crop insurance program in the two countries; assist the U.S. with visiting foreign crop insurance officials. (C) & (M)

Office of Government and Public Affairs

GPA is the information arm of USDA. International information prepared and distributed by GPA, when the occasion is appropriate, is affected by policies and programs of other governments. (C) & (M)

Attorney General—Secretariat for Agriculture Commission of Customs

Pest eradication; animal disease control; agricultural products entering the U.S.; distribution of food commodities in Mexico. (M)

Office of International Cooperation and Development

Agricultural policies with special reference to work with international organizations concerned with this area. (C)

Primary interest is designed to expand interchange of information, develop scientific exchanges and joint research in areas of mutual concern. Also concerned with agricultural policies relating to international organizations. (M)

DEPARTMENT OF ENERGY

Energy Information Administration

To understand the energy policies and statistics. (C) & (M)

Assistant Secretary for International Affairs

Interested in Canada's energy policies, both domestic and foreign, in regard to natural gas, electricity, nuclear, and coal. (C)

Concerned with the entire range of Mexican energy policies, both domestic and foreign, in regard to coal, oil, gas, nuclear, solar, research, etc. (M)

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

International standardization of aviation operational and technical standards; coordination of airspace management along borders. (C) & (M)

Federal Highway Administration

Interested in the inspections of foreign motor carriers and operators licensed to operate within the U.S. to assure they meet U.S. safety regulations. (C) & (M)

Research and Special Programs Administration

Cooperation in documentation simplification and electronic interchange of trade and transport data in transborder and international trade. Maintenance of pre-clearance for U.S. airline service from Canada to U.S. Also, interested in transportation R & D in Canada. (C)

Facilitation of transborder trade and transport. (M)

St. Lawrence Seaway Development Corporation

Seaway tolls, from which all revenues of the Seaway Corp. are derived are established through binational negotiations with Canada. Canadian policies on transportation user charges therefore have a direct affect on U.S. revenues. Canadian policy regarding ship safety, environmental matters, pilotage, and internal transportation policies all affect U.S. operations. (C)

DEPARTMENT OF THE TREASURY

Bureau of the Mint

Technical information exchange with Mexican and Royal Canadian Mints is subject of most contacts. (C) & (M)

U.S. Customs Service

U.S. preclearance facilities at Canadian airports; Canadian Customs/RCMP laws re: Narcotics interdiction international cargo/passenger traffic and mutual border concerns, such as law enforcement, terrorism, air/land/sea carriers. (C)

Exchange of information under terms of U.S./Mexican Customs/Federal police laws re: Narcotics interdiction, international cargo/passenger traffic, air/land/sea carriers: alien smuggling problem along border. (M)

Bureau of Alcohol, Tobacco and Firearms

Law enforcement regarding firearms, explosives and alcohol. (C) & (M)

Office of Developing Nations Finance

Macroeconomic policies, balance of payments developments, capital flows, exchange rates, tax issues, trade and investment policies. (M)

U.S. Secret Service

Protective intelligence information, security arrangements for protectee visits, and counterfeiting of U.S. currency. (C) & (M)

DEPARTMENT OF COMMERCE

U.S. Travel Service

Interested in those policies within Canada and Mexico which relate to the U.S. to promote travel among the countries. (C) & (M)

Economic Development Administration

The Administration enters into joint planning and projects for mutual economic development with local communities/commercial industrial enterprises and private citizens. Such planning/projects are located along the Mexican and Canadian borders. (M)

Bureau of Export Development

Policies which affect trade and investment interests of U.S. business are the Bureau's concern in providing business counseling. (C)

Mexican Government policies which affect trade and investment. Also activities of the

private business sector in industrial expansion, purchase of exports and the acquisition of technology. (M)

Bureau of International Economic Policy and Research

Increase competitiveness of U.S. products and services; improve environment for U.S. sales and investment abroad; safeguard domestic market against unfair trade practices of other nations; maintain U.S. access to necessary commodities in world markets. (C) & (M)

DEPARTMENT OF DEFENSE

Department of the Air Force

Cooperation in defense matters of concern to both the U.S. and Canada, e.g., North American Air Defense, NATO, basing rights, etc. (C)

Defense matters (armaments, modernization of force exchange position, energy, overflight, search and rescue). Arms limitations and nonproliferation of nuclear weapons. (M)

Department of the Army

Interested in the American-British Canadian-Australian joint military standardization programs; U.S.-Canadian Defense Development Training program; joint military development projects; NATO, PJBD, MCC, CUSRPG. (C)

To improve military-to-military relations. (M)

Department of the Navy

Interested in the defense budget; defense improvement programs; contribution and participation in NORAD; contribution to NATO; combined defense of North America. (C)

Interested in the defense budget; defense programs; trends in direction and stability in government, related to the U.S. southern border security. (M)

Operations Directorate, Defense Security Assistant Agency

The agency interests are determined by the Canadian Government policies/activities concerning the acquisition by the purchase or production of U.S. defense articles and services. (C)

Office of the Assistant Secretary of Defense, International Security Affairs, Inter-American Region

Arms transfers, military-to-military relations, general defense matters, energy, and arms limitation initiatives. (M)

Office of the Assistant Secretary of Defense, International Security Affairs, European Region

Primary DOD coordinator and export adviser on Canada in political, military and economic matters. Interests include all issues of national defense, bilateral relations with U.S. and participation in NATO.

DEPARTMENT OF STATE

Assistant Secretary for European Affairs

Bureau of European Affairs (Office of Canadian Affairs) is charged with the formulation and execution of U.S. foreign policy toward Canada, involving a wide range of bilateral and global issues. (C)

Agency for International Development

Coordination of aid policies and programs. (C)

Support of joint biochemical, operations research, and other research conducted by the agency contractors and grantees. (M)

Bureau of Inter-American Affairs

Interested in a broad range of Mexican policies and developments, with special interests in energy (oil and gas), trade, Mexico's economic development, migration, and border relations. (M)

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Assistant to the Secretary for International Affairs

Interested in Canadian policies and programs in: housing, mortgage assistance, taxes, energy conservation, community revitalization, public housing management and special programs. (C)

Interested in sharing data on urban planning and to encourage Mexican planners to adopt comparable methodologies. (M)

BILATERAL ORGANIZATIONS

Interntional Boundary Commission

To maintain an effective boundary between the U.S. and Canada including the maintenance of a survey system, monument system and a clear vista. (C)

International Boundary and Water Commission

The Mexican Section of the Commission coordinates international water and boundary activities within its territory, requiring the joint action of the U.S. and Mexico through the Commission.

Joint Mexican-U.S. Defense Commission

Mutual defense of the United States and Mexico. (M)

U.S. Permanent Joint Board on Defense

The Board is a consultative group which meets three times a year to consider politico-military issues. (C)

DEPARTMENT OF LABOR

Bureau of Labor Statistics

Exchanges information about labor statistics programs. (C)

Provides training and other technical assistance in labor statistics programs. (M)

NOTE: (C)—Canada. (M)—Mexico.

AGENCIES WITH RESEARCH PROGRAMS CONCERNING CANADA AND/OR MEXICO—AS REPORTED BY THE AGENCIES

INDEPENDENT AGENCIES

Environmental Protection Agency

Environmental studies such as water quality, industrial pollution, etc. (C)

Joint National Science Foundation efforts over wide range of subjects covering health, air and water quality, and agriculture. (M)

International Communication Agency

Periodic studies of public opinion for the purpose of measuring opinions related to bilateral issues affecting U.S.-Mexican relations. (M)

U.S. Arms Control and Disarmament Agency

None at this time, however, in the past joint nuclear safeguards research has been conducted and may do some again in the future. (C)

U.S. International Trade Commission

Collection of economic data on industries or individual firms where needed in connection with investigations. (C) & (M)

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

National Institute on Alcohol Abuse & Alcoholism

Collaborative project through the World Health Organization, related to improving response to alcohol problems. (C) & (M)

National Institute on Drug Abuse

Biomedical and pharmacological research. (C)

National Institute of Mental Health

Anthropological and social sciences research. (M)

DEPARTMENT OF THE INTERIOR

U.S. Fish & Wildlife Service

Joint research on endangered species, their habitats, and research on migratory waterfowl populations. (C) & (M)

Bureau of Mines

Some cooperative programs, extensive exchanges of data and research results. (C) & (M)

Geological Survey

Cooperative studies in topography. (C)
Cooperative studies in marine geology. (M)

DEPARTMENT OF AGRICULTURE

Foreign Agricultural Service

Issues reports on commodities, production, trade, agricultural policy, etc. (C) & (M)

Economics, Statistics and Cooperatives Service

Conducts research on economic issues related to agricultural commodities. (C) & (M)

Soil Conservation Service

Shares research information routinely. (C)

Forest Service

Forest products research. (C)
Reforestation-hydrology research. (M)

Science & Education Administration

Limited to joint participation in workshops, program reviews, and personnel exchanges. (C)

Biology and ecology of dung beetle; Spittlebug resistance in grasses; winter nursery for cotton breeding; control of Mediterranean fruit flies; control of Alfombrilla; grape diseases. (M)

Veterinary Services

Development of improvements in the joint Screwwórm Eradication Program. (C)

Attorney General—Secretariat for Agriculture Commission of Customs

Pest eradication, animal disease control, and the U.S.-Mexico cooperative program. (M)

Office of International Cooperation and Development

Currently developing joint research programs in new crops, desertification, soil and water conservation, improving productivity of livestock and convention crops. (M)

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

Participates in a program involving use of a uniquely instrumented Canadian helicopter to determine its performance characteristics. (C)

Federal Highway Administration

Information exchange on highway related to R & D projects. (C)

Research & Special Programs Administration

Government-industry project on electronic data interchange in transborder trade. (C)

DEPARTMENT OF COMMERCE

U.S. Travel Service

Jointly funded study of the Canadian vacation market, with specific analysis of vacation travel to the U.S. (C)

Consumer survey of the Mexican international travel market. (M)

Bureau of Export Development

Conducts market research on approximately 6 industrial product categories believed to have the best prospects for exporting to Mexico. (M)

Bureau of International Economic Policy and Research

Considerable research related to policy issues. (C) & (M)

DEPARTMENT OF DEFENSE

Department of the Air Force

Defense related. (C)

Department of the Army

Military material projects. (C)

Department of the Navy

Primarily restricted to pure research projects with Canadian universities. (C)

Office of the Assistant Secretary of Defense, International Security Affairs. Inter-American Region

Occasional scientific programs, e.g., oceanographic research.

DEPARTMENT OF STATE

Assistant Secretary for European Affairs

Occasional programs, approved by Department of State's Office of External Research. (C)

Bureau of Inter-American Affairs

Sponsors a number of studies on Mexican policy. (M)

Agency for International Development

Limited support of joint biochemical, operations research, and other research conducted by AID contractors and grantees. (M)

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Assistant to the Secretary for International Affairs

Joint research in housing rehabilitation survey techniques, mobile home standards, mortgage loan process, etc. (C)

Economic input-output study of San Diego and Tijuana. (M)

DEPARTMENT OF LABOR

Bureau of Labor Statistics

Conducts comparative productivity studies on costs and unemployment rates. (C)

BILATERAL ORGANIZATION

International Boundary and Water Commission

Coordinates international water and boundary investigations in Mexico. (M)

NOTE: (C)—Canada. (M)—Mexico.

CONSULTATIVE MECHANISM WORKING GROUPS WITH MEXICO

Trade: Commerce, Treasury, Labor, Agriculture, S.T.R., N.S.C. and State.

Energy: Treasury, AID, State, N.S.C., O.S.T.P., Energy and DOD.

Migration: HEW, Labor, Justice, AID, Dom. Ad., Select. Com. and State.

Border: Commerce, Treasury, HEW, ICA, HUD, Dom. Ad. and State.

Finance Industry Development*: Commerce, Treasury, Labor, AID, N.S.C., State and Fed. Res.

Law Enforcement: Treasury, Justice, and State.

Political: State.

Tourism: Commerce, Treasury, ICA, Dom. Ad., and State.

Inter-Agency Group: Commerce, Treasury, HEW, Labor, ICA, HUD, AID, O.S.T.P., State, and Energy.

ABBREVIATIONS

AID: Agency for International Development.

Dom. Ad.: Office of the Domestic Adviser.

Fed. Res.: Federal Reserve.

HEW: Dept. of Health, Education, and Welfare.

HUD: Dept. of Housing and Urban Development.

ICA: International Communication Agency.

N.S.C.: National Security Council.

O.S.T.P.: Office of Science and Technology Policy.

Select. Com.: Select. Com. on Immigration and Refugees.

S.T.R.: Office of the Special Representative for Trade Negotiations.

---

* The Government of Mexico has insisted that this Working Group be divided into two groups; the Finance Working Group and the Industry Working Group with no reference to development. The U.S. participation will remain essentially the same for both groups.

THE WHITE HOUSE,

Washington, D.C., April 26, 1979.

Memorandum for: The Secretary of State, the Secretary of the Treasury, the Secretary of Defense, the Attorney General, the Secretary of the Interior, the Secretary of Agriculture, the Secretary of Commerce, the Secretary of Labor, the Secretary of Health, Education, and Welfare, the Secretary of Energy, the Administrator of the Agency for International Development, the Director of the Office of Management and Budget, the Assistant to the President for National Security Affairs, the Assistant to the President for Domestic Affairs and Policy, the Director of the Office of Science and Technology Policy, the Special Representative for Trade Negotiations.

From: the President.

Subject: Coordination of United States policy toward Mexico.

In view of the increasing domestic and international importance of our relations with Mexico, and of the intensity and complexity of those relations in the years ahead, I have decided to take steps to improve our ability to address effectively all issues which affect U.S. relations with Mexico.

To insure that all U.S. policies toward Mexico, and all actions directly or indirectly affecting Mexico, promote basic U.S. national interests and are consistent with our overall policy toward Mexico, I ask:

That each of you accord a high priority to any and all matters within your jurisdiction affecting Mexico, consciously giving good relations with Mexico a continuing high priority in your thinking and planning; and

That all proposed actions, which have an effect on Mexico, be carefully coordinated so as to be consistent with overall U.S. policy toward Mexico, and based on the fullest possible prior consultation with the Government of Mexico.

To achieve this fundamental Administration-wide objective of establishing a sound, long-term relationship with Mexico, I hereby direct the following measures:

1. U.S. Coordinator for Mexican Affairs:

I am nominating Robert Krueger as Ambassador-at-large and United States Coordinator for Mexican Affairs to assist me and the Secretary of State in the development of effective national policies toward Mexico and in the coordination and implementation of such policies. Mr. Krueger will also serve as Chairman of a new Senior Interagency Group on U.S. policy toward Mexico and as U.S. Executive Director for the U.S.-Mexico Consultative Mechanism.

As U.S. Coordinator, he will be responsible for ensuring that U.S. policies toward Mexico, and all other U.S. activities which affect Mexico, are developed and conducted in a coherent, flexible manner and are fully consistent with our overall policy objectives towards Mexico. More specifically, Mr. Krueger will be responsible, to the fullest extent permitted by law, for:

Development and formulation of United States policy toward Mexico;

Review and coordination of any and all U.S. Government programs and activities that affect U.S.-Mexican relations, whether directly or indirectly;

Management of U.S. participation in the working groups established under the U.S.-Mexico Consultative Mechanism, ensuring also that any existing overlapping entities are integrated into the process or altered as may be necessary to avoid duplication;

Advice to myself, the Secretary of State and other Cabinet officers and Agency Heads and the U.S. Ambassador to Mexico on the effects of contemplated actions by any agency of the Government on our relations with Mexico; and,

Initiation of reports and recommendations for appropriate courses of action, including periodic reports to me on major developments and issues.

The Coordinator will be located in the Department of State. The Director, Office of Mexican Affairs, Department of State, will serve as Deputy Coordinator. The Coordinator's staff may include personnel assigned on non-reimbursable details from other agencies and departments.

2. Senior Interagency Group on U.S. Policy Toward Mexico:

I am establishing a Senior Interagency Group on U.S. Policy towards Mexico to be chaired by the U.S. Coordinator, to assist in the development, review and coordination of U.S. policies toward Mexico and other U.S. activities or policies which might affect U.S.-Mexican relations. Committee members will include representatives from: Agriculture, Commerce, Defense, Energy, Interior, Justice, Labor, State, Treasury, Agency for International Development, Office of the Special Representative for Trade Negotiations, National Security Council, Domestic Policy Staff, Office of Science and Technology Policy and other agencies as necessary. Representation will be at the level of Assistant Secretary or above. I ask that you designate promptly the senior official who will serve as your representative on the Interagency Group and that you take a personal and continuing interest in these matters.

3. Consultation:

The first and most important agreement the President of Mexico and I recently reached was to consult closely in the development and implementation of all policies and activities affecting both countries.

It is my firm intention to meet this commitment. The primary instrument will be the U.S.-Mexico Consultative Mechanism, which President Jose Lopez Portillo and I agreed to strengthen. The Secretary of State will continue to chair the Consultative Mechanism for the United States. The new Coordinator will serve as its Executive Director.

To rationalize our work and assure that all issues are addressed in timely fashion, we have agreed with the Government of Mexico to restructure the Consultative Mechanism, based on eight joint working groups, at the sub-Cabinet level, covering: Trade, Tourism, Migration, Border Cooperation, Law Enforcement, Energy, Finance-Industry-Development, and Multilateral Consultations. The Mixed Commission on Science and Technology will also function under the Consultative Mechanism. Secretary Vance has been in touch with you directly on plans for organizing and implementing these working groups.

* * * * *

I ask that you provide full cooperation and assistance to Secretary Vance and Mr. Krueger in carrying out their responsibilities. The strengthening of policy coordination, and of U.S. relations with Mexico, is an

important domestic as well as foreign policy priority.

Mr. BAUCUS. Mr. President, one conclusion from the report is that an enormous number of U.S. Government agencies, close to 70, are engaged in relations with our neighbors and yet there is no single coordinating body that has responsibility for making sure that our policies toward our North American neighbors function in harmony.

It struck me then and it still strikes me that the Department of State needs to reorganize its way of handling relations with our neighbors since our problems with them are so enmeshed with issues of great domestic importance. To coordinate Canadian policy within the Bureau of European Affairs, to me, makes little sense, and Mexico has become so important that I fear it detracts from the attention given to the rest of Latin America by being placed in the American Republics Bureau of the Department. It is time to reorganize the Department and to recognize that our border relationships are extremely important to us and that we must evolve special policies for countries that border the United States. I include the Caribbean in this area since countries such as Jamaica are really border countries; the volatility of this area requires special attention.

Finally, it is my impression that Puerto Rico remains an enigma in terms of policy coordination. It is not a territory, it is not a State, it is not a foreign country; it is part of a commonwealth. I think it is time that one department in the U.S. Government become the key department for coordinating relations with Puerto Rico and devise policies that promote that relationship.

Since the bordering nations and Puerto Rico are so much involved in U.S. domestic problems, I also think that a newly created bureau in the Department of State must have some greater authority to deal with domestic agencies and Government entities. As a result, our bill proposes that there be a Deputy Assistant Secretary in the Bureau of North American Affairs whose sole responsibility will be to coordinate our policy toward neighboring countries with domestic entities.

Mr. President, if this bill is approved, I think we will have a stronger and better relationship and better policy coordination toward our neighbors. I am very pleased to sponsor this legislation with Senator DOMENICI and I hope that others will join us.

Our next proposal is to create a commission patterned after the OECD in Europe. We have chosen this route because we think the countries of North America should have some place available to them where serious study, removed from the political spotlight, may occur regarding mutually shared problems and future developments. We have carefully tailored the measure to assure that the commission does not threaten anyone's sovereignty and that no participant is obligated in any way by any of the work done by the commission. But we do think that a clearinghouse of information and plans and programs will benefit all of the countries; that is why we leave it open to further membership and I would hope that the countries of the Caribbean particularly would see fit to join us.

Mr. President, you will note that our commission idea also includes as participants the private sector and legislative and other divisions of Government, including local entities. Once again, the motivation is clear: Our economies go beyond strictly bilateral foreign relations and involve every sector of our economies. For example, when one looks at the fishing agreement with Canada, we see where the treatment of the problem strictly on a bilateral basis between our foreign affairs establishments has resulted in serious bilateral problems. The legislative branches of Government should have been involved more, as should have been local governments and the private sector. Had such a commission existed at the time, the Canadians would have been much more aware of potential opposition in the Senate and in the private sector, and could have prepared for the problems we now have with the draft proposals. Similarly, our foreign policy negotiators would have had greater support in their negotiations had they known that a commission had already raised many of the problems and warned both countries regarding any commitments which might be made.

Similarly, on the Mexican side, had we had such a commission, we may not have had the difficulties in the pricing of gas that we have had with Mexico. The issue could have been flagged by all participants much earlier and the difficulties we encountered may have been avoided.

Mr. President, I believe these two measures are very important to the future of North America, and I am hopeful that their approval will lead to a better relationship with our neighbors.

Mr. President, I ask unanimous consent that the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 606

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) there is established in the Department of State a Bureau of North American Affairs (hereinafter in this Act referred to as the "Bureau").

(b)(1) In addition to the positions provided for under the first section of the Act entitled "An Act to strengthen and improve the organization and administration of the Department of State, and for other purposes", approved May 26, 1949 (22 U.S.C. 2652), there shall be in the Department of State an Assistant Secretary for North American Affairs (hereafter in this Act referred to as the "Assistant Secretary"), appointed by the President, by and with the advice and consent of the Senate, who shall head the Bureau and who shall have responsibility for the activities of the Department of State relating to the Bahamas, Canada, Mexico, and the independent island countries in the Caribbean Sea other than Cuba. In carrying out his responsibilities under this Act, the Assistant Secretary shall coordinate with the Assistant Secretary for Inter-American Affairs.

(2) There shall be in the Bureau a Deputy Assistant Secretary for North American Economic Affairs, a Deputy Assistant Secretary for North American Political Affairs, and a Deputy Assistant Secretary for North American Intergovernmental Relations, each of whom shall be appointed by the President. Each Deputy Assistant Secretary referred to in the preceding sentence shall report to the Assistant Secretary. The responsibilities of the Assistant Secretary for North American Intergovernmental Relations shall include coordination and formulation of policy relating to Puerto Rico.

(c) The Secretary of State shall delegate to the Assistant Secretary all functions with respect to Canada which are carried out by the Assistant Secretary for European Affairs on the day before the date of enactment of this Act and all functions with respect to Mexico, the Bahamas, and the independent island countries of the Caribbean other than Cuba which are carried out by the Assistant Secretary for Inter-American Affairs on such day.

(d) Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following: "Assistant Secretary of State for North American Affairs.".

SEC. 2. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

Mr. BAUCUS. Mr. President, I thank the Senator from New Mexico.

Mr. DOMENICI. Mr. President, I thank the Senator from Montana. I think we have, today, introduced exciting companion approaches to a problem that we have on this continent with our neighbors.

By Mr. CANNON:

S. 607. A bill to declare a national weather modification policy, to establish a national program of research and development in weather modification, to provide for the reporting of weather modification activities, and for other purposes; to the Committee on Commerce, Science, and Transportation.

WEATHER MODIFICATION MANAGEMENT ACT

Mr. CANNON. Mr. President, I am pleased to introduce today the Weather Modification Management Act of 1981. This legislation will provide for a coordinated national program in weather modification.

The bill is the same bill that was reported by the Committee on Commerce, Science, and Transportation and was passed by the Senate in the 96th Congress.

Most people take for granted the normal fluctuations in our weather. However, weather causes severe damage to crops and property and results in loss of lives. Weather hazards, including hurricanes, tornadoes, drought, hail, fog, and lightning each year on the average kill more than 1,500 people, damage property worth nearly $7 billion and cause a loss to the economy of about $13 billion. In 1979, a single hurricane (Frederick) caused more than $2 billion of damage to the gulf coast States.

Hail causes an estimated $850 million average annual loss to U.S. crops and other property. Fog causes air carriers to lose an estimated $80 million annually from flight delays, and highway accidents associated with fog annually cost hundreds of lives and over $300 million in damage. More than 750 tornadoes were

reported in the United States during 1978, killing 62 people and leaving thousands homeless.

Our current response is to spend so much money on relief from these weather damages and very little on prevention and modification. Weather modification has the potential to reduce these destructive effects. For example, the ability to reduce hurricane wind speed by 15 percent could reduce annual property damage by 50 percent, or at least $100 million in the United States and $800 million globally. With regard to the impact on agriculture, the ability to increase rainfall would help stabilize crop production by reducing the peaks and valleys. For corn, wheat, and soybean farmers in the United States, a 10-percent increase in precipitation could increase revenues more than $300 million. In addition, a 10-percent rainfall increase in western rangelands would increase forage for grazing cattle and could add up to 4.4 billion pounds to their total weight, thus increasing revenues by $3 billion.

Emerging weather modification technologies that could enhance rainfall, increase snowpack, suppress hail and severe storms, and disperse fog would be able to provide society with substantial benefits. In fact, the technological capability to dissipate cold fogs and locally increase rain and snow under certain conditions now exists. With time and further research to develop the scientific basis, we could develop other technologies to capture additional benefits.

Numerous studies have concluded that the past Federal effort in weather modification has been undirected, fragmented, and lean, sacrificing the potential of substantial societal benefits. The Congress recognized these deficiencies more than 4 years ago when it passed the National Weather Modification Policy Act of 1976, Public Law 94–490. The act directed the Secretary of Commerce to develop a comprehensive and coordinated national policy on weather modification and a national program of weather modification research and development. Pursuant to the act, reports were issued by the Weather Modification Advisory Board in June 1978 and the Secretary of Commerce in November 1979. These two reports were consistent with other previous reports in recommending that any weather modification legislation should incorporate the following components:

First, a statement of policy for a national weather modification program;

Second, a comprehensive and coordinated national program focusing on basic research; and

Third, adequate and stable funding for the Federal efforts.

The bill I am introducing contains these elements and incorporates the best features of previous legislation, the Commerce Secretary's recommendations, the Weather Modification Advisory Board's report, previous reports by the National Academy of Sciences, the National Advisory Committee on Oceans and Atmosphere, the General Accounting Office, the Domestic Council, and the Congressional Research Service.

The bill declares a national weather modification policy and establishes a national program of weather modification research. The major objectives of the national program are: First, to develop a better scientific base of understanding of the atmospheric processes that will allow for the development of reliable weather modification technologies; second, to provide more effective coordination and stable funding for research efforts in weather modification by the Federal Government; third, to improve public involvement and environmental consideration in weather modification, and fourth, to encourage international cooperation.

Under the bill, the Department of Commerce will have lead agency responsibility for planning and coordination. The Department of Interior and the National Science Foundation will also continue to participate. A director of the national weather modification management program will supervise and coordinate the research and reporting functions of the program. An advisory council will lend its expertise to the director and the Secretary of Commerce to help in implementing the policies and provisions of the act. The council will consist of recognized experts from the various disciplines related to weather modification.

Regulations concerning weather modification do exist at the State level, and they are a patchwork with no uniformity. Because weather does not respect geographical and political boundaries, we need to establish practices that will promote competence and uniform standards. The bill reflects the view that extensive Federal regulation is premature. However, a set of reporting requirements and management practices should be developed which will serve as standards for all Federal weather modification activities and as guidelines for the non-Federal activities.

A national program must maintain adequate protection to the public and the environment, and an informed society is a fundamental aspect of this protection. This bill requires that weather modification activities be preceded by consultation with those likely to be affected. We need to help insure that weather modification activities are conducted safely and with adequate consideration if the economic, environmental, and legal impacts of such efforts.

Mr. President, this bill has had the benefit of extensive analysis and input from a wide range of individuals and groups. I would hope that the Senate could consider this legislation again and that the House of Representatives would be able to address this issue.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 607

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Weather Modification Management Act of 1981"

FINDINGS

SEC. 2. The Congress finds that—

(1) the management of weather resources may soon be technically possible by utilizing the emerging technologies for weather modification;

(2) weather modification, when performed with prudent methods and predictable results, can enhance the benefits and reduce the harm that weather produces for individuals and society;

(3) the United States lacks a well-defined program in weather modification, and a lack of Federal leadership has slowed the development and utilization of the science and technology in this field;

(4) a sustained and coordinated program in scientific inquiry is required to develop a weather modification capability that can achieve the potential gains;

(5) a parallel effort is required to understand the effects from intentional and unintentional weather modification to the economy, the environment, and society;

(6) the competence to conduct research and operations in weather modification is found in universities, private interests, and State and local governments, as well as in the Federal Government;

(7) the atmosphere is a global resource that belongs to no person, interest, State, or nation, and those involved in weather modification activities should consider interstate and international implications;

(8) comprehensive Federal regulation of weather modification is not necessary at this time, but as the understanding and utilization of weather modification technology increases in the future, the Federal Government should assess periodically the need for regulation;

(9) the public interest requires that intentional weather modification activities be designed and performed with concern for the environment and be preceded consultation with those likely to be affected; and

(10) weather is transnational, and the world's understanding of weather modification will be increased by international cooperation.

SEC. 3. POLICY.

The Congress declares that it is the policy of the United States that—

(1) the United States should develop the capability to modify the weather with predictable results;

(2) the Federal Government should establish and direct a sustained and coordinated program of research and development in weather modifications;

(3) non-Federal expertise and resources should be utilized as much as possible to increase the understanding of weather modification;

(4) the Federal Government has a responsibility to protect the public and the environment, and Federal regulation of weather modification should correspond to the extent of the understanding and utilization of weather modification and to the degree of non-Federal regulations in effect;

(5) the application of weather modification should be designed to maximize the potential benefits and to minimize the possible adverse economic, environmental, and societal effects;

(6) weather modification activities should be preceded by consultation with those likely to be affected;

(7) all United States weather modification activities should be conducted to promote the peaceful use of weather modification science and technology; and

(8) the United States should cooperate with other nations to increase the world's understanding of weather modification.

SEC. 4. PURPOSE.

The purpose of this Act is—

(1) to declare a national weather modification policy; and

(2) to establish a national program of research and development in weather modification that includes—

(A) research and experiments to under-

stand the science of and to develop methods for weather modification;

(B) adequate and stable funding of a sustained research and development effort in weather modification for a 20-year period;

(C) coordination of the Federal departments and agencies conducting research and development projects in weather modification;

(D) development of sound management practices and promotion of technology transfer with State and local governments, universities, and private interests;

(E) reporting of weather modification activities;

when such change results in the alteration of the weather;

(7) "weather modification activity" means the use of any device, chemical, or other substance for the purpose of intentionally producing weather modification; and

(8) "weather modification project" means a set of one or more weather modification activities designed to accomplish a common objective.

SEC. 6. NATIONAL WEATHER MODIFICATION MANAGEMENT PROGRAM.

(a) ESTABLISHMENT.—There is hereby established a National Weather Modification Management Program with the purpose of understanding, developing, improving, and managing weather modification technologies in accordance with the provisions, purposes, policies, and findings of this Act.

(b) PROGRAM ELEMENTS.—The Program shall include, but not be limited to, the following elements—

(1) basic and applied research to understand the atmospheric processes that could provide the scientific foundation for weather modification;

(2) experimental weather modification activities to test the findings from such research and to develop prudent operational methods with predictable results;

(3) development of instruments and techniques to enhance experimental and operational weather modification activities;

(4) cooperative efforts between the Federal Government and universities, private interests, State and local governments, and other nations to obtain the maximum amount of scientific knowledge from weather modification projects;

(5) studies on unintentional weather modification caused by society's use of land, water, and energy;

(6) studies on the economic, environmental, legal, and societal effects from weather modification;

(7) development of sound management practices for conducting weather modification projects, as provided in section 7;

(8) a procedure for reporting weather modification activities in the United States, as provided in section 8;

(9) periodic assessment of the need for Federal regulation of weather modification; and

(10) a 5-year plan for the management of Federal research and development efforts in weather modification. Such a plan shall identify—

(A) Program goals and priorities;

(B) Program activities and accomplishments needed to ensure that such goals are met within the time period established by the plan;

(C) the role of the Federal departments and agencies involved in the Program; and

(D) Federal funding necessary for the Program to achieve such goals.

Such a plan shall be submitted to the Congress not later than 180 days after the date of enactment of this Act, and shall be revised and extended biennially.

(c) DIRECTOR.—The Secretary shall appoint a Director of the Program. The Director shall be an individual who possesses recognized management ability in government operations and in research and development projects. In addition to any other duty prescribed by law or assigned by the Secretary, the Director shall—

(1) be the principal Federal officer responsible for planning and administering the Program;

(2) work with the interagency coordinating committee on weather modification, as provided for in subsection (d);

(3) acquire the services of a qualified professional staff and such other assistance as necessary to carry out the provisions, purposes, policies, and findings of this Act;

(4) seek independent advice, as provided for in subsection (f);

(5) consult and cooperate with those State and local governments and other interested groups that are likely to be affected by or that are likely to affect Program activities;

(6) promote the adoption of sound management practices and the exchange of research, experimental, and operational results with State and local governments, universities, and private interests;

(7) with the assistance of the Secretary of State, encourage cooperation with other nations to exchange information, participate in international activities, and enter into agreements concerning weather modification; and

(8) assist in preparing the annual report, as required in section 9.

(d) INTERAGENCY COORDINATION.—

(1) The President shall maintain an interagency coordinating committee on weather modification. The committee shall consist of representatives from the Federal departments and agencies involved in the Program, including, but not limited to—

(A) the Department of Agriculture;

(B) the Department of Commerce;

(C) the Department of the Interior;

(D) the Department of State;

(E) the Environmental Protection Agency; and

(F) the National Science Foundation.

(2) In addition to any other duty prescribed by law or assigned by the President, the committee shall—

(A) assist the Director in the preparation and implementation of the 5-year plan, as required in subsection (b)(10); and

(B) be responsible for coordination of the Federal departments and agencies carrying out the elements of the Program.

(e) AGENCY DUTIES AND POWERS.—In order to carry out the provisions, purposes, policies, and findings of this Act—

(1) each Federal department and agency with Program duties and responsibilities shall—

(A) utilize, to the maximum extent possible, the expertise and resources of universities, private interests, and State and local governments to carry out the elements of the Program;

(B) ensure that each Federal weather modification project includes an assessment of its anticipated effects, consistent with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), and ensure that such project includes an evaluation of its effects, as provided in section 7;

(C) ensure that Program activities are conducted with the maximum feasible amount of public awareness and consultation;

(D) assist in preparing the annual report, as required in section 9;

(E) be authorized to construct, lease, purchase, or otherwise acquire laboratories or other equipment; and

(F) prepare and submit to the Office of Management and Budget, on or before the date of submission of departmental requests for appropriations to such Office, an annual request for appropriations for the Program during the subsequent fiscal year; and

(2) the Office of Management and Budget shall review such request for appropriations as an integrated, coherent, multiagency request.

(f) ADVISORY ASSISTANCE.—The Secretary and the Director shall seek independent advice with respect to the Program from those who are knowledgeable in the areas of atmospheric sciences, weather modification, social sciences, law, user needs, and other areas related to weather modification. The Secretary and the Director may utilize existing advisory groups if they determine that such groups are knowledgeable in such areas.

SEC. 7. SOUND MANAGEMENT PRACTICES.

(a) IN GENERAL.—The Director, in consultation with the interagency coordinating committee and within 2 years after the date of enactment of this Act, shall develop a set of sound management practices for conducting weather modification projects. Such practices shall be—

(1) based on the current state of knowledge about weather modification and its economic, environmental, legal, and societal effects;

(2) revised periodically to reflect any relevant advances in science or technology;

(3) utilized as standards for Federal weather modification projects; and

(4) published for general dissemination to State and local governments, universities, and private interests.

(b) MANAGEMENT PRACTICES.—The set of sound management practices shall address, but not be limited to, the following activities—

(1) project design;

(2) environment assessment;

(3) project implementation;

(4) data collection and availability; and

(5) project evaluation.

SEC. 8. REPORTING OF WEATHER MODIFICATION ACTIVITIES.

(a) REPORTING REQUIREMENTS.—

(1) Any person who has the primary supervisory responsibility for conducting any weather modification activity in the United States shall—

(A) prepare and maintain daily records on such activity; and

(B) submit to the Secretary reports with respect to such activity as provided in paragraph (2).

(2) The Secretary shall prescribe, by rule, the specific information and format required in the reports with respect to weather modification activities. The Secretary may require that such reports be submitted before, during, and after any such activity.

(b) DUTIES OF SECRETARY.—

(1) The Secretary shall maintain a record of all reported weather modification activities in the United States and shall include a summary of such activities in the annual report, as required in section 9.

(2) All reports, documents, and other information received by the Secretary under the provisions of this section shall be made available to the public to the maximum extent practicable. In carrying out the provisions of this section, the Secretary shall not disclose any information that is referred to in section 1905 of title 18, United States Code, and is otherwise unavailable to the public, except that such information shall be disclosed—

(A) to other Federal departments and agencies for official use upon request;

(B) in any judicial proceeding under a court order formulated to preserve the confidentiality of such information without impairing the proceeding; and

(C) to the public if necessary to protect their health and safety.

(c) AUTHORITY OF SECRETARY.—The Secretary may require, by regulation, subpena, or otherwise, that any person who conducts a weather modification activity shall maintain and furnish records and other information

related to such activity. The Secretary or his authorized representative may inspect the records, information, premises, and property of any person as may be necessary or appropriate in carrying out the provisions, purposes, policies, and findings of this Act.

(d) JURISDICTION.—Upon application by the Attorney General on behalf of the United States, the district courts of the United States shall have jurisdiction to enjoin any violations of the provisions of this section.

(e) PENALTY.—Any person who knowingly and willfully violates this section or any rule issued thereunder shall upon conviction thereof be fined not more than $10,000.

SEC. 9. ANNUAL REPORT.

The Secretary shall prepare and submit to the President and the authorizing committees of the Congress, not later than January 30 of each year, a report on the activities conducted pursuant to this Act during the preceding fiscal year. Each such report shall include—

(1) a summary of Program accomplishments during the previous fiscal year;

(2) an analysis of the progress made toward achieving Program goals;

(3) a summary of the budget for the Program;

(4) a listing of other weather modification projects in the United States that are not part of the Program;

(5) a summary of the reported weather modification activities in the United States during the previous year;

(6) a description of actions that have been taken to improve cooperation in weather modification activities of the Federal Government with State and local governments and other nations; and

(7) any recommendations for additional legislation that may be required to assist in achieving the purposes and policies of this Act.

SEC. 10. CONTRACT AND GRANT AUTHORITY.

(a) IN GENERAL.—Any Federal department or agency may enter into contracts or make grants in order to carry out its responsibilities under this Act, to the extent provided or approved in advance in appropriation Acts. Of the total annual cost of the project or activity involved, any such contract or grant may provide—

(1) to a State or local government, up to 50 percent; and

(2) to any other person, including any public educational institution, up to 100 percent.

(b) TERMS AND CONDITIONS.—Any person who receives Federal funds from a contract entered into or grant made under this section shall keep such records as the Director shall prescribe by regulation, including—

(1) records that fully disclose the amount and disposition by such recipients of such funds;

(2) the total cost of the project or activity for which such funds were so made available;

(3) any amount of such costs supplied from other sources; and

(4) such other records as will facilitate an effective audit.

Such recipient shall maintain such records for 5 years after the completion of such a project or activity. The Director and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and evaluation to any books, documents, papers, and records of such recipient that, in the opinion of the Director or Comptroller General, may be related or pertinent to such contract or grant.

SEC. 11. REPEAL OF PREVIOUS REPORTING LAW

The Act entitled "an Act to provide for the reporting of weather modification activities to the Federal Government", approved December 18, 1971 (15 U.S.C. 330 et seq.), is repealed.

SEC. 12. AUTHORIZATION OF APPROPRIATIONS

There are authorized to be appropriated for the purpose of carrying out the provisions of this Act, not to exceed $25,000,000 for the fiscal year ending September 30, 1982; $30,000,000 for the fiscal year ending September 30, 1983; $35,000,000 for the fiscal year ending September 30, 1984; $40,000,000 for the fiscal year ending September 30, 1985; and $45,000,000 for the fiscal year ending September 30, 1986. Such sums shall remain available until expended.

By Mr. BAUCUS:

S. 608. A bill to amend the Internal Revenue Code of 1954 to allow individuals a deduction for certain expenses paid or incurred in connection with the adoption of a child; to the Committee on Finance.

ADOPTION DEDUCTION LEGISLATION

Mr. BAUCUS. Mr. President, I am pleased to introduce today the Adoption Tax Deduction Act of 1981. This bill amends the Internal Revenue Code to provide a tax deduction for certain fees and expenses paid or incurred by adoptive parents in connection with adopting a child.

Under the Adoption Tax Deduction Act, expenses eligible for the deduction include necessary adoption agency fees, court costs, attorney fees, and related expenses. The legislation also stipulates that deductions will be allowed only when the adoption has been arranged by a public welfare department or a licensed nonprofit voluntary adoption agency.

Over the past several years, numerous proposals for allowing adoption expenses to be deducted by taxpayers have been introduced in Congress. As a Member of the House of Representatives, I introduced a similar provision in 1978 as part of a larger legislative package designed to provide women with real alternatives to abortion. My bill is the companion measure to a bill introduced in the House by Representative OBERSTAR.

All of us involved with the issue of adoption believe, I am sure, that promoting adoption by cutting its cost is an idea whose time has come. This is particularly true as the Senate seriously considers ways to support, rather than interfere with, the building of strong and productive families for our Nation.

The Adoption Tax Deduction Act supports all three groups in the adoption triangle—adoptive families, biological parents who make an adoption plan for their child, and most important, the child. This approach is a sensible way to aid families who are willing to adopt this country's orphans but may have been discouraged by some of the financial barriers.

I also believe thousands of pregnant women and the biological fathers of the babies can have a greater assurance that if the mother carries the baby to term and makes a plan for adoption, there will be good adoptive couples available to provide secure, loving homes. In a sense, therefore, the bill will provide an alternative to biological mothers who now often perceive abortion as their only solution to an unwanted pregnancy.

This bill also provides an important safeguard for the welfare of the child by allowing a deduction only when the adoption has been arranged by a public welfare department or similar State or local public social service agency with a legal responsibility for child placement, or a licensed nonprofit voluntary adoption agency. With this provision, children placed for adoption by unqualified intermediaries, black market operators, or surrogate parents will not be encouraged by the Federal Government. In Montana, only licensed placements are allowed, thus protecting children from unfit placements.

I would make clear, however, that this limitation in the bill in no way prohibits the deduction of fees for services provided by doctors or lawyers to prospective couples or those finalizing an adoption, in conjunction with the services of the adoption agencies. Members of the clergy and others in the community can also play an important role by referring young, pregnant girls—as well as couples contemplating adoption—to agencies approved by the State or local government. With their help, and cooperation with church-related and other adoption agencies, this bill can be implemented successfully across the country.

This bill complements legislation developed by the Finance Committee and enacted by Congress last session—the Adoption Assistance and Child Welfare Act (P.L. 96-272), by providing a way for adoptive parents to share in the nonrecurring costs of adoption which States may not be able to fund through the limited Federal matching funds available under the Child Welfare Services, title IV-B program. Of course, deductions for those expenses paid directly through Federal, State, or local tax funds would not be allowed; only those expenses directly incurred by the taxpayer could be deducted.

Mr. President, the Adoption Tax Deduction Act will encourage the adoption of children who might otherwise be cared for through the welfare system or the foster care system at the expense of the taxpayer. I would remind my colleagues that the cost of foster care under Aid to Families with Dependent Children exceeded $400 million in 1980. These costs can be diminished if children were placed in adoptive homes.

I am pleased to introduce this bill with the endorsement of the licensed Montana adoption agencies, the National Committee for Adoption, and many adoptive parents groups across the country. I encourage my colleagues to join me in cosponsoring this bill and pushing for its prompt enactment.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 608

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to

additional itemized deductions for individuals) is amended by redesignating section 221 as section 222 and by inserting after section 220 the following new section:

"SEC. 221. ADOPTION EXPENSES.

"(a) ALLOWANCE OF DEDUCTION.—In the case of an individual, there shall be allowed as a deduction the amount of the adoption expenses paid or incurred by the taxpayer during the taxable year.

"(b) ADOPTION EXPENSES DEFINED.—For purposes of this section, the term 'adoption expenses' means reasonable and necessary adoption agency fees, court costs, attorney fees, and other expenses which are directly related to the legal adoption of a child by the taxpayer when said adoption has been arranged by a public welfare department (or similar State or local public social service agency with legal responsibility for child placement) or by a not-for-profit voluntary adoption agency authorized or otherwise licensed by the State or local government to place children for adoption and when said adoption expenses are not incurred in violation of State or Federal law.

"(c) DENIAL OF DOUBLE BENEFIT.—No amount which is taken into account in computing a deduction or credit under any other provision of this chapter shall be allowed as a deduction under this section.".

(b) Section 62 of such Code (defining adjusted gross income) is amended by inserting after paragraph (16) the following new paragraph:

"(17) ADOPTION EXPENSES.—The deduction allowed by section 221.".

(c) The table of sections for such part VII is amended by striking out the item relating to section 221 and inserting in lieu thereof the following:

"Sec. 221. Adoption expenses.
"Sec. 222. Cross references.".

(d) The amendments made by this Act shall apply to taxable years beginning after December 31, 1981.

By Mr. WILLIAMS (for himself and Mr. MOYNIHAN):

S. 609. A bill entitled "The Naturalization Processing Compensation Act of 1981"; to the Committee on the Judiciary.

NATURALIZATION PROCESSING COMPENSATION ACT OF 1981

● Mr. WILLIAMS. Mr. President, I am today introducing legislation to allow State courts to retain a greater share of the fees they collect for the processing of naturalization petitions.

Under current law, clerks of the State courts may retain one-half of up to $6,000 annually or $3,000 for this service. This bill would eliminate that limitation.

This $6,000 limitation was set many years ago when the filing fee for a naturalization petition was $5. Today that fee has risen to $25, and a State court reaches its $6,000 limit when 240 petitions are filed. Presently, there are 23 State courts which receive substantially more than 240 petitions, and these judicial bodies are ineligible for further compensation for the valuable services they render to the Federal Government and courts. In a June 1977 letter to House Judiciary Chairman PETER RODINO, Assistant Attorney General Patricia M. Wald expressed the administration's support for this updating of immigration law:

The state courts . . . relieve federal courts of workloads which they can ill afford to absorb, reduce distances of travel for both petitioners and Immigration and Naturalization Service officers, and produce savings in Service Manpower and funds. They have not been adequately compensated for their contribution to the citizenship program.

More recently, the Senate Judiciary Committee recognized that present arrangements are clearly inequitable. S 1763, the Immigration and Nationality Reform Act of 1980, was reported to the Senate on July 23, 1980. That bill contained a section raising the ceiling on retained fees from $3,000 to $20,000. Unfortunately, S. 1763 was not taken up on the floor in the closing days of the 96th Congress. While its proposed change was certainly a large step in the right direction, the legislation introduced today would eliminate the ceiling entirely as there is no sound reason why State courts should process any naturalization petition without compensation.

I hope that my colleagues will agree that, as a matter of simple equity, State courts should receive more adequate compensation for the national service they render in the processing of naturalization documents.

Mr. President, I ask unanimous consent that the text of my bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 609

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Naturalization Processing Compensation Act of 1981."

SEC. 344(c) of the Immigration and Nationality Act (8 U.S.C. 1455(c)) is amended by striking out "up to the sum of $6,000, and all fees in excess of $6,000,".

The provisions of this Act shall take effect on October 1, 1981.●

● Mr. MOYNIHAN. Mr. President, my distinguished colleague, Senator WILLIAMS, and I are today introducing legislation to correct an unwarranted imbalance in our Federal fiscal structure. Under current law, local governments bear an unfair share of the costs of processing petitions for naturalization from those wishing to become citizens of the United States. I insert with my statement two letters from county clerks in my State that describe the present situation.

For example, the Nassau County Clerk's Office processed 1,169 immigration petitions last year for the Federal Government, collecting some $29,225 in naturalization fees. Yet, because current law provides that counties may retain only one-half of fees collected, up to a maximum of $6,000, Nassau County was reimbursed only $3,000, a small fraction of its costs.

When the $3,000 ceiling was set, the filing fee was $5 and court costs were much lower. Today, the filing fee is $25 and the cost to the locality is much higher, but the $3,000 ceiling remains in force. This means a court is only reimbursed for the first 240 petitions it processes each year. Every additional petition must be paid for out of local tax revenues—a costly and unfair assumption of what is properly a Federal responsibility.

The purpose of our bill is simple and straightforward: It would remove the $3,000 ceiling which has been in place since 1940. It would thus allow local government to retain one-half of all fees collected.

I urge my colleagues to support enactment of this timely and necessary legislation, and I ask unanimous consent that two letters from county clerks in my State that describe the situation be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

NASSAU COUNTY CLERK'S OFFICE,
Mineola, N.Y., January 16, 1981.

Hon. DANIEL P. MOYNIHAN,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR MOYNIHAN: Mr. Joseph R. Holland, County Clerk of Rockland County, has recently written to you about the unfairness of a maximum of $3,000 granted to the County Clerk for processing petitions for naturalization.

I support his plea to remove the ceiling, and believe $12.50 should be reimbursed for every petition processed, regardless of the total number. My office handled 1,169 petitions in 1980. The cost to the County of Nassau was many times greater than the $3,000 reserved.

I respectfully request your help in passing the necessary legislation to effect this raise in fee.

Very truly yours,
HAROLD W. MCCONNELL,
County Clerk.

COUNTY OF ROCKLAND,
New City, N.Y., January 9, 1981.

Hon. DANIEL P. MOYNIHAN,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR MOYNIHAN: This is my fourth annual request for an increase in Naturalization fees for County Clerks in order to offset our escalating costs in maintaining this service for the Federal government.

I do not know when the last increase was granted by the Federal government for Naturalization, but I do know that our costs of operating this Federal service have risen dramatically over the past few years.

In 1980 we processed 452 new citizens.

We are presently reimbursed $12.50 for the first 240 petitions only. It is our suggestion since the expenses do not decrease after the first 240 petitions that we be reimbursed $12.50 for every petition processed regardless of the total number.

Since Naturalization is a function of the Federal government, it is totally unfair for the expense of processing these petitions to be borne primarily by taxpayers of counties located near ports of entry or major cities; these costs should be shared by all United States taxpayers.

I hope we can make some headway this year.

Sincerely yours,
JOSEPH R. HOLLAND,
County Clerk.●

By Mr. WILLIAMS (for himself and Mr. PROXMIRE):

S. 610. A bill to amend the Securities Exchange Act of 1934 to establish a Council on State and Local Government Accounting and Financial Reporting Standards, and to establish an Institute for State and Local Government Accounting and Financial Reporting

Standards, in order to insure the availability of nationally recognized accounting and financial reportings standards for State and local governments; to the Committee on Banking, Housing, and Urban Affairs.

STATE AND LOCAL GOVERNMENT ACCOUNTING AND FINANCIAL REPORTING STANDARDS ACT OF 1981

● Mr. WILLIAMS. Mr. President, I am today introducing the State and Local Government Accounting and Financial Reporting Standards Act of 1981. The purposes and provisions of this bill are identical to S. 1236 which I introduced during the 96th session; namely, to encourage standardization and uniformity in the preparation of municipal accounts and the form and content of the financial statements of State and local governments. For further background and explanation, I refer my colleagues to the pages 12427 through 12431 in the CONGRESSIONAL RECORD of May 23, 1979.

Mr. President, this bill would create a framework for the development of authoritative, generally accepted accounting principles and thus address a serious and longstanding deficiency in existing financial reporting and accounting by State and local governments. It would provide a permanent, impartial, and professional self-regulatory organization with the sole and important mission of improving accounting and financial reporting. Its membership would be broadly representative of State and local governments, accountants, and specialists in public finance. Its deliberations would be open and participatory in nature; its pronouncements would be authoritative, and the role of the Federal Government would be minimal and residual.

Mr. President, the lack of effective accounting standards has been documented over and over again throughout the last decade. Yet the attainment of permanent solutions, whether by new Federal legislation or as a result of some private initiative, remains in doubt.

Foot dragging is the reason, Mr. President. The accounting profession wants to expand its empire by setting standards for State and local government acting through the Financial Accounting Standards Board. State and local officials are wary of the accounting profession and prefer to set the standards themselves through an invigorated national council on Government accounting. The tie that binds them together is a mutual dislike of the Federal Government and an awareness that some compromise on a new, private sector, standard-setting body could forestall any new Federal legislation.

Despite a year of discussion and draft after draft of proposals, we are not a step closer to standardized accounting principles or to any accredited or acknowledged entity to develop such principles. The Financial Accounting Standards Board and the National Council on Governmental Accounting and other interested organizations seem to be in a four-corner stall. The president of Standard and Poor's Corp., Mr. Brenton W. Harries, one of the Nation's foremost experts on municipal finance, criticized the fact that nearly a dozen groups have been drawn "into what amounts to a power play for ultimate rulemaking supremacy." Those searching for power include the National Council on Government Accounting, the Municipal Finance Officers Association, the American Institute of Certified Public Accountants, the Council of State Governments, and others.

Mr. President, the patience of many deeply concerned public officials is being tested. Unless some concrete progress is demonstrated by the private sector and in the near future, I intend to press forward with this legislation in context of the program recently announced by the President to drastically reduce Federal aid to States and localities while consolidating the remaining programs to enhance their efficiency and reduce unnecessary waste and administrative overhead.

Mr. President, the loss of these funds will cause untold hardship to States and localities. Of course, some will suffer more than others and, for sure, there are particular units of Government whose financial condition is already so fragile that the cutoff or reduction of funds may put them in real jeopardy Unfortunately, because there are no uniform or reliable accounting standards or financial reporting practices, the actual fiscal condition of State and local governments is hard to measure and almost impossible to compare. Enactment of this bill and the establishment of the entities it envisions will permit the measurement of fiscal stress and create an early warning system. This important undertaking will also greatly assist Federal oversight of the grant and assistance programs and facilitate important administrative reforms.

Mr. President, slightly over 5 years ago budgetary gimmicks and financial distortions led the Nation's largest city to the brink of bankruptcy. Other large cities have encountered difficulties similar in kind if not in magnitude. All of this caused the Securities and Exchange Commission to comment over a year ago that "the most critical deficiency in existing municipal securities practices is in the area of municipal accounting and financial reporting."

Mr. President, I believe the enactment of the State and Local Government Accounting and Financial Reporting Standards Act of 1981 is directly responsive to one of the overriding issues faced by our country—the widespread concern over the condition and quality of government at all levels. The reasons for concern about the competence, integrity, efficiency, and accountability of government today do not require detailed elaboration. Fraud and waste; high taxes; the deterioration in the level and quality of government services, the near bankruptcy of several cities, and the severe distress of others, are only a few manifestations of the general problem.

Fundamental to any broad-based solution is the development of uniform accounting standards. The absence of uniform and standardized accounting, and the consequences for government officials, voters, creditors, rating agencies, and investors, has been documented in a series of studies conducted by several public interest groups, accounting, and professional organizations in recent years.

I believe improved accounting principles lie at the very heart of improving the management of government. Accurate financial information is indispensable to the formulation of intelligent, informed Federal, State, and local budget decisions. Standardized accounting principles will permit simplified, more accurate, budgeting and financial reporting and illuminate the fiscal condition and operations of government.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 610

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "State and Local Government Accounting and Financial Reporting Standards Act of 1981".

SEC. 2. The Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.) is amended by inserting after section 13 the following new section:

"STATE AND LOCAL GOVERNMENT ACCOUNTING AND FINANCIAL REPORTING STANDARDS

"SEC. 13A. (a)(1) The Congress finds and declares that—

"(A) the accounting systems and procedures of State and local governments should provide full disclosure of results of financial operations, adequate financial information needed in the management of operations in the formulation and execution of State and local financial affairs, and effective control over income, expenditures, funds, property, and other assets;

"(B) the maintenance of accounting systems and the production of financial reports which comply with generally accepted accounting principles with respect to the operations of State and local governments, including appropriate national entities for prescribing nationally recognized standards governing the gathering and disclosure of information on the results of financial operations of State and local governments, is essential; and

"(C) emphasis should be placed on effecting orderly improvements resulting in simplified and more effective accounting, financial reporting, budgeting, and financial reporting requirements and procedures and on the elimination of those which involve duplication or which do not serve a purpose commensurate with the costs involved.

"(2) It is the purpose of this section to establish an Institute for State and Local Government Accounting and Financial Reporting Standards to prepare uniform nationally recognized accounting and financial reporting standards to facilitate the full and accurate disclosure and publication of financial information concerning State and local governments.

"(b)(1) There is authorized to be established an appropriate nonprofit instrumentality to be known as the Institute for State and Local Government Accounting and Financial Reporting Standards (hereinafter referred to as the 'Institute'), which shall not be an agency or instrumentality of the United States Government. The Institute shall be subject to the provisions of this section and, to the extent consistent with this section, to the District of Columbia Non-Profit Corporation Act.

"(2) The Institute shall consist of 11 members of which—

"(A) one member shall be a representative of the Federal Government;

"(B) three members shall be representative of State government;

"(C) two members shall be representative of local government;

"(D) two members shall be representative of the public accounting profession;

"(E) one member shall be a representative of the financial analysts profession; and

"(F) two members shall be representative of the public.

All members of the Institute shall be appointed by the Council as provided in subsection (d)(3) and shall serve for the terms specified by the Council at the time of appointment.

"(3) The members of the Institute shall be compensated at the rate provided for an individual occupying a position under level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day in which he is engaged in his functions as a member of the Institute.

"(4) The Council shall designate a chairman and a vice chairman from among the members of the Institute. Any vacancy in the office of the chairman shall be filled by the vice chairman. The Institute shall prescribe such bylaws, not inconsistent with the provisions of this section, as may be necessary or appropriate for the conduct of its affairs, including bylaws governing the appointment and compensation of employees, attorneys, and experts and consultants necessary to carry out the functions of the Institute. All bylaws of the Institute shall be subject to review in accordance with the provisions of subsection (c)(2).

"(5) The Institute may appoint, with the approval of the Council, an Executive Director who shall be compensated at the rate provided for an individual occupying a position under level IV of the Executive Schedule under section 5315 of title 5, United States Code.

"(c)(1) The function of the Institute shall be to promulgate accounting and financial reporting standards applicable to State and local governments. In promulgating such standards, the Institute shall consider accounting and financial reporting practices and procedures existing and in effect prior to the establishment of the Institute, such as the publications of the National Council on Government Accounting and the Industry Audit Guide of the American Institute of Certified Public Accountants. The Institute shall also take into account the extent to which the cost of implementing any new standard or of revising or modifying any existing standard exceeds the estimated benefits to be derived therefrom. In promulgating any new standard, the Institute shall consult with the Comptroller General of the United States, the National Council on Government Accounting, the Financial Accounting Standards Board, and all other appropriate Federal, State, and local agencies or instrumentalities. In addition, the Institute may sponsor research and studies by experts and organizations thereof designed to improve accounting and financial reporting standards for State and local governments.

"(2) A bylaw of the Institute shall become effective only after the expiration of a period of thirty days after the Institute submits the proposed bylaw in writing to the Council established by subsection (d), and then only if the Council does not disapprove the proposed bylaw prior to the expiration of such period.

"(3) The Institute shall, for the purposes of subchapter II of chapter 5 of title 5, United States Code, be deemed to be an agency, as defined in section 551 of such title, and for the purpose of chapter 7 of such title, it shall be deemed to be an agency, as defined in section 701 of such title.

"(d)(1) There is established a State and Local Government Accounting and Financial Reporting Standards Council (hereinafter referred to as the 'Council') which shall be composed of the Secretary of the Treasury, the Comptroller General of the United States, and the Chairman of the Securities and Exchange Commission, or their designees. The functions of the Council shall be to appoint members of the Institute to review proposed bylaws submitted pursuant to subsection (c)(2), and whenever the Council deems it appropriate in the public interest, to disapprove a proposed bylaw.

"(2) For the purpose of carrying out its functions, the Council is authorized to issue such rules and regulations as may be appropriate, including rules and regulations regarding the timeliness of the submission of proposed bylaws and other procedural matters as may be necessary. In carrying out its functions under this section, the Council is authorized to employ and fix the compensation of such officers and employees and to take such other actions not inconsistent with the policy of this section as it deems appropriate.

"(3) In making initial appointments to the Institute, the Council shall solicit and consider only those recommendations made by the Financial Accounting Standards Board, the National Council on Government Accounting, the National Association of State Auditors, Comptrollers and Treasurers, the Municipal Finance Officers Association, the American Institute of Certified Public Accountants, and other professional organizations involved in the area of government accounting and financial reporting. Of the individuals first appointed, four shall serve for terms of two years, four shall serve for terms of three years, and three shall serve for terms of four years, as designated by the Council. Thereafter the term of each member of the Institute shall be four years, and the Council shall fill all such terms after full consultation with the Institute.

"(e) The Institute and the Council shall each submit to the Congress a report, not later than March 31 of each year, setting forth a detailed description of their activities during the year and their projected activities for the succeeding fiscal year. The Council may include in its report comments on the report of the Institute, and for such purpose, the Institute shall submit a draft report to the Council not later than March 1 of each year.

"(f) There are authorized to be appropriated to carry out the provisions of this section not to exceed $2,000,000.".●

By Mr. THURMOND:

S. 611. A bill to amend section 5 of the Uniformed Survivors Benefits Amendments of 1980 to provide the same annuity benefits to the surviving spouses of certain former members of the uniformed services who died before September 21, 1972, but after their discharge or release from active duty, as are provided under such section to the surviving spouses of certain former members who died before such date while serving on active duty; to the Committee on Armed Services.

MILITARY WIDOWS

Mr. THURMOND. Mr. President, in the last three sessions of Congress, I introduced legislation to provide an annuity for military widows whose husbands died in retirement after 20 to 40 years of service and before the first survivor benefit plan (SBP) law was passed by the Congress on September 21, 1972. Unfortunately, the Congress never seriously addressed the tragic plight of these widows who are now called the "forgotten widows."

Consequently, I am again introducing legislation which will provide an SBP annuity for these widows, equal to 55 percent of their deceased husbands' retired pay at time of death, which in most cases was very low compared to present pay scales. It is estimated that there are less than 40,000 of these pre-1972 widows, most of whom are between 60 to 90 years of age. Their numbers are rapidly decreasing.

Mr. President, these military widows are victims of long war periods with low pay, many of whom are existing in poverty. They spent most of their lives in a military transient status. As economic captives now, their current problems include existence on welfare, evictions as apartments become condominiums, health care, excessive nursing home costs, and ever-increasing inflation. Many are minimum-income widows who are in dire straits due to a runaway inflation. Some of them are presocial security; therefore, no benefits.

A precedent was established for civil service widows. The civil service survivor benefit plan was passed in 1948. In 1958, it was made retroactive to include all pre-1948 widows. This was fine; however, the military SBP was not passed until 1972, and it was not made retroactive which created an inequity that was discriminatory.

These widows of military personnel had little, or no, opportunity to enter the work force during their marriages. The transient life did not lend itself to a second career in the family; thus, the military wife could not build up either social security, or any other type of retirement plan for herself.

Mr. President, the number of the forgotten widows is rapidly diminishing. It is estimated that by the turn of the century, very few of these women will be living. The cost factor of my bill will steadily decline, and by the year 2000, the cost will be virtually nonexistent. It was estimated last year that the SBP account had an existing surplus of $1 billion. In other words, SBP has taken more into the treasury than paid out to beneficiaries. To include all pre-1972 widows in the SBP program would use very little of these funds. This declining cost is a significant factor which should influence a favorable assessment of this vital legislation.

I have received hundreds and hundreds of pleading letters for the past several years from these elderly widows from across our country. Many of them are barely surviving; most of them manage to keep their pride and dignity even in poverty. However, many are no doubt bitter for the treatment they have received by their Government. It is a very sad commentary on our Nation's gratitude for their sacrifices.

Many of my distinguished colleagues are aware of my extensive efforts the past 6 years to remove inequities in the SBP. Progress has been made in several areas, including several provisions in my bill, S. 91, which became Public Law 96-402 in the last session of Congress. Unfortunately, the provision in S. 91

last year for the forgotten widows was deleted.

However, it was encouraging that some of the "forgotten widows" included in my previous bill were provided for in Public Law 96–402. In an effort to help some, the widows of retirement eligible (20 years or more of military service) servicemen who died on active duty before September 21, 1972, were brought under SBP, since widows whose husbands died on active duty after that date were included in the original SBP law in 1972. Consequently, the SBP was made retroactive for some widows, but not for all of them.

Mr. President, this action by the Congress eliminated one inequity, but it left the other forgotten widows without help. The widows of retired servicemen who died before September 21, 1972, were not included in the SBP bill at its passage. Living retirees, even though they had previously not elected any sort of annuity initially for their surviving spouses, were accorded an open period in which to take advantage of the new SBP. The widows had no such option. Their retired servicemen were dead. How unfortunate for the widow who lost her retired husband on September 20, 1972; and how fortunate for the wife whose retired husband lived long enough after September 21, 1972, to sign his name.

Now, these gallant ladies are facing the hardships of a spiraling inflation, the loneliness of old age, and the fears and uncertainties of a spartan existence. How can this country, in good conscience, turn its back on these women.

Mr. President, these "forgotten widows" have been left to the mercy of the Congress. They do not have a strong voice in our country.

Mr. President, the passage of my bill would be a milestone for these elderly widows who gave the best years of their lives for our country. It is inconceivable and a disgrace that our country has deserted them. The Congress must face its responsibility to these widows. This is another opportunity to restore the faith we have not maintained for our military community.

The bill I am introducing today will correct this injustice for these proud and elderly widows who made many sacrifices for our country. It should be emphasized that the costs for this measure are not expected to be excessive. I would like to remind my colleagues again that the costs decline rapidly rather than increase, because most of these senior citizens are very elderly. I urge my distinguished colleagues to act favorably and with compassion on this vital legislation.

Mr. President, I ask unanimous consent that this bill be printed in the CONGRESSIONAL RECORD at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 611

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That clause (3) of section 5(a)(1) of the Uniformed Survivors Benefits Amendments of 1980 (94 Stat. 1707; 10 U.S.C. 1447 note) is amended to read as follows:

"(5) had served on active duty in the uniformed services for a period of not less than twenty years; and".

SEC. 2. (a) The amendment made by the first section of this Act shall be effective on the first day of the second calendar month following the month in which this Act is enacted and shall apply to annuities payable by virtue of such amendment for months beginning after such date.

(b) No benefits shall accrue to any person by virtue of the enactment of this Act for any period before the effective date of this Act.

By Mr. BOSCHWITZ (for himself, Mr. THURMOND, Mr. LUGAR, Mr. PERCY, Mr. JEPSEN, Mr. MELCHER, Mr. HEINZ, Mr. PRESSLER, and Mr. ANDREWS):

S. 612. A bill to amend the Internal Revenue Code of 1954 to clarify the valuation, for estate tax purposes, of farm and other real property when such property is rented by a member of a decedent's family, and for other purposes; to the Committee on Finance.

VALUATION OF FARM AND OTHER REAL ESTATE FOR ESTATE TAX PURPOSES

Mr. BOSCHWITZ. Mr. President, the bill I am introducing today, making certain changes in the Internal Revenue Code, will make null and void IRS regulations that are contrary to legislation enacted by Congress in 1976; legislation which was designed to provide necessary estate tax relief to family farms.

Prior to 1976, farms, for estate tax purposes, were valued at the "prevailing market price;" that is, they were valued at the highest price for which they could be sold, which, due to land speculation and the generally escalating price of farmland, often bears no relation to its earnings capacity. Families of deceased farmers, faced with enormous estate tax bills incurred as a result of the "prevailing market price" valuation method most often were forced to sell the family farm to pay off the Federal Government.

Recognizing the vital role farmers play in our national economy and the need to retain existing cropland, Congress in 1976 passed the "farm use valuation" provisions, now known as section 2032A of the Internal Revenue Code. This provision allows farms, for estate tax purposes, to be valued on the basis of productive farm capacity—which is based on the farm's income potential—rather than the prevailing market price. At the time section 2032A was passed, it was estimated that substantial additional numbers of family farms—many thousands—would disappear in the next 20 years if the law were not changed.

Unfortunately, a large part of the intent of Congress in passing section 2032A has been thwarted by the narrow interpretation of the legislation.

Before getting into the specifics of section 2032A, two terms should be clarified. "Passive rental" of farmland is an arrangement by which the owner leases his land to another for a specific number of dollars per acre. This is to be distinguished from an arrangement by which the owner maintains an "equity interest" in the crop; that is, his rent is based on a certain percentage of the income produced by the crop—a share arrangement.

The IRS has issued regulations disallowing the "productive farm capacity" valuation if the passive rental method has been used by the decedent. But, as can be seen from the legislation creating section 2032A and the accompanying committee report, passive rental of the farm was not meant to disqualify the estate in all circumstances.

Section 2032A states that in order for real estate to be granted the favorable estate tax valuation, it must have been put to a "qualified use" for at least 5 years of the 8 years preceding the decedent's death and on the date of the decedent's death. Qualified use, according to section 2032A means "the devotion of property to any of the following:

First, use as a farm for farming purposes; or

Second, use in a trade or business other than the trade or business of farming.

The committee report accompanying the 1976 law expands on this definition and says—

In the case of either of those qualifying uses, the Congress intended that there must be a trade or business use. The mere passive rental will not qualify.

IRS is using this second sentence as its justification for the new regulations. But such an interpretation ignores the very next sentence in the committee report which states—

However, where a related party leases the property and conducts farming or other business activities on the property, the real property may qualify for special use valuation.

Clearly, Congress intended that passive rental to a relative would qualify that estate for 2032A valuation as long as the other conditions of section 2032A were met.

Yet the IRS has taken the position that the decedent himself must perform the "qualified use."

The bill I am introducing today states clearly that qualified use may be performed by the decedent or a member of the decedent's family. By specifically allowing the family member to perform the qualified use, the IRS will no longer be able to disallow special use valuation in that circumstance.

This bill will have the same effect as an amendment I introduced and both Houses initially cleared on the continuing resolution last December. Unfortunately, that amendment was dropped along with many others due to the dispute over congressional pay raises.

I urge my colleagues to again support this measure. Quick attention is desperately needed by many farm families who, unless this measure is passed, will be forced to sell off their farms to pay estate taxes.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 612

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) paragraph (1) of section 2032A(b) of the Internal Revenue Code of 1954 (relating to valuation of certain farm, etc., real prop-

erty) is amended by inserting "by the decedent or a member of the family of the decedent" after "qualified use" each place it appears.

(b) The amendment made by this act shall apply to estates of decedents dying after December 31, 1976.

By Mr. THURMOND (for himself, Mr. EAST, and Mr. HATCH):

S. 613. A bill to amend section 1951 of the United States Code, and for other purposes; to the Committee on the Judiciary.

LEGISLATION WITH RESPECT TO VIOLENCE THAT AFFECTS COMMERCE

Mr. THURMOND. Mr. President, when the Senate Committee on the Judiciary considered S. 1722—the Criminal Code Reform Act—last Congress, no issue generated more discussion and debate on both sides than the issue of Federal jurisdiction over labor violence. Until 1973, a person reasonably familiar with the language and legislative history of the Hobbs Act (18 U.S.C. 1951)—a 20-year offense for obstructing, delaying, or affecting commerce in any way or degree by extortion or robbery—would have thought that the offense encompassed the use of serious violence to coerce the settlement of a labor dispute for such things as higher wages or better fringe benefits.

In 1973, however, the U.S. Supreme Court, by a 5-to-4 vote, held in *United States* v. *Enmons*, 410 U.S. 396 (1973), that Congress did not intend for the Hobbs Act to reach extortionate conduct in the course of a legitimate collective bargaining dispute for legitimate objectives. The Court, of course, did not sanction the conduct. It simply left enforcement to the appropriate State and local authorities.

Mr. President, in reality, State and local authorities often are not equipped or strongly motivated to deal with the consequences of clashes between powerful competing interest groups within their communities. This is particularly true with labor disputes—a subject that has a long and almost preemptive Federal involvement. Indeed, the political implications may be overwhelming to a local official who appears to take sides in a labor dispute by vigorous enforcement of the criminal laws. I am sure the most comfortable position is one of noninvolvement.

Accordingly, I am introducing a bill today to amend the Hobbs Act to clearly cover serious violence by anyone—business, labor, or any other group or person which is disruptive of commerce and the movement of goods in commerce. While I have an open mind on the proper extent of Federal jurisdiction in this area, I want to present for the consideration of my colleagues the following changes in the Hobbs Act:

Overrule the Enmons decision so as to reach acts of violence used to extort a labor settlement, regardless of whether the objective was or was not a legitimate collective bargaining objective;

Provide Federal jurisdiction over obstructing, delaying, or affecting commerce by serious crimes of violence against the person;

Provide Federal jurisdiction over obstructing, delaying, or affecting commerce by serious property destruction offenses; and

Provide a more rational grading structure by setting fine levels and maximum prison terms based on the degree of harm involved.

Mr. President, I ask unanimous consent that the text of the bill I am introducing be printed in the RECORD following these remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 613

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1951 of title 18 of the United States Code is amended as follows:

(a) Subsection (a) is amended to read as follows:

"(a) Whoever in any way or degree obstructs, delays, or affects commerce or the movement of any article or commodity in commerce by—

"(1) inflicting, or threatening to inflict, death or serious bodily injury on any person;

"(2) willfully damaging to the extent of $2,500 or more any property, including real property, used for business purposes; or

"(3) engaging in robbery or extortion as defined in subsection (b);

or attempts or conspires to do so, shall, if death results, be subject to a fine of $250,000 or imprisoned for any term of years or for life; or, if bodily injury results or the property damage exceeds an aggregate value of $100,000, shall be subject to a fine of $2.0,000 or imprisoned not more than 20 years, or both; or, in any other case, shall be subject to a fine of $100,000 or imprisoned not more than 10 years, or both.".

(b) Subsection (b)(2) is amended to read as follows:

"(2) The term 'extortion' means the obtaining of property from another, with his consent, induced by use of actual or threatened force, violence, or fear thereof, or wrongful use of fear not involving force or violence, or under color of official right.".

(c) Subsection (c) is amended to read as follows:

"(c) Nothing in this section shall be construed as indicating an intent on the part of the Congress—

"(1) to repeal, modify, or affect section 17 of title 15, sections 52, 101–115, 151–166 of title 29, or sections 151–188 of title 45; or

"(2) to exclude Federal jurisdiction over the offenses defined in this section on the ground that the conduct is also a violation of State or local law, or that the conduct, if it involves force, violence, or fear thereof, takes place in the course of a legitimate business or labor dispute or in pursuit of a legitimate business or labor objective.".

By Mr. THURMOND:

S. 614. A bill to amend title 10, United States Code, to provide a new Assistant Secretary of Defense for Reserve Affairs and to change the existing position of Assistant Secretary for Manpower and Reserve Affairs to Assistant Secretary of Defense for Manpower; to the Committee on Armed Services.

LEGISLATION TO CREATE THE POSITIONS OF ASSISTANT SECRETARY OF DEFENSE FOR MANPOWER AND ASSISTANT SECRETARY OF DEFENSE FOR RESERVE AFFAIRS

Mr. THURMOND. Mr. President, I send to the desk a bill to amend title 10, United States Code, to provide a new Assistant Secretary of Defense for Reserve Affairs and to change the existing position of Assistant Secretary of Defense for Manpower and Reserve Affairs to Assistant Secretary of Defense for Manpower.

Mr. President, over 50 percent of the wartime strength of the Nation is now scheduled to be provided by the Reserve and National Guard forces.

For this and other reasons, I consider it essential that a position of Assistant Secretary of Defense for Reserve Affairs be created. This would assure direct contact with the Secretary of Defense and greatly enhance Reserve and Guard support in meeting these responsibilities.

By Mr. LEAHY:

S. 615. A bill to amend the Internal Revenue Code of 1954 to provide a credit for television subtitle equipment used by hearing-impaired individuals; to the Committee on Finance.

By Mr. LEAHY (for himself, Mr. WEICKER, Mr. LUGAR, and Mr. RANDOLPH):

S. 616. A bill to provide for the installation of telecommunications devices for the deaf in agencies of Federal, State, and local governments, in offices of Members of Congress, and in other locations, to amend the Internal Revenue Code of 1954 to provide tax incentives for the purchase of telecommunication devices by the deaf, and for other purposes; to the Committee on Governmental Affairs.

LEGISLATION TO ASSIST HEARING IMPAIRED AMERICANS

Mr. LEAHY. Mr. President, Senator WEICKER, Senator LUGAR, and Senator RANDOLPH join me today in reintroducing two bills to aid Americans who are handicapped by a severe hearing loss. These bills, the Hearing-Impaired Tax Incentive Act, and the Equal Access to Communications Act, would provide tax incentives for the purchase of communications equipment needed by deaf and severely hearing-impaired Americans.

These bills have been modified to insure that only those persons with the most severe hearing impairment and the greatest financial need will be eligible for the modest tax relief proposed. They address the single greatest problem of the deaf—the inability to communicate in a world dominated by sound.

There are 16 million Americans who suffer from hearing losses, according to the National Association of the Deaf. Impairment of hearing is the single, most prevalent chronic disability afflicting Americans. Approximately 2 million Americans are deaf. It is these 2 million people, the most disabled of this large group of Americans with hearing problems, that our bills aim to assist.

There is a strong need to reach these people, to allow them to share fully in our society. They can and must "hear and be heard."

Within the last few years, special telecommunications devices for the deaf and television captioning equipment have been developed to help break the sound barriers which have prevented the full participation of the hearing-impaired in

our society. These events have been widely acclaimed by deaf citizens as the greatest breakthrough since the establishment of the first school for the deaf in this country 150 years ago. But to the many deaf Americans who cannot afford the purchase price of this equipment, these inventions are a mixed blessing. They are available, but not attainable.

They are not attainable because the vast majority of severely hearing-impaired Americans are unemployed or underemployed. In 1972, only 65.5 percent of deaf adults were employed. By 1977, that figure had dropped to 61.3 percent. That is 40 percent unemployment. Those deaf Americans who are employed have one-third less earning power than the average wage earner. In 1977, the average family income for a deaf household was only 64.2 percent of the U.S. median family income. For certain groups, these figures are even more dismal. An individual who becomes deaf after childhood can expect to earn one-half that of the average employee. Fully 40 percent of non-white, deaf males, and 50 percent of non-white, deaf females earn under $3,000 a year.

The Internal Revenue Service has ruled that the equipment with which our bills deal, teletypewriters and television captioning equipment, are allowable medical deductions. However, few deaf Americans can take advantage of this ruling because they cannot itemize their taxes. The legislation I will describe in detail below will extend to all severely hearing-impaired Americans in financial need, adequate tax incentives for the purchase of equipment essential to their communication with their Government, public service agents and agencies such as the police and fire stations as well as friends and relatives.

THE HEARING-IMPAIRED TAX INCENTIVE ACT

The Hearing-Impaired Tax Incentive Act amends the Internal Revenue code of 1954 to allow a tax credit equal to 50 percent of the cost of television captioning equipment. The tax credit would be limited to $250. Only those deaf Americans whose adjusted gross income does not exceed $15,000 would be eligible for this modest tax relief.

Until recently, the hearing-impaired have been shut off from the medium of television, shut off from a source of knowledge and entertainment. But the recent development of closed captioned television will allow the silent screen of television to "speak" at last to Americans with hearing-impairments.

Closed captioning is the result of a technological feat whereby the audio portion of the television program is translated into visible captions which appear on the screen. The captions are similar to the subtitles or "open captions" used in foreign films. However, in order not to disturb the viewing audience without hearing problems, the captions are closed. They become visible only on television sets equipped with a new decoding device.

In 1976, the Federal Communications Commission reserved line 21 of the television broadcast signal for closed captioned programing for the deaf. In March 1980, equipment to receive these closed captions became available. An adapter unit, which can be attached to any television set to receive the captions, is being sold now for $250. A television set with the decoding equipment built in, known as the integrated TV receiver, sells for $500. Both are being sold at cost by Sears, Roebuck and Co.

The ABC, NBC, and PBS networks are together offering 30 hours of captioned television programs each week. In addition, special events of national significance are also being captioned. President Reagan's historic inaugural address and other inaugural ceremonies were the first major national events captioned "live" for the benefit of hearing-impaired Americans. The coming of closed captioned television events of this type will insure the greater participation of the hearing-impaired in our democracy.

A modest tax subsidy for closed captioned television equipment is essential to the continuation of the National Captioning Project. The National Captioning Institute, the nonprofit organization which captions the programs for the networks, receives a small royalty on the sale of the equipment ($8).

A small Federal subsidy will go a long way toward the continuation of the closed captioning project, enabling more deaf people to purchase the equipment. The closed captioned television project has been endorsed by a wide variety of groups including the Lions Club International, the National Retired Teachers Association, the National PTA, and the National Association of the Deaf. Representatives MIKULSKI and HARKIN have introduced a similar bill in the House. Last year, 75 Members cosponsored the measure. Support for this type of targeted tax credit is growing yearly.

The Hearing-Impaired Tax Incentive Act is not costly. The Department of the Treasury has estimated the revenue loss from this measure would be $2 million in 1981 and $31 million in 1985. For a reasonable cost, the Congress can vastly improve the lives of Americans who are deaf, and who for financial reasons, have been unable to benefit from this useful technology. I urge my colleagues to cosponsor the Hearing-Impaired Tax Incentive Act.

THE EQUAL ACCESS TO COMMUNICATIONS ACT

The Equal Access to Communications Act would aid hearing-impaired Americans in a number of ways.

First, this legislation would provide for the installation of teletypewriters for the communication of the deaf in key Government agencies. In this way, the access of the hearing-impaired citizen to the governments which affect their daily lives would be improved.

Second, it would establish a 75 to 25 matching grant program to encourage the purchase of this equipment by State and local governments.

Third, the bill would amend the Internal Revenue Code of 1954 to provide a standard tax deduction, not to exceed $200 to hearing-impaired people who purchase a teletypewriter.

Fourth, a tax credit, not to exceed $200 would be allowed for long distance calls made on a teletypewriter. It takes roughly five times longer to communicate by teletypewriter than by telephone. Thus, a toll call can be quite costly. The benefits of the Equal Access to Communications Act would be limited to deaf Americans whose adjusted gross income did not exceed $15,000.

The teletypewriter was invented in the late 1960's by two deaf people. It is, in effect, a telephone with a typewriter. It transmits printed information instantaneously through the use of an electronic device which is coupled to a telephone. A deaf person can thus communicate over telephone lines to anyone who has similar equipment. Unfortunately, the teletypewriter is expensive. It costs between $450 and $650. Long distance calls, as I mentioned previously, are quite costly because of the amount of time required to "write" the message.

The cost of the teletypewriter has prevented many people from being able to enjoy the pleasure of "chatting" with friends and relatives. It has prevented the deaf citizen's access to Federal State, and local government officials. Operator assistance in an emergency is unattainable for deaf individuals. In emergencies such as a fire or accidental injury, deaf people have had to try to run to the nearest hearing neighbor to ask them to make an emergency call. Valuable time is lost in the process. The lack of telephone emergency service thus poses a real danger to the deaf household.

In my own State of Vermont, there are 25,000 people who could benefit from the teletypewriter. Yet, there are only about 35,000 teletypewriters in use in the entire country.

This legislation merits the support of my colleagues in the Senate for the same reasons that the Hearing-Impaired Tax Incentive Act merits support. Deaf Americans are historically underemployed and unemployed. Their income falls well below that of the average wage earner. The necessity of this equipment has been recognized by the Internal Revenue Service, and the cost of the legislation is not unreasonable. The Congressional Budget Office has unofficially estimated the cost of nontax provisions of the bill at approximately $6.5 million a year.

The Department of the Treasury has officially estimated the loss in revenues from the standard tax deduction for teletypewriters at under $500,000 in 1981 and will reach $1 million in 1985. The Department of the Treasury has estimated the cost of the tax credit toward long distance calls on a teletypewriter at $1 million in 1981 and $104 million in 1985. However, it is extremely important to note that this estimate of revenue loss did not take into consideration the subsequent limitation of the tax credit to a maximum of $200.

President Reagan recently signed a proclamation naming 1981 as the International Year of the Disabled. That great ceremonial gesture can and should be backed by specific legislation to aid people who are disabled by hearing-impairments. On behalf of all hearing-impaired Americans, I urge my colleagues in the Senate to cosponsor the

Equal Access to Communications Act and the Hearing-Impaired Tax Incentive Act.

I ask unanimous consent that the full text of these bills and a summary of their provisions be included in the RECORD at this point.

There being no objection, the bills and summary were ordered to be printed in the RECORD, as follows:

S. 615

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CREDIT FOR TELEVISION SUBTITLE EQUIPMENT.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by inserting before section 45 the following new section:

"SEC. 44F. TELEVISION SUBTITLE EQUIPMENT FOR USE BY HEARING-IMPAIRED INDIVIDUALS.

"(a) ALLOWANCE OF CREDIT.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 50 percent of the television subtitle equipment expenses paid or incurred by the taxpayer during the taxable year.

"(b) LIMITATIONS.—

"(1) DOLLAR AMOUNT.—The amount of the credit allowable under subsection (a) for any taxable year shall not exceed $250 ($125 in the case of a married individual filing a separate return).

"(2) ADJUSTED GROSS INCOME.—No credit shall be allowable under subsection (a) if the adjusted gross income of the taxpayer exceeds $15,000 for the taxable year.

"(C) DEFINITIONS.—For purposes of this section—

"(1) TELEVISION SUBTITLE EQUIPMENT EXPENSES.—The term 'television subtitle equipment expenses' means any amount paid or incurred by the taxpayer for the purchase and installation of any television subtitle equipment for use by any hearing-impaired individual.

"(2) TELEVISION SUBTITLE EQUIPMENT.—The term 'television subtitle equipment' means equipment—

"(A) which is used in connection with a television,

"(B) which permits subtitles (which, but for such equipment, would not appear on the television screen) to appear on the television screen, and

"(C) the original use of which commences with the taxpayer.".

"(3) HEARING-IMPAIRED INDIVIDUAL.—The term 'hearing impaired individual' means an individual whose audible, aural perception is not functional at 70 decibels or lower in the better ear without a hearing aid.".

(b) REFUNDABILITY OF CREDIT.—

(1) Subsection (b) of section 6401 of such Code (relating to amounts treated as overpayments) is amended—

(A) by striking out "and" after "lubricating oil),",

(3) by inserting ", and 44F (relating to television subtitle equipment)" after "income credit)", and

(C) by striking out "39, and 43" and inserting in lieu thereof "39, 43, and 44F".

(2) Paragraph (2) of section 55(b) of such Code (defining regular tax) is amended by striking out "and 43" and inserting in lieu thereof ", 43, and 44F".

(3) Subsection (c) of section 56 of such Code (defining regular tax deduction) is amended by striking out "and 43" and inserting in lieu thereof "43, and 44F".

(c) CONFORMING AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 44E the following new item:

"Sec. 44F. Television subtitle equipment for use by hearing-impaired individuals.".

"SEC. 2. EFFECTIVE DATE.

The amendments made by this section shall apply to taxable years beginning after December 31, 1980.

S. 616

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Equal Access to Communications Act of 1981".

TITLE I—ACCESS TO GOVERNMENT

Subtitle A—Findings and Definitions

FINDINGS

SEC. 101. The Congress finds that—

(1) it is of critical importance to this Nation that equality of opportunity, equal access to all aspects of society, and equal rights guaranteed by the Constitution be provided to all individuals with handicaps;

(2) equal access to government is essential to insure that all individuals are protected in their first amendment right to petition the government for a redress of grievances, and to insure that all individuals are able to obtain information needed by them to deal with increasingly complex government regulations;

(3) instantaneous communication with government agencies by the use of telephone is available to a large majority of citizens, but is not available to deaf persons who must resort to more expensive and time-consuming procedures to deal with government;

(4) there currently exists at a reasonable cost the technology to transmit printed information instantaneously by use of an electronic device coupled to a standard telephone, and the widespread adoption of this technology by agencies would better enable deaf persons to communicate with all levels of government on an equal basis; and

(5) it is, therefore, the policy of Congress that this technology be adopted in as many agencies and offices of Federal, State, and local governments as possible to provide deaf persons with greater access to government.

DEFINITIONS

SEC. 102. As used in this title, the term—

(1) "agency" means any agency as defined by section 551(1) of title 5, United States Code;

(2) "deaf persons" means any person whose hearing is totally impaired or whose hearing is so seriously impaired as to prevent the person from understanding telephonic communications when spoken in a normal conversational tone;

(3) "Member of Congress" means any Member of the Senate or House of Representatives, Delegate to the House of Representatives, or the Resident Commissioner from Puerto Rico;

(4) "Secretary" means the Secretary of the Department of Health and Human Services;

(5) "telecommunications device for the deaf" or "telecommunications device" means any equipment which would permit two-way communication of textural messages in alphanumeric form by telephone lines.

Subtitle B—Installation of Telecommunications Devices in Federal Agencies and in Other Locations

FEDERAL AGENCIES

SEC. 111. (a) The Secretary shall select at least five agencies of the Federal Government with which deaf persons have the greatest need for communication, including, but not limited to, the Department of Health and Human Services, the Department of Labor, and the Internal Revenue Service, and shall have installed in each such agency and its regional offices a telecommunications device for the deaf. Such telecommunications devices shall be used primarily to receive calls from deaf persons seeking information from such agencies, but shall also be available for the use of deaf persons in communicating with any of the other agencies and offices in which telecommunications devices are installed under this title.

(b) The selection of agencies under this section shall be made by the Secretary after consultation with the Deafness and Communicative Disorders Office of the Department of Health and Human Services; the National Center for Law and the Deaf; the National Association of the Deaf; and other appropriate organizations and individuals with special knowledge of the problems of deaf persons.

OTHER LOCATIONS

SEC. 112. (a) The Secretary shall select not less than one hundred locations, other than those selected under section 111, and shall install in each a telecommunications device for the deaf which shall be available to deaf people for their use in communicating with the agencies selected under section 111, with State agencies selected under subtitle C, and with Members of Congress who choose to install such a telecommunications device under subtitle D.

(b) The selection of locations under this section shall be made with the objective of providing access to telecommunications devices to as many deaf persons as possible. In accordance with this objective, the Secretary shall identify and give priority to areas where relatively large numbers of deaf persons reside, and shall avoid selecting locations so close to each other or to an agency selected under section 111 as to cause an unnecessary duplication of service. The Secretary shall select at least one location in each State.

TIME FOR COMPLETION

SEC. 113. (a) The Secretary shall make the selections of agencies and locations required by this subtitle, and shall begin installation of the telecommunications devices for the deaf not later than one year after the date of enactment of this title.

(b) The Secretary shall complete the installation of the telecommunications devices required by this title not later than two years after the date of enactment of this title.

DISSEMINATION OF INFORMATION

SEC. 114. (a) The Secretary shall make all reasonable efforts to inform deaf persons of the availability of the telecommunications devices installed under this title. The Secretary shall disseminate information as widely as possible to local organizations and associations of the deaf which shall—

(1) state the purpose of such telecommunications devices;

(2) state the cost of such telecommunications devices to the user; and

(3) list all the agencies, offices of Members of Congress, and other locations in which such telecommunications devices have been installed under this title.

(b)(1) The Secretary shall issue easily understandable instructions for the use of telecommunications devices for the deaf to each agency, office, or location in which they are installed under this subtitle.

(2) The Secretary shall require by regulation that at least one employee at each location at which telecommunications devices are installed under section 112 be able and available to assist deaf persons in the use of such devices during normal working hours.

RECORDS

SEC. 115. Each agency, office, or location in which a telecommunications device is installed under this subtitle shall keep such records as may be required by the Secretary

by regulation for purposes of the report prepared under section 141 of this title.

AUTHORIZATION OF APPROPRIATIONS

SEC. 116. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this subtitle.

Subtitle C—Grants to States

GRANTS

SEC. 121. The Secretary shall make a grant to any State or local government meeting the requirements of this subtitle for the purpose of installing telecommunications devices for the deaf in its agencies and in other locations for the use of deaf persons in communicating with all levels of government.

APPLICATIONS

SEC. 122. (a) Any State or local government seeking a grant under this subtitle shall make an application to the Secretary, in accordance with such terms and conditions as the Secretary may prescribe.

(b) Such application shall state the agencies of government and the other locations in which the State or local government proposes to install the telecommunications devices for the deaf.

(c) Such application shall make assurances that such State or local government—

(1) will provide 25 per centum of the funds required to install and operate such telecommunications devices;

(2) will install only telecommunications devices meeting quality standards set by the Secretary and prescribed by regulation;

(3) will make all reasonable efforts to inform deaf persons of the availability of such telecommunications devices including the dissemination of information which states the purpose of such telecommunications devices and the cost to the user, and lists all the agencies and locations in which such telecommunications devices are to be installed;

(4) will provide that at least one employee at each agency and location at which such telecommunications devices are installed is able and available to assist deaf persons in the use of such devices during normal working hours; and

(5) will keep any records required by the Secretary for purposes of the report under section 141 of this title.

FEDERAL SHARE

SEC. 123. Upon approval of the application under section 122, the Secretary shall make a grant of 75 per centum of the cost of installing and operating the telecommunications devices for the deaf for the first year of operation.

CONTINUING GRANTS

SEC. 124. Continuing grants for the operation of the telecommunications devices installed under this subtitle shall be made each year, based upon a renewal application filed by the State or local government, in accordance with such terms and conditions as the Secretary may prescribe, which proves to the satisfaction of the Secretary that the assurances required by section 122 have been met and will continue to be met in the year for which the continuing grant is sought.

SURPLUS PROPERTY

SEC. 125. The Secretary shall seek the cooperation of the Administrator of General Services in having transferred to States any telecommunications devices for the deaf categorized as Federal surplus property under section 203(j) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484(j)). Such surplus shall be transferred, to the extent available, to States that have made application for such telecommunications devices under section 122, and shall be distributed among those States in an equitable manner.

AUTHORIZATION OF APPROPRIATIONS

SEC. 126. (a) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this subtitle.

(b) If sums appropriated in any fiscal year are not sufficient to carry out the provisions of this subtitle, the Secretary shall ratably reduce the grants made to all State and local governments whose applications are approved. If additional funds are made available for such year they shall be used to ratably increase the amount paid to each such government.

Subtitle D—Installation of Telecommunications Device in Offices of Members of Congress and in the Capitol

MEMBERS OF CONGRESS

SEC. 131. Any Member of Congress shall be provided with a telecommunications device for the deaf upon a written request to the Committee on House Administration of the House of Representatives or the Committee on Rules and Administration of the Senate.

CAPITOL

SEC. 132. The Architect of the Capitol shall install at the central switchboard in the United States Capitol a telecommunications device for the deaf, and there shall be at least one employee trained in the use of such device available during normal working hours to provide assistance to deaf persons.

AUTHORIZATION OF APPROPRIATIONS

SEC. 133. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this subtitle.

Subtitle E—Report to Congress

REPORT

SEC. 141. The Secretary shall prepare a report for Congress, not later than two years after the installation of the first telecommunications device under this title, which shall—

(1) present the statistics kept at each agency, office, and location on the use of the telecommunications devices;

(2) analyze the efficacy of the programs to install telecommunications devices under subtitles B, C, and D in light of such statistics;

(3) make recommendations on the continuation and expansion of such programs; and

(4) assess any new developments in the technology of telecommunications devices for the deaf, and means of adopting such developments in existing and future telecommunications devices for which funding is provided by the Congress.

TITLE II—AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1954 CREDIT FOR CERTAIN TOLL CHARGES PAID OR INCURRED BY INDIVIDUALS WHO ARE BLIND, DEAF, OR SPEECH-IMPAIRED

SEC. 201. (a) Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by inserting before section 45 the following new section:

"SEC. 44F. CERTAIN TOLL CHARGES PAID OR INCURRED BY INDIVIDUALS WHO ARE BLIND, DEAF, OR SPEECH-IMPAIRED

"(a) ALLOWANCE OF CREDIT.—In the case of an eligible individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 75 percent of the qualified toll telephone service expenses paid or incurred by such individual during the taxable year.

"(b) LIMITATIONS.—

"(1) DOLLAR AMOUNT.—The amount of the credit allowable under subsection (a) for any taxable year shall not exceed $200 ($100 in the case of a married individual filing a separate return).

"(c) DEFINITIONS.—For purposes of this section—

"(1) QUALIFIED TOLL TELEPHONE SERVICE EXPENSES.—The term 'qualified toll telephone service expenses' means any amount paid or incurred by any eligible individual for toll telephone service (as defined in section 4252(b)(1)) if—

"(A) such individual is a party to the communication for which such amount is so paid or incurred, and

"(B) such individual uses any teletypewriter in connection with such communication.

"(2) ELIGIBLE INDIVIDUAL.—The term 'eligible individual' means any individual whose adjusted gross income for the taxable year does not exceed $15,000 and—

"(A) who is deaf, or

"(B) who has a speech impairment as a result of which it is difficult to understand spoken communication by telephone from such individual.

"(3) DEAFNESS.—For purposes of this subsection, an individual shall be considered deaf only if his audible, aural perception is not functional at 70 decibels or lower in the better ear without a hearing aid.

"(c) DENIAL OF DOUBLE BENEFIT.—An amount of qualified toll telephone service expenses shall not be taken into account under section 162 or 212 to the extent that such amount is allowed as a credit under subsection (a).

"(d) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section.".

(b)(1) Subsection (b) of section 6401 of the Internal Revenue Code of 1954 (relating to amounts treated as overpayments) is amended—

(A) by striking out "and" after "lubricating oil),";

(b) by inserting ", and 44F (relating to certain toll charges paid or incurred by individuals who are blind, deaf, or speech-impaired)" after "income credit)"; and

(C) by striking out "39, and 43" and inserting in lieu thereof "39, 43, and 44F".

(2) Paragraph (2) of section 55(b) of such Code (defining regular tax) is amended by striking out "and 43" and inserting in lieu thereof ", 43, and 44F".

(3) Subsection (c) of section 56 of such Code (defining regular tax deduction) is amended by striking out "and 43" and inserting in lieu thereof "43, and 44D".

(c) The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 44E the following new item:

"Sec. 44F. Certain toll charges paid or incurred by individuals who are blind, deaf, or speech-impaired.".

(d) The amendments made by this section shall apply to taxable years beginning after December 31, 1980.

DEDUCTION FOR QUALIFIED TELETYPEWRITER EXPENDITURES

SEC. 202. (a) Part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to additional itemized deductions for individuals) is amended by redesignating section 221 as section 222 and by inserting after section 220 the following new section:

"SEC. 221. QUALIFIED TELETYPEWRITER EXPENDITURES.

"(a) ALLOWANCE OF DEDUCTION.—In the case of an eligible individual, there shall be allowed as a deduction an amount equal to 50 percent of the qualified teletypewriter expenditures paid or incurred by the taxpayer during the taxable year.

"(b) LIMITATION ON AMOUNT OF DEDUCTION.—The aggregate amount allowable as a deduction under subsection (a) to the taxpayer shall not exceed $200 ($100, in the case of a married individual filing a separate return) for each qualified teletypewriter.

"(c) DEFINITIONS.—For purposes of this section—

"(1) QUALIFIED TELFTYPEWRITER EXPENDITURES.—The term 'qualified teletypewriter expenditures' means any amount paid or incurred for the purchase for installation or

the installation of any qualified teletypewriter.

"(2) QUALIFIED TELETYPEWRITER.—The term 'qualified teletypewriter' means any teletypewriter—

"(A) which can be installed in connection with a telephone;

"(B) the original use of which commences with the taxpayer;

"(C) which has a useful life of not less than 3 years; and

"(D) the exclusive use for which is by or for any eligible individual.

For purposes of this paragraph, a teletypewriter shall include equipment which produces in braille communication received by the teletypewriter.

"(3) ELIGIBLE INDIVIDUAL.—The term 'eligible individual' means any individual whose adjusted gross income for the taxable year does not exceed $15,000, and—

"(A) who is blind (within the meaning of section 151(d)(3));

"(B) who is deaf (within the meaning of section 44F(b)(3)); or

"(C) who has a speech impairment as a result of which it is difficult to understand spoken communication by telephone from such individual.

"(d) BASIS ADJUSTMENTS.—If a deduction is allowed under this section for any qualified teletypewriter expenditures with respect to any property, the increase in the basis of such property which would (but for this subsection) result from such expenditure shall be reduced by the amount of the deduction so allowed.

"(e) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section."

(b)(1) The table of sections of such part VII is amended by striking out the item relating to section 221 and inserting in lieu thereof the following:

"Sec. 221. Qualified teletypewriter expenditures.

"Sec. 222. Cross references.".

(2) Subsection (a) of section 1016 of such Code (relating to adjustments to basis) is amended by adding at the end thereof the following new paragraph:

"(23) to the extent provided in section 221(d), in the case of property with respect to which a deduction has been allowed under section 221;".

(c) The amendments made by this section shall apply to taxable years beginning after December 31, 1980.

● Mr. LUGAR. Mr. President, I am pleased to once again be an original cosponsor of legislation designed to provide tax incentives for the purchase of communication equipment needed by deaf and severely hearing impaired Americans. The Hearing-Impaired Tax Incentive Act would allow a tax credit equal to 50 percent of the purchase cost of captioning equipment for televisions.

The Equal Access to Communications Act would provide for the installation of teletypewriters in Federal agencies, in addition to providing tax credits for the purchase of TTY equipment and for long distance telephone calls using this equipment.

Hearing loss is an invisible affliction that affects between 15 to 20 million Americans, being the largest single disability in the United States today. All evidence indicates that the numbers of hearing-impaired citizens are growing and in the decades ahead will increase at a more rapid and alarming rate. As the American population continues to live longer, more and more of us will experience hearing loss as a result of the aging process and noise pollution.

The premature withdrawal of persons from participation in society due to hearing loss is unnecessary and a loss of human contribution to our Nation. The passage of these two bills will help to assure that people with hearing loss can be productive members of society. This is an area of need where Government investment will result in a positive return on dollars expended.

I urge my colleagues to cosponsor this legislation to assist our hearing-impaired citizens, and to work toward its passage during 1981, the International Year of the Disabled.●

By Mr. THURMOND (for himself, Mr. BAUCUS, Mr. BOREN, Mr. ROBERT C. BYRD, Mr. EXON, Mr. FORD, Mr. GLENN, Mr. GOLDWATER, Mr. JEPSEN, Mr. LEVIN, Mr. LONG, Mr. PRYOR, and Mr. TOWER):

S.J. Res. 42. Joint resolution designating the third Sunday in September as "National Ministers Day"; to the Committee on the Judiciary.

NATIONAL MINISTERS DAY

Mr. THURMOND. Mr. President, today I am introducing legislation to designate the third Sunday of September each year as "National Ministers Day."

I introduced a similar resolution last year on August 1, 1980, which had 30 cosponsors and passed the Senate on August 5, 1980.

Mr. President, Americans celebrate many occasions during the course of the year and honor many different events, people, and things such as National Pickle Week. As a member of the Senate Judiciary Committee, and now its chairman, I have supported bills in the past which I felt were meritorious. I have not, however, supported others that appeared oriented to special interest, were riddled with commercialism, or would be viewed as objectionable to certain Americans.

One group of persons, however, deserve to be honored for their unending and ever-present service to many Americans. I speak of the ministers, priest, rabbis, and others who care for the spiritual needs of millions of Americans throughout the year.

A minister often serves these needs in the middle of the night, or during times of grief such as death in the family, or festive times like a wedding, baptism, or bar mitzvah. How often though, during those times, do we stop and express our appreciation for these acts of happy spiritual inspiration? Probably not often enough. That is why I believe we need a day to honor ministers of all faiths.

Mr. President, I have introduced a resolution that would make every third Sunday in September a "National Ministers Day." I urge my colleagues to join in the cosponsorship of this resolution.

ADDITIONAL COSPONSORS

S. 2

At the request of Mr. MATHIAS, the Senator from Wyoming (Mr. SIMPSON), the Senator from Michigan (Mr. LEVIN), the Senator from Nevada (Mr. CANNON), the Senator from Arkansas (Mr. BUMPERS), the Senator from New Hampshire (Mr. HUMPHREY), and the Senator from South Dakota (Mr. PRESSLER) were added as cosponsors of S. 2, a bill to amend the Internal Revenue Code of 1954.

S. 12

At the reqeust of Mr. BAKER, the Senator from Maryland (Mr. MATHIAS) was added as a cosponsor of S. 12, a bill to amend the Internal Revenue Code of 1954 to allow a retirement savings deduction for persons covered by certain pension plans.

S. 19

At the request of Mr. BAKER, the Senator from Texas (Mr. BENTSEN) was added as a cosponsor of S. 19, a bill to amend the Internal Revenue Code of 1954 to provide more equitable treatment of royalty owners under the crude oil windfall profit tax.

S. 63

At the request of Mr. RANDOLPH, the Senator from California (Mr. HAYAKAWA) was added as a cosponsor of S. 63, a bill to amend the Clean Air Act to provide compliance date extensions for steelmaking facilities on a case-by-case basis to facilitate modernization.

S. 90

At the request of Mr. BOREN, the Senator from Illinois (Mr. PERCY) was added as a cosponsor of S. 90, a bill to exempt certain royalty interests from the windfall profit tax.

S. 91

At the request of Mr. BOREN, the Senator from Illinois (Mr. PERCY) was added as a cosponsor of S. 91, a bill to exempt stripper well oil from the windfall profit tax.

S. 102

At the request of Mr. INOUYE, the Senator from North Dakota (Mr. BURDICK) was added as a cosponsor of S. 102, a bill to amend titles XVIII and XIX of the Social Security Act to provide that professional nurse services shall be covered under part B of medicare and shall be a required service under medicaid.

S. 103

At the request of Mr. INOUYE, the Senator from North Dakota (Mr. BURDICK) was added as a cosponsor of S. 103, a bill to amend title 5 of the United States Code to provide payments under Government health plans for services of nurses not performed in connection with a physician.

S. 110

At the request of Mr. INOUYE, the Senator from North Dakota (Mr. BURDICK) was added as a cosponsor of S. 110, a bill to amend titles XVIII and XIX of the Social Security Act to provide that gerontological nurse practitioner services shall be covered under part B of medicare and shall be required service under medicaid.

S. 123

At the request of Mr. INOUYE, the Senator from North Dakota (Mr. BURDICK) was added as a cosponsor of S. 123, a bill to amend titles XVIII and XIX of the Social Security Act to provide more adequate coverage of the services of mental health specialists under the medicare

supplemental benefits program and under medicaid programs.

S. 150

At the request of Mr. INOUYE, the Senator from North Dakota (Mr. BURDICK) was added as a cosponsor of S. 150, a bill to amend title 5 of the United States Code to provide payments under Government health plans for services of qualified mental health specialists.

S. 153

At the request of Mr. INOUYE, the Senator from Texas (Mr. BENTSEN), the Senator from North Dakota (Mr. BURDICK), the Senator from Utah (Mr. GARN), the Senator from Montana (Mr. MELCHER), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Maryland (Mr. SARBANES), and the Senator from Montana (Mr. BAUCUS) were added as cosponsors of S. 153, a bill to amend the Internal Revenue Code of 1954 to expand the category of targeted groups for whom the new employee credit is available to include displaced homemakers.

S. 161

At the request of Mr. INOUYE, the Senator from North Dakota (Mr. BURDICK) was added as a cosponsor of S. 161, a bill to amend title XVIII of the Social Security Act to provide for coverage under medicare of services performed by a nurse-midwife.

S. 162

At the request of Mr. INOUYE, the Senator from North Dakota (Mr. BURDICK) was added as a cosponsor to S. 162, a bill to amend title 5 of the United States Code to provide payments under Government health plans for service of nurse-midwives not performed in connection with a physician.

S. 170

At the request of Mr. PACKWOOD, the Senator from Mississippi (Mr. COCHRAN) and the Senator from Iowa (Mr. JEPSEN) were added as cosponsors of S. 170, a bill to amend the Internal Revenue Code of 1954 to allow the charitable deduction to taxpayers whether or not they itemize their personal deductions.

S. 181

At the request of Mr. CRANSTON, the Senator from New York (Mr. MOYNIHAN) and the Senator from North Dakota (Mr. BURDICK) were added as cosponsors of S. 181, a bill to provide for the extension of the authorization of appropriations for the Head Start program.

S. 195

At the request of Mr. GOLDWATER, the Senator from Minnesota (Mr. BOSCHWITZ) and the Senator from Florida (Mr. CHILES) were added as cosponsors of S. 195, a bill to incorporate the United States Submarine Veterans of World War II.

S. 255

At the request of the Mr. MATHIAS, the Senator from Georgia (Mr. NUNN), the Senator from Missouri (Mr. DANFORTH), and the Senator from Alabama (Mr. HEFLIN) were added as cosponsors of S. 255, a bill to amend the patent law to restore the term of the patent grant for the period of time that nonpatent regulatory requirements prevent the marketing of a patented product.

S. 259

At the request of Mr. GOLDWATER, the Senator from Iowa (Mr. GRASSLEY) and the Senator from Idaho (Mr. SYMMS) were added as cosponsors of S. 259, a bill to repeal the earnings ceiling of the Social Security Act for all beneficiaries age 65 and older.

S. 293

At the request of Mr. THURMOND, the Senator from Utah (Mr. HATCH) was added as a cosponsor of S. 293, a bill to amend the Food Stamp Act of 1977 to prohibit any household from participating in the food stamp program if such household has one or more members on strike as a result of a labor dispute.

S. 352

At the request of Mr. PACKWOOD, the Senator from New Mexico (Mr. SCHMITT) was added as a cosponsor of S. 352, a bill to amend the Internal Revenue Code of 1954 with respect to the definition of political contribution.

S. 396

At the request of Mr. DANFORTH, the Senator from Oklahoma (Mr. BOREN) and the Senator from Maine (Mr. MITCHELL) were added as cosponsors of S. 396, a bill to impose quotas on the importation of automobiles from Japan during 1981, 1982, and 1983.

S. 398

At the request of Mr. ARMSTRONG, the Senator from New Mexico (Mr. SCHMITT), the Senator from Utah (Mr. GARN), the Senator from Washington (Mr. GORTON), and the Senator from Iowa (Mr. GRASSLEY) were added as cosponsors of S. 398, a bill to amend the Walsh-Healey Act and the Contract Work Hours Standards Act to permit certain employees to work a 10-hour day in the case of a 4-day workweek, and for other purposes.

S. 482

At the request of Mr. BUMPERS, the Senator from Arizona (Mr. DECONCINI) was added as a cosponsor of S. 482, a bill to reform the Bail Reform Act of 1966 to require the judicial officer making the bail determination to detain those persons who cannot be released without endangering the safety of other persons or the community.

S. 495

At the request of Mr. THURMOND, the Senator from Utah (Mr. HATCH) was added as a cosponsor of S. 495, a bill to amend section 3(i) of the Food Stamp Act of 1977, relating to the definition of the term "household," to prevent the splitting of a household for the purpose of qualifying as two or more households under such act.

S. 498

At the request of Mr. HART, the Senator from Pennsylvania (Mr. SPECTER) was added as a cosponsor of S. 498, a bill to amend the Internal Revenue Code of 1954 to provide a tax credit to homebuilders for the construction of residences incorporating certain solar energy utilization characteristics.

SENATE JOINT RESOLUTION 10

At the request of Mr. HUDDLESTON, the Senator from Arizona (Mr. DECONCINI), the Senator from Wyoming (Mr. SIMPSON), and the Senator from Maine (Mr. MITCHELL) were added as cosponsors of Senate Joint Resolution 10, joint resolution to establish a Commission on Presidential Nominations.

SENATE JOINT RESOLUTION 14

At the request of Mr. INOUYE, the Senator from North Dakota (Mr. BURDICK) was added as a cosponsor of Senate Joint Resolution 12, joint resolution to authorize and request the President to designate November 14 of each year as "Operating Room Nurses Day."

SENATE JOINT RESOLUTION 19

At the request of Mr. HELMS, the Senator from New York (Mr. D'AMATO) was added as a cosponsor of Senate Joint Resolution 19, joint resolution proposing an amendment to the Constitution of the United States guaranteeing the right of life.

SENATE JOINT RESOLUTION 36

At the request of Mr. MATHIAS, the Senator from Washington (Mr. GORTON) was added as a cosponsor of Senate Joint Resolution 36, joint resolution to authorize the President to designate the week of March 9 through March 15, 1981 as "Children and Hospitals Week."

SENATE JOINT RESOLUTION 40

At the request of Mr. RIEGLE, the Senator from Connecticut (Mr. DODD) was added as a cosponsor of Senate Joint Resolution 40, joint resolution to designate April 26, 1981, as "National Recognition Day for Veterans of the Vietnam era."

SENATE CONCURRENT RESOLUTION 10

At the request of Mr. HATFIELD, the Senator from Delaware (Mr. ROTH) was added as a cosponsor of Senate Concurrent Resolution 10, concurrent resolution expressing the sense of the Congress concerning the continuing permanent conversion of productive agricultural lands to nonagricultural uses.

SENATE CONCURRENT RESOLUTION 13—CONCURRENT RESOLUTION RELATING TO AN INTERNATIONAL AGREEMENT ESTABLISHING A NORTH AMERICAN COMMISSION FOR COOPERATION AND DEVELOPMENT

Mr. DOMENICI (for himself and Mr. BAUCUS) submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 13

Whereas Canada and the United States are important trading partners, share continental problems in the environment, are the source and object of each others investments, are close allies and partners in the North American Air Defense System (NORAD), and in many other ways have a special relationship;

Whereas Mexico is also important to the United States with respect to shared continental problems and opportunities, is a major trading partner with the United States, is in a unique position between industrialism and development, is a recognized leader of Third World countries, is dedicated

to democracy and freedom, and can provide North America with great leadership and cooperation in world matters; and

Whereas the economic strength and prosperity of all North American countries are essential to the well-being of each such country, and can best be increased through cooperation and recognition of mutual interdependence: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That (a) it is the sense of the Congress that the President should enter into negotiations with appropriate representatives of the governments of Canada and Mexico for the purpose of reaching an agreement to establish a North American Commission for Cooperation and Development (hereafter in this concurrent resolution referred to as the "Commission").

(b) The purpose of the Commission, according to such agreement, should be—

(1) to encourage programs of each member country designed to promote economic growth and to analyze the impact, if any, of such programs on other member countries;

(2) to encourage trade beneficial to all member countries; and

(3) to examine long-term economic trends of interest to the member countries and to encourage programs of benefit to all member countries, consistent with the sovereignty of each such country.

(c) In addition to the purposes set forth in subsection (b), such an agreement should provide that—

(1) each country which is a member of the Commission be represented by a Commissioner who shall head a delegation of experts chosen from the private sector of such country and from the government of such country, including representatives of the executive and legislative branches of the national government and representatives of political subdivisions of such country;

(2) each Commissioner should participate in the activities of the Commission on an equal basis; and

(3) additional Western Hemisphere countries may become members of the Commission at a later date in accordance with the terms and conditions of such agreement.

SEC. 2. The Secretary of the Senate shall transmit a copy of this concurrent resolution to the President.

Mr. BAUCUS. Mr. President, I am grateful to join with my colleague from New Mexico in this endeavor today. Senator DOMENICI has gone further than any other Member of this body in recognizing the need for our Government, for our country, to work more closely with Canada to the north and Mexico and other countries to the south.

The Senator's own State borders Mexico and he obviously knows very much about the problems that our country has with our neighbor to the south, but he is also very cognizant of our problems with Canada.

I am happy to join with the Senator from New Mexico in introducing his resolution to create the North American Commission.

Mr. President, I am introducing the other measure, the companion measure, to the resolution which the Senator has introduced. The bill I am introducing will set up a separate bureau within the State Department, the Bureau of North American Affairs. This is not a proposal to add more bureaucratic positions. Rather, it is a proposal to streamline the bureaucracy.

We always hear those phrases, to streamline the bureaucracy and make Government work better. We are always trying to build better mousetraps or invent better mousetraps.

It is my personal view that this proposal does go a long way toward streamlining our State Department structure with respect to Canada, Mexico, and Caribbean countries.

I was astounded to learn, Mr. President, that our State Department lumps Canada in with the present Bureau of European Affairs. That is, the State Department's Bureau of European Affairs formulates policy not only with regard to European countries but also Canada.

I think all of us immediately recognize that our problems with Canada are different than our problems with Europe.

There is another bureau in the State Department, the Bureau of Inter-American Affairs. That Bureau includes Mexico and the Caribbean countries, the South American countries, but does not include Canada.

It is our feeling that it would make more sense for the Bureau of Inter-American Affairs to continue to operate as it has in the past but not to include Mexico, the Caribbean, and for the Bureau of European Affairs to continue to operate as it has in the past but not to include Canada.

Therefore, we propose that the State Department set up a Bureau of North American Affairs, including Canada, Mexico, and Caribbean countries, so that we in the United States can begin to develop a trade policy, an energy policy, and even a political philosophy, for that matter, with our neighbors both to the north and to the south.

Mr. DOMENICI. Mr. President, there is currently a high level of interest in and wide variety of organizations evaluating North American Economic Cooperation or various aspects thereof. This should come as no surprise considering the exceptionally high level of interaction between the countries of North America.

The three largest countries of North America, Canada, the United States, and Mexico, share much more than common borders. All three nations are blessed with great natural resource reserves and all share the same democratic principles. Also, each nation suffers more inflation, unemployment, and lower productivity growth than is desirable. However, the significant contrasts among the economies of the three nations are as readily apparent as the similarities.

Almost all evaluations of the world economic scene for the next 20 years anticipate very difficult times ahead for international trade and investment. This realistic evaluation requires economic adjustments at a pace never experienced before. Commonsense alone would indicate that some form of accommodation and policy changes will be required to make the adjustment. Thus, the nations of North America, in spite of very different national economies, must be willing to make the economic adjustments that are necessary and inevitable if the international economic strains of the future are to be withstood.

It is with this scenario in mind that Senator BAUCUS and myself, and on behalf of the Senate North American Trade Caucus, today introduce a concurrent resolution and a bill that together will help prepare for and later effectuate the necessary economic adjustments. The two proposals we submit today will serve to facilitate a mutual search for a better life on the North American Continent.

The concurrent resolution will establish a North American Commission for Cooperation and Development. The Commission would serve to encourage and promote economic growth and trade among member countries. In addition, the Commission would research and encourage programs of mutual interest and benefit to the member countries. The organization would consist of a team of Commissioners each of which would head a delegation of experts representing both the private sector and government of their particular member country.

The companion bill will establish in the Department of State a Bureau of North American Affairs. The establishment of the Bureau would be a reorganization and consolidation of certain State Department Bureaus now functioning and thus not an expansion of the Federal bureaucracy. The establishment of a Bureau of North American Affairs will be of great consequence in developing the cohesive and integrated policies necessary for North America to keep pace in the international arena.

We have no mechanism which allows an immediate check with both of our neighbors to see what effect a small change in our domestic trade regulations will have upon each of their economies, or for them, in turn, to consult with each of their own other two neighbors. We have neither council, assembly, body, or commission to study and to weigh these small, but potentially serious, questions of singular urgency to the Canadians, the Mexicans, and to citizens of the United States. The proposals that we submit today will, at the very least establish a mechanism which would allow the nations of North America to deal quietly and effectively with new challenges with an opportunity to fashion them into new benefits for our entire continent.

Mr. President, I would respectively urge that this Chamber, on behalf of Senator BAUCUS, myself, and the entire North American Trade Caucus lend its full support to both the concurrent resolution and bill.

SENATE RESOLUTION 85—RESOLUTION RELATING TO THE PRECEDENTS OF THE SENATE

Mr. BAKER submitted the following resolution; which was referred to the Committee on Rules and Administration:

S. RES. 85

Resolved, That the Parliamentarian's Office, in consultation with the Senate Leadership and the Committee on Rules and Administration, shall design and prepare such programs or systems which it deems necessary, and that are in accord with the copyright statutes of the United States, for the purpose of computerizing on Senate computers, keeping current, and making readily

available to the Senate or its Members information relating to Senate procedures, precedents, practices, and legislative veto information. In carrying out this resolution, the Secretary of the Senate may appoint and fix the pay of personnel and utilize the services of personnel in the Computer Center.

NOTICES OF HEARINGS

SELECT COMMITTEE ON SMALL BUSINESS

Mr. WEICKER, Mr. President, I would like to announce that the Senate Select Committee on Small Business will hold a hearing on the role of small business in the Nation's economic recovery.

The hearing will begin at 10 a.m., on March 9, 1981, in room 424, Russell Senate Office Building. For additional information please contact Mr. James O'Connell of the committee staff at 224–5175.

ADDITIONAL STATEMENTS

RULES OF THE SELECT COMMITTEE ON INTELLIGENCE

● Mr. GOLDWATER. Mr. President, section 133B of the Legislative Reorganization Act requires each standing, select, or special committee of the Senate to publish its rules in the CONGRESSIONAL RECORD not later than March 1 of each year. I ask that the rules of the Select Committee on Intelligence be printed in the RECORD.

The rules follow:

RULES OF PROCEDURE

RULE 1. CONVENING OF MEETINGS

1.1 The regular meeting day of the Select Committee on Intelligence for the transaction of committee business shall be on the first Wednesday of each month, unless otherwise directed by the chairman.

1.2 The chairman shall have authority, upon proper notice, to call such additional meetings of the committee as he may deem necessary and may delegate such authority to any other member of the committee.

1.3 A special meeting of the committee may be called at any time upon the written request of five or more members of the committee filed with the clerk of the committee.

1.4 In the case of any meeting of the committee, other than a regularly scheduled meeting, the clerk of the committee shall notify every member of the committee of the time and place of the meeting and shall give reasonable notice which, except in extraordinary circumstances, shall be at least 24 hours in advance of any meeting held in Washington, D.C., and at least 48 hours in the case of any meeting held outside Washington, D.C.

1.5 If five members of the committee have made a request in writing to the chairman to call a meeting of the committee, and the chairman fails to call such a meeting within seven calendar days thereafter, including the day on which the written notice is submitted, these members may call a meeting by filing a written notice with the clerk of the committee who shall promptly notify each member of the committee in writing of the date and time of the meeting.

RULE 2. MEETING PROCEDURES

2.1 Meetings of the committee shall be open to the public except as provided in Senate Resolution 9, 4th Congress, 1st session.

2.2 It shall be the duty of the staff director to keep or cause to be kept a record of all committee proceedings.

2.3 The chairman of the committee, or if the chairman is not present the vice chairman, shall preside over all meetings of the committee. In the absence of the chairman and the vice chairman at any meeting the ranking majority member, or if no majority member is present the ranking minority member present shall preside.

2.4 Except as otherwise provided in these rules, decisions of the committee shall be by majority vote of the members present and voting. A quorum for the transaction of committee business, including the conduct of executive sessions, shall consist of six committee members until that date of the sine die adjournment of the 1st session of the 95th Congress, and thereafter, shall consist of five committee members, except that for the purpose of hearing witnesses, taking sworn testimony, and receiving evidence under oath, a quorum may consist of one Senator.

2.5 A vote by any member of the committee with respect to any measure or matter being considered by the committee may be cast by proxy if the proxy authorization (1) is in writing; (2) designates the member of the committee who is to exercise the proxy; and (3) is limited to a specific measure or matter and any amendments pertaining thereto. Proxies shall not be considered for the establishment of a quorum.

2.6 Whenever the committee by roll call vote reports any measure or matter, the report of the committee upon such measure or matter shall include a tabulation of the votes cast in favor of and the votes cast in opposition to such measure or matter by each member of the committee.

RULE 3. SUBCOMMITTEES

Creation of subcommittees shall be by majority vote of the committee. Subcommittees shall deal with such legislation and oversight of programs and policies as the committee may direct. The subcommittees shall be governed by the rules of the committee and by such other rules they may adopt which are consistent with the rules of the committee.

RULE 4. REPORTING OF MEASURES OR RECOMMENDATIONS

4.1 No measures or recommendations shall be reported, favorably or unfavorably, from the committee unless a majority of the committee is actually present and a majority concur.

4.2 In any case in which the committee is unable to reach a unanimous decision, separate views or reports may be presented by any member or members of the committee.

4.3 A member of the committee who gives notice of his intention to file supplemental, minority, or additional views at the time of final committee approval of a measure or matter, shall be entitled to not less than three working days in which to file such views, in writing with the clerk of the committee. Such views shall then be included in the committee report and printed in the same volume, as a part thereof, and their inclusion shall be noted on the cover of the report.

RULE 5. NOMINATIONS

5.1 Unless otherwise ordered by the committee, nominations referred to the committee shall be held for at least 14 days before being voted on by the committee.

5.2 Each member of the committee shall be promptly furnished a copy of all nominations referred to the committee.

5.3 Nominees who are invited to appear before the committee shall be heard in public session, except as provided in rule 2.1.

5.4 No confirmation hearing shall be held sooner than seven days after receipt of the background and financial disclosure statement unless the time limit is waived by a majority vote of the committee.

5.5 The committee vote on the confirmation shall not be sooner than 48 hours after the committee has received transcripts of the confirmation hearing unless the time limit is waived by unanimous consent of the committee.

5.6 No nomination shall be reported to the Senate unless the nominee has filed a background and financial statement with the committee.

RULE 6. INVESTIGATIONS

No investigation shall be initiated by the committee unless at least five members of the committee have specifically requested the chairman or the vice chairman to authorize such an investigation. Authorized investigations may be conducted by members of the committee and/or by designated committee staff members.

RULE 7. SUBPENAS

Subpenas authorized by the committee for the attendance of witnesses or the production of memoranda, documents, records, or any other material may be issued by the chairman, the vice chairman, or any member of the committee designated by the chairman, and may be served by any person designated by the chairman, vice chairman or member issuing the subpenas. Each subpena shall have attached thereto a copy of Senate Resolution 400, 94th Congress, 2d session, and a copy of these rules.

RULE 8. PROCEDURES RELATED TO THE TAKING OF TESTIMONY

8.1 *Notice.*—Witnesses required to appear before the committee shall be given reasonable notice and all witnesses shall be furnished a copy of these Rules.

8.2 *Oath or affirmation.*—Testimony of witnesses shall be given under oath or affirmation which may be administered by any member of the committee.

8.3 *Interrogation.*—Committee interrogation shall be conducted by members of the committee and such committee staff as are authorized by the chairman, vice chairman, or the presiding member.

8.4 *Counsel for the witness.*—(a) Any witness may be accompanied by counsel. A witness who is unable to obtain counsel may inform the committee of such fact. If the witness informs the committee of this fact at least 24 hours prior to his appearance before the committee, the committee shall then endeavor to obtain voluntary counsel for the witness. Failure to obtain such counsel will not excuse the witness from appearing and testifying.

(b) Counsel shall conduct themselves in an ethical and professional manner. Failure to do so shall, upon a finding to that effect by a majority of the members present, subject such counsel to disciplinary action which may include warning, censure, removal, or a recommendation of contempt proceedings.

(c) There shall be no direct or cross-examination by counsel. However, counsel may submit in writing any question he wishes propounded to his client or to any other witness and may, at the conclusion of his client's testimony, suggest the presentation of other evidence or the calling of other witnesses. The committee may use such questions and dispose of such suggestions as it deems appropriate.

8.5 *Statements by Witnesses.*—A witness may make a statement, which shall be brief and relevant, at the beginning and conclusion of his testimony. Such statements shall not exceed a reasonable period of time as determined by the chairman, or other presiding member. Any witness desiring to make a prepared or written statement for the record of the proceedings shall file a copy with the clerk of the committee, and insofar as practicable and consistent with the notice given, shall do so at least 72 hours in advance of his appearance before the committee.

8.6 *Objections and Rulings.*—Any Objection raised by a witness or counsel shall be ruled upon by the chairman or other presiding member, and such ruling shall be the ruling of the committee unless a majority of the committee present overrules the ruling of the chair.

8.7 *Inspection and Correction.*—All witnesses testifying before the committee shall be given a reasonable opportunity to inspect, in the office of the committee, the transcript of their testimony to determine whether such testimony was correctly transcribed. The witness may be accompanied by counsel. Any corrections the witness desires to make in the transcript shall be submitted in writing to the committee within 5 days from the date when the transcript was made available to the witness. Corrections shall be limited to grammar and minor editing, and may not be made to change the substance of the testimony. Any questions arising with respect to such corrections shall be decided by the chairman. Upon request, those parts of testimony given by a witness in executive session which are subsequently quoted or made part of a public record shall be made available to that witness at his expense.

8.8 *Requests to Testify.*—The committee will consider requests to testify on any matter or measure pending before the committee. A person who believes that testimony or other evidence presented at a public hearing, or any comment made by a committee member or a member of the committee staff may tend to affect adversely his reputation, may request to appear personally before the committee to testify on his own behalf, or may file a sworn statement of facts relevant to the testimony, evidence, or comment, or may submit to the chairman proposed questions in writing for the cross-examination of other witnesses. The committee shall take such action as it deems appropriate.

8.9 *Contempt Procedures.*—No recommendation that a person be cited for contempt of Congress shall be forwarded to the Senate unless and until the committee has, upon notice to all its members, met and considered the alleged contempt, afforded the person an opportunity to state in writing or in person why he should not be held in contempt, and agreed, by majority vote of the committee to forward such recommendation to the Senate.

8.10 *Release of Name of Witness.*—Unless authorized by the chairman, the name of any witness scheduled to be heard by the committee shall not be released prior to, or after, his appearance before the committee.

RULE 9. PROCEDURES FOR HANDLING CLASSIFIED OR SENSITIVE MATERIAL

9.1 Committee staff offices shall operate under strict security precautions. At least one security guard shall be on duty at all times by the entrance to control entry. Before entering the office all persons shall identify themselves.

9.2 Sensitive or classified documents and material shall be segregated in a secure storage area. They may be examined only at secure reading facilities. Copying, duplicating, or removal from the committee offices of such documents and other materials is prohibited except as is necessary for use in, or preparation for, interviews or committee meetings, including the taking of testimony, and in conformity with Section 10.3 hereof.

9.3 Each member of the committee shall at all times have access to all papers and other material received from any source. The staff director shall be responsible for the maintenance, under appropriate security procedures, of a registry which will number and identify all classified papers and other classified materials in the possession of the committee, and such registry shall be available to any member of the committee.

9.4 Whenever the Select Committee on Intelligence makes classified material available to any other committee of the Senate or to any member of the Senate not a member of the committee, the clerk of the committee shall be notified. The clerk of the committee shall maintain a written record identifying the particular information transmitted and the committee or members of the Senate receiving such information.

9.5 Access to classified information supplied to the committee shall be limited to those committee staff members with appropriate security clearances and a need-to-know, as determined by the committee, and under the committee's direction, the staff director and minority staff director.

9.6 No member of the committee or of the committee staff shall disclose, in whole or in part or by way of summary, to any person not a member of the committee or the committee staff for any purpose or in connection with any proceeding, judicial or otherwise, any testimony given before the committee in executive session including the name of any witness who appeared or was called to appear before the committee in executive session, or the contents of any papers or other materials or other information received by the committee except as authorized by the committee in accordance with section 8 of Senate Resolution 400 of the 94th Congress and the provisions of these rules, or in the event of the termination of the committee, in such a manner as may be determined by the Senate.

9.7 Before the committee makes any decision regarding the disposition of any testimony, papers, or other materials presented to it, the committee members shall have a reasonable opportunity to examine all pertinent testimony, papers, and other materials that have been obtained by the members of the committee or the committee staff.

RULE 10. STAFF

10.1 For the purpose of these rules, committee staff means employees of the committee, employees of the members of the committee assigned to the committee, consultants to the committee, employees of other government agencies detailed to the committee, or any other person engaged by contract or otherwise to perform services for or at the request of the committee.

10.2 The appointment of committee staff shall be confirmed by a majority vote of the committee. After confirmation, the chairman shall certify committee staff appointments to the financial clerk of the Senate in writing.

10.3 The committee staff works for the committee as a whole, under the general supervision of the chairman and vice chairman of the committee. Except as otherwise provided by the committee, the duties of committee staff shall be performed, and committee staff personnel affairs and day-to-day operations, including security and control of classified documents and material, shall be administered under the direct supervision and control of the staff director. The minority staff director and the minority counsel shall be kept fully informed regarding all matters and shall have access to all material in the files of the committee.

10.4 The committee staff shall assist the minority as fully as the majority in the expression of minority views, including assistance in the preparation and filing of additional, separate and minority views, to the end that all points of view may be fully considered by the committee and the Senate.

10.5 The members of the committee staff shall not discuss either the substance or procedure of the work of the committee with any person not a member of the committee or the committee staff for any purpose or in connection with any proceeding, judicial, or otherwise, either during his tenure as a member of the committee staff or at any time thereafter except as directed by the committee in accordance with section 8 of Senate Resolution 400 of the 94th Congress and the provisions of these rules, or in the event of the termination of the committees, in such a manner as may be determined by the Senate.

10.6 No member of the committee staff shall be employed by the committee unless and until such a member of the committee staff agrees in writing, as a condition of employment to abide by the conditions of the nondisclosure agreement promulgated by the Senate Select Committee on Intelligence pursuant to section 6 of Senate Resolution 400 of the 94th Congress, 2d Session.

10.7 No member of the committee staff shall be employed by the committee unless and until such a member of the committee staff agrees in writing, as a condition of employment. to notify the committee or in the event of the committee's termination the Senate of any request for his testimony, either during his tenure as a member of the committee staff or at any time thereafter with respect to information which came into his possession by virtue of his position as a member of the committee staff. Such information shall not be disclosed in response to such requests except as directed by the committee in accordance with section 8 of Senate Resolution 400 of the 94th Congress and the provisions of these rules, or in the event of the termination of the committee, in such manner as may be determined by the Senate.

10.8 The committee shall immediately consider action to be taken in the case of any member of the committee staff who fails to conform to any of these rules. Such disciplinary action may include, but shall not be limited to, immediate dismissal from the committee staff.

RULE 11. PREPARATION FOR COMMITTEE MEETINGS

11.1 Under direction of the chairman and the vice chairman, designated committee staff members shall brief members of the committee at a time sufficiently prior to any committee meeting to assist the committee members in preparation for such meeting and to determine any matter which the committee member might wish considered during the meeting. Such briefing shall, at the request of a member, include a list of all pertinent papers and other materials that have been obtained by the committee that bear on matters to be considered at the meeting.

11.2 The staff director shall recommend to the chairman and the vice chairman the testimony, papers, and other materials to be presented to the committee at any meeting. The determination whether such testimony, papers, and other materials shall be presented in open or executive session shall be made pursuant to the rules of the Senate and rules of the committee.

RULE 12. LEGISLATIVE CALENDAR

12.1 The clerk of the committee shall maintain a printed calendar for the information of each committee member showing the measures introduced and referred to the committee and the status of such measures; nominations referred to the committee and their status; and such other matters as the committee determines shall be included. The calendar shall be revised from time to time to show pertinent changes. A copy of each such revision shall be furnished to each member of the committee.

RULE 13. COMMITTEE TRAVEL

13.1 No member of the committee or committee staff shall travel abroad on committee business unless specifically authorized by the chairman and vice chairman. Requests for authorization of such travel shall state the purpose and extent of the trip. A full report shall be filed with the committee when travel is completed.

13.2 When the chairman and the vice chairman approve the foreign travel of a

member of the Committee staff not accompanying a member of the committee, all members of the committee are to be advised, prior to the commencement of such travel, of its extent, nature and purpose. The report referred to in rule 13.1 shall be furnished to all members of the committee and shall not be otherwise disseminated without the express authorization of the committee pursuant to the rules of the committee.

13.3 No member of the committee staff shall travel within this country on committee business unless specifically authorized by the staff director as directed by the committee.

RULE 14. CHANGES IN RULES

These rules may be modified, amended, or repealed by the committee, provided that a notice in writing of the proposed change has been given to each member at least 48 hours prior to the meeting at which action thereon is to be taken.●

RULES OF THE JOINT COMMITTEE ON PRINTING

● Mr. MATHIAS. Mr. President, pursuant to paragraph 2 of rule XXVI of the Standing Rules of the Senate, I submit the Joint Committee on Printing's Rules of Procedure, as unanimously adopted by the Joint Committee on February 25, 1981, to be printed in the RECORD:

The rules follow:

INDEX OF RULES

Rule 1. Committee rules.
Rule 2. Regular committee meetings.
Rule 3. Quorum.
Rule 4. Proxies.
Rule 5. Open and closed meetings.
Rule 6. Alternating chairmanship and vice chairmanship by Congresses.
Rule 7. Parliamentary questions.
Rule 8. Hearings: Public announcements and witnesses.
Rule 9. Official hearing record.
Rule 10. Witnesses for committee hearings.
Rule 11. Confidential information furnished to the committee.
Rule 12. Broadcasting committee hearings.
Rule 13. Committee reports.
Rule 14. Confidentiality of committee reports.
Rule 15. Committee staff.
Rule 16. Committee chairman.

RULE 1. COMMITTEE RULES

(a) The rules of the Senate and House insofar as they are applicable, shall govern the committee.

(b) The committee's rules shall be published in the Congressional Record not later than March 1st after the Congress convenes in each odd-numbered year.

(c) Where these rules require a vote of the members of the committee polling of members either in writing or by telephone shall not be permitted to substitute for a vote taken at a committee meeting, unless the ranking minority member assents to waiver of this requirement.

(d) Proposals for amending committee rules shall be sent to all members at least one week before final action is taken thereon, unless the amendment is made by unanimous consent.

RULE 2. REGULAR COMMITTEE MEETINGS

(a) The regular meeting date of the committee shall be the second Wednesday of every month when the House and Senate are in session. A regularly scheduled meeting need not be held if there is no business to be considered and after appropriate notification is made to the ranking minority member. Additional meetings may be called by the chairman as he may deem necessary or at the request of the majority of the members of the committee.

(b) If the chairman of the committee is not present at any meeting of the committee, the vice-chairman or ranking member of the majority party on the committee who is present shall preside at the meeting.

RULE 3. QUORUM

(a) Five members of the committee shall constitute a quorum which is required for the purpose of closing meetings, promulgating committee orders, or changing the rules of the committee.

(b) For purposes of taking testimony and receiving evidence, three members shall constitute a quorum.

RULE 4. PROXIES

(a) Written or telegraphic proxies of committee members will be received and recorded on any vote taken by the committee, except at the organization meeting at the beginning of each Congress or for the purpose of creating a quorum.

(b) Proxies will be allowed on any such votes for the purpose of recording a member's position on a question only when the absentee committee member has been informed of the question and has affirmatively requested that he be recorded.

RULE 5. OPEN AND CLOSED MEETINGS

(a) Each meeting for the transaction of business of the committee shall be open to the public except when the committee, in open session and with a quorum present determines by roll call vote that all or part of the remainder of the meeting on that day shall be closed to the public.

(b) No person other than members of the committee, and such congressional staff and other representatives as they may authorize shall be present in any business session which has been closed to the public. This provision does not apply to any meeting that relates solely to internal budget or personnel matters.

RULE 6. ALTERNATING CHAIRMANSHIP AND VICE CHAIRMANSHIP BY CONGRESSES

(a) The chairmanship and vice chairmanship of the committee shall alternate between the House and the Senate by Congresses. The senior member of the minority party in the House of Congress opposite to that of the chairman shall be the ranking minority member of the committee.

(b) In the event the House and Senate are under different party control, the chairman and vice-chairman shall represent the majority party in their respective Houses. When the chairman and vice-chairman represent different parties, the vice-chairman shall also fulfill the responsibilities of the ranking minority member as prescribed by these rules.

RULE 7. PARLIAMENTARY QUESTIONS

Question as to the order of business and the procedures of the committee shall in the first instance be decided by the chairman, subject always to an appeal to the committee.

RULE 8. HEARINGS: PUBLIC ANNOUNCEMENTS AND WITNESSES

(a) The chairman, in the case of hearings to be conducted by the committee, shall make public announcement of the date, place, subject matter of any hearing to be conducted on any measure or matter at least one week before the commencement of that hearing unless the committee determines that there is good cause to begin such hearing at an earlier date. In the latter event the chairman shall make such public announcement at the earliest possible date. The staff director of the committee shall promptly notify the Daily Digest of the *Congressional Record* as soon as possible after such public announcement is made.

(b) So far as practicable all witnesses appearing before the committee shall file advance written statements of their proposed testimony at least 48 hours in advance of their appearance and their oral testimony shall be limited to brief summaries. Limited insertions of additional germane material will be received for the record, subject to the approval of the chairman.

RULE 9. OFFICIAL HEARING RECORD

(a) An accurate stenographic record shall be kept of all committee proceedings and actions. Brief supplemental materials when required to clarify the transcript may be inserted in the record subject to the approval of the chairman.

(b) Each member of the committee shall be provided with a copy of the hearings transcript for the purpose of correcting errors of transcription and grammar, and clarifying questions or remarks. If any other person is authorized by a committee member to make his corrections the staff director shall be so notified.

(c) Members who have received unanimous consent to submit written questions to witnesses shall be allowed two days within which to submit these to the staff director for transmission to the witnesses. The record may be held open for a period not to exceed two weeks awaiting the responses by witnesses.

(d) A witness may obtain a transcript copy of his testimony given at a public session or, if given at an executive session, when authorized by the committee. Testimony received in closed hearings shall not be released or included in any report without the approval of the committee.

RULE 10. WITNESSES FOR COMMITTEE HEARINGS

(a) Selection of witnesses for committee hearings shall be made by the committee staff under the direction of the chairman. A list of proposed witnesses shall be submitted to the members of the committee for review sufficiently in advance of the hearings to permit suggestions by the committee members to receive appropriate consideration.

(b) The chairman shall provide adequate time for questioning of witnesses by all members, including minority members, and the rule of germaneness shall be enforced in all hearings.

(c) Whenever a hearing is conducted by the committee upon any measure or matter, the minority on the committee shall be entitled, upon unanimous request to the Chairman before the completion of such hearings, to call witnesses selected by the minority to testify with respect to the measure or matter during at least one day of hearing thereon.

RULE 11. CONFIDENTIAL INFORMATION FURNISHED TO THE COMMITTEE

The information contained in any books, papers, or documents furnished to the committee by any individual, partnership, corporation, or other legal entity shall, upon the request of the individual, partnership, corporation, or entity furnishing the same, be maintained in strict confidence by the members and staff of the committee, except that any such information may be released outside of executive session of the committee if the release thereof is effected in a manner which will not reveal the identity of such individual, partnership, corporation, or entity in connection with any pending hearing or as a part of a duly authorized report of the committee if such release is deemed essential to the performace of the functions of the committee and is in the public interest.

RULE 12. BROADCASTING OF COMMITTEE HEARINGS

The rule for the broadcasting of committee hearings shall be the same as Rule XI, clause 3 of the Rules of the House of Representatives.

RULE 13. COMMITTEE REPORTS

(a) No committee report shall be made public or transmitted to the Congress without the approval of a majority of the committee except when Congress has adjourned;

Provided, that any member of the committee may make a report supplementary to or dissenting from the majority report. Such supplementary or dissenting report should be as brief as possible.

(b) Factual reports by the committee staff may be printed for distribution to committee members and the public only upon authorization of the chairman either with the approval of a majority of the committee or with the consent of the ranking minority member.

RULE 14. CONFIDENTIALITY OF COMMITTEE REPORTS

No summary of a committee report, prediction of the contents of a report, or statement of conclusions concerning any investigation shall be made by a member of the committee or by any staff member of the committee prior to the issuance of a report of the committee.

RULE 15. COMMITTEE STAFF

(a) The committee shall have a professional and clerical staff under the supervision of a staff director. Staff operating procedures shall be determined by the staff director, with the approval of the chairman of the committee, and after the notification to the ranking minority member with respect to basic revisions of existing procedures. The staff director under the general supervision of the chairman, is authorized to deal directly with agencies of the Government and with non-Government groups and individuals on behalf of the committee.

(b) The chairman, on behalf of his party's members, shall be entitled to designate not more than three, and the ranking minority member, on behalf of his party's members, shall be entitled to designate not more than two of the following senior staff members: Staff Director, General Counsel, Deputy Staff Director, Assistant Staff Director or Associate General Counsel, and Special Assistant.

(c) All other staff members shall be selected on the basis of their training, experience, and attainments, without regard to political affiliations, and shall serve all members of the committee in an objective, non-partisan manner.

RULE 16. COMMITTEE CHAIRMAN

The chairman of the committee may establish such other procedures and take such actions as may be necessary to carry out the foregoing rules or to facilitate the effective operation of the committee. Specifically, the chairman is authorized, during the interim periods between meetings of the committee, to act on all requests submitted by any executive department, independent agency, temporary or permanent commissions and committees of the Federal Government, the Government Printing Office, and any other Federal entity, pursuant to the requirements of applicable Federal law and regulations.●

RULES OF THE SPECIAL COMMITTEE ON AGING

● Mr. HEINZ. Mr. President, I am pleased to report that the Special Committee on Aging of the Senate met in executive session on February 26, 1981, and approved the revised committee rules for 1981.

These rules have been completely revised and expanded with the advice of the Office of Legal Counsel.

Pursuant to Senate Standing Rule 26, I ask that the rules of the Special Committee on Aging be published in full in the RECORD.

The rules follow:

RULES OF THE SPECIAL COMMITTEE ON AGING OF THE UNITED STATES SENATE

RULE 1. CONVENING OF MEETINGS AND HEARINGS

1.1 Meetings. The Committee shall meet to conduct Committee business at the call of the Chairman, to the extent practicable, at least four times a year.

1.2 Special meetings. The members of the Committee may call additional meetings as provided in Senate Rule XXVI(3).

1.3 Notice and agenda.

(a) Hearings. The Committee shall make public announcement of the date, place, and subject matter of any hearing at least one week before its commencement.

(b) Meetings. The chairman shall give the members written notice of any Committee meeting, accompanied by an agenda enumerating the items of business to be considered, at least 5 days in advance of such meeting.

(c) Shortened notice. A hearing or meeting may be called on not less than 24 hours notice if the chairman, with the concurrence of the ranking minority member, determines that there is good cause to begin the hearing or meeting on shortened notice. An agenda will be furnished prior to such a meeting.

1.4 Presiding officer. The chairman shall preside when present. If the chairman is not present at any meeting or hearing, the ranking majority member present shall preside. Any member of the Committee may preside over the conduct of a hearing.

RULE 2. CLOSED SESSIONS AND CONFIDENTIAL MATERIALS

2.1 Procedure. All meetings and hearings shall be open to the public unless closed. To close a meeting or hearing or portion thereof, a motion shall be made and seconded to go into closed discussion of whether the meeting or hearing will concern the matters enumerated in Rule 2.3. Immediately after such discussion, the meeting or hearing may be closed by a record vote in open session of a majority of the members of the committee present.

2.2 Witness request. Any witness called for a hearing may submit a written request to the chairman no later than twenty-four hours in advance for his examination to be in closed or open session. The chairman shall inform the Committee of any such request.

2.3 Closed session subjects. A meeting or hearing or portion thereof may be closed if the matters to be discussed concern: (1) national security; (2) committee staff personnel or internal staff management or procedure; (3) matters tending to reflect adversely on the character or reputation or to invade the privacy of any individuals; (4) other matters enumerated in Senate Rule XXVI(5)(b).

2.4 Confidential matter. No record made of a closed session, or material declared confidential by a majority of the committee, or report of the proceedings of a closed session, shall be made public, in whole or in part or by way of summary, unless specifically authorized by the chairman and ranking minority member or by a majority vote of the Committee.

2.5 Broadcasting.

(a) Control. Any meeting or hearing open to the public may be covered by television, radio, or still photography. Such coverage must be conducted in an orderly and unobtrusive manner, and the chairman may for good cause terminate such coverage in whole or in part, or take such other action to control it as the circumstances may warrant.

(b) Request. A witness may request of the chairman, on grounds of distraction, harassment, personal safety, or physical discomfort, that during his testimony cameras, media microphones, and lights shall not be directed at him.

RULE 3. QUORUMS AND VOTING

3.1 Reporting. A majority shall constitute a quorum for reporting a resolution, recommendation or report to the Senate.

3.2 Committee business. A third shall constitute a quorum for the conduct of committee business, other than a final vote on reporting, providing a minority member is present. One member shall constitute a quorum for the receipt of evidence, the swearing of witnesses, and the taking of testimony at hearings.

3.3 Polling.

(a) Subjects. The committee may poll only (1) internal committee matters including the committee's staff, records, and budget; (2) steps in an investigation, including issuance of subpoenas, applications for immunity orders, and requests for documents from agencies, once the committee has approved the investigation at a meeting; (3) other committee business which has been designated for polling at a meeting.

(b) Procedure. The chairman shall circulate polling sheets to each member specifying the matter being polled and the time limit for completion of the poll. If any member so requests in advance of the meeting, the matter shall be held for meeting rather than being polled. The clerk shall keep a record of polls; if the chairman, with the approval of a majority of the members, determines that the polled matter is in one of the areas enumerated in Rule 2.3, the record of the poll shall be confidential. Any member may move at the committee meeting following a poll for a vote on the polled decision.

RULE 4. SUBPOENAS

4.1 Authorization. Any major investigation, including any investigation in which subpoenas are issued, must be authorized by vote of the committee. Once a major investigation is authorized, the chairman has authority to subpoena the attendance of witnesses or the production of memoranda, documents, records, or any other materials. When the committee or the chairman authorizes subpoenas, subpoenas may be issued upon the signature of the chairman or any other member designated by the committee.

4.2 Return. A subpoena duces tecum or a request to an agency for documents may be issued whose return shall occur at a time and place other than that of a scheduled hearing. A return on such a subpoena or request which is incomplete or accompanied by an objection constitutes good cause for a hearing on shortened notice. Upon such a return, any member may convene a hearing by giving two hours' telephonic notice to all other members. One member shall constitute a quorum at such a hearing. The sole purpose of such a hearing shall be to elucidate further information about the return of and to rule on the objection.

RULE 5. HEARINGS

5.1 Notice. Witnesses called before the committee shall be given, absent extraordinary circumstances, at least forty-eight hours' notice, and all witnesses called shall be furnished with a copy of these rules upon request.

5.2 Oath. All witnesses who testify to matters of fact shall be sworn unless the committee waives the oath. The chairman, or any member, may request and administer the oath.

5.3 Statement. Any witness desiring to make an introductory statement shall file 50 copies of such statement with the chairman or clerk of the committee 24 hours in advance of his appearance, unless the chairman and ranking minority member determine that there is good cause for a witness's failure to do so. A witness shall be allowed no more than ten minutes to orally summarize his prepared statement.

5.4 Counsel.

(a) A witness's counsel shall be permitted to be present during his testimony at any public or closed hearing or deposition or staff interview to advise such witness of his rights, provided, however, that in the case of any witness who is an officer or employee of the government, or of a corporation or association, the chairman may rule that representa-

tion by counsel from the government, corporation, or association creates a conflict of interest, and that the witness shall represented by personal counsel not from the government, corporation or association.

(b) A witness who is unable for economic reasons to obtain counsel may inform the committee at least 48 hours prior to the witness's appearance, and it will endeavor to obtain volunteer counsel for the witness. Such counsel shall be subject solely to the control of the witness and not the committee. Failure to obtain counsel will not excuse the witness from appearing and testifying.

5.5 Transcript. An accurate electronic or stenographic record shall be kept of the testimony of all witnesses in executive and public hearings. Any witness shall be afforded, upon request, the right to review that portion of such record, and upon his request and at his expense, a copy of a witness's testimony in public or closed session shall be provided to the witness. Upon inspecting his transcript, within a time limit set by the committee clerk a witness may request changes in testimony to correct errors of transcription, grammatical errors, and obvious errors of fact; the chairman or a staff officer designated by him shall rule on such requests.

5.6 Impugned persons. Any person who believes that evidence presented, or comment made by a member or staff, at a public hearing or at a closed hearing concerning which there have been public reports, tends to impugn his character or adversely affect his reputation may;

(a) file a sworn statement of facts relevant to the evidence or comment, which shall be placed in the hearing record;

(b) request the opportunity to appear personally before the committee to testify in his own behalf; and

(c) submit questions in writing which he requests be used for the cross-examination of other witnesses called by the committee. The chairman shall inform the committee of such requests for appearance or cross-examination. If the committee so decides, the requested questions, or paraphrased versions or portions of them, shall be put to the other witnesses by a member or by staff.

5.7 Minority witnesses. Whenever any hearing is conducted by the committee, the minority on the committee shall be entitled, upon request made by a majority of the minority members to the chairman, to call witnesses selected by the minority to testify or produce documents with respect to the measure or matter under consideration during at least one day of hearing. Such request must be made before the completion of the hearing or, if subpoenas are required to call the minority witnesses, no later than three days before the completion of the hearing.

RULE 6. DEPOSITIONS AND COMMISSIONS

6.1 Notice. Notices for the taking of depositions in an investigation authorized by the committee shall be authorized and issued by the chairman or by a staff officer designated by him. Such notices shall specify a time and place for examination, and the name of the staff officer or officers who will take the deposition. Unless otherwise specified, the deposition shall be in private. The committee shall not initiate procedures leading to criminal or civil enforcement proceedings for a witness's failure to appear unless the deposition notice was accompanied by a committee subpoena.

6.2 Counsel. Witnesses may be accompanied at a deposition by counsel to advise them of their rights, subject to the provisions of Rule 5.4.

6.3 Procedure. Witnesses shall be examined upon oath administered by an individual authorized by local law to administer oaths. Questions shall be propounded orally by committee staff. Objections by the witness as to the form of questions shall be noted for the record. If a witness objects to a question and refuses to testify on the basis of relevance or privilege, the committee staff may proceed with the deposition, or may, at that time or at a subsequent time, seek a ruling by telephone or otherwise on the objection from a member of the committee. If the member overrules the objection, he may refer the matter to the committee or he may order and direct the witness to answer the question, but the committee shall not initiate procedures leading to civil or criminal enforcement unless the witness refuses to testify after he has been ordered and directed to answer by a member of the committee.

6.4 Filing. The committee staff shall see that the testimony is transcribed or electronically recorded. If it is transcribed, the witness shall be furnished with a copy for review. No later than five days thereafter, the witness shall return a signed copy, and the staff shall enter the changes. if any, requested by the witness in accordance with Rule 5.6. If the witness fails to return a signed copy the staff shall note on the transcript the date a copy was provided and the failure to return it. The individual administering the oath shall certify on the transcript that the witness was duly sworn in his presence, the transcriber shall certify that the transcript is a true record of the testimony, and the transcript shall then be filed with the committee clerk. Committee staff may stipulate with the witness to changes in this procedure; deviations from this procedure which do not substantially impair the reliability of the record shall not relieve the witness from his obligation to testify truthfully.

6.5 Commissions. The committee may authorize the staff, by issuance of commissions, to fill in prepared subpoenas, conduct field hearings, inspect locations, facilities, or systems of records, or otherwise act on behalf of the committee. Commissions shall be accompanied by instructions from the committee regulating their use.

RULE 7. SUBCOMMITTEES

7.1 Establishment. The Committee will operate as a Committee of the Whole, reserving to itself the right to establish temporary subcommittees at any time by majority vote. The Chairman of the full Committee and the Ranking minority member shall be ex officio members of all subcommittees.

7.2 Jurisdiction. Within its jurisdiction, as described in the committee legislative calendar, each subcommittee is authorized to conduct investigations, including use of subpoenas, depositions, and commissions.

7.3 Rules. A subcommittee shall be governed by the committee rules, except that its quorum for all business shall be one third of the subcommittee membership, and for hearings shall be one member.

RULE 8. REPORTS

Committee reports incorporating Committee findings and recommendations shall be printed only with the prior approval of the Committee. The printing, as Committee documents, of materials prepared by staff for informational purposes or the printing of materials not originating with the Committee or staff shall require prior consultation with the minority staff; these publications shall have the following language printed on the cover of the document: "Note: This document has been printed for informational purposes. It does not represent either findings or recommendations formally adopted by this Committee."

RULE 9. AMENDMENT OF RULES

The rules of the Committee may be amended or revised at any time, provided that not less than a majority of the Committee so determine at a Committee meeting preceded by at least 3 days notice of the amendments or revisions proposed.

APPENDIX

Guidelines for investigative procedure

1. Preliminary inquiries and requests for information may be initiated by the Committee staff. The Chairman and the ranking minority member may authorize any preliminary investigation by approving a written investigative plan detailing the general purpose and scope of the investigation. Full scale investigations shall be first authorized by the full Committee, as provided for in the Committee Rules.

2. All investigations shall be conducted on a bipartisan basis by Committee staff as appointed by the Chairman and ranking member. Staff shall keep the Committee informed of the progress and proposed changes in continuing investigations.

3. All individuals whose names will be mentioned adversely in public hearings shall be given no less than one week's notice of such hearings and afforded the opportunity to (a) appear before the Committee, (b) send a representative to observe the hearing, or (c) file a written statement for inclusion in the record. In any case, those parties whose names are mentioned adversely shall be sent a copy of the relevant portion of the official transcript and afforded an opportunity to comment. Any member of the Committee may request that any statements filed with the Committee be notarized.

4. All witnesses at public hearings or executive meetings on investigative matters shall be sworn.

5. An investigative summary and witness list shall be distributed to Committee members not less than five days prior to any investigative hearing.

6. Interrogation of witnesses at Committee hearings shall be conducted by members of the Committee and authorized Committee personnel only.

7. Any person who is the subject of an investigation in public hearings may submit to the Chairman questions in writing to be asked of other witnesses called by the Committee. With the consent of a majority of the members present, these questions shall be put to the witness by the Chairman or his designee.

8. All reports and recommendations stemming from Committee investigations shall be printed only with the pior approval of a majority of the members of the Committee, after an adequate period for review and comment.●

RULES OF THE COMMITTEE ON ARMED SERVICES

● Mr. TOWER. Mr. President, I submit the Armed Services Committee Rules of Procedure and ask that they be inserted in the RECORD in accordance with the requirements of rule XXVI of the Standing Rules of the Senate. I also want to mention that the Committee on Armed Services will be considering some minor amendments to its rules within the next several weeks and I will, of course, insure that such amendments—if adopted—will be reflected in the RECORD within the prescribed 30 days.

The rules follow:

ARMED SERVICES COMMITTEE RULES OF PROCEDURE

(Adopted January 31, 1972)

1. *Regular Meeting Day and Time.* The regular meeting day of the committee shall be each Thursday at 10:00 a.m., unless the committee or the chairman directs otherwise.

2. *Additional Meetings.* The chairman may call such additional meetings as he deems necessary.

3. *Special Meetings.* Special meetings of

the committee may be called by a majority of the members of the committee in accordance with section 133(a) of the Legislative Reorganization Act of 1946, as amended by section 102(a) of the Legislative Reorganization Act of 1970.

4. *Open Meetings.* All meetings of the committee shall be open to the public except executive sessions for marking up bills or for voting or unless the committee by majority vote provides otherwise.

5. *Presiding Officer.* The chairman shall preside at all meetings and hearings of the committee except that in his absence the ranking majority member present at the meeting or hearing shall preside unless by majority vote the committee provides otherwise.

6. *Quorum.* (a) A majority of the members of the committee are required to be actually present to report a matter or measure from the committee.

(b) Except as provided in subsections (a) and (c), and other than for the conduct of hearings, six members of the committee shall constitute a quorum for the transaction of such business as may be considered by the committee.

(c) Three members of the committee, one of whom shall be a member of the minority party, shall constitute a quorum for the purpose of taking sworn testimony, unless otherwise ordered by a majority of the full committee.

(d) Proxy votes may not be considered for the purpose of establishing a quorum.

7. *Proxy voting.* Proxy voting shall be allowed on all measures and matters before the committee. The vote by proxy of any member of the committee may be counted for the purpose of reporting any measure or matter to the Senate if the absent member casting such vote has been informed of the matter on which he is being recorded and has affirmatively requested that he be so recorded.

8. *Announcement of votes.* The results of all rollcall votes taken in any meeting of the committee on any measure, or amendment thereto, shall be announced in the committee report, unless previously announced by the committee. The announcement shall include a tabulation of the votes cast in favor and votes cast in opposition to each such measure and amendment by each member of the committee who was present at such meeting.

9. *Hearings.* (a) Public notice shall be given of the date, place, and subject matter of any hearing to be held by the committee, or any subcommittee thereof, at least 1 week in advance of such hearing, unless the committee or subcommittee determines that good cause exists for beginning such hearing at an earlier time.

(b) Hearings may be initiated only by the specific authorization of the committee or subcommittee.

(c) Hearings shall be held only in the District of Columbia unless specifically authorized to be held elsewhere by a majority vote of the committee or subcommittee conducting such hearings.

(d) Each hearing held by the committee shall be open to the public except when the committee determines that the testimony to be taken at such hearing may relate to a matter of national security, may tend to reflect adversely on the character or reputation of the witness or any other individual, or may divulge matters deemed confidential under other provisions of law or regulations.

(e) Witnesses appearing before the committee shall file with the clerk of the committee a written statement of his proposed testimony at least one day prior to a hearing at which he is to appear unless the chairman and the ranking minority member determines that there is good cause for the failure of the witness to file such a statement.

(f) Confidential testimony taken or confidential material presented in a closed hearing of the committee or subcommittee or any report of the proceedings of such hearing shall not be made public in whole or in part or by way of summary unless authorized by a majority vote of the committee or subcommittee.

(g) Any witness summoned to give testimony or evidence at a public or closed hearing of the committee or subcommittee may be accompanied by counsel of his own choosing who shall be permitted at all times during such hearing to advise such witness of his legal rights.

(h) Each subcommittee of the committee shall (1) fix the number of members that shall constitute a quorum of such subcommittee for the purpose of taking sworn testimony, (2) determine the circumstances under which subpoenas may be issued, and (3) the member or members over whose signature subpoenas may be issued.

10. *Nominations.* Unless otherwise ordered by the committee, nominations referred to the committee shall be held for at least 7 days before being voted on by the committee. Each member of the committee shall be furnished a copy of all nominations referred to the committee.

11. *Real Property Transactions.* Each member of the committee shall be furnished with a copy of the proposals of the Secretaries of the Army, Navy, and Air Force, submitted pursuant to section 2662 of title 10, United States Code, and with a copy of the proposals of the Director of the Office of Emergency Preparedness, submitted pursuant to section 43 of the act of August 10, 1956 (50 U.S.C. app. 2285), regarding the proposed acquisition or disposition of property of an estimated price or rental of more than $50,000. Any member of the committee objecting to or requesting information on a proposed acquisition or disposal shall communicate his objection or request to the chairman of the committee within 30 days from the date of submission.

12. *Legislative Calendar.* (a) The clerk of the committee shall keep a printed calendar for the information of each committee member showing the bills introduced and referred to the committee and the status of such bills. Such calendar shall be revised from time to time to show pertinent changes in such bills, the current status thereof, and new bills introduced and referred to the committee. A copy of each such revision shall be furnished to each member of the committee.

(b) Unless otherwise ordered, measures referred to the committee shall be referred by the clerk of the committee to the appropriate department or agency of the Government for reports thereon.●

TOWARD DEMOCRACY IN URUGUAY

● Mr. KENNEDY. Mr. President, at a time when military dictatorships throughout the southern cone of South America are seeking to consolidate their power, the people of Uruguay voted overwhelmingly last November against a proposed constitution intended to enshrine military rule in that country. In the capital itself, Montevideo, where nearly half of Uruguay's population resides, the vote was almost 2 to 1 to reject the military proposal. Uruguay's military rulers were stunned by this major setback to their massive campaign to suppress opposing opinions and establish their own legitimacy.

After 8 years of harsh military rule, the armed forces in Uruguay are now conspicuously quiet about their next move. Whatever they decide, the voice of the people has been heard—and can not be ignored. As Cynthia Gorney recently reported in the Washington Post, the junta has "much to decide now—whether to appoint a new president this fall, whether to reopen dialog with the political parties they prohibited from activity 8 years ago, whether to respond in any way to the quietly growing call for a constitutional assembly."

Mr. President, the will of the people was made clear in Uruguay last November. And today, as Ms. Gorney and others report, there are voices being raised in and out of the junta for a constitutional assembly to be convened. We in the United States should welcome this long-awaited breech in the wall of repression in Uruguay. We should encourage Uruguay's leaders to heed the popular mandate for democratization—for a return after 8 years of military dictatorship to a popularly elected, civilian government. I ask that Cynthia Gorney's informative article, "In Uruguay, the Junta is Puzzled and Its Opponents Are Pleased," be printed in the RECORD.

The article follows:

[From the Washington Post, Feb. 9, 1981]

IN URUGUAY, THE JUNTA IS PUZZLED AND ITS OPPONENTS ARE PLEASED

(By Cynthia Gorney)

MONTEVIDEO, URUGUAY.—The stunned silence that followed this country's rejection last November of a new constitution drawn up by its military rulers still fills the marble hallways of Uruguayan officialdom.

The president declines an interview, explaining through an intermediary that the government is "looking for a solution," but that he has nothing to say. The Navy commander finds it unconvenient to be interviewed at this time. The Army commander, a black-haired man who smokes cigarettes and smiles as he talks, explains that "work is being done to give continuity to the development process."

There have been no public meetings, no approaches to the political parties, no official pronouncements as to what the government will do now that its proposed constitution—an effusively advertised document that would have guaranteed the military a permanent and powerful role in Uruguayan politics—has been soundly defeated.

"The results of the plebiscite really threw them for a loop," said one diplomatic observer. "It's obviously inconceivable that that kind of military mind would go into battle without any battle plan for defeat, but this appears to be really what happened."

This month, the height of the Uruguayan summer, the most elated voices in Uruguay are those the law has prohibited from speaking out. In the clandestine meeting places of Uruguayan political parties—cafes, country bars and shaded apartments of men who used to be senators—their faces still fill with pleasure as they tell again the story of the political network that survived. Eight years of hiding to gear up, fan out, and pass the word: "No."

"It was a good training," said a former legislator who is prohibited, under a five-year-old Uruguayan law, from working in or talking about politics. "A very good training indeed. In one month we realized we were fit."

Junta and government officials have much to decide now—whether to appoint a new president this fall, whether to reopen dialogue with the political parties they prohibited from activity eight years ago, whether to respond in any way to the quietly growing call for a constitutional assembly. The military itself is split, according to observers,

between commanders who wish to try again for some electoral plan and commanders who take the election as a sign that they must simply tighten their grip on Uruguay.

There are those within the military, including the Army commander and junta leader, Lt. Gen. Luis B. Queirolo, who have taken to explaining the plebiscite vote this way: If you discount all the secret leftist sympathizers, who are suspect by definition, and if you include all the people who voted no because they liked things just the way they were and had no use for a new constitution, the military was really not rejected by a Uruguayan majority at all.

"If we had been rejected, I wouldn't be here," Quierolo said. "I'd be enjoying myself in my house."

The constitution was presented to Uruguay last year with an advertising campaign worthy of a new low-tar cigarette. Long before the document itself had been publicly released, the radio and television spots had begun. There was singing, to a bright, martial beat:

"Yes! For the nation! Yes! For grandness! Yes! For my Uruguay!"

There were shots of careening gulls, of dams, of schoolchildren. A warm, deep voice would speak: "What is a nation? A nation is much more than a map, and it does not measure itself in kilometers. It is measured in the work of its people. A nation is a way to carry goods, to communicate, to grow closer to one another . . . Vote yes the 30th of November. Say yes to progress, and to peace."

"It got to the point where you were thinking, 'Yes! For the coffee! Yes! For the water!' " one Uruguayan said contemptuously. "They thought they were selling Coca-Cola. They were at that level."

It seemed, in general, an auspicious time to present the trappings of legitimacy in the military governments of the southern part of South America. With much publicity about his "moderate" views and his willingness to begin talking to political factions, President Augusto Pinochet of Chile had just won a plebiscite extending his presidency to the year 1988, with a reappointment option that could conceivably keep him in power almost to the end of the century.

At the beginning of November, the Uruguayan document was finally released to the newspapers. "An answer to the crisis," read the boldfaced type across the center pages.

In its 239 articles and special "transitional" additions, the constitution called for a presidential election—a one-candidate election, because "for this president to act efficiently, he must have the greatest popular respect possible."

It would have given the armed forces the right of approval for the presidential candidate and established a National Security Council, with permanent seats for the armed forces to share power with—not advise—the elected president.

"And 'national security' means everything," said Enrique Tarigo, editor of the newspaper Opinar, which was born out of oppostion to the constitution.

In the flowery Spanish of the constitution, he defined it: "The state by which the national heritage in all its forms and the process of developent toward national objectives shall be sheltered from internal or external interference or aggression."

Tarigo shrugged, palms up. "With this idea they had assured their future in the national government. Asking us to go and vote for the military government to become the legitimate government was a little absurd, no?"

The national tally was 57.2 percent against the constitution, 42.8 percent in favor out of 1.6 million Uruguayans who went to the polls. In Montevideo, the vote was 2-to-1 against the constitution and opposition leaders believe from voting records that young people voting for the first time rejected the constitution by a margin of 4 to 1.

The results were particularly surprising because ever since the closure of Congress in 1973, when then-President Juan Maria Bordaberry allowed the military to close Congress and stop the kidnapings and political murders by urban guerrillas called Tupamaros, Uruguay had been governed by a military junta in conjunction with a figurehead civilian president.

Parties had not been allowed to meet. The press had been rigidly controlled. Former politicians, party leaders and presidential candidates had been prohibited from working in politics. Uruguay was a nation, according to official doctrine, where "social tranquility" had replaced the chaos brought on by open political activity.

But Uruguay—a tiny country with fewer than 3 million people, half of them in Montevideo—has a 100-year-old tradition of electoral politics. Uruguayans still cherish their boast that a Montevideo cafe waiter knows more about history and politics than other countries' government ministers do.

By the mid-1970s, the government had been internationally condemned for its use of tortures—some reportedly refined with the help of North American advisers—that ranged from carefully placed electric shock to the "parrot's perch," a pole on which the subject was hung by the wrists and ankles.

Uruguayan officials have repeatedly denied reports that in the last few months, several of the 1,197 political prisoners still at Uruguay's La Libertad prison have been tortured to death. Since last November, when prison officials declared just before the plebiscite that they had discovered an escape plot at La Libertad, four prisoners are believed to have died there of what were officially listed as natural causes.

One of the dead, a former champion swimmer, is supposed to have suffered a seizure and died while playing soccer in the prison exercise yard.

A recently released La Libertad prisoner, speaking three weeks ago at a press conference in Rio de Janeiro, said a former cellmate of his had been tortured before dying in what jail authorities said was a suicide. Guillermo Fernandez, 32, who completed an eight-year sentence last July and spoke to reporters before flying to Europe, also accused prison authorities of drawing up an "extermination list" of 64 prisoners who Fernandez said had been taped complaining about prison conditions to a visiting International Red Cross commission.

Opposition leaders are unwilling to talk about the torture rumors, although they have heard them as well. North American diplomats—who say that during the Carter administration they received what one diplomat called "a steady stream of family members" reporting torture or disappearances in Uruguay—say that in recent months no one has brought such reports to them or to human rights officers at other embassies.

The Uruguayan military has never acknowledged, even under the intense international criticisms it received the mid-1970s, that it made a practice of torturing prisoners.

But despite the ban on public politics and the fear generated by these reports of torture, a sort of political life went on. By last November there were still caudillitos, little leaders: the doctor or the assembly worker who carried the parties' messages into factories and private homes. Within a day or two of the constitution's release, proscribed leaders of the Colorados and the Blancos, the nation's two major political parties, had sent the caudillitos their veto message and were waiting for the word to spread.

Hand-to-hand, Uruguayans passed around cassette tapes bearing the recorded voices of Jorge Batlle, the proscribed Colorado ex-presidential candidate, and Wilson Ferreira Aldunate, the Blanco ex-presidential candidate who left the country out of fear for his life.

There was a story of one taxi driver, who carried the Batlle cassette in his cab and when he sensed from conversation that he was carrying a "no" passenger, he would turn on his cassette player and let the speech begin.

The government, in a decision that many Uruguayans later could only attribute to galloping overconfidence, was clearly prepared to allow Uruguayans at least some argument. Two nationally televised plebiscite debates were approved, and a group of Colorado youths received permission for a public "no" rally in a Montevideo movie threater.

Many weeks later, one gray-haired Uruguyan played his cassette tape of the opening speech at that first rally, his small smile widening as he listened again to the young recorded voice growing surer and fuller with each round of cheers.

"This is the first time anyone had spoken out in eight years," the Uruguayan said.

The city was rife with plebiscite stories. There were rumors that the elderly would lose their pensions if the constitution failed, that the voters would be spied on, that the envelopes were transparent and the voting tables were equipped with electric eyes.

There was bitter complaining about the new government's economy, about workers' inability to keep pace with an inflation rate that had run 83 percent in 1979. At the last of the three "no" rallies, the day before the plebiscite, one Uruguayan saw something that would have seemed to him unthinkable three weeks earlier: a middle-aged woman, on hearing one speaker mention President Aparicio Mendez, cried out fiercely, to loud applause, "That old man with no shame."

On Nov. 30, Uruguayans voted and it is the sudden quiet that people now remember most.

"Without saying a word, they stood there for hours and hours," said a proscribed Colorado. "Without speaking to each other, without telling anybody in the line what they were going to vote for. And they voted no. And after that, they went to their houses, not doing anything to provoke a reaction of the government. And the day after the vote, when you went to your work or you went to the streets, everybody just smiled."

A week after it was over, the only visible change in Uruguay was the weekly Opinar, which fills its columns with economic criticism, international news, and talk of the plebiscite. The other newspapers are still hushed. The politicians are still proscribed.

Quierolo still declares that the nation will be ready for elections only "when the conditions are created," that it will be up to the government to determine when that time has come, and that the military intends to remain a permanent part of Uruguay's government "because we had very difficult years here, and we don't want to repeat them."

"The repression is exactly the same," said a proscribed Blanco. "It was not a triumph. It was a protest. We didn't choose between two constitutions. It was just getting out the hatred—no, no, no." ●

PRESCRIPTION FOR AUTO AILMENTS

● Mr. DANFORTH. Mr. President, early last month Senator BENTSEN and I, along with six of our colleagues, introduced S.

396, which would temporarily limit the import of Japanese cars. U.S. manufacturers' auto sales are down for the early part of this year. Ford and Chrysler have confirmed their record losses for 1980. S. 396 was introduced reluctantly by individuals who believe in free trade, but the circumstances that forced us to this course of action continue unabated.

I submit the following editorial that appeared in February 14–15 St. Louis Globe-Democrat in the RECORD:

PRESCRIPTION FOR AUTO AILMENTS

Free trade is a desirable goal that should be pursued vigorously under normal circumstances.

The current crisis battering the U.S. auto industry, now deposed as No. 1 in the world, cannot be diagnosed as a normal situation. Detroit and other major auto centers such as St. Louis are gravely wounded.

Chrysler is in intensive care after wavering precariously on the verge of death. It continues to breathe as a result of massive U.S. government loan guarantees and various concessions granted by its employees, suppliers and financial institutions.

General Motors, which lost a staggering $762.5 million in 1980, its first year in the red since 1921, acknowledges its plans to seek wage concessions from the United Auto Workers. Ford Motor Company, also a big loser in its domestic operations, is expected to do likewise. Chrysler already has agreed to negotiate a profit-sharing plan with the UAW for the concessions.

There is ample cause to pull out all stops in an extraordinary effort to assure survival. Evidence of the dire situation stands out clearly: In total the U.S. auto industry sustained a $4 billion loss last year. It is imperative to reverse the direction because U.S. automakers are expected to expend more than $70 billion in capital improvements by 1985 for the small-car production necessary to reverse the swelling tide of imports.

Not only the auto industry is hurting. The misfortunes spill over nationwide. In normal times 50 percent of the rubber, 25 percent of the steel and 15 percent of the aluminum industries are dependent upon the automakers.

Firms supplying parts and components to the automakers have no reason to rejoice. Layoffs among suppliers have at least equaled the 200,000 assembly line workers who have been idled.

Against this grim backdrop, hard-nosed Japanese auto manufacturers have made a mockery of free trade, which is intended to be a two-way street with nations treating each other fairly and equally. Unfortunately for the U.S., Tokyo assurances fall far short of their promise.

Japan protects its domestic manufacturers from foreign competition with complex requirements and regulations. Assorted taxes, higher dealer margins, distribution costs and other factors are highly effective in curbing imports to Japan from the U.S. and other countries.

A U.S. made compact which retails for $6,635 in this country would cost $12,065 in Japan. As a result U.S. autos don't make much of a dent on the Island of the Rising Sun. Neither would Japanese imports to the U.S. if the same tactics were used by this country. A number of South American countries levy a heavy duty that keeps out Japanese imports.

U.S. automakers, who have long been blaming federal government regulations for some of the problems, also are at fault. They ignored reality and pressed on with the bigger and more profitable production of larger cars. Assembly-line workers demanded sky-high wages and costly benefits while the quality of their work declined.

A temporary limitation on Japanese imports appears to offer the best hope of bringing new vigor to the U.S. auto industry. A bill sponsored by Senator John C. Danforth. R-Mo., would limit Japanese imports to 1.6 million vehicles annually through 1983.

The U.S. cannot allow a further decline by the automakers and related industries, a situation that would transform the western world's industrial giant into an economic cripple. Congress should give a sympathetic ear to the auto industry's plight. Even with the proposed limitation, Tokyo still would be getting off far, far better than American automakers are making out in Japan.●

MISTAKEN U.S. POLICY IN EL SALVADOR

● Mr. KENNEDY. Mr. President, I am strongly opposed to the increasing U.S. military involvement in El Salvador, just as I continue to oppose military intervention from other sources in this civil strife. By introducing over 50 military personnel into this small Central American nation, the Reagan administration is reducing the prospect for a peaceful solution to this conflict.

We should insist on bringing to justice those responsible for killing three American nuns and three American church and labor workers, and we should do all we can to help end the senseless killings of Salvadoran civilians.

I call upon the administration to pursue a lasting political solution, working with Mexico and other democratic governments in this hemisphere and in Europe. We should press for a political dialog between Salvador's warring factions; mediation of their differences, including an all-parties conference based on the model of the Lancaster House talks on Zimbabwe; and an in-place military truce with no further military supplies to permit such mediation to succeed.

Finally, we should stand ready to assist in achieving social and economic reforms to reduce the fundamental inequalities of wealth and denial of political and economic participation which are the core of the civil strife.●

THE 18TH ANNUAL WEHRKUNDE CONFERENCE

● Mr. TOWER. Mr. President, it was recently my privilege to attend the 18th Annual Wehrkunde Conference in Munich, where leaders of the NATO countries gather once a year for a frank and wide-ranging discussion of relevant international security issues.

Among the papers presented at this conference were two which I think are extremely worthy of the attention of Senators. The American paper was presented by the Deputy Secretary of Defense, Frank C. Carlucci, and the British paper this year was presented by the Parliamentary Under Secretary of State for Defense for the Royal Air Force, Sir Geoffrey Pattie.

I ask that the full text of the remarks offered by Mr. Carlucci and Mr. Pattie be printed in the RECORD.

The text follows:

OFFICE OF ASSISTANT SECRETARY OF DEFENSE (PUBLIC AFFAIRS),
Washington, D.C.

REMARKS BY THE HONORABLE FRANK C. CARLUCCI, DEPUTY SECRETARY OF DEFENSE

I am honored and pleased to be here today. Honored to address so distinguished an assemblage. Pleased to return in an official capacity to Europe, where I spent some of the most interesting and satisfying years of my career in public service.

Europe holds a special place in the hearts of Americans. We draw from you much of our cultural heritage, our language, even our religious traditions. In this century, peace and security in Europe have become inseparable from peace and security for the United States. Three decades ago, we joined with our European friends in an unprecedented alliance of free peoples, an alliance whose raison d'etre is as clear and persuasive today as it was when the North Atlantic Treaty was signed.

Our common commitment to the goals of the Alliance is undiminished. As allies, we believe now, as we did then, that an attack against one of us is an attack against us all. We believe now, as we did then, that we must maintain and develop our individual and collective capacity to resist armed attack.

Some of the challenges that confront us in the 1980s are those that forged our Alliance in the 1940s—the menacing and continuing growth of Soviet military power in Europe. Yet, in many ways, the context for even these familiar challenges has changed. The Soviet buildup in Europe clearly exceeds any rational requirement for defense. It bears all the marks of an offensive military capability, consistent with Soviet military doctrine. This steady and cumulative expansion of conventional, chemical, and theater nuclear forces has been accompanied by a long-term and major shift in the strategic nuclear balance, from one of unquestioned U.S. superiority to essential equivalence, and the prospect, if appropriate steps are not taken, of possible inferiority. The twin results of this shift are that the United States no longer enjoys a strategic edge to compensate for other deficiencies and that Soviet ability to use the threat of conventional force for political purposes could be significantly enhanced. On all levels of military capability, the trends are ominous.

Other newer and less familiar, yet equally real and dangerous, challenges have arisen—most critically, threats to our common, vulnerable lifeline to Persian Gulf oil. The Iran-Iraq war demonstrates the potential for conflicts within the region and the danger they can present to Western interests. The invasion and continuing occupation of Afghanistan underscore Soviet willingness to exploit their military power directly in that part of the world and indeed to move that power even closer to the oil-producing heart of the region. The sheer political impact of what they have done so far and the looming presence of their military forces could give the Soviets extraordinary leverage in the region, even without firing another shot.

OUR RESPONSE

Let me say before I go any further that the Reagan Administration recognizes the need for an allied response to these challenges—with all the consultation, cooperation, and commitment that implies. We anticipate building upon past progress as we renew and intensify our efforts for the future.

We recognize, and we will capitalize on, such specific and important steps as the NATO Long-Term Defense Program, the commitment to a sustained increase in defense spending, and the December 1979 decision to modernize long-range theater nu-

clear forces while pursuing parallel arms control efforts with the Soviets.

But there is also much that has not yet been done. Neither Europe nor America has devoted the resources necessary to meet our agreed defense goals. Many of the NATO force goals have not been achieved and many Long-Term Defense Program measures are far from full implementation. There are many areas in which we might better support each other's defense efforts in Europe. Further, neither we Americans nor the Europeans have been sufficiently engaged in the search for ways to protect our common interests in the Persian Gulf and other areas. In sum, a much greater allied effort is required if we are to continue to deter Soviet and other threats to our common and vital interests.

A MATURE ALLIANCE

The decade of the 1980s calls for a mature alliance:

One that recognizes the diversity and the seriousness of the challenges we face,

One that builds upon the foundation of past military progress and current strengths,

One that acknowledges as well the economic and political progress we have made together and the potential we have to exercise these other dimensions of our power in the future.

The United States must recognize its responsibilities in this mature alliance. All too often in the past we have talked of consultation and acted on our own. Too frequently we have urged the need for consistency, yet presented our allies with what at times must have seemed like annual changes in priorities and programs. The new Administration is aware of these dangers. We are determined to avoid them.

Europe, too, should recognize its responsibilities. Like the East-West balance, the relationship between the United States and Western Europe also has shifted dramatically over 30 years. The United States no longer produces and consumes 50 percent of the world's GNP. Europe is no longer shattered, impoverished, and disunited. Indeed, Western Europe's total GNP exceeds that of the United States. In this situation, the United States cannot be expected to improve and strengthen U.S. forces in Europe, unless other Allies increase their own contribution to the combined defense effort. Nor can the United States, unaided, bear the burden of promoting Western interests beyond Europe.

There is, I might add, great concern in the U.S. Congress over the issue of burden-sharing, concern that was brought home quite clearly and explicitly to Secretary Weinberger and to me in our confirmation hearings. This concern is a political fact of life for us, and that should be understood by all concerned.

An integral element of this mature Alliance is an expanded concept of European security. Only by meeting and mastering Soviet challenges both inside Europe and in areas of critical interest beyond, can European security be maintained. Only then can the possibility of a more constructive East-West relationship in Europe be held open.

Let me suggest three areas for concentrated effort;

First, what the United States can do; and

Second, what we as Allies can do in Europe.

Third, what the United States and Europe can do outside Europe.

WHAT THE UNITED STATES CAN DO

This Administration's agenda is as clear as the results of last November's election.

We are unequivocally committed to a major and sustained increase in military capability and therefore in defense spending. We will use these resources to ensure the following objectives:

We will increase confidence in our strategic nuclear forces.

We will maintain momentum behind theater nuclear force modernization.

We will improve the readiness, sustainability, morale, equipment, training, and deployability of our conventional forces for Europe.

We will enhance our military presence in key areas outside Europe and our ability to project forces when and where our vital interests are threatened.

We are equally determined to demonstrate to old allies and to potential friends alike the reliability and value of American friendship. In key areas of the world beyond Europe, we will begin to build a more durable framework of relationships designed to enhance the security of those regions.

Finally, we intend to generate a realistic approach to arms control, to ensure that arms control will serve our security needs and that our approach to negotiations is guided by a realistic strategy. We want to produce effective and verifiable agreements that, coupled with greater defense efforts, will enhance our common security.

WHAT WE AS ALLIES CAN DO IN EUROPE

We are confident that our European allies will want to join with us in assuming a fair share of an enhanced effort within Europe itself. Already, you contribute substantially to the collective allied capabilities; indeed, one of the great strengths of our Alliance is that, unlike the Warsaw Pact, no one partner dominates the others, in terms of military or political contributions.

The harsh realities confronting us, however, dictate even greater efforts by all in the future. There is a critical need to strengthen the conventional force structure in Europe. This requires substantial additional resources, rather than more rhetoric or disputes about percentages. We stand by the 1977 NATO decision to increase defense spending. Indeed, the Reagan Administration has set out to do even more. We continue to consider the three percent guideline a useful starting point. But in the coming months, as we discuss among ourselves plans for improving our capabilities, we should ask whether there are better ways to measure military capabilities. We should place more emphasis on specific force increases and defense improvements.

We also look to our allies to maintain the political conditions and the public support necessary for modernization of long-range theater nuclear forces. The decisions of December 1979 were common decisions, in which Europeans played a leading role. By deciding to modernize, the Alliance recognized the need to avoid a situation in which the Soviets could exploit a military advantage in a future crisis. By proposing a framework for arms control, NATO recognized the relationship between security and equilibrium. Regrettably, the Soviets apparently do not acknowledge that relationship; indeed, they are rapidly deploying the SS-20. It is imperative, therefore, for NATO to remain firm in implementing its modernization decision if we are to have a reasonable hope for progress in arms control on an equitable basis.

We also need to continue the progress we have made in rationalization, standardization, and interoperability of weapons and munitions production. These programs have resulted in elimination of much duplication, reduction in costs, and increases in overall capability. As part of our family of weapons concept, we reached an agreement in August 1980 whereby the Europeans would produce a short-range air-to-air missile and the United States would build a medium-range air-to-air missile. Dual production of weapons systems reduces duplication in research and development. We are currently dual producing the F-16 fighter, the Roland Air Defense System, as well as other important weapon systems.

Again, we want to work closely with Europe in developing common arms control positions in areas of special concern to you. As in other areas of common interest, we must not let the Soviets benefit from any appearance of disunity, or let them gain leverage as a result of European pressures on the United States to proceed before we are ready, to pursue objectives, or to make unnecessary concessions.

WHAT EUROPE AND THE UNITED STATES CAN DO OUTSIDE EUROPE

Generally, we all understand well what needs to be done within Europe. The challenge there is to marshall the political will to generate the resources required to get on with the job. But it will require fresh vision, as well as renewed political will, to come to grips with the threats to European security from outside this continent.

What is needed first is an expanded private and public dialogue on these issues. We have begun the process of consultations at senior levels of allied governments, and this will take on new intensity in coming weeks. I also hope that this conference and many other efforts in the months ahead can promote wider public awareness of the threats to European security in regions outside of Europe and will generate new understanding and new motivation to deal with these threats.

The threat to vital Western interests in key areas, such as the Persian Gulf, can be met only if all concerned share the burden and find new ways to make greater contributions in support of our common interests. Western Europe's stake in the security and stability of the Persian Gulf is enormous and well-recognized. What is perhaps less well understood is the great contribution the Western European members of the Alliance could make to help protect the security of this region so vital to them. For obvious reasons, I am not speaking here of a formal role by NATO. I have in mind individual, but complementary, efforts by the members of our Alliance.

Close political relations with nations throughout Southwest Asia can be activated to strengthen understanding of Western objectives in the region and of our common interest in resisting Soviet aggression.

Security arrangements between European Allies and countries in Southwest Asia can help our friends in that region to strengthen their capability for self-defense.

European members of the Alliance can increase their important economic support to other allies and to friendly countries in Southwest Asia and in the Eastern Mediterranean region, enabling these countries to strengthen their vital contributions for our common security.

Force deployments in Southwest Asia by the European members of the Alliance, together with supporting facilities, should be strengthened and coordinated with U.S. military activities in the region.

In conclusion, let me say that we in the United States are keenly aware of the difficulties we all face in expanding our military efforts amid severe economic problems. The maladies that afflict us are common; they are strangers neither to Europeans nor to Americans. The medicine tastes bitter on both sides of the Atlantic, but it is a necessity, not a luxury or an experiment. As President Reagan told the American people: "We are threatened with an economic calamity of tremendous proportions and the old business-as-usual treatment can't save us."

To recover our economic strength, the President has started a process of imposing severe cuts in the Federal budget. Virtually every domestic Federal program will be sharply reduced in order to effect budgetary restraints. No federal agency and no department will be exempt from the requirement to tighten our belts. As you certainly must appreciate, this

will not be easy. It will not be politically popular with those whose favorite programs will be affected. But it must be done.

At the same time, however, President Reagan is determined that we must begin to reverse the dangerous trends in the military balance. He has received a mandate from the American people to rebuild the military strength of the United States and of our Alliances. Thus, despite this almost unprecedent budgetary austerity, we will be significantly increasing the U.S. defense budget.

Next week, Secretary of Defense Casper Weinberger will present these new budgetary requests to Congress. At the same time, he will be asked what new sacrifices our Allies will make, to join the American people in the common undertaking. In answer to this, we in the Reagan Administration can, of course, point to the substantial contributions our European Allies are now making, including economic and military support that benefits the security of the Persian Gulf region. And we can also explain the division of labor that is appropriate in light of the different capabilities of the Allies.

But this is not enough. We want to be able to say that a new awareness has arisen in the Alliance, a new consensus to give first priority to the defense of freedom. We will want to explain that, on both sides of the Atlantic, we share a new sense of realism and have mustered the political courage to reverse the downward drift in our common security. We want to demonstrate that our allies and friends are contributing their fair share of the common burden.

The hard truth is that none of us can have social welfare and economic prosperity unless our Alliance is strong enough to maintain the peace and to protect our access to vital energy sources and raw materials. And those of you here in this meeting know full well that the relative military strength of the Alliance has been declining for far too long.

Let us face the facts honestly and begin now to take the necessary action together.

New Dimensions of the Threat

(By Geoffrey Pattie, M.P., Parliamentary Under Secretary of State for Defence for the Royal Air Force)

INTRODUCTION

1. In this paper I propose to address the new challenges to both national and international security with which Western Governments must expect to contend in the 1980s. My aim will be to examine how far, and in what way, defence measures can contribute to the protection of our global economic and strategic interests and to the preservation of peace.

2. We live in a world which has become politically more complicated than at any time in human memory. There are many more separate actors on the stage than before—states, provinces, cross-border groupings—and they cannot be divided into neat categories of the strong and the weak, the leaders and the led. The hands which wield the greatest political and military power no longer hold all the economic cards, or have a monopoly of ideological attraction. The West has been drawn into complex patterns of interdependence with the developing world, and indeed with the Eastern bloc itself, some of which have become critical for the survival of our familiar social and economic order.

3. We in the West cannot hope to make sense of this complexity by simply re-dividing the globe in terms of East-West confrontations, or Western and Soviet spheres of influence. We need to be clear what share of responsibility the Soviet Union bears for the existing and likely threats to Western interests worldwide. We need to take account of the relatively small stake the Russians have so far acquired in North-South economic relations, and the relatively free hand that this gives them to exploit or provoke instability in the producing regions. We cannot ignore the considerable military capability they have built up for operations outside the traditional NATO and Warsaw Pact areas. And in considering the appropriate Western response, we must look for a strategy that takes full account both of non-Soviet elements in the threat and the legitimate interests of our partners in the developing regions. I touch on all these issues below, and I try to indicate a way forward. In introducing the paper, and in the subsequent discussion, I hope to concentrate on the future, which I will suggest the West has some reasons to face with optimism as well as with resolve.

4. I should make clear that nothing said in this paper is meant to imply that the "older" dimensions of the threat have been superseded by the new ones. This paper deals with the new strategic challenge entirely in terms of threats and opportunities outside the traditional areas of NATO and the Warsaw Pact. It is natural enough to concentrate on these, given the prominence they have assumed both in Allied policy-making and public debate since the turn of 1979/80. Nevertheless, the requirements of strategic nuclear deterrence, the conventional force posture in Europe and so forth are still evolving in their own right and demand as urgent an effort from the Allies as they ever did. Part of the difficulty for the West in dealing with newer "out-of-area" challenges is precisely that they arise in addition to those persisting elsewhere: solutions entailing a wholesale diversion of resources or a total switch of policy focus must thus be set aside from the outset.

INTERDEPENDENCE: THE NATURE AND VULNERABILITY OF WESTERN INTERESTS

5. A single commodity—oil—has in recent years provided all the most dramatic illustrations of Western economic dependence and vulnerability. The basic facts hardly need repeating. In 1977, for instance, Saudi Arabia (427 million tonnes) and Iran (rather less than half of this) exported 40% of all oil coming on the market. As for the degree of Western dependence, the US took 22% of world oil imports in the same year, and France, the Federal Republic, Italy, and the UK took between 5–8% each. The oil price leap of the early 1970s gave the whole world economy a shock from which it has arguably never since recovered, and a single "oil weapon" was forged with the progress made in coordinating producers' activities through OPEC. Both the actual and the symbolic importance of the oil supply for the functioning of Western economies remain inestimable, and the fact that the greatest production area lies in a volatile and strife-torn region on the Soviet doorstep has put oil in the forefront of our thinking about the military defence of natural resources.

6. However, oil is only one of many commodities which are essential, or highly desirable, for Western industry and whose sources are concentrated in areas outside our political control. In most of these commodities the Soviet Union is self-sufficient or does not share our degree of dependence. Any of them could in the future pose issues as complex, if not so pressing, as oil does today. Some examples may be taken from a study recently submitted to the Ministry of Defence by the University of Durham.[1] Cobalt is used in alloys to impart magnetic properties and resistance to high temperatures and is particularly effective in binding carbides of tungsten for use in making machine tools.[2] Annual world production is only 25,000 tons of which two-thirds comes from Zaire. Of the currently unexploited resources throughout the world, about one-fifth are thought to be inside the Communist bloc. Although cobalt resources are not thought to be in danger of exhaustion at present, the high reliance on supplies from a single country would make at least the short-term consequences of an interruption in trade extremely serious for the West. Maintaining supplies of silver may pose difficulties by the end of the century. The Soviet Union now produces 13% of all the world's silver and 33% of known reserves are in the Communist bloc, although other sources are widely spread and include the United States.[3]

Platinum combines a number of valuable properties and is used as a catalyst for a variety of purposes, in most of which there is no currently viable replacement.[4] Its production and reserves are dominated by only two countries, South Africa (42% of production and 71% of reserves) and the USSR (40% of production and 26% of reserves). The NATO countries are thus in a highly dependent position although the actual quantities required are small (and large discoveries have recently been reported from Brazil). Platinum is only one of a crucial group of minerals (also including chromium) in which Southern African production is dominant and the Warsaw Pact countries enjoy ample reserves.

7. These few examples illustrate that "resource politics" need not begin and end with the supply of oil, and that the West's "lifelines" reach out to not one but many regions. I shall now look in more general terms at the factors affecting the production, the exchange, and the transport of such vital materials, and the ways in which all three may be vulnerable to disruption.

8. The future pattern of production of non-fuel minerals, as well as oil, needs more study than it has so far received. Projections of future usage must be set against known reserves, but also against additional or alternative resources which could become economically viable with scarcity and as extraction technology improves. Financial factors are paramount and a high level of investment by governments and private enterprise will be needed, particularly as extraction costs increase. We can only expect investment by private industry where their plant and export routes are secure and there is an adequate financial return on the product. There are political factors directly affecting the handling of output which need much further analysis: what exactly is the scope for non-oil resource politics? How could internal or external policy influence be used to deny the West supplies? Are cartels and embargoes a real threat? Do stockpiles offer a viable solution, given that they can be crude and expensive and create counter-

---

[1] "The NATO Alliance and the Warsaw Pact: Raw Materials and Energy Procurement to 2000: Selected Non-Fuel Minerals," by E. W. Anderson and G. H. Blake, Report No. 1 of September 1980.

[2] The main users are production of alloys (45%) and magnets (30%). In alloys cobalt can largely be replaced by nickel but the latter may itself become scarce, while other possible substitutes are potentially scarcer than cobalt itself. Its use in alloys means that cobalt cannot effectively be recycled. Some countries already stockpile cobalt against the risk of trade interruptions.

[3] Silver has many unique properties, such as the lowest resistivity of any metal, the highest thermal conductivity and the highest reflectance. It is at present indispensable in photographic processing. Fortunately, recycling poses few problems.

[4] Platinum has a very high melting point, extraordinary catalytic properties, and is extremely resistant to corrosion. 60% of platinum consumed is used as a catalyst.

productive mistrust between producer and consumer?

9. The most obvious and satisfactory approach to the problems would be a mutual effort by producers and consumers to stabilize supply and demand, to provide for the development of resources as necessary and to improve economic control of the world market. The most obvious threat to this approach is instability: the susceptibility of the developing world to rapid social and political change, brought about by, or leading to, military action. This can directly hazard supplies to the West and the safety of Western citizens and their possessions. The invasion of Zaire by Angolan-supported forces demanded urgent military action by Belgium and France, to protect not merely the territorial integrity of Zaire but the lives of many Europeans working in the mineral extraction region of the country. More recently, oil supplies from Iran and Iraq have been disrupted as a result of the former's revolution and the subsequent hostilities between the two nations. In this latter case, international cooperation has to an extent helped to maintain the equilibrium of oil supplies by increasing output in other oil producing states. But apart from its immediate consequences, the existence or the simple fear of such disorders is also a serious deterrent to the Western economic investment so essential for raw material production.

10. The exchange of materials between the West and the developing world demands a satisfactory mechanism and terms of trade. The simple one-way dependence and scope for exploitation of the undeveloped by the developed which existed in the imperial age has long since passed away. Today, the developing world is also essential to the West as a market for exports, including such valuable high technology products as aircraft and communications equipment. Nothing illustrates this more clearly than the difficulties that arise over Western acceptance of Third World industrial goods.

11. Moreover, as in the narrower case of raw materials, there is a marked contrast in the degree of trade dependence as between the Western world and the Communist bloc. Statistics on individual developing countries show that their major trade partners are almost invariably the Western nations: the US for South America, Western European countries for Africa, and the US and Japan for Asia. In 1978 total trade between the developed and developing world was some $200 billion each way, whereas the USSR and other European centrally planned economies exported only $17 billion and imported $11 billion worth of goods from developing countries. The contrast is even greater in trade with OPEC, from whom the developed West imported $108 billion of goods—mostly oil—in 1978 and the Warsaw Pact only $3 billion. In the class of commodities discussed above—metal ores—developed nations' imports from the developing world totalled $4.6 billion and the Warsaw Pact's only $0.38 billion.[5]

12. Trade is vulnerable to all the pressures and sources of instability mentioned in the case of production. But it also depends on safe supply routes. The familiar example is the crucial importance to some NATO nations of oil supply through the Strait of Hormuz, which was reflected in President Carter's statement of doctrine on resistance to outside interference in the Gulf and more recently in the emphasis put by the West on free shipping in the Strait during Iraq-Iran hostilities. For non-fuel minerals, no single sea lane can be accorded the same significance. But routes through the Indian Ocean, the South Atlantic and the Mediterranean Sea, as well of course as the North Atlantic crossing, are all extremely important for Western supplies. The chief points of vulnerability are the Suez Canal and the Cape of Good Hope.

13. Another factor of possible concern here is the changing nature of the merchant marine. Ships are becoming fewer and larger and increasingly sail under flags of convenience. For example the US merchant marine is now carrying less than 5 percent of the bulk commodities arriving in the USA. What risks these changes could hold for the West are not yet sufficiently clear. Increased size and reduced numbers of ships could have both advantages and disadvantages for the protection of shipping in a period of tension or war. Flags of convenience may no longer be so convenient for the West's shipping companies should the nations concerned choose to adopt a concerted antagonistic policy towards the West. We need a further examination of the importance of particular supply routes—by land and air as well as sea—to the West, and of the implications of a changing pattern of carriers.

14. What is the relevance of all this for defense policy? First, in general terms, the West must realize that the benefits it derives from participation in the world economic order bring with them equal risks and responsibilities. The West is not economically isolated, and we cannot afford to be politically isolationist. Oil resources have been the centre of Western attention for several years, but increasingly, scarcities of non-fuel minerals and the problems they pose are going to come to the forefront. Many of the dangers affecting our oil supply will prove relevant here too, but a great deal more study will be needed to prepare a practical response suited to different geographical and regional-political patterns. In all this, defence resources will have a legitimate if complex part to play. The protection of raw material sources is in the first instance a problem for the producing countries; it will shape their own defence planning and the kind of help in it that they want to request and the West wants to supply. The protection of transport routes may require forms of Western action going beyond this bilateral context. In brief, the West needs a strategy that will both deter, and where necessary counter, any hostile military interference with either the sources or the routes of our own and our partners' legitimate trade.

ROLE OF THE SOVIET UNION

15. Where is such interference most likely to come from? A major Western pre-occupation has been and will remain the worldwide acts and intentions of the Soviet Union, her allies and surrogates. What reason has the West to distrust Soviet motives? Part of the answer lies in bitter experience within the main theatre of East-West confrontation. But there is important evidence from outside the NATO and Warsaw Pact areas as well.

16. I have indicated above that the Soviet Union is at present relatively self-reliant in natural resources. This is likely to remain true for many years to come in the case of many non-fuel minerals. There are, however, exceptions in chromium, tin and aluminum, where the Soviet Union has limited reserves and in the long term copper, phosphates and mercury may be in short supply. And there is likelihood of future Soviet (or at least Warsaw Pact) competition for oil.

17. Given the Russians' near self-reliance for non-fuel minerals, it becomes clear that the main motive for their interest in the developing world is political. They seek to extend their influence at the expense of the West, Japan, and China: both because they are competing for super-power status, and they wish to spread the gospel of their form of Communism. The West is thus presented with a nation not committed to the existing world economic order but determined to create new opportunities for thrusting its influence upon others. The Soviet Union is less inhibited from resorting to extreme, including military, methods since its stake in the status quo in many regions is still very slight and it faces none of the domestic constraints imposed by an informed and influential public opinion.

18. During the last ten years the Soviet leaders have demonstrated their broadening geographical interests in a number of ways:

They have built a large navy which now cruises the world's oceans, and increasingly provided their other forces with the capacity to operate at long range;

They have used surrogate troops to take political advantage in Angola and Ethiopia;

They have provided large-scale military aid to those prepared to accept it, without any comparable development aid effort. This can be demonstrated by the relatively large proportion of military personnel among Soviet citizens working abroad, set against a relatively small commercial, economic and technical presence;

They have aided subversives in countries where they felt it advantageous to upset the status quo;

Finally, they have demonstrated their will to intervene militarily in previously non-aligned and independent countries.

19. Overall the Russians have adopted a cynical and opportunistic approach to relations with the developing world. They present themselves as supporters of the national interests and aspirations of the countries concerned and seek to take advantage of any residual hostility towards the West in former colonies and dependencies. In practice they direct assistance to those whom it can help to win power and they are not overfastidious about the means employed or the ideology espoused. This policy can lead to short-term dividends, and there are many countries in the developing world with Soviet military and technical advisers present. In the longer term there can be disillusion, and the Russians have not seemed able in most cases, particularly in Africa, to overcome the preference by a developing nation for its own form of socialism. There have been some notable cases of such failure of Soviet influence in the longer term.

20. A striking example was the withdrawal of Soviet military advisers from Egypt in 1972 at the behest of President Sadat, which dramatically reversed Cairo's policy of reliance on comprehensive Soviet assistance in defense. Following the June War in 1967 the Soviet military presence in Egypt increased dramatically from less than 1,000 to well over 15,000 personnel and their task changed from advising only to include active military participation in Egypt's armed forces. The expulsion came after a protracted period of increasing disillusion with the benefits of the Soviet presence and assertions of independence by Egypt. For the Russians President Sadat's decision was undoubtedly a setback, although there may have been some relief in Moscow at having avoided a possible confrontation with a U.S.-backed Israel should the Egyptians have chosen to try recovering their lands lost in the 1967 Arab-Israel War. Today, of course, Egypt stands out among Middle Eastern states for the co-operation it has extended to U.S. strategic aims in the area and in particular the creation of facilities for rapid intervention forces.

21. A further example of the fruits of Soviet opportunism can be seen in Ethiopia and Somalia. In Ethiopia Soviet influence grew rapidly during 1977. However, the Russians were unable to restrain their Somali allies from seeking to annex areas of Somali-inhabited Ethiopia. In November 1977 the Somali Government withdrew all military facilities from the Russians and expelled Soviet and Cuban advisers. This was a setback for the Russians who thereby lost access to military facilities better placed to support their operations in the Indian

[5] Trade statistics taken from the United Nations 1978 Yearbook of International Trade Statistics.

Ocean than those available in Ethiopia. Nevertheless, they were relieved of the problem of having to ride two horses at one time, and they have since concentrated their efforts on Ethiopia; Somalia meanwhile has completed its reversal of alliances by reaching agreement on US access to military facilities at Berbera.

22. These are not straightforward success stories for the West. It is important to realise that even a temporary Soviet success in a developing nation may have severe effects on the vested interests of Western nations. Soviet political gains are invariably accompanied by acquisition of military facilities, which may subsist even as Russian political influence wanes. We in the West must, therefore, try to convince leaders of developing nations that the politically motivated actions of the Soviets offer little to their benefit in the longer term, and that the concomitant damage to economic relations with the West is too heavy a price to pay. This is a particularly telling argument where a developing nation seeks investment from corporations in the West, and needs to show that it is a secure and stable country where the future of any investment is safe.

DEVELOPMENT OF A WESTERN RESPONSE

23. The free world, in particular the NATO allies, have handled these problems in the past with a degree of caution reflecting uncertainty about Soviet intentions. Over the last fifteen years there has been no consistent response or assessment by the West. It took the invasion of Afghanistan to prompt some serious rethinking and rapid revision of Western policies towards the developing world. Within a relatively short space of time, the US has defined the "Carter doctrine" to defend its own and other partners' essential interests and has started an ambitious programme to develop a military capability to support it. Other NATO nations have also been considering how best to face these new Soviet challenges, and how to accommodate any effects the new US countermeasures may have on existing defence commitments.

24. In shaping its response to the threat outside the NATO area the West has to be guided by some abiding principles. The principles of freedom and democracy must be upheld, and human rights observed. We must make clear that we confront the Soviet Union not because of traditional national antagonism but because we abhor the Soviet Union's ambition to impose on the rest of the world an ideology and a system of government which the vast ma'ority of people do not want, and which would not serve their interests. We must of course be prepared to demonstrate and stand by our own norms as we challenge the Soviet ones: the efforts to achieve an orderly transfer of power upon independence in Zimbabwe can be seen as one significant recent contribution to this aim. And it remains a striking demonstration of our willingness to deal open-handedly with different factions, regardless of their political philosophy, and to help a new democracy to choose and make its own way.

25. Western countries must avoid falling into the trap, which the Russians have fallen into, of reviving imperialist attitudes and practices in relations towards the developing world. It would not square with our principles of freedom and democracy for the Western nations to involve themselves in militaristic intervention in support of regimes and movements operating against the will of the majority of a nation. The West cannot afford to have its own Angola, Ethiopia or Afghanistan. And the Russian experience makes clear that there are practical as well as ethical reasons why this is so.

26. The establishment in the last decade of the non-aligned movement has set the seal on the emergence of the developing world as a "third force" with its own regional needs and sensitivities—not merely a battle-ground between opposing empires. The West accepts the political position of the non-aligned nations, but must of course remain wary of any Soviet attempts to subvert the status these nations have chosen to adopt, which the recent activities of Cuba have been purposed to do as it seeks to present itself as a leading champion of the non-aligned movement.

27. Another guiding principle should be the importance of coordination in the West's policy towards the developing nations. Co-ordination makes sense at two distinct levels. First, the various strands in North-South relationships—strategy, political relations, trade, development and military assistance—must be handled not in isolation but as so many different means for achieving common goals of profit and security. Secondly, while some Western objectives in the third world, such as trade, can only be pursued in a spirit of national competition, others are genuinely common aims and should be approached by as many nations as possible in co-ordinated fashion.

28. What, then, are the specifications for a Western strategy designed to protect vital interests worldwide? It must take account of the possible use of Soviet military power for intervention or blackmail, but also of other forces which may with or without Soviet help destabilise the conditions necessary not only for Western economic prosperity but also for the economic, social and political development of the Third World. It must at one level, be a global strategy because it has to match a hostile superpower which itself clearly operates with global aims in mind. In this sense it is not wrong to think of a "world balance", which the US and its allies must prevent from tilting against the West, and to judge our actions in any specific crisis by how they are likely to affect it. But at another level, each region where Western interests are entrenched has characteristics and attitudes of its own which we must respect if we are to respond in the most effective way to local threats. Sometimes military activity will be the immediate and only answer. Sometimes, both for practical reasons and in the light of the ethical principles mentioned above, we may have an overwhelming interest in avoiding it. Most often, what we need is a judicious blend of political influence and the indirect or direct application of military resources. This is a delicate balance for any one nation to achieve in its own right: it will take all the more skill to reap the benefits of co-ordination by devising concepts to which the maximum number of Western partners can subscribe.

29. In the British view, the best basis for such an approach is a three-level concept of the use of military resources outside NATO:

Aid to Third World countries in building up their capacity for self-defence (arms sales, training, advice, etc.) to supplement the more general contribution we make in political/economic terms to their stability and safety;

Peacetime deployments by all branches of the Services to register the West's presence and capability, train with and reassure our friends and deter the Soviet Union and other opponents;

Development of a capability for intervention in an emergency which can be met only by military means.

30. The first two categories are a continuation of well-established practices and need little further explanation here. They offer maximum scope for sensitive adjustment to local circumstances. The point that would be worth discussing is how far the various allies (and friendly nations outside Europe) may be able to extend their participation in the pattern of defence aid and peacetime deployment, and how far it is worth their trying to do so in collaboration with each other. Some friendly rivalry, for instance in the matter of defence sales, seems bound to remain.

31. The US has been developing the concept of the Rapid Deployment Joint Task Force (RDJTF) to meet the need identified at the third level. The RDJTF programme is designed to reconcile global, local and NATO considerations—and achieve the flexibility needed for effective deterrence—by projecting forces at long range rather than permanent local stationing. In the course of pursuing it the US has established new relationships with facility-providing states in South-West Asia and Africa which have a political and deterrent value in themselves. The possible uses of the RDJTF and the role which other Western nations might play seem likely to be a major pre-occupation of defence policy-makers for some time to come. NATO must also continue to study the implications of the implied diversion of reinforcement capability from Europe. For our part in Britain we have been actively reviewing our own "out of area" policy: we maintain a selection of units which can deploy outside the NATO area and all our three Services do so deploy from time to time, though our major force commitment is and will remain to NATO.

32. The RDJTF was, of course, conceived primarily in response to the regional needs of South-West Asia and the overwhelming Western dependence on that region's oil. The lessons which its planners have learnt in the process may, however, prove highly relevant as and when attention turns to other areas and other raw materials. The principles of maximum flexibility; preservation of the freedom to act which means uncertainty for the enemy and thus the greatest degree of deterrence; and avoidance of local bases which tie down resources at possibly heavy regional-political cost, would seem to have a value and relevance going well beyond the present South-West Asian crisis.

THE FUTURE: CAUSES FOR OPTIMISM

33. In the coming decades there will be no place for complacency by the Western nations if we are to maintain the way of life which we have come to value. The growing global threat from the Soviet Union cannot be ignored, all the more so because the Russians are still so little hampered by links of North-South dependence.

34. But there is equal cause to reject defeatism, or an oversimplified confrontation philosophy. Depending on events in Poland, we may not yet have written the epitaph of detente. Even in direct relations between East and West, options remain open which could do something to reduce the dangers both within and outside Europe. The continuing search for measures of balanced and verifiable disarmament is one example. The possibility of Western technological co-operation in helping the Russians extract their own mineral resources is another.

35. Moreover, the opportunism of Soviet leaders' foreign policy has in more than one instance led to Soviet embarrassment, at both bilateral and international level. Their departure from Egypt and Somalia can only be regarded as a lasting setback. Their invasion of Afghanistan has led to outright condemnation through the free world, including an impressively united Third-World protest: and as an interesting aside, the Cubans' prestige within the non-aligned movement took a real blow through their support for the Soviet invasion.

36. The failures of Soviet foreign policy also demonstrate the poverty of Soviet imperialism. As already noted, Third World nations are increasingly hard to convince of the attractions of the Soviet-style Communist political system. The Russians can offer very little in the way of development aid or mu-

tual economic benefit: the nakedly military and self-serving nature of their involvement is increasingly clear. The West has an extremely good record to show in contrast and we should not be shy about advertising it. Our investment, aid and political support already make a massive contribution to the developing economies of the world. In future, too, we can and should get credit for a development policy based not on vague philanthropy but on a realistic assessment of our partners' capabilities and needs. It is not, of course, only Governments who put money into the developing world. Our private industry and financial institutions play, in cash terms, a very much greater role. Where we do consciously extend aid as from Government to Government, we should do so as part of a total relationship (including mutual trade and defence) carefully tailored to the security interests which both we and the recipients recognize. And where those security interests are common to several nations in the West, there is every reason to try to co-ordinate the aid measures which those Western nations are undertaking as well.

37. The next few years will bring a new generation of leaders in the Soviet Union. It is not yet certain how they will react to power. They may choose to adopt a realistic approach to foreign policy, offering more stability and greater consideration for Western interests in the developing world. On the other hand, they may not: and it will be incumbent upon the Western nations to ensure that military adventurism does not appear a viable and profitable option to the Soviets and their surrogates.

38. Western policy makers must, therefore, seek to influence the Soviet Union's approach to the developing world. The Soviet Union is less likely to use military or naval power to intervene in, or overbear, countries outside the Soviet bloc if the West has maintained a countervailing military and naval power, and if a healthy skepticism exists in the developing world about Soviet motives and methods. We must therefore work to ensure both that forces of Western allies have the flexibility either individually, in groups or as an alliance, to confront Soviet military and naval power wherever they challenge our vital interests. We must not concede to the Soviet Union the propaganda initiative in the developing world. We must put our case clearly and unequivocally, stressing by word and deed the benefits the West has to offer the developing nations, economically, politically and socially; and the limitations of Soviet policy and practice.

CONCLUSIONS

39. The last fifteen years have seen a rapidly changing world. The Soviet Union has spread its influence in the developing regions and has shown an increasing tendency to project its power by naval deployments and acts of military "assistance". It has taken chances as they presented themselves, uninhibited by political morals, or a sensitive public opinion at home, or a major stake in the Third World which it dare not put at risk. It is difficult to predict the future policy of the Soviet Union as it develops under a new leadership and in response to political rather than economic imperatives.

40. We can be certain, however, that the West should adopt a coherent and co-ordinated policy toward the developing nations, which must be sufficiently flexible to adapt to rapidly changing political conditions. Defense activity can contribute to that policy both in helping developing countries to acquire the skills and equipment to defend themselves, and in inhibiting the Soviet Union from making irresponsible use of its military and naval power. To this end Western countries should grant military assistance in response to the defence needs of developing countries; make occasional deployments of forces to demonstrate our interest in particular areas of the world and our resolve to defend them; and develop the capability to intervene directly and on the scale necessary to deter or repulse a major Soviet aggression which threatens vital Western interests.

41. We need to think carefully about our future approach towards the developing world and its military dimension. We have every reason not just to hope, but to ensure by every means in our power, that our intricately interwoven relationship with the developing nations will continue to our benefit and to theirs. Let us not forget the truth of the simple statement that in this respect as in others, the West will have the future that it deserves. So in discussing this paper, I should like to focus not so much on the threats and problems which confront us as on how we, as allies, should respond. Notwithstanding the dimensions and complexity of the threats, and notwithstanding constraints on our ability to respond, I see some cause for optimism. The Soviet Union, its allies and its surrogates can deploy large military and naval forces, but so can the Western allies; the Soviet Union often moves in the third world so insensitively as to stimulate desire for, and renewal of relationships with the Western countries, and the West offers genuine civil aid in significant amounts as well as the commercial investment which developing countries need. We already do much more genuinely to advance the interests of developing countries, in both the civil and military fields than the Soviet Union is ever likely to do. Perhaps what we should concentrate on now is a better co-ordination of our individual efforts to make them more effective and a vigorous campaign of publicity to gain maximum credit for our performance both in its own right and in contrast to our adversaries.

THE DEATH OF JACK HORTON

● Mr. STEVENS. Mr. President, I was saddened to learn of the death Saturday of former Assistant Secretary of the Interior and good friend, Jack Horton, with whom I worked closely over the past 12 years.

He had a distinguished career, serving in the Nixon and Ford administrations under Interior Secretaries Hickel, Morton, and Kleppe. During the 8 years he was with the Interior Department, Jack Horton was very much involved with Alaskan issues. Jack was the first co-chairman of the Joint Federal-State Land Use Planning Commission for the State of Alaska; he was very much involved in the consideration of the Alaskan pipeline amendments, which cleared the way for the construction of the trans-Alaska pipeline.

A graduate of Princeton, a Rhodes scholar at Oxford, Jack Horton was a superior athlete, earning all-American honors in lacrosse. He was a lieutenant with the U.S. Navy during the Vietnam war, flying combat missions off aircraft carriers. In recent years he operated his ranch in Saddlestring, Wyo., and was a consultant for energy and natural resource matters here in Washington, D.C.

In addition, Jack was a personal friend in whom I had great confidence.●

EXPORT TRADING COMPANIES—III

● Mr. HEINZ. Mr. President, as has been clearly documented in my previous comments on S. 144, the U.S. position in the international marketplace is becoming intolerable, particularly in the area of exports. The Export Trading Company Act promises to correct this situation and has been endorsed by the Reagan administration as well as by the Senate last year. Perhaps, the most informative and constructive endorsement of S. 144, however, comes from a representative of the industry most directly associated with it. Mr. President, I would like to bring to the attention of my colleagues the testimony of Mr. John M. Boles, president of the export trading company, Boles & Co., Inc., before the Subcommittee on International Finance and Monetary Policy.

In addition to emphasizing the urgency of adapting the U.S. economy to the realities of world competition through measures like S. 144, Mr. Boles provided firsthand evidence that export trading companies play a vital and promising role in U.S. foreign and domestic trade, a role that he believes must be expanded. Mr. Boles also strongly endorsed the right of banks to have equity positions or control of export trading companies. Through his experience as president of a successful export trading company, Mr. Boles has found that without significant commercial bank participation in trading companies, the development of a meaningful export trading industry would be impossible. Mr. President, I ask that Mr. Boles' testimony be printed in the RECORD.

The testimony follows:

STATEMENT OF JOHN M. BOLES, PRESIDENT OF BOLES & COMPANY, INC.

BACKGROUND ON BOLES & COMPANY, INC.

I am John M. Boles, President of Boles & Company, Inc., an international trading company. Our company differs from most export management companies in that we were conceived and organized as a trading company drawing upon the experiences of the large multi-national trading companies of Europe and Japan. Our export activities span a broad range of categories from high technology systems to consumer products. We also import products for distribution in the U.S. domestic market and are engaged in third country transactions as well. In most instances we act as principal, by purchasing products from our suppliers and re-selling to our customers.

One key element, in our export success to date, has been the long term credits we provide to our foreign customers while paying our suppliers (manufacturers) on a short term basis. In combining the two, we finance foreign receivables and domestic inventories thereby reducing cash restraints for both our suppliers and customers. We perceive our contribution as moving products across international boundaries by reducing the resource load on both the supplier and the foreign customer. In addition, we take on the task of market identification and research, transportation, compliance with foreign regulations, product service, advertising, promotion and all of the other tasks required to penetrate and develop off-shore markets. In essence, we are a major customer of our U.S. suppliers. In fact, we are a domestic customer—by taking title to our suppliers' products in the U.S. This allows our suppliers to finance their shipments to us through the use of their established bank lines of credit on domestic receivables. We then finance and take the risks associated with the foreign receivables. By offering long term credits to our foreign customers, the rate of sales growth of any

given product becomes a factor of market acceptance and independent of our foreign customers cash availability. In practice, our foreign customers purchase goods from us; re-sell in their respective markets; receive payment from their local customers and then pay us. This is both fundamental and critical in the development of international markets.

In our export activities, we have specifically targeted at the small to medium size manufacturer of technology products and value-added agricultural items. We are convinced that these sectors represent substantial opportunities for long term continued growth in export sales.

Our market research has convinced us that, by the end of the decade, U.S. trading companies could account for approximately 100 billion dollars per year in export sales. It is not our intent to develop as an analogue of the large Japanese trading companies, but rather to amalgamate theirs and other experiences into a U.S. trading company which is responsive to the needs, opportunities and regulations of this country.

COMMENTS ON S-144

Boles & Company, Inc. strongly supports the overall thrust of S-144 along with it's component provisions. We would, however, suggest that consideration be given to some of the more constraining aspects of the Bill which would seem to be in conflict with the legislative intent.

It is essential that continuing progress be made in adapting the U.S. economy to the realities of world competition. In that regard, the formation of large U.S. trading companies will play a vital role. It is not our position that these trading companies would compete with existing export mechanisms, but rather would concentrate on those market areas (both products and geographies) outside of the resource capabilities of export management companies and those manufacturers who are unable to operate directly in the foreign market(s).

Should this bill become law, we can perceive the rather rapid development of an export trading industry as opposed to the cottage industry complexion our export activities currently have. Furthermore, such an export industry would be an invaluable added resource to this country's manufacturing base and specifically to the thousands of small and medium sized firms—many of which have difficulties in marshalling sufficient resource to satisfy their domestic objectives.

The composition of a trading company consists of numerous disciplines and functions, but to the U.S. manufacturer he is viewed as both a large customer and quasi banker. From that prospective, this is a correct interpretation. From the foreign customer's point of view, the trading company is a supplier and banker—also correct. The one common denominator, in any definition of a trading company, will always be the ability to finance trade transactions. From the time of the earliest Syrian and Phoenician traders through England's Charles II and his Hudson Bay Company to the giant Japanese trading companies of today, the cornerstone of international trade has been that of financing both the supply and redistribution of goods.

BANK PARTICIPATION

U.S. commercial bank participation in trading companies is required. Without their involvement, the development of a meaningful export trading industry would be impossible. An alternative might be foreign banking institutions, which is already beginning to occur, but that escapes our definition of a truly U.S. owned export trading industry.

The critical issues, in support of U.S. bank participation, include their expertise in the use of credit; foreign collection procedures; the structuring of complicated international transactions from barter to turn-key projects; foreign currency trend analyses and those other financial services which only our banks are well equipped to handle. We are not convinced that either the domestic or foreign branch operations of a bank would be particularly productive in sourcing or distributing products for the trading company. The branch role would likely be limited to providing useful introductions to potential suppliers and customers.

We, as well as most trading companies, will require approximately one dollar in cash (either debt or equity) for every 1.5 dollars in sales. As is evident, a trading company is extremely cash intensive and success is largely dependent upon the ability to secure substantial amounts of debt financing. Typically, debt to equity ratios of at least 10 to 1 will be necessary for small or slower growing trading companies and as much as 30 to 1 for the larger and faster growing companies. We have concluded that export trading companies can only be successful through an intimate relationship with U.S. commercial banks, provided they are prepared to either offer the requisite credit facilities or cause them to be offered by other financial institutions.

As U.S. trading companies will compete with foreign trading companies and various consortia, the issue of credibility becomes important. A small U.S. trading company is at a great disadvantage when compared to a Mitsubishi, Mitsui, Jardine Matheson or Inchcape. However, a U.S. trading company affiliated with, or partially owned by, a major U.S. commercial bank becomes quite a different reality in the eyes of a foreign customer. International trade is predominantly controlled by extremely large enterprises, and small unparented U.S. export companies are likely to become non-events.

BANK CONTROL

It is difficult to comprehend any logic that would prohibit a commercial bank from owning a minority, majority or total interest in one or more trading companies. Under Title I of the current Bill, the limitations imposed on bank participation could very well be unworkable. The restriction limiting banking investments to a maximum of 5 percent of capital and surplus is less troublesome than is the 10 million dollar limit and 50 percent equity ownership (subsidiary) provisions. In view of the substantial amounts of debt and equity required to support trading company operations, unless the banking community can see un-complicated routes whereby they can assume or exert control, their support is likely to be less than enthusiastic. We suggest that consideration be given to allowing banks equity positions up to 100 percent, provided their total equity investment, in one or more trading companies, does not exceed the 5 percent of capital and surplus test. The 10 million dollars provision could then be eliminated and the decision, by either a bank or trading company to combine, would be a business judgment based upon the particular circumstances of each situation including the opportunities, resource requirements and availability.

ANTI-TRUST EXCLUSION

Depending upon the specific business architecture of any export trading company, anti-trust exemptions may or may not be relevant. However, it is necessary that the law be clearly stated. The ability to determine in advance which export activities would be immune from anti-trust suits is absolutely required. We support the proposals under Title II of the Bill and can offer no reasonable alternatives.

FUNDING

Frequently, very large off-shore procurements will continue to require the Export-Import Bank's involvement. The realities of foreign competitive pricing, coupled with government subsidies, are such that U.S. suppliers require financing packages beyond what is currently available from the private sector. We endorse and urge that these kinds of programs be expanded by the Export-Import Bank.

Generally, U.S. commercial banks are reluctant to finance foreign receivables without the kind of guarantees currently provided by the F.C.I.A. Our lack of a broad based export experience has resulted in both debt and equity capital sources being uneasy over the perceived risk reward ratios. Should the U.S. develop a well constructed export trade industry, spearheaded by private sector interests, the vagaries, currently associated with exports, will give way to knowledge, sound business procedures, and the comfort needed to sustain entrepreneurial activity.

There is, however, a problem of bridging the gap through a transition period. This will require a much improved guarantee program by the Export-Import Bank and the F.C.I.A. Such a plan should include provisions to finance domestic inventories, specifically targeted for export markets, in addition to receivables. Once the U.S. banking community, along with other capital sources, establishes a firm presence and interest in foreign trade, the requirement for Export-Import Bank and F.C.I.A. guarantee programs should wane.

Regarding the Small Business Administration and the Economic Development Administration, we consider the level of funding to be not inadequate but unnecessary. When coupled with the overall task of developing an export industry; the administrative costs and the natural constituencies of those two agencies, we can see no real benefits accruing from their financial involvement. Although we are all eager to bring small businesses into the stream of export activity, the preferred route would be by way of the export trading companies providing the finance rather than public sector funds.

SUMMARY

In summarizing, I would like to draw your attention to just a few key points:

1. U.S. export trading companies are required to both diversify export markets and to expand the number of U.S. supplier participants.
2. These export trading companies could spearhead the development of a substantial export industry by the end of the decade.
3. Enthusiastic U.S. bank participation is vital to the creation of an export industry.
4. U.S. banks are not likely to become enthusiastic participants without the ability to assume controlling interests in trading companies.●

COMMEMORATING ESTONIAN INDEPENDENCE

● Mr. HEINZ. Mr. President, inspired by Woodrow Wilson's declaration that all peoples had a right to self-determination, the Estonian people declared their independence from the Russian Empire on February 24, 1918. Their courageous action initiated an admirable period of freedom and cultural growth for Estonia's diverse ethnic groups as well as an unprecedented increase in the standard of living. This period of independence was cut short, however, when the Soviet regime forcibly annexed Estonia and suppressed all cultural, political, and economic freedoms. In commemoration of the 63d anniversary of Estonian independence, it is important to recall the injustices of the past and to voice the

indignity of the free world over those that continue today.

Ignoring the agreements of 1920 in which the Soviet regime recognized the independence of Estonia, Stalin signed a pact with Hitler in August 1939. The pact declared that Estonia, Latvia, and Lithuania would become territories of the U.S.S.R. Following the illegal and unjust incorporation of Estonia into the Soviet Union in September 1939, 60,000 Estonians—more than 5 percent of the entire population—were either killed or sent to Soviet concentration camps. In 1949, 80,000 rural Estonians were deported to Siberia. Between 1939 and 1949 a total of 350,000 people, one-third of the Estonian population, perished.

Soviet harassment of the Estonian people continues today. Civil liberties are denied. Mock trials and deportations are commonplace. And Soviet labor camps with the most inhuman conditions are designed to physically eliminate all "enemies of the state." Two such "enemies" are Mart Niklus and Juri Kukk. A graduate of Tartu University with a degree in biology/zoology, Niklus was sentenced in 1959 to 10 years of forced labor plus 3 years of exile. His only crime was to send photographs depicting Soviet life to westerners. Released in 1966 suffering from neuritis of the back—a condition resulting from his forced labor—Niklus has been repeatedly arrested and remains in prison today. Juri Kukk was an assistant professor at Tartu University. After signing numerous declarations pleading for human rights in Estonia, he was arrested. He is now in a Soviet labor camp. It is very unlikely that either will survive their imprisonments.

In addition to subjugating the Estonian people politically and economically and severely restricting their religious worship, the Soviet regime has attempted to stifle the ethnic spirit of the Estonian people. The following statement from the Estonian American National Council describes the effort of the Soviets to erase Estonian culture and replace it with Russian culture:

> Confirmed reports from Estonia show that Russianization of the country is proceeding with full force. Thousands of alien people are being brought in as "necessary workers" to mix with the local population. The Estonian language is being relentlessly pushed into secondary place. Communist literature and propaganda are trying to raise young Estonians as obedient servants of the Kremlin. However, the Estonian nationalist spirit is fighting back everywhere. In the last few years there have been many occasions where the youth of Estonia has shown a strong national will of resistance through demonstrations and appeals to the free world. Many of them have been arrested and sentenced to hard labor as dissidents of the Soviet Union.

Mr. President, the plight of the Estonian people must not be forgotten. The 63d anniversary of Estonian independence provides an opportunity for free men everywhere to acknowledge and encourage the heroic efforts of the Estonian citizenry whose dream is to restore personal freedom and dignity to their homeland. Let us hope that this dream will soon become a reality.●

KUDOS TO MARIA MORRONGIELLO

● Mr. WILLIAMS. Mr. President, one of my constituents has been chosen to represent the United States as a member of the women's basketball team which will compete at the 14th World Games for the Deaf this July in Cologne, West Germany.

A 17-year-old from Brick Township, N.J., Maria Morrongiello, is 1 of 12 American women selected for the team that will compete with 44 other nations this summer at the world games. She has, of course, already proven herself to be a stellar athlete, having been named the most valuable player for 2 successive years at the Marie Katzenbach School for the Deaf in Trenton, N.J. In estimated points per game, Maria is ranked fifth among all players on teams for the deaf throughout the country, and she can boast an average of 19.1 points scored in last season's 19 games.

I should also point out that Maria has distinguished herself as a student at the Marie Katzenbach School, where she has consistently won high honors for her academic work.

Not one to let her disability prevent her from living life to the fullest, Maria has continued to excel in all that she attempts. I am sure she will continue to meet with success in all her pursuits in the years to come, and I want to wish her and her teammates the best of luck in the upcoming world games.●

MILITARY REFORM IN THE 2D ARMORED DIVISION

○ Mr. HART. Mr. President, in recent months I have raised the issue of military reform in several forums, including the Senate. In general, military reform is the recognition that we cannot just spend our way to a stronger defense. We do need to spend more, selectively, in certain areas such as military pay, readiness, and naval shipbuilding. However, we need to direct our spending toward innovative weapons and programs: VSTOL aircraft, conventional submarines, and light armored vehicles are good examples. And, perhaps most important, we need to address a number of nonspending issues which are of great importance in terms of military effectiveness. These include military doctrine, our style of warfare, unit cohesion, military education, and the defense decisionmaking process itself.

In relation to the Army, military reform raises three basic issues: Unit cohesion, doctrine, and force structure. No army can fight with full effectiveness unless its units are cohesive, unless effective psycho-social bonding has taken place at the small-unit level. Every study ever done of men in combat shows that small-unit cohesion is the reason men fight well—or fail to, when it is absent. Doctrine is of equal importance. An army which outnumbers its adversaries heavily can afford to fight what is known as firepower/attrition warfare, in which it tries to destroy its enemy physically, man by man and tank by tank. But an outnumbered force can only succeed by fighting maneuver warfare, rendering the enemy's physical strength irrelevant by shattering his organizational and mental cohesion. Finally, force structure is important. If an army can only produce a small number of "teeth"—combat units—in relation to its total size, it has little to work with on the battlefield.

At my direction, a member of my staff, Mr. William S. Lind, recently visited the 2d Armored Division at Fort Hood, Tex. My instruction to him was to look at the division's status and activities from the standpoint of these military reform issues. His report was very heartening, in that it indicates positive movement in all three areas.

Mr. President, I request unanimous consent that this report, "Military Reform in the 2d Armored Division," be printed in the RECORD at this point.

MILITARY REFORM IN THE 2D ARMORED DIVISION

Three aspects of reform—unit cohesion, doctrine, and force structure—were the basis of this study of the 2d Armored Division. In all three areas, positive developments were apparent, and the overall situation was characterized by openness to the reformers' concerns.

1. Unit Cohesion. Even a cursory examination showed broad recognition of the need for better unit cohesion. Currently, personnel turnover at the company level averages about 25% per quarter. This creates a situation in which cohesion is minimal. Lack of cohesion, in turn, creates numerous problems for commanding officers: Training can seldom move beyond basic techniques into tactics, since the constant stream of new people must be trained in basic skills; substantial time must be devoted to administrative tasks springing from the personnel turnover; and discipline must commonly be exercised by the officers, instead of springing from peer pressure. Most commanders laid heavy stress on the price paid in combat effectiveness for the current lack of unit cohesion.

These observations emphasize the need to support the unit cohesion initiatives undertaken by the Chief of Staff of the Army, General Meyer. These initiatives hold great promise for improved unit cohesion, especially as they come to incorporate a British-model regimental system. Congressional interest in and support for the Army's unit cohesion program thus far appears slight, which is most unfortunate, since greater unit cohesion is likely to increase combat effectiveness far more than will the addition of new weapon systems. Any actions which can support General Meyer in this area are likely to pay heavy dividends.

The 2d Armored Division is itself the site of the first unit to implement some of these initiatives. One of the division's battalions will attempt to maintain the cohesion of small groups as they are received from basic training, not only through their on-post advanced training, but through their first year of service. While the experiment is in an early stage, reports thus far are positive. It is widely felt among officers in the division that this approach, if successful, could alleviate many current training problems.

2. Doctrine. Knowledge of and interest in maneuver doctrine was widespread among commanding officers. A discussion of the division's actions during last year's Reforger exercise brought out numerous examples of the employment of maneuver doctrine. Techniques such as recon-pulled advances, attacks into the enemy's flank and rear, and formation of loosely structured combat groups were used widely. Mission orders tac-

tics, required for maneuver warfare, were extensively employed.

It should be noted that the negative press reports about the division's performance during Reforger appear inaccurate. Most, if not all, of those negative reports appear to have come from a single observer who spent little time in the field and had limited background in land warfare. In fact, the division seems to have done precisely what should be done on an exercise: Used the opportunity to experiment with new concepts and to develop tactical agility.

The division is making impressive efforts to improve officers' awareness of military theory. One battalion was in the process of conducting a three day seminar on questions of leadership and theory, a highly valuable practice not often seen in the U.S. military. All units showed strong interest in the concept of maneuver warfare, and were eager to learn more about it. Despite the heavy time demand on commanding officers, they were willing to make time available for study of theory. Given the current lack of attention to military history and theory in our military educational institutions, this openness in the combat units is very necessary and can yield significant increases in effectiveness.

3. Force Structure. Again, the overall atmosphere was one of openness to new approaches which could yield greater combat effectiveness. Ideas such as regarding infantry as a supporting arm on the mechanized battlefield were not rejected from parochial standpoints. Because the lack of adequate unit cohesion generally prevents tactical training, as opposed to practicing techniques, opportunities for experimentation with new force structures is limited. Improvements in unit cohesion should, however, allow such experiments, and the positive attitude in the division should permit them to be fruitful.

In summary, the current situation in the 2d Armored Division is positive from a reform standpoint. Most officers are willing to give the reform views a fair and open hearing. If higher Army command levels were to adopt reform concepts such as maneuver warfare, their implementation in the 2d Armored Division could proceed rapidly. To the degree that this division is representative of the Army as a whole, reform may take less time and face fewer obstacles than has commonly been supposed.●

FRANK H. WHEATON, SR., INDUSTRIALIST CENTENARIAN

● Mr. WILLIAMS. Mr. President, it is an honor for me to pay tribute today to one of New Jersey's outstanding citizens. I call my colleagues' attention to a special event in my home State on March 16, 1981; the 100th birthday celebration of Frank H. Wheaton, Sr.

Mr. Wheaton is being honored with a parade down High Street in Millville, a tribute at Wheaton Industries attended by some 10,000 people, and later that evening he will be the special guest at a candlelight buffet supper attended by 50 friends and family members. Now, you may think that simply reaching the age of 100 has qualified Mr. Wheaton for all this attention. And, I must admit, reaching 100 is an achievement in itself.

But this celebration is being lavished upon my dear friend because he is one of the Nation's outstanding industrialists. Frank Wheaton has spent all of his working life promoting American industry. He has been associated with the T. C. Wheaton Co. and the Wheaton Glass Co. since September 1, 1899. Under his leadership and enthusiasm the company has expanded to become Wheaton Industries which, at the present time, employs some 4,000 people in New Jersey. Some of my colleagues may be familiar with his business because Wheaton Industries also has plants in the Far West, Midwest, the South and Northern areas of the country.

Mr. Wheaton's biography reads like a version of the American dream, and any one of his achievements throughout the years would be enough to spark a gala celebration even if this were not his 100th birthday.

And, lest my colleagues think Mr. Wheaton's only area of concern has been his business, I would like to point out that his foresight and dedication have also been focused on important community projects which deserve acknowledgement as well. One example that comes to mind is the Cancer Treatment Center in Millville. It was a happy day indeed when we joined in dedicating this valuable addition to the Millville Hospital, and a proud moment for all those who worked with him to make this facility a reality.

Mr. President, it is with special pleasure then that I share this good news with my colleagues. Mr. Wheaton has lived a full and rewarding life, and his achievements will stand for many years as a model for young men and women in New Jersey and elsewhere who have a similar dream, similar goals. Happy birthday, Mr. Wheaton, and best wishes for every success in the years to come.●

SMALL BUSINESS AND EMPLOYEE OWNERSHIP

● Mr. HART. Mr. President, one of the most intriguing and innovative approaches to economic development today is employee ownership. Its potential for increasing productivity and reducing unemployment has barely been tapped though these objectives are among our Nation's highest priorities. If we are to have a new beginning in the American economy, we must take a closer look at innovative ideas such as employee ownership.

Employee ownership gives workers a share in the venture and benefits of entrepreneurship. It increases the incentive to work hard and produce more by giving workers an owner's share of the profits.

Employee ownership can be particularly attractive for small business. Small business is one of our brightest hopes for economic renewal. Small businesses create more jobs than big business, create more innovations, and stimulate economic competition. Recently the magazine "In Business" published an excellent article by Corey Rosen, executive director of the National Center for Employee Ownership, on the relationship between small business and employee ownership. This article explains how small businesses can adopt ESOP's, the most popular form of employee ownership. It offers concrete examples of the purposes ESOP's serve, when they should be used or avoided, and what types of companies will benefit.

Mr. President, I ask that the article be printed in the RECORD.

The article follows:

IS EMPLOYEE OWNERSHIP RIGHT FOR YOU?

(By Corey M. Rosen)

In recent years, Congress and the media have focused considerable attention on employee ownership of business. Tax laws have been passed to encourage it, federal agencies have been authorized to finance it, and businesses are adopting it at a rapid pace. Yet to most small business people, employee ownership is an unknown entity—a tax gimmick to some; to others an option available only to big companies. Most, however, haven't even heard about it.

If any of the situations described below apply to your business, however, it might well be worth your time to find out more about employee ownership plans (often called "ESOPs", although ESOPs are, in fact, just one popular variety of employee ownership plans):

1. You want to start a business, and you think you can interest some outside investors, but you, and they, are worried that when they want to sell out their interest, there won't be any market for their stock.

2. You are about ready to retire or move on to something different, and you want to sell out your interest in your company. The IRS says that if you sell your interest to the company, you have to pay ordinary income tax, rather than capital gains tax. You could sell for an exchange of stock to an established firm, and have any taxes deferred until you sold the new stock. It is not easy to find such a buyer, however, and, in any event, you want to see your business maintained as an independent company. Your employees have been loyal—perhaps they could buy it.

3. You want to provide your employees with a retirement plan or an incentive plan but these cost money, and you need every dollar for your business.

4. You want to make your employees feel that they are part of the company, but pep talks and even good wages really don't do the job. Yet you know that loyalty to the firm can pay real results in terms of decreased waste and better productivity.

5. You want to keep your fixed costs down so that you can adjust to variations in your business, but much of your fixed cost obligation is in wages. Hiring and firing people all the time to make adjustments is expensive, and, in any event, just doesn't seem right. What you need is a compensation system that is fair, but flexible.

6. You work for a company that is about to be shut down or divested but you know that if it were managed right, and people worked a little harder, the company could be a profit-maker.

7. You want to start a new company, or change the one you already have, so that everyone shares in the ownership and responsibility.

If any one of these situations describes your company, read on, for employee ownership plans can provide solutions to these problems at substantial tax savings. Moreover, new legislation provides the Small Business Administration, as well as other federal agencies, with the authority to help you finance your employee ownership plan.

For instance, take the case of Ed Sanders, President of Allied Plywood Company in Alexandria, Virginia. Allied is a 20-employee distributor of plywood, siding, molding, and paneling, with sales just over $8 million. Sanders founded the company in 1951, and, a few years ago, decided it was time to start thinking about retirement. "I say that the time was coming when I would have to

leave," Sanders said, "and the employees would have to take over. I have no children and no relatives that would want to take over." Although Sanders was lucky in that he could have sold out to a large company, he didn't feel right about that. After all, he had spent his life building Allied Plywood. He decided, therefore, to keep his company independent by selling his shares back to the company.

Normally, if Sanders sold his stock to the company, he would have to pay ordinary income taxes on the proceeds. To avoid this, he set up an employee stock ownership plan (ESOP). Under the law, a sale to an ESOP is considered a sale to a third party and is eligible for the considerably lower capital gains treatment.

To set up the ESOP, Sanders simply established a paper trust (literally a folder). Every year, Sanders sells part of his stock to the trust. To do this, the company writes a check to the trust for the amount needed to buy the stock. The trust then turns around ("we shift sides at the table") and buys the stock. The company's contribution to the trust is tax-deductible.

Now the trust has the stock—eventually, in fact, it will have all of Sander's stock. According to rules governing ESOP's, the stock will gradually be allocated to the accounts of the company's 19 employees. Usually, this allocation is done according to salary, although other formulas can be used, provided that they do not discriminate in favor of highly paid employees (the law provides that allocating according to salary is considered non-discriminatory, since wages are considered a fair assessment of an employee's value to the company).

Clearly, Ed Sanders and Allied are getting a substantial tax break (although not as large a break as they would get if they sold out for an exchange of stock to a large company.) The ESOP has provided Ed Sanders with other benefits as well. He now has a way to keep his company independent, plan for his retirement, and reward the employees he feels have been so good to him.

Benefits for Allied's employees are substantial. Non-managerial employees make a lower salary than most people with comparable jobs, but their total compensation, including contributions of stock to the ESOP and Allied's monthly and annual cash bonus plan, bring their total compensation to $30,000 to $50,000 per year. They already own 43 percent of the stock, and eventually will own most of it. No wonder Allied has lost only one employee in the last nine years.

Despite this high level of compensation, Allied is a profitable company. Even in this depression year for the housing industry, Allied has made a profit. Partly this is because Allied's employees work harder. "The truck drivers don't want another truck driver because that would cut into their part of the profits," says Sanders. "It is just an extremely efficient operation."

Sanders also has the luxury of adjusting his labor costs to the changing demand for his product. When times are tough, the bonus is reduced. If he wanted, Sanders could also reduce the company's contribution to the ESOP, although so far he has not had to do this. Workers don't need to be laid off in hard times, only to be rehired when business picks up (and the taxpayer doesn't have to pay for their unemployment compensation).

But what about the role of the workers in the company? After all, Sanders plans to make this company a truly worker-owned firm.

This is one of the most difficult questions for any company considering an employee ownership plan. The law states that if you have an ESOP, and you are closely held, you must pass through the vote on any issues (e.g. mergers, acquisitions) which by state law or corporate charter require a more than majority vote. There are no such issues for Allied, however, and Sanders has decided not to pass through the votes on any issues until he has sold most of his shares: "If we were to have the vote pass through on all the stock the employees will have, here I'd be with half my life's work invested, with minority say in what I had full control of. I think a vote pass through is fine, though, once my interest worked down to be something like theirs."

When Ed leaves the company, his current manager will become President, and will have the largest single share of voting stock (which he bought himself). Employees, however, will together own a majority of the stock. It appears certain that things will go on pretty much as they have been, however. Allied employees have told U.S. Senate Small Business Committee staffers, researching employee ownership, that they really do not feel a need to get involved in management issues—at least as long as they have open lines of communication on matters of concern. As one worker put it, "if you speak up, you can take the initiative and get things changed, but there are really only a couple people who are qualified to run the company."

What the employees do want is the right to have a say about how to run their own job. They want their own expertise in their own area acknowledged, and to be treated as an integral part of the company, not just dispensable employees. Over the years, Allied has worked just this way, largely because Ed Sanders operated on the premise that his employees will work better and more productively if he allows them to use their own skills and intelligence as much as possible. The ESOP will provide workers with the right to have a say in how things are run but, as in all democracies, this needn't personally involve them in making every decision. Rather, workers will expect openness, cooperation, and, ultimately, accountability. Allied has shown these things can be achieved, with beneficial results for everyone.

Allied is clearly a success story. Is it just a unique example? On the contrary, all the evidence gathered so far shows that, if handled properly, employee ownership works: it works for the employees, the business and its managers, and it works for the economy. A careful study by the University of Michigan, for instance, found that companies with substantial employee ownership plans (more than just a few percent worker-owned) were 1.5 times as profitable as comparable companies without them, and that the more stock the employees owned, the more profitable the companies were. A Senate Finance Committee study found that when firms of various sizes established employee ownership plans, their profits increased 157 percent, sales 72 percent, employment 37 percent, and taxes paid to the government 150 percent, in an average of just three years. A case study of 18 employee owned plywood companies in the Northwest showed productivity rates are 25 percent higher than conventionally owned competitors.

Perhaps the most amazing data were compiled by Cornell University researchers who identified approximately 60 firms which employee and employee-investor groups purchased from conglomerates. In each case, the companies were about to be closed by its owner. All these purchases occurred during the 1970's. As of 1979, every firm the researchers were able to track appeared to have turned the corner on profitability and had become a stable, independent company. While the recent recession has caused hard times for a few of these firms, their overall performance is remarkable, especially in light of the conventional wisdom that if a big business can't make a subsidiary profitable, no one can.

Employee ownership offers a number of other advantages as well. Since ESOPs are the most common form of employee ownership plans by far, a brief discussion of their operation can illustrate just how employee ownership can be used to meet the situations described at the beginning of this article. Two other forms of employee ownership are producer cooperatives and direct ownership of the company.

THE ESOP

An ESOP is a legally defined employee benefit plan. To set one up, you need a good lawyer; but basically, the company establishes a trust for the employees. The trust is authorized to receive contributions of cash or securities from the company—contributions which are tax deductible (up to 15 percent of the annual covered payroll in most cases). If the contribution is in dollars, the trust simply purchases existing company stock or new stock issued for this purpose. The stock in the trust is allocated to the accounts of employees according to a formula (as discussed before).

This stock vests with employees over a period of time, generally three to 10 years, but no longer than 10 to 15 years. There are a number of schedules a company can legally follow. Employees are entitled to the stock when they leave the company, at which time they can require the company to purchase the stock back from them. The company also has the right of first refusal on the stock (if the selling price is not fair market). Closely held companies having ESOPs must periodically have a valuation done of their stock, and the stock must be valued at its fair market worth.

Employees leaving the company can use income averaging and IRA "rollover" accounts to minimize their taxes on their stock. In the case of a successful company, that stock can amount to a substantial sum. The Lowe's Company, a large home improvement chain, has already made many millionaires and half-millionaires out of retired warehouse and sales employees. If the company goes under, however, the employees get nothing.

EQUITY CAPITAL

This legal structure allows for several interesting possibilities. A start-up company, for instance, may want to attract outside equity investors. That is not easy to do, however, in part because outside investors have no ready market for their shares. Some companies can go public, but not many. What an ESOP does is to create a market for the stock—namely, the employee trust. With regular valuations going on anyway, fair market value is established for the outside investor.

Moreover, the trust is empowered to borrow money to buy the investor's stock. In this arrangement, the company would guarantee the trust's loan, and actually make contributions to the trust to repay the loan. If the company borrowed money to buy out the investor, it could deduct its interest payments. If the trust borrows money, and the company makes contributions to the trust to repay the loan, the entire contribution is deductible—in effect, both principal and interest. Similarly, if the company makes a contribution to the trust to buy out the investor, that contribution is also tax deductible.

The investors benefit too. If they own over half the stock in the company, and sell out to the company, they must pay ordinary income tax, up to the 70 percent rate for unearned income. If they sell to the trust, however, they only have to pay capital gains tax.

These same provisions are obviously of equal value to an owner who wants to retire. ESOPs provide a market, a valuation, and a tax preferred way of doing what Ed Sanders did.

EXPANSION AND BENEFITS

Another benefit of ESOPs is that they can be used to finance company growth and establish an employee benefit plan with the

same pre-tax dollars. Under this approach, a company would have its trust borrow money to finance, for instance, new machinery. The company would print stock in an amount equal to the amount of the loan. The trust would buy the stock with the loan, giving the company the dollars. The company would repay the loan through the trust in tax deductible contributions. Now the company has the new machinery, and the employees have stock in their accounts. In short, the same dollars have worked double time.

FLEXIBLE COMPENSATION

ESOPs can also make a company's compensation system more flexible, especially when tied to profit sharing or bonus plans. As in Ed Sander's company, basic wages can be kept down, but variable compensation based on stock contributions and cash productivity bonus plans can be tied to company performance. Total compensation under such a plan should exceed what would otherwise be paid in salary.

BUYOUTS

Employee ownership plans can also be used by employees who want to acquire a firm which might otherwise close. The waves of conglomeration that have swept the country have frequently resulted in huge, government-sized businesses trying to manage all sorts unrelated companies. Beatrice Foods, for instance, runs 400 different companies. In many cases, subsidiaries are closed either because they are mismanaged, milked, cannot afford corporate overhead, or because the parent decides that a 10 or 15 percent return is not good enough. Employee buyouts of these firms can be—and have been—very successful. Companies as large as Chigo and Northwestern Transportation and Rath Packing are now run profitably by employee owners, as are dozens of smaller companies. The same tax advantages referred to above can be used to create an independent, employee owned company.

All of these financial advantages, however, will not, in themselves, guarantee either a company's or an employee ownership plan's success. Employee ownership is not magic. Just setting up a plan will not transform a company into a profitable enterprise full of happy workers and managers. The real key to employee ownership is that ownership can provide employees with a tangible stake in a company's future. Whether the company is a producer cooperative, with every employee owning one share, or a traditional company with an ESOP providing employees with a clear minority share, ownership works only to the extent that workers and managers use this common stake in the future to create a more productive work atmosphere.

The exact role workers will play should be a subject of regular discussion and negotiation, including what voting rights workers will have. Both research and sad experience have shown that when open communication does not exist, employee ownership, although providing some financial rewards, can lead to bitterness, misunderstanding, and, in one case, even a strike.

Ed Sanders has made this effort at his firm, with grievance meetings and with a great deal of informal contact. Ed goes out of his way, in effect, to treat his employees *both* as good workers and as owners. The results have been impressive profits for Ed Sanders, remarkable compensation for the employees, and a worker loyalty that nears perfection. As Sanders himself would say, the ESOP is not the sole cause of his happy state of affairs, but instead, more an outgrowth of the kind of attitude everyone has. The ownership plan, however, solidifies and reinforces the mutual respect and common effort.

If all of this sounds like the road to success, that's good—it can be. There are, however, some pitfalls and problems that must be considered.

PITFALLS AND PROBLEMS

First, employee ownership plans are expensive to install, and ESOPs, which offer the greatest tax benefits, are especially expensive. ESOP installation costs can run as high as $10,000 to $12,000, plus another $2,000 to $5,000 for the initial valuation. Future costs will total less than $5,000. You may be able to get by with substantially less, but you should not even try to install an employee ownership plan, especially an ESOP, without the advice of a lawyer who has had specific experience with the kind of plan you want to install. It is worth looking around, or getting in touch with the people listed at the end of this article for further advice. These high costs may be reduced, however, if Congress passes a bill introduced by Senator Russell Long to provide a tax credit up to $5,000 to small firms to cover ESOP legal costs.

Second, employee ownership plans will benefit neither your company nor your employees if your company is not either making a profit or likely to make one. The tax deductions won't do you any good, and your employees may be left with worthless stock.

Finally, employee ownership will cause a dilution in the share (although probably not the value) of your ownership interest. This can lead to many positive results, but if you are really philosophically or otherwise opposed to this notion, then installing an employee ownership plan just to get its tax advantages is likely to cause more trouble than it is worth. Senate Small Business Committee research suggests that employee owners do not want to take on a management role, but they do want to have some level of participation and they do want managers to be accountable to them on at least some basic issues. Mostly, however, they want to be treated the way ownership implies they should be treated—as partners in a shared enterprise, rather than as another piece of machinery.

There is, in short, a lot of good news about employee ownership. Acknowledging this, Congress has now empowered the Small Business Administration to guarantee all the different kinds of ownership financing described in this article. The Farmers Home Administration (FmHA) Business and Industrial Loan program can now do the same thing. Producer coops are eligible for financing from the National Consumer Cooperative Bank (although funds are limited). SBA, FmHA, the Department of Housing and Urban Development and the Economic Development Administration all now have programs to help employees purchase companies that would otherwise close.

Employee ownership offers a new way, really, for the American free enterprise system.

The cooperative it would create, the productivity it would encourage, and the sense of participation it would foster, all could unleash a tremendous outpouring of energy and creativity. The laws needed to encourage it already exist. It is now up to entrepreneurs and employees.

As Winston Churchill once said, "The great failure of capitalism is that not all share in its beneficence; the great failure of socialism is that all share in its misery." Perhaps if he had thought of it, Winston Churchill would have called for a third alternative—employee ownership.

For further information, get in touch with the author at 703-931-2757, or Jeff Gates, Senate Finance Committee, at 202-224-3418. "Employee Stock Ownership Plans: An Employer Handbook," prepared by the staff of the Senate Finance Committee (April, 1980), is available from the Superintendent of Documents, U.S. Govt. Printing Office, Washington, D.C.●

THE WHITE GOLD: IVORY

● Mr. CRANSTON. Mr. President, when the House passed the Elephant Protection Act of 1979 during the 97th Congress it could have signaled a major step forward in efforts to save the African elephant from being slaughtered into extinction. Unfortunately the Senate did not complete action on this bill. In view of the continued disgraceful destruction of this magnificent animal, I look forward to Senate consideration of similar legislation in the 97th Congress.

The slaughter of the African elephant has reached insupportable levels. From 100,000 to 300,000 are massacred each year to meet the rising demand for ivory products and skins. A largely unregulated and uncontrolled international ivory trade benefits from a 1,500-percent increase in the price of ivory in the last decade that has left the elephant population at a dwindling 1.3 million. Drought and random shootings in areas of military conflict, and the long-term threat from expanding human settlements further menaces their existence. It is obvious that the animal is being killed faster than it can reproduce.

The African elephant was once a species that roamed from the Mediterranean Sea to the Cape of Good Hope. Today, after 300,000 years of relative stability, elephant populations, in western and southern Africa especially, are dangerously low. They are already extinct in five African nations and rapidly disappearing in others—Angola, Cameroon, Chad, Congo, Sudan, Uganda, and Zambia.

Because we purchase one-fifth of all worked ivory pieces and because we have taken the lead among nations in wildlife protection, Americans have a responsibility to take steps to stop this senseless and greedy waste. Although the United States cannot enact statutes which would transcend national sovereign boundaries, we can effectively regulate the flow of elephant ivory into this country with legislation.

I submit for the RECORD an article from the Los Angeles Times by Edward Ricciuti which clearly illustrates the magnitude of the ivory trade and the devastation it has brought.

The article follows:

IVORY HOARDED AS INFLATION HEDGE

(By Edward R. Rucciuti)

NAIROBI, KENYA.—Elephant ivory, long ago nicknamed "white gold," never deserved the sobriquet more than today. Its value has jumped so high that it is the source of a trade worth more than $200 million annually. And evidence mounts that wealthy speculators are hoarding it as a hedge against inflation.

From a $3-per-pound price in the 1960s, raw ivory—elephant tusks—has increased to between $40 and $50; the exact amount is subject to market fluctuations. While some ivory hunting and trading is perfectly legitimate, the boom in prices has turned poaching and smuggling of tusks into a bonanza.

In the wake of the ivory price increase, a wave of elephant poaching has swept several countries in sub-Saharan Africa. Numbering well over a million animals, the African species is the source of virtually all ivory in commerce. Only a smattering comes from the Asian elephant, whose tusks are smaller, often even absent, and whose numbers are down to less than 40,000 in the wild.

Biologists generally agree that the most serious long-term threat to the survival of the elephant is the destruction of its grazing lands as populations in Africa demand more

land and resources. Poaching, however, has reduced elephant numbers, and even eliminated herds in some places. Early in May, the World Wildlife Fund warned that rampant elephant poaching, resulting from the breakdown of law and order in Uganda, threatens the "extinction of the Uganda elephant within a year or two."

The cause of rising ivory prices, and thus the lure of poaching, is the subject of considerable debate in conservation circles today. Some conservationists claim an increase in the demand for ivory is behind the price hike. Others say the worth of ivory is that its value, like that of gold, jumps or drops conversely with public confidence in political and economic conditions.

"Ivory is a standard of wealth," says I.S.C. Parker, a Nairobi-based wildlife consultant and a recognized authority on the ivory trade. Last year, he completed the bulk of a report on the international commerce in ivory commissioned by the U.S. Fish and Wildlife Service.

Investors have confidence in ivory when money is weak, Parker says, because it is as hard a currency as gold or diamonds. Well-fixed speculators, he says, are buying and stockpiling ivory in hopes it will further increase in value, or at least hold its own against the declining dollar.

He also believes that people in the ivory business are fearful that pressure from conservation and animal welfare interests will lead to increased curbs on the trade—and a tight supply of ivory.

"High ivory prices reflect efforts to ban the trade," says John Halligan, a biologist employed by the American Ivory Association. It is, in fact, a trade group, including some of the 3,000 carvers and importers in the United States, who last year organized to combat legislation that would tighten federal regulations on ivory imports.

Conservation aid by the United States would have considerably more impact on the elephant in Africa than a total ban on ivory imports into this country. The United States consumes about 20 percent of the world's worked ivory, but the product is at such a premium that traders say it could easily find a market elsewhere. Only 3 percent of the raw ivory coming from Africa ends up in this country, with most of it going to Japan, Hong Kong and West Germany.

The trade in elephant ivory is a worldwide affair, channeled through dozens of countries. Its basis, however, is in the African savanna, forest, or bush. Someone in the field—a legitimate government hunter, a peasant, herdsman, poacher, or possibly a guerrilla fighter with a need to trade ivory for ammunition—must find and kill the elephant; a lucky few may come upon tusks of one already dead.

Often, the distinction between legal and illegal ivory is blurred. Ivory may be legally taken from an elephant, then exported with official papers obtained by bribery. Illicit ivory may be smuggled from its country of origin, into another nation, which has no objections to transferring it to a third country.

Given the shifting nature of African politics and a hodgepodge of regulations that differ from one nation—and sometimes one province—to the next, the legitimacy of an ivory shipment can be exceedingly difficult to assess. Kenya, for instance, officially bans the ivory trade. Tanzania considers ivory a government monopoly. Gabon allows private elephant hunting. The Central African Republic did, too, but recently banned elephant killing. The central government of Zaire says it alone controls ivory shipments across its borders. But provincial officials, often out of touch with Zaire's capital, Kinshasa, continue to issue their own ivory export permits.

Government connivance with the illicit ivory trade is not uncommon British biologist Ian Douglas-Hamilton, who co-authored the Fish and Wildlife ivory trade report with wildlife consultant Parker, and is known for his elephant studies, has cited allegations of Zaire's army troops poaching elephants and of ivory being flown from the country on military aircraft.

Kenya, under the government of the late President Jomo Kenyatta, was a hotbed of official corruption involving ivory. But since last year's national election and a vote of confidence in Kenyatta's successor, President Daniel arap Moi, several officials implicated in the illicit ivory trade no longer hold their posts; arrest of poachers and smugglers have increased, too.

Rangers, at Kenya's Tsavo National Park, overrun with poachers during the last few years, were even accused of ivory poaching in 1979. After an anti-poaching campaign, poaching this year dropped to the lowest level in years and is considered under control.

Elsewhere in Africa, however, poaching is on the increase. Zambian wildlife officials told a reporter recently that the country was reorganizing its anti-poaching forces in response to a serious outbreak of the illegal activity. Several Zambian rangers have been killed by poachers and a noted Tanzanian game warden was machine-gunned to death some months ago by a poaching gang.

And yet, considerable ivory from Africa is harvested quite legally. Tanzania ivory traders can obtain tusks taken when surplus elephants are killed by national parks authorities. South Africa's elephant herds are tightly managed in a few parks, where poaching is non-existent and surplus ivory is harvested. And Botswanna's ivory business is rigidly controlled, with most of the ivory exported through a single firm, Botswanna Game Industries, Ltd.

Once exported from Africa, the ivory usually heads for a number of carving centers—Hong Kong, West Germany, Japan and parts of the United States, for instance—where it is crafted into jewelry, sculpture, handles for fine cutlery and similar items. Eskimo artisans in Alaska now substitute elephant ivory for the rare walrus variety in their art-work and New England carvers of scrimshaw use it instead of teeth of the protected sperm whale.

Usually, tusks move through middlemen in places such as Paris and Brussels before winding up in the hands of artisans. Typical of such traders is K. T. Wang of Paris, whose firm also trades internationally in many other items, from housewares to lamps. Wang says it has become increasingly difficult for a trader to obtain sufficient ivory to meet his needs.

Artisans also say they cannot get enough ivory, even though large volumes seem to be coming out of Africa. Talk of speculators hoarding the ivory that has dropped out of sight continues to spread.

Evidence of growing interest by investors in ivory comes when an international effort to regulate the trade by choking off the flow of illicit goods, is gaining ground. The effort is being waged through the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), completed in Washington in 1973. More than 50 nations, including many with elephant populations, have signed and several more are about to. Within a few years, the sponsors hope, virtually all nations important to the ivory trade will belong.

Signing the convention, however, does not guarantee that a nation will be able to restrict its ivory trade to legitimate enterprise. The main problem is that there has been no standardization of documentation covering ivory, or other wildlife products for that matter. CITES nations, however, are now discussing standardization and progress is expected in the near future.

Many conservationists view it as the best way of controlling illegal exploitation of the African elephant white gold.●

IT IS TIME FOR OMB TO FOLLOW THE LAW: UNLAWFUL FREEZE ON VA HEALTH-CARE EMPLOYEES

● Mr. CRANSTON. Mr. President, section 5010(a)(4) of title 38, United States Code—which was added by section 301 of Public Law 96–151 and of which I was the author in the Senate—requires that, after the enactment of each law making appropriations to the VA, the Director of the Office of Management and Budget provide the VA with the authority to employ not less than the numbers of employees for which the Congress has appropriated funds in the VA's three health-care accounts—medical care, medical and prosthetic research, and medical administration and miscellaneous operating expenses.

Despite this very specific mandate, the Federal civilian hiring freeze imposed by the President on January 20, 1981, did not exempt personnel hired under these accounts. However, the President did direct the Director of the Office of Management and Budget to issue detailed instructions and delegated to him "authority to grant exemptions * * * where * * * necessary for the delivery of essential services."

Nevertheless, all hiring of employees under the health-care accounts was precluded for a period of 10 days, until January 30, at which time the VA determined, under the terms of the January 24 OMB guidelines, that certain categories of personnel—those determined to be direct-care employees—under the VA medical care account were exempt. Despite the fact that the OMB guidelines specifically provide for OMB to grant exemptions where necessary "to assure that * * * applicable provisions of law are carried out * * *," no exemption has been granted for the other categories of personnel employed under that account or for any personnel employed under the other two health-care accounts.

In light of the obvious conflict between the statutory mandate requiring that the VA be given certain hiring authorities and the freeze directives ostensibly prohibiting the VA from hiring the numbers of personnel involved, I was joined by the chairman of the House and Senate Committees on Veterans' Affairs and the ranking minority member of the House committee in a January 23, 1981, letter to the Comptroller General of the United States in which we asked for a ruling as to the legality of applying the freeze to employment under the three VA health-care accounts covered by section 5010(a)(4) of title 38.

In a February 19 response, the Comptroller General concluded that the freeze could not legally be so applied and advised that his view was in agreement with the position taken by the VA. The VA's position was set forth in a January 30 legal memorandum from its General Counsel to the Deputy Administrator of Veterans' Affairs.

Although OMB had been asked for its views on this question by GAO, the

Comptroller General advised us that OMB had not provided formal written comments. Rather, the Comptroller General said, "[W]e have been told informally that it is OMB's position * * *" that section 5010(a)(4) does not render unlawful the application of the freeze to employment under the three VA health-care accounts.

Thus, at the present time, the VA is operating subject to directives from OMB that are, in the view of the VA and the Comptroller General, plainly illegal. This is an intolerable situation for the VA to be in, and it is resulting in the VA's inability to hire in many categories of personnel needed for the operation, maintenance, and administration of its health care and health research programs.

The results are especially grievous in connection with the employment of the 1,176 additional VA health-care personnel for which Congress appropriated funds in Public Law 96–526, the fiscal year 1981 HUD-Independent Agencies Appropriations Act, signed into law on December 15, 1980.

Mr. President, 176 of those positions were specifically funded to enhance and expand the VA's readjustment counseling program for Vietnam-era veterans—a long overdue and very meaningful program that has proved its effectiveness in its first full year of operation. This remarkable network of 91 storefront-type vet centers has been only minimally staffed and funded from the beginning. Yet, these 176 additional positions mandated by the Congress were not included in the January 30 exemption from the freeze sought by the VA and granted by the Director of OMB for certain categories of personnel in the medical care account.

Thus, because 156 of the 176 additional positions were not filled before the freeze was imposed, most of the additional, badly needed support that the Congress has appropriated for this program have been put on "hold." This situation is having a serious adverse effect on the morale of the overworked teams at vet centers now in operation and—because the program itself has taken on a greater significance to these veterans and to concerned members of the public since the very warm welcome given the former hostages on their return from Iran—this unlawful administration thwarting of clear congressional intent will inevitably raise serious questions about our Government's commitment to assisting with the readjustment difficulties of Vietnam-era veterans.

Moreover, the question of legality aside, as my good friend and colleague from California, the ranking majority member of the House Committee on Veterans' Affairs, Subcommittee on Hospital and Health Care, Representative DON EDWARDS, recently stated, in a timely and forceful letter to the VA, vet center personnel should have been included in the direct care category exempted from the freeze under the January 24 OMB guidelines.

Mr. President, OMB's actions in this matter are most unfortunate in several respects. In addition to imposing serious burdens on VA medical care and research through, what I agree with the VA and the Comptroller General is, the unlawful application of the hiring freeze, OMB has shown a rather cavalier disregard for acts of Congress, a disregard that is underscored by the authoritative legal opinions of the Veterans' Administration and the Comptroller General and by OMB's failure to provide the Comptroller General with a written legal opinion or formal views.

In Public Law 96–151, we enacted section 5010(a)(4) of title 38 to provide—as clearly as we could express it—a guarantee that the VA would always be provided with the authority to hire no less than the numbers of personnel for which Congress has appropriated funds in the VA's three health-care accounts. Thus I am pleased that the VA and the Comptroller General do not believe this law has any loophole allowing OMB to provide certain hiring authority in one breath and, in the next, to prohibit its use.

Mr. President, I consider it to be extremely important for the requirements of the law to be followed—important to the provision of quality health-care services to the Nation's veterans and important to the maintenance of the level of services intended by the Congress in appropriating these funds.

It is time for OMB to obey the law, and I call on the Director of OMB to insure that it does—fully and immediately.

Mr. President, I insert the VA General Counsel's opinion and the exchange of correspondence with the Comptroller General, followed by the letter from Congressman EDWARDS that I mentioned and the Chief Medical Director's reply in the RECORD at this point:

WASHINGTON, D.C., *January 23, 1981.*

Hon. ELMER B. STAATS,
Comptroller General of the United States,
Washington, D.C.

DEAR MR. COMPTROLLER GENERAL: As you will recall, in a letter dated July 29, 1980, to Senator Cranston (a copy of which is enclosed for your convenience), you addressed the question of whether a non-statutory Executive Branch limitation on hiring imposed on the Department of Medicine and Surgery of the Veterans' Administration would constitute a violation of section 5010(a)(4) of title 38 (as added by section 301 of the Veterans' Health Programs Extension and Improvement Act of 1979, Public Law 96–151). Under section 5010(a)(4), the Director of the Office of Management and Budget must provide the VA with the authorization to employ under the VA's medical care and two other related accounts not less than the numbers of employees for which appropriations have been made for the fiscal year concerned.

In your letter, you indicated that, if a non-statutory limitation on hiring decreased employment authorizations for the three VA appropriation accounts involved, the statutory requirement would prevail, and thus suggested that such a limitation would constitute a violation of law. You noted, however, that you would have to review the specifics of any future limitation in order to assess it appropriately in terms of section 5010(a)(4).

In light of that earlier analysis, we would appreciate receiving, as soon as possible, an opinion from you on whether the "strict freeze on the hiring of Federal civilian employees" ordered by President Reagan on January 20, 1981, violates section 5010(a)(4) of title 38. (A copy of the memorandum imposing that freeze is enclosed.)

We note that, under Public Law 96–526, the Department of Housing and Urban Development-Independent Agencies Appropriations Act of 1981, signed into law on December 15, 1980, Congress has appropriated funds for the employment of, according to advice from the Appropriations Committees, a total of 191,108 full-time employee equivalents (FTEE's) under the accounts in question in fiscal year 1981. Thus, section 5010(a)(4) requires the Director of OMB to provide the VA with the authorization to employ that number of employees under those accounts, and the "freeze" directive raises the question whether it has the effect of decreasing below that number the authorizations for the accounts involved.

In this connection we also note that, in the directive, the President has delegated to the Director of OMB "the authority to grant exemptions in those rare and unusual circumstances where exemptions are necessary for the delivery of essential services", and we ask that you also determine whether it is lawful under section 5010(a)(4)—in light of the fact that the aforementioned appropriations have been made for FTEE's (staff years)—for VA hiring under these accounts to be "frozen" during the time that would be required for the making of an application for an exemption.

In view of the obvious time constraints entailed in this request and the enormous adverse impact that even a short-term freeze can have on the provision of health care by the VA, we would appreciate receiving your opinion on these issues at your very earliest convenience.

We would also note that the 30-day deadline, set forth in section 5010(a)(4)(B), for the Director of OMB to provide you and the appropriate committees of the Congress with certification that the employment authorizations have been provided to the VA has once again been violated—this time with respect to Public Law 96–526—and we look forward to receiving the report that you will be filing under section 5010(a)(4)(C) with respect to Public Law 96–526.

Sincerely,

ALAN K. SIMPSON,
Chairman, Senate Committee on Veterans' Affairs.

G. V. MONTGOMERY,
Chairman, House Committee on Veterans' Affairs.

ALAN CRANSTON,
Ranking Minority Member, Senate Committee on Veterans' Affairs.

JOHN PAUL HAMMERSCHMIDT,
Ranking Minority Member, House Committee on Veterans' Affairs.

WASHINGTON, D.C., *February 19, 1981.*

Hon. ALAN CRANSTON,
Ranking Minority Member,
Committee on Veterans' Affairs,
Washington, D.C.

DEAR SENATOR CRANSTON: This is in response to your concern as to whether the hiring freeze imposed by President Reagan on January 20, 1981, violates section 5010(a)(4) of title 38 of the United States Code. That section requires the Director of the Office of Management and Budget, in each fiscal year, to provide to the Veterans' Administration the full funded personnel ceiling for which the Congress has appropriated funds for the year in three specified accounts. The hiring freeze, on the other hand, with some exceptions, precludes all Executive branch agencies from hiring any employees after January 20, 1981.

As is our usual practice, we requested the views of the concerned agencies—in this instance, the Office of Management and Budget (OMB) and the Veterans' Administration (VA). We have not yet received the formal written comments of OMB. However, we have been told informally that it is

OMB's position that: 1. The Director of OMB has already complied with the statute; 2. the temporary hiring freeze is not inconsistent with the full-time employee equivalent (FTEE) certification because the VA could use all available staff years after the freeze is lifted; 3. the required certification does not limit the President's authority to impose a Government-wide hiring freeze; and 4. the certification requirement would be satisfied with a deferral report to the Congress delaying availability of some of the funds appropriated for medical care staffing, to be used later on to partially offset the need for a supplemental appropriation to cover the October 1, 1980, pay raise.

In its response to our inquiry the VA takes the position that 38 U.S.C. § 5010(a)(4) is an absolute mandate to OMB to allow VA to fill all positions for which Congress has appropriated funds, and that the President does not have legal authority to prevent VA from hiring to fill those positions.

We agree with the Veterans Administration. For the reasons indicated below, it is our opinion that the presidential hiring freeze is not applicable to the positions which the Congress has required to be released for fiscal year 1981. We also hold that the funds needed to fill these positions may not be deferred or otherwise withheld during fiscal year 1981.

THE STATUTE

As is relevant to this decision, 38 U.S.C. § 5010(a)(4) provides:

"(A) With respect to each law making appropriations for the Veterans' Administration, there shall be provided to the Veterans' Administration the funded personnel ceiling defined in subparagraph (D) of this paragraph and the funds appropriated therefore.

"(B) In order to carry out the provisions of subparagraph (A) of this paragraph the Director of the Office of Management and Budget shall with respect to each such law (i) provide to the Veterans' Administration for the fiscal year concerned such funded personnel ceiling and the funds necessary to achieve such ceiling * * *

* * * * *

"(D) For the purposes of this paragraph, the term 'funded personnel ceiling' means, with respect to any fiscal year, the authorization by the Director of the Office of Management and Budget to employ (under the appropriation accounts for medical care, medical and prosthetic research, and medical administration and miscellaneous operating expenses) not less than the number of employees for the employment of which appropriations have been made for such fiscal year."

This provision was passed by the Congress in response to actions by the Administration blocking VA from hiring all the health-care employees for which Congress had appropriated funds. The statute was intended to insure that VA was staffed at the level specified by the Congress by preventing the Administration from withholding funded personnel positions from VA. Thus, in the explanatory statement accompanying the compromise bill which contained paragraph 5010(a)(4), the House and Senate Committees on Veterans' Affairs jointly stated:

"The compromise agreement requires the Director of OMB to provide to the VA the personnel ceiling for VA health-care staffing for which appropriations are made * * *.

"The Committees believe that it is essential that when the Congress appropriates funds specifically designated for VA personnel levels, OMB not thwart the will of Congress by requiring the VA to use the funds so appropriated for other purposes (as occurred in fiscal year 1979 when funds appropriated for additional personnel were diverted, at OMB's direction, to cover in part the VA's cost of the Federal government pay raise." Cong. Rec. 34864 (December 6, 1979).

Also, in explaining the compromise bill to the House, Representative Hammerschmidt, Ranking Minority Member of the Subcommittee on Medical Facilities and Benefits, Committee on Veterans' Affairs, said:

"Another provision is aimed at preventing the recurrence of a situation that generated widespread outrage earlier this year. The Office of Management and Budget directed the Veterans' Administration to use funds appropriated by the Congress to prevent the planned closing of hospital beds within the VA medical system for another purpose. The appropriated funds were used, instead, to absorb the Federal pay raise for VA employees and the bed closings went ahead as planned.

"'The Director of OMB is required by the bill before us to allocate funds to the VA for the health care staffing Congress intends * * *'" Cong. Rec. 34870 (December 6, 1979).

See also the statements of Representative Satterfield, Chairman, Subcommittee on Medical Facilities and Benefits (Cong. Rec. 34861 (December 6, 1979)), and your statement (Cong. Rec. 34984 (December 6, 1979)).

By its terms, the statute requires the Director of OMB to make available to the VA the funds appropriated by the Congress for personnel and to authorize VA to employ at least the number of employees for which funds were appropriated in the three specified accounts. The means for determining the personnel ceiling intended by the Congress was specified in the compromise agreement explanatory statement referred to above:

"The term 'for which appropriations have been made for . . . [a particular] fiscal year' in subparagraph (D) of new paragraph (4) of section 5010(a), as used with respect to an appropriation Act, means the appropriations amount that is identified unequivocally in the legislative history of such Act (including the President's budget submissions for the appropriations account involved) as intended to support a specified employment level." Cong. Rec. 34864 (December 6, 1979).

In the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1981, Pub. L. No. 96-526, 94 Stat. 3045, 3059, the Congress appropriated approximately $3 billion, $132 million, and $51 million respectively for "Medical Care", "Medical and Prosthetic Research", and "Medical Administration and Miscellaneous Operating Expenses." The committee reports accompanying the Act, when read with the President's budget requests, indicate the following mandated health-care positions under the three accounts:

Medical care	185,848
Medical and prosthetic research	4,418
Medical administration and miscellaneous operating expenses	832

Under 38 U.S.C. § 5010(a)(4) the Director of OMB is required to authorize VA to fill at least this number of positions, and must make available sufficient funds to pay their salaries.

Subparagraph (C) of paragraph 5010(a)(4) requires the Comptroller General to verify that the Director of OMB has complied with the statute. By letters of February 3, 1981, HR1-63 (B-198103), the Comptroller General reported to the Chairman of the House and Senate Appropriations and Veterans Affairs committees that the Director had released at least the required number of positions to VA. However, the letters cautioned that any determination that the Director was in compliance with the law would turn on the application of the presidential hiring freeze to the VA.

THE HIRING FREEZE

On January 20, 1981, President Reagan issued to the Heads of Executive Departments and Agencies a Memorandum announcing "a strict freeze on the hiring of Federal civilian employees to be applied across the board in the executive branch." See 46 Fed. Reg. 9907. The Memorandum indicated that the Director of OMB would issue detailed instructions concerning the freeze. The President delegated to the Director of OMB the authority to grant exemptions from the freeze in special circumstances. Thus the Director of OMB is administering the freeze and it is by his directions that Executive Branch agencies are not hiring.

On January 24, 1981, OMB issued Bulletin No. 81-6 providing "for an immediate and total freeze on the hiring of Federal civilian personnel as directed by the President * * *." The Bulletin directs all Executive Branch departments and establishments to stop all hiring immediately. The Bulletin provides for exemptions from the freeze including "situations where medical, hospital or health care is furnished directly * * *."

In response to our inquiry we have been informally notified by OMB that the Director of OMB granted a blanket exemption from the freeze to VA with respect to positions delivering direct health-care services (doctors, nurses, dentists, etc.). However the Director denied a blanket exemption for VA administrative and other positions funded under the three specified appropriation accounts. The Director indicated that he would consider requests for exemptions for these positions on a facility by facility basis.

Because all three accounts contain appropriations for personnel other than direct health-care personnel, the Director's decision not to exempt these positions too amounts to an impoundment of funds which were made immediately available for obligation by 38 U.S.C. § 5010(a)(4). In this respect, we see no difference in the application of a Government-wide hiring freeze to the VA, or a freeze imposed only on the VA. Both types of actions would prevent the use of budget authority otherwise made immediately available for obligation and therefore constitute impoundments, even though no formal impoundment message has been transmitted to the Congress to date.

CONTENTIONS OF OMB STAFF[1]

OMB, however, contends that the Director has already complied with the requirements of paragraph 5010(a)(4) by releasing funds and the Congressionally-directed employment ceiling to VA. It apparently is OMB's position that paragraph 5010(a)(4) does not impose a continuing obligation on the Director to maintain the funded VA personnel ceiling throughout the entire fiscal year.

OMB's interpretation of paragraph 5010(a)(4) would completely defeat the intent of the Congress and we must reject it. As we have indicated, paragraph 5010(a)(4) was enacted specifically to prevent OMB from reducing VA staffing below the congressionally-funded level. It was the intent of the Congress that VA be free to fill all of the positions for which the Congress made annual appropriations. To interpret 5010(a)(4) as allowing the Director to withdraw the personnel ceiling after he had initially granted it would clearly thwart the will of the Congress.

OMB next argues that 5010(a)(4) merely requires the Director to release the positions; it is not a mandate to the VA to actually hire to the full employment ceiling. Therefore, the hiring freeze, which does not actually reduce

[1] As we have indicated, we have not received any formal written comments from OMB. For the remainder of this decision when we refer to OMB positions or contentions we are referring to the views of OMB staff informally communicated to us.

the ceiling, does not violate the language of the statute.

Certainly, OMB is correct that by its terms 5010(a)(4) does not compel the VA to fill all the positions funded by the Congress. However, the paragraph does require that the Administration not deprive the Administrator of Veterans' affairs of the authority to fill all the positions should he choose to do so. Clearly it was the intent of the Congress to remove by statute the power of the Administration to reduce VA employment ceilings below the congressionally authorized level. As we have indicated, 5010(a)(4) was enacted by the Congress specifically in response to Administration action which prevented the VA from filling congressionally funded health care positions in fiscal year 1979. In reporting the compromise language which became 5010(a)(4) the House and Senate Veterans' Affairs Committees made it clear that the statute would force OMB to release all congressionally funded positions to VA.

Interpreting 5010(a)(4) to allow OMB to control VA hiring by means of a hiring freeze would be as much contrary to the intent of the Congress as allowing OMB to actually withhold the positions from VA. The OMB Bulletin which implements the freeze purports to deprive the Administrator of Veterans' Affairs of the power to fill the congressionally funded positions, which is not permitted by paragraph 5010(a)(4).

OMB next contends that 5010(a)(4) does not deprive the President of his power to manage the Executive Branch of the Government.

The President's power to manage the Government derives from his constitutional designation as Chief Executive and his responsibility to see that the laws are faithfully executed. However, the President may not use his powers to prevent the law from being fulfilled. *See Kendall* v. *United States*, 12 Pet. (37 U.S.) 524, 613 (1838) *National Treasury Employees Ass'n* v. *Nixon*, 492 F.2d 587, 604 (D.C. Cir. 1974); *Haring* v. *Blumenthal*, 471 F. Supp. 1172, 1179 (D.D.C. 1979). A presidential order may not supersede contradictory statutory provisions or policies. *Marks* v. *Central Intelligence Agency*, 590 F.2d 997, 1003 (D.C. Cir. 1978); *Weber* v. *Kaiser Aluminum & Chemical Corp.* 563 F.2d 216, 227 (5th Cir. 1977), *rev'd on other grounds, United Steelworkers* v. *Weber* 443 U.S. 193 (1979).

Clearly paragraph 5010(a)(4) directs the Executive not to withhold from the VA the authority to fill the congressionally-funded personnel ceiling. The President cannot use his executive powers to defeat this statute. Rather he has a constitutional obligation to see that it is fulfilled.

OMB contends that to the extent that 5010(a)(4) deprives the President of his executive powers it is contrary to the Constitution. This Office will not consider the constitutionality of congressional enactments in ruling on the legality of Federal agency actions. We consider every Federal law to be valid until such time as a Federal Court of competent jurisdiction declares it to be unconstitutional.

OMB finally argues that 5010(a)(4) does not preclude the Administration from using the provisions of the Impoundment Control Act of 1974, 31 U.S.C. § 1400 *et seq.*, to attempt to control Federal expenditures. OMB indicates that it intends to propose a deferral of budget authority for the VA positions not filled and to instruct VA to use this budget authority later in the fiscal year in lieu of a supplemental to cover the costs of the Federal pay increase. We do not think the President's impoundment authority is available, however, to defeat a clear congressional mandate that certain funds be made immediately available for obligation.

On April 16, 1980, the President proposed a deferral (D80–65) of funds available for the Federal-Aid Highways Program. Several district courts held that the fourth disclaimer in the Impoundment Control Act, 31 U.S.C. § 1400(4), precluded the President from impounding funds by reducing the obligational ceiling established by Congress and, thereby, reducing the allotments to the states.[2] The courts held that the fourth disclaimer exempts from the application of the Impoundment Control Act any law "which requires the obligation of budget authority or the making of outlays thereunder." The statute involved in the Highway cases requires the Secretary of Transportation to allot funds to the states by formula, subject to an obligational ceiling. Reducing the obligational ceiling would have had the effect of reducing the states' allotments, and, therefore, the amount that could be obligated to and expended by the states. Though the fourth disclaimer speaks in terms of obligations and outlays and the Federal-Highway Act's mandatory requirement is in terms of the apportionments to the states, the courts still held that the President was precluded by the fourth disclaimer from impounding funds under the Impoundment Control Act.

The situation involved here is analogous to the Highways cases. Both section 5010(a) and the Federal Highway Act require a type of allotment but neither statute requires the recipient of the funds to spend them. In both situations, some further action must occur after the allotment and before funds are actually obligated and spent. In the case of section 5010(a), VA determines that positions need to be filled, finds qualified individuals, and hires them. In the case of the Federal-Aid Highways Program, a state determines it needs the funds, submits a program plan and obtains Department of Transportation approval. Furthermore, the reduction of available positions in contravention of section 5010(a) and the reduction of the obligational ceiling in contravention of the Federal-Aid Highways Act have the same effect—the amount of funds available for obligation and expenditure are reduced. Since the Impoundment Control Act was not available in the Highway cases, it should not be available to OMB to reduce the positions allocated to VA and, thereby, reduce the funds available to it.

Section 1001 of the Impoundment Control Act, 31 U.S.C. § 1400, provides:

"Nothing contained in this Act, or in any amendments made by this Act, shall be construed as—

* * * * *

"(4) superseding any provision of law which requires the obligation of budget authority or the making of outlays thereunder."

In light of the provisions of section 1001 it is our view that the Impoundment Control Act may not be used to deny to VA the funds and related positions mandated to be available by paragraph 5010(a)(4). In this connection, and in the context of paragraph 5010(a)(4), we see no distinction between a Congressional mandate to spend and a mandate to allot positions and make funds available to fill them.

We conclude that 38 U.S.C. § 5010(a)(4) precludes the administration from using the President's hiring freeze, as implemented by OMB Bulletin No. 81–6, to reduce congressionally funded VA employment levels. We also hold that all the funds appropriated for the designated positions in the Medical Care, Medical and Prosthetic Research, and Medical Administration and Miscellaneous Operating Expenses accounts for fiscal year 1981 must continue to be available to fill those positions.

Sincerely yours,

MILTON J. SOCOLAR,
Acting Comptroller General
of the United States.

JANUARY 30, 1981.

To: Deputy Administrator.
From: General Counsel.
Subject: OMB Bulletin 81–6—Medical Personnel Staffing.

1. This will respond to the question as to whether the freeze on Executive department civilian hiring imposed by President Reagan in an Executive Memorandum dated January 20, 1981, is applicable to medical personnel staffing in view of sections 5010(a)(4)(A), and (a)(4)(D) of title 38, United States Code.

2. The Executive Memorandum issued under the authority of the Budget and Accounting Act of 1921, as amended, required the Director of OMB to issue guidelines (OMB Bulletin 81–6 dated January 24, 1981) to implement a Federal civilian hiring freeze. OMB has advised that the provisions of Bulletin 81–6 are applicable to medical personnel staffing under the VA appropriations for medical care, medical and prosthetic research, and medical administration and miscellaneous operating expenses despite the plain and unambiguous language of section 5010 and its legislative history. (The OMB bulletin does provide for exemptions to the hiring freeze to include determinations that hiring is necessitated by emergency situations such as the provision of health care.)

3. In enacting the Veterans Health Programs Extension and Improvement Act of 1979, Public Law 96–151, Congress in section 301 of that law amended section 5010 of title 38, United States Code, to mandate that the Director of the Office of Management and Budget provide the Veterans' Administration the personnel ceiling for VA health care staffing for which appropriations are made. Specifically, Congress added the following new paragraph to section 5010(a):

(4)(A) With respect to each law making appropriations for the Veterans' Administration, there shall be provided to the Veterans' Administration the funded personnel ceiling defined in subparagraph (D) of this paragraph and the funds appropriated therefor.

(B) In order to carry out the provisions of subparagraph (A) of this paragraph, the Director of the Office of Management and Budget shall, with respect to each such law (i) provide to the Veterans' Administration for the fiscal year concerned such funded personnel ceiling and the funds necessary to achieve such ceiling, and (ii) submit to the appropriate committees of the Congress and to the Comptroller General of the United States certification that the Director has so provided such ceiling. Not later than the 30th day after the enactment of such a law or, in the event of the enactment of such a law more than 30 days prior to the fiscal year for which such law makes such appropriations, not later than the 10th day of such fiscal year, the certification required in the first sentence of this subparagraph shall be submitted, together with a report containing complete information on the personnel ceiling that the Director has provided to the Veterans' Administration for the employees described in subparagraph (D) of this paragraph.

(C) Not later than the 45th day after the enactment of each such law, the Comptroller General shall submit to the appropriate committees of the Congress a report stating the Comptroller General's opinion as to whether the Director of the Office of Management and Budget has complied with the requirements of such subparagraph in

---

[2] In the 1980 Supplemental Appropriations and Rescissions Act, the Congress rendered the question of the legality of deferral D80–65 moot. Accordingly, in cases pending before courts of appeals, the district courts' rulings were vacated. However, we believe the analysis contained in many of these cases is useful and provides guidance in the situation before us.

providing to the Veterans' Administration such funded personnel ceiling.

(D) For the purposes of this paragraph, the term "funded personnel ceiling" means, with respect to any fiscal year, the authorization by the Director of the Office of Management and Budget to employ (under the appropriation accounts for medical care, medical and prosthetic research, and medical administration and miscellaneous operating expenses) not less than the number of employees for the employment of which appropriations have been made for such fiscal year.

4. This mandate of the Congress was a direct, unequivocal response to the very stringent limitations that the Administration had placed on DM&S personnel ceilings, with resultant cutbacks in services. In explaining the provision, which represented a compromise amendment, the House and Senate Veterans' Affairs Committees in their joint explanatory statement expressed the belief "that it is essential that, when the Congress appropriates funds specifically designated for VA personnel levels, OMB not thwart the will of Congress by requiring the VA to use the funds so appropriated for other purposes (as occurred in fiscal year 1979 when funds appropriated for addtional personnel were diverted, at OMB's direction, to cover in part the VA's cost of the Federal Government pay raise.)" Cong. Rec. (Dec. 6, 1979) p. 34864.

5. Very significantly, in a July 29, 1980 opinion (B–198103) to the Chairman of the Senate Veterans' Affairs Committee the Comptroller General responded to a question as to the effect of section 301 of Public Law 96–151 on any future executive branch hiring freeze. Acknowledging the need to review the specifics of any such limitation, the Comptroller General's view was direct: "It is clear to us that the statute would prevail over any nonstatutory OMB-imposed limitation on hiring which would have the effect of decreasing employment authorizations for the three VA accounts specified in the statute below the personnel levels specified by Congress."

6. An argument has apparently been raised that enactment of the employee pay raise in October 1980, negates the medical personnel staffing levels established by section 5010. This position is based on the assumption that Congress in enacting the pay raise was aware that there would be insufficient funds in the appropriation accounts to support the employment level authorized by section 5010 given the newly-enacted employee pay raise, and that consequently, the statutorily required employment level was reduced accordingly. Another argument which has been raised to support the legality of the freeze is that the mandated ceiling was "provided" as required, but is not a continuing requirement and was therefore subsequently reduced as a result of economic necessity.

7. We are of the opinion that these arguments are incorrect, both as regards section 5010 and as a matter of appropriations law.

8. Viewed in connection with both the legislative history of new section 5010(a)(4), and the context of the entire section, it is clear that this new paragraph establishes a *continuing* requirement for OMB to provide the personnel ceiling funded for DM&S. In adding this paragraph to section 5010(a), Congress cannot have been unmindful of the requirement of subsection (a)(1) of that section, for example, that "The Administrator shall staff and maintain, in such a manner as to ensure the immediate acceptance and timely and complete care of patients, sufficient beds and other treatment capacities to accommodate, and provide such care to, eligible veterans applying for admission and found to be in need of hospital care for medical services."

9. Similarly, section 5010(a)(2) directs the Administrator to "maintain the bed and treatment capacities of all Veterans' Administration medical facilities so as to ensure the accessibility and availability of such beds and treatment capacities to eligible veterans in all States and to minimize delays in admissions and in the provision of hospital, nursing home, and domiciliary care, and of medical services . . . ." The very purpose of the amendment was to give such provisions meaning in the face of severe cutbacks caused by limitations imposed on personnel ceilings. To read section 5010(a)(4)(A) as having only limited application and permitting, subsequent to OMB's initially providing the funded personnel ceiling, the reduction of that ceiling is to contravene section 5010 as a whole. Congress viewed this amendment as critical to ensuring that the Administrator could meet his statutory responsibilities under section 5010(a). Particularly given this degree of congressional concern, to treat the provision as anything other than a continuing requirement in the absence of a specific, express legislative amendment is to ignore both the letter and intent of the law. This is further reinforced by the fact that the Comptroller General in his decision cited in paragraph 5 above believes that his own obligations under the statute are "of a continuing nature."

10. Further, OMB's position that enactment of the employee pay raise last October negates section 5010(a)(4) is unfounded given standard, Government-wide appropriations practices. Congress appropriates lump-sum amounts for specific accounts for VA programs. Absent any statutory restrictions in the Appropriation Act as to such accounts, the lump-sum account appropriation is available and may be applied to any of the Agency's object programs or projects funded within an appropriation account. This method of funding is a long-standing recognition by the Congress that agencies should have flexibility to shift (reprogram) funds within a particular appropriation account to meet unforeseen developments and changing requirements in agency programs. In light of these long-standing practices, Congress clearly contemplated, not an amendment to the section 5010 hiring requirements, upon enactment of the pay raise, but rather, funding thereof in accordance with standard reprogramming procedures, or by means of a supplemental appropriation. In this connection, a review of the current Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1981 (Pub. L. No. 96–526) indicates that there are no applicable statutory restrictions or earmarking of funds imposed on the three medical-related accounts which would preclude the reprogramming of funds within these accounts to provide for mandated employee pay raises as well as the mandated medical personnel staffing authorized for FY 1981.

11. Moreover, it is particularly noteworthy that Congress specifically considered reprogramming of funds in the subject medical-related accounts for medical-related personnel salaries. In section 409 of Pub. L. No. 96–526, the Congress in effect specifically prohibited the programming of medical personnel salary funds for nonpersonnel medical care, medical administration, and medical research purposes. The Congress did not, however, preclude reverse programming, i.e., reprogramming funds from nonpersonnel medical-related purposes to medical-related personnel salary purposes within these appropriation accounts.

12. It thus is clear that adoption of the pay raise of 1980 did not, as an appropriations matter, preclude the Veterans Administration from maintaining the medical personnel staffing levels which preceded the pay raise and that the agency, therefore, is obligated as a matter of law (38 U.S.C. § 5010) to meet these staffing levels.

13. As regards the conflict between section 5010 and the Executive Memorandum, it goes without saying that all executive power is granted by the Constitution, and the executive branch can exercise no power not derived from the instrument. *Ex parte Quirin*, 317 U.S. 1 (1942). The President, as Chief Executive, is vested only with the power to carry out the laws of the Nation, as distinguished from the Congress, which is vested with the sole power to make the laws. The President's power includes issuing directives and orders consistent with law to the Executive departments and agencies. However, "[t]o contend that the obligations imposed on the President to see the laws faithfully executed, implies a power to forbid their execution, is a novel construction of the Constitution and entirely inadmissable." *Kendall v. United States*, 37 U.S. 524, 613 (1838).

14. In the landmark case involving an Executive order, *Youngstown Steel and Tube Co. v. Sawyer*, 342 U.S. 579 (1952), the Supreme Court stated: "It is clear that if the President had authority to issue the order he did, it must be found in some provision of the constitution." Finding no constitutional basis to the President's order for Federal seizure of a still mill shut down by a strike during the Korean War, the Court held that the seizure was void. When an order by the President clashes with congressional legislation, the legislation takes precedence. See *McGann Mfg. Co.* v. *United States*, 98 F. Supp. 225 (D.C. Pa. 1951); *Warner Constr. Co. v. Krug*, 80 F. Supp. 81 (D.C. Col. 1946).

15. The order by the President in the memorandum of Jan. 20, 1981, cannot repeal or vary 38 U.S.C. § 5010, since it is a public law duly enacted by Congress which by its mandatory language allows the President no discretion in carrying it out.

16. In conclusion, we are of the opinion that any attempt to apply the employment freeze mandated in OMB Bulletin No. 81–6 would not only thwart the clearly expressed intent of Congress but also would be a clear violation of law.

GUY H. MCMICHAEL III

WASHINGTON, D.C., *February 19, 1981.*

Hon. MAX CLELAND,
Administrator, Veterans' Administration, Washington, D.C.

DEAR MAX: On February 2, 1981 I wrote to Chief Medical Director Dr. Donald L. Custis urging the Veterans' Administration to request an exemption from the hiring freeze imposed by the Office of Management and Budget on VA health care personnel within the Department of Medicine and Surgery. Of particular concern to me, as I indicated, were the maintenance of current staffing levels through replacement and the expansion of personnel levels as mandated by the Congress last December for the VA's psychological readjustment counseling program, Operation Outreach.

I am distressed that I have yet to receive even an acknowledgment of my inquiry. Since that time, I have learned that not only has an exemption request been denied by OMB, but that this request was denied primarily because of a VA decision intentionally placing personnel within the program in an administrative category rather than a "hands on" or direct medical services category. This information came to my attention through the remarks of Deputy Chief Medical Director, Dr. William J. Jacoby in testimony before the House Committee on Veterans' Affairs on February 18, 1981.

I strongly object to this action and to Dr. Jacoby's misinterpretation of the program. Categorizing Operation Outreach personnel in an administrative rather than medical role directly contradicts the stated purpose

of the program under your administration and the intent of Congress in enacting legislation to provide psychological counseling services within the Department of Medicine and Surgery for Vietnam era veterans.

As you know, Title 38, Section 612A, Subsection (a) clearly states that Congress authorized the VA to provide psychological assessment and referral of Vietnam era veteran patients to VA medical facilities where needed. On this point, I believe, Dr. Jacoby was correct. However, the Act also authorized the VA through this program to furnish direct readjustment counseling services as well.

Clarifying this point further, Subsection (b) of the same section also states: "For the purposes of furnishing such mental health services, the counseling furnished under Subsection (a) of this section shall be considered to have been furnished by the Veteran's Administration as part of hospital care."

I am sure you would agree that it is quite clear from these provisions in the law that Vet Centers and Operation Outreach personnel serve as an immediate and direct adjunct to, and extension of, mental health services provided in VA medical facilities. Also, Operation Outreach personnel have been hired and are paid out of the same appropriation account as doctors, nurses, medical technicians and other health care personnel. In this instance, they are already under the umbrella of direct health care services and are included within congressionally mandated staff levels for the VA Department of Medicine and Surgery authorized by PL 96–151.

The recent closing of the Ft. Lauderdale, Florida Vet Center is just one dramatic example of the effect the freeze has had on Operation Outreach. However, as I indicated in my previous letter, the freeze has also placed severe strain on an already overburdened program nationwide.

In less than 18 months, Vet Centers across the country have provided direct counseling services to almost 50,000 Vietnam era veterans. I understand this case load has been further impacted in recent weeks with the stress problems uncovered among Vietnam era veterans as a result of the recent return of our hostages from Iran. Without needed relief through an easing of these staffing constraints, I fear the program will not be able to continue providing quality services nor will it be able to function in accordance with the mandate of the Congress.

I strongly urge, in accordance with the law, that a correct reevaluation be made classifying all Operation Outreach personnel in their proper category as "hands on" medical personnel and that an exemption under the freeze be filed with OMB.

Max, no one has done more to clarify the intent and purpose of Operation Outreach than you. The problems and readjustment difficulties suffered by thousands of Vietnam veterans are very real. We cannot solve these problems by ignoring them. It saddens me to witness close to a decade of advocacy on your part for this program and almost two years of pioneering and dedicated accomplishment by Vet Center personnel be degraded, manipulated and abused in this fashion.

The Veterans' Administration has come a long way under your leadership in providing for the Vietnam veterans and all our veterans. I would like to assure you there are many of us from boths sides of the aisle on the House Committee on Veterans' Affairs and in the Congress who are willing and eager to continue this work and to ensure that Operation Outreach continues its mission.

I look forward to hearing from you regarding these concerns at your earliest convenience.

With kindest regards.

Sincerely,

DON EDWARDS,
Member of Congress.

VETERANS' ADMINISTRATION,
DEPARTMENT OF MEDICINE AND SURGERY,
Washington, D.C., February 26, 1981.

Hon. DON EDWARDS,
House of Representatives,
Washington, D.C.

DEAR MR. EDWARDS: I am in receipt of your February 2 letter regarding the impact of the Federal employment freeze on our veterans' outreach program. I also have a copy of your more recent letter of the 19th to the Administrator expressing your justifiable concern and can only apologize for this delay in replying to your first inquiry.

Quite frankly, the delay was inadvertent and due to contradiction in opinion from several offices making input into the reply. These inconsistencies stem from argument between here and in Congress as to whether or not vet center personnel are involved in direct medical care. I personally believe the argument to be moot. The point to be made is that inclusion of operation outreach personnel in the exemption was disallowed by OMB, with the understanding that exemptions on a case-by-case basis would be considered.

Prior to the freeze, 20 of the 176 positions authorized were filled. The remaining 156 are as of now subject to the freeze except for a special exemption in the case of Fort Lauderdale which has now been granted.

Please be assured that we fully appreciate the importance of the readjustment counseling program and the mandated specifics under which it is being managed. Should the employment freeze extend beyond the rumored ending date of March 10, we intend to ask for a blanket exemption covering the entire program. Whether those involved are furnishing medical care, psychological counseling or whatever, their direct interface with veterans must be maintained.

Sincerely,

DONALD L. CUSTIS, M.D.,
Chief Medical Director.

G. WILLIAM MILLER CALLS 30-PERCENT CUT IN INCOME TAX INFLATIONARY

● Mr. PELL. Mr. President, G. William Miller, former chairman of the Federal Reserve Board and former Secretary of the Treasury, today offered some constructive criticism of President Reagan's economic program.

Because of Bill Miller's career as a highly successful corporate executive and his experience in two of the top economic policy positions of our Nation, I believe his views will be of interest to members of the Senate.

In an interview appearing today in the Providence (R.I.) Journal, Bill Miller said the 3-year, 30-percent cut in individual taxes proposed by the administration would be inflationary. He urged that the administration defer the effective date of the tax cut to January 1, 1982, and propose tax cuts in succeeding years only if economic conditions justified them at the time.

Finally, he expressed concern that the President's program calls for a large Federal deficit in fiscal year 1982, and suggested that greater emphasis be given to curbing the Federal deficit.

Mr. President, I find myself in agreement with Bill Miller's views of the inflationary dangers of the President's program. Indeed, I made similar points in a statement on Friday, February 27, in the CONGRESSIONAL RECORD.

I hope the President will will give careful consideration to the suggestions for improvement of his economic program, realizing that these suggestions are being made, not by enemies for political reasons, but by concerned, and experienced Americans who share the President's objective of eliminating inflation and rebuilding and restoring the strength of the American economy.

Mr. President, I ask that the article from the Providence Journal of March 3, 1981, by Stephen M. Baron, reporting Bill Miller's comments on the President's program, be printed in the RECORD.

The article follows:

MILLER CALLS 30 PERCENT CUT IN INCOME TAX INFLATIONARY

(By Stephen M. Baron)

WASHINGTON.—Former Treasury Secretary G. William Miller asserted yesterday that President Reagan's 30 percent cut in personal income taxes over three years could fuel rather than smother the fires of inflation.

In one of the first interviews he has granted since leaving the Treasury Department with the rest of the Carter administration in January, the former head of Textron Inc. told the *Journal-Bulletin* he would like to see the President delay the first round of personal tax cuts by some six months—and consider future personal tax reductions only on a year-by-year basis.

Under the President's plan, personal income taxes would be slashed 10 percent a year for three consecutive years beginning July 1. Businesses would be granted new, accelerated depreciation allowances retroactive to Jan. 1.

The administration, citing "supply side economics" as the theoretical basis for its plan, contends that the cuts in personal and business taxes will stimulate personal savings and business investment—which they say will ultimately contribute to real economic growth and, with reduced federal spending, lower inflation.

Miller, who first was chairman of the Federal Reserve Board and then switched to President Carter's Cabinet, agreed with the Reagan administration's emphasis on business tax breaks such as the liberalized depreciation schedules, saying, "Those kinds of things are more likely to help generate economic growth without the disadvantage of a higher deficit with more federal borrowing."

But a three-year, 30 percent cut in personal taxes, he indicated, could fuel consumer spending, rather than investment, and contribute to a higher budget deficit. This, he implied, could deal a real and psychological blow to the anti-inflation fight.

"That type of tax cut is demand side," he said. "You can't, by calling it supply side, make it supply side. History tells us that it will go into demand."

He agreed with the need to cut federal spending—also a keystone of the President's economic recovery program. But he implied that the President was running a great risk by committing himself to three straight years of cuts in the personal income tax before he

had any way of knowing what federal spending would look like in the later years of his administration.

Miller noted, for instance, that Congress could go along with deep budget cuts for fiscal 1982, but then ease up on its vigilance in succeeding years, setting the stage for sizable federal deficits.

Better, Miller said, for the President to delay the start of the first year of personal tax cuts to "perhaps" next January, and to take each of the succeeding fiscal years as they come, rather than commit himself in advance to 10 percent income tax reductions each year.

In that way, Miller indicated, the President will have a firm sense of whether spending cuts are in place and held in place before additional tax cuts are considered.

Miller expressed concerns that the President's economic recovery plan envisioned a large federal deficit next fiscal year and continuing deficits until fiscal 1984. He indicated that the President should try to balance the budget sooner, presumably by placing greater emphasis on curbing the deficit and less on cutting personal income taxes.

As for his personal life, Miller indicated he was not thinking about resuming his career with Textron, partly because that could disrupt the leadership structure established after his departure for the Federal Reserve in March, 1978.

"I'm slowly beginning to sort out my plans," he said. "I have a lot of personal things to catch up on."

He acknowledged that he has had some job offers, but said he was "proceeding cautiously." He didn't rule out a return to high-powered corporate life, but he also mentioned a possible change in course, such as trying to build up a small company or engaging in some other "entrepreneurial" endeavor.

For the immediate future, his commitments are limited. He has agreed to deliver six to eight speeches on the economy to various private groups—including, in April, an address in Providence to a group of Rhode Island financial executives. He is opening a Washington office to help arrange his travel and keep up with correspondence.

He said he would probably spend the summer in Rhode Island, but he has not yet decided whether to keep his home in Providence.●

TEST PHOTOGRAPH OF THE SENATE CHAMBER—SENATE RESOLUTION 86

Mr. BAKER. Mr. President, I advise the acting minority leader, who is in the Chamber, that the matter I am about to identify has been cleared, I believe, on his side of the aisle and on our side, as well.

I send to the desk a resolution and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 86) to permit a test photograph of the Senate Chamber.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to, as follows:

S. RES. 86

Resolved, That paragraph 1 of rule IV of the Rules for the Regulation of the Senate Wing of the United States Capitol (prohibiting the taking of pictures in the Senate Chamber) be temporarily suspended for the sole purpose of permitting the National Geographic Society to photograph the Senate Chamber on March 4, 1981, while the Senate is not in session.

SEC. 2. The Sergeant at Arms of the Senate is authorized and directed to make necessary arrangements therefor, which arrangements shall provide for a minimum of disruption to Senate proceedings.

EXECUTIVE SESSION

Mr. BAKER. Mr. President, I understand that the one item which is on the Executive Calendar—that is to say, the nomination of Mr. Edwin L. Harper, of Missouri, to be Deputy Director of the Office of Management and Budget, vice John Patrick White—has been cleared on the minority side as well.

I inquire whether that is the understanding of the acting minority leader.

Mr. MITCHELL. Mr. President, my understanding is that the matter has been cleared by the minority leader and the minority Members, as was the previous matter.

Mr. BAKER. I thank the acting minority leader.

Mr. President, I ask unanimous consent that the Senate now go into executive session for the purpose of considering the Harper nomination.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nomination will be stated.

OFFICE OF MANAGEMENT AND BUDGET

The legislative clerk read the nomination of Edwin L. Harper, of Missouri, to be Deputy Director of the Office of Management and Budget.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. MITCHELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask that the President be immediately notified that the Senate has given its consent to this nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. BAKER. Mr. President, in a few moments I will move, in accordance with the order previously entered, that the Senate stand in recess until 11 a.m. on Thursday. However, before I do that, may I say that it will be the intention of the leadership on Thursday next, when we reconvene, to proceed to the consideration of Calendar No. 28, a bill to amend the Truth in Lending Act to encourage cash discounts, and for other purposes.

There is no time agreement on that measure, but it is my understanding that all parties are prepared to proceed with it and dispose of it, I hope and trust, in a reasonably prompt fashion.

After that, it will be the intention of the leadership to recess over until some time on Friday, the following day, most likely until 11 o'clock, for a pro forma session, and then to go over until Tuesday of the following week.

RECESS UNTIL 11 A.M. ON THURSDAY, MARCH 5, 1981

Mr. BAKER. Mr. President, I have no other business to transact; and if there is no business to be presented by the distinguished acting minority leader—and I gather there is not—I move, in accordance with the order previously entered, that the Senate stand in recess until 11 a.m. on Thursday next.

The motion was agreed to; and at 5:33 p.m. the Senate recessed until Thursday, March 5, 1981, at 11 a.m.

NOMINATIONS

Executive nominations received by the Secretary of the Senate March 2, 1981, under authority of the order of the Senate of February 26, 1981:

DEPARTMENT OF LABOR

T. Timothy Ryan, Jr., of Virginia, to be Solicitor for the Department of Labor, vice Carin Ann Clauss.

DEPARTMENT OF STATE

James L. Malone, of Virginia, to be Assistant Secretary of State for Oceans and International Environmental and Scientific Affairs, vice Thomas R. Pickering, resigned.

DEPARTMENT OF TRANSPORTATION

Judith T. Connor, of New York, to be an Assistant Secretary of Transportation, vice William B. Johnston, resigned.

Lee L. Verstandig, of the District of Columbia, to be an Assistant Secretary of Transportation, vice Susan J. Williams, resigned.

IN THE ARMY

The following-named officers for promotion in the Reserve of the Army of the United States, under the provisions of title 10, U.S.C., sections 3370 and 3383;

ARMY PROMOTION LIST

To be colonel

Abbott, Phillip G., xxx-xx-xxxx
Adams, Robert E., xxx-xx-xxxx
Addison, Louis C., xxx-xx-xxxx
Aepli, Emmett C., xxx-xx-xxxx
Alexander, Thomas H., xxx-xx-xxxx
Allen, Boyd W., Jr., xxx-xx-xxxx
Amador, Julian W., xxx-xx-xxxx

Amundson, Gerald E. xxx-xx-xxxx
Anderson, Darrell J. xxx-xx-xxxx
Anderson, Peter A. xxx-xx-xxxx
Angelino, Charles F. xxx-xx-xxxx
Anger, Allan W. xxx-xx-xxxx
Archibold, John E. xxx-xx-xxxx
Arnold, Joseph R. xxx-xx-xxxx
Ashcraft, Marvin L. xxx-xx-xxxx
Atherton, Harper B. xxx-xx-xxxx
Baker, Carter G. xxx-xx-xxxx
Barclift, Robert W. xxx-xx-xxxx
Barnette, James H. xxx-xx-xxxx
Barney, James A. xxx-xx-xxxx
Barry, David M. xxx-xx-xxxx
Bass, Lawrence M. xxx-xx-xxxx
Bassett, James A. xxx-xx-xxxx
Bauer, George H. xxx-xx-xxxx
Baumann, Theodore R. xxx-xx-xxxx
Baxter, John L. xxx-xx-xxxx
Beales, Kirk xxx-xx-xxxx
Bean, Donald J. xxx-xx-xxxx
Beauchamp, George E. xxx-xx-xxxx
Becker, John B. xxx-xx-xxxx
Belford, Kenneth R. xxx-xx-xxxx
Bell, Clarence D., Jr. xxx-xx-xxxx
Bender, Howard A. xxx-xx-xxxx
Bennett, Basil O. xxx-xx-xxxx
Berg, Alan J. xxx-xx-xxxx
Berthold, Julius L. xxx-xx-xxxx
Berzowski, M. M. xxx-xx-xxxx
Best, James R. W. xxx-xx-xxxx
Betts, William L. xxx-xx-xxxx
Biaggi, Luis E. xxx-xx-xxxx
Bluestone, Howard I. xxx-xx-xxxx
Boardman, Charles R. xxx-xx-xxxx
Bodenheimer, Furman xxx-xx-xxxx
Boelling, Randal J. xxx-xx-xxxx
Boerschel, August P. xxx-xx-xxxx
Boisvert, Leo M. xxx-xx-xxxx
Bondi, Philip U. xxx-xx-xxxx
Borcher, Dale H. xxx-xx-xxxx
Bothe, Glenn M. xxx-xx-xxxx
Botts, Julian F. xxx-xx-xxxx
Bowers, Billy T. xxx-xx-xxxx
Bowers, John S. xxx-xx-xxxx
Boyersmith, Joseph xxx-xx-xxxx
Brand, Woodrow W. Jr. xxx-xx-xxxx
Brannon, Charles W. xxx-xx-xxxx
Brashear, Jay xxx-xx-xxxx
Braswell, William P. xxx-xx-xxxx
Brenning, Eugene D. xxx-xx-xxxx
Brinn, Alan xxx-xx-xxxx
Britt, Joe F. xxx-xx-xxxx
Broggelwirth, Alfred xxx-xx-xxxx
Brown, Russell xxx-xx-xxxx
Browning, Howard B. xxx-xx-xxxx
Brunk, Gordon L. xxx-xx-xxxx
Bryan, Jimmy L. xxx-xx-xxxx
Bryant, Alvin xxx-xx-xxxx
Bryant, Roy G. xxx-xx-xxxx
Buck, Robert H. xxx-xx-xxxx
Buck, Thomas E. xxx-xx-xxxx
Buehler, Donald G. xxx-xx-xxxx
Bunch, Robert L. xxx-xx-xxxx
Burke, Edward J. xxx-xx-xxxx
Burleson, Richard B. xxx-xx-xxxx
Burruss, Merrill B. xxx-xx-xxxx
Byrd, Robert G. xxx-xx-xxxx
Cagnina, Frank J. xxx-xx-xxxx
Calkins, Florant L. xxx-xx-xxxx
Camino, Richard xxx-xx-xxxx
Campbell, Harold M. xxx-xx-xxxx
Camper, Raymond E. xxx-xx-xxxx
Capalbo, John H. xxx-xx-xxxx
Capps, Richard G. xxx-xx-xxxx
Carey, John R. xxx-xx-xxxx
Carlson, Charles P. xxx-xx-xxxx
Carlson, Edwin S. xxx-xx-xxxx
Carnes, William M. xxx-xx-xxxx
Carpenter, Jimmie J. xxx-xx-xxxx
Carr, Lester E. Jr. xxx-xx-xxxx
Carroll, Joseph L. xxx-xx-xxxx
Carter, Jerome T. xxx-xx-xxxx
Cash, Paul F. xxx-xx-xxxx
Cassell, Kenneth M. xxx-xx-xxxx
Caylor, Oscar C. xxx-xx-xxxx
Chambers, Lomer R. xxx-xx-xxxx
Christensen, Duane xxx-xx-xxxx
Churchill, Norman L. xxx-xx-xxxx
Claghorn, Chester G. xxx-xx-xxxx
Clark, Charles L. xxx-xx-xxxx
Cloud, John M. xxx-xx-xxxx
Cogbill, Philip R. xxx-xx-xxxx
Cogswell, Richard J. xxx-xx-xxxx
Coles, Bruce O. xxx-xx-xxxx
Collins, Madison T. xxx-xx-xxxx
Cope, John F. xxx-xx-xxxx
Cowgill, Claiborne W., Sr. xxx-xx-xxxx
Cox, Donald D. xxx-xx-xxxx
Cox, Howard B. xxx-xx-xxxx
Cox, John S. xxx-xx-xxxx
Craig, Joe W. xxx-xx-xxxx
Crase, Robert R. xxx-xx-xxxx
Crommett, Richard L. xxx-xx-xxxx
Crowe, Joseph E. xxx-xx-xxxx
Crutchfield, William xxx-xx-xxxx
Culver, Joseph H. xxx-xx-xxxx
Cummings, Robert C. xxx-xx-xxxx
Cunningham, John E. xxx-xx-xxxx
Cushing, Thomas S. xxx-xx-xxxx
Daley, William C. xxx-xx-xxxx
Dalzell, Arthur H. xxx-xx-xxxx
Damour, Alfred D. xxx-xx-xxxx
Daniels, Tolbert A. xxx-xx-xxxx
Daugherty, Robert C. xxx-xx-xxxx
Davidson, John J. xxx-xx-xxxx
Davis, Maxie L. xxx-xx-xxxx
Davis, Robert E. xxx-xx-xxxx
Degree, Walter B. xxx-xx-xxxx
Deibel, Charles L. xxx-xx-xxxx
Delapp, John M. xxx-xx-xxxx
Delavergne, David P. xxx-xx-xxxx
Delay, Jerome J., III xxx-xx-xxxx
Deleo, John B. xxx-xx-xxxx
Delgado, Alice J. xxx-xx-xxxx
Delgehausen, Roger xxx-xx-xxxx
Dennison, Benjamin xxx-xx-xxxx
Desjardins, David F. xxx-xx-xxxx
Dewitt, Albert H. xxx-xx-xxxx
Dexter, Hale G. xxx-xx-xxxx
Dickinson, Robert M. xxx-xx-xxxx
Dickover, Robert A. xxx-xx-xxxx
Dinsmore, Paul F., Jr. xxx-xx-xxxx
Dixon, Jeremiah D. xxx-xx-xxxx
Doldt, John R. xxx-xx-xxxx
Donohue, Francis T. xxx-xx-xxxx
Doten, Herbert R. xxx-xx-xxxx
Dowdell, Donald G. xxx-xx-xxxx
Dowling, James W., Jr. xxx-xx-xxxx
Drennon, Clarence B. xxx-xx-xxxx
Dudrow, Peter W. xxx-xx-xxxx
Duerr, Richard D. xxx-xx-xxxx
Duncan, Richard E. xxx-xx-xxxx
Dunham, Kenneth W. xxx-xx-xxxx
Dyer, Philip W. xxx-xx-xxxx
Dykes, Glenn M. xxx-xx-xxxx
Eberhard, Wallace B. xxx-xx-xxxx
Edelbrock, Gary R. xxx-xx-xxxx
Edgerton, Donell H. xxx-xx-xxxx
Edwards, Eugene T. xxx-xx-xxxx
Edwards, William J. xxx-xx-xxxx
Elkan, Gerald H. xxx-xx-xxxx
Elkort, Donald S. xxx-xx-xxxx
Elmer, Charles E. xxx-xx-xxxx
Engstrand, Raymond xxx-xx-xxxx
Epstein, David G. xxx-xx-xxxx
Evans, Cephas T. xxx-xx-xxxx
Evans, Elisha J. xxx-xx-xxxx
Evans, Gary F. xxx-xx-xxxx
Ewald, James C. xxx-xx-xxxx
Fanning, Alfred, Jr. xxx-xx-xxxx
Farnberg, Wayne R. xxx-xx-xxxx
Farragut, Wallace E. xxx-xx-xxxx
Fegley, Warren A. xxx-xx-xxxx
Fetter, John R. xxx-xx-xxxx
Field, Edward H. xxx-xx-xxxx
Field, Thomas F. xxx-xx-xxxx
Fields, Jerome B. xxx-xx-xxxx
Finegan, James W. xxx-xx-xxxx
Finn, John J. xxx-xx-xxxx
Firtko, Richard T. xxx-xx-xxxx
Fix, Jerrold E. xxx-xx-xxxx
Flannery, Michael F., Jr. xxx-xx-xxxx
Flanum, Arvid M. xxx-xx-xxxx
Fleming, Blaine T. xxx-xx-xxxx
Ford, Howard F. xxx-xx-xxxx
Ford, Robert H. xxx-xx-xxxx
Foster, Edward L. xxx-xx-xxxx
Foster, Harvey L., Jr. xxx-xx-xxxx
Foster, Richard M. xxx-xx-xxxx
Fox, James E. xxx-xx-xxxx
Frame, Herbert C. xxx-xx-xxxx
Franklin, Roosevelt xxx-xx-xxxx
Freeark, Clayton W. xxx-xx-xxxx
Freis, Richard E. xxx-xx-xxxx
Friedly, Donald E. xxx-xx-xxxx
Froehlich, Wesley J. xxx-xx-xxxx
Gabriel, Serge G. xxx-xx-xxxx
Gadsby, Dwight M. xxx-xx-xxxx
Gale, Robert E. xxx-xx-xxxx
Gant, Thomas E. xxx-xx-xxxx
Garay, John xxx-xx-xxxx
Garcia, Manuel H. xxx-xx-xxxx
Garner, Joe A. xxx-xx-xxxx
Gayle, Adolph B. xxx-xx-xxxx
Gelinas, William P. xxx-xx-xxxx
Gentry, Gordon L., Jr. xxx-xx-xxxx
Gentz, Duane H. xxx-xx-xxxx
George, William P. xxx-xx-xxxx
Giesler, John D. xxx-xx-xxxx
Glaze, James E. xxx-xx-xxxx
Goble, Bobby xxx-xx-xxxx
Goldberg, Richard M. xxx-xx-xxxx
Goldstein, Sanford xxx-xx-xxxx
Grant, Carl N. xxx-xx-xxxx
Gray, Martin B. xxx-xx-xxxx
Greene, James L. xxx-xx-xxxx
Griffin, Mathew M. xxx-xx-xxxx
Griffin, Stacey xxx-xx-xxxx
Gruner, George R. xxx-xx-xxxx
Gualtieri, Enea F. xxx-xx-xxxx
Gullage, James T. xxx-xx-xxxx
Gunderman, George L. xxx-xx-xxxx
Gunn, Robert L. xxx-xx-xxxx
Gustitis, Norman L. xxx-xx-xxxx
Hall, Charles K. xxx-xx-xxxx
Hall, George M. xxx-xx-xxxx
Hall, James A. xxx-xx-xxxx
Hall, Ronald L. xxx-xx-xxxx
Haller, Robert T. xxx-xx-xxxx
Halloran, John E. xxx-xx-xxxx
Hamill, James G. xxx-xx-xxxx
Hammarlund, Robert xxx-xx-xxxx
Hammer, Edwin J. xxx-xx-xxxx
Hamon, Clarke A. xxx-xx-xxxx
Hanna, Judson W. xxx-xx-xxxx
Harber, Gary G. xxx-xx-xxxx
Hardt, Jerome D. xxx-xx-xxxx
Hardy, Joe W. xxx-xx-xxxx
Harrington, David E. xxx-xx-xxxx
Harrington, Earnest xxx-xx-xxxx
Harris, Denny O. xxx-xx-xxxx
Harris, William F. xxx-xx-xxxx
Harrison, Eddie E. xxx-xx-xxxx
Harvey, James R. xxx-xx-xxxx
Haskett, Martin C. xxx-xx-xxxx
Hastings, George K. xxx-xx-xxxx
Hatheway, Allen W. xxx-xx-xxxx
Haugen, Darrell G. xxx-xx-xxxx
Hawkins, Averill E. xxx-xx-xxxx
Helm, John B. xxx-xx-xxxx
Helm John B. xxx-xx-xxxx
Henagan, Johnnie N. xxx-xx-xxxx
Henderson, Alfonzo xxx-xx-xxxx
Henderson, Lee A. xxx-xx-xxxx
Henderson, Max B. xxx-xx-xxxx
Hennelly, W. P. xxx-xx-xxxx
Hernandez, Daniel J. xxx-xx-xxxx
Hess, William R. xxx-xx-xxxx
Hill, Glenn A. xxx-xx-xxxx
Hitchcock, Daniel F. xxx-xx-xxxx
Holladay, Philip E. xxx-xx-xxxx
Hopkins, Horace B. xxx-xx-xxxx
Hornkohl, Leo J., Jr. xxx-xx-xxxx
Hughmanick, R. N. xxx-xx-xxxx
Hundrup, Tagg B. xxx-xx-xxxx
Huntington, Howard xxx-xx-xxxx
Hutchinson, Charles xxx-xx-xxxx
Hutchinson, Joseph B. xxx-xx-xxxx
Hyland, Erik J. xxx-xx-xxxx
Ideman, James M. xxx-xx-xxxx
Inaba, Gilbert Y. xxx-xx-xxxx
Iseri, Arthur S. xxx-xx-xxxx
Jackson, Dwight N. xxx-xx-xxxx
Jackson, Ray L. xxx-xx-xxxx
Jacobson, Albert E. xxx-xx-xxxx
Jamar, Roy B. xxx-xx-xxxx
Jeter, Robert R., Jr. xxx-xx-xxxx
Jett, Charles C. xxx-xx-xxxx
Jimmo, Carlton L. xxx-xx-xxxx

Johnson, Alan E., xxx-xx-xxxx
Johnson, Dion, xxx-xx-xxxx
Johnson, Harold W., xxx-xx-xxxx
Johnson, James C., xxx-xx-xxxx
Johnson, Jerry W., xxx-xx-xxxx
Jolley, McCoy L., xxx-xx-xxxx
Jones, Harold M., xxx-xx-xxxx
Jones, John B., xxx-xx-xxxx
Jones, Joseph F., xxx-xx-xxxx
Jones, Milton O., xxx-xx-xxxx
Joy, James H., xxx-xx-xxxx
Judge, Jimmie, xxx-xx-xxxx
Kaplan, Robert L., xxx-xx-xxxx
Kaufman, Robert L., xxx-xx-xxxx
Keats, Harry J., Jr., xxx-xx-xxxx
Keeney, Fred W., xxx-xx-xxxx
Kellogg, Jimmy R., xxx-xx-xxxx
Kemp, Gordon A., xxx-xx-xxxx
Kennedy, John R., xxx-xx-xxxx
Kerns, Roger D., xxx-xx-xxxx
Kilian, Leonard A., xxx-xx-xxxx
Kilmartin, Thomas J., xxx-xx-xxxx
King, Francis E., xxx-xx-xxxx
King, Peter C., xxx-xx-xxxx
King, Russell M., xxx-xx-xxxx
Kirkley, Clarence L., xxx-xx-xxxx
Kistner, Stanley G., xxx-xx-xxxx
Kleist, Donald J., xxx-xx-xxxx
Knobloch, Thomas A., xxx-xx-xxxx
Koizumi, Kotaro, xxx-xx-xxxx
Korfmann, Francis J., xxx-xx-xxxx
Kortz, William J., xxx-xx-xxxx
Kraft, Thomas J., xxx-xx-xxxx
Kroger, Charles G., xxx-xx-xxxx
Krome, Alan, xxx-xx-xxxx
Kruteck, Laurence R., xxx-xx-xxxx
Labarge, Norman A., xxx-xx-xxxx
Lafarque, Jeron J., xxx-xx-xxxx
Lamar, Melzer G., xxx-xx-xxxx
Lamar, Otho W., xxx-xx-xxxx
Lamb, Heber B., xxx-xx-xxxx
Lambert, Keith A., xxx-xx-xxxx
Lame, Robert A., xxx-xx-xxxx
Larson, Charles W., xxx-xx-xxxx
Larson, Harold L., xxx-xx-xxxx
Lau, Edward F. C., xxx-xx-xxxx
Lavine, Sanford V., xxx-xx-xxxx
Lawrence, John M., Jr., xxx-xx-xxxx
Lawson, Alton W., xxx-xx-xxxx
Lee, John, xxx-xx-xxxx
Lee, Larry E., xxx-xx-xxxx
Leggitt, James R., xxx-xx-xxxx
Leibstone, Marvin A., xxx-xx-xxxx
Leisten, Ralph C., xxx-xx-xxxx
Lenart, Ronald J., xxx-xx-xxxx
Leonard, Gerald M., xxx-xx-xxxx
Lesley, Stephen J., xxx-xx-xxxx
Lewis, David E., xxx-xx-xxxx
Leyva, Richard C., xxx-xx-xxxx
Lilttschwager, J. M., xxx-xx-xxxx
Lindsay, Charles R., xxx-xx-xxxx
Lindsay, Rodney C., xxx-xx-xxxx
Linton, Daniel A., Jr., xxx-xx-xxxx
Lipson, Alvin S., xxx-xx-xxxx
Little, James M., xxx-xx-xxxx
Livingston, Carey A., xxx-xx-xxxx
Lockwood, Gary E., xxx-xx-xxxx
Logan, Robert C., xxx-xx-xxxx
Long, William B., xxx-xx-xxxx
Lopes, Joseph P., xxx-xx-xxxx
Lubkin, Yale J., xxx-xx-xxxx
Lucas, Robert A., xxx-xx-xxxx
Luckey, Robert M., xxx-xx-xxxx
Lueck, David H., xxx-xx-xxxx
Lundry, Donald W., xxx-xx-xxxx
Luptak, Stephen J., xxx-xx-xxxx
Lynn, David C., Jr., xxx-xx-xxxx
Mabry, Marshall W., xxx-xx-xxxx
Mackay, Raymond, Jr., xxx-xx-xxxx
Madrid, Carlos, xxx-xx-xxxx
Mainello, Joseph A., xxx-xx-xxxx
Malonado, Edwin D., xxx-xx-xxxx
Malesky, Robert W., xxx-xx-xxxx
Mallas, Kenneth M., xxx-xx-xxxx
Mandelbaum, Charles, xxx-xx-xxxx
Manley, William F., xxx-xx-xxxx
Mann, Douglas J., xxx-xx-xxxx
Manwaring, Max G., xxx-xx-xxxx
Marquette, C. G., Jr., xxx-xx-xxxx
Martin, Don, Jr., xxx-xx-xxxx
Martin, Robert, III, xxx-xx-xxxx
Martin, Roger S., xxx-xx-xxxx
Martinalvarez, F., xxx-xx-xxxx
Marvin, Ernest A., xxx-xx-xxxx
Matthews, John H., xxx-xx-xxxx
Mayo, John O., Jr., xxx-xx-xxxx
McBride, James C., xxx-xx-xxxx
McCarty, John W., xxx-xx-xxxx
McClinton, Calvin R., xxx-xx-xxxx
McDevitt, James P., xxx-xx-xxxx
McDonald, James N., xxx-xx-xxxx
McDougall, Ronald V., xxx-xx-xxxx
McGillen, William D., xxx-xx-xxxx
McGinty, James G., xxx-xx-xxxx
McGovern, James O., xxx-xx-xxxx
McLaurin, Hugh M., II, xxx-xx-xxxx
McLemore, Bobbie F., xxx-xx-xxxx
McManus, Donnie J., xxx-xx-xxxx
McPherson, Jack B., xxx-xx-xxxx
Meigs, Return J., xxx-xx-xxxx
Melnyk, Bohdan, xxx-xx-xxxx
Meredith, Bruce A., xxx-xx-xxxx
Merideth, Francis E., xxx-xx-xxxx
Meyer, Conan G., xxx-xx-xxxx
Michalski, Alan W., xxx-xx-xxxx
Middlebrook, John, xxx-xx-xxxx
Milam, Chesley L., xxx-xx-xxxx
Millard, William J., xxx-xx-xxxx
Miller, Marvin A., xxx-xx-xxxx
Miller, William E., xxx-xx-xxxx
Mix, Charles J., xxx-xx-xxxx
Mohr, Donnell S., xxx-xx-xxxx
Mojica, Robert D., xxx-xx-xxxx
Monahan, Martin F., xxx-xx-xxxx
Montanye, Frederick, xxx-xx-xxxx
Montgomery, Harry J., xxx-xx-xxxx
Moody, Richard C., xxx-xx-xxxx
Moore, Donald G., xxx-xx-xxxx
Moore, Melvin J., xxx-xx-xxxx
Moore, Thomas J., xxx-xx-xxxx
Morris, Charles E., xxx-xx-xxxx
Morrissette, Norman, xxx-xx-xxxx
Morton, Linwood B., xxx-xx-xxxx
Moser, Daniel H., xxx-xx-xxxx
Moss, William E., xxx-xx-xxxx
Mullin, Albert A., xxx-xx-xxxx
Munsey, Jackson L., xxx-xx-xxxx
Murdaugh, Leonard L., xxx-xx-xxxx
Murphy, John L., xxx-xx-xxxx
Murphy, Richard D., xxx-xx-xxxx
Murphy, Walter H., xxx-xx-xxxx
Myers, James C., xxx-xx-xxxx
Nadeau, Clement P., xxx-xx-xxxx
Nadler, Allen J., xxx-xx-xxxx
Navas, William A., xxx-xx-xxxx
Naylor, William H., xxx-xx-xxxx
Neal, Robert L., xxx-xx-xxxx
Neal, Samuel L., Jr., xxx-xx-xxxx
Newman, William W., xxx-xx-xxxx
Nichols, Charles F., xxx-xx-xxxx
Nicholson, Robert J., xxx-xx-xxxx
Nixon, John B., xxx-xx-xxxx
Nolan, James F., Jr., xxx-xx-xxxx
Nyberg, Kenneth E., xxx-xx-xxxx
Obey, Joseph A., xxx-xx-xxxx
O'Brien, Frederick J., xxx-xx-xxxx
Ohlis, Raymond S., xxx-xx-xxxx
Oiling, David S., xxx-xx-xxxx
Olmsted, George H., xxx-xx-xxxx
Omans, Donald J., xxx-xx-xxxx
O'Neill, Daniel P., xxx-xx-xxxx
O'Neill, Jamie A., xxx-xx-xxxx
Palmer, Donald V., xxx-xx-xxxx
Pang, Ted S. Y., xxx-xx-xxxx
Paul, Robert S., xxx-xx-xxxx
Paulus, John E., xxx-xx-xxxx
Pearl, Jason E., xxx-xx-xxxx
Pennock, Chester C., xxx-xx-xxxx
Penton, Ben H., xxx-xx-xxxx
Perez, Felix E., xxx-xx-xxxx
Perrin, John T., xxx-xx-xxxx
Pershing, David J., xxx-xx-xxxx
Pessin, Robert H., xxx-xx-xxxx
Petersen, Donald R., xxx-xx-xxxx
Pettit, Randolph E., xxx-xx-xxxx
Petty, James E., xxx-xx-xxxx
Petty, Victor R. Jr., xxx-xx-xxxx
Phelan, David M., xxx-xx-xxxx
Phillips, James H., xxx-xx-xxxx
Phillips, Joseph A., xxx-xx-xxxx
Phlegar, James T., xxx-xx-xxxx
Piazza, Gene, Jr., xxx-xx-xxxx
Pierce, Danny L., xxx-xx-xxxx
Pierson, A. B., Jr., xxx-xx-xxxx
Piskos, James A., xxx-xx-xxxx
Pitcher, James R., xxx-xx-xxxx
Pittman, Marvin, xxx-xx-xxxx
Pixley, Morris H., Jr., xxx-xx-xxxx
Plankenhorn, George, xxx-xx-xxxx
Pogue, J. E., xxx-xx-xxxx
Polston, Kenneth W., xxx-xx-xxxx
Poole, Roger C., Jr., xxx-xx-xxxx
Porter, Felix G., xxx-xx-xxxx
Posey, Robert G., xxx-xx-xxxx
Potter, Philip L., xxx-xx-xxxx
Powell, John S., xxx-xx-xxxx
Powell, Osborne E., xxx-xx-xxxx
Prendergast, George, xxx-xx-xxxx
Presswood, John K., xxx-xx-xxxx
Prieser, Dale E., xxx-xx-xxxx
Quimby, Arthur R., xxx-xx-xxxx
Ragazzo, Richard S. E., xxx-xx-xxxx
Rambadt, Donald C., xxx-xx-xxxx
Rankin, Thomas M., xxx-xx-xxxx
Reaves, Doyle W., xxx-xx-xxxx
Reback, Herman R., xxx-xx-xxxx
Record, Walder J., xxx-xx-xxxx
Reed, Anthony T., xxx-xx-xxxx
Regen, Sidney, xxx-xx-xxxx
Reilly, Robert G., xxx-xx-xxxx
Reinah, David, xxx-xx-xxxx
Reiss, Phillip K., xxx-xx-xxxx
Reynolds, John C., Jr., xxx-xx-xxxx
Ritchey, Benjamin E., xxx-xx-xxxx
Ritchie, Ronald E., xxx-xx-xxxx
Roberts, C. J., Jr., xxx-xx-xxxx
Robinson, James E., xxx-xx-xxxx
Rodenberg, Louis B., xxx-xx-xxxx
Rodgers, Wayne R., xxx-xx-xxxx
Rogerson, John H., xxx-xx-xxxx
Rolls, John M., Jr., xxx-xx-xxxx
Romine, Ronald H., xxx-xx-xxxx
Roney, George H., xxx-xx-xxxx
Ronish, Robert R., xxx-xx-xxxx
Roof, Volie L., xxx-xx-xxxx
Roof, Lloyd W., Jr., xxx-xx-xxxx
Rorie, Euell R., xxx-xx-xxxx
Rose, Farris D., xxx-xx-xxxx
Ross, David G., xxx-xx-xxxx
Ross, George H., Jr., xxx-xx-xxxx
Ross, James E., xxx-xx-xxxx
Rowe, Benjamin D., xxx-xx-xxxx
Rozeboom, Galen A., xxx-xx-xxxx
Ruppert, Roy M., xxx-xx-xxxx
Russon, Dee R., xxx-xx-xxxx
Ruszler, Paul L., xxx-xx-xxxx
Rutledge, Robert B., xxx-xx-xxxx
Salamy, Henry G., xxx-xx-xxxx
Sanchez, Joe L., xxx-xx-xxxx
Sanchez, Phillip V., xxx-xx-xxxx
Sanchezlopez, Aniba, xxx-xx-xxxx
Santiago, Thomas J., xxx-xx-xxxx
Sasan, Jay A., xxx-xx-xxxx
Saunders, Norman D., xxx-xx-xxxx
Savino, Joseph D., xxx-xx-xxxx
Savwoir, Richard A., xxx-xx-xxxx
Saxton, Billy R., xxx-xx-xxxx
Schaefer, Charles J., xxx-xx-xxxx
Schoenwald, Walter, xxx-xx-xxxx
Schultz, Edward E., xxx-xx-xxxx
Schumann, David R., xxx-xx-xxxx
Schuster, Michael F., xxx-xx-xxxx
Scott, Charles E., xxx-xx-xxxx
Scott, John G., xxx-xx-xxxx
Scott, Roland P., xxx-xx-xxxx
Seeberger, George W., xxx-xx-xxxx
Sewell Stephen H., xxx-xx-xxxx
Seymore, Emory, xxx-xx-xxxx
Shaw, William H., Jr., xxx-xx-xxxx
Sheffield, David T., xxx-xx-xxxx
Shelton, Tommy J., xxx-xx-xxxx
Shepley, James M., xxx-xx-xxxx
Sheridan, William G., xxx-xx-xxxx
Sherman, William F., xxx-xx-xxxx
Sherrock, John R., xxx-xx-xxxx
Sherwood, Wallace C., xxx-xx-xxxx
Sills, Donal J., xxx-xx-xxxx
Silvi, Albert H., xxx-xx-xxxx
Simmons, Jerry D., xxx-xx-xxxx
Simpson, Albert F., xxx-xx-xxxx

Singleton, William, xxx-xx-xxxx
Skates, John R., Jr. xxx-xx-xxxx
Slavik, Lawrence E., xxx-xx-xxxx
Slezak, Donald J., xxx-xx-xxxx
Smalbein, Paul W., xxx-xx-xxxx
Smith, Benjamin L., xxx-xx-xxxx
Smith, Bernard C., xxx-xx-xxxx
Smith, Charles F., xxx-xx-xxxx
Smith, David H., xxx-xx-xxxx
Smith, Donald G., xxx-xx-xxxx
Smith, Donald J., xxx-xx-xxxx
Smith, Donald J., xxx-xx-xxxx
Smith, Donald P., xxx-xx-xxxx
Smith, Frederick J., xxx-xx-xxxx
Smith, Orville M., xxx-xx-xxxx
Smith, Reidar H., xxx-xx-xxxx
Smith, Richard K., xxx-xx-xxxx
Smith, Robert S., xxx-xx-xxxx
Smythe, Kenneth D., xxx-xx-xxxx
Sones, John A., xxx-xx-xxxx
Soong, Melvin K., xxx-xx-xxxx
Spak, Michael I., xxx-xx-xxxx
Spataro, William J., xxx-xx-xxxx
Spaulding, Wayne J., xxx-xx-xxxx
Spitters, Frank, Jr., xxx-xx-xxxx
Spodnik, James P., xxx-xx-xxxx
Spriggs, Frank H., xxx-xx-xxxx
Sproul, Harvey L., xxx-xx-xxxx
Staats, William D., xxx-xx-xxxx
Stanford, Melvin J., xxx-xx-xxxx
Steele, Siegfried W., xxx-xx-xxxx
Steiner, Fred A., II xxx-xx-xxxx
Stejskal, Allen G., xxx-xx-xxxx
Stellwagen, Leo J., xxx-xx-xxxx
Stevens, Larry S., xxx-xx-xxxx
Stewart, Lenrd J., Jr. xxx-xx-xxxx
Stigall, Charles W., xxx-xx-xxxx
Stipe, Sterling H., xxx-xx-xxxx
Stone, Clifford O., xxx-xx-xxxx
Stone, Kenneth E., xxx-xx-xxxx
Stout, Ralph C., xxx-xx-xxxx
Stratiff, Robert R., xxx-xx-xxxx
Striffler, Russell, xxx-xx-xxxx
Strobel, Guenter K., xxx-xx-xxxx
Strohecker, Daniel, xxx-xx-xxxx
Stryker, John F., xxx-xx-xxxx
Suhler, Kenneth C., xxx-xx-xxxx
Sullins, William R., xxx-xx-xxxx
Sullivan, Anthony D., xxx-xx-xxxx
Sumberg, William R., xxx-xx-xxxx
Sumner, Ralph M., xxx-xx-xxxx
Sun, Winston H., xxx-xx-xxxx
Surman, George R., xxx-xx-xxxx
Svoboda, Gerald R., xxx-xx-xxxx
Swedenburg, Clifford, xxx-xx-xxxx
Taylor, James T., xxx-xx-xxxx
Tenhoff, Clair A., xxx-xx-xxxx
Terry, Joel L., Jr. xxx-xx-xxxx
Tetterton, Larry E., xxx-xx-xxxx
Thackston, Carroll, xxx-xx-xxxx
Theiss, Donald I., xxx-xx-xxxx
Thompson, Charles L., xxx-xx-xxxx
Thompson, Jerry L., xxx-xx-xxxx
Thompson, Robert F., xxx-xx-xxxx
Thomson, John M., xxx-xx-xxxx
Tips, Robert H., xxx-xx-xxxx
Toro, Eddie, xxx-xx-xxxx
Torrans, Billy J., xxx-xx-xxxx
Torrans, Michael E., xxx-xx-xxxx
Torres, Alonzo, xxx-xx-xxxx
Tracy, Robert G., xxx-xx-xxxx
Travis, William I., xxx-xx-xxxx
Traxler, David L., xxx-xx-xxxx
Trickler, Raymond E., xxx-xx-xxxx
Uhlman, Wesley C., xxx-xx-xxxx
Ulrich, Donald H., xxx-xx-xxxx
Underwood, John T., xxx-xx-xxxx
Unger, Harry Jr. xxx-xx-xxxx
Vanwinkle, Larry R., xxx-xx-xxxx
Vaughan, Roger C., xxx-xx-xxxx
Vaughn, Janet L., xxx-xx-xxxx
Veach, Colin B., xxx-xx-xxxx
Verrone, Joseph J., xxx-xx-xxxx
Villacres, Jorge N., xxx-xx-xxxx
Virden, George L., xxx-xx-xxxx
Voelkel, Ray F., xxx-xx-xxxx
Vozzella, Anthony P., xxx-xx-xxxx
Wade, Stanley L., xxx-xx-xxxx
Wagner, Daniel C., xxx-xx-xxxx
Wagner, Herbert, xxx-xx-xxxx
Waits, Fred W., xxx-xx-xxxx
Walker, Leonard A. Jr., xxx-xx-xxxx
Wall, James T., xxx-xx-xxxx
Wallace, Kenneth E., xxx-xx-xxxx
Wallace, Robert B., xxx-xx-xxxx
Wallace, Robert T., xxx-xx-xxxx
Waller, Bobbie E., xxx-xx-xxxx
Walsh, Harvey W., xxx-xx-xxxx
Walz, Arthur H. Jr., xxx-xx-xxxx
Warren, William M., xxx-xx-xxxx
Waterman, Robert M., xxx-xx-xxxx
Wathen, Robert L., xxx-xx-xxxx
Watkins, John W., xxx-xx-xxxx
Watling, Robert C., xxx-xx-xxxx
Watson, Robinson R., xxx-xx-xxxx
Watt, Joseph T., Jr., xxx-xx-xxxx
Wattel, Marshall L., xxx-xx-xxxx
Webster, Jack D., xxx-xx-xxxx
Weil, Victor O., xxx-xx-xxxx
Weinberg, Richard G., xxx-xx-xxxx
Weiner, Arthur L., xxx-xx-xxxx
Weisler, Julian E., xxx-xx-xxxx
Weller, Arnold C. Jr., xxx-xx-xxxx
Welsh, Charles R., xxx-xx-xxxx
Wepster, Jan P., xxx-xx-xxxx
Werner, Lloyd D., xxx-xx-xxxx
Westcott, Harry F., xxx-xx-xxxx
Whitaker, Howard M., xxx-xx-xxxx
White, Shelly L., xxx-xx-xxxx
Wickizer, Charles D., xxx-xx-xxxx
Weiand, William G., xxx-xx-xxxx
Williams, Charles A., xxx-xx-xxxx
Williams, James R., xxx-xx-xxxx
Williams, Oren M., Jr. xxx-xx-xxxx
Williams, Robert H. xxx-xx-xxxx
Williamson, Charles, xxx-xx-xxxx
Willis, Clinton V., xxx-xx-xxxx
Wills, Vernon L., xxx-xx-xxxx
Wilson, Abraham, xxx-xx-xxxx
Wilson, Robert W., xxx-xx-xxxx
Wilson, William C., xxx-xx-xxxx
Wilton, Raymond E., xxx-xx-xxxx
Windrow, George C., xxx-xx-xxxx
Wise, W. A., Jr., xxx-xx-xxxx
Wishart, Francis E., xxx-xx-xxxx
Wolfenberger, Joseph, xxx-xx-xxxx
Wolff, Aaron J., Jr. xxx-xx-xxxx
Wolfin, Bernard A., xxx-xx-xxxx
Woodbeck, Jay W., xxx-xx-xxxx
Woodside, Jon L., xxx-xx-xxxx
Woodson, Charles O., xxx-xx-xxxx
Woodward, Clement L., xxx-xx-xxxx
Wren, Nelson E., Jr. xxx-xx-xxxx
Wright, William G., xxx-xx-xxxx
Wruck, Erich O., xxx-xx-xxxx
Wysor, Chantland, xxx-xx-xxxx
Yamamoto, George K., xxx-xx-xxxx
Youmans, Edgar H., xxx-xx-xxxx
Young, Kwai S., xxx-xx-xxxx
Younger, Thomas N., xxx-xx-xxxx
Zacharakis, Anthony, xxx-xx-xxxx

CHAPLAIN

To be colonel

Blount, Forest N. xxx-xx-xxxx
Bohannon, Kenneth L., xxx-xx-xxxx
Bruckner, Ronald L., xxx-xx-xxxx
Bykowski, Norbert H., xxx-xx-xxxx
Caulder, Francis R., xxx-xx-xxxx
Cohen, Donald L., xxx-xx-xxxx
Dahlstrom, Myron L., xxx-xx-xxxx
Daniel, James R., xxx-xx-xxxx
Donahue, John G., xxx-xx-xxxx
Durham, John K., xxx-xx-xxxx
Evans, John M., xxx-xx-xxxx
Fischer, George H., xxx-xx-xxxx
Flock, Richard H., xxx-xx-xxxx
Goeres, Richard V., xxx-xx-xxxx
Huseth, Joseph L., xxx-xx-xxxx
Klein, John H., xxx-xx-xxxx
Lacey, Thomas W., xxx-xx-xxxx
Lawrence, Stewart B., Jr. xxx-xx-xxxx
McNitt, John M., xxx-xx-xxxx
Olsen, Walter M., xxx-xx-xxxx
Olson, Philip L., xxx-xx-xxxx
Parks, John R., xxx-xx-xxxx
Perkins, James R., xxx-xx-xxxx
Quick, Van D., xxx-xx-xxxx
Rodefer, William O., xxx-xx-xxxx
Sharp, James C., xxx-xx-xxxx
Simmers, Marvin L., xxx-xx-xxxx
Simpson, John W., xxx-xx-xxxx
Snyder, Robert S., xxx-xx-xxxx
Thompson, Roland D., xxx-xx-xxxx
Vruwink, Paul H., xxx-xx-xxxx
White, Donald E., xxx-xx-xxxx
Williams, Bruce M., xxx-xx-xxxx

MEDICAL CORPS

To be colonel

Burosky, Richard J., xxx-xx-xxxx
Clement, Richard J., xxx-xx-xxxx
Heutel, Lee B., xxx-xx-xxxx
Johns, Calvin R., Jr., xxx-xx-xxxx
Shively, Harold H., Jr., xxx-xx-xxxx

MEDICAL SERVICE CORPS

To be colonel

Blackman, William C., xxx-xx-xxxx

The following-named officers for promotion in the Reserve of the Army of the United States, under the provisions of title 10, United States Code, sections 3370 and 3383:

ARMY PROMOTION LIST

To be lieutenant colonel

Aanenson, James H. xxx-xx-xxxx
Applegate, William W., xxx-xx-xxxx
Asay, Wayne W., xxx-xx-xxxx
Banks, William R., xxx-xx-xxxx
Baranowski, Joseph G. xxx-xx-xxxx
Barber, Charles P. xxx-xx-xxxx
Bergman, John F., Jr. xxx-xx-xxxx
Best, Paul R., xxx-xx-xxxx
Bingham, Bruce B., xxx-xx-xxxx
Blair, Jimmy S., xxx-xx-xxxx
Blanchette, Joel G. xxx-xx-xxxx
Blount, Milton, Jr. xxx-xx-xxxx
Bohne, Melvin B., xxx-xx-xxxx
Boyd, Lonnie G., xxx-xx-xxxx
Bozardt, John M., xxx-xx-xxxx
Brancazio, John A. xxx-xx-xxxx
Brown, James E., xxx-xx-xxxx
Buch, Floyd H., xxx-xx-xxxx
Buck, Richard L., xxx-xx-xxxx
Burdo, Anthony J. xxx-xx-xxxx
Burgoyne, Christopher J. xxx-xx-xxxx
Burnstein, Clifford B., xxx-xx-xxxx
Campbell, Dean J. xxx-xx-xxxx
Claggett, Michael B., xxx-xx-xxxx
Coleman, Allen B., xxx-xx-xxxx
Cooksey, David L., xxx-xx-xxxx
Cooper, Richard E., xxx-xx-xxxx
Crane, Lawrence W., xxx-xx-xxxx
Cummings, Paul L., xxx-xx-xxxx
Darden, Richard T. xxx-xx-xxxx
Darpino, Ernest R. xxx-xx-xxxx
Dauphin, Dennis L., xxx-xx-xxxx
Defrieze, Harold R., xxx-xx-xxxx
Denney, Evert W., xxx-xx-xxxx
Dipompo, Michael, xxx-xx-xxxx
Douglas, John W., xxx-xx-xxxx
Edgar, Walter B., xxx-xx-xxxx
Eidson, David E., xxx-xx-xxxx
Fera, Ralph J. xxx-xx-xxxx
Fong, Wesley F., xxx-xx-xxxx
Frank, Francis W. xxx-xx-xxxx
Gailitis, Vilnis, xxx-xx-xxxx
Gannon, Peter A., xxx-xx-xxxx
Gay, Robert W., xxx-xx-xxxx
Geiger, John W., xxx-xx-xxxx
Gentry, Lloyd R., xxx-xx-xxxx
Gibbs, John J. xxx-xx-xxxx
Goodden, Royal T., xxx-xx-xxxx
Gordon, Joseph S., xxx-xx-xxxx
Graves, Michael T., xxx-xx-xxxx
Greaves, John D., III xxx-xx-xxxx
Greenwood, Earl S., III xxx-xx-xxxx
Guynn, Richard D. xxx-xx-xxxx
Higdon, Cecil J., xxx-xx-xxxx
Hill, John W., xxx-xx-xxxx
Himmel, Roger A., xxx-xx-xxxx
Horita, Gilbert M. xxx-xx-xxxx
Hunsaker, Orvil G. xxx-xx-xxxx
Iverson, Duane P. xxx-xx-xxxx
James, Dennis W. xxx-xx-xxxx
Jones, Bradley K. xxx-xx-xxxx
Jones, George L., xxx-xx-xxxx
Joyce, James M., xxx-xx-xxxx

Kane, John G., xxx-xx-xxxx
Kane, John P., xxx-xx-xxxx
Keenan, Thomas M., xxx-xx-xxxx
Kiekhaefer, James S., xxx-xx-xxxx
Klemm, Alfred E., xxx-xx-xxxx
Kollman, David E., xxx-xx-xxxx
Konkle, Theodore, xxx-xx-xxxx
Krommenhoek, Pieter J., xxx-xx-xxxx
Kussner, Robert A., xxx-xx-xxxx
Lail, Everett C., Jr., xxx-xx-xxxx
Langan, Paul J., xxx-xx-xxxx
Lau, Calvin, xxx-xx-xxxx
Lord, Gerald D., xxx-xx-xxxx
Lum, Franklin Y., xxx-xx-xxxx
Magdalena, Charles B., xxx-xx-xxxx
Martin, Charles R., xxx-xx-xxxx
Mastin, Theo A., Jr., xxx-xx-xxxx
McDonald, Terrance L., xxx-xx-xxxx
McAllister, John E., xxx-xx-xxxx
McDaniel, Darrel W., xxx-xx-xxxx
McKinney, Roy C., xxx-xx-xxxx
Melia, John F., xxx-xx-xxxx
Mezins, Nikolajs, xxx-xx-xxxx
Morris, Edward D., xxx-xx-xxxx
Mouchka, Donald R., xxx-xx-xxxx
Murphy, Larry M., xxx-xx-xxxx
Murphy, Newell R., Jr., xxx-xx-xxxx
Neely, Richard C., xxx-xx-xxxx
Niethammer, Gary R., xxx-xx-xxxx
Norwood, George L., xxx-xx-xxxx
Olin, William K., xxx-xx-xxxx
Oliver, Glenn O., xxx-xx-xxxx
Pasquarella, Michael A., xxx-xx-xxxx
Paul, Dave O., xxx-xx-xxxx
Pearn, Albyn D., xxx-xx-xxxx
Peppard, Jon F., xxx-xx-xxxx
Petersen, Richard G., xxx-xx-xxxx
Plaschkes, John D., xxx-xx-xxxx
Poirier, Michael J., xxx-xx-xxxx
Politte, James P., xxx-xx-xxxx
Pontarelli, Anthony, xxx-xx-xxxx
Poston, Jerry L., xxx-xx-xxxx
Rader, Loren C., xxx-xx-xxxx
Ranalla, Robert A., xxx-xx-xxxx
Reed, Hubert, xxx-xx-xxxx
Richardson, John E., xxx-xx-xxxx
Rivers, William D., xxx-xx-xxxx
Robbins, Christopher R., xxx-xx-xxxx
Sassman, John C., xxx-xx-xxxx
Schlotter, Leo, xxx-xx-xxxx
Schrimsher, Danny E., xxx-xx-xxxx
Sharkey, Stanley L., xxx-xx-xxxx
Shonka, Bernadette F., xxx-xx-xxxx
Shum, Ronald M., xxx-xx-xxxx
Siegel, Robert R., xxx-xx-xxxx
Snyder, Herman P., Jr., xxx-xx-xxxx
Stark, James P., xxx-xx-xxxx
Stephens, Robert G., xxx-xx-xxxx
Storer, Frank E., xxx-xx-xxxx
Stretch, Thomas G., xxx-xx-xxxx
Strong, Kenneth D., xxx-xx-xxxx
Stuart, Robert S., xxx-xx-xxxx
Sugg, Benjamin M., xxx-xx-xxxx
Sullivan, James J., xxx-xx-xxxx
Tuley, Dixon W., Jr., xxx-xx-xxxx
Wargo, Albert S., Jr., xxx-xx-xxxx
Weeks, John W., xxx-xx-xxxx
Weiss, Harry A., xxx-xx-xxxx
Weitzel, Werner G., xxx-xx-xxxx
Welmaker, Jerry G., xxx-xx-xxxx
Whicher, James A., xxx-xx-xxxx
Wilkes, Bernard F., Jr., xxx-xx-xxxx
Wilson, Fred N., Jr., xxx-xx-xxxx
Wilson, William C., xxx-xx-xxxx
Wolfe, Herbert C., xxx-xx-xxxx
Youngstead, John M., xxx-xx-xxxx
Zimmerman, Anthony F., xxx-xx-xxxx

CHAPLAIN

To be lieutenant colonel

Moore, Charles P., Jr., xxx-xx-xxxx
Rogers, Melvin, xxx-xx-xxxx

ARMY NURSE CORPS

To be lieutenant colonel

Landis, Billye J., xxx-xx-xxxx

MEDICAL CORPS

To be lieutenant colonel

Callaghan, John T., xxx-xx-xxxx
Ghaly, Fouad I., xxx-xx-xxxx
Hale, Nathan P., xxx-xx-xxxx
Hieb, Robert E., xxx-xx-xxxx
Lababidi, Zuhdi A., xxx-xx-xxxx
Schwab, John A., xxx-xx-xxxx

MEDICAL SERVICE CORPS

To be lieutenant colonel

Albert, Arnold, xxx-xx-xxxx
Brown, Duncan M., xxx-xx-xxxx
Campanaro, Joseph, xxx-xx-xxxx
Gilbert, David B., xxx-xx-xxxx
Henley, Everett S., xxx-xx-xxxx
Howard, Glen W., xxx-xx-xxxx
Landers, Albert C., xxx-xx-xxxx
Mayfield, George D., xxx-xx-xxxx
McLaughlin, William E., xxx-xx-xxxx
Shaffer, Leonard A., xxx-xx-xxxx
Silva, August P., xxx-xx-xxxx
Sullivan, Daniel A., xxx-xx-xxxx
Waaks, Norman H., xxx-xx-xxxx

VETERINARY CORPS

To be lieutenant colonel

Bailey, Everett M., xxx-xx-xxxx

The following-named officers for appointment in the Reserve of the Army of the United States, under the provisions of title 10, United States Code, sections 591, 593, and 594:

MEDICAL CORPS

To be colonel

Kirshman, Herbert S. xxx-xx-xxxx.

DENTAL CORPS

To be lieutenant colonel

Atkins, Robert M., xxx-xx-xxxx
Kyle, David T., xxx-xx-xxxx

MEDICAL CORPS

To be lieutenant colonel

Ballinger, William G. xxx-xx-xxxx
Braeuer, Norbert R. xxx-xx-xxxx
Bush, Roger A., xxx-xx-xxxx
Didomenico, Anthony J. xxx-xx-xxxx
Falco, Frank G. xxx-xx-xxxx
Guiton, Carl R. xxx-xx-xxxx
Hook, William F. xxx-xx-xxxx
Ilem, Priscilla G. xxx-xx-xxxx
Isaak, Harvard E. xxx-xx-xxxx
Jackson, Edgar B. xxx-xx-xxxx
Janco, Robert L. xxx-xx-xxxx
Javaheri, Parviz xxx-xx-xxxx
Jensen, Fred J. xxx-xx-xxxx
Klein, Milton D. xxx-xx-xxxx
Kramer, Charles xxx-xx-xxxx
Lane, Leland E. xxx-xx-xxxx
Leach, James R. xxx-xx-xxxx
Malburg, Bernard J. xxx-xx-xxxx
Malee, Thomas J. xxx-xx-xxxx
Manning, Richard A. xxx-xx-xxxx
Matibag, Victor P. xxx-xx-xxxx
Meyer, Roger J. xxx-xx-xxxx
Payne, William J. xxx-xx-xxxx
Petrow, Eugenia xxx-xx-xxxx
Pressler, James W. xxx-xx-xxxx
Sbarbaro, John A. xxx-xx-xxxx
Sharkis, Robert W. xxx-xx-xxxx
Sison, Arturo T. xxx-xx-xxxx
Tosh, John W. xxx-xx-xxxx
Turner, Paul C. xxx-xx-xxxx
Vester, John W. xxx-xx-xxxx
Wolfe, John M. xxx-xx-xxxx

The following-named officers for appointment in the Army of the United States, under the provisions of title 10, United States Code, section 3494:

MEDICAL CORPS

To be lieutenant colonel

Dillon, James D., Jr. xxx-xx-xxxx

The following-named Army National Guard officers for appointment in the Reserve of the Army of the United States, under the provisions of title 10, United States Code, section 3385:

ARMY PROMOTION LIST

To be colonel

Abbott, Phillip xxx-xx-xxxx
Amundson, Gerald E., xxx-xx-xxxx
Boyersmith, Joseph C. xxx-xx-xxxx
Camuso, Anthony L., xxx-xx-xxxx
DeAngelis, Rocco R., xxx-xx-xxxx
Dempsey, John M. L., xxx-xx-xxxx
Duclos, John J., xxx-xx-xxxx
Elmer, Charles E., xxx-xx-xxxx
Greenwood, Roger H., xxx-xx-xxxx
Johnson, Harold W., xxx-xx-xxxx
Kerns, Roger D., xxx-xx-xxxx
Lavimoniere, Donald M., xxx-xx-xxxx
Lister, Benjamin E., xxx-xx-xxxx
Lockwood, Gary E., xxx-xx-xxxx
Maynard, Richard C., xxx-xx-xxxx
Pascoe, Kenneth H., xxx-xx-xxxx
Reep, Elton D., xxx-xx-xxxx
Smith, Robert S., xxx-xx-xxxx
Stone, Merle D., xxx-xx-xxxx
Sullivan, John S., xxx-xx-xxxx
Talburt, Dale C., xxx-xx-xxxx
Werdal, Lowell J., xxx-xx-xxxx
Werner, Herbert C. F., xxx-xx-xxxx
Willard, George T., xxx-xx-xxxx
Worthington, Lyman G., xxx-xx-xxxx

MEDICAL CORPS

To be colonel

Howard, Don G., xxx-xx-xxxx
Legg, Joseph S., xxx-xx-xxxx
Russo, Charles P., xxx-xx-xxxx
Thomas, William J., xxx-xx-xxxx

MEDICAL SERVICE CORPS

To be colonel

Faria-Collazo, Sigfredo xxx-xx-xxxx.

ARMY PROMOTION LIST

To be lieutenant colonel

Allen, Gerald S., xxx-xx-xxxx
Barlow, Gregory P., xxx-xx-xxxx
Baxley, Dexter E., Jr., xxx-xx-xxxx
Becker, Philip M., xxx-xx-xxxx
Burkett, Charles F., xxx-xx-xxxx
Carter, Merrill R., xxx-xx-xxxx
Collar, Garry D., xxx-xx-xxxx
Coyne, Henry F., xxx-xx-xxxx
Daniel, Raymond G., xxx-xx-xxxx
Dean, Benjamin F., III xxx-xx-xxxx
Duncan, Bobby S., xxx-xx-xxxx
Encarnacao, John B., xxx-xx-xxxx
Erickson, Stephen T., xxx-xx-xxxx
Farmer, Larry A., xxx-xx-xxxx
Flanagan, John J., Jr. xxx-xx-xxxx
Francis, Rudolph A., xxx-xx-xxxx
Frederick, Carrol J., xxx-xx-xxxx
Gisla, John F., xxx-xx-xxxx
Gustin, Fred W., xxx-xx-xxxx
Habersberger, Albert J., xxx-xx-xxxx
Hawbaker, Stuart D., xxx-xx-xxxx
Hinson, Elton F., xxx-xx-xxxx
Horsfall, Frank L., III xxx-xx-xxxx
Janelle, Gerald F., xxx-xx-xxxx
Jenkins, John A., xxx-xx-xxxx
Jennette, David L., xxx-xx-xxxx
Jordan, Robert J., xxx-xx-xxxx
Kenemer, David S., xxx-xx-xxxx
Lillmars, Glenn A., xxx-xx-xxxx
Link, Gerald F., xxx-xx-xxxx
Loudenslager, George L., xxx-xx-xxxx
McCullough, James E., xxx-xx-xxxx
McNeill, James W., xxx-xx-xxxx
Pelletier, Gilman R., xxx-xx-xxxx
Peterson, David M., xxx-xx-xxxx
Rice, Robert F., xxx-xx-xxxx
Rosado-Diaz, Manuel, xxx-xx-xxxx
Ryan, Michael W., xxx-xx-xxxx
Shields, Neal G., xxx-xx-xxxx
Simmons, James E., xxx-xx-xxxx
Stalls, Kenneth L., xxx-xx-xxxx
Standifer, Ray W., Jr. xxx-xx-xxxx
Tom, Richard B. C., xxx-xx-xxxx
Vanderlinden, Leon J., xxx-xx-xxxx
Vontrott, John T., xxx-xx-xxxx
Whilden, Kenneth W., xxx-xx-xxxx

ARMY NURSE CORPS

To be lieutenant colonel

Gonzalez-Ocasio, Ana xxx-xx-xxxx
Greenwold, Martha A., xxx-xx-xxxx
Mitchell, Georgia R., xxx-xx-xxxx

DENTAL CORPS

To be lieutenant colonel

Abrams, Jack E., xxx-xx-xxxx
Essig, Milton E., xxx-xx-xxxx
Fuqua, William C., xxx-xx-xxxx
Shields, William N., xxx-xx-xxxx
Vila-Pescador, Edgardo xxx-xx-xxxx

MEDICAL CORPS

To be lieutenant colonel

Bachhuber, Michael W., xxx-xx-xxxx.
Beck, Jere J. xxx-xx-xxxx.
Bowling, Robert S., Jr. xxx-xx-xxxx.
Brackett, Fred B. xxx-xx-xxxx.
Brooks, Billy G. xxx-xx-xxxx.
Buttars, Jack A. xxx-xx-xxxx.
Cashman, Charles A. xxx-xx-xxxx.
Chitwood, Jack W. xxx-xx-xxxx.
Clay, Earl C. xxx-xx-xxxx.
Covert, Thomas J. xxx-xx-xxxx.
Hodgkin, William E. xxx-xx-xxxx.
Louria, Henry W. xxx-xx-xxxx.
Melendez-Poventud, Luis H. xxx-xx-xxxx.
Rosario-Santos, Norman R. xxx-xx-xxxx.
Rossiter, Francis P., Jr. xxx-xx-xxxx.

MEDICAL SERVICE CORPS

To be lieutenant colonel

Clary, John F. xxx-xx-xxxx.

IN THE NAVY

The following-named lieutenants (junior grade) of the U.S. Navy for temporary promotion to the grade of lieutenant in the line, pursuant to title 10, United States Code, sections 5769 and 5791, subject to qualifications therefor as provided by law:

Aarons, Philip J.
Abel, Joseph L.
Abner, Edward L.
Abraham, Nicholas J.
Achenbach, John A.
Ackley, George W.
Acton, Daniel A.
Adamonis, Joseph E.
Adams, Allan W.
Adams, James P.
Adcock, Richard B.
Adrian, Thomas R.
Adrick, Mark K.
Adsit, William S.
Ahlgren, Andrew A.
Ajemian, Gary G.
Aland, David J.
Albrecht, Ricky I.
Alcamo, Mark E.
Aldern, Thomas D.
Alexander, Jose A.
Algood, Bert R.
Allard, Frederick D., Jr.
Allen, Andrew J.
Allen, Bradley K.
Allen, Gene R.
Allen, Gregory J.
Allen, Maxwell
Allen, Robert J.
Allsopp, David K.
Althans, John S.
Amundson, Steven M.
Andersen, Michael D.
Andersen, Robert
Anderson, Brian S.
Anderson, Donald W.
Anderson, Edward
Anderson, Kenneth R.
Anderson, Mark B.
Anderson, Michael
Anderson, Michael E.
Anderson, Phillip D.
Anderson, Robert W., II
Anderson, Steven W.
Anderson, Wilhelm
Anderson, Milburn M.
Anderson, William G., Jr.
Andrus, Randy D.
Angleman, Alan C.
Anners, Jeffrey M.
Antonio, Dennis D.
Appleby, Edward R.
Arellano, Reynaldo A.
Arguello, William R.
Arlen, Richard L.
Armbruster, Edward D.
Arminio, Thomas J.
Armitage, David M.
Armond, Ernest C., Jr.
Arnold, Daniel L.
Arnold, Michael W.
Arrington, Randall S.
Artho, Alfred E.
Artzer, Steven P.
Ashby, Jeffrey S.
Ashmore, Richard W.
Askin, William D.
Atchison, Ralph L.
Atkins, Douglas E.
Atkisson, Mark M.
Atwood, Robert W.
August, Bernard J., Jr.
August, Charles E.
Austad, Craig K.
Avera, Alan J.
Ayers, Kimball C.
Ayers, William S., Jr.
Ayotte, Peter P.
Bacon, Glenn S.
Baer, Dennis R.
Bader, John T.
Bagby, Calvin L.
Bagwell, Phillip W.
Bailey, Thomas P.
Bain, Michael E.
Bair, David W.
Baker, Charles V.
Baker, Clifford C.
Baker, Daniel K.
Baker, Duane M.
Baker, Dwight E.
Baker, Robert M.
Baldassano, David R.
Ball, John L.
Ball, Richard J., Jr.
Baltrush, Eric J.
Banchak, Ronald J.
Bancroft, Herman G., III
Banker, Robert J., Jr.
Bannister, Randall W.
Bannon, Stephen K.
Baran, Gregory W.
Barbaree, Robert
Barber, Edward M.
Barbour, James R.
Bard, Carter P.
Bardell, Timothy W.
Barker, Robert D., Jr.
Barkman, John G., Jr.
Barlow, Cecil E.
Barnes, Joseph L.
Barnes, Richard S.
Barnes, Ronald A.
Barnett, Otis
Baron, Robert D.
Barron, Claude E.
Bart, Ronald
Barth, Bradley J.
Bartleman, James P.
Barton, George F.
Barton, Larry S.
Barton, Steven A.
Barton, Wesley A.
Bass, Richard A.
Bass, Roy C.
Bassett, Kenneth R.
Bauer, Thomas E.
Bauman, John F.
Baxter, Franklin E.
Baysic, Domitito
Beach, Daniel S.
Beale, Steven L.
Beam, David C.
Beaton, George E.
Beauclair, Thomas J.
Beaver, James M.
Beck, Douglas O.
Beck, Michael C.
Becker, Lawrence C.
Becker, Mark E.
Beckman, Jeffrey A.
Beckner, Michael I.
Beckstrom, Donald R., Jr.
Begy, Carl R.
Behrle, Thomas J.
Beidler, Theodore W.
Bell, John W.
Bell, Melvin
Bell, Robert B.
Bell, Willie J., III
Bellacicco, Allan J.
Bellard, Johnny
Bellinger, William D.
Bender, Robert D.
Bennett, Jerry F.
Bennett, John S.
Bennett, Vincent J.
Benson, Dennis D.
Bensten, Charles E.
Bentley, David L.
Bereck, Daniel M.
Beres, Randolph G.
Berg, Gustave L., III
Berg, Jeffrey F.
Berger, James R.
Bernard, Franklin H.
Bernard, John L., III
Berner, Joseph M.
Bernstein, Charles R.
Berry, William W.
Bertrand, Shelton
Bess, Charles R.
Bethmann, James M.
Bianchi, Donel S.
Bickmann, Arnold J.
Biery, Thomas L.
Biggerstaff, William S.
Bilowus, George R.
Bily, Thomas J.
Binns, Richard D.
Bird, John M.
Birt, David W.
Bishop, Bryan L.
Bize, David N., III
Blaa, James R., Jr.
Black, Edward J.
Black, Robert L.
Blaine, Gerald K.
Blake, Joe C.
Blake, Patrick M.
Blake, Thomas H.
Blalock, David H.
Bland, Samuel E.
Blankenship, James W.
Blasko, James A.
Blazin, Michael J.
Blend, Charles R.
Blevins, Kenneth W.
Blinde, Glen M.
Blount, Alvin A.
Blower, Fred W.
Boatwright, Brooks O., Jr.
Bobowiec, Paul W.
Boehl, Richard W.
Bogovich, Joseph
Bojarski, Eugene
Boley, Charles C.,
Boley, James M.
Bolich, Harry P.
Bolton, John R.
Bonanno, Thomas J.
Bonner, Derek R.
Booker, George W.
Booker, La Selle B.
Booth, Richard L.
Borchers, Mark M.
Borns, Nicholas F.
Borza, Michael J.
Bosarge, Morris R.
Botulinski, Thomas J.
Bouquet, Tommey E.
Bouvier, Claude N.
Bowen, Randall K.
Bowen, William G.
Bowles, John L.
Bowser, Robert K.
Boyd, Edward M.
Boyd, Michael E.
Boyette, Kenneth P.
Boyles, Bruce A.
Boyle, James E.
Bozman, Raymond E.
Bracewell, Herbert W. J.
Brackett, Frederick J., Jr.
Bradhurst, John G.
Bradley, George M.
Bradley, James J.
Bradley, Mark J.
Brady, David A.
Branson, John J.
Brantley, Robert C., Jr.
Brauer, William D.
Braun, Arthur C.
Bray, Dennis D.
Breen, Charles H.
Brenner, Michael J.
Brescia, Charles L.
Breslin, John J., Jr.
Brethauer, Todd S.
Brewbaker, Ronald L.
Brewer, David A.
Brewer, James R.
Brewer, Luther S.
Breyer, Thomas P.
Bridges, Stephen
Briganti, Douglas H.
Bright, Leroy F., Jr.
Brinkley, Ronald
Bristow, Isaac
Bristow, William K.
Britt, David F.
Brittan, Harry L.
Brock, Kevin W.
Brock, Michael F.
Broks, Forest E., III
Brooks, Jeffrey A.
Brookshire, David R.
Brown, Gerald C.
Brown, Gregory W.
Brown, Lance L.
Brown, Lonny D.
Brown, Matthew L.
Brown, Michael F.
Brown, Paul A.
Brown, Richard C.
Brown, Robin E.
Brown, Ronald E.
Brown, Steven R.
Brown, Theodore H.
Brown, William G.
Brubaker, Malvin
Bruce, Ples J.
Brumley, Barney A.
Brundage, Laurence P.
Bruni, David P.
Brunskill, Michael R.
Brunson, Ronald B.
Brunstetter, Peter S.
Brus, Henry H.
Bryant, Michael J.
Brynestad, Mark A.
Buchanan, Gregory J.
Bucheister, Raymond C.
Buck, Bruce J.
Buck, Kevin P.
Buckingham, Thomas C.
Buckles, Joseph A.
Buckley, Lee P.
Buckner, Albert L.
Buddenbohn, Kennard M.
Budgins, John M.
Buehler, Roger D.
Bullard, David W.
Bunker, Edward J.
Bunker, Mark K.
Burdine, David A.
Burdon, Coningsby E., Jr.
Burke, Larry D.
Burke, Michael L.
Burke, Richard E.
Burkett, Bruce T.
Burkett, Michael C.
Burleigh, Richard R.
Burna, Richard F.
Burnett, Christopher T.
Burnett, Stephen B.
Burnette, Robert
Burney, Stanley H.
Burns, Orris E., III
Burns, Michael W.
Burrill, Joseph E.
Burrill, Larry D.
Burton, Edward O.
Burton, John C.
Burton, William J.
Busch, Daniel F.
Burkett, Bruce T.
Busch, William T.
Butler, Dempsey, III
Butler, William J.
Byer, James C.
Byrd, Gregory L.
Caddell, Richard A.
Cady, William R.
Caesar, Julius S.
Cahill, Leon H.
Caille, Gary W.
Cain, Chris C.
Calabrese, Vincent J.
Caldwell, Nathaniel F., Jr.
Callahan, Michael
Callahan, Steven W.
Callander, Ronald R.
Callaway, Joseph E.
Callaway, Ralph F.
Camacho, Joseph D.
Campbell, Bruce A.
Campbell, David G.
Campbell, David R.
Campbell, David W.
Campbell, Douglas N.
Campbell, Kenneth W.
Campbell, Thomas
Canby, Kerry A.
Canders, Michael
Canell, Edward J.
Canfield, Bruce T.
Cannon, David W.
Canter, Dana L.
Cantillo, Thomas A., III
Capponi, Michael
Cardosi, James J.
Carey, Harold F., Jr.
Carey, Michael J.
Carithers, Lawrence W.
Carlo, James J.
Carlson, Frederick J.
Carnes, George K., Jr.
Carpenter, Bruce A.
Carpenter, Larry
Carpenter, William A.
Carr, Lester E. I.
Carroll, Sean J.
Carter, William R., Jr.
Carver, William K.
Carwile, Joseph M.
Casanova, William
Case, Michael J.
Casey, John R.
Casteen, John D., Jr.
Casto, Stephen M.
Cautherman, Ronnie N.
Caulfield, James Jeffrey P.
Caulk, Peter M.
Cech, Charles R.
Ceely, Richard A.
Cellars, Kevin B.
Celli, Lino J.
Cenney, John J., Jr.
Cerabino, Frank T.
Chabal, Matthew
Chalker, James R.
Chamblee, Richard E.
Charles, Steven R.
Chaum, Erik
Chavez, Juan L.
Cheatham, William H.
Cheeseman, William E.
Cheri, Lionel L., Jr.
Chesnut, Robert I.
Chifari, Anthony H.
Childress, James
Chimahusky, Edward V.
Chittenden, Donald
Christensen, Harold O., Jr.
Christopher, Ronald J.
Christofferson, Edward A.
Chrzanowski, Frank P.
Cieslak, Randall C.
Cinciripino, Jeffrey R.
Cioni, Gene R.
Cirillo, Thomas M.
Clardy, George L.
Claridge, William
Clark, Bruce G.
Clark, Kenneth E.
Clark, Terry W.
Clark, William W.
Clarke, Stephen P.
Clarke, Thomas W., Jr.
Clarkson, Gregory J.
Claus, Colin D.
Claussen, Mark D.
Clay, John L.
Clay, Mark S.
Claytor, Linwood C.
Cleaver, Christopher M.
Clement, William
Clements, Michael M.
Clemons, Clevie L.
Clever, Alan R.
Clifford, Lawrence E., Jr.
Clingan, Bruce W.
Clingenpeel, Roy
Clinko, Stephen E., Jr.
Cloward, John A.
Coan, Richard D.
Coble, Richard A.
Coe, John C.
Cofield, Guy B.
Cohn, Michael D.
Colby, Christopher J.
Cole, James O.
Cole, James P., III
Cole, John F.
Coleman, Charles, Jr.
Coleman, Richard E.
Collett, Joseph M.
Colley, Craig C.
Collier, Robert G., Jr.
Collier, William W.
Colman, Paul T.
Colton, Gary L.
Colton, James W.
Comis, David L.
Condry, Robert A.
Cone, Allen D.

Connelly, Gary G.
Conner, Alexander N.
Connor, Charles E.
Connors, Stephen L.
Conradi, Joseph R.
Conway, Wallace J.
Cook, Donald P.
Cook, Gerald V.
Cook, Thomas P.
Cook, William A.
Cooksey, Clifton
Cooper, David R.
Cooper, Gregory H.
Cope, James D.
Coppinger, Michael L.
Corbett, Philip J.
Cordell, Thomas R.
Cornett, Hugh T.
Cornish, Gregory
Corpman, Daniel M.
Corpus, Jose R.
Coss, David D.
Cotton, Ian M.
Cotton, Steven W.
Coulombe, Raymond
Coulbourne, Michael J.
Coulson, James D.
Cousins, Dwight L.
Coverick, Timothy
Cox, Darryl R.
Cox, Donell
Coyle, Arthur J., Jr.
Craig, Douglas W.
Craig, Jimmy F.
Craig, Larry D.
Crandall, Roland E.
Crane, Jeffrey B.
Crary, Howard L.
Crawford, Donald C.
Crawford, Gary L.
Crawford, Lawrence L., Jr.
Cress, Bruce W.
Crevier, Raymond
Criner, Timothy J.
Cromar, Patrick F.
Crossman, Dale G.
Crow, Michael L.
Crow, Winston K.
Crowe, Steven K.
Croxen, Kevin L.
Cruts, Ronald E.
Crutz, David A.
Cruz, Adelbert, Jr.
Culbertson, William J.
Cullen, Leo D.
Cullinan, Robert L.
Cullison, Richard C.
Culver, Robert J.
Cummings, Richard W.
Cupp, Lynn S.
Cuprak, Gregory T.
Curran, Brian J.
Current, Richard
Currie, William S.
Curry, James M.
Curry, William T.
Curtis, Charles C.
Curtis, Larry J.
Curtis, Richard L.
Cusick, Timothy J.
Cuttino, David W., III
Cyrus, Richard E.
Czulewicz, Thomas S.
Daigle, Michael J.
Daigneau, James M.
Dale, Larry J.
Dalton, Dennis F.
Daly, Peter H.
Damico, William T.
Daniels, John W.
Daniels, William D.
Danka, William E.
Darnell, John A. M.
Dattoli, Joseph S.
Daurora, John K.
Davidoski, Mark W.
Davidson, Daniel E.
Davidson, Mark E.
Davidson, Michael F.
Davie, Robert A.
Davis, Charles W.
Davis, Eddie L.
Davis, George D., III
Davis, Glen B.
Davis, Jack L.
Davis, Jeffrey J.
Davis, Legare M.
Davis, Leon D., Jr.
Davis, Paul L. E.
Davis, Stuart M.
Davis, Van K.
Dawson, Robert M.
Day, Joseph A.
Dean, David E.
Dean, William M.
Dearbeck, Jerry L.
Debbink, Dirk J.
Deberry, Kirk R.
Debold, Fred A.
Decaria, Don B.
Decloma, Thomas E.
Delacruz, Richard S.
Delicata, Anthony J.
Dell, Franklin E.
Dellavedova, Peter F.
Delmar, Shan R.
Demartini, Edward J., Jr.
Dembowski, John K.
Demelo, Jeremias
Demeo, David M.
Demming, David R.
Denecamp, Gustav A., III
Dennis, William K.
Denny, Richard A.
Derby, Rex
Derose, Phillip A.
Deryck, Wayne D.
Desilva, Philip E., Jr.
Devitt, Brian S.
Dewes, William E.
Dickens, Emmitt D.
Dickert, Michael B.
Dickey, Byron A., Jr.
Dickinson, Michael L.
Dickman, Douglas J.
Dickup, William A.
Dietz, James A.
Diggs, Thomas E.
Diller, Christopher W.
Diller, Marlin G.
Dimenna, Timothy
Disney, Lawrence A.
Ditko, Donald R.
Diunizio, Mark
Divito, Joseph A.
Dixon, Willard E.
Doane, Ellis H., III
Dobbins, Bruce W.
Dobson, Richard A.
Dodds, William H., Jr.
Dodsworth, Rodney
Doherty, James M.
Dolan, James P.
Dom, George B.
Donathan, Bernie G.
Donker, Michael R.
Donnelly, Thomas P.
Doolittle, Richard F.
Dormer, John A.
Dory, Christopher E.
Dosta, John C.
Dotson, Edward L.
Douglas, Robert E.
Douglass, Alton O.
Dowell, Deryl R.
Dowling, Russell L.
Downer, Alan K.
Downer, Patrick E.
Dowsley, Brian W.
Doyle, Terrence M.
Drajna, Fred A.
Drake, Mark M.
Dranchak, James J.
Dreger, Douglas J.
Dreher, Lawrence J.
Driggers, Michael A.
Driscoll, Patrick G.
Drogowski, Francis K.
Droppa, Robert E.
Dubard, Dennis D.
DuBois, Harlan L.
Duchak, George D.
Dufeck, Jerry L.
Duff, Winslow K.
Duggan, Thomas L.
Duhn, Thomas H.
Dumpert, David R.
Duncan, James D.
Dundee, Jack L.
Dundon, Nicholas G.
Dunn, James D.
Dunn, Steven J.
Dunnenberger, Henry, III
Dunphy, Joseph J. G.
Dunseith, Richard J.
Durbin, William S.
Dusterhoft, Bruce M.
Dwyer, Thomas J., Jr.
Dyky, Leonard M.
Dyson, Michael E.
Doersole, Charles R.
Ebel, Kevin C.
Eckrich, James E.
Eckstrom, Rustin
Eddington, Leonard E., II
Edwards, James R., III
Edwards, Perry B.
Edwards, William E., Jr.
Edwards, William J.
Eibon, Kenneth R.
Eischen, Charles
Eimes, James E.
Ekardt, Dennis E.
Elbinger, Steven Z.
Elford, David A.
Eliot, Frederick
Elkins, Don S.
Ellinwood, Thomas
Elliott, Daniel C.
Elliott, David S.
Elliott, Glenn D.
Elliott, Sidney M.
Ellsworth, Richard H.
Elmer, Michael P.
Elmlinger, Ronald H.
Elmore, Thomas L.
Elsken, Martin R.
Elwell, Ralph U.
Elwing, Stuart F.
Emrick, William C
Encino, Ernest G.
Endacott, Lawrence A.
Enderle, Douglas R.
Endres, William J.
Engdahl, Craig A.
Engel, Peter W.
English, Floyd E.
Enochs, Edgar R.
Enos, Craig R.
Episcopo, Mark J.
Erdt, Dennis D.
Erickson, David E.
Ericson, Glen F.
Ermolovich, William M.
Eschliman, Judd R.
Eschette, Donald P.
Escue, William D.
Eshman, Stephen J.
Estes, Warren B.
Etterman, James E., Jr.
Evans, Richard T.
Evensen, David A.
Eves, Robert C.
Fahey, Edward F.
Fairbank, James F.
Fairbanks, John
Fallon, Patrick J.
Fann, Theodore R. L.
Faris, John M.
Farkas, David M.
Farley, Harold, Jr.
Faulk, Allen M.
Faulkner, Richard
Feeney, Christopher E.
Feiler, John F.
Felder, Gary C.
Felker, William H.
Felmly, Michael L.
Fenelon, Martin J., III
Fenn, Dan E.
Fennig, Christopher G.
Fenwick, Francis C., Jr.
Ferguson, David B.
Ferguson, Douglas H.
Ferranti, Jerry W.
Ferris, Albert D., III
Fett, Hans G.
Fetters, Laten S.
Fettes, Michael D.
Filippini, David
Filkins, Peter C.
Finlayson, Stuart
Finley, David C.
Finley, Mark T.
Finley, Peter J.
Fiore, Samuel S.
Fisher, Carl B.
Fisher, James E.
Fisher, John W.
Fitzgerald, William C.
Fleischer, Roger
Fleischman, Charles A.
Flom, Daniel H.
Floyd, David S.
Flynn, Dennis R.
Flynn, John J.
Fogarty, Francis
Fontaine, David J.
Fontaine, Scott A.
Fontes, Mark S.
Ford, Bruce H.
Ford, Jesse B., Jr.
Forgach, Gary L.
Forgala, Gregory W.
Fornof, Thomas R.
Fortner, William S.
Fortugno, John P.
Foster, Andre P.
Foster, Dennis P.
Foster, Gregory A.
Foster, James W.
Foster, William A.
Fountain, Bruce E.
Fowler, Leonard H., III
Fox, Michael E.
Fox, Samuel M.
Fox, Stephen C.
Fox, William F., Jr.
Francia, Anthony A.
Francis, Clayton A.
Francis, William B.
Franich, Dennis M.
Frank, Richard F.
Frank, Robert D.
Franke, Randal C.
Franklin, Charles M.
Franklin, Donald E.
Franzen, Gerald J.
Frazier, Jack E.
Frederick, David L.
Freeburn, Robert J., Jr
Freeman, John M.
Freeman, Richard C.
Freeman, David W.
Frenck, Wayne H.
Frey, James G.
Frey, Thomas J.
Frick, Michael S.
Frisk, Steven P.
Frizzell, Dominique F.
Frothingham, Peter J.
Fry, Rene M.
Fugate, Jeffrey E.
Fujii, Leith Y.
Fullerton, George
Fulton, Terry L.
Furness, John D.
Gagnon, James H.
Galembush, John S.
Galindau, Daniel R.
Gallagher, Chistopher J.
Gallagher, Dirk M.
Gallardo, Albert J., Jr.
Gallipo, Leslie K.
Gallman, James R., III
Galvan, Jose L.
Galvin, Richard E.
Gambarani, Gary P.
Gamble, Bruce T.
Garcia, Benjamin
Garcia, Edward L.
Garcia, Stephen A.
Gardner, David C.
Gardner, Dennis M.
Gardner, John S.
Gardner, Mark P.
Garland, William
Garman, David B.
Garmon, Jeffrey D.
Garrigues, Hal E.
Garver, Zach D.
Gary, Bret C.
Gaskin, Steven P.
Gassaway, James C.
Gates, David H.
Geanuleas, Lee
Gear, Daniel E.
Gearing, Daniel
Gearo, Benjamin A.
Geary, John W.
Geis, Everett L.
Gerdeman, Peter R.
Gerhard, Harry J.
Ghio, George F., Jr.
Giblin, Frank J.
Gibson, Elton R., Jr.
Gibson, Oliver F., III
Giesen, Stephen A.
Gilbert, James R., II
Gilbert, Larry A.
Giles, Anthony W.
Gill, Bruce J.
Gillespie, Neil T.
Gillies, Michael L.
Gilman, Robert J.
Girard, Robert R.
Glab, Corey J.
Gladding, Donald L.
Glasgow, Kimberly S.
Glass, James T.
Glenn, Robert A.
Glidden, William M.
Goins, Michael L.
Gold, Thomas M.
Golda, Eugene M.
Goldberg, John W.
Golden, Richard V.
Golden, Timothy A.
Goldin, Milton, Jr.
Goldsmith, Richard A.
Gonzales, Henry
Gonzalez, Francisco J.
Good, Keith B.
Goodlet, Sammie
Goodman, Clarke E., Jr.
Goodrum, Robert A.
Goodwin, Stephen E.
Goodwin, William A.
Goolsby, Douglas
Gore, John B.
Gorman, Jeffrey A.
Gorman, Thomas M.
Gorman, Walter R., Jr.
Gottschalk, Paul A.
Gould, James W.
Govan, Dale R.
Goward, Richard F., Jr.
Gowens, Michael W.
Graaf, Paul D.
Graber, Kenneth A.
Grace, John C.
Graham, Bruce A.
Graham, John S.
Graham, Kelvin F.
Graham, William M.
Grandfield, Philip W.
Grant, Thomas R.
Grantham, Robert S.
Grass, Richard J.
Graus, Gary S.
Gravely, Harry A.
Graves, Robert L.
Graves, Ronald M.
Gray, Arthur R.
Gray, Brendan L.
Gray, James R.
Gray, Ray H., III
Grayson, Tony A.
Greco, Francis J.
Green, Craig S.
Green, James S.
Green, Melvin C.
Green, Michael J.
Green, Nathaniel
Green, Peter D.
Green, Richard E.
Greene, Michael J.
Greene, Thomas G.
Greenwood, Carter M.
Greer, Jerry D.
Gregory, James L.
Gretzky, Harold D.
Greunke, James H.
Grice, Gary L.
Griffin, Roy D.
Grimes, Dennis R.
Griner, Charles D.
Groh, Robert E.
Grokulsky, Stanley J.
Gromek, Michael F.
Grose, Carleton R.
Grose, Robert W.
Gross, Harold
Gross, Robert H., III
Grossman, Randall T.
Groves, Gregory E.
Gruben Roger S.
Gruetzner, James K.
Gullette, Greg R.
Gumpright, Robert E. Jr.
Gunderson, Christopher
Gunther, Gary W.
Gural, Nicholas D.
Guss, James R.
Guttenberger, Mark R.
Guy, William P.
Gwynn, John T.
Haag, Gunter
Habel, Gareth R.
Hada, Wilford V.
Hagerty, George J.
Hagreen, Frederick H., III
Haines, Dennis
Hale, Mark S.
Hall, David L.
Hall, David R.
Hall, Homar H., Jr.
Hall, Jesse J.
Hall, John A.
Hall, Tommy E.
Halliford, Charles W.
Hallman, Clinton
Hallock, David D.
Halsne, William L.
Halverson, Rolf V.
Haman, William F.
Hamblin, Robert N.
Hamilton, Ellis
Hamilton, Robert W.
Hammond, James L.
Hammonds, Ricky T.
Hamner, Michael S.
Hampel, Kenneth E.
Hampton, Cecil L.
Handy, Clark D.
Haney, Keith D.
Hankins, James D., Jr.
Hanner, Robert A.
Hannum, Douglas E.
Hanrahan, Robert E.
Hansen, Daniel L.
Hansen, Joseph A.
Hansen, Raymond N.

Hansen, Richard P.
Hansen, Robert C., Jr.
Hanson, Paul D.
Hanson, Zane L.
Hardcastle, Michael C.
Harden, Stephen W.
Harding, William E.
Hardwig, Larry K.
Hardy, June T.
Harley, Stanley C.
Harman, Charles R.
Harmon, John M.
Harner, Warren H., Jr.
Harper, Russell S.
Harper, Scott F.
Harr, Steven L.
Harrington, Joseph H., Jr.
Harris, Charles M.
Harris, David J.
Harris, Jack F.
Harris, James B.
Harris, Lawrence J.
Harrison, Jonathan C.
Harrison, Lonnie P.
Harrison, Samuel F., Jr.
Harrison, Thomas P.
Hart, Dwight D.
Hart, Gerald E.
Hartigan, James D.
Harting, Donald W.
Hartley, Thomas A.
Hartman, Keith E.
Hartman, Richard W., II
Hartman, William
Hartmann, Thomas S.
Hartung, Gregory H.
Hascup, Richard
Haskins, Terry O.
Hathaway, Todd N.
Hauck, Timothy X.
Hauth, Larry W.
Havemann, Leonard P.
Havlik, George J.
Hawkins, Thomas A.
Hawley, Frank M.
Hayden, Clayton C.
Hayes, David P.
Hayes, David T.
Hayes, John H.
Hayes, Richard D., III
Hayes, Robert E., Jr.
Hayes, Stuart A.
Haynes, Erwin A.
Heathcote, Richard W.
Hebert, Dirk P.
Heely, Jeffrey H.
Hegland, Michael G.
Heid, Joseph P.
Heiney, Gary J.
Heji, Thomas A.
Helleberg, Eric A.
Henderson, Ronald H., Jr.
Hendrick, Scott D.
Hendrickson, Wayne
Henkle, Thomas H., III
Henley, Jerrell C.
Hennig, William A.
Henning, George W.
Henry, Leon M.
Henry Zachary A.
Hepfer Donald E., II
Herbel, Richard C.
Herberger, William J.
Hering, Leendert R.
Herman, John C.
Hernandez, Victor M.
Herr, John S.
Herrick, Dennis M.
Herring, Fred M.
Herzig, Paul M., Jr.
Hess, Dennis L.
Hess, Douglas J.
Hess, John A.
Heughan, Charles D.
Hewell, Charles L.
Hickey, Marshall
Hicks, Gary L.
Higgins, James C.
Higgins, Raymond
Hignill, Keith G.
Hildreth, Billy J.
Hileman, Kenneth L.
Hill, Clarence D.
Hill, Michael L.
Hill, Robert W.
Hill, Thomas S.
Hill, William J.
Hillendahl, Jeffry A.
Hills, Stephen G.
Himler, Mark J.
Hint, Peter T.
Hippel, John S.
Hirata, Harvey H.
Hirko, William G.
Hitchcock, Thomas L.
Hithon, Cary J.
Hobart David C., Sr.
Hochevar, Albert
Hodor, Brian M.
Hoffman, James D., Jr.
Hoffman, James E.
Hoffman, Mark A.
Hoffman, Theodore J.
Hogan, Patrick G.
Hohenstein, James H.
Hohorst, Dedrich C.
Holbrook, Roy L., III
Holdcroft, Richard T.
Holl, Brian F.
Holland, James W., Jr.
Hollaway, Billy D.
Hollich, Paul J.
Hollingsworth Ernest M.
Holmberg, Hilding A.
Holloway, Jeffrey
Holman, Robert
Holst, Gary M.
Honeycutt, Paul E.
Hoobler, Jeffrey
Hood, Jack N.
Hooper, Rene R.
Hopkins, Dennis L.
Horbiak, Stephen
Horn, Arthur W.
Horn, Norman C.
Horner, Randolph W.
Hotelling, Roger D.
Houchins, Ronald W.
Houghton, Charles I.
Householder, David A.
Houser, Robert J.
Hovland, Douglas L.
Howard, John R.
Howard, Michael R.
Howard, Reginald L.
Howard, Stephen R.
Howard, William D.
Howarth, Peter T.
Howell, Carleton T., Jr.
Howze, Sidney S., Jr.
Hoyt, Michael L.
Huber, Russell J.
Huck, Hugh J., Jr.
Hudacek, David J.
Hudgens, Robert K.
Huebner, Richard H.
Huerth, Alan L.
Huetteman, Richard J.
Hugel, Mark A.
Hutsman, Thomas K.
Hull, Peter R.
Humenuck, Richard J.
Humitz, Norman R.
Hummell, Robert E., Jr.
Humphrey, Robert P.
Hungerford, Ronald D.
Hunt, David L.
Hurley, John J., Jr.
Hutchens, James W.
Hutchinson, Thomas H., II
Hutson, Michael T.
Hyatt, William L.
Hyers, Peter M.
Hynes, Alan P.
Inglviglia, Lawrence J.
Ingraham, James W.
Ingram, Michael R.
Irvin, Stephen R.
Isabelle, Paul G.
Ittner, William H.
Ivey, Charles G.
Jackson, John E., III
Jackson, Leon, Jr.
Jackson, Marvel T.
Jackson, Robert F.
Jackson, Steven C.
Jackson, William
Jacob, Anthony
Jacobson, John R.
Jacobson, Phillip A.
Jaggard, Joseph F., Jr.
James, Bruce C.
James, Gary S.
James, Richard L.
Jameson, David S.
Jamison, Charles
Janikowsky, Ralph
Jansson, William K.
Jargowsky, Kenneth J.
Jarrell, Gregory S.
Jee, Mark T.
Jefferies, Robert K., III
Jeffrey, James D.
Jelley, Kenneth I.
Jenkins, James S.
Jenks, Robert P.
Jenks, Timothy S.
Jensen, David W.
Jensen, John C.
Jensen, Thor K.
Jepson, Ben B., Jr.
Jerabek, Daniel J.
Jesup, Richard D.
Johann, Charles L.
Johansen, Sigurd A., Jr.
Johnsen, Arvin W.
Johnson, Clifford D.
Johnson, David F.
Johnson, David L.
Johnson, Douglas P.
Johnson, Geoffrey D.
Johnson, Mark A.
Johnson, Michael B.
Johnson, Michael
Johnson, Paul A.
Johnson, Philip N.
Johnson, Richard E.
Johnson, Robert C.
Johnson, Robert G.
Johnson, Stephen E.
Johnson, Thomas W.
Johnston, George
Jones, David L.
Jones, Donald D.
Jones, Donald L.
Jones, Eric M.
Jones, Griffith G.
Jones, Henry B., III
Jones, Joe D.
Jones, John P., II
Jones, Michael P.
Jones, Richard L.
Jones, Stephen C., Jr.
Jones, Stephen R.
Jones, Steve V.
Jones, William P.
Jordan, Carl W.
Jordan, Dorsett W.
Joyner, Joseph, Jr.
Judy, Daniel E.
Julian, Robert G.
Jurbena, Jeffery M.
Kaczmarek, Christopher
Kafer, Mark T.
Kahlenbeck, Ronald L.
Kahler, Thomas G.
Kahn, Ralph E.
Kaluzny, Daniel F.
Kamen, John S.
Kanerva, Edwin J.
Kaniut, Keith M.
Kantirakis, Johnnie N.
Karaffa, Corwin J.
Karels, John A.
Kasputis, Stephen R.
Kast, Christian
Kasun, David M.
Katcher, Steven A.
Kauffold, Richard P.
Kaufman, Michael A.
Kaufman, William G.
Kautter, Robert J.
Kear, William J.
Kearney, John J.
Keast, Jerry L.
Keefe, Brian E.
Keever, Douglas F.
Keefe, Mark C.
Keeley, Thomas F.
Keeney, William M.
Keith, Stephen W.
Kell, George E., Jr.
Keller, Michael R.
Kelley, William J.
Kellogg, John S.
Kelly, James M.
Kelly, James T.
Kelly, Peter J.
Kelly, Richard P.
Kelly, Steven M.
Kelmar, Brian A.
Kemmerer, Eric R.
Kempf, Michael J.
Kennedy, Peter C.
Kennedy, Robert C.
Kenner, Robert P.
Kenny, Mark W.
Keough, Steven J.
Kernan, Joseph D.
Kerrigan, Donald F., Jr.
Kessler, Rande M.
Keswick, Christopher A.
Kidd, Robert S.
Kiggins, Anthony L.
Kikla, Richard V.
Kile, Larry B.
Kilkenny, Joseph F.
Kimmel, John F., Jr.
Kindergan, Walter B.
King, Michael C.
King, Nelson R.
King, Roger L.
King, Spencer H.
King, Stephen S.
Kingsman, Kilton
Kinkin, Frederic
Kinports, Kevin J.
Kirk, Brian M.
Kirk, Mark A.
Kirkland, Robert E.
Kirst, Mark R.
Kirsten, Richard
Kiselica, Vincent J.
Kiser, Mark S.
Kislinbury, Wayne J.
Klansnic, William J.
Klauer, Robert P.
Klein, Mark J.
Klein, Raymond M.
Klijn, Martinus M.
Kling, Dean F.
Klink, Gary D.
Knapke, Steven J.
Knight, John C.
Knight, William D.
Knoetgen, Peter M.
Knoizen, Kerry K.
Knott, George A.
Knowski, Richard
Knox, John T.
Knutson, Danny C.
Knutson, Eugene L.
Kocher, Jon E.
Koebel, Jerry A.
Koelzer, Thomas G.
Koerber, Michael A.
Kohls, Richard I.
Kolar, Scott A.
Kollmorgen, Gary
Kolthoff, David L.
Konkel, Michael J.
Koon, Charles C.
Koon, Keith F.
Kopp, Robert W.
Korchowsky, George W.
Koritar, John A.
Kornman, Robert E.
Korte, Kevin D.
Koscal, Albert, Jr.
Koscielny, Stephen S.
Kot, Randal R.
Koury, Chris R.
Kovalchik, Joseph
Kozicz, Mark S.
Kozyra, Mark V.
Kraemer, Robert T., Jr.
Krakau, Bruce R.
Kranz, Michael A.
Kraemer, Kent H.
Kramer, David R.
Krcha, Clifford W.
Kreidinger, Charles E.
Krekeler, John M.
Kroszner, Konrad
Kruk, Edward M.
Kruse, Frank K.
Kuhn, Michael F.
Kulpa, Jeffrey P.
Kuntz, John F.
Kurrus, Richard K.
Kurth, Steven J.
Kurtz, Randall S.
Kush, Thomas A.
Labossiere, Paul
Ladner, Merlin W.
Lafien, Gerald W.
Laforce, Daniel C.
Lagerstorm, Thomas J.
Lamb, Mark E.
Lambard, Richard E., Jr.
Lambert, Daniel M.
Lambert, Vincent E.
Laney, Terance
Langman, Craig E.
Laningham, Charles J.
Lanman, George W., Jr.
Laplante, James Z.
Lare, James E.
Larsen, Duane A.
Larsh, John K., II
Larson, Arvid R. G.
Laski, John F.
Latham, Kevin J.
Latonick, Leo W.
Laubenthal, Neil D.
Laughlin, Edward G.
Laughlin, Larry M.
Laughrun, Jerry L.
Laun, Gary L.
Lauseng, Leroy L.
Lavallee, Courtland R., Jr.
Laveson, Jeffrey D.
Laviano, Michael
Lawlor, George P.
Lawrence, Robert S.
Lawson, Joseph M., Jr
Lawton, Gerard M.
Leach, James H., II
Leblanc, Patrick
Ledoux, Alton D.
Lee, Jeffrey W.
Leenhouts, Peter M.
Lees, Kevin M.
Lemaster, Robert E.
Lemieux, Michael A.
Lence, Robert L.
Lenzen, Peter A.
Leonard, Wellington T.
Lessard, Steven M.
Lester, William J.
Letellier, Scott P.
Lewis, Alan O.
Lewis, Bradford F.
Lewis, Dale A.
Lewis, Dave E.
Lewis, David G.
Lewis, John T., III
Lewis, William H.
Lian, Robert A.
Lieberman, David L., III
Ligon, Steven R.
Liming, James K.
Lindner, Thomas E.
Lineburg, Frederick F.
Linenger, Jerry M.
Link, Donald J.
Link, Gerard J.
Lipton, Joseph K.
List, Jeffrey J.
Little, Patrick E.
Littlejohn, Alan C.
Litty, Frederick
Lizama, Gregorio T.
Lloyd, William V., III
Lochry, James C.
Locke, Dudley B., Jr.
Locklear, Samuel
Lockley, James
Lockwood, Tyrone
Lofton, Randall B.
Logdahl, Ronald J.
Logue, Thomas T., Jr.
Lohman, Alan L.
Lones, Philip T.
Long, Aaron, IV
Long, Jeffrey H.
Long, Jeffrey J.
Long, Richard K.
Long, Robert C.
Longway, James G.
Lonigan, Thomas J.
Longmeier, Michael S.
Lopes, Alexander
Lopez, Raymond F., Jr.
Lopez, Robert A.
Lopiccolo, Richard J.
Lorentz, Timothy
Lorenz, Duane E.
Losardo, Vito, Jr.
Louie, Cham W.
Lovan, Gary J.
Loveless, Paul F., Jr.
Luckenbach, James W.
Ludwig, Gregg A.
Luedke, August E.
Luehman, James G.
Lukens, Richard W.
Lukken, Peter J.
Luptak, Alan J.
Lyon, Charles R.
Lyons, Mark R.
MacDonald, Gregg W.
MacDonald, Patrick
Macina, Ronald M.
Mack, William E.
Mackercher, John C., Jr.
Mackie, James P.
Mackin, James S.
Maconi, Stephen M.
Madalo, John
Madden, James H.
Madsen, Charles W.
Madson, Robert C.
Magee, Robert H.
Magnotti, Michael P.
Magnusson, Everett D.
Maguire, Edwin J.
Mahoney, Terence
Mahoney, William A.
Maier, William A.
Mair, Michael J.
Majority, James N.
Makucevich, Daniel M.
Malinak, Gregory E.
Malley, Martin J.
Mallon, Paul J.
Maloche, Gary A.

Malone, Eugene J., Jr.
Manaskie, George
Manigo, John E.
Manley, James E.
Manley, Larry J.
Mann, Liberty E., III
Mansfield, George F.
Marcantonio, Richard L. P.
Marcinkowski, Eugene
Marino, Michael F.
Marlow, Charles N.
Marques, Joseph P.
Marshall, Charles S., Jr.
Marshall, Robert C.
Marshall, Tom S.
Marshall, William E.
Martin, Charles W.
Martin, David L.
Martin, David W., Jr.
Martin, Frank L., III
Martin, Stanley R.
Martine, Dennis K.
Martinez, Rosendo, Jr.
Martino, Nicholas W.
Martz, Donald C., Jr.
Mason, William A., Jr.
Masso, Edward
Mathews, Jerome J.
Mathre, Jerome K.
Matkowski, Randy J.
Matranga, Eugene
Matthews, Ralph S., Jr.
Matthies, Frederick T.
Maugans, Harry G.
Maurer, Richard L.
Mays, Marshall T., Jr.
Mazich, Paul J.
McAllister, Herbert J.
McAuliffe, Thomas J.
McAvoy, Arthur R.
McCammon, Michael A.
McCarthy, Charles M.
McCarthy, John N.
McCarthy, Julian D.
McCarthy, William D.
McCaskill, Thomas H
McCollum, Richard L.
McComb, Jeffrey L.
McCord, Michael C.
McCormick, Glenn
McCoy, Robert C.
McCracken, Lance D.
McCray, Gregory C.
McCree, Joseph W., Jr.
McCutchen, Edward L., Jr.
McDonald, Bradford N.
McDonald, James C.
McDonell, James E.
McDowell, Michael D.
McElrath, Hugh D.
McElwee, Adrian C.
McEwan, John A.
McEwen, Robert S.
McGee, Brent D.
McGinn, John P., Sr.
McGowan, John R.
McGowan, John F.
McGranahan, James O.
McGraw, Richard J.
McGuinness, Thomas P., Jr.
McGuire, Reed E.
McHale, Gerard
McIntyre, Michael J.
McIntyre, William C., III
McIsaac, James F.
McKee, Thomas B.
McKenzie, George
McKinley, Archibald VI
McKinney, James H. Jr.
McKinney, Patrick D.
McKinnon, Jack A., Jr.
McLaurin, Charles D., Jr.
McLean, Robert A.
McManigle, James E.
McMeekin, Robert W., Jr.
Mcmillin, Patrick M.
McMullin, Stephen P.
McMurtrie, John T., Jr.
Mcnabb, Steven D.
McNally, Peter J.
McNamara, Michael
McNeely, Gregory T.
Mcneil, Richard A.
McNutt, Richard L., Jr.
McQuiston, Morgan
McRaven, William H.
McTernan, James M.
McVay, Michael K.
McWethy, William C.
McWhorter, Richard D., Jr.
McWilliams, Stephen D.
Mead, Eric M.
Meade, Marvin E., II
Meadows, Gregory S.
Meahl, Mark T.
Meanor, Richard W.
Meeboer, Kip R.
Meints, Douglas L.
Meister, Douglas
Melear, John W.
Melssen, Gary J.
Mengel, William M.
Menger, William M.
Merchant, Stephen
Meres, Norman G.
Merideth, Allen T.
Merriman, Leonard, III
Merton, Robert E.
Metcalf, Thomas E.
Metheny, Marvin D., II
Metzger, Karl P.
Metzig, David L.
Meyer, Michael E.
Meyer, Thomas J.
Meyers, Harry F.
Michaels, James C.
Mickle, David R.
Mickler, William J., Jr.
Mieszczanski, Paul F.
Mikula, Kevin E.
Miles, Neal S.
Miles, William E.
Milhoan, Kenneth
Milke, Joseph M.
Miller, Charles J.
Miller, Dennis M.
Miller, Forrest A.
Miller, James R.
Miller, Jerrold
Miller, Marc D.
Miller, Mark W.
Miller, Ronald L.
Miller, Roy L., Jr.
Miller, Samuel C.
Miller, Theodore G.
Millerick, Robert P.
Milling, Phillip O.
Mills, Kenneth J.
Millward, William
Milowic, Walter J.
McNutt, Richard L., Jr.
Milstead, James A.
Minicller, Paul C.
Mischke, Thomas
Mitchell, Charles J., Jr
Mitchell, Gary W.
Mitchell, Jeffrey C.
Mitchell, Robert L.
Mitchell, Roger V.
Mitchell, Thomas N.
Mitton, Stephen G.
Mlcuch, Thomas R.
Mock, Robert C.
Moen, Clayton D.
Moffatt, Larry W.
Mohs, Wayne C.
Molinari, Joseph A.
Moll, Alan L.
Molloy, Paul M.
Momany, Paul M.
Monroe, Ronald M.
Monroe, Stephen P.
Montero, Rory C.
Monzon, Victorino M.
Moody, James H.
Moon, Daniel L.
Moon, Randall K., Jr.
Moore, Bruce F.
Moore, Carl R.
Moore, Curtis M.
Moore, Daniel E., Jr.
Moore, Gary D.
Moore, John W.
Moore, Michael A.
Moore, Michael L.
Moore, Thomas L.
Moore, William G.
Morales, Rodolfo.
Moran, David B.
Moren, Christopher A.
Morford, Jay R.
Morgan, Perry W.
Morgan, Robert L.
Morgan, Roger D.
Morin, Charles L.
Morin, Robert J.
Morris, Allan D.
Morris, Gary W.
Morrissey, Shawn
Morrow, Joel S.
Morse, Jeffrey A.
Morse, Richard B.
Morton, Howard E.
Mosier, John A.
Moskevich, Anthony
Mosley, Eric C.
Motz, Stephen C.
Moudy, Alan C.
Moul, Donald R., II
Mount, Charles K.
Moylan, Michael F.
Muehling, Lawrence H.
Mulford, Anthony S.
Mulloy, Robert W.
Mumper, Duane L.
Mundt, Mylen J., Jr.
Munnik, John E.
Munoz, Frank M.
Munson, Keith D.
Munz, Paul D.
Murphy, Bryan P.
Murphy, Kevin P.
Murphy, Scott F.
Murphy, Thomas J.
Murray, Christopher C.
Murray, Francis M.
Murray, James W.
Murray, William C.
Murrett, Robert B.
Musch, Ronald J.
Musser, Michael N.
Musumeci, John E.
Muth, William E.
Myer, Peter G.
Myers, Harry S.
Myers, Patrick D.
Nacoste, Phillip
Nadolski, Allan R.
Napier, Clifford L., Jr.
Nashif, Ronald A.
Neeley, Martin F.
Negron, Manuel E.
Neidhold, Scott T.
Neighbour, Hugh M., III
Nelson, Charles E.
Nelson, John S.
Nelson, Kurt W.
Nelson, Philip B.
Nelson, Stuart A.
Neuman, Michael C.
Newell, Brian P.
Newell, Thomas M.
Newhagen, Mark
Newlan, James D.
Newman, Eugene E.
Newman, Stuart T.
Newton, Kenneth R.
Nicely, Clinton L.
Nichols, Bruce J.
Nichols, Robert F.
Nickerson, James
Nidel, William J., Jr.
Nieder, Jeffrey L.
Nielsen, Robert D.
Noble, Thomas K., Jr.
Norris, Melvin S.
Northrup, Kerry J.
Norton, James L.
Norton, Patrick R.
Norwood, Charles J.
Novick, Peter T.
Nowicki, Ronald J.
Nyberg, Stephen A.
Nystrom, Robert E.
Nystrom, William D.
Oakes, Donald W.
Oakes, John E.
Oberhofer, Kurt D.
O'Brien, Patrick S.
Obuchowski, Michael J.
O'Callaghan, Brian
O'Conor, Joseph J.
Ogden, Charles T.
Ogden, Richard D.
Ogg, Bradley R.
O'Kare, Michael J.
O'Keefe, John J., III
Oldroyd, Wayne F.
O'Leary, Stephen J.
O'Leary, Thomas M., Jr.
Olivier, Daniel P.
Olone, Daniel J.
Olsen, Peter R.
O'Neal, William C.
O'Neill, Robert J.
Orchard, Richard J.
O'Reilly, Richard J.
Orfini, Michael H.
Ormson, Charles S.
Orologas, Gus N.
Orr, Mark J.
Osborn, Johnny R.
Osborne, Harry J., Jr.
Osborne, James S., Jr.
Oshiro, Oliver S.
Osseck, Thomas A.
Ostrem, Craig P.
Ostronic, Francis P.
O'Sullivan, Richard W.
Oswalt, Ronald K.
Otto, Garland A.
Ozimek, Peter H.
Ozura, Paul E.
Paddock, David G.
Padula, Nicholas
Paez, Rudolph A.
Pagano, Clinton L.
Pagano, Frank E.
Page, Douglas
Paiste, Jeffrey A.
Palatas, Michael D.
Palkovic, Frederick A., II
Pals, Steven L.
Papenthien, Michael R
Paramore, Charles
Parham, William N., Jr
Parker, Bruce E.
Parker, Daniel B.
Parker, Joel M.
Parker, Kenneth, E.
Parker, Ronnie K.
Parker, Roy O., Jr.
Parmentier, Timothy J.
Parr, Charles V.
Parsons, Paul C.
Pashos, Chris L.
Pasnak, Richard P.
Patnode, William B.
Patrick, James H.
Patrick, Robert J.
Patterson, Allen H.
Patterson, Kenneth E.
Paul, Nicholas N.
Pauley, Frederick P., Jr.
Pauls, Thomas E.
Pavlick, Michael J.
Peake, Stanley W.
Pearce, Franklin D.
Pearson, John R.
Peck, David M.
Perry, Mark A.
Pehling, Gary W.
Pelican, John F.
Pellegrino, Pasquali P.
Pepper, Owen E.
Perlich, John W.
Perlich, Terry F.
Perris, Stephen J.
Perry, Christopher R.
Perry, James L.
Peruffo, Lawrence
Peshinski, John G.
Peterson, Jeffrey E.
Peterson, Jeffrey S.
Peterson, Steven W.
Petroski, Steven K.
Petty, Roger E.
Pfanenstiel, Steven R.
Pfannenstiel, Gary A
Pfeil, Frederick R.
Phillips, Michael D.
Phillips, William R.
Picard, Roland R.
Pickles, Thomas R.
Pierce, Francis S.
Pieringer, Paul A.
Pierson, John E.
Pierson, Ray R.
Pietropaoli, Stephen R.
Pincus, William A.
Pind, Michael D.
Pinetti, Randall L
Pirek, Ronald C.
Piscioneri, Mark
Pish, Walter J.
Pitman, Gregory J.
Pittman, David L.
Pittman, Ronald C.
Platz, George G.
Plisco, Loren R.
Ploeger, Ernst O., III
Plunkett, Kenneth J.
Plyler, Carl D.
Pocalyko, Michael N.
Podracky, Dean R.
Polak, Dennis M.
Poland, Thomas R.
Polcari, John J.
Polio, Joseph R.
Pool, Charles H.
Poole, James W.
Poole, Michael L.
Pope, Julian W., Jr.
Pope, Steven M.
Poppe, Gilbert C.
Pornaras, Robert A.
Porter, Lawrence H.
Porter, Steven R.
Porter, Vernon, Jr.
Posch, Jon T.
Post, Thomas R.
Posthuma, Michael W.
Potthast, David R.
Potts, Samuel J.
Powell, Daryl L.
Powell, David L.
Powell, Kevin L.
Powell, Robert D.
Prendergast, Richard K.
Prenzlow, Elmer C.
Preston, Richard W.
Prevatt, Richard M., III
Price, Johnny M.
Price, Stephen R.
Prichard, Reuben P., III
Prince, Kenneth M.
Prochaska, Barry W.
Prodoehl, Robert J.
Proetzel, Earl A.
Propheter, James
Prudot, John T.
Przyborski, Paul A.
Puckett, James H.
Pugh, Robert W.
Pulley, Samuel D.
Pullins, Steven W.
Puryear, Carlton W., Jr.
Putre, William R.
Puz, Michael J.
Pyle, David C.
Pyron, John T.
Quigley, Keith J.
Quijada, Richard H.
Quinn, Joseph M., Jr.
Quinn, Kevin M.
Quinn, Michael R.
Quinn, Robert J.
Quirk, Robert G.
Racoosin, Charles
Ragusky, Raymond P.
Raher, Steven J.
Rains, John N.
Raley, Mark R.
Ramirez, Ray
Rampone, Jeffrey S.
Ramsey, Marshall N.
Randolph, George H.
Rataczak, Mark H.
Rathbone, Jarvis D.
Rathbun, Richard W.
Rau, Edwin M.
Rau, Gary L.
Rau, Thomas S.
Raudonis, Charles F.
Raunig, David L.
Ray, Frank J., Jr.
Read, John A.
Read, Oliver M.
Ready, Kevin E.
Rearer, Thomas C., Jr.
Reddington, Robert B.
Reddish, Harold J.
Redelsheimer, Sigmund M.
Reed, Dean N.
Reed, Michael E
Rehrig, Fred E.
Reidy, David J.
Reilly, Everett E., Jr.
Reilly, Robert P., Jr.
Reinhart, Jeffrey
Reinhart, Paul E.
Reiver, Jon A.
Renwick, Daniel M.
Repeta, Wayne R.
Repper, Ronald C.
Reynoso, John P.
Rhames, William C.
Rice, Frank R., III
Rice, Gregory S.
Rice, Reginald
Rice, Robert B.
Rice, Robert K.
Rice, Stephen W. C.
Richards, William
Richardson, Alan
Richardson, Earl A.
Richardson Jewett E., II
Richardson, Randall M.
Rickenbaker, Mannie E.
Rider, Robert M.

Ridgeway, Thomas C.
Rieckenberg, Richard L.
Rief, Willis L.
Rifkin, David E.
Rigterink, Daniel C.
Riley, Eddie R.
Rinaudo, Cosmo
Rinaudo, James J.
Ring, Paul D.
Ringering, David A.
Ringwald, Jacob F.
Risk, Jerry D.
Risko, Gerrgi W.
Roadinger, Michael J.
Roatcap, Lyle R.
Robbins, David E.
Robbins, Jeffrey G.
Robbins, Johnny G.
Roberts, Dean W.
Roberts, Steven W.
Robertson, Jan A.
Robertson, Robert N.
Robidoux,, Richard R.
Robinson, Thomas G.
Roby, David A.
Rodger, Ronald J.
Rodriguez, William D.
Rogers, Edward B.
Rogers, Edwin E.
Rogers, Marvin
Rose, Gary E.
Rose, Kim N.
Rosenberg, Lee H.
Rosenberg, Mitchell A.
Rosenboom, Roger D.
Rosende, Carlos A.
Rosenow, John R.
Rosner, Hardi S.
Ross, Douglas A.
Ross, John K.
Ross, Mickey V.
Rossi, Charles V.
Roth, Laurence J.
Rothrock, Robert E.
Rotz, Robert D.
Roup, Gary S.
Rouse, Harry V.
Rovero, Peter J.
Rowe, Willis R.
Rowell, William H.
Rowley, James L.
Rublee, James R.
Ruby, Donald L.
Rucci, Peter J.
Rudison, Ronald L.
Rudloff, Dennis A.
Rugenstein, Mark W.
Rumfelt, Curtis R.
Ruple, Robert W., II
Rouse, Russell E.
Royer, Kenneth P.
Rush, Thomas E.
Russel, Jim H.
Russell, Henry G.
Russell, John L.
Russell, Kenneth W.
Russell, Philip I.
Russell, Steven L.
Russell, Thomas A.
Rutkowski, Robert E.
Ryan Christopher
Ryan, John E.
Sadd, Vincent S.
Sadler, Stephen R.
Sahrbeck, Douglas J.
Sala, Alan J.
Salacka, Thomas F.
Salsman, Charles P.
Salts, Rodney J.
Sammons, Ronnie E.
Samuels, Mark B.
Sanders, David W.
Sanders, Steven D.
Sanderson, David P.
Sanderson, Robert
Sandoz, James D.
Sansom, Richard T.
Sapp, Jeffrey K.
Sargeant, Alan D.
Sargent, Colin W.
Sargent, Roger A.
Sarrell, George A.
Sassaman, Mark S.
Sasser, Michael F.
Sattison, Martin B.
Sauer, Joseph E.
Saul Gregory D.
Saunders, Jimmy D.
Saunders, John T.
Saunders, Stanley
Saunders, Thomas E.
Sautter, Kenneth M.
Sawyer, Gregory R.
Saxon, Thomas C.
Sayler, Scott C.
Sayre, Roger B.
Scalet, Joseph P.
Schaefer, Douglas E.
Schaefer, Matthew L.
Schaffer, Martin L., III
Schaumburg, Gary L.
Scheffter, Kenneth E.
Schempp, Leonard E., III
Schenke, Daniel J.
Schladenhauffen, David R.
Schlaepfer, Walter P.
Schlam, Seth B.
Schlientz, Steven
Schlinker, Mark S.
Schmidt, Richard S.
Schmit, Michael L.
Schmitz, David C.
Schmorde, Frederick A.
Schnedar, Christopher P.
Schneider, Leo F.
Schneider, Joseph M.
Schneider, William J.
Schorr, Donald F.
Schorr, Gary N.
Schowe, Ronald R.
Schrader, John L.
Schrum, Jesse B.
Schubert, David M.
Schuler, Mark A.
Schupler, Jerry M.
Schwanz, John J.
Schwartz, Ronald H.
Schwebach, Gary D.
Scott, Donald B.
Scott, George L.
Scott, Michael L.
Scottsmith, Philip R.
Scribner, Terance R.
Scull, Walter G., III
Scullin, Michael L.
Seaberg, Richard
Seal, Steve A.
Searfoss, Kim H.
Seater, Robert E.
Seaton, John M.
Seaton, Robert L.
Seaver, George A.
Seay, David B.
Sedlacek, Walter D.
Segert, Randall L.
Segien, Steven A.
Seiler, Charles E.
Seither, Albert G.
Seldon, Roger W.
Self, Richard E.
Self, Richard J.
Sencindiver, James D.
Sepelyak, Michael P.
Settde, Albert E., II
Settle, Michael W.
Seubert, Thomas W.
Severance, Frank R.
Seward, Douglas L.
Sewell, David J.
Sexton, Carl V.
Shafer, Robert L.
Sharp, John M.
Sharpe, Frank C.
Sharpes, David R.
Shaw, Michael A.
Shaw, Thomas P.
Shearer, Kenneth
Sheldon, James A.
Sheldon, James E.
Shelton, John P.
Shelton, Michael S.
Shephard, Scott S.
Sheppard, Jon J.
Sheppard, Robert
Sheppard, Roger C.
Sheridan, Timothy F.
Sherman, Thomas B.
Sherwood, Gary R.
Shewbridge, Eric
Shewchuk, William O.
Shinego, Daniel R.
Shipps, Karl O.
Shmorhun, John M.
Shortt, Woody T.,
Shrader, Robert E.
Shriner, Timothy J.
Shrout, Gary E.
Shumate, Bruce A.
Shutler, Eric R.
Siddons, Philip K.
Sigg, Daniel R.
Sihrer, Dale S.
Sill, John A.
Silvers, Michael S.
Simcsak, Richard M.
Simmelink, Lawrence T., Jr.
Simmons, Gregory A.
Simmons, Jerry M.
Simmons, Ray C.
Simms, Daniel R.
Simon, Dennis L.
Simonds, Frank H., Jr.
Simons, Alan R.
Simpson, Jerry R.
Simpson, Lawrence
Sims, George O., III
Singer, Andrew M.
Sinibaldi, Robert A., Jr.
Sipin, Nelson A.
Sisa, Peter J.
Sisco, Julius J., Jr.
Sitler, Benjamin
Sitton, George D., III
Sizemore, William E., II
Skinner, James S.
Skinner, Robert J.
Skinner, Walter M.
Skjei, Kevin R.
Skocik, David J.
Slaughter, Wayne D.
Slaughter, Lee T.
Slaviero, Mariano G.
Slivka, Mark A.
Sloan, Michael A.
Smallwood, Jeffrey P.
Smartt, Frederick F., III
Smith, Bruce E.
Smith, Bruce E.
Smith, Bruce H.
Smith, Bruce S.
Smith, Charles S.
Smith, Clifford W.
Smith, Craig D.
Smith, Daniel M.
Smith, Darrell H.
Smith, David B.
Smith, David B.
Smith, David L.
Smith, Douglas M.
Smith, Frank W.
Smith, Gregory F.
Smith, Guy E.
Smith, Isaac H., Jr.
Smith, John
Smith, John M.
Smith, Larry
Smith, Neal F.
Smith, Randall C.
Smith, Randy K.
Smith, Robert B.
Smith, Robert E.
Smith, Stockton N.
Smith, Theodore D.
Smith, Waymon A.
Smith, Wayne C.
Smith, William M.
Smith, William O.
Smock, Terry D.
Smoot, Melton L.
Snead, Richard L.
Sneide, Larry J.
Snider, Gene
Snodgrass, William J.
Snow, Mark S.
Sobczak, Mark L.
Sobotka, William
Soderholm, Randy G.
Sohns, Michael E.
Solheim, Randal J.
Solt, Harrison H., III
Sonleitner, Michael G.
Souders, David M.
Souders, Robert M.
Souza, Gerald W.
Spada, Christopher J.
Spangenberg, Keith N.
Sparks, Christopher F.
Sparks, Gregory L.
Sparks, John D.
Sparks, Larry O.
Spears, Harold E., Jr.
Spence, Frank W.
Spencer, Gregory F.
Spencer, John W.
Spiker, John S.
Spilios, George F.
Spooner, Daniel J.
Sprenkle, James R.
Spring, George E., Jr.
Sprinzl, Martin F.
Spruill, Danny E.
Sprung, George G.
Stabler, Bruce D. L.
Stacy, Bobby R.
Stafiej, Mark S.
Stagg, John L.
Stamey, Billy B., Jr.
Standre, Thomas D.
Stanley, Peter J.
Stanwood, Arthur H., Jr.
Stark, William R.
Starr, Gary G.
Stathos, Christopher L.
Station, George V.
Stayton, Dennis D.
Steele, David W.
Steele, John G.
Steichen, Alan R.
Stein, James E.
Steinbaugh, Charles J.
Steinmann, Dale V.
Steinmuller, John
Stenstrom, Thomas
Stephens, Arthur L.
Stephenson, James B.
Stephenson, Mark
Stephenson, Daniel K.
Stevens, Thomas E.
Stevenson, Thomas
Stewart, Donald L.
Stewart, Marc S.
Stewart, Roger E.
Stich, Richard A.
Sticinski, Ron J.
Stiles, William M.
Stirling, James S.
Stith, Mark R.
Stoelting, Edgar W., Jr.
Stokowski, Dennis T.
Stone, Jeffrey J.
Stone, John A.
Stone, Richard H.
Stone, William B.
Storey, Scott
Storto, Joseph M.
Stotz, John W.
Stratton, James E., II
Strawder, Freddie E.
Strayve, Christopher G.
Streeter, David R.
Streeter, Matthew
Stride, John L., Jr.
Stromann, Peter W.
Strong, David W., Jr.
Strother, Burhl E., Jr.
Stuart, Alfred E.
Stulb, William K.
Sturm, Michael R.
Sturnick, Mark A.
Suchland, Everett B. Jr.
Sudik, John P.
Sullivan, Cleveland G.
Sullivan, George
Sullivan, Kevin B.
Sullivan, Kevin J.
Sullivan, Richard T.
Sullivan, Steven R.
Sullivan, Thomas
Sullivan, Thomas H., Jr.
Sullivan, Timothy P.
Summers, Mark A.
Summerville, Paul M.
Summey, Roger A.
Sumner, William J.
Surch, James F.
Sutton, John E.
Sutton, Kenneth M.
Swagler, Paul J.
Swan, Gregory A.
Swanson, Dane C.
Swear, George M.
Sweeney, John F.
Swierczek, Stephen P.
Swinton, Charles
Syvertsen, Michael R.
Szakas, John F.
Szatkowski, James L.
Tague, John A.
Tamayo, Andrew B.
Tanner, Randall E.
Tansey, Daniel A.
Tartaglione, John J.
Taylor, Bobby J.
Taylor, Connie G.
Taylor, James D.
Taylor, John R.
Taylor, Melvin L., Jr.
Taylor, Richard L.
Taylor, Robert R.
Taylor, Thomas
Taylor, Tyrone
Teats, Robert B.
Teig, William M.
Telthorst, Paul J.
Temer, Paul L.
Tenant, James J.
Tennent, John H. V.
Tenaro, Harry N.
Thayer, Richard L.
Thielemann, George J., III
Thomas, Guadalupe
Thomas, James B.
Thomas, Marc J.
Thomas, Robert J.
Thomas, Ronald D.
Thomas, Scott M.
Thompson, Daniel D.
Thompson, George
Thompson, Harry M.
Thompson, Larry E.
Thompson, Mitchell L.
Thompson, Paul D.
Thompson, Richard
Thompson, Robert
Thompson, Timothy K.
Thomson, Timothy
Thornton, Michael D.
Thorp, John E.
Thorp, Michael L.
Thorp, Owen G.
Threatt, Byron G.
Thout, Pierre J.
Tierney, John M.
Tilgner, Bradley
Tilley, Glen F.
Timoney, Gregory P.
Tingler, Henry H.
Tinsley, Thomas J.
Tipton, Richard G.
Titus, Ronald A.
Tobin, Albert A.
Todd, Michael L.
Toepfer, Keith H.
Toguchi, Myles
Tomlinson, Randal S.
Tomlinson, Richard S.
Torrance, Geoffrey C.
Touchberry, Forrest L.
Townsend, Walter A.
Trainer, Edward A., Jr.
Transchant, Raymond J.
Trass, Kenneth R.
Travis, Jon W.
Treffeisen, John N.
Tribble, Terrell L.
Trice, James H.
Trimble, Richard
Tripodi, James
Tripp, Marc F.
Troiani, Marc L.
Trotter, Thomas W.
Troy, John J.
Trueblood, Michael S.
Trygstad, Raymond
Tryon, Michael P.
Tucker, David W.
Tuebner, David L.
Tuozzolo, Charles
Tupper, Lawrence D.
Turk, William J.
Turley, Craig W.
Turner, David E.
Turner, Elijah A.
Turner, Richard W.
Turner, Thomas J.
Turpen, Michael C.
Tuttle, Daniel B.
Tyrrell, Marvin F., Jr.
Tyson, Peter L.
Ule, Robert L.
Underwood, David D.
Urban, Lawrence D.
Urrutia, Ronald
Uyak, Richard D.
Utterback, Norman A.
Vail, David L.
Valenzuela, Joseph D.
Vallerie, Daniel
Vance, Christopher P.
Vanhoose, Sammy J.
Vanore. John J.
Vanourney, Kenneth L.
Vanpetten, David J.
Vansickle, William R.
Vanthof, Richard R.
Varney, John F.
Vasquez, Billy L.
Vassar, Robert E.
Vaughan, Charles F.
Vaughan, Danny
Vaughan, James L.
Vaughan, William H.
Vaught, Rodney D.
Vecchiolla, Thomas A.
Venerdi, Henry T.
Venohr, William R.
Verbrycke, John R.
Verhofstadt, Albert P.
Viau, Raymond A.
Vieten, Michael J.
Villarreal Michael S.
Vitale, Michael C.
Vobrak, James W.
Vogel, Charles E.
Vogel, Robert R.
Vogt, Frederick N.
Voight, Paul A., Jr.
Vonloesecke, Peter S.
Vorndran, Thomas F.
Voytek, Richard A.

Vredenburgh, Richard H.
Vsetecka, William E.
Vulgamore, Joseph M.
Vuolo, John F.
Wachter, Michael L.
Wadeson, Robert G., Jr.
Wagner, David C.
Wagner, Frank W.
Wagner Kenneth A.
Wagner, Paul D.
Wagner, Phillip E.
Wahler, Michael A.
Wahlstrom, Mark G.
Wainwright, Dale W.
Walborn, Daniel M.
Waldron, Gary L.
Walker, Charles B., Jr.
Walker, Robert K.
Wall, Richard A.
Walpole, Dennis A.
Walsh, Joseph A.
Walsh, Patrick M.
Walters, George F.
Walworth, Lawrence M.
Walz, Alfred F., Jr.
Wanjon, Michael F.
Wardrop Daniel A.
Warnecke, John R.
Warner, David C.
Warner, Nathaniel F.
Warren, James L.
Warren, Stewart T.
Washington, Vicente L.
Waterreus, Jeroen J.
Waters, John C.
Waters, Michael K.
Watkins, Charles
Watt, Steven D.
Watters, Robin M.
Wayne, John L. B.
Weaver, Gary A.
Webb, Clyde Q.
Weddle, Jeffrey D.
Weikal, Edward M.
Weimer, Robert K.
Weingart, Stephen
Weiss, Bruce R.
Weiss, Charles H., Jr.
Weiss, Michael E.
Welch, William G.
Weller, Phillip A.
Wellman, Michael N.
Wells, Ralph C.
Wendel, Jeffrey W.
Wendelin, Olli P.
Werner, James P.
Werner, Michael H.
Wertz, Michael R.
Westhusin, Daniel J.
Wetter, Timothy S.
Whare, David J.
Wheelis, Wallace T.
Whetstine, Dean M.
White, John W.
White, Kent D.
White, Paul G., Jr.
White, Richard W.
White, Steven M.
White, William L.
Whited, Timothy L.
Whitehurst, Richard M.
Whitely, Bruce R.
Whitener, Ronald W.
Whitkop, Robert N.
Whitsett, Daniel
Whitten, Michael L.
Whitten, Robert C., III
Wiggins, Paul A.
Wilbur, Barry N.
Wild, Lawrence A.
Wilde, Robert L.
Wilkins, Donald M.
Wilkinson, David
Wilkinson, John M.
Wilkinson, Harvey E., Jr.
Willard, Calvin D. G.
Willcox, Bary C.
Williams, Bernard
Williams, Carl E.
Williams, Charles A.
Williams, Charles V.
Williams, David E.
Williams, David W.,
Williams, Gary E.
Williams, Kent A.
Williams, Kenneth A.
Williams, Michael E.
Williams, Robert E.
Williams, Thomas H.
Willner, Lawrence L., II
Willis, Gary L.
Willis, William R.
Wilson, Andrew H.
Wilson, Douglas H.
Wilson, Joel L.
Wilson, John R.
Wilson, John R.
Wilson, Lyle S.
Wilson, Robert G.
Wilton, Terry L.
Wiltshire, James A.
Winship, Charles H., III
Wischmeyer, Henry
Wisecup, James P.
Wiseman, Eric A.
Wishon, Milborn F.
Withers, James D.
Witkowski, Stephen T.
Wolf, William F.
Wolfe, Gregory J.
Wolfs, Hendrik J., Jr.
Wolven, Donald L.
Wood, Joseph R.
Wood, Milton L., IV
Wood, Randel W.
Wood, Ronald S.
Wood, Winston, D.S.
Wood, Winston D.
Woodward, Dean W.
Woodburn, Harold J.
Woodley, Paul R.
Woodruff, William L.
Woods, Hubert F., Jr.
Woods, William E., Jr.
Woodward, Michael R.
Woodward, William L.
Woolway, James G.
Woolweber, Wayne T.
Worrilow, Mark D.
Wright, Eric J.
Wright, Garland P.
Wright, Harry A.
Wright, James G.
Wright, Kenneth F.
Wright, Richard A.
Wright, Robert B., Jr.
Wright, William L., Jr.
Yanda, Roger P.
Yaple, Roy L.
Yeager, Jens P.
Yeager, William E.
Yee, James B.
Yetsko, Edward P.
Young, David E.
Young, John W.
Young, Neil M.
Young, Paul E.
Young, Stephen A.
Youngblade, Charles J., Jr.
Youngblood, Adrian C.
Yourstone, Walter
Zahornacky, James M.
Zane, George K.
Zath, David M.
Zebrowski, David S.
Ziemba, David
Zingarelli, Leonard A.
Zollner, Bruce M.

The following-name women lieutenants (junior grade) of the U.S. Navy for permanent promotion to the grade of lieutenant in the line, pursuant to title 10, United States Code, sections 5771 and 5791, subject to qualifications therefor as provided by law:

Ackley, Denise E.
Aly, Sherrie S.
Ashley, Monecia R.
Babb, Robin M.
Baltrush, Kathleen A.
Bergmann, Barbara E.
Bishop, June A.
Bonanno, Victoria P.
Bowles, Erika A.
Bowyer, Barbara J.
Boyd, Dianne E.
Brodersen, Beth A.
Brynestad, Susan M.
Buben, Mary J.
Byars, Beverly J.
Chadbourne, Barbara J. N.
Chambers, Heather A.
Chou, Carol J.
Cobery, Janel D.
Conwell, Candace L.
Cooke, Duann A.
Corcoran, Mimi
Cornett, Caroline E.
Crowder, Sharron K.
Dallamur, Jane
Davis, Linda R.
Deacon, Debra L.
Deaconlamade, Deborah A.
Deems, Sharon A.
Dimel, Mary C.
Doggett, Amy N.
Dundas, Janice M.
Edwards, Catherine E.
Edwards Christine
Eggert, Martha D.
Ellis, Cecilia J.
Emerson, Elizabeth A.
Freund, Gloria
Fullerton, Lee A.
Gale, Sallie H.
Galvin, Caron J.
Garrison, Amy L.
Griffin, Leeta G.
Guthrie, Melinda L.
Hahn, Maribeth
Hall, Deidre S.
Hall, Linda C.
Hall, Martha L.
Harding, Marilyn J.
Harger, Kathleen L.
Harmon, Joyce L.
Haygood, Margaret A.
Hight, Elizabeth A.
Hill, Caroline H.
Hockaday, Jessie J.
Hopkins, Rachel E.
Hunt, Kathryn E. M.
Hyman, Lynn U.
Jacobs, Donna E.
Jacobs, Hester K.
Johnson, Mellonise
Kell, Mary M.
Kelley, Linda A.
Kenyon, Virginia J.
Kim, Patricia C.
Knowlton, Leslie K.
Koepf, Randa G.
Koskelin, Joy D.
Lackman, Donna K.
Lawton, Melinda A.
Leahey, Catherine A.
Leavitt, Louise A.
Lee, Diane C.
Leong, Helen V.
Loewer, Deborah A.
Lyons, Merewyn E.
Mac Midlan, Joyce R.
Marsh, Barbara D.
Marshall, Tania E.
Martinson, Jane E.
Mazzarella, Victoria E.
McAdams, Mary E.
McArtor, Janet L.
McLaughlin, Sheila D.
McElrath, Daryl L.
Miller, Cynthia
Miller, Patricia A.
Morgiewicz, Janice M.
Muth, Liesel R.
Nagel, Linda M.
Neff, Mary P.
Nevius, Colleen
Nied, Diane E.
Novick, Pamela L.
Nunley, Patricia A. L.
Oakes, Deborah L.
O'Leary, Isabella J.
O'Neill, Patricia
Ongley, Susan M.
Page, Leslie A.
Paquette, Victoria A.
Pasqualucci, Mary E.
Patterson, Sue A.
Pirek, Linda D.
Porter, Joann
Pottenger, Carol M.
Radebaugh, Gale R.
Rahe, Molly A.
Ramsey, Carol
Rhyner, Pamela J.
Richardson, Margie D.
Roberts, Suzanne
Robertson, Lynn J.
Roemer, Eileen J.
Rupponer, Sharon J.
Sapp, Kathy C.
Scarbury, Martha S.
Schaal, Helen J.
Schmidt, Carol J.
Schonenberger, Mary J.
Schwartz, Susan K.
Scott, Barbara A. V.
Selby, Katherine A.
Selke, Julia J.
Sheedy, Ann M. J.
Simon, Dannielle N.
Smith, Ann L.
Smith, Barbara C.
Smith, Lois L.
Smith, Victoria M.
Snyder, Marlene A.
Spencer, Sundra J.
Stallings, Deborah J.
Stark, Candice A.
Starnes, Cherry S.
Steadley, Marianne V.
Stein, Janet M.
Stengel, Alta F.
Stiltner, Deborah R.
Stone, Nancy B.
Straub, Debra A.
Sullivan, Anne N.
Sullivan, Brenda J.
Sunkle, Patricia J.
Thomas, Colleen C.
Thompson, Donna L.
Thompson, Gracie L.
Troughton, Eugenia M.
Turnbull, Vivian L.
Umbel, Barbara C.
Vaughn, Jill A.
Wall, Melody A.
Wetherill, Glenda J.
Williams, Barbara J.
Willis, Lola J.
Wolcott, Debra J.
Wright, Deborah K.
Yarosh, Cynthia D.
Yobs, Rachel L.
Zanot, Deborah, A.

IN THE NAVY

The following-named lieutenants (junior grade) of the U.S. Navy for temporary promotion to the grade of lieutenant in the various staff corps as indicated, pursuant to title 10, United States Code, sections 5773 and 5791, subject to qualification therefore as provided by law:

SUPPLY CORPS

Adams, Keith T.
Adams, Walter R.
Adelman, Franklin M.
Allen, Douglas J.
Alligood, Clifford J.
Anderson, Nicholas A.
Anderson, Sammy C., Jr.
Andrews, Thomas L., III
Asp, Lawrence W.
Augustine, Michael
Baker, James M.
Ballowe, Ted S.
Barber, Mark H.
Barnes, Robert L.
Barrett, Christopher L.
Bates, Leslie A.
Bennett, George E.
Benton, Steven D.
Bernetskie, John A.
Besco, Steven M.
Bird, Jerry L.
Bischoff, Harris F.
Bogart, Brian J.
Bogott, Karl W.
Boozer, George D.
Boyd, Barry B.
Boyd, David O.
Bozzuto, Anthony J.
Brooks, David C.
Brown, Larry R.
Brown, Martin J.
Buczkowski, Terry B.
Burleigh, Gerald A.
Butler, Richard D.
Calloway, Daniel L.
Camburn, Robert V.
Cannon, Hammond G., Jr.
Cantos, Cornelio F.
Capella, Jack M.
Capen, Michael F.
Caron, Michael F.
Carroza, Robert P.
Cartwright, Howard, Jr.
Caughey, Stephen R.
Cheston, Mark E.
Church, Robert L.
Clements, Joe D.
Cochrane, Scott A.
Coleman, Charles J.
Collins, Larry L.
Colton, Richard S.
Condon, Richard J.
Contreras, Gregorio A.
Cook, James M.
Cook, Raymond H.
Corelli, Einar L.
Crawford, Mark R.
Cresto, John H.
Crites David E.
Culbertson, Matthew D.
Culbreath, Adrian J.
Cypert, Ronald L.
Dahl, Edward A.
Davis, Delbert E.
Deamer, Harry A.
Deasy, John H.
Deets, Douglas M.
Delaney, John V., III
Deno, Thomas R.
Desmond, Lawrence L.
Dew, Harold W.
Dittmeier, John S.
Donaldson, Morgan L.
Donnellon, Earl F.
Douglas, David S.
Downey, Daniel L.
Dragovits, John F.
Drain, Michael E.
Duffy, James F.
Duke, James R., Jr.
Duncan, Charles R.
Earnest, Michael M.
Estes, Michael B.
Faria, Rooert E.
Ferrell, Walter W.
Feauto, Richard J., Jr.
Feay, William F.
Ferguson, Paul C.
Fisher, Scott W.
Foster, Stephen C.
Free, Michael W.
Freye, Daniel L.
Fuzy, Michael III
Gangler, Douglas N.
Garrison, John W.
Gartmayer, Richard
Gates, James F.
Gauspohl, Robert W.
George, James R.
Glassman, Howard E.
Godwin, Bruce W.
Goeks, Greg J.
Gooner, Richard A.
Goranson, Robert W.
Grasso, Frank R.
Greenwood, Richard M
Grieger, Thomas A.
Haas, Robert D.
Haima, John O.
Haines, Dennis
Hale, Harold D.
Hamann, Donald K.
Hammer, Roger E., Jr.
Hardesty, Guy B.
Harris, Raymond J.
Hart, Monte R.
Hatfield, David J.
Heagney, Brian F.
Heilman, Mark D.
Henry, J. Craig
Hering, Edward N.
Herning, George F.
Heyen, Larry R.
Hickinbotham, Michael W.
Hicky, John S.
Higgins, John L.
Highsmith, John W.
Hill, Donald W.
Hilliard, Andrew M., Jr
Hlebiczki, Louis H.
Hobson, Daniel R.
Hoffman, Dennis J.
Hoffman, Donald B.
Holst, George P.
Holtsclaw, Keith S.
Horechny, Martin F.
Hosmer Leslie E.
Houy, Robert G.
Howard, Robert L.
Huff, Andrew D.
Humphries, John C.
Jackson, Julius J.
Janisch, John S.
Jensen, John O.
Johnson, Wesley H.
Jones, Robin S.
Jones, Ronnie L.
Kane, Richard P.
Kapsch, Michael R.
Karnas, Henry P., Jr.
Kaso, John J.
Kerins, Patrick J.
Kirby, Bruce A.
Kline, Darl D., Jr.
Klose, Keith D.
Knowles, David S.
Koenig, Stephen L.
Konetski, Mark L.
Konrad, Robert A.
Kraynik, Michael S.
Ladouceur, Gerald J.
Lake, Robert H., Jr.
Lamont, Chris A.
Lauster, Ronald J.
Lawton, Frank C., III
Leib, Frederick W.
Lemire, Joseph W., Jr.
Levalley, James M.

Lingo, Robert S.
Lodge, Terry C.
Loftus, Edmund M., Jr.
Long, James E., Jr.
Lovell, Daniel A.
Lozano, Paul S.
Lubbers, James E.
Luckie, Robert S.
Mackel, Andrew G.
Maree, Ronald N.
Martinez, Raymond, Jr.
Masters, Paul J.
Masterson, Frank E., Jr.
Maus, James A.
McClutchy, Thomas F., III
McIlravy, Thomas P.
Mesenbrink, John R.
Metts, Michael J.
Mikac, Joseph S.
Miller, Jack E.
Mills, Jon L.
Misiewicz, Peter
Mohn, Peter A.
Moody, Bryan T., Jr.
Mooney, John E.
Morehead, Paul E.
Moses, Robert L.
Motz, John P.
Munoz, Leonel
Murray, Timothy P.
Neil, Michael A.
Nelson, Richard A.
Newberry, David B.
Neilsen, Christ R., IV
Noel, Jerry L.
Nolan, Michael J.
Nosky, Jerome T.
Ober, Stephen C.
Olsen, Ronald L.
Pacheco, Edward W.
Palmer, William R.
Parker, Richard A.
Parnell, David M.
Parsons, Robert D.
Patterson, William E.
Pennell, Grady J., Jr.
Perry, Ronald L.
Peters, Thomas J.
Pickle, Ernest H.
Pine, Glenn R.
Pirolli, James G.
Plasket, George K., III
Post, George C.
Potter, William A.
Pottinger, Jeffrey L.
Presto, Anthony F.
Priest, Kevin M.
Prince, Stephen A.
Pritchard, Gary L.
Pulver, Craig A.
Qualls, William B.
Query, Michael F.
Quinn, William C.
Quinto, Randolph A.
Ram, Edward J.
Ratliff, William G.
Rattler, Andrew D.
Rauch, Douglas L.
Raymond, Peter R.
Reiss, George L.
Reiter, Gary M.
Reynolds, David E.
Rhudy, Michael R.
Richey, Paul R.
Rickel, Jack M.
Rogers, Robert R.
Roskowski, Ronald
Ross, Robert A.
Rourke, Edward J.
Rudy, Gregory P.
Ryan, Daniel F.
Samson, Michael W.
Sanders, John P., Jr.
Sawyer, Timothy G.
Sawyers, Robert J., Jr.
Schafer, Gerald R.
Schill, William D.
Schmitt, Edward J., Jr.
Schonenberg, Todd R.
Schultz, Edward R.
Seaver, Geoffery W.
Shanahan, David G.
Shanley, James F.
Sheridan, Michael H.
Sherman, Barry S.
Shockley, Danny A.
Short, William B.
Sides, Charles R.
Siembieda, John
Sillman, James H.
Simmons, Rodney A.
Simpers, Patrick K.
Sisson, Michael W.
Smith, David W.
Snow, Richard C.
Sooter, Monty S.
Sorensen, Kevin R.
Stahel, Richard J.
Stanczak, Allan M.
Steffen, Thomas E.
Steffy, John S.
Stehman, Roger C.
Sterrett, Steven C.
Stone, Barton F.
Stoney, Paul L.
Stoshak, Ronald L.
Stout, Roger W.
Stowell, William J.
Strother, Russell T.
Sutter, Robert
Swanson, Bruce S.
Swineford, Michael C.
Switzer, Charles T.
Tanks, Wendell D.
Terell, Stephen F.
Thompson, Rodney M.
Toledo, Crispin A.
Tom, Howard S.
Tomas, Rufino M.
Toperoff, Lawrence B.
Trowbridge, Jay R.
Tucker, Curtis H.
Turner, Gerald R.
Twigg, Jerrold L.
Verhagen, Douglas W.
Wagner, Derrick A.
Walker, John W.
Waller, David L.
Warmington, Jeffrey A.
Webb, Daniel H.
Weir, Kenneth T., Jr.
Wenberg, Marvin C., II
Westfall, Gary W.
White, Kevin L.
White, Thomas C.
Wiggins, John H., Jr.
Wilkinson, Peter F.
Williams, Robert L.
Wolfe, Gary T.
Wooten, Charles L., III
Wright, Edward
Yake, Steven R.
Young, Calvin C., III
Ziegler, Joseph W.

CIVIL ENGINEER CORPS

Aide, Daniel T.
Alverson, Jerry B.
Aucremanne, Daniel O.
Ball, John L.
Barker, Stephen E.
Beckmann, Fred H.
Bellacicco, Allan J.
Berger, Robert E.
Bergson, Charles T.
Brandt, John C., III
Conaway, Michael H.
Coyle, Todd F.
Davis, Robert E.
Desaulniers, Eugene W.
Elvey, William M.
Emsurak, George P., Jr.
Frentz, Gerald T.
Frost, James D.
Garcia, Albert III
Gardner, Albury
George, Roscoe D., III
Greenwood, Olvice L.
Grelson, Jeff D.
Haefner, Wayne D.
Hays, John W.
Hertwig, Ronald W.
Hess, Dennis L.
Hinchman, Steven B.
Hough, Ted E., Jr.
Hunt, Daniel T.
Jensen, Jerry L.
Jones, Hubert S.
Kelm, Brian R.
Kemper, Marcus S.
Kinnaman, Terry P.
Kirkman, David M.
McClaine, John L.
McMahon, Paul G.
McNutt, Thomas D.
Pfannenstiel, Gary A.
Phalon, Steven J.
Rand, John L., III
Reams, Hugh E.
Samuels, Mark B.
Scanlan, Philip R.
Sefton, Reynold A., Jr.
Smith, Eric C.
Smith, Robert M.
Spiller, Robert E.
Syversen, Carl E.
Thies, Eugene A.
Trueblood, Michael S.
Tuebner, Kenneth G.
Verhofstadt, Albert P.
Vilbert, James R.
Watson, Marc A.
Wheeler, Gerald E.
Yurik, Thomas J.

MEDICAL SERVICE CORPS

Acklin, Robert A., Jr.
Aldridge, Tommy R.
Babbitt, Mark E.
Blacke, Stephen F.
Bloomquist, Richard L.
Burden, Thomas W.
Chinnery, Henry M.
Collins, Robert V.
Curley, Ronald D.
Engelhart, Robert J.
Faulls, John D.
Feith, Steven J.
Fowler, Lawrence E.
Garner, Denzel E.
Gillooly, Paul B.
Hann, Richard M.
Ierulli, Joseph
Jimerfield, Craig A.
Kephart, Elwood L.
Kerschner, Harrison F.
Leasure, Bryan W., Jr.
McDonough, James C.
Miller, Bernard T.
Moos, James A.
Neefe, Charles W., Jr.
Pagan, Herman J.
Quillen, William S.
Ross, Michael W.
Vesper, Bruce E.

NURSE CORPS

Allen, Christine J.
Allison, Rick E.
Bays, Terry W.
Becker, Dorothy
Bennett, Stacy B.
Boatright, Ronald W.
Cavallo, Vivian D.
Christie, James L.
Clark, Michael H.
Dibona, Nancy E.
Dolan, Charles C., III
Graheck, Lawrence D.
Harder, Gerald W.
Harrison, John C., Jr.
Heaberlin, Carl W.
Hines, James P.
Huddleston, Judith J.
King, Jacquelyn K.
Klaput, Donna J.
Lantzer, Tony L.
Larson, Laurie W.
Mabrey Michael R.
Masucci, Anne E.
Melton, Michael C.
Moore, Saundra L.
Morrison, Robert W.
Murphy, Karen L.
Naylon, Stephen C.
Orr, Robin J.
Osborn, Pamela C.
Pagliara, Claire M.
Palladino, Judy A.
Parent, Elizabeth A.
Parker, Debra D.
Parker, Larry B.
Reiland, Terry A.
Rollins, Robin T.
Safran, Doris J.
Schenker, Cathy R.
Shiffer, Scott W.
Stokke, Christopher A.
Taylor, Charles E.
Thomas, Bruce J.
Tierney, Michael S.
Tyrell, Linda
Wareham, Thomas E., Jr.
Waskey, Frank J., Jr.
Wasneechak, Daniel A.
Webert, Allyn M.
Weigt, Christoph H. E.
Wonderlich, Daniel L.
Wood, Nancy L.

The following-named women lieutenants (junior grade) of the U.S. Navy for permanent promotion to the grade of lieutenant in the various staff corps, as indicated, pursuant to title 10, United States Code, sections 5773 and 5791, subject to qualification therefor as provided by law:

SUPPLY CORPS

Anderson, Chesta T.
Annunziata, Kimberly J.
Carus, Elizabeth S.
Davis, Deborah E.
Dimaria, Joan E.
Gatliff, Jennifer M.
Gradel, Victoria J.
Heatly, Lisa J.
Kelly, Diane C.
Layer, Loretta M.
Molett, Linnae D.
Nicholson, Barbara A.
Roy, Peggy J.
Slough, Mary L.
Smith, Claire C.
Smith, Jane R.
Spencer, Patricia C.
Thornton, Connie L.
Tracey, Elizabeth

CIVIL ENGINEER CORPS

Lynn, Diann K.
Mustain, Jennifer L.

IN THE MARINE CORPS

The following-named officer of the Marine Corps for temporary appointment to the grade of major under the provisions of title 10, United States Code, section 5769:

Bass, Bonnie H.

CONFIRMATION

Executive nomination confirmed by the Senate March 3, 1981:

OFFICE OF MANAGEMENT AND BUDGET

Edwin L. Harper, of Missouri, to be Deputy Director of the Office of Management and Budget.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

HOUSE OF REPRESENTATIVES—*Tuesday, March 3, 1981*

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Preserve me, O God, for in Thee I take refuge. I say to the Lord, "Thou art my Lord; I have no good apart from Thee."—Psalms 16: 1, 2.

O God, we pray that You will remind us each day of the people we ought to be and the nation we can become if we follow the light and the truth of Your leading. May our focus be upon the tasks so near at hand, even as we lift our sight to see the majesty of Your kingdom and testify in our lives to Your love for all. In Your holy and blessed name, we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

THE 103D ANNIVERSARY OF BULGARIAN INDEPENDENCE DAY

(Mr. McDONALD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McDONALD. Mr. Speaker, with all the attention of the media focused today on Poland, we tend to forget the other East European countries groaning under the yoke of Soviet communism. Today, March 3, is the 103d anniversary of Bulgarian Independence Day. On this date, Bulgaria gained its independence after five centuries of rule by Turkey, only to lose it again when the Red Army swept through Eastern Europe in 1944, bringing with it various and sundry local Communists it had been keeping in the wings for just such a day. These Moscow-trained people imposed communism on Bulgaria with the aid of Red Army bayonets and there it has remained ever since. However, the silence of the Bulgarian people does not mean the majority would willingly vote for Communist rule in a free election; far from it. So today we note this anniversary and wish the Bulgarian people well and express hope for their liberation from Communist rule.

PENTAGON SPENDING MUST BE COST-EFFECTIVE

(Mr. LANTOS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LANTOS. Mr. Speaker, the outgoing Comptroller General of the United States, Elmer Staats—one of the most widely respected public servants of our Nation, with a long and distinguished history of nonpartisan stewardship of his office—has provided the Secretary of Defense with a carefully documented list of 15 major areas where billions of dollars could be saved by the Pentagon without in any way diminishing the effectiveness and capability of our Armed Forces.

At a time when the administration is demanding significant sacrifices from tens of millions of Americans with low and moderate incomes, it is mandatory that waste, extravagance, and mismanagement be eliminated from the military budget.

I am deeply committed to maintaining a strong and credible defense. I am convinced, however, that unless the American people can be confident that Pentagon spending is frugal and cost-effective, their willingness to support the necessary level of military expenditures will be seriously undermined.

I call on the administration to put into effect the recommendations of Comptroller General Staats.

REPORT ON RESOLUTION AUTHORIZING INVESTIGATION AND INQUIRY BY COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

Mr. FROST, from the Committee on Rules, submitted a privileged report (Rept. No. 97-7) on the resolution (H. Res. 67) authorizing an investigation and inquiry by the Committee on Standards of Official Conduct, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR PRINTING AS A HOUSE DOCUMENT TRIBUTES TO FORMER SPEAKER JOHN W. McCORMACK

Mr. GAYDOS, from the Committee on House Administration, submitted a privileged report (Rept. No. 97-8) on the resolution (H. Res. 23) to provide for the printing as a House document of tributes made to the late former Speaker John W. McCormack on the floor of the House, and for other purposes, which was referred to the House Calendar and ordered to be printed.

THE PRESIDENT'S ECONOMIC PROGRAM

(Mr. MITCHELL of Maryland asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MITCHELL of Maryland. Mr. Speaker, on yesterday, the President advised local officials that they should not let their parochial interests deter his economic program, and I do not think they should either. But my problem is with the economic program itself.

Mr. Stockman, in testimony before the Joint Economic Committee, at one point said that 2 million new jobs would be created. At another point he indicated that 13 million jobs will be created.

On the other hand, in his own economic forecast he is suggesting that unemployment will be at 6 percent 5 years from now. If you create 13 million jobs and you can take off 8 million unemployed, then the new entries coming in would also be absorbed into 13 million. How then does he project an unemployment rate at 6 percent 5 years from now?

In street language there is something called a "scam." A scam is a kind of trick in which you take something from someone and make the taking seem attractive. I would not dare to call the President's economic program a scam. I think that would be unfair, scamish though it is.

On the other hand, I do think we need some hard answers from the administration with specifics detailing how in the world he is going to put America back to work at the same time he is putting 1 million people out of work. How in the world you explain 13 million new jobs absorbing the unemployed and then project an unemployment figure 5 years from now at 6 percent. Scam or not, it sounds like one.

UNDUE HASTE ON SALVADOR ARMS DECISIONS

(Mr. BARNES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BARNES. Mr. Speaker, yesterday's announcement of more military aid for El Salvador is another in a

series of disquieting developments in the administration's policy toward that country. Although some military assistance may be appropriate at some point, many of us see no reason for such haste in providing this rather significant increment of aid and personnel.

Despite administration's claims to the contrary, this action was taken without any consultation with Congress that I am aware of. As chairman of the Subcommittee on Inter-American Affairs, I was informed of the announcement 2 hours prior to the announcement by a State Department representative who freely admitted that the administration does not yet have an El Salvador policy.

A number of experts on the situation in El Salvador have testified that there is no immediate need for military assistance and it is not even at all clear that the President of El Salvador, Napoleon Duarte, even wants military assistance. Apparently no specific conditions were attached to this aid, regarding reforms, investigations into the murders of the nuns, willingness to seek a political solution, or anything else.

Mr. Speaker, the administration appears to be shooting first and asking questions later. What reason is there to jump in with unconditional military aid before we have a policy? It almost seems as if the administration is trying to get our Nation committed before the relevant questions can be asked and answered by the Congress and even by the administration itself.

We should have learned by now that that is a most unwise way to act in international policy.

ADMINISTRATION'S BUDGET CUTS WILL ELIMINATE JOBS FOR DISADVANTAGED YOUTH

(Mr. HAWKINS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HAWKINS. Mr. Speaker, the budget cut mania which has taken over the thoughtful deliberations on national priorities and national economic policy has reached a new level of cynicism with the announcement over the weekend of further proposed reductions in domestic programs. Although we are still in the dark as to the official Reagan administration recommendations, strategic leaks about programs being reduced, eliminated, or consolidated have us all reeling.

These new cuts expose the fallacy of the original argument that reductions in Federal spending could be accomplished entirely by rooting out fraud, abuse, and mismanagement in our Federal grant programs. Clearly, the reductions announced after the President's February 18 speech went far beyond even the most paranoid assessment of the level of misuse of Federal funds. The announced cuts also go beyond the soothing words of the President that the safety net programs to serve the truly needy would be unaffected by the budget reductions. We are now being told that, in order to meet the budget targets the President set, we must eliminate programs which have served individuals who are truly needy by any standard. We are told that the administration proposes to eliminate the programs which provide training and employment opportunities for disadvantaged youth. Of course, these are unofficial leaks, and I can only hope that they prove to be inaccurate. However, they illustrate the sheer idiocy and shortsightedness of this frantic and unreasoned process.

These programs are currently providing employment and training for over 800,000 young people. In addition, approximately 75,000 public service employment jobs are currently going to youth under 21. These are jobs which the administration propose to eliminate.

Who are these young people who we are now proposing to abandon: Ninety percent come from families earning under the poverty level—$7,450 for a family of four—84 percent have either not completed high school or have dropped out of school, almost 40 percent come from families receiving public assistance.

What alternatives does President Reagan propose to take these young people from street corner idleness and despair to productive employment? Does he propose to tell the hundreds of thousands of young people trapped in poverty that they should wait patiently in decaying communities until tax cuts magically create jobs for them? Does he propose to tell youngsters who cannot do simple arithmetic computations that tax incentives for private industry will create opportunities for them in highly skilled and highly technical industries? If we are so concerned about productivity, why are we willing to give up on providing our young people with skills? If we cannot invest in our youth, what can we invest in and where will we be 20, 10, or even 5 years from now?

THE 5-10-20 MANDATORY SENTENCING ACT OF 1981

(Mr. NICHOLS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NICHOLS. Mr. Speaker, the 97th Congress will consider many important issues during the next 2 years. Certainly the challenges of the economy is now taking a front seat, yet in my travels in my Third Congressional District I have found that the popular law and order theme of the 1970's remains of considerable interest today. I have found that people in Alabama want the brakes applied to crime and criminal activity. I know that people, throughout the country, want safe streets, safe homes, and safe schools; and they do not want to tolerate crime.

While no crime should be accepted, those of particular concern to me and my constituents, are crimes committed with the use of a firearm. I agree with the Washington Post which stated that "criminals with guns are a menace." I believe they are a menace who should not be treated kindly.

To reduce our growing rate of armed crimes, I am introducing legislation which requires a mandatory, minimum sentence for those criminals convicted of using or threatening to use a firearm in the act of a crime. The bill will be called the 5-10-20 Mandatory Sentencing Act of 1981.

I am thoroughly convinced that requiring a criminal to serve a minimum, predetermined sentence, if he uses a firearm in a criminal act, is a most effective means of reducing armed crimes. My legislation also provides the sentencing judge some levity to impose an even stiffer penalty if the crime committed is especially heinous.

My first priority is to require a minimum sentence. For the first time offender, my legislation requires that the person serve at least 5 years and not more than 10 years in prison, in addition to whatever sentence he receives from the court for the felony. A second time offender would receive an additional 10 to 25 years, and for a third or more offense, the criminal would receive at least 20 years to life.

Recognizing that some judges have been soft on criminals, my legislation would not permit the judge to suspend the sentence or allow a probationary sentence. The additional term must be added to the sentence of the felony so that the two may not run concurrently. Finally, the criminal convicted of an armed offense could not be paroled or furloughed from his additional sentence.

I am hopeful that this law, if enacted, will reduce criminal violence. I recognize that other Members of this body have introduced similar pieces of legislation but my bill is aimed specifically at the violent, repeat offenders with the penalties for the career criminal progressively more severe with each conviction. I believe this legislation is a step toward making our streets, our homes, and our playgrounds safe once more for law-abiding Americans.

EQUITABLE CAPITAL REQUIREMENTS

(Mr. WATKINS asked and was given permission to address the House for 1

minute and to revise and extend his remarks.)

Mr. WATKINS. Mr. Speaker, today, I have joined my colleague, Mr. EVANS of Indiana, in introducing a resolution which could begin to solve a problem raised by many of the bankers in the State of Oklahoma. Even though I am no longer a member of the Banking Committee, I have pledged to continue to fight for the community banks which I regard as an important means of developing rural areas.

The bankers in my State have indicated to me that for the most part they have to maintain capital-to-asset ratios in excess of 8 percent. In fact, last year when I sponsored legislation to lengthen the repayment period for bank stock loans in connection with the formation of one-bank holding companies, the Federal Reserve issued guidelines that required an applicant to demonstrate it would maintain capital at that level.

With banks facing stiff regulatory policy, I think it is time for some equality when it comes to capital. If this is not done, Mr. Speaker, I predict many of our small banks will have financial difficulty. Maybe this is what the Federal Reserve Board wants.

WIC PROGRAM SAVES MONEY

(Mr. MILLER of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. MILLER of California. Mr. Speaker, I would like to bring to your attention today a prime example of how some of the President's proposed budget cuts are shortsighted, and will in the long run be more costly to the Federal budget. Recent reports indicate that the special supplemental food program for women, infants, and children (WIC) may be cut by 25 percent.

WIC provides nutritious food to supplement the diets of low-income pregnant women and their infants who are nutritionally at risk. The caseload has been determined on the basis of both low income and medical assessments nutritional risk. Run by State health agencies, the WIC program also provides access to health care for thousands of families that otherwise have little contact with medical services. Recent studies demonstrate overwhelmingly that the WIC program is having a positive and significant impact on its participants.

According to the evaluation of effectiveness of WIC, women who participate in WIC give birth to fewer low-birth-weight babies. Low birth weight is currently the eighth leading cause of death in the United States. A low-birth-weight infant is 20 times more likely to die than a normal-birth-weight infant.

The WIC program significantly decreases the mortality rate of newborns. This is the key finding from a just completed study of 12,000 WIC participants by the Massachusetts State Health Department.

WIC saves money. A Harvard University School of Public Health study from 1979 shows that every dollar spent on WIC's prenatal component alone results in a savings of $3 in averted medical costs for low-birth-weight babies. Treating low birth weight after birth is three times more expensive than preventing it through WIC.

These findings have been corroborated by the Center for Disease Control in Atlanta, and by several other studies in individual States.

The administration is quite correct that the WIC program has grown over the last decade. It has grown for two reasons: First, the demonstrated need of low-income women for nutritional supplements to combat their likelihood of having low birth weight or unhealthy infants; and second, the remarkable success of the WIC program as the studies above show.

I urge you to consider this information and a factsheet on the WIC program which I am entering in the RECORD today, and judge for yourselves whether this is the appropriate place to trim the Federal sails.

The information and fact sheet follows:

BACKGROUND ON THE WIC PROGRAM

PROGRAM OPERATIONS

Congress created the Special Supplemental Food Program for Women, Infants and Children because studies showed that when women suffer from malnutrition during pregnancy, they and their unborn children are more likely to have health and nutrition problems. The WIC Program provides nutritious food to supplement the regular diets of pregnant women, new mothers, infants and children under age five who meet state income standards and who qualify as "nutritionally at risk," based on a medical assessment. Participants also receive nutrition education and referrals to health services.

A unique aspect of the program is its preventive approach. Supplemental foods, such as milk, cheese, eggs, cereal, juice and infant formula, that are rich in protein, iron, calcium, and vitamins A and C are provided to reduce the health problems experienced by individuals who are undernourished during pregnancy and the early years of life.

The program also provides nutrition education to adult participants and to the parents and caretakers of child participants. Individuals learn about their specific nutritional needs, the nutrients necessary in the human diet, and the foods that contain them. They are taught to shop for nutritious foods and to prepare well balanced, economical meals. The goal is a positive change in eating patterns.

Another major benefit of the program is that it provides access to health care for families that might otherwise have little contact with medical services. Studies have shown that WIC participants are more likely to visit health clinics for early prenatal care and periodic health monitoring of their children.

To be certified as eligible, applicants must be both low income and at nutritional risk. They go to the local sponsoring agency and answer brief questions about their place of residence and income. WIC state agencies use their state or local income standards for free or reduced price health care as the income limits for WIC eligibility. Regulations were recently issued establishing a national range of from 100 percent to 195 percent of the official OMB poverty level for WIC income eligibility.

Health officials perform a simple medical and nutritional assessment to determine nutritional risk. Examples of nutritional risk factors for women are obesity or poor weight gain during pregnancy; anemia; a history of premature birth, low birth weight or infancy mortality; and poor dietary patterns. Examples of nutritional risk factors for children and infants are underweight or obesity, stunted growth, anemia, and poor dietary patterns.

If eligible, participants receive vouchers which they redeem at local grocery stores, although in Vermont, dairies deliver the foods to homes of participants and in Mississippi, a warehouse distribution system is used.

The U.S. Department of Agriculture awards WIC grants to state health agencies and Indian tribes and organizations. The grants cover money for food, nutrition education, nutrition assessments, and administration. The state agencies distribute the money to local WIC sponsors, which are public and private nonprofit health facilities and community nonprofit groups serving health or welfare needs.

The state agency approves the local sponsors, develops the food delivery system, and plans operations and administration of all WIC programs in the state. The local agencies certify participants, keep medical records, provide nutrition education, and distribute food.

FINDINGS OF RESEARCH ON WIC

The U.S. Department of Agriculture recently reported to Congress that a substantial body of evidence has accumulated from WIC research indicating that the WIC Program is having a positive and significant impact on its participants.

Data from several large scale studies have shown that women who participate in WIC give birth to fewer low birth weight (less than 5½ pounds) infants, according to the report, "Evaluation of the Effectiveness of WIC." Low birth weight is currently the eighth leading cause of death in the U.S. A low birth weight infant is twenty times more likely to die than a normal birth weight infant.

Preliminary data from a just completed study of 12,000 WIC participants by the Massachusetts State Health Department indicate that the WIC Program also significantly decreases the mortality rate of newborns. In the WIC group, there were 12 deaths per 4,128 live births compared to 37 deaths per 4,128 live births in the non-WIC comparison group.

Another study, published in 1979 at the Harvard University School of Public Health, shows that the incidence of low birth weight was significantly less among babies born to WIC mothers than among those born to a comparable group of non-WIC mothers. As a result, every dollar spent on WIC's prenatal component alone results in a savings of $3 in averted medical costs for

low birth weight babies, according to the Harvard study. Thus, treating low birth weight after birth is three times more expensive than preventing it through WIC.

The fact that WIC significantly reduces the rate of low weight babies was corroborated by the Center for Disease Control, Atlanta, Georgia, in a study published in 1978, CDC's analysis of WIC data showed that the proportion of low birth weight babies born to WIC mothers was similar to that of the general population. Because WIC participants are low income and nutritionally at risk, this represents a significant improvement.

Using the three to one ratio of the Harvard study, the Food and Nutrition Service of the U.S. Department of Agriculture estimated that WIC prenatal expenditures would generate a $450 million savings in averted hospital care required to bring low weight babies up to normal weight in fiscal year 1980 alone, or a net savings of $300 million after the cost of the program was subtracted. Costs for additional treatment during the rest of the first year of the low birth weight infant's life would also be considerable.

Beyond the first year, according to the FNS analysis, which was not included in the USDA report to Congress, many of these babies would no longer be alive, and so would generate no further costs. However, the survivors would continue to need services, including Special Supplemental Income provided under the Social Security Act. The cost of providing SSI to 540 of the survivors at an average level of $2,400 a year for 30 years would be $39 million. The cost of providing special education to the same number of survivors at $5,000 per individual for 12 school years would be $32 million.

Moreover, these findings understate the actual benefits of WIC's prenatal services, since some of the most meaningful results are intangible. The healthy individual is far better able to contribute to the economy and to tax revenues than the one born with birth defects or medical problems.

Also impossible to measure in monetary terms is the decrease in infant mortality rates resulting from WIC participation. That WIC's prenatal services do significantly affect infant mortality rates has been documented by a 1978 study done at the Yale University School of Medicine.

Finally, all these benefits apply to WIC's prenatal component only. The benefits from the infant and child components are less measurable but include decreased morbidity, improved health, better school performance and increased work productivity later in the child's life. Studies in Arizona, Louisiana, and Oregon have documented significant reductions in anemia among WIC children.

HIGHLIGHTS OF HISTORY

The WIC Program was created by Public Law 92-433, enacted September 26, 1972. Initially, WIC was a small two-year pilot project. Because USDA delayed its implementation, the first participants did not actually receive food until early in 1974. In 1974, the program was reauthorized for one year. In 1975, Congress converted what had been a small experiment into a major program with annual funding of $250 million through fiscal year 1978. In 1978, amendments were passed that extended WIC through fiscal year 1982.

Public Law 96-499, enacted December 5, 1980, extended the WIC Program through 1984. The 1981 Agricultural Appropriations bill, enacted December 15, 1980, provided $900 million plus carryover funds from fiscal year 1980 of about $33 million. The $933 million will enable the program to serve approximately 2.2 million participants, the number that were on the program last September, but no further growth is possible at that funding level. Most States have now instituted waiting lists and many women, infants and children are being denied benefits.

The program now operates in 50 State agencies, 29 Indian State agencies, the District of Columbia, the Virgin Islands, and Puerto Rico.

CURRENT PARTICIPATION AND PERCENTAGE OF NEED BEING MET AND ESTIMATED EFFECT OF THE PROPOSED 30-PERCENT CUT IN THE WIC PROGRAM

State	Caseload that can be supported with 1981 budget	Percentage of need that 1981 budgets can meet	30-percent proposed cut	Number of women and children to be removed
Alabama	54,184	29.9	$6,258,214	15,803
Alaska	1,107	9.8	269,996	749
Arizona	37,577	28.3	5,604,973	14,153
Arkansas	22,786	17.5	3,264,350	8,243
California	157,457	17.7	20,749,014	52,396
Colorado	35,640	38.7	2,802,771	7,077
Connecticut	38,767	36.6	4,715,828	11,908
Delaware	5,064	29.8	575,876	1,454
Florida	72,838	19.4	8,622,462	21,774
Georgia	63,926	22.5	8,044,512	20,314
Hawaii	4,247	11.5	727,395	1,837
Idaho	10,609	25.3	1,464,849	3,699
Illinois	78,090	17.9	10,089,938	25,479
Indiana	34,330	16.8	4,214,101	10,641
Iowa	27,165	38.5	2,653,052	6,699
Kansas	16,721	23.5	2,002,533	5,057
Kentucky	50,931	34.9	6,541,288	16,518
Louisiana	80,133	42.7	8,341,602	21,064
Maine	14,151	28.9	1,519,019	3,836
Maryland	44,072	38.0	4,240,086	10,707
Massachusetts	36,787	15.7	4,827,466	12,190
Michigan	106,383	24.3	9,322,491	23,541
Minnesota	40,183	25.8	4,627,347	11,685
Mississippi	62,344	46.0	5,835,513	14,763
Missouri	49,190	28.4	5,859,315	14,796
Montana	13,533	43.6	1,488,423	3,758
Nebraska	15,193	34.5	1,627,368	4,109
Nevada	9,096	26.7	1,199,954	3,030
New Hampshire	9,283	30.0	1,223,658	3,090
New Jersey	52,433	20.0	6,116,511	15,446
New Mexico	12,864	16.4	1,785,816	4,509
New York	181,462	29.7	21,823,833	55,110
North Carolina	89,156	33.2	10,863,464	27,433
North Dakota	9,251	45.1	990,573	2,501
Ohio	105,815	22.7	13,195,098	33,320
Oklahoma	30,745	25.4	4,015,795	10,140
Oregon	23,848	27.9	3,101,792	7,832
Pennsylvania	97,354	21.4	9,936,003	25,090
Puerto Rico			6,636,033	16,757
Rhode Island	11,091	42.7	1,711,536	4,322
South Carolina	54,413	34.7	7,022,952	17,734
South Dakota	8,210	25.5	929,067	2,346
Tennessee	76,494	38.7	7,282,279	18,389
Texas	121,500	16.9	16,484,760	41,628
Utah	19,896	26.2	2,242,443	5,662
Vermont	17,030	63.1	2,133,492	5,387
Virgin Islands			591,545	1,494
Virginia	53,496	38.8	6,208,647	15,678
Washington	27,978	19.9	3,560,166	8,990
West Virginia	20,808	22.4	2,923,932	7,383
Wisconsin	45,826	31.3	5,030,384	12,702
Wyoming			327,333	826

Source: The Children's Foundation, February 1981.

□ 1250

EL SALVADOR AND THE MESSAGE TO LATIN AMERICA

(Mr. PANETTA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PANETTA. Mr. Speaker, the principal problem with the current U.S. approach to El Salvador is that it does not fit into a coherent foreign policy for the entire Latin American region. In effect, the problem with our policy in Latin America is that there truly is no policy in Latin America. A series of on-again, off-again reactions is no substitute for the more exacting process of establishing policies which will have the support and cooperation of our neighbors and allies.

As the Carter administration proved time and time again: rhetoric, even tough rhetoric, does not a policy make. The ad hoc approach to policymaking is what undermined the Carter administration's overall foreign policy, and it is the ad hoc nature of the U.S. response in El Salvador that could undermine that policy as well. The United States simply cannot afford to apply one policy in El Salvador today and quite another in Mexico or Brazil tomorrow depending on the crisis. We need to be sensitive to the interconnection of these policies, one with the other.

The dangers of the U.S. approach are obvious: If the United States makes a large-scale commitment of military advisers and aid to an unstable and unpopular junta, then we risk not only the ultimate loss of influence with that country should its present government be toppled, but with all of Latin America, which has remained cool to our military overtures in El Salvador. We should have learned long ago from our experiences in Southeast Asia and the Persian Gulf that blank-check military aid without regard to political or social reforms will not keep an unpopular, albeit friendly, government in power.

The difficulty in coming up with a workable policy in Latin America has been a somewhat confused attitude in the United States about the goals of our policy in this hemisphere. If our goal is a short-term effort simply to react to crises as they arise, then the present approach to El Salvador is consistent with that goal. However, if our goal is to forge a longer term policy in the region, working together with our neighbors in this effort, then the current approach falls far short of the mark. The longer term goal depends on finding a political solution in El Salvador that also meets the concerns and needs of people throughout Latin America. To pursue a policy which ignores fundamental aspirations of people only defers the inevitable political and military crisis. We should not sacrifice our historic concerns about human and political rights, because to do so only fuels the propaganda mills of the forces that seek to turn frustration and suffering into chaos.

A policy of U.S. military intervention, without weighing the broad policy implications in the rest of the Western Hemisphere, will play right into the hands of the terrorists on the right and the left who seek a military and not a political solution to the

problems of El Salvador. Clearly, supplying additional military aid and advice to a junta which has not been able to place adequate controls on the terrorism of its own security forces calls into question whether the Reagan administration intends to pursue a balanced antiterrorist policy. In fact, the present leadership in El Salvador recognizes the political dangers of a high-profile U.S. presence and realizes that a long-term solution rests, not on further confrontation, but on the necessary humanitarian aid and social reforms essential to stability in the country. And surely, whatever aid we provide to El Salvador should be tied to reforms that enjoy the support of the people and the church.

The shadow of Cuban and Russian intervention grows in El Salvador in proportion to the degree of frustration in the country due to the failure to address underlying problems. U.S. policy in Latin America must address the incredible human and political problems of its approximately 350 million inhabitants. We need to enlist the cooperation of our neighbors in dealing with a range of global issues such as emigration, energy, food, narcotics control, and nonproliferation of nuclear arms. To do this, and to meet the challenge of Cuban and Russian intervention, we need to establish and maintain cooperative relationships in the Western Hemisphere. We need to integrate carefully our policy in El Salvador with our overall policy for the region.

It is clear that the Reagan administration has picked tiny, improverished El Salvador as the place to make its first foreign policy stand, to draw the line against the Soviet advance. But the success of this reaction in El Salvador will depend on the response of our neighbors and allies to the crisis. They are looking for a U.S. policy which does not rely exclusively on military aid, but recognizes the legitimate concerns of the people for survival. The test of the Reagan administration's policy rests not on the number of miltary advisers or arms in El Salvador, but on the development of a sound and consistent policy that applies both to the aspirations of the people of El Salvador and Latin America. Without that policy, the message to Latin America will serve to strengthen the enemies of democracy, whether they may be on the right or the left of the political spectrum.

FIFTIETH ANNIVERSARY OF THE STAR SPANGLED BANNER

(Mrs. HOLT asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. HOLT. Mr. Speaker, this is the 50th anniversary of the legislation which established the Star Spangled Banner as our national anthem.

The legislation was the special project of Congressman J. Charles Linthicum, a member of one of the oldest and most distinguished families in Anne Arundel County, Md. He waged a legislative campaign for several years and attracted support from veterans' organizations nationally to achieve enactment of the law.

Today, members of the Linthicum family are attending a reception at Fort McHenry to remember how this beautiful anthem came to be our anthem.

Congressman Linthicum was a patriotic citizen who believed that the anthem by Francis Scott Key had inspirational quality for all generations of Americans. Key was a prisoner on a British ship and watched the bombardment of Fort McHenry in September 1814.

The assault on the fort was part of a British strategy to capture Baltimore after previously having seized and burned Washington. The fort protecting Baltimore Harbor survived the bombardment, and the American militia defeated the British Army, which was marching toward Baltimore after landing at North Point.

Historians consider this victory to have been the turning point of our second war of independence, and I share the pride of the late Congressman Linthicum in Maryland's great contribution to the victory and our symbol of that pride, the Star Spangled Banner.

BULGARIAN INDEPENDENCE DAY

(Mr. NELLIGAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NELLIGAN. Mr. Speaker, Bulgaria has been plagued by a history of foreign occupation. From 1396 to 1878, it was enveloped in the Ottoman Empire. The Treaty of San Stephano, which ended the Russo-Turkish War of 1877-78, liberated Bulgaria from Ottoman rule.

Unfortunately, Bulgaria's freedom was not lasting. The Soviet Union conquered Bulgaria in 1944 and established a Communist regime loyal to Soviet interests. The people of Bulgaria, like their neighbors in Albania, Poland, Romania, Czechoslovakia, East Germany, Hungary, and the Ukraine, yearn for freedom from Soviet domination.

I join with the citizens of Bulgarian descent in commemorating Bulgarian Independence Day and hope that Bulgaria will achieve the full independence it once had in the past and deserves to have today.

TASS ACCUSATION AND BOMBING OF RADIO FREE EUROPE—COINCIDENCE?

(Mr. ROTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROTH. Mr. Speaker, the New York Times reported on January 19, 1981, that the Soviet press agency Tass had accused Radio Free Europe of inciting unrest in Poland.

Then 4 days later a very sophisticated bomb ripped through the Soviet bloc section of the U.S.-financed Radio Free Europe and Radio Liberty in Munich, Germany. The blast injured eight innocent people and caused an estimated $2 million worth of damage.

Mr. Speaker, I find these two events too closely linked to be mere coincidence.

U.S. FOREIGN ECONOMIC ASSISTANCE—A CRITICAL YEAR

(Mr. CONTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONTE. Mr. Speaker, we in the Congress, working with the administration, have before us a seemingly impossible task. We must fashion a foreign assistance program which will respond to the staggering development needs of the Third World, enhance U.S. national security, and promote world economic stability, while budget outlays are reduced.

Development prospects for the Third World for the early 1980's are gloomy. As a result of surging oil prices, ballooning balance of payments deficits and sluggish developed country growth, Third World growth rates are projected to fall to one-half the level of the 1960's and 1970's, over the years 1980-85. For the poorest countries with 1¼ billion people, this will mean average income increases of less than $7 per person, per year. In sub-Saharan Africa where starvation now threatens, per capita income is actually projected to decline.

This also will be the most critical year for the multilateral development banks since Bretton Woods in 1946. Congress faces the largest legislative agenda ever for these institutions, through which over one-half of U.S. development assistance is now channeled.

Over the next several weeks, I will be addressing my colleagues on a number of development bank issues, including why support for these institutions enhances U.S. security and promotes global economic stability; and why the development banks, as cost-effective aid channels, offer the best hope of reconciling the overwhelming development needs of the

Third World with minimal budget outlays for U.S. foreign assistance.

CUT IN COMMITTEE STAFF FUNDING URGED

(Mr. ROBERTS of Kansas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROBERTS of Kansas. Mr. Speaker, citizens throughout the 57 counties of my district in Kansas are writing and telling me every day they are more than willing to accept cuts in the Federal budget.

Yet, against this backdrop of willing self-sacrifice, we will be voting on a proposal in this body next week that proposes to increase spending for staff. Mr. Speaker, it has been my privilege to be a staffer to a Member of Congress and my predecessor for the past 12 years.

Despite efforts to the contrary, in that time committee staffs have grown by more than 118 percent and expenses have increased over 200 percent. Only 10 years ago, approximately $7 million was allocated for House committees. This figure has grown to the current request of almost $47 million.

I think the issue before us is simple and that is to get in step with the American people, to defeat the committee funding resolution, to cut these funds by 10 percent as the other body has done and show the American people we are willing to practice self-sacrifice.

DISCUSSION INVITED ON PRESIDENT'S TAX CUT PROPOSALS

(Mr. CONABLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONABLE. Mr. Speaker, like many of my colleagues, I am frustrated by the usual and not unexpected slowness with which the congressional mill begins to grind. One can only hope that it will grind exceedingly fine when it finally gets going. But in the meantime, I think the people of this country are quite concerned to get on with the discussion of some of the elements of the President's economic package.

I would like to initiate today on the floor, in a special order, some dialog with those interested Members about the various elements in the tax package that are available to the Congress in both the President's message and the larger alternatives that have been offered to it. I think some analysis of these proposals will help elevate the expectations of the American people and give our colleagues a chance to begin to aline their thinking in the direction of the appropriate content of a tax cut.

THEORY OF CREATION SHOULD BE TAUGHT IN PUBLIC SCHOOLS

(Mr. DANNEMEYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANNEMEYER. Mr. Speaker, 56 years ago, John Scopes was prosecuted and convicted of teaching the theory of evolution in the public schools. Only the theory of creation was taught at the time. Today, in Sacramento, Calif., a trial is underway to compel the State of California to permit the teaching of the theory of creation in science classrooms. Only the theory of evolution is taught in such classrooms today. The fair thing to do is to teach both theories. To do less is to confirm that the religion of the public school system is to continue to be secular humanism. Do we really want such a legacy for our children?

PRESIDENT'S ECONOMIC PLAN SHOULD BE CONSIDERED AS WHOLE PACKAGE

(Mr. RITTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RITTER. Mr. Speaker, I sincerely regret that many have already lost sight of the grim economic picture that was described to us in President Reagan's economic plan. Already some Members of Congress have used the chisels of special interests to chip away at the President's efforts to realistically handle our current economic crisis. However, we have yet to witness any viable alternatives to the President's program.

I do not think any of us can quibble over the basic assumptions made by the President: The projected 1981 U.S. budget deficit has already ballooned past $60 billion; double-digit inflation is steadily eroding our economic system; the productivity of American industry is falling and the American people need relief from the destruction of their savings and overtaxed take-home pay. Budget restraint means savings for the American worker.

The President's proposal deserves to be considered as a whole package. And time is running out for business as usual in Congress. Let us put politics aside and buckle down to serious work on President Reagan's proposal to put America back on its feet again.

GOOD NEWS, BAD NEWS

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, there is good news and bad news on the international front so far as the United States is concerned.

The good news is that the leading foreign policy study councils of the United States, Britain, France, and West Germany have called for meetings in which these and other nations would assess crises outside of Europe.

I welcome such a suggestion. We need NATO but we also need a new mechanism to deal with the unique crises of the 1980's.

The bad news is that the old, familiar pattern of left-wing criticism is emerging in the El Salvador crisis.

American critics of our Government's policy tell us everything that is bad about the current Government in El Salvador and nothing bad about the Communist-dominated terrorists who oppose it.

Every single policy of the Government of El Salvador is criticized while the leftist terrorist movement is unexamined.

We are not told what the alternative to the current government would be.

These are the same arguments, made by some of the same people, we have heard, in various forms for the past 20 years. And every single time these people talk, millions end up being enslaved by Communists.

APPOINTMENT AS ADDITIONAL MEMBERS TO SELECT COMMITTEE ON AGING

The SPEAKER pro tempore. Pursuant to clauses 6 (e) and (g) of rule X and without objection, the Chair appoints as additional members to the Select Committee on Aging the following Members of the House: Mr. ALBOSTA of Michigan; Mr. CROCKETT of Michigan; and Mr. HOLLENBECK of New Jersey, to rank after the gentleman from California, Mr. DORNAN.

COMMUNICATION FROM MR. COLEMAN OF MISSOURI—IN RE SUBPENA

The SPEAKER pro tempore laid before the House the following communication from Hon. E. THOMAS COLEMAN of Missouri:

HOUSE OF REPRESENTATIVES,
Washington, D.C., February 26, 1981.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to Rule 50 of the Rules of the House, this is to notify you that a member of my staff has been served with the attached subpena.

The materials sought are related to casework which Mrs. Tucker performs in my Kansas City office. I believe this subpena raises serious questions as to the confidentiality constituents expect when dealing with a Member of Congress in the course of official duties.

I have referred this matter to Counsel of the House for appropriate action.

Sincerely,

E. THOMAS COLEMAN,
Member of Congress.

SUBPENA—DUCES TECUM—THE STATE OF MISSOURI

County of Ray, State of Missouri, to Tina Tucker:

You are hereby commanded, that setting aside all manner of excuses and delay, you be and appear in proper person before the Judge of our Circuit Court, at the Court House in the city of Richmond, within and for said County, on the 25th day of February 9 a.m., A.D. 1981 at 9 a.m., then and there to testify and the truth to speak in a certain matter of controversy now pending in our said Court, wherein Vanderpool Feed & Supply Co., is Plaintiff, and Taylor et al. are Defendants on behalf of the Plaintiff; and you are further commanded to bring with you and then and there produce in evidence original telephone logs or/and records either to or from Bill Taylor of Excelsior Springs, Missouri, during and for the year of 1979 and hereof fail not at your peril. And the person or officer serving this Writ is commanded to have the same at the time and place aforesaid certifying thereon his return.

Witness my hand and seal of our said Court. Done at office in Richmond, in the county of aforesaid, on this 18th day of February A.D. 1981.

THE NEW TAX PACKAGE AND ITS ALTERNATIVES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. CONABLE) is recognized for 60 minutes.

Mr. CONABLE. Mr. Speaker, as I announced a few minutes ago, I would like to begin some dialog about the taxes which I think will help focus the Members' attention on the options that are open to them.

There are many elements in both the President's package and the alternatives that have been suggested as possible counterattacks by the President's opposition, and each of these has a different economic impact. Each has different strengths and different weaknesses. It is important that we sharpen our thinking about these.

Taxes are something that will always be with us, but the form of taxation affects economic decisions at the margin. So the Congress should try to be as constructive as it can in the structural changes and alterations to our now rather complicated tax system.

The first element I would like to deal with is an element that is part of the President's package, and it comes as close as any proposal I know of to having a consensus behind it on both sides of the aisle at the present time. That is the so-called Capital Cost Recovery Act, also known as 10-5-3 or the Jones-Conable bill. This measure has a consensus behind it for a number of reasons, not the least of which is the fact that it has been before the Congress now for more than 2 years and has a very broad coalition of business support behind it.

Following the enactment of the multilateral trade negotiations, it occurred to some of us that we might only be reducing the obstacles to imports into this country if in fact through those negotiations we facilitated the flow of goods in international trade and then left American goods in a noncompetitive position. American goods, in addition to those which are agricultural in nature, are for the most part items of high technology. Technology is capital intensive. Capital costs here are particularly high, and the result is that we may be at a competitive disadvantage in the world and in our own markets in selling goods of high capital content.

One of the serious problems affecting American industry results from the overstatement of corporate profits as a result of rigid adherence to the old principle of useful life in depreciation. The useful life concept results in many heavy items of equipment being written off over as long as 20 years through the tax system. It results in buildings, commercial and otherwise, sometimes being written off over as long as 40 years. It results, in short, in very slow recapture through the tax system of the cost of capital assets.

In contrast, many of our competitors in world trade, and particularly the developed nations of the world, such nations as Japan, Germany, England, and so forth, permit very quick writeoffs through their tax system of capital investment, particularly those relating to productive machinery.

This proposal which President Reagan appears to have picked up and modified only slightly provides for a 10-year writeoff for most depreciable real estate, a 5-year writeoff for most equipment, and a 3-year writeoff for cars and trucks, the most frequent assets held by small business.

The Reagan administration's modest changes in this proposal, incidentally, I think, are entirely salubrious. They do change the writeoff of depreciable real estate, in ways that would reduce the probability that financing practices relative to depreciable real estate would be changed in basic ways as a result of this enactment. They do also provide for a 3-year writeoff of research and development machinery—a modest step but, I think, an important one in recapturing our preeminence in research and development.

Now, this measure is broadly supported. In the last Congress, 331 Members of the House cosponsored it. It was not enacted, only because of the failure of that Congress to pass a tax bill and the resistance of the leadership to pass this as a separate measure.

It is entirely likely, then, that some major form of depreciation reform will be passed. The only other major proposal that differs from this in substantial detail is the so-called Senate finance bill, the Bentsen bill, which provides slightly different writeoff periods but again eliminates the useful life concept of depreciation and greatly shortens the tax writeoffs for capital assets.

Mr. Speaker, there is one danger that we have in connection with investment of capital cost recovery. It is generally considered to be something which would pass as part of a total tax-cut package rather than separately. The problem is that if that enactment is delayed to any substantial degree, any businessman who has control over the timing of the purchase of that machine or the building of that building is very likely to delay his decision until he knows that he will be able to take advantage of the quicker writeoffs permitted under the new depreciation schedules.

These quicker writeoffs will be prospective entirely, because to put the whole depreciation base of the country into a faster writeoff would be staggeringly expensive in terms of lost Treasury revenue, and, therefore, as enacted, they will affect prospective behavior on the part of businessmen only.

Those who have studied this matter think there is tremendous bang for the buck in terms of investment encouragement. The other side of that coin is that while such a proposal is pending and people are unsure as to the effective date, we may have a very serious capital slowdown. Indeed those of you who have studied the economic statistics may have noticed that in January machine tool orders were 46 percent below what they were the year before. That may be due to other factors, but it also may be due to the anticipation by many people who have to buy machine tools that if they just wait a little while, they will be able to write off their purchased capital assets in a much shorter period of time than they would be able to write them off were they to use the existing rules related to the useful life concept.

Now, I have been putting together a letter which I hope the leaders on both sides of the aisle of the two tax-writing committees will sign to the effect that whenever depreciation reform finally becomes part of the law, it will be considered to be effective as of January 1, 1981, as of the date of President Reagan's address to the joint session of Congress this past month, or as of some current date rather than as of the date of final enactment of the law. I trust that such a letter will be forthcoming.

However, I want to point out that there was a most unfortunate ex-

change reported in the paper between a member of our committee and the President himself in which the President indicated that if the contents of the tax bill deviated substantially from his view of the appropriate tax and economic policy, he would veto it. That raises an additional element of doubt as to the enactment of depreciation reform, because while depreciation reform may have a consensus behind it as far as the Congress is concerned, if it is put in a bill unacceptable to the President and is subsequently vetoed, then once again the uncertainty of the business community as to whether or not they will be able to take advantage of speeded-up depreciation rules becomes an economic concern.

I believe the press blew out of proportion the comment the President made. Indeed, it is extremely premature and unnecessary for him to talk in terms of veto long before the Congress has begun to discuss the tax bill. The concern we have about depreciation would indicate the need for restraint in discussion of such a measure if it is going to result in adding additional doubts as to whether or not a businessman can buy a machine or build a building with some confidence that he will be able to take advantage of the expected speedup in depreciation rates as a result of this enactment soon to come.

Enough of that particular element of the tax package, Mr. Speaker. There are many other things to be discussed here, and if I do not get through them in the course of this special order, I shall come back to them on other occasions later this week.

Let us now consider the issue of how the taxes should be cut. There are three major proposals, as I see them, that are before the Congress, each of them having a different effect, each of them having different virtues and different weaknesses, and each of them a strong possibility for the tax bill that will be considered by the Congress during the next few months.

The first is a rate cut across the board. I leave out for the time being a discussion as to whether it should be a multiyear rate cut, but the Reagan proposal, based on the old Kemp-Roth proposal, is an across-the-board rate cut of 10 percent, one that would reduce all the various tax rates by the same percentage.

A second proposal, which I will discuss after I have discussed the rate cut, is one which would involve instead targeted savings plans of various sorts, exclusions of dividends and interest from income tax, an expansion of the IRA, a proposal for further reduction of long-term capital gain rates, and a proposal which would separate but leave progressive the taxation of earned and unearned income. All these are targeted savings plans designed to increase the amount of savings in a country which is generally considered to have lost productivity because of our failure to save and invest in the same degree the rest of the developed world is saving and investing, and, instead, living up our income almost entirely in total consumption.

□ 1245

The third proposal for a tax cut which requires analysis is the so-called Gephardt proposal, originally designed by the distinguished gentleman from Missouri (Mr. GEPHARDT) to provide an offset for payroll taxes against the income tax.

There are many variations of this proposal. Suffice it to say, it is not a reduction in social security taxes, but an offset in the income taxes for social security. The different versions of the bill include, among others, one which would provide a credit of 10 percent to both the employer and the employee for a portion of the social security tax paid. Such a proposal has strong small business support, because if small business does not invest heavily in capital assets, they do have substantial labor and, therefore, would like to be able to recover some of their contributions to the payroll tax.

There is more to this proposal than meets the eye and I intend to try to analyze that as this special order proceeds.

Let us now return to a discussion of rate cuts. There has been a good deal of ideology involved in the debate about rate cuts. Indeed, the major proponents of across-the-board rate cuts have tended to view it as a technique which would have very strong economic impact. I do not deny the economic impact of rate cuts. Marginal tax rates greatly influence economic behavior. I think, however, that there are other things that should be said beyond the economic impact.

In reducing the marginal rate of taxation, we do encourage people to work harder. We encourage people to save more, because as we have gone through a process of bracket creep over recent years, our income tax has become increasingly progressive and the result has been that the people have lost incentive to increase their income, whether through the taking of risk or through the application of harder and harder work to the opportunities that face them. There is indeed some economic argument to be made for rate cuts.

I want to repeat that there are other things that should be said as well. For instance, the opportunities for tax reform in across-the-board rate cuts, particularly those that go on in a sufficiently multiyear nature to reduce high marginal tax rates are tremendous. If we were to have for 3 years a 10-percent rate cut everyone would benefit, but it would reduce the maximum rate of tax on unearned income from 70 percent to close to 50 percent. That is viewed, of course, as benefiting rich people more than poor people. Poor people do not pay high marginal tax rates. Clearly, that argument can be made about any across-the-board rate cut. A 10-percent cut of a $3,000 tax bill is always going to amount to more money than a 10-percent cut of a $300 tax bill, and so that argument has to be conceded at the start, that more money is saved for those paying heavier taxes if you have a flat rate cut; however, getting the marginal rate of tax on unearned income from 70 percent down to 50 percent could perform tremendous services in the opportunities for tax reform that would result.

We now have in our Tax Code the changes of the last 12 years of tax reform, most of which were addressed toward trying to catch those few big fish who slipped through the net completely through the device known as sheltering. When people pay very high income tax rates, they have a tendency to engage in uneconomic decisions in order to achieve some degree of tax avoidance. The result has been syndication of limited partnerships and the creation of artificial tax losses of one sort or another to offset against high taxable income from other sources.

Sheltering is generally looked down upon by tax reformers, not only as an uneconomic operation, but one that frequently stretches the boundaries between tax avoidance and tax evasion. It clearly is an economic loss diverting investment from sounder opportunities. If we could get the maximum tax on unearned income down to the level of the maximum tax on earned income, roughly 50 percent, so the Government was taking no more than half of every dollar earned, if we could get the individual tax rate, in short, down close to what the corporate tax rate is—and at the current time it is not far from 50 percent—we would eliminate a whole complex of incentives for the manipulation of economic opportunities for tax advantage.

Frequently people find themselves using corporations not for the purposes for which corporations were intended, but as tax shelters, because the corporate tax rate is lower than the individual rates in the high-income areas; so there alone the opportunities for simplification of the Tax Code are perfectly tremendous.

I would like to think, Mr. Speaker, that it is possible over a period of time to reduce the progressivity of the tax system and by eliminating the incentives for all the complexities of the Tax Code designed to prevent sheltering, also to achieve some real economies within a tax system now so com-

plicated that we are not far from lawsuits based on the incomprehensibility of the Tax Code, among other things.

Now to address the issue of targeted savings rates, a second major option that is available for us. It is said by some people that across-the-board rate cuts are not fair to poor people, because poor people do not pay large amounts of tax to begin with and that poor people would be better off with targeted cuts than they are with across-the-board rates, granting larger surcease to the wealthy than to the poor. But poor people on subsistence allowance are not likely to engage in IRA's, in heavy investment, in excluded bank accounts, and things of that sort in order to reduce their taxes.

One advantage that can be pointed out for the across-the-board tax rate is that at least everybody knows what tax he pays and, therefore, knows how much relief he will get from an across-the-board tax rate. He can compute it and it is not conditioned on anything. The targeted tax cuts are conditioned in various ways and provide no benefits for anyone who does not take advantage of the savings opportunities which usually make up the condition of the reduced taxation. I think that has to be considered.

You should also consider that most of the targeted savings plans take more and more of the Nation's unearned income outside the tax system. I question whether we want to continue to do this. As we move economic income outside the tax system, particularly unearned income, the kind of thing that goes into savings, we tend to put greater and greater pressure on earned income. We tend to narrow the tax base, which has to support the tremendous cost of Government and thus it becomes increasingly difficult if you are moving income outside the tax system, to reduce the marginal rates on the portion that continues to be taxable. In other words, as the base gets narrower, the rate has to get higher.

I believe that we are following a dangerous course if we are constantly taking more and more of the economic income of the country and putting it outside the tax system. This is one of the major arguments to be made, for instance, against the proliferation of the tax-exempt municipal bonds, IDB's, and revenue housing bonds that have been a matter of concern recently and that are a matter of considerable discussion by the League of Cities as they meet in this city today.

I also wish to point out that most of the targeted savings plans add to the complexity of the Tax Code. They are not the simplifying sort of approach that is involved if you just reduce the rates across the board.

It is possible, of course, by targeting savings to achieve a very specific purpose, and I must say, there are some attractive things about targeted savings as well. The Senate finance bill included some of those. Many of my colleagues have sponsored targeted savings plans of one sort or another which would have the effect, if successful, of reducing the momentum of money, increasing savings in particular forms, stabilizing highly volatile assets, and making them less vulnerable to high interest rates.

One of the advantages of targeted savings is that it involves usually a bank account, an insurance account or a segregated fund of some sort. One can get the bankers, the insurers, and the brokers out promoting such savings and, therefore, encouraging people beyond those incentives which are apparent from the face of the Tax Code.

I have found that usually in tax reform it helps if you can get promoters on the side of reform and that clearly is one of the advantages, although a special interest, in trying to have some type of targeted savings plan as an alternative to the rate cuts.

Let us now look briefly at the so-called Gephardt proposal, which provides a credit against income tax for a portion of the payroll tax paid. I suspect there is more to this than meets the eye, because most of those who propose this form of tax cut are in favor of a refundable credit.

Now, refundable sounds like simple justice, but it has some implications that I think should be considered by those who have specific goals in mind for the tax bill that is being considered. For years, starting in 1969, we have done a good deal of redistributive economics through the tax system. By that I mean that we have cut taxes in a weighted way, so that those who are poor at the bottom end of the economic scale would get larger cuts than those who are at the top of the scale. Combined with the natural effect of bracket creep, this has meant more and more poor people have been dropped out of the tax system, while the rates have become increasingly progressive for those in the upper- and middle-income level and, therefore, their incentive to work and save has increasingly been dimmed.

Indeed, the redistributive tax reform has been so successful that the year for which we have the latest figures, and that is 1978, shows that the bottom 46 percent of taxpayers, those who earn $10,000 or less, pay only 4 percent of the income tax. They have been dropped off the income tax rolls for all practical purposes.

Now, before I am criticized for this statement, let me hasten to point out that poor people are now paying more of their spendable income in taxes than they did 10 years ago.

□ 1300

I am not saying that they are not paying enough taxes, that poor people are failing to carry their burden. But it is not the income tax's fault that they are paying more in taxes. It is the result of social security tax increases, real estate tax increases, sales tax increases, and so forth. The regressive end of our complex of total taxation is what is afflicting the poor. As a matter of fact, that is a pretty good definition of regressivity.

However, we have arrived at a point where we cannot do much for poor people by cutting income taxes any further. If the bottom 46 percent of the income tax payers are paying only 4 percent of the income tax, obviously, by cutting their income tax further, you will not improve their lot much, for they are paying very little income tax now.

And, thus, those who believe in redistributive tax reform, that is, letting taxes go up for the wealthy and reducing them for the poor, are frustrated because at the bottom end of the scale they cannot do much more for poor people. That being the case, they are looking for ways to extend redistributive economics, despite these baleful statistics. And the way to do it is to send poor people checks from the Treasury.

Thus, the Gephardt proposal, which provides for a credit for payroll taxes paid, takes into account the fact that on the first dollar of income you earn, you pay social security tax. Of course, on the first $10,000 you earn, obviously, you pay comparatively very little income tax. And, therefore, in order to make the Gephardt proposal fully operative, you have to make it a refundable credit and send dollars from the Treasury to the poor who do not have enough income tax to set off the full credit against.

Now, that may sound like a great idea. The end of the year, send them a check instead of requiring them to pay tax.

I am not sure that the American people are ready for a negative income tax. Maybe they are. I am not sure that those who advocate this have considered all of the complications it will cause in the welfare system, which probably will have to provide flow-through for this money, since it will otherwise greatly complicate the creditable income from low-income people.

And so I see this as complicating the Tax Code substantially and the process of administering the Tax Code, whether or not you consider it desirable to extend the principle of refundability.

In that connection, let me warn my colleagues that there are some people who are proposing wonderful plans of that sort for business. For instance, I hear many people advocating a

refundable investment tax credit. Some of our less profitable concerns, particularly in the transportation area, have lost investment tax credit since that is limited by the profitability of the company and when the credit expires they are now saying, "Well, the Treasury should send a check the equivalent of the lost investment tax credit to the company involved."

Senator KENNEDY, in the other body, for instance, is a proponent of a refundable investment tax credit.

I suspect that part of the support for such a proposal is based on the desire to extend the principle of refundability so that something like the Gephardt proposal will not seem such a dramatic departure from existing tax philosophy and tax practice. If it is good for corporations, why not for poor people, too?

I think we should be very careful about extending refundability, myself; and I hope that it will not be pressed and included in this particular measure, even though there are some elements of refundability already in the Tax Code.

Now, obviously, the Gephardt proposal provides an offset only for earned income, because you do not pay social security on unearned income. Obviously, it provides an offset only up to a certain level of income because the wage base in social security is limited and, therefore, it provides a ready way of weighting the tax cut to the low end of the income scale, thus continuing the practice of redistributive economics, which has brought us, in my view—and, I believe, in the view of President Reagan—to our current difficult state.

Because we have been giving tax cuts, increasing purchasing power among those who do not have the capacity to save during the past decade, we have been favoring consumption, instead of favoring savings and investment. And to continue the principle of redistributive tax cuts at this point, whatever it does in the area of individual equity, will not provide the economic corrective that we are seeking. That economic corrective is the purpose of the President's message. He wants to deal with the first package which would have only depreciation reform and rate cuts, the theory being that that will help the economy recreate the dynamics that we seem to have lost, get the productivity curve up off of the floor once again; and then he says he will come back to the noneconomic issues of individual inequity, which are popular for change here in the Congress and which have strong adherents on both sides of the aisle in both Houses of Congress. Such things as, for instance, the elimination or reduction of the marital tax penalty, such things as the encouragement of additional contributions to charity by those who are on the standard deduction or zero bracket amount.

These proposals have wide support but are not directly related to the state of the economy which many people feel has been damaged by our tendency to encourage consumption rather than savings and by tax changes which, over a period of more than a decade, have moved inexorably in the direction of speeding up the momentum of money rather than slowing it down and encouraging its use.

I must acknowledge that there is a certain amount of political risk in advocating the type of cuts that will provide greater savings for those with unearned income and for those with wealth than for those who are in a subsistence condition and, therefore, to the extent any increase in purchasing power occurs, are likely to use it in expanding their standard of living. But improving the economic impact of the tax system does not mean that we are abandoning the poor.

In our anxiety to deal with the poor we should not continue what I think is a faulty course of tax policy which has had, not only at the margin, but in some total now, a rather serious impact on the vitiating of our economy.

Mr. Speaker, there are other things that can and should be said about the tax system and the proposals that face this Congress. I expect to discuss it further. It is my hope that we will not waste time in moving to try to get in place some of the correctives for a flagging economy that we need. It is my impression that speed is of the essence, not just because of the depreciation reform problem which I mentioned, but because the American people want change and will find confidence and encouragement in prompt enactment of measures which are designed to improve our economic situation. That is the reason that I expect to discuss this matter at greater length on other occasions.

I would like to yield now to my distinguished leader, the gentleman from Illinois (Mr. MICHEL).

Mr. MICHEL. I thank the gentleman for yielding, and first of all I simply wanted to applaud him for taking the time here to discuss the alternatives that are before us in the area of tax reduction, as that has to be certainly on the front burner for the consideration of this Congress, along with expenditure reduction.

I sense that there will be a number of high-powered economists who will come to testify before the Ways and Means Committee and that you will be getting all kinds of advice from both right and left and dead center. I am not altogether sure that if the Ways and Means Committee, and here at least on the House side, addresses itself to economic recovery, as the gentleman has so well pointed out, in those areas of capital cost recovery and a rate reduction and leaving these other noneconomic issues to later, that you are going to have really very much time to mark up that bill. What goes on before, by way of discussion and debating these issues, is very important, I think, to the American people.

I would simply make the observation, on the gentleman's comment with respect to American cost recovery, it has always been this gentleman's view that the effective date for that surely ought to be retroactive to the first of the year or, as the gentleman suggested, to the date of the President's message to the Congress. This is needed to make absolutely sure that the intent and purpose for which you are trying to get the economy stimulated by virtue of this tax reduction is not delayed unduly because of the uncertainty for those people out there who are planning so strongly on it. If there have been mixed signals by the administration, I would certainly want to join the gentlemen in pleading with them to make it absolutely clear what we have in mind there in this area.

Mr. CONABLE. I do not believe there are mixed signals from the administration. I think there may have been a possible concern, though, when the discussion of veto comes up.

Let me say to my friend that I would be the first to urge the President to veto a bill which did not achieve his economic objectives.

Mr. MICHEL. Sure.

Mr. CONABLE. But I think it is premature to talk about a veto at this point and it injects further doubt into the minds of the business community which is going to have to decide on the timing of its capital investment in the near future and which we hope will not result in their delaying and causing a capital slowdown in the process.

Mr. MICHEL. The other point the gentleman made, particularly with respect to rate reduction, whether it is multiyear or not, is that the value in that rate reduction in the higher brackets, as well as the lower brackets—and I find myself being troubled somewhat by the criticism that any tax rate reduction is going to be inflationary—all we are going to be doing is putting additional spending money in the hands of the people who will go out and spend it right off the bat and do nothing about this business of investing back into the system. I think we have to get this point across better than we have.

Admittedly, in the lower income tax brackets where the people are not paying a very significant tax, and if there is a reduction—for example, a couple hundred dollars—admittedly they are going to pay off their bills, buy a little something on time that

they normally would not do, but the real thrust of that rate reduction is in the higher income tax levels. There they do not need their standard of living enhanced, and I do not think it is going to be by that reduction. But what it will do, I think, is to take that money out of the tax shelters and get it back into production industries, thus creating new jobs and planned expansion.

Mr. CONABLE. I think the gentleman makes a good point.

It is important for well-to-do people to see the advantage in reducing their consumption and increasing their investment. They should have their money not working for greater opulence but for America as a whole. They should see it out there creating jobs. When they are taxed at the 70-percent rate, they have very little incentive to use their money for anything but creature comforts. Quite frankly, I would like to see well-to-do people encouraged to use their money for the common good and not for consumption. That would be one effect of reducing the very high marginal tax rates. It is pretty obvious that if you are a well-to-do person and your tax bill goes down, you do not automatically invest it in increased consumption, because many well-to-do people consume up to the standard of living they wish, anyway.

But if they can put that money to work in a capitalist system which creates jobs and which provides the sources of livelihood for others, then, obviously, in the long run we are going to have a much happier economy and a much happier society than we will if we are constantly raising marginal tax rates, encouraging consumption, and having to provide for poor people the type of Government dole which locks them into second-class citizenship indefinitely.

□ 1315

Mr. Speaker, I do not doubt that we are going to do what we can for poor people. I think we had better remember, though, that redistributive tax reform over a decade has not helped poor people to any substantial degree.

If you look at the statistics now, the difference between the wealthy and the poor has not narrowed. The wealthy and the poor still have a chasm between them despite years of letting taxes go up for the wealthy and reducing them for the poor; in other words, redistributive tax reform has not worked. One of the side effects of it has been to discourage investment that could permanently improve the lot of the poor by making the whole national pie bigger so that redistribution will not be the goal of government, but the creation of more and more for all people particularly those who previously have not had much pie.

Mr. MICHEL. Mr. Speaker, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Illinois.

Mr. MICHEL. While I appreciate the gentleman particularly mentioning that third element as embodied in what he referred to, I believe, as the Gephardt proposal, because if we simply want to go the old route we have been traveling around here for a number of years, the route of redistribution of wealth with no real direction toward stimulating the economy to build a broader economy that will give us new jobs, then we are missing the mark totally.

It is not one of these questions of redistribution. The Tax Code, to be revised properly, in my judgment, has to have a mission to accomplish what we are setting out to do. If it does not have a goal to provide additional jobs and expansion of the economy and getting us off dead center, then in my judgment, we have missed the mark and we are just going to keep doing something we have done for many, many years.

Mr. CONABLE. I would like to thank my leader for his interest and contribution to this discussion.

I yield to the gentleman from Florida (Mr. GIBBONS).

Mr. GIBBONS. Mr. Speaker, I appreciate the gentleman yielding to me.

I stumbled on this special order by accident, but I am glad I did. I want to first say that the gentleman from New York has made a very intelligent presentation, quite learned and I think very accurate about where we stand.

Second, I want to say I read a lot in the media about all the trouble we are having getting together on this tax proposal. Frankly, I do not see that much trouble. I only speak for myself, but I think that we can do justice to the President's tax proposal. We can do it within the timeframe that I understand that he wishes it, and I hope that we will do it.

As I see it, the big problem we have is getting the expenditures cut fast enough to perhaps head off any inflationary impact that all these cuts are going to have. I believe that in the second and third years we are going to have still continued trouble with the President's proposal in getting the expenditure cuts in place. I think the tax cuts are joyous compared to the pain that the expenditure cuts are going to cause this Congress. I, therefore, think that we need to keep these somewhat closely related so that there will be a discipline upon the Congress and upon the American people in seeking relief from what I think most of us think is just too much government.

But let me say, I appreciate the way the gentleman from New York has made his statement, the constructive way in which he works, and I commend him for the intelligence of his presentation.

Mr. CONABLE. I would like to express my respect for the gentleman from Florida, too, and thank him for what he has said. He does raise an issue that I would like to deal with just briefly and that is the issue of linkage.

It is my view that absolute linkage is not necessary in the current environment; that is, that we do not have to have all the spending cuts in place before we make a tax cut. I talked about the need for haste in tax cuts, primarily with respect to the capital cost recovery element in it. But it does seem to me that a demonstration of good faith and signs of considerable progress in expenditure reduction should satisfy the American people that Congress is not going to enact tax cuts and then walk away from expenditure cuts.

Indeed, if Congress, were to do that, it is my impression that our feet would be dragged back to the fire very quickly by the impact on the international money market and the inflationary expectations of the American people.

If we were to greatly increase the deficit by cutting taxes and then not cutting expenditures, the impact would be almost instantaneous. At this point there is some optimism in the economy, largely because the President's package is a balanced package and people deem it economically feasible and probably advantageous not only to the dollar, but to the stability which is good for a dynamic economy.

So, my impression is that there could be such crushing disappointment were Congress to enact tax cuts and then walk away from spending cuts that we would find a whole new cast of characters here in the 98th Congress.

For that reason, I am not terribly concerned about the temporal linkage that is being talked about. I do not believe it is necessary to have all spending cuts absolutely in place before we proceed with our tax cuts. There is some need for speed in both cases. But I think there is some special need for speed with respect to tax cuts.

Mr. GIBBONS. If the gentleman will yield further, I agree with the gentleman. I would say that I think as a working agenda for our committee, I hope that we will tackle the business tax cuts first and get the decisions made on those and I hope that the Senate will work along with us. Perhaps at the end of our deliberations while our drafters are working to put together the technical language, we could perhaps issue a joint statement saying this is what we intend to do and as far as I am concerned, and I think most of the people that I have listened to on our side of the aisle, January 1, on the business cuts, particularly the

depreciation or capital recovery tax cuts, is widely accepted.

I do not think that there ought to be any real doubt in the minds of an American business planner that he is going to be able to plan a vastly accelerated capital recovery program in the future.

Mr. CONABLE. I thank the gentleman for his contribution.

Does the gentleman from Louisiana wish to be recognized?

Mr. MOORE. Mr. Speaker, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Louisiana (Mr. MOORE).

Mr. MOORE. I thank the gentleman for yielding.

I would first like to compliment him on taking this special order. It is about time that we, in the beginning of this Congress, began to talk about and open a dialog for Members to hopefully participate in to understand the importance of the tax cut. This is a part of, a major part of a three-part program to get the economy moving again. One part is to cut taxes, but to do it in a certain way. A second part is to also cut spending. That people seem to hear the most about. A third part is to cut Government regulations.

The three parts are all needed. You are not going to get total economic recovery with just one or two of those parts. We need all three.

The second point I would make is the tax cut needs to be speedy. Whether or not the one clean bill concept the President has put forth will work or not, I do not think is really the issue. Economically speaking, I think he is totally right. We need to get a tax bill out and get it out very quickly and get it passed very quickly to be of some help now all across this country into people's savings and investment patterns, to make capital available and, second, with the 10-5-3 rapid uniform depreciation rate schedule to encourage businessmen to begin to make the changes we must make in the industrial America and small business America to make them competitive.

I, too, see no need for linkage. You need all three. They do not all three have to be connected at the same time. The quicker we can get one in place, the better and then we will work on the other two. If we can get all three of them simultaneously, great, but do not hold up one waiting for one of the other two.

A third point I would make is the tax cut very definitely has to be deflationary. It has to be supply side oriented. There are lots of things we would love to do with this tax bill. There are lots of bills that many of us have cosponsored to correct inequities in the tax law and to do all sorts of wonderful things to help various good projects or good movements or activities in the United States today. And we could do that with certain kinds of tax advantages. But that would not be economically in the best interest of the country at this time.

The tax cuts we have to be talking about are tax cuts that will stimulate economy, tax cuts that will not stimulate demand, but will stimulate supply.

The idea is not to put more dollars in people's pockets to chase too few goods, but to create more goods.

The individual tax cut is a fifth point. It must be across the board to meet that test, I believe. If you go into redistribution tax cuts, as the gentleman from New York has been discussing, you then get yourself into an inflationary tax cut. There will be some savings even at the low end, we believe, but not enough perhaps to make this on balance the kind of tax cut that we need and we have to have.

So, I would urge that it be across the board and that you realize that you must do this to get the savings and to get the increased productivity out of individuals necessary to get the economy rolling. All individuals, not just a few, but every American is important to this country whether he has money or not.

The last point I wish to make is the fact that I heard the gentleman discussing, when I was in the gallery a few moments ago, about additional tax cuts we ought to consider for the future. He was discussing stimulations for savings. That is something that is very close to my heart and something I think needs to be done. It is something that needs to be done to basically have people in the United States realize, just as the gentleman said, it is time to stop spending for creature comforts and to start saving for our grandchildren and their grandchildren in terms of making a strong economic base in this country.

One-third of all of the capital in this country, one-third of all the capital in this country is made available by personal savings. That savings rate is on the decline and something needs to be done to stimulate it.

Just this morning in our hearings in the Committee on Ways and Means, we learned from a distinguished source something we have learned and known for many years and that is that our Tax Code today presently subsidizes spending with a tax deduction for consumer interest and penalizes savings by too little exemption and by a tremendous tax placed upon it, especially when taking into account inflation. I think we need to do something in the future that would stimulate savings without causing people to move investments or to shift investment and that is a problem you run into with many savings schemes.

Second, it would be something that would not benefit just the wealthy, but would be available to anybody—anybody in this country could take advantage of it—and third, it would not be something that would be inefficient by essentially rewarding people for doing something they are already doing, but in fact, it would encourage new savings activities.

I would ask the gentleman and I would ask the Members of this distinguished body, when we look forward to the day when the tax bill comes to us, that we can offer this kind of savings incentive, we look at possibly the expansion in who can use and how much money you can put into and also the flexibility of the rules on how you can take it out, money for individual retirement accounts. I think that is something we can look at as being a savings test for the future.

I would conclude by complimenting the gentleman from New York. I think this discussion needs to take place on many days from here until the time that the House ultimately takes up a tax cut bill.

Mr. CONABLE. I would like to express my appreciation for the sophistication and refinement of the gentleman's remarks. I think it was an excellent statement. I wish I had thought of saying some of those things myself.

The gentleman from Minnesota is now recognized for the frosting on the cake.

Mr. FRENZEL. I thank the gentleman from New York for conducting what I think is the first sort of dispassionate discussion on tax policy that this body has seen this year. I think the level of discussion, as has been pointed out by the gentleman from Florida, has been extremely illuminating and I think will well serve the purpose of this body and the purpose of our country as we move forward on these tax matters.

I also congratulate all the gentlemen who took part in the debate for trying to focus on things where there is substantial agreement both throughout the country and in this body itself. The depreciation escalation that seems to be favored by all people is simply one example of this.

In another area where there has seemed to be controversy or conflict, the gentleman from New York has suggested that linkage could be maintained not in an exact fixed way, but with an eye on what cuts are being made and when there are assurances that Congress is progressing adequately, we could then move forward on a tax bill and not have a tax bill encumbered specifically with the passage of a second budget resolution or some other specific act.

□ 1330

I think in these areas the gentleman has moved the tax debate forward very well. This discussion has been very instructive to me, and I certainly

appreciate his conducting it. I thank him for the opportunity to participate.

Mr. CONABLE. I thank the gentleman.

Mr. Speaker, I appreciate the attendance of all here, and their participation. I yield back the balance of my time.

SOIL CONSERVATION ACT OF 1981

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Vermont (Mr. JEFFORDS) is recognized for 5 minutes.

● Mr. JEFFORDS. Mr. Speaker, I am pleased to join Congressman ED JONES and several other colleagues in sponsoring the Soil Conservation Act of 1981. This is a bipartisan effort to improve the delivery of Federal assistance and to increase coordination among USDA, State, and local units of government, universities and private groups, and landowners.

The concepts in this bill provide a fresh approach to solving soil erosion, water management, and related problems on the private lands of this Nation—an approach that is voluntary and that is targeted to the areas and the problems that are most in need of attention.

Mr. JONES' district in west Tennessee has very effectively demonstrated what can be accomplished by several agencies working jointly with landowners and local governments to get more conservation on the land.

Local initiatives in many other parts of the United States deserve to be encouraged and assisted. Title I would authorize the Secretary of Agriculture to designate multicounty areas where the need is greatest for extra assistance.

Title II establishes a program of matching grants for local conservation activities so that every county can establish its conservation priorities and expand its sources of assistance.

As I pointed out last fall in H.R. 8171, it is in the public interest to help landowners and operators with soil erosion and other related natural resources problems, in order to protect agricultural productivity, improve water quality, facilitate energy conservation and production, and promote economic growth while protecting the environment and assuring sustained use of natural resources.

I also believe that national goals and policies in this arena should as much as possible blend with, rather than override, the concerns of the local community. They should be tailored to address the unique and varying local conditions and programs that exist.

Soil and water conservation districts and county agricultural stabilization and conservation committees have proven to be extremely capable in dealing with a wide range of natural resource management questions within their boundaries, in channeling State and Federal information and assistance to people who need it, and in helping set priorities for conservation assistance programs.

Title II of the Soil Conservation Act recognizes that existing capability and would help strengthen it while achieving greater coordination between these two important groups by having them together constitute a county conservation board. The grants would be for noncapital expenditures in furtherance of the objectives set forth in a board's long-range program and annual work plan. The bill would specify a number of related objectives that each program and plan should address, as well as suggesting several other objectives that a board may wish to consider to fit local needs.

Title III of the bill recognizes that many land owners and operators are willing to voluntarily install soil and water conservation practices or systems on their land, yet cannot afford to do so entirely at their own expense. Existing lines of credit may not fit their needs because of availability, eligibility, or high interest rates. Title III would authorize the Commodity Credit Corporation to guarantee loans for resolving conservation problems that reduce productive capacity of the land or that degrade environmental quality. This title complements the others in that it ties the loans to recommended ASC practices and to conservation plans approved by a conservation district.

Title IV recognizes that many individuals in the United States are interested in and committed toward helping resolve natural resource conservation issues in their community, statewide, or nationally. Yet the U.S. Department of Agriculture cannot accept their voluntary service because of liability problems and because the volunteers might be used to displace USDA employees. Title IV provides the liability protection for volunteers and employment protection for USDA. Its result would be to get more conservation on the land, help Federal employees spend their time on high-priority technical needs, and provide satisfying voluntary service for many Americans of all ages.

Finally, title V would target technical and financial assistance to watershed drainage areas above a few large water supply reservoirs that the Secretary of Agriculture will designate. The intent is to demonstrate that conservation practices on the land can reduce sedimentation and thus protect not only water quality but also lengthen the effective life of the storage capacity of the reservoirs.

The concepts in the Soil Conservation Act deserve the careful consideration of every Member. Their cost would be comparatively low, especially when you consider that they would help avoid future Federal expenditures for restoring productivity and cleaning up the environment. It is also possible that to some extent the costs of these provisions could be covered by redirecting existing USDA programs. I will be interested to work with USDA and with the Agriculture Committee in weighing the possibility of redirecting funds.

I ask for your favorable consideration of the Soil Conservation Act. It will help assure that America can produce enough food and fiber to meet all our domestic and export needs. It will help assure that agricultural production and improved air and water quality are compatible goals.●

GENERAL LEAVE

Mr. BARNES. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks in the RECORD on the subject of my special order today.

The SPEAKER pro tempore (Mr. DYSON). Is there objection to the request of the gentleman from Maryland?

There was no objection.

TRIBUTE TO REPRESENTATIVE GLADYS NOON SPELLMAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. BARNES) is recognized for 60 minutes.

Mr. BARNES. Mr. Speaker, I have come to the well of the House a number of times in recent years, but I have never done so with the kind of sadness that I feel this afternoon. I am here today to speak about one of the most respected colleagues in this institution and someone who, it can genuinely be said, has been a friend to every Member of the House—our colleague, Representative Gladys Noon Spellman, my friend from Maryland.

As everyone is aware, the seat that Gladys has represented so brilliantly for the last three Congresses has had to be declared vacant because of her ill health, and because Gladys is battling to regain her health in a hospital not very many miles from here. While we continue to pray for her quick recovery, it seemed to me and to many others in the House that it is appropriate to pause for a moment and note the absolutely remarkable career of Gladys Noon Spellman.

Gladys was elected to the House in 1974. She was reelected in 1976, again in 1978, and again this past fall on November 4, with more than 80 percent of the vote, despite the fact that Gladys was flat on her back in a hospital room. It was a tremendous tribute

to the record of Gladys Spellman in representing the people of Prince Georges County, Md., in the U.S. House of Representatives.

Gladys is one whose abilities have been recognized just repeatedly by her colleagues here in the House. Gladys was appointed by our Speaker, TIP O'NEILL, to serve on the Policy and Steering Committee of the House during the 96th Congress, and all the Members know the importance of that body and the role that Gladys played on it. During the 95th and 96th Congresses, Gladys' colleagues on the House Committee on Post Office and Civil Service unanimously elected her chairman of the Subcommittee on Compensation and Employee Benefits. It is a post of major importance to the millions of Federal employees throughout the Nation, many of whom, of course, reside in Gladys' home district.

She was also a member of the executive committee of the Democratic Study Group. Gladys was a member of the Committee on Banking, Finance and Urban Affairs, and served on the Housing and Community Development and Consumer Affairs Subcommittees. Speaker O'NEILL also appointed Gladys to the U.S. Naval Academy's regulatory authority, the Board of Visitors, and named her to serve as the congressional representative on the National Commission on the International Year of the Child. As vice chairman of the class of 1974 in the House, Gladys played a major role in the formation of the new House rules and procedures, which discarded seniority as the only basis for choosing committee chairmen, and opened congressional meetings to public scrutiny.

Prior to her election to this institution, Gladys served Prince Georges County for 12 years as an elected official. In 1962, she became the only woman ever elected to the Board of County Commissioners. She was reelected in 1966, served as board chairman, and when Prince Georges County adopted its charter in 1971 Gladys Spellman was elected councilor-at-large.

During her public service career, Gladys has held many governmental and civic positions at the National, State, and local levels. At the national level, Gladys was appointed by President Johnson in 1967 to the Advisory Commission on Intergovernmental Relations. In 1972, she served as president of the National Association of Counties—again, the only woman ever elected to that position. She has served on the National Labor-Management Relations Service, the Steering Committee of the Urban Affairs Committee, the National Council of State Governments, on the board of directors of the National Association of Regional Councils, and the Democratic Advisory Commission of elected officials.

At the State level, Gladys has been a member of the Governor's Commission on Law Enforcement and the Administration of Justice; the Governor's Commission on Functions of Government; vice chairman of the Governor's Commission to Determine the State's Role in Financing Public Education; she was chairman of the Maryland State Comprehensive Health Planning Advisory Council; she was a board member and education committee chairman of the Maryland Association of Counties, and on, and on, and on.

At the regional level, she chaired the Washington Suburban Transit Commission; Gladys was chairman of the Regional Planning Board, created by the Federal Omnibus Crime Control and Safe Streets Act; board member of the Washington Metropolitan Area Transit Authority; and vice president of the Metropolitan Washington Council of Governments.

Gladys has also served on just innumerable county boards, including welfare, libraries, mental health, family service, Red Cross, and Cerebral Palsy. For 8 years, Gladys was chairman of the Prince Georges County General Hospital Board of Trustees. During that time, under her leadership, that hospital grew tremendously in its size and quality of care.

Before entering public service in 1962, Gladys Spellman was a teacher in the Prince Georges County Public School System; president, Prince Georges County Council, PTA; vice president, Maryland State Congress of PTA; chairman of the National Mental Health Study Center.

Gladys Spellman is married to her beloved and wholly supportive husband, Reuben Spellman. They have three children and four grandchildren, all of whom I think have reason to be so very proud of their relationship to one of our truly great Members of this institution.

Mr. Speaker, I have a lot more that I want to say and will say, but I would like to pause for a moment to yield to one of Gladys' great friends in this House, the distinguished gentlewoman from Louisiana, Mrs. BOGGS.

Mrs. BOGGS. Mr. Speaker, I thank the gentleman for yielding, and I thank him for taking this special order to allow us an opportunity to be able to say what a great privilege it has been to serve in this body with Gladys Spellman.

I, of course, have observed her through her many, many roles in the civic and professional and political world before she came to Congress, and I had such high expectations of her service here when indeed she did decide to run for the position. Every one of those expectations was exceeded by the quality and the quantity of her service. It is almost exhausting to listen to the many accomplishments that Gladys was able to achieve, the many positions that she has held, and always she came to the top as cream always rises to the top.

She is a person of exceptional ability and of such great and marvelous ability to be able to make everyone else enthusiastic about government; everyone else understanding about the need for all of us to work as diligently as she has worked in all the fields of the areas of government and of politics, of civic work, of philanthropic work, of professional work. She is truly a politician's politician, and yet she has remained one of the dearest friends, the most understanding of all people, and I think that her sharing with her friends and with their friends all of her abilities, her charm, her grace, her company, came really from the fact that her own family, her dear husband and her children and her grandchildren, were willing to share her with the public, and to share her with all of us.

She is a woman of many accomplishments, but perhaps the greatest of these was her innate sense of being able to balance the competing interests of public and private lives and to come out a real champion in both respects.

I am going to miss her terribly, but I do know that because of the acceleration of her service and the amount of the area of her beautiful service to this body, that she has really served longer than most of the people who have been here for many years, because she was able to do so much in a 24-hour timespan. I really do thank the gentleman from Maryland very much for allowing me to have this opportunity.

Mr. BARNES. I thank the gentlewoman.

Mrs. FENWICK. Mr. Speaker, will the gentleman yield?

Mr. BARNES. I would be delighted to yield to the distinguished gentlewoman from New Jersey, another great friend of Gladys Spellman, Mrs. FENWICK.

Mrs. FENWICK. Mr. Speaker, I thank my colleague for yielding. I have already spoken on behalf of our sense of loss that Gladys Spellman has left this House, but I am happy to have an opportunity to speak again. I am so happy that you, my colleague, have taken this time.

Gladys Spellman had a way of moving in the legislative field. It was not exactly unique, but certainly was very special. I think many of us who listened to that calm, measured, moderate voice explaining what she was trying to do, outlining the framework and the effect of the legislation that she was proposing, realized that we were learning a great deal about how to be an effective legislator. Many of

us who tend to be too enthusiastic and impetuous began to see that that is how things really get done, with the calm and measured approach that enlists sympathy from all sides.

Gladys Spellman was remarkable, I think, in that way. You knew that her constituents were always before her eyes and in her heart, and yet you knew that she could relate their interests to the general good. That, I suppose, is the most important thing you can say about a Representative in this House. We are indeed supposed to represent our people. They have no one else. If we do not speak for them, nobody will, and their interests may be special, but we do not serve them well if we forget that we are all part of a whole, that no district exists apart from its State, no State apart from the Union, and this Nation indeed cannot exist apart from the rest of the world.

I think to be a good Representative means so much, and Gladys was conspicuously a fine Representative. I hope that she will recover. I hope indeed it might be possible that she will come back. I do not think that we ought to say that we have lost her for always, but I am happy that in this moment I hope it will be only an interim that we remember her service here.

I thank you, my colleague, for making it possible to pay tribute to Gladys Spellman.

Mr. BARNES. I thank the gentlewoman, and I particularly want to agree with her comments that we hope she will come back.

Mr. HEFTEL. Mr. Speaker, will the gentleman yield?

Mr. BARNES. I am happy to yield to my distinguished friend and colleague from Hawaii.

Mr. HEFTEL. I thank the gentleman very much.

I am pleased that the gentleman has set this time aside for us to speak of Gladys Spellman. It does not seem possible that she is not still with us, and I have to believe that she will once again be with us in a very active sense.

But, she was a person who cared. She cared about her constituents; she cared about her colleagues in the Congress; and she cared about what kind of Government we have. When our prior administration was trying desperately to serve this Nation, she worked very hard trying to bring insight to that administration.

□ 1345

I wish that she could have succeeded in communicating with them better, but somehow they could not see the greatness of this woman, the depth with which she understood what the problems of government are.

She represented a district with a great number of Federal employees, and she cared about those people, not in competition with America, not in competition with anyone. She cared about them as part of a system, a system in which we have to work together. And that was what she knew how to do, to work together with people.

I came here new and immediately was a member of her subcommittee, and I had a problem for which I felt we needed a hearing in Hawaii. She analyzed it and concluded that that was in the best interest of the area and of the system, and then we tried to figure out a date. Finally, she concluded that about the best we could do was to have a hearing on Tuesday prior to Thanksgiving. So on Monday she flew from here to Hawaii and conducted a hearing with me on Tuesday, and on Wednesday she flew back to Washington.

When I returned to Washington, she showed me the clipping from the paper here concerning her junket to Hawaii, and she smiled and said, "Is it not unfortunate that the media does not care as much as they should?"

If ever there is anything that all of us can do to reflect and perpetuate her service and her understanding, it will be to always care. It is suggested that she knew how to weigh all the conflicting interests and knew how to come up with the so-called compromises we discussed, but she did always care, never ignoring, never trampling, never using power in the sense that you felt there was any to be used by her.

She was a great person. She was a great asset to this body. I only hope that we can carry on what it was she offered and tried to bring to the Congress and to the country. And may we again serve with her in this body.

Mr. Speaker, I thank the gentleman for yielding.

Mr. BARNES. Mr. Speaker, I thank the gentleman from Hawaii (Mr. HEFTEL) for his beautiful words, and I yield to the distinguished gentleman from Illinois (Mr. HYDE).

Mr. HYDE. Mr. Speaker, I thank the gentleman for yielding, and I congratulate him for his thoughtfulness in taking this special order so that those of us who knew and admired and even loved Gladys Spellman may have a brief opportunity to express ourselves.

I was not intimately acquainted with Gladys, but I talked to her so many times on the floor. We had disagreements on political issues, but I have never known anyone who was as warm, as understanding, as genteel, and who had such a perpetual twinkle in her eye as Gladys Spellman did. She was unflappable. She was in command. She was a relentless battler for her people and the principles she believed in. She was indeed an ornament in this House, and I refuse to put her in the past tense at all. I think if we remember to pray enough for Gladys, we will be blessed by her return.

Mr. Speaker, I for one look eagerly to that day. It was a delight and an enriching experience to work with her, and I am sure that God will see that we have that chance again.

Mr. BARNES. Mr. Speaker, I thank the gentleman from Illinois (Mr. HYDE) for his comments, and I yield to my friend and colleague, the gentleman from Maryland (Mr. DYSON).

Mr. DYSON. Mr. Speaker, I thank my colleague, the gentleman from Maryland, for yielding.

Mr. Speaker, the leadership, the sponsors of House Resolution 80, and the House deserve much praise for the sensitivity they have shown in declaring Gladys Spellman's seat, in the 97th Congress, vacant. All of Maryland has shared in the tragedy that has befallen Gladys and our hearts have gone out to her husband, family, and friends, as the vigil continues at her bedside.

On November 4, 1980, the people of the Fifth Congressional District in Maryland, by an overwhelming margin, reelected Gladys to the 97th Congress. The election was an expression of the love and affection that the people of the Fifth District have for the woman who has served them faithfully and responsibly for the past 6 years.

For the people of Maryland, the loss of Gladys Spellman from the floor of this Congress is shattering. To those of her own district, she was a tradition, someone who knew their needs and desires, their hopes and their despairs as well as they. She lived with them, she was one of them, she served them assiduously, with humor and with results. From her earliest days as a school teacher, as a county official, and lately here in the Congress, the people of Prince Georges—indeed, the people of Maryland, rich or poor, Democrat or Republican, black or white—knew that here was someone they could trust, in whom they could place reliance, one who would represent them with the greatest of integrity and with every fiber of her being.

She was my friend, long before I came here to the Congress. I shall miss her. The people of Maryland will miss her—as I think, all of us here will miss her.

Mr. BARNES. Mr. Speaker, I thank the gentleman from Maryland (Mr. DYSON) for his comments, and I agree with every point he made.

A great many of our colleagues have asked that statements with respect to Gladys be placed in the RECORD, and I will see to it that those are placed in the RECORD.

I also want to bring to the attention of the House a statement in tribute to Gladys by one of her closest friends who left the House in January, former

Congressman Joseph L. Fisher from Virginia. Joe has given me a brief statement which I want to read so all the Members of the House will be aware of it.

Joe writes as follows:

We are all saddened that Gladys Spellman has to give up her seat in the House. Her contributions to policy and legislation on behalf of her Maryland constituents and the Nation have been important. No Member has been more finely attuned to the needs, problems, and aspirations of Government employees—civil, postal, military—than Congresswoman Spellman (or Congressperson Spellperson as she would say, tongue in cheek).

I shall always treasure my own friendship with Gladys which began long before our period together in Congress, when we fought the battles for better government in the National Capital region in the Council of Governments, Metro, and other arenas.

Gladys has left her own distinctive mark on all public issues and institutions with which she has been associated. Things are better because of what she has done. We long for her recovery and her return to public life. We need her mature judgment, her political savvy, her charm, her devotion to the general welfare.

Thank you, Gladys, for all you have done. God bless you.

That is the statement of one whom we all know, one of Gladys' closest friends, Joe Fisher.

I want to comment about some of the issues. This could take all afternoon. I do not have all afternoon, but I want to comment about some of the issues Gladys put her heart and soul into here in the House, one of which was the construction of a beautiful and really first-class public transportation system for the Nation's Capital. While many local officials have made important contributions to the construction of the Washington area subway system, I think it is fair to say that Gladys Spellman's contribution in this respect has been simply remarkable. Her efforts in the early years as a county commissioner were critical in laying the groundwork for what was to become the system we are building and using today. She not only had the foresight to see what was possible many years ago, but in her subsequent roles as chairperson of the Washington Suburban Transit Commission, as vice president of the local Council of Governments, as a council member in Prince Georges County, and finally as the Fifth District's Congressional Representative, Gladys worked diligently to translate her ideas into reality.

There were many who, observing the often fractious nature of interjurisdictional relations in this area, said that producing a first-rate subway system in the Nation's Capital just "couldn't be done." Gladys is one of the reasons why, in fact, it has been done.

Most recently, Gladys worked in a collective effort with the other Metro supporters in the Congress for passage of the Stark-Harris bill in the 96th Congress providing for completion of the 101-mile system now in existence today.

Another issue is the Baltimore-Washington Parkway. One of the reasons Gladys is appreciated really on a daily basis by her constituents and by all of us in Maryland was her work to overcome delays in Government and other obstacles which had been putting off resurfacing and upgrading of the Baltimore-Washington Parkway. When it became apparent that longstanding disagreements between Federal and State transportation agencies were precluding needed repairs from being performed on this highway, Gladys went to work as only Gladys can. She used her considerable influence here in the Congress to win a Federal appropriation for the work, because the highway is maintained by the Park Service.

She then worked closely with highway officials to make certain that the work was done quickly and done with a minimum of disruption to the commuters on the highway. If this does not strike some as a major accomplishment, just ask any of the thousands of hapless commuters who endured the potholes and other dangerous conditions on that highway while the various governmental agencies could not agree on how to go forward on the repairs.

This is a good illustration, I think—and that is all it is, an illustration—of how Gladys could tackle a problem and work with all the affected parties and come up with a solution that solves that problem.

On other local issues, she simply worked tirelessly to preserve the impact aid funds for her district, to compensate the Fifth District for tax revenues lost due to the presence of federally owned land. These funds were used to provide a quality education to the children of her district and to prevent placing an unfair tax burden on her local taxpayers.

She successfully kept intact the Beltsville Agricultural Research Center, an extremely important part of her community.

Gladys led the fight to keep a toxic waste dump from being located in her congressional district.

She played an instrumental role in bringing in Federal dollars for a very much needed urban renewal project in College Park, the seat of our great State university.

And she worked tirelessly with our Metro caucus in the House on regional issues, in addition to the Metro system, in an effort to curb aircraft noise, to resolve environmental problems facing the Washington area, and generally to promote cooperation among the governments and people of the Washington area.

I think those of us who came to know and love Gladys in the past years will obviously think of her accomplishments on local issues, but I suspect we will remember her most as a master politician, one with just extraordinary savvy who understood the political process as few I have ever known, and one who could make it work for the people she represented.

She was the chief advocate in this institution and the chief spokesman for the cause and the interest of Federal workers, and I can tell you as one who also represents a lot of Federal employees that Gladys' presence in this institution is missed by all of them and by all of us who seek to serve them.

She was probably the major proponent and executor of better intergovernmental relations in the House. She had been president, as I mentioned earlier, of the National Association of Countries, and nobody in this institution better understood the relationships between the Federal, State, and local governments than Gladys, and how to fit them together and how to make them work.

I would like to speak for a moment about what I came to know, as I sat here on the floor with Gladys hour after hour during debate, about the priorities in her life, because they transcended the kinds of issues and the politics that I have been discussing. Foremost in those priorities, I think, would have to be what the distinguished gentlewoman from Louisiana (Mrs. BOGGS) was talking about earlier—her love and her loyalty to her family, to her friends, and to the staff who worked with her so brilliantly. Her children and her grandchildren were, I can attest, the most important things in her life. I do not know how many times we were on the floor and stood in the back of the Chamber when Gladys' comments turned to something that happened with her children or with her grandchildren. She never lost sight of the members of her family, despite the tremendous demands of being an active politician in this day and age. And we all know she was an indefatigable politician.

Another priority for Gladys was her sensitivity to those individuals in our society who have afflictions. Maybe not many Members here knew it, but Gladys was once blind. Fortunately, she was able to overcome that handicap. She understood, perhaps because of that, better than most, the special problems of the handicapped. Assisting the handicapped and the downtrodden were in many respects chief priorities for Gladys Spellman as an elected official.

I could not talk about the priorities that Gladys Spellman has had without talking about her integrity and her absolute total honesty.

□ 1400

I gather that she learned from her father, Henry Noon—he was a former head of the D.G.S. Stores here in the District of Columbia; he was known for conducting his business with the highest of ethics and integrity.

Gladys was always guided in her ethics by her father.

Gladys' career as a public official was exemplary in that respect, as in every other.

Something that has been mentioned by others, but I want to underscore, was Gladys Spellman's belief in constituent service. The distinguished gentlewoman from New Jersey referred to it very eloquently. Gladys Spellman established, I am convinced, one of the finest constituent services that the United States has ever seen. She was always accessible to the people of Prince Georges County. Her chief duty as a Member of Congress, she believed, was to solve her constituents' problems. She never deviated from that commitment to her constituents, and her ever-increasing margins of victory, I think, were strong testimony to that fact.

Let me say something about another quality of Gladys, which sometimes is not talked about with politicians, but it is so true with her, and that is her guts—the gutsiness of this woman. If ever there was a person who knew how to use a velvet glove with the impact of an iron fist, it is Gladys Spellman. She is a very gutsy woman—on civil rights, on issues of concern to women, to Federal employees, to the people of her district—but she also knew how to get things done in this institution and she accomplished a tremendous amount during her term in the House.

I want to pause now to yield to another friend of Gladys Spellman.

Mr. AKAKA. I thank the gentleman very much for yielding. I thank the gentleman much for reserving this time to honor a great woman. By her deeds, we have known her.

Mr. Speaker, it is with the greatest respect and admiration that I join with members on both sides of the aisle in honoring Congresswoman Gladys Spellman.

I have known Mrs. Spellman for many years. I have known her as a person who never hesitated to listen to the voices of people in need. I have known her as a person who never hesitated to help others where she could. For Gladys Spellman, no problem was too small, no request undeserving of attention. The cares of the people who touched Gladys Spellman's life became her cares. I am sure that her unrelenting concern is a quality that the constituents of Maryland's Fifth District grew to love as much as we did here in Congress. I know that it is a quality which I miss already.

Nowhere was Gladys Spellman's sensitivity to other people's problems more evident than in the work she did for the Subcommittee on Compensation and Employee Benefits. It was with an eye toward justice that she listened to the cries of the Federal workers during the budget crisis of October 1979. For 2 weeks, thousands of Government employees were given half salary or simply were not paid at all. She listened as these employees told of their need to meet mortgage payments, doctor bills, and household expenses. And she did what she could to help them. I am sorry that Gladys Spellman will not be able to carry out the reforms she has proposed.

I will miss her warm friendship, her kind heart, and her open mind. I know that all of us feel this loss of a good colleague very deeply. I join my colleagues in prayer for her recovery.

Mr. BARNES. Mr. Speaker, I thank the gentleman for his contribution.

One of the most beautiful tributes that has been paid to Gladys was an editorial that appeared in the Washington Post on the day after the House took the unfortunately necessary action of declaring that seat vacant. In closing today, I want to share with my colleagues the words of that editorial in the Washington Post, because I think it sums up for all of us a lot of the feelings we have about the fact that Gladys is not with us today.

The headline on the editorial is: "Gladys Spellman's Brilliant Career." It reads:

GLADYS SPELLMAN'S BRILLIANT CAREER

By anyone's account, Gladys Noon Spellman entered the race for reelection to a fourth term in Congress as the most popular politician in Prince George's County. Today, that reputation has not changed a bit—but, as Mrs. Spellman's millions of admirers in the county, in Congress and throughout the Washington region have had to accept—her own circumstances have. Her remarkable 19-year political career has been halted, though it remains a classic for all who would seek public office and serve successfully.

To have watched Mrs. Spellman on the campaign trail, on the phones, in the schools or up and down the aisles and office hallways of Congress was to see a woman obviously reveling in her work and loving her constituents. You could watch with amusement, too, as Mrs. Spellman would bat those big dark eyes, smile, gosh-golly it a few times—and then systematically strip the socks off of unsuspecting colleagues in the House to make another point or two on behalf of her constituents.

There has always been more to it than charm and cunning, though: Mrs Spellman has been a political pro in every way, with an uncanny sense of her constituency's interests—most notably those of federal employees, from elevator operator to secretary, clerk and middle-level professional. To this group that always suffers as the easy target of the "anti-Washington" candidates, what better music than Mrs. Spellman's "Beautiful Bureaucrat" column in her newsletter, commending "wonderfully responsive" government workers and championing those who, "far from slowing down the wheels of government are really the people who keep them churning"?

This keen appreciation of her constituents and of government at its best has been instrumental in promoting the best of Prince George's County—where Mrs. Spellman first came into the public eye as a crusading PTA activist, elected as a Democratic reformer to the old County Board of Commissioners in 1962. Four years later, she became board chairman, the first woman to head Maryland's largest county. Mrs. Spellman remained in the political thick of things when the county changed to a charter form of government, winning election to the new county council and, in 1974, to the U.S. House.

The bubbling omnipresence of Gladys Spellman—in meetings large and small, at those open-door complaint sessions for constituents, at the nightly sessions throughout her district, at the PTAs, at the clubs or in the family rooms around the neighborhoods—is no more. And yesterday's declaration of a vacancy of this seat was only right, for representation of this district must continue.

Still, we can know what Mrs. Spellman's daughter means when she says, "I'm waiting for her to look up and tell me to cut my hair, or to tell the boys to trim their beards." After all, everybody knows by now that Gladys Spellman has never been one to be underestimated.

Thus wrote the Washington Post the day after the House of Representatives was forced to declare Gladys Spellman's seat vacant.

Like her daughter, I am waiting for Gladys to look up, to get up to join us again, and I pray, as I know so many of our colleagues do, that the day will not be too far from now when one of these doors here that Gladys came through so many, many thousands of times will open and Gladys will come back onto the floor of the House of Representative and every one of us here with tears in our eyes is going to stand up and cheer the return of one of the greatest friends we have ever had, as the Washington Post said, one who has had a brilliant career in public service.

● Mr. O'NEILL. Mr. Speaker, it is with strong emotional and deep feelings that I rise on this occasion to join my colleagues in this special order to honor a very special American.

There was a grand and noble lady who graced this Chamber, and now, Gladys Spellman is unable to continue to serve the people in the House of Representatives. It has been a rare privilege and high honor to have served with such an esteemed colleague.

Gladys Spellman has been a Member whose word is golden, whose commitment to the interests and concerns of her beloved constituents is genuine and unwavering. She fully understood the complexities of the legislative process and always pursued her chosen political course in a dignified and responsible fashion.

Many adjectives and laudatory phrases could be used to describe Gladys—conscientious, hard working, dedicated, quiet, self-confident, reas-

suring yet the only descriptive word which stands out above all else is integrity. She is one of the most decent and honorable human beings I have had the privilege to know.

Gladys Spellman had, during her short tenure in the House, a unique and enviable combination of a shrewd and skillful politician, a bright and articulate spokeswoman for her constituents, and a superb and beautiful human being.

Everyone who has known Gladys loved her. She had so many friends among her colleagues because she was such a good and trusted friend herself. She liked people, she loved this House, and she really cared about her constituents. Her inimitable charm, her delightful wit which frequently broke up into laughter many a Democratic whip organization meeting, and her genuine friendliness made all her colleagues, Democrats and Republicans, males and females, respond warmly to her.

I have worked closely with Gladys over the last 6 years as she served as a member of the Democratic whip organization and I appointed her to the Democratic Steering and Policy Committee. In each of these leadership positions she has served with trust, competence, and ability. From the bottom of a grateful heart, I thank Gladys for her personal loyalty, political support, and guidance and counsel over the years.

Gladys Spellman's absence in the 97th Congress leaves a vacuum that is irreplaceable. I have lost a warm and close friend and dear colleague. Millie joins me in extending God's blessings to Gladys and our prayers are with her and her beloved husband. May the sun shine brightly once again on Gladys, and we all look forward to the day when she will grace the House of Representatives once more with her charm, dignity, and nobleness.●

● Mrs. HOLT. Mr. Speaker, Gladys Noon Spellman represented her constituents of the Fifth District of Maryland with great diligence and effectiveness, and I am distressed that she is no longer here among us. As the Representative of a neighboring district, I know how well her people were served by her work in the Congress.

But apart from the congressional work she performed so ably for 6 years in this House, many of us have been impressed by her personal qualities, her warmth and caring about people and their problems, her intelligence and deliberative manner in approaching issues, her consideration of her colleagues in the Congress.

It is extremely sad that a lady and public servant of such qualities is still stricken by an illness of several months that prevents her from taking her place among us. I am sure that all of us are praying for her recovery.

A few days ago we performed the distasteful task of declaring the Fifth District seat vacant so that a special election could be held to choose a successor to Gladys Spellman. Whoever wins that special election will have an extremely difficult task matching the energy and skill that she devoted to the work of Congress.●

● Ms. MIKULSKI. Mr. Speaker, it is with a great deal of grief that I speak today to honor my dear friend and colleague, Gladys Spellman. I wanted to vote no on the resolution to declare her seat vacant as an act of protest—I just did not want to accept the fact that Gladys will no longer be my sister in the House.

But Gladys would have wanted us to face the reality of her health situation. She always placed her constituents first, and would not want to leave her district underserved. She would have wanted it this way. Her capable staff did an outstanding job in her absence, but there is no Gladys like Gladys.

Gladys will be remembered in the House as a great fighter for women; and a tremendous advocate for the people of the Fifth District of Maryland. It was a real joy to work with her on extension of the equal rights amendment, and other legislation of benefit to women. She worked hard to insure fairness and equity for Federal employees; both on the job and after they retired. And she served as a great role model for me in her commitment to the well-being of the people of her district.

I wish Gladys and her family the best; and I hope her recovery speeds along.●

● Mrs. BYRON. Mr. Speaker, I know a profound sense of sadness accompanied the action of the House last week in declaring a vacancy in the congressional seat for the Fifth District of Maryland, which has been represented by Congresswoman Gladys Noon Spellman for the last 6 years. I am sure that all Members of the House are continuing to hope and pray for Gladys' complete recovery.

Gladys' service in Congress will be deeply missed by her constituents, her colleagues, and her country. One measure of her influence and stature is the fact that during a recent trip I took with a delegation of House Armed Services Committee members I was repeatedly asked about Gladys' condition by U.S. Embassy personnel overseas. I was very impressed with the strong concern and great respect which these Embassy personnel have for Gladys. I am sure their views are shared by Federal workers everywhere, whose interests Gladys has so capably championed.

It has been a privilege for me to serve in Congress with Gladys. She is a credit to the State of Maryland and to the U.S. Congress. She has established a record of service to her district and her country to which all Members of Congress should aspire. My thoughts and prayers are with her and her family.●

● Mr. ADDABBO. Mr. Speaker, I would like to take a few moments today in joining with my distinguished colleagues in the House as we pay tribute to Gladys Noon Spellman, one of the most articulate, beloved, hard-working, and respected Members of Congress, to have served in Congress in many years, who, because of illness, will be unable to complete her fourth term in Congress. I am sure I speak for all those present today when I say that if ever a person was blessed with the intestinal fortitude to overcome what we all hope is just a temporary setback, it is the Congresswoman from Maryland.

For the past 6 years, Gladys Spellman has been a concerned and effective public servant, who, because of her convictions, became a person we all came to know and admire. During the 96th Congress she was the only woman Member to serve on the all-important Policy and Steering Committee, one of the most prestigious and coveted leadership positions in the House.

It was during the 95th and 96th Congresses that Gladys distinguished herself as chairman of the Subcommittee on Compensation and Employee Benefits on the House Committee on the Post Office and Civil Service, handling issues of major concern to Federal employees from coast to coast. Only a special person such as Gladys, who possessed special leadership qualities, could have ever done the fine job she did.

Gladys Spellman's career in Congress has ended far too soon. A woman who listened to, and spoke for, the people, she will be missed by everyone who had the privilege of serving alongside her and I pray, along with many others, for her speedy and complete recovery.●

● Mr. LONG of Louisiana. Mr. Speaker, the loss of our beloved colleague, and my close friend, Gladys Spellman, as a fellow Member of the House, causes me great sorrow. I have worked with this wonderful woman since the early days of the 94th Congress with ever-increasing respect for her wisdom, fairness, and effectiveness in this legislative body. We all will miss her deeply.

Gladys' work on the House Post Office and Civil Service Committee demonstrated her concern for the working people of this country and gave special recognition to employees who are all too often taken for granted—Federal workers. She led the fight to insure that these employees, and their dependents, are treated equitably. At the same time, Gladys helped us all to recognize the fine work ac-

complishments of people in service to the Federal Government.

Gladys' energy and determination were an example for us all. No matter how difficult the issue, she could always be counted on to fight fairly, and effectively, for things she believed in. Her departure leaves a great void.

I learned some time ago of Gladys' appreciation for the poetry of Robert Frost. One verse from "Reluctance" expresses my feelings at having Gladys Spellman leave our Chamber.

Ah, when to the heart of man
Was it ever treason
To go with the drift of things,
To yield with a grace to reason,
And bow and accept the end
Of . . . a season?

It is with great reluctance that I accept the end of Gladys' seasons of service to this body and her dedication to her loyal constituents.

Our prayers go out to Gladys and her family. May she eventually regain good health and enjoy a full and complete recovery.●

● Mr. REUSS. Mr. Speaker, it is with profound sadness that I join in this tribute to my colleague and friend, Gladys Spellman, whose prolonged illness is a tragedy for her family, her constituents, and her colleagues in this body. Although I concur in the necessity of declaring vacant her congressional seat, I do so with the utmost regret.

Gladys Spellman is among the finest of those with whom I have served in my many years in Congress. Her charm, intelligence, and dedication have contributed in equal measure to her effectiveness and popularity as Representative. The joy which she obviously reaps from her role as Congresswoman has been translated into diligent and accomplished work on behalf of her constituents, who reelected her overwhelmingly last November, despite her hospitalization. No Member of this body cares more for their constituents than does Gladys, and none could be more sorely missed by their colleagues.

I would like to offer my best wishes to Congresswoman Spellman's family and staff, who have carried on with great courage in her absence. I join with my colleagues in a prayer for the speedy and complete recovery of a truly remarkable individual. If ever a prayer deserved to be answered, it is this one.●

● Mr. EDWARDS of California. Mr. Speaker, I would like to thank the gentleman from Maryland, Mr. BARNES, for arranging this special order today. It is with genuine friendship and respect that I honor our dear colleague from Maryland's Fifth Congressional District, Gladys Noon Spellman.

It has been a privilege to serve in the House of Representatives with Gladys since her election to the 94th Congress. During this time I came not only to value her irrepressible optimism and friendship, but also to admire her mastery of legislative technique and craftsmanship.

The hallmark of Gladys' public service career has been her devoted concern for her Prince Georges County constituents. Resulting from her distinguished service at the local, State, and Federal levels, Gladys has not only maintained this impressive rapport with her constituency, but has simultaneously achieved significant accomplishments on a national level. These result from Gladys' service as the regional whip in the 95th Congress, as vice chairman of the renowned "Class of 1974," and on the executive committee of the Democratic Study Group.

Furthermore, Gladys' leadership in the House Committee on Post Office and Civil Service has gained her a nationwide reputation due to numerous victories on behalf of improved working conditions and recognition of Federal employees throughout the country.

The high regard in which Gladys is held is evidenced by the outpouring of loyalty and devotion which the residents of Prince Georges County have bestowed upon Gladys in these months since her illness. At this time, I join with them and my congressional colleagues in honoring the accomplishments of Gladys Noon Spellman, and adding my strongest hopes toward her speedy and total recovery.●

● Mr. DANIELSON. Mr. Speaker, I thank my colleague, MIKE BARNES, for taking this special order to give us a chance to voice our appreciation for Gladys Spellman, a great Member of Congress. The sadness of the circumstances surrounding her leaving the Congress of course impacts upon all of us who considered her to be our friend. As a matter of fact, I think it is safe to say that everyone in the Congress considered Gladys to be a friend. I personally found Gladys Spellman to be a pure joy to work with. She was always friendly, she was always well prepared in whatever her activity might be, and she handled her legislative responsibilities as well as anyone I have ever known.

As a person who is proud to be a politician and who considers politics to be a noble profession, I am happy to say that I considered Gladys Spellman to be a magnificent politician. She was a master of the soft sell and of gentle persuasion. In all of the years that I knew her, there was no occasion on which she ever raised her voice. In fact, it could be said that she almost spoke too softly. Yet, Gladys was very strong in her character and she never yielded on a point of conscience nor did she ever compromise that which she deemed to be for the best interest of our country and of the people whom she represented. Gladys fully understood and applied the time tested rules of requiring as well as giving full cooperation.

The memory of serving with Gladys Spellman is one of my fondest memories during my tenure in the Congress.●

● Mr. WIRTH. Mr. Speaker, I am honored to have this opportunity to pay tribute to my friend and colleague, Gladys Spellman.

During her tenure as a Member of Congress, Gladys Spellman established an admirable record of legislative ability and constituency service. Gladys' sincere concern for the needs of Maryland's Fifth Congressional District, and for the welfare of the Nation as a whole, was made apparent each day we were privileged to serve with her.

Last spring, I was a guest at an energy policy forum Gladys organized for the citizens of Prince Georges County. It was but one instance of her ongoing work, but was for me a personal glimpse of the dedication that Gladys brought to her job.

Although Gladys cannot be with us today, her enduring example of leadership and responsibility will illuminate this chamber for years to come. My prayers are with Gladys and her family for her speedy recovery.●

● Mr. DE LA GARZA. Mr. Speaker, in the annals of mankind there are but a very few individuals who surpass the goals and expectations of their time and generation. Today we are here to pay tribute to one of these—our colleague, Gladys Spellman.

In this day and age Gladys Spellman is a most rare and precious individual—one of our most illustrious members—a true believer in the basic concept of liberty and justice.

There are so many things I could say about this great and gentle woman. In her there is a combination that I doubt can be reproduced. Her chemistry is such that it fits no formula, nor could all the elements be readily identifiable. There is the friend, the wife, the politician. Within are the energy, the wit, the basic honesty, the intelligence and the spark of life. There is the loyalty to her friends, the reverence to basic human rights, the unyielding loyalty to her beloved country.

What a great woman, and yet how humble, kind and understanding. The adjectives are endless. Let it suffice to say for now that there is but one Gladys Spellman and her expertise will be hard to duplicate.

There is a saying that nobody is indispensable—Gladys Spellman is. All of us collectively who have had the privilege to know Mrs. Spellman are better citizens and better persons for that opportunity. Now it is our turn to

afford her our support and our prayers.●

● Mr. BARNARD. Mr. Speaker, I deeply regret that her illness will prevent Gladys Spellman from joining us in this Congress. When I arrived in Congress in 1977, Mrs. Spellman became both a friend and a close ally on many issues concerning housing and municipal finance.

Her prior experience in county government gave her an excellent understanding of the problems local governments across the country were facing. By combining a hard practicality with her idealism, she searched for, and often found, solutions that met the needs she saw, and were crafted to meet the political and organizational realities of our time.

On the Banking Committee, she worked for consumers and for equal housing opportunities for all. On the Post Office and Civil Service Committee, she worked to better the working conditions and opportunities for those who serve our country in civil service. And in times when indiscriminate abuse could have demoralized even the most valuable Government worker, her "Beautiful Bureaucrat" award reminded us of the valuable contribution they make.

Mr. Speaker, I know that we all will miss Gladys, and that we all look forward to her recovery.●

● Mr. FORSYTHE. Mr. Speaker, it is with sadness that I rise today to seek recognition in honor of Gladys Noon Spellman whose ill health has prevented her from returning to serve with us in the 97th Congress.

Her calm demeanor and wise counsel will be sorely missed by all of us. Her constituents, too, have lost a valiant leader and protector of their interests.

I will always remember her warmth and generosity. She was never too busy to help a colleague or constituent and she always provided that assistance with good humor and keen attention.

I fervently hope and pray that Mrs. Spellman will recover so that she may one day return to this House.●

● Mr. GILMAN. Mr. Speaker, it is my privilege to join in this special tribute to one of our most beloved and respected colleagues, the gentlelady from Maryland (Gladys Noon Spellman). It is not in exaggeration or a casual manner that I use these terms to describe her, because I know that since her election to the House of Representatives in 1974, she has demonstrated an endearing and compassionate manner as she worked in a determined, deliberate effort on behalf of those causes of critical importance to our Nation and to her constituents.

She distinguished herself early in the House by becoming vice chairman of the "Class of 74" and played a major role in the formation of new forward-looking House rules and procedures. Moreover, as a trailblazer in the area of women's recognition, she served on both the Democratic Policy and Steering Committee and was elected, during her second term, as a regional whip—in both instances, she was the only woman Member serving in these capacities.

Her long career of exemplary service to the people of Maryland's Fifth Congressional District saw Gladys serving in many elected and appointive positions, again her hallmark being a vibrant, tireless representative of those interests most critical to her constituents.

I best know Gladys from her work on the Committee on Post Office and Civil Service, of which I am also a member. As chairman of the Subcommittee on Compensation and Employee Benefits, she mastered a complex subject area and advised her colleagues on the committee and in the Congress of the legislative intricacies of these issues in an articulate and convincing manner. She sparkplugged efforts to assure that Federal pay, health and life insurance, and retirement issues were addressed in an equitable and cost-effective manner taking into account the legitimate interests of Federal workers and the taxpayers they serve.

I was also pleased to join Gladys in the fight for recognition of human rights. In many areas of this issue, but especially in the struggle for the rights of Soviet Jewry, Gladys labored long and hard, demonstrating a sincere, unrelenting determination to alleviate the oppression faced by those in the Soviet Union deprived of the most basic human rights.

We were all deeply saddened last October when we learned of the incapacitating illness which struck Gladys. While we were hopeful that her recovery would progress so as to allow her to return to Congress this term, we must now, however, bring ourselves to accept the fact that our foremost concern is for Gladys' recovery.

While we will individually and as a body miss her ebullience, drive, and tireless dedication, we can, as we keep her and her family ever in our prayers, continue to be inspired by a magnificent gentle lady who has touched all our lives deeply.●

● Mr. BINGHAM. Mr. Speaker, this is a very sad occasion and it pains all of us to be paying our respects to a wonderful woman whom we may not see again. Congresswoman Gladys Spellman lies stricken and semiconscious in a hospital room after suffering a heart attack last year. With great reluctance, the Speaker has had to declare her seat vacant and the Governor announce plans for a special election. We all hope that she will yet pull through and recover completely, but I understand the prospects for this are not good.

Gladys Spellman has had a remarkable political career. Starting as a member of the Prince Georges County Board of Commissioners in 1962, she rose quickly to become chairman of the board and then a member of the county council. In 1974 she was elected to the House of Representatives and she has won reelection with increasing margins of support in every election since then, despite the fact that many of her colleagues elected in the "Watergate" class have since gone down to defeat. Her success is probably due to her diligence and determination to right every wrong affecting one of her constituents that was brought to her attention. Representing a congressional district that is within shouting distance of the Capitol has to be one of the most challenging responsibilities an elected official can face, but Gladys Spellman always seemed to relish it. The more she could do to help people, the happier she seemed to be. Her unflappable good nature won her many friends on both sides of the aisle, and she was adored and respected by her Prince Georges County constituents. She was also an authoritative spokeswoman for the interests of Federal civil servants, and she was constantly battling to insure that Federal workers receive the respect and support they deserve.

I never served on a committee with Gladys and I cannot say that I knew her well during her service in this House. Yet she is the kind of person whom one does not have to know well to enjoy seeing. While in good health she simply radiated good cheer and warmth—so much so that it was a pleasure to listen to her speak or simply to say hello to in the hall.

Whatever the future may hold for Gladys Spellman, she will have left the world a better place than she found it.●

● Mr. ALBOSTA. Mr. Speaker, while we were all hot on the campaign trail last October, in fact just a few days before election day, word came of the tragic attack our colleague Gladys Spellman suffered while she too was campaigning. While we were in shopping centers throughout the country shaking hands, Gladys too was actively campaigning in an election she knew she was greatly favored to win.

Ever committed to the needs and desires of her constituents has been Gladys' way of life during her many years of public service. Her active campaigning and her work in Congress are evidence of that commitment. Since that day in October, Gladys has been in a semiconscious state. The House of Representatives, until recently, had kept her seat secure, hoping that recovery would begin. Unfortunately this recovery has not been evident. It was with great sorrow that I noted the House's action to vacate Gladys' seat.

Gladys Spellman will be missed by all who had the opportunity to serve with her. I was fortunate to serve on the Post Office and Civil Service Committee with Gladys. On that committee, she was referred to as the "Champion of Federal Employees." While this may be an accurate portrayal, Gladys' commitment to the well-being of Federal employees went way beyond the specific interests of her Prince Georges County constituency.

Gladys supported and worked for fair pay and benefits for Federal employees because of her passionate regard for human needs and fair play on the part of the Government. This enlightened me to the fact that we in Congress represent management to the millions of Federal employees in this great Nation and that if we do not treat our employees with respect and pay them what they deserve, as in any private sector company, obtaining optimum performance out of those workers will be difficult.

Gladys Spellman's ideals will be alive and well in the Post Office and Civil Service Committee and the Congress while she recuperates. I only hope and pray that her recovery will be complete and speedy.●

● Mr. ST GERMAIN. Mr. Speaker, I appreciate the opportunity on this sad occasion to be allowed to express a few sentiments concerning our dear colleague, Gladys Spellman.

Gladys served on the House Committee on Banking, Finance and Urban Affairs. As a member of this committee, I have had the opportunity to work with and observe Gladys over the years she has been in Congress.

Few individuals, if any, carried out their responsibilities to their constituents with greater skill or dedication than did our colleague, Gladys Spellman. Few individuals, if any, understood and had more compassion for the needs of the people of their district and the country. Few individuals, if any, understood fully, as did Gladys Spellman, the fact that by providing for the needs of individuals do we provide for the needs of all.

Although Gladys Spellman served only a few years in the Congress, few people with much more service will have left a greater mark on this body. Her charm, her compassion, her sense of fairness and dedication to this institution will always be remembered by all of us. It is with sadness indeed that we will no longer have the opportunity to work with this great lady and accomplished legislator.●

● Mr. YATRON. Mr. Speaker, I want to take this opportunity to honor a personal friend and former colleague, Gladys Noon Spellman.

Mrs. Spellman was a talented, able, and effective legislator whose accomplishments will long be remembered by the people of Maryland's Fifth Congressional District. I was fortunate to have served with her on the House Post Office and Civil Service Committee and I witnessed firsthand her many capabilities. She was a strong, yet accommodating chairwoman of the Subcommittee on Compensation and Employee Benefits.

Congresswoman Spellman was respected and admired by her colleagues regardless of their party affiliation or political inclination. The illness which struck her and keeps her incapacitated is indeed tragic. I extend my deepest sympathies to her family and I pray that she will recover.

Mr. Speaker, this is truly a sad occasion. Mrs. Spellman will be missed immensely and I can only hope that someday she will return to serve in the Congress.●

● Mr. AuCOIN. Mr. Speaker, it is still difficult to believe that Gladys Spellman is not here in the House with us today taking her rightful place as the dynamic Representative from Maryland's Fifth District. I am proud to call Gladys a friend. After sitting side by side with her on the Banking Committee for 6 years, I came to know her as a compassionate and intelligent woman. These qualities along with her good humor and good sense made her one of the outstanding legislators of this body. Her presence will be missed by all and we are praying for her full recovery.●

● Mr. DERWINSKI. Mr. Speaker, I appreciate this opportunity to join with my colleagues in paying tribute to Congresswoman Gladys Noon Spellman. It is a particularly sad occasion for many of us who have known and worked with Gladys over the last few years, but I join with her family and many friends in praying for her speedy and complete recovery.

Having served with Gladys Spellman on the House Post Office and Civil Service Committee, I can certainly attest to her cooperative and dedicated efforts on behalf of legislation affecting Federal Government employees. She not only demonstrated her knowledge and expertise in the areas of jurisdiction of our committee, but she also contributed much through her negotiating skills. We are all familiar with Gladys' warmth and good nature.

She performed the demanding and necessary assignments that are innate to a congressional career with utmost effectiveness and intelligence. Gladys has served well and contributed significantly to the legislative process.

Even though Gladys will not be able to resume her service here with us for the present time, I know that I speak not only for myself but for the entire Congress in saying our thoughts and prayers are with her and her family.●

● Mr. ERLENBORN. Mr. Speaker, while I consider it an honor and a privilege to join with my colleagues today to pay tribute to our friend, the Honorable Gladys Spellman, I wish this event could take place under happier circumstances.

Mrs. Spellman and I often disagreed on matters of policy but she remained pleasant and gracious without fail. Her smiling face brightened this Chamber, and we all miss her cheery presence.●

● Mr. JONES of Oklahoma. Mr. Speaker, nothing could make me happier than joining with my colleagues to express about Gladys Spellman the accolades she deserves. But nothing distresses me more than to do so under the circumstances that bring us together today.

It has been a pleasure serving with Gladys Spellman since she came to the House of Representatives 6 years ago. Actually, I knew of Gladys when I worked at the White House for Lyndon Johnson. President Johnson appointed Gladys to the Advisory Council on Intergovernmental Relations. It was only one of many positions in public service that she would ably fill before her election to the House.

Since her election, she has served her district, State, and Nation with distinction and with honor. It is truly a tragedy that her tenure in public service has been temporarily cut short. I am confident that this interruption is only temporary, though.

Gladys' ready smile and good humor were always a welcome addition to any day. These pleasant qualities did not hide, though, the tireless worker and veteran public servant who could be a strident defender of her beliefs.

My prayers are for a swift and full recovery, so that she can continue serving in whatever arena she may desire. As was given evidence in the last election, Gladys is loved by her constituents because she serves them so well. She has been the premier advocate for the Federal employee, and is owed a debt of gratitude by every Federal worker and retiree in the country. After only her first term in Congress, she gained the chair of the Subcommittee on Compensation and Employee Benefits. Her service in that post has allowed Federal employees and retirees to maintain the high standard of living they have enjoyed.

Gladys is a delightful person and an able colleague, and we all miss seeing her and working with her. My heart goes out to her family and friends, and I look forward to the day in the near future when she returns to the House floor, and we can share the friendship and fellowship with her that we now miss.●

● Mrs. HECKLER. Mr. Speaker, I have had the honor and the pleasure of serving with Gladys Spellman since she first came to Congress in 1974. Over the years we have worked closely on many issues, particularly those con-

cerns we share as members of the Congresswomen's Caucus.

Gladys consistently met her legislative responsibilities with a wisdom, commitment, dedication, and compassion that not only brought results to her constituents but stature and distinction to her role as a Member of Congress.

In her committee work, caucus work, and daily activities, Gladys has gained a reputation for her unique ability to work hard and remain exceptionally good humored and cheerful. Few in this hard-working Congress could compete with Gladys Spellman's devotion to her constituents. She once told me that often the only time she could spare for reading reports sent by constituents was at 4 o'clock in the morning in her study at home. And I know she did this regularly.

Thanks to Gladys Spellman, significant legislation of various kinds plays a crucial role in all our lives. Her efforts to pass the equal rights amendment extension is only one of many measures Gladys unstintingly advocated. Her leadership in this cause, and in many others, only deepened the respect and admiration I and her colleagues already felt for her.

Gladys Spellman was equally at home in any situation—during debate in these Chambers, in meetings with dignitaries, or visiting with constituents. In fact, Congresswoman Spellman had a penchant for losing track of time when she talked with her constituents. She has a sincere and giving personality and a quality that made people feel they could confide in her and share their lives. Simply put, she cared. Gladys was always willing to listen and eager to help. Perhaps her warm and supportive ways accounted in part for the devotion and commitment of those who are close to her. There are many, but I am particularly aware of her loyal supporter, executive administrative assistant, and good friend, Edna McLellan, who has done an outstanding job for Gladys since 1975. The steadfast devotion and love of her husband Reuben and her children Dana Spellman O'Neill and Rick and Steve are truly inspirational. I am sure that my hopes and prayers for Glady's healing and recovery are among the many others offered for this truly superlative human being and very special colleague.

Albert Einstein once said:

> The ideals which have lighted my way and time after time gave me new courage to face life cheerfully have been Kindness, Beauty and Truth.

These are the very qualities that Gladys brought to her job, her constituents, her colleagues, and her family. They are qualities that are still very much a part of her, and ones I am grateful she shared with us.●

● Mr. CORRADA. Mr. Speaker, I am honored to be able to pay tribute to our esteemed colleague, Gladys Noon Spellman.

The Fifth Congressional District of Maryland has seldom had a more devoted or able Representative.

During her three terms in the Congress, Mrs. Spellman earned a reputation for hard work, integrity, and, above all, compassion and understanding toward her constituents. It is a tribute and an example of the love which her constituents felt for Gladys that even after she was stricken shortly before election day, she was overwhelmingly reelected to represent the Fifth District.

It is a tragedy that Gladys will not be able to grace us with her calm composure and hard work and for that she will be sorely missed.

I remember that she visited Puerto Rico a few years ago to conduct field hearings into the cost-of-living allowance for Federal employees as chairwoman of the Subcommittee on Compensation and Employee Benefits of the Committee on Post Office and Civil Service. During those hearings she impressed those in attendance with her grasp of the issue and her compassion.

To Gladys, her husband Reuben, and their children, we wish them all the best and the knowledge that Gladys Noon Spellman will be remembered as a great Representative and a good friend.●

● Mr. GRAY. Mr. Speaker, I consider it a special honor to take part this afternoon in this tribute to our friend and colleague, Gladys Spellman.

I was privileged to have been able to serve with former Congresswoman Spellman in my first term in the House, when we were members of the Democratic Steering and Policy Committee. There, I saw firsthand the dedication, the energy, and the integrity which were a hallmark of every effort undertaken by Mrs. Spellman. Having worked with Mrs. Spellman on the committee and at various other times in the House, it was easy to see the qualities which so endeared her to the constituents of Maryland's Fifth Congressional District.

The fact that Mrs. Spellman physically is unable to carry out her term of service is a loss not only to the people of Maryland, but to all of us here in the House. We shall very dearly miss her wisdom, her leadership, and above all the quality of all of the work which she performed. I know that her commitment to public service will be an example for all of us to follow.●

● Mr. ANNUNZIO. Mr. Speaker, I rise in tribute to the Honorable Gladys Noon Spellman, who represented the Fifth District of Maryland since 1975. The grave illness of my distinguished colleague has left a void in this House, for she served her Maryland constituents and the American people with devotion and dedication.

I had the privilege of serving with Gladys Spellman on the House Banking, Finance and Urban Affairs Committee, where she was one of the most capable members of that committee. She participated in all of the legislative hearings and drafting sessions conducted by the committee and had a deep concern for the well-being of the American people during these deliberations.

Gladys Noon Spellman began her career of leadership with her election as a member of the Prince Georges County Board of Commissioners in 1962, where she became chairman after her reelection in 1966. She was also appointed by President Johnson to serve on the Advisory Commission on Intergovernmental Relations, and has served on the board of directors of the National Association of Regional Councils, the Democratic Advisory Committee of Elected Officials, the Governor's Commission on Law Enforcement and the Administration of Justice, and the Governor's Commission on Functions of Government.

Gladys has also served as the president of the National Association of Counties, a member of the National Labor-Management Relations Service, on the Steering Committee of Urban Affairs Committee of the National Council of State Governments, as the vice chairman of the Governor's Commission to Determine State's Role in Financing Public Education, as chairman of the Maryland State Comprehensive Health Planning Advisory Council, as chairman of the board of trustees of Prince Georges General Hospital from 1962 to 1970, as chairman of the Washington Suburban Transit Commission, and as a board member of the Washington Metropolitan Area Transit Authority. She was elected in 1971 to membership of Prince Georges first county council.

Gladys Spellman served as a member of the Subcommittee on Consumer Affairs, a subcommittee of the House Banking Committee of which I am honored to serve as chairman, where she compiled a splendid record of excellence and achievement.

All of us here in Congress shall miss Congresswoman Spellman, and I shall especially miss her dedication and loyalty on my subcommittee.●

● Mr. UDALL. Mr. Speaker, Gladys Spellman is one of the real originals I have run across in my years in politics. Vibrant, spirited, and passionate in her dedication and beliefs, she has done great credit to Government and to this House.

All kinds of people have been attracted to Gladys' political career. If she ever had an enemy or ever treated anyone without courtesy, I never heard of it. If ever a public servant fit

the phrase, "Politics of Joy," it was Gladys.

Now she lies seriously ill, and we are all saddened.

For her constituents and for all of us who cherish a just government run by good people, we hope she comes back.●

● Mr. FORD of Tennessee. Mr. Speaker, I would like to join with my colleagues this afternoon in honoring our former colleague and my congressional classmate, Gladys Spellman. Mrs. Spellman, a kind, generous, and effective Congresswoman, taught us all through her work in this body.

For me, her most notable lesson was in the area of constituent services. I appreciate this because she did not simply act as a liaison between her constituents and the vast bureaucracy of this Government, but she took her services further. Mrs. Spellman stood up for the working citizens of her district, 38 percent of whom are employed by the Federal Government, legislatively opposing the District of Columbia commuter tax, opposing measures which would hold down pay raises for Federal employees, which would require productivity increases for Federal employees, or which would freeze hiring in the Federal Government.

In her movement from a school teacher, to the Prince Georges County Board of Commissioners, to the House of Representatives, she exemplified a good and responsive legislator. She represented her district in the way we all aspire to represent ours—standing up for their needs and priorities in her position on the Post Office and Civil Service Committee, in her position on the House floor, in her position as the spokesperson for the Fifth District of Maryland. I will miss her words, her views, her example.●

● Mr. COELHO. Mr. Speaker, I would like to join our colleagues in expressing my admiration and respect for Congresswoman Gladys Noon Spellman.

Her dedication and fine representation of her constituents is evident not only in the respect that she has among her colleagues, but in the overwhelming support she received from her constituents during the last election despite her illness.

I would like to extend my deepest sympathy to her and her family during her illness and my respect for the courage and dignity they have displayed. I join the rest of my colleagues in wishing her a full and complete recovery.

Gladys, we'll miss you here in the Congress, and we'll be thinking of you.●

● Mr. FORD of Michigan. Mr. Speaker, Gladys Noon Spellman was just about to add a stunning victory to her list of political and professional accomplishments with an overwhelming 81 percent margin on November 4, when she had a massive heart attack. This resounding show of support by Maryland's Fifth District residents at the polls proved that the people appreciated her high quality work, her sensitivity, her persistence in battle, and most importantly, her concern for the constituents of her district.

Mrs. Spellman was first elected to Congress in 1974 and it did not take long for her to establish credentials as an expert on the workings of local and Federal Government. She was elected chairman of the Post Office and Civil Service Subcommittee on Compensation and Employee Benefits for the 95th and 96th Congresses. It was in this capacity that I watched Mrs. Spellman steadfastly defend the rights of Federal employees time after time as they became targets for demagogs of all stripes.

Mrs. Spellman continues to receive well-earned praise for her forthright support for the rights of women. She consistently provided leadership on the floor of the House of Representatives and worked with determination on matters which were of concern not only to her constituents, but those which were important to the general welfare of the Nation.

As the Washington Post said in a recent editorial summarizing Gladys Spellman's career, "The bubbling omnipresence of Gladys Spellman—in meetings large and small—is no more."

She will certainly be missed during the 97th Congress. The skills and concern that she brought to the U.S. House of Representatives are gone for the moment, but I join her family, friends, and constituents in praying for her recovery and her eventual return to this body where she has so consistently demonstrated her effectiveness.●

EXECUTIVE SALARIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. FORD) is recognized for 5 minutes.

● Mr. FORD of Michigan. Mr. Speaker, our Government may well encounter a management crisis in the not-too-distant future because of our failure in the legislative branch to come to grips with the executive pay issue. Indeed, some of our most respected governmental institutions may be heading for danger.

This is not an alarmist view of the situation. It is the message that comes across loud and clear from informed officials who have testified in recent days before a task force of the Post Office and Civil Service Committee. The task force has been studying recommendations of the President's Quadrennial Commission on Legislative, Executive, and Judicial Salaries.

Some of the testimony we have heard from witnesses with impeccable credentials raises disturbing questions about our Nation's ability to function efficiently and competitively in the years ahead.

Just a few days ago we heard from a panel of top-level managers from the Department of the Navy, the National Aeronautics and Space Administration, the Federal Bureau of Investigation, the National Institutes of Health, and the Internal Revenue Service. These officials—all of whom are keenly familiar with recruitment and retainment problems in their agencies—did not appear for the administration. Rather, they simply described conditions within their organizations.

The picture they paint is disquieting to anyone who is concerned about America's future in an increasingly complex world.

Here are some of the highlights of the panel's testimony:

Lee Colwell, Executive Assistant Director, Federal Bureau of Investigation:

> We have experienced a tremendous amount of turnover in the past four or five years of our management people. We have about 50 percent of our people dropping out from our career development program . . . because they see what is happening to our senior management people, both in terms of stress on the family, and the economic losses in connection with the present regulations on reimbursement of travel costs. Because of pay compression, our lowest level field supervisors make the same salary after a certain period of time in grade as our assistant directors and our top senior agents in charge. We did a survey recently of our field managers, and 42 percent of them indicated that they would retire at the first available period they are eligible. This is contrary to past surveys. (While retirement is mandatory in the FBI at age 55, Mr. Colwell says the average retirement age now is 50.8 or 50.9 years.) This average age of retirement includes the street agents, who are also being attracted to other endeavors. This has cost us a tremendous amount of experience.

Edward Nicholas, Director, Division of Personnel Management, National Institutes of Health:

> The Division of Cancer Cause and Prevention has remained vacant. We made offers to five outside candidates that were well qualified. Each one of them declined consideration because of salary. We can pay $50,000 annually in base salaries and an additional $10,000 for physicians. We can deal with some salary differential (because) we have superb research faciilities (and) excellence attracts excellence. So people are willing to put up with $20,000 to $30,000 salary differentials. But we have gone beyond that. We offered Dr. Nathan Case the position of director of our Center for Research for Mothers and Children. He considered the offer very briefly but decided to take another offer from (a hospital) for $150,000 a year.

Edwin Kilgore, Associate Administrator for Management Operations,

National Aeronautics and Space Administration:

Since most of our senior executives and middle-level managers are scientists and engineers, they are greatly in demand by the aerospace industry, and also by the defense industry, and even by universities. The competition is very stiff and we are competing with salaries which are at least twice and sometimes three times what we are now paying. As an example of the impact of this, in 1978, of our senior executive force, we had about a six percent attrition. In 1979, it went up to ten percent. In 1980, it increased to 16 percent. Our projection for this year is that that will go to about 20 percent. So you can see that most of our senior executive force will be replaced with new people in a matter of a very few years, almost a total turnover. I think the only thing that really holds the people is the challenge of the job, and the fact that they are dedicated employees. In spite of this, there is an increasing number of these people who are going into private industry. It's a significant problem for us. These people are at the peak of their career in terms of experience. We have a number of people right now who are staying with us until we can get the shuttle off. These are very key people and I fully expect we will lose a significant number of these very experienced key executives once that's done. Once the challenge of that job is finished, we'll lose people. I think it's a very insidious problem. It's almost a self-fulfilling prophecy that in time is going to cause the Federal Government a great deal of problems. I don't think we have a very sound foundation to attract good new people into these kinds of jobs. For example, one of our key associate administrator jobs was advertised nationally. We narrowed it down to six candidates. Two of those candidates, as a matter of fact, previously worked with NASA. All were interested in the job from the standpoint of the challenge, until it came time to talk about the money associated with the job. They all had to decline because they were making some two to three times what we could pay them. I think this is a pretty typical example."

D. S. Burkman, Director, Personnel Division, Internal Revenue Service:

Many of our jobs are high prestige positions within the states. They were eagerly sought after by members of the executive corps in any given opening four years ago. We probably had between 15 and 20 applicants for such jobs. We now advertise what used to be a GS-16 or GS-17 job and have no applicants. I think it's a combination of the payless promotion, together with the inflation rate, the tremendously high cost of interest on housing. The pay cap, which has slowly but surely diminished take-home pay over the years as inflation rises, is now starting to impact down to the GS-13 level, and it impacts in this way: Under the merit pay system, we now are faced with supervisors coming to us and saying, "give me back my bag; I don't want to be a group supervisor any more", because his horizon, if you will, is much lower than it was a few years ago.

If the current calculations are correct, by next year, the pay cap will affect GS-14s. They can do that at the specialty level without taking on the burdens of management. In my judgement, it will at that time be much more difficult to attract them to more senior positions.

James Colvard, Deputy Chief of Navy Material, Department of the Navy:

Obviously, if we continue this (executive pay freeze) we are going to reduce the professional quality of the Executive Service of the United States. I think the insidious nature of it is perhaps not understood well, because the changes we're talking about are very slow and incremental. And if you ask what would happen tomorrow if we lost all our senior executives, or if we replaced them with the next level of people available to replace them, the honest answer would be "very little". The short term would be much more disastrous if we lost all our secretaries at the GS-5 level because there's nobody to answer the mail or the phone. But, in fact, over a long period of time, the leadership of this country and the environmental conditions, the professional standards of the Federal Service, can go down. The fact that that's incremental and not easily seen on a day-to-day basis leaves the Congress and the public with no perception of a clear and present danger. I think that's the only reason why we can't explain that such an obvious problem can go unsolved for so long.

Leonard Kline, head, personnel management branch, Office of the Chief of Naval Operations:

Since the major part of our population in SES is in the engineering and science areas, that's where our principal loss is. In fact, among that group, their internal rate seems to be slightly higher because of their ability to retain lucrative positions on the outside. We find many of them leaving at 55 and 30 (years) and taking positions with private corporations, and of course retaining that salary in addition to their retirement.

We also find some move back to GS-15s. I know that in the office I work in there are six SES members in the last six months, and two of those have returned to GS-15 jobs, feeling the pay is no different. In fact, they may be better off because they don't have the social obligations and the parking fees and the travel requirements and so forth that they have as SESers. So they can actually gain income by returning to the GS-15 ranks. These are two very capable people. It is hard to entice people to come in from the field into Washington, with the costs they are going to incur, and take on that kind of responsibility for a real cut in pay.

During the hearings of the task force, it was suggested by some witnesses that we consider breaking the linkage between congressional pay and executive and legislative salaries. This, we were told, could break the impasse. This reflects a feeling that Members of Congress would have more courage if they were voting only for salary increases for the judiciary, the executive, or both. I think this is a specious argument. My colleagues who are timid about voting an increase for themselves will be just as timid about voting increases for top-level executives or judges. They will explain it differently, of course. But it really boils down to an unfortunate kind of politics that places retaining one's position and getting reelected above what is good for the country's future. There is plenty of evidence that some of the best qualified Members of this body are leaving Government just as they are leaving other branches because of widening pay differentials.

There is a strange sort of contradiction here that presupposes the public is going to give us some kind of brownie points or accolades for espousing a kind of Government economy that indeed narrows the field of potential officeseekers in the future. If we are going to get past this hurdle there is going to have to be a willingness for Members to stand up for the long-range good of the people rather than worrying about how they are going to play in Peoria at the next election time.

I have a suspicion that the American public is a little bit better informed about the worth and contributions of individual Members of Congress than we sometimes give them credit for. And I don't think they are taken in by some of the grandstand plays to the gallery. I do not believe that the public really believes that cutting the Federal payroll by one-half of 1 percent is as cost-effective as some would have them believe.

If the board of directors of any major corporation in America came up with a cost-cutting scheme that threatened to decimate the firm's talent pool, they would very promptly be escorted out by men in white coats. Yet this is precisely what we are doing—jeopardizing our most precious resource—in the name of economy.

I think it is a false economy that could cost us dearly in the future. Are we being penny wise and pound foolish?

The new administration is proposing enormous increases in defense outlays. This will mean expanded programs. Do we want less than the best managers to run them?

If we continue down this penny-pinching path we probably will end up with a Government run by aristocrats and incompetents—or both. Even in these difficult economic times, where parsimony is a national virtue, I don't think the people of this country want us to be so frugal that we guarantee second-rate management of the world's biggest free enterprise.●

BANK HOLDING COMPANIES AND THE INSURANCE BUSINESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Rhode Island (Mr. ST GERMAIN) is recognized for 5 minutes.

● Mr. ST GERMAIN. Mr. Speaker, today I, along with our colleague from Ohio, Mr. WYLIE, am introducing legislation to restrict the property and casualty insurance activities of bank holding companies. As many of you know, we have considered this issue actively for the last two Congresses. In 1978 the House approved a provision

to limit bank holding company insurance activities but the issue was not resolved in the Senate given the end-of-the-Congress legislative crunch. In the 96th Congress the Banking Committee again addressed the issue. The bill, H.R. 2255, was reported out of the committee early in 1980 and was passed by the House on June 12, 1980, by a vote of 333 yeas to 25 nays.

The Senate Banking Committee held hearings on the bill and on July 31, 1980, reported the bill with amendments to the full Senate. However, the Senate did not act on the bill and it consequently was not enacted by the Congress. Recently the bill as it was reported by the Senate Banking Committee last year was introduced into the 97th Congress. With the introduction of the house bill today I am hopeful that this issue can be resolved in a timely fashion. The House of Representatives has a clear record on this issue. This bill is needed to insure that the Nation's independent insurance agents do not suffer as a result of the economic power of the biggest financial conglomerates.●

CAPITAL ADEQUACY QUESTIONS SHOULD BE ADDRESSED BY BANK REGULATORS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. EVANS) is recognized for 5 minutes.

● Mr. EVANS of Indiana. Mr. Speaker, I am introducing today a concurrent resolution calling on the Federal bank regulators to diminish the inequitable capital requirements among commercial banks. Currently, small- and medium-sized banks are required to maintain capital-to-asset ratios which are considerably higher than larger banks. For example, in Indiana, banks with assets under $100 million had capital-to-asset ratios of 7.66 compared to the larger banks having capital-to-asset ratios of 6.60. Moreover, this inverse relationship is apparently evident in every State in the Nation.

Now the bank regulators have devised a method of comparing the relative strength of banks using capital-to-asset ratios based on neither statute nor regulation. But, as part of their supervisory powers, they have created so-called peer group comparisons. These comparisons are developed by grouping banks by size and/or geographical location and calculating averages. Based on these averages, banks are encouraged to add capital.

Bankers in my State have suggested that this current system is unfair and unduly burdensome for the small bank. Indeed, based on available evidence, there does not seem to be a sound justification for requiring small- and medium-sized banks to maintain higher capital-to-asset ratios than large banks. Based on information made available by the Federal Deposit Insurance Corporation, it appears that as bank size decreases, loan losses, as related to earnings, reserves, and capital decrease. Given the current inverse relationship between bank capital and bank size, one would expect the exact opposite data. The same is true when one compares data on bank failures. Based on FDIC data for the years 1970 through 1978, the probability of failure is much less for banks with total assets of less than $100 million than for banks with total assets of more than $100 million when one excludes banks with total assets of less than $5 million.

While the Federal bank regulators have indicated it is time to review the capital adequacy situation, precious little has been done to make the situation better. In fact, the Comptroller of the Currency moved last year to further erode the stated capital level of national banks by proposing to remove from the current definition of capital subordinated notes and debentures and loan loss reserves.

These higher capital requirements for small- and medium-sized banks have a direct effect on the banks' borrowers and depositors. Assuming a bank must pay its shareholders a fair return comparable to large banks, or for that matter, other corporations or investments, it must earn a higher return on assets through higher prices for loans; lower rates paid on time and savings deposits; or lower salaries, wages, and benefits for its employees.

The resolution I am introducing today should send a message to the bank regulators that the capital adequacy question is one that should be addressed by them quickly. As small- and medium-sized banks look around their competitive environment and see large banks and other financial institutions with lower capital ratios or their equivalent, it becomes increasingly more difficult to maintain a high level of service to the community. I and a number of my colleagues will be looking closely at the progress made in the next few months. Clearly, the bank regulators who have created this disparity should be able to rectify it over time.●

LEGISLATION REVISING REYE'S SYNDROME ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. FERRARO) is recognized for 5 minutes.

● Ms. FERRARO Mr. Speaker, today I am introducing a revised version of the Reye's Syndrome Act which I originally introduced on December 18, 1979. Last year's version of the Reye's Syndrome Act was accepted as an amendment to H.R. 7036, the Health Research Act of 1980, only to be dropped in conference in the dying days of the 96th Congress.

The legislation I am introducing today takes a somewhat different and, I think, more effective approach. The amount of money authorized is reduced from $6 million over 3 years to slightly under $5 million over 3 years. Instead of establishing two Reye's research and diagnostic centers as last year's bill did, this year's bill authorizes the Reye's Syndrome Coordinating Committee, which is established at the National Institutes of Health, to assemble, as needed, Reye's mobile research teams to investigate individual cases of Reye's syndrome and to determine anomalous community factors that may contribute to the occurrence of Reye's.

To compensate for the research that would have been done at the two centers, this year's bill increases the research grants that will be available through the coordinating committee. The overall cost, as I have indicated, will be about $1 million less than the legislation that was approved by the House last year.

There is a clear need for increased funding of research on Reye's syndrome. Between January 1979 and January 1980 the National Institutes of Health received 13 applications for funding for research on Reye's. Of those, four were approved and one application was pending. While the other eight applications were approved, the NIH only had enough funding for two of them.

Reye's syndrome is too serious a threat to the health of our young people for us not to make a greater effort to diagnose and treat it. The disease, which follows viral infections like influenza, chicken pox, or German measles, continues to puzzle the medical profession. Its causes and cures are unknown. Nonetheless, it can be successfully managed if the patient is under the care of a pediatrician, neurologist, neurosurgeon, and anesthesiologist familiar with the disease. Sadly, all too often Reye's is fatal because neither the parents nor the family doctor are aware of the disease and its symptoms.

I want to stress one aspect of this bill that I think is particularly important. Obviously there is a need for expanded research in the diagnostic and treatment areas. But perhaps as important in fighting Reye's syndrome is the effort to inform parents of the dangers of Reye's The disease usually strikes very quickly, and early recognition by parents is critical to getting the intense, specialized care required.

Recent public service ads on television have alerted many Americans to the dangers of this childhood killer. But more must be done. One of the functions of the Reye's Syndrome Coordinating Committee established by

this legislation will be to develop and disseminate information on Reye's to the public. Alerting parents as well as medical specialists to this disease will be tremendously valuable in our fight to control Reye's.

Mr. Speaker, this bill will cost less than $2 million a year to combat a disease that robs us of our most priceless possession—our children. In these times of tight budgets, it is hard to imagine a better way to spend that money. Just 3 years ago, one out of every three children afflicted by Reye's died. Today, that figure is down to 1 out of 10. I am hopeful that this bill, once enacted into law, will eliminate these senseless and tragic deaths entirely.●

IN RESPONSE TO "A PROGRAM FOR ECONOMIC RECOVERY" AS PRESENTED BY PRESIDENT RONALD REAGAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. MITCHELL) is recognized for 10 minutes.

● Mr. MITCHELL of Maryland. Mr. Speaker, the day of reckoning for America is a confrontation that will develop as a result of the irresponsible tax policies and budget reductions as proposed by the Reagan administration.

The cost-reducing proposals of President Reagan entail reducing the monthly benefits of the aid to families with dependent children programs (AFDC) by some $1.9 billion in 1982. The rationale for this reduction is that the lowest income categories of American taxpayers receive an annual earned income tax credit which supplements their income stream. This lump-sum tax benefit was designed to assure that each American taxpayer receives a minimal annual income. In light of the rising costs of food, housing, and energy, AFDC participants suffer severe cash-flow problems which necessitate increases in their monthly allotment as opposed to the reduction which President Reagan proposes. The assumption that the lump-sum payment, through the earned income tax credit, is sufficient to meet the daily costs incurred by the AFDC recipient exemplifies an extreme lack of knowledge, sensitivity, and interest in the area of lower income economic conditions.

I cannot support an economic proposal which acknowledges a 7.8-percent annual unemployment rate for 1981, to be reduced to a 7.2-percent annual rate in 1982.

Clearly, this economic proposal supports and recommends 15 percent black unemployment, 35 percent black teenage unemployment, and essentially the demise of the urban centers throughout the Northeastern corridor of the country. Tax policies do not address the serious problems caused by a lack of skill, training, and employment opportunities in the urban areas. To eliminate the trade adjustment assistance program, which serves those primary and secondary metals workers whose long tradition of hard work has been the foundation of America, and simultaneously provide tax benefits to the upper-income investors in foreign currency, the vehicle used to exacerbate the degeneration of the automobile and steel industry, is an acute confusion of priorities. Why must the workers, who are victims of management undersight, suffer the consequences of reduced unemployment benefits, while the upper-income stockholders and management reap additional benefits through tax expenditures? There is no justice to an economic system which rewards failure with profits and hard work with contempt.

The Joint Economic Committee has received testimony on the economic effects of the resurging supply side tax-incentive approach. Michael Evans, noted economist for Chase Econometrics, stated that, "it would take 2 years before any of the Reagan tax policies would have a significant effect upon inflation or productivity." Thus the 2-year lag associated with the familiarized 10-5-3 must be taken into consideration when formulating any economic program. Why phase out the employment programs of CETA in an admitted 2-year interim period which is needed for growth? The effects of investment incentives should manifest in employment growth, productivity increases—both labor and capital—and reductions in inflation before the employment programs of CETA are phased out. There is varying evidence to the effectiveness of CETA; however, there is no evidence as to the effectiveness of investment incentives in creating employment opportunities and reducing inflation. General investment incentives are not the maximum mode for business growth and development.

Evidence supports the fact that the small business sector is the growth sector of our country. In order to promote long-term balanced growth and stability in the economy we must focus on the opportunities made available through the genius and aspirations of American entrepreneurs in the free enterprise system. A free enterprise system cannot function unless there is adequate entrepreneurial participation, competition, and access to entry. Thus an integral component of a productive economy is a viable small business sector.

Data depict a costly return on the demise of the small business sector. Congressional hearings point to higher consumer costs related to the concentration of economic power. Estimates of the cost to consumers, where competition was stifled, range from $100 to $175 billion annually. Accompanying this indiscriminantly shared cost for economic concentration is the limited freedom of choice imposed on the consumer. It is essential to the cannons of American capitalism to preserve the freedom of product choice for the American consumer. The life of a small business is determined by its ability to respond to market conditions which dictate the quality, price, and quantity of a product or service.

Data suggest the share of output being produced by small businesses has been declining. Small businesses generated 43 percent of the aggregate output in 1963, 40 percent in 1972, and approximately 39 percent in 1976. This represents a decline in small business output of approximately 0.3 percent annually. During the same period, the large businesses increased their share of output by 2.4 percent, representing an acceleration in market share and aggregate output position. In the manufacturing sector—where this trend is even more accentuated—the largest 100 firms increased their position of total assets controlled from 39.7 percent to 47.6 percent from 1950 to 1976 while the largest 200 increased their asset share from 47.7 percent to 60.0 percent during the same period. From 1971 to 1976, the 50 largest retail companies increased their sales from $80 billion to $132 billion, representing an increased concentration from 24 percent to 26 percent of the total retail sales. Testimony supports that this economic concentration results in inflationary overcharges amounting to approximately 9 percent of the gross national product. In food retailing alone, a 1-percent increase in food prices originating in concentrated retail areas cost consumers $1.5 billion annually. Federal reaction to these increases in inflation, caused by economic concentration, is a policy of tight money. The short-run use of monetary policy to increase interest rates and thus reduce investment spending has a disproportionate impact on the small business sector. Characteristically small businesses have a higher short-term debt to total assets relationship and debt to equity ratios while carrying a smaller ratio, of current assets to current liabilities than larger firms. Thus, the availability for commercial credit is essential for small business survival. It is clear that the consequences of the short-term utilization of monetary policy to combat inflation, which is in fact caused by economic concentration, further reduces the small business sector. When small businesses fail due to inconsistent short-term monetary policy, economic concentration is proliferated, inflation is exacerbated, and consumer options are reduced. As the monopolistic forces increase, the instruments of

monetary policy must become more pronounced in order to be effective. Unprecedented rates of interest are dictated to curb investment when the additional resources of retained earnings and price pass through are available to the monopolistic forces.

More than 98 percent of the commercial establishments are small businesses. While they are currently participating in a decreasing share of output, they are providing an increased share of the employment growth. The period between 1969 and 1976 small businesses accounted for approximately 87 percent of all newly generated private sector employment in the country. The largest 100 firms contributed less than 2 percent of the growth during this same period.

The two most wasted and thus most unproductive resources of our economy are: First, the 5.5 million structurally unemployed labor resources who reside in the central city of America; and second, the underutilized infrastructure resources of existing capital facilities that currently exist in our urban areas.

The shift to a more service oriented economy requires a more highly developed and skilled labor force. Innercity high school graduates normally do not meet the qualifications for entry into the high growth, highly specialized service industry. The need for additional training, to meet entry level requirements, will heighten the existing problems of the central city and relate even more black teenagers to the wrath of unemployment. At a higher training cost small businesses—which have traditionally served to train less skilled workers for higher paying jobs with larger businesses—will continue to provide entry level service employment. To meet this additional cost small businesses must be compensated.

RECOMMENDATION NO. 1

New small businesses which locate in an EDA classified "distressed economic area" should be granted a 100-percent refundable tax credit for all formal training costs—to include any remedial or basic training—provided to any worker who is a resident of the designated area.

For each employee who is a resident of the designated area, the employer's contribution to the social security system should be waived for 1 year.

To meet the problems of urban decay and physical deterioration businesses must be provided with an incentive to rehabilitate the existing physical plant facility.

RECOMMENDATION NO. 2

The cost of rehabilitating a commercial dwelling for the purpose of starting a new business in a designated "distressed economic area" may be expensed on the following scale:

Cost of rehabilitation	Accelerated life of dwelling in years	Refundable additional investment tax credit in percent
$0 to $20,000	15	15
$20,000 to $40,000	12	12
$40,000 to $60,000	10	10
$60,000 to $80,000	10	8
$80,000 to $100,000	10	6
$100,000 to $200,000	8	2
Greater than $200,000	8	1

All industrial development bonds issued by a municipality for the purpose of creating new businesses in economically distressed areas will be fully guaranteed by the U.S. Government and will be exempt from Federal income tax.

RECOMMENDATION NO. 3

A financial institution which grants a loan to a new small business located in a designated "distressed economic area" or grants a loan to a minority owned business is eligible to expense an allowance or reserve of bad debt deductions and receive a tax credit if and only if the combination of the two designated classifications is greater than 10 percent of the total loans of the institution.

Loan amount	Percent	
	Expense deduction for bad debts	Allowable tax credit
$0 to $1,000	2	
$1,000 to $5,000	2.5	1.0
$5,000 to $10,000	2.5	2.0
$10,000 to $50,000	3.0	2.5
$50,000 to $100,000	3.5	3.0
Greater than $100,000	3.5	4.0

The decline of productivity in the American economy is directly related to the decline in the small business sector. A National Science Foundation study reveals that small firms produced nearly four times as many innovations per research and development dollar as medium sized firms and more than 24 times as many as the largest firms in a period between 1953 and 1973. Yet, instead of encouraging small business innovation, Federal procurement policy has stifled the incentives for innovation. Through the 1970's, small businesses received less than 5 percent of the Federal research and development funds while the largest firms, which by all indicated research are less innovative, received more than 50 percent of Federal research and development dollars.

RECOMMENDATION NO. 4

That the Federal Government establish as a policy goal 25 percent of all Federal procurement to be set aside for small businesses. Also, 10 percent of all Federal procurement must be set aside for minority business enterprises and/or newly created businesses in the designated distressed economic areas.

These recommendations target our tax policy to the high growth sectors of the economy; provide economic incentives for spatial development in our urban areas; and provide compensation for private sector employees who train the structurally unemployed. These components are necessary for any comprehensive industrialization investment policy in America.

The redistributive effects caused by President Reagan's personal income tax policy are highly skewed in favor of the upper income brackets. The hypothetical family of four—representing 25 percent of the population—earning between $20,000 and $30,000 annually would receive a $624 average annual income tax reduction. That same hypothetical family—representing 6 percent of the population—earning between $100,000 and $200,000 annually would receive a $7,322 annual reduction in taxes. These dramatic results coupled with the additional burdens that low- and moderate-income taxpayers must endure as a result of program reductions will render the poor poorer and the rich richer.

Mr. Speaker, my position is clear. The battleground is drawn. I submit that we, as a party of Democrats, owe the American people more than a day of reckoning.●

NATIONAL SCLERODERMA WEEK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PANETTA) is recognized for 5 minutes.

● Mr. PANETTA. Mr. Speaker, I am today introducing a resolution to authorize the President to designate the week of February 7–13, 1982, as "National Scleroderma Week."

Scleroderma is a painful and debilitating disease that attacks the skin and multiple organs of the body. In its most serious form, scleroderma can strike the esophagus, intestines, lungs, heart, or kidneys, causing fibrosis, inflammation, and atrophy of normal functioning tissues. Localized scleroderma causes hardening and thickening of the skin, particularly of the hands and fingers, along with painful ulcerations.

This disease affects some 300,000 people. A full 80 percent of these cases occur in women of childbearing age. The actual total of victims may be even higher, because misdiagnosed cases are common.

Unfortunately, the cause of scleroderma is unknown, and there is no cure for the disease. Therefore, a great deal of work remains if we are going to overcome its destructive effects.

Not nearly enough attention has been focused on this disease, and the result is a significant shortage of funding for research into possible cures. At a time when public funding for many worthy causes is scarce, we need to encourage private funding, and I believe a National Scleroderma Week would bring the attention to the disease that

would boost public consciousness about scleroderma, as well as lend comfort to its hundreds of thousands of victims.

Mr. Speaker, I introduced a similar resolution in the 96th Congress, and 104 Members cosponsored it. I am very hopeful that we can increase that number substantially, so that the resolution can be brought to the floor this year. Senator SYMMS is introducing the resolution in the other body, and with action in both bodies, we can send this resolution by the end of the year.

I cannot overemphasize the importance of studying and finding a cure for scleroderma, and I think my colleagues will agree that enactment of this resolution would bring closer the day when a cure is actually found. I urge my colleagues to join me in sponsoring this important resolution.

Following is the text of my resolution:

H.J. RES. 197

Joint resolution to provide for the designation of February 7 through 13, 1982, as "National Scleroderma Week"

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President shall issue a proclamation designating February 7 through 13, 1982, as "National Scleroderma Week", and calling upon the people of the United States to observe such week with appropriate ceremonies and activities.●

THE TREATMENT OF SOVIET JEWS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. CONTE) is recognized for 15 minutes.

Mr. CONTE. Mr. Speaker, despite what appears to be a moderate upsurge in emigration levels in the past month, I remain deeply disturbed by the deteriorating trend in the Soviet treatment of Jews over the past year. That deterioration runs the gamut of deprivations of basic human rights and freedoms—racial, religious, and cultural discrimination; prohibitions against movement and emigration; separation of families; preventions against the pursuit of livelihood; and, in some cases, incarceration and public ridicule. The treatment of Jews in the Soviet Union, though always harsh, has become more oppressive as the Government has increasingly resorted to persecutions, not just as means to discourage dissidence, but to mete out punishment.

For the past several years, Jewish emigration has served as the escape valve, in part to relieve the political pressure of growing dissident activism. However, when the earlier trickle of emigration had turned to a swell by 1979—reaching 50,000 for the year—the Government began to turn the screw of oppression to stem the tide. Since then, emigration applicants have been persecuted; activists have been sentenced to prison or exile; the backlog of refuseniks has multiplied; new roadblocks have been erected to prevent emigration, including notably an insistence upon invitations from first degree relatives in Israel which is in violation of the Helsinki agreement; and there is the constant redtape hassle, such as forcing applicants to wait as long as 2 years for an answer to their application, losing applications, limiting the availability of application forms, and artfully complicating departure procedures.

Inevitably these tactics have taken their toll on the emigration rate which dropped off to below 1,000 per month at the end of 1980—one-fourth the rate in 1979. It is also true that the tapering in emigration coincided with the cooling in United States-Soviet relations beginning with the invasion of Afghanistan and reaching a low point during the summer Moscow Olympics. Suddenly, after a long dry spell, the number of permissions issued to Jews to emigrate has risen in the past month, and speculation is that this may be a friendly gesture to President Reagan.

While I welcome the recent easing in the exodus and the February release of Yosef Mendelevich, the rights and freedoms sought by dissident Jews in the Soviet Union are too fundamental, too necessary for a humane existence, to be turned off and on with the political wind, or to be used as pawns in a superpower relationship. It is clear evidence that these basic individual rights have little independent standing in the U.S.S.R., and that they are offered temporarily only for the political benefits they will bring to the Soviet Union.

Absent a dramatic change in the Soviet system, I see the only hope lying in a constant vigil to assure that those basic human rights and freedoms are at least accorded the respect of outside pressure via world opinion and that as many dissidents who so desire be allowed to emigrate to a land where such fundamental rights will be respected.

THE PRESIDENT'S ECONOMIC PROGRAM—A TIME TO ACT

(Mr. BLILEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BLILEY. Mr. Speaker, on February 18, President Reagan invited the Members of Congress to join with him in establishing a "New Beginning." We have been presented with the opportunity to take the lead and begin on a new course of economic growth and prosperity. It is time for those in a position of leadership to take the lead. Anyone can say they want a change for the better, but how many of them are willing to assume the responsibility?

The President has presented the Congress with a well-balanced package of spending reductions and tax cuts which, I believe should be adopted as a package.

There is no question that the President's program will come under attack from special interest groups trying to prevent cuts in their particular programs. Only if elected Representatives in Congress support the President's program can the special interests be prevented from frustrating the President's efforts to rein in Federal spending and provide badly needed tax relief for our Nation's working people.

I intend to support the President's package and will resist attempts to alter it, especially by increasing spending. From the communications I have received, it is clear to me that the vast majority of the people support the President's program and want to see it enacted as soon as possible.

I propose therefore, that we not hesitate in taking the lead in adopting these budget proposals as quickly as possible. Can we afford to risk our credibility as elected officials of the people by ignoring their desires? The answer quite simply is no. We have a duty to perform and I urge that we begin now to revitalize our sagging economy and fulfill the promise of November by doing everything we can to insure that these budget proposals are adopted.

THE SMALL BUSINESS EQUITY TAX ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. BEDELL) is recognized for 5 minutes.

● Mr. BEDELL. Mr. Speaker, with the tide of excitement and enthusiasm for change sweeping over the country and with the necessity of revitalizing the American economy, we must take care to enact proposals that seek to provide cures that really address the heart of the problems at hand. We need to look at the record and direct our efforts where they will provide the most benefit. As chairman of the Subcommittee on Antitrust and Restraint of Trade Activities Affecting Small Business of the Small Business Committee last session, I was able to delve into many of the problems confronting the myriad of small firms that populate American business. It is these businesses that hold the hope for our economic renewal. Accordingly, the policies we will be enacting should be directed at realizing this hope.

One policy we should pursue and swiftly implement is one I have long advocated: A more steeply graduated corporate income tax structure, where-

by the marginal tax rate paid by corporations would be significantly lower for small businesses. Since the original introduction of this bill in early 1979, support for it has grown markedly. The White House Conference on Small Business overwhelmingly listed passage of my bill as their No. 1 goal. There is widespread agreement that the health of American small business is of utmost importance to the overall health of the American economy. That is why the intent of this bill is to help equalize the competitive posture of small business with respect to large businesses, whose size and access to capital make it more difficult for the smaller enterprise to compete effectively. Although such a tax cannot by itself solve this problem, it can do much to strengthen the economic position of these companies.

During hearings I held on conglomerate mergers, testimony was given that once again demonstrated the efficacy of small business. It was pointed out that small business is a generator of jobs. Evidence shows that all net increases in the number of jobs occur in this sector. Small business is also more innovative and productive than are its larger counterparts. In terms of per dollar investment, small business creates more innovations and new technologies than does big business. There also tends to be greater worker satisfaction among employees of small firms since they are more involved in the decisionmaking process of the enterprise. In addition, small business is a strong source of leadership. Many of our colleagues, for example, are former small business men and women who have a record of strong community involvement and civic leadership. And finally, small business is that institution, which more than any other, gives birth to and nurtures the entrepreneurial spirit so essential to creating and challenging new horizons.

Mr. Speaker, as a provider of jobs, as a deterrent to high prices and monopoly power, and as the creator of innovation and development that has made our Nation a leader in technological progress and standard of living, small business' record of achievement is unequaled.

The attempt to preserve and strengthen small business opportunities is an effort to preserve the opportunities, the brilliance, the vitality and the ambitions of the American way of life for those who will follow us. It is important to preserve not only the opportunity to start a business but also to preserve freedom of choice of product and services with respect to quality, price, and availability for the consumer. Economic diversity, therefore, must be given incentives and competition must be strengthened as the only weapon against increasing concentration.

Specifically my proposed tax schedule would compare to the present rate structure as follows:

Taxable income	Current rate	Proposed rate	Percent change
0 to $25,000	17	15	−2
$25,000 to $50,000	20	16	−4
$50,000 to $75,000	30	24	−6
$75,000 to $100,000	40	33	−7
$100,000 to $250,000	46	43	−3
$250,000 to $500,000	46	45	−1
Over $500,000	46	46	0

The result, Mr. Speaker, would be that more than 8 of every 10 corporations—those making less than $500,000—would experience a reduction in their Federal taxes. The tax rate would remain the same, however, for those companies that are the largest in our economy.

With the proposed changes we are considering with respect to the economy, the time is ripe to enact this much needed change in our corporate tax structure. I strongly urge my colleagues to support this legislation.●

TRIBUTE TO EMANUEL CELLER

(Mr. PRICE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. PRICE. Mr. Speaker, I wish to join with my colleagues in paying tribute to one of the giants of the House of Representatives, Hon. Emanuel Celler of Brooklyn, who died at his home on January 15, at the age of 92.

Mr. Celler was first elected to the House in 1922 when Warren G. Harding was President. When he left the House in 1973 after 49 years, 10 months, and 13 days, he had served under nine Presidents and had served longer in the House than anyone except former Representative Carl Vinson who beat him by 4 months.

He also served longer—22 years—as chairman of the Judiciary Committee than anyone else. During that 22 years, he presided over the approval of four constitutional amendments—more than anyone else except the chairman during the first Congress, 1789–91, when the first 10 amendments that became the Bill of Rights, were approved.

Of the approximately 400 laws that bear his name, 6 were major civil rights bills. He wrote and shepherded into law the Civil Rights Act of 1957, providing for a six-member Civil Rights Commission empowered to subpena and to investigate denial of voting rights. This act was the first comprehensive civil rights legislation to be enacted in Congress in 82 years.

Manny was also the author of the Civil Rights Act of 1960, which made obstruction of court orders for school segregation a crime and provided additional safeguards for voting rights.

In 1964, he helped to guide through the House an additional Civil Rights Act providing, among other things, for the desegregation of public accommodations.

In his 1953 autobiography, "You Never Leave Brooklyn", he said, "I've been privileged to touch the raw material of history." He not only touched it, he shaped and molded it for generations to come.

A native of Brooklyn and a graduate of Columbia University Law School, Manny was elected to Congress in November 1922. Campaigning on the evils of prohibition and the virtues of the League of Nations, he became the first Democrat to be elected from his district. He was reelected each Congress for the next half century and became dean of the House in 1965.

Manny will be remembered as a persistent battler for the rights of the underdog and for his impressive legislative contributions in that regard. Everyone who knew him will have their own special memories. As for me, I shall remember his humor and his natural talent for the pungent phrase. I am reminded of his response when he was once asked how to assess congressional success:

> To be a successful Congressman one must have the friendliness of a child, the enthusiasm of a teenager, the assurance of a college boy, the diplomacy of a wayward husband, the curiosity of a cat, and the good humor of an idiot.

Garry and I extend our deepest sympathy to his daughter, Jane, his grandchildren, and his great grandchildren. We share their loss.●

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. CONABLE, for 60 minutes, today.

Mr. ALEXANDER (at the request of Mr. MICA), for 60 minutes, March 4.

(The following Member (at the request of Mr. DREIER) to revise and extend his remarks and include extraneous material:)

Mr. JEFFORDS, for 5 minutes, today.

(The following Members (at the request of Mr. SUNIA) to revise and extend their remarks and include extraneous material:)

Mr. BARNES, for 60 minutes, today.

Mr. FORD of Michigan, for 5 minutes, today.

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. ST GERMAIN, for 5 minutes, today.

Mr. EVANS of Indiana, for 5 minutes, today.

Ms. FERRARO, for 5 minutes, today.

Mr. MITCHELL of Maryland, for 10 minutes, today.

Mr. PANETTA, for 5 minutes, today.

Mr. ROSE, for 5 minutes, on March 5.
Mr. BINGHAM, for 60 minutes, on March 12.
Mr. BEDELL, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. DREIER) and to include extraneous matter:)

Mr. FRENZEL in six instances.
Mr. PETRI.
Mr. COUGHLIN in two instances.
Mr. DANNEMEYER in two instances.
Mr. TAUKE in two instances.
Mrs. HECKLER.
Mr. GILMAN in three instances.
Mr. CARMAN.
Mr. DERWINSKI.
Mr. JEFFRIES.
Mr. LENT.
Mr. PARRIS.
Mr. LAGOMARSINO.

(The following Members (at the request of Mr. SUNIA) and to include extraneous matter:)

Mr. ROE.
Mr. COELHO.
Mr. DINGELL.
Mr. BLANCHARD in two instances.
Mr. MAZZOLI.
Mr. BENJAMIN.
Mr. ROSENTHAL.
Mr. WAXMAN in two instances.
Mr. NOWAK.
Mr. FRANK.
Mr. RATCHFORD.
Mr. AUCOIN.
Mr. MCDONALD in five instances.
Mr. EDGAR in two instances.
Mr. STUDDS.
Mr. MOTTL.
Mr. BEDELL in five instances.
Mr. PANETTA.
Mr. KAZEN.
Mr. MILLER of California.
Mr. JONES of Oklahoma.
Mr. WHITTEN.
Mr. BIAGGI in two instances.
Mr. SANTINI.
Mr. YATRON.

□ 1415

ADJOURNMENT

Mr. MICA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 15 minutes p.m.), the House adjourned until tomorrow, Wednesday, March 4, 1981, at 3 p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

658. A letter from the Principal Deputy Assistant Secretary of Defense (Comptroller), transmitting notice of various transfers of amounts appropriated to the Department of Defense for fiscal year 1980, pursuant to section 750 of Public Law 96-527; to the Committee on Appropriations.

659. A letter from the Assistant Secretary of the Air Force (Research, Development and Logistics), transmitting notice of the proposed conversion to contractor performance of the military housing maintenance function at MacDill Air Force Base, Fla., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

660. A letter from the Acting Assistant Secretary of the Treasury, transmitting a report on the status of internationally recognized human rights in each of the countries which, in calendar year 1980, drew funds made available under the Supplementary Financing Facility of the International Monetary Fund, pursuant to section 31 of the Bretton Woods Agreements Act, as amended (92 Stat. 1052); to the Committee on Banking, Finance and Urban Affairs.

661. A letter from the Acting Commissioner on Aging, Department of Health and Human Services, transmitting the first report on needs and service programs for the rural elderly, pursuant to section 411(c) of the Older Americans Act, as amended; to the Committee on Education and Labor.

662. A letter from the Executive Director, Congressional Award Board, transmitting the annual report of the Board, pursuant to section 3(e) of Public Law 96-114; to the Committee on Education and Labor.

663. A letter from the Acting General Counsel, Department of Energy, transmitting notice of a meeting relating to the international energy program to be held on March 12 and 13, 1981, in San Francisco, Calif.; to the Committee on Energy and Commerce.

664. A letter from the President and Chief Executive Officer, U.S. Railway Association, transmitting the seventh annual report of the Association, covering fiscal year 1980, pursuant to section 202 (e) and (f) of the Regional Rail Reorganization Act of 1973; to the Committee on Energy and Commerce.

665. A letter from the Secretary of State, transmitting notice of the President's intention to exercise his authority under section 506(a) of the Foreign Assistance Act of 1961 in order to authorize the furnishing of certain emergency military assistance to El Salvador, pursuant to sections 506(b)(1) and 652 of the act; to the Committee on Foreign Affairs.

666. A letter from the Acting Assistant Secretary of State for Congressional Relations, transmitting notice of the State Department's intention to consent to a request by the Government of the Netherlands for permission to transfer certain U.S.-origin military equipment to Surinam, pursuant to section 3 of the Arms Export Control Act; to the Committee on Foreign Affairs.

667. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112(b); to the Committee on Foreign Affairs.

668. A letter from the Director, Defense Security Assistance Agency, transmitting notice that the Defense Department has provided various items of emergency military equipment and certain assistance to Liberia, pursuant to section 506(b)(2) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

669. A letter from the Assistant Secretary of the Treasury for Legislative Affairs, transmitting various project performance audit reports prepared by the International Bank for Reconstruction and Development, special studies prepared by the External Review and Evaluation Office of the Inter-American Development Bank, and project performance audit reports or project completion reports prepared by the Asian Development Bank, pursuant to section 301(e)(3) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

670. A letter from the Freedom of Information Officer, Office of the U.S. Trade Representative, Executive Office of the President, transmitting a report on the Trade Representative's Office's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

671. A letter from the Acting Assistant Secretary of State for Congressional Relations, transmitting a report on the Department's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

672. A letter from the Acting Chairman, U.S. Consumer Product Safety Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

673. A letter from the Chairman, Depository Institutions Deregulation Committee, transmitting a report on the committee's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

674. A letter from the Vice President, Federal Home Loan Mortgage Corporation, transmitting a report on the Corporation's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

675. A letter from the Acting Administrator of General Services, transmitting a report on the activities of the General Services Administration and its National Archives and Records Service under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

676. A letter from the Clerk, U.S. Court of Claims, transmitting a copy of the Court's judgment in Nos. 373, 374, 375, *the Wichita Indian Tribe, etc.* v. *the United States;* to the Committee on Interior and Insular Affairs.

677. A letter from the National Secretary-Treasurer, Sons of Union Veterans of the Civil War, transmitting the audit report of the organization for the year ended June 30, 1980, pursuant to section 3 of Public Law 88-504; to the Committee on the Judiciary.

678. A letter from the Comptroller General of the United States, transmitting a report on the program to modernize theater nuclear weapons intended for deployment in several European countries (MASAD-81-15, March 2, 1981); jointly, to the Committees on Government Operations, Armed Services, and Foreign Affairs.

679. A letter from the Comptroller General of the United States, transmitting a report on the effects of regulation on the electric utility industry (EMD-81-35, March 2, 1981); jointly, to the Committees on Gov-

ernment Operations and Energy and Commerce.

680. A letter from the Comptroller General of the United States, transmitting a report analyzing the United States-Puerto Rico relationship (GGD-81-48, March 2, 1981); jointly, to the Committees on Government Operations and Interior and Insular Affairs.

681. A letter from the Comptroller General of the United States, transmitting a report on U.S. taxation under the Foreign Earned Income Act of 1978 (ID-81-29, February 27, 1981); jointly, to the Committees on Government Operations and Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BROOKS: Committee on Government Operations. Report on oversight plans of the committees of the U.S. House of Representatives (Rept. No. 97-6). Referred to the Committee of the Whole House on the State of the Union.

Mr. FROST: Committee on Rules. House Resolution 67. Resolution authorizing an investigation and inquiry by the Committee on Standards of Official Conduct (Rept. No. 97-7). Referred to the House Calendar.

Mr. GAYDOS: Committee on House Administration. House Resolution 23. Resolution to provide for the printing as a House document of tributes made to the late former Speaker John W. McCormack on the floor of the House, and for other purposes (Rept. No. 97-8). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FOLEY:

H.R. 2243. A bill to establish certain price support loan levels in the event of the suspension of export sales of agricultural commodities; to the Committee on Agriculture.

By Mr. BEDELL (for himself and Mr. TAUKE):

H.R. 2244. A bill to amend the Energy Policy and Conservation Act to provide for a standby plan for allocating gasoline and middle distillates for essential agricultural uses in the event of a severe energy supply interruption; to the Committee on Energy and Commerce.

By Mr. BEDELL (for himself, Mr. MURPHY, Mr. MOFFETT, Mr. AKAKA, Mr. HALL of Ohio, Mr. PEPPER, Mr. MAZZOLI, Mr. SEIBERLING, Mr. GARCIA, Mr. HEFNER, Mr. KOGOVSEK, Mr. WHITEHURST, Mr. WEAVER, Mr. BAILEY of Missouri, Mrs. FENWICK, Mr. MITCHELL of Maryland, Mr. EDGAR, Mr. JAMES K. COYNE, Mr. BENJAMIN, Mr. ECKART, Mr. DASCHLE, Mr. BEVILL, Mr. OTTINGER, and Mr. MCHUGH):

H.R. 2245. A bill to amend the Internal Revenue Code of 1954 to reduce the rate of tax on the taxable income of a corporation below $500,000; to the Committee on Ways and Means.

By Mr. BEDELL (for himself and Mr. MARLENEE):

H.R. 2246. A bill to encourage the use in programs under the Agriculture Trade Development and Assistance Act of 1954 (Public Law 480), in the export credit sales program, and in the commodity donation program, of the protein byproduct resulting from the production of fuel alcohol from agricultural commodities; jointly, to the Committees on Agriculture and Foreign Affairs.

By Mr. BIAGGI (for himself and Mr. PEPPER):

H.R. 2247. A bill establishing a national toll-free telephone information line for senior citizens, and for other purposes; to the Committee on Government Operations.

By Mr. BONER of Tennessee (for himself and Mr. MARLENEE):

H.R. 2248. A bill to amend the Internal Revenue Code of 1954 to allow a deduction as an expense for certain amounts of depreciable business assets; to the Committee on Ways and Means.

By Mr. BREAUX:

H.R. 2249. A bill to provide for improving the efficiency of certain rivers and harbors of the United States and for other purposes; to the Committee on Public Works and Transportation.

H.R. 2250. A bill to provide additional funds for certain projects relating to fish restoration, and for other purposes; jointly, to the Committees on Merchant Marine and Fisheries and Ways and Means.

By Mr. BROWN of California:

H.R. 2251. A bill to amend the Federal Food, Drug and Cosmetic Act to provide that the label and advertising of certain alcoholic beverages contain a statement warning consumers of possible health hazards associated with consumption of the beverage, unless such a requirement is in effect under other Federal law; to the Committee on Energy and Commerce.

By Mr. CLAY:

H.R. 2252. A bill authorizing the appropriation of funds to the city of Atlanta, Ga., to supplement efforts of the Atlanta Police Department in searching for the murderer of black children from Atlanta; to the Committee on the Judiciary.

By Mr. COTTER:

H.R. 2253. A bill to authorize social security coverage, under the agreement entered into with the State of Connecticut pursuant to section 218 of the Social Security Act, for certain employees of the city of Hartford who are not members of such city's municipal retirement plan, and to validate the past coverage of such employees in cases where wage reports were duly filed and the prescribed equivalent of social security taxes was duly paid; to the Committee on Ways and Means.

By Ms. FERRARO:

H.R. 2254. A bill to amend the Public Health Service Act to provide for research concerning Reye's syndrome, and for other purposes; to the Committee on Energy and Commerce.

By Mr. ST GERMAIN (for himself, and Mr. WYLIE):

H.R. 2255. A bill to amend the Bank Holding Company Act of 1956 to limit the property and casualty and life insurance activities of bank holding companies and their subsidiaries; to the Committee on Banking, Finance and Urban Affairs.

By Mr. GIBBONS (for himself, Mr. CHAPPELL, Mr. SHELBY, Mr. GUYER, Mr. MOLLOHAN, Mr. MCDADE, Mr. SCHULZE, Mr. BEVILL, Mr. EVANS of Georgia, Mr. BAFALIS, Mr. CLINGER, and Mr. NELLIGAN):

H.R. 2256. A bill to amend sections 5701(a)(2) and 5702(m) of the Internal Revenue Code of 1954 to reduce the excise tax rate imposed on large cigars and to modify the base on which such tax is imposed; to the Committee on Ways and Means.

Mr. COELHO:

H.R. 2257. A bill to amend the Internal Revenue Code of 1954 to allow a deduction from gross income for social agency, legal, and related expenses incurred in connection with the adoption of a child by the taxpayer; to the Committee on Ways and Means.

By Mr. DANNEMEYER:

H.R. 2258. A bill to amend the Clean Air Act to promote competitiveness in the motor vehicle aftermarket and to preserve consumer freedom of choice to select parts and service of the consumer's own choosing, and for other purposes; to the Committee on Energy and Commerce.

H.R. 2259. A bill to amend the Clean Air Act to promote competitiveness in the motor vehicle aftermarket and to preserve consumer freedom of choice to select parts and service of the consumer's own choosing, and for other purposes; to the Committee on Energy and Commerce.

By Mr. FUQUA (for himself and Mr. HUTTO):

H.R. 2260. A bill to permit extended dredging of bendways and interconnecting waterways; to the Committee on Public Works and Transportation.

H.R. 2261. A bill to permit the Corps of Engineers to acquire land for water-related public use; to the Committee on Public Works and Transportation.

By Mr. JONES of Tennessee (for himself, Mr. DE LA GARZA, Mr. JEFFORDS, Mr. WAMPLER, Mr. BEDELL, and Mr. MADIGAN):

H.R. 2262. A bill to further local and State efforts to conserve, protect, and enhance the Nation's soil, water, and related resources for a sustained agriculture, and for other purposes; to the Committee on Agriculture.

By Mr. MOTTL (for himself and Mr. WINN):

H.R. 2263. A bill to amend title 18 of the United States Code to provide penalties for excessive violence during professional sports events; to the Committee on the Judiciary.

By Mr. MURTHA:

H.R. 2264. A bill to establish standards of fair practices that shall be observed by handlers and associations of producers in their dealings in agricultural products; to the Committee on Agriculture.

By Mr. NICHOLS:

H.R. 2265. A bill to amend section 924(c) of title 18 of the United States Code to modify additional penalties for certain felonies committed with firearms; to the Committee on the Judiciary.

By Mr. PARRIS:

H.R. 2266. A bill to amend the Internal Revenue Code of 1954 to provide that the deduction for moving expenses shall apply without regard to dollar limitations in the case of Federal employees other than Members of Congress and their staffs; to the Committee on Ways and Means.

By Mr. PERKINS:

H.R. 2267. A bill to amend title II of the Social Security Act to eliminate the offset against social security benefits which is presently imposed in the case of spouses and surviving spouses receiving certain Government pensions; to the Committee on Ways and Means.

By Mr. ROE:

H.R. 2268. A bill to amend the Internal Revenue Code of 1954 to restore the deduction for State and local taxes on gasoline and other motor fuels and to allow the deduction for such taxes without regard to whether the taxpayer itemizes other deductions; to the Committee on Ways and Means.

By Mr. SCHULZE:

H.R. 2269. A bill to apply duty-free treatment to Yankee dryer cylinders; to the Committee on Ways and Means.

By Mr. WATKINS:

H.R. 2270. A bill to prohibit the implementation of Revenue Procedure 80-55; to the Committee on Ways and Means.

By Mr. WAXMAN:

H.R. 2271. A bill to amend the Consumer Product Safety Act to authorize appropriations for the Consumer Product Safety Commission; to the Committee on Energy and Commerce.

H.R. 2272. A bill to amend the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 and the Drug Abuse Prevention, Treatment, and Rehabilitation Act to revise and extend the programs of assistance under such acts, and for other purposes; to the Committee on Energy and Commerce.

By Mr. EDWARDS of Alabama:

H.J. Res. 195. Joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States; to the Committee on the Judiciary.

By Mr. FISH (for himself and Mr. GREEN):

H.J. Res. 196. Joint resolution to authorize and direct the Secretary of the Interior, subject to the supervision and approval of the Franklin Delano Roosevelt Memorial Commission, to proceed with the construction of the Franklin Delano Roosevelt Memorial, and for other purposes; to the Committee on House Administration.

By Mr. PANETTA:

H.J. Res. 197. Joint resolution to provide for the designation of February 7 through February 13, 1982, as "National Scleroderma Week"; to the Committee on Post Office and Civil Service.

By Mr. EVANS of Indiana (for himself, Mr. D'AMOURS, Mr. MATTOX, Mr. SHUMWAY, and Mr. WATKINS):

H. Con. Res. 82. Concurrent resolution expressing the sense of the Congress that the Federal bank regulators should immediately begin to diminish the inequitable capital requirements among commercial banks; to the Committee on Banking, Finance and Urban Affairs.

By Mrs. HOLT:

H. Con. Res. 83. Concurrent resolution to express outrage at the murder of innocent children in Atlanta, Ga., and to urge the President to provide assistance necessary to apprehend and convict the killer or killers; to the Committee on the Judiciary.

By Mr. WATKINS:

H. Con. Res. 84. Concurrent resolution to express the sense of the Congress that Federal bank regulators should immediately begin to diminish the inequitable capital-to-assets ratios which are imposed on small- and medium-sized commercial banks; to the Committee on Banking, Finance and Urban Affairs.

By Mr. BOLAND:

H. Res. 95. Resolution to provide for the expenses of investigations and studies to be conducted by the Permanent Select Committee on Intelligence; to the Committee on House Administration.

By Mr. MITCHELL of Maryland:

H. Res. 96. Resolution to commend the Baltimore Braille Association; to the Committee on Post Office and Civil Service.

MEMORIALS

Under clause 4 of rule XXII,

15. The SPEAKER presented a memorial of the Legislature of the State of Delaware, relative to a right-to-life amendment; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CONTE:

H.R. 2273. A bill for the relief of Dr. Christojohn Samuel and Malathi Samuel; to the Committee on the Judiciary.

By Mr. KAZEN:

H.R. 2274. A bill for the relief of Raul Lopez Maldonado; to the Committee on the Judiciary.

H.R. 2275. A bill for the relief of Rev. Joe H. West; to the Committee on the Judiciary.

By Mr. SOLARZ:

H.R. 2276. A bill for the relief of Mohammad Ismail Khan, Hashmat Ismail Khan, and Mural Ismail Khan; to the Committee on the Judiciary.

H.R. 2277. A bill for the relief of Siraj Yoosuf Patel, Farida Fatima Siraj Patel, Humaira Siraj Patel, Faysal Siraj Patel, and Fahd Siraj Patel; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 559: Mr. HOLLENBECK.

H.R. 776: Mr. SIMON, Mr. PANETTA, Mr. BONIOR of Michigan, Mr. OTTINGER, Mr. JOHNSTON, and Mr. HUGHES.

H.R. 1007: Mr. MCKINNEY, Mr. FRENZEL, Mr. MARKEY, Mr. SCHUMER, Mr. DE LUGO, and Mrs. SCHNEIDER.

H.R. 1010: Mr. MURPHY, Mr. BEILENSON, Mr. SABO, Mr. FINDLEY, Mr. GRADISON, Mr. MITCHELL of Maryland, Mr. GORE, Mr. DOWNEY, Mr. COELHO, Mr. KINDNESS, Mr. VENTO, Mr. WALKER, Mr. WEISS, Mr. LAFALCE, Mr. FORSYTHE, Mrs. FENWICK, Mr. GLICKMAN, Mr. EDGAR, Mr. WHITLEY, Mr. EDWARDS of California, Mr. JOHNSTON, Mr. LEVITAS, Mr. MOFFETT, Mr. STARK, Mr. BEDELL, Mr. CONTE, Ms. MIKULSKI, Mr. ERTEL, Mr. LOWERY of California, Mr. TAUKE, Mr. BLANCHARD, Ms. FERRARO, Mr. JAMES K. COYNE, and Mr. DASCHLE.

H.R. 1031: Mr. MURPHY, Mr. BEVILL, and Mr. YATRON.

H.R. 1198: Mr. ROE, Mr. DWYER, Mr. JAMES K. COYNE, Mr. KOGOVSEK, Ms. MIKULSKI, Mr. LUKEN, Mr. FISH, and Mr. ADDABBO.

H.R. 1301: Mr. WON PAT, Mrs. HOLT, Mr. SCHEUER, Mr. GREEN, Mr. SOLOMON, Mr. JOHNSTON, Mr. YOUNG of Missouri, Mr. LAGOMARSINO, Mr. BROWN of Ohio, Mr. HOWARD, Mr. ROE, Mr. YATRON, Mr. MCDONALD, Mr. GOLDWATER, Mr. COLLINS of Texas, Mr. EDGAR, Mr. ARCHER, Mr. FORSYTHE, Mr. PASHAYAN, Mr. WOLF, and Mr. EDWARDS of Oklahoma.

H.R. 1302: Mr. WON PAT, Mr. MURPHY, Mrs. HOLT, Mr. SCHEUER, Mr. PARRIS, Mr. GREEN, Mr. SOLOMON, Mr. JOHNSTON, Mr. YOUNG of Missouri, Mr. KRAMER, Mr. LAGOMARSINO, Mr. BROWN of Ohio, Mr. LOTT, Mr. FRANK, Mr. ROE, Mr. BARNARD, Mr. YATRON, Mr. GOLDWATER, Mr. JAMES K. COYNE, Mr. EDGAR, Mr. COLLINS of Texas, Mr. ARCHER, Mr. CLINGER, Mr. PASHAYAN, Mr. FORSYTHE, Mr. GREGG, Mr. WAMPLER, Mr. WOLF, Mr. EVANS of Delaware, and Mr. EDWARDS of Oklahoma.

H.R. 1362: Ms. FERRARO, Mrs. SCHNEIDER, Mr. STRATTON, and Mr. ZEFERETTI.

H.R. 1490: Mr. JOHNSTON, Mr. RALPH M. HALL, Mr. WILLIAMS of Montana, and Mr. CROCKETT.

H.R. 1541: Mrs. BOUQUARD, Mr. WHITTAKER, Mr. GINGRICH, Mr. GREGG, Mr. HYDE.

H.R. 1723: Mr. MARLENEE and Mr. MURPHY.

H.R. 1765: Mr. RALPH M. HALL, Mr. BENNETT, Mr. MARRIOTT, Mr. BAFALIS, Mr. IRELAND, Mr. WHITTAKER, Mr. NELSON, Mr. LUNGREN, Mr. WILSON, Mr. HANCE, Mr. BARNARD, and Mr. HUNTER.

H.R. 1819: Mr. AKAKA, Mr. BAFALIS, Mr. BEARD, Mr. BEDELL, Mr. BEILENSON, Mr. DICKINSON, Mr. DYSON, Mr. FORSYTHE, Mr. HATCHER, Mr. MCCLOSKEY, Mr. MURPHY, Mr. SIMON, Mr. STANGELAND, Mr. WALKER, and Mr. YATRON.

H.R. 1873: Mr. KOGOVSEK, Mr. ZEFERETTI, Mr. MURPHY, Mr. BONIOR of Michigan, Mr. LAGOMARSINO, Mr. BEDELL, Mr. DAN DANIEL, Mr. SEIBERLING, and Mr. GARCIA.

H.R. 1935: Mr. WASHINGTON, Mr. HARKIN, Mr. CROCKETT, and Mr. DIXON.

H.R. 1937: Mr. BROOKS, Mr. MAZZOLI, Mr. RAILSBACK, and Mr. BUTLER.

H.R. 1988: Mrs. FENWICK.

H.R. 2201: Mr. WHITTAKER.

H.J. Res. 14: Mr. BADHAM, Mr. MITCHELL of New York, Mr. ROBINSON, Mr. ROBERT W. DANIEL, Jr., Mr. LENT, Mr. LUJAN, Mr. SNYDER, Mr. CHAPPELL, Mr. BROYHILL, Mr. GOLDWATER, Mr. EDWARDS of Alabama, Mr. MARLENEE, Mr. MURPHY, and Mr. KRAMER.

H.J. Res. 84: Mr. SAVAGE, Mrs. SNOWE, Mr. JONES of North Carolina, Mr. TRIBLE, Mr. MINETA, and Mr. LELAND.

H.J. Res. 120: Mr. HENDON.

H. Con. Res. 20: Mr. HOLLENBECK.

H. Con. Res. 44: Mr. RAHALL, Mr. GORE, Mr. MURPHY, Mr. WOLPE, Mr. WEAVER, Mr. PARRIS, Mr. WHITEHURST, Mr. BAILEY of Missouri, Mr. GUYER, Mr. YATRON, Mr. GINGRICH, and Mr. DORGAN of North Dakota.

H. Con. Res. 55: Mr. PURSELL.

H. Res. 55: Mr. REGULA, Mr. DASCHLE, Mr. DICKS, Mr. DYSON, Mr. ERTEL, Mr. GUARINI, Mr. LAFALCE, Mr. NEAL, Mr. PATTERSON, Mr. UDALL, and Mr. WYDEN.

EXTENSIONS OF REMARKS

REVITALIZATION OF U.S. INDUSTRIES AND CITIES

HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. BLANCHARD. Mr. Speaker, many of us from the Northeast and Midwest areas of our Nation are particularly concerned about the decline of basic U.S. industries—auto, steel, rubber, glass, and others—and its deteriorating effect on our older urban areas.

Recently, I introduced the United States Revitalization Act, H.R. 2000, which is aimed at restoring the health and vitality to our industrial belt and older cities. The bill would create a U.S. Revitalization Bank which could use loans, loan guarantees, or equity capital, in a very limited fashion, to help industry modernize in order to meet the needs of today and the challenges of tomorrow. The Bank would also provide low-interest loans to cities that do not have the funds to pay for capital improvements. Many cities have been hard hit by a reduction in their tax base, and are not able to borrow from the private sector to meet their needs.

The concept of the bill was inspired by Felix Rohatyn, chairman of the Municipal Assistance Corporation. Rohatyn fashioned the complex financial plan which helped save New York City from bankruptcy 1 year ago. That plan has helped lead New York to their current budget surplus.

H.R. 2000 may not be the exact answer to the problems facing our industries and cities. In fact, access to credit is only one of several techniques to address the problem. But this bill does represent the type of targeted approach that is necessary for us to begin the job of revitalizing the U.S. economy.

Along these lines, I would like to bring to my colleagues' attention the following editorial from the Detroit Free Press which further outlines the need to address the problems facing the basic industries and cities of the Northeast and Midwest.

The article follows:

TWO CRISES: A NEW NATIONAL POLICY MUST LINK URBAN AND INDUSTRIAL REVIVAL

The danger in Detroit's fiscal and economic crisis, and in the festering economic illness of the nation, is that they may seem like other spasms we have overcome. The truth is that they reflect profound change in the country and its place in the world, and they require fundamental solutions.

This city's troubles exemplify the merging of urban and industrial distress. Like a crucible in the workplace, Detroit is having to withstand intense heat. And just as an industrial crucible fuses metals to make stronger forms, the answers to the urban-industrial crisis must be fused to make the country and the city stronger.

The solutions will have to be national. Detroit is in a position to lead the way in change or to perish as a great city and as the powerhouse of the country's most developed industrial region.

The immediate remedies must not be confused with long-term solutions. Mayor Coleman Young is grappling with Detroit's fiscal crisis. As was the case in the mid-1970's, the city's immediate need is for new revenues and cutbacks in spending to balance the budget. But this crisis is different. It is likely to continue indefinitely, with only patchwork relief, unless there is a national commitment simultaneously to revive basic industry and salvage the country's older cities in the Midwest and Northeast.

Those cities are beset by the decline of America's industrial base, the resultant ravages of foreign competition, the revolution in energy prices, shifts of population and industry toward the south, the human and fiscal cost of maintaining masses of people who have lost jobs or were never well equipped to hold them.

DETROIT INNOVATES

Of necessity, Detroit already has become the birthplace of innovative answers. Some may be critically flawed or in need of adjustment, but they are unfolding.

The auto companies have begun rebuilding themselves, with billions of dollars of investment in better plants and technology, but in the face of immediate perils that could cripple them before the task is completed;

The experiment in saving Chrysler has brought previously unthinkable adjustments on the part of workers, management, lenders and suppliers: adjustments of the kind that may be necessary in many American corporations;

A great industrial union, the United Auto Workers, has set the pace for creative flexibility: remaking contracts to limit workers' rewards in a time of emergency, co-operating with management to improve productivity and quality of product, looking to the long-term future at the painful expense of short-term gain;

One extraordinary industrial feat has been accomplished and another initiated: Chrysler's expensive rebuilding of its inner-city Jefferson Avenue plant and the public-private effort that is enabling General Motors to demolish what once was the world's biggest auto manufacturing plant so that it can be replaced by a high productivity new plant in Detroit and Hamtramck.

These are remarkable first steps. But Detroit, even with federal help and local innovativeness, cannot prevail unless the country recognizes the need for a new national urban-industrial policy.

Although this is becoming self-evident, the outlines of the Reagan administration's economic policies do not reflect that. They are intended to buoy the economy generally by freeing billions of dollars for private investment and individual spending and saving. Even if they do that, the trends that have produced an urban-industrial crisis will not necessarily change.

In fact, general economic stimulation could accelerate the deterioration of older big cities and the movement of business and industry to the Sun Belt. Like the world's oil-exporting countries, the Sun Belt already stands to gain awesome new wealth from decontrol of oil and gas prices. It will mean a gargantuan transfer of dollars southward as the colder parts of the country, more dependent upon fuel, pay higher prices. And the administration's plan to free money for business and industrial investment is likely to produce more expansion in the Sun Belt, where competitive advantages already are massively luring people and industry, than in the Midwest and Northeast.

Is that bad for the country? The Commission for a National Agenda for the 1980s, established by former President Carter, does not think so. It has argued that the decline of the Midwest and the Northeast is inevitable and that the government should encourage the flow of people and resources to the Sun Belt, despite "traumatic consequences" for the North's cities.

The commission overlooked the costs of that. It did advocate heavy federal spending to relieve the distress of the people left behind: an implicit recognition that Northern urban centers would become permanently dependent cripples. But it did not comprehend the cost of abandoning cities and industrial complexes, only to pay for building new networks of roads, sewers, water lines, schools, utilities and other services.

An opposite kind of call comes from Felix Rohatyn, the investment banker who has led the rescue of New York as chairman of the Municipal Assistance Corp. He appeals for policies to strengthen industry and the declining cities of the North. We must not become a nation divided regionally between rich and poor, he argues in an article in the New York Review of Books.

SAVING INDUSTRIAL MUSCLE

Mr. Rohatyn notes that the decline of basic industry in America has been accompanied by a shift toward consumer and retail services. He cites Emma Rothschild's conclusion that since 1973 the increase in employment in eating and drinking places has been greater than all employment in the auto and steel industries.

We are becoming a country of service industries. If the muscle of basic industry continues to go slack, we will be as dependent upon other countries' industry as we are upon foreign oil.

Mr. Rohatyn proposes a national Reconstruction Finance Corp., not simply a reincarnation of the New Deal's successful RFC but one designed to meet today's special needs in industry and older urban centers with a linkage of the two.

Its function for cities would be similar to that of Mr. Rohatyn's MAC, which has moved New York from bankruptcy to a balanced budget in five years. MAC won concessions from banks and unions, from city and state, and forced reforms that are making New York fiscally healthy again.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

A new RFC's role in industry would be to provide the equity capital needed by older industries that can make a case for their survival. Those companies might benefit also from short-term conditions imposed upon their creditors, unions, stockholders and managements to enable them to become strong and efficient.

A 60 BILLION DOLLAR SHOT

The RFC could begin, Mr. Rohatyn argues, with as little as $5 billion from the federal government and the authority to issue $25 billion in government-guaranteed bonds. With this $30 billion, to be matched by private investors in the same projects, $60 billion would be available for industrial and urban reconstruction. One of his proposals ties the critical U.S. dollar outflow to oil-producing countries to those countries' need for investment opportunities: He suggests that RFC bonds could be sold to certain OPEC countries.

Although Mr. Rohatyn's plan may be faulted in part, we believe it goes to the heart of the urban-industrial problem. The free-market compromises they would require are bothersome, though we have seen their like in the Chrysler and New York City rescues. The trends they might reverse are much more bothersome.

As Mayor Young has said, this country is not so rich that it can afford "disposable cities." Neither is it so rich that it can afford disposable industrial bases and abandoned cities populated by abandoned people.●

THE PASSING OF MRS. EUNICE KING SAVAGE

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. MITCHELL of Maryland. Mr. Speaker, I would like to express my deepest sympathy for the family of Congressman GUS SAVAGE, in the loss of their wife and mother, Mrs. Eunice King Savage. Congressman SAVAGE is a new and most welcome addition to this House, and I join my colleagues in offering a hand of support during the coming days.

Mrs. Savage worked closely with her husband throughout their 35 years of marriage. She returned to high school after marrying Congressman SAVAGE, and completed the Englewood Evening High School in Chicago. In subsequent years, Mrs. Savage attended Crane Junior College in that city.

The Savage's bond of marriage extended to a viable partnership in the pursuit of social justice and change. Mrs. Savage founded the Citizen Newspaper, a series of papers which spoke to citizen issues in Chicago. Congressman SAVAGE edited and published this paper. Having shared her husband's political zeal, Mrs. Savage also was a civil rights and community activist.

While we join with Congressman SAVAGE to mourn his loss, let us not forget that he is somewhat comforted with the memory of a 35-year marriage, complete with mutual respect, love, dedication, and support.●

THE URGENT NEED FOR HUMANITARIAN ASSISTANCE TO SOMALIA

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. GILMAN. Mr. Speaker, years of civil strife and unrelenting drought have left approximately 1.5 million people in the east African country of Somalia in an increasingly tenuous balance between life and death. Streaming into makeshift refugee camps pitifully stocked with the most minimal amount of food rations and medical supplies, these destitute but brave Somali refugees face starvation and crippling illness aggravated by severe malnutrition unless international relief efforts receive new infusions of funding.

Earlier this month, I joined with the gentleman from Connecticut (Mr. MOFFETT) and several other of my colleagues in introducing legislation, House Concurrent Resolution 68, expressing the sense of Congress that the United States should provide immediate humanitarian assistance to Somalia in order to help that nation cope with the hunger problem there. As a member of the Presidential Commission on World Hunger, I witnessed how internationally coordinated relief efforts could be successful when the energies and resources of governments, private groups, and individuals join in a generous union of humanitarian conern for the lives of those suffering calamity and destitution born of forces—manmade or natural—over which they have no control.

Mr. Speaker, as our Commission learned and subsequently stated in our final report on overcoming world hunger, the major hunger problem in the world today is the chronic undernutrition afflicting hundreds of millions of individuals struggling daily for survival in the midst of extreme poverty. To address this problem, I am preparing legislation to improve world food security, to help assure that our Nation's food and development assistance reaches those in poorer nations who are most in need of such assistance, and to better inform Americans about the vital stake the United States has in alleviating hunger and chronic undernutrition.

In the interim, and even as other initiatives against hunger are launched, our Nation must continue to respond expeditiously and generously to instances of famine caused by localized disasters such as bad weather or political strife. Absent such a commitment, the hungry and homeless will perish.

Recently, a delegation from the Hunger Project, a private organization dedicated to raising public consciousness about the hunger problem, visited Somalia. Headed by its executive director, Joan Holmes, the group, including Valarie Harper, Ted Howard, and Jonathan Deull, visited several refugee camps, learning firsthand the dimensions of the catastrophe now gripping Somalia. Their report, a portion of which I insert to be printed at this point in the RECORD, vividly captures the plight of the Somalian refugees:

Once seen, it can never be forgotten: more than 76,000 people, 90% of them women and children, clustered together on a barren hillside, their only shelter small huts made of thorn bush branches, animal skins, and pieces of cloth. No one in the camp had received food rations in two days, and it was uncertain when the next food supply truck would arrive. . . .

There were no blankets at all, even though at night temperatures fell into the low 40s. The entire water supply for 76,000 people consisted of two shallow, hand-dug wells, each of which had only six inches of murky water remaining, enough for just one more week. In any case, the water was contaminated, the cause of widespread diarrhea among the refugees.

Thousands of children were infected with measles; thousands more were seriously ill from diseases made worse because of severe malnutrition. Sixty percent of the adults had tuberculosis. There were only two doctors for the entire camp and virtually no medical supplies.

We were witnessing firsthand the worst refugee crisis in the world today: 1.5 million people on the brink of starvation in the East African country of Somalia.

Somalia, where one out of every four people is a refugee, is representative of the staggering hunger and refugee problem throughout much of the continent of Africa: up to 60 million people facing starvation or acute malnutrition. The problem is most severe in the Horn of Africa—Somalia, Ethiopia, Sudan, Uganda, Kenya, and Djibouti. Unless the world responds with massive aid, as it did one year ago in Cambodia, millions of East Africans face a bleak and possibly devastating future.

Our Hunger Project delegation had come to Somalia to investigate the famine and refugee crisis that has made this country the most glaring example of the chronic hunger that plagues all of Africa. What we encountered was a time-bomb—a dark tragedy in the making, yet one in which there is the shining possibility that, like Cambodia, Somalia can become an example of an international commitment to save an entire people.

The refugees we visited were once self-sufficient nomads, ethnic Somalis who have fled their native lands in the Ogaden region of Ethiopia. Their lives there have been disrupted by years of war and constant fighting between Somali rebels and the Ethiopian Army. A decade of severe, punishing drought has added to their plight, killing their livestock and leaving them destitute.

Homeless, hungry, diseased, and malnourished, they have made their way across hundreds of miles of desert to Somalia. There, in the Somalis' age-old tradition of caring for kinsmen, they have been welcomed. One-half million refugees have been taken in by Somali families, some of whom care for as many as 20 people. A million more

have settled in 32 government-established refugee camps, where they are totally dependent on outside assistance for their survival.

The strain on the nation of Somalia, the eighth poorest country on earth, is nearly unbearable. Somalia's meager resources are all but exhausted. And the refugees keep coming—at a rate of up to 3,000 a day.

In the refugee camps of Somalia, the fundamental fact of life is hunger—painful, gnawing, debilitating hunger. In the camps of Somalia, we came face to face with hunger—the horrible, tangible, day-to-day, day-in and day-out reality of hunger.

Prolonged hunger decimates a society and unravels the fabric of a culture: productive work becomes impossible; families disintegrate; and the environment is destroyed as the struggle to survive forces people to strip their surroundings of every meager resource.

As we walked among the refugees, we confronted hunger's devastating effect on human beings. Hunger is more than an empty belly. Hunger hurts, deforms, blinds, and maims. A mother's withered breasts no longer give milk. A child's mind and body are stunted. An old man sits motionless in the dirt, staring vacantly at the world through eyes gone hollow.

Hunger is a silent killer. Where hunger reigns, all is deathly still. Ghostly quiet are the hospital tents where small children waste away from diarrhea or measles, common diseases made deadly by undernourishment. Silent are the huts where adults, ravaged by hunger, lie helplessly awaiting death from cholera or tuberculosis.

In the camps of Somalia, we came to know the deadly silence of starvation.

It is almost a miracle that a holocaust has not yet occurred. Only a heroic international relief effort and the Somali government's own unyielding commitment stand between the refugees and looming disaster.

Mass starvation is being averted, but, as one relief worker told us, "There is no room for error. If we have a major outbreak of communicable disease within the camps, we will have dying. If we have a fuel supply problem that prevents us from trucking food from the ports to the camps, we will have dying. If more refugees than we can handle flee the desert, we will have dying. If the refugees leave the camps in desperation and enter the population centers, we will have dying. And in each case, it could happen on a very, very large scale."

Facing impossible odds, relief workers—men and women who are the unsung heroes of our time—fight to keep one million people alive. There is a shortage of everything—supplies, equipment, medical care, trained personnel. The logistics of trucking food across hundreds of miles of barren, roadless desert are overwhelming. Communication between the camps and the outside world is almost nonexistent.

The situation is tenuous, fragile, and potentially explosive. And still, the relief effort holds the line.

There is nothing naive or idealistic about this international relief program. It is a professional operation, staffed by skilled technicians, people with years of field experience. They have fought famine, drought, and the persistence of hunger in the Congo, the Sahel, Chad, and Ethiopia. They have assessed the situation in Somalia—what needs to be done and how to do it. And they know that it can be done.

With large-scale international support, they say, the immediate crisis can be ended. Give us more supplies and more manpower, they tell you, and we can turn this disaster around.

These professionals know the pitfalls of relief work. They recognize how unhealthy it is to "bottle-feed" a refugee population for a long period of time, to keep them dependent on charity. They know that relief must lay the foundation for the refugees to become productive, contributing members of Somali society.

There is no mystery about what needs to be done to return people to their natural state of self-reliance. Already, the relief community is looking beyond the emergency, designing programs with the Somali government for the long-term development of the nation. Plans are underway to increase agricultural and fishing productivity, irrigate new lands, train refugees in new skills, turn back the desert, and restore forests and grazing lands.

With sufficient international support, the persistence of hunger can be ended in Somalia and throughout the Horn of Africa.

We returned from East Africa profoundly altered by what we had seen and learned. In our visits to the refugee camps, we had witnessed both the most heartbreaking human misery and the most inspiring human spirit we had ever known. In the midst of horrifying circumstances, we found people of dignity and stature, pride and courage.

It was never too clear to us that the solution to the problem of hunger in Africa lies within the African people themselves. They do not seek our charity or pity. Rather, they ask for our support and participation as partners.

We had traveled thousands of miles only to recognize even more fully the hunger can be ended. What every prestigious organization that has studied world hunger has said is true: the world community possesses the resources and technology to end hunger in this century—all that is lacking is the will, the worldwide commitment to get the job done.

Only individuals can generate this worldwide commitment. What each person does counts; each action makes a difference.

Our journey had brought us full circle—back to ourselves and our personal commitment, now clearer and deeper than ever. We had strengthened our resolve to let people everywhere know that within each of us lies the key to the end of starvation.

Accordingly, I urge my colleagues to join in support of this important, crucially time-sensitive resolution of congressional concern and support for the people of Somalia.●

CALL TO CONSCIENCE VIGIL: VIACHESLAV ROYAK

HON. CHARLES F. DOUGHERTY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. DOUGHERTY. Mr. Speaker, now more than ever it is important that we not forget those who cannot enjoy the freedom we do as American citizens. I have again joined the "Congressional Call to Conscience Vigil" to draw attention to the plight of Jews in the Soviet Union. This vigil will make clear our total opposition to Soviet abrogations of basic human rights.

Today I would like to express my grave concern for Viacheslav Royak who for 4 years has been refused the right to emigrate to Israel. At work "Slava" Royak has been threatened and abused. He is a diabetic yet Soviet officials withhold insulin from him. His family also must suffer harassment and bigotry—all because of their Jewish heritage and their desire to live in peace and freedom.

In violation of the Helsinki accords and despite a letter from myself and 30 Members of Congress, Soviet officials continue to ignore the Royaks' basic rights. Although I am delighted that the Soviet Union has released Iosif Mendelevich, it is my fervent hope that soon Viacheslav Royak will be able to join Iosif in Israel.●

SOIL CONSERVATION ACT OF 1981

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. JONES of Tennessee. Mr. Speaker, I am today introducing the Soil Conservation Act of 1981. This bill will focus the efforts of the Federal Government and encourage local programs to address the serious soil erosion and related problems that exist in many areas of the United States.

Soil erosion has been a problem since man began altering the environment to meet his needs. Cropping, livestock grazing, logging, mining, and other activities accelerate erosion, disturb or destroy the soil surface, and remove protective vegetation. The problem is growing worse year after year in this Nation and worldwide as well.

According to studies made by the Soil Conservation Service, about 4 billion tons of soil is lost annually from the non-Federal lands in the United States, with one-half of that total coming from cropland. Forty-four percent of the 413 million acres used for cropland in 1977 is on soils with a moderate to very high risk of damage by sheet and rill erosion. Some soils lose as much as 100 tons or more per acre per year. Erosion is especially serious on sloping unprotected cropland. In some areas, a combination of conditions results in deep cavernous gullies that void the land for any productive use.

To assist in combating this problem in a comprehensive way, my colleague JIM JEFFORDS and I have designated this bill. JIM JEFFORDS serves with me as the ranking minority member of the Agriculture Subcommittee on Con-

servation, Credit, and Rural Development, which I chair.

The Soil Conservation Act of 1981 would tackle the problem of soil erosion using five important approaches.

SPECIAL AREAS CONSERVATION PROGRAM

Title I establishes a special areas conservation program to target increased financial and technical assistance to the most seriously eroding areas in the country as identified by the Secretary of Agriculture.

The program is patterned after the Great Plains conservation program which has been in successful operation in a 10-State area since 1956. Basically, the program would involve these elements:

First, cost-sharing and technical assistance to landowners and operators in a designated special area.

Second, long-term contracts between USDA and landowners and operators based on conservation plans for the farm.

Third, agreement by owners and operators to implement their plans in accordance with a firm schedule and to forfeit further rights if they violate the contract.

Fourth, determination by the Secretary of Agriculture of the cost-sharing percentages necessary to carry out the program.

Fifth, authority to compensate farmers for income lost as a result of crop adjustments from new crops to permanent vegetative cover. This provision is just one way to approach the problem, and I will be interested to hear the debate.

Sixth, approval of all projects by the House and Senate Agriculture Committees.

MATCHING GRANTS FOR LOCAL CONSERVATION ACTIVITIES

Title II of the bill establishes a matching grant program to assist local conservation efforts across the country. I believe that soil and water conservation districts and farmer-elected agricultural stabilization and conservation committees have proved to be extremely capable groups in aiding farmers, ranchers, and other citizens in natural resource conservation.

They do have a need to focus and target their activities to the most pressing conservation needs in each county, and to coordinate more closely with each other and with State and Federal agencies. This bill would encourage that targeting and coordination with several important concepts.

First, It would create county conservation boards, made up of the members of the conservation district governing board and the members of the ASC committee, to receive grant funds from the Department of Agriculture, arrange for matching funds from other sources, and coordinate the development and implementation of long-range conservation programs and annual plans for the county.

Second, it would increase the Federal share of grant funds where an objective in the county program is defined by the Secretary as being national in scope rather than local or State.

Third, it would allow the Secretary and the Governor to designate representatives of other agencies at any level to serve as advisers to the county conservation board.

Fourth, it would call for public participation developing the long-range programs and annual plans.

Fifth, it would require that several important soil and water conservation objectives be addressed in the programs in order to be approved by the State soil conservation agency, State ASC committee, and the Secretary. It also would suggest the inclusion of several other important objectives if they fit local needs.

Sixth, it would permit long-term agreements of up to 10 years where a priority or objective requires several years to complete or reach.

This title will enable existing local units of government to improve their capability to lead the way in the kinds of natural resource improvements that will be cost effective and environmentally sound.

LOANS FOR CONSERVATION ACTIVITIES

Title III establishes a conservation loan program by providing authority for the Commodity Credit Corporation to make secured and unsecured loans to agricultural producers. These loans would be for natural resource conservation and environmental enhancement measures that are recommended by county and State ASC committees and are part of a conservation plan approved by the local conservation district.

This title recognizes that agricultural producers are willing on a voluntary basis to carry out conservation practices, but require some financial assistance to make the practices feasible. This loan authority would put more conservation on the land with very little outlay of Federal funds.

CONSERVATION VOLUNTEERS PROGRAM

Title IV of the bill would establish a program of volunteers in conservation. The Secretary of Agriculture could for the first time accept voluntary service by interested people who are willing to aid the natural resource assistance programs of the Department without compensation and without displacing USDA employees.

It would protect such volunteers in case of injury on the job and in case of tort claims; they now have no such protection, and that is the main reason that USDA and other agencies cannot accept voluntary service.

PROGRAMS FOR REDUCING RESERVOIR SEDIMENTATION

Finally, title V of the bill establishes a 5-year program to develop improved methods for reducing excessive sedimentation in existing reservoirs. State and local governments would work with conservation districts, Agriculture Department agencies, and other interested parties in developing and implementing plans to curb soil erosion on the watershed drainage areas above the publicly owned reservoirs.

House and Senate Agriculture Committees would review and approve each plan to assure that the proposed remedial measures would meet the objectives of the program. The title will help assure that water storage capacity and water quality are not unnecessarily impaired by sedimentation resulting from excessive soil erosion on surrounding land.

Mr. Speaker, it is extremely important that we help local people protect America's valuable land and water resources. I believe that the concepts embodied in the Soil Conservation Act of 1981 will result in better soil and water conservation on the land, at a minimum cost to the Federal Government. I also believe that this bill will help avoid the need for future Federal expenditures to resolve extremely serious soil and water conservation and water quality problems.

Minimizing future as well as present governmental costs must be an urgent priority of this Congress.

Therefore, I ask your favorable consideration of the Soil Conservation Act of 1981.●

1981 CONGRESSIONAL VIGIL: THE ALEINER FAMILY

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. COUGHLIN. Mr. Speaker, once again I would like to bring to my colleagues' attention the case of Boris and Lisa Aleiner, whose marriage spans 7,000 miles and the harsh realities of international politics.

Lisa, an American citizen, and Boris met in March 1976 when she and her family spent a week in Leningrad as part of a vacation tour. She returned the following summer for a 6-week visit and a romance took root. The next summer she returned to Leningrad and married Boris on August 28, 1978. Being in an unfamiliar environment, separated by a language barrier, Lisa returned to her parents' home the following April to await the birth of their son, Sasha.

On March 12, 1979, Boris first applied to leave the Soviet Union for the United States to join his wife and son. He was refused on July 15 of that year. The denial was based on security for a job held 3 years previously. After waiting the allotted time, he reapplied. In May 1980, again, he was refused, but no reason was given this time. Re-

cently Boris was refused permission to emigrate for a third time.

Lisa still lives in my Pennsylvania District, apart from her husband. Sasha, now 15 months old, has met his father only once. Although he has appealed this last decision, it is clear Boris will again have to wait 6 months and apply yet another time for an exit visa. Like so many others, his desire to leave the Soviet Union is not based on political considerations but rather is a matter of family reunification, a humanitarian appeal.

We are all familiar with the Helsinki agreement of 1975, whereby the Soviet Union agreed to accelerate the processing of exit visas for all minorities, especially in those cases where family reunification is an issue. The sad truth is, in 1980, the number of Soviet Jews granted permission to emigrate sharply declined from previous years. Although our pleas seem to receive little consideration, I believe, along with many others, that world opinion can force the Soviet Union to abide by the Helsinki agreement and live up to the responsibilities agreed upon by all signatory nations. The lives of Lisa and Boris Aleiner and thousands of men and women like them depend on our efforts. Remembering that no one's rights are truly secure unless everyone's rights are protected, we owe it not only to the Aleiners and others who suffer like them, but also to ourselves.

As a final note, I would like to thank my colleague, MIKE BARNES, for hms efforts in coordinating the 1981 Congressional Vigil. It is important to let Soviet officials know that the preservation of individual rights and freedoms, as spelled out at Helsinki, remains vital to all Americans.●

TAX CUTS INFLATIONARY? EXPERIENCE SAYS NO!

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. LENT. Mr. Speaker, as one who has long advocated the Kemp-Roth proposal for meaningful reductions in Federal income tax rates, it was gratifying to see President Reagan adopt this plan for revitalizing our economy.

Since the President announced his economic program, however, his tax rate reduction proposals have come under increasing fire—primarily on the argument that such an across-the-board reduction in tax rates would be inflationary. I firmly believe that argument to be specious, and offered only because there is no valid reason to oppose tax reductions sufficient to revitalize our economy.

The fact is that past experience shows the healthy effect on the economy of a substantial tax reduction. A recent article by one of the Nation's most respected economists, Richard Rahn, vice president and chief economist of the U.S Chamber of Commerce, examines in careful detail the reasons why this is true.

In order that my colleagues may have the benefit of this learned exposition of the case for the Kemp-Roth tax reduction approach, I insert Mr. Rahn's article, which appeared in the Washington Star February 18, at this point in the RECORD. I urge my colleages to study thoroughly the arguments presented. They offer a most impressive case for the President's tax reduction program.

TAX CUTS INFLATIONARY? EXPERIENCE SAYS "NO"

During the last 15 years Americans have experienced ever higher levels of inflation and taxation in tandem with rising budget deficits.

Given this historical relationship, why is it so many people are determined to have us believe that any tax reduction would be dangerous now, because all tax cuts are implicitly inflationary?

Usually we are told that a choice must be made between balancing the budget and reducing taxes. It is suggested that tax reductions will automatically increase the deficit, which the Federal Reserve must then cover by printing more money, thus generating more inflation.

NOT A TAX CUT

That scenario is false. To start with, it is misleading to suggest that taxpayers will be getting any real tax cut at all. Inflation, combined with recently legislated increases in Social Security taxes and oil excise taxes, and a highly progressive income tax, all limit the choice to one between a very large tax revenue increase or a somewhat lesser increase.

The assumption that Americans must choose between a balanced budget and tax reduction, because tax cuts will automatically increase the deficit and worsen inflation, is also false.

The whole idea that tax cuts are inflationary stems from a confusion of tax rates with tax revenues. The two are not identical: Inflation-swollen incomes can produce higher tax revenues even if tax rates stay the same.

The Kemp-Roth bill, which has become a core component of the Reagan administration's economic approach, would lower all marginal tax rates by 10 per cent across the board each year for three years. By cutting marginal tax rates we would be rewarding additional work relative to additional leisure, and rewarding additional saving and investment relative to additional consumption. In effect, we would be reducing the "price" of work and increasing the "price" of leisure. Incentives are the essence of supply-side economics.

What's more, since we know that higher levels of production, savings and investment would improve the rate of productivity and increase supplies of goods and services, it is ludicrous to say that cutting marginal tax rates would automatically increase the deficit and worsen inflation.

Indeed, supply-side economists are convinced that precisely the opposite is true. Every major tax-rate reduction in this century, starting with those first proposed in 1920, resulted in increased government revenues. The burden of proof is on those who oppose supply-side tax reductions to find a case when this did not occur.

THE KENNEDY EXPERIENCE

When President Kennedy took office, the highest marginal tax rate was still above 90 per cent. In announcing his intention to cut rates across the board, he said, "Our true choice is not between tax reduction, on the one hand, and the avoidance of large federal deficits on the other . . . An economy hampered by restrictive tax rates will never produce enough revenue to balance the budget—just as it will never produce enough jobs or enough profits."

Commenting in 1965 on results of Kennedy's rate reductions, Walter Heller, who was the president's chairman of the Council of Economic Advisers, said: "What happened to the tax cut in 1965 is difficult to pin down, but . . . did it pay for itself in increased revenues? I think the evidence is strong that it did."

There are other examples of tax-rate reductions that have paid for themselves. The capital gains tax reduction passed in 1978 has led to a $1.1 billion revenue gain, as contrasted to a $2.7 billion revenue loss forecast by the Treasury.

FILING IN PUERTO RICO

And, the most recent example was provided by Governor Carlos Romero Barcelo in Puerto Rico, who reduced income tax rates there by 15 per cent in the last two years. Citing this case, Congressman Jack Kemp noted on the floor of the House. "They found as they reformed their tax code and lowered their rates of taxation on all individual taxpayers that not only did revenues climb by 13.5 per cent, but so did the number of people filing returns."

In other words, when tax rates are cut, individuals at the top of the income scale discover that tax shelters now offer less attractive returns, while those hiding in the underground economy find they can now engage in legitimate business activities and remain law-abiding citizens as well.

The increased economic growth that has historically resulted from reducing tax rates can work in the 1980s to reduce the demand for higher government spending, particularly in transfer payment programs such as unemployment compensation, food stamps, trade adjustment, welfare, and so on. Stimulating economic growth through tax reduction results in large numbers of people leaving the public dole and entering the private economy. The explosion in federal spending in recent years is a direct result of our sluggish economy, aggravated by the last administration's refusal to support general rate reductions.

Given these two beneficial effects of supply-side tax cuts—large revenue feedbacks and a lower level of government spending—it is both impossible and misleading to assume that tax-rate reductions will mean higher deficits and inflation.

Indeed, I believe reductions in marginal tax rates of 10 per cent a year for three years, combined with improved business depreciation, will increase productivity growth, reduce unemployment, and substantially mitigate inflationary pressures, while increasing Americans' real per capita incomes.

In the absence of such tax cuts, American workers will see their individual income and Social Security taxes rise by a staggering $64 billion in FY 1981 and $77 billion in FY 1982. When one considers that average real spendable earnings per worker have de-

clined 15 per cent since 1972, tax increases of this magnitude are hardly the sort of policies needed to get this country moving again.●

CONGRESSIONAL SALUTE TO HON. ANTHONY VER HAGE, ESTEEMED CHIEF OF POLICE OF PROSPECT PARK, N.J., OUTSTANDING CITIZEN, COMMUNITY LEADER, AND GREAT AMERICAN

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. ROE. Mr. Speaker, on Friday, March 6, the residents of Prospect Park, my congressional district and State of New Jersey will gather in testimony to the outstanding public service of one of our most distinguished public safety officers and good friend, Hon. Anthony Ver Hage, whose standards of excellence as chief of police of the borough of Prospect Park, N.J., have truly enriched our community, State, and Nation.

Mr. Speaker, as we commemorate Anthony Ver Hage's retirement from his law enforcement career, I know you and our colleagues here in the Congress will want to join with me in deep appreciation of all of his good works and share great pride in the success of his achievements with his good wife Ellen and their three sons, Mark, Steven, and Christopher.

Chief Ver Hage has indeed earned the highest respect and esteem of all of us for the quality of his leadership and sincerity of purpose in ever seeking to achieve optimum public safety for all of our people. He was appointed to the Prospect Park Police Corps in 1961 as a patrolman. He served in all official ranks of the Prospect Park Police Department—sergeant, lieutenant, and for the past decade has held the high office of public trust as chief of the department.

Mr. Speaker, Anthony Ver Hage comes from a long family line of law enforcement officials. His Uncle Kryn Ver Hage was a sergeant of the Prospect Park Police Department and another Uncle, Councilman Martin Ver Hage, has been police commissioner of the borough for a number of years. Anthony has continued in the tradition of the Ver Hage family with his deep affection and dedication to the needs of the residents of the community. He officially retired from the Prospect Park Police Department on December 31, 1980, with a record of performance and personnel commitment that has enabled him to achieve the fullest confidence and strongest support of the people of our community. He has always applied the most sophisticated and advanced techniques of his profession and his exemplary achievements are now lastingly etched in the annals of the public records of the borough of Prospect Park.

Chief Anthony was secretary of the Policemen's Benevolent Association, Local 114, and during his lifetime was also active as a volunteer fireman of the borough of Prospect Park. He is a past president of the Prospect Park Volunteer Hose Co. It is interesting to note that Anthony served two terms as a member of the Manchester Regional High School Board of Education and his wife Ellen served for a number of years as a member of the Prospect Park Board of Education.

Mr. Speaker, it is indeed appropriate that we reflect on the deeds and achievements of our people who have contributed to the quality of our way of life here in America and I am pleased to call your attention to his lifetime of outstanding public service. As Chief Ver Hage retires his official leadership badge of courage and valor as the esteemed chief of police of Prospect Park, N.J., I respectfully seek this national recognition of his contributions to our country in placing others above self in providing safety on the streets, security in the home and optimum public safety for all of our people.

For his contributions to the quality of life for the people of our community, State, and Nation, we do indeed salute an outstanding citizen, community leader and great American—the Honorable Anthony Ver Hage of Prospect Park, N.J.●

THE CASE FOR THE AUTO INDUSTRY

HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. BLANCHARD. Mr. Speaker, I would like to bring to my colleagues' attention an essay by noted columnist George Will that appears in the current issue of Newsweek magazine. Mr. Will's comments eloquently outline some of the sources for the present problems facing the automobile industry, as well as other related industries. In his analysis, Mr. Will describes some of the proposed efforts to alleviate the crisis that grips the industrial sector of our Nation. He points out that, given the crisis facing the auto industry, some form of trade restraint might be appropriate. He further states that the staggering capital needs of this country's auto and related industries may require some form of a publicly supported source of loan assistance or equity capital.

Recently, I introduced the U.S. Revitalization Act, H.R. 2000, which is designed to provide assistance to our sagging industrial sector and aging cities in the Northeast and Midwest regions of the country. While this particular bill may not be the exact or only answer to the problems facing this region of the country, it is an example of the kind of targeted approach that may be necessary for us to reverse the economic decline which Mr. Will has so accurately described.

As Mr. Will concludes, proposals such as a temporary restriction on auto imports, or a publicly supported source of credit or equity capital, may "go against the grain of Reaganism and the mood of the moment." Yet, as he adds, such steps may be necessary "for conserving the core of the industrial system, and the social fabric of many communities."

Mr. Will's article follows:

[From Newsweek, Mar. 2, 1981]

THE CASE FOR AUTOMAKERS

(By George F. Will)

In 1973 Egypt attacked Israel and devastated Detroit. As a result, senators from Missouri and Texas have threatened Japan, an Ohio senator has castigated an eighteenth-century Scot, and a congressman named Ford (I'm not kidding) from Michigan has denied parking places to staffers who drive foreign cars. America's shattered auto industry demonstrates the connectedness of things in the modern world and suggests the limited relevance of conservation, as currently understood.

The Yom Kippur war triggered OPEC's oil shocks, and a desire for small cars. Gasoline lines following the 1979 Iranian shortfall deepened that desire. Among 1981 cars nine of the ten most fuel-efficient are Japanese. The tenth? VW's diesel Rabbit. Small wonder more U.S. dealers sell imports as well as domestics than sell domestics alone.

In 1979 Japan sent $9.3 billion worth of automotive exports to the United States, and had a $9.1 billion trade surplus in that category—one-third of the U.S. trade deficit. Early last year Japan's share of the import market hit 80 per cent. Now two thoughtful senators, Missouri's Danforth and Texas's Bentsen, propose legislating a limit of 1.6 million Japanese imports a year (the average for 1978–79) through 1983. This proposal may prompt Japan to negotiate limits, as it has done elsewhere. Meanwhile, it is estimated that every 100,000 imports costs the jobs of 8,500 workers in the primary manufacturing industry and up to 16,000 in supplier industries.

Crisis: Ohio's Senator Glenn says "the Adam Smith school of thought" (pure laissez faire) about the crises is "shortsighted, naive and irresponsible" because it would spread the crisis. One in six jobs is related to the auto industry. Its products and services involve 8.5 per cent of GNP and 25 per cent of retail sales. It uses 21 per cent of America's steel, 60 per cent of synthetic rubber, 25 per cent of glass, 20 per cent of machine tools. It is the primary purchaser from 2,000 companies.

As cars become lighter, iron and steel companies suffer. Domestic tire sales are 14 per cent below the peak year 1973 and the industry's capacity exceeds demand by 33 million units: radials last longer, lighter cars are easier on tires, and less driving means fewer replacements (which are 72 per cent of the entire market). New electronic controls of auto functions improve fuel efficien-

cy, but 27,000 franchised dealers face costly investments in complex repair equipment and training. Many small repair shops may fold. In the category of parts, there already is a negative balance of $2.5 billion, and it may grow worse.

The auto industry faces a potential loss of 500,000 manufacturing jobs in one region: 90 per cent of all vehicles and parts are made in New York, Pennsylvania, Ohio, Indiana, Illinois and, of course, Michigan, which has seven of the nation's ten cities with the highest unemployment. Even progress will be painful: assuming, optimistically, a production level of 13 million units, a 5 per cent annual increase in productivity would mean 200,000 fewer jobs by 1985.

The auto industry enters the 1980s under a cloud of high interest rates, under a heavy debt load (Ford took on nearly $1 billion in debt financing last year) and facing huge capital needs. The Big Three lost more than $4 billion in 1980. Ford lost $1.5 billion, a U.S. corporate record (at least until Chrysler reports). But between 1979 and 1985 U.S. companies must spend up to $80 billion on retooling. That is the largest private investment program in history, far larger than the Alaskan pipeline, larger even than the government's Apollo program.

Much is made of Japan's nontariff barriers to imports. Japan does not practice free or fair trade regarding many products. But barriers are beside the point where cars are concerned so long as Japan has $1,000 to $1,500 cost advantage per car—about 20 percent of the price of the average small car sold here. Because of high profit margins, Japanese firms are poised to use discounts to hold or expand their U.S. market shares. They plan a 20 percent increase in production capacity by 1983. European nations set strict limits on Japanese imports (Britain holds Japan to 10 percent of the market; Italy allows just 2,200 cars). Such limits divert the Japanese flood to America.

Protectionism: "Free trade," said Disraeli, "is not a principle, it is an expedient." Actually, it is a principle but, like all principles, it is not always expedient. Granted, departures from it often are imprudent. Nineteenth-century protectionism was rationalized as necessary for the new nation's "infant industries." Today's protectionists say is will provide a "breathing space" for America's "elderly industries" while they seek a fountain of youth. But protectionism is a drug that creates industrial dependencies; it is welfare that makes wards of the state. Nevertheless, free trade is not a game at which only one nation can play. Increasingly, U.S. firms compete not with foreign firms comparably exposed to market stringencies, but with foreign governments that regard their auto (like their steel) industries as jobs programs.

Protection might make the industry more attractive to investors, but its capital needs are so staggering that in addition to Reagan's proposed accelerated depreciation, subventions may seem necessary. Some people are proposing a new Reconstruction Finance Corp., a publicly funded source of equity capital. An RFC might have sufficient leverage to require wage restraint by America's highest paid manufacturing workers, the autoworkers. Every dollar-per-hour decrease or deferral of an increase would save manufacturers $1 billion a year.

All this—call it "Tory socialism"—would be risky medicine with uncertain side effects. We should hope it is not necessary. Certainly it goes against the grain of Reaganism and the mood of the moment. And it is not conservatism as currently understood—an economic doctrine favoring free markets. But it might be a political doctrine for conserving the core of the industrial system, and the social fabric of many communities. A conservatism too pristine to accommodate those goals is politically irrelevant, socially irresponsible and not conservatism properly understood.●

REPORT ON IRAN'S FOREIGN MILITARY SALES TRUST FUND ACCOUNT

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. HAMILTON. Mr. Speaker, I would like to bring to the attention of my colleagues the latest quarterly report on Iran's foreign military sales trust fund account activity. As of December 1980, the balance in the Iranian account was over $469 million.

Throughout most of the 1970's, this account contained funds that Iran was required to put on deposit in the United States for arms on order and in the process of being manufactured. After Iran canceled its military contracts with the United States in February 1979, the United States continued to use these funds to make payments to U.S. defense contractors for weapons previously contracted for by Iran. The amount on deposit at the time of cancellation was $640 million.

In recent months, the United States has been able to sell to other purchasers—U.S. armed services and foreign buyers—most of these items initially ordered by Iran. This has replenished the account and permitted it to remain substantial. The money on deposit in the account has allowed the U.S. Government to satisfy all payments requirements to U.S. defense contractors.

The report provided to me by the Defense Security Assistance Agency at the Department of Defense follows:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., February 21, 1981.

Hon. LEE H. HAMILTON,
Chairman, Subcommittee on Europe and the Middle East, Committee on Foreign Affairs, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: The following information is submitted in accordance with your letter of 4 September 1979, which requested quarterly reports on Iran's Foreign Military Sales Trust Fund activity:

Quarter (October–December 1980):	
Balance: September 30, 1980	$488,730,719
Collections	0
Disbursements	−24,682,118
Reimbursements to trust fund for items sold to other purchasers	2,573,836
Credits (deposits) to trust fund for previous overdisbursements to military departments or contractors	2,659,169
Balance: December 31, 1980	469,281,606

Sincerely,

LT. GEN. ERNEST GRAVES, USA,
Director.●

LIFTING OF GASOLINE CONTROLS CHANGING SALE PATTERN

HON. THOMAS J. TAUKE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. TAUKE. Mr. Speaker, a number of questions have been raised pursuant to the President's order on January 28, 1981, decontrolling the pricing and allocation of petroleum and petroleum products. Of the utmost concern to me are issues relating to geographical pullouts by the major suppliers of rural areas and to the state of competition within the retail gasoline industry. These issues will be addressed during the upcoming months.

I should emphasize that I support the concept of decontrol. Pricing and allocation regulations have for some time now created distortions in the marketplace and have prevented industry from expediting the production and development of domestic sources of energy. Within the context of decontrol, however, the Congress needs to examine in greater detail a startling trend—the aggressive push by some major oil refiners to increase their share of the market through the expansion of company-operated service stations. The potential for these kinds of actions, all at the expense of the independent lessee service station dealer, is even greater in the future.

Enhanced competition in the gasoline industry is absolutely necessary. Yet, it is difficult for such a situation to occur when an independent lessee dealer has to compete with a station owned and operated by his supplier.

The following article from the February 25, 1981, New York Times, which I would like to have included in the RECORD, makes an important contribution to the debate surrounding the issue of retail gasoline divorcement.

[From the New York Times, Feb. 25, 1981]

LIFTING OF GASOLINE CONTROLS CHANGING SALE PATTERN

(By Douglas Martin)

President Reagan's abolition of controls on gasoline is likely to change the way it is sold in the United States, oil industry officials predict.

They say the end of price and allocation controls could possibly drive thousands of wholesalers and retailers out of business by making it easier for the more efficient big operators to devour smaller competitors.

In addition, they see some major brands moving entirely out of areas where they were previously common and an accelerating trend toward bigger, less personalized service stations.

"Decontrol has thrown chaos into the situation, and thrown the big oil companies into the driver's seat," declared Representative Berkley Bedell, Democrat of Iowa, who has introduced legislation to protect smaller dealers.

For consumers, this possible turmoil, coupled with near-record gasoline supplies and plunging prices on the spot, or noncontract, market, may mean lower prices than would have prevailed under controls, at least temporarily.

But consumer groups worry that companies' decisions to leave certain areas will eventually lead to higher prices by reducing the number of competitors.

"You're going to see further concentration in the market," predicted Edwin Rothchild, director of one such group, Energy Action.

The controls had provided security to many wholesalers and retailers by guaranteeing them access to supplies in times of shortage. In many cases, they also guaranteed favorable prices. Perhaps most important, by cementing commercial relationships with complex regulations, the controls worked to halt changes in marketing patterns that would normally have occurred gradually.

"Some people have come to regard controls as a security blanket," observed Brice Cecil of the American Petroleum Institute. "Now there's a lot of fear and uncertainty about the unknown."

Although wholesale gasoline prices have risen about 10 cents a gallon since the President's action on Jan. 28, this increase was a result of both the end of price controls on crude oil in the United States and increases in the costs of imported oil.

DEALERS REPORT PRESSURE

Under gasoline decontrol, service station operators are no longer limited in the retail price markups that they can make over wholesale costs.

But because competitive market conditions have not allowed retailers to capture even the full profit margin that had been permitted under the Department of Energy rules, gasoline decontrol has had no effect on prices at the pump yet.

The move to end gasoline controls freed the market from the tight regulations imposed by the Federal Government since 1971, and will permit the large oil companies to carry out changes they have wanted to make for years. Especially, they will no longer be forced by Government regulations to supply oil products such as gasoline to customers they had considered marginally profitable at best.

Already, dealers for Shell, Exxon and other large companies say they are being pressed to increase the volumes of gasoline they sell, or switch to other brands. Such moves were severely circumscribed by controls.

COMPANIES ON THE MOVE

"They don't want me anymore, that's all there is to it," said Julio Montenegro, an Exxon dealer in Mount Vernon, N.Y., who said that the Exxon Corporation was offering him $10,000 to switch to another supplier.

The Atlantic Richfield Company has altered credit terms to some independent West Coast wholesalers, and these dealers are unhappy with the changes. "The burden this will place on us is staggering," said one dealer in a telegram to the National Oil Jobbers Council, a Washington-based association of the wholesalers.

And Texaco, Phillips, Gulf, Sun, Mobil, Union and other companies are either already moving out of certain areas or weighing such moves, according to a survey by the wholesalers' group. Controls prevented such moves unless companies could guarantee supplies for dealers it wanted to abandon.

To be sure, companies seem to be trying to make the transition as gentle as possible: The council reports that virtually every major oil company has promised to honor existing supply contracts for at least a year. Exxon, for instance, would permit Mr. Montenegro to renew his lease for three years, if he chose not to take the money and leave.

A top Gulf marketing executive recently said that stations now may have to offer more services to survive. But most analysts say the future will increasingly belong to huge unbranded independents, which buy in large quantities and avoid expenses for credit cards and other frills, and the major oil companies, which have been edging into direct marketing.

DECLINE IN SMALL INDEPENDENTS

For Rocco Gentilella, who sells Gulf gasoline in Freeport, L.I., decontrol could be a further step toward extinction. The number of branded independent dealers—who, like him, lease their own stations—has dwindled to less than 55,000 from 111,000 over the past decade, according to the Service Station Dealers of America, a trade group.

These days Mr. Gentilella pumps about 33,000 gallons of gasoline a month, little more than half the 60,000 of just a few years ago. His profit margins have shrunk, he expects Gulf to raise his rent and some of his longtime customers now openly desert him to buy cheaper gasoline from unbranded competitors.

Moreover, competitive conditions in the gasoline market have not allowed him to pass on the full 12-cent-a-gallon increase in gasoline prices that the Gulf Oil Corporation has declared so far this year. "I'm very, very apprehensive," he said.

"The jig's up," said Jack A. Blum, general counsel of the Independent Gasoline Marketers Council. "A lot of these guys are coming face to face with the fact that they aren't economically viable."

Mr. Gentilella is not alone. Mr. Blum predicts that 8,000 jobbers will be forced out over the next year. And Paul Pierce, executive director of the Service Station Dealers of America, calculates that 15,400 of the nation's retail dealers will vanish.●

TEXAS INDEPENDENCE DAY

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. GONZALEZ. Mr. Speaker, today in Texas we observe independence day, the day on which Texas became a republic. All too few remember that Texas is the only independent republic ever to have become a State; fewer still remember what Texas independence was really all about. All of us remember the Alamo, but hardly anyone remembers what it was about. Who remembers, and who knows the significance of the numerals 1824 on the flag that flew above the Alamo, or even that its colors were red, white, and green, the colors of Mexico?

The battle of the Alamo did not just happen; it was the consequence of revolutionary activity in Texas, which the dictator Santa Ana was trying to suppress. But Texas was not the only site of resistance to his rule; Santa Ana also had to contend with revolutionaries south of the Rio Grande—all of whom were demanding the same thing, and that is, restoration of the Mexican Constitution of 1824.

Under the constitution of 1824, Texas and what is now the Mexican State of Coahuila were one legal entity. But more important than that, the people of Mexico were to have representative government; there were to be freedoms of the kind that we in America had and still have today. Under that constitution, the Anglo-Americans who migrated to Texas were happy to live, and in fact the leaders among them wanted nothing more than to be and remain loyal Mexicans. But when Santa Ana took over, the constitution was suspended; representative government, the free exercise of religion, and all other personal liberties went out the window. The people of Mexico had a choice: surrender or fight.

The Anglo-Americans met at San Felipe, a place on the Brazos River, to discuss their problems. They agreed to declare their loyalty to Mexico, but not to the dictator. They sought the restoration of the 1824 constitution, and all its liberal guarantees—the same guarantees that they had lived under for a decade. Pending that restoration they set up a provisional government.

My great-grandfather and others among my relatives lived in what is today the Mexican State of Coahuila, but which was then the combined States of Coahuila and Texas, or Coahuila y Texas, as it was known at that time. Like their compatriots north of the Rio Grande, these brave souls resisted Santa Ana and demanded that the constitution of 1824 be restored. Unlike the Texans, who finally won in their uphill fight, they could not displace Santa Ana, and so they fled into the southern desert of Durango, at about the same time as the rebellion in Texas was going on.

Through the lens of modern history, we tend to forget that the Alamo's flag was the flag of constitutional authority, not independence. Its colors were red, white, and green—Mexican colors emblazoned with the symbol of Mexican constitutional authority. The Texas convention at San Felipe, and the Alamo fighters who became their symbol, were defenders of constitutional right, resisters against usurpation, not just freebooters.

The principles of Texas independence were the principles of freedom and liberty, the liberal principles on which our own country is founded and on which the Government of Mexico had rested. The situation that the Texans confronted at San Felipe, and later at the Alamo, was that a dictator had taken over, usurped legitimate authority, and had to be confronted by the people. The convention at San Felipe created a provisional government, because a dictatorship was not a government of the people, as the constitution of 1824 guaranteed. Had the revolution in Coahuila succeeded, it is possible that Texas, itself, would never have had to confront Santa Ana; but it did not turn out that way. Santa Ana moved across the Rio Grande in February 1836.

Texas declared its independence on March 2, 1836, some 4 months after the San Felipe convention. Santa Ana's army was already in the vicinity of San Antonio, had been for close to 2 weeks. On March 6, the battle of the Alamo began, and soon ended in tragic glory.

We forget too easily that there was no flag of Texas at the Alamo, forget too easily what started the independence movement. The flag, and the movement, reflected a demand for constitutional government, restoration of it. Failing restoration of the constitution, there was only the resort to force, and the hope for independence. That is what the Texans at San Felipe wanted—constitutional government, and an end to a sorry dictatorship.

March 2, 1836, was the date Texans, faced with the forces of Santa Ana, finally recognized that he would never restore the constitution of 1824, and that they had no choice but to seek independence. If they, and their compatriots in Mexico, who included my great-grandfather, had gotten what they originally sought, or Santa Ana had had the sense to grant it, we might still have a place on the Mexican map known as Coahuila y Texas.

March 2 should remind us that human and constitutional rights are worth having, not merely having, but fighting for, as the people of Coahuila and Texas did.●

AMERICA'S SMALL MINERS: A FORGOTTEN BREED

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. SANTINI. Mr. Speaker, a majority of the Nation's operating mines were discovered by the so-called small miner—the independent prospector. Their contribution in terms of past mining history in this Nation is irrefutable.

At one time the "old West" found hundreds of prospectors roaming the wilderness with burro, pick, and shovel. However, burdensome regulations and constraints now cause fewer and fewer of these Western nomads to enter the Nation's deserts seeking their fortune.

Occasionally, the plight of the small miner is momentarily brightened when one lone prospector discovers a major claim. The intriguing story of Jay Lint is one such bright spot. After 12 years of continual digging, Jay discovered the multimillion-dollar Shining Dawn gold mine, high on the Mojave Desert of California.

In order to more fully recognize the value of our small miners, I submit for the record a newspaper article from the February 13, 1981, Las Vegas Review-Journal telling the story of Jay Lint and the Shining Dawn mine:

MINER'S DISCOVERY COULD REAP MILLIONS

SHINING DAWN MINE, CALIF.—The flame of a kerosene lantern flickers gemlike in his eyes as workworn hands stroke the small pile of rocks on the table. His words enter the silence softly.

"I believe that this was meant just for me," he says, "waiting there billions of years for just one person to find it."

Jay Lint came to the high Mojave desert with a pick ax, a shovel and faith, He chiseled away at the ungiving Earth for days, for months, for years and went broke four times, yet still he dug.

He dug for 24 years, exactly half his lifetime.

Now, at last—at sweet, long last—Lint thinks he has found gold. An entire mountainful. Gold beyond his wildest hopes, gold beyond his dreamable dreams.

Lint lives in a crude cabin five miles up a dirt mountain road, but he lives for the $3 claim he staked out along what he believes to be the world's richest vein of gold.

To the naked eye, the Shining Dawn Mine is a chill, damp shaft gouged deep into the red mountainside. But Lint's yawning hole in the ground leads to an ore deposit that geologists say could reap millions.

"We have the Mother Lode," he declares, predicting a 1980s gold rush in the silver-laden Calico Mountains. None of the scientists who have surveyed the site refer to it as the Mother Lode, or gold root, but no one has disputed that Shining Dawn is a major claim, either.

Lint's life, despite the promise of wealth, is unadorned. A dog-eared Bible is jammed between mining journals on the sagging bookshelf of his cabin. He cooks on a wood stove and walks on a dirt floor, entertaining himself with a guitar and a box of dominoes. The place is run by a litter of half-Siamese kittens as wild as the desert wind howling at the door.

He first found traces of gold at the Shining Dawn in 1957 while searching for rare earth elements used in color television, Lint recalls. But it wasn't until Dec. 16, 1974 that he scratched the rock surface of this mountain and saw the gold vein.

"The average prospector could have found it," he says. "It was right there on the surface. Hundreds of people must have walked right over it."

He talks of God, of a vision that led him to this mine. His faith is symbolized by the Shining Dawn hallmark—a Crucifix and Star of the East. He wears tiny gold replicas of the cross in his pierced ears.

He spent the past six years charting the ribbon of gold, then painstakingly mining the fault by hand until he and his five partners found investors to incorporate them as the American Progress Mining Co.

Machinery began working the mine in September and Lint plans to hire additional hands and start building a tiny mining town atop the mountain.

The switch to technology will increase daily ore production from 50 tons to a peak of 500 tons, Lint estimates, with an average of three ounces of pure gold per ton and a top daily income near $1 million.

"And that's only the gold," he boasted. "Half this vein is silver, too."

Lint will process the precious metal himself—as he has done for the past two decades. He learned how through correspondence courses in chemistry and geology.

Before the costly equipment came along, Lint spent his hours between sunrise and sunset inside the Shining Dawn, boring holes into solid rock, filling them with dynamite, then mucking the Earth—and ore—out by the shovelful.

The Framingham, Mich., native claims he can tell whether ground holds gold "just by walking on it.

"I'm just like a witching man who finds water with a stick," he explains, "only I feel it in my body."

Riches will not change him, Lint vows. He belongs here. And he will remain here, "probably wearing the same ol' shoes with the same ol' holes."●

FUEL PRIORITY FOR AGRICULTURE

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. BEDELL. Mr. Speaker, today my colleague, Mr. TAUKE, and I are introducing legislation designed to provide American agriculture with priority allocations of fuel in the event of a severe energy shortage.

The Bedell-Tauke bill provides that within 90 days after the date of the enactment of this legislation, the President shall prescribe, by rule, an agricultural allocation contingency plan. This plan would insure that all phases of agricultural production, including food processing and transportation, would be given priority allocations of diesel fuel and gasoline.

This legislation is necessary because of President Reagan's recent decision lifting controls on crude oil and petroleum products and the expiration of Presidential authority to set fuel allocation priorities for essential sectors of the economy, including agriculture, on September 30, 1981.

The expiration of such authority, in addition to the elimination of State setaside programs for diesel fuel later this month, will leave no contingency plan in place. As we know, Mr. Speaker, from our experience during the energy shortage of 1979, the farm

community would be virtually helpless should a severe energy shortage occur.

All should agree that during periods of energy shortage, special provisions must be made to assure that farmers get the fuel they need for production purposes. These fuel supplies are essential, not only to farm income, but to fulfilling domestic and world demand for American farm products. Even a temporary disruption of petroleum supplies could result in serious declines in food production.

Historically, agricultural producers have been recognized as priority users of petroleum products. This priority must be maintained to assure a strong agricultural economy.

Mr. Speaker, it is essential to the continued well-being of our country that farmers have reliable supplies of fuel. This can be assured only if we are prepared to deal with shortages and supply disruptions before they occur. We must take the initiative now, to assure that agriculture will have the fuel it needs during any periods of supply disruption.

We are confident, Mr. Speaker, that our colleagues will recognize the value of this legislation, and we hope that they will lend it their full support.

The text of the bill follows:

H.R. 2244

A bill to amend the Energy Policy and Conservation Act to provide for a standby plan for allocating gasoline and middle distillates for essential agricultural uses in the event of a severe energy supply interruption.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Energy Policy and Conservation Act (42 U.S.C. 6261 and following) is amended by inserting after section 203 the following new section:

"AGRICULTURAL ALLOCATION CONTINGENCY PLAN

"SEC. 204. (a) Within 90 days after the date of the enactment of this section, the President shall prescribe, by rule, an agricultural allocation contingency plan. Such plan shall provide for the allocation of gasoline and middle distillates for essential agricultural uses in the event that a severe energy supply interruption threatens agricultural production, as determined by the Secretary of Agriculture.

"(b) For purposes of this section—

"(1) the term 'middle distillates' means No. 1 and No. 2 diesel fuel and No. 1 and No. 2 heating oil; and

"(2) the term 'essential agricultural uses', when used with respect to gasoline or any middle distillate, means any use of such product—

"(A) for agricultural production, natural fiber production, natural fiber processing, food processing, food quality maintenance, irrigation pumping, crop drying, or transportation related thereto, or

"(B) as a process fuel or feedstock in the production of fertilizer, agricultural chemicals, animal feed, or food,

which the Secretary of Agriculture determines is necessary for full good and fiber production.

"(c) For purposes of section 201 and title V of this Act, an agricultural allocation contingency plan shall be treated the same as an energy conservation contingency plan under section 202.".●

THE TIME IS NOW FOR ALCOHOLIC BEVERAGE WARNING LABELS

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. BROWN of California. Mr. Speaker, the time has come to take the liquor problem in this country seriously. Today, I am introducing legislation to require health warning labels on all labeling and advertising of alcoholic beverages.

I am sure that my colleagues have all heard the staggering statistics on the costs to society posed by alcohol abuse. However, for these colleagues that have not heard them or have forgotten, let me repeat some of these figures. Excessive use of alcohol costs society between $25 and $40 billion annually—in lost labor productivity, health and medical costs, highway accidents, criminal prosecutions, treatment, and welfare. Alcohol abuse is a factor in 40 percent of criminal arrests and fills one of every four general hospital beds. There are between 5 and 10 million alcoholics in the United States, a figure that grows by 200,000 every year.

Given these staggering statistics, the question arises whether health warning labels will solve the problem. A recent report submitted to Congress jointly by Treasury and Health and Human Services concluded that health warning labels would not solve the problem. According to this report, the risk of drinking alcohol are too complex and the effects vary too much from person to person to convey the hazard accurately in a general warning. To address this problem, I have proposed a more specific warning label.

The report also warned against overusing one of the Government's most important forms of health alert—a general health hazard warning label. Unfortunately, the report recommended against the requirement of warning labels at this time. However, the report did not recommend against warning labels in general. It stated:

If in the future, it is clear other methods of informing have not been adequate * * * Congress should consider a requirement of warning labels for selected alcohol-related risks.

In my view, the question is not whether other methods of informing the public are adequate, but whether the health warning label will contribute to the overall public information campaign sufficiently to justify the costs to the industry and consumers.

A view of the effectiveness of the cigarette warning label indicates that a warning label can contribute to this effort. An article by Daniel Greenberg, a respected science editor, pointed out the demonstrable effectiveness of a propaganda campaign that includes health warning labels. While there is no evidence that warning labels had a significant impact in reducing tobacco consumption, it can be surmised that the labels did contribute to the overall success of the campaign. Thus, concluded Greenberg, it is medically scandalous that cigarette packages have warning labels while alcohol packages do not. I have inserted this article in the RECORD for consideration by my colleagues.

What are the costs that would be imposed by health warning labels? In a hearing before the Senate Subcommittee on Alcoholism and Drug Abuse, Sam Chilcote, president of DISCUS, admitted that the warning label would cost less than a penny per label. In my mind, that is a small price to pay for an effective means of informing the public of the dangers of alcohol misuse.

A number of State legislatures, including Utah and Iowa, are pushing through resolutions calling upon Congress to enact a health warning label requirement for alcoholic beverages.

Ultimately, the question whether health warnings for alcoholic beverages are necessary is a political decision. While the report of Treasury and HHS concluded that warning labels are not advisable at this time, given the severity of the problem, it is clear that the time is now.

I urge my colleagues to join me in cosponsoring this important legislation.

[From the Des Moines Register, Oct. 29, 1980]

A PROPAGANDA CAMPAIGN AGAINST THAT HEALTH HAZARD, ALCOHOL

(By Daniel S. Greenberg)

1980 Science & Government Report

Why don't we give alcohol the same health-propaganda and opprobrium treatment that has produced a remarkable decline in tobacco consumption among Americans?

Since the anti-tobacco mood has developed so gradually, few of us now notice it. But foreign visitors often remark that, relative to their homelands, smoking is on the wane here. The official numbers support that observation, showing, for example, that among men 25 to 34, smokers declined from 60 percent to 40 percent over the past 15 years.

The drop, dating from the 1964 Surgeon General's Report on Smoking and Health, is the direct consequence of an often fumbling, underfinanced and politically opposed effort to get the public to wise up to the toxic effects of smoking. But despite its limitations, it has worked to a substantial extent.

For all the health wreckage that has been reliably traced to tobacco, the weed is mild stuff compared to alcohol, whose devasta-

tion ranges from the killing and serious injury of innocent scores of thousands on the highways, to the commonplace self-destructing of careers and family relations.

The main barrier to giving alcohol the tobacco treatment is that opposition to alcohol has a bad name from our brief and disastrous experience with Prohibition, which foolishly defined drinking as a police problem.

Recuperating from that constitutional mishap, we've evolved to the usual next stage of hope by defining alcohol as a research problem, and ensconcing it in its own government-financed research institute, replete with grants, professional journals, a conference circuit, and all the other organizational paraphernalia of modern-day scholarship.

The potential of this research enterprise ought not to be scoffed at, because, compared with the national booze bill, it is cheap and promising. But as the effectiveness of the anti-tobacco campaign clearly shows, it is not necessary to know everything before you can do something. The public today is highly receptive to reliable information about how to live longer and in good health. This strongly suggests that it is time for an across-the-board propaganda barrage against alcohol.

The intention, of course, is not to ban it, for the obvious reason—as we've seen with marijuana and other "soft" drugs—that it is hopeless to try to impose police control on consumables of mass interest. Rather, the object should be to energize the good sense of the American people and encourage them to protect themselves and one another by remaking the image of drinking, just as has been done with smoking.

It is politically and medically scandalous, for example, that cigarette packages bear a health warning from the surgeon general—as they should—while alcohol packages don't.

Similarly, cigarette advertising is barred from television, while alcohol consumption is permitted to be cleverly depicted in TV ads as integral to good fellowship and joyous events. To the extent that the alcohol industry is under public attack for what it is selling, it responds with odes to moderation. But these actually are relatively infrequent since the plague of alcoholism is widely accepted as a given of modern life.

Having recognized that alcohol is invulnerable to police work, we've designated it a medical problem and wait hopefully and patiently while scientists and doctors work on it.

In the long run, they're likely to be fruitful sources of prevention and treatment. But in the meantime, the propaganda weapon, demonstrably effective, is at hand: Why not use it?●

THE SILVER SCAM—HOW THE HUNTS WERE OUTFOXED—PART II

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. McDONALD. Mr. Speaker, on February 23, 1981, I placed in the CONGRESSIONAL RECORD part I of this item relative to the Hunt family and the allegations that it was manipulating the silver market with large purchases. It appeared on page 2738 of the RECORD of that date. For those of my colleagues interested in this matter, I commend part II to their attention so they can learn the truth concerning the activities of the Hunts and the members of the Commodities Futures Trading Commission.

Part II follows:

THE SILVER SCAM—HOW THE HUNTS WERE OUTFOXED—PART II

Back to Nelson Bunker and William Herbert. Could they corner silver?

Let's look at what they did. Their behavior was not typical of that of cornerers. In the first place, they told everybody who would listen what they were doing; they were big, big buyers and intended to buy more and more. A cornerer operates in secret until he owns substantially the entire available supply, and then he squeezes the surprised innocents who have sold short and must buy in higher.

You would have to have been belligerently deaf and disbelieving and anything but innocent to sell short and then be caught surprised if Nelson Bunker and William Herbert had cornered silver and demanded that you deliver. Everybody knew they were buying and willing to pay a higher price.

In the second place, they never tried to squeeze anyone. They took their deliveries slowly, over many months, even accepted in settlement of some of their contracts noncertificated silver not on deposit with the exchanges, and gracefully rolled the bulk of their futures forward into later and later months so as not to squeeze the sellers. Cornerers? Not quite.

What, then, was their objective? Obviously, to own a lot of silver. Did they want to own all of it? Even more than all of it? What would happen if they did?

The governing bodies of the exchanges, or the government, would promptly shut down the markets, and the markets would cease to function until there was a fair balance of supply and demand, until there was an adequate silver supply from other sources, until mine output increased, and people melted down their table silver (in fact there was no corner in sight and even so mine output did increase and people in droves started to sell their table silver). In the meantime, industrial consumption would be cut back to the annual production level while users substituted other metals for the unavailable silver. The fantasy of the Hunts owning all, or more than all, the silver in the world and boosting the price to the stratosphere is simply not credible. It wouldn't have worked. There is no evidence that Nelson Bunker and William Herbert ever thought it would. There was a 100 percent certainty that the exchanges and the government would step in and prevent it.

Furthermore, there was a 90 percent certainty that in the event of any attempt to corner, the professional investors would heavily short silver at progressively higher prices with the absolute certainty that at some point the exchanges and the government would step in, close the markets, and break the price.

In fact, silver could not be cornered, and the attempt would not be a rational bet. Nelson Bunker and William Herbert clearly knew it. Whatever they are, they are not stupid.

Indeed, what was worrying the Commodity Futures Trading Commission (CFTC) and the exchanges was not the possibility of a corner, but the possibility that the silver buyers had the power to drive the price "unreasonably high"—whatever that meant—and the nightmare that Nelson Bunker and William Herbert would buy, buy, buy, driving the price up, up, up, and then secretly unload their enormous holdings at a high price on an unsuspecting public. If they could, their silver game was dangerous. But could they?

Let's be realistic. If they sold even a minor amount, say 50,000 ounces, a number of people would know it, and others would guess. The precious metal markets feed on rumors, and any rumor that the Hunts were selling was bound to cause a huge drop in the price; on a number of occasions such rumors did. Now suppose they tried to sell not 50,000 ounces, a minor amount, but a significant portion of their total holdings, which were 1000 to 10,000 times greater than 50,000 ounces, somewhere between 50 and 500 million ounces, the exact number being anybody's guess. What could they get for it? $50 an ounce? $40? $20? Or $4.50?

The fear that the Hunts were running a silver "pool"—where they as insiders would sell at the top enough so that they would have huge profits and a lot of small investors would be left holding a worthless silver bag—was fantasy with no basis in fact. Nevertheless, the CFTC had that fear, and they, and the Federal Reserve and the Treasury, came to see the Hunts as a challenge not only to the commodity markets, and the ability of the government to regulate those markets, but to the monetary policy of the United States.

Why? Because Nelson Bunker and William Herbert believed—and may well still believe—that gold and silver are even now being remonetized, that paper money is becoming progressively more worthless, that the precious metals will soon be the only true money, and that they will have, in their silver, the only true money there is, apart from gold. And if gold goes to $1000 an ounce, and it may, it will be too valuable to use as the normal, day-to-day medium of exchange—and that was the role they saw for silver, a role which would enhance the relative value of silver. At a 1:10 silver-gold exchange ratio, which Nelson Bunker repeatedly told the press he foresaw, an ounce of silver would be worth $100, and the pocket money used in commerce would be silver.

Unlikely? Perhaps. Farfetched? Perhaps. Impossible? No. Insane? No. Many highly respectable economists share precisely the same view of the future roles of gold and silver. It is not, however, a popular view among the politicians and bureaucrats who govern the U.S.

Back to Nelson Bunker and William Herbert and the silver hunt. In time, they met others who were similarly convinced. There were lots of others. We know the names of some of them, three Saudis and a Lebanese Brazilian, who may or may not have been dealing for their own accounts, and whose names are therefore unimportant, except that one of the Saudis is a prince (the number of male members of the Saudi royal family, however, is apparently 4,000). Obviously, with many others, some of whom were quite wealthy, all buying silver at the same time, the passionate buyers had the capacity, over a period of time, to acquire a very substantial portion of the above-ground stock of silver, no matter how high the price went, and even if they did not want and could not have effected a corner, if they all kept buying enough long enough, the price of silver was likely to go higher.

All right. So what? Was this wrong? Who would suffer?

It was wrong, and there were those who would suffer, according to the CFTC, but precisely what was wrong and who would suffer depended on whom you might ask. The wrong, according to the CFTC, was the distortion of the market mechanism and the sufferers were the makers and users of silver and the uninformed small investors.

The CFTC staff seems to view the Hunts' silver adventure as a sequel to their earlier soybean caper. But the CFTC staff sees it as the primary responsibility of the exchanges, and not the CFTC, to fix and change margin requirements, to establish position limits, to limit trading, and to close the markets if necessary to prevent manipulation of prices, corners, or worse.

CFTC Chairman James Stone—a young, bright, attractive activist, formerly Massachusetts commissioner of insurance, and a newcomer to commodities—took a more aggressive view of the commission's role. Stone, though new to the job, was a very quick learner—and he was regarded with some uneasiness by the insiders who controlled the exchanges. For, much as the exchanges ran to the CFTC with the silver problems caused by those crazy pirates from Texas (and the records of the exchanges and the CFTC are both replete with references to almost daily contacts), the exchanges well knew that the chairman was likely, highly likely, to seek in due course further regulation of the exchanges, and he has.

Chairman Stone's position before the Congress has indeed been more activist. It is clearly more ideological. He considers "speculation" in commodities an unmitigated evil, "a form of gambling which endangers our economy." He equates this year's silver problem with the Dutch seventeenth-century tulip bubble, the English eighteenth-century South Sea bubble, the U.S. nineteenth-century attempted commodity corners, and the stock market collapse of the roaring 1920s. Commodity speculation leads in stone's view to unemployment, inflation, misallocation of credit, and the possibility of a total financial collapse. He thinks the CFTC should have the power to set and change margin requirements. He seems to imply that the CFTC as much as the exchanges was responsible for the silver position limit controls. He demands that restrictions be placed on bank and broker financing of commodity purchases, like the restrictions on their financing of securities purchases. Presumably this restriction also would be issued by the Federal Reserve.

The situation at the CFTC was complicated by two genuine philosophical conflicts. First, there was the growing confrontation between those who believe in the free market, with a minimum of governmental interference and control, and those who, like Stone, believe that extensive governmental regulation is neccessary for the good of both the public and the exchanges.

There was a second and even more important issue at stake, and this had to be causing further pressures on the CFTC chairman and members. The Treasury, the Federal Reserve, and others in the executive branch saw correctly, and quite early, the potential significance of the economic theory underlying the moves of the silver bulls. The silver bulls were at core hard money monetarists. The concept of a hard money standard in accordance with that discomfiting clause of our Constitution giving the federal government the right to coin (not print) money was, to say the least, troublesome to many in the executive branch and many members of Congress. Our government has for years paid its bills in large part with the printing press; in addition, our endemic inflation is, in fact, a source of desperately needed hidden taxes. Loss of the right to print money not backed by precious metal would threaten both. Were required convertibility of the currency into fixed amounts of gold and silver ever readopted, it might relegate our government to taxes on real, non-inflation earnings, debt repayable in coin of constant content if not value, and guarantees backed by similar coin as the sole sources of government revenue.

We had had convertibility until the 1930s. Was it conceivable that we might have it again? Could our government as we knew it function if we did?

Dust under the rug, dust under the rug . . .

Meanwhile, the short sellers of silver were very short and in very hot water. They had had plenty of advance warning, and, as one month rolled around where the longs never tried to squeeze the shorts (and could not have done so even if they wished to with the CFTC and ruling bodies of the exchanges looking on), it became more and more difficult to sympathize with the short sellers of silver. But short they were, and facing the prospect of enormous, crushing loss.

Let us consider their position and who they were, the market insiders, the professional commodity traders, the trading houses themselves, buying and selling for clients and for their own accounts, and the members of the exchanges. Many of them were heavy short sellers of silver. After endless prodding and hearings, the Commodity Futures Trading Commission finally revealed in late May that the insider short position on January 17 was nearly $2 billion. (Some of the insiders promptly claimed their shorts were hedged. We don't know the details of this. Who was ultimately taking the risk?)

Commodity trading is a zero-sum game. Every unit someone buys is a unit someone sells. As Nelson Bunker and William Herbert and others bought and went long, others were simultaneously selling and going short. And as the Hunts and the other buyers went heavily long—at peak more than 200 million ounces of silver long—somebody else was going heavily short.

Suppose for a moment that the same people who controlled the exchanges, and made and changed the trading rules, were in fact the ones who were short, and were heavily short for their own accounts, or related accounts. It is at least relevant to determine the existence and magnitude of what could very well have been an enormous conflict of interest.

Conflicts of interest in regulated markets have been sensitive matters for many years. We have all heard the Wall Street maxim that the public is always wrong. Why? The question is very serious. It suggests the public is stupid—but surely it's much more complicated than that. Is it, in part, because the insiders tell the public what to do and privately do exactly the opposite? The suggestion is misleading in most cases—but it does happen. Sometimes. Indeed, it has to happen sometimes. When the speculators are reluctant to take positions of sufficient size to make the markets function, the market-makers themselves must take the "unpopular" side of the particular risks; that's how they make the markets.

Oh? Well, they do make the markets and they control the exchanges. The members elect the governing boards and the governing boards make the rules. And change the rules, from time to time.

Silver was going out of control. As the price of silver mounted, it became ridiculous in the eyes of many exchange members. Six dollars an ounce? Seven dollars? For silver? Sooner or later the bubble would break. If not, they could always make it break. It would be their duty, they would claim, to make the price break, for the benefit of the makers and users and for the protection of the public. And some of them—we suspected and now know from the CFTC—shorted silver, selling futures on silver they did not own.

At first it seemed they were wrong. The price did not break.

Indeed, as it went higher, the "smart money" got nervous. They had shorted silver at $6. They had shorted more at $7, even more at $8, more still at $10, and by Labor Day of 1979, the price had reached $11. Maybe they should borrow their limits and really go for broke if the price reached $15 or $20. The trouble was that awful word "broke." It may have been literally as well as figuratively true in some few cases.

Again, so what? They had played the game. They were losing. Too bad. That is the nature of the commodity business. If you go heavily short in a rising market, you go broke. That's the way it is. He who sells what isn't his'n must buy it in or go to prison. That is the first law of commodities. Losers weepers.

Not these losers. They had two lines of defense. First, of course, were the governing bodies of the exchanges. And second, there was the government, the agency most directly concerned being the Commodity Futures Trading Commission.

But unless Congress changed the law and permitted the CFTC to make and change all the exchange rules, the governing bodies of the exchanges still had the power to make and change the rules, and possibly the power to make retroactive changes.

Well, they made them, all right. They changed the rules. They did it perhaps for any number of reasons but there was one undeniable effect: they bailed out the losers.

First, they appointed special silver committees of members who had relatively little silver action going, and theoretically less conflict of interest. This was a good move, and clearly correct, but was it substance or only surface?

The new committees promptly turned to business and tightened the screws on silver buyers. Remember those $1000 5000-ounce futures? As the price had gone up and up, the value of those futures had gone up and up, and the people who owned those futures had that escalating value on deposit with their brokers and could use it to borrow money, which they could use to buy more silver futures—always $1000 down for 5000 ounces. The silver pyramid was terrific, as good as—what? Silver?

And so, lo and behold, in the summer of 1979, the exchanges made a series of changes in the margin rules. Instead of putting up $1000 as before, you now had to put up substantially more. First, $1500. Then $2000, which is where matters stood on Labor Day of 1979, when the exchanges became a little panicky and got a lot more aggressive. They bumped the margin again and again, and made the buyers put up more and more, eventually—for the spot

months—as much as $75,000! For one 5000-ounce contract.

The rationale was plausible, if not sound. Tiny as it was, initial margin of $1000 had been deemed an "appropriate" cushion against a possible drop in price when the price of silver was $5 an ounce and the 5000 ounces cost $25,000. But now that the price was $15, and the 5000 ounces cost $75,000, the initial margin of $1000 was deemed inadequate. And the changes were retroactive. If you had put up $1000 initial margin when you bought, and they bumped the requirement to $10,000, you had to put up the other $9000 or you were subject to a margin call and the sale of your future contract.

The little people who had pyramided in accordance with existing rules and bought more and more futures had to put up a lot of additional margin—or sell some of their futures. Which was the purpose of the new rule, of course—to force them to sell their futures. When people have to sell, sell at any price, the price tends to go down.●

FEDERAL EXPENDITURES PAY DIVIDENDS

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. AuCOIN. Mr. Speaker, in grappling with the budget cuts proposed by the President, it is important that Congress respond with consistent, thoughtful logic. No one disputes the need to cut Federal spending and balance the budget but to do so without logic, without rationale spells trouble for any economic recovery we hope to achieve. To arbitrarily slash those programs which return revenues to the Treasury and those that help American business and industry boost productivity is a questionable tactic that deserves close scrutiny by the Congress.

A good example of how tax supported research can pay dividends is described in an article by Mike Stahlberg which appeared in the Eugene, Oreg. Register-Guard a few days ago. Through State-supported research at Oregon State University, an improved cheese culture was developed which is now saving the industry millions of dollars each year and returning to the university itself funds to carry on its work, thereby easing some of the budgetary demands on public coffers. Perhaps even more important, the success of this one case has encouraged other scientists and researchers to pursue similar projects which can only help to improve productivity and contribute substantially to a healthier economy.

Mr. Speaker, this article concerns State-financed research, but its lessons for the Federal Government are clear. It suggests an approach for using our scarce Federal resources that we should consider as we address the administration's cuts. I commend it to the attention of my colleagues and insert it in the RECORD at this point.

[From the Eugene (Ore.) Register Guard, Feb. 15, 1981]

TAX-SUPPORTED RESEARCH PAYS OFF

(By Mike Stahlberg)

Oregon taxpayers have been paying to help support research at state universities for years. Now several products developed by that research are paying dividends.

One is a "starter" culture for cheesemaking developed by two Oregon State University scientists, microbiologist William Sandine and pharmacist James Ayres.

That may not sound too glamorous and, in fact, it probably is not the greatest thing since Little Miss Muffet dropped her curds and whey beneath a tuffet.

But it will help the cheese industry "save millions of dollars a year," according to Sandine. The product protects fermenting milk from unwanted viruses while sugar in the milk is being converted to lactic acid and, in turn, causes the protein in the milk to coagulate into curd.

Cheese producers thought enough of the new starter culture to buy more than one million pounds of it last year. As a result of those sales, OSU has earned about $90,000 in royalties.

Sandine expects sales of the starter culture, produced and marketed under the name of "Phase 4" by the Galloway West company, to double in 1981.

In addition to fermenting 200 million pounds of milk, the new product also started other scientists thinking about a State Board of Higher Education policy which encourages inventors.

Sandine says the OSU faculty "is very patent conscious" now. "My chairman told me that several have been to him, talking about things they would like to do and several more have filed disclosure statements with the patent office, so I think the developments in this case have been encouraging."

The experience of these two scientists shows how discoveries in publicly financed laboratories can be put to use by private enterprise, to the benefit of both.

"I think the fact that rewards are now coming in and that the department involved will be able to continue research based on those royalties, plus the personal rewards for the inventors, is going to create a climate across this campus which is going to attract and stimulate a great deal more technology advancement," Ayres says.

"Up to now, not too many people realized it was possible to do good basic scientific research and at the same time be rewarded through the state board system."

Patents on inventions developed by researchers working in state universities belong to the board of higher education. However the board's policy provides for sharing income generated by the patents with the inventors.

The inventors receive 40 percent of the first $50,000 in net royalty income, 35 percent of the next $50,000 and 30 percent of all additional net income received by the board. The remainder of the money is retained by the institution where the inventor worked and is used to help finance more research.

Many patents are held by the State Board of Higher Education. From 1970 to 1980 alone, 14 patents were obtained or applied or are pending. However, most of them have not attracted any commercial attention. Other inventions have not been patented, but the state has entered into "licensing agreements" with companies that use the technology.

Aside from the cheese-making process, the state board's most productive patent has been for the drug DMSO, developed by Dr. Stanley Jacobs of the University of Oregon Health Sciences Center. Since 1973, the school has received more than $100,000 in royalty income from the drug.

Meanwhile, the key to the success of the cheese culture can be found in the cliche about necessity being the mother of invention.

"The best way to develop a product that will be financially successful is to recognize a need and then develop a product to fill that need," Sandine says. A lot of people try to do it the other way around—they develop a product and it never goes anywhere because there's really no need for it. A problem in the cheese industry is virus inhibition of the starters used to begin fermentation," Sandine says.

Sandine says he learned of the cheese industry's need for a better starter medium in discussions with a former graduate student who worked for the Borden Co., Galloway West's parent firm.

"I had an idea to meet that need and I shared it with him," Sandine says, "and he really got excited about it."

After some initial reluctance, Galloway West agreed to finance research with the understanding the company would have first rights to marketing any product that might be developed.

Sandine says he recognized early that he needed a good pharmaceutical chemist, and contacted Ayres. "I explained the concept to him, and he says, 'Hey, we can do that!'" Sandine says.

And they did. The new product "just flat will not allow viruses to grow in it, so they go into the cheese vat with a starter that's virus free," Sandine says.

For the cheese industry, another economic benefit from the new product is the increased productivity that results because smaller quantities of the new starter are needed for each vat of milk. "In the past," Sandine says, "they had to use 1 percent of the total volume of milk. Now they need half as much, or less. Of course, that increases the amount of milk that they can put in their cheese vats."

When you're talking about plants that may process millions of pounds of milk a day, that half percent increase in productivity adds up to a lot of cheese spread.

Meanwhile, Ayres predicts that "the basic concept of a marriage between private industry and universities will grow markedly in the next 10 years" as research money from state and federal governments becomes increasingly more difficult to obtain.

"This was very much a cooperative effort between Oregon State University and the company," Ayres says. "Although we developed the product initially, it was only marketable because of the contributions their (Galloway West's) scientists made as well."

Ayres also forecasts "a tremendous increase" in products marketed as a result of basic university research—"just like all the products that have hit the market now that are fallout from the space program research."

Meanwhile, plans are under way to expand the line of starter mixes to other types of cheese and to obtain an international patent on the process. The starter mix now produced is only suitable for cheddar and cottage cheeses.

Field testing is under way for a starter that can be used in making Swiss and Italian cheeses, particularly mozzarella and other pizza cheeses.

"That market is even bigger than cheddar cheese," Sandine says. In fact, a lot of cheddar cheese plants across the country are switching over to produce mozzarella cheese because there is so much pizza being produced in the country."

That makes it sound like those royalty checks will be getting bigger. But Sandine and Ayres aren't counting on their cheese before it's sliced.

"With any new product—regardless of whether it's a frisbee or hula hoop or whatever—when it hits the market, the competitors immediately attempt to duplicate or improve upon on it," Ayres says.

"There's no way to tell how long it will be before somebody comes along to take away a share of the market."●

PROTECTING OLDER AMERICANS AGAINST OVERPAYMENT OF INCOME TAXES

HON. WILLIAM R. RATCHFORD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. RATCHFORD. Mr. Speaker, at a time when the forces of inflation take their cruelest toll on the elderly of our Nation and the Federal tax burden is difficult for many living on limited or fixed incomes, it is important that we do our best to alert the elderly to tax deductions they are entitled to and how to guard against overpayment of income taxes.

As an active member of the House Select Committee on Aging, I am delighted that committee staff has prepared an excellent guide revised for use in taxable year 1980. This checklist of itemized deductions and helpful hints on how to avoid overpayment of income taxes is an extremely valuable tool, and I insert the Aging Committee guide in the CONGRESSIONAL RECORD at this time.

PROTECTING OLDER AMERICANS AGAINST OVERPAYMENT OF INCOME TAXES

(A Revised Checklist of Tax Return Information for Use in Taxable Year 1980)

A. FILING REQUIREMENTS

Single Individuals

Single individuals under the age of 65 must file a return if they had gross income of $3,300 or more for the year. Those over age 65 must file if they had gross income of $4,300 or more.

Married Individuals

Married individuals under the age of 65 must file a return if the couple's combined gross income was $5,400 or more. If only one spouse is age 65 or older, the filing level is $6,400. If both spouses are age 65 or older, the filing level is $7,400.

An individual who is married and whose spouse files a separate return must file a return if gross income was $1,000 or more.

Qualifying Widow or Widower

Qualifying widows or widowers must file a return if they had gross income of $4,400 or more during the year. For qualifying widows or widowers who are 65 or older, the filing level is $5,400.

Self-Employed Persons

Self-employed individuals must file a return if they had net earnings from self-employment of $400 or more.

B. PERSONAL EXEMPTIONS

Each taxpayer is entitled to a $1,000 personal exemption. Married taxpayers generally are entitled to an additional $1,000 exemption for their spouses. Furthermore, additional exemptions are provided for age (65 or older) and blindness. Finally, individuals may take an exemption for each person who qualifies as a dependent.

C. ZERO BRACKET AMOUNT

The zero bracket amount (formerly, the standard deduction) is the portion of an individual's income which is not subject to tax. The zero bracket amount is (1) $3,400 for married individuals filing jointly, or qualifying widows or widowers, (2) $2,300 for single individuals, or heads of households, and (3) $1,700 for married individuals filing separately.

D. EXCLUSIONS

Capital Gains

In general, 60 percent of net long-term capital gain is excluded from gross income.

Sale of Personal Residence

Individuals who are age 55 or older may elect to exclude, on a one-time basis, up to $100,000 of the gain from the sale of a personal residence. For the exclusion to apply, the taxpayer must have owned and occupied the residence for 3 of the 5 years ending on the date of sale.

Dividends and Interest

In general, individuals may exclude up to $100 ($200 on a joint return if each spouse has at least $100 of dividends) of dividends received during the year.

For 1981 and 1982 tax years (to be reflected on 1981 and 1982 tax returns), $200 ($400 in the case of joint returns) of interest and dividends may be excluded from gross income.

Disability Income Exclusion

Certain individuals may exclude up to $5,200 per year of disability income. In general, to qualify for this exclusion, an individual must be under age 65, must have retired on disability, and must have retired because of permanent and total disability.

E. ITEMIZED DEDUCTIONS [1]

Medical and Dental Expenses

The portion of medical expenses that exceeds 3 percent of a taxpayer's adjusted gross income may be deducted. (However, medicine and drug expenses are taken into account only to the extent that they exceed 1 percent of adjusted gross income.)

One-half of the amount spent for medical insurance (up to $150) may be deducted without regard to the 3-percent floor. The remainder is lumped with other medical expenses and is subject to the 3-percent floor.

Taxes

In general, State, local or foreign income tax, real property tax, personal property tax, and general sales taxes are deductible.

Interest

Interest payments are deductible by individuals who are legally liable to make them. Items commonly deducted as interest include: Mortgage interest, "points" paid by a borrower, mortgage prepayment penalties, separately stated finance charges, bank credit card plan interest, interest on personal loans, and interest on business loans.

Contributions

Contributions of cash or property to qualified organizations may be deducted. In general, the deduction may not exceed 50 percent of an individual's adjusted gross income.

Casualty and Theft Losses

Personal casualty and theft losses are deductible to the extent that they exceed $100 per occurrence and are not reimbursed through insurance or otherwise.

Miscellaneous Deductions

In addition to medical and dental expenses, taxes, interest, charitable contributions, and casualty and theft losses, a number of other, miscellaneous expenses may be claimed as itemized deductions. Some of the more common expenses in this category include: dues paid to professional societies, employment-seeking expenses, employment-related education, subscriptions to professional journals, union dues, investment counsel fees, safe deposit box rental, and tax counsel and assistance.

F. TAX CREDITS

Credit for the elderly

Individuals who are age 65 or older, or who are under age 65 and receive a taxable pension or annuity from a public retirement system, may be entitled to claim the credit for the elderly. The maximum amount of the credit is 15 percent of one of the following amounts: (1) $2,500 for a single person, head of household, or qualifying widow or widower; (2) $2,500 for a married individual filing a joint return, if only one spouse is 65 or older; (3) $3,750 for a married individual filing a joint return, if both spouses are 65 or older; or (4) $1,875 for a married individual filing a separate return, if the individual and his or her spouse were not members of the same household during the year.

Child and Disabled Dependent Care Credit

Taxpayers may be entitled to a credit equal to 20 percent of the amount paid for the care of a dependent under the age of 15, a disabled dependent, or a disabled spouse, if the payment is made to enable the taxpayer to work or look for work. For a taxpayer with one qualifying dependent, the maximum credit is $400. If there are two or more qualifying dependents, the maximum credit is $800.

Earned Income Credit

Taxpayers with dependent children generally are entitled to a refundable credit equal to 10 percent of the first $5,000 of earnings (for a maximum credit of $500). The credit phases out a rate of 12.5 percent as income rises from $6,000 to $10,000 (that is, a reduction of 12½ cents for each additional dollar of income).

Residential Energy Credit

Taxpayers are entitled to a credit equal to 15 percent of the first $2,000 spent on qualifying energy-saving items. Qualifying energy-saving items include: insulation, storm or thermal windows or doors, caulking or weather stripping, clock thermostats, furnace replacement burners, and meters that display the cost of energy use.

In addition, taxpayers may receive an additional energy credit for amounts spent on solar, wind-powered, or geothermal equipment for their homes. This credit is for 40 percent of the first $10,000 of those costs.

[1] For further details see itemized deductions.

Credit for Political Contributions

Taxpayers may take credits for up to one-half of political contributions made during the year. The maximum credit is $50 on a single return and $100 on a joint return.

G. PRESIDENTAL ELECTION CAMPAIGN FUND CHECKOFF

Additionally, an individual taxpayer may voluntarily earmark $1 of taxes ($2 on joint returns) each year for the Presidential Election Campaign Fund. (This does not result in any increase or decrease of the tax liability.)

ITEMIZED DEDUCTIONS

A. CHECKLIST OF ITEMIZED DEDUCTIONS FOR SCHEDULE A (FORM 1040)

Medical and Dental Expenses

Medical and dental expenses (unreimbursed by insurance or otherwise) are deductible to the extent that they exceed 3 percent of your adjusted gross income (line 31, Form 1040).

Insurance Premiums

One-half of medical, hospital or health insurance premiums are deductible (up to $150) without regard to the 3 percent limitation for other medical expenses. The remainder of these premiums can be deducted, but is subject to the 3 percent rule.

Drugs and Medicines

Included in medical expenses (subject to 3 percent rule) but only to extent exceeding 1 percent of adjusted gross income (line 31, Form 1040).

Other Medical Expenses

Other allowable medical and dental expenses (subject to 3 percent limitation):

Abdominal supports (prescribed by a doctor).
Acupuncture services.
Ambulance hire.
Anesthetist.
Arch supports (prescribed by a doctor).
Artificial limbs and teeth.
Back supports (prescribed by a doctor).
Braces.
Capital expenditures for medical purposes (e.g., elevator for persons with a heart ailment)—deductible to the extent that the cost of the capital expenditure exceeds the increase in value to your home because of the capital expenditure. You should have an independent appraisal made to reflect clearly the increase in value.
Cardiographs.
Chiropodist.
Chiropractor.
Christian Science practitioner, authorized.
Convalescent home (for medical treatment only).
Crutches.
Dental services (e.g., cleaning, X-ray, filling teeth).
Dentures.
Dermatologist.
Eyeglasses.
Food or beverages specially prescribed by a physician (for treatment of illness, and in addition to, not as substitute for, regular diet; physician's statement needed).
Gynecologist.
Hearing aids and batteries.
Home health services.
Hospital expenses.
Insulin treatment.
Invalid chair.
Lab tests.
Lipreading lessons (designed to overcome a handicap).
Neurologist.
Nursing services for medical care, including nurse's board paid by you.
Occupational therapist.
Ophthalmologist.
Optician.
Optometrist.
Oral surgery.
Osteopath, licensed.
Pediatrician.
Physical examinations.
Physical therapist.
Physician.
Podiatrist.
Psychiatrist.
Psychoanalyst.
Psychologist.
Psychotherapy.
Radium therapy.
Sacroiliac belt (prescribed by a doctor).
Seeing-eye dog and maintenance.
Speech therapist.
Splints.
Supplementary medical insurance (Part B) under medicare.
Surgeon.
Telephone/teletype special communications equipment for the deaf.
Television set if individual has a hearing impairment and the set is specially equipped with a visual display of the audio portion of television programs. Similarly the cost of an adaptor for a conventional television that performs the same function is now considered a medical deductive by the IRS.
Transportation expenses for medical purposes (9¢ per mile, plus parking and tolls or actual fares for taxi, buses, etc.).
Vaccines.
Vitamins prescribed by a doctor (but not taken as a food supplement or to preserve general health).
Wheelchairs.
Whirlpool baths for medical purposes.
X-rays.

Expenses may be deducted only in the year you paid them. If you charge medical expenses on your bank credit card, the expenses are deducted in the year the charge is made regardless of when the bank is repaid.

Taxes

Real estate.
General sales.
State and local income.
Personal property.

If sales tax tables are used in arriving at your deduction, ordinarily you may add to the amount shown in the tax tables the sales tax paid on the purchase of the following items: automobiles, trucks, motorcycles, airplanes, boats, mobile homes, and materials used to build a new home when you are your own contractor.

When using the sales tax tables, add to your adjusted gross income any nontaxable income (e.g., social security, veterans' pensions or compensation payments, railroad retirement annuities, workmen's compensation, untaxed portion of long-term capital gains, dividends untaxed under the dividend exclusion, interest on municipal bonds, unemployment compensation and public assistance payments).

Contributions

In general, contributions may be deducted up to 50 percent of your adjusted gross income (line 31, Form 1040). However, contributions to certain private nonprofit foundations, veterans organizations, or fraternal societies are limited to 20 percent of adjusted gross income.

Cash contributions to qualified organizations for (1) religious, charitable, scientific, literary or educational purposes, (2) prevention of cruelty to children or animals, or (3) Federal, State or local governmental units (tuition for children attending parochial schools is not deductible).

Fair market value of property (e.g., clothing, books, equipment, furniture) for charitable purposes. (For gifts of appreciated property, special rules apply. Contact local IRS office.)

Travel expenses (actual or 9¢ per mile plus parking and tolls) for charitable purposes (may not deduct insurance or depreciation in either case).

Cost and upkeep of uniforms used in charitable activities (e.g., scoutmaster).

Purchase of goods or tickets from charitable organizations (excess of amount paid over the fair market value of the goods or services).

Out-of-pocket expenses (e.g., postage, stationery, phone calls) while rendering services for charitable organizations.

Care of unrelated student in your home under a written agreement with a qualifying organization (deduction is limited to $50 per month).

Interest

Home mortgage.
Auto loan.
Installment purchases (television, washer, dryer, etc.).
Bank credit card—can deduct the finance charge as interest if no part is for service charges, loan fees, credit investigation fees, or similar charges.
Other credit cards—you may deduct as interest the finance charges added to your monthly statement, expressed as an annual percentage rate, that are based on the unpaid monthly balance.
Points—deductible as interest by buyer where financing agreement provides that they are to be paid for use of lender's money and only if the charging of points is an established business practice in your area. Not deductible if points represent charges for services rendered by the lending institution (e.g., VA loan points are service charges and are not deductible as interest). Not deductible if paid by seller (are treated as selling expenses and represent a reduction of amount realized).
Penalty for prepayment of a mortgage—deductible as interest.
Revolving charge accounts—may deduct the separately stated "finance charge" expressed as an annual percentage rate.

Casualty or Theft Losses

Casualty (e.g., tornado, flood, storm, fire, or auto accident provided not caused by a willful act or willful negligence) or theft losses—the amount of your casualty loss deduction is generally the lesser of (1) the decrease in fair market value of the property as a result of the casualty, or (2) your adjusted basis in the property. This amount must be further reduced by any insurance or other recovery, and, in the case of property held for personal use, by the $100 limitation. Report your casualty or theft loss on Schedule A. If more than one item was involved in a single casualty or theft, or if you had more than one casualty or theft during the year, you may use Form 4684 for computing your personal casualty loss.

Miscellaneous

Appraisal fees to determine the amount of a casualty loss or to determine the fair market value of charitable contributions.
Union dues.
Cost of preparation of income tax return.

Cost of tools for employee (depreciated over the useful life of the tools).

Dues for chamber of commerce (if as a business expense).

Rental cost of a safe-deposit box used to store income-producing property.

Fees paid to investment counselors.

Subscriptions to business publications.

Telephone and postage in connection with investments.

Uniforms required for employment and not generally wearable off the job.

Maintenance of uniforms required for employment.

Special safety apparel (e.g., steel toe safety shoes or helmets worn by construction workers; special masks worn by welders).

Business entertainment expenses.

Business gift expenses not exceeding $25 per recipient.

Employment agency fees under certain circumstances.

Cost of a periodic physical examination if required by employer.

Cost of installation and maintenance of a telephone required by your employment (deduction based on business use).

Cost of bond if required for employment.

Expenses of an office in your home if used regularly and exclusively for certain business purposes.

Transportation expenses for business purpose (20 cents per mile for the first 15,000 miles, and 11 cents per mile in excess of 15,000 miles, plus parking and tolls or actual fares for taxi, buses, et cetera.)

B. OTHER TAX RETURN INFORMATION ITEMS

Tax Tables

Tax tables have been developed to make it easier for you to find your tax if your income is under certain levels. Even if you itemize deductions, you may be able to use the tax tables to find your tax easier. In addition, you do not have to deduct $1,000 for each exemption because these amounts are also built into the tax table for you.

Multiple Support Agreements

In general, a person may be claimed as a dependent of another taxpayer, provided five tests are met: (1) support; (2) gross income; (3) member of household or relationship; (4) citizenship, and (5) separate return. But in some cases, two or more individuals provide support for an individual, and no one has contributed more than half the person's support. However, it still may be possible for one of the individuals to be entitled to a $1,000 dependency deduction if the following requirements are met for multiple support:

1. Two or more persons—any one of whom could claim the person as a dependent if it were not for the support test—

2. Any one of those who individually contribute more than 10 percent of the mutual dependent's support, but only one of them, may claim the dependency deduction.

3. Each of the others must file a written statement that he will not claim the dependency deduction for that year. The statement must be filed with the income tax return of the person who claims the dependency deduction. Form 2120 (Multiple Support Declaration) may be used for this purpose.

Sale of Personal Residence

You may exclude from your gross income some or all of your gain from the sale of your principal residence, if you meet certain age, ownership, and occupancy requirements at the time of the sale. These requirements, and the amount of gain that may be excluded, differ depending on whether you sold your home before July 27, 1978, or on or after that date. The exclusion is elective, and you may elect to exclude gain only once for sales before July 27, 1978, and only once for sales on or after that date.

If you sold your home before July 27, 1978, and you were age 65 or older before the date of sale, you may elect to exclude the gain attributable to $35,000 of the adjusted sales price if you owned and occupied the residence for 5 of the 8 years ending on the date of sale. If you sold the home after July 26, 1978, and you were age 55 or older before the date of the sale, you may elect to exclude $100,000 of gain on the sale if you owned and occupied the residence for 3 of the 5 years ending on the date of sale (or 5 of 8 years under certain circumstances). Form 2119 (Sale or Exchange of Personal Residence) is helpful in determining what gain, if any, may be excluded.

Additionally, you may elect to defer reporting the gain on the sale of your personal residence if within 18 months before or 18 months after the sale you buy and occupy another residence, the cost of which equals or exceeds the adjusted sales price of the old residence. Additional time is allowed if (1) you construct the new residence; (2) you were on active duty in the U.S. Armed Forces; or (3) your tax home was abroad. Publication 523 (Tax Information on Selling or Purchasing Your Home) may also be helpful.●

PROTEIN BYPRODUCT TO MEET FOOD SHORTAGES

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. BEDELL. Mr. Speaker, today my colleague Mr. MARLENEE and I are introducing legislation which we believe will, if adopted, maximize the ability of the U.S. farmer to deliver protein to needy countries around the world.

This legislation would encourage the Secretary of Agriculture, through the Public Law 480 and export credit sales programs, to utilize the protein byproduct resulting from the production of fuel alcohol from agricultural commodities in meeting the food needs of developing countries. In addition, the measure urges the Secretary to use the protein by-product in domestic commodity donation programs. The extent of the Secretary's support for these efforts would, however, be predicated on the conclusions of a 6-month study authorized in the bill on the potential of the byproduct to satisfy world food needs.

As everyone familiar with the production of alcohol from basic agricultural commodities is aware, only the starch in the grain is removed to make alcohol. All the protein, vitamins, and minerals in the original bushel of grain is recovered. In fact, some experts claim that the amount of protein is actually increased due to the yeast action during the distilling process.

In the case of corn used to make alcohol, all the starch in the original 56-pound bushel is used to make about 2.5 gallons of 200-proof alcohol. Approximately 18 pounds of byproduct remains that is 27 to 30 percent protein in content. The byproduct can be—and presently is—used as a livestock feed or feed supplement, or as an ingredient in a variety of bakery items produced for human consumption.

As we know, Mr. Speaker, the world is deficient in protein, not starch. If we remove the protein in basic agricultural commodities, and in so doing increase its concentration in the byproduct threefold, it is obvious that we can maximize the potential of our commodity transportation network to deliver protein to needy countries.

We would like to thank the American Agriculture Movement for its foresight, initiative and helpful assistance in developing this concept. Its members have long been recognized as the leaders in efforts to develop the alcohol fuel potential of this country.

We are confident, Mr. Speaker, that our colleagues will recognize the value of this legislation, and we hope that they will lend it their full support.

The text of the bill follows:

H.R. 2246

A bill to encourage the use in programs under the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480), in the Export Credit Sales Program, and in the commodity donation program, of the protein byproduct resulting from the production of fuel alcohol from agricultural commodities

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Congress finds that the use of the protein byproduct resulting from the production of fuel alcohol from agricultural commodities may make it possible for the United States to make available significantly increased amounts of protein to meet the food needs of developing countries without any increase in handling, storage, and transportation facilities. The Congress believes that serious consideration should be given to the potential of this protein byproduct and that, if found to be feasible, this protein byproduct should be included in the Department of Agriculture's commodity export and donation programs.

(b) Accordingly, the Secretary of Agriculture shall investigate the potential for using the protein byproduct resulting from the production of fuel alcohol from agricultural commodities in meeting the food needs of developing countries through Food for Peace programs carried out under the Agricultural Trade Development and Assistance Act of 1954 and through the Export Credit Sales Program carried out under section 4 of the Food for Peace Act of 1966 and section 5(f) of the Commodity Credit Corporation Charter Act.

(c) The Secretary of Agriculture shall also investigate the potential for using the protein byproduct resulting from the production of fuel alcohol from agricultural commodities in the distribution of food products under the commodity donation program carried out under clause (3) of section 416 of

the Agricultural Act of 1949 and under section 210 of the Agricultural Act of 1956.

(d)(1) Not later than six months after the date of enactment of this Act, the Secretary of Agriculture shall report to the Congress on the results of the investigations conducted pursuant to subsections (b) and (c) of this section.

(2) The Secretary of Agriculture shall provide to the Congress each year a description of the efforts being made by the Department of Agriculture to make available, as part of the programs referred to in subsections (b) and (c) of this section, the protein byproduct resulting from the production of fuel alcohol from agricultural commodities. The information for all such programs may be included in the report submitted pursuant to section 408(a) of the Agricultural Trade Development and Assistance Act of 1954, or the information for each such program may be included in the annual report for that program.

SEC. 2. The Act entitled "An Act authorizing Commodity Credit Corporation to purchase flour and corn meal and donating same for certain domestic and foreign purposes", approved August 19, 1958 (7 U.S.C. 1431 note), is amended in the proviso by inserting "(except that this limitation does not apply in the case of the protein byproduct resulting from the production of fuel alcohol from agricultural commodities)" immediately after "processed".●

PROBLEMS OF EL SALVADOR

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. BROWN of California. Mr. Speaker, as we review the assertions of the Reagan administration about El Salvador, it is important that we keep the real problems of this country in perspective.

The Christian Science Monitor, which has maintained a fair and balanced approach in its news and editorial columns on U.S. foreign policy, published an excellent editorial on El Salvador which every Member should review.

I submit this editorial for the RECORD:

[From the Christian Science Monitor, Feb. 26, 1981]

HOW TO HELP EL SALVADOR

The compassion of the American people goes out to the tortured land of El Salvador. Despite their own wrestlings with personal adversity, they cannot but be mindful of the bitter struggle of some four million impoverished and terrorized people to grope their way out of dark misery to a better life. The challenge for the United States, which so long neglected this corner of repression and destitution so close to home, is to foster the kind of political and economic system there which will enable Salvadorans to achieve this end. It is a challenge made difficult by the complexity of the situation.

The essential question is: should the US continue to support the present military-civilian government in El Salvador?

President Reagan is determined to do so, despite warnings from West Europeans, some Latin American leaders, and many American specialists that the US is headed down a disastrous path. Fortunately, the President has said that he has "no intention" of involving the US in the fighting in El Salvador. That is reassuring. The lesson of becoming militarily embroiled in a local civil war should not be soon forgotten. By sending troops to El Salvador, the administration would only succeed in transferring the hatred of the Salvadoran people to the United States.

Providing limited military aid is another matter, however. There are voices within the State Department who feel that the center-right government of President Duarte still has a viable chance of putting down the leftist guerrillas, curbing its own military right wing, and carrying out reforms to win over the masses of the people. The point is debatable. By many sobering accounts, the bulk of Salvadorans today support the leftist opposition—not because they are communists but because they have been driven to it by the brutality and violence of the military. But, at the least, Mr. Reagan ought not to supply anything more—patrol boats, equipment, and certainly not advisers—without demanding something in return. Reform must go forward and the military excesses must be curbed (rightists in the security forces are believed responsible for many more thousands of killings of civilians than the leftists). In this connection, it is appalling that nothing more is heard of the supposed investigation being made into the wanton murder of four American women—slayings thought to be at the hand of government security police. That hardly inspires confidence in the Duarte junta.

This is not to fail to appreciate President Reagan's concerns about Soviet and Cuban expansionism in Central America and the Caribbean. It is possible that, with better policing of coastal waters, El Salvador will be able to stem the flow of communist arms and thereby thwart the guerrilla movement. But the problem is not essentially a military one. It is a political and social one, and that is what had so long been overlooked by US policy in the region. It is an illusion to think that Cuba or its Soviet mentor have caused the problems there. They are exploiting them, yes. But popular revolution and civil war have grown because of the failure of the local ruling oligarchies—backed by the US—to promote social, economic, and political justice. They have grown because of the greed and authoritarianism of the ruling elites. In El Salvador today the rich are inordinately rich and the poor are abysmally poor and illiterate. To label the whole opposition as Cuban-inspired and the poor as a part of a communist conspiracy, therefore, serves only to drive the poor into the leftist camp.

The Salvadoran opposition has hard-bitten Marxists in it, to be sure. They no doubt seek to be the driving force behind the guerrilla insurgency. But the opposition contains many other elements as well—social democrats, socialists, Roman Catholic clergy—who are certainly not communists. This is why a political solution, a negotiated settlement between the left and the center-right, would seem to offer the best course. The US should bend its efforts in this direction. To do so, it must know the leaders of the left, and it is therefore to be hoped that, without undermining the position of the Duarte government, it is quietly maintaining contacts with them.

It needs to do even more. Much of the ineffectiveness of past U.S. policy in Latin America can be traced to failure to give the region due attention and to heed the voices of its leaders. Mr. Reagan early on showed his interest in improving ties south of the border. He is on the right track. Mexico, for instance, takes strong exception to the U.S. approach on El Salvador. Should not the President therefore be talking to the Mexicans—and other Latin American leaders—sounding out their position, making sure he is getting advice from the realists, from those who live cheek by jowl with the nations in revolutionary turmoil? Close communication and dialogue on these and other issues would open the way to greater hemispheric cooperation in averting dangerous conflicts and internal strife.

Washington, in short, must not think that an excessively military approach is the answer to fostering social change and democracy. It cannot be ruled out that a carefully moderated supply of U.S. military aid to the El Salvador junta will, as some U.S. diplomats contend, improve the training and discipline of the Salvadoran Army and thereby reduce brutality. But any policy which does not place its primary stress on economic and social reform—on the desperate needs and tragically ignored aspirations of the Salvadoran people—is bound in the long run to fail. The U.S. policymakers must surely know this.●

TENSIONS IN POLAND—PART II

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. McDONALD. Mr. Speaker, part I of this article by Prof. Hans Sennholz appeared in the CONGRESSIONAL RECORD of February 25, 1981, and is found on page 3106. Today I am inserting part II of this article which deals with the aspects of nationalism in Poland and the diminished appeal of socialism in Poland. As I stated before, tensions may have subsided somewhat in Poland, but the basic problems remain, so this is still a timely item and will appear in the May issue of Freeman magazine, a publication of the Foundation for Economic Education, Inc. I commend part II of this article to the serious attention of my colleagues:

TENSIONS IN POLAND—PART II

SOCIALISM HAS LOST ITS APPEAL

The Polish workers' revolt reveals the tremendous problems, tensions, and weaknesses of the communist empire. Behind the impudent speeches and boasts of the Soviet rulers lies the hopeless reality of the socialist economy, the misery of living conditions and the despair of millions of people who are chafing under harsh conditions.

The people have to stand in line for hours to buy food that is in scarce supply or for shoes and clothing that are rationed. They walk miles to work—public transportation is most unreliable, and private transportation, except for the bicycle, virtually does not exist. The private automobile lies beyond the reach of most Poles; it is reserved for members of the communist party and the ruling elite. Most amenities of life to which the workers in capitalistic countries are accustomed are not offered by the government distribution system; they may be

available on "black markets" that are supplied through countless illegal channels of trade and manufacture. The frustrations that are felt everywhere continue to lead to labor protests and walkouts although, last summer, Polish workers were permitted to join an independent labor union, Solidarity.

The existence of an independent labor union violates the basic structure of monolithic communism and, therefore, is viewed with alarm in the Kremlin. It raises the crucial question of how much decentralization the Soviet system can tolerate and yet be centrally controlled. Does it constitute a serious challenge to the communist empire?

To the Western observer the union movement in Poland constitutes a curious fruit of socialist thought that promises protection from employer exploitation through organization and collective bargaining. In the capitalistic West, it is aimed at the private owners of the means of production whose bargaining power is said to exceed by far that of individual workers. In a communistic country that claims to represent a nation of working people, the union movement confronting the communist state obviously contradicts this claim. If a labor union is the legitimate representative of the working people, where then is the legitimacy of the state? By casting serious doubt on the philosophical and moral foundation of the communist state, this question makes the union movement a genuine threat to communism. The union will have to be crushed forcibly, or it will, in time, erode the monolithic nature of communism.

The Polish workers who courageously confront the state may be dimly aware of the philosophical implications of their challenge. People who labor and suffer under a totalitarian regime usually are. But they are grossly mistaken in their belief that a labor union can actually improve the living and working conditions of the workers.

It is an economic error deeply imbedded in popular thought, even in the capitalistic West, that labor unions can raise the wage rates and improve the working conditions of the working population. Only rising productivity can bring this about. A labor union that raises production costs and disrupts production, tends to lower productivity and income. Through coercion or threats of coercion it may allocate larger slices of a shrinking pie to workers with union seniority—always at the expense of junior workers. But it cannot improve the economic conditions of all the people.

The Polish people will have to learn in the coming months that shorter workdays, slowdowns and strikes do not raise living standards, but lower them. Economic conditions will deteriorate visibly and markedly because the Socialist production order by itself is basically chaotic and unproductive. Adding militant union tactics to socialistic bungling is adding havoc to confusion. Polish standards of living continue to fall, which may lead to more rebellion and confrontation with the Communist state.

The only hope for genuine economic betterment lies in a return to the private property competitive order; that is to capitalism. All means of production would have to be returned to private ownership, and economic production be guided again by costs and prices freely established in competitive markets. But those words cannot be spoken with Soviet commissars lurking around the corner. Morever, it is doubtful that the Polish workers are thinking in those terms. They are watching with envy the economic conditions in the West where working people are free to unionize and engage in collective bargaining. Because there are unions there are high standards of living, most workers strongly believe, which is a logical error as old as the union movement itself.

The drive for Rural Solidarity, an independent farmers' union, adds yet another dimension to the conflict. A consistent communistic order that tolerates no private property in the means of production has no place for independent farmers. It uses farm workers who labor from dawn to dusk on government estates or community cooperatives. The very existence of privately owned farms in Poland is a rare exception to the Soviet rule that was suspended temporarily because of transitional difficulties. But the government is asserting its ruthless control through its monopolistic position as the sole buyer of all farm products. It is setting its own prices and forcing farm producers to deliver their output to the state. Disobedience is denounced as "black marketeering" and punished severely and mercilessly.

The farmers' drive for an independent union is an open affront to the communistic order. The farmers' union would want to bargain for higher food prices and the freedom to sell farm produce in open markets. It would press demands that are utterly unacceptable to the holders of communist power. The confrontation is ideological and therefore insoluble. It is all the more menacing to the communistic state as it is supported by the workers' union whose economic interests do not call for higher food prices. The strange alliance of workers' and farmers' union, therefore, is signalling a serious challenge to communistic principle and authority.

What are the motive powers of this challenge? This observer is fully convinced that it is Polish nationalism that is rising in defiance of Russian rule and supremacy.

NATIONALISM VERSUS EMPIRE

Nationalism is a guiding principle or creed that permeates political thought and policies throughout the world. It under-girds all modern societies and legitimizes their claim to authority and sovereignty. It makes the nation-state the ideal form of political organization, and provides the framework for social, cultural activities. Unknown before the eighteenth century it swept through Europe during the nineteenth century and conquered the world as a political ideology during the twentieth.

In its most popular garb nationalism raises the demand for a government of the same ethnic composition as the majority of the citizenry. It goal is national self-determination, to be separate, independent, and equal to other nations. Seeking "national" or "popular" foundations for cultural and intellectual life, it rejects the supranational and universal elements of social life. Extreme versions of nationalism tend to drown the quest for individual liberty and seek to crush the rights and interests of other people not of the race and language of the majority group. They have been the primary ideological force that plunged the world into its major wars.

After World War II the spread of nationalism to Africa and Asia brought an end to the European colonial empires and gave birth to a great number of national states. The same forces of nationalism are felt in the communist empire, giving rise to conflicting national interests and creating acute tensions that are gnawing at its foundation. Yugoslavia asserted her independence from Soviet Russia as early as 1948. All other satellite countries sought to regain it in vain. The popular uprising in Berlin, the revolt of Pozen, the Hungarian revolution, the Czech rebellion, and now the Polish workers' revolt, all reveal the tremendous tensions and antinomies between the people and their communist masters.

Polish nationalism, which during the 19th century had merely been an upper-class movement and therefore had failed to achieve national independence, is the primary political credo in Poland today. It probably received its impelling force and momentum from the immense suffering which German and Russian nationalism inflicted on many Poles during and after World War II. In 1939, Polish independence was crushed by Nazi Germany and communist Russia, acting in concert, leading to another partition of Poland. During and after the war, more than one-third of the Polish population was driven from its homes and resettled ultimately in formerly German territory that was emptied of their German-speaking inhabitants. The suffering inflicted by foreign nationalism has left a deep mark on the present generation of Poles, especially in the resettled areas. It is no coincidence that the workers' revolt started in the Gdansk area and from there quickly spread to Silesia, which were settled by Poles only thirty years ago.

Nationalism is a powerful divisive force in the communist world, a force capable of producing bitter tensions and conflicts. It is resisting the centralization of all power in the Kremlin and preventing it from establishing its deadly uniformity throughout the empire. In the satellite countries it creates a wide rift between the people and the governments which receive their orders from Moscow. The Polish people reject and scorn their own government and the ruling class of communist party members who are catering to their Russian masters.

The Soviet Union itself consisting of nearly 180 different nationalities and tribes is suffering from growing tensions of nationalism. The Russians or Great Russians, as they are often called, merely comprise some 58 percent of the Soviet population. Sizeable minorities include the Ukrainians, Byelorussians, Georgians, Armenians, Estonians, Latvians and Lithuanians, who are praying for their day of deliverance. When, in 1941, the German armies invaded the Soviet Union, millions of people welcomed the German invaders as their liberators. A volunteer army of Soviet subjects under a former Red Army general, Andrei Vlasov, fought side by side with the Germans to the bitter end. If the German conquest had not been marred by countless Nazi atrocities and the Hitler regime had not proven to be even worse than the Stalin reign, the national minorities might have risen in unison against their Kremlin masters. After the war, four Soviet republics and one national region were dissolved as a punishment for their defection and their inhabitants dispersed over the Union.

Behind the Iron Curtain nationalism probably constitutes the greatest challenge and danger to the communist empire. This is not to deny that in Third-World countries communism and nationalism may become uneasy allies in their attempts at overthrowing the old order. A government with nationalistic ambitions, eager to "liberate" an ethnic group or reclaim "lost territory," may meet resistance by the Western powers, but find eager support by the Soviet Union. The Kremlin encourages and assists the national liberation movement and, whenever

successful, reaps its rewards in the extension of Soviet power.●

BIG SUBSIDIES, ILLEGAL SALES IN CVP WATER PROGRAM

HON. GEORGE MILLER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. MILLER of California. The Water and Power Resources Service and the Department of the Interior have recently proposed a new water pricing policy to correct some of the serious abuses in the Federal water program. In testimony before a WAPRS hearing in Sacramento last week, I analyzed this proposal, and cited several major deficiencies:

First, the proposal would perpetuate hundreds of millions of dollars in irrigation subsidies, which would be paid by power users, general taxpayers, and, for the first time and without legal authorization, municipal and industrial customers.

Second, the proposal would apparently not apply to the pending water contract with the Westlands Water District which contains over $200,000,000 in unjustified subsidies.

Third, the annual Westlands contracts which are used to irrigate illegal lands are, in the opinion of the General Accounting Office, illegal contracts.

I want to share this testimony with my colleagues in hopes that it will stimulate congressional reform of this costly, subsidized water program:

STATEMENT OF CONGRESSMAN GEORGE MILLER, SEVENTH DISTRICT OF CALIFORNIA

The proposed ratemaking procedure offers Federal taxpayers an opportunity to end decades of unjustified and expensive water subsidies to special interest water consumers in California.

President Reagan, in his state of the Union address a week ago, challenged the Congress to change the old ways of doing business. I throw out the same challenge to you today—

Are we simply going to go down the same path we've gone down before—carving out one special interest program here and another special interest program there? I don't think that is what the American people expect of us.

I endorse the President's call for a change in "business as usual."

I don't think the American people want to support subsidized water for many of the biggest and wealthiest farmers in the United States.

I don't think water and utility users want their rates increased so that irrigators can waste hundreds of millions of gallons of water every year.

I don't think that this administration or this Congress should grant a special exemption from sound fiscal practices to the biggest, the richest and the most controversial water project in the Nation.

The proposed ratemaking procedures would correct some serious abuses which have cost consumers many millions of dollars. But it does not go far enough to correct all the abuses which you have the power to solve once and for all.

I will make six specific recommendations for improving this ratemaking proposal to improve the fiscal and administrative accountability of the Federal water program.

First, require that the scandal-plagued Westlands Water District, the Nation's largest, pay the full amount for all the water committed in any new contract.

The pending contract would give Westlands nearly a million acre feet of water annually for substantially less than the cost to the taxpayer. This discount violates the spirit of this ratesetting procedure and totally undermines the Federal water program.

Approval of the Westlands contract would give over 30 percent of the remaining yield of the CVP to a single highly controversial district.

It would grant Westlands an unjustified and unneeded $200 million subsidy on water price which would have to be paid by taxpayers, utility users and other water customers in addition to paying full rates for their own water. That is why the leading newspaper of the Central Valley, the Fresno Bee, condemned the proposed contract as "a pipeline to the taxpayers' pocketbook."

Westlands has a right to 900,000 acre feet as provided in their original contract at a charge of $7.50 an acre foot. If they want more water—and they demand an additional 250,000 acre feet—the Government has the legal ability and the financial obligation to renegotiate this very stupid and detrimental contract—the whole contract—to eliminate the unjustified subsidy.

Westlands may claim a right to additional water because of the interim contracts which have provided the district with more than 1.3 million acre feet in recent years. But according to the General Accounting Office, these contracts have been not only unbusinesslike and financially unsound, but illegal. Westlands has used subsidized water to irrigate land which was brought into its service area without authorization by Congress. In response to my inquiry on the validity of contracts to provide water to these illegal lands, the Comptroller General of the United States has just concluded—

"We are unaware of any exception to the statutory requirement that a legally sufficient contract for the entire repayment obligation * * * is necessary before water may be delivered under water service contracts * * * the Secretary of the Interior does not presently have authority to provide a firm supply of water to Westlands notwithstanding the provisions of the current water service contract."[1]

In the absence of any existing legal obligation by the United States to provide new water to Westlands, the failure to compel Westlands to pay the cost of service for all future sales would be a serious dereliction of your financial responsibilities and would allow a gaping loophole which would severely undermine the ratemaking procedure.

Second, it is unjust to require that municipal and industrial water customers, power users and general taxpayers subsidize agricultural consumers. The "ability to pay" concept included in the proposed ratemaking process assures that inefficient irrigators will pass millions of dollars in unjustified subsidies onto other users.

According to the proposed policy, municipal users may be required to assist irrigation repayment in a manner similar to assistance provided by power users.

We all know that "assistance" is a polite way of saying "subsidy."

Power users are well aware of the cost of this "assistance." Their rates have already climbed in some areas by more than 100% because of the 1978 audit which projected an $8.8 billion deficit in the CVP power account. There will be more increases in the future when the CVP begins purchasing over $2 billion in supplemental power from other utilities later this decade. We should recall that the 1978 audit was extremely critical of the ability to pay discount and urged the use of less subjective criteria in setting water charges.

Why should power users in Sacramento, Santa Clara County, Redding, Roseville, Palo Alto and elsewhere have to pay additionally high rates to subsidize agribusinesses in the Central Valley?

The municipal and industrial account is $17 million in the red. M and I users will have to pay higher rates in the future according to this policy, including interest payments from which agricultural users are exempted.

I know the Contra Costa Water District's water rates would increase at the time of its next contract because of this proposed rule. I reiterate my position that I would support reasonable increases for my constituents if justified to pay their fair share. And I believe Contra Costans will accept that responsibility if they know that all water consumers are sharing the burden.

But I cannot justify charging higher prices to working families in Concord, or Roseville, or San Jose, in order to guarantee 40-year subsidies to prosperous agribusinesses in the Central Valley.

I suggest the repeal of the "ability to pay" formula. Last year, we were repeatedly urged by large farmers and their supporters, like the American Bankers Association, to "let economics determine" farm activity. If an irrigator cannot run his farm without huge water subsidies and without passing along millions of dollars in costs to homeowners and industries and power users, well, that's the free enterprise system.

I am quite certain that there is no shortage of customers in California who would gladly pay the full cost, or more, for some of this water. Corporate agribusiness should either live by the business principles it preaches and pay the going rate for water, or get its hands out of our pockets and its straws out of our reservoirs.

Third, the policy should replace the 40-year contract period with no more than a five-year period. Even with price recalculations every five years, it would be irresponsible, in the light of rapidly changing world and national conditions, to legally commit the United States to deliver water to an exclusive customer for 40 years. Other mineral leases are for five or ten years, and are extended if production is taking place and more critical needs have not arisen.

Ten years ago there was no water crisis. Ten years ago there was no energy crisis. Ten years ago we were giving away water and energy at bargain basement rates; we were burning off natural gas at oil wells as a waste product.

We must not put ourselves in a situation where we lock up vital, irreplaceable natural resources for four decades. The financial soundness of the CVP is not dependent on such long-term contracts; we know that we can sell the water on a much shorter—even an annual—basis.

[1] Comptroller General to Miller, February 18, 1981.

Fourth, the recalculation of prices should occur every two years instead of every five. Energy costs are a major component of these charges, and they are obviously changing on a monthly basis. With such instability in fuel costs, and with inflation at 13 percent, contracts must assure that excessive subsidies are not granted to users.

Such a principle exists in reverse: When a Federal contractor exceeds his estimated costs, he frequently comes to the Government for a cost overrun increase. Why can't Government apply the same business principle to its own contracts?

Fifth, the process should more explicitly restate the secretarial policy of January 3, 1979, with respect to using CVP water to assure delta water quality. Reference is made on page 13 of the statement that contracts will be reduced during water shortages, a term which should be expanded to clarify that it includes periods where supplies are needed to preserve delta quality. Such a provision is contained in the proposed Westlands contract and was implicitly endorsed by Congress in Public Law 96-570 concerning the extension of the Yolo-Zamora service area in 1980.

Clearly, the commitment of 31 percent of the remaining yield of the CVP to a single customer, Westlands, until the year 2020 would seriously undermine the operational flexibility of the CVP and the legitimate competing water needs of millions of Californians including those in the delta.

Lastly, the ratesetting policy should expressly forbid the speculative resale of publicly developed water by a contractor to a third party. Independent investigations by GAO have revealed the resale of public water at prices far higher than those received by the taxpayers who developed the water in the first place.

If a contractor finds he cannot use the water he has purchased, he should either resell it to the Government for the original price, or sell it to another user for the same cost.

We have all heard a great deal about the need to bring the Federal water program into the 20th century. Now is our opportunity.

Let us stop subsidizing the rich and instead show our concern for the millions of taxpayers who pay the bills. Let's think about the financial burden on homeowners and industries and utility rate payers who are watching their water and energy rates escalate in order to subsidize the greed of irrigators who refuse to institute modern conservation and management techniques because their water is cheap and subsidized.

We can put a stop to this abuse of the taxpayer. It will require challenging those who have long regarded the water program as their personal fiefdom. It will require, as President Reagan says, a "sharing of the burdens." It will require that the Government run its water sales program like a sensible business instead of like a charity for the well-to-do.

Your ratemaking proposal contains the seeds of rationality. It should be modified to fulfill the goal of putting this program on a paying basis, and it should be applied across the board—to Westlands, to Contra Costa, to all contractors. If there is political heat, I am ready to bear some of it. I ask the same for all water users and their representatives.●

AID TO EL SALVADOR

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. STUDDS. Mr. Speaker, yesterday the Reagan administration announced a dramatic increase in the amount of U.S. military assistance and the number of advisers being sent to El Salvador. By focusing almost exclusively on the admittedly undesirable involvement of Cuba and possibly the Soviet Union in supplying weapons to insurgents in that country, I believe our policymakers have lost sight of the true nature and origin of this conflict, which is rooted not in outside agitation, but rather in a century of gross political, social, and economic injustice. A recent editorial in the Boston Globe highlights the risks involved in an overly strident U.S. position, and underscores the importance of moving with extreme caution regarding the internationalization of this tragic conflict. I invite my colleagues to share these thoughts:

REAGAN AND EL SALVADOR

In some respects the world would be an easy place in which to live if Ronald Reagan turned out to be right that the fighting in El Salvador was the result of arming of rebels by Cuba. Cutting off the supplies, which might be achieved, would mean an end to the fighting.

Such a scenario would also presumably produce political tranquility in a troubled country. Lacking the divisiveness that the Reagan Administration says is being imposed on El Salvador by Cuban and Soviet agentry, all the parties would be more apt to accommodate each other.

The trouble is that there are very strong indications that even if the Cuban arms flow stops, fighting probably will not end. Unless or until there are fundamental economic and political reforms, the conflict in El Salvador will surely endure.

The Administration appears embarked on a course that involves risks for itself as well as El Salvador. The taking of risks is perfectly proper in many situations; one only wishes that the odds were better in this situation.

First, the Administration is moving sharply closer to a regime that may be relying heavily on terror tactics in dealing with the general population. Ugly reports, including some from members of the US Congress who have recently visited Central America, indicate that the Salvadoran army is participating in attacks on civilians that, in fact, drive them into the arms of the rebels out of a sense of desperation. The danger is that the Salvadoran army, which seems to have a mind of its own, will misread American opposition to Cuban aid for rebels as support for its own misdeeds and thereby only make the lives of all Salvadorans more hazardous.

Second, the Administration is complicating relations with some of our allies. The Mexicans, who are fully as interested in developments in El Salvador as the United States, do not accept the Reagan view of events or of Cuba and have been careful to say so in recent days. The difference could complicate US-Mexican relations on other issues, including our nascent energy trade.

Third, the ambiguous threats of American intervention in the El Salvador question may be seized upon by the Soviet Union as justification for some adventure of its own, notably in Poland. Soviet propaganda has increasingly attributed Polish unrest to outside provocation and assistance. It would be sad indeed if the gains of the Polish Solidarity movement were squandered through American miscalculation in El Salvador.

Last, the truculent tone of the Reagan Administration in facing the Soviet Union should not be carried too far. As new players in the game, the Administration might understandably want to dispel any notions in Moscow that it will be a pushover in any dispute. That tactic should not blind the Administration to the fact that the Soviet Union itself could be close to changes in leadership and that unnecessary conflict only tends to strengthen the hawks in Soviet circles.

El Salvador is a deeply wounded country. Last year more than 10,000 persons were slain by private and public armies of the left and right. Deeply poor and long dominated by an entrenched autocracy, El Salvador's future depends on peace, compromise and reform. The Reagan moves have the odor of polarization and division that suggest the Salvadoran anguish will not soon end.●

GAO CHIEF URGES DEFENSE BUDGET CUTS

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. BEDELL. Mr. Speaker, I call to your attention a lead article in this morning's Washington Post, "GAO Chief Tells the Pentagon of 15 Areas Where It Can Save."

The article cites a letter that Comptroller General Elmer Staats sent to the Pentagon on Defense Secretary Weinberger's first day in office. The letter listed 15 areas where the new administration can cut defense mismanagement and waste. The GAO claims that these economies can result in an absolute minimum of $4 billion per year and potential savings of $10 billion per year by 1985.

Mr. Staats, who is now in his final weeks of a distinguished 14-year career as Comptroller General, has done the Congress and country a great service. The administration is correctly stressing the need to pare down Government spending. As my colleagues are aware, however, the focus of these cuts is on domestic programs. The administration reassures us that it will hold down defense increases by finding savings through a variety of management improvements. It has proposed $2.9 billion in savings for the coming fiscal year, but has yet to specify those defense areas where the cuts will come.

The letter by Comptroller General Staats has now filled this gap, and I urge my colleagues to take note.

The article follows:

GAO CHIEF TELLS THE PENTAGON OF 15 AREAS WHERE IT CAN SAVE

(By Morton Mintz)

The outgoing comptroller general of the United States has sent a letter to Defense Secretary Caspar W. Weinberger declaring that mismanagement and waste are now adding "several billion dollars a year" to the Pentagon budget, which the Reagan administration proposes to increase dramatically.

The letter, sent to Weinberger on his first day in office by Elmer B. Staats, head of the General Accounting Office, listed 15 major areas where large amounts of money could be readily saved. Staats called them "some of the most apparent high pay-off opportunities" in the defense budget.

GAO has 1,000 accountants and other professionals continuously studying Pentagon programs, and Staat's letter was based on repeated audits they have made. Weinberger has yet to respond to the letter in detail. President Reagan vowed to root out mismanagement and waste throughout the government during last year's campaign.

Just the 15 areas cited have the potential to save an "absolute minimum" of $4 billion a year by the end of Reagan's term in 1985, Staats said in an interview last week. If implemented, other Department of Defense (DOD) economies urged by the GAO would increase annual savings by 1985 to "substantially more" than $10 billion, Staats said.

Staats' estimates come as the administration is preparing to increase the defense budget by billions of dollars next year, while cutting back on domestic programs. The administration has said it will seek to hold down the defense increase by finding savings wherever it can in the Pentagon. But, so far, it has not specified any.

Staats' proposed savings do not challenge the basic defense policies laid down by Congress and the Joint Chiefs of Staff.

Among the major points made by Staats in his letter and the interview:

Thirty GAO reports since 1976 have cited serious flaws in the way DOD accounts for goods and services provided under the foreign military sales program. These have resulted in "improperly" made payments of more than $1 billion. Some progress has been made, but "more improvement is needed."

At the outset of a new weapons system, the Pentagon often tries to hold down the apparent total cost by downplaying the need for the spare parts and back-up equipment needed over the long term. This means that the parts and equipment must be bought later, at greater cost. In the case of the F18 fighter, the savings potential in proper logistical planning and discipline throughout its life cycle would be more than $350 million.

In many geographic areas, the Army, Navy, Air Force, and Marines each have one or more bases. Instead of sharing such things as repairs and supplies, each of the armed forces provides them separately. The potential savings from consolidation: at least $376 million annually.

Management of consumable items, such as ammunition and motor vehicle parts, is scattered. Consolidation would yield yearly savings exceeding $280 million.

In the last 16 months, the estimated cost of the Navy's LAMPS111 (light airborne multipurpose antisubmarine weapon system) has almost doubled, from $3.6 billion to $7 billion. Now, the plan is to buy fewer of them. But that does not solve the questions raised by a GAO review "about the ability of the system to carry out its missions."

DOD plans to buy large numbers of F14, F15, F16, F18 and A10 aircraft for noncombat purposes, asserting that they would be needed in event of war. Staats said that such planning was "very sloppy" and claimed that sharpening it up could save up to $5 billion.

"A hard look at this area by the secretary of defense is needed," he said. "If these aircraft are in fact required for combat purposes, they should be justified as such and approved in that context by the secretary, the OMB and the Congress."

In 1972, the Army got started on its supertank, the M1. The cost was to be $507,000 a copy. By January 1980, when a GAO report warned that the tank's reliability was "uncertain," the unit cost had more than tripled to $1,651,000. The number of tanks in the program was 7,058.

Now the estimated unit cost has shot up to $2,549,000. Meanwhile, the GAO is still reviewing reliability and other aspects of the M1.

Four weeks after the Staats letter went out, the Pentagon issued its quarterly report on the life cycle estimated costs of 47 selected major weapons systems. The figure for Dec. 31 was $47.6 billion higher than it had been only three months earlier. DOD cast inflation as the chief villain behind the increase, which over the three-month period was at the rate of $359,300 a minute.

Liberals in Congress have traditionally denounced the defense budget as excessive. Now, with costs rising dramatically, some conservatives have begun to seek further justification as well. Last Wednesday, an unusual strong joint plea for "decisive action" against defense waste went to Weinberger from Republican Sen. Barry Goldwater and liberal Democratic Sen. Howard M. Metzenbaum.

"Runaway costs characterize our entire defense procurement program," although they "have nothing to do with maintaining the strength of our military forces," the senators said in a letter to Weinberger. "They are, pure and simple, the result of a system that permits DOD officials to operate as though the public purse has no limits."

Staats, who had four top GAO defense specialists at his side during the interview, said the Pentagon has repeatedly ignored documented advice on how to eradicate mismanagement and waste. At the same time, he praised DOD for accepting GAO recommendations that in the last five years produced "measurable savings" of $8.9 billion—54 percent of the total for the entire government. The DOD share of the budget has been much smaller, about 24 percent.

Staats brings the prestige of his office and his long, nonpartisan government service to his plea for defense economies. He is retiring Friday after 15 years as comptroller general and will make his last public appearance before Congress today when he testifies before the House Budget Committee.

This is "the ideal time" to change direction at the Pentagon, he said in the interview.

He has received support from many sources. One, the Republican Study Group in the House, when it was headed by GOP conservative John H. Rousselot (Calif.) last August, released a summary of 19 months of GAO reports showing potential DOD savings of $16 billion.

Staats began immediately after the November election to alert key Reagan aides to government-wide cost-cutting opportunities, sending what he called "vast amounts" of GAO materials to Edwin Meese III, counselor to the president; Weinberger, whose cost-cutting in earlier government service earned him the nickname "Cap the Knife," and budget director David A. Stockman.

Up to now, the Staats letter has elicited only an acknowledgement from the defense secretary. But, Staats and his aides said, there are "all kinds of indications" that the Pentagon is taking the letter "very seriously."

Many Pentagon critics share a hope that Weinberger will renounce attitudes of the kind held in the Carter administration by W. Graham Claytor, secretary of the Navy and then deputy secretary of defense. "I have said many times there is nothing wrong with the Navy that money won't fix," he once told the Senate Armed Services Committee.

In a speech in 1979, Gordon W. Rule, who had retired after being honored by the Navy as its most distinguished civilian procurement specialist, termed Claytor's view "reprehensible." In his own recent letter to Weinberger, he charged that the military is "almost devoid of demonstrable cost consciousness and accountability for mistakes or poor judgment decisions."

Staats, for whom salty talk like Rule's would be out of character, stops short of such drastic judgments. "The accountability system isn't as good as it ought to be," he said.

But he spoke plainly about what may happen if an unreformed Pentagon gets the five-year $169.5 billion spending boost proposed by Reagan.

Insofar as the funds go for new initiatives rather than purposes such as strengthening conventional forces, there "would be a problem," Staats said. "You just cannot absorb much [new] money very fast."

The administration's Program for Economic Recovery," as announced two weeks ago, projected reductions in defense outlays in the four fiscal years 1981 through 1984 of $13.9 billion, including $5.9 billion in the final year. But the program listed almost no specifics, especially as compared with the detailing of plans to reduce outlays in nonmilitary areas by about $41.5 billion.●

THE GOVERNOR OF CALIFORNIA COMMENTS ON THE REAGAN ADMINISTRATION'S ECONOMIC PLAN

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. BROWN of California. Mr. Speaker, among the plethora of commentaries I have seen on the Reagan administration's economic recovery program, the article by the Governor of California, which appeared in the editorial pages of the March 1, 1981, Washington Post was the most specific and accurate counterproposal I have seen to date. While most elected officials today support the thrust of the Reagan program, most of those who have studied it know that improvements can and should be made.

Gov. Edmund G. Brown, Jr., has been quite visible over the past several

months in looking for creative and proper ways for all levels of government to stimulate industrial innovation and productivity. I have had many opportunities to work with him in my former role as chairman of the House Subcommittee on Science, Research, and Technology, which devoted the bulk of its time over the past 2 years to the questions of innovation and productivity.

Most recently, I shared a platform with Governor Brown, industrial leaders and other Governors at a seminar sponsored by the National Governors' Association only a week ago. Governor Brown identifies several areas where the Reagan program will work against this goal, which we all support.

I commend the following article to my colleagues as they review the first and the latest round of budget revisions from the Reagan administration.

The article follows:

REAGAN IS WRONG

America needs a new economic agenda. The challenge is to achieve economic strength in an age of unprecedented resource constraints, stiff international competition and Third World demands for a new international economic order. We can meet this challenge only with a sense of national purpose rarely achieved outside of war.

The times, in short, call for discipline and vision. Unfortunately, the president's first effort, in his Feb. 18 budget, is not encouraging. His "Program for Economic Recovery" repeats the errors of the past and compounds the inequities of the present.

At a time of economic stagnation, the president proposes to transfer significant government expenditures from the civilian economy to the military and run a large deficit to finance a regressive personal tax cut.

The facts speak for themselves. The president's proposed $28.6 billion military spending increase in Fiscal Year 1982 will account for two-thirds of his proposed $45 billion deficit, which will be financed by government borrowing from potential civilian investment. His 10 percent individual tax cuts are justified by claims they would spur savings and investment. Yet Wall Street analysts have already concluded they will fuel inflation by stimulating consumption and unbalancing the budget even further.

For those who follow the president's record, the pattern is familiar. He starts in one direction and ends in another. When elected governor of California, Ronald Reagan promised to cut spending 10 percent. But it was only six months before he fired his finance director and raised spending 10 percent. The next eight years brought three tax increases and an annual spending growth of 12 percent.

Given these deficiencies, what can Democrats do? I believe we should respond constructively by supporting both fiscal responsibility and economic strength through technological innovation.

1. Fiscal responsibility: Democrats can cut the budget and support monetary stability without supply-side theology or hurting the needy.

The key will be overcoming powerful special interest pressures. Is President Reagan willing, for example, to cut Medicaid and Medicare budgets by reducing today's gross overpayments to hospitals? If so, he can both reduce the tax burden and improve medical care for the poor. If not, his cuts will merely shift the tax burden to state and local taxpayers.

The president must give the federal and state governments the tools to control medical cost, empowering them to bargain for reduced rates with specific providers and promote effective, organized health systems.

President Reagan's escalating budget deficit is the Achilles' heel of his economic program, forcing the federal government to continue borrowing at levels that will keep interest rates disastrously high.

It may not be politically popular to defer tax cuts or set military spending closer to the percentage spent by our allies. But such restraint is necessary to reform fiscal policy. It may also be necessary to suggest some form of tax on luxuries or other low-priority private spending. As a people, we are overcommitted to wasteful consumption and must change our values to encourage savings, efficiency and long-term investment. In this respect, balancing the budget is the precondition to controlling the president's military and tax-cut excesses.

2. Economic strength through technological innovation: This nation did not become the world's leading economic power by merely manipulating its money supply. Our strength has been built with the world's most sophisticated tools, and we continue to lead the way toward a new information era in which investment in the products of the human mind replace our past emphasis on resource exploitation.

To meet this challenge, it will not be sufficient for the government simply to "get off the back" of business. Our nation, like our major corporations, must practice strategic planning. A new national consensus among business, labor and government will be needed, in which government becomes a partner in the creation of new wealth.

In this respect, Reagan's accelerated depreciation tax cuts for business are flawed. They do not focus on growing industries most under international attack, which write off their equipment in less than five years. And they do not distinguish between those industries that promise high growth and resource efficiency and those that do not.

Instead, we need to support targeted tax cuts and programs already suggested in Congress, which would:

Encourage research and development by industry and universities;

Increase our commitment to basic research, especially by NASA and the National Science Foundation;

Promote capital formation by young and innovative companies through lower taxes on capital gains and qualified stock options.

We need a second post-Sputnik era to produce more technical personnel, reversing the disturbing trend that sees us produce half as many electrical engineers as lawyers. Last year, Japan graduated 19,000 electrical engineers to our 17,000.

While avoiding Chrysler-type bail-outs, we must substantially improve the efficiency of our older industries. Special efforts will be required to modernize, and make more resource-efficient, our auto, steel and other basic industries. We also ought to develop modern ground transportation, such as intercity high-speed rail. Japan, England, France and Germany are all more advanced in this field. Finally, new information technologies can be combined with energy and utility systems to achieve dramatic cost and fuel savings.

This is but the beginning of a new economic agenda. Nostalgia and naive dependence on tax cuts are simply inadequate. America will be an older 4 percent of the world's population in 20 years. Carving out a role for our country that will be both secure and prosperous is possible, but the task demands a profound change in the way we think and the way we organize our business and government relationships. It is here that Democrats must focus.●

DR. GEORGE VINEYARD

HON. GREGORY W. CARMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. CARMAN. Mr. Speaker, the Sky Island Club of Long Island has picked Dr. George Vineyard to be the newest member of the Long Island Hall of Fame. It gives me great pleasure to note but a few of Dr. Vineyard's many accomplishments:

Born in St. Joseph, Missouri in 1920, George Vineyard was educated at M.I.T. (S.B. 1941, Ph. D. 1943). From 1942 through 1945 he was a staff member of the M.I.T. Radiation Laboratory working on microwave electronics and radar. His Ph. D. thesis was on the behavior of space charge in the cavity magnetron. In 1946 he joined the physics faculty of the University of Missouri, Columbia, becoming a Professor of Physics in 1952. His research interests were in the theory of liquids, the determination of structures of liquids and solids by various forms of scattering, and general solid state physics. In 1954 he moved to Brookhaven, where he performed research in several areas, particularly the use of neutrons to determine structure of solids and liquids; the kinetics of order-disorder transitions; the theory of diffusion; magnetism; and radiation damage in solids. From 1961 to 1966 he served as Chairman of the Department of Physics at Brookhaven, in 1967 he was appointed Deputy Director of the Laboratory, and in 1973 Director.

Dr. Vineyard is a Fellow, Councillor-at-Large, and now a member of the Executive Committee of the Council of the American Physical Society. He is a member of Sigma Xi and the American Association for the Advancement of Science.

He has served on the editorial boards of six physics journals and as a member of numerous committees for the National Science Foundation, National Research Council, National Academy of Sciences, American Physical Society, and several universities, and as a consultant to various laboratories.

He was the recipient of the Stony Brook Foundation Award for Distinguished Contributions to Higher Education (1975) and an Sc. D. Honoris Causi, Long Island University (1977). He has been Adjunct Professor of Physics at Queens College of the City University of New York since 1967.●

DEBATE ON EL SALVADOR

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. EDGAR. Mr. Speaker, after what began as a rather one-sided presentation of the situation in El Salvador and appropriate U.S. policy there, a healthier debate is now emerging both in Congress and the media on possible alternatives to the merits of the hardline approach. Former Ambassador Robert White's testimony last week before the House Appropriations Subcommittee on Foreign Operations served as a well-needed stimulus to question the directions in which the administration is going, given its strong emphasis on a military, rather than political, resolution to the Salvadoran conflict.

Despite all the rhetoric to the contrary, a broad segment of the American public is disturbed by the militaristic approach the U.S. Government has taken and worried about the parallels to our early involvement in Vietnam. I have received many letters from people across the country supporting my position against the escalation of military aid to the Government of El Salvador.

Although the Central American trip undertaken by my colleagues BARBARA MIKULSKI and GERRY STUDDS and me was a short one, our impressions and reactions to the situation in El Salvador were amply confirmed by Ambassador White's comments on the level of violence there. He believes, as we do, that the "chief killer of Salvadorans is the Government security forces," and that sending arms would only weaken further the civilian elements in the junta who are trying to bring recalcitrant military under control. In addition, our oral testimony delivered to the same subcommittee stressed the dangers of labeling all Government opposition as Marxist, ignoring the important role played by the church activists, independent professionals, and moderate politicians.

While interference and shipment of arms from the Communist countries cannot be minimized and has properly been condemned, one should realize that given El Salvador's past history of social and economic injustices, the leftist insurgent movement would still exist whether Cuba and the Soviet Union were helping or not. As a New York Times editorial so aptly noted: "Blaming the Salvadoran explosion on imported weapons is like blaming the Polish explosion on Radio Free Europe." This fact again points to the urgent need for social reforms and a political solution rather than a lavish outpouring of lethal supplies, likely to make a larger involvement by the United States almost inevitable.

Another problem is the risk the United States runs of alienating itself from our allies, both in Europe and Latin America, if we persist in elevating El Salvador to the keystone position of our worldwide strategy, thereby escalating a regional conflict into an international crisis.

Many thought-provoking editorials and articles on El Salvador which raise these troubling issues have appeared in recent days, insuring that other views will now be heard. In line with these, I wish to commend to your attention the op-ed piece which appeared in the March 1 edition of the Philadelphia Inquirer, containing many of the points raised in our written testimony.

If you are concerned by the current directions of our foreign policy, I urge you to join over 50 colleagues in cosponsorship of our bill, H.R. 1509, which would prohibit military assistance under the Foreign Assistance Act and sales or credits to El Salvador under the Arms Export Control Act. Please contact Victoria Rideout, extension 53111 in Representative STUDDS' office to add your name.

The Inquirer article follows:

[From the Philadelphia Inquirer, Mar. 1, 1981]

REAGAN'S PLANS FOR EL SALVADOR SHOULD BE DEBATED

(By Edwin Guthman)

As the debate over the Reagan administration's proposed intervention in El Salvador develops, the ghost of a cantankerous, bandy-legged U.S. senator lurks in the background. It is Wayne L. Morse, the independent Oregonian with the whiplash tongue, and he is speaking on the floor of the Senate.

It is 1964 or 1965 and for the nth time Morse is asking questions about U.S. policy in Southeast Asia and warning against the Johnson administration's decisions to escalate the war in Vietnam. As usual, only two other senators—one from each party—are on the floor and the galleries are deserted. Nobody is listening.

I identify that scene more than any other when I think about when I worked in Washington in those years. Morse was one of only two senators who voted against the Gulf of Tonkin Resolution which authorized presidential action in Vietnam after North Vietnam reportedly attacked two U.S. destroyers.

His predictions that Vietnam would become an American quagmire turned out to be all too accurate, but in those days the anti-war movement consisted of a relatively few stormy college students and most Americans were lulled by Johnson administration assurances of a quick victory. Certainly, Morse's colleagues in the Senate were.

Today Reagan administration spokesmen put down assertions that there is any parallel between the situation in El Salvador and the early days of U.S. involvement in Vietnam. Perhaps they are right in some respects, but if there is any single lesson to be learned from Morse's lonely fight, it is that now is the time to debate thoroughly the questions that the nation ignored in 1964 and 1965.

And so, even if every word of the State Department's "White Paper" on Soviet-Cuban military aid to the insurgents in El Salvador is true, it should not quell rising concern about the Reagan administration's intention to send more military advisers and arms to bolster the tiny Central American nation's "centrist" junta.

The reason for that is that pertinent questions have been asked which the administration is not answering directly.

Rep. Robert Edgar (D., Pa.) raised some of the questions in testifying for himself and Reps. Barbara Mikulski (D., Md.) and Gerry Studds (D., Mass.) before the Foreign Operations subcommittee of the House Appropriations Committee on Wednesday.

The three representatives spent 10 days in January in Central America. Though they did not set foot in El Salvador, they met with several leading figures in Salvadoran politics, including a member of the junta and two insurgent leaders, as well as many other knowledgeable people. They visited refugees from the fighting in El Salvador who are living with help from international relief agencies and Honduran peasants along the Honduras-El Salvador border.

Here are their questions and Edgar's comments:

Who is the primary source of violence and terrorism in El Salvador?

"Both sides have committed acts of violence which cannot be justified by any standard of human decency. But we believe very strongly, on the basis of our conversations with refugees, and after consultations with others genuinely familiar with the recent history of El Salvador, that by far the greatest responsibility for violence and terrorism rests with those forces now receiving U.S. guns, helicopters, grenades and ammunition.

"It is these forces, far more than the opposition, that have been waging a systematic campaign of harassment, torture and murder against large segments of the Salvadoran population."

What sort of government are we supporting in El Salvador?

"Our own intelligence agencies will admit, when pressed, that the Duarte government has almost no base of popular support and that it would not even be a major contender in a fairly contested election. Throughout our visit to Central America we found even supporters of Duarte admitting that he was unable to control the military forces which have been using him to maintain the superficial legitimacy of their own real power."

Who makes up the opposition in El Salvador?

"If you listen only to the State Department or to President Reagan you will come to believe that President Duarte's government is opposed almost solely by Cuban-supplied Marxist guerrillas seeking to spread the influence of communism through the hemisphere.

"Such forces do exist and they will grow in direct proportion to the amount of U.S. weapons provided to the Salvadoran military. But the opposition is much broader and it includes many members of Duarte's Christian Democratic Party, Social Democrats, much of the Catholic Church, a flock of young professionals, bureaucrats and military men, and thousands of peasants whose politics are not determined by ideology, but by their knowledge of about who is responsible for the death and destruction they see around them."

What, exactly, is U.S. policy and where will it lead?

"Current U.S. policy is based on the premise that the Duarte government is centrist, but this is not so. The Duarte government is not centrist because real power is held by right-wing elements of the military.

"The United States accuses Communist nations of supporting terrorism through its assistance to the left; but the evidence indicates that most of the terrorism in El Salvador has been perpetrated by the forces now receiving U.S. arms and training. . . .

"What policies will not in the future be justified under the heading of anti-communism? . . . The most tragic irony of all is that the growing U.S. intervention in El Salvador is precisely what will benefit Communist propagandists the most."

There are many other questions. One is why does the U.S. government, which reacted strongly—and justly—to the Iranian government's complicitly in the seizure of the hostages, send military aid to the government of El Salvador which may have been involved in the murder of at least six Americans and may well be obstructing investigation of those slayings?

And more fateful: What will the Reagan administration do if one of the American military advisers being sent to El Salvador is killed?

By all reports the Reagan administration thinks it can "win" in El Salvador and thereby not only end Communist subversion in this hemisphere, but turn the tide of Soviet adventurism throughout the Third World.

Those are legitimate, worthy objectives, but before the Reaganauts flex their muscles further, they should address the questions Edgar and others are asking.

Somewhere, Wayne Morse must be gritting his teeth.●

AMENDING THE INTERNAL REVENUE CODE OF 1954

HON. STAN PARRIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. PARRIS. Mr. Speaker, today I am introducing a bill which would amend the Internal Revenue Code of 1954 to provide that the deduction for moving expenses shall apply without regard to dollar limitations in the case of Federal employees other than Members of Congress and their staffs.

Many Federal employees face an unfair financial burden when asked to relocate by the Government. Current tax law permits deduction of total expenses with respect to shipping household goods only. Yet, house hunting, temporary living expenses, et cetera, are subject to a $3,000 limit. Most troublesome in inflationary times is the fact that the employee generally incurs a tremendous loss when the sale price of his or her home exceeds the market price of the home to be purchased in the new location; $3,000 obviously cannot begin to cover this kind of loss. Neither can the Federal travel regulations 10-percent allowance on the sale price of the home up to $8,000. Further, any amount above the $3,000 deduction is taxable to the employee as ordinary income.

Also, in most instances, a move in private industry is financed by the company. By allowing deductability for Federal employee's moving expenses, the Government workers' compensation can be brought closer in line with that of the private sector.

Therefore, I ask that the Federal employee not be penalized for moves that are primarily initiated by their employer. An awareness must be brought about regarding this additional financial burden borne by the Federal employee.

I urge the careful analysis of this legislation by my colleagues and would welcome their cosponsorship.●

DR. CIGARROA—MR. SOUTH TEXAS

HON. ABRAHAM KAZEN, JR.

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. KAZEN. Mr. Speaker, when my home city of Laredo recently held its annual Washington's Birthday celebration, Dr. Joaquin G. Cigarroa, Jr., received deserved recognition as "Mr. South Texas." I had been so honored in 1979 and feel my selection was magnified by this year's choice, for Dr. Cigarroa is truly a great person. He is the 30th person to receive this south Texas recognition. None has deserved it more.

He was born in San Antonio after his doctor father had to flee political persecution in Mexico, moved to Laredo at the age of 10, and was educated in the Laredo public schools, becoming the Martin High School Valedictorian in 1941. After three semesters at the University of Texas, he transferred to Harvard University where his brilliant academic performance won him John Harvard Fellowships for 3 years and ultimately brought him graduation cum laude from the Harvard School of Medicine.

He taught at Harvard with 2 years away to intern at University of Chicago Clinics. He received an Army commission, served on the staff of Walter Reed Hospital here in Washington, and then in 1954 returned to Laredo to practice there. He married Barbara Flores of Laredo; they have 10 children, 7 of whom have won academic honors at outstanding universities and the 3 youngest have not yet reached college age.

Dr. Cigarroa has been more than a dedicated and brilliant doctor. He served on the coordinating board of Texas colleges and universities, the Texas Commission on Higher Education, the Corpus Christi Catholic Diocesan School Board, and since 1973 he has been a trustee of the Laredo Independent School District Board which he now leads as president. His leadership of the Joaquin Cigarroa, Sr., Foundation, named for his father, has demonstrated his dedication in improving Laredo school facilities and providing outstanding pupils with scholarships.

He is a great American, physician, educator, and civic leader of whom all can be justifiably proud. The stature of the man is apparent in his remarks accepting the "Mr. South Texas" award. I commend them to the attention of my colleagues.

REMARKS OF DR. CIGARROA

The most powerful force in the world is the written and the spoken word—and yet on an occasion such as this—even this force is inadequate to describe the depths of the emotions that I feel. This is as great an honor as our community can bestow on any person—and I am truly overwhelmed and grateful for this designation by the George Washington Birthday Celebration Association through its Mr. South Texas Selection Committee.

I would like to take this opportunity to thank the many fine people of south Texas for the many opportunities that have been given to me in my development and in my work. I could have received no finer background and education than the one I have. South Texas has given me many golden areas of service. I have been involved in the delivery of human services—health, educational, and social—in medicine in the prevention and treatment of truly serious diseases—of infectious diseases, degenerative diseases, aging, coronary heart disease, hypertension, of the development of coronary and intensive care units.

In primary and secondary education, we have worked toward the development of increasing opportunities in an area where objectives must be multiple—where needs are not average—where innovative approaches are daily considered and implemented. In higher education, I have been fortunate to have participated in the master planning for higher education in the State—in the development of new medical schools and of new senior colleges and universities.

But very specially, I am grateful for the opportunity to have been allowed, through my work, to become such an intimate part of so many families in south Texas and to know first hand the wonderful character and spirit of our people.

We live in a dynamic changing State—even in the physiology and chemistry of our bodies—changing our internal milieu every minute. We rarely stop to think of the numerous changes occurring in our external milieu—of our social environment that forms our character and moral fiber.

South Texas is a land unto itself. Many in the rest of our country know it through our summers and because of the famous song "The Streets of Laredo". They do not know much of this unique area of Texas in which I feel so fortunate to have been raised. There are many values that are rooted in our south Texas culture—making it rich for us and for our children.

South Texans place great value upon the extended family. Our children grow up not only close to their parents, but to their grandparents, aunts, and uncles as well. Perhaps as a result of this, we are not experiencing much of the social unrest which is taking place in other parts of our country. Our people do not have that sense of loneli-

ness and of alienation that is so often felt in other parts of our country where they are lost in a sea of people and of social institutions. The individual remains an individual and is the most important part of our society. The individual is not subservient to institutions or to Government. The individual remains central.

Our people live with expectations and with a belief in rising opportunities. There is not a sense that the establishment is entrenched. New people and new ventures can make a place for themselves. We still experience limitless opportunities and a sense of being on the frontier of American society. This family unity and the importance of the individual in south Texas is basic to our moral fiber. In other areas, the nucleus family of only father and mother or the single parental family is becoming the norm and I am truly thankful that in south Texas this is not the case.

A value often taken for granted that is very special is our biculturality. Living adjacent to Mexico, we have the tremendous advantage that our citizens can benefit from the Mexican and the American culture. We have at our command two languages and thus two perspectives on our world. We eat tortillas and pancakes. Our children can play the castanets and dance to modern jazz. Our biculturality is our way of life. Because of our geographic location, it is possible for us to easily maintain this dualism of culture. The farther away from the border one lives, the more difficult it is to do this.

Where does one culture begin and the other end? What shall I keep from my heritage? What shall I let go? These questions are easier for us to answer since our separation from Mexico is not so much psychological as geographical. Finally, what is so special to south Texas is the character of its people—our citizens are warm, open, upright. Our faith in God is strong. Our people are religious, we truly love each other and as a result are tolerant and have great faith in the dignity of man. We view truth, humility, compassion, and love as basic necessary qualities.

I have chosen to speak to you about the values of south Texas because we too, like everyone else in our country, are facing a world which is rapidly changing. In particular, I am referring to the movement of people in our United States. Recently I learned that in our last election, one out of every four voters is new to Texas. The last decade is seeing probably the greatest changes for us in south Texas. The axis of population density is rapidly changing from the Northeast, from Washington, Philadelphia, New York—to a line ranging from southern California to Texas to Florida.

There is a mass migration of people to our area with different values and thoughts and as a result a different prospective exists and so south Texas will change. There is much we can learn from these newcomers—from the values that they are bringing with them. At the same time I want to emphasize that although all of us should be open to change, we should not lose sight of our own fundamental values—of who we are, of what makes us so special. It is a dilemma which has confronted man from the beginning of time. In the face of change, what do we hold onto in our culture and what do we let go? It is a frightening question at times but it is also an exciting one—since it opens us to deep introspection.

In reflecting upon it, I think we ultimately come to our value system that makes us what we are—and it is this that we should try to maintain in the face of change. In this manner, south Texas will always be south Texas, a land—a beautiful land unto itself because of its people and its values.

Finally, I want to thank my wonderful lovely Barbara, who has made my life, my work and our family so beautiful, so happy, so easy and so possible.●

KANSAS MOTHER OF THE YEAR

HON. JIM JEFFRIES

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. JEFFRIES. Mr. Speaker, it is with great honor that I bring to your attention Mrs. Jean Crouch of Topeka, Kans., who was recently named "Mother of the Year" in our State.

Mrs. Couch has been instrumental in setting up education programs for many groups in northeast Kansas, including pregnant teenagers, elementary school children, and babysitters. She herself is the mother of eight children and a registered nurse.

Her credits include being coordinator of the Topeka Genetic Counseling Center, Inc., founder of the Topeka Teen Aid School, and past president of the Kansas Medical Society Auxiliary. She organized the Shawnee County medical auxiliary good emergency mother substitute course, and helped launch Students Can Offer Responsible Education (SCORE). She is also on the board of directors of the Kansas Association of School Health, Shawnee County Mental Health Center, United Methodist Homes, Aldersgate Village, northeast Kansas chapter of the March of Dimes, and Florence Crittenden Services. She was honored last year for her volunteer work by the Topeka Alumnae Panhellenic Council. With these credentials it is obvious why Mrs. Crouch is deserving of this honor.

Mr. Speaker, I hope that my colleagues will join me in paying tribute to Mrs. Jean Crouch, 1981 Kansas Mother of the Year.●

ON "SAVE YOUR VISION WEEK," MARCH 3, 1981

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. WAXMAN. Mr. Speaker, I would like to take a moment to bring to my colleagues' attention President Reagan's proclamation declaring the week of March 1 to March 8 as "Save Your Vision Week."

Our sight is one of the most precious things we have. I do not think anyone could quarrel with that statement. Therefore, it stands to reason that anything we can do to prevent or cure blindness is in the public interest.

Save Your Vision Week is an effort to publicize those things which each of us can do to prevent blindness. It is our responsibility to take whatever precautions are possible and prudent to prevent injury to our eyes and those of our children. The small amount of care which we should exercise every day is little enough price to pay compared to what we will save in human suffering.

The costs, however, are not only determined by the suffering resulting from blindness. All of us recognize that the health care dollar is not unlimited. One of the most effective and efficient uses for the money we have to spend is on preventive health care. Avoiding accidents caused by carelessness and having routine eye examinations is undoubtedly cost effective.

Vision care has progressed dramatically since the 18th century, when people selected their glasses by choosing one from a barrel, instead of by prescription. Today, there are many diagnostic tests through which visual problems may be determined and corrected. Some learning disabilities which were formerly thought to indicate below average intelligence, such as dyslexia, can also be detected and treated. These people, who once were considered uneducable, now are limited only by their mental ability, not by our inability to recognize visual problems.

Each year approximately 140,000 workers suffer eye injuries on the job. In addition, many of the 2.3 million disabling injuries occurring in the workplace could be the result of visual defects which limit the individual's ability to recognize dangers he or she might otherwise avoid. However, for the most part, our vision changes constantly due to aging, chronic and acute illness, environmental pollutants, and other causes. Many of these changes are so gradual that we would not notice without routine examinations.

Initiatives such as Save Your Vision Week are a sensible way to help control skyrocketing health care costs. We must reverse the pattern of reimbursement which promotes treatment and crisis-oriented medicine rather than prevention. It is obvious that preventing health problems is preferable to treating them, and it stands to reason that the 97th Congress should encourage this approach. Perhaps then we will be able to focus our resources on those health care problems which cannot be prevented or which as yet have no cure.

At this time I ask that President Reagan's proclamation on Save Your Vision Week be printed in the RECORD immediately following my remarks.

SAVE YOUR VISION WEEK

(By the President of the United States of America)

A PROCLAMATION

Of all God's gifts, the ability to see is one of the most precious. It is the sense of sight that saves mankind from living in darkness. It is the sense of sight that permits individuals to communicate with each other and to future generations through literature and art. It enables man to enjoy the magnificence of a sunset and the promise of a rainbow.

Unfortunately, sight is often taken for granted. Few realize how many of our citizens lose their sight every year. Yet many forms of blindness can be cured if discovered soon enough, and many blinded by accident could have kept their sight had they taken only minor eye safety precautions.

Each of us has the responsibility to care for that which is ours. Our eyesight and the eyesight of our children should be paramount on the list of personal responsibilities. Money cannot buy it, but a check-up and early care can preserve it.

To remind all Americans of the importance of good vision and of the ways we can safeguard our eyesight, the Congress, by joint resolution approved December 20, 1973 (77 Stat. 629, 26 U.S.C. 169a), has requested the President to proclaim the first week in March of each year as "Save Your Vision Week."

Now, therefore, I, Ronald Reagan, President of the United States of America, do hereby designate the week beginning March 1, 1981, as Save Your Vision Week. I urge all of our citizens to join this observance by showing greater concern for preserving vision and preventing eye injury at home, at work, and at play. Also, I call upon educators and communicators, as well as eye care professionals, to stress to the public the importance of eye care and eye safety for Americans of all ages.

In witness whereof, I have hereunto set my hand this twenty-third day of February, in the year of our Lord nineteen hundred eighty-one, and of the Independence of the United States of America the two hundred and fifth.

RONALD REAGAN.●

EMANUEL CELLER

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. ROSENTHAL. Mr. Speaker, I was extremely saddened the other day to read of the death of my very dear friend and former colleague, Emanuel Celler, and I want to take this opportunity to pay tribute to him and his outstanding record of service to his country and to his fellow man, and to his State of New York.

Manny Celler served in the House of Representatives for 50 years—a half a century—and during that time rose to one of the most powerful and influential positions in this body, that of chairman of the Committee on the Judiciary, where he shepherded some of the most important legislation enacted in the history of our country in the fields of civil rights, immigration, and antitrust. Without his expertise, ability, and influence the Congress would not have been encouraged to adopt such strong proposals, and the country and our citizens would have been deprived of some of their inherent rights provided by the Constitution.

As dean of the House he was beloved and respected by all who knew him, and rightly so. He knew how to maneuver, how to act and react, how to bring pressure to bear when it was necessary, how to negotiate and compromise, and, most important of all, how to make and keep friends.

When I was elected to the House from the neighboring borough of Queens, Manny had already been in Congress almost 40 years. He gave most generously of his time and advice, and he was always available to me when I needed his sage advice and counsel, which was quite often during the first days of my service.

He was a remarkable and beautiful man, and a warm and decent human being, always ready to do battle for a just cause, and always ready to help a friend. His kind are too few in this world we live in, and he will be sorely missed by all of us who loved him and admired him for what he was—a highly principled individual, absolutely and completely dedicated to his country and to the people he served for such a long, long period of time. He took his oath of office seriously, discharged his duties and responsibilities with distinction, and his contributions to the quality and integrity of the Congress are unequaled.

I am proud to have been his friend, and to have had the privilege of serving with him in this House.●

AUTOMOBILE EMISSION WARRANTIES

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. DANNEMEYER. Mr. Speaker, today I am introducing two pieces of legislation to correct what I believe to be a clear violation of the intent of Congress by the Environmental Protection Agency with respect to automobile emission warranties.

The Clean Air Act Amendments of 1977, as passed by Congress, provide for a 2-year, 24,000-mile performance warranty on emission systems except for catalytic converters, the thermal reactor, and post-1968 components installed for the sole or primary purpose of reducing vehicle emissions. The warranty for these three specific categories is a 5-year, 50,000-mile requirement.

EPA significantly expanded the range of automobile parts subject to the 5-year, 50,000-mile warranty beyond the intent of Congress, when regulations were issued on May 20, 1980. The expansion was based on the construction that all parts which help enable emission systems to function properly fall under the category of those whose sole or primary purpose is to reduce auto emissions, and thus subject to the longer warranty.

The expansion of the list of parts covered by the longer warranty has a negative impact on competition in the automotive parts market. This reduction in competition hurts, rather than helps, the consumer. The Federal Government is, in effect, tilting business away from small, private auto parts operations and toward dealer service and parts departments. Frankly, consumer benefit from a warranty of this type is illusory. The cost of the warranty is contained in the up front price of the car, spreading the cost among all consumers. If, on the other hand, the consumer has a choice as to where to go for the parts, the consumer will not have to pay for the parts and service unless the repair is actually needed. The increased competition injected into the market will tend to hold down the price of parts from what they would otherwise be.

It is important to point out that neither of these pieces of legislation prohibits auto manufacturers from offering any warranty that they deem appropriate for marketing or other purposes. In addition, notification, recall, and certification remain as enforcement tools against auto emission control system violations.

One bill eliminates the Federal requirement for vehicle emission warranties altogether, and leaves the matter entirely up to the marketplace.

The other bill rolls back the standard so that there is a 2-year, 24,000-mile guarantee for all auto emission control system parts.

This change would delete the loophole of the post-1968 components used for the sole or primary purpose of reducing emissions that EPA used to expand the list of parts covered by the longer warranty.

Both bills also contain a modification of the option under existing law where any State may elect to be covered by the California standards for control of emissions.

This change would provide for more uniform national standards so as not to interfere with the national distribution of automobiles and their component parts.

Mr. Speaker, it is not my intention to move these bills as individual pieces of legislation. Rather I believe that they can and should form a basis for discussion as the House considers the extension of the Clean Air Act during the first session of the 97th Congress. I hope that the House will address the

issues raised by this legislation in the context of the overall Clean Air Act.●

LITHUANIA

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. FRENZEL. Mr. Speaker, last month marked the 730th anniversary of the formation of the Lithuanian state and the 63d anniversary of the establishment of the Republic of Lithuania.

This anniversary is both a happy and a sad one—happy in that it marks the continuation of a cultural and historical tradition of a proud and freedom loving people; sad because those people have been victimized by Soviet imperialism and in the process denied the right to self-determination.

In addition to their illegal occupation of Lithuania and the neighboring states of Latvia and Estonia, the Soviets are engaged in a nefarious program of russification in Lithuania. Russification, in its simplest terms, is an attempt by the Soviets to deprive native people of their language and culture and also prevent the transmission of that information from one generation to another.

At a time when the Soviet Union is making raucous noises about U.S. intentions around the world, the facts speak for themselves. The illegal occupation and suppression of the people of the Republic of Lithuania is just the first in a long series of similar actions engaged in by the Russians which have deprived men and women around the world from deciding their own destinies. Let us hope that the long list of precedents where the Red Army has been the principal instrument of Soviet foreign policy, starting in Lithuania, Latvia, and Estonia, employed in Hungary in 1956, in Czechoslovakia in 1963, and most recently in Afghanistan, in 1979, and continuing through to this day, does not continue in Poland.

As the Deputy Chairman of the U.S. Delegation to the Madrid Conference, Warren Zimmerman, stated:

> We know that there is little that can be done to right a wrong committed four decades ago. But let us remember also that the passage of time will not make that wrong right. Time does not make right, any more than might makes right.

The yoke of Soviet imperialism is a heavy one, and we owe it to those who suffer under that burden not to forget them.

BLACK HISTORY MONTH

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. MITCHELL of Maryland. Mr. Speaker, the month of February sparked an array of substantive activities to commemorate black history. This month was a special time for many citizens in my Seventh District of Maryland to honor the significant work of our foreparents.

I am honored to share the following essay, composed by John A. Micklos, a Baltimore, Md., resident. Although this essay is untitled, it is certainly a fitting tribute to Black History Month:

> The month of February is Black History Month. One may ask why there should be a separate history for the Black man. Although Negro history is indeed interwoven into the whole fabric of our civilization, many aspects arising from slavery have placed the Black American in a real dilemma. That dilemma arises from the concept that, with the exception of the Indian, Negro roots go back further into the history of this republic than any other ethnic minority, yet since his early arrival into this new land, the Black American has been associated with what historians call the "House of Bondage." It appeared that the Black man was fated to remain a slave in his own land.
>
> However, this plight was destined to change with the advent of the Civil War in the 1860's. As soon as the war broke out, hundreds of Negroes began freeing themselves by running away. When the noble President Lincoln signed the Emancipation Proclamation on January 1, 1863, in reality he was merely acknowledging the fact that Blacks were freeing themselves. In retrospect, it must be said that Lincoln did not originate the concept of freeing the Blacks; he merely had to accept the fact that their time for freedom had come. Since that time Blacks, through hard work and dedication, have made immense gains.
>
> They have, however, continued in many respects to be victims of discrimination and much of their history, a history which contributed much to the rich mosaic of the American saga in its growth from a pygmy nation in the 18th century to a mighty fortress and bastion of freedom and opportunity for most, seemed forgotten or neglected in the textbooks of American history and culture. Today although some prejudice, injustice, and discrimination remain for the Black man and others, the majority of Americans have accepted the Black man as an American. Also, most Americans are keenly aware that we, as a people, have committed injustices toward Blacks and others in the past. By studying the rich heritage of Black history, which in reality is an integral part of the overall history of American civilization, we can all broaden our understanding of one another and realize that mistakes and injustices, which must ultimately be totally rectified, were committed. The study of Black history in the final analysis is a study of American history, for in the march of the American Republic toward greatness, the Black man and other minorities have been present, helping to shape each event.●

ESTONIAN INDEPENDENCE

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. COUGHLIN. Mr. Speaker, I join my colleagues today in marking the 63d anniversary of the Proclamation of Independence of the Republic of Estonia.

A strong sense of national unity and pride in their heritage enabled the Estonian people to establish their independence 63 years ago by driving Soviet troops from Estonian soil. Less than 20 years later, Estonia found itself on the turbulent battlefield of World War II. Despite a treaty signed at the time when Estonian independence was declared, the tiny Baltic State soon fell victim to the might of its powerful eastern neighbor and eventually was annexed by the Soviet Union.

Between 1939 and 1949 figures show that an estimated 350,000 people, one-third of Estonia's population, were lost. Yet, despite the deportation and brutal execution of Estonian freedom fighters and the abolition of all constitutional freedoms by the Soviets, the struggle to regain national independence continued. Those who fled their homeland have continued to work courageously to keep alive the memory of Estonia's tragic history in the 20th century and still hope for a return to independence.

As a nation and a people who have embraced the principles of self-determination and freedom from tyranny, we must not forget the plight of the Estonians and the millions of others who have been silenced by Soviet repression. Our continuing commitment to national integrity and human rights worldwide remains vital to all those who have not abandoned hopes of freedom and self-determination.●

THE 63D ANNIVERSARY OF LITHUANIAN INDEPENDENCE

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. DERWINSKI. Mr. Speaker, the 63d anniversary of Lithuanian independence was commemorated in the House by a special order. We directed attention to the plight of the people in Lithuania and those held captive within the U.S.S.R., and called for the lifting of the repressive internal policies under which they suffer. I wish to insert a resolution adopted by

the Lithuanian Council of Chicago on the occasion of Lithuanian Independence Day, which I wish to direct to the attention of the Members:

LITHUANIAN COUNCIL OF CHICAGO,
Chicago, Ill., February 16, 1981.

We, the Lithuanian Americans of the Lithuanian American Council of Chicago assembled this fifteenth day of February, 1981, at Chicago, Illinois to commemorate the restoration of Lithuania's independence, do hereby state as follows:

Whereas February 16, 1981, marks the sixty-third anniversary of the restoration of independence to the more than seven hundred year old Lithuanian State;

Whereas Lithuania was recognized as a free and independent nation by the entire free world, she was a member of the League of Nations, however, she was by force and fraud occupied and illegally annexed by the Soviet Union disregarding the Peace Treaty of 1920 in which Moscow guaranteed Lithuania's independence forever and disregarding the Non-Aggression Pact of 1926 with the Soviet Union;

Whereas the Soviet Union is an imperialistic, aggressive, colonial slave empire, subjugating each year new countries, Lithuania was one of its first victims; the colonies of western countries and even underdeveloped nations of Africa and Asia, have regained their independence, while Lithuania is still exposed to the most brutal Russian colonial oppression and exploitation;

Whereas the Soviet invaders, even though using tortures in jails, concentration camps, and psychiatric wards, are unable to suppress the aspirations of the Lithuanian people for self-government and the exercise of their rights of self-determination: *Now, therefore, be it*

Resolved, That we are grateful to the President of the United States who instructed the United States delegation to raise at the Madrid conference the right of the Baltic States for self-determination;

That we are grateful to President Reagan and former President Carter for their struggle against international political terrorism and for human rights which should include the right of nations to live free and independent lives;

That we urge the United States of America and other nations of the free world to use diplomatic and all other possible means to pressure the Soviet Union to withdraw its military forces, secret police apparatus, and foreign administration, and to release from jails, concentration camps, and psychiatric wards, Lithuanian people who struggle for human rights and for their Mother Country's liberty;

That we are grateful to President Reagan for a statement before his election that an official diplomatic non-recognition of the forced incorporation into the U.S.S.R. of the three Baltic nations will continue to be a policy of his Administration;

That we express our most sincere gratitude to the United States Administration and the Congress for non-recognition of the incorporation of Lithuania into the Soviet Union and we request them to use every opportunity in international forums and in direct negotiations with the Soviet Union to strongly support the Lithuanian aims for independence and sovereignty.●

CONSUMER PRODUCT SAFETY COMMISSION

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. WAXMAN. Mr. Speaker, I have introduced today a bill to authorize appropriations for the Consumer Product Safety Commission (CPSC). This legislation would authorize appropriations of $45 million, $47.2 million, and $49.5 million for fiscal years 1982, 1983, and 1984, respectively. In addition, the bill would authorize appropriations of $49.5 million for fiscal year 1985 if the Congress has not enacted authorizing legislation by the expiration of fiscal year 1985.

CPSC is charged with the responsibility of protecting the public against unreasonable risks of injury associated with consumer products. Notwithstanding its broad jurisdiction over approximately 15,000 separate consumer products, CPSC is the smallest Federal health and safety agency. During authorization hearings scheduled for March 5 and 10, 1981, the Subcommittee on Health and the Environment will evaluate the Commission's performance, with the assistance of business and consumer groups which deal with CPSC. We will examine the Commission's funding levels, its mandatory and voluntary standard development efforts, the efficiency of its recall authority, the collegial body as a management tool, and its efforts to regulate consumer products which pose chronic hazards.

Thank you, Mr. Speaker.●

JUSTICE CLARK A PLEASANT SURPRISE FOR SOME EARLY SKEPTICS

HON. ROBERT J. LAGOMARSINO.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. LAGOMARSINO. Mr. Speaker, the appointment of California Supreme Court Justice Bill Clark to be Deputy Secretary of State has stirred some comment in the Capitol. As a close personal friend who has known Bill Clark for some 20 years, and who served in the California State Senate when he was a member of Governor Reagan's administration, and after four terms on the House Foreign Affairs Committee where I have been able to closely follow the operations of the State Department, I feel I have perhaps a better basis than most for commenting. Bill Clark is a former constitutent—his parents still are constitutents—so perhaps the House will excuse some parochial pride on my part in this remarkable man.

In a profession like politics where self-congratulation is the norm, Bill Clark stands out for his modest and self-effacing manner; perhaps his modesty prevents him from speaking out on his own behalf in the way we have become accustomed to here in Washington. In many respects Bill is a self-made man. His wide-ranging experience has given him a lack of pretense which undoubtedly will seem refreshing at the State Department. At the same time, his strong analytical bent, his commonsense, and his astute political insights will be welcome assets. He is a careful and thorough person, not given to brash statements, and I think the more my colleagues come to know him and his work, the more they will respect President Reagan's judgment in giving Bill this important task.

In conclusion, I will read into the RECORD the testimony of another observer who has had a chance to know Bill Clark during his term on the State supreme court, Connie Kang of the San Francisco Examiner:

JUSTICE CLARK A PLEASANT SURPRISE FOR SOME EARLY SKEPTICS

(By K. Connie Kang)

When Justice William P. Clark Jr. joined the California Supreme Court eight years ago, the chief justice voted against his confirmation.

Legal scholars were horrified that then-Gov. Ronald Reagan would appoint a justice who had not even been graduated from law school.

A mediocre career was predicted.

But today, as Clark leaves the court for the position of deputy U.S. secretary of state in the administration of the man who made him a judge, even those whose legal philosophies are diametrically opposed express fears that his departure will damage the California high court.

Clark, who announced his decision to join the Reagan administration Friday, has been a judge for 12 years, the last eight years on the state Supreme Court.

He served on the trial bench for two years and was on the intermediate Court of Appeal in Los Angeles for another two years before Reagan elevated him to California's highest court in 1973.

"It was Gov. Reagan's idea at all three levels," Clark told The Examiner several years ago. "It never crossed my mind that I would be a judge."

Clark is 49 years old, the father of five, Irish, lean and tall, always courteous and often wearing a bashful smile.

A native Californian, he is proud of his roots and likes to refer to himself as a "farmer" or a "country judge."

Behind his impeccable manners and sometimes self-effacing ways, however, is a resilient man—tenacious, patient and brimming with political savvy. He works at winning people to his side, and usually keeps them when he does. He is loyal to his friends and doesn't forget them.

Like a number of other members of President Reagan's inner circle, Clark is a self-made man who believes in hard work and old-fashioned virtues, though on a personal level he is tolerant of different lifestyles and thoughts.

For eight years, he has lived in a studio apartment near the Supreme Court on weekdays, returning home to his 900-acre ranch in San Luis Obispo County on weekends to work, think and be with his family.

On weekday evenings, Clark could be seen—wearing old Levis, a jacket and loafers and carrying papers under his arm—returning to his chambers after dinner.

When Clark joined the court at the age of 41, he couldn't have received a cooler reception.

It had been the consensus of the staff and judges there that Clark lacked credentials to sit on the state's highest court.

Clark had attended Stanford University on an athletic scholarship, dropped out, entered a seminary, left after a year when he decided he didn't want to be a priest and enrolled at the Loyola University Law School.

He dropped out of Loyola, though, and joined the Army, serving as a counter-intelligence agent in Europe from 1954 to 1956. When he returned to the United states he studied law on his own and then took the bar examination, passing on his second try.

Chief Justice Donald Wright, as chairman of the Commission on Judicial Appointments, voted against the confirmation of Clark, explaining that he did not think Clark was qualified for so high a post. The other two on the commission—State Attorney General Evelle Younger and appellate Justice Parker Wood—voted for confirmation and Clark moved to a seat on the court.

During his first several years at the court, Clark led an isolated existence, speaking little during the court's Wednesday conferences, quietly learning his job and surrounding himself with top-flight staff.

Maury Koblick, a respected research attorney whom Clark inherited from liberal Justice Raymond Peters, said: "The staff was very much opposed to his appointment."

Since then "we learned about him," Koblick said, adding that one would be "hard put" to find a staff member who has dealt "face-to-face" with Clark "who is in the least critical of him."

Similarly; the legal community has apparently learned about Clark, or so some of its distinguished members say.

"I think the legal community has changed its mind," said Preble Stolz, professor at Boalt Hall, the University of California at Berkeley law school, and author of a book on the California Supreme Court to be published later this year.

"Clark has not lived up to the worst expectations of a lot of people. He has been considerably better than what people expected."

"The consensus has been most of the fears . . . that he would be a miserable judge simply were not true," said Professor John Kaplan of Stanford Law School.

Even retired Chief Justice Wright, who eight years ago would have denied Clark the seat on the Supreme Court, now says:

"Justice Clark's opinions are, on the whole, very workman-like—even scholarly. A lot happens in eight years."

Professor Phillip Johnson, of UCs Boalt Hall, who also publicly opposed the Clark confirmation, said: "On the whole, Justice Clark, I think, to some degree, has refuted the criticism that some of us made at the initial appointment."

Clark simply smiles when he is told about what people are saying about him.

"He has an enormous respect for professional learning and competence," said legal scholar Bernard Witkin. "That is one of the reasons why Clark and his staff of expert appellate lawyers have produced very fine products."

Clark has been the voice of strict constructionism on the court—a jurist who has consistently subscribed to the view that the role of the judiciary is to interpret the laws, not make new laws.

"I think his impact on the court has been so important that the loss would be felt very deeply for years to come," said Witkin.

"His importance is that he and two other justices, one of whom has just died, were the balancing conservative wing of the court.

"In today's world and the community of people in California, it is vitally important that the highest court have an expression of the conservative as well as the liberal activist philosophy."

Said Johnson: "His has been a consistent conservative input, very frequently dissenting from changes in the new directions in the law, which the majority has taken. Justice Clark has been articulate in presenting that point of view."

Attorney Edward Lascher said, "His judicial philosophy and mine are not the same, but I think he has done a very responsible job of articulating his own. Somebody has to ask the questions and tell the court that it is going too far."●

TRIBUTE TO JUNIOR ACHIEVEMENT NATIONAL AWARD WINNERS

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. MAZZOLI. Mr. Speaker, on March 4, the top Junior Achievement National Award for 1980 will be presented to a remarkable group of young people who, I am proud and delighted to say, hail from Louisville, Ky.

I wish to commend these 25 talented, young business people for the successful inception, management, and operation of their corporation, Trak-Jac. The students developed a winning business style under the guidance of the Louisville and Nashville Railroad.

Their hard work and organization showed up in Trak-Jac's sales record, which surpassed any record in Junior Achievement's history, and in the return of $1.20 on every dollar invested.

These enviable figures demonstrate why Trak-Jac came out No. 1 in competition against thousands of other groups from around the country.

It is an honor to pay tribute to the achievements of these young people from my hometown. The profits they earned were substantial, but the returns from Trak-Jac and Junior Achievement cannot be measured in profits alone. The business training and social exposure these students received during their venture in Junior Achievement will stand them in good stead in the years ahead.

I am grateful to Junior Achievement and the many business sponsors for making this experience possible for so many ambitious young people.●

IOSIF MENDELEVICH: FREEDOM WON

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. BIAGGI. Mr. Speaker, today is a day of celebration for all people who support the cause of Soviet Jewry. On January 28 of this year, I made a statement in the CONGRESSIONAL RECORD on the plight of Jewish activist and prisoner of conscience Iosif Mendelevich, who had been in Soviet prison and labor camps for 10 years. I am pleased to report that the Soviet Government handed the struggle to free all Soviet Jews a significant victory by releasing Iosif Mendelevich on February 18, after receiving numerous appeals, including my own, for his release.

The 33-year-old Mendelevich was released from Perm Camp 36, where he had waged a 2-month hunger strike to protest his repeated punishment by Soviet officials for his observation of Jewish religious laws. His hunger strike was prompted by the confiscation of his religious and Hebrew study books and notes, which he used in teaching another prisoner. Such blatant and cruel denial of human rights is practiced regularly by Soviet labor camp officials and remains the source of grave concern by many in this country, including myself, who fear an increased deterioration of this situation in the future.

I joined many around the world who contacted Soviet President Brezhnev to urge him to release Mendelevich from prison, where he was one of the few remaining defendants from the Leningrad trials to be incarcerated. His release, arranged by the World Jewish Congress, has been interpreted by many to be a unilateral action as a good will gesture to the Reagan administration. Other prominent Jewish organizations who were involved in the release of this Jewish activist were the Jewish Identity Center and the Student Struggle for Soviet Jewry.

The return of Mendelevich to Tel Aviv prompted thousands of Jewish residents to turn out to accompany him to the Western Wall in Jerusalem, Judaism's holiest site, where they joined him in jubilant prayers of thanksgiving and remembrance, the Sheheyanu, and then the Kedish. The estimated 5,000-person crowd which met him at the entrance to Jerusalem greeted him with songs and flowers, as they watched him reach the wall by police escort.

We learned that Mendelevich was placed on a Vienna-bound plane on

February 18, without a prior word to his departure. Before leaving, the Soviets stripped him of his citizenship, which prompted his response of "Thank God," after having spent 11 years trying to shed it. The significance of his relief at losing Soviet citizenship was lost on officials who responded in puzzlement.

Throughout his 10-year ordeal, Iosif Mendelevich remained unwavering in his religious principles. Reports from Vienna, his initial stop after his release, indicated he arrived with three books: an old, shabby copy of a Hebrew-Russian dictionary, wrapped in a copy of "Sovietish Heimland," the Yiddish language newspaper, a book by Israeli writer S. Y. Agnon, and a collection of Jewish fables and stories by Ravnitski and Bialik. Also in his possession were Jewish ritual objects, including a set of tzitzits made of rope, a knitted tallit, and a hand-sewn kippah. These objects helped to sustain him throughout his torturous decade of ordeals and persecution, until his reunion with his family in Israel.

While release of Iosif Mendelevich has caused triumphant celebration around the world, we must be mindful that there remain two other prisoners in the Soviet Union from the same trials: Aleksei Murzhenko and Yuri Federov. Reports of a more liberal Soviet emigration policy regarding such prisoners have been received, and I intend to pursue these reports and press the Soviet Government to release these two men to their families and friends in Israel.

The news about the number of exit visas being granted to Soviet Jews is cause for cautious optimism to those of us who have supported the cause of Soviet Jewry. Unofficial estimates put the number of exit visas being granted to Soviet Jews at 1,500 to 2,000 per month in Moscow alone, although such reports have yet to be confirmed by actual arrivals of Jews in Vienna. We must continue to press for a close examination of this matter by our Government in order to communicate our concern to Soviet emigration officials at the earliest opportunity.

I pledge to continue to work on behalf of remaining prisoners of conscience held in Soviet jails, and to continue my advocacy on behalf of all Soviet Jews who wish to emigrate to Jerusalem. As Iosif Mendelevich stated upon his release:

> I am most grateful to all people in Israel and the whole world who made so many efforts for my release. * * * The Soviet power is a cruel power and you need enormous force to break this power. * * * Now all the force should be mobilized for the release of those who are still in Soviet prisons.●

EMERGENCY RESPONSE SYSTEMS: SECURE AND INDEPENDENT LIVING FOR ELDERLY AMERICANS

HON. MARGARET M. HECKLER

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mrs. HECKLER. Mr. Speaker, with the dramatic increase in the number of American elderly, finding innovative approaches for long-term care is crucial. Women in particular need to be concerned. People over the age of 75 constitute the most rapidly growing segment of the elderly—and there are almost 50 percent more women than men in this group. These are the aged most likely to suffer the multiple problems of chronic disability, social isolation, and reduced mobility—key concerns in long-term care.

Alternatives to expensive institutionalization center on a range of flexible home health care options. One option is that of a personal emergency response system. This system allows elderly people to maintain independent living arrangements while assuring that they have contact with a community response center. Elderly women are the most likely to face the problem of living alone. In 1978, 70 percent of women 55 years and older lived by themselves, and for an average widow who does not remarry and dies a natural death, 18½ years will be spent alone.

An extensive 3-year study on a personal emergency response system called Lifeline was recently completed for the National Center for Health Services Research (DHHS). In this system, the user has a small portable button that is pressed in the event of a physical or environmental emergency. A digital message is automatically sent over the phone line, and the operator who receives the printed message immediately calls the user. If the individual is conscious, the appropriate type of help can be determined with the person and called for; if the user does not answer, a neighborhood responder, designated beforehand, and/or a professional responder—for example, police or hospital—are notified and sent to the home.

A system of this kind was recently established in Taunton, Mass., in my congressional district. I had the pleasure of officiating at ceremonies marking the adoption of this system. I was extremely impressed—and encouraged—by the enthusiasm of the community and the appreciation of Taunton's elderly.

The evidence available thus far gives high marks for personal emergency response systems. The study I noted found that:

Users felt more confident about continuing to live independently and moved around their homes with greater ease;

Users averaged only 1 day in a nursing home compared to an average of 10 days spent by members of a control group;

Each $1 spent for the system produced a net savings of $7.19 due to reduced use of institutional services; and

Ninety-six percent of the false alarms were resolved by the initial phone call, avoiding other costly response means.

The availability of personal emergency response systems will enhance the elderly's quality of life and will provide relief for Federal and private budgets through the reduction of institutionalized care. For this reason, I have introduced legislation, H.R. 1712, that allows for the reimbursement of in-home, community-based emergency response system under the medicare statute. These systems will be available to individuals who are severely functionally impaired, and who either live alone or are left alone for substantial periods of time.

Availability of personal emergency response systems will ultimately reduce Federal expenditures for expensive institutionalized care. Although in the short run there will be added expenditures, preliminary figures show that these will be relatively moderate. In addition, the legislation requires that in order to be eligible for reimbursement, the systems will allow our elderly to maintain independent, noninstitutional living arrangements—with security and ease.●

CASH DISCOUNT ACT—H.R. 31

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. FRANK. Mr. Speaker, I wish to express my opposition to a portion of the Cash Discount Act which passed the House last week.

I fully support title I of the act which provides incentives for merchants to grant discounts to cash-paying customers and removes certain regulatory roadblocks to full implementation of this concept. However, title II extends for 3 years the current prohibition on surcharges by merchants on those who elect to use credit cards instead of cash. At first blush, it would appear that title II serves a consumer interest; indeed, its sponsors argue consumer protection in its defense. However, closer examination reveals the opposite to be true.

Merchants now pay anywhere from 3 to 5 percent to credit card issuers for each credit card purchase. According to the New York Times, this cost amounted to approximately $1.5 billion in 1980. This purely legitimate business cost cannot, because of Federal law, be passed along to credit card

customers alone. Instead, it is reflected in the price of all goods and therefore all consumers, those paying with cash as well as credit card customers, pay higher prices because of the use of credit cards. Quite clearly, the cash-paying public subsidizes those who use credit cards. What makes this situation so unfair is that low-income families often cannot afford—or will not be accepted for—credit cards and it is this group that therefore bears the greatest burden in carrying the subsidy of which I speak. Finally, it is also quite obvious that by passing along credit card costs in the basic price of goods and services, the ban on surcharges contributes to inflation.

I would also like to point out that the position I have advocated has the full support of the Consumer Federation of America and Consumers Union, two outstanding organizations whose contributions to consumerism cannot be overestimated.

NATURAL GAS DECONTROL

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. DANNEMEYER. Mr. Speaker, the decontrol of domestic crude oil brought about by President Reagan's Executive order of January 28, 1981, makes the decontrol of natural gas more imperative than ever. Oil decontrol in the absence of natural gas decontrol will tilt drilling toward oil over gas because the rate of return of oil is now relatively higher. In addition, consumption will be tilted toward gas over oil because natural gas is now relatively cheaper by a wide margin.

There is solid evidence to support both of these critical propositions. On the question of drilling tilt, a paper released by John W. Jimison of the Congressional Research Service on February 9, 1981, stated:

Producers drilled 11,378 gas wells in 1978, 13,064 in 1979, and about 14,800 in 1980. But the increase in gas wells for the first nine months of 1980 was only 5.6 percent, compared to a 38.8 percent increase in oil well drilling, due to the relatively much higher prices of oil.

The validity of the second point on likely consumption patterns is reinforced by the fact that the current ceiling price for new natural gas is $2.70 per million Btu's, or less than one-half the energy equivalent cost of crude oil.

These and other important points in favor of natural gas decontrol were the subject of a statement by Richard Jakmas, vice president for heating fuel policy, National Oil Jobbers Council, which appeared in the "Policy Forum" section of the National Journal issue of January 24, 1981. Mr. Jakmas' statement appeared before the announcement of the President's oil decontrol decision. Perhaps the most important passage reads as follows:

The case for oil decontrol is a powerful one, but the case for deregulating natural gas is stronger still. If natural gas is not immediately decontrolled, it may never be possible to deregulate it without causing catastrophic economic effects. Closing the gap between the U.S. oil price and the world price is difficult enough, but postponing the decision day for natural gas is tantamount to participating in the creation of an economic nightmare we know will come true.

To avoid the nightmare described above, I introduced the Natural Gas Decontrol Act of 1981, H.R. 2019, on February 24, 1981. This legislation would bring about the immediate, total decontrol of both old and new natural gas.

Mr. Speaker, I strongly encourage my colleagues to contemplate the thoughts expressed in Mr. Jakmas' statement and I insert it in the RECORD at this point:

TOWARD HARMONIZING ENERGY AND ECONOMIC POLICY: DEREGULATE OIL AND NATURAL GAS PRICES NOW

(By Richard Jakmas)

The curtain is rising on a new act in the drama of energy politics. Voices on stage and off are demanding that, as one of its first acts, the Reagan Administration lift controls on crude oil and gasoline prices. Swift action, they reason, would be cheaper for consumers in the long run and sounder for the economy, particularly if world oil prices spiral upward again. Should that occur, the gap between the composite U.S. oil price and the world price—now $3.50 a barrel—would widen still further, setting the stage for an economic shock when controls expire next September.

For the new administration to ignore that advice would be folly. But to heed that wise advice and ignore the opportunity to lift existing controls on natural gas at the same time would be an even greater folly. To deregulate oil and natural gas simultaneously would signify that the new administration is serious about sweeping away impediments to economic growth and greater energy independence. Not to do so would signify a return to the piecemeal energy and economic policies of the last three administrations and provide no solution to a decade of economic stress.

Ever since world oil prices exploded suddenly in 1973, the government's feverish attempt to regulate the economy out of the "energy crisis" with one iron hand while trying to offset the inflationary impact of those policies with the other, has failed. Contradictory policies have tied the economy up in knots and sent confusing signals to consumers.

The consequences of energy regulations must be noted. They have failed to provide equal access to limited supplies or to assure the competitiveness of small businesses in the energy industry or provide lower costs to consumers. Yet their collective purpose, beginning in 1971, was just the reverse.

It is now generally accepted, for example, that the long gasoline lines of 1979 were attributable more to complex, onerous federal allocation regulations than to any other single factor. Furthermore, the regulations that kept domestic oil prices below the world price had the unintended consequence of encouraging oil consumption in general and foreign imports in particular.

In addition to those who argue for oil decontrol on the basis of free enterprise, there are others with an equally compelling case: Deregulation now will cost consumers less than it would when controls are lifted next September, the schedule the new administration has inherited.

Recognizing the fact that competitive pressures created by current, relatively stable supply conditions are keeping prices below the legal ceiling, Robert Stobaugh and Daniel Yergin, co-editors of the revised Energy Future: Report of the Energy Project at the Harvard Business School, argue that under gradual decontrol, the composite (domestic and imported) barrel price would rise gradually until it reaches decontrolled levels, about 22 cents a gallon higher than today if OPEC doesn't raise its prices. Of that 22 cents, 10 cents would be due to the recent OPEC price boost and 12 cents due to decontrol. With immediate decontrol, on the other hand, the 12 cent per gallon increase would occur quickly.

As a result, consumers would actually save money since the price increase would help reduce U.S. imports during the interim period, easing pressure on the world oil market and reducing the likehood of a continued increase in world oil prices.

The case for oil decontrol is a powerful one, but the case for deregulating natural gas is stronger still. If natural gas is not immediately decontrolled, it may never be possible to deregulate it without causing catastrophic economic effects. Closing the gap between the U.S. oil price and the world price is difficult enough, but postponing the decision day for natural gas is tantamount to participating in the creation of an economic nightmare we know will come true. Failure to act in tandem on oil and gas pricing will mean that the new administration will have denied itself the chance to develop a truly consistent energy policy in harmony with economic policy. To act in tandem would mean that for the first time the U.S. would have a consistent policy that efficiently uses U.S. energy resources at their real prices.

The goal of the Natural Gas Policy Act (NGPA), passed by Congress two years ago, was to gradually decontrol the price of natural gas and provide producers with new incentives to increase gas supplies.

It is stipulated in that Act that newly discovered gas and new onshore production wells are to be deregulated by 1985, whereas "old gas will remain under controls for an indefinite period, with price rises held to the rate of inflation.

The initial response to the passage of the NGPA was encouraging. In 1979, natural gas drilling activity increased by 12.4 per cent over its 1978 level. However, that initial growth in activity has now tapered off to well below the rate experts say is required.

In contrast, oil drilling activity has increased sharply. This "tilt" to oil drilling is generally attributed to the incentive offered by decontrolled crude oil prices. Although the NGPA aimed to gradually achieve natural gas price parity with alternative fuels, world conditions have caused the price of oil to increase far more than anticipated. Thus, the price of natural gas is still not offering incentives adequate to encourage producers to drill more wells. Resource development capital is being invested in more profitable oil production.

According to Dr. Edward Erickson of North Carolina State University, "Because

success ratios for both exploration and development drilling may fall as drilling activity becomes more intensive, the rate of increase in total drilling may have to exceed 12 per cent per year by a considerable margin in order to allow the target of 26,000 successful gas wells to be reached in 1985. It is a matter of concern whether the gas prices and category definitions in the NGPA will continue to permit rates of increase in drilling activity of this order of magnitude for duration of NGPA ceiling price controls upon new gas prices."

Simply put, accelerated drilling increases yielding natural gas reserve additions that exceed current production levels are unlikely to occur without immediate deregulation.

And the passage of the NGPA has not reversed the 10-year decline in proven reserves of natural gas. In 1971, proven natural gas reserves in the United States were estimated to be 278 trillion cubic feet.

By 1978, they had fallen to 200 trillion cubic feet. And as of June 1980, the Department of Energy reports natural gas reserves were down to 195 trillion cubic feet. Thus, the statistics clearly suggest that the U.S. is still consuming gas faster than it is being replaced.

Supplemental sources of natural gas, including imported natural gas, are being tapped as a hedge against depleting domestic reserves. The Department of Energy projects that imported natural gas (not including imports from Mexico) will constitute 20 per cent of total interstate natural gas supplies by 1983. Recognizing the increasing demand for imported natural gas, exporting countries are raising the price of that gas in line with the world price of oil.

Another facet of the NGPA requires industrial customers to bear much of the burden of steadily increasing prices. The consequences of this requirement raise the prospect of a loss of this vitally necessary market, but extend beyond it as well.

When industry is forced to subsidize the residential sector, necessary conservation efforts are discouraged, and the increased costs industrial customers pay for are passed on to consumers in the price of finished products. In fact, heating oil and electric users (depending upon the type of generation) also subsidize the residential natural gas user by paying for finished products.

Vigorous marketing efforts by the natural gas industry to attract more residential customers, primarily based on artificially suppressed natural gas prices, have been effective. But they have not assured consumer equity, nor brought us any closer to achieving a balanced energy program to insure economic growth. The increased demand for natural gas from the residential sector forces other energy suppliers to reduce net profits to a level insufficient to meet the capital needs necessary for growth.

To be sure, natural gas deregulation is an admittedly more complex endeavor than decontrol of oil but it is no less necessary. Total decontrol of the entire energy industry will at last bring about free enterprise, the only way to enhance our supplies of domestic energy resources, and discourage wasteful consumption.

If natural gas is not immediately decontrolled, it may never be. The principal argument offered by opponents is that it would have an inflationary impact on consumers. What they overlook, however, is the explosive leap natural gas prices would have to take to achieve parity in 1985. If the new administration and the new Congress allow this opportunity to be lost, it may never come their way again. Deregulation now will ease the price impact on natural gas users over the long run, while at the same time assuring the necessary incentives for exploration and development of new sources.●

TO COMMEMORATE BLACK HISTORY MONTH

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. MITCHELL of Maryland. Mr. Speaker, I am proud to stand with my colleagues to commemorate Black History Month. In this last week of observance, we realize that the month of February has fostered our participation in many significant events, to reflect proudly on the rich legacy left by our strong African and Afro-American foreparents. This period has provided a special time to use the fundamentals of this legacy to face squarely those turbulent times which continue to confront us.

In my moments of reflection, I cannot help but note strong parallels between historical and present occurrences. Comparatively speaking, the year 1881 was marked by many events. Among them, for example, this Nation witnessed the revitalized Knights of the Camelia—to later become the KKK. This group was steadfast in its terror-filled and violent acts against black citizens. Today, 1981, we are witnessing a resurgence of this group. To our dismay, the picture of the burning cross is not closed in the pages of our history books. In fact, there have been several such incidences in my own State of Maryland during the past few months. A similar picture today is the little black children being murdered senselessly while their parents wonder if the fundamentals of hatred and racism will ever disappear.

Admittedly, my reflection on the rich legacy of black history may be a little dampened as I observe the continuous obstructions to social, political, and economic parity for black people. However, when I do reflect on the tenacity and dedication of our foreparents who made this commemorative month possible, I have a revival of strength. It was the untiring efforts of such great legislators as Senator Hiram Revels; outstanding scientists as George Washington Carver; and dedicated scholars as W. E. B. DuBois, which should provide the will for us to face any obstacles. We can look at the tests of endurance which confronted these people and know that we will not be defeated by the KKK or the Moral Majority.

We can look to the editorial skills of Henry Highland Garnett, the teaching abilities of Mary McLeod Bethune, and the business skills of Maggie L. Walker, and know that we will always have examples of strength to sustain our faith. We can point to the multiplicity of talent among our past and present brothers and sisters and know that there has never been a dearth of keen abilities and high aptitudes in our community. If I continue to note outstanding black figures for pages and pages, I can still not do justice to the many patents and ideas which have been stolen from those people who left a foundation. I could not begin to imagine the many lyrics, stanzas, notes, and research efforts for which members of the black race were not given credit. This list could be endless.

My reflections did not begin in the month of February and they will not end as we close out the official black history observance. I long for the day when equitability prevails and the recognition of black history will be a truly integral part of our education system. At that time, every month and everyday will be a time to use our past to build a future.●

COMMEMORATION OF THE 63D ANNIVERSARY OF LITHUANIA'S INDEPENDENCE

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. COUGHLIN. Mr. Speaker, I am honored to join my colleagues in commemorating the 63d anniversary of Lithuania's Declaration of Independence.

Four decades ago, Lithuanian sovereignty fell victim to Soviet domination. The illegal invasion and subsequent occupation of Lithuania was, and is, a blatant violation of the universally acclaimed right to self-determination as expressed both in the Charter of the United Nations and in the Helsinki agreements and acceded to by, among others, the Soviet Union. Lithuania paid dearly in its fight to retain its independence and documented cases of Soviet persecution continue to reach the West. And yet, the proud spirit of the Lithuanian people has never succumbed and, as so courageously demonstrated by the Lithuanian people and the Lithuanian American community alike, they are not without hope. Despite obvious personal risk, dissidents continue to struggle against political, cultural, and religious repression.

At a time in history when the world has witnessed another example of Soviet repression in Afghanistan and Soviet forces have threatened to encroach on the territorial integrity of Poland, it is imperative that we, as Americans, reaffirm and even strengthen our commitment to those principles—liberty, independence, and

self-determination—upon which our own Nation was founded. Just as Lithuania has been an inspiring example of a nation and a people which has maintained its national pride and the spirit of independence, so the United States must also continue to be a symbol of hope and inspiration for all who have been denied these rights. Our dedication to human rights the world over must never diminish.●

MY COMMITMENT TO MY COUNTRY

HON. JAMIE L. WHITTEN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. WHITTEN. Mr. Speaker, Miss Donna Louise Tartt of Grenada, Miss., has won the State voice of democracy contest, and I am so impressed with her achievement that I want to share it with all readers of the CONGRESSIONAL RECORD.

In the 34 years that the voice of democracy scholarship program has been in existence, I am sure most of us have come in contact with the program's participants in one way or another. The scholarships awarded national winners have made an impact on school students throughout the country and have resulted in tremendous increases in student participation in view of the annual $1,500 scholarship for the first place winner. I am told that during the past year more than one-quarter of a million students participated from over 8,000 schools which were sponsored by more than 4,400 Veterans of Foreign Wars posts and 3,600 auxiliaries. To say the least, the voice of democracy scholarship program has stimulated increased patriotism among our young people and has provided for all of us a more serious means of thinking about our responsibilities as Americans. It is my privilege to insert Donna Tartt's excellent speech and to add that I am proud to be her Congressman.

The speech follows:

MY COMMITMENT TO MY COUNTRY

(By Donna Louise Tartt)

It is sad, perhaps, but also true, that Americans are at their highest peak of patriotism during wartimes. When our country's honor and freedom are threatened directly, Americans rally round the flag like one big family, determined to fight the common enemy to the very end.

But what about times that are merely hard, like now? America is in just as much danger from inflation, from disillusionment and apathy and a thousand other things, as she ever was from Hitler. Yet, for some perverse reason, we are not supporting our country at the time she needs us most. Instead, we quarrel and bicker among ourselves. We complain about the leaders we elected and we complain about America. This sort of vicious talk about our own country is like an ungrateful child slapping a parent in the face.

America has been good to her people. But we must in turn be good to her by living up to our loyalties as citizens. The three commitments I am about to list are the debts of loyalty and love I owe my country. They are also debts that you owe America, too.

Our first commitment to America should be to educate ourselves of all the different governments of man. Democracy is the hardest to maintain because it requires mass intelligence to be run properly. We, the people, are the ones who make the important decisions about the government, and, in order to make our decisions wisely, we must learn all we can about history and government, about law and economics and other things so we will have a basic knowledge upon which to found these decisions. A free society is a dynamic, exciting market place of ideas, constantly growing and constantly changing. Unless we, the people, take time to study problems from all sides and make the best decisions we can; unless we are free to express our opinions and question things we believe are wrong; unless we all contribute in some way to the marketplace of ideas that is America, our democracy will stagnate and die.

Our second commitment to America should be responsibility towards her. Herman Melville once said, "Freedom is only good as a means—it is no end in itself." When America won the Revolution, our fight for liberty was only beginning, for freedom can only be kept through constant vigilance. America's independence is not just a free gift from our forefathers. We must use our freedoms with responsibility if we wish to be allowed to keep them in the future.

A responsible American takes an active interest in the affairs of the country. He keeps up with current events, and he researches the candidates carefully when he votes so he can choose the one he thinks is best. The responsible American is not a warmonger, but he will defend his country to the death if need be, as so many other Americans have done in the past. And the responsible American, while he keeps an open mind about everything, watches carefully for hidden subversions which will destroy freedom just as surely as any war could. He remembers the words of Plato—"The people will vote for who promises them the most, and in this manner they will give away their freedom."

The final, and perhaps the most important commitment of Americans to America, should be simply to love her. We must believe in America. We must keep our faith in her greatness even in times of trouble, and we must always know, within our hearts, that we are lucky enough to live in the best and brightest nation in the history of mankind. But we must not love her blindly simply because she is our country, for that would be folly, too. Instead, we must love her enough to realize that while she is the most nearly perfect country that could be created by mortal man, she is not totally perfect in every way. To serve our country best, we must be critical lovers of America. Perhaps that is the true test of a good American, for it takes a lot of courage to love something that is not perfect and we should all know, from our past record, that courage is not something to be found lacking in Americans.

The United States has been good to its young people. Our country gives us the freedom to be anything we want to be. You cannot get to your dreams of success without effort—and if you get there you must work hard to stay there, but the beauty of America is that she allows you to do your best at whatever you choose to do in life. These wonderful new horizons and exciting possibilities ahead are our motherland's gift to us. But we, in return, must give back these gifts if we wish our Tomorrows to be as bright as our Todays. America has faith in her young people—indeed, in all her people. Do you have faith in America?

You should, for only when all her people believe in her inherent worth is she able to achieve the glories of which she is capable. Daniel Webster once said, "God grants liberty only to those who love it, and are always ready to guard and defend it." We, the leaders of tomorrow, must love America. We must guard and defend our precious God-given freedom which we so often take for granted—for once it is lost, it can never be regained.●

IN DEFENSE OF KIM DAE JUNG

HON. TOM HARKIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. HARKIN. Mr. Speaker, I would like to take this opportunity to bring to the attention of my colleagues, the final statement of Kim Dae Jung, which he presented at his military trial on September 13, 1980. I feel that it is particularly important that his statement be included in the RECORD in light of the fact that Mr. Kim was not permitted to speak in his defense during the appeals process, and no defense witnesses were called.

Tomorrow, Friday, January 23, is expected to be the third stage of Mr. Kim's trumped-up show trial. At that time, the Supreme Court will rule on the case. As it stands now, Mr. Kim has received the death sentence from the lower courts on completely false charges. It remains for the Supreme Court and the Chun Doo Hwan government to determine the final sentence.

Mr. Kim's statement thoroughly exposes the mendacious and frivolous nature of the charges against him, and reveals the true nature of this democratic leader of the Korean people. The philosophy he expounds in his defense is a moving tribute to the values we cherish in this country—freedom, justice, and decency.

KIM DAE-JUNG'S FINAL STATEMENT IN COURT—SEPTEMBER 13, 1980

OUR PEOPLE MUST WALK THE WAY OF DEMOCRACY . . . THEY HAVE THE ABILITY TO DO SO

The following is the final statement in court by Kim Dae-jung at the 18th session of his military trial on September 13, 1980, beginning at 10:00 a.m. Mr. Kim entered the court and exchanged greetings with Rev. Moon Ik-hwan and the families of the defendants.

In standing here for my final summation, I cannot help recalling one particular event: on the fifth day of December last year, I was thoroughly absorbed in watching the televised national funeral of President Park

Chung-hee. I still remember vividly the words of Cardinal Kim Su-hwan's prayer when he said "O Lord, let us understand the meaning of President Park's death."

The death of President Park was most unfortunate for him personally, but it was a turning point for Korea, because it meant both the destruction of Yushin and the dawn of a new era. An enormous hope for democracy welled up among our people and poured out like a gushing spring. But with the imposition of martial law to cover the entire country on May 17, our democracy was forced to face a severe ordeal.

Although many, many people entertained optimism following October 26 [1979], I have consistently expressed my fear that we would have to suffer many hardships and trials for some time to come, even though I believe the 1980's to be an era of democracy. The 18-year reign of the Park regime has created in our country Yushin forces which we cannot ignore. These forces will not be able to establish democracy in our country; nor will they be fit to combat communism. And yet, I have never even once suggested the destruction of the Yushin forces. When I gave a speech entitled "The Spirit of the Korean People" at the YWCA, I made it clear that all the second- and lower-ranked officials of the Yushin forces should be allowed to remain in their jobs. I wanted to compete fairly with Mr. Kim Jong-pil, a leader of the Yushin forces. That meant letting our people decide whom they wanted for their political leader by means of a popular election.

If the October 26 incident had not occurred, what had taken place in Pusan and Masan would most likely have spread throughout the country. But the incident's occurrence made it impossible for either the democratic forces or the Yushin forces to emerge as a real winner. Being a Christian, perceiving all things to be in the light of divine providence, I discerned behind the October 26 incident the will of God that the two groups must get together in the spirit of mutual cooperation in order to make this nation what she ought to be.

Since October 26, I have been convinced that national security, economic stability, and the recovery of democracy are what Korea really needs. For this purpose, I was fully cognizant of the necessity to cooperate with the interim government of Choi Kyu-hah. I have always insisted that reconciliation must take place and that political retaliation must be abolished. It was for that reason that I asked for a dialogue with the government and publicly declared my intention to forgive all those who were involved in my abduction. I also insisted on the necessity of political stability. I did so with the full awareness that political confusion would inevitably endanger democratization. I thought it possible for us to take the road to democracy without plunging into confusion. I was also convinced that confusion under martial law would make confrontation with the military unavoidable. If that happened, I was afraid, those forces antagonistic to democratization would mount a counterattack against us.

My fears and political position notwithstanding, the unfortunate incident of May 17 broke out. Of course, the government must take the primary responsibility for that. Since October 26 [1979], the Korean people have been manifesting an amazing ability of self-control which received wide acclaim from all over the world. During that time, all the foreign ambassadors to Korea with whom I talked praised our ability to exercise self-control. Our people proved to the entire world that they had the courage to fight for democracy and the wisdom to take control of themselves.

The government ignored all of this, however, and in doing so, it invited confusion. There are a few concrete examples which can be cited here. One has to do with the martial law edict. The interim government of Choi Kyu-hah maintained martial law, even though that was clearly unnecessary. This caused suspicion among the people and invited further confusion. Secondly, the interim government refused to specify the length of time it intended to remain in office. This also made the people suspicious. Thirdly, the government ignored the people's desire for constitutional change, particularly the consensus to include the election of the president by popular vote, and the members of the National Assembly through a small constituency electorate system. As if to defy the proposed constitutional revision that was approaching a settlement at the National Assembly, the government established an independent system of reviewing constitutional revision, and came up with the ambiguous suggestions of a dual administrative system and a medium-sized constituency electorate system. All this made students feel that they had to go out into the streets. Personally I did not agree with them on the idea of demonstrating, and even today I still believe that, instead of demonstrating, they should have carefully observed the attitude of the Choi government concerning martial law, and should have waited patiently for the passage in the National Assembly of legislation calling for the removal of martial law. I do not know why the students went out into the streets on May 13 in view of the fact that they had declared on May 12 that their demonstrations would be confined to the campuses. I am still at a loss as to what transpired behind the scenes. In any case, the interim government did not dispel the people's doubts. Instead, it engendered the present situation by doing nothing to meet the people's hopes for the resumption of the National Assembly.

It is evident that in this country a tremendous number of people desire the democratization of Korea and oppose the Yushin forces centering around President Chun. I am convinced that neither the democratic forces nor the Yushin forces can lead this nation if they continue to oppose each other. Our people must walk the way of democracy; they have the ability to do so. These two groups must be tolerant of each other, so that never again will we experience this sort of national tragedy. Mutual cooperation is the only way to combat communism and win victory over it.

Our present government is trying desperately to say that recent events were a "conspiracy to commit insurrection on the part of the Kim Dae-jung Party." But if the government really thinks that I myself possess the power to incite a large number of students and citizens, why does it refuse to talk with me? Why did it object to publishing my statement calling for restraint on the part of the students? Why did it pressure the Dong-A Ilbo not to print my article?

I consider the democratization of this country to be most important, not my own political future. I have done all I could in order to attain democracy in Korea. The prosecution states that unable to seize power by ordinary means, I resorted to violence. But I cannot even handle a gun. What I desired most of all was a popular election. This being achieved, I thought it possible to establish a strong basis for the next election which would come four years later, even though I was prevented from taking political leadership this time. I predicted, furthermore, that if confusion broke out, an extremely difficult situation such as the one we face today would come about. I am a pacifist. But my pacifism does not mean nonresisting. It is a resisting pacifism.

The prosecution is accusing me of having joined a leftist organization after the liberation in 1945, and it charges that I am a communist even today. That is simply not true. I worked as an ordinary member of the New Democratic Party's committee for rebuilding Korea. It is absurd to think that a 20 year-old man was able to hold a position of strong leadership in an organization like that. I was convinced that the mutual cooperation between leftists and rightists was absolutely necessary at the time of liberation. I joined the New Democratic Party, for its slogan matched my strong convictions. When I found out the NDP was nothing more that a left-wing party, I resigned from it. That was the summer of 1946. The police have scrutinized my political background at least twice, but I have never been accused of being a leftist. I then joined a rightist organization in 1947. When the Korean War broke out on June 25, I was arrested by the communist party for being a reactionary. I narrowly escaped death by breaking out of jail.

The prosecution says that I made contact with Chon Taemuk, a spy working out of Imsa Island, at the time of the 1967 elections. But at that time, his right to live as an ordinary citizen in the city of Mokpo had not even been questioned. He even owned a salt field, and no one thought of him as a communist. Later, at the time of his arrest, Mr. Kim Hyung-wook, director of the KCIA, came to talk to me about my relationship with Mr. Chon. We spent about half an hour in the Sejong Hotel talking about it. Director Kim was convinced that I had nothing to do with Chon Taemuk and assured me that his coming to talk to me was strictly a formality. He came to talk to me only because my name had come up in the course of investigation. Later I heard that at his trial Mr. Chon told the court that he decided not to recruit me when he became familiar with my political position.

My relationship with the Hanmintong ["Korean Congress for Democracy and National Unification"] is important, because my life depends upon a correct understanding of that relationship. I must say that the prosecution is not presenting the true and accurate facts. When President Park issued the Yushin Constitution in 1972, I had no doubts that the Yushin system was a serious violation of the people's constitution. But since it was impossible for me to effectively protest against it, there was nothing left for me to do but to leave the country. I find it difficult to understand why I was indicted for my activities abroad in the past.

I was confined for sixty days in the basement of the investigation headquarters. I was interrogated in a room from which I could not see the sun or the sky; I was constantly watched. In this sort of situation, as my colleague Kim Sang-hyun has said, it would not be difficult to break one's spirit or to make a non-communist admit that he is a communist. I heard someone scream in the next room; I was stripped naked and was absolutely terrified. I was told then that my role in anti-state political organizations would be considered only as back-

ground information in the investigation. I was led to believe that the only charge under which I was being indicted was for "conspiracy to incite an insurrection," but later I learned that in fact I was being accused of violating the National Security Law as well.

Mr. Yon-taek, bureau chief in the KCIA, visited me at my home one day when he heard that I was going to make a public statement. I had just been released from house arrest imposed upon me ever since my abduction from Japan. He said to me on his visit that it was time to conclude the "Kim Dae-jung case", and he told me that President Park had given him the promise that if I agreed on certain conditions, he would be willing to withdraw charges against me concerning my past activities abroad. When I agreed to those conditions and publicly stated my agreement with them, the director of foreign affairs of the Korean government made official the withdrawal. I was told to get ready for immediate departure from Korea. Soon after that, the Ministry of Foreign Affairs of Japan made public the mutual political agreement between Japan and Korea, which specifically states that I would not be charged in connection with any of my activities while abroad. Until now my past activities have never been questioned. But now I am arraigned under the charges that the government once promised to withdraw.

The anti-state organization which the first article of the National Security Law declares illegal are those that claim themselves to be governments, or those which attempt to destroy the national constitution. But I give my absolute support to the Republic of Korea. Some of those who sponsored the Korean Congress for Democracy and National Reunification in America strongly suggested the establishment of a Korean government in exile, but I was responsible for squelching that move. This group could have had among its members some sympathizers with pro-north Korea organizations, but certainly you cannot expect me to guarantee the legitimate status of everyone involved. Among those four persons with whom I had some personal contact, however, I can speak with assurance. Mr. Kim Jae-hwa was charged with illegally accepting political funds during the seventh session of the National Assembly, but later was cleared of the charge. Subsequently, he was elected to the eighth session of the National Assembly without facing any objection whatsoever from the government, and he continued to serve in the same capacity until the beginning of the Yushin system in October 1972. Mr. Bae Dong-ho ran for the chairmanship of the [pro-Republic of Korea] Mindan organization in Japan, and prior to that had played a significant role in the organization. Mr. Cho Hwa-jun was not suspected of any ideological leanings. Mr. Chung Jae-jun played a very important role for Mindan; at the time both Mindan and the [pro-Democratic People's Republic of (north) Korea] Chongryun organization were aggressively recruiting members, he was honored by the south Korean government for his strong leadership. In other words, those four men with whom I was in contact were free from any suspicion. The prosecution, in making its charges against me, is heavily relying upon the newspaper reports about the police investigation of Mr. Kim Jae-hwa's alleged illegal funds. I had not read the reports, but even if I had, they would have only made me suspicious of the government. If Mr. Bae Dong-ho was secretly manipulated by the Chongryun, why was he not expelled from the Mindan until 1971?

The prosecution has argued that I received 18 million yen from the Hanmintong, but in fact the largest sum of money I have received from anyone is six million yen from a close friend of former Japanese Prime Minister Fukuda. The second largest contribution was five million yen from a primary school classmate of mine who did not belong to any political organization. I can think of only one instance in which it might be charged that I received financial assistance from the Hanmintong. That was when Bae Dong-ho paid my hotel bill of 400,000 yen without my knowledge.

I was abducted before the formation of the Hanmintong and had absolutely nothing to do with its party platform or with its staff personnel selection. Nor did I ever accept the chairmanship of the Hanmintong. When I learned that my name had been recommended for the chairmanship, I asked through Kim Nok-young, Cho Won-young, and Lee Taek-young that my name be withdrawn. A political party whose chairman is not a resident of Korea cannot claim to be a legal party.

In January 1979, Ms. Mun Min-ja called me on the telephone to ask me whether I had consented to becoming the chairman of the Japan chapter of the Hanmintong. My reply was that I had never been asked and had never agreed to serve as chairman. I told her, furthermore, that I could never condone their statement made after they had met with Im Chang-Young and Yun I-sang, that the United States military forces must be pulled out of Korea. Later, some members of the Hanmintong tried to appease me through a Japanese reporter, saying that all they wanted was to repeat in their own words what President Park had been saying all along about the U.S. troops. At that point, I flatly refused to condone what they said regarding the troops.

Since my abduction, I have not received any information about the activities of the Japan chapter of the Hanmintong. This is understandable, because in the intervening six years I was imprisoned for three years, and for the remaining three years I was kept under house arrest. I have learned, however, that Japanese newspapers have given considerable coverage to reports that a former Korean counselor in the embassy to Japan, after obtaining political asylum in the United States, has stated publicly that thorough investigations into the Hanmintong showed no relationship between the Hanmintong and the Chongryun.

The prosecution's charges concerning my past statements made while abroad are based upon sentences taken out of the context of speeches and put together again as if they have some special, problematic significance. For example, I am accused of the following statement: "The North can guarantee food, although it cannot guarantee freedom. But the South can guarantee neither bread nor freedom." What I really said, however, was this: "In the North, there is no freedom and its people can barely sustain themselves through the ration system. If the poor in the South are left without food, how can we combat communism effectively?"

As for the charges that I attempted to incite an insurrection, all I can say is I am a victim of falsehood and fabrication. Since October 26 last year, I have met with or spoken before many thousands of people, but never once did I encourage them to demonstrate or to overthrow the government by violent means. If you accuse me of all this, you must show some hard evidence. It is written in the indictment that the "Democratic System Research Institute" was intended to have played an active role in an interim government I am accused of having planned. But this Institute held only two meetings after its founding. Do you really believe that an insurrection could be planned in such loosely organized meetings? And do you really believe that one student could make others in those meetings, with one over sixty years old and myself approaching sixty, agree to engage in a violent confrontation without even any serious debate? When student demonstrations broke out, not even a single person affiliated with the "Study Group on Politics and Culture", the "Constitutional Government Study Group", or what has been termed my "private organization"—though I would not call it this myself, and refer to it thus only because the indictment does so—participated in those demonstrations. How can I be charged with inciting riots, when none of us was responsible for leading them?

When the student demonstrations climaxed on May 13, 14, and 15, I issued a statement which urged the students to exercise self control. My statement can hardly be taken as grounds for inciting a rebellion, as even for me personally, that kind of demonstrations would prove to be disadvantageous. Of course, if you wish to say that my printing and distribution of pamphlets was in violation of martial law provisions, then I will resign myself to accept punishment for that. I am also willing to accept the charges of violating the Foreign Currency Control Law, if you interpret the fact that I had some American dollars in my possession as a violation. Punishment must be intelligible to the one who is to be punished.

This court may decide to sentence me to death, but I would ask that you consider carefully whether such an action is truly just according to the law and right according to the principles of a democratic nation. More than for myself, I am hopeful the court will exercize leniency on behalf of the other defendants, for I am ultimately responsible for their present lot. I fervently hope that President Chun will engage in an open discussion with the democratic forces in an atmosphere of national consensus.

When the prosecution's request for my sentence was read the day before yesterday, my mind was amazingly serene. That night I was able to sleep much better than usual, probably in part because it had been raised in the courtroom. I think my serenity is due to my reliance upon God, believing that if God wills my execution, I shall die, and that if God wills for me to live, I shall live.

Finally, let me make a request of the other defendants who are sitting with me in this courtroom. I am eager to leave with them my personal will: that even if I should die, there should never again be political retaliation of this sort in this country. Yesterday, in the courtroom, Dr. Han Wan-sang talked about the prophetic task and the priestly task. I would call them social salvation and individual salvation. As a Christian, I pray for social salvation and the salvation of our nation and people, which I believe can be brought about when we have attained the restoration of democracy.

In closing, I would like to express my appreciation to those conducting this trial, to my lawyers—both court-appointed and privately hired—to the prison officials, and to the journalists covering the trial, Korean as

well as foreign. I would also like to thank the prosecution for its labor. (Court session closes at 11:45)

At the end of his final statement, the families of the defendants burst into spirited ovations, acknowledged by a bow from Mr. Kim. At least two of the defendants, Mr. Song Kun-ho and Mr. Lee Ho-chul, had tears in their eyes. When the defendants were handcuffed, the wife of Prof. Lee Mun-young shouted "Mr. Kim, tens of thousands of Christians are praying for you." The wife of Rev. Moon Ik-hwan led the families in singing "We shall overcome." There was a scuffle between the families and the guards who tried to stop the singing. Mrs. Moon was bodily carried away, but she kept on singing even sprawled on the ground.

They continued to sing outside the courtroom. As they were being loaded into the buses to be taken away, shouts came from the bus aimed at the courtroom: "Fabrication," "Long live democracy."

(Kim Dae-jung's final statement in court, above, has been translated from SEKAI magazine—November 1980 issue, pp. 147-152.)●

AMERICANS AS A NATION AND INDIVIDUALLY WELCOME OUR 52 AMERICAN HOSTAGE/ HEROES HOME

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. BIAGGI. Mr. Speaker, it has been just over 1 month since our 52 American citizens—held captive illegally and immorally by Iran for 444 days—were released safely. Their return caused a national celebration the likes of which we have not seen for some time. It has helped to rekindle a sometimes flickering patriotic flame in this Nation.

Americans as individuals paid their own tributes to the freed Americans. One such tribute was prepared by a good friend of mine, Salvatore B. Gambino of Lake Worth, Fla. He created an inspiring poem entitled "A Salute To Our Fifty-Two." The poem was read on WPBR in Palm Beach, Fla. I would like to share it with my colleagues in the House by inserting the entire text in the RECORD. It captures the wonderful feeling which this Nation felt over the safe release of our heroes.

The poem follows:

A SALUTE TO OUR "FIFTY-TWO"

The gates of tyranny came down
In that far-off Asian land,
Where Ayatollah's ruthless frown
Sullen glares on every hand
And on a staunch and hostage band.

Of Fifty-two; brave, unafraid;
Far from home; familiar faces;
Whose hope and courage did not fade
Despite vile treatment that debases;
Bearing rude, untold disgraces.

Sons and Daughters, your ordeal's through,
Welcome home, where all are free!
Our country's prayers have been for you—
Your safe return in Liberty
With honor and civility!

America salutes you all,
Our heroes in an inane strife.
You each have well withstood the thrall
And now back home, the time is rife
To resume once more a happy, normal life.

This episode is o'er, and yet,
Our country will not soon forget.●

CLEAN UP PROFESSIONAL SPORTS

HON. RONALD M. MOTTL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. MOTTL. Mr. Speaker, there is not one of my colleagues who would condone merciless, bare-fisted beatings of human beings. We all abhor vicious and violent acts that can leave victims crippled or even dead.

But for some reason, we draw the line on enforcing criminal sanctions on anyone who beats up a person in a hockey game, football game, or in any professional sport. I am not talking about restricting the hard check on the boards in hockey or a crushing shoulder tackle in football. I am referring to deliberate, malicious acts like punching another player into a bloody mess or unconsciousness. We have to act to stop this type of violence in professional sports because apparently nobody else can or will.

The argument is given that the leagues can police themselves. If the National Hockey League could police itself, there would not have been a record 406 minutes of penalties in a game February 26 between the Boston Bruins and the Minnesota North Stars. This was a disgraceful show for a sporting event. There were seven fights before half of the first period was over.

If my sports violence bill had been enacted into law during the last Congress when it was introduced, we would not have these senseless beatings—beatings done by sports heros who the youngsters of our Nation unfortunately look up to and try to emulate.

We can clean up professional sports without taking out the hard, legitimate physical contact that is part of the games. How many athletes must be maimed by cheap shots before we act to protect them?

It is with a concerned regard for human life and welfare that I am reintroducing the sports violence bill. We can score a victory for human rights with its passage.

I urge my colleagues to support this bill. Those interested in cosponsoring this bill should contact Brian Hyps at 225-5731.●

GOOD EDUCATION NECESSARY

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. PANETTA. Mr. Speaker, as Congress focuses on the complex and difficult issues related to the economy and proposals for cutbacks in Government spending, it is necessary for us to keep in mind the human costs associated with particular reductions. One area of special concern to me, even though the Federal role in this area is limited, is public education. While the States and localities have jurisdiction over most aspects of school finance and policy, there is nonetheless a profound Federal interest in a sound education system for all Americans. In addition to providing financial assistance to State and local governments, the Federal Government can help to play a leadership role in calling attention to the need for sound educational programs. But there are other avenues for making the public aware of education issues, and one of the most important and potent is the news medium.

I am pleased that a distinguished journalist in my congressional district has been awarded the Editorial Page Award for Newspapers in the under 50,000 circulation class by the California School Boards Association. The city editor of the Santa Cruz Sentinel for 7 years, Mr. Bruce McPherson won this distinction for his editorial calling attention to cutbacks in Santa Cruz County's educational programs and emphasizing the need for maintaining a high-quality public school system. I extend my warm congratulations to Mr. McPherson. His award-winning editorial is reprinted below for the convenience of my colleagues.

GOOD EDUCATION NECESSARY

School opens this week, and a few people will notice a difference in the educational offerings in 1980-81 as compared to last year.

Trustees of the various districts in the county wisely have tried to maintain the quality in classroom programs. But, even that is subject to reduction with many bigger class sizes in the offing and several "electives" being eliminated in our public schools this year.

Administrators throughout the area also express deep concern that maintenance at schools must be passed over again, and that when and if it is ever to be given proper attention, the price tag will be high.

Since the passage of Proposition 13 in 1978, a little bit has been sliced here and another chunk cut there in our public schools.

Big cuts in busing were made by school districts last year and money will not return in 1980-81.

Students who want to partake in athletics often must pay a fee to do so, such as $25 per sport in the Santa Cruz City Schools District (Santa Cruz, Soquel and Harbor High Schools), and instrumental music instruction in the Elementary District has

been threatened to be eliminated. These types of activities aren't the core of our school system, but sometimes they offer an impetus for a youngster to at least enjoy a learning process and possibly "spin off" that energy to other avenues of education.

It hasn't been a free ride as some people may believe in public education the past few years.

The SC City Schools District, for instance, will be operating with about 20 fewer teachers (most cuts in the high school district) than it had last year. That means, quite simply, that there are bound to be larger class sizes and less time for teachers to give to each pupil. Under such limiting circumstances, instructors who do their continued good job—and there are many of them—should be highly commended.

The Pajaro Valley Unified School District, the largest in the county with about 12,200 students expected this year, is in good financial shape, thanks mostly to state legislation AB 65 in 1977. That bill, in answer to Serrano vs. Priest court proceedings, attempted to equalize spending per pupil throughout the state which aided low cost districts like Pajaro.

Scotts Valley trustees slashed funds for two teaching positions and two classroom aides, as well as after-school sports, in approving their 1980-81 publication budget.

San Lorenzo Valley Unified School District for the second year will not provide busing for high school students, and trustees of the Soquel Elementary School District trimmed busing so only about 25 percent of the students will be bused compared to about half of them last year. The Soquel District also cut its library system in half and instituted a pay-as-you-go sports program.

The Live Oak School District with about 1,150 students will lose a teaching position and custodian at both Green Acres and Live Oak schools, and see its bus fleet reduced from five to three.

County Office of Education officials say their district that provides programs to about 300 severely handicapped students at about 15 locations throughout the county is in "decent shape," thanks mostly to use of reserve funds (much like California government the past few years). But, they do express concern that financial support from the state isn't guaranteed next year, and that maintenance of buses and buildings is falling off.

Cabrillo College, with some "shifts in emphasis," plans to accommodate the same level of education for its 10,500 students this year.

Overall, it appears teachers will have larger classrooms this year and some needed capital outlay projects will continue on paper only.

There often is criticism of how much we spend on our educational system, now in the throes of belt tightening. But when one considers national averages (higher in California) produced by the Organization for Economic Cooperation and Development—that it takes $1,400 a year to educate a child, $5,600 to keep an adult in jail, and $9,500 to place a youngster in a juvenile home—maybe that person will see the importance of placing public education as a top priority in our society.

Improving our public education system is an essential ingredient in maintaining a strong community. In light of reductions that have taken place in public education the past few years, it is encouraging to see instructors go the extra mile so that youngsters may have the best opportunity possible for a quality learning experience.●

MITCHELL COMMENDS THE BALTIMORE BRAILLE ASSOCIATION

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. MITCHELL of Maryland. Mr. Speaker, today I am introducing a House resolution to commend the Baltimore Braille Association for its outstanding contribution in aiding this city's handicapped and elderly. The association is a nonprofit, tax-exempt organization that produces material for the blind and physically handicapped, mentally retarded, slow learners, and special students. Additional services include the provision of materials to homes for the aged, veterans' homes and organizations, and other institutions on a needs basis.

It is significant to note that the Baltimore Braille Association, Inc., was founded by inmates of the Maryland Penitentiary. The multifaceted directorship of this organization consists of the inmates and a board of directors composed of community leaders, legislators, representatives of the National Federation of the Blind, veterans organizations, correctional officials, and the business community.

The services of the association extend to also include consultation with various outside agencies involved in social service activities. Consultation is also provided for members of the various State and local school boards, and both private and public individual schools.

The Baltimore Braille Association works for the Library of Congress Division for the Blind and Physically Handicapped and other social organizations that provide materials for these citizens. In addition, the association is involved in working with various religious and business organizations, providing services that otherwise would be unavailable or too expensive.

I am certainly proud to recognize the meritorious efforts of the Baltimore Braille Association, Inc., and share this commendation of its work with my colleagues.●

THE VOICE OF DEMOCRACY—DANA SUE BENFER

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. EDGAR. Mr. Speaker, representatives of the Veterans of Foreign Wars meeting in Washington this week for their annual conference are reviewing their concerns for the veterans of this country and the Nation as a whole. During the conference the VFW will also choose the winner of their voice of democracy contest. Over 250,000 secondary school students from across the country have participated in this contest testing their writing and oratory skills in describing the meaning of America and the basic principles of our democracy.

Miss Dana Sue Benfer of Broomall, Pa., has been selected from hundreds of other contestants to represent my State as a finalist in the national competition. Dana is a 15-year-old sophomore at Marple Newtown Senior High School, Newtown Square, Pa.

I would like to share with my colleagues the insight she has shown through her award winning address. The VFW and all Americans can be very proud of her ideals and her commitment to her country:

My hands trembled as I tried to open the official looking envelope. The seal said Washington, D.C. A million thoughts raced through my mind as I finally tore it open and began to read. "Greetings * * *" That was all I needed to see. How well I knew the rest—I had been drafted.

Today is October 26, 1983. I still remember that August day when I received that letter as though it were yesterday. I had just graduated from high school. I had been accepted at the college of my choice. A career in medicine loomed in the future! Yet, the world situation had worsened that year. A war was on the horizon. The government considered the threat of war important enough to reinstate the draft. My dreams of college had been shattered!

My mental turmoil was tremendous. I did not know if my commitment to my country was strong enough for me to risk my life. Up until this time, women had never been drafted. In past years, their contributions to war had been sending supplies and writing letters. Now I, an 18 year girl, was forced to make a life and death decision—to go to war or not to go to war.

I talked to many people about this. I talked to my minister who asked me whether or not I was a conscientious objector. A conscientious objector?—not me! No! My commitment to my country runs deeper than that, I told him. My real thoughts about my country that had been held back by fear began to come through. He asked me why I would be willing to risk the body God gave me in combat. The answers surged through me—because my freedom is important to me. I cannot stand by and watch America lose the principles that I used to take for granted, I had said, such as freedom of speech, religion, justice, and all of the others that were guaranteed to Americans in the Constitution.

As a young citizen, I am a leader of tomorrow. I will be carrying the weight of the American Dream on my shoulders 'til I die. When the older generations of today are no longer around, it will be my generation that will be here to enjoy freedom. But it will not exist then, if no one defends it now. Youth participation will enhance our armed forces because we are flexible. We are open to change and to people. Our brains and energies are needed. We must grow up now

and face reality. For me, there can be no quiet transition from childhood to adulthood.

As I left the church, I saw an American flag waving in the breeze. I was blinded by emotion. It was a dazzling reflection of my newly discovered ideas. Days passed. My parents and I talked for hours on end. I talked to my grandfather who had fled from Germany in 1925. As I talked to him, his words rekindled the fire of patriotism burning within me. He told me how he had fought as an American in World War II because it was his new homeland to defend. My grandfather had appreciated his newly found freedom and had fought for it. He had watched his old homeland fall under Communist rule. He asked me whether I could sit back and watch that happen to my country. No, I had said. I wanted a world free from oppression, free from corruption and evil practices for future generations. My decision had been made. It was my duty as a citizen to back up our ideals, and I would take on this responsibility. I would acknowledge the letter that I had received. I would serve my country in this critical time of need.

One week later, I was climbing the stairs to the induction station. A man offered me anti-war material and I said, "No, my country needs me and I love my country." He said, "But I love my country, too." As I continued to walk, I looked back and said, "Our love must surely be different." John F. Kennedy's words that I had read so long ago rang in my ears:

"We in this country, in this generation, are—by destiny rather than choice—the watchmen on the walls of world freedom. We ask, therefore that we may be worthy of our power and responsibility * * *."

I felt worthy enough to defend the country I love.●

SOBER THOUGHTS ABOUT THE PROPOSED SALE OF OFFENSIVE EQUIPMENT FOR SAUDI ARABIA'S F-15's

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. ROSENTHAL. Mr. Speaker, last Thursday the members of the Foreign Affairs Committee received a briefing from the State Department about the proposed sale of offensive equipment for the F-15's we have sold to Saudi Arabia.

I am opposed to this sale of offensive equipment. I can see no threat to Saudi Arabia for which these fuel tanks and missiles would be an effective deterrent. However, I see clearly how the Saudi F-15 squadron would now constitute a serious menace to the people of Israel.

As the debate over the merits of the proposed sale continues I submit for the RECORD a thoughtful essay by Hirsh Goodman, the military correspondent for The Jerusalem Post—February 28, 1981.

SALE OF OFFENSIVE EQUIPMENT FOR SAUDI ARABIA

America's apparent willingness to upgrade the offensive capability of the 60 F-15 fighters destined for Saudi Arabia is not only counter to every promise made both to Israel and Congress when the deal was originally approved two years ago, but could have dire tactical and strategic implications for Israel.

The F-15 was designed and built as an air-superiority fighter for the U.S. Air Force. It has a remarkable interception capability, but, in its original form a low-grade potential for air-to-ground attack. It was for this reason that Israel had difficulty blocking the original sale.

The Americans argued at the time, quite cogently, that Saudi Arabia needed the ability to protect its oil wealth and territorial integrity from air attack. In a letter to Senator John Sparkman in May 1978, former U.S. Secretary of Defense Harold Brown wrote that, "The F-15s requested (by Saudi Arabia) would be relatively ineffective in an offensive mode. From the standpoint of military planning it would make no sense whatsoever for Saudi Arabia to acquire an aircraft with the characteristics of the F-15 for using it as a ground-attack aircraft. I am confident that the Saudis have no such intention."

In an effort to placate Sparkman, who was then chairman of the Senate Foreign Relations Committee, Brown gave an assurance that the planes would not be equipped with special features that could give it additional range.

"Specifically," he wrote, "the planes will not have conformal fuel tanks . . . (nor) has Saudi Arabia requested that the plane be outfitted with Ejection Racks (MER 200) which would allow the plane to carry a substantial bomb load. . . . The U.S. will not furnish such MERs. . . ."

Brown expressed his confidence that Saudi Arabia could be taken at its word. It wanted a plane that "would help.(it) deter and defend against those nations that are hostile to its role as a leading moderate Arab state."

So much for Brown's confidence, and so much for Brown's written pledge. The Saudis have requested, and the U.S. Administration appears to be ready to grant, precisely those systems that worried the chairman of the Senate Foreign Relations Committee.

The conformal fuel tanks in question will not only increase the F-15s' range by some 90 per cent, allowing them to reach Israel from anywhere in Saudi Arabia and return, but also to enter into air combat without having to jettison fuel load.

Moreover, the MER 200 bomb racks increase the planes' bomb load from three to eight tons of air-to-ground ordnance, the delivery of which on virtually any Israeli target would be devastating.

In short, if the U.S. agrees to the Saudi demand, the result will be 60 virtually unstoppable weapons in the hands of a nation which has twice in the past six months called for a jihad (holy war) against Israel.

It would not have been difficult for the U.S. to reject the Saudi demand. Neither the conformal tanks nor the MER racks are used by the U.S. Air Force. Nor are they in current production. At worst, the Saudi request could have been delayed by the administration on those grounds.

Saudi Arabia's claim that the upgrading of the plane's offensive role is necessary in the light of recent events in the Gulf region cannot be taken seriously. Saudi Arabia needs to defend its integrity against Iraq and Iran, not conquer or attack either of these countries. And the interceptor aircraft ordered by it were expressly intended for this defensive purpose.

Nor should the U.S. have given credibility to the Saudi threat to seek weapons elsewhere if the U.S. refused the demands. Firstly, there is no other market for these specific weapons, and secondly, Saudi Arabia is seeking arms elsewhere anyway. It has registered an interest in 200 Tornado fighters (manufactured by a European consortium) and has bought weapons from virtually every arms-producing market in the West.

Other weapons purchased over the past two years by the Saudis from sources other than the U.S. include almost 30 advanced naval vessels from Britain; 1,100 tanks and assorted armoured vehicles from France, Italy and Britain; Crotale and other anti-aircraft systems from France and Sweden. And, most recently, a Saudi request to purchase 200 Leopard MK 11 battle tanks from Germany for over $700m.

From the Israeli standpoint, a decision to upgrade the Saudi F-15s—the most sophisticated aircraft in the world—would be grave indeed. Israel has 50 of them (with an option for 10 more), which are intended as Israel's front-line aerial defence against aggression from one or a combination of the confrontation states.

And while the Saudi aircraft were considered defensive in nature, they were not considered by military planners here to be emphatically on the negative side of the military balance.

Now, given both Saudi Arabia's immoderate political stand, emphasized by the increasingly heard threat to launch a holy war, and the transformation of the planes from a defensive to a purely offensive capability, Israel must consider these aircraft potentially hostile.

Given that Israel has 65 per cent of its population and 75 per cent of its industrial infrastructure concentrated in the narrow coastal plain in and around the Greater Tel Aviv area, it is highly vulnerable from the air, and this threat will have to be offset.

Since Israel has reached a point of saturation in its military spending and the U.S. aid package is shrinking in real terms, it is logical to assume that the new threat will have to be met not by accelerating an arms race which is beyond Israel's means, but by a basic change in the strategic concept. Which will mean a greater reliance on the pre-emptive strike as a means of negating the enemy's offensive capability.

In other words, by allowing sophisticated weapons to flow into Arab confrontation states, the U.S. and the Europeans, who have yet to deny an arms request from Saudi Arabia, are pushing the region closer to war.

If Israel adopts a pre-emptive strategic concept, the potential for diplomatic action in a tense situation will be considerably diminished. Once a threat is discerned—particularly in this age of supersonic weapons capable of massive destruction—military action will have to be taken, a process which will considerably increase the chances of war in the region.

Instability in the Middle East, particularly among countries which the U.S. considers its allies, is clearly not an American or European strategic interest. But this fact seems to be lost on the new U.S. administration. A point will be reached, with the unchecked proliferation of weapons here, when war will become inevitable.

Israel would be extremely unwise to agree to a "deal" with the U.S. in exchange for

the upgrading of the Saudi F-15s. It would be folly to legitimize the supply of the most advanced offensive weapons to one of Israel's most vociferous enemies for short-term gain—which would, in the final analysis, only increase Israel's dependence on the U.S.

Israel can muster a strong moral and geostategic case against the supply of these weapons to Saudi Arabia. If it explained its case effectively, it would undoubtedly be able to build up enough pressure in the U.S. to block the sale.

There are many good reasons for the Americans to supply Saudi Arabia with the means to defend itself. But it is quite another question to supply the implements that will make a jihad possible.●

INVENTORY REFORM

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. NOWAK. Mr. Speaker, high interest rates, reduced economic activity, and depressed profit margins are severely afflicting the vitality of our Nation's business community. Both large and small businesses are finding it increasingly difficult to retain capital for investment, and can barely meet their working capital needs.

Business persons and congressional leaders alike have recognized the need for revisions in our Tax Code which will encourage firms to invest in needed plant and equipment. Various capital cost recovery schemes have been introduced in the 96th and the 97th Congresses. Likewise, the administration had put forth its own capital cost recovery proposal as part of its overall tax package.

Reform of the tax treatment of inventories is just as important to the welfare of our Nation's businesses as is capital cost recovery. It is, in essence, the flip side of depreciation reform. Inventories are the largest single asset for firms engaged in the wholesale and retail trades.

The House Small Business Subcommittee on Tax, Equity Capital, and Business Opportunities, which I chair, held hearings on inventory reform on February 12, June 10 and 11, 1980. Based on the hearings, the subcommittee issued a report on "Inventory Accounting as a Burden on the Capital Formation Process," House Report No. 96-1448, which outlined the problem from the small business perspective.

The report emphasized that the importance of inventory accounting reform to small business should not be understated. Based on 1976 Internal Revenue Service data for corporations, 82.3 percent of all tax returns for manufacturers had less than $1 million in total assets. Further, 89.9 percent of all wholesalers and retailers filing corporate returns for that year had less than $1 million in total assets.

TABLE I.—CORPORATIONS [1] GENERALLY CONSIDERED TO HAVE INVENTORIES

	Number of returns	Percent of specified industrial sector
Manufacturers (total)	216,177	100.0
Under $1,000,000 in total assets	177,965	82.3
Under $5,000,000 in total assets	23,517	10.8
Over $5,000,000 in total assets	14,695	6.9
Wholesale and retail (total)	646,062	100.0
Under $1,000,000 in total assets	580,974	89.9
Under $5,000,000 in total assets	38,494	6.0
Over $5,000,000 in total assets	26,594	4.1

[1] 1976 preliminary statistics of income, corporation income tax returns, Internal Revenue Service (Pub. 159, 6-79).

In November 1980, I formed a capital formation task force on inventories, which includes representatives of various business organizations, representing all sizes and types of businesses. Following is a list of task force members:

Cooperative Food Distributors of America, Food Marketing Institute, National Association of Convenience Stores, National Association of Chain Drug Stores, National Association of Retail Druggists, National Federation of Independent Business, National Small Business Association, Chamber of Commerce of the United States, National Shoe Retailers Association, National Home Furnishings Association, National Association of Wholesaler-Distributors, National Association of Manufacturers, Association of General Merchandise Chains, National Automobile Dealers Association, Jewelers of America, and National Association of Retail Grocers.

After several meetings and many hours of study, the task force has released a policy statement. Based on the task force recommendations and the recommendations outlined in the report on "Inventory Accounting as a Burden on the Capital Formation Process," I will introduce, within the next few days, a comprehensive, across-the-board, Inventory Reform Act. Because of its importance to the Congress and the Nation's small business community, I am placing the task force policy statement in the RECORD, as follows:

CAPITAL FORMATION TASK FORCE ON INVENTORIES—STATE OF POLICY ON THE NEED FOR INVENTORY ACCOUNTING REFORM

Reform of the tax law on accounting for inventories is vitally important to business, especially when there is a need to reduce regulation and inflation. Specifically, this type of reform is significant in that it fosters capital formation for all types and sizes of business.

Last year was a particularly difficult year for business to depend on external sources of funds (such as bank loans and/or the capital markets) for investment and expansion. It was a year in which many businesses could not afford to borrow money at rates of interest in excess of 20% and still turn a profit.

Inventory accounting reform is one way of minimizing the problems caused by this type of dependency. Instead, it fosters capital formation by increasing the internal cash flow and retained earnings of a business.

In recognition of the need to foster business capital formation, the following provisions of the tax law on accounting for inventories are particularly burdensome and, therefore, should be revised:

A. There should be simplification of the last-in, first-out (LIFO) method. This can be accomplished by alleviating the initial penalty associated with the LIFO election, by reducing the number of inventory pools required, by permitting the use of regularly published price indexes, and through revocation of the conformity requirement.

B. The current tax treatment of obsolete or excess inventory should be modified to reflect the reality of current business practices.

C. Section 403(b) of the Windfall Profit Tax Act of 1980, involving the recognition of gain on certain dispositions of LIFO inventories should be repealed.

D. Specified small businesses should be permitted to use the cash receipts and disbursements (cash method) of accounting.

The recent proposals by the Internal Revenue Service on inventory reform are a very positive initiative. We look forward to working with the Department of the Treasury, the Internal Revenue Service, and the Congress, on this most important capital formation issue.●

SAGEBRUSH RIPOFF

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. DINGELL. Mr. Speaker, much press has been focused in recent months on an attractively named issue, the "Sagebrush Rebellion," which is of purely Western origin. There in the public lands States, individuals and groups who hold permits to use lands of the U.S. Forest Service and the Bureau of Land Management or who do business with or are regulated by these agencies have the misguided notion that these important public lands should be stripped of Federal ownership. Actually they call it divestiture and have the tacit understanding that the lands pass to State ownership only for a brief period of time before being sold to the highest bidders.

The well-financed group promoting this mischief is the League for the Advancement of States Equal Rights (LASER), headquartered in Salt Lake City. LASER counts the President and the Secretary of the Interior among its friends, as well as some in Congress. Among LASER's friends too are livestock, mining, timbering, and other economic interests, all fairly well known to most of us because of their previous identification with anti-Federal land programs.

At LASER's conference last fall, its chief executive described the Federal lands that would be turned over to the States for sale or private interests as

being "all Federal lands with the exception of national parks, monuments and active military reservations." BLM lands, national forests, national wildlife refuges, and all other important and valuable conservation units would be put on the block.

Not surprisingly, LASER's plan is meeting with rising and outspoken opposition in many parts of the country, including from America's millions of hunters, anglers, and other outdoor recreationalists, all of whom value the public lands as places on which they may pursue their sports and hobbies without harassment. My colleagues will be hearing from their constituents about this sagebrush ripoff, because, as the accompanying editorial from the March 1981 issue of Michigan Out-of-Doors makes clear: "Those lands, after all, don't belong to the people of the West. They belong to all of the people of the United States."

The article follows:

SAGEBRUSH RIP-OFF

The Federal Land Policy and Management Act of 1976, otherwise known as the Bureau of Land Management (BLM) "Organic Act," changed many of the rules for the users of public lands, particularly in the West. Prior to the act, BLM lacked cohesive direction and management authority for the lands. With the act, Congress declared as national policy the retention and improved management of the public domain. The act mandated multiple-use policies on public lands for the greatest public good.

The much-needed regulations and new procedures that accompanied the act aroused the ire of miners, ranchers, loggers, developers, and other commercial interests, many of whom preferred doing business under the old rules where access to public land resources was accomplished more easily and where they could do pretty much as they pleased on lands owned by the American people.

The act eventually provided the impetus for the "Sagebrush Rebellion," otherwise known as the "Sagebrush Rip-Off." This is the movement in the West aimed at transferring federal lands to the states. The movement is embodied in legislation sponsored in Congress by Sen. Orrin Hatch, R-Utah, which would shift both BLM lands and U.S. Forest Service lands (the national forests) to the states.

Providing almost a lone voice against the Sagebrush Rip-Off at a recent gathering in Salt Lake City of supporters of the rebellion, Jack Berryman, executive vice president of the International Association of Fish and Wildlife Agencies, said, "We are exceedingly fearful that once transferred to the states, many of these lands would sooner or later find their way into private ownership—single use—and no longer [be] available to the public at large. This has been the case in the past. Nevada, for example, has no state lands because it sold them."

Another concern over the consequences of the movement was expressed at the same gathering by a Michiganian. Marion Van Slooten of West Olive, chairman of the Government affairs Committee of Safari Club International, who told those attending that "it is widely believed by sportsmen that if the Sagebrush Rebellion succeeds in enacting and then upholding state laws claiming title and management rights to lands presently owned by the federal government, western states would not or simply could not afford to even maintain the present levels of funding provided by the federal government for hunting and other wildlife management programs. Sportsmen fear that any broad transfer of federal lands to the states would mean a dramatic loss of federal funds for which the states would not or could not compensate."

What the rebellion signifies for outdoor recreation is obvious. Dave Zinn, chairman of the Sagebrush Rip-Off Committee for the Arizona Wildlife Federation, explained it succinctly: "If this [movement] is successful, our current almost unlimited access to over 50 percent of western land for recreation, hunting, and fishing will change overnight. Like residents of New York (one percent federal land), Ohio (one percent federal land), Pennsylvania, or Texas, we will face mile after mile of 'No Hunting—No Fishing—No trespassing' signs, with no recourse but exorbitant fees for the privileges we freely enjoy now.

"Don't be misled by 'guarantees and specific criteria' in both proposed federal and state legislation that would assure multiple access and use of this land. Sen. Hatch . . . has publicly stated that the ultimate intent of such legislation is transfer of the land to private ownership."

State and local governments in the West unquestionably want more to say about management of federal lands. Many are genuinely dissatisfied with the activities of both the BLM and the Forest Service, but the Sagebrush Rip-Off is not the solution.

The real challenge will be to figure out how to give state and local governments more voice in federal land management plans and decisions without abandoning the national objectives for federal lands that most of the general public supports. As the *Salt Lake Tribune* concluded in a recent editorial on the subject, "Better that Congress . . . with constructive thought and debate, seek the 'compromise' that will make federal land management policies even more flexible and more responsive to the honest needs of *all* Americans for the wise and perpetual utilization of the resources of their public lands."

Those lands, after all, don't belong to the people in the West. They belong to all of the people of the United States.●

HOUSE OF REPRESENTATIVES—*Wednesday, March 4, 1981*

The House met at 3 p.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

The Lord is merciful and gracious, slow to anger and abiding in steadfast love.—Psalms 103: 8.

We acknowledge, O God, that the spirit of repentance and the desire for forgiveness does not always touch our lives, as we would prefer to be masters of our fate. Yet, O God, we recognize that all our striving does not compare to the majesty of Your word and the comfort of Your grace. We confess our dependence on Your providence and we pray that Your love will follow us and support us all our days. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

HIGH INTEREST RATES CRIPPLING SMALL BUSINESSMEN

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ALEXANDER. Mr. Speaker, amid all of the new rhetoric we have been hearing in the last few days about how the President plans to bring about an improvement in the way our economy is behaving, there has been a strange and ominous silence concerning any intentions to act soon to bring down interest rates.

According to a survey just published by the National Federation of Independent Businesses, high interest rates are driving small businesses in this country into bankruptcy at an alarming rate. In 1980, over 11,000 entrepreneurs were driven out of business, an increase of 58 percent over the number of small business failures in 1979.

The tragedy of such business failures does not stop at the personal level of the entrepreneur himself. It also has a profound impact on the U.S. job market. During the last two decades, three out of every four new jobs have been created in the small business sector. When asked what they consider to be the No. 1 problem facing their economic survival today, a recent survey showed that high interest rates lead the pack. Even more alarming, from the job point of view is the evidence given by small businesses to the 1980 House Small Business Committee in which 82 percent of those entrepreneurs questioned indicated that they were delaying or canceling plans to expand their business.

We look forward to hearing some reassuring statements of high-priority measures to bring down the rates of interest. If we continue to cripple our small businessmen with the heavy burden of misguided monetary policy we face many lean years ahead. The strength of our economy depends upon the survival of our entrepreneurs who have built and continue to build our Nation. We must address their problems with comprehension and competence.

GET INTEREST RATES DOWN

(Mr. REUSS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REUSS. Mr. Speaker, high interest rates are killing the American economy. Small business, automobiles, housing, farmers, productive capital investment, and consumers alike are suffering.

How can we get interest rates down? The Joint Economic Committee Democrats have a plan:

First. The Federal Reserve should not tighten money this year;

Second. The administration and the Federal Reserve should coordinate economic policy with our allies, relying more on fiscal and less on monetary policy to fight inflation, and so lower interest rates for all countries; and

Third. The administration and the Federal Reserve should effectively discourage the major banks from lending for speculative purposes—such as the Bunker-Hunt silver scam—or for purely financial purposes such as corporate takeovers.

These steps are consistent with the prudent, moderately restrained monetary policy the Nation needs. The 1981 report of the Joint Economic Committee Democrats, issued last Friday, explains them in detail. I commend that report to the attention of all Members.

FEDERAL RESERVE BOARD OF GOVERNORS

(Mr. WATKINS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WATKINS. Mr. Speaker, today I am introducing a bill to reform the system by which Federal Reserve Board Governors are selected. My bill will require that "not less than three" of the seven Federal Reserve Board Governors shall come from the agricultural, industrial, or commercial sectors or from financial institutions with assets of less than $150 million. Currently the Federal Reserve Act says that the President "shall have due regard to a fair representation" of these occupations on the Board. This language has been completely ignored so far in the formation of most Federal Reserve Boards. Therefore I have mandated this fair representation by the new language in my bill. If you look at the past and present makeup of the Board Governors you will find that most of the Governors have either been economic theorists or from large financial institutions. We need people on the Board who are working practitioners in the world of reality and who can understand and are sensitive to the repercussions and results of this Nation's monetary policy on the survival of small industry, business, and agriculture.

I introduced this bill because it will aid in fighting inflation without killing the free enterprise system which gave our country a strong economic foundation. In the broadest sense, the Federal Reserve Board controls interest rates and credit in the country. It is absolutely a must that we immediately get interest rates for investment credit down from 19 or 20 percent for farmers, ranchers, and small business people in order for them to increase production and most importantly—just to stay in business and not go bankrupt.

If interest rates stay at the same or approximate levels for the next few months, 1981 of the Reagan administration will go down in history as having the greatest number of bankruptcies since the depression years of the 1930's. Lowering the interest rates is the quickest and most immediate way to allow farmers, ranchers, and small business people to finance and stay in business. This action would in turn increase productivity and stimulate the economy. Without lowered interest rates, we will see more and more economic problems for high cash flow businesses and industries as well as the agriculture sector.

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

HIGH INTEREST RATES ARE CHOKING U.S. ECONOMIC GROWTH

(Mr. DORGAN of North Dakota asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORGAN of North Dakota. Mr. Speaker, many of those politicians who thumb their suspenders and talk about supply-side economics refuse to discuss high interest rates or high energy prices, and I would like to know why.

I support spending cuts and tax cuts—but the supply-side disciples should know that tax cuts will not help a small business that went bankrupt yesterday because of skyrocketing energy costs and outrageous interest rates.

Tax cuts are not the answer for a farmer who cannot get the credit to put in his 1981 crop.

Again, the issue is profits and jobs and growth.

Real supply-side economics would call for moderation in interest rates and would oppose monopoly energy pricing.

The small businessman who had to close his doors last week because of energy prices and interest rates is not going to be able to say "thank you" to a Congress that cuts taxes for income he could not make.

An economic recovery plan that ignores interest rates and energy prices is foolish.

It is time for Congress to make the Federal Reserve accountable for its mistakes. It is time for some real supply-side economics—moderate interest rates, growth, profits, and jobs.

The oil companies and big banks are getting rich and the American economy is choking—and that is wrong.

Tax cuts do not help you unless you have profits, and you can not have profits if interest rates and energy prices are eating you alive.

We just have to get this interest rate monkey off the back of the U.S. economy. The Federal Reserve Board and its Chairman, Paul Volcker, think that they can beat inflation by destroying the economy and throwing hundreds of thousands of small businesses into ruin. Even if the Fed wins its game, it may well find itself on the losing side.

REQUIRING THE PRESIDENT TO COMPLY WITH THE WAR POWERS RESOLUTION INVOLVING CONGRESS IN HIS DECISION TO SEND MILITARY ADVISERS TO EL SALVADOR

(Mr. OTTINGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OTTINGER. Mr Speaker, I am today introducing a resolution calling on President Reagan to obey the law and honor the War Powers Act by reporting to Congress justifying his decision to send military advisers to El Salvador.

The War Powers Act was passed in 1973 to insure that Congress would fully participate in decisions to send U.S. military forces into foreign hostilities.

To allow the President to commit military personnel to El Salvador while ignoring that act would be a great setback to the democratic process.

My resolution would not stop the President from sending military advisers to El Salvador, although I strongly oppose that action; rather, it would involve Congress in that decision and insure that we do not by silent acquiesence allow this Nation to slip into the quagmire of another Vietnam.

I think this decision is a terrible error. I think it hands to the Communists the championship of the aspirations of the people of South America for freedom and puts us on the side of a repressive dictatorship which has been responsible for more than 6,000 murders of Salvadoran civilians including the archbishop and moderate government representatives as well as the still unexplained deaths of four American religious missionaries.

The Reagan military commitment also undermines our efforts to get the other nations of the world to protest the Russian invasion of Afghanistan.

Rather than demonstrating the strength of the United States, military action on behalf of a repressive military government in postage stamp El Salvador makes us the laughingstock of the world and demonstrates our weakness. It alienates, important allies such as Mexico. It poses unacceptable risks.

Even those who support this action, should support this resolution. It would seem to me they would want the Congress to participate in this decision and to endorse the President's action if, indeed, it can be justified.

I urge support of this resolution.

RESULTS OF RECENT REGISTRATION ENCOURAGING

(Mr. MONTGOMERY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MONTGOMERY. Mr. Speaker, I am indeed encouraged by the current reports showing the results of our recent registration effort by Selective Service.

As of February 1981, 95 percent of the young men born in 1961 and 1962 had registered under the first register call.

For those born in 1963 who were required to register during the period of January 5 to February 19, 1981, 87 percent had registered as of February 24, 1981. As late registrations continue to be received, I would expect registration compliance of 95 percent or higher. In 1973 the last year for which Selective Service has similar data, the registration rate was 83 percent at the comparable point in time. Eventually, compliance reached 99 percent for 1973.

It has been my feeling that our young men would comply with the law and respond to this call for registration. I am encouraged by the results shown above. Each of us must acknowledge that along with the freedoms and benefits we receive from our system of government there are also responsibilities that must be accepted. I am confident our young people, when made fully aware of these benefits and accompanying responsibilities, will respond just as their parents have done.

I would like to remind the young men born in 1960, 1961, and 1962 who have not done so to go to the nearest post office to register as required by law. Registration of men born in 1963 is now on a continuous basis as each turns 18. For those born in 1963, registration can be accomplished during a 60-day period, 30 days either side of the 18th birthday. I urge Members of Congress to include comments about this registration requirement in their newsletters and news releases.

Thank you.

CAUTION IN U.S. APPROACH TO EL SALVADOR IS URGED

(Mr. RATCHFORD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RATCHFORD. Mr. Speaker, last December 2 four American Catholic missionaries were brutally murdered in the small Central American country of El Salvador. As yet we have not received a satisfactory report of the circumstances surrounding the death of these innocent religious workers. Even family members of one of these unfortunate victims that reside in my congressional district have been unable to secure an autopsy report and other detailed information from the State Department.

Over the last year, this Government has extended military and economic aid to the civilian/military Government of El Salvador in the hope that it would undertake meaningful agrarian and electoral reform, put an end to the violence and terrorism of right-wing extremists, and defeat the rising Marxist guerrilla threat supported by Cuba and other Communist nations. Reorganization of the Government and the naming of Christian Democrat Jose Napoleon Duarte as President of the ruling junta in December gave rise to renewed hope that significant re-

forms would be forthcoming and that atrocities regularly committed by forces supporting the Duarte regime would end.

Yet today, Mr. Speaker, it is clear that no determined investigation of the December murders can be expected. Further, it is clear that implementation of agrarian and electoral reforms is sporadic at best, and that a deteriorating economy and leftist insurgency threaten achievement of these reforms in the near future. It is quite clear these forces present a serious challenge to the government—but it is equally clear that the Duarte regime is incapable or unwilling to control acts of violence, torture, and harassment by its own forces. While 9,000 people were killed last year and countless others subjected to acts of brutality, no arrests have been made and no efforts to curb this activity is ongoing.

Mr. Speaker, I fear that by continuing to extend military aid and advisers to El Salvador rather than encouraging a peaceful settlement to its internal strife, we are assuring the failure of the reform program we have sought to foster. I urge caution in our approach to El Salvador, for I recall all too vividly the outcome of the last American intervention into the internal affairs of another nation when precious little was known of the political forces at play and gross violations of human rights acquiesced to by the Government.

RESOLUTION TO PROVIDE ASSISTANCE TO ATLANTA, GA.

(Mr. MOFFETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOFFETT. Mr. Speaker, today, I, along with the distinguished chairman of the Judiciary Committee, the gentleman from New Jersey (Mr. RODINO), and the gentleman from Missouri (Mr. CLAY), and several others are introducing legislation to authorize a one-time Law Enforcement Assistance Administration grant to the city of Atlanta. These funds will assist the city in meeting the extraordinary expenses it is occurring relative to the police investigation there.

They need help in Atlanta. The amount of the grant, $1.8 million, is based on the fact that each month the city of Atlanta runs a $150,000 deficit to pay for its inquiry into the disappearances of these young black people.

Mr. Speaker, the poet Paul Lawrence Dunbar said in 1900 that black life in America is a promise and not a fulfillment.

I take this expression to mean too often America as a community has turned a deaf ear when black voices have cried for assistance.

Mr. Speaker, these horrendous crimes have horrified the entire Nation, and until they are solved, we all live in Atlanta, every one of us.

I urge support for this resolution.

CLASS OF DESTINY

(Mr. DOWNEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DOWNEY. Mr. Speaker, I would like to address my comments this afternoon to the "Class of Destiny" some of whom would apparently benefit more from a seminar on the separation of powers than another trip to the White House.

On the subject of ways and means and budget footdragging, consider the following:

Fact: The President has yet to send to the Congress a bill, or even a complete proposal. We are still waiting to see what the whole package will contain. We see from necessary budget readjustments last week that haste can make trouble.

Fact: We have been handed concepts and outlines and on them, began hearings the very next working day after their receipt. Secretary Regan and Director Stockman were present to discuss the proposals. Since then, we have met regularly in both Ways and Means and Budget, most often simultaneously.

Fact: Page 2 of the President's February 18 statement proposed a timetable in accordance with the Budget Act. Again, the next working day, the chairman of the Budget Committee expressed his intention of working completely with that timetable.

If it is the Class of Destiny's wish that we simply rubberstamp every proposal the President sends to Congress, perhaps it will be their destiny to be the last class of Congress.

□ 1515

NEW SOVIET MOVES IN THE MEDITERRANEAN

(Mr. LANTOS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LANTOS. Mr. Speaker, a new Cuba may be emerging at the crossroads of the Mediterranean.

The Soviet Union and Malta have just signed an agreement which poses a threat to NATO's southern flank. Malta's far left-leaning and mercurial ruler, who for years was on the dole of Libya's dictator Qadhafi, has now embarked on a new adventure with the Russians. Earlier this year, Malta authorized Soviet vessels—which often shadow our naval forces and engage in other surveillance activities—to refuel at Malta's ports.

Malta's harbors and airfields would be invaluable to the achievement of Soviet strategic goals in the Mediterranean region and in the Middle East. The Soviet-Maltese agreements are yet another step in the deepening Russian penetration of the entire region, and are a threat to NATO naval forces in the area.

The possible emergence of a Cuban-type Malta at the very center of the Mediterranean adds a new dimension of urgency to our determination to rebuild America's long-neglected naval forces.

FEDERAL RESERVE POLICIES UNDERMINE INDUSTRIAL BASE

(Mr. BLANCHARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BLANCHARD. Mr. Speaker, there has been a lot of talk recently about credit allocation and the Federal role in crowding out capital and the use of credit generally. I think all of us should bear in mind that the Federal Reserve Board has been embarked upon its own form of credit allocation for quite some time, allocating credit by its policies to the speculative and short-term ventures and away from the productive and oftentimes human-oriented industries.

Mr. Speaker, there are four ways, as we all know, to allocate credit if the Government is going to do it. One way is by direct spending. Another way is by loan guarantees. Another way, and we all like it, is through the back door, the Tax Code. The fourth way is to let the Federal Reserve Board do it by its policies. By tight money the Federal Reserve Board continues to undermine not only our industrial base and the productive sectors of our economy, but, indeed, our national security.

This ought to be an issue that our people and our Congress address in the weeks and months ahead.

BUDGET CUTS AND THE STUDENT AID PROGRAM

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEYSER. Mr. Speaker, over the next several months we will be working on the Reagan administration's student-aid program which will force hundreds of thousands of students, poor and middle-income students, to drop out of college this year, 1981.

Mr. Speaker, the net that has been designed to catch the needy seems to be filled with some gaping holes in this particular program. Each day from now on, Mr. Speaker, I am going to insert in the RECORD a number of letters that I am receiving from col-

lege presidents. Today Los Angeles Trade Technical College in Congressman ROYBAL'S district, the Chatfield College of St. Martin, Ohio, in Mr. MCEWEN'S district, and the Elizabeth Seton College in my own district.

Each day from now on I will enter letters from other colleges in the RECORD. I will announce at this time that on March 11, next Wednesday, we will hold a special order on the floor in order to discuss the full implications of the student-aid program.

A FULL DEBATE ON DEFENSE

(Mr. MAVROULES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MAVROULES. Mr. Speaker, it is reported that the President is planning to submit a fiscal year 1982 defense budget of $222.8 billion and recommend a defense spending increase of $7.4 billion for the current fiscal year.

I believe there is a strong national consensus to revitalize our military capabilities. But, when the budget of every other agency and department of this Government is under careful audit, I believe we must also carefully examine the spending requests of the Defense Department and the military services.

The Congress is prepared to support the policies and programs necessary to guarantee our security and bring further stability to the world. However, increased defense spending will provide for a more effective military only if the increases are sound, bring additional capability, and represent a prudent use of the taxpayers' money.

We can meet this challenge—we can set realistic defense priorities. But, we will succeed only if we take the time to ask, and answer some tough questions.

We have the time, I hope we use it.

VIOLATIONS OF CIVIL SERVICE REFORM ACT BY REAGAN ADMINISTRATION

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, today I learned of the first clear violations of the Civil Service Reform Act by the Reagan administration. Energy Secretary James Edwards apparently ordered the illegal transfer of a career member of the senior executive service.

As a result, I have called hearings of my Subcommittee on Civil Service for 10 a.m. Monday morning, March 9, in room 311 of the Cannon House Office Building so that the Department of Energy can account for its deeds.

I have invited Secretary Edwards to appear and tell the subcommittee why he ordered the transfer of Tina C. Hobson, the Director of the Office of Consumer Affairs at DOE, after it was publicly revealed that she had refused the orders of his staff to plant operatives at the Denver meeting of a national consumer group.

The issue is far more serious than it might look at first blush. Consider the questions involved:

First. Did the Department of Energy violate title 5, United States Code, section 3395, forbidding the involuntary reassignment of career members of the senior executive service within the first 120 days after a new administration takes office. I reject the specious theory that a detail is not an involuntary reassignment within the purview of the statute. If that were true, the statutory prohibition could be rendered meaningless by agency subterfuge.

Second. Did the Department of Energy violate title 5, United States Code, section 2302 by taking a reprisal against an employee based on public disclosure of agency wrongdoing? Ironically, Hobson did not go public with the illegal order to plant operatives. Nevertheless, Secretary Edwards and his staff thought she did and transferred her as punishment.

Third. Did the Department of Energy intend to violate Executive Order 12036 which strictly limits the use of undisclosed Government participants in domestic surveillance activities? Sending plainclothes agents to a perfectly legal meeting of citizens raises serious privacy questions. Having personally been the victim of domestic surveillance, I grow very concerned when I see Government officials suggest using improper tactics.

I invite the participation of any Member of Congress in our hearings on Monday.

TRUE PORTRAYAL OF CONGRESSIONAL WIVES—MILDRED WEBSTER PEPPER

(Mrs. BOGGS asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BOGGS. Mr. Speaker, one of the great enthusiasms of my life is congressional wives, that remarkable legion of women whom I have known for over the past 40 years. I think congressional wives are being portrayed in a very unpleasant light and that the true portrayal of a congressional wife was never more evident than that projected in the magnificent ceremony of day before yesterday in the Washington Cathedral in the memory of Mildred Webster Pepper.

Barbara Bush, one of the sisterhood of congressional wives, typically called upon other congressional wives, past and present, for their memories of and their accolades to Mildred so that she could include them in her own memorial tribute. There we found the capsule of the true congressional wife, and in their remembrances of Mildred, a warm and loving spirit, an unusual ability to organize people of divergent backgrounds, cultural, geographic, ideological into great forces for good, an innovative user of sometimes limited financial resources, a devoted wife, a good politician, a dedicated American.

Here, Mr. Speaker, is the true congressional wife I would like for the American people to know.

□ 1530

A TRIBUTE TO ROY E. MORGAN

(Mr. NELLIGAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NELLIGAN. Mr. Speaker, as a member of the "Class of Destiny" who intends to be around here for a while, I rise to honor one of my constituents, Mr. Roy E. Morgan.

Mr. Speaker, in an era of specialists, Roy E. Morgan, the president of Wyoming Valley Broadcasting Co., of Wilkes-Barre, Pa., is a generalist who has participated in a wide variety of civic activities over the past several decades.

Mr. Morgan, who will be presented with the Pennsylvania Association of Broadcasters' Gold Medal Award tonight, is a trustee of the Sordoni Foundation, which awards grants to worthy civic, cultural, and scholastic institutions.

During the Hurricane Agnes flood recovery, while senior vice president of the Greater Wilkes-Barre Chamber of Commerce, and chairman of the Industrial Fund, he worked long and tirelessly to secure Federal aid for the rebuilding effort. That effort contributed to the newest old city in the United States—Wilkes-Barre, Pa.

Mr. Morgan has served in many positions with the United Way, and is currently a board member. He is on the presidential advisory board of King's College, the boards of the YMCA, YWCA, the Boy Scouts of America, and numerous other organizations.

The Pennsylvania Association of Broadcasters could not have made a better choice in honoring a man who has made major contributions not only to broadcasting, but also to improving the quality of life in northeastern Pennsylvania.

RESOLUTION TO CUT COMMITTEE BUDGETS BY 10 PERCENT

(Mr. DUNN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DUNN. Mr. Speaker, today I am introducing a resolution to cut committee budgets by 10 percent.

The Senate has already acted to cut its committee budgets by 10 percent. This is consistent with the mandate that the people of this country gave the Congress and the President on November 4, 1980—to cut Federal spending.

Therefore, I cannot, in good faith and without embarrassment, return to my district, ask my constituents to cut back—to equally share the burden we all must bear—knowing that we have approved up to 80 percent increases in our own committees over last year.

I find the efforts of the leadership of this House to railroad through generous increases for its own committee budgets, without a doubt, irresponsible and hypocritical.

Fortunately, there are a number of my fellow colleagues who understand the mandate that they were given on November 4.

Yesterday, within 2 hours of announcing my intention to introduce a resolution to cut committee funding, 40 Members had asked to cosponsor it and the list is growing rapidly.

I urge the House to set an example to the American people and be the first to cut its own budget.

CONGRESSIONAL SPENDING MUST BE CUT

(Mr. McCOLLUM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCOLLUM. Mr. Speaker, the American voter delivered a very simple but clear message this past November. The message was "cut Government spending." I read that to mean congressional spending as well. And I can think of no better place to start than by getting a grip on the spiraling growth and attendant cost of committee staffs.

A look at the figures tells the story. Overall, the number of House committee staff has increased a whopping 539 percent between 1954 and 1979—from 303 to 1,939. The median family income has increased by only 240 percent during those years.

Since 1973, costs for committee and investigative staff have increased almost threefold climbing from $14.6 million to $40.7 million in 1979.

The 52 freshmen Republicans unanimously support the resolution to cut committee budgets by 10 percent.

MEMBERS SHOULD BROADEN INVESTIGATIONS OF AUTOMOBILE INDUSTRY

(Mr. DAVIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DAVIS. Mr. Speaker, last week, Arthur Andersen & Co. and the Michigan Manufacturers Association issued a report surveying the current and future position of the automobile industry.

Of particular interest in this study are data relating to automobile parts suppliers. The report states that—

> Parts suppliers are more numerous, smaller in average size, more diverse in production methods, more geographically dispersed among small and large communities.

Further, it is noted that the supplier industry employs two persons for each vehicle manufacturer employee.

The most disturbing fact reported by this study, however, regards parts imports by U.S. automakers. There is an increasing trade deficit of parts sales, the report states. Both Government and industry panels predict that—

> Import activity will increase faster than export activity in the United States during the decade . . .

I should note that I advocate temporary import relief for the domestic automakers. However, these companies cannot have their cake and eat it too. That is, if they are clamoring for import relief, then they should practice what they preach, and consider the effect of their parts import policies on the domestic supplier industry.

An important theme of this study is that public and private cooperation is essential not only to address the crisis facing the automobile industry, but the pending crisis in all U.S. manufacturing. I urge my colleagues to broaden their investigations of the automobile industry to include policies affecting suppliers and all manufacturing industries.

MEMBERS SHOULD GIVE PRESIDENT SUPPORT FOR TAX AND SPENDING CUT LEGISLATION

(Mr. JEFFRIES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JEFFRIES. Mr. Speaker, I want to add my voice to that of President Reagan in his call for unity in support of his program of tax and budget cuts.

Yes; the proposed tax cut is revolutionary. And yes; the budget cuts are broad. But the economic times warrant these bold actions, and the public is demanding support for them.

It is essential that the Congress, the bureaucracy, and the organized interest groups work with President Reagan, not against him. If we are to reverse the economic situation, a sweeping program must be enacted. The President's plan must not be nibbled to death.

I urge restraint on the part of those whose pet projects are being reduced. All of us can find parts of the administration's program with which we disagree. But for the good of the Nation, we must basically support the whole package. As the President recently said:

> We are all in the same boat, and we have to get the engine started before the ship goes over the falls.

Mr. Speaker, I urge my colleagues to give the President their full support for the tax and spending cut legislation that he has proposed.

COMMERCE COMMITTEE STAFF

(Mr. COLLINS of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COLLINS of Texas. Mr. Speaker, as the folks back home are watching for us to cut Government expenses, we need to start with the bloated committee staffs of Congress. The Commerce Committee staff had 42 investigative staff in 1974 and this budget requests over 160 staff. Our major legislation concerns energy. Back in 1974, our country imported $3 billion of OPEC oil. This year we are importing $80 billion in OPEC oil. The bigger the staff, the worse the results for our country. Why should Commerce ask for over $5 million when the large Armed Services Committee only needs $1 million?

In 1980 the Commerce Committee actually spent $3,657,277. The original request for 1981 is for $5,305,396 to cover their budget.

In the Senate, committees have cut their 1980 expense as much as 28 percent. The Republican majority in the Senate has total cuts of 10 percent. We should cut Energy and Commerce by at least 10 percent. Why should we need to print 2 million copies of papers as they request for duplications? Why does Commerce ask for so much travel and equipment? Staff without basic work will make work. This oversized staff in Commerce will stimulate their creative bureaucratic vision for new ideas on regulations, laws, and Government benefits.

Our country has more government than we need, more regulations than we want, and more taxes than we can afford to pay. Let us move America forward by cutting committee staffs.

IT IS TIME TO REDUCE COST OF DOING THE PEOPLE'S BUSINESS

(Mr. SMITH of Oregon asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Oregon. Mr. Speaker, the Committee on House Administration has recommended a 16-percent increase in the budget of the House Interior and Insular Affairs Committee of which I am a member.

I rise today to oppose such an increase during these austere times. Like other Americans, Oregonians sent a strong mandate to Washington, D.C., for less Government spending. As we ask all Americans to support budget cuts, let us consider ourselves and the administration of Congress as well.

President Reagan has asked us to cut the budget by $49 billion. The House can and must help in this effort by cutting our bloated committee funding.

The amount of legislation referred to the Interior Committee was 28 percent less in the 96th session of Congress than in the 91st session. Yet, while the workload has decreased in recent years, the staff size has increased. In the last decade, the staff has risen from 15 members to 69 members—4½ times as many people on staff than just 10 years ago.

Oregonians are asking for cuts in Government spending, and elimination of waste and extravagance. It is therefore our responsibility to act positively on their mandate.

Our colleagues on the Senate side have cut their committee budgets by an average of 10 percent. Certainly, we in the House can exercise similar leadership by taking steps to reduce the cost of doing the people's business.

THE PROBLEM OF "STAFF-FLATION"

(Mr. LUNGREN asked and was given permission to address the House of 1 minute and to revise and extend his remarks.)

Mr. LUNGREN. Mr. Speaker, as we talk about the difficulties of our economy, we hear words like "inflation," "stagflation," and now we have a new one. It is called staff-flation. It talks about the tremendous expansion we have had in staffs and costs here in the House of Representatives. But unfortunately, as we make our attempt to cut our own budget in small ways, the institutional forces are here at work.

I would cite my colleagues to an article that appeared in today's Los Angeles Times which says, in part, "I think all this business of cutting 10 percent is sort of hokie," said one House staffer who has been trying to gather support for House committee budget increases. "I think it is a lot of dancing on nothing," the aide, who asked not to be identified, said.

Well, you know, Mr. Speaker, when the President is asking us to seriously consider cutting 25 to 35 percent of secondary and elementary school programs from the Federal level, when we are talking about cutting 25 percent from health and social service programs, is it really unreasonable for us to say we ought to look to our own House? I really do not think anyone here can say that we are understaffed. As a matter of fact, we are far overstaffed and we ought to have the guts to do something about it.

HAPPY BIRTHDAY, PENNSYLVANIA

(Mr. SCHULZE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHULZE. Mr. Speaker, today marks the official tricentennial of the Commonwealth of Pennsylvania. Founded in 1681 by William Penn, well before the dawn of our great Nation, it became a haven for those people seeking religious freedom. The early Quakers accepted all religions and nationalities into their colony, and the dream of William Penn became a reality. Today the Commonwealth still embodies the principles of its founder. He would be proud to see the fruits of his labor.

One of the legacies left to us from William Penn is as applicable today as it was when he first admonished feuding local governments and merchants seeking to control sectors of the economy in the early days of the colony. He said, "Be not so governmentist." I ask my colleagues to not only join in wishing this great Commonwealth a happy birthday, but in heeding the words of William Penn when we deliberate in this body. Let us not be so governmentist. Happy birthday, Pennsylvania.

BLUEPRINT FOR A HOUSE THAT WORKS

(Mr. LOTT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LOTT. Mr. Speaker, this House is out of order. Not only is public confidence in the legislative branch at an alltime low, but there is a growing consensus among House Members themselves that this institution is becoming increasingly unmanageable and unworkable. This legislative "crisis of governance" can be traced directly to the very foundation of our legislative process—the committee system. With the decentralization of leadership authority in the House, the fragmentation of committee jurisdictions, and the proliferation of subcommittees and staff, it is a crumbling foundation that threatens to bring down the entire House.

Mr. Speaker, the time has come to put our House back in order, to firm up that foundation, to draft a blueprint for a House that works. To that end I am today introducing the Committee Improvement Amendments of 1981, a package of seven House rules changes aimed at strengthening our committee system and making the legislative process more manageable, efficient, and representative.

My proposed amendments would do the following: First, require equitable party ratios on all House committees; second, limit all committees except Appropriations to no more than six subcommittees and members to no more than four subcommittee assignments; third, eliminate the joint referral of bills to more than one committee; fourth, require formal committee adoption of oversight agendas at the beginning of each Congress and House adoption of a consolidated oversight agenda resolution; fifth, require a majority quorum on all committees and subcommittees; sixth, ban proxy voting; and seventh, require House adoption of an overall committee staff ceiling resolution at the beginning of each year.

I urge my colleagues to join me as cosponsors of this resolution and the Rules Committee to take early action on it.

AMERICAN PEOPLE HAVE ANOTHER WEEK TO SPEAK OUT ON FEDERAL SPENDING

(Mr. GINGRICH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GINGRICH. Mr. Speaker, the American people have been given a reprieve in which to let their Members of the House know that they think it is time to cut Federal spending. The decision to not vote on committee funding this week gives the American people an additional week in which to let their Congressman or Congresswoman know that the time has come to tighten its belt if it is going to ask the country to have a fiscally austere policy.

LET US GET ABOUT THE WORK OF ENACTING THE PRESIDENT'S ECONOMIC REFORM PROGRAM

(Mr. WALKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WALKER. Mr. Speaker, I know that political memory is notoriously short, but I think on the House floor today we have seen an alltime record set. The string of Members from the other side of the aisle who came before us earlier today complaining about high interest rates borders on the ridiculous. It was their big spending policies that over the past couple of years led to 20-percent interest rates. In fact, since President Reagan was elected, the interest rate has been dropping, not nearly as far as we would like it to drop. but it has been dropping.

If they would get about the work of enacting the President's economic reform program, maybe it would drop faster, and I think it is high time that they begin that work.

DO LARGE MINING CONSORTIA SET GOVERNMENT POLICY?

(Mr. BEDELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BEDELL. Mr. Speaker, I would first like to associate the gentleman from Illinois, Mr. PAUL SIMON, with the remarks I am about to make. He could not be here.

I had difficulty believing what I read as I picked up the newspapers this morning and learned that the Reagan administration plans to dump the agreements we have made in the United Nations Law of the Sea negotiations.

□ 1545

These negotiations have been conducted over many years, with most all the nations of the world participating. Our first negotiator was Elliot Richardson, a Republican. It is no secret that four large mining consortia, who think they now have the technology to mine the ocean floor, have tried to dictate the terms of that treaty.

This is no time for partisan politics, but it is time for somebody to speak up. Four large mining consortia are determined to get the Reagan administration to let them control our foreign policy. This will tell all the rest of the world that our previously negotiated agreements do not mean anything.

I say we are in serious trouble. The question somebody had better ask is, Who is going to decide our foreign policy? Who is the Government here to serve? Is the Government of, by, and for the people, or is it of, by, and for four large mining consortia?

WHEN WILL ADMINISTRATION INFORM CONGRESS OF PLANS TO BRING DOWN HIGH INTEREST RATES?

(Mr. DANIELSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANIELSON. Mr. Speaker, I am deeply concerned that now, in early March, the administration has done nothing and that apparently nothing is in its plans to reduce the outragiously high interest rates which the American people have to pay and thereby to alleviate the severe economic burdens which result.

With interest rates at their present levels, it is very nearly impossible for people to buy homes. This is particularly burdensome for young couples wishing to start their lives, but it also reacts against the entire home market. The result is a severe depression in the construction industry and related trades such as timber and lumber production, the manufacturing of the components which go into homes, the appliance industry, and the like. In the area which I represent, the purchase of homes has practically come to a standstill, and I have found that people ordinarily engaged in the real estate field have been compelled to seek employment elsewhere. Unfortunately, jobs are hard to find with the economy in such a bad state because of the inability of people to borrow money. This compounds our unemployment situation which is already unacceptably high.

We all know that, in addition to its other problems such as failure to meet competition, the automobile industry is in desperate straits. This is in considerable part due to the high cost of interest which people must pay in order to buy an automobile.

On top of all of this, our Government must continue to operate on borrowed money and we all know that the current rates of interest on Government borrowing are so outrageous that interest is now one of the largest components of our annual budget.

I hope that the administration will soon let us in on its plans to bring down the sky-high interest rates.

HIGH INTEREST RATES AND LACK OF ATTENTION TO OUR MONETARY POLICY

(Mr. ECKART asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ECKART. Mr. Speaker, high interest rates continue to defeat the best efforts of Americans to enable themselves to purchase their own homes or buy new automobiles. It strangles small businessmen, who have been responsible for the development of productivity and new products which are so large a part of our economic plan. These are three examples of the negative effect of continuing high interest rates. Their continuation will add to the bad economic malaise which we have heard so much about.

In short, continued high interest rates in fact significantly contribute to the poor economic growth of America's leading industries, housing and autos, and their place in economic displacement of thousands of American workers. Budget cuts are a part of the answer, but fiscal policy alone will not do it if we do not turn our attention to monetary policy as well.

DISTURBING NEWS FOR VETERANS

(Mr. DE LUGO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DE LUGO. Mr. Speaker, I decry the recent proposal by the administration calling for cutting medical programs for veterans. The proposal would immediately begin with the elimination of 5,000 medical personnel in fiscal 1982 and lead to a 20,000-person reduction by 1986. This is far more than a waste-elimination proposal; it will directly and detrimentally affect health-care treatment for veterans of our armed services.

Moreover, this proposal contradicts the policy we heard during the President's message to Congress when the President assured the American people that veterans programs would not be cut. Medical care provided to veterans by the Veterans' Administration comprises a vital part of the social safety net espoused by the administration. These proposed cuts, along with the cuts proposed for medicaid, will severely undermine the health-care support system we have established for this group of Americans to whom our society is so indebted.

Mr. Speaker, I am proud to have served in our Armed Forces. I am particularly proud to represent the U.S. Virgin Islands in this Congress, because the young men and women who are my constituents have joined and served in the Armed Forces in proportionally greater numbers than most other regions of our United States. These people do not deserve to have their expectations for benefits dashed. We should not allow the promises our Government made to them to be broken.

I urge my fellow Members to strongly resist any attempts by the President to cut medical services for veterans, or any other benefits relied on by those who have sacrificed to defend our country.

CYNICISM REINFORCED AGAIN BY THE ADMINISTRATION'S BUDGET PROPOSALS

(Mr. GEPHARDT asked and was given permission to address the House for 1 minute.)

Mr. GEPHARDT. Mr. Speaker, apparently, as David Brinkley once said, we have passed from the promising season to the alibiing season. In October 1980, then candidate Ronald Reagan promised the National Association of Retired Federal Employees that he would not propose wiping out the twice-a-year cost-of-living escalator on retired Federal employee benefits. Later, Bill Brock, chairman of the Republican National Committee, assured Federal retirees by letter that the Republican candidate for President would oppose going to a once-a year adjustment.

Now with the coming of the Reagan budget proposals, some 130 days after the articulation of these promises, we learn that the President is proposing changing the twice-a-year adjustment to a once-a-year adjustment. I agreed last year and I agree now with his present position. But as a result of this duplicitous action, cynicism of the American people about politicians and political campaigns and promises has been reinforced once again.

AUTHORIZING INVESTIGATION AND INQUIRY BY COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

Mr. FROST. Mr. Speaker, I offer a privileged resolution (H. Res. 67) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 67

Whereas rule XLIII of the Rules of the House of Representatives sets forth the Code of Official Conduct for Members, officers, and employees of the House of Representatives and, among other things, prohibits the acceptance of gifts, directly or indirectly, from foreign nationals or their agents or from any person having a direct interest in legislation before the Congress or the acceptance of compensation from any source for the exertion of improper influence, and provides that all such Members, officers, and employees shall conduct themselves at all times in a manner which shall reflect creditably on the House of Representatives; and

Whereas Federal law prohibits the receipt of anything of value by any Member of Congress to influence his performance of his official duties or to reward or compensate him, other than as provided for by law, for the performance of those duties (18 U.S.C. 201, 203); prohibits the receipt of unauthorized fees relating to naturalization or citizenship (18 U.S.C. 1422); and prohibits conspiracy to commit any offense against the United States (18 U.S.C. 371); and

Whereas information has come to the attention of the House of Representatives alleging that certain Members of the House of Representatives have improperly accepted or agreed to accept money from undercover Federal agents and others in the course of an investigation initiated and/or conducted by the Federal Bureau of Investigation; and

Whereas clause 4(e)(1) of rule X of the Rules of the House of Representatives entrusts the Committee on Standards of Official Conduct with the authority (1) to recommend to the House of Representatives from time to time such administrative actions as it may deem appropriate to establish or enforce standards of official conduct for Members, officers, and employees of the House of Representatives, (2) to investigate any alleged violation, by a Member, officer, or employee of the House of Representatives, of the Code of Official Conduct or of any law, rule, regulation, or other standard of conduct applicable to the conduct of such Member, officer, or employee in the performance of his duties or the discharge of his responsibilities and, after notice and hearing, to recommend to the House of Representatives, by resolution or otherwise, such action as the committee may deem appropriate in the circumstances, and (3) to report to the appropriate Federal or State authorities, with the approval of the House of Representatives, any substantial evidence of a violation by a Member, officer, or employee of the House of Representatives of any law applicable to the performance of his duties or the discharge of his responsibilities, which may have been disclosed in a committee investigation: Now, therefore, be it

Resolved, That the Committee on Standards of Official Conduct be and it is hereby authorized and directed to conduct a full and complete inquiry and investigation of alleged improper conduct which has been the subject of recent investigations (commonly referred to as ABSCAM) by the Department of Justice, including the Federal Bureau of Investigation, to determine whether Members, officers, or employees of the House of Representatives have violated the Code of Official Conduct or any law, rule, regulation or other applicable standard of conduct. The scope of the inquiry and investigation may be expanded by the committee to extend to any matters relevant to discharging its responsibilities pursuant to this resolution or the Rules of the House of Representatives.

SEC. 2. The committee may report to the House of Representatives any findings, conclusions, and recommendations it deems proper with respect to the adequacy of the present Code of Official Conduct or the Federal laws, rules, regulations, and other standards of conduct applicable to the conduct of Members of the House of Representatives in the performance of their duties and the discharge of their responsibilities.

SEC. 3. The committee, after appropriate notice and hearing, shall report to the House of Representatives its recommendations as to such disciplinary action, if any, that the committee deems appropriate by the House of Representatives and may provide such other reports of the results of its inquiry and investigation as the committee deems appropriate.

SEC. 4. (a) For the purpose of conducting any inquiry or investigation pursuant to this resolution, the committee is authorized to request or compel—

(1) by subpena or otherwise—

(A) the attendance and testimony of any person—

(i) at a hearing; or

(ii) at the taking of a deposition by one or more members of the committee; and

(B) the production of things of any kind, including, but not limited to, books, records, correspondence, logs, journals, memorandums, papers, documents, writings, graphs, charts, photographs, reproductions, recordings, tapes (including audiotapes and videotapes), transcripts, printouts, data compilations from which information can be obtained (translated, if necessary, into reasonably usable form), and other tangible objects; and

(2) by interrogatory, the furnishing under oath of such information as it deems necessary to such inquiry or investigation.

(b) A subpena for the taking of a deposition or the production of things may be returnable at such places and times as the committee may direct.

(c) The authority conferred on the committee by subsections (a) and (b) of this section may be exercised—

(1) by the chairman and the ranking minority member acting jointly, or, if either declines to or is unable to act, by the other acting alone, except that in the event either so declines or is unable to act, either shall have the right to refer to the committee for decision the question whether such authority shall be so exercised, and the committee shall be convened as soon as practicable to render that decision; or

(2) by the committee acting as a whole.

(d) Subpenas and interrogatories authorized under this section may be issued over the signature of the chairman, or ranking minority member, or any member designated by either of them. A subpena may be served by any person designated by either of them and may be served either within or without the United States on any national or resident of the United States or any other person subject to the jurisdiction of the United States.

(e) In connection with any inquiry or investigation pursuant to this resolution, the committee may request the Secretary of State to transmit a letter rogatory or request to a foreign tribunal, officer, or agency.

(f) Any member of the committee or any other person authorized by law to administer oaths may administer oaths pursuant to this resolution.

(g) All testimony taken by deposition or things produced by deposition or otherwise, or information furnished by interrogatory pursuant to this section, other than at a hearing, shall be deemed to have been taken, produced, or furnished in executive session.

SEC. 5. For the purpose of conducting any inquiry or investigation pursuant to this resolution, the committee is authorized to sit and act, without regard to clause 2(m) of rule XI of the Rules of the House of Representatives, at such times and places within or without the United States, whether the House is meeting, has recessed, or has adjourned, and to hold such hearings as it deems necessary.

SEC. 6. The committee is authorized to coordinate its investigation with the Department of Justice and to enter into any agreements with that Department which the committee determines to be essential for the prompt and orderly performance of its duties: *Provided,* That such agreements shall not be inconsistent with applicable law or with any Rule of the House of Representatives unless otherwise provided herein for the purpose of this investigation. Without regard to clause 2(e)(2) of rule XI of the Rules of the House of Representatives, the committee may restrict access to information received from the Department of Justice to such members of the committee or other persons as the committee may designate.

SEC. 7. The committee is authorized to seek to participate and to participate, by special counsel appointed by the committee, on behalf of the committee and the House of Representatives in any judicial proceeding concerning or relating in any way to any inquiry or investigation conducted pursuant to this resolution, including proceedings to enforce a subpena.

SEC. 8. The authority conferred by this resolution is in addition to, and not in lieu of, the authority conferred upon the committee by the Rules of the House of Representatives. In conducting any inquiry or investigation pursuant to this resolution, the committee is authorized to adopt special rules of procedure as may be appropriate.

SEC. 9. Any funds made available to the committee after the adoption of this resolution may be expended for the purpose of

carrying out the inquiry and investigation authorized and directed by this resolution.

Mr. FROST [during the reading]. Mr. Speaker, I ask unanimous consent that further reading of the resolution be dispensed with and that the resolution be printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER pro tempore. The gentleman from Texas (Mr. FROST) is recognized for 1 hour.

Mr. FROST. Mr. Speaker, for purposes of debate only, I yield 30 minutes to the gentleman from Arizona (Mr. RHODES), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 67, which authorizes an investigation and inquiry by the Committee on Standards of Official Conduct, was reported by the Committee on Rules as a privileged resolution, and in accordance with the Rules of the House, it is to be debated for 1 hour in the House. No amendments to the resolution are permitted.

House Resolution 67 was introduced by the chairman of the Committee on Standards of Official Conduct, the gentleman from Ohio (Mr. STOKES) and was cosponsored by all the Members of that committee. The Committee on Rules reported this resolution yesterday by unanimous voice vote after hearing testimony from the chairman and his distinguished ranking member, the gentleman from South Carolina (Mr. SPENCE).

The resolution authorizes and directs the Committee on Standards of Official Conduct to undertake an investigation of alleged improper conduct of Members, officers, or employees of the House in the course of the investigation by the Department of Justice and the Federal Bureau of Investigation, commonly referred to as Abscam, and to recommend any disciplinary action deemed necessary to the full House. The resolution extends the mandate to pursue an investigation of the Abscam operation, which was granted to the committee during the 96th Congress by an identical resolution. That resolution, House Resolution 608, was adopted by the House on March 27, 1980, by a vote of 382 to 1.

While during the 96th Congress the committee waited to initiate disciplinary action against members implicated in Abscam until completion of criminal prosecutions, the committee did conduct an investigation and hearing of the case of Representative Michael J. Myers and made recommendations to the House that Representative Myers be expelled. The committee also conducted an investigation and disciplinary hearings for the purpose of recommending sanctions against Representative John W. Jenrette. Mr. Jenrette resigned as a Member of Congress prior to the conclusion of these hearings, and, in view of his action, the committee voted to terminate further proceedings. With the adoption of House Resolution 67 by the 97th Congress, the Committee on Standards of Official Conduct expects to investigate thoroughly all the remaining allegations and to recommend to the House whatever additional actions, if any, are warranted.

I should point out to my colleagues that the provisions of clause 4(e)(1) of House Rule X empower the committee to conduct an investigation of alleged violations of the Code of Official Conduct or of any law, rule, or regulation of the House applicable to the conduct of Members, officers, or employees. However, during the 96th Congress, and, as is the case at the present, it was considered important by the Ethics Committee and the Committee on Rules to have a clear mandate from the full House of Representatives that the Ethics Committee pursue an investigation of Abscam and to permit the committee to use special procedures to facilitate the investigation.

The resolution we are considering today provides the Committee on Standards of Official Conduct the discretion of determining the scope of the inquiry and of making recommendations to the House regarding the adequacy of existing laws, rules, and regulations applicable to Members of Congress. In addition, the resolution grants the committee special procedural tools to facilitate its investigation into Abscam matters.

I should like to review these "special tools" for my colleagues. To begin, House Rule XI, which grants subpena power to House committees, does not specifically speak to the subpena of audio and video tapes. Since the audio and video tapes made during the Abscam operation were an integral part of the criminal proceedings and were used by the Ethics Committee in its investigation of both Representatives Myers and Jenrette, the resolution authorizes the committee to compel by subpena or otherwise, the attendance and testimony of any person at a hearing or at the taking of a deposition by one or more committee members, and the production of "things" of any kind, including, but not limited to, the audio and video tapes in question. In addition, the resolution grants the committee the authority to compel, by interrogatory, the furnishing under oath of such information it deems necessary to the investigation.

House Resolution 67 also further expands the subpena power of the committee beyond the provisions of clause 2(m) of House Rule XI. That rule requires a majority vote of a committee for the issuance of a subpena unless the committee delegates this power to the chairman. The resolution grants the chairman and ranking minority member acting jointly or alone, the authority to compel by subpena or interrogatory. Should either the chairman or ranking minority member decline to act, or if either is unable to act, the question of issuing a subpena or interrogatory may be referred to the committee for a decision as to whether to issue or the committee as a whole may choose to issue a subpena or interrogatory. Subpenas may be issued over the signature of the chairman or ranking minority member, or by any member designated by them.

The resolution further allows the committee to meet without regard to clause 2(m) of House Rule XI at any time or place within or without the United States whether the House is meeting, has adjourned or recessed.

The resolution also contains provisions authorizing the committee to negotiate agreements with the Department of Justice regarding the investigation and provides that the agreements shall not be inconsistent with applicable law or with any House rule unless otherwise provided by the resolution. During the 96th Congress, in accordance with the provisions of House Resolution 608, the Ethics Committee entered into just such an agreement with the Justice Department for the release of evidence prior to completion of criminal proceedings while at the same time protecting confidential information from premature disclosure. During his testimony before the Rules Committee, however, Chairman STOKES advised the committee that this authority to enter into agreements "* * * would not, however, relieve the committee of its obligation, under House Rule X, to seek approval of the House before turning over any information to the Department."

The resolution further authorizes the committee to participate, by special counsel appointed by the committee, on behalf of the committee or the House of Representatives in any judicial proceeding concerning this investigation including proceedings to enforce a subpena. Similar authority has been granted for other investigations as well as the investigations conducted by the Ethics Committee during the 96th Congress.

The resolution also makes clear that authorities conferred upon the committee by means of the resolution are in addition to the committee's authority under House rules. In addition, the committee is empowered to adopt special rules of procedure as may be appropriate, and also allows any funds subsequently made available to the committee to be expended in connection with the investigation.

Mr. Speaker, we are all painfully aware of what the repercussions of Abscam have meant to the honor and

integrity of this House. These special tools granted the Committee on Standards of Official Conduct will facilitate the investigation into the remaining allegations.

As elected representatives of the people, we would do well to adopt this resolution so that the committee can proceed with a clear mandate from the full House and the tools with which to conduct an expeditious and judicious investigation. I urge adoption of the resolution.

Mr. RHODES. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Texas has accurately explained the provisions of this resolution.

As many of my colleagues recall, last year the House began its own investigation of Abscam. Some of the work was delayed in order to avoid the possibility of any interference with the judicial process in motion at the time. Consequently, the Standards Committee was unable to complete this investigation prior to adjournment of the 96th Congress.

House Resolution 67 is identical to the resolution adopted last year and is necessary for the House to complete its investigation. Further, House Resolution 67 demonstrates our resolve to keep this House in order and to insure its integrity.

I urge adoption of the resolution.

□ 1600

Mr. FROST. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio (Mr. STOKES), for purposes of debate only.

Mr. STOKES. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I want, first of all, to express my gratitude to the members of the Rules Committee for their promptness in considering House Resolution 67 and for their unanimity in reporting it favorably. The members of the Committee on Standards of Official Conduct are also unanimous in their support of this measure, and I am hopeful that the full House will demonstrate similar support as it did in the last Congress.

As the Members know, House Resolution 67 is identical to House Resolution 608 of the 96th Congress which provided the overwhelming support of the entire House when we first commenced our Abscam investigation in March of last year.

This resolution is essential for several reasons, most of all, it is important that the House of Representatives demonstrate to the American people its continuing resolve to investigate allegations of wrongdoing by Members of the House. This committee takes serious its responsibility to continue the Abscam investigations which were begun in the 96th Congress.

As the Members also know, we had concluded a large part of that investigation when the last Congress expired. There does remain, however, some additional matters to be considered and in order that they be treated in a manner identical with what has gone before, we have adopted the same committee rules as were adopted in the last Congress and we now seek this identical overall House direction and authority.

In pursuing the investigation to date we have been careful to avoid interfering with the Justice Department's responsibilities and I might say here we have received excellent cooperation from them. All of the jury trials are now concluded and I am hopeful that we too can finish up this matter in the very near future.

Mr. Speaker, as we all know House rules are our basic authority for investigations. We have found, however, from this and earlier investigations that House rules, as they exist, do not contain certain procedural provisions necessary to make our investigations more effective and efficient.

It is these additional provisions for which we are seeking the authority in House Resolution 67. The most important of these would allow:

The taking of depositions by one or more members of the committee;

The subpenaing of "things" of any kind, including video tapes;

The requiring of information by interrogatory; and

The deeming of all information taken during the information gathering stage to be in executive session.

These tools are especially useful in an investigation, such as the one at hand, where there are a large number of allegations to be investigated in a short period of time.

The resolution would also empower the committee to continue to negotiate with the Justice Department and to enter into agreements with the Department. The resolution would not, however, relieve the committee of its obligation, under House Rule X, to seek the approval of the House before turning over information to the Department.

Finally, the resolution would allow the committee, by special counsel, to go into court if necessary.

Mr. Speaker, the Committee on Standards has always used its powers with great discretion. It may, in fact, find that the powers we seek here may be used only very sparingly, if at all. But experience and wisdom dictate that we are better off to be armed with these powers and not use them, than to be handicapped by not having the benefit of these powers in this important undertaking on behalf of the House.

Mr. Speaker, I urge the adoption of House Resolution 67.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. STOKES. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding.

Do I take it from the gentleman's remarks that some media reports that we had earlier this year that the gentleman was in favor of delaying certain activities of the committee, that those reports were erroneous?

Mr. STOKES. I would say to my distinguished friend, not only were they erroneous, but they were totally irresponsible.

Mr. WALKER. I thank the gentleman for that clarification.

There is nothing in the package that is being brought before us today which in any way would delay the work of his committee at getting about the job of pending investigations. Is that factually correct?

Mr. STOKES. I say to the gentleman that just the contrary is true. We need the authority that we are asking for in House Resolution 67 in order to be able to expeditiously complete this investigation.

Mr. WALKER. I thank the gentleman for that clarification.

Mr. RHODES. Mr. Speaker, I yield 5 minutes to the gentleman from Wisconsin (Mr. SENSENBRENNER).

Mr. SENSENBRENNER. Mr. Speaker, I rise in strong support of this resolution which is necessary to continue the Committee on Standards of Official Conduct's investigation into the Abscam matter.

I am concerned however of when the committee is going to bring forth a disciplinary recommendation against the gentleman from Pennsylvania (Mr. LEDERER.)

The gentleman from Pennsylvania (Mr. LEDERER), as we may recall, was convicted by a jury of certain felony offenses in the second week of January. I recognize that without this resolution the Committee on Standards of Official Conduct will have its hands tied behind its back to proceed in putting together a case against the gentleman from Pennsylvania (Mr. LEDERER) and bringing a recommendation to the floor.

But I wonder if the gentleman from Ohio (Mr. STOKES), the distinguished chairman of the Committee on Standards of Official Conduct, can give us some idea on when that committee will make a recommendation on the Lederer matter so that the House can do its will?

Mr. STOKES. Mr. Speaker, will the gentleman yield?

Mr. SENSENBRENNER. I yield to the gentleman from Ohio.

Mr. STOKES. As the gentleman knows, the gentleman having formerly served on the Ethics Committee in the past Congress, that under rule 14, which has been adopted by the Ethics Committee in this Congress, the fact

that the gentleman from Pennsylvania (Mr. LEDERER) had been convicted automatically triggered an investigation into his case.

We adopted the rules of the committee approximately 3 weeks ago, and from that point forward, then there has been an investigation into that matter.

It would be difficult for me to give the gentleman any specific timetable except to say that as he knows, the procedure under rule 14 is a truncated procedure and one that does not take a great deal of time.

Mr. SENSENBRENNER. Reclaiming my time, Mr. Speaker, I seem to recall that in the matter of Representative Michael Myers, that gentleman was convicted in Federal court at the end of August 1980. And the Committee on Standards of Official Conduct made its recommendation so that the House could vote to expel him in October 1980.

So approximately 6 weeks expired between the conviction and the House action.

Similarly in the last Congress, Representative Jenrette was convicted in October during the recess of Congress, and immediately upon reconvening of Congress in November, the committee began its actions and would have made a recommendation prior to the December adjournment if Representative Jenrette had not resigned.

So, in both of these cases, the committee consideration lasted somewhere in the neighborhood of 5 to 6 weeks. Could the gentleman from Ohio give us some kind of a ballpark figure on whether there will be a recommendation brought before this House, say, immediately following the Easter recess, which is about 6 weeks from now?

Mr. STOKES. If the gentleman will yield further, I would say to the gentleman that both of the other cases to which he has referred occurred during an ongoing Congress. In this case, we were to some degree handicapped with reference to any procedural action due to the fact that this Congress had not yet organized.

It was necessary, as the gentleman knows, for us to wait until such time as this Congress had organized and had appointed committee members before we were actually authorized to hold any committee meetings.

The gentleman knows as well as I do the approximate date of those particular organizational meetings.

We had the first meeting of the committee approximately 2 or 3 days after the committee had been officially constituted by the House, and at that time we adopted rules so that we might proceed in this Congress, prior to that time, there having been no rules to even proceed under with reference to any kind of investigation.

So, as I have indicated, this preliminary investigation has begun as a result of the triggering of rule 14 approximately 2 or 3 weeks ago, and I would say to the gentleman that in order to figure time that it probably will work in about the same amount of time that the other cases have worked now that we have actually begun the investigation.

Mr. SENSENBRENNER. Mr. Speaker, I thank the gentleman from Ohio for his remarks, and I am looking forward to voting on a recommendation from the Committee on Standards of Official Conduct relating to the case of the gentleman from Pennsylvania (Mr. LEDERER), some time shortly after the Easter recess.

Mr. FROST. Mr. Speaker, I yield 5 minutes to the gentleman from Texas (Mr. GONZALEZ) for purposes of debate only.

Mr. GONZALEZ. Mr. Speaker, I rise in order to be afforded an opportunity to raise some questions which we have not been heretofore given that opportunity, particularly at the time of the presentation of an almost identical resolution, so-called original Abscam resolution last year.

As I said, when the original resolution was presented, there was no debate. It was also a privileged resolution, and there was no opportunity to offer an amendment.

The reasons given for the resolution to begin with are quite inadequate except that there must have been some reason, and when I searched for that reason during the debate last year I discovered why.

It was section 6 as presently reincorporated and another section anterior to 6 which I notice has been changed.

It is about the only change, and where that one was a broad delegation of the privileges of the House, the exact wording was that the committee would have the right to intervene in any judicial proceeding.

Today I notice that language is changed a little bit. It says in any proceeding pursuant. The subject matter of this resolution. That is fine. But let us look at that section 6 and what it does. I was the only one voting "no" on the original resolution, and I am compelled to vote "no" again in case there is a recorded vote, for the same reason. And that is the pusillanimity—and I hate to use that word, but I cannot think of any other—in which we are through section 6 accepting secondary status as Members of the House when we are setting up categories of first-class, privileged Members of the House as compared to those who are not.

In section 6, we are talking about the committee being authorized to deny access to any member of the committee or Member of the House pursuant to an agreement entered into with the Justice Department.

Now, this goes back to the historical background of this type of provision.

You will remember that the so-called Abscam scandals in which Members of Congress were first mentioned agitated in raging form for months before this resolution was adopted.

Names were printed willy-nilly. Some of them, I must remind my colleagues, turned out to be very innocent. Nevertheless, their names were sullied, their reputations questioned, and under shadow to this date. All of that came out as a result of a leak from the Justice Department, which the Justice Department under the Attorney General then and the head of the FBI then and now said was going to be investigated. If they investigated it, they never rendered a report to any Member of the Congress.

□ 1615

It was a violation to have leaked that information out preparatory to even presenting it to a grand jury. We are getting ready to sanction that as a price for the committee to make a deal with the Justice Department to get some solicited information.

Section 6, in effect, says that if the Justice Department has a list of the Members of the House which might include or might not a member of the committee, including the chairman, they can deny this committee that information.

Now, what happened all last year and during the course of the Abscam considerations? How much of that information was selectively presented to the committee? What Member has been denied access to that, whether he is involved in an investigation or not? We do not know and I do not know that there are any rules that have been set up. For example, I have a question to ask. Suppose the Justice Department pursuant to an agreement turned over material——

The SPEAKER pro tempore. The time of the gentleman from Texas has expired.

Mr. FROST. Mr. Speaker, I yield 2 additional minutes to the gentleman.

Mr. GONZALEZ. I thank my distinguished colleague from Texas.

Suppose the Justice Department decides that it is the chairman of the committee that it does not wish to give information to. What happens then? Is there any awareness of the existence of such documentary or evidentiary material? We do not know.

Suppose it is a less fortunate member of the committee or the House in general that the Justice Department says, "We will give you this, provided they do not have access to that information."

Now, I ask you in the name of justice and self respect, if we were directing this type of action against any other citizen of the United States,

would we tolerate it without question? I do not think so, but we are doing it to ourselves as if we are saying, "Oh, under the pressure of proving our purity, we shall drag in the dust all prestigia, all basic constitutional rights;" and this is what is involved here, the right of access of information in what might be an adversary proceeding to the House for some Member. This is exactly the issue and it is just a shame that we do not have a chance to bring this up under more restrained circumstances, without rule narrowness that prevents an opportunity to offer an amendment; but be that as it might, I must ask this question.

What has been the procedure in the past? Who has made the determination that "X" member or "Y" member shall be denied access of information that the Justice Department might have?

Does my distinguished colleague and now chairman of the committee have any information along this line?

The SPEAKER pro tempore The time of the gentleman has again expired.

Mr. FROST. Mr. Speaker, I yield one additional moment to the gentlemen for purposes of securing an answer.

Mr. STOKES. Does the gentlemen yield?

Mr. GONZALEZ. Certainly.

Mr. STOKES. I would say to the gentleman that, of course, while I was not the chairman in the last Congress and have just been the chairman of this committee in the present session of Congress, to my knowledge there has not been any denial of access that was requested by any Member of Congress. That is, I am not personally aware of any Member having made such a request and having been denied.

Mr. GONZALEZ. Will the gentlemen tell me if there is not a possibility that such a thing could have happened, but my distinguished colleague might not necessarily know about it?

Mr. STOKES. I would certainly have to say to the gentlemen this could have happened without my knowledge; yes.

Mr. GONZALEZ. I thank the distinguished chairman.

These are the concerns I have, that section 6 is a clear signal to the Department of Justice with whom the Congress may develop an adversary relationship of obtaining Abscam material, that they may negotiate whether Congress has access to material to which it is constitutionally entitled, based on possible bias against individual Members.

Mr. RHODES. Mr. Speaker, I yield such time as he may consume to the gentleman from South Carolina (Mr. SPENCE).

Mr. SPENCE. I thank the gentleman for yielding.

Mr. Speaker, I rise in support of House Resolution 67. This is the same resolution, in effect, that was passed by this body in the last Congress.

My chairman has accurately and thoroughly explained the resolution. It is necessary that we have this resolution passed in order that we might proceed in an orderly fashion with the remaining cases involving Abscam.

I urge immediate passage of this resolution.

Mr. FROST. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. FRENZEL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant-at-Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 390, nays 1, not voting 41, as follows:

[Roll No. 14]

YEAS—390

Akaka	Burton, John	Dingell
Alexander	Burton, Phillip	Dixon
Anderson	Butler	Donnelly
Andrews	Byron	Dorgan
Annunzio	Campbell	Dornan
Anthony	Carman	Downey
Applegate	Carney	Dreier
Archer	Chappell	Duncan
Ashbrook	Chappie	Dunn
Aspin	Cheney	Dwyer
Atkinson	Chisholm	Dymally
AuCoin	Clausen	Dyson
Badham	Clay	Early
Bafalis	Clinger	Eckart
Bailey (MO)	Coats	Edwards (AL)
Bailey (PA)	Coelho	Edwards (CA)
Barnard	Coleman	Edwards (OK)
Barnes	Collins (IL)	Emerson
Beard	Collins (TX)	Emery
Bedell	Conable	English
Beilenson	Conte	Erdahl
Benedict	Conyers	Erlenborn
Benjamin	Corcoran	Ertel
Bennett	Cotter	Evans (GA)
Bereuter	Coughlin	Evans (IA)
Bethune	Courter	Evans (IN)
Bevill	Coyne, James	Fary
Biaggi	Coyne, William	Fascell
Bingham	Craig	Fazio
Blanchard	Crane, Daniel	Fenwick
Bliley	Crockett	Ferraro
Boggs	D'Amours	Fiedler
Boland	Daniel, Dan	Findley
Bolling	Daniel, R. W.	Fithian
Bonior	Danielson	Flippo
Bonker	Dannemeyer	Florio
Bouquard	Daschle	Foglietta
Bowen	Daub	Foley
Brinkley	Davis	Ford (TN)
Brodhead	de la Garza	Forsythe
Brooks	Deckard	Fountain
Broomfield	Dellums	Fowler
Brown (CA)	DeNardis	Frank
Brown (CO)	Derrick	Frenzel
Brown (OH)	Derwinski	Frost
Broyhill	Dickinson	Fuqua
Burgener	Dicks	Garcia
Gaydos	Lungren	Russo
Gejdenson	Marks	Sabo
Gephardt	Marlenee	Santini
Gibbons	Marriott	Sawyer
Gilman	Martin (NC)	Scheuer
Gingrich	Martin (NY)	Schneider
Ginn	Matsui	Schroeder
Glickman	Mattox	Schulze
Goldwater	Mavroules	Schumer
Goodling	Mazzoli	Seiberling
Gore	McClory	Sensenbrenner
Gradison	McCloskey	Shamansky
Gramm	McCollum	Shannon
Gray	McDade	Sharp
Green	McDonald	Shaw
Gregg	McEwen	Shelby
Grisham	McGrath	Shumway
Guarini	McHugh	Shuster
Gunderson	McKinney	Simon
Guyer	Mica	Skeen
Hagedorn	Michel	Skelton
Hall (OH)	Mikulski	Smith (IA)
Hall, Ralph	Miller (OH)	Smith (NE)
Hall, Sam	Mineta	Smith (NJ)
Hamilton	Minish	Smith (OR)
Hammerschmidt	Mitchell (MD)	Snowe
Hance	Mitchell (NY)	Snyder
Hansen (ID)	Moakley	Solarz
Hansen (UT)	Moffett	Solomon
Harkin	Molinari	Spence
Hartnett	Mollohan	St Germain
Hatcher	Montgomery	Stangeland
Hawkins	Moore	Stanton
Heckler	Moorhead	Stark
Hefner	Morrison	Staton
Heftel	Mottl	Stenholm
Hendon	Murphy	Stokes
Hertel	Murtha	Stratton
Hiler	Myers	Studds
Holland	Napier	Stump
Hollenbeck	Natcher	Swift
Holt	Neal	Synar
Hopkins	Nelligan	Tauke
Horton	Nelson	Tauzin
Howard	Nichols	Taylor
Hubbard	Nowak	Thomas
Hughes	Oakar	Traxler
Hunter	Oberstar	Trible
Hutto	Obey	Udall
Hyde	Ottinger	Volkmer
Ireland	Panetta	Walgren
Jacobs	Parris	Walker
Jeffords	Pashayan	Wampler
Jeffries	Patman	Washington
Jenkins	Patterson	Watkins
Johnston	Paul	Waxman
Jones (OK)	Pease	Weaver
Jones (TN)	Pepper	Weber (MN)
Kastenmeier	Petri	Weber (OH)
Kazen	Peyser	Weiss
Kemp	Pickle	White
Kildee	Price	Whitehurst
Kindness	Rahall	Whitley
Kogovsek	Ratchford	Whittaker
Kramer	Regula	Whitten
LaFalce	Reuss	Williams (MT)
Lagomarsino	Rhodes	Williams (OH)
Lantos	Richmond	Wilson
Latta	Rinaldo	Winn
Leath	Ritter	Wirth
Lee	Roberts (KS)	Wolf
Lehman	Roberts (SD)	Wolpe
Leland	Robinson	Wortley
Lent	Rodino	Wright
Levitas	Roe	Wyden
Lewis	Roemer	Wylie
Livingston	Rogers	Yates
Loeffler	Rose	Yatron
Lowery	Rostenkowski	Young (AK)
Lowry	Roth	Young (FL)
Lujan	Roukema	Young (MO)
Luken	Rousselot	Zablocki
Lundine	Roybal	Zeferetti

NAYS—1

Gonzalez

NOT VOTING—41

Addabbo	Evans (DE)	Huckaby
Albosta	Fields	Jones (NC)
Boner	Fish	Leach
Breaux	Ford (MI)	LeBoutillier
Crane, Philip	Hightower	Lederer
Dougherty	Hillis	Long (LA)
Edgar	Hinson	Long (MD)

Lott	Perkins	Rosenthal
Madigan	Porter	Rudd
Markey	Pritchard	Savage
Martin (IL)	Pursell	Smith (AL)
McCurdy	Quillen	Vander Jagt
Miller (CA)	Railsback	Vento
O'Brien	Rangel	

□ 1630

The Clerk announced the following pairs:

Mr. Addabbo with Mr. Railsback.
Mr. Breaux with Mr. Pritchard.
Mr. Jones of North Carolina with Mr. Rudd.
Mr. Rangel with Mr. Vander Jagt.
Mr. Perkins with Mr. LeBoutillier.
Mr. Ford of Michigan with Mr. O'Brien.
Mr. Long of Louisiana with Mr. Madigan.
Mr. Hightower with Mr. Lott.
Mr. Albosta with Mr. Hillis.
Mr. Vento with Mr. Philip M. Crane.
Mr. Savage with Mr. Dougherty.
Mr. Rosenthal with Mr. Leach of Iowa.
Mr. Huckaby with Mr. Fields.
Mr. Long of Maryland with Mr. Smith of Alabama.
Mr. Markey with Mr. Evans of Delaware.
Mr. Miller of California with Mr. Fish.
Mr. Edgar with Ms. Martin of Illinois.
Mr. Boner of Tennessee with Mr. McCurdy.
Mr. Pursell with Mr. Quillen.

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FROST. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolution just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

CONGRATULATING GOVERNMENT AND PEOPLE OF SPAIN ON COMMITMENT TO DEMOCRACY

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs be discharged from further consideration of the concurrent resolution (H. Con. Res. 85) congratulating the Government and people of Spain on their commitment to democracy, and ask for its immediate consideration.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

Mr. BROOMFIELD. Mr. Speaker, reserving the right to object, I do so in order to yield to the gentleman from Wisconsin (Mr. ZABLOCKI) for the purpose of explaining the purpose of this resolution.

Mr. ZABLOCKI. Mr. Speaker, I thank the gentleman from Michigan for yielding.

This is a noncontroversial resolution and a very timely one.

A number of countries throughout the world experience threats by both external and internal forces in their efforts to establish a democratic form of government. The response of Spain to one such recent threat is particularly admirable and encouraging.

As my colleagues know, Spain's commitment to democracy was put to the test with the seizure of the Spanish Parliament building by a faction within Spain's paramilitary forces. In attempting the takeover, the rebels made a crucial mistake in underestimating King Juan Carlos' strong and determined dedication to Spain's young democracy. His response to the rebels provides an inspiring example to those of us who place freedom above all else.

King Juan Carlos' extraordinary accomplishment, however, may not have been possible had the people of Spain and the military establishment not demonstrated their strong confidence in him and the democratic ideal he fought to uphold. Our best wishes therefore extend to all the citizens of Spain who share our belief in the democratic process. Let us all hope that the people of Spain will continue to work together to resolve their economic and social problems in a democratic manner.

Our pleasure with the outcome of this crisis extends beyond our concern for the people of Spain. It is in the U.S. national interest to be able to count Spain among our Western European Allies. Surely, we all look forward to the strong participation of Spain in NATO as we seek to fortify the Western alliance. Our Treaty of Friendship and Cooperation with Spain is another critical factor in defending U.S. security interests abroad. United States access to Spanish military facilities could prove essential in assisting us to guarantee the security and self-determination of our friends in the region. Therefore, the reaffirmation of Spain's young democracy serves both Western and Spanish interests.

It is for these reasons that I feel that congressional acknowledgment of the courageous actions of King Juan Carlos and the Spanish people is desirable. I therefore introduce today a concurrent resolution congratulating the Government and people of Spain on their commitment to democracy. The acknowledged support of the U.S. Congress will hopefully serve to advance the cause of democracy in Spain and the strengthening of United States-Spanish relations.

I would also like to thank the distinguished majority and minority leaders of the House, JIM WRIGHT and BOB MICHEL; the ranking minority member of the Committee on Foreign Affairs, Mr. BROOMFIELD; and the chairman and ranking minority member of the Subcommittee on Europe and the Middle East, Messrs. HAMILTON and FINDLEY, as well as Mr. BINGHAM for joining me in cosponsoring this resolution.

Mr. Speaker, I urge adoption of the resolution.

□ 1645

Mr. BROOMFIELD. Mr. Speaker, I thank the chairman for his explanation and, further reserving the right to object, I would like to make my own comments at this point.

Mr. Speaker, the new and fragile democracy of Spain has just survived a major test. King Juan Carlos and the people of Spain are deserving of our heartiest congratulations for turning back a coup attempt that would have destroyed Spain's fledgling democracy. It was a serious test of the country's democratic process and of the leadership of the King, a test that was fully met.

I am confident that out of this traumatic event will come an even greater appreciation of democracy and the need to protect it from its enemies.

The personal courage of King Juan Carlos, who made clear to the conspirators that "they would have to put two bullets in [him] before they took over" convinced the rebels that they were facing a determined adversary. His personal appeal to each of Spain's regional military commanders assured their loyalty and convinced them of his determination to keep Spain a democracy.

Having won the military commanders' support, he went on national television to assure the people of Spain that he would not tolerate the interruption of the democratic process by force.

The Spanish people's overwhelming and joyful demonstrations, shouting their support of "liberty, democracy, and the constitution," are evidence that Spain is committed to the democratic process.

The continued progress of Spain toward development of democratic traditions is important to the United States and other democracies. I want to express my heartfelt congratulations to the people of Spain and their elected Government and urge support for the resolution.

Mr. LAGOMARSINO. Mr Speaker, will the gentleman yield?

Mr. BROOMFIELD. Further reserving the right to object, I yield to the gentleman from California.

Mr. LAGOMARSINO. I thank the gentleman for yielding.

Mr. Speaker, I want to congratulate the chairman of the Committee on Foreign Affairs and the ranking minority member, the gentleman from Michigan (Mr. BROOMFIELD), as well as the majority leader of the House and

the minority leader of the House for sponsoring this resolution.

I think too often we think that because something happened it was bound to happen and now we say, well, the coup did not succeed, it failed, it was nothing to worry about. There was really nothing to it. It was not that great a threat after all.

That may be true in hindsight, but certainly when the King was there with the Parliament seized he had no way of knowing that. His action in going on television and challenging the military might, and at that time he did not know how strong it was or how many were committed to the coup, was an act of rare personal bravery and great statesmanship.

So I certainly think it is in order that we congratulate the King, the Government of Spain, and certainly, above all, the Spanish people for their strong commitment to democracy and in showing the way for many other countries in the world.

I ask that the resolution be supported.

Mr. BROOMFIELD. Mr. Speaker, I withdraw my reservation of objection and urge the passage of the resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin (Mr. ZABLOCKI)?

There was no objection.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 85

Whereas the lawless seizure of the Spanish parliament by insurrectionist elements of Spain's paramilitary forces constituted a threat to the continuation of democracy in Spain; and

Whereas King Juan Carlos' personal appeal to maintain respect for peaceful constitutional order in Spain indicates the depth of his support for stability and democracy; and

Whereas the commitment of the clear majority of Spain's armed forces to remain loyal to King Juan Carlos and the Spanish democracy was instrumental in restoring lawful control of Spain's parliament; and

Whereas large scale public demonstrations by the Spanish people indicate the broad base of popular support for constitutional democracy government in Spain: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that—

(1) the restoration of the normal business of the Spanish parliament in the aftermath of its outrageous military seizure symbolizes the strength of democracy in Spain and provides inspiration to all people everywhere who love freedom; and

(2) the continued democratic political development in Spain makes an important contribution to the foreign policy interests of the United States and the free countries of Western Europe.

SEC. 2. The Congress congratulates the government and people of Spain on their commitment to democracy and looks forward to the continuation and expansion of close and cordial relations between the United States and Spain.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the concurrent resolution just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

PERSONAL EXPLANATION

Mr. O'BRIEN. Mr. Speaker, when the vote was taken on House Resolution 67 I was unavoidably delayed.

I would like the RECORD to show that had I been here on time I would have voted "aye."

PRESIDENT'S TAX CUTS WILL HELP ECONOMY

(Mr. ROEMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ROEMER. Mr. Speaker, I believe the President of the United States is correctly attacking one of the prime causes of inflation and high interest rates in America by recommending sizable cuts in Federal expenditures. Each of our districts will suffer from the general and specific cuts.

I firmly believe, however, that if the cuts are deep enough and if they are combined with genuine tax reform and governmental deregulation, America can grow stronger economically again.

I ask only that the cuts be fairly distributed and concentrated in areas of obvious waste.

I am inserting in the RECORD today a speech that I gave 2 weeks ago to the Red River Valley Association in Louisiana regarding their key $1.7 billion water project. We in Louisiana, as I said then, are willing to sacrifice, but to make this recovery work we must all join together in a critical review of our budget, item by item, line by line.

REMARKS MADE BY CONGRESSMAN BUDDY ROEMER TO THE RED RIVER VALLEY ASSOCIATION, FEBRUARY 18, 1981

Our nation faces an economic crisis that can be resolved only if we break the inflationary psychology gripping us. The key to this victory is immediate progress toward fiscal restraint, governmental deregulation, and tax reform.

The President is in the process of recommending a number of Budget Cuts designed to reduce the deficit, lower interest rates and combat inflation. I will support the President in our fight to control the Federal Budget.

Although it will be some days before we receive the President's recommendations in detail, I expect that many Public Works projects, including Red River Navigation, could be cut back, perhaps sharply.

This belief is reinforced by early indications that many, many programs will be curtailed. For example, the Farmers Home Administration could be cut by more than 25%, the Rural Electrification Administration by more than 50%, the Department of Transportation by 15%, regulatory agencies by up to 50%, CETA by up to 30%, etc.

Unfortunately for your Association, Red River Navigation suffers not only from a national need to reduce expenditures but also from a marginally positive benefit-to-cost ratio—less than 1.2 to 1.0. This lackluster ratio is worsened by the discovery that the interest rate charged against this project is only 3¼%. At 5% the project is a toss up, and at 7½% the project is decidedly of negative benefit.

Fortunately, this marginal benefit-to-cost analysis is assisted when other, yet to be calculated, gains are measured. For example, hydroelectric power could be a major plus as oil and gas prices increase. Drinking water for urban areas is in my opinion more important than the Corps has heretofore calculated. Recreational development is difficult to measure, but is a definite plus. Rural development and minority participation should be aggressively pushed by your Association under former President Carter's 1980 program and could greatly boost the economic benefits from the project. Additionally, the rate competition with existing carriers will result in transportation savings for business and industry in the Red River Valley.

Finally, economic justification of the project would be enhanced if your Association would join with others and ask for a reasonable use fee structure to be implemented along the waterway. Such fees could be used to defer maintenance and construction costs and would adhere to a long tested free enterprise principle that those who benefit through the use of the project share the burden of the costs of the project.

Frankly, I-49 has a much superior claim to a portion of the limited dollars of the Federal government due to the gasoline taxes and fees deposited in the Highway Trust Fund ($11 billion at present). This money is dedicated by law to the completion and maintenance of the Interstate Highway System.

The Red River Waterway system could enjoy the same superior claim if it would join in the attempt to implement a reasonable fee structure for waterway use.

Since I am a member of the Public Works Committee, and in fact have just been appointed the 5th ranking Democrat on the Water Resources Committee, I look forward to a close working relationship with your Association. Please note that I am a skeptic when it comes to massive expenditures of our tax money without a close understanding of the economic benefits, without carefully thought out plans for maximum efficiency in making expenditures, and without

a sensitivity to the obvious needs of our nation.

The Red River project has been authorized by the U.S. Congress, but it should be constructed only as the nation's finances permit and as the project's economic benefits justify it.

There is much that the Red River Valley Association can do to develop the economic benefits relative to this project, and thereby make your long felt dream a reality.

MANDATORY PRISON SENTENCES FOR USE OF FIREARMS IN FEDERAL CRIMES

(Mr. ANDERSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ANDERSON. Mr. Speaker, I want to call our colleagues' attention to legislation I have introduced, H.R. 27, which, when enacted, will provide for a mandatory, minimum 5-year prison sentence on those individuals convicted of committing Federal crimes involving the use of firearms.

With the additional Members whose names are being added to H.R. 27 today, we have already secured over 100 cosponsors this year, just 9 weeks into the 97th Congress.

COSPONSORS OF H.R. 27

Anderson of California, AuCoin of Oregon, Bailey of Pennsylvania, Barnard of Georgia, Beard of Tennessee, Bedell of Iowa, Benjamin of Indiana, Bennett of Florida, Bevill of Alabama, Bonior of Michigan.

Brown of Ohio, Chappell of Florida, Coelho of California, Coleman of Missouri, Corcoran of Illinois, Corrada of Puerto Rico, Courter of New Jersey, Coyne, James of Pennsylvania, Craig of Idaho, Daniel of Virginia, Dannemeyer of California.

Davis of Michigan, de Lugo of Virgin Islands, Derwinski of Illinois, Downey of New York, Dreier of California, Duncan of Tennessee, Dwyer of New Jersey, Dyson of Maryland, Eckart of Ohio, Edgar of Pennsylvania, English of Oklahoma.

Ertel of Pennsylvania, Evans of Georgia, Fazio of California, Ferraro of New York, Forsythe of New Jersey, Gibbons of Florida, Gilman of New York, Ginn of Georgia, Glickman of Kansas, Gore of Tennessee.

Green of New York, Grisham of California, Harkin of Iowa, Hefner of North Carolina, Hightower of Texas, Hinson of Mississippi, Horton of New York, Howard of New Jersey, Ireland of Florida, Johnston of North Carolina.

Jones of Oklahoma, Kogovsek of Colorado, Kramer of Colorado, Lagomarsino of California, Lent of New York, Levitas of Georgia, Lowery of California, Lowry of Washington, McCloskey of California, McHugh of New York.

McKinney of Connecticut, Madigan of Illinois, Marriott of Utah, Martin of North Carolina, Mazzoli of Kentucky, Miller of California, Mineta of California, Minish of New Jersey, Mollohan of West Virginia, Murphy of Pennsylvania, Neal of North Carolina.

Panetta of California, Parris of Virginia, Pashayan of California, Pepper of Florida, Pickle of Texas, Price of Illinois, Rahall of West Virginia, Robinson of Virginia, Rudd of Arizona, Sawyer of Michigan, Schneider of Rhode Island.

Simon of Illinois, Smith of Alabama, Stangeland of Minnesota, Stark of California, Stenholm of Texas, Stump of Arizona, Trible of Virginia, Walker of Pennsylvania, Wampler of Virginia, Waxman of California.

Whitehurst of Virginia, Wilson of Texas, Wirth of Colorado, Wolf of Virginia, Won Pat of Guam, Wyden of Oregon, Young of Missouri, Zeferetti of New York, Burgener of California, Huckaby of Louisiana.

It is evident that through the broad bipartisan support H.R. 27 has attracted, this is an important, badly needed piece of legislation and an idea whose time has come. The law-abiding citizens of this Nation want the criminal to know that if he uses a gun in the commission of a Federal crime he will go to jail. They believe, as I do, that this will deter some potential criminals before they act. And those who go ahead and commit the crime, and are convicted, will not have the opportunity to soon repeat their offense. They will be in prison.

Results compiled by the GMA Research Corp., an independent national market and opinion research firm, indicate the nationwide support for mandatory sentencing. Among the many questions posed to 34,000 randomly selected law enforcement officers—including 14,000 chiefs of police, 3,000 sheriffs, and 17,000 rank-and-file policemen—3 specifically dealt with mandatory sentencing. The results are as follows:

First. If a law were passed demanding a mandatory prison sentence for all persons convicted of committing a felony with a firearm, what effect do you feel this would have on the crime rate?

[In percent]

Substantially reduce crime	43.5
Reduce crime somewhat	48.8
No effect on crime	7.3
Increase crime	.1
No opinion	.4
Grand total	100.0

Second. If a law were passed demanding a mandatory prison sentence for all persons convicted of committing a felony with a firearm, what effect do you feel this would have upon the crime rate amongst repeated offenders?

[In percent]

Reduce crime somewhat	81.6
No effect on crime	17.1
Increase crime	.3
No opinion	1.0
Grand total	100.0

Third. Which of the following policies do you feel would most effectively serve to reduce the crime rate with firearms?

[In percent]

Outlaw the possession, sale, importation, and ownership of all handguns	3.1
Impose the Federal registration of all firearms	4.4
Impose the Federal licensing of all firearms owners	4.0
Retain the laws presently in effect	5.5
Impose mandatory sentencing of firearms offenders	80.2
No opinion	2.2
Grand total	100.0

Mr. Speaker, the results clearly demonstrate that, among law enforcement officers, there is strong support for a mandatory sentencing approach to reduce our skyrocketing rate of violent crime. It is high time that we, as responsive elected officials, take the bull by the horn on this issue and quit coddling those who threaten the well-being of our constituents.

I would like to stress that this legislation has nothing to do with gun control but is rather a practical approach to crime control. Those who favor gun-control legislation are free to work for that, regardless of the status of H.R. 27.

I hope that more of my colleagues will join in sponsoring H.R. 27 which is directed at the criminal who abuses the gun; the individual who, through his own actions, jeopardizes the rights and lives of honest, law-abiding citizens. H.R. 27 does just that.

HIGH INTEREST RATES—THE REAGAN PROGRAM FOR CONTINUED RECESSION AND UNEMPLOYMENT

(Mr. ST GERMAIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ST GERMAIN. Mr. Speaker, the House Committee on Banking, Finance and Urban Affairs held its semiannual Conduct of Monetary Policy hearings last Thursday. Federal Reserve Chairman Volcker told the committee in those hearings that his money growth targets for 1981 will be even lower than those of 1980. These reduced targets mean that the American people will suffer through 1 more year with interest rates as high, or even higher, that the punishing rates of 1980.

Last year's stratospheric interest rates hurt many sectors of our economy, mainly housing, automobiles, small businesses, and, of course, most heavily, the working people of this country.

We all know the terrible year housing has experienced. Single-family home sales declined throughout 1980, and the first few months of 1981 give no indication that purchases are coming back to life. Yesterday the Commerce Department released figures showing that new home sales fell by 6.5 percent in January, and spokesmen for the Department blamed the drop on continued high interest rates.

Is it any wonder that more homes are not being built and sold when interest rates make moderate priced housing too expensive for middle-

income Americans? Today a standard 30-year mortgage for $55,000 would cost $850 per month at a mortgage interest rate of 16 percent—which people have to pay today in many parts of the country if they want a mortgage. Mr. Speaker, according to traditional bank calculations, at best 21 percent of American families could qualify for mortgages under those conditions. The results are obvious and devastating. The vast majority of working people of this country, cannot afford a home.

We all know what has happened to our automobile industry because of high interest rates. All major American automakers lost money last year, and it has been recently reported that Chrysler set a record for losses last quarter. Millions of autoworkers and workers in the auto supply industry are unemployed. In fact, the impact on cars has been so great that some refer to our recession as an "auto bust." Cars are highly discretionary purchases. People will put off buying new cars with interest rates at their current level. Continued high interest policies by the Federal Reserve and the Reagan administration could make 1981 the second consecutive disaster year for the automobile industry.

Less well known, but perhaps more harmful to our overall economic recovery efforts, is the effect of crushing interest rates on small businesses throughout the country. Small businesses account for the vast majority of new private sector jobs, Mr. Speaker. Yet in the midst of a so-called program for economic renewal, the administration has struck a monetary accord with the Federal Reserve Board which virtually guarantees another year of punishing interest rate levels. High interest rates helped to set a post-World War II record for bankruptcies last year, and the administration has told us they will continue those policies for 1981. Bankruptcies were up 58 percent in 1980, compared to 1979. This is the highest year-on-year increase in 35 years. Over 11,000 businesses closed their doors during 1980, and most of them were small businesses. Over 90 percent of those failures were businesses with less than $1 million in liabilities.

Small businesses are particularly vulnerable to high interest rates. They cannot borrow, even at the phantom prime rate, but they must borrow, at whatever rate, simply to maintain inventories.

The Banking Committee's Subcommittee on Domestic Monetary Policy will be holding hearings in 2 weeks, and one of its main concerns will be with the plight of small businessmen. With all the talk of vast reindustrialization programs, we must not forget that millions of small businessmen form the backbone of our economy, and that they operate on narrow profit margins which are squeezed even tighter by high interest rates.

But while industry and business are hard pressed by high interest rates, the ultimate burden falls on the workers who are thrown out of work as the recession gains steam. To even think of increasing the recessionary pressures on the economy, in the face of 8 million unemployed workers, is a heartless and cynical turning from the goals of full employment to which this country is allegedly dedicated. I am not sure what President Reagan and Chairman Volcker feel these workers have done that justifies their sacrifice so that the rest of us may live easier, but I am sure that we cannot stand by idly while the Government turns the screws one more time, and squeezes 1 million more people onto the unemployed lines during 1981.

Mr. Speaker, there is no easy answer to this problem of monumental interest rates. We cannot, as some would have us do, simply bring rates down 10 percent overnight. Interest rates must come down as the general economic outlook improves during the next few years. But the least we can ask of the Federal Reserve Board, and of the Reagan administration, in their new monetary record, is that they do not compound the tight money policies of the past year by further slowing the growth of money for 1981, thus bringing on even higher interest rates for the coming year.

The Federal Reserve told us last week that they predicted unemployment could rise by over 1 million people in 1981—to over 9 million people. The leading economic indicators for the most recent months are uniformly down. Yet the Federal Reserve is telling this country that it will continue to pursue recessionary policies in the face of a declining economy. Many economists predict renewed interest rate pressures from these policies, toward the end of the year. These pressures could drive interest rates into the mid-twenties. This may be good news for large banks, and those lucky enough to afford $10,000 Treasury bills. But for the millions of people who work for $10,000 to $15,000 a year, it means 1 more year of trying to survive. For thousands of other workers and small businesses it will mean the year they will stop participating in the economy altogether—they will become unemployed or go bankrupt.

IN SUPPORT OF THE POSITION OF ASSISTANT SECRETARY FOR TERRITORIES

(Mr. SUNIA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SUNIA. Mr. Speaker, the territories are waiting, and wondering, with a great deal of hope, that the President and the Secretary of the Interior will not downgrade the level of Territorial management to that of an office director. There are reports that the post of Assistant Secretary for Territorial Affairs at the Interior Department may soon become victim to the cuts.

In the near 100 years that we have been a territory of the United States, the most significant recognition that has come our way, in the way of management of our concerns, was the elevation of the manager of those concerns from that of an office director to that of Assistant Secretary.

The very size of our Federal Government, and the intricacies of overlapping and intertwining agency responsibilities, make it extremely difficult for small entities, like our territory, to work out their problems. It was indeed a stroke of wisdom when they elevated the position of the Territorial Director to that of Assistant Secretary last year. Congress approved, because Congress realized that the manager of our concerns has to have standing that can cut through redtape.

I stand here to testify to the marked change in management of our affairs, when the job was given to an advocate with a clout. Now we hear reports that we may lose the recognition and the clout to cuts. That in my view, Mr. Speaker, would be a sad and serious mistake.

I say these words without disrespect to the abilities and the integrity of the men and women who have served us well and ably in the post of Director of Territories, but the honest truth is, Mr. Speaker, their efforts were continuously frustrated because they lacked high authority. For in addition to cutting their way through Interior itself, they must also carry some recognition when they advocate our concerns with other departments and agencies. That is very important.

Finally, Mr. Speaker, we as a territory, are indeed "America" in the South Pacific. We are all that is American in the south seas. Surrounding us are all kinds of islands that have become independent or are in various states of such development. While we have no such aspirations, I certainly would like to remind you and my colleagues here of the indignity of having to face those neighbors with a reduced status of Federal recognition. I would much rather not go to those South Pacific conferences and interisland get-togethers any more. They will just look at us as being some program managed by an office director somewhere in Interior.

I know some people will say that these views lead to the establishment of a post that is an unnecessary expense. I do not make these comments because I have some complex, Mr.

Speaker. I make them because they are important and real. And I am not alone. Members of this body who have dealt with Territorial problems for years and possess wide experience about these matters, have expressed views similar to mine, and supportive of the continuation of the Assistant Secretary post.

In conclusion, let me voice a truth we all know and must appreciate. The Secretary of the Interior never has enough time for the territories. No one complains about that because we all recognize that there are issues of greater national implication to which he must direct a great deal of his attention. For us, that is fine. Let us have the Assistant Secretary; that is good enough.

We must not forget that we are governed by Governors elected by the people, and by legislatures elected by the people. Do we not deserve relationship to the secretarial level? I think we do, sir. And I think the administration will find that this suggestion will work to the benefit of the territories as well as the Federal agencies concerned. Thank you.

INTRODUCTION OF FOREIGN TRADE ANTITRUST IMPROVEMENTS ACT OF 1981

(Mr. RODINO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RODINO. Mr. Speaker, I am introducing today, along with the gentleman from Illinois (Mr. McCLORY), the Foreign Trade Antitrust Improvement Act of 1981, a bill to amend the Sherman and Clayton Acts to clarify the international application of U.S. antitrust laws.

During the past several years the U.S. position as a competitive international trading nation has eroded. Our position is not nearly as dire as some suggest but the staggering increases in oil prices throughout the last decade have clearly ended the era when the United States could persistently maintain a large trade surplus. Other factors, such as elimination of the fixed monetary exchange rate and increased competition for high-technology markets, have heightened this problem. There is a manifest need for more aggressive, competitive participation by American firms in the international marketplace.

Business representatives frequently claim that the uncertain international reach of the antitrust laws has prevented desirable participation by American producers in the export market. Specific complaints identify the uncertain status of joint ventures and the failure of the Webb-Pomerene Act to exempt export trade associations providing services as significant problems. This bill will resolve those difficulties.

The Supreme Court has held that section 7 of the Clayton Act applies to joint ventures when the participants form a separate corporation and purchase the new venture's stock. Section 7 prohibits acquisitions that may substantially lessen competition and attacks potentially anticompetitive market concentration in its incipiency. Businessmen must, therefore, exercise caution when forming such ventures. This bill would exempt joint ventures that are limited to export trading.

This does not mean that export-related joint ventures are free of all antitrust restrictions. They remain subject to the Sherman Act, but the stringent "incipiency" standard of section 7 would not apply.

The bill also modifies the Sherman Act to more clearly establish when antitrust liability attaches to international business activities. The Sherman Act prohibits restraints of trade or commerce with foreign nations. This bill will establish that restraints on export trade only violate the Sherman Act if they have a direct and substantial effect on commerce within the United States or on a domestic firm competing for foreign trade. It allows American firms greater freedom when dealing internationally while reinforcing the fundamental commitment of the United States to a competitive domestic marketplace.

Foreign entities, including sovereigns, may currently sue American firms that restrain trade abroad even if the activity has no domestic impact. This amendment would eliminate that possibility. There would be no violation unless the restraint on export trade has a direct and substantial effect on American commerce or competitors.

The major deficiency of the Webb-Pomerene Act would be corrected by this amendment to the Sherman and Clayton Acts. Associations exporting services will not violate the Sherman Act unless they engage in activities that have the proscribed domestic effect.

The intense interest in export promotion has generated numerous legislative proposals during the last several years, some of them incorporating a certification process which could require clearance by a number of different Government agencies. I am concerned about the prospect of increasing Government regulation at a time when the costs of regulation and added bureaucracy are uppermost in all of our minds. Indeed, the burden of an application process, the disclosure it may require, and the constant risk of Government intervention and regulation may impede, rather than stimulate, exports. The bill I am introducing today provides the certainty potential exporters desire without imposing undesirable governmental intervention. Mr. McCLORY has joined me as a cosponsor of this bill. I welcome his support and believe this approach, which directly attacks the problem of uncertainty without creating a needless bureaucracy, will enjoy bipartisam support.

It would be unwise in my opinion to expect any modification of the antitrust laws to expand the U.S. export trade dramatically. No antitrust exemption can eliminate the added costs and risks of dealing in foreign markets. Ultimately, only increased productivity and efficiency will insure American producers a significant role as competitors in the international marketplace. At the same time, the uncertainty of antitrust constraints has remained a strong concern to potential exporters; that concern is remedied by this bill. Those engaged solely in export trading activities need not be concerned about the antitrust laws so long as their activities do not have a substantial adverse effect on domestic commerce or competitors.

INTRODUCTION OF THE FOREIGN TRADE ANTITRUST IMPROVEMENTS ACT OF 1981

(Mr. McCLORY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCLORY. Mr. Speaker, the Foreign Trade Antitrust Improvements Act of 1981, which I am cosponsoring today with Mr. RODINO, squarely addresses the complaint voiced by American exporters and potential exporters that their actions are inhibited by uncertainty regarding the scope and effect of our antitrust laws, and it does so without establishing a bureaucratic apparatus which would confer antitrust immunity at an uncertain cost in Government redtape and possible anticompetitive domestic effects. By clarifying the law, it will especially help those small- and medium-size businesses which many are convinced have the greatest potential for making a significant contribution to our volume of export trade.

While our 1980 trade deficit declined from the previous year, from $29.384 billion to an estimated $26.735 billion, the deficit obviously remains an extremely serious problem which must be overcome by the concerted efforts of our exporters, our labor force, and our Federal Government, including this Congress. Some exporters have expressed concern about the extraterritorial reach of U.S. antitrust laws and their application to certain types of international transactions, although a comprehensive study of export disincentives published last year by the Department of Commerce and the Office of the Special Trade

Representative expressly did not include the antitrust laws among the major export trade disincentives, and no specific instances of those laws unduly restricting exports were shown. I believe that that concern, which is fundamentally born of uncertainty, should be greatly alleviated by the prompt passage of this legislation. It is abundantly clear, of course, that the major disincentives which have been identified, such as taxation of foreign earned income, export controls, the Foreign Corrupt Practices Act, and other significant factors will also have to be dealt with by this Congress, and I anticipate giving my support to measures which appropriately address these problems.

The Foreign Trade Antitrust Improvements Act would amend the Sherman Act, which prohibits restraint of trade or commerce with foreign nations, to provide that it "shall not apply to conduct involving trade or commerce with any foreign nation unless such conduct has a direct and substantial effect on trade or commerce within the United States or has the effect of excluding a domestic person from trade or commerce with such foreign nation." In other words, no violation will lie unless the restraint on export trade has a direct and substantial effect on our domestic commerce or on a domestic competitor. This legislation will send to the export business community the clear signal that it appears to need in order for it to compete with greater confidence and freedom of action in the international marketplace, and it should also help to deter unjustified private and governmental actions against exporters. It has the great merits of clarity, brevity, and effectiveness. In my judgment, the proper response to exporters who feel that the law is unclear is to clarify the law rather than to establish complex bureaucratic licensing procedures. Such procedures in themselves may prove to be as intimidating to the small exporter as the perceived lack of clarity in the law is today.

I find it fundamentally unfair that under section 4 of the Clayton Act, foreign persons, including sovereign nations, may bring actions against American firms for restraint of export trade even though their conduct has no domestic ramifications. Many of these, including Germany, Austria, and the European Community, have domestic-effects standards in their own antitrust laws which allow their own citizens to restrain trade in purely export activities, and many more have no antitrust laws whatsoever to which Americans may have recourse. The former can hardly complain if we make a domestic-effects standard part of our own statutory law, and the latter may be inspired by this legislation to enact their own antitrust laws, a not unwelcome development to anyone who cares about competition in the marketplace. After enactment of the Foreign Trade Antitrust Improvements Act, direct and substantial effects on our domestic trade or commerce or the effect of excluding a domestic competitor will have to be found in order for a foreign sovereign or other entity to bring an action in our courts.

The bill also amends section 7 of the Clayton Act, which prohibits acquisitions which may be anticompetitive or tend to create a monopoly, to exempt from that section "joint ventures limited solely to export trading, in goods or services, from the United States to a foreign nation." The existing very stringent statute may have prevented some American companies in competition with each other from forming joint ventures to compete for overseas business. The bill eliminates section 7 as an impediment to the formation of such useful and necessary combinations, while preserving review under the Sherman section 1 restraint-of-trade standard as amended.

It remains to be noted that this legislation responds to a major criticism of the Webb-Pomerene Act by allowing export trade associations to export services as well as goods, wares, or merchandise, subject to the constraints of the Sherman Act. The inclusion of services within the coverage of Webb-Pomerene was an important recommendation of the National Commission for the Review of Antitrust Laws and Procedures, on which I was privileged to serve.

Mr. Speaker, I regard this legislation as an important proposal which will contribute to the reduction of our trade deficit in years to come through its encouragement of more effective export trade efforts by American firms. In conclusion, I would point out that this measure is being introduced today by both the chairman and the ranking minority member of the Committee on the Judiciary. With this initial bipartisan sponsorship, I am encouraged to believe that this bill will attract the widespread support from both sides of the aisle which I strongly believe it deserves.

HOUSE EXPORT CAUCUS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 60 minutes.

(Mr. ALEXANDER asked and was given permission to revise and extend his remarks and to include extraneous matter.)

Mr. ALEXANDER. Mr. Speaker, for the last several years I have been chairing the Export Caucus in the House of Representatives. Yesterday, the House Export Task Force held its organizational meeting for 1981 to elect new officers. They are the Honorable DON BONKER, chairman; the Honorable LES AUCOIN, first vice chairman; the Honorable BILL FRENZEL, second vice chairman, and myself, secretary.

The executive committee is to be announced at a later date.

My initial concern in organizing this caucus was that the United States was not active enough in trying to build markets abroad for American products and services. My district in Arkansas depends very heavily on export markets for the sale of Arkansas products and it is of fundamental concern to my constituents that our export channels be as open and efficient as possible.

During my travels abroad and my conversations with Americans living in many overseas countries, I have become aware of several new dimensions to a larger issue that embraces the export question. This issue is how to strengthen the overall role of the United States in the economic, political, and ideological marketplaces of the world.

There is a strong perception at home, and particularly abroad, that something is gravely amiss in our present approach to defining our Nation's proper role in the world today. One proposed solution to this perception of inadequacy is to increase our spending on armaments and strengthen our Armed Forces. I have no quarrel with such advocates, but I do question the extent to which they have considered all of the elements that enter into the complicated calculus of the national interest and its promotion and protection abroad.

Mr. Speaker, it is my conviction that the greatness of our country is defined and manifested by the efforts of our individual citizens. The projection of our ideals and the demonstration of the productivity of our renowned pragmatism comes to those abroad through the efforts and influence of our citizens who live and work abroad. It is in the day-to-day life of our private citizens abroad that the most fundamental aspects of the promotion and defense of the national interests of the United States are carried out.

When I examine the myriad problems facing our American citizens who live abroad, I am dismayed by the evidence that the United States does not have a coherent policy position in regard to how such citizens should be treated while they are away from home, and what competitive standing they should have when they confront citizens of other countries in the most vital markets of the world.

I am very dismayed by the fact that the United States alone has chosen a tax philosophy in regard to our citizens abroad which guarantees that American citizens will always have a competitive disadvantage no matter where they live abroad. Some recent

attempts have been made to alleviate certain aspects of this competitive disadvantage, but no proposal yet introduced would bring the overseas American to full equality with competitors from other nations.

It is for this reason, Mr. Speaker, that I will introduce a bill to transform our tax approach toward our overseas citizens from one based upon citizenship to one based upon the locus of residence of such citizens. This is precisely the philosophy and practice of all of our competitors abroad. And, it is important to add that upon the enactment of this legislation, the overseas American would not enjoy any competitive advantage over citizens of any other country abroad, but would no longer suffer severe competitive disadvantage as now is unfortunately the case in so many of the most critical areas of the world.

The American entrepreneur abroad does more to build respect and admiration for the free enterprise system than all the tanks and airplanes we could ever deploy. The thoughtful and dedicated overseas American does more to bring about a better understanding of our political ideas and institutions than all of the propaganda expenditure we might be tempted to use as a substitute. The economic development of the rest of the world, and the creation of markets for American products, are fostered more by dedicated U.S. entrepreneurs than by all of our bilateral and multilateral assistance programs combined.

What I am saying, Mr. Speaker, is that the best possible weapon we could deploy to build a stronger America, to assert global leadership and help make a better world is to unleash the reins that we have used to restrain and frustrate our own citizens.

Capitalism will produce a better life for the underdeveloped nations than communism if allowed to compete equally.

At the same time we will be increasing our exports and creating jobs for our own constituents at home. Our present policies have unwittingly been doing the Kremlin's work in reducing the size and the effectiveness of our American private citizen presence abroad. It is time we took a better look at the way we have been treating our overseas citizens and analyzed their contribution from the perspective of how appropriate they are to the furthering of all of our long-term goals throughout the world. I am convinced that all such analyses will conclude that we must help, not hinder, our best resource abroad, our own people, the American citizen abroad.

Mr. Speaker, I urge all of my colleagues on both sides of the aisle to give careful consideration to my proposal for reform of our present tax practices which could bring such bountiful rewards to all Americans at home and abroad.

In addition to this needed reform of our tax practices, we should also focus on other issues which make it difficult for Americans to live and represent us overseas. We should address as a matter of urgency the following additional questions:

Assuring that children born abroad to an American citizen parent are not deprived of their U.S. citizenship;

Assuring that Americans working abroad receive the social security and medicare benefits which they are paying for while abroad; and

Assuring that children living abroad are not being unnecessarily deprived of educational benefits under the various Federal benefit programs now in existence.

One means of assisting the Congress in better understanding the complex problems that face our American citizens living abroad, and in helping us to identify the most appropriate means of solving them, would be to establish a nonvoting delegate in the House of Representatives to be elected by, and to represent the 2 million Americans now living abroad. I shall be introducing legislation in a few days to accomplish this representation.

Mr. Speaker, my 4 years as chairman of the House Export Caucus have taught me many things. The international marketplace is complex and ferociously competitive. We must make a much more energetic effort to understand this competition and we must insure that our own citizens have the best possible competitive standing in this market. We must act now.

I look forward to working with Chairman BONKER and the other members of the task force.

As one of the duties of the outgoing chairman I would like to summarize the history of the Export Task Force for the benefit of my colleagues.

On September 21, 1978, I, along with 13 of my colleagues representing 5 committees formed the House Export Task Force (ETF). The original task force consisted of myself, TOM FOLEY, CLEMENT ZABLOCKI, Al Ullman, HENRY REUSS, JONATHAN BINGHAM, John Slack, STEVE NEAL, JIM JONES, BILL FRENZEL, DAN AKAKA, BARBER CONABLE, LEE HAMILTON and Charles Vanik.

At a luncheon that day, we voted to organize as the Export Task Force in order to provide a forum for all Members of the House who are members of committees having jurisdiction over foreign trade issues or who have an interest in foreign trade to assemble regularly to share information, ideas, and goals on how best to resolve foreign trade matters.

Since that time the Export Task Force has added LES AUCOIN, our new first vice chairman, SAM GIBBONS, JOHN LAFALCE, DON BONKER, the new chairman of the Export Task Force, FRED RICHMOND, IKE SKELTON, GILLIS LONG, and TONY COELHO. Over a year later in 1979, the Senate acted to form the Senate Export Caucus, giving further credence that the House acts and the Senate reacts.

Early in 1979, I and other members of the ETF in order to get a handle on trade problems which would face the 97th Congress arranged with the Congressional Research Service (CRS) of the Library of Congress a series of dinner/seminars.

The first of these CRS/ETF meetings was held February 27, 1979, on "The U.S. Trade Deficit: Diagnosis and Prescription." Speakers were Ralph Bryant, a senior fellow with the Brookings Institution and Larry Fox, vice president for International Affairs of the National Association of Manufacturers. Al Reifman, a CRS senior specialist in international economics, served as moderator.

The second session was held June 12, 1979, on "Federal Export Policies and Programs," John Babson of Ingersoll-Rand and Vincent Rocque, director of the Anti-boycott Compliance Staff were the main speakers. George Holliday, an analyst in international trade and finance with the CRS moderated.

Our third session of the ETF dinner/seminar series was held July 31, 1979. Arthur Downey, former Deputy Assistant Secretary of Commerce for East-West Trade and John Hardt, senior specialist in Soviet economics at CRS were our speakers and George Holliday again moderated.

The fourth meeting in our series was entitled "The Department of Trade Proposals" held on September 28, 1979. The speakers were Eric Hirschhorn of the Office of Management and Budget, Bill Morgan of the Joint Economic Committee, and Bob Russell of the Senate Banking Committee. Ray Ahearn, an economic analyst at CRS, moderated.

Our last seminar was "Agricultural Export Potential" held November 27, 1979. The speakers for this last session were William R. Pearce, corporate vice president of Cargill, Inc., and Alan Middaugh, president of the U.S. Meat Export Federation. James H. Starkey, Deputy Under Secretary of Agriculture, moderated.

With the conclusion of the dinner/seminar series many ETF members suggested continuing to meet over breakfast, lunch, or dinner to discuss pertinent issues.

For example, our colleague, JONATHAN BINGHAM, briefed the ETF membership and staff on the Export Administration Act Amendments of 1979. JON's presentation was helpful and valuable and led to a solid block of support for his efforts on this legislation.

On February 21, 1980, the ETF met with representatives of the Boeing Corp. to discuss necessary steps for the aerospace industry to be competitive in exporting. J. B. L. Pierce, the treasurer of Boeing, and Clyde Summerville presented an excellent testimony before the ETF on this issue.

On February 20, 1980, the ETF met Herta Seidman, the Assistant Secretary for Trade Development. As a head of a new department, the ETF was anxious to hear her plans for the department.

On March 12, 1980, the ETF met with Reginald Jones, Chairman of the President's Export Council. Reg apprised us of PEC activities and interests. This led in turn to PEC-congressional cooperation on such topics as shippers' export declarations, implementation of the MTN agreements, and normalization of trade with China.

On May 22, 1980, the House ETF met with the chairman of the Senate Export Caucus to discuss export trading company legislation. Robert Herzstein, Under Secretary for International Trade of the Department of Commerce and Robert Hormats, the Deputy USTR were also on hand to give the administration's viewpoint on the bill.

Finally on June 26, 1980, Herta Seidman again appeared before the ETF to learn what steps had been taken at Commerce to promote trade development.

Because the ETF has such a limited budget all reports and so forth were filed in the CONGRESSIONAL RECORD. This was done so that not only Members would have access to the information but also the public at large. These articles and reports can be found under the title "Export Task Force" article series found in the index of the CONGRESSIONAL RECORD.

With Chairman BONKER at the helm and with our new officers I am convinced that the ETF will continue to exert a positive influence on the trade balance and on export legislation here in Congress. Although I am no longer chairman of the ETF, I certainly intend to maintain an active role under Chairman BONKER's guidance.

These are several other initiatives I hope the ETF will pursue and, of course, I am always willing to assist other Members with their export-related bills.

Another area of concern is the export trading company legislation. The ETF has been very active with export trading companies. SAM GIBBONS, DON BONKER, JOHN LAFALCE, and LES AUCOIN, all ETF members, have introduced export trading company legislation. We all agree that enactment of this legislation will provide small- and medium-size companies with the capacity and resources to enter the export arena.

Mr. BINGHAM. Mr. Speaker, will the gentleman yield?

Mr. ALEXANDER. I yield to the gentleman from New York.

Mr. BINGHAM. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I am pleased to join with the other members of the House Export Task Force in commending our colleague from Arkansas, BILL ALEXANDER, for the fine work he did in the 96th Congress as task force chairman, and to congratulate the gentleman from Washington (Mr. BONKER) for his selection and willingness to serve as task force chairman in this Congress.

Internationally, the U.S. economy today is stronger than it has been for some years. We experienced a significant surge in exports of U.S. manufactured goods in the last half of 1980. Although we continue to have a rather large trade deficit, we actually have a slight surplus in our international economic position as measured by the current account, which includes what we receive from tourism, the export of services, remittances from our foreign investments abroad, and so forth. This, I might note, is in marked contrast to countries like Germany and Japan which, although we think of them as very strong and competitive countries economically, are actually experiencing rather large deficits in their current accounts. As a result, the dollar has regained much of what it lost in value over the past few years compared to other national currencies. The dramatic decline in the value of gold in the past few weeks is another indication of the current relative strength of the dollar.

So, on the one hand, Mr. Speaker, there is no need for panic with respect to our international economic position. We should not be persuaded by alarmists who suggest that the United States cannot compete effectively for exports and international business without costly Government subsidies for exports and without the repeal of constraints on exporters designed to protect our national security, further our foreign policy, and assure that American trade does not become entangled in illicit practices such as bribes and boycotts.

On the other hand, we cannot afford to be complacent about our international economic position, and about our effectiveness as an exporting nation. We are no longer the only major modern industrial nation in the world, as we were in the immediate postwar decades. The very strength of the dollar makes our products relatively more expensive for foreign buyers. Especially while we continue to require large amounts of foreign oil costing more than $40 billion a year in foreign exchange, we must be aggressive exporters. Some of our industries are far less competitive than they have been in the past due to such factors as outdated equipment, inadequate investment of capital in innovative product lines, poor labor-management relations, low productivity, and the desire of American investors for short-term profits. We must find the means to remedy these problems, and to do so promptly—before we have completely lost major foreign markets that took many years to develop and will take many years and great effort to recapture.

The Subcommittee on International Economic Policy and Trade, which I have the honor to chair, intends to be active in this Congress in examining possible U.S. export problems, and in seeking means of improving our international competitiveness. On March 19, for example, the subcommittee plans to examine the international position of our commercial aircraft industry. That industry over the past several decades has contributed substantially to our exports. Although it is commonly thought of as a highly centralized industry, with only two or three giant manufacturers, those major manufacturers in fact purchase components and services from thousands of small businesses. There are some signs this important industry may be on the verge of losing to foreign competitors its predominant position in international markets. If that is the case, we must assess the reasons and implications for the U.S. economy and our foreign policy.

Ultimately, Mr. Speaker, our need to remain a competitive and effective exporting nation requires that every Member of Congress be fully aware of and consistently assess the impact on exports of every relevant piece of legislation brought before the House. That, I believe, is the contribution that the Export Task Force should and has begun to make. Indeed, I feel that a worthwhile activity for the task force in this Congress would be to prepare and circulate to all House Members a brief export impact assessment for each piece of legislation and major amendment that comes to the floor having any direct effects on U.S. exports. Such an assessment would better enable Members to take export consequences into account in their voting decisions.

Mr. Speaker, I look forward to working with the new chairman and members of the Export Task Force in this Congress, and I urge other Members to join the task force as a demonstration of their recognition of the importance to our economy and to employment of a vigorous export sector, and as a means of obtaining more information on the export effects of the decisions we will be making in this Congress.

□ 1700

Mr. FRENZEL. Mr. Speaker, will the gentleman yield?

Mr. ALEXANDER. I yield to the gentleman from Minnesota.

Mr. FRENZEL. Mr. Speaker, as a member of the executive committee of the Export Task Force, I would like to thank retiring chairman and founder of the task force, the distinguished gentleman from Arkansas, BILL ALEXANDER, for his efforts on the task force and for his efforts again today to acquaint our colleagues with the task force and with some issues it will tackle in the next 2 years. I urge my colleagues to join and participate in this effort, which has as its primary mission the promotion of U.S. exports.

While export promotion may sound like a noncontroversial effort, it is not. Our Government has over the years made exporting so difficult that many companies either give up or never begin to export. We have an elaborate set of disincentives that have deterred many. We also have few incentives which would encourage new exporters. For most companies exporting is not an easy matter, especially those which cannot afford overseas sales representatives and offices. It is difficult to learn how other countries conduct their business affairs and how to market products for sale overseas. In addition, competition from abroad has mounted tremendously to the point where many U.S. businesses do not care to compete in the international marketplace.

I hope to do my part through the task force toward making exporting easier and more profitable for U.S. businesses. One of the first pieces of legislation we should tackle toward that end is a trading companies bill which will make exporting easier to small- and medium-sized businesses. Other priorities of mine are changes in the Foreign Corrupt Practices Act, our section 911 laws regarding taxation of U.S. citizens abroad, export financing, a better export incentive as an alternative to DISC, better government exporter services to U.S. companies, more congressional oversight to solve some of the many problems businesses have with issuance of export licenses, accelerated depreciation on capital investments, beefing up our overseas foreign commercial service, examination of the international application of U.S. antitrust laws, and R. & D. tax credits.

Export promotion always seems to be a low priority here in the Congress as we continue to react to crises. However, the mounting trade deficit is a real crisis in this country, and the best way we can counteract this travesty is to encourage U.S. sales abroad.

Increased exports will also solve many of our unemployment problems. I am disturbed at how many of my colleagues prefer to spend their efforts limiting imports to save jobs rather than to increase exports which will accomplish the same purpose at far less disruption to our relations with our trading partners.

I look forward to working with my colleagues on the Export Task Force to remove some of the exporting barriers we now face, to add needed incentives, and to restore the United States to its former position as the leading competitor in the international marketplace.

Mr. ALEXANDER. I appreciate the thoughtful remarks of my colleague, the gentleman from Minnesota, and I urge all of my colleagues on both sides of the aisle to give more careful consideration to this proposal for reform of our present tax practices which could bring such bountiful rewards to all Americans, both at home and abroad.

Mr. BONKER. Mr. Speaker, will the gentleman yield?

Mr. ALEXANDER. I yield to the gentleman from Washington.

Mr. BONKER. Mr. Speaker, I thank the gentleman from Arkansas (Mr. ALEXANDER) and would like to speak on behalf of others who have served on the task force in commending him for a job well done.

Mr. Speaker, I want to commend my predecessor in this job, BILL ALEXANDER, for the strong leadership he has shown as chairman of the Export Task Force. His will be a hard act to follow. But I will benefit from the work that he has done.

The United States needs a coherent, comprehensive export policy now more than ever. I believe that Congress must provide the leadership to provide such a policy.

There are many institutional barriers in the House, most of them jurisdictional, to formulating a national export policy. But transcending those barriers, and providing a forum where common goals and ideals can be realized is one valuable function I believe the Export Task Force can perform. BILL ALEXANDER laid invaluable groundwork in getting the task force in motion, aided most ably by my colleague BILL FRENZEL. I hope to follow up on the work they have started.

For one only need look at our trade balance with one country, Japan, to see the trouble we face in the decades ahead.

During the last 10 years, we have incurred a $47 billion trade deficit, and today the dollar value of Japanese goods sold in the United States exceeds the combined dollar value of American oil imports from the Middle East.

At the start of our trade relationship with Japan, we supplied them with manufactured goods in exchange for silk and tea. As one congressional report stated:

It appears as though we are a developing nation supplying a more advanced nation—we are Japan's plantation: haulers of wood and growers of crops in exchange for high technology.

We import from Japan autos, steel, tractors, radios, motorcycles, and video and audiotape players. We export to Japan soybeans, cattle feed, logs, coal, and wheat.

One result is an increasing call for import restrictions. I believe this is a step we should consider carefully before taking. Tariff barriers and quotas can set off a round of trade wars in which everyone is the loser. I want the Export Task Force to be a forum for the airing of these issues. There is a lot of talk today about revitalizing the American economy, through budget and tax cuts.

I do not believe we can afford to include the whole subject of export policy in that discussion. For we are losing ground in a fiercely competitive world market. Between 1960 and 1970, the U.S. share of world exports dropped from 18 percent in 1960 to 15.4 percent in 1970. The percentage continued to decline during the 1970's and only began picking up at the end of the decade, as the value of the dollar dropped, making U.S. goods more attractive to foreign buyers.

Today, export of goods accounts for about 7.5 percent of our GNP—the lowest percentage of any industrialized nation, according to the Commerce Department.

I hope the Export Task Force can be a rallying point for improving this dismal economic picture.

My colleague BILL ALEXANDER has already pointed to urgent need to do something about the taxation of Americans working abroad. The United States is the only major industrialized country which taxes on the basis of citizenship as opposed to residence. Nations competing with the United States for export markets generally do not tax their nonresidents on income earned outside their country. The U.S. practice is a serious handicap for U.S. firms operating overseas, especially in the developing world markets, as the U.S. tax liability often makes it more costly to hire Americans.

There are other issues which the task force will address. I would like to touch on them briefly:

EXPORT TRADING COMPANIES

Small- and medium-sized companies represent a large, untapped export potential. For these companies a full-service export intermediary would be of great advantage. An export trading company could arrange transportation, financing, handle documentation, distribution of products, conduct aftersales followup and other export services. However, our banking and antitrust laws prohibit the effective establishment of these trading compa-

nies. There are several bills in Congress dealing with this situation. I would expect the task force to embrace the concept as a whole, and provide clearinghouse service to get all the interested parties together so that we can move forward on this important legislation.

EXPORT FINANCING

The administration proposes to cut the lending power of the Export-Import Bank from $5.9 billion to $5.15 billion this year, and from $5 billion to $4.4 billion in fiscal year 1982, saving an estimated $6 billion over the next 5 years.

Reducing the Bank's lending authority would represent false economy. Benefits from the Bank go far beyond large corporations, since every billion dollars of export loans is believed to create from 30,000 to 40,000 jobs.

U.S. EXPORT CONTROLS

The United States has only one major export policy bill—the Export Administration Act—which is basically a list of proscriptions against exports, based on national security and foreign policy considerations. Many in the public and private sectors feel that U.S. export controls are overly restrictive compared with other major industrialized countries, and should be used only where such controls are definitely in the national interest.

FOREIGN CORRUPT PRACTICES ACT

United States firms find they are seriously hampered in export activities because of perceived ambiguities in the law and uncertainty in its application and enforcement by the Department of Justice and the Securities and Exchange Commission, which have overlapping jurisdictions. There is legislation pending to remove these ambiguities and issue clarifying guidelines.

TRADE REORGANIZATION

Many argue that the international trade functions of the U.S. Government need to be reorganized and harmonized to improve U.S. trade policy. Last session, legislation was proposed to create a Cabinet-level Department of International Trade and Investment to strengthen, integrate and improve U.S. trade policy.

I believe the Congress needs to take a long look at how the executive branch handles trade matters. I believe there is unnecessary confusion and an overall lack of coordination, as various departments and agencies battle for jurisdiction. Again, I believe the Export Task Force can provide a forum for this debate.

All these issues are vital to the economic health and strength of America. I am issuing an open invitation to my colleagues on both sides of the aisle to join with me and BILL ALEXANDER, LES AUCOIN and BILL FRENZEL in this effort.

You shortly will receive a "Dear Colleague" asking you to join the task force. With the full cooperation of the House, we can enhance American productivity, promote our products abroad, reduce the balance of trade deficit. Ultimately the benefits will flow to our domestic economy.

Mr. ALEXANDER. I thank the gentleman for his contribution. In addition to the material which will be submitted for the RECORD, I will include an agenda of unfinished business for the attention of my colleagues in order that we might address the many needs that face our Nation; in order to make this Nation competitive in the world market in hopes that we can expand our exports, balance our trade, and fight inflation.

● Mr. AUCOIN. Mr. Speaker, I am delighted to join my colleagues today in discussing the extensive agenda that lays before the House Export Task Force in this Congress.

But first, I want to express my thanks to the gentleman from Arkansas for chairing the task force over the past 2 years. We owe him our gratitude for taking on the challenge of organizing a caucus of export-minded Members and giving freely of his time to see it through its initial years of growth. Though he is stepping down as chairman, I know I speak for the other Members of the task force in saying that I look forward to continuing our relationship on export issues in the days ahead. We value his leadership.

There are many challenging assignments ahead for the Export Task Force. America's position in international markets, despite some slight respite last year, continues to erode. On all fronts, we face a serious trade problem, the answers to which lay in many quarters.

There is no doubt that we must move aggressively to enact export trading company legislation, reform our tax laws from Americans overseas, push our agricultural exports and resolve our dilemma over predatory financing by our competitors. Along with these important programs, however, we must also move to establish what our national export policy is going to be and how each of them fits into our overall scheme for reclaiming America's share in the international marketplace.

I commend to the attention of my colleagues on the task force and in the House the National Export Policy Act, for which I am now seeking cosponsors.

Last year, 43 Members of the House cosponsored the National Export Policy Act (H.R. 7479). This major legislation, a companion bill to one being introduced in the Senate this week by members of the Senate Export Caucus, is designed to establish an aggressive national export policy and promote U.S. exports.

In the past, we have acted on a number of trade measures, but our approach has been piecemeal. The National Export Policy Act is a major step toward a strong, cohesive export policy that touches all aspects of American export efforts.

The need for this legislation is clear. Our country faces serious problems in the international marketplace. We are losing our ability to compete effectively. We are no longer preeminent in the trade of manufactured goods. In 1980, the U.S. merchandise trade deficit was $25 billion. While this was offset by a surplus in our services trade account, we cannot ignore the damaging effect on the value of the dollar and domestic job stability of continued trade deficits and declining international competitiveness.

Meeting this challenge begins with fundamental changes in our export practices and the laws that govern them. It begins with a new national export policy that capitalizes on our traditional economic strength and taps the innovative and creative resources of the American business community.

The National Export Policy Act is designed to enlist maximum cooperation among Government, industry, and labor toward a common national economic objective. It pulls together all of the major concerns and recommendations regarding exports which have crystalized over the last few years. I look forward to working on this legislation with my colleagues on the Export Task Force.●

● Mr. LAFALCE. Mr. Speaker, yesterday, the House Export Task Force completed its organizational work and named new officers by acclamation. The new officers will be my distinguished colleagues, Mr. BONKER, Mr. AUCOIN, Mr. FRENZEL, and Mr. ALEXANDER.

The existence of an export task force is an indication of a need to focus much greater attention on the importance of exports themselves and of providing real incentives for exports. Despite increased exporting efforts and despite the enhanced effectiveness of the U.S. Export-Import Bank, this country has managed to acquire an estimated $147.1 billion in trade deficits during the past 4 years. Or, to put it another way, U.S. exports are paying this country's oil import bill, which will probably continue to climb in the early 1980's.

All of this points to the imperative need for a comprehensive national export policy, and the House Export Task Force should join with its counterpart on the Senate side to help develop that policy. This policy must address problems in the following fields: Export financing, export-related tax policies, including the taxation of Americans working abroad, adjustment of regulations and laws that

hinder U.S. exports, export awareness and promotion programs, international trade agreements, and Government support for export goals.

The export task force will assist in the examination and assessment of the new administration's proposal to reduce funding for the Export-Import Bank. A decision must be made as to whether this is a justified case of budgetary restraint or whether it is a case of what Fred Bergsten called the unilateral disarmament proposed for U.S. trade policy.

At the center of a national export policy must be U.S. export trading companies which would provide technical, marketing, financial, and informational services to small- and medium-sized businesses. The Department of Commerce has estimated than at least 20,000 small- and medium-sized firms could export, if they had access to those types of services.

Therefore, I have introduced H.R. 1648, the Export Trading Company Act of 1981. This bill would allow carefully controlled investments in export trading companies by financial institutions and would clarify ambiguous antitrust provisions in the Webb-Pomerene Act of 1918. This bill would have a dramatic impact on the export performances of the most rapidly growing segment of the economy, which is the small- and medium-sized business community.

The companion bill to H.R. 1648 in the Senate is S. 144 which has been cosponsored by a broad coalition of 60 Senators. A similarly bipartisan coalition is presently gathering behind H.R. 1648, and the Reagan administration has enthusiastically endorsed the companion export trading company bills.

I also want to take this opportunity to commend my good friend and distinguished colleague, Mr. ALEXANDER, for his past leadership as chairman of the export task force since the inception of the task force.●

TRIBUTES TO JOSEPH L. FRISTACHI

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. GREEN) is recognized for 10 minutes.

● Mr. GREEN. Mr. Speaker, I rise on behalf of two friends of mine, former U.S. Senator Javits and former New York State Attorney General Louis J. Lefkowitz, both of whom gave years of devoted public service to the people of my State, to help them pay tribute to the memory of a young man who served them with great dedication and distinction in their official duties.

Joseph L. Fristachi, of Bayside, Queens, in New York City, died suddenly in January at age 38. Virtually his entire adult life was dedicated to public service—most of it with Senator Javits and General Lefkowitz. Mr. Fristachi actually began his career in the public service as a teacher in a New York City public high school, but he rose to prominence throughout the State as General Lefkowitz' executive assistant and then as Senator Javits' executive assistant. In these positions, as in all his endeavors, Mr. Fristachi worked with great diligence and ability and always with the highest standards of honesty and integrity.

His devotion to duty was matched only by his devotion to his wife Angela, his children, Joseph Michael and Michelle Marie, his parents, and his brothers and sister. He was generous to a fault with them—as he was with everyone. His patience and understanding extended not only to those he knew, but to those he did not know. These qualities—and his energy and enthusiasm—are captured in a eulogy delivered at his funeral by Attorney General Lefkowitz, in remarks by Senator Javits at a memorial service for him here in Washington, where he had many friends, and in a resolution adopted unanimously by the Senate of the State of New York. In tribute to Joseph L. Fristachi, I am hereby having them printed in the CONGRESSIONAL RECORD:

EULOGY DELIVERED BY LOUIS J. LEFKOWITZ AT A MASS FOR JOSEPH L. FRISTACHI, ST. ROBERT BELLARMINE CHURCH, BAYSIDE QUEENS, JANUARY 19, 1981

I speak as a former associate of Joseph L. Fristachi in the Attorney General's Office and as a close personal friend to share the grief of his loved ones and the void in his untimely death that is in my heart and in the hearts of all who knew him.

I loved Joe like I love my own son. In thinking of Joe this morning, we should treasure the friendship and happiness he gave us over many years.

Joe was a warm human being and kind hearted—always willing to serve and help his fellow man, his church and the community. He had a deep understanding heart.

If we were to try to identify Joe's special qualities, one would note his superb skill as an advisor, a doer, a public servant and his marvelous capacity for friendship. He brought to government, as he did to all things, wise counsel, boundless energy and enthusiasm.

The impeccable character of Joe's wise counsel and sound judgment always emerged following a consultation or a conference. One of the reasons people turned to him was that he had an extraordinary capacity for inspiring confidence. With an easy, kindly manner and a warm smile, he always seemed to know exactly what he was doing.

Joe regarded loyalty as an essential ingredient in friendship. He gave loyalty and expected loyalty in return.

All of us are here today because Joe was our friend and we were his friends. He had a deep and natural interest in people.

Joe was an exemplar of a devoted public servant. He had common sense and integrity of purpose. He was forthright, firm but always fair.

Joe loved his work whether as teacher, in the Attorney General's Office as my executive assistant Attorney General or in Senator Javits' office where he served with distinction as Chief of Staff in the Senator's New York City office.

One of Joe's chief characteristics was a strong commitment to be very thorough no matter what the cause. He was truly a perfectionist, resourceful, and he constantly "dug-in" to find an answer to a problem or resolve a crisis.

Joe was impatient with red tape and bureaucracy. He was not a yes man. He took positions he believed in and argued forcefully for their adoption. Blunt, straight-from-the-shoulder talk was Joe's style.

He was never power-hungry or impressed with his own important position in the office. He enjoyed the greatest respect of all who knew him and worked with him in government, in the community and in all walks of life.

Joe was very loyal and invaluable to me personally. I relied and depended upon him. He made himself available to me 24 hours a day and often on weekends. He was always willing to serve me in any capacity. Yes, he was my trouble shooter whenever a sensitive problem arose in any of the numerous offices of the Attorney General's Office. He performed and got things done.

Joe took a leave of absence from his official duties to help in my campaigns for reelection and worked day and night. He was always there and available when I needed him.

Our friendship grew over the years. There are few who can say they will miss Joe more than I will.

At the very center of Joe's life was his love for his family—Angela—his children, Joseph Michael and Michelle Marie—his parents Joseph and Carmela—his brothers Mario and Robert and his sister Camille.

Joe and Angela lived together in great love and harmony. He was deeply devoted to and very fond of his children. Joe often spoke to me about his son, Joseph Michael, and especially his son's talents as an athlete. Joe, as you know, was a good athlete and he was so proud that his son was following in his footsteps.

When Joe ran for public office, his son then 7 years of age, campaigned for him. I was present on many occasions, when I heard the son, while handing out campaign literature, say to voters, "vote for my father—he will be good for the community." How true was that statement.

We often think that brick, mortar and steel are the real monuments of life—that really is not true. It is really the soul and character of man which are eternal and the good he brought on earth.

Joe's immortality is what he did in his love for man, his contributions to his church and in the community and his devotion to his wife and children, his family and his friends.

Joe's good works in the Attorney General's offices, in Senator Javits' office and throughout his life in the community, will stand as monuments to him.

It was indeed tragic that Joe's life should have ended when he had so much to offer to his fellowman through his many contributions of public service and community activity.

In our sorrow, we can take solace in the memory of Joe's good works, in the memory of his love and affection for his family and us and in memory of a man whose life brightened our own.

Joe Fristachi was a man for all seasons, with his heart always in the right place.

It was a joy to know him. It was an honor to work with him, and it puts a lump in my throat this morning to bid him good-bye.

Joe Fristachi will forever be loved and missed by his family and friends. We shall never forget him.

May his soul rest in peace.

REMARKS BY SENATOR JACOB K. JAVITS AT A MEMORIAL SERVICE FOR JOSEPH L. FRISTACHI AT ST. JOSEPH'S ROMAN CATHOLIC CHURCH, WASHINGTON, D.C., ON JANUARY 21, 1981

None of us ever know when we will go, or what lies ahead if we do not go. In Joe's case, this was a very important point. He was cut off so young, full of vigor, in the very prime of life, with so many talents and so many possibilities that those of us who loved him, as you did and I did, can only hope that it was in the great design, the best for him.

He was the soul of loyalty and devotion. He threw himself into managing the New York office, and into running the campaign with the same fidelity, holding nothing back and giving of his all.

His relationship to Angela and his children was such a dear one, again of such complete dedication and no conceivable reservation. I can hear now his somewhat high-pitched laughter when he was really pleased, indeed, tickled, at something. It will always sound in my ear, as clear as a bell, as a firm and dear recognition of such a fine human being.

We know he will rest in peace. He deserves it.

TEXT OF RESOLUTION ADOPTED BY SENATE OF THE STATE OF NEW YORK, JANUARY 26, 1981

Whereas, the untimely death, after thirty-eight short years, of Joseph L. Fristachi instilled a deep sense of mourning in all who knew him; and

Whereas, most of his life was dedicated to public service as executive assistant attorney general to Attorney General Louis J. Lefkowitz and assistant to United States Senator Jacob K. Javits; and

Whereas, those who were close to Joseph knew of his unique capabilities to serve and help his fellow man, his church and the community; and

Whereas, the love for his family—his wife Angela, his children Joseph Michael and Michelle Marie, his parents Joseph and Carmela, his brothers Mario and Robert and his sister Camille, exemplified the kind of love and devotion all hope to attain; and

Whereas, Joseph's dedication and devotion to public service and family will be the vehicle of immortality to family and all who knew him: Now, therefore, be it

Resolved, That this Legislative Body mourns the untimely death of Joseph L. Fristachi and adjourns out of respect to his memory; and be it further

Resolved, That a copy of this resolution, suitably engrossed, be transmitted to his wife Angela and his children Joseph Michael and Michelle Marie.●

BLUEPRINT FOR A HOUSE THAT WORKS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Mississippi (Mr. LOTT) is recognized for 10 minutes.

● Mr. LOTT. Mr. Speaker, to borrow from the title of a book written by our present Rules Committee chairman, this is a "House Out of Order." Ironically, that book was published back in 1965 when the real complaint of such liberals was that the House was too orderly—that it was controlled by a few conservative committee chairmen who managed to keep so-called progressive legislation bottled up in their committees. To remedy this situation, these liberal congressional reformers advocated stripping committee chairmen of their powers under the rubric of "opening up and democratizing the system."

The result of all this was the so-called congressional reform revolution of the last decade which truly did emasculate the powers of committee chairmen, opened us nearly to the point of breaking our binding, and has almost democratized us to death. While many of the reforms of the last decade have been salutary in terms of increasing public exposure and access to the legislative process, I think even many of the liberal reformers will agree that the reform revolution was carried to an extreme and as a consequence we are truly today a "House out of order." Not only is public confidence in the Congress at an alltime low, but there is a growing consensus among House Members themselves that this House is becoming increasingly unmanageable and unworkable.

Mr. Speaker, this legislative crisis of governance can be traced directly to the very foundation of our legislative process—the committee system. With the decentralization of House leadership authority, the fragmentation of committee jurisdictions, the proliferation of subcommittees, and the explosion of committee staff, our committee system is a crumbling foundation that threatens to bring down the entire House.

MAJORITY LEADERSHIP RESPONSE

Unfortunately, the Democratic majority that has controlled this House for the last 25 years has failed to recognize or act on this critical problem, preferring instead to let tiny political fiefdoms with their attendant staff proliferate and duplicate, all at the expense of rational policymaking, quality legislating, and effective oversight.

The Democratic leadership points with alarm to the fact that the House is taking more time to consider fewer bills due to an increase in floor amendments and votes. But, instead of conceding that all this may be due to flawed legislation being reported from unrepresentative subcommittees and committees, the majority leadership contents itself with trying to treat the symptoms instead of the causes—of restricting floor amendments and votes instead of insuring a more representative, accountable and conscientious committee system.

Even more alarming is the majority leadership's insistence on perpetuating inequitable party representation on House committees and subcommittees, in complete disregard of the wishes of the electorate and the democratic tenet of one man, one vote. Is it any wonder, with lopsided majority representation on major committees, that committees often produce legislation that does not meet with the approval of the House and requires major rewriting on the House floor to secure passage?

Just as power tends to corrupt, so too does dispersed power tend to disrupt. And in the House of Representatives, the dispersion of power to proliferating, duplicative, and unrepresentative subunits has completely disrupted and distorted the legislative process to the point of near breakdown and stalemate.

TIME FOR A CHANGE

Mr. Speaker, the time has come to reverse this trend, to put our House back in order, firm up that foundation that is our committee system, and draft a blueprint for a House that works. To that end I am today introducing the Committee Improvement Amendments of 1981, a package of seven House rules changes aimed at strengthening our committee system and making the legislative process more manageable, efficient, and representative.

In summary, my amendments to the House rules would do the following: First, require equitable party ratios on House committees; second, limit all committees, except Appropriations, to no more than six subcommittees, and all Members to no more than four subcommittee assignments; third, eliminate the joint referral of bills to more than one committee; fourth, require formal committee adoption of oversight agendas at the beginning of each Congress and House approval of a consolidated oversight agenda resolution; fifth, require a majority quorum on all committees and subcommittees; sixth, ban proxy voting in committees; and seventh, require House adoption of an overall ceiling on committee staff at the beginning of each year.

Mr. Speaker, at this point I would like to discuss each of these proposals in greater detail, after which I will include the full text of my resolution.

EQUITABLE COMMITTEE RATIOS

Clause 6 of rule X would be amended to require that the membership of all standing, select, and ad hoc committees, except Standards of Official Conduct, and all subcommittees and subunits thereof, and of all conference committees, reflect, to the closest degree possible, the party ratio in the House as a whole.

While House committees should ideally be a microcosm of the House both from the standpoint of democratic representation and to insure the development of legislation that will be acceptable to a House majority, recent

years have witnessed a growing disparity between the partisan composition of the House and its committees and subcommittees. In the 96th Congress, for instance, the minority party was undercounted by 10 seats on the 22 standing committees and by 52 seats on their 152 subcommittees.

As my colleagues are well aware, this inequity was only compounded in this Congress when Republicans made substantial gains as a result of the last election and now hold 44 percent of House seats. Despite this fact, Democrats have retained their supermajorities on the major committees: Nearly 69 percent on Rules, nearly 66 percent on Ways and Means, and 60 percent each on Budget and Appropriations. The more disparate the party ratios between the House and its committees, the more desperate becomes the legislative situation when bills are reported to the House from these unrepresentative committees. If we are to begin to put this House back in order and have more rational and representative policymaking, then our committees should more accurately reflect the party makeup of the House as a whole.

SUBCOMMITTEE LIMITS

Clause 6(c) of rule X would be amended to limit all House committees, except Appropriations, to no more than six subcommittees, and to limit all Members to no more than four subcommittee assignments.

One of the most alarming trends in the House in recent years has been the proliferation of subcommittees. In 1951 there were 19 standing committees in the House with a total of 69 subcommittees; by 1980 we had 22 standing committees with a total of 152 subcommittees and other subunits—a 120-percent increase. The fact that the same number of Members has been spread more than twice as thinly over the subcommittee system has taken a dreadful toll on the legislative process.

The Select Committee on Committees in the 96th Congress concluded that the proliferation of subcommittees and Member assignments have eroded specialization, diminished participation and representativeness, and increased jurisdictional overlap, duplication of effort, policy process fragmentation, and scheduling conflicts.

It is little wonder that 77 percent of the House Members surveyed by the select committee agreed that the committee system is in disarray, 80 percent favor a reduction in subcommittees, and 82 percent favor a limit on subcommittee assignments.

Although a subcommittee and Member assignment limitation proposal was reported by the select committee on October 10, 1979, and was promptly endorsed by the House Republican conference and policy committee, it died in a Democratic Caucus study committee. At the beginning of this Congress the caucus did impose an eight-subcommittee limit on each committee—still a far cry from the reductions that are needed.

My proposed limit would eliminate 26 of the 152 subcommittees which existed in the 96th Congress, and the Member assignment limit would reduce the workload of 188 House Members by 1 or more subcommittee seats.

MULTIPLE REFERRALS

Clause 5(c) of rule X would be amended to eliminate the practice of joint referral of bills to two or more committees simultaneously, but would retain split and sequential referrals and expand sequential referrals to matters reported as well as introduced, subject to appropriate time limits.

Since 1975, the Speaker has been authorized to refer bills to two or more committees simultaneously, in a split manner, sequentially, or to ad hoc committees comprised of members of two or more committees sharing jurisdiction over the same bill. As the Select Committee on Committees concluded in the 96th Congress, joint referrals lead to a substantial duplication of effort, a slowdown in the legislative process, an increase in staff power, jurisdictional bickering, and a lack of accountability.

The select committee found further that multiple referred bills consume four times as much hearing and meeting time as bills referred singly, and yet have less chance of being reported or passed by the House. Multiple referred bills also result in more confusion and amendments when they are considered by the House.

While the elimination of joint referrals might result in more squawking from committees skipped over in the initial referral, if their jurisdictional claims are substantial they may still get a shot at the bill in a sequential referral of limited duration. The elimination of joint referrals may also finally bring the pressure needed to force a comprehensive realinement of committee jurisdictions along more rational and functional lines.

OVERSIGHT

Clause 2(c) of rule X would be amended to require the formal development and adoption of oversight agendas by each committee within 60 days of the beginning of each Congress for submission to the Committee on Government Operations. After hearings and consultation with the majority and minority leaders, the committee would incorporate these agendas into a resolution for consideration by the House within 90 days after Congress convenes. The resolution would be subject to amendments only by the Committee on Government Operations and the majority and minority leaders.

The present House rule requires submission of oversight agendas to the Committee on Government Operations and their publication within 60 days of the convening of Congress. But, for the most part, time constraints have made this a staff operation with little or no formal committee consideration or action. The oversight agendas thus bear little relation to the subsequent oversight plans or activities of our committees.

The new rule is an attempt to make the oversight agendas more meaningful by requiring formal committee adoption within a more realistic time frame, and House consideration of a consolidated oversight resolution, open to amendment only by the majority and minority leaders and the Committee on Government Operations.

MAJORITY QUORUM

Clause 2(h) of rule XI would be amended to require a majority quorum on committees and subcommittees for the purpose of conducting any business, including the markup of legislation.

Under present House rules, committees may set their quorum requirement at as few as one-third of their membership for taking any action other than reporting a measure, closing a meeting, or issuing a subpena. This one-third quorum requirement, taken together with the practice of proxy voting, is a clear invitation to absenteeism at the most critical stage of the legislative process—subcommittee and committee markup of a bill. As a result, the most important decisions made by subcommittees and committees, the amendments adopted, enjoy the support of as few as one-sixth of the membership.

The one-third quorum rule can only contribute to slipshod and unrepresentative legislating both at the subcommittee and committee levels, and to a plethora of floor amendments when bills are exposed to the more critical light of the more representative House membership. The proposed rule would return committees to the majority quorum requirement for the transactions of business which existed prior to 1977.

PROXY VOTING BAN

Clause 2(f) of rule XI would be amended to prohibit proxy voting in House committees and subcommittees.

Under present House rules, proxy voting is prohibited in committees and subcommittees unless authorized in committee rules for specific measures. All but 4 of the 22 standing committees of the House presently permit proxy voting under their rules. As a task force of the Select Committee on Committees noted in the 96th Congress, in recommending a ban on proxy voting:

The sanction accorded proxy voting contributes to absenteeism and tolerates slipshod committee scheduling. The very proce-

dure itself is objectionable—the practice of allowing a Congressman to transfer his right and obligation of voting to another Member seems ill-suited to the basic fundamentals of representative government.

COMMITTEE STAFF CEILING

Clause 5 of rule XI would be amended to provide for the adoption by the House of a resolution establishing an overall ceiling on the House committee staff each year, prior to the adoption of any committee primary expense resolution. In allocating committee personnel within this ceiling in primary expenses resolutions the Committee on House Administration would take into account the past and anticipated legislative veto and oversight activities of each committee. It would not be in order to consider any expense resolution until the ceiling resolution has been adopted, and each such expense resolution would have to be in conformity with the ceiling. Any supplemental expense resolutions which exceeded the limit could only be considered by a two-thirds vote of the House.

In recent years there has been an exponential growth in House committee staffs. Between 1973 and 1979, committee staffs have more than doubled—from 918 committee personnel in 1973 at a cost of $14 million, to 1,939 committee personnel in 1979, at a cost of over $40 million. While much of this growth has been necessary to put the House on a more equal footing with the executive branch and permit it to develop its own independent sources of information, there are growing signs that this staff explosion has reached a point of diminishing returns.

While the House is currently limited by statute as to how many professional and clerical staff each committee may have—18 and 12, respectively—there is no comparable limit on so-called investigative staff which are provided for by primary and supplemental expense resolutions adopted by the House, and paid for out of the contingent fund of the House as funded through the appropriations bill for the legislative branch. Moreover, there is no requirement at present that these primary and supplemental expense resolutions specify the number of additional employees to be authorized or the amount to be allowed for their salaries. It is time for the House to get a handle and a ceiling on this runaway problem before the balance is tipped in the direction of Congress being dominated by its unelected committee staffs.

At this point in the RECORD, Mr. Speaker, I include the text of my resolution. I urge my colleagues to join with me as cosponsors, and the Rules Committee to take early action on these vital proposals.

H. RES. 100

Resolved, That this resolution may be cited as the "Committee Improvement Amendments of 1981".

OVERSIGHT AGENDAS

SEC. 1. Rule X of the Rules of the House of Representatives is amended in the following way:

In rule X, clause 2(c) is amended to read as follows:

"(c)(1) Not later than 60 days after the Congress convenes, each standing committee shall formally adopt and submit to the Committee on Government Operations an oversight agenda for that Congress. Such oversight agenda shall indicate the oversight priorities of the committee, and may specify the date or dates by which the committee intends to complete its oversight activities and report its findings and recommendations to the House.

(2) The Committee on Government Operations shall hold hearings at which the chairman and ranking minority member of each committee shall appear and testify on the oversight accomplishments of their committee during the preceding Congress and their proposed oversight agenda for the new Congress.

(3) Not later than 90 days after the Congress convenes, and after consultation with the majority and minority leaders of the House, the Committee on Government Operations shall consolidate the oversight agendas of all committees into a single House Oversight Agenda resolution which shall be reported to the House. Such resolution may contain only such changes in the original committee oversight agendas as are agreed to by the chairman and ranking minority member of each committee to insure proper coordination and eliminate unnecessary duplication with the oversight plans of other committees. The report on any such plans may include additional recommendations for changes in the oversight agendas as may be recommended by the Committee on Government Operations or by the majority or minority leaders of the House.

"(4) The House Oversight Agenda resolution shall be privileged in the House and subject only to such amendments as may be offered by direction of the Committee on Government Operations or by the majority or minority leaders. The House shall complete action on the oversight agenda resolution no later than 100 days after Congress convenes.".

MULTIPLE REFERRAL LIMITATION

SEC. 2. Rule X of the Rules of the House of Representatives is amended in the following way:

In rule X, clause 5(c) is amended to read as follows:

"(c) In carrying out paragraphs (a) and (b) with respect to any matter, the Speaker shall initially refer the matter to one committee which he shall designate as the committee of principal jurisdiction; but he may also refer the matter to one or more additional committees, for consideration in sequence (subject to appropriate time limitations), either on its initial referral or after the matter has been reported by the committee of principal jurisdiction; or refer portions of the matter to one or more additional committees (reflecting different subjects and jurisdictions) for the exclusive consideration of such portion or portions; or refer the matter to a special or ad hoc committee appointed by the Speaker with the approval of the House (from the members of the committees having legislative jurisdiction) for the specific purpose of considering that matter and reporting to the House thereon; or make such other provision as may be considered appropriate.".

PARTY RATIOS ON COMMITTEES

SEC. 3. Rule X of the Rules of the House of Representatives is amended in the following way:

In rule X, clause 6(a)(1) is amended by adding at the end thereof the following:

"Except as provided in subparagraph (2), the membership of each committee (and of each subcommittee, task force or subunit thereof), shall reflect the ratio of majority to minority party members of the House at the beginning of each Congress."; and

In rule X, clause 6(e) is amended by adding at the end thereof the following:

"The membership of each such select committee (and of each subcommittee, task force or subunit thereof), and of each such conference committee, shall reflect the ratio of majority to minority members of the House at the time of its appointment.".

SUBCOMMITTEE LIMITS

SEC. 4. Rule X of the Rules of the House of Representatives is amended in the following way:

In rule X, clause 6(c) is amended to read as follows:

"(c)(1) Each standing committee of the House of Representatives (except the Committee on Budget) that has more than twenty members, shall establish at least four subcommittees; but in no event shall any standing committee (except the Committee on Appropriations) establish more than six subcommittees.

"(2) No Member may serve at any one time as a member of more than four subcommittees of committees of the House of Representatives.

"(3) For the purposes of this paragraph the term 'subcommittee' includes any panel, task force, special subcommittee or any subunit of a standing committee which is established for a period of longer than six months.".

PROXY VOTING BAN

SEC. 5. Rule XI of the Rules of the House of Representatives is amended in the following way:

In rule XI, clause 2(f) is amended to read as follows:

"(f) No vote by any member of any committee or subcommittee with respect to any measure or matter may be cast by proxy.".

MAJORITY QUORUM

SEC. 6. Rule XI of the Rules of the House of Representatives is amended in the following way:

In rule XI, clause 2(h)(2) is amended to read as follows:

"(2) A majority of the members of each committee or subcommittee shall constitute a quorum for the transaction of any business, including the markup of legislation.".

STAFF CEILING

SEC. 7. Rule XI of the Rules of the House of Representatives is amended in the following way:

In rule X, clause 5 is amended by inserting the following new paragraph (a) and redesignating existing paragraphs accordingly:

"(a)(1) It shall not be in order in the House to consider any primary expense resolution until the Committee on House Administration has reported and the House has adopted a resolution establishing an overall ceiling for committee staff personnel for that year.

"(2) In developing any primary expense resolution for House committees, the Committee on House Administration shall specify in the resolution the number of staff po-

sitions authorized by the resolution. The Committee shall indicate in the report on any such primary expense resolution that the number of staff positions authorized by such resolution is in conformity with the overall ceiling on such positions established by the House.

"(3) In no event shall the total number of additional staff positions authorized by all such primary expense resolutions, taken together with the number of staff positions authorized by clause 6 of this rule, exceed the ceiling established by the House for that year.

"(4) In allocating staff positions pursuant to the overall ceiling established by the House, the Committee shall take into account the past and anticipated legislative and oversight activities of each committee.

"(5) In any supplemental expense resolution, the Committee shall specify the number of additional staff positions, if any, authorized by such resolution, and shall indicate in the report on any such resolution, whether the additional staff positions are in conformity with or exceed the overall ceiling established by the House.

"(6) It shall not be in order in the House to consider any supplemental expense resolution authorizing additional staff positions in excess of the ceiling established by the House except by a vote of two-thirds of the members voting, a quorum being present.".●

URBAN DEVELOPMENT ACTION PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. McCLORY) is recognized for 5 minutes.

Mr. RODINO. Mr. Speaker, we have now begun our examination of the President's proposals for reductions in Federal spending and taxation and I think we can all agree that one of our goals should be the increased productivity by American industry that will put people back to work.

Unfortunately, while President Reagan has emphasized the need for Federal incentives to individuals and businesses to reinvest in our economy, his economic plan calls for curtailing one of the most effective programs for spurring business investment in our cities.

The urban development action grant program has been perhaps the most successful Federal program, per dollar spent, for inducing businesses to put dollars back into economically depressed areas.

Mayors from all regions of the country—both Democrats and Republicans—as well as business people, community activists, and ordinary citizens, have praised UDAG's action grants as a way to revitalize failing business districts.

These folks talk with pride and hope about new partnerships between government and industry that have rebuilt factories, reopened businesses, and redeveloped neighborhoods. They also talk about thousands of jobs that have been produced. Many UDAG projects are not completed yet, and the level of government support will mean the difference between their success or failure.

President Reagan says he wants to "integrate" UDAG with community development block grants to provide "a more efficient and flexible grant mechanism." He says he wants to cut the budgets of these two programs by $584 million in 1982 with progressively deeper cuts the following years. UDAG's 1981 budget was $675 million.

This proposed consolidation of UDAG and CDBG is less devastating than OMB Director David Stockman's original proposal to eliminate UDAG entirely, but it is still a bad idea.

Integrating UDAG with CDBG would misconstrue the uses of the two programs and take away the unique qualities that make UDAG so effective.

Community development block grants are awarded to thousands of local governments nationwide on a formula, no-strings-attached basis. This is a valuable program—one that helps communities rehabilitate housing facilities, repair roads and sewers, relocate businesses, and provide urban parks. However, these block grants do not require private investment and they do not focus directly on projects that will create permanent jobs in depressed areas.

UDAG, on the other hand, is sharply targeted to those areas most in need of economic assistance. It is not a formula program, but one in which proposed projects compete for Federal dollars on the basis of local commitment by private industry and local governments and citizens. These groups must be willing to invest money and human resources.

While block grants and action grants both help local communities, they serve different purposes and should not be combined. UDAG's record of achievement speaks for itself. In fact, if we decide to reduce the size of Federal programs according to their proven merit, then UDAG should be in line for an increase instead of a cut. In the 3 years of its existence, UDAG has cost $1.9 billion. The results have been: $11.6 billion in private investment in depressed areas; 463,218 jobs, over half of which will be permanent; 46,000 newly constructed or rehabilitated housing units started or completed for moderate and low-income families; and over $300 million a year in local tax revenues gained from 1,000 locally sponsored projects.

UDAG has worked in my State of New Jersey, where over $370 million in private investment has been generated by $70 million in action grants—producing 15,000 jobs.

It also is working in my home city of Newark which has been particularly hardpressed to lure business investors back into the city. The UDAG projects currently underway in the city have attracted $53.8 million in private funds. Over 2,000 jobs—more than two-thirds of them permanent—will result; and the city expects to collect an additional $2.3 million a year in local property taxes from the expanded businesses and industries.

In human terms, these projects mean a new day-care center for working mothers who have wanted to work but had no place to leave their children; a modern office building in the downtown area where a vacant industrial building stood last year; a new shopping center with a much-need supermarket in an area where no one has previously wanted to invest; hundreds of jobs created by an expanded manufacturing plant in the inner city; and home improvements for over 500 families.

There are other examples in my congressional district; in the city of East Orange a combination of $500,000 UDAG funds and $1.5 million in private funds will help 283 families renovate their homes; and in the town of Harrison, 355 permanent jobs are expected to come back to the area after a recently vacated Otis Elevator plant is tranformed into a manufacturing, warehouse and office facility with a UDAG loan of $450,000 and a private investment of $1.9 million.

These results sound familiar to many cities and towns across our country. Is this really a program that should be curtailed at a time when we want to revitalize local economies?

As we go about the business of finding ways to trim the Federal budget, the Congress should look for creative, sound, and reasonable efforts to make our budget better serve the Nation. This means where there is fat, there must be cuts. Where we have overreached with some programs, we must pull back.

But we must not be panicked or intimidated into thinking that the time for new initiatives has passed. We surely will need new ideas to move our Nation forward.

The UDAG program is a new initiative that works. To eliminate or reduce this program blindly, because of some misdirected fervor for so-called across-the-board budget cuts would be a senseless act of false economy.

It would set back the hopes of millions of Americans to improve their local economies and their lives.

□ 1715

GENERAL LEAVE

Mr. FORD of Tennessee. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous matter on the subject of the special order taken by the gentleman from Arkansas (Mr. ALEXANDER) today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

THE PRESIDENT'S ECONOMIC PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mr. FORD) is recognized for 35 minutes.

Mr. FORD of Tennessee. Mr. Speaker, the President has presented to this Congress and to the American people a package he says will save this Nation from economic disaster. At the same time, Republican leaders, such as the distinguished majority leader of the Senate, tell us that this is an all-or-nothing package, and that it must be passed as a whole. They threaten to go to the American people in 2 years, if it is not passed and tell them that it is the Democrats who are preventing this country from making the changes necessary to put us on the road to economic recovery.

Mr. Speaker, I am afraid that we are so busy pointing fingers, and playing rhetorical politics with the Federal budget that we forget it is our obligation as elected Representatives to explain in simple terms the choices that the President has presented.

Too often, we forget that billions of dollars, and hundreds of macroeconomic statistics, are meaningless to the average American who has trouble simply conceiving of $2 a gallon for gas or $200 a month to pay a heating bill.

What are the choices we are being asked to make, and what is the set of assumptions upon which they are based? Fundamentally, we are being asked to choose between theories about what makes our economy strong and prosperous, our people healthy and secure, and our Nation great.

We, as citizens, are being asked to separate the sources of our Nation's insecurity from its basis as a world power. At the bottom of each Federal budget line is an equation which balances on philosophy, not politics; facts, not fictions, about the realities of the American economy today.

Republicans are fond of saying that our society faces an economic Dunkirk. They use the fear of impending doom to ask Americans to give up making the economic and social progress which has set this country apart from the other nations of the world. There is no doubt that our economy suffers from an inflation rate that cripples our productive capacity. There is no doubt that Federal fiscal policies have added their share toward this increasing inflation rate, and that every effort must be made to remove the Federal Government from the credit market and to reduce Government spending which is unproductive and wasteful.

But let us paint a realistic picture of the American economy—which remains the most productive in the world. Our people still enjoy a standard of living far beyond that of any other nation in the world.

A study at the University of Pennsylvania's Wharton School of Business indicates that the actual per capita flow of goods and services to the American consumer is nearly twice greater than that of Japan, and one-third greater than Germany and France.

Americans still set the international benchmark for productivity—nearly one-fifth more productive than our closest competitor. Our export capacity has nearly doubled in the last 4 years, with manufactured goods, a measure of our industrial capacity, counting for more than half of those foreign trade dollars.

Even a look at comparative government spending shows that the United States is near the bottom of the list of Government dollars spent as a percentage of gross national product. Federal, State, and local governments only account for 34 percent of our GNP; only the Japanese and the Australian Governments spend less, and only the Japanese have a lower rate of taxation.

Of the seven leading industrial countries, the U.S. Government runs the lowest deficits as a percentage of its GNP. How are our Government dollars spent? It is true that transfer payments climbed dramatically during the 1970's. But, beginning in 1978, Federal nondefense spending began to take a dramatic decline, and the percentage of expenditures targeted for defense began to increase.

In the 1970's, per capita real income rose 23 percent and per capita consumption grew 25 percent; per capita output in the workplace increased 2 percent—much the same level as the previous decade. However, much of this tremendous growth in real purchasing and productive capacity was not financed by Government deficits, but by the credit of the private consumer. While the Federal debt is 3 times as large as it was in 1950, consumer installment debt is 14 times as large, mortgage debt 16 times as big, and corporate debt 13 times its 1950 size.

Looking at other industrial countries of the world, the United States still stands head and shoulders above each and every one in terms of our standard of living, our productivity, our export trade, our small Government debt, and our real income growth. These are facts and figures which indicate that the American economy is still strong and growing. But let us now turn our attention to what our country's major weaknesses are.

In world terms, the greatest threat to our national strength comes from the rapid transfer of wealth to developing countries and the attempt of aggressive nations such as the Soviet Union to exploit these rapid changes for their own political purposes. Part of the cause which leads to the transfer of American capital overseas is our dependence on foreign suppliers of energy. This dependence on foreign sources of oil puts our Nation in a position of strategic weakness, and puts our economy at the mercy of shock therapy administered through the pricing policies of the OPEC nations.

In the face of this tremendous dependence on foreign sources of energy, President Reagan has proposed to do away with our conservation and synthetic fuels efforts designed to encourage national energy self-sufficiency. He proposes to encourage individual auto travel by cutting mass transit subsidies, thereby sending those subsidies, not to American industry, but to Arab oil ministers.

But dependence on foreign oil is not the only factor eroding our national strength. In a very real sense, our greatest national weaknesses are here at home, in our cities, on our streets, in our neighborhoods.

While the impressive numbers and statistics I quoted just a few minutes ago indicate the productive capacity of the Nation's economy, the percentage of Americans who are impoverished has remained the same in the last 10 years. For the last 15 years, 12 percent of our people, nearly 25 million Americans today, fall below the poverty line. When that line is adjusted just slightly to include Americans barely above the poverty level, that figure jumps tremendously to 46 million people—nearly one-quarter of our population.

Although there has been no change in the percentage of our Nation's poor, there have been real changes in who composes that group. Poverty among blacks has been cut in half from two-thirds to one-third; poverty in the Sunbelt has declined, and it has grown in the North.

A game of musical chairs is taking place among our Nation's poor. Today the typical poor person in America is either young, the female head of a household, or a member of a minority. Two out of every five elderly women, two out of every households headed by females, and two out of three black women living alone, are poor today. So while there appears to have been a steady state among all groups, our elderly, youth, and women have actually grown poorer.

A recent report written by the University of California at Berkeley dispels some of the myths which the Reagan program for economic recovery hopes to offer as solutions to poverty in America. In the past, Govern-

ment has operated on theories that improved economic incentives for business would "trickle down" throughout the economic community.

This theory holds that by helping people at the top of the economic ladder, people at the bottom would also benefit. The Berkeley study indicates that what progress has been made in the last 15 years, lifting people out of the shackles of poverty, has been the result of Government income-transfer programs such as social security, food stamps, and housings subsidies.

Growth of the private sector has not had a measurable impact on the Nation's poor; in fact, poverty among the Nation's working poor has actually increased. A 1978 report by the then Department of Health, Education, and Welfare indicated that there has been little improvement in the ability of the poor to gain employment; that income transfer programs, not jobs, had done most of the work lifting Americans above the poverty lines; and that poverty can expect to increase if income transfer programs do not keep track with inflation.

"Trickle down" theories have not served to create new jobs; Government income transfer programs now simply serve to keep a large poor population afloat. Efforts to direct scarce Federal resources away from our poor, and working poor, threaten the very ability of many Americans to have a sound roof over their heads, a nutritional meal in their stomachs, and to keep their homes warm in the winter.

What does President Reagan's economic program offer to address our Nation's weaknesses? It offers meat cleaver cuts for Government programs where a surgeon's scalpel is required. It proposes to cloud our vision of what this country is all about. It threatens to tighten the shackles of poverty, increase the burden of working Americans, and puts us more at the mercy of foreign influences.

Over the past four decades, Government programs have been designed to assure that our defenses are strong, and that our people have adequate shelter, basic nutrition, fundamental education, and a minimum level of health care.

We have set benchmarks below which we work not to fall, and these standards differentiate the people of our country from the citizens of the world.

President Reagan proposes to cut taxes so that every American can have money to invest. But in reality, only the very rich will have any money left over to invest after gasoline climbs to $2 a gallon, heating oil and natural gas bills cost us $200 a month while the price of milk soars at the grocery store. At the same time, the administration opposes removing the oil depletion allowance—a giveaway to the oil industries.

President Reagan promises us that the truly needy will not be hurt; but what about the 21 million Americans who make up our working poor? We are going to reduce their food stamps, cut away the children's ability to get subsidized lunches at school, and sock them with tremendous increases in energy costs without any form of relief. In my district of Memphis, 10,000 of the children of the working poor will no longer be eligible for subsidized school lunches.

Every time someone in my district tries to go somewhere without a car, he or she is being affected. Public transportation fares will go up—in Memphis, they are 70 cents now—and routes are already being discontinued as a result of higher fuel prices, and the decontrol of oil.

Transportation is only one of the areas being cut that, quote—unquote, will not hurt the truly needy. And these people are not benefiting in the least from President Reagan's proposed tax cuts.

The President's economic program was created so that the very wealthy can have more incentive to increase their income from unearned sources. Are we confusing Mr. Reagan's truly needy with the truly greedy.

This Congress will undoubtedly pass a tax bill designed to provide some relief to American businesses so that we keep pace with the rapid gains of our international competitors. But, the price and the package President Reagan seeks to extract is too high. It is so high that one must question whether he is not simply playing rhetorical politics with the fears of the public about the true health of the American economy.

There is great fear and uncertainty among our people today. There is uncertainty about this Government's commitment to fight the sources, not the symptoms of inflation; about our commitment to take the controls of energy prices away from OPEC; about our desire to cut our wasteful spending and to reduce the Government's impact on the credit markets.

Nothing in the President's economic plan addresses the three primary causes of inflation—energy, housing, and food. In fact, some of his proposals are designed to increase the costs to consumers in these areas.

But even more uncertain is our national commitment to what makes this country the greatest on Earth. We cannot afford to let the great "tide of change" that has come upon us as the result of the recent election to sweep away our efforts to improve the livelihoods of the minimum standards of living for millions of Americans who now seem hopelessly encased by the bars of poverty.

We cannot afford to have an entire class of Americans, who from birth, have not even the faintest hope of breaking those barriers.

I can support some of the new approaches to solving these problems. For instance, if the lesson is that Government involvement has failed, then the message must be to the private sector to pick up where we have fallen short. But we must try and try and try again. There may be a change in the goals we seek to achieve. The basic goals and values of society, the fundamental belief in the basic opportunity that each individual must enjoy without being shackled by poverty from birth, lives on.

For over 200 years, our society has strived, and has struggled, to bring the reality the greatest experiment ever undertaken. This experiment has been to mesh the workings of a free society with the fair distribution of goods vested in the public domain. Two hundred years ago, those goods were documented by the Bill of Rights as the right to political self-determination. Over the past 200 years, that right to self-determination, and the tools which Government has employed to realize it, have changed radically.

Today some critics say that we have gone too far. They charge that the benchmarks of acceptability, the basic minimums and standards we use to measure the limits of our tolerance of poverty have been stretched beyond their limit.

I disagree. These are the standards which differentiate American people from citizens in other societies. Our Government's effort to assure that people have adequate shelter, minimum nutrition, a basic level of health care, fundamental education; these mark the differences which propel our society to the greatest economic productivity on Earth today.

We are, indeed, at a turning point in political, economic, and even ideological terms. The problems of fighting poverty are the places for self-examination and self-rededication to our most valuable principles. My opinion is that this is the cutting edge where the ultimate determination of our society's future will be played out.

We must not shy from the challenge; every new opportunity compels us to take risks, to exert leadership, and to demonstrate to the free world that we will not lessen our commitment to achieve the goals for which this Nation was founded.

Our greatest failure will be to allow the concept of costs and risks to deter us. We must not resign ourselves to admitting that the American dream was only meant to be shared by those born lucky enough to afford it. In the face of the stranglehold of OPEC, the never-ending wage-price spiral, the humiliation in Iran and Vietnam, let us

turn to ourselves and rededicate ourselves to the political faith which has sustained us.

As we profess our desire not to be enslaved to the political power of any government, we also profess not to submit to any pessimism which threatens to hold us down. At this moment, more than any other, our greatest options present themselves. The illusion of crisis must be set aside as only a vision of what might occur. We shall only fail if we put aside the responsibilities placed upon us by our traditions and deny our most fundamental beliefs. I am not prepared to do that.

□ 1730

CALIFORNIA TAKING PROGRESSIVE STEPS IN AGRICULTURE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. COELHO), is recognized for 5 minutes.

● Mr. COELHO. Mr. Speaker, when Daniel Webster graced these Halls he said that "national strength lies very near the soil."

"The cultivation of the earth," he said, "is the most important labor of man."

The State of California was admitted to the Union just 2 years before the death of this great statesman, but if Daniel Webster were alive today he would be proud of my home State's contribution to American agriculture—the richest agricultural State in the Nation. Consider, for instance, that 8 of the 10 leading agricultural counties in the United States are located in California.

Recently I shared with my colleagues in the CONGRESSIONAL RECORD an article from the Wall Street Journal which discussed the important role research plays in advancing the agricultural sciences, and how California has so resourcefully responded to the challenges of the future. Our commitment to furthering California's position in U.S. agriculture promises to enhance the economy of both the State and Nation, while providing consumers everywhere with an abundance of quality farm products.

An example of California's foresight was the issuance of an executive order by Gov. Jerry Brown a few weeks ago which creates a new agricultural research program for the State. The $12.5 million undertaking is, in the Governor's words, "a significant and dramatic expansion" of the State's direction in dealing with the problems of soil erosion, energy resources used in farm production, water delivery, and the use of pesticides. Funds from the program will finance grants to schools, universities, and agricultural organizations, to be determined by a task force of farm advisers and other citizen interests.

For the RECORD, Mr. Speaker, I wish to include the Governor's executive order:

STATE OF CALIFORNIA—EXECUTIVE ORDER B-77-81

Whereas, an economically sound and sustainable agriculture is vital to California; and

Whereas, California's agricultural future depends upon finding innovative and cost-effective solutions to problems of energy and water availability and cost, air, soil, and water quality, and pest prevention and control; and

Whereas, investment of State resources is proper where significant public benefit can be realized; and

Whereas, the Governor's budget for fiscal year 1981-82 will propose that funds from the Energy and Resources Fund be available to the Department of Food and Agriculture for the Agriculture Investment Program to invest in the state's agricultural resources and specifically into the problems affecting the protection of renewable resources in agriculture as well as in resource related problems and projects to assure the future existence of a viable agriculture in the State; and

Whereas, consultation and advise from farmers, scientists, educators, the financial community, and the public is needed to fully evaluate problems affecting our agricultural resources;

Now, therefore, I, Edmund G. Brown Jr., Governor of the State of California, by virtue of the power and authority vested in me by the Constitution and statutes of the State of California, do hereby issue this order to become effective immediately:

1. The Director of the Department of Food and Agriculture shall select an Advisory Committee consisting of sixteen (16) members to make recommendations to the Director with respect to implementation of this Order. Eight of the Advisory Committee members shall be selected by the Director from nominations received from representatives of the agricultural community; the agricultural members of the Advisory Committee shall be selected to represent the geographic, commodity, and size diversity of the State's agriculture. The Director shall appoint eight additional persons as follows:

(a) a representative of the University of California;

(b) the Director of the State Department of Conservation, or a designee;

(c) the President of the Resource Conservation Districts Association, or a designee;

(d) the Director of the State Department of Water Resources, or a designee;

(e) a member of the State Water Resources Control Board;

(f) the State Chair of the California Agricultural Stabilization and Conservation Committee, or a designee;

(g) a representative of the financial community;

(h) one public member.

The Director shall yearly designate one member to act as Chair.

2. The Advisory Committee shall make recommendations to the Director of the Department of Food and Agriculture with respect to the implementation of this Executive Order, and shall determine that the use of funds allocated to the Department under this Executive Order is appropriate, effective, and compatible with the objective of finding innovative and cost effective solutions to the challenge of maintaining and enhancing California's agricultural energy, water, air, soil, and genetic resources, and in accordance with the following purposes:

Increasing agriculture's independence from nonrenewable resources of agricultural energy;

Maintaining the productive capacity of California soils by addressing the problems of soil erosion, salt accumulation, inadequate drainage, soil movement, compaction, decline in fertility, and urban encroachment;

Increasing the availability and efficiency of water use in agriculture;

Encouraging a broad spectrum of agricultural strategies and techniques aimed at preventing the spread of and ensuring the control of plant and animal pests;

Identifying strategies, programs, and incentives that increase the compatibility of agricultural activities with long-term maintenance of wildlife habitat and air and water quality.

3. The Director shall not undertake the disbursement of funds available under this Executive Order except for the purposes and proposals adopted and recommended by the Advisory Committee; however, the Director shall not be required to adopt all proposals or programs recommended. All appropriations for the Agriculture Investment Program shall be made through the Governor's annual budget.

4. The Advisory Committee shall additionally:

Identify renewable resource investment needs in agriculture and develop criteria for evaluating problems affecting the preservation, conservation, or enhancement of renewable agricultural resources in the State.

Publicly request proposals from the research community, and other agencies, organizations, and investigators for the investigation and solution of specific problems and recommend to the Director the funding of those proposals which, in the estimation of the Advisory Committee, may reasonably be expected to be successful and usable.

Provide liaison with other groups, agencies, institutions, and individuals with similar interests and responsibilities for maintaining, improving, and enhancing renewable agricultural resources and act cooperatively with them in attaining such goals. Such cooperation may include, but not be limited to, funding, in part or in whole, by grant or by loan, projects or programs recommended by other groups, agencies, institutions, and individuals.

Review all applications for funding and make recommendations to the Director based upon the purposes established in this Executive Order and the criteria established by the Advisory Committee. The Committee's recommendations should emphasize innovative approaches that are unlikely to find support through other state or federal funding channels, and the Committee shall ensure that its recommendations do not duplicate ongoing programs within the Department of Food and Agriculture or other state agencies or commissions. The Advisory Committee shall seek to maximize the potential public benefit that might result from the allocation of state funds under this program, and shall encourage cost-sharing efforts to provide the most effective use of state funds.

Annually describe and report progress on projects funded to the Governor and the public.

Make recommendations to the Director of the Department of Food and Agriculture

with respect to the implementation of this program.

5. Members shall be appointed to the Advisory Committee for a term of four years, but may not serve more than two consecutive terms.

6. The Advisory Committee shall serve without compensation, but shall receive necessary travel expenses, technical advisors, and staff assistance in carrying out its responsibilities. Annual administrative costs shall be limited to not more than one and one-half percent of the Agricultural Resources Investment Fund.●

LEGISLATION TO INCREASE THE UTILIZATION OF THE INTERNATIONAL COURT OF JUSTICE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 5 minutes.

● Mr. BINGHAM. Mr. Speaker, I am introducing today, on behalf of myself and the gentleman from Washington (Mr. PRITCHARD) a concurrent resolution designed to encourage increased utilization of the International Court of Justice and thereby promote international justice and peace through law.

In the volatile political climate of our time, respect for principles of international law unfortunately appears on the decline. The attack on the U.S. Embassy in Tehran on November 4, 1979, and the subsequent imprisonment of 52 diplomatically protected Americans for 444 days provide 1 very dramatic example. While making better use of the World Court is no panacea, it is certainly a step in the right direction.

My desire to strengthen the role of the World Court dates back a number of years. It prompted me in 1974 to propose five resolutions, along with Senator CRANSTON of California, urging the President to increase utilization of the Court in a number of ways. Last year, Senator CRANSTON and I reintroduced one of these resolutions as Senate Concurrent Resolution 85 and House Concurrent Resolution 352. As the Congress again failed to take action, I am resubmitting the same concurrent resolution today.

This resolution would strengthen the World Court by seeking the establishment of a special committee in the United Nations which would be authorized to seek advisory opinions on international law, if so requested by national courts empowered by national legislatures to make such requests. This committee could also establish procedures to assure that each party involved in cases before the court or tribunal requesting an advisory opinion would have the opportunity to present its views to the World Court. In addition, the resolution would urge the President to propose legislation to the Congress: First, authorizing Federal courts to request advisory opinions from the World Court; second, laying out the procedures for doing so; and third, defining precisely to what degree the United States accepts the expanded jurisdiction of the International Court of Justice.

Although the United States has long been a leader in promoting peace, we have been remiss in helping to strengthen those international institutions established to build and preserve international law. We did not even join the first world court, the Permanent Court of International Justice, and we became a member of the International Court of Justice in 1946 only after adding a self-judging reservation to the Senate's advice and consent. Let us now reverse our role and become a leader in the campaign to build respect for international law, thereby increasing the prospects for peaceful resolution of international conflict.

I commend this concurrent resolution to my colleagues and urge that it be given favorable and early consideration. The text of the resolution follows:

H. CON. RES. 86

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that the President should—

(1) direct the permanent representative of the United States to propose to the United Nations General Assembly the adoption of a resolution which establishes a special committee authorized—

(A) to seek an advisory opinion of the International Court of Justice, upon request by a national court or tribunal which is duly authorized by national legislation to make such a request, regarding any question of international law of which such court or tribunal has jurisdiction; and

(B) to establish procedures providing adequate opportunities for the presentation to the International Court of Justice the views of each party to the case before the court or tribunal requesting such advisory opinion; and

(2) after the establishment of the special committee, propose legislation to the Congress which—

(A) authorizes Federal courts to request such advisory opinions; and

(B) establishes procedures whereby any Federal court may submit such requests to the special committee; and

(C) defines the scope of acceptance by the United States of the expanded jurisdiction of the International Court of Justice.●

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. COLEMAN) to revise and extend their remarks and include extraneous material:)

Mr. JEFFORDS, for 5 minutes, today.

Mr. GREEN, for 10 minutes, today.

Mr. LOTT, for 10 minutes, today.

Mr. MCCLORY, for 5 minutes, today.

Mr. GILMAN, for 60 minutes, March 11.

(The following Members (at the request of Mr. PEASE) to revise and extend their remarks and to include extraneous material:)

Mr. RODINO, for 5 minutes, today.

Mr. FORD of Tennessee, for 35 minutes, today.

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. COELHO, for 5 minutes, today.

Mr. PEYSER, for 60 minutes, on March 11.

Mr. BINGHAM, for 60 minutes, on March 11.

(The following Members (at the request of Mr. DENARDIS) to revise and extend their remarks and include extraneous material:)

Mr. MCCOLLUM, for 30 minutes, March 11.

(The following Members (at the request of Mr. FORD of Tennessee) to revise and extend their remarks and include extraneous material:)

Mr. BINGHAM, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. COLEMAN), and to include extraneous matter:)

Mr. SMITH of New Jersey.

Mr. KEMP in two instances.

Mr. GREEN in two instances.

Mr. BENEDICT.

Mr. SOLOMON.

Mr. FRENZEL.

Mr. ROUSSELOT.

Mr. SAWYER.

Mr. MCCLORY.

Mr. CRAIG.

Mr. PAUL in two instances.

Mr. WALKER.

Mr. YOUNG of Florida.

Mr. DERWINSKI.

Mr. MITCHELL of New York.

Mr. RITTER in two instances.

Mr. MCKINNEY.

Mr. BAILEY of Missouri.

Mr. MARLENEE in four instances.

Mr. BEREUTER.

Mr. RINALDO.

Mr. COATS.

Mr. MILLER of Ohio in two instances.

Mr. HOLLENBECK in two instances.

Mr. DORNAN of California.

Mr. PARRIS.

(The following Members (at the request of Mr. PEASE), and to include extraneous matter:)

Mr. MAZZOLI in two instances.

Mr. ROSENTHAL.

Mr. MCDONALD in two instances.

Mr. GUARINI.

Mr. COELHO.

Mr. EDGAR.

Mr. DE LA GARZA in 10 instances.

Mr. PATMAN.

Mr. STARK in two instances.

Mr. BENJAMIN.

Mr. HAMILTON in two instances.

Mr. MOAKLEY in two instances.
Mr. APPLEGATE.
Mr. NOWAK.
Mr. RICHMOND.
Mr. BOLLING.
Mr. LONG of Louisiana.
Mr. VENTO in two instances.
Mr. HUBBARD.
Mr. BEILENSON.
Mr. SIMON in five instances.
Mr. D'AMOURS in two instances.
Mr. PEYSER.
Mr. SMITH of Iowa in two instances.
Mr. OBERSTAR.
Mr. MATTOX.
Mr. MOTTL.
Mr. COTTER.
Mr. FARY.
Mr. RAHALL in two instances.
Mr. LAFALCE.
Mr. ROE.
Mr. SHELBY.
Mr. CORRADA.
Mr. BEDELL.
Mr. BREAUX.

ADJOURNMENT

Mr. FORD of Tennessee. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 41 minutes p.m.), the House adjourned until tomorrow, Thursday, March 5, 1981, at 11 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

682. A letter from the Comptroller General of the United States, transmitting his review of the proposed rescission of budget authority reported in the message from the President dated January 29, 1981 (H. Doc. No. 97-16), pursuant to section 1014(b) of Public Law 93-344; to the Committee on Appropriations.

683. A letter from the Principal Deputy Assistant Secretary of the Navy (Logistics), transmitting notice of the proposed conversion to contractor performance of the keypunch function at the Naval Weapons Station, Seal Beach, Calif., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

684. A letter from the Assistant Secretary of the Air Force (Research, Development, and Logistics), transmitting notice of the proposed conversion to contractor performance of the family housing maintenance function at Grand Forks Air Force Base, N. Dak., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

685. A letter from the Assistant Secretary of the Air Force (Research, Development, and Logistics), transmitting notice of the proposed conversion to contractor performance of the refuse collection function at K. I. Sawyer AFB, Mich., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

686. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Army's proposed sale of certain defense equipment and services to Egypt (Transmittal No. 81-22), pursuant to section 813 of Public Law 94-106; to the Committee on Armed Services.

687. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Army's proposed sale of certain defense equipment and services to Jordan (Transmittal No. 81-25), pursuant to section 813 of Public Law 94-106; to the Committee on Armed Services.

688. A letter from the Chairman, National Institute of Education, transmitting the fifth report of the National Council on Educational Research, pursuant to section 405(c)(3) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

689. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment and services to Egypt (Transmittal No. 81-22), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

690. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment and services to Jordan (Transmittal No. 81-25), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

691. A letter from the Acting Chairman, Council on Environmental Quality, Executive Office of the President, transmitting a report on the council's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

692. A letter from the Executive Secretary, Administrative Conference of the United States, transmitting a report on the agency's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

693. A letter from the Executive Director and the Deputy General Counsel, Federal Labor Relations Authority, and the Executive Director, Federal Service Impasses Panel, transmitting a report on their offices' activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

694. A letter from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports covering visa petitions approved according certain beneficiaries third and sixth preference classification pursuant to section 204(d) of the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

695. A letter from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation under the authority of section 244(a)(1) of the Immigration and Nationality Act, together with a list of the persons involved, pursuant to section 244(c) of the act; to the Committee on the Judiciary.

696. A letter from the Comptroller General of the United States, transmitting a report on the use of wood residue (EMD-81-6, March 3, 1981); jointly, to the Committees on Government Operations, Agriculture, and Energy and Commerce.

697. A letter from the Comptroller General of the United States, transmitting a report on the financial disclosure process of the legislative branch (FPCD-81-20, March 4, 1981); jointly, to the Committees on Government Operations, Rules, and Standards of Official Conduct.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BENEDICT:

H.R. 2278. A bill to place a sign memorializing the New River Gorge Bridge as the world's largest steel-arch span bridge; to the Committee on Public Works and Transportation.

Mr. BIAGGI:

H.R. 2279. A bill to require the fingerprinting of juvenile delinquents upon conviction or adjudication and to forbid the withholding of information from criminal trials on the grounds such information relates to a juvenile proceeding; to the Committee on the Judiciary.

H.R. 2280. A bill to authorize the Secretary of the Treasury to conduct a study of handgun bullets manufactured in or imported into the United States, to determine which bullets have the capacity to penetrate bulletproof vests commonly used by law enforcement officers; to the Committee on the Judiciary.

H.R. 2281. A bill to amend title 18 of the United States Code to provide that persons accused of committing Federal felonies who have attained the age of 15 years shall be tried as adults, and to require the several States, the District of Columbia, and the other territories and possessions of the United States to treat all felony offenders alike who have attained the age of 15 years; to the Committee on the Judiciary.

H.R. 2282. A bill to amend section 924 of title 18 to increase the penalties for certain offenses relating to firearms, and to provide mandatory minimum penalties in certain circumstances; to the Committee on the Judiciary.

H.R. 2283. A bill to establish rational criteria for the imposition of the sentence of death, and for other purposes; to the Committee on the Judiciary.

H.R. 2284. A bill to help States assist the innocent victims of crime; to the Committee on the Judiciary.

H.R. 2285. A bill to amend the Urban Mass Transportation Act of 1964 by proscribing certain acts committed against a mass transportation system; to the Committee on Public Works and Transportation.

By Mr. BROWN of Ohio:

H.R. 2286. A bill to amend the Clean Air Act to provide compliance date extensions for steelmaking facilities on a case-by-case basis to facilitate modernization; to the Committee on Energy and Commerce.

By Mr. CLAUSEN:

H.R. 2287. A bill designating the Luther Burbank Shasta Daisy as the national flower of the United States; to the Committee on Post Office and Civil Service.

By Mr. CLAY:

H.R. 2288. A bill to amend title 39 of the United States Code to provide that owners of passenger motor vehicles leased to the U.S. Postal Service shall be exempt from the payment of State taxes and fees on those vehicles; to the Committee on Post Office and Civil Service.

By Mr. COLLINS of Texas:

H.R. 2289. A bill to terminate the Department of Education; jointly, to the Committees on Government Operations and Rules.

By Mr. PHILIP M. CRANE:

H.R. 2290. A bill to amend the Internal Revenue Code of 1954 to exclude all interest from the gross income of individuals; to the Committee on Ways and Means.

By Mr. DAVIS:

H.R. 2291. A bill to amend section 5(d) of Public Law 874 to prevent taking into account Federal funds made available under that act in the distribution of State educational funds; to the Committee on Education and Labor.

By Mr. DAVIS (for himself and Mr. OBERSTAR):

H.R. 2292. A bill to amend the Trade Act of 1974 in order to extend eligibility for adjustment assistance to workers providing essential parts and essential services with respect to articles adversely affected by import competition and to workers providing raw materials for such essential parts; to the Committee on Ways and Means.

By Mr. DE LA GARZA:

H.R. 2293. A bill to provide general assistance and special impact aid to local educational agencies for the provision of educational services to undocumented alien children to whom State or local educational agencies are required, by order of any Federal court, to provide educational services or who are permitted under any such order to receive the benefits of State funds available for educational purposes; to the Committee on Education and Labor.

By Mr. DERRICK:

H.R. 2294. A bill to amend the Congressional Budget Act to require the Congressional Budget Office, for every significant bill or resolution reported in the House or Senate, to prepare and submit an estimate of the cost which would be incurred by the State and local governments in carrying out or complying with such bill or resolution; to the Committee on Rules.

By Mr. DOWNEY (for himself, Mr. PORTER, Mr. OTTINGER, and Mr. PICKLE):

H.R. 2295. A bill to amend the Internal Revenue Code of 1954 with respect to the income tax treatment of educational filmstrips; to the Committee on Ways and Means.

By Mr. DUNCAN:

H.R. 2296. A bill to amend the Clean Air Act to provide for further assessment of the validity of the theory concerning depletion of ozone in the stratosphere by halocarbon compounds before proceeding with any further regulation of such compounds, to provide for further research and study, and for other purposes; jointly, to the Committees on Energy and Commerce and Rules.

By Mr. DOWNEY (for himself, Mr. APPLEGATE, Mr. ATKINSON, Mr. BAILEY of Missouri, Mr. BEDELL, Mr. BINGHAM, Mr. BONIOR of Michigan, Mrs. CHISHOLM, Mr. CLAY, Mr. CONYERS, Mr. CORCORAN, Mr. WILLIAM J. COYNE, Mr. D'AMOURS, Mr. DAVIS, Mr. DELLUMS, Mr. DIXON, Mr. DWYER, Mr. DYSON, Mr. EDGAR, Mr. ERTEL, Mr. FAUNTROY, Mr. FAZIO, Ms. FERRARO, Mr. FISH, Mr. FORD of Tennessee, Mr. FORD of Michigan, Mr. FORSYTHE, Mr. FRANK, Mr. FROST, Mr. GARCIA, Mr. GIBBONS, Mr. GLICKMAN, Mr. GRAY, Mr. GUARINI, Mr. HORTON, Mr. HOWARD, Mr. JEFFORDS, Mr. KASTENMEIER, Mr. KILDEE, Mr. KOGOVSEK, Mr. LAFALCE, Mr. LONG of Maryland, Mr. LOWRY of Washington, Mr. LUNGREN, Mr. MARKEY, Mr. MATSUI, Mr. MCHUGH, Ms. MIKULSKI, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. MOFFETT, Mr. MURPHY, Mr. NEAL, Mr. OTTINGER, Mr. PANETTA, Mr. PEPPER, Mr. RAILSBACK, Mr. RICHMOND, Mr. RODINO, Mr. ROE, Mr. ROSENTHAL, Mr. RUSSO, Mr. SCHEUER, Mrs. SCHNEIDER, Mr. SEIBERLING, Mr. SIMON, Mr. STOKES, Mr. VENTO, Mr. WASHINGTON, Mr. WAXMAN, Mr. WEAVER, Mr. WEISS, Mr. WHITEHURST, Mr. WIRTH, and Mr. WOLPE):

H.R. 2297. A bill to amend title 38, United States Code, to waive the 1-year limitation on claims for compensation from the Veterans' Administration for disabilities and disease incurred in or aggravated by military service in the case of claims by veterans who served in Southeast Asia during the Vietnam era for compensation for disabilities resulting from exposure to the phenoxy herbicide known as "Agent Orange" or other phenoxy herbicides; to the Committee on Veterans' Affairs.

By Mr. DOWNEY (for himself, Mr. BARNARD, Mr. BEDELL, Mr. BRODHEAD, Mr. BROWN of California, Mrs. CHISHOLM, Mr. COELHO, Mrs. COLLINS of Illinois, Mr. CONYERS, Mr. WILLIAM J. COYNE, Mr. DE LA GARZA, Mr. DE LUGO, Mr. DWYER, Mr. EDGAR, Mr. ERDAHL, Mr. FASCELL, Mr. FISH, Mr. GINGRICH, Mr. GUYER, Mr. HORTON, Mr. HUGHES, Mr. KILDEE, Mr. LAFALCE, Mr. MCKINNEY, Ms. MIKULSKI, Mr. MITCHELL of Maryland, Mr. MOTTL, Mr. MURPHY, Mr. PEPPER, Mr. PRITCHARD, Mr. RAHALL, Mr. RANGEL, Mr. RICHMOND, Mr. RODINO, Mr. ROE, Mr. ROSENTHAL, Mr. SABO, Mr. SANTINI, Mr. SCHEUER, Mr. SOLARZ, Mr. STOKES, Mr. WHITEHURST, Mr. WON PAT, and Mr. YATRON):

H.R. 2298. A bill to amend the Internal Revenue Code of 1954 to modify the credit allowed for expenses for household and dependent care services necessary for gainful employment to include credit to individuals for expenses for the care of a mentally or physically handicapped child of such individual, and to provide for the exemption from taxation of trusts established to provide care for such children except to the extent of distributions, and to provide a deduction for contributions to such trusts; to the Committee on Ways and Means.

Mr. EDWARDS of Oklahoma:

H.R. 2299. A bill to amend title 5, United States Code, to improve and reform the administrative procedures of Federal agencies, and for other purposes; jointly, to the Committees on the Judiciary and Rules.

H.R. 2300. A bill to amend the National Labor Relations Act to provide for a freedom of choice in labor relations for full-time and part-time secondary and college students by exempting them from compulsory union membership, and for other purposes; to the Committee on Education and Labor.

H.R. 2301. A bill to preserve and protect the free choice of individual employees to form, join, or assist labor organizations, or to refrain from such activities; to the Committee on Education and Labor.

H.R. 2302. A bill to provide for the establishment of a Nuclear Safety Board as an independent establishment of the United States with authority to monitor nuclear incidents and to make recommendations regarding nuclear safety; jointly, to the Committees on Energy and Commerce and Interior and Insular Affairs.

By Mr. GUARINI:

H.R. 2303. A bill to designate the New York Bulk and Foreign Mail Center at Jersey City, N.J., as the "Michael McDermott Bulk and Foreign Mail Center"; to the Committee on Public Works and Transportation.

By Mr. GRAMM:

H.R. 2304. A bill to amend the Energy Policy and Conservation Act to modify the oil acquisition program of the Strategic Petroleum Reserve in order to decrease the cost to the Government of oil stored in the Reserve and increase the quantity of oil in storage, and for other purposes; to the Committee on Energy and Commerce.

Mr. LAFALCE:

H.R. 2305. A bill to amend the Immigration and Nationality Act to provide for third preference treatment of alien investors; to the Committee on the Judiciary.

H.R. 2306. A bill to amend the Immigration and Nationality Act to provide for third preference treatment of alien investors; to the Committee on the Judiciary.

H.R. 2307. A bill to amend the Internal Revenue Code of 1954 to provide that, for purposes of the Federal estate tax, amounts contributed to certain cemetery companies may be deducted from the gross estate; to the Committee on Ways and Means.

H.R. 2308. A bill to amend the Internal Revenue Code of 1954 to provide that, for purposes of the Federal estate tax, amounts contributed to certain cemetery companies may be deducted from the gross estate; to the Committee on Ways and Means.

By Mr. LEE:

H.R. 2309. A bill to amend the Clean Air Act to promote competitiveness in the motor vehicle aftermarket and to preserve consumer freedom of choice to select parts and service of the consumer's own choosing, and for other purposes; to the Committee on Energy and Commerce.

H.R. 2310. A bill to amend the Clean Air Act to promote competitiveness in the motor vehicle aftermarket and to preserve consumer freedom of choice to select parts and service of the consumer's own choosing, and for other purposes; to the Committee on Energy and Commerce.

By Mr. LEHMAN:

H.R. 2311. A bill to amend the Internal Revenue Code of 1954 to allow individuals a deduction for certain expenses paid or incurred in connection with the adoption of a child; to the Committee on Ways and Means.

By Mr. LEWIS:

H.R. 2312. A bill to amend the Internal Revenue Code of 1954 to repeal the estate and gift taxes and the tax on generation-skipping transfers; to the Committee on Ways and Means.

By Mr. MARTIN of North Carolina:

H.R. 2313. A bill to amend the Federal Food, Drug, and Cosmetic Act to authorize the issuance of a regulation for a food additive on the basis of an evaluation of the risks and benefits of the additive and to allow the continued use of saccharin; to the Committee on Energy and Commerce.

By Mr. MINISH:

H.R. 2314. A bill to grant a Federal charter to the National Opportunity Camps; to the Committee on the Judiciary.

By Mr. MOAKLEY:

H.R. 2315. A bill to amend the Internal Revenue Code of 1954 to provide a credit against income tax for amounts paid or incurred for rehabilitating certain historic

structures, to increase the investment tax credit percentage to 25 percent for qualified rehabilitation expenditures with respect to such structures, and to extend the investment tax credit for rehabilitation expenditures to multifamily residential rental property; to the Committee on Ways and Means.

By Mr. MOFFETT (for himself, Mr. RODINO, Mr. EDWARDS of California, Mr. CLAY, Mr. LELAND, Mrs. COLLINS of Illinois, Mr. OTTINGER, Mr. MARKEY, Mr. WEISS, Mr. SCHUMER, Mr. FRANK, Ms. MIKULSKI, Mr. LOWRY of Washington, and Mr. DOWNEY):

H.R. 2316. A bill requiring the Law Enforcement Assistance Administration to provide funds, as authorized to be appropriated under this act, to the mayor of the city of Atlanta, Ga., for extraordinary investigation expenses relating to the recent murders of black children; to the Committee on the Judiciary.

By Mr. MOTTL:

H.R. 2317. A bill to repeal the additional duties imposed until 1993 under the Omnibus Reconciliation Act of 1980 on imported ethyl alcohol; to the Committee on Ways and Means.

By Mr. MURPHY (for himself, Mr. PERKINS, Mr. MILLER of California, Mr. BIAGGI, Mr. SIMON, Mr. FORD of Michigan, Mr. WEISS, Mr. KILDEE, and Mr. DYMALLY):

H.R. 2318. A bill to extend authorizations of appropriations for programs established in the Child Abuse Prevention and Treatment Act and in the Child Abuse Prevention and Treatment and Adoption Reform Act of 1978, and for other purposes; to the Committee on Education and Labor.

By Mr. NOWAK:

H.R. 2319. A bill to amend the Internal Revenue Code of 1954 to provide simplification in accounting rules related to inventory; to the Committee on Ways and Means.

By Mr. PASHAYAN:

H.R. 2320. A bill to prohibit the compensation of certain fees by the Federal Trade Commission; to the Committee on Energy and Commerce.

By Mr. PASHAYAN (for himself and Mr. COELHO):

H.R. 2321. A bill to authorize the Secretary of the Army to construct improvements on Redbank and Fancher Creeks, Calif.; to the Committee on Public Works and Transportation.

By Mr. PAUL:

H.R. 2322. A bill to authorize and direct the General Accounting Office to audit the Federal Reserve Board, the Federal Advisory Council, the Federal Open Market Committee, and Federal Reserve banks and their branches; to the Committee on Banking, Finance and Urban Affairs.

H.R. 2323. A bill to amend the State and Local Fiscal Assistance Act of 1972 to make that act's prohibition on the use of revenue sharing funds for lobbying purposes applicable to any lobbying; to the Committee on Government Operations.

By Mr. PICKLE:

H.R. 2324. A bill to amend the Internal Revenue Code of 1954 to increase the annual gift tax exclusion and to clarify the gift tax treatment of certain transfers for consumption; to the Committee on Ways and Means.

By Mr. RAHALL (for himself, Mr. MOLLOHAN, Mr. BEVILL, Mr. MURTHA, Mr. ROGERS, Mr. KOGOVSEK, Mr. APPLEGATE, Mr. CLINGER, Mr. MURPHY, and Mr. FLORIO):

H.R. 2325. A bill entitled: "The Coal Utilization Incentives Act of 1981"; jointly, to the Committees on Energy and Commerce and Ways and Means.

By Mr. RODINO (for himself and Mr. MCCLORY):

H.R. 2326. A bill to amend the Sherman Act and the Clayton Act to exclude from the application of such acts certain conduct involving exports; to the Committee on the Judiciary.

By Mr. SHELBY:

H.R. 2327. A bill to amend title 18, United States Code, to increase the penalties for desecrating the flag of the United States; to the Committee on the Judiciary.

By Mrs. SMITH of Nebraska (for herself, Mr. BEREUTER, Mr. PERKINS, Mr. CLINGER, Mr. BROWN of Colorado, Mr. DAUB, Mr. HAGEDORN, Mr. STANGELAND, Mr. ATKINSON, and Mrs. BYRON):

H.R. 2328. A bill to amend title 23, United States Code, to authorize the Secretary of Transportation to make grants relating to energy impacted rail and highway transportation; jointly, to the Committees on Public Works and Transportation and Energy and Commerce.

By Mr. SYNAR:

H.R. 2329. A bill conferring jurisdiction on certain courts of the United States to hear and render judgment in connection with certain claims of the Cherokee Nation of Oklahoma; jointly, to the Committees on Interior and Insular Affairs and the Judiciary.

By Mr. UDALL:

H.R. 2330. A bill to authorize appropriations to the Nuclear Regulatory Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and section 305 of the Energy Reorganization Act of 1974, as amended, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. VENTO (for himself, Mr. MCCLORY, Mr. BOLAND, Mr. DE LUGO, Mr. FORSYTHE, Ms. MIKULSKI, Mr. MINISH, Mr. MOAKLEY, Mr. OTTINGER, Mr. PEPPER, Mr. SCHEUER, Mr. STARK, Mr. WEISS, Mr. WINN, Mr. SYNAR, and Mr. BUTLER):

H.R. 2331. A bill to prohibit the drugging or numbing of racehorses and related practices, and to amend title 18, United States Code, to prohibit certain activities conducted in interstate or foreign commerce relating to such practices; jointly, to the Committees on Energy and Commerce and the Judiciary.

By Mr. WALKER (for himself, Mr. DERWINSKI, Mr. ERDAHL, Mr. HILER, Mr. JAMES K. COYNE, Mr. COLLINS of Texas, Mr. HARTNETT, Mr. DANIEL B. CRANE, Mr. GARCIA, and Mr. ASHBROOK):

H.R. 2332. A bill to amend the Internal Revenue Code of 1954 and the Social Security Act to provide an exemption from coverage under the social security program, through a tax refund procedure, for employees who are members of religious faiths which oppose participation in such program, and to provide a similar exemption on a current basis (pursuant to waiver certificates filed in advance) for employers engaged in farming and their employees in cases where both are members of such faiths; and to make the existing exemption for self-employed members of such faiths available to certain additional individuals; to the Committee on Ways and Means.

By Mr. WATKINS:

H.R. 2333. A bill to amend the Federal Reserve Act to provide that not less than three members of the Board of Governors of the Federal Reserve System shall come from the agricultural sector, the industrial sector, the commercial sector, or financial institutions with assets of less than $150,000,000; to the Committee on Banking, Finance and Urban Affairs.

By Mr. WAXMAN (for himself, Mr. EDGAR, Mr. LOWRY of Washington, Mr. OTTINGER, Mr. MOFFETT, Mr. OBERSTAR, Mr. STARK, Mr. ROE, Mr. WASHINGTON, Mr. SEIBERLING, Mr. GUARINI, Mrs. CHISHOLM, Mr. MITCHELL of Maryland, Mr. STOKES, Mr. SABO, Mr. CROCKETT, and Mr. VENTO):

H.R. 2334. A bill to amend the National Labor Relations Act to provide that the duty to bargain collectively includes bargaining with respect to retirement benefits for retired employees; to the Committee on Education and Labor.

By Mr. WHITTEN:

H.R. 2335. A bill to provide soybean producers with the same protection from natural disasters as producers of wheat and feed grains; to the Committee on Agriculture.

By Mr. RUSSO:

H.J. Res. 198. Joint resolution proposing an amendment to the Constitution of the United States for the protection of unborn children and other persons; to the Committee on the Judiciary.

By Mr. BINGHAM (for himself and Mr. PRITCHARD):

H. Con. Res. 86. Concurrent resolution to establish a Special Committee on Advisory Opinions from the World Court; to the Committee on Foreign Affairs.

By Mr. OTTINGER:

H. Con. Res. 87. Concurrent resolution declaring that the President's decision to commit U.S. military personnel to El Salvador requires that he comply with section 4(a) of the War Powers Resolution; to the Committee on Foreign Affairs.

By Mr. THOMAS:

H. Con. Res. 88. Concurrent resolution expressing the sense of the Congress that in administering the impact aid program under the act of September 30, 1950, the Secretary of Education should provide school districts with an opportunity to justify requests for financial assistance in amounts which may exceed by more than $50 the minimum local contribution rates for such districts; to the Committee on Education and Labor.

By Mr. BROOKS (for himself, Mr. DASCHLE, Mr. SEIBERLING, Mr. FAZIO, Mr. MCHUGH, Mr. SYNAR, and Mr. BURGENER):

H. Res. 97. Resolution to authorize the reprinting of the report entitled "International Information Flow: Forging a New Framework"; to the Committee on House Administration.

By Mr. DUNN (for himself, Mr. BAILEY of Missouri, Mr. BENEDICT, Mr. BLILEY, Mr. BROWN of Colorado, Mr. CARMAN, Mr. CHAPPIE, Mr. CRAIG, Mr. DANIEL B. CRANE, Mr. CORCORAN, Mr. JAMES K. COYNE, Mr. DENARDIS, Mr. EMERSON, Mr. EVANS of Iowa, Mr. FRENZEL, Mr. GOODLING, Mr. GREGG, Mr. GUNDERSON, Mr. HARTNETT, Mr. HENDON, Mr. HILER, Mr. HUNTER, Mr. JOHNSTON, Mr. LEBOUTILLIER, Mr. LOWERY of California, Mr. MCCOLLUM, Mr. MCEWEN, Mr. MCGRATH, Mr. MARTIN of New York, Ms. MARTIN of Illinois, Mr. MORRISON, Mr. NAPIER, Mr. PARRIS, Mr.

ROBERTS of South Dakota, Mr. ROBERTS of Kansas, Mr. ROGERS, Mrs. ROUKEMA, Mrs. SCHNEIDER, Mr. SHAW, Mr. SKEEN, Mr. SMITH of New Jersey, Mr. SMITH of Oregon, Mr. SOLOMON, Mr. STATON of West Virginia, Mr. WEBER of Ohio, Mr. WEBER of Minnesota, Mr. WOLF, Mr. WORTLEY, Mr. VANDER JAGT and Mr. LAGOMARSINO:

H. Res. 98. Resolution limiting the aggregate of all expense resolution authorization levels for the standing and select committees of the House of Representatives to 90 percent of the aggregate expenditure levels of such committees for the second session of the 96th Congress; to the Committee on House Administration.

By Mr. HARKIN:

H. Res. 99. Resolution expressing the sense of the House of Representatives with respect to the failure of the Government of Chile to extradite Manuel Congreras, Armando Fernandez, and Pedro Espinoza to the United States, and urging the President to take certain actions with respect to Chile; jointly, to the Committees on Foreign Affairs and Banking, Finance and Urban Affairs.

By Mr. LOTT:

H. Res. 100. Resolution to amend the Rules of the House of Representatives for the purpose of strengthening and making more accountable the committee system and thereby making the legislative process more efficient, manageable, and representative; to the Committee on Rules.

By Mr. HARKIN (for himself, Mrs. CHISHOLM, Mr. WOLPE, Mr. OBERSTAR, Mr. DOWNEY, Mrs. SCHROEDER, Mr. STARK, Mr. EDGAR, Mr. LOWRY of Washington, Mr. WEISS, Mr. EDWARDS of California, and Mr. WASHINGTON):

H. Res. 101. Resolution expressing the concern of the Congress about gross violations of human rights in Guatemala, and calling upon the President of the United States to take certain actions; jointly, to the Committees on Foreign Affairs and Banking, Finance and Urban Affairs.

By Mr. PERKINS (for himself, Mr. PHILLIP BURTON, Mr. ASHBROOK, and Mr. ERLENBORN):

H. Res. 102. Resolution providing funds for expenses with respect to welfare and pension plans by the Subcommittee on Labor-Management Relations under the jurisdiction of the Committee on Education and Labor; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BONIOR of Michigan:

H.R. 2336. A bill for the relief of John Franklin Herbert McLin; to the Committee on the Judiciary.

By Mr. BREAUX:

H.R. 2337. A bill for the relief of Fulton Battise, chief of the Tribal Council of the Alabama Coushatta Tribes of Texas and Ernest Sickey, chairman of the Tribal Council of the Coushatta Tribe of Louisiana, and all other enrolled members of the Alabama Coushatta Tribes of Texas and the Coushatta Tribe of Louisiana, respectively; to the Committee on the Judiciary.

By Mr. JOHN L. BURTON:

H.R. 2338. A bill for the relief of Margot Hogan; to the Committee on the Judiciary.

By Mr. ERDAHL:

H.R. 2339. A bill for the relief of Michael Elliott Klassen; to the Committee on the Judiciary.

By Mr. FAZIO:

H.R. 2340. A bill for the relief of Theodore Anthony Dominguez; to the Committee on the Judiciary

By Mr. GONZALEZ:

H.R. 2341. A bill for the relief of Porter C. Murphy; to the Committee on the Judiciary.

By Mr. HILER:

H.R. 2342. A bill for the relief of Maria Cecelia Gabella-Ossa; to the Committee on the Judiciary.

By Mr. RAHALL:

H.R. 2343. A bill for the relief of Luis Paco Adongay; to the Committee on the Judiciary.

By Mr. YOUNG of Missouri:

H.R. 2344. A bill for the relief of Irene Hoffman; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 10: Mr. ATKINSON, Mr. JOHN L. BURTON, Mr. PHILLIP BURTON, Mrs. CHISHOLM, Mrs. COLLINS of Illinois, Mr. CONYERS, Mr. CORRADA, Mr. DELLUMS, Mr. DE LUGO, Mr. DIXON, Mr. DYMALLY, Mr. FAUNTROY, Mr. FORD of Tennessee, Mr. GARCIA, Mr. GRAY, Mr. HAWKINS, Mr. LELAND, Mr. LUJAN, Mr. MINETA, Mr. MITCHELL of Maryland, Mr. MOFFETT, Ms. OAKAR, Mr. PEPPER, Mr. RICHMOND, Mr. SAVAGE, Mrs. SCHROEDER, Mr. SIMON, Mr. STOKES, Mr. WASHINGTON, Mr. WEISS, and Mr. RANGEL.

H.R. 15: Mr. MCCOLLUM and Mr. BURGENER.

H.R. 27: Mr. BURGENER, Mr. COLEMAN, Mr. GILMAN, Mr. HUCKABY, Mr. MCHUGH, Mr. MARTIN, of North Carolina, Mr. MINISH, Mr. TRIBLE, Mr. WAMPLER, and Mr. WOLF.

H.R. 29: Mr. LAGOMARSINO.

H.R. 39: Mr. PHILLIP BURTON, Mrs. CHISHOLM, Mrs. COLLINS of Illinois, Mr. DAVIS, Mr. DELLUMS, Mr. DE LUGO, Mr. DIXON, Mr. EDGAR, Mr. EDWARDS of California, Mr. FAUNTROY, Mr. FAZIO, Mr. FLORIO, Mr. FORD of Tennessee, Mr. FORD of Michigan, Mr. FROST, Mr. GARCIA, Mr. GUARINI, Mr. HUGHES, Mr. KOGOVSEK, Mr. LOWRY of Washington, Mr. MITCHELL of Maryland, Mr. MOFFETT, Mr. RICHMOND, Mr. RINALDO, Mr. SIMON, Mr. STARK, Mr. STOKES, Mr. VENTO, Mr. WASHINGTON, and Mr. WAXMAN.

H.R. 58: Mr. ADDABBO, Mr. AKAKA, Mr. ANNUNZIO, Mr. ANTHONY, Mr. APPLEGATE, Mr. BAILEY of Missouri, Mr. BARNARD, Mr. BEDELL, Mr. BEILENSON, Mr. BENJAMIN, Mr. BEVILL, Mr. BOLLING, Mr. BONER of Tennessee, Mrs. BOUQUARD, Mr. BREAUX, Mr. BROWN of Ohio, Mr. CHAPPELL, Mrs. CHISHOLM, Mr. CLINGER, Mr. COELHO, Mr. COLEMAN, Mr. CORRADA, Mr. COTTER, Mr. D'AMOURS, Mr. DASCHLE, Mr. DE LA GARZA, Mr. DERWINSKI, Mr. DORNAN of California, Mr. DOUGHERTY, Mr. DOWNEY, Mr. DUNCAN, Mr. ECKART, Mr. EDGAR, Mr. ERTEL, Mr. EVANS of Georgia, Mr. EVANS of Indiana, Mr. FASCELL, Ms. FERRARO, Mr. FISH, Mr. FITHIAN, Mr. FOWLER, Mr. FROST, Mr. GINN, Mr. GLICKMAN, Mr. GRADISON, Mr. GREGG, Mr. GUARINI, Mr. GUYER, Mr. RALPH M. HALL, Mr. HALL of Ohio, Mr. HANCE, Mr. HATCHER, Mr. HEFNER, Mr. HUCKABY, Mr. IRELAND, Mr. JACOBS, Mr. JOHNSTON, Mr. JONES of North Carolina, Mr. KOGOVSEK, Mr. LATTA, Mr. LEATH of Texas, Mr. LEHMAN, Mr. LUJAN, Mr. MARKS, Mr. MATSUI, Mr. MAVROULES, Mr. MCCURDY, Mr. MCHUGH, Mr. MICA, Mr. MCKINNEY, Ms. MIKULSKI, Mr. MOAKLEY, Mr. MOTTL, Mr. MURPHY, Mr. NEAL, Mr. NELSON, Ms. OAKAR, Mr. OTTINGER, Mr. PANETTA, and Mr. PASHAYAN. MR. PATMAN, Mr. PATTERSON, Mr. PEPPER, Mr. PRICE, Mr. PRITCHARD, Mr. REGULA, Mr. REUSS, Mr. ROTH, Mr. RUSSO, Mr. SANTINI, Mr. SHARP, Mr. SHUMWAY, Mr. SKEEN, Mr. SIMON, Mr. SMITH of Alabama, Mr. SPENCE, Mr. STARK, Mr. STENHOLM, Mr. STUMP, Mr. SUNIA, Mr. UDALL, Mr. WATKINS, Mr. WEAVER, Mr. WHITEHURST, Mr. WHITTAKER, Mr. WHITLEY, Mr. WILLIAMS of Montana, Mr. WILSON, Mr. WINN, Mr. WOLPE, Mr. WON PAT, and Mr. ZEFERETTI.

H.R. 143: Mr. FORD of Michigan.

H.R. 146: Mr. HERTEL, Mr. YOUNG of Missouri, Mr. SAM B. HALL, JR., Mr. CLAY, Mr. DINGELL, Mr. ANTHONY, Mr. OBERSTAR, Mr. MITCHELL of Maryland, Mr. MAZZOLI, Mr. MURPHY, Mr. ALBOSTA, Mr. WON PAT, Mr. BONIOR of Michigan, Mr. YATRON, Mr. ATKINSON, Mr. HARTNETT, Ms. OAKAR, Mr. SEIBERLING, Mr. WOLPE, Mr. CROCKETT, Mr. KILDEE, Mr. TRAXLER, Mr. GUYER, Mr. HOLLAND, Mr. DUNCAN, Mr. MOTTL, and Mr. DE LUGO.

H.R. 168: Mr. ATKINSON, Mr. BONIOR of Michigan, Mr. PHILLIP BURTON, Mrs. CHISHOLM, Mrs. COLLINS of Illinois, Mr. CORRADA, Mr. DE LUGO, Mr. DWYER, Mr. EDWARDS of California, Mr. FAUNTROY, Mr. FLORIO, Mr. FORD of Tennessee, Mr. GARCIA, Mr. GILMAN, Mr. GRAY, Mr. GUARINI, Mr. LOWRY of Washington, Ms. MIKULSKI, Mr. MITCHELL of Maryland, Mr. MOFFETT, Mr. RICHMOND, Mr. SCHUMER, Mr. STARK, Mr. STOKES, Mr. VENTO, and Mr. WASHINGTON.

H.R. 170: Mr. BONIOR of Michigan, Mr. PHILLIP BURTON, Mrs. CHISHOLM, Mrs. COLLINS of Illinois, Mr. DE LUGO, Mr. EDWARDS of California, Mr. FAUNTROY, Mr. FLORIO, Mr. FORD of Tennessee, Mr. GARCIA, Mr. GILMAN, Mr. GUARINI, Mr. GRAY, Mr. LOWRY of Washington, Ms. MIKULSKI, Mr. MITCHELL of Maryland, Mr. RICHMOND, Mr. SCHUMER, Mr. STARK, Mr. STOKES, Mr. VENTO, and Mr. WASHINGTON.

H.R. 181: Mr. CONTE.

H.R. 200: Mr. PHILLIP BURTON, Mrs. CHISHOLM, MRS. COLLINS of Illinois, Mr. DAVIS, Mr. DELLUMS, Mr. DE LUGO, Mr. DIXON, Mr. EDGAR, Mr. EDWARDS of California, Mr. FAUNTROY, Mr. FAZIO, Mr. FLORIO, Mr. FORD of Tennessee, Mr. FORD of Michigan, Mr. FROST, Mr. GARCIA, Mr. GUARINI, Mr. HUGHES, Mr. KOGOVSEK, Mr. LOWRY of Washington, Mr. MITCHELL of Maryland, Mr. RICHMOND, Mr. RINALDO, Mr. SIMON, Mr. STARK, Mr. STOKES, Mr. VENTO, Mr. WASHINGTON, and Mr. WAXMAN.

H.R. 217: Mr. ROSENTHAL, Mr. ADDABBO, Mr. MOFFETT, Mr. MURPHY, Mr. BINGHAM, Mr. DIXON, Mr. RICHMOND, and Mr. WON PAT.

H.R. 247: Mr. GUNDERSON, Mr. MARTIN of New York, Mr. HANSEN of Utah, Mr. HARTNETT, Mr. EMERSON, Mr. SMITH of Alabama, Mr. ROBERTS of South Dakota, Mr. MCCOLLUM, Mr. LEBOUTILLIER, Mr. LOWERY of California, Mr. HUNTER, and Mr. DAUB.

H.R. 350: Mr. BUTLER, Mr. JAMES K. COYNE, Mr. DE LA GARZA, Mr. DORNAN of California, Mr. EVANS of Delaware Mr. GUYER, Mr. HUGHES, Mr. LAGOMARSINO, Mr. PORTER, Mr. RAILSBACK, Mr. SEIBERLING, Mr. SIMON, Mr. WHITEHURST, and Mr. WINN.

H.R. 393: Mr. KRAMER.

H.R. 465: Mr. LUKEN.

H.R. 556: Mr. SCHUMER, Mr. EDWARDS of Oklahoma, Mr. RUSSO, Mr. D'AMOURS, Mr. KASTENMEIER, and Mr. GIBBONS.

H.R. 645: Mr. GUYER, Mr. NEAL, and Mr. TRIBLE.

H.R. 646: Mr. EVANS of Delaware.

H.R. 654: Mr. HINSON, Mr. DAVIS, Mr. ROE, Mr. COURTER, Mr. CAMPBELL, Mr. JENKINS, Mr. TAUKE, Mr. CORCORAN, Mr. GARCIA, Mr. BURGENER, Mr. NATCHER, Mr. KOGOVSEK, Mr. MURPHY, Mr. SANTINI, Mr. PRITCHARD, Mr. BONIOR of Michigan, Mr. LAGOMARSINO, Mr. HEFNER, Mr. RHODES, Mr. HUCKABY, Mr. MARKS, Mr. JAMES K. COYNE, Mrs. FENWICK, Mr. HOLLENBECK, Mr. WON PAT, Mr. BEVILL, Mr. YOUNG of Missouri, Mr. HILER, Mr. WALKER, Mr. MADIGAN, Mr. YATRON, Mr. NEAL, Mr. ERDAHL, Mr. ERLENBORN, Mrs. SMITH of Nebraska, Mr. BAFALIS, Mr. MYERS, Mr. HUGHES, Mr. LEBOUTILLIER, Mr. ROBERTS of South Dakota, Mr. DYSON, Mr. PERKINS, Mr. ATKINSON, Mr. JEFFRIES, Mr. ROBINSON, Mr. SPENCE, Mr. JONES of North Carolina, Mr. HARTNETT, Mr. ROSE, Mr. LOEFFLER, Mr. DERRICK, Mr. MOORHEAD, Mr. PORTER, Mr. FOUNTAIN, Mr. STUMP, Mr. SMITH of Alabama, Mr. DAUB, Mr. HOLLAND, Mrs. HECKLER, Mr. AUCOIN, Mr. BEDELL, Mr. IRELAND, Mr. ZEFERETTI, Mr. DOWNEY, Mr. LIVINGSTON, Mr. LEWIS, Mr. HEFTEL, Mr. VANDER JAGT, Mr. MARTIN of North Carolina, Mr. SHANNON, Mr. KAZEN, Mr. RITTER, Mr. SENSENBRENNER, Mr. EVANS of Delaware, Mr. RAHALL, Mr. MCCLOSKEY, Mr. LEE, Mr. EDWARDS of Oklahoma, Mr. ANDREWS, and Mr. WHITE.

H.R. 743: Mr. PICKLE.

H.R. 835: Mr. EDWARDS of California, Mr. MITCHELL of Maryland, Mr. ROSENTHAL, Mr. PEPPER, Mr. YOUNG of Missouri, Mr. YATRON, Mr. CLAY, Mr. FRENZEL, Mr. MURPHY, Mr. WASHINGTON, Mr. FRANK, Mr. PANETTA, Mr. HUNTER, Mr. VENTO, Mr. BINGHAM, Mr. WON PAT, Mr. KILDEE, Mr. DIXON, and, Mr. RICHMOND.

H.R. 852: Mr. YOUNG of Missouri, Mr. THOMAS, Mr. STUDDS, Mr. TRAXLER, Mr. RATCHFORD, Mr. GEJDENSON, Mr. COTTER, Mr. WASHINGTON, Mrs. COLLINS of Illinois, Mr. ADDABBO, and Mr. EDWARDS of California.

H.R. 911: Mr. HUNTER.

H.R. 980: Mr. STUMP.

H.R. 982: Mr. MYERS, Mr. YOUNG of Missouri, and Mrs. SCHNEIDER.

H.R. 1064: Mr. LIVINGSTON and Mr. EDWARDS of Oklahoma.

H.R. 1177: Mr. ROYBAL, Mr. TAUKE, Mr. MAZZOLI, Mr. PETRI, Mr. KEMP, Mr. LEHMAN, Mr. SOLOMON, Mr. ROBINSON, Mr. WEAVER, Mr. MILLER of Ohio, Mr. BROWN of Ohio, Mr. BONKER, Mr. LUKEN, Mr. GREGG, Mr. GOLDWATER, Mr. DYSON, Mr. STUMP, Mr. BAILEY of Pennsylvania, and Mr. WAMPLER.

H.R. 1324: Mr. RODINO, Mr. ST GERMAIN, Mr. FLORIO, Mr. ADDABBO, Mr. ROE, Mr. NATCHER, Mr. BOWEN, Mr. WINN, Mr. LAGOMARSINO, Mr. WILLIAM J. COYNE, Mr. SCHEUER, Mr. DOUGHERTY, Mr. ANDERSON, Mr. CONTE, Mr. HOWARD, Mr. GONZALEZ, Mr. STRATTON, Mr. ROBERT W. DANIEL, JR., Mr. LOWERY of California, Mr. BARNES, Mr. GUYER, Mr. HATCHER, Mr. BENJAMIN, Mr. ALBOSTA, Mr. MITCHELL of Maryland, Mr. JONES of Tennessee, Mr. HUGHES, Mr. SEIBERLING, Mr. MATTOX, Mr. HANSEN of Idaho, Mr. HYDE, Mr. ENGLISH, Mr. DUNCAN, Mr. BRINKLEY, Mr. GINN, Mr. COELHO, Mr. RICHMOND, Mr. FAUNTROY, Mr. WALKER, Mr. YATRON, Mr. WON PAT, Mr. FASCELL, Mrs. CHISHOLM, Mr. MAZZOLI, Mr. MCGRATH, Mr. OTTINGER, Mr. NEAL, Mr. LEE, Mr. FISH, Mr. RUSSO, Mr. GREEN, Mr. CORRADA, Mr. STOKES, Mr. DE LUGO, Mrs. FENWICK, Mr. FROST, Mr. NELLIGAN, Mr. LEVITAS, Mr. LOEFFLER, Ms. MIKULSKI, Mrs. COLLINS of Illinois, Mr. SMITH of New Jersey, Mr. PEYSER, Mr. MARKEY, Mr. REUSS, Mrs. SCHNEIDER, Mr. HOLLENBECK, Mr. RITTER, Mr. DWYER, and Ms. FERRARO.

H.R. 1464: Mr. BEARD, Mr. SYNAR, Mr. DANNEMEYER, Mr. DICKS, Mr. MADIGAN, Mr. BROYHILL, Mr. DERWINSKI, Mr. MCCLORY, Mr. FINDLEY, Mr. ANDREWS, Mrs. BOUQUARD, Mr. AKAKA, Mr. EDWARDS of Oklahoma, and Mr. BEREUTER.

H.R. 1574: Mr. FAZIO, Mr. HARKIN, Mr. JOHNSTON, and Mr. VENTO.

H.R. 1576: Mr. JOHN L. BURTON, Mr. CHAPPIE, Mr. DOWNEY, Mr. MOTTL, Mr. PERKINS, Mr. STARK, Mr. WON PAT, and Mr. YOUNG of Missouri.

H.R. 1641: Mrs. CHISHOLM, Mr. JEFFORDS, Mr. MURPHY, Mr. SCHUMER, Mr. DIXON, Mr. HUGHES, and Mr. RICHMOND.

H.R. 1642: Mr. BEARD, Mr. GREGG, Mr. NEAL, Mr. ROGERS, Mr. BROWN of Colorado, Mr. BURGENER, and Mr. EVANS of Georgia.

H.R. 1646: Mr. ADDABBO, Mr. AKAKA, Mr. BROWN of California, Mrs. CHISHOLM, Mr. CLAY, Mr. CONYERS, Mr. CORRADA, Mr. CROCKETT, Mr. DANIELSON, Mr. DE LUGO, Mr. DELLUMS, Mr. DIXON, Mr. DYMALLY, Mr. EDWARDS of California, Mr. FAUNTROY, Mr. FORD of Tennessee, Mr. FORD of Michigan, Mr. GUARINI, Mr. JEFFORDS, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. MOFFETT, Mr. MURPHY, Mr. PERKINS, Mr. RANGEL, Mr. RICHMOND, Mr. RODINO, Mr. ROYBAL, Mr. SAVAGE, Mr. SOLARZ, Mr. STARK, Mr. STOKES, Mr. VENTO, Mr. WASHINGTON, Mr. WEISS, and Mr. WON PAT.

H.R. 1706: Mr. WALGREN, Mr. ADDABBO, Mr. MARLENEE, Mr. PEPPER, Mr. FORD of Michigan, Mr. SCHEUER, Mr. MURPHY, Mr. KEMP, Mr. MCDADE, Mr. COELHO, Mr. GINGRICH, Mr. VENTO, Mr. LAFALCE, Mr. DOUGHERTY, Mr. DORNAN of California, Mr. OTTINGER, Mr. MITCHELL of New York, Mr. SHUMWAY, Mr. SIMON, Ms. MIKULSKI, Mr. MITCHELL of Maryland, Mr. SANTINI, Mr. YATRON, Ms. FERRARO, Mr. BURGENER, Mr. MOTTL, Mr. BEDELL, and Mr. GRAY.

H.R. 1720: Mr. CLAY, Mr. MURPHY, Mr. FLORIO, Mr. HEFTEL, Mr. EDWARDS of California, and Mr. WEISS.

H.R. 1725: Mr. MCHUGH.

H.R. 1778: Mr. BADHAM, Mr. DANIEL B. CRANE, Mr. COLLINS of Texas, Mr. GUYER, Mr. JEFFRIES, and Mr. RUDD.

H.R. 1779: Mr. BADHAM, Mr. BEARD, Mr. DANIEL B. CRANE, Mr. COLLINS of Texas, Mr. GUYER, Mr. JOHNSTON, and Mr. RUDD.

H.R. 1817: Mr. KOGOVSEK, Mr. PRICE, Mr. FOUNTAIN, and Mr. HAMILTON.

H.R. 1862: Mr. GUYER, Mr. MOAKLEY, Mr. BARNARD, and Mr. LUKEN.

H.R. 1863: Mr. GUYER, Mr. LUKEN, Mr. STOKES, and Mr. BEDELL.

H.R. 1911: Mr. BURGENER, Mr. MONTGOMERY, Mr. COLLINS of Texas, Mr. JEFFRIES, Mr. MCDONALD, Mr. LEATH of Texas, Mr. GUYER, Mr. STENHOLM, and Mrs. BOUQUARD.

H.R. 1918: Mr. MOTTL, Mr. MARKS, Mr. EDWARDS of Oklahoma, Mr. MATSUI, and Mr. DORGAN of North Dakota.

H.R. 1960: Mr. ASPIN, Mr. DAUB, Mr. DE LUGO, Mr. ECKART, Mr. EVANS of Delaware, Mr. GREGG, Mr. MCCLOSKEY, Mr. MICA, Mr. WYDEN, and Mr. YATES.

H.R. 2024: Mr. FAZIO and Mr. CLINGER.

H.R. 2031: Mr. OBEY and Mr. SYNAR.

H.R. 2038: Mr. SPENCE.

H.R. 2039: Mr. SPENCE.

H.R. 2068: Mr. ADDABBO, Mr. BOLAND, Mr. MOTTL, Mr. PRITCHARD, Mr. WHITEHURST, Mr. PEPPER, Mr. LATTA, Mr. RAHALL, Mr. LAGOMARSINO, Mr. HORTON, Mr. FUQUA, Mr. HOWARD, Mrs. CHISHOLM, Mr. VENTO, Mr. GUARINI, Mr. BENNETT, Mr. FASCELL, Mr. KILDEE, Mr. GUYER, Mr. MAZZOLI, and Mr. MITCHELL of Maryland.

H.R. 2143: Mr. GOODLING.

H.J. Res. 68: Mrs. FENWICK, Mr. LAGOMARSINO, and Mr. WAMPLER.

H.J. Res. 145: Mr. JOHNSTON, Mr. STOKES, Mrs. SCHNEIDER, Mr. GRAY, Mr. ST GERMAIN, Mr. BENEDICT, Mr. WHITTAKER, Mr. SKELTON, and Mr. BINGHAM.

H.J. Res. 167: Mr. BENEDICT.

H. Con. Res. 52: Mr. WOLPE, Mr. CONTE, Mr. WON PAT, Mr. SCHUMER, Mr. FAZIO, and Mr. BARNARD.

H. Con. Res. 77: Mr. RODINO, Mr. SAVAGE, Mr. FORD of Tennessee, Mrs. CHISHOLM, Mr. D'AMOURS, Mr. STARK, Mr. ROSENTHAL, Mrs. HECKLER, Mr. WON PAT, Mr. SEIBERLING, Mr. MARKEY, Mr. VENTO, Ms. MIKULSKI, Mr. RAHALL, Mr. STOKES, Mr. CROCKETT, Mr. KILDEE, Mr. ROE, Mr. RATCHFORD, Mr. MITCHELL of Maryland, Mr. BONIOR of Michigan, Mr. MURPHY, Mr. FORD of Michigan, Mr. TRAXLER, Mr. MAVROULES, Mr. STUDDS, Mr. DYSON, Mr. CONTE, Mr. YATRON, Mr. MINISH, Mr. EDGAR, Mr. HAWKINS, Mr. DE LUGO, Mr. MOTTL, Mr. LUNDINE, Mr. DASCHLE, Mr. HUGHES, and Mr. GRAY.

H. Res. 30: Mr. BLANCHARD and Mr. ANDREWS.

H. Res. 38: Mr. GILMAN.

EXTENSIONS OF REMARKS

"SNOW" ON THE SET

HON. ROBERT K. DORNAN
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. DORNAN of California. Mr. Speaker, a number of years ago in the early days of television it was common to see snow on the television screen. Although technical advances have removed the visual snow that used to appear on the tube, I fear that a social relapse in mores is causing a different kind of snow to show up on our TV sets.

I am talking about cocaine. This white, powdery, little cancer is making the rounds in Hollywood among some writers, producers, and actors, and is the subject of a two-part series currently featured in the TV Guide—February 28 and March 7 issues.

I hope that the Members here will take the time to read this short series. I include the first part of this series for the benefit of all those who read the CONGRESSIONAL RECORD.

HOLLYWOOD'S COCAINE CONNECTION—AN INVESTIGATIVE REPORT ON THE HIDDEN INGREDIENT THAT MAY BE POISONING PROGRAMS YOU WATCH

(By Frank Swertlow)

The producer's house looks like a picture from the pages of Architectural Digest. It sits high on a hill, offering a panoramic view of Los Angeles and the San Fernando Valley. At night, when the temperature drops, steam drifts lazily from the oversized swimming pool. Inside the handsome house, gentle laughter is heard, punctuating conversations about art and television.

To the inexperienced eye, this seemingly innocent gathering is a lively mix of art dealers, TV actors, network executives and independent producers. To the trained observer, this well-catered, very mellow party is a ruse. On this night, and on many others, the producer is not merely entertaining guests.

"He's dealing," says a former network executive familiar with the producer's technique. "When he throws a party, he always has beautiful women there, and they touch the men in the right places and look very interested in them. Then he makes his move. It's never. 'Here's five grams of coke. Get me a series.' But it is understood very quickly that if you want the stuff to keep coming, you'll keep the shows coming. This guy has sold a lot of pilots. He's sold a series to one network and is close to a deal with another. It wasn't talent that got him the deals. It was drugs."

As the producer moves through his living room, a blond actor walks over to him and begins talking quietly. The actor, with his sun-bleached hair, jeans and tight leather jacket, looks as if he belongs on the French Riviera. Despite his good looks, he seems unhappy, depressed. The producer and the actor move out of the living room and climb the stairs leading to the second floor and a bedroom. Minutes later, both men return to the party. The actor's mood is changed. An animated smile has replaced his pained expression. Cocaine chases away the blues, which is why, a friend of the producer's says later, the TV man keeps a stash in his bedroom.

As the party winds down, the producer becomes more confident and begins to brag about his many friends at the networks. "My last deal was made at one of my parties," the man says, putting his arm around two actresses. "I guess I just happened to be lucky that night."

Luck has nothing to do with it, according to another producer, himself a victim of cocaine abuse. People like the party-throwing producer, he says, are exploiting the weaknesses of their colleagues. "You develop a dependence on these people," he says. "You know that they can supply you and you don't want them to cut off the supply. Subconsciously, you want these people to be around. You make excuses. You say, 'He understands me. He's one of us. He delivers.' But what you don't want to say is, 'I am dependent on him for drugs.' In the old days, people drank, they were good old boys, they partied together, they wenched together. Now it's drugs. Everybody is a pal. In Hollywood, the phrase 'forming a relationship' means finding a dealer."

Today, perhaps more than ever, these "relationships" are being formed in Hollywood. "Coke is all over the place," said a high-ranking network official, who requested that his name not be used. "It's directors, writers, producers, actors, everyone. It's horrendous."

Obviously, not everyone in the television industry uses cocaine. The users are doubtless a minority. How large a minority is hard to say. What is certain is that the use of cocaine has increased to a point that frightens many observers of the scene. Does cocaine have a serious effect on the TV industry and what viewers see in their living rooms? Sure it does. Producers, like the one who threw the very mellow party can gain a competitive advantage because of a cocaine connection. For him, and those at the other end of his spoon, the best deal in town may have less to do with the quality of a TV production than with the quality of the coke. Just as important are the debilitating effects of coke on writers and other members of production staffs. Noncoke users complain that drugged colleagues create chaos, add pressure and cause critical delays. At home, however, the unknowing viewer is merely left watching what seems to be an inept production.

But nowhere is coke's effect more noticeable than on the careers of the performers who use it. The late Freddie Prinze reportedly used cocaine and other drugs while working on his series *Chico and the Man.* No evidence turned up, but the Los Angeles police investigated reports that Richard Pryor was "free-basing" cocaine before the mixture exploded in his face. One actress on a network series looks as pure and innocent as a Midwestern cheerleader but her dependence on coke has earned her the nickname "The Cocaine Queen of Hollywood." And a well-known TV actor in a network show keeps his dressing room inside a large van, lavishly equipped for drug use.

"Working with someone on cocaine gets in your way," said Henry Winkler of *Happy Days,* who has also acted in several movies. "They think they are doing their best work; but they literally are giving you gibberish. They are like on roller skates."

Peter Strauss, one of the stars of the upcoming miniseries *Masada,* watched a friend destroy himself on coke. "He used to come over to my house and he was flying, snorting three grams a day. I took hold of him and said, 'I care about you, but I don't want you to come over to my house any more. You are killing yourself.' The man thought that using coke was what he needed to work. It gave him an edge. Maybe it did. As an actor, if you are competing against someone with an edge, he may just get the job, because if a scene calls for a guy to act a little crazy, then the guy on coke will give a better performance."

Susan Richardson, one of the stars of *Eight Is Enough,* said performers on coke psychologically drain her. "I have been in situations in which one person is crucial to a scene," said Richardson, who used to lecture to high-school students on drug abuse, "but that person is so screwed up that you have to do 30 or 40 or 50 takes. It puts a lot of pressure on the other actors. How many times can you do a heavy emotional scene?"

A veteran writer, now working on several series, offered a glimpse of the way actors on coke increase tension on already pressure-ridden writing staffs. "When we use this one guy," said the writer about a longtime Hollywood leading man who has a recurring role in a network series, "we can only use him for one day. The guy is banana city. He can't remember his lines. We have to use the world's biggest cue cards. Every scene he's in must be carefully structured so that we give the other actors enough power to carry this guy."

A veteran comedy producer described how cocaine users destroy situation comedies. "Many people in TV are hyper," he said, "but coke makes them more hyper. In comedy, timing is the essence, and the drug ruins this. Suddenly, you have to start writing people out of scenes and restructuring your show. You can't afford to be in the middle of production and have someone crack up."

What happens if someone does crack up? Obviously, a shaky performer can jeopardize a production. "There is an actress," said a former network executive who now runs a production company, "and you'd know her face because she does mostly TV-movies and miniseries, who can't function without the drug. It might be cheaper to feed her the drugs than to cure her, especially in the middle of shooting. A producer is always pressured to keep the show on budget, so he might say, OK, get her the coke. The woman is burned out. The drugs have destroyed her range. She still has a famous face, which is why she gets jobs. But as far as acting is concerned, it's all over."

One independent producer explained his decision to become a drug supplier. It started, said the TV man, a coke user, when he

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

realized that his financial future often depended on keeping drug-dependent performers on schedule. "We were shooting a pilot," the producer said, "and this actress kept missing her marks. The network executive who was sitting next to me in the control room became nervous. I asked that the tape be stopped, and I left the control room and walked down to the set and put my arm around the actress. We then walked into the darkness of the sound stage and I gave her some coke. She flew through the rest of her work, bing, bing, bing. Afterward, the network executive asked me what I had done. 'I hugged her,' I said, 'and told her how much I loved her'."

How do people like this producer afford the thousands of dollars necessary to keep performers supplied with coke? The simplest way is to add the expense to the cost of the production. "Money for drugs is always there," said the producer. "You hide it in the budget under 'miscellaneous' or 'food' or 'entertainment'." Another producer disclosed his technique: "I hide it under 'props' in the budget. Who checks?" One studio head joked about his creative bookkeeping. "There are three kinds of costs: above-the-line, below-the-line and cocaine-line," he said.

Not everyone in Hollywood goes along with a performer's drug habit. An actress working on a Norman Lear series was fired because of her drug problem. "She was late consistently," said a Lear official. "She didn't know her lines and sometimes, because of the drugs she used to bring her down, she couldn't stand up. Everyone would have to wait and wait for her. Then she started losing a great deal of weight and photographs began to show her withering away. Her color began to pale to the point where makeup couldn't cover it up. We tried to talk to her manager, her family. To no avail."

The head of a major TV studio said he once rejected a coke deal that started when an actor's agent asked for a cash payment. He was puzzled by the unusual request.

"The agent told me that the actor wanted to rent us back his own RV, which he would use as his dressing room. I said, 'Sure, I'll get you a check.' The agent said no, cash. I said, 'We pay in checks.' Finally, the agent said, 'Look, he needs the cash to buy drugs.' 'No way. He gets a check. I'm not getting involved in this'."

A network producer laughingly described how one actor refused a part on the advice of his coke dealer. "For years," said the producer, "psychiatrists had an enormous influence on show business. An actor or an actress would come to me and say, 'My shrink doesn't think this part is right for me.' Today, the dealer is replacing the shrink. I'm not joking. This actor comes to me and says, 'Joe doesn't like the part.' I tell the actor, 'So what? He's a dealer. What do I care what he says?' The actor looks at me blankly. 'But Joe's a bright guy,' he says.

"'Jerk, he's a dealer.' This really shows you how empty and insecure some of these people are."

Being empty and insecure and a coke user is not strictly the province of actors. Writers are also susceptible, especially when they believe that the drug will make them more creative.

"TV is a very fast medium," said a veteran comedy writer and producer, "but it is very committee oriented. When you take a meeting and there are a lot of people present, it sometimes becomes hard to follow what's going on. Then you start listening to people, and you realize they aren't on the same wavelength. Some are going up and others are coming down. They drift off on tangents. I'll say something like this: 'I have an idea for a series. It'll be about a pilot and three stewardesses.' 'OK,' shouts some guy, 'it's a great idea, but let's add some pirates to the show and get some swords.' He's not joking. The whole meeting has become a waste of valuable time."

Another writer who works on dramatic shows explained how distracting coke users are for him. "People on coke constantly lose their place," he said. "They blot out whole sections from their memory. They may look hip, cool, bright and creative, but when they try to find out what is going on in a meeting, they look stupid. One guy came to us and pitched a story for an episode of a show. Halfway through the meeting, he forgot why he was there. Hey, it was his story."

The writer went on to say that many producers also rely on cocaine during business meetings. "It's late at night," he said, "and these guys start heading toward the bathroom about every 20 minutes and when they come back they are filled with brilliant ideas. It's great. They are filled with energy and I'm falling asleep, desperately wanting to go home."

Are the ideas brilliant? "Sometimes, sure, the ideas themselves are brilliant," the writer said, "but they have nothing, absolutely nothing, to do with the story conference."

Perhaps the most sinister aspect of the growing use of cocaine in the TV industry is the way it is used as a medium of exchange. "Cocaine is a negotiable instrument in this town," said one veteran producer, familiar with drug dealing. "You might not be able to pay a writer or an actor or director a bonus, so you pay him in cocaine." An actress on a network series said several performers she knew were asked to be guest stars on a variety show and part of their payment was to be in coke. "There is a specific minimum for guest appearances and these actors wanted more money," she explained. "The production company, however, doesn't want to give you more than the minimum because it will affect the entire marketplace. You know, everybody else will start asking for more. So these people got coke. In the old days, people asked for money under the table. Now it's drugs."

Supplying people with drugs sometimes has other rewards: jobs. "There are people," said a veteran producer, "who are in high places at the networks and at studios because somewhere along the line they have gotten people drugs. The problem for people like me is that some of them wind up in creative positions. But the only talent they really have is getting good drugs. Then, suddenly, one day you find this guy sitting across a desk and telling you how to write a script or how to cast a show."

A friend of this producer described a confrontation he had with a network executive who demanded drugs. "'We have a lot of good pilots, so it looks as if we might have a deal with you, depending on the kickback you give me,' this guy starts telling me in a joking way. But it was clear to me that he wanted drugs. He was kidding around, but he was also trying to intimidate me. I said no thanks."

The producer continued: "You see, the way this intimidation works is that if you don't play, you are cut out. A guy like this will tell his boss that the rewrites of the script were not good enough. He can do this at any point, so you really are at the mercy of these executives. I was at one meeting with this guy and in the middle of a conversation he was interrupted with a special/delivery package. It was a 100-pound bag of manure. This was the way another producer told him he wasn't going to play ball. We all thought it was very funny because we knew he was expecting something else in the bag."

Can refusing to negotiate in coke hurt a producer's career? One producer, who said she constantly encounters coke use in meetings with network, and studio executives, especially the younger ones, believed it could. "If you don't do drugs, yes, I think it can hurt you," she said. "You are not part of the club. This is an industry built on relationships—who you know. Suddenly, you find yourself cut out of parties, and believe me, plenty of deals are made at them. Many people have jobs at the networks and at studios because they can get drugs.

"If you are told that so-and-so likes women, or that so-and-so likes coke, you get an idea that someone is delivering a message. Now you have a choice. If you don't play the game—that is, act like a good ol' boy and get them sex and drugs—you find yourself out of work, while all the other people who do go along are getting rich."

Obviously, not every performer, producer, technician, director, studio official or network executive is a coke user or dealer. Indeed, many members of the TV industry are oblivious of how rampant coke use is. It clearly isn't a part of their lives. One factor is that the cocaine club is selective. Nonusers are not invited. "I only socialized with people who were stoned," said a longtime producer. "I only hired people who were stoned. I began to live in another world. There was no way to exist except high. I only did business with people who were high." But he had no trouble finding people to do business with.●

BORIS DEKHOVICH: THE RIGHT TO EMIGRATE

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. OBERSTAR. Mr. Speaker, those of us who serve in democratically elected legislatures and parliaments bear a responsibility to represent the interests of those persons who have no democratically elected representatives.

This House must be part of the Helsinki vigil. We must work to insure that the commitments made in the Helsinki accords are honored. In recent weeks, we have heard encouraging reports that the Soviet Union is permitting increased numbers of its Jewish citizens to emigrate. When it signed the Helsinki accords, it promised all of its citizens the right to emigrate. The record on that promise has not been a good one.

Last year, our former colleague, Andy Maguire brought to my attention the case of Boris Dekhovich, a young Russian Jew living in Vinnitsa, Ukrainian S.S.R. who has been denied

permission to join his parents in Israel.

Prior to their departure in August 1975, the parents and sister of Boris Dekhovich were subjected to repeated harassment because of their desire to emigrate and because of their religious beliefs.

Last year 60 Members of the House joined me in a letter to Secretary Leonid Brezhnev in an appeal on behalf of Boris Dekhovich. My efforts to deliver the letter through the Soviet Embassy here in Washington and through the U.S. Embassy in Moscow were unsuccessful. The Soviet Government refused even to accept our petition.

At my request, Ambassador Griffin Bell added the name of Boris Dekhovich to the list of cases to be reviewed at the Madrid Conference.

It is my hope that Boris Dekhovich will be able to exercise his rights under the Helsinki accords in 1981.

I include for the RECORD a copy of our letter to Secretary Brezhnev regarding Boris Dekhovich:

MR. LEONID BREZHNEV,
President of the U.S.S.R., Council of Ministers, the Kremlin, Moscow, U.S.S.R.

DEAR MR. PRESIDENT: We, as Members of the U.S. House of Representatives, are deeply concerned about the denial of those human rights guaranteed all people by the Helsinki Accords.

The Accords guarantee that freedom of emigration is a fundamental right of all peoples. The violation of that right must be the concern of all democratically elected legislatures and parliaments throughout the world.

We are writing now because of our particular concern for Soviet citizen, Boris Dekhovich, UL, Kosmonovtoc, 20, Apt. 67, Vinnitsa, Ukranian SSR, who has been denied his right to join his family in Israel.

He has repeatedly sought to exercise the right to emigrate guaranteed him under the Helsinki Accords.

Prior to their departure in August, 1975, the parents and sisters of Boris Dekhovich were subjected to repeated harassment because of their desire to emigrate and because of their religious beliefs.

Granting Boris Dekhovich an exit visa would offer a significant expression of the commitment of your government to the Helsinki Accords. His reunification with his family would not threaten your government or your people.

We urge you to permit Boris Dekhovich to emigrate to Israel.

Sincerely,

James L. Oberstar; Jerome A. Ambro; Les AuCoin; Adam Benjamin, Jr.; William M. Brodhead; Phillip Burton; Charles F. Dougherty; Robert F. Drinan; Mickey Edwards; Hamilton Fish, Jr.; Martin Frost; William H. Gray III; Tom Harkin; Joseph P. Addabbo; Bill Archer; Michael D. Barnes; James J. Blanchard; Berkley Bedell; William L. Dickinson; Thomas J. Downey; Bob Edgar; Melvin H. Evans; Bill Frenzel; Albert Gore, Jr.; William S. Green; Margaret M. Heckler; Frank Horton; Dale E. Kildee; William Lehman; Mike Lowry; Andrew Maguire; Matthew F. McHugh; Morgan F. Murphy; Richard L. Ottinger; Charles B. Rangel; James H. Scheuer; Edward J. Stack; Jack F. Kemp; Robert J. Lagomarsino; Norman F. Lent; Dan Lungren; Marc L. Marks; Norman Y. Mineta; Richard Nolan; Claude Pepper; Benjamin S. Rosenthal; Stephen J. Solarz; Fortney H. Stark; Bennett M. Stewart; Henry A. Waxman; Lester L. Wolff; Antonio B. Won Pat; Frank J. Thompson, Jr.; Ted Weiss; Howard Wolpe; and Sidney R. Yates;

Members of Congress.●

FRESHMEN HEAR THE PEOPLE

HON. DAN COATS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. COATS. Mr. Speaker, at a breakfast with President Reagan this morning, the Republican Members of the freshman class presented a resolution endorsing the President's complete program for economic recovery.

I was happy to hear the President express his appreciation for our willingness to put aside narrow, special interests in favor of his comprehensive program. He also indicated that the White House is receiving more than 90-percent support for the plan.

The President's plan is receiving a similar amount of support in my district. For every 10 letters or telephone calls, 9 are from people who are behind the President, regardless of the personal costs. For example, a student from Fort Wayne writes to me:

I am willing to see programs that concern or interest me, like student loans and the space program, cut if it means getting the Federal budget under control. Its got to be done so do it.

And another gentleman writes:

Please do not let Indiana interests become a deterrent to the overall program. We must cooperate with the President.

At the breakfast this morning, Mr. Reagan commented that apparently no one is on his side except the people. We represent the people and they are calling for action, Let us act now.●

CASIMIR PULASKI: FREEDOM FIGHTER

HON. JOHN G. FARY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. FARY. Mr. Speaker, distinguished colleagues, today, March 4, 1981, is the anniversary of the birth of the Polish patriot, Casimir Pulaski. His dedication to freedom is a symbol for both Poles and Americans who continue the fight for independence. This noble son of Poland so strongly believed in the principle of freedom, that he came to our shores in order to secure this country's independence. Although born to nobility and wealth, Pulaski chose early to leave his comfortable surroundings and to direct his talents to the goal of an independent state for Poland.

At the age of 20, he joined his father and brothers in creating the Confederation of Bar, which was dedicated to the independence of Poland. Pulaski recognized the Russian threat to his homeland and spent much of his youth defending the security of Poland. Capture and imprisonment by foreign regimes were not too high a price for this patriot, who continued to organize and lead forces until 1772. His military prowess, combined with his reputation as a successful cavalry leader eventually forced him to flee Poland in order to escape the Russians.

Pulaski first heard of the American fight for independence while in exile in Paris. A true freedom fighter, he saw his chance to assist yet another country in their mission for liberty. Recognizing this Pole's courage and dedication, Mr. Benjamin Franklin helped to secure Pulaski's voyage to America. Armed with letters of recommendation, Pulaski met with George Washington who put him in command of the U.S. Cavalry. It was from this charge that Pulaski distinguished himself as the "Father of the American Cavalry."

His valiant career in the service of this country, his blueprint for the U.S. Cavalry and his final stand in Savannah, Ga., which resulted in his death aboard the U.S.S. *Wasp,* are examples of his bravery that are well known by all. The ideals that Pulaski fought for still burn in the hearts of both Americans and Poles. His sacrifice for and devotion to the broad concept of liberty is remembered today and will be cherished for a long time to come.

It is with great pride that I join Americans of Polish descent in Chicago and across the Nation in bringing alive the memory of the hero of two continents, Casimir Pulaski.●

CONGRESSIONAL SALUTE TO THE CLIFTON JUNIOR WOMAN'S CLUB OF NEW JERSEY UPON THE CELEBRATION OF THE 25TH ANNIVERSARY OF ITS FOUNDING

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. ROE. Mr. Speaker, on Tuesday, March 10 the people of the city of Clifton, my congressional district and State of New Jersey will join together in celebration of the 25th anniversary of one of our most prestigious junior women's organizations—the Clifton Junior Woman's Club of Clifton, N.J.—whose concern, dedication, com-

passion, and benevolence in ever seeking improved living conditions, dignity and the highest standards of excellence for each and everyone of our citizens has truly enriched our community, State, and Nation. I know that you and our colleagues here in the Congress will want to join with me in extending our warmest greetings and felicitations to the members of the Clifton Junior Woman's Club on this most noteworthy occasion.

Mr. Speaker, at the outset may I commend to you all of the officers and members of the Clifton Junior Woman's Club whose leadership role and expertise in civic and community development endeavors coupled with their charitable and benevolent activities on behalf of all of our people is applauded by all of us. The current esteemed officers of the Clifton Junior Woman's Club is, as follows:

The Honorable Kathy Vassallo, president; Chris Liszner, past president, 1978-80; Angela Barat, past president, 1976-78; Lieana Jacobus, first vice president; Sandy Hartmann, second vice president; Jane Luipersbeck, corresponding secretary; Linda Simons, recording secretary; Marilyn Herdin, treasurer; Joy Mohrle, federation secretary; Chris Liszner, cochairman, anniversary committee; Angela Barat, cochairman, anniversary committee.

Mr. Speaker, in testimony to their outstanding service to the people of the city of Clifton, the Honorable Gerald Zecker, mayor of the city of Clifton, has proclaimed March 9 through March 13 as Clifton Junior Week and a resolution of appreciation has been adopted by the governing body, as follows:

RESOLUTION

Whereas March 10, 1981 marks the 25th Birthday of the Clifton Junior Woman's Club, a nonprofit service organization of the City of Clifton and,

Whereas March 9 through 13 be proclaimed Clifton Junior Week and,

Whereas during the past 25 years the Clifton Juniors have contributed countless voluntary hours to numerous local charities, as well as assisted fellow civic organizations and city projects, and

Whereas the Clifton Junior Woman's Club is part of the New Jersey State Federation of Women's Clubs and the International General Federation of Women's Clubs and,

Whereas this organization has 4 times received the highest honor for outstanding service to the community from the New Jersey State Federation of Women's Clubs: Now, therefore, be it

Resolved, That we, the Mayor and Members of the Municipal Council do hereby recognize and acknowledge the outstanding donation of time and talent by this worthy organization to the City of Clifton and its citizens and do hereby extend to the members of the Clifton Junior Woman's Club, our thanks and appreciation for their most generous contributions and congratulations on their 25th Birthday; and be it further

Resolved, That this resolution be spread at large upon the minutes of this meeting and a copy thereof be presented to the Club by Mayor Zecker at the celebration of the Club's 25th Birthday Party to be held on March 10, 1981 at 8:00 P.M. at the Allwood Community Church, Chelsea and Merrill Roads in the City of Clifton.

Mr. Speaker, the Clifton Junior Woman's Club, a nonprofit service organization of the city of Clifton, is an organization of people, not just women. Their members serve as community catalysts for volunteer services, assessing the needs of the community and gathering the people together to meet those needs. They comprise a chapter of the New Jersey State Federation of Women's Clubs and the General Federation of Women's Clubs (GFWC) which is the largest and oldest women's organization in the world.

GFWC has over 600,000 members in the United States; the aggregate membership worldwide is 10 million, including national and associate organizations and clubs in 46 foreign countries.

Mr. Speaker, in reaffirming our commitment to full equality for women, since August 26, 1920, when the 19th amendment to our Constitution granting women the right to vote was enacted into law, we have come a long way toward achieving equal opportunity for all Americans—all in the interest of not just women's rights but human rights. On the job and in the home women are making a vital contribution to the national economy and to the strength of the American family.

In recognizing the hard work and dedication of women in our society we must also acknowledge the many special problems they encounter in meeting their dual responsibilities. In addition to recommendations for action to assure equality, women have been responsible for defining priorities of issues not previously dealt with by the Government—not only the seeking of a national policy to strengthen accountability and reaffirm the moral commitment to removal of sex discrimination in the working world and all levels of educational institutions, both public and private—but they have also been successful in achieving a greater national commitment to such pressing legislative and executive issues as family abuse, child care, displaced homemakers, social security, and the marriage tax penalty, to name a few—which we have strongly supported here in the House.

Lest we identify the ladies of our Nation with only women's issues, I hasten to add that they are indeed in the mainstream of our society, not only with homemaking and parental responsibilities—an important role by itself in building America—but in the work force as entrepreneurs of national and international renown, sitting at the policy tables and hammering out decisions in the highest levels of government, public, and private enterprise.

Mr. Speaker, it is interesting to note that the parent organization of the Clifton Junior Woman's Club, the General Federation of Women's Clubs, was organized in March 1889 and received its charter by Congress in 1901. Some of the most worthwhile causes for which they have worked and those for which they are now working include:

First child labor law, cancer detection campaigns, human rights, crime reduction, enactment of the 8-hour workday, protection of children, election reform, equal rights and responsibilities for women, consumer protection legislation, creation of the Food and Drug Act, establishment of the Women's Bureau.

Establishment of public libraries, right to work, standards of education improvements, promotion of international peace, betterment of life for older Americans, Workmen's Compensation Act, energy: conservation, exploration and development, responsible media, juvenile justice, Cooperative Forest Management Act, Uniform Probate Code.

Responsible fiscal policy, protection of private enterprise system, domestic violence prevention, volunteer rights and responsibilities, safety, multiple use of Federal lands, social security/pension equity, lowering health care costs, improvement of FCC regulations, hazardous waste, national and civil defense.

Mr. Speaker, during Clifton Junior Week I am pleased to seek this national recognition of the Clifton Junior Woman's Club of Clifton whose dedication, valued contributions, and outstanding record of achievements in every phase of civic and community endeavors are most deserving and worthwhile. We do indeed salute the officers and members of the Clifton Junior Woman's Club upon the 25th anniversary of service to our people.●

OIL INDUSTRY

HON. CARROLL HUBBARD JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. HUBBARD. Mr. Speaker, our job at hand is to rebuild America's industrial might, straighten out the economy and reclaim our preeminence in the world. I would like to share with my colleagues some thoughts from my constituent, Jim Ezell of Pembroke, Ky., about the role of the oil industry and our economic future. Mr. Speaker, I submit the following:

I am writing this letter because I am a man, like many others in your district, who is both angry and frightened. I become

angry when I look at the past and see the increasing economic erosion of middle class America. I become frightened when I look ahead and see the bleak financial future which looms, not only before me, but before my children. This fear and anger compels me to speak up and urgently appeal to you, my elected representative, to help alter this collision course we are all caught on.

Right now the White House and Congress are buzzing with talk of drastic budget cuts and tax reforms. These are perhaps necessary, but I submit that one area where significant change could make a real difference is in the oil industry.

The White House and Congress seem to take the position that it is right to let the oil industry reap unbelievable profits because (a) They will use some of the money to explore new energy sources. (b) Windfall profits earned by oil companies and oil well owners can be taxed and the money used by the government for the people. The flaws in this logic are evident. (a) The oil companies are in no way compelled to spend profits on energy exploration. (b) The tax received from windfall profits, even at 10%, is a far cry from the amount needed to balance the budget.

Suppose we control the amount of profit that an oil company can make on a gallon of gas, not allowing for any windfall profits. If this were done, the price of gasoline at the pump would be rolled back immediately to under $1.00 per gallon. To control spiralling consumption and to provide funds for energy research and federal revenue, an extra 25¢ per gallon Federal Energy tax could be placed on every gallon. The final outcome would mean (1) insurance of money for energy research, (2) additional funds to balance the budget, (3) a slightly lower cost for gasoline for the consumer and (4) a stronger economy for all.

I realize that a program such as this would mean bucking one of the most powerful and influential forces in America, the oil industry. But it is time for our elected representatives to take a strong stand to protect us, the electorate . . . us, the majority from further exploitation by big business and to insure a more economically sound future for all of us.

Sincerely,

JIM EZELL.●

MRS. MYRTLE BYRD FONTENO

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. LELAND. Mr. Speaker, on November 11, 1980, Houston, Harris County, Tex., lost one of its finest citizens in the passing of Mrs. Myrtle Byrd Fonteno. Not only was Mrs. Fonteno a person of high accomplishment, and a dedicated servant to her community, but more importantly she was a stalwart friend to many—among whom I am proud to count myself.

The board of directors of Standard Savings Association, Houston, Tex., of which Mack H. Hannah, Jr., is board chairman and S. B. Bradford is president, passed a resolution dedicated to Mrs. Fonteno which I would like to have included in the RECORD as follows:

MRS. MRTYLE BYRD FONTENO

Whereas, after three years of dedicated service on the Board of Directors of Standard Savings Association, Mrs. Mrtyle Byrd Fonteno died November 11, 1980.

A great humanitarian and community leader, Mrs. Fonteno was the owner and manager of Better Tours & Travel Agency.

Having moved to Houston in 1956 from Atlanta to work as the Adult Program Director of the Blue Triangle YWCA, Mrtyle Byrd soon married her husband, John Fonteno, Jr. Sometime later, she left the YWCA and established her travel agency.

An educated woman, Mrs. Fonteno earned her Bachelor's and Master's degrees from Knoxville College and Howard University, respectively.

Mrs. Fonteno, however, will be missed most of all for her humanitarian contributions to the city of Houston and to this country. She was the chairman of the Harris County Mental Health and Mental Retardation Authority; a member of the Board of the United Negro College Fund: a board member of the local and national Traveler's Aid Society; a member of the White House planning board for the Conference on Aging in 1971 and the Governor's Committee on the Family in 1979.

She was also a member of Delta Sigma Theta Sorority, Inc., and the Houston Chapter of Link's, Incorporated. Mrs. Fonteno's professional affiliations also included the Houston Chamber of Commerce, Crisis Hotline, Blue Triangle YMCA and the Family Service.

Her actions and service did not go unnoticed. She was the recipient of many awards such as the Achievement Award for Alpha Kappa Alpha Sorority-1969; the 1972 Iota Phi Alpha Woman of the Year; the Fred D. Patterson Award for Leadership in Business in the Black Community-1974, 1975, 1979; the 1974 Gamma Phi Delta Sorority Community Service Award; 1975 Houston Real Estate Association Community Service Award; 1979 Zeta Phi Beta Community Service Award, and the 1980 Community Service Award for Black Social Workers.

Born in 1925, she is survived by her husband, John Fonteno, Jr.; her son, John III; mother, Mrs. Mattie Byrd of Chattanooga, Tenn.; and mother-in-law, Mrs. Elvenia Mundy of La Marque, Texas. Be it therefore

Resolved that the Board of Directors of Standard Savings Association issues this resolution in deepest sympathy * * *●

FISCAL NOTES LEGISLATION

HON. BUTLER DERRICK

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. DERRICK. Mr. Speaker, I am today introducing a bill which will require the Congressional Budget Office to prepare a fiscal note on any bill which would result in an annual cost to States and local governments of at least $200 million, or which would have exceptional fiscal consequences for a particular level of government or geographic region. CBO is already required to estimate the cost of each bill—for 5 years—to the Federal Government under provisions of the Budget Act.

The Congress has, for the last decade, begun to increasingly achieve certain objectives by requiring States and localities to carry on activities without reimbursement by the Federal Government. For example, the Rehabilitation Act of 1973 requires them to provide the handicapped with full access to Government activities and services—such as providing specially equipped buses and buildings—however, no funds were made available, despite estimates that the cost of complying with the law will run to billions of dollars. Another example, the Safe Drinking Water Act of 1974 established Federal drinking water standards and required States and localities to meet the standards and to test drinking water supplies, monitor results, and set up emergency procedures and enforcement programs—if States refused to do so, the law provides for EPA to assume that responsibility.

In both cases, if estimates of cost to States and localities had been available, Congress may well have acted differently: Either against the law or, recognizing the cost burden, providing some measure of fiscal aid or modifying the activities required. As it was, the cost of implementing these bills was never an issue until the regulatory stage, when it was too late.

The fiscal notes bill I am introducing today would help to alter this situation. If, in CBO's view, a bill would result in State and local costs of at least $200 million, CBO would propose a cost estimate on it. Thus, the House and Senate could act with full knowledge of the real costs of the bill. It is doubtful that more than a handful of bills would require such estimates annually.

Mr. Speaker, I believe the decisionmaking process under which this body operates would be more rational if this bill were enacted into law; I urge my colleagues to support this endeavor.●

A WORLD MORE DANGEROUS THAN EVER

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. SIMON. Mr. Speaker, the Nation owes a debt of gratitude to Ambassador Thomas J. Watson, who has concluded a difficult assignment as our envoy to the Soviet Union.

This accomplished and thoughtful American has served with insight and distinction during a period in which Soviet aggression, the derailment of the SALT II process and other factors combined to bring United States-Soviet relations to their lowest point in almost two decades.

From his special vantage, Ambassador Watson recently described today's world situation as "more dangerous than it has ever been in its history." Nevertheless, it's encouraging to note that he is hopeful that a United States-Soviet dialog can be reestablished by the new administration, and perhaps that the SALT agreement can be renegotiated in some form.

The nature of the current balance of power in the world dictates at least one unavoidable obligation that we and the Soviets share: If the world is to keep its distance from the threat of nuclear war, its nuclear powers have to strive diligently to keep the peace; it won't happen by itself. It is especially important that we continue to talk to each other, notwithstanding our considerable disagreements.

John F. Kennedy once said that we must never negotiate out of fear, but neither must we ever fear to negotiate. That is very nearly the same message which Ambassador Watson offers the Nation in an interview which appeared in a recent issue of U.S. News & World Report. I commend the article to the attention of my colleagues.

The article follows:

VIEW FROM MOSCOW: A WORLD "MORE DANGEROUS THAN EVER"

Question. Mr. Ambassador, what should the Reagan administration do to bridge the gap between the United States and the Soviets?

Answer. I wouldn't presume to advise a President-elect. But I hope a new dialogue with the Soviets could commence at once, with very competent people on both the American and Soviet sides exploring the problems, staking out the parameters of our differences and then trying to work out acceptable solutions.

As you know, I have been involved in arms control. As of now, my conclusion is that it would be very unwise for the United States to get into an arms race. There must be, of course, equality in arms, both conventional and nuclear. But building more nukes, hoping to get ahead of the Russians, is pointless. We know the Soviets will match anything we build, and this will merely take the world into an uneasy situation, much more tense than it is now.

Let me add this: The 15 months I've just spent in Moscow have been among the most tense moments I have ever lived through, perhaps because I've been so very close to the conflict.

Question. Is the world headed into a period of growing danger, with the Soviet Union using its military power more aggressively?

Answer. I perceive the world to be more dangerous than it has ever been in its history.

I do not anticipate that the Soviet Union will use its military power any more aggressively in the future than in the past two decades. However, the United States must do everything it can to continually demonstrate its national will.

We must keep ourselves appropriately armed with conventional arms and do everything in our power to avoid a nuclear-arms race.

General de Gaulle said that all you need is enough in connection with nuclear weapons. While I am strongly for parity, I just don't think there is any way to win an arms race in thermonuclear weapons.

Question. Why have relations between the United States and the Soviets turned sour?

Answer. The primary reason is found in the Soviet action in Afghanistan, followed by the very sensible actions the Americans took.

Question. But the Soviets claim that the relationship had been deteriorating long before they invaded Afghanistan—

Answer. They've certainly accused us of bad faith. They cited our demands for withdrawal of the Soviet brigade in Cuba, the criticism in the Senate of the SALT II treaty and the administration's failure to push for its ratification. I have explained to them very carefully that if SALT II had gone up to the Hill, it would have been defeated, and the treaty would be worse off than it is now. But they insist détente was ruined before they went into Afghanistan. They use these so-called actions—or inactions—on our part to justify what they did in Afghanistan.

Question. Do you see any signs that the Soviet Union would be willing to renegotiate the SALT II treaty?

Answer. First of all, I think they would entertain only very minor changes; and secondly, they would insist on matching every change we asked for with a concession on our part. This trade-off could lead to fairly long negotiations simply because the Russians are not easy negotiators.

Question. How do the leaders of the Soviet Union view the United States—as a decadent capitalistic paper tiger or as a worthy adversary?

Answer. They know we are formidable—perhaps the only force in the world they really have to worry about. A paper tiger? Not at all.

However, the Soviets do grossly misunderstand the United States. I don't think, for example, that they foresaw how fast and how strongly we would react to Afghanistan. And they didn't realize how the position we took would make it easier for other nations to take a stand.

But even now, the Soviets question our willingness to make the enormous sacrifices that their own people have been willing to make.

For better or for worse, the leaders of this country have been able to get their people to accept a low living standard, or even to reduce it, to provide the arms the leadership decides are necessary

The Russians, it seems to me, are perfectly willing to make these sacrifices again. They can and will do it. Their leaders are not going to let us move ahead of them in any arms race.

Question. Are you suggesting neither side can win an arms race?

Answer. That is precisely what I am suggesting. The Russians will not allow us to move ahead of them in conventional arms. They've made sacrifices to draw even with us in thermonuclear weapons.

Now both sides have thousands of such weapons, and it takes only one to three of them to eliminate any of the major cities of the world. So one wonders if the risk of a flat-out arms races is worth any possible temporary, minuscule gain that either side might make.

Question. How do you size up President Brezhnev and other Soviet leaders in the Kremlin?

Answer. They are extremely tough, shrewd leaders, very knowledgeable and confident of their ability to hold their own as a superpower. I have found Soviet officials generally polite and at some levels deferential. But at no level have I detected a lack of confidence.

The Soviets say they want to put limitations on certain weapons or weapons systems because building them "will hurt our living standards, and this is not going to help anyone very much." But if the U.S. is unwilling to agree to SALT II levels or lower current ones, they say, "We are perfectly willing to race you at whatever level you want and in whatever arms areas you want to include."

Let me make this point: I'm sure we're behind the Russians in conventional arms. We ought to balance out what we actually need because it's not necessary to match the Soviets on a tank-for-tank basis. Their defense problems are different than ours. But we must draw even in conventional forces. And that presumes that, should we establish controls over thermonuclear weapons, somewhere down the road we should try to control conventional weapons.

Question. Will the next generation of leaders in the Politburo be more flexible than Brezhnev's group?

Answer. Not really. The system is to bring senior officials into the Politburo as candidate members, presumably to test their ideology, their devotion to the system and to see if they match the current philosophy. If they don't match, the candidate members never move up to full membership. They go back to whatever job they came from.

I would expect very few changes in philosophy inside the Politburo in the foreseeable future. Of course, there is likely to be a period of uncertainty when the top leadership changes, but the system has survived similar periods in the past. You'll probably see some kind of collective leadership developing, with the real leader emerging much later.

It's one of the weaknesses of the system. There is no formal mechanism to ease the changeover.

But remember, this is in the Russian tradition, and it goes back a long way. One-man control doesn't date just to the Communist Revolution.

Question. Are the Russians unhappy about the slow development of trade between the U.S. and the Soviet Union?

Answer. Of course. Expanding trade would allow them to buy technology that otherwise would take enormous time and manpower for them to develop on their own.

But the Soviets don't seem to worry. When they talk to me about sanctions, they say, "We are able to make what we need ourselves" or "We're getting it from others." And then they add that "You fellows are shooting yourselves in the foot."

Question. Would you give the Soviets access to the American technology that they need to exploit their oil resources?

Answer. That's a tough question. On balance, however, if the two-country dialogue was under way again, progress toward détente would move faster if the Soviets were able to develop their resources quickly.

There is going to be an oil shortage here, and that will produce stress. We have stress at home already, even though we are coping with our oil problem. But if we lost access to Middle East oil, we'd come under greater stress. We'd be pushed to make difficult decisions on what to do about that Mideast oil. The same thing is true here. They have the oil, and they will develop it on their own.

But it will take longer. Our technology would probably help them avoid a crisis.

Question. Would that be to the advantage of the United States?

Answer. If you are counting on the Soviets' collapsing if we don't provide them with technology, don't believe it. They won't run out of oil.

I see nothing that will make the Soviet Union weaker militarily or bring about an internal rebellion or do the other things that might seem advantageous to the West.

All that is wishful thinking. I see no possibility of the Soviet system folding.

Question. On the basis of your experience as the United States Ambassador to the Soviet Union, are you optimistic or pessimistic about the future?

Answer. Perhaps I am more hopeful than others think I should be.

On one side, I have respect for the demonstrated common sense of General Haig. He is knowledgeable in military affairs and international relationships. He certainly knows everything about arms.

On the other side, such people as Defense Secretary Harold Brown in the Carter administration have told me that in their experience—and Secretary Brown has been working with the Russians on SALT for a decade—the Soviets live up to their treaty obligations once they're made.

I'm sure that, like most countries, the Soviets would break any treaty they thought threatened their national security. But on the whole, if you work out with them one of these very difficult arrangements, the Soviets will live up to its terms.

I would go beyond that, however, and try to create the framework of a relationship in Geneva that would be constantly at work, not just on arms control or treaty obligations, but on crisis control.

It simply isn't sensible to have a superpower dialogue drop to the level it has been on for the past year. We should have a group of authoritative Soviet and American experts in Geneva at all times examining and consulting on the scenarios of potential crises as they emerge and develop.

Question. What are the most important qualities an American ambassador to Moscow needs to deal with the Soviets?

Answer. First off, he's got to have common sense. Then he needs a lot of experience in managing organizations. Actually, I don't see a great deal of difference in the experience gained in diplomacy and that in business. As an ex-businessman, I haven't found my work here particularly difficult. I've enjoyed free discussions with Foreign Minister Gromyko and his associates, just as I formerly enjoyed discussions in the business world. The challenges in each case were great.

Of course, an ambassador should know the history of how this country has developed and changed over the last thousand years. Knowledge of the language is certainly helpful. But I haven't found my background as a businessman a handicap.

Question. So you think that being a career diplomat is not necessarily the most important requirement for successful diplomacy in Moscow—

Answer. I hope not, else you would have to categorize my term as unsuccessful.●

ENHANCING RECREATIONAL FISHING STOCKS AND FACILITIES

HON. JOHN B. BREAUX

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. BREAUX. Mr. Speaker, I am today introducing a bill by request of certain nationally recognized wildlife conservation organizations. This bill is quite similar to a bill which I introduced in the 96th Congress called the Fish Restoration Act of 1979 commonly known as the Dingell-Johnson Expanion Act.

Essentially, this bill would amend a highly successful Dingell-Johnson fish restoration and improvement program to permit additional moneys to be allocated to State fish and wildlife agencies, for the purpose of enhancing recreational fishery stocks and facilities. All money allocated to the States is on a matching basis so the States bear their share of the cost of operating the programs. The funds are derived from additional taxes on the user groups who benefit from the enhancement projects being carried out.

Presently, the statute imposes certain taxes on fishing equipment and these revenues are placed in a separate fund in the Treasury to be used for recreational fishing restoration and enhancement projects. The bill which I have introduced goes one step further and places certain additional fishing equipment on the list of those items which can be taxed and also adds a tax on small boats and motors.

After I introduced the bill last year, the Fish and Wildlife Subcommittee, which I chair, held a hearing on the legislation. During the hearing there was widespread support for the bill heard from most of the major conservation and State fishery organizations in the country. Quite frankly, I have received some letters from individuals throughout the country who have expressed some concern about the tax on boats and motors. Therefore, I am introducing the bill again this year at the request of certain fishing organizations with the caveat that I plan to poll interested sports fishermen around the country to determine their feelings toward this additional tax and expanded program.

I am highly supportive of assisting recreational fishermen and protecting the recreational fishing resources of our Nation, and I am aware that several major species of recreational fishery resources have faced some serious depletion problems. Recreational fishing in our country makes up a large portion of the total fishery resources landed and we must pay equal attention to recreational fishing as we do to the commercial fishing operations and resources of our Nation.

If our subcommittee members, after an extensive review of potential problems which I have outlined, are satisfied that the bill accomplishes the purposes for which it was intended in an equitable manner, I will enthusiastically work toward its enactment during this Congress.●

HARDNOSED FOREIGN AID

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. BEDELL. Mr. Speaker, of the many budget battles each year, few have been more frustrating than the debate over foreign aid.

For 2 years running, Congress has failed to pass a foreign aid appropriations bill, opting instead for a continuing resolution that makes no allowance for inflation. Regrettably, the new administration has continued this negative trend by calling for a 26-percent reduction in the fiscal year 1982 foreign aid budget request.

I am dismayed by the recurring refusal of Congress to accept the basic precept that foreign aid is not charity, but an investment in our own national security.

It is clear for example that the new administration perceives a growing national security interest in the stability of Latin America. Yet stability in these countries depends primarily on whether or not their people retain a tangible sense of economic hope. The oil price hikes of the last decade have battered these hopes in many instances. Countries like Jamaica, however, are prepared to help themselves, and it would be shortsighted for us not to offer assistance.

What needs to be stressed, moreover, is the growing stake that industrial nations themselves have in Third World development. Developing countries supply us with critical raw materials; provide essential trading markets; and serve as partners in addressing global problems of poverty, population growth, nuclear nonproliferation, and the environment. In addition, we can no longer ignore the monetary stake our major banks have in holding nearly $500 billion in LDC debts.

For these reasons, the importance of foreign aid to our own well-being is an idea that needs constant reinforcement. I therefore wish to call my colleagues' attention to a Christian Science Monitor, March 2, 1981, article entitled "Hardnosed Foreign Aid," by Sidney Weintraub, former Assistant Secretary of State for International Finance and Development. The author reminds us that foreign aid is an instrument of national security, oftentimes the most effective one we have.

The text of the article follows:

[From the Christian Science Monitor, Mar. 2, 1981]

HARDNOSED FOREIGN AID

(By Sidney Weintraub)

There are powerful reasons growing out of philosophic precepts and national self-interest why the new Republican administration should support foreign aid. Some of these reasons point to an augmented and more directed bilateral program and others to an increase in the use of multilateral agencies like the World Bank and the regional development banks. Some aid would have to be concessional because countries are unable to afford anything else, but much of it could be on market terms.

Aid is an instrument of national security, an important consideration for a security-conscious administration. It was so used in the Marshall Plan and the Alliance for Progress, in South Korea and Taiwan. Security of a nation requires that its people have economic hope. High income is not possible for most people in countries with per capita incomes averaging between one-tenth and one-twentieth of ours, but the dream of a better life must be present. Leaders must be seen to be offering opportunities or they will not endure. The change in leadership in Poland, Jamaica, El Salvador, and even the small Caribbean islands of St. Kitts-Nevis and Dominica are recent examples of this.

The Caribbean, because of the unsettling presence of Cuba and proximity to the United States, is seen by key figures of the administration as a region of paramount national security for the United States. There is no conceivable way to achieve this security absent financial help from us. Mexico and Venezuela recognized this reality by instituting a large aid program there.

Problems are not solved merely by throwing money at them, but problems can be created by withholding money and hope. The new administration will need money for the Caribbean, and it will need flexibility in the use of funds. It should not have to wait a year, as have previous administrations, while Congress debates before help is given to meet emergencies. Such delay might help another, less friendly government come to power in the interim.

The enormity of the financial need in the Caribbean requires that the burden of providing help should be shared. Most countries in the region are among the hardest hit in the world from the oil price increases of the last decade, particularly in relation to the size of their economies. They join a list of other hard-hit countries, like Brazil and many in Central America and elsewhere, which must finance the deficits in their balance of payments brought on by the increased cost of oil imports. This year, less-developed countries will spend $230 billion to $250 billion on oil imports. The combined deficit in the current account of their balance of payments will be more than $60 billion.

Concessional aid cannot fill all gaps of this magnitude, but filled they must be if turmoil is not to erupt. For Brazil and other newly industrializing countries, gap filling is being accomplished primarily by the private banking system, and private banks will have to take the lead in the future as well. The banks have asked for help. The multilateral institutions—the World Bank, the regional development banks in Latin America, Asia, and Africa, the International Monetary Fund—will have to augment their lending to help recycle funds generated from surpluses by oil exporters to the oil-deficit countries where they are needed.

It makes eminent sense to use all the financial intermediaries we can. In time, this financing comes home, not just in interest and amortization, but also in increased US exports and private investment.

It is not always understood that US assistance to the World Bank (or regional development banks) for lending to less-developed countries need not involve a US budgetary outlay. What the US and other donors do is provide a guarantee of last resort which permits the bank to borrow from the market. The bank in turn lends to borrowers (the less-developed countries) at an interest rate related to its own borrowing cost. The official lending institutions are thus intermediaries between lenders and borrowers. They fulfill the same kind of function as any bank. The guarantee of last resort never has been called on in the history of all these institutions.

Many countries are too poor to be creditworthy to the commercial banks, and it would be shortsighted for the US to compound their problems by denying official aid as well. We can give this aid bilaterally or we can share the burden with other donors by working through the multilateral institutions. The amounts are relatively low in relation to our national product. (They are now less than one-quarter of one percent of our GNP.) This is the role for concessional aid.

Call it a grubstake. Call it national security. It is the only economic instrument the US really has in many countries.

This aid need not be given indiscriminately to all comers. If countries will not help themselves, there is no place for US aid other than to lease allies for short periods to say nice things about the US or to vote with us on mostly meaningless resolutions in the United Nations. When countries are prepared to help themselves, it would be folly to withhold our assistance. Jamaica is a current example of this outlook. If its economic policy succeeds, it will help the people of that country and it will be valuable as well for the people of our country.

This would be a hard-nosed aid program. Help those who help themselves. Direct aid to where it is most important for us, which signifies a growth in bilateral aid, but without giving up the burden-sharing implicit in multilateral concessional aid. Help the private banks recycle oil surpluses by providing capital to official international institutions so that they, like the private banks, can act as intermediaries. Those who oppose such a program are taking risks with US national security.●

THE COAL UTILIZATION INCENTIVES ACT OF 1981

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. RAHALL. Mr. Speaker, today I am proud to submit legislation that I believe should receive top priority from this Congress. The measure is aimed at providing tax incentives to electric utilities wishing to convert their facilities from oil or natural gas to coal.

As many of us are aware, various attempts were made in the 96th Congress to enact the utility oil-gas backout legislation. That measure would have required direct Government subsidies to utilities wishing to convert their facilities to coal. This new bill, however, is more in line with the Reagan administration's concept of providing tax incentives rather than subsidies, and provides the most immediate method to reduce our reliance on foreign petroleum sources.

This measure is already supported by a number of my colleagues who are listed as original cosponsors, and by the National Coal Association, the United Mine Workers of America, the Mining and Reclamation Council, and the American Mining Congress.

Mr. Speaker, those of us who support this legislation share the President's view that inflation must be brought under control, and to carry out this initiative, we feel a major drive must be made to reduce America's reliance on foreign energy sources.

A summary of the legislation follows, and I would appreciate the support of my colleagues for this extremely important piece of legislation:

COAL UTILIZATION INCENTIVES ACT OF 1981

SUMMARY

Title I

SEC. 195. AMORTIZATION OF COAL UTILIZATION PROPERTY.—Under present law, an individual or entity is permitted to deduct from their tax liability, a portion of the declining value of a particular item. This bill will allow coal utilization property (boiler or burner, pollution control equipment or coal cleaning equipment) to be written-off over a three-year period. However, at the election of the taxpayer, the coal utilization property may be amortized over a one year period.

SEC. 102. ENERGY CREDIT ALLOWED TO PUBLIC UTILITIES FOR COAL UTILIZATION PROPERTY.—Under present law, utilities are precluded from utilizing the 15 percent energy tax credit. This bill will allow utilities to receive the energy credit.

SEC. 103. FULL INVESTMENT TAX CREDIT ALLOWANCE FOR COAL UTILIZATION PROPERTY.—Present law allows the investment tax credit to absorb a certain portion of a taxpayers tax liability. What often occurs in the case of a utility is that their tax liability is less than the credit allowed, therefore they cannot utilize the credit. This legislation will enable utilities to utilize the investment tax credit to absorb their entire tax liability.

SEC. 104. INDUSTRIAL DEVELOPMENT BONDS FOR COAL CONVERSION AND USE.—Under present law, municipalities are precluded from issuing industrial development bonds for utility concerns. This legislation will allow the various local entities to issue these tax-free debentures to assist utilities through the massive expense of converting.

Title II

SEC. 201. NEW SOURCE PERFORMANCE STANDARDS.—This section amends Section 111(a)(8) of the Clean Air Act which defines modifications by existing sources. Under present law, when an existing source is modified, it is subject to New Source Performance Standards. Under this bill, voluntarily converting units, which convert to coal, would not be classified as a modification and therefore not subject to the New Source Performance Standards.

SEC. 202. FACILITIES CONVERTING TO COAL.—This section amends section 113(d)(5)(a) of the Clean Air Act. Under this bill, voluntarily converting units would be eligible for delayed compliance orders now available to units ordered converted under ESECA or PIFUA.●

EXCITING CONFERENCE IN TEXAS

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. PICKLE. Mr. Speaker, recently people in Texas had an opportunity to attend a very stimulating conference called the Texas Lyceum.

Speakers included such prominent world citizens as Congressman BILL ARCHER of Texas, former Secretary John Connally, Ezer Weizman of Israel, Peter Rinfert, Charls Walker, and many others.

The views were diverse, and the discussion heated at times.

One man, Mr. Tieman H. Dippel, Jr., was the guiding force behind putting the Texas Lyceum together. Better known as "Skipper" in Brenham, Tex., and to his many friends across the State, he intends for the Texas Lyceum to occur over and over—throughout the ages.

If anyone can put it together it is Skipper Dippel.

I am enclosing just one brief article on the Lyceum that demonstrates that the conference was an exciting and challenging gathering.

I would ask that this be placed in the CONGRESSIONAL RECORD.

THE MIRACLE OF MUTUAL COMMITMENT

(By Roslyn Dawson Hartenstein)

Instead of a windy Greek hilltop, the setting was the plush Regency Ballroom at the Dallas Fairmont Hotel. Instead of Socrates and Plato, the participants were business men and women together with government officials. Instead of the classical Lyceum, this was the Texas Lyceum—first of its kind.

For two days in December, the Texas Lyceum brought together business and government leaders from across the state to discuss three areas of mutual concern: the public role of the private sector, new solutions to economic problems, and Texas' challenges and opportunities for the '80s.

The Texas Lyceum was the brainchild of Tieman Dippel Jr., who heads the Texas Lyceum Association. His concept, which was avidly promulgated by the group of business leaders he invited into the association, was to address the development of a national will and a national agenda—by starting in Texas with the development of a Texas will and agenda. The Lyceum concept was a free and open forum of education. Its sponsors were the Institute of Constructive Capitalism, headquartered at the college of business at the University of Texas, as well as from Texas Business Magazine and the Edwin A. Cox School of Business at Southern Methodist University.

Dippel's opening remarks set the tone of the Lyceum. He asked participants to "talk an awful lot of common sense, and maintain a sincerity of purpose." Quoting Oliver Wendell Holmes, Dippel asked that participants consider "not so much where we are, but where we are going."

The Lyceum's necessary gadfly was Pierre Rinfret. Rinfret—once presidential economic adviser to Kennedy, Johnson, and Nixon, and now private consultant on international economic, financial, and political matters—accused modern society of living in a dream world. "There is an unwillingness in our society to face truth," Rinfret said. "American society ignores the inevitabilities, while the fact is that the democratic world will thrive only on truth."

He emphatically accused American business of neglecting important and vital concerns. Rinfret asked, "What has happened to quality, productivity, pride, integrity, and honor in business?" According to Rinfret, American business begets its own problems.

"When American industry gets in trouble, it runs to Washington. In essence, we have free enterprise for the poor and socialism for the rich," said Rinfret. "And the demise of quality control in American business is the fault of American business. Why? Because we in American business have forgotten that our job is to produce quality products at the lowest possible price.

Rinfret posed an interesting question: Does private industry level with the media? His answer was an emphatic "no." In recent years, the hue and cry among business and private industry has been this: "The media is out for our blood! The media is predisposed to crucify business any chance it gets." Rinfret placed the responsibility squarely on the shoulders of American private industry.

"Do we level with the media? With the younger generation? No, we don't. We tell the people what we want them to know," said Rinfret. "The SEC forces our disclosures; the disclosures are rarely voluntary. When they are, the media and the younger generation respond positively."

Finally, Rinfret addressed the adversary relationship between the private sector and government. His solution? That private industry get in pace with the times: "One principal reason the private sector is an adversary to government is because the private sector is 50 years behind the times. The private sector does not understand who the people are, what they want or how to influence them."

Quoting Bill Simon's A Time for Truth, Rinfret said: "The greatest threat to America is the gutless wonders—American businesses. Business must see that the people perceive themselves as protecting themselves against industry."

In summary, Rinfret said: "The country can only survive with the private sector. But the private sector has got to get up to date and understand where it has failed."

Astonishingly, no tomatoes were heaved from salad plates toward Rinfret's podium.

Rather, the participants of the Lyceum listened—whether or not they agreed—and took from Rinfret's remarks a challenge to find real and workable solutions to the problems facing not only business but American society at large.

That a group of influential Texans—leaders in business and government—would take two full days of gauntlet-throwing is remarkable and noteworthy. That these leaders would discard for two days their particular partisan or political leanings in order to enter an open forum of discussion and problem-solving was laudatory. That the results of the Lyceum—a mutual commitment to a statewide agenda of action—were granted unanimous accord was, in fact, miraculous.

A local business leader, whose sense of humor rivals a comedian's, remarked that he'd wager the Lyceum would become more reminiscent of the Colosseum before it was all over. Many people with like expectations entered the two-day session anticipating that, before it was over, symbolic six-shooters would be seen on many a table.

That the Lyceum succeeded without Colosseumesque battles-to-the-death is a tribute to the planners and the participants. And that the Lyceum was not the proverbial "flash in the pan"—it will continue to function as an association and as a forum for shared ideas—gives rise to a new optimism for the future of Texas as a strong national leader in private enterprise as well as progressive cooperation.●

CURB FEDERAL BUREAUCRACY

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. ROUSSELOT. Mr. Speaker, I would like to bring to the attention of the House of Representatives an article in the South Pasadena Republican Womens Club February Newsletter. The "Legislation Report" written by Ginny Knowles, my constituent, discusses the need to curb the Federal bureaucracy, especially those agencies which, through their regulatory activities, stifle American enterprise and productivity.

Constituents often ask what they can do to encourage Congress to take effective legislative action to restrain the growth of Federal spending and the power of the Federal bureaucracy. This fine legislative report urges such action and offers valuable suggestions for individual contact with Members of Congress. I commend the South Pasadena Republican Womens Club for their tradition of involvement.

The article follows:

LEGISLATION REPORT

(By Ginny Knowles)

DISMANTLING THE BUREAUCRACY

Now is the time to let Congress know that we want them to help President Reagan keep his word to abolish the Department of Energy and the Department of Education. There are many other agencies and programs, such as OSHA, EPA, HUD, CETA, VISTA, etc., which could be abolished at a savings of billions of tax dollars.

The federal regulatory bureaucracies are a logical first target for spending cuts. The American economy bears enormous costs due to federal regulations and controls. This pushes up prices of products unnecessarily, imposes long and expensive delays in construction of plants, and lowers productive efficiency at every turn.

The Department of Energy has done far more to hinder the development of energy then to promote it. Regulations and restrictions were imposed which impeded the promotion and development of new energy

sources. Plus, millions of dollars were spent on maintaining this big bureaucracy.

Education is to be a responsibility of the states and not a function of the federal government. The federal Department of Education interfered with the local control of education by imposing federal programs upon the local schools. These federal programs involved mountains of red tape and record keeping which takes time away from the classroom instruction.

Write to your Senators and Congressman stressing that we want the Departments of Energy and Education disbanded. Also stress that we must drastically slash the government spending which is now soaking up all of the capital needed by the private sector to increase production, create jobs, and get our economy moving again. It is essential that we remove immediately the oppressive costs and myriad restrictions of the regulatory agencies which are strangling private enterprise.●

SUPPORT FOR THE PRESIDENT'S PROGRAM

HON. JOHN J. DUNCAN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. DUNCAN. Mr. Speaker, in view of President Reagan's speech on March 2 relative to the opposition of the so-called selfish interest groups that oppose his economic recovery plan, mention should be made of one particular group that has endorsed the program and pledged its support. Mr. W. Andrew Adams from my State of Tennessee is president of the National Council of Health Centers, and at his request I enter into the RECORD the text of his telegrams to President Reagan and Secretary Schweiker.

Copies of telegrams attached:

NATIONAL COUNCIL OF HEALTH CENTERS,
Washington, D.C., February 19, 1981.

President RONALD REAGAN,
White House,
Washington, D.C.

DEAR PRESIDENT REAGAN: On behalf of the National Council of Health Centers, please accept our sincere congratulations for your speech before the Nation last night.

The National Council members, composed of investor-owned nursing home corporations with 125,000 beds in 43 States, stand ready to support your new program for economic recovery and to direct our efforts in that behalf, extricating ourselves from this crisis will require considerable sacrifice on everyone's part, but no battle is won without sacrifice, we are prepared to assume our share of the burden.

Clearly, as you stated we are at a time when world events demand a revitalized defense program despite the limitations on our financial resources. The circumstances, we would also agree, require an evaluation of the fact that the rate of government spending for health and social welfare programs over the last 6 years surpass that for defense by nearly 60 percent.

A restructuring of the financial supports of our health care system is overdue, together with a much-needed and to the primary reliance on government funding and the welfare philosophy. The government welfare approach has not worked nor has it provided the needy with the incentive to become self supporting.

We strongly endorse your proposal to shift the burden of health care delivery back to the free market place and support the inclusion of long term care services in that proposal, by allowing competitive forces to control costs and by easing the present tremendous regulatory burden, you will provide us with the new beginning that we so desperately need.

Sincerely,

W. ANDREW ADAMS,
President.

NATIONAL COUNCIL OF HEALTH CENTERS,
Washington, D.C., February 19, 1981.

Hon. RICHARD SCHWEIKER,
Secretary, Department of Health and Human Services, Washington, D.C.

DEAR SECRETARY SCHWEIKER: The members of the National Council of Health Centers have sent a message of support and endorsement to President Ronald Reagan for his proposal of a new program of economic recovery for our country. President Reagan has proposed fundamental changes in our health care delivery system as an essential component of that program. Please be assured that we are ready to work with you and the Department of Health and Human Services to undertake the important efforts ahead of us to bring about those changes.

The National Council members, composed of investor-owned nursing home corporations with 125,000 beds in 43 states, believe that a restructuring of our health care system is long overdue. For too many years we have been guided by a welfare philosophy that has not worked; nor has it provided the needy with the incentive to become self reliant. We realize that everyone will be called upon to make sacrifices in the coming months and we are prepared to do our part.

We firmly believe that an end to the primary reliance on government for funding is essential to our future progress. Your proposed efforts to shift the burden of health care delivery back to the free market sector will restore the incentives necessary to control costs and eliminate waste. We suggest to you that these same competitive approaches should be applied in the long term health care area as well. We hope in the coming months to work with you on developing such an approach and look forward to that effort with great anticipation, by promoting competition with a commensurate easing of our tremendous regulatory burden, you will provide us with the means to focus our efforts on a most important task ahead: providing quality care to our nursing home patients.

We respectfully request to meet with you in the next few weeks in order that we might outline our proposals for promoting competition.

W. ANDREW ADAMS,
President.●

AUDIT OF THE FEDERAL RESERVE

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. PAUL. Mr. Speaker, today I am introducing a bill to require the General Accounting Office to conduct a complete and thorough audit of the Federal Reserve System and banks. This is not just any bill, for it was last introduced in 1975 by Representative Wright Patman of Texas, who fought for years to have the Fed audited.

This bill provides that "the Comptroller General * * * shall make * * * an audit for each fiscal year of the Federal Reserve Board, the Federal Advisory Council, the Federal Open Market Committee, and all Federal Reserve Banks and their branches, including transactions of the system open market account conducted through recognized dealers." The bill further provides that the General Accounting Office shall have access to all books and records of the Federal Reserve.

The audit of the Federal Reserve is necessary. In considering a bill to audit the Federal Reserve in 1978, the Senate Committee on Governmental Affairs declared that:

> The three Federal banking regulatory agencies are at the present time the only exceptions to audit by the GAO. Yet they are empowered to carry out functions crucial to our system of government and to our nation's economy. Last year the three agencies incurred operating expenses exceeding $920 million. None of these expenditures were subjected to an audit by the GAO which, as the investigative arm of the Congress, serves to insure the effectiveness of governmental programs as well as appropriate and legal expenditure of funds.

Amazingly, despite this declaration that the Federal Reserve, the FDIC, and the Office of the Comptroller of the Currency "are empowered to carry out functions crucial to our system of government and to our Nation's economy," the Congress went on to enact a law that prevents the GAO from auditing those functions, functions which are "crucial to our system of government and our Nation's economy." I quote from the 1978 Act:

> An audit made under paragraph (1)(A) shall not include—
>
> (A) transactions conducted on behalf of or with foreign central banks, foreign governments, and nonprivate international financing organizations;
>
> (B) deliberations, decisions, and actions on monetary policy matters, including discount window operations, reserves of members banks, securities, credit, interest on deposits, and open market operations;
>
> (C) transactions made under the direction of the Federal Open Market Committee including transactions of the Federal Reserve System Open Market Account; and
>
> (D) those portions of oral, written, telegraphic, or telephonic discussions and communications among or between Members of the Board of Governors, and officers and employees of the Federal Reserve System which deal with topics listed in subparagraphs (A) (B) and (C) of this paragraph.

As the law now stands, the GAO is forbidden to look into those functions of the Federal Reserve which are "curcial to our system of government and our Nation's economy." The reasons

stated by the Senate committee for auditing the Fed are sound ones, but the present law explicitly forbids any investigation of the functions of the Fed which are so important in our economy.

Auditing the expenditures of the Fed is, of course, and important function. It would be nice to know how they spend the billion dollars per year that are not returned to the Treasury. I have seen their marble palace uptown and heard about their caches of cash out in Virginia, and as important as these things are, it is far more important that the Congress and the American people be provided with the results of an investigation of the essential operations of the Fed.

This is especially so since the passage last year of the Monetary Control Act, which empowered the Fed to purchase the paper obligations of foreign governments and use them as collateral for Federal Reserve notes. This extraordinary provision of the law was not debated in the House nor the Senate, nor was testimony taken on it. Yet it is just one example of the sort of power that the Federal Reserve has, and which remains beyond the reach of the investigatory arm of the Congress.

In stating a reason for excluding these "crucial functions" from the purview of the GAO audit, the Senate Committee on Governmental Affairs wrote:

> . . . the Federal Reserve Board must be able to independently conduct the nation's monetary policy. . . .

The independence of the Fed has long been used as a device to shield the Fed from congressional investigation. It is time that we recognized that the independence of the Fed is a legal fiction. One can trace the policies of the Federal Reserve merely by tracing the histories of Presidential elections. I will use the most recent campaign as an example, but one could just as easily select the earlier campaigns of Ford, or Nixon, or Johnson for illustrations of the fact that the Fed takes its cues from the White House.

Last May, when the Presidential campaign was beginning in earnest, and it was becoming increasingly clear that Ronald Reagan would be the nominee of the Republican Party, the Federal Reserve Board began a 6-month expansion of the money supply that was almost unprecedented in our history. During the last 6 months of the year, M1B increased $25.8 billion, or 13.4 percent. Actually the increase prior to the election was greater: The Fed took the money supply up almost $29 billion before scaling back in December, after the Presidential election was over. If one excludes the decrease in December, M_{1B} grew at a 16.4-percent rate in the 5 months prior to the election.

Why? Simply because restraint in the growth of the money supply during a Presidential campaign might lead to the defeat of the incumbent. The Fed knows that it can give the economy a temporary "high" by jacking up the money supply, and it does so, even though the long-run consequences of such an opportunistic policy will be severe.

But it is not only the longrun consequences that will be severe. The ups and downs in interest rates in 1980 followed the ups and downs in the Fed's manipulation of the money supply. Easy money causes high interest rates, and no better illustration of this can be found than the prime rate peaking at 21.5 percent last December, and now falling off as the Fed ceases to expand the growth in the money supply.

Yet it is decisions such as these, decisions which drive interest rates to record levels that are fatal to many businesses, decisions that increase prices at record rates in double-digit inflation, and decisions which will soon affect the unemployment rate by driving it up, that are not permitted to be included in the GAO audit.

I think it is time that the Congress and the American people found out exactly what the Fed is up to. Is there any insider dealing based on the decisions the Fed makes in its secret meetings? What is the relationship between the Fed and foreign governments and international banks? The sooner we find out the better off we will be. The system deserves no more blind faith and support from the American people.●

STATE TAX EXEMPTION FOR LEASED POSTAL VEHICLES

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. CLAY. Mr. Speaker, today I introduced a bill which provides that owners of passenger motor vehicles leased by the U.S. Postal Service shall be exempt from the payment of State taxes and fees.

The purpose of this legislation is to provide that owners of passenger motor vehicles which are leased by the U.S. Postal Service in carrying out its functions under title 39 of the United States Code shall be exempt from the payment of State and local taxes and fees with respect to those vehicles during the terms of those leases, with the goal of enabling the Postal Service to achieve significant savings in the cost of its vehicle leasing activity.

This bill would amend chapter 50 of title 39, United States Code, by adding a new section 5008 which would provide that the owner of any passenger motor vehicle leased by the Postal Service for the purpose of transporting mail or for any other purpose under title 39 shall, during the term of the lease, be exempt from the payment of any tax or fee imposed by any State or political subdivision with respect to the vehicle. Upon the expiration of the lease, the vehicle would be subject to all applicable State and local taxes and fees.

Fifteen to twenty percent of the cost which the Postal Service pays for leasing vehicles covers the costs of State licenses, tags, inspections, and fees. While some States waive these fees for owners of vehicles, enactment of my bill would make this practice uniform across the Nation. The exemption of leased vehicles from taxes and fees could result in a savings to the Postal Service of about $1.6 million annually.

Qualified leased vehicles, whether owned by an individual or by a corporation, would be subject to the provisions of this bill. The vehicles could not be used for the personal use of an individual in the course of transportation of the mail. The bill in no way alters the currently acceptable practice under which employees lease their vehicles to the Postal Service.●

A NATION IN NEED OF SHOCK TREATMENT

HON. HAROLD S. SAWYER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. SAWYER. Mr. Speaker, President Reagan has offered the Nation a bold economic program which provides a badly needed change in direction for the American federal system of government.

While there may be those who disagree with certain parts of the President's program, there is widespread agreement that we need to try a new proposal which offers hope for recovery.

In my view, we must act, and it must be done swiftly.

The February 25 editorial of WZZM-TV, Grand Rapids, Mich., contains a compelling message for a nation in need of shock treatment.

The editorial follows:

THE REAGAN PLAN

The economy has always been the backbone of this nation. The free market system created the American dream and hard working, hard producing citizens have provided the initiative and inventiveness which made this the most powerful, most idealistic and most admired nation on earth.

It doesn't seem like it was all that long ago, but a declining economy, accompanied by reduced incentive and devalued dollars have transformed our population into diverse groups of either cynical fatalists, naive optimists or those who look to government

to solve all problems and provide for all our needs.

When there's not enough snow, Michigan resort owners look to government for low cost loans to see them through the famine. When cars aren't selling, a mammoth corporation seeks a congressional bail-out. It's the same with cities that have policies of paying out more than they bring in.

We're a nation in need of shock treatment and that's exactly what President Reagan is offering with his budget cuts and tax slashes. Actually, Reagan is only cutting former President Carter's increases. The simple truth is that we can't keep going in the same direction we're headed without the bottom falling out of the economy. Sure there should be debate over what gets cut and by how much. Congress should be an equal partner with the President in the effort to shore up our sagging finances. But the only direction to go is in expecting less to get more.

A strong economy fuels productivity. Productivity leads to lower inflation. President Reagan campaigned on a platform of fiscal responsibility. He won and deserves a chance to see if it works. God knows, nothing else has.

I'm George Lyons.●

THE PRESIDENT'S ECONOMIC PACKAGE

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. PICKLE. Mr. Speaker, as we continue our examination of the President's economic package, I would say that in principle I am supportive of the administration's goals. I agree with the general approach taken with regard to cuts in spending, cuts in taxes for businesses, and cutbacks in Federal regulations. While I agree that we need to cut taxes for individuals, I do not necessarily support every specific of the President's plan.

When we pass a tax cut bill, it should be structured to accomplish an increase in: First, productivity; second, private business investments; third, savings; and fourth, research and development. The President's proposal for individual cuts provides insufficient concrete evidence that there will be increases in investment and savings, but instead indicates that the cuts could lead to increased consumer demand. Increased consumer demand could only add to inflation.

I insert a recent Washington Post editorial which reflects my views on this issue:

FORM 1040, ETC.

The questions, so far, have been a good deal more interesting than the answers as Congress begins its examination of President Reagan's tax cut. The House Ways and Means Committee opened its hearings in an atmosphere that was not hostile but certainly skeptical. The responses from the secretary of the Treasury, Donald Regan, were less than reassuring. He is having trouble making the crucial connections in the argument for his tax program. At this early stage of the debate, it appears that the congressional Democrats are strongly inclined to accept, at least in general, the president's cuts in the budget. But they are preparing to challenge his tax bill on grounds that it is too big and too dangerously inflationary.

The administration's case for those three successive annual reductions in the personal income tax rates follows this logic: If people's taxes are cut, they will 1) save more, leading to 2) higher investment, which in turn means 3) rising productivity and therefore 4) increased prosperity and lower inflation. The Democrats in the Ways and Means Committee have begun to challenge each link in that chain of cause-and-effect.

The administration has contributed to its own vulnerability by its extremely optimistic predictions of the response at each stage. Secretary Regan thought it was dreadfully rude of a young New York congressman, Thomas Downey, to describe his economic assumptions as "hallucinogenic." But would it be wrong to describe them as another triumph of hope over experience?

The administration is defending itself mainly by citing the enormous burst of growth, prosperity and high employment that followed a big tax cut in 1964 under President Johnson. That's a very odd posture for this administration to adopt. It came to power amidst a chorus of denunciations of the Keynesian policies of its predecessors, which, the victorious Republicans claimed, was responsible for a decade of stagnant productivity and intolerable inflation. But that 1964 tax bill was widely known, at least until this winter, as the Great Keynesian Tax Cut, the classic success of that school.

Ironies aside, what guidance does the 1964 tax cut offer to policy in 1981? It was a huge cut—dropping, incidentally, the top rate from 91 percent to the present 70 percent. But it came at a time when, unlike the present moment, the economy was already expanding fast. Productivity rose sharply in the year of the tax cut, but it fell thereafter through the rest of the decade. What should you make of that? Higher productivity—which means output that rises in relation to the number of people working—is important, since otherwise wage increases are inflationary. As for inflation, it remained low through 1964 but began to rise ominously in late 1965. That was largely the impact of the buildup for the Vietnam War. But there's a certain parallel with the present situation, since the Reagan administration's plans for military spending are already sending inflationary tremors through the economy.

One lesson of 1964 is that a big tax cut can certainly raise the savings rate, but it will also raise spending—a lot. It will lower unemployment, just as the Keynesian theorists promised, but it doesn't necessarily do anything for productivity. The 1964 case says that a tax cut can keep a boom going but, combined with a rapid increase in military appropriations, it raises an obvious danger of more inflation.

There's a reasonable case for a tax cut this year. But it isn't the case that the administration is making. Nor is it a case for the three years of large personal tax reductions that the administration is urging.●

SPEECH OF IDAHO VFW VOICE OF DEMOCRACY WINNER

HON. LARRY E. CRAIG

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. CRAIG. Mr. Speaker, I wish to place into the CONGRESSIONAL RECORD of the United States a speech made by 16-year-old Timothy Paul Kast of Post Falls, Idaho. The young Mr. Kast's speech was the Idaho winner of the VFW Voice of Democracy contest and message that is well worth noting.

America! "The land of the free and the home of the brave." This is the great country that I live in. I work, play, laugh, and cry here. Everything that I do is done in these United States. This makes it important for me to look around and consider how my country affects the way that I live and what my part is in guiding it in the right direction.

As I was writing this I looked around my neighborhood, I saw all that our nation's great technology has given us. I saw the letters, U.S.A., printed on my pen and on my cup, reminding me of the prominent position we hold in world economics. But then I looked even further into our peoples actions and found something that made me more proud than all of these achievements.

I saw Americans who said what they wanted, worshipped the religion of their choice, worked at the job that made them the most happy and people who could talk about the game Friday night with whomever they chose. I thought about the many freedoms and privileges our people enjoy here and how our government supports all of these things we have. In fact, I realized that the government is affecting everything in our lives today.

This system of government that acts to promote the ideals of its people is why we are such a proud nation. We show our love for America to the world in many ways. My little sister was playing "Oh Beautiful" on her flute as I wrote this very speech, and we show our appreciation to a country that brings us so many rights in many other ways.

It's often interesting to me to look back and study the people who fought for and started our country. I think of the tremendous time and effort they put forth to form their country in liberty. What kept these Americans going and what keeps Americans working for their nation? It is and was one word. Commitment!

Commitment is a powerful word that in this instance stands for an individual's dedication to be involved, do his duty, and always serve America's people to their fullest. These individual commitments have become and will continue to be the heart and soul of the success of our nation. America is its people committing themselves to sustain, improve, and defend this great unique nation of ours. It's up to us to protect the privileges we hold in being part of a country so uniquely formed on the basis of individual freedom and justice for all.

As a citizen of America I have my own personal commitments to my country. They involve taking the time to care so that our democracy may forever endure. I must become actively involved in local, state, and national government, be willing to stand up

and defend this great country and its people, and practice my rights and privileges without infringing on others' personal rights.

Our government is set up of the people, by the people, and for the people. It makes decisions concerning every aspect of my life. For these reasons it is of most importance to me that I become active in all forms of government. It is my duty as well as my privilege to be able to vote at all elections and serve by either being a member of a governmental body, or simply writing my representatives in government so that my voice is heard. Our government is why our nation is so unique, and so it needs to be given the proper time from us, its citizens.

Of equal importance is my commitment to be ready to defend the United States at any time. If we were to lose our country to some outside force we would undoubtedly not be able to enjoy the vast freedoms we do today. America's people must always stand ready to unite, so we can ensure our democracy will always be here to benefit us and our children.

I have my own individual rights and privileges and I must keep in mind that all other Americans do also. I should commit myself to remember these other rights so that all may enjoy equal opportunities and freedoms. It should be my responsibility to help abolish all crime in the U.S. and to protect my neighbor against harm, all of which are the commitments we have to each other as American citizens.

I know my commitments to America and its citizens, and I am ready to fulfill them. Just imagine if everyone was to remember and practice theirs. We could all ensure that our democracy could stand strong against the forces tending to undermine its institutions, and generations to come would enjoy America's freedoms, while other countries looked up to and took example from us. Our courage to stand up and show we are proud of our freedoms and are willing to defend them will surely illustrate to the world that America is "The land of the free and the home of the brave."●

SUNSET LEGISLATION—THE BEST LONG-TERM STRATEGY FOR CONTROLLING SPENDING

HON. GILLIS W. LONG

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. LONG of Louisiana. Mr. Speaker, the President has presented the Congress with his recommendations for budget reductions. Many of these cuts are long overdue. Others will be seriously questioned by the Congress. But one point I believe we can all agree on is that this flurry of post-inaugural budget maneuvering illustrates the need for Congress to do a better job at oversight.

During the coming months we will be deciding the future of Federal programs that took years to implement. The sad truth is that we know all too little about whether these programs are achieving the goals set for them. More than ever, Congress needs to improve its ability to oversee the programs it has established.

Passage of sunset legislation in the 97th Congress would be a major step forward in promoting vigilant oversight by the Congress. In the long run, it could be the most significant step we take toward budgetary control. The concept of sunset has been with us for several Congresses. Our reluctance to enact it thus far is based, I believe, on a legitimate concern as to whether it would truly work. Congress is justifiably wary of adopting major changes in our procedures without first being satisfied that they are likely to have a positive impact.

When the Subcommittee on the Legislative Process of the Committee on Rules began its hearings on sunset in the last Congress, these concerns were foremost in my mind. This subcommittee, which I again have the honor to chair in this Congress, held extensive hearings during the 96th Congress. We looked at three major proposals aimed at improving oversight: H.R. 2, the initial sunset proposal; H.R. 65, the sunrise proposal; and H.R. 2364, a regulatory reform proposal. After long deliberation, we developed a new approach to sunset that combined many of the key features of these bills. My colleague on the subcommittee, BUTLER DERRICK, and I have reintroduced this bill as H.R. 58 in the 97th Congress. H.R. 58 draws from all three of the initial proposals. From H.R. 2, we adopted the idea of an oversight agenda. From H.R. 65, we included the establishment of performance measures. From H.R. 2364, we have included provisions for regulatory analysis.

What distinguishes H.R. 58 from previous attempts at sunset, I believe, is its tough but practical approach. It grafts the principle of sunset review onto a workable set of procedures. H.R. 58 links program reviews by committees to legislative action in the same Congress and gives Congress the opportunity to vote on the continuation, modification or termination of programs. The automatic termination procedures of earlier sunset proposals necessitated the exemption of the major entitlement programs. The procedures employed in H.R. 58 eliminate the need for any exemptions. Thus H.R. 58 will extend review to all forms of Federal spending including entitlements, loan guarantees, and special tax privileges. These forms of spending constitute the growing portion of the budget often referred to as uncontrollable, and H.R. 58 is designed to focus review on these budget items. The no-exemption approach of H.R. 58 represents its major innovation over earlier sunset proposals.

H.R. 58's approach is simple in design, building on current congressional procedures and the committee system. Its deadlines and procedures are coordinated with those under the Congressional Budget Act. It is a sunset approach that I believe will work, and work effectively. H.R. 58 offers us the chance to make meaningful congressional oversight part of the national effort to control spending. Over 100 Members from both parties have already joined BUTLER and me in cosponsoring this important legislation. The 97th Congress can be the one to finally bring sunset review to the Federal Government, and I invite all Members with a serious concern about improving oversight to join with us.●

WELCOME TO CLOSE UP STUDENTS

HON. WENDELL BAILEY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. BAILEY of Missouri. Mr. Speaker, today I was pleased to welcome to the U.S. House of Representatives eight high school students from St. Louis County, Mo.

These high quality young people are involved in "Project Close Up" and will be learning in detail of the operation of their Federal Government.

I have found these visitors to be of fine intellect and character and encourage their continued participation in their Government.

The students are: Debbie Mayer, Robert Huff, Mary Colvin, Andy Brown, Tami Atherton, Courtney Peistrup, Michele Raffel, and Ed Murphy.●

FINANCING INTERNATIONAL INSTITUTIONS

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. PAUL. Mr. Speaker, soon this body will be called upon once again to enact legislation appropriating funds for the international development banks, the IMF, and the World Bank. When my colleagues make a decision on giving more taxpayers' money to those institutions, I hope they will keep in mind the message conveyed by the following two articles that appeared in the Washington Post and the Wall Street Journal. That message is simply this:

> For several decades, U.S. foreign policy has been wagged by this tail of global debt. The IMF and the World Bank are run by and for the money center banks, the aim being the aversion of international financial collapse and their own bankruptcies. The World Bank's objective is to squeeze the U.S. taxpayer * * *.
>
> The IMF's pattern is to squeeze the taxpayers of the recipient nations.

Let us hear no more of the great effects this foreign aid program has had

on either the American people or the people of the recipient countries. Foreign aid helps elites. It is based on a percolate up theory: The poorer peoples will subsidize the rich. I believe that we could save billions of dollars a year by ending these programs immediately.

The articles follow:

[From the Wall Street Journal, Mar. 2, 1981]

THE LAFFER CURVE AND FOREIGN POLICY

(By Jude Wanniski)

The "fundamental principles" of taxation, as he called them, were laid out by Treasury Secretary Andrew Mellon in a 1924 statement. It is a classic as well as a classical statement, one that now lies at the heart of domestic "Reaganomics." In his book, "Taxation: The People's Business," Mellon said:

"The problem of the Government is to fix rates which will bring in a maximum amount of revenue to the Treasury and at the same time bear not too heavily on the taxpayer or on business enterprises. A sound tax policy must take into consideration three factors. It must produce sufficient revenue for the Government; it must lessen, so far as possible, the burden of taxation on those least able to bear it; and it must also remove those influences which might retard the continued steady development of business and industry on which, in the last analysis, so much of our prosperity depends.

"Furthermore, a permanent tax system should be designed not merely for one or two years nor for the effect it may have on any given class of taxpayers, but should be worked out with regard to conditions over a long period and with a view to its ultimate effect on the prosperity of the country as a whole. . . .

"I have never viewed taxation as a means of rewarding one class of taxpayers or punishing another. If such a point of view ever controls our public policy, the traditions of freedom, justice and equality of opportunity, which are the distinguishing characteristics of our American civilization, will have disappeared and in their place we shall have class legislation with all its attendant evils. The man who seeks to perpetuate prejudice and class hatred is doing America an ill service. In attempting to promote or defeat legislation by arraying one class of taxpayers against another, he shows a complete misconception of those principles of equality on which the country was founded.

"Any man of energy and initiative in this country can get what he wants out of life. But when that initiative is crippled by legislation or by a tax system which denies him the right to receive a reasonable share of his earnings, then he will no longer exert himself and the country will be deprived of the energy on which its continued greatness depends."

PRESIDENT IS COMMITTED

President Reagan essentially campaigned on these principles and has committed himself to them. The size of his victory Nov. 4, along with Republican control of the Senate and expanded influence in the House, point toward domestic tax reforms in 1981 along classical lines.

Because the U.S. is such a large part of the world economy, domestic economic reforms that boost productivity will have beneficial effects around the world—in the same way that economic growth in California following passage of Proposition 13 in 1978 had buoyant effects on the rest of the U.S. But the reverse is also true. If the rest of the world economy follows perverse economic principles—moving up the Laffer Curve even as we head down—it will transmit those negative effects to the U.S. offsetting our gains and perhaps swamping them.

This is why it is so critical that a new President shape a foreign policy that has as a key ingredient the transmission of classical economic reforms to the rest of the world.

The most immediate and pressing threat to the world economy which the Reagan administration must face is the Third World debt to the international banks, a debt that now exceeds $300 billion. On the face of it, there is no prospect that this debt can be repaid, and because the amount exceeds by many times the amount of capital in the international banks, these banks would be technically bankrupt were it not for continued currency inflation. Indeed, lacking any other solution, the banks have a profound vested interest in global inflation. It preserves the illusion of solvency even as the debt mushrooms. Where once the international banks were ardent exponents of a gold standard for the dollar, which maintained a reliable unit of account between debtors and creditors, they led the way in the early 1970s in urging a "floating" dollar.

Citibank, the biggest of them all, was the most ardent in pushing for an end to the dollar-gold link, but Chase Manhattan and the Bank of America were not far behind. New money could be created through deposits in the Eurodollar market to roll over Third World debt. The inflation brought some relief to debtors, but not for long. It also hurt holders of dollar assets, most particularly the OPEC nations. In an attempt to keep even with inflation, they hiked the dollar price of oil. This only meant new private money creation by the banks was necessary, triggering another round of inflation.

The Third World debt mushrooms for the most part because of compounding finance charges, not because of a net increase in actual imports of resources. Imagine buying a television set in 1955 and paying for it over 30 years and you have a picture of the fix the Third World is in. The TV set (the original development project) has long ago been scrapped, but the finance charges go on and on. As a result of rising interest charges at the end of 1979, Third World debt service obligations rose by $7.5 billion.

The International Monetary Fund, founded in 1945 to deal with international balance-of-payment problems, must not only find a way to pay for the oil that goes to the developing nations, it must also scramble for the funds to refinance existing debt.

For several decades, U.S. foreign policy has been wagged by this tail of global debt. The IMF and the World Bank are run by and for the money-center banks, the aim being the aversion of international financial collapse and their own bankruptcies. The World Bank's objective is to squeeze the U.S. taxpayer for resources to send to the Third World, with the avowed aim of helping nations develop so their expanding tax bases can support their debt service. The IMF's pattern is to squeeze the taxpayers of the recipient nations, via IMF imposed "austerity plans," to collect the revenues needed to meet international debt obligations. The net result of this one-two punch has been the exact opposite of the intended aim, pushing developing nations up the Laffer Curve and inviting civil strife, revolutions, terrorism and authoritarian takeovers of one kind or another.

The State Department and a long string of Secretaries of State have displayed little or no interest in these economic causes of global unrest (Kissinger even boasted of his lack of interest in or knowledge of economics). The framework for foreign policy is set by the members of the Council on Foreign Relations and, in the 1970s, the Trilateral Commission, who assume that the U.S. is a declining power. And both the CFR and the TLC (founded by Chase's David Rockefeller) are dominated directly or indirectly by the impact of international debt on global commerce. The problem is that these Eastern elites have the wrong development model.

BORN OF THE DEPRESSION

The development model the U.S. urged on the rest of the world after 1945 was a modern one, born of the Great Depression. It focused on the need of governments to get control of "aggregate demand," or consumer demand. If a nation's masses consumed all its production, there would be no surplus, no capital, remaining for investment in "infrastructure." Infrastructure—roads, waterworks, power plants, docks, even a steel industry—was advanced as the key to development, through its ability to increase economic efficiency.

Policy that flowed from this theory took two forms. The poor nations were urged to impose steeply progressive taxes on their people to amass revenues to finance infrastructure. Project loans also were made to the poor nations, the loans to be paid back with the tax revenues that would result from economic development. In most cases, the policy financed infrastructure built with materiel and expertise from the industrial countries. Development was seen as stemming from physical capital, from "things." The poor nations were left with debt and tax burdens. Entrepreneurial activity was smothered by confiscatory tax rates. And because the infrastructure did not foster growth, tax revenues did not increase. The revenues that were received had to be applied to debt service, while costs of financing general government were taken care of by the printing press and inflation, further discouraging indigenous initiative.

This, of course, was not the developmental path the U.S. or other industrial nations followed. The classical formula focused on human capital, on "people," not "things." Policy did not focus on consumer demand for things, but on encouragement of individuals to supply their talents and energies to greater production. The U.S. economy was built in an environment conducive to individual enterprise: low rates of taxation, minimal central planning and hard money. Yet this is exactly the model that our modern economic theorists and policymakers discourage the emerging nations from following. It is exactly the model that should now serve as the economic backbone of U.S. foreign policy.

[From the Washington Post, Mar. 3, 1981]

IMF TO LOAN CHINA $550 MILLION

The International Monetary Fund yesterday announced it will loan the People's Republic of China at least $550 million over the next year "in support of the government's 1981 economic stabilization program."

The loan is the first of a series China is scheduled to receive from both the IMF and the World Bank to help the country with its

balance of payments problems, and to speed the development of its industrial and agricultural base. China is a new member of both institutions.

The IMF said that after a satisfactory performance in 1978, in which the cost of living declined, and the budget showed a surplus, there was a deterioration in 1979 caused by the high priority given to heavy investment at the expense of other sectors.

"Faced with this situation, the authorities implemented a readjustment program which was designed to reduce the investment ratio, slow down the growth of heavy industry, encourage the growth of light industry and agriculture, speed up the introduction of new technology, and initiate management reforms to decentralize decisionmaking and improve the efficiency of resource allocation," the IMF said.

Some progress, but not enough, was made in reducing inflationary pressures, according to the IMF.●

HUMAN RIGHTS—ARGENTINA ARRESTS HUMAN RIGHTS ADVOCATES

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. BONKER. Mr. Speaker, only a few weeks have passed since we first heard the numerous statements of Reagan administration officials that America's foreign policy priorities are being reversed—antiterrorism supplanting human rights.

Here at home and at international conferences abroad, the administration's policy shows a definite tilt toward the regimes of Chile and Argentina. This approach could very likely be blamed for the Argentine police over this past weekend arresting the leaders of the Argentine human rights movement and confiscating their files on more than 6,000 disappeared persons.

The Washington Post of March 3, 1981, said it best when it pointed out in its editorial, "Arrests in Argentina":

> Over the weekend a single judge, using the court's own police, arrested without charges a number of prominent advocates of personal freedoms for Argentine citizens. One of the new prisoners is a man whose son is among the thousands of Argentines who "disappeared" at official hands and were presumably murdered in the earlier period. Another has a son who is still a prisoner and is a known torture victim. The judge also confiscated substantial files, including the documentation on 6,000 "disappeared" people.

These arrests should be a source of concern to all. It would be tragic if the Reagan administration, in its haste to fight one form of terrorism, aids and abets the perpetuation of state-supported terrorism. I commend to the attention of all of my distinguished colleagues the following Washington Post editorial:

ARRESTS IN ARGENTINA

It had seemed that Argentina was emerging from its dark night of the 1970s, when its struggle against terrorism shaded into a frightful assault on its citizens' liberties, and so it is especially painful to see that some courageous Argentines who have tried to aid their unfortunate brethren have themselves run afoul of the security apparatus.

Over the weekend a single judge, using the court's own police, arrested without charges a number of prominent advocates of personal freedoms for Argentine citizens. One of the new prisoners is a man whose son is among the thousands of Argentines who "disappeared" at official hands and were presumably murdered in the earlier period. Another has a son who is still a prisoner and is a known torture victim. The judge also confiscated substantial files, including the documentation on 6,000 "disappeared" people. He is the same judge who ordered raids on human rights offices and the seizure of their files before a visit to Argentina by the Inter-American Human Rights Commission in 1979.

The leading theory is that the errant judge, conceivably acting alone but more probably acting for the still-substantial unreconstructed elements in Argentina's security forces and business community, became alarmed at the progress that the human rights cause was beginning to make in the courts. It is possible that this group realized that a more sympathetic approach to civil liberties, and to the possibility of transition to constitutional rule, was likely to come from Gen. Roberto Viola. He is to take over the government on March 29 with the first mostly civilian cabinet since the 1976 coup. Little or no taste is visible among the military for any coming to terms with the atrocities that it perpetrated and sponsored in the blackest years. But there is a view that the worst of Argentina's ordeal is behind it, and there is broad support for movement back to a more normal domestic life and for an end to the country's status as something of a pariah on account of its violations of liberties in the past.

For the moment at least, the Argentine government is hiding behind the contention that the arrests are the work of an independent judiciary. Given the well-documented record of judicial abuse and weakness in Argentina, however, this is a very tough proposition to sell. No Argentine regime can ask for the respect of people of good faith anywhere if it does not halt the persecution of the people newly arrested.

The first thought of many Americans, and not only Ronald Reagan's critics, was that Argentine hardliners had been emboldened by the new administration's downgrading of human rights. The State Department's nominee as human rights officer, for instance, is specifically on record with the statement—which is false as well as cruel—that the Carter administration's "scolding" of Argentina didn't really help the situation there at all.

The new administration can cite its stand at the United Nations Human Rights Commission in Geneva just the other day. The American delegate supported a resolution to keep the pressure on Argentina to account for past killings and disappearances, even while he lamented that other countries with similar or worse records were not being pursued. By yesterday, however, the State Department, saying privately that it was making inquiries in Buenos Aires, had not found public voice on the new arrests. The least it can do is to make plain that it disapproves of people's being locked by for trying to help the victims of an overweening state.●

LEGISLATION TO PROMOTE THE USE OF GASOHOL

HON. RONALD M. MOTTL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. MOTTL. Mr. Speaker, today, I am introducing legislation to promote the accelerated use of reasonably priced gasohol.

Year by year, America will be draining its oilfields and becoming ever more dependent on imported oil for its transportation and heating needs. This increased dependence on imported oil threatens our national security and will increasingly influence our foreign policy options, and hundreds of billions of dollars of our wealth are hemorrhaged away to pay for monopolistically priced oil imports.

There are alternatives to petroleum, however, which America must be developing. In addition to synthetic fuels, probably the most important energy alternative is alcohol derived from organic matter, such as corn, sugar, wood, and wastes.

It is absolutely essential that Americans develop these alternative forms of energy as rapidly as possible.

Thus it is incredible that last year the Congress actually enacted legislation to limit the growth and development of gasohol—the blend of ethyl alcohol and petroleum-based gasoline. An amendment was included in the Omnibus Reconciliation Act of 1980—Public Law 96-499, which I voted against for this reason—which imposes a 10-cent-per-gallon tariff in 1981 on imports of ethyl alcohol used for fuel. Under the amendment, this tariff will rise to 20 cents per gallon in 1982, and in 1983 will be 40 cents per gallon—a prohibitive tariff to be imposed until 1993.

The amendment, which was originally proposed by Members of the other Chamber, without benefit of hearings, was adopted by the House conferees only at the insistence of the Senate.

The bill I am introducing today will repeal this tariff. The tariff imposed in last year's act is completely indefensible. It slows the development of gasohol use in this country by making it harder for distributors to obtain supplies and build customer acceptance of this new product. A large number of U.S. industries who are building or planning on building ethyl alcohol distilleries wanted access to imports in order to build markets so that once their plants were built, they could immediately begin selling their new products. As the National Oil Jobbers

Council wrote last year to the chairman of the Ways and Means Committee:

We oppose the imposition of this duty as unwarranted, anticompetitive, inflationary and destructive of our members' efforts to build a growing market for gasohol. As independent small businessmen who are actively involved in the blending and marketing of gasohol, NOJC fears that any precipitous decline in alcohol supply would reduce our members' ability to market gasohol. Certainly, the elimination or curtailment of supplies would greatly increase the price of gasohol and make it noncompetitive with gasoline.

One reason that the amendment is inflationary is that today there is a virtual monopoly in America on the production of ethyl alcohol. One company is reported to produce almost 80 percent of our supplies. Thus the tariff has the effect of providing potential windfall price advantages to this company in the next several years, before other large producers have capacity available.

Finally, the tariff is very bad trade law. It primarily hits imports from Brazil, a country with which we frequently have a trade surplus. Under international trade law, Brazil now has the right to obtain compensation by retaliating against some of our exports to her.

In summary, the repeal of this unwise action of last year offers the potential to speed the use of a new form of energy, lower fuel costs, and reduce trade frictions with a major trade partner. I urge the Ways and Means Committee to hold early hearings on this legislation in order to repair the damage of last year.●

TAX TIPS FOR THE ELDERLY

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. RITTER. Mr. Speaker, certainly none of us are spared from the devastating effects of inflation, but our older Americans living on fixed incomes clearly suffer the most. Their problems of mere survival are futher aggravated by the deteriorating economic picture facing this country.

While the President has proposed a bold plan for redirecting economic policy to curb inflation, increase employment, and encourage economic growth, many of the Nation's elderly will see little improvement in their limited income.

A vast number of older Americans are overpaying their income taxes, based on reports from the Select Committee on Aging, because they do not take advantage of tax reduction provisions contained in the law.

To help our senior citizens avail themselves of these provisions, I am submitting a revised checklist of tax return information for use in taxable year 1980.

Prepared by the select committee, the checklist should be helpful to our senior citizens and their families as they try to live with the economic stress we are all experiencing today.

The checklist follows:

PROTECTING OLDER AMERICANS AGAINST OVERPAYMENT OF INCOME TAXES

(A Revised Checklist of Tax Return Information for Use in Taxable Year 1980)

A. FILING REQUIREMENTS

Single Individuals

Single individuals under the age of 65 must file a return if they had gross income of $3,300 or more for the year. Those over age 65 must file if they had gross income of $4,300 or more.

Married Individuals

Married individuals under the age of 65 must file a return if the couple's combined gross income was $5,400 or more. If only one spouse is age 65 or older, the filing level is $6,400. If both spouses are age 65 or older, the filing level is $7,400.

An individual who is married and whose spouse files a separate return must file a return if gross income was $1,000 or more.

Qualifying Widow or Widower

Qualifying widows or widowers must file a return if they had gross income of $4,400 or more during the year. For qualifying widows or widowers who are 65 or older, the filing level is $5,400.

Self-Employed Persons

Self-employed individuals must file a return if they had net earnings from self-employment of $400 or more.

B. PERSONAL EXEMPTIONS

Each taxpayer is entitled to a $1,000 personal exemption. Married taxpayers generally are entitled to an additional $1,000 exemption for their spouses. Furthermore, additional exemptions are provided for age (65 or older) and blindness. Finally, individuals may take an exemption for each person who qualifies as a dependent.

C. ZERO BRACKET AMOUNT

The zero bracket amount (formerly, the standard deduction) is the portion of an individual's income which is not subject to tax. The zero bracket amount is (1) $3,400 for married individuals filing jointly, or qualifying widows or widowers, (2) $2,300 for single individuals, or heads of households, and (3) $1,700 for married individuals filing separately.

D. EXCLUSIONS

Capital Gains

In general, 60 percent of net long-term capital gain is excluded from gross income.

Sale of Personal Residence

Individuals who are age 55 or older may elect to exclude, on a one-time basis, up to $100,000 of the gain from the sale of a personal residence. For the exclusion to apply, the taxpayer must have owned and occupied the residence for 3 of the 5 years ending on the date of sale.

Dividends and Interest

In general, individuals may exclude up to $100 ($200 on a joint return if each spouse has at least $100 of dividends) of dividends received during the year.

For 1981 and 1982 tax years (to be reflected on 1981 and 1982 tax returns), $200 ($400 in the case of joint returns) of interest and dividends may be excluded from gross income.

Disability Income Exclusion

Certain individuals may exclude up to $5,200 per year of disability income. In general, to qualify for this exclusion, an individual must be under age 65, must have retired on disability, and must have retired because of permanent and total disability.

E. ITEMIZED DEDUCTIONS [1]

Medical and Dental Expenses

The portion of medical expenses that exceeds 3 percent of a taxpayer's adjusted gross income may be deducted. (However, medicine and drug expenses are taken into account only to the extent that they exceed 1 percent of adjusted gross income.)

One-half of the amount spent for medical insurance (up to $150) may be deducted without regard to the 3-percent floor. The remainder is lumped with other medical expenses and is subject to the 3-percent floor.

Taxes

In general, State, local or foreign income tax, real property tax, personal property tax, and general sales taxes are deductible.

Interest

Interest payments are deductible by individuals who are legally liable to make them. Items commonly deducted as interest include: Mortgage interest, "points" paid by a borrower, mortgage prepayment penalties, separately stated finance charges, bank credit card plan interest, interest on personal loans, and interest on business loans.

Contributions

Contributions of cash or property to qualified organizations may be deducted. In general, the deduction may not exceed 50 percent of an individual's adjusted gross income.

Casualty and Theft Losses

Personal casualty and theft losses are deductible to the extent that they exceed $100 per occurrence and are not reimbursed through insurance or otherwise.

Miscellaneous Deductions

In addition to medical and dental expenses, taxes, interest, charitable contributions, and casualty and theft losses, a number of other, miscellaneous expenses may be claimed as itemized deductions. Some of the more common expenses in this category include: dues paid to professional societies, employment-seeking expenses, employment-related education, subscriptions to professional journals, union dues, investment counsel fees, safe deposit box rental, and tax counsel and assistance.

F. TAX CREDITS

Credit for the Elderly

Individuals who are age 65 or older, or who are under age 65 and receive a taxable pension or annuity from a public retirement system, may be entitled to claim the credit for the elderly. The maximum amount of the credit is 15 percent of one of the following amounts: (1) $2,500 for a single person, head of household, or qualifying widow or widower; (2) $2,500 for a married individual filing a joint return, if only one spouse is 65 or older; (3) $3,750 for a married individual filing a joint return, if both spouses are 65 or older; or (4) $1,875 for a married individual filing a separate return, if the individual

[1] For further details see itemized deductions.

and his or her spouse were not members of the same household during the year.

Child and Disabled Dependent Care Credit

Taxpayers may be entitled to a credit equal to 20 percent of the amount paid for the care of a dependent under the age of 15, a disabled dependent, or a disabled spouse, if the payment is made to enable the taxpayer to work or look for work. For a taxpayer with one qualifying dependent, the maximum credit is $400. If there are two or more qualifying dependents, the maximum credit is $800.

Earned Income Credit

Taxpayers with dependent children generally are entitled to a refundable credit equal to 10 percent of the first $5,000 of earnings (for a maximum credit of $500). The credit phases out a rate of 12.5 percent as income rises from $6,000 to $10,000 (that is, a reduction of 12½ cents for each additional dollar of income).

Residential Energy Credit

Taxpayers are entitled to a credit equal to 15 percent of the first $2,000 spent on qualifying energy-saving items. Qualifying energy-saving items include: insulation, storm or thermal windows or doors, caulking or weather stripping, clock thermostats, furnace replacement burners, and meters that display the cost of energy use.

In addition, taxpayers may receive an additional energy credit for amounts spent on solar, wind-powered, or geothermal equipment for their homes. This credit is for 40 percent of the first $10,000 of those costs.

Credit for Political Contributions

Taxpayers may take credits for up to one-half of political contributions made during the year. The maximum credit is $50 on a single return and $100 on a joint return.

G. PRESIDENTAL ELECTION CAMPAIGN FUND CHECKOFF

Additionally, an individual taxpayer may voluntarily earmark $1 of taxes ($2 on joint returns) each year for the Presidential Election Campaign Fund. (This does not result in any increase or decrease of the tax liability.)

ITEMIZED DEDUCTIONS

A. CHECKLIST OF ITEMIZED DEDUCTIONS FOR SCHEDULE A (FORM 1040)

Medical and Dental Expenses

Medical and dental expenses (unreimbursed by insurance or otherwise) are deductible to the extent that they exceed 3 percent of your adjusted gross income (line 31, Form 1040).

Insurance Premiums

One-half of medical, hospital or health insurance premiums are deductible (up to $150) without regard to the 3 percent limitation for other medical expenses. The remainder of these premiums can be deducted, but is subject to the 3 percent rule.

Drugs and Medicines

Included in medical expenses (subject to 3 percent rule) but only to extent exceeding 1 percent of adjusted gross income (line 31, Form 1040).

Other Medical Expenses

Other allowable medical and dental expenses (subject to 3 percent limitation):

Abdominal supports (prescribed by a doctor).
Acupuncture services.
Ambulance hire.
Anesthetist.
Arch supports (prescribed by a doctor).
Artificial limbs and teeth.
Back supports (prescribed by a doctor).
Braces.
Capital expenditures for medical purposes (e.g., elevator for persons with a heart ailment)—deductible to the extent that the cost of the capital expenditure exceeds the increase in value to your home because of the capital expenditure. You should have an independent appraisal made to reflect clearly the increase in value.
Cardiographs.
Chiropodist.
Chiropractor.
Christian Science practioner, authorized.
Convalescent home (for medical treatment only).
Crutches.
Dental services (e.g., cleaning, X-ray, filling teeth).
Dentures.
Dermatologist.
Eyeglasses.
Food or beverages specially prescribed by a physician (for treatment of illness, and in addition to, not as substitute for, regular diet; physician's statement needed).
Gynecologist.
Hearing aids and batteries.
Home health services.
Hospital expenses.
Insulin treatment.
Invalid chair.
Lab tests.
Lipreading lessons (designed to overcome a handicap).
Neurologist.
Nursing services for medical care, including nurse's board paid by you.
Occupational therapist.
Ophthalmologist.
Optician.
Optometrist.
Oral surgery.
Osteopath, licensed.
Pediatrician.
Physical examinations.
Physical therapist.
Physician.
Podiatrist.
Psychiatrist.
Psychoanalyst.
Psychologist.
Psychotherapy.
Radium therapy.
Sacroiliac belt (prescribed by a doctor).
Seeing-eye dog and maintenance.
Speech therapist.
Splints.
Supplementary medical insurance (Part B) under medicare.
Surgeon.
Telephone/teletype special communications equipment for the deaf.
Television set if individual has a hearing impairment and the set is specially equipped with a visual display of the audio portion of television programs. Similarly the cost of an adaptor for a conventional television that performs the same function is now considered a medical deductive by the IRS.
Transportation expenses for medical purposes (9¢ per mile, plus parking and tolls or actual fares for taxi, buses, etc.).
Vaccines.
Vitamins prescribed by a doctor (but not taken as a food supplement or to preserve general health).
Wheelchairs.
Whirlpool baths for medical purposes.
X-rays.

Expenses may be deducted only in the year you paid them. If you charge medical expenses on your bank credit card, the expenses are deducted in the year the charge is made regardless of when the bank is repaid.

Taxes

Real estate.
General sales.
State and local income.
Personal property.

If sales tax tables are used in arriving at your deduction, ordinarily you may add to the amount shown in the tax tables the sales tax paid on the purchase of the following items: automobiles, trucks, motorcycles, airplanes, boats, mobile homes, and materials used to build a new home when you are your own contractor.

When using the sales tax tables, add to your adjusted gross income any nontaxable income (e.g., social security, veterans' pensions or compensation payments, railroad retirement annuities, workmen's compensation, untaxed portion of long-term capital gains, dividends untaxed under the dividend exclusion, interest on municipal bonds, unemployment compensation and public assistance payments).

Contributions

In general, contributions may be deducted up to 50 percent of your adjusted gross income (line 31, Form 1040). However, contributions to certain private nonprofit foundations, veterans organizations, or fraternal societies are limited to 20 percent of adjusted gross income.

Cash contributions to qualified organizations for (1) religious, charitable, scientific, literary or educational purposes, (2) prevention of cruelty to children or animals, or (3) Federal, State or local governmental units (tuition for children attending parochial schools is not deductible).

Fair market value of property (e.g., clothing, books, equipment, furniture) for charitable purposes. (For gifts of appreciated property, special rules apply. Contact local IRS office.)

Travel expenses (actual or 9¢ per mile plus parking and tolls) for charitable purposes (may not deduct insurance or depreciation in either case).

Cost and upkeep of uniforms used in charitable activities (e.g., scoutmaster).

Purchase of goods or tickets from charitable organizations (excess of amount paid over the fair market value of the goods or services).

Out-of-pocket expenses (e.g., postage, stationery, phone calls) while rendering services for charitable organizations.

Care of unrelated student in your home under a written agreement with a qualifying organization (deduction is limited to $50 per month).

Interest

Home mortgage.
Auto loan.
Installment purchases (television, washer, dryer, etc.).
Bank credit card—can deduct the finance charge as interest if no part is for service charges, loan fees, credit investigation fees, or similar charges.
Other credit cards—you may deduct as interest the finance charges added to your monthly statement, expressed as an annual percentage rate, that are based on the unpaid monthly balance.
Points—deductible as interest by buyer where financing agreement provides that they are to be paid for use of lender's money and only if the charging of points is

an established business practice in your area. Not deductible if points represent charges for services rendered by the lending institution (e.g., VA loan points are service charges and are not deductible as interest). Not deductible if paid by seller (are treated as selling expenses and represent a reduction of amount realized).

Penalty for prepayment of a mortgage—deductible as interest.

Revolving charge accounts—may deduct the separately stated "finance charge" expressed as an annual percentage rate.

Casualty or Theft Losses

Casualty (e.g., tornado, flood, storm, fire, or auto accident provided not caused by a willful act or willful negligence) or theft losses—the amount of your casualty loss deduction is generally the lesser of (1) the decrease in fair market value of the property as a result of the casualty, or (2) your adjusted basis in the property. This amount must be further reduced by any insurance or other recovery, and, in the case of property held for personal use, by the $100 limitation. Report your casualty or theft loss on Schedule A. If more than one item was involved in a single casualty or theft, or if you had more than one casualty or theft during the year, you may use Form 4684 for computing your personal casualty loss.

Miscellaneous

Appraisal fees to determine the amount of a casualty loss or to determine the fair market value of charitable contributions.

Union dues.

Cost of preparation of income tax return.

Cost of tools for employee (depreciated over the useful life of the tools).

Dues for chamber of commerce (if as a business expense).

Rental cost of a safe-deposit box used to store income-producing property.

Fees paid to investment counselors.

Subscriptions to business publications.

Telephone and postage in connection with investments.

Uniforms required for employment and not generally wearable off the job.

Maintenance of uniforms required for employment.

Special safety apparel (e.g., steel toe safety shoes or helmets worn by construction workers; special masks worn by welders).

Business entertainment expenses.

Business gift expenses not exceeding $25 per recipient.

Employment agency fees under certain circumstances.

Cost of a periodic physical examination if required by employer.

Cost of installation and maintenance of a telephone required by your employment (deduction based on business use).

Cost of bond if required for employment.

Expenses of an office in your home if used regularly and exclusively for certain business purposes.

Transportation expenses for business purpose (20 cents per mile for the first 15,000 miles, and 11 cents per mile in excess of 15,000 miles, plus parking and tolls or actual fares for taxi, buses, et cetera.)

B. OTHER TAX RETURN INFORMATION ITEMS

Tax Tables

Tax tables have been developed to make it easier for you to find your tax if your income is under certain levels. Even if you itemize deductions, you may be able to use the tax tables to find your tax easier. In addition, you do not have to deduct $1,000 for each exemption because these amounts are also built into the tax table for you.

Multiple Support Agreements

In general, a person may be claimed as a dependent of another taxpayer, provided five tests are met: (1) support; (2) gross income; (3) member of household or relationship; (4) citizenship, and (5) separate return. But in some cases, two or more individuals provide support for an individual, and no one has contributed more than half the person's support. However, it still may be possible for one of the individuals to be entitled to a $1,000 dependency deduction if the following requirements are met for multiple support:

1. Two or more persons—any one of whom could claim the person as a dependent if it were not for the support test—

2. Any one of those who individually contribute more than 10 percent of the mutual dependent's support, but only one of them, may claim the dependency deduction.

3. Each of the others must file a written statement that he will not claim the dependency deduction for that year. The statement must be filed with the income tax return of the person who claims the dependency deduction. Form 2120 (Multiple Support Declaration) may be used for this purpose.

Sale of Personal Residence

You may exclude from your gross income some or all of your gain from the sale of your principal residence, if you meet certain age, ownership, and occupancy requirements at the time of the sale. These requirements, and the amount of gain that may be excluded, differ depending on whether you sold your home before July 27, 1978, or on or after that date. The exclusion is elective, and you may elect to exclude gain only once for sales before July 27, 1978, and only once for sales on or after that date.

If you sold your home before July 27, 1978, and you were age 65 or older before the date of sale, you may elect to exclude the gain attributable to $35,000 of the adjusted sales price if you owned and occupied the residence for 5 of the 8 years ending on the date of sale. If you sold the home after July 26, 1978, and you were age 55 or older before the date of the sale, you may elect to exclude $100,000 of gain on the sale if you owned and occupied the residence for 3 of the 5 years ending on the date of sale (or 5 of 8 years under certain circumstances). Form 2119 (Sale or Exchange of Personal Residence) is helpful in determining what gain, if any, may be excluded.

Additionally, you may elect to defer reporting the gain on the sale of your personal residence if within 18 months before or 18 months after the sale you buy and occupy another residence, the cost of which equals or exceeds the adjusted sales price of the old residence. Additional time is allowed if (1) you construct the new residence; (2) you were on active duty in the U.S. Armed Forces; or (3) your tax home was abroad. Publication 523 (Tax Information on Selling or Purchasing Your Home) may also be helpful.●

IMPACT OF CUTS IN STUDENT AID

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. PEYSER. Mr. Speaker, I am placing in the RECORD today letters from colleges stating the impact on them of cuts in the student aid program.

ELIZABETH SETON COLLEGE,
Yonkers, N.Y., March 2, 1981.

Hon. PETER PEYSER,
Cannon House Office Building,
Washington, D.C.

DEAR CONGRESSMAN PEYSER: I am deeply concerned about the effect that the Reagan Administration proposed cuts in student aid programs would have upon independent colleges, and, in particular upon Elizabeth Seton College.

This year, 55% of our day students and 31% of our weekend students receive Pell Grants; 30% (day) and 62% (weekend) have taken out loans under the GSL program. 82% of the parents of students enrolled in the day division are in the $25,000 and below income category; 81% of self-supporting students have incomes of $10,000 or less. The College serves a sizable minority population, approximately 33%, many of whom would never have considered going to college had not the financial incentive been there. The reported 1979-1980 retention rate for our day division students was 80%; for weekend 75%. Clearly this has been a worthwhile investment of tax dollars.

I appreciate President Reagan's concern to curtail government spending. Abuses need correction. Reducing the anticipated appropriations, even below current levels, raising the Parent Loan interest rate to market, and possibly requiring interest payment from GSL students while attending college penalize self-supporting students, or parents in middle income brackets, some with several children in college. The resulting burden to the tax-payer to accommodate dislocated students in public institutions is not a viable alternative. Contributing to a drop-out rate because of a student's inability to pay for his/her education can lead to unemployment, and other social ills. Where are our priorities?

I urge you to consider this matter one of special urgency. Thank you for the opportunity to comment. I look forward to your response.

Sincerely,

MARY ELLEN BROSNAN, S.C.,
President.

LOS ANGELES TRADE TECHNICAL COLLEGE,
Los Angeles, Calif., February 24, 1981.

Congressman PETER A. PEYSER,
Cannon House Office Building,
Washington, D.C.

DEAR CONGRESSMAN PEYSER: Thank you for your letter of February 18, 1981, concerning the retention of student assistance programs. Because of the socio-economic backgrounds of many of our students, their abilities to remain in school depend greatly on student loans, basic opportunity grants and other financial aids programs.

You are to be commended for your leadership in this important area and we pledge our support and participation.

Sincerely,

THOMAS L. STEVENS, Jr.,
President.

CHATFIELD COLLEGE,
St. Martin, Ohio, February 27, 1981.

Hon. PETER PEYSER,
House of Representatives,
Washington, D.C.

DEAR REPRESENTATIVE PEYSER: It was indeed encouraging to hear from a member

of Congress who has a deep concern for the continuance of aid to those interested in obtaining an education. We are fortunate to have such an active member of Congress on the Education and Labor Committee.

Unlike your district in New York, Chatfield is a very small, rural college attempting to offer an education to many students who could not possibly financially afford such an opportunity without assistance. Currently 40% of our student body are on some kind of student grant or loan. We serve a five county area in southwest Ohio where unemployment is rampant. In December 1980, when the U.S. unemployment rate was 6.9, Adams County had an unemployment rate of 17.2, Highland an unemployment rate of 10.5 and Brown County 9.5. We are in hopes, and so are our students, that the education they are obtaining will assist them in finding employment. If they are employed, as many of our students are, they are sufficiently ambitious to wish to better their lot. Though I understand the current administration does not believe in Appalachia, the above mentioned counties were designated as Appalachian counties indicating their need for help. To those of us in education, assisting an individual to better himself and to be a wage earner helps not only the individual but likewise helps commerce.

I agree with you that colleges must be heard at this time. For that reason I am in the process of writing to our Representative Robert McEwen and Senator John Glenn. My hope is that your office will be devastated with letters giving you support in this worthy cause and that members of Congress will be willing to listen to you and hear the cry of the poor. I agree that there is needless spending in some areas of the giant bureaucracy of Federal government, but I do not believe that sufficient study to justify the proposed cuts has been made.

If there is anything further I can do to help, do not hesitate to contact me.

Sincerely yours,

Sister XAVIER LADRIGAN,
Dean and Administrative Head.●

OFF-BUDGET DEFICITS

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. FRENZEL. Mr. Speaker, Mr. Steven Hofman, the staff director for the House Wednesday group is the author of this week's "Ideas and Trends" section of Business Week.

In his column in the March 9 issue, Hofman points out that off-budget programs and Government-backed enterprises will amount to nearly $47 billion in this fiscal year, and will nearly double the deficit of over $55 billion in the Carter budget.

Hofman also notes that this off-budget spending is no secret, except for the public, and recommends that such spending be brought under budget disciplines.

I invite the attention of all Members to this fine article.●

LIBERTY AND BREAD: MR. NOVAK'S BASIC TRUTH

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. RITTER. Mr. Speaker, Michael Novak our Nation's new representative to the United Nations Commission on Human Rights recently made a point in a speech regarding Third World development that is as eloquently true as it is basic and fundamental. That point is that economic freedom and political freedom go hand in hand, and that this is as true in the Third World as it has been here in the United States.

A March 3 Wall Street Journal editorial put this matter into sharp focus, and I would like to reprint that editorial here, for my colleagues' information.

LIBERTY AND BREAD

Those who are worried the Reagan administration lacks an appreciation for Third World issues—and such worries have been widely voiced—would do well to consider the speech delivered in Geneva last week by America's new representative to the United Nations Commission on Human Rights. The topic is development, on which the Western initiatives in the past generation have been: a World Bank-sponsored drive toward income transfers and official state planning; a litany of complaints about the alleged rapaciousness of big corporations; and a constant harangue about the dangers of too many people being born.

Now into the midst of this debate comes Mr. Reagan's representative, Michael Novak, uttering the one word that America seemed to have all but abandoned—capitalism. Not "anticommunism." But capitalism. C-a-p-i-t-a-l-i-s-m. This is the system that allows individuals to invest their capital and labor and reap for themselves the wealth it produces, a system that provides that one man's good fortune is another's as well. Mr. Novak's use of this word in the midst of a Third World forum is no small matter, and we can only hope that it is an opening chord in what will become a broader initiative by the new administration.

It is, after all, both an irony and a tragedy that America should have allowed itself in recent years to be put on the defensive in the debate on development. It is an irony simply because America is the most developed nation and also the most free, a combination that has captured Third World imaginations even while America seemed to be shying away from the ideas on which its own success was built. It is a tragedy because the anti-capitalist concepts that have taken hold during the period have produced incalculable setbacks in nations as diverse as Tanzania and China, Jamaica and Burma, Poland and India.

The recognition that capitalism might have something to offer the Third World has been growing throughout the Third World of late, however. It has been stirring, moreover, in some remarkable places, not merely in such capitals as Peking and Warsaw, but even in such redoubts, we would venture, as Pyongyang. And no opportunity could be riper than the one the Reagan administration is seizing to explicate some of the basic ideas on which America was developed.

They key principle Mr. Novak put well. It is that wealth can be created. Wealth isn't a limited quantity to be transferred from the rich nations to the poor. It is created by the application of human muscle and brain. This in turn means that having a lot of people (widely, but erroneously viewed as a Third World "problem") creates an opportunity to have more wealth. And people apply their muscle and brain to create wealth when they are given the incentive of being able to keep what they earn and the freedom to use their wealth for their material and spiritual fulfillment, as they please.

This is another key point. Freedom is an integral part of capitalism. Totalitarian states that deny this freedon deny the incentive to develop, and this is why they have been so roundly outpaced. President Carter seemed to understand this link between freedom and development; he stated explicitly in his first big foreign policy speech at Notre Dame in 1977 that the great democracies of the world aren't free because they're rich, but are rich because they're free. But then he pressed a human rights campaign that talked a lot about freedom of speech, of assembly, of religion, but all too little about a co-equal freedom—the freedom of enterprise.

Here you need the freedom to set up corporations to handle jobs too big for the individual proprietor and a system of law individuals and corporations can trust. For decades a school of thought has been attacking one variety of corporation, the multi-national, for allegedly "obscene" profits. But now America has sent Mr. Novak into these debates asking: "Are we to understand that losses are virtuous?"

Another school of thought holds that capitalism can't address the real problem of the Third World—poverty among agricultural peasants. This is a canard, nowhere more thoroughly demolished than in an important, if little known, book called "Wealth of Nations in Crisis," whose author, Ronald Nairn, sets out a capitalist ethic for peasant farming. He takes you from the plains of America, to the pastures of New Zealand, to the mushroom farms of Taiwan and the paddies of Thailand and Japan to demonstrate the sort of productivity that can be unleashed by freeing Third World farmers from government and bureaucratic inhibitions.

Freedom is, in the end, the enormous attraction of this whole idea of capitalism. Communism, as Mr. Novak points out, has been forcing much of the Third World to choose between bread and liberty, producing meagerly even of bread. That liberty and bread can be grown together—and, ultimately, only together—is precisely what America has been all about. We can think of no more relevant or timely idea for America to be pressing in the so-called North-South dialog than this, and it is heartening to see the administration making such an eloquent beginning as Mr. Novak has done in Geneva.●

SEATTLE MAYOR URGES LANGUAGE STUDY FOR ECONOMIC GROWTH

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. SIMON. Mr. Speaker, a friend sent me a copy of a speech which Mayor Charles Royer, of Seattle, gave to the convention of the American Council of Teachers of Foreign Languages recently.

I am inserting a portion of it in the RECORD for the attention of my colleagues in the House and Senate.

He points out that the new frontier economically for the United States is sales abroad, using Boeing as an example. But for the United States to sell abroad we must awaken to the reality that we must learn other languages and cultures.

It is a remarkable speech by a mayor of obviously above average sensitivities. Usually speeches by mayors welcoming conventions are filled with banalities. We have all given such speeches. My colleagues perhaps will assure you that I have given more than my share of such speeches.

But here is a distinguished mayor of a major city who recognizes an educational, cultural, and economic flaw and talks about it candidly.

I urge my colleges to read his remarks which I have abbreviated somewhat for the RECORD:

Last month the Washington State Senate released a poll of citizen attitudes about education. People were asked to rate the importance of fourteen subjects ranging from mathematics to physical education. Eighty-five percent of those responding ranked mathematics as essential to quality education. Surprisingly, 63 percent gave that same high ranking to civics and government. But only 24 percent rate foreign languages as essential to a good education. Foreign languages ranked eleventh overall, just slightly ahead of drivers education, art, and music.

Apparently many people do not really believe there is a connection between the conjugation of German verbs and the solution of the problems that confront them in their everyday lives.

That same view is widely held by my fellow mayors. It is difficult for many of them to understand why a mayor should be interested in promoting the teaching of foreign languages when the cities are facing immediate problems of unemployment, housing shortages, and racial tension. But it is exactly because we have these problems that I believe your work is so important.

It is no secret that America is facing severe economic problems, and those problems threaten every part of our society. This nation's promise has always been economic opportunity. At first, that opportunity was created by the abundance of the continent, the seemingly boundless natural resources of the frontier. If the streets of New York and Boston were not paved with gold, at least they led new immigrants further west to fertile, open land. For 300 years this nation solved its economic problems by turning west. When the dust bowl came, or the factory gates closed, there was always the promise of a fresh start on the frontier.

But we've reached the end of the line. Those who lose their jobs today in Detroit, Gary, or Cleveland still pack up their families and head for the Northwest. But in the streets of Seattle, they meet those who've packed up their families in Bankok, Nome, and Mexico City. There is no longer a promised land beyond the horizon. We must create the promised land where we stand—in Detroit, Cleveland, in Boston and Seattle.

Not only is the frontier gone, but the dominance of American industrial and monetary power seems to be ending. Ten years ago, six of ten leading banks in the world were American. Today, there are only two among the top ten. Our industrial productivity is not increasing as rapidly as that of some other nations. The irony of our situation is that those nations which are having the most success are beating us with our own machines, sold to them in the aftermath of World War II.

American industry is losing its share of international markets. Nor can we rely on dominance of the domestic market. The farmers of America's great plains are driving Japanese pick-up trucks, wearing blue jeans made in Taiwan, and straw hats from Hong Kong. We are in the midst of a changing world economy, and we must adjust to it.

We no longer have the world's highest standard of living. By some measures we are fifth. For the first time in many years, a majority of the American people do not believe that their children's fortunes are likely to be better than their own.

The talk among our nation's economists is now turning to "reindustrialization"—the code word for rebuilding the nation's economic base. The elements of that concept are not yet well defined, but generally refer to the need to reinvest in the industrial resources of our country—the railroads, factories, and the cities themselves.

There is one element of "reindustrialization" that I find especially challenging and relevant to this conference. It is the need to compete in a world economy—to sell American goods overseas.

Perhaps I give this issue so much importance because of our own experience in the Northwest during the late 60's. During that period, our leading employer, the Boeing airplane company, laid off 80,000 workers in a two year period. We survived that economic catastrophe because of international trade. During those years, it was the growth of our ports that provided the stimulus for recovery. Boeing also began trading abroad, and last year led all American companies in sales overseas. The same emphasis on international trade can help to bring the national economy out of its decline.

No nation has a better chance to meet that challenge than a country whose people have come from every corner of the earth. But we have not used the great resource of our human diversity. We have failed to invest in our own linguistic and cultural resources because we did not understand their true value. In Japan, and in Western Europe the learning of foreign languages and cultures is viewed as an economic necessity that is as important as investing in new machinery. Here in the United States, we are letting our languages get rusty at the same rate as our railroads. Most of the debate surrounding reindustrialization will focus on machinery and technology. It will be up to us to focus a share of that debate on the human resources which are equally—or perhaps more important.

This nation has proven very capable of producing material goods for export, but I am less certain we understand what the nations of the world want and need. We tend to see their situation through American eyes.

We will never succeed in meeting the challenges of a world economy if we continue to abandon our attempts to understand the languages, cultures, and politics of those with whom we wish to trade. We will lose out to those who have a better understanding of their trading partners' needs and world views. And if our goods and services have little credibility or currency in foreign markets, what credibility have our values, our political philosophy?

After ten years of decline in the teaching of foreign languages, we have a chance to reverse that trend, and a chance to contribute to the redevelopment of our country.

How much violence in our history has been caused by the inability to understand one another's fears? As we enter a period of scarcity, people must come to understand that their differences can be a source of strength in confronting our common problems. Our ethnic and cultural diversity is a resource we have used too little and no longer can afford to ignore. That lesson must be incorporated both in our teaching and our politics.

Those of us who see a connection between the human resources of language and culture and the economic recovery of our country are a small minority. The new industrial policy being debated in Washington will not automatically revive foreign language training. It only provides the opportunity to work together toward that end.

It will not be enough to teach the pronunciation of a people's language. We must explore their economics, their politics, and their values.

The people of Seattle and other cities need jobs and a healthy economy. The key to both may be the recognition that people everywhere need to speak the languages of the new world we live in.●

UNICO'S PERSON OF THE YEAR, DR. PRISCO F. DEFRONZO

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. RINALDO. Mr. Speaker, the work of members of UNICO is a labor of love for the benefit of all Americans yet it seldom receives the recognition that it deserves. In a very real sense, an essential part of the fabric of American society is contained in the work of UNICO and its members, such as Dr. Prisco F. DeFronzo.

On March 7, the union chapter of UNICO National will present Dr. DeFronzo with its 24th annual Person of the Year Award for his extraordinary accomplishment in promoting UNICO's membership efforts, and projects to aid the sufferers of Cooley's anemia and Americans with mental health disorders.

As a physician healing the sick at Clara Maas Hospital and Columbus Hospital, Dr. DeFronzo has earned the respect of his colleagues and the admiration of his patients. He has brought compassion, friendship, and medical skills to the suffering, and encouragement to those rebuilding lives shattered by accidents and injuries.

Dr. DeFronzo has stressed the quality of the Italian American family in furthering the values of love, loyalty, and duty to one's family, friends, and country. He has unselfishly given his time and hard work to building the union chapter of UNICO into one of the most successful in New Jersey.

Mr. Speaker, Dr. DeFronzo's service as a former president of UNICO reflects his lifelong commitment to the well-being of the community. I congratulate Dr. DeFronzo on his selection as UNICO's person of the year and extend my warmest wishes for the best in the years ahead.●

ARE ALL TAX CUTS CREATED EQUALLY? EXPERIENCE SAYS NO

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. KEMP. Mr. Speaker, the Keynesian economists and other doomsayers would have us believe that cutting marginal income tax rates will not work. They say that it would be inflationary. That the rich would get richer and the poor poorer. That business will not benefit and savings and investment will not rise. For their part, they offer the success of 10 years of Keynesian policy; policy which has brought us deepening inflation and an ever-increasing tax burden for American people; a policy which has led us to this critical point of stagflation.

Are we to rely on the predictions of those same economists whose policies have failed to maintain a thriving U.S. economy for an indication of what will or will not work? Or should we rather look to history for real evidence?

Economist Richard Rahn points out that significant, permanent across-the-board cuts in marginal income tax rates of the kind proposed by President Reagan have been enacted only twice before—once in the 1920's under Presidents Harding and Coolidge and again in 1964–65 on the recommendation of President Kennedy. In both instances tax revenues increased.

From 1922–28, through Harding and Coolidge's terms, marginal tax rates were reduced from a maximum of 73 percent to 25 percent. In every year that marginal tax rates were cut, revenue increased overall. And the largest chunk of contributions came from the higher classes. The higher the class, the larger the revenue increases. By 1928, the contribution from the $100,000 and over class alone was larger than the total contribution by all classes in either 1923 or 1924. And the share of taxes paid by the under $20,000 class during 1921–25 declined from more than 35 percent to under 11 percent.

Stymied by Depression-induced deficits and the international monetary system collapse, Herbert Hoover pressed for and got, in 1932, an across-the-board increase in income tax rates which raised the maximum marginal rate to 63 percent. Rates continued to rise until the Kennedy years. At President Kennedy's recommendation, individual income tax rates were cut an average of 24 percent in 1964 and 1965. The range of rates were lowered from 20 percent to 91 percent to today's 14 percent to 70 percent. The result? Receipts increased in all classes above $10,000 while they declined in all classes below that level. The largest increases came, as before, in the highest income classes. And in fiscal year 1966, Treasury receipts exceeded predictions by $10.3 billion, of which $7.3 billion was in individual income tax revenues.

The chief economist and vice president of the Chamber of Commerce of the United States, Richard Rahn, discussed the historical evidence on tax rate reductions in an excellent article printed in the Washington Star last week. I would like to submit that article into the RECORD at this time, and commend it to the attention of all my colleagues.

[From the Washington Star, Feb. 18, 1981]

TAX CUTS INFLATIONARY? EXPERIENCE SAYS NO!

(By Richard W. Rahn)

During the last 15 years Americans have experienced ever higher levels of inflation and taxation in tandem with rising budget deficits.

Given this historical relationship, why is it so many people are determined to have us believe that any tax reduction would be dangerous now, because all tax cuts are implicitly inflationary?

Usually we are told that a choice must be made between balancing the budget and reducing taxes. It is suggested that tax reductions will automatically increase the deficit, which the Federal Reserve must then cover by printing more money, thus generating more inflation.

NOT A TAX CUT

That scenario is false. To start with, it is misleading to suggest that taxpayers will be getting any real tax cut at all. Inflation combined with recently legislated increases in Social Security taxes and oil excise taxes, and a highly progressive income tax, all limit the choice to one between a very large tax revenue increase of a somewhat lesser increase.

The assumption that Americans must choose between a balanced budget and tax reduction, because tax cuts will automatically increase the deficit and worsen inflation, is also false.

The whole idea that tax cuts are inflationary stems from a confusion of tax rates with tax revenues. The two are not identical: Inflation-swollen incomes can produce higher tax revenues even if tax rates stay the same.

The Kemp-Roth bill, which has become a core component of the Reagan administration's economic approach, would lower all marginal tax rates by 10 percent across the board each year for three years. By cutting marginal tax rates we would be rewarding additional work relative to additional leisure, and rewarding additional saving and investment relative to additional consumption. In effect, we would be reducing the "price" of work and increasing the "price" of leisure. Incentives are the essence of supply-side economics.

What's more, since we know that higher levels of production, savings and investment would improve the rate of productivity and increase supplies of goods and services, it is ludicrous to say that cutting marginal tax rates would automatically increase the deficit and worsen inflation.

Indeed, supply-side economists are convinced that precisely the opposite is true. Every major tax-rate reduction in this century, starting with those first proposed in 1920, resulted in increased government revenues. The burden of proof is on those who oppose supply-side tax reductions to find a case when this did not occur.

THE KENNEDY EXPERIENCE

When President Kennedy took office, the highest marginal tax rate was still above 90 percent. In announcing his intention to cut rates across the board, he said, "Our true choice is not between tax reduction, on the one hand, and the avoidance of large federal deficits on the other . . . An economy hampered by restrictive tax rates will never produce enough revenue to balance the budget—just as it will never produce enough jobs or enough profits."

Commenting in 1965 on results of Kennedy's rate reductions, Walter Heller, who was the president's chairman of the Council of Economic Advisers, said: "What happened to the tax cut in 1965 is difficult to pin down, but . . . did it pay for itself in increased revenues? I think the evidence is strong that it did."

There are other examples of tax rate reductions that have paid for themselves. The capital gains tax reduction passed in 1978 has led to a $1.1 billion revenue gain, as contrasted to a $2.7 billion revenues loss forecast by the Treasury.

FILING IN PUERTO RICO

And, the most recent example was provided by Governor Carlos Romero Barcelo in Puerto Rico, who reduced income tax rates there by 15 percent in the last two years. Citing this case, Congressman Jack Kemp noted on the floor of the House, "They found as they reformed their tax code and lowered their rates of taxation on all individual taxpayers that not only did revenues climb by 13.5 percent, but so did the number of people filing returns."

In other words, when tax rates are cut, individuals at the top of the income scale discover that tax shelters now offer less attractive returns, while those hiding in the underground economy find they can now engage in legitimate business activities and remain law-abiding citizens as well.

The increased economic growth that has historically resulted from reducing tax rates can work in the 1980s to reduce the demand for higher government spending, particularly in transfer payment programs such as un-

employment compensation, food stamps, trade adjustment, welfare, and so on. Stimulating economic growth through tax reduction results in large numbers of people leaving the public dole and entering the private economy. The explosion in federal spending in recent years is a direct result of our sluggish economy, aggravated by the last administration's refusal to support general rate reductions.

Given these two beneficial effects of supply-side tax cuts—large revenue feedbacks and a lower level of government spending—it is both impossible and misleading to assume that tax-rate reductions will mean higher deficits and inflation.

Indeed, I believe reductions in marginal tax rates of 10 per cent a year for three years, combined with improved business depreciation, will increase productivity growth, reduce unemployment, and substantially mitigate inflationary pressures, while increasing Americans' real per capita incomes.

In the absence of such tax cuts, American workers will see their individual income and Social Security taxes rise by a staggering $64 billion in FY 1981 and $77 billion in FY 1982. When one considers that average real spendable earnings per worker have declined 15 per cent since 1972, tax increases of this magnitude are hardly the sort of policies needed to get this country moving again.●

BURNING OF FLAG

HON. RICHARD C. SHELBY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. SHELBY. Mr. Speaker, I have reintroduced legislation which would increase the penalty for desecration of the flag of the United States from a fine of not more than $1,000 or imprisonment for not more than 1 year or both to a fine of not more than $5,000 or imprisonment for not more than 5 years or both. This legislation would not change anything now contained in title 18, section 700, of the United States Code, other than increase the penalties. Thus, the definition of desecration—publicly mutilating, defacing, defiling, burning, or trampling—remains the same. By increasing the penalties, the classification of the crime of desecration of the flag could be changed from that of a misdemeanor to a felony if the punishment rendered is in excess of a $1,000 fine or 1 year imprisonment.

During the last session of Congress I became alarmed over some of the outrageous events that transpired in our country and introduced this legislation to give Congress an opportunity to register in a definitive way its disgust of the burning of our flag. The reasons for this legislation still exist. It is time to reaffirm our traditional values and engender respect for firmness to those who share neither our traditional values nor respect for our country. It should no longer be considered old fashioned to believe in one's country and stand up for its ideals. My bill presents an opportunity to publicly address some of the intense scorn and ridicule to which our honored values have been subjected.●

LASER TECHNOLOGY DEMONSTRATION PROPOSED

HON. GERALD B. H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. SOLOMON. Mr. Speaker, the February 16 issue of Aviation Week and Space Technology included an article which is essential reading to everyone interested in national defense and the future security of our Nation. An article entitled "Laser Technology Demonstration Proposed" outlines the future of laser weapon technology. This article clearly indicates that we must move swiftly to develop and deploy these weapons before they are added to the Soviet arsenal. I believe that lasers will someday provide us with the air defense capabilities to virtually eliminate the enemy ICBS threat. I am submitting this article in the CONGRESSIONAL RECORD and hope that many of my colleagues will take the time to read it.

LASER TECHNOLOGY DEMONSTRATION PROPOSED

WASHINGTON.—Early technology demonstration of space-based, high-energy laser battle stations through an accelerated program is urged in a Defense Dept. report soon to go to Congress. Laser battle stations in space offer the potential to alter the world balance of power, according to the report.

In the study of high-energy laser weapons technology, the Pentagon addresses the issue of whether there are compelling reasons to use current technology to provide the option for early deployment of laser weapons in space.

The Defense Dept. study has resulted in a preliminary report drafted in response to Congress, which sought to add funding of $200 million to the present Fiscal 1981 military budget for space-based laser weapons research and development. The report is due in early March.

A number of reasons are cited in concluding that an accelerated laser weapons program should be initiated.

They include the following:

Technology being developed in current Defense Dept. space laser weapons systems makes existing arsenals of strategic nuclear-armed weapons vulnerable, with large numbers of ballistic missiles and aircraft at risk to the deployment of a moderate number of chemical lasers operating with 4-meter-dia. optics and 5 megawatts of power. A five-megawatt/four-meter-dia. laser produces 1-5 kilojoules/cm. sq. on a target at ranges up to 2,200 mi. Present strategic systems are vulnerable to the thermal energy of lasers at 1 kilojoule/cm. sq. (1 kilowatt/sec./cm. sq.).

Instantaneous worldwide ballistic missile defense using a constellation of space laser systems is "an awesome force capable of checkmating a massive ICBM [intercontinental ballistic missile] attack. A hundred laser battle stations in space with each operating with 25 megawatts of power and 15-meter-dia. optics could cope with the simultaneous launch of 1,000 ICBMs hardened against lasers to 10-20 kilojoules/cm. sq. The 25 megawatt/15-meter-dia. system is considered within "the current technology horizon," and such a system could severely inhibit a Soviet war initiative or first strike strategy. Failing this, it should significantly limit damage to the U.S.

Space-based laser battle stations sized and deployed to cope with a large ICBM attack "would easily handle high-altitude aircraft targets, submarine-launched ballistic missiles and satellites as well as the ICBM launches."

Potential application exists of spacebased laser constellations enhancing the laser force effectiveness by offensive operations through a choice of engagement conditions that make maximum use of laser capability. Suppression of airborne air defense radar and interceptor aircraft just before friendly bomber penetration is an example. Another is destruction of all low-orbit (approximately 4,000 km. or 2,484 mi.) satellites within seconds to achieve space superiority. Lasers also could interdict airlift operations worldwide and support ground forces and air forces to achieve local air superiority.

U.S. deployment of space-based laser systems would demand a Soviet response, with two responses expected immediately—hardening strategic systems to laser energy and developing weapons to destroy laser battle stations.

SOVIET UNDERTAKING

The Soviet move to harden strategic systems "is not a trivial undertaking when one considers the number of forces impacted and the difficulties involved in reducing their vulnerabilities," according to the preliminary report.

Changes could be required in current designs that maximize payload by minimizing structure weight, "and thus force major research and development efforts to limit vulnerability in the next generation of the entire arsenal of strategic weapons."

One objection to the draft report by some laser weapons experts and members of Congress is the estimated degrees of hardness the Soviets could achieve in response to a U.S. system of laser battle stations.

The hardness assumed in the draft report by Pentagon officials tends to drive the U.S. to higher power levels and larger optical systems for chemical lasers in space. This in turn relates to the estimated cost for a space-based laser system, including means to place the battle stations in orbit.

Some of those associated with or directly involved in preparing the report agreed they want to provide a system capable of meeting the most severe Soviet challenge that can be expected as a counter once the U.S. demonstrates it can place a laser weapon in orbit.

One critic of the report claimed the study calls for "a perfect laser system, just as we have done in recent years seeking the perfect tank or the perfect bomber while the USSR went ahead and fielded lots of less-than-perfect tanks and bombers.

"By looking at a perfect laser system in space, a 25-megawatt/15-meter-dia. system, it takes the U.S. 20 years to get there and costs over a hundred billion dollars, when in fact a series of 5-megawatt/4-meter-dia. laser could force the USSR to scrap their fifth-generation ICBMs now being tested and threaten the present fourth-generation

SS-18s and SS-19s," the government official said. "We could easily increase the laser's power by recent nozzle development," he said.

"The report concludes that the U.S. can have a 5-megawatt/4-meter-dia. laser ready by 1985, but that it will take another three years to check it out and launch it; that's just unrealistic," according to another expert in lasers who has seen the report.

"It assumes one shift per day in industry and DSARC [defense systems review council] program milestones, not an all-out accelerated effort."

Another official with extensive experience in directed-energy weapons programs said that, while there is the attitude to try to build a perfect system in the Pentagon laser assessment, it also is true that the Soviets could use ablative materials within existing technology to harden ICBM boosters to a considerable level.

"If we are going to use laser battle stations for ballistic missile defense, it is very important that they work properly; the consequences are extensive if the system can be countered," he said.

"Even those who prepared the report conclude that through extraordinary measures, laser weapons can be in space by mid-1980s to provide antisatellite and air defense capabilities with some limited BMD application, but it will focus Soviet efforts on new weapons and countermeasures," a Defense Dept. official said. He said that under the concept in the report on lasers, "If the Wright brothers wrote the War Dept. that they had an aircraft capable of 40-mph. speeds and a payload of 200 lb., the answer would be the U.S. is only interested in a supersonic aircraft with thousands of pounds of payload armed with missiles."

But he agreed that ablative technology could permit hardening ICBM boosters to require 10-20 kilojoules/cm. sq. to destroy, saying that boosters and buses now are hardened against X-rays, not laser energy.

Present Soviet boosers are only hardened against laser energy of 0.2 kilojoules/cm. sq., and reentry vehicles 7 kilojoules/cm. sq., another official said, but hardening could be increased by trading off reentry vehicles for the weight penalty in hardening with ablative materials.

EARLIEST DEPLOYMENT

The report lists the estimated earliest times for space-based laser systems of given capabilities. They are:

Test of a 5-megawatt/4-meter-dia. weapon—nine years.

Deployment of a 10-megawatt/10-meter-dia. weapon in a constellation of 10 satellites for full antisatellite and air defense missions, and light ballistic missile defense—15 years.

Deployment of a 25-megawatt/15-meter-dia. weapon in a constellation of 100 satellites to provide a full or robust BMD capability and for all other missions—20-25 years.

The times and costs involved assume a fast-moving, aggressively managed and committed program, according to the report, "but not a panic or crash effort." The report also assumes development of advanced surveillance and command, control and communications systems, as well as heavy lift boosters in time to integrate with a 10-megawatt/10-meter-dia. system. This would come after the commitment to a 5-megawatt/4-meter-dia. system that can be carried into space by the space shuttle.

"As the laser force evolves, enemy assets placed at risk grow significantly," the report draft said. "The engagement potential of a force level of 50 25-megawatt/15-meter-dia. weapons could hold at risk approximately 1,200 missiles, 200 bombers, 50 airborne radars, 200 interceptors and 80 satellites. The replacement value of these assets ranges $70-140 billion."

This is roughly the investment for the total U.S. space laser force, according to the report. The Pentagon's mission utility panel tried to define costs and compare laser weapons to alternative systems, and the results show a wide variety of outcomes.

There are still uncertainties in the data base for costs, times, performance and vulnerabilities, which levy urgent requirements on the technology program to resolve the issues of both weapon performance and countermeasures effectiveness.

SPACE CAPABILITIES

Laser battle stations in space have the additional benefit of requiring the development of new space capabilities, i.e., heavy lift launch vehicles, comprehensive surveillance system, routine space transportation operations and the ability to resupply and refurbish satellites in space. The fallouts have broad implications for civilian and other military uses in space.

The study calls for early solution to issues associated with overall system design, system vulnerability, costs, and effectiveness of potential countermeasures such as ablative materials on the external surface of missile boosters. "Such importance extends to our ability to make measured decisions on rational response to a Soviet space laser threat," according to the report.

"Putting the U.S. in an early position to rapidly exploit technology if outcome warrants acknowledges that the race is on now even though the major payoff may be 10 or 20 years away. Further postponement of the initiative of the race is unwise," the report states. At its most promising form, according to the paper, the space laser offers potential to tip the strategic balances: "A potential that must be exploited as rapidly as possible to provide downstream options of system deployment in a meaningful time frame."

A Soviet laser battle station constellation can also be an awesome threat to the U.S., perhaps more serious even at lower levels of capability, according to the study. "A space laser race will be compelling to enter, to lead and to win."

Potential laser battle stations missions include the counterair mission areas and counterspace areas.

They are as follows:

Air defense of the U.S.

Suppression of Soviet airborne warning and control systems.

Suppression of look-down/shoot-down interceptor aircraft.

Navy fleet defense.

Airlift interdiction.

Offensive antisatellite use.

Defense of counterspace forces.

Defense of friendly space assets.

Antiballistic missile defense.

Mission examples abound in the report but include destruction of 53 Soviet spacecraft grouped in three target priority groups—Priority 1, which must be negated within 4 hr. of the decision to commit laser weapons, and Priority 2 and 3 which must be negated within 48 hr.

To deny replacement of destroyed spacecraft dictates that the laser system initially negate four simultaneous replacement launches with the residual capability to encounter and destroy two more replacement satellites every 4 hr.

Fleet defense requires attacking and destroying aircraft engaged in a stand-off attack—an attack that lasts 2-4 hr.

DESTROY CAPABILITY

The number of aircraft the laser system must destroy in the available time is 118 attacking the fleet in the Greenland-Iceland-United Kingdom gap, 30 attacking aircraft in the Indian Ocean, and 62 in the Mediterranean Sea.

A second antiaircraft mission is to destroy up to 176 bombers departing the USSR to attack the U.S. mainland. The bombers would be en route 6 hr. and must be destroyed prior to reaching within 1,200 naut. mi. of the U.S. coast or northern boundary.

In the area of antiballistic missile defense, one scenario calls for a partial defense against SS-18s and SS-19s out of a large ICBM force (up to 1,600 reentry vehicles) launched in a coordinated attack against the Minuteman-MX force. The force is assumed to be defended by 200 low-altitude defense system (LoADS) missiles. The combined active and passive measures result in 1,000 U.S. reentry vehicles surviving the Soviet attack.

The current technology laser systems deployed in reasonable numbers—from two to six battle stations—have utility across a range of aircraft and antisatellite missions, and the cost of this technology and deployment tends to be comparable if not lower than higher technology options, according to the report.

The buy-in costs will be approximately $10-20 billion, including the costs associated with a new heavy lift vehicle and surveillance systems.●

BULGARIA'S INDEPENDENCE

HON. S. WILLIAM GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. GREEN. Mr. Speaker, I would like to note that March 3 marked the 103d anniversary of Bulgaria's independence. This date represents the successful revolt by the Bulgarians against the Turks in 1878. Prior to the revolt, the Turks had dominated Bulgarian lands for centuries.

Unfortunately, that freedom was short lived and remains an elusive goal today. In 1941 Bulgaria was captured by the powerful Axis controlled by Hitler. On September 9, 1944, the Russian Army invaded and the Communist Party, appointed by Moscow, took control. Now Bulgaria is subjected to the same control and suppression as the other Soviet-dominated nations of Eastern Europe.

Yet, as is the case in other countries in that region, a spirit of independence and nationalism persists in that country. Despite all the Soviet attempts to strip this culture of its identity, strong Bulgarian traits persist.

The Soviet Union's leaders in Bulgaria refer to that country as the very model of the Soviet Union's loyal younger brother. The evidence suggests the opposite. Bulgarian culture

lives on. The people show a continued fascination for the United States and Western life. Most important, the civil problems we have seen in several Eastern European countries seem likely for Bulgaria as well.

So in recognition of the 103d anniversary of Bulgaria let us remember that we must go beyond the surface in examining that country. It is not a group of people accepting Soviet domination. It is not a country apathetic toward the virtues of freedom. It is a country being unreasonably dominated by the relentless strength of the Soviet Union.

Bulgarian citizens are individuals stripped of the greatness of individuality. I salute those people, wish them well in their struggle, and hope that the 104th celebration of Bulgaria's independence will be a happier occasion.●

CONDO DILEMMA REACHES DUXBURY

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. ROSENTHAL. Mr. Speaker, the condo conversion problem is not limited to luxury high-rise buildings in major cities. Increasingly, in the course of the Subcommittee on Commerce, Consumer, and Monetary Affairs' continuing investigation of Federal issues involved in conversions, I am made aware of conversions which are occurring in smaller cities and in moderate to low-income buildings. Unfortunately, one of the common threads in almost every conversion is the displacement of the elderly. The Boston Globe on February 25, 1981, carried a story about a conversion of a six-unit dwelling in Duxbury, Mass., where the residents range in age from 73 to 92. The purchasers bought the building for $250,000 and expect to gross more than $400,000 when the units are sold. The aged tenants are unable to buy or even pay the increased rents made necessary by the expensive financing used to purchase the building. This sorry tale is being repeated in many parts of the country. Local officials too often seem unable or unwilling to deal with the issue. I suggest that the Congress should soon act to alleviate this growing, nationwide problem.

The article follows:

[From the Boston Globe, Feb. 25, 1981]

CONDO DILEMMA REACHES DUXBURY

(By David Arnold)

DUXBURY.—She sat amongst cardboard moving cartons arranged as neatly as bone china.

"It is all quite awkward," she said softly above the tick-tock of antique clocks in her apartment.

"It is all quite awkward," he said in his home across town, sitting in the warmth of a wood stove. They are distant relatives.

He bought her Snug Harbor apartment building for condominium conversion. But the transaction is stalled, and he says he now must raise her rent . . . far beyond the means of the 82-year-old woman. She will move by the end of the month.

The big city problem of condominium conversion has come to a sleepy, traditional Duxbury neighborhood where people have lived in quiet elegance for decades.

"Raising rent is not fun," said James T. Pye, a Duxbury lawyer and one of three Duxbury professionals who bought the property, "especially when the youngest tenant is 73 and another is a distant relative. But I have little choice. I am fighting just to break even."

Pye, Edward C. Murphy, a realtor and Russell S. Harrington, a dentist, formed the Snug Harbor Realty Trust and purchased the Federalist dwelling for $250,000.

Trees and a slender white picket fence frame the shingled house at the intersection of Harrison and Washington streets. The Snug Harbor neighborhood of Duxbury has many such homes.

The new owners plan to convert the apartments to six condominiums, reflecting the present apartment layout. After minor alterations they hope to gross more than $400,000 when all of the units are sold.

But six elderly women, who range in age from 73 to 92, now live in the "units" of the coastal home, built in 1804 by a ship builder/merchant. Five of the women will have to move, according to one tenant. She predicted they would find rooms with friends or relatives in Duxbury.

The tenants interviewed by the Globe requested anonymity. They were embarrassed by the publicity given what they considered a private affair of finding new homes. Two ladies shyly admitted they receive government subsidies and did not want their financial problems known to the general public.

On February 3 the town building inspector, Spencer A. Joseph, put a stop order on the conversion. He contended that the impending change in ownership from one to six persons was a change in "use"—violating a previous zoning ordinance on the property.

However Joseph could not provide one example of how use of the building actually would change with new ownership. "That is the million dollar, very debatable question," he said.

"This is the town's first conversion; I just want to make sure all sides have the opportunity to air their feelings," he continued. "If a seller can collect twice as much by first converting his home to condos, this town is in for a drastic change. The issue deserves some airing."

And with a stop order on conversion plans, the Snug Harbor Realty Trust is caught holding a quarter of a million-dollar piece of property on which upkeep, heating fuel, bank principal plus interest, and taxes must be paid.

Rents paid by the present tenants must be increased to cover such expenses. "But doubled? My god it's preposterous," exclaimed the 82-year-old tenant. She excused herself for her language.

On March 1, rent for her one-bedroom heated apartment will shoot from $265 to $395 per month—an estimated $150 monthly heating bill not included. (One alteration the new owners will make is individual heat control for each unit.)

"I spent $1130 to move here 14 years ago," said another tenant as she adjusted a blanket wrapped about her knees. "Now I have to move again because I certainly can't afford the $65,000 apartment. I shall sorely miss our community of ladies."

She said she enjoyed the independence of her apartment but will move in with her daughter, also a resident of Duxbury. "Where do people get money like that?" she queried, returning her tea cup to its saucer. "Wouldn't a butler and maid service come with the deed?"

Down the street at the Duxbury post office Joanne Hoover, a resident of Snug Harbor, voiced her general opposition to condominium conversions in the village.

"Snug Harbor is very historical. For our children here we have summer sailing programs which will be hampered by the increased traffic condos will bring. We all do try very dearly to keep our neighborhood from changing."

Daniel Sangster, also a resident, disagreed.

"We need condominiums in Duxbury," he said. "Older folks are going to need accommodations when the children strike out on their own. These homes are just too big for Duxbury parents who do not want to move away from the water."

Sangster wore a blue blazer and Topsiders. "The problem with making this the first conversion," he said, "is that these folks presently living there are not only elderly, but very dear friends of many of us.

"There is a moral complication here," he said. "It clouds the real issue of conversions."●

WE MUST BRING THE FEDERAL BUDGET UNDER CONTROL

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. SMITH of New Jersey. Mr. Speaker, I appeal to my colleagues to join me and support a program of reduced taxation and reduced Federal outlays. We must commit ourselves to a stable fiscal policy through lower personal tax rates and business taxes, and eliminate the burden and intrusion of Federal regulations. Americans can no longer endure inflation rates of 12 and 13 percent. We can no longer suffer interest rates for short-term credit which reached 20 percent last year, and home mortgage rates which went over 15 percent. We cannot continue to allow 8 million Americans to go without work.

Mr. Speaker, the representatives of the people must bring the Federal budget under control. Federal spending has been increasing by approximately 16 percent per year. It is time to take the necessary action to improve our economy, by controlling the expansion of our domestic programs. We must cut waste and fraud throughout the Federal Government in such a manner that the truly needy are not forgotten. All Americans must share in the sacrifices which are essential to end deficit spending. As the President

said in his February 19 address, "We will continue to fulfill the obligations that spring from our national conscience." I fully agree that we cannot forget the sick and the elderly, but we must have the strength and the conviction to reverse the combination of sustained inflation and economic distress which now threatens the American economy.

Individual tax burdens have been climbing steadily over the past few years as inflation pushed individuals into higher tax brackets and social security tax rates have increased. The result has been a disincentive to work and save. Presently, individuals pay taxes at marginal rates which range between 14 and 70 percent. The administration's proposal, when fully implemented, will reduce these rates to a range between 10 and 50 percent. The cut in tax rates will provide greater incentives for productive employment and savings. Tax shelters will appear less attractive as tax rates are reduced. These provisions are designed to help redress America's low growth in productivity. Increased investment will also serve to expand our economy and create the jobs we so desperately need.

Mr. Speaker, our President has had the wisdom to seek the cooperation of the Congress, which will consider his budget proposals, and the Federal Reserve Board, which controls the supply of money in our economy. He has offered us the opportunity to reverse the trends of the past two decades. Let us bring about a return to the standard of living that we once took for granted.●

CHEROKEE NATION AND LOSS OF MINERALS

HON. MIKE SYNAR

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. SYNAR. Mr. Speaker, today I reintroduced legislation which I sponsored last year to confer jurisdiction on certain courts in the United States to hear, determine, and render judgment for damages caused to the Cherokee Nation resulting from the congressionally authorized Arkansas River navigation system. Unfortunately, with the crush of legislative action toward the end of the 2d session, hearings were not held on the bill I introduced in the 96th Congress. I remain hopeful, however, that the Congress can act on this bill this year and resolve the issue once and for all.

The history of this claim against the United States has been a long and painful one for the Cherokee Nation. Congress agreed in 1946 to dredge, dam, and change the course of the Arkansas River to make it navigable from Tulsa to the Mississippi River. In 1966, the Cherokees filed suit against the State of Oklahoma seeking compensation for losses of land, oil, gas, sand, gravel, and other resources in the riverbed that had been destroyed by construction. The Choctaw and Chickasaw Indian Nations joined the Cherokees in this suit.

While two lower courts ruled against the Cherokee Nation, the U.S. Supreme Court held in 1970 than the tribes did in fact own the riverbed. Following that decision, Congress ordered the Interior Department to determine the value of the land and resources, and appropriated funds for these studies in 1973, 1974, and 1975. Based on those studies, the Interior Department entered into negotiations with the three tribes to reach a settlement agreement with respect to the property interests of the tribes in the bed of the Arkansas River.

In negotiations with the Cherokee Nation, an informal agreement was reached between the tribe and the Interior Department for payment by the U.S. Government in the amount of $8,453,818.88 as full compensation for all losses sustained by the Cherokee Nation for sand and gravel deposits in the Arkansas riverbed between the Grand and Canadian Rivers. In a June 16, 1978, letter from Secretary of the Interior Cecil Andrus to Congressman YATES, as chairman of the Appropriations Subcommittee on Interior, Secretary Andrus stated:

> • • • we believe this negotiated settlement represents fair and just compensation for the losses sustained by the Cherokee Nation in the taking of their mineral assets from the Arkansas riverbed.

The Secretary further stated:

> Our current plans are to consider this item in the development of the 1980 Budget.

But, Mr. Speaker, a request for funds for payment of this negotiated settlement was not included in the fiscal year 1980 budget submitted by the administration. In a March 16, 1979, letter from Secretary Andrus to Chairman YATES, the Secretary states:

> You have requested the basis for the administration's refusal to support the payment of $8.4 million to the Cherokee Indian Nation for the destruction of its sand and gravel deposits in the Arkansas Riverbed. The justification for this administration's position in this matter is based on a conclusion that the United States is not legally obligated to compensate the Cherokee Nation for the loss of its sand and gravel deposits.

The Interior Department and the Office of Management and Budget have now decided that the United States can claim the powers and rights of navigational servitude to confiscate the riverbed without compensation to the Cherokee Nation. This new policy decision was made despite the prolonged negotiations with the tribe, and despite the fact that an informal negotiated settlement between the tribe and Interior was reached.

Mr. Speaker, it has been almost 10 years since the U.S. Supreme Court ruled that the Cherokee Nation owned the portion of the Arkansas riverbed for which they now seek compensation. The tribe has consistently acted in good faith with the Federal Government in negotiating a fair and just settlement for the loss of their minerals. Up until last year, it appeared that the Interior Department also intended to act in good faith on this matter. Now, however, we are faced with a complete turnaround by the Government, and the Cherokee Nation appears to have no alternative but to file suit against the Government for just compensation for its losses from the Arkansas River project.

I believe the Cherokee Nation should have an opportunity to let the courts make a final determination on this matter, and the bill I have introduced today will simply allow them to file such a claim.

I hope the House of Representatives will take expeditious action on this legislation.●

ACTION ON AVIATION SAFETY

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. GINGRICH. Mr. Speaker, recent actions by Secretary of Transportation Drew Lewis hold the promise of improving aviation safety and bettering relations between the Department of Transportation, and the aviation community.

The Secretary's recommendation that President Reagan appoint a Presidential task force to study crew complement in the airline cockpit is a sound one. I am pleased that the President has appointed such a task force. A full and impartial evaluation of the crew complement question is overdue, and I am confident that a successful evaluation will end this divisive controversy in the airline industry.

An immediate benefit of the decision to appoint a Presidential task force is the announcement by the Air Line Pilots Association (ALPA) that it will not stage a nationwide work stoppage in early March. ALPA had planned that work stoppage not only to protest the FAA's failure to evaluate crew complement properly but also to call attention to other shortcomings in aviation safety.

These include a multitude of problems in the current air traffic control system, an unwarranted surplus in the Airport and Airway Trust Fund, and heavyhanded rulemaking by the FAA.

Secretary Lewis said the new FAA Administrator will address these safety concerns after he takes office. I

certainly hope so, because many of these issues—such as problems with the air traffic control system—will require a great deal of time and thought to resolve.

Both Secretary Lewis and the new Administrator face difficult tasks and decisions in the months ahead. The Secretary has already demonstrated a very positive attitude toward the diverse groups that comprise the aviation industry, and I believe he deserves our support for the way he has conducted himself so far.●

M. SGT. ROY P. BENAVIDEZ, CONGRESSIONAL MEDAL OF HONOR WINNER

HON. BILL PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. PATMAN. Mr. Speaker, at a time in our history when the critics say there are no more real heroes, I am happy to report that the State of Texas has produced yet another true national hero in the person of M. Sgt. Roy P. Benavidez of El Campo, Tex. The Nation's highest military honor, the Congressional Medal of Honor, has been awarded to Master Sergeant Benavidez by President Reagan in a touching and appropriately prestigious ceremony at the Pentagon in Washington, D.C. He has been so honored for conspicuous gallantry and intrepidity in action on a Vietnam battlefield in 1968.

Because new eyewitness testimony was discovered and military time restrictions were lifted, the Joint Chiefs of Staff only recently approved this deserved honor for this brave man who repeatedly risked his own life to save his fellow soldiers during a raging battle in the Asian jungle.

Just as the entire Nation's recognition of the courageous service of all Vietnam veterans has come too long after the fact, so, too, has Sergeant Benavidez' honor been too long delayed.

However, thanks to the determined, devoted efforts of many grateful, caring Americans who knew his story and pursued this excellent cause over a period of many years, Roy Benavidez' well-earned day of glory finally came to fruition last Tuesday, February 24.

It was a day in which all American patriots could and did take immense joy and pride—and especially those in the 14th Congressional District of Texas, where we are, indeed, proud and pleased to have the Benavidez family reside.

So today I ask all of you to join me in saluting this genuine American hero along with all of those who served so gallantly in Vietnam.

The following is the citation that accompanied the award:

The President of the United States of America, authorized by Act of Congress, March 3, 1863, has awarded in the name of the Congress the Medal of Honor to

Master Sergeant Roy P. Benavidez, United States Army, Retired

for conspicuous gallantry and intrepidity in action at the risk of his life above and beyond the call of duty:

On May 2, 1968, Master Sergeant (then Staff Sergeant) Roy P. Benavidez distinguished himself by a series of daring and extremely valorous actions while assigned to Detachment B-56, 5th Special Forces Group (Airborne), 1st Special Forces, Republic of Vietnam. On the morning of May 2, 1968, a 12-man Special Forces Reconnaissance Team was inserted by helicopters in a dense jungle area west of Loc Ninh, Vietnam to gather intelligence information about confirmed large-scale enemy activity. This area was controlled and routinely patrolled by the North Vietnamese Army. After a short period of time on the ground, the team met heavy enemy resistance, and requested emergency extraction. Three helicopters attempted extraction, but were unable to land due to intense enemy small arms and antiaircraft fire. Sergeant Benavidez was at the Forward Operating Base in Loc Ninh monitoring the operation by radio when these helicopters returned to off-load wounded crewmembers and to assess aircraft damage. Sergeant Benavidez voluntarily boarded a returning aircraft to assist in another extraction attempt. Realizing that all the team members were either dead or wounded and unable to move to the pickup zone, he directed the aircraft to a nearby clearing where he jumped from the hovering helicopter, and ran approximately 75 meters under withering small arms fire to the crippled team. Prior to reaching the team's position, he was wounded in his right leg, face, and head. Despite these painful injuries, he took charge, repositioning the team members and directing their fire to facilitate the landing of an extraction aircraft, and the loading of wounded and dead team members. He then threw smoke cannisters to direct the aircraft to the team's position. Despite his severe wounds and under intense enemy fire, he carried and dragged half of the wounded team members to the awaiting aircraft. He then provided protective fire by running alongside the aircraft as it moved to pick up the remaining team members. As the enemy's fire intensified, he hurried to recover the body and the classified documents on the dead team leader. When he reached the team leader's body, Sergeant Benavidez was severely wounded by small arms fire in the abdomen and grenade fragments in his back. At nearly the same moment, the aircraft pilot was mortally wounded, and his helicopter crashed. Although in extremely critical condition due to his multiple wounds, Sergeant Benavidez secured the classified documents and made his way back to the wreckage, where he aided the wounded out of the overturned aircraft, and gathered the stunned survivors into a defensive perimeter. Under increasing enemy automatic weapons and grenade fire, he moved around the perimeter distributing water and ammunition to his weary men, reinstilling in them a will to live and fight. Facing a build-up of enemy opposition with a beleaguered team, Sergeant Benavidez mustered his strength, and began calling in tactical air strikes and directing the fire from supporting gunships, to suppress the enemy's fire and so permit another extraction attempt. He was wounded again in his thigh by small arms fire while administering first aid to a wounded team member just before another extraction helicopter was able to land. His indomitable spirit kept him going as he began to ferry his comrades to the craft. On his second trip with the wounded, he was clubbed from behind by an enemy soldier. In the ensuing hand-to-hand combat, he sustained additional wounds to his head and arms before killing his adversary. He then continued under devastating fire to carry the wounded to the helicopter. Upon reaching the aircraft, he spotted and killed two enemy soldiers who were rushing the craft from an angle that prevented the aircraft door gunner from firing upon them. With little strength remaining, he made one last trip to the perimeter to ensure that all classified material had been collected or destroyed, and to bring in the remaining wounded. Only then, in extremely serious condition from numerous wounds and loss of blood, did he allow himself to be pulled into the extraction aircraft. Sergeant Benavidez' gallant choice to join voluntarily his comrades who were in critical straits, to expose himself constantly to withering enemy fire, and his refusal to be stopped despite numerous severe wounds, saved the lives of at least eight men. His fearless personal leadership, tenacious devotion to duty, and extremely valorous actions in the face of overwhelming odds were in keeping with the highest traditions of the military service, and reflect the utmost credit on him and the United States Army.●

GOOD NEWS FROM THE EDUCATION FIELD

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. SIMON. Mr. Speaker, the National Assessment of Educational Progress has released the results of its third assessment of this decade of the writing skills of our Nation's 9-, 13-, and 17-year-olds. Particularly noteworthy among their findings is the indication that black teenagers and 17-year-olds from economically disadvantage areas have significantly improved in writing ability over the past 10 years, narrowing the gap between their scores and others.

It is also interesting to note the overall lack of change in students' writing skills over the decade. While current scholastic aptitude test scores might lead us to believe, particularly in basic skills, today's teenagers are growing weaker, this survey seems to indicate that basic skills—writing mechanics and grammar—are no better nor worse among today's teenagers than they were 10 years ago.

Some parts of the survey are not encouraging. Teenagers report they are being asked to write very little, and that they enjoy writing less as they grow older. More students now take remedial writing, but even more are in

need of such instruction. On the positive side, however, as author and educational consultant Charlotte Brooks states:

The assessment data demonstrate that we have a base to build on and that the skills are there for most youngsters. We can no longer assume that any group of kids is "unteachable".

Because my colleagues may have missed seeing the report during the January onslaught of paper, I am inserting the assessment summary at this point in the RECORD:

[From the National Assessment of Educational Progress Bulletin]

GOOD NEWS, BAD NEWS MIX IN THIRD NAEP WRITING SURVEY

WASHINGTON, D.C.—During the decade of the 70's, there was no major change in the writing abilities of most American students. The majority of students at ages 9, 13 and 17 demonstrated control over the basic conventions of writing, though a sizeable minority (from 10% to 25%) at each age appeared to have very serious problems with writing.

In a survey of writing skills first conducted in 1969-70 and repeated in 1973-74 and again in 1978-79, the National Assessment of Educational Progress (NAEP) found that:

Black teenagers improved on almost all of the writing tasks administered to 13- and 17-year-olds, narrowing the gap between their performance and that of the nation on some items and performing at the national level on others.

Although still performing below the nation, 7-year-olds from economically disadvantaged urban areas improved with each writing assessment.

Neither 13- nor 17-year-olds reported that they received a great deal of direct instruction in writing or were required to do much writing in school.

Teenagers writing the better essays generally reported having written more papers and having had more class time devoted to writing instruction.

While significantly more 17-year-olds reported having taken remedial writing courses in 1979 than in 1974 (8% versus 6%), assessment results suggested that more students needed such intensive instruction.

Enjoyment of writing appeared to decline from age to age, with slightly less than two-thirds of the 9-year-olds indicating that they enjoyed writing compared to 59% of the 13-year-olds and 53% of the 17-year-olds. Approximately a quarter of the students at all three ages felt that they were no good at writing.

National Assessment, which is funded by the National Institute of Education and conducted by the Denver-based Education Commission of the States, administered a variety of writing tasks to students during each of the three writing surveys. Thousands of responses were collected from representative national samples of students across the country. The papers were evaluated or analyzed in terms of overall quality, effectiveness of the writing skill being measured, cohesion and coherence, syntactic fluency, and mechanical correctness. To assure that the papers were scored the same way, papers from all three assessments were scored at the same time by trained readers. Also, students were asked a number of questions about their writing experiences, training and attitudes.

Thirteen-year-olds were assessed in the fall of 1969, 1973, and 1978; 9-year-olds were assessed in the winter of 1970, 1974, and 1979; and 17-year-olds were assessed in the spring of 1969, 1974, and 1979.

Holistic evaluation of a descriptive essay written by 17-year-olds, which considers all aspects of a piece of writing, revealed no significant change in the overall quality of papers written by students in 1969 and 1979. However, a downward trend was suggested by a 6% decline in the number of better essays written in 1979.

Judgments about specific writing skills of 17-year-olds indicated that the ability to write narratives declined from 1969 to 1974, but improved dramatically from 1974 to 1979. Three-quarters of the 17-year-olds wrote competent narratives in 1979. Persuasive writing ability declined between 1974 and 1979, while performance on an explanatory business letter and a humorous letter remained stable.

Seventeen-year-olds, nearing high school graduation, wrote more coherently in 1979 than in 1969. The high school students used more transitions in their stories and wrote more coherent paragraphs in the descriptive essays than their 1969 counterparts.

At age 13, writing performance showed some declines. The overall quality of descriptive essays declined significantly between 1969 and 1978. Similarly, the ability to write an effective persuasive letter declined between 1973 and 1978.

Results were more encouraging for the two expressive writing tasks given to 13-year-olds. While slightly fewer 13-year-olds in 1978 were able to write an essay that clearly expressed a mood than in 1969, the major decline in performance occurred between 1969 and 1973. Between 1973 and 1978, 13-year-olds improved on this task, almost erasing the previous decline. Performance on the other expressive essay remained stable between 1973 and 1978. On both of these tasks, over half the 1978 students showed minimal or better skill in expressing feelings in writing.

Eighty percent of the 13-year-olds were able to write a successful letter to a mail order firm in 1978, demonstrating that they had the ability to handle a routine writing task.

The proportions of mechanical errors as well as the levels of sentence complexity remained about the same between 1969 and 1978 among 13-year-olds. The average paper tended to be perfunctorily written, linking subjects, verbs and objects without much modification or elaboration. The most common errors across all three assessments were in the areas of spelling, punctuation and awkward sentences.

While holistic evaluation of all aspects of a narrative essay written by 9-year-olds revealed no significant changes in the overall quality of papers between 1970 and 1979, a 6% increase in the number of better papers written in 1979 suggested that the writing skills of the elementary students may have improved. More specific analysis of another narrative writing task given to 9-year-olds showed that in 1979 their stories included fewer storytelling techniques, tending toward explanation rather than expression. As a result, performance declined significantly on this item between 1970 and 1979.

On both an expressive essay task and a persuasive letter, the performance of 9-year-olds remained about the same between 1974 and 1979, with slight increases being found in the number of minimal or marginal papers written.

In 1979, approximately half of the 9-year-olds wrote a successful letter to order a poster through the mail. Their weakest spot was the failure to include an address where the poster should be sent.

Nine-year-olds showed evidence of increased sentence sophistication and complexity from 1970 to 1979, while the proportion of mechanical errors in their papers remained fairly stable between assessments. As found at the other two ages, the most error-prone papers (10% to 25%) contained two to three times as many errors as the average paper.

"I am enormously encouraged by the consistent growth demonstrated by black and disadvantaged urban writers," said Charlotte Brooks, writing teacher, author, editor and educational consultant who was a member of a panel of prominent individuals convened by National Assessment to interpret the survey results. "It's clear that something has happened to help these youngsters write better. Although many of them have not yet reached a high level of writing competence, they obviously have a potential for improvement that educators, legislators and the public must recognize."

Brooks, past president of the National Council of Teachers of English, added, "The assessment data demonstrate that we have a base to build on and that the skills are there for most youngsters. We can no longer assume that any group of kids is 'unteachable'."

Has the "Back to Basics" movement helped or hindered the writing abilities of students? "I think the basics movement has been detrimental in many ways to writing," commented Beverly Bimes, an English teacher from Missouri and 1980 National Teacher of the Year. "Too often, what's basic turns out to be mechanics and grammar, not writing. An expressive writing, which is basic, if often seen as a frill. We have to remember that a writer has feelings and a writer has a mind. Too many writing assignments simply become a way for students to regurgitate information instead of requiring them to generalize, analyze, synthesize, hypothesize or defend."

Roy Forbes, director of National Assessment, stated, "As a parent and an educator, the data are indicative to me of the main challenge we face in the '80s. We have shown that improvements can be made in writing skills, but there is need for more student writing in schools and greater student exposure to comprehensive writing programs. Yet these are expensive things to implement in the schools, especially in times of tight or reduced budgets. We must either be willing to provide comprehensive writing programs in our schools or, as a society, we are going to have to modify our values and expectations."

The National Assessment of Educational Progress, a congressionally mandated program, is a cooperative venture of the education community and the federal government designed to measure the knowledge and skills of young Americans and to monitor changes in their educational performance over time.●

HON. GLADYS NOON SPELLMAN

HON. MARTY RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. RUSSO. Mr. Speaker, I am honored to join with my colleagues in

paying tribute to a courageous lady, Congresswoman Gladys Spellman. We all miss her presence here. A decent person, a concientious and hard-working legislator, Gladys had an impact on the actions of this body and on those privileged to work with her.

Because of her intelligence as well as her commitment, she became an almost unassailable political force in Prince Georges County. Her constituents came to know that she meant what she said and that she was there to work for them. She did. She did her job well and she is deserving of the praise that is being offered now.

Our thoughts and prayers are with our former colleague and with her family. We wish them well.●

EFFORT TO RESTRUCTURE OUR NATION'S IMMIGRATION LAWS

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. MAZZOLI. Mr. Speaker, the report of the Select Commission on Immigration and Refugee Policy, created by the Congress, constitutes the first major effort by a joint Congressional/Presidential Commission to examine and overhaul the immigration laws of the United States since 1911. Historically, such reports have generated a major rethinking in Congress and across the country of our Nation's immigration laws. I expect this report will do the same.

In holding field hearings around the country, the Select Commission has performed a vital service. Not only have these hearings increased public awareness of the numerous problems tied to our immigration and refugee policies, but they have also provided a mechanism for receiving broad citizen participation in the possible solution of those problems.

As chairman of the House of Representatives Subcommittee on Immigration, Refugees, and International Law, I can assure the members of the Commission, the American people, and peoples of the world who are interested in this important subject that our subcommittee will conduct full and complete hearings on the report so that all points of view can be taken into account.

I expect to work closely with my House colleagues, with Members of the Senate, with President Reagan and members of his administration in examining this country's present immigration and refugee policies in light of the Commission report. Changes in our present laws to improve the present system can only come about through the cooperation of all interested parties.

There can be no doubt about the significance of immigration and refugee policy for our country and for the world. The 15 million refugees throughout the world, the millions of illegal aliens presently in this country, the 120,000 Cubans and Haitians who have reached our shores and claimed asylum are staggering but actual facts.

We are a nation of immigrants, and have been and continue to be the most humane of all countries in accepting the displaced and oppressed from throughout the world. But we can no longer simply open our doors to all those who wish to enter our land. We must seek a reasonable and rational immigration policy that benefits our country and our people without ignoring the legitimate problems of refugees and those who wish to immigrate to our shores.

We must also develop a policy that works, not one that is ignored or openly mocked. The American people should not and will not stand idly by while hundreds of thousands and perhaps millions of people violate our Nation's laws to the detriment of American citizens. A law that cannot be enforced is, in the long run, worse than no law at all.

These and other issues have been ably addressed by the Select Commission, and I want to commend all the members of the Commission and the staff who worked so hard to produce the report.

A special tribute must go to my longtime friend, Rev. Theodore M. Hesburgh, chairman of the Commission and president of my alma mater, the University of Notre Dame, who has put his usual outstanding effort into his job.

I want to congratulate also my congressional colleagues who gave up so much of their time and energy to the Commission: especially Congressman PETER W. RODINO, JR., my chairman on the House Judiciary Committee; Congressman HAMILTON FISH JR., former Congresswoman Elizabeth Holtzman, my predecessor as chairman of the Immigration Subcommittee; and the four Members of the U.S. Senate, Senator EDWARD M. KENNEDY, Senator DENNIS DECONCINI, Senator ALAN SIMPSON, the new chairman of the Senate Immigration Subcommittee, with whom I expect to work closely, and Senator CHARLES MCC. MATHIAS.

The Cabinet members of the former administration, Cyrus R. Vance, Edmund Muskie, Benjamin Civiletti, F. Ray Marshall, Patricia Harris, also should be commended for their efforts. Also, I acknowledge the contributions of Ms. Rose Matsui Ochi, Mr. Joaquin Francisco Otero, and Hon. Cruz Reynoso.

The Commission report is but a first step in the ongoing effort to restructure our Nation's immigration laws. All the steps will be painful and difficult, but the goal is worth the effort.●

TRIBUTE TO GLADYS SPELLMAN

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. WON PAT. Mr. Speaker, I thank our colleague, Mr. MIKE BARNES of Maryland for reserving this special order so that we may pay tribute to our close friend and colleague, Gladys Spellman.

It was my great pleasure to have known Congresswoman Spellman and to have worked with her on a number of issues concerning Federal employees. Like Mrs. Spellman, I shared a common concern for the welfare of Federal employees and wanted to do everything possible to assure that they received a fair shake from the Federal Government.

I can well remember the time several years ago when Mrs. Spellman, always a very busy woman, took some extremely valuable time out of her hectic schedule to meet with a constituent of mine and me to discuss the cost-of-living allowances. During that meeting, she showed a keen grasp of the problems facing civil servants on Guam and a touching concern for their ability to deal with rising prices.

Federal employees on Guam had no better friend on Capitol Hill than Gladys Spellman. She was a diligent worker on their behalf and stood off a flood of legislation which would have reduced their benefits.

It is with great sadness that those of us who have come to love and deeply respect this great legislator recognizes that she may not serve in our midst again. I certainly offer her family my sincerest of condolences and pray that Gladys may soon regain her health. She will be deeply missed by her countless friends here on the Hill and we all wish here the very best in the future.

Thank you.●

DISCRIMINATION BY QUOTA

HON. ROBERT S. WALKER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. WALKER. Mr. Speaker, I take this occasion to call to the attention of my colleagues in this body the extremely insightful article by James Q. Wilson, Shattuck professor of government at Harvard University, which appeared in the Washington Post this morning. In his article, entitled "Equal Merit, Equal Opportunity," Mr. Wilson eloquently outlines the inher-

ently discriminatory nature of quota systems and other numerical requirements in employment, and I commend it for your review.

[From the Washington Post, Mar. 4, 1981]

(By James Q. Wilson)

EQUAL MERIT, EQUAL OPPORTUNITY

No issue better illustrates the gap between elite and mass opinion than that of affirmative action—the requirement that, in the selection of persons for valued positions, some rule other than equal opportunity for persons of equal merit be applied. Whether called targets, goals, quotas or compensation, the principle is opposed by the great majority of Americans: Indeed, they deny it is a principle. The spokesmen for civil rights and feminist and liberal organizations defend the practice and lament the threat to it posed by President Reagan.

Jimmy Carter's Justice Department, in one of many eleventh-hour regulations adopted by the outgoing administration, signed a consent decree that, in effect, required that any examination used to select persons for the civil service would result in the hiring of minorities in the same proportion as those who took the test. The panel on social justice of Carter's Commission for a National Agenda for the Eighties calls for affirmative action plans "that take race into consideration" because a "colorblind remedy" would not remedy past abuses. The object is not equality of opportunity, the panel states in all candor, but an increase in the number of blacks, Hispanics, women and minorities in a particular labor force.

The faculty of arts and sciences of Harvard University has recently debated a proposal to accomplish the same thing in faculty appointments—that is, to find ways of ensuring not simply that all suitable candidates are vigorously recruited and fairly judged but that the numbers of women and blacks in the faculty will increase.

The political cost of such measures—the rage they induce in citizens who see in such measures little more than political patronage—will, in the long run, be less than their moral cost. What is at stake, I think, is the motive force, the emotional wellsprings, of the long and still-unended struggle for human decency. The abused and oppressed descendants of American slaves did not enlist the attention or arouse the compassion of America by force of arms or superiority of numbers but by dramatizing, in ways that most Americans could no longer ignore, the elementary justice of their claims for the right to vote, to enter public accommodations, to find jobs and to buy houses. When Sen. Everett Dirksen said that civil rights was an idea whose time had come, he meant, I think, that it was an idea whose moral claim could no longer be denied.

I was taught, in school and in college, that there were no grounds for excluding a person from the enjoyment of a fundamental right because of race or religion. The Constitution was, or ought to be, colorblind. I never heard or read a plausible argument against that view; I think there is none. It has that clarity and power that, when evoked by a suitable issue or test case, will sweep all else before it. What can one say in response? Only that some race or religion is inferior, and that argument is not only wrong, it is unintelligible.

Race, religion or sex may still be taken into account in human affairs, but only with respect to those matters where men and women do not have presumptively equal claims. Where no claim of fundamental right is at stake, then the degree to which the accidents of group identity are properly considered should be decided by the purposes of the offices or resources being distributed.

In one sense, affirmative action is as old—and as unobjectionable—as the first ethnically balanced ticket for municipal office got up by the sachems of Tammany Hall. We do not object to an Irishman, an Italian, a Jew and a black being nominated for office because we know that a government does not govern simply, or even chiefly, by virtue of the competence of its governors, but rules as much by the confidence it can inspire in the diverse community over which it claims authority, and that confidence will depend in no small part on how representative of the community its chief officeholders appear to be.

Similarly, a college may decide that its purpose is not simply to find the brightest students and make them still brighter but also to have a competitive athletic program, retain the support of generous alumni and offer to students an opportunity to mingle among young persons of different background, talents and interests. Accordingly, it may admit students by a variety of criteria, including strength, speed, familial connections, race and sex.

But where the institution to which access is sought is to be judged solely, or principally, by the merit of its members and the excellence of its practices, then to admit any standard other than merit, fairly determined, is to deny the reason for the institution's existence. We do not wish to be served by a "representative" collection of brain surgeons, or naval aviators, or physicists, but by the very best such persons we can obtain, provided we are confident that no one has been unfairly excluded from consideration. Our objection to unfair exclusion is not so much that anyone has a right to be a brain surgeon or whatever, but that excluding any group from fair consideration reduces our chances of finding all of the very best surgeons.

It is possible, in short, to distinguish between circumstances where representativeness is more or less desirable as a consideration in appointment. But other difficulties remain. One involves the cost: Who is to be denied a position in order to favor another? Those who bear the costs of affirmative action are rarely those members of the elite who most vigorously defend it; it is, rather, the (typically) less advantaged white male who does not receive the appointment or office, even though he may be personally blameless for whatever discrimination once prevented blacks or women from receiving it. Affirmative action is often thought of as a form of restitution, but those who pay the restitution are not those responsible for the earlier evil, or even those most able to pay. Allan Bakke did not, so far as we know, oppress blacks, but Justices Brennan and Marshall were prepared to act as if he had.

The other difficulty is graver; the implied racism and sexism of the view that without special privileges women, blacks and other minorities would lose out in any fair competition. What is a "fair competition" is, of course, not easily decided; clearly, a person deprived of educational and economic advantages will be less able to compete than one who has had every such advantage. But a black or a woman of middle-class parents who graduates from a prestigious college with a good record is not disadvantaged in any subsequent competition for position or office; indeed, he or she is greatly advantaged compared to a poor white with a high school diploma and little else. To suggest that these blacks and women will be "underrepresented" compared with the latter unless they are given privileged access to subsequent careers is to libel the former and enrage the latter.

That presidential commissions, Supreme Court justices and members of an otherwise distinguished faculty are so eager to embrace an unexamined and undifferentiated slogan without offering, or thinking it necessary to offer, reasoned arguments and useful distinctions is a sad measure of the intellectual poverty and moral bankruptcy of contemporary discussion of what was once—not so long ago—a shining crusade on behalf of great principle; equal opportunity for all persons of equal merit.●

TO BALANCE THE BUDGET

HON. CHARLES PASHAYAN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. PASHAYAN. Mr. Speaker, on a recent trip to my district in California, I held several meetings with constituents to discuss President Reagan's budget proposals. One person was Margie Wilson, an active senior citizen. She has written a brief poem concerning a topic of interest to all of us in Washington. I should like to share with you her few words of commonsense:

TO BALANCE THE BUDGET

Waiting my turn at his shop,
I watched my barber cut hair.
It seems he starts at the top,
And gradually trims down from there.

The government needs this example,
The top is where it is wise,
To trim where the money is ample,
Then start with the littler guys.●

THE SILVER SCAM—PART III

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. McDONALD. Mr. Speaker, today I am placing part III of this series in the CONGRESSIONAL RECORD in order to balance out all the misimpressions given by the media relative to the Hunts and the silver market. Part I appeared on February 23, 1981, page 2739, part II appeared on March 3, page 3492. I commend this matter to the attention of my colleagues.

THE SILVER SCAM—PART III

Meanwhile, from the point of view of the insiders, the new increased margin deposits had several other advantages. Since the law prohibited the commission from setting margins, the exchanges could claim that they were policing themselves, so there was no need for additional CFTC powers. For another thing, the member firms now had more of other people's money to hold, and

they did not pay interest on commodity account margin deposits. The third reason for the increased deposits was clever and farsighted—it was a long-range mechanism for solving the margin-adequacy and net-capital problems of overexposed members. The moment the silver price came down far enough, the exchanges would change the rules again, drop the required margin deposits and count the extra deposits as excess margin. But that was still months into the future.

Back to September 1979. The insiders raised the margin requirements retroactively and forced some of the small holders to sell, trying to drive the price down. But the price didn't come down.

It went up. Keep bumping those margin deposits? They did, but as the required deposit was raised to $3000, $5000, and $7500—within two weeks, by the way—the price of silver went up every single day, to $15.90 on September 18. On that day, the Comex increased the deposit on new contracts from $7500 to $50,000 for the spot month, $20,000 for other futures. That would surely bring the price down.

Or would it? It did. But not very far or for very long. On September 19, the price bottomed at $15.20, down all of $.70 from the previous day's $15.90. After bouncing briefly up and down through the $15.90 level on September 24, it went solidly through it on September 27.

The changes hadn't worked. The little people had had to sell, but they didn't own all that much silver. The rich, on the other hand, didn't have to sell. They borrowed the additional money or got it from their own deep pockets. The big money smelled what was coming, many sold their futures, and bought physical silver forward contracts in Europe, to insulate themselves from the possibility of further market-manipulative rule changes.

Many people felt that shifting trading to Europe was paranoid. After all, this was still the good old U.S. of A., and we were hardly a banana republic. Yet. Yes, the retroactive rises in required margin deposits had been unfair, and might even had been illegal in this never-never land, this murky bog of law, but there would be no more shenanigans of that style or the U.S. markets would cease to exist, and there was no danger of that happening, as it would undermine the dollar. So the non-paranoid, loyal Americans continued buying futures here and the price stayed up.

As it stabilized at $15 and $16 in October, building its base for another big push, the losers must have begun to sweat. They had to make the big buyers sell. Big sales, a lot of sales, and fast! Before the big blowout. How? Change the rules again?

The exchanges threatened. And so did Chairman Stone. They would impose position limits on silver. They would abrogate the right to take delivery. They would permit trading for liquidation only. By God, they would close the markets! Some of the member firms even asked the exchanges to close the markets. The threats worked, sort of. For two months, the price stabilized. Silver closed October at $16.56 and November at $18.82

But in December, whoosh! The explosion came. After briefly cracking $20 on December 3, the price zoomed through that level on December 12. It cracked $25 on December 26. On December 31, it closed at $34.45! Merry Christmas and Happy New Year!

January was more of the same. On January 2, the price hit $38.85.

Calm. Change the rules. Again, and again, and once again. Three new rule changes. Starting on January 8 and completed on January 21, fourteen days later.

New Rule Number One: force the biggies to sell. On Janaury 8 the exchanges decreed that—with retroactive effect, of course—no one could own more than 2000 futures in all months, or 500 futures in any month. Guess who owned more? Nelson Bunker and William Herbert and the other big players were caught. They would have to sell their extra futures, and they owned reams of extra futures. And then, just to make sure they got the message, the monthly limits for January and February were dropped to fifty contracts—with the implicit threat to continue the ridiculously low limit from month to month thereafter until the price broke.

That worked; it affected the price, all right; it dipped to $31.91 on January 8. But then it headed up again.

The Hunt brothers, resourceful as always, had found a big short, Englehard Minerals and Chemicals Corp., with huge holdings of bullion. They sold their extra futures to Englehard, which was delighted to buy the long position to offset their short. And as part and parcel of the same deal, Nelson Bunker and William Herbert entered into a private, off-exchange contract with Englehard to buy from Englehard in sixty days 19 million ounces of silver bullion at $35 an ounce—$665 million. This took the pressure off the market. The price bounced merrily through $40, and briefly through $50!

That did it.

The exchanges rushed through New Rule Number Two: force everybody to sell. The exchanges matter-of-factly let it be known that the fifty-contract monthly position limit of New Rule Number One also meant, by the way, that no matter how many futures contracts you owned, you could not demand delivery, in January of February or any other month if the ban was extended, of more than fifty futures' worth of silver!

This created an anomaly. If you owned more than fifty contracts, you would still have to make payment on the due date unless you sold your extras, but you couldn't demand delivery on more than the fifty futures. Holders were given until January 31 to get their positions in line. What? That's right. Ten whole days. Could the exchanges really do it? Wasn't it illegal? Unconstitutional? Isn't there something in the Constitution about impairing the obligations of contract?

Chairman Stone made speeches declaring what was fair and for the general good; it was the function of the CFTC to declare the policy and purpose of the markets, and the sole purpose of the markets, the chairman now decreed, was to provide an opportunity for makers and users to hedge against rising or falling prices, and not an opportunity to own the underlying commodities, and never mind what the futures contracts said, or that you had to have an underlying delivery requirement to make the contracts meaningful, or that you needed speculators who were willing to take delivery in certain cases to have a working market. It was perfectly all right to make the buyers pay while lifting the delivery requirement from the sellers.

Some holders of more than fifty contracts simply sold their excess contracts. Others realized, to their dismay, that the fundamental arithmetic of the game had changed. Where previously the above-ground trading supply was something like 400 million ounces, and the supply overhanging the market was that plus whatever in addition the shorts were willing to sell short at the risk of having delivery demanded—now the supply was virtually infinite, since the shorts were no longer under the discipline of possibly having to deliver. Indeed, they could sell and sell without limit in the hope that their infinite fictitious supply would at some point exhaust the buyers' capital available for purchase.

Still other holders gave up in disgust. If you couldn't demand delivery of more than fifty contracts but you still had to pay for the excess, what did that mean? That you had to pay for it without getting it? Potential investors became reluctant to buy, and frightened holders became eager to sell. A lot of people began to feel that the whole thing was getting ridiculous and that the only sensible thing to do was to sell their futures and get out of the game. Permanently.

What would happen with all sellers and no buyers? Because that's where the game was heading, fast.

The shorts must have licked their lips.

And implemented New Rule Number Three, the coup de grace, the final settlement: there was still a remote possibility that too many pesky buyers would continue to buy despite the changes in the rules because they had faith in the American system—or in the strength of the European physical silver market—or because they were just too damn dumb to sell when any fool could see the game was up. What was needed was a new rule to knock out all the buyers. The trouble with that was that if there were no buyers, only sellers, there would be no market. What was needed was not new buyers, but rather only certain buyers, reliable buyers like—who? You guessed it: the shorts, including the short insiders!

New Rule Number Three: trading would be for liquidation only. That sounded fair. And sounded nice. You couldn't sell unless you were long, and you couldn't buy unless you were short.

Wait a minute, wait a minute—what did that mean? If you phoned your broker and asked him to buy a contract, and were even willing to put up the $50,000 initial margin because you thought the price was cheap, your broker would refuse your order. You couldn't buy unless you were short and you were buying in order to cover your short.

No one could buy except the shorts? Oh, no! That couldn't be serious! The shorts were short and therefore wanted the price down. The further down it went, the less they were short, and if they drove the price down far enough they would even be in profits! Suppose the shorts, the only permitted buyers, dropped their bids $5 a day? $10 a day? Suppose they were willing to bid only a penny an ounce? Well? What about it? Now, now, let's not exaggerate, they wouldn't go that far, at least not right away, no matter how they must have been tempted.

Three new rules in fourteen days. Rules? Killers.

Amazingly, they didn't at first seem to work. The price did drop a bit, of course, but only to $34 on January 22, and from there it moved back up again. It reached $38.50 again on February 11. It dropped off to $31 on February 19, but moved back up to $36.15 on March 4.

The trouble was the European physical silver markets. They had kept functioning—normally. They were legitimate trading markets.

The big players were now selling their surplus futures in New York and Chicago and buying physical silver in Europe. From time to time on some days, there was a $2 to $3 discrepancy between the price in New York and Chicago and the price at the same moment in Europe.

The discrepancy wasn't serious. It couldn't last. But for the moment it gave the shorts another new game, heads they won, tails they couldn't lose. The name of the game was arbitrage, playing the spread in two different markets. Nelson Bunker and William Herbert and the other players who were long on the American markets were barred from participating in the arbitrage because they were barred from buying here. But what about the shorts who were free to buy here because they were short—without commissions, by the way, if they were insiders and owned seats on the American markets? If Nelson Bunker and William Herbert and others were buying in Europe at $38, and the price in New York and Chicago was $35, the smart money could buy in New York and Chicago and sell in Europe at the same time, making a handsome profit with no risk.

Remember, the shorts were the only permitted buyers. To arbitrage was certainly inconsistent with the spirit of the "trading for liquidation only" rule. But did they do it?

That is another of those details the exchanges, CFTC, Congress, and the media have not yet told us. We can only wonder what some of the shorts did. As an opportunity, it was luscious.

Unfortunately, arbitrage, like all good things, comes to an end when the price differential disappears. The price differential did disappear.

But the price of silver still held above $30.

The shorts escalated. The insiders had changed the rules and had still failed. They were losers. And not good losers. They were the only permitted buyers. So the hell with restraint. Drop the bids. Every day. To whatever price level it took to force margin calls. Margin calls? Hell, panic margin calls!

They did. They moved their bids down, day by day. To $33.10 on March 6. To $29.75 on March 10. And, somewhere in the vicinity of $29, on March 10, 11, and 12, the margin calls started. The people who owned futures were all margined to some extent. Even with a deposit of $75,000 per future, the value of the underlying 5000 ounces was $145,000 at $29 an ounce and the holder was margined to the extent of the remaining $70,000. Most holders were margined far more than that. Drop the bids to $25, and watch. Additional margin not posted? Too bad. Sell the customer out. At market, now $25.

It was a one-way street—down. Drop the bid. Call for margin, and sell the customer out.

What else? Could the insiders continue to short sell? They knew the price was going down. Think of the money they could make if they could short sell. It was technically prohibited. Or was it? If trading was for liquidation only, sellers were not permitted to sell unless they were long. Was there a loophole? Hmm. Short selling was still permitted by the rules if "for the purpose of effecting delivery," whatever that meant. Delivery to the depositories of physical silver bought somewhere else? If that is what it meant, it would not be all that difficult. There was lots of physical silver available somewhere else.

In any event, the panic was on, margin calls even if no short sales. The price dropped to $25.50 on March 13. To $21 on March 14. On with those margin calls. And as the price dropped, a little bit every day, $20, $18, the margin calls became a wave, then a tide, then a flood.

Hold on now: let's be fair. A short pause for fairness. Are we sure that's the way it happened? It could have been innocent.

The margin calls could have been minimal, and the forced sales a relative trifle, the majority of the sales being sales by longs who were not margined, who were well informed, who knew what was going on, and decided, one by one, independently, that the silver price action was disappointing, the Ides of March were an appropriate time to sell, so they all, at about the same time, placed orders to sell at market, no matter how low. It could have happened. It's quite possible.

And it is possible that the bidders were not the short insiders, but just plain folks who happened to be short, and that they were not knocking the price down, but were all acting independently, placing a cautious bid here, a cautious bid there, without any thought of causing margin calls, and that, indeed, the few insiders who were short were trying to keep the price firm, orderly, and responsible.●

REEXAMINING CAPITAL ADEQUACY REQUIREMENTS

HON. NORMAN E. D'AMOURS

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. D'AMOURS. Mr. Speaker, it is an honor to join with my colleague from Indiana, Mr. EVANS, in introducing a concurrent resolution to reduce the regulatory burden on our Nation's small banks. This legislation, which urges the Federal bank regulators to reduce capital to asset ratios for small banks to levels approximating that of large banks will increase bank productivity at no cost to the taxpayer and no danger to depositors.

Of equal importance, Mr. Speaker, it will increase competition in the banking field and will continue the trend of banking deregulation which began with the passage of the Depository Institutions Deregulation and Monetary Control Act in the 96th Congress.

FDIC data analyzed by Dr. Donald R. Fraser suggest that there is no direct relationship between bank size, capital adequacy, and loss risk. If anything, small banks appear to have a smaller risk potential than large banks. Yet for many years Federal regulators have required small banks to maintain a higher capital to assets ratio than large banks.

Since higher capital to assets ratios require small banks to charge higher prices for loans and pay lower rates on deposits in order to earn the same rate of return on capital, past practice has clearly put small banks at a competitive disadvantage.

House Concurrent Resolution 82 asks the Federal bank regulators to reexamine their current practices and reduce small bank capital to asset ratios where no need can be demonstrated that higher capital to asset ratios are necessary to insure the safety and soundness of the banking system. This will put all banks, both big and small, on an equal footing.●

TRIBUTE TO REPRESENTATIVE GLADYS SPELLMAN

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. MAZZOLI. Mr. Speaker, I join with colleagues in the House of Representatives in paying tribute to our former colleague, Gladys Spellman.

We were all saddened by Gladys' departure from the House. She served the people of the Fifth District of Maryland well and ably over the years. Gladys served the needs of her constituency, and her popularity among her constituents reflects her diligent service.

Gladys' presence among us will be noted for years to come by all who were privileged to work with her.

I extend to Gladys and her family my best wishes for her total recovery.●

GSES EMPLOYEES DESERVE PAY RAISE

HON. STAN PARRIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. PARRIS. Mr. Speaker, in addressing the area of salary hikes in the Government Senior Executive Service, a seemingly sensational topic has emerged. In speaking for this sector of Federal workers, I have to say that I do believe their outcries are justified and their just deserts have not been realized. I consider their protests to have gone unnoticed for two reasons: One, GSES employees have received only one 5.5 percent raise hike in 4 years. This raise was granted back in October 1979. Also, the comparable workers' level of salary in private industry is substantially more than the federally employed executive. This is obviously not equitable to the executive working for the Federal Government. I do not feel that this sector of civil servants is receiving fair compensation.

There are several ramifications that can arise from the lack of proper focus in dealing with this situation. First, without suitable compensation at this level, those who have the most to offer, those best at their jobs, those top notch individuals, many with unique training, knowledge, and expe-

rience, will be tempted to leave the Federal sector and be hired away by the better paying private sector. Does not our Federal community need excellence and superior achievement in the area of employment too? Another reaction to take into consideration is that ambitious entry-level persons with valuable skills to offer may be seduced away from entering the Federal realm altogether. There again taxpayers and citizens are being precluded from having first-rate, efficient workers representing their vital interests, who can offer them the most for their money.

What solution is available to address any possible deterioration from occurring in this important level of Government workers? The feasible solution is that of the raise. We cannot force persons to enter the Federal levels of employment. There must be incentives. The best and only incentive that can be offered is equitable pay comparable to that of private industry. The artificial pay caps imposed by Congress which have unfairly limited past increases in compensation and denied high-level Government workers proper earnings must be eliminated for civilian and military personnel as well.

In addressing this problem, however, I recommend that legislators' wages not be included in simultaneous consideration of a compensation increase. Senior Executive Service salaries and congressional salaries should not go hand in hand. In conjunction with this thought, I urge Congress to support H.R. 1200, a bill that I have cosponsored which provides that appropriations of funds for congressional pay be considered separately from that of senior Federal level workers. Only in this way can the right and proper thing be done for the interests of all concerned.●

THE NEW RIVER GORGE BRIDGE

HON. CLEVE BENEDICT

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. BENEDICT. Mr. Speaker, I am pleased to introduce legislation today in the House which would place a sign memorializing the New River Gorge Bridge in West Virginia as the world's largest steel-arch span bridge. Senator ROBERT C. BYRD has already introduced this legislation in the Senate as S. 402.

Hundreds of motorists cross the New River Gorge Bridge daily—some not realizing the uniqueness of the structure. The main span of the bridge is 1,700 feet long. It contains enough steel to build 14,250 medium-size cars and contains 23,000 cubic yards of concrete—enough to pave 9,000 driveways. When the bridge opened in February 1977, it replaced a span in New Jersey as the longest steel-arch span in the world.

The bridge is a rare example of how a manmade object has truly enhanced an area of great natural beauty. The New River is one of the oldest rivers in the world. Legislation approved by Congress in 1978 has preserved a 52-mile section of the river under the National Rivers Act and it is now supervised by the National Park Service.

In addition to being the world's longest steel-arch span, the bridge is also the second highest in the United States and the highest east of the Mississippi River. The peak of the arch is 876 feet above the river, 325 feet higher than the Washington Monument.

Mr. Speaker, I urge my colleagues to join me in paying tribute to this architectural triumph by approving this legislation.●

SENATE RESOLUTION NO. 28 PASSED BY THE SENATE OF PUERTO RICO

HON. BALTASAR CORRADA

OF PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. CORRADA. Mr. Speaker, I am pleased to have the opportunity to insert in today's RECORD a copy of Senate Resolution No. 28 passed by the Senate of Puerto Rico on January 21, 1981.

I am sure that both President Reagan and Vice President BUSH share the concerns and hopes expressed by the Puerto Rico Senate and that their administration will be marked by a spirit of collaboration and concern for the people of Puerto Rico.

SENATE RESOLUTION NO. 28

I, Hipolito Marcano, Secretary of the Senate of the Commonwealth of Puerto Rico, do hereby certify that the Senate of Puerto Rico in its Session of January 21, 1981, approved Senate Resolution No. 28 which reads as follows:

Resolution to extend the congratulations of the Senate of Puerto Rico to the new President of the United States of America, the Honorable Ronald Reagan, upon his installation as the Fortieth President of the Nation, and to the Honorable George Bush, as Vice President, and to wish them success in the performance of the grave responsibilities that now rest on their shoulders

STATEMENT OF MOTIVES

Whereas last November 4, the Honorable Ronald Reagan and the Honorable George Bush were elected President and Vice President of the United States of America, respectively.

Whereas the significant and historical event of the inauguration of the recently elected President and Vice President of the United States of America on Tuesday, January 20, 1981, marked a highly transcendental moment for the western civilization and the world as a whole.

Whereas President Ronald Reagan has reached the highest office in the Nation in an auspicious manner, supported by an overwhelming majority of the voters who exercised their free will at the polls, in a clean and honest electoral process which should set an example for all the people of the world.

Whereas President Reagan and Vice President Bush are deserving of our most sincere congratulations in behalf of the People of Puerto Rico, with the hope that under their leadership the Federal programs that have been so helpful to Puerto Rico in its struggle against its economic and social problems be maintained or improved; and that the true relationship of friendship and good government be strengthened between the people of Puerto Rico and the Federal government.

Whereas we trust that the new President and Vice President shall be able to open new roads to progress in all phases of the collective life of the American people and achieve the proper measure of peace and tranquility in the international scene that the world is looking forward to.

Whereas we hope that President Reagan and Vice President Bush will maintain their genuine concern for the situation of the people of Puerto Rico, and the continued strengthening of our relationship. Now, therefore: be it

Resolved by the Senate of Puerto Rico:

Section 1. To extend the congratulations of this High Body to the Honorable Ronald Reagan and the Honorable George Bush upon their taking office as President and Vice President of the United States of America.

Section 2. To give witness to the Honorable Ronald Reagan and the Honorable George Bush, upon their official assumption of their duties, of the profound satisfaction felt by the People of Puerto Rico, and our heartfelt hope for success in solving the problems that beset our Nation.

Section 3. To reiterate the hope of this Senate and of the People of Puerto Rico that during this new government administration, the mutual collaboration that we have had be continued and strengthened.

Section 4. Copies of this Resolution, duly certified and translated into the English language, shall be sent to the Honorable Ronald Reagan and the Honorable George Bush, President and Vice President of the United States of America, and to the Honorable Baltasar Corrada del Rio, Resident Commissioner of Puerto Rico in Washington.

Section 5. All communications media shall be informed of the approval of this Resolution, for divulgation and circulation.●

GLADYS NOON SPELLMAN

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. VENTO. Mr. Speaker, it is an honor to participate in this special order for our colleague, Representative Gladys Noon Spellman. I have had the privilege to serve in the 95th and 96th Congresses with the distin-

guished Representative from Prince Georges County, Md., and I always found her ready to offer help to her colleagues who frequently sought her advice and counsel.

Congresswoman Spellman brought a unique and valuable perspective to Congress. Even though she began her elected career later in life, she had a vast range of political experience ranging from the school board and local government to Congress. In spite of her long history of involvement, Gladys never demonstrated a jaded or cynical view of politics which so often accompany years of public experience. She approached each issue and problem with a freshness and enthusiasm seldom matched in Congress.

Congresswoman Spellman was an unapologizing spokesperson for the rights of Federal employees and consumers. Her expertise and sincere dedication to serve the interests of her district brought her quickly to the chair of the Subcommittee on Compensation and Employee Benefits. As a member of the Banking Committee, I was privileged to serve with her on the Consumer Affairs and Housing and Community Development Subcommittees. In these subcommittees, she was a forceful and effective advocate for greater corporate responsibility, Federal programs to assist metropolitan areas, and increasing housing opportunities for all citizens.

I know I speak for all Members of this body in wishing her a rapid and complete recovery. In these difficult times, we will certainly miss her contributions.●

GUNS VERSUS BUTTER

HON. HAROLD C. HOLLENBECK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. HOLLENBECK. Mr. Speaker, the dilemma of making "guns versus butter" decisions between competing human and military goals and interests has never been easily solvable. And the solution is more confusing and difficult in today's economic climate. However, recent reports by the U.S. General Accounting Office, the Republican Study Conference, and the House Appropriations Committee dramatize several ways in which Congress can begin to balance these goals and interests while still funding necessary programs for a strong defense.

I see, Mr. Speaker, no compelling human or practical reason to elevate the defense budget—or any budget—to sacred cow status. Surely, the Defense Department is no more immune than any other department from overspending, waste, and fraud, nor is it impossible to bilk. Witness several recent reports.

According to departing Comptroller General of the United States, Elmer B. Staats, mismanagement and waste have added several billions of dollars a year to the defense budget. Mr. Staats recently cited 15 areas in which we can potentially save between $4 billion and $10 billion a year, every year, by the end of the Reagan term. I include below the major points made by the head of the General Accounting Office as they appeared in the March 3 edition of the Washington Post:

Among the major points made by Staats in his letter and the interview:

Thirty GAO reports since 1976 have cited serious flaws in the way DOD accounts for goods and services provided under the foreign military sales program. These have resulted in "improperly" made payments of more than $1 billion. Some progress has been made, but "more improvement is needed."

At the outset of a new weapons system, the Pentagon often tries to hold down the apparent total cost by downplaying the need for the spare parts and back-up equipment needed over the long term. This means that the parts and equipment must be bought later, at greater cost. In the case of the F18 fighter, the savings potential in proper logistical planning and discipline throughout its life cycle would be more than $350 million.

In many geographic areas, the Army, Navy, Air Force, and Marines each have one or more bases. Instead of sharing such things as repairs and supplies, each of the armed forces provides them separately. The potential savings from consolidation: at least $376 million annually.

Management of consumable items, such as ammunition and motor vehicle parts, is scattered. Consolidation would yield yearly savings exceeding $280 million.

In the last 16 months, the estimated cost of the Navy's LAMPS III (light airborne multipurpose antisubmarine weapon system) has almost doubled from $3.6 billion to $7 billion. Now, the plan is to buy fewer of them. But that does not solve the questions raised by a GAO review "about the ability of the system to carry out its missions."

DOD plans to buy large numbers of F14, F15, F16, F18 and A10 aircraft for noncombat purposes, asserting that they would be needed in event of war. Staats said that such planning was "very sloppy" and claimed that sharpening it up could save up to $5 billion.

"A hard look at this area by the secretary of defense is needed," he said. "If these aircraft are in fact required for combat purposes, they should be justified as such and approved in that context by the secretary, the OMB and the Congress."

In 1972, the Army got started on its supertank, the M1. The cost was to be $507,000 a copy. By January 1980, when a GAO report warned that the tank's reliability was "uncertain," the unit cost had more than tripled to $1,651,000. The number of tanks in the program was 7,058.

Now the estimated unit cost has shot up to $2,549,000. Meanwhile, the GAO is still reviewing reliability and other aspects of the M1.

Four weeks after the Staats letter went out, the Pentagon issued its quarterly report on the life cycle estimated costs of 47 selected major weapons systems. The figure for Dec. 31 was $47.6 billion higher than it had been only three months earlier. DOD cast inflation as the chief villain behind the increase, which over the three-month period was at the rate of $359,300 a minute.

Mr. Speaker, complementing these findings is a congressional Republican study committee report citing several General Accounting Office reports which, taken together, estimate that the Pentagon could save some $15 billion yearly. Savings of a billion dollars could be realized, for instance, if the Air Force installed one, rather than two computer systems at their bases to perform administrative and operating functions. Improved management of Navy shipbuilding contracts could save nearly three-quarters of a billion dollars. Over one-half of a billion dollars is being squandered by increased Government costs due to fraud, inadequate accounting, and procedural control in the Army's Military District of Washington's Finance and Accounting Office according to the GAO.

Some potential savings are comparatively small, but are indicative of the attitude now prevailing in the Defense Department which appears to place little regard on cost consciousness above spending for the sake of spending. For example, if military discharges in extraordinary cases were processed more efficiently and faster, the GAO estimates $41½ million could be saved. Erroneous payments to reservists and guardsmen for drills they did not attend have cost the American taxpayer thousands in recent years, and lack of consolidation of Army and Navy undergraduate helicopter pilot training programs has cost the Treasury Department $63 million a year.

In addition to these findings, the House Appropriations Committee in its report on the Defense appropriation bill for 1981 lists 46 ways in which defense dollars are needlessly frittered away. Instance of waste and mismanagement cited by the committee include paying foreign national employees in excess of the pay rates prevailing in those countries, the operating of duplicate facilities for the overhaul of air-launched missiles, the retention of an inventory now obsolete but which is expensive to maintain, and the underutilization of modern flight simulators in preference to more air time. Mr. Speaker, these are only a few of the many instances of waste mentioned by the committee. For my colleagues who are interested, I direct their attention to pages 82 through 84 of House Report 96-1317.

I would also like to take this opportunity to draw my colleague's attention to commentary by columnist Jack Anderson on March 3 and 4 which gives further insight into possibly unnecessary Pentagon expenditures.

According to Anderson and a yet to be released report, the Defense Department engages in the hiring of pri-

vate consultants for work their own servicemen should be doing. Defense Department contracts were awarded to a small number of consulting firms that coincidentally are manned largely by former Pentagon personnel. It is not surprising that a practice like this could and probably has resulted in payment to friendly firms for work that is not always necessary and often at inflated prices. I also include these articles for your attention.

DEFENSE WASTE

(By Jack Anderson)

More than 20 years ago, President Eisenhower shocked his old military buddies by warning of the growing power of what he called the "military-industrial complex." But it is doubtful that even Ike foresaw the extent to which the sweetheart relationship between Big Business and the brass has taken control of the single biggest slice of the federal government's budget pie.

President Reagan may have given his budget cutters an unintended signal in his economic address to Congress when he singled out waste and fraud in the social service agencies as the target for cuts in federal spending. By omitting mention of the Defense Department, he apparently encouraged his budget officials to ignore the monumental waste and fraud in the Pentagon.

As a result of being given more money than they can spend themselves, the Pentagon brass have farmed out an increasing number of their own military functions to private consulting firms. Many of these consultants are former high-ranking Defense Department officials. They are, in effect, charging the government for the expertise they gained while they were in government service.

What makes the "old boy" system particularly disturbing is that the private consultants have not only taken over jobs the Defense Department should be doing itself—but the profit-motivated contractors are identifying, defining and dictating the very programs the Pentagon hires them to run.

In short, the former officers are telling the Pentagon that it needs a particular job done, and that they're the only ones who can do it right. Their old buddies in the Pentagon—perhaps hoping for a post-retirement job themselves—OK the project. It's a self-perpetuating boondoggle.

A confidential government report obtained by my associate Indy Badhwar details the problems raised by the "privatization" of the Defense Department. And it's not chicken feed involved: The Pentagon is currently spending about $3 billion a year on private consultants whose "expertise" is often matched by high-salaried Defense Department employes.

The government investigators said they found a few cost comparisons done by the Pentagon to determine if the functions performed by contractors could be carried out by DOD's own civil servants at less cost. In the rare instances where comparisons were done, they showed that the government would have saved money by doing its own work "in-house." For example, a Navy study showed that it could have saved $159,000 over a five-year period by letting its own employes design a manpower planning system.

Here are some examples the report gives of the way the old-boy network operates:

A $43,835 contract went to a private individual who acted as the Defense Secretary's Man Friday. The contractor helped prepare the secretary's annual report to Congress.

A $304,000 contract to assess the Pentagon's responsibilities in the event of general mobilization went to a firm that employed a former vice chief of the Army, a former Air Force general and a onetime deputy assistant secretary of defense.

An Air Force contract originally costing about $1 million has been going up by about $500,000 a year. The private contractor is studying the problems of command and control in electronic warfare. Ten of the contractor's employes are former Pentagon officials.

The boondoggle is not only self-perpetuating, but self-aggrandizing. Every contract gives the private consultant additional expertise on Pentagon operations, providing a "snowball" effect for additional consulting contracts.

Unkept promises: Back in 1961, the 22d Soviet Party Congress adopted a 20-year plan for the Soviet Union. Igor Glagolev worked for the Soviet Academy of Sciences at the time and helped draft the party "platform."

Glagolev has since defected and now lives in this country. But he remembers what the 20-year plan called for; Free apartments, kindergartens, nurseries and rest homes for all Soviet citizens, plus the shortest working day and the highest standard of living of any Communist country.

Observing the program at its deadline this year, Glagolev concludes that the 20-year plan was "a total failure." Largely because of inflation, he says, the standard of living in the Soviet Union has actually declined in the past 20 years.

Unfriendly skies: The flight engineers' union recently tried to buy a full-page ad in the Pan Am Clipper—the slick magazine that is offered to passengers along with their coffee, tea or milk. To the union's surprize, Pan Am refused to run the ad, even though it contained no suggestion of any management-union problems. "What are we supposed to do now," asked the union's rep, "hand it out to the passengers?" "Do what you want," replied an airline spokeswoman, in a tone as icy as a miniature-on-the-rocks.

FAST-BUCK OPERATORS MILK SACRED COW

(By Jack Anderson)

The Defense Department has become the only sacred cow to survive the determined budget-cutters of the Reagan administration. Yet there is overwhelming evidence that the Pentagon cow is being milked for hundreds of millions of dollars in dubious contracts each year.

In the process of hiring private consultants for work their own employes should be doing, the brass hats are turning over control of defense policies to a small clique of outside "experts" motivated more by profits than patriotism. These specialized consulting firms are packed with former Pentagon personnel, who usually get favored treatment from their onetime buddies in the military.

A still-classified government report reviewed by my associate Indy Badhwar chronicles appalling waste, mismanagement, greed and conflicts of interest that threaten to make the Pentagon a private fiefdom of fastbuck operators. Some details from the report:

More than half of all Department of Defense contracts go to companies that employ or were formed by former military or civilian DOD officials.

A private consulting firm was hired for $294,000 (a contract price that soon almost doubled) to study drug and alcohol abuse in the armed forces. Though there were Pentagon employes qualified to make the study at lesser cost, the brass hats explained that an "outside" contractor would provide a more objective report. The vice president of the "outside" firm was the former director of Pentagon research into prevention of drug and alcohol abuse.

Nearly 60 percent of all contracts are renewed repeatedly—a circumstance referred to by insiders as the "from-here-to-eternity gravy train."

A contractor was hired for $190,000 to teach Navy personnel how to improve cost analyses on missile work. The contractor then suggested that his firm take over the cost analyses—in other words, do what he was orginally hired to teach Navy employes to do. The Navy bought the proposal, and the contract is now in its seventh year.

An $80,000 contract was awarded for "studies on nonpecuniary factors in the federal approach to pay comparability and the feasibility of monetizing these nonpecuniary factors for consideration in the pay comparability process." When auditors asked if this incredible gobbledygook made any sense, a top official replied airily: "That's what makes it interesting."

A contractor was paid $43,000 from the Navy for technical data on a naval test range. He got the data from the Navy itself.

The Air Force paid a contractor $50,000 to correct a malfunction in a missile mockup. An Air Force engineer had already solved the problem.

An Air Force contractor was awarded $1.4 million to correct deficiencies in another firm's multimillion-dollar project. With 80 percent of the money spent, the contractor demanded $400,000 more to complete his job. The money wasn't available, so the contractor walked away when he had spent the original $1.4 million, leaving civil servants to pick up the pieces.

A contract to provide support services for the Army's Hawk missile has been modified 60 times, raising the cost from $6 million to $33 million and delaying completion by a year.

Bubble, Bubble . . .: To protect the embassy staff from electronic snoopers, sensitive U.S. missions abroad are equipped with bugproof conversation "bubbles," pod-like chambers of aluminum or plastic placed inside bigger rooms.

The inner chamber is suspended a few inches off the floor so no wires can go in or out undetected. The outer room has noise generators or wind machines to smother any sounds that might escape the inner bubble.

A former diplomat told my reporter Allen Myerson that the U.S. Embassy in Tehran had a bubble that looked like a space shuttle. It was big enough to hold the ambassador's daily staff meeting, safe from the prying ears of the shah and his secret police.

Mr. Speaker, we all agree that there are no easy solutions to our economic problems. What should be apparent, however, is that Government spending must be reduced with no program, department or agency, exempt from scrutiny. As I stated earlier, there is no room for a sacred cow in the Federal budget, especially when evidence, as here, suggests that many Defense ex-

penditures are resulting from waste, fraud, and mismanagement.

Mr. Speaker, with the above materials in mind, I call on the Reagan administration, the Office of the Budget, and the Members of this body to examine closely the recommendations made by the GAO and others and begin to detail plans for properly allocating defense outlays commencing this fiscal year.

This is, as Mr. Staats has said, the ideal time for the Pentagon to begin to manage more efficiently its fiscal resources. It is also the proper tie for this body to demonstrate across-the-board scrutiny and fiscal prudence.●

ROBERT F. POPP HONORED

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. APPLEGATE. Mr. Speaker, I would like to take this opportunity to bring to the attention of the House of Representatives, a constituent of mine, Mr. Robert F. Popp, who recently received the 1980 George Washington Honor Medal of the Freedoms Foundation of Valley Forge.

The national awards program of Freedoms Foundation draws public attention to individuals and organizations whose words and deeds support the U.S. social, political, and economic system, suggest solutions to basic problems, and contribute to responsible citizenship.

Mr. Popp, who writes for the East Liverpool, Ohio, Evening Review, was selected for the honor on the basis of his column, "Misdirected Protest." He is among seven distinguished individuals who have been chosen this year for special awards; Alistair Cooke, Olivia De Haviland, Secretary of State Alexander Haig, Fred Turner, and Kenneth Daylor, former Canadian Ambassador to Iran.

Robert Popp has spent over 41 years covering municipal affairs and his insightful commentaries in his column in the Evening Review have contributed significantly to citizen awareness.

We are all grateful to Mr. Popp for his dedication to public service and we are very proud of his journalistic achievements.●

BILLS INTRODUCED TO ELIMINATE ANTICOMPETITIVE ASPECTS OF EMISSION WARRANTY REQUIREMENTS

HON. GARY A. LEE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. LEE. Mr. Speaker, the present language in the Clean Air Act requires a vehicle to warrant the "emission control device or system" of a motor vehicle for a period of 5 years or 50,000 miles. After the first 24 months or 24,000 miles, that term is defined as "a catalytic converter, thermal reactor, or other component installed on or in a vehicle for the sole or primary purpose of reducing vehicle emissions." This language is used with respect to a performance warranty, which is in addition to the production warranty and durability certification.

Because the EPA has utilized the term "primary purpose" to include a vast number of parts under the 5-year or 50,000-mile warranty, it has been suggested that deletion of the term "or primary purpose" could be utilized to prevent EPA from overriding the clear intent of Congress to eliminate an anticompetitive broad based extended warranty requirement.

While elimination of the term "or primary purpose" could be helpful in further establishing such congressional intent, it would not, for the reasons stated below, reduce the opportunity for EPA to circumvent that intent by using other areas of the law as loopholes.

First. EPA performance warranty regulations provide that the 5-year/50,000-mile warranty shall apply not only to "sole or primary" parts, but also to components which must be adjusted, repaired, or replaced to enable such components—that is, sole or primary parts—to perform properly. Should the term "primary" be eliminated, the EPA could still utilize its same fallacious, but nevertheless devastating reasoning that, in order to enable the "sole" parts to operate properly, these same components must be included in the warranty. The EPA promise in the warranty regulations that its list of parts would be expanded from time to time is a clear indication of how far EPA feels it can go. As long as there is a 5-year or 50,000-mile warranty for any part, this conclusion can be reached by EPA. In view of the durability requirements and recall authority built into the act under section 207(c), there is no need to add another requirement for a promised durability in order to maintain clean air.

Second. With respect to the present language requiring a production warranty of 5 years or 50,000 miles, such a requirement provides a redundancy since the same protection is found in the durability certification and recall provisions, and it also provides EPA with a significant loophole for changing the will of Congress. Prior to the 1977 amendments, the EPA attempted to utilize this same production warranty language to propose an in-use warranty requirement of extended duration on an unlimited parts list. That attempt was withdrawn, but under the present language in the act it could be tried again.

In June of 1979, the EPA published a pamphlet entitled "What You Should Know About Your Auto Emissions Warranty," which drew upon the language of the production warranty provisions in the Clean Air Act, but which in reality was a recitation of a performance warranty of extended duration on an unlimited number of parts, including such parts as carburetors, distributors, spark plugs, and chokes.

Third. In December of 1978, the California Air Resources Board, basing its authority on California legislative language that is identical to the Federal production warranty language, imposed a performance warranty requirement of extended duration on an unlimited number of parts, including those mentioned in the EPA pamphlet. This California warranty was granted a waiver by the EPA under the guise of a accompanying enforcement procedure, and the U.S. Court of Appeals in the District of Columbia upheld EPA's and California's authority to do so under the current language of the Clean Air Act.

In addition to this glaring loophole for circumventing congressional intent through the concerted action of EPA and California Air Resouces Board, there is another factor found in the law which permits all other States in EPA designated nonattainment areas to adopt California regulations, including the warranty regulations.

Experience has demonstrated that if a vehicle will fail in emission performance it will do so in the first 2 years of the vehicle's life. Studies by the FTC indicate that substantial market distortion occurs where the compulsory warranty extends beyond 2 years.

To preclude EPA from overriding the will of Congress and establishing an anticompetitive warranty, however it may be designated or from whatever source it may emanate, the changes suggested in my bills are necessary to eliminate the possibility of future EPA action in utilizing loopholes in the law to accomplish what it, and not Congress, has intended. The requirements for protection of the environment are met by maintaining in the act the provisions for durability certification enforced through mandatory recall provisions.

Therefore, I am introducing two bills for discussion purposes which address the problems created in the automotive aftermarket by provisions in the Clean Air Act. It is my belief that these bills would remove certain anticompetitive features in the act and would save money by allowing consumers to exercise free choice in the seeking of bargains for parts and service.

In introducing these measures, I am not suggesting that these concerns be taken up in any legislative context

other than a comprehensive approach to the entire Clean Air Act. These bills are similar to those introduced on March 3 by Congressman WILLIAM E. DANNEMEYER, of California, except that my bills narrow the scope of the California waiver provision under section 209 of the Clean Air Act.

The texts of the bills follow:

H.R. —

A bill to amend the Clean Air Act to promote competitiveness in the motor vehicle aftermarket and to preserve consumer freedom of choice to select parts and service of the consumer's own choosing, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

AMENDMENTS TO THE CLEAN AIR ACT

SECTION 1. (a) NEW MOTOR VEHICLE EMISSION STANDARDS IN NONATTAINMENT AREAS.—Section 177 of the Clean Air Act is repealed, effective on the date of the enactment of this Act.

(b) PRODUCTION WARRANTY AND PARTS CERTIFICATION.—(1) Section 207 of such Act is amended by striking out subsection (a) thereof.

(2) The amendment made by this subsection shall take effect with respect to model years beginning after the date of the enactment of this Act.

(c) PERFORMANCE WARRANTY.—(1) Section 207(b)(2)(B) of such Act is amended to read as follows:

"(B) it fails to conform with applicable regulations for a period of use of the first two years or the first twenty-four thousand miles (or the equivalent) whichever first occurs, and"

(2) Paragraph (2) of section 207(b) of such Act is amended by striking out "No such warranty shall be invalid" and all that follows down through the end of such paragraph (2).

(3) Paragraph (2) of section 207(h) is amended by striking out "(without regard to subparagraph (C) thereof)".

(4) The amendments made by this subsection shall take effect with respect to model years beginning after the date of the enactment of this Act.

(d) INSTRUCTIONS.—(1) Subparagraph (A) of section 207(c)(3) of such Act is amended to read as follows:

"(A) The manufacturer shall furnish with each new motor vehicle or motor vehicle engine written instructions for the proper maintenance and use of the vehicle or engine by the ultimate purchaser. The manufacturer shall provide in boldface type on the first page of the written maintenance instructions notice that maintenance, replacement, or repair of the emission control devices and systems may be performed by any automotive repair establishment or individual using any automotive part of his choosing."

(2) Subparagraph (B) of such section 207(c)(3) is amended by striking out "; except that the prohibition" and all that follows down to the period at the end thereof.

(3) Section 203(a)(4)(C) of such Act is amended by striking out "except as provided in subsection (c)(3) of section 207,".

(4) The amendments made by this subsection shall take effect with respect to model years beginning after the date of the enactment of this Act.

(e) STATE STANDARDS RESPECTING PARTS.—(1) Section 209(b)(1) of such Act is amended by inserting "which are numerical emission levels" before "for the control of emissions from new motor vehicles".

(2) Section 209(b)(1)(C) of such Act is amended by striking out "and accompanying enforcement procedures".

(3) Section 209(c) of such Act is amended to read as follows:

"(c) No State or political subdivision thereof shall adopt or attempt to enforce any standard applicable to any motor vehicle part, or motor vehicle engine part, for purposes of controlling or regulating motor vehicle or motor vehicle engine emissions.

(f) PROHIBITED ACTS.—Section 203(a) of such Act is amended by striking out "and the causing thereof".

(g) CLARIFICATION OF TAMPERING PROVISION.—Section 203(a)(3)(B) of such Act is amended by—

(1) striking out "device or element of design installed on or in a motor vehicle or motor vehicle engine" and substituting "part or component placed in or on a motor vehicle or motor vehicle engine for the sole purpose of controlling emissions"; and

(2) inserting the following before the semicolon at the end thereof: ", except as may be necessary in connection with routine maintenance".

(h) TECHNICAL AMENDMENTS.—(1) Section 202(d) of such Act is amended by inserting "(b) and (c)" and "207.

(2) Section 207(g) of such Act is amended to read as follows:

"(g) For the purpose of this section, the owner of any motor vehicle or motor vehicle engine warranted under this section is responsible in the proper maintenance of such vehicle or engine to replace and to maintain, at his expense at any service establishment or facility of his choosing, such items as spark plugs, points, condensers, and any other part, item, or device related to emission control, unless such part, item, or device is covered by any warranty not mandated by this Act."

GENERAL EFFECTIVE DATE

SEC. 2. Except as otherwise specifically provided in section 1 of this Act, the amendments made by section 1 shall take effect on the date of the enactment of this Act.

H.R. —

A bill to amend the Clean Air Act to promote competitiveness in the motor vehicle aftermarket and to preserve consumer freedom of choice to select parts and service of the consumer's own choosing, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

AMENDMENTS TO THE CLEAN AIR ACT

SECTION 1. (a) NEW MOTOR VEHICLE EMISSION STANDARDS IN NONATTAINMENT AREAS.—Section 177 of the Clean Air Act is repealed, effective on the date of the enactment of this Act.

(b) PRODUCTION WARRANTY AND PARTS CERTIFICATION.—(1) Section 207 of such Act is amended by striking out subsection (a) thereof.

(2) The amendment made by this subsection shall take effect with respect to model years beginning after the date of the enactment of this Act.

(c) PERFORMANCE WARRANTY.—(1) Section 207(b) of such Act is amended by striking out "tests conducted under section 206(a)(1), then" and all that follows down through the end of such subsection and substituting: "tests conducted under section 206(a)(1), then he shall establish such methods and procedures by regulation.".

(2) The amendment made by this subsection shall take effect with respect to model years beginning after the date of the enactment of this Act.

(d) INSTRUCTIONS.—(1) Subparagraph (A) of section 207(c)(3) of such Act is amended to read as follows:

"(A) The manufacturer shall furnish with each new motor vehicle or motor vehicle engine written instructions for the proper maintenance and use of the vehicle or engine by the ultimate purchaser. The manufacturer shall provide in boldface type on the first page of the written maintenance instructions notice that maintenance, replacement, or repair of the emission control devices and systems may be performed by any motor vehicle repair establishment or individual using any automotive part of his choosing."

(2) Subparagraph (B) of such section 207(c)(3) is amended by striking out "; except that the prohibition" and all that follows down to the period at the end thereof.

(3) Section 203(a)(4) of such Act is amended by inserting "or" at the end of subparagraph (B), by striking out subparagraph (C), and by redesignating subparagraph (D) as (C).

(4) The amendments made by this subsection shall take effect with respect to model years beginning after the date of the enactment of the Act.

(e) STATE STANDARDS RESPECTING PARTS.—(1) Section 209(b)(1) of such Act is amended by inserting "which are numerical emission levels" before "for the control of emissions from new motor vehicles".

(2) Section 209(b)(1)(C) of such Act is amended by striking out "and accompanying enforcement procedures".

(3) Section 209(c) of such Act is amended to read as follows:

"(c) No State or political subdivision thereof shall adopt or attempt to enforce any standard applicable to any motor vehicle part, or motor vehicle engine part, for purposes of controlling or regulating motor vehicle or motor vehicle engine emissions.

(f) PROHIBITED ACTS.—Section 203(a) of such Act is amended by striking out "and the causing thereof".

(g) CLARIFICATION OF TAMPERING PROVISION.—Section 203(a)(3)(B) of such Act is amended by—

(1) striking out "device or element of design installed on or in a motor vehicle or motor vehicle engine" and substituting "part or component placed in or on a motor vehicle or motor vehicle engine for the sole purpose of controlling emissions"; and

(2) inserting the following before the semicolon at the end thereof: ", except as may be necessary in connection with routine maintenance".

(h) TECHNICAL AMENDMENTS.—(1) Section 202(d) of such Act is amended by inserting "(b) and (c)" after "207".

(2) Section 207(g) of such Act is repealed.

GENERAL EFFECTIVE DATE

SEC. 2. Except as otherwise specifically provided in section 1 of this Act, the amendments made by section 1 shall take effect on the date of the enactment of this Act.●

EMBARGO THREATS TO FARM INCOME

HON. RON MARLENEE

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. MARLENEE. Mr. Speaker, I am proud to join my distinguished colleague from Oklahoma (Mr. ENGLISH) in introducing legislation designed to protect farmers' income in the event of the embargoing of agricultural products. I hope that other Members of the House will see fit to cosign this legislation.

This bill will protect farmers by assuring them that if trade is halted for reasons of national security or foreign policy, the loan rate on that commodity shall be set at not less than the average market price during the 15 marketing days prior to the embargo. If suspension of trade is for short supply situations or other reasons besides national security or foreign policy, the loan rate shall be set at 90 percent of parity.

The legislation also contains provisions to assure that storage payments are made to producers and that the Secretary may purchase the embargoed commodity in order to offset severe market fluctuations.

I need not remind Members that after President Carter announced the Soviet grain embargo in January of last year, the price of wheat dropped dramatically. In my area, the price fell 50 cents a bushel.

I do not want to take the Chamber's time to address all the pluses and minuses of the current embargo, we have heard all the arguments. What we are striving to do today is to assure producers that in the event of future trade suspension, they are not again singled out to carry the financial burden of foreign policy decisions.

I would like to bring to the attention of my colleagues that similar legislation was introduced last Congress by Mr. ENGLISH and passed the Agriculture Committee by a wide margin of 37 to 2.

I want to thank my colleague (Mr. ENGLISH) for again bringing this measure before the Members and urge that it be given full consideration by the Agriculture Committee.●

GO-SLOW POLICY RECOMMENDED FOR COAL MINING IN ALASKA

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. SEIBERLING. Mr. Speaker, the January issue of the National Academy of Sciences News Report included an article summarizing the findings of a National Research Council report on surface mining conditions in the State of Alaska. The report was mandated by the Surface Mining Control and Reclamation Act of 1977 to determine whether the act "should be modified with respect to surface coal mining operations in Alaska."

The committee report warns that while the act assumes that surface mining of coal is a temporary disturbance of the land, and that original use could be restored once mining operations were completed, this assumption does not apply to the unique and sensitive lands in Alaska's North Slope, which contains the State's most abundant coal resources. In fact, this area, which is a region of continuous permafrost, would not be reclaimable under the provisions of the act, and the industry has only limited experience to guide revegetation of a tundra, or to predict the effect of mining and reclamation on the wildlife indigenous to the tundra.

The conclusion of the report: Go slow with mining in Alaska's North Slope, and develop Alaskan coal in "an environmentally acceptable way"—with more protections than those afforded by the Surface Mining Control and Reclamation Act.

Mr. Speaker, following these remarks is a copy of the News Report article summarizing this study. I commend it to the attention of my colleagues.

ENVIRONMENTS, INDUSTRY, AND PEOPLE: STRIP-MINING FOR COAL IN ALASKA

"In Alaska, as elsewhere," decisions to commit land to coal-mining are decisions about "the benefits of mining, its direct and external environmental and social costs, and the degree to which these costs are borne by the mining companies themselves," all factors that vary within Alaska and among Alaska and other states. In Alaska, at least, these broader matters are less likely to be the subjects of only tacit decision. This kind of admonition, that mining decisions involve far more than mining, pervades the response of a National Research Council committee to a Congressional call—in Section 708 (a) of the Surface Mining Control and Reclamation Act of 1977 (Public Law 95-87; 91 Stat. 445-532)—for a "study of surface coal mining conditions in the State of Alaska . . . to determine which, if any, of the provisions of this Act should be modified with respect to surface coal mining operations in Alaska."

Because mining and reclamation in Alaska are limited, "it is premature to suggest exact modifications of the Act," the National Research Council Committee on Alaskan Coal Mining and Reclamation reported. Nevertheless, according to the committee, portions of the statute are inappropriate to conditions in some of Alaska's coal regions. The committee saw this as a matter of appropriateness, not stringency; there are unique features in Alaskan ground. Also, the committee noted, many environmental and social changes that come with large-scale coal-mining are not covered adequately either by the Act or by concurrent law.

The committee—of the National Research Council Commission on Natural Resources' Board on Mineral and Energy Resources—noted that Congress had anticipated that Alaskan conditions might differ from those for which the Surface Mining Control and Reclamation Act of 1977 was designed. So they do, the committee said, pointing out that some of the statute's requirements to restore terrain would have no remedial effect in frozen soils. The committee's report—"Surface Coal Mining in Alaska: An Investigation of the Surface Mining Control and Reclamation Act of 1977 in Relation to Alaskan Conditions"—warns:

". . . Permafrost is the most unusual condition in Alaska, continuous in the Arctic and discontinuous in much of the Interior Region. Where the mean annual temperature is below 0°C (32°F), the ground becomes perennially frozen, in some places to great depths. Freezing completely alters the normal hydrologic regime; ground water in the usual sense does not exist. Some frozen ground, when thawed, loses strength and slumps or flows, resulting in failure of foundations, bridges, roads, and the like. Some practices required by the Act could initiate thawing and cause unwanted subsidence, instability, and other undesirable results. Permafrost terrain dictates mining and reclamation techniques that are different from those envisaged in the Act."

Alaska's North Slope coal basin, "which contains the largest coal resources" in the state, is a region of continuous permafrost. "Areas of continuous permafrost disturbed by surface mining are not known to be reclaimable under provisions of the Act," the committee said. Interior Alaska—including the Nenana basin—has large areas of discontinuous permafrost. Alaska's Southcentral Region—including the Cook Inlet coal basin—more resembles what Alaskans call "the Lower 48," but it is subject to earthquakes and floods.

Alaska is sparsely populated, although much of its population is concentrated in a few areas. The state lacks a built-up transportation network. Ownership and dedication of much of the state's land are unsettled, and land-use planning in Alaska is in its infancy.

Alaska has coal. The committee reviewed estimates and concluded that, although better data are needed, even allowing for "great uncertainty . . . it is clear that Alaska's coal resources are very large and will become more important as other sources of fossil fuels in the United States are depleted." The state's major coal basins contain "perhaps as much coal as is currently inferred for the rest of the United States," the committee said. "The total [Alaskan] coal resource may range from 1.9 to 5.0 trillion tons. Two hundred million tons are classified as reserves based upon actual drilling or field studies; the rest of the resource is classified as hypothetical and speculative." Some of that coal is under water; some of it is too deep to mine by today's technology; some of it is otherwise inaccessible. However:

". . . Although much of the (Alaskan) coal will ultimately be extracted by underground mining, large quantities are strippable and could be mined and shipped using today's technology, especially in the Southcentral Region."

The "could be" in this finding is conditional:

". . . The conditions in the Southcentral Region (Cook Inlet coal basin) are similar enough to those in some of the conterminous United States to warrant initial regulation of surface coal mining under provisions

of the Act, and we recommend that this be done. Results of actual operations, however, may show that certain mining and reclamation standards now in the Act need modification for this region."

Public policy and regulations for mining Alaskan coal, the committee said, must be considered in the context of broader planning for Alaska's future. Accordingly, mine-site reclamation requirements and closely related decisions such as transport plans not only ought to take account of strictures immediately imposed by the natural environment but also ought to stop short of predisposing the outcome of planning for allocation of Alaska's lands.

The committee—chaired by mining engineer Earl H. Beistline, dean of the School of Mineral Industry at the University of Alaska, Fairbanks—worked with the assumption that Alaska still has the opportunity to avoid or minimize the kinds of mistakes made elsewhere.

"Public goals for land use in Alaska should be a basis for setting objectives for mining and reclamation," the committee said.

"The Act's concept of surface coal mining as a temporary land use is of doubtful applicability to Alaska because new land uses that become permanent are introduced by mining, and original conditions cannot necessarily be restored. . . .

"The need to make long-term allocations in land-use priorities supports the view that rational coal development in Alaska requires goals for land use."

To avoid "possible future pitfalls of choices made on a site-by-site basis," the committee urged that "lands underlain by coal that can be readily mined by surface methods" be identified as "prime coal lands":

". . . The designation of prime coal lands would identify areas of significant resource potential and would provide basic information for weighing the mineral value of these lands against the actual or expected value of other current or anticipated uses. Because the status of much of the land in Alaska is yet to be determined, and because of the potential importance of Alaska's coal resources . . . , prime coal lands should be identified so that land classifications, which might preclude mining, are not made without a full knowledge of the resource value."

The committee said development planning will have to be sensitive to possible effects of a coal industry on Alaska's Native subsistence economies, on its Native regional corporations, on its diverse population, and on its mixture of Federal, state, and private interests. Moreover:

"Major coal development in Alaska can be expected to be associated with adverse symptoms of growth (the boom-town syndrome) in various degrees, depending on the location of the mining. . . .

"Substantive coal development in Alaska should be accompanied by forming institutional structures to reduce social stress on communities and people. The needed public funds should come primarily, or entirely, from coal production. Social effects of development should be monitored."

The Surface Mining Control and Reclamation Act of 1977 deals directly with mining and not at all with social matters but recognizes that mine-siting and designation of coal lands are not isolable from land-use planning. In Alaska these are far-reaching issues. Among the committee's comments:

"Management of resources can be considered in the light of settlement patterns, economic forces, employment opportunities, need for renewable resources, and other socioeconomic factors, in addition to the need for minerals."

Thus, more specifically:

"Roads into Alaska's undeveloped areas are not necessarily viewed as an unqualified blessing, and a decision to build such a road for coal development requires an understanding of its many uses and consequences. . . ."

The committee said the statute's performance standards for mining and reclamation "can be achieved" in Southcentral Alaska, but it recommended that regulatory procedures in this region "focus initially on innovative and effective methods for meeting the Act's environmental objectives instead of strictly following the Act's prescribed practices."

For the Nenana basin, in Interior Alaska, the committee recommended that mining and reclamation standards "be determined from results that can be achieved using the best available technology for dealing with discontinuous permafrost and other special conditions that characterize this region." Although coal-mining at Healy, in the Nenana basin, "shows that obvious problems of surface mining and reclamation" are "controllable by practices now being used," conditions at Healy may differ from conditions in other parts of Interior Alaska, and "more experience and demonstrations of other technologies are needed before . . . standards can be accurately defined for Interior Alaska as a whole."

For the North Slope the committee concluded: ". . . [T]he mining and relcamation emphasis, apart from mining coal for local use, should be to obtain data on the basis of which the response of permafrost terrain to mining and reclamation practices can be evaluated and on the basis of which the unavoidable consequences of surface mining can be understood. . . .

". . . To the best of our knowledge, large-scale surface coal mining and reclamation have not yet been attempted anywhere in the world under Arctic conditions, i.e., widespread permafrost and tundra. Only limited experience from oilfield and pipeline development is available to guide revegetation of tundra and to predict the effects of industrial development on the indigenous wildlife. If an operator were granted a variance to mine coal on a commercial scale for a limited time on the North Slope, much could be learned about the effects of mining on the environment and about reclamation technologies. However, we recommend a go-slow policy for mining on the North Slope. Such a policy would involve initial small-scale operations for testing and developing techniques for mining and reclamation so that standards feasible for commercial mining on a large scale, using the best available technology, can be determined. Such small-scale operations are not likely to be profitable, and government subsidy or partnership or a government corporation may be needed. In addition, we recommend that appropriate variances be made for small-scale coal mines whose output is needed for heating villages and towns on the North Slope. . . ."

If Alaskan coal is to be exploited, the committee said, it "should be exploited in an environmentally acceptable way."●

THE HEALTH CARE CRISIS FACING ELDERLY AMERICANS

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. FORD of Tennessee. Mr. Speaker, more than a decade ago Congress enacted legislation to establish a comprehensive medical care program designed to meet the health care needs of our Nation's elderly. The medicare program has, for the most part, met these needs, but it has been deficient in one important aspect. To date, no comprehensive program exists to provide our Nation's elderly with such medical appliances as hearing aids, eyeglasses, and, dentures. As a result, under the present system of health care in the United States many elderly Americans simply do without the medical devices they do so desperately need.

Mr. Speaker, to remedy this situation I introduced, on February 24, a bill to provide our Nation's elderly with eyeglasses, hearing aids, and dentures under the medicare program.

The deficiencies of the present medical appliance distribution system have been well documented. The Subcommittee on Health and Long Term Care of the House Select Committee on Aging studied this matter in September 1976. In its report entitled "Medical Appliances and the Elderly," the subcommittee found that over 5 million Americans are wearing eyeglasses which need correcting. The current medicare program does not cover the cost of eyeglasses and the necessary related eye examinations. Medicaid is also of little help. Only half the States provide eyeglass coverage under the medicaid program. In addition, private insurance is doing little to remedy this problem—they rarely cover vision expenses.

Vision care provides the most outstanding example of both the great need of this country's elderly for medical devices and the inadequacy of the present system. Indeed, with the exception of arthritis, chronic vision deficiencies are the most prevalent of ailments among the Nation's aged. Presently, more than 20 million older Americans, or 92 percent of the Nation's elderly, require and own eyeglasses. Many others, however, need corrective glasses but cannot afford them.

This need is critical. Many elderly persons are mistakenly and cruelly thought to be senile when in fact they are unable to see the necessary stimuli. A recent study conducted by the Ebenezer Society, a leading geriatrics center in Minneapolis, Minn., revealed that many older Americans may "have been inappropriately labeled mentally

impaired as a result of unresolved vision needs."

But inadequate vision care is not the only health problem plaguing our elderly. Dental care is a second health crisis which must be resolved. Approximately 11.4 million Americans over age 65 are edentulous (toothless) as a direct result of tooth decay and periodontal disease. Although a majority of elderly do have dentures, they acquire too many ill-fitting dentures, or worse, no dentures at all.

Inadequate dental care poses significant problems to the elderly. Persons who go without dentures for too long a time after becoming toothless may never be able to wear them. Furthermore, those equipped with ill-fitting dentures frequently plan their diets to minimize their chewing difficulties. Such diets often neglect meats, vegetables, and fruits—nutritional needs essential for life itself. Dr. Jay W. Friedman expanded upon this problem of ill-fitting dentures in a recent article in Geriatrics Magazine:

> The denture patient with poor dentures has a sore mouth, dissatisfaction with his chewing capacity, and fear that his teeth will come loose at embarrassing moments. Many elderly persons have given up chewing with their dentures and use them only for appearance in social situations.

Dr. Friedman also argues that the soreness created by the ill-fitting dentures may lead to cancerous lesions. All Americans should be assured of an adequate and balanced diet. But in the case of the elderly, nutritional needs cannot be guaranteed if they continue to be edentulous or equipped with faulty dentures. According to a 1975 Muellar and Gibson study, medicaid reported spending no money for dental care for the aged. Medicaid provides dental care under a States' option plan. But as more and more States trim their budgets, the dental care programs are often the first to be cut. Private health insurance companies provide no relief either. The Long Term Health Care Subcommittee's 1976 report states that "dental costs are the least insured major health in the United States."

But even if the vision and denture needs of the elderly were met tomorrow, we would still be confronted with a crisis in hearing impairment. The Federal Council on Aging, along with the American Speech and Hearing Association, concluded that over one-half of all persons aged 65 and over suffer a hearing impairment. For many millions of older Americans, the answer to many of these problems is the use of a suitable hearing aid. Hearing deficiencies assume many forms. One form, known as hearing sensitivity loss, is an inability to hear things loudly enough. Another form, speech discrimination, involves an inability to hear speech and other sounds clearly even though the sounds may be sufficiently loud and distinct. What the afflicted person hears is similar to grabled speech from a broken radio speaker.

The present health care delivery system makes hearing aid acquisition a costly proposition. A General Accounting Office report states that average retail cost to the purchaser of a hearing aid is approximately $350. This high cost is unfortunate and tragic for those elderly Americans who require a hearing aid. These people are unable to offer their contributions to society. Dr. Blue Carstenson of Carstenson and Associates states that the use of hearing aids would help the elderly and their problems of "isolation, degradation, and loneliness."

Some States under the medicaid program recognize this problem and provide appropriate coverage. However, approximately 80 percent of the States continue to provide no medical coverage. Medicare compounds this problem: Medicare currently provides coverage for neither hearing aids nor hearing examinations. In addition, private insurance policies rarely provide coverage for hearing aid expenses.

Many Americans hope to live to an old age. But think how frightening it would be to grow old and not be able to see, hear, or eat because of the high cost of medical appliances. This is the case for many millions of elderly Americans. Mr. Nelson H. Cruikshank, a former Presidential Counsel on Aging, commented upon this American tragedy:

> The elderly pay not in dollars. They pay in the quality of life. Some cut down on food requirements. Some go without the proper type of shelter. Some cut off their social life. Many just do without eyeglasses, hearing aids, and dentures and fall back into more and more seclusion and live a restricted life because these appliances are not available to them as they should be.

Dr. Sidney Wolfe, director of the Public Citizen's Health Research Group, explained the dilemma the elderly face because of their desperate need for medical devices:

> The only way out for the elderly is to make impossible choices. It is impossible for senior citizens to decide whether or not they want to hear what goes on in the world or whether they want to eat.

Mr. Speaker, none of us here today would like to make the decision of whether to hear or to eat. Yet, every day millions of elderly Americans must consciously make that decision. On their limited and fixed incomes, senior citizens have a most difficult time allocating the scarce financial resources. These people often chose to eat and exist rather than seeing, or hearing, and living life to its fullest tomorrow.

Mr. Speaker, our Nation's elderly should receive the best health care currently available in the United States. My goal will go a long way toward meeting this goal by extending the medicare program to provide our older Americans with eyeglasses, dentures, and hearing aids.

In the absence of a comprehensive national health program, I believe that my bill would be a significant factor in resolving the health care crisis facing elderly Americans. This national health tragedy has already inflicted deep psychological wounds upon those who are unfortunate in obtaining much needed medical devices. Mr. Speaker, I believe that it is time for an immediate change. I urge the House to give full consideration to my bill. I urge the House to give full consideration to the health needs of the Nation's elderly.●

HONORING OUR FALLEN HEROES

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. GUARINI. Mr. Speaker, on January 27 I introduced a bill authorizing the President to present gold medals to the families of the eight Americans who died in the Iranian rescue mission.

The week in which I introduced my bill was one of great national jubilation. Mr. Speaker, who can ever forget the outpouring of patriotism and strong national feelings that swept America when the former hostages returned home.

However, what was a moment of joy for most Americans was a matter of sacrifice for eight others. I am speaking of those eight brave American servicemen who went into the Iranian night on that fateful April day in order to free 53 captive Americans and did not return alive. While that time is not with us we must not allow the moment to be forgotten. These men, Charles T. McMillan II, Harold L. Lewis, George N. Holmes, Jr., Richard L. Bakke, Lyn D. McIntosh, Dewey L. Johnson, John Davis Harvey, and Joel C. Mayo, will never hear the cheering that accompanied the freed hostages.

I am proud of these young men and I am pleased with the response of my colleagues to my proposal that the families of these servicemen be presented with gold medals in recognition of their patriotism and bravery. At the present time this bill has 70 cosponsors including 6 of the 8 top-ranking majority members of the Banking Committee, the committee to which this bill was referred.

Support for this proposal is bipartisan in nature and covers every geo-

graphical area of the Nation. I am resubmitting the bill today along with the names of the 70 cosponsors so that their names may be part of the permanent record.

I ask that all my colleagues join me in honoring these men who attempted to end the ordeal of the hostages. If you have not already done so, please take the time to support this legislation. It is a small, but important way for a grateful Nation to remember.●

PRESIDENT REAGAN'S ECONOMIC PROGRAM

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington report for Wednesday, March 4, 1981, into the CONGRESSIONAL RECORD:

PRESIDENT REAGAN'S ECONOMIC PROGRAM

President Reagan has placed before Congress and the nation the outlines of an economic program that is staggering in scope.

The President is set on bringing about a sharp shift in economic thinking and the structure of government. With his proposals for $54 billion in tax cuts and $41 billion in spending reductions, Mr. Reagan is seeking both to reverse the economic trends of recent years and to scale down the size of government relative to the economy. The President is not denying government a large role, but he wants to restrain its growth compared with that which would otherwise occur under current law. Spending in 1986 will be about 40% higher than spending this year under his plan, so he is accepting much of the New Deal and Great Society without question. Savings are to come from cuts in food stamps, jobless benefits, student loans, and welfare.

Another noteworthy feature of Mr. Reagan's program is his flat rejection of the theory that economic growth, full employment, and stable prices can be attained through the manipulation of government budgets. The President believes that budgets must not be used either to regulate the economy or to bring about social change. Instead, he wants to stimulate the production of goods and services by lowering taxes, cutting the budget, keeping the supply of money tight, and deregulating industry. More than any recent Chief Executive, Mr. Reagan will rely on control of money supplies and interest rates to stifle inflation.

The President's program is based on a risky theory concerning the behavior of Americans in the marketplace. Mr. Reagan is convinced that his program will shake up our expectation of high inflation and then begin to exert positive pressures throughout the economy. His hope is that he will quickly overcome high interest rates that have choked off car and housing sales, wage settlements now running at 10% per year, American dependence on foreign oil, external shocks to various sectors of the economy, and a difficult international monetary environment. The main question to ask about the President's program is not whether his goals are desirable, but whether his means are suitable.

Two things about Mr. Reagan's plan impress me. First, I am struck by the President's optimism. An astonishing self-assurance permeates his proposals from top to bottom. Mr. Reagan has a clear sense of purpose and a keen confidence that he can get the job done. Second, the economic assumptions on which all the President's budget figures lie are optimistic. Mr. Reagan assumes that the economy will grow at an average rate of 4.4% per year from 1982 to 1986 as inflation declines sharply. Such growth is without precedent. He also assumes that more than half of the tax cut will be saved in a way that dampens inflation. This scenario, too, has no precedent. Since the economy affects the budget as much as the budget affects the economy, the President's plan could be devastated if the assumptions are wrong. For example, the deficit would balloon by billions if the growth rate were only one percentage point below what Mr. Reagan assumes.

The President's proposals will probably be judged by a hard standard: whether or not they substantially reduce the rate of inflation. Many things could go wrong. The economic assumptions could be in error. The cuts in taxes and spending could cancel each other out. Tax cuts and increased defense spending could accelerate inflation. If any of these things happen, disillusionment will set in.

Mr. Reagan was right to say that those who oppose his program should come up with a better one. Of course, there will be no shortage of suggestions. I myself would like to see a deeper cut in the current budget (the President trims only $7 billion), a much smaller deficit for 1982 (Mr. Reagan almost doubles the $27.5 billion deficit proposed by his predecessor), more tax cuts designed specifically to boost the productivity of business (the tax savings recommended by the President significantly benefit high-income individuals), a reduction in taxes only after spending is reduced (Mr. Reagan is not stressing such linkage), an even-paced increase in military spending to diminish the likelihood of waste (the President is committed to a very rapid increase in military spending), and a moderate rate of economic growth that does not outstrip a slow increase in the money supply (Mr. Reagan wants a very rapid rate of economic growth).

Congress is clearly favorable to many elements of the President's program. So am I. Mr. Reagan has given the people a bold program, and there is a strong disposition in Congress to give it a try. My impression is that the great majority of people support the President's efforts to change the direction of government. The people expect Congress to consider those efforts urgently in an honest, bipartisan manner. I am quite prepared to support the basic ideas of the plan; large cuts in spending and taxation and a lesser role for government. We can no longer do business as usual.●

NORTHERN IRELAND

HON. WILLIAM R. COTTER

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. COTTER. Mr. Speaker, it is indeed appropriate as we move closer to St. Patrick's Day that we recall the debts of this country to the isle of saints and scholars. The contributions of the Irish people to our history and culture have truly been remarkable. It is a source of great pride to me to note that so many Irish men and women have helped to build and develop this great state and country.

On this day, however, a sober note must be interjected into our discussion. I pray that the violence which has torn apart Ireland will soon come to an end. It is my sincerest desire for a peaceful Ireland. A country joined not through violence but through a common effort by both the north and the Republic, by Catholics and Protestants, to establish a system of government in which both communities will live in economic, political, and social harmony.

I am confident that the Irish people will work out their differences. No matter how diverse their political or religious interests or backgrounds, the one thing all Irish men and women share is a love of their fine country. It is upon this love that the foundations of a peaceful Ireland will be formed.

We are all painfully aware of the troubles currently besetting Ireland. The conflict in those six of divided Ulster's nine counties known as Northern Ireland is now in its 11th year. All of the solutions have been tried up to this point have not borne fruit, yet the problem will not go away. It remains not only as a tragedy for modern Ireland, but it prevents the reconciliation of the Irish and British peoples and constitutes a threat to the peace and stability of the North Atlantic community and, therefore, to the security of the United States.

For 11 years, Northern Ireland has suffered under a virtual seige of violence that has shocked the civilized world. The perpetrators of this violence—regardless of their political motivation—deserve universal condemnation, both because of the injury they cause to society and the repression they invite.

I am against violence from wherever it comes. There is no justification for it in terms of religion, politics, or territory. Political rhetoric, religious differences, and manmade boundaries are one thing. But the wanton violence found in Northern Ireland should have no place in a civilized world.

It is bad enough when civilized countries fight each other under formal declaration of war, but it is utterly reprehensible whenever violence flourishes as a way of life.

I support any and all individual or collective efforts to appeal to end the violence in Northern Ireland, to oppose violence from any source, and to hail the efforts of the small band of dedicated men and women who have picked up the banners of peace and marched through the death streets of Northern Ireland.

We should all be aware that the cleansing light of American attention

to the issue of human rights in Northern Ireland can go a long way to removing the initiatives from the forces of violence on both sides, forces which often feed on the sense of frustration of the people of Northern Ireland that for them, there is no hope.

The knowledge that the American people are informed and concerned can be a key factor in helping the people of Northern Ireland triumph over those who presently try to grab world attention through the bullet and the bomb. Let us pray that we achieve success with our efforts.●

COMPANIES DOUBT THEIR ARTS GIVING WOULD RISE TO OFFSET REAGAN CUTS

HON. S. WILLIAM GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. GREEN. Mr. Speaker, I would like to bring to the attention of my colleagues an article which appeared in last Thursday's Wall Street Journal concerning the administration's proposal to cut funding for the National Endowments for the Arts and Humanities by 50 percent. I recognize that there has been politicization of the National Endowments under the Carter administration, and there undoubtedly could be savings by elimination of what have come to be known as basketweaving projects. But I defy anyone to show me where 50 percent reductions can be achieved in that fashion.

While arts programs have received a significant amount of private as well as public dollars in recent years, these contributions do not indicate that Federal support of such programs is unnecessary. The article I am submitting points to the need for continued support of the arts by the Federal Government in order to assure maintenance of arts programs. I believe that the Government has an ongoing responsibility in this area and to encourage participation in the arts by all sectors of our population. The continued growth of interest in and involvement in arts projects by the private sector is an indication to me that the Government should continue to support these programs. It has only been through the partnership of private and public moneys that arts and humanities programs have become so important to so many of our citizens. I urge my colleagues to continue encouraging this combined effort of the private and public sectors in order that we might still provide arts programs to all our committees and citizens. I am submitting for the RECORD the above mentioned article, and urge opposition to the disproportionately unfair cut in arts funding:

COMPANIES DOUBT THEIR ARTS GIVING WOULD RISE TO OFFSET REAGAN'S CUTS

(By Cynthia Saltzman)

Groups in the arts and humanities, alarmed by proposed steep cuts in federal subsidies, may find cold comfort when they look to business patrons to come to the rescue.

"I just don't see it in the cards that we'll be able to pick up that much slack," says Robert Thill, secretary of the contributions committee at American Telephone & Telegraph Co. The gap to be filled, he says, is "too much of an increase for corporations to make, in view of all the other obligations we have to meet."

The Reagan administration is seeking budget cuts of almost 50 percent at the National Endowment for the Arts and the National Endowment for the Humanities. The proposed cuts total about $165 million.

Some major patrons, such as Exxon Corp. and Pillsbury Co., which respectively give about $2 million and $1 million a year to the arts, say they don't have any plans to change their contribution policies. Only a few companies—mostly the biggest ones—really figure in the field. The Business Committee for the Arts says about 1 percent of the nation's corporations account for more than half the total corporate support for the arts.

THE COMPETITION

Big corporate contributors say they expect increased pressure for contributions in other fields, such as education, health and other service sectors. The Reagan economic plan that is stimulating concern calls for the budget authority of the NEA to be cut to $88 million in fiscal 1982, which starts Oct. 1, 45% less than the $159 million allocated for this fiscal year and almost 50% below the $173 million budgeted for fiscal 1982 by the Carter administration. The administration wants to chop the fiscal 1982 budget authority of the NEH by almost half, to $85 million.

The Reagan report asserts that the endowments "for too long" have been "promoting the notion that the federal government should be the financial patron of first resort both for individuals and institutions engaged in artistic and literary pursuits," thus discouraging private contributions.

But corporate officials and arts fund-raisers say the policy of government patronage has been a resounding success. Since the founding of the two endowments in 1965, corporate support of the arts has grown along with federal financing. In 1979, businesses contributed $436 million to the arts, compared to the 1967 figure of $22 million, according to the Business Committee.

STIMULATING GIFTS

The federal grants are engineered to encourage private contributions. All NEA grants must be matched by nonfederal funds. In one program, the "challenge grants" given major cultural institutions, each government dollar has to be matched by at least three nonfederal dollars.

Often a grant generates far more in gifts than required. The Museum of Fine Arts in Boston, for instance, has used a $2 million grant to launch a capital campaign in which it has raised $21.5 million.

The large museums, opera companies and symphonies don't have to convince prospective contributors of their artistic merits. But smaller, less-established groups often need the kind of recognition that comes from an NEA grant. It's like a "Good Housekeeping seal of approval," says Edward M. Strauss Jr., president of the Business Committee for the Arts.

"Any small arts organization is immediately asked by a corporation whether it gets money from the NEA or from the state arts council," says Marian Godfrey, director of development of Mabou Mines, an experimental theater group in New York that received about $71,000 of its $290,000 budget from the NEA last year.

"An endowment grant increases both your artistic and your management credibility," says Miss Godfrey.

Arts programs often have government and corporate sponsorship. The large exhibition "Expressionism—a German Institution 1905–1920," now touring the country, was sponsored by Philip Morris Inc. as well as the NEA and the Federal Republic of Germany.

"There's been a wonderful partnership between corporations and government in the arts," asserts Robert W. Bonine, vice president for community relations at Pillsbury. "But there's a limit to how great our participation should be. Corporations already give more to the arts than shareholders and the public think we should."

The final shape of the budget cuts isn't determined, of course, but arts leaders fear that small, more experimental groups are most likely to be hurt. Performing arts groups are particularly worried.

"I asked for a 30% increase in the $1.4 million subsidy from private individuals and corporations, to continue what we're doing now, and do the same number of productions," says William P. Wingate, managing director of the Mark Taper Forum in Los Angeles. "We aren't going to get it."

"Today we're producing plays with an average of 10 actors, including understudies, compared with more than twice that many in the late '60s and early '70s," Mr. Wingate adds. "That's how we've coped with inflation." Costs, he says, are rising at a 20% annual clip.

Museums also find that they have to ask for increasingly large amounts to cover the rising costs of exhibitions. Richard Dougherty, vice president for public affairs at the Metropolitan Museum of Art in New York, says the "Treasures of Tutankhamun" exhibition, which in the late 1970s cost the participating museums $1.5 million for shipping, travel and curatorial expenses, might cost double or triple that now.

In view of inflation and the threat of declining subsidies, cultural organizations will have to seek ways to increase earned income, arts managers say. Mr. Bonine says Pillsbury will try to help arts groups do that. "The next decade is going to be tough for all of us," he says.

Dayton-Hudson Corp., Minneapolis, gives 5% of its federal taxable income to nonprofit organizations (the maximum deductible charitable contribution allowed by the Internal Revenue Service). Wayne E. Thompson, senior vice president for environmental development, believes the President should announce a "public policy" encouraging the private sector to do more.

Corporations are bracing for a wave of new money requests from arts groups. "Requests from the cultural sector have increased more than any other sector in the past two years," says AT&T's Mr. Thill. Odile Basch, manager of cultural affairs at Philip Morris, estimates that the company gets 30 to 50 such letters a week from dance, theatre and opera companies, museums and other arts organizations.

Leonard Fleischer, senior adviser for the Exxon arts program, says, "Inflation is really a killer for the arts groups." If the Reagan program succeeds in bringing it under control, he observes, "That will help all the arts groups a lot."●

ELLA TAMBUSSI GRASSO

HON. BILL CHAPPELL, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. CHAPPELL. Mr. Speaker, it is with a deep sense of loss that I rise in tribute to the late Governor Ella Tambussi Grasso, who after a heroic struggle, lost her battle against cancer.

During her many years of public service, this woman truly was guided by a single principle—to work for the people with all of her heart, mind, and spirit. Indeed, she was revered by her constituents.

As I recall a story that was published in many newspapers, Mrs. Grasso was in a State helicopter over the State of Connecticut during a blizzard in 1978. Upon seeing an urgent message written in the snow by a constituent, she immediately responded to the problem.

As one of the most popular figures in Connecticut political history, Mrs. Grasso never lost an election in a political career that began in 1952. She began her illustrious career as a State legislator before being elected secretary of the State, where she remained for 12 years. By 1970 she was in Washington.

As a former colleague, I can attest to the fact that Ella Grasso was a truly dedicated and esteemed legislator. Her service on the Veterans' Affairs Committee and on the Education and Labor Committees was exemplary.

My heartfelt sympathies go out to Mrs. Grasso's family. I also wish to thank my colleague TOBY MOFFETT for calling this special order to "stop for a moment and reflect on the life of this extraordinary public servant and remarkable woman."●

TAXATION OF AMERICANS WORKING OVERSEAS

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. PICKLE. Mr. Speaker, we must recognize and take legislative action with regard to our tax treatment of Americans working overseas. Our Nation has accumulated deficits in its trade accounts of some $150 billion over the past 4 years. If we expect our exports to remain competitive in the world market we must have our citizens working overseas to monitor and protect our interests. Yet our tax policy has forced many of these people to abandon the foreign markets and return home. They simply can no longer afford to live abroad.

A recent GAO study supports what I have been saying since 1975, that we must consider placing Americans working abroad on an income tax basis comparable to that of citizens of competitor countries. I would like to call my colleagues' attention to this study and ask that the digest of the report be placed in the RECORD.

COMPTROLLER GENERAL'S REPORT TO THE CONGRESS—AMERICAN EMPLOYMENT ABROAD DISCOURAGED BY U.S. INCOME TAX LAWS

DIGEST

The competitiveness of U.S. exports in the world market has become a major national concern because of the deficit in the U.S. balance of trade that developed in the 1970s and its implications for real income and employment in the United States. This problem has been the focus of major initiatives to improve government export promotion programs and to identify and correct Government disincentives to exports.

To adequately promote and service U.S. products and operations in foreign countries, U.S. companies employ a large force of U.S. citizens abroad. There is widespread concern that tax provisions contained in the Foreign Earned Income Act (FEIA) (Public Law 95-615, Title II, Nov. 8, 1978) are proving a disincentive to employment of U.S. citizens abroad, and, therefore, adversely affecting exports.

A GAO survey of a group of major U.S. companies having substantial operations abroad revealed that U.S. taxes were an important factor in reducing the number of Americans employed overseas, because the:

Tax laws do not fully relieve the companies' employees from taxes on income reflecting the excessive costs of living and working abroad.

Companies generally reimburse overseas employees for their additional tax burden, making Americans more costly than citizens of competing countries, who generally are not taxed by their home countries.

Complexity of the new tax laws makes compliance difficult and expensive.

IMPACT ON EMPLOYMENT OF AMERICANS OVERSEAS

The United States is alone among the major industrial countries in taxing foreign-source income on a citizenship basis. It taxes not only base salary but also overseas allowances to the extent they are not offset by deductions provided for in the Foreign Earned Income Act.

Most major U.S. firms that GAO surveyed operate programs to reimburse expatriate employees for the additional tax burdens resulting from their overseas assignments. These programs are usually available to both Americans and third-country nationals.[1] They are generally designed to ensure that the tax liabilities borne by employees do not exceed the home-country taxes on their base salaries.

GAO found that these programs are significantly more expensive for Americans than for third-country nationals, who generally are not taxed by their home countries. For example, a third-country national in Saudi Arabia, where there is no income tax, did not require a tax reimbursement. Americans, on the other hand, paid U.S. taxes substantially in excess of those that would normally apply to their base salaries. The companies provided Americans in Saudi Arabia with tax reimbursements averaging $18,889 for married employees in the $45,000 to $55,000 salary range and $10,558 for unmarried employees in the $25,000 to $45,000 salary range.

The difference between the tax reimbursement payments provided to Americans by the companies and those made to third-country nationals contributed significantly to the relative costliness of Americans. Although it varied from country to country,[2] the difference was in all cases substantial, ranging from 24.5 percent of the differential in total compensation to over 100 percent. In the latter cases, the tax reimbursement made U.S. workers more costly even though their other compensation was lower than that of third-country nationals.

This cost differential was reported by the U.S. firms as a major cause of the decrease in their employment of Americans overseas. Further, the relative number of Americans in overseas positions decreased in comparison with third-country nationals from 1976 to 1980.

APPARENT INADEQUACY AND COMPLEXITIES OF THE FOREIGN EARNED INCOME ACT

Congressional intent in passing the FEIA was twofold—to create greater equity between people working abroad and at home and to provide benefits for the U.S. economy by encouraging Americans to work in hardship areas. The first objective was to be achieved through a series of deductions for the excess costs of living overseas and the second through either an additional $5,000 hardship deduction or through a $20,000 exclusion (with no deductions) for individuals in designated hardship area camps. In practice, however, the law

—falls far short of its goal of providing equity, and

—runs counter to the general goal of simplifying U.S. tax returns.

The FEIA provides a series of deductions for certain excess foreign living costs. In total, the deductions for cost of living, housing, schooling expenses, and home leave transportation do not appear to reduce income earned abroad by the actual costs of these items. Although the schooling and home leave transportation deductions were generally adequate according to data provided by U.S. company officials, the housing and cost of living deductions were often seriously inadequate in reducing income by actual allowances. In addition, the FEIA neglects to consider other costs, the most significant of which is the tax on the tax reimbursement designed to compensate employees for the excess taxes, both U.S. and foreign, that are incurred as a result of working overseas. Tax reimbursements were provided by 95 percent of the firms responding to our questionnaire. The tax reimbursement, while varying according to salary level, host country, and compensation package, often represented more than 30 percent of the individual's base salary.

The apparent inadequacy of the FEIA deductions overall is demonstrated by the large amounts by which an individual's total

[1] The third-country nationals included in GAO's survey were citizens of Canada, France, Japan, the United Kingdom, and West Germany.

[2] The host countries included in GAO's survey are Brazil, Hong Kong, Japan, Saudi Arabia, the United Kingdom, and Venezuela.

allowances exceed his FEIA deductions. In six countries, the allowances exceeded the deductions by $29,000 to $53,000 for married individuals and $19,000 to $28,000 for unmarried individuals. These figures represent the extent to which the FEIA does not reduce taxable income related to the excessive costs of living overseas. In practice, major companies protect their employees from such taxation. (See pp. 13 and 19.)

GAO found a general consensus that the FEIA is unreasonably complex. Many individuals overseas are unable to prepare their own tax returns and many of the U.S. firms surveyed incur substantial costs for preparation of employee returns. The risk of incorrect preparation of returns is great, and individuals are often forced to seek outside assistance. The average estimated cost of preparing an employee's tax return, according to the companies surveyed, was almost $700 if prepared by the company and more than $1,100 if prepared by an accounting firm. (See p. 14.)

MATTERS FOR CONSIDERATION BY THE CONGRESS

Taxation of Americans working abroad is part of the continuing conflict among the tax policy objectives of raising revenue, achieving tax equity, simplifying tax returns, and other special aims of public policy, such as promoting U.S. exports and competitiveness abroad. In considering the question of whether, and to what extent, Americans working abroad should be taxed, the Congress must decide what priority should be assigned to each of the conflicting policy objectives.

GAO believes that the Congress should consider placing Americans working abroad on an income tax basis comparable with that of citizens of competitor countries who generally are not taxed on their foreign earned income, because:

Present U.S. tax provisions are widely regarded as discouraging employment of U.S. citizens abroad.

Present tax provisions have reportedly made Americans relatively more expensive than competing third-country nationals, thereby reducing their share of employment abroad by major U.S. companies.

Americans retained abroad by major companies are generally reimbursed for their higher taxes, adding to the companies' operating costs and making them less competitive.

A number of optional means of taxing Americans abroad have been proposed to the Congress. Two of these—complete exclusion or limited but generous exclusion of foreign earned income for qualifying taxpayers—would establish a basis of taxation comparable with that of competitor countries and, at the same time, would be relatively simple to administer. (See pp. 28 and 29.)●

BOOST ALCOHOL FUELS INDUSTRY

HON. RON MARLENEE

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. MARLENEE. Mr. Speaker, my colleague from Iowa (Mr. BEDELL) and I have recently introduced legislation (H.R. 2246) that will give a boost to the alcohol fuels industry and at the same time provide a valuable protein-rich product to needy countries. When grain is used in the production of alcohol, only the starch is used. As Mr. BEDELL pointed out in his remarks yesterday (CONGRESSIONAL RECORD page 3497) all the protein, vitamins, and minerals in the grain used in the fermenting process are retained. Thus, the alcohol formation process has a byproduct of a protein-rich mash. At present, this mash is used chiefly as an animal feed. Those of you who had the opportunity to try the food samples provided by the WIFE (Women Involved in Farm Economics) organization during their demonstration before Congress last month know the value of this byproduct in human consumption. The legislation we propose directs the Secretary of Agriculture to investigate the potential for incorporating this byproduct in the export credit sales program and in the Public Law 480 program. We are not directing the Secretary to include this byproduct in our international food assistance programs, but only to investigate the potential of such use. What we have is a potential to help a fledgling domestic industry, increase our international trade, and further help in feeding the hungry of the world. I hope you will take the time to review the legislation and give it your full support.●

CONTINUING DEBATE ON EL SALVADOR

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. EDGAR. Mr. Speaker, each day we are greeted with new pronouncements on U.S. policy toward El Salvador which tend to escalate our involvement there. Distressing reports are also reaching us of events in that country, such as remarks by avowed rightist and coup plotter Roberto D'Aubuisson. He inexplicably remains free, despite his history and repeated statements against the Government, while Colonel Majano, a moderate reformer ousted from the Government last year, is now under arrest for his views. In view of these concerns, I wish to commend to my colleagues an editorial from the March 4 Philadelphia Inquirer entitled "United States is Rushing Toward Central American Tragedy."

The editorial follows:

UNITED STATES IS RUSHING TOWARD CENTRAL AMERICAN TRAGEDY

President Reagan, with encouragement from Secretary of State Alexander M. Haig Jr., is embarked on a course of very significantly increasing the United States' direct involvement in the bloody and brutal troubles of El Salvador and adjoining nations in Central America.

There is a great deal of evidence, unrebutted by anything the Reagan administration has publicly argued, that that course promises to lead the United States into painful, expensive, misdirected and domestically and internationally divisive folly. The best time to reconsider and to reverse that course is now.

What is that course? Materially, it is:

Monday, the administration announced that 20 new U.S. military advisors are being dispatched to El Salvador, to join 25 others there or en route, plus nine more assigned to the American Embassy in San Salvador.

Mr. Haig said the administration also intends to increase economic aid to El Salvador from the present level of $63 million a year, and reports from Central America suggested a range of $225 million.

That would be in addition to direct military materiel aid, of which $10.4 million worth of helicopters, ammunition and other supplies previously has been provided, with $25 million more being added at present by the Reagan administration.

It can be argued, and is being argued, that that doesn't amount to very much; that 54 American military advisors, forbidden to take direct part in combat, represent little risk of involvement in actual war; that the aid can be paid for mainly from existing stockpiles and appropriations; that it is a prudent level of contribution to stability in Central America, critical to the security of the United States.

The trouble with those arguments is that they rest on the assumption that the government of El Salvador, headed by President Jose Napoleon Duarte, is capable, with aid, of establishing domestic order, both economic and civil, and maintaining it in such a way as to nurture stability in the entire Western Caribbean region and thus the Western Hemisphere.

A preponderance of evidence insists that that assumption is totally false.

The Reagan administration and its supporters in this matter are on sound ground in insisting that there is not a clear, direct parallel between the circumstances of Central America and those which led the United States into Vietnam and to the bloodiest, most emotionally and politically scarring folly of U.S. history.

That inviting parallel fails on three important elements:

Scale: El Salvador is the size of Massachusetts, a bit more than one-twentieth of that of Vietnam, and has a population of 4.6 million, about one-twelfth of Vietnam's.

Location and access to American military might: The United States easily could wage war there.

International significance and involvement: Although clearly the Soviet Union and its client state Cuba will exploit any opportunity for instability in noncommunist nations, and to some extent are doing so in Central America, the great distances make it a practical impossibility for Communist nations to pour in the sort of massive aid which made North Vietnam and the Vietcong the military forces they were.

There is, however, a lesson from Vietnam which should be drawn by the Reagan administration, and by all other Americans, in the Congress and across the land.

That is that despite exploitation of the turmoil by Cubans and others, the principal motivation of the guerrillas who are resisting the Duarte government is not to press forward an international or regional communist conspiracy. The overwhelming indications by the most attentive and dispassionate observers are, rather, that the main purpose and mission of those resistance

fighters is to shake off the staggering yoke of two generations and more—most of the history of the nation, in truth—of repressive, brutal exploitation by a tiny oligarchy.

The Duarte government has demonstrated it is virtually impotent in its efforts to control the established military, which still serves the interests of the oligarchy. Every indication is that if, with U.S. aid, that military can annihilate the resistance, Mr. Duarte's days would be swiftly over, and the forces of extreme repression would rise again to control.

To commit the United States to that course, to devote American treasure and, most likely, blood to that endeavor, to put the full faith and credit of the United States on the line to reestablish and perpetuate a totalitarian rule of the extreme right would be a tragic disservice to every value America should stand for.

It also would threaten, in real and importantly practical terms, to alienate the U.S. government from those of its most enduring and vital allies, and to alienate the Reagan administration, perhaps gradually but no less cripplingly, from a vast segment of the American people.●

FREEDOM FOR ESTONIA: CAUSE OF CAPTIVE NATIONS CONTINUES

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. BIAGGI. Mr. Speaker, February 24 marked the 63d anniversary of the proclamation of the independence of the Republic of Estonia, illegally annexed by the Soviet Union in 1940. The short-lived freedom of this small Baltic nation is a cause of concern to those of us who remain deeply committed to freedom for all captive nations who continue to be suppressed, against all respect for the principles of international law and order.

On the anniversary of its independence, Estonia, along with its sister nations, Latvia and Lithuania, finds itself void of human and civil rights, provided for in the 1975 Helsinki accord. This proclamation, cosigned by both the United States and the Soviet Union, provided a vehicle for the guarantee of human rights to the Estonians of Eastern Europe. The Soviets have acted in complete disregard for the provisions of Helsinki through their continued unwarranted and immoral occupation of Estonia.

The shores of the Baltic Sea have been home to Estonians since 2000 B.C., who remained free until the 13th century, where their strategic location invited a succession of foreign invasions, 90 percent by Russia. Such dominations did not dampen the Estonian national spirit, and World War I found them fighting a successful war of independence against the Russians. Sadly, this independence was brutally eliminated when Russian forces invaded Estonia in June 1940.

This annexation not only terminated the freedom of Estonia, but also resulted in the massive slaughter and deportation of its citizens. The height of Soviet aggression occurred in mid-1941 when 60,000 Estonians—more than 5 percent of the entire population—were either killed or sent to Soviet concentration camps, and again, in 1949 when 80,000 rural Estonians were driven from their land and deported to Siberia during the Soviet mass confiscation of small, privately owned farms. Our outrage at this heinous act of barbarism is compounded when a stunning total of 350,000 people were lost between 1939 and 1949—one-third of the population of this tiny, freedom-loving nation.

The systematic Russification of Eastern Europe countinues unabated today. Afghanistan is the most recent victim of the ever-hungry jaws of Russian communism. I call upon the new administration to take strong and substantive action to curtail the spread of Soviet domination in all areas of the world and work to reinstate the human and civil rights of the Estonia people—rights which have eluded them for 63 years.

We shall not abandon the cause of captive nations. I will continue to work to eliminate violations of human rights in all areas of the world and insure that the freedom which all people of captive nations seek is not merely an illusive dream. We can never love freedom as much as those who are desirous of it because they do not have it themselves. I pledge my continued support for the full restoration of rights to the people of Estonia and their brothers and sisters in Baltic Nations and join with them in their struggle to reachieve their independence.●

THE POST PUBLISHING CO.'S TRIBUTES TO ELLA T. GRASSO

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. McKINNEY. Mr. Speaker, as you know, Connecticut's beloved Governor and our former colleague, Ella T. Grasso, recently lost her long and courageous battle to cancer. This loss was felt deeply throughout Connecticut for she was not just an elected official but, more so, a symbol of all of that which is good about our State. Reflective of this attitude is the tribute paid her by the Post Publishing Co.'s two newspapers in Bridgeport, Conn., the Morning Telegram and the Evening Post. Under the direction of Joseph A. Owens, who is editorial editor for both papers, the Telegram and Post devoted entire pages to the life and career of the late Governor Grasso. So that I may share these commentaries with her many friends here in Congress, I include the articles in the RECORD at this point. The Post article is simply entitled "Ella T. Grasso" and the Telegram piece is headlined, "Gov. Ella T. Grasso—An Inspiration." Lastly, and appropriately, Mr. Speaker, I would also ask permission to include a signed column by Mr. Owens which describes "Ella's Last Public Appearance." Mr. Owens is a veteran observer of Connecticut's political scene and he was one of those who was fortunate to have enjoyed a special friendship with the late Governor Grasso.

The articles follow:

ELLA T. GRASSO

Governor Ella Tambussi Grasso was an extraordinary person.

A debilitating, wasting illness claimed her life yesterday, but only after she had courageously fought the ravages of cancer for 10 long, painful months.

During Governor Grasso's heroic battle, the people of Connecticut were united in the hope that a miracle would occur; that their prayers would be answered. It was almost mystical, this intense concern for the woman who had governed this state for six years. To men and women of all ages, and social stations, it was unbelievable that their vibrant leader would be touched by death.

Ella T. Grasso was an officeholder with style and grace. She had an indomitable will to succeed, once she was convinced the cause was fair and just.

All her life she confronted the odds and won. By never losing sight of the fact that she was the daughter of poor immigrants, she worked hard at every project she undertook. That accounted for a good measure of her success. But there was more. She had the rare ability to quickly perceive facts and draw logical conclusions. Often there was need for bravery, whether the contest involved Democratic politics, a governmental issue, the rights of others or the good of Connecticut and the nation.

Mrs. Grasso did not think it unusual in 1974 when she bcame the first woman to seek the governorship. "I believe that working for the people is the noblest profession, and I seek this office to serve the people."

The empathy between this native of Windsor Locks and the people was abundantly evident as she traveled about the state during the autumn days and nights of her first gubernatorial campaign. There was a sense of anticipation. Voters were anxious for Election Day to come so they could pull the lever for the candidate they knew as "Ella."

Upon entering office, she inherited financial problems of a tremendous magnitude. Her inaugural address was a message of hope, of confidence and of challenge.

"The business of Connecticut can be conducted openly, compassionately and efficiently—with prudence and economy. It can; it must; and so it will," she declared in the magnificent Great Hall of the House in the Capitol. Twenty-one years earlier, in the same high-ceilinged, historic chamber she had taken the oath as a state representative.

There is no career in American history that parallels the course Mrs. Grasso traveled. While giving unstintingly of herself to

public service, Mrs. Grasso remained the heart of the Grasso home. She took special interest in the work of her husband, Thomas, an educator, and raising their two children, Susane and James.

She lived by a code which embraced the highest moral laws and would withstand the test of any ethics or philosophies ever promulgated. That code orbited around her love of people. There was a personal attachment that was genuine and treasured by Ella.

To build a better state, she was convinced it was necessary for her to set the example. Until the state's finances were straightened out, she returned part of her salary, and insisted on frugality in her office and the Executive Residence. During the gasoline shortage in 1979, she commuted by bus between the Grasso summer home in Old Lyme and Hartford.

That was the indefatigable Ella, in her role of teacher, refusing to ask of others what she would not do herself. On the bus trips, as she did wherever she went, this warm-hearted woman introduced herself as Ella. That is how she wanted to be known. Titles meant little to her.

No one loved a challenge more than Ella. The blizzards early in the winter of 1978 pumped up her adrenalin and, much in the manner of a MacArthur or Patton in war, she was the general who, from a command post in the Hartford Armory, directed emergency measures.

Then in her typical fashion, the governor went aloft in a helicopter and viewed operations from the sky. In a rural area, people had etched a message in the snow: Ella Help! They knew their plea would be heeded.

When other natural disasters struck, this woman of strong spirit and boundless energy was on the scene, exhorting rescue squads to give their all. With that kind of inspirational leadership, how could they do less?

Governor Grasso, a Phi Beta Kappa graduate of Mt. Holyoke College, mastered the intricacies of politics, with the late Democratic Chairman John M. Bailey her tutor.

Connecticut is saddened by the death of Ella, a dynamic leader who showed us that old values will never wear out. Her explanation of why she entered public life is worthy of reflection: "Working for the people is the noblest profession of all."

Ella T. Grasso did Connecticut great honor.

GOVERNOR ELLA T. GRASSO—AN INSPIRATION

For as long as there is a state called Connecticut, the remarkable career of Ella Tambussi Grasso will be a source of inspiration.

Sentimentalists are rightly claiming that she was the American dream come true. We are among them.

The distinctive success of Governor Grasso was the result of hard work. Her quest for excellence as a student brought her scholarships to private schools where classmates were accustomed to a lifestyle enjoyed by the wealthy. Her immigrant parents, who settled in Windsor Locks—a mill town between Hartford and Springfield—had ample cause to be filled with pride when their daughter graduated Phi Beta Kappa from Mt. Holyoke College. That was only the beginning of the achievements this ambitious woman would attain.

More with a sense of history than anything else, Governor Grasso often described herself as a "child of the Great Depression." She would recall, with a smile, that during the early years of their marriage, she and husband Tom operated a movie theater in the shoreline community of Old Lyme during the summer. There was need to supplement his income as an educator. "Every morning we hoped it would rain," she said more than once as she spoke of a bygone era that had left an indelible imprint on her mind.

In this current age of pretense, Ella T. Grasso was genuine. She was plain; she was real. Humor and sparkling conversation were prized by her. She walked with, and talked to, the mighty, but never lost the common touch because of the deep and abiding concern she harbored for the well-being of others. She was a woman of true compassion.

The cosmetics of politics and Ella T. Grasso were not compatible. During a compaign she sought the opportunity to meet and to talk to people. The result, she confidently believed, would take care of itself. Nine victories without a loss stand as a tribute to the philosophy which governed her policy.

It is history that she was the last protege of the late Democratic State Chairman John M. Bailey. A quarter of a century ago he envisioned greatness for a young woman in the General Assembly, gifted with the ability to understand complex issues and offer sensible solutions.

The arrival of Ella T. Grasso at the top—her victorious gubernatorial effort in 1974—was welcome and invigorating. She had succeeded in a man's world. Her election to the governorship was national news, but the winner stoutly refused to see herself as a celebrity. Always, she wanted the people to think of her simply as, and call her, "Ella."

Politics is a rough profession. No one ever liked the give-and-take as much as Governor Grasso did. She crafted an administration that well served the best interests of the majority of the people. The example was set by the leader who carried out her duties conscientiously and most often cheerfully.

Humor was one of her hallmarks and she used it effectively on lawmakers and bureaucrats alike to get a job done. In the company of friends at lunch or dinner, Governor Grasso took special delight in recounting happenings, serious and otherwise, in a way which provoked laughter. The wrinkles in her cheeks were etched by thousands of smiles that reflected her inner joy.

The death of Governor Ella T. Grasso is an occasion for detailed reports about her ascendancy in public life, along with statements by countless high-ranking public figures and business leaders who honestly admired her skills, her character and her integrity. After all has been written and said, one fact will remain: Her stay in Connecticut was all too brief, though she lived here her entire life of 61 years.

Comfort can be taken in her legacy. Governor Ella T. Grasso willed to current and future generations a special gift. She provided a model of how public service can be an unselfish act of love for fellow human beings.

ELLA'S LAST PUBLIC APPEARANCE

(By Joseph A. Owens)

Most fittingly, Gov. Ella T. Grasso's last public appearance was at the annual meeting of an organization she helped launch, whose members will always hold special affection for her.

It was a night of fun for the Hundred Club at La Renaissance in East Windsor. Larry Elgart's big band rocked the rafters with its rendition of "Hello Dolly" with the lyrics changed to "Hello Ella" as Connecticut's beloved governor marched into the hall, accompanied by Bridgeport businessman Bill Flynn, the retiring president, and Bob Lappin, the new head.

There was a constant stream of visitors to the head table, as men and women sought to personally greet the governor and a gentleman who directed the state from 1961 to 1971, former Gov. John N. Dempsey.

The crowd was happy because Ella and Dempsey spread joy wherever they went. And, in a departure from previous practice, another state officeholder, Secretary of the State Barbara B. Kennelly, served as "mistress of ceremonies."

Though she was accustomed to speaking to large groups, running the show was a new experience for Barbara. Her husband, Jim, her mother, Mrs. John Bailey and her brother, John, smiled every time the MC looked to Flynn or Lappin for a cue.

Lappin announced the establishment of a $5,000 scholarship in Ella's name for the son or daughter of a firefighter or police officer killed while on duty. To make the night complete, Ella was given a gold mantel clock and a scroll commemorating the occasion.

Dempsey was at his best. He turned the pages back to 1967 and a meeting in his office which led to the founding of the club which aids families of police officers and firefighters killed on duty. Among those present was Secretary of the State Ella Grasso. After listening to the proposal, Ella said to the governor, "If this club will help human beings, and I think it will; and if this club will help those in need, and I think it will; let's get it going."

With a big smile, Dempsey added, "Ella gave me some additional advice. 'Make sure you put up the first one hundred bucks!'"

Though she was tired and weakened by her illness, Ella was magnificent.

First she needled "Barbie" and expressed hope Kennelly would be "a toastmaster person for a long time."

The compassion Ella felt for people who had experienced misfortune was obvious. She spoke eloquently about those who give "a gift of self and a gift of love."

And paying tribute to her longtime friend, she revealed, "You know, I didn't spend all those years with John Dempsey for nothing. I learned a great deal from him, especially from his inimitable store of quotations. I'm sure he won't mind if I take a little liberty with one:

The world has need of the best in you,
The world has need of the work you do.
The world has need of a helping hand,
The world has need of a friend who understands.
It welcomes the honest, the loyal, the true,
The world needs this Hundred Club and it looks to you.

There was a standing ovation for Ella. Everyone in the hall, some 650 people, knew that she was making a gallant attempt to conquer a disease that topples giants.

The date of the dinner was Nov. 6, 1980. Within a month, Ella T. Grasso resigned her governorship because she lacked the strength to serve.

Ella's last public speech was as good as any she ever made.●

PAINLESS BUDGET CUT: ELIMINATE WASTE

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. YOUNG of Florida. Mr. Speaker, I wholeheartedly endorse President Reagan's call for a reduced Federal budget. The runaway Government spending of past years has nearly destroyed our economy while at the same time increasing the taxpayers' burden to a record high.

As a first step, there is a quick, painless way to reduce the Federal budget immediately, without requiring cuts in existing programs or reductions in services to the needy. All we need to do is eliminate the waste in the Federal budget caused by fraud, mismanagement, and abuse.

Of course, like the weather, everyone talks about this goal yet seems to do little about it. Yet our own General Accounting Office evaluates Federal programs regularly, and then publishes reports with its findings. Each agency also has in-house inspections and audits which can reveal wasteful spending. This rich lode of information can be readily mined by Congress, by the White House, and by the agencies themselves, and in the process stretch each dollar we spend while reducing the taxpayers' burden.

As I review these reports, I find shocking misuse of Federal money: $34.4 billion in waste identified by GAO alone, simply adding up the amount of misspent money found by the Federal Government itself. For instance, the mammoth Department of Health and Human Services estimates that it loses some $6 billion a year through the abuse of its programs, from fraudulent claims, and from mismanagement that allows precious dollars to slip through the cracks. In fact, the Justice Department has estimated that anywhere between 1 and 10 percent of the Federal Government's $250 billion economic assistance budget, or $2.5 to $25 billion, is vulnerable to fraud.

Another real saving could be achieved if the Federal Government simply adopted commercial business practices in its debt collection system. Every year, nearly $3.5 billion are written off by Federal agencies as uncollectible debts. Under the present system, most agencies just write off debts when they can not collect them. The GAO found this practice to be wasteful, and has suggested the adoption of the system used by every penny-conscious businessman who does not have a limitless supply of public funds to keep him afloat: Collect those debts.

How about eliminating unnecessary programs? One good candidate would be the Department of Housing and Urban Development's college housing loan program, which spends some $2.6 billion a year. Under it, colleges can apply for housing funds if they have many students in need of dorms. The GAO found, however, that the funding criteria had little if any relevance to student housing needs, so that some institutions with little use for the housing money were getting millions of dollars a year. That, coupled with the fact that the college-age population is decreasing and enrollment is therefore declining, spells waste. This is a questionable program which additionally misspends funds.

While we are at it, why not take a close look at our massive foreign aid spending? On February 3, 1981, I detailed before the House of Representatives ways in which we could save billions of dollars in long-term obligations by scaling down our foreign aid program.

These are just some of the many instances where the taxpayers pay for ineptness, mismanagement, and waste. A $100 million, or even $1 billion may seem like small potatoes in a budget which will reach over $700 billion in fiscal 1982, but it all adds up in the end. That is how we are able to find $34.4 billion of waste in just a cursory reading of only some of the Federal Government's own financial documents. If GAO has identified this much, just imagine what a concerted effort by Congress to root out waste and inefficiency at every level of government could do for the taxpayers' pocketbooks and for our efforts to balance the Federal budget as well.●

LITHUANIAN AMERICANS COMMEMORATE THEIR HOMELAND INDEPENDENCE

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. DERWINSKI. Mr. Speaker, Lithuanian Americans are a well-organized and hard-working ethnic group who are deeply interested in maintaining their cultural background. When freedom is restored to their homeland, they will be in a position to make a positive contribution to the progress of Lithuania.

Lithuanian Americans from all over the United States joined in commemorating the 63d anniversary of the declaration of independence in their homeland. The Cicero, Ill., chapter of the Lithuanian American Council issued a resolution in support of those who continue to live under the bondage of Soviet rule. I insert that resolution for the attention of the Members:

RESOLUTION OF THE LITHUANIAN AMERICAN COUNCIL, CICERO CHAPTER

We, the Lithuanian Americans of Cicero, Ill., assembled this 8th day of February, 1981, at St. Anthony Parish Hall to commemorate the restoration of Lithuania's independence, do hereby state as follows:

That February 16, 1981, marks the 63rd anniversary of the restoration of independence to the more than 700-year old Lithuanian State;

That Lithuania was recognized as a free and independent nation by the entire free world, she was a member of the League of Nations; however, she was by force and fraud occupied as a result of an infamous Molotov-Ribbentrop Pact of 1939 and illegally annexed by the Soviet Union disregarding the Peace Treaty of 1920 and the Non-Aggression Pact of 1926;

That the Soviet Union is an imperialistic, aggressive colonial empire, subjugating each year new countries; Lithuania was one of its first victims. Unlike its western allies, the Soviet Union has failed to withdraw from countries that it had occupied during World War II;

That the Soviet invaders, even though using tortures in jails, concentration camps, psychiatric wards are unable to suppress the aspirations of the Lithuanian people for self-government and the exercise of their rights to self-determination: Now therefore, be it

Resolved, That we congratulate Mr. President Ronald Reagan and his administration, who took the helm of U.S. government by their strong and much-promising hands;

To urge the United States of America to use diplomatic pressures, international forums and direct negotiations that the Soviet Union withdraw its military forces, secret police apparatus, its administration and release from jails, concentration camps and psychiatric wards people who struggle for human rights and independence;

We are grateful to President Reagan for a statement before his election that an official diplomatic non-recognition of the forced incorporation into the U.S.S.R. of the three Baltic nations will continue to be a policy also of his Administration;

That we express our most sincere gratitude to the United States Administration and the Congress for non-recognition of the incorporation of Lithuania into the Soviet Union;

That copies of this Resolution be forwarded to the President of the United States, to the Secretary of State, to the U.S. Congressmen and Senators from our state, to Congressman Dante B. Fascell, Chairman, Commission on Security and Cooperation in Europe, Senate Foreign Relations Committee, House Foreign Affairs Committee, and to the news media.

Dr. PETER ATKOCIUNAS,
President.
STANLEY DUBAUSKAS,
Secretary of the Meeting.●

WORK INCENTIVE FOR AFDC WOMEN

HON. THOMAS E. PETRI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. PETRI. Mr. Speaker, I recently introduced a bill, H.R. 1432, which will

help to bring our welfare system up to date and could save around $1 billion in Federal support for welfare programs each year. Specifically, this legislation would expand the aid to families with dependent children work requirement by requiring mothers with no child younger than 3 to register for the work incentive program (WIN).

I believe that this reform is several years overdue. Under the Social Security Act, an AFDC mother who has children under the age of 6 is exempt from any work requirement. Bureau of Labor Statistics' figures indicate that 55.6 percent of all women with youngest children between the ages of 3 and 6 are in the labor force. There are approximately 700,000 AFDC mothers with youngest children between 3 and 6. Given these figures, it would seem that many women on AFDC would also like to work, and my bill would encourage them to do so by requiring them to register for the WIN program. The bill does not cut anyone off from AFDC benefits, since if a suitable job is not available, the family would continue to receive benefits.

We all know that women are increasingly active in the labor force, and they gain professional satisfaction as well as monetary rewards for their service. The rapid growth of day-care centers and preschool programs has greatly improved educational and social activities available to the young. By encouraging women to work, we are not discouraging early childhood development. Operation Head Start and other good and innovative day-care programs have taught their participating children the skills needed to compete successfully in school. These children are less likely to need special or remedial work later on.

We have all heard from our constituents about their disappointment with the inequities of our welfare system. This bill would effect a just change. It emphasizes the productive energies that all Americans have, and increases the chances for a better life for those who will be helped to find and maintain jobs.

I urge my colleagues to join me in the sponsorship of this bill.●

BALANCE OF GOVERNMENT

HON. RICHARD BOLLING

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. BOLLING. Mr. Speaker, the following article by Hon. James R. Schlesinger is realistic and well worth reading. It appeared in the Washington Post of March 4. As the Post says, Mr. Schlesinger, "who has held various Cabinet positions, served for a time as acting director of the Bureau of the Budget in the Nixon administration."

BALANCE-OF-GOVERNMENT

(By James R. Schlesinger)

By fiscal 1984, according to the new economic plan, 1) the major entitlements programs, defined as the "social safety net" and placed off-limits, will rise to at least 41 percent of federal spending; 2) defense expenditures will rise from 24 percent to 32 percent of federal outlays, or some 6.4 percent of GNP; 3) the share of national output taken by the federal government will, in three years, be squeezed from 23 percent to 19 percent of GNP.

To accept these targets as likely outcomes requires what Alfred North Whitehead called "a temporary suspension of disbelief." It presupposes steady real economic growth of close to 5 percent annually accompanied by a decline in unemployment despite tight money. Federal interest costs are projected to decline from 10 percent to 9 percent in a shrinking budget—reflecting Herculean assumptions of a rapid fall in the deficit (because of rapid real growth based on the supply-side effects of tax reductions) and of a fall of the interest rate to 7 percent (in the face of tight money). Expenditures for the social safety net, defense and interest payments will rise from 71 percent to a mere 82 percent of the budget—a figure so constrained only if one accepts the assumptions regarding interest payments.

What is referred to as balance-of-government must therefore shrink from 29 percent to, at most, 18 percent of federal spending. That implies, given a budget declining in real terms, that the balance-of-government will, in relation to national output, fall by 50 percent, from 6.7 percent to 3.4 percent of GNP. With plausible economic growth rates, the programs would be cut in real terms by 40 percent or more. Achieving the Plan's goals depends critically on this massive reduction. In brief, it is not going to happen.

Balance-of-government seems a somewhat cavalier way to describe the activities of the legislature and the judiciary as well as 10 departments and all of the countless agencies, putting aside the Veterans Administration and the CIA. It includes vastly popular programs—Smokey Bears, the national parks, the Smithsonian. It includes programs related to the national security whose aggregate cost will rise substantially—the DOE's nuclear weapons program, the FBI, the Coast Guard, security assistance, the strategic petroleum reserve. It includes programs with powerful constituencies—agricultural extension, maritime subsidies, aid to Israel. It includes civil service retirement ($20 billion and rising rapidly). It includes Medicaid—capped but still growing. It includes expenditures of Congress and the judiciary, unlikely to shrink. This just begins to scratch the surface, but it should be evident that, even if Congress desires to avoid being "obstructionist," it will find it virtually impossible to "cooperate" beyond the initial tranche in slicing the balance-of-government in half.

Not only has the safety net been "fenced" but also tobacco price supports (Sen. Helms) and the Clinch River breeder reactor (Sen. Baker); the food stamp cut has been modified (Sen. Dole). It is just conceivable that other senators may be heard from.

Nor is it only Congress. This has been described, perhaps in a spirit of fun, as Cabinet government. While Cabinet members have been extraordinarily docile to date in the presence of OMB examiners, what will happen when they discover that they face unending conflict with their constituencies, their subordinates, Congress and in the courts—that this Solomonic decision is intended actually to cut their babies in half?

The pain has not yet started. The first $34 billion in cuts were readily compiled by stapling together virtually every non-defense budget cut proposed to every budget director or president for the last 12 years. All right so far. It is comparatively easy to target CETA, Amtrak, trade adjustment assistance, the Appalachian Commission—or to demand user fees. However, in order to reach the state target for FY1982, an additional $10 billion to $13 billion in as-yet-unspecified cuts will be required by March 10 above the $34 billion initially specified—perhaps more if a recession comes. The going is obviously getting more difficult. Moreover, the first set of cuts must be matched by an additional $30 billion to $40 billion in cuts by FY1984, if the ultimate target is to be achieved. One may be skeptical how much beyond the first tranche of cuts we shall actually get.

It is axiomatic in budgeting that cuts are easy to identify—so long as one merely lowers the numbers and ignores the programmatic consequences. Cutting "balance-of-government" in half—not very likely! Protection of some areas implies that cuts elsewhere will have to be correspondingly more severe—if targets are to be attained. Other agencies will soon join the national endowments for the arts and humanities in facing reductions of 50 percent and much higher.

According to the Plan, non-defense expenditures of the federal government, now running at 17 percent of GNP, will have to be reduced to 12.5 percent of GNP to accommodate defense expenditures and reduce overall federal spending to 19 percent of GNP. Non-defense expenditures can plausibly be cut by a couple of percentage points, but hardly 4½ percent of GNP—and even the lower goal becomes difficult when the major entitlement programs are placed off-limits.

The public mood now supports major reductions in federal expenditures—and they will come this year. But as one looks to 1984, one must be skeptical. Nonetheless, editorialists are now making sympathetic noises regarding the premises of the overall program—inquiring who has a better alternative. How about—facing reality. If the United States must preserve the social safety net, and if it is to strengthen its depleted defenses, as well as pay interest, some 16 percent to 17 percent of GNP will be required. It will be almost impossible to reduce total federal expenditures to the 19 percent level. Indeed, they are likely to remain in the range of 22 percent. Taxes will have to be adjusted accordingly.

Budget control is a goal fervently to be sought. But budget control will not be attained by projecting budget reductions far deeper than are realistically attainable—and by projecting tax reduction based on the realizing of such unachievable cuts. No matter how much one might wish it, the budget is regrettably not yet susceptible to the alchemist's art.

Perhaps most important of all, the international challenges facing this nation are serious. An endless domestic debate over unattainable objectives, distracting attention from our international difficulties, contributes little to the national interest.●

TRIBUTE TO HARLEY STAGGERS

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. RAHALL. Mr. Speaker, this evening the West Virginia State Society will hold a banquet honoring our former colleague, Congressman Harley O. Staggers. I am pleased to participate in this tribute.

The following is a brief statement I plan to make this evening, and I would like to share it with my colleagues at this time:

REMARKS OF CONGRESSMAN NICK RAHALL, TRIBUTE TO CONGRESSMAN STAGGERS, MARCH 4, 1981, FORT MCNAIR OFFICERS CLUB

Thank you and good evening.

The Second Congressional District of West Virginia occupies the eastern part of the State, and contains the most mountainous and most sparsely populated counties in the State. It is the largest congressional district, geographically, east of the Mississippi River, and certainly one of the most beautiful areas of America.

Just as the Lord blessed this region of our land with great natural beauty and resources, He likewise blessed it with a man who dedicated a lifetime to the region's assets—its people and its terrain.

It is for this reason, I am proud and pleased to participate in this tribute for one of West Virginia's best—Harley O. Staggers.

A year ago last month, Harley Staggers announced his intention to retire from the United States House of Representatives, after 32 years of dedicated service. Within hours of his decision, his colleagues expressed their praise and admiration for him, and I would briefly like to share with you now some of the things that were said about Harley Staggers.

I quote, "In his time, he has met every challenge head on with determination not found elsewhere."

Quote, "He is a man of unquestioned integrity and ability."

Quote, "Mr. Staggers is a man who cares a great deal about his country."

And finally, I quote, "Harley Staggers has represented his West Virginia constituency well.

No other district has been served more honorably. A loyal person, he is true to both his beliefs and friends. He knows what too many have not learned—to get loyalty, one must give loyalty."

There was another colleague of ours who stated his feelings for Harley Staggers on that day last year in the House chamber. He is no longer with us, because if he was, he would be sitting at this table. I am referring to the late Congressman John Slack.

John said of his good friend Harley Staggers, "Here is a man of whom it can be said, gave all the best years of his life to public service. In war, in peace, in cold war and detente, in recession and inflation, he did his duty as a soldier in the trenches of the legislative process."

I had the privilege of serving with Harley Staggers for four years in the House of Representatives. There is not enough time in the day for me to relate the things he did for me. I can say one thing, however, Harley Staggers stands as strong, as determined, and as proud as the West Virginia mountains.

Ralph Waldo Emerson once observed that sometimes a man's accomplishments and deeds fall short of the measure of the man himself. Emerson said this in reference to George Washington, but it applies to Harley Staggers as well.

Harley is unique among American statesmen. He is one of the best; but most of all he is a man for whom we are all proud, a man we are pleased to honor, and a man we are all honored to call a dear friend.

Thank you.●

THE CIGARETTE SAFETY ACT

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. MOAKLEY. Mr. Speaker, recently, the Wall Street Journal ran a five-part series on fire safety. Unfortunately, the series neglected to mention the No. 1 national cause of residential fire fatalities and injuries—cigarette related fires.

I would like to share with my colleagues a letter—March 3, 1981—Senator ALAN CRANSTON, the sponsor of the Cigarette Safety Act's companion bill in the Senate, wrote which spells out the compelling need for congressional action to mandate the Consumer Product Safety Commission to review cigarettes as an ignition source and determine the feasibility of a performance standard that will insure cigarettes have a minimum capacity for igniting smoldering furniture fires.

The letter follows:

I applaud your excellent five-part series on fire safety. Active citizen interest in the enforcement of community fire codes is long overdue.

I'd like to point out, however, that smoke detectors, lighted fire escapes, sprinkler systems and fire doors can only mitigate the loss of life and property once a fire has started. And important though they may be, an ounce of fire prevention is worth pounds of mitigation. We need to—and we can—do something about the Number One cause of fire deaths in America: the untended cigaret.

Some 74,000 fires a year—which take the lives of 2,300 people, burn and otherwise injure 5,800 others, and cause $210 million in property damage—result from "forgotten cigarets" carelessly dropped on bedding or upholstery. Add to those costs uncounted millions of dollars more in lost sales and production and in worker layoffs following such fires, medical care for the victims and higher insurance premiums for all.

Trying to get smokers to be more careful has proven a Sisyphean task—the incidence of cigaret-caused fires has gone up. Fireproofing all fabrics would be enormously expensive and probably impractical. It would be easier and cheaper to make cigarets that can't start fires. Believe it or not, that is not only possible, it is already being done.

The National Bureau of Standards has found that at least two popular, competitively price brands are (albeit unintentionally) marketing cigarets that will not set fire to most fabrics. This, despite some 30 years of protestation by the industry that "it couldn't be done"—if not technologically, then at least economically.

I am not overly fond of government regulation. I voted to deregulate the airlines. The trucking industry. Banking. Oil. I led the successful fight to abolish the Renegotiation Board. But when an industry can, without sacrifice, make an important contribution to public safety and persistently refuses to do so, then clearly government regulation is called for.

I have introduced the Cigarette Safety Act (S. 51) to remove the tobacco industry's exemption from the Consumer Product Safety Act and give the industry four years in which to produce cigarets and little cigars which, according to standards to be set by the Product Safety Commission, "have a minimum capacity for igniting smoldering upholstered furniture and mattress fires."

ALAN CRANSTON,
U.S. Senate.

Washington, D.C.●

CASMIR PULASKI

HON. ADAM BENJAMIN, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. BENJAMIN. Mr. Speaker, I am honored today to pay tribute to a truly great American patriot—Casmir Pulaski. Born in Poland on March 4, 1747, of noble birth he came to this country to help to fight for American freedom and independence.

Pulaski began his life and contribution to America as a general, commanding cavalry during the Revolutionary War. He worked closely with George Washington. A mutual respect and affection developed, attested to by Washington's consent and support for the creation of a special unit, the Pulaski Legion, whose heroism guaranteed Pulaski a successful U.S. military career.

Using battle drills he developed, Pulaski trained undisciplined groups of dragoons to create an efficient army capable of carrying out independent military actions. He is remembered in American history as the "Father of the American Cavalry."

Pulaski died in 1779 from wounds suffered during the Battle of Savannah. His courage and dedication to the American Revolution has won him a permanent place in American history.

The State of Indiana has shown its appreciation to Pulaski by naming a county and a highway in his honor.

The city of Gary paid him tribute by naming a public school in his honor and Mayor Richard Gordon Hatcher has issued a proclamation honoring this American patriot.

As Americans, we should follow the lead of Indiana and demonstrate our appreciation toward Pulaski and his fight for American freedom.

Mr. Speaker, I am proud to honor this great American patriot.●

KEEPING COOL WITH COOLIDGE AND REAGAN

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. RICHMOND. Mr. Speaker, as a member of the Joint Economic Committee, it gives me the greatest of pleasure to call to the attention of my colleagues to a column that appeared in the March 3 Washington Star, authored by our distinguished chairman, HENRY REUSS.

Congressman REUSS has done his historical homework, and aptly calls to mind the uncanny parallels between the misguided economic policies of the Coolidge era and those which we may be in danger of embarking upon today.

The article follows:

[From the Washington Star, Mar. 3, 1981]

KEEPING COOL WITH COOLIDGE . . . AND REAGAN

(By Henry S. Reuss)

The centerpiece of the administration's "Program for Economic Recovery" is a $140 billion a year income tax reduction, mostly for affluent taxpayers, surrounded by budget cuts and "regulatory reform." Treasury Secretary Donald Regan, justifying the program's emphasis on tax cuts for the wealthy, told the Joint Economic Committee on February 19, "We believe this provision will discourage the use of tax shelters."

By a strange coincidence this almost exactly parallels the Harding-Coolidge "Program for Economic Recovery" of the 1920s.

The centerpiece of that program, too, was a succession of income tax reductions for the wealthy, engineered by Treasury Secretary Andrew Mellon. Tax payments for affluent taxpayers were cut by more than two-thirds.

MELLON'S RATIONALE

This is how Secretary Mellon justified the reductions:

"High rates tend to destroy individual initiative and seriously impede the development of productive business. Taxpayers subject to the higher rates cannot afford, for example, to invest in American railroads or industries, or embark on new enterprises in the face of taxes taking away 50 per cent or more of any return that may be realized.

"These taxpayers are withdrawing their capital from productive business and investing it instead in tax-exempt securities and adopting other lawful methods of avoiding the realization of taxable income. The result is to stop business transactions that would normally go through, and to discourage men of wealth from taking the risks incidental to developing and opening new businesses."

The tax cut centerpiece had its surrounding programs. Budget cuts were administered by the new director of the budget, appointed by President Harding in 1921. "Regulatory reform" was achieved by installing friends of regulated industries as the regulators.

Senator George Norris of Nebraska saw it this way:

"The effect of these appointments is to set the country back more than 25 years. It is an indirect but positive repeal of congressional enactments, which no administration, however powerful, would dare to bring about by any direct means. It is the nullification of federal law by a process of boring from within.

"If trusts, combinations, and big business are to run the government, why not permit them to do it directly, rather than through this expensive machinery which was originally honestly established for the protection of the people of the country against monopoly and control?"

Unfortunately, much of the Harding-Coolidge tax reduction went into luxury consumption goods and into speculative investment.

BOOM AND BUST

Florida real estate and the stock market fueled the boom. The redistribution of income away from the worker and farmer, and toward those at the top of the income scale, produced the bust.

A leading banker, Frank D. Vanderlip, looking back at what happened, explained, "Capital kept too much, and labor did not have enough to buy its share of things."

And Secretary Mellon, when the crash came, could only advise, "Liquidate labor, liquidate stocks, liquidate the farmers, liquidate real estate!"●

ROBERT L. HALL

HON. DONALD J. MITCHELL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. MITCHELL of New York. Mr. Speaker, it is my privilege to bring the attention of my colleagues to the distinguished service of Robert L. Hall of Ilion, N.Y. On March 14 of this year, Mr. Hall will be honored with the presentation of the Distinguished Eagle Scout Award by the General Herkimer Council of the Boy Scouts of America. This award is presented to a former Eagle Scout who attained that rank at least 25 years ago and has subsequently distinguished himself in his career and public life.

The nomination of Robert Hall for this award was made by a National Committee of Distinguished Eagle Scouts and approved by the National Court of Honor of the Boy Scouts of America. The selection of Mr. Hall for this award was most appropriate.

Born in Kansas City, Mo., he became a Tenderfoot Scout in 1935, reaching Eagle rank in 1940. He obtained a bachelor of science degree in mechanical engineering from the University of Kansas and a master of science degree in industrial engineering from the Massachusetts Institute of Technology.

After serving in the U.S. Marine Corps in World War II, he began his career in industry in 1946 with the Lake City Ammunition Plant in Independence, Mo.

In 1955, he moved to Ilion, N.Y. to work as a methods and standards engineer for Remington Arms. In 1970, after serving as special assistant to the vice president of engineering, he was made superintendent of production. In 1973, he was promoted to plant manager, the position he holds today.

Beyond his impressive professional success, Mr. Hall has contributed actively to his community, serving as a member of the board of the Utica, N.Y. A.A.A. and the hospital plan, Blue Cross, Blue Shield and as an active member of the Catholic Church.

He has also continued his dedicated service to the Scouts as a troop committeeman, Scoutmaster, institutional representative, merit badge counselor, and friend of Scouting.

He is most deserving of the honor and rank of Distinguished Eagle Scout. It is a title he will wear well and proudly. I hope all of my colleagues in the House will join me in congratulating him on receiving this fitting honor.●

TV COVERAGE OF CONGRESS

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. BEREUTER. Mr. Speaker, I would like to have printed in the CONGRESSIONAL RECORD a recent editorial I read in the Sioux City Journal. It refers to the topic of television coverage of proceedings of the House and why it should occur in the Senate. The conclusion should be of interest to our colleagues in the other body:

Television is a vital segment of the news media and it is time for the Senate to join the House in recognizing this and acting accordingly.

I include at this point the editorial in full:

SENATE AND TV

Two years ago, the House of Representatives took the plunge and approved limited television coverage of its floor sessions. Despite any number of predictions to the contrary, the presence of TV cameras did not transform the House into a circus.

Indeed, the business of the House went on much as before, except that millions of Americans who had never seen their elected representatives in action were given the chance to do so.

Now, the Senate is considering whether it should break with tradition and authorize some kind of television coverage of debates, votes and other floor session activity.

The arguments against television coverage are the same ones that proved so unfounded in the House. Senate Minority Leader Robert Byrd, for example, fears that cameras and lights would diminish the dignity of the Senate, distract members from the business at hand, and prompt some senators to play to the camera.

But House members have long since become accustomed to the discreet presence of cameras and lights. The dignity of the

House, such as it is, has not been eroded. And most of the grand-standers have managed to restrain themselves, partly because the time-honored rules of decorum and parliamentary procedure still apply.

Very likely, the Senate will discover what the House already knows: That television coverage, properly handled, is not disruptive to the business of that body.

Even more: Save in exceptional circumstances, TV coverage of the House and Senate is less than prime-time fare. Ratings for the live gavel-to-gavel coverage of the House are quite modest, despite the fact that these broadcasts are carried by some 700 cable television systems.

Ratings, of course, are not the point. Citizens and taxpayers have a right to news media coverage of government, including that part of government conducted daily on the floor of the House and Senate. Television is a vital segment of the news media and it's time for the Senate to join the House in recognizing this and acting accordingly.●

TENSIONS IN POLAND—PART III

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. McDONALD. Mr. Speaker, part I of this series by Prof. Hans Sennholz appeared in the CONGRESSIONAL RECORD of February 25, 1981, on page 3106, part II appeared March 3, 1981, on page 3498. Part III, the final part, which I am placing in the CONGRESSIONAL RECORD today covers the propensity of the Soviets to expand their domains and what the West must do to counter this policy. I commend this timely item to the attention of my colleagues:

TENSIONS IN POLAND—PART III

CONQUER OR PERISH

Why are the Soviets so intent upon conquering and extending their sphere of power? Why this unflinching aspiration for unlimited world supremacy?

The communist politicians and sympathizers throughout the world have a ready answer: the need for self-defense. The decaying capitalist democracies, they proclaim, are bent on extending their spheres of exploitation. Russia is merely defending her own independence. Of course, such an answer has justified all aggressions from the beginning of time. Louis XIV and Napoleon, Hitler and Mussolini invaded foreign countries only in self-defense. For the same reason Russia annexed Estonia, Latvia, Lithuania, Bessarabia, a province of Czechoslovakia, a part of Finland, a great part of Poland, and Chinese and Japanese territories. Russia created a ring of satellite countries for which it claims exclusive concern and interest. They include the rest of Poland, East Germany, Czechoslovakia, Rumania, Hungary, Yugoslavia, Bulgaria, Korea and, since Dec. 1979, also Afghanistan. In these countries only "friendly" governments, i.e. puppet communist regimes, are tolerated.

If the U.S.A. were to seek territorial aggrandizement in Soviet fashion, it would have annexed Canada, Mexico, and Cuba long ago, and converted all other Latin American countries to "friendly" neighbors. But that would be "capitalist imperialism" in communist terminology. When the Soviet Union embarks upon aggression it is "self-defense."

Russia's aggressiveness actually is the poisonous fruit of the communist dogma that the Soviet Union is entrusted by destiny to keep the death watch of capitalism. By laboring towards the final world revolution the Kremlin is paving the way for the new order. The Russian intelligentsia and many thought leaders who afford strength and support to the regime are flattered by the thought that they are the leaders of the world revolution. They are ready to support the Kremlin as long as the world revolution is advancing and showing promise of final success. To them the spread of communism throughout the world offers cogent proof that Marx and Lenin were right in their foreknowledge of a new order. The Kremlin, therefore, is under continuous pressure to produce new evidence that communism is on the march and the revolution is proceeding on schedule. It must take ever new initiatives of aggression and launch new attacks in order to retain the vital support of the intelligentsia. Any break in the Kremlin momentum is inviting disillusionment and disapproval. Any setback is threatening the very foundation of the political order. Only unflinching aggression and visible success can appease the Marxian intellectuals.

And yet, reason and virtue have not perished in the satellite countries, nor in Russia itself. To the intelligent and sensitive minds communism has ceased to constitute a faith that satisfies their souls. Many millions of victims of communism tear at the hearts and weigh on the consciences of those who still can feel and think. Other millions of victims who endured sadistic brutality in labor camps are finding their moral strength to resist the darkness. Although still inbued with the doctrines and theories of Marxism or other brands of socialism, many thinkers are rediscovering the intellectual and moral roots of Western civilization. A large number of Russian writers are consciously Christian. To them Christianity is often perceived to be the alternative and main competition to Marxism-Leninism. They are emerging From Under the Rubble, as Alexander Solzhenitsyn and a group of imtimates describe it in a ringing testament.

When given the opportunity, the great minds of Russia are escaping to the West. The communist regime kept in place by brute force is suffering from ideological subversion that is gnawing at the foundation of the empire. The entrenched ruling class of the Soviet Union as well as those in all its satellites have much to fear from their long-suffering subjects. Chronic discontent with working and living conditions are sparking sporadic rebellions. The Polish troubles are an early indication that the Soviet system is moderating in its ideological and moral foundation.

It would be wishful thinking that the communist regime in Poland is about to collapse, pulling down communist rule throughout the world. But it is certain that whatever is happening in Poland is shaking the empire and frightening the Soviet rulers. They may have to call on the Soviet armed forces for their "defensive" service in the name of the socialist world order. But the effectiveness of the armed forces depends on their fidelity and loyalty to a system that is decaying in its core. It is not surprising that the Kremlin is hesitating to order the Red Army to march.

HOW CAN THE WEST RESPOND?

Recent events in Poland reveal the tremendous tensions and antinomies of the Soviet system. They manifest again that the empire structure is resting precariously on a decadent foundation that is crumbling bit by bit. When a few thousand desperate slaves are rattling their chains the whole slave plantation must brace itself for an earthquake. The Polish workers who, with incredible courage, are tearing at their shackles, are speaking louder than the gibgerish of Marxist-Leninist propaganda that pours from the Kremlin. They may fail in the end because the Red Army may yet hold together in a skirmish with ancient neighbors, the Poles. But their sacrifices may reveal and widen the fractures and ruptures of the whole system. For the final day of liberation they may have to wait a little longer until the whole structure comes tumbling down.

To the West, the Polish unrest may serve as a timely occasion for re-evaluating its basic position and policy. Should we continue to come to the support of the communist states through the transfer of massive capital and modern technology—in return for a few more moments of detente? Should we help the ruling classes of the Soviet empire to weather one crisis after another? Or should we pursue a policy of containment that affords new hope and stength to the countless millions of communist oppression? If we have faith in the intellectual and moral values of the West, the answers are very simple.

The Kremlin leaders are devoting all their energies to the building of armed forces of a size the world has never seen before. Counting their numbers many Western observers are despairing, talking about defeat and surrender and preparing for the worst. They are alarmed about our "missile gap," the "fighter gap," the "bomber gap," etc. etc., which we are urged to bridge at once. All their facts and figures may be true. But they are completely ignoring the moral coefficient that is most important in the determination of who is superior. According to a famous dictum by Clausewitz, we must multiply the military strength of the enemy with his moral coefficient in order to arrive at his strength in battle. That is, we must multiply the Soviet legions with universal tyranny and oppression of the Soviet system in order to estimate its actual strength. Such a calculation must fill us with new hope and confidence in the ultimate outcome of a collision.

Surely we must not allow ourselves to be lulled to sleep, act cowardly, be confused and indecisive. We must be strong not only politically and militarily, but also intellectually and morally. We must have faith in our values, in the intellectual and moral heritage of the West.●

U.S. POLICY TOWARD ISRAELI SETTLEMENTS IN OCCUPIED TERRITORIES

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. HAMILTON. Mr. Speaker, in late January 1981, there were a series of statements coming from Israel regarding additional settlements that

might be built in the occupied territories of the West Bank and Gaza.

At that time, I wrote the new administration asking for its views on this matter and what would be policy toward the sensitive settlement issue.

In the attached reply, the State Department does not comment on the legality of the settlements but does say:

We consider continued settlement activity as unhelpful to the goals to which Israel, Egypt and the United States have dedicated themselves in the peace process, and as such ill-advised.

The correspondence with the Department of State follows:

DEPARTMENT OF STATE,
Washington, D.C., February 23, 1981.

Hon. LEE H. HAMILTON,
Chairman, Subcommittee on Europe and the Middle East, Committee on Foreign Affairs, House of Representatives

DEAR MR. CHAIRMAN: I am responding to your letter of January 26, 1981 addressed to the Secretary regarding Israel's announced intention to build ten more settlements in the occupied territories.

In late May and early June 1980, Prime Minister Begin made three separate statements indicating that Israel would halt the construction of new settlements on the West Bank after building ten more there. Subsequently, senior Israeli officials indicated that some of these settlement sites had already been chosen. Although we welcome any limit on settlement activity, it was recognized that these declarations would permit considerable settlement activity to continue. For instance, Israeli officials did not indicate any intention to halt the "thickening" of existing settlements or the construction of settlements previously decided upon but never built. More recently, we have received information that indicates Israel may not count new settlements in the Jordan Valley as included in the final ten.

We consider continued settlement activity as unhelpful to the goals to which Israel, Egypt and the United States have dedicated themselves in the peace process, and as such ill-advised. Israel, on numerous occasions, has made clear its desire to bring the autonomy negotiations to a successful conclusion. Settlement activity creates the impression, whether accurate or not, that the intention is to prejudge by actions on the ground an issue which must be addressed in those negotiations. The Government of Israel is aware of our views on this matter.

We are opposed to Israeli settlement activity because these are unilateral actions which tend to prejudge the outcome of negotiations; we would, of course, support a negotiated outcome that enabled Jews as well as Christians and Muslims to live together in peace in the West Bank and Gaza under agreed arrangements.

Sincerely,

WALTER L. CUTLER,
Acting Assistant Secretary for Congressional Relations.

JANUARY 26, 1981.

Hon. ALEXANDER HAIG, Jr.,
Secretary of State, Department of State, Washington, D.C.

DEAR MR. SECRETARY: The Israeli Government, according to press reports, has decided to build 10 new settlements and strengthen several others in the five months between now and the Israeli elections scheduled for the summer of 1981.

I would like to know the policy of the United States regarding such settlements, what the United States is saying to the Israelis about this announced intention and what does the Department see as the implications of these settlements for the Middle East peace process.

I appreciate your consideration of this matter and look forward to hearing from you.

With best regards.

Sincerely yours,

LEE H. HAMILTON,
Chairman, Subcommittee on Europe and the Middle East.●

SMALL, MEDIUM BANKS NEED RELIEF FROM REGULATORS

HON. JIM MATTOX

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. MATTOX. Mr. Speaker, I am cosponsoring, along with my friend from Indiana, Mr. EVANS, a resolution calling for the Federal bank regulators to immediately diminish differences in capital requirements between small- and medium-sized banks and their larger competitors. Bankers in Texas have called my attention to what they consider is an unfair regulatory burden and, based on the information made available to me, I agree.

To meet capital requirements imposed by Federal bank regulators and to fulfill basic banking functions, small- and medium-sized banks rely heavily on retained earnings as the source of additional capital since they do not have access to capital markets.

Inflation-induced asset growth has had the effect of lowering capital-to-asset ratios as existing capital is spread over a greater number of asset dollars. These banks are forced to retain more earnings by lowering expenses or shareholder dividends. This, in turn, makes community banking less competitive from a number of standpoints. First, shareholders may be disadvantaged by not earning a fair return on their investments. Second, borrowers may have to pay more than they otherwise would have to due to greater retained earnings requirements. Finally, depositors or employees may receive less as banks seek to satisfy these regulator-imposed capital requirements.

As a cosponsor of this resolution, I believe Federal bank regulators have the authority to reduce this burden today, and should do so. Thank you.●

AMERICAN UNIVERSITIES AND EXPORT DEVELOPMENT

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. LaFALCE. Mr. Speaker, one of the great challenges facing the 97th Congress is the development of an export trading strategy for the 1980's. Our Nation's economic history is replete with the tales of Yankee traders plying the seven seas with boatloads of cargo bound for the world's markets and returning to American ports laden with ivory, jade, and spices. Today, this trade continues, albeit at a dramatically different volume and with computers, farm machinery, and grain filling the holds of our trade vessels. Yet, unlike the dynamic trade years of the distant and not-so-distant past, our Nation now stands mired in serious trade deficits. These trade deficits have amounted to nearly $150 billion in the past 4 years alone, and show little sign of disappearing in the near future.

The declining posture of our trade picture is not an overnight phenomenon. Through decades of neglect by Government and business, today's export problem is one that has a variety of complex causes. Certainly our reliance on domestic markets for the economic health of our industries has hurt; by fostering a myopic view of world trade, we have marked time while our trading competitors have marched forward into the rapidly growing markets of the world.

I believe that several fundamental changes are necessary to correct the trade imbalance and set the stage for a return to American preeminence in world trade. One element to this export strategy is the use of export trading companies. A bill to encourage their formation and growth, H.R. 1648, was introduced earlier this year and is rapidly gaining cosponsors. Another element in this exporting strategy is the development of American university-level programs to train the future leaders of this Nation's international community. Educators and businessmen familiar with international trade and communication continue to stress the need for improved foreign language training, international business and economics programs, and the need to teach more students these fundamental tools so necessary for modern life.

Mr. Speaker, I am pleased to note that the State University of New York is developing its international studies programs in response to the growing need for trained individuals to lead our export initiatives in the 1980's. As the following article, by a career officer in the U.S. Foreign Service, indi-

cates, the universities of our country are in a unique position: They cannot only train future leaders, but through their research and data gathering programs they can lend great service to small and medium-sized businesses who need specialized information assistance.

As our universities consider their priorities for the new decade, I hope that they will consider the role that international studies can play in helping our national economy and strengthening their roles as servants of the commonweal.

The article follows:

[From the State University of New York News, January-December 1980]

NEW YANKEE TRADERS IN GLOBAL MARKETPLACE

(By James E. Leader)

Just about a year ago I was sitting in my office at the U.S. Embassy in Caracas pondering my future. It was that cycle in a Foreign Service Officer's peripatetic career when one assignment is drawing to a close and he must negotiate his fate for the next one. One attractive prospect was the offer initiated by SUNY's Office of Community Colleges to work for a year at the University under the Department of State's Pearson Program. As a practitioner in foreign affairs I was enthused by the prospect for an exchange of ideas with the molders of the next generation of "internationalists".

Not only did the assignment to SUNY work out, the News has iced the cake with this early opportunity to begin the dialogue. The timing is opportune since Chancellor Wharton is presently making use of these pages to set forth his agenda of "Priorities for the New Austerity," among these "International Programs" and "Public Service." These two priorities happen to neatly bracket aspects of higher education which fueled my interest in working at SUNY. I think they offer the promise of harnessing education to a new national imperative for more effective American performance in the world economy.

THE DISCIPLINE OF THE INTERNATIONAL MARKETPLACE

As I look back, my twenty years in foreign affairs has spanned a period of dramatic change in America's international role. The age of commanding U.S. authority on the world stage in the period between World War II and Viet Nam has passed. We may recall this "imperial era" with nostalgia, but we must accept the fact that the extraordinary circumstances of World War II which made us predominant are gone, partly as a product of the soundest elements of our post-World War II foreign policy: the rebuilding of Europe, the cultivation of our own best political and economic traditions in Japan, and the support lent to peaceful transition of former colonies into independent, sovereign nations. We needn't lament the change; we were not really very good imperialists. Besides, the new era offers some great opportunities to pursue such neglected, but productive, classical economic principles as "comparative advantage." It is not clear, however, that the American people or our policymakers have reached a consensus understanding of our current, still powerful but less controlling authority in world affairs. We need such a consensus, and the tools to cope, if we are to retain influence over our fate in a rapidly changing international environment. And, make no mistake, the exercise of control over our national destiny is the fundamental foreign policy objective.

As the world becomes more multi-polar, Americans are going to have to learn again to live by their wits and their skills, much as we did in the Yankee trading days of the 18th century. We were spared that kind of discipline, the discipline of the international market place, during the "grand imperial" years of the 1950s and early 1960s when we had a virtual monopoly on the world's power, energy resources and technology. Indeed, in a very real sense we haven't had to apply such discipline since the early days of our republic. Sometime between the Monroe Doctrine and the Civil War we turned our imagination from competition in the world to our own apparently limitless resources. Now, however, our continuing balance of trade deficits and increased dependence on foreign resources dictate that we hone anew those wits which served us so well in a former time.

PREPARING AMERICANS FOR THE INTERNATIONAL MARKET

The change in America's role in the world, and the development of skills to act out that altered role involve an educational effort of major proportions—a matter of direct concern to the State University of New York. As I discover more each day, many people in the University have been thinking and acting upon this concern. And yet, there's plenty of room for further mobilization of SUNY's internal and external resources to "internationalize the curriculum" to broaden the University's outreach, and to make SUNY graduates better equipped to deal with the modern challenge to American ingenuity. The University, then, can make a unique contribution to New York's industry, agriculture, and labor force which will enable the state's products to be fully competitive in the world market.

At the risk of being thought presumptuous, but because I believe my perspective to be sufficiently different—that of one who looks at education through the oculars of the nation's foreign policy and its welfare—I have some ideas to offer.

CURRICULUM FOR YANKEE TRADERS

As America moves from "Yankee Imperialism" to "Yankee Trading" in its world posture, the University must broaden its outreach to a diverse student body any member of which has a fair chance of plying his or her trade in an international environment. Although we remain a continental nation, with the special perspective that that implies, we have to force ourselves to think smaller, or better put, particularly to have the many alcoves and byways of the world market at least in our peripheral vision, the way a Swiss or a Dane has done for centuries. The agent of empire may be able to afford to ignore small opportunities and strange customs, but the trader cannot.

If the University is to prepare its students to cope and prosper in this new age, it has to establish a hard international content in its curriculum. On the one hand, the specialized programs for the "career internationalist" should be nourished and strengthened since we still do need the area experts, the diplomats, the international banking specialists. But we need, as well, many more American citizens informed enough to cope with the big world in their everyday jobs which, increasingly, might even take them abroad. We also need home-based citizens with sufficient confidence in their international understanding to look for opportunity in the big world. So perhaps even more important than the strengthening of specialized international instruction programs is the need for the horizontal spread of international awareness among the masses of students.

I would argue that each SUNY campus should at a minimum develop a curriculum that gives every student some comparative government, some practical cultural anthropology (fundamental concept such as the differing perceptions of personal and community territory in cultures), and some view of world economics. These subjects can be integrated into existing general studies courses or perhaps lumped together in a general "world culture" course. The educational product of this effort would be a new generation of "casual internationalists." Let me illustrate by briefly describing the jobs of a few Americans I encountered in Venezuela who fit my definition of this new breed. SUNY undoubtedly has in its classrooms students who will shortly and unexpectedly find opportunities for similar jobs abroad:

1. A training expert for an American firm awarded a large petroleum construction contract. His job was to administer tests to determine skill deficiencies in locally-hired craftsmen and to design a training program to plug these gaps.

2. A personnel specialist who supervised the hiring of Venezuelan nationalists for another American contractor. In addition, she identified skill areas for which there were no Venezuelan candidates and arranged hiring of foreign nationals from outside the country. In performing this role she had to be familiar with Venezuelan law and custom to avoid legal problems and labor strife.

3. An employee of a transnational corporation advising a Venezuelan government agency on technical issues arising from its contract with a joint Brazilian-Venezuelan construction consortium.

4. A geologist prospecting for kiln-grade clay for his American company which had been contracted by the state-owned steel mill to build furnaces.

5. Bridge maintenance specialists located by the U.S. Department of Transportation to help the Venezuelans develop an emergency rehabilitation and maintenance program for a deteriorating major bridge.

6. A college drop-out who came to Venezuela on a jaunt and ended up managing a mess-hall at the giant Ciudad Guayana steel mill.

7. A dozen-plus young American musicians playing for Venezuelan orchestras.

Most of the people filling such jobs in Venezuela had little academic training to help them with their new environment abroad. Moreover, most did not have the built-in "support system" of the old-line transnational corporation which traditionally provided a ready-made American community, or at the very least an American culture in the work place. The new casual internationalists often will be working in a totally native work environment with a host-country boss and without even the lifeline of a home office personnel system in Buffalo or Detroit to reassure them that they have a workplace back home if things don't work out. Many of the new breed are freelance and on their own. For all or some of these reasons such jobs can be tough, but the rewards both financial and psychic can be great, making them opportunities not to be ignored by today's students.

In addition to those who find work overseas, there are many other casual internationalists who will find business opportunities at home in the international arena. Any student joining a company today should have basic skills for spotting international opportunities for his employer, because that could be precisely where his employer's greatest opportunities lie. But to explore such opportunities, a minimum of international training and orientation is a must.

THE UNIVERSITY AS PUBLIC SERVANT

Providing students with coping skills for future international involvement, it seems to me, is a critical priority for the University. But if New York State and the nation are to prosper in this new era, the University also has a mission to serve those who produce for the commonweal. I believe it is perfectly legitimate, more than that, reinforcing to its educational mission for the University to be involved in the economic process. Certainly the University can play a highly constructive role, and one that does not require it to become an advocate of any particular interest group in the economy. My "ex-Aggie" bias notwithstanding, it's a fact that the pivotal role played by the great land-grant agricultural colleges in making the U.S. farm industry the most productive in the world stands as a model for public service in the university. The Morrell Land Grant Act laid the groundwork not only for the domestic prosperity of a basic industry, but also for the subsequent export of ideas and resources that fostered a green revolution, reduced starvation in the Saharan (Saheil) region, and showed the way to cheap, balanced nutrition for the world's poor children.

(Now, happily, I'm learning what you at State University have known: the key role played in New York State's economy by SUNY's agricultural and technical colleges, community colleges, four-year and specialized institutions, and graduate research centers.)

There are two areas of public service in the international arena with which SUNY already has had considerable experience and which it can expand. The first is its role as an agent for economic development to be used by foreign entities, and the second is its service as a clearinghouse for information and development technique by present and potential export industries in New York State.

DEVELOPMENT ASSISTANCE

"Transfer of Technology," a basically intellectual exercise, is simultaneously the principal growth industry in international trade and home territory for the University. One aspect of technology transfer which is a fruitful area for exploration is the study of other successful technological systems and their potential for application in the United States. Examples might be West Germany's co-management scheme for shared labor-management involvement in corporate decision-making, and the less-defined but highly successful employee motivation systems in Japan. There is also an increasing market for the kind of services a University can deliver in the field of technology transfer to less developed countries and probably to developed countries as well. One example is the program contracted by the Government of Nigeria for the upgrading of technical training in that country, in which SUNY is participating. There are a number of other countries with severe shortages of mid-level technicians and supervisors, any of which would be a market for the kind of integrated pedagogic and technical services the University can provide, particularly through its community colleges, tailor-made for such services.

The benefits of University involvement in such areas are multiple. They present SUNY with a great opportunity for learning and for conducting its international programs in a practical, sensible context. They permit the University's expanded involvement in world reconciliation by alleviating the tensions created by uneven rates of development in the world. In a very practical, grass roots sense, these programs also can have great spin-off for local producers for whom they can open up new markets.

The University's participation in development and technology transfer programs can come through the traditional channel of a contract with the U.S. Agency for International Development (AID). AID also has a relatively new Reimbursable Development Program (RDP) in which it extends its good offices in putting together a project for which a host country will pay. AID can put up seed money for preliminary feasibility surveys which an institution demonstrates could produce a project. In addition, there are opportunities for direct contracting for projects overseas.

When I was leaving Caracas, I talked with a leader in Venezuela's vocational education organization. He and his colleagues are keenly interested in identifying ideas and techniques and technology for up-grading Venezuelan technical skills, the country's most critical scarcity. He was interested in SUNY and the scope and variety of resources it had to offer in the field of vocational training and he asked me to send him information. As I become acquainted with SUNY, I see numerous areas in which the University could be useful to a country such as Venezuela. I think specifically of the extensive range of technical and vocational offerings at the agricultural and technical colleges and the community colleges. What I have yet to find is a single source of information outlining what the university can offer in the way of development assistance—a promotional brochure or its like. Development of such a document would likely both enhance New York State's appreciation of the asset it has in SUNY, and also serve as a preliminary catalogue informing foreign entities of what they might find useful here.

INTERNATIONAL ECONOMIC INFORMATION SYSTEMS

Several times during my tour of duty in Caracas, I got to meet members of state or regional economic missions from the U.S. exploring export opportunities abroad for their home areas. I was always impressed with their dedication and their conviction regarding the importance of exports to the health of their local economies. But often they had very spotty information on what their local area was now producing or could produce for the foreign market. They were also often, and understandably, deficient in even basic knowledge of the foreign markets they were exploring. It seems to me that this suggests an additional public service area which SUNY should be investigating.

The SUNY system can provide a critical service to the small and medium businesses in New York through the development of information systems on local production and foreign markets. Certainly one of the brakes on small business involvement in export is the complexity of that trade and the paucity of information. Big corporations have access to sophisticated production and market analysis. SUNY, with its statewide network, can be a key actor in export promotion by developing information on local production which supplements that available through the State and U.S. Departments of Commerce, by researching foreign demand for local products and by acting both as consultant and information conduit to small and local businesses with no other access to sophisticated information.

The development of such a program need not divert the University's attention from its educative role. Indeed, service to local industry should in part be provided by students through study projects which because of their practical application have a healthy educational value. Moreover, student involvement in the international economic information system should increase their ultimate employability and could produce the contacts leading directly to a job after graduation.

All sorts of University resources have application to a mission for the promotion of small and medium industry exports. Area studies programs, language departments, the law school, history departments and indeed the entire University system could be ad hoc or regular contributors to such a service as special problems or issues arise.

There is a further payoff to the University. SUNY involvement with export promotion, particularly for small and medium businesses, puts it on the side of the angels. There are no identifiable interest groups opposed to such activity. What's more, there is considerable interest in Albany and in Washington in activity to stimulate exports. Involvement in such a widely supported mission should generate general public and legislative support for the University's activity as well as assistance in direct grants from government agencies for projects in export promotion.

INTERNATIONAL PROGRAMS—A GROWTH INDUSTRY FOR SUNY

The opportunities open to SUNY for growth in international programs, and which I have found being broadly discussed here, more than justify the curiosity which brought me to Albany in the first place. I believe in a national mission of reconciliation with the world, or I would not have remained in foreign affairs work for most of my adult life. I am convinced SUNY is playing an important role in that same mission and has further international challenges which it is equipped to meet. Simply put, I think the University can develop curricula which give all students a realistic perception of the American role in foreign affairs and some basic tools for them to function at least as "casual intenationalists." SUNY can develop a pioneering export information system which would serve both the American foreign policy interest and the welfare of the State of New York. And it can play an even larger role in technology transfer and development assistance abroad which will create additional reinforcement for international cooperation rather than confrontation.●

CORRUPT HORSERACING PRACTICES ACT

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. VENTO. Mr. Speaker, today, I, with 14 of my colleagues, am reintroducing the Corrupt Horseracing Practices Act. This legislation would prohibit the racing of any horse under the influence of drugs or medication and would establish minimum standards for drug testing and enforcement procedures.

In introducing this legislation during the 96th Congress, I emphasized the threat that drugging presents to the future of horseracing. That threat is still very real.

Horseracing and the gambling on that sport is a major business in the United States. In 1975 nearly 80,000,000 spectators attended horseraces and wagered over $7.8 billion at the track in this multi-billion-dollar industry.

To maintain its fans, horseracing must present a form of entertainment that is enjoyable, exciting, and above suspicion. The integrity of the industry is most essential and any appearance of scandal can threaten the foundation of racing—its fans' loyalty. If racing should fall victim to reports of fixed races, the consumer will simply seek other forms of entertainment upon which to bet or spend money. While agreeing that a scandal would threaten the future of racing, officials are, in effect, playing with fire by turning away from the inherent dangers that drug use poses for racing.

Bettors have an already cynical view on racing's integrity, as shown by the National Commission on the "Review of the National Policy Toward Gambling" survey. This study revealed that most bettors believe that horseraces are fixed pretty often. Further revelations about drugging abuses and the ensuing scandal could lead to a final break between racing and its consumers.

The possibility of a drugging scandal in racing is very real. Reports are growing of the use and abuse of legal medications and of the proliferation of illegal drugs, including narcotics, in racing. In that effort to get a slight advantage over the opposition, individuals within racing are now turning to whatever they think will bring results, even if it is illegal. The Governor's Organized Crime Prevention Commission for the State of New Mexico has conducted a review of the state of horseracing and has released a most disturbing report. In its investigation the commission determined that:

The administering of illegal drugs or medication to racehorses is one of the most common illegal practices at the two tracks investigated. Horses are being drugged or medicated on racing days as a common practice on behalf of owners, trainers and veterinarians. . . . An intense effort involving collusion between vets, owners and trainers exists for the purpose of successfully using drugs which will not be detected in testing procedures.

The problems associated with drugging go beyond the threat to racing's integrity. Drugging is a threat to the health and well-being of both the rider and the horse. A report by the Jockey's Guild revealed that for 1978, their 1,700 licensed members were involved in 2,000 spills that year, causing the deaths of 4 jockeys, the paralysis of 4 others, and the hospitalization of 1,500 riders for 2 weeks or more. The close relationship between drugging and horse breakdowns has been demonstrated by numerous studies. The most recent study was conducted by the South Dakota Racing Commission in 1980. This statistical analysis on 1,400 horses in 150 races revealed that horses on the drug program were 2½ times more likely to break down during a race than those not on the drug program.

I must point out that racing officials are aware of the problems posed by drugs and of the threat that it presents. The National Association of State Racing Commissioners, following the introduction of this measure during the 96th Congress, did adopt new uniform guidelines on the use of drugs in racing. This proposal has been approved in some racing States. I support and applaud the efforts that have been made and am hopeful that the NASRC will continue to move forward. However, these rules are now being challenged in the courts and State legislatures by those frightened by the prospect of drug-free racing.

Despite the positive steps taken by many States, I remain convinced that minimum Federal standards are essential. Horseracing is for all practical purposes an interstate business. Horses are moved from State to State to compete in various events. As an interstate industry, the problems of horseracing should be addressed at the Federal level. To fail to do so will only weaken and destroy any effort to address this issue. One only needs to look at Maryland's effort to impose a strict drug rule on horseracing. Rather than seeking to work within that rule, many owners and trainers threatened to boycott Maryland racetracks in favor of more liberal drug States. Unless a minimum Federal standard is in place, constant pressures will be applied to a State to liberalize its drug codes. In addition, a federalized system provides the vehicle for effectively enforcing penalities on those who violate the regulations through a mechanism to notify all racetrack operators of suspensions to violators. Thus, for example, drug violators in Maryland cannot avoid penalization by racing in West Virginia.

The legislation introduced today does not call for the usurption of the State's role in racing. Rather, it is intended to provide for Federal-interstate-States cooperation. The legislation sets our minimum parameters and allows each State to implement further restrictions. In addition, the bill does not seek to supplant the State in the enforcement of the regulations but rather to assist in this extremely complex area. The solution to the problem of drugs and horseracing will not be achieved by the States alone nor by the Federal Government alone but through cooperation. That concept is the cornerstone of this legislation.

I am most hopeful that the various interests in horseracing will work with me and my colleagues in Congress in seeking an effective solution to the problems of drugs in horseracing.●

THE REHABILITATION AND HISTORIC PRESERVATION TAX INCENTIVES ACT OF 1981—H.R. 2315

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. MOAKLEY. Mr. Speaker, I recently came across some alarming statistics which illustrate how rapidly we are losing our built heritage. In 1935, the Historic American Building Survey was established by Congress to make a record of the significant historic buildings which were in existence at that time. Approximately 35 percent of those buildings have since been destroyed. In our own recent past we can look to the work of Frank Lloyd Wright, probably the most important architect of this century, certainly the most influential—over half of his buildings have been destroyed.

Of the buildings which will be in existence in the year 2000, 80 percent of them have already been built. Renovation of older buildings requires less energy, places less strain on our limited resources, and is labor intensive by its very nature.

The Reagan administration's recent announcement of proposed budgetary reductions to the Historic Preservation Fund, from a total of $42.5 million available in fiscal year 1980 down to $5 million in fiscal year 1982, will curtail many programs which have been making significant strides toward preserving our built heritage. One of these programs is the existing system of tax incentives for historic preservation. This and related programs are administrated primarily by State historic preservation agencies under the successful Federal/State partnership

established under the National Historic Preservation Act of 1966, and reauthorized last year. The Reagan budget seeks no money for State programs and in my own State, the Massachusetts Historical Commission will have its budget cut by 50 percent. National Register nominations and tax certifications, which are primarily the responsibility of the States may be sharply curtailed or terminated unless the State can find the additional revenue necessary to continue the programs. Many States, like Massachusetts, are limited in this decision due to State mandated programing requirements.

Under the Tax Reform Act of 1976 and the Revenue Act of 1978, tax incentives were established to place rehabilitation on a more competitive level with new construction. Although the investment tax credit provisions of the Revenue Act of 1978 did not deal specifically with historic buildings—under the tax act buildings must only be over 20 years old and have 75 percent of the original exterior walls remaining after renovation; the Tax Reform Act of 1976 did establish specific tax incentives for the promotion of historic preservation and certain disincentives to stop the demolition of historic buildings. Although the incentives have only been in actual operation for the last couple of years, they have already generated more than $1.1 billion in largely private investment in income producing property. They have created over 10,000 new housing units of which 39 percent were for low- and moderate-income families—the average project investment being nearly $540,000.

To maintain the progress which has previously been made and to place more emphasis on the private sector, I am today introducing legislation to increase the tax incentives for private rehabilitation of historic buildings. This legislation will not only encourage the undertaking of quality rehabilitations of historic buildings, but, it will also help to increase reinvestment in declining urban neighborhoods, facilitate the expansion of multifamily residential dwellings in urban areas, and concentrate its employment impact on the labor intensive construction and housing industry.

The Rehabilitation and Historic Preservation Tax Incentives Act of 1981 is aimed at accomplishing three objectives. First, my bill allows a 10-percent tax credit to encourage the quality rehabilitation of historic, owner-occupied residences and other structures which are not covered under the investment tax credit. These structures, which comprise a significant portion of the historic buildings in the United States, substantially contribute to the historical integrity of many neighborhoods throughout the country. By allowing this credit, homeowners in declining historic neighborhoods will be given a direct incentive to undertake the quality rehabilitations so necessary to reverse urban decay and blight in their neighborhoods. Not only will this result in more stable neighborhoods, it will also help to turn our inner cities into places where families are once again drawn to live.

Second, my bill corrects an inadequacy in the investment tax credit that gives certified historic rehabilitations a relative disadvantage to rehabilitations of old, but nonhistoric commercial structures. Despite the fact that renovations of historic commercial structures can qualify for both the ITC and the accelerated depreciation of the Tax Reform Act of 1976, many developers have opted for rehabilitations outside of historic districts to avoid complying with the Secretary of the Interior's standards for rehabilitating historic structures. The Secretary of the Interior's standards for rehabilitation and certification procedures assure quality rehabilitations, which sometimes are more costly. By increasing the ITC to 25 percent for certified rehabilitations, the disadvantage that historic rehabilitation now faces will be alleviated and investment will be drawn back into the historic districts.

Finally, the act amends the 10 percent investment tax credit (ITC) rules to include rehabilitated multifamily residential dwellings. Nationally we are faced with a serious housing shortage of both single family dwellings and multifamily rental housing. Nowhere is this more apparent than in our older urban neighborhoods where the deterioration of housing stock has contributed directly to neighborhood decline. As the buildings fall into disrepair they quickly become prey to vandalism, havens of drug addicts, and ultimately, victim of the arsonists torch. This decline is not inevitable. The tax incentives for historic preservation have been used with considerable success to create new residential housing, often from abandoned or underutilized commercial or industrial facilities. By simply referring to the impressive number of new housing units which have been created in certified historic structures, it seems evident that an even greater potential exists under the ITC. Testimony at Chairman ROSTENKOWSKI's Boston field hearing to consider extension of the historic preservation tax incentives indicated that the exclusion of multifamily residential dwelling units from the investment tax credit is a serious deficiency. My bill gives rehabilitated multifamily rental buildings equal footing with the commercial structures already covered by the ITC.

I have included a section by section description of the Rehabilitation and Historic Preservation Tax Incentives Act along with a copy of the bill to further explain the intent of this legislation.

SECTION BY SECTION DESCRIPTION

The Rehabilitation and Historic Preservation Tax Incentives Act is divided into three major sections:

Section 2. Credit for Rehabilitation of Certified Historic Structures.

A 10 percent tax credit, similar to the residential energy credit, is allowed for certified rehabilitation of buildings which are either listed on the National Register or which are located within a registered historic district and have been certified as contributing to the significance of the district.

This section is aimed at stimulating the owners of historic homes, and historic buildings with one to four residential dwelling units, to invest in certified rehabilitations. This section would cover all historic buildings which are not covered under the investment tax credit.

Section 3. Increase of the Investment Tax Credit From 10 percent to 25 percent for Rehabilitation Expenditures with Respect to Certified Historic Structures.

The ITC is increased to provide an additional 15 percent credit for certified rehabilitations of historic buildings. Presently the ITC offers a 10 percent credit for rehabilitations of commercial, nonresidential buildings which are at least 20 years old. The only requirement for rehabilitation is that a least 75 percent of the existing exterior walls must remain after the rehabilitation. Because the quality rehabilitation of a certified historic structure is often more costly, the present statute places quality rehabilitations at a comparative disadvantage. This section equalizes the incentives for doing the more costly certified rehabilitations with the incentives for nonhistoric commercial rehabilitations under the investment tax credit.

Section 4. Investment Tax Credit for Rehabilitation Extended to Multi-Family Residential Property.

The ITC is expanded to include multifamily residential dwellings (five or more dwelling units). Under the present law, residential rehabilitations are specifically excluded from the 10-percent investment tax credit.

There is ample evidence that the tax incentives for historic preservation have stimulated renewed investment in buildings which were once regarded as structurally and functionally obsolete. By removing limitations on use of the investment tax credit for multifamily housing, this section will allow developers to raise the venture capital necessary to convert obsolete commercial and industrial buildings into rental housing. This should be particularly useful to our Nation's older

urban areas which have extremely limited rental housing.

A text of the bill follows:

H.R. 2315

A bill to amend the Internal Revenue Code of 1954 to provide a credit against income tax for amounts paid or incurred for rehabilitating certain historic structures, to increase the investment tax credit percentage to 25 percent for qualified rehabilitation expenditures with respect to such structures, and to extend the investment tax credit for rehabilitation expenditures to multi-family residential rental property.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Rehabilitation and Historic Preservation Tax Incentives Act of 1981".

SEC. 2. CREDIT FOR REHABILITATION OF CERTIFIED HISTORIC STRUCTURES.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits against tax) is amended by inserting after section 44E the following new section:

"SEC. 44F. REHABILITATION OF CERTIFIED HISTORIC STRUCTURES.

"(a) GENERAL RULE.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 10 percent of the qualified rehabilitation expenditures paid or incurred by the taxpayer during the taxable year.

"(b) DEFINITIONS.—For purposes of this section—

"(1) QUALIFIED REHABILITATION EXPENDITURES.—The term 'qualified rehabilitation expenditure' means any expenditure in connection with a certified rehabilitation of a certified historic structure.

"(2) CERTIFIED HISTORIC STRUCTURE.—The term 'certified historic structure' means any building or structure which—

"(A) is listed in the National Register, or

"(B) is located in a registered historic district and is certified by the Secretary of the Interior to the Secretary as being of historic significance to the district.

"(3) REGISTERED HISTORIC DISTRICT; CERTIFIED REHABILITATION.—The term 'registered historic district' and 'certified rehabilitation' have the meanings given them by section 191(d).

"(c) SPECIAL RULES.—For purpose of this section—

"(1) APPLICATION WITH OTHER CREDITS.—The credit allowed by subsection (a) shall not exceed the tax imposed by this chapter for the taxable year, reduced by the sum of the credits allowable under a section of this subpart having a lower number or letter designation than this section, other than credits allowable by sections 31, 39, and 43.

"(2) BASIS ADJUSTMENT.—For purposes of this title, if a credit is allowed under this section for any qualified rehabilitation expenditure with respect to any property, the increase in the basis of such property which would, but for this paragraph, result from such expenditure shall be reduced by the amount of the credit so allowed."

(b) COORDINATION WITH OTHER TAX INCENTIVES FOR REHABILITATION.—

(1) COORDINATION WITH INVESTMENT TAX CREDIT.—Clause (iv) of section 48(g)(2)(B) of such Code (relating to certain expenditures not included) is amended to read as follows:

"(iv) CERTIFIED HISTORIC STRUCTURES.—Any expenditure attributable to the rehabilitation of a certified historic structure (within the meaning of section 191(d)(1)) unless—

"(I) the rehabilitation is a certified rehabilitation (within the meaning of section 191(d)(4)), and

"(II) no credit is claimed under section 44F with respect to such expenditure."

(2) COORDINATION WITH AMORTIZATION OF REHABILITATION EXPENDITURES.—Paragraph (3) of section 191(d) of such Code (relating to amortizable basis) is amended by adding at the end thereof the following: "Such term does not include any portion of the basis attributable to expenditures taken into account in computing any credit allowed under section 44F."

(c) TECHNICAL AMENDMENTS.—

(1) Subsection (a) of section 1016 of such Code (relating to adjustments to basis) is amended by striking out "and" at the end of paragraph (21), by striking out the period at the end of paragraph (22) and inserting in lieu thereof "; and", and by adding at the end thereof the following new paragraph:

"(23) to the extent provided in section 44F(c)(2), in the case of property with respect to which a credit has been allowed under section 44F."

(2) Subsection (b) of section 6096 of such Code (relating to designation of income tax payments to Presidential Election Campaign Fund) is amended by striking out "and 44E" and inserting in lieu thereof "44E, and 44F".

(d) CLERICAL AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 44E the following new item:

Sec. 44F. Rehabilitation of certified historic structures."

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to qualified rehabilitation expenditures (within the meaning of section 44F(b) of the Internal Revenue Code of 1954) paid or incurred after March 4, 1981, and before January 1, 1984, in taxable years ending after March 4, 1981.

(2) BINDING CONTRACTS, ETC.—The amendments made by this section shall apply to qualified rehabilitation expenditures (as so defined) paid or incurred after December 31, 1983, if such expenditures are paid or incurred—

(A) pursuant to a binding contract entered into by the taxpayer before January 1, 1984, or

(B) with respect to a rehabilitation which begins before January 1, 1984.

SEC. 3. INVESTMENT TAX CREDIT PERCENTAGE INCREASED FROM 10 PERCENT TO 25 PERCENT FOR REHABILITATION EXPENDITURES WITH RESPECT TO CERTIFIED HISTORIC STRUCTURES.

(a) IN GENERAL.—Paragraph (2) of section 46(a) of the Internal Revenue Code of 1954 (relating to amount of credit) is amended by adding at the end thereof the following new subparagraph:

"(F) CERTIFIED HISTORIC STRUCTURE PERCENTAGE.—For purposes of this paragraph, the certified historic structure percentage is 15 percent."

(b) APPLICATION OF CERTIFIED HISTORIC STRUCTURE PERCENTAGE.—Subparagraph (A) of section 46(a)(2) of such Code is amended by striking out "and" at the end of clause (ii), by striking out the period at the end of clause (iii) and inserting in lieu thereof ", and", and by adding at the end thereof the following new clause:

"(iv) in the case of so much of the basis of a certified historic structure (within the meaning of section 191(d)(1)) as is attributable to qualified rehabilitation expenditures, the certified historic structure percentage."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts incurred after March 4, 1981, in taxable years ending after such date.

SEC. 4. INVESTMENT TAX CREDIT FOR REHABILITATION EXTENDED TO MULTI-FAMILY RESIDENTIAL RENTAL PROPERTY.

(a) IN GENERAL.—Subsection (g) of section 48 of the Internal Revenue Code of 1954 (relating to special rules for qualified rehabilitated buildings) is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

"(3) MULTI-FAMILY RESIDENTIAL RENTAL PROPERTY ELIGIBLE FOR REHABILITATION CREDIT.—

"(A) IN GENERAL.—This subsection shall apply to any building (and its structual components) which is multi-family residential rental property.

"(B) MULTI-FAMILY RESIDENTIAL RENTAL PROPERTY.—For purposes of this paragraph, the term 'multi-family residential rental property' means a building—

"(i) which contains 5 or more dwelling units (as defined in section 167(k)(3)(C)), and

"(ii) 80 percent or more of the gross rental income from which during each taxable year of the testing period is reasonably expected to be rental income from such units.

"(C) TESTING PERIOD DEFINED.—For purposes of this paragraph, the term 'testing period' means the seven taxable years beginning after the taxable year in which the building is placed in service after the rehabilitation.

"(D) SPECIAL RULES.—For purposes of this paragraph—

"(i) TESTING PERIOD TREATED AS USEFUL LIFE FOR PURPOSES OF RECAPTURE.—For purposes of section 47, in the case of a building which ceases to meet the requirements of clause (ii) of subparagraph (B) for any taxable year, the portion of the basis of such building which is treated as section 38 property by reason of this paragraph shall be treated as—

"(I) being placed in service not earlier than the date the building is placed in service after the rehabilitation, and

"(II) ceasing to be section 38 property during such taxable year.

"(ii) RENTAL VALUE OF UNIT OCCUPIED BY TAXPAYER INCLUDED IN GROSS RENTAL INCOME.—If any portion of a building is occupied by the taxpayer, the gross rental income from such building shall include the rental value of the portion so occupied."

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts incurred after March 4, 1981, in taxable years ending after such date.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, March 5, 1981, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

8:30 a.m.

MARCH 6

Armed Services
Strategic and Theater Nuclear Forces Subcommittee
To resume closed hearings on proposed authorizations for fiscal year 1982 for the Department of Defense, receiving testimony on strategic command, control and communications programs.
224 Dirksen Building

9:00 a.m.

Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

Labor and Human Resources
Business meeting, to consider those matters and programs which fall within the committee's jurisdiction with a view toward submitting its views and budgetary recommendations to the Committee on the Budget by March 15.
4232 Dirksen Building

10:00 a.m.

Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Social Security Administration and certain refugee programs, Department of Health and Human Services.
1114 Dirksen Building

Environmental and Public Works
To hold hearings on S. 533, establishing public buildings policies for the Federal Government, permanently establishing the Public Buildings Service in the General Services Administration, authorizing funds for fiscal year 1982 for the construction, renovation, and maintenance of public buildings and related activities of the Public Buildings Service.
4200 Dirksen Building

Foreign Relations
To hold hearings on issues relating to Central America, focusing on the situation in El Salvador.
4221 Dirksen Building

Rules and Administration
To hold hearings on the proposed extension of the West Front of the Capitol Building, the status and progress of construction of the Hart Senate Office Building, proposed modifications to the Russell and Dirksen Senate Office buildings, and to review the U.S. Capitol Master Plan.
301 Russell Building

Joint Economic
To hold hearings on the employment/unemployment situation for the month of February.
2128 Rayburn Building

2:00 p.m.

Armed Services
Preparedness Subcommittee
To hold open and closed hearings on proposed authorizations for the Department of Defense, focusing on operation and maintenance programs of the U.S. Army.
212 Russell Building

MARCH 9

8:00 a.m.

Appropriations
Legislative Branch Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for administrative activities of the Secretary of the Senate, Sergeant at Arms and Doorkeeper, Legal Counsel, Financial Clerk, Joint Economic Committee, and the Joint Committee on Printing
S-128, Capitol

9:00 a.m.

Agriculture, Nutrition, and Forestry
To resume hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

9:30 a.m.

Finance
International Trade Subcommittee
To hold hearings on S. 396, to restrict importation of automobiles from Japan for a temporary period, and on the current situation of the domestic auto industry.
2221 Dirksen Building

10:00 a.m.

Environment and Public Works
To resume hearings on S. 533, establishing public buildings policies for the Federal Government, permanently establishing the Public Buildings Service in the General Services Administration, authorizing funds for fiscal year 1982 for the construction, renovation, and maintenance of public buildings and related activities of the Public Buildings Service.
4200 Dirksen Building

Select Committee on Small Business
To hold hearings on the role of small business in the Nation's economy recovery.
424 Russell Building

2:00 p.m.

Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

2:30 p.m.

Labor and Human Resources
To hold hearings on the nominations of Thomas W. Pauken, of Texas, to be Director of the ACTION Agency, Albert Angrisani, of New Jersey, to be an Assistant Secretary of Labor, and T. Timothy Ryan, Jr., of Virginia, to be Solicitor for the Department of Labor.
4232 Dirksen Building

MARCH 10

8:00 a.m.

Appropriations
Legislative Branch Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Congressional Budget Office, and the Office of the Architect of the Capitol.
S-128, Capitol

9:00 a.m.

Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for Indian health service programs, and the Bureau of Land Management, Department of Interior.
1318 Dirksen Building

*Labor and Human Resources
Labor Subcommittee
To hold hearings on S. 398, permitting certain employees to work for 10-hour days.
4232 Dirksen Building

9:30 a.m.

Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Institute of Building Science, Federal Home Loan Bank Board, National Credit Union Administration, and the Office of Revenue Sharing (NYC).
1224 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Supreme Court of the United States, and other activities of the judicial branch.
S-146, Capitol

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building

Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold oversight hearings on the implementation of Head Start.
3110 Dirksen Building

10:00 a.m.
*Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Interstate Commerce Commission, Washington Metropolitan Area Transit Authority (Metro), and the Architectural and Transportation Barriers Compliance Board.
S-126, Capitol
Environment and Public Works
Business meeting, to consider those matters and programs which fall within the Committee's jurisdiction with a view toward submitting its views and budgetary recommendations to the Committee on the Budget by March 15.
4200 Dirksen Building
Judiciary
Business meeting, to consider pending calendar business.
2228 Dirksen Building
2:00 p.m.
Appropriations
Energy and Water Development Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for nuclear energy research and development activities of the Department of Energy.
S-128, Capitol

MARCH 11

8:00 a.m.
Appropriations
Legislative Branch Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Library of Congress, Government Printing Office, and the Copyright Royalty Tribunal.
S-126, Capitol
9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building
*Select on Intelligence
Budget Subcommittee
To resume closed hearings on proposed authorizations for fiscal year 1982 for intelligence activities of the United States.
S-407, Captiol
9:30 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the U.S. Soldiers' and Airmen's Home, domestic programs of ACTION, Community Services Administration, and the Railroad Retirement Board.
1114 Dirksen Building
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the U.S. Metric Board and the Marine Mammal Commission.
S-146, Capitol
Judiciary
Constitution Subcommittee
To hold hearings on miscellaneous proposals to balance the Federal budget.
2228 Dirksen Building
10:00 a.m.
Budget
To hold hearings on the administration's economic proposals for the Federal Government.
6202 Dirksen Building
Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on proposed legislation authorizing funds for the U.S. Fire Administration of the Federal Emergency Management Agency.
235 Russell Building
Environment and Public Works
Business meeting, to continue consideration of those matters and programs which fall within the Committee's jurisdiction with a view toward submitting its views and budget recommendations to the Committee on the Budget by March 15.
4200 Dirksen Building
2:00 p.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Corporation for Public Broadcasting, the National Commission on Libraries and Information Science, and the President's Commission on Ethical Problems in Medicine.
1114 Dirksen Building
Governmental Affairs
Intergovernmental Relations Subcommittee
To hold hearings on S. 45, simplifying the administration of national policy requirements applicable to Federal assistance programs to State and local governments.
3302 Dirksen Building

MARCH 12

8:00 a.m.
Appropriations
Legislative Branch Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the General Accounting Office, and the Office of Technology Assessment.
S-126, Capitol
9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Heritage Conservation and Recreation Service, Department of the Interior.
1114 Dirksen Building
9:30 a.m.
Labor and Human Resources
Labor Subcommittee
To hold hearings on S. 351, to transfer certain surface mining operations from the Mine Safety and Health Administration to the Occupational Safety and Health Administration, and other pertinent proposals.
4232 Dirksen Building
10:00 a.m.
Appropriations
*Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Highway Traffic Safety Administration, Department of Transportation.
1318 Dirksen Building
Budget
To continue hearings on the administration's economic proposals for the Federal Government.
6202 Dirksen Building
Environment and Public Works
To mark up S. 533, establishing public buildings policies for the Federal Government, permanently establishing the Public Buildings Service in the General Services Administration, authorizing funds for fiscal year 1982 for the construction, renovation, and maintenance of public buildings and related activities of the Public Buildings Service.
4200 Dirksen Building
1:00 p.m.
*Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building
3:00 p.m.
Appropriations
*Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Mediation and Conciliation Service, the National Labor Relations Board, the National Mediation Board, the Occupational Safety and Health Review Commission, and the Federal Mine Safety and Health Review Commission.
1114 Dirksen Building

MARCH 13

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building
9:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on proposed authorizations for fiscal years 1982 and 1983 for the National Railroad Passenger Corporation (Amtrak).
235 Russell Building

MARCH 16

9:00 a.m.
Agriculture, Nutrition, and Forestry
To resume hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building
10:00 a.m.
*Appropriations
*Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Urban Mass Transportation Administration, Department of Transportation.
1318 Dirksen Building
Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal year 1982

for the Maritime Administration, Department of Commerce.
235 Russell Building

Finance
Taxation and Debt Management Subcommittee
To hold hearings on miscellaneous tax bills, S. 352, 483, 502, and 565.
2221 Dirksen Building

2:00 p.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

MARCH 17

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings to review the proposed budget for fiscal year 1982 for the Department of Agriculture.
1223 Dirksen Building

Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Veterans' Administration.
1224 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Attorney General, Department of Justice.
S-146, Capitol

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To resume hearings on proposed authorizations for fiscal years 1982 and 1983 for the National Railroad Passenger Corporation (Amtrak).
1202 Dirksen Building

Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold hearings on proposed legislation authorizing funds for the Older Americans Act.
4232 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

Select on Intelligence
*Budget Subcommittee
To resume closed hearings on proposed authorizations for fiscal year 1982 for intelligence activities of the United States.
S-407, Capitol

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

MARCH 18

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Inspector General, Department of Agriculture, and the General Accounting Office.
1224 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Bureau of Investigation, Offices of U.S. Attorneys, U.S. Marshals Service, and bankruptcy trustees, Department of Justice.
S-146, Capitol

Labor and Human Resources
Employment and Productivity Subcommittee
To hold hearings on proposed legislation on youth employment.
4232 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

MARCH 19

9:00 a.m.
Agriculture, Nutrition, and Forestry
To resume hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Science and Education Administration, Office of the Secretary, Departmental Administration, Office of Governmental and Public Affairs, and the Office of the General Counsel, Department of Agriculture.
1224 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Immigration and Naturalization Service of the Department of Justice, and the Coordinating Council on Juvenile Justice and Delinquency Prevention.
S-146, Capitol

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building

Labor and Human Resources
Employment and Productivity Subcommittee
To continue hearings on proposed legislation on youth employment.
4232 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

Select on Intelligence
To resume closed hearings on proposed authorizations for fiscal year 1982 for intelligence activities of the United States.
S-407, Capitol

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

MARCH 20

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

9:30 a.m.
Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain public health categorical programs of the Department of Health and Human Services.
4232 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

*Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the

Federal Highway Administration, Department of Transportation.
1318 Dirksen Building

MARCH 23

9:00 a.m.
Agriculture, Nutrition, and Forestry
To resume hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

9:30 a.m.
Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for national centers for health statistics, health services research and health care technology programs, national research service awards, and medical library assistance programs.
4232 Dirksen Building

10:00 a.m.
*Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Railroad Administration, Department of Transportation, and the National Railroad Passenger Corporation (Amtrak).
1114 Dirksen Building

2:00 p.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

MARCH 24

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Foreign Agricultural Service, Office of International Cooperation and Development, Federal Crop Insurance Corporation, Economics and Statistics Service, and the World Food and Agricultural Outlook and Situation Board.
1223 Dirksen Building
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold oversight hearings to review supplemental assistance and restructuring policies for Consolidated Rail Corporation (Conrail), and on proposed authorizations for fiscal year 1982 for the U.S. Railway Association.
235 Russell Building
Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold hearings on proposed legislation authorizing funds for low income energy assistance programs.
5302 Dirksen Building
Labor and Human Resources
Labor Subcommittee
To hold hearings on S. 348, to increase job opportunity by allowing employers to pay young people the minimum wage at a reduced rate.
4232 Dirksen Building

10:00 a.m.
Energy and Natural Resources
*Energy and Mineral Resources Subcommittee
To hold hearings to examine the current supply situation of anthracite coal used for home heating and future trends in this area.
3110 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Drug Enforcement Administration, and prison service programs, Department of Justice.
S-146, Capitol

MARCH 25

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for alternative fuel programs and the Economic Regulatory Administration, Department of Energy.
1114 Dirksen Building
Select on Intelligence
*Budget Subcommittee
To resume closed hearings on proposed authorizations for fiscal year 1982 for intelligence activities of the United States.
S-407, Capitol

9:30 a.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the office of the Secretary, general administration, Economic Development Administration, and the Regional Action Planning Commissions, Department of Commerce.
S-146 Capitol
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To continue oversight hearings to review supplemental assistance and restructuring policies for Consolidated Rail Corporation (Conrail), and on proposed authorizations for fiscal year 1982 for the U.S. Railway Association.
5110 Dirksen Building
Labor and Human Resources
Alcoholism and Drug Abuse Subcommittee
To hold hearings on proposed legislation authorizing funds for the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act.
2228 Dirksen Building
Labor and Human Resources
Labor Subcommittee
To continue hearings on S. 348, to increase job opportunity by allowing employers to pay young people the minimum wage at a reduced rate.
4232 Dirksen Building

2:00 p.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building
Governmental Affairs
Intergovernmental Relations Subcommittee
To resume hearings on S. 45, simplifying the administration of national policy requirements applicable to Federal assistance programs to State and local governments.
3302 Dirksen Building

MARCH 26

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of the Interior and certain related agencies.
1114 Dirksen Building

9:30 a.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Oceanic and Atmospheric Administration, and the Maritime Administration, Department of Commerce.
S-146, Capitol
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building
Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain public health professional education and nurse training programs of the Department of Health and Human Services.
4232 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of State; and to review certain foreign assistance programs.
S-126, Capitol

MARCH 27

9:30 a.m.
Labor and Human Resources
To resume hearings on proposed legislation authorizing funds for certain public health categorical programs of

the Department of Health and Human Services.

4232 Dirksen Building

MARCH 30

9:30 a.m.
Labor and Human Resources
Alcoholism and Drug Abuse Subcommittee
To hold hearings on proposed legislation authorizing funds for the Drug Abuse Prevention, Treatment and Rehabilitation Act.

4232 Dirksen Building

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Aviation Administration, Department of Transportation.

1114 Dirksen Building

MARCH 31

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Soil Conservation Service, Agricultural Stabilization and Conservation Service, and the Animal and Plant Health Inspection Service, Department of Agriculture.

1223 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the International Trade Administration, Scientific and Technical Research Service, and the Patent and Trademark Office, Department of Commerce.

S-126, Capitol

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.

235 Russell Building

Labor and Human Resources
To hold hearings to review family planning programs.

4232 Dirksen Building

10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Management and Budget.

S-146, Capitol

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Agency for International Development; and to continue review of certain foreign assistance programs.

S-126, Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the White House Office, Office of Administration, official residence of the Vice President, executive residence, special assistance to the President, Compensation of the President, and other unanticipated needs.

S-146, Capitol

APRIL 1

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Bureau of Indian Affairs, Department of the Interior.

1114 Dirksen Building

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Farmers Home Administration, Rural Electrification Administration, and the Farm Credit Administration.

1223 Dirksen Building

Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Emergency Management Agency and the Selective Service System.

S-126, Capitol

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the economic and statistical analysis program, U.S. Census Bureau, National Telecommunications and Information Administration, and the Minority Business Development Agency, Department of Commerce.

S-146, Capitol

Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain adolescent pregnancy programs of the Department of Health and Human Services.

4232 Dirksen Building

10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Secretary of the Treasury.

1224 Dirksen Building

2:00 p.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Secretary, international affairs programs, Bureau of the Mint, Bureau of Engraving and Printing, and Bureau of Government Financial Operations of the Department of the Treasury.

1224 Dirksen Building

APRIL 2

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Surface Mining Reclamation and Enforcement, Department of the Interior; and the Smithsonian Institution.

1114 Dirksen Building

9:00 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1982 from officials of Paralyzed Veterans of America, Blinded Veterans Association, Military Order of the Purple Heart, and Veterans of World War I.

412 Russell Building

10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the U.S. Postal Service.

S-146, Capitol

11:00 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1982 from AMVETS.

412 Russell Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Agency for International Development, and certain foreign assistance programs.

S-126, Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the U.S. Customs Service, U.S. Secret Service, Federal Law Enforcement Training Center, and the Bureau of Alcohol, Tobacco and Firearms.

S-146, Capitol

APRIL 3

10:00 a.m.
Appropriations
*Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of Transportation and related agencies.

1114 Dirksen Building

APRIL 6

9:30 a.m.
Labor and Human Resources
Alcoholism and Drug Abuse Subcommittee
To hold hearings on proposed legislation authorizing funds for the Alcohol and Drug Abuse Education Act.

4232 Dirksen Building

10:00 a.m.
Appropriations
*Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the U.S. Railway Association and Consolidated Rail Corporation (Conrail).

1114 Dirksen Building

APRIL 7

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Food and Nutrition Service, and the Food Safety and Quality Service, Department of Agriculture.
1223 Dirksen Building

Labor and Human Resources
To hold hearings on proposed authorizations for fiscal year 1982 for the National Science Foundation.
4232 Dirksen Building

10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the General Services Administration.
1318 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Agency for International Development, and certain foreign assistance programs.
S-126, Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Personnel Management, Merit Systems Protection Board and Special Counsel, Federal Labor Relations Authority, Advisory Commission on Intergovernmental Relations, Advisory Committee on Federal Pay, Commission on Executive, Legislative and Judicial Salaries, and the President's Commission on Pension Policy.
1318 Dirksen Building

APRIL 8

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Secretary and the Office of the Solicitor, Department of the Interior.
1114 Dirksen Building

9:30 a.m.
*Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Science and Technology Policy, Council on Environmental Quality, and the National Regulatory Council.
S-126, Capitol

Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain health maintenance organizations of the Department of Health and Human Services.
4232 Dirksen Building

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Department of Transportation.
1224 Dirksen Building

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Administrative Conference of the United States, Federal Elections Commission, Office of Federal Procurement Policy, Domestic Policy Staff, U.S. Tax Court, and the Committee for Purchase From the Blind and Other Severely Handicapped.
1318 Dirksen Building

APRIL 9

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for strategic petroleum reserve programs, the Energy Information Administration, and naval petroleum reserve programs, Department of Energy.
1114 Dirksen Building

9:30 a.m.
Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold hearings on proposed legislation authorizing funds for the Domestic Volunteer Services Act.
4232 Dirksen Building

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Secretary, Department of Transportation, and to review overall budget recommendations.
S-126, Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Internal Revenue Service, and the savings bond division of the Bureau of the Public Debt.
1318 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain international security assistance programs of the Department of State.
S-126, Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Council of Economic Advisers, National Security Council, and the Council on Wage and Price Stability.
1318 Dirksen Building

APRIL 21

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for Forest Service programs, the Office of the Federal Inspector for the Alaska Natural Gas Transportation System, and the Pennsylvania Avenue Development Corporation.
1114 Dirksen Building

9:30 a.m.
Labor and Human Resources
To resume hearings on alleged sex discrimination in the workplace.
4232 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1224 Dirksen Building

APRIL 22

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Secretary of Energy.
1114 Dirksen Building

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Food and Drug Administration, Commodity Futures Trading Commission, Agricultural Marketing Service, Federal Grain Inspection Service, Office of Transportation, and the Agricultural Cooperative Service, Department of Agriculture.
1223 Dirksen Building

Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Environmental Protection Agency.
1318 Dirksen Building

Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain community/migrant health centers and the National Health Service Corps of the Department of Health and Human Services.
4232 Dirksen Building

APRIL 23

9:30 a.m.
Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold hearings on proposed legislation authorizing funds for certain child abuse and adoption opportunity programs.
4232 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the

79-059 O - 84 - (Vol 127 Pt.3) - 54

government of the District of Columbia.
1224 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for certain international aid programs of the Department of State.
S-126, Capitol

APRIL 28

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Endowment for the Arts and the National Endowment for the Humanities.
1114 Dirksen Building

9:30 a.m.
Labor and Human Resources
Labor Subcommittee
To hold oversight hearings on the implementation of the Davis-Bacon Act.
4232 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1224 Dirksen Building
Labor and Human Resources
Education Subcommittee
To hold hearings to review certain educational programs.
5110 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain international monetary programs of the Department of Treasury.
S-126, Capitol

APRIL 29

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Consumer Cooperative Bank, and the Consumer Product Safety Commission.
1318 Dirksen Building
Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold oversight hearings on the implementation of the Economic Opportunity Act.
457 Russell Building
Labor and Human Resources
Labor Subcommittee
To continue oversight hearings on the implementation of the Davis-Bacon Act.
4232 Dirksen Building

10:00 a.m.
Labor and Human Resources
Education Subcommittee
To continue hearings to review certain educational programs.
6226 Dirksen Building

APRIL 30

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Park Service, Department of the Interior.
1114 Dirksen Building

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Science Foundation.
1318 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1224 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the multilateral development banks of the Department of the Treasury.
S-126, Capitol

MAY 5

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Export-Import Bank of the United States.
S-126, Capitol

MAY 6

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Geological Survey, Department of the Interior.
1223 Dirksen Building

MAY 7

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for conservation and fossil energy programs.
1223 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Agency for International Development, and certain international aid programs.
S-126, Capitol

MAY 12

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Aeronautics and Space Administration.
1224 Dirksen Building
Labor and Human Resources
Labor Subcommittee
To hold oversight hearings on the implementation of the Longshoremen and Harbor Workers Compensation Act.
4232 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Peace Corps.
S-126, Capitol

MAY 13

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Commission of Fine Arts, the National Gallery of Art, and the Bureau of Mines, Department of the Interior.
1223 Dirksen Building

9:30 a.m.
Labor and Human Resources
Labor Subcommittee
To continue oversight hearings on the implementation of the Longshoremen and Harbor Workers Compensation Act.
4232 Dirksen Building

MAY 14

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Territorial Affairs, Department of the Interior.
1223 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain international programs.
S-126, Capitol

MAY 19

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

MAY 20

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development.
1224 Dirksen Building

MAY 21

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development, and the Neighborhood Reinvestment Corporation.
1224 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

JUNE 2

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development, and certain independent agencies.
1224 Dirksen Building

CANCELLATIONS

MARCH 12

9:30 a.m.
Judiciary
To resume oversight hearings to review the administration's budget recommendations of the Federal Trade Commission.
2228 Dirksen Building

HOUSE OF REPRESENTATIVES—*Thursday, March 5, 1981*

The House met at 11 a.m.

The Reverend S. James Steen, rector, St. Patrick's Episcopal Church, Washington, D.C., offered the following prayer:

Almighty God, eternal King and Ruler of all the peoples of the Earth, we give You hearty thanks for the gift of our great Nation. We give You thanks for those men and women who by their devotion to justice, freedom, and peace have molded our country in the past. We thank You for the commitment of those who serve her today.

Grant wisdom to all who are entrusted with the authority of government, that both at home and beyond our shores, Your will may be accomplished. Especially, we ask You to guide the Representatives assembled in Congress; that the actions they take here may please You and benefit those whom they are called to serve.

All this we ask in Your holy name. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

REV. JAMES STEEN

(Mr. JONES of Oklahoma asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JONES of Oklahoma. Mr. Speaker, it is a great privilege and pleasure for me to welcome to the House today the Reverend James Steen, the rector of St. Patrick's Episcopal Church here in Washington, D.C.

It is an honor for us that on this occasion he would have his parents, Mr. and Mrs. Sid Steen of Tulsa, Okla., who are my constituents and friends, to be here to observe their son open this session of the House with a prayer and also to celebrate their 50th wedding anniversary.

Mr. Speaker, Reverend Steen graduated from Washington and Lee University and General Theological Seminary, and served as assistant rector at Trinity Church in Princeton, N.J. He also spent 5 years as associate rector of the Church of St. Luke in the Fields in New York City, where he was widely respected for his efforts to involve the community in the liturgical and social aspects of the church.

I am especially pleased to introduce Jim Steen today because he is a native of my home State, Oklahoma, and the son of two of my constituents, Sid Steen, executive editor of the Tulsa World, and his wife.

Mr. and Mrs. Steen have set Oklahoma a high standard of public service, and their son is doing an excellent job of following in the family footsteps. As an Oklahoman, I would like to say how proud we are of Reverend Steen. As a Member of this House, I would like to thank him for being here with us today.

WE MUST MOVE FORWARD WITH ENERGY PACKAGE

(Mr. FITHIAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FITHIAN. Mr. Speaker, today I take the well to ask the President to use his budget ax with the same skill that he splits the wood on his ranch. This would mean that he should not chop down the energy program that has been built in this Congress and in this country over the last several years. We must not, I think, give over the ax to the OMB to be wielded recklessly in the field of alternate fuels and in the field of alcohol fuels and in the field of gasohol. I speak only to one element of the energy policy today but it is essential that we move forward toward producing more, not less, energy at this time.

We speak much these days of national defense, but I would remind the Members of the House that the Achilles' heel of the national security program in the United States is our inability to deliver to the Armed Forces the needed liquid fuel to propel the machinery and equipment that we use in the Defense Department.

So, if for no other reason than to make this country more secure, we must move forward with the gasohol program, we must move forward with the alternate fuels program, and we must move forward with the whole energy package that we worked very hard to develop. It must not be dismantled. We must not chop off our foot in the process of chopping budgets.

ENERGY SECRETARY'S PROPOSAL FOR BUDGET INCREASE IS ESSENTIAL

(Mr. LUJAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUJAN. Mr. Speaker, I want to take time today to commend Energy Secretary James Edwards for his remarks concerning manpower needs at our national defense laboratories.

Appearing before a House subcommittee this week Mr. Edwards pointed out the danger of allowing these vital installations to operate with inadequate manpower and dated physical plants.

Two nuclear weapons research facilities—Los Alamos and Sandia labs—are located in New Mexico; together they play a vital role in my home State's economy, but more importantly they are of critical importance to the future security of our Nation.

The New Mexico congressional delegation has been meeting with DOE officials in an effort to obtain at least 75 more positions for the protective force at the Los Alamos National Laboratories. Secretary Edwards' viewpoint on this proposal is positive. He proposed to substantially increase funding for national labs because of growing concern that weapons research is lagging and that future needs will not be met.

It is clear that the Secretary has given this subject a full review. His proposal for a budget increase is well-founded and essential. I look forward to working with him in the coming months to insure that our national defense labs are fully funded.

APPOINTMENT AS MEMBERS OF COMMISSION ON SECURITY AND COOPERATION IN EUROPE

The SPEAKER. Pursuant to section 3(1), Public Law 94-304, the Chair appoints as members of the Commission on Security and Cooperation in Europe the following Members on the part of the House: The gentleman from Florida (Mr. FASCELL), chairman; the gentleman from Illinois (Mr. YATES); the gentleman from New York (Mr. BINGHAM); the gentleman from Colorado (Mr. WIRTH); the gentlewoman from New Jersey (Mrs. FENWICK); and the gentleman from Pennsylvania (Mr. RITTER).

APPOINTMENT AS MEMBERS OF U.S. DELEGATION OF MEXICO-UNITED STATES INTERPARLIAMENTARY GROUP

The SPEAKER. Pursuant to the provisions of section 1, Public Law 86-

420, as amended, the Chair appoints as members of the U.S. delegation of the Mexico-United States Interparliamentary Group the following Members on the part of the House: The gentleman from Texas (Mr. DE LA GARZA) chairman; the gentleman from Pennsylvania (Mr. YATRON), vice chairman; the gentleman from Texas (Mr. KAZEN); the gentleman from California (Mr. MILLER); the gentleman from Missouri (Mr. SKELTON); the gentleman from Colorado (Mr. KOGOVSEK); the gentleman from Florida (Mr. MICA); the gentleman from California (Mr. ROUSSELOT); the gentleman from California (Mr. LAGOMARSINO); the gentleman from Arizona (Mr. RUDD); the gentleman from Pennsylvania (Mr. GOODLING), and the gentleman from California (Mr. DREIER).

APPOINTMENT AS MEMBERS OF U.S. GROUP OF NORTH ATLANTIC ASSEMBLY

The SPEAKER. Pursuant to the provisions of section 1, Public Law 689, 84th Congress, as amended the Chair appoints as members of the U.S. group of the North Atlantic Assembly to be held May 22 to 25, 1981, in Venice, Italy, the following Members on the part of the House: The gentleman from California (Mr. PHILLIP BURTON), chairman; the gentleman from Indiana (Mr. HAMILTON), vice chairman; the gentleman from Texas (Mr. BROOKS); the gentleman from Illinois (Mr. ANNUNZIO); the gentleman from North Carolina (Mr. ROSE); the gentlewoman from Ohio (Ms. OAKAR); the gentleman from New York (Mr. GARCIA); the gentleman from Mississippi (Mr. BOWEN); the gentleman from Michigan (Mr. BROOMFIELD); the gentleman from Illinois (Mr. FINDLEY); the gentleman from Virginia (Mr. WHITEHURST); and the gentleman from California (Mr. BURGENER).

APPOINTMENT AS MEMBERS OF U.S. DELEGATION OF CANADA-UNITED STATES INTERPARLIAMENTARY GROUP

The SPEAKER. Pursuant to the provisions of Public Law 86-42 as amended, the Chair appoints as members of the U.S. delegation of the Canada-United States Interparliamentary Group to be held May 22-26, 1981, in Halifax, Nova Scotia, the following Members on the part of the House:

The gentleman from Florida (Mr. FASCELL), chairman; the gentleman from Massachusetts (Mr. BOLAND), vice chairman; the gentleman from Florida (Mr. GIBBONS); the gentleman from Washington (Mr. BONKER); the gentleman from New York (Mr. LAFALCE); the gentleman from Illinois (Mr. RUSSO); the gentleman from Maryland (Mr. BARNES); the gentleman from New York (Mr. HORTON); the gentleman from Kansas (Mr. WINN); the gentleman from Michigan (Mr. DAVIS); the gentlewoman from Maine (Mrs. SNOWE); and the gentleman from New York (Mr. MARTIN).

HOUSE COMMITTEE FUNDING RESOLUTIONS

(Mr. DREIER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DREIER. Mr. Speaker, at a time when the President is calling for reductions in Federal spending of almost $50 billion, it is imperative that the Congress show a sense of fiscal responsibility in the workings of our own House.

While the Senate has cut committee budgets by an average of 10 percent below last year's authorization, we in the House will begin to vote on committee funding resolutions that, in all but one case, contain increases ranging from 16 to 39.2 percent.

How can we as Members of Congress tell the American people to make economic sacrifices at the same time we continue to increase our committee budgets? Americans have sent a clear message to Congress. America wants less Government and less Government spending.

We must begin by putting a lid on the expenditures for our committee budgets. I urge you to defeat the committee funding resolutions at the proposed funding levels.

RITA JENRETTE DOES NOT SPEAK FOR HUGHES FAMILY

(Mr. HUGHES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUGHES. Mr. Speaker, we have seen a lot more of Rita Jenrette lately, both on the talk show circuit and in the pages of Playboy magazine.

She has become quite an expert—or at least she claims to be—on the Congress, its Members, and our morality.

But the Washington I hear about from Rita Jenrette is not the Washington I know. Whatever our other shortcomings might be, I know the overwhelming majority of my colleagues to be decent, God-fearing, sincere, and hard-working individuals who have given every effort toward doing what they believe is right.

Perhaps I have not traveled in the right circles, but the husbands and wives I have met in the Congress are deeply involved in civic work, in raising funds for the troubled or needy, in working with our young people, and a host of other worthy activities, or perhaps they are simply homemakers.

I know that that type of activity, day in and day out, is not particularly exciting or newsworthy. It does not make good copy and it certainly will not boost the ratings of the "Phil Donahue show."

But that is the Washington I know.

Rita Jenrette has every right to talk about her own life and speak for herself. But she does not speak for me, or for my family, or for, I suspect, the great overwhelming majority of my associates.

INTRODUCING LEGISLATION PROVIDING CREDIT FOR NONPETROLEUM FUEL USE BY AUTOMOBILES

(Mr. GLICKMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GLICKMAN. Mr. Speaker, by 1985 our automobile manufacturers have to meet a standard of 27½ miles per gallon for their average fuel economy. Today I am introducing some legislation which will give these manufacturers a credit on that standard for automobiles that they produce which are designed to use nonpetroleum fuels whether they be alcohol, methane, methanol or whatever.

We have given the automobile manufacturers similar treatment for electric vehicles in previous legislation.

It is my judgment that this may provide them the incentive to build cars that have engines that use alternative fuels at a much faster rate than they ordinarily will do.

Mr. Speaker, I let my colleagues know that today our companies are manufacturing several hundred thousand cars a year in South America that use 100 percent alcohol and certainly they should be able to have the technology to manufacture the same kind of cars for the U.S. market. Hopefully this bill will provide them with some incentive.

□ 1115

PERMISSION FOR COMMITTEE ON ENERGY AND COMMERCE TO HAVE UNTIL MIDNIGHT FRIDAY TO FILE REPORT ON H.R. 2166

Mr. SHARP. Mr. Speaker, I ask unanimous consent that the Committee on Energy and Commerce may have until midnight Friday, March 6, 1981, to file a report on the bill, H.R. 2166.

The SPEAKER pro tempore (Mr. MOAKLEY). Is there objection to the request of the gentleman from Indiana?

There was no objection.

CONGRESS SHOULD SET EXAMPLE BY CUTTING COMMITTEE STAFFS

(Mr. COLLINS of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COLLINS of Texas. Mr. Speaker, in its wisdom the House has taken long and deliberate time in its consideration of the committee staff budgets. The reason for that is that America knows Congress is spending too much money, and it knows that the $80 billion deficit comes from Congress. The bigger the staffs, the more we spend on all types of legislation.

I want to give the Members an example of how fast these committee staffs have grown with a few typical committees compared today against the year 1974, which is not a long time ago, just 6 years.

The Committee on Agriculture had 22 members in 1974. The last I heard they had 70 over there now. The Committee on Interstate and Foreign Commerce had 58; they now have 160 and they are asking for 170.

The Committee on Merchant Marine and Fisheries had 22, 6 years ago, and they have 88 on the staff over there now. The Committee on Ways and Means had 31 in 1974, and they now have 90.

The way to cut back on Government is to cut back on the staffs and have fewer of these people sitting around the Halls of Congress trying to dream up new regulations, dream up new laws. We need to save money for America.

America has more Government that it needs, more regulations than it wants, and more taxes then we can afford to pay.

U.S. NATIONAL SECURITY AND THE MULTILATERAL DEVELOPMENT BANKS

(Mr. CONTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONTE. Mr. Speaker, in assessing legislation for the Multilateral Development Bank (MDB's) this year, I urge my colleagues to consider the impact of these institutions on U.S. national security. The vast financial support they provide is critical to the maintenance of long-term economic and political stability throughout the developing world.

Among the 13 largest development bank borrowers, for example, this security is absolutely vital to U.S. strategic interests. Each of these countries—Brazil, Mexico, Korea, Pakistan, Egypt, India, Indonesia, Colombia, Thailand, Yugoslavia, Turkey, the Philippines, and Kenya—is either a close U.S. ally or a key buffer to Soviet-backed expansionism. Alone, these countries received over $8 billion in development bank assistance in 1979—more than four times U.S. security support assistance, worldwide, in 1979, and at far less cost to the American taxpayer. Reduced U.S. support for these institutions would mean not only less development assistance, but also a loss in U.S. influence over the direction of MDB assistance flows.

U.S. security interests are closely linked to the health of the world economy which, in part, is dependent upon MDB activities for growth, resilience, and efficiency. MDB assistance induces growth which stimulates markets. The largest MDB borrowers are the world's fastest growing markets and now surpass Western Europe in the purchase of U.S. exports.

The MDB's help to recycle surplus OPEC funds back to the deficit developing countries through project loans, thus alleviating excess strain on the world's monetary system.

Finally, the MDB's use their growing leverage to induce shifts within the developing countries toward market-oriented policies thereby helping to achieve and maintain an efficient, responsive international market economy.

ENACTMENT OF H.R. 2256, PHASING OUT EXCISE TAX ON LARGE CIGARS, URGED

(Mr. NELLIGAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NELLIGAN. Mr. Speaker, I am delighted to cosponsor H.R. 2256, which would phase out over a 3-year period the excise tax on large cigars. In the past, when times were much more prosperous for the cigar industry, it made some sense for these products to be used as vehicles for a stable source of Government revenue. The cigar excise tax was doubled in 1942, as part of the package to raise funds for World War II—and then later for the Korean conflict.

In recent years most of the excise taxes in this country have been eliminated. Now the U.S. cigar industry has fallen on hard times. The industry is a major source of employment in the Eleventh District of Pennsylvania, particularly in Berwick, Mountaintop, and Kingston, where we already suffer from high unemployment. Enactment of H.R. 2256 would inject badly needed financial support to a labor intensive industry and help get it back on its feet. By so doing, it would create needed jobs in Pennsylvania and other areas throughout the country, thereby providing revenues to the Government through increased income taxes. I urge my colleagues to support H.R. 2256.

LEGISLATIVE PROGRAM

(Mr. MICHEL asked and was given permission to address the House for 1 minute.)

Mr. MICHEL. Mr. Speaker, I ask to proceed for 1 minute for the purpose of inquiring of the acting majority leader the program for next week.

Mr. SHARP. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I will be happy to yield to the gentleman from Indiana.

Mr. SHARP. Mr. Speaker, the leadership would like to announce the program for next week.

On Monday, the House meets at noon in a pro forma session.

On Tuesday, the House meets at noon to consider one bill under suspension of the rules: H.R. 2166, to extend antitrust defense for oil companies participating in voluntary agreements under the international energy program.

On Wednesday, the House will meet at 3 p.m. in a pro forma session.

On Thursday, the House meets at 11 a.m. in a pro forma session.

On Friday, the House will not be in session.

Mr. MICHEL. I might make the observation that it is a pretty lean plate for next week. I was given to understand that since the funding resolutions were put off this week, that they might be considered next week. I wonder if the gentleman would have any intelligence on when those funding resolutions might be brought before the House?

Mr. SHARP. I have been advised that that decision has not been finally given, and can really provide no further information.

Mr. MICHEL. Do I understand, then, from the gentleman's response, that a decision has not been made either on the form in which they would come by the traditional means, for example, of one at a time, giving the minority an opportunity to amend the individual resolutions, or is there a prospect of their all being lumped together in one resolution.

Mr. SHARP. I simply have not been advised in a way that I could answer that question.

Mr. LOTT. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I will be happy to yield.

Mr. LOTT. We are getting off to an extraordinarily slow start, it seems to me, around here. I wonder if the leader has been informed as to when we might pick up the pace around here.

Mr. MICHEL. No, but the majority leader and I had a little exchange the other day in which I said that the measurement of what is accomplished around here at this junction cannot always be measured by what takes place on the House floor. The commit-

tees are meeting. I understand the Budget Committee, as the gentleman well knows, is meeting. The Ways and Means Committee is beginning to hold hearings. The Appropriations Committee has already met, unfortunately, on the Carter budget as distinguished from the new one.

We know the rescissions will not be up here until the 10th of March. We cannot really be in that kind of position of criticizing any inaction on the floor of the House when, frankly, the tax bill itself has not been formally submitted. The specifics will not be up here until the 10th.

I cannot be all that critical that we are not doing things here on the floor of the House if for no other reason than just to be spinning our wheels. I would say, however, that it is important that we have ample time to debate the funding resolutions for the various committees, because as the gentleman well knows, we have some decided feelings on this side particularly about the growth of staff around here and our own intention of making some economies here in our own body to give some encouragement to the departments downtown and the rest of the people out there in the country who are being asked to sacrifice something and to cut down on their normal pattern of living in the interests of the overall national effort to cut Federal expenditures.

Mr. SHARP. Mr. Speaker, will the gentleman yield further?

Mr. MICHEL. I yield.

Mr. SHARP. I can advise the House that the leadership does wish and expect to take up consideration of committee funding during the week of March 16.

Mr. MICHEL. March 16. I thank the gentleman for that observation, and then I will take it from the gentleman's statement that that will be the case, and we will prepare ourselves for that eventuality.

Mr. Speaker, I yield back the balance of my time.

ADJOURNMENT TO MONDAY, MARCH 9, 1981

Mr. SHARP. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. SHARP. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

COMMENTS AND SUGGESTIONS BY THE HONORABLE CHARLES ROSE OF NORTH CAROLINA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. ROSE) is recognized for 5 minutes.

EFFECT OF IMPORTED TOBACCO ON TOBACCO PRICE SUPPORT PROGRAM

Mr. ROSE. Mr. Speaker and my colleagues in the House, before he left office President Carter accepted the recommendation of his Secretary of Agriculture, Bob Bergland, to call for an investigation of the effect that imported tobacco was having on the tobacco price support program administered by the U.S. Department of Agriculture. President Reagan asked that that investigation be halted when he came into office, and on Monday of this week he gave the green light to the resumption by the International Trade Commission of the investigation started by the previous President.

Mr. Speaker, I salute both the previous and the present Presidents of the United States for the actions that they have taken in this investigation, and as chairman of the Tobacco and Peanut Subcommittee of the Committee on Agriculture, I pledge to watch this investigation very carefully to the end that the tobacco producers of this country can be assured that the tobacco price support program is operating as it should be in the interests of all Americans.

LEGISLATION TO PROTECT IDENTITY OF INTELLIGENCE AGENTS

Mr. Speaker, on another subject, I have cosponsored legislation that would protect the identity of intelligence agents. In the last few years we have seen a great trend toward openness and full disclosure. Much of this is good, but much of this often causes more harm than good. In the case of the intelligence community, it has placed the lives of many intelligence agents in jeopardy. I hope that when the time comes for this legislation to be brought to the floor, that it will have wide bipartisan support so that intelligence community agents who serve our country can do their work with the requisite program.

USE OF COMPUTERS INCREASE EFFICIENCY OF COMMITTEES AND MEMBERS

Mr. Speaker, the House of Representatives is being called on as never before to be a greater guardian and watchdog of the American tax dollars. Industries throughout America have discovered in various ways that their own productivity can be improved by the imaginative and educated use of computers.

Mr. Speaker, in this House the Committee on House Administration has made available to every committee and every Member of Congress adequate resources on computer time and equipment and consultation to make offices and committees more productive.

Mr. Speaker, it is very true that you can bring a horse to water, but you cannot make him drink. So does that apply in the field of computers, and I challenge each and every committee chairman and every colleague on both sides of the aisle to study carefully the resources that are available to them as Members of this body to the end that they become more productive by the intelligent and considered use of electronic data processing.

□ 1130

THE HOUSE BROADCASTING SYSTEM

And last, in closing, Mr. Speaker, we began almost 2 years ago a bold experiment in this Congress, and that was the invention of the House broadcasting system. Today the proceedings of the House of Representatives are the longest running live television show in America.

I left my district the other day by airplane, and a man at the airport said:

> I watch the House of Representatives on television, and sometimes it is pretty dull, but, Congressman, we can tell that you people are serious about managing the business of this country.

So we are about to come up, Mr. Speaker, on the second birthday of the House of Representatives broadcasting system, and we owe you a debt of gratitude as our Speaker for allowing this system to go forth and develop so that millions of men and women across America can look in on live television and see the Congress of the United States at work.

Mr. Speaker, I yield back the balance of my time.

PROVIDING FOR AMERICA'S MINERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kentucky (Mr. ROGERS) is recognized for 10 minutes.

Mr. ROGERS. Mr. Speaker, I rise today to bring to the attention of my colleagues the health care needs of our country's coal miners, and to assure them of the need to continue an effective, soundly financed program of black lung benefits.

There is no denying the hazards of working in a coal mine. I am sure that most of my colleagues are well aware of the constant threats of roof caveins, explosions, and fires. But there is another, far more insidious danger—the danger of breathing the dusty air

which all too often contributes to the suffocating disease of pneumoconiosis.

The statistics are clear. Black lung kills more Americans than all other forms of pneumoconiosis combined—including those affecting iron workers, farmers, welders, and factory workers. It kills over 1,000 people each year, and disables the 100,000 Americans afflicted today. The risk of death and disability among coal miners is two times that of the general population and the chance of death is eight times more than that in any other occupation.

And the problem is squarely confronted in my own district, in the streets of Harlan, Middlesboro, and Hyden. Ex-miners in Appalachia have a death rate 24 percent greater than the norm.

But the statistics do not address the suffering caused in individual lives. They do not address the numbing fear in a still young man who one day discovers shortness of breath, difficulty in walking up even a slight hill, and then the violent, painful cough.

The statistics do not describe the workingman who dreads going to sleep at night, that time when the suffocating cough prevents his breathing—even when he has his feet carefully propped up or when he is lying under an oxygen tent.

The statistics do not record the heartfelt sorrow of the wife, the eventual widow, who hears her husband's racking cough during the night.

Mr. Speaker, Presidents have declared that our energy crisis is the moral equivalent of war. Each war has its heroes, and this one is no different. And just as our country has legitimately provided for the wounded veterans and their descendants in previous wars, so we must provide for the disabled veterans of this current war.

The country is increasingly turning to coal as a cheap, efficient, and abundant domestic source of energy. It provides our households, industries, and utilities with the promise of future energy. There is not a single congressional district which does not benefit from the labors of the miners.

It is not asking too much when we demand that those who have been disabled in our country's energy war be provided for by the country they have so ably served. The miners and their families should not bear this burden alone.

I urge my colleagues to work with me to insure that we continue to provide a soundly financed, well-constructed program of benefits for these miners who have been truly disabled.

Mr. NELLIGAN. Mr. Speaker, will the gentleman yield?

Mr. ROGERS. Yes; I yield to the gentleman from Pennsylvania.

Mr. NELLIGAN. Mr. Speaker, I thank the gentleman for yielding, and I compliment him on his profound elocution and articulation of a problem which is indeed a problem for all Americans.

I, too, come from a coal-mining area, the 11th District of Pennsylvania, and I remember, as a young man and as a child, seeing the coal miners from the Dorrance colliery coming home in the afternoon black with only the whites of their eyes showing. I watched those coal miners over the years, as I grew to be a young man, and I watched the deterioration of their bodies, I watched them wheeze and bend over and gasp for breath, and indeed I saw them die from black lung.

If we can expect in this Nation a revitalization of coal, then we must have consideration for the men who are going to mine that coal. I strongly urge all my colleagues, particularly those who do not have this problem, who are not confronted with the problem, and have not seen the victims of black lung, to be sympathetic and compassionate. And if not that, I just urge them to look at it reasonably and logically, and I urge, for the good of the country and for the good of the coal miners in this country and to achieve energy independence, that they do not support any move to cut the black lung program.

Mr. GONZALEZ. Mr. Speaker, will the gentleman yield?

Mr. ROGERS. Yes; I yield to the gentleman from Texas.

Mr. GONZALEZ. Mr. Speaker, I also wish to rise in strong support of the gentleman's message. This may seem strange, coming from a nonmining-area Representative, but it so happens that my whole family history is intertwined with mining. My oldest brother, who died 1 year ago exactly, was a mining engineer and spent all his life in the mining area of northern Mexico, and I am very familiar with the plight of miners that has been described here so dramatically.

I remind the gentleman that really the question is a very large one, and unless one has been into the mines or the mining areas and seen the plight and the life of a miner, it is very difficult to comprehend what is involved.

I want to express my support, as I have from the beginning, of the black lung legislation. There is only one other thing, though, and that is why I am delighted that the two gentlemen spoke up today, and that is that, as I understand it, on the budgetary recommendations by the administration this is targeted for either reduction or elimination; is that correct?

Mr. ROGERS. Mr. Speaker, I understand that the executive branch is considering some changes in the program.

Mr. GONZALEZ. Mr. Speaker, I thank the gentleman very much.

Mr. NELLIGAN. Mr. Speaker, will the gentleman yield on that point for one more comment?

Mr. ROGERS. I yield to the gentleman from Pennsylvania.

Mr. NELLIGAN. Mr. Speaker, I thank the gentleman for yielding.

It is my understanding that the administration intends to keep the black lung program for those who are now receiving it as is. The problem is that it has been plagued with allegations that there are many receiving it who are not truly disabled, and I believe the administration's intention is to make the proof more positive that those who are applying for black lung benefits indeed do have a disablement and they are disabled.

I would hope that what it would do is take the looseness out of the program and insure that only those who are truly disabled, those who really need the black lung payments, are indeed those who are going to get them.

Mr. ROGERS. Mr. Speaker, I urge the executive branch that, in reviewing the black lung benefits program, they consider this very clear and resounding note from the Congress that those who are truly medically disabled from the black lung disease will indeed receive the disability benefits that are presently in the law.

Mr. Speaker, I yield back the balance of my time.

THE SECOND ABSCAM RESOLUTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 15 minutes.

Mr. GONZALEZ. Mr. Speaker, yesterday the House voted again overwhelmingly, with the one dissenting voice being mine, on the so-called No. 2 Abscam resolution.

I have been distraught that there would have been such little attention paid to the real issue that surrounds the development of the actions that we have had to confront as a result of that specific resolution and its reaffirmation yesterday. It seems that the real issue, which is the independence of the legislative body, is being sacrificed without a whimper. Liberty usually is lost that way, not with a bang, and now, without a whimper.

In this case I am fearful that the House has acted rather willy-nilly on the most fundamental emergence of a basic issue that very seldom has confronted the English-speaking world with respect to its parliamentary or representative activities.

Mr. Speaker, I hope to go into this at greater length in the days to come, but it just seems that the House, in acting the way it did yesterday, was like the old Bourbon kings and learns nothing and forgets nothing.

What we should have learned, and must learn, is that the tactics of

Abscam went too far. Judges have questioned it, thoughtful editorialists have questioned it—but the issue seems too hot for us to handle here in the House—and this House is where liberty is going to be preserved or lost.

It is one thing for a law enforcement agency to investigate crime, and another to fabricate crime. Abscam was very much a case of fabricated crime, aimed against specifically targeted legislators. This is not only troubling, it is frightening.

The Washington Post last January 13 went as far as anybody could expect in today's climate to warn about the excesses that now seem to be authorized by the Justice Department. The editorial says that the guidelines that embrace Abscam tactics go "too far." It says that—

> No law enforcement agency should be in the business of running around town offering bribes, willy-nilly, in hopes that someone will accept something. After all, the agent who offers a bribe is committing what would be an illegal act but for his official position.

Precisely. We are forewarned that the purposes of the FBI are not always benign. As the Post warns, speaking of the Abscam guidelines—

> The history of the Bureau is reason enough not to have such a power lying around . . .

Yet we ask no questions; we do not consider the uneasiness of the judges who have been considering these cases and the appeals from them; we do not question anything in our haste to exorcise the demons and furies of Abscam. I believe that the warnings I have cited, in the Post editorial, ought to stimulate a little thought and courage on our part. Do we really want a society in which anybody, including supposedly independent officials, are subjected to tricks and tests with no other purpose than to entangle people who have done nothing wrong—but can perhaps be made to do something wrong? We would be outraged if such flummery were used against the press, which cherishes, rightfully so, its independence and freedom. Why can we not see the danger to the Congress itself?

The editorial follows:

ABSCAM AND HONESTY TESTS

There is not much to be gained by speculating about how the latest chapter in the Abscam affair will end. The prosecutors, past and present, are apparently divided among themselves as to how close the investigators came, in some of the bribery cases, to the line that divides a legal snare from an illegal trap. The defense attorneys, of course, think the line was crossed. The judges, as they always do, will have the last word.

But there is something to be gained from looking—in the abstract—at the tactics used by the government in this remarkable investigation. According to the Department of Justice, those tactics pretty well followed the guidelines set out last week by Attorney General Civiletti as official policy for future undercover investigations.

If that is so, the Justice Department and the FBI tried hard to keep the Abscam investigation on target. The guidelines provide, for example, that before a government agent invites an individual to engage in illegal conduct—as the Abscam agents did when they offered bribes to members of Congress—the "corrupt nature" of the conduct must be "reasonably clear" to the potential victim. The inducement offered—$50,000 in most Abscam cases—must also be in line with the character of the illegal transaction.

Those are useful and wise guidelines, meant to eliminate the possibility that a victim does not understand the illegality of what he is asked to do and is not tempted by sums of money out of line with reality.

But after that, the guidelines move into a treacherous area. They permit the director of the FBI to authorize his agents to offer bribes to individuals who are not suspected of having previously engaged in similar illegal activities.

This is pushing the law and the legitimate role of law enforcement agencies too far. It is acceptable, legally and as public policy, for FBI agents to offer bribes to members of Congress when there is reason to believe they have sold or are willing to sell their services. But it is bad public policy and perhaps legally wrong for those agents to test the honesty of any public official (or anyone else) unless that threshold of prior questionable conduct has been crossed. No law enforcement agency should be in the business of running around town offering bribes, willy-nilly, in hopes someone will accept something. After all, the agent who offers a bribe is committing what would be an illegal act but for his official position.

This issue has yet to come to the surface in the Abscam trials. It may or may not come up in the future, depending in some part upon the prior activities of the men who were indicted. But whether or not it arises in these cases, the present attorney general or the next one should review these new guidelines with an eye to striking out this particular grant of authority to the FBI. While it is unlikely that the present director would abuse his power, the history of the bureau is reason enough not to have such a provision lying around waiting for someone to invoke it as a routine test for determining honesty.

COTTER PENSION PLAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. COTTER) is recognized for 5 minutes.

● Mr. COTTER. Mr. Speaker, today I am introducing my bill to encourage workers to save for their retirement by making it easier for them to begin an individual retirement account.

In essence, the Cotter plan is an IRA for all working men and women. The plan allows an individual worker to open an IRA even if that person already has a private or government pension plan. Almost every working person and their spouse would be able to open an IRA, even if the spouse had no earned income.

Individuals in qualified pension plans would be able to exclude up to $500 from taxable income on their Federal tax return each year, and up to $1,000 each year on a joint return. The money placed in a Cotter plan would not be taxed until it is withdrawn after retirement, usually at a lower tax rate.

In addition, the bill raises the present IRA limits for those who have no other pension plan to $2,000 or $2,500 for a spousal account. This maintains the present equity relationship between the various pension systems.

This tax incentive is designed to encourage people to take greater responsibility for their retirement by saving now to supplement other retirement income. It is also designed to encourage long-term savings in order to help provide for the long-term capital needs required by our economy.

A more detailed description of the Cotter plan is printed below. However, there are several points I would like to make. First, each year a person would be able to exclude not only $500 for their own account, but an additional $500 can be excluded from taxable income for a spouse, even if the spouse has no earned income.

In order to insure that these funds are available for retirement, there would be a 10-percent penalty tax for withdrawal from the account before retirement.

For people who have no qualified pension plans, the Cotter plan would raise the present IRA limits to the lesser of $2,000 or 100 percent of gross income for an individual, or $2,500 or 100 percent of gross income for an individual and spouse.

Projections by the Joint Committee on Taxation indicate that this proposal will cost the Treasury $1.2 billion by 1984, but I am convinced the long-term benefits of this proposal far outweigh this cost.

One final point, my bill requires that institutions providing the Cotter plan clearly provide on an annual basis the rate of return to the holder of the account. This will enable each holder of a Cotter plan to "shop around" for the best interest rate available. Complete freedom is given the holder to rollover from one type of account to another, or to switch institutions holding their Cotter plan if they do not feel they are receiving a fair return on their investment.

I believe the Cotter plan offers a distinct opportunity for Congress to act to encourage saving. It is increasingly becoming apparent that our aging population will have to prepare itself more carefully to secure a decent standard of living during retirement. Latest statistics indicate that the ratio of covered workers to social security retirees will decline from 3 to 1 to about 2 to 1 by the early 21st century. Given budgetary pressures that will

continue on both the Federal Government and the social security system, it is not likely that the Federal Government will be able to assume responsibility for lessening all of the burdens of our aging population. The establishment of the Cotter plan will be a constructive step in meeting this future social need.

This is the type of legislation that should be part of the current tax bill before the Ways and Means Committee. Low- and moderate-income people have little choice but to spend for necessities the money they receive from the tax cut. The wealthy will save and invest. The vast majority of Americans in the middle class are at the margin—they could save their tax reduction and contribute to capital formation and productivity, or spend it and perhaps contribute to inflationary pressures. My bill may tip the scale for many middle-class Americans in favor of saving for retirement, providing a strong support for the President's economic recovery program.

REVENUE EFFECT

It is estimated that the provision will reduce budget receipts by $30 million in fiscal year 1981, $735 million in fiscal year 1982, $945 million in fiscal year 1983, $1,180 million in fiscal year 1984, $1,280 million in fiscal year 1985, and $1,425 million in fiscal year 1986.

One last point, the following table shows the estimated distribution by income class of the Cotter plan. The table shows that 79.6 percent of all tax deductions will go to those making between $10,000 and $50,000.

COTTER PENSION PLAN—ESTIMATE OF DISTRIBUTION BY INCOME CLASS

[1978 income level]

Aggregate gross income (thousands of dollars)	Tax deduction (millions of dollars)	Percent of all tax deduction	Number of returns (thousands of returns)	Percentage of all returns
$0 to $10	143	6.0	577	11.6
$10 to $20	565	23.9	1,384	27.7
$20 to $30	655	27.7	1,312	26.3
$30 to $50	663	28.0	1,181	23.7
$50 to $100	273	11.5	445	8.9
$100 plus	68	2.9	91	1.8
Total [1]	2,367	100.0	4,990	100.0

[1] Estimated revenue loss for 1978 is $760 million.

Source: Joint Committee on Taxation.

THE 103D ANNIVERSARY OF BULGARIAN INDEPENDENCE DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. FERRARO) is recognized for 5 minutes.

● Ms. FERRARO. Mr. Speaker, March 3, 1981, marked the 103d anniversary of Bulgarian Independence Day. I want you to know that my heart goes out to the proud people of Bulgaria.

Bulgaria's history has been one of continual domination and persecution by foreign powers. It was at the end of the Russo-Turkish War of 1877–78 that Bulgaria achieved independence. It was a time of great joy for these people who poured their energies into building a prosperous nation where freedom of speech and assembly were part of their basic human rights. It is most unfortunate that the freedom, under which Bulgaria flourished economically, socially, and politically was so short lived. The advent of World War II brought an abrupt end to this freedom. Bulgaria was invaded by Soviet military forces who to this day impose a Communist government on this once independent nation.

Years of peace, progress, and freedom created a strong sense of Bulgarian nationalism, which is still very much alive among these people. Many continue in their fight for self-determination and remain hopeful of some day resuming a life free from Soviet oppression.

Bulgarians have demonstrated great courage and strength throughout their history. Let us join other freedom-loving peoples throughout the world in supporting these brave individuals who are struggling to regain independence for Bulgaria.●

STATUS REPORT ON FEDERAL INVESTIGATION INTO FRAUD AND CORRUPTION IN ARMY AND AIR FORCE EXCHANGE SERVICE

(Mr. DAN DANIEL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DAN DANIEL. Mr. Speaker, today I am providing the status of the Federal investigation into fraud and corruption in the Army and Air Force Exchange Service (AAFES).

This investigation is being conducted by a Federal task force which consists of representatives from the Department of Justice Public Integrity Section, U.S. attorney's office for the western and northern districts of Texas, the Federal Bureau of Investigation, the Internal Revenue Service, and the Air Force Office of Special Investigations.

Pursuant to its oversight responsibility for military exchanges, the nonappropriated fund panel, Committee on Armed Services, has monitored closely the investigation by the Federal task force. In addition, the panel has examined independently the entire matter concerning vendor and employee misconduct.

On November 21, 1980, I inserted into the CONGRESSIONAL RECORD a copy of a letter addressed to the commander of AAFES, clarifying AAFES responsibility in matters pertaining to suspension of companies which have admitted criminal activity.

In December the U.S. General Accounting Office (GAO) issued a report entitled "More Effective Internal Controls Needed To Prevent Fraud and Waste In Military Exchanges". GAO recommends that the exchanges take a more active and systematic approach to combat fraud and to improve the overall system for managing procurement.

Because of the nature and extent of fraud and corruption uncovered at AAFES, the panel met with the Chiefs of Staff of the three military services to advise them of the panel's deep concern and alarm. The service Chiefs of Staff have submitted a report, including a plan of action, addressing the panel's concern.

Judicial action has been brought against contractors, contractor consultants, vendor representative firms, and AAFES employees. As of February 4, 1981, a total of 24 within the 4 years have pled guilty or been convicted. In that time 61 firms and/or individuals have been suspended or debarred from doing business with AAFES or the Federal Government. Since 1976 AAFES has taken administrative action against 29 executive employees for violations of its standard of conduct. Of these, 13 were separated or resigned while separation action was pending; 16 were either suspended, reprimanded, or counseled for less serious infractions. There are many cases pending which will be reported on later.

The following table lists actions taken against suppliers and employees of the Army and Air Force Exchange Service arising out of the Federal task force investigation of fraud, waste, and abuse.

ACTIONS TAKEN AGAINST SUPPLIERS AND EMPLOYEES

Name	Offense	Judicial action	Administrative action [1]
Suppliers:			
Anthony Leal, owner, S. & L. Construction Co	Giving gratuities	Pled guilty: Aug. 1, 1977; sentenced: Aug. 19, 1977; 1 yr imprisonment, $5,000 fine.	Suspended Feb. 24, 1978; debarred Sept. 21, 1978–Feb. 24, 1981.
S. & L. Construction Co	do	None	Suspended Feb. 24, 1978; debarred Jan. 17, 1979–Feb. 24, 1981.
William H. Bell, consultant to S. & L. Construction Co	Conspiracy to defraud	Pled guilty: July 27, 1977; sentenced: Aug. 19, 1977; 3 yr suspended, $1,000 fine.	Suspended Feb. 24, 1978; debarred Sept.21, 1978–Feb. 24, 1981.

ACTIONS TAKEN AGAINST SUPPLIERS AND EMPLOYEES—Continued

Name	Offense	Judicial action	Administrative action [1]
Harry Thaten, owner of Thaten Bros. Construction Co	Giving gratuities	Pled guilty: Oct. 21, 1977; sentenced: Nov. 17, 1977; 3 yr probation, $2,500 fine.	Suspended Feb. 24, 1978; debarred Jan. 17, 1979–Feb. 24, 1981.
Thaten Bros. Construction Co	do	None	Suspended Feb. 24, 1978; debarred Jan. 17, 1979–Feb. 24, 1981.
David Strauss, owner, Strauss Construction Co	Income tax evasion	Pled guilty: June 16, 1978; sentenced: July 17, 1978; $3,000 fine.	Suspended Feb. 4, 1980; debarred July 18, 1980–July 18, 1983.
Strauss Construction Co	do	None	Suspended Feb. 4, 1980; debarred July 18, 1980–July 18, 1983.
Charles M. Kahn, agent of Leal & Strauss	Conspiracy to defraud	Pled guilty: July 20, 1977; Sentenced: Oct. 13, 1978; 5 yrs imprisonment (to run concurrently with May 20, 1977 sentence for tax evasion), $5,000 fine.	Suspended Mar. 30, 1978; debarred Sept. 21, 1978–Mar. 30, 1981.
Harrell Sales International, Inc., military representative firm	False income tax returns	Pled guilty: Aug. 23, 1979; sentenced: Sept. 14, 1979; $10,000 fine.	Debarred June 16, 1980–June 16, 1983.
Harrell International, Inc	Parent corporation of and responsible for actions of Harrell Sales International, Inc.	None	Debarred (A.A.F.E.S. only) June 16, 1980–June 16, 1983.
Wilson Harrell, chief executive officer of Harrell International, Inc. and Subsidiaries.	Responsible for actions of Harrell Sales International, Inc.	do	Suspended Feb. 20, 1980; debarred (A.A.F.E.S. only) June 16, 1980–June 16, 1983.
Patrick H. Bohanan, employee of Harrell Sales International, Inc	Giving gratuities	do	Suspended Feb. 21, 1980–Nov. 10, 1980.
James DeSanto, employee of Harrell Sales International, Inc	do	do	Suspended Feb. 21, 1980; Suspended DOD-wide Oct. 21, 1980.
William N. Eddinger, employee of Harrell Sales International, Inc	do	do	Suspended Feb. 21, 1980–Nov. 17, 1980.
Milton Eidelberg, employee of Harrell Sales International, Inc	do	do	Suspended Feb. 21, 1980; debarred Jan. 27, 1981–Feb. 21, 1981.
William A. Eipper III, employee of Harrell Sales International, Inc	do	do	Suspended Feb. 21, 1980–Aug. 1, 1980.
David S. Fishman employee of Harrell Sales International, Inc	do	do	Suspended Feb. 21, 1980–Nov. 10, 1980.
Frank Gates, employee of Harrell Sales International, Inc	do	do	Suspended Feb. 21, 1980; died Oct. 7, 1980.
Robert Giangrossi, employee of Harrell Sales International, Inc	do	do	Suspended Feb. 21, 1980; suspended DOD-wide Dec. 19, 1980.
Stanford Lee Gritz, employee of Harrell Sales International, Inc	do	do	Suspended Feb. 21–Sep. 22 1980.
Richard W. Jacks, employee of Harrell Sales International, Inc	do	do	Suspended Feb. 21–Nov. 10, 1980.
Thomas Jankowski, employee of Harrell Sales International, Inc	do	do	Suspended Feb. 21, 1980; suspended DOD-wide Dec. 19, 1980.
James Peter Jenson, employee of Harrell Sales International, Inc	do	do	Suspended Feb. 21 1980–Nov. 10, 1980.
Norman R. Johnson, employee of Harrell Sales International, Inc	do	do	Suspended Feb. 21 1980–Nov. 10, 1980.
Philip W. Johnson, employee of Harrell Sales International, Inc	do	do	Suspended Feb. 21, 1980; debarred Jan. 29–Feb. 21 1981.
Philip H. McMillan, employee of Harrell Sales International, Inc	do	do	Suspended Feb. 21 1980; debarred Nov. 26, 1980–Feb. 21, 1982.
Carol Morales, employee of Harrell Sales International, Inc	do	do	Suspended Feb. 21–Mar. 12, 1980.
Leonard Kay Rinard, employee of Wilson Harrell & Co	do	do	Suspended Feb. 21 1980; debarred Jan. 21–Feb. 21, 1981.
Winthrop G. Robinson, employee of Harrell Sales International, Inc	do	do	Suspended Feb. 21–May 14, 1980.
Donald Stephens, employee of Harrell Sales International, Inc	do	do	Suspended Feb. 21, 1980; debarred Dec. 8, 1980–Feb. 21, 1981.
Larry Stocker, employee of Harrell Sales	do	do	Suspended Feb. 21–Nov. 10, 1980.
Richard G. Thompson, employee of Wilson Harrell & Co	do	do	Suspended Feb. 21–Jun. 16, 1980.
Martha J. Weems, employee of Harrell Sales International, Inc	do	do	Suspended Feb. 21–Nov. 10, 1980.
Dave Weidenfeller, employee of Wilson Harrell & Co	do	do	Suspended Feb. 21–Nov. 25, 1980.
Roland W. Williams, employee of Harrell Sales International, Inc	do	do	Suspended Feb. 21–Nov. 10, 1980.
Jesse Bird, president of Bird Harrell, subsidiary of Harrell International, Inc.	do	do	None.
Bonhoeffer Sales Co. Inc., military representative firm	Conspiracy to defraud	Pled guilty: Mar. 21, 1980. Sentenced: May 12, 1980; $7,500 fine.	Suspended Feb. 22, 1980; debarred Jan. 8, 1981–Feb. 22, 1983.
Brookwood Corp., military representative firm	do	do	Suspended Feb. 22, 1980; debarred Jan. 7, 1981–Feb. 22, 1983.
Robert N. Peffers, president of Bonhoeffer Sales Co., Inc.; vice president of Brookwood Corp.	False income tax returns	Pled guilty: Mar. 21, 1980; sentenced: Jan. 15, 1981; 3 yr suspended, 5 yr probated, $5,000 fine.	Suspended Feb. 22, 1980; debarred Jan. 8, 1981–Feb. 22, 1983.
Estil G. Brumfield, President of Brookwood Corp.; vice president of Bonhoeffer Sales Co., Inc.	Bribery	Granted judicial immunity	Suspended Feb. 22, 1980; debarred Jan. 7, 1981–Feb. 22, 1983.
Adams Commission Co., Inc., military representative firm	do	None	None
M. Hollis Adams, president, Adams Commission Co	do	do	Do.
Elizabeth Arden, vendor	Low level sales personnel gave gratuities (Christmas gifts).	do	Do.
Worldwide Books Co., Inc., vendor and concessionaire	Bribery	Pled guilty: Dec. 14, 1979; sentenced: Dec. 14, 1979, $5,000 fine.	Do.
Bendone Manufacturing Co., Inc., vendor	Giving gratuities	None	Suspended Dec. 3, 1979–Dec. 3, 1980.
Martin A. Taylor, Co. Inc., military representative firm	Bribery	Pled guilty: Sept. 4, 1980; awaiting sentencing	Suspended Dec. 1, 1980; suspended DOD-wide Jan. 2, 1981.
Martin A. Taylor	Officer/director Martin A. Taylor Co., Inc.	None	Suspended DOD-wide Jan. 2, 1981.
Churchill Sales Co., Inc., military representative firm	Bribery	Pled guilty: Aug. 1, 1980; sentenced: Jan. 16, 1981; $20,000 fine.	Suspended Nov. 24, 1980; suspended DOD-wide Jan. 6, 1981.
Martin Goodman	Officer/director Churchill Sales Co., Inc.	None	Suspended DOD-wide Jan. 6, 1981.
Anthony Mazziotti	do	do	Do.
Robert Naar	do	do	Do.
Bazar, Inc. Sales Co., vendor and military representative firm	Bribery	Pled guilty: Oct. 2, 1980; sentenced: Jan. 23, 1981; $20,000	Suspended Oct. 21, 1980; suspended DOD-wide Dec. 18, 1980.
Banice C. Bazar	Officer/director Bazar, Inc. Sales Co.	None	Do.
Meyer Bazar	do	do	Do.
Elliot Koppel	do	do	Do.
Bazko Products Corp.	Bazar affiliate	do	Do.
Deltah, Inc	do	do	Do.
North Star Sales Co., Inc	do	do	Do.
P.M.C. (Merchandising) Corp	do	do	Do.
Reps, Inc	do	do	Do.
Sentiment Jewelry Co., Inc	do	do	Do.
Gary Fregeau, employee of Churchill Sales Co., Inc	Income tax evasion, giving gratuities	Pled guilty: Aug. 4, 1980; awaiting sentencing Feb. 6, 1981	Suspended Nov. 28, 1980.
James M. May, vendor representative	Giving gratuities	None	Suspended Dec. 4, 1980.
Federal Sales Associates, Inc., military representative firm	do	do	None.
Vivian Payne, employee of Federal Sales Associates, Inc	do	do	Suspended Oct. 10, 1978–Jan. 18, 1980.
Martha J. Fletcher, employee of John Kealy Co	Accepting gratuities while employed by AAFES (resigned Mar 19, 1976).	do	Suspended Oct. 25, 1978–Apr. 24, 1979.
Ed Neger, vendor representative	Giving gratuities	do	Suspended Apr. 11–Aug. 30, 1979.
Employees:			
Harold Kindreick, contracting officer for construction, headquarters AAFES.	Bribery, consipracy to defraud, income tax evasion.	Pled guilty: July 27, 1977 and Aug. 4, 1977; sentenced: Nov. 17, 1977; 7 yr, $5,000.	Separated Oct. 21, 1977; suspended Feb. 24, 1978; died Sept. 13, 1978.
James W. Wells, contracting officer for construction, headquarters AAFES.	Accepting gratuities	Pled guilty: Nov. 10, 1977; sentenced: Nov. 10, 1977; 30 days.	Resigned Jan. 14, 1977; suspended Feb. 24, 1978; debarred Sept. 21–Feb. 24, 1981.
Phyllis Stiver, merchandising specialist, headquarters AAFES	do	Pled guilty: Oct. 17, 1977; sentenced: Dec. 2, 1977; 2 yr probation, $1,500.	Resigned July 23, 1976; suspended Feb. 24, 1978; debarred Jan. 17, 1979–Feb. 24, 1981.
Florence P. Erb, merchandising specialist, headquarters AAFES	do	Pled guilty: Mar. 30, 1978; sentenced: June 16, 1978; 2 yr probation, $1,500 fine.	Retired in lieu of separation May 31, 1978; suspended May 31, 1978; died Nov. 29, 1978.
Anthony J. Pezzello, merchandising specialist, headquarters AAFES	Conspiracy to defraud, income tax evasion.	Pled guilty: Sept. 20, 1978; sentenced: Oct. 20, 1978; 6 yr imprisonment (4 suspended).	Separated Sept. 11, 1978; suspended Dec. 22, 1980.
Paul Ylda, merchandising specialist, headquarters AAFES	Mail fraud, bribery	Convicted: Oct. 23, 1979; sentenced: Nov. 16, 1979; 8 yr $10,000.	Separated Oct 23, 1978; suspended Dec. 22, 1980.
Enrico Sambuccini, merchandising specialist, Alamo exchange region	Accepting gratuities, false income tax return.	Pled guilty: May 12, 1980; sentenced: May 27, 1980; 3½ yr, $2,500.	Resigned in lieu of separation Nov. 21, 1979.

ACTIONS TAKEN AGAINST SUPPLIERS AND EMPLOYEES—Continued

Name	Offense	Judicial action	Administrative action [1]
James M. Baker, merchandising specialist, Alamo exchange region	Accepting gratuities	Pled guilty: Oct. 10, 1980; sentence: Dec. 19, 1980; 1 yr with 6 mo probated.	Separated June 5, 1980.
Henry Marx, merchandising specialist, headquarters AAFES	do	Pled guilty: May 15, 1980; sentenced: Jan. 16, 1980; 6 mo $2,000.	Retired May 9, 1980.
Walter Shepherd, Deputy Chief, Alamo exchange region	Accepting gratuities, false income tax return.	Pled guilty: Apr. 8, 1980; sentenced: June 17, 1980; 6 yr $10,000.	Retired May 11, 1979.
Kenneth W. Davis, merchandising specialist, Alamo exchange region	Accepting gratuities	Indicted: Sept. 2, 1980; tried: Dec. 16, 1980; hung jury	Separated Sept. 11, 1980.

[1] Unless otherwise noted, suspension actions are issued by A.A.F.E.S. and are effective A.A.F.E.S. only. All debarment actions and DOD-wide suspensions are effective for all DOD agencies and were issued by the Department of the Air Force, Deputy Chief of Staff for Research, Development and Acquisition (AF/RD), prior to June 1979 and by the Department of the Army, Assistant Judge Advocate General for Civil Law (DAJAG), after June 1979.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. DENARDIS) to revise and extend their remarks and include extraneous material:)

Mr. JEFFORDS, for 10 minutes, today.

Mr. ROGERS, for 10 minutes, today.

(The following Members (at the request of Mr. ROSE) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. COTTER, for 5 minutes, today.

Ms. FERRARO, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. DAN DANIEL, notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $1,320.

(The following Members (at the request of Mr. DENARDIS) and to include extraneous matter:)

Mr. PETRI.

Mr. DANNEMEYER.

Mr. BADHAM.

Mr. WAMPLER.

Mr. FINDLEY.

Mr. BROOMFIELD in two instances.

Mr. MCKINNEY.

(The following Members (at the request of Mr. ROSE) and to include extraneous material:)

Mr. FAUNTROY.

Mr. ERTEL.

Mr. SOLARZ.

Mr. OBEY.

Mr. ZABLOCKI.

Mr. OTTINGER in two instances.

Mr. BEILENSON.

Mr. COTTER.

Mr. LEHMAN.

Mr. ROSENTHAL.

Mr. LOWRY of Washington.

Mr. EDWARDS of California.

Mr. SANTINI.

Mr. CORRADA.

Mr. WAXMAN.

Mr. RODINO.

Mr. BONKER.

ADJOURNMENT

Mr. GONZALEZ. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 41 minutes a.m.), under its previous order, the House adjourned until Monday, March 9, 1981, at 12 o'clock noon.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports of various House committees, and delegations traveling under an authorization from the Speaker, concerning the foreign currencies and U.S. dollars utilized by them during the fourth quarter of calendar year 1980 in connection with foreign travel pursuant to Public Law 95-384 are as follows:

AMENDED REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 1980

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Edwin Webber	12/13	12/13	Israel				1,763.00 1,298.30				1,763.00 1,298.30
Committee total							3,061.30				3,061.30

[1] Per Diem constitutes lodging amd meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used enter amount expended.

HENRY S. REUSS, Chairman.
Feb. 17, 1981.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON RULES, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 1980

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Trevia A. Dean	10/17	10/26	England	531.40	1,290.00		2,610.00				3,900.00
Anthony C. Beilenson, M.C	11/10	11/12	Belgium	7,104.00	288.00				42.93		270.93
	11/12	11/17	Denmark	2,887.50	525.00		1.01		48.13		574.14
	11/17	11/17	France								
Military transportation							2,650.85				2,650.85
Committee total					2,043.00		5,261.86		91.06		7,395.92

[1] Per Diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

RICHARD BOLLING, Chairman.
Feb. 17, 1981.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, HON. WYCHE FOWLER, JR., U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN NOV. 20 and NOV. 29, 1980

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Wyche Fowler, Jr. [3]	11/21	11/22	Brussels								
	11/22	11/29	Madrid	47,971.00	623.00						
Brussels to Madrid							105.00				105.00
Madrid to D.C. (USAF)							1,203.73				1,203.73
Committee total											1,308.73

[1] Per Diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Delegate to NATO assembly—reflected on NATO Report.

HON. WYCHE FOWLER, JR.
Feb. 19, 1981.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

698. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a statement describing a proposed transaction exceeding $100 million with Ansett Aviation Equipment Pty. Ltd. (Australia), pursuant to section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended; to the Committee on Banking, Finance and Urban Affairs.

699. A letter from the Chairman, National Commission for Employment Policy, transmitting the Commission's sixth annual report, pursuant to section 505 of Public Law 93-203, as amended; to the Committee on Education and Labor.

700. A letter from the Secretary of the Treasury and the Director, Office of Management and Budget, Executive Office of the President, transmitting the annual report on improvements made in fiscal and budgetary information and controls, pursuant to section 202(f) of the Legislative Reorganization Act of 1970, as amended; to the Committee on Government Operations.

701. A letter from the Secretary of the Treasury, transmitting a report on the Department's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

702. A letter from the Chairman, Federal Election Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

703. A letter from the Chairman, National Endowment for the Humanities, transmitting a report on the Endowment's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

704. A letter from the National Executive Director, American Veterans of World War II, Korea, and Vietnam (AMVETS), transmitting the annual audit report of the organization for the year ended August 31, 1980, pursuant to section 3 of Public Law 88-504; to the Committee on the Judiciary.

705. A letter from the Acting Administrator of General Services, transmitting five amendments to lease prospectuses, one prospectus proposing a succeeding lease, and two which propose new leases, pursuant to section 7 of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

706. A letter from the Comptroller General of the United States, transmitting a report on the impact of the Foreign Corrupt Practices Act on U.S. business (AFMD-81-34, March 4, 1981); jointly, to the Committees on Government Operations and Energy and Commerce.

707. A letter from the Comptroller General of the United States transmitting a report on the management of Radio Free Europe/Radio Liberty (ID-81-16, March 2, 1981); jointly, to the Committees on Government Operations and Foreign Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BEILENSON:

H.R. 2345. A bill to prohibit the printing of Federal Reserve notes in the denomination of $100, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. COTTER:

H.R. 2346. A bill to amend the Internal Revenue Code of 1954 to extend and liberalize the deduction for individual retirement savings; to the Committee on Ways and Means.

By Mr. PHILIP M. CRANE:

H.R. 2347. A bill to amend title 28 of the United States Code to allow voluntary school prayer; to the Committee on the Judiciary.

By Mr. GLICKMAN:

H.R. 2348. A bill to amend title V of the Motor Vehicle Information and Cost Savings Act to allow adjustments in a manufacturer's fleet average fuel economy for automobiles made by the manufacturer which utilize nonpetroleum based fuels; to the Committee on Energy and Commerce.

By Mr. LEACH of Iowa (for himself, Mr. KASTENMEIER, Mr. BEREUTER, Mr. CONABLE, Mr. CLINGER, Mr. COUGHLIN, Mr. FISH, Mr. FORSYTHE, Mr. FRENZEL, Mr. GRADISON, Mr. GREEN, Mr. HOLLENBECK, Mr. KOGOVSEK, Mr. LAGOMARSINO, Mr. MCKINNEY, Mr. MOFFETT, Mr. OBERSTAR, Mr. PRITCHARD, Mr. RAILSBACK, Mr. SAWYER, Mrs. SCHROEDER, Mr. SMITH of Iowa, Mr. STANTON, Mr. UDALL, Mr. WASHINGTON, and Mr. ZABLOCKI):

H.R. 2349. A bill to require the establishment, on the basis of the decennial census, of congressional districts that are of reasonable numerical equality and that meet certain other requirements, in order to insure fair and effective representation; to the Committee on the Judiciary.

By Mr. LUJAN:

H.R. 2350. A bill to amend the Internal Revenue Code of 1954 to allow a deduction from gross income for certain social security taxes; to the Committee on Ways and Means.

H.R. 2351. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. OTTINGER:

H.R. 2352. A bill to provide for the payment, out of the proceeds of gold belonging to the Government of Czechoslovakia, of certified awards of nationals of the United States against the Government of Czechoslovakia and to provide for the release of such proceeds to Czechoslovakia after all such awards are paid; to the Committee on Foreign Affairs.

By Mr. PASHAYAN (for himself and Mr. MITCHELL of Maryland):

H.R. 2353. A bill to amend title XI of the Social Security Act to provide that a Professional Standards Review Organization shall not be considered to be an agency of the United States; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. PRITCHARD (for himself and Mr. LOWRY of Washington):

H.R. 2354. A bill to designate national forest lands in the State of Washington as the Cougar Lakes Wilderness; to the Committee on Interior and Insular Affairs.

By Mr. SENSENBRENNER:

H.R. 2355. A bill to amend the Internal Revenue Code of 1954 to extend to 48 months the rollover period for nonrecognition of gain on the sale of a principal residence; to the Committee on Ways and Means.

By Mr. FORSYTHE:

H. Res. 103. Resolution to refer the bill for the relief of Harold N. Holt to the Chief Commissioner of the Court of Claims; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. FORSYTHE introduced a bill (H.R. 2356) for the relief of Harold N. Holt, which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS:

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 246: Mr. GARCIA, Mr. YOUNG of Alaska, Mr. MCDONALD, Mr. STOKES, Mr. FISH, and Mr. JAMES K. COYNE.

H.R. 907: Mr. WON PAT, Mr. WEISS, Mr. AKAKA, Mr. AUCOIN, Mr. MCCLOSKEY, Mr. EDGAR, Mr. COELHO, Mr. GARCIA, and Mr. MCHUGH.

H.R. 1270: Mr. FORD of Tennessee, Mr. YATRON, Mr. NEAL, Mr. DUNCAN, Mr. DE LUGO, Mr. BEVILL, and Mr. SIMON.

H.R. 1293: Mr. FORD of Michigan, Mr. PETRI, Mr. JACOBS, Mr. FAZIO, Mr. WEAVER, Mr. ECKART, Mr. LUNDINE, Mr. NEAL, Mr. ATKINSON, Mr. SABO, Mr. WASHINGTON, Mr. VENTO, Mr. ADDABBO, and Mr. MILLER of California.

H.R. 1309: Mr. VOLKMER and Mr. FLIPPO.

H.R. 1338: Mr. NEAL, Mr. ATKINSON, Mr. SABO, Mr. WASHINGTON, Mr. VENTO, Mr. ADDABBO, Mr. MILLER of California, Mr. PETRI, Mr. FORD of Michigan, Mr. JACOBS, Mr. FAZIO, Mr. ECKART, and Mr. LUNDINE.

H.R. 1429: Mr. GRAY, Mr. RATCHFORD, Mr. DONNELLY, Mr. CROCKETT, Mr. RODINO, Mr. MARKEY, Mr. MCHUGH, and Mr. WASHINGTON.

H.R. 1765: Mr. FROST and Mr. HUCKABY.

H.R. 1956: Mr. LEATH of Texas.

H.J. Res. 167: Mr. HARTNETT.

H.J. Res. 178: Mr. WINN, Mr. BEILENSON, Mr. ADDABBO, Mr. DE LA GARZA, Mr. RUDD, Mr. BENEDICT, Mr. JEFFORDS, Mr. ROE, Mr. GREGG, and Mr. HUGHES.

SENATE—*Thursday, March 5, 1981*

(Legislative day of Monday, February 16, 1981)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND)

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., offered the following prayer:

Gracious God, we pray today for wisdom and humility as the Senate exercises its great power. As pressure from interest groups builds, protect the Senators, their families, and staffs against the forces which would exploit. Strengthen their courage and integrity when seductive influences probe for vulnerability and weakness.

Almighty God, arm the leadership of this Nation with resolve to follow through on the commitments made in political campaigns. Encourage them when futility and frustration taunt their efforts. Let Thy manifold blessings crown their faithfulness as they seek to know and do God's will.

We ask this in the name of Him whose name is above every name and whose kingdom is without end. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

Mr. BAKER. I thank the Chair.

THE JOURNAL

Mr. BAKER. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that following the time allocated to the two leaders under the standing order and the special orders heretofore entered on behalf of Mr. DOMENICI and Mr. BAUCUS, there be a period for the transaction of routine morning business, not to exceed 30 minutes, in which Senators may be permitted to speak for not more than 5 minutes each.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 11 A.M. TOMORROW AND FOR RECESS FROM TOMORROW UNTIL 11 A.M. ON TUESDAY, MARCH 10, 1981

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 11 a.m. on Friday, March 6; and that when the Senate convenes on that day, it immediately stand in recess until 11 a.m. on Tuesday, March 10, 1981.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR CERTAIN ACTION TO BE TAKEN ON FRIDAY, MARCH 6, 1981

Mr. BAKER. Mr. President, I ask unanimous consent that on Friday, March 6, 1981, between 9 a.m. and 3 p.m., Senators be permitted to introduce bills, resolutions, and statements, and that committees be authorized to file reports.

The PRESIDENT pro tempore. Without objection, it is so ordered.

AUTHORITY FOR CERTAIN ACTION BY OFFICERS OF THE SENATE DURING RECESS

Mr. BAKER. Mr. President, I ask unanimous consent that during the recess of the Senate over until Friday, March 6, and Tuesday, March 10, 1981, messages from the President of the United States and the House of Representatives may be received by the Secretary of the Senate and appropriately referred; that the Vice President, the President pro tempore, and the Acting President pro tempore be permitted to sign duly enrolled bills and joint resolutions.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, I have no further need for my time under the standing order, and I am prepared to yield it back; or, I am prepared to yield it to the distinguished minority leader or any other Senator. I will yield my remaining time to the distinguished minority leader, if he wishes.

Mr. ROBERT C. BYRD. I would appreciate it if the majority leader would do so. I do not know of any need for the time, but I would like to have it; and if the majority leader desires to have it yielded back, I will be glad to do that.

Mr. BAKER. Mr. President, I yield my remaining time under the standing order to the control of the minority leader.

Mr. ROBERT C. BYRD. I thank the Senator.

RECOGNITION OF THE MINORITY LEADER

The PRESIDENT pro tempore. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I yield such time as he may desire to the distinguished Senator from Wisconsin (Mr. PROXMIRE).

Mr. PROXMIRE. I thank the distinguished minority leader.

HISTORIAN OF THE HOLOCAUST

Mr. PROXMIRE. Mr. President, in a recent New York Times Book Review, Lucy Dawidowicz tells of the historian Philip Friedman, the first to organize the collecting of records about Jewish life and death under the German wartime occupation.

"The holocaust often defeated historical imagination," she writes, for its nature and scope seem beyond human comprehension. Yet Friedman, a Jew and a survivor, had the restraint necessary to distance himself far enough to write an objective history. In his book "Roads to Extinction," Friedman explores the dual aspects of holocaust history: The German policies of extermination, and the Jewish response to them. While he was only a few years removed from the traumatic events he wrote of, his essays are a triumph of discipline and detail. As Dawidowicz points out:

> Friedman stimulated survivors to write memoirs and urged them to gather letters, photographs, relics and any remains that would serve future historians.

Friedman's commitment to a preservation and clear analysis of the facts of the holocaust reflects a desire to make it comprehensible. Thus, if we can trace the events and the motives behind the horror, and know, almost intimately, the mortal consequences, we can be better prepared to never allow such a crime to recur.

A first step, hardly unusual or daring, is to define genocide clearly as an international crime. The Genocide Convention does just that. All nations who ratified the treaty have made their opposition to the crime quite clear; 85 countries have ratified the treaty so far. Our inaction for these past 22 years is both puzzling to the world community and damaging to our moral credibility.

Both the American Bar Association and the American Civil Liberties Union have affirmed the constitutionality of the convention. The treaty would not infringe upon U.S. sovereignty.

Most importantly, the genocide treaty would obligate the contracting nations to enact legislation providing penalties for the crime of genocide, whether committed during peace or war. It would be a slow process, not foolproof, but a beginning declaration of man's intolerance of this travesty.

Philip Friedman's work forces us to remember the horror, and to see it clearly. Ratification of the Genocide Convention would be a worthy result of such reflection.

RECOGNITION OF SENATOR DOMENICI

The PRESIDENT pro tempore. Under the previous order, the Senator from New Mexico (Mr. DOMENICI) is recognized for not to exceed 15 minutes.

S. 621—WATER RESOURCES REFORM

Mr. DOMENICI. Mr. President, 2 years ago, the senior Senator from New York (Mr. MOYNIHAN) and I introduced S. 1241, legislation that would have restructured the national approach to water resources development and the policy behind that rather fractured program.

The Committee on Environment and Public Works last year reported out of committee a scaled-down version of that legislation as title II of S. 1641. That bill, however, never came to debate on the Senate floor.

Today, we are reintroducing a bill which is essentially the same as S. 1241. The need for action on our bill is even more acute now than it was 2 years ago. Many areas of the Nation confront the danger of serious droughts this summer. It has been 5 years since Congress acted on omnibus water resources legislation. There have been practically no new starts of water projects in that time. The scope of the program continues to shrink; spending on construction projects of the Corps of Engineers is half of what it was a decade and a half ago in real dollars. Behind it all looms a backlog of $30 billion in unbuilt projects.

My colleagues know well the frustrations they face when confronted with a water resources need in their State. It takes a generation—26 years—to move a typical corps project from the point when the study is authorized to the time construction begins. and then construction may take another decade.

Just this week, a top corps official testified before our Public Works Committee and told us that the project to deepen Norfolk Harbor to accommodate deep-draft coal vessels would not be completed until 1989, under existing processes.

I repeat: There is a great deal of enthusiasm to get on with modifying our port systems so we can accommodate deep draft ships, to ship coal to countries of the world that want to contract with America. And I repeat: The general in charge of civil works for the Corps of Engineers told us that under present procedures, if all systems were go, it would take until 1989 for all of the work to be completed at the most appropriate port for renovation, Norfolk. And that is for a project on which the studies are nearly complete and for which there is general support. General Heiberg's caveat was that the corps would make it by 1989, so long as everything—everything—fell in place: Not a day of authorization or funding delays, no problem with getting the necessary dredging equipment or contracts, no problem with spoils disposal, and so on.

I think everyone in this body would say that is outrageous. I am not blaming General Heiberg. I am not blaming the corps. It is the process we are addressing today in our new bill, our approach to reform in water policy for this country.

But it is also a litany that sweeps our land. Who in the Senate can say that his or her water problems were met in a timely manner? Who can say that the work of the corps or the Water and Power Resources Service is going well?

But look at the mammoth problems our current system must resolve. In my area of the Nation, we have a giant underground aquifer known as the Ogallala. It stretches across six States, serving as the water supply for 180 counties, and helping to slake the thirst of 40 percent of our Nation's beef cattle. To meet this need, it is being depleted by 14 million acre-feet of water yearly. And we are just now studying the issue. Can we expect our present, ad hoc system to meet the needs of the Ogallala area? I hope so. But the track record is not encouraging.

Such problems are becoming even more critical as time continues to burden the current system. This Nation must resolve these problems if we are to have an effective water resources program to meet the challenges of the final fifth of this century. We must resolve these difficulties and rebuild public confidence in the Federal Government and in its water resources program. The challenges are numerous.

Senator MOYNIHAN and I are today introducing legislation which we believe will overcome many of these problems. Briefly, the bill accomplishes four goals.

First. It sets up a method for automatically studying water needs identified by the States and then to authorize projects that the State and Federal agencies develop;

Second. It establishes a system of grants to the States for their use in priority projects to be built by Federal agencies, using Federal designs, with 75 percent Federal money, 25 percent non-Federal;

Third. It creates a system to deauthorize old, unneeded projects; and

Finally, it sets up a special national category of regional, interstate projects that will be built by the traditional methods, at Federal costs, with total congressional oversight and determination. This is likely to be focused on major navigational projects, as well as major water supply projects.

This bill establishes a system of block allocations among the States, giving them the opportunity to select which projects, on a priority basis, should go forward within their States. Those projects not selected are eventually deauthorized. The result: A focus once and for all on the priority projects seriously needed by our Nation.

The bill also establishes a system for automatically authorizing new projects that have been studied by the Corps of Engineers and other Federal water resources agencies. This eliminates the protracted congressional reviews now delaying consideration.

Mr. President, under the current system, the congressional review process causes many serious delays in the planning and construction of a water project. For the average project, there is a total lagtime of nearly a decade while studies wait to be funded, projects wait to be authorized, and construction awaits appropriations. This bill also seeks to reconcile the 160 or so different cost-sharing arrangements in the water resources program of this country, placing all of those that are not national in nature on a basis of a 25-percent local cost sharing.

How we develop a rational program which commands the confidence of the public, a program that meets the needs of this country and the growing water shortages, may be the major resource issue of the 1980's. It is not an exaggeration to say that we may face a disaster unless we take the initiative in seeking new and innovative approaches that make certain we are building priority projects across this land.

As chairman of the Budget Committee, I am well aware that we lack unlimited resources for water development projects, or any other necessary program. We are, therefore, limiting the authorization in the bill for construction in fiscal year 1983 to $2.5 billion, approximately the present level of construction funding for water development projects. While I am convinced that the funding level for water projects must increase during this decade, we must also recognize that spending will be limited early in that period. But the process we are proposing will lead to better, more effective projects, and I am certain we will be able to make a case—a strong case—for higher funding levels.

I believe that the approach in this bill is more likely than any other to assure that projects will be of consistently high quality and to assure that the money is spent wisely.

I hope that my colleagues will take the opportunity to examine this bill with care, to see if it merits their support and even cosponsorship. I know that our Subcommittee on Water Resources, under the leadership of Chairman ABDNOR, will delve seriously and carefully into the entire issue of water resources in the coming months. I urge that the subcommittee give this approach, or variations upon it, its most careful review.

I should add that Senator MOYNIHAN and I know now, as we stated 2 years ago, that our approach may not represent a complete and final answer to the water resources problems of our country. It may merit perfecting. It may merit changes in the way we identify regional projects outside the scope of the State selection process. But I continue to believe that it represents a sound starting point for discussion. It is evident to me there will be little likelihood we will see another omnibus water resources bill until we confront the difficult and serious needs to reform the policies under which this program goes forward.

I believe that this approach to water resources development—moving the decisions out of Washington and back to the States—fits perfectly into President Reagan's philosophy. The water resources program represents a prime candidate for the kind of program that can be managed more effectively at the State level. Any program where it takes 26 years, on average, to get a project under construction, where a $30 billion backlog exists, and where a decline in real spending has occurred, is clearly a program in trouble.

I firmly believe that the only way we are going to have adequate water resources development is to change that program. And change must encourage priority work, it must make sure that the local people who benefit offer a reasonable commitment of their own to that work, and it must make sure that a project can be moved on to early completion. This bill seeks to enact such a program. It will not turn the Water Resources Council, or a successor, into a new water czar, but designates the Council to serve as a recordkeeper for the decisions and priorities made by the States.

Mr. President, I ask unanimous consent to have printed in the RECORD an outline of the Domenici-Moynihan National Water Resources Policy and Development Act of 1981, an analysis of the role of the WRC in this process, and the text of the bill.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

OUTLINE OF THE DOMENICI-MOYNIHAN NATIONAL WATER RESOURCES POLICY AND DEVELOPMENT ACT OF 1981

Creates a new funding and project-selection system, transferring most responsibility for project selection to the states.

Allocates $2.5 billion in F.Y. 1983 (rising gradually to $4 billion in F.Y. 1988) among the states. This money is available only for Federally designed projects already authorized or which would be authorized in the future.

Establishes a flat 25 percent local cost-share on all water resources projects, replacing the 160 or so current cost-sharing systems.

The Federal funds are allocated to the states on a formula based half on land area, and half on population.

New projects can be authorized automatically, if the State and the Federal agencies agree.

A benefit-to-cost ratio greater than one is not required for projects built under the program, if the State decides the project has other important benefits and merits priority action, within its set allocation of funds.

The types of projects eligible for Federal participation is expanded to include water supply and renovation, desalination, and dam safety.

Creates a new category of regional projects that would be funded directly by the Federal Government, selected by Congress. Only 10 projects of this type could be under construction at one time.

Studies of new water resources projects are authorized at State request, and undertaken according to a separate state priority list. $150 million is available annually for studies, with states putting up 25 percent of the cost.

The program covers work of the Army Corps of Engineers, the Water and Power Resources Service (formerly the Bureau of Reclamation), and the Soil Conservation Service.

The Water Resources Council, or a successor, will evaluate future water needs.

THE ROLE OF THE WRC

Our earlier versions of this bill raised fears among some groups and persons that the bill secretly transferred great power to the Water Resources Council, to the detriment of the Congress, the States, and the water resources program.

That simply is an inaccurate reading of the bill. If the Federal Goverment is to be involved in water resources development, some Federal agency must disperse these Federal funds and perform other processing services for the legislation.

I believe it would be helpful to provide my colleagues with a brief outline of the role of the WRC, or a successor agency, under our bill.

ROLE OF THE WRC

The WRC would transfer to the Corps, WPRS, or the SCS a state request for a study of a water need. This is an automatic referral.

The agency would then make the study, and, if the agency and the state agree a project is needed, it is *automatically* authorized.

If the state opposes the project, the project *cannot* be authorized.

If the Federal Government opposes it, and the state approves, the project is sent to WRC. If the WRC agrees with the state, the project is automatically authorized. If the WRC agrees with the Federal Government that the project should not be authorized, then the project is sent to Congress for review and possible authorization.

If an adjacent state disapproves of a project supported by the state and the Federal Government, then the project goes to Congress for review and possible authorization.

If the project is to be one of the major regional projects, then it must go to Congress for authorization *and* appropriation, as is currently the procedure.

The WRC also must review the annual state priority list, but it can only reject it (and send it back to the state) if the state failed to have a public hearing on the list; there is no other authority for the WRC.

The WRC distributes the annual construction allocation, but this is automatic, and based on a Congressional formula—half land, half population.

Thus, the WRC has no substantive role in the program, only a procedural one with Congressionally mandated deadlines. The role of the agencies (the Corps, WPRS, SCS) is preserved.

The bill does lessen the role of the Congress, with much of that responsibility transferred to the states and their governors.

THE ROLE OF CONGRESS

Establish annual funding levels.

Decide whether to authorize projects in dispute when the agency opposes a project, or when an adjacent state opposes it.

Select individual major regional projects and fund those regional projects on a line-item basis.

Establish the objectives by which the Federal agencies plan water projects. In addition to national economic development and environmental quality, this includes regional economic development and social welfare.

Our purpose in lessening the role of Congress is because the present system isn't working—too many delays, too little state participation. While we obviously are open to alternative suggestions, we do believe that our approach will create a workable program, quite similar to the one for highways, where Congress establishes basic goals and funding levels, then leaves the details of project design and selection to the states and the line agencies.

S. 621

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Water Resources Policy and Development Act of 1981."

TITLE I

CONGRESSIONAL FINDINGS

SEC. 101. (a) The Congress finds that development of important and necessary water resources projects and the wise expenditure of Federal funds has been frustrated by increasing delays in the implementation of Federal water resources programs. The Congress finds further that it takes, on average, twenty-six years from the time that planning of a typical water resources project is authorized until the initiation of its actual construction, and that such delays are caused by a variety of factors, including the lack of expeditious congressional action, as well as the failure of the Federal Government and the States to establish an effective system to develop priorities which determine those water resources projects most needed for the development of the national economy.

(b) The Congress, therefore, declares that the Nation's water resources development will operate more effectively and efficiently when projects are developed in accordance with a system of Federal and State priorities, and administered with an increased degree of State participation.

(c) It is, therefore, the purpose of this Act to establish and encourage a cooperative Federal-State program to solve water resources problems throughout the Nation, providing the State with greater responsibility for establishing priorities and timing projects, while maintaining reliance on the technical expertise and financial assistance of the United States and its water resources agencies.

FEASIBILITY STUDIES

SEC. 102. (a) Each State shall periodically review the water resources needs of such State, including the need for specific projects in such State, and may submit requests to the Water Resources Council (hereinafter referred to as the "Council") for detailed studies of specific, identified water resources needs and problems within such State or its region. The Council shall, within fifteen days of receipt of any such request, publish notification of such request in the Federal Register and transmit such request to the appropriate Federal water resources agency or agencies, and such transmittal shall be deemed to be authorization for such study.

(b) In addition to the requests under subsection (a) of this section, each State shall, no later than July 1, 1982 submit to the Council a list of those studies that were authorized prior to the date of enactment of this Act, but which have not been initiated or completed as of July 1, 1982, and which such State finds are necessary to meet identified water resources needs and problems in such State or region.

(c) For any feasibility study submitted or listed as a result of subsection (a) or (b) of this section, as well as any other studies previously authorized, each State shall, after public hearings, submit to the Council, no later than August 1, 1982, and annually thereafter, a list of those studies, in order of priority, which such State wishes to have undertaken or completed by the appropriate Federal water resources agencies. Within the funds available under this section the appropriate Federal water resources agencies shall make detailed evaluations of specific water resources needs or problems, analyze alternative solutions, determine the most effective and desirable solution to such need or problem, and determine whether such solution or solutions should be recommended for the implementation. The Federal water

resources agency shall take into account the requirements of any affected interstate compact relating to water use and any relevant court decrees. No studies of a specified and identified water resources need or problem shall be eligible for funding after September 30, 1982, except as provided by the terms of this section or section 106 of this Act.

(d) Before any Federal water resources agency may initiate, under the terms of this section, any study which had not been commenced prior to enactment of this Act, the Council must receive from the appropriate Governor or Governors of the State or States in which implementation is likely to occur, or other non-Federal body, an agreement that such State, States, or non-Federal body will pay 25 per centum of the cost of such study upon its completion.

(e) Once a study is initiated under the terms of this section, the appropriate Governor or Governors shall appoint one or more employees of such State or States, up to a total agreed to by the appropriate Federal water resources agency or agencies, who shall work in coordination with the appropriate Federal water resources agency or agencies in the formulation and development of such study. Such State or States shall be reimbursed out of funds authorized by this section for the salary and services of the person or persons appointed under this subsection.

(f) Any Federal water resources agency may contract with a State or States for the preparation of a study under this section.

(g) At the conclusion of any study under this section, the Federal water resources agency or agencies shall, as soon as possible, submit a detailed report on such study to the Council, together with the specific recommendations of that agency or agencies regarding whether or not a project should be implemented, together with certification by the appropriate Governor or Governors that implementation of the project described in such study would be desirable, needed, and entitled to priority consideration within such State or States.

(h) To the extent practicable and reasonable, Federal and State agencies shall attempt to complete any study under this section within three years of its initiation, and shall consolidate hearings and studies required by law in order to expedite completion of any study under this section.

(i) To the extent practicable and reasonable, the Council shall seek to assure that expenditures under this section are allocated among the States on the same basis as the funds are allocated under section 104 of this Act, and meet the priorities established by each State under subsection (c) of this section.

(j) For the purposes of undertaking feasibility studies under this section, there is authorized to be appropriated to the Council, for distribution among appropriate Federal water resources agencies, $150,000,000 for the fiscal year ending September 30, 1983, and each fiscal year thereafter.

PROJECT AUTHORIZATION AND CONSTRUCTION

SEC. 103. (a) Each state shall schedule public hearings at least once a year to review projects and proposals for water resources development that merit priority consideration. Following such hearings, each state shall develop a priority list for those water resource needs and projects that are to be studied and implemented, and submit such list to the Council by July 1, 1982, and annually thereafter. Each such list shall be published by the Council in the Federal Register, and shall be utilized to establish the order and rate of funding for such projects.

(b) In considering projects for the priority list required by subsection (a) of this section, each State shall consider the needs for alternative water sources or projects in such State, and the need to assure widespread benefits for any proposed project.

(c) The list submitted by a State under the terms of subsection (a) of this section shall be deemed to be approved within sixty days of its submission to the Council unless the Council finds that such list was developed without an adequate and full opportunity for public hearings and participation. In the event the Council finds the list was developed without an adequate and full opportunity for public hearings and participation, the Council shall immediately notify such State, which shall conduct such hearings and submit a new list as soon as practicable. No funds under this section shall be available for expenditure in any State until a priority list for such State has been submitted and approved.

(d) Within thirty days of the submission of a study report, as required by section 102 of this Act, the Council shall publish in the Federal Register a summary of the project described in such report, together with the recommendations of the Federal water resources agency and the certification of the Governor or Governors. Ninety days after such publication, the project described in such report shall be deemed authorized for implementation under this title, and eligible for inclusion on a State's priority list for implementation under the terms of section 104 of this title, and eligible for funding utilizing moneys authorized by section 104 of this title.

(e) Notwithstanding the provisions of subsection (d) of this section, any project report involving implementation of a project in one State, where the Governor of another State in the affected watershed objects in writing to the Council within ninety days after the publication in the Federal Register required in subsection (d) of this section, and shows that such project would adversely affect the quality or quantity of water available in such other State, such study report shall, within sixty days of the receipt of such objection, be transmitted by the Council to Congress. Implementation of the project described in any study report so transmitted to Congress may only be authorized by an Act of Congress.

(f) Notwithstanding the provisions of subsection (d) of this section, any study report shall require the approval of the Council if the Federal water resources agency or agencies recommend against the implementation of the project described in such study, and the Council shall, if it approves implementation of the project described in such study report, publish a summary of the project described in such report in the Federal Register, as provided by subsection (d) of this section. Should the Council fail to act on a study report within one hundred and eighty days of the receipt of such report, implementation of the project described in such study report shall be deemed authorized for the purposes of this title. Whenever the Council sustains the recommendations of a Federal water resources agency or agencies against implementation of a project described in such study report, the Council shall transmit such recommendation and the study report to Congress within thirty days. Implementation of the project described in any study report so transmitted to Congress, may only be authorized by an Act of Congress.

(g) Any project that was under construction at the time of enactment of this Act may, at the discretion of the Governor or Governors of the State and States in which such project is located, become eligible for funding under the terms of this section.

(h) Any project to be constructed using funds authorized by this section shall be designed according to principles and standards established by the Council, incorporating regional development benefits and other social effects, and may be constructed, notwithstanding the computation of the project's national economic benefits and costs, so long as such project is on a State's priority list under the terms of subsection (a) of this section.

(i) For the purposes of the construction of projects to be undertaken under the terms of this section, there is authorized to be appropriated to the Council for allocation under the terms of section 104 of this title, the sum of $2,500,000,000 for the fiscal year ending September 30, 1983, $2,800,000,000 for the fiscal year ending September 30, 1984, $3,100,000,000 for the fiscal year ending September 30, 1985, $3,400,000,000 for the fiscal year ending September 30, 1986, $3,700,000,000 for the fiscal year ending September 30, 1987; and $4,000,000,000 for the fiscal year ending September 30, 1988, and for each fiscal year thereafter, with such sums to remain available until expended: *Provided*, That the cooperating State, or States jointly, or other appropriate non-Federal body, agree to pay, or contribute in kind, 25 percentum of the cost of constructing such project, and 50 per centum of the cost of efficiently operating and maintaining such project upon its completion.

(j) The non-Federal contribution on projects authorized prior to the date of enactment of this Act to be constructed under the terms of this section may, at the discretion of the non-Federal interests, be contributed over the life of the project, including a reasonable rate of interest to be determined by the Council, and revenues received by the United States as a result of the sale of water or other benefits produced by such project shall be available for use toward computing a portion or all of such non-Federal payments.

(k) Whenever a project provides electrical power, municipal and industrial water, or other revenue-producing benefits, revenues from the sale of such benefits shall, on those projects where the non-Federal interests contribute their share at the time of construction of such project, be shared between the contributing non-Federal interests and the participating Federal agencies on the basis of that percentage contributed by each entity toward the project's construction costs and its operations and maintenance. Revenues received by the Federal Government as a result of the preceding sentence shall be deposited in the Treasury. Revenues repaid directly to the non-Federal interests under this section shall be available to such interests for any purpose.

(l) For the purpose of protecting human life and property, projects that were authorized prior to the date of enactment of this Act for the stated purpose of the elimination of hazards and failure of dams shall be subject to the cost-sharing described in such authorization.

(m) Any project whose purpose is to provide for municipal and industrial water supply may be implemented by the appropriate non-Federal interest in consultation with the Corps of Engineers.

STATE ALLOCATION

SEC. 104. (a) Beginning in the fiscal year that ends September 30, 1983, sums authorized to be appropriated pursuant to section 103 of this Title shall be allocated by the Council among the States at the beginning of each fiscal year in accordance with regulations promulgated by the Council, one-half in the ratio that the population of each State bears to the population of all of the States, and one-half on the ratio that the area of

each State bears to the area of all States: *Provided*, That no State shall receive less than one-third of 1 per centum of the sums allocated annually among all the States: And *provided further*, That the sum of $100,000,000 or 3 per centum of the funds appropriated pursuant to section 103 of this Title, whichever is the lesser, shall be allocated annually to the State of Alaska.

(b) Sums allocated to a State under subsection (a) of this section shall be available for obligation on and after the date of such allocation, provided such State meets the requirements of section 103(c) of this Title. Such sums shall continue to be available for obligation in such State for a period of three years after the close of the fiscal year for which such sums are authorized. Any allocated sums which have not been obligated by the end of such three-year period shall be reallocated by the Council on the basis of the ratio used in making the original allocation of sums under this section. Any sum made available to a State by reallocation under the preceding sentence shall be in addition to funds otherwise allocated to such State for grants under this Title during any fiscal year.

DEAUTHORIZATION

SEC. 105. Any project authorized for construction prior to enactment of this Act, but on which no construction has begun within five years following the date of enactment of this Act, shall cease to be authorized five years after the date of enactment of this Act unless such project has been placed on the priority list of the appropriate State or States, and such project can reasonably be expected to receive construction funding within the succeeding five years, or unless such project is included under the terms of section 106(b) of this Title.

SPECIAL REGIONAL PROJECTS

SEC. 106. (a)(1) As a result of its review under section 109 of this Title, or other information made available to the Council, the Council may direct the study of water resources projects that, in the view of the Council, have or are likely to have a national significance and priority. The Council shall direct that such studies be undertaken by the appropriate water resources agency or agencies.

(2) By concurrent resolution, Congress may direct the Council to initiate a study under the terms of paragraph (1) of this subsection.

(b) From among projects authorized prior to the enactment of this Act, the Council shall, within six months of enactment of this Act, select up to ten projects of a regional character that have national significance and priority. Upon the listing of a project under the terms of this subsection, such project shall be eligible for funding by direct appropriation of Congress without regard to the terms of section 103 of this title, or the limitations of subsection (f) of this section.

(c) Projects constructed under the authority of this section must produce national economic benefits that exceed the cost of such project, using a reasonable rate of interest as determined by the Council.

(d)(1) Projects studied under the terms of subsection (a) of this section, if subsequently authorized specifically by the Congress, and projects listed under the terms of subsection (b) of this section, shall be constructed at full Federal cost, provided that once the project is available for utilization, the users or beneficiaries of such projects shall pay a fee, as the Council or law may require, that is designed to recover all or an appropriate percentage of the project's cost, with interest, during the project's anticipated life, together with its cost of operation and maintenance.

(2) The Inland Waterways Trust Fund established by title II of Public Law 95-502 shall be available to repay costs under the terms of paragraph (1) of this subsection for projects authorized for the purposes of commercial inland navigation.

(e) There is authorized to be appropriated to the Council $20,000,000 for the fiscal year ending September 30, 1983, and for each fiscal year thereafter, for feasibility studies of regional water resources projects that have a national significance and priority. No more than fifteen such projects of national priority shall be under study and design at one time, while no more than ten such projects of national priority shall be under construction at one time.

(f) While projects under this section may be constructed wholly within one State, such projects must provide benefits significantly affecting two or more States, and receive the approval of the Governors of such States.

OPERATIONS AND MAINTENANCE

SEC. 107. For the purposes of operating and maintaining facilities of water resources agencies that are in existence at the time of enactment of this Act or are constructed under the terms of this Act, the sum of $1,000,000,000 is authorized to be appropriated for the fiscal year ending September 30, 1983, and annually thereafter to the Council for distribution to the appropriate water resources agencies.

CLARIFICATIONS

SEC. 108. (a) Nothing in this Act shall alter the requirements of the National Environmental Policy Act (42 U.S.C. 4343) the Fish and Wildlife Coordination Act (16 U.S.C. 661), or the Endangered Species Act (16 U.S.C. 1530 et seq.).

(b) Projects authorized as a result of enactment of this Act shall incorporate the conservation of water.

STUDIES

SEC. 109. (a) The Council, after public hearings and in consultation with the States, shall:

(1) Make a detailed estimate of needs and costs regarding (A) the national priorities for water resources management through the year 2000, together with an estimate of the needs for cost-effective implementation of projects throughout the Nation by the year 2000, (B) the needs, over a twenty-year period, in each State for water resources projects, and (C), in cooperation with the Office of Water Research and Technology, a study of the best ways to achieve the maximum efficient use of water supplies from existing Federal projects; and

(2) A review of present cost-sharing mechanisms for water resources projects, including any changes adopted subsequent to the enactment of this title.

(b) There is authorized to be appropriated to the Council the sum of $5,000,000 to carry out the purposes of this section.

(c) The Council shall transmit the studies authorized by this section to Congress no later than January 1, 1984.

DEFINITIONS

SEC. 110. As used in this Act:

(a) The term "water resource agencies" means the United States Army Corps of Engineers, the Water and Power Resources Service, and the Soil Conservation Service;

(b) The term "project" means any publicly owned water resources facility, device, system, or non-structural management plan designed for flood protection, erosion control, reclamation (including renovation of existing works), hurricane protection, municipal and industrial water supply (including renovation of existing works), navigation, power generation, saline water conversion, water-based recreation, dam safety, sediment control, water conveyance, or related water purposes undertaken by a water resources agency;

(c) The term "conservation of water" shall include methods to store water and to reduce water loss;

(d) The term "Governor" shall include any official or body under State law with responsibility for water resources in such States.

(e) The term "Water Resources Council" means the Water Resources Council, or any agency to which the responsibilities of the Council, as defined by law as of January 1, 1981, may be subsequently transferred.

TITLE II

WATER RESOURCES PLANNING ACT AMENDMENTS

SEC. 201. The Water Resources Planning Act, as amended (42 U.S.C. 1962 et seq.), is further amended by deleting section 101 and inserting in lieu thereof the following:

"SEC. 101. There is hereby established an independent Water Resources Council (hereinafter referred to as the "Council"), which shall be composed of nine members, including the Secretary of the Army, the Secretary of the Interior, the Secretary of Agriculture, and the Administrator of the Environmental Protection Agency, plus five members chosen by the President, with the advice and consent of the Senate, for their demonstrated interest and expertise in water resources development. The chairman of the Council shall be designated by the President from among those members selected by him or her. The five members selected by the President shall be compensated at the rate for Level III of the Executive Schedule under section 5313 of title 5, United States code, except that the Chairman shall be compensated at the rate for Level II. Actions of the Council shall be approved by a majority vote of the members."

SEC. 202. (a) The Water Resources Planning Act, as amended, (42 U.S.C. 1962 et seq.), is further amended by inserting after the present section 105 a new section 106 to read as follows:

"SEC. 106. (a) There is hereby established a State Advisory Committee (hereinafter referred to as the 'State Committee') which shall be composed of five members.

"(b) The Chairman of the Council shall appoint the Chairman of the State Committee from persons recommended by the governing body of the National Governors' Association for a term of not more than four years. The Chairman of the State Committee shall not represent a specific State or regional interest, but shall demonstrate an understanding of the Nation's water resources problems. The Chairman of the State Committee shall be compensated at the rate for level V of the Executive Schedule under section 5316 of title 5, United States Code.

"(c) The remaining members of the State Committee shall be selected jointly by the Chairman of the Council and the Chairman of the State Committee from persons recommended by the governing body of the National Governors' Association to provide for broad national representation in the area of water management. Attention shall be given to balancing of regional interests in the selection of the Committee.

"(d) When authorized by the Chairman of the Council, the travel and other expenses of participation as members of the State Committee may be reimbursed by the Council.".

Mr. DOMENICI. Mr. President, I yield to my good friend from New York.

The PRESIDING OFFICER (Mr. SPECTER). The Senator from New York is recognized.

Mr. MOYNIHAN. Mr. President, I thank the distinguished chairman of the Budget Committee and the man whose

indefatigable concern for this area of national policy is responsible for the legislation that I have the honor to join with him in introducing today.

Mr. President, on May 24, 1979, my distinguished colleague from New Mexico (Mr. DOMENICI) and I introduced a bill to improve our national water program. The National Water Resources Policy and Development Act of 1979, S. 1241, was pronounced by some as radical and by others as outrageous. But, I might add, the bill was also viewed as a refreshing and creative approach to a national program that at best can be described as stale and stagnant. Now, national economic and political circumstances have changed since 1979 we find that the continuing failure of our water program remains with us.

It is therefore with the greatest sense of hope that I once again find myself at the Senator from New Mexico's side to introduce the National Water Resources Policy and Development Act, this time of 1981. Our new bill is in most respects identical to our original bill. However, we have made several changes that we believe strengthen our attempt to improve the method by which water resources are developed in our Nation.

Before I describe these changes I might first invoke the wise words of an engineer and inventor on the subject of water, Leonardo daVinci said:

> Remember when discoursing about water, to adduce first experience and then reason.

It may be worth recalling what our national experience has of late been in water resources. It is a chaotic and idiosyncratic system of economic and resource development, producing a random array of benefits more responsive to the vagaries of seniority in the U.S. Congress than anything else.

Our current program also suffers from its failure to include the entire Nation. From legislation borne out of an interest to develop hitherto undeveloped regions of our continent, we in the older regions now find ourselves victims of our own tradition. We are told our water needs do not mesh with the national purpose. In the period from 1950 to 1976, the Northeast received slightly more than 6 percent of the cumulative national water resources funds spent by the Corps of Engineers and the former Bureau of Reclamation—now the water and Power Resources Service. The West received over 48 percent, the South 28 percent and the North Central region 18 percent. This is our experience.

Now, reason. Our bill brings to water resources development a concept which is, I think, deeply sensitive to the uses of federalism: The capacity of States to know best what they most need, and the capacity of the Federal Government to look to national interests and the sharing of costs.

Our bill would create a uniform, national system by which water projects can be approved and undertaken, while at the same time allowing for the full consideration of all the questions that must be answered in the approval of each initiative. The bill would change the current practice of authorizing and appropriating water resources funds to States on a project-by-project basis, that has no relation whatever to national policy, and which, indeed, makes national policy impossible. Instead, funds would regularly be appropriated on the basis of population and land area. States would be required to match these funds on a 75-percent Federal, 25-percent State basis regardless of the types of project and could choose to spend their allocation on whatever feasible projects are of most importance to them. Current restrictions on Federal funding, such as those placed on single purpose water supply projects, would be eliminated to give the States more flexibility in addressing those pressing needs that previously have gone unmet.

The section-by-section analysis which accompanies my statement explains the procedures by which the States would select their projects, funds would be allocated among the States, and the costs of such projects would be shared between the States and the Federal Government. There are, however, several particular points which I would like to explain further.

First is the matter of the formula by which funds are allocated among the States. As in our original bill, the allocation is based on land area and population. We are not satisfied with this formula because of its failure to take into account water needs, diverse as they may be from one State to another. However, we have yet to see a better formula. We continue to look and are most open to suggestions. It is our hope that over the next few months our allocation formula will be refined.

Second is the matter of navigation. Many have questioned the wisdom of including both inland navigation and coastal harbors in a State-based development program. Their point is that such navigation projects frequently have economic effects far beyond the borders of a single State. Our bill does provide the opportunity for Governors of neighboring States to both review and if justified reject a State's project. The bill also affirms the need for continued Federal support for projects of a regional and national character.

Nonetheless, there is a great interest in developing and expanding coastal ports capable of handling the expected increase in the export of steam coal. Harbor deepening projects have been estimated to cost between $100 million and $400 million a piece. Clearly such projects are beyond the scope of intrastate projects for which our bill is best suited. It is my conclusion that the particular nature of navigation development suggests that it should be treated in separate legislation. However, until agreement is reached on the nature of such legislation and the corresponding adjustments made in our allocation formula, we shall leave navigation projects in the bill. We simply wish to make it understood that our intention is to devise a more appropriate Federal policy toward construction and maintenance of large inland and coastal navigation projects.

A third point I wish to make is our desire to place water management and conservation solutions to water problems on an equal footing with structural, capital-intensive solutions. We explicitly state that to the extent possible projects should incorporate the best available techniques for water conservation. Furthermore, we include nonstructural management plans in our definition of a water resources project.

My final point concerns the applicability of the National Water Resources Policy and Development Act to water supply problems faced by many community and urban water systems. The Federal Government has by tradition not assisted in the development of single purpose water supply projects, single purpose being somewhat of a misnomer for municipal and industrial water supply. On the other hand, the Federal Government has without apparent hesitation included municipal and industrial water supply in multipurpose reservoir projects constructed by both the Army Corps of Engineers and the Bureau of Reclamation. Indeed, in 1958 the Congress passed the Water Supply Act (Public Law 85–500) which firmly established the Federal policy on this matter.

The act required the non-Federal interests to repay the Federal Government over a 50-year period following the completion of the project, at an interest rate set by the Secretary of the Treasury. Since the passage of the 1958 act, the Corps of Engineers has spent a total of $576 million and the Water and Power Resources Service a total of $763 million on municipal and industrial water supply. Only $13.4 million was spent in the New England region and $20.8 million in the North Atlantic region. Compare this to $214.3 million spent in the Southwest by the Corps of Engineers alone.

As of 1977, water and power resources service projects were supplying 18,244,000 persons with drinking water equaling 825.2 billion gallons of water annually. That is the equivalent of supplying water to the cities of New York, Boston, and Providence combined. And this was done by the Federal Government. The central Arizona project now under construction will annually supply the cities of Tucson and Phoenix with 166 billion gallons at a cost of approximately $600 million, which is about 35 percent of the total cost of the reclamation project.

The one piece of legislation that supports our claim for equity has never been implemented. Title I of the 1965 Rivers and Harbors Act (Public Law 89–298) stated:

> Congress hereby recognizes that assuring adequate supplies of water for the great metropolitan centers of the United States has become a problem of such magnitude that the welfare and prosperity of this country require the Federal Government to assist in the solution of water supply problems.

These words were written in 1965, the last time the Northeast suffered from a prolonged and debilitating drought. Sixteen years later we find ourselves in much the same circumstances.

Although all water utilities would like to operate on the principle that their systems are to be self-sustaining enterprises, it is a fact that the water utility industry is the most capital intensive of

all the utilities. Furthermore, it is a regulated industry where rates are set not just on the basis of the cost of delivery but also according to political and financial constraints set by State utility commissions.

Arguments raised against the inclusion of municipal and industrial water supply frequently concentrate on the issue of whether the Federal Government should assist cities and towns in operation and maintenance, with rehabilitation erroneously being classified as regular maintenance. Take, for example, the case of New York City's third city water tunnel. We are talking about an extraordinarily large cost for increasing the reliability and operational flexibility in the city's water delivery system, a cost I might add comparable to the municipal and industrial water supply component of the central Arizona project. This is not maintenance. I should further add that no one is suggesting a Federal grant program. We are asking for terms no more generous than that now extended to water supply from multipurpose projects under the 1958 Water Supply Act. This is what I mean by equity.

For myself and the Senator from New Mexico, who has shown an exquisite sensibility in these matters, we invite those concerned with the environment and with the economic well-being of our Nation to ask if ours is not a better system, a more rational system, a national system that can bring order, equity, and progress into a field which has been characterized by randomness, waste, and even destruction of natural resources.

Mr. President, I ask unanimous consent to have printed in the RECORD a section-by-section analysis of the Domenici-Moynihan water policy bill.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION ANALYSIS OF DOMENICI-MOYNIHAN WATER POLICY BILL

The short title of the bill is the National Water Resources Policy and Development Act of 1981.

TITLE I

Section 101. Findings and Intent. Congress finds that existing arrangements for water resources development have led to excessive delay in the implementation of water resources projects. The delay is in part a result of the failure of the Federal and state governments to establish their priority of projects and management plans most needed to further the development of the national economy. It is the intent of Congress to place greater reliance on the states for funding and establishing priorities for water resources development.

Section 102. Feasibility Studies. This section authorizes states to request specific feasibility studies of water resources projects. Each year $150,000,000 shall be distributed among the Federal water agencies to finance the planning, design and engineering of these studies. Before a study is initiated, the non-Federal interest must agree to pay 25 percent of the cost of the study following its completion. The states will also be reimbursed for persons appointed to work with the Federal agency on the study. Any Federal water resources agency may contract with a state or states for the preparation of a study.

The states shall annually submit to the Water Resources Council a list of project feasibility studies in order of their priority. To the extent possible, the Council shall allocate among the states funds for studies on the same basis as funds are allocated for construction. The Federal and state agencies shall attempt to complete studies within three years.

Section 103. Project Authorization and Construction. Each state is required to develop a priority list for water projects each year and submit the list to the Water Resources Council. The list shall be approved in 60 days provided that the Council finds that the list was developed with the benefit of public hearings and public participation.

Projects whose studies were conducted under Section 102 of this Act will become authorized for construction 90 days after the study is approved by the governor of the state. However, if the governor or governors of neighboring states object to the project on the grounds that the project will adversely affect the water quantity or water quality in that governor's state, then the project must receive Congressional authorization. Furthermore, if a project has not been endorsed by the Federal water agency, then the Water Resources Council must first approve the project before such project could be authorized and eligible for funding under this Act.

Projects under construction at the time of enactment of this Act may become eligible for funding under the terms of this section at the discretion of the governor or governors of the state or states. Projects constructed with funds authorized by this section shall be designed according to the principles and standards of the Water Resources Council. Such evaluation shall fully incorporate the estimation of the project's regional development benefits and other social effects. A project may be constructed notwithstanding the computation of the project's national economic benefits and costs as long as the project is on a state's priority list and meets the other requirements of this section.

This section authorizes $2.5 billion in FY 1983, $2.8 billion in FY 1984, $3.1 billion in FY 1985, $3.4 billion in FY 1986, $3.7 billion in FY 1987, and $4.0 billion annually thereafter. Funds allocated to states shall remain available until expended provided the state or non-Federal interest agrees to pay or contribute in kind 25 percent of the cost of constructing such project and 50 percent of the cost of operating and maintaining such project upon its completion.

Revenue produced from projects providing electrical power or municipal and industrial water shall be shared between the non-Federal interest and the Federal agency on the basis of the percentage contributed to the cost of construction and operation and maintenance.

Municipal and industrial water supply projects may be implemented by the appropriate non-Federal interest in consultation with the Corps of Engineers.

Section 104. State Allocation. Funds authorized in Section 103 shall be allocated by the Water Resources Council among the states at the beginning of each fiscal year on the basis of land area and population. No state shall receive less than 0.33 percent and no more than 3 percent.

Funds allocated to states shall remain available for obligation for a three year period, after which the Council shall reallocate the funds according to the original allocation described in this section.

Section 105. Deauthorization. Projects authorized for construction prior to this Act but on which no construction has begun within years following enactment of this Act shall cease to be authorized five years after enactment unless the project is placed on a state's priority list.

Section 106. Special Regional Projects. The Council or Congress, by concurrent resolution, may for the study of such projects. From among previously authorized projects, the Council shall select up to ten projects of national significance which shall be eligible for funding by direct appropriation by Congress without regard to the limitations of this Act. Projects constructed under the authority of this section must produce national economic benefits that exceed the cost of such project using a reasonable rate of interest set by the Water Resources Council.

Projects studied under this section and subsequently authorized by Congress shall be constructed at full Federal cost provided that the users of the projects pay a fee designed to recover all or an appropriate percentage of the project's cost with interest in addition to its cost for operation and maintenance. The Inland Waterways Trust Fund shall be available to repay a portion or all of the costs for commercial inland navigation projects.

Section 107. Operation and Maintenance. This section authorizes $1,000,000,000 annually for the purpose of operating and maintaining water resources facilities.

Section 108. Clarifications. Nothing in this Act shall alter the requirements of the National Environmental Policy Act, the Fish and Wildlife Coordination Act or the Endangered Species Act. Projects authorized under this Act shall incorporate the best available techniques for the conservation of water.

Section 109. Studies. The Water Resources Council shall conduct a number of studies to estimate national water needs and priorities to the year 2000, individual state water needs, and the means by which the most efficient use of water supplies may be made at existing Federal projects. The Water Resources Council shall also review present cost-sharing mechanisms for water resources projects. This section authorizes $5,000,000 for use by the Water Resources Council to conduct these studies. The Council shall transmit the studies to Congress no later than January 1, 1984.

Section 110. Definitions. Water resources agencies include the Army Corps of Engineers, the Water and Power Resources Service, and the Soil Conservation Service.

Water project means any publicly-owned water resources facility, device, system, or non-structural management plan designed for flood protection, erosion control, reclamation (including the renovation of existing projects), hurricane protection, municipal and industrial water supply (including the renovation of existing projects), navigation, power generation, saline water conversion, water-based recreation, dam safety, sediment control, water conveyance, or related water purposes.

TITLE II—WATER RESOURCES PLANNING ACT AMENDMENTS

Section 201. Restructuring of the Water Resources Council. The Water Resources Council shall be an independent body composed of nine members, five of which shall be chosen by the President. One of the five Presidential appointees shall be designated as the chairman.

Section 202. State Advisory Committee. The Chairman of the Water Resources Council shall appoint a chairman of the State Committee from persons recommended by the National Governors Association. The Chairman of the Water Resources Council and the Chairman of the State Council shall select four additional members of the State Council, taking regional balance into account in their selection.

Mr. MOYNIHAN. Mr. President, I shall elaborate only a few further points that my distinguished friend from New Mexico has made.

The first is to say, and I hope the Senate will understand this because it was

a disappointment to us last year when this bill was reported out of our committee that it was never even considered on the floor of this body, this is a bill that responds to a stalemated and failed system of water development in the country at a time of a crisis in water supplies.

The arrangements that have been in place for a century or more or less with respect to rivers and harbors, almost a century with respect to the Bureau of Reclamation, are not working. The system has stopped working, and we have brought forth an alternative that, as we say, is most rational and national, and I think it is a happy circumstance, if I may say, that the distinguished Presiding Officer is the Senator from Pennsylvania, and if I am not mistaken from the eastern section of Pennsylvania, and any visitor to that great city of Philadelphia, among the first sights he sees along the Schuylkill will be the Philadelphia waterworks, a municipal enterprise of great neoclassic splendor down there and great engineering ingenuity, marking the beginning of a water project system of the older parts of our country from the East where water systems were built by municipalities or at most by States, frequently by private enterprises, that continues to this day.

The system by which Philadelphia gets water, the political-economic system, is no different today than it was in the 18th century, and the result is all over the Eastern United States a crisis in an area where there is in fact abundant water but water systems are so decrepit that New Jersey, New York, Boston, Philadelphia, places like that, experience serious drought problems this year.

In the West, which was developed by Federal funds, a system was in place effectively from the time the Bureau of Reclamation was established in 1905, and that system does not work anymore. It does not work. It takes 30 years to find out that in fact you are not going to have the project.

Now there is a crisis here, and we can do without oil but we cannot do without water. We have enough in most parts of the country. We can conserve it in other parts of the country. But we cannot do either without legislation such as Senator DOMENICI and I have introduced.

We are talking to the Senate about a real problem. The Senate last year chose not to hear us and it may do so again this year. If it does, it will be a dereliction of duty larger than any might suppose.

Mr. President, I believe our time may be about to expire. I would simply like once again to thank my distinguished colleague and friend for enabling me to join him in this national legislation.

Mr. DOMENICI. I thank my good friend.

Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOMENICI. How much time does the Senator from New Mexico have?

The PRESIDING OFFICER. Slightly less than 1 minute.

Mr. DOMENICI. Mr. President, I hope everyone understands that the intention here is not to spend more money than we have been spending, at least not for the next few years. What we are trying to do is to get the process, which is not working, off dead center by having a completely new system for prioritizing projects, then letting the States go forward, in exchange for their paying for part of the cost of the projects.

It has been 5 years since a major omnibus water bill became law. The ad hoc approach to picking projects is fraught with problems. It does not prioritize anything. Our bill, I hope, will initiate a dialog that will replace a system that is failing to meet a great problem with a system that stands a far greater chance of meeting the needs of America's future.

S. 620—NEW MEXICO PROJECTS

Mr. DOMENICI. Mr. President, I am today introducing legislation, which authorizes three relatively minor items that affect the water resources needs of the State of New Mexico.

Section 1 of the bill authorizes the U.S. Army Corps of Engineers to construct a flood control project at Albuquerque. Actually, the work would extend the present levee system north and south of the city, not affecting the levees that now exist in the central area of the city. This change would assure against floods with a frequency of once nearly every 300 years.

Within the corps, this proposal is not considered controversial. The project was approved last year by the Subcommittee on Water Resources. In addition, the Congress enacted legislation last year that established the maximum size of the projects to allow local interests to begin to rebuild the existing system of bridges over the Rio Grande.

My proposal, however, may lead to even higher levels of flood protection for the citizens of Albuquerque, as it authorizes the corps to dredge out the Rio Grande channel to increase its capacity to move water past the city. Thus, instead of raising the existing levees, the corps could lower the river bed.

Section 2 of this bill authorizes the storage of water from the San Juan-Chama project in various New Mexico reservoirs. This section would assist the cities of Albuquerque and Santa Fe by providing storage locations for contract water owned by them.

The cities now lack adequate storage facilities, while extra space is available at Abiquiu and Elephant Butte Reservoirs. The city of Albuquerque contracted to store water at the Elephant Butte project in southern New Mexico. The courts, however, held that this contract and storage had not been specifically authorized by Congress. Now that the courts have forced the issue, the cities believe it would also be appropriate to permit further storage at Abiquiu, north of Albuquerque, in addition to small amounts now stored there.

This section authorizes such storage, when the storage does not interfere with the authorized purposes of the projects, such as flood control. Thus, the storage would be allowed only if it proved compatible with authorized project purposes.

This legislation, of course, imposes no cost on the Federal Government. It merely allows the cities to store their water, if the Federal agencies believe that would be appropriate.

Any additional costs for operating and maintaining the projects will be paid by local interests. In addition, this extra water would be available for additional power production at Elephant Butte Reservoir.

I recognize that some may oppose this proposal. But I offer it to provide to the public an opportunity to evaluate and comment on its merits.

Section 3 is a minor item, one which has been approved previously by the Senate, but never enacted into law, as we have failed to pass a full omnibus water resources bill since 1976. This section authorizes $300,000 in extra funds to assure the completion of important archeological recovery work at Santa Rosa Lake.

I send to the desk a bill for myself and Senator SCHMITT with reference to those three projects in my State.

Mr. President, I ask unanimous consent that a copy of the bill be printed at this point in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 620

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Army, acting through the Chief of Engineers, is authorized to construct a project for flood control in the vicinity of Albuquerque, New Mexico, in conformity with the report of the Board of Engineers for Rivers and Harbors, dated September 14, 1979, at an estimated Federal cost of $33,224,000: *Provided,* That the Chief of Engineers shall further be authorized to increase flood protection through the dredging of the river bed to an elevation lower than existed on the date of enactment of this Act.

SEC. 2. (a) The proviso of Section 2 of Public Law 84-485 shall not be construed to prohibit the storage of San Juan-Chama project water acquired by contract with the Secretary of the Interior pursuant to Public Law 87-483 in any reservoir.

(b) The Chief of Engineers is authorized to enter into agreements with entities which have contracted with the Secretary of the Interior for water from the San Juan-Chama Project pursuant to Public Law 87-483 for storage of a total of 200,000 acre-feet of such water in Abiquiu Reservoir. The agreements to thus store San Juan-Chama Project water shall not interfere with the authorized purposes of the Abiquiu Dam and Reservoir Project and shall include a requirement that each user of storage space shall pay any increase in operation and maintenance costs attributable to the storage of that user's water.

(c) The Secretary of the Interior is authorized to enter into agreements with entities which have contracted with the Secretary of the Interior for water from the San Juan-Chama Project pursuant to Public Law 87-483 for storage of such water in Elephant Butte Reservoir. Any increase in operation and maintenance costs resulting from such storage not offset by increased power revenues resulting from that storage shall be

paid proportionately by the entities for which the San Juan-Chama Project water is stored.

(d) The amount of evaporation loss and spill chargeable to San Juan-Chama Project water stored pursuant to Subsections (b) and (c) of this section shall be accounted as required by the Rio Grande Compact and the procedures established by the Rio Grande Compact Commission.

SEC. 3. The project for Santa Rosa Lake, Pecos River, New Mexico, authorized by section 203 of the Flood Control of 1954 (68 Stat. 1260), is hereby modified to authorize the expenditure of not to exceed $300,000 for the recovery of cultural resource data, in addition to any amounts authorized for this purpose pursuant to the Reservoir Salvage Act of 1960, as amended (88 Stat. 174).

● Mr. SCHMITT. Mr. President, I take a great deal of pleasure in joining with my colleague from New Mexico, Senator DOMENICI, in sponsoring legislation that will resolve some of the water problems confronting our State.

Section 1 of the bill will authorize the U.S. Army Corps of Engineers to undertake a program to eliminate the serious flood threat that exists today because of the condition of the existing levees on the Rio Grande River in an area from Bernalillo to Belen. This would be accomplished by rehabilitating existing levees and where necessary dredging the river bed to acceptable levels.

Section 2 of the bill would authorized the city of Albuquerque to store in various New Mexico reservoirs water to which the city is legally entitled from the San Juan Chama project. Under the present situation, the city is in danger of losing its water rights. This bill would not only protect those water rights but would give additional benefits in the form of providing water for recreational and power-generating purposes at Elephant Butte Reservoirs, thus directly providing economic benefits to the community of Truth or Consequences, which depends a great deal upon the level of water of the lake to support the local economy. The benefits would be accomplished at no cost to the Federal Government as the costs of operating and maintaining the storage program would be paid by the owners of the water.

Section 3 of the bill is aimed at resolving a longstanding problem to complete important archeological recovery work at Santa Rosa Lake.●

RECOGNITION OF SENATOR BAUCUS

The PRESIDING OFFICER. Under the previous order, the Senator from Montana (Mr. BAUCUS) is recognized for a period of time not to exceed 15 minutes.

TAX EXPENDITURES—SOME ADDITIONAL THOUGHTS

Mr. BAUCUS. Mr. President, last week I addressed the Senate on the subject of tax expenditures and their inexplicable exclusion from President Reagan's economic plan. Tax expenditures have become, as we all know, enormously popular. Once enacted, they tend to become firmly entrenched in the tax law and insulated from review.

The C. D. Howe Research Institute in 1979, commented on tax expenditures in this way:

> Tax expenditures have become a regular feature of recent budgets, apparently for two reasons: tax expenditures are politically popular with the business community and a convenient way of helping governments to stay within their expenditure limits because they are recorded as a revenue loss rather than as an expenditure increase.

By quoting this authority, I do not suggest that I am fundamentally opposed to tax expenditures. On the contrary, the tax expenditures mechanism frequently provides an efficient means for solving an economic problem.

I also reiterate my belief that taxes generally should be reduced to help stimulate more savings and investment and to restore lost income to individual taxpayers. I also believe that as we reduce those tax expenditures which are inefficient and unproductive, as many of them are, we will have more income available to enact the targeted and significant income tax reduction that we all talk about so much.

What I do suggest is that tax expenditures should not be immune from serious and critical and frequent review by Congress. They do offer potential for budget control actions.

In that regard, Mr. President, I note that the bill introduced by the Senator from New York (Mr. MOYNIHAN) is a bill aimed at just this purpose: eliminating and reducing a tax expenditure which he views to be unproductive, that is, the commodity straddle, which is exactly what we are talking about.

In my view, tax expenditures are nothing more than the functional equivalent of Federal spending programs. Tax subsidies are becoming ever more prevalent because it is frequently easier to achieve the enactment of a policy through the tax mechanism. Walter Heller understood the appeal of tax expenditures when he testified in 1959:

> The back door to government subsidies marked "tax relief" is easier to push open than the front door marked "expenditures" or the side door marked "loans, guarantees and insurance" . . .
>
> The very groups that use this back door are often among the most insistent advocates of responsible and informed government budgeting. Yet here is a whole catacombs of government benefits which are largely hidden from public view, let alone, periodic review.
>
> Once embedded in the tax structure, the preferential provisions are treated as inalienable vested rights, impervious to changes in tax rates, economic policy, and technology.

Heller's prescient admonishments are as relevant today as they were 22 years ago. His words should help us better understand the frequently perverse characteristics of tax subsidies.

TAX EXPENDITURES—A GROWTH EXPLOSION

Today, I would like to illustrate the phenomenal growth in the tax expenditure budget. This discussion will support my argument that the cuts in spending programs must be matched by simultaneous reductions in tax expenditures.

In describing the rate of increase in tax expenditures, Paul McDaniel, professor of law at Boston College, recently testified before Congress that:

> This hidden growth in the federal budget cannot continue unchecked or Congress will ultimately lose its hard won progress to achieve more effective control over the budget.

Growth in tax expenditures has been explosive. How many of my colleagues know, for example, that the growth in tax expenditures is currently exceeding inflation?

Indeed, depending upon the measure used, tax expenditures are increasing at a rate nearly twice that of inflation.

For example, between 1980 and 1981 alone, tax expenditures rose nearly 20 percent. The Consumer Price Index for that same period was 12 percent, and the GNP deflator—perhaps a better guage of inflation—was less than 10 percent.

Tax expenditures have witnessed a phenomenal growth since the first tax expenditure budget in 1968. Let us look at the figures.

The 1968 tax expenditure budget consisted of just 40 items—that is, there were 40 exclusions, deductions and credits. Today, that list has expanded to over 100 items.

Tax expenditure growth can also be understood in dollar amounts. The tax expenditure budget has grown from $44 billion in 1968 to over $260 billion in fiscal year 1982.

Here is another fact. Since 1975, the revenue losses resulting from tax expenditures are rising faster, 14 percent a year, than direct outlays which are rising at 11 percent.

A RECENT CRS REPORT ON TAX EXPENDITURES

When the Congressional Budget and Impoundment Control Act was amended in 1974, it required, for the first time, that the budget report include estimates of tax expenditures. These estimates permit us to fully appreciate the magnitude of tax expenditure growth.

At my request, the Congressional Research Service prepared an analysis showing the growth in tax expenditures compared to the Federal budget.

Let us look at some of the figures compiled by CRS. Between fiscal year 1974 and fiscal year 1980, tax expenditures exploded by $120 billion, or 162 percent. Even more astounding is that the percentage growth of tax expenditures exceeded both total outlays of Federal funds, which grew by 111 percent, and total income tax receipts, which expanded by 96 percent.

In short, the percentage increase in tax expenditures in any given year is now outpacing the growth in inflation, total income tax receipts, and outlays from Federal funds.

If we are serious about getting Federal spending under control, then we must begin to reverse the trend in tax expenditure growth. Otherwise, control of the Federal budget simply cannot be accomplished. And I ask my colleagues to join with me in calling for an evaluation and reduction of tax expenditures.

Next week I plan to continue my ob-

servations on tax expenditures by discussing the upside-down effects of these subsidies and the options available to Congress and the administration in achieving a modest reduction in the tax expenditure budget.

Mr. President, I ask unanimous consent that the CRS analysis that I recently spoke of be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CONGRESSIONAL RESEARCH SERVICE,
THE LIBRARY OF CONGRESS,
February 27, 1981.

To: Honorable Max Baucus.
From: Nonna Noto, Analyst in Public Finance, Economics Division.
Subject: Growth in Tax Expenditures Relative to the Federal Budget Since 1974.

According to the figures presented in the accompanying two tables, total tax expenditures expanded by $121 billion or 162 percent between FY 1974 (when estimates of tax expenditures were first required in the budget) and FY 1980. This is nearly as large as the growth in total income tax revenues over the same period of $151 million, and over half the expansion in total outlays out of Federal funds of $221 billion. In terms of percentage growth, however, tax expenditures at 162 percent considerably outpaced both total outlays out of Federal funds, which grew by 111 percent, and total income tax receipts, which grew by 96 percent. The relevant rows in Table 1 are marked by asterisks.

Projections to FY 1982 based on the Carter budget show tax expenditures increasing by $71 billion or 36 percent; total income tax receipts increased by $88 million or 28 percent; and total outlays from Federal funds increasing by $120 billion or 29 percent.

Thus tax expenditures have been growing and were expected to continue to grow at a more rapid rate than total outlays from Federal funds, which in turn have outpaced income tax revenues.

The tables also break out tax expenditures associated with the individual income tax from those associated with the corporate income tax. The corresponding individual and corporate income tax receipts are provided as a basis for comparison. Although both tax expenditures and tax receipts have been growing more rapidly for the individual income tax than the corporate income tax, the growth of tax expenditures relative to receipts has been greater for the corporate income tax.

The figures suggest that the revenue cost of the current tax expenditure system is so large that if all the tax expenditure provisions were eliminated, average tax rates could be reduced by approximately one-third and still yield the same level of revenue now collected. See p. 34–37 of the enclosed CRS report on Tax Expenditures for an explanation of this estimate.

TABLE 1.—GROWTH IN TAX EXPENDITURES, INCOME TAX RECEIPTS, AND FEDERAL OUTLAYS, FISCAL YEARS 1974 TO 1980

[In millions of dollars, fiscal years]

	1974 (actual)	1980 (actual)	Absolute change 1974–80	Percent change 1974–80
	(1)	(2)	(3)	(4)
Tax expenditures:				
Individuals	57,340	152,308	94,968	166
Corporations	17,465	43,505	26,040	149
Total tax expenditures	74,805	195,813	121,008	162
Income tax receipts:				
Individual	118,952	244,069	125,117	105
Corporate	38,620	64,600	25,980	67
Total income tax	157,572	308,669	151,097	96
Total outlays, Federal funds	198,692	419,214	220,552	111

Source: Calculated by CRS from data presented in U.S. Office of Management and Budget, Special Analyses, Budget of the U.S. Government. Data for fiscal year 1974 from the Budget for fiscal year 1976, Special Analysis F, table F–1, p. 108–109 for tax expenditure estimates; Special Analysis B, table B–2, p. 29 for actual income tax receipts and budget outlays. Data for fiscal years 1980 and 1982 from the Budget for fiscal year 1982, Special Analysis G, table G–1, p. 226–230 for tax expenditure estimates, and Special Analysis C, table C–2, p. 75, for income tax receipts and budget outlays, actual for 1980 and estimates for 1982.

TABLE 2.—PROJECTED CHANGE, FY 1980–82, BASED ON CARTER BUDGET

[In millions of dollars, fiscal years]

	1982	Absolute change, 1980–82	Percent change, 1980–82
	(1)	(2)	(3)
Tax expenditures:			
Individuals	214,425	62,117	41
Corporations	52,300	8,795	20
Total tax expenditures	266,725	70,912	36
Income tax receipts:			
Individual	331,677	87,608	36
Corporate	64,648	48	
Total incon e tax	396,325	87,656	28
Total outlays, Federal funds	538,817	119,603	29

Source: Calculated by CRS from data presented in U.S. Office of Management and Budget Soecial Analyses, Budget of the U.S. Government. Data for fiscal year 1974 from the Budget for fiscal year 1976, Special Analysis F, table F–1, p. 108–109 for tax expenditure estimates; Special Analysis B, table B–2, p. 29 for actual income tax receipts and budget outlays. Data for fiscal years 1980 and 1982 from the Budget for fiscal year 1982, Special Analysis G, table G–1, p. 226–230 for tax expenditure estimates and Special Analysis C, table C–2, p. 75, for income tax receipts and budget outlays, actual for 1980 and estimates for 1982.

TAX EXPENDITURES: THE LINK BETWEEN ECONOMIC INTENT AND THE DISTRIBUTION OF BENEFITS AMONG HIGH, MIDDLE, AND LOW INCOME GROUPS

(Report No. 80–99 E)

(By Nonna A. Noto, Analyst in Public Finance, Economics Division, Congressional Research Service, Library of Congress)

ABSTRACT

How are Federal tax expenditures distributed among high, middle, and low income groups? This report analyzes data from a 1978 study by the Senate Budget Committee which estimated the distribution of benefits, through reduced tax liabilities, among five income classes for individual tax expenditure provisions.

By classifying these provisions according to four categories of economic behavior, this report finds systematic differences in the types of tax expenditures which favor separate income groups. Tax expenditures from investment-related provisions are associated sumption and employment-related provisions with the middle income groups, and need-related provisions with the low income group. The overall system of tax expenditures is found to benefit the high income group relative to the middle income groups.

Understanding that one income group is more likely than others to engage in a specific category of economic activities holds implications for policy-making. It indicates that shifting the amount of tax subsidies among economic activities can affect the distribution of the tax burden among income groups. It suggests that efforts to encourage savings and investment by middle income groups through tax-expenditure incentives may call for an adaptation of current tax provisions.

INTRODUCTION

Although interest in the question of who benefits from Federal programs is perennial, the specific focus of that interest may shift with the times. Anti-poverty programs of the late 1960s and early 1970s stimulated efforts to measure the effect of Government programs on the redistribution of income. In addition to direct cash payment programs such as welfare, social security, and unemployment compensation, these efforts measured income-in-kind programs such as food stamps, housing allowances, and medicare.[1] During the late 1970s, recognition of a large disparity in economic growth rates between the northern and southern states led to many inquiries concerning the net flow of Federal aid (Federal payments net of taxes paid by residents) to individual cities, states, and regions.[2]

Footnotes at end of article.

Inflation, recession, and slowdown in the rate of growth of real personal income during 1979 and 1980 have placed an unusual economic squeeze on middle-income groups. These circumstances have prompted inquiries about Federal programs which offer aid to the middle class. In addition, the decline in worker productivity and the low rate of capital formation in the U.S. economy have spurred interest in incentives for personal savings and business investment.

This paper concentrates on how the current system of tax expenditures works to accomplish different economic objectives through different income groups. A decision to change the amount of subsidy to certain economic activities, through tax expenditures as they now operate, could have substantial consequences for the distribution of income after taxes. Alternatively, a decision to redistribute benefits under the present tax-expenditure system from some income groups to others could call for a shift in subsidies from some economic activities to others. Using the tax-expenditure system to accomplish the dual goals of encouraging investment relative to consumption behavior and benefiting the middle rather than the high-income class appears to call for redesigned tax expenditures.

A backdrop to this analysis of the distribution of subsidies from tax expenditures

among income groups is the question of how Congress perceives the relationship between the distribution of the tax burden achieved in the presence of tax expenditures and the distribution indicated by the statutory rate and exemption structure of the Federal personal income tax. If the statutory rate and exemption structure in fact represents Congress's intended distribution of the tax burden, then tax expenditures, to the extent that they reduce the tax liability of some income groups more than others, distorts the intended distributional structure of the income tax.

Another interpretation considers tax expenditures as part of the determination of the tax burden. Thus, tax expenditures serve as an alternative to lower statutory rates and higher exemptions. Tax expenditures may consciously be conferred on some income groups relative to others in order to adjust the pattern of progressivity set by the rate and exemption structure.[3] Under this latter interpretation, if all tax expenditures were to be eliminated, Congress might be expected to adjust rates and exemptions to recapture, at least in part, the distributional effect of tax expenditures.

I. Forms of Federal aid to individuals

Federal programs can aid individuals by transferring income without restrictions as to its use; by subsidizing expenditures on items such as housing, food, health care, or education; and by subsidizing economic behavior such as earning income or investing. The policy tools for achieving those objectives can take a variety of forms. Individuals may receive benefits directly in the forms of cash grants, loans or loan guarantees, and tax expenditures. Individuals may also receive benefits indirectly through publicly provided services or benefits to corporations.

Estimating the dollar value of these benefits is complex. Data on the overall distribution of benefits across income classes from Government programs are not available in any standard, regularly published form—from either Government or private sources. Taking advantage of a special set of data developed for a 1978 study by the Senate Budget Committee, this report focuses on the distribution of tax expenditures across income groups.[4] Although the data are acknowledged to be rough estimates, and thus should be interpreted with caution, they do offer a measure of how Federal tax-expenditure provisions, designed to achieve a variety of economic purposes, may work through different income groups to achieve those purposes.

Aid to individuals other than through tax expenditures is mentioned briefly here only to indicate the magnitude and complexity of the task that would be involved in attempting to fully account for the benefits of Federal programs to individuals in a specific income group such as the middle class.

Direct grants may be unrestricted cash transfers such as public assistance, social security, and veterans' benefits, or they may be restricted aid such as the food stamp, medicare, and rent supplement programs. These cash or cash-equivalent grants generally aid low income groups.

Loan and loan-guarantee programs such as the large mortgage programs of the FHA (Federal Housing Administration) or the VA (Veterans Administration) may offer the individual borrower lower interest rates, lower downpayments, or longer maturities than would conventional lenders. Working through insurance protecting private lenders and through secondary mortgage market operations, programs such as those of GNMA (Government National Mortgage Association) also supply funds to designated groups. Because of limits on the size of these loans, Government loan programs generally do not benefit high income households capable of borrowing in private credit markets. And because these loan programs are aimed at households capable of paying back the loans, they seldom benefit households in the lowest income groups. Government direct loan and loan-guarantee programs are most likely to be aimed at middle income households unable to borrow on their own in the private credit market, or at least unable to borrow on terms as favorable as those the Government offers.

Among the Federal programs and regulations indirectly benefiting the middle class are price supports for farmers, wage protection for construction workers, and the provision of public education. How much these Federal activities benefit each income group is difficult to say.[5]

This report addresses the distribution of tax expenditures only. Overall conclusions about how specific income groups benefit from Federal programs would be more accurate if the effect of direct expenditure and indirect subsidy programs could be accurately measured.

II. Economic intent of tax expenditure provisions

Tax expenditures associated with the Federal personal income tax commonly take the form of the exclusion, exemption, or deferral from taxation of certain types of income, or a preferential rate of tax on certain income. They also may take the form of a deduction or tax credit for expenditures on selected activities.[6]

The origins of tax-expenditure provisions are varied. Some appear in retrospect to be almost accidental, with the current predominant use quite different from the original intent. They often stem from efforts to draw up legal definitions of taxable income and deductible expenses associated with earning income. An example is the interest deduction. It began as a deduction for interest expenses apparently associated with conducting business. Now the bulk of interest deductions under the personal income tax is accounted for by interest payments on home mortgages and consumer credit. Efforts to eliminate a tax-expenditure provision generally must contend with pressures from current users. Consequently, tax expenditures tend to be identified by their current usage, with their original intent frequently forgotten.

Tax expenditures are often presented according to functional groups which correspond to Federal budget outlay categories, for example, national defense, energy, commerce and housing credit, health, and income security. This facilitates the comparison between the amount of tax expenditures and direct expenditures for a given functional area, now that the Congressional Budget Act of 1974 (P.L. 93-344) requires that tax expenditures be listed in the Federal budget. The list of tax expenditures, along with their projected revenue costs for the current and subsequent two fiscal years, can be found in Special Analysis G of the Federal budget.[7]

This report organizes the individual tax-expenditure items in an alternative way which emphasizes their dominant economic character. The tax expenditures examined here have been classified into four broad categories of economic behavior—investment, consumption, employment, and need.[8] These categories are described briefly here and in greater detail in Section III.

The investment category includes provisions offering special tax treatment of certain income or expenditures related to investment activities other than owner-occupied housing. This includes income from such sources as capital gains and interest on municipal bonds, and expenditures on such items as business equipment and research and development.

The consumption category includes provisions offering special tax treatment of expenditures related to consumption, broadly defined to include capital gains on housing, fellowship income and parental support of students, and State and local taxes as payments for the consumption of public services, as well as expenditures for charitable contributions, casualty losses, and interest expenses, among others.

The employment category includes provisions offering special tax treatment of fringe benefits received in connection with employment.

The need category includes provisions offering special tax treatment of income received presumably because of financial need, including retirement benefits, disability compensation, unemployment insurance, and public assistance.

An examination of the distribution of tax expenditures across five income groups reveals that taxpayers at all levels of income receive at least some benefits from almost all of the tax expenditure items. Individual tax expenditures, however, are likely to differ substantially in the fraction of benefits going to low, middle, or high income groups. Classifying tax expenditures by the four categories of economic behavior reveals that the nature of the provisions which benefit primarily the middle class is likely to differ systematically from those which benefit primarily either low or high income groups.

Acknowledging the somewhat arbitrary classification of the 69 tax expenditure items into four behavioral categories and the roughness of the estimates of the distribution of tax expenditure benefits by income class, this study nevertheless reaches several conclusions. In general, middle income households are most likely to benefit from tax expenditure provisions related to consumption and employment. Low income households are most likely to benefit from the provisions related to need. And high income households are most likely to benefit from the provisions related to investment.

This two-way classification of tax expenditure items, both by behavior categories and by income groups, highlights the fact that tax expenditure provisions aimed at separate aspects of national economic behavior tend to work through different income groups. Thus, because tax-expenditure legislation may have specific economic purposes, it is reasonable to assume that the income groups which tend to engage most heavily in that behavior would benefit more than the others from the tax provision.

III. Individual tax-expenditure provisions composing the economic categories

The individual tax-expenditure provisions making up each of the four economic-behavior categories of investment, consumption, employment, and need are presented in tables 1 through 4, located on pages 20 through 23. Within each table, the individual items generally are ordered by decreasing size of the total dollar benefits or revenue losses estimated for the tax ex-

---

Footnotes at end of article.

penditure provision in fiscal year 1978. Exceptions occur where smaller provisions have been placed under a larger provision of a highly similar nature, suggesting that the provisions be considered together as a category. Examples of these groupings include depreciation, tax exempt bonds, charitable contributions, and veterans' and military pensions.

Data Source

The data on tax expenditures which provide the basis for this analysis are derived from a study on Tax Expenditures conducted in 1978 by the Senate Budget Committee. That study estimated the total revenue loss and the percentage distribution of tax expenditures among five income groups for each tax expenditure item.

The total benefits, in millions of dollars, presented in the first column, are the estimated revenue losses associated with the tax-expenditure provision for the individual, as opposed to the corporate, income tax for fiscal year 1978. The remaining five columns present the estimated percentage distribution of benefits from the tax-expenditure items across five expanded gross income classes[9]: under $10,000; $10,000 to $20,000; $20,000 to $30,000; $30 000 to $50,000; and over $50,000. The first category, under $10,000, is considered low income. The last category, over $50,000, is considered high income. The three groups in between, ranging from $10,000 to $50,000, are considered middle income.[10]

Problems in Measuring Tax Expenditures

The estimates presented in tables 1 through 4 are subject to at least three measurement problems. First, the estimates of the distribution across income classes for an individual provision are very rough. They were intended simply to indicate in a general way whether specific tax expenditures provide tax savings largely to low, middle, or high income taxpayers.[11]

Second, revenue losses associated with deductions tend to be overstated, while those associated with exclusions are understated. Each tax expenditure is analyzed as marginal or incremental with all other provisions assumed to remain in place. Thus the existing marginal tax bracket is applied to the calculation of the revenue cost of the tax expenditure. If any one deduction was eliminated, all others would be worth less, in the aggregate, because taxpayers would have less deductions pushing them beyond the zero-bracket amount, and fewer would itemize deductions. In contrast, the revenue gain anticipated from the elimination of an exclusion tends to be underestimated. In the absence of the exclusion, taxpayers would move into higher tax brackets. The revenue loss estimate, however, is based on the marginal bracket in effect in the presence of the exclusion.

Third, these calculations do not take into account the possible interdependence among the tax-expenditure items. If one provision was eliminated, the use of others might rise or fall because the behavior of taxpayers changes in response to altered tax incentives. An example of this is provided by two estimates of the revenue cost of itemized deductions for fiscal year 1981. If each item is considered separately, the sum of these individual expenditures is $58.9 billion. But if all the provisions are considered together, the estimated revenue loss is lower, at $44.5 billion.[12]

Footnotes at end of article.

This analysis does not take into account indirect distributional consequences of taxpayer behavior altered by tax-expenditure incentives. Examples are the capitalization of the tax advantages of homeownership leading to higher prices for owner-occupied houses or the tax-free status of State and local bonds resulting in lower interest rates for those debt instruments.

These measurement problems are a warning that the figures presented in this report for both the dollar revenue loss and the percentage distribution of benefits should be interpreted with caution as rough estimates.

Investment-related tax expenditure provisions, presented in table 1, include special tax treatment of items, on both the expenditure and income sides of the taxable-income calculation, that are related to investment activities other than owner-occupied housing. On the expenses side, the largest item in terms of foregone revenue cost is the investment tax credit. On the income side, the large items include the exclusion and deferral of capital gains transferred at death and by gift, capital gains, exclusion of interest of life-insurance savings, and exclusion of interest on State and local bonds.

For the majority of the individual provisions in this category, over 60 percent of the dollar benefits in tax savings are estimated to go to taxpayers with incomes over $50,000. Some exceptions, which give a greater fraction of benefits to the middle-income groups, are the investment tax credit, the dividend exclusion, exclusion of interest on life insurance savings, the expensing of certain agricultural outlays, and the deferral of income on savings bonds.

Another group of tax expenditures, not accounted for here, which also are associated with the investment category are those related to the corporate income tax. It is normally assumed that tax expenditures, like taxes, on corporate income are shifted to the owners of capital who generally are in the highest income class. Thus, by omitting the analysis of corporate provisions, the estimates of tax expenditure benefits going to the investment category and to the highest income class are no doubt understated.

Consumption-related tax-expenditure provisions, presented to table 2, involve the consumption activities of taxpayers. This is defined to include income and expenses related to owner-occupied housing, which is considered here as a final good rather than an intermediate good used in production. The largest consumption provisions, measured in terms of foregone revenue cost, include the deductibility of nonbusiness State and local taxes, the deductibility of mortgage interest and property taxes on owner-occupied homes, the deductibility of charitable contributions, and the deductibility of medical expenses.

At least 60 percent of the tax expenditures from most provisions in this category benefit the three middle-income groups—$10,000 to $20,000, $20,000 to $30,000, and $30,000 to $50,000. Exceptions which benefit the lowest income group more are two provisions related to education—the exclusion of income from scholarships and fellowships and veterans' education benefits through the G.I. bill. The exceptions which give a large fraction of benefits to the highest income group include the deductibility of charitable contributions and the exclusion of capital gains on home sales for persons aged 65 and over (likely to be aggravated in this direction under the 1978 law permitting exclusion of up to $100,000 for persons aged 55 and over).

Employment-related tax-expenditure provisions, presented in table 3, generally encompass the exclusion from taxable income of employer contributions for employee benefits and provisions relating to earned or labor-related, as opposed to investment, income.

The largest employment provisions in terms of foregone tax revenues include the net exclusion of pension contributions and earnings, for both employer and self-employed plans, and the exclusion of employer contributions for medical insurance premiums and medical care.

Over 70 percent of the benefits deriving from most provisions in the employment-related group go to taxpayers in the three middle-income groups from $10,000 to $50,000. The exceptions, which grant a high fraction to the highest income group, are the net exclusion of pension plans for the self-employed, the new jobs tax credit, the maximum tax on earned income, and the exclusion of certain income earned abroad by U.S. citizens. The exception which grants the bulk of its benefits to the lowest income group is the exclusion of benefits and allowances to Armed Forces personnel.

Need-related tax-expenditure provisions, presented in table 4, generally refer to the exclusion from taxable income of certain sources of income provided presumably on the basis of financial need. The largest among these in terms of foregone revenues are the exclusion of social security benefits, the exclusion of unemployment insurance benefits, the earned income credit, and the additional exemption for the elderly.

For the bulk of these provisions, over 50 percent of the benefits are estimated to accrue to the lowest income group, with incomes under $10,000. Exceptions, which confer over 50 percent of their benefits on the middle-income groups, are the exclusion of veterans' disability compensation and military disability pensions, the exclusion of unemployment insurance benefits, the additional exemptions for the elderly and the blind, and the exclusion of sick pay. Even within this group of exceptions, most of the benefits are concentrated in the lower end of the middle-income range, $10,000 to $20,000. As might be expected from the category label of need, very few of the benefits in this group of provisions go to taxpayers with incomes over $50,000, or even to those with over $30,000.

SUMMARY

In this section, tax expenditures were treated as individual items. An effort was made to identify a pattern of income distribution which describes most of the items in each of the four economic behavior categories, although exceptions to that pattern were acknowledged. In addition, an effort was made to identify the specific tax-expenditure items which, because of their large dollar magnitudes, are likely to dominate the behavior of the group to which they are assigned.

The next section focuses on the four aggregate categories of investment, consumption, employment, and need. It summarizes the overall distribution of tax-expenditure benefits among the four economic categories and the five income groups for fiscal year 1978. The reader is cautioned once again that because of the roughness of the income-distribution estimates and the sometimes arbitrary classifications of the individual tax-expenditure items into the four economic categories, the statistics presented on the distribution of tax-expenditure benefits should be interpreted only as approximations.

TABLE 1.—INVESTMENT-RELATED TAX EXPENDITURES

Tax expenditure item	Total benefits to individuals fiscal year 1978 (millions)	Distribution of benefits by expanded gross income class, fiscal year 1978 (percent)				
		Under $10,000	$10,000 to $20,000	$20,000 to $30,000	$30,000 to $50,000	Over $50,000
Investment expenses:						
Investment tax credit	$2,390	7.7	24.1	18.7	19.9	29.6
Expensing of certain agricultural outlays	445	5.3	18.1	17.1	24.8	34.7
Depreciation:						
Excess 1st-yr. depreciation	145	2.1	3.6	3.6	15.0	75.7
Depreciation on rental housing in excess of straight line	300	2.2	3.4	3.7	15.0	75.6
Depreciation on other buildings in excess of straight line	125	2.1	3.6	3.6	15.0	75.7
Asset depreciation range	115	3.0	9.0	8.0	20.0	60.0
Excess of percentage over cost depletion	340	2.3	3.6	3.6	15.1	75.4
Expensing of intangible drilling, exploration, and development costs	300	2.4	3.8	3.8	15.2	74.8
Expensing of construction period interest and taxes	140	2.0	3.3	4.0	14.7	76.0
Expensing of research and development costs	30	0	3.3	3.3	13.3	80.0
Housing rehabilitation: 5-yr. amortization	10	0	0	6.7	13.3	80.0
Investment income:						
Capital gains:						
Exclusion and deferral of capital gains transferred at death and by gift	5,116	1.8	6.8	8.1	15.6	67.7
Capital gains (other than farming, timber, iron ore, and coal)	7,430	1.7	6.9	8.1	15.6	67.7
Capital gains treatment of certain income related to farmland	350	1.5	7.0	8.2	15.4	67.9
Capital gains treatment of certain income related to timber	60	1.8	5.4	9.0	16.4	67.3
Capital gains treatment of royalties of coal	50	2.2	6.6	8.9	15.6	66.7
Capital gains treatment of royalties on iron ore	5	0	0	0	20.0	80.0
Exclusion of interest on life insurance savings	2,025	13.6	22.5	18.4	17.5	28.0
Tax-exempt bonds:						
Exclusion of interest on general purpose State and local debt	1,925	.1	2.5	3.4	8.7	85.3
Exclusion of interest on State and local industrial development bonds	115	0	2.1	3.2	8.4	86.3
Exclusion of interest on State and local government pollution control bonds	110	0	1.2	3.5	8.2	87.1
Deferral of income on savings bonds	625	14.2	22.4	18.3	17.3	27.9
Dividend exclusion	475	9.1	24.0	24.7	23.3	18.9
Total, investment related [1]	22,626	3.9	10.5	10.2	15.9	59.5

[1] See notes at end of table 4.

TABLE 2.—CONSUMPTION-RELATED TAX EXPENDITURES

Tax expenditure item	Total benefits to individuals fiscal year 1978 (millions)	Distribution of benefits by expanded gross income class, fiscal year 1978 (percent)				
		Under $10,000	$10,000 to $20,000	20,000 to $30,000	$30,000 to $50,000	Over $50,000
Deductibility of nonbusiness State and local taxes (other than on owner-occupied homes and gasoline)	$8,505	1.1	14.0	22.3	23.4	39.2
Deductibility of nonbusiness State gasoline taxes	760	3.2	30.9	36.3	20.1	9.3
Deductibility of property taxes on owner-occupied homes	4,665	1.9	19.4	28.4	24.6	25.7
Deductibility of mortgage interest on owner-occupied homes	4,985	2.0	24.5	36.0	25.2	12.3
Deductibility of charitable contributions:						
Education	585	.4	3.2	4.8	18.3	73.3
Health	875	1.3	7.6	12.7	19.6	58.9
Other	4,370	1.4	15.3	22.0	18.1	43.2
Deductibility of medical expenses	2,435	6.0	31.7	28.4	18.3	15.6
Deductibility of interest on consumer credit	2,120	2.0	24.5	35.9	25.2	12.3
Deferral of capital gains on home sales	935	4.0	42.8	33.7	14.6	4.8
Exclusion of capital gains on home sales for persons age 65 and over	70	2.5	15.0	17.5	15.0	50.0
Parental personal exemption for students age 19 or over	770	15.3	57.7	5.9	6.0	15.1
Exclusion of scholarships and fellowships	295	49.0	38.8	6.1	4.1	2.0
Exclusion of GI bill benefits	200	63.5	28.5	5.8	1.5	.8
Credit for child and dependent care expenses	525	13.6	43.6	33.0	8.2	1.6
Deductibility of casualty losses	360	4.4	28.7	19.1	23.7	24.1
Credits and deductions for political contributions	60	15.3	31.8	22.4	15.3	15.3
Total, consumption related [1]	32,515	3.4	21.5	26.2	21.4	27.7

[1] See notes at end of table 4.

TABLE 3.—EMPLOYMENT-RELATED TAX EXPENDITURES

Tax expenditure item	Total benefits to individuals fiscal year 1978 (millions)	Distribution of benefits by expanded gross income class, fiscal year 1978 (percent)				
		Under $10,000	$10,000 to $20,000	$20,000 to $30,000	$30,000 to $50,000	Over $50,000
Net exclusion of pension contributions and earnings:						
Employer plans	$9,940	5.2	29.2	29.9	19.2	16.5
Plans for self-employed and others	1,650	2.4	13.7	19.1	25.1	39.6
Exclusion of employer contributions for medical insurance premiums and medical care	6,340	10.5	33.1	27.8	15.9	12.7
Exclusion of benefits and allowances to Armed Forces personnel	1,260	52.5	37.0	5.0	4.1	1.4
Exclusion of other employee benefits:						
Premiums on group term life insurance	905	10.5	33.1	27.8	15.9	12.7
Premiums on accident and accidental death insurance	75	10.0	34.3	27.1	15.7	12.9
Privately financed supplementary unemployment benefits	10	30.0	40.0	20.0	10.0	0
Contributions to prepaid legal services plans	10	20.0	40.0	20.0	20.0	0
New jobs tax credit	985	8.0	24.0	18.4	20.0	29.6
Maximum tax on earned income	665	0	0	0	0	100.0
Exclusion of certain income earned abroad by U.S. citizens	360	7.3	12.5	18.7	32.1	29.4
Exclusion of employee meals and lodging (other than military)	300	12.5	50.0	14.3	12.5	10.7
Total, employment-related [1]	22,500	9.5	28.7	25.3	17.3	19.3

[1] See notes at end of table 4.

TABLE 4.—NEED-RELATED TAX EXPENDITURES

Tax expenditure item	Total benefits to individuals fiscal year 1978 (millions)	Distribution of benefits by expanded gross income class, fiscal year 1978 (percent)				
		Under $10,000	$10,000 to $20,000	$20,000 to $30,000	$30,000 to $50,000	Over $50,000
Exclusion of social security benefits:						
For the aged (OASI)	$4,210	56.6	23.4	9.5	6.7	3.8
For dependents and survivors	950	56.6	23.4	9.5	6.7	3.7
For the disabled	550	56.8	23.4	9.6	6.8	3.4
Exclusion of railroad retirement benefits	265	56.8	23.2	9.6	6.8	3.6
Exclusion of veterans benefits:						
Disability compensation	840	17.3	43.2	26.3	9.8	3.4
Pensions	40	85.7	14.3	0	0	0
Exclusion of military disability pensions	115	47.6	38.1	9.5	3.8	.9
Exclusion of workers' compensation benefits	835	56.7	23.5	9.4	6.7	3.7
Exclusion of special benefits for disabled coal miners	50	58.0	24.0	10.0	6.0	2.0
Earned income credit:						
Refundable	945	100.0	0	0	0	0
Nonrefundable	285	100.0	0	0	0	0
Exclusion of unemployment insurance benefits	1,200	36.7	39.7	14.9	5.3	3.4
Additional exemption for the elderly	1,155	32.8	30.9	13.2	11.1	11.9
Exclusion of public assistance benefits	345	78.5	15.5	5.1	.9	0
Tax credit for the elderly	250	65.2	30.0	4.3	.4	0
Exclusion of sick pay	75	15.4	59.1	12.7	7.3	5.4
Additional exemption for the blind	20	30.0	30.0	15.0	10.0	15.0
Total, need-related [1]	12,130	54.6	25.0	10.4	6.2	3.9

[1] The total dollar value of benefits for each income class was calculated by CRS by multiplying the total benefits for each tax expenditure item by its percentage distribution for an income class, and then summing the resulting estimated dollars of benefit within each income class. The total percentage figures were obtained by dividing the dollar total for each income class by the sum of the 5 separate income-class calculations. The numbers behind these percentage calculations are reported in table A–1.

Source: U.S. Senate, Committee on the Budget, Tax Expenditures: Relationships to Spending Programs and Background Material on Individual Provisions, committee print, 95th Congress, 2d session (Washington, D.C.: U.S. Government Printing Office, 1978), reference pages as noted in table.

IV. The link between economic intent and income groups

There are two convenient ways to demonstrate the link between income groups and economic behavior categories. One is to survey the tax expenditures received by each income group and determine which category of economic behavior accounts for the largest fraction of those benefits. The other is to consider the distribution of tax expenditures within one category of economic behavior and ask which income group is receiving the largest fraction of the tax subsidies to that economic activity. These summary percentages are presented by income class, in table 5, and by economic category, in table 6. These simple percentages highlight how the relative importance of the separate economic behavior categories can differ considerably for the low, middle, and high income groups. Recall that these distributions reflect the situation as measured in fiscal year 1978.

Distribution Within Income Groups. The percentages in table 5 indicate how, moving up the income scale, the relative emphasis in the distribution of benefits shifts from need, to employment, to consumption, and finally to investment-related tax-expenditure provisions. For taxpayers with (expanded gross) incomes under $10,000, over 60 percent of the tax expenditures received fall under the provisions related to need. For taxpayers in the $10,000 to $20,000 range, 34 percent of the benefits derive from employment-related provisions and 37 percent from consumption-related provisions. For taxpayers in the $20,000 to $30,000 range, 32 percent of the benefits are related to employment, and 48 percent to consumption. Taxpayers in the $30,000 to $50,000 range receive 26 percent of their benefits from employment-related, 46 percent from consumption-related, and 24 percent from investment-related provisions. For taxpayers in the highest income group, over $50,000, 33 percent of the benefits derive from consumption-related and 49 percent from investment-related activities.

TABLE 5.—WHICH ECONOMIC BEHAVIOR CATEGORY PROVIDES THE MOST TAX EXPENDITURES FOR EACH INCOME CLASS?

[Percent distribution within income class, fiscal 1978]

Economic behavior category	Expanded gross income class					
	All	Under $10,000	$10,000 to $20,000	$20,000 to $30,000	$30,000 to $50,000	$50,000
Investment	25.2	8.2	12.6	13.0	23.7	49.4
Consumption	36.2	10.2	37.0	47.9	45.7	33.0
Employment	25.1	19.9	34.3	32.0	25.6	15.9
Need	13.5	61.7	16.1	7.1	4.9	1.7
Total [1]	100.0	100.0	100.0	100.0	100.0	100.0

[1] Individual columns may not sum to 100 because of rounding.

Source: CRS calculation based on data presented in table A–1.

Distribution Within Categories of Economic Behavior. A similar pattern of progression can be seen in table 6 which presents the percentage distribution of benefits across the income groups within each of the four categories of economic behavior. Among the investment-related provisions, 60 percent of the benefits go to households with incomes of $50,000 or over. Benefits from consumption-related provisions are divided approximately equally among the four income groups of $10,000 and above. Over half the benefits from employment-related provisions go to households in the $10,000 to $20,000 and the $20,000 to $30,000 range. Over half the benefits from need-related provisions go to households with income under $10,000. Again, the progression in the distribution of benefits from need, to employment, to consumption, to investment is apparent moving up the income scale.

TABLE 6.—WHICH INCOME CLASS RECEIVES THE BULK OF TAX EXPENDITURES FROM EACH ECONOMIC BEHAVIOR CATEGORY?

[Percent distribution within economic behavior category, fiscal 1978]

Economic behavior category	Expanded gross income class					
	All	Under $10,000	$10 000 to $20,000	$20,000 to $30,000	$30,000 to $50,000	$50,000
Investment	100	3.9	10.5	10.2	15.9	59.5
Consumption	100	3.4	21.5	26.2	21.4	27.7
Employment	100	9.5	28.7	25.3	17.3	19.3
Need	100	54.6	25.0	10.4	6.2	3.9
Total	100	12.0	21.0	19.8	16.9	30.4

[1] Rows may not add to 100 because of rounding.

Source: CRS calculation based on data presented in table A–5.

The findings of this section emphasize the strong identification that exists between an income group and the dominant category of economic behavior which characterizes the tax expenditure benefits it receives. In general, tax expenditure benefits related to need tend to be identified with the low-income group, employment with the middle-income group, consumption with both the middle- and high-income groups, and investment with the high-income group.

In the effort to assess which income group receives the greatest net benefit from the system of tax expenditures viewed as a whole, the next section concentrates on the distribution of benefits from the total of all tax expenditures considered together. Section V evaluates the income progressivity of tax expenditures in the aggregate and the impact they have on the progressivity of the personal income tax.

V. Tax expenditures and the progressivity of the income tax

Because tax expenditures represent a reduction in tax liabilities and consequently a reduction in potential tax revenues, a tax expenditure concession to one income group increases the tax burden on others. Further, in order to maintain the same level of revenue from the personal income tax, average statutory rates must be higher, or the zero bracket amount and personal exemption must be lower than they would be in the absence of tax expenditures.

Any conclusion about whether the existence of tax expenditures acts to redistribute income depends upon the assumption made about what the tax system would be like in the absence of tax expenditures. If tax expenditures were phased out, would Congress choose to offset higher revenue collections through an across-the-board tax cut, benefiting all income groups in proportion to their income? If so, then the current tax-expenditure system can be judged as redistributing income away from that norm. Alternatively, it might be anticipated that Congress would seek to preserve the distribution of the tax burden which now prevails with tax expenditures in place. In the latter case, tax expenditures cannot be judged as distorting the tax system away from the desired norm. Rather, tax expenditures may be serving as an alternative to adjusting statutory rates and exemptions differentially by income group.

Measuring the progressivity of the tax expenditure system provides information which is instructive under either of these alternative assumptions. The information can be used to indicate how the progressivity of the tax system implied by the statutory rate structure is altered by tax expenditures. Or, it can be used to indicate how the statutory rate-structure would need to be adjusted in order to maintain the present distribution of the tax burden if the tax-expenditure system were dismantled.

The distribution of tax expenditures across the income groups is examined here according to two standards of progressivity. The first is the traditional standard which measures the value of tax-expenditure benefits as a percent of adjusted gross income. The second is a relative standard which evaluates the effect of tax expenditures on tax payments.

The individual income-tax system is known for being progressive. That is, income taxes paid represent a higher fraction of income the higher the income group. The first row of table 7 illustrates that taxes as a fraction of adjusted gross income increase from 6.5 percent for those with incomes under $10,000, up to 31.3 percent for those with incomes over $50,000.

Applying the traditional progressivity measure—as a fraction of Adjusted Gross Income (AGI)—to tax expenditures reveals an irregular pattern, moving up the income scale. According to the figures presented in row 2 of table 7, at the low end of the income scale tax expenditures appear mildly progressive. The dollar benefit of tax expenditures for taxpayers with incomes below $10,000 is slightly higher, at 7.6 percent of AGI, than for taxpayers in the next income group, $10,000 to $20,000, at 5.1 percent of AGI. For the middle-income groups, from $10,000 to $50,000, tax expenditures appear mildly regressive. That is, they reduce taxes in relation to income more the higher the income group. For the highest income group, over 50,000, tax expenditures appear steeply regressive. Tax-expenditure benefits jump from 8.8 percent of AGI for taxpayers in the $30,000 to $50,000 group to 22.3 percent of AGI for those with incomes over $50,000.

TABLE 7.—PROGRESSIVITY OF TAXES AND TAX EXPENDITURES

[Percentages, 1977 and 1978 [1]]

	Income class [1]					
	All	Under $10,000	$10,000 to $20,000	$20,000 to $30,000	$30,000 to $50,000	Over $50,000
(1) Taxes actually paid as a percentage of AGI	14.6	6.5	10.8	14.1	18.2	31.3
(2) Tax expenditures as a percentage of AGI	8.2	7.6	5.1	6.1	8.8	22.3
(3) Full taxes as a percentage of AGI (1) plus (2)	22.8	14.1	15.9	20.2	27.0	53.6
(4) Tax expenditures as a percentage discount from full taxes (2) divided by (3)	36.0	53.9	32.1	30.2	32.6	41.6

[1] Distribution of tax expenditure benefits based on expanded gross income classes (defined in footnote 9, p. 13) for fiscal year 1977–78. Distributions of adjusted gross income and taxes paid based on adjusted gross income classes with data from taxable returns filed for the 1977 calendar year.

Source: See appendix, table A–2, for the numbers behind these percentage calculations.

The relative measure of the effect of tax expenditures on the progressivity of the tax system involves the concept of the full tax,[13] defined as the sum of taxes actually paid plus the value of tax expenditures. The distribution of full taxes across the income groups reflects the likely progressivity of the income tax if the tax-expenditure system were dismantled and no compensating changes were made in tax rates for different income groups.

Applying the traditional measure of progressivity to full taxes, as in row 3 of table 7, indicates that full taxes would be extremely progressive at the high income end of the spectrum, rising to 53.6 percent of income for the over-$50,000 group. Full taxes would be nearly proportional for the two income groups under $20,000, in the 14 to 16 percent range.

The measure of tax expenditures as a percentage of full taxes indicates the direction in which the existence of the tax-expenditure system affects the progressivity of the statutory rate and exemption structure of the individual income tax. According to this measure, presented in row 4 of table 7, the group receiving the largest percentage discount from their full tax liability is the lowest-income group, under $10,000, with a discount of 53.9 percent. This can be explained by the low actual-tax liability of this group arising from the progressive nature of the income-tax system. The other group receiving an above-average discount on its full tax liability is the highest-income group, over $50,000, with a discount of 41.6 percent. The three middle-income groups, from $10,000 to $50,000, all register discounts below the average of 36.0 percent, at approximately the same rates of 32.1, 30.2, and 32.6 percent.

The average figure of 36 percent suggests that if the tax-expenditure system were to be eliminated and, in compensation, taxes were reduced proportionately across all income groups, average tax rates could be cut by approximately one third. If, instead of making such an across-the-board tax cut, Congress were interested in preserving the current progressivity of tax liabilities, it would grant a higher than average rate cut to the lowest- and highest-income groups, and a lower than average cut to the middle-income groups.

Conclusions as to the effect of tax expenditures on the progressivity of the income tax are sensitive to the standard of measure used. Both the traditional and relative progressivity comparisons made in this report indicate that, in fiscal 1978, the greatest absolute benefit from tax expenditures went to the highest income group, over $50,000. The relative progressivity comparison, measured as a fraction of full taxes, shows net benefits from tax expenditures going to the group with the lowest taxable income, under $10,000, as well as to the highest-income group.

Because tax expenditures are nonrefundable, the very-lowest-income group, which is off the scale of taxable income, receives essentially no benefit from the tax expenditure system. The group with income just high enough to be subject to tax would benefit if tax expenditures were replaced by general increases in the dollar size of the personal exemption or the zero-bracket amount. These changes would raise the ceiling on the level of income not subject to tax, thus increasing the number of people at the low end of the income scale who are not liable for income taxes.

Section VI updates the estimated growth of tax expenditures in the four economic-behavior categories between fiscal 1978 and 1980. Drawing upon the relationship between income groups and categories of economic behavior observed for 1978, section VI investigates how the income redistributive effect of the tax-expenditure system may have shifted over the past two years in response to higher rates of expansion in some categories of economic behavior than others.

VI. Update: Changes in tax expenditures from 1978 to 1980

The distribution of tax-expenditure benefits among income groups and categories of economic behavior was examined in detail for fiscal year 1978. An interesting aspect of the tax-expenditure budget, however, is that, like the direct-expenditure budget, it tends to change from year to year. This section investigates the changes that occurred in tax expenditures between fiscal 1978 and 1980.

Changes in tax expenditures stem both from fluctuations in the use of existing provisions in response to macroeconomic trends and to changes in taxayer behavior and from legislative adaptations to tax-expenditure provisions in the Internal Revenue Code.

Footnotes at end of article.

There were substantial changes in the tax-expenditure provisions that were in effect in 1980 compared with 1978. The Revenue Act of 1978 reduced tax rates for individuals and increased the personal exemption and the zero-bracket amount. These changes would be expected to reduce the estimated size of tax expenditures because fewer taxpayers would itemize deductions and because deductions and exclusions would have less value at lower marginal tax rates.

The Revenue Act of 1978 contained other specific changes in tax-expenditure provisions. Some items, such as the deductibility of State and local gasoline taxes, were eliminated. Some new items were added, including tax incentives for the preservation of historic structures, an investment credit for the rehabilitation of structures, the exclusion of interest on State and local housing bonds, a deduction for employer educational assistance, and residential energy credits (introduced by the Energy Tax Act of 1978).

Some items were redefined. The $35,000 exclusion for capital gains on owner-occupied housing for persons over 65 was changed in 1978 to $100,000 for persons over 55. The percentage of capital gains not subject to tax was raised from 50 to 60 percent, thus raising the cost of the tax expenditure for every dollar of capital gains. The new jobs tax credit was replaced by the targeted jobs credit and the credit for employment of AFDC (aid to families with dependent children) recipients and public-assistance recipients under WIN (work incentive) programs.

There also have been changes in reporting methods and estimating techniques. The refundable portion of the earned-income credit, now reported as a budget outlay, is retained here as a tax expenditure item for the sake of comparability between 1978 and 1980. The Treasury's method for estimating the tax-expenditure value of capital gains transferred at death has been revised to account for a negative offset to income-tax collections of approximately 37 percent of estate-tax collections. The tax-expenditure figure published for 1978 has been revised downward by 37 percent here to correspond to the 1980 estimate.[11]

The figures presented for 1980 in table 8 incorporate all of these alterations. Thus the changes calculated for tax expenditures in each economic behavior category reflect both legislated changes in the structure of the tax-expenditure system and changes in underlying economic behavior.

The calculations presented in table 8 indicate that the four economic behavior categories expanded at different rates between fiscal 1978 and fiscal 1980. Total tax expenditures under the personal-income tax grew by $49.5 billion or 55 percent. The need category expanded at approximately the average rate, by 54 percent, while the employment category grew at slightly less than the average rate, by 48 percent. The two categories of consumption and investment deviated noticeably from the average, however. The consumption category expanded more rapidly than average, by 69 percent, while the investment category fell short of the average, growing by only 44 percent.

These differing rates of expansion show up in a small change in the distribution of total tax expenditures among the four economic categories. The fraction associated with consumption increased by three percentage points, from 36 to 39 percent; the fraction associated with investment declined by two percentage points, from 25 to 23 percent; the fraction associated with employment decreased by one percentage point, from 25 to 24 percent; and the fraction associated with need barely dropped from 13.5 percent. The consumption category increased its lead for first place in terms of absolute size. Employment-related benefits edged ahead of investment for second place. Need remained the smallest category.

TABLE 8.—CHANGE IN TAX EXPENDITURES BY ECONOMIC CATEGORY, 1978–80

[Dollar amounts in millions]

	Tax expenditures—fiscal year—		Change in tax expenditures, 1978–80	
	1978	1980	Absolute change	Percent change
Investment	$22,626	$32,520	$9,894	44
Consumption	32,515	54,805	22,290	69
Employment	22,500	33,305	10,805	48
Need	12,130	18,656	6,526	54
Total	89,771	139,286	49,515	55

Source: See table A–3 through A–6 in the appendix.

What explains these large differences in the rates of growth in the categories of economic behavior? Although observers of the national economy have been noting the recent strength of consumption relative to investment, it is beyond the scope of this report to examine the relationship between tax expenditures and movements in the macroeconomy. What we can do in this report, however, is to identify those tax expenditure items which grew by over one billion dollars between fiscal 1978 and 1980 and thus account for the bulk of the change in the relative size of the four categories of economic behavior. Note that all of the provisions experiencing this exceptionally large expansion were provisions already in place in 1978 and not any of those introduced subsequent to 1978. (The growth of individual tax expenditure items can be found in tables A–3 through A–6 in the appendix.)

There were six items in the rapidly expanding category of consumption that grew by over one billion dollars. These include the deductions for State and local taxes other than property taxes, property taxes, mortgage interest, charitable contributions other than to health or education, medical expenses, and consumer credit. The mortgage interest deduction grew by 150 percent in these two years. The consumption category accounted for nearly half the total increase in estimated tax expenditures between 1978 and 1980.

The two items in the employment category which grew by over one billion dollars include employer contributions to pensions and to medical insurance programs. The medical contribution deduction grew by 100 percent.

The two items in the need category which grew by over one billion dollars include the exclusion of social security benefits for the aged (OASI) and the exclusion of unemployment insurance benefits. The unemployment insurance provision grew by 100 percent.

The two items in the investment category which grew by over one billion dollars were the preferential treatment of capital-gains income and the exclusion of interest on life-insurance savings. The investment category differs from the others in that two of the items that were largest in dollar size in 1978 did not grow by an above-average rate between 1978 and 1980. In particular, estimated tax expenditures under the investment tax credit grew by only 22 percent and tax expenditures associated with capital gains transferred at death declined. Thus, the category as a whole fell behind the average.

The next obvious question of interest in the framework of this report is how the change in the relative size of tax expenditures associated with the different economic categories influenced the distribution of tax expenditure benefits among the income groups and, consequently, how it affected the progressivity of the income-tax system.

It is relatively easy to track the change in the estimated size of tax expenditures from year to year. The revenue cost of each tax expenditure item is now estimated annually by the Treasury Department, as required by the Congressional Budget Act of 1974 (P.L. 93–344). The distribution of tax expenditures among the income groups, however, is not estimated annually. The percentage estimates used in this report were a special contribution of the Senate Budget Committee's 1978 tax-expenditure study.

Because inflation has changed the meaning of the income categories used in 1978 and because the economic behavior of income groups may have changed, it is admittedly misleading to apply the 1978 distributions by income group to 1980 tax expenditures. Nonetheless, it is tempting to do this in order to get some idea of the implication of the changing relative size of tax-expenditure items on the distribution of benefits by income class.

Repeating for 1980 the calculations made for 1978 (presented in tables 1 through 4 and summarized in table 6) suggests that the observed shift from investment and employment-related to consumption-related tax expenditures resulted in only the slightest (one percent) increase in benefits to the middle income groups, from $20,000 to $50,000, at the expense of the lowest- and highest-income groups. The small size of the shift may be explained in part by recalling that although investment-related provisions tended to be associated with the high-income group, employment-related provisions were associated with the middle income group, and consumption-related benefits were spread quite evenly across the four income groups over $10,000. It seems reasonable, then, that the shift among the economic categories caused almost no effect on the distribution of tax-expenditure benefits among the income groups. Thus the change in the relative size of the categories of economic behavior between 1978 and 1980 does not alter the conclusion reached earlier, in section V, that the tax-expenditure system as a whole tends to benefit high- and low-income taxpayers at expense of the middle-income groups.

The final section, VII, applies the findings of this report to the Federal budget policy issue of controlling the size of tax expenditures. It emphasizes the need to evaluate the cost-effectiveness of tax expenditures in accomplishing their legislated purpose. It points out administrative ways to limit the revenue cost of individual tax expenditure items. And it recognizes the possible conflict between the goals of accomplishing certain economic purposes and aiding certain income groups.

VII. Implications for controlling tax expenditures

Organizing individual tax-expenditure items according to the four categories of investment, consumption, employment, and need emphasizes the generic types of economic activity that Federal tax policy consciously seeks to subsidize. Cross-classifying these categories of economic behavior by the distribution of their benefits across income groups suggests that policies designed to achieve these separate economic purposes may work predominantly through different income groups.

The strong link between income groups and economic activities suggests that efforts to subsidize certain economic activities can be expected to affect the distribution of income after taxes. Similarly, efforts to control tax expenditures can be expected to have different effects on income groups depending on whether these limits are accomplished by

Footnotes at end of article.

eliminating certain tax-expenditure provisions completely, putting a cap on the size of the deduction or exclusion, switching from a deduction or exclusion to a tax credit, or restricting the use to a certain income range.

Focusing on the distribution of benefits across the income groups from an individual tax expenditure provision or even an economic-behavior aggregate can be misleading because it fails to point out the offsetting forces within the tax-expenditure system. Aggregating the benefits from all tax expenditures reveals that although the middle class receives a large fraction of the benefits from tax-expenditure provisions related to consumption and employment, it does not appear to receive a net benefit from the tax-expenditure system viewed as a whole. In the comparison of tax expenditures to adjusted gross income, it is the high-income group which appears to receive the greatest benefit from tax expenditures. When benefits are measured as a discount on full taxes or taxes, actually paid, both the low- and high-income groups appear to receive higher than average tax discounts than the middle-income groups.

Tax-expenditure provisions shrink the personal income-tax base and reduce tax liabilities for some taxpayers relative to others. To compensate for these lost revenues, statutory tax rates must be higher or standard exemptions and deductions must be lower than they would be in the absence of tax expenditures. The dollar magnitude of tax expenditures is so large that if the tax expenditure system were dismantled, average tax rates could be cut by approximately one-third.

It is not clear, however, that Congress would choose to distribute such a tax cut evenly across the income groups. Nor is it likely that the tax-expenditure system would be completely dismantled. Consequently, it may prove useful to a discussion of policy to list some issues to be considered in an effort to control the size of the tax-expenditure budget.

Benefit-Cost Analysis

Tax-expenditure provisions generally are legislated with the intent of increasing a particular economic activity. Thus an important issue is to evaluate the success of tax expenditures in bringing about an increase in the subsidized activity and to compare this to the revenue cost of the tax subsidy.

As difficult as it is to get an accurate estimate of the revenue cost of a tax-expenditure provision, it is even more difficult to get an estimate of its effectiveness in bringing about net increases in the subsidized activity. In order to justify the implementation or continuation of a tax-expenditure provision, it is important for the Congress to evaluate whether the value to the public of the increment in activity attributable to the tax break in fact outweighs the revenue cost to the Treasury. In some cases, individuals might undertake the activity anyway, even in the absence of a subsidy. An example might be people insulating their houses in response to high energy costs. In such cases, a subsidy might have little effect on behavior. The result of tax expenditures in such areas might be a substantial tax-revenue loss in exchange for little direct gain as measured by altered economic activity.

Congress also should be aware of the possible misuses of tax-expenditure provisions, for purposes other than those intended by the legislation. An example was the use of tax-exempt State and local bonds, generally intended for public projects, to finance privately owned housing. Congress effectively placed a moratorium on this use of the bonds by initiating legislation in 1979 to restrict eligible mortgages (see H.R. 5741 and S. 2064).

Tax expenditures also can distort economic behavior toward engaging in the subsidized activity beyond the point intended by the legislation. An example is that the open-ended subsidies to owner-occupied housing through the mortgage-interest and property-tax deductions and the deferral of and eventual exclusion from taxation of capital gains on housing may have encouraged households to go far beyond their requirements for basic shelter in their decision to purchase a house. Efforts to limit the use of tax expenditures for luxury consumption may call for a cap on the total amount that could be deducted under certain provisions.

As a form of aid, the tax-expenditure subsidy is simply an alternative to direct spending, loans, loan guarantees, or other forms of Government protection through regulations. In some cases a direct subsidy, for example, might be more cost-effective than the tax-expenditure approach. It has been calculated repeatedly that it would cost the Treasury less to pay interest subsidies directly to State and local governments than to exempt State and local bonds from taxation. Both approaches accomplish the same goal of lowering the net cost of borrowing for these governments.

Efforts to trim the tax-expenditure budget could apply these kinds of benefit-cost evaluations to help determine which provisions are likely candidates to be eliminated, revised, or replaced by another form of subsidy.

Income Bias in Tax Mechanics

A second issue is that the mechanics of the tax-expenditure system itself tend to confer greater obvious benefits on people in higher-income groups. Because tax expenditures work through a reduction in taxable income, they tend to offer a greater percentage benefit—per dollar of excludable income or deductible expenditures—to higher income households, in higher marginal tax brackets. Further, for almost all tax expenditure provisions, there is no upper limit on the total amount that can be deducted or excluded. High income taxpayers are likely to have larger expenditures to deduct or larger amounts of income to exclude.

This administrative aspect raises the question of how the economic goals of tax expenditures can be encouraged without conferring extra benefits on people in the highest marginal-tax brackets. One approach is to place a dollar limit or cap on the amount that can be deducted or excluded. An example is the dividend and interest exclusion of $200 for individuals and $400 for married persons filing jointly (recently changed from the $100/$200 dividend-only exclusion by the Crude Oil and Windfall Profit Tax Act of 1980). The cap approach deals with the open-ended characteristic of many tax subsidies by limiting the dollar amount of the exclusions, to $200 or $400 in this case. This approach still confers relatively greater benefits on people in higher marginal-tax brackets, on expenditures up to the level of the cap. The incentive effect of the marginal-tax subsidy is eliminated for income, in the case of exclusions, or expenditures, in the case of deductions, above the level of the cap. Thus, the capped dividend and interest exclusion is not likely to encourage additional savings among the wealthy.

The use of a tax credit rather than a deduction or exclusion is another approach which maintains the economic incentive of the tax subsidy but does not confer relatively greater benefits on people in high marginal tax brackets. Take, for example, the tax credit for political campaign contributions. The tax credit offers a 50 percent subsidy for every dollar or eligible contribution (up to a credit of $50 per individual and $100 for married couples filing jointly) to taxpayers in all tax brackets. Thus the credit provides greater benefit than a comparable deduction would for people below the 50 percent marginal tax bracket.

A cap on deductions and exclusions or the use of a tax credit is particularly appropriate where the tax-expenditure benefit is not intended to be positively associated with income, such as medical deductions. Restricting the use of the deduction or exclusion to taxpayers below a given income level may be appropriate where the benefit is intended primarily for lower-income groups. Examples are the full exclusion of unemployment and disability benefits only for people below certain income levels.

Legislating a dollar limit on caps and credits is relatively straight-forward. This administrative advantage permits better control of the total size of the associated tax expenditures.

It is interesting to note that many tax expenditures confer obvious benefits only on taxpayers who itemize deductions. There is an indirect benefit to the others, however, from an overall increase in itemizing. For the sake of administrative manageability, the zero-bracket amount generally is set high enough that only about one third of those filing tax returns itemize deductions. Thus, if a greater number of people start to use deductions or if people increase the average dollar size of their deductions, this places upward pressure on the level of the zero-bracket amount in order to reduce the number of itemizers. A higher zero-bracket level benefits only those taxpayers whose deductions would fall below that level. The tax benefits to the group with deductions below the level of the zero-bracket amount are not calculated as a revenue loss associated with tax expenditures.

Tailoring Tax Expenditures to Income Groups

A third issue is the awareness that some income groups are more likely than others to engage in the various types of subsidized economic activities. We have seen that the overall share of benefits received by an income group depends in large part on the degree to which it engages in activities subsidized by the tax-expenditure system.

For 1978, the predominance of benefits going to the highest income group could be traced to the large share of total tax expenditures going to investment- and consumption-related activities, combined with the large fraction of the benefits in those categories accruing to the highest-income group. The benefits accruing to the lowest-income group could be traced primarily to the very high fraction of the benefits from need-related provisions going to this group. The middle-income groups derived the bulk of their benefits from the consumption and employment-related categories.

The total dollar benefits associated with either the consumption or employment category were comparable to that for the investment category. But the middle-income groups did not have much of an advantage over the highest income group in the fraction of these benefits that they received. As a consequence, the middle-income groups did not receive a net benefit, relative to the other income classes, from the tax-expenditure system viewed as a whole.

If the observed link between the income groups and the economic behavior categories is in fact strong, this suggests that further changes in the allocation of tax expenditures

among the economic categories, such as that observed between 1978 and 1980, could also be associated with a redistribution of tax-expenditure benefits among the income groups.

In the current economy there is concern both with increasing savings and investment and with aiding the middle class. The statistics based on tax-expenditure experience in 1978 suggest that there may be some incompatibility between those two goals since it is the highest-income group that traditionally has made the greatest use of investment-related tax expenditures. In the interest of fostering the dual goals of encouraging investment activities while benefiting the middle class, alterations of present tax expenditure policies might be considered.

There is little evidence from either economic theory or empirical analyses that higher rates of return—such as those offered by tax expenditures—actually increase the rate of savings in the economy. Nevertheless, efforts to use tax policy to encourage savings and investment are likely to continue. Evaluating the potential effectiveness of new policies to encourage additional savings and investment on the part of the middle class in particular would involve a far more careful analysis than this report can provide of differences in savings and investment behavior among income groups. The statistics presented in this report on the distribution of benefits from tax expenditures do, however, suggest a difference in the existing investment-related provisions which favor the middle-income groups in contrast to those which favor the high-income group.

As table 1 revealed, the middle-income groups receive a large fraction of the benefits from the dividend exclusion, the deferral of income on savings bonds, the exclusion of interest on life insurance savings, and the investment tax credit. In contrast, the high-income group receives a large fraction of the benefits from provisions for depreciation, expensing of costs, capital gains, and tax-exempt bonds. Two other categories frequently associated with saving by the middle income, but not included here in the investment category, are employer-sponsored pension plans, placed under employment, and home-ownership, placed under consumption.

Perhaps with the exception of the investment tax credit, the savings and investment programs associated with the tax expenditures favoring the middle income can be described by such phrases as forced savings, low risk, available in small denomination payments, and working through investment intermediaries. Keeping these qualities in mind may point to ways to alter tax-expenditure policies in order to encourage more investment and saving on the part of the middle-income groups.

One possibility is to increase the options for personal, voluntary contribution to tax-sheltered pension plans, even for people already covered by employer-sponsored plans. Another possibility is to offer middle income people investment options which have higher rates of return than savings bonds and life insurance but which still offer opportunities to defer taxation on the accumulating interest income.

Still another area to explore is reducing the bias in favor of owner-occupied housing as a vehicle for tax-deferred accumulation of capital gains and, most recently, as an essentially tax-free vehicle for retirement savings. Investment in productive (income-producing) assets, either directly or indirectly through financial and investment intermediaries, could receive tax treatment more in balance with housing to encourage the middle income to diversify their assets away from such a heavy concentration in owner-occupied housing.

Finally, offering a tax break in the form of an exclusion, such as the dividend exclusion, rather than a deduction, benefits even people who do not itemize their deductions, thus tending to benefit low- and middle-income taxpayers. The recent change in the law extending the exclusion to apply to interest as well as dividend income removes the provision's former bias toward stocks relative to interest-producing assets. (The dividend exclusion offsets in a small way the double taxation of corporate income.) But, if a stimulus for savings exists at all, raising the limit on the size of the exclusion provides an incentive for additional savings or investment only for those whose income from these sources previously was below the new limit.

The statistical findings of this report may have application to several policy areas. The analysis sheds light on some possible ramifications of controlling the tax-expenditure budget on certain economic categories and separate income groups. The calculations of the change in the four aggregate categories of economic behavior over time demonstrate how movements in the macroeconomy may be reflected in differences in the rates of expansion in the corresponding categories of tax expenditures. For the 1978 to 1980 period examined, paralleling other observations of the economy, the use of tax expenditures related to consumption grew more than the use of those related to investment. Most of all, the report emphasizes how economic behavior, as reflected in the use of tax expenditures, differs quite noticeably and systematically among the income groups. This suggests that policies designed to accomplish certain economic goals should anticipate the varying responses of these groups.

FOOTNOTES

[1] See Edgar K. Browning, Redistribution and the Welfare System (Washington, D.C.: American Enterprise Institute, 1975) and John J. Korbel, Poverty Status of Families Under Alternative Definitions of Income, **Background Paper No. 17** (Washington, D.C.: Congressional Budget Office, 1977).

[2] See Lillian Rymarowicz, Statistical Information on the Amount of Federal Funding Received by the Individual States Over the Past 20 Years, report of the Economics Division, Congressional Research Service, Library of Congress, Washington, D.C., November 6, 1979.

[3] Tax burdens can differ among taxpayers within the same income group. Tax liabilities will be lower for those taxpayers who make use of tax expenditure provisions than for those who do not.

[4] U.S. Senate, Committee on the Budget, Tax Expenditures: Relationships to Spending Programs and Background Material on Individual Provisions, Committee Print, 95th Congress, 2d Session (Washington, D.C.: U.S. Government Printing Office, 1978).

[5] For an exposure to the complexity of the task of allocating taxes and public expenditures to income classes, see Tax Foundation, Inc., Tax Burdens and Benefits of Government Expenditures by Income Class, 1961 and 1965 (New York: Tax Foundation, Inc., 1967). The Tax Foundation study states explicitly the many, frequently arbitrary assumptions it was necessary to make in order to allocate all Federal, state, and local taxes and expenditures to individual income classes.

For a more in-depth discussion of specific government-expenditure programs, their economic effect, and the methodology for estimating the distribution of their benefits across income brackets, see W. Irwin Gillespie, "Effect of Public Expenditures on the Distribution of Income," in Richard A. Musgrave, ed., Essays in Fiscal Federalism (Washington, D.C.: The Brookings Institution, 1965), pp. 122–186.

[6] For a fuller discussion of the concept of tax expenditures, an annotated list of tax expenditures including their Internal Revenue Code authority, and a bibliography on the topic, see U.S. General Accounting Office, Tax Expenditures, A Printer, PAD 80–26 (Washington, D.C.: U.S. General Accounting Office, 1979).

[7] See U.S. Office of Management and Budget, "Tax Expenditures," Special Analyses, Budget of the United States Government, Fiscal Year 1981 (Washington, D.C.: U.S. Government Printing Office, 1980), Special Analysis G, pp. 207–238.

[8] For other categorizations of tax expenditures and analyses of their economic effects, see Richard Goode, The Individual Income Tax, rev. ed (Washington, D.C.: The Brookings Institution, 1976), and Joseph A. Pechman, ed., Comprehensive Income Taxation (Washington, D.C.: The Brookings Institution, 1977).

[9] The measure of expanded gross income is an attempt to come closer to the concept of real economic income than the measure of adjusted gross income used on income tax returns. Expanded gross income is equal to adjusted gross income plus the untaxed part of capital gains, percentage depletion in excess of cost depletion, and other tax preferences subject to the minimum tax; the deduction of investment interest up to the amount of investment income is excluded. Thus the measure of expanded gross income tends to be larger than the measure of adjusted gross income, particularly for the higher income groups likely to be most affected by these investment-related adjustments to the definition of income. See Senate Budget Committee, Tax Expenditures, p. 6.

[10] The median family income in 1978 was $17,640. Thus, statistically, the middle class lies at the upper end of the $10,000 to $20,000 bracket, near the $20,000 to $30,000 range. The group in the $30,000 to $50,000 range is popularly considered the middle class or upper middle class. This leaves only the under $10,000 group as low income and the over $50,000 group as high income.

Median family income data from U.S. Department of Commerce, Bureau of the Census, *Current Population Reports, Consumer Income*, Series P–60, United States: 1978 (Advanced Report) (Washington, D.C.: U.S. Government Printing Office, 1979), p. 6.

[11] Senate Budget Committee, Tax Expenditures, p. 6.

[12] OMB, Special Analysis G., Fiscal Year 1981 Budget, p. 217.

[13] The full tax is a purely hypothetical concept since, if tax expenditures were eliminated, other tax obligations would no doubt be lowered to offset the additional revenues flowing from the broader tax base. Because we do not know how Congress would decide to distribute such a reduction in taxes across the income groups, we continue to use the present distribution of taxes actually paid as the basis of comparison.

The full tax method for evaluating the vertical equity of the tax system among income groups is explained by Richard A. Musgrave and Peggy B. Musgrave in their *Public Finance in Theory and Practice* (New York: McGraw-Hill Book Company, 1973), pp. 249–252. The findings presented here for 1978 are consistent with Musgrove and Musgrove's findings for 1972.

[14] For further explanation of the changes in tax expenditures between 1978 and 1980, see Special Analysis G, 1981 Budget, pp. 217–229.

TABLE A-1.—ESTIMATED DOLLAR VALUE OF TAX EXPENDITURE BENEFITS BY BEHAVIOR CATEGORY AND INCOME CLASS, FISCAL YEAR 1978

[In millions of dollars]

Behavior category	Expanded gross income class: All	Under $10,000	$10,000 to $20,000	$20,000 to $30,000	$30,000 to $50,000	Over $50,000
Investment	22,626	876	2,369	2,316	3,606	13,459
Consumption	32,512	1,095	6,975	8,503	6,942	8,997
Employment	22,498	2,134	6,458	5,680	3,891	4,335
Need	12,128	6,621	3,030	1,256	750	470
Total	89,764	10,726	18,832	17,755	15,190	27,261

Source: CRS calculations based on 1978 dollar value and percentage distribution data presented in tables 1 through 4. These numbers are the basis for the total percentages for the economic behavior category in tables 1 through 4 and for the percentage calculations presented in tables 5 and 6.

TABLE A-2.—ESTIMATED DOLLAR VALUE OF ADJUSTED GROSS INCOME AND TAXES PAID FOR CALENDAR 1977 AND OF TAX EXPENDITURES AND FULL TAXES FOR FISCAL 1978, BY INCOME CLASS

[In millions of dollars]

	Income class [1]: All	Under $10,000	$10,000 to $20,000	$20,000 to $30,000	$30,000 to $50,000	Over $50,000
(1) Adjusted gross income	1,094,410	140,362	369,635	289,864	172,684	122,237
(2) Taxes paid	159,331	9,082	39,788	40,755	31,390	38,274
(3) Tax expenditures	89,764	10,725	18,832	17,755	15,190	27,261
(4) Full taxes (2)+(3)	249,095	19,807	58,620	58,510	46,580	65,535

[1] Distribution of tax expenditure benefits based on expanded gross income classes (defined in footnote 9, p. 13) for fiscal year 1977–78. Distributions of adjusted gross income and taxes paid based on adjusted gross income classes with data from taxable returns filed for the 1977 calendar year.

Sources: Estimates of tax expenditure benefits from table A-1, last row, Total. Adjusted gross income and taxes paid from Department of the Treasury, Internal Revenue Service, "Preliminary Statistics of Income, 1977, Individual Income Tax Returns" (Washington, D.C.: U.S. Government Printing Office, 1979), table 1, pp. 15–18. Full taxes, row (4), equal the sum of taxes paid, row (2), and tax expenditures, row (3).

TABLE A-3.—CHANGES IN INVESTMENT-RELATED TAX EXPENDITURES, 1978 TO 1980

[In millions of dollars]

Tax expenditure	Total benefits to individuals: Fiscal year 1978	Fiscal year 1980	Change, 1978 to 1980
Investment expenses:			
Investment tax credit	2,390	2,910	520
Expensing of certain agricultural outlays	445	430	−15
Depreciation:			
Excess 1st-year depreciation	145	135	−10
Depreciation on rental housing in excess of straight line	300	285	−15
Depreciation on other buildings in excess of straight line	125	120	−5
Asset depreciation range	115	150	35
Excess of percentage over cost depletion	340	1,150	810
Expensing of intangible drilling, exploration, and development costs	300	610	310
Expensing of construction period interest and taxes	140	140	0
Expensing of research and development costs	30	35	5
Housing rehabilitation: 5-yr amortization	10	10	0
Investment credit for rehabilitation of structures		60	60
Tax incentives for preservation of historic structures		25	25
Exclusion of certain agricultural cost-sharing payments		30	30
Investment income:			
Capital gains: Exclusion and deferral of capital gains transferred at death and by gift	5,116	4,750	−366
Capital gains (other than farming, timber, iron ore, and coal)	7,430	13,855	6,425
Capital gains treatment of certain income related to farmland	350	385	35
Capital gains treatment of certain income related to timber	60	120	60
Capital gains treatment of royalties on coal	50	75	25
Capital gains treatment of royalties on iron ore	5	10	5
Exclusion of interest on life insurance savings	2,025	3,365	1,340
Tax-exempt bonds:			
Exclusion of interest on general purpose State and local debt	1,925	2,365	440
Exclusion of interest on State and local industrial development bonds	115	305	190
Exclusion of interest on State and local government pollution control bonds	110	240	130
Exclusion of interest on State and local housing bonds		180	180
Deferral of income on savings bonds	625	290	−335
Dividend exclusion	475	490	15
Total, investment related	22,626	32,520	9,894

Sources: See notes to table A-6.

TABLE A-4.—CHANGES IN CONSUMPTION-RELATED TAX EXPENDITURES, 1978 TO 1980

[In millions of dollars]

Tax expenditure	Total benefits to individuals: Fiscal year 1978	Fiscal year 1980	Change 1978 to 1980
Deductibility of nonbusiness State and local taxes (other than on owner-occupied homes and gasoline)	8,505	14,665	6,160
Deductibility of nonbusiness State gasoline taxes	760		−760
Deductibility of property taxes on owner-occupied homes	4,665	7,740	3,075
Deductibility of mortgage interest on owner-occupied homes	4,985	12,505	7,520
Deductibility of charitable contributions:			
Education	585	765	180
Health	875	1,145	270
Other	4,370	5,725	1,355
Deductibility of medical expenses	2,435	3,585	1,150
Deductibility of interest on consumer credit	2,120	3,595	1,475
Deferral of capital gains on homes sales	935	1,010	75
Exclusion of capital gains on home sales for persons age 65 and over/55 and over	70	535	465
Parental personal exemption for students age 19 or over	770	1,030	260
Exclusion of scholarship and fellowships	295	375	80
Exclusion of GI bill benefits	200	160	−40
Credit for child and dependent care expenses	525	820	295
Deductibility of casualty losses	360	590	230
Credits and deductions for political contributions	60	100	40
Residential energy credits		460	460
Total, consumption-related	32,515	54,805	22,290

Sources: See notes to table A-6.

TABLE A-5.—CHANGES IN EMPLOYMENT-RELATED TAX EXPENDITURES, 1978 TO 1980

[In millions of dollars]

Tax expenditure	Total benefits to individuals: Fiscal year 1978	Fiscal year 1980	Change 1978 to 1980
Net exclusions of pension contributions and earnings:			
Employer plans	9,940	12,925	2,985
Plans for self-employed and others	1,650	2,125	475
Exclusion of employer contributions for medical insurance premiums and medical care	6,340	12,965	6,625
Exclusion of benefits and allowances to Armed Forces personnel	1,260	1,470	210
Exclusion of other employee benefits:			
Premiums on group term life insurance	905	1,485	580
Premiums on accident and accidental death insurance	75	90	15
Privately financed supplementary unemployment benefits	10	10	0
Contributions to prepaid legal services plans	10	20	10
New jobs tax credit	985		−985
Targeted jobs credit		10	10
Credit for employment of AFDC recipients and public assistance recipients under work incentive (WIN) programs		5	5
Maximum tax on earned income	665	1,265	600
Exclusion of certain income earned abroad by U.S. citizens	360	555	195
Exclusion of employee meals and lodging (other than military)	300	350	50
Employer educational assistance		30	30
Total, employment related	22,500	33,305	10,805

Sources: See notes to table A-6.

TABLE A-6.—CHANGES IN NEED-RELATED TAX EXPENDITURES, 1978 TO 1980

[In millions of dollars]

Tax expenditure	Total benefits to individuals: Fiscal year 1978	Fiscal year 1980	Change, 1978 to 1980
Exclusion of social security benefits:			
For the aged (OASI)	4,210	6,880	2,670
For the dependents and survivors	950	990	40
For the disabled	550	685	135
Exclusion of railroad retirement benefits	265	330	65
Exclusion of veterans' benefits:			
Disability compensation	840	1,050	210
Pensions	40	50	10
Exclusion of military disability pensions	115	125	10
Exclusion of workers' compensation benefits	835	1,165	330
Exclusion of special benefits for disabled coal miners	50	50	0
Earned income credit:			
Refundable	945	1,696	751
Nonrefundable	285	415	130
Exclusion of unemployment insurance benefits	1,200	2,495	1,295
Additional exemption for the elderly	1,155	1,970	815
Exclusion of public assistance benefits	345	395	50
Tax credit for the elderly	250	135	−115
Exclusion of sick pay/disability	75	185	110
Additional exemption for the blind	20	40	20
Total, need related	12,130	18,656	6,526

Sources: For 1978, U.S. Senate, Committee on the Budget, Tax Expenditures: Relationships to Spending Programs and Background Material on Individual Provisions, committee print, 95th Congress 2d session (Washington, D.C.: U.S. Government Printing Office, 1978). For 1980, U.S. Office of Management and Budget, "Tax Expenditures," Special Analyses, Budget of the United States Government, Fiscal Year 1981 (Washington, D.C.: U.S. Government Printing Office, 1980) Special Analysis G, pp. 230–234.

Mr. BAUCUS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HART. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HART. Mr. President, what is the pending business?

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business for a period not to exceed 30 minutes, during which Senators may speak for a period of time not to exceed 5 minutes each.

Mr. HART. Mr. President, I ask unanimous consent that I be recognized for 15 minutes.

Mr. BAKER. Mr. President, will the Senator yield to me for a moment?

Mr. HART. Yes.

Mr. BAKER. Mr. President, I ask unanimous consent that the order previously entered in respect to morning business be changed so that the period for the transaction of morning business may extend for not more than 1 hour in which Senators may speak for not more than 15 minutes each.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BAKER. Mr. President, I thank the Senator from Colorado for yielding.

THE NEED FOR THOUGHTFUL NAVAL PLANNING

Mr. HART. Mr. President, one of the issues which increasingly interests and increasingly troubles many Members of the Senate is the state of the U.S. Navy. Most Senators are aware that the Navy has, in recent years, faced a number of serious problems. It has been challenged for control of the sea by a growing Soviet naval capability. It has seen large numbers of its ships reach the ends of their planned service lives over a short period of time. It has encountered serious problems in recruiting and, even more, retaining skilled personnel. It has not received the level of funding for naval shipbuilding which the Navy, and others, including myself, have felt necessary.

The Senate and the Congress as a whole have attempted to alleviate the Navy's problems. Particularly, former Senator Robert Taft, Jr., of Ohio began the work in the Senate some years ago, pointing out that the United States is, by nature, a maritime nation, requiring a maritime strategy. He proposed innovative shipbuilding programs, including smaller aircraft carriers, conventional as well as nuclear attack submarines, and high-technology warships such as surface effect ships and hydrofoils. The Senate has since taken many shipbuilding initiatives originally recommended by Senator Taft, and the Congress has consistently raised the naval shipbuilding budget above the level recommended by the President.

President Reagan, Secretary of Defense Weinberger and the other officials of the new administration's Defense Department now face the same challenges. Fortunately, they appear to recognize the need for a larger, more powerful Navy. They have acknowledged the need for greater attention to personnel issues, and for more funding for operations and maintenance. And, of course, these views are welcome.

But, the most controversial, and perhaps most difficult question remains unresolved: What kind of Navy should we build? We cannot expect a new administration, after only several weeks in office, to be able to answer this question fully. Indeed, I hope administration officials will not attempt to answer it too quickly, before they have had sufficient time to reflect on the matter, to listen to all sides in the debate, and to weigh alternatives and combinations of alternatives carefully.

Mr. President, I also hope that this administration will recognize the critical importance of the question. However much money we spend on shipbuilding, however much we improve readiness and the personnel situation, if we build the wrong kinds of ships, reflecting the wrong concepts, we will end up with a weaker Navy in the future, not a stronger one; and a weaker country, not a stronger one.

While the administration has not yet indicated which direction it wants to go in naval shipbuilding, the leadership of the Navy—both military and civilian—reportedly has made some recommendations on this subject. These reported recommendations raise some concern.

Secretary Lehman has reportedly outlined a new naval strategy and a shipbuilding program to implement it. The program would be focused on the carrier battle group, beginning construction of another *Nimitz*-class nuclear carrier and pulling the *Oriskany* carrier out of mothballs. It would also form battleship battle groups, using battleships modified to carry a large number of long-range cruise missiles.

According to some sources, some of the Navy's leadership is also seeking a long-range program which builds on this start and contains little innovation. It places heavy emphasis on the carrier battle group, built around the large, nuclear-powered carrier. It reportedly calls for reinstituting the nuclear cruisers program, with plans for up to five nuclear cruisers of the *California* and *Virginia* classes. It may seek to reactivate all four mothballed battleships. Attack submarines construction is apparently to remain focused exclusively on the nuclear-powered SSN–688 class: A capable boat, but one so expensive it cannot be afforded in the needed numbers.

The reported fiscal year 1982 shipbuilding program, which includes long-lead funds for a nuclear carrier but not for a light carrier, and which contains funds for reactivation of a battleship, appears consistent with these reports about the Navy's longer range goals.

Before this approach is embodied in a new 5-year shipbuilding program, I hope the administration will take a hard look at the serious deficiencies of such a program.

For some years, a growing number of naval analysts and Members of Congress have recognized that even with substantial increases in the Navy's shipbuilding budget, we can never have enough ships if each ship we build is extremely expensive. A single nuclear carrier battle group, with its aircraft and escort ships, costs about $10 billion in procurement costs alone. Since it takes three carriers to keep one on station, it would require an addition of $30 billion to the ship procurement budget just to face the Soviets with a single additional battle group. Such an expensive approach is hardly likely to reverse the current unfavorable trend in the naval balance.

There are some alternatives to the big carrier approach.

We could purchase three light carriers, of about 40,000 tons each, for the cost of a single *Nimitz*-class carrier.

We could purchase approximately two conventional Aegis cruisers for the cost of a single nuclear cruiser.

We may be able to meet the Marine Corps' legitimate need for additional landing fire support in ways which are both less expensive and more effective than recommissioning battleships. We currently have in reserve two *Salem*-class cruisers, each of which carrys nine automatic eight-inch guns. These unique guns permits each ship to fire a broadside of approximately 80 rounds per minute.

This could provide the fire support needed by an amphibious landing more effectively than could battleships, whose guns are larger, but have a much slower rate of fire. Yet the cost of recommissioning these cruisers, and of supporting them once they were returned to service, might be substantially less than that of the battleships, freeing funds for other needed ship construction.

In submarines, we clearly need numbers greater than the current force level goal of 90 attack boats.

Yet, with a single SSN–688 class attack submarine costing over $500 million, we will be fortunate if we can afford just to sustain 90.

Modern diesel-electric submarines are highly effective, and while they cannot perform all the missions of which a nuclear submarine is capable, they can do many of them. In some missions they are actually somewhat superior because of their smaller size and greater quietness on patrol. And they can be acquired for as little as $100 million each, only one-fifth as much as the SSN–688 class. We could make good use of such conventional submarines, as additions to a force of 90 nuclear boats.

New technologies create other interesting possibilities. With V/STOL aircraft such as the Marines' Harrier, we could have carriers even smaller than the proposed 40,000-ton light carrier, again, as supplements to the larger ships. A single class of such ships, built in two variants, could provide both V/STOL carriers and needed amphibious assault ships.

New hull technologies offer other op-

portunities. The PHM hydrofoils have proven quite useful, more could be constructed at relatively low cost. With modular armament, they could serve in anti-submarine and radar early warning roles in addition to their current surface attack role. They might be well suited to provide some of the escort force for a light carrier.

A shipbuilding program which ignores these needs and opportunities is not likely to give us a stronger Navy. It will be more costly Navy, but it will still lack the numbers of ships needed in a conflict. It will be a Navy whose characteristics are well known to the opponent, who will have had decades to prepare his systems and tactics to defeat that predictable Navy. It will leave potentials such as new technology ships to the opponent, who, if past experience is a guide, will take advantage of these opportunities

The administration faces many challenges, many of seemingly greater importance than this one. But in virtually every case, the nature of the challenge is the same. It is a challenge to innovate. In neither social policy nor defense will mere repetition of past actions produce positive results.

Mr. Weinberger and President Reagan must realize this in relation to the Navy, as clearly as they seem to in other areas. A naval program which merely repeats the types of ships we have built in the past, for the types of missions and tactics we have had in the past, will not give us a more effective defense.

Mr. President, I think it would be tragic for our country to call upon our people to sacrifice to increase defense spending dramatically and the result is a weaker rather than a stronger, nation.

UNITED STATES ASSISTANCE TO EL SALVADOR

Mr. CRANSTON. Mr. President, I question the advisability of the Reagan administration's decision to send another 20 U.S. military personnel to El Salvador. I believe that if we continue to increase this type of military presence in El Salvador—we will now have 78 military personnel there, including the embassy Marine guards—it could lead to greater American involvement in the El Salvadoran civil war. U.S. advisers will be prime targets for extremists on the right and left who seek escalation of the current conflicts.

I think it is noteworthy in this respect that the moderate President of El Salvador, Jose Napoleon Duarte, has expressed a desire to limit the U.S. presence in El Salvador and specifically requested that the United States reduce the number of new advisers which we proposed to send. I would therefore oppose any further increase in the number of U.S. advisers beyond what the Reagan administration has announced this week. Enough is enough.

I am also concerned by the decision to send an additional $25 million in military arms, unless this aid is conditioned upon renewed commitments by the El Salvadoran authorities to move forward on essential political and land reforms and to continue efforts to check rightist violence.

I have been closely monitoring the situation in El Salvador because of the threat posed to El Salvador's security by the recent influx of arms from a number of communist countries and because of my deep concern regarding flagrant human rights violations in that country.

I share the concerns expressed by administration officials regarding the flow of arms to guerrillas in El Salvador from communist countries and terrorist organizations such as the Palestine Liberation Organization. And I support efforts by the United States to enhance the ability of the authorities in El Salvador to interdict this illicit flow of weapons.

I believe that all U.S. military and economic assistance to the El Salvadoran authorities should be conditioned on continued commitment by both the civilian and military leaders in their government to significant reforms. It is these reforms which hold the promise of drying up remaining political support for the military opposition to the Duarte regime.

It is essential for the El Salvadoran Government to make better efforts to check violence by right-wing "death squads" opposed to these important reforms, and to investigate the murder of American church and labor leaders in El Salvador.

If the Reagan administration is serious about combating international terrorism, it should make energetic efforts to halt the reported funding by expatriate El Salvadoran millionaires in Miami of right-wing death squads who are operating with impunity within El Salvador. I understand an FBI investigation into this so-called "Miami connection" is moving forward slowly. This investigation should be speeded up: The administration's zeal in opposing the flow of arms to left-wing guerrillas must be matched by a vigorous commitment to block the flow of support to right-wing terrorists in El Salvador which is apparently emanating from Miami. These individuals in Miami are apparently abusing U.S. hospitality and are in violation of U.S. law if they are providing unregistered cash for the purpose of running guns to right-wing terrorists in El Salvador.

I am concerned by the magnitude of the proposed increase in military assistance to El Salvador—which precedes any new proposal to send economic assistance and which may be more than the El Salvadorans' legitimate need. I believe we should consider conditional military aid only in response to specific requests from the Duarte regime.

President Duarte clearly prefers U.S. economic assistance to an increased U.S. military presence. It is this U.S. economic assistance—together with progress on political and land reforms—which provides the brightest hope for an end to the violence and for a better future for the people of El Salvador.

In assisting the El Salvadoran Government, the United States should encourage it not to seek a purely military solution to the current civil war. We should work with the nations of the OAS—especially Mexico—to see if there are opportunities for joint initiatives to stem the flow of weapons to the guerrillas and to initiate a dialog between the warring factions in El Salvador.

AN ECONOMICS LESSON FROM JAPAN

Mr. LEVIN. Mr. President, the February 27 Wall Street Journal carried a story that I want to call to the attention of those who oppose attempts to negotiate or legislate restraints on the importation of Japanese cars into this country.

The story, in very clear terms, details the call by Japan for a reduction by U.S. lumber firms in the amount of wood they export to Japan. The Japanese rationale for restraint is simple: They fear that continued exports will drive many of their local lumber firms into bankruptcy. Japan is not prepared to see its domestic industry harmed and their response is designed to protect their economy.

Mr. President, everyone tells us that the American auto industry ought to learn a lesson from Japan; that the car makers should emulate Japanese technology and products. I think its time that the American Government learned a lesson from Japan as well and started to emulate that Government's interest in preserving a viable economic structure. Just as Japan wants to protect its economy, I believe that America ought to protect its economy. And that means that we ought to be acting now to curtail Japanese auto imports.

The administration is still debating their approach to this problem. Secretary Lewis is scheduled to give the International Trade Subcommittee a status report on the deliberations of his task force next week. In that report, I hope he addresses the fundamental question which has bothered so many of us for so long: Why are we virtually the only major industrial nation in the world which matches its belief in free trade with an open door policy?

Free trade is a fine idea, but to be practical, it has to be a universal idea. The plain truth is that free trade is not being practiced by Japan. The General Accounting Report on Trade issues released last year demonstrates conclusively that non-tariff barriers erected by Japan restrict our ability to send our cars to their country. Recent surveys of industrial practices around the world show that virtually all countries have some kind of local content requirements or protective tariffs and taxes. But the United States persists in opening its doors to foreign trade and closing the doors of employment opportunity on its own citizens.

President Reagan's budget calls for significant reductions in programs designed to support the unemployed. I would suggest that we could reduce expenditures for such programs—without changing their structure—if we had the kind of trade policy which would stimulate domestic industrial growth and employment.

The President has an opportunity to do that. He has the power, the unques-

tioned power, to enter into negotiations with Japan right now—negotiations which could lead to import restraint. Congress has the opportunity to act as well. Senators DANFORTH and BENTSEN have introduced legislation calling for quotas, and while I think their limit is too high, I have been proud to be associated with their efforts.

But having the opportunity and taking advantage of it are two different things. President Reagan pledged during his campaign last year that he would take whatever action was required to convince Japan not to flood our market with their cars and flood our welfare offices with American workers.

It was a nice promise, but it does not do much for the unemployed workers or the companies which have reported record breaking losses in the last few weeks.

The time for promises has come and gone. Japan is ready to take action to protect their lumber industry. And I suggest that its time we take action to protect our auto industry.

Mr. President, I ask unanimous consent that the Wall Street Journal article describing the Japanese response to the threat to their lumber industry be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

JAPAN ASKS U.S. LUMBER TO REDUCE EXPORTS IN FURTHER SETBACK TO THE INDUSTRY

(By Marilyn Chase)

SAN FRANCISCO.—The slumping U.S. lumber industry was dealt another blow as Japanese lumber dealers, in an apparent about face, called for the U.S. and Canada to cut their lumber exports to Japan this year 50 percent.

In U.S.-Japanese trade, the shoe usually is on the other foot, with American industries asking Japan to limit its exports of autos and other items to this country. But Japan cited an alarming rise in inventories and domestic prices that have plunged 15 percent below the cost of imports amid falling housing starts. The Japanese warned that many of their 43,000 lumber dealers will go bankrupt soon unless North American exports of finished lumber are swiftly and sharply curtailed.

This came as a surprise to U.S. observers who recalled that last fall's bilateral talks between U.S. and Japanese industry and government officials had ended with a consensus that the Japanese would expand—rather than contract—their imports.

"If they're going to keep the good faith generated at those meetings, they should expand lumber imports as they stated they would last fall," said Gus Kuehne, executive vice president of the Northwest Independent Forest Manufacturers.

Mr. Kuehne and other observers admitted to some skepticism at the Japanese forecast of expanded U.S. imports last fall. However, he said that he wasn't prepared for such a dramatic cutback request either. "We just didn't think business would expand quickly," he said.

"If they're successful and sales do go down, it will mean additional curtailment of production in the West," he said. And in view of the industry's already depressed state, he warned: "Every drop means that that many more will be unemployed."

Weyerhaeuser Co. executives noted that most of recent North American increases in lumber exports have come from Canada. "So if there's any cutback in lumber exports, it shouldn't be from the U.S.," Mr. Kuehne argued. He noted about 90% of U.S. forest products exported to Japan are logs, rather than finished lumber, while about 85% of Canadian exports are finished lumber.

Other observers saw Japanese inventory and pricing difficulty as a short-term problem that arose from overzealous purchases last year. "The Japanese buy like crazy when business is good, and turn off the spigot when business is weak," one analyst said. "And in 1979 and early 1980, they were buying as if there were no tomorrow."

"No doubt about it, it is bad right now," concurred H. A. Roberts, executive vice president of the Western Wood Products Association. "But it shouldn't affect potential product exports to Japan over the long run."

Negotiations between U.S. and Japanese lumber industries are set to continue in three weeks in Japan, and Mr. Roberts said he plans to tell his Japanese counterparts "that the U.S. group wants to be positive in its outlook, but we aren't going over there with great expectations." "I'm skeptical about how much the Japanese will upgrade their purchases from lumber to finished products," he said. "After all, they have a lot invested in their own finishing plants.

Mr. Kuehne, however, was adamant. "At a time when we have U.S. mills built to cut lumber to Japanese specifications, they come out with an announcement that strikes at the very heart of any effort to increase our exports and improve sales."

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. SYMMS). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BOREN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MRS. ANN WOOLLEY, NATIONAL PRESIDENT, AMERICAN NATIONAL COWBELLES, INC.

Mr. BOREN. Mr. President, all Oklahomans are proud of the fact that one of our State's citizens, Mrs. Ann Woolley of Ada, Okla., was elected February 3 as the new national president of the American National CowBelles, Inc., an organization which disseminates factual information on beef and serves as the voice of women in the cattle industry.

Ann Woolley is the third generation of her family to be involved in ranching. She grew up in Hominy, Okla., and she and her husband, Walter, run a commercial cow/calf ranch out of Ada, Okla.

During her address to the general membership of the CowBelles at the group's 30th annual convention in Phoenix, Mrs. Woolley stated that:

It is a time for all cattle producers to work together to attain a greater share of the marketplace both at home and abroad. We need to push for a strong nationwide advertising campaign and education of the great American public to the role that beef plays in their lives. If CowBelles and cattlemen do not do it for themselves no one else will.

Mrs. Woolley served 6 years on the CowBelles' executive committee, was the first chairman of American Ag Day, co-chairman of the National Beef Cook-Off contest, chairman of the budget committee and served as regional coordinator for the seven American National CowBelle regions in the United States.

She is past president of the Oklahoma CowBelles, is an active member of the First Presbyterian Church of Ada, has been president of the PTA, president of the Wednesday Morning Music Club, president of the country club women's auxiliary, president of the ladies golf association and a member of the Daughters of the American Revolution and the Ada Arts and Humanities Council. In 1980 she was chosen to be 1 of 17 "Ladies in the News in Oklahoma," a selection made by the Oklahoma Hospitality Club of Oklahoma City.

The Woolleys have four daughters, three of whom are university graduates and a fourth, who is a sophomore at Oklahoma State University.

I am confident that, as president of the National CowBelles, Ann Woolley will continue to display the talent, integrity, and devotion which she has shown in her many other pursuits in civic and church work. She is a very productive citizen of our State, and Oklahomans have great pride in her accomplishment in attaining this high office where she will be an outstanding representative of Oklahoma's No. 1 industry—farming and ranching.

DOD CONSULTANT POLICIES

Mr. THURMOND. Mr. President, tighter control of Defense Department consultant contracts is mandatory.

Today I have dispatched a letter to Defense Secretary Caspar Weinberger urging he give immediate attention to this matter.

Especially disturbing is the practice of contract awards to consulting firms when the work, if necesary, should be done internally. Furthermore, the trend toward awarding contracts to firms recently staffed by former Pentagon employees raises serious ethical questions.

Mr. President, an article on this subject by Columnist Jack Anderson deserves the attention of the Congress. I ask unanimous consent that this article, entitled "Fast-Buck Operators Milk Sacred Cow," which appeared under Mr. Anderson's byline in the March 4, 1981, issue of the Washington Post, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Mar. 4, 1981]

FAST-BUCK OPERATORS MILK SACRED COW

(By Jack Anderson)

The Defense Department has become the only sacred cow to survive the determined budget-cutters of the Reagan administration. Yet there is overwhelming evidence that the Pentagon cow is being milked for hundreds of millions of dollars in dubious contracts each year.

In the process of hiring private consultants for work their own employes should be doing, the brass hats are turning over control of defense policies to a small clique of outside "experts" motivated more by profits than patriotism. These specialized consulting firms are packed with former Pentagon personnel, who usually get favored treatment from their onetime buddies in the military.

A still-classified government report reviewed by my associate Indy Badhwar chronicles appalling waste, mismanagement, greed and conflicts of interest that threaten to

make the Pentagon a private fiefdom of fast-buck operators. Some details from the report:

More than half of all Department of Defense contracts go to companies that employ or were formed by former military or civilian DOD officials.

A private consulting firm was hired for $294,000 (a contract price that soon almost doubled) to study drug and alcohol abuse in the armed forces. Though there were Pentagon employes qualified to make the study at lesser cost, the brass hats explained that an "outside" contractor would provide a more objective report. The vice president of the "outside" firm was the former director of Pentagon research into prevention of drug and alcohol abuse.

Nearly 60 percent of all contracts are renewed repeatedly—a circumstance referred to by insiders as the "from-here-to-eternity gravy train."

A contractor was hired for $190,000 to teach Navy personnel how to improve cost analyses on missile work. The contractor then suggested that his firm take over the cost analyses—in other words, do what he was originally hired to teach Navy employees to do. The Navy bought the proposal, and the contract is now in its seventh year.

An $80,000 contract was awarded for "studies on nonpecuniary factors in the federal approach to pay comparability and the feasibility of monetizing these nonpecuniary factors for consideration in the pay comparability process." When auditors asked if this incredible gobbledygook made any sense, a top official replied airily: "That's what makes it interesting."

A contractor was paid $43,000 from the Navy for technical data on a naval test range. He got the data from the Navy itself.

The Air Force paid a contractor $50,000 to correct a malfunction in a missile mockup. An Air Force engineer had already solved the problem.

An Air Force contractor was awarded $1.4 million to correct deficiencies in another firm's multimillion-dollar project. With 80 percent of the money spent, the contractor demanded $400,000 more to complete his job. The money wasn't available, so the contractor walked away when he had spent the original $1.4 million, leaving civil servants to pick up the pieces.

A contract to provide support services for the Army's Hawk missile has been modified 60 times, raising the cost from $6 million to $33 million and delaying completion by a year.

DISABLED AMERICAN VETERANS

Mr. ROBERT C. BYRD. Mr. President, every year the Disabled American Veterans (DAV) comes to Washington to formally present its views to the Congress. I wish to submit for the RECORD Senator CRANSTON'S statement to the group, given at this year's annual meeting on February 24.

Every Member of this body is aware of Senator CRANSTON'S compassion and understanding in responding to the needs of our wartime veterans. There are now some 2.3 million veterans receiving service-connected disability compensation. Understandably, this program is of major importance to our Nation's veterans.

Senator CRANSTON, as chairman and now as ranking minority member of the Veterans' Affairs Committee, has been an eloquent spokesman for those men and women who have endured hardship and sacrifice in the service of our country. His effective leadership has resulted in significant improvements in many different veterans' programs.

The statement follows:

DAV LEGISLATIVE PRESENTATION

Thank you, all, and welcome to all of you here this morning, and a special welcome to National Commander Stan Pealer. I look forward to hearing the D.A.V.'s legislative goals and priorities.

I'd also like to welcome especially my fellow Californians who are here this morning—National Senior Vice Commander Sherman Roodzant and Bob Jordan, National Service Officer. Would you and the other members of the California delegation please stand and be recognized?

[Applause.]

Next, I want to congratulate immediate past National Commander Paul Thompson on his fine record of achievement and leadership this past year, and to note the presence here of one of your most distinguished past national commanders and my very close friend and counselor, Oliver Meadows.

Would Paul and Oliver please stand so we can acknowledge their great work.

[Applause.]

I also want to say a special word of thanks to the outstanding national headquarters staff of the D.A.V., with whom I've worked so closely and from whom I've received such excellent cooperation and assistance—"Gabby" Hartnett, Rick Heilman, Butch Joeckel, Ron Drach, Steve Edmiston, Bill Gearhart, Art Wilson, and others—while I was chairman of the committee. I look forward to continuing our productive working relationship.

Looking back, I think we can see just how productive it's been.

Last year, during a period of tight budgetary restraint, working closely together in a bipartisan manner, we were able to build a very good record of responding to the needs of our service-connected disabled veterans—this committee's top priority.

First, we were able to provide fair cost-of-living increases in the compensation and D.I.C. programs—although, budget restrictions unfortunately prevented our making the 14.3-percent increase applicable across the board.

In addition, we enacted the first comprehensive revision in 37 years of the V.A.'s chapter 31 program of rehabilitation for service-connected veterans, including two of your major goals—expansion of services for very severely disabled veterans and emphasis on helping the veteran obtain and retain suitable employment. I'm very proud of this legislation.

In the same new law, we improved employment programs for veterans—especially disabled veterans and Vietnam-era veterans—including a permanent statutory base for the very successful D.-VOP program.

Last year's comp. bill also established a new program of special home adaptations—sought by your organization—for certain veterans with service-connected loss of both hands or service-connected blindness.

In the all important health-care area, we also did well for service-connected veterans. By an historic, 85-to-zero vote in the Senate, we overroad the ill-advised presidential veto of the physicians special pay bill. The law we enacted, by dealing effectively with the recruiting and retaining of V.A. health-care personnel—should do much to help guarantee a strong, independent V.A. medical system.

In the appropriations process—again with your great help—we added $32 million to the V.A.'s budget request for medical care, including funding for 1,176 additional health-care workers. And I am very pleased to report that the comptroller general of the United States has just ruled, pursuant to our request for a formal ruling, that a 1979 law I proposed makes it unlawful for the administration to apply its current hiring freeze to any positions in the V.A. health-care system.

I believe the Comptroller General is 100-percent right on this! So does the V.A.'s General Counsel. But, as always O.M.B. is dragging its feet. We've got to work together on this. It's time for O.M.B. to obey the law and give V.A. health-care programs the support and the staff that the Congress has mandated.

With respect to legislation this year, it appears that President Reagan will continue the policy of proposing an adequate cost-of-living increase in compensation and D.I.C. but whether he does or not, I pledge that I'll do my best to see that we keep faith with service-connected disabled veterans hit with double-digit inflation.

With respect to the upcoming Fiscal Year 1982 budget and appropriations processes, we don't yet know what cuts will be proposed from President Carter's quite effective V.A. health-care budget request. But I want to assure you that, in reviewing any proposals for changes, I will not support any that would impair the independence or integrity of the V.A. health-care system or lower the quality of its health-care services. That must not happen!

Also, we must insist on adequate funding to implement the chapter 31 improvements enacted last year.

On the legislative front, two bills I've introduced respond directly to D.A.V. resolutions—S. 415 to increase the specially adapted housing grant, and S. 416 to increase the adaptive auto assistance grant and provide certain service-connected veterans—who don't qualify for the grant—with adaptive equipment they need to operate a car safely.

Also, I've introduced S. 458 to extend by two years both the eligibility period for Vietnam-era veterans to request V.A. readjustment counseling services and to receive V.R.A. appointments in Federal positions. The D.A.V. has been most responsive to maintaining effective programs such as these that respond to the needs of Vietnam veterans and I look forward to your continued support.

I firmly believe that it is by continuing to deal honestly and responsibly with the difficult issues of special importance to Vietnam veterans—such as agent orange—that we can best say to these veterans that the Nation is truly grateful for their service and sacrifices on our behalf.

Another important agenda item is to improve V.A. benefits for ex-P.O.W.'s. I will be introducing a bill very shortly to ensure that these who have endured so much receive no less than their due.

Finally, I greatly appreciate the help you've given me in refining the bill, S. 417, I introduced this year to provide a new G.I. bill program for the all-volunteer force. I believe we need prompt enactment of legislation to help recruit and retain the military personnel needed to provide for a strong national defense.

Truly, there is much to do this year. As ranking minority member of this committee, I look forward to working closely with your outstanding organization, to receiving your input, and to getting the job done once again for America's veterans.

THE SENATE'S AGENDA

Mr. BAKER. Mr. President, I understand that certain negotiations are underway now in respect to a time agreement and other arrangements that may lead to an orderly disposition of the so-called cash discount bill which I had indicated on Tuesday I intended to ask unanimous consent to proceed to or move to the consideration of that item on the legislative calendar.

While those negotiations proceed, I think it is clear now that there is no

further morning business to be transacted for the moment.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DANFORTH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE CRISIS IN THE AUTO INDUSTRY

Mr. DANFORTH. Mr. President, the auto industry remains in a state of crisis despite a rebate-led sales surge in late February by several U.S. automakers. Domestic sales of U.S.-made cars were down 4.2 percent from February of last year. The late month rally came at a very high price. GM began offering rebates of $500 to $700. Chrysler offered rebates of 7 percent on most of its cars. Ford offered rebates of 10 percent and still suffered a year-to-year sales decline in late February while others were improving. Industry analysts are reported to expect another slump when the rebates expire. U.S. automakers clearly cannot depend on such rebates to spur sales and meet their commitment to invest $70–$80 billion in retooling over the next several years.

Mr. President, I ask unanimous consent that the Senator from Louisiana (Mr. LONG) be added as a cosponsor to S. 396.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DANFORTH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

FOREIGN POLICY STRATEGIES AND CONCERNS

Mr. THURMOND. Mr. President, much talk is being centered both inside and outside the Reagan administration about various foreign policy strategies and concerns.

A recent speech delivered by Human Events Capitol Hill Editor Allan H. Ryskind at Hillsdale College for the Center for Constructive Alternatives Seminar on "Washington's New Leadership" reflects much of my thinking. The speech text is particularly effective in underscoring that former President Carter's two Secretaries of State were tragically nearsighted when it came to Soviet moves and countermoves.

Mr. President, in order to share Mr. Ryskind's excellent insights with my colleagues, I ask that this viewpoint appear in the RECORD at the conclusion of my remarks.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

U.S. FOREIGN POLICY NEEDS A FORWARD STRATEGY

(By Allan H. Ryskind)

The general theme at this seminar, as I understand it, is: Can the new Administration make a difference, can it change things for the better? My response, as a fairly longtime observer of the Washington scene, is that it would be difficult for things to get worse. Double-digit inflation, high unemployment, high interest rates, low productivity and a runaway budget suggest that the Reagan Administration, assuming it is fully determined to slash tax rates and apply a tourniquet to our hemorrhaging budget, will at least diminish the intensity of the pain.

But what about the area of foreign policy, the main topic of my speech tonight? Here, again, I believe, it would be difficult for the Reagan Administration to make things worse. And to understand why this is so, some history of the Carter years is in order. Under the late—and some would say unlamented, I would say unlamented—Administration, the United States and that portion of the world that is still eager to resist communism suffered enormous setbacks.

The Communists of North Vietnam, who stormed over the South in the spring of 1975, managed to nearly consolidate their hold on the entire Indochina peninsula, having installed their puppet in Cambodia in January 1979. A few weeks after the fall of Phnom Penh, several thousand miles away in the pivotal Persian Gulf area, the shah felt impelled to flee his country, leaving Iran to the tender mercies of a fanatical anti-American Shiite Moslem, the Ayatollah Khomeini.

How critical was the loss of the shah? Former Secretary of State Henry Kissinger, with whom many of us on the right don't always agree, has made an eloquent response. "In my own experience," he said, "the shah never failed to stand by us. In the 1973 Mideast war, Iran was the sole American ally adjoining the Soviet Union which did not permit the overflight of Soviet transport planes into the Middle East. In 1973–74, Iran was the only Middle East oil-producing country that did not join the oil embargo against us. . . ."

With the demise of the shah's regime, an unfriendly power now borders the Strait of Hormuz, through which passes 70 per cent of the imported oil consumed by Western Europe and 90 per cent of that used by Japan. The new Iran, unlike the old, is a deadly enemy of both Israel and Egypt, a supporter of such pro-Soviet terrorist regimes as Libya and a foe of the West in general.

The facilities we used in Iran to monitor the Soviet's strategic missile test range are no longer available to us. What may be even more dangerous to the West's survival is that the political earthquake that shattered Iran has already had unpleasant consequences for the major oil-producing nation in the gulf, Saudi Arabia. The loss of Iran, in short, has placed the West in the greatest peril.

I wish this were the only sad news I had to relate. But 1979, unlike the words of a singer identified with the Reagan era, was, alas, a very bad year. More foreign policy catastrophes were to come. In December 1979, the Soviets engaged in a massive invasion of Afghanistan. It was the first time since the conquest of Eastern Europe that Soviet soldiers were dispatched en masse beyond the borders of their post-World War II empire.

The Afghan rebels, we are told, are giving the Soviets a rough time, but, in speaking to knowledgeable Afghans who have left their oppressed nation, one is led to believe that the rebels cannot last forever without far more help than they are presently being given by outside sources.

By moving into Afghanistan, Soviet armies now threaten both Pakistan and Iran, and, indeed, the entire Gulf region. With a Sovietized Ethiopia and Yemen threatening Saudi Arabia from the west and the south and a Sovietized Afghanistan menacing Iran and Pakistan from the east, the oil lifeline of the West is facing a powerful Soviet pincer movement that hardly warrants optimism on our part.

In the Middle East and Asia, then, there were stunning setbacks for the West. But we also suffered a major blow in our own back yard: Central America. The President would not admit it, but the Soviets and the Cubans had managed to acquire a new nation in our hemisphere in July 1979. Once considered a pro-Western ally and the key to control of the region, Nicaragua was overrun by the Sandinistas, with the United States paving the way through an arms embargo on the Somoza government.

The Sandinistas were spawned by the Cubans, trained by them and virtually controlled by them. When Nicaragua fell, they established a Cuban-style political apparatus that was effective right down to the block level; they invited Cubans in as military advisers and teachers; and they were soon signing agreements with Moscow.

While the Sandinista rulers have repeatedly denied exporting revolution, so flagrant has been their involvement in El Salvador that even our extremely liberal ambassador there, Robert White [since fired], was moved to denounce Nicaraguan intervention. Castroism under President Carter had been spreading so swiftly throughout the Central American-Caribbean region that the Communist parties in the area recently remarked that "In Central America, the revolution feels itself stronger than in any other years in history."

Aside from absorbing these staggering losses, the United States, in the eyes of President Carter's own key military appointees, had slipped behind the Soviet Union in our strategic capabilities. Just last year, Gen. Richard Ellis, head of the Strategic Air Command, whose mission is to deter Soviet aggression with our nuclear arsenal, told a House Defense Appropriations subcommittee:

"Our calculations show that there was indeed essential equivalence in 1977 and early 1978. Since then it has eroded to the point where we must say essential equivalence does not exist." The chairman of the Joint Chiefs of Staff, Gen. David Jones, considered by many conservative lawmakers to have been a Carter apologist, told the Senate Armed Services panel on June 16:

"I share Gen. Ellis' concern. I said earlier that I also agree with what Sen. Jackson said, that we have moved from strategic superiority to the edge of strategic inferiority. . . ."

Why have these catastrophic reversals taken place? If you believe, as some have contended, that personnel is policy, then there is no mystery as to why the West has suffered such enormous setbacks. I cannot think of any administration in our history which placed into critical governmental positions so many people who espoused defeatism, pacifism, radicalism or anti-Americanism.

From Sam Brown, who headed Action and controlled the Peace Corps, to Andrew Young, who set our Third World policy at the United Nations, to even Secretary of State Edmund Muskie, the Carter Administration was wallowing in strange characters preaching astonishing doctrine.

There is an old but inelegant saying that "the fish stinks from the head." And President Carter, unfortunately, was largely responsible for the tenor of our foreign policy.

A tip-off as to the disaster that was to follow when he assumed office came when he tried—unsuccessfully, it turns out—to install Theodore Sorensen as chief of the Central Intelligence Agency.

A former speech-writer for President Kennedy, Sorensen had become a partisan of the Democratic left in this country. He was an early booster of George McGovern, a supporter of "massive" defense cuts and an advocate of unilateral disarmament. Equally revealing is that the man Carter picked to head the CIA—the agency upon which the President must depend for making crucial foreign policy and defense decisions—was a conscientious objector. His Nebraska draft records show that he was classified "I–AO, a conscientous objector available for non-combatant military service only" when he initially registered. He also had that classification during the Korean War.

Sorensen has never repudiated his "conscientous objector" beliefs, and, indeed, defended them before his Senate confirmation hearings in 1977. He did insist, however, to many a skeptical solon, that "my preference for personal non-violence" would not inhibit his advice to the President on military policy.

Sorensen withdrew his name from nomination the first day of the hearings because it was obvious he could not be confirmed. But for the President to have purposely chosen a conscientious objector to rule over our major intelligence-gathering agency clearly signalled that this country was about to embrace a very soft foreign policy. Nor was the Sorensen selection particularly out of "synch" with the rest of the Carter appointments.

Sam Brown, Carter's choice to head Action, had led the anti-war movement in the United States. But he was not just anti-war, but pro the enemy, pro the Vietcong and the North Vietnamese battalions. On Sept. 25, 1977, after he was already the chief of Action, the agency which governed the Peace Corps, Brown participated in a "celebration and welcome" to honor the arrival of the Vietnamese Communist delegation to the United Nations and joined in applauding Vietnamese Deputy Foreign Minister Ngo Dien who heatedly condemned the "U.S. imperialists."

Brown told the New York Times: "I believe we ought to aid the Vietnamese in their construction." Thus Brown like so many supporters of Hanoi, felt it was incumbent upon the United States to pay reparations to the North, to enable our enemy to impose the same kind of brutal regime it enjoyed upon the South Vietnamese.

How much a speech-writer can influence a President is debatable, but the fact that President Carter chose Hendrik Hertzberg to script his major addresses because they seemed to think alike is not only interesting but a bit scary as well. Hertzberg emerged as the President's favorite ghost in 1979. Just two years earlier—when he began employment at the White House—he was listed on the masthead of *Win*, a publication of the radical-pacifist War Resisters League.

Not only was Hertzberg on the editorial masthead—until it was revealed in the press—but he was a frequent enough contributor. One of his more startling articles was featured in the Aug. 1, 1974, edition. Titled "It's Time to Start Worrying About the Bomb Again," the article was highly supportive of a proposal by then Sen. Harold Hughes, the Iowa Democrat, who announced that if he were ever elected President, the American people must know that he would never, under any circumstances, use nuclear weapons.

Hertzberg himself suggested that it might be a dandy idea for the U.S. to unilaterally destroy our entire atomic arsenal. Such a plan, he said, "could be undertaken openly, and television crews, foreign diplomats and representatives of international organizations would be invited to observe the dismantling of our warheads. The initial reaction everywhere would be stupefaction, giving way, I imagine, to a dramatic improvement in the world's moral and political climate."

I do agree with Hertzberg on at least one point: The world would, indeed, be "stupefied" if we carried out his program. But how the world would be better off after we had instantly handed the Soviet empire complete military mastery over every country on earth leaves me somewhat mystified.

But Hertzberg had a breathtaking explanation for his ingenious proposal. Neither the Soviets nor the Red Chinese, he blithely contended, would be likely to launch an unprovoked attack after such a magnanimous surrendering of our arms, because it "would be a crime against humanity dwarfing anything in the past, including the mass murders of Hitler and Stalin, and I do not think that either the Russians or the Chinese are prepared to commit a crime of such enormity."

Nothing if not intellectually honest, Hertzberg acknowledged that a "crime of such enormity" might still be committed, "remote as the chances are." But then he said that "it would be undeniably 'better' for the United States alone to be destroyed than for the Soviet Union, Europe and much of the rest of the world to be destroyed as well."

In the May 1, 1976, issue of Win, Hertzberg, as almost all New Left intellectuals, welcomed Hanoi's victory in South Vietnam, even though he granted the new rulers would be repressive. He also said: "Vietnam will be free of foreign interference and domestic gangsterism—most people will be far better off than they were under Saigon. . . .

"The society the Communists will construct in Vietnam will not be a free society as I understand the term," he added, "but the outcome of the struggle, both there and here in the United States, was a victory for something honorable in the human spirit." (Incidentally, when I contacted Hertzberg in April 1979, he informed me, in writing, that, by and large, he still stuck by his conclusions on Vietnam. He did not expound on his nuclear disarmament policy.)

Is it not somewhat remarkable that the man who was scripting the President's speeches believed we should unilaterally destroy our nuclear weapons, even if it meant our own annihilation, and that he embraced the theory that Hanoi's victory over a relatively free South Vietnam was "something honorable in the human spirit"?

But this only scratches the surface of the kind of men who surrounded the President. Whom did the President install as our chief arms negotiator for the SALT II talks? Paul Warnke. And what was Mr. Warnke's claim to fame? He served as the principal adviser to Sen. George McGovern on national security issues during the 1972 campaign.

Analyzing the McGovern position on defense, Dr. William Kintner, a highly respected American defense expert, stressed that the dramatic defense cuts planned by McGovern amounted to "a fiscal formula for unilateral disarmament. This could only satisfy the Soviet Union, upon whose benign sentiments we and our allies would then depend, because the McGovern budget would give them no choice."

Warnke's preference for "unilateral" initiatives was evidenced in the Spring 1975 issue of Foreign Policy, where Warnke proceeded to blame the arms race on the United States. "As its only living superpower model," stated Warnke in doleful tones, "our words and our actions are admirably calculated to inspire the Soviet Union to spend its substance on military manpower and weaponry. . . ."

"The chances are good . . . that highly advertised restraint on our part will be reciprocated. The Soviet Union, it may be said again, has only one superpower model to follow. To date, the superpower aping has meant the antithesis of restraint."

Unforgivably, in my humble opinion, Warnke blamed us for provoking the Soviet Union for engaging in the most massive military buildup in history, even though the record will show that the U.S. defense budgets experienced dramatic declines during the Nixon and Ford years. Ever since the Cuban missile crisis, furthermore, the United States has deliberately pursued a unilateral disarmament policy designed to permit the Soviets to match our strategic might, to assure them that we have no aggressive intentions.

Warnke, however, is apparently someone who favors a policy fashioned to give the Soviets, not parity, but strategic superiority. At the very least, he is not disturbed by the possibility. Testifying before the Senate on the 1972 SALT I agreement, Warnke said the ceilings on "both land-based and sea-based missiles should not be the cause for any concern on our part. They do give the Soviets an apparently large mathematical edge. . . . We should not be concerned about the existing mathematical edge, nor should we be concerned about any attempts that the Soviet Union might take to add additional, useless numbers to their already far more than adequate supply."

When Warnke was under fire before being confirmed by a rather narrow margin by the Senate, President Carter continued to express "complete confidence" in him. He stated: "His views are well considered by me. . . . I have accepted them. . . . I believe Mr. Warnke's proposals are sound."

Is Warnke's nuclear weapons philosophy so different from Hertzberg's? Is it any wonder that with Warnke as our chief negotiator for SALT II, Let. Gen. Edward Rowny, the Joint Chief's representative at the talks, ended up denouncing the treaty we concluded? Is it any wonder that the Senate refused to ratify it, believing it was not in our own interest to do so?

Andrew Young, of course, also played a strategic role in shaping our foreign policy. You may recall his statements with a few shudders. I know I do. But when he resigned under pressure in the summer of 1979, the Liberal Establishment, while faulting him for misleading the secretary of state, hailed his supposed statesmanship, with the Washington Post insisting that "he made some truly outsized contributions to American diplomacy." Did he really?

Young saw himself as the spokesman for the downtrodden, but his legacy at the U.N. was not as a champion of the oppressed, but as a spear carrier for the oppressor. Contrary to the liberal myth, his voice was not raised on behalf of the moderates, the peacemakers and the poor, but on behalf of leftist, totalitarian regimes and revolutionaries.

His record on their behalf is close to perfect. When the Cubans arrived in Angola, intent on supporting the minority Communist-dominated MPLA and crushing the majority opposition, Young contended that Castro's forces "were essentially opposing racism, and driving the South Africans out." As he was being considered for the U.N. post by the Senate Foreign Relations panel, Young appeared on CBS–TV where he said, ". . . [T]here's a sense in which the Cubans bring a certain stability and order to Angola. . . ."

"I don't believe that Cuba is in Africa because it was ordered there by the Russians," he once said. "I believe that Cuba is in Africa because it really has shared a sense of colonial oppression and domination."

Whether dubbing Iran's Khomeini a "saint" or defending Castro's armed aggres-

sion in Africa or suggesting that the United States is no better than the Soviets, for we, too, supposedly have "hundreds, perhaps thousands, of political prisoners," Young played a disastrous role in shaping our foreign policy. He sent out the dangerous signal around the world that the U.S. is the friend of revolutionary Marxists, not their enemy. And many would contend that this is why the Cubans, the Ethiopians, the South Yemenis, the Patriotic Front, the Vietnamese, the Sandinistas, et al., were having such an easy time in pursuing their imperialistic ventures.

Though Young couched his rhetoric in the most provocative and outrageous terms, the basic thrust of his views were, to a great extent, policy. With Young at the helm, the U.S. did support the MPLA in Angola, did back the Marxist left in both Africa and Latin America, did withdraw our backing of the shah and purposely undermined Somoza.

In his 1970 book, "Between Two Ages," Brzezinski observed: "Latin American nationalism, more and more radical as it widens its popular base, will be directed with increasing animosity against the United States unless the United States rapidly shifts its own posture. Accordingly, it would be wise for the United States to make an explicit move to abandon the Monroe Doctrine and to concede that in the new global age geographic or hemispheric continuity no longer need be politically decisive."

In an article appearing in "Foreign Policy" in the summer of 1976, titled "America in a Hostile World, Brzezinski—who was just about to assume power—suggested that his views had not changed perceptibly over the years. He said that the Third World was inexorably tilting toward the revolutionary left, and that U.S. foreign policy should become "sympathetically sensitive" to the significant shift toward Marxist values.

While it may strike some as offensive, he added, Cuba and China are today "so attractive to so many" because of the egalitarian nature of their societies. The obvious point Brzezinski was making: If you can't beat 'em, join 'em. Hence, it is no wonder that the Carter Administration began its tenure by making overtures to Castro and his supporters in the Third World.

How else to explain the fact that when Jonas Savmble the anti-Communist Angolian guerrilla leader, came to the United States he received an icy reception from the Carter Administration? Despite urgent requests from Lane Kirkland of the AFL–CIO, former Defense Secretary James Schlesinger, former Secretary of State Henry Kissinger and Senators Sam Nunn and Daniel Patrick Moynihan, Brzezinski refused to meet with the charismatic leader who would almost certainly win an election in Angola if the Cubans would get out.

Savimbi now relates that two hostile aides of Richard Moose, the then assistant secretary of state for Africa, did finally meet with him. "They said I was wasting my time," Savimbi has said, "and that the Carter Administration did not want to be bothered by UNITA. They even said mine was a lost cause and that I should give it up. They asked me why I was afraid of communism. My reply was that I was not fighting communism, but rather Soviet-Cuban colonialism, a foreign source of misery for my country.

"One of Moose's fellows said that he had been to Ethiopia and that Marxism had restored peace and tranquility and improved life for everyone there."

The picture would not be complete without at least mentioning the two secretaries of state during the Carter years, Cyrus Vance and Edmund Muskie. Vance was, perhaps, the weakest secretary of state in modern times. Apparently traumatized by his initial support of the no-win war in Vietnam, he became a do-nothing secretary of state, who customarily endorsed Andrew Young's policies and offered no resistance of any note to either Soviet or Cuban adventurism. He quit his post because he couldn't go along philosophically with a decision by the Administration to use very limited force to liberate our hostages.

When the Soviets invaded Afghanistan and President Carter made the decision to impose the grain embargo, shelve SALT II and squeeze the Soviets in other ways as well, Vance refused to be strongly identified with the toughening response from the White House.

I attended the White House press briefing when Brzezinski and other top Administration officials explained the need for these anti-Soviet measures. Vance was conspicuously absent. The next day, when the State Department had a special briefing on the Administration decision, Hodding Carter III, the press spokesman, was the man in charge, with Vance again conspicuously absent. When I asked Carter where Vance was he said he was in the building, but didn't have the time to brief the reporters. Whether out of conviction or otherwise, he had decided not to be closely identified with the Administration's tentative efforts to apply a stronger policy toward Moscow.

His replacement, Edmund Muskie, had been considered a dove when he was in the U.S. Senate, and this belief was underscored by the little-known remarks that he delivered to the Beth Jacob Brotherhood Donor Dinner in Pikesvile, Md., on Jan. 30, 1980, about a month after the Afghanistan invasion.

Amazing as it might seem, Muskie, while claiming he supported President Carter's hardened attitude toward Moscow, issued a virtual brief on behalf of the Soviets. Aside from trying to "stabilize the region" and fearing that the United States might "intervene militarily" in neighboring Iran, the Soviets, said Muskie, "may well have misunderstood recent American actions as aggressive in nature."

We should look, he informed his audience, "for a minute at recent United States policy initiatives from a Soviet perspective." Said Muskie (and I quote him verbatim):

"(1) The SALT II treaty was being exhaustively examined in the United States Senate. Crippling or 'killer' amendments were a virtual certainty on the Senate floor.

"(2) The NATO allies, with the encouragement of the United States, had recently agreed to the basing of so-called theater nuclear weapons designed for use in a limited nuclear war. They are theater weapons to our allies—but strategic weapons to the Soviet Union, whose cities they threaten.

"(3) Our defense budget, like the Soviets', has been increasing steadily since 1975. We are undertaking major improvements in our strategic weapons. Last year, a proposal to increase defense spending by 3 per cent after inflation in 1980 and 5 per cent in 1981 and 1982 was adopted overwhelmingly.

"(4) We have been dramatically improving our relationship with the People's Republic of China. We planned to grant favorable trade concessions to China while continuing to deny them to the Russians.

"(5) The disclosure that a Soviet combat brigade was stations in Cuba brought a reaction from the United States which in the eyes of the world must have appeared massive, from the well-publicized shows of military muscle, to the intense negotiations with our allies in the region."

The Soviets, Muskie continued—and then either he or someone on his staff pencilled in the afterthought, "in their paranoia"—"may well have concluded that detente was dead and that it was we who had killed it. We were at a minimum placing a severe strain on detente." The Soviet "misreading of American intentions concerns me deeply," he added.

With this kind of thinking permeating the Administration from top to bottom, you can see why I believe that it would be difficult for the Reagan Administration to do worse.

Having said all this, having detailed the gory aspects of the Carter foreign policy, and outlined the defeatist and near-pacifist thinking of its philosophers, I am still not certain, despite the wonderfully refreshing statements about the Soviets that are emanating from the President and the secretary of state, that the new Administration will do immeasurably better.

I say this because, during the entire post-World War II era, every administration—whether Republican or Democratic, whether softline or hardline—has lost ground to the Soviet empire and/or communism. Under President Truman, Eastern Europe and China disappeared behind a Communist curtain. Under President Eisenhower, the Soviets—by our refusal to do anything to challenge the Russians when the Hungarian Revolution broke out—consolidated their hold over Eastern Europe. And they breached the Monroe Doctrine when they established a major beachhead in this hemisphere in 1959 with Castro's assumption of power in Cuba.

Under Presidents Kennedy and Johnson, Indochina began slipping into the Soviet sphere of influence and the United States, through the disarmament philosophy of Robert McNamara, saw its strategic nuclear superiority vis-a-vis the Soviets begin to erode rapidly.

Under Presidents Nixon and Ford, Hanoi expanded its grip on Southeast Asia, the Cubans began spreading their soldiers into Africa and we continued to fall behind the Soviets militarily. In addition, detente opened the way for the Soviets to receive a massive infusion of sophisticated technology from the West, much of which they used to build up their nuclear and conventional forces. The Carter years, as I have suggested, greatly accelerated our retreat from the world and the growth of Soviet power.

So what should be done? What is desperately needed, in the eyes of many Kremlinologists, is a forward strategy. For too long we have decided to react to events, never to take the lead. In the opinion of a growing number of students of Soviet power, we must greatly increase the pressure upon the Soviet Union and its satellites. We must not only retain the grain embargo, but we must expand it to include our high-grade technology. The Afghan rebels as the recent Islamic conference in Saudi Arabia makes clear, are in deep, deep trouble so it is incumbent upon us to furnish them with as many critical weapons as they can handle.

We must totally reverse our policy toward Angola, giving Jonas Savimbi the kind of backing a friend of the West and an enemy of Soviet-Cuban imperialism deserves.

But I would also contend that we scrap the Brzezinski Doctrine and reestablish the Monroe Doctrine.

* * * * *

As Moscow's cat's-paw, the Cubans have handsomely extended Soviet influence throughout Africa and the Middle East. They have conquered Angola and are conniving against Saudi Arabia from their havens in Ethiopia and Yemen. Through arms and training, they have helped to bring about the Communist conquest of Nicaragua and have frequently appeared on the brink of toppling El Salvador as well. Cubans are literally swarming throughout the Caribbean.

There is no question as to their impact. As Martin J. Scheina, analyst for Cuban affairs, the Defense Intelligence Agency, said in congressional hearings last year: ". . . Cuba's support for radical governments and revolutionary movements increased notably during 1979. . . . Cuba has nurtured the Sandinistas for two decades. As their activities gained impetus in 1978, this lowprofile assistance dramatically changed. It is very doubtful

that the Sandinistas could have achieved victory without Cuban support."

Our new ambassador to the United Nations, Jeane Kirkpatrick, has made some ominous observations about the Cuban threat. "In the past four years," she has written in a recent Commentary article, "the Soviet Union has become a major military power within the Western Hemisphere. In Cuba, the Soviets have full access to the naval facilities at Cienfuegos, nuclear submarines, airstrips that can accommodate Backfire bombers. From these, Soviet naval reconnaissance planes have on several occasions flown missions off the east coast of North America. They also have electronic surveillance facilities that monitor American telephone and cable traffic and a network of intelligence activities under direct Soviet control. And, of course, a Soviet combat brigade.

"During the same four-year period the Soviets have continued to finance, train and staff a Cuban military establishment which has by now become a significant instrument of Soviet expansion in Africa, the Middle East, and South Asia as well as throughout the Caribbean and Central and South America. Today Cuba possesses a small navy; a sizeable number of supersonic aircraft—including IL–14's and MIG 21's and 23's—that can be quickly armed with nuclear weapons; modern transport planes capable of airlifting Cuban troops anywhere in the area; a huge army; and an estimated 144 SAM–2 anti-aircraft missile sites."

What the Reagan Administration should do, in the opinion of various geo-strategists, is amputate this cat's-paw. It would be tantamount to eliminating a bishop or a knight in our global chess game with the Russians. In one fell swoop, much of Africa and most of this hemisphere would be freed from any immediate Communist threat. A defeat of this magnitude could also shatter the illusions of so many that communism, whatever its defects, is somehow inevitable and must be accommodated. I do not say the Soviet empire would crumble because of it, but it might give us all in the West a little breathing room.

Many would argue that this is too drastic an action, that communism will someday collapse of its own dead weight. Perhaps. But I am unaware of a country that has come under full Communist rule in recent history that has managed to wriggle out from under such rule. Thus there are many who would strongly suggest that the Reagan Administration begin to focus its attention on how to render the imperialist Cuban government harmless.

Unless we are prepared to press ahead with such a forward strategy, many would argue, the Reagan Administration may not fare much better than the preceding administrations in stemming the tide of Soviet imperialism.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, what I am about to propose is in conjunction with certain changes that are necessary in relation to the Teacher Day Resolution. This has been cleared on both sides of the aisle. I say to the distinguished acting minority leader that I believe it has been cleared with both the majority and minority side of the committee, as well.

Mr. BOREN. Mr. President, the majority leader is correct. His request has been cleared with the minority and with our side of the aisle and we have no objection to it.

Mr. BAKER. Mr. President, I thank the acting minority leader.

TEACHER DAY, UNITED STATES OF AMERICA

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on the Judiciary be discharged from further consideration of Senate Joint Resolution 38, to provide for designation of the first Friday of March as "Teacher Day, United States of America," and I ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The joint resolution will be stated by title.

The assistant legislative clerk read as follows:

A joint resolution (S.J. Res. 38) to provide for designation of the first Friday of March as "Teacher Day, United States of America".

The PRESIDING OFFICER. Without objection, the Senate will proceed to its immediate consideration, and, without objection, the joint resolution will be considered to have been read the second time at length.

The Senate proceeded to consider the joint resolution.

UP AMENDMENT NO. 6

Mr. BAKER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Tennessee (Mr. BAKER) proposes an unprinted amendment numbered 6:

On page 2, line 4, strike "the first Friday of March" and insert in lieu thereof the following: "March 6, 1981"

The amendment (UP No. 6) was agreed to.

The joint resolution, as amended, was agreed to.

UP AMENDMENT NO. 7

Mr. BAKER. Mr. President, I send to the desk an amendment to the preamble of Senate Joint Resolution 38 and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Tennessee (Mr. BAKER) proposes an unprinted amendment numbered 7 to the preamble.

Mr. BAKER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (UP No. 7) is as follows:

Amend the preamble so as to read:

Whereas teachers, through education of the young, provide both an essential foundation of modern civilization and the means for enhancing the lives of all members of society; and

Whereas the personal inspiration and enrichment which students receive from their teachers extend far beyond the few years spent in the classroom to exert a valuable lifelong influence on the young people of this Nation, and through them, on all of our citizens; and

Whereas teachers richly deserve individual recognition, honor, and encouragement for their dedication and excellence in the pursuit of their profession; and such recognition, honor, and encouragement should be bestowed each year on a nationwide basis; and

Whereas students, parents, school administrators, and all other citizens of the United States should be encouraged to personally communicate by word and deed to their present an former teachers, the special appreciation and recognition that teachers so richly deserve: Now, therefore, be it

The amendment (UP No. 7) was agreed to.

The joint resolution, as amended, together with its preamble, as amended, is as follows:

S.J. RES. 38

Whereas teachers, through education of the young, provide both an essential foundation of modern civilization and a means for enhancing the lives of all members of society; and

Whereas the personal inspiration and enrichment which students receive from their teachers extend far beyond the few years spent in the classroom to exert a valuable lifelong influence on the young people of this Nation, and through them, on all of our citizens; and

Whereas teachers richly deserve individual recognition, honor, and encouragement for their dedication and excellence in the pursuit of their profession; and such recognition, honor, and encouragement should be bestowed each year on a nationwide basis; and

Whereas students, parents, school administrators, and all other citizens of the United States should be encouraged to personally communicate by word and deed to their present and former teachers, the special appreciation and recognition that teachers so richly deserve: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is hereby authorized and requested to issue a proclamation designating March 6, 1981 as "Teacher Day, United States of America", and inviting the people of the United States to observe the period with appropriate activities.

The title was amended so as to read:

A joint resolution to provide for designation of March 6, 1981 as "Teacher Day, United States of America".

THEY DESERVE TO BE REMEMBERED

Mr. HELMS. Mr. President, a letter I recently received from Mr. Kevin F. Dwyer of Wheaton, Ill., reminds us that courage and patriotism are frequently found in the American character even when, as has often happened in our history, these virtues are expended for the benefit of those in other countries.

Mr. Dwyer writes—

My brother, Stephen Michael Dwyer of Boston, was killed in action on July 16, 1979, while serving with 3 Commando, 1st Bn, Rhodesian Light Infantry. My brother was one of four Americans who were killed while serving with the Rhodesian Army. Stephen had served four years with the United States Marine Corps. He was honorably discharged after serving his Corps and his country both faithfully and well. He was intelligent, brave, and a patriot.

The three other Americans who fought and died in the Rhodesian Army were Sgt. Hugh McCall of New York, N.Y.; Trooper Joseph Byrne of Ridgefield Park, N.J., and Trooper Joseph Battaglia of Florida. All of these men gave their lives to save all Rhodesians, black and white, from the slavery of Marxism.

Mr. President, their sacrifice, like that of thousands of Rhodesians, was undermined by the policies of our own Government and other Western governments who systematically and ruthlessly denied Rhodesia the option of freedom.

These four Americans gave their lives in an honorable cause and they deserve to be remembered. I cite their names today on the Senate floor so that the historical record will be complete.

THE SHAWCROSS SCAM

Mr. HELMS. Mr. President, in his book, "Sideshow: Kissinger, Nixon, and the Destruction of Cambodia," author William Shawcross engaged in highly subjective, if not totally biased, speculation to prove that the policies of the Nixon administration led to great noncombatant losses in Cambodia, and, in fact, to the war in Cambodia and the subsequent genocide.

Now, Mr. President, fairness obliges us to look at some incontroverted facts before Mr. Shawcross's version is accorded any real credibility. For example, is it not accurate to ask whether genocide in Cambodia—now Kampuchea—has been perpetrated by the Communist government of that nation, and that the reality of that horror seems to pose a problem for those who find the lessons of an inhumane gulag under Communist regimes a hard one to believe?

In the current issue of the "American Spectator," researcher Peter W. Rodman analyzes Shawcross' arguments and shows them for what they are.

It is important that all of us study this material. Therefore, I ask unanimous consent that "Sideswipe: Kissinger, Shawcross, and the Responsibility for Cambodia," along with the introduction by the "Spectator" editor R. Emmett Tyrrell, be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SIDESWIPE: KISSINGER, SHAWCROSS AND THE RESPONSIBILITY FOR CAMBODIA

(By Peter W. Rodman)

At the end of 1979 The American Spectator awarded its Worst Book of the Year award to William Shawcross for his epic bowl of applesauce, Sideshow: Kissinger, Nixon and the Destruction of Cambodia. We accorded the book high marks for Shawcross's masterful juggling of documents and for his assiduity in propounding themes at once illogical and moronic. Unfortunately, Mr. Shawcross failed to show up at our award ceremony—a practice that has become all too common with our laureates—but he was injudicious enough to challenge me to reveal examples of his legerdemain.

Now I have asked Peter Rodman, formerly of the National Security Council Staff and currently Henry Kissinger's research assistant on the Kissinger memoirs, to illuminate the Shawcross method of cooking up history. It has been a demanding task. Through the Freedom of Information Act, Shawcross gained access to thousands of documents relating to America's foreign policy in Southeast Asia. Rodman is one of the few scholars who actually bothered to check Shawcross's work. What Rodman has discovered is that Shawcross is even slipperier than I reported in our February 1980 issue.

I suppose I could have kept this matter private—a mundane scandal known but to Rodman, Tyrrell, Shawcross, and Shawcross's favorite cleric. A private communiqué to the great artist would have fulfilled my Christian obligations, had the preposterous theme of the Shawcross book not come to be accepted by the Left as one of recent American history's Great Truths, namely: that the United States is responsible for the Cambodian holocaust. Left-wingers are repeating it fervently in the universities and other realms of the intelligentsia. In time it will assume the sacrosanct quality of so many other left-wing lies: the innocence of Alger Hiss, the Great Red Scare of the 1950s, the American responsibility for the origins of the Cold War.

These are some of the lies that the left-wing brethren live by. And of course the brethren are very fine at spreading them. A few weeks ago during Senate hearings on the confirmation of Alexander Haig, some senators intoned the Shawcross thesis as though it had just been passed on to them by Herodotus in a vision.

It is the responsibility of any intelligent journal of opinion to keep the record straight even from the credulity of senators. The Left has been successfully disfiguring history for years. In the following piece, Rodman shows one of the ways the surgery is accomplished. Incidentally, Rodman's scholarship appears all the more exquisite when one considers the lofty laudations Shawcross has received for his "scholarship." This piece might not stop the Left from spreading its mumbo jumbo on Cambodia, but it will make the Left's job more difficult, at least among the literate.

In April 1975, the Communist Khmer Rouge took power in Cambodia, emptied Phnom Penh of its entire population, and embarked on a nationwide campaign of terror and destruction that claimed the lives of somewhere between one million and three million Cambodians—out of a total population of seven million.

Four years later, British journalist William Shawcross produced a book entitled Sideshow: Kissinger, Nixon and the Destruction of Cambodia. As its subtitle suggests it attempts to prove American responsibility for the horrors wrought by the Khmer Rouge. Shawcross argues in essence that American bombing in 1969 "destabilized" the neutral government of Prince Norodom Sihanouk; that the U.S.-South Vietnamese incursion of 1970 triggered the bloody war in Cambodia that engulfed the country; and that America's prolongation of the conflict for five years paved the way for the victory of the Khmer Rouge and accounted for their genocidal brutality after they took power.

The Shawcross book was widely praised for its impressive documentation, even by some who did not entirely swallow its conclusions. The book advertises itself as based on "thousands of pages of classified U.S. Government documents" obtained under the Freedom of Information Act (FOIA). Without the time or inclination to verify his evidence, reviewers seemed mesmerized by invocation of the Freedom of Information Act, as if it were a voodoo incantation that paralyzed all critical faculties. I have had the opportunity to examine a duplicate set of the government files that Shawcross obtained under the FOIA. It was an experience full of surprises. Close scrutiny of the materials shows that the evidentiary basis of the book is so seriously flawed as to discredit his whole enterprise. He had no White House documents, since they are exempt from the FOIA, yet he presumes to pass judgment above all on White House decisions. His vaunted research turns out to be slipshod, distorted by bias, and in some cases bordering on the fraudulent. It is a compendium of errors, sleight of hand, and egregious selectivity; he has suppressed entirely a mountain of evidence in his possession that contradicted his principal points.

The chronicle of Shawcross's errors is in itself a brief history of Cambodia's tragedy

Beginning in about 1965, North Vietnam established a string of military bases on the territory of neutral Cambodia, along the border, just opposite South Vietnam. From these sanctuaries North Vietnamese forces launched forays into South Vietnam, attacking South Vietnamese and American troops and escaping back across the border into Cambodia where self-imposed restraints prevented our pursuit or retaliation.

The Nixon administration in early 1969 lifted some of these restraints. At a time when major American troop withdrawals were being planned, the North Vietnamese shelled a number of cities in South Vietnam, in flagrant breach of the pledge that had been the quid pro quo for President Johnson's halt to the bombing of North Vietnam. No one in the Nixon administration was eager to resume the bombing of the North; a less explosive form of retaliation seemed warranted. President Nixon undertook the bombing of the Cambodian sanctuaries in the knowledge that 1) Prince Norodom Sihanouk, Cambodia's neutralist leader, did not object to American military action against the North Vietnamese bases, and that 2) the risk of harm to Cambodian civilians was minimal.

Shawcross struggles without success to prove that both these propositions were false.

CHESTER BOWLES: THE MISSING QUOTATION

Sihanouk was powerless to prevent North Vietnam's expropriation of Cambodian territory for prosecution of the Vietnam war. The Prince went considerably beyond acquiescence, however; he allowed the Communists to ship war materiel to the port of Sihanoukville and then to transport it by a leisurely truck route to the sanctuaries along the border. Even Shawcross describes this (p. 64), and anyone wanting an authoritative account of the active help Sihanouk gave to the North Vietnamese will find it in Sihanouk's recent memoirs. This would seem to say something about how "neutral" Cambodia was under Sihanouk.

In fairness to the agile Prince, however, in the late 1960s he began to feel put-upon by the heavy-handed North Vietnamese and tried to square accounts by telling American officials that he would not object at all if the United States attacked the Vietnamese Communist bases and drove them out of Cambodia. He said this to various visitors, one of the most important being Ambassador Chester Bowles, who on January 10, 1968, met with the Prince in Phnom Penh on a mission for President Johnson.

Sihanouk's conversation with Bowles has become controversial. The Nixon administration cited it when the Cambodian bombing became a cause celebre in 1973. Shawcross devotes a great deal of effort to the Bowles mission, attempting to discredit, evade, deny, or dismiss the administration's contention. The reason for this exertion is obvious: If Sihanouk invited us to attack the North Vietnamese bases, then we were defending Cambodia's neutrality, not violating it, and the bombing of Cambodia appears in an entirely different light.

Shawcross pronounces the claim "questionable" (p. 28). For three and a half lengthy pages he walks us through the Bowles mission (pp. 68–71), citing Bowles's State Department briefing papers, Bowles's escort officer's summary report, and Bowles's cables to Washington. Never does Shawcross quote a word of what Sihanouk said to Bowles on the subject. He apologizes that his documentation is incomplete and therefore not "conclusive evidence"; "whether Sihanouk actually told Bowles that the United States was free to bomb the sanctuaries cannot be definitely determined from the sanitized State Department papers," he writes. Nevertheless, Shawcross is confident enough to inform his readers that his documents "suggest that it is not so."

A look at the documents is illuminating. While Shawcross may not have had a verbatim transcript, he had an explicit summary of what Sihanouk said. The State Department escort officer's report of the Bowles mission, which Shawcross received under the Freedom of Information Act, contained evidence that could not be more conclusive, which Shawcross chose to conceal from his readers:

Then, in one of his amazing reversals [the report read], the Prince said he would not object if the U.S. engaged in "hot pursuit" in unpopulated areas. He could not say this publicly or officially, but if the U.S. followed this course it would help him solve his own problem. Of course, if the U.S. engaged VC/NVA [Vietcong/North Vietnamese Army] forces on Cambodian territory, both sides would be guilty of violating Cambodian soil, but the VC/NVA would be "more guilty" (sic). If we pursued VC forces into remote areas where the population would be unaffected he would "shut his eyes."

The same thing could have been found in Chester Bowles' memoir Promises to Keep, published in 1971:

"Later, in a quiet private visit, Sihanouk volunteered that he would not object to the United States engaging in 'hot pursuit' in unpopulated areas of Cambodia. He pointed out that while he could not say this publicly or officially, if the United States followed this course, it might even help him to solve his problem."

Bowles was skeptical, but Sihanouk's position never deviated from this. After the B–52 bombing started in 1969 and was reported in the American press, Sihanouk responded in similar terms publicly: He complained if Cambodians were hurt but did not object if we attacked the Vietnamese Communists who were illegally occupying a portion of his country. Sihanouk drew closer to the United States. In July 1969, four months after the bombing started, he invited President Nixon to pay a visit to Phnom Penh and promised a warm reception. He began to write and speak more openly against the North Vietnamese. This avid observer and barometer of the balance of power now saw the United States as a potent counterweight to the hated North Vietnamese, restoring his country's freedom of action and enhancing—yes, enhancing—its neutrality.

Shawcross' treatment of the Bowles mission is a sham. Kissinger has published part of Sihanouk's verbatim remarks in his memoirs but it adds little to what was already available. In a lecture at Harvard in March 1980, Sihanouk admitted what he said to Bowles. Stephen Young, Assistant Dean of Harvard Law School, heard Sihanouk's lecture and called it "an incredibly significant admission." For "that means that, in the debate that has riven our country for 10 years, Henry Kissinger is right and William Shawcross is all wrong."

WHAT THE CHIEFS' MEMORANDUM REALLY SAID

Nixon ordered the B–52 bombing of certain North Vietnamese sanctuaries on the Pentagon's assurance, secondly, that attacking them posed minimal danger of Cambodian civilian casualties. The Joint Chiefs of Staff examined 15 North Vietnamese base areas in Cambodia with the explicit mandate, inter alia, to consider the risk of harm to civilians. General Earle Wheeler forwarded the results to Secretary of Defense Melvin Laird on April 9, 1969, in a lengthy memorandum with numerous appendices and maps. Only the base areas in which the danger to civilians was found to be "minimal" were recommended for targeting.

This exercise might suggest to an impartial observer that the United States took extraordinary pains to avoid civilian casualties. But not to Shawcross. He quotes from the memorandum in the most selective fashion to imply a callous disregard for human life—exactly the opposite of the memorandum's obvious meaning. Shawcross accomplishes this by quoting at length only from the caveats that the memorandum's draftsmen included for the sake of honesty: that all estimates of likely civilian casualties were "tenuous at best," that "some Cambodian casualties" would likely be sustained in certain kinds of military operations, and that the "surprise effect" of attacks could tend to increase the danger, "as could the probable lack of protective shelters around Cambodian homes to the extent that exists in South Vietnam."

On reading the Chiefs' memorandum carefully one finds, first of all, that these acknowledged risks to civilians applied to combined air and ground operations against the sanctuaries, not to aerial attacks on specific military targets ordered by Nixon. What is more, Shawcross acknowledges only in passing what the memorandum emphasized over and over again: that civilian casualties would be "minimal," for the simple and obvious reason that the North Vietnamese did not allow any Cambodians anywhere near their military dispositions. The point was made repeatedly, in passages that Shawcross found inconvenient to call to the reader's attention. For example:

a. There is very little mixing of the VC/NVA Forces with the Cambodian populace. Conversely, Cambodians rarely go into areas under de facto control of the VC/NVA.

b. Cambodian villages and populated areas are readily identifiable and can be essentially avoided in conducting preplanned operations into the base areas.

c. Very few permanent structures exist in the base areas outside the Cambodian villages.

Virtually all those that do exist are enemy-occupied. (JCSM–207–69, 9 April 1969, Appendix E, p. 27)

[T]he enemy's military forces in Cambodia habitually occupy areas close to the SVN [South Vietnam] border and away from significant Cambodian presence.

Extreme care would be taken to attack only known enemy bases in Cambodia, thus minimizing the risk of engagement with Cambodian forces or of causing Cambodian casualties.

The canard that we callously assumed the risk of massive harm to civilians should finally be laid to rest by Prince Sihanouk's recent memoirs. Before the March 1970 coup that overthrew him, Sihanouk writes, the North Vietnamese sanctuaries were "limited to a few outlying and uninhabited sectors along the Cambodia-Vietnam borderline."

There is more to this April 9, 1969 memorandum. It sets out in detail the strategic importance of the enemy sanctuaries and the danger that they presented. Indeed, it is one of the most impressive statements ever made of the case for attacking them. For example: An appropriate time to undertake operations to destroy an enemy force is subsequent to a contact in which the enemy has been defeated and is withdrawing. It is at this point that the enemy force is most disorganized and vulnerable. The option of conducting pursuit operations has essentially been withheld from COMUSMACV [the U.S. Command] because the best place to conduct such operations is against his rallying and collection points in Cambodia.

Authority to conduct pursuit operations to limited depths in Cambodia could result in destruction of enemy units involved as effective fighting forces, and could require the enemy not only to provide filler replacements to regenerate such units but also to provide new cadre leadership. Pursuit operations also could result in capture or destruction of munitions and supplies in the sanctuaries to which enemy forces are withdrawing. Possibly most important of all, however, is the fact that once US/RVNAF [U.S./South Vietnamese] pursuit operations have been undertaken, the enemy would be forced to adjust to the possibility of future pursuit operations and would not be able to operate in border areas with confidence that sanctuary was available nearby. Reestablishment of bases deeper in Cambodia would be very difficult for the enemy, due to increased visibility and the likelihood of confrontation with the Cambodian populace and forces, the International Control Commission, and the foreign press. . . . It is estimated that, as the enemy reaches his full deployment for the current offensive, and his operations begin to run their course, an opportunity will be presented in the III Corps area to strike a strategic blow of major proportions. If successfully exploited, this blow could change the whole balance of forces in Vietnam, severely curtail enemy capability in the vital III Corps area, and shorten the war. (Appendix C, pp. 23-24)

Shawcross preferred not to call this strategic analysis to his readers' attention.

BASE AREA 704: THE WRONG BOX

From the Joint Chiefs' memorandum of April 9, 1969, the White House selected as targets only six base areas minimally populated by civilians. The target areas were given the codenames Breakfast, Lunch, Dinner, Supper, Snack, and Dessert; the overall program was given the name Menu.

With only six base areas, one might have thought that Shawcross would get it right. But he did not. To his embarrassment, a glaring error was discovered during the taping of David Frost's interview with Henry Kissinger in October 1979. Frost hurled at Kissinger the accusation that the White House ordered hundreds of B-52 attacks against a North Vietnamese base area in Cambodia that the Joint Chiefs of Staff had specifically recommended against attacking because it was heavily populated by Cambodians. Frost based the accusation on the following passage in Sideshow:

"Three of the fifteen sanctuaries—base areas 704, 354 and 707, which had "sizeable concentrations of Cambodian civilian or military population" in or around them—were not recommended for attack at all . . . The Chiefs' warning seems to have made no difference. Base Area 704 appeared on the White House's Menu as Supper. In the course of events, 247 B-52 missions were flown against it."

The only problem with this is that Base Area 704, because of its sizeable number of civilian inhabitants, was never a target of the B-52 bombing. The target area codenamed Supper, against which 247 B-52 missions were flown, was Base Area 740 in eastern Cambodia—minimally populated by civilians and about 200 miles away from Base Area 704 which is in southern Cambodia along the Mekong River. Shawcross's assertion that Base Area 704 was attacked by B-52s is totally wrong. The map on page 27 of his book labeling Base Area 704 as target area Supper is also wrong.

Shawcross has admitted the error. The map and the relevant pages in his book were redone in subsequent editions. David Frost, informed of the error by Kissinger, was sufficiently embarrassed to request that the taped segment be deleted from the NBC program broadcast on October 11, 1979. It was deleted. But Shawcross was unapologetic. In a letter to Nigel Ryan of NBC News on October 10, 1979, Shawcross acknowledged that his book was wrong—and then offered an explanation as false as the original error. Shawcross excused his mistake on the ground that he had relied on a Defense Department White Paper submitted to the Senate Armed Services Committee in September 1973. This Defense Department statement indeed listed Base Area 704 as one of the six base areas targeted in the Menu program, apparently by a typographical error. What Shawcross failed to mention to NBC News is that he had two documents in his possession making clear that Base Area 740, not 704, was one

of the six targets of the B-52 bombing program. A memorandum for Secretary Laird from General Wheeler dated November 20, 1969, recommended "additional" B-52 strikes against Base Area 740 in the Menu series. A similar memorandum of November 25, 1969 again listed Base Area 740 as a Menu target. The first memorandum was published in the Senate Armed Service Committee hearings of 1973 (pp. 151–153), to which Sideshow refers frequently; the second memorandum was released to Shawcross in 1977 under the Freedom of Information Act.

A meticulous scholar would have noticed the discrepancy between the 1973 White Paper with the typographical error and the contemporaneous 1969 documents listing Base Area 740 as a MENU target. Had Shawcross noticed the discrepancy he might have guessed that the contemporaneous documents were more authoritative than the after-the-fact summary of 1973. Or he could have checked with the Defense Department, as he did in October 1979, six months after the publication of his book and only after Kissinger pointed out the error. Shawcross did neither. The erroneous figure "proving" American barbarity was too tempting to admit of noticing discrepancies.

It is interesting to read what else the 1969 documents contain. According to the JCS memorandum of November 25, 1969, Base Area 740 contained enemy troop concentrations; anti-aircraft, field artillery, rocket, and mortar positions; eleven North Vietnamese base camps and bivouc areas; two storage areas; road and trail networks including six bridges; as well as numerous bunkers, trenches, and defensive positions—none closer than one and one-half kilometers to any civilian habitation. None of this is mentioned in Sideshow.

"DESTABILIZING" SIHANOUK: THE ELUSIVE EVIDENCE

Sihanouk was deposed as Cambodian Chief of State on March 18, 1970, by his own government and National Assembly. This set off a chain of events that ultimately engulfed Cambodia in ten years of bloody conflict.

It is an article of faith in anti-American Demonology that the United States had a hand in the coup. (In fact, the United States was taken by surprise). Shawcross naturally pursues this line of inquiry, only to admit in the end that he can find "no direct link" between the U.S. government and the coup plotters ("Sideshow," p. 112). He would earn credit for his honesty were it not for two paragraphs of thick insinuation that the United States had plenty of motive and its denials must always be suspect, as if only bad luck can account for his failure to unearth the "direct link."

Shawcross then resorts to a more complicated line of argument to establish American responsibility. Most observers ascribe the coup to Cambodian popular resentment at the continuing North Vietnamese occupation of Cambodian territory tolerated by Sihanouk. Shawcross's thesis is that American B–52 bombings of remote sanctuary areas in 1969–1970 forced the North Vietnamese and Viet Cong troops to push their supply bases "deeper into the country" and "spread the fighting out from the border areas," thereby disrupting Cambodian politics and "destabilizing" Sihanouk's rule.

It is difficult for anyone at this point to reconstruct North Vietnamese movements under the American bombings. Undoubtedly they moved to evade the precisely targeted attacks. The crucial questions are where, and to what extent, and with what traceable consequences. Shawcross's documentary evidence is so weak and so tendentiously handled that it casts serious doubt on whether his thesis holds any water at all.

The first document cited by Shawcross is General Wheeler's memorandum of November 20, 1969, to Secretary Laird, which we saw earlier. Shawcross cites it as evidence for the following: ". . . in Cambodia, as the Chiefs reported, it [the bombing] forced them to "disperse over a greater area than before." The raids spread the fighting out from the border areas. . . ."

General Wheeler's memorandum, however, turns out not to refer to "spreading the fighting" at all. It refers rather to the enemy's dispersal of supplies "over a greater area than before." And far from endorsing Shawcross's claim that they moved "deeper into Cambodia" into conflicts with Cambodian authorities, the passage describes the North Vietnamese as dispersing supplies, and secondarily personnel, into more isolated areas on the immediate periphery of the main base areas, or in between the various base areas, which were strung out along the Vietnamese border. The passage cited by Shawcross actually reads:

"Supplies have been dispersed over a greater area than before; and supplies have been moved into densely covered, unstruck areas. This tends to be confirmed by the increased activity noted since mid-October approximately mid-way between Base Areas 350 and 351. . . . However, even with his increased dispersal of personnel and supplies, the enemy continues to use portions of his old areas."

Thus the source cited by Shawcross is not only irrelevant to his main point but in direct contradiction to it. His use of the document is either deceptive or notably inept.

But there is more. Shawcross then invents a phony quotation from General Creighton Abrams:

To escape the bombardment [Shawcross writes], the Vietnamese Communists had begun to move deeper into Cambodia—"thus," as Abrams later acknowledged to the Senate, "bringing them into increasing conflict with the Cambodian authorities." . . . The effect was inevitable. . . . Sihanouk's balance of right against left became more precarious. The bombing was destabilizing him."

It turns out that the quoted words attributed to General Abrams in testimony to the Senate Armed Services Committee were spoken in reality by Senator Stuart Symington. In a book so fawned over for its scholarship, this is remarkable sleight of hand. Senator Symington put forward the proposition that U.S. bombings and ground probes from South Vietnam must have induced the North Vietnamese "to expand their areas of control or operations, thus bringing them into increasing conflict with the Cambodian authorities." Abrams indeed "acknowledged" this in the vaguest terms ("Yes, I think that is a fair statement"). Unfortunately we do not have General Abrams's own analysis because Senator Symington moved to a different subject. Nor is it likely that the Army Chief of Staff would tell a powerful senator on the Armed Services Committee that he was full of baloney. And neither General Abrams nor Senator Symington even touched upon the two central steps in Shawcross's argument: that the bombing drove the Vietnamese and the war "deeper into Cambodia" and was responsible for undermining Sihanouk's government. The Abrams/Symington exchange, even if quoted honestly, does not establish the crucial points.

The claim of North Vietnamese "spreading in Cambodia" is repeated in another passage shortly thereafter. This time Shawcross invokes an article published in Sihanouk's monthly journal Le Sangkum in October 1969 written by Sihanouk's Prime Minister and Defense Minister, Marshall Lon nol:

". . . their spread [Shawcross writes] was due [in Lon Nol's words] to flooding and to "the operational pressure exerted by their adversary," that is, to clearing operations by American and South Vietnamese troops."

Lon Nol was writing of incidents of conflict between the North Vietnamese and Cambodian troops, thus confirming what General Abrams "acknowledged" to Senator Symington. But rather remarkable in this article, seven months after the beginning of the MENU bombing, is the absence of any reference to North Vietnamese "spreading" and, indeed, the complete absence of any mention of the U.S. bombing. Lon Nol is describing a totally different cause and a totally different effect. He writes of the increase in numbers (accroissement) of Vietnamese Communist forces in their base areas—not the spreading out of these bases. And he blames not the enemy's flight from American bombing in Cambodia but the enemy's withdrawal (repli) from South Vietnam, made necessary (as Shawcross notes) by American and South Vietnamese clearing operations in South Vietnam. Seven months after the bombing began, if Shawcross is to be believed, the Cambodian government should have complained of the American bombing as the cause of disruption and "destabilization" that Shawcross is so eager to prove. Yet Sihanouk and Lon Nol saw the menace elsewhere; they placed the condemnation precisely where it belonged. The article was entitled: "The Implantations of Viet Cong and North Vietnamese Along Our Frontier."

Shawcross has been backtracking lately, writing in a recent Harper's that the movement of North Vietnamese "deeper into the country" may not have been very extensive but that "a few miles deeper" was enough to disrupt Cambodia's political equilibrium. Considering how much of the weight of Shawcross's entire argument rests on this complicated syllogism, it is striking how weak is the evidentiary basis for it. (Even the map on page 27 of Sideshow showing the Communist base areas in the 1969–70 period offers no indication of any change in their location or extent over those two years.) Prince Sihanouk is rather more honest, telling the Cambodia Affairs Institute in Washington ten years after his overthrow: "If I lost my Fauteuil presidentiel and my Chamcar Mon Palace in Phnom Penh to Marshal Lon Nol who occupied them for five years, it was because I tremendously helped the Vietcong and the North Vietnamese."

NORTH VIETNAMESE ASSAULT ON CAMBODIA: THE MISSING MONTH OF APRIL

Like Sherlock Holmes's dog that didn't bark, the most striking distortion in Sideshow is an epic event in Cambodian history that is simply omitted from the book.

The new Cambodian government, even before it stripped Sihanouk of his powers, formally asked the North Vietnamese and Viet Cong in mid-March 1979 to vacate their Cambodian sanctuaries. The North Vietnamese responded with the humanitarianism for which they are renowned: They invaded the rest of Cambodia. Sweeping out of their bases along the border, they attacked and overran Cambodian military outposts, Cambodian towns, Cambodian roads and Cambodian river communications all over the eastern half of the country, linking their scattered sanctuaries into one massive continuous base area aimed at South Vietnam and advancing westward on Phnom Penh, surrounding and menacing the capital with the evident intention of intimidating the new government into passivity, surrender, or collapse.

It was this wholesale North Vietnamese assault on eastern Cambodia, beginning in late March 1979, that plunged Cambodia into the Indochina war for the first time. To be sure, the remote sanctuaries along the border had been the subject of North Vietnamese occupation and American counter-attacks; there had been occasional local incidents between North Vietnamese and Cambodian authorities. But Cambodia had never been at war; the Cambodian armed forces had

never before been belligerents in full-scale hostilities. The North Vietnamese changed all that. It was after a month of these assaults that the United States and South Vietnam launched the so-called Cambodian incursion on April 30 to block the North Vietnamese and to protect American and South Vietnamese lives against the vast new North Vietnamese military base ballooning over all of eastern Cambodia.

The reader turns eagerly to Sideshow to see what this brilliantly comprehensive investigative reporter has to say on the subject of this North Vietnamese invasion. Nothing. Absolutely nothing. There is but one disingenuous descriptive sentence, ascribing only defensive motives to the North Vietnamese:

[T]he North Vietnamese moved westward into Cambodia with the apparent intention of securing their lines of communication.

There are one or two oblique references elsewhere in Sideshow that would indeed require Sherlock Holmes to piece them together and deduce that something was going on. It is not that Shawcross lacked information. Under the Freedom of Information Act, he had, for example, an important cable of April 21, 1970, in which Acting Chairman of the Joint Chiefs General William Westmoreland informed General Abrams in Saigon of the fact that Phnom Penh was surrounded and threatened:

"As you are certainly aware, there is highest level concern here with respect to the situation in Cambodia. This concern has been heightened by the following:

"a. It appears that the success of NVA and VC troops to date have encouraged them to expand what may have been limited objectives initially to a current drive to isolate Phnom Penh.

"b. Most lines of communication leading into Phnom Penh from the north, east, and south have been interdicted by enemy forces and the security of Phnom Penh and the Cambodian Government appears to be seriously threatened."

The North Vietnamese were systematically interdicting all the major roads and waterways that led into Phnom Penh, cutting off the highways particularly to the north, east, and south of the city and blocking traffic on the Mekong River that was the city's lifeline. This North Vietnamese assault would seem to have little to do with "securing their lines of communication," as Sideshow fatuously claims, but a great deal to do with strangling the lines of communication of the Cambodian capital.

None of this is to be found in Sideshow. Shawcross prefers to regard the U.S.-South Vietnamese incursion as gratuitous and unprovoked, explained by the psychic aberrations of the Nixon administration: "The White House's truculence," Nixon's eagerness for "restoring his slighted authority" after domestic setbacks, "negligent and emotional decision making," and other ad hominem imputations of pathological aggression (pp. 130ff). The whole month of April is practically missing from the book—except for minor American actions after mid-April, without reference to the North Vietnamese attacks to which they were a response.

When Kissinger described these North Vietnamese attacks in his book and the David Frost interview, Shawcross took evasive action. His first response was to claim that Kissinger's account of the North Vietnamese assault was an afterthought: "[A]t the time of the [U.S.-South Vietnamese] invasion, neither Nixon nor Kissinger mentioned these moves or used them to justify American actions," Newsweek reported him as claiming. Yet no one could possibly read the Nixon administration's public statements of the time—April 30, June 3, June 30, 1970; February 25, 1971—and not find that the North Vietnamese invasion of eastern Cambodia was the reason for the allied military operations of April 30, 1970. Shawcross later retreated to the narrower assertion that "many" of the individual clashes listed in Kissinger's book "have never been mentioned before, neither in Nixon's announcement of the invasion, nor anywhere else." This is ridiculous. The New York Times reported the rapid advance of the North Vietnamese invasion of Cambodia throughout the period and published a map on April 18, 1970, showing them already in control of a third of the country. If Kissinger's is indeed the most detailed and comprehensive description of the events of 1970—which it is—how this is a criticism of the Kissinger book is not obvious.

Shawcross's other tack has been to claim that Hanoi's intention in devouring eastern Cambodia in March–April 1970 "has never been proven" and has always been in dispute. The assertions that Hanoi really sought to topple the Cambodian regime, Shawcross now says, "have no basis in reality." This is first of all false and second of all a curious line of argument. Presumably it is possible to invade a country, occupy a third of it, lay siege to its capital, and yet claim sufficient ambiguity about one's motives to render any counter-measures not only unwarranted but immoral. The only account in Sideshow, remember, is that the North Vietnamese moved westward to "secur[e] their lines of communication."

What is the evidence? Shawcross certainly had enough documentation to show that the American government at the highest levels had good reason to believe the worst about North Vietnamese intentions. Witness Westmoreland's message of April 21, 1970, that Phnom Penh was surrounded, quoted above, not to mention all of Sihanouk's public statements including his March 23, 1970, five-point declaration calling for the overthrow of the Lon Nol government, and the declarations of solidarity from the North Vietnamese, Viet Cong, and Pathet Lao. On the ground, the North Vietnamese efforts to establish (and dominate) the insurgency aroused the resentment of, among others, the Khmer Rouge (the Cambodian Communists, who came to power in their own right five years later). The "Black Book" issued by the Khmer Rouge (Pol Pot) regime in September 1978 recounts:

"After the coup d'etat, of March 18th 1970, the [North] Vietnamese organized their nationals living in Kampuchea, they armed them and used them as particularly ferocious instruments of oppression against the people of Kampuchea. . . . [The North Vietnamese] secretly organized a shadow national administration in Kampuchea, particularly in the north-east zone. . . . [They] organized a secret shadow army in Kampuchea. . . ."

This was published seven months before Sideshow appeared but Shawcross does not refer to it.

Among North Vietnamese documents captured by the allies in the post-April 30 sweep through the sanctuaries were guidebooks for the organizing (by the North Vietnamese) of the Sihanouk-proclaimed "National United Front of Cambodia" (FUNK) at the hamlet and village level to take power after the overthrow of the Lon Nol government; directives pledging support by North Vietnamese cadre and armed forces for the FUNK; soldiers' notebooks detailing North Vietnamese activity in forming and training guerrilla units; military staff notebooks on the formation of Cambodian units led by North Vietnamese cadre and of signal battalions, and so on. This is public knowledge.

Even Sideshow contains a damaging admission by Shawcross that "a government dominated by Hanoi" was the probable outcome if the United States did nothing. Nor have any of Shawcross's emotional rebuttals to the Kissinger book even addressed one of its most important revelations: that in secret talks with North Vietnamese negotiator Le Duc Tho on April 4, 1970, Kissinger proposed joint diplomatic steps to guarantee the neutralization of Cambodia. Le Duc Tho contemptuously dismissed the offer and insisted on the overthrow of the new Cambodian government.

It was the North Vietnamese assault of March-April 1970 that plunged Cambodia into war, whatever Sideshow's evasions. In 1979, four years after the Khmer Rouge victory, the North Vietnamese invaded Cambodia again, demonstrating that the heirs of Ho Chi Minh never had the slightest intention of tolerating a truly independent Cambodia, even an independent Communist Cambodia.

THE STRANGULATION OF THE CAMBODIAN ARMY

The Cambodian Army resisted the assault of the North Vietnamese and Khmer Rouge for five years, succumbing finally in April 1975. Their struggle was prey to a host of difficulties: poor organization and logistics; lack of training and the technical know-how to maintain and use equipment; petty corruption; and the progressive, Congressionally mandated withdrawal of American military support—from the 1970 ban on U.S. advisers, to the 1973 halt of U.S. air operations, to the 1975 strangulation of military supplies. Pentagon accounts document this well, and Shawcross under the FOIA had access to two of the best: the end-of-tour reports of two American officers who headed the Military Equipment Delivery Team in Cambodia (MEDTC), Major General John Cleland and his successor, Brigadier General William W. Palmer.

These accounts are quite moving, but Shawcross suppresses their principal points and turns the documents totally on their head. By quoting selectively he develops a tendentious thesis of his own to explain Cambodia's failure. He dismisses the generals' own analysis (without informing his readers of its contents) in a crude ad hominem attack:

"These reports must be read with caution since each man was anxious to promote his own career in the Army despite the Cambodian debacle. Each, therefore, was concerned to attach all blame to the Cambodians and refused to analyze carefully the effect of his own work in Phnom Penh."

Shawcross second-guesses the American strategy and blames Generals Cleland and Palmer for the disaster that befell the Khmer National Armed Forces (FANK):

"Cleland explained the rationale—and, unconsciously, its serious implications—in his end-of-tour report: 'The FANK depend on firepower to win. Seldom has FANK outmaneuvered the enemy—he has outgunned him.' But his own actions made this inevitable; instead of improving the intrinsic fighting quality of Lon Nol's troops, Cleland created a fatal new dependency in them. By mid-1974 fully 87 percent of all American military aid was being spent on ammunition. If the Congress began to cut back aid or if the Khmer Rouge closed all lines of communication, then the government's troops would be deprived of "the quickfix" (to use another Cleland expression) which the Americans had thrust upon them. Both these things did happen and each contributed toward making the fall of the regime inevitable."

Shawcross's military critique is utterly disingenuous. Generals Palmer and Cleland stress an obvious and totally different point: that Congressional restrictions made any other strategy impossible. The ban on U.S. advisers meant that there was no possibility of "improving the intrinsic fighting quality of Lon Nol's troops," as Shawcross professes to recommend; escalating legislative prohi-

bitions deprived the Cambodians of what assets they had. Shawcross is not really recommending an alternative approach to assistance; his argument is that no assistance should have been given the Cambodians in the first place. He faults the Congress, indeed, but only for the degree to which it acceded to administration requests at all.

General Palmer's end-of-tour report, for example, makes poignantly clear how even the minimum objective of achieving a military stalemate (for purposes of negotiation) was rendered impossible because the Cambodian Army's few advantages over the enemy were eroded by the progressive reduction of American aid. It is a powerful account that Shawcross understandably did not want his readers to see:

"*(1) Congressional restrictions*

"In January 1971, the Cooper-Church Amendment specifically prohibited "advisors" in Cambodia. The Symington-Case Amendment of February 1972 prescribed that the total number of U.S. personnel in Cambodia should not exceed 200. In view of the U.S. Vietnam experience, the intent of these restrictions is understandable. However, their cumulative effect was to severely limit any MEDTC ability to ensure that millions of dollars in MAP [Military Assistance Program] funds were being well spent. FANK was provided modern equipment but was denied the overall training, technical know-how, and military professionalism desperately needed to modernize it in the areas of tactical leadership, staff planning and coordination, personnel and financial management or logistics operations. Proper management and effective use of the equipment provided was apparently to be learned by a trial and error, do-it-yourself process which time would not permit.

"Lacking any authority to provide in-country advice or U.S. training, any improvement in FANK leadership was predicated on almost non-existent Khmer initiatives since American officers were too restricted to assist.

"*(2) Reliance on firepower*

"FANK was originally conceived as a 'light infantry force' designed to fight 'Khmer Insurgents.' When it became apparent that the 'insurgents' were rapidly evolving into main force units in their own right, the U.S. objective of keeping FANK alive and the GKR [Government of the Khmer Republic] viable was assured through the quick-fix of massive U.S. airpower. With the U.S. bombing halt in August 1973, the Khmer Army artillery and tactical air inventories were augmented because this solution provided less expensive and politically more palatable sources of firepower to offset the leadership and manpower deficiencies in the Khmer Armed Forces. As that firepower was increasingly denied to them because of escalating munitions costs and reduced funding, the only remaining option appeared to be manpower.

"However the Army's inability even to maintain the strength of its intervention brigades, let alone achieve significant growth, soon became self-evident. Moreover, serious leadership and training deficiencies, combined with the absence of any U.S. advisory or training effort, obviated major changes in the Khmer force structure, battle tactics or doctrinal reliance on firepower, even if sufficient time had been available.

"In sum, the U.S. taught the Khmer Armed Forces to survive through firepower. FANK was equipped with the means to employ it in large amounts. Outside sources of firepower were withdrawn so that they relied solely on their own firepower assets. Firepower and the logistics to support it became the two most important advantages FANK had over the KC [Khmer Communists], and by 1974 it was too late to change that orientation to any extent in the short term. Therefore, as escalating prices drove munitions costs progressively higher, increasing rather than decreasing levels of MAP funding were necessary to promote successful achievement of U.S. objectives in Cambodia."

FEELING SORRY FOR THE KHMER ROUGE

Shawcross at least acknowledges the genocidal brutality of the Khmer Rouge after they took power, in contrast to other prophets of the Left who still consider the charges to be imperialist propaganda. But Shawcross nevertheless excuses the atrocities by another line of argument: that they were all America's fault. Apologetics nontheless. His book is not subtitled "The Khmer Rouge and the Destruction of Cambodia," but "Kissinger, Nixon and the Destruction of Cambodia."

The viciousness of the Khmer Rouge he attributes to a paroxysm of vengeance, a seizure of "Manichean fear" induced by the severe "punishment" inflicted upon them in the years of their struggle—that is to say, by American and Cambodian efforts to resist them. This is one of the central theses of his book, and for it he offers no documentation whatsoever:

"All wars are designed to arouse anger, and almost all soldiers are taught to hate and to dehumanize their enemy. Veterans of the combat zone are often possessed of a mad rage to destroy, and to avenge their fallen comrades. It does not always happen, however, that victorious armies have endured such punishment as was inflicted upon the Khmer Rouge. Nor does it always happen that such an immature and tiny force comes to power after its country's social order has been obliterated, and the nation faces the danger of takeover by a former ally, its ancient enemy. In Cambodia that did take place. In the last eight years, degree, law, moderation had been forsworn. The war and the causes for which it was fought had brought desolation while nurturing and then giving power to a little group of zealots sustained by Manichean fear."

It is enough to make one feel sorry for the poor Khmer Rouge. How perfectly natural that they would up and murder three million of their own people! This is, of course, ridiculous. Most soldiers in combat have "endured . . . punishment" but none before have murdered a third of the population of their country after the war was over.

American bombing had ended twenty months before they came to power. The evacuation of Phnom Penh was planned months before. The savagery was systematic—forced dispersal of whole populations; destruction of traditional social structures, organized religion, and even the family; forced collectivization of agriculture; liquidation of the middle class and civil service; police terror—and it was all standard Khmer Rouge practice in all the areas they controlled in Cambodia from as early as 1971. The genocide was premediated, motivated by ideology, and the work of political fanatics. And the definitive evidence for this is found in Shawcross' own sources.

One of the best is "Cambodia: Year Zero" by Francois Ponchaud, a French Jesuit who lived through the early horrific phases of the Khmer Rouge victory. Ponchaud is a friend of Shawcross and no defender of American policy; nevertheless his book shows a clarity about Khmer Rouge motivations that Shawcross seems to have deliberately avoided. Shawcross cites Ponchaud extensively but never the passages stressing the idealogical premediation of Khmer Rouge policies dating back at least to 1972. Ponchaud writes, for example:

"[A]ccusing foreigners cannot acquit the present leaders of Kampuchea: their inflexible ideology had led them to invent a radically new society. A fascinating revolution for all who aspire to a new social order. A terrifying one for all who have any respect for human beings.

"So we must look elsewhere for an explanation of the deportation from Phnom Penh. The official reasons certainly had something to do with the decision to clear the city, but they do not seem sufficient. The deeper reason was an ideological one, as we later saw clearly when we learned that the provincial towns, villages, and even isolated farms in the countryside had also been emptied of their inhabitants.

"The evacuation of Phnom Penh follows traditional Khmer revolutionary practice: ever since 1972 the guerrilla fighters had been sending all the inhabitants of the villages and towns they occupied into the forest to live, often burning their homes so they would have nothing to come back for. A massive, total operation such as this reflects a new concept of society, in which there is no place even for the idea of a city. The towns of Cambodia had grown up around marketplaces; Phnom Penh itself owed its expansion to French colonialism, Chinese commerce, and the bureaucracy of the monarchy, followed by that of the republic. All this had to be swept away and an egalitarian rural society put in its place.

"On April 17, 1975, a society collapsed; another is now being born from the fierce drive of a revolution which is incontestably the most radical ever to take place in so short a time. It is a perfect example of the application of an ideology pushed to the furthest limit of its internal logic."

Shawcross had another important source as well: a U.S. government study by Foreign Service Officer Kenneth M. Quinn. From interviews with refugees fleeing Cambodia in 1973 and 1974, Quinn pieced together a detailed description of Khmer Rouge totalitarian practices and shows that they began in some areas in late 1971. Shawcross cites some of Quinn's account but leaves the impression that it all dates from 1974. Another source, a Cambodian intellectual, is quoted at length in reference to the 1972–73 period, but all the quotes describe Khmer Rouge organizational structure and political indoctrination, including their "respect for 'the ways of the people.'"

The distortion is calculated. American bombing reached its peak in the spring of 1973. The evidence of Father Ponchaud and Kenneth Quinn that the Khmer Rouge were totalitarian thugs in 1971 and 1972 contradicts the thesis that Shawcross struggles mightily but in vain to prove: that it was American bombing that turned the Khmer Rouge into butchers.

Sideshow is filled with countless other errors and distortions. On one page he asserts that "no Comumnist offensive had been launched" when the secret bombing began in 1969; yet the preceding page had quoted from a North Vietnamese document hailing the Communist spring offensive of 1969 because it killed more Americans than the Tet offensive of 1968 (pp. 109–111). His tendentious account of the role of the U.S. Embassy in the bombing procedures of 1973 (pp. 272–277) relies on a Senate Foreign Relations Committee staff report that is itself wildly erroneous. His chapters on alleged "missed opportunities" to negotiate a settlement are undercut by the mountain of evidence that the North Vietnamese and later the Khmer Rouge rejected all American and Cambodian overtures to compromise.

As a work of history the book is worthless. It is an elegant polemic in which scrupulous regard for evidence has been swept aside by political bias and emotional compulsion. Its elaborate documentation is impressive only if one has not seen the original documents. To understand it, one must leave historiography and explore the realm of psychiatry.

The antiwar movement's temptation to gloat at the long-predicted collapse of the "corrupt" anti-Communist regimes of Indochina was quickly stilled by the tales of holocaust that emerged from Cambodia. (The

"boat people" of Vietnam and the poison-gas campaign to exterminate the Hmong in Laos came a bit later.) for anti-war critics had assured us beforehand that the collapse of the Lon Nol government would end the killing and be a blessing for the Cambodian people. "What future possibility could be more terrible than the reality of what is happening to Cambodia now?" asked Anthony Lewis on March 17, 1975, urging a cutoff of American aid. Abandoning the Cambodian government was "for the good of the suffering Cambodians themselves," the Los Angeles Times assured us on April 11. "Indochina Without Americans: For Most, a Better Life," was the headline of a piece in the New York Times on April 13, datelined Phnom Penh. Its author, Sydney Schanberg, had comforted us a month before with a report that the Khmer Rouge would be more moderate after victory and that fears of a bloodbath were unfounded. These predictions turned out to be horribly wrong. The people of Cambodia paid the price. But there were no recriminations in America. The administration was stuck with a failed policy, and its opponents were understandably sheepish at the results of an outcome they had long urged.

Then along came Shawcross. Vietnam critics could now "resist all attempts to make them feel guilty for the stand they took against the war," as Stanley Hoffmann urged them in an enthusiastic review. Shawcross was a godsend. How psychologically comforting to have in hand a convoluted theory and purported evidence that American government decisions were the propelling force behind the horrible events after all. How politically convenient to be able to focus responsibility on a Republican administration for the most gruesome outcome of a failed military commitment begun under two liberal Democratic Presidents.

But it was too convenient to be true. The book's evidentiary basis is shoddy and deceitful. By no stretch of moral logic can the crimes of mass murderers be ascribed to those who struggled to prevent their coming into power. One hopes that no craven sophistry will ever induce free peoples to accept the doctrine that Shawcross embodies: that resistance to totalitarianism is immoral. So whatever the book's value as psychotherapy, as a history of Cambodia it is a joke. And as political apologetics it is obscene.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, I understand that an agreement has been reached now in respect to the consideration of S. 414, the so-called cash discount bill. I have before me a proposed unanimous-consent request dealing with time limitations and other matters, which I believe has been cleared on the minority side. May I inquire of the distinguished minority leader whether that is the case, and if he is prepared at this time to proceed with the request?

Mr. ROBERT C. BYRD. Mr. President, the majority leader is correct and the minority is ready to proceed with the agreement.

Mr. BAKER. Mr. President, I thank the minority leader.

In that case, Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of S. 414.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, I only reserve the right to object to indicate for the RECORD that it was the majority leader's pronouncement earlier today that the Senate would only proceed but that it would not take further action on this measure today. Am I correct?

Mr. BAKER. Mr. President, the minority leader is correct. It is my intention to ask that the Senate proceed to the consideration of S. 414, then immediately to lay aside that matter temporarily until Thursday, March 12, in accordance with the request I am about to make.

Mr. ROBERT C. BYRD. Mr. President, I have no objection.

CASH DISCOUNT ACT

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 414) to amend the Truth in Lending Act to encourage cash discounts, and for other purposes.

The PRESIDING OFFICER. Without objection, the Senate will proceed to consider the bill.

The Senate proceeded to consider the bill which had been reported from the Committee on Banking, Housing, and Urban Affairs with an amendment to strike out all after the enacting clause and insert the following:

That this Act may be cited as the "Cash Discount Act".

TITLE I—CASH DISCOUNTS

SEC. 101. Section 167(b) of the Truth in Lending Act (15 U.S.C. 1666f(b)) is amended to read as follows:

"(b) With respect to any sales transaction, any discount from the regular price offered by the seller for the purpose of inducing payment by cash, checks, or other means not involving the use of an open-end credit plan or a credit card shall not constitute a finance charge as determined under section 106 if such discount is offered to all prospective buyers and its availability is disclosed clearly and conspicuously.".

SEC. 102. (a) Section 103 of the Truth in Lending Act (15 U.S.C. 1602) is amended by adding at the end thereof the following:

"(z) As used in this section and section 167, the term 'regular price' means the tag or posted price charged for the property or service if a single price is tagged or posted, or the price charged for the property or service when payment is made by use of an open-end credit plan or a credit card if either (1) no price is tagged or posted, or (2) two prices are tagged or posted, one of which is charged when payment is made by use of an open-end credit plan or a credit card and the other when payment is made by use of cash, check, or similar means. For purposes of this definition, payment by check, draft, or other negotiable instrument which may result in the debiting of an open-end credit plan or a credit cardholder's open-end account shall not be considered payment made by use of the plan or the account.".

(b) Effective April 10, 1982—

(1) subsections (x) and (y) of section 103 of the Truth in Lending Act (as redesignated by section 603(b) of Public Law 96-221) are redesignated as subsections (y) and (z), respectively; and

(2) subsection (z) of such section (as added by subsection (a)) is redesignated as subsection (x) and is inserted after subsection (w).

SEC. 103. Any rule or regulation of the Board of Governors of the Federal Reserve System pursuant to section 167(b) of the Truth in Lending Act, as such section was in effect on the day before the date of enactment of this Act, is null and void.

TITLE II—BAN ON CREDIT CARD SURCHARGES

SEC. 201. Section 3(c)(2) of Public Law 94-222 (15 U.S.C. 1666f note) is amended to read as follows:

"(2) The amendments made by paragraph (1) shall cease to be effective on February 27, 1984.".

SEC. 202. Not later than two years after the date of enactment of this Act, the Board of Governors of the Federal Reserve System shall prepare a study, on the basis of a review and analysis of such data and studies as it finds appropriate, and shall submit its findings to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives on the effect of charge card transactions upon card issuers, merchants, and consumers, including to the extent possible—

(1) the effects of charge card transactions on retail sales;

(3) the effect of charge card usage on consumers and on merchants, including the effects on merchant cost; and

(3) the effect of charge card usage on the pricing of goods and services, with a comparison of the costs resulting from payment by (A) currency and coin, (B) by personal check or similar instrument, (C) by in-house credit plans, and (D) by charge card

TITLE III—MISCELLANEOUS

SEC. 301. Section 625(c) of Public Law 96-221 is amended by adding at the end thereof the following: "Any creditor who elects to comply with such amendments and any assignee of such a creditor shall be subject to the provisions of sections 130 and 131 of the Truth in Lending Act, as amended by sections 615 and 616, respectively, of this title.".

SEC. 302. Section 5137 of the Revised Statutes (12 U.S.C. 29) is amended by adding at the end thereof the following new paragraph:

"Notwithstanding any other provision of this section, any national banking association which, on the date of enactment of this paragraph, held title to and possession of real estate which was carried on the association's books at a nominal value on December 31, 1979, may continue to hold such real estate until December 31, 1982, if the earnings from such real estate are separately disclosed in the financial statements of the association.".

Mr. BAKER. Mr. President, I now ask unanimous consent that S. 414 be laid aside temporarily until Thursday, March 12, and that at that time, it automatically be made the pending business before the Senate following the conclusion of the time allocated to the two leaders under the standing order, any special orders that may be provided for on that date, and at the conclusion of the transaction of routine morning business, if such be ordered, to follow after the special orders.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME LIMITATION AGREEMENT

Mr. BAKER. At that time, Mr. President, I ask unanimous consent that there be time limitations as follows:

Two hours to be under the control of the distinguished Senator from Wisconsin (Mr. PROXMIRE); 1 hour to be under the control of the distinguished Senator from Ohio (Mr. GLENN); 1 hour to be under the control of the Senator from New Jersey (Mr. WILLIAMS); 1½ hours to be under the control of the Senator from Rhode Island (Mr. CHAFEE); 1 hour to be equally divided, on an amendment by Mr. GARN, dealing with the Home Mortgage Disclosure Act.

Provided, further, that the Garn amendment be offered only by the distinguished Senator from Utah (Mr. GARN); 30 minutes, to be equally divided, on amendments in the first degree; 20 minutes, to be equally divided, on amendments in the second degree; 10 minutes on debatable motions, appeals, or points of order, if the same be submitted to the Senate; and that the agreement be in the usual form.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, I wonder whether the distinguished majority leader would substitute the name of Mr. DODD for the name of Mr. WILLIAMS.

Mr. BAKER. I am pleased to do that, and I so modify the request.

Mr. ROBERT C. BYRD. I thank the Senator.

The PRESIDING OFFICER (Mr. WEICKER). Is there objection? The Chair hears none, and it is so ordered.

The text of the agreement follows:

Ordered, That following the Leaders and any Special Orders on Thursday, March 12, 1981, the Senate proceed to the consideration of S. 414 (Order No. 28), a bill to amend the Truth in Lending Act, with 30 minutes on any amendment in the first degree (except an amendment to be offered by the Senator from Utah (Mr. GARN), relative to the Home Mortgage Disclosure Act, on which there shall be 1 hour), to be equally divided and controlled by the mover of such and the manager of the bill; with 20 minutes on any amendment in the second degree, to be equally divided and controlled by the mover of such and the manager of the bill; and with 10 minutes on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided*, That in the event the manager of the bill is in favor of such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of final passage of the said bill, debate shall be limited to 5½ hours, with 2 hours controlled by the Senator from Wisconsin (Mr. PROXMIRE), 1 hour controlled by the Senator from Ohio (Mr. GLENN), 1 hour controlled by the Senator from Connecticut (Mr. DODD), and 1½ hours controlled by the Senator from Rhode Island (Mr. CHAFEE): *Provided*, That the said Senators, or any one of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

EXTENSION OF TIME FOR ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, is there time remaining for the transaction of routine morning business?

The PRESIDING OFFICER. All time has expired.

Mr. BAKER. Mr. President, I ask unanimous consent that the time for the transaction of routine morning business be extended for not to exceed 15 minutes, under the provisions previously stated.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

GAMBLING IN THE DISTRICT OF COLUMBIA

Mr. HATFIELD. Mr. President, I would like to make a few observations on the question of legalized gambling in the Nation's Capital.

I believe it is plain now that congressional action will be insufficient to disapprove of the initiative which passed in the last District of Columbia election to make gambling a part of our local lifestyle, but I do want to recount a few of the reasons for my opposition to legalized gambling for the District of Columbia.

First of all, 30 percent of the people of the District voted in the last election, and gambling won by a 3-to-2 margin, which is an absolute plurality of only 18 percent. So when we hear assertions made that somehow this issue has received the overwhelming support of the people of the District, we should be aware of precisely what percentage of the people of the District actually voted in support of legalized gambling.

Second, I believe it is evident that the contest was certainly one sided, as it involved expenditures for advertising. We can compute at least $200,000 that was spent on the campaign to pass the initiative, $80,000 just in the last 3 days of the election. There was no disclosure rule, so we cannot trace the source of this largesse. On the antigambling side, little money was raised and spent.

Third, the central question that I believe must always concern us is whether there is a Federal interest sufficient to intervene in this vote. We must bear in mind that in the home rule charter, Congress can intervene. We have the right to intervene at any point. The damage this gambling regime will do to the Federal City, I believe, is sufficient to bring this within the Federal interest.

I need not go into the fact that this is more than the Nation's Capital city. This is a world capital. Many people visiting the United States see America through the microcosm of Washington, D.C.

I ask the question: Does this enhance the image of America, of the United States generally?

I also ask another question today, as we are under budgetary restrictions. Who is going to support the increased appropriations required to meet the increasing social problems that will be brought about by this gambling activity?

I do not in any way want to denigrate any city in this country or any State in this country. However, I think a most recent study that has been made about the impact of gambling on the social order of a community, was reported by U.S. News & World Report. It recounted the social problems faced by Las Vegas, Nev., which is one of the gambling capitals of this country. They asked a simple question. Is there a relationship between social problems in Las Vegas and gambling?

The survey showed that the equivalent of one of every nine women in Las Vegas between the ages of 15 and 39 is acting as a prostitute, 10,000 estimated in all.

The alcoholism rate is the highest in the Nation.

The crime rate is the highest in the Nation.

The suicide rate is double the national average.

I believe there is little doubt, from reading at least this report, that one can draw certain relationships between the presence of gambling and the increase in social problems.

One also must recognize that legal gambling promotes illegal gambling by removing the stigma. Moreover, illegal gambling pays higher odds and does not provide information to the IRS, so that a big win is not taxed. Thus, an increase in legal gambling will probably cause an increase in illegal gambling, and organized crime will be attracted.

Legal gambling will not provide credit. Illegal games will give credit, and will give credit to a person deeply in debt. In illegal games, illegal collection methods will have to be used, also. Is this the kind of economic regime we want to achieve in the District?

Mr. President, the District has had a lottery before. Soon after the new Nation elected its first President, a lottery was begun to improve the Federal City. The first prize was a $50,000 hotel. It was unsuccessful, and the agent did not make enough money to pay the first prize. Two more District lotteries followed, and the confusion and lawsuits convinced the Federal Government to get out of the lottery business. This lottery is likely to cause similar problems, for different reasons.

Gambling is the best effort to date to defeat the renaissance of the Federal City. The proponents are building a casket to bury home rule. They are pallbearers of home rule rather than the defenders of States' rights. For who is going to pay the bill for the increase in social services needed as a result of increased social friction and bankruptcies, when we do have sufficient money today to pay for the kind of standard of education that should be characteristic of a capital city. Nor the resources today to pay for the health needs of this city, for the housing needs of this city, for the needs of the poor? Will it be the city, or will the Federal Government be asked for the fund?

Gambling is one of those parasites of society that plays to the poor, that lives off the poor. Decisions such as this by

the city fathers and mothers provide ammunition, I believe, for the opponents of home rule, and I have been one of the stalwart defenders and supporters of home rule.

The question then might be asked, Why drop the issue if it so clear? I suppose that, based upon the experience of my own State, the people of Oregon have the opportunity to vote for gambling and erode their income and tax basis. We have parimutuel gambling in my State, both horses and dogs. But the people of Oregon can also reverse that decision through the initiative process, and the District residents have the same opportunity.

Some believe that this is the correct method for elimnating gambling in the District. In fact, gambling opponents plan to organize a new antigambling initiative.

So we have this alternative.

But also, Mr. President, I am convinced that if this bill comes out of the committee through petition to the full Senate, and loses on the floor, the Senate will have voted on three issues in one, namely, the issue of home rule; second, the right of D.C. residents to use the initiative device; and third, gambling as a revenue-raising methods is accepted. The media will dwell on the last issue only, and the Senate will be characterized as having approved gambling. That is good image for us to project nationally.

Even though some of our colleagues will be voting on the home rule issue, or the issue of the right of residents of the District to use the initiative device, the overriding issue is the question of gambling or not for the District, and the media will correctly interpret it as such. Thus, I do not want to lose this vote on the floor.

I believe that if anyone really believes that the purpose of these games will be to benefit "charitable institutions"—and that is always the excuse given for gambling—he should look at the priority in which the winnings are distributed. I recall that in my State all the parimutuel funds were put into a pot, and then off the bottom of the pot they would give so much for the county fair associations, the 4–H Club program, and the children's programs. Every time the Oregon legislature would raise the issue whether or not to deal with the parimutuel gambling of the State, the gamblers stayed home. Those who conducted the races never had to appear. They sent the children before the committee to plead for the funds that they were deriving from parimutuel betting.

I think we should look at the small percentage those groups receive from the total gambling revenues and what small percentage that the District of Columbia charitable institutions will receive now. How is that pot distributed? First come the operator's expenses and the operator's profits. Then, taxes must be paid. Next, they must hold some capital for the next game. Finally, the beneficiary gets what is left. It is apparent to anyone who takes a moment to look at this list that the prime benefactor of the game is the operator, or the "house."

I do not think anyone would be foolish to believe that when one goes into such an operation one is engaging in an eleemosynary operation. It is for profit, and the profit belongs to those who operate it.

Some argue that through legal gambling we will eliminate, as they say, all of the other problems of our finance and taxes. That has not happened anywhere in this country that I know of.

Mr. President, I suggest something that every gambler knows. The percentage of the pot which goes out for other purposes determines the odds. It is important to realize that as long as legalized games pay taxes, audits, benefits to charitable institutions or any other expense not directly related to operations, they cannot hope to come close to the odds a gambler can get in an illegal game.

Moreover, any legal game must report winnings. Since this is not an obligation of an illegal game, all the prizes in an illegal game can be much larger.

So I rise today merely to share these thoughts out of frustration and out of great sadness. It looks as though the Committee on Governmental Affairs and the District of Columbia Subcommittee that has this issue before it, have determined that Senate Concurrent Resolution 6 shall not come to the floor and that any effort to bring it to the floor will be actively opposed. In all probability that would result in a vote that could be interpreted as affirmation by the Senate as support for gambling in the District.

So I have come to that rather agonizing decision that I must yield on my efforts and recognize that the gamblers have won at least this day. But in spite of all of the elements of respectability that have been bestowed upon this action, including the government of the District and others of leadership in the District, I do not make a great prophecy today by saying that they will be back up here on the Hill asking for increases in their budget for the District to deal with these increasing problems of housing, education, health, and all the other social issues that will rise in proportion to the gambling activities of this area.

I regret that the District has voted for this, and I regret much more that the Senate committee has seen fit not to challenge the initiative or to intervene as is the constitutional right and responsibility of the Senate. I hope we do not abrogate all our rights and responsibilities so quickly during the coming months.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the apppropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 12:20 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 85. Concurrent resolution congratulating the government and people of Spain on their commitment to democracy.

At 12:40 p.m., a message from the House of Representatives, delivered by Mr. Berry, announced that pursuant to the provisions of section 1, Public Law 86–420, as amended, the Speaker appoints the following Members to the U.S. delegation of the Mexico-United States Interparliamentary Group: Mr. DE LA GARZA, chairman, Mr. YATRON, vice chairman, Mr. KAZEN, Mr. MILLER of California, Mr. SKELTON, Mr. KOGOVSEK, Mr. MICA, Mr. ROUSSELOT, Mr. LAGOMARSINO, Mr. RUDD, Mr. GOODLING, and Mr. DREIER.

The message also announced that pursuant to the provisions of Public Law 86–42, as amended, the Speaker appoints as members of the U.S. Delegation of the Canada-United States Interparliamentary Group to be held on May 22 to May 26, 1981, in Halifax, Nova Scotia, the following Members on the part of the House: Mr. FASCELL, chairman, Mr. BOLAND, vice chairman, Mr. GIBBONS, Mr. BONKER, Mr. LAFALCE, Mr. RUSSO, Mr. BARNES, Mr. HORTON, Mr. WINN, Mr. DAVIS, Mrs. SNOWE, and Mr. MARTIN.

The message further announced that pursuant to section 3(1) of Public Law 94–304, the Speaker appointed the following Members to the Commission on Security and Cooperation in Europe: Mr. FASCELL, chairman, Mr. YATES, Mr. BINGHAM, Mr. WIRTH, Mrs. FENWICK, and Mr. RITTER.

The message also announced that pursuant to the provisions of section 1 of Public Law 689, 84th Congress, as amended, the Speaker appoints as members of the U.S. group of the North Atlantic Assembly, to be held on May 22 to May 25, 1981, in Venice, Italy, the following Members on the part of the House: Mr. PHILLIP BURTON, chairman, Mr. HAMILTON, vice chairman, Mr. BROOKS, Mr. ANNUNZIO, Mr. ROSE, Ms. OAKAR, Mr. GARCIA, Mr. BOWEN, Mr. BROOMFIELD, Mr. FINDLEY, Mr. WHITEHURST, and Mr. BURGENER.

HOUSE CONCURRENT RESOLUTION REFERRED

The following concurrent resolution was read, and referred as indicated:

H. Con. Res. 85. Concurrent resolution congratulating the government and people of Spain on their commitment to democracy; to the Committee on Foreign Relations.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McCLURE, from the Committee on Energy and Natural Resources, with an amendment:

S. 573. A bill to extend the expiration date of section 252 of the Energy Policy and Conservation Act.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

Mr. THURMOND. Mr. President, from the Committee on Armed Services, I report favorably the following nominations: In the Reserve of the Army and Army National Guard, there are 34 appointments to the grade of major general and brigadier general (8 major general and 26 brigadier general) (list beginning with Brig. Gen. Robert Milton Erffmeyer); in the U.S. Navy, there are 38 temporary promotions to the grade of rear admiral (list beginning with Michael R. Ackley), and 9 temporary promotions to the grade of rear admiral (list beginning with Norman V. Cooley, Jr.); in the Marine Corps, there are 20 temporary appointments to the grade of major general and brigadier general (7 major general and 13 brigadier general) (list beginning with Thomas R. Morgan); and Maj. Gen. James W. Stansberry, U.S. Air Force, to be lieutenant general, I ask that these names be placed on the Executive Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. In addition, in the Navy, there are 1,203 temporary/permanent appointments/promotions to the grade of captain and below (list beginning with Robert S. Chan) and 619 temporary/permanent promotions to the grade of lieutenant commander (list beginning with Clinton E. Adams); in the Navy and Naval Reserve, there are 566 temporary/permanent promotions to the grade of commander (list beginning with Alexander V. Abary; in the Air Force, there are 348 appointments/promotions to the grade of colonel and below (list beginning with George G. Abbott) and 1,146 promotions to the grade of 1st lieutenant (list beginning with Michael R. Ackley). Since these names have already appeared in the CONGRESSIONAL RECORD and to save the expense of printing again, I ask unanimous consent that they be ordered to lie on the Secretary's desk for the information of any Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORD of February 5, February 16, and February 19, 1981, at the end of the Senate proceedings.)

By Mr. DOLE, from the Committee on Finance:

Roscoe L. Egger, of the District of Columbia, to be Commissioner of Internal Revenue.

John E. Chapoton, of Texas, to be an Assistant Secretary of the Treasury.

Paul Craig Roberts, of Virginia, to be an Assistant Secretary of the Treasury.

(The above nominations from the Committee on Finance were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and Joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. STENNIS:

S. 617. A bill for the relief of Mrs. Elsie B. Lawson; to the Committee on the Judiciary.

By Mr. CANNON (by request):

S. 618. A bill for the relief of Anacleto Aboyabor Dotollo and Turtosa Accompanado Dotollo; to the Committee on the Judiciary.

By Mr. ROBERT C. BYRD:

S. 619. A bill for the relief of Alberto A. Fernandez, M.D.; to the Committee on the Judiciary.

By Mr. DOMENICI (for himself and Mr. SCHMITT):

S. 620. A bill to authorize the construction of a project for flood control in the vicinity of Albuquerque, New Mexico, and for other purposes; to the Committee on Environment and Public Works.

By Mr. DOMENICI (for himself and Mr. MOYNIHAN):

S. 621. A bill to authorize the National Water Resources Policy and Development Act of 1981, to direct the Water Resources Council to act as the coordinating body for a program of water resources assistance to the States, and for other purposes; to the Committee on Environment and Public Works.

By Mr. INOUYE:

S. 622. A bill to control the export of hazardous wastes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. LEVIN:

S. 623. A bill to amend chapter 7 of title 5, United States Code, relating to judicial review of agency action to allow appeals from interlocutory orders on the assignment or conduct of an administrative law judge, and for other purposes.

By Mr. LEVIN (for himself and Mr. COHEN):

S. 624. A bill to amend the Internal Revenue Code of 1954 to require the Secretary of the Treasury to issue a certificate of release of a lien in certain cases, and for other purposes; to the Committee on Finance.

By Mr. DURENBERGER:

S. 625. A bill to revise the boundary of Voyageurs National Park in the State of Minnesota, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. MOYNIHAN:

S. 626. A bill to the Internal Revenue Code with respect to offsetting positions in personal property, and for other purposes; to the Committee on Finance.

By Mr. TOWER:

S. 627. A bill for the relief of James Antin Chua-Tuan, M. D.; to the Committee on the Judiciary.

S. 628. A bill for the relief of Martin Alfredo P. Marasigan, M.D., also known as Freddie del Prado Marasigan, M.D.; to the Committee on the Judiciary.

S. 629. A bill to increase fines for trading without a license; to the Committee on Commerce, Science, and Transportation.

By Mr. SASSER (for himself, Mr. RANDOLPH, Mr. ROBERT C. BYRD, and Mr. BAUCUS):

S. 630. A bill to revise loan guarantee provisions of the Airline Deregulation Act of 1978, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. DECONCINI (for himself, Mr. MATSUNAGA, Mr. HEINZ, Mr. FORD, and Mr. INOUYE):

S. 631. A bill to dismiss certain cases pending before the Education Appeal Board; to the Committee on Labor and Human Resources.

By Mr. RANDOLPH (for himself and Mr. ROBERT C. BYRD):

S. 632. A bill for the relief of Herbert J. Thomas Memorial Hospital; to the Committee on the Judiciary.

By Mr. MELCHER:

S. 633. A bill for the relief of Estefania Tolentino; to the Committee on the Judiciary.

By Mr. McCLURE (for himself, Mr. SYMMS, Mr. WALLOP, and Mr. SIMPSON):

S. 634. A bill to authorize the exchange of certain lands in Idaho and Wyoming; to the Committee on Energy and Natural Resources.

By Mr. HEINZ:

S. 635. A bill to effect certain reorganization of the Federal Government to strengthen Federal programs and policies for combating international and domestic terrorism; to the Committee on Governmental Affairs.

By Mr. CRANSTON (for himself, Mr. RANDOLPH, and Mr. STAFFORD):

S. 636. A bill to clarify the Veterans' Administration's authority to recover certain health-care costs, to extend the period of availability of funds committed under the Veterans' Administration program of assistance to new State medical schools, to authorize expansion of the scope of and epidemiological study regarding veterans exposed to Agent Orange, and for other purposes; to the Committee on Veterans Affairs.

By Mr. JOHNSTON (for himself and Mr. JACKSON):

S. 637. A bill to establish a program for Federal storage of spent fuel from civilian nuclear powerplants, to set forth a Federal policy and initiate a program for the disposal of nuclear waste from civilian activities, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. BENTSEN:

S. 638. A bill to amend the Internal Revenue Code of 1954 to allow individuals to compute the amount of the deduction for payments into retirement savings on the basis of the compensation of their spouses, and for other purposes; to the Committee on Finance.

By Mr. PACKWOOD (for himself and Mr. PENTSEN):

S. 639. A bill to amend the Internal Revenue Code of 1954 with respect to the income tax treatment of incentive stock options; to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DOMENICI (for himself and Mr. SCHMITT):

S. 620. A bill to authorize the construction of a project for flood control in the vicinity of Albuquerque, N. Mex., and for other purposes; to the Committee on Environment and Public Works.

(The remarks of Mr. DOMENICI on this legislation appear earlier in today's RECORD.)

By Mr. DOMENICI (for himself and Mr. MOYNIHAN):

S. 621. A bill to authorize the National Water Resources Policy and Development Act of 1981, to direct the Water Resources Council to act as the coordinating body for a program of water resources assistance to the States, and for other

purposes; to the Committee on Environment and Public Works.

(The remarks of Mr. DOMENICI and Mr. MOYNIHAN on this legislation appear earlier in today's RECORD.)

By Mr. INOUYE:

S. 622. A bill to control the export of hazardous wastes; to the Committee on Banking, Housing, and Urban Affairs.

EXPORT OF HAZARDOUS WASTES CONTROL ACT OF 1981

● Mr. INOUYE. Mr. President, today I am introducing a bill to amend the Export Administration Act of 1979 which will curb the unregulated export of hazardous wastes. Americans are all aware of the special dangers that toxic substances—especially wastes—pose to our health and environment. The Congress in particular has recognized the need to control the handling and disposal of hazardous substances in such legislation as the Toxic Substances Control Act (TOSCA) and the Resource Conservation and Recovery Act (RCRA). However, there is an important loophole in our efforts to control the disposal of hazardous wastes: they can be shipped abroad.

In some cases, this is not a problem since the wastes are destined for reprocessing in countries that are fully aware of the dangers involved. In other cases though, foreign governments have not been completely informed about the hazards nor can they guarantee that local companies are able to handle the wastes safely. Moreover, wastes are sometimes exported from the United States in order to avoid the strict guidelines that would have applied to their disposal here. Except for PCB's and dioxin, which are controlled under TOSCA, it is impossible for the U.S. Government to stop the export of hazardous wastes even if they pose a significant threat to the health and environment of the recipient country.

The United States should be setting an example in the area of hazardous waste management. Instead, we are leaving ourselves open to recreating a Minamata or a Love Canal in another country. The time has come to invoke our longstanding policy of enacting export controls in order to protect the foreign policy interests of the United States. Mr. President, I am sure that my distinguished colleagues will agree that curbing the export of hazardous wastes is in the best interests of both the United States and our friends abroad.

The bill I am introducing will expand the Commodity Control List established under section 4(b) of the Export Administration Act to include all of the hazardous wastes defined and listed under section 3001 of the Resource Conservation and Recovery Act. It will also include sewage sludge and other liquid wastes that do not fall under the Environmental Protection Agency's current definition of "hazardous waste."

In order to export a hazardous waste, a person or company in the United States must secure a validated license—section 4(a)(1) of the Export Administration Act—from the Secretary of Commerce, who will issue the license only after appropriate consultation with the Secretary of State and the Administrator of the Environmental Protection Agency. In granting a license, the Secretary of Commerce must be satisfied that the importing country is fully informed about the shipment and is willing to deal with the hazards involved. In so doing, we will also be able to keep accurate records of the nature, volume, and final disposition of wastes exported from the United States.

Mr. President, the mechanisms for controlling the export of hazardous waste are already in place: no further authorizations or appropriations are needed. The export of hazardous waste does not contribute to a favorable balance of trade, but it does entail enormous risks. I trust that my fellow Senators will join with me in stemming the export of hazardous wastes before it does real and lasting harm to either the United States or one of our trading partners abroad.

I ask unanimous consent that the full text of this measure be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 622

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Export of Hazardous Wastes Control Act of 1981".

FINDINGS AND POLICY

SEC. 2. (a) Section 2 of the Export Administration Act of 1979 is amended by adding at the end thereof the following:

"(10) There are currently no meaningful controls over the export of hazardous wastes. However, the United States recognizes that hazardous wastes present a special danger to the health and environment of people in all countries. It is therefore in the best foreign policy interests of the United States to control the export of hazardous wastes.".

(b) Section 3 of such Act is amended by adding at the end thereof the following:

"(12) It is the policy of the United States to permit the export of hazardous wastes only if the recipient country has been notified of the export and such country is capable of handling the wastes appropriately.".

PROHIBITION

SEC. 3. Section 7 of the Export Administration Act of 1979 is amended by adding at the end thereof the following:

"(k) HAZARDOUS WASTES.—(1) As used in this subsection, the term 'hazardous waste' means—

"(A) a solid or liquid waste, or combination of wastes, which because of its quantity, concentration, or physical, chemical, or infectious properties, which the Administrator of the Environmental Protection Agency determines may—

"(1) cause or significantly contribute to an increase in—

"(I) mortality;

"(II) serious irreversible illness; or

"(III) incapacitating, reversible illness; or

"(ii) pose a substantial present or potential hazard to human health or the environment when improperly treated, stored, transported, disposed of, or otherwise managed;

"(B) any hazardous waste identified and listed by the Administrator of the Environmental Protection Agency under section 3001 of the Resource Conservation and Recovery Act of 1976 (Public Law 94-580); and

"(C) any sewage sludge or residue, liquid or solid, from a waste treatment plant.

"(2) Hazardous waste may be exported from the United States only pursuant to a validated export license. The Secretary of Commerce may issue such a license—

"(A) only after consultation with the Secretary of State and the Administrator of the Environmental Protection Agency; and

"(B) only if he is satisfied that the government of the importing country (i) has been fully informed about the proposed shipment and the hazards involved; and (ii) agrees to the shipment.

"(3) The provisions of this subsection apply to all exports of hazardous wastes including—

"(A) those destined for recycling, reprocessing or treatment abroad;

"(B) those destined for disposal abroad;

"(C) those sold to governments or companies in other countries; and

"(D) those for which United States companies, persons, or governmental agencies paid another country or company to recycle or dispose of the wastes.".

REPORT

SEC. 4. Section 14 of the Export Administration Act of 1979 is amended by adding at the end thereof the following:

"(d) Report on Exports of Hazardous Wastes.—The Secretary of Commerce shall include in each annual report a list of—

"(1) all hazardous wastes for which validated export licenses are required;

"(2) the number and type of applications received by the Department of Commerce for the export of hazardous wastes; and

"(3) hazardous wastes for which export licenses, if any, were granted.".●

By Mr. LEVIN:

S. 623. A bill to amend chapter 7 of title 5, United States Code, relating to judicial review of agency action to allow appeals from interlocutory orders on the assignment or conduct of an administrative law judge, and for other purposes.

JUDICIAL REVIEW OF CERTAIN INTERLOCUTORY ORDERS

Mr. LEVIN. Mr. President, today I am reintroducing a bill to provide for judicial review of interlocutory orders concerning the assignment or the conduct of an administrative law judge, if the party adversely affected by the order files an application for appeal within 10 days after the entry of the interlocutory order.

Over 2 years ago, constituents of mine brought to my attention an incident which had occurred with regard to the Federal Trade Commission's case against the three ready-to-eat cereal companies. After having presided over the case for 6 years, Administrative Law Judge Harry R. Hinkes informed officials at the FTC that he intended to retire. Rather than face the possibility of a retrial, the Commission agreed to enter into a contractual arrangement with Administrative Law Judge Hinkes to continue hearing the case.

When serious questions were raised about the circumstances surrounding the contractural employment of Mr. Hinkes by parties to the case, the former administrative law judge became "unavailable" to hear the case and a new Administrative Law Judge was appointed. The newly appointed Administrative Law Judge Berman took up the case where

former Administrative Law Judge Hinkes had left off and the FTC avoided a retrial.

Because of my concern about the events surrounding the arrangement of Hinkes' contract and the possibility that the Administrative Procedures Act may have been violated, I sent a letter to the FTC requesting that an independent law judge be appointed to investigate the matter. Up until recently, the Commission failed to recognize the need to appoint someone outside of the agency to take a look at this problem. As a result, the case has progressed under a cloud of impropriety concerning the Hinkes matter for over 2 years. On February 13, 1981, the Commission ordered that an independent law judge be appointed to undertake additional factfinding about the contract which was arranged with former Administrative Law Judge Hinkes. The FTC has not yet defined the scope of that inquiry, so I must withhold my total support of it, but I do believe that it is a positive and long overdue step in the right direction.

Mr. President, just days after the FTC issued its order, District Court Judge Gash dismissed the Kellogg Co.'s challenge to the propriety of the FTC's action in replacing Judge Hinkes without ordering a rehearing and stated:

Although plaintiff raises serious questions of statutory and constitutional violations, the Court concludes that it is without jurisdiction to hear plaintiff's complaint. Rather, such review is reserved for the Court of Appeals after the Commission has reached a final determination appealable under 15 U.S.C. 45(c).

Thus, while Judge Gash recognized that there were serious implications about the FTC's decision to appoint Administrative Law Judge Berman without ordering a rehearing, he was powerless to render a judgment because current case law—FTC against SOCAL—requires that there be a final agency action before the court can review the Hinkes matter.

The bill I am reintroducing today addresses this problem. Rather than allowing these cases to drag on for years when there are serious questions raised about the assignment or conduct of the administrative law judge presiding over the case, my bill would provide a mechanism for review. Before the taxpayers and the parties involved had spent millions of dollars which may be for naught because the administrative law judge's decision would not be upheld in appeals anyway, the court could review the interlocutory order.

Mr. President, we are in a situation with regard to the cereals case where there is extreme doubt in the minds of many people who have followed the case and are familiar with the so-called Hinkes affair as to whether or not the contractural employment of Hinkes and the FTC's subsequent decision not to order a retrial have so tainted the case against the cereal companies that any final decision must be called into question. My bill would prevent situations like this—which I do not believe will happen frequently—from reoccurring.

By Mr. LEVIN (for himself and Mr. COHEN):

S. 624. A bill to amend the Internal Revenue Code of 1954 to require the Secretary of the Treasury to issue a certificate of release of a lien in certain cases, and for other purposes; to the Committee on Finance.

LEGISLATION REGARDING INTERNAL REVENUE SERVICE PROCEDURES

Mr. LEVIN. Mr. President, on July 31, 1980, I chaired a hearing which the Governmental Affairs Subcommittee on Oversight of Government Management held on Internal Revenue Service collection practices and their impact on small business.

The investigation began as a result of reports from small businesses of what appeared to be arbitrary, unnecessary, and heavyhanded IRS use of its broad lien, levy, and seizure authority to collect delinquent taxes. Similarly, a number of IRS revenue officers had contacted the subcommittee with criticisms of internal managerial pressure mandating arbitrary liens, levies, and seizures even though inappropriate and where the tax delinquency could have been better recovered for the Treasury with less arbitrary and less harsh methods.

One of the major subcommittee concerns was IRS' use of its lien and levy authority. The subcommitte found that liens imposed against taxpayer's property frequently remained on that property well after the delinquency was satisfied and well after the need for the lien expired. Additionally, we found that sometimes levies were issued against taxpayer bank accounts and receivables even where revenue officers had agreed to an installment pay plan, and the taxpayer was abiding by it.

In fiscal year 1979, the IRS issued 465,029 levies, and 371,337 liens. More recently, in fiscal year 1980, levies had risen to 610,942, a 31-percent increase, and liens had climbed to 445,285, up 20 percent over 1979. With the increased use of liens and levies, the concern for fairness in their application is even more pressing.

As a result of the subcommittee's findings and the concerns raised, I am introducing this bill, along with Senator COHEN, who now chairs the subcommittee, which is designed to address two very specific problems which were brought to our attention during that hearing.

One of these problems, as noted earlier, is that the IRS fails to promptly release liens on taxpayer's property once the tax delinquency has been fully paid. A lien on a taxpayer's assets ties up the property and destroys its usefulness as collateral for the individual or business to borrow against—even to pay the IRS. Currently, section 6325(a) of the Internal Revenue Code authorizes the IRS to release liens when the liability has been satisfied; however, that authority is entirely discretionary, and lacks any reference to how soon the lien should be released. Our bill would amend that section by requiring the prompt release of liens where the liability has been paid.

The second problem is that taxpayers who had their bank accounts or accounts receivable levied by the IRS received no notice of that levy from the IRS following the levy. A levy against a taxpayer can quickly strip a taxpayer of all cash flow reserve, and irrevocably damage his or her credit worthiness, particularly when the taxpayer is a small business. We propose to amend the code to require notice to the taxpayer promptly after the levy is made.

The need for the proposed changes was well documented in the testimony and evidence heard and received at the hearing. Senator COHEN's statement, which follows, aptly details the plight of two small businessmen who testified before us, and who had liens and levies placed against them. The significant financial consequences of a failure to release a lien or to notify a taxpayer of a levy are well illustrated in those two examples.

The Congress has conferred powerful forcible collection powers on the IRS, including its authority to summarily lien, levy, or seize and sell taxpayer's property and rights to property. These powers play an important role in the IRS collection effort and are necessary to insure that taxpayers will not play fast and loose with the Federal tax system. However, when the use of these powers is abused or arbitrarily applied, then what was created as a necessary tool turns into a deadly weapon.

The bill we are introducing today is not intended to compromise or diminish the needed authority we have vested in the IRS. Rather, it simply attempts to shield taxpayers from the unnecessary drastic financial consequences of a levy without subsequent notice, or a lien which the IRS fails to release when taxes are fully paid.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 624

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. RELEASE OF CERTAIN TAX LIENS REQUIRED.

(a) IN GENERAL.—Subsection (a) of section 6325 of the Internal Revenue Code of 1954 (relating to release of lien or discharge of property) is amended by striking out "may issue" and inserting in lieu thereof "shall promptly issue".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to any lien in effect on or after the date of the enactment of this Act.

SEC. 2. NOTICE OF LEVY TO TAXPAYER IN THIRD PARTY CASES.

(a) IN GENERAL.—Section 6331 of the Internal Revenue Code of 1954 (relating to levy and distraint) is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (d) the following new subsection:

"(e) NOTICE OF LEVY TO TAXPAYER.—In the case of property held by a person other than the taxpayer (other than salary or wages described in subsection (d)), levy may be made under subsection (a) only if, at the same time notice of levy is sent to such

person, notice of levy is also sent to the taxpayer at the taxpayer's last known address.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to any levy made on or after the date of the enactment of this Act.

● Mr. COHEN. Mr. President, I am pleased to be a cosponsor of Senator LEVIN's legislation to provide needed safeguards for taxpayers affected by the Internal Revenue Service's debt collection practices.

This bill would insure that the IRS notifies the delinquent taxpayer when a lien or a levy is imposed on his property or a seizure has been made. It would also require the IRS to release promptly any liens as soon as the tax liability, interest, and penalties have been paid in full. Both of these requirements are reasonable safeguards and would not impose any onerous burden on the agency.

In fact, I believe that most taxpayers would assume that, under its current procedures, the IRS already would be required to notify a taxpayer when seizing his assets. Similarly, most taxpayers would expect that, once the delinquency and penalties had been repaid, the IRS would quickly release its claims on the taxpayer's property. However, hearings before the Senate Governmental Affairs Oversight Subcommittee demonstrated that neither procedure is consistently followed.

Last year, the Oversight Subcommittee examined the IRS' debt collection practices. The subcommittee heard from small businessmen and IRS revenue officers who indicated that the agency at times has abused its debt collection powers. Testimony and documents obtained by the subcommittee showed that several field offices placed undue emphasis on seizing assets, in direct contradiction of stated IRS national policies. The consequences of these abuses fall particularly heavily on small businesses, which may be forced into bankruptcy because of hasty and unnecessary IRS seizures of assets.

The subcommittee heard from small businessmen from Maine and Michigan who detailed their problems with the IRS. In the case of the Maine businessman, the IRS seized thousands of dollars from his business checking account without notifying either the owner or manager that it had done so. The businessman discovered the seizure only after he received a notice in the mail from his bank. And this seizure occurred despite the fact that the IRS had previously agreed to a gradual repayment plan which the businessman was meeting.

The Michigan businessman told the subcommittee of his difficulty in getting IRS to release its lien even after he had fully repaid the tax liability and resulting penalties.

Let me also emphasize that in both of these cases, the tax delinquency resulted from an embezzlement; neither businessman was at fault. But the IRS insensitively ignored the mitigating circumstances, disregarded it own verbal agreements with the taxpayers, and treated both businessmen harshly and unfairly.

Senator LEVIN's legislation seeks to prevent these abuses from continuing by providing added protections for delinquent taxpayers.

The IRS has a clear obligation to pursue vigorously the collection of taxes owed the Federal Government. No one disputes that the agency should use the forceful powers it has been delegated to recover taxes in cases in which the delinquency either was deliberate or the business has not made a good faith effort to repay the outstanding debt. Nevertheless, the powerful procedures available to the IRS, including the seizure of a business' assets, should be resorted to only after cooperative methods have failed and mitigating circumstances have been fully considered.

The United States is considered to have the most effective tax system in the world because of its high degree of voluntary compliance. Nearly all American businesses and individuals report their incomes honestly and pay their taxes promptly. But perhaps the true measure of a tax system is how it treats those who appear to violate its precepts. We will surely jeopardize the success of our system if we do not insure that the agency charged with administering it operates equitably and efficiently.

In my judgment, this legislation will help insure fairer treatment of taxpayers who appear to be or are delinquent in their payments to the Federal Government. The Government not only has an obligation to collect its debts, but also to treat its debtors fairly.●

By Mr. DURENBERGER:

S. 625. A bill to revise the boundary of Voyageurs National Park in the State of Minnesota, and for other purposes; to the Committee on Energy and Natural Resources.

VOYAGEURS NATIONAL PARK

● Mr. DURENBERGER. Mr. President, I am introducing a bill to amend the act of January 8, 1971, authorizing the establishment of the Voyageurs National Park and for other purposes.

Legislation authorizing the establishment of Voyageurs National Park was passed in January 1972. It was not until April 1975 that the park was officially established by the Secretary of the Interior. Since that time, much has been accomplished. The Voyaguers Park master plan has been adopted, all but 7,065 acres of the 133,622 land acres in the park have been acquired and alternatives for wilderness designation in the park have been developed and are in the public hearing phase.

Throughout this planning phase there has been extensive public involvement. The Voyageurs National Park Association, established in 1963, provided leadership in the park's formation and has served as a broad-based membership citizens' organization which has been actively and effectively involved in Voyageurs Park issues to the present time. The State of Minnesota officially created the Citizens Committee on Voyageurs National Park in 1975. This group has provided a forum for northern local involvement as well as reflecting State concerns.

In addition, extensive public meetings have been conducted throughout the State on park management issues.

The future development of Voyageurs National Park looks bright and is insured if the public and the established groups with an interest in the park continue to be effectively involved.

The bill I introduce today will carry out the recommendations arrived at in the master plan for the park. But more significantly, it will also resolve the points of controversy between northern Minnesota residents, the State of Minnesota and the Department of the Interior which have arisen during the planning process.

Since the establishment of Voyageurs Park in 1975, the National Park Service has banned hunting in the Black Bay area on the western border of the park in accordance with the Service's standard prohibition on hunting in national parks. This has been the most serious controversy with area residents who have maintained that waterfowl hunting should not have been prohibited in Black Bay.

This bill will provide for the transfer of 1,000 acres, primarily water of Black Bay, to the State of Minnesota and will establish this section as a State wildlife management area which will permit waterfowl hunting under State regulations.

A second major problem has been in private land acquisition with a 1971 authorization too low for 1977–80 market values. This legislation would increase authorization from $26 million to $36.9 million which reflects the current best estimate of the required amount for the 6,572 acres which purchase will be from willing sellers except for selected parcels designated for development of the park in the Voyageurs land acquisition plan which is expected to be released shortly. Of land acquired since 1975 at Voyageurs, 66,442 acres have been purchased at a cost of $30 million, and 60,095 acres have been donated by the State of Minnesota or Federal agencies. Condemnation has been used in only 34 cases.

The bill to revise the boundary of Voyageurs National Park and increase the authorizations for land acquisition culminates over a year of negotiations which began when the National Park Service announced its desire to negotiate with the State of Minnesota regarding Black Bay and State lands outside the park needed for park access and development.

The bill represents the agreement reached by the Department of the Interior and the State of Minnesota and is supported by the Governor of Minnesota, Al Quie, as well as the Department of the Interior. The overwhelming majority of the official State of Minnesota Citizens Advisory Committee of Voyageurs also approved the bill.

The companion bill is being introduced in the House by Congressman OBERSTAR and has the support of Congressman VENTO and others in the Minnesota delegation.

A magnificent national park, the establishment of Voyageurs is to the great credit of the Nation, my State of

Minnesota, and the people whose vision helped create the park.

I am pleased to introduce a bill which I believe will help measurably to facilitate the management and development of the park in the best interests of the public it serves.

The proposed legislation also includes the following provisions:

First. The deletion from Voyageurs of 782 acres in the Neil Point, or Gold Shores, area on Rainy Lake. This area is no longer necessary for a park administration building. The use of it would require substantial dredging of Rainy Lake, which the Park Service has determined would be environmentally unacceptable, and considerable residential development in the area makes it incompatible with the purposes of the park.

The Park Service master plan for Voyageurs supports deletion of the Neil Point area and as an alternative thereto, recommends.

Second. The addition to Voyageurs of 180 acres of land and water at Black Bay Narrows for park development needs. The narrows site has been selected by the Park Service to provide the primary access site to the park, boat launching facilities, a ranger station, a visitor center, and a central maintenance facility, all of which could and should be constructed as early as fiscal year 1982.

Third. The deletion of Black Bay from the park by the Secretary of the Interior, subsequent to the following actions by the State of Minnesota.

DNR designation of the portion of Black Bay now in the park (1,000 acres) as a wildlife management area, permitting the hunting of ducks, and the development of a wildlife management plan for the entire Black Bay area. The State has agreed to develop a management plan for the entire 5,500-acre area of Black Bay, to insure optimum management of it on a consistent basis. The agreement on Black Bay is with the understanding that the State of Minnesota will maintain the wildlife management area in perpetuity.

The State of Minnesota will grant and the National Park Service will acquire a perpetual easement on approximately 120 acres of State land on the Sullivan Bay access road between the present park boundary and the Ash River Trail (county 765). The easement would include the present dirt road and a corridor of 400 feet wide along the road. Easement would permit the National Park Service to realine and improve the road, which is seen as an access point to Voyageurs. National Park Service financial assistance in upgrading this road has long been sought by local officials. The 400-foot strip will insure the park visitors a scenic view, shielded from potential logging sites in that area.

The State of Minnesota will grant and the National Park Service will acquire a lease of 18.45 acres of land at the Kabetogama forestry station on the western boundary of the park. This will permit the National Park Service to develop parking facilities and other services for park visitors. Like the Ash River and Sullivan Bay areas, Kabetogama is seen as an access point for visitors to the park, and a desirable area for National Park Service facilities.

One final major management decision is not covered in this bill—possible wilderness designation in the park. That decision is in the public review process.

However, with exception of possible wilderness designation, I see this bill as the end, not the beginning, of legislative solutions to controversies in Voyageurs National Park.

In the ongoing management of Voyageurs, I strongly urge the National Park Service to closely consult and seek advice from the Voyageurs National Park Association, the Citizens Committee on Voyageurs National Park, and the more recently formed Voyageurs National Park Coalition.

I strongly recommend the passage of this bill to the Senate as a major step toward the development of what we in Minnesota consider the finest national park in the country.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 625

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled, "An Act to authorize the establishment of the Voyageurs National Park in the State of Minnesota, and for other purposes", approved January 8, 1971 (84 Stat. 1971), is amended as follows:

(1) By redesignating "SEC. 102." as "SEC. 102 (a)". and inserting the following new subsection after subsection (a) of section 102:

"(b)(1) In addition to such revisions as the Secretary may make in the boundaries of the park from time to time pursuant to other provisions of law, the Secretary is specifically authorized in the manner provided in subsection (a)—

"(A) to delete approximately 782 acres in the Neil Point area of the park;

"(B) to add approximately 180 acres in the Black Bay Narrows area of the park;

"(C) to add approximately 18.45 acres owned by the State of Minnesota at the Kabetogama Forestry Station;

"(D) to add approximately 120 acres owned by the State of Minnesota, being a strip of land through that portion of section 1, township 68 north, range 20 west, fourth principal meridian, which is parallel to and 400 feet on both sides of the unimproved road extending northward from the Ash River Trail as such road crosses said section; and

"(E) to delete approximately 1,000 acres at Black Bay.

"(2) The boundary revisions specified in subparagraphs (C), (D), and (E) of paragraph (1) shall, notwithstanding anything to the contrary contained in this Act or any other law, become effective only upon (i) the tender of a conveyance to the United States, by such instrument and in such manner as are satisfactory to the Secretary, including but not limited to lease or easement, by the State of Minnesota of the lands or interests therein described in subparagraphs (C) and (D) for purposes of the park; (ii) the establishment by the State of Minnesota of a wildlife management area in the area authorized to be deleted from the park by subparagraph (E), and (iii) agreement of the State of Minnesota, incorporated in a plan, to manage State lands riparian to Black Bay to preserve the natural character of the area so as to complement to the fullest extent possible the management of the park.

"(3) At such time as the deletion referred to in subparagraph (E) of paragraph (1) becomes effective, the Secretary is further authorized to convey to the State of Minnesota all right, title, and interest of the United States in and to property acquired for the park from the State within the area deleted pursuant to subparagraph (E).".

(2) By redesignating "SEC. 401." as "SEC. 401. (a)" and inserting the following new subsection after subsection (a) of section 401.

"(b) In addition to such sums as may have been appropriated for the acquisition of property prior to the effective date of this subsection, there is authorized to be appropriated for that purpose not to exceed $10,995,000.".

(3) The Secretary is directed to study existing road access to the park and to report to Congress on the impact of park-related use of those roads and to report specific recommendations on improvements necessary to insure adequate road access to the park. The Secretary is directed to report within one year of the date of enactment of this section to the Committee on Interior and Insular Affairs of the House of Representatives and to the Committee on Energy and Natural Resources of the Senate.●

By Mr. MOYNIHAN:

S. 626. A bill to the Internal Revenue Code with respect to offsetting positions in personal property, and for other purposes; to the Committee on Finance.

COMMODITY STRADDLES TAX ACT OF 1981

Mr. MOYNIHAN. Mr. President, the legislation I am introducing today would crack down on a popular tax-shelter device known as the commodity straddle.

The bill has two parts.

Part one suggests general rules that, if enacted, would insure that straddles are not used in future to avoid taxes.

Part two contains specific rules; these are aimed at the more imaginative straddles that the Internal Revenue Service has discovered in recent years. One needs specific rules for these straddles because the general rules would be inadequate.

The bill has a May 5, 1981, effective date. I have chosen that date because I still regard the measure as a discussion draft; I invite anyone who wishes to comment on it. I suspect it will be late April or early May before I have a bill that I can say with confidence is the best that can be written.

Straddles pose a difficult challenge. They are a tax shelter that works almost too well. It is almost too easy to defer paying taxes by using straddles. It is almost too easy to convert income that would be taxed at 70 percent into long-term capital gain, taxed at 28 percent.

Consequently, straddles represent a serious tax equity problem. They are a threat to the integrity of the Federal tax system.

Straddles are also an economic efficiency problem. They cause capital to be diverted to the commodities markets from other sectors. This capital is invested unproductively. Straddles cause a tremendous waste of human capital: Hundreds of lawyers and brokers are needed to package and market them.

I do not know what the cost to the economy is. I know it is large. I know

that the Government will lose $1.3 billion from straddles in fiscal year 1982, and that without action by Congress, the losses in 1983 and in later years will be greater.

Any legislation must take account of these problems.

At the same time, the legislation must acknowledge that straddles are sometimes used by investors who merely want to make a profit. And when used in this fashion, they are perfectly legitimate. Indeed, they serve a valuable economic purpose by promoting liquidity in the commodities markets.

The difficult question is, How does one devise rules that prevent straddles from being used as tax shelters, but that permit their use in other circumstances?

The bill I propose would set out the following principles. In general, an individual would be unable to deduct his loss from a straddle until he has been out of the straddle for 30 days. The bill calls this period covering the straddle plus 30 days the balanced period.

To illustrate, suppose an investor has two futures contracts, one to buy and one to sell a commodity. He disposes of one of the contracts at a loss, but keeps the other; 30 days later, the investor may deduct the loss.

However, if he enters into a new futures contract that tends to offset the remaining contract—and he does so during the 30 days—then the loss may not be deducted. The investor is still in a straddle. The balanced period has not ended.

The bill would also suspend the holding period for capital gains during the balanced period. This is to prevent conversion of short-term gain into long-term gain.

Ordinarily, a futures contract to sell a commodity will produce a long-term gain if it is held for more than 6 months. But under the bill, the 6 months would not run from the time the investor enters into a straddle until he has been out of the straddle for 30 days.

The new rules would apply to straddles in commodities, debt instruments, and personal property, but not in corporate stock.

Only straddles involving what the bill calls offsetting positions would be affected. An offsetting position is a straddle in which the contracts tend substantially to diminish the taxpayer's risk of loss. There is a conclusive presumption that certain types of straddles meet this test—like straddles in silver, gold, and Treasury-bill futures.

Those are the general principles.

The bill also proposes a set of specific rules. I won't go into them at the moment, except to say that they deal with such matters as cash-and-carry transactions, the 30-day rule for securities dealers, and the sale-or-exchange requirement for capital assets.

Each of these rules is discussed in detail in a paper entitled "Treasury Proposal for Tax Treatment of Commodities Straddles and Related Transactions."

Finally, let me read briefly from a letter I received last month from my friend Clayton Yeutter. Dr. Yeutter is now president of the Chicago Mercantile Exchange:

We share Treasury's desires to eliminate indefensible tax avoidance schemes, whether the vehicle be straddles or any other device.

The letter says:

But we ought not to do so by destroying liquidity in futures markets. . . . I believe we can reach a mutually accommodative legislative conclusion on this issue in 1981 if we all diligently work at it. It is important that we get it done this year because of the litigation that is developing. There is no point in either the IRS or taxpayers spending a lot of money on tax lawyers, and no point in adding this additional load to an overburdened court system, when the solution is clearly a legislative one.

I agree with these sentiments entirely. The point is to get the discussions underway. No one is helped by delay and procrastination.

Mr. President, I ask unanimous consent that the text of the bill and a copy of the "Treasury Proposal for the Tax Treatment of Commodities Straddles and Related Transactions" be printed in the RECORD.

There being no objection, the bill and proposal were ordered to be printed in the RECORD, as follows:

S. 626

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE, ETC.

(a) SHORT TITLE.—This Act may be cited as the "Commodity Straddles Tax Act of 1981".

(b) AMENDMENTS TO 1954 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section of other provision of the Internal Revenue Code of 1954.

SEC. 2. NONDEDUCTIBILITY OF CERTAIN LOSSES IN CONNECTION WITH OFFSETTING POSITIONS IN PERSONAL PROPERTY.

(a) IN GENERAL.—Part VII of subchapter O of chapter 1 (relating to wash sales of stock or securities) is amended by adding at the end thereof the following new section:

"SEC. 1092. OFFSETTING POSITIONS IN PERSONAL PROPERTY.

"(a) IN GENERAL.—In the case of any offsetting position in personal property—

"(1) that portion of any loss—

"(A) which is incurred in connection with the sale or exchange of any position held as part of such offsetting position, and

"(B) which exceeds any gain recognized in connection with the sale or exchange of any other position held as part of such offsetting position,

shall be treated as incurred as of the close of the balanced period; and

"(2) the holding period (as determined under section 1223) of any position held as part of any offsetting position shall not include any portion of the balanced period with respect to the position.

"(b) OFFSETTING POSITIONS.—For purposes of this section—

"(1) IN GENERAL.—A taxpayer holds an offsetting position in personal property if the taxpayer holds 1 or more positions with respect to personal property which substantially diminishes the taxpayer's risk of loss with respect to 1 or more other positions held with respect to personal property (whether or not of the same kind).

"(2) CERTAIN POSITIONS TREATED AS OFFSETTING.—

"(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), 2 or more positions shall, for purposes of paragraph (1), be treated as offsetting if such positions include substantially equivalent long and short positions and—

"(i) such positions are in the same commodity (whether or not in the same physical form),

"(ii) the aggregate margin requirement for such positions (determined on the exchange where traded or otherwise) is less than that of the sum of the margin requirements for each such position held separately,

"(iii) such positions are in debt instruments, or

"(iv) such positions are determined, under regulations prescribed by the Secretary, to be offsetting.

"(B) STANDARD DEVIATION.—No position shall be treated as offsetting under subparagraph (A)(iv) unless the standard deviation of the change in price of 1 or more positions held as part of the offsetting position has been at least 5 times the standard deviation of the change in price of the offsetting position taken as a whole during any 2-year period occurring during the immediately preceding 5-year period.

"(C) SATISFACTION OF SECRETARY.—No position shall be treated as offsetting under subparagraph (A) (iii) or (iv) if the taxpayer establishes to the satisfaction of the Secretary that such position is not offsetting.

"(c) OTHER DEFINITIONS AND SPECIAL RULES.—For purposes this section—

"(1) BALANCED PERIOD.—The term 'balanced period' includes, with respect to any position—

"(A) any period during which such position is part of any offsetting position, and

"(B) the 30-day period after the day on which such position (or any successor position) ceases to be offsetting.

"(2) PERSONAL PROPERTY.—The term 'personal property' means—

"(A) commodities,

"(B) evidences of indebtedness, and

"(C) any other type of personal property (other than stock in a corporation).

"(3) POSITION.—The term 'position' means an interest (including a futures contact or option) in personal property. Any personal property acquired by the taxpayer pursuant to a futures contract, option, or other interest shall be treated in the same manner as a position in such personal property.

"(4) LONG POSITION.—The term 'long position' means a position which increases in value when the personal property to which it relates increases in value. Such term includes the holding of personal property, or of a futures contract or option to buy personal property at a fixed price, which so increases in value.

"(5) SHORT POSITION.—The term 'short position' means a position that decreases in value when the personal property to which it relates increases in value. Such term includes the selling of personal property short, or the holding of a futures contract or option to sell personal property at a fixed price which so decreases in value.

"(6) DEBT INSTRUMENT.—The term 'debt instrument' means any interest bearing obligation.

"(7) ATTRIBUTION.—In determining whether any positions are offsetting, the principles of section 318 shall apply, except that—

"(A) in determining constructive ownership in the case of the members of an individual's family, only such individual, such individual's spouse, and a child of such individual who has not attained the age of 18 shall be taken into account.

"(B) constructive ownership from a corporation to a person, or from a person to

a corporation, partnership, trust, or estate, shall be determined only if—

"(i) there is at least an 80-percent interest (determined after the application of the family attribution rules) held by, or in, such person, or

"(ii) in the case of a trust, the trust is a trust to which subpart E of part I of subchapter J applies; and

"(C) in the case of a passthrough entity, constructive ownership shall be determined under paragraph (8).

"(B) TREATMENT OF PASSTHROUGH ENTITIES.—

"(A) IN GENERAL.—In determining whether any positions are offsetting, a person having an ownership interest in any passthrough entity shall be treated as owning a pro rata share of the personal property, or of any position in personal property of such entity equal to the person's pro rata share of the ownership interest.

"(B) PASSTHROUGH ENTITY DEFINED.—For purposes of subparagraph (A), the term 'passthrough entity' means—

"(i) a regulated investment company,

"(ii) a real estate investment trust,

"(iii) an electing small business corporation,

"(iv) a partnership,

"(v) an estate or trust, or

"(vi) a common trust fund.".

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) The table of sections for such part VII is amended by adding at the end thereof the following new item:

"Sec. 1092. Offsetting positions in personal property.".

(2)(A) The heading for such part VII is amended to read as follows:

"PART VII—WASH SALES; OFFSETTING POSITIONS"

(B) The table of parts for subchapter O of chapter 1 is amended by striking out the item relating to part VII and inserting in lieu thereof the following:

"PART VII. WASH SALES; OFFSETTING POSITIONS."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to offsetting positions established after May 5, 1981, in taxable years ending after that date.

SEC. 3. CAPITALIZATION OF CERTAIN CARRYING CHARGES

(a) IN GENERAL.—Part IX of subchapter B of chapter 1 (relating to items not deductible) is amended by adding at the end thereof the following new section:

"SEC. 280E. CERTAIN EXPENDITURES RELATING TO PROPERTY IN AN OFFSETTING POSITION.

"(a) IN GENERAL.—Any amount—

"(1) which would be allowable as a deduction but for the provisions of this section,

"(2) which is allocable to personal property (other than an option or a futures contract) which is part of an offsetting position within the meaning of section (1092 (b)), and

"(3) which is allocable to the balanced period (within the meaning of section 1092 (c)(1)) with respect to such personal property,

shall be charged to capital account.

"(b) CERTAIN AMOUNTS INCLUDED.—For purposes of subsection (a)—

"(1) Interest on indebtedness incurred or continued to purchase or carry personal property, and

"(2) any storage or insurance costs with respect to personal property,

shall be treated as allocable to such personal property.".

(b) CONFORMING AMENDMENT.—The table of section for such part IX is amended by adding at the end thereof the following new item:

"SEC. 280E. Certain expenditures relating to property in an offsetting position.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to expenditures made after May 5, 1981, in taxable years ending after that date.

SEC. 4. CERTAIN GOVERNMENT OBLIGATIONS TREATED AS CAPITAL ASSETS

(a) IN GENERAL.—Section 1221 (defining capital asset) is amended—

(1) by inserting "or" at the end of paragraph (4).

(2) by striking out paragraph (5); and

(3) by redesignating paragraph (6) as paragraph (5).

(b) CONFORMING AMENDMENTS.—

(1) Subparagraph (B) of section 341(c)(2) (relating to determining total assets of a collapsible corporation) is amended by striking out "(and governmental obligations described in section 1221(5))".

(2) Subparagraph (D) of section 1231(b)(1) (defining property used in trade or business) is amended by striking out "paragraph (6)" and inserting in lieu thereof "paragraph (5)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to obligations issued after May 5, 1981.

SEC. 5. DEALERS IN SECURITIES.

(a) 30-DAY REQUIREMENT.—Subsection (a) of section 1236 (relating to dealers in securities is amended by striking out "30th" each place it appears.

(b) CLEAR IDENTIFICATION REQUIREMENT.—Section 1236 is amended by adding at the end thereof the following new subsection:

"(d) CLEAR IDENTIFICATION IN CASE OF OFFSETTING POSITIONS.—For purposes of subsection (a), no security which is part of an offsetting position (as defined in section 1092 (b)) shall be treated as clearly identified in the dealer's records as a security held for investment unless all securities which are part of the offsetting position have been identified in accordance with such subsection.".

(c) EFFECTIVE DATE.—The amendment made by this section shall apply to securities acquired after May 5, 1981, in taxable years ending after that date.

SECTION 6. SALE OR EXCHANGE.

(a) IN GENERAL.—Section 7701(a) (relating to definitions) is amended by adding at the end thereof the following new paragraph:

(38) SALE OR EXCHANGE.—The term 'sale or exchange' when used with reference to any capital asset means any disposition of such asset.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to any disposition after May 5, 1981.

TREASURY PROPOSAL FOR TAX TREATMENT OF COMMODITIES STRADDLES AND RELATED TRANSACTIONS

PART A: COMMODITIES STRADDLES

I. Present Law:

Taxpayers are now engaged in a variety of transactions involving commodities in the expectation that they will defer reporting income until some future years and that they will convert short term capital gain (taxable at a maximum 70 percent rate) to long term capital gain (taxable at a maximum 28 percent rate).*

These transactions typically involve a balanced position in commodities: a contract to purchase a given quantity of a commodity in some future month (a "long") and a contract to sell the same quantity of the identical commodity in some other future month (a "short"). The offsetting contracts generally cover the identical commodity (e.g., March silver (silver to be delivered in March) and September silver) but often can involve the same commodity in a physically altered form (e.g., soybeans and soybean meal) or two or more commodities whose price movements are highly correlated (e.g., gold and silver).

The balanced position described above is known as a "straddle." In a straddle, the taxpayer's risk is not measured by a price change in the underlying commodity, but rather is a function of a change in the price relationship between different delivery months. Where the relationship between delivery months is strictly a function of carrying costs, the taxpayer's risk in such a position is minimal.

The ideal commodity in which to place a straddle shows significant price volatility, but produces very little variation in the price spread between delivery months. The taxpayer who enters a straddle in such a commodity waits for the expected price movement in the underlying commodity (either up or down), sells, (or "lifts") the loss leg, and claims the full amount of the loss on that leg for tax purposes. In order to maintain the same minimal risk position, the taxpayer will immediately purchase a position identical to the one just sold (long or short, as the case may be) in the same commodity but in a different delivery month.

For example, a taxpayer, in 1980, could be long July 1981 and short September 1981 silver. If the taxpayer experiences a loss in his July 1981 position which meets his requirements for a 1980 tax loss, he can sell that position and buy January 1982 silver. He is still in a straddle (long January, short September) and can dispose of both legs in the next tax year, yet he will claim a loss in 1980, for tax purposes, attributable to the sale of the July 1981 leg.

The Internal Revenue Service has ruled that a loss in a silver straddle, analogous to the loss attributable to the July 1981 leg in the above example, is not a deductible loss for income tax purposes. The purpose of this transaction was to claim losses, for federal income tax purposes, which far exceeded the expected magnitude of any real economic losses. Moreover, the taxpayer in that ruling had no reasonable expectation of deriving an economic profit from the transaction. The Service has applied a similar analysis in the case of losses claimed with respect to straddles placed in other commodities. See e.g., Rev. Rul. 78-414, 1978-2 C.B. 213 (the conclusion in Rev. Rul. 77-185 is equally applicable to a "spread," or straddle, in futures contracts covering Treasury bills).

II. Reasons for Change:

In these transactions, the taxpayer recognizes approximately equal amounts of gain and loss. The object of the transaction, however, is to recognize the loss currently, in order to offset it against other income, and to postpone the recognition of the related gain until a later year. There is no impediment to achieving an indefinite deferral of a gain through the use of a series of transactions each year. Such a result is unconscionable. The magnitude of the tax loss claimed in the first year substantially exceeds the economic risk inherent to the straddle position.

---

*For purposes of illustrating the transactions which may be undertaken by taxpayers (in Part A and the other Parts), it is assumed that these taxpayers will successfully maintain that they are entitled to the benefits claimed. The Internal Revenue Service has begun to litigate these issues in the courts. This litigation is proceeding on the basis of several theories any one of which, if successful, would deny the taxpayers the favorable tax consequences they claim. Because of the length of time that it will take to achieve a judicial resolution of these issues to a degree which will prevent taxpayers from claiming the benefits on their returns, this legislative solution is being pursued.

Assume, for example, the taxpayer A had a $500,000 short term capital gain from real estate in 1978 and that A is subject to tax at a 70 percent rate. A's tax on this amount would have been $350,000 (70 percent of $500,000). A, however, entered into the following transaction to defer the payment of the tax.

Date, and transaction:

October 31, 1978, buy: 200 contracts (5,000 ounces per contract) for Mar. 80 silver at $6.9020 per ounce. Sell: 200 contracts (5,000 ounces per contract) for Jan. 80 silver at $6.8060 per ounce.

The above transaction will be executed as a "straddle," that is, the taxpayer will purchase a Mar. 80—Jan. 80 straddle at $.0960 per ounce ($6.9020–6.8060). The stated price for the straddle represents the spread between contract months. Because the taxpayer's risk in a straddle is a function of a narrowing (or widening) of this spread, rather than a move in the underlying silver price, the margin required for this position is minimal. (In fact, at times in the past certain exchanges did not require that any margin be posted for a silver straddle.) By November 9, the price of the March 80 silver contract is $6.3870 per ounce. At that time, the taxpayer will enter into the following transaction:

Date, and transaction:

November 9, 1978, buy: 200 contracts for May 80 silver at $6.4850 per ounce. Sell: 200 contracts for Mar. 80 silver at $6.3870 per ounce (closing A's position in Mar. 80 silver).

January 2, 1979, buy: 200 contracts for Jan. 80 silver at $6.4950 per ounce (closing A's position in January 1980 silver acquired on October 31, 1978). Sell: 200 contracts for May 80 silver at $6.4850 per ounce (closing A's position in May 1980 silver acquired on October 9, 1978).

The taxpayer in the above transaction will report a loss of $.5150 per ounce upon closing the long position in the Mar. 80 silver contract. Because A sold 200 contracts, at 5,000 ounces each, A will claim an aggregate short-term capital loss of $515,000 upon liquidating the loss leg and use it to offset the real estate gain in 1978. At the same time, however, A has an unrealized gain of $.5180 per ounce on the other half of the straddle, the Jan. 80 position, amounting to $518,000 in total.

Thus, at the time that A claims a short term capital loss of $515,000 in 1978, A's aggregate economic gain from the transaction is $3,000, before commissions (loss of $515,000, unrealized gain of $518,000).

Shortly after the beginning of the next taxable year, A closed out his balance position in silver. A will realize a short term capital gain upon lifting the Jan. 80 position equal to $311,000 and another short term capital gain on the opposite side (May 80 silver) of the balanced position, established on November 9, 1978, of $201,000. A's total gain in 1979 is $512,000. As the example illustrates, A has protected the unrealized gain on November 7 by entering into a new balanced position.

Although a price movement after November 9 eroded some part of the unrealized gain in the Jan. 80 leg, it produced a corresponding unrealized gain in the May 80 leg.

Taxpayer A used the straddle transaction simply to defer, or "roll over" a $500,000 gain from 1978 to 1979. The benefit to A from the deferral can be viewed as a tax free loan from the government in an amount equal to the tax that would otherwise be due.

If A were to invest the amount of the deferred taxes (approximately $350,000) in tax exempt bonds yielding 7 percent, the benefit of the one year deferral to A would be approximately $25,000. A's real economic loss from this transaction was only $3,000 (loss in 1978, $515,000; aggregate gain in 1979, $512,000 ($201,000+$311,000)) plus commissions.

In addition to deferring taxes, the straddle can be used to convert short term capital gain into long term capital gain. In order to accomplish this, the leg of the straddle containing the unrealized gain must be the long leg. A short position (i.e., a contract requiring the holder to make delivery) will always produce short term capital gain or loss. If an appreciated long position is held for six months and thereafter sold at a gain, however, the resulting gain will be long term.

Having a net short term capital gain of $500,000 from a securities transaction in 1978, B enters into the following transactions in 1978 and 1979:

Date and transaction:

October 20, 1978, buy: 200 contracts for Mar. 80 silver at $6.5430 per ounce. Sell: 200 contracts for Jan. 80 silver at $6.4490 per ounce.

October 30, 1978, buy: 200 contracts for Jan. 80 silver at $6.9620 per ounce (closing out B's Jan. 80 position). Sell: 200 contracts for May 80 silver at $7.1570 per ounce.

April 23, 1979, sell: 200 contracts for Mar. 80 silver at $7.9690 per ounce (closing out B's position in March 1980 silver acquired October 20, 1978). Buy: 200 contracts for May 80 silver at $8.0670 (closing out B's position in May 80 silver acquired October 30, 1979).

As a consequence of the above transactions, B will report a $513,000 short term capital loss for 1978, attributable to closing his position in Jan. 80 silver at a loss of $.5130 per ounce on October 30, 1978.

B, of course, has a corresponding gain ($516,000) of approximately the same amount in the Mar. 80 position.

B protected this gain by replacing the Jan. 80 short with a May 80 short on October 30, 1978. B will report a long term gain in the following taxable year on closing the Mar. 80 contracts held from October 20, 1978 to April 23, 1979, in the amount of $1,426,000.

B will also report a short term capital loss from closing the May 80 position of $.9100 per ounce, or $910,000. B's net gain from the April 23rd closing transactions is $516,000, which is almost the same as the loss in the previous year ($513,000).

Overall, B recognized a $3,000 economic gain from all of these straddles (gain of $1,426,000—losses of $513,000 and $910,000). B will have succeeded, however, not only in deferring taxes on approximately $500,000 of short term gain, but also in converting all of the short term capital gain, attributable to the securities transaction, to a long term capital gain. B's tax savings attributable to the conversion alone (assuming B is taxed at a 70-percent rate in all years) is approximately $201,000.

This procedure is not confined to trading in silver or other precious metals. Commodities with the greatest potential for accomodating a short term—long term conversion are those which are volatile enough to produce a significant move in the value of a contract during a reasonably short period, which have spreads which closely reflect full carrying charges, with respect to which there is an expectation that the underlying price will move up over the next few months, and in which the futures market is liquid enough to produce good executions when needed.

III. Explanation of the Proposal:

A. Nonrecognition of the loss: Under the proposal, a taxpayer would not be permitted to recognize a loss, in excess of gains recognized as part of the same transaction, from a "balanced position" unless the taxpayer stayed out of the balanced position for at least 30 days. If the taxpayer remained unbalanced for the 30 day period, the loss would be treated as sustained, for tax purposes, on the first day following the close of the 30 day period.

This rule would apply in the case of balanced positions in property. For these purposes, the term property would include commodities, debt instruments, currency, futures contracts on commodities, currency or debt instruments, and forward contracts, but not stock.

The term balance position would mean any position in property with respect to which a taxpayer's risk of loss is substantially diminished by reason of holding two or more positions in property. A conclusive presumption would apply to:

(1) Positions in the same commodity, whether in the physical commodity or a futures contract.

(2) Positions with respect to the same commodity, but in a substantially altered form (e.g., silver and silver coins; soybeans and soybean meal).

(3) Positions in commodities with respect to which the margin, required by any exchange on which the commodity is traded (or otherwise), for entering into the balanced position, is less than the aggregate margin required for each of the positions held separately.

(4) All positions in debt instruments and futures contracts for debt instruments.

(5) All such positions as the Secretary may, by regulation, prescribe. In order to constitute a balanced position under this paragraph, the standard deviation of the change in price of part of the same or a similar balanced position must have been at least 5 times the standard deviation of the change in the price of the balanced position (or a similar balanced position) over any two year portion of the immediately preceding 5 year period.

The conclusive presumptions in (4) and (5) will not apply in those cases where the taxpayer can establish to the satisfaction of the Secretary that the positions are not offsetting.

B. Holding Period: Whenever a taxpayer is in a balanced position, the holding period for any property that is part of the balanced position will be suspended for the period that the position is considered balanced under the bill. Accordingly, a balanced position may no longer be used as a vehicle for converting short-term capital gain into long-term capital gain.

IV. Effective date:

For all transactions in "property" entered into after December 31, 1980.

PART B: CASH AND CARRY TRANSACTIONS

I. Current Law:

At present, taxpayers have been converting ordinary income (taxable at a maximum 70 percent rate) into long-term capital gain (taxable at a maximum 28 percent rate) by entering into transactions following the format described below:

Facts: A, an individual, would like to defer and convert approximately $11,500 of ordinary income:

Date and transaction:

May 1, 1980, buy: 5,000 ounces of silver at $20.00 per ounce. Sell: One, 5,000 ounces, contract for July 81 silver at $22.50 per ounce.

During the period May 1, 1980 to July 1, 1981, storage costs for the silver are estimated at $400, insurance at $100, and interest on the indebtedness incurred to finance the purchase, $12,000 (an annual rate of approximately 10.285 percent). The spread between the May 1, 1980 spot price for the silver and the July 81 futures price ($2.50/ounce) is a function of these three carrying costs.[1]

[1] The spread normally will not increase above the carrying costs, for if it did, investors would purchase the spot commodity and sell the futures contract. The spot could then be held and delivered against the futures contract, and an economic profit realized. Arbitrageurs will enter the market to maintain the equilibrium relationship between the spread and the carrying charges. See T. A. Hieronymous, *Economics of Futures Trading* 156 (2d ed. 1977).

From May 1, 1980 to June 1, 1981, T will pay and claim a current deduction for $11,600 of expenses attributable to interest, storage and insurance.

On June 1, 1981, T will enter into the following transactions to close out this spread position:

Date, transaction, and gain (loss): June 1, 1981, sell: 5,000 ounces of silver at $26.32 per ounce, $31,600.

June 1, 1981, buy: One July 81 silver contract at $26.50 per ounce, ($20,000). Net gain from June 1, transactions, $11,600.

In such transactions, the taxpayer will claim that the cost of storage and insurance, as well as the interest, constitute current deductions. On the other hand, the short sale rules of section 1233 may not technically apply (the spot silver and the July 81 silver futures are not "substantially identical"), so that the gain on the sale of the physical silver is reported as a long term capital gain. Thus, the cash and carry transaction gives taxpayers the opportunity to obtain both deferral and conversion, at a minimal economic risk. By selling the futures, the taxpayer has eliminated risk attributable to price moves in the underlying commodity. Even if silver prices were to decline substantially, the taxpayer could always deliver the silver to close out the futures contract, thereby realizing a "locked-in" gain.

II. Reasons for Change:

The taxpayer in the case described above has assured himself of being compensated for the market rate of interest at the time the spread is entered into, plus storage and insurance for carrying the commodities to the delivery date. Although the taxpayer bears the risk that these costs will increase so dramatically as to produce a loss, such an increase would have to be quite spectacular to produce an after tax loss after taking into account the claimed tax effects of the transaction. In addition, the taxpayer may be able to "lock-in" the cost of the borrowings, generally the major cost in these transactions, so as to substantially eliminate any risk that the carrying charges will rise dramatically.

Assume that, on May 3, 1980, the interest cost to A in the transaction described above rose from 10.28o percent to 1o percent and remained at 15 percent until July 1, 1981, at which time A delivered the silver against his obligation under the July 81 contract. Assume further that A's income is taxed at a 50 percent rate. Under the facts, A will pay interest at 15 percent on $100,000 for 14 months ($17,500) plus storage and insurance of $500, for a total of $18,000. A will claim all of this amount as a deduction against ordinary income, so that A's after tax cost of carrying the silver is $9,000. A will recognize a $12,500 gain when the silver is delivered against A's July 81 short position, the tax payable with respect to this gain will be $2,500 (20 percent x $12,500), and A's net proceeds will be $110,000. The result of this transaction is: net amount realized, $110,000 ($112,500–$2,500); net cost $109,000 ($100,000 plus $9,000). Thus, after tax A will realize a $1,000 gain although, pre-tax, A would report a $5,500 loss.

The critical point to be made is that, by entering into the futures contract, A has assured himself of at least $12,500 as compensation for the cost of carrying the silver. Even if the spot market for silver collapsed and interest rates rose dramatically A could always deliver the physical silver to liquidate his futures position at a "locked in" gain.

III. Explanation of the Proposal:

Under the proposal, carrying costs (such as storage and insurance) and interest on indebtedness incurred or continued to purchase or carry any commodity, for any period during which the commodity is part of a balanced position, must be capitalized and added to the basis of the physical commodity.

As applied to taxpayer A in the original transaction, this proposal would require A to capitalize, and add to the basis of the silver, all of his $11,600 of carrying costs. As a result, A would be denied a current deduction for the $11,600 of costs attributable to carrying the silver from May 1, 1980 to June 1, 1981. Further, when the silver was sold on June 1, 1980, A would realize only a $20,000 gain (basis=$111,600; amount realized=$131,600). Under the modification contained in Part A, this gain would be a short term capital gain. This gain would be offset by the $20,000 short term capital loss generated as part of the same transaction.

IV. Effective Date:

The rules requiring that the interest and carrying charges be capitalized, as outlined above, would apply to amounts paid or accrued after December 31, 1980.

PART C: THE TAX TREATMENT OF TREASURY BILLS AND TREASURY BILL FUTURES CONTRACTS

I. Current Law:

Under current law, Treasury bills and other government obligations issued at a discount, and with a fixed maturity not exceeding one year, are expressly excluded from the definition of a "capital asset" by section 1221(5). Thus, all gains and losses on the sale or exchange of a Treasury bill are taxable as ordinary income or loss. It is unnecessary to segregate the portion of the original issue discount accrued during the time the obligation is held from the gain or loss realized on the sale or other disposition of the obligation. Treas. Reg. section 1.1221–1(e). Further, no part of the discount at which that obligation was originally sold accrues as income until the date on which it is paid at maturity, sold, or otherwise disposed of. Section 454(b).

II. Reasons for Change:

In Rev. Rul. 78–414, 1978–2 C.B. 213, the Internal Revenue Service ruled that a commodity futures contract for the delivery of a Treasury bill, not acquired as a legitimate "hedge" or for sale to customers in the ordi- to "roll-over" (i.e., defer) amounts of ordinary income by taxpayers using the typical trading strategy outlined in Part A. Instead, using a variation of the straddle transaction nary course of the purchaser's business, was a capital asset. Accordingly, gain or loss recognized on its sale or exchange constitutes capital gain or loss. Thus, commodity futures contracts for Treasury bills can not be used which involves taking or making physical delivery of the Treasury bill, taxpayers have used Treasury bill futures contracts in an attempt both to defer amounts of ordinary income and to convert that income to short term or long-term capital gain. One form of this trading strategy is outlined below.

Assume that A enters into a Treasury bill futures straddle as follows:

Date and transaction:

October 31, 1980, buy: 1 contract for delivery of a Treasury bill ($1,000,000 face amount, 90 day bill), in December 1980 at 87.17. Sell: 1 contract for delivery of a Treasury bill in January 1981 at 87.48.

On December 17 (the last trading day for the December contract), the price of the December 80 Treasury bill futures contract opened at 83.39 and the price of the January 81 T bill futures contract opened at 83.98. On December 18, the taxpayer enters into the following transactions:

Date and transaction:

December 18, 1980, buy: 1 contract for delivery of a Treasury bill in January 1981 at 84.28 (closing out the January 81 short position).

Futures settlement: (1) accepts delivery of $1,000,000 face amount, 91 day Treasury bill, and completes a total payment of $967,466.39, according to the terms of the futures contract.

(2) sells the $1,000,000 face amount, 91 day Treasury bill, on the market at $959,-151.11.

The taxpayer will claim an ordinary loss of $8,315.28 on the December 18, 1980 sale of the Treasury bill. The taxpayer also has a gain from closing the March 81 Treasury futures position of $8,000 ($25 per basis point). This gain will be reported as short term capital gain.

The taxpayer can engage in some other straddle, such as a silver straddle, to defer the recognition of the short term capital gain attributable to closing out the March 81 futures position to a later taxable year and possibly to convert it to a long term gain. In addition, the taxpayer may be able to utilize capital loss carryovers that otherwise could not be used to offset ordinary income to offset the capital gain.

III. Explanation of the Proposal:

Under the proposal, Treasury bills would no longer be excluded from the definition of a "capital asset" and section 1221(5) would be repealed. The rule of section 454(b), that recognition of the discount earned for the period the obligation is held is deferred until the security is sold, redeemed or otherwise disposed of, would be retained. Gain or loss from the sale or exchange of a Treasury bill, or any other asset now described in section 1221(5), would be capital gain or loss, provided that the security was a capital asset in the hands of the taxpayer.

Notwithstanding the repeal of section 1221(5), a person who sold, exchanged, redeemed or otherwise disposed of a Treasury bill would be required to take into account, as interest, that part of the discount on the bill which accrued during the period such person held the bill. This result follows from a substantial body of case law which, in the absence of section 1221(5), requires a taxpayer to include in income, as interest, the earned portion of original issue discount.

IV. Effective Date:

The repeal of section 1221(5) would apply to all securities issued after December 31, 1980.

PART D: IDENTIFICATION AND SEGREGATION OF ASSETS HELD FOR INVESTMENT BY DEALERS IN SECURITIES

I. Current Law:

Under current law, gains and losses from property held primarily for sale to customers in the ordinary course of business are taxed as ordinary income or loss. Gains and losses from property held for investment, however, are taxed as capital gains and losses. The gains and losses of a person from the sale of property of a type held by that person primarily for sale are generally ordinary. Notwithstanding that stock or securities constitute property of a type held primarily for sale to customers, dealers in securities can follow special rules which permit them to identify and segregate certain of their assets as held for "investment." Gains and losses from these assets may be taxable as gains and losses from the sale of a capital asset.

These rules provide that:

(1) gain from the sale or exchange of a security is not treated as gain from the sale or exchange of a capital asset unless the security was "clearly identified" on the dealer's records as held for investment within 30 days following the date of acquisition and was not, at any time following the expiration of that 30 day period, held by such dealer primarily for sale to customers in the ordinary course of business;

(2) a loss from the sale or exchange of securities held by a dealer is, generally, not an ordinary loss if, at any time, the security was "clearly identified" as a security held for investment.

For these purposes, the term "security" means any share of stock in any corporation, any certificate of stock or interest in any

corporation, any note, bond, debenture, or other evidence of indebtedness, or any evidence of an interest in, or right to subscribe to or purchase, any of the foregoing. The term "dealer in securities" is defined as a "merchant of securities, whether an individual, partnership or corporation, with an established place of business, regularly engaged in the purchase of securities and their resale to customers; that is, one who as a merchant buys securities and sells them to customers with a view of the gain and profits that may be derived therefrom." Treas. Reg. § 1.471-5.

II. Reasons for Change:

Partnerships are being organized, and interests in such partnerships sold to investors, which are designed to operate as "broker-dealers" and "market makers" with regard to a wide range of securities. It is claimed that these investments provide ordinary losses equal to some multiple of the taxpayers' cash investment (*e.g.*, 4:1), with income recognition, often at some later date, at long term capital gains rates. These broker dealer partnerships claim such losses and gains, in part, by taking a balanced position in securities, waiting for a price movement to produce a loss on one side and a gain on the other, and then identifying the loss side as inventory and the gain side as investment. Although futures contracts on commodities and financial instruments are not within the definition of a "security" for purposes of section 1236 (see section 1236(c)), it appears that taxpayers are claiming similar tax treatment on these gains and losses by analogy to section 1236. These particular gains and losses are derived from transactions with respect to which there is, at most, a minimal economic risk.

From an information processing and recordkeeping point of view, the 30 day identification period of current law is no longer needed. Most, if not all designations, can be made and recorded instantaneously.

III. Explanation of the Proposal:

Under the proposal, the 30 day period within which securities must be identified, for purposes of the special treatment provided in section 1236, would be shortened. In order for the gain from the sale or exchange of a security to qualify as capital gain, such security must have been identified as held for investment by the close of the day following its date of acquisition. The requirement that the security not be held for sale to customers at any time following the close of the identification period would be retained, as well as the rule regarding the treatment of securities sold at a loss.

In addition, section 1236 would be amended to provide explicitly that a security constituting part of a balanced position will receive the unfavorable treatment mandated by section 1236 (i.e., capital loss and ordinary income), unless all securities that are a part of the balanced position are identified as investment securities on the dealer's records under the rules of this section. This amendment simply clarifies the treatment of such securities under current law.

IV. Effective Date:

The new one day identification rule would apply with respect to securities acquired after December 31, 1980.

PART E: SALE OR EXCHANGE REQUIREMENT

I. Present Law:

Straddle transactions are particularly troublesome when they can convert ordinary income into capital gain as well as deferring the income to a later year. Besides using the transactions in Treasury obligations, discussed above in Part C, some tax shelter promoters are relying on the need for an actual "sale or exchange" in order to obtain capital treatment on the disposition of a capital asset.

Although a taxpayer must normally recognize gain or loss whenever there has been a "sale or other disposition of property," section 1001(a), the definitions of capital gains and losses in section 1222 depend on there being a "sale or exchange" of a capital asset. The courts have interpreted this requirement in a way that allows certain assets to be disposed of in a manner that is not considered a "sale or exchange," thus yielding ordinary income or loss on such dispositions. This result has been reached despite the fact that the cancellation was economically equivalent to a sale or exchange of the contract.

II. Reasons for Change:

Because certain contracts may be viewed as having the potential to produce gain or loss that is either capital (when they are sold or exchanged) or ordinary (when they are cancelled or otherwise disposed of), certain balanced positions are claimed to afford taxpayers the potential for creating capital gain or ordinary loss, thus effectively converting any income, including ordinary investment and salary income, into capital gain.

Assume, for example, that taxpayer A had $250,000 of salary and $250,000 of long-term capital loss from an investment in stock. Under normal tax rules, A cannot offset the ordinary income and the capital loss. Thus, A would normally be required to pay tax on the $250,000 of salary income, and would be allowed an offset for only a small part of the long-term capital loss. A, however, enters into the following transaction to allow the ordinary income and capital loss to be offset in the same year.

Date, transaction, and value:

October 13, 1980: Enters into a contract $2,822,500 ("Forward contract") to purchase 5,000,000 German marks at $.56450 per mark in March, 1981. Enters into a contract $2,850.500 ("Forward contract") to sell 5,000,000 German marks at $.57010 per mark in June, 1981.

The above transaction involves very little risk to A. By December 17, 1980, the price of March 1981 marks is $.5112 and the price of June 1981 marks is $.5188. A enters into the following transaction:

Date and transaction:

December 17, 1980: Assigns the contract right to sell 5,000,000 German marks at $.57010 per mark to the M Bank for $256,500. Cancels the contract to purchase 5,000,000 German marks at $.56450 per mark upon payment of $266,500 to the other party to the contract.

The taxpayer in the above transaction will report an ordinary loss on the contract that was cancelled. This loss will equal the amount paid on cancellation. The taxpayer will report a net short-term capital gain on the contract to sell marks that was assigned to M Bank on December 17. Thus, the transaction as a whole has been used to convert the $250,000 of ordinary income to a short term capital gain that can be netted against the taxpayer's long term capital loss.

III. Explanation of the Proposal:

The requirement that there be a "sale or exchange" in order to obtain capital gain or loss on the disposition of a capital asset would be eliminated.

IV. Effective Date:

For all sales or other dispositions of property occurring after December 31, 1980.

By Mr. SASSER (for himself, Mr. RANDOLPH, Mr. ROBERT C. BYRD, and Mr. BAUCUS):

S. 630. A bill to revise loan guarantee provisions of the Airline Deregulation Act of 1978, and for other purposes; to the Committee on Commerce, Science, and Transportation.

AIRLINE DEREGULATION ACT AMENDMENTS OF 1981

● Mr. SASSER. Mr. President, I rise today to introduce legislation that would amend the Airline Deregulation Act of 1978. I am pleased to have my two distinguished colleagues from West Virginia, Senator RANDOLPH and Senator BYRD, and the distinguished Senator from Montana, Senator BAUCUS, join me today in introducing S. 630. The purpose of this bill is not to reintroduce regulation to the airline industry. Rather, it is an attempt to improve the quality of service to small and medium sized cities that have lost a significant amount of air service since implementation of the 1978 deregulation law.

In many areas, deregulation has worked well. In others it has not. I do not believe that the lack of success in some areas is because deregulation is a bad idea; I believe it is because of technical problems of deregulation in the airline industry.

One of the facts of life in the airline industry is that a large aircraft is not used most efficiently on short runs between smaller cities. The greatest amount of fuel on any flight is used during takeoff and landing, therefore the longer a plane is at cruising altitude and speed the less fuel is consumed. For this reason, airlines that once served smaller cities and shorter routes have chosen to use their equipment elsewhere.

While commuter airlines have filled some of the gap in service to these areas, they are not always able to meet the demands of the market. Unfortunately, domestic airlines do not have in service enough medium sized planes to service medium sized markets adequately.

Section 2(c) of this bill is directed toward encouraging the purchase of medium-sized planes. The Federal Government currently has a program administered by the Department of Transportation that guarantees loans for the purchase of new aircraft and parts. The bill would direct the Secretary of Transportation to give priority to loan guarantee applications for the purchase of medium-sized aircraft with passenger capacity for between 19 and 56 passengers. This would cover the bulk of the medium-sized aircraft now available. I might point out that these loan guarantees are very safe loans. No airline has ever defaulted on such a loan.

In addition, authorization for the loan guarantee program is extended until 1990. Under present law, the program expires in 1982.

Section 2(b) of this bill provides for continued oversight of fares after that duty is relinquished by the Civil Aeronautics Board. Current law allows airlines great flexibility in setting fares. That leeway would continue, but rather than having no oversight of fares after January 1983, the Secretary of Transportation would be delegated the authority currently held by the CAB. The purpose of this section is to insure that passengers on routes served by only one carrier will not be subject to monopoly pricing.

It is evident that since the inception of airline deregulation air carriers have made the decision to subsidize low fares on highly competitive routes with high fares on routes with little if any competition. Those of us who fly frequently on low competition routes are well aware that ticket prices have risen more sharply on these routes than on other routes.

Indeed, I recently did some computations on relative air fares and found that while it cost only about 6 cents a mile to fly from New York to Los Angeles, it now costs about 22 cents a mile to fly from Knoxville to Washington. Certainly, I expected a fare differential in these trips, but the nearly 4-to-1 differential amply shows the degree to which airline fares have escalated in our medium-sized markets as a result of deregulation.

I do not believe that we should return to the time when airline rates were dictated by Government policy. I believe that present pricing flexibility depending mostly on market place influences is healthy. I do not necessarily agree with present corporate pricing strategies, but those decisions are rightly left to the airlines. I do, however, feel that there must be some guarantee that those who must fly low competition routes will not be subject to unreasonable monopolistic pricing.

Finally, section 2(e) of this bill increases the amount of time airport operators have to find replacement service when an air carrier discontinues service between city pairs where they are served by only one carrier. Air carriers are currently required to give 90 days notice. Under the provisions of this bill, air carriers would be required to give 180 days notice. In my discussions with airport operators, I have become convinced that 90 days is just not enough time to find new service. I believe that 180 days is a more reasonable amount of time for the operators and cities to find replacement service that is often essential to a city.

Mr. President, like most Senators I am hesitant to endorse any effort that would increase the amount of Government regulation of the private sector. The people of this country clearly do not want us to take that direction. This bill carefully avoids reregulation of the airline industry.

There are many whose experiences with an unregulated airline industry have led them to call for substantial reregulation. I agree that there are some problems that have resulted from quick changes in industry, primarily changes in the regulatory atmosphere. This bill is an attempt to rectify those problems with regulation. The three steps taken by this bill are needed to prove that deregulation can work for all sectors of the commercial flying community.

I am confident that S. 630 is a good vehicle for promoting congressional discussion about the status of the Airline Deregulation Act. And it is my hope that as the Commerce Committee reviews S. 630 they will take the opportunity to let interested parties come to the fore and provide the Commerce Committee with their assessments of their experience with the Airline Deregulation Act.

Senators PACKWOOD and CANNON are to be commended for their substantial efforts in deregulating the airline industry. They helped shepherd landmark deregulation legislation through the Senate and the House in 1978. The law has worked well, but like any law it should be assessed from time to time as it is implemented. It is my hope that S. 630 will contribute to the assessment of the many features of the Airline Deregulation Act of 1978.

Mr. President, I ask unanimous consent that the full text of S. 630 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 630

Be it enacted by the Senate and House of Repersentatives of the United States of America in Congress assembled, That this Act may be cited as the "Airline Deregulation Act Amendments of 1981".

SEC. 2. (a) Section 1601(a)(2)(B) and (D) of the Federal Aviation Act of 1958 is repealed.

(b)(1) Section 1601(b) of such Act is amended by adding the following new paragraphs at the end thereof:

"(3) The authority of the Board under section 1002(d)(1) and (d)(2), (e), (g), (h), and (i) of this Act is transferred to the Secretary of the Department of Transportation effective January 1, 1983.

"(4) The authority of the Board under section 401(j) of this Act is transferred to the Secretary of the Department of Transportation effective December 31, 1981.".

(c) Section 3 of such Act is amended by adding the following at the end thereof: "In considering applications for loan guarantees, the Secretary shall give priority to those qualified applicants who apply for such guarantees for the purpose of purchasing aircraft with seating capacity for 25 to 55 passengers inclusive, and equipment for such planes. No less than two-thirds of the total amount of loans guaranteed for the purchase of aircraft shall be for the purchase of such limited seating planes.".

(d) Section 8 of such Act is amended to read as follows:

"SEC. 8. The authority of the Secretary under section 3 of this Act shall terminate 12 years after the date of enactment of the Airline Deregulation Act Amendments of 1981.".

(e)(1) Section 401(j)(1) of such Act is amended by striking out "90 days" and substituting "180 days".

(2) Section 401(j)(2) of such Act is amended by striking out "sixty" and substituting "180".●

By Mr. DECONCINI (for himself, Mr. MATSUNAGA, Mr. HEINZ, Mr. FORD, and Mr. INOUYE).

S. 631. A bill to dismiss certain cases pending before the Education Appeal Board; to the Committee on Labor and Human Resources.

DISMISSAL OF CASES PENDING BEFORE EDUCATION APPEAL BOARD

● Mr. DECONCINI. Mr. President, Senators MATSUNAGA, HEINZ, FORD, INOUYE, and I are introducing proposed legislation that would dismiss certain cases pending before the Education Appeal Board. Upon enactment this bill would "dismiss all actions seeking repayment of funds provided to State or local agencies under title I of the Elementary and Secondary Education Act of 1965." In order for the repayment of funds to be dismissed the Department of Education's audit of the State or local agency must have been conducted prior to enactment of the Education Amendments of 1978.

Approximately 19 States have appeals pending before the Education Appeal Board, in the Department of Education. Of these 19 States, approximately 16 would receive relief from this proposal.

There are several persuasive reasons for dismissing these audit proceedings. The most compelling reason, in my judgment, is that children in school today would in effect be paying for educational programs that were provided to children years ago. For if school districts ultimately have to repay funds to the Federal Government reductions in existing programs would be required.

The audit experience of State and local officials in Arizona is an example of the bureaucracy functioning in its least effective manner. Arizona's title I programs were audited by the Federal Government in the spring of 1970. The audit covered the period between August 10, 1965 and August 31, 1969. The audit report was made available in August 1970, but a formal hearing has yet to be scheduled. In 1973, Arizona first requested a hearing before the audit hearing board, which was responsible for considering such appeals. Four years later, the Office of Education, claiming that the State had never requested a hearing, directed the State to do so and also demanded a detailed response to the audit report. A response was submitted, along with a request for information needed to provide a factual basis for certain charges contained in the report. Additional requests for information were made by the State, but it did not receive a copy of the auditors' work papers until June of last year.

Because of this bureaucratic bungling Arizona is placed in the position of disproving allegations concerning events that occurred 11 to 15 years ago. This situation is simply untenable because over the years records have been destroyed, witnesses have died or become unavailable, making it impossible in some cases to provide documentation for what actually happened.

The Education Amendments of 1978 established the Education Appeal Board. The purpose of the Board is to conduct audit appeal hearings, withholding hearings, and cease and desist hearings. The statute also requires certain procedures to be used during the appeals process. The Board and procedures were not legislatively authorized prior to enactment of the 1978 amendments. Perhaps Arizona would have been saved from bureaucratic procrastination had these provisions been in effect earlier.

Not only have the procedures used for the Arizona audit been faulty, but the audit itself is of questionable validity. An affidavit from Cornelius Tierney, a partner in Arthur Young & Co. located in Washington, D.C., severely criticizes the auditing methods and some of the conclusions reached by the Federal auditors.

The resources being used by States and local school districts, combined with those being used by the Government to pursue these appeals, when aggregated may equal or exceed the funds in dispute. Thus, it seems prudent for the Government to dismiss those cases where audits occurred before 1978 and expend its resources for investigating more recent matters.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 631

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Education Appeal Board (established by section 451 of the General Education Provisions Act as amended by the Education Amendments of 1978) shall dismiss all actions seeking the repayment of funds provided to State or local agencies under title I of the Elementary and Secondary Education Act of 1965 which are based on an audit or audits conducted prior to the date of enactment of the Education Amendments of 1978.●

By Mr. MCCLURE (for himself, Mr. SYMMS, Mr. WALLOP, and Mr. SIMPSON):

S. 634. A bill to authorize the exchange of certain lands in Idaho and Wyoming; to the Committee on Energy and Natural Resources.

EXCHANGE OF LANDS IN IDAHO AND WYOMING

● Mr. MCCLURE. Mr. President, today I am introducing legislation to provide for a land exchange between Richard Hendricks of Preston, Idaho, and the Secretary of Agriculture. Under the Federal Land Policy Management Act of 1976, the Secretary of Agriculture has the authority to exchange lands if the exchange occurs within the same State. In this instance, the land exchange proposed involves the States of Idaho and Wyoming.

In the State of Idaho, Mr. Hendricks of Preston owns 5.9 acres and improvements consisting of a warehouse with office space and restroom facilities. The U.S. Forest Service is currently leasing this site for a YACC facility and acquisition of this site through a land exchange would be an effective means of meeting U.S. Forest Service needs. In exchange for Mr. Hendricks' land and improvements, the U.S. Forest Service would convey approximately 81.78 acres of national forest land in Lincoln County, Wyo.

This proposed land exchange has been under consideration for some time now and has involved the work of people on both the local level and Washington, D.C. level. During the closing days of the 96th Congress an official position by the Department of Agriculture-U.S. Forest Service was not obtained because of time constraints. However, there appears to be no opposition and I would therefore anticipate a favorable report from the Department as well as timely consideration and action by the Congress.

Mr. President, I ask unanimous consent that the text of the legislation I am introducing be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 634

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any other provision of law, the Secretary of Agriculture (hereinafter referred to as the "Secretary") is hereby authorized to exchange the parcel of land described in Sec. 2 ("Parcel A") currently owned by the United States, for the parcel of land described in Sec. 3 ("Parcel B") and any improvements thereon, currently owned by Richard Hendricks of Preston, Idaho. Such exchange shall be made without additional consideration and in lieu of receiving monetary payment.

SEC. 2. For the purposes of this Act, Parcel A shall consist of the following described tract of land consisting of approximately 81.78 acres: T. 33 N., R. 119 W., 6th P.M., Lincoln County, Wyoming, sec. 14, SE¼ NW¼ and SW¼ NE¼, containing approximately 80 acres, and T. 35 N., R. 119 W., 6th P.M., Lincoln County, Wyoming, sec. 28, beginning at the southwest corner of lot 2, thence north 15 rods, thence east 19 rods, thence south 15 rods, thence west 19 rods to the point of beginning.

SEC. 3. For the purpose of this Act, Parcel B shall consist of the following described tract of land, consisting of approximately 5.9 acres: That portion of the SE¼SW¼ of section 8, T. 9 S., R. 42 E., Boise Meridian, Caribou County, Idaho, beginning at the southeast corner of the SE¼SW¼ of Section 8, thence west 376 feet, more or less, to an intersection with the easterly right-of-way of the Oregon Shortline Railroad, thence N. 7 10' F., 131 feet to a point of spiral; thence northerly along a curve to the left, the said centerline of main track has a spiral angle of 3 30' with 6 x 38 foot chords, a distance of 232 feet to a point of spiral curve; thence along a curve to the left with a radius of 2010.1 feet a distance of 520 feet; thence S. 87 22' E. a distance of 269 feet, thence north 428 feet, more or less; thence east 30 feet; thence south along the east line of said SE¼SW¼ 1,320 feet, more or less, to the point of beginning.

SEC. 4. Upon the conveyance of Parcel B and any improvements thereon from Richard Hendricks by warranty deed to the United States acting through the Secretary, the Secretary is authorized and directed to convey by quitclaim deed, all right, title and interest of the United States in Parcel A to Richard Hendricks; *Provided,* that the conveyance of Parcel A shall be subject to valid existing rights of third parties and a reservation by the United States of all mineral interests and of the existing road right of way in land section 14; and *Provided further,* that the conveyance of Parcel B to the United States may be subject to a reservation of all mineral interests therein to Richard Hendricks.

SEC. 5. The lands acquired by the Secretary by this Act shall, upon acquisition, become part of the Caribou National Forest and shall be administered in accordance with the laws, rules and regulations applicable to the National Forest System.●

By Mr. HEINZ:

S. 635. A bill to effect certain reorganization of the Federal Government to strengthen Federal programs and policies for combating international and domestic terrorism; to the Committee on Governmental Affairs.

ANTITERRORISM ACT OF 1981

Mr. HEINZ. Mr. President, I am today introducing legislation which would greatly improve the capability of the U.S. Government to halt the spread of terrorism. While there have, fortunately, been no major new acts of international terrorism perpetrated within the past several months, there is every reason to believe that there continue to exist organizations and individuals who feel that terrorism is an appropriate method to advance their goals. It is important, therefore, that we act immediately to reinforce the capability of our Government to penalize those nations which act as sponsors, conduits, or catalysts for the spread of terrorism throughout the world, and the legislation I am sponsoring would, I believe, go a long way toward achieving this goal.

Mr. President, this legislation would establish a number of procedures to assure that our Government can, when necessary, take appropriate actions to make the American public and the Congress aware of which nations are, in fact, supporting international terrorism. And, more importantly, it would give the President the authority to penalize such nations when appropriate. Let me add, however, that this legislation, even if enacted, is not by itself a complete answer to the problem of international terrorism; it is no substitute for a determined executive branch. What is required is nothing less than the complete development and implementation by this administration of a comprehensive U.S. strategy to deal with international terrorism, and I call upon the Reagan administration to go full speed ahead to make that policy a reality. We cannot afford to wait until the next terrorist incident is upon us before acting.

Mr. President, this legislation is substantially similar to legislation which was reported out of the Government Affairs Committee late last year. This legislation, which was a modified version of legislation I have cosponsored, and worked for passage of, for the past two Congresses, was largely the product of the efforts of Senators Ribicoff and Javits, and I most certainly want to acknowledge the great time and energy they put into the development of this legislation.

It may be that, as my colleagues review this legislation they may have ideas for further modifications or improvements, and I would most certainly welcome any thoughts they may have, so that we can develop the best legislation possible to deal with this most serious problem. Indeed, in the near future I expect to have additional suggestions for improving this legislation.

Mr. President, why is legislation needed in this area? There are two principal reasons; first, terrorism, unfortunately, continues to persist and even grow as a modern international phenomenon; second, we in the Congress have not yet dealt with this issue as thoroughly as we should. Let me discuss these two points.

On the first point, I really need not elaborate. The recent year-long ordeal of the American hostages in Iran is dramatic evidence of the continuing prevalence of terrorism in our world. Let us look at the full record for a moment.

International terrorism is a widespread phenomenon. The rate and number of incidents of nature demanding increasing attention from the media, governments, international terrorism is ris-

ing. The nature of the attacks increasingly threatens the orderly functioning of international commercial and government operations. Further, the acts impact on public perceptions of the security of the individual and the ability of governments to protect citizens, and government itself, from terrorist actions.

International terrorist attacks fall primarily into five major categories of activities: Assassinations, kidnapings, bombing attacks on and seizures of facilities, and hijackings. According to a CIA report, between 1968 and 1979 there were 283 incidents of international terrorist assassinations resulting in the murder of 355 victims. In 1979, 587 people were killed by terrorist attacks. Approximately 25 percent of these took place in Latin America and 38 percent took place in Western Europe. More than half of the assassinations in 1979 took place in Western Europe (25 of 47). The predominant victims were law enforcement officers (25 percent), businessmen (24 percent), and diplomats (33 percent). Almost 80 percent of all terrorist assassination attempts result in the death of the intended victims. The trend in this category is an increase especially involving assassinations of Soviet and United States nationals.

With regard to international terrorist kidnappings, there have been 347 kidnapping incidents and 133 were killed in these incidents in the same time frame: 36 percent of these took place in Latin America; 15 percent in Africa; and 16 percent in the Middle East. Fourteen percent of the victims were American businessmen and 40 percent of all terrorist kidnapping victims were Americans. As a result of these kidnappings, 267 "political prisoners" were released and, in 32 percent of the incidents—where the data is available—$146 million was paid in ransom to meet the kidnappers' demands.

The most frequent type of terrorist attack is bombing. Bombings account for nearly 40 percent of all terrorist operations. There have been 1,947 significant international terrorist bombings resulting in 1,010 deaths in the last 7 years; 19 percent of these have occurred in Western Europe and nearly 16 percent in Latin America; 36 percent of the attacks were against corporate officials, and half of the attacks were against U.S. citizens or property. The trend in this category has been down since 1974. However, little comfort can be taken from this fact because terrorist bombings are frequently conducted by relatively inexperienced terrorist groups which move to different types of activity as they become more sophisticated.

There have been 290 incidents of attacks on and seizures of facilities between 1968 and 1979 resulting in 358 killed, 332 wounded and 664 hostages. Of these attacks, 52 percent occurred in Latin America, 37 percent in Western Europe. Facilities attacked included government offices, (17 percent), banks (16 percent), military installations (15 percent), and individual residences (7 percent). Material damage amounted to $31,300,000.

One of the most dramatic types of terrorist incidents is an aircraft hijacking. Between January 1970 and November 1977, there were 72 such incidents resulting in 37 hostage deaths, and 15 hostage woundings, with 1,707 hostages eventually being released, 361 being rescued and 18 escaped. The 13 attempted hijackings of U.S. air carriers in 1979 were more than any other nation experienced. However, none occurred because of weapons penetrating the screening system. The 14 foreign hijackings involved aircraft of 12 nations with hijackers boarding at 11 different airports.

Thus, the evidence of a persistent and serious threat of international terrorism is overwhelming. The question then arises—what, if anything can be done about it, and, more relevantly, what, if anything can the Congress of the United States do about it?

First of all, Mr. President, there is no panacea for terrorism, and I know of no way consistent with civilized society to completely prevent the possibility of terrorist activity. Nonetheless, I am convinced that much can be done that is of both substantive and symbolic value in the fight against terrorism. Specifically, the bill I am introducing today is the product of many minds and many months of serious work. During that period of work, it became clear that there currently exist a number of gaps in our ability to deal with terrorism and terrorists. Let me elaborate on these gaps.

First, international law has not really succeeded in dealing with the problem of terrorism. Efforts by nations, including the United States, to formulate international legal obligations—via U.N. resolutions, resolutions of the International Civil Aviation Organization, et cetera—to control terrorism have been blocked by nations professing, not always sincerely, a concern for the right of self-determination and the right to extend political asylum. Most fundamentally, international law has not been successful because nations have generally not been willing to accept the imposition of sanctions against violators, nor to accept any other enforcement mechanisms.

Second, under the Carter administration, the executive branch did not initially assign a high enough priority to U.S. policy for combating terrorism. To quote the report of the Governmental Affairs Committee, as recently as 2 years ago,

> The executive branch saw little significant threat of terrorism to the United States.

It was only after the Senate Committee on Governmental Affairs began looking into this area that the executive branch responded by taking measures to establish a central coordinating point for dealing with terrorism, and also established a program to review the security condition of foreign airports.

The United States will not be able to combat the growing challenge of terrorism unless the executive policymaking apparatus is more effectively and forcefully utilized to define overall goals, to develop alternative initiatives in both bilateral and multilateral contexts, and to better integrate the concerns and objectives of antiterrorism policy into the policymaking functions of the geographical bureaus of the State Department.

There is also an important need for periodic reassessments by Congress and the executive branch of both the extent and sufficiency of our own preparedness and response capabilities, and the actions and policies of other governments. Such reassessments, of course, should reflect the totality of American interests, both political and economic, as well as our responsibility as one of the world's largest and most influential countries.

Third, international civil aviation security programs to protect air commerce against hijacking, sabotage, and related crimes are inadequate. During 1979, worldwide hijackings (27) went down only slightly, while hijackings originating in the United States increased to the highest since stringent security measures were instituted at U.S. airports in January 1973. In June 1979, the first successful hijacking from the United States to Cuba in 4½ years took place.

In all, there were six hijackings from the United States to Cuba, two of which were successful. The inability to substantially reduce worldwide hijackings indicates that the hijacking threat persists and further improvements are necessary to assure universal application of effective international security measures.

Fourth, terrorist activity within many nations continues, and close operational interrelationships are continuing between terrorist organizations in widely separated geographic areas of the world. The Central Intelligence Agency has confirmed the expanding nature of terrorist activity and the involvement of transitional terrorist groups based mainly in West Germany and Japan in increasing numbers of incidents where joint objectives and resources are being pursued.

Mr. President, these are some of the important reasons we need this legislation. Let me take a few moments to describe what this bill would do to remedy these problems.

Under the bill, the President would be required by law to maintain an annual list of those countries which are found to aid or abet terrorism. We simply cannot tolerate foreign governments aiding international outlaws. If a nation supports terrorists, the U.S. Government should publicize it and take steps to halt any American economic aid, military sales, trade and tourist travel to that country. Simply giving a nation "outlaw" status on a public list will be an effective sanction in itself against aiding terrorists in the future. I suspect few American tourists or corporations would feel comfortable doing business in that nation.

The U.S. Government has several tools available to it to pressure foreign countries against aiding terrorists. Under the legislation, the President could deny foreign assistance aid, sales of defense materials, export licenses for commodities of potential military application, and duty-free treatment under the Trade Act of 1974.

The legislation would also require the Secretary of Transportation to periodically inspect foreign airports for the adequacy of their security. Any foreign airport which fails to correct a serious deficiency would be placed on a list and the American traveling public would be so notified. Far too often, the airline industry has become an easy target for terrorists. Millions of American people travel

each year to foreign countries. They expect security standards abroad to equal or surpass those found here in the United States.

The bill will also require the President to report to Congress on terrorist acts which affect American lives or property. Congress will need this valuable information if it is to deal knowledgeably with the difficult aspects of terrorism.

The bill also gives strong direction to the executive branch to seek cooperation in the international arena in combating terrorism. Specifically, the legislation urges the President to negotiate with other nations for the creation of a permanent international working group on terrorism, and to seek international adherence to The Hague, Montreal, and other conventions so that hijackers and terrorists will be severely penalized around the world.

Finally, the bill takes the giant and very important step of completing U.S. adherence to the Montreal Convention by including in the United States Code strict penalties for terrorist acts on or near aircraft. These penalties, already adopted by most other nations participating in the convention, cover aircraft sabotage and piracy, and conveying false information and threats. Including this language in the United States Code will go far toward signaling other countries we are determined to deal with terrorists in the United States in the strongest, most forceful way possible.

Let me note at this point, Mr. President, that this bill is certainly not a panacea; it will not end international terrorism, nor will it in any way guarantee the proper response in each and every specific situation involving terrorism. Further, I certainly do not mean to assert that the actions called for in this legislation are the only, nor in every case, the most appropriate, means for dealing with a specific terrorist incident. For example, when a government, such as happened in Iran, is itself the perpetrator of the terrorist act, the President must fashion a response which takes into account all kinds of foreign policy and national security factors, and it is possible that the responses envisioned in this bill would not be the most useful or appropriate.

Mr. President, I should note that I am heartened by the apparent fact that the new administration will be making the elimination of terrorism one of its major foreign policy goals. While this legislation is needed, and will, I believe have a significant impact, there is no substitute for having an overall foreign policy which places a high priority on dealing with the sources of terrorism. In fact, it is all the more appropriate to pass such legislation in view of the new administration's position, and I look forward to working closely with the administration and developing a comprehensive response to international terrorism.

Mr. President, in closing, I think it would be appropriate to quote the words of now-retired Senator Ribicoff concerning the seriousness of the threat of terrorism. Senator Ribicoff said, in words as true now as they were 2 years ago:

It is time to stem this tide and fight back. Terrorism is a real threat to our security, and to that of the entire world.

American citizens, businesses, and Government facilities continue to be the focus of many terrorist acts. So, our Federal government must be organized, equipped, and prepared to deal effectively and quickly with future incidents.

Millions of American people travel overseas annually. So, we must insure their trip is a safe one and that security at foreign airports is acceptable and adequate.

Terrorism strains normal relationships between nations, and severely disrupts world security and peace. So, we must take the lead in working with the international community to combat terrorism through cooperative and mutual agreements. We must penalize those nations which support, aid, or finance terrorists' activities.

When it comes to terrorism, we do not have time to spare. It troubles me deeply to think that this bill would become law only in response to a future tragic disaster caused by terrorists. I cannot think of a better way to express our "get tough" attitude toward terrorism than to enact this bill into law.

We must act, before we have to react.

I urge my colleagues to act promptly on legislation to strengthen the capability of our Government to deal with terrorism.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 635

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This Act shall be cited as "The Antiterrorism Act of 1981".

STATEMENT OF FINDINGS AND PURPOSE

SEC. 2. (a) The Congress hereby finds that—

(1) innocent persons have been killed, injured, and victimized, human rights violated, property destroyed and damaged, and international commerce obstructed as a result of terrorist acts;

(2) such acts represent an intolerable attack against the fundamental right to life security of all peoples of the world;

(3) such acts constitute a threat to the orderly and civilized functions of international and national communities;

(4) certain nations exhibit a pattern of support for international terrorist acts;

(5) certain international airports fail to maintain consistently effective security measures; and

(6) economic sanctions should be directed at countries which harbor, aid, abet, or assist terrorists.

(b) It is therefore the purpose of the Act to—

(1) strengthen Federal capabilities in policy and planning, coordination, intelligence, and response capability and enlist the cooperation of all other nations and national and international organizations in initiatives to counter terrorist acts more effectively throughout the world, while safeguarding democratic values;

(2) promote appropriate action by the United States and other governments in order to combat international terrorism; and

(3) provide public notice to persons traveling in international air commerce of deficient security programs and facilities at certain foreign airports.

DEFINITIONS

SEC. 3. (a) For purposes of this Act, the term "international terrorism" includes any act which is intended to damage or threaten the interests of or obtain concessions from a state or an international organization and which either—

(1) is an act—

(A) which is unlawful and results in the death of, bodily harm to, or the forcible deprivation of the liberty of any person or in the violent destruction of property, or is an attempt or credible threat to commit an act that would have such a result; and

(B) which is committed or takes effect (i) outside the territory of a state of which the offender is an national, or (ii) outside the territory of the state against which the act is directed, or (iii) within the territory of the state against which the act is directed and the offender knows or has reason to know that a person against whom the act is directed is not a national of that state, or (iv) within the territory of any state if the act is supported by another state (within the meaning of subsection (b) of this section), irrespective of the nationality of the offender; or

(2) is an act designated as—

(A) an offense under the Convention for the Suppression of Unlawful Seizure of Aircraft (done at The Hague, December 16, 1970);

(B) an offense under the Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation (done at Montreal, September 23, 1971); or

(C) a crime under the Convention on the Prevention and Punishment of Crimes Against Internationally Protected Persons, including diplomatic agents (adopted by the General Assembly of the United Nations at New York, December 14, 1973);

but does not include acts (i) committed by the military forces of a state in the course of an armed conflict, or (ii) committed by other conventional armed groups in the course of operations directed against essentially military objectives. The exclusion contained in clause (ii) does not apply with respect to an act the purpose of which is to obtain, for actual or possible use as a weapon, any nuclear material, equipment, or technology, or any weapon or substance whose use as a weapon of war is prohibited by international law.

(b) For purposes of this Act, the term "state support of international terrorism" means any of the following acts which are committed deliberately by a state:

(1) Furnishing arms, explosives, or lethal substances to any individual, group, or organization with the likelihood that they will be used in the commission of any act of international terrorism;

(2) Planning, directing, providing training for or assisting individuals or groups in the commission of any act of international terrorism;

(3) Providing direct financial support for the commission of any act of international terrorism;

(4) Providing diplomatic facilities with intent to aid or abet the commission of any act of international terrorism; or

(5) Allowing the use of its territory as a sanctuary from extradition or prosecution for any act of international terrorism.

REPORT ON ACTS OF INTERNATIONAL TERRORISM

SEC. 4. (a) Six months after the date of enactment of this Act and each year thereafter, the President shall transmit to the President pro tempore of the Senate and the Speaker of the House of Representatives a report on those incidents he determines to be acts of international terrorism pursuant to section 3 of this Act: *Provided, however,* That any such incident which affects or involves citizens or significant interests or property of the United States shall be reported to Congress not later than sixty days after the occurrence of such an incident.

(b) With respect to any such incident

which affects or involves citizens or significant interests or property of the United States, and with respect to any major act of international terrorism, such reports shall include, but not be limited to, the following information:

(1) a description of the incident and of the involvement and identity of each individual, entity, group, or organization involved in such incident;

(2) the identity of any government providing state support for such acts of international terrorism, and a statement setting forth the exact nature and extent of such government's involvement;

(3) a description of the actions of any government which assisted in bringing about a positive termination of the incident;

(4) a description of the response of the United States Government to such incident.

(c) Nothing in this section is intended to require the public disclosure of information which is properly classified under criteria established by Executive order, or is otherwise protected by law. Such information shall be provided to the President pro tempore of the Senate and the Speaker of the House of Representatives in a written classified report. In such case, an unclassified summary of such information shall be prepared and submitted to the President pro tempore of the Senate and the Speaker of the House of Representatives.

(d) Nothing in this section is intended to require disclosure of investigatory records compiled for law enforcement purposes specifically protected by section 552(b)(7) of title 5, United States Code.

LIST OF STATES SUPPORTING INTERNATIONAL TERRORISM

SEC. 5. (a) Six months after the date of enactment of this Act and each year thereafter, the President shall consider which, if any, states have demonstrated a pattern of support for acts of international terrorism. If the President determines that any states have so acted, he shall submit a list of states supporting international terrorism to the President pro tempore of the Senate and the Speaker of the House of Representatives, and set forth his reasons for listing any such states. The President may at any time add to any such list the name of any state supporting international terrorism by transmitting the name of such state to the President pro tempore of the Senate and the Speaker of the House of Representatives together with his reasons for adding the name of such state to the list. If the President determines that no states have undertaken such acts, he shall report the same with a detailed explanation.

(b) Such list shall also identify any states against which sanctions have been applied pursuant to section 6 of this Act, and any other initiatives of the United States with respect to such states.

(c) Nothing in this section is intended to require the public disclosure of information which is properly classified under criteria established by Executive order, or is otherwise protected by law. Such information shall be provided to the President pro tempore of the Senate and the Speaker of the House of Representatives in a written classified report. In such case, an unclassified summary of such information shall be prepared and submitted to the President pro tempore of the Senate and the Speaker of the House of Representatives.

(d) Nothing in this section is intended to require disclosure of investigatory records compiled for law enforcement purposes specifically protected by section 552(b)(7) of title 5, United States Code.

(e)(1) The list shall be reviewed periodically by the President. The President may propose to Congress a request for removal of any state from the list. Such request shall be accompanied by the reasons therefor.

(2) A state requested by the President to be deleted from the list shall be removed from the list thirty days after the submission of that request to the Congress unless Congress by concurrent resolution disapproves that request.

PRESIDENTIAL AUTHORITY TO COMBAT INTERNATIONAL TERRORIST ACTS

SEC. 6. (a) When a foreign government is listed pursuant to section 5 of this Act, the President shall—

(1) provide no assistance under the Foreign Assistance Act of 1961, or

(2) not authorize any sale, or extend any credit or guaranty, with respect to any defense article or service as defined by section 47 of the Arms Export Control Act, or

(3) approve no export license for the export of commodities or technical data which would enhance the military potential of the foreign government or which would otherwise enhance its ability to support acts of international terrorism under the Export Administration Act, or

(4) extend no duty-free treatment under title V of the Trade Act of 1974, or

(5) permit no entry to the United States by nationals of such country, or foreign nationals sponsored by such country, for the purpose of acquiring or continuing training or education in nuclear sciences, or a subject having military applicability, or

(6) take such other actions as he deems necessary.

(b)(1) If the President finds that the interests of national security so require, he may suspend the applicability of all or any part of the prohibitions listed in subsection (a) of this section in such case: *Provided*, That the President consults with the appropriate committees of Congress prior to the suspension of such prohibitions. He shall report his reasons therefor in writing in detail within 15 days of the suspension to the President pro tempore of the Senate and the Speaker of the House of Representatives and those prohibitions shall not apply.

(2) In determining which of the prohibitions in subsection (a) of this section should be taken, the President, in consultation with Congress, shall consider.

(A) the effectiveness of suspending any prohibition in inducing change in a country's policy or practice of supporting acts of international terrorism;

(B) the effect of such suspension on United States relations with other governments; and

(C) the effects of such suspension on other national interests of the United States.

(c) In devising initiatives to combat international terrorist actions and to reduce state support for such actions, the President shall take such other measures available to him as he deems appropriate; he shall take into account the effectiveness of specific sanctions in inducing change in a country's policy or practice of supporting acts of international terrorism; the likely effect of sanctions on overall United States relations with such country or with other countries; and the effect such sanctions would have on other United States national interests.

(d) The President shall take all appropriate diplomatic measures consistent with international obligations to support the effectiveness of actions taken pursuant to this authority in the accomplishment of the purposes of this Act.

(e) The President shall promptly and fully inform the President pro tempore of the Senate and the Speaker of the House of Representatives of each exercise of authority granted under the Act.

(f) Nothing in this section is intended to require the public disclosure of information that is properly classified under criteria established by Executive order or is otherwise protected by law. Such information shall be provided to the President pro tempore of the Senate and to the Speaker of the House of Representatives in a written classified report. In such case, an unclassified summary of such information shall be prepared and submitted to the President pro tempore of the Senate and the Speaker of the House of Representatives.

REPORT ON FEDERAL AND INTERNATIONAL CAPABILITIES TO COMBAT TERRORISM

SEC. 7. (a) Not later than six months after the date of enactment of this Act, and thereafter at two-year intervals, the President shall submit to the President pro tempore of the Senate and the Speaker of the House of Representatives a Report on Federal and International Capabilities to Combat Terrorism. Such report shall include a comprehensive and specific review of Federal antiterrorism organization, policies, and activities. It shall include a description and evaluation of the effectiveness of relevant Federal organizational structures, planning, coordination, including with State and local authorities, response capability, intelligence gathering and analysis, assistance to and cooperation with United States business representatives abroad, and security preparedness and security adequacy of United States diplomatic and military installations. Such report shall further include a statement and evaluation of all relevant Federal policies, including those with respect to responding to threats, and the management of a terrorist incident. The report shall contain an assessment of the capability and effectiveness of the International Civil Aviation Organization and other international programs and organizations to establish appropriate airport security standards and combat terrorist activities.

(b) Nothing in this section is intended to require the public disclosure of information which is properly classified under criteria established by Executive order, or is otherwise protected by law. Such information shall be provided to the President pro tempore of the Senate and the Speaker of the House of Representatives in a written classified report. In such case, an unclassified summary of such information shall be prepared and submitted to the President pro tempore of the Senate and the Speaker of the House of Representatives.

INFORMATION ON FOREIGN AIRPORT SECURITY

SEC. 8. Section 1115 of the Federal Aviation Act of 1958 (49 U.S.C. 1515) relating to security standards in foreign air transportation is amended to read as follows:

"SECURITY STANDARDS IN FOREIGN AIR TRANSPORTATION

"SEC. 1115. (a) The Secretary of Transportation shall conduct at such intervals as the Secretary shall deem necessary an assessment of the effectiveness of the security measures maintained at those foreign airports serving United States carriers, those foreign airports from which foreign air carriers serve the United States, and at such other foreign airports as the Secretary may deem appropriate. Such assessments shall be made by the Secretary in consultation with the appropriate aeronautic authorities of the concerned foreign government. The assessment shall determine the extent to which an airport effectively maintains and administers security measures. The criteria utilized by the Secretary in assessing the effectiveness of security at United States airports shall be considered in making such assessments and shall be equal to or above the standards established pursuant to the Convention on International Civil Aviation. The assessment shall include consideration of specific security programs and techniques, including but not limited to, physical and personnel security programs and procedures, passenger security and baggage examination, the use of electronic, mechanical or other detection devices, airport police and security forces, and control of unauthorized access to the airport aircraft, airport perimeter, passenger boarding, and cargo, storage, and handling areas.

"(b) The report to the Congress required by section 315 of this Act shall contain:

"(1) A summary of those assessments conducted pursuant to subsection (a) of this section. The summary shall identify the airports assessed and describe any significant deficiencies and actions taken or recommended.

"(2) A description of the extent if any to which specific deficiencies previously identified, if any, have been eliminated.

"(c) When the Secretary finds that an airport does not maintain and administer effective security measures at the level of effectiveness specified in subsection (a) of this section, he shall notify the appropriate authorities of such foreign government of his finding, and recommend the steps necessary to bring the security measures in use at that airport to the acceptable level of effectiveness.

"(d)(1) Not later than sixty days after the notification required in subsection (c) of this section and upon a determination by the Secretary that the foreign government has failed to bring the security measures at the identified airport to the level of effectiveness specified in subsection (a) of this section, he—

"(A) shall publish in the Federal Register and cause to be posted and prominently displayed at all United States airports regularly serving scheduled air carrier operations the identification of such airport; and

"(B) after consultation with the appropriate aeronautical authorities of such government and, notwithstanding section 1102 of this Act, may, with the approval of the Secretary of State, withhold, revoke, or impose conditions on the operating authority of any carrier or foreign air carrier to engage in foreign air transportation utilizing that airport.

"(2) The Secretary shall promptly report to the Congress any action taken under this subsection setting forth information concerning the attempts he has made to secure the cooperation of the nation in attaining the acceptable level of effectiveness.

"(e) Nothing in this section is intended to require the public disclosure of information that is properly classified under criteria established by Executive order or is otherwise protected by law. Such information shall be provided to the President pro tempore of the Senate and to the Speaker of the House of Representatives in a written classified report. In such case, an unclassified summary of such information shall be prepared and submitted to the President pro tempore of the Senate and the Speaker of the House of Representatives.".

AVIATION SECURITY ASSISTANCE TO FOREIGN GOVERNMENTS

SEC. 9. (a)(1) The Secretary of Transportation is authorized to promote the achievement of international aviation security by providing technical assistance concerning aviation security to foreign governments. Such technical assistance may include the conduct of surveys to analyze the level of aviation security in airports and the provision of training in aviation security to foreign nationals. Such training in aviation security may be conducted either in the United States or in foreign nations. The Secretary may provide for the payment of subsistence and expenses for travel within the United States for foreign nationals receiving such aviation security training in the United States.

(2) The Secretary may require a foreign government to reimburse the United States for all, part, or none of the cost of providing the technical assistance authorized under paragraph (1).

(b) There is authorized to be appropriated to carry out the provisions of this subsection an amount not to exceed $100,000 for each of the fiscal years 1982, 1983 and 1984.

POWER TO GRANT AUTHORITY TO ARREST AND CARRY WEAPONS

SEC. 10. (a) Section 313 of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1354), is amended by redesignating subsection (e) as subsection (f) and by adding a new subsection:

"(e) Subject to such reasonable rules and regulations as he may prescribe, the Administrator is empowered to authorize, in connection with the performance of their air transportation security duties, persons employed by the Federal Aviation Administration to carry firearms, and to make arrests under warrant for any offense committed against the laws of the United States, and without warrant for any offense against the laws of the United States committed in their presence or for any felony cognizable under the laws of the United States if they have reasonable grounds to believe that the person to be arrested has committed or is committing such a felony.".

(b) The table of contents of the Federal Aviation Act of 1958, in the matter of subchapter III, chapter 20 of title 49, United States Code, section 1354, is amended by redesignating

"(e) Annual report to President and Congress"

to read

"(e) Power to grant authority to arrest and carry weapons",

and by adding a new designation,

"(f) Annual report to President and Congress".

PRIORITIES FOR NEGOTIATION OF INTERNATIONAL AGREEMENTS

SEC. 11. (a) The President is hereby urged to seek international agreements to assure more effective international cooperation in combating terrorism.

(b) High priority in the negotiation of such agreements should be given to agreements which include, but which need not be limited to the following:

(1) establishment of a permanent international working group, including subgroups on topics as may be appropriate, including but not limited to, law enforcement and crisis management, which would combat international terrorism by—

(A) promoting international cooperation among countries;

(B) developing new methods, procedures, and standards to combat international terrorism; and

(C) developing and implementing rules for air service boycotts to countries supporting international terrorism;

(2) establishment of means to effect observance of—

(A) the Convention for the Suppression of Unlawful Seizure of Aircraft (The Hague, December 16, 1970);

(B) the Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation (Montreal, September 23, 1971); and

(C) the Convention on the Prevention and Punishment of Crimes Against Internationally Protected Persons, Including Diplomatic Agents (New York, December 14, 1973);

(D) the Convention Against the Taking of Hostages (New York, December 17, 1979).

IMPLEMENTATION OF MONTREAL CONVENTION

SEC. 12. The President shall develop standards and programs to insure the full implementation of the provisions of the Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation (Montreal, September 23, 1971).

AIRCRAFT SABOTAGE

SEC. 13. (a) Section 31 of title 18, United States Code, is amended—

(1) by striking out the words "Civil Aeronautics Act of 1938" and inserting in lieu the words "Federal Aviation Act of 1958";

(2) by striking "and" at the end of the third undesignated paragraph thereof;

(3) by striking the period at the end thereof and inserting in lieu thereof ";"; and

(4) by adding at the end thereof the following:

"'In flight' means any time from the moment all the external doors of an aircraft are closed following embarkation until the moment when any such door is opened for disembarkation. In the case of a forced landing the flight shall be deemed to continue until competent authorities take over the responsibility for the aircraft and the persons and property aboard; and

"'In service' means any time from the beginning of preflight preparation of the aircraft by ground personnel or by the crew for a specific flight until twenty-four hours after any landing; the period of service shall, in any event, extend for the entire period during which the aircraft is in flight.".

(b) Section 32, title 18, United States Code, is amended to read as follows:

"Whoever willfully sets fire to, damages, destroys, disables, or interferes with the operation of, or makes unsuitable for use any civil aircraft used, operated, or employed in interstate, overseas, or foreign air commerce; or willfully places a destructive substance in, upon, or in proximity to any such aircraft which is likely to damage, destroy, or disable any such aircraft, or any part or other material used, or intended to be used, in connection with the operation of such aircraft; or willfully sets fire to, damages, destroys, or disables any air navigation facility or interferes with the operation of such air navigation facility, if any such act is likely to endanger the safety of such aircraft in flight, or

"Whoever, with the intent to damage, destroy, or disable any such aircraft, willfully sets fire to, damages, destroys, or disables or places a destructive substance in, upon, or in the proximity of any appliance or structure, ramp, landing area, property, machine, or apparatus, or any facility, or other material used, or intended to be used, in connection with the operation, maintenance, or loading or unloading or storage of any such aircraft or any cargo carried or intended to be carried on any such aircraft; or

"Whoever willfully performs an act of violence against or incapacitates any passenger or member of the crew of any such aircraft if such act of violence or incapacitation is likely to endanger the safety of such aircraft in service; or

"Whoever willfully communicates information, which he knows to be false, thereby endangering the safety of any such aircraft while in flight; or

"Whoever willfully attempts to do any of the aforesaid acts—shall be fined not more than $10,000 or imprisoned not more than twenty years, or both.".

(c)(1) Chapter 2, title 18, United States Code, is amended by adding a new section after section 32 to read as follows:

"§ 32A Offenses in violation of the Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation

"(a) Whoever commits an offense as defined in subsection (b) against or on board an aircraft registered in a state other than the United States and is afterward found in this country—shall be fined not more than $10,000 or imprisoned not more than twenty years, or both.

"(b) For purposes of this section a person commits an 'offense' when he willfully—

"(1) performs an act of violence against a person on board an aircraft in flight if that

act is likely to endanger the safety of that aircraft; or

"(2) destroys an aircraft in service or causes damage to such an aircraft which renders it incapable of flight or which is likely to endanger its safety in flight; or

"(3) places or causes to be placed on an aircraft in service, by any means whatsoever, a device or substance which is likely to destroy that aircraft, or to cause damage to it which renders it incapable of flight, or to cause damage to it which is likely to endanger its safety in flight; or

"(4) attempts to commit, or is an accomplice of a person who commits or attempts to commit, an offense enumerated in this subsection.".

(2) The analysis of chapter 2 of title 18 of the United States Code is amended by adding after item

"32. Destruction of aircraft or aircraft facilities."

the following new item:

"32A. Offenses in violation of the Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation.".

(d) Section 101(34) of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1301 (34)), relating to the definition of the term "special aircraft jurisdiction of the United States,"; is amended as follows:

(1) by deleting the word "or" at the end of subsection (d)(i);

(2) by deleting the word "and" at the end of subsection (d)(ii) and inserting in lieu thereof the word "or"; and

(3) by adding a new subsection (d)(iii) as follows:

"(iii) regarding which an offense as defined in subsection (d) or (e) of article I, section I of the (Montreal) Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation is committed, provided the aircraft lands in the United States with an alleged offender still on board; and".

(e) Section 902(k) of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1472(k)), is amended by adding subsection (3) to the end thereof, to read as follows:

"(3) Whoever while aboard an aircraft in the special aircraft jurisdiction of the United States commits an act which would be an offense under section 32 of title 18, United States Code, shall be punished as provided therein.".

(f)(1) Chapter 2 of title 18, United States Code, is amended by adding at the end thereof the following new section:

"§ 36. Imparting or conveying threats

"(a) Whoever imparts or conveys or causes to be imparted or conveyed any threat to do an act which would be a felony prohibited by section 32 or 33 of this chapter or section 1992 of chapter 97 or section 2275 of chapter 111 of this title with an apparent determination and will to carry the threat into execution shall be fined not more than $5,000 or imprisoned not more than five years, or both.".

(2) The analysis of chapter 2 of title 18 of the United States Code is amended by adding at the end thereof the following new item:

"36. Imparting or conveying threats."

AIRCRAFT PIRACY

SEC. 14. (a) Section 901 of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1471), is amended by adding at the end thereof the following new subsections:

"(c) Whoever imparts or conveys or causes to be imparted or conveyed false information, knowing the information to be false, concerning an attempt or alleged attempt being made or to be made, to do any act which would be a crime prohibited by subsection (i), (j), (k), or (l) of section 902 of this Act, shall be subject to a civil penalty of not more than $1,000 which shall be recoverable in a civil action brought in the name of the United States.

"(d) Except for law enforcement officers of any municipal or State government, or the Federal Government, who are authorized or required within their official capacities to carry arms, or other persons who may be so authorized under regulations issued by the Administrator, whoever, while aboard, or while attempting to board, any aircraft in, or intended for operation in, air transportation or intrastate air transportation, has on or about his person or his property a concealed deadly or dangerous weapon, which is, or would be, accessible to such person in flight shall be subject to a civil penalty of not more than $1,000 which shall be recoverable in a civil action brought in the name of the United States.".

(b) Subsection (a) of section 1395 of title 28, United States Code, is amended by striking the period at the end of such subsection and adding the following: ", and in any proceeding to recover a civil penalty under section 35(a) of title 18 of the United States Code or section 901(c) or 901(d) of the Federal Aviation Act of 1958, all process against any defendant or witness, otherwise not authorized under the Federal Rules of Civil Procedure, may be served in any judicial district of the United States upon an ex parte order for good cause shown.".

(c)(1) Section 902(m) of the Federal Aviation Act of 1958 (49 U.S.C. 1472(m)) is amended to read as follows:

"FALSE INFORMATION AND THREATS

"(m)(1) Whoever willfully and maliciously, or with reckless disregard for the safety of human life, imparts or conveys or causes to be imparted or conveyed false information knowing the information to be false, concerning an attempt or alleged attempt being made or to be made, to do any act which would be a felony prohibited by subsection (i), (j), or (l)(2) of this section, shall be fined not more than $5,000 or imprisoned not more than five years, or both.

"(2) Whoever imparts or conveys or causes to be imparted or conveyed any threat to do an act which would be a felony prohibited by subsection (i), (j) or (l)(2) of this section, with an apparent determination and will to carry the threat into execution, shall be fined not more than $5,000 or imprisoned not more than five years, or both.".

(2) The table of contents of the Federal Aviation Act of 1958, in the matter of title II (subchapter IX, chapter 20 of title 49, United States Code, section 1472(m)), is amended by redesignating

"(m) False information."

to read

"(m) False information and threats.".

(d) Section 903 of the Federal Aviation Act of 1958 (49 U.S.C. 1473) is amended by striking "Such" at the beginning of the second sentence of subsection (b)(1) of that section, and substituting therefor "Except with respect to civil penalties under section 901 (c) and (d) of this Act, such".

By Mr. CRANSTON (for himself, Mr. RANDOLPH, and Mr. STAFFORD):

S. 636. A bill to clarify the Veterans' Administration's authority to recover certain health-care costs, to extend the period of availability of funds committed under the Veterans' Administration program of assistance to new State medical schools, to authorize expansion of the scope of and epidemiological study regarding veterans exposed to agent orange, and for other purposes; to the Committee on Veterans' Affairs.

VETERANS' ADMINISTRATION HEALTH CARE AMENDMENTS OF 1981

● Mr. CRANSTON. Mr. President, the bill I am introducing today on behalf of myself and two other members of the Veterans' Affairs Committee, the Senator from West Virginia (Mr. RANDOLPH) and the Senator from Vermont (Mr. STAFFORD), contains three VA health-care-related provisions that were passed twice by the Senate last fall, but were not acted on by the House of Representatives before the 96th Congress adjourned. Briefly, the Senate passed these three provisions unanimously on September 4, 1980, as part of S. 1188, the "Disabled Veterans' Rehabilitation Act of 1980"—which ultimately was enacted, with modifications in titles I, II and V of Public Law 96-466—but, because the House Committee on Veterans' Affairs objected to the inclusion of these provisions in that legislation on grounds of germaneness, the health-care provisions were not included in the compromise agreement that incorporated S. 1188. In an attempt to overcome this objection and gain House consideration before the end of the last Congress, these three provisions were inserted as an amendment in the nature of a substitute in a separate House-passed health bill that was pending in the Senate Committee on Veterans' Affairs—H.R. 4015—which was then passed by the Senate on September 26, 1980, and sent back to the House where, unfortunately, it died with the sine die adjournment of the 96th Congress.

Mr. President, these three provisions would:

First, strengthen and clarify the VA's authority to recover the costs of veterans' non-service-connected care, in appropriate cases, from workers' compensation carriers, automobile no-fault insurers, and States that pay for the costs of health care provided to victims of personal violence;

Second, modify the VA's program of grant assistance to new State medical schools under subchapter I of chapter 82 of title 38, United States Code, to provide an additional 12-month period in which the five new State medical schools established with assistance under that subchapter may obligate funds previously committed to them; and

Third, authorize the expansion of the scope of the epidemiological study mandated by section 307 of Public Law 96-151 regarding veterans exposed to agent orange to include additional factors that might be related to the health problems being experienced by Vietnam veterans, and establish timetables within which the Administrator of Veterans' Affairs, based on the results of such study and other available pertinent information, would develop regulations for the resolution of claims for benefits based on exposure to agent orange and, if the scope of the study is expanded, on the other factors.

Mr. President, as I stated on September 26—the day the Senate passed H.R. 4015 with these provisions as a substitute amendment—I believe that these VA health-care related provisions, with the possible exception of the provision that

would authorize significant changes in the VA's agent orange study, are not controversial. With respect to the proposed change in the agent orange study, a provision which I authored along with the distinguished Senator from Pennsylvania (Mr. HEINZ) and which I will describe in greater detail below, the Senate's rollcall vote on September 4 on the Cranston-Heinz amendment was unanimous—86 to 0—and would thus appear to be widely supported in the Senate as a meaningful and responsible next step for dealing with the very difficult scientific questions that remain regarding the health of many Vietnam veterans.

I will be working very hard with the new chairman of the committee, the very able Senator from Wyoming (Mr. SIMPSON), who cosponsored our substitute amendment to H.R. 4015, and other members of the committee to act quickly on this bill and secure prompt Senate action. Based on the commitment I received last fall from the new chairman of the House Committee on Veterans' Affairs, Representative MONTGOMERY, I am sure that if the Senate acts quickly on this matter, the provisions of this bill will receive prompt and favorable consideration on the House side. Indeed, pursuant to that commitment, the provisions have already been introduced in the other body as H.R. 2155, 2156, and 2157.

HEALTH-CARE COST RECOVERY PROVISIONS

Mr. President, under the Medical Care Recovery Act, sections 2651 and 2652 of title 42, United States Code, and pursuant to VA regulations, the VA has an active program in many States for recovering health-care costs in cases in which a non-service-connected disabled veteran is provided VA hospital, nursing home, or outpatient care and also is entitled to reimbursements for health-care costs for disabilities covered by workers' compensation, automobile no-fault accident insurance, or a State's crime-victims' compensation program. However, in some States the VA is precluded from such recoveries because of State laws, insurance exclusionary clauses, or State-court interpretations.

Section 2 of the bill we are introducing would provide clear authority for the United States to recover the costs of hospital, nursing home, or outpatient medical care furnished by the VA to veterans for non-service-connected disabilities to the extent they have entitlement to payment for private medical care under the situations I listed above. Under this provision, the United States would have an independent right to recover its costs of providing health care in such a situation to the exetent that the third party involved—such as the veterans' employer, the workers' compensation carrier, or the State with a crime-victim compensation program—would be liable if the care and treatment were provided in a non-Federal facility.

Recoveries would be limited to any maximum amount specified by law in the State or community concerned or by a relevant provision in a contract of insurance or indemnification unless the amount sought to be recovered was a lesser amount. In the latter situation, the amount of the recovery would be governed by the reasonable costs of the care and services provided by the VA, as determined by the Administrator under a schedule of costs that would be prescribed after notice and opportunity for public comment.

Mr. President, the purpose of providing clear statutory authority for the right of recovery in these situations is to enable the VA, in appropriate cases, to pursue these recoveries without extensive litigation over the issue of its authority to recover. The provision in this bill would override provisions in State laws and codes of local communities that exclude, for the purpose of workers' compensation, auto no-fault, and crime-victims' compensation health-care coverage, any care provided in a Federal health-care facility. It also would provide expressly that veterans eligible for VA health-care services under chapter 17 of title 38 may not be denied VA medical care or services by reason of this provision.

The Congressional Budget Office has informally and preliminarily estimated that potential recoveries would be $500,000 in the first year of full implementation rising to $2.2 million in the fourth year. Thus, particularly in view of the budget-conscious climate in which we now require Federal agencies to operate, I believe we should provide the VA with straightforward authority in this regard in order to make it easier for the VA to collect reimbursements to which it is entitled.

EXTENSION OF TIME FOR STATE MEDICAL SCHOOLS ESTABLISHED WITH ASSISTANCE OF VA GRANTS TO OBLIGATE FUNDS

Mr. President, section 3 of this bill would modify the VA's program of grant assistance to new State medical schools under chapter 82 of title 38.

Under subchapter I of chapter 82 the VA operates a program for assistance in the establishment of new State medical schools. Five medical schools—Wright State University in Dayton, Ohio; Marshall University in Huntington, W. Va.; the University of South Carolina in Columbia, S.C.; the Quillen/Dishner Medical School in Johnson City, Tenn.; and Texas A&M University in Temple, Tex.—have received grants to assist in the alteration or repair of buildings in order to make them suitable for use as medical school facilities and to help pay the faculty salaries at such schools. Each of these new medical schools is affiliated with at least one VA medical center.

Although new medical schools are no longer authorized to be established under the subchapter I program, new appropriations for such grant assistance are authorized through fiscal year 1982, and funds previously appropriated remain available—by virtue of sections 5072(b) and 5082(b) of title 38—for 6 years after the year for which they were appropriated. However, I note that, despite the continued availability of an authorization for appropriations for this program through fiscal year 1982, no new appropriation has been made for any part of the chapter 82 program since fiscal year 1979, and none have been requested for fiscal years 1981 or 1982.

Mr. President, under section 5073(a)(2) of title 38, a grant made to a new medical school under the subchapter I program for the payment of faculty salaries may be used for that purpose only during the first 7 years of the school's operation and only up to statutorily specified percentages of total faculty salary costs—declining from 90 percent during the first 3 years of such school's operation to 50 percent in the seventh year.

Mr. President, Wright State was the first new medical school to receive a subchapter I grant and is now well into its seventh year of operation, as defined in VA regulations implementing the subchapter I program. The distinguished Senator from Ohio (Mr. GLENN) brought to my attention last year that, due to circumstances unforseeable when the subchapter I program was enacted, Wright State may be unable to use effectively by the end of the 7-year period the full amount of grant funding committed to it for faculty salaries. In order to resolve this problem and also to prevent similar difficulties from occurring at the other four schools, section 3 of the bill would provide an additional 12-month period in which these schools could obligate the funds already committed to them under subchapter I beyond the periods specified in sections 5027(b), 5082(b), and 5073(a)(2) of title 38.

This provision would limit the amount of remaining funds that could be used to pay faculty salaries during the 12-month extension period to 50 percent of the total cost of such salaries during that year—the same limit that currently applies in the seventh year. Thus, the provision is intended to enable the schools to make appropriate and efficient use of the funds already committed to them.

Mr. President, no new authorization for appropriations for the subchapter I program would be provided by this section of the bill, and there would be no additional expenditures entailed by enactment of this provision.

AMENDMENTS TO THE AGENT ORANGE STUDY PROVISION

Mr. President, section 4 of the bill would amend the current agent orange study mandate—section 307 of Public Law 96-151, the Veterans' Health Programs Extension and Improvement Act of 1979—in four ways.

First, it would amend the description of the mandated agent orange study to require the VA to study the health of Vietnam veterans as their health may have been affected by exposure to agent orange.

Second, it would authorize the Administrator of Veterans' Affairs to expand the scope of the agent orange study to include an evaluation of other factors involved in service in Vietnam, including exposure to other herbicides, chemicals, medications, or environmental hazards or conditions.

Third, it would expressly provide the Administrator with authority to contract with non-VA entities for the design and conduct of the study.

Fourth, it would provide a framework within which the VA would be required to translate information obtained from the agent orange study—and the other

factors if the study is expanded—and information from other relevant studies or sources, into guidelines and recommendations for responding to the claims of Vietnam veterans that are based on exposure to such elements.

The Senate Committee on Veterans' Affairs has followed closely the work of the President's interagency work group on phenoxy herbicide exposure—IAG—which was established on December 11, 1979, and is chaired by the Department of Health and Human Services.

Mr. President, on February 27, 1981, I wrote to Martin Anderson, the Assistant to the President for Policy Development, to urge that the President reauthorize this very important group and formally designate it as the group responsible for assuring that the President's responsibility—mandated in section 307(c) of Public Law 96–151—to assure coordination and consultation between different Federal agencies with respect to their agent orange-related activities is fully implemented. I ask unanimous consent that this letter be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMMITTEE ON VETERANS' AFFAIRS,
Washington, D.C., February 27, 1981.

Mr. MARTIN ANDERSON,
Assistant to the President for Policy Development, The White House, Washington, D.C.

DEAR MARTIN: I am writing in connection with a matter that is of great importance to our Nation's Vietnam veterans and a deep concern of mine on the Veterans' Affairs Committee—Agent Orange. As you know, Agent Orange, the defoliant used by our Armed Forces in Vietnam, was contaminated by dioxin, one of the most toxic substances ever identified by the scientific community.

On December 11, 1979, President Carter established, through his Assistant for Domestic Affairs and Policy, an interagency work group to assure that all Federal efforts in the area of dioxin-related research are fully coordinated and that there is a wide and ongoing consultation among all the agencies involved. The President appointed the then-Department of Health, Education, and Welfare—an agency well-equipped, in my view, to deal with the difficulties involved and one not generally perceived as having an interest to defend in these matters—as the work group's chair agency.

On December 20, 1979, the Veterans' Health Programs Extension and Improvement Act of 1979 (Public Law 96–151) was enacted with provisions, in section 307(a), mandating the VA to design and conduct an epidemiological study on Agent Orange. In addition, for purposes of assuring that any dioxin-related study conducted by the Federal Government would be scientifically valid and conducted efficiently and objectively, section 307(c) of this law required the President to assure that the VA study is fully coordinated with all other Federal agencies' studies regarding the health effects in humans of dioxin exposure and that all appropriate consultation and coordination take place among the heads of Federal agencies involved in the design, conduct, monitoring, or evaluation of such dioxin studies. For your reference, I have enclosed a copy of section 307 of Public Law 96–151.

Since the interagency work group on dioxin (formally the Interagency Work Group on Phenoxy Herbicides and Contaminants) was created, it has issued six progress reports dealing with the many dioxin-related activities of the Federal agencies, including long-term research proposals and various clinical projects of a shorter length, which may help to provide the answers we seek about the possible health effects of exposure to substances containing dioxin. In addition, the work group has itself reviewed and commented on certain of these research proposals. I believe these reports and comments have been of definite value to the agencies involved in terms of the rapid dissemination of useful information, to the Congress in terms of providing members with succinct, periodic updates, and, finally, to the public, in terms of widespread concern that the studies be as objective and useful as possible and that no unnecessary delays occur in the Federal Government's pursuit of answers in this area. I also believe that the work group could appropriately serve as the means of the President carrying out his statutory responsibility under section 307(c) of Public Law 96–151.

In light of the immediacy of the issues involved—the VA will, after great delay, shortly sign a contract for the design of the protocol for its study—and their great importance to Vietnam veterans and their families and to the health of many other segments of our population, I believe that the President should reauthorize the interagency group under the chairmanship of the Secretary of Health and Human Services, designating the group as the body responsible for assuring that the provisions of section 307(c) of Public Law 96–151 are fully implemented. Such a designation—accompanied by the appropriate delegation of the authority—would enhance the authority of the group and give greater weight to its recommendations as well as provide needed assurance of full implementation of those provisions.

I would very much appreciate hearing from you at your earliest convenience about these matters and learning of your response to my recommendations.

With warm regards,
Cordially,

ALAN CRANSTON,
Ranking Minority Member.

AGENT ORANGE STUDY

SEC. 307. (a)(1) The Administrator of Veterans' Affairs shall design a protocol for and conduct an epidemiological study of persons who, while serving in the Armed Forces of the United States during the period of the Vietnam conflict, were exposed to any of the class of chemicals known as "the dioxins" produced during the manufacture of the various phenoxy herbicides (including the herbicide known as "Agent Orange") to determine if there may be long-term adverse health effects in such persons from such exposure. The Administrator shall also conduct a comprehensive review and scientific analysis of the literature covering other studies relating to whether there may be long-term adverse health effects in humans from exposure to such dioxins or other dioxins.

(2)(A)(i) The study conducted pursuant to paragraph (1) shall be conducted in accordance with a protocol approved by the Director of of Office of Technology Assessment.

(ii) The Director shall monitor the conduct of such study in order to assure compliance with such protocol.

(B)(i) Concurrent with the approval or disapproval of any protocol under subparagraph (A)(i), the Director of the Office of Technology Assessment shall submit to the appropriate committees of the Congress a report explaining the basis for the Director's action in approving or disapproving such protocol and providing the Director's conclusions regarding the scientific validity and objectivity of such protocol.

(ii) In the event that the Director has not approved such protocol during the one hundred and eighty days following the date of the enactment of this Act, the Director shall (I) submit to the appropriate committees of the Congress a report describing the reasons why the Director has not given such approval, and (II) submit an update report on such initial report each sixty days thereafter until such protocol is approved.

(C) The Director shall submit to the appropriate committees of the Congress, at each of the times specified in the second sentence of this subparagraph, a report on the Director's monitoring of the conduct of such study pursuant to subparagraph (A)(ii). A report under the preceding sentence shall be submitted before the end of the six-month period beginning on the date of the approval of such protocol by the Director, before the end of the twelve-month period beginning on such date, and annually thereafter until such study is completed or terminated.

(3) The study conducted pursuant to paragraph (1) shall be continued for as long after the submission of the report under subsection (b)(2) as the Administrator may determine reasonable in light of the possibility of developing through such study significant new information on the long-term adverse health effects of exposure to dioxins.

(b)(1) Not later than twelve months after the date of the enactment of this Act, the Administrator shall submit to the appropriate committees of the Congress a report on the literature review and analysis conducted under subsection (a)(1).

(2) Not later than twenty-four months after the date of the approval of the protocol pursuant to subsection (a)(2)(A)(i) and annually thereafter, the Administrator shall submit to the appropriate committees of the Congress a report containing (A) a description of the results thus far obtained under the study conducted pursuant to such subsection, and (B) such comments and recommendations as the Administrator considers appropriate in light of such results.

(c) For the purpose of assuring that any study carried out by the Federal Government with respect to the adverse health effects in humans of exposure to dioxins is scientifically valid and is conducted with efficiency and objectivity, the President shall assure that—

(1) the study conducted pursuant to subsection (a) is fully coordinated with studies which are planned, are being conducted, or have been completed by other departments, agencies, and instrumentalities of the Federal Government and which pertain to the adverse health effects in humans of exposure to dioxins; and

(2) all appropriate coordination and consultation is accomplished between and among the Administrator and the heads of such departments, agencies, and instrumentalities that may be engaged, during the conduct of the study carried out pursuant to subsection (a), in the design, conduct, monitoring, or evaluation of such dioxin-exposure studies.

(d) There are authorized to be appropriated such sums as may be necessary for the conduct of the study required by subsection (a).

Mr. CRANSTON. Mr. President, the committee has reviewed carefully the various recommendations and comments made by the IAG in its six progress reports on Federal activities in this area, and the provisions in this section of the bill reflect many of the recommendations made by the IAG thus far. With respect to the VA agent orange study, the IAG commented in an August 1980 progress report that the current study mandate, which requires a study of veterans exposed to dioxin as found in agent orange, would be extremely difficult, if not impossible, to fulfill because of the many scientific problems entailed in

identifying a population, prior to commencing the study, known to be exposed to agent orange. VA officials and other scientists concur in this opinion.

Thus, the first change that would be made in the study mandate by this section would remove this unintended threshold problem by requiring the VA to study the health of Vietnam veterans as it may have been affected by their exposure. This change would allow the VA to begin the study of the health status of these veterans by identifying a population of veterans who served in Vietnam, without first having to determine whether each one was, without question, exposed to agent orange in Vietnam.

The IAG also stated in its August 1980 report that it was aware of a multitude of concerns of Vietnam veterans about various other chemicals, medications, and environmental hazards that were present in Vietnam and, thus, possibly could be related to health impairments that Vietnam veterans are experiencing today.

Based on the above-described difficulty in identifying with precision a population exposed to agent orange and these other concerns, the IAG recommended that the mandate for the VA study be expanded to take these other factors into account. The provision in this section would give the Administrator of Veterans' Affairs discretionary authority to do just that while not, in any way, detracting from the study's focus, as already mandated, on agent orange.

Mr. President, I believe it is possible, as the IAG has suggested, that a combination of factors peculiar to service in Vietnam may be responsible for the many health problems now being blamed on agent orange alone. I believe that we have a responsibility to Vietnam veterans and other concerned Americans to make sure these other possibilities are fully and carefully explored. Moreover, it may be that, should the Administrator choose to expand the study, this provision will lead to more reliable results in a shorter period of time about the current status of the health of Vietnam veterans.

Mr. President, the third change in the agent orange study mandate that would be made by this section would explicitly authorize the Administrator to contract with non-VA public or private entities for the design and conduct of the mandated study. Last June, I called for the VA to take steps to contract out the design and overall management of the study to a group outside the direct control of the VA because I had become convinced then—as I still am—that it is in the best interest of all concerned that the study be managed by a clearly neutral, nongovernmental body. Several of the veterans' organizations, most notably the American Legion and the Veterans of Foreign Wars, adopted resolutions at their most recent national conventions in support of such an approach.

Mr. President, the fourth change—and one that, in my view, would be a particularly valuable and appropriate addition to the study mandate—would require the Administrator to establish a framework for the VA to issue regulations containing guidelines, standards, and criteria for resolving disability compensation claims based on disabilities or diseases believed to be related to agent orange exposure, and, if the scope of the study is expanded, on the other possible health-risk factors.

As I mentioned above, Senator HEINZ and I worked long and hard on this provision which is intended to provide Vietnam veterans and their families with the assurance that every effort will be made to evaluate appropriately and completely any new evidence obtained from the mandated study on agent orange—and, if the study is expanded, the other factors—very soon after such information is available, and, thus, insure that the claims of Vietnam veterans are fairly considered.

Mr. President, this provision would establish—as described in detail in a colloquy between Senator HEINZ and me on September 4, 1980, CONGRESSIONAL RECORD, pages 24076–24078—a specific timetable for the VA to report to appropriate congressional committees on the study findings, to develop and publish in the Federal Register proposed regulations, and to make recommendations to appropriate congressional committees for any legislative action that might be necessary in light of the proposed regulations.

Such recommendations would include, of course, any changes in current law warranted by the study findings with respect to certain specific presumptions of disability or compensation for genetic damage that might be related to birth defects. However, this change would not, in any way, compel the VA to develop and propose any such guidelines, criteria, and standards that are not justified by the scientific information available at the times that the reports and proposals must be submitted, nor would it preclude VA actions with respect to proposals for the resolution of these claims based on scientific evidence available from other sources at any earlier time.

This change also would not have the effect in itself of speeding up the scientific process of finding the answers to the very perplexing questions we now face with respect to the health of Vietnam veterans. However, I believe that, by establishing a specific framework and timetable for VA action, tied to certain reporting requirements already contained in Public Law 96–151, we would be taking an important step toward meeting the strong concerns of many Vietnam veterans that, in the absence of an express requirement for VA actions on the findings of the mandated study, the VA might not act promptly.

It is very unfortunate that many Vietnam veterans perceive the VA in this manner. Regrettably, these perceptions are not without some justification, as might be expected in any situation which involves a complex, as yet undeciphered, problem, the very strong concerns and expectations of many individuals who have served our country well when called to do so, and a very large governmental bureaucracy.

Mr. President, section 307(d) of Public Law 96–151, which authorizes the appropriation of such sums as may be necessary for the conduct of the mandated study, would not be amended by this bill.

I urge my colleagues to support the changes that would be made in the Agent Orange study by this bill and join me in my effort to assure its rapid consideration. In my view, this would be a most meaningful message to Vietnam veterans, their families, and all other persons concerned about the Federal Government's ability to act appropriately in this very troublesome area.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 636

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Veterans' Administration Health Care Amendments of 1981".

VETERANS' ADMINISTRATION HEALTH-CARE COST RECOVERY PROVISIONS

SEC. 2. (a) Subchapter III of chapter 17 of title 38, United States Code, is amended by adding after section 628 the following new section:

"§ 629. Recovery by the United States of the cost of certain care and services

"(a) In any case in which a veteran is furnished care and services under this chapter for a non-service-connected disability and such disability was incurred—

"(1) incident to such veteran's employment and the disability is covered under a workers' compensation law or plan which provides reimbursement for or indemnification of the cost of health care and services provided to the veteran by reason of the disability,

"(2) as the result of a motor vehicle accident covered under the law of a State which requires the owners or operators of motor vehicles registered in such State to have in force automobile accident reparations insurance, or

"(3) as the result of a crime of personal violence that occurred in a State or subdivision thereof in which a person injured as the result of such crime is entitled to receive health care and services at such State's or subdivision's expense for personal injuries suffered a the result of such crime,

the United States shall have the right to recover, subject to the limitations, conditions and procedures prescribed in subsections (b) and (c) of this section, the reasonable costs of such care and services from the State or subdivision thereof, employer, employer's insurance carrier, or automobile accident reparations insurance carrier, to the extent that such veteran, or the provider of care and services to such veteran, would be eligible to receive reimbursement or indemnification for such care and services if such care and services had not been furnished by a department or agency of the United States.

"(b) The amount that may be recovered by the United States in exercising the right provided under subsection (a) of this section may not exceed the lesser of (1) an amount equal to the reasonable cost of the care and services furnished such veteran under this chapter, as determined by the Administrator pursuant to regulations which the Administrator shall prescribe after notice and opportunity for public comment, or (2) the maximum amount specified by the law of the State or subdivision thereof concerned or by any relevant contractual provision to which such veteran was a party or was subject.

"(c)(1) The United States shall, as the right provided in subsection (a) of this section, be subrogated to any right or claim that such veteran or such veteran's personal representative, successor, dependents, or survivors may have against a State or subdivision thereof, an employer, an employer's insurance carrier, or an automobile accident reparations insurance carrier.

"(2) In order to enforce any such right or claim to which it is subrogated under paragraph (1) of this subsection—

"(A) the United States may intervene or join in any action or proceeding brought by the veteran or such veteran's personal representative, successor, dependents, or survivors against a State or subdivision thereof, an employer, an employer's insurance carrier, or an automobile accident reparations insurance carrier, or

"(B) if—

"(i) no such action or proceeding has been commenced within one hundred and eighty days after the first day on which care and services for which recovery is sought were furnished to such veteran by the Veterans' Administration under this chapter, and

"(ii) the United States has sent written notice by certified mail to such veteran at such veteran's last-known address, or to such veteran's personal representative or successor, of the United States intention to institute legal proceedings,

the United States may, sixty days after the mailing of such notice, institute and prosecute legal proceedings against such State or subdivision thereof, employer, employer's insurance carrier, or automobile accident reparations carrier.

"(d) A veteran eligible for care and services under this chapter may not be denied such care and services by reason of this section.

"(e) No law of any State or of any subdivision thereof, and no provision of any contract or agreement entered into, renewed, or modified pursuant to any State law shall operate to prevent recovery by the United States under (1) subsection (a) of this section for care and services furnished under this chapter to any veteran for a nonservice-connected disability, or (2) subsection (b) of section 611 of this title for care and services furnished as a humanitarian service in emergency cases under such subsection to any individual.".

(b) The table of sections at the beginning of such chapter is amended by adding after the item relating to section 628 the following new item:

"629. Recovery by the United States of the cost of certain care and services.".

EXTENSION OF TIME FOR STATE MEDICAL SCHOOLS ESTABLISHED WITH ASSISTANCE OF VA GRANTS TO OBLIGATE FUNDS

SEC. 3. Notwithstanding the provisions of section 5072(b), 5073(a)(2), or 5082(b) of title 38, United States Code, in cases in which the Administrator has approved an application for a grant or supplemental grant under subchapter I of chapter 82 of such title (for the establishment of a new State medical school), amounts appropriated pursuant to section 5072(a) or 5082 of such title that are approved for such a grant or supplemental grant shall remain available for, and may be paid during, a period of twelve months in addition to the periods provided for in such sections, respectively, and any funds made available by this section for payments, or authorized to be paid, under such grant or supplemental grant for faculty salaries may not exceed the amount provided for under section 5073(a)(2)(G) of such title.

AMENDMENTS TO AGENT ORANGE STUDY PROVISIONS

SEC. 4. Section 307 of the Veterans' Health Programs Extension and Improvement Act of 1979, Public Law 96-151 (93 Stat. 1097), is amended—

(1) by amending subsection (a)(1) to read as follows:

"(a)(1)(A)(i) The Administrator of Veterans' Affairs shall design a protocol for and conduct an epidemiological study of the long term adverse health effects in humans of service in the Armed Forces of the United States in the Republic of Vietnam during the period of the Vietnam conflict as such health effects may result from exposure to phenoxy herbicides (including the herbicide known as 'Agent Orange') and the class of chemicals known as 'the dioxins' produced during the manufacture of such herbicides.

"(ii) In conducting the study provided for by division (i) of this subparagraph, the Administrator may, as the Administrator deems appropriate, expand the scope of such study to include an evaluation of the long term adverse health effects in humans of such service as such health effects may result from other factors involved in such service, including exposure to other herbicides, chemicals, medications, or environmental hazards or conditions.

"(B)(i) The Administrator shall also conduct a comprehensive review and scientific analysis of the literature covering other studies relating to whether there may be long term adverse health effects in humans from exposure to phenoxy herbicides (including the herbicide known as 'Agent Orange') and the class of chemicals known as 'the dioxins' produced during the manufacture of such herbicides.

"(ii) In conducting the review and analysis of the literature provided for by division (i) of this subparagraph, the Administrator may, as the Administrator deems appropriate, expand the scope of such review and analysis of the literature to include a review and analysis of the literature covering other studies relating to whether there may be long term adverse health effects in humans from other factors involved in srevice in the Armed Forces of the United States in the Republic of Vietnam during the Vietnam conflict or in other comparab'e situations involving one or more of the factors described in subparagraph (A)(ii) of this paragraph.

"(C) The Administrator may, in carrying out the study provided for by subparagraph (A) or the review and analysis of the literature provided for by subparagraph (B), or both, enter into such contracts or agreements with private or public agencies or persons for such necessary services, including design of the protocol for or the conduct of, in whole or part, such study, or both, or such review and analysis of the literature, or both, as the Administrator may deem practicable and necessary."; and

(2) by amending subsection (b)—

(A) by amending paragraph (2) by inserting "for administrative or legislative action, or both," after "recommendation";

(B) by adding at the end the following new paragraph:

"(3)(A)(i) Not later than ninety days after the submission of each report provided for in paragraph (2), the Administrator shall, based on the results described in each such report and the comments and recommendations thereon and any other available pertinent information, develop and publish in the Federal Register, for public review and comment, proposed regulation, containing proposed guidelines, standards, and other criteria (together with an explanation of the bases for such proposed guidelines, standards, and criteria) for resolving claims for benefits administered by the Veterans' Administration based on exposure to Agent Orange during service in the Armed Forces of the United States in the Republic of Vietnam during the Vietnam conflict.

"(ii) If the Administrator expands the scope of the study provided for in subsection (a)(1)(A)(i) (as provided for in subsection (a)(1)(A)(ii)), such proposed regulations shall also contain proposed guidelines, standards, and other criteria for resolving claims for benefits administered by the Veterans' Administration based on one or more factors described in subsection (a)(1)(A)(ii) related to such service.

"(iii) Proposed regulations developed and published pursuant to division (i) of this subparagraph (and, if proposed regulations are developed and published pursuant to division (ii) of this subparagraph, pursuant to such division) shall include specification of any presumptions (including any presumptions regarding service and exposure) to be applied to the resolution of the claims to which such proposed guidelines, standards, and criteria in such proposed regulations apply.

"(iv) Notwithstanding any other provision of law, the public review and comment process required by division (i) of this subparagraph shall be conducted in accordance with the provisions of sections 553 (b) and (e), 556, and 557 of title 5, United States Code.

"(v) On the same day as such proposed regulations are published as required by division (i) of this subparagraph, the Administrator shall submit to the appropriate committees of the Congress any recommendations for legislative action that the Administrator considers appropriate in light of such proposed guidelines, standards, and criteria, the report submitted pursuant to section (b)(2), and any other available pertinent information.

"(B) Not later than ninety days after the completion of the public review and comment process provided for in subparagraph (A)(i) and (iv), the Administrator shall publish in the Federal Register final regulations containing the guidelines, standards, and other criteria (together with an explanation of the bases for such guidelines, standards, and criteria) for resolving the claims involved.

"(C) Nothing in subparagraph (A) or (B) shall be considered to limit in any way the discretion and authority of the Administrator to promulgate or prescribe regulations, guidelines, standards, or other criteria for resolving any claims described in subparagraph (A)(i) or (ii) at any time earlier than the time prescribed in subparagraph (A) for the publication of the proposed regulations described in such subparagraph.

"(D) The Administrator's compliance with the provisions of, and any regulations promulgated pursuant to, this paragraph shall be subject to judicial review in accordance with the provisions of chapter 7 of title 5, United States Code.".●

By Mr. JOHNSTON (for himself and Mr. JACKSON):

S. 637. A bill to establish a program for Federal storage of spent fuel from civilian nuclear powerplants, to set forth a Federal policy and initiate a program for the disposal of nuclear waste from civilian activities, and for other purposes; to the Committee on Energy and Natural Resources.

NUCLEAR WASTE POLICY ACT

● Mr. JOHNSTON. Mr. President, today I am introducing the Nuclear Waste Pol-

icy Act, a bill which is based on the nuclear waste legislation which was overwhelmingly approved by the Senate in the 96th Congress. As my colleagues recall, at the close of the last Congress, certain Members of the Senate and the House of Representatives were working hard to arrive at a compromise on this important energy policy issue. Time ran out on us before that compromise could be developed. It is my hope that we can regenerate the cooperative spirit of that time and move expeditiously in this Congress to the enactment of comprehensive legislation establishing a definitive national policy for nuclear waste management.

The legislation I am introducing today embodies the basic policies adopted by the Senate last year. The Nuclear Waste Policy Act provides for—

A Federal program, including authorization for the construction or acquisition of a Federal facility, for interim away-from-reactor storage of spent nuclear fuel;

A requirement that the Secretary submit to Congress within a time certain a proposal accompanied by cost estimates for a system for the long-term isolation of spent nuclear fuel and high-level radioactive waste in a manner that permits continuous monitoring and ready retrieval of the fuel or waste;

An accelerated program of research, development, and investigation of alternative technologies for the long-term isolation of nuclear wastes under conditions incorporating retrievability as well as in irreversible ways; and

A process of consultation and concurrence involving Federal Government and affected States and Indian tribes in the siting of permanent repositories for the nuclear wastes generated in civilian nuclear activities.

Mr. President, I believe there is an excellent chance for early enactment of a nuclear waste policy based on the elements of this bill. There can be no doubt that we are in great need of policy guidance from Congress in this matter. Currently, the nuclear energy option is, in my opinion, unreasonably burdened by public doubt and uncertainty about nuclear waste disposal. This public doubt and uncertainty is a direct consequence of indecision and drift in Federal policy with regard to nuclear waste management. The Federal Government has avoided definitive action on nuclear waste management, failed to assess waste management costs, and blocked the adoption of a rational spent fuel policy. Yet policy decision on these matters can only be made by the Federal Government. The aim of the bill I am introducing is to see that the Federal Government assumes its responsibilities with regard to nuclear waste management and begins doing the things that those responsibilities imply.

There are three principal titles of the bill.

AWAY-FROM-REACTOR STORAGE

Title III of the bill authorizes the Secretary of Energy to acquire, transport, and provide for the interim storage of spent nuclear fuel from civilian nuclear powerplants. The Secretary would levy a per unit charge for this service designed to recover the full cost of interim storage and permanent disposal of wastes associated with the spent fuel, including all transportation and handling. The Secretary would be authorized to construct or acquire one or more facilities—each to be fully subject to the licensing authority of the Nuclear Regulatory Commission—to provide safe interim storage of the spent fuel. Any person transferring spent fuel to the Secretary would retain the nontransferable right to the value of any fuel remaining should such material ever be recovered.

The purpose of this legislation is to provide prudent insurance against the likelihood that spent fuel pools at one or more existing nuclear reactors will fill up, forcing the shutdown of those powerplants. There is a good chance that expansion of these pools will prove infeasible or uneconomic, or both.

Federal capacity for the sale isolation of spent fuel and high level radioactive waste will be urgently needed during the 1980's. It is currently very unlikely that permanent disposal facilities will be in place in this time frame. There is also a substantial possibility that necessary approvals for expanded at-reactor storage will not be forthcoming in all instances. In any event, at-reactor pools were never designed to store large amounts of spent fuel for extended periods of time. Reliance on this method of storage pending the uncertain establishment of a facility for permanent disposal of nuclear wastes is both unsafe and costly relative to centralized AFR storage. The Nuclear Waste Policy Act provides the necessary Federal authority to establish such a program, while insuring that the ratepayers who benefit from nuclear power pay the full cost of nuclear waste management.

PERMANENT NUCLEAR WASTE DISPOSAL

Title IV of the bill directly addresses the question of permanent disposal of nuclear wastes. Definitive answers with regard to permanent nuclear waste disposal have proved extremely elusive over the years since nuclear power first was recognized as an important energy option. Indecision on permanent nuclear waste disposal is one of the reasons we currently are faced with the necessity of providing for interim away-from-reactor storage of spent nuclear fuel. If facilities for separating and permanently disposing of nuclear wastes from spent fuel were in existence today, AFR's would not be necessary.

We should have no illusions that it will be easy to agree on a specific facility for the permanent disposal of nuclear wastes. Nuclear wastes must be isolated for a very long time with very high assurance that release to the biosphere will not occur. Certainly this means that we must design any permanent disposal facility with care and make use of the best scientific skills and techniques available. We should not, however, make the job harder than it needs to be. Much of the recent thinking about the permanent disposal of nuclear wastes assumes that wastes will be irreversibly consigned to some deep underground geologic formation. It is the irreversibility of this kind of technological option which makes us so reluctant to choose a specific site and construct the necessary facilities. We are asking ourselves to make an irreversible choice, one that will last for all time. Reluctance to make this kind of choice is understandable.

But forcing this kind of choice is not necessary. There is no reason why nuclear wastes cannot be safely isolated from the biosphere for as long as may be required in facilities which permit continuous monitoring of the waste, maintenance of all important features of the facility providing containment of the waste, and ready retrieval of the waste to prevent any loss of control of potentially toxic material.

An added advantage of this approach is that it allows for progress—the certain discovery in the future of more advanced and secure methods of waste containment. As long as we do not lose control of the waste we put away now, we can incorporate the improved knowledge we are bound to gain in the future. In the meantime, however, we are assured—because we have control of the wastes—that the public health and safety is adequately protected at all times.

Title IV of the Nuclear Waste Policy Act requires the Secretary of Energy to submit to Congress—within a time certain—a detailed proposal for a facility for the permanent disposal of spent fuel and high-level radioactive wastes from civilian nuclear activities in a manner which permits continuous monitoring and ready retrieval of the fuel and wastes. Before any such facility would be built a subsequent act of Congress would be required.

Submission of the proposal required by title IV would permit Congress to carefully assess the merits and costs of long-term retrievable, monitored isolation of nuclear wastes. For the first time definitive action on a system of permanent disposal facilities would be possible without the uncertainties that have been the hallmark of past efforts to locate a specific deep geologic formation—a granite structure, a basalt formation, or a salt dome—where nuclear waste could be irreversibly consigned with reasonable assurances of safety. The facilities envisioned in title IV, while they would be located underground, could in fact be safely sited in any State in the continental United States. If we adopt the policy suggested in title IV of the Nuclear Waste Policy Act, no individual State will be singled out as the "nuclear dumping ground for the Nation" solely because of the geologic characteristics of its subsurface. The connection between geologic identity and the attractiveness of a site for nuclear waste disposal will be broken. We will be free to pick a waste disposal site—or several waste disposal sites—to better connect the costs of nuclear power with the beneficiaries of nuclear power.

STATE PARTICIPATION

Finally, title VI of the bill confers on States and Indian tribes specific rights of consultation and concurrence in the sit-

ing of permanent disposal facilities for civilian nuclear waste. The provisions of the Nuclear Waste Policy Act constitute a simplified version of the language adopted by the Senate in the 96th Congress. The policy is the same. Any State in which a permanent disposal facility for civilian nuclear waste may be located—or any Indian tribe on whose reservation such a facility may be located—has the right to enter into negotiations with the Secretary concerning the coordination and sharing of information and views concerning the proposed facility.

In the event that a proposed facility reaches the point where application by the Secretary to the Nuclear Regulatory Commission for a construction license is appropriate, the State and, as the case may be, the Indian tribe would have the right to object to the proposed facility. All work on the facility would stop unless the President submitted a statement to the Congress that concerns of the State or Indian tribe have been sufficiently addressed in the proposed project. Work on the facility could not be restarted if either House of Congress passes a resolution disapproving the President's statement. Thus the objections of an affected State or Indian tribe prevail if either House of Congress agrees that a proposed permanent disposal facility for civilian nuclear waste fails to sufficiently address the concerns of the State or tribe.

Mr. President, civilian nuclear power is very important to the energy future of this country. But for nuclear power to remain a viable energy option, we must set forth a definite and acceptable policy for the management of civilian nuclear wastes. We need such a policy to deal with the civilian nuclear wastes we now have—which are considerable—and also to deal with the wastes which will be generated in the future. I believe that the Nuclear Waste Policy Act provides the necessary authorities for a careful and considered resolution of the current uncertainties in civilian nuclear waste management. I look forward to participating with my colleagues in addressing this important issue and urge the convening of hearings on the bill at the earliest convenient date.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 637

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Nuclear Waste Policy Act".

TITLE I—FINDINGS AND PURPOSES

FINDINGS

SEC. 101. The Congress finds and declares that—

(a) a reliable system adequate to provide sufficient electrical energy to meet the Nation's current and anticipated needs is an essential part of a comprehensive national energy policy and is vital to national security and public welfare;

(b) an adequate electrical system requires a diversified base of primary energy sources in order to avoid excessive reliance upon any single alternative energy source;

(c) a diverse base of primary energy sources can be achieved only if each available source competes on an equal footing in decisions on the siting and construction of facilities for generating commercial electric power;

(d) nuclear energy can—

(1) make a significant contribution to national supplies of electricity;

(2) offer site-specific advantages in environmental impact, cost, and fuel availability over other primary sources of energy; and

(3) help reduce United States dependence on insecure sources of foreign oil;

(e) lack of an effective Federal policy for the interim storage of spent fuel and disposal of radioactive waste from civilian nuclear activities unreasonably burdens the choice of nuclear energy as an alternative primary energy source in decisions on siting and construction and operation of powerplants and unduly constrains efforts to establish a diverse base of primary energy sources;

(f) the Federal Government has the responsibility for the interim storage of spent fuel from civilian nuclear powerplants and the disposal of high-level radioactive waste from civilian nuclear activities in order to protect the public health and safety and provide for the common defense and security.

(g) the costs associated with the storage of spent fuel and the disposal of radioactive waste from civilian nuclear activities should, to the greatest extent practicable, be borne by the direct beneficiaries of such activities and should be considered in the selection or rejection of nuclear energy over alternative primary energy sources; and

(h) the technology exists and is under development which would provide reasonable assurance that spent fuel and high-level radioactive waste can be safely disposed of and that disposal facilities for spent fuel and high-level radioactive waste can be available when needed;

PURPOSES

SEC. 102. The purpose of this Act is to—

(a) assume the Federal responsibility for the acquisition and interim storage of spent fuel from civilian nuclear powerplants and for the disposal of high-level radioactive waste from civilian nuclear activities;

(b) establish a definite Federal policy for the disposal of high-level radioactive waste from civilian nuclear activities;

(c) authorize the Secretary to—

(1) acquire or construct at least one facility for the interim storage of spent fuel from civilian nuclear powerplants;

(2) select a technology and design for a system comprised of at least one Federal facility for the disposal of high-level radioactive waste generated by civilian nuclear activities and to select a site and design for the first component of such a system;

(3) provide for the construction, operation and maintenance of nuclear waste storage and disposal facilities described in paragraphs (1) and (2);

(d) accelerate the examination and consideration of alternative technologies for the disposal of nuclear waste; and

(e) provide for improved consultation and cooperation between the Federal Government and States and Indian Tribes in the siting of facilities for the interim storage of spent fuel from civilian nuclear powerplants and facilities for the disposal of high-level radioactive waste from civilian nuclear activities.

TITLE II—DEFINITIONS

SEC. 201. As used in this Act the term—

(1) "atomic energy defense activities of the Secretary" includes those activities and facilities of the Department of Energy carrying out the functions of—

(i) Naval reactors' development and propulsion;

(ii) weapons activities, verification and control technology;

(iii) defense materials production;

(iv) inertial confinement fusion;

(v) defense waste management; and

(vi) defense nuclear materials, security and safeguards,

all as included in the Department of Energy appropriations account in any fiscal year for such functions.

(2) "civilian nuclear powerplant" means a utilization or production facility for the generation of commercial power, as that phrase is used in the Atomic Energy Act of 1954, which is or will be licensed under such Act;

(3) "Commission" means the Nuclear Regulatory Commission;

(4) "disposal" means the long-term isolation of material, including long-term monitored storage which permits retrieval of the material stored;

(5) "environmental impact statement" means any document prepared pursuant to or in compliance with the requirements of section 102(2)(C) of the National Environmental Policy Act of 1969 (83 Stat. 852);

(6) "Governor" means the Governor of a State or successors to the Governor, during their respective terms of office, or their designees;

(7) "Indian tribe" means an Indian tribe, as defined in the Indian Self-Determination and Education Assistance Act (Public Law 93–638);

(8) "permanent disposal" means the long-term isolation of radioactive waste for at least such period of time as the Commission determines is necessary in order that the radioactivity, heat generation and toxicity of such waste does not exceed the radioactivity, heat generation and toxicity of naturally occurring uranium.

(9) "repository" means a facility for the disposal of high-level waste, transuranic contaminated waste, or spent nuclear fuel, whether or not such facility is designed to permit the subsequent recovery of such material, except for facilities to be used exclusively for research and development purposes and containing an insignificant amount of such material;

(10) "safe repository" means any underground facility for the permanent disposal of transuranic waste, high-level radioactive waste, spent nuclear fuel or any combination of such wastes or fuel, whether or not such facility is designed to permit the subsequent recovery of the materials placed in the repository, and whether or not such safety is achieved solely by the characteristics of the medium in which the facility is located or by a combination of such characteristics with appropriate engineered structural containment, waste form and packaging, monitoring and maintenance of such facility.

(11) "Secretary" means the Secretary of Energy;

(12) "spent fuel" means nuclear fuel that has been irradiated in and recovered from a civilian nuclear powerplant;

(13) "State" means any State of the United States, the District of Columbia, and, subject to the provisions of Public Law 96–205, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States; and

(14) "test disposal" means the emplacement in a repository of an amount in excess of 100 canisters of spent nuclear fuel, high-level wastes or transuranic contaminated waste.

TITLE III—INTERIM STORAGE OF SPENT FUEL FROM CIVILIAN NUCLEAR POWERPLANTS

SEC. 301. (a) It is the policy of the Federal Government to provide, as soon as possible, an assured and predictable capacity for the interim storage of spent fuel from civilian nuclear powerplants.

(b) The policy under subsection (a) shall provide for—

(1) maximizing, by utilization of available spent fuel pools to the maximum practical extent, the storage of such spent fuel at the site of each civilian nuclear powerplant; and

(2) the etsablishment of a Federally owned and operated system for the interim storage of spent fuel at one or more away-from-reactor facilities.

SEC. 302. The Secretary, the Commission and other appropriate Federal officials shall take such actions as they consider necessary to encourage and expedite the use of available storage at the site of each civilian nuclear powerplant consistent with—

(a) the protection of the public health and safety;

(b) economic considerations;

(c) continued operation of the powerplant;

(d) the sensibilities of the population surrounding such powerplant; and

(e) otherwise applicable law.

SEC. 303. (a) The Secretary, consistent with such criteria as he prescribes under the policy set forth in section 301, shall offer to enter into, and may enter into, contracts with persons owning, or planning to own, civilian nuclear powerplants. Those contracts shall provide that the Federal Government will (1) take title to spent fuel from the powerplants, (2) transport the spent fuel to Federally owned and operated interim away-from-reactor storage facilities and store such fuel in the facilities, and (3) dispose of waste products associated with such spent fuel.

(b) Nothing in this Act authorizes the Secretary to take title to spent fuel, transport spent fuel or dispose of spent fuel or the waste products associated with spent fuel from a nuclear powerplant not located within the United States.

SEC. 304. A contract entered into under section 303 shall provide—

(a) for a one-time payment at the time the Federal Government acquires the spent fuel of a charge per unit of spent fuel, as such unit is defined by the Secretary, which charge is determined by the Secretary to be adequate to cover—

(1) the cost of transportation of such spent fuel;

(2) the proportion of the costs of the construction and the operation, maintenance and decommissioning of Federal interim away-from-reactor storage facilities which proportion is associated with such spent fuel; and

(3) a surcharge to reflect the cost of permanent disposal of high-level radioactive waste associated with such spent fuel;

(b) for the retention by the owner of such spent fuel of a nontransferable right to the value of the remaining fuel resource less the costs of recovery, as determined at the time of recovery. The right ends when the Federal Government—

(1) takes action resulting in the recovery of the remaining fuel resource, and

(2) gives to the owner of the right an amount of money equal to the value of the recovered fuel less the costs of recovery;

(c) that title to the spent fuel together with all rights to such fuel, except as otherwise provided in this Act, passes to the Secretary at the site of the powerplant at the time the Secretary takes possession of the spent fuel;

(d) that the contract becomes effective when the interim away-from-reactor storage facility is available as determined by the Secretary by notice in the Federal Register; and

(e) for adjustment and recalculation of the one-time payment established under subsection (a) of this section and assessment of any difference to be paid or reimbursed at the time such spent fuel or associated radioactive waste is placed in permanent disposal.

SEC. 305. (a) The Secretary shall provide notice of intent to enter into such contracts by publishing notice in the Federal Register not later than one hundred and eighty days after the date of the enactment of this Act. Such notice shall contain such information as the Secretary considers appropriate concerning proposed terms and conditions of such contracts.

(b) The Secretary shall establish the one-time payment charge per unit of spent fuel required by subsection 304(a) on an annual basis, based on calculation of the costs and surcharge listed in subsection 304(a), and shall publish such annual one-time payment charge and the calculation thereof in the Federal Register. Each one-time payment charge shall become effective thirty days after publication and shall remain effective for a period thereafter of twelve months as the charge for the costs and surcharge listed in subsection 304(a) for any spent fuel, title to which is transferred to the Federal Government during that twelve-month period.

SEC. 306. (a) The Secretary shall construct or acquire at least one away-from-reactor facility for the interim storage of spent fuel from civilian nuclear powerplants. The facilities shall—

(1) be made available in adequate capacity and in a timely manner to accommodate all spent fuel for which commitments have been made pursuant to section 303 of this Act; and

(2) be subject to a license under the provisions of section 202(3) of the Energy Reorganization Act of 1974 (88 Stat. 1233).

(b) The Secretary, in providing for the transportation of spent fuel under this Act, shall utilize by contract private industry to the fullest extent possible in each aspect of such transportation. The Secretary shall use direct Federal services for such transportation only upon a determination of the Secretary of Transportation, in consultation with the Secretary, that private industry is unable or unwilling to provide such transportation services at reasonable cost. The authority of the Secretary to enter into contracts under this section shall be limited to the extent and in such amounts as are provided in appropriations Acts.

(c) The Secretary and the Commission, on a continuing basis, shall analyze and make projections of the availability when needed of spent fuel transportation casks required to support Federal transportation requirements pursuant to subsection (b). The Secretary and the Commission are authorized and directed to take such actions as the Secretary and the Commission, respectively, deem necessary and appropriate to ensure the timely availability when needed of such spent fuel transportation casks.

SEC. 307. When an interim away-from-reactor storage facility is available, the Secretary shall take possession of and transport to a designated storage facility any spent fuel covered by a contract made under section 303 of this Act. The Secretary shall take this action within thirty days after the date on which the owner of such spent fuel provides notice in writing to the Secretary that such spent fuel is available.

SEC. 308. Funds made available to the Secretary for the purpose of—

(a) acquiring plant and capital equipment or land; or

(b) for planning, construction, or modification of facilities,

to make available facilities for the interim storage of spent fuel from civilian nuclear powerplants away from the reactor under any law making appropriations of funds or authorizations for appropriations of funds for the fiscal year ending September 30, 1979, the fiscal year ending September 30, 1980, and the fiscal year ending September 30, 1981, including funds authorized and appropriated for Project 79-1-p (Away-From-Reactor Spent Nuclear Fuel Storage Capacity) in any legislation authorizing appropriations for the Department of Energy, shall be available to carry out the purposes of section 306.

SEC. 309. (a) In carrying out the provisions of sections 301 through 308 with regard to any facility for the interim storage of spent fuel from civilian nuclear powerplants which the Secretary is authorized by section 306(a) to construct or acquire, the Secretary shall:

(1) as soon as practicable, but not later than 90 days after enactment of this section, notify in writing the Governor and the legislature of any State in which is located a potentially acceptable site for such a facility or an existing facility potentially suitable for interim storage of spent fuel of the Secretary's intention to investigate that site or facility;

(2) during the course of investigation of such site or facility, keep the Governor and the legislature currently informed of the progress of work and results of the investigation;

(3) at the time of selection by the Secretary of any site or existing facility, but prior to undertaking any site-specific work or alterations, promptly notify the Governor and the legislature in writing of such selection; and

(4) throughout the course of any subsequent work on that site or existing facility, furnish the Governor all relevant information on a current basis and provide him with the opportunity for review and comment from time to time.

(b) If within a reasonable time after the Governor has received notice of selection required by subsection (a)(3), the Governor notifies the Secretary in writing of his objections to the facility, the Secretary shall suspend further work on such facility and promptly transmit the Governor's objections together with the Secretary's comments and recommendations to the President.

(c) Unless within ninety days after receipt of the Secretary's notification under subsection (b) the President determines that such facility is essential to the national interest, the Secretary shall terminate activities specific to the facility. Such determination shall not be subject to judicial or administrative review.

(d) During the regulation and monitoring of the facility, the Governor or his designee shall have the right to be currently informed of all relevant facts and matters, and shall have access to all relevant documents, and have the right to review and comment on such matters from time to time.

SEC. 310. Section 202(3) of the Energy Reorganization Act of 1974 is amended to read:

"(3) Facilities used primarily for the receipt and storage of high-level radioactive wastes or spent fuel resulting from activities licensed under such Act or spent fuel from foreign reactors transferred under a subsequent arrangement authorized under such Act.".

SEC. 311. Transportation of spent fuel under section 303(a) shall be subject to licensing and regulation by the Commission as provided for transportation of commercial spent fuel under existing law.

TITLE IV—DISPOSAL OF HIGH-LEVEL RADIOACTIVE WASTE RESULTING FROM CIVILIAN NUCLEAR ACTIVITIES

SEC. 401. It is the policy of the Federal Government to provide, consistent with section 301, a federally owned and operated system for the permanent disposal of all high-level radioactive waste resulting from civilian nuclear activities.

SEC. 402. Within one year after the date of the enactment of this Act, the Secretary shall transmit to the Congress a proposal for the construction of one or more safe repositories for the permanent disposal of high-level radioactive waste resulting from civilian nuclear activities. Such repositories shall be designed to—

(a) accommodate spent fuel from civilian nuclear activities without reprocessing, as well as the high-level radioactive waste from other civilian nuclear activities, including reprocessing of such spent fuel if such reprocessing is undertaken in the United States;

(b) permit continuous monitoring, management, and maintenance of the spent fuel and high-level radioactive waste for the foreseeable future; and

(c) provide for the ready retrieval of any spent fuel and high-level radioactive waste for further processing or disposal by an alternative method.

SEC. 403. The proposal shall include—

(a) the general description, cost estimates, and construction schedule for a permanent disposal system which shall be initially designed for a capacity adequate at a minimum to receive in a timely manner the high-level radioactive waste produced by all ongoing civilian nuclear activities and the spent fuel from the operation of all civilian nuclear powerplants for which any application for any Federal license or permit has been received prior to the date of the enactment of this Act; and

(b) site-specific designs, specifications, and cost estimates adequate to solicit bids for the construction of an initial safe repository within the system which will demonstrate the feasibility of permanent disposal of spent fuel and high-level radioactive waste in a manner which permits retrieval of such fuel and waste and which has capacity of at least one thousand spent fuel rods along with a volume of processed high-level radioactive waste from civilian activities limited to the amount sufficient to accomplish such demonstration.

SEC. 404. In formulating the proposal, the Secretary shall consult with the Commission and the Environmental Protection Agency, and shall transmit their comments on the final proposal to the Congress together with the proposal.

SEC. 405. (a) Preparation and transmittal of the proposal to the Congress is not a major Federal action significantly affecting the environment within the meaning of section 102 (2)(C) of the National Environmental Policy Act of 1969 (83 Stat. 852) but an environmental assessment shall be prepared on the proposal to accompany such transmittal based upon available information regarding alternative technologies for waste disposal.

(b) When Congress authorizes construction of the initial safe repository, the requirements of the National Environmental Policy Act shall apply, except that any environmental impact statement in connection with such facility need not consider any alternative to the design criteria set forth in section 402 of this Act as may have been amended by such subsequent congressional authorization.

(c) Any facility authorized under this title shall be subject to a license under section 202(3) of the Energy Reorganization Act of 1974 (88 Stat. 1233), except that in its consideration of the application filed by the Secretary for the initial facility, the Commission may not consider any alternative to the design criteria set forth in section 402 of this Act but shall comply with the requirements of the licensing process as otherwise provided by law.

(d)(1) Beginning the first fiscal year after the commencement of construction of any safe repository under section 402 the Secretary shall, to the extent provided in appropriations Acts and subject to the provisions of this subsection, make annual impact aid payments to any appropriate local government with respect to such repository—

(A) which repository is located within the jurisdictional boundaries of such government,

(B) which is determined by the Secretary to have a substantial impact on such government, and

(C) where the construction of such repository, or any modification thereof, is completed after the effective date of this Act, and, in the case of a modification of an existing facility, such modification substantially increases the capacity of such repository.

(2) The Secretary shall by rule establish a formula under which payments will be made under this subsection for any fiscal year. In developing such formula, the Secretary shall identify, and take into account, the local governmental services provided to the Secretary concerning such repository and the associated costs to the governments providing such services as the result of such repository. The Secretary may enter into negotiations with any appropriate local government in advance of commencement of construction of any safe repository to determine the magnitude of the payments such government would receive under the formula with respect to such repository.

(3) Payments made pursuant to this subsection shall be made solely from the fund established under section 501. The authorization of payments under this subsection is not an obligation of the United States.

(4) No payment may be made under this subsection with respect to any land or interests in land owned by the United States and administered by any Federal agency (other than the Secretary), without regard to how the United States obtained ownership thereof, including lands or interests therein acquired or withdrawn by a Federal agency for purposes of such agency and subsequently made available to the Secretary for such facilities.

(5) As used in this subsection, the term "local government" means a county, parish, township, municipality, borough existing in the State of Alaska on the date of the enactment of this subsection, or other unit of government below the State which is a unit of general government as determined by the Secretary.

SEC. 406(a). The Secretary shall continue and accelerate a program of research, development, and investigation of alternative means and technologies for the permanent disposal of high-level radioactive wastes from civilian activities, atomic energy defense activities of the Secretary and Federal research and development activities. Such program shall include examination of various waste disposal options including, but not limited to—

(1) permanent disposal in naturally occurring geologic formations;

(2) advanced technologies for the long-term retrievable isolation of nuclear waste;

(3) placement in deep ocean sediments;

(4) placement in very deep drill holes;

(5) placement in a mined cavity in a manner which leads to rock melting;

(6) partitioning of reprocessing waste and transmutation of radionuclides; and

(7) ejection into space.

(b) The programs to be carried out under subsections (a) shall include—

(1) collection of baseline data and environmental information about potential disposal sites;

(2) dissemination of fundamental scientific information;

(3) development, analysis, and validation of predictive models;

(4) extensive, independent, objective review of results by scientific experts, and of proposed facilities and operations through the licensing process;

(5) practical experience, including careful monitoring of radioactive waste isolation systems;

(6) a demonstrated capability to take any needed corrective or mitigating actions; and

(7) an ongoing research and development program to increase the state of knowledge about the disposal of nuclear waste.

(d) The Secretary shall report to the Congress his findings and recommendations resulting from the program authorized by this section, as follows—

(1) as a part of the annual report required by section 657 of the Department of Energy Organization Act (91 Stat. 565) the Secretary shall report concerning the status of the program; and

(2) from time to time, the Secretary shall make recommendations arising from his studies concerning the advisability of modifying or replacing the technology adopted under section 402 of this Act.

TITLE V—FINANCIAL ARRANGEMENTS

SEC. 501. (a) There is hereby established in the Treasury of the United States a separate account to provide for (1) the construction and operation of Federal away-from-reactor interim storage facilities for spent fuel, (2) the disposal of such spent fuel or high-level radioactive waste from civilian nuclear activities, and (3) the handling and transportation of such spent fuel or waste. Amounts appropriated under sections 308 and 502(b) or otherwise appropriated to the Secretary to carry out any of the purposes of titles III and IV (except section 406), all charges under section 304, receipts derived from the sale of any reprocessed fuel, and the proceeds from any obligations issued pursuant to section 502 of this title shall be deposited into the account.

(b) To the extent or in such amounts as are provided in appropriations Acts, the Secretary may draw on such account to carry out the purposes of titles III and IV (except section 406).

SEC. 502. (a) To carry out the purposes of titles III and IV (except section 406) the Secretary may borrow money from the Treasury of the United States in amounts provided in appropriation Acts, but not more than $300,000,000. The Secretary and the Secretary of the Treasury shall agree on terms, maturities, and conditions of the obligations, but the maturities may not be more than thirty years. The Secretary may redeem the obligations before maturity. The Secretary of the Treasury shall decide the interest rate of the obligations considering the average market of outstanding marketable obligations of the United States Government of comparable maturities during the month before the obligations are issued. The interest payments on such obligations may be deferred with the approval of the Secretary of the Treasury but any interest payment so deferred shall bear interest. Such obligations shall be issued in amounts and at prices approved by the Secretary of the Treasury. The Secretary of the Treasury shall purchase any obligations of the Secretary issued under this section and for this purpose the Secretary of the Treasury is authorized to use as a public debt transaction of the United States the proceeds from the sale of any securities issued under the Second Liberty Loan Bond Act. Securities may be issued under that Act to purchase obligations from the Secretary under this section.

(b) There is authorized to be appropriated for the fiscal year ending September 30, 1982, to carry out the purposes of titles III and IV (except section 406) no more than $200,000,000, such amounts to remain available until expended.

(c) Appropriations made available under sections 308 and subsection (b) and any other appropriations made to the Secretary to carry out the purposes of titles III and IV (except section 406) shall be repaid into the General Fund of the Treasury out of the

account, together with interest until the date of repayment at a rate determined by the Secretary of the Treasury taking into consideration the average market on long-term obligations of the United States during the fiscal year in which such appropriations are made. The Secretary shall repay such appropriation together with interest within thirty years from the time at which such appropriations become available for expenditure after the date of enactment of this Act, and no appropriations to the Secretary are authorized to carry out the purposes of titles III and IV (except section 406) unless the amounts appropriated are deposited into the account established in section 501(a).

TITLE VI—STATE ROLE IN NUCLEAR WASTE REPOSITORY SITING

APPLICATION

SEC. 601. (a) The provisions of this title shall not apply to the transportation, management, or disposal of spent fuel or radioactive waste from atomic energy defense activities of the Secretary or Federal research and development activities.

(b) Any facility established or operated exclusively for the disposal of spent fuel or radioactive waste produced by atomic energy defense activities of the Secretary or Federal research and development activities shall not be subject to the provisions of this title.

COOPERATIVE AGREEMENT

SEC. 602. (a) The Secretary shall identify the States with one or more potentially acceptable sites for a repository, including test disposal of high-level or transuranic wastes. Within ninety days of such identification, or within ninety days of enactment of this Act, the Secretary shall notify the Governor, the State legislature, and the Tribal Council of any affected Indian tribe in any affected State of the potentially acceptable sites within each State.

(b) Each State and Indian tribe notified under subsection (a) shall have the right to participate in a process of consultation and concurrence, based on public health and safety concerns, in all stages of the planning, siting, development, construction, and operation of a repository. The Secretary shall promptly enter into negotiations with each such State and Indian tribe to establish a cooperative agreement under which the State and Indian Tribe may exercise such right. Public participation in the negotiation of such agreement shall be provided for and encouraged by the Secretary, the States and the Indian tribes. The Secretary, in cooperation with the States and Indian tribes, shall develop and publish minimum guidelines for public participation in such negotiations, but the adequacy of such guidelines or any failure to comply with these guidelines shall not be a basis for judicial review.

(c) The cooperative agreement may include, but need not be limited to, the sharing in accordance with applicable law of all technical and licensing information, the utilization of available expertise, the facilitating or permitting procedures, joint project review, and the formulation of joint surveillance and monitoring arrangements to carry out applicable Federal and State laws. Such cooperative agreement shall provide procedures for resolving objections of the State and Indian tribe in any stage of the planning, siting, development, construction or operation of such a facility within the State: *Provided, however,* That any such agreement shall not affect the Commission's authority under existing law.

(d) For the purpose of this title the term "process of consultation and concurrence" means a methodology by which the Secretary (1) keeps a State or Indian tribe fully and currently informed about the aspects of the project related to any potential impact on the public health and safety, (2) solicits, receives, and evaluates concerns and objections of the State or Indian Tribe with regard to such aspects of the project on an ongoing basis, and (3) works diligently and cooperatively to resolve such concerns and objections.

(e) The Secretary, the State and, as the case may be, the Indian Tribe shall seek to conclude the agreement under subsection (b) not later than one year after the date of notification under subsection (a). The Secretary shall report to the Congress annually thereafter on the status of efforts to resolve objections under any agreement approved under subsection (c). Any report to the Congress on the status of negotiations under subsection (b) or the agreement under subsection (c) by the Secretary shall be accompanied by comments solicited by the Secretary from the State and, as the case may be, the Indian Tribe.

SEC. 603. (a) In carrying out the provisions of sections 401 through 405 with regard to any safe repository for the permanent disposal of spent fuel and high-level radioactive waste from civilian nuclear activities which repository is or may be proposed by the Secretary under such sections for subsequent construction authorization by Congress, or any safe repository so proposed, the construction of which has been authorized by Congress, the Secretary shall—

(1) as soon as practicable, but prior to initiation of any onsite investigation in any State, notify the Governor, the legislature of such State and any affected Indian Tribe in writing of his intention to initiate such investigation;

(2 during the course of investigation of any site, keep the Governor, the legislature and any such Tribe currently informed of the progress of work and of results of the investigation;

(3) at the time of selection by the Secretary of any site for such a safe repository, but prior to undertaking any site-specific design work, promptly notify the Governor, the legislature and the Tribe in writing of such selection;

(4) throughout the course of any subsequent design work and site verification activities provide continuing access to designees of the Governor and the Tribe to the design and other information developed which the Secretary determines is relevant and provide opportunity for review and comment by the Governor and the Tribe from time to time during such work and activities: and

(5) notify the Governor, the legislature and the Tribe in writing at least ninety days prior to formal application by the Secretary to the Commission for a construction permit for such safe repository.

(b) To the extent practicable, actions of the Secretary under this section shall be consistent with any agreements concluded under section 602 between the Secretary and such State and Tribe.

(c) If at any time after the Governor or an affected Indian Tribe has received notice of site selection, but no later than ninety days after receipt of notice under subsection (a) of intent to file an application for a construction permit with the Commission, the Governor or the Indian Tribe notifies the Secretary in writing of objections to the proposed safe repository, the Secretary shall suspend further site-specific activities on such repository and promptly transmit such objections together with the Secretary's comments and recommendations to the Congress and the President.

(d) If the President determines that—

(1) a safe repository which is the subject of a notification under subsection (c) is essential to the national interest and

(2) the concerns of the State and, as the case may be, the Indian tribe, have been addressed to an extent sufficient for the Secretary to apply to the Commission for a license to construct such repository,

the President shall submit a statement to that effect to the Congress under procedures set forth in section 551 of the Energy Policy and Conservation Act (42 U.S.C. 6521). Any determination by the President under this subsection shall not be subject to judicial review. Such statement shall be subject to review as if it were an "energy action" under such section 551. The Secretary may continue activities on the facility referred to in subsection (c) on the 60th day after the submission of such statement unless one House of Congress enacts a disapproval resolution under 42 U.S.C. 6421.

(e)(1) For purposes of this section any reference in 42 U.S.C. 6461 to a period of

(A) 15 calendar days shall be considered to be a reference to 60 calendar days; and

(B) 5 calendar days shall be considered to be a reference to 20 calendar days.

(2) For purposes of this section any reference in 42 U.S.C. 6461 to a "resolution" shall mean only a resolution of either House of Congress described in subparagraph (A) or (B) of this paragraph.

(A) A resolution of the matter after the resolving clause of which is as follows: "That the ——— does not believe that the proposed development of a repository at ——— within the State of ——— referred to in the statement transmitted to Congress by the President on ——— sufficiently addresses the concerns of such State and any affected Indian Tribe within such State".

(B) A resolution the matter after the resolving clause of which is as follows: "That the ——— believes that the proposed development of a repository at ——— within the State of ——— referred to in the statement transmitted to Congress by the President on ——— sufficiently addresses concerns of such State or any affected Indian tribe within such State".

The first blank space of any such resolution shall be filled with the name of the resolving House, and the other blank spaces shall be appropriately filled.

(f) For purposes of this section the term "affected Indian Tribe" means an Indian Tribe upon whose reservation a repository will be sited.●

By Mr. BENTSEN:

S. 638. A bill to amend the Internal Revenue Code of 1954 to allow individuals to compute the amount of the deduction for payments into retirement savings on the basis of the compensation of their spouses, and for other purposes; to the Committee on Finance.

HOMEMAKERS IRA BILL

● Mr. BENTSEN. Mr. President, I rise today to introduce a bill with an important dual purpose—to meet the social goal of greater retirement security and to advance the economic objective of increased savings and investment. I propose the homemakers, who make an invaluable economic contribution to the welfare of our country, be eligible to provide for their own retirement to the establishment of individual retirement accounts, at the same $1,500 contribution rate currently available for a working spouse.

Under present law, wage earners who do not participate in another retirement plan may receive a tax deferral from IRA contributions equal to the lesser of 15 percent of earned income or $1,500. The IRA limit is $1,750 at the wage earner who himself is eligible to establish an IRA elects to set up a spousal IRA. The homemaker retirement bill will allow the

homemaker to set up an IRA regardless of the type of retirement plan, if any, the working spouse has. It would permit the annual contribution of up to $1,500 by the homemaker and the working spouse each, for maximum contribution of $3,000—in lieu of the current maximum $1,750 spousal contribution.

This is a very simple proposal for individuals to understand and for the IRS to administer. The bill merely extends the numbers of individuals currently eligible to establish an IRA. It is not a complex tax exemption. IRA's provide tax deferral until the money is taken out at the time of retirement.

Mr. President, financial security in retirement will become increasingly difficult to achieve in the years to come. By the turn of the century, 13 percent of our population will be over age 65. Older persons are living longer, retiring earlier and becoming increasingly dependent upon retirement income programs. At the same time, the declining birth rate will mean fewer workers supporting more beneficiaries in the social security system.

In 1935 there were nine workers for every aged person. In 1977 the worker-to-age ratio was 4 to 1, and there were three workers for every social security beneficiary. By the year 2030 there will be two workers for every one beneficiary. It is easy to see that the social security system cannot take this kind of overload. The economic crunch that limited resources and expanding costs—is already upon us.

One way to ease the burden on the system is to enable an encouraged person to provide for their own retirement. It was with this idea in mind that Congress included the Employee Retirement Income Security Act of 1974 (ERISA) provisions which would have allowed individuals not participating in qualified private or governmental programs to set up their own retirement plans. The homemaker retirement bill will extend the rationale of this provision to enable an important group of individuals with no current means of providing for their retirement to do so—the 30 to 50 million American homemakers are rapidly approaching retirement age without any type of retirement plan.

These individuals have devoted many years of self-sacrificing unpaid work toward the welfare of the family. These homemakers often face financial crisis when confronted with an untimely death of the working spouse before retirement age, a dissolved marriage, or old age with only minimum social security benefits for their support. I feel that it is about time we recognized the contributions of these hard-working homemakers and give them the opportunity that they have earned to provide for their own retirement security.

I have long argued that our present tax system is biased against savings. We need to constantly be looking for ways to encourage savings which provide a greater source of capital for the investment needed to promote economic growth and boost productivity. This simple and equitable IRA eligibility extension is one such option. The average American should have the opportunity to invest in an easily understandable, fully vested retirement plan which will in turn generate much needed capital flow into the economy.

Finally, Mr. President, I feel that it is about time that homemakers were given equal treatment under ERISA. Though they do not work for wages, the Nation's homemakers do very real work with very long hours. It is about time that we recognized the economic value of their labor. Homemakers, like the self-employed and those whom employment does not offer a retirement plan deserve and require the opportunity to provide for financial security in old age. They should not have to rely on uncertain survival benefits, dwindling social security funds, or welfare.

The homemakers retirement bill encourages these individuals to take independent action to establish their own retirement funds, thus providing them with the means to live their later years in the dignity and the self-respect which is rightfully theirs.●

By Mr. PACKWOOD (for himself and Mr. BENTSEN):

S. 639. A bill to amend the Internal Rvenue Code of 1954 with respect to the income tax treatment of incentive stock options; to the Committee on Finance.

INCOME TAX TREATMENT OF INCENTIVE STOCK OPTIONS

● Mr. PACKWOOD. Mr. President, Senator BENTSEN and I are today introducing legislation which would create a new category of stock options called "incentive stock options."

This bill is substantially the same as was approved by the Senate Finance Committee in September 1980 as an amendment to the tax reduction of 1980 (H.R. 5829). That bill died at the end of the 96th Congress.

This new class of stock options features those provisions, taken from both the pre-1964 laws governing restricted stock options and the later qualified options, which offer the greatest incentives and safeguards. This bill promotes productivity by restoring a valuable form of noncash compensation that both lowers labor costs and resulting product prices while motivating superior performance by employees. It would give more people a vested interest in their firm and enable small, growing companies to compete with large, established corporations in attracting top-caliber employees.

THE PRODUCTIVITY PROBLEM

In the past decade, the United States has experienced a serious and steady decline in its productivity growth rate. It has become clear that this drop is not a temporary aberration or a cyclical phenomenon. The economic implications of lagging productivity growth make it essential for Congress to act to reverse this trend.

The move to stimulate the supply of resources and output in the economy received a boost in 1978. After years of consumption-oriented tax measures, 1978 saw Congress focus on a tax policy designed to stimulate economic growth and capital formation. This was an excellent beginning. But as the Joint Economic Committee recently concluded:

Some of the tax changes in the Revenue Act of 1978 will stimulate investment. But these are not sufficient.

Incentive stock options allow a further step in the direction of greater productivity growth by making it easier for new companies to start up and grow.

ROLE OF SMALL BUSINESS

Small growing companies provide more than their share of technological innovation and job growth. They can continue to contribute this sort of economic dynamism, however, only if they are successful in attracting and motivating highly talented employees.

Incentive stock options significantly improve the ability of young companies to compete successfully for capable individuals. These smaller businesses are often unable to offer the job security or the salary levels that are available in larger corporations. But since the stock of smaller companies often grows at a more rapid pace than larger companies, stock options in these businesses can be extremely attractive, thereby providing an incentive for talented individuals to risk their careers in the uncertainties of a new venture.

LEGISLATIVE HISTORY

In the past, there has been some degree of controversy over stock options. Until the early sixties, companies could offer such incentives in the form of restricted stock options. In 1963, the Kennedy administration recommended that these provisions be repealed. The administration argued that since individuals were taxed on personal service income at rates up to 92 percent, but long-term capital gains were taxed at only 25 percent, stock options allowed too much conversion of ordinary income into capital gains. Congress first limited the value of options, creating the "qualified stock option" in 1964, then phased out all stock option preferences in 1976.

Today, circumstances are considerably different. Changes in the Tax Code have drastically reduced the sheltering effects of stock options. The maximum tax rate on personal service income is now 50 percent and the capital gains rate, as a result of actions taken last year, now stands at a maximum of 28 percent. As I will explain in more detail later, the effect of the change is that stock options now can be reinstated at no net cost to the Treasury. In fact, a revenue gain will result after the first couple of years following enactment of the bill.

EXPLANATION OF PROVISIONS

Current tax law authorizes only so-called nonqualified options. When employees exercise these options, they must pay income tax—at ordinary income rates—on the paper profit (or "spread") between their option price and the market price when they buy. This cost and risk of loss on a "profit" never realized has forced most companies to turn from stock options to straight cash compensation and stock purchase plans. These cost companies more and motivate employees less.

This bill creates a new category of stock options called incentive stock options. It incorporates what we believe to be the best features and safeguards of both the "pre-64" restricted option and the later qualified options. Employees would not be required to pay tax at the time they exercise these options. Since any spread would not be treated as personal service income to the employee at the time of exercise, the company would not be able to deduct it as compensation. The employee could then be eligible for capital gain treatment when the stock is sold. As under present law, the employer would not have a deduction at the time the employee sells the stock.

In order to be treated as an incentive stock option plan, the following rules must be met:

First. The option must be issued at 100 percent of its fair market value. However, if a goodfaith effort is made to issue the stock at not less than its fair market value, but it is later determined to be undervalued, the option will still be treated as an incentive stock option. This provision helps avoid the imposition of drastic consequences on employees as a result of inadvertent undervaluation of the stock by the employer.

Second. The option can be exercised up to 10 years after issuance, as with restricted stock options. Rules for qualified options allowed only 5 years.

Third. Shareholder approval is required, as in the case of qualified stock options.

Fourth. As was true for restricted options, employees would be permitted to exercise the options in any sequence. Qualified options rules required options to be exercised in the order granted.

Fifth. To qualify for long-term capital gain treatment, the employee would be required to hold the stock 2 years after the company had granted the option and 1 year after the employee had exercised the option. This is similar to rules governing restricted stock options. If the stock is sold within 2 years, ordinary income would be realized up to the lesser of the gain or the spread between the option price and the value of the stock at the time of exercise, as with qualified options.

Sixth. Similar to qualified options, the optionee must be an employee continuously from grant to 3 months prior to exercise.

Seventh. At grant, the employee may not own more than 10 percent of the voting power or value of the stock of the company, unless the option price is at least 110 percent of the fair market value. This is similar to the rules for restricted options. In contrast, qualified stock guidelines did not permit the employee to own more than 10 percent of the voting power or stock value if the equity capital is $1 million or less, decreasing to 5 percent of the equity capital is $2 million or over.

Eighth. As with both restricted and qualified options, options issued would not be transferrable other than at death and would be exercisable during the employee's lifetime only by the employee.

The Packwood-Bentsen bill makes three changes in the bill as introduced in 1980 (S. 2239).

First, as approved by the Senate Finance Committee on a motion by Senator BILL BRADLEY. The bill applies to options exercised after the effective date. However, a modification is made in the Bradley amendment. Specifically, the bill applies to:

First. Qualified options exercised after the effective date; and

Second. Other options—meeting the requirements of this bill—exercised after the effective date, unless the company elects for the option to not be entitled to these provisions. This election must be made within 6 months after enactment, and may be revoked only with permission of the Internal Revenue Service.

Third. There has been some question about the effect of stock appreciation rights—or other rights to cash payments concurrent with exercise of a stock option—on the entitlement of a plan to treatment as a qualified stock option. This bill raises no inference about this issue. However, the bill permits companies to modify or delete these features within 6 months after the date of enactment if they so choose.

Fourth. The bill clarifies that the employee may pay for the stock subject to the option with stock of the company granting the option.

REVENUE EFFECT

As I stated briefly before, such stock options can be reinstated at no net cost to the Federal Government. In 1980, the Joint Committee on Taxation determined that the bill, after possible minuscule revenue losses in the first 3 years after its enactment, will result in a revenue gain. For example, the Joint Committee estimated that the revenue increase would approximate $15 million in fiscal year 1984 and $30 million in fiscal year 1985.

We look forward to working with other Senators, the Department of the Treasury and the public to consider any improvements in this important piece of legislation.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 639

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) Part II of subchapter D of chapter 1 of the Internal Revenue Code of 1954 (relating to certain stock options) is amended by adding after section 422 the following new section:

"SEC. 422A. INCENTIVE STOCK OPTIONS.

"(a) IN GENERAL.—Section 421(a) shall apply with respect to the transfer of a share of stock to an individual pursuant to his exercise of an incentive stock option if—

"(1) no disposition of such share is made by him within 2 years from the date of the granting of the option nor within 1 year after the transfer of such share to him, and

"(2) at all times during the period beginning on the date of the granting of the option and ending on the day 3 months before the date of such exercise, such individual was an employee of either the corporation granting such option, a parent or subsidiary corporation of such corporation, or a corporation or a parent or subsidiary corporation of such corporation issuing or assuming a stock option in a transaction to which section 425 (a) applies.

"(b) INCENTIVE STOCK OPTION.—For purposes of this part, the term 'incentive stock option' means an option granted to an individual for any reason connected with his employment by a corporation, if granted by the employer corporation or its parent or subsidiary corporation, to purchase stock of any of such corporations, but only if—

"(1) the option is granted pursuant to a plan which includes the aggregate number of shares which may be issued under options and the employees (or class of employees) eligible to receive options, and which is approved by the stockholders of the granting corporation within 12 months before or after the date such plan is adopted;

"(2) such option is granted within 10 years from the date such plan is adopted, or the date such plan is approved by the stockholders, whichever is earlier;

"(3) such option by its terms is not exercisable after the expiration of 10 years from the date of such option is granted;

"(4) the option price is not less than the fair market value of the stock at the time such option is granted;

"(5) such option by its terms is not transferable by such individual otherwise than by will or the laws of descent and distribution, and is exercisable, during his lifetime, only by him; and

"(6) such individual, at the time the option is granted, does not own stock possessing more than 10 percent of the total combined voting power of all classes of stock of the employer corporation or of its parent or subsidiary corporation.

Paragraph (6) shall not apply if at the time such option is granted the option price is at least 110 percent of the fair market value of the stock subject to the option and such option by its terms is not exercisable after the expiration of 5 years from thte date such option is granted.

"(c) SPECIAL RULES.—

"(1) EXERCISE OF OPTION WHEN PRICE IS LESS THAN VALUE OF STOCK.—If a share of stock is transferred pursuant to the exercise by an individual of an option which would fail to qualify as an incentive stock option under subsection (b) because there was a failure in an attempt, made in good faith, to meet the requirement of subsection (b) (4), the requirement of subsection (b) (4) shall be considered to have been met.

"(2) CERTAIN DISQUALIFYING DISPOSITIONS WHERE AMOUNT REALIZED IS LESS THAN VALUE AT EXERCISE.—If—

"(A) an individual who has acquired a share of stock by the exercise of an incentive stock option makes a disposition of such share within the 2-year period described in subsection (a) (1), and

"(B) such disposition is a sale or exchange with respect to which a loss (if sustained) would be recognized to such individual.

then the amount which is includible in the gross income of such individual, and the amount which is deductible from the income of his employer corporation, as compensation attributable to the exercise of such option shall not exceed the excess (if any) of the amount realized on such sale or exchange over the adjusted basis of such share.

"(3) CERTAIN TRANSFERS BY INSOLVENT INDIVIDUALS.—If an insolvent individual holds a share of stock acquired pursuant to his exercise of an incentive stock option, and if such share is transferred to a trustee, receiver, or other similar fiduciary in any proceeding under title 11 of any other similar insolvency proceeding, neither such transfer,

nor any other transfer of such share for the benefit of his creditors in such proceeding, shall constitute a disposition of such share for purposes of subsection (a)(1).

"(4) STOCK MAY BE PAID FOR WITH EMPLOYER STOCK.—The employee may pay for the stock with money or other property (including stock of the corporation granting the option).

"(5) COORDINATION WITH SECTIONS 422 AND 424.—Sections 422 and 424 shall not apply to an incentive stock option.".

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Section 421 of such Code (relating to general rules in the case of stock options) is amended—

(A) by inserting "422A(a)," after "422(a)," in subsections (a), (b), and (c)(1)(A), and

(B) by inserting "422A(a)(1)," after "section 422(a)(1)," in subsection (b).

(2) Section 425(d) of such Code (relating to attribution of stock ownership) is amended by inserting "422A(b)(6)," after "422(b)(7),".

(3) Section 425(g) of such Code (relating to special rules) is amended by insertng "422 A(a)(2)," after "422(a)(2),".

(4) Section 425(h)(3)(B) of such Code (relating to definition of modification) is amended by inserting "422A(b)(5)," after "422(b)(6),".

(5) Section 6039 of such Code (relating to information required in connection with certain options) is amended—

(A) by inserting ", an incentive stock option," after "qualified stock option" in subsection (a)(1),

(B) by inserting "incentive stock option," after "qualified stock option," in subsection (b)(1), and

(C) by adding at the end of subsection (c) the following new paragraph:

"(4) The term 'incentive stock option', see section 422A(b).".

(6) The table of sections for part II of subchapter D of chapter 1 of such Code is amended by inserting after the item relating to section 422 the following new item:

"Sec. 422A. Incentive stock options.".

SEC. 2. EFFECTIVE DATES AND TRANSITIONAL RULES.

(a) The amendments made by section 1 shall apply with respect to—

(1) options granted atfer December 31, 1980,

(2) Qualified options (within the meaning of sec. 422) granted on or before December 31, 1980, which are exercised after such date, and

(3) Other options granted on or before December 31, 1980, which are exercised after December 31, 1980.

Paragraph (3) shall apply to an option unless the corporation granting such option elects to have the amendments made by section 1 not apply. Such election must be made not later than six months after the date of enactment of this Act. Such an election, once made, may be revoked only with the consent of such Secretary or his delegate.

(b) In the case of an option granted before January 1, 1982, paragraph (1) of section 425(h) of such Code shall not apply to any change in the terms of such option made before not more than six months after the date of enactment of this Act to permit the plan to modify or delete a stock appreciation right or other rights to cash payments concurrent with exercise of the option.●

● Mr. BENTSEN. Mr. President, I am pleased to join my colleague from Oregon (Mr. PACKWOOD), in sponsoring the Employees Incentive Stock Ownership Act which will reinstate restrictive stock options as an attractive form of cooperate compensation.

This bill will have a positive impact on providing stability in corporate management. In today's market the longevity of top management personnel with any one company has steadily declined. With so-called headhunters bidding to acquire top management this is not a surprising development. Thus job hopping has become more the rule than the exception that it was in years past. Job hopping can be detrimental because it places emphasis on year-to-year profits and losses and encourages management to put off making the tough, long-term decisions necessary to insure the success of the company in the future. If we are to expect management to make the expenditures necessary for the kinds of research and development of technology needed to make the United States competitive throughout the world in future years, we must provide management with the incentives to stay for the long haul. This bill will help provide that stimulus.

Our bill has substantial positive economic effect as well as positive revenue effect. Incentive stock options promote productivity and combat inflation, improve the ability of growth companies to attract talented employees, promote capital formation and broaden the base of corporate ownership.

The issuance of incentive stock options would provide employees with an entreprenurial stake in finding better ways to do the job. The stock option only has value to the employee if the price of the company stock increases through growth in its sales and profits. Therefore, options give employees a powerful incentive to find ways to expand the company's business and conduct business more efficientlv. Business growth creates more jobs; increased efficiency results in greater productivity. Further, because incentive stock options are a form of noncash compensation, granting them causes no out-of-pocket expense to the corporation. Lowering a company's "up front" labor costs in this way results in improved cash flow for the company and can result in lower product price and thereby reducing inflationary pressures.

Incentive stock options will help small, growing companies attract talented employees. This fact was recognized by the White House Conference on Small Business which endorsed the restoration of favorable tax treatment of stock options as one of its key recommendations to promote innovation in small businesses. Young companies frequently have difficulty competing in a job market for talented managers and scientists. Studies have shown repeatedly that small, highly technological companies grow faster and create more jobs than mature industries. As a result, their equity value also increases more rapidly, making stock options in these smaller companies more attractive than options in more mature companies. The stock options give small companies an advantage in attracting talented employees.

The exercise of stock options provides additional equity capital for companies, as well as bringing new shareholders into the company.

Mr. President, under present law when an employee exercises nonqualified options, he must pay taxes, at the ordinary income tax rate, on the profits between his option price and the prices of the stock when he buys it. Not only is taxation at ordinary tax rate inconsistent with what other owners pay on our capital appreciation, but in addition the employee must pay the tax before he actually realizes any gain from selling the stock. This is comparable to taxing the appreciation on a homeowner's house before he sells it.

Further hardships will result if the value of the stock acquired by means of an option should decline sharply before the employee desires to sell it. Under those circumstances the employee must not only take an actual loss on the stock, the deductibility of which is subject to capital loss provisions, but he also must pay taxes at ordinary income rates on a gain he never realized.

The cost of compensation from incentive stock options is borne, indirectly, by the existing shareholders through mild dilution of their shares. The shareholder, in turn, benefits from the increased value of their shares that result from the higher productivity of the company's employees. The company, and its shareholders, must elect to issue the incentive stock options; the cost of their issuance is no longer a deductible expense. As a result, the issuance of incentive stock options results in a net revenue gain.

In the last Congress the Joint Committee on Taxation, after examining the impact of a similar bill, estimated, that after 6 years of existence, it will result in a net revenue gain of $35 million. Thus in effect, Mr. President, the companies seeking to issue these stock options are offering to pay a higher tax so that they can offer the incentives necessary for a healthy business environment. We should not ignore this request.

I believe that the above evidences that incentive stock options make good economic sense and strong revenue sense. The importance of this legislation was recognized by the Senate Finance Committee when it included it in the Tax Reduction Act of 1980.

In addition to our studying incentive stock option plans I would also encourage the Senate Finance Committee, the Joint Tax Committee, and the Treasury Department to carefully review the concept of restrictive stock incentive plans, to determine whether these types of plans would also accomplish the objective of the stock option plans. Restrictive incentive stock plans are geared at providing employees an immediate proprietary interest in a company and therefore greater incentives to maximize work effort and increase company productivity. I believe that the Senate Finance Committee should carefully review this concept when we begin deliberation on the question of the stock options. I look forward to working with Senator PACKWOOD, and urge my other colleagues in the Senate to join us, on working on legislation that will help the United States regain its preeminent position in world productivity.●

ADDITIONAL COSPONSORS

S. 12

At the request of Mr. BAKER, the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of S. 12, a bill to amend the Internal Revenue Code of 1954 to allow a retirement savings deduction for persons covered by certain pension plans.

S. 24

At the request of Mr. BAKER, the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of S. 24, a bill to amend the Internal Revenue Code of 1954 to provide for the establishment of, and the deduction of contributions to, education savings accounts and housing savings accounts.

S. 43

At the request of Mr. SASSER, the Senator from Wyoming (Mr. SIMPSON) was added as a cosponsor of S. 43, a bill to amend the Congressional Budget Act of 1974 to require the Director of the Congressional Budget Office to prepare and submit, for every bill or resolution reported in the House or the Senate which has certain specific economic consequences, an estimate of the cost which would be incurred by State and local governments in carrying out or complying with such bill or resolution.

S. 46

At the request of Mr. THURMOND, the Senator from Texas (Mr. TOWER), and the Senator from Hawaii (Mr. MATSUNAGA) were added as cosponsors of S. 46, a bill to amend title 5 of the United States Code to permit present and former civilian employees of the Government to receive civil service annuity credit for retirement purposes for periods of military service to the United States as was covered by social security, regardless of eligibility for social security benefits.

S. 63

At the request of Mr. RANDOLPH, the Senator from Wyoming (Mr. SIMPSON) was added as a cosponsor of S. 63, a bill to amend the Clean Air Act to provide compliance date extensions for steelmaking facilities on a case-by-case basis to facilitate modernization.

S. 131

At the request of Mr. INOUYE, the Senator from North Carolina (Mr. HELMS) was added as cosponsor of S. 131, a bill to incorporate the Pearl Harbor Survivors Association.

S. 164

At the request of Mr. MELCHER, the Senator from Minnesota (Mr. BOSCHWITZ) was added as a cosponsor of S. 164, a bill to prohibit proposed regulatory increases in imputed interest rates for tax purposes on loans between related entities and on deferred payments in the case of certain sales of property.

S. 290

At the request of Mr. MELCHER, the Senator from Hawaii (Mr. INOUYE), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Florida (Mr. CHILES), the Senator from Arizona (Mr. DECONCINI), the Senator from Ohio (Mr. GLENN), the Senator from Ohio (Mr. METZENBAUM), the Senator from Maryland (Mr. SARBANES), the Senator from New York (Mr. MOYNIHAN), the Senator from West Virginia (Mr. RANDOLPH), and the Senator from Montana (Mr. BAUCUS) were added as cosponsors of S. 290, a bill entitled "Reye's Syndrome Act of 1981."

S. 396

At the request of Mr. DANFORTH, the Senator from Louisiana (Mr. LONG) was added as a cosponsor of S. 396, a bill to impose quotas on the importation of automobiles from Japan during 1981, 1982, and 1983.

S. 421

At the request of Mr. DECONCINI, the Senator from Wisconsin (Mr. PROXMIRE) was added as a cosponsor of S. 421, a bill to provide for reductions for fiscal year 1982 in obligations by the departments, agencies, and establishments of the executive branch of the Government.

S. 480

At the request of Mr. MELCHER, the Senator from North Dakota (Mr. BURDICK) was added as a cosponsor of S. 480, a bill to provide price and income protection for farmers and assure consumers of an abundance of food and fiber at reasonable prices, and for other purposes.

S. 495

At the request of Mr. THURMOND, the Senator from Iowa (Mr. JEPSEN) was added as a cosponsor of S. 495, a bill to amend section 3(i) of the Food Stamp Act of 1977, relating to the definition of the term "household", to prevent the splitting of a household for the purpose of qualifying as two or more households under such act.

SENATE JOINT RESOLUTION 38

At the request of Mrs. KASSEBAUM, the Senator from Montana (Mr. MELCHER), the Senator from Idaho (Mr. MCCLURE), the Senator from South Carolina (Mr. THURMOND), the Senator from Maryland (Mr. SARBANES), the Senator from Wisconsin (Mr. KASTEN), the Senator from Mississippi (Mr. COCHRAN), and the Senator from Massachusetts (Mr. KENNEDY) were added as cosponsors of Senate Joint Resolution 38, a joint resolution to provide for designation of the first Friday of March as "Teacher Day, United States of America."

ORDER FOR STAR PRINT—SENATE 441

Mr. STEVENS. Mr. President, I ask unanimous consent that S. 441 be reprinted to reflect a change in wording that was inadvertently not included in the bill as introduced on February 6.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE RESOLUTION 87—RESOLUTION RELATING TO TAXATION OF SOCIAL SECURITY BENEFITS

Mr. HEINZ (for himself, Mr. CHILES, Mr. GRASSLEY, Mr. PRESSLER, Mr. COHEN, Mr. PERCY, Mr. MELCHER, Mr. PRYOR, Mr. GLENN, Mr. BURDICK, Mr. BRADLEY, Mr. DODD, Mr. PACKWOOD, Mr. DOLE, Mr. CANNON, Mr. WILLIAMS, Mr. MOYNIHAN, Mr. MITCHELL, Mr. SASSER, Mr. GARN, Mr. LEVIN, Mr. SARBANES, Mr. ROTH, Mr. SIMPSON, Mr. SYMMS, Mr. HARRY F. BYRD, JR., Mr. MATSUNAGA, Mr. BENTSEN, Mr. RIEGLE, and Mr. PROXMIRE) submitted the following resolution; which was referred to the Committee on Finance:

S. RES. 87

Whereas social security was established to protect the income of Americans against the serious economic risks that families face upon retirement, disability, and death; and

Whereas social security provides a monthly payment to some 35,000,000 beneficiaries; and

Whereas various bodies have recommended that social security benefits be included in taxable income for Federal income taxes; and

Whereas for the people affected, taxing of social security benefits would be tantamount to a cut in benefit payments; and

Whereas 25 percent of the elderly—even with social security—are near or below the poverty level and all Americans are suffering the effects of inflation; and

Whereas 50 percent of all older women have median incomes below the poverty level and average monthly benefits of women receiving social security are only $2,216 per year; and

Whereas the overall incomes of the elderly have not kept pace with inflation and the cost of basic necessities such as fuel, food and medical care have risen faster than the rate of inflation; and

Whereas the prospect of taxation of benefits has alarmed many older Americans and undermined the confidence of all Americans in the integrity of the social security program: Now, therefore, be it

Resolved, That it is the sense of the Senate that any proposals to make social security benefits subject to taxation would adversely affect social security recipients and undermine the confidence of American workers in the social security programs, that social security benefits are and should remain exempt from Federal taxation, and that the Ninety-seventh Congress will not enact legislation to subject social security benefits to taxation.

● Mr. HEINZ. Mr. President, today, I am introducing a resolution expressing a position which is shared by many of my colleagues on the Special Committee on Aging, the Finance Committee, and, indeed, in the entire Senate. This resolution reaffirms our longstanding policy that social security benefits should not be taxed and that the 97th Congress will not enact legislation to subject these benefits to Federal taxation. I am pleased that I have been joined in sponsoring this resolution by Senator LAWTON CHILES of Florida and several of my colleagues on the Special Committee on Aging. As chairman and ranking minority member of the committee, Senator CHILES and I are acutely aware of the continuing fear of social security recipients that their benefits will suddenly be subject to taxation. We are also aware that total retirement income is less than adequate for a large number of our older citizens.

Many of those who would be affected are already struggling to keep up with the cost of basic necessities. Elderly households spend a disproportionate amount of their income on food, utilities, fuel, and medical care. Furthermore, prices for these items have increased at a rate faster than the Consumer Price Index. Despite the indexing of social security benefits, overall elderly incomes have not kept pace with inflation. Taking away in taxation what has already been given in benefits is actually a reduction

of benefits—however we may try to disguise it.

In addition, any decision to tax current benefits would be grossly unfair to those who have planned their retirement with the expectation of a tax-free social security benefit. These persons do not have the opportunity to acquire additional insurance protection or a larger annuity, or to accrue more personal savings. They may not be able to alter their choice of living arrangement or delay retirement for a year or two. The result could be devastating regardless of how well they had planned for their retirement income.

Our citizens are already burdened by heavy taxes. At a time when we are seeking ways to alleviate some of this tax burden, it is unwise and inconsistent to increase taxes for those on limited incomes. Furthermore, the elderly, even without taxes on social security, pay a substantial portion of the total Federal income taxes collected by the IRS. Persons over 65 years of age, who constitute 11 percent of the total population, pay 10 percent of all personal income taxes.

The need for reform to insure social security's financial soundness is well known to all of us in Congress and increasingly to the American public as well.

The Old Age and Survivors Insurance Trust Fund, which covers benefits for retirees, their dependents and survivors, is facing a critical cash flow problem beginning early in 1982. In addition, economic and demographic predictions indicate an even more serious long-range financing problem.

In such a time of crisis, it is necessary that we examine every possible alternative for insuring that the social security system can fulfill its promise to current and future beneficiaries.

Proposals such as those of the President's Commission on Pension Policy, to apply the same tax treatment to social security as to other retirement programs, and to implement them prospectively, certainly deserve careful evaluation. At the same time, we must make certain that aftertax benefit levels can be maintained, that the tax treatment of contributions enables increased personal savings for retirement, and that there are not other changes which result in benefit reduction.

Above all, we should not adopt any plan to tax any portion of benefits out of expediency because it is simple or because it offers a quick fix to our financing problems.

No proposal should be enacted in the absence of a comprehensive reform package or without full examination of its impact on recipient of social security at all income levels.

We simply cannot, should not, and, I hope, will not adopt any plan for taxing benefits which would take place immediately.

Social security is the cornerstone of our Nation's retirement income system. About 93 percent of Americans over the age of 65 are receiving social security benefits, and for two-thirds of them, it is their major source of income. The taxation of any part of these benefits, when coupled with inflation, could be a serious financial burden on elderly households which are struggling to make ends meet.

This resolution is an important action which we can take at this time to reassure these citizens that they do not face a sudden, unexpected loss of income.●

EXEMPTING SOCIAL SECURITY BENEFITS FROM FEDERAL TAXATION

● Mr. CHILES. Mr. President, today Senator HEINZ and I, as chairman and ranking minority member of the Special Committee on Aging, are submitting a resolution expressing the sense of the U.S. Senate that social security benefits should not be subject to Federal taxation.

We are all well aware that the social security system needs a major overhaul if it is to continue on a sound basis. As chairman of the Committee on Aging during the last Congress, I held a series of hearings on social security to explore the options available to insure the integrity of the system.

I found that there are answers to the problems, and I believe we can, and will, put social security on a sound footing again. I have introduced a comprehensive reform bill, S. 484, which will move a long way toward returning the social security system to its original purpose of guaranteeing a base retirement income for older Americans. The approach I advocate would initiate a series of actions to solve the short term cash flow problems in the social security trust funds, and begin making reforms in the next century which will guarantee the long-range integrity of the trust funds for future retirees. My bill also encourages greater work and income opportunities for older persons.

Simply subjecting all or part of social security benefits to a Federal income tax is not a solution to the short or long-range funding problems of the social security trust funds. Very little additional revenue would be generated, yet any taxation would be felt very keenly by millions of social security recipients.

By acting on this resolution, the Senate can express its support for the crucial goal of preserving current social security retirement benefits, and I urge all my colleagues to join with us now.●

● Mr. PERCY. Mr. President, I commend the distinguished chairman of the Special Committee on Aging and the ranking minority member, Senators HEINZ and CHILES, for bringing this important resolution to the floor of the Senate. As a member of the Aging Committee, I am proud to join them in this effort to allay the fears of millions of older Americans with this resolution stating that the 97th Congress will not enact legislation to tax social security benefits.

Taxation of benefits for current retirees makes no sense, and this resolution will put the U.S. Senate clearly on record in opposition to such a measure.

Mr. President, those who are hardest hit by inflation in this country today are the elderly. For too many, social security benefits are the only source of income. And for millions more, social security benefits which keep pace with inflation prevent them from sinking into poverty. Even with these benefits, 25 percent of the elderly are near or below the poverty line. For elderly women the statistics are far worse. Fifty percent of all older women have median incomes below the poverty level.

Taxation of benefits for these retirees would only take needed income away from people who can least afford it, those living on modest, fixed incomes.

Moreover, Mr. President, we would, if we embark upon a course to tax the benefits of these retirees, be breaking faith with those who long ago made retirement plans thinking that their social security benefits would not be taxed. Since more than 10 million families would suddenly find themselves paying an additional several hundred dollars in taxes they had not budgeted, the average annual tax increase would be $350, a heavy burden for many elderly families living from one social security check to another.

Finally, Mr. President, if the Congress should consider taxation of benefits of future recipients, it should be done in the context of overall pension policy reform.

Recently, the President's Commission on Pension Policy, which was created by President Carter to examine the Nation's retirement, survivor, and disability systems, recommended in its final report that contributions to and benefits from social security receive the same tax treatment as other retirement programs. The Commission recommended that taxes on contributions to social security be deferred and benefits from social security eventually be counted as income subject to taxation. At the same time, the Commission recommended phasing out the earnings limitation, which has served to discourage older workers from employment.

I have not had the opportunity to fully study this proposal and, of course, I would very much like the benefit of the testimony presented to the Aging Committee and other congressional committees on the Commission's proposal before making any decision. However, I cite this report because it couples the taxation of future retirees' benefits with other important reforms. Any consideration of taxing social security benefits must be part of a broader-based reform. Otherwise our only accomplishment would be to put an additional tax burden on the disabled, retirees, and survivors receiving social security payments while doing nothing to address the more serious problems of the social security system and national pension policy in general.

Again, Mr. President, I commend Senators HEINZ and CHILES for their leadership and urge the Senate to agree to, without delay, this important resolution.●

● Mr. PRYOR. Mr. President, today I join with Senator HEINZ and other members of the Special Committee on Aging in sponsoring a sense of the Senate resolution which expresses the view that social security benefits should remain exempt from Federal taxation.

We are all fully aware of the problems

that the social security system has faced in recent years and the challenge that now faces the Congress to take steps to insure this most important program's financial stability. Last year, in anticipation of the need to insure the retirement income of our Nation's elderly, the Special Committee on Aging, under the able chairmanship of Senator CHILES, held a series of hearings which delved into the many options that are available for revitalizing this program.

In addition to hearing the many options for change in the social security system, I, along with other committee members, became more acutely aware of the degree to which the elderly of our Nation depend upon their social security benefits to finance their ever-increasing living expenses. Over the last decade, these expenditures, especially for necessities such as food, fuel, and health care, have grown at a rate of 8.4 percent per year, while the overall Consumer Price Index increased at an annual rate of 7.2 percent. This economic situation has caused an even greater strain on the fixed incomes of these struggling retirees.

In addition to the hardship this change in practice would place upon many of our Nation's retired workers, this action would also serve to further reduce the confidence of workers and retirees throughout the country in the social security system.

Treatment of social security benefits as regular income for tax purposes, which has been suggested by several study groups as a means to apply current tax laws more equitably and to increase tax revenues, translates into nothing less than reducing benefits for social security beneficiaries. Such an action, especially in times of such rapid inflation, would be a heartless move and would place an unnecessary burden on the millions of Americans who have paid faithfully into the social security system over their lifetime.●

● Mr. GLENN. Mr. President, I am pleased to join my colleagues on the Senate Special Committee on Aging in introducing a resolution expressing the sense of the Senate that social security benefits should remain exempt from Federal taxation.

Many older Americans are living on minimum, fixed incomes and the biggest problem they are facing is inflation. Almost daily, I hear from senior citizens who are distressed by reports that changes will be made in the social security system, such as the taxation of benefits, which will reduce their retirement income. I am opposed to changes in the social security system which will break-faith with people who have paid in during their working years.

I am hopeful that Congress will act expeditiously to resolve the financing problems facing the social security system. However, this can be done without putting a burden on people who are beyond their normal working years.●

SENATE RESOLUTION 88—SUBMISSION OF A RESOLUTION OVERTURNING DEFERRAL OF CONGREGATE HOUSING SERVICES APPROPRIATIONS

Mr. WILLIAMS (for himself, Mr. CRANSTON, and Mr. TSONGAS) submitted the following resolution, which was referred to the Committee on Appropriations, the Committee on the Budget, and the Committee on Banking, Housing, and Urban Affairs, jointly, pursuant to the order of January 1, 1975:

S. RES. 88

Resolved, That the Senate disapproves the proposed deferral of budget authority to carry out the congregate services program under title IV of the Housing and Community Development Amendments of 1978 (numbered 81–70), set forth in the message transmitted by the President to the Congress on February 17, 1981, under section 1013 of the Impoundment Control Act of 1974.

● Mr. WILLIAMS. Mr. President, on February 17, 1981, President Reagan sent a special measure to the Congress withdrawing 33 rescissions proposed on January 15, 1981, by the Carter administration for this year. As stated in the message, the deferrals are designed to give the administration the opportunity to decide whether or not to free the funds for the programs involved. While the deferrals are called "temporary" under the terms of the Budget Act they could last until the end of the fiscal year, and there is no certainty that the deferrals will be lifted anytime soon.

One of the programs caught by the deferrals is the congregate housing services program (CHSP). Its entire $10 million appropriation for fiscal year 1981 is now held in abeyance, and activity under the program has come to a complete halt. While I understand the administration's interest in making its own decisions about housing programs, free of any limitations that its predecessor may have attempted to impose, in the case of CHSP a continuing deferral of its funds contradicts the administration's repeatedly expressed policies of reducing unnecessary Federal spending and promoting greater Government efficiency. Few actions could be more shortsighted than the deferral of CHSP appropriations. The fact is that this little program not only eases the tremendous personal hardship imposed on elderly and handicapped persons faced with premature institutionalization, but also it improves the way we deliver social services to needy people, and results in proportionately very substantial savings in medicaid expenditures.

To assure that the administration fully recognizes the importance of the CHSP in pointing the way toward a more efficient, responsive social service system, and to speed the availability of the program's funds, I am submitting a resolution to disapprove the President's deferral. I am pleased to be joined in sponsoring this measure by several of my distinguished colleagues.

Enacted in 1978, with overwhelming bipartisan support, the CHSP adds a significant dimension to the Federal Government's ability to deliver appropriate housing assistance through the section 202 loan program, and the public housing program. The program addresses the need for basic social services, such as meals, or housekeeping and personal care assistance, among low-income persons who have some functional disability, but not to the extent that they require institutional care.

It is true that social service programs such as those operated under social security or the Older Americans Act, while very worthwhile programs, are not capable in most instances of responding adequately to the at risk-persons that CHSP was created to aid. These programs often do not provide a full range of services in a given community, nor are individual services always complete. For example, meals services provided by these programs typically offer only one meal a day for 5 days a week where they are available, and they are not always available. In the absence of a full meals service that does not take time off for weekends and holidays, frail elderly or handicapped persons in assisted housing face removal to institutions, even though they could otherwise get along fine in their own residences. The partial service cannot help them.

CHSP allows eligible sponsors to secure funds from a single source—the Department of HUD—rather than from a myriad of sources each with its own series of rules, regulations, and requirements. Moreover, it significantly reduces the bureaucracy prevalent in existing programs which involve as many as five separate administrative levels—Federal and State Governments, regional agencies, local governments and agencies, and finally the grant recipients. CHSP cuts through this bureaucracy, sending the funds directly from the Federal Government to the sponsor.

To participate in the program, sponsors of section 202 housing or public housing survey their tenants to determine which ones have impairments that would threaten their continuing residency in their projects in the absence of support services. For the group of tenants able to remain in their units with just a little help, the sponsor fashions a program of services tailored to his residents' needs. I should stress that not all tenants of a particular project would be eligible. It is the program's purpose to foster a residential, rather than an institutional environment. Service packages are reviewed by appropriate local agencies for the elderly or handicapped, and then the application for CHSP funding is transmitted to HUD.

Under the law, no services already available to a project's tenants from other sources in the community can be paid for by CHSP. Duplication of available services is prohibited. Moreover, program sponsors may not use the pro-

gram to pay for services they supported prior to application for CHSP funds. In an effort to hold down per person costs, individuals receiving congregate services are expected to contribute toward their cost, to the extent they can reasonably do so. Thus, the program is not meant to take over the work of other social services programs, but only to pick up where they leave off.

Because the program reduces our reliance on institutions such as nursing homes to take care of people who are only marginally or minimally impaired, CHSP can substantially reduce Federal per person medicaid expenditures. Medicaid reimbursements in Maryland, the lowest in the country, total more than $6,000 per person. While in Mississippi, they reach above $7,100 per person, the country's highest. By contrast, CHSP funded services, together with rental assistance, would average nationwide about $4,000 per person. Considering that studies have suggested that a large proportion of nursing home residents need only a minimum of support services, not institutional care, the congregate housing services concept has enormous savings potential.

Let me describe a couple of specific CHSP funded projects. In 1 Mississippi project the 54 persons receiving CHSP supported services either came from an institution or would have been forced to enter one. In the Albuquerque, N. Mex., area, an Indian housing project now ready for occupancy would receive tenants all of whom will come out of nursing homes. There are other equally dramatic examples of the value of CHSP.

CHSP has a particularly important feature which must be noted. It provides funds on a multiyear basis through 3- to 5-year contracts between sponsors and HUD. This eliminates the uncertainty, and the wasteful stop-go syndrome that afflicts so many local social service effort which are never sure that funding will be available from one year to the next. CHPS's guarantee of funding is also absolutely crucial to encourage developers of new low-income housing to incorporate into their buildings the full service central dining facilities and the specially designed units that best accommodate at-risk tenants.

In my visits to low-income housing projects, elderly residents have made it clear to me how much they fear premature placement in institutions. They view nursing homes and other facilities as debilitating places that can rob them of their dignity and independence. They often feel that if they are placed in a nursing home, they will never leave. For low-income persons with functional impairments, current residential housing programs are inadequate to provide the noninstitutional, yet supportive environment that can best be described as "housing with help." CHSP helps fill this gap.

It is now operating on a pilot basis. Its appropriations are much less than the amount authorized. However, the Congress did explicitly approve a 4-year program. Before the proposed rescission and the current deferral, it was beginning to focus on new construction projects, to determine how successfully it could encourage developers to incorporate special congregate housing designs in their plans. This phase would be brought to a halt, short circuiting one of the program's basic missions.

Mr. President, CHSP has such promise. And the Congress has repeatedly recognized its promise by approving appropriations for each of the last 3 years despite administration plans to delete it from the budget. It deserves to be continued.●

NOTICES OF HEARINGS

COMMITTEE ON THE BUDGET

Mr. DOMENICI. Mr. President, the Senate Budget Committee will meet to hear testimony of the President's budget proposals on March 11 and 12, 1981, in room 6202 of the Dirksen Senate Office Building.

Appearing before the committtee on Wednesday morning, March 11, will be Dr. Alice Rivlin, Director of the Congressional Budget Office, and on March 12, David Stockman, Director of the Office of Management and Budget, will testify.

For more information, contact Mr. Bill Stringer of the Budget Committee staff at 224–0538.

SUBCOMMITTEE ON INTERGOVERNMENTAL RELATIONS

Mr. DURENBERGER. Mr. President, I would like to announce that the Subcommittee on Intergovernmental Relations will hold 2 days of hearings on the subject of grant reform, S. 45 the Federal Assistance Reform Act of 1981, and related legislation.

The first day of the hearings will be held on March 11, 1981, in room 3302 of the Dirksen Senate Office Building, and the second day of hearings will be held on March 25, 1981, in room 3302 of the Dirksen Senate Office Building. Both hearings will be held from 2 to 5 p.m. For further information on the hearings please call Jimmie Powell at 224–4718.

SUBCOMMITTEE ON FEDERAL EXPENDITURES, RESEARCH, AND RULES

Mr. DANFORTH. Mr. President, on Wednesday, March 18, the Subcommittee on Federal Expenditures, Research, and Rules of the Committee on Governmental Affairs will hold hearings to identify the Federal programs, laws, and regulations which impose the greatest paperwork burdens on the American people. At that hearing the subcommittee will receive the testimony of the U.S. Chamber of Commerce, the National Association of Manufacturers, the National Federation of Independent Businesses, the Business Reports Advisory Council, the National Governors Association, the National Association of Counties, the National League of Cities, and the American Council on Education. We plan to bring this hearing record to the attention of the Office of Information and Regulatory Affairs in the Office of Management and Budget. Pursuant to the Paperwork Reduction Act (Public Law 96–511), which goes into effect April 1, this office is charged with the responsibility of reducing the burden of Federal paperwork. It is our hope that these hearings will assist OMB as it assigns priorities in its work.

The hearings will be held in room 3302 of the Dirksen Senate Office Building, beginning at 10 a.m. Questions concerning the hearings may be addressed to Patricia Otto, chief clerk, at 224–0211. Persons wishing to submit material for the hearing record should address it to the Subcommittee on Federal Expenditures, Research, and Rules, 44 Capitol Hill Apts., 128 C Street NE., Washington, D.C. 20510. Material submitted for the record must be received by close of business, Wednesday, March 25.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. McCLURE. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of public hearings before the Committee on Energy and Natural Resources on President Reagan's budget for fiscal years 1981 and 1982.

The hearing on the President's budget for the Department of Energy will be held on Thursday, March 12 at 9 a.m. in room 3110 of the Dirksen Senate Office Building. Testimony will be received from the Secretary of Energy.

The hearing on the President's budget for the Department of the Interior and the Department of Agriculture will be held on Friday, March 13 at 9 a.m. in room 3110 of the Dirksen Senate Office Building. Testimony will be received from the Secretary of the Interior and a representative of the Secretary of Agriculture.

In addition, the full committee will hold business meetings to consider the committee's March 15 report to the Senate Budget Committee on March 16, 17, 18, and 19, at 9 a.m. in room 3110 of the Dirksen Senate Office Building.

For further information regarding these meetings, you may wish to contact Mr. Richard Grundy at 224–2564.

ADDITIONAL STATEMENTS

TERRORISM TRACING THE INTERNATIONAL NETWORK

● Mr. PACKWOOD. Mr. President, hardly a day goes by without news stories describing new and brutal acts of terrorism, committed around the world. Public officials, church leaders, educators, private citizens unlucky enough to be in the wrong place at the wrong time—men, women, and children—die at the hands of extremists with no regard for human life. These terrorist acts are more and more often carried out not at random, not by disorganized bands of hoodlums, but by well-organized, well-financed political terrorists, equipped with the best and most lethal weapons, and well-trained to disrupt, intimidate, and kill.

Who finances them? Who provides the weapons, the training? The answer, or at least a part of the answer, may be found in last Sunday's New York Times Magazine, in an article entitled, "Terrorism: Tracing the International Network." In this article the author, Claire Sterling, describes the involvement of the Soviet Union and its surrogates in terrorist activities in Turkey, Italy, and Northern Ireland, with such disparate terrorist groups as West Germany's Baader-Meinhof Gang, Italy's Red Brigade, the Basque ETA, and the Palestinian Liberation Organization.

Mr. President, Claire Sterling is not a wild-eyed young investigative reporter seeking publicity. She is a well-respected veteran journalist with over 30 years of experience in Europe. She has a reputation for painstaking and accurate research and reporting. And she tells a frightening story. It is must reading.

Mr. President, at this time, I ask that the text of this article be printed in the RECORD.

The article follows:

TERRORISM: TRACING THE INTERNATIONAL NETWORK

(By Claire Sterling)

Four well-groomed men bearing sawed-off shotguns approach a car on a busy street in Milan; bullets rip through the body of the passenger, chief of one of the city's largest hospitals. The Red Brigades, the nation's most-feared terrorist group, claims responsibility. In Northern Ireland, a band of armed men uses explosives to blast its way into the castle of Sir Norman Stronge, an 86-year-old Protestant leader and longtime speaker of Northern Ireland's Parliament; the bodies of Sir Norman and his son, James, 48 years old, are found later, bullets through their heads, and guerrillas of the Irish Republican Army (I.R.A.) say it was their work.

Such incidents—these two within the last few weeks—are the stuff of everyday headlines. But last month, at his first news conference as Secretary of State, Alexander M. Haig Jr. made them the focus of diplomatic confrontation. He warned that international terrorism had become "rampant," and he charged the Soviet Union with consciously seeking to "foster, support and expand" terrorist activities around the world. Specifically, he accused Moscow of "training, funding and equipping" those who kill for political profit.

The reaction to Secretary Haig's charges was in many ways predictable. The Soviet Union called such talk "a gross and malicious deception" and insisted that the "control center of international terrorism" was, in fact, the Central Intelligence Agency headquarters in Langley, Va. Journalists who interviewed Government intelligence experts—including some C.I.A. aides—quoted officials to the effect that there was no hard evidence to support Mr. Haig's accusations. And many Americans shook their heads despairingly at what sounded to them like nothing more than an old cold warrior's refrain, a broadside political attack against a safe and familiar target.

Until a few years ago, I might have been among those head-shakers. Generations of Americans, raised on Depression fare, find it hard to shake off a belief in the aspirations of the political left. But I have spent the last two and a half years researching leftist terrorist groups, talking to government officials and police in 10 countries from Sweden to Lebanon, examining court records and interviews in the public prints. I now know better. There is massive proof that the Soviet Union and its surrogates, over the last decade, have provided the weapons, training and sanctuary for a worldwide terror network aimed at the destabilization of Western democratic society.

The network, as described by dozens of captured terrorists and volumes of courtroom testimony, consists of a multitude of disparate terrorist groups, helping out one another and receiving indispensable aid from not altogether disinterested outsiders.

A few years ago, the C.I.A. reported that more than 140 such terrorist bands from 50-odd countries on four continents were linked in one way or another.

One example: On July 26, 1974, a customs inspector at the Orly airport in Paris discovered that Yutaka Furuya, a passenger on a flight from Beirut was carrying several forged passports, $10,000 in counterfeit money and papers tying him to the Japanese Red Army terrorist group. It turned out he was on his way from a Palestine base in Lebanon to kidnap a wealthy Japanese businessman in West Germany, and that he was to have logistic support from the German Red Army Faction.

After his arrest, fellow Japanese terrorists occupied the French Embassy in The Hague and demanded Furuya's release. They used explosives stolen by a Swiss anarchist group from a military depot in Zurich, and they were directed by Carlos the Jackal, a Venezuelan who was running terrorist operations in Europe for George Habash's Popular Front for the Liberation of Palestine.

Such connections within the terrorist network have long been evident. What is now beginning to emerge is the degree to which the links in this network have been purposefully forged—and continue to be maintained—by the Soviet Union and its two chief proxies in this regard, Cuba and the Palestinians.

Not until Secretary Haig's charges, and a similar statement a day earlier by the President of Italy, Alessandro Petrini, had any Western government publicly accused Moscow of a major role in fostering the network. Most of the governments under siege are still reluctant to do so. They are unwilling to risk their relationship with Moscow—or with the oil-rich nations supporting the Palestinian connections of the network. They also seem to want conclusive proof that the Soviet Union has created and is the phantom mastermind of these terrorist bands.

It's not that simple. Such direct control of the terrorist groups was never the Soviet intention. All are indigenous to their countries. All began as offshoots of relatively nonviolent movements that expressed particular political, economic, religious or ethnic grievances.

Moreover, some of the support Moscow hands out in the third world goes to anti-colonial groups that are militant but not terrorist. Time and again, however, authentic left-wing liberation movements slip over the line from organized resistance to terrorist violence. That line is hard to define, as is the very concept of terrorism itself. Lenin's definition—"the purpose of terror is to terrorize"—is a useful beginning. The terrorist uses violence not to punish the victim but to intimidate the audience, to impose his political will by force when he cannot achieve it by democratic means.

The heart of the Russians' strategy is to provide the terrorist network with the goods and services necessary to undermine the industrialized democracies of the West. More than half of the international terrorist attacks since 1968, according to the C.I.A., have taken place in Western Europe and North America. The most deadly have come in a strategic crescent from Turkey westward through Italy and up to Ireland. And, as Italy's Red Brigades have made clear, the ultimate objective is "the supreme symbol of multinational imperialism," the United States.

It is not happenstance that none of the major terrorist attacks have been directed against the Soviet Union or any of its satellites or client states.

Some terrorist bands have suffered their share of setbacks in the last year or two. In Turkey, for example, "The Anarchy"—the warfare between left and right terrorists that accounted for 4,000 deaths in 1980—has almost ground to a halt since the new military regime took over. More than 21,000 alleged terrorists, more or less evenly split between left and right, have been jailed. In Spain, estimates of the number of hard-core Basque terrorists in Eurkad ta Askatasuna (E.T.A.) remain at between 100 and 200, but there have been signs of public disenchantment. Early last month, the murder of a nuclear engineer led to widespread antiterrorist protests; a few days later, however, the demonstrations turned in E.T.A.'s favor after a suspected terrorist died while being held by the police.

Still, it is dangerous to draw conclusions from apparent symptoms of weakness in the terrorist network. Public knowledge of the workings of a particular terrorist band usually comes from one that is in trouble, whose members have been arrested and are talking. Moreover, some terrorist groups have flourished during these same years; the Provisional I.R.A., for example, has been able to maintain between 200 and 250 fully armed members in spite of the growing war-weariness within its Roman Catholic constituency.

The network, with Moscow's aid, has come a long way in the last decade. Once dependent upon large numbers of ill-equipped amateurs untrained in modern guerrilla tactics, the network is now in large measure made up of professionals, superbly trained, moving about the world in yachts and helicopters, flush with money picked up in multimillion-dollar kidnappings and bank robberies, armed with walkie-talkies, electronic eavesdropping devices—and even heat-seeking, ground-to-air Strela missiles. They have strings of safe houses at home and established getaway routes to assured sanctuaries abroad. It takes only a handful of them to paralyze a nation.

The roots of the terrorist network can be traced directly to the Tricontinental Congress held in Havana in January 1966. More than 500 delegates passed resolutions emphasizing the need for close collaboration between "Socialist countries"—i.e., the Soviet Union and its satellites—and "national liberation movements." Significantly, resolutions covered not only third-world groups but also "democratic workers and student movements" of Western Europe and North America. The delegates' purpose, they said, was to devise "a global revolutionary strategy to counter the global strategy of American imperialism."

It was, unmistakably, a call for a Guerrilla International. And the call was heeded. Ten months later, a new cluster of more than a dozen training camps for guerrilla fighters from all over the world was opened in Cuba. The man in charge was Col. Vadim Kotchergin of the K.G.B. It was the first major move by the Soviet Union in the emergence of the Guerrilla International.

To be sure, Fidel Castro had been operating his own schools for guerrillas since 1961, starting with recruits from Latin America and Africa. By 1964, Palestinians and Europeans had joined the ranks. But the addition of Colonel Kotchergin's camps added a new dimension. The men who were trained in these camps provided the first generation of leadership for the terrorist decade to come.

The stage was set in 1968, that amazing year when, from Berkeley to Tokyo, a generation born after the last great war declared its own war on society in a brief but stunning show of strength. The whole planet seemed to be lurching leftward toward revo-

lution. Then, it was over, and the vast majority who had lived through the experience left it behind. But many of those with a true vocation for revolutionary violence had found one another.

These beginners knew nothing of the terrorist trade; they lacked money, weapons, fast getaway routes and safe havens abroad. We will never know how far they might have gone on their own, because they were never really left on their own. By 1970, any aspiring terrorist band could count on Cuba or the Palestinian resistance.

The revolutionary decade of the 1960's had been focused in Latin America as Fidel Castro preached his gospel of spontaneous, popular revolution. But that vision had faded as the Soviet presence in Cuba increased, and now the fulcrum of revolution had moved to the Middle East.

The Palestinians now had their own camps for foreigners. Starting in Syria, Lebanon and Jordan, they spread over the decade to South Yemen and then down into Moscow's new African client states, Angola and Mozambique. The Palestinians also set up such camps in Algeria and in Libya, with the help of Libyan money and literally billions of dollars' worth of Soviet armament. Cubans taught in most of these camps, East Germans in many, North Koreans in some.

It was in South Yemen, however—by then a Soviet satellite state tightly controlled by the K.G.B.—that a kind of postgraduate school in international terrorism emerged. The list of foreign guests in the camps around Aden included members of West Germany's Baader-Meinhof gang, Italy's Red Brigades, the Basque E.T.A., the Provisional I.R.A., the Japanese Red Army, the Tupamaros of Uruguay and the Turkish and Iranian undergrounds.

For most of them, the hosts were George Habash and his military commander, Wadi Haddad, of the Marxist Popular Front for the Liberation of Palestine. It was this group, more than any other among the half-dozen in the Palestine resistance, that was most committed to internationalizing the struggle with Israel. The group's strategy: to develop a multinational terrorist hit team that would force their cause upon the world's attention. One early operation, carried out jointly with El Fatah through Black September, was the massacre at the Olympic Games in Munich in 1972. Soon, however, the Habash-Haddad front, operating out of Aden, went its own way. Among its missions: The raid on a meeting in Vienna of the Organization of Petroleum Exporting Countries in December 1975 in which 11 Arab oil ministers were taken hostage; the occupation of the French Embassy in the Netherlands in September 1975; the destruction of the West German Embassy in Stockholm in February 1976; the hijacking of a French plane to Entebbe in June 1976 and of a Lufthansa plane to Mogadishu in Somalia in October 1977.

A second major watershed in Moscow's support of the terrorist network came after the October War of 1973. For the first time, the Arab military performance was impressive enough to persuade leaders such as the P.L.O.'s Yasir Arafat that there was some chance of a diplomatic road to peace. The most intransigent foes of a negotiated settlement with Israel reacted by forming the Palestine Rejection Front. And the Soviet Union, committed to an anti-Israel policy, began to lavish ever-greater financial and logistical support on the rejectionists.

The Cubans started arriving in large numbers to train guerrillas in the Middle East. At the same time, Moscow organized extensive military and guerrilla courses for the Palestinians—in the Soviet Union and in East Germany, Czechoslovakia, Hungary and Bulgaria. By 1977 more than 50 such courses a year were running in the Soviet bloc, 40 of them within the Soviet Union itself, involving thousands of guerrilla cadets. In addition, all the Palestinian guerrilla formations—totaling more than 16,000 men—are today wholly armed with Soviet-bloc weapons.

Throughout this period, the Russians insisted that such support of the Palestinian cause was simply a matter of supporting an indigenous liberation movement; they have denied any connection between that support and any international terrorist activities. In reality, however, there has been a straight transfer of terrorist skills and equipment from Moscow to the Palestine resistance to the terrorists of Europe and beyond, with the knowledge and assistance of the Russians themselves.

Soviet-bloc arms were being shipped from Eastern Europe to the Middle East, then trans-shipped to Western European terrorists through a Bulgarian staging post or via Libya. (The imprisoned co-founder of Italy's Front Line, Fabrizio Giai, said: "Never—never!—could the Palestinians have delivered Kalashnikovs and other Soviet-bloc weapons to us or anybody else without the Soviet Union's permission.") And privileged sanctuaries for German, Spanish and Italian terrorists were sprouting up all over Eastern Europe. Four German terrorists wanted for the 1977 kidnapping and murder of the industrialist Hanns-Martin Schleyer, for example, were tracked down by West German detectives taking sunbaths on a beach in Bulgaria. Top Italian terrorists were practically commuting to Prague. And the movement of personnel and tactics between and among the Russians, the Palestinians and the individual national terrorist groups was growing ever greater and more sophisticated.

The record of Soviet involvement with the terrorist network is clear, as in the case histories of the three target nations cited below.

TURKEY

Masked gunmen burst into cafes. "Are you rightist or leftist?" they would demand, and then slaughter one side or the other—or both. Anybody sitting at a ground-floor window, watching television, became fair game for the terrorists. Entire cities took sides: Erzurum, near Turkey's border with Iran, was rightist; Kars, on the Russian border, was leftist. One dared not journey from one to the other.

In 1977, 250 political murders were committed in Turkey; in 1979, the number reached 1,500; last year it climbed above 4,000—the world's worst case of raging terrorist warfare. Not until the army took over power last summer and started its massive arrests of suspected terrorists did the bloodshed begin to diminish.

There were a host of logical reasons for the violence in Turkey. A closed, medieval Islamic society had been suddenly transformed by Kemal Ataturk's post-World War I revolution, swept into the modern age, but political corruption had rotted the beginnings of parliamentary government. Endemic poverty and a 50 percent youth unemployment had stirred textbook urban unrest. Leftist revolutionary groups appeared. But the explanation for the burst of terrorism in Turkey is to be found elsewhere: in the Soviet Union.

Vladimir N. Sakharov used to work for the K.G.B.'s Department VIII, which encompasses the Arab states. Afghanistan, Iran, Yugoslavia, Albania, Greece and Turkey. When he defected in 1971, he told American interrogators about three major Soviet missions in his zone. They were:

1. To sabotage Saudi Arabia's oil fields and, if possible, dislodge its pro-Western monarchy.

2. To build terrorist cells in the Arab oil sheikdoms around Kuwait and the Persian Gulf, offering scholarships and guerrilla training in the Soviet Union.

3. To mount—as reported in John Barron's book "KGB"—a "brutal campaign of urban terrorism, kidnapping and assassination against Turkey."

Generally speaking, Turkey has rated little public attention in the Western world. Yet it is a land mass of enormous importance, the North Atlantic Treaty Organization member charged with defending the eastern entrance to the Mediterranean; its strategic importance to the West has increased dramatically since the fall of the Shah in Iran. Turkey has been coveted by the Russians since the days of the first czars.

According to Sakharov, the latest expression of that desire began in the early 1960's when the K.G.B. began recruiting promising young left-wing Turks for a terrorist movement. They were eventually shipped secretly to Syria for guerrilla training, with the arrangements made by two K.G.B. agents working out of the Soviet Embassy in Damascus. Turkey's terrorist cadets soon were enrolled in other Palestinian camps, from Lebanon and Jordan to South Yemen, and taken in hand by Habash and Haddad. By 1970, a group of them had already been caught by police in the act of mounting a terrorist hit. Time and again in the years that followed, Turkish graduates of Palestinian camps—Russian-supervised or located in Russian-run South Yemen—were picked up as they made their way back home, loaded down with Soviet-bloc weapons.

For the most part, these newly trained terrorists joined a sprawling youth group called Dev Genc and its military arm, the Turkish Peoples Liberation Army. Its bombings, shootings, holdups, kidnappings and killings of police brought about the declaration of martial law in 1971. Two years later, the Turkish Army kept its word and held free elections. Meanwhile, the Liberation Army and its smaller associates in the left-wing underground had dug deeper, built up enormous new arsenals of Soviet-bloc weapons (40,000 guns were seized by police over the next four years) and tightened its ties with the Habash-Haddad front.

The Palestinians, too, had worked assiduously under martial law to build up terrorist cadres in Turkey. As their noted hijacker Leila Khaled proudly announced to the Istanbul daily Hurryet on May 26, 1971, Habash's Popular Front for the Liberation of Palestine (P.F.L.P.) was "sending instructors to Turkey in order to train Turkish youth in urban guerrilla fighting, kidnappings, plane hijackings and other matters . . . in view of the fact that it is more difficult than in the past for the Turks to go and train in P.F.L.P. camps abroad." The P.F.L.P. "has trained most of the detained Turkish underground members," she added.

Eventually the leftist terrorists of Turkey came to be splintered among dozens of Marxist revolutionary bands. But rightist terrorism has a clearer profile. It belongs to Col. Arpasian Turkes, whose Paramilitary Idealists are also known as the "Gray Wolves"—they howl when their leader appears before them. The colonel was a late starter in political terrorism, depending initially on a neo-Nazi party. By the time he turned his Gray Wolf terrorists loose in the early 1970's, he could justifiably claim to be responding to Communist provocation. The terrorist left wing retaliated, and the two-way kill rate rose inexorably. Right-wing military officers supplied weapons to right-wing killers, while the Soviet Union accelerated shipments to the leftists. Huge consignments of Soviet-bloc arms were smuggled in from Bulgaria, trucked overland or shipped by sea. On June 3, 1977, Turkey's security officers stopped the Greek cargo vessel Vasoula in the Bosporus, coming from Varna, Bulgaria. She was carrying 67 tons of armaments, much of it earmarked for the left-wing underground in Turkey. The Turkish Government's protest to Bulgaria got nowhere.

Late in 1978, martial law was imposed again, but the level of violence continued to soar. The terrorism was producing a corpse

an hour when the army once again took over the nation last summer. As was true in its earlier interventions in 1960 and 1971, the armed forces said they were seeking to rescue, rather than replace, a democratic order under siege. They kept their promise those times, restoring civilian rule, and most observers are reasonably sure they will do so again. Meanwhile, the terrorist kill rate has dropped from one an hour to one a week.

NORTHERN IRELAND

When Northern Ireland's shooting war started in 1969. the Protestants had all the guns. The Roman Catholic Provisionals had nothing but a few moldering weapons left from the I.R.A.'s storied battle for freedom, about half a century before. They had to rely at first on American weapons—trickling in, three or four at a time, in the false bottoms of suitcases—and on American dollars.

The millions of Irish Americans who bankrolled the Provos thought they were supporting a continuation of the conflict that ended in 1922 with Ireland's winning its independence from Great Britain. The Protestant majority in the six Northern counties still under British control had been freezing Roman Catholics—many of them wretchedly poor—out of jobs, housing and public life. The I.R.A. presented itself as engaged in an open and aboveboard war against religious persecution: a war to reunite the North with the South.

In fact, as the Provisional I.R.A.'s newspaper, An Phoblacht, has made clear, it was and remains a war "to demolish the colonial regime in the Northern war zone and the Quisling regime in the Free State of Ireland"—in other words, a war against both North and South. It was also a war to "educate the workers to destabilize capitalism and international imperialism," as the Provos told Controinformazione, the house organ of Italy's Red Brigades.

The I.R.A. has come a long way since its early days of dependence upon the United States. Fund raising is mostly done at home nowadays, by means of protection rackets, brothels, massage parlors and bank stickups. And the incoming hardware is largely Soviet-made. It took only a few years to make the transformation with the help of the international terror network.

The first definitive signal the Provos received that their weapons shortage might be ending came in the autumn of 1971. An unknown man, using the all-purpose name of "Mr. Freeman," dropped by to say that 4.5 tons of modern arms made in Czechoslovakia might be available. Maria McGuire, who wrote a book about life among the Provos, later reported that one of their leaders, David O'Connell, wandered on the Continent from Paris to Berne to Amsterdam to make the connection, "followed by the Czech and Soviet secret police." Then he made contact with Omnipol, an arms factory in Prague run by the Czech security police, who in turn had been tightly controlled by the K.G.B. since the 1968 Soviet invasion. O'Connell eventually did order 4.5 tons of bazookas, rocket launchers, hand grenades and the like, but the 166 crates were intercepted by police in Amsterdam. While the Provos were shattered by the loss of their first big arms consignment, their source was assured from that point on.

By then, the I.R.A. was getting to be a focus of worldwide revolutionary interest second only to the Palestinian resistance. The first I.R.A. contingents were dispatched to Jordanian guerrilla camps in 1969 and were soon drawn into George Habash's inner circle. In October 1971, Provo leaders were guests of honor in Florence at the historic conference that started Europe's Guerrilla International.

Assembled by Giangiacomo Feltrinelli, the radical Italian millionaire publisher, and the ultra-left Potere Operaio (Workers Power), delegates from 14 countries agreed to coordinate international terrorist plans. It was, according to British and Irish Government sources, an unprecedented and dangerous development.

The keynote address, on the Palestinian resistance, was given by Italy's radical Marxist thinker Antonio Negri. The delegates then spent a full day listening to the I.R.A.'s Seamus Costello as he analyzed the experience of Europe's oldest guerrilla army. Arrangements were made at the meeting to smuggle weapons in heavy trailer trucks across the Continent to the I.R.A.

In May 1972, I.R.A. leaders sat in at the first international terrorist summit, organized by George Habash in Baddawi, Lebanon. And two months later, in Paris, Habash's Palestinian Front and the armed bands of 12 other nationalities signed a formal "Declaration of Support" for the Provisional I.R.A. Fifty Provos were selected for advanced guerrilla training in Lebanon. Before long, there was a steady flow of I.R.A. men to South Yemen for work with Wadi Haddad. There, on the shooting range, in Haddad's private movie house at camp, they mingled with the men at the top.

The connection began to pay off at once. During 1972, the Habash-Haddad front held a series of secret meetings in Dublin, organizing the multinational terrorist team that would operate under Carlos the Jackal. When a million dollars' worth of weapons were divided up among them, the Provisionals got the lion's share. Soon, Carlos himself was taking the trouble to procure explosives for the Provos from an anarchist weapons supply service in Zurich. Italy's Red Brigades hailed the I.R.A. as "an unrenounceable point of reference for generalized warfare on the European continent" The operational plans of Cuban Intelligence for 1972 stipulated that "Cuba would train the I.R.A. in terror and guerrilla warfare tactics." Col. Muammar el-Qaddafi of Libya offered "arms and support for the revolutionaries of Ireland." Within a year, the cargo vessel Claudia steamed out of Tripoli toward the coast of Ireland bearing 250 Kalashnikov rifles and other weapons—five tons of the very best Soviet-bloc hardware—for the I.R.A. It was seized by the Irish Navy.

By 1976, the Provos were training in Libyan guerrilla camps, as they were still doing last year. Eyewitnesses have reported their presence at such sites as Tokra, northeast of Benghazi, where Cuban instructors offer the world's most advanced courses in sabotage, and at Camp Az-Zauiah studying weaponry, explosives, sabotage and psychological warfare with guerrillas from West Germany, Spain, Greece and Brittany.

Every move to arm and train the I.R.A. has pushed it further toward its ultraleft benefactors, who see Northern Ireland as a prized battleground. Civil war in the six counties puts great strains on the United Kingdom, which is interlocked with the entire Western structure of trade, industry, banking and military alliances. No wonder that the Soviet Union, as early as 1972, was sponsoring a worldwide campaign "against British repression in Ireland," piloted by hoary front groups like the International Union of Students, the World Federation of Democratic Youths and the World Peace Council.

All this has brought Northern Ireland closer than any other country in the West to the kind of conflict that Marxist revolutionaries call a civil war of long duration. And the Provos show no signs of wanting to reach a political settlement.

Like the most extreme of their Protestant counterparts, they have consistently blocked every possible peaceful solution. In 1973 they helped kill off a power-sharing plan in a new Northern Ireland Assembly by planting 48,000 pounds of explosives. "We see no future in power-sharing," they said. Later in 1973 they helped consign the promising Sunningdale agreement to oblivion by breaking their own cease-fire—the last they would ever agree to—after just three weeks. "There is absolutely no question of another cease-fire or truce," they later declared. In the summer of 1979, they killed off the best proposition yet for a federated Ireland, "the Fitzgerald plan," by blowing up Lord Mountbatten on his fishing boat.

The Fitzgerald plan was "unacceptable" they said flatly, a week after Mountbatten's death. Their spokesman was Ruairi O'Bradaigh, an I.R.A. man of 30 years' standing and president of their lawful political arm, the Provisional Sinn Fein. "We do not want a confederation of the South with the North," he declared. "Nor do we want an independent Ulster. We want a general dismantling of the existing establishments in the Irish Republic and Ulster both."

What then does the Provisional I.R.A. have in mind for its own version of a free and united Ireland? "We want a Democratic Socialist Republic," replied O'Bradaigh, something "third-worldish," a bit like "Allende's Chile," flavored with thoughts from Colonel Qaddafi's "Green Book," "similar to Communism but not exactly like it"; Marxist in analysis, if not necessarily in practice, designed to "nationalize industries, control the means of production and distribution and take over agriculture under state-run cooperatives"; emphatically "not German Social Democracy" and not quite a dictatorship of the proletariat either, but almost. "We could not risk having parties around who want to bring colonialism back. There would have to be a reckoning with them."

Meanwhile, as the Provos keep saying, the 12-year-old war must go on. By late 1978, the Roman Catholic Bishop of Londonderry observed: "The Catholic community, like the whole community here in the North, is sick and tried of the Provisional I.R.A." But it is doubtful whether the Provos take much notice. They do not really require to be loved. They never did need more than a few hundred professional guerrillas to hold down a British army 30 or 40 times their size. So long as they can count on the international terror network for hardware and sanctuary, their civil war can probably last in perpetuity.

ITALY

In May 1975, Carlo Fioroni, a 31-year-old Italian high-school teacher, was arrested in Switzerland while attempting to change $100,000 of Italian ransom money into Swiss francs. Back in Italy, Fioroni was convicted and imprisoned for his role in the terrorist kidnapping and murder of his closest friend. Four years later, from his prison cell, he provided the public with its first authentic look inside the Italian terrorist movement.

During that same year, 1979, a judge in Padua offered his prognosis of the nation's political health: "It seemed to me that . . . a tragic moment was approaching for the community—insurrection and civil war." There was a terrorist attack somewhere in the country once every three hours.

Fioroni described a complex political-paramilitary structure that was Europe's most sophisticated model of modern revolutionary warfare. His revelations sent shock waves through the nation.

Throughout the decade, Italians had been sure that their terrorist affliction was a native cancer, free of foreign influence. To be sure, Italy lacked the religious confrontation that had ignited Ireland or the ethnic hatred that had fired Basque terrorism. But, as expert analysts pointed out, it did offer causes enough for the outbreak: The nation had been relentlessly misgoverned for 30 years. Social and economic deformities abounded. Moreover, Italy's Communist Party, the largest in the West, had been moving toward partnership with the political establish-

ment, leaving a huge revolutionary vacuum on the left.

Thus, left-wing intellectuals of the left refused to perceive the terrorists as anything but misguided revolutionaries and resolutely closed their eyes to possible foreign links. Italy's allies shared this view. As late as 1978, the C.I.A. refused an Italian Government request for help in finding the kidnapped former Premier, Aldo Moro, on the ground that there was no evidence that the Italian Red Brigades had any international connections.

In fact, the Italian terrorists were intimately connected with the global terrorist network. Their apparatus had two tiers. One was an open and legal political arm, the Autonomous Area, operating seminars, international conferences, counterculture bookshops and a chain of private broadcasting stations. Its leaders were the intellectual gurus of Italy's left. The other tier was a secret, terrorist branch. It included dozens of different units—the Red Brigades, with 500 armed members, and smaller bands, such as Front Line, with 200 to 300 more. The two tiers were mutually supporting, with a so-called Second Society of hundreds of thousands of law-abiding citizens offering the terrorists acceptance and protection. And the whole apparatus was closely linked to the Soviet Union and its terrorist surrogates, seeking to destabilize a major Western democracy.

Floroni was the first important member of the underground to talk publicly about its connections with the I.R.A. and the German and Basque terrorists. Not until 1980 was the Soviet link first established: Half the founding leaders of the Red Brigades and several top leaders of the Autonomous Area had been trained by the K.G.B. in special camps in Czechoslovakia before 1968. Patrizio Peci, a former member of the Red Brigades' High Strategic Command, then confirmed that this training of cadres had continued throughout the 1970's.

Peci added: "All the arms reaching the Italians, of whatever make or provenance save those taken from policemen and Carabinieri, were coming from a single distribution center stocked by Palestinian formations." Consignments picked up off the Lebanese coast and off-loaded in Venice, he said, had been divided among Italians, Germans, I.R.A. Provisionals and Spanish Basques.

More than 1,000 accused terrorists were in prison by the end of 1980, and some 100 of them made detailed confessions. Police raids turned up scores of safe houses, tons of weapons and archives covering 10 years of terrorist growth. "Operationally speaking, the worst is over," Gen. Capuzzo, the national Commander of the Carabinieri, said a few weeks ago. Yet even as he spoke, there was evidence that his optimism might have been misplaced. New terrorist incidents have occurred, And the deadly curve seems to be rising again.

The nations of Europe have made a start on a coordinated approach to combatting the international terrorist network—a kind of counterterror network. The interior ministers of all 10 Common Market nations, along with those of Spain, Austria and Switzerland, have been meeting periodically on the matter for nearly three years. They have found ways: harmonizing their technical procedures, from car-plate identification to fingerprinting, and sharing their computerized information.

West Germany's computers in Weisbaden, for instance, now give officials throughout Europe access to 10 million items of information on the life histories, travels, dental work, reading habits and musical preferences of known terrorists all over the world. Other nations are creating similar data banks. There has also been an increased exchange of antiterrorist expertise as more nations set up their own special commando units modeled on West Germany's Leatherheads (the G.S.G. 9), Britain's celebrated S.A.S. and the French Gendarmerie's Intervention Group (G.I.G.N.).

But direct action against individual terrorists cannot do the job alone. Leaders of the target nations are beginning to recognize the need to deal with larger groups of law-abiding citizens who lend the terrorists support—the accomplices among whom, as Mao put it, the terrorist can swim like fish in the sea. The technique of establishing such a two-tier structure, as in Italy, has had a broad application among European terrorists.

The way was pointed more than a century ago, in czarist Russia, by a Moscow revolutionary named Nicholas Ishutin. It was he who first suggested the combination: an underground terrorist force operating within the protective ring of an open political party of law-abiding citizens. The public arm preaches revolution, covers for the underground, shields it from the police.

The terrorists are presented as authentic —if sometimes "misguided"—revolutionaries. And they need not fear informers because of what the Mafia calls Omertà, the law of silence.

The willingness of Secretary Haig and the President of Italy to go public with charges of Soviet involvement in the terrorist network may lend strength to a public-information attack on the two-tier technique. What is needed is extensive public debate—in the media, at the universities, among intellectuals in general—cutting through old romantic concepts. Left-wing terrorism is not built upon authentic revolutionary goals of justice and equity for the working class. It seeks everywhere to dismantle free societies, forcing constitutional governments to behave like police states. And civilians paired with the terrorists are peculiarly exposed to manipulation by the network's Soviet sponsor.

For all the value of government crackdowns and educational programs, these terrorists have noticeably improved their self-protective apparatus and tactics. Smaller bands are emerging, less vulnerable to infiltration, less susceptible to public pressure, and armed with the latest technological weapons of destruction.

There remains the other option open to governments under siege, the option they have been so loath to take. They can directly confront the Soviet Union, Cuba and the Palestinians, using the weapons of diplomacy and trade to halt the transfer of terrorist goods and services. They could attempt to mobilize world opinion against the network, raising the issue in the United Nations and other international forums. They could bring economic pressures on Moscow and the network's other linchpins.

In fact, given the dimensions of the problem, and the danger it poses to free nations everywhere, it seems hardly credible that the Soviet Union and the West can settle any other issues between them so long as the issue of world terrorism goes unresolved.●

CONTROL DATA CORP.

● Mr. DURENBERGER. Mr. President, anyone who thinks American business innovation is a thing of the past should take a close look at Control Data Corp.

In the relatively short time since its founding, CDC has grown from a fledgling company to one of the giants in the high-technology field. Much of the credit for this tremendous growth rate is the genius of CDC's founder William Norris.

An important part of CDC's growth, though, has been its attention to people problems. For that, the credit must go to Mr. Norris and his deputy chairman Norb Berg.

Mr. Berg has made a successful career out of dealing with the human side of the corporation. His employee programs are leaders not only in CDC's industry, but in the entire business world.

With a bit of understated pride I want my colleagues to know that Norb Berg is a smalltown boy who was a classmate of mine at St. John's University—a small liberal arts college in the smallest of Minnesota towns. This background could be responsible for his commitment to humanity as the best work of even corporate institutions.

Mr. Berg and CDC take corporate responsibility beyond the annual financial contributions that many firms make to worthwhile causes. For CDC, corporate responsibility is a way of doing business, not just another slogan.

With so many people quick to criticize business, especially big business, it is refreshing to see a company like CDC receive some well-deserved publicity on its many outstanding contributions to the communities it serves.

I ask that the February 15, 1981, St. Paul Pioneer Press article on Control Data Corp. and Norb Berg be printed at this point in the RECORD.

The article follows:

NORB BERG—HE'S THE GUIDING FORCE OF CONTROL DATA'S INNOVATIVE PEOPLE PROGRAMS

(By Don Clark)

Products and services can be copied. Dynamic executives retire or get lured away. Only constant innovation guarantees survival of high-technology firms.

And Control Data Corp. is betting that its people will "out-innovate" the competition.

The confidence stems from the work of Norbert Berg, Control Data's deputy chairman and guiding force of its personnel programs since 1959.

Berg's secret? Friends and Control Data observers boil it down to two words: helping people.

An Eastern European couple defected in 1977 and moved to Minnesota, leaving their two children behind. The man became a Control Data employee, and the couple unsuccessfully tried government channels to free their children.

"I happened to mention this to Norb," recalls Minnesota Vikings coach Bud Grant. Berg's long-time hunting buddy. "To make a long story short, he got them over here in nothing flat. It was Control Data clout."

In the public eye, Berg and other generals at the Bloomington-based multinational have been overshadowed by founder, chairman and chief executive officer William Norris. But Norris, 69, now leaves most operating details to Berg, 48, and Robert Price, 49, president and chief operating officer.

Moreover, Berg has been the prime mover behind many of Control Data's celebrated "corporate responsibility" projects—from building plants in the inner city to helping small businesses to saving the family farm to hiring prison inmates, while still in prison.

"I don't think a company of this size could carry on projects like these without a Norb Berg," says Norris. "His major weakness is that he sometimes tries too hard to help people. But if you have to have a fault, that's one of the better ones to have."

Helping people definitely extends to Control Data's own personnel, which have access to a wealth of employee assistance and training programs. Some, including a 24-hour

counseling hot-line (EAR) and an extensive employee health program, already are being marketed to other corporations.

But, to hear Berg talk, potential profit from such programs is secondary to productivity benefits, which the company hopes will help Control Data match gains in foreign corporations.

"You can't pick up the paper without hearing about productivity," he said recently in his office at Control Data's tower in Bloomington. "People say 'it's the Japanese, and that's a cultural thing and you can't change the culture, so forget it.' I can't buy that.

"We've got a long history of a different kind of culture at Control Data with our employees," Berg said. "It's enlightened self-interest. We've got a tremendous investment in our work force. It's an idea industry, a brain industry. I could sit here and build a very crass case why I should have a fantastic employee relations program, but I think people could see through that. It's got to be day after day after year after year that we really do care about our people."

One sign of Berg's effectiveness is that he can't remember the last time a union won the right to bargain for Control Data workers. He can recall 13 employee elections that removed existing unions.

"If we get a labor union in a location, then we deserve it," Berg said, "because we've failed to convince our employees that they don't need a third party to see that they're treated the way they'd like to be treated.

Absenteeism, turnover and tardiness afflicted Control Data's first inner city operation, begun in 1968 on the north side of Minneapolis. To keep the plant operating smoothly, Control Data ended up providing legal assistance, financial assistance, a nonprofit day-care center and the EAR counseling program.

"My job was to make the resources available so we could provide the services to make those problems go away," Berg recalled. "So all of the sudden we looked around and we had solved all of the damn problems and the thing was working very smoothly and it has for years and years."

Berg's old friends link many of his ideas with his religion and academic background. But it may go back further than that, back to his childhood in the Wisconsin town of Edgar—population 808—living in poverty with seven brothers and sisters.

"I remember my mother crying when I took the last syrup in the bottle before my brothers and sisters had any," Berg said in a recent speech to Control Data workers.

He attended what he calls the Benedictine "poor boys prep school" at St. John's in Collegeville and later St. John's University. But it was at the University of Minnesota industrial relations center that Berg began to connect Catholic morality with modern theories of employee relations. Berg graduated with a master's degree in 1957, and since then has put in long hours on the center's advisory boards and hired scores of center graduates.

"The theory was that most problems are human problems," summed up Herbert Heneman a long-time friend and the industrial relations professor who recruited Berg.

"You hired your mistakes. Every manager was a personnel manager and they had to be trained," Heneman said. "This was new and it was almost heresey. Norb grabbed it and ran off with it. He's got the best personnel department in the world."

Theories were grafted onto natural ability. "He has the best grasp of human nature of anybody I've ever known," says president Price.

Standard Oil Co. of New Jersey gave Berg his first personnel job. But raising a family in New Jersey did not appeal to Berg and new wife Marilyn, and Standard—the largest American corporation at the time—was too big. He took a 10 percent salary cut to return to Minnesota and work at an 180-employee computer company located in an old paper warehouse in downtown Minneapolis.

Control Data has grown phenomenally since those years—to $3.8 billion in sales in 1980—and diversified so widely that many analysts expect service divisions soon will bring in more cash than the company's well-known computer products.

Berg's job has grown with it: today he oversees 58,000 employees in 47 countries. His salary in 1980 was more than $400,000.

"He's obviously loaded, but you'd never know it by talking to him," said John Gagliardi, an old friend who coached one of Berg's four athletic sons at St. John's. (Berg boasts that he and his wife, long-time St. Paul residents, one year watched their sons in 32 games.)

"He'd try to do anything I ask him," Gagliardi said. "I just don't know what to ask him."

Betty Jean Barr started work as a collator in 1970 at Control Data's bindery in St. Paul's Selby-Dale neighborhood, an experimental effort to give part-time work to mothers and students in the minority community.

"It turned out there were opportunities for advancement through the plant," recalls Barr, who has been steadily promoted and now manages a similar plant begun last year near downtown Minneapolis. "I really can't find words to describe Mr. Berg. A lot of people with important jobs are fairly distant. He comes down and he talks to you."

When he repeats William Norris's slogans of "addressing society's problems as business opportunities," Berg speaks with authority—many Control Data initiatives were his ideas.

So the perennial jabs from Wall Street—that Control Data cares too much about saving the world and not enough about profits—make him a bit testy.

"Look at what we've done in the inner city of Minneapolis, St. Paul, Washington, D.C. and elsewhere. If you want to argue just cold buisness reasons, I'll give you cold business reasons," Berg said.

"Some economists predict that in the mid-80s there will be a tremendous shortage of lower-level employees, birth patterns being what they are. If that's the case, we have more know-how than any company in the United States in how to utilize employees that other companies have shied away from, the so-called hard-to-employ, the people coming out of prisons, people who are handicapped, people who are home bound. People who are unskilled.

"Those things don't bother us. We know how to attract, retain and motivate such people, and we've done it over and over again," Berg said.

And Berg points out that he has driven a pretty hard bargain on siting Control Data plants, insisting that cities equalize inner-city land prices with the suburbs. In the case of the world distribution center that recently opened at I-94 and Dale St., the land discount was about 300 percent.

"It's a matter of survival," Berg insisted. "I should be able to explain to stockholders who ask, 'how can you justify putting that plant in the inner city where the land is 10 times as much and the taxes are three times as much?' I'm a businessman and I represent the stockholders, and I'm obliged to negotiate with the city for the very best deal that I can get," Berg said.

Most city officials are convinced.

"It was probably the most thoroughly positive experience of my entire public life," said St. Paul Mayor George Latimer of his negotiations with Berg for the world distribution center.

David Jones' house used to stand on the site of Control Data's world distribution center in St. Paul, and he calls the city's decision to allow the plant a "personal disaster." Yet when he was having trouble straightening out relocation benefits with the St. Paul Housing and Redevelopment Authority, he called Berg's office.

"He put his boys on it and they called the people at the housing authority, who were basically telling me to go to hell," Jones said. "Overnight, so to speak, they turned the situation around. If it were not for his intervention, I would have been in a critical situation."

Berg has pushed Control Data's efforts to help convicts, which include loaning executives to help corrections officials and training prisoners on the company's computer education network. Federal Parole Commissioner Dick Mulcrone recalls he was able to place "at least several dozen" prisoners in jobs at the company.

These efforts also led to one of Control Data's few failures in the "good works" line—a program known as Wheels. The plan was to give ex-convicts low-interest loans to buy used cars from a Control Data leasing subsidiary.

Wheels ran into several conventional problems, such as high-interest rates. It also ran into what Berg refers to as "white collar crime," with losses that he confirmed were more than $40,000.

"The end of the story is they overtrusted some people and they got stung badly," Mulcrone said. "If that had happened in most corporations in America, the accountant types would have said go and don't darken my door again.

"Instead it was 'where did we go wrong? How do we put it back together,' " said Mulcrone of the program, which is scheduled to be revamped and restarted. "If there was anyone who believes in losers more than Norb Berg, I haven't met him."

Another brand of recent losers—high-level officeholders from the Democratic Party—also have been turning up regularly in a wide variety jobs and consultant arrangements for Control Data. The group includes former Vice President Walter Mondale and former Minnesota Gov. Rudy Perpich.

Berg says he is a political independent, but admits he has been intimately involved in negotiations and planning concerning the appointments.

"I've spent my whole life here trying to find good people for Control Data. There are some people coming out of government that are not paid as well as many industrial people are, so you don't have a problem dealing with them from a salary standpoint. They usually have had a lot of responsibility and some good experience in related areas. There's pretty good bargains in the process.

"And there aren't many Republicans running around these days. I sort of wish there were so I could hire them," he added.

William Norris tells a story about hurriedly passing a shoeshine boy with Berg on their way to an engagement in Baltimore. When he looked around, Norris saw Berg having his shoes shined. "He didn't need a shine. He was just trying to give that kid a lift."

From Berg's window atop Control Data headquarters, with the telescope given to him by Bud Grant, you can see ducks on the banks of the Minnesota River, the flash of inquisitive deer and an occasional red fox sunning itself.

That is a world Berg loves, the world he visits whenever he can, and the world most apparent from his office decor. Friends describe his almost manic need for solitude after working with people day after day.

"He will sit in the woods all day with a gun in his hand praying that he won't see a deer," said Roger Wheeler, a Control Data vice president for personnel and public affairs. "But

when Berg goes away for any length of time I know the day he comes back is going to be hell. He pours out ideas."

As much as Berg loves trips to his Wisconsin cabin, however, people are still paramount, says Wheeler, one of Berg's closest friends at the company. His guess is that part of that stems from an emotional involvement in their pain and triumphs.

"Norb Berg cries at bake sales," said Wheeler.

After many years of paying property tax for his cabin in the state of his birth, Wisconsin, Berg tired of paying substantially higher fees for out-of-state hunting permits. So he is suing the state of Wisconsin.

"It's unfair," said companion Grant. "He's not going to win, but he's sure going to ruffle some feathers over there. He's got the whole state in an uproar."

On Berg's shelf is a small plaque among the mounted game trophies. It reads: "This fish will always be one pound lighter and one inch shorter than any similar fish caught by W. C. Norris."

The message holds a grain of truth about Berg's intentions toward the top Control Data spot: he says he would like to be chairman, but has no interest in the chief executive's role.

To Norris, that is one of his most valuable qualities.

"Not many people see things that clearly," Norris said. "At first some people didn't believe it. But having someone around who has that point of view is an enormous help to a chief executive officer. He can talk to people in a way that's not possible if they view him as a rival."

For Berg, it's a decision based on personal interest. But as most of his friends point out, Berg's personal interests wind up having quite an effect on other people's lives.

"Bob (Price) and I complement each other very well. He does a fantastic job of running the operations of the company," Berg said. "I didn't develop myself or pick up the experiences that would be necessary along the line.

"That's my desire. I have much more fun doing things that I do."

JAPAN-UNITED STATES ECONOMIC RELATIONS GROUP

● Mr. DURENBERGER. Mr. President, today I would like to acquaint my colleagues with the final report of the Japan-United States Economic Relations Group. Two years ago President Carter and the late Prime Minister Ohira established a working group of private citizens to examine economic relationships between the United States and Japan. Edson W. Spencer, chairman of Honeywell Inc., and a distinguished Minnesotan, was one of America's four representatives.

The United States and Japan are the largest and second largest industrial democracies. Both nations have a vital stake in the preservation and promotion of a stable world order favoring the survival and prosperity of societies based on principles of law, nonaggression, popular sovereignty, and private entrepeneurship.

Mr. President, this economic relations group recently published its final report, a thoroughly excellent document outlining the challenges facing both countries in the coming decade. Mr. President, I ask that the foreword, executive summary, conclusion, and list of members be reprinted in the RECORD for the benefit of my colleagues. I urge you to take time and review it. Trade relations between the United States and Japan will have a profound effect on our lives. I have yet to see a report that better analyzes the issues bearing on that relationship.

The material follows:

FOREWORD

The Japan-United States Economic Relations Group, consisting of eight private citizens of the two countries, was established pursuant to a joint communique of May 2, 1979 from the late Prime Minister Ohira and President Carter. The purpose of the Group is to examine factors affecting the bilateral economic relationship over the longer-run and make recommendations to the President and the Prime Minister designed to strengthen it.

The Group's chairmen are Ambassador Nobuhiko Ushiba former State Minister for External Economic Affairs, and Ambassador Robert S. Ingersoll, former Deputy Secretary of State. Other members are Akio Morita, Chairman, Sony Corporation, Shuzo Muramoto, President, Dai-Ichi Kangyo Bank, Ltd., Kiichi Saeki, Chairman, Nomura Research Institute, A. W. Clausen, President, Bank of America, Hugh T. Patrick, Professor of Economics, Yale University, and Edson W. Spencer, Chairman, Honeywell, Inc. Joint consultations among all members took place in Washington in December, 1979, Tokyo and Oiso in May, 1980. Honolulu in August, and San Francisco in November. The Group was substantially aided by small and effective staffs and a series of commissioned background studies in both countries.

During the past year, the Group examined a broad range of bilateral and multilateral issues relating to Japan-United States economic relations. The members have consulted with a wide segment of organizations, private and official, and with many individuals in both Japan and the United States so that their views could be considered in the discussion and recommendations. The Group came away from its work with a strengthened conviction that the bilateral economic relationship is of tremendous importance to the future security and welfare of both countries, and indeed to the world. The Group believes that the current economic and political relationship between the two countries is, in general, healthy and mutually rewarding. To enhance the relationship and improve the two countries' ability to meet shared global challenges, however, the Group has addressed a broad set of problems. These include such matters as inadequate consultative mechanisms between the two governments, mistaken or outdated perceptions of each country in the other country, inadequate American economic performance, lagging liberalization of the Japanese market, unresolved energy issues, and the politicization of economic and trade disputes. All too often, both governments and their respective private sectors have failed to face up to difficult problems.

Given its purposes most of the Group's recommendations are addressed to the President and the Prime Minister and directly concern the two countries' relations. Others, such as those on improving United States productivity and on the internationalization of Japan, are directed primarily to just one government and appear more domestic in nature, but will have an important beneficial effect on United States-Japan economic relations. Still other recommendations are addressed to the private sector since in the market oriented private enterprise system of both countries, it is consumers, management, and labor that ultimately determine the success of the economic relationship. The Group believes that implementation of all its recommendations, while some are politically difficult, is in the long-term national interests of both countries and will enhance the relationship between them.

EXECUTIVE SUMMARY

Over the past year, the Japan-United States Economic Relations Group has examined a broad range of bilateral and multilateral issues relating to the two countries' economic relations. We have found that a generally healthy economic and political relationship exists between Japan and the United States, but that a number of problems need to be addressed to improve the bilateral relationship and enhance the effectiveness of the two countries in cooperatively dealing with global challenges. These problems included inadequate consultative mechanisms between the two governments, mistaken or outdated perceptions of each country in the other country, inadequate American economic performance, lagging liberalization of market access in Japan, and, all too often, a failure by the governments and private sectors in both countries to face up to difficult problems.

I. THE UNITED STATES-JAPAN ECONOMIC RELATIONSHIP IN A GLOBAL CONTEXT

Because of their broad international ramifications, many of the problems affecting United States-Japan economic relations are not amenable to bilateral solutions. Progress in solving these broader economic problems, however, rests heavily on a close, effective, and comprehensive partnership between Japan and the United States, the two largest market economies in the world.

This partnership should be based on three principles:

The relationship between Japan and the United States involves shared responsibilities for the management of the international economic and political order.

Japan needs to develop and articulate a new, more active international role.

The United States needs to recognize more fully the implications of the postwar diffusion of power and the demands of a more interdependent world.

In implementing these basic principles, it is important to adhere to key guidelines such as those provided by GATT and similar existing international agreements.

Close intergovernmental relations are the key to developing a stronger sense of global responsibilities and addressing interrelated aspects of bilateral and global issues.

A review of existing consultative mechanisms shows the need for closer and more regularized consultations at all levels.

Beginning in 1981, there should be periodic joint meetings of cabinet officials of the core departments and ministries dealing with foreign relations, trade and industry, energy, agriculture, and financial and monetary issues.

To improve the effectiveness of their bilateral cooperation and strengthen their ability to work together on global problems, both Japan and the United States need to develop new international roles and to "internationalize" their societies.

In order to make more reliable and effective the cooperation and coordination between Japan and the United States with regard to security as defined by the terms of the Japan-United States Security Treaty, Japan should clarify its defense role, strengthen its self-defense capabilities, and shoulder a more equitable burden with the United States in attaining comprehensive security. Japan must contribute to both regional and world security, specifically by augmenting economic cooperation with Third World countries, and undertaking diplomatic and political initiative and leadership.

The United States must improve the quality of its consultations with its allies, including Japan. Because domestic political considerations often put a premium on prompt, decisive, and unilateral presidential action, it will require strong leadership and some political sacrifice to forego unilateral policy

decisions in favor of increased consultation with allies.

Both governments should improve training in international affairs for civil servants (especially those in more domestically oriented ministries and departments).

Encouragement should be given to increased and even more intensive and effective contacts and communications among business leaders in Japan and the United States through existing mechanisms and economic organizations as well as through new channels as appropriate.

There should be increased joint policy research activities and intensified exchange programs for legislators, business and labor leaders, and others in the public and private sectors.

II. BASIC ELEMENTS OF THE ECONOMIC RELATIONSHIP

The United States-Japan economic relationship is of substantial benefit to both countries by stimulating competition, expanding product choices, adding to available capital and technology in each country, and increasing overall economic efficiency. At the same time, there are inevitable frictions over such matters as changing patterns of competition in particular industries, bilateral merchandise trade and current account imbalances, the handling of foreign exchange rate fluctuations, and efforts to coordinate macroeconomic policies. The President and the Prime Minister should play a more active role in improving public understanding of the causes and implications of bilateral and global economic interdependence.

In particular, there needs to be a better understanding of the reasons for trade and current account imbalances. There have been serious adverse consequences of a continued, narrow United States focus on the bilateral trade imbalance.

The trade imbalance reflects structural differences between the two countries and would exist even if there were perfect access to the Japanese market for American products or if American economic policies were well managed. It reflects an efficient allocation of resources for the two countries.

Current account balances are affected by many factors, including changes in energy costs, the interaction of domestic demand and world business cycles, and differences between domestic savings and investment rates.

Better criteria than trade and current account balances in evaluating a nation's economic policies and performance include stability and predictability of its macroeconomic policies, its avoidance of unfair trade practices, access to its markets, its avoidance of using exchange rate policies to promote its exports and its trade, worker retraining, and other positive adjustment measures to solve domestic problems of adjustment to the system of international competition.

Because savings in Japan seem likely to remain relatively high compared to domestic investment demand, it is likely that Japan will have a long-run tendency to run a current account surplus and thus be a capital exporter.

While Japanese capital exports will benefit the world, the United States will continue importing large amounts of manufactured goods from Japan. Japan should avoid sudden surges of exports in specific products which cause serious injury to American or other foreign firms.

Exchange rate fluctuations have been particularly wide in a recent years. The efficient operation of the floating exchange rate adjustment mechanism requires a well balanced, long-rate perspective within government monetary institutions.

Japan should continue its trend toward greater responsibility for the maintenance of the international financial system by further improving capital liberalization and sharing the responsibilities of a key currency country.

Exchange rate stability requires also stable, predictable macroeconomic policies, control of inflation and improved productivity performance in the United States.

Attempts to tightly coordinate macroeconomic policy and set bilateral macroeconomic targets have proved ineffective in the past as well as politically controversial.

The Unted States and Japan should consult closely on macroeconomic policies, but avoid attempts at tight coordination.

There need to be new forums for macroeconomic consultation at both the cabinet and working levels.

III. THE IMPACT OF ENERGY ON THE RELATIONSHIP

Cooperation or conflict in energy policies may well be the most important test of the viability of the American-Japanese partnership. A high degree of energy interdependence requires more intense consultations on all aspects of the energy problem.

A ministerial level joint committee should be established to meet at least once a year on a regular basis to review and coordinate the disparate consultations now carried out in various other forums and address energy problems in a comprehensive manner.

One of the most critical threats to the security and economic well-being of both countries is the possibility of a major interruption in petroleum supplies. The two governments are simply not prepared to deal with this threat.

It is imperative that the two governments immediately undertake a crisis management study and formulate specific measures to be taken in the event of a large-scale supply interruption.

Contingency planning should be expanded as quickly as possible to other major petroleum consuming countries.

The United States and Japan should take the leadership in strengthening the capacity of the International Energy Agency to deal with both large-scale and small-scale supply interruptions and coordinate stockpiling policies.

To improve the efficiency with which currently available petroleum supplies are transported and used, there should be a change in United States policy to allow Alaskan oil which is surplus on the United States West Coast to be exported to Japan in exchange for other oil already committed to Japan.

To develop alternative supplies of energy supply, there needs to be very substantial research and development in energy related technologies.

Both governments, but especially Japan, must make a much greater effort in energy research and development. A substantially augmented Japanese program would not only help equalize the burden, but be an important contribution to meeting Japan's global responsibilities.

No alternative source of energy can be overlooked. Both governments and their private industries should accelerate nuclear power development, including the use of the fast breeder reactor as it becomes economically feasible.

Because of vast United States coal reserves, coal offers a particularly attractive basis for substantially augmented United States-Japan energy cooperation. Both countries can benefit from further development of United States mines and exports to Japan.

The two governments should foster an environment that will encourage investment by the private firms of both countries in coal development, including mining, transportation facilities, and coal gasification and liquefaction in the United States.

The two governments should explore possibilities for bilateral arrangement embodying secure access to markets for American coal in Japan and American assurance of coal supply to Japan.

Increased United States exports of oil, coal, and nuclear energy materials will improve the bilateral trade balance between Japan and the United States.

IV. AMERICAN PRODUCTIVITY AND THE MANAGEMENT OF THE UNITED STATES ECONOMY

As long as the United States economy suffers from inflation, low savings rates, low rates of capital formation and investment, inadequate expenditure on research and development, burdensome regulation, and low productivity growth, the United States-Japan economic relationship will face severe strains. Improved United States management and strengthening of the supply side of its domestic economy could be one of the most important factors in improving United States-Japan economic relations.

To improve productivity, the following steps should be taken by the American government:

Productivity should be a major focus of United States economic policy. To do this, the President should convene a White House National Productivity Conference.

Economic policies should foster a non-inflationary, stable economic climate, conducive to investment and improvements in productivity.

The President and Congress should develop specific longer-term programs to improve savings and investment rates such as investment tax credits, the reduction of personal and corporate and capital gains taxes in a non-inflationary manner, and the shortening of depreciation schedules.

The President and Congress should adopt new programs to stimulate research and development and innovation.

The American government should reduce the regulatory burden and make productivity a principal consideration in the formulation and implementation of regulations.

The United States government should sponsor a comprehensive research program on the measures Japan and other foreign countries have taken in the public and private sectors to increase productivity.

Given the proper economic environment, it is the primary responsibility of the private sector to improve productivity performance. The following steps should be taken in the private sector:

United States corporate management should make long term productivity improvement a principal objective, building productivity considerations into corporate objectives, management attitudes, and management compensation programs.

Management and labor should consult closely on productivity trends and problems and on opportunities for improving productivity performance.

Corporate and labor leaders in both countries should establish joint programs to enhance productivtv and increase bilateral understanding of shared problems.

V. JAPAN'S MARKET: OPEN OR CLOSED?

The American perception of the Japanese market as closed to foreign business has contributed to tensions in the bilateral relationship.

In terms of tariffs and quotas, the Japanese market is as open as the American market for comparable manufactured goods.

In terms of government procurement practices, foreign investment rules, entry of services, and procedures for standards, inspections, and testing, Japan's market is not as open as the American market and more needs to be done to liberalize market access to Japan's own national interest.

There are special difficulties for foreign business in Japan from more intangible factors such as administrative procedures, traditional business customs and mores, and cultural and social barriers to foreign influence.

To improve market openness in Japan and the foreign perception of the Japanese market as open, the following measures should be taken:

The recently enacted, more liberal Foreign Exchange and Foreign Trade Control Law should be implemented by the Japanese government in ways fully consonant with the principle of freeing foreign transactions from restraint. Exceptions to this principle allowable in the new law should be invoked only in genuine emergency situations.

Both governments should implement the GATT government procurement code and cooperate in seeking to increase its coverage in later renegotiations of the code.

The Prime Minister should establish a powerful central office for the consideration and resloution of trade and investment issues. This office should deal with broader policy issues as well as company-specific complaints.

The two governments should provide support and financial assistance to the Trade Study Group, a voluntary group of American and Japanese governmental officials and businessmen in Tokyo who have played a major role in identifying trade barriers and bringing together foreign and Japanese business and Japanese governmental authorities to resolve trade problems.

Japan should make its economic decision-making processes more publicly visible, like those of the United Staates. There should be additional opportunities for private sector access to these processes.

American businessmen need to improve their efforts to gain access to the Japanese bureaucracy.

VI. INDUSTRIAL TRADE ISSUES

Competition in industries such as textiles, automobiles, steel, and electronics products has been a major source of controversy in United States-Japan trade relations. Trade protection is not an appropriate remedy for industrial trade problems. In general, it delays economic adjustment and hurts the ability of the protected industry to meet the demands of international competition. It also can seriously injure the overall competitiveness of an economy by increasing rates of inflation. Protectionist measures are also contrary to consumers' interests in lower prices, wide choice of designs, quality, and services.

The following basic principles should govern industrial trade relations:

The two governments should foster a stable, non-inflationary investment climate which encourages economic growth and facilitates adjustments.

Both governments should maintain policies promoting a world free trade and investment environment.

Both governments should adhere to the principle of equal national treatment in programs relating to industries.

There should be a clear understanding in both countries of foreign industrial policies and specific industrial problems. There should be periodic bilateral discussions between Japanese and American governments on trade and investment restrictions, liberalization programs, implementation procedures, and industrial programs.

There should be bilateral business, labor, and government dialogues, consonant with law, to identify and discuss potential industrial trade issues before they become major disputes.

Both governments need to be more conscious of the international implications of domestic economic policies.

Corporations, especially in the United States, need to have a longer-term, more internationally oriented perspective.

Free trade and investment policies should be maintained for all industries, including the steel, automotive, and semiconductor industries.

VII. AGRICULTURAL TRADE ISSUES

Mutually beneficial economic interdependence is nowhere more evident than in the case of agricultural trade, but steps need to be taken to further open the Japanese market to foreign agricultural products, restructure Japanese agriculture to make it more efficient and competitive, and to improve food security for Japan.

Japan should continue to shift away from the use of quantitative restrictions on agricultural imports and to ultimately eliminate them by redirecting support policies so that international prices are more adequately reflected in determining the level of domestic price supports.

Japan should continue to encourage the expansion of the land rental market to help increase the average size of farms and strengthen the poistion of full-time farmers.

The fear of food shortages in Japan is very real, but food security cannot be guaranteed through high protection of inefficient agriculture except at extremely and unacceptably high social and financial costs.

To increase food security, Japan should establish a more adequate wheat and feedgrains reserve.

The United States and Japan should enter into negotiations leading to medium-term supply and purchase arrangements.

VIII. PROBLEMS IN U.S. TRADE LAW AND THE UNITED STATES-JAPAN ECONOMIC RELATIONSHIP

There is concern in Japan that recent changes in American trade laws have moved in some areas in a protectionist direction and may act as a non-tariff barrier to trade. At the same time, many Americans believe that these laws are fully consistent with international codes, provide legitimate defense for domestic industries against unfair trade practices, and are needed to support an overall liberal trade policy.

Because of the differences of opinions in this area, both governments should undertake an examination of American and Japanese trade laws and practices.

Similar efforts should be carried out on a private basis among specialists in both countries.

As a long-term measure, the two governments should provide leadership in further strengthening international codes dealing with injurious trade practices.

IX. ECONOMIC DISPUTES AND POLITICAL FRICTION

United States-Japan economic and trade issues have often become serious political issues in both countries, jeopardizing valuable cooperation in non-economic as well as economic arenas. Both governments should make strong efforts to contain policitization of inevitable instances of economic friction.

Officials in both countries should improve their knowledge of and sensitivity to the domestic political situation of the other country in order to avoid highly visible political conflict.

Especially on the United States side, there is a need to discard misleading images, such as that of "Japan, Inc."

On the Japanese side, there is a need for government, media, and other leaders to put American political statements and Congressional action in a broader perspective.

Americans must be sensitive to the use of what appear to be heavy-handed pressuring tactics. Japan should respond earlier to "softer" signals and not invite pressure.

Each side should avoid using the other as a scapegoat despite the short-run political benefits of sometimes so doing.

United States officials should beware of intruding too deeply into Japanese economic decision-making, particularly on issues normally considered domestic in nature.

Japanese negotiators should speak up more, countering American criticism as squarely as possible, to minimize misunderstandings or misperceptions of their position.

A cardinal principle in American-Japanese diplomacy in the future should be an effort to negotiate on the basis of mutual and reciprocal benefit.

X. CONCLUSION

The sheer size of the United States-Japan share of the global economy and world trade requires the maintenance of a close, mutually rewarding economic relationship. It is vital to both countries and the world. Yet, in any bilateral relationship as encompassing, intense, and diverse as that between Japan and the United States, there will inevitably be some differences in national interest and, therefore, occasions for bilateral tension. What is essential is that these occasional differences be viewed in a broader, long-term perspective, addressed directly and resolved in a mutually benencial manner, and not be permitted to imperil the overall relationship.

In its work, the Group could not examine all of the many challenges the two countries face in their economic interactions with each other and the rest of the world. We chose to give attention first to those issues which have been most visibly troubling the United States-Japan economic relationship. We feel that a number of potentially important problems need further attention. These include not only issues of trade relations and differences in the structure of the two economies, but also those involving the shared global responsibilities of a more comprehensive United States-Japan partnership. Continuing attention to these issues in both countries is the best guarantee of a healthy long-term United States-Japan economic relationship.

CONCLUSION

Each year, Japan and the United States together produce about 35 percent of the world's new output and engage in almost 20 percent of the world's trade. For this reason, the two countries' success in maintaining a close, mutually beneficial relationship is not only vital to their own prosperity and security, but critical to the world as a whole. Progress in solving the broader problems of the international economy depends in large part on a close, effective United States-Japan partnership.

In the preceding pages, we have repeatedly stressed that in any relationship as encompassing, intense, and diverse as that between Japan and the United States, there will inevitably be some differences of interest and some friction. What is essential is that this friction be viewed in a broader perspective and not be allowed to imperil the overall relationship.

The Japan-United States Economic Relations Group has been a unique experiment in the two countries' relations. Never before have the two heads of government jointly requested a binational group of private citizens to examine the issues affecting the relationship and make policy recommendations directly to them.

We all believe this experiment has been highly successful. During the past year, we have engaged in many hours of intense discussion and as this report demonstrates, have been able to arrive at common points of view on many issues. The Group has sponsored research involving both Japanese and American experts, and believes that this kind of joint policy oriented research can have an important impact on improving mutual understanding of bilateral and global problems.

In the past year, we could examine only some of the many challenges the two countries face in their economic interactions with each other and with the rest of the world. We chose to give attention first to those issues which have been most visibly troubling

the United States-Japan economic relationship. We feel that a number of potentially important problems need further attention. These include not only issues of trade and institutional structure, but also those involving the shared global responsibilities of a more comprehensive American-Japanese partnership. Their consideration would benefit from further examination by a binational group not burdened with day-to-day governmental policy responsibilities.

LIST OF MEMBERS

THE JAPAN-UNITED STATES ECONOMIC RELATIONS GROUP

Chairmen

Nobuhiko Ushiba, Former State Minister for External Economic Affairs.

Robert S. Ingersoll, Chairman, Japan Society, Inc.

Members

Akio Morita, Chairman, Sony Corporation.

Shuzo Muramoto, President, Dai-Ichi Kangyo Bank, Ltd.

Kiichi Saeki, Chairman, Nomura Research Institute.

A. W. Clausen, President, Bank of America.

Hugh T. Patrick, Professor of Economics, Yale University.

Edson W. Spencer, Chairman, Honeywell, Inc.

Executive Directors

Tadashi Yamamoto, Director, Japan Center for International Exchange (JCIE).

Charles E. Morrison, Research Advisor, Visiting Fellow, JCIE.

Jack B. Button, Former Minister-Counselor, The American Embassy, Tokyo.

W. Andrew Osterman, Deputy Director.●

THE REAGAN ERA AND CORPORATE SOCIAL RESPONSIBILITY

● Mr. DURENBERGER. Mr. President, while most Americans have been cheering the economic recommendations of President Reagan, many of our constituents are wondering how we will meet the legitimate social goals that seem threatened by budget cuts.

As I look at the tremendous resources in our country—the combined talents and ability of Government, business and the voluntary sector—I am convinced that we can achieve our social goals. The budget cuts at the Federal level will not take anything away from anyone. Instead, the redirection of Government will simply change the way we pay for services.

The rationale for Federal spending cuts goes beyond our abhorrence of a bloated Federal budget and double-digit inflation. Cutting the budget is a message to the public—and to some politicians—that Government cannot and should not be all things to all people. Our country is blessed with other resources that can and will provide services. It is Government's legitimate role to set national policy and to provide the encouragement, the incentives, and the opportunity for others to achieve that policy in many cases.

Voluntary organizations throughout the country are already following this formula. In fact, in many ways, the recurring theme that has set America apart from other societies, even other democracies, has been our citizens' involvement in voluntary service activities. Private citizens have always been involved in the delivery of services as well as in the determination of policy.

Part of our new commitment to redirect the national Government must be the provision of incentives for volunteerism. Inflation is a disincentive that is robbing voluntary organizations of their ability to attract volunteers and is eroding contributions. Reducing inflation and passing legislation like the bills I am proud to support to increase the mileage tax deduction and the charitable contributions tax deduction are the incentives we need.

The private for-profit sector also has a major role to play in this redirection of public service delivery. In many areas, the private sector has already taken the lead in providing services. In other areas, through legislation I and others have introduced—ridesharing and health care, for example—business may have the opportunity to do even more.

Business, though, is faced with many difficult questions as it studies its opportunities in "social responsibility."

The Clearinghouse on Corporate Social Responsibility, in its publication Response, thoughtfully laid out these opportunities and challenges. I might add, by the way, that I am proud that two Minnesotans, John E. Pearson of Northwestern National Life and Arley Bjella of Lutheran Brotherhood, have been actively involved in the Clearinghouse.

Mr. President, I ask to have printed in the RECORD the editorial from Response.

THE REAGAN ERA AND CORPORATE SOCIAL RESFONSIBILITY

(By Stanley G. Karson)

What is the impact of the November elections on the course of corporate social responsibility?

What does the apparent conservative swing say about the social and community problems that have been addressed increasingly by business leaders?

The answers to these questions, asked of the Clearinghouse and discussed at the most recent meeting of the industry's Committee on Corporate Social Responsibility, may well disturb some, particularly those expecting pat answers. So that there not be confusion over basic terms, let us begin the answer with a definition: corporate social responsibility involves the conduct of a business so that it is financially profitable, economically useful, ethically correct and socially supportive.

The financial, economic and ethical components of this definition should either benefit under the Reagan Administration or not be affected one way or the other. But during the next four years, will business expand or contract the rocial role—that element of corporate social responsibility which attends to critical problems of the community and of society at large?

As national priorities change from government spending for social programs to inflation curbs, tax reduction, budget balancing and military spending, it is clear that the private sector—to a great degree, the corporate world—will find itself pressed to fill some of the void. This is an inevitable consequence that must be faced by owners and managers of America's business. Millions of Americans who voted against massive Federal spending, proliferating government programs and excessive regulation on November 4th were saying implicitly that approaches and solutions using private sector initiatives should have a chance.

How business responds to this challenge will shape much of the future for both business and society in the years ahead. If either of the following options are pursued, trouble lies ahead:

1. Corporate executives misinterpret the signs, born of the electorate and of history, and withdraw, even faster than Washington, from the social arena. They adopt a business-as-usual posture, concentrating exclusively on higher-than-usual profits. And all the while, the sores that infect their communities, even their markets, become worse than usual. *Warning:* If any lessons have been learned over the years—and that is always a big "if"—problems ignored become problems enlarged.

2. In the euphoria of a simpatico, pro-business national administration, some corporate leaders are convinced that they have all the ideas, talents and resources to save the nation. They toy with thoughts of single-handedly solving welfare, public education, unemployment and urban development. *Warning:* As government cannot, without grave risks to our political and economic structure, assume the rightful role of business, so business cannot take over proper functions of government.

No, the effective social role for pragmatic, aware, concerned business leadership is not in these two scenarios. Rather, it must be as a moderate, middle-of-the-road influence, looking to strengthen the nation's economic and social system, attempting to hack away at the thickets of poverty, disease, discrimination and social unrest within the limits of the available talents and resources of the corporation.

For business to do less would spurn an opportunity to strengthen our social fabric that might not come again.●

A PATRIOTIC POEM BY A PATRIOTIC AMERICAN

● Mr. GARN. Mr. President, I wish to submit for the RECORD the following poem composed by Mr. Ernest N. Eklof, a resident of Utah. Mr. Eklof, as his poem demonstrates, is a devout and patriotic American. His poem, "The President's Inauguration," is dedicated to every man who takes the oath of President of the United States. More specifically, he addresses this poem to President Reagan, who for Mr. Eklof, personifies much of his patriotic poetry. I feel his verses closely capture the spirit of this exalted office. I hope all who read this poem may receive the same spirit in which it was written.

The poem follows:

THE PRESIDENT'S INAUGURATION

(By Ernest N. Eklof)

Expectant stands America this day,
Demanding him who has become our choice.
And eager to move forward on her way.
America are we, and we rejoice.
We make him ours, thus our pow'r display.
He is our Chief, we listen for his voice.
Thus ours, and so destined, he shall be
Our conscience. We endow him with our might,
To hold the bastion of liberty.
And for its keep, with him we pledge to fight,
And with our efforts trust in Deity.
To keep our freedom's beacon shining bright;
While stirring drumbeats from our past proclaim
The sacred Constitution of our Land
For generations hence in freedom's name.
We pledge our very lives, held by God's hand,

To keep the living torch of peace aflame—
An ensign for the world to understand.
America receives her president,
And he receives America to guide
Her years of destiny with our consent,
To make her past and future unified;
To guarantee her history's sure ascent,
And all for which our Land was sanctified.
But heavy is the burden which he bears,
To be our leader with sobriety,
From his beginning through fulfilling years.
With him, America, the brave, the free,
Let glory bask in human dignity!●

S. 574—FAMILY ENTERPRISE PRESERVATION ACT

● Mrs. KASSEBAUM. Mr. President, through an oversight, the text of estate tax legislation which I introduced on February 26 was not included as part of my introductory statement.

I ask that the text of S. 574 be printed in the RECORD at this time.

The text of the bill follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Family Enterprise Preservation Act".

SEC. 2. (a) Part IV of subchapter A of chapter 11 of the Internal Revenue Code of 1954 (relating to taxable estate) is amended by adding at the end thereof the following new section:

"SEC. 2058. BEQUESTS, ETC. OF CERTAIN PROPERTY USED FOR FARMING, ETC.

"(a) ALLOWANCE OF DEDUCTION.—

"(1) IN GENERAL.—For purposes of the tax imposed by section 2001, the value of the taxable estate shall be determined by deducting from the value of the gross estate an amount equal to the value of any interest in qualified tangible property which passes or has passed from the decedent to a qualified heir, but only to the extent that such interest—

"(A) is included in determining the value of the gross estate, and

"(B) is not excluded under this part (without regard to this section) in determining the value of the taxable estate.

"(2) LIMITATION.—The amount allowable as a deduction under paragraph (1) shall not exceed—

"(A) $750,000 with respect to interests in qualified tangible property which pass or have passed to the spouse of the decedent, and

"(B) $750,000 with respect to all such interests which pass or have passed to all qualified heirs of the decedent other than the spouse.

"(b) QUALIFIED TANGIBLE PROPERTY.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified tangible property' means tangible property (other than money) located in the United States which, on the date of death of the decedent, was being used for a qualified use, but only if 50 percent or more of the adjusted value of the gross estate of the decedent consists of the adjusted value of tangible property (other than money) which—

"(A) on the date of the decedent's death, was being used for a qualified use, and

"(B) passed from the decedent to a qualified heir of the decedent.

"(2) CERTAIN INTANGIBLE PROPERTY INCLUDED.—An interest in intangible property shall be treated as an interest in qualified tangible property to the extent such interest represents an interest in, or in connection with, any qualified tangible property which is real property. Such interests include any mineral interest, easement, or other similar interest.

"(3) QUALIFIED USE, ETC.—The terms 'qualified use' and 'adjusted value' have the meanings given such terms by section 2032A (b).

"(c) TAX TREATMENT OF DISPOSITIONS AND FAILURE TO USE FOR QUALIFIED USE.—

"(1) IMPOSITION OF ADDITIONAL ESTATE TAX.—If, within 15 years after the decedent's death and before the death of the qualified heir—

"(A) the qualified heir disposes of any interest in qualified tangible property (other than by a disposition to a member of his family), or

"(B) the qualified heir ceases to use for the qualified use the qualified tangible property which was passed from the decedent, then there is hereby imposed an additional estate tax.

"(2) AMOUNT OF ADDITIONAL TAX.—

"(A) IN GENERAL.—The amount of the additional tax imposed by paragraph (1) with respect to any interest shall be the amount equal to the adjusted tax difference with respect to the estate.

"(B) ADJUSTED TAX DIFFERENCE WITH RESPECT TO THE ESTATE.—For purposes of subparagraph (A), the term 'adjusted tax difference with respect to the estate' means the excess of what would have been the estate tax liability but for subsection (a) over the estate tax liability. For purposes of this subparagraph, the term 'estate tax liability' means the tax imposed by section 2001 reduced by the credits allowable against such tax.

"(C) PARTIAL DISPOSITIONS.—For the purposes of this paragraph, where the qualified heir disposes of a portion of the interest passing to such heir (or a predecessor qualified heir) or there is a cessation of use of such a portion, the adjusted tax difference with respect to the estate taken into account with respect to the transition involving the second or any succeeding portion shall be reduced by the amount of the tax imposed by this subsection with respect to all prior transactions involving portions of such interest.

"(3) PHASEOUT OF ADDITIONAL TAX BETWEEN 5TH AND 15TH YEARS.—If the date of the disposition or cessation referred to in paragraph (1) occurs more than 60 months and less than 180 months after the date of the death of the decedent, the amount of the tax imposed by this subsection shall be reduced (but not below zero) by 10 percent for each period of 12 full months after such 60 months and before the disposition or cessation.

"(4) ONLY 1 ADDITIONAL TAX IMPOSED WITH RESPECT TO ANY 1 PORTION.—In the case of an interest passing from any decedent, if subparagraph (A) or (B) of paragraph (1) applies to any portion of an interest, subparagraph (B) or (A), as the case may be, of paragraph (1) shall not apply with respect to the same portion of such interest.

"(5) DUE DATE.—The additional tax imposed by this subsection shall become due and payable on the day which is 6 months after the date of the disposition or cessation referred to in paragraph (1).

"(6) LIABILITY FOR TAX; FURNISHING OF BOND.—The qualified heir shall be personally liable for the additional tax imposed by this subsection with respect to his interest unless the heir has furnished bond which meets the requirements of subsection (d)(2).

"(7) CESSATION OF QUALIFIED USE.—For purposes of paragraph (1)(B), real property shall cease to be used for the qualified use if such property ceases to be used for the qualified use set forth in subparagraph (A) or (B) of subsection (b)(2) of section 2032A under which the property qualified under subsection (b).

"(d) DEFINITIONS; SPECIAL RULES.—For purposes of this section—

"(1) QUALIFIED HEIR, ETC.—The terms 'qualified heir' and 'member of family' have the meanings given such terms by section 2032A (e).

"(2) BOND IN LIEU OF PERSONAL LIABILITY.—If the qualified heir makes written application to the Secretary for determination of the maximum amount of the additional tax which may be imposed by subsection (c) with respect to the qualified heir's interest, the Secretary (as soon as possible, and in any event within 1 year after the making of such application) shall notify the heir of such maximum amount. The qualified heir, on furnishing a bond in such amount and for such period as may be required, shall be discharged from personal liability for any additional tax imposed by subsection (c) and shall be entitled to a receipt or writing showing such discharge.

"(3) INVOLUNTARY CONVERSIONS.—Under regulations prescribed by the Secretary, rules similar to the rules under section 2032A (h) shall apply to the involuntary conversion of an interest in qualified tangible property.

"(4) PROPERTY PASSING FROM THE DECEDENT.—The determination of whether an interest in property passes to any person shall be made in accordance with section 2056 (d).".

(b)(1) Section 6324B of the Internal Revenue Code of 1954 (relating to special lien for additional estate tax attributable to farm, etc. valuation) is amended—

(A) by inserting "or qualified tangible property (within the meaning of section 2058 (b))" after "section 2032A (b))" in subsection (a),

(B) by inserting "or the adjusted tax difference with respect to the estate (within the meaning of section 2058 (c))" after "2032A (c)(2)(B))" in subsection (a),

(C) by inserting "or the deduction is allowed under section 2058" after "section 2032A" the first place it appears in subsection (b),

(D) by inserting "or section 2058 (c)" after "2032A" in subsection (b) (1), and

(E) by inserting "or 2058 (c)" after "2032A (c)" in subsection (b) (1).

(2) Section 2013 (f) of such Code (relating to credit for tax on prior transfers) is amended—

(A) by inserting "or 2058" after "2032A" each place it appears in the text and heading, and

(B) by inserting "or 2058 (c)" after "2032A (c)" each place it appears.

(c) The table of sections for part IV of subchapter A of chapter 11 of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new item:

"Sec. 2058. Bequests, etc, of certain property used for farming, etc.".

SEC. 3. The amendments made by this Act shall apply to the estates of decedents dying after December 31, 1980. ●

THE PROMOTION OF TRUMAN SPANGRUD TO THE RANK OF MAJOR GENERAL THE U.S. AIR FORCE

● Mr. DECONCINI. Mr. President, as Americans once again realize the importance of a strong military to our Nation's security, so should we recognize and commend those who have done their best to keep America strong during a time when participation in the Armed Forces was not sufficiently appreciated.

Thus, Mr. President, I rise today to give my thanks and my congratulations to a native Arizonan whose promotion to the rank of major general was confirmed by this body on December 4, 1980. Maj. Gen. Truman Spangrud's service to his country spans a period of 15 years, beginning in 1956 with a commission as an Air Force second lieutenant through the Reserve Officer Training Corps. He completed Air Command and Staff Col-

lege as a distinguished graduate while earning a master's degree in business administration from George Washington University at the same time. In 1966, he flew 81 combat missions in Southeast Asia. He completed the National War College as an outstanding graduate. He has held several positions in the office of the Comptroller of the Air Force and is currently vice commander of the Electronic Systems Division of Air Force Systems Command. A command pilot with 3,500 hours of flying time, General Spangrud's decorations include the Legion of Merit, Distinguished Flying Cross, Bronze Star, Meritorious Service Medal, and seven Air Medals.

Let us share with General Spangrud's family their pride in his devotion and service to the United States. Let us encourage young men and women to follow the example that General Spangrud has set, because without Americans like General Spangrud our Nation could not remain free.●

EXPORT TRADING COMPANY LEGISLATION—IV

● Mr. HEINZ. Mr. President, I would like to bring to my colleagues' attention a study prepared for the Department of Commerce by Economic Consulting Services Inc. The study reveals the serious difficulties the U.S. textile and apparel industries have had in developing potential export markets. The study recommends the enactment of legislation such as S. 144, the Export Trading Company Act of 1981, that would establish export trading companies to correct this situation.

Mr. President, this industry is only one of many that will benefit from the enactment of this bill. I ask that "A Study of the Feasibility of Export Trading Companies to Promote Increased Exports by the U.S. Textile and Apparel Industries" by Economic Consulting Services Inc. be printed in the RECORD.

The material follows:

A STUDY OF THE FEASIBILITY OF EXPORT TRADING COMPANIES TO PROMOTE INCREASED EXPORTS BY THE U.S. TEXTILE AND APPAREL INDUSTRIES

EXECUTIVE SUMMARY

I. Introduction

In May 1980, Economic Consulting Services Inc. (ECS) was awarded a contract by the U.S. Department of Commerce for "A Study Of The Feasibility Of Export Trading Companies To Promote Increased Exports By The Textile And Apparel Industries." This Executive Summary presents a brief synopsis of the findings of the study, and ECS's resultant policy recommendations.

II. Purpose and scope of the study

The U.S. textile and apparel industries have had limited, but recently improving, success in developing their potential export materials; in 1979 only 6.5 percent of the dollar value of U.S. textile shipments and 1.6 percent of U.S. apparel shipments were sold for export. One major reason for this poor export performance is that these two industries consist largely of firms which do not have the resources needed to explore foreign markets fully and effectively. An export trading company (ETC) might make it possible for these small firms to develop their export markets more fully than they have to date.

The study was carried out in four phases. The objectives of these phases were, respectively: (1) to examine the feasibility of export trading companies which specialize in textiles and apparel, and to identify their probable functions and organizational needs; (2) to construct a preliminary model of an ETC for each of these industries; (3) to develop and conduct two surveys, one to assess the interest of U.S. manufacturers in selling through an ETC and the second to assess the willingness of foreign importers to buy U.S. textiles and/or apparel through an ETC; and (4) to develop "final" organizational models for ETCs specializing in textiles and apparel, along with appropriate policy recommendations.

III. Definition of an export trading company

An export trading company (ETC) is defined in this study as an independent firm (or association of firms) which has the capability to provide a comprehensive range of export services to domestic producers. Such services include: contacting foreign customers; providing markets intelligence and research; arranging for freight forwarding; arranging for price quotes, whether on an f.o.b., c.i.f., or landed, duty-paid basis; making necessary credit and other financial arrangements; providing other necessary transaction mechanics; and, possibly, performing broader functions such as product design. In the performance of these services, an ETC should be capable of taking title to the products that it trades and will normally function in this manner, although it is not precluded from exporting on a commission basis or providing specialized export services for a fee. To be effective, an ETC must maintain some level of "permanent" presence in major foreign markets, through overseas sales representatives, sales offices, showrooms, warehousing facilities, and/or distribution networks. An ETC may also become involved in importing and in international trade among third countries in order to: develop additional sales and revenues, reduce foreign exchange risk, maintain good relations with its customers, consummate barter deals, and use its overseas sales offices/distribution facilities most efficiently.

IV. Potential role for an export trading company in the textile and apparel industries

The growth in U.S. exports of textiles and apparel has been limited by barriers which an ETC should be able to overcome. The small size of many firms in the apparel and textile industries makes it difficult or impossible for them to allocate the financial and managerial resources needed to establish an effective export "arm". Many firms are not aware of their export potential and lack an understanding of even the basic mechanics of exporting.

Moreover, many American textile and apparel manufacturers, long accustomed to intense and increasing competition from foreign suppliers in the domestic market, have shied away from any effort to participate in export markets on a sustained basis. To many manufacturers, it is not logical to consider seriously competing abroad, given that certain foreign manufacturers have been so successful in penetrating the U.S. market. Exporting also involves a different set of problems than does the sale of goods domestically, such as: a different set of customers; longer financing periods; perhaps different styles, different sizes, or other product requirements; additional transportation costs; and additional documentation. Therefore, exporting requires a mix of managerial and financial skills which many domestic producers lack, and which they have had limited incentive to acquire.

An ETC could overcome these barriers to exporting. In most cases, an ETC is likely to take title and perform all subsequent export operations. Such an ETC would be, in essence, another customer for the domestic industry, and would act as a foreign distributor for U.S. textile and/or apparel firms. An ETC could also act as an agent and/or provide certain specialized export services to manufacturers.

Exporting through an ETC also can make it possible for domestic firms to take advantage of various economies of scale that are often possible in exporting. The establishment of overseas offices, transportation and insurance, warehousing, etc., can all be carried out for a much lower per-unit cost when large volumes of products are exported than when only limited quantities are sent abroad. An ETC should be able to pool the exports of several domestic producers, and therefore take advantage of these potential economies. An ETC also might consolidate the shipments of several domestic producers either to fill very large foreign orders or to offer a full range of complementary products.

Finally, an ETC may be able to market U.S. products abroad more effectively than many textile and apparel manufacturing firms. An ETC should be able to offer a wider range of products, a wider range of product services, and in general be better equipped to recognize potential market opportunities in foreign countries than many individual manufacturers. This may allow an ETC to secure more favorable prices and/or develop additional marketing opportunities that most of the individual manufacturers represented by the ETC could not develop on their own. An ETC may also be in a stronger position to bargain for lower freight, insurance, and storage rates than could be obtained by individual small- or medium-sized producers.

V. Interest in export trading companies

Two different surveys of individual firms were conducted as part of the study. In the first, questionnaires were mailed to 117 U.S. textile and 235 U.S. apparel firms to assess their attitudes toward exporting through an ETC, and usable responses were received from 57 textile firms and 70 apparel firms. In the second survey, personal interviews were conducted abroad with importers of textile and apparel products in six foreign countries to determine whether they would consider buying U.S. textile and apparel products from an export trading company, and if so what benefits they would hope to derive from purchasing through an ETC.

A. Conclusions: Domestic textile and apparel industry surveys:

Over 70 percent of all of the firms responding to the domestic industry survey in both the textile and apparel industries indicated that they would consider selling through an ETC. A high percentage of positive responses was obtained from firms of all sizes, and from both exporters and nonexporters, although smaller firms and firms with no export experience evidenced the highest level of interest in selling through an ETC. The greatest interest in the ETC concept was shown by textile firms with less than 500 employees, and by apparel firms without regard to the number of employees which either export less than 5 percent of their gross sales or which do not export. Those firms not interested in selling through an ETC either were already successful exporters which were not willing to share control over their export operations, or were firms which appear to have no interest in exporting.

The responses of textile and apparel firms were, with some exceptions, very similar. A substantial majority of both textile and apparel firms, regardless of their size and regardless of whether or not they are exporters, wanted the ETC to take title and assume all subsequent export responsibilities. Therefore, most U.S. textile and apparel firms which would consider selling through an ETC would prefer an ETC that acts as a "one-stop" exporter.

Finally, although most respondents indi-

cated that they were either unwilling to invest in an ETC, or were uncertain as to their willingness to do so, several firms indicated that they would be willing to invest substantial amounts, ranging from $50,000 to $500,000, and in two cases over $500,000. Therefore, some textile and apparel firms appear to be potential sources of investment capital for an ETC in each industry.

B. Conclusions: Foreign importer survey:

A number of buyers in each of the countries visited indicated that they would be willing to purchase U.S. textile and/or apparel products from an ETC, although their enthusiasm for the ETC concept, and the range of services that they would expect, varied considerably from country to country. Buyers in the Far East generally expressed a much greater level of interest in buying through an ETC than buyers in Europe.

Importers in all of the countries visited stressed the potential role of an ETC in locating U.S. suppliers and effectively marketing U.S. products in their country. Almost all of the importers contacted stated that the enormous size of the U.S. textile and apparel industries makes it very difficult for foreign importers to locate U.S. firms which (1) are producing the types of products that they want to buy and (2) are willing to export. In addition, many U.S. textile and apparel firms are not effective in identifying which of their products can be marketed in specific foreign markets, and then promoting these products. If an ETC can help overcome these problems, it will perform a valuable marketing service and should be able to increase U.S. exports of textile and apparel products.

VI. Final models

An export trading company that trades in textiles will be very similar to one that trades in apparel.[1] In both cases, the ETC will "domesticate" the foreign sales of U.S. manufacturers by making the terms and conditions of foreign sales as similar as possible to those of domestic sales. To do this effectively, an export trading company exporting the products of U.S. firms in either industry will have the following features:

The ETC should be organized as an independent, privately-owned, profit-motivated corporation.

Product expertise is essential for the ETC's success. Therefore, the most likely source of entrepreneurs for a textile/apparel ETC lies with firms/individuals with experience in the textile and/or apparel industries. Other possible sources of investors are other trading organizations, such as export management companies, and banks (if legislation is enacted to allow investments by financial institutions).

The ETC should be capable of taking title to the products that it handles, essentially acting as a "one-stop" exporter for U.S. textile/apparel firms. This, however, does not preclude the ETC from selling products on a commission basis or from performing more specialized export services.

To market U.S. products effectively overseas, an ETC must meet the specific needs of foreign buyers, and therefore must be willing, at a minimum: to supply products to foreign buyer specifications; to extend credit in a form acceptable to foreign buyers; to clear shipments through customs; to pay duties and freight; to quote landed, duty-paid prices. At the same time, a number of foreign buyers may not wish to use this entire range of services. Therefore, the ETC must be flexible in this regard.

There is no optimal size for an ETC. However, an ETC should have the resources to hire its own sales representatives and/or establish its own overseas offices in major foreign markets which require such an office. Moreover, the range of export-related services for which the ETC would be responsible implies a substantial commitment of human and financial resources.

An ETC must have a large volume of sales in relation to capital in order to earn an adequate return on equity. The expected ratio of capital to sales for an ETC should be within the range of 1:10 and 1:20.

To obtain the sales volume required for long-term viability and to avoid over-reliance on a single product, an ETC should represent as diverse a range of textile/apparel products as possible. The same ETC may export both textile and apparel products.

Although an ETC may become involved in two- and three-way trade as well as exporting, few foreign buyers showed any interest in having the ETC act in this role, and a number of U.S. textile and apparel firms indicated that they would be reluctant to export through an ETC that imports competitive products. Therefore, it is anticipated that an ETC will engage in two- and three-way trade primarily as an ancillary operation, and that there will be little or no conflict between the profit-maximizing objectives of the ETC and the policy objectives of improving the U.S. trade balance.

VII. Policy implications

The policy implications of this study may be summarized briefly as follows:

Export trading companies represent a promising vehicle for expanding exports of U.S. textiles and apparel.

An export trading company should be organized as a private, profit-motivated corporation which is capable of taking title to the merchandise that it handles and acting as a "one-stop" exporter for domestic textile and apparel firms.

There are no institutional or legal barriers which preclude the establishment of export trading companies in the textile and apparel industries. However, some forms of government encouragement and some legislative changes may provide a valuable impetus for the formation of ETCs.

Administrative and legislative initiatives which should be taken to encourage the formation of export trading companies in the textile and apparel area include: (1) conducting seminars to publicize the export trading company concept; (2) targeting existing government support for exporters and/or new businesses to encourage the formation of export trading companies; (3) having a single office in the Department of Commerce responsible for coordinating programs applicable to export trading companies; (4) allowing bank investment in export trading companies; and (5) clarifying, and perhaps strengthening, the anti-trust protection provided under the Webb-Pomerene Act. These initiatives can be taken using existing resources, and require no new appropriation of funds.●

[1] There are some differences between textile and apparel ETCs which have the same sales volume and which offer the same range of services with respect to their organizational structure and financial requirements. These differences are illustrated in two financial models, one each for textiles and apparel, which ECS developed for this purpose and which are presented in the Final (Phase IV) Report.

THE REYE'S SYNDROME CONSENSUS DEVELOPMENT CONFERENCE

● Mr. MELCHER. Mr. President, from March 2 to March 4 a Consensus Development Conference was held on Reye's syndrome at the National Institutes of Health. Reve's is a life-threatening affliction of children that can strike with terrific speed following a bout with a viral illness. Symptoms include persistent vomiting, lethargy, and irritability. Coma can follow due to lack of brain oxygen and death can follow within a few days. Some surviving victims have suffered brain damage.

I was privileged to address the Reye's Conference and it was a milestone in the fight against Reye's. It was not, however, the culminating event. It was, instead, a threshold gathering, marking the launching of what must be a truly national focus on this potential killer of our children.

In a conversation with Dr. Charles U. Lowe of the Office of Medical Applications of Research, he told me—

Reye's syndrome is one of those rare examples where a marked reduction in mortality rates seems to have followed from a public awareness campaign rather than from some medical breakthrough.

The figures tend to support Dr. Lowe's observation. Reye's mortality which, in 1977, was reported at 42 percent came down to 18 percent by 1979.

Certainly that is an improvement. But it still means that 18 percent of the victims did not survive. If those figures are to be reduced—hopefully eliminated—the research and the public awareness campaign must continue with our full support. Consistent with the aim of the Consensus Development Conference, I want to bring to the attention of the Senate three conference documents in order to further spread the word about Reye's.

One of the documents explains the character and purpose of consensus development conferences. The second document described the Reye's situation existing prior to the conference.

The third document deserves special attention. It is the draft statement issued by NIH at the conclusion of the conference. Let me repeat it is a draft, meaning that the recommendations and conclusions will not be altered but that the final, polished document will not be available from the Office of Medical Applications of Research for about 2 more weeks.

Because public and professional awareness is so important in the battle against Reye's, I ask that the previously mentioned documents be printed in the RECORD.

The documents follow:

[Office for Medical Applications of Research]

NIH CONSENSUS DEVELOPMENT

The National Institutes of Health in fall 1977 launched a program designed to improve the lines of communication from the health research community to the practicing physician and the public. The key element in this effort is "consensus development," a process that brings together biomedical research scientists, practicing physicians, consumers, and others in an effort to reach general agreement on whether a given medical technology is safe and effective. That technology may be a device, drug, or medical or surgical procedure.

The consensus development program is aimed at complementing—but not replacing—the usual means of reporting research results through publication in scientific journals and other medical periodicals and through the lay media.

NIH Director Dr. Donald S. Fredrickson initiated the program in recognition of the fact that there was no formal process within the research community to assure that medical research discoveries were identified

and evaluated to determine if they were ready to be used by doctors and other health care workers. Since NIH is the nation's principal health research agency, it was felt that it should assume the responsibility of more fully reporting biomedical research findings to the practicing community and the public.

In recent years, there has been considerable public criticism voiced concerning the use of certain surgical and medical procedures, drugs and devices. Many have claimed that some new technologies have reached the health care delivery system without being tested adequately. On the other hand, there are those who maintain that some well-validated technologies have been too slow in making their way from the research work bench to the hospital bedside.

A main objective of the NIH consensus development program is to provide the physician and the public with current, responsible information on the pros and cons of medical technologies. This information is made public through reports, containing conclusions and recommendations about a given technology, written by expert and lay members of consensus development conference panels.

With the highly complex work associated with biomedical research has come rather technical language which is not always easily understood by all audiences. Consensus development panels have, therefore, worked to produce reports which, although appropriate for the practicing physician, will also be comprehensible to the general public.

The value of these reports is that they may identify safe and useful emerging medical technologies and make a wider audience aware of their availability. At other times, they may point out some potential problems which could result from the use of an existing technology. In some instances, panels may even recommend against using a given medical or surgical procedure, device, or drug, under certain conditions.

One of the prime objectives of consensus development conferences is to provide a public forum to ensure that all points of view are aired. Specific time periods are set aside at every consensus development meeting to enable individuals and groups to raise questions or issue comments, and meeting summary reports are designed to include the different view points voiced at the meeting.

For further information about the NIH consensus development program, contact the Office for Medical Applications of Research, National Institutes of Health, Building 1, Room 216, Bethesda, Maryland 20205.

REYE'S SYNDROME

Reye's syndrome is one of man's modern medical mysteries. It is a life-threatening disease that develops rapidly in some children usually following an acute viral infection. With the highest rate of incidence reported in the United States, Canada, and Thailand, Reye's syndrome has occurred in at least 21 countries and has affected children in rural, suburban, and urban areas.

Although it is not a common illness (in the United States it is estimated that one to two cases occur every year per 100,000 children under the age of 18) scientists are conducting intensive research to discover the cause(s) of this potentially fatal disease and the best methods of diagnosing and treating it.

First described in 1963 by R. D. K. Reye, an Australian pathologist, Reye's syndrome is characterized by acute encephalopathy (swelling of the brain) and fatty degeneration of the liver. The liver in a Reye's syndrome patient generally contains an unusually large amount of fat distributed in small droplets. In addition, the liver's functions become impaired, and there are structural alterations of its mitochondria—the small, spherical components of cells that release stored energy in food needed for the body's activities. These changes in mitochrondria are also found in the muscle and brain tissues. The brain swells, and the excessive build-up of pressure inside the skull results in brain dysfunction, and possibly death.

SYMPTOMS

Researchers have established a clear association between the development of Reye's syndrome and outbreaks of Influenza B, Influenza A, and varicella (chickenpox). In a typical case, a child will have either influenza or chickenpox, most likely during the winter or early spring months when epidemics of these diseases normally occur. The child seems to be recovering from this viral disorder, but then will experience the abrupt onset of persistent and intractable vomiting, usually the first sign of Reye's syndrome. The child may undergo changes in mental state, becoming listless, lethargic, and disoriented, or sometimes becoming hostile or unusually annoyed if spoken to or touched. Other symptoms may include combativeness, inability to recognize family members, incessant moaning or screaming, and twitching and jerking. Within a short period, measured in minutes or hours, the child may become unconscious, and may progress to a deep coma and possibly death. If untreated, the period from the start of vomiting to death is three to five days.

EPIDEMIOLOGY

The fatality rate for Reye's syndrome is not easy to ascertain since the disease is difficult to diagnose and mild cases may not be reported. Furthermore, a standardized definition of mild cases of Reye's syndrome has not yet been developed. Increased awareness of the disease on the part of physicians and hospital staff has led to greater voluntary reporting. Between December 1, 1979 and April 30, 1980, the Centers for Disease Control received 304 reports of Reye's syndrome occurring in 37 states and Washington, D.C. The incidence is probably higher, and estimates of 600-1200 cases per year have been made. Approximately twenty percent of the cases are fatal.

Cases of Reye's syndrome are divided almost equally among boys and girls. A racial breakdown indicates that white children are affected at a higher rate, although Reye's syndrome also occurs in Blacks, Hispanics, Asians, and other ethnic groups. Among babies under the age of one year, Black infants have a higher incidence of Reye's syndrome, yet Black children over the age of one seem less susceptible to developing the disease than white children.

CAUSATIVE FACTORS

The factors which interact with the initial viral infection to trigger Reye's syndrome in some children have not yet been identified. Some reports have suggested an association between Reye's syndrome and insecticides.

Ingestion of aflatoxin, a toxin produced by fungal molds sometimes found in stored agricultural products, has also been suggested as a cause of Reye's syndrome since experimental use of aflatoxin in macaque monkeys produced liver lesions similar to those found in children with Reye's syndrome. However, there is no strong epidemiological basis to implicate either insecticides or aflatoxin.

Current evidence suggests a possible link between the development of Reye's syndrome and the use of salicylates (aspirin) during the preceding viral infection. Recent studies reported by the Centers for Disease Control showed higher use of aspirin among children who were hospitalized for Reye's syndrome than among matched children who had a similar viral illness but did not develop Reye's syndrome. The majority of the children who were given aspirin took no more than is normally recommended. The Centers for Disease Control has urged caution in giving aspirin to control fever in children who develop influenza-like illnesses or chickenpox because their use could be a contributing factor to Reye's syndrome.

DIAGNOSIS

The successful management of Reye's syndrome is facilitated by early diagnosis. If detected and treated in its beginning stages, most Reye's syndrome patients can, and do, recover completely.

Children who develop persistent vomiting following recovery from a viral illness and who develop listlessness, irritability, disorientation, or increasing lethargy, should receive prompt medical attention. A physician will perform laboratory tests and a case history may be taken to consider the possibility of other illnesses whose symptoms mimic those of Reye's syndrome.

A diagnosis of Reye's syndrome is usually made if there is an elevated blood ammonia level, and if acute non-inflammatory encephalopathy is present with either fatty changes in the liver or excessive increases in two enzymes called SGOT and SGPT. SGOT (serum glutamic oxaloacetic transaminase) and SGPT (serum glutamic pyruvic transaminase) are enzymes normally present in the liver, which are released into serum in high concentrations as a result of injury to the liver cells. The tests that are performed on a child also indicate whether an excessive level of ammonia is present in the blood, an indicator of mitochondrial injury within the liver, which is typical of Reye's syndrome patients.

TREATMENT

Although there is no known cure for Reye's syndrome, intensive supportive care in a hospital with intensive care facilities and staff experienced in treating Reye's syndrome can often reverse the course of the disease.

Once a diagnosis of Reye's syndrome has been made, treatment is concentrated on the control of brain swelling and intracranial pressure through the use of drugs and monitoring measures. Even with this aggressive therapy, some children who recover from Reye's syndrome may suffer permanent brain damage. Although treatments may vary, the prognosis for children with Reye's syndrome is improving. This may be attributable in part to the fact that more diagnoses of Reye's syndrome are made before children reach advanced stages of the disease, physicians now have more experience in treating the disease, and treatment is more aggressive.

Research

The National Institutes of Health is sponsoring research efforts to identify the causes of Reye's syndrome, develop methods of treatment and/or prevention, improve methods of diagnosis, and identify which children might be at high risk. Because Reye's syndrome research transcends the areas of epidemiologic, neurologic, and metabolic studies, NIH-supported investigations are multi-institutional to provide the broad coverage needed in the study of this disease. The institutes conducting Reye's syndrome research include the National Institute of Allergy and Infectious Diseases (NIAID), the National Institute of Neurological and Communicative Disorders and Stroke (NINCDS), the National Institute of Environmental Health Sciences (NIEHS), the National Institute of Arthritis, Metabolism, and Digestive Diseases (NIAMDD), the National Institute of Child Health and Human Development (NICHD), and the Division of Research Resources (DRR).

Epidemiologic studies are being conducted to determine if viruses, aflatoxins, insecticides, or pesticides may play a role in the development of Reye's syndrome. Researchers

are also working on improving existing Influenza A and B vaccines, developing new ones, and studying varicella vaccines. If influenza and varicella infections can be controlled and eventually prevented, Reye's syndrome may not occur in the aftermath of these epidemics.

Five general clinical research centers located at universities throughout the country also receive support from NIH to conduct research on Reye's syndrome. Their research focuses on such areas as determining whether any metabolic defects remain in the survivors of Reye's syndrome, finding methods to reduce the high levels of ammonia that occur during Reye's syndrome, and understanding the mechanisms involved in the disease that produce the severe brain swelling. One recently initiated study has been undertaken to evaluate the neurological, psychological, and educational abilities of children who have survived Reye's syndrome.

The development of animal models and the study of biochemical correlates are also topics of interest to scientists. Other grantees are searching for a serum factor that might be responsible for destroying the mitochondria in children with Reye's syndrome. Working with rat liver mitochondria incubated with serum from Reye's syndrome patients, these researchers are trying to ascertain what substance in the serum could be the cause of the structural and functional alterations in the mitochondria.

In addition to national surveillance, the Centers for Disease Control is studying the possible role of specific viruses, aflatoxins, and medications. The Centers for Disease Control also conducts investigations of Reye's syndrome outbreaks when they occur in the United States.

Reye's syndrome is receiving increased national attention. The National Institutes of Health is sponsoring workshops and meetings to bring together investigators from various disciplines. As scientists move closer towards discovering the causes of Reye's syndrome, there is hope that occurrence of this serious and sometimes fatal disease can be prevented.

Several private organizations also are actively concerned with Reye's syndrome. For further information, write to:

National Reye's Syndrome Foundation (Michigan), 8293 Homestead Road, Benzonia, Mich. 49616.

The National Reye's Syndrome Foundation, Inc. (Ohio), P.O. Box 829, Bryan, Ohio 43506.

The Robert Katz Medical Research Foundation, 969 Saxony Drive, Highland Park, Illinois 60035.

American Reye's Syndrome Association, 701 S. Logan Street, Suite 203, Denver, Colo. 80209.

The Diagnosis and Treatment of Reye's Syndrome

A Consensus Development Conference was held at the National Institutes of Health on March 2, 3, and 4, 1981, to address issues on the diagnostic criteria and treatment of Reye's syndrome.

At NIH, consensus development conferences bring together investigators in the biomedical sciences, practicing physicians, consumers, and advocate groups to provide a scientific assessment of technologies including drugs, devices, and procedures, and to seek agreement on their safety and effectiveness.

On the first two days of the meeting, a consensus development panel and members of the audience reacted to evidence presented on the following questions:

What are the key signs, symptoms, and laboratory findings of Reye's syndrome?

What is the evidence for the effectiveness of the various treatments of Reye's syndrome?

What are the clinical and experimental studies needed to advance our ability to diagnose and treat Reye's syndrome?

The members of the panel represent the disciplines involved with the diagnosis and treatment of those with Reye's syndrome. Panelists were nominated for their role by seven specialty associations: the American Academy of Neurology, the American Academy of Pediatrics, the American Association of Neurological Surgeons, the American Society of Anesthesiology, the American Academy of Family Physicians, the Child Neurology Society, and the American Nurses Association. This summary is the result of the panel's deliberations.

Reye's syndrome is a rare, potentially life-threatening illness that affects children of all ages, with peak incidence between 5 and 15 years; on rare occasions it has been reported in adults. Although Reye's syndrome (encephalopathy with fatty degeneration of viscera) has been extensively investigated since the classic description of the disorder by Reye, Morgan, and Baral, in 1963, the etiology and pathogenesis of this disease process remain obscure. The subcellular insult appears to affect mitochondria in multiple organ systems. Since prompt treatment may provide a better chance for complete recovery, early diagnosis is important.

Dissemination of information including the early symptoms of Reye's syndrome, diagnostic criteria, and essential aspects of therapy is recommended. This information should be distributed to parents, physicians, and nurses to facilitate early recognition, diagnosis, and treatment.

1. What are the key symptoms?

Reye's syndrome should be suspected in a child who, during or while recovering from a viral illness (most commonly chickenpox or influenza), unexpectedly develops repetitive vomiting and altered behavior such as lethargy, confusion, irritability, or aggressiveness. Fever is not usually present at this time. In children under 1 year of age, vomiting, although present, may be overshadowed by respiratory disturbances such as hyperventilation or apneic episodes. In this age group, seizures may occur as well. The consensus panel suggests that all children with the above symptoms receive prompt medical attention.

2. What are the laboratory findings in Reye's syndrome?

Helpful laboratory tests include determination of serum transaminases, ammonia concentration, and blood prothrombin activity. The serum transaminase levels should be at least three times upper normal limits; prothrombin time is usually prolonged, and blood ammonia levels are usually elevated. Jaundice is conspicuously absent and bilirubin levels are rarely elevated. Blood glucose level is usually normal, especially in children 4 years of age and older. CSF findings include fewer than 30 cells per mm^3 and normal CSF glucose concentration except in association with hypoglycemia. Other recommended laboratory tests include determination of blood glucose, amylase, calcium, phosphorous and salicylate level.

3. Where should a patient be treated?

The major need in a primary care setting is a high index of suspicion for Reye's syndrome and a willingness to perform appropriate laboratory investigations promptly. Children with history and laboratory findings suggestive of Reye's' syndrome should be hospitalized for detailed observation, intravenous glucose infusion, and supportive therapy. Management of patients with Stage II* or worse should be carried out in a pediatric intensive care unit with a multidisciplinary team and preconceived protocol approach.

If the diagnosis of Reye's syndrome is made in a primary care setting, the responsible physician should, in consultation with colleagues in a tertiary care center, discuss the timing of transfer. An intravenous infusion containing glucose should be initiated as early as possible, and the transport team should be prepared to provide support for vital functions.

4. What are the currently used rating or classifying systems for measuring the severity of clinical symptoms? How useful are they?

A variety of staging systems have been proposed for Reye's syndrome patients, based upon clinical neurological findings. These systems have proven useful in determining the severity of the illness, monitoring therapy and for predicting ultimate outcome. The multiplicity of staging systems has, however, been confusing for clinicians and researchers alike.

5. Should a uniform system be recommended for general use?

The panel reviewed a number of proposed staging systems and recommends the following system for use in management and study of Reye's syndrome:

TABLE 1.—STAGING OF REYE'S SYNDROME

	I	II	III	IV
Level of consciousness	Lethargy follows verbal commands	Combative/stupor, verbalizes inappropriately	Coma	Coma.
Posture	Normal	Normal	Decorticate/decerebrate	Flaccid.
Response to pain	Purposeful	Purposeful/nonpurposeful	Decorticate/decerebrate	None.
Pupillary reaction	Brisk	Sluggish	Sluggish	None.
Doll's eye	Normal	Conjugate deviation	Conjugate deviation/inconsistent or absent	None.

6. When is a liver biopsy needed?

The diagnosis of Reye's syndrome can be made in most patients without liver biopsy, a procedure not to be undertaken lightly in an uncooperative, critically ill child with defects in coagulation. The results may confuse rather than inform unless the tissue is processed and interpreted by pathologists with a special interest in the illness.

Nevertheless, a carefully planned biopsy, after correction of the coagulation abnormality, performed by physicians experienced in performing and interpreting the results of such biopsies, can provide important information in certain specific situations. Biopsy should be seriously considered in patients in certain categories: (1) infants, (2) children with recurrent episodes, (3)

*Stages in this paper refer to those described in Table 1.

familial cases, and (4) nonepidemic (sporadic) cases without antecedent infection or vomiting. Another reason for biopsy might be the need for increased certainty of the diagnosis if a new and potentially dangerous therapeutic regimen is planned.

7. WHAT OTHER CONDITIONS MAY BE PRESENT WITH SIMILAR SYMPTOMS?

There is a lengthening list of illnesses that have been temporarily misidentified as Reye's syndrome. Toxins, including aspirin, methyl bromide, hypoglycine (senecio alkaloid), isopropyl alcohol, pyrrolizidine, aflatoxin, lead, and valproic acid may produce disturbances of consciousness and elevation of serum transaminases. We now recognize that transaminase elevations may occur in children with varicella without Reye's syndrome and in shock or hypoxia due to a wide variety of illnesses. Intramuscular injections (especially thorazine) and protracted seizures are additional causes of enzyme elevations in the setting of other central nervous system diseases.

When confronted by familial or recurrent occurrence of Reye-like illness, the physician should consider an in-born error of metabolism, especially systemic carnitine deficiency, B-OH, B-me glutaric acidemia, ornithine transcarbamylase deficiency, or hereditary fructose intolerance.

8. WHAT SPECIAL DIAGNOSTIC TESTS ARE NEEDED?

CT scanning is neither necessary nor indicated for diagnosing Reye's syndrome unless there is clinical suspicion of a disease other than Reye's syndrome, e.g., subdural hematoma, brain abscess, etc. Thus, CT scanning is not an integral part of the diagnostic evaluation of the child with Reye's syndrome. If, however, the test is done early in the course of illness, it will show a normal pattern or evidence of diffuse brain edema, with no displacement of ventricles or localized areas of enhancement.

Other neurological diagnostic tests such as the EEG may be utilized depending on the availability of appropriate equipment and individuals skilled in EEG interpretation but, in general, the EEG has not proven to be helpful in following patients, in determining prognosis, or in altering treatment. It may be used, in the absence of hypothermia or significant levels of barbiturate, as one of the indicators of brain death.

9. WHAT HAVE BEEN THE INDICATIONS FOR INTRACRANIAL PRESSURE MONITORING? WHAT DEVICES ARE AVAILABLE? WHAT ARE THE GOALS IN REDUCING INTRACRANIAL PRESSURE AND WHEN CAN MONITORING BE STOPPED?

Since 1976, several reports have suggested that monitoring of intracranial pressure may be useful in treating cerebral edema in children with Reye's syndrome. Devices used include those monitoring pressure from epidural, subarachnoid, and ventricular spaces.

There are difficulties inherent in the assessment of the usefulness of a procedure that is employed as a diagnostic rather than a therapeutic tool.

Retrospective comparisons of the use of intracranial pressure monitoring devices have produced conflicting opinions. Some physicians believe it improves their ability to manage patients, others do not. Mortality and morbidity directly attributable to monitoring devices are low, but local infection, focal seizures, subdural hemorrhage, cerebral spinal fluid leakage, and occlusion of the pressure sensor may occur. However, the use of these devices has not been shown to have a detrimental effect on outcome in children with Reye's syndrome. Interpretation of the usefulness of intracranial pressure monitoring devices is further complicated by an increase in earlier referral of milder cases, concomitant with improved pediatric intensive care unit facilities and general supportive care. Data are inconclusive regarding criteria for discontinuation of monitoring, but no evidence exists that prolonged use of these devices (>4 days) is of benefit.

10. WHAT ARE APPROPRIATE THERAPIES IN THE NONCOMATOSE PATIENT?

The standard therapy for Stage I patients with Reye's syndrome includes administration of dextrose-containing fluid. While there are no studies documenting that hypertonic glucose administration is clearly preferable over 5 percent dextrose administration, a number of considerations including hypoglycemia in Reye's syndrome have prompted many experienced clinicians to administer 20 percent dextrose solutions to achieve blood-glucose levels of approximately 250 mg percent. The rate of fluid administration may have to be changed in the setting of brain edema although clinical experience indicates that severe fluid restriction often results in hypovolemia and hypotension. This may occur even with relatively normal rates of fluid administration when osmotic diuretics are given concomitantly during Stage II. The most common osmotic agent is mannitol, given every 4–6 hours to raise serum osmolality to levels up to 325–350 mOsm.

It is for this reason that hemodynamic monitoring is extremely important in patients with Reye's syndrome. Arterial catheters not only provide continuous blood pressure measurement but also allow access for frequent arterial blood-gas sampling and other diagnotic tests. Central venous catheters or Swan-Ganz catheters are also useful for monitoring blood volume and cardiac filling pressures. This is particularly important with treatment regimens emphasizing hemoconcentration and high serum osmolalities. While central venous catheters may be entirely adequate in patients with normal cardiopulmonary function, pulmonary artery catheters for thermodilution cardiac output and wedge pressures should be used in patients who exhibit cardiac or pulmonary failure or in patients receiving drugs such as catecholamines.

11. WHAT ARE THE IMPORTANT METABOLIC DERANGEMENTS AND ARE THEY AMENABLE TO TREATMENT?

There are many documented metabolic derangements in Reye's syndrome, including hypoglycemia, hyperlactatemia, hyperammonemia, short chain fatty acidemia, hyperaminocidemia (glutamine, glutamate. proline, phenylalanine, tyrosine, glycine, alanine, lysine, aspartate, and alpha-amino-N-butyrate) as well as a respiratory alkalosis. Despite all these well-documented findings, their relationship to the severity or treatment of the disease remains speculative except for two specific observations.

The maximum peak ammonia level appears to be correlated with the ultimate severity of the disease although treatment of the hyperammonemia has not been shown to alter outcome. Perhaps the only generally recognized metabolic treatment is hypertonic glucose administration, which even in the absence of hypoglycemia, has been observed in many centers to be beneficial.

Elective intubation of patients in Stage II Reye's syndrome has received general acceptance in most centers and appears to be without significant complications. The rationale for this is that control of the airway is essential in patients who require hyperventilation to control cerebral edema and who are at high risk for the development of coma.

Finally, correction of clotting abnormalities by administration of vitamin K is generally accepted therapy. Administration of 10 mg or more vitamin K, particularly intravenously, has been documented as producing hypotension.

12. WHAT ARE THE THERAPIES FOR INCREASED INTRACRANIAL PRESSURE?

While the encephalopathy of Reye's syndrome is not always associated with increased intracranial pressure, elevations of intracranial pressure frequently complicate the care of patients in coma. As a result, efforts have been directed at prevention and control of increased intracranial pressure. Therapies commonly employed include osmolal therapy as well as spontaneous and controlled hyperventilation. Other measures such as high-dose barbiturates, steroids, cerebrospinal fluid withdrawal and decompressive craniotomy remain investigational. Groups employing these measures have failed to demonstrate survival rates better than that seen with intensive supportive care, including temperature control as well as management of circulatory, respiratory, and metabolic disturbances.

Early diagnosis and prompt referral to an institution providing skilled intensive pediatric care by an experienced team are key factors in improving survival of children with Reye's syndrome.

Any use of these newer techniques of monitoring and therapy of cerebral edema should be reserved for centers experienced in the diagnosis and management of children with severe neurological disorders.

13. WHAT THERAPIES ARE DIRECTED AT REMOVAL OF PRESUMED TOXINS?

Exchange transfusion, peritoneal dialysis, total body washout, charcoal hemoperfusion, and plasmapheresis have all been suggested as potentially helpful by removing an unidentified toxic substance from patients with Reye's syndrome. To date, there is no evidence that the use of these techniques for this purpose is associated with an improved survival for patients with Reye's syndrome. Exchange transfusion, which has been extensively employed, may have a role in the correction of clotting abnormalities.

14. WHAT ARE THE RESIDUAL FINDINGS?

Complete recovery may be expected in the majority who survive the acute phase of Reye's syndrome. However, some children who experience Stage III or IV disease may suffer brain damage resulting in developmental delay, motor impairment, or mental retardation.

Normal functioning in school may be delayed. For some weeks, the children may be able to do the prescribed school work, but at a slower rate. Sometimes, distractability, inattention, and memory problems may occur.

Anxiety and apprehension associated with fear of bodily harm and death are frequently encountered in these children while hospitalized and following discharge from the hospital. Such fears can be helped by gentle parental support. However, parental fears of near loss with resultant over-protectiveness of the child can accentuate behavioral or school problems and should be avoided.

Extensive psychological and educational testing appears to be unnecessary except in a study setting. Working with school personnel to assist them in providing learning experiences geared to the individual needs of the recovering child is often required. Family guidance and counseling may be useful and is encouraged.

15. WHAT ARE THE AREAS OF FUTURE RESEARCH?

The areas of potential research with regard to Reye's syndrome can be broadly and arbitrarily grouped as follows: epidemiology, etiology, diagnosis and disease screening, treatment and patient monitoring, and evaluation and followup (long/short). The most important area is elucidation of the etiology of this syndrome.

The proposed research agenda reflects the peculiar nature and current state of clinical knowledge of Reye's syndrome. A central consideration is the relatively low and seasonal incidence of this potentially lethal disease. This fact often results in small numbers of patients seen at any single hospital, and can contribute to the geographic maldistribution of observed cases. However, this

maldistribution may represent an opportunity to study risk factors that may be unique to various sections of the country. In studying treatment efficacy, together with the many possible combinations of disease stages and treatment regimens, this low disease frequency mandates the necessity of multicenter collaborative research efforts.

Epidemiology: The identification of high risk infants and children deserves particular attention. More detailed stratification of the incident cases on age, race, presence/absence of environmental factors, socioeconomic and other characteristics will be helpful to study further the observed difference in disease occurrence among many population subgroups.

Additional efforts should be made to explore the unusual geographic pattern of Reye's syndrome and to perform more intensive data collection programs within each region. To facilitate the collection of multicenter clinical data, Reye's syndrome should have a specific diagnostic code in the ICD–10.

Etiology: The etiology of Reye's syndrome remains unknown. An association with a recent viral infection, especially influenza B, and varicella, is well-established. However, the development of Reye's syndrome following any of these viral infections is uncommon. In addition, three recent population-based case control studies have demonstrated an apparent association between salicylate usage and Reye's syndrome. Since the specific questions posed to the panel and discussed at the consensus conference were limited to diagnosis and treatment, the data on which this observed association is based were not presented, but were discussed by several participants in the conference. Each of the three studies indicated a marked increase in the estimated relative risk of Reye's syndrome, which does not appear to be due to chance. However, other possible explanations of this association include potential biases such as case-control selection (e.g., comparability of antecedent illness), information gathering (e.g., based on recall), and confounding (e.g., indications of salicylate use).

Parents and physicians should be aware that most, if not all, medications have potential deleterious effects; thus, caution in the use of salicylates in children with influenza and those with varicella is prudent. Currently, the risk of these effects is unknown for salicylates or for other antipyretic medications. Since salicylates have been given to children with illnesses predisposing to Reye's syndrome without adverse effect, and cases of Reye's syndrome have occurred in which salicylates had not been administered, salicylates alone cannot be responsible for the development of Reye's syndrome. However, the similarities between salicylism and Reye's syndrome, together with the recent studies reporting association between Reye's syndrome and salicylate ingestion, indicate a need for further carefully designed studies.

Thus, data from these future studies must be available before recommending changes in the current practices of antipyretic therapy of children. Other factors that deserve attention include the role of influenza and other viruses, aflatoxins, and genetic predisposition.

Diagnosis and disease screening: Although guidelines for the recognition of Reye's syndrome are generally accepted, information on the validity of the many proposed screening (clinical and laboratory) tests is incomplete and based on small numbers or nonuniform criteria.

Particular attention should be given to documenting the sensitivity, specificity, and predictive values associated with the various tests.

Treatment and patient monitoring: The proper evaluation of the various treatment regimens of Reye's syndrome can only proceed within the framework of a randomized controlled trial, with unbiased determination of therapeutic outcome (other than survival status). However, the range of treatment regimens should include the major contemporary strategies to facilitate the development of consensus protocols. Such an approach would optimize institutional participation, and result in increased numbers of patients studied.

A need exists for determining the optimal monitoring procedures; namely, applying the most sensitive indicators of patient status while exposing the patient to minimal risks related to many invasive techniques.

In any event, treatment and monitoring evaluations should be based upon strictly defined protocols that specify the appropriate sample sizes needed to detect particular effects, after patient exclusions and "losses" due to other reasons. Also, strict stopping rules should be specified prior to the initiation of any experimental intervention studies. For example, the protocol should contain strict guidelines for ensuring the homogeneity of comparison groups—particularly with respect to "baseline" characteristics.

Evaluation and followup: Both the short- and long-term sequellae related to Reye's syndrome should be evaluated, using strict treatment protocols. Subtle effects on mental and motor capabilities should be evaluated using longitudinal data analysis, to detect points in time if and when abilities return to "normal." When possible, evaluations should be conducted without knowledge of the patient's treatment or monitoring regimens.

The conference was sponsored by the National Institute of Neurological and Communicative Disorders and Stroke; and co-sponsored by the National Institute of Allergy and Infectious Diseases; the National Institute of Arthritis, Metabolism, and Digestive Diseases; the National Institute of Environmental Health Sciences; the National Institute of Child Health and Human Development; and the Division of Research Resources. Collaborating agencies included the Centers for Disease Control and the National Center for Health Statistics. Assistance was provided by the Office for Medical Applications of Research, NIH.●

STATEMENT BY ARTHUR FELLWOCK, COMMANDER IN CHIEF OF VFW BEFORE COMMITTEE ON VETERANS' AFFAIRS

● Mr. DECONCINI. Mr. President, on March 3, 1981, the commander in chief of the Veterans of Foreign Wars, Mr. Arthur Fellwock, delivered an excellent statement before the Senate Committee on Veterans' Affairs detailing that fine organization's views on the current status of veterans' programs and benefits and its legislative priorities for the 97th Congress. The statement presents a clear and concise picture of both the short- and long-range problems confronting our Nation's veterans, especially in the field of health care, and I felt it should be shared with all the Members of this body. Mr. President, I request that the full text of Commander in Chief Fellwock's statement be printed in the RECORD.

The statement follows:

STATEMENT OF ARTHUR FELLWOCK, COMMANDER IN CHIEF VETERANS OF FOREIGN WARS OF THE UNITED STATES

Mr. Chairman and Members of the Committee:

Although it is a singular honor for me to appear before this distinguished Committee representing the more than 2.5 million men and women of the Veterans of Foreign Wars of the United States and our Ladies Auxiliary, it is with heavy heart that I do so. This, since I am here today in the place of our beloved T. C. Selman who expired October 21, 1980, two months to the day following his election as Commander-in-Chief of our great organization. T. C. was a Marine Corps veteran of World War II who served in every position of leadership and responsibility in the V.F.W., was a former mayor of Freeport, Texas and a man who gave unstintingly of his time, his effort and his own means to assist our nation's veterans and to assure an America dedicated to the principles established by our founding forefathers. Therefore, my first act in office was to dedicate this administrative year as the "T. C. Selman Memorial Year."

Mr. Chairman, our pamphlet, entitled, "V.F.W. Priority Goals—Legislative and Security for 1981," is appended to my testimony and, without objection, it is requested these priority goals be made a part of the record of this hearing. Although carrying my name, these priority goals reflect the thinking and the programs initiated by the late T. C. Selman.

Mr. Chairman, as a life member of V.F.W. Post 2673 in Cody, Wyoming, it is gratifying to us all that you have been elected Chairman of this Committee by your colleagues. To those of you who have returned to the Committee, please accept my personal thanks for your continued dedication. To those of you who are newly-elected to Congress or recently appointed to this Committee, you have accepted a trust that is very sacred, to provide the Veterans Administration the programs needed ". . . to care for him who shall have borne the battle and for his widow and his orphan."

Mr. Chairman, permit me to commend this Committee for having shepherded through the Second Session of the 96th Congress legislation to enhance benefits for our veterans, their dependents and survivors which became Public Laws 96–330, 96–385 and 96–466. The soundness of your legislative actions was wholeheartedly endorsed when the Senate overrode the President's veto of H.R. 7102, the "Veterans Administration Health-Care Amendments of 1980," which became Public Law without the President's signature. Your sensitivity for those you so ably represent was well demonstrated in the agonizing cost-savings legislation in the amount of $400 million you were mandated to submit by the First Concurrent Budget Resolution for the fiscal year 1981.

It is always a pleasure for me to recognize individuals who have dedicated themselves to the high professionalism required of those whose efforts are on behalf of others rather than themselves. With that in mind, I commend your fine professional staff and, in particular, Kenneth P. Bergquist, Chief Counsel and Staff Director; former Congressman Garner E. Shriver, your General Counsel; John Pressly, Associate General Counsel; Jonathan R. Steinberg, Chief Minority Counsel; Edward P. Scott, Minority General Counsel; and William Brew, your Special Counsel. These men and their capable staffs have worked closely with the Executive Director of our Washington Office, Cooper T. Holt and our National Legislative Director, Donald H. Schwab, and their staffs not only for the benefit of combat veterans but for the entire veteran community.

Accompanying me here today, Mr. Chairman, are those who make up the national leadership of our great organization. Their untiring efforts have resulted in this being our 26th consecutive year of increased membership. Among our numbers we count more than one-half million Vietnam veterans or one-fifth of those who served in Vietnam

or contiguous waters during our involvement in those hostilities.

Mr. Chairman, and regardless of party affiliation, the voting populace of our nation sent a clear and unmistakable message in the election last November. They want double digit inflation, which reached 25.7 percent in the last two years, brought under control so that their earned or retirement income has meaningful purchasing power. They want the prime rate, which reached a record high of 21½ percent last December, greatly reduced so that they can afford the finance charges to purchase a home and other necessities. They have signaled a desperate need for strong leadership. We are, indeed, facing economically troubled times. Financial experts outside the government and the hard money advocates, who believe a return to the gold standard is our only chance of salvation, have been predicting the coming of an economic collapse for more than a year. Whether or not we choose to give credence to their prophecies, we cannot ignore the considered opinion of an expert such as Alan Greenspan, the former Chairman of the Council of Economic Advisers. Mr. Greenspan stated recently that only "bold and creditable action can save the economy." David Stockman, the Director of the Office of Management and Budget believes we face an "economic Dunkirk" and the President, himself, has labeled the federal budget "out of control."

Mr. Chairman, the V.F.W., we who, above all others, are responsible for our nation being free today, applaud the President's goal to reestablish a stable economy. We believe the cure must come and the longer it is deferred, the more painful it will be for us all. However, and let the record reflect, veterans' benefits have already sustained disproportionate cuts the past several years. In 1976, the Veterans Administration budget was 5.02 percent of the federal budget in outlays and for the fiscal year 1981, has fallen to 3.39 percent, a reduction of 1.63 percent. Now, I would not insult your intelligence by intimating that the Veterans Administration requires 1.63 percent more of the budget or $10.8 billion this year, but, by comparison, let us examine the social and welfare programs. In 1976, the budget for the Department of Health, Education and Welfare was 35.14 percent of the federal budget in outlays. For 1981, the combined budgets of the successors to HEW, the Department of Health and Human Services and the new Department of Education total 36.53 percent of the federal budget, up 1.39 percent. That translates into an increase of $113.3 billion in five years and the whole 1981 budget for these programs, $242 billion, is more than one-third of the entire federal budget of $662.7 billion in outlays. If anyone can identify fat, fraud, waste or abuse anywhere within the Veterans Administration or its programs, the V.F.W. stands ready to lend its full support in its eradication, although we do not know where any fat exists.

Under no circumstances, however, can we ever in any way subscribe to emasculating veterans' benefits and services as enunciated in the Heritage Foundation report entitled "Agenda for Progress." Those of you familiar with this document know that it recommended (1) that compensation payments should be limited to veterans and survivors of veterans whose disabilities are traceable either to combat or job-performance as defined under workmen's compensation regulations; (2) Congress should eliminate all pensions for veterans and survivors of veterans which are not compensable as service-connected; and (3) that the present VA health-care system be dismantled. The thrust of this unfeeling document reflecting how ungrateful the protected can be makes the Economy Act of 1933 pale by comparison. We of the V.F.W. would fight implementation of its provisions with every resource at our disposal.

Disturbing to me, Mr. Chairman, is that one of your former colleagues, now the Director of the President's Office of Management and Budget, David Stockman, felt obligated to take a gratuitous and onerous slap at our nation's veterans. You no doubt read that he stated many Congressmen "admit to holding noses" while voting benefits for veterans "who do not even have a hangnail" to show for their experience in uniform. This is unfortunate, indeed. What this country does not need, Mr. Chairman, are those who never heard a shot fired in anger, never even donned a uniform and may even have brought comfort to the enemy making disparaging remarks about our veterans whose personal sacrifices have kept our nation free.

On the other side of the coin, when President Reagan was campaigning for the Presidency and addressed our 81st National Convention last August, his profound and sincere statements with respect to veterans and veterans' benefits caused him to be interrupted numerous times by resounding applause and standing ovations. Permit me to quote excerpts from his stirring address:

"To me," he said, "it is unconscionable that veterans in need are denied hospital and medical care because of inadequate funding which has closed hospital beds and cut health-care personnel within the VA.

"To me it is a breach of faith that compensation for those with service-connected disabilities has not kept abreast of inflation and that the administration rammed through Congress a pension program admittedly designed to deny such to World War II veterans and survivors.

"To me," Candidate Reagan continued, "it is the height of hypocrisy for the administration in high sounding words to repeatedly tell us how much we owe our Vietnam veterans and then, only in this election year recommend a stingy 10 percent increase in the GI Bill when these veterans have not had an increase since 1977 and the *Congressional Budget Office* has stated they now need a 30 percent increase to catch-up.

"To me the cruelest betrayal of all was the administration's proposed national health plan which, if passed, would have made the VA hospital and medical care system the nucleus of national health insurance. This, following repeated statements by the President that he supported the continued presence of an independent, progressive system of VA hospitals.

"To me," Mr. Reagan, who is now our President, concluded with "it is regrettable and insensitive of the administration to drag its feet in providing open national cemeteries in which veterans can be interred near their survivors. And finally today let me personally pledge to uphold veterans' preference in federal employment and to see it is strictly enforced in all federally funded programs."

In addition, and most reassuring, is the Republican Party Platform with respect to veterans which fulfills many of our current priority goals and is herein quoted:

"Republicans recognize the very special sacrifice of those who have served in our nation's armed forces. Individual rights and societal values are only as strong as a nation's commitment to defend them. Because of this our country must never forget its appreciation of and obligation to our veterans.

"Today the veterans population numbers 30 million. This is the largest veterans population in our nation's history. We recognize the major sacrifices they have made for their fellow Americans.

"We will maintain the integrity of the Veterans Administration. We will seek to keep it separate and distinct from other federal agencies as the single agency for the administration of all veterans' programs. In particular we feel it is of vital importance to continue and expand the health-programs provided to veterans through the Veterans Administration hospitals. Here we see the need for increased access to care, especially for older veterans.

"We further advocate continued and expanded health-care for our Vietnam veterans and consider it vital for the Veterans Administration to continue its programs for the rehabilitating of the disabled as well as its job training efforts.

"We are committed to providing timely and adequate adjustments in compensation for service-disabled veterans and the survivors of those who died as a result of their service. We are also committed to maintaining the pension program for those who have served during a period of war, for those who were disabled and impoverished, and for their widows and orphans.

"We will support measures to provide for every veteran at death a final resting place for his remains in a national cemetery, and for cost of transportation thereto.

"Veterans preference in federal employment in all departments and agencies will be continued and strictly enforced.

"Retired military benefits deserve more than the cursory attention given them by a Department of Defense otherwise interested in on-going programs. We believe that such benefits should be administered by the Veterans Administration."

We will, if necessary, remind the Administration time and time and time again of these commitments. The Democratic Party Platform contains some similar points.

The compensation and Dependency and Indemnity Compensation programs are the keystones of all veterans' benefits. Compensation remunerates in part some 2.2 million veterans, including more than half a million Vietnam veterans, whose earning capacity has been reduced by their service-connected disabilities. The more than 350,000 survivors of those killed on active duty or who were permanently and totally disabled at the time of death due to their service-connected disabilities including unemployability, receive Dependency and Indemnity Compensation. Congress, through this Committee, has made changes in these programs as dictated by the test of time and our primary concern is that these benefits are never permitted to be eroded by inflation.

The pension program for those disabled by non-service-connected disabilities and their survivors has come under particularly harsh criticism recently. Not only by the Heritage Foundation, but a publication of the National Tax Limitation Committee which in an advance proof dated February 15, 1981 entitled "Meeting America's Economic Crisis: A Roadmap to an Emergency in Federal Spending Reductions" opined that "the necessity of this program (pension) is questionable, particularly in light of other income security plans such as social security, Medicaid, Medicare and AFDC (Aide to Families with Dependent Children)." You know, as we know, that the pension program established by Public Law 95–588 is intended to keep nearly all veterans of World War II and subsequent conflicts and their dependents off the pension rolls. As of today, a veteran alone under current pension law is assured an income of $4,460 counting 100 percent of all other income from all other sources, including social security benefits. Thus, the dignity afforded our wartime veterans in need is $69 a year above the Orshansky update of the poverty line as reported in the November 1980 Interim Report of the President's Commission on Pension Policies. We believed at the time this legislation was passed, as we do now, that the assured income levels are too stringent. The key word is dignity and we do not believe that any veteran who served this nation in uniform during periods of hostility should ever, under any circumstances,

and for whatever reason, be reduced to the status of a welfare recipient.

Mr. Chairman, the educational benefits authorized by 38 USC are most beneficial for both veterans and the national treasury. Although approximately $52 billion has been paid in behalf of veterans pursuing their education since World War II, increased taxes paid by veterans whose incomes increase because of their education, repays the money invested several times over. Although it is heartening that 65 percent of our younger Vietnam veterans have availed themselves of the GI bill, there are still those who have not for any number of reasons. With this in mind, our last National Convention passed resolutions to extend both the delimiting date and the period of eligibility from 45 to 48 months.

While on the subject of educational benefits, a number of bills have been introduced in both houses of Congress to establish a new far-reaching and costly educational program for active duty personnel in our all volunteer armed forces. Needless to say, we of the V.F.W. fully support anything the Department of Defense believes will enhance the recruitment and retention of the necessary high caliber personnel. However, we object to the basic educational assistance in pending bills being funded by the Veterans Administration. These bills are all costly and would send the VA budget skyrocketing and subject all veterans' programs to renewed attack. Educational programs for active duty personnel should be fully funded by the Department of Defense, administered by the Veterans Administration and the Congress and the people of this nation educated to the fact that this additional money in the DOD budget is necessary to maintain an adequate defense posture to ensure their continued freedom.

Speaking of Vietnam veterans, Mr. Chairman, one of the provisions of Public Law 96–151 which was approved December 20, 1979, mandated the Veterans Administration to design a protocol for and conduct a study of persons, who during service in Vietnam, were exposed to chemicals known as dioxins used in various herbicides, including Agent Orange. To my knowledge, the Agent Orange study has not even commenced and 15 months have elapsed. Notwithstanding, the V.F.W. has been very active in an outreach program to encourage veterans who believe they were exposed to file a claim and be examined at a Veterans Administration facility. It is hopeful that this Committee will take whatever action is necessary to get this study underway which, incidentally, we recommended should be conducted by an agency outside of the Veterans Adminstration such as the National Institutes of Health.

Mr. Chairman, the greatest concern of the V.F.W. and, yes, the entire veteran population is maintaining the integrity of the separate and vast Veterans Administration health-care system which presently consists of 172 medical centers, 92 nursing home care units, 16 domiciliaries and 49 outpatient clinics. It is imperative, Mr. Chairman, that these facilities be properly funded and staffed so that no veteran in need of care be turned away as many are now. In the 1940's the VA hospital had 121,000 beds which have now been cut to 84,000, with additional reductions to 81,000 scheduled and in the interim the veteran population has doubled, standing at 30 million.

Because of inadequate funding and staffing 16,000 or more beds stand empty each month and, yet, it is nearly impossible to gain admittance to a nursing care bed for a veteran in need. As you know, the VA was authorized to maintain 12,000 nursing care beds in 1980 and each year thereafter, but according to the most recent figures available, the VA is operating only some 8,300 nursing care beds. The need for more rapid expansion of long-term care is self-evident when you realize that the average age of World War I veterans is 84.9 years, World War II veterans—60, and Korean veterans—50.7. In addition, and although Vietnam veterans are now only 33.8 years of age, over half a million of them are disabled and in need of varying degrees of continuing care.

Coupled with the foregoing, Mr. Chairman, is the tenuous personnel situation within the Veterans Administration and, in particular, within the Department of Medicine and Surgery. Medical care facilities still suffer from the reduction of some 5,000 personnel in 1978 and 1979 due to the Leach Amendment which cut personnel ceilings to those in effect on September 30, 1977, and former President Carter's hiring freeze wherein only one replacement could be employed for each two losses. Although the upcoming budget reflects an additional loss of only 54 personnel, the fact of the matter is that the reduction will amount to 1,344 employees due to the drain on existing facilities to staff new activations. In addition, we now have President Reagan's hiring freeze which will further complicate matters and must result in the reduction of health-care. As of this writing, informal information indicates that the personnel within the Department of Medicine and Surgery will be exempt in whole or in part. Furthermore, the General Counsel of the Veterans Administration has rendered an opinion that this latest hiring freeze is illegal and in violation of the law predicated upon the provisions of Title III, Public Law 96–151 which requires the Office of Management and Budget to provide the personnel ceiling for health-care staffing for which appropriations are made.

Mr. Chairman, we have always had a proprietary interest in veterans preference in federal employment which came under heavy attack during the last Administration. We believed this matter had been laid to rest when the 95th Congress retained veterans preference virtually unchanged. However, an attack thereon has appeared in a panel report of the President's Commission for National Agenda for the Eighties alleging that the most outstanding persons, particularly women, are not hired by the Civil Service and the issue of preference for veterans should be reexamined. This allegation has been repeatedly and thoroughly rebutted in testimony and we look for the continued support of this Committee should a serious threat to veterans preference in federal employment again surface.

Although at this point in time we do not know what cuts will be made in the Veterans Administration budget by the new Administration, two prime targets previously have been the construction program and beneficiary travel. We all know that renovation or replacement of antiquated hospital facilities is not a luxury but a necessity, as is the construction of new and expanded long-term care facilities. When I look at the new Senate office building under construction, which is a Taj Mahal of office buildings, I do not see how anyone in good conscience could agree to restricting construction of facilities needed by the veterans of this Nation. I also note that there is a proposed reduction in the upcoming budget of $15 million in beneficiary travel with a view toward further curtailing such for our veterans most in need, those with non-service-connected disabilities who are in real financial need. Informal information available to me also indicates that there is a proposal under consideration to require those with non-service-connected disabilities to pay the first $10 of beneficiary travel each time they require necessary medical care. President Reagan has promised that programs for the truly deserving needy will be untouched. We believe beneficiary travel is, indeed, one of those areas and full funding must be restored. There can be no doubt that restricting beneficiary travel to needy veterans also restricts their access to proper VA medical care.

Mr. Chairman, and members of the Committee, I trust each of you will be with us tonight on the occasion of our annual Congressional Banquet at the Sheraton Washington Hotel. As you know by now, we will be honoring the Honorable Paul Laxalt with our 18th Annual Congressional Award for outstanding service to the Nation. The reception will begin at 6:00 p.m. with dinner promptly at 7:00 p.m., where our Voice of Democracy winners will be honored guests. I want to assure each of you our program will conclude at approximately 9:15 p.m.

In closing, let me say that we look forward to a continuing close relationship with this Committee. We must never forget, nor permit the Nation to forget, that those of us who served during periods of war and hostility have rendered a very special service to our great Nation. We have given years of our lives, we have given years from our families, and we have given years from our personal endeavors, if not also our physical and mental health.

Thank you.●

EXTENSION OF MANDATORY BUILDING TEMPERATURE RESTRICTIONS

● Mr. PELL. Mr. President, the emergency building temperature restriction program authorized under the Energy Policy and Conservation Act expired in January of this year. President Carter had the authority to extend the mandatory restrictions for an additional 9-month period upon a finding that the imminent energy shortage which inspired the program presented a continuing threat. President Carter, I believe, quite correctly chose to extend the program for a 9-month period ending in September 1981.

Last week, however, President Reagan, by Executive order rescinded the decision to extend temperature controls by President Carter. This action, I believe, is most unfortunate and a mistake. Until the decision by President Reagan, the building temperature restrictions along with the 55-mile-per-hour highway speed limitations were the only mandatory conservation measures implemented by the Federal Government. The action to terminate the building temperature restrictions represents a sad commentary on this administration's conservation policy in light of the continuing threat our country faces from Mideast oil interruptions. To abandon this proposal, along with the 55-mile-per-hour highway limitation, as has been suggested, is a wrong signal to send to some of our leading OPEC suppliers who have emphasized to us the importance of our Nation's energy conservation efforts. The decision to end the restrictions is also the wrong signal to send to the American people regarding our energy vulnerability and their obligations to assist in reducing this vulnerability.

Recently, Mr. President, Senator PERCY released a study regarding an evaluation of the emergency building temperature program. This report concluded that it was indeed most effective:

The program requirements were simple to

meet, easy to administer, and used little of the taxpayer's money. Lastly, the program yielded immediate benefits by helping to reduce America's staggering international oil bill.

In this regard, data provided by the Department of Energy suggests that approximately 300,000 barrels of oil a day may have been conserved nationwide as a result of the program with a potential savings of $4.5 billion for our country since the beginning of the program in 1979. The study also reported that some major businesses, including American Telephone and Telegraph and Pan American Airlines, realized significant energy savings by complying with the program.

Mr. President, in view of the continuing uncertainty over world oil supplies and particularly the continuing conflict between Iran and Iraq, I regret that President Reagan rescinded the order to extend the building temperature restriction program implemented by President Carter. This program was not causing a hardship on individuals or businesses, nor creating an unnecessary regulatory burden for those affected by the restrictions. In my view, the temperature restrictions serve as a constant reminder of the continuing importance of conserving energy for us as a nation. I hope President Reagan will reconsider his decision on this important program.●

THE BONNEVILLE TRANSMISSION LINE AND STATE-FEDERAL RELATIONS

● Mr. BAUCUS. Mr. President, this is an exciting time for those of us who have been concerned about relations between Federal and State governments. In the Pacific Northwest, and in Montana in particular, one of the Federal agencies of major significance is the Bonneville Power Administration (BPA).

If the key to improved Federal-State relations is improved responsiveness and cooperation between Federal agencies and State and local governments as well as the people they represent—and I believe it is—one opportunity for improvement in Montana is with BPA: The Bonneville Power Administration needs to become more responsive to people in Montana.

There are provisions in the recently enacted Northwest Power bill that establish a planning council for BPA comprised of members appointed by State governments. This is a definite step in the right direction. But other steps can and should be taken immediately.

BPA TRANSMISSION LINE—THE LITMUS TEST OF BPA-LOCAL RELATIONS

Perhaps the paramount, immediate challenge facing BPA in my State is that of making itself genuinely responsive to Montanans with regard to the construction of twin 500 kV powerlines that BPA intends to build across western Montana. These lines would join with private lines being constructed across central Montana. They are intended to bring eastern Montana coal-generated electricity to BPA consumers.

Many Montanans along the route of the proposed lines, local governments, the Montana State government, and members of the Montana congressional delegation, have been confronted with a long series of problems in dealing with BPA on these lines.

CONTROVERSIAL QUESTIONS REMAINING

Indeed, there are still many controversial questions that, to date, have not been finally decided: Will Montana's siting act govern BPA's siting? How much impact aid will be available to impacted counties? There are many particular routing problems and questions about when the lines should be buried. These problems have become so complex that without BPA's so far having submitted to State siting authority, members of the Montana congressional delegation have, in effect, become to some extent de facto siting commissioners. We have, unfortunately, become the landowners' and local governments last hope.

IS BPA JUST GOING THROUGH MOTIONS?

All of these questions revolve around the more central fear that many of us from Montana have that BPA has been less than genuine in its response to our concerns. This concern was recently highlighted for me when I read papers filed in a lawsuit stemming from construction of a similar powerline by BPA in another State. (Columbia Basin Land Protection Association and Franklin County and State of Washington against James Schlesinger, et. al. is currently pending before the Ninth Circuit Court of Appeals.)

It appears that affected farmers had proposed an alternative route to the route proposed by BPA and submitted their alternative to BPA for review. But, the BPA official in charge of siting apparently, "* * * told his people not to spend any appreciable time in analyzing the alternative route suggested by the landowners."

FEBRUARY 27 MEETING WITH BPA'S ACTING ADMINISTRATOR

Last week, Mr. Earl Gjelde, acting administrator of BPA, came to my office at my request to discuss these problems. I reviewed a long series of particular problems that I and other Montanans have had with BPA, and I solicited his help in having both the particular problems remedied and the general situation improved. Much of what I had to say to him came down to getting BPA to do on its own what, to date has taken considerable and repeated prodding by me and others in the Montana congressional delegation to get BPA to do.

I must say, I was impressed by Mr. Gjelde. He has only held the reins of BPA as acting administrator for a few short weeks; yet his clear intent to quickly respond to the problems I pointed out was evident. At the same time, I am reminded of a caution given the world by George Santayana:

Skepticism, like chastity, should not be relinquished too quickly.

I know that Mr. Gjelde would agree that the best intentions of agency administrators are frequently lost in the jungles of bureaucratic indifference.

I look forward to meeting with Mr. Gjelde again in the near future to follow through further on the months of meetings and staff work that culminated in our meeting last week. I know that people all across western Montana are anxious to work with BPA. At the same time, landowners in the Flint Creek Valley and other areas near Drummond, Mont.; in the Clark Fork Basin, the Touchette Hills, the Nine Mile, the Houle Creek, and other areas near Missoula, Mont.; county governments and the State government may soon be suing BPA because of the problems we discussed.

In short, the best way BPA has to expedite work on these power lines is to meet the legitimate needs of the people and governments that will be impacted by the power lines. The best way Congress has for improving Federal-State relationships is to insure that agencies such as BPA are truly and genuinely responsive to the people they are to serve.

Directly following my meeting with Mr. Gjelde, I wrote to him to detail the progress I believe we made. I think it would be useful for everyone working on these problems to have this letter available, and I ask to have the letter printed in the RECORD.

U.S. SENATE,
Washington, D.C., March 2, 1981.

Mr. EARL GJELDE,
Acting Administrator, Bonneville Power Administration, Portland, Oreg.

DEAR MR. GJELDE: I appreciate your stopping by my office Friday and look forward to seeing you in the "follow-up" meeting we discussed in a few weeks. As I promised, here are more of the details concerning several of the points we discussed.

To repeat my general concern: BPA must do better in making its Montana line siting process genuinely responsive to the needs of Montanans along the proposed routes, to the landowners groups, the local governments, to the State Government, and to the Congressional delegation. From our discussion, I am confident that you are working to make these improvements. As part of this process, here is a listing of my understandings concerning our discussion Friday:

1. In the Drummond area, I understand you will see whether BPA can promise not to go thorough the Flint Creek Valley. This assurance would obviate the need to immediately pin down the Substation 3 site. Without this assurance, I am concerned that a south-of-highway substation site will prejudice BPA's decision on line siting west of the substation.

2. Also in the Drummond area, I would appreciate you making certain that periodic mailings and meetings with the Landowners Association occur without further prompting from my office. I would like to be provided with copies of BPA's group correspondence with Drummond area citizens and to be notified of meetings BPA is holding.

3. Concerning the Missoula area, I understand you will make certain that BPA immediately responds to several pending information and meeting requests as we discussed Friday. Pending requests of which I am aware are as follows:

(a) A December, 1980, letter request from Margery Harper, President, Clark Fork Basin Protective Association, for information and meeting; I would like a meeting between BPA and this group scheduled for some time during March;

(b) A January, 1981, letter request for information from the Missoula County Commission;

(c) A February 2, 1981 verbal request made by Richard L. Carter, President, Touchette

Hills Homeowners Association, of Gordon Brandenberger in Kalispell; I understand both Mr. Brandenberger and Mr. Carter have written notes of the specific request.

4. Also concerning the Missoula area, I am asking the Clark Fork Basin Protective Association, the Touchette Hills Homeowners Association, the Valley Preservation Council and Houle Creek Homeowners Association to send me their lists of members who wish to be kept informed of BPA's plans and progress. I will provide you with these listings as they arrive, as I have provided BPA with the listing of Drummond area citizens who attended my December 27 meeting. I understand that you will make sure that BPA communicates with these people as quickly as possible, and periodically as necessary to inform them of BPA plans, timetables and progress.

5. Finally, I have several substantive questions about Missoula area siting, as follows:

(a) Can you assure me that no special weight will be given the existing power line route in the Missoula area—that it will be considered only as an option with equal weight being given to alternative routes? As I mentioned Friday, BPA has given me this assurance with regard to the existing power lines site through the Flint Creek Valley near Drummond.

(b) What is the specific criteria BPA will use in determining areas through which the power lines must be buried?

(c) Once a route is determined, to what extent will people off of the route itself, but nevertheless impacted by the lines, be compensated for the impact? For example, will BPA pay for fixing television reception problems that result from the line's construction even if the people with these problems do not live directly on the route? Also, is any provision being made for scenic impacts on homeowners not living directly on the route?

6. Concerning BPA and the Montana State Government, it is my understanding that BPA is seeking formal memoranda of understandings with Montana that will involve the State in (a) initial decisions on whether BPA will build future power lines and other major facilities; and (b) the development of rules and regulations for implementing the Northwest Power Act—specifically including regulations determining the formula for providing impact aid awards.

As I noted in our meeting, it is my position that the Montana Major Facilities Siting Act should govern construction of major facilities within the State—regardless of whether the construction is federal or private. While this issue has not been finally resolved, still the decisionmaking on whether and who will build facilities needs to involve State Government at the earliest possible moment.

7. It is my understanding that BPA will thoroughly explore the basis of its determination of need for the proposed Libby Integration Project with appropriate Montana State Government siting officials and provide them with whatever specific information they require on a timely basis. The purpose of this is to allow the State and me sufficient information on which to base a recommendation to you on whether this project should proceed as planned. Accordingly, this needs to be accomplished as quickly as possible and before work has substantially proceeded.

8. Finally, it is my understanding that you will address the need for BPA to have personnel available to Montanans at meetings and otherwise who can address authoritatively Montanans' requests.

Thank you once again for your assistance.

With best personal regards, I am

Sincerely,

MAX BAUCUS.●

ANN'S NEWSSTAND AND THE REMARKABLE ANN COOPER

● Mr. KENNEDY. Mr. President, one of the first pieces of advice President Kennedy gave me when I was elected to the Senate in 1962 was, "Be sure to meet Ann Cooper and be sure to get your newspapers at Ann's Newsstand." I took that advice then, and I have followed it ever since.

Even then, Ann Cooper was already a legend in the Senate. For over three decades, her newsstand has been a fixture of Senate life. Her warm smile and her delightful personality have endeared her to generations of Senators and Senate aides.

Earlier this week, a detailed article in the Washington Post told the remarkable story of Ann Cooper over the years, from the time she first opened her now famous newsstand in 1948 in the old Carroll Arms Hotel. The article is of interest to all of us who know Ann and who value her friendship, and I ask that it may be printed in the RECORD.

The article follows:

[From the Washington Post, Mar. 2, 1981]

CAPITOL HILL'S NEWSSTAND ANNIE: NEWSPAPER STORE FOR THE STARS

(By Thomas Goldwasser)

Nine months before Harry Truman won his unexpected presidential election in 1948, Ann Cooper came to Washington. A few months later, after completing a course on hotel management and running the canteen at Sibley Hospital, the young woman in her 20s from Warren, Ohio, started a newsstand on Capitol Hill. She has been a fixture there ever since.

Today, one block north of the Dirksen Senate Office Building at 301 1st St. NE., in a trailer, is Ann's Newsstand, which Annie (everybody calls her Annie) Cooper has operated since 1965. Before that, beginning in the summer of 1948, she owned and operated her news business downstairs in the Carroll Arms Hotel. "I answered an ad," volunteers the businesswoman. The man who ran the stand had a heart attack, and his son was selling it for $1,000.

So, Cooper began hobnobbing with famous senators and their staffs. And, even though she has come upon some hard times since then, household names still talk and joke with her and, most important, consider her a friend.

"When I was at the Carroll Arms," begins Cooper, "Sen. John F. Kennedy used to eat in the dining room and he'd come down to read the magazines. He never bought them, just looked. He was shabbily dressed and always looked like he needed a haircut. You know, with his hair always hanging along side of his face." Then, Cooper pauses a few seconds and continues: 'He was very nice and friendly. Those were the good old days. People just are not like that now."

In addition to Kennedy, other senators, later to become household words, were newsstand patrons. Lyndon Johnson, Richard Nixon, Hubert Humphrey and Henry Jackson were, at times, regulars. "When Senator Jackson first got elected, he'd come in here every night to pick up his paper. And Senator Humphrey was a friendly soul. Everybody liked him. I have some thank you cards from him which I will always treasure. Not long before he died, I sent a card for his birthday." Today, the senate majority and minority leaders, Howard Baker and Robert Byrd, respectively, order their daily papers from Ann's Newsstand.

Cooper toiled in her Carroll Arms stand until 1965, when the hotel was sold. "When I first moved to the trailer," she explains, "I thought it would be temporary. But I got used to it and didn't want to move back when the hotel reopened." Since reopening the Carroll Arms, where comedian Mark Russell began his career and powerful Hill types made deals around the bar, has come upon hard times. In recent years, the building has been converted into office space for the surfeit of senate staff members.

Cooper, too, has had a string of bad luck the past few years. Over an 18-month period, beginning in November, 1977, she had a pacemaker implanted, was mugged and fell, breaking her hip. However, her shop never closed. Her friends on Capitol Hill came to her rescue. Hill policemen especially were helpful. Many men and women volunteered their lunch hours to take over her duties.

And Donnie Burch, who now serves as a Hill policeman on the House side, used a month's vacation to run the newsstand. According to Terry Flaherty, who heads the Senate parking unit, there really was no alternative. "If Annie had not gotten help from her friends like she did, she probably would have had to close up." Flaherty, who has known her since she arrived on the Hill, and is a close friend, continues: "The stand couldn't afford to take on any full-time help, and even with the way people helped out, Annie did, and still, has a rough time making it. Remember in her business, the profit margin is very small even in the best run stands."

And the consensus is that, Ann's Newsstand has not been masterfully run. "Annie's been too nice for her own good," concludes Allen Neece, Jr., who, until last November, served as legislative counsel to the Senate Small Business Committee. Neece, who now directs his own Washington consulting firm, elaborates: "In the old days, Annie used to be a bank to some of the Hill staffers. If they were strapped, they'd come to her for a loan. Large amounts of money, too, and many times she was never paid back."

Cooper's small-town habit of trusting people, without getting a word on paper, proved nearly fatal to her business. Her debts kept piling up. Finally, early in 1980, with the help of Neece and Janet Downs, staff members of the Senate Small Business Committee, Cooper received a $20,000 Small Business Administration loan under the new mini-businesswomen's direct loan program. However, even with this aid, coupled with advice on sound business management from the SBA's Service Corps of Retired Executives (SCORE), the wolves were still at Annie Cooper's door.

Last March, her largest creditor threatened to cut off deliveries within a week if she did not pay up.

Once again, Cooper's friends showed her how much they cared. With hardly any notice, comedian Mark Russell, Cooper's friend since early Carroll Arms days, Flaherty, and Roll Call editor Sid Yudain organized a fund raiser. And last March, more than 350 Annie Cooper friends, at a minimum of $10 a head, raised $6,500. At the shindig in a Senate committee room, the Capitol Hill pecking order was ignored, as lowly staffers mingled freely with senators.

Today, Annie Cooper remains right where she belongs, a block from the Capitol, running her business. Five days a week, from 5 am until 6 pm, she's there. On Saturdays and Sundays, she knocks off early at 3:30 or 4:00. She closes only on Christmas day. And she has enlisted the support of a bookkeeper who picks up the books one day a week.

She'll probably carry on essentially just the way she always has, running a business where, as Mark Rusell observed, "The six words heard most often in her career have been, 'Can you trust me till payday?' " ●

DEBT COLLECTION ACT OF 1981 CAN HELP REDUCE BUDGET DEFICIT

● Mr. SASSER. Mr. President, on February 26, Senator CHARLES PERCY and I introduced, along with four of our colleagues, the Debt Collection Act of 1981 (S. 591). Senator PERCY is to be commended for his long-standing concerns about this problem. Both he and I have worked long and hard on this subject, and I am hopeful that with strong bipartisan support we can pass S. 591 early in the 97th Congress.

I am equally gratified that President Reagan is prepared to support the lead of Congress in this matter. It is my understanding that the Reagan administration plans to mount a vigorous drive on the debt collection front, building on the recommendations of the debt collection project that President Carter established in August, 1979. I trust that the Reagan administration will lend its support to S. 591 as an appropriate vehicle for improving Federal debt collection efforts.

I have recently written President Reagan and OMB Director, David Stockman, concerning this matter, and I ask to have printed in the RECORD my correspondence on this subject.

The correspondence follows:

U.S. SENATE,
Washington, D.C., February 27, 1981.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I noted with great approval your statement of February 26 that you would press forward with an aggressive debt collection program in order to recover the more than $25 billion in delinquent debts that are presently owed to the Federal government.

I am heartened by this development. This country cannot afford to maintain the present policy of letting delinquent debts owed the Federal government continue to go uncollected.

The estimates of the fiscal loss to the Federal government from uncollected debts are truly staggering. In 1979 alone, the Federal government wrote off over $1 billion in uncollected debts. And by some estimates the eventual write-off for uncollected debts in FY80 could reach as high as $6.5 billion.

During these times of fiscal austerity when your Administration is making every effort to keep Federal spending below $700 billion for 1982, it is imperative that we put a legislative program in place that will help you achieve your debt collection efforts.

Senator Charles Percy and I along with four other Senators have just yesterday introduced legislation (S. 591) that will permit you to mount a professional and progressive debt collection effort.

Very briefly, this legislation will provide you with the tools you need to improve federal debt collection. It provides that information on bad debtors can be referred to commercial credit bureaus. The legislation amends the Civil Service Code to permit Federal employees to have their salaries offset for unpaid debts that they owe the Government. It permits the IRS, by carefully controlled procedures, to assist other Federal agencies in collecting unpaid debts, and it requires Federal agencies to provide timely and regular reports to the Congress on the extent of their efforts to collect unpaid debts.

Senator Percy and I intend to press the case for this legislation early in this 97th Congress. I am pleased that you share our concern about this grave fiscal problem, and I hope that Senator Percy and I can count on the Office of Management and Budget supporting this legislation.

Best regards.

Sincerely,

JIM SASSER,
U.S. Senator.

UNITED STATES SENATE,
Washington, D.C., February 27, 1981.

Director, Office of Management and Budget
Executive Office Building, Washington, D.C.

DEAR DAVE: I noted with great approval President Reagan's statement of February 26 that he would press forward with an aggressive debt collection program in order to recover the more than $25 billion in delinquent debts that are presently owed to the Federal government.

I am heartened by this development. This country cannot afford to maintain the present policy of letting delinquent debts owed the Federal government continue to go uncollected.

The estimates of the fiscal loss to the Federal government from uncollected debts are truly staggering. In 1979 alone, the Federal government wrote off over $1 billion in uncollected debts. And by some estimates the eventual writeoff for uncollected debts in FY 80 could reach as high as $6.5 billion.

During these times of fiscal austerity when the Reagan Administration is making every effort to keep Federal spending below $700 billion for 1982, it is imperative that we put a legislative program in place that will help the President achieve his debt collection efforts.

Senator Charles Percy and I along with four other Senators have just yesterday introduced legislation (S. 591) that will permit the President to mount a professional and progressive debt collection effort.

Very briefly, this legislation will provide the President with the tools he needs to improve federal debt collection. It provides that information on bad debtors can be referred to commercial credit bureaus. The legislation amends the Civil Service Code to permit Federal employees to have their salaries offset for unpaid debts that they owe the Government. It permits the IRS, by carefully controlled procedures, to assist other Federal agencies in collecting unpaid debts, and it requires Federal agencies to provide timely and regular reports to the Congress on the extent of their efforts to collect unpaid debts.

Senator Percy and I intend to press the case for this legislation early in this 97th Congress. I am pleased that President Reagan shares our concern about this grave fiscal problem, and I hope that Senator Percy and I can count on the Office of Management and Budget supporting this legislation.

Best regards.

Sincerely,

JIM SASSER,
U.S. Senator.●

THE FOUR HORSEMEN SHOW

● Mr. LEVIN. Mr. President, a valuable community service offered to citizens of the Eastern Upper Peninsula of Michigan is being recognized for its achievements on Saturday, March 7, 1981. A small businessman, Ross Roe, of Sault Ste. Marie, has sponsored a show on WSOO radio for a number of years which provides an outlet for community concerns, events, and general discussion of daily living.

The program, known as the Four Horsemen Show, is almost advertisement free. Instead, it features animated discussion with veteran broadcaster Bill Thorne asking every conceivable question of his wide variety of guests.

The Four Horsemen Show, its host Bill Thorne, and its sponsor Ross Roe, are receiving long overdue recognition for this Sault Ste. Marie Institution by the Sugar Island Lions and Sugar Island Senior Citizens Clubs.

I ask that the following editorial from the March 2, 1981, Sault Ste. Marie Evening News be printed in the RECORD.

The editorial follows:

[From the Sault Ste. Marie, Mich., Evening News]

THE FOUR HORSEMEN SHOW

In a week the Sugar Island Lions and the Sugar Island Senior Citizens will be taking a night to honor the Four Horsemen Show. It's an occasion worth noting.

The Four Horsemen Show, in case you've never heard of radio, or if you are so new to town you haven't passed a Saturday morning here, is a radio show broadcast to the area from the showroom of Roe Chevrolet. It's an hour long, and during that hour barely a minute, if that, is spent talking about Roe Chevrolet.

This is the community's hour of radio, and it is given to the community each week by Ross Roe. On it are sometimes lively discussions about what has been happening or not happening here, some advice about upcoming events, the weather in its entirety, and once in a while, some western tunes spun by host Bill Thorne.

The show has been used at one time or another by virtually every group in the eastern U.P. I've even had the pleasure of leaning against a shiny new car awaiting a turn at the mic with Thorne, and while I waited like everyone else on the show, I got a chance to learn about what's coming and why.

That's why the show is being honored, because it's an outlet to the community, for the community, and it works. It's important that every community have a place where some idle conversation, and some timely discussion can touch subjects that need attention. It's a measure of the community.

The popularity of the show speaks well for it, it's where Democrat meets Republican, township official meets city commissioner. Where church news and a feature share the mic with a country ballad.

We're pleased that Ross Roe is being thanked for sponsoring the program, and Bill Thorne, with his silkey style, and omnipresence is being thanked for his work.

The Lions and the senior citizens have made worthy choices and should be congratulated.

PAT EGAN.●

NINE-DIGIT ZIP CODE PLAN

● Mr. BAUCUS. Mr. President, I am pleased to support S. 539, introduced by my distinguished colleague from Minnesota, Mr. DURENBERGER. I am happy to be a cosponsor of this amendment.

The Postal Service has asked Congress for almost $1 billion to implement a nine-digit ZIP code and to purchase optical character readers (OCR's) and bar code readers (BCR's). The new OCR's would read the addresses on most first- and third-class mail and print a bar code on the front of the envelope. When the letter arrives at the local post office, it would go through a BCR that would direct it to the letter carrier.

The Postal Service wants to divide the country into some 20 million ZIP code areas, so mail can be sorted into smaller

units before being given to the letter carrier. The nine-digit code, which would be one's current code plus four new numbers, would correspond to a rural route, a block face, a firm, a building, or a lock section.

If implemented, the Service says it would send post cards to residents telling them what their new ZIP code is. But what if someone wanted to know the ZIP code of a friend in another State? Since it would take a 40,000-page volume to contain the expanded codes, plans are underway for a toll-free telephone number which would have computer operators on hand to provide ZIP code information.

By going automated the Service hopes to save about $600 million per year in labor costs. Machines would come to replace sorting clerks. The Service says no clerks would be fired, but when job vacancies occur they would not be filled.

While I applaud efforts to cut costs for the Postal Service, I cannot agree to increasing costs to the public in the process.

The Service has not provided any figures on what their nine-digit ZIP code plan would cost the private sector. Senator DURENBERGER says studies done by Minnesota companies and government agencies put a near billion dollar price tag on the cost to redo business files to contain the new codes. For businesses in Montana, the new ZIP codes would mean spending weeks and probably months revising their mailing lists—a severe loss of manpower times especially for smaller businesses who keep manual records.

The Postal Service says the automated system would help improve and speed up sorting and mail delivery by increasing the number of postal zones. In Montana, which now has about 400 ZIP codes, more than 80,000 codes would be created.

While this new system may help speed up the work in urban areas, in Montana and other rural areas this expansion would only serve to complicate the system.

I am also concerned that the Postal Service has been unwilling to look at less complicated and cheaper alternatives to its plan.

Rather than a nine-digit number, why not a five-character code, like four numbers and a letter? A Montana computer consultant who has studied the Postal Service plan told me such a system could be implemented with existing equipment and at a much lower cost. This kind of system is now being used in a number of countries throughout the world, including Canada, England, and Germany.

Finally, the Postal Service says its new system would be voluntary, so if a business finds the conversion process too costly or simply too much of a bother, it can still use its five-digit code.

But the Postal Service says the success of its plan depends on the support and patience of the American people. By 1986. Postal officials expect 90 percent of all first-class mail to carry the new code. It seems to me that to ask everyone to learn a nine-digit ZIP code when they already have a social security number, driver's license number, bank account number, ad infinitum, is not making it easy to comply.

And what if the public chooses not to use their new number? Then the millions of dollars of savings the Postal Service is talking about would probably not be realized. The Susan B. Anthony dollar, which potentially could have saved $50 million a year, failed to gain the acceptance of the American people. I only hope, along with my colleague Mr. JEPSEN, that the new ZIP code system, if implemented, does not follow a similar fatal course.

Last session, I voted in favor of an amendment to postpone implementation of this plan so we would have time to examine it more closely. As of now, I find closer scrutiny has not uncovered a great deal of favorable evidence.●

AMBASSADOR WATSON ON U.S. POLICY TOWARD THE SOVIET UNION

● Mr. PELL. Mr. President, last month our departing U.S. Ambassador to Moscow, Thomas J. Watson, appeared on the ABC interview program "Issues and Answers" to discuss his views on U.S. policy toward the Soviet Union. In accepting President Carter's ambassadorial appointment in 1979, Ambassador Watson brought to the diplomatic service the tough, business-like approach that previously had earned him the presidency of IBM, one of our country's most important corporations. Mr. Watson's views therefore today carry the weight of a man of considerable high-level experience, first in the realm of large-scale corporate enterprise and now in the realm of superpower diplomacy.

It is perhaps a measure of that experience that, at a time when American politics has been swept by nostalgia and a passion for oversimplification, Mr. Watson continues to be able to make crucial distinctions in his prescription for a wise U.S. policy. Without question, he favors firmness and strength: Ambassador Watson strongly advocated sanctions against Soviet actions in Afghanistan, and recommends even greater sanctions in the event of Soviet intervention in Poland. But at the same time, he supports the prudent pursuit of American self-interest—through energetic efforts to achieve progress in United States-Soviet negotiations on arms control.

Ambassador Watson disputes the carryover campaign rhetoric which glibly disparages SALT II as containing an alleged "fatal flaw," and believes there should be an immediate resumption of East-West discussions so that the results of 7 years of negotiation by three administrations are not lost to a dangerous future in which the technologically driven weapons race continues unchecked.

Mr. President, I ask that the transcript of Mr. Watson's interview be printed in the RECORD.

The transcript follows:

THOMAS J. WATSON, FORMER U.S. AMBASSADOR TO THE SOVIET UNION

ANNOUNCER. From Washington, ABC News present Issues and Answers. After more than a year of negotiating with the Soviet Union . . . Our American Ambassador to Russia has just returned with his report on the Men in the Kremlin . . . Here, in his first television interview since arriving in the United States from Moscow . . . Outgoing United States Ambassador to the U.S.S.R., Thomas J. Watson. To interview Ambassador Watson . . . ABC News Chief Diplomatic Correspondent Sander Vanocur . . . and Issues and Answers Chief Correspondent Bob Clark. We'll be back in just a moment . . . Issues and Answers is brought to you by CONOCO; where money produce oil, natural gas, coal, uranium and petro-chemicals.

Mr. CLARK. President Reagan has accused Russia's leaders in his first news conference, of reserving the right to commit any crimes, to lie, to cheat—those are his words—in pursuit of their goal of world revolution and world domination. You've just come back from 14 months in Moscow as our ambassador, do you share that judgement?

Ambassador WATSON. I don't share that judgment precisely. I think they go after their goals a good deal differently than we do. I think what they would call morality would be different than our terms of morality, but I think in many areas the Russians' and our interests run parallel and I think it is possible to work with them, very difficult, but quite possible, and so I would not share those views.

Mr. CLARK. Do you think the tough new approach of President Reagan and Secretary of State Haig taken toward the Russians is a wise way for the new administration to start off? Are the Russians likely to be impressed by this sort of talk?

Ambassador WATSON. I'm very impressed by their silent diplomacy. Most of the progress that I made, if any, in the Soviet Union, was done rather silently. I never held any interviews while I was there until just the month that I left. And I think that they are amenable to working things out silently because they have great inferiority complexes and they don't like to be made goats of. So any posturing, in dealing with the Russians, in my opinion, is not useful. I have great confidence in General Haig. I have never met him but I have made two trips to NATO while I was ambassador in the Soviet Union and I know that all of the NATO allies have profound respect for him. He also knows the size of the forces in place on both sides and in my opinion, if we can eliminate the conflict between the White House advisors and General Haig, we'll have smooth sailing or smoother sailing in the Soviet Union.

Mr. VANOCUR. Mr. Ambassador, did you have any conflict between the White House advisor and the Secretary of State during your tenure in Moscow?

Ambassador WATSON. Well, I had the great good fortune of knowing Senator Muskie and Senator Vance (sic) before I came on board and I didn't have conflict but I saw people all around me whose jobs were at risk and whose policies were undermined by this constant conflict that seemed to go on between the two places, and on one occasion I was accused in the press of being a little bit soft in the way I cabled back reports and I wired back and said I am cabling back in the most accurate way that I believe I can characterize the positions I hear from the Soviets and if that is not satisfactory, well, get yourself another boy, and I had the complete backing from the State Department in that position and no further trouble.

Mr. VANOCUR. Are you suggesting that National Security Advisor Zbigniew Brzezinski was leaking this to the press?

Ambassador WATSON. Well, it was attributed to a spokesman in his office and the suggestion was that my cables were varnished, to translate that, softened, in order to accommodate the Russian position.

Mr. VANOCUR. What do the phrases "soft" and "hard" in dealing with the Soviet Union

mean? They complain we are not businesslike in our approach to them, no consistency. Are they accurate in those charges?

Ambassador WATSON. I think that has substance to it, that accusation. They're a group of rather old men. Their average age is 68, as you know. They are quite consistent in their policies. Sometimes they are quite wrong. I think they very much miscalculated what would happen as a result of Afghanistan. But they are very consistent and they find it very hard to accommodate to the policies over the past four years, where the State Department was recommending one course and Dr. Brzezinski was recommending another course, and nobody really was calling the tune in the straight direction that the United States should be going. So they really couldn't follow the ball. And this made them very jittery. They understand the weaponry and understand the destructive power of each side. And they are extremely concerned with their dealing with an erratic kind of force when they look at us.

Mr. CLARK. Do you think, Mr. Ambassador, that we are headed into a dangerous period of confrontation with the Soviet Union, assuming that the tough talk by the Reagan administration is followed up by tougher stances against Soviet aggression anywhere in the world or against Soviet terrorism, support of terrorism?

Ambassador WATSON. Basically, Bob, I think the two systems are on a collision course. I can't tell you at what point they will collide but given no change in direction in the Soviet way of doing things, and no change in direction of our way of doing things, there's bound to be an explosion down the line somewhere, let's say somewhere in the next two to three decades. And so I just believe that we have to both recognize that we have the power to destroy each other and stop threatening or posturing. The last thing in the world that we want to do is to get into a position where we bluff the Russians or try to bluff them and they call our bluff. I think that's absolutely the last thing this administration wants to do or should do.

Mr. VANOCUR. President Brezhnev, of course, is 74 years old, and not in very good health. There is a view that when the last of the old revolutionaries are gone, the younger generation will be easier to deal with, more flexible. I take it you are not very hopeful about that?

Ambassador WATSON. No. I think it is a very steady system. Let's remember that a person doesn't get elected or brought into the Politburo until he is in his fifties. He's normally a candidate member so they can kind of see how he works for a while and then he finally is made a full member or he sometimes is dropped so that it—the tendency to perpetuate itself in its own shadow, and I see no possibility of it changing.

Mr. CLARK. And you warned about the danger of our being on a collision course; what currently, in the world, could bring a collision with the Soviet Union, could it be Poland, or what?

Ambassador WATSON. Well, I don't think Poland would bring a collision and I would be willing to talk about Poland at length. I don't think that would bring a collision because we have more or less accepted their zones of influence. They have tremendous problems in Poland because by going in there they would lose so much prestige in all of the relationships they have in western Europe in addition to any possibility of future friendships and relationships with us, so that they are on the horns of a terribly difficult dilemma.

Mr. VANOCUR. Mr. Ambassador, if you were still the ambassador in Moscow, when and if the Soviets invaded Poland, what would be your recommendation as to our course of conduct?

Ambassador WATSON. I would be for suspending everything that we can suspend that we have left, which isn't very much. And treating them at very much an arm's length situation. But I would not break diplomatic ties with them because I think with these weapons that we both have, that you can never afford to not be talking, and I think in the last year and a half, when I've been familiar with this situation, there's been all too little talk. It's been a tragedy to see this SALT situation deteriorate to the point where the only communication essentially has been a couple of meetings between Mr. Vance and Mr. Muskie and Mr. Gromyko and the rest all through Mr. Dobrynin and I.

Mr. VANOCUR. Let's take up some specifics. What should the Reagan administration do about SALT in its present condition?

Ambassador WATSON. Well, in my opinion, the best thing for the United States and the world would be to get back to the SALT table, feel the Russians out, see what the minimum changes are that the Reagan administration would accept, and then ratify that treaty. And before I finish that, let me say that when I last looked at that treaty, which wasn't very long ago, there was nothing in the treaty that would inhibit any of the plans of Secretary Brown or the head of the Joint Chiefs of Staff, General Jones. So that we were really agreeing to a second step after SALT I, to confirm SALT I, which is now just an ennui and being observed by mutual consent, informal mutual consent, we would be back into a negotiation to contain the weapons. Now, you know the weapons count and you know what they can do. Three of those weapons on New York will destroy 95 percent of the population, so if you want to destroy three hundred cities in the Soviet Union, then you take 900 weapons and there's nothing left of the Soviet Union. And if we were to do the same on the other side or they were to do the same to us, it would end up the same way. So you end up with, you'd use one-tenth of your weaponry and you'd have 90 percent left. What do you do with it?

Mr. CLARK. President Reagan has made it very clear that he wants some major changes in the SALT II before resuming serious negotiations. Do you think the Russians are willing to make any significant concessions that would get SALT II back on track again?

Ambassador WATSON. Well, they've spent seven years negotiating a treaty in good faith and I make no arguments to the Soviets. I'm just now arguing about the SALT II treaty. They believe they negotiated in good faith, both governments signed it, and now we can't get it ratified over here. They would be very reluctant to sit down at a SALT table and make major changes in SALT II.

Mr. CLARK. Failure to begin new SALT negotiations in a reasonable time, could it trigger a new nuclear arms race?

Ambassador WATSON. Well, I'm sure it would because the very minute we even suspect that they have broken out of the provisions of SALT I and II, then we would break out, and I think it is very easy that we would both begin to escalate. That's why I think the situation is so desperately dangerous at the moment.

Mr. VANOCUR. Mr. Ambassador, suppose we do challenge them to a new arms race, what will be their response?

Ambassador WATSON. Oh, they would build weapon for weapon with us. There is no possibility of getting them to collapse economically or give up because of our industrial potential or anything of that sort. The only way we can show the Soviet Union we mean business is by being realistic in the way we manage our own country, by balancing our budget, by raising taxes instead of lowering taxes, by going to universal military service, by having a civilian army that's not paid competitively with the civilian jobs outside. I'd have a hard professional corps that was well paid and then I'd have universal military service. That impress the Russians tremendously.

Mr. VANOCUR. What would you do about the grain embargo?

Ambassador WATSON. The grain embargo also impressed the Russians. I am concerned about the effect of the grain embargo on the farmers and I don't like partial sanctions that affect just one segment of the society. But in the grain embargo area, the Russians never thought that we would hurt ourselves in order to show dedication in our relationship with them. So I would hold that grain embargo right on there and try to figure out some way of compensating the farmers who are hurting.

Mr. CLARK. If the grain embargo is retained, would you extend it, perhaps, certainly if there is any new Russian aggression anywhere that would warrant extending the grain embargo, to other areas of trade, and this is reportedly one thing President Reagan is considering, so you don't just single out the farmers as the ones that bear the full burden?

Ambassador WATSON. Yes. I'm for overall sanctions if the Russians continue to operate in a fashion that we don't like or we think is dangerous. But you have to consider the Europeans walk around some of our provisions and I think it would be appropriate for General Haig to line up the Europeans quietly so that we can present a united front and we aren't sanctioning certain types of equipment and having them able to get that equipment from Western Europe somewhere or through Third World nations.

Mr. CLARK. We're going to take a short break here. We'll be back in just a moment with more Issues and Answers.

ANNOUNCEMENTS

Mr. CLARK. Our guest is Thomas Watson, who has just returned as the American Ambassador to the Soviet Union. And Chief Diplomatic Correspondent, ABC's Sandor Vanocur.

Mr. VANOCUR. Mr. Ambassador, we were talking about trade a moment ago. The Carter administration granted export licenses to Caterpillar Tractor and International Harvester so they could help build that pipeline that the West Germans are contracting with the Soviets to put natural gas in Siberia and Western Europe. Would you cancel those export licenses?

Ambassador WATSON. I would not. I would not because I think when you cancel export licenses, you are almost at the point of war. I would be very careful in what I committed to go over there and if I was giving them something that could help them technologically, I would do it, and I wouldn't object to a complete ban on all trade with the Soviet Union, as I said a few minutes ago. But to selectively sanction, I think is wrong. On the other hand, existing contracts which have been partially paid for, I think should be fulfilled.

Mr. VANOCUR. This is going to be a centerpiece of our foreign policy with the Soviet Union, trade, because the Western Europeans have one view of it, we may have another. Do we hurt ourselves by not trading with the Soviet Union or do we hurt them?

Ambassador WATSON. Well, I think that all of those sanctions, actions taken after Afghanistan, most of which were cooked up in Moscow by my group, although they may well have been cooked up in the State Department here simultaneously, were not things done to hurt the Soviet Union as much as to get their attention. And we really got their attention. This was the first time, you remember, in Afghanistan, that they'd ever moved outside of the traditional postwar boundaries. And they had no idea that we'd react the way we have, and we may well have made the world a little safer for a temporary period by letting them know that there were certain things that the Western World would not stand for.

Mr. CLARK. Defense Secretary Weinberger said this week that the Reagan Administration would very probably want to deploy the neutron bomb. There were some questions as to whether countries such as West Germany would let it, let us deploy it on their soil. The Russians have already warned that use, deployment of the neutron bomb would trigger a new nuclear arms race in Europe. Would you still go ahead and deploy the bomb?

Ambassador WATSON. No, I wouldn't. I would try to get a nuclear weapons treaty and if I couldn't I would build right with the Soviets. If they don't want a treaty with them, I would build bomb for bomb with them. But we've led this nuclear parade now for 40 years and it hasn't gotten us very far and we have essentially a large group of weapons that are meaningless. If one side used one of those weapons, even if it is a tactical weapon on the battlefield, it will quickly escalate to strategic weapons, and when it escalates to strategic weapons, 90 percent of each nation is going to be killed or maimed. And that's essentially national suicide. And neither one of our sides should be in a position of betting our nation on those kinds of odds. I think the quicker you get those weapons treatied, the better. Now, on conventional weapons, I would decide where and how I wanted to project my power and my national resolve, and I would build sufficient conventional weapons to do that whenever and wherever I saw fit.

Mr. CLARK. And you expressed a very strong concern earlier about a possible collision between the United States and the Soviet Union somewhere down the years; whether it be a decade or not, what would trigger such a collision?

Ambassador WATSON. Well, you mentioned the Middle East. Let me just take any of the nations down there. Iran, for instance. We could have a confrontation over Iran. It's all perfectly safe as long as we're confronting Iran from the south and the Soviets are confronting it from the north. But if Iran suddenly becomes a nonentity and the government collapses, then the Soviet and American forces are facing each other in a confrontation, and I've had nightmares about what you do in a situation like this. I hope you would get the U.N. into it and I hope you would try to back it down. But the thing that concerns me is that we can stumble into confrontation very easily in the dangerous world in which we live. And if we try to use the bluff and the threat of a thermonucelar weapon, that is an absolutely nonproductive course, in my opinion, because they are absolutely equal with us.

Mr. CLARK. Do you think there is a serious threat that the Soviet Union might invade Iran if the government there just collapsed?

Ambassador WATSON. I think it is a possibility, Bob, I really do. I'm sure that we are thinking about that as a contingency and I say this not knowing.

Mr. VANOCUR. Well, Mr. Ambassador, this goes back to the trade question. The Soviet Union has enormous quantities of untapped oil, natural gas. If they are not permitted to build that pipeline, transfer their gas to Western Europe, or if they have deficiencies in their own production for their own domestic consumption, doesn't that turn their attention more than it is already to the Persian Gulf?

Ambassador WATSON. There are a lot of people who say that. My own feeling is that the Russians are very realistic about the Persian Gulf and that we don't need to make any noise or lay down any ultimatums at all. They understand that that is a national and vital interest of the United States of America and I believe they will be very cautious there. What I really am concerned about is what happens if Iran goes into a revolution and really collapses as a viable government. Then I think that we both have got to go very, very cautiously to avoid serious consequences.

Mr. VANOCUR. Is there the instrumentality of communication now?

Ambassador WATSON. There is not and that's why I think we should be back at the tables, even if we are just sitting and discussing potential crises.

Mr. VANOCUR. Well, Mr. Ambassador, this is a blunt question but I ask it with respect, do we need an ambassador in the Soviet Union? The reason I ask this, ever since the days of Henry Kissinger and Richard Nixon, we seem to use Mr. Dobrynin, the Soviet Ambassador, as our ambassador, and even though he has to park now upstairs rather than downstairs in the State Department garage, is there any way that we can break out of this? Make our ambassador effective in the Soviet Union?

Ambassador WATSON. Well, I had no trouble seeing anybody in the Soviet Union that I wanted to but you know well, because you were visiting there while I was there, that it is a different kind of society now. The hostesses of Moscow are not anxious to get me to dinner whereas the hostesses of Washington often were very anxious to get Anatoly to dinner. He's a charming man. That's a closed society. We have an open society. But as far as I was concerned, I had no trouble getting to see any of them that I wanted to. Most of my visits were confrontational and yet when I left I thought that I had a good relationship with all of them, insofar as one can be very realistic and still have a good relationship.

Mr. CLARK. If we could get back to Iran for just a moment because this question of how we would react to any Soviet move into Iran could become an extremely critical one, General David Jones, the Chairman of the Joint Chiefs of Staff, did some of the toughest talking in this area this week, and he said before the Senate Armed Services Committee that if the Russians moved into Iran they should know that we might respond somewhere else in the world, perhaps with an attack on the Russian Navy somewhere. Do the Russians listen to that sort of threat?

Ambassador WATSON. I think that it contributes to the kind of atmosphere of tension but I don't think the Russians are particularly impressed by those kind of statements. The Russians know our potential and I think that silent diplomacy and silent management of the thing and personal conferences are a lot better in dealing with the Soviets than trying to deal with them through newspaper headlines.

Mr. CLARK. One of the areas where you disagree with President Reagan and Secretary of State Haig is over linkage. They are strongly for it and you have been generally opposed to the principle of linkage. Why?

Ambassador WATSON. Well, I think that you're comparing a mountain, in a way, with a molehill when you talk about linking a thermonuclear treaty when you are dealing with something that can destroy the whole Western World and an operation in Poland, serious though it may be, and it certainly would be serious, or a misbehavior in El Salvador. I think those are terrible things and I think they should be responded to with conventional arms and I think we ought to be strong enough, and if we are strong enough and dedicated enough, they won't be doing those kinds of adventures. But comparing the two different things together, they are just not in the same ballpark.

Mr. VANOCUR. Mr. Ambassador, when I was in the Soviet Union, you had this sense of paranoia about their own insecurity, kept mentioning phrases like parity, equality with the United States. Is there any way that the United States can satisfy this insecurity paranoia without jeopardizing our own vital interests?

Ambassador WATSON. I believe that we can do that. I believe a good treaty which is fair to both sides, as I believe SALT II was, I've never been able to discover the fatal flaw that I heard about so much during the election, if we could get that settled and then had sufficient conventional forces so that they would respect us wherever we happened to want to project our influence in the world, and we would respect them, I think that we could slowly simmer the whole thing down. Going in the direction we are going in now is calculated to get the worst kind of response out of the Russians.

Mr. CLARK. Mr. Ambassador, you have stressed several times the need to build up conventional arms to close the gap with the Russians, on conventional arms, but yet some of our military experts say it is going to take at least five or ten years, to let them get so far ahead. What do we do in the meantime? Is that the period of most critical danger?

Ambassador WATSON. Yes, I don't think they are nearly that far ahead of us. You'd have to count. They have a much different military problem than we. They have a hostile border of 7,000 miles, maybe 10,000 miles, China around to Finland. We don't have that kind of a problem. We also have some allies. So that you have to make sophisticated counts of what the strategic requirements will be. They probably are somewhat ahead of us in the areas of tanks and perhaps forward based aircraft. But we ought to be able to correct that very easily. And to think that you can control that gap by using thermonuclear weapons, is what I really wanted to make as the point here today, because you really can't. For many years we were able to do it. We had a monopoly. They were relatively cheap to build. And during the Cuban missile crisis, we were way ahead of the Russians and they backed out of there. Mr. Kunetsov said at that point, never again will be in a position to have to do this, and they've made great national sacrifices, you've seen, to bring themselves even. I think, as far as those weapons go, once somebody else has the same number you have, that is a useless weapon. And the best you can do is to treaty it and control it. Remember, on treaties, none of the treaties we have made are treaties that cannot be verified. There's no mutual trust between these two nations. And so each one wants to verify the other's compliance with the treaty.

Mr. CLARK. Mr. Ambassador, we thank you very much for being our guest on Issues and Answers.●

ESTONIAN INDEPENDENCE DAY

● Mr. PERCY. Mr. President, as we note the 63d anniversary of Estonia's proclamation of independence, we recall sadly that Estonia's independence was brutally cut short in June 1940 when the Soviet Union occupied Estonia and her neighbor states Latvia and Lithuania. Serious violations of individual rights pledged by the Soviet Union in the Helsinki Final Act continue today in Soviet-occupied Estonia.

On this occasion those of Estonian heritage in this country and elsewhere commemorate the establishment of the independent Estonian state in 1918 and renew their commitment and vigil for the return of independence to Estonia. All of us Americans, who are blessed with freedom, pay tribute to the rich scientific and cultural contributions of Estonians to Western civilization, and join with Estonians in their ongoing commitment to Estonian independence.●

THE SUCCESSFUL CETA PROGRAM IN BAYONNE, N.J.

● Mr. WILLIAMS. Mr. President, I was delighted to see Senator HATCH's favor-

able comments in the RECORD of February 26, 1981, regarding the Job Corps program following his tour of the Clearfield Job Corps Center located in Utah.

Senator HATCH succinctly outlined one of the many success stories that results from taking impoverished and unemployed youth and providing them with basic education, vocational skills training, work experience, and counseling. The results are readily apparent.

At a time when we are inundated with all the horror stories and the abuses that exist within the Comprehensive Employment and Training Act, as well as encountering the administration's efforts to cut back public service employment. I would like to offer yet another success story.

In Bayonne, N.J., which is, I might add, Secretary of Labor Donovan's hometown, we have found that public service employment workers have made a tremendous impact to the community with the services they provided. As a result of CETA employment, more than 123 individuals have been successfully placed into the mainstream of employment.

As we review the budget requests and proposed modifications to the CETA program, it is my hope that we can also focus on the beneficial effects these programs have had for disadvantaged individuals and the communities they have served.

I submit for the RECORD the Bayonne story as related by the mayor of Bayonne, the Honorable Dennis P. Collins, and also examples he has submitted of how CETA has worked.

The material follows:

STATEMENT OF MAYOR DENNIS P. COLLINS OF BAYONNE, N.J.

It would not be unrealistic for me to call our CETA program a "blessing" for both the city and for its residents who were caught in the midst of the national recession without a job. CETA was an answer to their prayers and an opportunity for the city to use an enlarged workforce to achieve goals that were only a dream before.

I refer, in particular, to the marvelous job of bulkheading done along the Newark Bay shoreline at City Park and Veterans Park by CETA carpenters, the great job of renovation accomplished at the old City Hall Annex building that had been unused except for storage since the 1972 opening of the new municipal building, and which is now being used by community agencies; the refurbishing of the former St. Andrew's School as a senior citizen center; renovation of the BEOF building at 22nd Street and the Boulevard; the Community Day Nursery building at 27th Street and Broadway; the teen-age/senior citizen center and Bayonne Mental Health Center at Broadway and 27th Street; and the restoration of the old Fire Museum on West 47th Street that has been declared as both a state and national historic site; the repainting of our sewerage treatment plant for the first time in 23 years; the refurbishing of the city's centralized garage; and renovation work and assistance to many, many nonprofit organizations in the community.

CETA employees also contribute greatly to the smooth functioning of the various municipal and board of education departments where they are trained in their jobs and have proven to be able and dependable workers.

Even the CETA summer Youth Program has aided the city, not only by gainfully employing our youth, but also in providing much needed services and making genuine contributions. For example, a group of students conducted a door-to-door survey of residents to help determine the number and location of senior citizens and persons with disabilities. This information has proved invaluable for our Office on Aging and the nonprofit Barrier-Free Club which reaches out to help the disabled with services and programs.

Since the inception of the CETA programs, over 350 Bayonne residents have been given employment and training opportunities. This does not include the Summer Youth Programs. The CETA II Program was started on November 12, 1974, and 52 persons were hired under that title. Because of openings in regular municipal jobs due to attrition, 11 of these CETA employees were eventually transferred to the city's payroll.

The CETA Title VI program had its inception on January 14, 1975. Since that time, 161 employees were hired on this program and again, due to attrition, 29 of these people were able to be transferred onto the municipal rolls.

On July 12, 1977, the CETA VI PSE Projects Program went into effect and since that time 142 employees had been hired. Finally, over 500 youth are hired each summer on that special program.

The information above gives examples of benefits to both the city and its residents gained through the CETA programs. I must stress that I have only cited a few examples since a listing of all benefits would take more space than contained in this letter.

Bayonne's success with CETA stems primarily from good administration and my appreciation is extended to the entire CETA administrative staff. Additionally, no program can succeed without the dedicated efforts of its members. And, so, I also extend thanks to the individual CETA employees who, through their efforts and good work, make the programs a success.

I would be very remiss if I didn't single out Edward M. Farrelly, executive director of the Hudson County CETA Consortium, and his dedicated staff for their invaluable advice and assistance. They treat us with the utmost courtesy and helpfulness whenever we call or visit. The success of Bayonne's CETA programs—and I'm confident of the program in Hudson's other municipalities as well—can also be traced to Ed Farrelly and his staff.

Unfortunately, there are so many critics of CETA who attack it blindly without realizing its great benefits. Our leaders in Washington are looking to curtail expenditures for these programs and to place needless restrictions on working CETA programs in the interest of the national economy.

Yet, they do not explain how it will help the economy if thousands of CETA workers are unemployed and if cities and other CETA sponsors have to curtail much needed programs for the community.

I again publicly pledge to work in close cooperation with Ed Farrelly, other mayors and CETA sponsors to maintain and hopefully even increase our CETA programs.

We at the grassroots know CETA works and we seek the cooperation of our Washington representatives to lend their efforts in seeing to it that the CETA program continues in the interest of our people and our cities.

CITY OF BAYONNE,
INTER-OFFICE MEMORANDUM,
March 4, 1981.

From: John P. Sakowski, M.D., Director.
To: Hon. Dennis P. Collins, Mayor.

The following people are full time employees of this department, formerly CETA employees:

Rosemary Cook, Rosetta M. Considine, Catherine Daugherty, Kevin Doyle, Gail Lake, Helen V. Mullanaphy.

The CETA program was helpful to this department in that it allowed employees to be hired and trained. Because of the in-depth training they received, the above were transferred to the regular payroll when vacancies occurred.

JOHN P. SAKOWSKI, M.D.,
Director.

CITY OF BAYONNE,
INTER-OFFICE MEMORANDUM,
March 4, 1981.

From: Gerard Kinch, Bldg. Supt.
To: Mayor Dennis P. Collins.

Building Services—Former CETA employees now city employees:

John James Hanly, Edward Hynes, Thomas Kirby, Marion Sinopoli, James F. Zeigler, Arthur Naugle.

The reason the above were transferred to the regular municipal payroll was because of the fact that their training and job performance as CETA employees was excellent.

CITY OF BAYONNE,
INTER-OFFICE MEMORANDUM,
March 4, 1981.

From: Marvin A. Eger, Director of Finance.
To: Mayor Dennis P. Collins
Re: CETA.

The Comprehensive Employment Training Act has indeed been mutually beneficial to both Bayonne and the employees in the program.

Recognizing the prime interest of CETA, this department has had extraordinarily good success in training, retraining and teaching job skills to many employees who wanted to get into the main stream of the employed.

The department has demanded that any CETA employee take advantage of on-going educational opportunities in addition to on-the-job training. We have insisted that CETA employees take Civil Service examinations in their categories in order to be eligible for governmental positions as they became available.

During my tenure as Director of Finance, the following list of Department of Finance employees, who were former CETA employees, are outstanding examples of a productive work force that I am proud to be associated with and whom I have appointed.

Giovina Genova, senior clerk.
Rosalie Maguire, clerk typist.
George Misdom, senior assessing clerk.
Dorothy Devaney, cashier.
Kathy Agel, clerk.
Anita Hitchell, clerk.
Betty O'Connor, senior bookkeeping machine operator.
Irene Kokola, clerk.
Robert Schaible, cashier.
Ed Herrmann, senior account clerk.
John Coffey, city comptroller, provisional.

For a complete perspective it must be noted that many of our former CETA employees, after leaving here went on to fill productive positions in the private sector.

Several of the eight CETA employees presently employed in the department have also followed the described patterns of training and testing. They, too, will be placed in meaningful employ as they qualify.

Respectfully submitted,

MARVIN A. EGER.

CITY OF BAYONNE,
INTER-OFFICE MEMORANDUM,
March 4, 1981.

From: James F. Sisk, Director, Department of Public Safety.
To: Mayor Dennis P. Collins.
Re CETA Employees.

More than two dozen men and women have been employed and trained by the Department of Public Safety since the inception of the CETA program in 1975.

Those employed in our Police Garage, Police & Fire Signal System and Parking Meter Division have aided those departments im-

measurably. From their ranks, we have hired, under Civil Service, one employee who is assigned to the Parking Meter Division.

Our Bureau of Criminal Investigation (B.C.I.) benefited greatly by the acquired expertise of its CETA employees. A former CETA employee currently holds a position which had been previously filled by a police officer. We have also hired another former CETA employee, with provisional Civil Service status, who proved invaluable to this office. Other CETA personnel, formerly assigned to B.C.I., have attained Civil Service status in the Board of Education and employment in the private sector.

Those trained in our Fire Prevention Bureau went on to Civil Service positions in the City Clerk's office and at the County level.

Our Municipal Court and Violations Bureau are, perhaps, the greatest beneficiary of the CETA program. The tremendous volume of work in these departments could not be handled were it not for CETA personnel. The Violations Bureau, in particular, served as a training ground for young people embarking on a business career as well as those re-entering the business world. We have absorbed onto the city payroll, through Civil Service, three former CETA employees, two currently assigned to the Violations Bureau and one to Municipal Court.

JAMES F. SISK.

CITY OF BAYONNE,
INTER-OFFICE MEMORANDUM,
March 4, 1981.

From: James R. Donnelly, Business Administrator.
To: Honorable Dennis P. Collins, Mayor.
Re Comprehensive Employment & Training Program.

Since the inception of the C.E.T.A. Program, the office of Business Administration has benefited considerably as the result of having approximately eight employees who assisted in our every day activities.

Most of these employees received their training and eventually located in other municipalities or the private sector. As the result of their efforts we have been able to update much of the record keeping in Administration, Real Estate, Personnel and Purchasing.

Three of our former C.E.T.A. employees have been placed within other departments. Pat Goodhart is certified in the Law Department, J. Bonner is a provisional employee in Business Administration and Arthur Burns is a Budget Examiner within the Community Development Block Grant.

JAMES R. DONNELLY,
Business Administrator.

CITY OF BAYONNE,
INTER-OFFICE MEMORANDUM,
March 4, 1981.

From: Frank J. Ziobro, Law Director.
To: Hon. Dennis P. Collins, Mayor.
Re: CETA employees

We were only able to use three CETA employees from its inception until the present time, the reason being that we required personnel with superior qualifications to meet the needs of our department.

Of the three CETA employees, we were able to have two retained by our department on a permanent basis and I think that that is an excellent performance in training and placing those employees in our department.

CITY OF BAYONNE,
DEPARTMENT OF COMMUNITY DEVELOPMENT,
March 4, 1981.

From: James M. Sweeney.
To: Hon. Dennis P. Collins, Mayor.

CETA workers have been utilized extensively in the Department of Community Development, performing basic construction tasks in the conversion or rehabilitation of City owned property as well as entry level municipal functions. CETA labor was used to introduce two employees (J. Sweeney, J. Garrantino) to City workers resulting in the eventual permanent full time employment of both. Others have helped complete surveys and neighborhood analysis for the various planning studies accomplished.

The heart of the CETA program has been the improvements completed on various municipally owned buildings. A staff of five men have completed the total renovation of the 47th Street Fire Museum, the City Hall Annex, the BEOF/Whelman's Club, St. Andrews Senior Citizen Center, the Neighborhood Preservation Office and to a large degree, the conversion of the former Democratic Club to the new home for the Community Day Nursery. These CETA projects have saved countless thousands of dollars in rehabilitation cost and have given new life to otherwise dilapidated structures.

JAMES M. SWEENEY, *Program Director.*

FREE PUBLIC LIBRARY,
Bayonne, N.J., March 4, 1981.

To: Honorable Dennis P. Collins, Mayor, City of Bayonne.
From: Mary E. O'Connor, Library Director.
Re: CETA employees at the Bayonne Public Library.

The following personnel worked at the Bayonne Public Library under the CETA job programs: Eugene Bocchiaro and Edward Lewis (who are still with CETA). Harry Babich, Richard Cerchio, Edward Helminski, Eugene Barry, Anthony Pietrowicz, George Szweada and John Lewandowski.

Of the above the following were later transferred to the regular Bayonne Public Library payroll: Catherine Dougherty as Account Clerk Typist, Edward Helminiski as Heating and Air Conditioning Operator, George Szweada as Building Maintenance Worker, Anthony Pietrowicz at Maintenance Repairer, John Lewandowski as Maintenance Repairer (who has since retired), Joseph Lupo will be hired as Guard Public Property effective April 1, 1981 when the present incumbent retires.

These training positions have served as an excellent source of manpower to fill library vacancies and I strongly urge that the CETA program be continued.

MARY E. O'CONNOR,
Library Director.

CITY OF BAYONNE,
INTER-OFFICE MEMORANDUM,
March 4, 1981.

From: Edward M. Sweeney, Director, Public Works Parks and Recreation.
To: Mayor Dennis P. Collins.

This is in answer to your request of March 3, 1981 requesting my opinion of the CETA program and how many employees were hired on the City payroll from CETA.

Attached are my comments on this matter.

EDWARD M. SWEENEY.

CETA COMMENTS

As the Director of the Department of Public Works, Parks & Recreation, I feel that the Comprehensive Employment and Training Act (CETA) has been very successful. CETA workers have gained on the job education and training in our department and a good percentage of CETA workers have found permanent employment with the City as vacancies permitted. Thus, we have carried out the goals of the CETA program.

With a breakdown of the department we can show that we have trained and hired people for a variety of jobs.

Sanitation Division—Approximately 35 percent of the division's work force came from CETA ranks.

Mechanical Division—An estimated 60% of our employees at the Central Garage are former CETA workers who gained valuable mechanical training.

Parks Division—Almost 25 percent of our work force in this division are former CETA workers. They have been trained to do a diverse number of jobs which include forestry, repairs, carpentry, painting and maintenance.

Recreation Division—25 percent of the workers in the recreation division were originally with CETA. They now perform work as recreation leaders, sports officials and secretaries.

Director's Office—20 percent of the clerical staff in the Director's office were trained under the CETA program.

SEWAGE PLANT PAINTING—CETA VI

To estimate the cost of the painting accomplished in the Sewage Disposal Plant to date, enclosed is a contractor's list of costs and labor involved if it was done by an outside paint contractor.

Funds for paint and labor paid by CETA. At no cost to city.

Contractor's total estimate, 1975, $33,075.00.

CONTRACTING ESTIMATED COST
SEWAGE TREATMENT PLANT

Area: Engine room:
Conditions:
Concrete ceilings—Raw, fine dust, some oil film.
Cranes (2), Crane beams steel (4)—Pitted rust, greasy muck.
Hand rails—Good. (1 coat of paint).
Sash—Good. Partial donel-coat.
Piping—Good. Partial donel-coat.
Operations room—Complete. (1 coat).
Overhead corrugated door—Pitted, muck.
Rigging—Major job in engine room. About 30 percent of time spent.
Cleaning method—By hand. Wire brushing, steel scrapers, some solvent washing, dust brushing.
Protection of engines and gear boxes from overhead dirt and fine dust by plastic covering.
Coatings—2 coats over 90 percent of area.
Types of paints—Concrete primers, latex finishes, steel primers, steel oil finishes, aluminum, enamels. $3,300.
Area: Compressor room (under grit room):
Conditions—Concrete ceilings and walls—Raw, oily, heavy dirt.
Piping—Oily film and dirt.
Cleaning method—Solvent cleaning, wire brushing, dust brushing.
Coatings—2 coats on all items.
Types of paint—Concrete primer latex finish and semigloss (dado). Aluminum. $650.
Area: Vacuum room (under filter room):
Conditions—Concrete ceilings and walls—Raw, very heavy dirt and sludge.
Piping—Heavy dirt and sludge, rust.
Machinery—Oily and rust scale.
Cleaning method—Steel scrapers, wire brushing, solvent cleaning.
Coatings—2 coats over entire areas.
Types of paint—Concrete primer, latex finishes, semigloss steel primer, steel oil finish. $2,000.
Area: Corridors (main floor 2):
Conditions—Clean concrete ceilings and walls (dado only). Some dust. 1 coat.
Types of paint—Latex finish, semigloss. $400.
Area: Grit room:
Conditions—Structural steel—85 percent heavy rust and scale. Thick dirty lime.
Sash—Steel rusty.
Hand Rails—good. (1 coat).
Piping—Partially rusty.
Rigging—Scaffolding over flume pits. About 30 percent of time spent.
Coatings—3 coats over 75 percent of area.
Cleaning Method—By hand, wire brushing, steel hammer chipping, dust brushing.
Types of paint—Steel primer, Aluminum, Enamels, $7,200.
Area: Laboratory:

Conditions—Concrete ceilings—dirty. Some dust—peeling.

Brick walls—(dado 5') Good. Some peeling (1 coat).

Sash—Good. (1 coat).

Counter Tops—Good. (1 coat Epoxy).

Cleaning Method—Metal scrapers, dust brushes.

Protection—Plastic covering equipment, Cabinets and Floor.

Scaffolding—20 percent of time spent.

Types of Paint—Concrete primer and finishes, Latex Semi-Gloss (Dado walls), Epoxy. $850

Area: Kitchen (lower level):

Conditions—Ceilings, walls and deck—partial peeling, dusty.

Coatings—10 percent prime.

Types of Paint—Latex flat, Semi-Gloss Porch and Deck Enamel. $140.

Area: Shower Room and Locker Room (lower level):

Conditions—Ceilings and Walls—Partial peeling, dusty.

Coatings—20 percent Prime.

Types of Paint—Latex flat and Semi-Gloss. $300.

Area: Stairways (2 to below engine room):

Conditions—Walls and Stairs—Good.

Coatings—1 coat all surfaces.

Types of Paint—Semi-Gloss Porch and Deck Enamel. $200.

Area: Under Engine Room:

Conditions—Ceilings, Walls, Floor—Raw, dirty.

Equipment and Piping—Heavy dirt, oily film. Heavy grease on deck.

Cleaning Method—Washing down completely with soapy water and solvents.

All Steel Surfaces—Wire brushing and scraping. Congested area hard to get at.

Coatings—2 coats 70 percent of Area.

Types of Paint—Latex primer and finish, Semi-Gloss Porch and Deck Enamels, Aluminum, $2,500.

Area: Locker Room (main floor):

Conditions—Ceilings and Walls—Peeling.

Coatings—20 Percent Priming.

Types of Paint—Latex flat and Semi-Gloss. $150.

Area: Boiler Room:

Conditions—Ceilings and Walls—Raw, heavy soot, oily in spots.

Equipment—Greasy with dirt.

Cleaning Method—Wire brushing, solvent cleaning, dust brushing.

Coating—Heavy aluminum.

Types of Paint—Aluminum, Enamel (motors). $1,100.

Area: Corridors (2-lower level):

Conditions—Ceilings and Walls—Raw.

Piping—Pitted rust, heavy dust.

Cleaning Method—Wire brushing, dust brushing.

Types of Paint—Latex primers and finishes, Semi-Gloss (dado), steel primers, steel oil finishes, Enamels, Aluminum. $675.

Area: Stairway (to vacuum pump area room):

Conditions—Concrete Walls—Good.

Coatings—1 coat only. (lower steps—1 coat).

Types of Paint—Semi-Gloss (walls). Porch and Deck Enamel (stairs). $100.

Area: Compressor Room (under engine room):

Conditions—Concrete Ceilings, Walls and Deck—Raw, oily and greasy, clinging dirt.

Tanks, Machinery, Piping—oily and greasy, heavy dirt.

Cleaning Method—Complete washing of all areas with soapy water and solvents. Wire brushing.

Coatings—2 coats over entire areas.

Types of Paint—Concrete primer latex finish and Semi-Gloss (dado). Steel primer, steel oil paint finish, Enamels, porch and deck oil. $950.

Area: Men's Toilet (main floor):

Conditions—Concrete Ceilings, Brick Walls—Peelings.

Coatings—Metal Partitions—Good (1 coat).

Ceilings—2 coats.

Walls—1 coat.

Types of Paint—Latex flat, Semi-Gloss, Enamel. $200.

Area: Filter Room:

Conditions—Concrete Ceilings—Raw, heavy dirt.

Cranes (2) Crane Beams (4)—Pitted rust, heavy dirt.

Sash—Pitted rust, heavy dirt.

Machinery—Heavy dirt, rust.

Hand Rails—Good (1 coat).

Over-Head Corrugated Door—Pitted. Heavy dirt.

Piping—Heavy dirt.

Rigging—about 25 percent of time spent.

Cleaning Method—Steel scrapers, hand wire brushing, solvent cleaning, dust brushing.

Coatings—2 coats over 90 percent of Area.

Types of Paint—Concrete primers, Latex finishes, steel primers, steel oil finishes, Aluminum, Enamels. $4,100.

Area: Stairway (end of filter room incl. area between vacuum room and tunnel):

Conditions—Concrete Walls—Raw, very heavy muck on piping.

Coatings—Hand Rails—Good (1 coat).

Walls—2 coats.

Types of Paint—Concrete primer, latex finishes, steel oil paint, Enamel. $1,100.

Area: Tunnel to Upper Gallery:

Conditions—Concrete Ceilings and Walls—Raw.

Piping—fair condition.

Coatings—1 heavy coat on all surfaces.

Types of paint—Latex masonary paint. Semi-Gloss oil paint on steel, Aluminum. $1,100.

Area: Cyclone Fence: 650 feet of fence wire brushed. One coat Aluminum. $750.

Area: Base of Water Department Garage: 1 coat on concrete 4' Base, $310.

Other Painting in Misc. Areas—Pumping Station, etc. $1,000.

Total: $36,000.

Total estimated cost, tools add 5 percent, $29,075.00.

Estimated paint cost, $4,000.00 (bid cost).

Total, $33,075.00, May 1–Jan. 31 (9 months).●

BILL KURTIS ON POLAND

● Mr. PERCY. Mr. President, one of the relatively few Western journalists who has been able to enter Poland in recent months and cover the story of the solidarity union movement comprehensively is Chicago channel 2 anchorman Bill Kurtis.

In his special report for WBBM–TV in Chicago, and in special articles for the Chicago Sun-Times, Bill Kurtis has captured the human details of the new spirit of hope that characterizes Poland's recent turmoil. It is in the best tradition of foreign correspondent journalism, full of insight into the forces shaping Poland's present renewal, and an inspiration to all of us who care deeply about the traditions and spirit of the Polish nation. Bill Kurtis has brought us a vivid picture of the struggle and optimism of Poland's workers.

Describing a rally in support of farmers' demands for an independent farmers' union, Kurtis says:

The spirit was here, the close relationship between the moral strength of what is happening in Poland and the people's force to carry it out. It has led many Poles to set their minds on the future, oblivious to threats of Soviet intervention, confident in their faith and a new Polish spirit—of Solidarnosc.

Mr. President, I ask unanimous consent that the full text of Bill Kurtis' articles on his recent travels in Poland for the Chicago Sun-Times be inserted in the RECORD at this point.

The article follows:

SOLIDARNOSC—AMID POLAND'S TURMOIL, A NEW, SMILING SPIRIT

(By Bill Kurtis)

WARSAW, POLAND.—A tall man, his dark coat turned up against the chill February wind, teetered on his toes, straining to see the beginning of the serpentine line that he had joined. He saw only the cold breath of his fellow Warsaw shoppers and the shifting of their stout frames from one foot to another. It gave the column a false sense of movement as it twisted out of sight around a corner.

One full city block from the newcomer's position, the line ended in a flurry of arms and elbows struggling to enter the doorway of a "delicatesy," patience finally giving way to the anticipation that had built during a four-hour wait to buy a few tins of canned tomatoes.

It is a common picture of Poland, 1981, for there are lines everywhere, longer than at any time in recent history, created by shortages of meat, fruit, dairy products, flour and appliances. For the average Pole, there was no store immune from the specter of empty shelves.

The Depression scene, although quite accurate, is a superficial impression, however. There is something more significant in the line of shoppers that more precisely represents Poland today.

Even after hours standing in the cold dampness, the rugged faces were smiling. Their voices were lively in animated conversation that mirrored small red-and-white pins on their coats, which bore a single word—SOLIDARNOSC.

It is a rallying cry for a new Polish spirit that has swept from the Baltic Sea to the Czech border, from the Silesian coal mines to the Black Madonna—Our Lady of Czestochowa. Solidarnosc has captured union workers and professionals, dissenters and intellectuals, housewives, students and farmers, cab drivers and waiters. It has unified the country into a single cause larger than any Polish force outside the Catholic Church and has turned a union of shipyard workers into a social movement that outnumbers the Communist Party in Poland 3–1.

Despite its size, however, and impressive gains—the five-day workweek that took six months to achieve in Poland took 10 years in East Germany—the spirit that represents social revolution in Poland also could topple the country into further Communist repression.

The most visible symbol of Solidarnosc is 38-year-old Lech Walesa, holding the reins of popular support in his hands while trying to delicately steer between Scylla and Charybdis—the Communist parties of Poland and the Soviet Union.

Walesa is no Mahatma Gandhi, although he endorses the same nonviolent tactics Gandhi used against the ruling British government in India. He is no Dr. Martin Luther King, Jr., although he identifies with the same Christian themes of neighborly love as a means to an end. He is a creation of communism's laboring class, a socialist who believes in free speech and free assembly but not necessarily in capitalism.

In early February, I found Walesa chasing one wildcat strike after another like a fireman trying to put out blazes, trying to mediate and moderate the labor problems, ironically, after having set off the first spark

of hope himself. He is attempting to hold the rising spirit of Solidarnosc within some control, preaching non-violence and patience, singing the Polish National Anthem with strikers in Bielsko-Biala and trying to avoid disorder there at the same time.

His rich, chestnut-colored mustache, split by the curving, full-bowled pipe he has recently taken up to cut a chain-smoking cigarette habit, has become a familiar trademark throughout Poland. He breezes into buildings with the swagger of a re-elected politician. He can exhibit a toughness forged in the shipyards of Gdansk and a shortness of temper intrinsic to union bargaining agents. Yet he also possesses the feisty charm of a streetfighter with the ability to use his warm smile to control the mood of a crowd as a maestro might lead an orchestra from one movement to another.

I have watched him crushed between security guards and tenacious television camera crews to be spewed into a waiting bus at Rome's Leonardo da Vinci Airport, only to mug for the cameras through the windows once inside, obviously enjoying the jostling attention. Even exhausted at the end of marathon negotiating sessions in Warsaw, Walesa would pause briefly amid the blue lights to communicate with the media—not playing to it, but responding dutifully to the waiting press.

We live in an age in which leaders often must excel in two arenas. One is private, like Walesa's presence at a negotiating table in Gdansk, and the other is public, like his media image of "commonness"—with loosely combed hair and ill-fitting clothes—which ignites the identification of a Polish constituency.

He has become the Poles' lightning rod, elevated from simple roots amid shipyard workers in Gdansk to world prominence. The small nation of 35 million seems to be riding along at his side, sharing each experience vicariously, sharing the thrill of winning—so far.

Every Pole's dream is to visit the pope at the Vatican. Walesa was there, kneeling to kiss the papal ring, standing alongside his holiness to receive a papal blessing and appearing to confer privately with the man who embodies the greatest surge of Polish pride in the country's history. The symbolism carried in a wirephoto back to Poland had enormous impact. A copy is still pinned to the wall of Solidarity's Warsaw office and its nonverbal communication speaks volumes on behalf of the Solidarnosc cause. Pope John Paul II is standing on the right, representing the moral strength of the Polish people, embracing the "commoner" Lech Walesa, who has become Every Pole.

The message during that embrace was to go slowly and peacefully. The strategy seems clear—to avoid giving the Soviet Union reason to send troops onto Polish soil, but it is a tall order to control the spirit of a social movement that is percolating wildly through millions of different hearts and minds.

Poles throughout the country already have begun liberalizing the communist structure in many individual ways, like speaking freely.

There was a Polish saying applied in the past: "When a Pole comes home from work he changes his shoes and his views." Today, proudly, Poles tell you that the phrase should be shortened to: "When a Pole comes home from work, he changes his shoes—period!"

The new attitude has taken the form of a boldness, even in front of the communist bosses, that at times seems to go even beyond Walesa's example. In the recent wildcat strike in Bielsko-Biala, where workers were out for 10 days, the issue was corruption among provincial Communist Party leaders, well beyond the traditional labor complaints of wages and working conditions. Communist Party leader Stanislaw Kania described the growth of Solidarity support in these areas as a political opposition force. That was denied by Walesa and other union leaders, but even impartial observers find truth in the charge. A strike in Jelenia Gora included demands to relinquish a vacation resort used exclusively by Communist Party members, another example of what Kania would call using strikes for political ends—but what the workers there were calling "justice."

Even sympathetic observers believe many areas are in a state of anarchy that pushes Walesa dangerously close to losing his comfortable negotiating relationship with the current ruling party and perilously close to the edge of chaos, which would be used by the Soviet Union as justification for sending troops into Poland to restore order.

In every sector are stories of individual "victories" in support of Solidarity goals. During dinner one night, I kidded the waiter about his lack of a Solidarnosc lapel pin, which was being worn by fellow waiters in another restaurant not far away. He lifted his lapel, revealing a red-and-white Solidarnosc button underneath, explaining that the national strike scheduled for Feb. 3 had been called off, according to a news conference broadcast only a few hours before. His attention to the matter had not missed a detail of the announcement.

Access to the media has, of course, speeded the growth of Solidarity. Before the summer of 1980, state-controlled television and radio broadcast only Communist-censored information. In the Gdansk agreement negotiated between the shipyard workers and the government, Solidarnosc was granted access to the media for the union's own purposes, which amounts to a pipeline of information completely independent of the government. In addition to that enormous concession, the government granted permission for Sunday mass to be broadcast for the benefit of shut-ins. It was Solidarnosc's "gift" to the church, and it cemented the trade union's bond with the movements alter ego.

A student who worked part time as a guide for foreign tourists expressed his feelings for Solidarnosc by referring to his father. "My father is a disappointed man. For 35 years he's worked hard in the belief that it would be good for his family, and now we don't even get a washing machine, automobile parts or food. Thirty-five years ago he thought it would all work out, that his generation would sacrifice for later generations of Poles—his sons—but he's bitterly disappointed." The father's sadness has become a flicker of hope in the son's eyes, hope that is carried in the organization—Solidarnosc.

Some 60,000 printers are members of Solidarity. They recently pressured their censors to let them print the truth, threatening to print the newspapers with blank spaces where the censor's cuts had been made. At one point, printers working on the Zycie Warszawy newspaper refused to print articles critical of Solidarnosc.

Journalists have carved new gains as the censors relaxed their red pencils in the mood of the reforms sweeping the country.

Two-thirds of the employees of Polish television are members of Solidarnosc.

Students, who touched off major protests in 1968 resulting in expanded academic freedoms, are almost lost in the current free-fire zone of labor unrest. They have taken over university buildings and staged hunger strikes to protest mandatory courses in Russian languages and Communist history.

The Holy Cross Church in Warsaw, where the first Radio Mass was broadcast under the agreement, closes each service Sunday with a Polish hymn that seems appropriately patriotic as well as religious. It's entitled "Let Poland Be Poland."

I saw the full scope of the Solidarnosc spirit most clearly during a dinner in the home of an upscale Polish family. Both husband and wife were engineers. She was a member of Solidarity and he was a member of the Communist Party who in 1978 had even served as an adviser to the Republic of Vietnam. Her support for the Solidarnosc cause was based on pragmatic reasons—"I hope Solidarnosc will influence supplies on the market and the standard of living." But there also were broader desires from the Communist member of the movement, bold talk in a conversation with a Western journalist. The husband joined her to say, "In my opinion the government could be more democratic, to promote the general welfare of the people."

"How will Solidarnosc be able to live with Communism?" I asked. "What will be the result?"

He was wrestling with his own concept of communism, as Poles have done for 35 years, balancing a socialist government with their opinions about Christianity. He replied, "Jesus Christ was the first communist." I suggested that communism was atheistic, to which he replied, "I mean Jesus Christ disapproved of any kind of mistreatment and persecution. His principles were the same as communism, that everything should be centered on man's good. He wanted to establish relationships based on man's equality. That's why I say he was communistic." He made it clear that Solidarity was not expected to overturn communism in exchange for capitalism, but even as a Communist Party member he expected a democratization of Polish Socialism.

We ate Polish ham and sausage, spiced with ample servings of Polish vodka. The meat, our hostess admitted, was obtained through diplomatic "connections." We'd call it "clout" in Chicago. That, she said, is the way many people are getting by—trading through friends and "connections."

During the meal, the lifestyle of the average Pole became the topic of their concern.

If someone wants an automatic washer, he pays the total price for the privilege of having his name placed on a list of buyers who must wait, for years sometimes, for the next shipment. Young couples routinely live for five to six years with their parents until they become eligible for housing. It is a practice by many parents to place a child's name on the housing list when he enters elementary school, so that when the child nears the age of marriage the wait will not be as long.

All these things, the couple hoped, would be helped by Solidarnosc, but realistically they smiled, knowing the social movement still was working from outside the center of power.

Shortly before leaving, our communist host said he probably would join Solidarity himself, to please his wife, but he added, "I think we are dealing with the particular character of the Polish economy. There have been restrictions in recent years, import restrictions, employment restrictions, and all of them have obstructed the economy. What we need is a new approach. There are enterprises which require many employees. When there are restrictions they can't function. That's why changes are needed along with a new responsibility on the part of managers."

On the way to the door, the walls of their children's room in the small apartment could be seen covered with posters of such American teen-age idols as Leif Garrett, the Bee Gees and the Beatles. Western influence through television programs and motion pictures has saturated Poland with the taste of a freer life in the West and with how life could be.

It has all contributed to a state of mind that now demands change.

A HARD ROAD TO SOLIDARITY—BUT WHERE WILL IT END?

(By Bill Kurtis)

WARSAW.—The current unrest in Poland can be seen with some clarity if placed in its historical perspective.

Throughout the 19th century, while

Poland's partitioned borders changed like shifting sands between Prussia, Russia and Austria, every generation rose up to claim the rights to a free and independent Poland.

That sovereignty was finally granted by treaty, not revolution, in 1919 with the Treaty of Versailles, only to be wiped away again when the Nazi blitzkreig swept into Poland in 1939. Socialism replaced it six years later under the repressive hand of Stalin's Communist Party leadership. It was a time of rebuilding and sacrifice so the next generation of Poles might be better off.

It was 1956 before the first real protest was led by students and workers against the policies of Stalin and Poland won a change of government with Wladyslaw Gomulka elected to head the United Workers (communist) Party. The Stalin era faded and the next 25 years was marked by the dates of strikes and protests which wrested small victories from the Communist regime.

Student strikes in 1968 achieved greater independence for scientists and academicians. Gdansk laborers struck the shipyards in 1970 to demand a union free from control of the Communist Party. They made the mistake, however, of letting their emotions spill into the streets, giving the government cause to use force to put down the riots. Nearly 50 men were killed. Among the strikers was a 28-year-old electrician named Lech Walesa whose experiences were stored away to form the basis of a strategy 10 years later in the same shipyards.

Strikes and protests in 1976 and 1978 all brought a modicum of reform but they were largely dissipated efforts of dissenters and intellectuals unable to unite the large population to their cause.

Solidarity can be traced to three concurrent forces that were developing during the '70s. The first was an economy that promised hope but failed.

After the 1970 Gdansk experience, Communist Party leader Edward Gierek liberalized the Polish government and promised economic expansion by turning to the West for the funding of industrial growth. The United States and European giants poured billions of dollars into Poland, creating an impressive industrial base but one that quickly extended beyond its existing technical capacity.

Poland had planned to repay the huge loans by selling its products in Western markets. That became a deep flaw. Those Western markets dried up when inflation and recession cut deeply into world economies, including that of the United States, and the quality of Polish goods simply did not measure up to those products already being sold in the Western markets.

In 1975, Poland's economy began to slide badly, unable to keep up with the optimistic undertaking of the first half of the decade. Much of Poland's production was taken out of internal consumption and exported to obtain hard currency to help repay the huge loans.

Lines begin to form when shortages appeared in stores throughout Poland. Housing slumped. Imports were restricted. Essential items like medicine ran into short supply. If the Poles prided themselves on anything it was eating well, especially pork, which carried them through the harsh winters. Eventually, farmers found it unprofitable, or they wanted to get a message across to the government, to raise pigs. Meat, vegetables, tractors, automobiles all seemed to be leaving the country, making it hard for Poles to buy even their own goods produced in Poland. They were left standing in line for what was available.

It was a severe blow, especially after the optimism of the early '70s, which led many to believe they could actually challenge Japan in productivity.

During this period of liberalized relations with the West, the highway between Warsaw and Chicago was flowing openly. Relatives visited frequently and the "culture" of the West poured into Poland.

As the economy faltered, so did the Polish faith in the Communist leadership. Rumors of special favors going to party members led to charges of government corruption, which fueled a total rejection of the governing ability of the ruling party and, perhaps more seriously, eroded any faith left in the economic policies.

By the end of the decade, Poland was $23 billion in debt to Western nations and the lines were longer than ever.

Concurrently, Polish pride was on the upswing, destined to peak at the end of the decade in the proudest moment of its 1,000-year church history when a Pole became pope. The significance can't be overestimated.

Poland is very likely the most devout Roman Catholic nation in the World. A full 90 percent of its population are Catholics and 75 percent are practicing believers. The church had become their shield under communism.

When Karol Wojtyla became pope in 1978, it was a confirmation of that deep faith, even a sign that 35 years of growing Catholicism under an atheistic system was destined for bigger things. Polish pride soared.

When Pope John Paul II visited Poland in 1979, the country unified in its one faith, behind one man. Even Communist Party members mixed into the huge turnouts to see the pope.

Although Cardinal Wojtyla had always followed the lead of his mentor, Cardinal Stefan Wyszynski, in preaching peace and internal order and moderation in the demands for unions and free speech, his message was taken by many as a direct challenge to the ruling government, a call to action to claim human rights of free speech and assembly—unions.

When the government ended its subsidy of the middlemen who sold meat, resulting in sharp increases in the prices of ham and sausage, the cutoff served as a trigger for the action Pope John Paul II seemed to be calling for.

Strikers bolted the gates of the Gdansk shipyard, this time staying inside the factories to avoid giving the authorities reason to call in force to put the action down.

By August, 1980, the strike had caught the world's imagination as the fight of a small band of men, struggling for their human rights against the great odds of Poland's powerful Communist Party backed up by the tanks of the Soviet Union. When 38-year-old Lech Walesa climbed the gates to announce victory to his fellow strikers, his speech was heard around the world. Maybe it was the appeal of the underdog winning against a Goliath, or perhaps the world sensed a valiant stirring in the soft underbelly of communism among the workers themselves.

Walesa was transformed from an out-of-work electrician into a world celebrity, and to his Polish constituency he became a hero second only to the Pope.

Solidarity had won the right to become a union independent of the ruling Communist Party. Within three months, 3 million Poles had agreed to join its ranks. By January, 1981, it claimed 10 million members, eclipsing the 3.5 million Communist Party members, many of whom had signed up as Solidarity supporters as well.

It was no longer just a union but a social movement which for many represented Polands only hope for reform. Intellectuals who could before muster only isolated support joined the spirit of change around the unified theme of democratic and economic reform.

Communist Party leader Stanislaw Kania charged that Solidarnosc had become more than a union, it had become a political opposition force. Walesa and others carefully denied any political aspirations but they are being pushed along by the Spirit of Solidarnosc, as clear to the Communist Party as it is to the people.

Each day seems to bring Poland to the edge of a cliff from which it has, so far, managed to back away. The questions loom daily. When will Solidarity go too far? When will it be unable to contain the spirit that is sweeping Poland? When will the government decide to use force, either Polish troops or Soviets, to restore order to Poland? And what then?

Walesa's most difficult problems of control may lie in the rural areas where farmers have already expressed dissatisfaction with a Supreme Court ruling that denied them an independent farmers union. Their feelings are deep.

I attended a rally of Rural Solidarity 25 miles from Warsaw, where 5,000 peasants farmers quietly marched behind a red banner from a church to a soccer stadium. They sat for two hours in the cold, listening to speeches calling for action, listing the complaints among the farmers, such as the inability to get tractors, parts, jeeps and fertilizer, and asking why the state-owned farms could get equipment easily.

When the rally was over, they marched back to mass at the church and sang hymns facing the same Rural Solidarity banner they had followed to the rally. Again, the spirit was here, the close relationship between the moral strength of what is happening in Poland and the peoples force to carry it out. It has led many Poles to set their minds on the future, oblivious to threats of Soviet intervention, confident in their faith and a new Polish spirit—of Solidarnosc.●

ORDER FOR THE RECOGNITION OF SENATORS BAUCUS AND KENNEDY ON TUESDAY, MARCH 10, 1981

Mr. STEVENS. Mr. President, I ask unanimous consent that Senator BAUCUS and Senator KENNEDY each be recognized for a special order not to exceed 15 minutes on Tuesday, March 10.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER PERMITTING THE INTRODUCTION OF BILLS, RESOLUTIONS, AND STATEMENTS, AND AUTHORIZING COMMITTEES TO FILE REPORTS UNTIL 3 P.M. TODAY

Mr. STEVENS. Mr. President, I ask unanimous consent that until 3 p.m. today Senators be permitted to introduce bills, resolutions, and statements, and that committees be authorized to file reports.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

RECESS UNTIL 11 A.M. TOMORROW

Mr. STEVENS. Mr. President, I move, in accordance with the provisions of the order previously entered, that the Sen-

ate stand in recess until the hour of 11 a.m. tomorrow.

The motion was agreed to; and at 1:18 p.m., the Senate recessed until Friday, March 6, 1981, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate March 5, 1981:

Superior Court of the District of Columbia

The following-named person to be an Associate Judge of the Superior Court of the District of Columbia for a term of 15 years as follows:

Henry F. Greene, of the District of Columbia, vice Edmond T. Daly, deceased.

The following-named person to be an Associate Judge of the Superior Court of the District of Columbia for a term of 15 years as follows:

Ricardo M. Urbina, of the District of Columbia, vice Norma Holloway Johnson, elevated.

In the Coast Guard

The following-named lieutenant commanders of the Coast Guard Reserve to be permanent commissioned officers in the Coast Guard Reserve in the grade of commander:

Wallace F. Kelley
John T. Schulenberg
Carl L. Perry
Alfred J. Rank
Robert P. Zigas
Richard W. Mattson
William A. Lordge
Robert G. Christian
James R. Hanlin
Regis C. King
James W. Kunkle
James M. Sharpe, Jr.
Daniel S. Wilshire
Garret W. Post
Lynn W. Meyer
Donald E. Tungate
Vivian J. Gianelloni III
Earl Bergadine
Larry A. Kittner
Hans A. Slade
Ollie W. McClung, Jr.
Richard F. Healing
Stephen M. Levine
Douglas W. Brown
Steven B. Satterthwaite
Edward H. Leska, Jr.
Thomas B. Rueb
Gordon K. Swain
Robert B. Wood
William B. Atkinson
Ronald E. Arbuckle
Bruce M. Patterson
Merlin E. Rudd
Thomas E. Sims III
Richard C. McCormac
Roy G. Phelps, Jr.
Robert B. Rabon
James A. Niedermayer
Jackson D. Ingram
Luke P. Benson
Anthony F. Finizio
Russell T. Hebert
Darvy M. Cohan
Robert W. Staton III
Samuel R. Volpentest
Gary J. Fields
Ernest L. Seeman
Lawrence T. Hubbard
John L. Pauly
Samuel G. Preiss, Jr.
Warren G. Appell
Gerald W. Bourland
Barton W. Stein
William B. Powell
Robert L. Rice
Richard R. Shaw
Charles M. Schubert
Richard H. Plager
Conrad A. Lauer
Paul F. Keane
Dennis A. Lupher
Jimmy D. Stephens
Thomas J. Downs
Bernard J. Helldorfer
Edward H. Bonekemper III
Frazer C. Hilder
Richard F. Sanders
Gary L. Cousins
Mauro M. Martinez
Robert C. Connolly
Kevin A. Malone
Philip G. Clifford II
Clay M. Drexler
Robert G. Bright
Robert P. Sniffen
Edward L. Ziff
Ronald R. Reaume
Michael J. Caccuitto, Jr.
Fredrick C. G. Scheer
Forrest S. Bauman
Ray A. Franseen
Douglas A. Hall
Donald E. Berquist
Terence McCabe
Ronald A. Hassell
Anthony D. Castberg
Robert M. Hopkins
Robert W. Rummell
Fentress H. Munden
Charles W. Gower
Philip J. Grossweiler
Michael T. Bohlman

In the Air Force

Lt. Gen. Evan W. Rosencrans, U.S. Air Force, (age 54), for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 8962.

In the Air Force

The following-named officer under the provisions of title 10, United States Code, section 8036, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Lynwood E. Clark, [redacted] FR, U.S. Air Force.

In the Navy

The following-named officer of the U.S. Navy for permanent promotion to the grade of rear admiral, pursuant to title 10, United States Code, sections 5780 and 5791.

To be rear admiral

Raymond N. Winkel.

In the Marine Corps

The following officers of the Marine Corps Reserve for appointment to the grade of brigadier general under the provisions of title 10, United States Code, section 5902:

Constantine Sangalis.
William H. Gossell.

Executive nominations received by the Secretary of the Senate March 5, 1981, under authority of the order of the Senate of March 5, 1981:

Department of Labor

Thorne G. Auchter, of Florida, to be an Assistant Secretary of Labor, vice Eula Bingham.

Department of Treasury

Angela M. Buchanan, of the District of Columbia, to be Treasurer of the United States, vice Azie Taylor Morton, resigned.

Office of Personnel Management

Donald J. Devine, of Maryland, to be Director of the Office of Personnel Management for a term of 4 years, vice Alan Keith Campbell, resigned.

EXTENSIONS OF REMARKS

JEANE KIRKPATRICK: UTILITARIANISM AS U.S. FOREIGN POLICY

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 5, 1981

● Mr. FAUNTROY. Mr. Speaker, Ms. Margaret D. Wilde, a citizen of the District of Columbia, has had published this week in the ecumenical weekly, Christian Century, an article entitled "Jeane Kirkpatrick: Utilitarianism as U.S. Foreign Policy." The article is a valuable contribution to constructive thinking and debate on the orientation and objectives of U.S. foreign policy.

I submit this article for the RECORD and call it to the attention of my colleagues:

JEANE KIRKPATRICK: UTILITARIANISM AS U.S. FOREIGN POLICY

Before Ronald Reagan announced his choice of Jeane Jordan Kirkpatrick as U.S. ambassador to the United Nations, the story of her rise to prominence was circulated as an indication that her recommendations would be likely to shape his policy toward right-wing military regimes: Kirkpatrick's November 1979 Commentary article, "Dictatorships and Double Standards," had drawn favorable notice from a Reagan aide and eventually led to a friendship with the candidate himself.

Human values were conspicuously absent from the 1979 article; that was not altogether surprising for a university professor specializing in pragmatic policy implementation. It was when her recommendations were embraced as public policy—including a call for support of "tested friends" who happen to be "moderately repressive autocrats"—that the ethical implications of supporting repression became an issue. Patricia Derian, the Carter administration's human rights spokeswoman, summed up those implications explosively: "What the hell is moderately repressive?"

After her nomination to the Reagan cabinet, Kirkpatrick relaxed the confrontation somewhat by acknowledging that ideals do indeed play a part in foreign policy. In a January 7 talk to B'nai B'rith in Washington, D.C., she did not define those ideals but said that political power was needed to achieve them, and that the pursuit of ideals should be grounded in political realism. Thus she seemed to make room for the view that human values stand above economic and military interests—although her failure to say so directly, in a speech about the relation between ideals and realism, was not at all reassuring.

At the same time, Kirkpatrick reaffirmed the primacy of U.S. interests at the practical level on which governments operate: abstract concepts are "irrelevant, or less relevant than strategic considerations." She warned that "ideals never exist in the abstract; if you try to apply it in that context, the result will be havoc." And amid the controversy surrounding her article, only days before her confirmation hearing she reaffirmed moderate autocracy as a lesser evil than unstable or leftist governments.

At the end of January a new Kirkpatrick Commentary article appeared. Titled "U.S. Security and Latin America," the new statement leaves no doubt about the place of ideals in her perspective: it was not by oversight, nor because of the limited frame of reference of the earlier article, that human values were not mentioned. The view reflected in the second article is entirely amoral, devoid of any ideals that might be served by a more realistic policy.

HIDDEN ASSUMPTIONS

The 1979 article, written from an academic perspective without the conflicting pressures that affect the making and interpretation of public policy, is more cogently argued than the 1981 article. But even at the pragmatic level, her thesis is logically flawed and unrealistic. The 1979 Kirkpatrick thesis contains a set of assumptions by which differing interpretations are judged guilty of ideological distortion or naïveté. Four of these assumptions are fundamental to her policy projections:

1. The U.S. cannot change the course of world history, so it is unrealistic to encourage modernization and democratization in other countries. Even aid to economic development as a basis for democracy is "grossly oversimplified," in Kirkpatrick's opinion. Citing John Stuart Mill's criteria for representative government, she explains:

"While it surely helps to have an economy strong enough to provide decent levels of well-being for all, and "open" enough to provide mobility and encourage achievement, a pluralistic society and the right kind of political culture—and time—are even more essential. . . . Decades, if not centuries, are normally required for people to acquire the necessary disciplines and habits."

2. The U.S. can change the course of world history, so those who advocate adapting to changing values and popular pressures are either defeatists or Marxists. This judgment is most evident in Kirkpatrick's derisive use of quotation marks around such terms as "broadly based" and "forces of democracy"; however, she states the view directly in a passage describing how established autocracies are needlessly brought down by a combination of local insurgency and U.S. ambivalence:

"And everywhere our friends will have noted that the U.S. cannot be counted on in times of difficulty and our enemies will have observed that American support provides no security against the forward march of history."

Later she slips into the sarcastic mode and refers to "evolutionary changes, which seem to be the only kind that actually occur."

"Since events are not caused by human decisions, they cannot be stopped or altered by them. . . . The Carter administration's essentially deterministic and apolitical view of contemporary events discourages an active American response and encourages passivity. . . . Where once upon a time an American President might have sent the Marines to assure the protection of American strategic interests, there is no room for force in this world of progress and self-determination. Force, the President told us at Notre Dame, does not work; that is the lesson he extracted from Vietnam. It offers only 'superficial' solutions."

3. Poverty, repression and corruption are an accepted way of life in most of the world, and only our Western cultural bias leads us to wish it were otherwise. Traditional autocracies are "deeply offensive to modern American sensibilities," says Kirkpatrick:

"The notion that public affairs should be ordered on the basis of kinship, friendship and other personal relations rather than on the basis of objective 'rational' standards violates our conception of justice and efficiency. The preference for stability rather than change is also disturbing to Americans whose whole national experience rests on the principles of change, growth and progress. The extremes of wealth and poverty characteristic of traditional societies also offend us, the more so since the poor are usually very poor and bound to their squalor by a hereditary allocation of role. Moreover, the lack of concern of rich, comfortable rulers for the poverty, ignorance and disease of 'their' people is likely to be interpreted by Americans as moral dereliction pure and simple. . . . Confronted with them, our vaunted cultural relativism evaporates and we become as censorious as Cotton Mather confronting sin in New England."

4. Kirkpatrick then claims that systemic differences make revolutionary autocracies more repressive and less susceptible to change than traditional ones:

"Traditional autocrats leave in place existing allocations of wealth, power, status, and other resources which in most traditional societies favor an affluent few and maintain masses in poverty. But they worship traditional gods and observe traditional taboos. They do not disturb habitual rhythms of work and leisure, habitual places of residence, habitual patterns of family and personal relations. Because the miseries of traditional life are familiar, they are bearable to ordinary people who, growing up in the society, learn to cope, as children born to untouchables in India acquire the skills and attitudes necessary for survival in the miserable roles they are destined to fill. Such societies create no refugees."

HUMANITY VS. STABILITY

The January 1981 Commentary article reflects Kirkpatrick's recent thinking about security threats—some real, some imagined, some invented in the face of clear evidence to the contrary—through early December, when she was already on her way to public prominence. Her failure to identify human goals as a context for realistic policymaking is remarkable.

In the new article human welfare is generally recognized as an objective, but it is totally relativized. Kirkpatrick refers to lower infant mortality rates and increasing levels of education in Central America, but emphasizes how slowly the improvements come, and at what cost to stability and security:

"It has been easier to break down the myths justifying the old distribution of values in society than to improve access to

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

education, medical care, decent housing, good food, respect, and political power."

The unacceptability of this trade-off of stability for other goals is underlined in Kirkpatrick's conclusion: we must think realistically, she says, "about the alternatives to existing governments, and about the amounts and kinds of aid and time that would be required to improve the lives and expand the liberties of the people of the area. The choices are frequently unattractive."

Abstract concepts, which Kirkpatrick merely scorned in the B'nai B'rith speech, are an obsession in the new article. Everything she disagrees with is abstract: "The goals recommended [to Carter] for U.S. policy were all abstract and supranational—'human rights,' 'development,' 'fairness.'" In her conclusion she cites Edmund Burke against a global world view, which stands "in all the nakedness and solitude of metaphysical abstraction."

Kirkpatrick is correct in contending that abstraction can be abused, or substituted for clear thinking about concrete reality. She accuses the Carter administration of this failing in its uncritical acceptance of "change" and "progress" (her quotation marks). But she allows the same path in a sweeping dismissal of change—and the desire for change—as leading to disruption of stability and subversion of authority:

"The nations of Central America (including Mexico) and the Caribbean suffer from some form of institutional weakness—because significant portions of the population have not been incorporated into the political system, and/or because political action is not fully institutionalized, and/or because the legitimacy of the government is in doubt, and/or because there is no consensus concerning legitimacy within the political elite, and/or because the economy is vulnerable to shifts in the international market, and/or because regular infusions of aid are required, and/or because rising expectations have outstripped capacities. All are vulnerable to disruption, and must rely on force to put down challenges to authority."

SUBVERTED TRADITIONS, UNRELIABLE FRIENDS

In responding to the Kirkpatrick thesis, one would be wrong to downplay either the instability of the current situation or the direct Soviet influence on that situation. There are real threats to U.S. national security in Latin America, some of them undeserved; also, the growing instability is already causing more suffering in Latin America than in the U.S.

But the Kirkpatrick thesis is not the answer, either before God and the people of Latin America or in terms of pragmatic U.S. interests. What she proposes in both Commentary articles and in the B'nai B'rith speech is not political realism, but utilitarianism—and the new government will soon discover that utilitarianism is no more viable as a single policy standard than was humanitarian concern.

It is not realism to expect U.S. economic, political and military interests always to serve human values. But neither is it realism to deny the existence of those values above and beyond political power relationships; when ideals no longer exist in the abstract, then the nation will have lost its soul and will also fail to serve its own pragmatic interests.

The traditions which once provided stability, and made misery bearable in Latin America and elsewhere, are daily subverted by the traditional autocrats. In Latin America theirs is not a traditional god but a puppet deity, prostituted on state occasions to the increasing indignation of even traditional bishops and lay leaders.

Traditional autocrats do disturb existing allocations of wealth, power and status. They massively displace Indians, peasants and urban slum-dwellers from their habitual places of residence, as land and timber values rise. They do disturb family and personal relations, as Argentine Nobelist Adolfo Pérez Esquivel and the Mothers of the Plaza de Mayo (mothers of the disappeared) are witness.

The difference between traditional and revolutionary autocracies is not systemic or even tactical; it is a matter of political and economic loyalties which are themselves highly unpredictable. Traditional autocrats are motivated by modern economic objectives, and pursue them in the context of a modern geopolitical struggle. For the sake of steel mills, hydroelectric plants, nuclear capability and their own personal appetites, these rulers build alliances with international companies and governments, shift local production to international markets, construct statistical economic "miracles," and use modern communications technology to promote imported consumer goods and cultural values.

These autocrats also fail to meet standards of efficiency and rationality which are not (as Kirkpatrick believes) unique to American culture, but are central to U.S. interests. Traditional autocrats entrust the international orientation and local implementation of policy to cousins, brothers-in-law or the highest bidders, and their actions regularly confound the logic of U.S. bankers and policymakers. They do not judge their interests and alliances by a single standard; as tested friends, some of them are overdue for re-evaluation.

But they will not stand still to be measured; already they are abandoning moderation in favor of military and police excess, and are expecting us to pick up the tab. "No more Nicaraguas" was the promise of 1980; now we face a proliferation of El Salvadors, all claiming to be our friends, each forcing us to modify or set aside any single standard of political credibility or economic and military cost-effectiveness.

Human rights, development, fairness and the oneness of humankind are not mere abstractions to those who care about them and suffer their absence, just as Kirkpatrick's vision of U.S. strength and national security is not abstract to her. They are all human values or principles to which mortal decision-makers refer in taking concrete action; instead of scorning them, we should thank God for the gift of abstraction, and face directly the responsibility of choosing among our principles when swift action is required.

There is no universally applicable single standard—and the sooner we realize this, the less credibility and the fewer lives, American and foreign, will be lost in the process.●

IOSIF MENDELEVICH

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 5, 1981

● Mr. SOLARZ. Mr. Speaker, as my colleagues are already aware, on February 18, 1981, Iosif Mendelevich, a 10-year prisoner of conscience in Soviet prisons, stepped onto Israeli soil a free man. Iosif is a living testimony to true courage in his endurance of 10 years of hardship, hunger, and ill health. He retained his devotion to Judaism throughout his ordeal, and was subjected to repeated punishment for his persistence in observing Jewish religious laws. At the time of his release he had just terminated a 54 day hunger strike held to protest the confiscation of religious and Hebrew study books and notes, which he used in teaching other Jewish prisoners.

It is important that, while rejoicing in the release of Iosif Mendelevich, we continue to work to secure the release of the only two remaining prisoners convicted with Iosif—Alexi Murzhenko and Yuri Fiordorov—as well as to pressure the Soviets for the freedom of other Jews held in Russia against their wills. I am certain that the storm of protest on Iosif Mendelevich's behalf from Members of Congress and the thousands of constituents who continue to bring these matters to our attention helped to secure his release, and we all must continue to apply this pressure to obtain the release of others unjustly held in the Soviet Union. I urge all of my colleagues to continue their efforts on behalf of these beleaguered people.●

MARTIN LUTHER KING: AN INSPIRATION RECALLED

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 5, 1981

● Mr. McKINNEY. Mr. Speaker, quite appropriately, during these last few weeks, we have been fortunate to have read and heard a number of commentaries extolling the virtues and meaning of the life and career of Dr. Martin Luther King. Only a few, however, captured the excitement of the man and told of how stirring his very presence could be. Woody Klein is one of the few. An author and lecturer, Mr. Klein was among those present at the Abyssinian Baptist Church on November 14, 1965, when Dr. King made his first appearance in the pulpit of the Rev. Adam Clayton Powell. In a recent column for the Westport (Conn.) News, he recounted that moving event and I believe his words are worth sharing with my colleagues in the house. A former member of the administration of New York City Mayor John V. Lindsay, Mr. Klein holds to the beliefs and ideals of Dr. King and has endeavored to make them a reality. His column follows:

MARTIN LUTHER KING: AN INSPIRATION RECALLED

He opened the door to his suite at the New York Hilton on that summer after-

noon, August 30, 1965, thrust a strong, welcoming hand towards me, smiled and asked me to join him. He was in a pleasant mood, a little distant, quiet, calm, gentle.

It was the first time I had ever met the Rev. Dr. Martin Luther King.

Away from the crowds and the cameras, the noise and the klieg lights, he seemed strangely alone, almost shy. It was the private man, I realized, whom I was interviewing.

A mutual friend of ours, the Rev. Wyatt Tee Walker, who had once worked on Dr. King's staff, had arranged this last-minute exclusive interview for me when I was reporting for the New York World-Telegram and Sun, covering the civil rights movement.

Dr. King, president of the Southern Christian Leadership Movement, was to have met that afternoon with the United States Ambassador to the United Nations, Authur Goldberg, to discuss the situation in Vietnam. But the meeting had been postponed and I was the fortunate recipient of the one-hour break in Dr. King's schedule.

We talked quietly about a great many subjects. He told me he thought Red China should be admitted to the U.N. "because it would be one of the best ways to ease tension in the world" and to make disarmament possible; he said the national anti-poverty program "should be greatly expanded or it might become another glorified welfare program to preserve poverty" instead of eliminating it; he said he felt most white people in positions of economic power "still fail to grasp the depths and dimensions of racial injustice" in the United States; and, he called New York Congesssman Adam Clayton Powell "a very strong force" in Harlem who could possibly help the Negro civil rights movement by joining him in a people-to-people tour of the black ghettos.

"Do you think it would be helpful if President Johnson toured the ghettos of America?" I asked.

"It would have a tremendous psychological value," Dr. King replied. "The vast majority of Negroes have a high regard for Mr. Johnson. They feel he is working for them. There is no bitterness towards him in the rioting and the violence that has erupted. He is not to blame. He has done his best.

"Yet the rioting in Los Angeles and other parts of our country has hurt the movement and something is needed to give it a lift. A tour by the President—seeing poverty conditions for himself—should be followed by a massive economic program to give the people in the ghetto a stake in society."

I asked him if he felt his non-violent movement might spread to the North?

"I consider New York and the North a place where it will work." he replied. "It seems to me that if it doesn't take hold in Harlem and in Bedford-Stuyvesant there could be trouble. Frustrations can erupt at any time."

Three months later, on Sunday, November 14, 1965, I was sitting in the audience on a reporting assignment in the Abyssinian Baptist Church in Harlem, where the Rev. Adam Clayton Powell was about to begin his Sunday sermon.

He stood up, raised both hands and within minutes his followers were spellbound by his rhetoric, his emotional appeal, his charm. He asked his "brothers and sisters" to join in with him and, before the 30 minute speech was over, everybody in the church was cheering wildly.

Then he introduced the Rev. Dr. Martin Luther King, who had been sitting patiently on the platform awaiting his turn. He had kept his word and had come to Harlem to seek support for his non-violent Southern Christian Leadership Movement. He started talking very quietly. The contrast between him and Rev. Powell was noticeable.

But as he began to warm up, the audience sensed his emotions peeling off, layer by layer. Within 15 minutes, he, too, had his listeners in a joyous response with every sentence he uttered. As his cadence quickened, the crowd became more and more excited.

When he finally sat down he received a standing ovation. He had out-performed Adam Clayton Powell on Mr. Powell's own podium.

That was the last time I saw the Rev. Dr. Martin Luther King.

For three years more, he would continue to be an inspirational force for equality and justice in America. Long after he received the Nobel Peace Prize, he continued to strive for the peace that has yet to come, the peace between races in America.

He was and still is, in the eyes of many, one of the great men of America in this century. And he inspired millions, black and white alike, until he was taken from us by an assassin's bullet on April 4, 1968, at the age of 39.

He would have been 52 tomorrow.●

SOIL CONSERVATION ACT OF 1981

HON. WILLIAM C. WAMPLER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 5, 1981

● Mr. WAMPLER. Mr. Speaker, today I join my colleagues, the Honorable ED JONES of Tennessee and JIM JEFFORDS of Vermont, in sponsoring the Soil Conservation Act of 1981. The purpose of this bill is to coordinate Federal and local efforts in addressing the critical needs of soil conservation, water management, and other related problems that exist in many areas of the United States.

Mr. Speaker, one of the most serious problems this country faces today is the permanent loss of productivity from our land due to improper management and erosion. Rising demands on American agricultural productivity, the conversion of cropland to urban use, and extreme drought conditions throughout the country have caused severe damage and loss to our agricultural land base. Studies indicate that we are losing about 4 billion tons of soil a year, 2 billion of which come from cropland. Some areas are losing as much as 100 tons of soil per acre per year.

The costs and losses associated with soil erosion have a profound effect on our economy. Failure to control soil erosion on farms and ranches could double the cost of producing food and fiber over the next 50 years, without regard to inflation or other factors.

The Soil Conservation Act of 1981 provides the means to address this problem with a rational and comprehensive approach. Participation is completely voluntary and will be targeted to the areas and problems which are most in need of assistance.

Essentially, the bill has five proposals. Title I establishes a special areas conservation program which will provide cost-sharing and technical assistance to areas of the country which have extremely severe erosion problems. This nationwide effort is modeled after the Great Plains conservation program which has been so successful in 10 Midwestern States.

Title II provides for a program of matching grants for State and local agencies to carry out conservation activities. This would allow each county to identify and address its conservation priorities and expand its sources of assistance.

Title III authorized the Commodity Credit Corporation to guarantee loans to farmers and ranchers for the purpose of installing sound conservation practices which will protect land and enhance agricultural productivity.

Title IV establishes a program for volunteers in conservation. This would allow voluntary service by interested people who are willing to assist the conservation programs of the Department of Agriculture without compensation and without displacing USDA employees.

Title V would target technical and financial assistance to watershed drainage areas above a few large reservoirs which the Secretary of Agriculture recognizes as having severe sedimentation problems. The intent is to demonstrate that conservation practices on the land can reduce sedimentation and thus protect not only water quality but also lengthen the effective life of the storage capacity of the reservoirs.

Mr. Speaker, I am not without reservation in supporting this or any other measure which may have some impact on the Federal budget. The proposals contained in this bill deserve the close scrutiny and careful consideration of every Member of Congress.

Nevertheless, I believe the problems which this country faces in preventing erosion and maintaining a strong agricultural land base cannot be ignored. I am looking forward to working with the House Agriculture Committee, the administration, and the other body in developing a program which will accomplish the goals of the Soil Conservation Act of 1981 without unnecessarily expanding the Federal budget.●

THE SUPPLY-SIDE IMPACT OF OCCUPATIONAL CANCER

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 5, 1981

● Mr. OBEY. Mr. Speaker, I would like to take just a minute of the House's time to say that I think the administration is ignoring the supply-side effects of work-related cancer. Each year between 50,000 and 80,000 Americans die of work-related cancers. The dissavings, compensation, and medical bills which these deaths entail amount to billions of dollars each year, dollars that might otherwise be spent on new plant and equipment.

I believe it is important to point this out, particularly in light of two things that the administration has done in recent days. First, the new administration has ordered the withdrawal of a current intelligence bulletin issued by the National Institute for Occupational Safety and Health and by the Occupational Safety and Health Administration which simply reports to businessmen, workers, and the general public the results of tests by the Chemical Industry Institute indicating that formaldehyde may cause cancer. This is not a question of Government's requiring that workers be protected from cancer-causing chemicals; it is simply a question of whether or not workers should be informed. I intend to insert the text of the bulletin in the Extensions of Remarks tomorrow.

Second, the Secretary of Health and Human Services yesterday fired Dr. Tony Robbins, a commissioned Public Health Service officer as head of the National Institute for Occupational Safety and Health. Dr. Robbins had served only 2 years of his 6-year term as Institute Director. The 6-year term for the NIOSH director came about as a result of an amendment offered by Senator Javits to insure that the Institute Director was selected and allowed to serve based on scientific qualifications rather than partisan politics. In the history of the Institute no Director has ever before been fired.

Dr. Robbins graduated cum laude from Yale Medical School in 1966, and he held, in addition, a masters in public health from Harvard. He had served as State director of public health in both Vermont and Colorado. In his 2 years at NIOSH he brought order out of the chaos which has continually plagued that small agency since its inception. He improved the quality of the scientific output and developed the first constructive relationship with the U.S. Department of Labor in the agency's history. He was, in short, the type of uniquely qualified and dedicated individual which Government agencies are too rarely able to attract. One can only surmise that his firing was made in hopes of finding a Director whose scientific findings will be more politically acceptable. I would therefore like to remind the Department and Dr. Robbins' successor that cancer has a negative net impact on productivity.●

WHY JAPAN CAN AND WE CANNOT

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 5, 1981

● Mr. FINDLEY. Mr. Speaker, a question which arises frequently in economic discussions by the voters is: Why is the U.S. economy so out of control when other industrialized nations like Japan can keep inflation at a moderate rate? A recent editorial in the Pike Press in my district addresses this very issue and offers a rational explanation into why they can and we cannot.

[From the Pike Press, Feb. 23, 1981]

LESSONS FROM JAPAN

President Reagan told the nation in his recent economic broadcast that America had the lowest rate of gain in productivity of virtually all the industrial nations with which it competes in the world market. Japan, he said, outproduces America in both automobiles and steel.

While the U.S. rate of inflation is running at more than 12 percent a year, in Japan in the fiscal year ending March 31, consumer prices are expected to rise about 7.5 percent from the previous year, when prices gained 4.8 percent. And this in a country that depends more heavily on foreign oil than any other industrialized nation.

How come?

For one thing, workers' wages in Japan aren't rising as fast as prices. Last year's wage increase was 6.9 percent.

More importantly, productivity gains are keeping pace with wage increases. For 1980, productivity is estimated to have grown about six percent. The previous year it rose 11 percent.

Another thing, unlike the U.S., cost-of-living clauses are not common in Japan so wages don't rise automatically with prices.

And if you want an example of truly staggering inflation take a look at Israel with a rate of 135 percent, second only to Argentina, and headed for a world record.

One reason for the extreme inflation in Israel is a wage system, both for union and non-union workers, that is pegged to the cost-of-living index, the same self-defeating device that has caused inflationary headaches in the U.S. and that Japan was wise enough to avoid.●

WALTER CRONKITE: DEDICATED TO EXCELLENCE

HON. JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 5, 1981

● Mr. ADDABBO. Mr. Speaker, this is the way it is, on Friday evening, March 6, Walter Cronkite, a man many consider the most trusted man in America, as well as one of the most famous news anchormen in the history of the broadcast journalism, will give his final broadcast from the set of the CBS evening news. His absence from the evening news will be missed by millions of his loyal viewers, including myself, and I would like to take this opportunity to thank him for bringing a semblance of order and reason to the many confusing, hectic, and frightening events which have been beamed into our living rooms for the past 19 years. Without Walter sitting at his desk, giving it to us straight, it would have been impossible to comprehend how quickly the world was changing, whether it was for the worse or the better.

Walter did many things for us, though what many will remember is how he made the world a little more understandable for us. He understood how important personalities were, whether it was at conventions or space shots. News was, and still is, people, and Walter helped bring those people into our homes, where we could study them. A man dedicated to excellence, his confident delivery and objective news reports made us feel as if he were genuinely concerned how the events he was reporting would affect us. Whether he was covering an inauguration, the signing of a peace treaty, or July 4, 1976, he was forever setting standards for broadcast journalism that others will long aspire to.

Thank you Walter, thank you for giving us your best, night after night, year after year. There may be more conventions, inaugurations, and explorations into space, but somehow it just would not be the same without you. We will miss you, and never forget you, and may your future be just as rewarding and outstanding as your past.●

FOSTER CARE EMERGENCY AND THE NEED TO ENCOURAGE ADOPTIONS

HON. THOMAS E. PETRI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 5, 1981

● Mr. PETRI. Mr. Speaker, I would like to call the attention of my colleagues to an editorial in yesterday's Washington Post.

The editorial highlights the problems of foster children and the pressing need to get the children back to their natural parents or to stable, permanent homes within a reasonable period of time. Because of the need to do something at the Federal level to assist the settlement of foster children in permanent homes, I recently introduced a bill, H.R. 1337, to amend the

Internal Revenue Code to treat adoption expenses in the same manner as medical expenses. Under current law, medical costs incurred for births can be deducted from Federal income tax, and I believe it is only fair to treat the lawful costs involved in adoption proceedings in the same way. This legislation would encourage strong family ties and improve the welfare of the child.

In my opinion, the editorial drives home the need to encourage alternatives to foster care—something my bill is designed to do. The text of the editorial follows:

[From the Washington Post, Mar. 4, 1981]

FOSTER CARE EMERGENCY

Pretend for a moment that you are a foster child in the District's care. If you are a typical foster child, here is what will happen to you, according to a report released by the D.C. Auditor's office last week: After entering foster care at age 3, you will remain with the foster care system for over 10 years. During that time, chances are that you will be shifted between institutions and foster homes at least three times. Three times you will be moved from place to place, breaking up relationships with adults, changing schools and friends. And all the while it won't be certain that the District's Department of Human Services knows that you are still out there. The department admits that it does not know how many children are in its foster care or where they all are. Even if the city does know where you are, there will be no plan for getting you back to your natural parents or for seeking a stable couple who would adopt you.

The city and the courts are supposed to review a foster child's status at a hearing every two years. In fact, the foster care system is so overloaded that the hearings are usually not held and the reviews are generally limited to a reading of the child's commitment papers. Even so, the city auditor's report estimates that 10 percent of the foster care children in the District are being held on commitments that have expired. For that 10 percent and most of the other children in foster care as well, there is no plan for what will happen in the future other than the continuation of foster care.

Getting a child out of the city's foster care system and up for adoption is now so rare that families seeking to adopt children are often forced to look to other cities and states. The decision on severing the child's relationship with its natural parents is an extremely difficult one. But the city's foster care system is not even putting it before the court where it is decided. Instead, the typical foster child is left in foster care to be shifted from one home to another with no plan for returning to a family. The reason for inaction is that the foster care system is overloaded and understaffed.

The city needs to begin a system of review for every foster care child—concentrating on infants and younger children. The goal would be to get the children back to their natural parents or to stable, permanent homes within a reasonable period of time. The current situation where children remain in care for about seven years and are shifted from here to there like so much baggage should not be allowed to continue. Many of the children in foster care have been neglected or emotionally and physically abused by their natural parents. It is hardly the role of the city government to neglect and emotionally abuse these children a second time.●

EDGAR R. HILL TO BE HONORED

HON. ROBERT E. BADHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 5, 1981

● Mr. BADHAM. Mr. Speaker, today it is my privilege to pay tribute to one of those rare individuals whose accomplishments and contributions to his community are an inspiration to us all.

I am speaking of Edgar R. Hill, who will be honored on March 30, 1981, with the Giving Is Living Award, to be presented by the Voluntary Action Center of Newport Beach, Calif., which I have the honor to represent in the U.S. Congress.

"Uncle Ned" Hill, who is 87 years old, joined by his wife, Dora, have spent almost 50 years improving the quality of living by sharing their great talents, time, and energy working with, and for, others.

Ned and Dora came to California not long after they were married in the Midwest in 1932, where he founded a building materials company. Later, Ned moved to Newport Beach where he founded a shipbuilding company and produced subchasers for the U.S. Navy during World War II.

In recognition for this work, Ned was appointed in 1959 to the Advisory Council on Naval Affairs. In the field of business, he helped found a bank and later served as a bank consultant.

Ned Hill sponsored Boy Scout Explorer's Post No. 203, the first of its kind in the United States. Further dedication to his community was demonstrated when Ned joined with John Wayne and others to form the 552 Club, a support group for Hoag Memorial Hospital. Also, he founded the Executive Club of the YMCA and still holds the No. 1 membership card.

Meanwhile, Ned and Dora, who had served the city as mayor, learned that the Newport Beach Chamber of Commerce was deeply in debt and in danger of extinction. Ned became president and within 3 years the chamber was solvent, membership on the increase, and a headquarters building program planned.

Today the Newport Harbor Area Chamber of Commerce is the largest of all chambers in Orange County.

In addition to these activities, Ned Hill has been a charter member of the commodores club of the chamber, serves as a member of the board of directors, is past president of two Kiwanis Clubs, is a gold card charter member of the executive club of the YMCA and in 1970 received the Man of the Year Award from the chamber of commerce.

He received the Leadership Award from the Harbor Area United Fund in 1971 and a certificate of merit from the Newport Harbor High School for work in the vocational guidance program.

If ever there was a man who stood tall among men in Newport Beach and its neighboring communities it is Ned Hill, whose life and deeds have made his city a better place for all to live.

It is my great pleasure to rise before this honorable body to pay tribute to Ned Hill.●

HUMAN RIGHTS

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 5, 1981

● Mr. BONKER. Mr. Speaker, as the debate rages regarding the future of a human rights policy, I would like to commend to the attention of the Reagan administration and my distinguished colleagues an extremely thoughtful essay on that subject by Colman McCarthy which appeared in the Washington Post of March 1, 1981.

The article follows:

WITNESSING THE BEST AND WORST OF HUMAN RIGHTS POLICIES

(By Colman McCarthy)

On the same day last week, the world had a chance to see two kinds of human rights policies being advanced. One was bold and humane, the other self-serving and manipulating.

In Manila, Pope John Paul II spoke as a genuine world leader eager to use his moral force on behalf of the oppressed in the Philippines. "Even in exceptional situations that may at times arise," he said, with the brutal President Ferdinand Marcos sitting a few feet away, "one can never justify any violation of the fundamental dignity of the human person or of the basic rights that safeguard this dignity."

In Washington, Alexander Haig went to Congress to win support for the Reagan administration's enthusiasm for the junta in El Salvador, a regime implicated in some of Central America's grossest human rights violations. Haig's effort was part of the administration's announced withdrawal from what it sees as useless human rights advocacy.

The words of the pope were forcefully direct, with no follow-up clarifications needed from the Vatican's explainers-of-papal-subtleties. If any doubts existed, the pope did his own clarifying: No government, no matter "the exigencies of security," can claim "to serve the common good when human rights are not safeguarded."

With world attention on him, Marcos was as pious as an altar boy serving his first Mass. "Forgive us, holy father," the dictator said of past church-state differences. "Now that you are here, we resolve we shall wipe out all conflicts and set up a society that is harmonious to attain the ends of God."

That syrup is impressive, except that another pope—Paul VI—was in Manila 11 years ago. God's ends haven't been much served since then, except for a little air-

brushing of the sordid a month ago when, with another pope about to the fly in, Marcos lifted martial law.

Being in a predominantly Catholic country, John Paul II was doing much more than issuing a rebuke to a regime that in the last decade has held and tortured thousands of political prisoners. He was stirringly engaging in "prophetic criticism," a phrase of Rosemary Ruether, the American theologian who wrote in a recent issue of Commonweal: ". . . the stance of prophetic criticism is not one of attack on other people's religion or society, but a faithful judgment on one's own religious and social community; a calling it back to faithfulness to its own professed ideals."

In a secular context, this is the tragedy of the Reagan administration's dismissal of human rights advocacy. Suddenly, the nation's professed ideals don't matter, as if rights advocacy were merely something that an overly zealous Jimmy Carter cooked up.

It wasn't at all. In 1975 Congress passed a provision in the Foreign Assistance Act that said, "A principal goal of the foreign policy of the United States is to promote the increased observance of internationally guaranteed human rights."

With Ernest Lefever selected by Ronald Reagan to be the assistant secretary of state for human rights and humanitarian affairs, this law is likely to be ignored or broken. Two years ago, Lefever told a House subcommittee that "it shouldn't be necessary for any friendly country to pass a human rights test before we extend normal trade relations, before we sell arms, or before we provide economic or security assistance. This approach, I believe, should be adopted toward adversary states like the Soviet Union."

With the murderous junta of El Salvador well within this definition of "friendly"—and what's the killing of a few nuns or other "moderately repressive" acts among buddies?—the victims of human rights violations can only feel betrayed by the United States.

In Congress, some hope exists. Reps. Gerry Studds, Robert Edgar and Barbara Mikulski have introduced legislation to cut off U.S. arms sales to El Salvador. It will lead only to more violence, they argued, as well as create more enemies for the United States. Our role should be to join the effort for a negotiated settlement of the revolution. It should also be a recognition that a bold position by the church on human rights is sound morality—and for a nation, it is sound politics.●

UNNATURAL GAS LAWS

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 5, 1981

● Mr. DANNEMEYER. Mr. Speaker, an editorial in the Chicago Tribune of February 24 commented on the Natural Gas Policy Act of 1978 and the Fuel Use Act of the same year, in the following manner:

If the President and Congress want to make natural gas a weapon in the fight to reduce our dependence on imported oil, they should discard both of these policies.

With the thoughts expressed by this editorial in mind, last week I introduced H.R. 2019, the Natural Gas Decontrol Act of 1981, to provide for the immediate, total deregulation of natural gas. In addition, I have cosponsored two pieces of legislation to amend the Fuel Use Act, introduced by several of my able colleagues.

H.R. 1464, by Mr. YOUNG of Missouri and Mr. CORCORAN, amends the Fuel Use Act to permit owners of residential gaslights to retain service to those lights. The second bill, jointly introduced by my distinguished colleagues from California and Texas, Mr. MOORHEAD and Mr. GRAMM, is H.R. 1765. This bill removes the restrictions on the use of natural gas by existing powerplants.

I urge the support of my colleagues for these pieces of legislation which, taken together, move in the direction of recognizing the importance of natural gas in our energy future. I ask permission to insert the full text of the editorial at this point in the RECORD and commend it to my colleagues for their consideration:

UNNATURAL GAS LAWS

President Reagan had hardly learned his way to the White House water cooler when he liberated oil and gasoline from the bonds of federal price controls. This was wise but largely symbolic, since the chains were due to be lifted in October anyway. So far, however, Mr. Reagan has averted his gaze from the shackles the federal government has placed on the production and use of natural gas. These, much more than the controls on oil and gasoline, threaten to make the yoke of the foreign oil cartel heavier on all of us.

Natural gas is the closest thing we have to a perfect fuel. It is clean, versatile, and abundant. And unlike oil, its price and supply are not controlled by OPEC. In fact we have plenty of it right here at home. But so far we have not exploited the numerous advantages of gas.

Why not? There are two main obstacles. The first is the Natural Gas Policy Act, which established a Byzantine maze of price controls on more than two dozen categories of gas. The uncontrolled price of a barrel of oil is now about $36. But the equivalent amount of gas sells for less than $16. Since gas has several advantages over oil, this is like pricing French wine below beer. The result is that energy firms are putting most of their money into the search for oil instead of gas, even though most experts estimate our gas resources to be considerably greater than those of oil. Last year, the drilling rate for natural gas was up only 7 per cent; for oil it was up 39 per cent.

The federal government has even taken measures to discourage the use of natural gas. The chief culprit is the Fuel Use Act, which forbids the construction of new gas boilers by utilities or industrial companies and requires existing ones to be switched to coal by 1990. This has limited the use of gas in favor of coal (and, perversely, oil), which is dirtier and less versatile than gas. That policy might make sense if we were indeed exhausting our reserves of gas, as was commonly believed when the law was passed three years ago. But the evidence now suggests potential reserves are enough to last beyond the foreseeable future. Those reserves, however, won't be of much use if the government continues to outlaw some uses of gas. Besides this law, there are government regulations which place the burden of any gas shortages directly on industrial users. Thanks to the price controls, there have been several shortages in the last decade. Industrial users understandably prefer fuels whose supplies are more reliable.

If the President and Congress want to make natural gas a weapon in the fight to reduce our dependence on imported oil, they should discard both of these policies. Decontrol of prices will increase supplies, but they will be useless as long as demand is artifically depressed. Removing the impediments to greater use of gas likewise will be pointless unless coupled with steps to increase gas supplies. Taken together, these measures would do much to subvert OPEC's tyranny without sacrificing public health or the environment. Freeing gas would help to free us all.●

H.R. 2311 WILL MAKE ADOPTION EXPENSES TAX DEDUCTIBLE

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 5, 1981

● Mr. LEHMAN. Mr. Speaker, I have introduced legislation, H.R. 2311, to amend the Internal Revenue Code of 1954 to allow individuals a deduction for certain expenses paid or incurred in connection with the adoption of a child. The deduction would apply to the amount of adoption expenses paid by the taxpayer during the taxable year.

Adoption expenses would include reasonable and necessary adoption agency fees, court costs, attorney fees, and other expenses which are directly related to the legal adoption of a child by the taxpayer and which are not incurred in violation of State or Federal law.

There is a great need for this legislation. Many people who could not otherwise afford to pay adoption costs would be able to adopt homeless children. This need was given attention at the recent White House Conference on Families by passage of a resolution calling for Federal tax policy to provide additional exemption or credits for families adopting a child. The delegates to the Conference expressed the view that adoption is a time-honored and legitimate mode of family formation and is the best method for insuring every child's right to a family.

Another important aspect of this legislation is the potential alleviation of some of the social and financial costs associated with State and Federal foster home programs. Adoption is the long-term solution to problems of instability and insecurity that children in foster care often face. While foster home programs provide great service and solutions to many problems, they do not provide long-term solutions. Breaking the financial barrier to adoption would mean that more foster chil-

dren would be adopted. It is estimated that up to one-third of the foster children could be adopted if barriers were removed. This would trim the largest item in the child welfare budget. Of all the public spending on children in substitute homes, approximately 97 percent goes to foster care and only 3 percent to assist in adoption services. Although it is estimated that approximately 750,000 American children are presently in foster care, making it easier for people to adopt some of those children would ease the burden of poorly paid staff that are often professionally unprepared and ill-equipped to legally free children for adoption. The tax deduction which my bill allows will both encourage and make possible adoptions by more families and will not become a yearly expense to the Government.

For the adoption of foreign-born children, placing needy children in loving homes, at no cost to the Government, will become more accessible for the many married and single people who wish to adopt these children. Ms. Lorri Kellogg, executive director of a private adoption agency in North Miami Beach, Universal Aid for Children, Inc., informs me that the expense of adoption is the major obstacle for people who wish to adopt foreign-born children.

It is time that birth and adoption are placed on equal terms as modes of family formation. In the words of Mr. George Welch, a constituent, adoptive father, and board member of Universal Aid for Children, Inc.:

> The costs of childbirth are deductible as medical expenses, and now that special kind of "birth" that is adoption will also be deductible.

I urge my colleagues to join in cosponsoring this long overdue legislation. The text of H.R. 2311 follows:

H.R. 2311

A bill to amend the Internal Revenue Code of 1954 to allow individuals a deduction for certain expenses paid or incurred in connection with the adoption of a child

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to additional itemized deductions for individuals) is amended by redesignating section 221 as section 222 and by inserting after section 220 the following new section:

"SEC. 221. ADOPTION EXPENSES.

"(a) ALLOWANCE OF DEDUCTION.—In the case of an individual, there shall be allowed as a deduction the amount of the adoption expenses paid or incurred by the taxpayer during the taxable year.

"(b) ADOPTION EXPENSES DEFINED.—For purposes of this section, the term 'adoption expenses' means reasonable and necessary adoption agency fees, court costs, attorney fees, and other expenses which are directly related to the legal adoption of a child by the taxpayer and which are not incurred in violation of State or Federal law.

"(c) DENIAL OF DOUBLE BENEFIT.—No amount which is taken into account in computing a deduction or credit under any other provision of this chapter shall be allowed as a deduction under this section."

(b) Section 62 of such Code (defining adjusted gross income) is amended by inserting after paragraph (15) the following new paragraph:

"(16) ADOPTION EXPENSES.—The deduction allowed by section 221."

(c) The table of sections for such part VII is amended by striking out the item relating to section 221 and inserting in lieu thereof the following:

"Sec. 221. Adoption expenses.
"Sec. 222. Cross references."

(d) The amendments made by this Act shall apply to taxable years beginning after December 31, 1980.●

FIGHT CRIME BY ELIMINATING $100 BILLS

HON. ANTHONY C. BEILENSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 5, 1981

● Mr. BEILENSON. Mr. Speaker, there is one easy way for us to make it difficult for criminals to conduct business: Remove $100 bills from circulation. Cash is the means of doing business for those involved in numerous illegal activities—from drug smuggling to tax evasion—and the more obvious and cumbersome their illegal payments become, the more likely there will be discovery by law enforcement officials. Because removing $100 bills from circulation will deter crime, but not interfere with legitimate transactions, except for, perhaps, occasional inconveniences, I am introducing a bill to prohibit the Federal Reserve from printing notes in denominations of $100, and to provide that after January 1, 1982, $100 bills will no longer be legal tender.

Long ago the Federal Reserve stopped printing bills in denominations larger than $100. Who has missed them? Only those who need to carry or hide large amounts of money, in cash. Likewise, it is evident that the only people who would miss $100 bills are those who want to do business only in cash in order to avoid bank records and the involvement of an outside party in their transactions. People avoiding bank records are doing something illegal—or at least questionable—with their money. It is an undisputed fact that cash is the method of payment in the world of drug dealing, gambling, racketeering, extortion, political payoffs, and other unlawful activities. Cash payments are also used as a way to evade taxes—professionals and contractors, for example, can demand cash payment and, by avoiding bank records, can avoid paying taxes on the money collected.

Removing $100 bills from circulation will not put an end to illegal cash payments, but it will make such transactions much more difficult. Without these bills, criminals are forced to use $50's, $20's, and $10's for cash payoffs. It is much harder to smuggle money out of the country, hand a person $5,000 in a public place, or carry an envelope containing $1,000 in one's shirt pocket if a person must use bills of small denominations rather than $100's. Without $100's, the means of criminal activity become at the very least twice as bulky, unwieldy, burdensome—and most of all, conspicuous—as they are with $100's.

Depriving criminals of such a convenient means of business as large-denomination bills would hardly be worth considering if there was not such good reason to be suspicious of widespread use of these bills. A remarkably large portion of our currency consists of $100's—yet law-abiding citizens have little, if any, use for these bills.

There is about $49.3 billion worth of $100 bills in circulation, making up nearly 40 percent of the total amount of cash in circulation. It is astonishing that there are more than 493,000,000 $100 bills in circulation, because it is so rare that the average person ever sees any of these bills. In spite of the increase in the use of credit cards, personal checks, payroll deductions, and other forms of cashless payments over the last decade, there has not been a corresponding decrease in the number of $100's in circulation. In the last 10 years, in fact, the percentage of all cash in circulation represented by $100 bills has almost doubled—from 22 percent to nearly 40 percent. The Treasury Department has studied the flow of $100's and concluded, not surprisingly, that $100's are probably being hoarded, and that hundreds of millions of dollars in $100's have been transported out of the country in recent years.

We can guess who is not using $100's: The average, law-abiding citizen. Even with inflation, there is little cause for carrying $100's. It is hard to imagine a situation where a few $20's would not be sufficient cash for one's day-to-day transactions—and as much cash as anyone would want to carry on his or her person. People who do not use credit cards—which most people do use for purchases costing more than the average amount of cash which they carry with them—write personal checks or use traveler's checks for major purchases. Almost no one making a legitimate large transaction uses cash any more.

The inconvenience that removing $100's from circulation might cause people who use these bills for legitimate purposes seems very minor indeed compared to the advantages that might be gained by making it more difficult for people involved in illegal activities to transfer and hide large sums of money. If we can reduce

crime at such a small expense and with minimal inconvenience to law-abiding citizens, it is certainly worth a try. I would urge the members of the Banking, Finance and Urban Affairs Committee to consider this proposal—a simple but powerful one—and act on it favorably.●

ALCOHOL AND DRUG ABUSE AMENDMENTS OF 1981

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 5, 1981

● Mr. WAXMAN. Mr. Speaker, I am pleased to announce the introduction of H.R. 2272, legislation to extend for 3 fiscal years the authorization of appropriations for programs of assistance sponsored by the National Institute on Alcohol Abuse and Alcoholism (NIAAA) and the National Institute on Drug Abuse (NIDA). NIAAA and NIDA represent the Federal Government's first line of defense in the battle against two of this Nation's most intractable public health problems. Each day, programs sponsored by the Institutes support prevention activities and provide treatment services to thousands of Americans crippled by drug and alcohol abuse.

The future of these Federal programs is very much in doubt. The Reagan administration has proposed that Federal funding for alcohol and drug abuse programs be reduced over 25 percent and the remainder folded into a multibillion dollar discretionary State health block grant. H.R. 2272 stands in sharp contrast to this extension of State revenue sharing and is, I believe, a more efficient use of limited Federal alcohol and drug abuse funds.

I do not object to States playing a greater role in the delivery of health care services; indeed I welcome it. What I object to is the discretionary nature of the administration's proposal and the potential it poses for the wholesale closing of hundreds of treatment programs and a reduction in prevention activities nationwide.

H.R. 2272 assumes a cautious and more realistic approach to State administration of Federal alcohol and drug abuse dollars. The bill provides authority for the award of grants, directly to State governments, for the development and administration of drug and alcohol abuse prevention and treatment services. These grants are categorical and require a 50-percent match to insure that the Federal contribution will build upon, rather than supplant, State funding. Reports on the administration's health block grant indicate that it does not require cost sharing and therefore may encourage an overall reduction in the level of State funding for these activities. If we are to transfer a greater portion of Federal funding responsibility to the States, I believe we should transfer program accountability as well.

Hearings on H.R. 2272 will be held Wednesday, March 11, 1981, beginning at 9:30 a.m. At that time, the subcommittee will hear from a wide range of witnesses representing State governments, the private voluntary sector, public health experts, as well as NIAAA and NIDA. It is my intention to carefully review the strengths and failures of current Federal programs and explore the impact of the administration's health block grant on our Nation's commitment to reducing the impact of drug and alcohol abuse on society.●

MX MISSILE AND SOCIETY'S VALUES

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 5, 1981

● Mr. SANTINI. Mr. Speaker, I would like to enter in the RECORD a newspaper article that appeared in the January 14-15, 1981, issue of the Desert News in Utah. It was written by Maj. Gen. W. T. Fairbourn of the U.S. Marine Corps, a former senior strategic planner with the U.S. Joint Chiefs of Staff. Major General Fairbourn seriously questions the effectiveness of the Air Force's MX racetrack proposal and suggests other alternative systems be reviewed. I hope my colleagues will give it the serious attention I believe it merits.

THE PROPOSED MX DEPLOYMENT IS STRATEGIC LUNACY

(By W. T. Fairbourn)

Early in World War II Franklin D. Roosevelt secretly commissioned the Manhattan project which resulted in the production of the atomic bomb.

Harry Truman ordered that the first two bombs produced be used against the Japanese in order to end World War II in 1945.

The United States continued to improve the fission weapons and to stockpile them and enjoyed a world monopoly in atomic destructive force until the Soviets tested their first weapon.

When the United States tested its first fusion weapon at Eniwetok, the island (Engebi) where the weapon was exploded disappeared. The Soviet Union followed suit by developing its own fusion weapon.

The United States developed and deployed the MIRV (Multiple Individual Reentry Vehicle). The Soviets have followed suit.

The United States developed the missile submarine which is now in its fifth generation. The Soviet Union is following suit and has missile submarines deployed.

The United States is preparing to deploy the cruise missile. The Soviets have a counterpart.

The United States is preparing the MX as a "mobile" missile. The Soviets are following suit by modifying their SS-18.

In every case the United States has been the leader and Russia has been the follower. Thus history will assign to the United States the ultimate responsibility for the creation and disposition of this awesome weapon.

Is it not time to decide whether we wish to perpetuate human life as we now know it on this planet or whether we wish to participate in its annihilation?

There are various estimates as to the megatonnage needed to render the Soviet Union militarily ineffective. I will use a nominal figure of 400 megatons. In our strategic configurations we have more than eight times that amount. If we add to this the amount we have in theater and tactical weapons configuration it will exceed 20 times the figure of 400 megatons.

Is there justification for the 370 additional metagons that MX will produce? I find none.

This is proliferation where none is justified. At a time when the United States should be taking the lead in the reduction of nuclear weapons it is unilaterally taking deliberate action to increase it.

There is a considerable body of opinion that holds that the United States must be superior in both megatonnage and in warheads in order to maintain her position vis a vis the Soviet Union. This belief will not bear scrutiny. What the United States needs is adequate nuclear force to accomplish its mission, e.g., to render the Soviet Union militarily ineffective. More nuclear weapons are unnecessary. Overkill serves no useful purpose.

As a part of keeping our technology the most advanced in the world we need the MX as a replacement. We deserve the best missile in the world because we can produce it. This is our only justification for the MX but it is adequate.

To be worthwhile MX must be deployed in a survivable configuration and in geographic locations where it can accomplish its mission without hazarding the destruction of that which it is designed to protect. Deployment in the shell game configuration in the Utah and Nevada desert meets neither of these requirements. Let us address the configuration first.

The administration "perceives" that the Minuteman III is becoming vulnerable. For the moment let us accept this "perception" as being a fact. Should we replace it with a new weapon in essentially the same configuration as the present minuteman? It is my conclusion that a weapon that weighs 195,000 pounds, is buried beneath the level of the ground, moves once or twice a year, for a minimum of 7,000 feet and a maximum of 10 miles, is hardly a mobile weapon. Whether placing the weapon in any one of 23 prepared emplacements will effectively hide it for its lifetime is conjecture. It is my professional opinion that neither a prudent individual nor a prudent nation would risk the survivability of such an important weapon to such an improbable future.

The proposed location in Nevada and Utah would make construction relatively simple. With the clusters located relatively close together, command, control and communication would be relatively simple. Local security in an isolated area with a sparse population would be enhanced. These appear to be all the advantages.

Turning to the disadvantages, there are many. If the U.S. objective is as the Secretary of Defense announced at the Democratic National Convention "To so structure our strategic forces as to convince the Sovi-

ets that they cannot win a nuclear war," this means making MX survivable. Survivability will not be accomplished from this location. This is the primary disadvantage and it is a fatal flaw. By the Air Force's own statement, 4,600 warheads on this complex would destroy it. This is within the current capability of the Soviet Union (1980 Air Force statistics credit the Soviets with 6,000 warheads). Further, by the time the proposed deployment is completed it is within the Soviet capability to produce at least twice the number (1,200) warheads that they now have on hand. Construction of this particular deployment will undoubtedly motivate the Soviets to exercise this capability.

The destruction of the MX complex by 4,600 Soviet Warheads delivered over a short period of time would create a post detonation situation beyond comprehension.

No one has yet tried to extrapolate the direct effects of 4,600 weapons delivered in a limited area to say nothing of the residual effects. These would be ground bursts intentionally and therefore, would produce the maximum possible residual effects. The author's own thumbnail evaluation of these effects leads him to conclude that considering the winds and current from west to east, at least 50 percent of the U.S. population would be affected. Sixty percent of the arable land of the United States would be rendered unproductive. This would destroy the nation's food supply and the world's bread basket for generations to come. The capability of the West to become the nation's principal energy source would be destroyed. The principal industrial complexes would be untenable from contamination. Human life as we know it today throughout the United States would cease to exist. It is inconceivable that any rational nation could willingly and deliberately fall victim to such genocidal activities.

Those who disagree with the author's conclusion will argue that a nuclear strategy is successful only if the weapons are never used. No argument is offered on this point. What is seriously in question is deliberately offering the proposed MX deployment, the majority of the U.S. population, the arable agricultural land, the U.S. industrial complex, the energy potential of the West to destruction by a single attack utilizing the MX deployment as the aiming point.

Perhaps this aberation in national rationality would be understandable if this proposal were the only solution or even if it were the best of several solutions.

It would appear that the authors of the proposed deployment fail to understand simple principles of defense. To locate the defending forces (such as Minuteman) within the elements to be defended (i.e. population, arable real estate, etc.) made some sense when the Minuteman was not vulnerable. To continue the same general manner of deployment after vulnerability has become probable is indefensible.

Both the defending elements and the defended elements can be destroyed by a single attack.

If the Minuteman deployment is vulnerable so also is the proposed deployment of the MX just as vulnerable.

Now is the time to correct the perceived vulnerability of the Minuteman and at the same time to replace it with the MX in a truly mobile configuration, and incidentally to separate the defending forces from the elements of national power which those forces are defending.

There are many small islands under U.S. control in the Pacific. Examples of these islands include Midway, Wake, Johnston, Howland, Baker, Christmas and on ad infinitum. Each one of these islands are capable of providing anchorage for one or more surface or subsurface vessels.

There are countless anchorages, havens and coves along the U.S. portions of the inland passage between Seattle and Alaska. Each one of these anchorages is capable of holding one or more surface or subsurface vessels.

There are numerous capital ships (battleships, carriers, cruisers and submarines) in moth balls that would make suitable platforms for ICBMs or their decoys. These could be deployed from anchorage to anchorage in a random manner.

The variety of combinations immediately available in such an array of forces and facilities is mind boggling. True mobility would result.

To continue the development of a system that is already vulnerable, that cannot be fully deployed for 10 years, that cannot accomplish its mission when deployed, that increases the attractiveness of the United States as a target; while failing to investigate reasonable concepts such as presented herein is in the author's judgment strategic lunacy.●

CZECH CLAIM LEGISLATION REINTRODUCED

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 5, 1981

● Mr. OTTINGER. Mr. Speaker, I am today introducing legislation which was sponsored in the 96th Congress by Lester Wolff of New York, which will settle an issue that has dragged on for over 30 years. This measure will repay—at no cost to the U.S. taxpayer—those U.S. citizens who have valid claims against the Government of Czechoslovakia arising from losses they sustained as a result of their property being seized by the Government of Czechoslovakia during World War II.

The impasse in the settlement of these claims is, in part, due to the linkage of the claims against Czechoslovakia with the Czechoslovak gold reserves controlled by the United States. This gold was confiscated from Germany at the end of World War II after having initially been looted by the Germans from the various European countries, including Czechoslovakia, which Germany occupied during the war.

This linkage of American claims and Czechoslovak gold was officially established in section 408 of the Trade Act of 1974 in which Congress provided "that Czechoslovak monetary gold held under control of the United States may not be returned until a claims agreement has met congressional approval."

Since congressional enactment of the Trade Act of 1974 instructed the Department of State to renegotiate a compensatory agreement with the Czechs, 7 fruitless years have passed during which the Czechs have refused to negotiate. Regrettably, the State Department has stopped pressing the matter.

Thus, more than 30 years after the Czechoslovak confiscation program was completed, American claimants remain largely uncompensated for the losses which they have sustained.

One need only communicate personally with some of these aging awardholders, as I have, to appreciate their pain and disappointment as this matter goes unresolved.

This legislation offers the only assurance available that the 2,600 American awardholders will be repaid. It calls for a fair negotiated settlement, but, failing that, would require:

First, liquidation of Czech gold located in the Federal Reserve Bank in New York;

Second, investment of the gold's proceeds; and

Third, repayment of the American awardholders from the investment interest.

I should note that this bill is also fair to the Czechoslovaks as it stipulates that the liquidated gold's full value would be returned to Czechoslovakia after payment of the American awards from the investment interest.

Mr. Speaker, these aging American awardholders literally cannot wait any longer for relief. If the State Department cannot guarantee a prompt, compensatory settlement—and it has repeatedly admitted that it cannot—then the Congress should act swifty to end this cruel impasse by enacting this important piece of legislation.●

IZOLDE TUFELD CASE

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 5, 1981

● Mrs. SCHROEDER. Mr. Speaker, I would like to bring to the attention of my colleagues the case of Izolde Tufeld. She has been suffering for the last 2 years with a neurological disease, which if treated, is curable. Her husband, Dr. Vladimir Tufeld, has been in contact with neurological surgeon Dr. Verner Friedman in Denver, Colo., by letter and telephone, and has been advised by Dr. Friedman that his wife is suffering from an acoustic neuronomia, or some other cerebello pontine angle tumor. In the absence, however, of laboratory test and a CT scan, neither of which are available in the Soviet Union, this diagnosis cannot be confirmed. Dr. Friedman has invited Dr. and Mrs. Tufeld to come to Denver so that she can be treated. Their visa, however, has been denied by the Soviet Government.

I am asking that my colleagues join me in petitioning the Soviet Government to reconsider their decision and allow Mrs. Tufeld to come to Denver for medical treatment so that her life might be saved.●

COUGAR LAKES WILDERNESS

HON. MIKE LOWRY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 5, 1981

● Mr. LOWRY of Washington. Mr. Speaker, I am pleased today to introduce a bill to designate a 279,000 acre Cougar Lakes Wilderness in the central Cascades of the State of Washington. Inclusion of the Cougar Lakes in the National Wilderness Preservation System will benefit Americans everywhere, for not only is this a region of remarkable beauty and great ecological diversity, but it is also one which offers a variety of recreational experiences to both the rugged outdoorsman as well as the 1-day urban visitor.

The Cougar Lakes bill proposes a wilderness consisting of two large adjacent units which retain their primeval character despite their proximity to national forest lands which are being used for intensive timber harvesting. The proposed wilderness contains the rolling meadow and forest communities of the Tumac Plateau, the volcanic cinder cones and plugs of Spiral Butte and Fifes Peak, the windswept slopes of Mount Aix, clear trout streams such as the Rattlesnake and Crow Creek, the deeply forested valleys of the Greenwater and Little Naches Rivers, glacial cirques along the crest of the Cascades, and lakes of all sizes too numerous to mention. The area's pristine valleys provide clean waters for local agriculture and for sport and commercial fisheries. The wide variety of fish and wildlife includes peregrine falcons, elk, native cutthroat trout, wolverines, and, of course, a few cougars.

A wilderness area is not only important for its ecological values—a wilderness is for people as well. And Cougar Lakes is close to people. It provides an area where Puget Sound's urbanites can enjoy nature, and it is immediately accessible to those in Yakima and Ellensberg who have the privilege of living so nearby.

The Cougar Lakes region has already served as an inspiration for one of Washington State's greatest human resources, the late Justice William O. Douglas. Bill Douglas grew up in Yakima. As he relates in his autobiography, "Go East, Young Man," it was in the Cougar Lakes that he developed his love for the outdoors, his robust physical condition, and his understanding and appreciation of nature which so characterized his work and his writing. There is no greater tribute to the beauty of Washington's Cougar Lakes than this: Throughout his distinguished career on the Supreme Court, Justice Douglas returned to his beloved home at Goose Prairie. It was to Goose Prairie that he retired following his long service to the Nation. Justice Douglas described his first visit to the area as a young man:

When I left the road at Soda Springs, I was at once in a deep forest that no axe had ever touched. Yellow pine reached to the sky, one hundred, two hundred feet. This was the dry eastern slope of the Cascades. There was little underbrush—the woods were open, not dense. Sun came streaming in as if it were pouring through long narrow windows high in a cathedral. The soft notes of some bird, a thrush I believe, came floating down through the treetops. As I listened, it was as though a music had come from another world. I had not gone a quarter mile when I felt the solitude of the mountains. I had been in them before, but this was the first time I had been alone. This was the first time I had felt the full impact of their quietness. It was so silent I could almost hear my heart beat. No moving thing was in sight. The quiet was so deep that the breaking of a twig underfoot startled me. I was alone but I felt dozens of animals must be aware of my presence and watching me—hawks, flycatchers, hummingbirds, camprobbers, bear, cougar, deer, porcupine, squirrels. Yet when I looked, I could see nothing but trees and sky. Then I became aware of the fragrance of the trees. The ponderosa pine towered above all others and I began to see the scattering of other conifers: black, white bark pine, white and red fir, and the tamarack or larch. I stopped, looked up, and took a deep breath. Then I suddenly realized I was experiencing a great healing. In Yakima, I suffered from hay fever. Suddenly it was gone. My nose was not stuffy, my eyes were clearing. I breathed deeply of the frangrant air again and again as I lifted my face to the treetops. I had been hurrying and strained. I was alone and on my own in an unexplored land. I was conscious of being exposed to all the dangers of the woods—a prey for any predator or man. But now, strangely, that apprehension fell from me, like ashes touched by wind. I suddenly felt that these pine and fir that had greeted the early explorers were here to welcome me too. These trees were friends, silent, dignified, and beneficent. They were kindly, like the Chinook. They promised as much help and solace to me as had the sagebrush and lava rock of the foothills. I felt peace spread over me. I was at ease in this unknown wilderness—I who had never set foot on this particular trail, who had never crossed the high ridge where I was headed, felt at home. One who is among friends, I thought, had no need to be afraid.

Mr. Speaker, such an enduring resource of ecological, recreational, and wilderness values as we find in the Cougar Lakes regions should be preserved for the benefit and inspiration of future generations of American people. I urge prompt action on this bill.●

ON THE U.S. COMPTROLLER GENERAL'S REPORT ON PUERTO RICO'S POLITICAL FUTURE

HON. BALTASAR CORRADA

OF PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 5, 1981

● Mr. CORRADA. Mr. Speaker, the report issued on March 2, 1981, by the Comptroller General of the United States, Elmer Staats, on the question of Puerto Rico's political future as a result of requests made by Senator J. BENNETT JOHNSTON and myself is a well-documented study analyzing the options of statehood, changes in commonwealth status, and independence.

The report, very appropriately, does not seek to take sides on the complex, vital, and highly debated issue of Puerto Rico's future political relationship with the United States. The significance of this report is that it will assist the people of Puerto Rico and its political leaders as well as Congress and the President in future status deliberations by describing Puerto Rico's economic, social, and political development, and intricate relationship with the Federal Government, and by exploring issues and potential impacts likely to be addressed by Puerto Rico and the Congress in the event of such deliberations concerning the merits and ramifications of each status alternative.

The exposition of the three status alternatives—statehood, changes in commonwealth status, and independence, as they are described by advocates of each formula is serious and responsible. We, as Puerto Ricans, should feel proud of the degree of sophistication and wisdom shown by proponents of each of the three formulas as they defend policies and strategies concerning economic development, scope of government services, and revenue sources to finance such activities in the event their preferred political status is favored by the people and by the commitment of all Puerto Ricans, regardless of their status preference, to the preservation of our culture, our Spanish language, and our identity as a people.

Looking into some of the specifics in the report, as they pertain to the economic viability of statehood, it is important to note that:

One. Payment of Federal taxes by individuals under statehood will not be burdensome to our population and will be set off by substantial increases in additional Federal funds coming to Puerto Rico both to individuals as well as the government. The island's Federal individual income tax liability would have increased by only $248 million over what we now pay under the current status if we had been a State

in 1979. Because of Puerto Rico's low per capita income, about 43 percent of the Puerto Rican tax returns in 1979 would have had no Federal tax liability and 70 percent of Puerto Rican tax returns could have been eligible for an estimated $36 million in earned income credits.

Two. The government of Puerto Rico may reduce Puerto Rican income taxes as a relief to individuals paying Federal income taxes. For instance, the $248 million paid by individuals in Puerto Rico to the Federal Government in income taxes under statehood could be reduced by the Puerto Rican government by tax cuts under the Puerto Rican income tax laws.

Three. If Puerto Rico had been a State in 1979, the island would not have received $273 million in Federal excise tax and custom duty rebates—mainly from alcoholic beverages, gasoline, cigarettes, and others—but such lost revenue would have been replaced by the estimated increased Federal aid under statehood. Although much of this aid would have been paid to individuals or targeted to increase funding in existing services there would have been an estimated net $320 million in general revenue sharing aid and Puerto Rican government funds freed up by the increased Federal share in medicaid—health services to the poor—aid to families with dependent children, and cash assistance payments to the elderly, the disabled, and the blind under the supplementary security income program.

Four. The main tax impact under statehood would go to corporations which would have to pay slightly over $1 billion in Federal taxes. In this area, those of us who favor statehood believe that the impact of this tax can and should be phased in to allow for an orderly transition during a period of approximately 20 years. Existing grants of tax exemption would be honored. Adjustments would be made to existing Federal and Puerto Rican tax laws to provide on a long-term basis the necessary incentives to promote a healthy investment climate. Other policies would be developed to attract and retain business in Puerto Rico. These policies would be geared toward business profitability by addressing such matters as manpower availability and productivity, labor costs, shipping costs, trade relations, export markets, capital and financial availability and energy costs. The added political stability as well as political clout, with two Senators and seven Congressmen, as well as the right to vote for the President, would be important instruments in helping to promote sound economic development for the island in a joint effort of Federal, State, and local governments to strengthen capital investment and capital formation in the island. These economic development policies would be responsive to the needs of private enterprises and ventures—local, from the U.S. mainland and abroad—willing to participate in our progress.

Finally, it should be noted that while the process of change toward statehood requires the careful development of appropriate economic and fiscal policies, and there is no absolute certainty that such process will be an easy task, the fact is that the economic vulnerability of our current status creates even more difficulties. The economic development of Puerto Rico, to a large degree, has been made hostage to a shaky fiscal policy of Federal tax exemption for profits made by U.S. mainland firms doing business in Puerto Rico. Congress may unilaterally eliminate the benefits of section 936 of the Internal Revenue Code any time. We would oppose such move, but we should not be caught unprepared. We should begin to design the blueprint for a more solid economic development toward the future adjustable to full partnership for Puerto Rico as a State of the Union with the rest of the Nation. This blueprint for the future will signify for us Puerto Ricans greater economic self-sufficiency, the dignity brought about by political equality as citizens of the United States, and respect for our cultural heritage and our identity as a people.●

RESCUE ATTEMPT MEMORIAL SATURDAY

HON. ALLEN E. ERTEL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 5, 1981

● Mr. ERTEL. Mr. Speaker, the ninth grade civics classes at Central Dauphin East Junior High School have conducted a mock Congress and passed a resolution which I would like to bring to your attention. Under the direction of Mr. Robert McClosky, the civics classes in sections 9-14, 9-6, 9-17, and 9-12 passed a joint resolution proclaiming April 25, 1981, to be "Rescue Attempt Memorial Saturday." I include the text in full here:

Resolved by the Senate and the House of Representatives of Central Dauphin Junior High School in Congress assembled, That the President of the United States is authorized and requested to issue a proclamation designating April 25, 1981 as "Rescue Attempt Memorial Saturday," and inviting the people of the United States to observe such a day with appropriate ceremonies and to wear and display Red ribbons to commemorate the 90 commandoes and especially:

Marine Cpl. George M. Homes, Jr., Pine Bluff, Arkansas.

Air Force Capt. Richard Bakke, Long Beach, California.

Marine Sgt. John Davis Harvey, Roanoke, Virginia.

Marine S/Sgt. Dewey L. Johnson, Jacksonville, North Carolina.

Air Force Capt. Harold Lewis, Mansfield, Connecticut.

Air Force Sgt. Joel Maye, Bonifay, Florida.

Air Force Capt. Lyn D. McIntosh, Valdosta, Georgia.

Air Force Capt. Charles T. McMillen, Coryton, Tennessee.

who were killed in the line of duty on April 25, 1980 during the rescue mission that attempted to free the 52 Americans held hostage by the Iranian people.

We the below signed "Senators and Representatives" strongly believe in this Resolution.

Mr. Speaker, I want to commend these students for their fine work in drafting a well-written and thoughtful resolution to remember the servicemen killed in the attempt to rescue the 52 former hostages. In light of the recent efforts to celebrate the homecoming of the hostages, we cannot afford to forget those who gave their lives in an attempt to rescue their fellow countrymen. As we determine future policy and action in similar situations, let us all remember that behind the joyous homecoming celebration lies the grim tragedy of the deaths of these men. I hope that all Americans will take a few minutes on April 25 to remember them.●

RIVERSIDE CITY COLLEGE

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 5, 1981

● Mr. BROWN of California. Mr. Speaker, it is with great pride that I tell you of the 65th anniversary of one of the finest colleges in the 36th District of California. Riverside City College was founded in 1916 and is one of the oldest junior colleges in the State. Its 65th anniversary celebration will take place on March 14, 1981.

The founders of RCC enthusiastically endorsed the idea of junior colleges in our great State and made extensive efforts to define what roles the institution should play. Most of the essential features of the community college were envisioned: Students could receive the first 2 years of university work with no tuition; vocational courses would be offered; there would be part-time students; and older citizens could begin their education.

Through the years, the college has continued to define itself and in so doing has made major contributions to the concept of what a community college is. RCC's impact has not been felt just in Riverside, but across the Nation.

By 1918, the concept of community service was added to the definition of what a community college should do; an idea of A. G. Paul, chief administrator of RCC until 1950. Then, in 1922, H. S. Bliss developed the cooper-

ative plan—a work-study program. RCC was the first college west of the Rockies to offer such a program. A distinguished alumnus of this program was Chester Carlson, the founder of Xerox.

The cultural attractions of the city of Riverside are many, and these have often been initiated and sustained by the people and programs of the college: H. Norman Spohr and the community chorus; Marcella Craft and the Community Opera Association; Rex Brandt and the Riverside Art Association; and Leland Wilcox and the Riverside Community Players.

Between 1955 and 1975—just 20 years—RCC's enrollment increased by 650 percent. Besides this strain on its resources during that time, the college also met successfully the challenge of student activism; the special needs of minority groups; changing matriculation patterns; and special programs for the deaf, another RCC first; the handicapped and for the reentry woman. Two skilled administrators led RCC through this turbulent period, O. W. Noble and Ralph Bradshaw.

RCC has maintained high standards and broad curriculum throughout administrations. In 1916, RCC started with 105 students. It now has an enrollment of more than 14,000, a 28-building campus, and 190 full-time and 350 part-time teachers.

It is clear that RCC has kept close to the dreams and concepts envisioned by its founders in serving the Riverside community. RCC is a premier junior college which deserves high praise for educational excellence and to which we offer our warmest congratulations and deepest appreciation for continued community service on the occasion of its 65th anniversary.●

HEARING SCHEDULE OF THE SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT OF THE VETERANS' AFFAIRS COMMITTEE

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 5, 1981

● Mr. EDGAR. Mr. Speaker, as chairman of the Subcommittee on Education, Training and Employment of the Veterans' Affairs Committee, I am pleased to announce that the subcommittee will be holding a number of hearings on programs coming under the jurisdiction of the subcommittee.

A major bill pending before the subcommittee is H.R. 1400, the Veterans' Educational Assistance Act of 1981, introduced by the distinguished chairman of our committee, Hon. G. V. (SONNY) MONTGOMERY of Mississippi. H.R. 1400 responds to the concerns of many Members of Congress and the military services about the effectiveness of our Armed Forces and the capability of the military to attract and retain the quality of personnel it needs. H.R. 1400 proposes to provide an educational assistance program to assist the readjustment of members of the Armed Forces after their separation from military service, and to enhance the recruitment and retention of quality personnel for both the active duty and Reserve components of the Armed Forces.

On March 17, 19, 24, and 25, 1981, the subcommittee, therefore, plans to hold four hearings on H.R. 1400 and similar proposals, to be held in the committee hearing room, 334 Cannon House Office Building, beginning at 9 a.m. each day. Among the invited witnesses will be the Secretaries of the services, the Secretary of Transportation, the Veterans' Administration, the Joint Chiefs of Staff, the Commandant of the U.S. Coast Guard, and the chiefs of the Reserves and the National Guard.

On March 31, 1981, the subcommittee will be holding an oversight hearing on education, training and employment programs administered by the Veterans Administration. The hearing will be held in the subcommittee hearing room, 340 Cannon House Office Building, beginning at 8:30 a.m.

On April 2, 1981, the subcommittee will be holding an oversight hearing on veterans' employment, training and preference programs administered by the Department of Labor and the Office of Personnel Management. The hearing will be held in the committee hearing room, 334 Cannon House Office Building beginning at 2 p.m.

Members of Congress and interested persons who desire to testify at these hearings or submit statements for the hearing record should contact Mrs. Arlene Burnett, administrative assistant, at 202-225-3527.●

URBAN DEVELOPMENT ACTION PROGRAM

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 5, 1981

● Mr. RODINO. Mr. Speaker, we have now begun our examination of the President's proposals for reductions in Federal spending and taxation, and I think we can all agree that one of our goals should be the increased productivity by American industry that will put people back to work.

Unfortunately, while President Reagan has emphasized the need for Federal incentives to individuals and businesses to reinvest in our economy, his economic plan calls for curtailing one of the most effective programs for spurring business investment in our cities.

The urban development action grant program has been perhaps the most successful Federal program, per dollar spent, for inducing businesses to put dollars back into economically depressed areas.

Mayors from all regions of the country—both Democrats and Republicans—as well as business people, community activists, and ordinary citizens, have praised UDAG's action grants as a way to revitalize failing business districts.

These folks talk with pride and hope about new partnerships between government and industry that have rebuilt factories, reopened businesses, and redeveloped neighborhoods. They also talk about thousands of jobs that have been produced. Many UDAG projects are not completed yet, and the level of government support will mean the difference between their success or failure.

President Reagan says he wants to "integrate" UDAG with community development block grants to provide "a more efficient and flexible grant mechanism." He says he wants to cut the budgets of these two programs by $584 million in 1982 with progressively deeper cuts the following years. UDAG's 1981 budget was $675 million.

This proposed consolidation of UDAG and CDBG is less devastating than OMB Director David Stockman's original proposal to eliminate UDAG entirely, but it is still a bad idea.

Integrating UDAG with CDBG would misconstrue the uses of the two programs and take away the unique qualities that make UDAG so effective.

Community development block grants are awarded to thousands of local governments nationwide on a formula, no-strings-attached basis. This is a valuable program—one that helps communities rehabilitate housing facilities, repair roads and sewers, relocate businesses, and provide urban parks. However, these block grants do not require private investment and they do not focus directly on projects that will create permanent jobs in depressed areas.

UDAG, on the other hand, is sharply targeted to those areas most in need of economic assistance. It is not a formula program, but one in which proposed projects compete for Federal dollars on the basis of local commitment by private industry and local governments and citizens. These groups must be willing to invest money and human resources.

While block grants and action grants both help local communities, they serve different purposes and should not be combined. UDAG's record of achievement speaks for itself. In fact, if we decide to reduce the size of Federal programs according to their proven merit, then UDAG should be

in line for an increase instead of a cut. In the 3 years of its existence, UDAG has cost $1.9 billion. The results have been: $11.6 billion in private investment in depressed areas; 463,218 jobs, over half of which will be permanent; 46,000 newly constructed or rehabilitated housing units started or completed for moderate and low-income families; and over $300 million a year in local tax revenues gained from 1,000 locally sponsored projects.

UDAG has worked in my State of New Jersey, where over $370 million in private investment has been generated by $70 million in action grants—producing 15,000 jobs.

It also is working in my home city of Newark which has been particularly hardpressed to lure business investors back into the city. Then UDAG projects currently underway in the city have attracted $53.8 million in private funds. Over 2,000 jobs—more than two-thirds of them permanent—will result; and the city expects to collect an additional $2.3 million a year in local property taxes from the expanded businesses and industries.

In human terms, these projects mean a new day-care center for working mothers who have wanted to work but had no place to leave their children; a modern office building in the downtown area where a vacant industrial building stood last year; a new shopping center with a much-needed supermarket in an area where no one has previously wanted to invest; hundreds of jobs created by an expanded manufacturing plant in the inner city; and home improvements for over 500 families.

There are other examples in my congressional district; in the city of East Orange a combination of $500,000 UDAG funds and $1.5 million in private funds will help 283 families renovate their homes; and in the town of Harrison, 355 permanent jobs are expected to come back to the area after a recently vacated Otis Elevator plant is transformed into a manufacturing, warehouse and office facility with a UDAG loan of $450,000 and a private investment of $1.9 million.

These results sound familiar to many cities and towns across our country. Is this really a program that should be curtailed at a time when we want to revitalize local economies?

As we go about the business of finding ways to trim the Federal budget, the Congress should look for creative, sound, and reasonable efforts to make our budget better serve the Nation. This means where there is fat, there must be cuts. Where we have overreached with some programs, we must pull back.

But we must not be panicked or intimidated into thinking that the time for new initiatives has passed. We surely will need new ideas to move our Nation forward.

The UDAG program is a new initiative that works. To eliminate or reduce this program blindly, because of some misdirected fervor for so-called across-the-board budget cuts would be a senseless act of false economy.

It would set back the hopes of millions of Americans to improve their local economies and their lives.●

WAR POWERS RESOLUTION AND EL SALVADOR

HON. WILLIAM S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 5, 1981

● Mr. BROOMFIELD. Mr. Speaker, as my colleagues know, the Reagan administration, intent upon preventing the success of what it views as a clear case of Communist supported insurgency in El Salvador, last week announced that it was sending 25 U.S. military training personnel to that country in order to help train El Salvadoran forces. These are in addition to 19 such personnel sent to El Salvador by the Carter administration.

Concern has been expressed to me by some of my colleagues as well as some constituents over the applicability of the war powers resolution to this situation. As the ranking Republican on the House Foreign Affairs Committee and its Subcommittee on International Security and Scientific Affairs, which has oversight over the resolution, I have posed certain questions to the Department of State regarding its applicability. The Department's response follows:

APPLICATION OF THE WAR POWERS RESOLUTION TO EL SALVADOR

The War Powers Resolution does not apply to the present situation in El Salvador. The Resolution applies only where U.S. military personnel are introduced (1) into hostilities or situations where it is clear that their involvement in hostilities is imminent, or (2) into foreign territory while equipped for combat.

HOSTILITIES [1]

The U.S. personnel in El Salvador are not being introduced into hostilities or a situation where their involvement in hostilities is imminent:

The level of hostilities in El Salvador has receded since the insurgent offensive in January, and significant fighting is not presently occurring in the areas to which U.S. military personnel will be sent. To date, there have been no attacks on U.S. military personnel.

These personnel will be stationed either in San Salvador (the capital) or in certain carefully selected regional military garrisons. Special precautions will be taken to provide constant security for their living and working areas.

These personnel will not go on patrol or combat missons with Salvadoran forces, or otherwise be placed in situations where combat is likely. They will not act as combat advisors, but rather will provide training to Salvadoran personnel who come to their training centers.

This situation has been carefully examined by military and foreign service experts who are familiar with current conditions in El Salvador. On the basis of their advice, the Administration has concluded that present circumstances do not indicate an imminent involvement of U.S. personnel in hostilities.

However, this aspect of the situation in El Salvador will be kept under continuing review by the State and Defense Departments. If some change in circumstances should occur in the future which raises the prospect of imminent involvement of these personnel in hostilities, we would of course comply with the requirements of the Resolution.

EQUIPPED FOR COMBAT

Section 4(a)(2) of the War Powers Resolution requires a report to Congress within 48 hours after the introduction into foreign territory of U.S. Armed Forces "while equipped for combat" (with some exceptions).

This provision does not apply to the U.S. military personnel who are already in El Salvador or to the additional mobile training teams which are about to be sent to that country:

These personnel will carry only personal sidearms, which they are only authorized to use in their own defense or the defense of other Americans.

It is not unusual for U.S. military personnel abroad in non-combat roles to carry or have access to personal weapons for individual defense (for example, U.S. aircrews), and this has never been regarded as triggering the War Powers Resolution.

A small training team whose members have sidearms would have no meaningful combat capability, and is not a force equipped for combat within the meaning of this section.

ACCOMPANYING FOREIGN FORCES

Section 8(c) of the War Powers Resolution states that:

. . . the term "introduction of United States Armed Forces" includes the assignment of members of such armed forces to command, coordinate, participate in the movement of, or accompany the regular or irregular military forces of any foreign country or government when such military forces are engaged, or there exists an imminent threat that such forces will become engaged, in hostilities.

This Section was designed to make clear that the Resolution applies to individual members of U.S. forces who may enter hostilities as commanders or advisors, as well as U.S. combat units. It was not intended to require a War Powers report any time U.S. military personnel may be involved in training or advising foreign military personnel if there is no imminent involvement of U.S. personnel in hostilities.

In the case of El Salvador, U.S. military personnel will not act as combat advisors, and will not accompany Salvadoran forces in combat, on operational patrols, or in any other situation where combat is likely. For

[1] The meaning of "hostilities" is not entirely clear in the context of a guerrilla insurgency. We would interpret it to apply to any armed confrontation between opposing forces involving an exchange of fire, whether in a conventional or a guerrilla conflict. However, it would not apply to irregular or infrequent violence, such as sporadic terrorist attacks, which happen to occur in a particular area. In any event, we have no reason at present to believe that U.S. military personnel are about to be exposed to attack of either description.

the purpose of Section 8(c), they will not "command, coordinate, participate in the movement of, or accompany" Salvadoran forces at any time or place where involvement in hostilities is imminent.●

TOO MUCH CAPITAL FOR HOUSING?

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 5, 1981

● Mr. ROSENTHAL. Mr. Speaker, the Housing and Community Development Act of 1980 (Public Law 96-399) at section 603 expresses the sense of Congress that—

Lending by federally insured lending institutions for the conversion of rental housing to condominium and cooperative housing should be discouraged where there are adverse impacts on housing opportunities of the low and moderate-income and elderly and handicapped tenants involved.

The Subcommittee on Commerce, Consumer, and Monetary Affairs, which I chair, has been monitoring enforcement of this provision in connection with its investigation of Federal activities impacting the conversion issue. I have asked the General Accounting Office to report on what, if anything, the banks and thrift institutions have been doing to discourage lending where the adverse impacts mentioned in the law occur.

In addition to section 603, there are other reasons for banks and thrift institutions to carefully consider loans for certain condo and co-op conversions. In an article in the summer 1980 issue of the Brookings Bulleting, the highly regarded housing expert Anthony Downs makes the point that we are providing too much money to finance housing generally. Mr. Downs states:

Much of that money simply inflates the market prices of the existing inventory rather than adding to the total housing supply.

In my view, we are not encouraging investment in new housing or rehabilitation, but instead are encouraging speculative investment in existing housing, and converted condos and co-ops make up an increasing portion of this market.

Mr. Down's article follows:

TOO MUCH CAPITAL FOR HOUSING?

High interest rates and the recent curtailment of mortgage credit have cast a shadow over the housing industry. Many people in that industry are dismayed that the United States cannot invest more funds in housing. Their concern is understandable, yet I see evidence that in recent years we have been investing more capital in financing housing than is good for us.

For more than half a decade, our nation has been experiencing a slowdown in productivity growth and recently an absolute decline in productivity. We need to make huge capital investments in energy production, energy conservation, and modernization of our industrial plant and equipment to compete in world markets. Yet more American capital flows into mortgages for housing than into any other single use, including business investment or state and local government finance. Moreover, some evidence suggests that much of this capital is diverted into current consumption rather than used to produce additional housing units. So large a use of resources should be neither ignored nor regarded as inevitable. We should be asking: Is our system of financing housing diverting too many resources from other investments that might help counteract declining American productivity?

I emphasize that I have not reached a definite answer to this question. In exploring it with you, I will offer a series of propositions that may stimulate additional thinking.

OUR POSTSHELTER SOCIETY

The first proposition grows out of the changing attitude toward housing held by American consumers. Housing is no longer considered merely shelter. Many buyers now view it primarily as an investment that allows them to accumulate capital and to hedge against inflation. As George Sternlieb has put it, we are becoming a "post-shelter" society in which the behavior of homebuyers and homeowners is often dominated by investment considerations.

The pervasive attitude leads many people to invest in more space than they really need and to buy homes at an earlier age than they did just a decade ago. It has also led them to expand the share of their incomes they devote to housing. Surveys conducted by the U.S. League of Savings Associations show that median spending on housing among home purchasers was 24 percent of income in 1979, up from 22 percent in 1977. Since that was the median, many homebuyers are devoting more than the usual 25 percent share of their income to housing.

The second proposition is that housing as an investment offers extraordinary tax advantages compared to any alternative form of investment, such as corporate stocks, bonds, or even direct investment in small business. Yet those alternative investments, especially in small business, provide most of the innovation and new private job creation in our economy.

The attraction of homeownership is increased by the deductibility of interest payments and property taxes from taxable income. But the really stupendous tax advantages of homeownership result from the ability to sell a house without paying capital gains taxes on the proceeds so long as another home is purchased, and to take out $100,000 in capital gains after the age of fifty-five without paying any tax whatsoever. No other form of investment offers any thing remotely approaching those advantages. Moreover, they induce households to purchase ever more costly homes as time goes by.

THE REWARDS OF INFLATION

Influential as tax advantages have been in consumer housing decisions, an even larger consideration in recent years has been inflation. My third proposition is that investment in housing has become far more than a strategy to "keep up" with inflation. In addition to that, inflation magnifies the other benefits of investment in housing.

The clearest advantage lies in the high leveraging that is possible. The investor can borrow 80 percent, or even up to 95 percent, of the initial cost of a house. With so small a down payment, any significant percentage rise in the price of the whole asset provides a huge return on equity. Take the example of a California home bought in 1976 with 20 percent down. The median price of existing homes sold in California rose at a compound annual rate of 20.9 percent from 1976 to 1980, increasing the initial equity in the typical home by more than 100 percent every year.

For the nation as a whole, the price of existing single-family homes has increased by an average of 12.7 percent each year since 1976. The average house purchased with a 20 percent down payment has thus shown a 63.5 percent annual increase in initial equity. Even after deducting associated costs, the profits resulting from homeownership are remarkable—and totally tax-free.

Consumers are alert to this opportunity. Millions of households have rushed to buy homes, thereby stimulating housing price increases at a rate greater than the overall rate of inflation, at least until last year. Ironically, rising home prices have not curtailed the number of units demanded, as economic theory would predict. Rather, they have increased the number by stimulating greater total demand by people who expect additional price increases.

Inflation also causes the carrying costs or occupancy costs of a housing investment to decline in real terms over time. Debt service usually accounts for well over half the cost of occupying a home. So even if operating costs like utility bills and local taxes rise rapidly, with mortgage payments fixed and household incomes rising, homeowners pay declining real amounts for housing each month—as well as falling percentages of household income. This fact has been obscured by alarmist housing analysts who look only at the first-year costs of occupying a home and draw gloomy conclusions about how few Americans can afford to buy a house. Home-buyers know better; they look at multiyear costs and see that owner-occupancy costs in real terms were falling throughout the 1970s.

A third effect of inflation is to reduce the real after-tax rate of interest paid by borrowers in constantly devalued dollars. Another simplified calculation will make this clear. If a borrower pays 12 percent interest on a mortgage when prices are rising 10 percent a year, the real rate of interest is 1.8 percent before taxes for the first year (1.12 divided by 1.10). The rate falls to minus 2.5 percent after taxes for people in the 40 percent tax bracket. And if the house itself is rising in value at 12.7 percent a year, as it has on the average for the entire nation in recent years, then even the before-tax rate is negative and the after-tax rate is minus 4.8 percent.

These calculations are based on a one-year loan. The results are even more dramatic when compounded over a long-term loan during a period of accelerating inflation such as we have experienced. Most lenders did not anticipate that acceleration. Hence they charged interest rates that were too low from their own point of view and from that of the savers whose deposits supplied much of the money for home loans. The result was that borrowers received large real benefits during the 1970s at the expense of lenders and savers.

Naturally, this situation has discouraged consumers from saving out of current income. They have simply moved their savings under their own roofs, so to speak, by regarding increases in their home equities as savings. After all, they can earn for great-

er rates of return on investments in real estate—if they borrow most of the required money—than they can on savings accounts. They have come to look upon borrowing to purchase housing as the best way to increase their family savings. They believe, as my father used to say, that "what you owe today, you will be worth tomorrow."

Another effect of inflation is that it pushes more people into higher tax brackets, steadily increasing the value of the tax shelters offered by investment in housing. Conversely, inflation penalizes other forms of investment. It harms bonds, for instance, because their fixed interest payments represent a falling real return to bondholders over time. It penalizes corporate equities because of the requirement that depreciating assets be valued at their historic cost for tax purposes rather than at their much higher actual replacement cost. By understating true replacement costs and overstating reported profits, this practice results in excessive corporate taxation that harms investors in stocks. The separate inflation-adjusted accounts now required by the Securities and Exchange Commission show that the real profits of many firms are 40 percent lower than their reported profits. Corporate income taxes in turn are excessive by as much as 20 percent. Thus, the more deeply investors explore the return on housing investment, the better that return looks than the alternatives.

These effects of inflation create a growing social and economic cleavage between families who already own homes and therefore enjoy these benefits, and those who are not yet homeowners or cannot afford to become one. The fraction of buyers purchasing their first home fell from 36 percent in 1977 to only 18 percent in 1979.

ARE HOUSING NEEDS EXAGGERATED?

Our current huge investment in housing finance is often justified by references to demographic trends. Its defenders claim that high rates of household formation demonstrate a "need" for more housing. But do people "need" as much housing as they are buying? In 1979, for example, 22 percent of all home purchases were made by single persons. Many bought houses large enough to shelter sizable families—far more space than one person must have for shelter. They bought for investment reasons.

Such behavior was encouraged by the low real capital cost of housing space. Indeed, the very formation of separate households is stimulated by low housing costs. Experience in Eastern European nations with acute housing shortages shows that both the number of households formed and the birthrate are influenced by the cost and availability of housing. The tremendous acceleration of household formation in the United States during the 1970s resulted in part from the availability of housing at low cost (in real terms); it was not a purely demographic factor to which housing markets "had to" accommodate themselves.

The attractiveness of homeownership as an investment inevitably has helped make the construction of new rental units economically unattractive to developers. They cannot charge rents high enough to make new units pay, since people would rather buy than pay rents sufficient to provide a fair return. As a result, rental housing is not being built in most areas in significant quantities. Moreover, existing rental units are being converted into condominiums because people will pay far more to own them than to rent them, thanks to the benefits of homeownership. These outcomes are contributing to rental housing shortages in many markets.

A related issue is the restriction of new housing production by local governments. When those governments respond to intensified housing demand in growth areas by restricting additions to the supply, escalation of the prices of existing housing is inescapable. Higher prices soak up more financial capital and fewer new units are produced than would otherwise be the case. Such restrictions are often imposed in the name of environmental protection; but local officeholders surely know that the restrictions add money to the balance sheets of the homeowning majority of voters in their jurisdictions. In California, for example, the production of new units declined by 21 percent in 1979 from the peak it had reached two years earlier; this stimulated a rapid increase in the median price of existing units, which rose 29 percent from February 1979 to February 1980 alone and represented a gain of about $22,000 per home.

It may seem inconsistent to criticize local governments for restricting new home construction when I have just argued that current estimates of housing needs may be exaggerated. Yet many parts of the United States have urgent needs for more housing units, especially fast-growing areas experiencing heavy net in-migration. Precisely those areas tend to place the most restrictions on new homebuilding.

It is not that the United States is building too much housing. We undoubtedly will need a great many more new housing units in the next two decades. The point is that we are providing too much money to finance housing. Much of that money simply inflates the market prices of the existing inventory rather than adding to the total housing supply. Restrictions placed on new development by local governments tend to worsen the problem.

HOUSING'S SHARE OF CAPITAL

The fraction of all capital raised by nonfinancial sectors of the American economy that went into home mortgages averaged 16 percent between 1966 and 1971. It rose sharply in the 1970s, reaching 28.5 percent by 1977. An equally high level of housing investment prevailed from 1950 to 1965, when it averaged 28.1 percent. But that was a period when the nation was catching up after twenty years of depressed new home construction in the 1930s and during and right after World War II. We are not under similar pressures of long-deferred demand today, yet we are directing our national resources as though we were.

Total mortgage financing has risen sharply each year in relation to the total cost of building new housing. The annual ratio of all residential mortgage lending to the total cost of new housing put in place rose from 66.5 percent in the 1950s, to 89.3 percent in the 1960s, to 108 percent in the first half of the 1970s, and to 144.9 percent from 1975 to 1978. Although some of this remarkable increase reflected lower down payment requirements for new homes, most of it resulted from greater refinancing of the existing inventory. The influx of capital inflated the value of the existing housing supply without adding to true wealth or to productivity.

The annual rate of home-purchase transactions has been rising as well, as more households seek the benefits of ownership or realize their capital gains. In the 1960s, about 1.7 new or existing homes were sold each year for every new household formed. In the last half of the 1970s, that ratio rose to 2.3 to 1. In addition, from 1968 to 1979 the median sale price of existing homes rose at a compound annual rate of 9.7 percent compared to 8.9 percent for new homes. The consumer price index rose at a rate of 6.9 percent during that period, which means that the prices of existing homes rose 41 percent faster than prices generally.

An important part of these price increases has been diverted into consumption by householders who take out some of their equity when selling and buying. The U.S. League's study in 1979 showed that typical repurchasers received $30,877 in equity from houses they sold last year, but took 34 percent of that equity out of housing when they bought another home. In fact, more than 80 percent of the people who sold homes last year did not use all the proceeds for reinvestment in another home. Much of this "diverted" profit probably was used for personal consumption of various kinds. Such behavior is perfectly acceptable from the viewpoint of the individual household, but the net result has been a significant movement of funds seemingly used to finance housing into the financing of other things.

POLICY IMPLICATIONS

So much for the evidence that we may be investing too much capital in housing. Because of the way our institutions work, much of that investment has gone into raising the price of existing houses rather than expanding the housing stock to meet valid needs. My intention is to suggest the validity of that hypothesis, not to affirm it conclusively. Yet the evidence is persuasive enough to warrant consideration of possible policy responses. The trends we have witnessed in the last decade are by no means irreversible.

It seems clear that we ought to reduce the relative tax advantages of investment in housing as against other forms of investment. I hasten to affirm that homeownership is a desirable social goal and should be encouraged by financial incentives, including some tax benefits. But I also believe that the present overwhelming tax advantages of buying housing compared to other possible uses of capital impart too strong a bias to household choices. Those relative advantages could be reduced either by decreasing the benefits attached to housing or by extending greater advantages to other kinds of investment, such as personal savings accounts and corporate stocks. The latter course would be politically easier, since 65 percent of all householders are homeowners.

Another possibility would be to direct more mortgage funding into financing new construction and rehabilitation, and less into inflating the values of existing homes without improving them. Pumping up the prices of existing homes by pouring capital into housing finance while allowing local governments to restrict the construction of new housing as much as they wish, as happens in parts of California, appears to be a wasteful national policy. It diverts housing finance into general consumption when the nation needs higher levels of investment to improve productivity and reduce our dependence on imported sources of energy. The power of local governments to block the construction of additional housing—especially lower-cost housing—should be closely scrutinized.

Lastly, the real cost of borrowing capital to finance housing should be increased, preferably by paying savers higher rates of interest to reward them for saving. The

shift by savings and loan associations to rollover or renegotiable-rate mortgages is a move in this direction. If future savers do not receive a greater share of real rewards from the housing investments they finance than they have in recent years, many will save less out of their current incomes. This is shown by the decline in the savings rate in the past year or so to about one-half the rate of similar points in previous business cycles. A lasting decline in savings would greatly reduce the borrowing that has made housing purchases so profitable. After all, not everyone can be a borrower; someone must defer immediate consumption by saving or no borrowing will be possible. Hence, raising the real cost of capital for housing—and thus the real return on savings—is not just a means of reducing the flow of resources into housing. Rather, it is an essential means of ensuring that an adequate flow will exist in the future.●

POST-TRAUMATIC STRESS DISORDER

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 5, 1981

● Mr. EDWARDS of California. Mr. Speaker, the March 1981 issue of the American Legion contains an excellent article entitled "The Wounds That Would Not Heal."

The article, written by Dr. Arthur S. Blank, Jr., describes the problems of "post-traumatic stress disorder" which have been encountered by a significant number of Vietnam era veterans. In exploring the reasons for this disorder, the article also explains why the Veterans' Administration's Operation Outreach was created, and why this program has been able to assist these veterans in overcoming their delayed stress problems.

Unfortunately, what the author does not point out, is that most Vietnam veterans will lose their eligibility for this vital program this fall, unless the Congress acts to extend their eligibility. I have introduced legislation, H.R. 747, to extend the eligibility of these veterans for counseling under Operation Outreach for 3 more years, until September 30, 1984.

I hope that after reading this outstanding essay, my colleagues will agree that Operation Outreach needs to be continued. I would certainly welcome the cosponsorship of my colleagues on H.R. 747.

The article follows:

THE WOUNDS THAT WOULD NOT HEAL

(By Arthur S. Blank, Jr., M.D.)

"He jests at scars, that never felt a wound."—Shakespeare.

Military psychiatrists in Vietnam during the war, including this writer, were cheerfully reassuring about the psychological effects of the war on troops. In our reports and in the press, the word went out that—in contrast to WWII—psychiatric casualties were rare, thanks to the limited 12-month tour, the off-and-on nature of the combat, and new treatment methods refined during the Korean War. In fact, evacuations and hospitalizations for psychiatric reasons did remain low throughout the war.

But as early as 1970, a group of psychiatrists and psychologists led by Chaim Shatan M.D. and Robert J. Lifton M.D. in New York, first began to report important and persisting emotional stress in veterans who had successfully completed tours in Vietnam and had had no psychiatric treatment.

From that time 10 years ago, through the final painful years of the war and the return to America of the 3.5 to 4 million men and women who served in Vietnam during our longest war, through the shock of defeat and withdrawal, through our nation's effort to forget the war and the deep divisions and mistrust which it created—slowly through this past decade—our citizens and government have recognized that a substantial minority of Vietnam veterans have been deeply wounded psychologically by what happened to them in Indochina. And now, in recent months, we have finally moved to confront and deal with this major public health problem.

The best available research to date reveals that about 20 percent, or somewhere around 700,000 veterans of Vietnam, are to this day markedly impaired by the after effects of their war experiences. Many of them can be said to be suffering from "post-traumatic stress disorder."

What is this psychological condition? For most of these veterans, the core symptoms are the same as those which were felt by thousands of veterans of WWII and Korea, especially combat veterans: nightmares, depression, anxiety and fear, trouble restarting peacetime living, flashbacks and feelings of detachment from others. For some individuals, there have been other manifestations of the psychological stress disorder: alcohol or drug abuse, physical conditions such as chronic headache, low back problems or ulcers. Both the acute, short-term form, and the long-lasting or "delayed" form of this syndrome have occurred in veterans of previous wars—perhaps all wars.

All warriors know the horror, the suffering, the grief of losing buddies, the profound fear and tension of daily living with death, the miserable living conditions and the extremes of human existence which happen in war. There is great heroism, humor, loyalty and friendship—along with great hatred, brutality, sadism and pain—much of which lies forever beyond the imagination of those who have been spared the experience of war.

And so, Vietnam veterans share the wounds and scars of war with their fathers and uncles and friends who are veterans of previous wars.

Again in the case of Vietnam, we have to ask why the emotional wounds of perhaps 80 percent of those veterans healed? Many reasons, perhaps. Maybe it's been a basic flexibility of spirit, or special postwar help and attention from family and friends who have been able to aid the veteran in getting over the war experience. Or perhaps it's just been the ability to forget—to shut it out and keep it out and go on with normal living—an ability which some seem to have more than others.

But what happened to the others? What happened to those who, 10, 12, 14 years later, are still suffering from frequent nightmares, or are irritable every day with their children and troubled by the intense—too intense—anger which the child's natural cantankerousness brings up? Others have been stuck now for years in a dulling depression which takes the joy out of life, and takes the advancement out of their careers. Some suffer from sleep distrubances, difficulties in concentrating or other limitations on their capacity for work.

For some this has resulted in an endless cycle of unemployment; for others, repeated divorce; and for still others, years spent lost in alcoholism which could never be successfully treated because its roots in the war were never recognized.

Through the 1970s, the families and friends of these veterans, a few mental health professionals and a few government officials knew about the psychological wounds which would not heal. But either because our feelings about the Vietnam War itself were still so intense, or because we hoped that with time the problems would go away, our society was not able to take action about the situation.

That has changed, and in Operation Outreach of the VA and the Vietnam Veterans Outreach Project of the DAV, the nation is not only beginning to address the treatment needs of troubled vets, but we are beginning to pin down very clearly what factors have made the Vietnam War haunt the lives of some veterans and their families for so long.

First of all, as I heard expressed so eloquently in testimony in a courtroom a few weeks ago by a retired general officer—a man who had been a battalion commander in both the Korean War and in Vietnam—the war in Vietnam was different. There are some things about a guerrilla war, as opposed to a conventional war, which simply cause a number of people to come unglued inside—unglued in a way that lasts and is very difficult to get over.

For many of us the deepest cut ultimately came from the atmosphere of terrorism which permeated the entire war zone. There was no safe ground and there were no safe people. Every Vietnamese person—man, woman and child, young and old—was potentially the enemy. Babies really were booby-trapped, and youngsters really did toss grenades into one's jeep. GIs worked, lived and even fought for months with Vietnamese who turned out to be working for the other side. All base camps, cities, towns, airstrips and installations established throughout the country were attacked at some time or other during the 11 years of war. Attacked also, of course, were units in the field proper and troops in "normal" combat situations. It was all a combat zone, the whole way through.

For those who were not in Vietnam, it is easy to dismiss this pervasive and penetrating terrorizing atmosphere—and its psychological consequences—as exaggeration. But the features of guerrilla terrorism were added to the mental challenge of combat experiences and have produced in some veterans an especially painful, deep and abiding kind of paranoid fear which we are now beginning to learn to recognize and treat.

It has also now become clear that uncertainty about the rightness or wrongness of the war itself has, for some veterans, been a major factor in producing lasting psychological disability. Now that passionate attitudes for and against the war have somewhat cooled, we have begun to see that some veterans remain sorely troubled by the nature of the Vietnam War, and that these difficulties go beyond political differences. That is, many veterans with stress syndromes have—as part of their problems—a relentless despair that in a war which they

believe to have been just and honorable, they and their comrades were not permitted to fight to win.

On the other hand, some veterans who believe that the war was wrong from the outset and an unjustified interference in the affairs of the Vietnamese, share the same kinds of despair, pain and bitterness as part of their symptoms.

Thus, our regular experience in rap groups now is that the political disagreements, though still real and important, can be transcended in the search for a common healing outcome.

A third major factor which has caused the perpetuation of stress syndrome in Vietnam veterans came about when the veteran returned home. Many veterans came home to friends, family and community who lacked the capacities to help in the emotional debriefing process which all war veterans need to some extent.

Because of the seemingly endless exposure to the war on television, or the deep divisions which came into our society over the war, or because so much of the civilian population was discouraged by the fact that so little was accomplished and so much lost, many people to whom the veteran returned could not stand to hear any more about Vietnam. By the end, at least as many people opposed the war as supported it. Many Americans were, or still are, sad and regretful about what happened in Vietnam: the pro-war folks because we did not win, and the anti-war folks because we were there at all. They have had their own wounds to heal, with not much left over with which to help the veteran work it out.

I must most emphatically add that many psychologists, psychiatrists and other counselors—with a few exceptions—have, until very recently, not been able to help those Vietnam veterans who needed to talk out the war. These professionals, too, have not been able to face it.

The hitch has been that for most Vietnam veterans with a stress syndrome, a true recovery has to include revisiting and re-experiencing, to some extent, the events which were lived through in Indochina. They must be remembered before they can be forgotten, sometimes in painstaking detail.

That need for talking it out will be instantly recognized by many veterans of other wars. It is part of the normal recovery process. Since the mental health field has had such a hard time providing the context for that, the Outreach Centers have been created as places where Vietnam veterans, their families, friends and other veterans can honestly—and with feelings—bring the buried past into the present and make it a constructive part of the future.

The core of the psychological difficulties which some Vietnam vets are now struggling to recover from is the same as in veterans from other wars. The trauma of combat, the encounters with death, horror, mutilation and suffering were the same. Some veterans of WWII and Korea to this day are fighting the same struggle.

In fact, it is our hope that through the concentrated attention which we professionals, community workers, Vietnam veterans and friends are now directing toward stress disorder in Vietnam veterans, we shall inspire the Veterans Administration and the nation at large to a deeper understanding of the problems, strengths and wisdom of all veterans of war, and to a more sensitive appreciation of the ways in which returned warriors can fully contribute to a happier and more peaceful society.●

EULOGY OF MSGR. D. JOSEPH CORBETT: MINISTRY OF LEADERSHIP AND SERVICE TO ALL

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 5, 1981

● Mr. ZABLOCKI. Mr. Speaker, upon the passing away of Rev. Msgr. D. Joseph Corbett on February 19, 1981, my fellow parishoners at the Shrine of the Blessed Sacrament Catholic Church—as well as the entire Christian community of Washington—lost a beloved pastor and inspirational religious leader.

In his 30 years as a priest of the Washington Archdiocese, Monsignor Corbett served as pastor in three different parishes; director of the Confraternity of Christian Doctrine; secretary to Cardinal O'Boyle; rector of the Archdiocese of Washington Preparatory Seminary; and elected member of the archdiocese's priests' senate.

Reflecting recognition of Monsignor Corbett's lifetime ministry of service to the people of Washington, an overflow congregation of fellow priests and sisters, relatives, friends, and Blessed Sacrament parishoners attended his Mass of Christian Burial on February 23. With Cardinal Patrick A. O'Boyle in attendance, and joined by Bishop Thomas W. Lyons and Bishop Eugene A. Marino, the Archbishop of Washington, James A. Hickey, celebrated the mass at Blessed Sacrament.

In his eulogy, Fr. James Lockman, acting administrator at Blessed Sacrament, noted the positive influence that Monsignor Corbett had on countless people, including and especially the parishoners of Blessed Sacrament Parish:

Though countless the achievements of Msgr. Corbett, none surpasses the dedicated, personal, and humble way in which he gave of himself to all whom he knew, loved and served. With relentless dedication he committed himself to the spirit and vision given to the Church through the Second Vatican Council and he shared this mission together with all those to whom he ministered.

Monsignor Corbett's impact on the many people he so ably served included the future of our country—our youth. This was most poignantly reflected by an 8-year-old parishoner who, at Monsignor Corbett's funeral mass, observed to her father: "Daddy, I have lost a friend."

The wellspring of Monsignor Corbett's strength and hope is best reflected in one of his favorite psalms which he had written in his personal breviary and prayed daily:

You, Oh Lord, are my lamp,
My God who lightens my darkness
With you I can break any barrier,
And with my God I can scale any wall.—(Ps. 18: 30.)

In extending consolation to Monsignor Corbett's family, including and especially his mother, Mrs. Johanna Corbett, the Blessed Sacrament Parish community joins me in recognition and appreciation that Monsignor Corbett reached out to all with the message: "Blessed are the poor in spirit for the Kingdom of God is theirs".●

CHILD WELFARE AND ADOPTION

HON. SHIRLEY CHISHOLM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 5, 1981

● Mrs. CHISHOLM. Mr. Speaker, the Children's Defense Fund (CDF) has worked over a decade to improve the lot of the poor, homeless, and handicapped children and their families. It is the feeling of this group that the poor and their children stand to lose much if the President's proposed budget cuts are approved.

In response to what it calls the Stockman plan, CDF has prepared "A Children's Defense Budget: A Response to President Reagan's Black Book."

Following is the first chapter of the document, entitled "Child Welfare and Adoption."

CHILD WELFARE AND ADOPTION

WHAT IS THE ADOPTION ASSISTANCE AND CHILD WELFARE ACT OF 1980?

The Adoption Assistance and Child Welfare Act of 1980 (Public Law 96-272) passed the House by a vote of 401 to 2 after years of effort. It seeks to provide the federal leadership needed to produce long overdue reforms in the child welfare system which has encouraged family break-up and long term, expensive out-of-home care for children. The new law attempts to redirect federal fiscal incentives and encourage states to keep families together, get children out of the limbo of foster care and into permanent families through return home or adoption.[1]

The reforms uniquely link federal increases in a state's funding for child welfare, foster care, and adoption services to the efforts the state makes to reform anti-family procedures and ensure that:

Children enter care only when necessary.

Children who must enter care are placed in the most appropriate family-like setting.

Children's placements are reviewed periodically to prevent them from staying in care any longer than needed and protect them from getting lost in the foster care system.

Children are returned home or provided with new permanent families in a timely fashion.

The act also provides federal reimbursement to states for subsidies to assist with the adoption of children with special needs (such as mental, physical, or emotional handicaps).

[1] These reforms revise the Title IV-B Child Welfare Services program, and combine the federal Foster Care program and new Adoption Assistance program in the Title IV-E program.

WHO BENEFITS FROM THE ADOPTION ASSISTANCE AND CHILD WELFARE ACT?

The act brings desperately needed help to the over half million homeless children adrift in this country and the thousands more who enter foster care each month. Many of these children have been needlessly wrenched from their families and left to linger in costly facilities that range from foster family homes to large child care institutions.

Many of these children have special needs stemming from physical, mental, or emotional handicaps; some are victims of parental abuse and neglect; others have been involved with the juvenile court. Approximately 60 percent of these children are white. Over 40 percent are preadolescents and adolescents. Fewer than 30 percent come from AFDC families.

In many states these children remain in care an average of five years, moving from foster home to foster home or institution to institution. They are neither returned home nor provided with new permanent families through adoption. Often, they are cruelly forgotten or written off as lost causes.

Terri and Cindy are just two of these homeless children:

Terri is an alert, warm, engaging eight-year-old who is beginning to show signs of learning difficulties and aggressiveness. Terri is entering her third school and her fourth foster home in four years. She has not seen her own parents in four years but no one is making plans for her to ensure she has a permanent family.

Cindy is a seven-year-old retarded child whose mother made numerous unsuccessful attempts to enroll her in the public school system in the southern rural community where they live. Cindy could already do many things for herself. Yet the school system argued it had no services for her, offered no alternatives, and told her mother to keep Cindy at home. Cindy and her mother were receiving public assistance but the local welfare officials did nothing to help cindy's mother insist the schools provide an appropriate education. Instead, they wanted to place Cindy in a state institution for the mentally retarded. When Cindy's mother refused, the local department formally charged her with neglect. The Court upheld the charge and ordered that Cindy be placed in the state institution.

These children and thousands of others like them are victims of state and local child welfare systems across the country—the very systems the Reagan Administration currently proposes to give total responsibility for the children to without any procedural protections.

WHAT IMPACT WILL THE CURRENT REAGAN ADMINISTRATION PROPOSAL HAVE?

The Administration's current proposal cuts the Adoption Assistance and Child Welfare Act of all its procedural reforms and fiscal incentives by placing it in a block grant, the Social/Community Services and Health Program Consolidation, with over 30 other programs and by reducing their combined budgets by 20 percent from fiscal year 1981 levels. In fact, states are free to eliminate the child welfare and adoption programs altogether. The federal leadership anticipated by the act and necessary to stop state neglect and abuse of children and families would be undermined as a result.

Homeless children will get lost. Thousands of our country's most vulnerable children will continue to get lost in the foster care system because procedures—such as information systems, case plans, and case review systems—to identify the most needy children will no longer be required under the consolidation proposal.

Children will continue to languish in foster and institutional care. The lack of federal leadership and revised fiscal incentives will mean business as usual at the state and local level. Funds will continue to be spent for costly out-of-home care because it is an easier and more familiar course for child welfare workers. Without incentives to develop service programs that specifically keep families together or reunite them, states are not apt to use dollars for the up-front costs of implementing these programs. And the long range cost-savings which result from the creation of preventive services will be lost. States will continue to deny permanent adoptive families to children (particularly those with severe handicaps who have been lingering in the foster care system for years) unless they are required to use federal dollars specifically for adoption assistance payments on these children's behalves.

The truly needy will be hurt. The majority of children who come into contact with the child welfare system come from poor families. These poor families are at risk of the greatest harm—removal of their children, sometimes permanently—when no alternatives to foster care are available. Indeed, homeless children are America's most vulnerable and "truly needy" group of children.

Taxpayers' money will continue to be misused. Homeless children cannot argue for their fair share of a block grant. Often their parents are not in a position to organize and advocate on their behalf. And individual caretakers and other professionals responsible for their care are constrained by the larger social services system of which they are a part. Thus, money meant to help homeless children and children threatened with removal from their families will likely be absorbed by existing programs, such as the presently underfunded Title XX Social Services program. Funds will not go toward the creation of preventive and reunification services and adoption subsidies as intended. Some children will remain in institutions at a cost of taxpayers of up to $36,000 per child per year. To date the vast majority of federal dollars for child welfare have been used to finance the high cost of this bed and board care.

If implemented as enacted, the Department of Health and Human Services estimates that the Adoption Assistance and Child Welfare Act will save over $4 billion in out-of-home care costs over the next five years. It will reduce the average number of children in care by 30 percent. These reductions will never be realized if the Act is gutted.

The Reagan Administration proclaims budgetary wisdom but ignores findings proving that public dollars used to keep families together now are more cost-effective in the long run than placing children in care:

In 1977 the state of Washington passed legislation mandating crisis intervention services for "families in severe conflict." About 40 percent of these services were delivered to the entire family in their own home. Washington state officials say that the legislation and an increased emphasis on finding permanent homes for children saved the state about $2 million in a six-month period alone.

Between October 1975 and November 1978 the State of Iowa's Department of Social Service ran, within a seven-county district, a group of preventive services for children already dispositioned to be placed in institutions. The services were delivered to families in their own homes. The department estimated their savings from these programs at $1,354,211.

THE REAGAN ADMINISTRATION'S CURRENT PROPOSAL IS ANTI-FAMILY

It deliberately undermines a law designed to strengthen families which Congress enacted only last year. It doesn't even give the act a chance to work after hundreds of hours have been spent designing it so that it will. The hopes raised for families and children less than eight months ago, when the Adoption Assistance and Child Welfare Act was enacted, will be ruthlessly crushed now that these same families are told that a targeted investment on their behalves is not a "wise" investment.

The Reagan Administration's proposal makes no similar attempt to preserve families. In fact, when coupled with the effects of other current administration proposals to cut back food stamps, Aid to Families with Dependent Children, and Medicaid, the stability of more and more families will be threatened. It makes no sense in any terms—particularly not fiscal ones—when we all recognize the extreme pressures facing families today. And it resigns to oblivion the greater and greater number of children who will enter the limbo of foster care without any way of fighting back.●

MASS TRANSIT MUST NOT BE IGNORED

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 5, 1981

● Mr. OTTINGER. Mr. Speaker, on February 17, the Subcommittee on Commerce, Transportation, and Tourism held a hearing in New York City on commuter rail service provided by Conrail in the Northeast. The hearing focused on whether Conrail should continue to operate commuter service and, if not, what alternative arrangements are feasible. The hearing in New York is one of a series which the subcommittee is conducting on commuter service in the Northeast.

I have addressed this body on many occasions raising my concerns about the future of mass transit in this country and the need for increased Federal commitment to maintaining and expanding our public transportation network. Such an investment means jobs, increased mobility for all Americans, improved quality of the environment, a healthier economy, and energy conservation. Without this investment, we will continue to suffer from more traffic congestion, pollution, economic stagnation and will pay a horrendous price in increased dependence on imported oil.

My testimony at the February 17 hearings highlighted the problems confronting the commuter rail lines which serve Westchester County, N.Y. These problems are indicative of those

which plague many public transportation systems across the country which are faced with shrinking budgets and increased ridership. I urge my colleagues to study, understand, and address the complex problems facing the mass transit industry and to support solutions which foster well-being and growth in this critical industry—an industry which is the lifeblood of our economy.

STATEMENT OF HON. RICHARD L. OTTINGER BEFORE THE SUBCOMMITTEE ON COMMERCE, TRANSPORTATION, AND TOURISM—FEBRUARY 17, 1981

Mr. Chairman, I appreciate this opportunity to participate in the Subcommittee's examination of Conrail commuter rail service in the Northeast and whether Conrail should continue to operate commuter service.

I represent Westchester County, New York. One-hundred and sixty-six thousand of my constituents travel the 224-mile Conrail Hudson, Harlem and New Haven lines each day. Commuter rail service is vital both to the economic health of my communities and New York City and also plays an important role in saving oil, reducing traffic congestion, and holding down pollution in the metropolitan area.

The present organization of commuter rail management is a nightmare with a dozen entities having a role in policy and funding of the service including not just the Metropolitan Transportation Authority (MTA) and Conrail but also the Urban Mass Transportation Administration (UMTA), Federal Railroad Administration (FRA), National Transportation Safety Board, the New York and Connecticut Departments of Transportation, and the County Department of Transportation. Financial, management, equipment acquisition, and heavy maintenance responsibilities for our commuter rail system rest with the MTA. The MTA contracts with Conrail to operate the commuter rail service on the Harlem and Hudson lines. Conrail has a joint agreement with the MTA and Connecticut Department of Transportation for service to commuters on the New Haven line. Although it contracts with Conrail for operating services, MTA cannot directly assess penalties against Conrail for substandard performance nor does MTA have any direct authority over Conrail personnel—and it has failed to provide any such authority in its contracts.

Commuter rail service in Westchester County is atrocious and we are literally a gasp away from total disaster. The system is ready to collapse. As MTA Chairman Richard Ravitch told a State Assembly panel several weeks ago, things have deteriorated to a point that "a state of emergency" now exists.

Between November 7 and December 5 of last year, there were six accidents on the MTA/Conrail lines. The November 7 head-on collision at Dobbs Ferry injured 100 people and an accident on December 5 killed 2 Conrail workers. On a daily basis, commuters are faced with serious overcrowding and inadequate ventilation, heating and air conditioning. On Monday, December 29, 1980, for example, the Harlem and Hudson lines were lacking 27 cars on the normal morning rush trains. Last summer, conditions on the commuter rail lines were so horrendous that literally hundreds of my constituents contacted me sharing tales of horror and begging for relief. In one letter which I received a commuter detailed his experiences noting that, "In the fourteen years that I have been riding the commuter trains into New York City, conditions never have been worse than in recent months on the Harlem Division." He went on to recount what had become a "fairly typical" daily rail trip. He commented:

"On the morning of June 16, there were only half the normal complement of cars, which resulted in severe crowding for what has become the usual complement of standees. There are no straps for standees in the cars and passengers, including many elderly persons and women, were badly jostled. In the evening, my train had a breakdown at the Mount Vernon station and the undercarriage on my car caught fire and became enveloped in the billowing smoke. There was panic in the car, but, fortunately, the doors were open and the passengers were able to escape."

He went on to state that, "You should know that I am not complaining here about the many cars in which the air conditioning does not work or suffer lighting failures or about well-intentioned trainmen who are too embarrassed or unable to collect tickets in overcrowded cars."

Mr. Chairman, the situation is so critical that I can say in all seriousness and candor that we should consider tacking warning signs to the cars of the commuter trains reading, "Caution: Conrail is hazardous to your health." Today, I am writing to Secretary of Transportation Drew Lewis requesting FRA to send an Emergency Safety Inspection Team to examine the MTA/Conrail equipment, track, and maintenance/inspection procedures. I have been advised that such a team performed a similar function on the Louisville/Nashville line resulting in a 40 percent reduction of train accidents in one year.

There have been many proposals for reorganizing the Conrail commuter operation ranging from creating a new public authority to run the commuter rail system, to transferring the responsibility of the commuter system to Amtrak, to granting MTA full authority for the management and operation of the rail lines. I have intentionally not endorsed any of these proposals because of my reluctance to focus attention away from the really critical problem with the system—years and years of inadequate funding and bad management resulting in the use of obsolete equipment and deferral of adequate maintenance resulting in safety and health hazards.

I am certainly not opposed to changing the current structure of the Conrail commuter operations in Westchester; however, I want to make sure that any change is not just a cosmetic one and we are not merely "reshuffling the deck chairs on the Titanic." As one observer noted, we want to make certain that we are not just offering a "fresh target for the frustrated commuter." Prior to my endorsing one plan or another I must be convinced that there is some assurance of good management, adequate funding, and that appropriate labor and management questions have been addressed.

We must also recognize that at long last MTA has an able chairman who takes improvement of commuter rail service seriously and is addressing himself creatively to analysis of the problems and proposal of reasonable solutions. Also, Conrail has appointed Joseph Spreng, a very knowledgeable and capable manager, to run the service. It would be a mistake to promote organizational change for its own sake, ignoring the difficulty of getting this kind of experienced and able top management. Care must also be exercised to assure that any new entity would have access to federal funds equal to that MTA now enjoys and would inherit its UMTA commitment.

I am aware that the United States Railway Association is studying Conrail commuter passenger services and expects to issue a report in April. It was noted in USRA's December 1980 report entitled, "Federal Funding of Conrail: Rail Service Objectives and Economic Realities," that Conrail should not be the vehicle through which the responsible agencies obtain their commuter rail service if any reasonable alternative is available." The report goes on to say that Conrail's commuter operations divert management attention away from the primary freight objective of the railroad and further, the frequent delays in subsidy payments and inadequacy of such payments impose a financial burden on the system. The report seems to indicate that the divestiture by Conrail of its commuter operations may be fast-approaching.

With probable reorganization in store for the future, I suggest that a regional task force be created to study the alternatives to the current system for providing commuter rail service. In the case of the MTA/Conrail system, I suggest that representatives of the federal, state and local governments, the MTA, Conrail, and most importantly commuter representatives participate in such a task force. Over the years, I have convened a similar group of people on a frequent but ad hoc basis to address the Conrail commuter rail issues. This coordinated approach has been successful and I would like to see it elevated to a more formal structure so that commuters are assured that the best and least disruptive solution to the problem is adopted.

Capital funding to overcome the years of neglect of the system will be an essential element of any solution, as well as adequate operating revenues.

Mass transit advocates fought hard during the last session of Congress to enact legislation which would have changed the formula for allocating operating and capital assistance to urbanized areas. The formula change to the Section 5 UMTA program would have based the distribution of funds on service-based factors rather than solely on the basis of population. Had this change been enacted, the MTA system, which carries 35% of the nation's transit riders and collects 40 percent of the national fare box intake, would have received double the amount of operating assistance within 5 years—from $207.9 million to $404.7 million. We must continue working for this critical formula change.

We are hearing rumors that the Reagan Administration wants to cut mass transit aid. I will fight hard to at least maintain current capital and operating funding levels. Should these critical funds be slashed, all other potential ways of raising capital for the system must be explored. We must be creative in devising and supporting alternative methods of financing.

MTA Chariman Richard Ravitch has identified a list of options for new sources of funding to meet the $14 billion which MTA has identified as necessary for capital revitalization for the system for the next decade. (Mr. Ravitch has identified $1.33 billion in capital funds as required over a ten-year period to restore the MTA portion of Conrail to "a state of good repair.") Several of the Ravitch proposals are particular-

ly innovative and deserve your subcommittee's careful examination.

One of these is to amend federal law to permit the Secretary of Transportation to enter into contracts with public agencies like MTA to provide funding commitments over several years rather than waiting year by year for appropriations to come forth from Congress. This change would give MTA the ability to borrow substantial amounts of capital backed by those contracts. I strongly support this change.

Another mechanism proposed originally by Assemblyman Peter Sullivan of Westchester is "leveraged lease financing." Under this system, investors (which could include local communities with substantial commuter populations and even groups of commuters), would use federal tax shelters and benefits to acquire equipment, improve the equipment if necessary, and lease the equipment to a public carrier like the MTA. This is a fascinating way in which private capital might be tapped. To be successful, it might require some form of federal assistance or guarantees. It certainly merits careful consideration, especially if public funds are to be limited.

Finally, Mr. Ravitch has suggested reducing depreciable life of the cars to seven years for tax purposes as compared to current law which allows private owners to depreciate the cars over a 12-year life.

With regard to the safety issue, I am drafting legislation to address the safety problems which exist on the MTA/Conrail lines. I support decreasing the required maximum interval between detailed, general periodic inspections of locomotives/cars from the current 92 days back to 30 days at least with respect to lines like ours with bad accident and maintanance records. A required public report must be submitted to FRA after each inspection rather than just the annual submission presently required. Further, equipment inspection must not be limited to locomotives and the brakes, electrical devices, automatic controls, alarms and protective devices of the cars, but must also address health standards and should include a mandatory inspection of ventilation, air conditioning and heating systems and the condition of signals and the electric generating equipment. Federal safety-related regulations must also address employee training in the railroad industry including evacuation procedures, working with equipment under an emergency situation, shutdown and restoration of third rail power, intake and exhaust operation of emergency ventilation fans and dampers, on scene coordination with fire services, communication with passengers and first aid measures including CPR training.

In closing, there are no simple answers to the crisis which faces us. It is clear that all levels of government must become involved in devising a solution to the commuter rail problem and that in addition to its obvious financial role, the federal government must also become more actively involved in addressing the safety and management issues confronting the system. I applaud this subcommittee and its chairman, Mr. Florio, for scheduling these hearings and look forward to working closely with you in an effort to provie commuters with the kind of service which they are demanding and which they deserve. Thank you.●

MAKING A KILLING IN CATTLE FUTURES

HON. NEAL SMITH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. SMITH of Iowa. Mr. Speaker, during my tenure as chairman of the House Small Business Committee in the 95th and 96th Congresses, the committee, particularly the subcommittee I was privileged to chair, conducted a study and investigation of the marketing of meat and other commodities.

Last fall, I instructed the committee's staff to examine trading in live cattle futures, and report to me the results. This report was given to me last week and at a press conference I held last Friday and I revealed the results of this study and released the report.

I think this matter should be of great interest to small businesses, consumers, and others.

My statement on the report follows:

STATEMENT OF HON. NEAL SMITH

This press conference is for the purpose of reporting the results of a further study of cattle futures activities and to report specifically an unprecedented discovery relating to the live cattle futures contract on the Chicago Mercantile Exchange.

It involves the activities of a group of 32 traders, many of whom have business affiliations, who have traded in similar or identical patterns for at least 16 months each time live cattle futures reach the cost of production for Corn Belt feeders as determined by U.S.D.A.

In order to make absolutely sure that I state the information with 100 percent accuracy, I will first read a statement to you in its entirety and will then answer your questions.

Last September, I released the results of a study of trading activities of certain categories of individuals who trade in cattle futures. That study revealed that some traders with access to inside information made huge profits during the period studied.

To begin, let me point out that I have always been a strong supporter of futures markets. When these markets are operating properly, they are one of America's most efficient economic institutions and serve to reduce the margins that businesses, especially small businesses, must have in order to remain operating. In the early 1970's when many people were calling for a shutdown of futures trading, I promoted the bill which, instead of shutting them down, established the CFTC to monitor the industry and provide a legal basis grounded in a sound economic purpose. Most futures markets serve this economic purpose, but when one futures contract is abused or does not serve an appropriate economic purpose properly, whether it is silver or cattle, it seriously hurts the reputation of all futures markets.

For the past several years I have conducted an investigation of the meat and livestock industry which has uncovered:

(1) extortion at meat unloading docks;

(2) problems with thin market reporting of cash prices and formula pricing;

(3) problems of concentration of market power among meatpackers;

(4) a growing trend toward vertical integration from feedlot to retailer;

(5) problems with the grading system; and

(6) problems with the live cattle futures contract.

Some of these problems have been addressed by new laws; others are being improved without legislation. I want to thank those of you who have reported the facts which have been uncovered because no progress would have been made but for the fact that some of the news media exposed these abuses and problems to public scrutiny. Today I will focus some more on one problem area—the live cattle futures market of the Chicago Mercantile Exchange. I point out to you that under the CFTC Act, the administrative agencies keep the names and positions of individual traders confidential. While Congress is not bound by this requirement, I have always recognized the desirability of the rule and will continue to do so today.

Previous studies which I have released have shown that:

(1) Corn Belt cattle feeders could have used the futures to hedge against a loss on only 28 days out of the 2½ year period studied ending (August 1980);

(2) large traders, many of which had inside information, made $156 million trading in live and feeder cattle futures over a 16 month period while small traders lost $156 million (September 1980);

(3) officers of meat, grain and commercial feedlot companies made an average of $2.5 million each and officers of brokerage companies made average profits of $800,000 (September 1980);

(4) meatpackers, grain companies and commercial feedlots tend to trade these markets in the same way (September 1980); and

(5) there are serious problems with the way the Chicago Mercantile Exchange designates hedgers in these markets so that there is not, for practical purposes, and effective speculative limit (September 1980). The limit is supposedly 450 contracts of 40,000 pounds each.

These previous studies indicated there was something drastically wrong with the live cattle futures contract but instead of those in charge of the contract vigorously seeking to find and remedy the problems, they chose to ignore them; therefore, we have proceeded to further analyze the necessary data.

We secured the daily positions of traders and analyzed them to see which ones had similar trading patterns. The staff also examined confidential forms and used public information such as that filed with the SEC, to determine business affiliations.

Today I am reporting on a study which shows that in the live cattle futures, it has been possible to predict with 100 percent accuracy certain changes in live cattle futures prices and that a group of participants in the futures market have been buying and selling futures in a way which permits them to reap large profits from these 100 percent predictable price moves. The predictable bias exerts a downward pressure on live cattle futures prices and is seriously aggravating the problems of feeders other than the very large commercial lots or those who are profiting from this particular futures activity.

If a futures market is operating properly and supply-demand conditions determine prices, then there should be no way to accu-

rately predict price moves 100 percent of the time.

But that is exactly what we have been able to do. The table attached to this statement gives the details of 29 predictions of price drops over the last 3 years. Every one of the 29 predictions came true and usually within 2 days.

The prediction technique is detailed in the report I have made available. It is really very simple—everytime the futures price goes above the cost of feeding cattle by those other than the 422 largest who feed 55 percent of the cattle in the United States, that figure is reported by U.S.D.A., the price will drop—every single time. This is operating with such clockwork that someone trading with this system could have made at least $4,700,000 over the last 3 years on speculation within the legal limits. Some people did make profits of that amount.

Until today, only 5 people knew about the results of this study—myself and 4 staff members. When I was confronted with the results of this study, I had three choices:

(1) One alternative would have been to say nothing and make several million dollars trading cattle futures. That would obviously be totally irresponsible. I have never traded in cattle futures and will not do so while holding this office.

(2) Another alternative would have been not to trade, but still not reveal this information and to let this condition continue. That would permit some insiders to continue to reap large profits and perpetuate a financial disadvantage to Corn Belt cattle feeders.

(3) The final alternative, which I have chosen, is to reveal what is going on and for the media to disseminate the information widely. That will effectively destroy the ability of cattle futures traders involved to reap these unjustified profits not related to risk or service at the expense of others in the market.

As this becomes public, the traders who are causing this to happen will no longer be able to find others willing to take the opposite side of these contracts. This then should eliminate the disadvantage of traders who do not have knowledge of this downward bias and also could prevent certain drops from occurring prior to the time a Corn Belt feeder could have hedged against a loss.

The downward bias is totally documented in the study. The most important question is what is causing this?

First of all, unlike the grain futures, in live cattle futures there is no significant group of commercial long hedgers who act as a buying force regardless of the price level. In fact, the supply of short hedgers in live cattle is four times as large as long hedgers. The long hedgers in this market are limited largely to some wholesalers and retailers. The balance of the longs to offset the short hedgers are mostly speculators and small traders. Studies show that most packers do not long hedge, they short hedge along with the grain companies and commercial feedlots.

Over the last 3 years, the long speculators have not been enough of a buying force to ameliorate this situation.

What is happening is that big commercial feedlots, grain companies and meatpackers—who have lower costs than farmer/feeders or can shift costs from one level to another—start going short futures when the price gets over their costs but are still below the level at which most Corn Belt feeders could hedge against a loss. Then about when the price reaches the Corn Belt feeders cost, the officers and brokers jump on the bandwagon and the selling pressure becomes so great that prices drop—everytime.

The net result of this is that it places a cap on prices at the Corn Belt cattle feeders breakeven level. Instead of futures permitting farmers to shift risks by hedging in the futures, this market is putting them at an exaggerated disadvantage to big commercial feedlots who can hedge at the lower cost levels. Commercial lots have a tool in the live cattle futures that permits their continued expansion and the elimination of farmer/feeders.

In my opinion, this alone would show that the live cattle contract is not serving the economic purpose which justified its approval and it would be bad enough if the only problem was the excess of short hedging by the 422 largest feedlots, and by packers and grain companies, many of whom are affiliated with one another. But to compound the problem, the study shows that the selling of a certain group of 32 speculators, officers of various companies, and others is exacerbating the problem.

A classic test of whether futures markets are working properly is to compare futures prices to cash prices. If futures are reflecting true supply-demand conditions then futures and cash prices should move together. After 20 out of the 29 futures price drops over the last 3 years, cash cattle prices either stayed the same or went up. This is strong evidence that the futures prices are artificial and not reflecting supply-demand conditions.

In studying who was involved in this, we combined business affiliation information with an analysis of the correlation in trading activity between various accounts and found a group of 32 large traders who have direct business affiliations and/or highly correlated trading activities.

Over the period January 1978 through April 1979, these 32 traders as a group realized a total net profit (not including commissions, brokerage fees, clearinghouse fees or other trading costs) in live and feeder cattle futures of approximately $110,000,000 or an average of $3,437,000 each. I emphasize that these profits were from all trades made by these 32 traders over the 16 month period ending in April 1979, while the predictability of live cattle futures prices has been going on for at least 36 months (since January 1978). At this time, we do not have estimates of profits since April 1979. Over the period for which data were available, all large traders (1,027 in number) had total net profits in live and feeder cattle futures of approximately $156,000,000. Thus, 3 percent of the large traders with correlated trading activity and/or common business affiliations accounted for 70 percent of the total net profits of large traders.

As a group, the 32 traders were net sellers of live cattle futures on or about 14 out of the 15 dates when the signal predicted price drops during this period.

It is my strong opinion that the results of this study mean that the live cattle futures market, as presently performing, is not meeting the minimum reasonable economic purpose test and that it is resulting in harm to the very people it is supposed to serve.

The question then is, what should be done? I believe 5 specific things will at least help, namely:

(1) I have made these results public today. This by itself should help eliminate the downward bias in prices.

(2) I have introduced legislation in the last Congress (H.R. 7197) and this Congress (H.R. 631) which prohibits officers of meat companies from trading cattle futures and restricts the companies to only hedge trading. Action on this bill would help.

(3) Strict speculative limits might help.

(4) A much more effective monitoring of the speculator-hedger distinction would help.

(5) But most importantly, armed with this information, it is absolutely essential that the CFTC take whatever action is necessary—right now—to solve these problems or suspend trading until the Chicago Mercantile Exchange or some exchange designs and displays a willingness to enforce a contract which will serve a justified economic purpose.

When incorporated with the results of other studies previously released by the Committee and U.S.D.A., it becomes clear that there are both immediate and future adverse effects on farmers and consumers:

(1) The big commercial lots usually absorb the relatively few longs before the futures price is high enough so non-affiliated feeders can hedge.

(2) Fourteen out of 15 times when the futures price reached the level where Corn Belt feeders could hedge, 32 traders with similar or identical trading patterns sold their contracts and that helped to break the market so it almost never could reach the level where the Corn Belt feeders would hedge.

(3) The big commercial lots could sell cattle regardless of cash prices when an affiliated packer wants the cattle or when they want to because they were able to hedge those cattle; however, the Corn Belt feeder could not do that because the futures prices did not permit them to hedge.

(4) The result of this pattern is to drive Corn Belt feeders out of business and increase the rate at which the commercial lots are dominating cattle feeding. In 1979, three times as many Corn Belt feeders went out of business as in 1978.

(5) This situation has effectively capped live cattle prices at a level below where Corn Belt feeders could sell. We are already well on our way toward domination of our cattle supply. 422 lots or the packers or grain companies that control them already feed 55 percent of all of the steers and heifers fed in the U.S. One alone, Caprock Industries, which is owned by Cargill and affiliated with Missouri Beef, feeds 550,000 head by itself.

(6) Unless something is done, the eventual result of this is that these large commercial lots, packers and grain companies will so dominate cattle supplies, that their owners can:

(a) dictate the price of meat,

(b) dictate the quality of meat available,

(c) dictate the price of calves which go into feedlots.

FUTURES PRICE DROPS AND CASH PRICE CHANGES

[Dollars in hundredweight]

Signal date	Futures contract	Size of futures price [1] drop from signal level		Cash price change		
		Dollars	Days	1 day after signal	2 days after signal (cummulative)	5 days after signal (cummulative)
Feb. 10, 1978	June	−$0.26	1	−$0.62	−$0.62	−$0.12
Mar. 13, 1978	August	−.41	4	+.37	+.62	+1.87
Apr. 21, 1978	do	−1.05	2	−.62	−.75	0
May 5, 1978	October	−.80	2	+.50	+1.00	+3.00
May 24, 1978	do	−.46	4	0	+1.00	0
Sept. 11, 1978	December	−.86	5	+.62	+1.37	+.62
Sept. 13, 1978	do	−1.48	3	0	−.87	+.08
Sept. 14, 1978	February	−1.74	2	−.87	−.74	−.49
Sept. 21, 1978	do	−1.34	1	0	−.94	−1.12
Oct. 4, 1978	April	−.34	3	0	+.38	−.12
Nov. 28, 1978	do	−1.33	1	−.25	−1.00	−.75
Dec. 8, 1978	June	−.75	2	0	+.50	+1.25
Jan. 24, 1979	do	−.29	2	−.50	+1.00	+1.87
Mar. 8, 1979	August	−.68	2	0	−.38	+2.00
Apr. 12, 1979	do	−.46	1	+1.00	+1.12	+2.00
Sept. 7, 1979	February	−.25	2	+.10	+1.00	+1.25
Oct. 2, 1979	December	−2.65	1			
Oct. 2, 1979	February	−2.71	1	−.50	−1.25	−3.50
Oct. 2, 1979	April	−.47	2			
Nov. 5, 1979	do	−1.34	1	+.37	+.75	+3.25
Dec. 3, 1979	June	−.73	4	+.25	−.63	−.25
Jan. 2, 1980	do	−.68	4	−1.00	−1.00	−1.00
Mar. 3, 1980	August	−.37	6	+.40	+1.30	+1.30
June 17, 1980	October	−.44	2	+.15	+.15	+.15
June 24, 1980	do	−.22	1	0	0	0
July 22, 1980	December	−.19	5	+.35	+.35	+1.50
July 25, 1980	do	−1.76	2	+.15	+.15	+.15
Oct. 13, 1980	April	−.62	2	0	0	0
Dec. 1, 1980	June	−1.69	1	+.37	+.88	+.88
Average		−.91		+.01	+.12	+.51

[1] Futures price drops are calculated from the closing price on the first day after prices drop below the signal level. The number of days indicates how long before the drop occurred, where 1 day equals the day of a signal, 2 days equals the day after a signal, etc.●

SENATE—*Friday, March 6, 1981*

(Legislative day of Monday, February 16, 1981)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by the Honorable RUDY BOSCHWITZ, a Senator from the State of Minnesota.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. THURMOND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., March 6, 1981.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable RUDY BOSCHWITZ, a Senator from the State of Minnesota, to perform the duties of the Chair.

STROM THURMOND,
President pro tempore.

Mr. BOSCHWITZ thereupon assumed the chair as Acting President pro tempore.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate stands in recess until 11 a.m. next Tuesday.

RECESS UNTIL TUESDAY, MARCH 10, 1981, at 11 A.M.

Thereupon, at 11:01 a.m., the Senate recessed until Tuesday, March 10, 1981, at 11 a.m.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-518. A communication from the Chairman of the National Agricultural Research and Extension Users Advisory Board, transmitting, pursuant to law, a report on the 1982 budget for food and agricultural research and extension; to the Committee on Agriculture, Nutrition, and Forestry.

EC-519. A communication from the Principal Deputy Assistant Secretary of Defense (Comptroller), transmitting, pursuant to law, a report on the transfer of amounts appropriated to the Department of Defense; to the Committee on Appropriations.

EC-520. A confidential communication from the Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report concerning the Department of the Army's proposed letter of offer to Morocco for defense articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC-521. A communication from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting, pursuant to law, a report on seven construction projects to be undertaken by the Air National Guard; to the Committee on Armed Services.

EC-522. A communication from the Principal Deputy Assistant Secretary of the Navy (Logistics), transmitting, pursuant to law, a report with respect to converting the keypunch function at the Naval Weapons Station, Seal Beach, Calif., and the decision that performance under contract is the most cost-effective method of accomplishment; to the Committee on Armed Services.

EC-523. A communication from the Assistant Secretary of the Air Force (Research, Development, and Logistics), transmitting, pursuant to law, a report with respect to converting the family housing maintenance function at MacDill Air Force Base, Fla., and the decision that performance under contract is the most cost-effective method of accomplishment; to the Committee on Armed Services.

EC-524. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Most Critical Testing Still Lies Ahead for Missiles in Theatre Nuclear Modernization"; to the Committee on Armed Services.

EC-525. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Further Actions Needed To Improve Management of HUD Programs"; to the Committee on Banking, Housing, and Urban Affairs.

EC-526. A communication from the Secretary of the Interior, transmitting, pursuant to law, a report on matters contained in the Helium Act for fiscal year 1980; to the Committee on Energy and Natural Resources.

EC-527. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Puerto Rico's Political Future: A Divisive Issue With Many Dimensions"; to the Committee on Energy and Natural Resources.

EC-528. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "The Effects of Regulation on the Electric Utility Industry"; to the Committee on Energy and Natural Resources.

EC-529. A communication from the Chairman of the National Research Council and President of the National Science Foundation, transmitting, pursuant to law, a report of the Council entitled "On Prevention of Significant Deterioration of Air Quality"; to the Committee on Environment and Public Works.

EC-530. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "American Employment Abroad Discouraged By U.S. Income Tax Laws"; to the Committee on Finance.

EC-531. A communication from the Assistant Secretary of the Treasury (Legislative Affairs), transmitting, pursuant to law, project performance audit reports prepared by the International Bank for Reconstruction and Development, special studies prepared by the External Review and Evaluation Office of the Inter-American Development Bank, and project performance audit reports or project completion reports prepared by the Asian Development Bank; to the Committee on Foreign Relations.

EC-532. A communication from the Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report on items provided to Liberia for emergency military assistance; to the Committee on Foreign Relations.

EC-533. A communication from the Acting Assistant Secretary of the Treasury, transmitting, pursuant to law, a report on the status of internationally recognized human rights in each of the countries which, in calendar year 1980, drew funds made available under the Supplementary Financing Facility of the International Monetary Fund; to the Committee on Foreign Relations.

EC-534. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Federal Agencies' Maintenance of Computer Programs: Expensive and Undermanaged"; to the Committee on Governmental Affairs.

EC-535. A communication from the Chairman of the President's Commission on Pension Policy, transmitting, pursuant to law, the final report of the Commission; to the Committee on Governmental Affairs.

EC-536. A communication from the Executive Director of the President's Commission on Pension Policy, transmitting, pursuant to law, the final report of the Commission; to the Committee on Governmental Affairs.

EC-537. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Impact of Regulations—After Federal Leasing—On Outer Continental Shelf Oil And Gas Development"; to the Committee on Governmental Affairs.

EC-538. A communication from the Secretary of the Federal Trade Commission, transmitting, pursuant to law, a report on activities of the Commission under the Freedom of Information Act for calendar year 1980; to the Committee on the Judiciary.

EC-539. A communication from the Chairman of the United States Nuclear Regulatory Commission, transmitting, pursuant to law, a report on the activities of the Commission under the Freedom of Information Act for calendar year 1980; to the Committee on the Judiciary.

EC-540. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report on the activities of the Department under the Freedom of Information Act for calendar year 1980; to the Committee on the Judiciary.

EC-541. A communication from the Acting Director of the Federal Mediation and Conciliation Service transmitting, pursuant to law, a report on the activities of the Service under the Freedom of Information Act for calendar year 1980; to the Committee on the Judiciary.

EC-542. A communication from the General Counsel of the Office of the Federal Inspector, Alaska Natural Gas Transportation System, transmitting, pursuant to law, a report on the activities of the system under the Freedom of Information Act for calendar year 1980; to the Committee on the Judiciary.

EC-543. A communication from the Freedom of Information Officer, Office of the United States Trade Representative, transmitting, pursuant to law, the report on the activities of the Office under the Freedom of

Information Act for calendar year 1980; to the Committee on the Judiciary.

EC–544. A communication from the Acting Director of the Office of Government and Public Programs, National Science Foundation, transmitting, pursuant to law, a report on the activities of the Foundation under the Freedom of Information Act for calendar year 1980; to the Committee on the Judiciary.

EC–545. A communication from the Vice President, Deputy General Counsel, and Corporate Secretary of The Mortgage Corporation, transmitting, pursuant to law, a report on the activities of the Corporation under the Freedom of Information Act for calendar year 1980; to the Committee on the Judiciary.

EC–546. A communication from the Acting Chairman of the United States Consumer Product Safety Commission, transmitting, pursuant to law, a report on the activities of the Commission under the Freedom of Information Act for calendar year 1980; to the Committee on the Judiciary.

EC–547. A communication from the Postmaster General, transmitting, pursuant to law, a report on the activities of the Postal Service under the Freedom of Information Act for calendar year 1980; to the Committee on the Judiciary.

EC–548. A communication from the Acting Commissioner of the Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, a report on the temporary admission of certain aliens under section 212(d)(3) of the Immigration and Nationality Act; to the Committee on the Judiciary.

EC–549. A communication from the Acting Commissioner on Aging, Department of Health and Human Services, transmitting, pursuant to law, a report on needs and service programs for the rural elderly; to the Committee on Labor and Human Resources.

EC–550. A communication from the Chairman of the National Institute of Education, Department of Education, transmitting, pursuant to law, the fifth report of the National Council on Educational Research; to the Committee on Labor and Human Resources.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. THURMOND, from the Committee on the Judiciary, without amendment:

S.J. Res. 28. Joint resolution designating the week beginning March 8, 1981, as "Women's History Week."

By Mr. THURMOND, from the Committee on the Judiciary, with an amendment, and an amendment to the title:

S.J. Res. 22. Joint resolution authorizing the President to proclaim March 16 of each year as "Freedom of Information Day."

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. MATHIAS:

S. 640. A bill to amend the District of Columbia Self-Government and Governmental Reorganization Act with respect to the borrowing authority of the District of Columbia; to the Committee on Governmental Affairs.

By Mr. INOUYE:

S. 641. A bill to amend title IV of the Social Security Act to improve the administration of the AFDC program by standardizing work expense allowances and clarifying budget procedures with regard to the earned income disregard; to the Committee on Finance.

By Mr. RUDMAN:

S. 642. A bill for the relief of Nesca Nicolas; to the Committee on the Judiciary.

By Mr. JEPSEN:

S. 643. A bill to amend the Internal Revenue Code of 1954 to provide explicitly for the exclusion of social security benefits from taxable income; to the Committee on Finance.

S. 644. A bill to amend the Internal Revenue Code of 1954 with respect to the treatment of certain lending or finance businesses for purposes of the tax on personal holding companies; to the Committee on Finance.

By Mr. RANDOLPH:

S. 645. A bill to promote the development of enhanced tertiary oil recovery techniques; to the Committee on Finance.

By Mr. RANDOLPH (for himself, Mr. WILLIAMS, and Mr. PELL):

S. 646. A bill entitled "The Consumer-Patient Radiation Health and Safety Act of 1981"; to the Committee on Labor and Human Resources.

By Mr. MATSUNAGA (for himself and Mr. INOUYE):

S. 647. A bill to amend the Social Security Act with respect to professional mental health services; to the Committee on Finance.

By Mr. QUAYLE:

S. 648. A bill to extend the authorization for youth employment and demonstration programs, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. BAUCUS (for himself, Mr. LUGAR, Mr. KASTEN, Mr. LEAHY, and Mr. WILLIAMS):

S. 649. A bill to amend the Internal Revenue Code of 1954 to provide that the executor may elect, for estate tax purposes, to value certain items at an amount equal to the adjusted basis of the decedent in such items and to remove certain limitations on charitable contributions of certain items; to the Committee on Finance.

By Mr. MATHIAS (for himself, Mr. NUNN, Mr. WILLIAMS, and Mr. MATTINGLY):

S. 650. A bill to require the Law Enforcement Assistance Administration to provide funds, as authorized to be appropriated under this act, to the mayor of the city of Atlanta, Ga. for extraordinary investigation expenses relating to the recent murders of children in that city; to the Committee on the Judiciary.

By Mr. WALLOP:

S. 651. A bill to provide for the reinstatement and validation of United States Oil and Gas Lease Numbered W–46102 covering certain lands in Natrona County, Wyo.; to the Committee on Energy and Natural Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MATHIAS:

S. 640. A bill to amend the District of Columbia Self-Government and Governmental Reorganization Act with respect to the borrowing authority of the District of Columbia; to the Committee on Governmental Affairs.

BORROWING AUTHORITY OF THE DISTRICT OF COLUMBIA

● Mr. MATHIAS. Mr. President, I am introducing legislation today, at the request of Mayor Marion S. Barry, Jr., of the District of Columbia, to extend for 2 years the borrowing authority of the District. My bill would amend section 723(a) of the Home Rule Act to extend the District government's interim authority to borrow funds from the U.S. Treasury for capital improvement projects.

Under the present law, the District may borrow those funds necessary to complete capital improvement projects for which construction and construction services funds were authorized or appropriated prior to October 1, 1980, or the date of enactment of the D.C. Appropriation Act of 1981, whichever is later.

My bill would extend the current authority the District has to borrow U.S. Treasury funds, repayable at Treasury interest rates, as is necessary to cover projects authorized or appropriated in the D.C. appropriation for fiscal years 1982 and 1983.

As my colleagues may know, the Home Rule Act, passed in 1973, authorized the District to enter the bond market to finance its capital improvements projects, and terminated the District's permanent authority to borrow U.S. Treasury funds, as of January 2, 1975. In addition, the original Home Rule Act provided a 2-year interim loan authority to allow borrowing to finance projects for which funding had been authorized or appropriated prior to January 2, 1975. Since that time, the interim authority has been extended twice, so that such borrowing has been allowed to continue through fiscal year 1981.

This interim borrowing authority is necessary in order to allow the District to prepare to enter the bond market to fund capital improvement projects. The city and its leaders have worked diligently over the past 6 years to bring the city's finances under control and to establish a sound bookkeeping system. The first full audit of the District's books under Home Rule has just been completed by independent auditors who issued an unqualified opinion that the District's financial statements accurately reflect the city's financial condition, and the accounting and reporting practices the city has used conform to generally approved practices for State and local governments.

The city is now preparing to move ahead into the bond market. This bill will allow the District government the time to ease into the market without interrupting ongoing construction and repair projects.

To delay or abandon such important projects as reconstructing and repairing streets and bridges; making roof and boiler repairs at public schools; undertaking energy conservation and basic improvements at District of Columbia General Hospital and District of Columbia police stations as well as renovating surplus District schools and other ob-

solete buildings would be a disservice to the city's residents, visitors, and commuter. In fact, it would set back the newly established financial program and negate progress made to date.

In these times of economic uncertainty, it is important that we guard against interruption of citywide development. Only with a sound program of city management can the District of Columbia continue to prosper and attract visitors and industry alike. I urge my colleagues to give favorable consideration to this important measure for the city of Washington.

I ask that the text of the legislation be printed at this point in the RECORD.

The bill follows:

S. 640

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That section 723(a) of the District of Columbia Self-Government and Governmental Reorganization Act (D.C. Code, sec. 47–241 note) is amended by striking out "October 1, 1980, or upon enactment of the fiscal year 1981 appropriation Act for the District of Columbia government" in the first sentence and inserting in lieu thereof "October 1, 1982, or upon enactment of the fiscal year 1983 appropriation Act for the District of Columbia government."●

By Mr. INOUYE:

S. 641. A bill to amend title IV of the Social Security Act to improve the administration of the AFDC program by standardizing work expense allowances and clarifying budget procedures with regard to the earned income disregard; to the Committee on Finance.

ADMINISTRATION OF AID TO FAMILIES WITH DEPENDENT CHILDREN PROGRAM

● Mr. INOUYE. Mr. President, today I am pleased to introduce legislation which would amend the Social Security Act to reform the program of aid to families with dependent children, otherwise known as the AFDC program.

The intent of my proposal is to provide for the improved administration of this particular program by allowing for the standardization of work expense costs, and by clarifying the present budgeting procedures with regard to that portion of "disregarded income" known as the "earned income exemption."

Mr. President, the soaring costs that have occurred with exceedingly high work-expense claims have been a concern of mine for some time now. Nearly 2 years ago, at my request, Mr. Andrew Chang, the then-director of the department of social services and housing of the State of Hawaii, testified before our Senate Appropriations Committee on the experiences that the State of Hawaii had with the work-related expense item. I would today like to share a portion of his testimony with my colleagues. Further, I would suggest that these problems are not unique to Hawaii, but in fact are commonplace across the Nation.

Until May 1976, employed persons in Hawaii, regardless of the particular assistance program they are qualified for—that is, AFDC, AFDC–UP, State assistance—were permitted standardized work-expense deductions of $33 and an additional allowance of $11 for transportation to rural areas. However, the department soon found that they were in violation of section 402(a)(7) of the Social Security Act, which requires all States ' to take into consideration * * * any expenses reasonably attributable to the earnings of any such income."

As a result of a Supreme Court ruling, Shea against Vialpando, standardized work-expense allowances for the AFDC program were suspended at the end of May 1976. Hawaii then promulgated new regulations stating that only a reasonable amount paid for tools, equipment, special uniforms, workshoes, union dues, medical insurance, transportation, and private employment agency fees would be deductible from the earnings of a recipient, provided that these expenses were reasonably attributable to the earnings of income.

The State further placed the burden of justifying the requested "discounted" income on the recipient, by requiring verification that the expenses were in fact for items needed as a condition for employment before the deduction was allowed. Mr. Chang further added that the cost of child care incurred as a result of employment was expressly not included in the content of work expenses, because it was included in the social services scope of services.

In December 1976, several recipients, through the State Legal Aid Society, initiated a court suit (Perez against Chang) against the Department of Social Services, alleging that the Department had illegally failed to deduct from gross earning all expenses reasonably attributable to the earning of income and that further, the Department had illegal verification requirements for all AFDC recipients. On September 1977, the U.S. District Court entered a judgment (Von Hiram against Chang) which permanently enjoined the Department from disallowing actual work-related expenses to be deducted from earned income of AFDC applicants and recipients. The court held that the Department should allow any and all personal and work-related expenses of employment. In this suit, it was also decided that the Department must deduct all work-related expenses retroactively for 2 years.

Mr. President, the effect of this decision has been larger claims for work expenses and, unfortunately, the opportunity for wide-scale abuse of the welfare system. This abuse is made possible by the fact that there are no longer any objective standards or guidelines available to evaluate these so-called work expenses. For income one client is a self-employed architectural designer with a gross income amount of approximately $3,000 per month. His business expenses include the costs of leasing a car for $175 a month, the no-fault insurance policy, business trips to neighbor islands, entertainment expenses such as purchasing flowers leis and lunches for his clients, gasoline expenses incurred as a result of the business, and so forth. The Department bases its eligibility decision on the level of earned income. In order to obtain the earned income figure, the net profit of the employment is determined. This involves deducting all work expenses from the gross income. By the time all of these expenses are taken into account, the client who would be ineligible otherwise, becomes eligible for welfare assistance.

I would like to share further, with this body, some of the astounding statistics that I have been provided by the Department. The average work expense deduction per claimant in Hawaii, increased 30.8 percent over a 20-month period from July 1977 to February 1979. The portion of working families on the welfare rolls increased from 20.4 to 23.1 percent in the AFDC program alone.

As of February 1979, the median length of time on welfare for working families was between 2½ to 3 years, while for nonworking families the median was 1½ to 2 years. For the fiscal year 1977–78 the approximate work expense costs totaled $881,000. Average work expense deductions ranged from $17.85 to $48.69. As of December 1978, work expense costs totaled $954,000. The average work expense cost increasing from $52.69 to $68.54, a 30-percent increase. For the fiscal year 1978–79 the costs of work expense was estimated at $2.3 million.

I submit that when the work expense item was included in the Social Security Act, it was not the intent of Congress to encourage abuse or to prolong the period of time on welfare rolls. Yet this is exactly what is happening.

The legislation that I am introducing today will prevent wide-scale abuse of the program by establishing guidelines for the standardization of the work expense items, and further establish a new procedure in the processing of the earned income exemption. I propose to have the earned income exemption calculated on the small amount of the net income rather than the gross income, which is the present procedure.

In my judgment, this legislation would reduce the nationwide error rate by eliminating most of the guesswork in the processing work. It would also eliminate much of the time involved in the calculation and processing of overpayments and supplements, as the recipient will only be eligible for this deduction after a written claim and verification are submitted.

Mr. President, I would like to ask for the support of my colleagues in the passage of this legislation. This measure, which would prevent the abuse of this program, is an issue that should concern us all.

Mr. President, I ask that the text of this bill be printed in the RECORD.

The bill follows:

S. 641

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) clause (ii) of section 402(a)(8)(A) of the

Social Security Act is amended to read as follows:

"(ii) in the case of earned income of a dependent child not included under clause (i), a relative receiving such aid, and any other individual (living in the same home as such relative and child) whose needs are taken into account in making such determination—

"(I) an amount of such earned income equal to standard work expense deductions established by the State (which may vary among localities within the State),

"(II) the first $70 of the remainder of such earned income for such month (after the disregard under subclause (I) has been applied), and

"(III) 20⅓ percent of the remainder of such earned income for such month (after the disregards under subclauses (I) and (II) have been applied), except that the provisions of this clause (clause (ii)) shall not apply to earned income derived from participation on a project maintained under the programs established by section 432(b)(2) and (3); and".

(b) Section 402(a)(7) of such Act is amended by striking out ", as well as any expenses reasonably attributable to the earning of any such income".

(c) The amendments made by subsections (a) and (b) shall become effective on October 31, 1981.●

By Mr. JEPSEN:

S. 643. A bill to amend the Internal Revenue Code of 1954 to provide explicitly for the exclusion of social security benefits from taxable income; to the Committee on Finance.

EXCLUSION OF SOCIAL SECURITY BENEFITS FROM TAXABLE INCOME

● Mr. JEPSEN. Mr. President, contrary to conventional wisdom, the tax-exempt status of social security benefits is not provided for by public law. It enjoys the much weaker and more uncertain protection of an Internal Revenue Service ruling, dating from 1941. This raises the frightening possibility that benefits could become subject to Federal income tax at any time and without the prior approval of any legislative body. Today, I am introducing legislation to exclude social security benefits from taxable income as a matter of law and thus guarantee older Americans the security they have earned.

In 1979, the Advisory Council on Social Security published an opinion that the 1941 IRS ruling was inequitable and argued that half of social security benefits should be taxed. A recent book by Mickey Levy, the "Tax Treatment of Social Security" and a series of articles in leading publications adopted similar positions. Last month, the President's Commission on Pension Policy issued a recommendation along identical lines. I mention these references to underscore a very real danger confronting older Americans. The authors of these documents have a great deal of influence. In the past, many of the Advisory Council's proposals have ultimately become legislation. The threat is not trivial. The need for legislative response is critical.

Three powerful arguments urge immediate consideration of that response.

First, the taxation of social security benefits would target one of the poorest sectors of our society. The incremental burden on our elderly population would amount to $36 billion by 1985. This works out to an average of $350 per year for every affected person over 65 in the United States. Approximately 10.6 million of the 24.2 million benefits recipients would be impacted. When one considers the fact that almost 20 percent of retired persons—even with social security—are below the poverty level, it is difficult to comprehend why any proposal to tax program beneficiaries could enjoy even limited support. The idea bears frightening implications for the already depressed standard of living of America's older citizens. It is cruel and it is unfair.

Second, the apparent logic for taxing social security implies that the system is a welfare mechanism designed to redistribute income from the wealthy to the poor. This concept was forcefully articulated by the New York Times in an editorial last year. The paper's endorsement of the taxation of social security was based on the mistaken assumption that most beneficiaries would be unaffected because their income is so low; only the privileged few, the article suggested, would be assessed.

The social security program is a pension system to which one has a right based on the withholdings one pays into it throughout a working lifetime. It is neither a welfare mechnaism nor a medium for redistributing society's assets. That is not interpretation. That is the language of the Social Security Act. I oppose any nonlegislative ruling which contradicts the original expressed purpose of Congress. I oppose turning social security into an instrument of political manipulation. The Wall Street Journal published an editorial, responding to the statements which appeared in the New York Times and emphasizing the point I have just made. I hope my colleagues here in the Senate will take the time to read it. I ask for unanimous consent to have the editorial inserted at this point in the RECORD.

The final argument is one of integrity. At a time when confidence in the Federal Government is at an historical low, I believe it would be imprudent to aggravate that cynicism further by undermining the purpose of social security. Inflation and interest rate instability impact on older Americans more than other groups. This makes it all the more important that Congress guarantee by statute the integrity of the one social program which expressly protects this sector of our society and on which that sector specifically depends.

I am aware that there is no sentiment in Congress for the taxation of social security benefits. However, many of my constituents in Iowa have been following the recent discussions which raise that possibility. They fear, and justifiably so, that the IRS may reverse the 1941 ruling without congressional approval. In order to assure them that their benefits will not be subject to taxation, I believe that the simplest and most straightforward thing to do is to spell out their sentiments in law. Since there is obviously no revenue impact from this legislation and since it merely confirms the practice of the last 40 years, I ask for the support of my colleagues in expediting consideration and passage of this bill.

Mr. President, I ask that the text of this bill and an article from the Wall Street Journal be printed in the RECORD.

The bill and article follow:

S. 643

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXCLUSION PROVIDED

(a) IN GENERAL.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to items specifically excluded from gross income) is amended by redesignating section 128 as section 129 and by inserting after section 127 the following new section:

"SEC. 128. SOCIAL SECURITY BENEFITS.

"Gross income does not include benefits paid under title II of the Social Security Act.".

(b) CLERICAL AMENDMENT.—The table of sections for such part is amended by striking out the last item and inerting in lieu thereof the following:

"SEC. 128 Social security benefits.

"SEC. 129. Cross reference to other Acts."

SEC. 2. EFFECTIVE DATE.

The amendments made by the first section of this Act shall apply to all taxable years to which the Internal Revenue Code of 1954 applies.

TAXING SOCIAL SECURITY

One of the proposals of last year's Social Security Advisory Council called for making half of Social Security benefits subject to the federal income tax. The Congressional Budget Office also has offered support for this idea, as have various other influential voices, such as The New York Times.

The response to the Times March 7 endorsement is of some interest. The Times got a batch of angry letters from readers contending such a tax would be "unfair." It attempted to field these complaints with a second editorial on April 1 explaining, in essence, that such a tax would not affect the poor and hence is not "unfair."

There is very little argument on the first point. Because of the double income tax exemption for the elderly, retirees with little or no income other than Social Security would pay nothing. The new tax, which it is estimated could raise $36 billion to supplement the Social Security funds between now and the end of 1985, would fall entirely on retirees whose total retirement income exceeded some $10,000 a year. The entire bill would be paid by the upper-income one-third of the retired population.

This reply no doubt satisfied many of the Time's worried readers. But whether or not it represents "fairness" depends on how you define fairness. Some people define it as taking from the well-off and giving to the poor; others view it as treating everyone alike and still others, most of us probably, put it somewhere in between. One thing is certain, however. A tax on benefits would take Social Security still further along the road to becoming a welfare system.

Social Security has been tilting towards high income to low income transfers for some time, even though it was promoted originally in the 1930s as a retirement insurance plan. Many people still think of it as

insurance and for good reason, since it is officially titled Old Age and Survivors Insurance (OASI).

Many people can't see why anyone should worry about the tilt towards welfare since everyone still gets more than he and his employer put into the system. That, however, is only true of present beneficiaries. According to an American Enterprise Institute study young men and women entering the system today are facing the prospect of getting less than the combined employee-employer contribution if they remain single and if their earnings are above the median level. Low earners will continue to get more. Young single males in the maximum earnings bracket won't even get back the tax extracted from their own wages.

As a class, young wage earners of all income levels face a heavier burden than their elders faced, simply because they will be fewer in numbers relative to the number of retirees if present demographic projections hold true. And the high earners who have the least to look forward to in benefits would face further inroads from a benefit tax.

Supporters of benefit taxation think it is only fair for the Social Security system to be rigged in a way that will tax the strong earners to support the weak ones. Of perhaps more relevance to the future of the system, however, is whether the strong earners feel that way as well.

There already are signs of disaffection among high producers with many of the artifacts of the welfare state, its ever increasing taxes and its generation of dependency among healthy people. Given this mood of the times, a change that tilts Social Security towards welfare cannot be expected to win universal favor in this large and vital segment of our society.

There are some conservatives who would argue along a different tack, that Social Security should be taxed to put it on a par with private pension income. They fear that given the rising costs of Social Security, it will eventually put private pensions out of business with a further impact on the nation's already feeble rate of capital formation.

This is not an insubstantial fear. Yet the answer to this and so many others of our economic problems does not seem to us to be additional taxation. Rather, it lies in genuine government cost reductions and elimination of economic inefficiencies.

If the burdens of stunted economic growth are steadily shifted to our society's strong producers, they will at some point cease to be strong producers. The rundown of economic growth that has been occurring this last decade will accelerate. The biggest victims of this will be the poor. And that won't be fair either.●

By Mr. JEPSEN:

S. 644. A bill to amend the Internal Revenue Code of 1954 with respect to the treatment of certain lending or finance businesses for purposes of the tax on personal holding companies; to the Committee on Finance.

TAX TREATMENT OF CERTAIN LENDING INSTITUTIONS

● Mr. JEPSEN. Mr. President, on March 6, 1980, I introduced S. 2396, a bill to amend the Internal Revenue Act of 1954 with respect to the treatment of certain lending or finance businesses for the purpose of the tax on personal holding companies.

Referred to the Subcommittee on Taxation and Debt Management of the Finance Committee, it was opened for testimony on April 25, 1980. At the hearing the Treasury Department stated that there was no objection to the measure. The bill was incorporated as section 5 in H.R. 7117 approved by the Committee on Finance, November 20, 1980. On December 13, 1980, the Senate approved H.R. 7117 by unanimous consent. The House removed section 5 subsequently because no hearings had taken place on the matter before either the Ways and Means Committee or an appropriate subcommittee. This was done as a matter of procedure rather than on the merits of the bill itself. The legislation died.

Today I am reintroducing an identical bill. Because it is noncontroversial, I urge its immediate adoption. Present law is causing undue and unnecessary hardship in certain sectors of the consumer finance industry. My legislation promises to correct the technical inconsistency in a simple and straightforward manner.

Mr. President, I ask that my relevant remarks on the bill as reported in the RECORD of last year and the text of the bill be printed in the current RECORD.

The bill and remarks follow:

S. 644

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) clause (ii) of section 542(c)(6)(C) of the Internal Revenue Code of 1954 (relating to exceptions from definition of personal holding company) is amended by striking out "but not $1,000,000".

(b) Clause (i) of section 542(d)(1)(B) of such Code is amended to read as follows:

"(i) making loans, or purchasing or discounting accounts receivable, notes, or installment obligations, if (at the time of the loan, purchase, or discount) the remaining maturity exceed 144 months; unless—

"(I) The loans, notes, or installment obligations are evidenced or secured by contracts of conditional sale, chattel mortgages, or chattel lease agreements arising out of the sale of goods or services in the course of the borrower's or transferor's trade or business, or

"(II) the loans, advances or installment obligations are made or acquired by the taxpayer and meet the requirements of subparagraph (C).".

(c) Paragraph (1) of section 542(d) of such Code is amended by adding at the end thereof the following new subparagraph:

"(C) INDEFINITE MATURITY CREDIT TRANSACTIONS.—For purposes of subparagraph (B)(i), a loan, advance, or installment obligation meets the requirements of this subparagraph if it is made under an agreement—

"(i) under which the creditor agrees to make loans or advances (not in excess of an agreed upon maximum amount) from time to time to or for the account of the debtor upon request, and

"(ii) under which the debtor may repay the loan, advance or installment obligation in full or in installments.".

(d) The amendments made by this section shall apply to taxable years beginning on or after December 31, 1980.

REMARKS OF MR. JEPSEN ON TAX TREATMENT OF LENDING INSTITUTIONS

Mr. President, this bill alters a provision contained in present law which restricts consumer finance companies to the inclusion of loans maturing in less than 60 months in determining whether those companies are personal holding companies. It is a provision which has had so little impact, until recently, that it appears to have been reinserted in the law (after having been deleted) as the result of a technical error which has gone unnoticed for almost 15 years. For the reasons stated, the 60-month requirement conflicts with the consistent policy underlying the general exception, because it unfairly places small consumer finance companies at a competitive disadvantage in relation to widely-held companies engaged in the same business.

PRESENT LAW

Present law imposes a tax of 70 percent on the undistributed income of a personal holding company (section 541–547). A personal holding company is defined as a corporation, 60 percent of whose adjusted ordinary gross income is personal holding company income (generally passive investment income), and 50 percent of whose stock is owned by five or fewer persons. Certain types of companies whose active businesses involve the investment of funds and the earning of interest and dividends (that is, normally passive income is income not from the active conduct of a business), are excluded from the personal holding company provisions.

Among the business excluded from the definition of a personal holding company are certain consumer finance companies (section 542(c)(6)). Among the types of consumer finance companies intended to be excluded are licensed personal finance companies operating under the small loan (Russell Sage) laws of the various States, lending companies (not of the Russell Sage type) engaged in the consumer finance business, Morris plan banks, and finance companies engaged in the business of factoring inventories, accounts receivable, and otherwise financing the short-term and intermediate-term needs of business.

HISTORICAL BACKGROUND

While the tests to be met in order to enjoy the exclusion are the same, regardless of the type of finance company involved, this has not always been the case; and, it was as the result of congressional attempts to simplify the various earlier exclusions that the present 60-month limitation inappropriately became a rule of general application.

The exception from the application of personal holding company rules to licensed personal finance companies was added to the Internal Revenue laws by the Revenue Act of 1938. The exception was added to grant exemption for companies operating in the various States under statutes similar to the Uniform Small Loan Act drafted by the Russell Sage Foundation. These statutes have typically been referred to as Russell Sage laws. Under these State laws, interest could not be payable in advance or compounded and could be computed only on unpaid balances. Furthermore, the laws limited the principal amount of the loan (usually to less than $500), the term (usually less than 3 years) and the amount of interest (usually less than 3 percent a month).

The provision contained in the tax law attempted to mirror these general State requirements, rather than being more strict, as a means of insuring that the exception generally reflected the active business practices which it was designed to except. As the result, when the circumstances of the consumer lending business have rendered the tax requirements more strict than State regulatory provisions, the tax provisions have been altered as well. The primary example of

this reflective action is the change effected in the provision in 1962.[1]

Prior to 1962, the personal finance company exception mirrored the earlier restrictive provisions of Russell Sage laws. The conditions for exception under the law at that time required that a finance company must:

First. Be authorized to engage in the small loan business under one or more State statutes providing for the direct regulation of such business;

Second. Derive 80 percent or more of their gross income from lawful interest, discount, or other authorized charges;

Third. Derive the 80 percent of their income, referred to above, from loans maturing in not more than 36 months made to individuals in accordance with the provisions of applicable State law;

Fourth. Derive this 80 percent of their income from loans where the interest and all other authorized charges do not exceed the amount equal to simple interest computed at the rate of 3 percent per month not payable in advance and only on unpaid balances;

Fifth. Derive 60 percent of their gross income from lawful interest, discount, other lawful authorized charges received from individuals whose indebtedness to the company does not exceed the limit prescribed by the applicable State law, or, if there is no such limit, $500;

Sixth. Have trade or business expense deductions (other than compensation for personal services rendered by shareholders or members of their family) equal to 15 percent or more of their gross income; and

Seventh. Have outstanding loans with respect to any person who is a shareholder having a 10-percent interest in the stock of the company (including stock owned by members of the family) or not in excess of $5,000.

Recognizing that the requirements no longer reflected the then-existing State statutory limits, but were more strict, Congress, in the 1962 legislation, deleted the 3-percent interest requirement entirely, deleted entirely the 36-month loan limit, and increased the limit on maximum amounts for loans from $500 to $1,500. The legislative history of these changes as contained in the report of the Senate Committee on Finance is instructive (in pertinent part):

This bill omits this 3-percent-simple-interest requirement entirely, on the grounds that the personal holding company tax is not intended as a means of regulating the lending companies but rather as a tax applicable in certain cases, to passive investments. In any event, this is an ineffectual regulatory device since this restriction applies only to about 10 percent of the outstanding small loans. This occurs because the bulk of the small loans are made by widely held finance companies, and therefore not treated as personal holding companies since they do more than 50 percent of their stock. Moreover, even the companies presently subject to this restriction need to meet it only with respect to 80 percent of their gross income.

The bill also deletes the requirement that these lending companies derive most of their income from loans maturing in not more than 36 months. Several States already have gone beyond this as a permissive period for loans and it appears likely that in the near future a number of additional States may extend maturities to more than 36 months. Your committee agrees with the House committee that it should not impose a requirement substantially more restrictive in nature than the State laws regulating this type of lending company.

A third change made by the House bill modifies the maximum size of a loan which may qualify under the 80-percent-income requirement where there is no State law governing the maximum size of a loan. Under present law where there is no such limit under State law, a limitation of $500 is provided. Under the bill this limitation is increased to $1,500. It is understood that the only State which does not have a ceiling of its own is the State of California. When the $500 limit provided by present law was considered, this represented the usual ceiling among the States. The States have changed these ceilings materially, however, with the result that today relatively few States have a ceiling of $500 or less and even in these cases there usually is provision for supplementary loans which exceed this ceiling in certain situations. The $1,500 provided by this bill, where there is no applicable State limitation, today is substantially in conformance with the ceilings applicable in those States providing their own maximums.

A fifth change relates to the use of the term, "small loan business" which represents the type of business in which a lending company must be engaged in order to be removed from application of the personal holding company tax under this exception. The bill adds after the terms "small loan business" the term "(consumer finance business)". This is intended to make it clear that this exception is not limited to small loans in the narrow sense, but rather is intended to encompass consumer finance loans generally. Moreover, the reference to consumer finance business will bring this exception more directly in accord with the terminology now used by a number of State legislatures which have retitled the applicable provisions governing these institutions as "consumer finance laws" as a means of providing a more descriptive title for the type of business involved. S. Rep. No. 2047, 87th Cong., 2d Sess. ——— (1962), reprinted in [1962] U.S. Code Cong. and Ad. News 2825, 2827–2828.

An equally compelling policy reason for eliminating tax requirements which are more restrictive than requirements of the various State laws was expressed by then-Assistant Secretary of the Treasury, Stanley Surrey, in his comments to the Senate committee on the proposed revisions:

It has been the Department's consistent position that taxpayers in like situations should be subject to the same rules and rates of taxation. The effectiveness of our self-assessing system to a large extent depends upon each taxpayer's willing compliance with laws which are regarded as rational and fair. Since [the small loan provisions] selects only a portion of the small loan industry for regulation, and since that portion is similar to other businesses not subject to these rules, the Department has no objection to the removal of the 3-percent-a-month and 36-month regulatory limits. S. Rep. No. 2047, 87th Cong., 2d Sess. ——— (1962), reprinted in [1962] U.S. Code Cong. and Ad. News 2825, 2830–2831.

While the 1962 legislation vastly improved the equity of the tax treatment accorded closely-held finance companies, the provision, as amended, remained extremely complex. As the result, in the Revenue Act of 1964, Congress simplified the exception by imposing one set of standards upon all types of finance companies. In so doing, a limitation on the terms of loans for consumer finance companies found its way back into the law.

Subsequent to the revisions made by the 1962 act, there remained four different types of personal finance companies which were excluded from the personal holding company category:

1. Licensed personal finance companies, 80 percent of whose gross income is interest from loans if at least 60 percent of their gross income is received for loans classified as "small loans" by State law (or $500 if there is no State law limit) and if the interest is not payable in advance and computed only on unpaid balances. In addition, loans to a person who is a 10-percent shareholder must not exceed $5,000 in principal amount. These frequently are known as "Russell Sage" type personal finance companies.

2. Other lending companies engaged in the small loan or consumer finance business, 80 percent of whose gross income consists of interest or similar charges on loans to individuals and income from 80-percent-owned subsidiaries which in turn themselves meet this test. In addition, at least 60 percent of the company's income must be from interest or similar charges made in accordance with small loan or consumer finance laws to individuals where the loans do not exceed the [sic] State specification for small loans (or if there is no such limit, $1,500) and if the trade or business expenses of the company represent 15 percent or more of the company's gross income. These companies also must not have loans outstanding to shareholders, with a 10-percent interest or more, which exceed $5,000.

3. A loan or investment company (such as a Morris Plan bank), a substantial part of whose business consists of receiving funds not subject to check and evidenced by certificates of indebtedness or investment, and making loans and discounts. Here also a loan to a person who is a 10-percent shareholder may not exceed $5,000 in principal amount.

4. A finance company actively engaged in purchasing or discounting accounts or notes receivable, or installment obligations, or in making loans secured by any of these or by tangible personal property, if at least 80 percent of its gross income is derived from such business. In addition, at least 60 percent of such a company's gross income must be derived from certain categories of income. These categories, in general, relate to business or factoring-type loans: such as purchasing or discounting accounts or notes receivable, or installment obligations arising out of the sale of goods or services by the borrower in his business; making loans for not more than 36 months to businesses where the amounts are secured by accounts or notes receivable or installment obligations of the type described above, or secured by warehouse receipts, bills of lading, inventories, chattel mortgages on property used in the borrower's trade or businesses, etc. In the case of these companies, the trade or business expense deductions must represent at least 15 percent of the gross income of the company, and loans to those who are 10-percent shareholders in such company must not exceed $5,000 in principal amount.

It should be noted that the only type of finance company upon which a maturity limit was imposed was a finance company engaged in purchasing or discounting accounts or notes receivable, or installment obligations, or in making loans secured by any of these or by tangible property. Such factoring-type companies were required to earn at least 60 percent of its income from, inter alia, loans to businesses for not more than 36 months, where the loans arose out of the borrowers trade or business.

Curiously, when the Congress "simplified" the exception in the 1964 act, the limit was

---

[1] It should be noted that in 1950, an exception was added to permit interest on business loans to be computed by the "dollar add on" method to reflect changes in the law of almost one-half of the states permitting such loans.

written to have precisely the opposite effect. As the result of the 1964 act, the 36-month limit was expanded to 60 months, but rather than applying to loans by factoring-type companies, the limit, now contained in section 542(d)(1)(B)(i) was written to apply to all but such factoring-type loans.

It is important to not that if the word "unless" in section 542(d)(1)(B)(i) were changed to the word "if", the new law would have accomplished the simplification result without resurrecting a limit previously deleted as too restrictive. That simplification was the intent of the 1964 changes and that the same policy underlying the deletion of the 36-month limit was to be retained is clearly reflected in the House committee report:

In the interest of simplification, your committee concluded that it would be desirable to have one exclusion available for all four of these categories of lending or finance companies. At the same time, it saw no need for purposes of the personal holding company provision to restrict the type of loans which these companies could make. This is properly a matter of regulation by State law governing these lending or finance businesses. Moreover, it was recognized that in any event the personal holding provisions do not apply to widely held corporations. In such cases only State law governs the type of loans which can be made. H. Rep. No. 749, 88th Cong. 2d Sess. ——— (1964), reprinted in [1964] U.S. Code Cong. & Ad. News 1313, 1389–1390.

In the absence of an explicit explanation in the legislative history of the inclusion of a 60-month limit, one might conclude that Congress merely painted with too broad a brush when it simplified prior law. However, in light of the total reversal of the type of company to which it was to be applied and the reiteration of the policy underlying the original deletion, it is far more plausible to conclude that the 60-month limitation of present law does not reflect legislative policy, but rather inadvertent error.

REASONS FOR CHANGE

Whether the result of error or generalization, the 60-month limit needlessly restricts closely held consumer finance companies from competing on an equal basis with more widely held companies in rapidly expanding areas of consumer finance.

As previously stated, the limitation on the term of loans was deleted because the restrictions under most State laws had become far more liberal than the Federal tax provision. That is even more the case today. Most consumer finance companies presently operate, not only under small loan laws, but also under the generally applicable usury laws. In almost all instances, the general usury law imposes no maximum maturity. This expansion beyond small loan laws has resulted from fundamental changes in the competitive structure of the entire finance industry. Rather than competing for small loans, the bulk of recent market expansion has been in the areas of revolving credit and second mortgage loans. In the case of revolving credit, the loans have no fixed maturity. In the case of second mortgage loans, probably owing to the size of the loan, the maturities typically equal or exceed 60 months.

The trend in personal loans is definitely toward longer maturities, and, in the case of the rapidly expanding revolving or open-end credit, no fixed maturity at all in the traditional sense. As the table below demonstrates, according to statistics provided by the Federal Reserve Board, the percentage of personal loans having a maturity of over 42 months increased from a negligible amount in 1972 to 26.4 percent of loans made in 1977. The 1977 figure almost doubles the percentage of lower maturity loans from the year before.

FINANCE RATES, MATURITIES, AND AVERAGE AMOUNT FINANCED BY FINANCE COMPANIES, 1972–77

	1972	1973	1974	1975	1976	1977[1]
Average finance rates (percent):[2]						
Personal loans	21.1	20.6	20.7	21.0	21.0	20.5
Automobiles:						
New	11.9	12.1	12.6	13.1	13.2	13.1
Used	16.5	16.7	17.2	17.6	17.6	17.6
Mobile homes	12.4	12.8	13.3	13.6	13.4	13.6
Other consumer goods	19.3	18.9	19.1	19.8	19.5	19.1
Average maturities:[2]						
Personal loans in months	32.3	33.5	34.8	36.3	37.6	42.9
Automobiles (percent):						
New (total)	100.0	100.0	100.0	100.0	100.0	100.0
Percent over 42 mo					14.5	26.4
Percent 37 to 42 mo	[3].9	[3]2.7	[3]8.4	[3]23.6	17.8	21.2
Percent 31 to 36 mo	84.3	83.2	78.4	65.3	55.8	40.4
Percent 30 mo or less	14.5	13.9	13.2	11.2	11.7	11.9
Percent balloon	.3	.3	.2	.1		
Used—Total	100.0	100.0	100.0	100.0	100.0	100.0
Percent over 36 mo					3.6	8.7
Percent 31 to 36 mo	[4]47.7	[4]49.9	[4]52.9	[4]54.2	53.3	57.3
Percent 25 to 30 mo	33.3	31.3	29.2	31.1	29.9	23.6
Percent 24 mo or less	18.9	18.7	17.8	14.7	13.2	10.4
Percent ballon	.1	.1	.1			
Mobile homes	106.4	115.7	121.2	121.0	123.3	126.2
Other consumer goods	21.7	21.4	21.1	21.1	22.2	22.9
Average amount financed:[2]						
Personal loans	$996	$1,169	$1,162	$1,260	$1,384	$1,530
Mobile homes	6,307	6,645	7,292	7,686	8,404	9,037
Other consumer goods	396	305	434	464	510	538
Average size of contract on automobiles:[2]						
New	3,686	3,929	4,314	4,975	5,496	6,116
Used	1,890	2,090	2,436	2,650	2,846	3,076

[1] Preliminary NCFA estimates.
[2] Unweighted means of periodic sample data for each year.
[3] Over 36 mo.
[4] Over 30 mo.

Note.—Parts may not add to totals due to rounding.

Source: Federal Reserve Board.

Additional data on consumer finance transactions compiled by the First National Bank of Chicago reflects that the percentage of loans written for longer than 37 months (the only category including over 60-month loans) grew from 11.76 percent in 1972 to 20.35 percent in 1977 to 30 percent in 1978.

These data reflect not only the increase in numbers of longer maturity loans but the rapidity with which the numbers of such loans are increasing. It may be expected that particularly with the tremendous increase in the volume of second mortgage loans (almost all of which have maturities of at least 60 months or longer), the strength of the trend will continue.

PROPOSED LEGISLATION

The proposed bill would amend section 542 of the Internal Revenue Code in two respects. First, section 542(d)(1)(B)(i) would be amended by replacing the 60-month maturity limitation with a limitation of 144 months. Additionally, the bill would except from the computation of average maturities all open end credit transactions (revolving credit) as that term is defined in the Truth in Lending Act.

The second amendment would tighten the eligibility rules for the consumer finance company exclusion from the definition of "personal holding company." Subsection (c) of section 542 excepts a number of business enterprises from the definition of a "personal holding company." Paragraph (6) of that subsection provides for the exclusion of certain lending or finance companies if certain conditions are met. Among those conditions is the requirement that the sum of deductions which are directly allocable to the finance business must exceed the sum of 15 percent of the first $500,000 of ordinary gross income from the finance business, plus 5 percent of the second $500,000 of gross income from the finance business.

At the request of the Joint Commmittee on Taxation, the bill would extend the amount to which the 5 percent applies from $500,000 to the total amount of all gross income derived from the finance business which exceeds $500,000. The result will be that overall percentage of deductions directly attributable to gross income from the finance business must be greater than under present law in order for a consumer finance company to qualify for exclusion under the personal holding company provisions.

The bill, therefore, represents a balance between the need to accommodate a changing business environment and the need to insure that the exception is not employed as a device to avoid the personal holding company rules.

Mr. President, it is my understanding that this is a noncontroversial bill and that the Treasury Department supports its passage. I hope that early action on this measure can be scheduled by the Finance Committee and that it can become law this year.●

By Mr. RANDOLPH:

S. 645. A bill to promote the development of enhanced tertiary oil recovery techniques; to the Committee on Finance.

DEVELOPMENT OF ENHANCED TERTIARY OIL RECOVERY TECHNIQUES

● Mr. RANDOLPH. Mr. President, the bill I introduce today is a measure to extend the exemption contained in the Windfall Profit Tax Act of 1980 for certain tertiary project front-end oil. Front-end oil is production the revenue from which is dedicated, pursuant to the Department of Energy's tertiary incentive program regulations, to the "allowed expenses" of a tertiary enhanced oil recovery project.

The DOE's "allowed expense" rules limit the amount of front-end oil that can be sold in connection with a particular EOR project to a maximum of $20,000,000. The windfall profit tax exemption, however, was limited so that it does not extend to front-end oil used to finance certain prepaid or capital items even though the Department of Energy allows such oil to be released from price controls. There is no reason to impose a tax on the front-end oil used to finance such expenses.

The Department of Energy will exercise sufficient restraints and control over prepayments and capital items to prevent any potential abuse. The only effect of the limitations on the windfall tax exemption regarding prepaid and capital items is to reduce the incentive available to independent producers to undertake tertiary projects and thereby slow the development of our domestic oil resources.

To remove this problem with the available incentive, the amendment I propose coordinates the windfall tax exemption with the Department of Energy's program fully by providing that front-end oil used to finance certain prepaid and capital items approved by DOE is exempt from windfall profit tax to the same extent as are other qualified expenses.

The early termination of crude oil price controls by President Reagan in Executive Order No. 12287, will have the undesirable effect of terminating the tertiary incentive program, thereby slowing the development of innovative EOR technologies. This legislation is designed to cure that defect by providing for the continuation of a program exempting front-end oil, under the limitations prescribed in the current DOE rules, for the period after decontrol.

The Department of Energy started the tertiary incentive program after finding that EOR techniques having a vast potential for recovering additional crude oil from known reservoirs involve "such substantial preproduction expenses and such a high risk of failure that a general finding can be made that projects employing such techniques are not an attractive investment opportunity."

Accordingly, in order to stimulate the rate of technical innovation in this crucial crude oil supply area, DOE adopted a program to provide "front-end" financing to producers undertaking such projects. Under this program, over 300 new or significantly expanded tertiary projects have been undertaken. However, the program, and many recent projects undertaken in reliance thereon, will now be lost under decontrol.

The magnitude of the potential benefit from tertiary EOR techniques was the subject of a January 1978 study, Enhanced Oil Recovery Potential in the United States, by the Office of Technology Assessment. OTA estimated that EOR technologies could recover as much as 51 billion barrels of the 300 billion barrels of oil that will otherwise remain trapped in known reservoirs in the United States. That is almost half again the amount of oil recoverable with conventional technology. Thus, EOR technologies promise great potential contributions to our domestic crude supply. Like the DOE findings, however, the OTA study also noted that enhanced oil recovery processes are new and their investment risks high, and therefore that their development will be retarded absent some form of assistance.

Despite the momentum begun by the DOE program, EOR technologies are still in their infancy, and a continuing program is needed in order to advance the processes that will return the greatest amounts of oil. At a minimum, a modest program to stimulate the early use of a wide range of EOR techniques, by providing that a fraction of the front-end money necessary to finance these high cost, high risk projects be exempt from windfall profit tax, should be permitted. I urge the speedy consideration and adoption of this measure by the Senate.●

By Mr. RANDOLPH (for himself, Mr. WILLIAMS, and Mr. PELL):

S. 646. A bill entitled "The Consumer-Patient Radiation Health and Safety Act of 1981"; to the Committee on Labor and Human Resources.

CONSUMER-PATIENT RADIATION HEALTH AND SAFETY ACT OF 1981

● Mr. RANDOLPH. Mr. President, public exposure to radiation in the healing arts professions accounts for 90 percent of the annual population dose in the United States from manmade sources. By comparison, annual exposure from nuclear facilities accounts for less than 1 percent.

It is estimated that 30 percent of that exposure is unnecessary. The annual direct cost of this unnecessary exposure to our health care system may be $1½ to $2 billion. The long-term cost to our health care systems for treatment of illnesses resulting from unnecessary exposure, although not quantifiable, is no doubt substantially more.

The reasons for unnecessary exposure are several—faulty equipment, improper use of X-ray equipment, defensive medicine, economic incentives, and unnecessary screening. My legislation focuses on the use of radiation in the healing arts.

Although the essential and beneficial role of radiologic services in the diagnosis and treatment of injuries and illness is well recognized and accepted, there is evidence that current procedures result in a greater risk to consumer-patients than is necessary.

In spite of the risk to individuals from radiation exposure and the known adverse health effects that may result, in 39 of our States, any individual may operate X-ray equipment, regardless of training or qualifications.

Of the estimated 130,000 to 170,000 persons who operate the Nation's 250,000 pieces of medical X-ray equipment, only 85,000 have demonstrated their competence in voluntary certification or State licensing examinations. Seventy-five percent of all nonhospital radiologic procedures in the United States are performed by noncredentialed radiologists.

For over 10 years I, and other colleagues who have joined me, have sought to address this seeming paradox. On three occasions the Senate has passed legislation to provide for certification of operators, the measure, however, has either been dropped in conference, or died with legislation it was amending.

Unfortunately, in the interim, the need for such legislation has not diminished. If anything, with the growing use of radiation in the healing arts, it has increased. Over 300 million X-rays will be taken nationally this year.

This legislation has two principal thrusts—

First, to require the establishment of minimum Federal standards for the certification of persons who operate machines used for diagnostic or therapeutic purpose which emit ionizing radiation, and

Second, to provide for accrediting institutions which conduct training programs for such persons.

Mr. President, the legislation I am introducing today with the cosponsorship of the senior Senators from New Jersey and Rhode Island, Mr. WILLIAMS and Mr. PELL, is identical to title V of H.R. 7203, the Health Professions Education and Distribution Act of 1980, which passed this body unanimously in the 96th Congress on September 19, 1980. Unfortunately, the conferees for the Senate and the House were unable to resolve the differences between their respective measures prior to the sine die adjournment of the 96th Congress.

Mr. President, I request that following my remarks there appear in the RECORD a description of the need for this legislation and the committee views contained in Senate Report No. 96-936, and the text of the Consumer-Patient Radiation Safety and Health Act of 1981.

The bill and committee views follow:

S. 646

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. 101. This Act may be cited as the "Consumer-Patient Radiation Health and Safety Act of 1981."

SEC. 102. The Congress finds that—

(1) it is in the interest of public health and safety to minimize unnecessary exposure to potentially hazardous radiation due to medical and dental radiologic procedures;

(2) it is in the interest of public health and safety to have a continuing supply of adequately educated persons with appropriate credentials to administer radiologic procedures pursuant to accreditation and certification programs administered by State governments;

(3) the protection of the public health and safety from unnecessary exposure to potentially hazardous radiation due to medical and dental radiologic procedures and the assurance of efficacious procedures are the responsibility of State and Federal governments;

(4) persons who administer radiologic procedures, including procedures at Federal facilities, should be required to demonstrate competence by reason of education, training, and experience; and

(5) the administration of radiologic pro-

cedures and the effect on individuals of such procedures have a substantial and direct effect upon United States interstate commerce.

SEC. 103. It is the purpose of this Act to—

(1) provide for the establishment of minimum standards by the Federal Government for accreditation of education programs for persons who administer radiologic procedures and certification of such persons; and

(2) insure that medical and dental radiologic procedures are consistent with rigorous safety precautions and standards.

SEC. 104. Unless otherwise expressly provided, for purposes of this Act, the term—

(1) "radiation" means ionizing and nonionizing radiation, in amounts beyond normal background levels, from such sources as medical and dental radiologic procedures;

(2) "radiologic procedure" means any procedure or article intended for use in—

(A) the diagnosis of disease or other medical or dental conditions in humans (including diagnostic X-rays); or

(B) the cure, mitigation, treatment, or prevention of disease in humans;

that achieves its intended purpose through the emission of radiation;

(3) "radiologic equipment" means any radiation emitting electronic product used or intended for use to—

(A) diagnose disease or other medical or dental conditions (including diagnostic X-ray equipment); or

(B) cure, mitigate, treat, or prevent disease in humans;

if such product achieves its intended purpose through the emission of radiation;

(4) "practitioner" means any licensable doctor of medicine, osteopathy, dentistry, podiatry, or chiropractic, who prescribes radiologic procedures for other persons;

(5) "persons who administer radiologic procedures" means any person, other than a practitioner, who intentionally administers radiation to other persons for medical purposes and includes medical radiologic technologists (including dental hygienists and assistants), radiation therapy technologists, and nuclear medicine technologists;

(6) "Secretary" means the Secretary of Health and Human Services; and

(7) "State" includes, in addition to the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands.

SEC. 105. (a) No later than the date twelve months after the effective date of this Act, the Secretary, in consultation with the Radiation Policy Council, the Administrator of Veterans' Affairs, the Administrator of the Environmental Protection Agency, appropriate agencies of the States, and appropriate professional organizations shall by regulation promulgate minimum standards for the accreditation of educational programs to train individuals to perform radiologic procedures. Such standards shall distinguish between programs for the education of (1) medical radiologic technologists (including radiographers), (2) dental auxiliaries (including dental hygienists and assistants), (3) radiation therapy technologists, and (4) nuclear medicine technologists. Such standards shall not be applicable to educational programs for practitioners.

(b) No later than the date twelve months after the effective date of this Act, the Secretary, in consultation with the Radiation Policy Council, the Administrator of Veterans' Affairs, the Administrator of the Environmental Protection Agency, interested agencies of the States, and appropriate professional organizations, shall by regulation promulgate minimum standards for the certification of persons who administer radiologic procedures. Such standards shall distinguish between certification of (1) medical radiologic technologists (including radiographers), (2) dental auxiliaries (including dental hygienists and assistants), (3) radiation therapy technologists. Such standards shall include minimum certification criteria for individuals with regard to accredited education, practical experience, successful passage of required examinations, and such other criteria as the Secretary shall deem necessary for the adequate qualification of individuals to administer radiologic procedures. Such standards shall not apply to practitioners.

SEC. 106. In order to encourage the administration of accreditation and certification programs by the State, the Secretary shall provide a model law for radiologic procedure safety to the States. Such model law shall provide that—

(1) it shall be unlawful in the State for individuals to perform radiologic procedures unless such individuals are certified by the State to perform such procedures; and

(2) any educational requirements for certification of individuals to perform radiologic procedures shall be limited to educational programs accredited by the State.

SEC. 107. (a) If a State continues to permit nonpractitioners to perform radiologic procedures without having provided an accreditation and certification program consistent with the minimum Federal standards promulgated under this Act within three years after the effective date of this Act, the Secretary shall, until such programs are in effect, take the following action:

(1) during the first twelve months after the expiration of such period of time, the Secretary shall reduce by 5 percent the amount of each allotment, grant, loan, and loan guarantee made to, and each contract entered into with, such State during such period under the Public Health Service Act; and

(2) after the expiration of such twelve-month period, the Secretary shall reduce by 10 percent the amount of each such allotment, grant, loan, loan guarantee, and contract.

(b) A State may utilize an accreditation or certification program administered by a private entity if—

(1) such State delegates the administration of the State accreditation or certification program to such private entity;

(2) such program is approved by the State; and

(3) such program is consistent with the minimum Federal standards promulgated under this Act for such program.

(c) The Secretary may by regulation exempt any specific grant, loan, contract, or other form of financial assistance from the requirements of this section if the Secretary determines such exemption is in the public interest and would not present an unreasonable risk to any person or to the public health and safety.

(d)(1) The Secretary shall be responsible for continued monitoring of States in order to determine which States are in compliance with this section. The Governor of each State shall be responsible for notifying the Secretary of changes in approved accreditation and certification programs. If a State fails to comply with the provisions of this section, after notice and a hearing on the record, the Secretary shall reduce by 10 percent the amount of each allotment, grant, loan, and loan guarantee made to, and each contract entered into with, such State during such period of noncompliance under the Public Health Service Act.

(2) Upon the application of a Governor of a State, the Secretary may extend the effective date of subsection (a) for not more than 2 years from the date of such application if the Secretary determines that good faith efforts to comply with this section have been made by the State, and reasonable assurance is provided that an effective certification and accreditation program will be provided by the State within the subsequent 2 years.

(e) Notwithstanding any other provision of this section, in the case of a State which has, prior to the effective date of standards and guidelines promulgated pursuant to this Act, established standards for the accreditation of educational programs and certification of radiologic technologists, such State shall be deemed to be in compliance with the conditions of this section unless the Secretary determines, after notice and hearing, that such State standards do not meet the minimum standards prescribed by the Secretary or are inconsistent with the purposes of this Act.

SEC. 108. The Secretary shall, in conjunction with the Radiation Policy Council, the Administrator of Veterans' Affairs, the Administrator of the Environmental Protection Agency, appropriate agencies of the States, and appropriate professional organizations, promulgate Federal radiation guidelines with respect to radiologic procedures. Such guidelines shall—

(1) determine unnecessary radiation exposure due to radiologic procedures and the techniques, procedures, and provide methods to minimize such exposure;

(2) provide for the elimination of the need for retakes of diagnostic radiologic procedures;

(3) provide for the elimination of unproductive screening programs;

(4) provide for the optimum diagnostic information with minimum radiologic exposure; and

(5) include the therapeutic application of radiation to individuals in the treatment of disease, including nuclear medicine applications.

SEC. 109. (a) Except as provided in subsection (b), standards promulgated pursuant to this Act shall apply to each department, agency, or instrumentality of the executive branch of the Federal Government.

(b)(1) The Administrator of Veterans' Affairs, through the Chief Medical Director of the Veterans' Administration, shall, to the maximum extent feasible consistent with the responsibilities of such Administrator and Chief Medical Director under title 38, United States Code, prescribe regulations making the standards promulgated pursuant to this Act applicable to the provision of radiologic procedures in facilities over which the Administrator has jurisdiction. In prescribing and implementing regulations pursuant to this subsection, the Administrator shall, from time to time, consult with the Secretary in order to achieve the maximum possible coordination of the regulations, and the implementation thereof, which the Secretary and the Administrator prescribe under this Act.

(2) Not later than 180 days after standards are promulgated by the Secretary pursuant to this Act, the Administrator shall submit to the appropriate committees of Congress a full report with respect to the regulations (including guidelines, policies, and procedures thereunder) prescribed pursuant to paragraph (1) of this subsection. Such a report shall include (A) an explanation of any inconsistency between standards made applicable by such regulations and the standards promulgated by the Secretary pursuant to this Act; (B) an account of the extent, substance, and results of consultations with the Secretary respecting the prescribing and implementation of the Administrator's regulations; and (C) such recommendations for legislation and administrative actions as the Administrator determines are necessary and desirable. The Administrator shall timely publish such report in the Federal Register.

SEC. 210. The provisions of this Act shall become effective October 1, 1981.

COMMITTEE VIEWS

TITLE V—RADIATION HEALTH AND SAFETY

The purpose of this legislation is to provide an inducement to States to implement programs for the certification of persons who administer radiologic procedures and, as a corollary, to establish standards for the accreditation of educational programs which train individuals to perform radiologic procedures.

Over the 10 year period since the Food and Drug Administration published a model State law for certification of radiologic technologists only 8 States have joined California, New Jersey, and New York in instituting programs. In the interim, public exposure to radiation in the healing arts has continued to increase. In 39 States any individual may operate radiation equipment, irrespective of his or her training or qualifications.

The essential and beneficial role for the use of radiation in diagnostic and therapeutic procedures outweighs the potential adverse health effects from the exposure to radiation necessary to achieve that result. The exposure, however, should be kept to the minimum necessary. The Committee considers the estimated annual unnecessary exposure of 30 percent to be unacceptable.

The Committee recognizes that persons administering radiologic procedures who have not received adequate training or demonstrated their ability to operate radiologic equipment are not the sole cause of the public's unnecessary exposure to radiation in the healing arts. Faulty or improperly calibrated radiation equipment, defensive medicine, economic incentives, and unnecessary screening programs also contribute to unnecessary exposure. The Committee believes, however, that exposure will be substantially reduced if radiologic procedures are only performed by trained and qualified persons.

The Committee's bill seeks to preserve the traditional responsibility of the States to control the certification of health professions and to assure the continued availability of diagnostic and therapeutic radiation procedures in all States. The Committee's bill seeks only to assure that radiologic procedures be performed by qualified persons.

Therefore the Committee has directed the Secretary, in consultation with the Radiation Policy Counsel, the Administrator of the Environmental Protection Agency and the Administrator of Veterans' Affairs, interested agencies of the States, and appropriate professional organizations, within 12 months of the date of enactment of this legislation, to promulgate by regulation and periodically update minimum standards (1) for the accreditation of education programs to train individuals to perform radiologic procedures, and (2) for the certification of persons who administer radiologic procedures.

The Committee bill provides that the standards developed by this process generally shall be applicable to the provision of diagnostic and therapeutic radiologic procedures in the healing arts by Federal agencies.

In the case of the Veterans' Administration, the Administrator of Veterans' Affairs, through the VA Chief Medical Director, shall, to the maximum extent feasible consistent with their responsibilities under title 38, prescribe regulations making those standards applicable in connection with VA facilities.

Where State certification programs are in existence as of the effective date of Federal minimum standards, the State program is to be deemed in compliance until such time as the Secretary renders an affirmative finding, after public hearing, that the State program does not require the equivalent of the Federal minimum standards or the conditions for approval of a State program have not been met. The Committee anticipates that the Secretary will utilize his discretion in the bill to provide an extension of the imposition of a reduction in Public Health Service Act funding to such State for up to two years to permit the State to conform its program to the Federal standards.

In directing the Secretary to consult with interested State agencies, the Committee recognizes the primary role of the States in administering certification and accreditation standards and the efforts of such groups as the Conference of Radiation Control Program Directors, State certificate bodies, and health departments in reducing unnecessary and unproductive radiation exposure. Since 1974 the Conference has endorsed credentialing of allied health radiation operators as a desirable mechanism to assure that operators of radiation equipment have the education and training needed to administer radiation to consumer-patients properly and efficaciously.

Similarly, the Committee, in directing the Secretary to consult with appropriate professional organizations, recognizes the expertise, concern, and efforts of these groups in promoting the most beneficial use of radiation in the healing arts, and the importance of their close involvement in achieving the purposes of this legislation.

These organizations are responsible for the existence in every State, on a voluntary basis, of a system for the accreditation of programs for the education of persons who administer radiologic procedures and for the certification of such individuals. The American Medical Association endorsed the concept of standards for radiologic technologists over 50 years ago, and has instituted an approval system for schools of radiologic technology. The American Registry for Radiologic Technologists provides examinations for the graduates of AMA-approved schools. Other allied health organizations have also instituted accreditation and certification programs as professional specialties have come into existence.

Among appropriate professional organizations, the Committee intends that the Secretary consult with the American Medical Association, the American College of Radiology, the American Society of Radiologic Technologists, the American Podiatry Association, the American Board of Nuclear Medicine, the Society of Nuclear Medicine, The American Registry of Clinical Radiography Technologists, the American College of Radiography Technologists, the American Society of Clinical Pathologists, the American Academy of Dental Radiology, the American Registry of Radiologic Technologists, the American Dental Association, The American Dental Assistants Association, the American Dental Hygienists Association, the American Osteopathic College of Radiology, the American Osteopathic Association, the American Chiropractic Association, the American Board of Health Physicists, the American Association of Physicists in Medicine, and the Health Physics Society.

In providing that States may utilize an accreditation or certification program administered by a private entity, the Committee clearly intends to preserve the option of each State to either institute and administer a separate program, or to provide that an educational institution's accreditation by a private accrediting board or an individual's certification by a private examining organization shall be recognized by a State as fulfilling its statutory requirements.

The Committee recognizes that, although the provisions of this legislation will result in a reduction of unnecessary exposure to radiation in the healing arts, additional efforts to eliminate the other causes of unnecessary exposure must continue. Several initiatives undertaken by FDA's Bureau of Radiological Health were outlined by Director Villforth in his testimony at the legislative hearing.

The Committee is encouraged by the effort to develop and validate X-ray referral criteria which should result in a reduction of the number of medically unnecessary X-ray examinations through evaluation of the clinical value of various X-ray examinations. Current programs to augment physicians' training in such fields as patient selection, the physics of radiology, and X-ray practices, and to enhance consumers' awareness of their role in helping to minimize radiation exposure, should continue to be pursued aggressively.

The FDA's educational programs to improve radiologic technologists' performance and to prepare model training materials are expected to continue.

In order to promote these and other ongoing FDA efforts, the Committee has directed that the Secretary promulgate guidelines to assist the health professions in further reducing unnecessary radiation exposure in the healing arts.

The Committee, by directing that the Secretary shall develop standards which distinguish between educational programs and certification standards for medical radiologic technologists, dental auxiliaries, radiation therapy technologists, and nuclear medical technologists, recognizes the diversity in the scope of practice of these professional disciplines and intends that the Secretary, in consultation with the appropriate professional organization, shall develop separate minimum standards.

These categories of specialization are now provided for by such voluntary certification bodies as the American Registry of Radiologic Technologists. It is further assumed that provision will be made for dental auxiliaries who would be authorized to perform diagnostic X-ray examinations under the direct supervision of dental practitioners.

The categories set forth by the Committee are not, however, intended to be exclusive and the Committee anticipates that it may be desirable for the Secretary to designate additional areas of professional expertise within these groups and new areas of professional expertise as the practice of radiologic technology evolves in the future.

The Committee does not intend that a requirement for certification should result in barriers to entry into the field of radiologic technology and anticipates that the Secretary, in the process of consultation set forth in the bill, will make appropriate provision for students in accredited programs, technologists-in-training under the supervision of a practitioner, and students in medical, dental, podiatric, osteopathic, and chiropractic schools, to receive the necessary education and training to enter their professions.

Likewise, the Committee in no sense intends to endorse formal training alone as demonstrated competence sufficient to satisfy minimum qualifications for certification. Rather, the committee intends that certification be conditioned on demonstrated competence through written examination and exhibited performance through proficiency testing. In practice it is performance that determines competence in providing efficacious radiologic examinations. The Committee intends that the tests and standards applicable to the various categories of radiologic personnel be job-related and understands that criteria for certification will vary depending on the actual responsibilities of the personnel in question.

The committee recognizes that technologists do not take radiographs in isolation from the decisions of their practitioner-employers.

Moreover, the Committee does not intend to restrict any consumer-patient from obtaining the benefits of diagnostic radiology or to

preclude any physician from providing necessary health care services. Nevertheless, the Committee does intend to assure that when radiologic services are warranted and prescribed that unnecessary radiation exposure is minimized and that efficacious radiologic services are provided.

NEED FOR LEGISLATION

RADIATION HEALTH AND SAFETY

Since 1967 legislation has been under consideration by the Congress to provide for State licensure of users and operators of medical radiologic equipment such as X-ray equipment. An initial proposal providing for Federal minimum advisory standards for the licensure of radiologic technicians and for the assurance of adequate training of such individuals was contained in the Senate passed version of the Radiation Control for Health and Safety Act of 1968; however, the provision was dropped at the House-Senate conference.

Since then four separate Congresses have considered similar legislation introduced by Senator Jennings Randolph and others.

During the 93rd Congress, similar measure was offered by Senator Randolph as an amendment to S. 2994 and accepted unanimously by the Committee as Title IV, the Radiation Control for Health and Safety Act of 1974. Although approved by the Senate, the title was deleted from the measure by the House and Senate conferees because there was no comparable provision in the House passed bill.

That measure was subsequently introduced by Senator Randolph in the 94th Congress as S. 1261, the Radiation Health and Safety Act, and was offered and unanimously accepted as Title XVI of H.R. 5546, the Health Professions Education Assistance Act of 1976. As in the previous Congress, the title was dropped in conference.

In the 95th Congress, Senator Randolph introduced similar measures, S. 1695 in the 1st Session, and S. 3290 in the 2d Session. No legislative activity occurred on either measure.

The general public's exposure to radiation sources in medicine and dentistry is, next to natural background, the largest contributor to the consumer's radiation exposure in the United States. Medical and dental sources of radiation currently account for over 90 percent of all human exposures to man-made ionizing radiation by contrast, normal operation of nuclear powerplants accounts for less than 1 percent of the consumer's exposure to ionizing radiation.

The annual cost of radiation services in the healing arts to the public is $6 billion. It is estimated by the Bureau of Radiological Health (BRH) that approximately 30 percent of the exposure to radiation is unnecessary. Annual health care costs due to genetic damage from radiation exposure is estimated by BRH to be $1.4 billion. The long term cost for treatment of illnesses resulting from unnecessary exposure, although not available, is certain to be substantial. In testimony received by the Committee, it was estimated that diagnostic and therapeutic exposure to radiation will account for 2,000 to 4,000 cancer deaths in the United States in 1980.

The attendant benefits from the use of radiation for medical and dental diagnosis and for radiation therapy are well recognized for their essential role. Moreover, the risks associated with undergoing an efficacious X-ray examination needed for proper medical care are less than the risks which would be incurred without the examination.

However, as observed 9 years ago by Dr. Donald Chadwick, then Director of the U.S. Public Health Services' Division of Radiological Health and past Executive Secretary of the former Federal Radiation Council:

Our knowledge of the biological effects of radiation has many gaps, but enough is known that practitioners of medicine, dentistry, and public health should make every feasible effort to prevent or reduce all unnecessary radiation exposure. The size of the population at risk and the possible consequences of failure to take appropriate action are too great.

Potentially the whole U.S. population is at risk. Approximately 130,000 medical X-ray machines are used to conduct about 186 million X-ray examinations annually, and 172,000 dental X-ray units are employed in 92 million dental X-ray examinations each year.

Approximately 5 million individuals were administered radiopharmaceuticals in the diagnosis or treatment of disease. Unfortunately, the use of microwaves and ultrasonics for therapeutic purposes also has emerged as a significant potential source of consumer radiation exposure, often without any medical supervision.

It is estimated that 85,000 of the 130,000 to 170,000 persons now operating medical X-ray equipment are certified by either the American Registry of Radiologic Technologists (ARRT) or the American Registry of Clinical Radiography Technologists (ARCRT), or licensed by one of the eleven States and one territory (New York, New Jersey, California, Kentucky, West Virginia, Florida, Vermont, Arizona, Montana, Oregon, Hawaii, and Puerto Rico) administering such programs. This leaves approximately 45,000 to 85,000 non-credentialed individuals performing X-ray examinations without evidence of training or demonstrated ability to perform radiologic procedures.

Approximately 200,000 dental hygienists and assistants currently conduct X-ray examinations, about 145,000 of these, primarily dental assistants, are non-credentialed.

It is estimated that 18,000 technologists work in the nuclear medicine field, of whom 13,400 are certified by the ARRT, the American Society of Clinical Pathologists (ASCP), or the Nuclear Medicine Technology Certification Board (NMTCB). There are approximately 2,000 radiation therapy technologists, 900 of whom are certified by the ARRT and 600 of whom are licensed by States.

The need for prudent use of potentially hazardous radiation such as X-rays and, although less well understood, ultrasound is generally recognized. Standard-setting bodies such as the National Council on Radiation Protection and Measurement, the International Commission on Radiological Protection and the former Federal Radiation Council have warned that any exposure to ionizing radiation carries with it some risk of adverse public health effects. As expressed by the International Commission on Radiological Protection—

The cautious assumption (is) that any exposure to radiation may carry some risks for the development of somatic effects including leukemia and other malignancies and of hereditary effects. The [A]ssumption is made that down to the lowest level of dose the risk of inducing disease or disability increases with the dose accumulated by the individual. This assumption implies that there is no wholly safe dose of radiation.

These radiologic services are ordered by some 350,000 physicians, approximately 18,000 of whom are radiologists with specialized expertise in the use of radiation for diagnostic and therapeutic purposes. With the exception of California, there is no requirement for training of physicians—96 percent of these physicians—in the medical uses of radiation. However, because of the growing availability of radiologists and the increasing sophistication of diagnostic examinations now possible in modern medicine, there is a trend toward concentration of the performance of more and more of these examinations in the hands of radiologists.

The actual performance of medical radiologic services, however, is now for the most part delegated by physicians to equipment operators. As has been noted, some 85,000 of these operators are voluntarily certified. Evaluation of the competence of non-certified radiation equipment operators for the most part is left to physicians.

Historically, the American Medical Association (AMA), the American College of Radiology (ACR), and the American Hospital Associaiton (AHA) have argued that the physician has the basic responsibility for exposing the consumer to potentially hazardous radiation—no one else can bear this responsibility. Even accepting this premise, while a non-radiologist physician may know best when to prescribe radiologist services, it does not necessarily follow that he also knows best how to administer the radiologic procedures himself, or that he knows when the patient should be sent to someone else and what qualifications that someone else should possess. Acceptance of the above premise, perhaps more than any other factor, is the reason the safety and efficacy of current radiologic practices still remain a major public health issue.

The United Nations Scientific Committee on the Effects of Atomic Radiation in 1972 stated: "The awareness of the radiological staff of the importance of the protection of the patient is probably the greatest factor in the control of population exposure." Moreover, a significant portion of present consumer-patient exposures can be avoided without a decrease in benefits by improvements in training, equipment, techniques, and procedures in administering radiation to patients, particularly the application of X-rays in diagnostic procedures.

When X-ray examinations are prescribed for a patient, the logical assumption is that the radiation procedures are being performed in a professional manner. Moreover, when consumer-patients present themselves for radiologic services their assumption is that—

Only licensed medical practitioner will actually order the radiologic examinations;

The medical practitioner will order radiographs only when absolutely necessary to confirm a preliminary diagnosis;

The practitioner will order only the minimum number of radiolographs necessary for clinical diagnosis;

The practitioner will elicit information from a potentially pregnant woman taking this into consideration in ordering radiologic services;

The radiation risk to the individual patient and the clinical benefits to be achieved can be and will be evaluated by the practitioner in the best medical interests of the patient;

The benefit-risk evaluation will be provided to the concerned consumer-patient in a way that can be reasonably understood;

The patient can request that radiologic services can be deferred;

Non-practitioners (technologists) who take radiographs are sufficiently trained to obtain the clinical data required;

The technologist knows how, for a given patient, to achieve the best possible radiographs for the particular diagnosis of interest to the ordering practitioner with the lowest possible radiation exposure;

The technologist will supply appropriate gonad shielding when the gonad area is not the specific subject of the radiograph but may receive radiation exposure or when the patient so requests;

The technologist who does the positioning, the setting of machine controls, the activating the actual expcsures, and the development of any films is competent to provide the necessary data for the practitioner in the finished picture as quickly as possible, minimizing prolonged patient discomfort and anxiety;

The practitioner who reads the radiographs is sufficiently expert through training and experience to read and interpret

them in terms of the patient's individual needs; and

If the above cannot be carried out properly, the patient will be informed and be referred to a qualified radiologist or medical center who in turn will employ qualified technologists and expertly interpret the finished radiographs.

In summary, the patient assumes a "Consumer Bill of Rights for Radiation," when agreeing to undergo radiologic services. While these assumptions can be assured by qualified radiologic technoligists working with equally qualified practitioners, there is no reason to believe that is always the case.

The FDA's Bureau of Radiological Health has initiated programs to control unnecessary consumer radiation exposure from electronic products under authority contained in the Radiation Control for Health and Safety Act of 1968. Performance standards for diagnostic X-ray equipment intended to reduce unnecessary exposures have been promulgated pursuant to Public Law 90-602 by the Bureau of Radiological Health with an effective date of August 1, 1974. This statute does not provide complementary authority to establish qualifications for the operators of these potentially hazardous radiation devices such as those employed in providing medical and dental health care services. However, general authority does exist under the Public Health Services Act (Sections 356 (2) and (5)) to establish guidelines, although no mechanism for enforcement exists to assure adoption of such guidelines.

Dr. Karl Z. Morgan, a founder and past president of the American Health Physics Society, has stated that—

"An unqualified operator of radiological equipment inadvertently can overturn any benefits derived from equipment performance standards established pursuant to Public Law 90-602; the outcome is unnecessary consumer hazards. This is true irrespective of whether the operator is a poorly trained physician or a radiological technologist."

Like many other extremely useful and even necessary technologic advances, radiologic techniques can be misused through ignorance, neglect, carelessness, and lack of appropriate education and training; in this case, the principal concern is training in the fundamentals of radiation protection.

There is limited information available on the role of the radiologic technologist in reducing patient exposure; however, FDA/BRH data shows that credentialed operators generally perform somewhat better and reduce radiation exposure as compared to noncredentialed operators although the performance of voluntarily credentialed individuals remains far from adequate.

Two limited investigations, a proficiency examination and a survey of operator performance, conducted during the mid-1970's indicated that many operators were not qualified to perform X-ray examinations.

Of the 666 credentialed (licensed or certified) operators who took the proficiency examinations, 85 percent failed to achieve the suggested passing score. Of the 217 noncredentialed operators in the sample, 99 percent failed. The operator performance survey showed that 46 percent of 300 credentialed operators and 70 percent of 260 noncredentialed operators evaluated failed to properly restrict the X-ray beam to the size of the film. Thus, continuing education would appear warranted.

In addition to restricting the X-ray beam to the size of the image receptor, unnecessary exposure can result from an operator's failure to use lead-impregnated shields to protect body parts not being examined; to limit the intensity of the X-ray beam to the lowest acceptable level; or to use proper techniques to avoid the need for retakes. FDA estimates that 5-10 percent of the 300 million X-ray examinations performed each year need to be repeated because they are not done properly.

Presently the American Society of Radiologic Technologists, in collaboration with the American College of Radiology and the Council on Medical Education of the American Medical Association, establish the accreditation standards and curricula, along with a syllabus, for radiologic technologists. Such minimum requirements, known as "Essentials," are then subject to adoption by the House of Delegates of the American Medical Association.

Actual accreditation is performed by the AMA's Council on Medical Education—the largest specialized allied health accreditation body in the country—which is recognized by the Office of Education for this purpose. Accredited institutions for the training of radiologic technologists are surveyed and evaluated at least every five years by the Joint Review Committee on Education in Radiologic Technology, which was established in 1970 and relies on voluntary services from radiologists and technologists across the country. A similar Joint Committee on Education Programs in Nuclear Medicine Technology exists for this specialty. Recommendations of these two Committees are forwarded to the Council on Medical Education for further action. Similar accrediting bodies exist for programs for dental hygienists and dental assistants.

The need to improve on the efficacy of radiologic services has been broadly recognized since the mid-1960's. In April 1966, the National Advisory Committee on Radiation advised the Surgeon General: minimum legal standards of education, training, and experience for (radiologic) technologists appear to be necessary to bring about (an) increase in effectiveness with which radiologic services are delivered to the public.

In June 1967, the HEW Task Force on Environmental Health and Related Problems—charged with recommending the goals, priorities, and strategy to cope with environmental threats to man's health and welfare—concluded that "radiation hazards, in spite of the amount of public sensitivity to the subject during the past quarter century are still in need of improved control. Clearly more protection is needed." The Task Force observed that, even with widespread concern about the danger of X-rays, many Americans are overexposed in diagnostic and therapeutic practice. The Task Force went on to recommend that, "all persons using X-ray equipment should be licensed to do so, after fulfilling written examinations as to their competency."

The same year, in October 1967, further support was forthcoming from the Surgeon General's Medical X-Ray Advisory Committee on Public Health Considerations in Medical Diagnostic Radiology in their report entitled, "Public Health Considerations in Medical Diagnostic Radiology (X-Rays)." The report observed that, "prime consideration should be the total public health interest and that the stage has been reached when mandatory requirements of examination, training, and experience are appropriate."

In the words of the Surgeon General's Medical X-Ray Advisory Committee, this recommendation was warranted despite the fact that "the voluntary procedures of certification by the American Registry of Radiologic Technologists (ARRT) set a general high level of such assurance" that medical X-ray equipment operators are knowledgeable and competent. Nevertheless, the Committee concluded that instruction for general purpose technologists was "usually insufficient for more than sketchy coverage of radiation safety and efficiency. . . ."

Although the Committee did not specifically endorse licensure, it recognized that licensure "may be the best mechanism for assuring the fulfillment of minimum requirements" for proficiency. The licensure could be accomplished gradually "with a transition period to avoid the disruption of vital radiological services if such programs are put into effect. Uniformity in standards for each actions would be highly desirable." In its August 1970 Annual Report to the Congress pursuant to the Radiation Control for Health and Safety Act of 1968, the Department of Health, Education, and Welfare recommended that,

The Public Health Service should vigorously promote licensure or certification of users of radiation sources in the healing area. Licensure or certification should be uniformly applied at Federal and State levels. Full use should be made of model regulations or assure compatibility between states.

Similar support was expressed in May 1971 in the 1971 Annual Report which recommended that, "P.H.S. should vigorously promote State licensing or certification of users of radiation sources employed in the healing arts which are not subject to A.E.C. (now Nuclear Regulatory Commission) control."

The Conference of Radiation Control Program Directors in May, 1974, adopted a resolution urging the Congress and State legislatures to adopt "such legislation as is presently before them to assure the continuation or implementation of programs for licensure of operators of medical diagnostic X-ray equipment."

The resolution urged the Congress and the Food and Drug Administration "to adopt a public policy supporting such legislation" and urged further that "the Food and Drug Administration actively assist states in drafting state legislation and organizing an effective implementation of present and future operators licensing legislation."

Support for mandatory licensure of radiologic technologists is apparent among public health specialists, including environmental health and radiological health experts. Similar resolutions have been adopted by such organizations as the American Public Health Association, the Conference of State Sanitary Engineers, the American Association of State and Territorial Health Officers, and the American Society of Radiologic Technologists.

In its November 1976 report titled "Radiation Exposure From Diagnostic X-Rays Could Be Reduced," the General Accounting Office recommended that:

The Secretary of HEW work more vigorously with States and nonprofit private organizations to establish a uniform national operator credentialing program that would better insure the competency of X-ray machine operators.

During June 1977, the Senate Committee on Commerce, Science and Transportation conducted extensive public hearings on the effects of ionizing and nonionizing radiation on public health and safety. In the Committee's Report on Radiation Health and Safety, which evaluated the testimony and statements submitted during the hearings, released on December 1, 1978, it was recommended that:

The Bureau of Radiological Health, working with professional organizations such as the American Society of Radiologic Technologists, the Conference of Radiation Control Program Directors, and the American College of Radiology, should develop and encourage the adoption by the States of standards for the accreditation of X-ray machine operators and institutions conducting educational programs in radiologic services.

In May 1978, the President directed that the Secretary of HEW "coordinate the formulation of a program" covering (1) research on the effects of radiation exposure, (2) public information on radiation, (3) care and benefits for persons adversely affected by radiation exposure, and (4) steps to reduce adverse radiation exposure.

An Interagency Task Force on Ionizing Radiation composed of the Departments of Defense, Energy, and Labor, the Veterans Administration, the Nuclear Regulatory Commission, the Environmental Protection

Agency, and the Department of Health, Education, and Welfare was established to assist in fulfilling that directive.

In its Report on the Health Effects of Ionizing Radiation, the Interagency Taskforce recommended "improving the availability, training, and credentialing of personnel who administer radiation-related procedures." A work group of the Taskforce recommended that one type of exposure which should be targeted for early and concerted action was diagnostic exposure in the healing arts.

Earlier in 1978, the President, on January 26, 1978 (43 FR 4377), in issuing Radiation Protection Guidance to Federal Agencies for Diagnostic X-Rays, recommended that:

Operation of medical or dental X-ray equipment should be by individuals who have demonstrated proficiency to produce diagnostic quality radiographs with the minimum of exposure required: such proficiency should be assessed through national performance-oriented evaluation procedures or by didactic training and practical experience identical to, equivalent to, or greater than training programs and examination requirements of recognized credentialing organizations.

This recommendation was to serve as a basis upon which each Federal agency would develop detailed standards tailored to meet its particular requirements.

The United States is presently faced with the situation where the competence of between one-half and two-thirds of persons administering radiologic procedures are for the most part unknown. The Committee proposal will encourage the States to develop mechanisms to upgrade the quality of radiologic services and protect the recipients of the services from unwarranted radiation exposure.●

By Mr. MATSUNAGA (for himself and Mr. INOUYE):

S. 647. A bill to amend the Social Security Act with respect to professional mental health services; to the Committee on Finance.

PROFESSIONAL MENTAL HEALTH SERVICES

● Mr. MATSUNAGA. Mr. President, today I am introducing a bill designed to determine psychotherapeutic efficacy, safety, and appropriateness in order to provide expanded medicare coverage for mental health services. This measure, cosponsored by Senator INOUYE, contains similar provisions to legislation which I introduced in the 96th Congress, S. 3029.

My proposal would create a National Professional Mental Health Services Commission composed of recognized mental health care practitioners and researchers appointed by the President. This 15-member Commission would include at least one psychiatrist, one clinical psychologist, one clinical social worker, and one psychiatric nurse specialist.

The Commission's work would take the form of recommendations to the Secretary of Health and Human Services regarding the combinations of patient characteristics, therapeutic techniques, therapist characteristics, and types of settings that would be reimbursable in treating specified mental problems. Payment would be made under the bill for mental health professionals' services as determined by the Commission, unless the Secretary formally disagreed. In addition, the Commission would propose changes to Congress providing for additional mental health services to beneficiaries of the Federal programs.

Under this measure, the Commission would have the authority, together with the necessary funds, to study and validate these services. That panel's activities will not only promote a greatly needed expansion of the mental health service provisions in the Social Security Act, but will also provide needed precedents and benchmarks for private health insurance programs.

Through my proposed legislation, clinical psychologists, clinical social workers, and psychiatric nurses who practice in health maintenance organizations and in hospital outpatient programs would be eligible for the first time to receive direct professional reimbursement. Another important provision of my bill would eliminate the special 50 percent patient cost sharing requirement that currently applies to medicare payments for outpatient psychiatric benefits.

Also, this measure would substantially increase the annual limit of $250 on the amount of outpatient psychiatric benefits a patient may receive; medicare would pay 80 percent of the reasonable charges for these services, as is presently the case for other physicians' services, up to a maximum of $1,000 in reasonable charges annually.

With each succeeding year, an ever increasing percentage of all medicare payments is being spent on mental health services. During the last decade, professional mental health care specialists, advocacy groups, and the general public expressed a great deal of apprehension over the adequacy of mental health benefits and the limitation on the types of providers that are eligible to participate in the program.

As an original cosponsor of the enabling medicare legislation, I shared this concern from the very inception of the program. Indeed, I have authored and cosponsored numerous proposals since 1965 which sought to mandate the expansion of mental health benefits while providing for the independent participation in the program of certain qualified mental health practitioners. In this regard, I am pleased to point out that a section intending to eliminate the 50 percent cost sharing requirement, increase the $250 annual limit on outpatient mental health benefits, and provide reimbursement to clinical psychologists did, in fact, pass the House of Representatives last year as part of the omnibus reconciliation bill.

With a rapidly increasing aged population, we obviously must develop a new, comprehensive, and coordinated strategy of providing and financing mental health care in the near future so as to meet the growing need for these services more effectively and efficiently. This policy must be targeted to the care that is vitally needed, rather than to cursory and often meaningless diagnoses. The proper thrust is to promote appropriate care rather than to focus narrowly on a specific type of professional health care provider. I believe that ultimately such a policy will benefit people of all ages.

I believe that this bill represents a reasonable, prudent, and responsible approach to the orderly expansion of mental health benefits under the medicare program. In fact, it closely parallels the approach that has been pioneered by the Blue Cross and Blue Shield health insurance organizations in evaluating the safety, efficacy, and appropriateness of the services for which they provide reimbursement.

Mr. President, I do not believe that the Federal Government can afford to continually expand health care benefits without appropriate controls. If this demonstration project proves successful, and I am confident that it will, its application in generic form to other health care services for which payment is made in whole or in part by the Federal Government will likely follow. Accordingly, it is with this in mind that I urge my colleagues to give their most thoughtful consideraton to this most important and worthwhile proposal.

Indeed, its implementation is long overdue.●

By Mr. QUAYLE:

S. 648. A bill to extend the authorization for youth employment and demonstration programs, and for other purposes; to the Committee on Labor and Human Resources.

YOUTH EMPLOYMENT AND DEMONSTRATION PROGRAMS

● Mr. QUAYLE. Mr. President, I am today introducing a bill to extend the authorization of appropriations for certain youth programs under CETA through fiscal year 1982. This bill is necessary because the authorization for these programs expired in October of last year and they are currently being operated only under the authority of the continuing resolution which expires on June 5 of this year.

The programs covered by my bill are the youth incentive entitlement program, the youth community conservation and improvement program and the youth employment and training programs. Basic descriptions of these programs, as well as information on funding levels and participation are given in an attachment to this statement.

There is no question that youth unemployment is one of the most serious of our domestic problems. The youth programs covered by my bill are probably the least controversial and the generally best regarded of all the programs under the Comprehensive Employment and Training Act. They have received favorable evaluations from a variety of sources and prime sponsors' use of these funds have not been marked by the allegations of fraud and abuse that have plagued many other CETA programs. The reason for extending their authorizations is simple: If they are not reauthorized they will continue to operate under a continuing resolution and that has numerous disadvantages for efficient program operation; a brief listing of some of these disadvantages is shown at the end of this statement.

Further, the lack of authorizing legislation means that the House Committee on Appropriations will not consider the program during its deliberations on the regular appropriations bill—and thus proponents of changes in funding levels for those programs will not be able to have their day in court. My bill repeals the mandatory fund allocation in existing law so as to give full freedom to

the appropriations process in determining the funding level for each program.

Next year, the authorization of the overall CETA program expires. As chairman of the Subcommittee on Employment and Productivity, I plan to make a thorough reexamination of the entire employment and training system in the United States. That examination will cover the youth programs as well as other programs.

As a result of that reexamination I hope that we will be able to develop a bill that will respond to our national employment and training needs in an all encompassing and rational way—and that is only possible if we give an interim extension to the youth programs so that the entire panoply of programs can be considered together.

Hearings on the bill will take place on March 18 and 19 in room 4232 Dirksen. I ask that the text of the bill and supporting materials be printed in the RECORD.

The bill and material follow:

S. 648

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Youth Employment Demonstration Amendments of 1981".

SEC. 2. Section 112(a)(4) of the Comprehensive Employment Act is amended by adding at the end thereof the following new subparagraph:

"(D) There are authorized to be appropriated such sums as may be necessary for the fiscal year 1981 and for the succeeding fiscal year to carry out part A of title IV.".

SEC. 3. Section 441 of the Comprehensive Employment Training Act is repealed.

DISADVANTAGES OF OPERATING UNDER A CONTINUING RESOLUTION

1. Continuing resolution and/or funding is frequently for only part of a year, meaning that any plans made or programs intended for a longer period are subject to uncertainty and revision. Any grants, contracts or subcontracts extending for periods beyond the funding period require contingency provisions because further funding may not be available or the level of funding may be reduced.

2. Innovations or desirable program redirection is hampered due to restrictions on implementing major programmatic changes under a continuing resolution.

3. The planning process and agreements with other agencies are impeded because early indications of reliable funding levels are not available.

4. Paperwork is increased because grant, contract and subcontract modifications are required whenever the continuing resolution is extended and additional funding is made available.

5. Nationally administered discretionary funds are subject to special uncertainty due to the lack of program direction and the uncertainty of the extent of program flexibility under continuing resolution which restricts new projects or activities not previously authorized.

6. Prime sponsors are placed at risk of having funds recaptured if the level of ultimate funding is smaller than anticipated.

7. The lack of authorizing legislation marks the program as politically vulnerable and subject to early termination making it difficult to retain managers and staff.

EMPLOYMENT AND TRAINING PROGRAMS FOR YOUTH AUTHORIZED UNDER TITLE IV, PART A, SUBPARTS 1, 2 AND 3 OF PUBLIC LAW 95-524

The Youth Employment and Demonstration Projects Act of 1977 (YEDPA), which amended CETA, created major demonstration programs (described below), each representing a different way of addressing youth employment problems.

The Youth Incentive Entitlement Pilot Projects (YIEPP) is unique in employment and training programs in that it establishes an "entitlement" to a job for any youth who meets the program's eligibility criteria. It was designed to test the effect of guaranteed jobs on the high school return, retention, and completion rates of economically disadvantaged youth. Approximately 45,000 young people 16 to 19 years old in 17 selected geographic areas are guaranteed year-round jobs if they agree to attend high school or work toward a high school equivalency degree. The jobs offer an average of 20 hours of work per week during the school year and up to 40 hours per week in the summer.

The Youth Community Conservation and Improvement Projects (YCCIP) program was designed to develop the vocational potential of jobless youth by providing them with work of tangible community benefit. The program is for unemployed 16- through 19-year-olds, with preference given to economically disadvantaged out-of-school youth with the most severe difficulty in finding employment. Seventy-five percent of the funds are allocated to CETA prime sponsors for basic program operations, 2% is for migrant and seasonal farmworker youth, 2% for Indian programs, and 21% for the discretionary use of the Secretary of Labor.

The Youth Employment and Training Program (YETP) was designed to enhance the job prospects and career preparation of low-income youths aged 16 through 21 who have the most severe problems in entering the labor force. A broad variety of employment and training programs, including work experience opportunities in community activities, outreach services, counseling, education to work transition, institutional and on-the-job training, job restructuring and child care services are authorized. Eligible youths are from families whose incomes do not exceed 85% of the Bureau of Labor Statistics lower living standard income level. Youths from families with lower incomes receive preference for enrollment. Seventy-five percent of the funds are available by formula to CETA prime sponsors; of that amount, 22% is earmarked for in-school projects, with coordination and agreement of the local education agency. A large number of discretionary projects are also supported by YETP funds.

COMPARISON OF BUDGET AUTHORITY, OUTLAYS AND PERSONS SERVED, 1979-81

[Dollar amounts, in thousands]

	Fiscal year 1979			Fiscal year 1980			Fiscal year 1981[2]		
	Budget authority	Outlays	Persons served	Budget authority	Outlays	Persons served[1]	Budget authority	Outlays[3]	Persons served[3]
UCCIP	$107,100	$103,366	38,500	$134,008	$122,430	41,900	$129,000	$165,206	51,900
UIEPP	107,100	76,568	53,400	----------	87,477	21,300	----------	26,423	24,800
UETP	499,796	555,506	413,600	692,086	695,402	443,500	746,000	766,556	450,000

[1] Preliminary figures. [2] Based on Dec. 16, 1980, continuing resolution level. [3] Estimates.

ACTIVITY UNDER SELECTED CETA YOUTH EMPLOYMENT AND TRAINING PROGRAMS, FISCAL YEARS 1979 AND 1980*

[Includes YETP, YETP Gov's grants and YCCIP]

Activity	Total		YETP[1]		YETP Gov's grants[2]		YCCIP[3]	
	1979	1980	1979	1980	1979	1980	1979	1980
Total enrollment[4]	452,100	485,400	373,600	395,500	40,000	48,000	48,500	41,900
Career employment experience[5]	175,200	203,400	158,700	183,900	16,200	19,500	300	0
Transition services[5]	99,600	108,400	87,300	88,700	12,300	19,700	0	0
On-the-job training	8,600	7,000	7,700	6,300	900	600	0	100
Classroom training	46,800	56,700	41,100	50,100	5,400	5,900	300	700
Work experience	121,500	126,200	77,900	79,800	5,100	5,700	38,500	40,700
Current enrollment at Sept. 30[4]	123,700	138,500	97,100	115,300	17,600	11,800	9,008	11,400
Career employment experience[5]	56,000	52,700	47,300	51,200	8,700	1,500	(?)	----------
Transition services[5]	25,700	33,200	19,200	25,900	6,500	7,300	(?)	----------
On-the-job training	1,700	1,500	1,500	1,400	200	100	0	0
Classroom training	9,100	12,400	8,100	11,000	900	1,200	100	200
Work experience	25,000	31,900	15,500	20,100	1,000	1,300	8,500	10,500
Total terminations	326,500	347,000	274,200	280,300	22,300	36,200	30,000	30,500
Entered employment	64,500	61,400	52,300	48,300	5,900	7,700	6,300	5,400
Other positive terminations	179,000	164,800	157,200	134,800	11,100	21,500	10,700	8,500
Other term	83,000	83,600	64,700	65,000	5,300	6,900	13,000	12,700
Transfer to other subparts	NA	37,000	NA	32,100	NA	1,100	NA	3,800

Activity	Total		YETP[1]		YETP Gov's grants[2]		YCCIP[3]	
	1979	1980	1979	1980	1979	1980	1979	1980
Other results:								
Obtained GED[8]	5,500	8,700	5,000	8,100	200	200	300	400
Returned to school	64,300	100,500	54,900	79,300	5,500	17,000	3,900	4,200
Received academic credit	27,900	46,400	24,500	40,900	2,500	4,700	900	800

[1] Youth employment and training programs, authorized by title IV of CETA. Designed to make a long-term impact on youth unemployment through career opportunities and such training and supportive services needed to aid youth aged 12 to 21 in completing school and/or securing unsubsidized employment.

[2] Special grants to Governors that have been used to fund YETP activities.

[3] Youth community conservation and improvement projects, authorized by title IV of CETA. Designed to employ 16- to 19-year-old youths in well-supervised work projects that produce a tangible output of benefit to the local community.

[4] Totals include individuals not enrolled in a specific activity, as well as persons who were enrolled in more than 1 activity.

[5] A program activity for in-school youth that combines both well-supervised employment (work experience or on-the-job training) supported under the youth employment and training programs and certain transition services, including, at a minimum career information, counseling, and guidance.

[6] Services and activities designed to assist youth to make the transition from school to unsubsidized jobs in the labor market. Examples include: Outreach, assessment, and orientation; occupational information and career counseling; provision of labor market information; literacy or bilingual training; job sampling, including vocational exploration in the public and private sector; supportive services; job restructuring; job development; and placement.

[7] Less than 50.

[8] General (high school) equivalency diploma.

* Preliminary figures.

YOUTH PROGRAMS ACTIVITY, FISCAL YEAR 1979–80

Characteristics	YETP		YETP–Gov's grants		YCCIP	
	1979	1980	1979	1980	1979	1980
U.S. total	373,600	395,500	40,000	48,000	38,500	41,900
Percent	100.0	100.0	100.0	100.0	100.0	100.0
Male	47.1	47.5	53.9	53.1	74.3	75.4
Female	52.9	52.5	46.1	46.9	25.7	24.6
Age:						
14 to 15	14.5	14.3	15.6	23.8	.6	.6
16 to 19	76.0	76.1	72.9	65.5	96.9	98.0
20 to 21	9.5	9.4	11.0	9.6	2.4	1.4
22 and over	.2	.2	.5	1.1	.1	0
Education:						
School dropout	21.4	21.1	19.4	19.6	61.1	60.8
Student (high school or less)	65.3	65.6	65.6	66.5	20.7	20.2
High school graduate, no post-high school	10.6	10.3	11.0	9.9	16.0	16.7
Post high school attendee	2.7	3.0	4.0	4.0	2.2	2.3
Public assistance status:						
Receiving AFDC	20.1	21.7	12.5	12.6	19.9	18.5
Receiving SSI	8.7	5.0	11.2	3.4	9.2	4.5
Economically disadvantaged	79.4	82.6	76.5	81.2	86.8	84.1
Ethnic group:						
White	47.8	48.1	35.2	37.2	44.6	47.1
Black	35.5	34.4	31.0	26.1	36.4	33.2
Hispanic	13.4	14.1	31.0	34.5	14.6	15.4
Other	3.3	3.4	2.8	2.2	4.4	4.3
Limited English speaking ability	4.3	4.7	17.3	22.0	4.2	4.2
Migrants or seasonal farmers	1.5	.9	.7	.6	2.0	1.1
Veterans	.4	.5	.5	.4	.8	.7
Handicapped	3.4	6.7	6.4	8.3	3.7	4.2
Offender	5.1	5.8	14.8	13.4	12.5	13.7
Displaced homemaker	NA	.4	NA	.4	NA	.5
Labor force status:						
In school[1]	NA	60.2	NA	65.9	NA	13.3
Unemployed	50.2	31.3	47.6	29.6	81.5	77.7
Underemployed	2.1	1.4	2.7	1.4	1.9	1.4
Other	47.7	7.1	49.7	3.1	16.6	7.6
Unemployed compensation claimant	.6	.7	1.0	.7	.9	.9
TJTC eligible	NA	2.8	NA	1.8	NA	2.4

[1] Included in "unemployed" and "other" in fiscal year 1979.●

By Mr. BAUCUS (for himself, Mr. LUGAR, Mr. KASTEN, Mr. LEAHY, and Mr. WILLIAMS):

S. 649. A bill to amend the Internal Revenue Code of 1954 to provide that the executor may elect, for estate tax purpurposes, to value certain items at an amount equal to the adjusted basis of the decedent in such items and to remove certain limitations on charitable contributions of certain items; to the Committee on Finance.

ARTIST'S TAX EQUITY AND DONATION ACT OF 1981

● Mr. BAUCUS. Mr. President, it is with great pride that I introduce today the Artist's Tax Equity and Donation Act of 1981. I am pleased to have a number of my colleagues join me in this effort: Senators LUGAR, KASTEN, LEAHY, and WILLIAMS.

Enactment of this bill will accomplish several important objectives. The Artist's Tax Equity and Donation Act will enhance the ability of our nonprofit and government institutions to acquire and preserve this Nation's cultural and artistic treasures; it will promote charitable donations of artistic gifts to our Nation's repositories of our cultural heritage; and it will encourage productivity by creative individuals who are now discouraged by the taxation of the fruits of their labor at death or upon disposition of their works.

The Artist's Tax Equity and Donation Act will correct some of the special tax problems artists face because of the nature of their profession. Current Federal tax laws unfairly treat artists and their heirs. My proposal will go a long way toward removing the major tax inequities now facing the creators of valuable, cultural, artistic and literary materials.

VALUATION OF CERTAIN ITEMS CREATED BY A DECEDENT

The Artist's Tax Equity and Donation Act consists of two provisions. First, the bill amends present estate tax laws to ease the burden of inheritance taxes for the heirs of artists. Current Federal estate tax laws are unfair not only to America's artists and their families, but also to all Americans who are being deprived of an extraordinary source of our national cultural heritage as a result of these laws.

A professor at one of my State's fine universities asked me this question:

Can a civilized nation have tax laws that result in the destruction of art?

I believe the answer must be a resounding "no." Unfortunately, that is not the answer given by our country's tax laws today.

Under current tax law, the heirs of artists are required to pay estate taxes on the fair market value of inherited works of art. The important point to remember is that, for most artists, the bulk of their estate is comprised of their own unsold art, rather than other assets—like cars, jewelry, furniture, stocks and bonds—which have a readily ascertainable value and are easily marketable.

And, unlike such items, like an expensive, rapidly appreciating piece of jewelry, which are held for investment purposes, artworks often remain in the creator's estate for the simple reason that the artist was unable to sell them, or even give them away to a museum or charity. Ironically, when the artist is alive and does donate his or her work, our tax laws only permit a charitable deduction equal to the artist's cost of materials in the work. Yet, when the artist dies, the very artwork which could not be sold or even given away are, at that instance of death, mystically transformed into valuable assets which are subject to estate taxes computed on their full market value—a value which is speculative at best.

I cannot overstate the devastating impact that these tax laws have on an artist's family. Families of artists, who are unable to sell their creative works, have had to live on limited, moderate incomes and find that, at the moment of the artist's death, they suddenly become wealthy because of that same unsold art. But that wealth is illusory for all but tax purposes.

Actually, families faced with an enormous estate tax bill due on unsold works often do not have sufficient money on hand to pay the tax bill. So, the artwork must be sold in order to pay the estate

tax due on them. It is at that time, the artist's family is faced not only with a limited market, but also with a buyer's market. In these desperation sales, collectors and other buyers can get the art for a bargain. Hence, the very artworks, which when unsold were valued at fair market value for tax purposes, often have to be sold at prices far below market value in order to pay the estate tax.

Many times, even the sale of the artwork will not bring in enough money to pay off the tax bill. Other assets must then be sold to raise the needed additional capital—and sometimes this means selling the family home. This is exactly what happened to the widow of "Pogo" creator, Walt Kelly. In a newspaper article several years ago, Selby Kelly said that after her husband's death, the first legal advice given her was to declare bankruptcy. Mrs. Kelly said:

I didn't take that advice, but, I was forced to sell our home, a beautiful brownstone—and live very simply today.

Mrs. Kelly went on to say that she was able to survive financially during this period because, a cartoonist herself, she was able to continue many "Pogo" projects and thus produce enough income to pay the tax bills.

What happened to Mrs. Kelly is not an isolated incident. Regrettably, reports of similar situations—and ones where the families are not even as fortunate as Mrs. Kelly was in being able to generate some income by continuing her husband's projects—are becoming commonplace. No wonder then, that artists, painfully aware that their creative work may, at their death, place their families in severe financial jeopardy, are producing less and are actually destroying the very art they worked so hard to create. A few years ago, Arizona artist, Ted DeGrazia burned his paintings worth $1.5 million because his wife simply could not afford to inherit them. Other artists voiced like intentions.

What a waste of talent. What an unfair burden upon artists and their families. What a blow to our Nation's cultural heritage. What a loss to all Americans.

My proposal would end this inequity in a very simple way. The bill would give the executor of an artist's estate an optional method of estate tax evaluation of unsold created works. Thus, the executor could elect, for estate tax purposes only, either first to value the works at their fair market value, as under present law, or second, to value the artwork at the cost of the materials used to create them.

Essentially, this provision relieves artists of the agonizing pressure to destroy the fruits of their own labor in order to protect their families, and end the tragedy suffered by artist's families in having to sell the artwork to pay the estate taxes. It would allow each created work to achieve its own true value.

TAX TREATMENT OF DONATED WORKS

The second provision of the Artist's Tax Equity and Donation Act is designed to reverse the decline in donations of art to nonprofit institutions. This provision would permit the creator to receive a deduction equal to the fair market value of the work. Collectors of artwork now enjoy favorable tax treatment when donating their work. My bill simply places artists on an equal footing by allowing them also to receive this tax benefit.

Present law, adopted in 1969, allows an artist to deduct only the cost of the materials when donating the work to a museum. Study after study has confirmed the devastating impacts of the 1969 law. The creators of artworks have virtually stopped donating their works to public and government institutions.

Prior to 1969, the creators of artwork, including goods created by public officials, could be donated to libraries, archives, and other nonprofit institutions in return for a large tax deduction for those contributions. Congress decided to change the Tax Code specfically to stop some elected officials from using and abusing this tax privilege. But, when Congress closed this loophole for elected officials, it unintentionally also changed the tax laws that allowed creators to contribute their artworks, manuscripts, and compositions to museums and libraries. Ironically, the 1969 amendments preserved this tax break for the collector, but denied it to the creator of the work.

Mr. President, we have had over a decade to evaluate the impact of the 1969 tax law. To an astounding degree, creators are failing to donate their works to public and government institutions. The 1969 law has had the effect of drying up a critical source of art for our universities, museums, and other public institutions. And, the public has been deprived from increasing access to this Nation's most previous treasures.

The Artist's Tax Equity and Donation Act will, therefore, restore the pre-1969 tax treatment for donations made by the creators of artwork. This legislation, however, will retain the prohibition regarding contribution of official papers by elected officials.

The work of America's artists forms a record of the emotions and ideas of generations of Americans. Nothing tells us more about ourselves or our past than the works of these very special people. My State of Montana boasts some of the most famous Western artists and literary figures of our history. Yet, the present tax laws pose enormous problems for the preservation of their works.

My proposal will alleviate the burdens which the present Tax Code imposes on artists and their families all across America. Artists will benefit from the bill. But, the real beneficiaries will be the public. Passage of this bill will encourage creators to produce and enhance the ability of our nonprofit and government institutions to acquire and preserve for all generations a chronicle of our Nation's great history.

Mr. President, I have developed this legislation in consultation with many of the major organizations interested in the arts. This measure enjoys widespread support and I am grateful to those individuals who have worked with me.

Several organizations have conveyed their formal support for the Artist's Tax Equity and Donation Act. I ask that the text of the bill be printed in the RECORD. I also ask that letters by the American Library Association, American Arts Alliance, Association of Research Libraries, and the Mississippi Valley Collection in Tennessee be printed in the RECORD at this point.

The bill and letters follow:

S. 649

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Artist's Tax Equity and Donation Act of 1981".

SEC. 2. CHARITABLE CONTRIBUTIONS OF CERTAIN ITEMS CREATED BY THE TAXPAYER.

Subsection (e) of section 170 of the Internal Revenue Code of 1954 (relating to certain contributions of ordinary income and capital gain property) is amended by adding at the end thereof the following new paragraph:

"(4) SPECIAL RULE FOR CERTAIN CONTRIBUTIONS OF LITERARY, MUSICAL, OR ARTISTIC COMPOSITIONS.—

"(A) IN GENERAL.—In the case of a charitable contribution of any literary, musical, or artistic composition, any letter or memorandum, or similar property if such property was created by the personal efforts of the taxpayer making such contribution, the amount of such contribution shall be the fair market value of the property contributed at the time of such contribution and no reduction in such amount shall be made under subparagraph (A) or (B) of paragraph (1).

"(B) CERTAIN CONTRIBUTIONS BY PUBLIC OFFICIALS.—Subparagraph (A) shall not apply in the case of any charitable contribution of any letter, memorandum, or similar property which was written, prepared, or produced by or for an individual while such individual was an officer or employee of the United States or of any State (or political subdivision thereof) if the writing, preparation, or production of such property was related to, or arose out of, the performance of such individual's duties as such an officer or employee.".

SEC. 3. VALUATION OF CERTAIN ITEMS CREATED BY THE DECEDENT FOR ESTATE TAX PURPOSES.

(a) IN GENERAL.—Part III of subchapter A of chapter 11 of the Internal Revenue Code of 1954 (relating to gross estate) is amended by inserting after section 2032A the following new section:

"SEC. 2032B. VALUATION OF CERTAIN ITEMS CREATED BY THE DECEDENT.

"(a) GENERAL RULE.—If—

"(1) the decedent was (at the time of his death) a citizen or resident of the United States, and

"(2) the executor elects the application of this section,

then, for purposes of this chapter, the value of qualified creative property shall be determined under subsection (b).

"(b) VALUE OF QUALIFIED CREATIVE PROPERTY.—For purposes of subsection (a), the value of qualified creative property of the decedent shall be an amount equal to the adjusted basis (within the meaning of section 1011) of the decedent in such property immediately before his death.

"(c) QUALIFIED CREATIVE PROPERTY DEFINED.—For purposes of this section, the term 'qualified creative property' means any copyright, any literary, musical, or artistic composition, any letter or memorandum, or any similar property—

"(1) which was held by the decedent at the time of his death, and

"(2) which was created by the personal efforts of the decedent.

"(d) ELECTION.—The election under this section shall be made not later than the time prescribed by section 6075(a) for filing the return of tax imposed by section 2001 (including extensions thereof), and shall be made in such manner as the Secretary shall by regulations prescribe.".

(b) CONFORMING AMENDMENT.—The table of sections for such part III is amended by inserting after the item relating to section 2032A the following new item:

"Sec. 2032B. Valuation of certain items created by the decedent.".

SEC. 4. EFFECTIVE DATES.

(a) CHARITABLE CONTRIBUTIONS.—The amendment made by section 2 shall apply to contributions made after December 31, 1980.

(b) ESTATE TAX VALUATION.—The amendments made by section 3 shall apply to estates of decedents dying after December 31, 1980.

AMERICAN LIBRARY ASSOCIATION,
Washington, D.C., February 19, 1981.

Hon. MAX BAUCUS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BAUCUS: I am writing to inform you of the strong support of the American Library Association for legislation you plan to introduce restoring a tax incentive for authors and artists to donate their creative works to libraries and museums. The American Library Association is a nonprofit educational organization of over 35,000 librarians, library trustees and public-spirited citizens dedicated to the development of library and information service for all the American people.

Prior to the Tax Reform Act of 1969, an author or artist who donated his or her literary, musical or artistic compositions or papers to a library or museum could take a tax deduction equal to the fair market value of the items at the time of the contribution. Since 1969, such deductions have been limited to the cost of the materials used to produce the composition.

As a result, donations of manuscripts and papers from authors and other figures to libraries have dwindled drastically. The Library of Congress, for instance, has received only 15 new literary manuscript collections in the last ten years. In prior years, 15 to 20 such gifts were received annually. In addition, some 35 well-known composers have ceased donating music manuscripts, including Samuel Barber, Aaron Copland and Walter Piston. A number of leading artists no longer make gifts to the Library of original works, including several New Yorker cartoonists.

Other libraries report a similar decline. A fact sheet summarizing the results of a recent survey of the effects on libraries of the Tax Reform Act of 1969 is attached. Since libraries are generally unable to compete for manuscripts on the open market, the result may be that an entire generation of literary papers may be lost to future scholars. Private collectors may or may not make their collections available. Libraries were formerly able to search out manuscripts of minor figures or early work of authors who would later be famous. Such manuscripts may never reach the open market, but may languish in attics or be discarded or destroyed.

I would also call your attention to the attached resolution in favor of restoring a tax incentive for such donations adopted by the American Library Association in June 1979, and a similar resolution (also attached) approved by the White House Conference on Library and Information Services in November 1979. Two-thirds of the over 1,000 White House Conference delegates were lay persons with no direct connection to libraries, indicating widespread citizen support for such legislation.

The American Library Association is most appreciative of your interest and support in this matter, and stands ready to provide any further information or assistance you may require.

Sincerely,

EILEEN D. COOKE,
Director.

MANUSCRIPT DONATIONS TO LIBRARIES—EFFECT OF THE 1969 TAX REFORM ACT

Prior to the Tax Reform Act of 1969 (PL 91-172), an author or artist who donated his or her literary, musical or artistic compositions or papers to a library or museum could take a tax deduction equal to the fair market value of the items at the time of the contribution. Since 1969 such deductions have been limited to the cost of the materials used to produce the composition. In July 1979 Norman Tanis and Gayle Goldberg from the library at California State University, Northridge, surveyed over 200 libraries to determine the effect of the 1969 law on manuscript donations to libraries. In summary, their survey indicates:

1. The libraries most affected by the Tax Reform Act are those which collect contemporary literature, art, and music. Collections have experienced a definite decline traceable to the present tax structure.

2. The Tax Reform Act has also increased the practice of accepting gifts "on deposit," a costly practice for libraries with a limited benefit to scholars and researchers.

3. The tax reform has definitely limited bibliographic and physical accessibility of manuscript collections through (1) reduced donations, and (2) in cases where donations have been accepted "on deposit," through restricted use policies mandated by donors. In addition, illogical locations and divided collections, as well as the separation of collections from closely related materials, have posed considerable problems for researchers.

4. With tighter budgets, libraries are at a disadvantage in competing for manuscripts offered for sale. The highest bidder for an item may be outside the state or region where it was produced, or in some cases, outside the United States entirely.

5. The loss of valuable archival materials is indeterminable. Specific instances of manuscript collection losses directly attributable to lack of tax deductions were cited by many responding libraries. However, the number of authors, artists, and composers who may have come forward with manuscript donations had the Tax Reform Act not been in effect will never be fully known.

Among the librarians reporting, the following comments are illustrative:

California.—The Act has had a significantly deleterious effect upon this library's acquisition of scholarly materials that would otherwise have come our way, including literary manuscripts and correspondence and scientific notebooks.

Colorado.—The elimination of tax deductions for originators of documents has very much limited our ability to acquire literary manuscripts by donation. The interests of students and faculty at this institution and elsewhere would be well served by a liberalization of the law.

Illinois.—The need to sell manuscripts, rather than donate them, can lead to their increased acquisition by individuals, rather than by institutions, thus limiting their bibliographical and physical accessibility. Acquisition through sale can tend to result in the illogical location of materials, separating manuscripts from other closely related materials, more than acquisition through donation. It is quite possible that long-term results of the law will be a broader scattering of like resources and diminished accessibility of those resources for research nationally.

Kansas.—We have received a fairly large quantity of authors' manuscripts since the passage of the act but only on deposit (one insignificant exception). All authors have expressed a desire to give us their manuscripts but cited the act as making it financially impossible for them to do so. We have catalogued these deposit collections and (with the depositors' permission) made them available to researchers on a limited basis. If no liberalization takes place, these collections will ultimately be removed, we will be out a packet of professional time and money and a lot of researchers will be greatly discommoded.

Louisiana.—For visual materials such as drawings and paintings, there is absolutely no incentive to make donations to the library. For a time we were attempting to build a collection of contemporary Louisiana art work through donations but a number of artists we approached said that it wasn't worth their while to donate under present tax restrictions. A number of Louisiana photographers said the same thing; in the case of photography this is particularly unfortunate, as some of the work was of considerable research value.

Missouri.—The denial of tax deductions has had a punitive effect on both the creators and the library and has resulted, in our opinion, in a serious disruption to scholarship inasmuch as manuscripts created since 1970 have by and large not been available to researchers who need them. There are several instances in which we hold the personal and literary papers, correspondence, etc., of significant American literary figures only up to 1970. Papers created since then have been retained (safely, we trust) in the authors' hands, pending a change in the law. We are now, of course, talking about a ten-year gap in the public record.

New Hampshire.—We know of several local writers who would have otherwise been willing to give us their papers. They now prefer to sell their manuscripts and we generally cannot afford to buy them. Often the papers go out of state to less appropriate institutions.

New York.—One very recent case: a well-known writer, a donor to this library in the past, put certain of his manuscripts on the open market. We had some related materials already; unfortunately, we could not compete.

Pennsylvania.—Since 1969 the direct gift of self-created manuscripts has declined. Two manuscript acquisition procedures have increased significantly: (1) More material is placed on deposit for future consideration of purchase or for future changes in the tax law. This has resulted in more complicated arrangements and uncertainty in the future status of the material. (2) More gift offers are withdrawn once the donor is informed of the tax situation.

Rhode Island.—Our efforts to acquire donations have met with continued frustration. The number of unsolicited offers has declined as well. As a result, we have been forced to compromise our rule against accepting collections on deposit and additional strains have been placed on our acquisitions budget.

Texas.—In some cases, it has meant that a gift most suited for one library has instead gone to another library which could pay more for it. In other cases, it has meant that works could not be given to libraries even when their authors would have preferred to give them and would have under the old laws.

Virginia.—One young author, approached after the law went into effect, placed 20-30 boxes of correspondence and manuscripts on deposit. He later withdrew the collection and put it up for sale. It was offered

to this institution, but the library had no funds to purchase it, so it lost the collection.

Wisconsin.—Several potential donors have expressed regrets when introduced to the realities of the 1969 Act, and if our limited experience reflects the national scene, the total losses to the nation's libraries must be staggering.

Wyoming.—No precise figures are available, but I estimate a 25 percent decrease in the numbers of donors of manuscripts and letters.

RESOLUTION ON LITERARY, MUSICAL, AND ARTISTIC DONATIONS TO LIBRARIES

Whereas prior to the Tax Reform Act of 1969 (PL 91–172), an author or artist who donated his or her literary, musical or artistic compositions or papers to a library or museum could take a tax deduction equal to the fair market value of the items at the time of the contribution, and

Whereas since 1969 such deductions have been limited to the cost of the materials used to produce the composition, and

Whereas since 1969 donations of manuscripts and papers from authors and other figures to libraries have been severely reduced, and

Whereas libraries, in their present precarious financial condition, are rarely able to compete successfully for manuscripts on the open market, and

Whereas an entire generation of literary papers may be lost to future scholars through lack of an incentive to donate them to libraries, and

Whereas restoration of the tax deduction would contribute to the equitable tax treatment of authors and artists and would increase public access to and preservation of the nation's literary and artistic legacy; Therefore be it

Resolved, That the American Library Association supports the restoration of the pre-1969 tax deduction equal to the fair market value of literary, musical or artistic compositions or papers at the time donated by the creator to a library or museum.

TAX INCENTIVES FOR DONATIONS OF AUTHORS AND ARTISTS

Whereas, prior to the Tax Reform Act of 1969 (PL 91–172), an author or artist who donated his or her literary, musical or artistic compositions or papers to a library or museum could take a tax deduction equal to the fair market value of the items at the time of the contribution, and

Whereas, since 1969 such deductions have been limited to the cost of the materials used to produce the compositions, and donations to libraries have been severely reduced, and

Whereas, an entire generation of literary papers may be lost to future scholars through lack of an incentive to donate them to libraries, and

Whereas, restoration of a tax incentive would contribute to the equitable tax treatment of authors and artists and would increase public access to and preservation of the Nation's literacy and artistic legacy: Therefore be it

Resolved, That the United States Congress enact legislation restoring a tax incentive for authors and artists to donate their creative works to libraries and museums.

AMERICAN ARTS ALLIANCE,
February 25, 1981.

Hon. MAX BAUCUS
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR BAUCUS: On behalf of the over 400 nonprofit professional arts institutions of the American Arts Alliance, I would like to express our deep gratitude for your introduction of the Artists' Tax Equity and Donation Act of 1981. Passage of this legislation would remedy much of the inequity which was imposed upon artists as an unexpected consequence of the 1969 tax reforms.

As you know, the Tax Reform Act of 1969 prohibited creators of artwork from taking a tax deduction for the fair market value of the work they contribute to tax-exempt organizations. The primary objective of this legislation was to prevent public officials from abusing the tax system by taking a deduction for the donation of their personal papers. Not a thought was given to the effect of a change in this legislation on the nation's scholars, musicians, and visual artists. Once again, this small, but invaluable, group of Americans was forced to suffer, because of the indiscretions of others.

For over a decade many of these creative Americans have been reluctant to make contributions of their works, because they would receive a deduction only for the cost of their materials. As a consequence, valuable research data and collections are not in the public domain. Gifts to museums and libraries have fallen dramatically, and an entire generation of future scholars has not had access to an important segment of American culture. We must not allow our tax system to deter the progress of this nation's civilization!

In attempts to remedy this unfortunate situation, bills have been introduced in Congress in order to rectify inequities in the laws to allow artists to be treated as equitably as other individuals who make charitable contributions. The Alliance is grateful to you for your attempt to provide fair tax treatment to American artists.

The second provision of your bill is also extremely important. Tax laws have unintentionally treated artists unjustly concerning their estates. Presently, works of art for estate tax purposes are taxed at their fair market value. This provision contradicts sharply with the law that allows an artist who donated the same work shortly before his death to deduct only the cost of materials. Requiring the artist's estate to be taxed at fair market value often imposes a great burden on the heirs. This situation has caused artists in extreme cases to destroy great works of art. Your bill allowing the valuation of artworks to be the adjusted basis of the property immediately before the death of the artist, would solve a major problem plaguing artists and their heirs.

Members of the Alliance, which includes a large number of art museums, and all Americans who wish to encourage the availability and preservation of our cultural heritage, are grateful to you for introduction of this legislation.

Sincerely,

ANNE G. MURPHY,
Executive Director.

ASSOCIATION OF RESEARCH LIBRARIES,
Washington, D.C., February 13, 1981.

Hon. MAX S. BAUCUS,
1107 Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR BAUCUS: I am writing on behalf of the Association of Research Libraries, representing 111 major research libraries in North America, to express strong support for legislation which would restore a tax incentive for authors and artists to donate their creative works to libraries and museums.

The tax incentive for contribution of manuscripts and papers to libraries, which prevailed prior to the Tax Reform Act of 1969, enabled research libraries throughout the nation to acquire valuable collections of original research materials from authors, musicians, and scholars. These collections represent an important record of America's cultural heritage and provide researchers with the raw material for study.

Since 1969 such donations have greatly dwindled; member libraries of our Association have noted decreases of as much as 90 percent. Collections which would formerly have been given to libraries are now often broken up and offered for sale. Important manuscripts and papers may end up in the hands of private collectors because libraries, faced with curtailed funds, have been unable to purchase them. The result is that important bodies of original research materials are unavailable to the public.

As the resolution of the White House Conference on Library and Information Services indicated, "an entire generation of literary papers may be lost to future scholars through lack of an incentive to donate them to libraries."

We understand that you plan to introduce legislation that, by restoring the tax incentive for donating creative work to libraries and museums, will begin to repair the loss to the public of these important documents. We thank you for your efforts and extend our strong support.

Sincerely,

RALPH E. MCCOY,
Interim Executive Director.

THE MISSISSIPPI VALLEY COLLECTION,
Memphis, Tenn., February 18, 1981.

Sen. MAX BAUCUS,
U.S. Senate, Washington, D.C.

DEAR SENATOR BAUCUS: A mailing from the Society of American Archivists has just informed me of the good news that you plan to introduce a bill that will help the collection development in cultural institutions. Once creative persons are again able to get tax deductions for the full fair market value of their papers or works of art, archives, libraries, and museums will be able to attract many valuable collections.

The 1969 tax reform act only allowed people to deduct the cost of copying material donated in their lifetimes to a cultural institution. This act retarded donations and even forced donors to quit donating their materials. In one instance affecting my department, a prominent Tennessee writer Jesse Hill Ford stopped donating his papers to the Mississippi Valley Collection, since we could not begin to buy his papers from him. Mr. Ford unfortunately does not make enough personal income that he could afford to subsidize our collection. Multiply this instance many times across the nation and you have a serious problem in preserving the nation's cultural heritage.

I wish you the best of luck in shepherding your bill all the way through. Enclosed are copies of letters I wrote to Senators Howard Baker and Jim Sasser in support of your bill; let us hope that they are moved by my epistles.

Cordially,

ELEANOR MCKAY, *Curator.*●

By Mr. MATHIAS (for himself Mr. NUNN, Mr. WILLIAMS, and Mr. MATTINGLY):

S. 650. A bill to require the Law Enforcement Assistance Administration to provide funds. as authorized to be appropriated under this act, to the mayor of the city of Atlanta, Ga., for extraordinary investigation expenses relating to the recent murders of children in that city; to the Committee on the Judiciary.

AID TO ATLANTA, GA., FOR INVESTIGATION INTO RECENT MURDERS OF CHILDREN IN THAT CITY

● Mr. MATHIAS. Mr. President, the loss of a child always comes as a terrible blow. As a Nation. we have watched helplessly as the people of Atlanta have unearthed evidence of a crime of grotesque proportions—the murder of at least 20 children. We all want to reach out, to

offer solace and help. Even an offer of help seems an inadequate response, but that is no reason not to make the offer.

I send to the desk a bill that would authorize a one-time $1.8 million grant to the city of Atlanta to help pay for the investigation that will bring the murders to an end.

My proposal does not mandate Federal intervention. The Law Enforcement Assistance Administration would simply channel the money to the city authorities to help pay police overtime and allow the local police to assign more people to the investigation.

Just yesterday, the Attorney General announced that he would spend $1 million to provide important Federal support for the investigation, and we all applaud his action. My bill would not duplicate his effort; rather, it complements it.

I urge all of my colleagues to join in this attempt to give the people of Atlanta the resources they need to do the job.

I request that the text of my bill be printed in the RECORD immediately following my remarks.

The bill follows:

S. 650

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) notwithstanding any other law or regulation, the Law Enforcement Assistance Administration shall, pursuant to authority under section 601 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3761), provide the mayor of the city of Atlanta, Georgia, with funds for extraordinary investigation expenses (including expenses for overtime, additional personnel, computer time, office space and supplies, and vehicles) with respect to the recent murders of children in Atlanta, Georgia, since July 1979.

(b) There is authorized to be appropriated for the purposes of this Act, $1,800,000.●

● Mr. WILLIAMS. Mr. President, I cannot say that I am pleased to be a cosponsor of the legislation being introduced today, because it is a response to a series of brutal, inhuman slayings of defenseless children which have terrorized the citizens of Atlanta. These killings have produced deep concern and outrage throughout the Nation.

But, I can say, Mr. President, that I am grateful to the distinguished Senator from Maryland, Mr. MATHIAS, for his leadership in bringing this urgently needed bill before the Senate. I know that, under his guidance, the chances of quick action by the Judiciary Committee, and then the full Senate, will be excellent.

Mr. President, since the murders in Atlanta began, 21 innocent young people have been snatched from the streets and disappeared. Nineteen of them have been found dead. We can all imagine the fear and horror which such a series of senseless killings would produce in any of our home communities. And we all know how deeply it has disturbed the people of Atlanta, particularly its young people, who now lead lives circumscribed by curfews and scarred by growing psychological problems.

The administration should be commended for its announcement yesterday that nearly $1 million will be provided to help Atlanta address the mental health and social difficulties which have arisen due to the slayings. However, there is still a real need to end the root cause of this ongoing nightmare—to find the killer or killers, stop the murders, and make sure that justice is done. The bill we introduce today, by providing nearly $2 million in law enforcement assistance to Atlanta, can speed the day when the monsters who have committed these callous crimes are locked safely away from the society they are not fit to be part of.

Mr. President, the killings in Atlanta are perceived ominously by minority Americans as merely the ugliest face of a new wave of racism sweeping America. They do not see the killings in isolation, but as part of a trend which encompasses the unsolved shooting of Vernon Jordan, the coldblooded murder of defenseless black men in Buffalo and Salt Lake City, and the increasing visibility and boldness of Ku Klux Klan activities.

I think it is incumbent upon every Member of this body to speak out loudly and clearly against these events, so that black Americans know that we are committed to protecting their lives, their rights, and their opportunity to participate totally in our society. Racism must have no place in today's America. That is why it is so crucial that the Atlanta murders be stopped before one more youngster is killed. And that is why the Federal Government must do all it can to assist in the apprehension of those responsible, and see to it that the full weight of the law is brought down upon them.●

By Mr. WALLOP:

S. 651. A bill to provide for the reinstatement and validation of U S. Oil and Gas Lease No. W-46102 covering certain lands in Natrona County, Wyo.; to the Committee on Energy and Natural Resources.

VALIDATION OF OIL AND GAS LEASE IN WYOMING

● Mr. WALLOP. Mr. President, I wish to inform the Senate of my reasons for introducing S. 651. This bill, if enacted into law, would reinstate a Federal oil and gas lease covering certain lands in Natrona County, Wyo. The lease expired by operation of law because of a mistake on the part of the leaseholder in not paying a rental payment when due.

The lease was a competitive lease issued for a primary term of 5 years ending August 31, 1979. Rent for the primary term was properly and timely paid. At the time of the expiration of the primary term, drilling operations were underway. Had the rent of $240 been paid on August 31, 1979, the lease would have been extended for another 2 years pursuant to statute.

Believing that the rent had been paid, the leaseholder continued drilling and completed a well on February 14, 1980, at a cost of over $400,000. This well is capable of producing approximately 150 barrels of oil per day.

Thereafter, with all parties believing that the rent had been paid, the U.S. Geological Survey approved a communitization agreement on February 22, 1980, which included the land under the subject lease. In the course of approving this agreement, the Bureau of Land Management memoranda erroneously showed the rent to have been paid. Relying upon this, the Geological Survey approved the agreement. After approval of the agreement, over $170,000 additional funds were spent by the leaseholder in developing this property.

This failure to pay the rent on the date it was due automatically terminated the lease by operation of law (30 U.S.C. section 188(c)(d)). Under current law, the only way in which this lease can be reinstated is by means of a private bill.

It is my hope that the following brief history of the law may be helpful to my colleagues in understanding the reasons for this bill. Prior to 1954 nonpayment of the annual rent under an oil and gas lease issued under provision of the Mineral Leasing Act of 1920 did not terminate the lease. Instead, the lessee continued to be liable to the United States for nonpayment of rentals for the term of the lease even though the lessee in fact may have intended to drop the lease by discontinuing the annual rental payments. This created a multitude of problems for both the lessees and the Government.

In 1954 Congress amended the Mineral Leasing Act to provide that a failure to pay the rent when due caused the lease to automatically terminate by operation of law. The Department of Interior thereafter construed the statute strictly and treated leases as terminated regardless of how trifling the deficiency may have been. Payment of the rent in a sum a few cents less than the amount actually required or by a lateness of a day or two, through no fault of the lessee, resulted in termination of the lease.

This statute was amended in 1962 and again in 1970. As so amended, the Congress gave the Secretary of Interior discretion to reinstitute a lease that had expired by virtue of failure to pay rent in a timely fashion, if within a 20-day period after the rent was due, the leaseholder petitioned for a reinstatement of the lease, tendered the rent that was due and proved to the Secretary that a failure to have paid the rent in a timely fashion was not due to negligence on the part of the leaseholder.

Up until the amendments of 1970, Congress was burdened annually with a large number of private bills introduced for the purpose of reinstating such leases which had been automatically terminated by operation of law for various mistakes. After the 1970 amendments, while the number of such private bills has been reduced, clerical errors and mistakes still occur, for it is nearly impossible to prevent all errors, especially when one considers the volume of leases handled by the Government and leaseholders every month.

In reporting the 1970 amendments to the House, the House Committee on Interior and Insular Affairs remarked as follows:

It is recognized that this 20 day limitation on reinstatements means that a small percentage of terminated leases, otherwise de-

serving, may not be reinstated under this legislation. However, in balancing the advantage of a more liberal relief provision against the Committee's desire to reduce the incentive for "intentional" mistakes, the latter course was chosen. In the event truly deserving cases arise that cannot meet the 20 day provision, recourse to private relief legislation may be necessary. (H.R. Report No. 91-1005, accompanying S. 1193, April 14, 1970).

Under the circumstances of this case, I believe it to be equitable to the leaseholder and fair to the U.S. Government to reinstate this lease. Not only would it be unduly harsh upon the leaseholder to terminate this lease where the leaseholder has in good faith expended large sums in developing a producing well, but it would also be unfair to terminate the lease where, because of a mistake of the Bureau of Land Management in believing the rent had been paid, a communitization agreement was entered into by the leaseholder, approved by the Geological Survey and additional sums were expended in developing the property.●

ADDITIONAL COSPONSORS

S. 46

At the request of Mr. THURMOND, the Senator from Montana (Mr. MELCHER) was added as a cosponsor of S. 46, a bill to amend title 5 of the United States Code to permit present and former civilian employees of the Government to receive civil service annuity credit for retirement purposes for periods of military service to the United States as was covered by social security, regardless of eligibility for social security benefits.

S. 75

At the request of Mr. WALLOP, the Senator from Arizona (Mr. DECONCINI), and the Senator from Wyoming (Mr. SIMPSON) were added as cosponsors of S. 75, a bill to amend the Internal Revenue Code of 1954 to encourage capital investment by individuals and corporations.

S. 395

At the request of Mr. WALLOP, the Senator from Wyoming (Mr. SIMPSON) was added as a cosponsor of S. 395, a bill to amend the Internal Revenue Code of 1954 to provide estate and gift tax equity for family enterprises, and for other purposes.

S. 464

At the request of Mr. DURENBERGER, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of S. 464, a bill to amend the Internal Revenue Code of 1954 to adjust provisions governing private foundations.

SENATE CONCURRENT RESOLUTION 12

At the request of Mr. ROTH, the Senator from Nebraska (Mr. ZORINSKY), the Senator from Virginia (Mr. HARRY F. BYRD, JR.), and the Senator from Montana (Mr. MELCHER) were added as cosponsors of Senate Concurrent Resolution 12, a concurrent resolution expressing the sense of the Congress that Congress shall work its will and take final action no later than May 31, 1981, on the economic recovery proposals which President Reagan presented to the Congress on February 18, 1981.

SENATE RESOLUTION 65

At the request of Mr. DURENBERGER, the Senator from New Jersey (Mr. WILLIAMS) was added as a cosponsor of Senate Resolution 65, a resolution to promote alternative nonanimal testing procedures.

NOTICES OF HEARINGS

SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT MANAGEMENT

Mr. COHEN. Mr. President, I wish to announce that the Subcommittee on Oversight of Government Management, of which I am chairman, will conduct oversight hearings on Government-wide debarment and suspension procedures on March 11 at 9 a.m. and March 12, at 9 a.m., in room 357, Russell Senate Office Building.

ADDITIONAL STATEMENTS

SENATE PROGRESS ON SMALL BUSINESS LEGISLATION

● Mr. ROBERT C. BYRD. Mr. President, I am pleased to be able to report that the Senate made substantial progress last year in developing and passing small business legislation.

Among the major bills that were enacted into law in this area in 1980 were:

A requirement that Federal paperwork be cut by 25 percent within 3 years (Public Law 96-511);

A set of tight constraints on issuing Federal regulations, with a provision for a separate tier of less-demanding standards for smaller businesses and small towns (Public Law 96-354);

An increase in strength for the Office of Advocacy at the Small Business Administration, to give small firms throughout the country a greater voice in making Government policies (Public Law 96-302); and

The most extensive securities deregulation in 40 years, to make it easier to raise venture capital (Public Law 96-477).

All of these new laws—as well as far-reaching proposals on tax reduction, product liability relief, and innovation which were developed in the Senate last year—will make the burden of Government on business lighter. As a result, the energies of our independent business community will be released to create new jobs, products, and services.

This activity will greatly benefit the Nation's economy.

We have come a long way in addressing the pressing problems of small business, and in resolving many of the most important ones.

These advances could not have been realized without the hard work of the Democratic Task Force on Small Business. Their ability to formulate a broad range of legislation, and willingness to hold hearings and advocate and manage these bills made the critical difference. Gaylord Nelson, who chaired the task force, and the other members of that group deserve tremendous credit for their fruitful efforts.

This year leadership of the Democrats on the Small Business Committee has passed to the able hands of SAM NUNN.

I am confident that under his guidance, and with strong bipartisan participation, the Senate will continue to work for legislation to help the 14 million owners of small businesses and family farms in this country.●

MORE THAN HALF OF SENATE'S SMALL BUSINESS LEGISLATIVE AGENDA ENACTED INTO LAW IN 1980

● Mr. NUNN. Mr. President, as ranking Democratic member of the Senate Small Business Committee, I would like to provide a report of the activities of the Senate Task Force on Small Business, appointed last year by the Senator from West Virginia (Mr. ROBERT C. BYRD).

As the Senate is aware, the task force was appointed to follow up on the recommendations of the White House Conference on Small Business, which took place in Washington January 13-17, 1980. By the time Congress adjourned in mid-December, more than half of the 14 top priority small business bills sought by the task force had been enacted into law.

These new statutes mandate fundamental changes in public policy for the benefit of small, family, and independent enterprises, including:

A requirement that Federal paperwork be cut by 2 percent within 3 years;

Tight new constraints on issuance of Federal regulations, such as a separate tier of less onerous standards governing the compliance of small businesses and small governmental units;

Increased strength for the Advocacy Office at the SBA, to give small firms a greater voice in Washington decision-making;

Provisions for the payment of legal expenses for firms which successfully contest Federal regulations in court;

The most extensive deregulation of securities law in 40 years, to make it easier to mobilize venture capital;

Patent reforms which will permit small firms to retain discoveries made in the course of Government contracts in order to spark increased innovation;

A strong program of export assistance to encourage small business entry into work markets.

In addition to these seven bills that passed, two more of the task force goals were enacted in part or for a temporary period—increase in small business' share of Government contracts and budget balance. An extensive business tax reduction bill sought by the task force was approved by the Senate Finance Committee. In fact, 13 out of 14 of the task force agenda items progressed through the stage of committee approval. On the final item—estate tax relief—task force members conducted two sets of public hearings and produced a far-reaching bill which attached broad bipartisan support.

We have not solved all the problems of the 14 million independent enterprises of this country. There is much more to

be done. But, the legislation enacted and developed in 1980 has generated a great deal of momentum.

These bills can change basic national policies to ease governmental burdens on enterprise and offer greater rewards for hard work and risk taking. They will strengthen the private enterprise system at many of its critical points. They will materially improve the climate for the creation, growth, and profitability of small firms.

Beyond these specifics, this splendid congressional effort has reaffirmed the vital importance of small business to our economy and society, making our citizens increasingly aware of the outstanding contributions made by small enterprise, including;

More than 90 percent of all new jobs;

Half of existing employment;

More than 40 percent of the gross national product; and

Half of the industrial innovations;

These dynamic qualities of small firms make them a vital part of the solution to our most pressing national problems. Thus, the legislation which the task force helped conceive, formulate and enact will strengthen the entire economy. The exceptional work done in 1980 has laid the foundation for a range of future governmental action which we hope can strengthen it further in fundamental ways.

We, on the Small Business Committee, are dedicated to these goals, and are determined to do everything we can to carry these initiatives forward. We will continue to work to make small business and entrepreneurship flourish, and consequently to make our country flourish during the remaining years of this century.

During the past year, there is no question that small business had received more attention than at any time during the past generation. What are the reasons for this turnaround?

A primary cause has been the rapid growth of all types of small business organizations. The major national groups such as the Chamber of Commerce, the National Federation of Independent Business, the National Small Business Association, the National Business League and the National Association of Small Business Investment Companies have expanded in membership and involvement during the past 10 years. Regional organizations like the Small Business Association of Georgia have been established. Traditional trade groups of all kinds have become much more active.

WORK ON SENATE SMALL BUSINESS COMMITTEE

Another reason for this revival was the initiative of the Senate Small Business Committee. Since 1975, our committee, under the leadership of the Senator from Wisconsin (Mr. NELSON), held over 300 days of public hearings, introduced a series of legislative proposals to help small firms—and saw the enactment of a great many of them.

In one field—taxes—our Small Business Committee has been the spearhead of reviewing and reforming the tax laws to take account of the special problems of the small business community. Among the resulting breakthroughs for small business have been:

An increase of the corporate surtax from $25,000 to $100,000, making all rates below $100,000 more progressive than they have ever been. This is saving small business over $2 billion per year, and individual companies between 23 percent and 47 percent, of what they previously paid in Federal corporate taxes;

An increase of the investment tax credit 43 percent from 7 to 10 percent and nearly tripling it for many small firms by increasing the eligibility of used machinery for that credit from $50,000 to $100,000;

Reforming the Federal estate tax for the first time in 35 years, by tripling the exemption given tax from $60,000 to $175,600; broadening the marital deduction, so a total of $425,000 can pass to a surviving spouse free of Federal tax; and providing 15 years for payment of taxes due on a farm or small business; and

Reducing the tax rates on capital gains from a maximum of 49 percent to a maximum 28 percent, which stemmed from our 3 years of hearings on capital formation. During the year after that change, nearly a half-billion in fresh venture capital was mobilized to finance small business.

THE WHITE HOUSE CONFERENCE ON SMALL BUSINESS

Progress was also made on legislation to reduce paperwork and regulation. But the committee was convinced that a national effort was needed to concentrate attention upon the entire range of small business concerns.

Thus, in 1977, our committee presented and the Senate passed Senate Resolution 105, calling upon the President to convene a White House Conference on Small Business. The Conference was announced by President Carter on April 6, 1978.

In my judgment, the most important factor in the new prominence of small business has been the White House Conference on Small Business. Previously, no one had solicited the opinion from the entire small business community as to what they viewed as problems and solutions. In that regard, the Conference was historic. It brought 2,000 delegates to Washington for 5 days in January 1980. Beyond that, the Conference drew over 25,000 small business owners to meetings in every State to elect these delegates and formulate recommendations.

CONGRESSIONAL FOLLOWUP ON THE CONFERENCE

The White House Conference delegates debated and deliberated. In an impressive demonstration of their abilities and resolve to play a constructive role, they reconciled their many differences to reach agreement on a set of 60 recommendations—5 each in 12 major subject areas. The 15 recommendations which received the highest number of votes were given special emphasis, and these will be summarized below.

Congressional response to the conference was immediate. On February 28, 1980, Senate Majority Leader ROBERT C. BYRD announced the appointment of a Senate task force to address the conference recommendations. He selected Senator NELSON as its chairman and key committee and subcommittee chairman having jurisdiction over the major small business legislation pending before various committees of the Senate as members.

I ask unanimous consent that a list of the task force members be reprinted following my remarks.

This proved to be an excellent strategy for two reasons. First, the problems of small business span the entire economy, and crossed a wide spectrum of Senate committees which deal with these problems. Second, these assignments had the effect of engaging the Senate power structure in the small business cause, something which had not been done before in a formal manner.

By April 2, 1980, the task force had met, agreed upon, and announced a program which included:

Public hearings on as many of the top 15 recommendations as possible, with specific task force members assigned the responsibility of conducting these hearings and recommending legislation according to a definite time schedule;

Targeting for enactment in 1980, 14 specific pieces of legislation embodying a dozen of the top 15 recommendations as well as other high priority small business legislation which appeared to be within the realm of possible enactment during the year. (See CONGRESSIONAL RECORD, Apr. 2, 1980, p. 7603.

Shortly thereafter, the House of Representatives formed a similar task force.

The Senate was extremely active. These efforts paid off in the remarkable progress of the small business legislative program in 1980.

On September 30, the eve of the preelection recess, Senator Nelson delivered an interim report to the Senate that 5 of the 14 task force items and 3 of the top 14 conference recommendations had been enacted in whole or in part to date.

These tabulations became obsolete the next day when Congress gave final clearance to four major small business bills (equal access to justice, export assistance, securities capital formation, and minority business expansion).

The postelection congressional session was also active in advancing small business legislation, clearing two additional items on the task force list (a small business patent bill and a paperwork reduction act).

THE SMALL BUSINESS LEGISLATIVE RECORD FOR 1980

It has not been possible previously to report the final record of the Senate Task Force on Small Business but I believe it is useful to do so now.

The following table shows the implementation of the task force agenda and the recommendation of the White House Conference on Small Business.

Senate task force agenda item	White House Conference recommendation	96th Congress action
1. 13 point small business tax program including corporate tax reduction and depreciation reform.	No. 1 and No. 2	Reported from committee in H.R. 5829.
2. Estate tax reduction	No. 5	Bill drafted and subject to hearings (S. 2967).
3. Balanced budget	No. 3	Agreed to in First Concurrent Budget Resolution, but ultimately unattainable in 1980.
4. Capital formation/securities		Public Law 96-477.
5. Regulatory flexibility	No. 4	Public Law 96-354.
6. Comprehensive regulatory reform.	No. 15	Reported from committee.
7. Paperwork reduction		Public Law 96-511.
8. Access to courts	No. 12	Public Law 96-481.
9. Small business advocacy	No. 10	Public Law 96-302.
10. Innovation	No. 6	Public Law 96-517 and 96-354 enacted 2 of 4 titles recommended by the Conference.
11. Patent reform	Part of No. 6	Public Law 96-517.
12. Increased small business government contracts.	No. 14	Partially implemented by Public Law 96-481.
13. Stimulate small business exports.	5 of the 60 recommendations.	Public Law 96-481.
14. Reform product liability law		Passed Senate.
15. New issues investment credit and rollover of capital gain in sale of business.	No. 7	Hearings held in Senate Finance Committee.
16. Social security reform	No. 8	Nelson-Roth bill introduced (S. 2804).
17. Small business participating debentures.	No. 9	Hearings held in Senate Finance Committee (S. 2981).
18. Women in business	No. 11	Hearings held in Senate Small Business Committee.
19. Minimum wage freeze	No. 13	No action in 1980.
20. Mandatory procurement goals	No. 14	Hearings held in Senate Small Business Committee.

THE FOLLOWING TABLE SUMMARIZES THESE ACTIONS

	White House Conference	Senate task force
Enacted	2	7½.
Enacted partially or temporarily	6	9½.
Passed Senate	6	10½.
Reported from committee	9	13.
Subject to hearings	13 of 15	14 of 14.

Even this report, which is most gratifying, understates the work done by the task force to move legislation forward.

For example, in the tax field, which was the subject of 5 of the top 10 recommendations of the White House Conference, the task force was directly responsible for drafting 13 bills covering nearly all facets of these recommendations. Task force members then conducted 5 days of public hearings which resulted in approval by the Senate Finance Committee of 10 of the original 13 income tax proposals, including rate reductions and depreciation reform (conference recommendations Nos. 1 and 2) and a broad-gage estate tax relief bill for small business (conference recommendation No. 4).

It was certainly beyond the control of the task force that the major national debate about the timing and approach of tax cuts made the passage of any such bill impossible last year.

SUMMARY

At the end of September, Senator NELSON gave this evaluation of the task force effort:

It is important that virtually every priority recommendation of that conference has received serious congressional consideration. With a single exception, the top 15 recommendations and many of the other 45 recommendations have been translated into Senate bills. Those bills have not only been introduced, but have been the subject of public hearings. This kind of groundwork is a necessary prelude to formulating responsible legislation and persuading Members of Congress, the executive branch, the press and the public and its enactment is vital to our economy and our free private enterprise system. (Sept. 30, 1980 Congressional Record, p. 28121.

All of the consideration of small business legislation, and all the progress that I have described, occurred within a period of 11 months from the conference and within 7 months from its May 15, 1980, final report.

The task force chairman concluded his interim report by saying:

So, in my view, the legislative response during this period has been extraordinary, and the record of success has been even more extraordinary.

The Senate majority leader remarked, also on September 30:

Organized in February of this year, the task force swiftly adopted a strategy to implement the major proposals of the White House Conference on Small Business. The task force agenda was placed before the Senate on April 2. Since then, the task force has been exceptionally effective in moving a whole range of small business legislation through the Senate and the Congress.

Of the 15 task force priorities, most have either been enacted into law or have been passed by the Senate at least once.

The Senator from Kentucky (Mr. FORD) added this observation:

From the outset we in the task force have been very conscious not to raise false expectations. We established a realistic legislative agenda and projected specific action . . . We concentrated on several pieces of legislation which, by design, implement the goals specifically established by the conference delegates. The results have been very favorable as can be seen by the status report in the RECORD today. (Sept. 30, 1980, CONGRESSIONAL RECORD, page 28121.

I wish to fully associate myself with these evaluations, and to commend all who participated in this record of success in advancing the interests of small business and the economy in this country. I believe this is an excellent legislative record that will stand the test of time.

We hope very strongly that this effort will continue and we urge that the effort be continued on both sides of the aisle and in both Chambers of the Congress in 1981, and in the years to come.

MEMBERS OF THE SENATE DEMOCRATIC TASK FORCE ON SMALL BUSINESS, 1980

Senator Gaylord Nelson, Chairman, Wisconsin.
Senator Alan Cranston, California, Assistant Majority Leader.
Senator Bill Bradley, New Jersey.
Senator Harry Byrd, Independent, Virginia.
Senator John Culver, Iowa.
Senator Thomas Eagleton, Missouri.
Senator Wendell Ford, Kentucky.
Senator Ernest Hollings, South Carolina.
Senator Gary Hart, Colorado.
Senator Donald Stewart, Alabama.●

RETIREMENT OF COMPTROLLER GENERAL ELMER STAATS

(By request of Mr. BAKER the following statement was ordered to be printed in the RECORD:)

● Mr. DOLE. Mr. President, there are times when the measure of a man's integrity and productivity lies in what is not said about him. We have seen in recent times the tendency of Government agencies in pursuit of noble goals to go overboard. We have all heard complaints of violations of civil rights appearing to be commonplace among investigatory forces.

There is, however, one investigative agency which has been headed so effectively and so smoothly by one man over the past decade that, although everyone knows his name, no one complains when his forces move in to investigate.

Mr. President, the name, Elmer Staats, a native Kansan, is synonymous with "Government Watchdog." There are few Members of this body who have not uttered the clincher in oral argument, "I have in my hand a report from the General Accounting Office." The strength of those reports is so dominant that we do not even think about questioning their integrity. We may disagree with the recommendations, but never with the facts and conclusions.

All this automatic authority is no accident. It is the reflection of the dedication, skill, and personality of one man, Comptroller General Elmer Staats. It is to his administration that we owe all the time saved by reports which marshal facts in a way to make them useful to a legislator. It is the further measure of the man that his office operates so smoothly that we often forget the performance record of both it and him.

It is unfortunate, Mr. President, that as usual, we wait until we are about to lose someone to speak out on his worth. Elmer Staats has done honor to his office and to the Congress which it served. Would that we all could earn such a farewell when our own service ends.●

HALTING MILITARY AID TO EL SALVADOR

● Mr. KENNEDY. Mr. President, we are approaching what could be fateful decisions in El Salvador. It is time to think hard and to speak clearly.

We must oppose the foreign shipment of arms into El Salvador from countries that are the actual or potential adversaries of our own. But we must not let their transgressions tempt us into an unlimited military commitment without conditions. We cannot sustain a government in El Salvador, at any reasonable price in dollars or national determination, that does not truly represent its people. That is not only the lesson of our recent history. It is also the imperative of this time in El Salvador, where moderate leaders on all sides need American pressure to help them move their country toward peace and away from killing and repression, whether it comes from the far left or the far right, from within or outside the Government.

Not only our future, but the possibility of a free El Salvador depends on measured, careful policies rather than hasty demonstrations of power or dangerous overreaction. We must seek a settlement, not a prolonged conflict. And above all else, we must act in accordance with our own fundamental values. What is right for us as Americans is also the right way for America to prevail—and it is the only way for the people of El Salvador to be free.

I am joining with Senator PAUL TSONGAS and others to prepare legislation for introduction next week to halt all American military aid to El Salvador, including aid currently in the pipeline, until certain conditions are met, including progress toward a negotiated settlement, and a thorough investigation of the murders of Catholic missionairies and other Americans in El Salvador in recent weeks.

Under the terms of such legislation, military aid could be resumed after the President and the Congress agree that the following three conditions have been fulfilled:

First, there must be a thorough and complete investigation of those responsible for the killing of the three American nuns, as well as the American Catholic lay worker and two American labor leaders who have also been murdered in El Salvador.

Second, the United States must actively pursue international efforts, some of which have already been started, to shape a mediated solution to the conflict. Such a solution might well be modeled on the Lancaster House conference of all parties that stopped the fighting in Zimbabwe and led to a government with broad national and international support. This effort should be directed toward seeking an in-place truce, an end to repression, and a halt to all arms flows from any quarter into El Salvador. We must also put an end to Miami-based financing of rightwing death squads in that country. The Government of El Salvador must agree to cooperate in these efforts.

Third, civilians must have a substantial and continuing role in the decisionmaking and leadership of the El Salvadoran Government. Those who would launch a military coup in El Salvador must understand that no further American aid will be forthcoming to their military government.

As I have indicated, we support the essential efforts of the United States now underway to halt any flow of arms from Cuba, the Soviet bloc, and other sources into El Salvador. I believe that President Reagan and Secretary Haig will have the full support of Congress and the country in the diplomatic steps they are taking to bring an immediate end to all such activities by outside nations that are inciting new violence in El Salvador.

What we do oppose, however, is an American policy that neglects the obvious need to seek a political solution, and that proposes to rush large amounts of military aid to a government in El Salvador that fails to act against extreme violations of human rights. By suspending military aid and pressing for international mediation, we can draw other nations into a coordinated approach to stop all weapons shipments into that country.

We are taking this action because of our deep disquiet over an American policy that relies more and more heavily on military assistance and that does not serve our own interests or those of the Salvadoran people.

Further militarization of the political crisis in El Salvador can lead to only one result—more violence, more suffering, and more bloodshed in a nation which has a population of only 5 million, and which has already suffered 10,000 deaths in the past year.

The roots of this conflict lie in 50 years of oppression in El Salvador by a tiny oligarchy backed by the military. The crisis has steadily worsened over the past decade because of extreme political, social, and economic injustices suffered by the population. Half the people cannot even drink safe water, while a handful live in palatial splendor. Electoral fraud and thinly disguised coups denied election victories to Christian Democrats and Social Democrats in 1972 and 1977. Brutal repression of the people, including officially condoned murder, has produced an almost permanent attitude of fear and hatred of the security forces.

Over the past 18 months, a succession of juntas, increasingly limited in their civilian representation, and increasingly indiscriminate in their repression, have attempted to govern. Neither the violent excesses of the opposition left, nor the nationalization of banks and land reform have been able to win popular support for the junta. The constant repression and involvement of the security forces in political killings is widely regarded as the major reason for that failure.

A year ago, the archbishop of San Salvador, Oscar Romero, was assassinated in a hospital chapel, after he had written President Carter to protest the start of American military links to the junta.

In November 1980, six moderate political leaders opposed to the junta, including the former Minister of Agriculture Enrique Alvarez and five prominent Christian Democrats and Social Democrats, were kidnaped in full public view, then tortured and executed.

On December 2, three American nuns—Sister Maura Clarke, Sister Ita Ford and Sister Dorothy Kazel—and Jean Donovan, a Catholic lay worker, were brutally assaulted and murdered.

On January 3, 1981, two more Americans, Michael Hammer and Mark Pearlman, leaders of the American Institute for Free Labor Development of the AFL–CIO, were assassinated in the Sheraton Hotel in downtown San Salvador.

We read that the Government, aided by the FBI, has fingerprints from the van in which the American Catholic missionary women were riding the night they were stopped and murdered. We read that the Government has identified the security forces in the area that night, but 3 months have now passed—and there has been no acceptable progress in identifying and bringing to justice the killers of these women, or of any of the other victims I have referred to. Why should the American people be propping up such a government with further supplies of guns and bullets?

The State Department's human rights report to the Congress cited the involvement of the security force in repression. The same finding comes from the Inter-American Human Rights Commission, from Amnesty International, and from the Salvadoran Catholic Church.

The former Ambassador to El Salvador, Robert White, recently stated—

> There is not now, nor has there ever been a determined investigation of the murders of the American missionaries.

It is clearly contrary to America's national interest to provide arms and advisers to El Salvador in the current situation. Such a step will move us further away from, not closer to, the goal of an end to the killing and a peaceful resolution of the conflict.

American military personnel should not be placed in this civil war situation in which their lives are at risk. As we learned just last week, gunfire is as likely at the American Embassy in San Salvador as it is in the countryside. No one—not the President, not Secretary Haig, not Secretary Weinberger—has yet answered this unavoidable question: What is the intention of the present administration in the event that an American adviser is killed?

The decision to send advisers and aid begins a process that may be impossible to contain. The Carter administration launched the military relationship with El Salvador by asserting that only nonlethal aid of a very limited type was being considered. Now, it has escalated to large amounts of lethal weapons, to more military assistance for El Salvador than for any other nation in the hemisphere, and to American military advisers.

Militarizing the conflict inevitably weakens the power of civilians in the Government of El Salvador. It gives the military—the same military that stands accused of involvement in the killings and repression—greater identification with the United States and greater influence over the course of events in El Salvador.

Mexico, Canada, and other democratic governments are opposed to U.S. military involvement. America's interest in the region does not lie in isolating ourselves from our hemispheric friends. It does not lie in setting the United States in opposition to those demanding an end to repression and authoritarian rule in El Salvador. By emphasizing the military side of the crisis, the United States increases the likelihood that the civil strife will spread to Honduras, Guatemala, and Nicaragua, and ignite the entire central American region.

I urge the administration to pursue every possible opportunity to bring the dissenting factions to the conference table. The experience of the successful resolution of the conflict in Zimbabwe should be applied to El Salvador. The government and other affected parties should begin talks now, with outside mediation acceptable to all sides. Negotiation, not military escalation, is the only truly promising road to peace.

The legislation we are proposing is a vital step on that road to peace. Let us think together and work together to avoid the road that leads to wider war.●

HALTING MILITARY AID TO EL SALVADOR

● Mr. TSONGAS. Mr. President, I am pleased to announce that my distinguished colleague from Massachusetts, Mr. KENNEDY, intends to introduce legislation which would prohibit the furnishing of U.S. military assistance to El Salvador unless and until certain conditions are met by the Reagan administration. Mr. President, I am happy to be able to cosponsor this initiative.

Our bill, which is presented against a backdrop of escalating violence in El Salvador, has, as its fundamental objective, a peaceful resolution of the current tragedy in El Salvador. What we are seeking is a solution which will promote the interests of all the parties to the conflict in El Salvador as well as protect the strategic concerns of the United States in this region.

Mr. President, this measure would prohibit the assignment of U.S. military personnel to, and the furnishing of other security assistance for El Salvador, unless the following conditions are satisfactorily met.

First, we believe that the United States must insist on the active pursuit of all reasonable diplomatic initiatives which will bring an end to the violence in El Salvador. Giving arms to the junta, without taking these steps, will only exacerbate the political instability and reward those who participate in the violence. Both the left and the right have expressed an interest in participating in discussions which could lead to the establishment of a government in which all parties have a stake.

These diplomatic efforts should seek an end to the terror, discussions among the various factions, and a fair and mediated resolution of the conflict. Moreover, a condition to any further military aid, we feel strongly that Salvadoran civilians must continue to have an essential role in the leadership—and decision-making process in El Salvador.

We must also press for a conclusive investigation of the brutal murders of the American religious persons and other American citizens. The evidence collected thus far by the FBI appears to be substantial enough to obtain these results; until answers are provided and the individuals responsible are brought to justice, we should provide no further weapons which could be used to kill other Americans.

Mr. President, we agree that outside support for the left contributes to the destabilization of El Salvador. At the same time, however, there are serious reports about outside aid and arms for rightwing thugs and terrorists. Much of this support is said to come from within our own country, particularly Miami. This pipeline needs to be fully investigated and closed. The rightwing opposition and their tactics are no less a threat to El Salvador's future than are the Marxist-leftist groups. Neither side has a monopoly on violence and senseless killings.

Mr. President we are dealing with a country that lacks a strong, viable political base. To simply pour more military aid into the country—simply in the hopes of containing an elusive, outside Communist threat—is not the answer. We need to urgently explore the diplomatic window that is currently open to us and help the Salvadorans find a peaceful solution. This is what the Salvadorans themselves want. President Duarte himself said yesterday that the revolution would be won or lost not so much on the basis of military capability as on the basis of economic and social improvements in the society. This is what our allies and the neighboring countries want.

To elevate this conflict, with its complex domestic causes, to the central position of our strategic, global policy risks turning El Salvador into an international crisis.

Mr. President, what we are simply trying to do is insure that all the tools available to us are used in a sensible and timely manner, in an effort to bring an end to El Salvador's nightmare.●

FEDERAL TAXATION OF SOCIAL SECURITY BENEFITS—SENATE RESOLUTION 87

● Mr. BURDICK. Mr. President, I am proud to join my fellow members of the Senate Aging Committee and others in sponsoring Senate Resolution 87, which puts the Senate on record against any Federal taxation of social security benefits.

Several study groups have recommended that Congress consider this option. This resolution would make it crystal clear to the American population that we will not tax social security. No matter what changes may be proposed in the tax laws, social security should remain exempt from taxation. There is no question that some changes need to be made, but this should not be one of them.

Any taxation of benefits would generate very little additional revenue when compared to the projected needs of the social security system. And such a tax would fall most heavily on a group of people least able to pay for it. Twenty-five percent of the elderly in this country are already near or below the poverty level—and this is with full, untaxed social security benefits. The necessities of life for the elderly—food, fuel, and health care—have gone up 8.4 percent per year over the last 10 years. This is even faster than the Consumer Price Index has risen. With the elderly facing this kind of inflation, I believe any tax targeted so directly on the elderly would be a travesty.

I am glad to see so many Members of the Senate join us in sponsoring this resolution, and I am very hopeful that it will pass the Senate soon, so that older Americans can be assured of the Senate's position on this issue.●

ELMER M. JACKSON

● Mr. MATHIAS. Mr. President, on March 9 a distinguished Marylander, Elmer M. "Jack" Jackson, will turn 75. This in itself is not so rare an event but the contributions Mr. Jackson has made and continues to make to publishing and the quality of the printed word in Maryland deserve recognition.

Jack Jackson started his long career in 1920 as a reporter and city editor on newspapers in Hagerstown and Annapolis. In 1933, he became editor of the Annapolis Evening Capital and the Maryland Gazette. By 1947 he had risen to the position of general manager of these newspapers, and put his personal stamp on both.

During his career, other Free State newspapers have known and flourished under his guidance and journalistic wisdom. The Worcester Democrat, the Anne Arundel Times, and the Carroll County Times all bear the mark of excellence he brought to the journalist's and publisher's craft.

Today after more than five decades, his high standards still prevail at the Anne Arundel Times and at Jackson Printing, Inc., which he serves as president.

Jack has also given a full measure of service to his community, State, and Nation. He served in the U.S. Navy from 1941 to 1947; he still serves as a director of Maryland National Bank, the State's largest banking institution, and has been a delegate to the Maryland General Assembly.

I have come to know and admire Jack Jackson. His reputation for fairness, objectivity, honesty, and dedication to keeping his readers informed about their community stand in the best traditions of local journalism.

I join Jack's friends and colleagues in wishing him a happy birthday and in thanking him for his distinguished service to Maryland and its people.●

TRIBUTE TO WALTER CRONKITE

(By request of Mr. BAKER the following statement was ordered to be printed in the RECORD:)

● Mr. DOLE. Mr. President, to millions of Americans, the man who signs off CBS this evening is as familiar as the daily paper. "Uncle Walter" has been called "old iron pants," "the most trusted man in America", the conscience of network journalism.

In millions of recollections, the great events of our time can be measured against his steady, calming presence. In turmoil or on jubilation, it is almost as if Americans instinctively needed to hear his voice and see his face lest the headlines themselves overwhelm us.

Who among us will forget the sight of Walter Cronkite in shirt sleeves fighting back tears as he announced the death of John Kennedy on November 22, 1963? Who did not share his infectious enthusiasm when a rocket left a Florida launch pad bearing a human cargo and bound for the Moon—and a historic rendezvous with the oldest dream of mankind. For a generation Cronkite has explained to millions of fascinated Americans the inner workings of political conventions and Saturn rockets. He has eased us from one administration to the next, made approachable eight Presidents, and lent logic to otherwise senseless events in our own land and across a shrinking globe.

His lasting contributions can hardly be contained by a crowded shelf of Emmy awards or 1,000 parting tributes. "If I have lost Cronkite," Lyndon Johnson said in 1968, "I have lost middle America." Menachem Begin and Anwar Sadat could undoubtedly add their own assessments of a newsman sufficiently respected as to play a part-time role as mediator and electronic statesman.

There are many reasons for this. But, most of all, there is this undeniable fact: For 19 years as anchorman of the "CBS Evening News," and for 25 years before that as a wire reporter and television reporter, Walter Cronkite has stood for seriousness in a profession tempted by triviality. His qualifications to report the news have never been less than his admittedly remarkable gift of communicating it.

I feel a special kind of pride that because, whether or not the rest of America knows it, Walter Cronkite is something of a hometown boy for me. He was born in St. Joseph, Mo. He polished his talent in Kansas City, where he is still remembered as one of the most competitive wire reporters in the history of UPI. From there he gained an entree to the war in Europe and eventually a job offered from Ed Murrow. Murrow was then organizing his own corps of CBS correspondents who went on to attain legendary status in their own right. But, Cronkite turned Murrow down—he felt that radio might be too superficial a medium through which to report the news.

It is a concern he later transferred to television itself, and most Americans are more knowledgeable about the world they live in as a result.

When the war ended, Cronkite went home to Kansas City. He landed a job with radio station KMBC and later became Washington correspondent for a string of 10 stations in Kansas, Missouri, and Nebraska. When the Korean war broke out, the journalist from St. Joseph displayed an uncanny ability to make sense of the fighting on television using nothing more than a blackboard, some chalk, and a surefootedness bequeathed him by his own experiences on the battlefront.

The rest, as they say, is history. At the 1952 Republican national convention, a network entered into the television lexicon—"anchorman"—and then as now Cronkite embodied it. I will leave it to the historians of the medium to gage his lasting impact on a still young industry. For me, I can only express gratitude that a man like Cronkite has set the standards for an industry that wields powers beyond measurement.

Long after Cronkite's familiar, "and that's the way it is * * *" every American who cares about the quality of our public life and the press that communicates and shapes it will agree with some words Ed Murrow spoke to us in 1958. "Television," Murrow warned, "can broaden and illuminate, but only to the extent that its operators choose to use it to such ends. Otherwise," he concluded, "it is merely lights and wires in a box."

Thanks to the integrity, exhaustive curiousity, and the hearty appetite for excellence shown by Murrow's successor, the tube that remains a constant guest in America's living rooms has become far more than lights and wires in a box. Thanks to Walter Cronkite, network news has taken its place in the forward ranks of American journalism. He will be missed—and hopefully he will be emulated.●

HOUSE OF REPRESENTATIVES—*Monday, March 9, 1981*

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

I will call to mind the deeds of the Lord: Yea, I will remember Thy wonders of old. I will meditate on all Thy work, and muse on Thy mighty deeds.—Psalms 77: 11, 12.

O God, may Your mighty acts in days past continue to inspire, and may all Your gifts fill our hearts. We celebrate Your love to us and to all people, particularly those more dear to us whom we name in our hearts before You. We gain assurance that You watch over us, You forgive and renew us, and Your comforting spirit never abandons us. Grant us Your abiding peace each day and in eternity. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate has passed a joint resolution of the following title, in which the concurrence of the House is requested:

S.J. RES. 38

Joint Resolution to provide for designation of March 6, 1981, as "Teacher Day, United States of America".

A TRIBUTE TO THOMAS IORIO

(Mr. ADDABBO asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ADDABBO. Mr. Speaker, it is my sad duty to inform the House of the death of Thomas Iorio, Deputy Sergeant at Arms and majority pair clerk. Tom died at his home in Silver Spring, Md., Saturday night, after a long battle against cancer. At the time of his death, Tom was 79 years of age and had worked for the House of Representatives for 36 years.

Tom was a good friend to all of us who have served in this body through the years. He knew more about the legislative process than most of us will ever know, and he was free with his advice and store of experience for those of us who sought his counsel.

Tom was the fifth recipient of the John McCormack Award which is presented each year to a House employee for outstanding service to the House over a long period of time. The Doorman's Society named him "Man of the Year" in 1976. The Italian Government in 1974 presented him with the Order of Commendatore, which is the medal of honor for public service. As you know, Tom was very proud of his Italo-American heritage and worked hard to advance the cause in recent years. Our prayers are for him, Claire, his wife, and children, Carmen and Connie.

Friend may pay their respects to Tom and his family on Monday the 9th and Tuesday the 10th from 3 to 5 and 7 to 9 p.m., at the Collins Funeral Home, 500 University Boulevard, West Silver Spring. The funeral services will be held Wednesday the 11th with a 10 a.m. mass, St. Bernadette Church, 72 University Boulevard, East Silver Spring.

Mr. Speaker, I ask unanimous consent to address the House for 60 minutes at the close of business this Wednesday, March 11, so that Members who wish to do so may join with me in paying tribute to this special friend.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

LEGISLATION TO TERMINATE MILITARY ASSISTANCE TO EL SALVADOR

(Mr. STUDDS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STUDDS. Mr. Speaker, 62 Members of the House of Representatives have now cosponsored the bill, H.R. 1509, to terminate U.S. military assistance to the Government of El Salvador.

Late Thursday, in a hearing before the Subcommittee on Inter-American Affairs, the most Reverend James A. Hickey, Archbishop of Washington, explained why the U.S. Catholic Conference was also opposed to the Reagan administration's mistaken decision to emphasize military rather than political means of resolving the terrible violence which is currently plaguing El Salvador.

In his statement, Archbishop Hickey argued:

It would be particularly unfortunate, in my view, if our necessary and proper concern for the security of the United States were to be used as justification for additional United States military aid to the present government in El Salvador. Neither the USCC nor I am complacent about the actions of other outside powers in the El Salvador conflict . . . Our position is to oppose military aid and intervention from all outside powers. We urge and support political pressure and other diplomatic measures by Latin American nations and by ourselves and our allies to stop the flow of arms from Cuba through Nicaragua to El Salvador. But as a part of this approach we earnestly and vigorously oppose the sending of United States military assistance to El Salvador.

It is my own belief that opposition within the United States to President Reagan's policy in El Salvador is widespread and that it is growing quickly. Whatever the reasons for the results of the 1980 elections, they did not stem from any national wish to see large numbers of U.S. military advisers sent to help fight a civil war in Central America.

I urge my colleagues to cosponsor H.R. 1509.

CUTTING STUDENT AID

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and to include extraneous material.)

Mr. PEYSER. Mr. Speaker, in the last week literally hundreds of letters have been coming into my office from college presidents around the country. They are expressing their great dismay at the Reagan administration's proposals to slash the student aid budgets, not just for their colleges, but for the hundreds of thousands of students who are going to be affected.

Today I will be entering into the RECORD, Mr. Speaker, a letter from the American Conservatory of Music that is in the Seventh District of the gentlewoman from Illinois (Mrs. COLLINS), a letter from the California State University, which is in the 21st District of the gentleman from California (Mr. FIEDLER), and a letter from Canisius College that is from the 37th District of New York, the district of the gentleman from New York (Mr. NOWAK).

Mr. Speaker, I am convinced that the President himself does not realize the impact that the changes that are being proposed are going to make on over 1 million students in this country who will be forced to give up their remaining education.

(The letters follow:)

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

AMERICAN CONSERVATORY OF MUSIC,
Chicago, Ill., March 2, 1981.
Hon. PETER A. PEYSER,
Congress of the United States,
Washington, D.C.

DEAR MR. PEYSER: Your letter to my predecessor, Mr. Leo Heim, was given to me for reply.

I have already written to my own congressman, Mr. Sidney Yates, expressing my concern on cuts in the loan and grant program. As I mentioned to him, the vast expenditure of funds for the GI bill after World War II proved that mass education was a good investment. There are, no doubt, some inequities in the programs which need attention, but massive cuts in this era of high costs for education would have a damaging, long-range effect on the nation.

We would be happy to help in any way possible. Thank you for your letter.

Yours sincerely,

CHARLES MOORE,
President.

CALIFORNIA STATE UNIVERSITY,
Northridge, Calif., February 25, 1981.
Hon. PETER A. PEYSER,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN PEYSER: I was delighted to receive your letter of February 18 in which you expressed concern over the proposed cuts in student aid appropriations. We are profoundly concerned that the Reagan Administration has seen this area in the budget as a prime target for cutbacks. Through the University's membership in the American Association of State Universities and Colleges, we fully intend to mount a vigorous campaign against the proposed reductions.

Your interest in this issue and the assistance you offer as a member of the Education and Labor Committee is both welcomed and appreciated.

Sincerely yours,

JAMES W. CLEARY,
President.

CANISIUS COLLEGE,
Buffalo, N.Y., March 3, 1981.
HON. PETER A. PEYSER,
Cannon House Office Building,
Washington, D.C.

DEAR CONGRESSMAN PEYSER: Thank you very much for your letter of February 22, 1981, concerning the proposed cuts in student aid.

I agree with you totally that educational assistance is a bad area to cut, in efforts to curtail government spending. Since education is the key to the nation's future, any money well and prudently spent in this area is a sound investment in our future national health and vitality. Moreover, untold good has been accomplished in the last two decades by making it possible for deserving students to attend colleges of their choice, and it would be a terrible shame to reverse that course of action now.

I feel it is vital for the future security and health of our nation that we preserve the excellent set of student assistance programs, consisting of BEOG, SEOG, College Work Study, Guaranteed Student Loans and National Direct Student Loans, so that the United States can keep pace with the other leading nations of the world in the development of our most precious resource, namely the minds and characters of our young people. Rather than cutting back, I think we should expand programs of aid for education such as savings plans, tuition tax credits, and possibly others.

My staff and I would be more than willing to render any possible assistance in your efforts to keep higher education strong in our nation. Thank you for your initiative and leadership in this matter.

Kindest personal regards. May God always bless you!

Sincerely yours,

Rev. JAMES M. DEMSKE, S.J.,
President.

LEGISLATION NEEDED TO COMBAT INTERNATIONAL TERRORISM

(Mr. ANDERSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ANDERSON. Mr. Speaker, I have again introduced legislation to combat international terrorism of all types—assassinations, kidnapings, bombings, attacks and seizures of facilities, and hijackings.

Even as I speak today, terrorists are holding over 100 hostages, including 3 American citizens and 2 other U.S. residents, aboard a Pakistani airliner. These terrorists have already killed one hostage, a Pakistani diplomat, and are threatening the others with death if their demands for the release of political prisoners are not met. Last Thursday, a guman seized a Continental Airlines jet at Los Angeles International Airport, demanding $3 million ransom. Fortunately, no one was injured in that incident and the gunman surrendered peacefully.

My bill, H.R. 1948, is designed to maximize and strengthen Federal capabilities to combat international terrorism without overreacting or denying to the executive branch the necessary flexibility which it must have in conducting foreign policy. This legislation requires the President to impose sanctions, including the cutoff of foreign assistance, against states which actively support international terrorism. The bill also requires the Secretary of Transportation to assess security measures at foreign airports and to revoke the operating authority of U.S. and foreign air carriers which use any inadequately secured airport to serve the United States. Further, the bill sets criminal penalties of up to $10,000 in fines and 20 years in prison, or both, for the hijacking of an aircraft.

Between 1968 and 1980 in incidents of international terrorism, 173 U.S. citzens have been killed, 136 kidnapings occurred in which Americans were victims, 912 American facilities have been bombed, and at least 50 U.S. facilities have been attacked or seized. I believe that the executive branch and the Congress must act together now to protect U.S. citizens abroad and foreign nationals on U.S. soil. It is our responsibility as the leader of the free world to act decisively on this matter.

REVOLVING CREDIT FUND FOR AG EXPORTS AND TRADE REPRESENTATIVE

(Mr. STENHOLM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STENHOLM. Mr. Speaker, the 97th Congress has embarked upon a major campaign of economic recovery for this country and one of the most essential elements of this recovery will be the restoration of a trade balance in favor of the United States.

One of the few real success stories of foreign trade that we can point to over the past few years has been the economic power that our agricultural trade has provided us.

However, despite the fact that we are the major world power in agricultural trade, we have consistently failed to use this power to the extent necessary to provide the maximum returns to the economy of the United States.

For this reason, I am introducing two bills today that will provide a mechanism by which our competitive position in agricultural world trade can be further strengthened and enhanced. Most important of all, the economic returns to our entire economy and consequently to all Americans, can be significantly increased.

The first bill provides for the establishment of a revolving credit fund for the development of agricultural exports to those nations which have need of short-term credit but for various reasons are unable or unwilling to obtain this credit through normal commercial sources. This type of program is necessary to provide U.S. exports with a competitive edge in the opening and establishment of new markets.

History has proven that initial entrance and market presence in developing economies are of immeasurable benefit in terms of maintaining markets in later years as these economies mature and become regular and dependable export customers.

This legislation is somewhat unique in that it does not require the appropriation of new funds, but only makes additional funds which are due to be repaid to the Commodity Credit Corporation during this and the next 2 fiscal years. These loans would be made at commercial rates and would not be on concessional terms.

The second bill provides for the appointment of an additional Deputy U.S. Trade Representative. Trade negotiations are of vital importance to the success of our programs for agricultural and other exports. I believe it is essential that the United States be represented at the highest levels possi-

ble by an adequate number of individuals who can devote proper attention to all areas of importance in the agricultural trade area.

While this legislation does not require that this additional Deputy Trade Representative be established to deal exclusively with agricultural trade issues, I would hope that the formation of this new position will enable the Office of the U.S. Trade Representative to devote the high level attention to agricultural trade matters that will be so neccessary in the months ahead.

It is my understanding that such a position can be accommodated at current staff levels within the office of the U.S. Trade Representative.

LET US BE FAIR WITH OUR SENIOR CITIZENS

(Mr. WRIGHT asked and was given permission to address the House for 1 minute.)

Mr. WRIGHT. Mr. Speaker, we have seen a series of trial balloons floated from various sources, each suggesting that money could be saved from social security payments by inventing some new method of calculating the cost of living for our senior citizens.

I think it is time to shoot down those trial balloons, or at least to make it absolutely clear that Congress will not tolerate any deceptive manipulation which begins with the clear purpose of reducing social security payments to the Nation's elderly.

Some have suggested that the Bureau of Labor Statistics create a separate index for senior citizens, simply leaving out any consideration of cost of housing. The theory behind this suggestion is that most of our senior citizens are not in the market to buy a home.

While that may be true, it also is true that many of our elderly Americans are living in rented houses, or in apartments, or in retirement homes of one kind and another. Certainly these costs have increased. It would be cruel and deceitful to leave them out of the formula.

Furthermore, if we were to assume that older Americans are less affected than other citizens by the cost of housing, we would have to recognize honestly at the same time that they are more affected by the cost of medicine and also probably more vulnerable than others to the rising costs of fuel and utility rates for heating in the winter and cooling in the summer.

In other words, if we were to have some new cost-of-living index expressly for our senior citizens, it would be only fair to include those areas in which they must pay more, as well as those areas in which they presumably pay less. To do otherwise would be a cruel delusion. If there is to be any different cost-of-living index for retired people, it must begin with the object of being fair—not with the object of finding some tricky or deceptive way to save money at their expense.

WIC PROGRAM IS INVALUABLE

(Mr. MOAKLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. MOAKLEY. Mr. Speaker, I rise today to express my extreme distress at President Reagan's recent proposal to reduce a significant portion of the Federal budget for the special supplemental food program for women, infants and children, better known as WIC. I have had the pleasure of working closely with the Massachusetts' WIC program for several years now and have found it to be one of the most responsive and efficiently run Federal programs in the country. Massachusetts, in particular, has received national recognition for their dedication in helping this group of the population who so desperately depend on WIC to receive the nutritional assistance necessary for health development. Because of the WIC program, low-income, nutritional-risk pregnant women and their young children, the neediest of the truly needy are provided with the vital nutritional supplements which they need in their diets, but otherwise would not be able to afford.

Studies conducted by Harvard researchers and other independent and Government studies have clearly indicated that the benefits of the WIC program result in long-term cost savings. I cannot overemphasize the importance of this nutrition to these needy mothers and their young children during the critical stages of prenatal development and the early years of life. Without a doubt, infant mortality rates have dropped substantially in areas where WIC programs have been implemented. The tragic consequences of malnutrition, which result in premature birth, low birth weight, respiratory illnesses, mental retardation, birth defects, and death have been greatly reduced through the efforts of WIC. One cannot dispute the fact that continued provision of WIC's supplemental food to the diets of these low-income mothers and their offspring will play an important role in eliminating malnutrition in our Nation in the future.

I find it disheartening that President Reagan is proposing to reduce over one-quarter of WIC's budget. How can we justify adequate nutrition to impoverished mothers and their children. The benefits reaped from WIC greatly outweigh the comparatively small expenditure of Federal funds.

The WIC program is invaluable and its effects are not concentrated in just one regional area of the Nation. Unfortunately, even at present funding, the WIC program cannot serve all those who would qualify for aid. To further reduce WIC moneys would be a grievous mistake and would seriously damage the progress we have begun to make in eradicating malnutrition in our country. I urge my colleagues to carefully examine the contributions of the WIC program as proposals to restrict Federal funding come before us.

□ 1215

NO MORE TAX MONEY FOR THREE MILE ISLAND CLEANUP

(Mr. WEAVER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEAVER. Mr. Speaker, today the Nuclear Regulatory Commission issues its final environmental impact statement on the Three Mile Island cleanup. I take this occasion to say that there should be no Federal taxpayer bailout of Three Mile Island. The Federal Government has spent already about $12 million of research money in cleaning up Three Mile Island.

I say this should be stopped, and I offered an amendment in committee this morning on the NRC authorization to prohibit any further expenditure of Federal tax moneys for the cleanup of Three Mile Island.

A 10-PERCENT REDUCTION IN COMMITTEE BUDGETS CALLED FOR BY REPUBLICAN FRESHMEN MEMBERS OF CONGRESS

(Mr. JAMES K. COYNE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. JAMES K. COYNE. Mr. Speaker, the President's program for economic recovery has received overwhelmingly expressions of support from Members on both sides of the aisle, in both Houses of Congress, and from citizens of all parts of this Nation.

This program contains spending cuts amounting to more than $50 billion. These cuts are necessary, and we must support them. At the same time, we in the House must exercise restraint in our own budgets. As an indication of our united support for such fiscal restraint, the 52 Republican freshmen have unanimously approved a resolution calling for an average 10-percent reduction in committee budgets. On behalf of our freshman class, I am sending to your office today, Mr. Speaker, a copy of this resolution

which has been signed by every member of this class.

We must act now to reduce the outrageous increases that have occurred year after year in the committee budgets. Without the opportunity to amend the committee funding resolutions, we will vote to defeat these resolutions when they are brought to the House floor.

The letter and resolution follow:

WASHINGTON, D.C., *March 9, 1981.*
HON. THOMAS P. O'NEILL, Jr.,
Speaker of the House,
The Capitol.

DEAR SPEAKER O'NEILL: On behalf of the 52-member class of Republican freshmen, I am sending you a copy of our resolution calling for an average 10% reduction in House Committee budgets.

As you will note, this resolution has been signed by every member of this class. We feel that some measure of fiscal restraint on Committee budgets is long overdue, and that to continue the pattern of enormous annual increases in Committee budgets would be absolutely irresponsible.

I hope you will give careful consideration to the message that approval of such increases would give, and I urge you to support a more reasonable and responsible level of expenditure for House Committee budgets, in 1981.

Sincerely,

JAMES K. COYNE,
Member of Congress.

RESOLUTION OF NEW REPUBLICAN MEMBERS OF THE 97TH CONGRESS

Whereas the Senate has cut its staff allocation for standing committees by 10 percent; and

Whereas following the leadership of President Reagan, we believe the House of Representatives should be exercising fiscal restraint: Now, therefore, be it

Resolved, That the House of Representatives should proceed to cut by 10 percent on the average the cost of the staffs of the standing committees of the House.

Dan Coats, Bob McEwen, Frank R. Wolf, George C. Wortley, Joe Skeen, Claudine Schneider, Pat Roberts, John Hiler, Bobbi Fiedler, Vin Weber.

Hal Daub, W. Bailey, Mick Staton, Steve Gunderson, Marge Roukema, Clint Roberts, Jim Dunn, Sid Morrison, Ray McGrath, Thomas F. Hartnett.

James V. Hansen, Tom Bliley, James L. Nelligan, Judd Gregg, Hank Brown, Larry E. Craig, Eugene Johnston, Gene Chappie, Stan Parris, Ed Weber.

James Coyne, Bill Hendon, E. Clay Shaw, Jr., David Dreier, John LeBoutillier, Jack Fields, L. J. DeNardis, Cleve Benedict, Albert Lee Smith, Jr., Bill Emerson.

Christopher H. Smith, David O'B. Martin, John L. Napier, Gregory W. Carman, Bill Lowery, Lynn Martin, Denny Smith, Bill McCollum, Harold Rogers, Guy V. Molinari, Cooper Evans, Duncan Hunter.

Mr. ALEXANDER. Mr. Speaker, will the gentleman yield?

Mr. JAMES K. COYNE. I yield to the gentleman from Arkansas.

Mr. ALEXANDER. Is the gentleman aware of the plans of the committee to reduce the spending levels by 10 percent?

Mr. JAMES K. COYNE. The gentleman is aware of many discussions by individual Members in this regard, but the latest information we have continues to be that many Members of the Congress are committed to increasing many special items within these committees.

Mr. ALEXANDER. I regret to advise the gentleman that his information is incorrect.

Mr. JAMES K. COYNE. I will look into the matter.

Mr. ALEXANDER. I thank the gentleman for yielding.

FISCAL RESTRAINT ON COMMITTEE BUDGETS AND STAFF CALLED FOR

(Mr. SKEEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SKEEN. Mr. Speaker, the level of public regard for Congress continues downward, not only because of widely publicized allegations of misconduct by Members, but, more importantly, because of an apparent continuation of the callous and irresponsible attitude toward the financial management of the crucial committee function of this body.

At a time when most Americans indicate a strong willingness to endure personal sacrifice, to help stabilize and strengthen the economy, the committees of Congress are again proposing substantial budget and staff increases—an arrogant continuance of years of gluttony and bloat.

The time has come to brighten the congressional image, to polish away a little of the tarnish with a measure of fiscal restraint, and to reduce committee budgets and staff.

CONGRESS SHOULD SET EXAMPLE OF FISCAL PRUDENCE AND CUT COMMITTEE STAFFS

(Mr. WEBER of Ohio asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEBER of Ohio. Mr. Speaker, soon we will begin to review not the spending practices of other departments of Government but the spending practices of this House. The plain fact is that Congress itself has become part of the huge bureaucracy that the American people have given us a mandate to cut.

I am shocked by the present staff sizes and budget levels of our committees. During the past decade, funds appropriated to our committees by this House have increased 424 percent. Similarly committee staff has risen by 200 percent. The responsibility for this clearly rests with the majority party. They are in control of this House and have been the chief beneficiary of this extravagance. Majority staff now outnumbers minority staff by 5 to 1.

It rests with us in Congress to set an example and live according to the standards of fiscal prudence that we have set for others.

CONGRESS CAN SHOW AMERICAN PEOPLE IT IS SERIOUS IN REDUCING SIZE AND COST OF GOVERNMENT

(Mr. MORRISON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MORRISON. Mr. Speaker, the No. 1 concern in America today is inflation. My constituents in Washington State are opposed to the size and shape of the Federal bureaucracy and are insisting we work to limit how far it reaches into our individual pocketbooks and controls our lives.

In 1954, the last year the Republicans controlled the House, committee staff totaled 303. In 1979, after 25 years of continuous Democrat control, the total has swollen to 1,939. Thirty-three Republican freshmen have been elected to replace Democrat Members to reverse the trend to big government, and we see the past and now proposed inflation in committee staffing as a highly visible clue to the job we were elected to do.

Total committee budgets for investigative staff grew from $6.8 million in 1971 to $46.8 million in 1979. When we cut the excess out of these committee budgets, we will take the first step toward reducing the size of Government.

Now that I am here and can see the figures indicating the committee staff growth, it is apparent that as we have increased staffing levels, we have lost, as individual Members of Congress, our ability to measure the real attitude of Americans. Part of that attitude this past November was a repudiation of the process that has gradually turned Congress into a bureaucracy.

How can we talk of cutting waste in other Government programs, when some of the worst examples of overspending are the excessive numbers of staff members on House committees. How can we ask our constituents to cut back and sacrifice when we are authorizing huge increases in committee budgets?

The President is trying to cut areas of the executive branch that are unnecessary and counterproductive. We must do the same. To help curb Government spending we must make these necessary cuts in committee staffs.

Beginning with cuts here in our own House, we can show the American people that we are serious in reducing the size and cost of Government.

CONGRESS MUST START WITH ITS OWN BUDGET

(Mr. WOLF asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WOLF. Mr. Speaker, last November's elections were clearly a call from the people for less Federal spending. Now the people are watching to see if we will heed their call.

Since I became a Member of Congress, I have seen overwhelming support among my colleagues for the President's efforts to reduce the rate that Government spending increases. But how can Congress expect the President to cut the budget if we do not exercise restraint here with our own budgets?

It is hypocritical for Congress to talk out of both sides of the mouth, but that is exactly what we would do if we approve the drastic committee budget increases embodied in the funding resolutions that are due to be considered this week. Some of the committees—including the Post Office and Civil Service Committee, on which I have the privilege to serve—are asking for budget increases of 30 to 40 percent. These requests demonstrate a complete disregard for the expressed will of the people.

Congress must prove its willingness to fight inflation by starting in its own backyard.

PRESIDENT REAGAN'S TRIP TO CANADA

(Mr. REGULA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REGULA. Mr. Speaker, I am very pleased to note President Reagan will visit Canada tomorrow and Wednesday and that his visit will be, more substantive and less social than might be expected.

It is extremely important, in my view, that we maintain the most friendly relations with our neighbors to the north—and to the south as well.

Export-import figures attest to the vital economic interrelationship between the United States, Canada, and Mexico.

In 1979, for example, we exported to Canada goods valued at $33 billion and imported $38 billion worth of Canadian products.

That same year the value of American goods exported to Mexico was $9.8 billion. We, in turn, imported $8.8 billion from our southern neighbor.

We have a special interest in the welfare of these two neighbors. Problems have arisen and will continue to arise between our countries. In the past they have been solved through friendly discussion and negotiation. They should be solved in the same manner in the future.

President Reagan recently met with President Lopez Portillo of Mexico to assure him of America's continuing desire to solve our problems as friends and neighbors.

Now he is going to Canada in the same spirit to meet with Prime Minister Trudeau.

There are, unfortunately, some developing problems between Canada and the United States which need addressing.

President Reagan's visit, during which he will discuss these matters substantively, should be looked upon as a welcome and neighborly thing to do.

FUNDING FOR INVESTIGATIVE STAFFS SHOULD BE REDUCED

(Mr. SHAW asked and was given permission to address the House for 1 minute.)

Mr. SHAW. Mr. Speaker, the House this year is being called upon to make significant budget cuts in many Federal programs. Given the tremendous increase in costs of many programs in recent years, and the dubious benefits, I feel most of us will support these cuts.

But what will we say about a program where costs have risen 160 percent in just 6 years, and where employment has risen 75 percent, all accompanied by a decrease in productivity? Actually, I am not talking about a runaway Federal program. I am talking about the tremendous growth of the investigative staffs of our own committees.

In the 93d Congress, it took 681 investigative staff and $23 million to report 906 bills.

In the last Congress, only 11 more bills were reported, but it took 1,191 investigative staff, and $59 million.

With the strong message sent to us November 4, it seems clear to me that to condone such increases is unconscionable. Hence, I strongly urge my colleagues to support measures to significantly reduce funding for investigative staffs.

Thank you.

CONGRESS MUST STREAMLINE ITS COMMITTEE OPERATIONS

(Mrs. SCHNEIDER asked and was given permission to address the House for 1 minute.)

Mrs. SCHNEIDER. Mr. Speaker, we will shortly be considering resolutions approving funding levels for the various committees of the House. As a new Member elected to help bring the cost of Government under control, I am appalled that the House has not seen fit to reduce inflated committee budgets across the board.

As I see it, the funding resolutions would have been brought to the floor long ago had not the majority failed to recognize the virtual explosion of committee staff and funding. In a mere 8 years, committee staffs have more than doubled. It is perplexing to me how we can expect our constituents to tighten their belts in order to restore health to our economy without doing so ourselves.

In short, Mr. Speaker, I urge the majority to bring the resolutions to the floor without delay and to insure that they require deep and reasonable reductions in committee budgets absent clear evidence to the contrary. With few exceptions, the requests of the committees represent yet further increases when we should be streamlining our operations to the maximum extent feasible. Now is the time for everyone to economize and get our economy on track once again.

EASING OF CLEAN AIR REGULATIONS

(Mr. GOLDWATER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GOLDWATER. Mr. Speaker, today, the Environmental Protection Agency is expected to ease certain clean air regulations. These burdensome rules inhibit expansion of industrial projects. This is good news for California which has recently been penalized for their inability to comply with particular clean air regulations.

These changes are a correct, commonsense approach which should have been the original policy. Previously, any attempts by industry to improve their production capabilities were thwarted by EPA if those improvements contributed any emissions at all. Under this new policy, however, companies can modernize installations or build facilities as long as the total emissions from the plant do not increase. These proposed changes will allow California to process a quarter of a million more barrels of domestic oil per day. And increased production means one thing—energy self-sufficiency. In effect, these changes will help us to end our dependence on foreign energy sources.

We now may soon have the best of both worlds. We can help provide regulatory relief to industry while maintaining our commitment to protect the public's health.

THE LATE WILLIAM T. ROY

(Mr. MICA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICA. Mr. Speaker, I bring sad news to you and to my colleagues. William T. Roy, who served as the Assistant Parliamentarian in the House of Representatives for some 27 years, and

who retired from that position March 1, 1958, died this past Saturday, on March 7, in Delray Beach, Fla., in my district, where he has made his home since his retirement.

Mr. Roy was appointed Assistant Parliamentarian in 1931, and served under Speakers Longworth, Garner, Rainey, Byrnes, Bankhead, and Rayburn—a distinguished career.

It was so distinguished that when he retired from service in this House, the leadership on both sides of the aisle took the floor and commemorated his service, his objectivity, and his concern for proper procedure in the House.

While living in the District of Columbia, Mr. Roy had been active in the National Guard, the Headquarters Commandant of the 29th Division, at the time of his retirement.

Mr. Roy is survived by his wife, Donna, who now makes her home in Delray Beach. I bring this to the attention of our Members that we may share in her sadness.

□ 1230

RESIGNATION AS MEMBER OF COMMITTEE ON POST OFFICE AND CIVIL SERVICE

The SPEAKER laid before the House the following resignation as a member of the Committee on Post Office and Civil Service:

MARCH 4, 1981.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House,
Washington, D.C.

DEAR MR. SPEAKER: I would like to submit my resignation, effective today, from my temporary seat on the House Post Office and Civil Service Committee.

I am happy to have had the opportunity to be of service to my fellow Democrats by serving, even for this short period of time, as a member of the Post Office Committee.

Sincerely,

STEPHEN J. SOLARZ,
Member of Congress.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

COMMUNICATION FROM HON. CLEMENT J. ZABLOCKI—SUBPENA DUCES TECUM IN MATTER OF UNITED STATES OF AMERICA AGAINST PEOPLES TEMPLE OF THE DISCIPLES OF CHRIST

The SPEAKER laid before the House the following communication from Hon. CLEMENT J. ZABLOCKI:

MARCH 5, 1981.

HON. THOMAS P. O'NEILL, Jr.,
The Speaker, U.S. House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: In accordance with the provisions of Rule L of the Rules of the House of Representatives, I am hereby notifying you of my receipt today of a *subpoena duces tecum* in the matter of the *United States of America* v. *Peoples Temple of the Disciples of Christ, a California corporation, et al.* This matter is presently being litigated in the United States District Court for the Northern District of California (Civil Action No. C-79-0126-SC).

The subpoena commands my appearance at the law offices of Wald, Harkrader and Ross on March 17, 1981 at 9:00 a.m., with all of the documents and materials listed in Schedule "A" of the subpoena, to testify on behalf of Robert H. Fabian, Receiver for the Peoples Temple of the Disciples of Christ. The subject matter of this subpoena related to the Committee on Foreign Affairs' investigation into the Jonestown, Guyana tragedy, conducted pursuant to the provisions of clause 1(h)(10) and clause 2 of Rule X of the Rules of the House of Representatives and of House Resolution 981 of the 95th Congress. (*See* "The Assassination of Representatives Leo J. Ryan in the Jonestown, Guyana Tragedy" Report of a Staff Investigative Group in the Committee on Foreign Affairs, U.S. House of Representatives, May 15, 1979, House Document No. 96-233, 96th Congress, 1st Session).

I have requested legal representation in this matter from the Clerk's general counsel since the custody of the documents in question falls under the jurisdiction of the Clerk's office.

I am examining the subpoena and, pursuant to my responsibility under Rule L, will notify you of my determination of whether the subpoena is a proper exercise of the court's jurisdiction, is material and relevant and is consistent with my privileges and rights as a Member of the U.S. House of Representatives.

With best wishes, I am

Sincerely yours,

CLEMENT J. ZABLOCKI,
Chairman.

FOOD STAMP RECOUPMENT BILL

The SPEAKER pro tempore (Mr. ALEXANDER). Under a previous order of the House, the gentleman from Vermont (Mr. JEFFORDS) is recognized for 10 minutes.

● Mr. JEFFORDS. Mr. Speaker, today, I am introducing my food stamp recoupment bill, a copy of which follows my remarks, which I believe will bring a sorely needed measure of sense and control to the now undisciplined food stamp program.

I feel strongly that a well-managed food stamp program must be part of the safety net the Federal Government provides for the indigent members of our society. Eradicating hunger, insuring that our poor have enough food on their tables to meet a minimum nutritional standard, these are laudable, noble goals; we must not turn away from them.

But as things now stand, the program's costs are skyrocketing and its integrity is questioned. Costs have doubled in the past 3 years, and are now topping $11 billion annually. The food stamp rolls stand at roughly 22 million individuals. As a result of program expansion, pressure on the funding cap has been considerable. For the third year in a row, Congress in 1981 will have to take emergency action to provide more funds because of an impending shortfall. Moreover, the program is plagued with a high national error rate, and last year had income reporting error rates as high as 40 percent in some States.

How can we put this topheavy program back on an even keel? We are presented with a number of options, including basing eligibility on income in a prior period, reducing benefits in the initial month and eliminating the inflation adjustment for the standard and shelter deductions. Certainly, from a broader point of view, since for every 1-percent drop in unemployment rates, the annual food stamp budget drops by half a billion dollars, we must work on ways of reducing inflation and unemployment.

Probably we will have to settle on a combination of reform approaches. But my recoupment proposal, which I am introducing today, provides Congress with the opportunity to pioneer one of the most innovative and equitable approaches to program reform. It is a two-pronged plan, reducing costs without restricting current eligibility and also eliminating fraud and abuse.

In general, the Jeffords recoupment bill would require the higher income food stamp recipients, those who have yearly incomes above 175 percent of the poverty level, and thus well above the program eligibility level, to repay some or all of their benefits on an interest-free basis. The magnitude of repayment would depend on by how much income exceeds this threshold, with 50 cents on each dollar up to a maximum of the total benefit value being recouped. The funds freed up in this manner would be available for redistribution to the most needy, those closest to the poverty line. By reducing overall program costs, recoupment would also alleviate pressure on the cap. Estimates of the net annual revenues recoupment would generate range from a low of $59 million to more than $1 billion.

Repayment would take place through the Federal income tax reporting system. By creating an interface between welfare offices and the Internal Revenue Service, recoupment would prove an effective weapon against program abuse. For the first time, those individuals who may have defrauded the system by intentionally misrepresenting their income data would be readily identifiable through computer tape matching.

It is important to note that recoupment is a time-tested idea. It was first introduced by Andrew Young in the 94th Congress. Members may recall that I first offered my recoupment proposal as a floor amendment in July of 1977. At that time, members generally applauded the idea while expressing concern about its administrative

aspects. While failing to adopt the amendment, the House mandated a Food and Nutrition Service (FNS) study of the concept. After 2 years of work, FNS, which under the Carter Administration opposed recoupment, released a thorough if biased study which gave guidance to significant improvements in the legislation.

For example, the administrative burden on the State welfare offices has been minimized. For the purpose of recoupment, household food stamp benefits are allocated equally among individuals 19 years of age or older. State food stamp offices will simply mail to each adult participating in the program a form W-X, just like the W-2 which all employers now send out, listing the amount of benefits received by that adult's household and that adult's individual allocation. Should this adult-per-capita scheme prove inequitable for unusual family or household situations, the Secretaries of Agriculture and Treasury would have discretionary power to devise equitable allocations. In any event, food stamp offices will not be required to calculate the recoupment liabilities of food stamp households according to complicated formulas, nor to reconcile food-stamp units and tax units.

Once the W-X's have been mailed out, the recipient would include the food stamp amount subject to possible recoupment on his or her Federal income tax return, and then determine what repayment, if any, was necessary according to easily understood tables and worksheets provided by the IRS. Since in most cases recoupable households will be receiving substantial refunds from the IRS, fully 85 percent of the recoupable benefits could be captured from these refunds.

Other changes in recoupment encouraged by constructive FNS criticism include: the returning of as much as $15 million in excess revenues to the State food stamp agencies to offset expenses, with each State receiving an amount in proportion to its share of the total net revenues; the exempting from recoupment liability of all adults participating in the food stamp program during the entire year, as well as those households with incomes consisting only of supplemental security income benefits; and the elimination of a possible work disincentive through the use of the 50 cents on the dollar schedule although I question whether someone who is told his food stamps will be a loan rather than a grant is less likely to look for work.

Some States have objected that food stamp offices would have to expand their staffs and acquire costly equipment to properly administer this proposal. However, the bill I am introducing today requires no additional collection of client data. Food stamp caseworkers would spend minimal additional time explaining recoupment to food stamp recipients—since the allocation method is straightforward—totaling monthly household food stamp benefits and preparing W-X's. Moreover, increased administrative tasks, such as they are, will be more than compensated for by the return of excess revenues to the States, and by the incentives to computerize and streamline which will result from the implementation of recoupment.

On May 8 of last year, the House adopted recoupment with these improvements, as a floor amendment to S. 1309, the Food Stamp Act Amendments of 1980, by the decisive vote of 241 to 147. Unfortunately, because the Senate had no comparable provision in its version of the bill, and because some Members felt that Ways and Means and Finance jurisdiction over those aspects of recoupment affecting the Internal Revenue Code had been circumvented, my amendment was dropped in conference.

In the conference report accompanying S. 1309, however, the conferees respectfully requested that the Ways and Means and Finance Committees hold hearings on recoupment by May 1, 1981, so that the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition and Forestry might have the benefit of such deliberations prior to the reauthorization of the food stamp program this year.

During the Conference, former Ways and Means Chairman Al Ullman circulated a letter addressed to TOM FOLEY, then chairman of the Agriculture Committee, recommending that recoupment not be included in S. 1309, but committing Ways and Means to conducting hearings on the proposal "at the earliest possible opportunity." This sentiment in favor of prompt hearings was echoed by both majority and minority members of the Ways and Means Committee during floor debate.

In order that last year's legitimate objections over Ways and Means jurisdiction be resolved, I urge the committee to take advantage of the opportunity it now has to hold hearings on recoupment. A decision to do so would not only be in accordance with the request of the 1980 food stamp conferees, but also with the will of the House, which has clearly indicated it finds a great deal of merit in the recoupment approach to food stamp reform.

In closing, Mr. Speaker, recoupment seeks to apply to the food stamp program an approach which has already been adopted in other governmental programs. The concept of giving grants to the most needy and low- or no-interest loans to the less needy is currently in use, in a number of different forms, in the various loan programs and Small Business Administration programs, among others. At a time when inflation is running rampant and the call for reduced Federal spending and budget cutting has sounded in no uncertain terms across the entire country, it is entirely appropriate that individuals experiencing only short-term need, our construction workers, for example, whose jobs are by nature seasonal, should repay some or all of their benefits when they are able to do so. Recoupment reinforces a notion that has long been at the heart of our culture, the notion that while the Federal Government should provide a helping hand when necessary, it cannot and should not dispense handouts with no strings attached.

Mr. Speaker, let us get moving and bring this program under control.

H.R. 2368

A bill to amend the Food Stamp Act of 1977 to make individuals who have excessive income ineligible to participate in the food stamp program, and to make such individuals liable for the value of coupons received while so ineligible

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Food Stamp Reform Act of 1981".

AMENDMENTS TO FOOD STAMP ACT OF 1977

SEC. 2. (a) The first sentence of section 4(a) of the Food Stamp Act of 1977 is amended by inserting "and funds received from the Secretary of the Treasury under section 6306 of the Internal Revenue Code of 1954" after "of this Act".

(b) The last sentence of section 5(a) of the Food Stamp Act of 1977 is amended by inserting ", conditional upon such repayment as may be determined pursuant to section 18 of this Act," after "furnished".

Section 11(e) of the Food Stamp Act of 1977 is amended—

(1) in paragraph (2) by striking out "household.", and inserting in lieu thereof the following: "household, and of the conditions under which repayment in cash for any excess benefits received by members of an eligible household may be required in accordance with section 18 of this Act. A State agency shall provide a description of such conditions in understandable terms to each individual who is 19 years of age or older and who is a member of an eligible household which applies to participate in the food stamp program.";

(2) in paragraph (19) by striking out the period and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new paragraph:

"(20) that the State agency shall furnish to each individual to whom section 18(a) of this Act applies the information required in section 18(d)(1) and shall certify to the Secretary of the Treasury the information required in section 18(d)(2).".

(d) The Food Stamp Act of 1977 is amended by redesignating section 18 as section 19, and by inserting after section 17 the following new section:

"REPAYMENT FOR EXCESS BENEFITS RECEIVED

"SEC. 18. (a)(1) Each individual who is 19 years of age or older during any entire taxable year and who, in any taxable year, par-

ticipates in the food stamp program as a member of any household participating in the food stamp program, and has countable income in excess of the exempt amount shall be liable to the United States as determined in accordance with paragraph (2) and paragraph (3) of this section.

"(2) For purposes of paragraph (1), in the case of any individual who files a Federal separate income tax return such individual shall be liable for an amount equal to the lesser of—

"(A) the value of the coupons allocated to such individual in such taxable year; and

"(B) one-half of the amount by which the countable income of such individual for such taxable year exceeds the exempt amount.

"(3) For purposes of paragraph (1), in the case of two individuals who file a Federal joint income tax return such individuals shall be jointly and severally liable for an amount equal to the lesser of—

"(A) the value of the coupons allocated to both such individuals in such taxable year; and

"(B) one-half of the amount by which the countable income of such individuals for such taxable year exceeds the exempt amount.

"(b) Subsection (a) of this section shall not apply to—

"(1) any individual who participates in the food stamp program during the entire taxable year involved; and

"(2) any individual who is a member of a household which has household income, during the entire taxable year of such individual, comprised of only supplemental security income benefits under title XVI of the Social Security Act, State supplementary payments described in section 1616(a) of such Act, and payments of the type referred to in section 212(a) of Public Law 93-66.

"(c) For purposes of subsection (a) and notwithstanding subsection (b), there shall be allocated to each individual 19 years of age or older the lesser of—

"(1) an equal share of all of the coupons received by each household of which such individual is a member participating in the food stamp program in any taxable year of such individual, for any period during which such individual is a participating member of each such household; and

"(2) a share of the coupons received by each such household in such taxable year for any period during which such individual is a member of such household, determined in accordance with regulations issued by the Secretary to prevent any extreme inequity.

"(d) Pursuant to such regulations as the Secretary, in consultation with the Secretary of the Treasury, may issue and for purposes of determining the liability of any individual under subsection (a) of this section, the State agency shall—

"(1) furnish for each calendar year, before February 1 following such calendar year, to each individual who is 19 years of age or older, who participates in the food stamp program in such State in such calendar year, and who is not an individual described in subsection (b) of this section—

"(A) a statement specifying the amount of coupons allocated to such individual in such calendar year as determined in accordance with subsection (c) of this section; and

"(B) such other information as may be necessary to carry out the provisions of this section; and

"(2) certify to the Secretary of the Treasury for each calendar year, before March 1 following such calendar year—

"(A) the name and address of each individual 19 years of age or older who participates in the food stamp program in such State in such calendar year and who is not an individual described in subsection (b) of this section;

"(B) the amount of coupons allocated to each such individual in such calendar year as determined in accordance with subsection (c) of this section; and

"(C) such other information as may be necessary to carry out this section.

"(e) Any amount for which an individual is liable under subsection (a) of this section shall be payable as if such amount were a tax imposed by section 1 of the Internal Revenue Code of 1954.

"(f) For purposes of this section:

"(1) 'Adjusted gross income' shall have the meaning given it in section 62 of the Internal Revenue Code of 1954.

"(2) 'Countable income' means, in the case of any individual who files a Federal separate income tax return and in the case of two individuals who file a Federal joint income tax return, for any taxable year the sum of adjusted gross income and any unemployment compensation received in such taxable year which is not included in gross income pursuant to section 85 of the Internal Revenue Code of 1954.

"(3) 'Exempt amount' means—

"(A) in the case of any unmarried individual who files a Federal separate income tax return and in the case of two individuals who file a Federal joint income tax return, for any taxable year an amount equal to 175 percent of the income standard of eligibility established under section 5(c) of this Act applicable to a household having the number of members equal to the number of personal exemptions allowable as a deduction by such individual, or by such two individuals, as the case may be, for such taxable year under part V of subchapter B of chapter 1 of the Internal Revenue Code of 1954, for persons who are members of the household of such individual, or of any household of either of such two individuals; and

"(B) in the case of any married individual who filed a Federal separate income tax return for any taxable year an amount equal to one-half of the amount determined in accordance with subparagraph (A), except that for purposes of determining such amount the number of such personal exemptions shall be increased by one.

"(4) 'Taxable year' shall have the meaning given it in section 7701(a)(23) of the Internal Revenue Code of 1954.

"(5) 'Unemployment compensation' shall have the meaning given it in section 85(c) of the Internal Revenue Code of 1954.

"(g) The Secretary may transfer to the Secretary of the Treasury an amount, as specified in appropriations Acts, of any funds appropriated to carry out this Act for fiscal years beginning after September 30, 1980, sufficient to enable the Secretary of the Treasury to assess and collect under section 6306 of the Internal Revenue Code of 1954 amounts for which individuals are liable under subsection (a) of this section and to carry out related administrative functions.

"(h)(1) Of the funds transferred to the Secretary under section 6306 of the Internal Revenue Code of 1954, the Secretary shall—

"(A) transfer 15 per centum of such funds, but not to exceed $15,000,000 in any fiscal year, to the States, and

"(B) use the portion of such funds not transferred to the States under subparagraph (A), to carry out the provisions of this Act.

"(2) For purposes of paragraph (1)(A), the amount of funds to be transferred to each State shall be an amount equal to the product of—

"(A) the lesser of—

"(i) 15 per centum of the funds transferred to the Secretary under section 6306 of the Internal Revenue Code of 1954; and

"(ii) $15,000,000 in any fiscal year; and

"(B) the aggregate amount of liability for funds to be collected by the Secretary of the Treasury under section 6306 of the Internal Revenue Code of 1954 from individuals who are residents of such State, as specified on their respective Federal income tax returns, divided by the aggregate amount of liabilty for funds to be collected by the Secretary of the Treasury under such section from residents of all the States.

"(3)(A) Any State which accepts funds transferred under paragraph (1)(A) shall distribute such funds to the State agency conducting the food stamp program in such State.

"(B) Any State agency which receives funds distributed under subparagraph (A) shall use such funds to carry out the food stamp program.".

(e) The first sentence of section 19(b) of the Food Stamp Act of 1977, as so redesignated by subsection (d), is amended—

(1) by inserting "of the sum" after "excess"; and

(2) by inserting "and any funds transferred to the Secretary under section 6306 of the Internal Revenue Code of 1954 in such fiscal year" before the period.

(f) Section 4(a) of the Food Stamp Act of 1977 is amended by striking out "section 18" and inserting in lieu thereof "section 19."

AMENDMENTS TO INTERNAL REVENUE CODE OF 1954

SEC. 3. (a) Subchapter A of chapter 64 of the Internal Revenue Code of 1954 (relating to collection of taxes) is amended by adding at the end thereof the following new section:

"SEC. 6306. COLLECTION OF REPAYMENT FOR EXCESS FOOD STAMP BENEFITS.

"The Secretary or his delegate shall determine, assess, and collect the amount of any liability of any individual under section 18(a) of the Food Stamp Act of 1977, arising from the conditional entitlement of such individual to benefits under such Act, in the same manner, with the same powers, and subject to the same policies, procedures, and limitations, including deferral or suspension of collection because of hardship, as if such amount were a tax imposed by section 1, except that for one year from the date such liability is payable no interest or penalties shall be assessed or collected with respect to such amount. Notwithstanding any other provision of law, the Secretary shall transfer, in such amounts as are specified in appropriations acts, funds collected under this section to the Secretary of Agriculture."

(b) The analysis of sections for subchapter A of chapter 64 of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new item:

"Sec. 6306. Collection of repayment for excess food stamp benefits.".

APPLICATION OF AMENDMENTS

SEC. 4. Section 18(a) of the Food Stamp Act of 1977, as added by section 2(d), shall apply in the case of any individual to each taxable year of such individual beginning on or after the first day of the first calendar year beginning after the date of the enactment of this Act.

EFFECTIVE DATES

SEC. 5. (a) Except as provided in subsection (b), the amendments made by this Act shall take effect on the date of the enactment of this Act.

(b) The amendments to section 11(e) of the Food Stamp Act of 1977, as made by section 2(c), and section 18(d) of the Food Stamp Act of 1977, as added by section 2(d), shall take effect on the first day of the first calendar year beginning after the date of the enactment of this Act.●

TAX CREDIT FOR THE CARE OF THE ELDERLY ACT OF 1981

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. CORCORAN) is recognized for 5 minutes.

● Mr. CORCORAN. Mr. Speaker, I am greatly concerned about retired Americans on fixed incomes who are feeling the impact of double-digit inflation more than any other citizen today. Our Nation's senior citizens are experiencing increases in living expenses which threaten their very existence. As you know, Mr. Speaker, I believe the primary way to help them is to control inflation by ending the practice of cumulative deficits in the Federal budget.

On the other hand, however, until Congress adheres to a conservative fiscal discipline, we should look for ways to target relief to those who need it most. For this reason, I am today introducing legislation which will provide an incentive to our senior citizens who are able to spend their retirement years with their families by giving each family a $400 tax credit. For example, a son or daughter who has a mother 65 years or older in the household will be eligible for a $400 tax credit.

Public expenses, both Federal and State, can be reduced considerably if more senior citizens are encouraged to live with their families instead of residing in long-term-care facilities. The cost for home services provided by public agencies is far less than the cost of institutional care, no matter what the level of impairment, according to a GAO report on home health care. An elderly person placed in a long-term-care facility costs the Government, on the average, $5,496 per year, whereas agency services for a noninstitutionalized person only cost the public $1,188 per year. This is a net annual governmental cost of $4,308. Mr. Speaker, I realize my bill will be a revenue loss to the U.S. Treasury at one point of the ledger, but if we subtract the $400 tax credit from the $4,308, a net savings of $3,908 will result.

The aforesaid report further notes that an elderly person's living arrangements have a direct impact on the likelihood of institutionalization. Research from this report shows that few institutionalized people live with their families at the time they are placed in long-term-care facilities.

I think my tax credit proposal will strengthen our basic social unit—the family—while making our senior citizens more productive and happier people. Finally, Mr. Speaker, let me point out that using the tax system to keep families together is not new, nor is it without precedent. What I am proposing is built on the current precedent of giving tax credits to families paying for child care. I hope that Congress will see the wisdom and the need to extend its coverage for elderly family members, too.●

PROLIFERATION OF HOUSE COMMITTEES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. COLLINS) is recognized for 30 minutes.

Mr. COLLINS of Texas. Mr. Speaker, one of the biggest questions before the country today is, Will the House follow the example of the Senate in cutting its committee staff budgets? The Senate has already acted. The Senate is controlled by the Republican Party and the Senate took a firm and decisive cut in reducing spending.

Now, as we all know, the House is controlled by the Democratic Party. The Democrats have a 51-vote majority and the big question is, What is the House going to do about cutting its committee staff?

The Senate established their total budget for 1981 as $41,698,899. That is the total. They include their statutory. They include their investigative. Here in the House we have a complicated system. We have already set up the statutory and in it we provided $24,705,000 for House staff.

In 1980, the House approved a total of $42 million in addition to statutory for investigative funds. Now, if you look at that, you can see that last year our House, our big-spending House, spent a total of $66 million for committee staff budgets, whereas over on the other side the Republican-controlled Senate operates frugally on a $41 million total budget.

Let us put it in simple language. The House already is spending 60 percent more for committee staff budgets than the Senate is. We are spending 60 percent more for committee staff budgets than the Senate is. As far as I can tell, the only difference is the House is controlled by the Democrats and the Senate is controlled by the Republicans. We have the same legislative programs in the House as they have in the Senate, we have the same legislative programs. We are going to pass bills and they are going to pass bills. There is not any difference in the legislation. It is the same legislation, but the problem is, the House has 60 percent more staff to operate than the Senate does.

We have been asked, what is going to be our House goal? Well, I hope our goal is to cut down to the same level as the level that the Republicans have established for the Senate staff over there of $41,698,899.

In America today, every time we go back home, and I just got back from Texas, I will tell you, they are all talking about the same thing, and that is inflation, inflation, inflation. When they get through with inflation, in the next breath, and the people back home, I think, are sometimes smarter than Congressmen realize. They know what is going on. They know that the cause of inflation is Government funding, Government spending, Government spending.

The best way to start cutting is to get rid of these oversized committee staffs that we have around here, because in order to maintain their jobs, a committee staffer has to create more legislation. He has got to schedule more hearings. He has got to draft more regulations. Staffers stir up new business and develop more layers of Government regulations.

I looked at the Federal Register to see how much of excessive activity staffers have been stirring up. Back in 1973, the Federal Register was 35,572 pages. This past year, and this 1980 Federal Register lists all these regulations and rulings to give America an idea of what is going on; it had grown to 87,000 pages. In 1973, 35,000; today, 87,000 pages of more of the gobbledygook, and America does not want or need this gobbledygook. America needs jobs. When you get through with inflation, the second thing that your neighbors at home will tell you is that folks want jobs. They want business to grow. They want business to develop. The reason that business cannot develop is that businessmen are spending too much time smothered under tons of paperwork.

Mr. ALEXANDER. Mr. Speaker, will the gentleman yield?

Mr. COLLINS of Texas. I would be glad to yield to the gentleman from Arkansas.

Mr. ALEXANDER. Mr. Speaker, I appreciate the remarks of the gentleman from Texas concerning the cost of Government, and more particularly and in this instance more specifically the cost of Congress.

I would like to reply to the gentleman's remarks, if I may. I certainly think it is appropriate and I am sure that others this week will be doing so as well.

The reason that the House of Representatives increased its staff in 1975 and 1976 was because it had in the past overlooked its constitutional responsibility for oversight of the executive agencies of Government. Because of the blatant abuse of power encapsulated in what we refer to as Water-

gate, it was judged by the American people and the House of Representatives in particular that it needed to increase the size of its staff in order to oversee the abuse of power of the executive agencies of this Government. It was a good investment. It continues to be a good investment.

Now, in reply to the gentleman's reference to the demands of the American people to reduce the cost of Government, I think if the gentleman will wait until the action of the Rules Committee this week, he will see that a proposal is being made at the initiative of the Democratic Party in the House of Representatives to cut back on the authorization from the 1980 level to a different level this year.

We Democrats are aware of the demands of the American people. We get elected, too, just like the gentleman does. We are concerned about the high cost of Government. We intend to reduce the cost of Congress significantly this year in order to comply with the demands and wishes of the American people.

I appreciate very much the gentleman's concern and I hope the gentleman will follow the leadership of the Democrats in the House and avail himself of the opportunity to cut back on the authorization which we will present to the House next week.

Mr. COLLINS of Texas. I appreciate what the gentleman said. The distinguished gentleman from Arkansas is one of the greatest statesmen we have ever produced from the South. I always admire and respect all his statements, but I want to go back and call to his attention a few comparable figures to see how much we have saved. Back in 1973, as I recall, this Government was spending about $275 billion. We had smaller congressional committees.

Now, through what is called this additional investigative and this additional oversight committee staff we now have this Congress up spending $700 billion. A little more of this investigation and oversight staff and we will bankrupt the country. We are no better off than when Congress was spending $275 billion. In fact, if you will ask folks in Arkansas, just like in Texas, they will tell you they cannot see a thing we are getting down home. They cannot see anything added at home except they are getting more inflation and more taxes. Bigger Government begins with this committee staff business.

Mr. ALEXANDER. Will the gentleman yield further?

Mr. COLLINS of Texas. I would be glad to yield.

Mr. ALEXANDER. Well, my people in Arkansas think they are getting good service out of the Congress. I cannot speak for Texas. I have not been there in a good while. It may be that the service the people receive in Texas is not as good as it is that they receive in Arkansas. Arkansans are getting good service from the Congress.

I would think that it would neglect the responsibilities of this Congress to the American people to not provide the personnel necessary for these committees to function in a way that will carry out the mandate for their existence.

Now it is, I am sure, a very appealing argument to take out after the Congress. Gosh, I have known Members of Congress in the past from all across this great country that have never done anything but run against the Congress. As far as I know, that is all they are good at—running against the Congress, telling jokes about the Congress, raising Cain about the Congress; Congress cannot do anything right.

The fact of the matter is that those people who make a career out of running against Congress do not do anything else.

□ 1245

I do not agree with the gentleman. I think this Congress is providing a great service to the American people.

The gentleman in the well and I both have had an opportunity to compare what we have in this House of Representatives to other representative bodies around the world and this is, indeed, the most deliberative and the most responsive institution on the face of this Earth. In fact, it is a mirror that reflects the image of the American people.

The American people deserve the kind of service that they are getting from this Congress. They also deserve for us to be frugal, to be conservative, and that is what the gentleman is going to get. I hope he votes the right way next week when he gets this bill.

Mr. COLLINS of Texas. I can assure the gentleman I will vote the right way, and I just want to remind the distinguished gentleman of a few facts before us, because down in Texas I imagine it is about like it is in Arkansas.

Mr. ALEXANDER. No; it is not like it is in Arkansas. We do not have the money and the wealth and the power and the influence that the gentleman has in Texas.

Mr. COLLINS of Texas. What you have in America today is a 20-percent interest rate, and that is what businessmen are paying for money down home. Folks have to borrow money, and they can remember back in the good days when the Republicans had the Presidency back there, and the Republicans had established some sound policies in 1973, and Americans were paying 6 percent for interest. Today when you borrow money you are paying 20 percent for interest.

They can remember when inflation was 6 percent and President Jimmy Carter said it was too high. But what has happened? Today we have 15-percent inflation.

Now, the biggest problem in Government is that we have had this Congress for 25 years in the hands of one party, the Democrat Party, the big-spending party. We are never well off when Congress spends the country into bankruptcy.

Mr. ALEXANDER. Would the gentleman yield further?

Mr. COLLINS of Texas. I will be glad to yield.

Mr. ALEXANDER. My people in Arkansas are different from your people in Texas. We know that inflation is caused from component parts other than the cost of Government. Certainly the cost of Government is a component part of inflation and I will agree with the gentleman that we should balance the budget, and we are, we Democrats are going to produce a smaller deficit than Reagan has produced. I would ask the gentleman to sit around and watch that happen this year because it is going to happen.

But we know that the cost of energy, for example, is also inflationary. The gentleman's people in Texas make energy. We do not make so much energy in Arkansas; we buy it. We know that one of the greatest contributing factors to inflation is the cost of energy.

Also the cost of this money the gentleman is talking about is a contributing factor. We also know that it is artificially high, that the cost of money is about 6 to 8 percent more than it needs to be because we have not got the right kind of pressure on the Federal Reserve to reduce the cost of interest.

There are other component parts of inflation. The trade deficit contributes about 40 percent to inflation. It is not the single issue of the cost of Government. While that is a contributing factor, it is not the only reason, and we people in Arkansas understand that.

Mr. COLLINS of Texas. I appreciate what the distinguished gentleman from Arkansas says, and we do not have any oil in my county either. But I will tell the gentleman what Congress did. Congress escalated the energy problem and we did it right here with laws from the Halls of Congress. In 1973 we decided that it was time that we fully regulated the oil business, that the problem was the United States had $3 billion of oil imports and we could regulate oil up here in Washington and we could solve it all. After 7 years of regulation and solving it all we took the oil business from where America imported $3 billion in oil to where we are today importing $80 billion in oil.

The problem we have in this country is America is living on OPEC-Arab oil.

Over 50 percent of our oil consumed is from Arab OPEC. They are getting every last dollar that the market will pay.

But if we would have left this to the open market, if we had left it to the people that have commonsense out there in the grassroots of America instead of letting a bunch of Washington bureaucrats ruin it, our economy today would have been better.

Let me tell the gentleman about one other issue. The gentleman talked about taxes. I will say to the gentleman that 43 cents out of every $1 today is going for taxes. Back home people say taxes are too high. I would say to the gentleman the Bible does not ask you but for 10 cents out of every dollar, but up here in the Government we demand and get 43 percent by taxes. Congress spends it, we spend it, we spend it.

If I can just add one other point, we talked about what the Democrats say in the way of the budget. What they say and what they do are two different horses running down the road. Back in April of last year, standing right at that microphone over there was one of the most distinguished gentlemen that ever came from Connecticut (Mr. Giaimo) who unfortunately was designated, who was assigned, who was allocated that job of being chairman of the Budget Committee. On the floor of this House he said this year we are going to balance the budget, this year of 1980 we will balance the budget. The gentleman from Arkansas heard him say that.

He said the Treasury is going to take in $616 billion and we are going to spend $614 billion with a $2 billion surplus. The gentlemen on the Democrat side said that the whole year during the election year; it was always one of the front-page items, we heard the Democrats running up and down and they repeated we are going to balance the budget because we passed a resolution.

Well, what happened? Last year the national debt in the United States went up $80 billion. The reason the debt did it is because you got a lot of funny accounting gizmos like off-budget items and special resolutions. This year Congress has already made spending commitments for another $80 billion in debt increase.

The bottom line is not what the resolution says, it is how much has Congress increased the national debt. The Democrats did that spending.

Mr. ALEXANDER. Will the gentleman yield?

Mr. COLLINS of Texas. I yield to the gentleman.

Mr. ALEXANDER. I asked a question the other day of a very distinguished economist who is more than just a textbook economist. I asked him, I said what would happen if the President's program were passed intact, just exactly like it is, what influence would that have on the deficit. He said we would probably experience a $80 billion deficit—if not $100 billion.

There is more to this business of budgets and deficits than the single simplistic message that the gentleman from Texas, who is indeed my friend, has tried to explain to the American people.

Mr. LOTT. Mr. Speaker, will the gentleman yield?

Mr. COLLINS of Texas. I yield to my distinguished friend from Mississippi.

Mr. LOTT. I must confess I found the entire discussion here quite interesting this afternoon. I would first like to commend the distinguished gentleman from Texas for taking this time to address this very real problem that we have in the House of Representatives, and to bring it to the attention of the American people.

I was very interested in some remarks that were made by my also distinguished colleague and friend from Arkansas (Mr. ALEXANDER) about this. He mentioned the fact that this could be an oversight Congress, that maybe this additional staff would help us to be an oversight Congress. As I recall, the last Congress was referred to at the beginning of that Congress as an oversight Congress and, in fact, instead it became an overlook Congress. It did not do anything about trying to get this body, this Government, and this country straightened out.

No action was taken on regulatory reform. No action was taken on legislative veto. No action was taken on sunset legislation. No action was taken on budget reform. There was no oversight then and there will not be this time with all of the additional staff that anybody might want to add around here.

As far as this House, reflecting the American people, O Lord, I would hope not. This institution is behind, way behind the American people on every issue, on getting the budget under control, on improving our defense posture. Maybe we will begin to make some progress in this Congress because we do have some improvement in the philosophical makeup and the reflection of the American people, but certainly not the previous Congress.

I am one Member that runs against this Congress because of the irresponsibility of this Congress. Until I see some indication that we are going to have a change in that direction, the one thing we do not need around here is more people. We have seen this Congress double, triple, quadruple in the size of the expenditures of the budget for the committees and the number of people around here. We are covered up with people, and all they are doing for the Members of Congress is giving us more work and more difficulty in getting our job done.

I apologize for getting so excited about this issue.

Mr. ALEXANDER. Mr. Speaker, will the gentleman yield?

Mr. COLLINS of Texas. I yield to the gentleman from Arkansas.

Mr. ALEXANDER. I respect and admire and appreciate the gentleman from Mississippi (Mr. LOTT) and we, indeed, are friends. I was not referring to the gentleman a minute ago when I said that he was one of these people who ran against the Congress. I am chagrined to learn that the gentleman bases his political future on running against Congress. It is a shame because I do not think it is going to happen to the gentleman. I do not think that you fellows are going to take over the Congress. You are trying real hard and you are raising $100 million. We still have a deficit from last year. You are starting your television campaign soon in order to spend some of that $100 million.

I would say to the gentleman this reminds me, when a fellow runs against the Congress, it reminds me of a dog that is chasing cars and it is barking at the wheel. If he ever catches up with that wheel and bites ahold of it, he will not know what to do with it.

Thank you very much for yielding.

Mr. LOTT I would like to ask the gentleman if he will yield further. I would like for us to have a chance to catch that car and see if we cannot do something a little different with it. There is one thing we know for sure, and that is we know that the dog that has been chasing it has not been able to catch it or to do anything with it or anything about getting this Government under control.

I am not running against future Congresses. I have run against past Congresses. I hope in this Congress and in the next Congress we can work together for the best interests of America, both Republican and Democrats. More staff I do not believe is going to contribute to that.

Let me ask the gentleman from Texas (Mr. COLLINS) if he will yield so that I may address a question to the gentleman from Arkansas about this new proposal that we have learned about, which seems to be some effort to, in fact, get the committee budgets under control. It is a little late, but at least it may happen and we will get some control.

I want to make sure it is a real, not a phony effort though, and whether any proposal would be directed at last year's budget authorizations or what was actually spent, and would it come under a modified closed rule prohibiting others from offering an amendment?

Mr. ALEXANDER. I am not on the committee and I am not in a position to speak for the committee.

Mr. LOTT. The gentleman is speaking for the Democrat leadership, is he not?

Mr. ALEXANDER. I am speaking for the leadership today, and I am speaking as an individual in response to the remarks of the gentleman from Texas (Mr. COLLINS) as well.

I do not want, for the 1 minute for the special order, to replace any general debate on any bill that might be brought before this Congress. The gentleman will have an opportunity to address the question.

Mr. LOTT. The gentleman would be for an open rule, I take it?

Mr. ALEXANDER. The gentleman will have an opportunity to address the question when it is presented next week, and he will have that matter in the Rules Committee. The gentleman is on the Rules Committee and he will have a vote on that committee. I do not. But I hope the gentleman will follow the leadership of the Democrats next week when the bill is presented in order to cut back on the cost of Congress, because that is the kind of opportunity the gentleman will have.

Mr. LOTT. Certainly I am going to support efforts to cut back on the committee funding levels, but let us make sure there are real cuts and not phony cuts that will make the American people think they may be getting some responsibility out of their institution when, in fact, they will not.

Again I thank the gentleman from Texas (Mr. COLLINS) for the opportunity to make some comments on this important issue.

Mr. COLLINS of Texas. I thank the distinguished gentleman from Mississippi, who is our Republican whip, and who speaks so well for the Republican leadership. We only have 44 percent Republicans in this House. When it comes time to pass this staff bill, they have got a 51-vote majority over on the Democrat side. When it comes time the Republicans are going to be voting on this side to cut the staff budgets.

But I wonder, just as the gentleman raised the question, will it be a substantive cut or will it just be a word discussion that we are going to have on the House floor? They said we would balance the budget this time last year. The Democrats said they were going to spend $614 billion and take in $616 billion. If this is the same kind of doubletalk you all are going to give us, we have a term for that down South.

Mr. ALEXANDER. I have been hearing a lot of hogwash today. That is why I asked for the opportunity to respond to some of it from the well of the House.

Mr. COLLINS of Texas. Let me go into some specific cases with the gentleman because for 25 years this country has suffered under a Democrat-controlled Congress, and this country deserves better.

Let me cite specifically how Congress has overburdened the country with excessive staff who have led the planning of building an excessive Government.

Take the Argiculture Committee, as agriculture is a big factor everywhere in the South. In 1973 they had 20 on the staff. Today they have 70. They have 70. There are fewer people on the farm, but you would not know it up here in Washington.

I am on the Energy and Commerce Committee. That must be the most overloaded committee staff we have. They had 56 on the staff and I served on that 1973 committee, and we were doing a good job with 56. Today they have 160 staff and they want more.

Take the Merchant Marine Committee. Why does the Merchant Marine Committee need a dozen people? In 1973 they had 22. That seems like a big committee staff to me. Today they have 88. They do not have a committee, they have an empire.

Take Ways and Means, 31 staff in 1973. Today everybody has their own private expert. They are up to 90. They have gone from 31 to 90. When Wilbur Mills of Arkansas was chairman of Ways and Means we had a total committee staff of 31 and America had lower taxes.

The Rules Committee, look at the Rules Committee. They had seven in 1973. Today they have 45 people sitting as staff in that Rules Committee.

I want to cite another one that I never could understand, the District of Columbia. A few years ago we ran the District of Columbia up here in the Congress, we had the Government function. Today the District of Columbia is an autonomous body and it is self-governed. Over in the other body they have a subcommittee of seven for the District of Columbia. Over here we have 41 on the District of Columbia staff. We have to have six times as many people to do the same function as they do in the Senate.

Let me give you another example, this House Computer Service. I can punch a button in my office and the Congressional Research Service sends me a copy of every bill. Or I can punch a button right beside it as we have a duplicate facility known as House Information Service. The only difference is we spend $10 million, because that is what it costs the House to keep that duplicate computer facility going.

What I want to know is how we can get rid of all of these surplus staff people? They are temporary staff and they are trying to create permanent tenure. They are trying to become permanent. What we need to do is to cut staff back down to size. Smaller staffs will be more efficient.

Mr. ALEXANDER. Will the gentleman yield?

Mr. COLLINS of Texas. I am glad to yield.

Mr. ALEXANDER. We will cut the budget for funding of the committees next week, and maybe the gentleman can use his influence to reduce the size of the subcommittee on which he serves.

Mr. COLLINS of Texas. I will be glad to.

Let me tell you about my commerce subcommittee. I served as the ranking Republican on oversight for 4 years. At that time there were 30 Democrats on the staff and they assigned me 1 person for the Republicans. In other words, I think the Democrats are smarter than that. I do not think that they need 30 staff people to tell them what 1 person can tell the Republican side.

□ 1300

Now I am on the Communications Subcommittee. We handle telephone, radio, and television. There is a brilliant man on your side who chairs that subcommittee. He has 18 people he names for the Democrats and he has assigned us 1 for Republicans. We are getting all the facts we need with one staff member. Frankly, it is time we got this staff down to equity. If the Democrats had two people and we had one on this investigative staff, we would have all we needed.

But remember this: The American people know that the Democrats control this House. The American people know that you have a 51-vote majority. When the Republicans moved into the Senate they cut spending, they cut, they cut. The challenge is with you, it is with the Democratic leadership and it is with the Democratic Party. Are you going to cut down in the House to what the Republicans have done in the Senate?

Mr. ALEXANDER. Mr. Speaker, will the gentleman yield further?

Mr. COLLINS of Texas. I yield to the gentleman from Arkansas.

Mr. ALEXANDER. I thank the gentleman for yielding.

Would you use your influence, if the House reduces its funding level for appropriations, to see that the President reduces the White House staff accordingly? I have not heard any proposals to reduce the White House staff. I think the White House should follow the example of the House of Representatives.

We intend to reduce the authorization on the funding level next week when the bill comes before this Congress. I hope the gentleman will follow that leadership and support it. Would you see if you could use your influence

to get the President to reduce his staff accordingly?

Mr. COLLINS of Texas. I appreciate the gentleman bringing that question up. The last time it was brought up was by a gentleman from Georgia named Mr. Jimmy Carter. During his entire campaign in 1976 he talked about reducing White House staff and his first year he just zoomed that thing up. Now I am sure that it is going to be cut because the Republicans believe in less.

But if you will remember, Mr. Carter made that a big issue, and he zoomed it up with more staff.

Mr. Reagan will do the right thing and have more efficiency in the White House.

Mr. JAMES K. COYNE. Mr. Speaker, will the gentleman yield?

Mr. COLLINS of Texas. I yield to the gentleman from Pennsylvania.

Mr. JAMES K. COYNE. I thank the gentleman for yielding.

I think there is an important differentiation to make here between what is authorized and what is actually spent. As you know, gentlemen, the entire freshman class of Republicans in this Congress has voted unanimously, all 52, to reduce the committee budgets, not over what was authorized last year, but over what was spent. The only way we can really compare apples and oranges here is to demand that this year we reduce the amount we spent by 10 percent.

Authorizations are a little bit like funny money in a "Monopoly" game. There is a game, I think around here, where people come in requesting more than they really want and then they play a little game and allow the authorization to be reduced by a measly 10 percent.

We are only interested in actually saving the taxpayers dollars, and reducing authorizations will not accomplish that goal.

Mr. COLLINS of Texas. I want to just add to what the gentleman said there. Let us get down to real figures. The Senate, for their staff, have spent $41,698,000. That is what the Senate is spending. What I want to know is, what the gentleman from the other side of the aisle is going to come in with, the actual figure. You made a good point in asking for a firm total.

Mr. ALEXANDER. Mr. Speaker, will the gentleman yield?

Mr. COLLINS of Texas. I yield to the gentleman from Arkansas.

Mr. ALEXANDER. Is the gentleman from Pennsylvania actually recommending that because a figure is authorized that it must be spent? Is the gentleman trying to get the Congress to act like some of the Federal agencies which are authorized a certain amount of money and they feel that they must spend it in order that they might be rewarded by an equal or greater amount the next year?

I have known agencies and representatives from agencies that have thrown away money, uselessly, simply because they felt that they must spend everything that was authorized. Certainly the gentleman is not saying that this Congress should follow an example like this?

Mr. JAMES K. COYNE. Mr. Speaker, will the gentleman yield?

Mr. COLLINS of Texas. I yield to the gentleman from Pennsylvania.

Mr. JAMES K. COYNE. I would certainly agree with you. I think we have had a very bad budgetary practice. As you may know, I came to this august body from the world of business. The world of business does not have this duplicitous budgetary procedure where you have authorizations, obligations, and what have you.

We are only interested in what the actual dollars spent from the taxpayers' pockets are. I think that is the message that came across very loud and clear last November 4, that if we are asking the American people to tighten their belts by $50 billion across this country, then here in Congress we must get our own house in order.

I offer for example the budget of the Rules Committee which has grown from $30,000 to $600,000 in just the past 8 years. Would the gentleman please explain to me what the justification there can be for that type of budget increase?

Mr. ALEXANDER. If the gentleman will yield further, I am not a member of the Rules Committee and I cannot answer for that committee.

Mr. COLLINS of Texas. I appreciate all the gentleman from Pennsylvania has said, because you have highlighted the basic issue here and that is what is the bottom-line figure. Committees cannot spend any more than they are authorized. You serve on the House Administration Committee and you are asking that they just simply do not authorize any more than committees need. They cannot spend it if it is not authorized. Let us cut them down to $41,698,000. That is not just investigative. That is investigative plus statutory which is $24 million, so basically anything we spent over $16 million on investigative is just that much in excess of what the Senate needed to do their staff work.

Mr. LOTT. Mr. Speaker, will the gentleman yield?

Mr. COLLINS of Texas. I yield to the gentleman from Mississippi.

Mr. LOTT. Just as an aside, the gentleman cannot answer about the Rules Committee, but he does serve on the Appropriations. That committee and the Budget Committee do not have to go through this process.

Quite frankly, I think it might not be a bad idea to know what is being spent for committee budget and staff for the Committee on the Budget.

But all the gentleman from Pennsylvania was saying is just very simply this. Let us not have any funny stuff shell game around here. He is saying if this amount was spent last year, we want to make sure that no more or a reduction is spent by those same committees this year.

Now that is not too complicated. You go through all this stuff about what was authorized last year and what has been requested this year and we are going to cut 5 percent down below what was requested by the committee. It is all a bunch of junk. We are talking about real dollars and cents, what was spent and what is going to be spent this year.

The American people are not going to be fooled by a lot of different figures when in the final analysis x dollars are spent by this Congress unnecessarily to get the job done.

Mr. COLLINS of Texas. You are absolutely right. What American business knows is the bottom line and they can tell the difference between the bottom line and resolutions. You raised a real interesting question. The finances in our Congress are handled by the Budget Committee and Appropriations Committee. What is amazing is that they have lifted themselves above the voice of Congress. They do not let the House floor have anything to do with their own staff budgets.

The Republicans control the Senate, and they have shown that Republicans want to cut spending because they actually cut their budget.

In the House where the Democrats have a 51-vote majority and the controlling vote, will the Democrats cut or be the big spenders?

America has more Government than we need. We have more regulations than we want. And America has more taxes than we can afford to pay. Let us cut these committee staffs and build the momentum for America to move forward again.

REPEALING ICE PROVISIONS OF SECTION 201 OF CLEAN WATER ACT

The SPEAKER pro tempore (Mr. ALEXANDER). Under a previous order of the House, the gentleman from Missouri (Mr. YOUNG) is recognized for 10 minutes.

Mr. YOUNG of Missouri. Mr. Speaker, on behalf of myself, Mr. SOLOMON, Mr. ROE, and Mr. LUKEN I am today introducing H.R. 2360. In 1972 the Congress passed the Nation's landmark water pollution control law, the Clean Water Act, Public Law 92-500. The Clean Water Act set ambitious goals for cleaning up our Nation's waterways by 1985. The Congress recognized that these goals would not be achievable without substantial financial assistance to municipalities and

treatment authorities to enable them to construct the new and upgraded treatment facilities needed to meet the act's stringent treatment requirements. While the construction of new treatment facilities under the section 201 grants program has not proceeded as fast as we all wish, there have been remarkable improvements in our rivers and lakes since 1972. These improvements would not have occurred without Federal assistance under the 201 program.

In 1979, information developed by EPA in response to a congressional directive in the 1977 amendments to the Clean Water Act led the Congress to reexamine one provision of section 201. This provision contained the requirement for so-called industrial cost recovery. ICR, as it has become known, was originally devised to remedy any inequity resulting from the ability of some industries to utilize grant funded treatment plants while other industries were required to build their own self-funded plants. ICR required industries using publicly owned treatment works to repay their share of Federal grant funds. An EPA contractor, Coopers & Lybrand, determined that in fact those industries using publicly owned plants paid substantially more for treatment in many cases than their counterparts which provided their own treatment. These latter plants could be built with tax-exempt bonds and were allowed a rapid tax writeoff. They also could be built without some of the costly equipment needed to treat the widely varying content of wastes from metropolitan areas.

The Congress recognized that ICR frustrated the concept of joint industrial-municipal treatment. Such joint treatment has long been considered the most sound from both an environmental and cost-effective point of view. Action was taken last year in the passage of Public Law 96-483, which eliminated the ICR provisions from section 201. One provision of the Senate bill, S. 2725, however, mandated a new and even more counterproductive concept, now known as industrial cost exclusion or ICE. Hearings were not held on the merits of this concept and because of the rush to pass an ICR repeal bill S. 2725 was passed with the ICE provision. The House of Representatives did, however, insist on a study of ICE impacts by EPA and I am happy to report that EPA has done an excellent job of pointing up some of the serious problems caused by ICE.

Mr. Speaker, the negative impacts of ICE are well understood by the Metropolitan St. Louis Sewer District (MSD) which provides most of the wastewater treatment in my district. By way of background, MSD was created in 1954 to provide an areawide, integrated sewer system. Prior to the creation of the district, communities adjacent to the city of St. Louis were required to provide their own wastewater collection and disposal facilities which collected and transported the wastewater from small geographic areas to nearby streams with little or no treatment. Population growth of the numerous communities in St. Louis County resulted in the discharge of large quantities of raw and partially treated wastewater into streams and rivers flowing through and around the city of St. Louis to the Mississippi River. None of the municipalities or private franchise sewer companies serving the area at that time had the jurisdictional authority or financial resources required to eliminate the increasing health hazards. When it began operation in 1956, the district took over all existing wastewater and storm drainage facilities within its jurisdiction. Since that time, extensive systems of interceptor sewers and treatment plants have been built or acquired. These systems provide for the collection and treatment of virtually all waste-water flows originating in the district. I have long supported the efforts of MSD to clean up the rivers and streams around St. Louis. As a member of the Missouri Legislature I sponsored a bill which when passed established the State's pollution control bond program which provides further matching funds to agencies such as MSD to carry out the ambitious programs needed to solve urban pollution problems.

Mr. Speaker, the system created by MSD has been built around the concept of joint municipal-industrial waste treatment. MSD long ago recognized the environmental and economic benefits of joint treatment. By providing joint treatment MSD provides effective centralized service and only a handful of effluents must be monitored by enforcement authorities. If the hundreds of industries served by MSD provided their own treatment, enforcement efforts would increase greatly in magnitude. Sludge resulting from MSD's treatment plants is efficiently incinerated with no harm to the environment. The same could not be said if the many industries served by MSD, several of whom generate toxic effluents, were encouraged to treat their own wastes and dispose of their own residues. Joint treatment also allows so-called economics of scale which means that one large treatment plant costs less to build and operate than numerous smaller plants. Cost savings are passed on to all users of this system. I fear that if ICE encourages industries in MSD's service area to self-treat, MSD would lose large sums of revenues and the cost of sewer service to MSD's remaining residential and commercial customers will skyrocket. Further programs toward pollution reduction in the St. Louis area could be seriously threatened.

Mr. Speaker, for these reasons, I have introduced H.R. 2360, to repeal the ICE provisions of section 201. This bill if enacted into law would have several beneficial effects. Joint industrial-municipal treatment, recognized as sound in the 1972 Clean Water Act, would again be encouraged, with resultant benefits from energy and resource conservation and safe, efficient sludge disposal. The arbitrary and senseless differentiation between industries discharging over 50,000 gallons per day and subject to ICE, and those sewering less than this amount and therefore not subject to ICE, seems only to treat many older plants in water-intensive industries as second-class citizens. In urban areas such as St. Louis these older plants provide needed jobs, tax revenue, and sewer revenues. If these firms are forced to close or relocate as a result of ICE, the impacts on many older urban areas would be devastating.

The most important effect of H.R. 2360, however, would be to maintain the forward progress of the Nation's clean water effort. The EPA report on ICE reveals that serious delays will result from ICE implementation. Municipal officials suggest that delays of from 1 to 3 years will result as industries evaluate the economics of their continued participation in publicly owned treatment projects. Added time will be lost as industries and municipalities grope with the problem of finding the needed moneys to offset the reduced Federal grants. Because of the inflation associated with such delays, the savings to the grants program through ICE will be wiped out if the average delay is only 2.2 years. If delays run beyond 2.2 years inflation will consume more program funds than ICE will save. Of equal concern, pollutants which could have been removed from our Nation's waters from 1 to 3 years earlier will continue to enter our rivers and lakes.

I urge my colleagues to join with me in removing this most unnecessary obstacle to the cleanup of our Nation's waters by cosponsoring H.R. 2360.

SUBCOMMITTEE ON CRIME TO HOLD HEARINGS ON THE REAUTHORIZATION OF THE DRUG ENFORCEMENT ADMINISTRATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. HUGHES) is recognized for 5 minutes.

● Mr. HUGHES. Mr. Speaker, on March 12, 1981, at 9:30 a.m. in room 2237 Rayburn House Office Building, the Subcommittee on Crime of the House Judiciary Committee will begin

hearings on the reauthorization of the Drug Enforcement Administration.

Appearing before the subcommittee to give testimony will be Peter Bensinger, Administrator of DEA, accompanied by his Deputy Administrator and Assistant Administrators for Enforcement, Intelligence, and Compliance and Regulation.

All interested persons or organizations wishing to submit testimony for the record of the hearings or desiring further information should address their communications to the Subcommittee on Crime, Committee on the Judiciary, 207E Cannon House Office Building, Washington, D.C. 20515. Telephone: 202-225-1695.●

REPORT ON SYSTEMATIC DOWNWARD BIAS IN LIVE CATTLE FUTURE PRICES

(Mr. SMITH of Iowa asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. SMITH of Iowa. Mr. Speaker, some staff members of the Small Business Committee have been making a detailed study of the operation of the live cattle futures contract. This report follows another study and includes some astounding findings. It is of widespread interest and rather than wait to have it printed for distribution, I am inserting it in the CONGRESSIONAL RECORD where those who are interested all over the United States may more easily obtain a copy. It is as follows:

During the past two years the Small Business Committee staff has conducted an extensive investigation of the live cattle futures contracts traded on the Chicago Mercantile Exchange. During the course of this investigation, an unusual discovery has been made.

A trading technique has been uncovered which predicted certain live cattle futures price movements with 100 percent accuracy during the three year period from January 1978 to the present. The technique is not based on the usual charting techniques or econometric models of demand-supply variables. It predicts a phenomenon that appears to be unique to the live cattle futures. This report explains the trading technique, documents its predictive accuracy, documents the causes of this phenomenon, analyzes its impact on cash cattle prices, and discusses the interconnected trading activities of a group of large, highly profitable cattle futures traders whose trading activities appear to contribute to the phenomenon.

THE TRADING TECHNIQUE

Before detailing the trading technique, it should be understood that economic theory says that if a market is accurately reflecting true supply-demand conditions, then it would be impossible to discover any technique which predicts price movements with 100 percent accuracy.[1] Thus, the discovery of such a technique is strong evidence that the live cattle futures market is not operating as an efficient price discovery mechanism. Evidence indicates that this market is operating with a consistent, systematic, perfectly predictable downward price bias.

Using the technique over the last 36 months, a trader could have entered and closed 29 separate short positions and profited everytime. If a trader were selling only one contract each time, total profits (not including commission charges) would have been at least $10,500. If a trader were selling at the speculative limits of 450 contracts, total profits (not including commission charges) would have been at least $4,700,000.

The technique is a simple turning point rule, based on publicly available information, which predicts with 100 percent accuracy times when live cattle futures prices will drop. It does not predict every drop in cattle prices, but those drops it does predict have occurred 100 percent of the time. The average time between the signal of a drop and its occurrence was 2.4 days. Nine of the 29 drops occurred the same day as the signal, 11 drops occurred the day after the signal, and 9 drops occurred 3 to 7 days after the signal. The average drop in price per occurrence was $0.90 per hundred weight or $360 per futures contract. This average does not include possible profits from positions established at the beginning of major price drops. During the period studied—January 1978 through the present—there were eight major price drops in excess of $5 per hundred weight. The technique accurately predicted 6 of the 8 major drops. No signals were given before the other 2.

The technique is very simple: When live cattle futures prices reach a price which covers Corn Belt cattle feeders' costs[2] plus an interior Iowa-Southern Minnesota basis adjustment, they will drop—everytime. The size of the drops which occurred during the three year period ranged from $0.19 per hundred weight to $2.71 per hundred weight. In six of the twenty-nine cases, prices continued to drop in excess of $5 per hundred weight.

Table 1 outlines the details of the technique. Column (1) lists calendar months when feeders are purchased and placed in feedlots. Column (2) lists the appropriate (six-to-seven month distant) live cattle futures contract to monitor for a trading signal. Column (3) lists historic monthly average selling prices (plus basis adjustment) required for Corn Belt cattle feeders to cover all feeding costs for a six month feeding period. The first time[3] the daily high price of the futures contract listed in Column (2) exceeds the signal price in Column (3) the futures price will drop, on average, within 2.4 days, including the day of the signal.

Since the selling price required to cover all costs presented in Column (3) is obtained from quarterly USDA Livestock and Meat Situation reports, in order to keep the technique current between quarterly publications, it is necessary to update these figures on a daily basis by removing the cost of feeder steers and corn from the USDA data and replacing these costs with current (daily) feeder steer and corn prices.

TABLE 1.—CATTLE FUTURES TRADING TECHNIQUE

[Dollars in hundred weight]

(1)	(2)	(3)[1]		
For animals placed on feed during the calendar month of	Watch the price of the futures contract listed below	Full cost +	Basis =	Signal price
1978				
January	June 1978	$46.42	$0.36	$46.78
February	August 1978	48.70	.36	49.06
March	August 1978	52.04	.56	52.60
April	October 1978	54.71	−.41	54.30
May	October 1978	57.91	.55	58.46
June	December 1978	56.66	.97	57.63
July	December 1978	57.02	1.23	58.25
August	February 1979	57.81	.85	58.66
September	February 1979	58.26	.68	58.94
October	April 1979	59.04	1.22	60.26
November	April 1979	59.80	.98	60.78
December	June 1979	62.88	.77	63.65
1979				
January	June 1979	$66.55	$0.36	$66.91
February	August 1979	70.12	.36	70.48
March	August 1979	74.65	.56	75.21
April	October 1979	76.65	−.41	76.24
May	October 1979	75.93	.55	76.48
June	December 1979	73.06	.97	74.03
July	December 1979	74.42	1.23	75.65
August	February 1980	70.90	.85	71.75
September	February 1980	74.83	.68	75.51
October	April 1980	72.22	1.22	73.44
November	April 1980	72.33	.98	73.31
December	June 1980	72.78	.77	73.55
1980				
January	June 1980	73.39	.36	73.75
February	August 1980	74.57	.36	74.93
March	August 1980	70.73	.56	71.29
April	October 1980	66.47	−.41	66.06
May	October 1980	66.54	.55	67.09
June	December 1980	69.07	.97	70.04
July	December 1980	70.38	1.23	71.61
August	February 1981	73.68	.85	74.53
September	February 1981	75.15	.68	75.83
October	April 1981	74.32	1.22	75.54
November	April 1981	75.08	.98	76.06
December	June 1981	75.49	.77	76.26
1981				
January	June 1981	73.84	.36	74.20

[1]The first time the daily high futures price for the contract month in column 2 exceeds the USDA reported cost of Corn Belt cattle feeding plus the basis adjustment (signal price) listed below, futures prices will drop. Monthly average Corn Belt cattle selling prices required to cover all feeding costs for feeder animals purchased during the calendar months in column 1 are available in Livestock and Meat Situation, ESS, U.S. Department of Agriculture, on a quarterly basis. Between publications of this bulletin, feeding costs are updated by removing the cost of 600 lb. feeder steers and the cost of 45 bushels of corn and substituting the current cost of feeder steers and corn. The basis adjustments in column 3 are the 1968–1978 average for choice steers for interior Iowa-Southern Minnesota contained in: J. Marvin Skadberg, "Basis Data for Cattle: Omaha, Sioux City, Peoria, St. Louis, Interior Iowa-Southern Minnesota," Staff Paper Series No. 94, Department of Economics, Iowa State University, 1979 and updates.

If a signal does not occur during a current calendar month, average selling price required to cover costs of production plus basis adjustments for the calendar month are calculated and monitored either until a signal occurs or until the six-month feeding period expires. Thus, several different futures contracts may be monitored for signals at any point in time.

In Appendix A, figures are presented which document the technique for the period January 3, 1978 through October 15, 1980.[4]

[1]See Jitendar S. Mann and Richard G. Heifner, "The Distribution of Shortrun Commodity Price Movements," ERS, USDA, Technical Bulletin Number 1536, March 1976.

[2]Selling prices required to cover all Corn Belt cattle feeding costs are reported by USDA (see footnote, Table 1) as what expenses would be if all items were paid for during a six month feeding period. These costs are representative of the more than 68,000 smaller farmer-feedlots in the Corn Belt. However, more than half of all fed cattle are now fed in 422 large feedlots (30,000 head or more per year) which have costs lower than the reported Corn Belt costs.

[3]Sometimes, after the signal price is exceeded for the first time and the predicted drop occurs, prices will recover and exceed the signal price again. While additional drops often occur after the signal price is exceeded on subsequent occasions, such additional drops cannot be predicted with 100 percent accuracy.

[4]One signal has occurred since October 15, 1980, (on December 1, 1980) which is not presented in the

CAUSES OF THE OBSERVED PHENOMENON

Why have certain cattle futures price drops become perfectly predictable?[5] The answer is multifaceted. First, the amount of short hedging in the live cattle futures market is almost four times as large as the amount of long hedging.[6] Long hedging as a percent of open interest averages about 8 percent while short hedging averages over 30 percent. Thus, unlike the grain futures markets, in the live cattle futures there is no significant group of commercial long hedgers who act as a buying force without significant regard to price level. There is very little long hedging because meat is not sold on fixed price forward contracts. Thus, while the fundamental supply situation finds expression in futures prices via the actions of commercial short hedgers, the fundamental demand situation—lacking expression via significant amounts of commercial long hedging—may not be accurately reflected in live cattle futures prices. Such a situation is likely to result in systematic downward bias in prices.

Since 29 out of 29 predicted price drops occurred over a three year period, it is safe to conclude that selling pressure overcame buying pressure regardless of speculative buying on the long side of the market. If the market were composed of more long hedgers, their buying could tend to offset some of the selling coming during periods when prices reach Corn Belt feeding costs.

Second, the short hedging which does occur is closely tied to the cost of feeding cattle.[7] Per unit production costs vary for different cattle feeders with large commercial feedlots enjoying lower per unit costs than farmer/feeders. Commercial feedlots, including grain and meat packing companies which are feeding cattle, comprise the largest single block of short hedgers in live cattle futures.[8] To the extent that large commercial feedlots have similar per unit production costs, and to the extent this group of large traders places short hedges once futures prices exceed production costs, the decision to sell futures will occur at basically the same point in time for most large commercial feeders. Thus, the observed drops in cattle futures prices, which predictably occur once prices reach the Corn Belt (farmers') cost of feeding (plus basis adjustment), are resulting, in part, from a build up of selling pressure coming from commercial cattle feeders.

Third, as groups of large short hedgers (grain companies, meat packing companies and commercial feedlots) sell futures as short hedges against cattle on feed when prices go above their production costs, the officers of some of these companies also sell large blocks of futures, adding to the downward pressure on prices. Also, some brokers (futures and commission merchants) who handle the accounts for short hedgers and the accounts of officers of short hedging companies and some floor brokers also sell futures for their own speculative accounts and for certain of their speculative customers' accounts, adding more downward pressure on prices.[9] Thus, a snowball effect is generated which manifests itself in the observed predictability of certain drops in cattle futures prices.

IMPACT ON CASH PRICES

Changes in the cash price for 900-1,000 pound choice steers at Sioux City immediately following each of the 29 signals were analyzed to determine what, if any, impact the futures price drops had on cash prices. If cash prices drop with the predicted drops in futures prices, support would be lent to the hypothesis that the predicted futures prices are reflecting fundamental changes in supply-demand conditions. On the other hand, if cash prices do not drop with the predicted drops in futures prices, support would be lent to the hypothesis that the predicted futures price drops are not reflecting fundamental changes in supply-demand conditions and that the futures prices are artificial.[10]

The 29 futures price signals occurred on 27 separate calendar days. Following the futures price signals, there were 8 days when cash prices did not change, 7 days when cash prices dropped, and 12 days when cash prices rose. On average, cash prices rose $0.01 per hundred pounds on the day after a signal, rose $0.12 per hundred pounds two days after a signal, and rose $0.51 per hundred pounds five days after a signal.

These results lend support to the hypothesis that the predicted futures price drops are independent of cash prices and not reflective of fundamental changes in supply-demand conditions. Such artificial futures price moves increase basis instability and thus detract from the usefulness of live cattle futures as a hedging mechanism for farmers.

CORRELATED TRADING ACTIVITY OF LARGE TRADERS

A September 1980 report by the staff of the Committee on Small Business presented aggregate results of an analysis of the trading activity of all large (reporting) traders in live and feeder cattle futures during the period January 1978 through April 1979.[11] Additional analysis of the individual daily trading activity of the more than 1,000 large (reporting) traders is presented below.

The net daily trades of each trader were correlated[12] with the net daily trades of all other traders over the period. These correlations identified the degree to which any pair of two traders were making similar trades over the time period. Thus, if two traders were trading in an identical manner, they would have a correlation coefficient of +1.0. If two traders were trading exactly opposite each other, they would have a correlation coefficient of −1.0.

In addition, a mean (average) and standard deviation for each trader's net daily trading activity was calculated. Each trader's net daily trades were then filtered using the mean plus one standard deviation to identify only those days when traders were engaging in large transactions (in excess of one standard deviation) relative to their usual (mean) behavior. Then, for each trader, a data set of large trades was created and correlated with similar data sets for all other large traders. These (filtered) correlations identified pairs of large traders who may not trade together every day, but who do trade together when unusually large positions are taken or liquidated.

Correlations between pairs of traders are of interest because if two or more traders are trading in a similar manner, the aggregate market impact of their trades increases and can affect prices. Such common trading activity over a short time period may reflect spurious correlation. However, common trading activity identified by high correlation coefficients calculated from net daily trading data over a longer time period (16 months) are much less likely to reflect spurious correlation.

Thus, high correlation coefficients identify pairs of traders who may be acting in concert with regard to trading decisions. Traders who are making common trading decisions after direct contact may be in violation of Chicago Mercantile Exchange rules if their combined positions exceed Exchange imposed speculative limits. The likelihood that two or more traders with high correlation coefficients are acting in concert increases when such traders share common business affiliations.

In addition to the correlation analysis, information from Commodity Futures Trading Commission (CFTC) Form 40's,[13] Secu-

figures. It is not possible to reproduce Appendix A and B graphs in the Record.

[5] In documenting the trading technique, the time period from 1972 through the present was initially analyzed. During the period 1972 through 1977 (see Appendix B for figures) the technique worked with 70 percent accuracy. It was not until after the prolonged period of negative feeding margins which occurred during 1976 and 1977, that the technique began predicting with 100 percent accuracy.

[6] See monthly issues of *Commitments of Traders*, Commodity Futures Trading Commission, Chicago, Illinois.

[7] This is not the case in grain futures where most short hedging is against inventories and not related to farmers' production cost and where long hedging is against fixed price forward sales. An analysis of corn futures prices compared to farmers' production costs revealed no systematic relationship. Corn prices were substantially above production costs (with land valued at acquisition cost and at current costs) for extended periods of time during the period 1976 through 1980.

[8] "An Analysis of the Futures Trading Activity in Live and Feeder Cattle Contracts of Large (Reporting) Traders on the Chicago Mercantile Exchange," Staff Report of the Committee on Small Business, House of Representatives, 96th Congress, 2nd Session, September 1980, p. 20.

[9] These trading activities were confirmed by data on the daily positions of large traders in live cattle futures. This helps explain why the highest average profits per account were obtained by officers of grain companies, meat packing companies, commercial feedlots and futures commission merchants. See Ibid.

[10] Artificial prices are prices which do not reflect the true supply-demand conditions for a commodity.

[11] Op. cit., "An Analysis of the Futures Trading Activity in Live and Feeder Cattle Contracts . . ." This report estimated total profits by large traders in live and feeder cattle futures to be $156,000,000 during a 16 month period and found the highest average profits among officers of meat packing, grain, commercial feedlot and brokerage companies. Grain, meat packing and commercial feedlot companies were found to be following generally similar trading patterns in live cattle futures.

[12] Approximately 1,000,000 correlation coefficients were calculated. A correlation coefficient indicates the degree of association between two variables. The value of a correlation coefficient can range between −1.0 and +1.0. The sign (+ or −) of the correlation coefficient indicates the direction of change in one variable as the size of the other variable changes. Thus, a positive (+) sign means the two variables move together and a negative (−) sign means the two variables move in opposite directions. The value of the correlation coefficient indicates the extent of the relationship. For example: +1 means a perfect correlation with both variables moving in the same direction, −1 means a perfect correlation with both variables moving in opposite directions and 0 means absolutely no relationship between the variables.

[13] The CFTC Form 40 is required of all large traders and provides background information such as: principal business, persons controlling trading, others having a financial interest in the account other businesses in which principal has a financial interest, etc.. Currently, traders holding 100 contracts or more are required to file Form 40's with the CFTC. During the period January 1978 through April 1979, those holding 50 contracts or more were required to file Form 40's.

rity and Exchange Commission 10k's, and publicly available articles of incorporation was used to establish business affiliations between large cattle futures traders. Combining this business affiliation information with the correlation analysis resulted in a group of 32 large traders who had direct business affiliations and/or correlation coefficients of 0.75 or greater.

Table 2 (omitted herein) schematically presents the interlocking trading relationships between the 32 traders in the group. Each arrow connecting any two traders indicates that there exists a correlation coefficient of .75 or larger between the trading activities of the two traders on days when both traders were trading during the period January 1978 through April 1979.

Each trader is identified by: (1) major business activity (e.g. officer of FCM, farmer, speculator); (2) a 3 to 5 digit code number (e.g. 120, 97701); and (3) a one digit number (e.g. 5). The major business activity and one digit number identifiers correspond to the groupings of large traders presented in "An Analysis of the Futures Trading Activity in Live and Feeder Cattle Contracts of Large (Reporting) Traders on the Chicago Mercantile Exchange" (see footnote 7). For example, in the upper left-hand corner of Table 2, the first trader (officer, 120, 5) is an officer of the futures commission merchant (brokerage firm) identified as FCM, A. This officer's code number is 120 and the account was in group 5—officers of FCM's.

In Table 2, the 32 traders are grouped according to documented business relationship as follows:

1. FCM,A = a futures commission merchant (brokerage firm): 3 officers, one affiliated officer, 3 affiliated speculators, one affiliated commercial feedlot, and one affiliated grain company have correlated trading activities among themselves and with others in the groups of 32 traders.

2. Meat Company: 3 officers and one affiliated speculator have correlated trading activities among themselves and/or with others in the group of 32 traders.

3. FCM,B = a futures commission merchant (brokerage firm): one officer and one affiliated officer have correlated trading activities with others in the group of 32 traders.

4. Affiliated Speculative Group: 3 speculators with a common affiliation are highly correlated with each other and with others in the group of 32 traders.

5. Commercial Feedlot A: The feedlot account and the accounts of 2 affiliated farmers are correlated with each other and with others in the group of 32 traders.

6. Commercial Feedlot B: The accounts of an affiliated speculator and an affiliated foreign trader are correlated with one of the farmers affiliated with Commercial Feedlot A.

7. In addition there are: 2 farmers, 6 speculators, one officer of an FCM and one commodity pool who all have correlated trading activities with others in the group of 32 traders.

Over the period January 1978 through April 1979 these 32 traders as a group realized a total net profit (not including commissions, brokerage fees, clearinghouse fees or other trading costs) in live and feeder cattle futures of approximately $110,000,000. Over the period for which data were available, all large traders (1,027 in number) had total net profits in live and feeder cattle futures of approximately $156,000,000.[14] Thus, 3 percent (32/1,027) of the large traders with correlated trading activity and/or common business affiliations accounted for 70 percent (110/156) of the total net profits of large traders.

With regard to the trading technique discussed earlier in this report, 15 of the 29 signals occurred during the time period for which data were available on large traders' net daily trading activity. As a group, the 32 traders were net sellers of live cattle futures on or about 14 out of the 15 signal dates. Thus, it is safe to conclude that as a group, the 32 traders were trading parallel with the phenomenon discussed in this report.

CONCLUSIONS AND RECOMMENDATIONS

The discovery of a systematic trading technique which predicts certain live cattle futures price drops with 100 percent accuracy means there is a large amount of short selling (relative to buying) entering the marketplace on a reoccurring, predictable basis. Available evidence indicates such short selling is generally coming from commerical feedlots, grain companies which own or have an interest in commercial feedlots, meat companies which own or have an interest in commercial feedlots, officers of these companies, officers of futures commission merchants and certain large farmers and speculators. The technique's predictive success implies that some cattle futures traders are aware of and taking advantage of the phenomenon discussed in this report. Since such knowledge can be used to profit from futures transactions to the obvious disadvantage of traders not in possession of this knowledge, it is recommended that the contents of this report be made public.

Based on the economic theory of efficient markets, the existence of the phenonenon described in this report provides strong evidence that the live cattle futures market is not operating as an efficient price discovery mechanism and that this market is operating with a consistent, systematic, perfectly predictable downward bias. Such a conclusion means the live cattle futures market is not fulfilling its economic purpose of providing a hedging vehicle (equally) to all traders.

Evidence indicates that the predictable drops in live cattle futures prices are not reflective of fundamental supply-demand conditions and are, in fact, artificial price moves.

As a hedging mechanism, the live cattle futures market is providing hedging opportunities only to those cattle feeders with the lowest per unit costs[15] and not to cattle feeders in general.

A group of 32 large traders with correlated daily net trading activity and/or common business affiliations is a major force in the live (and feeder) cattle futures market and this group displays a net daily trading pattern indicative of knowledge of the observed bias in prices.

Making the results of this report public should result in live cattle futures traders arbitraging the observed phenomenon out of existence. To the extent this occurs, the live cattle futures market would not only not offer hedging opportunities to Corn Belt cattle feeders,[16] but also not offer hedging opportunities to large (least cost) commercial cattle feeders. In such an environment, the live cattle futures market would serve no economic purpose.●

[14] Op. cit., "An Analysis of the Futures Trading Activity in Live and Feeder Cattle Contracts. . . ," p. 16.

[15] Generally, these are lots feeding in excess of 30,000 head per year.

[16] See "An Assessment of the Performance of the Chicago Mercantile Exchange Live Cattle Contract as a Hedging Vehicle for Cattle Feeders," Staff Study, Committee on Small Business, U.S. House of Representatives, 96th Congress, 2nd Session.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. RUDD (at the request of Mr. MICHEL), for Wednesday, March 4, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. ADDABBO, for 60 minutes, Wednesday, March 11.

(The following Members (at the request of Mr. COLLINS of Texas), to revise and extend their remarks and include extraneous material:)

Mr. JEFFORDS, for 10 minutes, today.

Mr. CORCORAN, for 5 minutes, today.

Mr. COLLINS of Texas, for 30 minutes, today.

Mr. GILMAN, for 1 hour, on March 12.

(The following Members (at the request of Mr. YOUNG of Missouri), to revise and extend their remarks and include extraneous material:)

Mr. YOUNG of Missouri, for 10 minutes, today.

Mr. MOTTL, for 5 minutes, today.

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. HUGHES, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. SMITH of Iowa and to include extraneous matter notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $1,560.

(The following Members (at the request of Mr. COLLINS of Texas), and to include extraneous matter:)

Mr. ROUSSELOT.

Mr. DANNEMEYER.

Mr. DENARDIS.

Mr. NELLIGAN.

Mr. MCKINNEY.

Mr. DERWINSKI in three instances.

Mr. MICHEL.

Mr. COLLINS of Texas in three instances.

Mr. BETHUNE.

Mr. PRITCHARD.

Mr. MCCLORY.

Mr. PETRI.

Mr. LEE.

(The following Members (at the request of Mr. YOUNG of Missouri), and to include extraneous matter:)

Mr. RODINO.
Mr. ASPIN.
Mr. OBERSTAR in four instances.
Mr. BENJAMIN.
Mr. STARK.
Mr. DORGAN of North Dakota.
Mr. NATCHER.
Mr. MURTHA.
Mr. BRINKLEY.
Mr. BEDELL in three instances.
Mr. OTTINGER in three instances.
Mr. ZEFERETTI.
Mr. LELAND.
Mr. DYSON.
Mr. ANDERSON in 10 instances.
Mr. GONZALEZ in 10 instances.
Mr. BROWN of California in 10 instances.
Mr. ANNUNZIO in six instances.
Mr. JONES of Tennessee in 10 instances.
Mr. BONER of Tennessee in five instances.
Mr. NOWAK.
Mr. D'AMOURS.
Mr. DAN DANIEL.
Mr. FAUNTROY.
Mr. MCDONALD in three instances.
Mr. SANTINI.
Mr. MINETA.
Mr. FORD of Michigan in two instances.
Mr. HALL of Ohio.
Mr. CLAY.
Mr. OBEY in five instances.
Mr. BLANCHARD.

ADJOURNMENT

Mr. YOUNG of Missouri. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 14 minutes p.m.), the House adjourned until tomorrow, Tuesday, March 10, 1981, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

708. A letter from the Principal Deputy Assistant Secretary of Defense (Comptroller), transmitting a report on the value of property, supplies and commodities provided by the Berlin Magistrate, and under the German Offset Agreement during the quarter ended December 31, 1980, pursuant to section 720 of Public Law 96-527; to the Committee on Appropriations.

709. A letter from the Secretary of the Army, transmitting notice of the proposed disposal of certain chemical munitions at Pine Bluff Arsenal, Ark., pursuant to section 409(b)(4) of Public Law 91-121; to the Committee on Armed Services.

710. A letter from the Secretary of the Army, transmitting notice of the recent discovery and disposal of suspected lethal chemical nerve agent munitions at Dugway Proving Ground, Utah, pursuant to section 409(b)(4) of Public Law 91-121 and section 506(d) of Public Law 91-441; to the Committee on Armed Services.

711. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of various construction projects proposed to be undertaken by the Air National Guard, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

712. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting a report covering fiscal year 1980 on design and construction supervision, inspection, and overhead fees charged by the construction agents for the military construction projects of the military department and the Defense agencies, pursuant to section 604 of Public Law 96-418; to the Committee on Armed Services.

713. A letter from the Acting Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Air Force's proposed sale of certain defense equipment to Turkey (transmittal No. 81-27), pursuant to section 813 of Public Law 94-106; to the Committee on Armed Services.

714. A letter from the Secretary of Housing and Urban Development, transmitting a report on the administration of the Interstate Land Sales Full Disclosure Act, pursuant to section 1421 of the act, as amended; to the Committee on Banking, Finance and Urban Affairs.

715. A letter from the Chairman, Council of the District of Columbia, transmitting D.C. Act 4-4, "To approve a cost of living increase for faculty and administrative schedule employees at the University of the District of Columbia; to increase the hourly rate of work study students to $3.95; and to provide a salary and pay adjustment for employees in the Educational Service of the District of Columbia Board of Education," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

716. A letter from the District of Columbia Auditor, transmitting various reports issued by his office, pursuant to section 455 of Public Law 93-198; to the Committee on the District of Columbia.

717. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

718. A letter from the Director, Defense Security Assistance Agency, transmitting a report that the Defense Department has provided certain defense articles, services and training to El Salvadore under the authority of Presidential Determination No. 81-2, pursuant to section 506(b)(2) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

719. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notice of the Air Force's intention to offer to sell certain defense equipment to Turkey (Transmittal No. 81-27), pursuant to section 36(b) of the Arms Export Control Act, as amended, together with certification that the sale is consistent with the principles contained in section 620C(b) of the Foreign Assistance Act, pursuant to section 620C(d) of the act; to the Committee on Foreign Affairs.

720. A letter from the Assistant Administrator for Legislative Affairs, Agency for International Development, transmitting a report on national eligibility standards imposed by the United States and other member countries of the Development Assistance Committee of the Organization for Economic Cooperation and Development, requested in Senate Report No. 96-732; to the Committee on Foreign Affairs.

721. A letter from the Acting Assistant Public Affairs Director for News, U.S. Department of Agriculture, transmitting a report on the Department's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

722. A letter from the Secretary of Health and Human Services, transmitting a report on the Department's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

723. A letter from the Assistant Administrator for Legislative Affairs, Agency for International Development, transmitting a report on the Agency's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

724. A letter from the Deputy Director for Administration, Central Intelligence Agency, transmitting a report on the Agency's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

725. A letter from the Chairman, Commodity Futures Trading Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

726. A letter from the Acting Chairman, Equal Employment Opportunity Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

727. A letter from the Governor, Farm Credit Administration, transmitting a report on the Administration's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

728. A letter from the Chairman, Federal Maritime Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

729. A letter from the Acting Director, Federal Mediation and Conciliation Service, transmitting a report on the Service's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

730. A letter from the General Counsel, Office of the Federal Inspector, Alaska Natural Gas Transportation System, transmitting a report on the Office's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

731. A letter from the Acting Director, Office of Government and Public Programs, National Science Foundation, transmitting a report on the Foundation's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C.

552(d); to the Committee on Government Operations.

732. A letter from the Chairman, Federal Maritime Commission, transmitting a report on the Commission's activities under the Government in the Sunshine Act during calendar year 1980, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

733. A letter from the Assistant Vice President for Personnel, Farm Credit Banks of St. Louis, transmitting addenda to the banks' pension plan report for the year ended April 30, 1980, previously submitted pursuant to section 121(a)(2) of the Budget and Accounting Procedures Act of 1950, as amended; to the Committee on Government Operations.

734. A letter from the Director, Administrative Office of the U.S. Courts, transmitting a draft of proposed legislation to authorize additional judicial positions for the courts of appeals and district courts of the United States; to the Committee on the Judiciary.

735. A letter from the Secretary of the Interior, transmitting a report on the Teton Dam claims program as of December 31, 1980, pursuant to section 8 of Public Law 94-400; to the Committee on the Judiciary.

736. A letter from the Comptroller General of the United States, transmitting a report on physical security at U.S. military bases (PLRD-81-1, March 6, 1981); jointly, to the Committees on Government Operations, and Armed Services.

737. A letter from the Comptroller General of the United States, transmitting a report on the major issues concerning the future of the Department of Defense's Assault Breaker program (MASAD-81-9, February 28, 1981); jointly to the Committees on Government Operations, and Armed Services.

738. A letter from the Comptroller General of the United States, transmitting a report of the Federal highway program (CED-81-42, March 5, 1981); jointly, to the Committees on Government Operations, Public Works and Transportation, and Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[*Submitted Friday, March 6, 1981*]

Mr. DINGELL: Committee on Energy and Commerce. H.R. 2166. A bill to amend the Energy Policy and Conservation Act to extend certain authorities relating to the international energy program with amendment (Rept. No. 97-9). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BREAUX:

H.R. 2357. A bill to repeal title III, Marine Sanctuaries, of the Marine Protection, Research, and Sanctuaries Act of 1972; to the Committee on Merchant Marine and Fisheries.

By Mr. CHAPPELL:

H.R. 2358. A bill to establish the Mineral Conservation Research and Development Commission within the National Science Foundation, and to provide for the inventory of major nonfuel raw materials and the development of substitute materials; to the Committee on Science and Technology.

H.R. 2359. A bill to amend title 38 of the United States Code to permit veterans to determine how certain drugs and medicines will be supplied to them; to the Committee on Veterans' Affairs.

By Mr. YOUNG of Missouri (for himself, Mr. SOLOMON, Mr. ROE, and Mr. LUKEN):

H.R. 2360. A bill to amend the Federal Water Pollution Control Act to repeal the limitation on the use of grants for publicly owned treatment works for treatment, storage, or conveyance of industrial wastes; to the Committee on Public Works and Transportation.

By Mr. CORCORAN:

H.R. 2361. A bill to amend the Internal Revenue Code of 1954 to provide individuals a refundable credit against income tax for maintaining a household for certain individuals who are related to the taxpayer and have attained the age of 65; to the Committee on Ways and Means.

By Mr. PHILIP M. CRANE:

H.R. 2362. A bill to amend the Internal Revenue Code of 1954 to increase the regular investment tax credit from 10 to 15 percent; to the Committee on Ways and Means.

By Mr. DORGAN of North Dakota:

H.R. 2363. A bill to amend the Internal Revenue Code; to the Committee on Ways and Means.

By Mr. EVANS of Georgia (for himself and Mr. IRELAND):

H.R. 2364. A bill to repeal the prohibition contained in the Foreign Assistance Act of 1961 against the use of certain herbicides to eradicate marihuana by countries receiving assistance under that act for international narcotics control, and for other purposes; to the Committee on Foreign Affairs.

By Mr. EVANS of Georgia:

H.R. 2365. A bill to amend title 28, United States Code, to provide that the Federal courts shall not have jurisdiction to consider any question involving the validity of any act of Congress providing for induction for training and service in the Armed Forces of males only or providing for registration of males only for possible induction; to the Committee on the Judiciary.

H.R. 2366. A bill to amend the Internal Revenue Code of 1954 to allow certain married individuals who file separate returns to be taxed as unmarried individuals; to the Committee on Ways and Means.

By Mr. GONZALEZ:

H.R. 2367. A bill to amend the Railroad Retirement Act of 1974 with respect to annuities for widows and widowers of certain railroad employees; to the Committee on Energy and Commerce.

By Mr. JEFFORDS (for himself, Mr. GRADISON, Mr. GIBBONS, Mr. GREEN, Mr. KRAMER, Mr. WHITEHURST, Mr. ERLENBORN, Mr. LAGOMARSINO, Mr. PETRI, Mr. MOTTL, Mr. SHUMWAY, Mr. BAFALIS, Mr. CHAPPELL, Mr. ROUSSELOT, Mr. GINGRICH, Mr. BROWN of Ohio, Mr. DERWINSKI, Mr. HUCKABY, Mr. LOTT, Mr. LUNGREN, Mr. KINDNESS, Mr. BEARD, and Mr. COURTER):

H.R. 2368. A bill to amend the Food Stamp Act of 1977 to make individuals who have excessive income ineligible to participate in the food stamp program, and to make such individuals liable for the value of coupons received while so ineligible; jointly, to the Committees on Agriculture and Ways and Means.

By Mr. LELAND:

H.R. 2369. A bill to amend title 39 of the United States Code to provide for the use, without charge, by qualified nonprofit organizations of available post office space open to the public for soliciting voter registration, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. LIVINGSTON:

H.R. 2370. A bill to amend the Federal Water Pollution Control Act to provide for the payment of claims resulting from a certain discharge of pentachlorophenol into the Mississippi River Gulf outlet; to the Committee on Public Works and Transportation.

H.R. 2371. A bill to amend the Water Resources Development Act of 1974, relating to the hurricane-flood protection project on Lake Pontchartrain, La.; to the Committee on Public Works and Transportation.

By Mr. MINETA (for himself and Mr. BETHUNE):

H.R. 2372. A bill to amend the Congressional Budget Act of 1974 to establish procedures for setting targets and ceilings, in the congressional budget process, for loans and loan guarantees under Federal credit programs, and for other purposes; jointly, to the Committees on Banking, Finance and Urban Affairs, Government Operations, and Rules.

By Mr. PETRI:

H.R. 2373. A bill to amend the Consolidated Farm and Rural Development Act to require that not less than a fixed percentage of all real estate loans be made for the acquisition of farms by certain operators and to provide for the repayment of such loans in graduated installments at the option of such operators; to the Committee on Agriculture.

H.R. 2374. A bill to amend the Railroad Unemployment Insurance Act to provide that the maximum daily benefit will be the daily equivalent of the maximum weekly benefit payable under the State unemployment compensation law; to the Committee on Energy and Commerce.

By Mr. ROE:

H.R. 2375. A bill to amend the Social Security Act to establish a national catastrophic illness insurance program under which the Federal Government, acting in cooperation with State insurance authorities and the private insurance industry, will reinsure and otherwise encourage the issuance of private health insurance policies which make adequate health protection available to all Americans at a reasonable cost; to the Committee on Energy and Commerce.

By Mr. STENHOLM:

H.R. 2376. A bill to amend the Trade Act of 1974 to provide for an additional Deputy U.S. Trade Representative; to the Committee on Ways and Means.

H.R. 2377. A bill to amend the Food for Peace Act of 1966 to create a revolving fund to finance short-term commercial export credit sales of agricultural commodities out of private stocks; jointly, to the Committees on Agriculture and Foreign Affairs.

By Mr. ZEFERETTI (for himself, Ms. FERRARO, and Mr. DOWNEY):

H.R. 2378. A bill to amend the Internal Revenue Code of 1954 to allow individuals a deduction for excessive fuel costs incurred

in heating their principal residences; to the Committee on Ways and Means.

By Mr. FITHIAN:

H.J. Res. 199. Joint resolution to provide for the designation of April 26 to May 1, 1981, as "National Occupational Health Nurse Week"; to the Committee on Post Office and Civil Service.

By Mr. ZEFERETTI:

H. Con. Res. 89. Concurrent resolution concerning the rights of the people of Ireland; to the Committee on Foreign Affairs.

By Mr. DINGELL:

H. Res. 104. Resolution to provide for the expenses of investigations and studies to be conducted by the Committee on Energy and Commerce; to the Committee on House Administration.

By Mr. JONES of Oklahoma:

H. Res. 105. Resolution approving the printing of additional copies of the report accompanying the First Concurrent Resolution on the Budget for Fiscal Year 1982; to the Committee on House Administration.

By Mr. ZEFERETTI (for himself and Mr. RAILSBACK):

H. Res. 106. Resolution to provide for the expenses of investigations and studies to be conducted by the Select Committee on Narcotics Abuse and Control; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

16. By the SPEAKER: A memorial of the Legislature of the State of Wisconsin, relative to dairy price supports; to the Committee on Agriculture.

17. Also, a memorial of the House of Representatives of the State of Georgia, relative to warning labels on alcoholic beverage containers; to the Committee on Energy and Commerce.

18. Also, a memorial of the Senate Legislature of the Commonwealth of Massachusetts, relative to ZIP codes; to the Committee on Post Office and Civil Service.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. PHILLIP BURTON:

H.R. 2379. A bill for the relief of Joaquin Morales; to the Committee on the Judiciary.

H.R. 2380. A bill for the relief of John Kerry Murphy; to the Committee on the Judiciary.

By Mr. LELAND:

H.R. 2381. A bill for the relief of Lorna P. Whittaker; to the Committee on the Judiciary.

By Mr. LIVINGSTON:

H.R. 2382. A bill for the relief of Mrs. Stella Marie Deignan; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 523: Mr. SIMON.

H.R. 551: Mr. MATTOX.

H.R. 911: Mr. GINGRICH, Mr. EVANS of Delaware, and Mr. WILSON.

H.R. 1120: Mr. SAVAGE.

H.R.1130: Mr. PHILIP M. CRANE.

H.R. 1206: Mr. BARNARD, Mr. CARMAN, and Mr. TRIBLE.

H.R. 1207: Mr. BARNARD, Mr. CARMAN, and Mr. TRIBLE.

H.R. 1244: Mr. JOHN L. BURTON.

H.R. 1297: Mr. ROSE, Mr. LENT, Mr. GRAMM, Mr. CHAPPELL and Mr. CHENEY.

H.R. 1298: Mr. ROSE, Mr. LENT, Mr. GRAMM, Mr. CHAPPELL, and Mr. CHENEY.

H.R. 1509: Mr. GRAY, Mrs. SCHROEDER, Mr. BEILENSON, Mr. RICHMOND, Ms. FERRARO, Mr. JOHN L. BURTON, Mr. MOAKLEY, Mr. KASTENMEIER, Mr. WYDEN, Mr. ROSENTHAL, Mr. MURPHY, Mr. ROYBAL, Mr. SAVAGE, Mr. YATES, Mr. KILDEE, Mr. FOGLIETTA, and Mr. LELAND.

H.R. 1532: Mr. HERTEL.

H.R. 1574: Mr. GUYER and Mr. STOKES.

H.R. 1580: Mr. JAMES K. COYNE, Mr. PANETTA, Mr. BEARD, Mr. EVANS of Delaware, Mr. BURGENER, and Mr. BONKER.

H.R. 1640: Mr. DE LUGO, Mr. MURPHY, and Mr. RALPH M. HALL.

H.R. 1765: Mr. DREIER, Mr. ROUSSELOT, and Mr. CHAPPIE.

H.R. 1818: Mr. MAVROULES, Mrs. FENWICK, Mr. CHAPPELL, and Mr. PATTERSON.

H.R. 1823: Mr. YOUNG of Missouri, Mr. MURPHY, Ms. MIKULSKI, Mr. KILDEE, Mr. ROE, Mr. FORD of Michigan, Mr. HERTEL, Mr. ATKINSON, Mr. BONIOR of Michigan, Mr. CROCKETT, Mr. DE LUGO, Mr. ANDREWS, Mr. OBERSTAR, and Mr. RUSSO.

H.R. 1918: Mr. WHITTAKER.

H.R. 2024: Mr. MOTTL and Mr. SHUSTER.

H.R. 2036: Mr. EVANS of Delaware, Mr. BURGENER, Mr. WINN, Mr. FORSYTHE, Mr. HOWARD, Ms. MIKULSKI, Mr. KOGOVSEK, Mr. MCDONALD, Mr. CLAY, Mr. LEATH of Texas, Mr. WOLF, Mr. WON PAT, Mr. WHITEHURST, Mr. LUNGREN, Mr. BOWEN, Mr. GINGRICH, Mr. JEFFORDS, Mr. LOWERY of California, Mr. PANETTA, Mr. GLICKMAN, Mr. WYDEN, Mr. DERWINSKI, Mr. ROUSSELOT, Mr. LOTT, and Mr. FISH.

H.R. 2037: Mr. DE LUGO, Mrs. BOUQUARD, Mr. LOWERY of California, Mr. BURGENER, Mr. GINGRICH, Mr. EVANS of Delaware, Mr. WHITTAKER, and Mr. RALPH M. HALL.

H.R. 2055: Mr. APPLEGATE, Mr. BROWN of Ohio, Mr. GUYER, Mr. MCEWEN, Mr. MILLER of Ohio, Mr. SEIBERLING, and Mr. STANTON of Ohio.

H.J. Res. 82: Mr. DANIEL B. CRANE, Mr. DANNEMEYER, Mr. COLLINS of Texas, Mr. JEFFRIES, Mr. GUYER, and Mr. PORTER.

H.J. Res. 156: Mr. DORNAN of California.

PETITIONS, ETC.

Under clause 1 of rule XXII,

36. The SPEAKER presented a petition of the Congress of the Federated States of Micronesia, Kolonia, Ponape, Eastern Caroline Islands, relative to funding for a public education program prior to the plebiscite regarding the draft compact of free association, which was referred to the Committee on Interior and Insular Affairs.

EXTENSIONS OF REMARKS

REBUILDING AMERICA'S DEFENSES: ONE VIEW

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. GINGRICH. Mr. Speaker, Congress will soon begin considering the long overdue revival of America's military strength. One contribution to this effort has been made by William Hauser in a thought-provoking article in the New York Times.

In brief, Hauser asks whether we desire to become, once again, preeminent in the world like we were after World War II, or whether we want what is necessary for American survival in the world situation of today? Hauser makes the case that there are critical and fateful differences between these two alternatives.

He argues that American preeminence is not only unattainable but is also unnecessary for American survival. In fact, he holds that searching and building for preeminence prevents us from coping with the real world threats we face, and is, therefore, dangerous. By his analysis it is nostalgia posing as a strategy.

He then argues that the kind of military forces America ought to have must be able to cope with what he sees as the real and present world challenges to our survival.

William Hauser's article should help us think about some of the facets of one of the Congress' greatest challenges.

The article follows:

REDUCING OUR FORCES IN EUROPE

We learned the lessons of Vietnam too well. As a result, we are today exposing our country's vital interests to deadly peril.

After 50,000 deaths and untold billions of dollars, we emerged from Vietnam with two truths burned into our national soul. The first is that modern war is so costly in blood and treasure that countries dare wage it only to secure interests truly vital. The second is that lacking a national consensus about our vital interests, war cannot be won against a determined foe. Before Vietnam, the United States intervened militarily in Lebanon, in 1958, and the Dominican Republic, in 1964; since than, we have recoiled from similar involvement in Angola, Ethiopia, and in Iran.

Whether these decisions were right or wrong is not the point. We have apparently forsworn armed intervention in the third world. While rebuilding our ramparts in Europe that were neglected as a result of Vietnam, we have dismantled our ability to deploy forces elsewhere. Even the so-called Rapid Deployment Force is largely earmarked for wartime duty in Europe, its logistics dependent on unready reserve organizations, its manpower replacement in disarray, and its strategic transport pitifully inadequate.

By lacking a capability for intervention, we are risking truly vital interests. If we were to be denied access to the energy and mineral resources of Africa, the Middle East, and Southwest and Southeast Asia, our economic well-being, physical security, and even domestic liberties would be endangered. Similarly, if the Soviet Union could block our European and Japanese allies' access to those same resources and markets, they would become Soviet satellites-in-fact, however independent they remained in name. The United States would be isolated in a Sovet-dominated world.

But is not Western Europe's defense against Soviet invasion our most threatened vital interest? The answer is no, for the Red Army's Eastern European rear is unreliable, West Germany has superb conventional forces, Britain and France are nuclear powers, and United States escalation is feared by the Soviet Union's planners. Our North Atlantic Treaty Organization allies understand this, which is why they are not "doing their part" to be stronger. They understand also that the real threat—the endangered vital interest—lies elsewhere. Nonetheless, they are reluctant to join us in a military coalition outside Europe. They recognize the problems of allied operations, which are hard enough on a single partner's territory and are next to impossible across vast distances. They expect us to fulfill our global role while they limit themselves to a regional one.

We cannot afford to provide major defensive formations in Europe and simultaneously counter Soviet adventurism in the third world. We are already maintaining overstructured, hollow forces that we cannot adequately man, train, keep in repair, or competently control. Experienced officers and noncommissioned officers are leaving the military services in unprecedented numbers. We are mistakenly viewing this "leading indicator" as a matter of their benefits rather than as a vote of no confidence in an unviable profession.

If we want worldwide capability, we are going to have to reduce our forces in Europe. We deployed there in 1949 to protect a war-prostrated West from the Soviet Union's massive armies. That forward, linear strategy, which made sense then, has become nonsense in the face of European strength and Soviet global mobility. The American fox has its paws stuck fast to the NATO tarbaby, while Soviet-proxy rabbits scamper freely through the third world.

Today, we are an essentially "island power," and our long-term access to the Afro-Eurasian continent requires a mobile strategy. Our land forces must be lean, highly trained, readily deployable, and sustainable by sea, air transport, and firepower. Our formations in Europe can be much reduced and still be adequate for deterrence. Europe will (if it must) strengthen its own defenses.

Regrettably, the new Administration appears to be harking back to our pre-eminence of yesteryear. Perhaps that is an attempt to signal, in familiar language, a resurgence of national will; perhaps the new leadership recognizes the need for a new strategy. Even so, changing the deployment of our forces will engender opposition, for major elements have European defense as their principal raison d'etre. Fears will also arise in some quarters that a capability to intervene in the third world will tempt us rashly to do so. That is a risk that we as a nation must take, or we are going to concede the battle without a shot's being fired.

It is unrealistic to expect ever again to be militarily pre-eminent. But if we do not bestir ourselves, we are going to be irrelevant.

[William L. Hauser, a business executive, is a former Army officer and a writer on national security matters.]●

REV. EVAGORAS CONSTANTINIDES

HON. ADAM BENJAMIN, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. BENJAMIN. Mr. Speaker, I take this opportunity to inform the House of Representatives that Rev. Evagoras Constantinides celebrated the 25th anniversary of his ordination into the priesthood on Sunday.

Father Evagoras, known to many Members for his service in metropolitan Washington and work on behalf of the Greek Cypriots, has been an outstanding priest and spiritual leader of the Greek Orthodox Church and the northwest Indiana community.

Father Evagoras has served the SS Constantine and Helen Cathedral in Merrillville for 11 years. He guided and inspired the church community to build a new cathedral and community center which stand as an example of this clergyman's worldly mission to do God's work.

Reverend Constantinides has been honored by his parishioners at a testimonial marking his 25th anniversary as a priest. A full and overflowing hall attested to his dedication, devotion and conscientious service to God and mankind. His comfort, compassion, and concern embrace an entire community and its young, old, sick and departed. They remembered and appreciated his spiritual guidance and devotion and overwhelmingly responded with their love and affection.

Mr. Speaker, I know that the friends of Father "Ev" in the Congress of the United States want to join me to congratulate and wish him many more rewarding years in the priesthood.●

THE DEATH OF VAL SCARTON—THE LOSS OF A LEADER AND A FRIEND

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. MURTHA. Mr. Speaker, several days ago Mr. Val Scarton, president of District 2 of the United Mine Workers, suddenly passed away. His death is a tremendous loss to the area I represent and to all the miners in the country.

I think it is appropriate to submit the following article to the CONGRESSIONAL RECORD on a day when miners are massing in Washington to protest cuts in the black lung program. Val Scarton fought hard for the black lung program and his heart would have been with today's demonstration.

I endorse the following remarks from the Johnstown Observer, and share these kind words about a lost friend:

THE AREA LOSES A LEADER

(By Marcus)

Just as he gave his all in life for his miners and his community, Val Scarton gave in his death. His family asked that in lieu of flowers, donations be made to the Portage Ambulance Fund and the Portage Industrial Group.

While Scarton was well known and nationally recognized as District 2 president of the United Mine Workers of America, few people know that he also served on the Southern Alleghenies Planning and Development Committee, the Cambria County Democratic Party Executive Committee and many other civic and business groups.

In all his endeavors he was a believer in the coal miner and the coal industry.

Rising from a miner to a committeeman to safety inspector to organizer to staff man and then to the presidency was testimony and proof that he believed in the miners and that the miners believed in him.

The latest round of coal negotiations had a great effect on Val. Although suffering from rheumatoid arthritis, and having visited the Geisinger Clinic, the Cleveland Clinic and other reputable medical centers, he did not deter from his objective to get the coal miner working at the best possible wage and under the safest possible conditions. The ongoing coal talks proved a real drain on Scarton. The coal companies broke up their association—known as the Bituminous Coal Operators Association (BCOA)—and decided to negotiate individually. That kind of split negotiating takes time, effort, and energy. Moreover, some of the individual companies did not want to start where the last contract ended, but insisted on starting at ground level zero as though there never had been a union contract in existence.

In this battle Scarton and his fellow organizers found that the government, the press and even the public were not at all concerned. As Scarton knew from his many experiences in the past, the miners have to go it alone in these troublesome economic times. Through all the tough negotiations, Scarton never missed a session and never failed to keep his staffmembers or the local union presidents informed. While he did not publicize his accomplishments, everyone knew that when Val was involved, things would get done.

Above all else Val Scarton worked for the welfare of his miners and kept partisan union politics at the bottom of his list of priorities.

On the county level he is credited for having been a driving force in the election of Judge O'Kicki and District Attorney (now Judge) Caram Abood in 1971. He kept a low, but effective, political profile. He had no time for political, union, civic, or business phonies. Everyone knew where Val Scarton stood and whom he supported.

He was an advisor to Congressmen, Senators, Assemblymen and other governmental officials. He actively supported the utilization of coal for conversion to gasoline and other chemical byproducts. He was a coalminer, a coal union president and a believer in coal and its men.

The area has lost a true citizen and supporter. The Observer extends its deepest sympathies to his widow Dorothy and his children.●

PRESIDENT REAGAN'S SPENDING CUTS FOUND ATTRACTIVE

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. ASPIN. Mr. Speaker, I find President Reagan's package of spending cuts quite attractive. Certainly the effort to prune back expenditures and achieve a balanced budget is long overdue. The White House has now challenged the Congress to act and, I feel, it is incumbent upon us to do so and to do so quickly.

The proposed Reagan cuts totaling $41.4 billion are the right magnitude and in many cases are in the right areas. I have pressed for many of these cuts myself over the years. Certainly, there can be no argument over eliminating duplicative benefits, benefits to the nonpoor and programs that time has passed by.

I am now in the process of reviewing each of the President's proposals individually. I have questions about a few of the cuts included in the package—and I am concerned that certain programs of dubious value have emerged unscathed.

For example, the programs for subsidizing tobacco growers and the shipping industry are left untouched by the White House knife, exemptions I cannot accept. In the near future, I expect to produce some suggestions for additions to and deletions from the package given us by the White House. I anticipate my package of cuts will equal or even exceed the size of the President's package.

I am in full agreement with the stated goal of many of the President's cuts—to reduce the size of the burdensome bureaucracy. I am concerned, however, that some of the cuts may actually have the opposite result. For example, the President's submission to Congress says that by combining dozens of categorical grant programs in a few block grants we will trim the Federal bureaucracy. But we know from past experience that sometimes this approach can work to boost State and local bureaucracies as much or more than it reduces Federal bureaucracy in those States. I do not think the voters will be fooled if for every civil servant lopped off the Federal payroll, two more are added to State and local payrolls.

I intend to give all the President's proposals a thorough eyeballing. I will not reject any out of hand. Basically, I am every much in sympathy with his spending cut proposals.

I cannot say the same thing about his tax cut proposals. We have a serious inflation problem. If we were serious about getting it under control, we have got to do two things: move more rapidly toward a balanced budget and stimulate the investment necessary to increase productivity. The Reagan tax cuts do neither.

The Reagan budget actually calls for more cuts in taxes than in spending. That means the Reagan proposals will actually result in a higher deficit. Of course, Mr. Reagan tells us the budget will be balanced 3 years from now. But President Carter was always telling us the budget would be balanced 3 years from now, too. The problem is that, like tomorrow, 3 years from now never comes.

If we are going to cut taxes at all for 1982, and I am not sure we should, we have got to target the cuts at stimulating investment. That way we can increase productivity, generate more and better jobs, and ultimately reduce inflation. The Reagan tax proposals do not do that. They are concentrated on inflation-creating cuts in personal income taxes. Too little is going to encourage businesses to invest more and the little that does is not as effective as it could be.

Finally, I am not at all happy with the type of personal income tax cuts President Reagan has proposed. They are very clearly geared to benefit rich more than middle income or poor families. By the President's own figures, as found in table 7 of his budget submission, Mr. Reagan is proposing to reduce the taxes of a family earning $200,000 in 1984 by $31,091, while he would save the family earning $11,000 only $312. What is more, despite all the talk about concern for the truly needy, his own document shows the tax savings for someone with an income of $3,000 would be a minuscule 27 cents. Since social security taxes will continue to rise in the coming years, the poor will actually be paying more in taxes in 1984 while the rich

would enjoy a windfall under the President's proposal.

In sum, Mr. Speaker, I find the Reagan tax cuts appalling and the Reagan spending cuts appealing. We must move with speed on the spending cuts, but I think we can consign the bulk of the tax cuts to the back burner.●

RAILROAD RETIREMENT ANNUITIES

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. GONZALEZ. Mr. Speaker, I am once again introducing legislation to help the widows and widowers of certain railroad employees.

At present, the law grants to the surviving spouse of a railroad employee a smaller annuity than he or she would have received if his or her spouse had lived to retirement. The bill I am proposing would give the surviving spouse the same annuity that he or she would have received had his or her spouse died after retiring.

This measure would also help the surviving spouse initially by preventing a large drop in his or her monthly income at a time when he or she is under a great strain due to the death of husband or wife. In the long run, it would assist the widow or widower in keeping up with the continuing rise in the cost of living as I am sure it is increasingly difficult to survive on the annuity that they receive.

Mr. Speaker, I believe that this bill would be a fair and just amendment to the present law and I hope that the committee will be able to consider such legislation in the near future.●

SELF-DETERMINATION FOR ALL OF IRELAND

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. ZEFERETTI. Mr. Speaker, as we approach St. Patrick's Day on March 17, the American people again prepare to revel in the richness of the Irish culture. All true Irish men and women, however, pause on this day of celebration to reflect on the discrimination and injustice imposed upon the minority population in the six counties of Irish soil designated as Northern Ireland by the Government of Great Britain.

The history of the Irish conflict is centuries old. While 26 counties gained independence earlier this century, the British carved out 6 counties in the Ulster province of Ireland and created a new political entity, Northern Ireland. This British creation had no basis culturally, politically, or geographically in Irish history. It is interesting to note that not all nine counties of the province of Ulster were included in this new state, but only those six counties which would insure a loyalist and Protestant majority.

As a result, the nationalist Irish population have since been living under a government whose policies are blatantly in violation of basic civil and human rights. Today, more than a decade after military forces were sent to Ulster to quell violence that had erupted as a result of the minority's peaceful efforts to attain equal rights, nearly 12,000 British troops continue to patrol the streets of Ulster. British Government spokemen tell us that the troops are stationed there to control terrorist activity.

I maintain my staunch opposition to the use of violence in any form, but after 11 years of military presence in Northern Ireland, it is clear that the British policy has failed miserably. A military solution is not the remedy for a problem that is political in nature.

British authorities further state that their troops are gradually being withdrawn, turning over their security duties to the Royal Ulster Constabulary (RUC), Northern Ireland's police force. Such a policy poses an even greater threat to the nationalists, for the RUC has been cited by a number of international human rights organizations as guilty of gross violations of human rights and blatant acts of injustice. It was this fact that led the U.S. State Department to ban further sales of U.S. weapons to the RUC police force, an action I strongly support.

Mr. Speaker, because of the special relationship the United States and British Governments have enjoyed over the years, it is the duty and responsibility of our Government to use its influence in seeking a just and lasting peace in Northern Ireland, free from outside intervention. Today, I have introduced a concurrent resolution recognizing "the right of all of the people of Ireland, including the six counties known as Northern Ireland, to control their own political destiny." It also urges the President "to adopt and pursue policies which are wholly consistent with such right."

The enactment of this measure would serve notice on the Government of Great Britain that the American people are sincere in our endeavor to bring peace to all of Ireland. The people of the Emerald Isle must be given the opportunity to choose their own political destiny. Such a right is the very foundation of democracy, but one that, unfortunately, does not exist in Ulster today.●

"EMPLOY THE OLDER WORKER" CAMPAIGN

HON. GARY A. LEE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. LEE. Mr. Speaker, for 1 week, March 8 through 14, 1981, the National Retired Teachers Association and the American Association of Retired Persons in Watkins Glen, N.Y., will sponsor an "employ the older worker" campaign.

I would like to take this opportunity to bring to the attention of my fellow colleagues the importance of this event. An elderly person seeking employment in this country is often at a great disadvantage. He or she may be the victim of age discrimination, during the application process or after initial employment, when competing with younger workers for upper level positions.

It is time for this Nation to recognize the valuable contribution that elderly citizens can make to our society. If we fail to take advantage of this valuable commodity, we have not only cheated the elderly person in America but shortchanged ourselves as well.

I urge that each of my colleagues take time to consider the elderly person and the contribution that this group can make to the American labor force.●

GIRL SCOUTS OF THE UNITED STATES OF AMERICA

HON. WILLIAM H. NATCHER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. NATCHER. Mr. Speaker, the week of March 8 through March 14 commemorates the 69th anniversary of the Girl Scouts of the United States of America and it is with great pleasure that I pay tribute to this wonderful organization for its many fine achievements.

For 69 years, scouting has inspired its members toward high ideals of character, conduct, patriotism, and service so that they may become happy and resourceful citizens. The spirit and youthful energy of Girl Scouts stand as shining examples to all of us that the individual can, and does, make a difference in our world.

The triumphs of Girl Scouts owe much to the tireless women and men who volunteer their time and energies as leaders and assistant leaders. Girl Scouts, guided by volunteers, are highly visible in their neighborhoods. They help in countless ways, and seek out opportunities to make their communities better places in which to live.

Mr. Speaker, Scouting is not necessarily limited to the young. Scouts reach out to people of all ages and give them an opportunity to participating in their programs. An extensive adopted grandparent program, giving older persons the attention and affection to which every human being is entitled, highlighted the year, in addition to cooperative projects with businesses and communities, an example being a cleanup project where 1,000 girls, volunteers from Xerox, and a community development group, selected a neighborhood in which to repaint and repair houses and property.

The Girl Scouts have made tremendous strides in enriching their program by greater participation of minority and disadvantaged girls. Nearly 300,000 minority girl and adult members are registered Girl Scouts.

In an effort to provide Girl Scout adults with the leadership training necessary to better relate to girls and their needs and concerns, the new Edith Macy Conference Center is scheduled to open in 1982 in Briarcliff, N.Y.

Scouting's new program emphasizes career exploration, business and technology, community action, global relations, and leadership. As girls aged 6 to 17, including girls with handicaps, girls representative of all minority groups, and target groups with special needs, countinue to take on new challenges and face greater opportunities, the Girl Scouts will be there. They will assist and encourage these girls to aim high, test their limits, and realize their dreams.

Mr. Speaker, in my home State of Kentucky, the Kentuckiana Girl Scout Council serves over 25,000 members in western Kentucky, representing the largest single organization serving our youth in this section of the State. I am particularly proud of the Girl Scouts of the Second District of Kentucky for their many contributions and I look forward with them and all of the Girl Scouts of the United States of America to another fine year.

On this, the 69th anniversary of the Girl Scouts, I offer my very best wishes and sincere congratulations, together with my pledge of continued support.●

THE LARGE OPTICS DIAMOND TURNING FACILITY AT LAWRENCE LIVERMORE NATIONAL LABORATORY

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. STARK. Mr. Speaker, I would like to bring to the attention of my colleagues another first by the scientists, engineers, and technicians at Lawrence Livermore National Laboratory. On January 27, 1981, LLNL Director Roger Batzel broke ground for the large optics diamond turning machine facility, which will house the world's most accurate large lathe. When completed, the facility will make ultraprecise metal mirrors for a Department of Defense high-energy-laser weapons system.

When the facility is completed in 1983, the 75,000-pound machine will be the most accurate lathe of its size in the world, machining laser optics weighing up to 1 metric ton with an averaged accuracy of one-millionth of an inch. Working like a huge record player, the mirror is rotated slowly on a horizontal turntable while the computer-controlled diamond tool cuts the mirror precisely into the desired shape.

As part of LLNL's precision engineering program, the large optics diamond turning machine facility will help transfer to industry precision machining and optical technology, execute projects for the Department of Energy and other Government agencies, and advance precision technologies for future programs at LLNL.

I know I share with the employees of LLNL and the residents of my district great pride at the addition of the large optics diamond turning machine facility to the programs at LLNL. This facility will allow LLNL to continue its role as a world leader in science and technology.●

VOTER REGISTRATION IN POST OFFICES

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. LELAND. Mr. Speaker, I have today introduced a bill that would allow the conduct of voter registration in U.S. Post Offices by qualified nonprofit organizations.

I have been growing increasingly alarmed, as I am sure my colleagues have, by the continued, steady decline of citizen participation in elections over the last 20 years, a period in which the final remaining barriers to registration and voting, such as poll taxes and literacy tests, were removed.

In 1960, 63 percent of the American citizens, who were eligible to register and vote, actually voted in the Presidential election of that year. In every Presidential election since then, that number has gone down and dropped to 54 percent in last year's Presidential election. In other words, almost half of all Americans who could have registered and voted did not do so. This figure represents 74 million people.

In the last two Presidential elections, the winning candidates have received the votes of only one-fourth of the voting age population. Ronald Reagan received 27 percent in 1980, and Jimmy Carter did only slightly better at 27.2 percent in 1976.

In a country that prides itself on being the leading democracy in the world, this low level of citizen participation is not only embarrassing but unacceptable, because it means that the rights of millions of Americans to decide who governs them, are not being honored. There is no single reason why this is so, but a strong argument can be made that many of the contributing factors are the results of our failure as a government to insure that sufficient opportunity and encouragement are provided to our citizens to avail themselves of this most basic and important right.

In comparison to other leading democracies, the U.S. ranks 19th among the 20 largest democratic countries in voter participation. I am ashamed and disturbed by this, and I intend to do everything I can to improve on this unfortunate situation. I urge my colleagues on both sides of the aisle to join me in this effort by supporting this legislation.

The bill I am introducing requires the U.S. Postal Service to make space available, without charge, to qualified nonprofit organizations for the purpose of offering citizens the opportunity to register to vote. The space would be made available only at such times and in such a manner that normal post office functions are not interrupted.

The Postal Service already has in effect an unwritten policy which allows the use of space by other Federal agencies, and has also allowed the use of postal facilities for purposes which, like voter registration, serve the national interest. However, for an endeavor such as voter registration, which only helps citizens to exercise their right to have a voice in their Government, there should be a maximum of encouragement and availability, and my bill provides this.

I urge the Congress to quickly enact this legislation. It is one modest step, but one that, in combination with other measures, can get us moving toward more healthy participation in our electoral process. This can only result in better government and a better working relationship between those in government and the public.●

THE COUGAR LAKES WILDERNESS ACT

HON. JOEL PRITCHARD

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. PRITCHARD. Mr. Speaker, last Thursday, March 5, 1981, I introduced

H.R. 2354, the Cougar Lakes Wilderness Act of 1981. This legislation would establish a 271,750 acre wilderness area in central Washington State. The wilderness would be composed of two units: a north unit, commonly referred to as the Norse Peak area, and a south unit, known as Cougar Lakes.

Efforts to preserve the land included in H.R. 2354 started long before RARE I, RARE II—even the Wilderness Act itself. Its administrative history goes back to 1899, when Congress established Mount Rainier National Park, immediately west of the Cougar Lakes area. Cougar Lakes has been the focus of five wilderness or wilderness study bills. The litany of studies and reviews have provided a preponderance of evidence that Cougar Lakes should be included in the National Wilderness Preservation System.

Cougar Lakes possesses a wide range of natural features from gently sloping terrain to spacious plateaus to spectacular peaks. There is an abundance of fish and wildlife. The land's attributes are readily accessible to many people. One need not be a young mountain climber in order to take advantage of the countless recreational experiences which Cougar Lakes has to offer. Best of all, Cougar Lakes is located close to the State's population centers, giving many people the opportunity to enjoy this valuable national resource. This special area should be preserved not only for us to enjoy, but for future generations of Americans to appreciate as well.

I am looking forward to the opportunity of working with my colleagues in the Washington congressional delegation and the House Interior Committee securing passage of this legislation.●

OUTSTANDING LIBRARY AWARD PRESENTED TO THE FIRST CHRISTIAN CHURCH LIBRARY, NEW CASTLE, PA.

HON. EUGENE V. ATKINSON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. ATKINSON. Mr. Speaker, I would like to take this opportunity to share with my colleagues in the House of Representatives an honor given to the First Christian Church Library, New Castle, Pa.

This award, the Outstanding Library Award, was given by a worldwide organization, the Church & Synagogue Library Association. The library is most deserving of this award because of the many long volunteer hours put into promoting community services activities by the library.

Mrs. Harold E. McEwen, librarian for the past 21 years, received the award at the University of Hartford, West Hartford, Conn. The award is given to a library which has shown itself to be creative and innovative in responding to the library's mission of reaching and serving members of the congregation and the community.

The New Castle library has expanded over the years—it started in the church parlor, expanded to the fellowship hall, and then to its present room. The library was finished in the memory of Pamphilia Phillips, mother of Grace Phillips Johnson. A second room, a memorial to Ralph McConahy, has been added.

The library, located in the main stream of church traffic, is continuously being promoted for the betterment of the church and community. Traveling displays are maintained throughout the church, with one display being withdrawn each week while others rotate to a new location.

The library is listed in the regional resource directory of the Pittsburgh Regional Library Center and cooperates with the University of Pittsburgh Library. Mrs. McEwen has helped establish other church libraries and recently lectured on "Archives in the Church Library." In addition, she has attended a number of library seminars which has aided the New Castle library.

Most important, the library serves the community. Residents of two nearby high rise apartments are invited to use the facilities, and other churches are also welcome to use the library. It observes National Bible Week each year, and has worked with the Boy Scouts.

It is a great honor for me to stand here today in the Hall of the House and share with my colleagues the great accomplishments of this church library. The award it received is an honor and I wanted to take a minute from our deliberations today to share it with you. Thank you.●

REDUCE GOVERNMENT SPENDING

HON. DAN DANIEL

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. DAN DANIEL. Mr. Speaker, in these days, when there is so much public comment on the need to reduce Government expenditures, there is an inclination on the part of many to exhibit less than enthusiastic support when proposed reductions directly affect their areas of interest.

Because of this, I was particularly impressed with an article which appeared on the front page of the Gazette, of Gretna, Va., in the Thursday, February 26 edition, entitled "Cutting Welfare: Thomas Backing President." Mr. Don Thomas, about whom the article is written, is the director of welfare in Pittsylvania County, Va. In this capacity he administers a welfare program in one of Virginia's largest counties.

The article contains some statements which I feel are worthy of wider attention, and I would therefore commend this to the reading of Members of the House.

The article follows:

CUTTING WELFARE: THOMAS BACKING PRESIDENT

President Reagan last week launched his long-promised effort to cut back wasteful government spending and restore vitality to the American economy.

And, at the heart of the President's concept, is a proposal to chop more than $16 billion from controversial welfare programs such as food stamps and Medicaid.

Among other things, the President has called for a $1.8 billion reduction in food stamps.

In a budget plan presented to Congress last week, the President said welfare aid should go only to the "deserving needy."

The President has proposed tightening eligibility rules in more than dozen large welfare programs—a move which would eliminate millions of people from the nation's welfare rolls.

President Reagan maintains that the American taxpayer simply cannot afford to continue paying the ever increasing cost of welfare.

As surprising as it might seem, the President's position has drawn the endorsement of Pittsylvania Welfare Director Don Thomas, whose agency distributed more than $7 million in welfare benefits last year.

"I support the President's proposals, I just hope they work," Thomas said this week.

Like the President, Thomas said he felt one major way of cutting back on welfare is to tighten the eligibility requirements.

"The eligibility requirements for some of these programs are just too loose. I think we should have stronger work requirements so that those individuals who are capable of working should be made to work," Thomas said.

Thomas pointed out that about 5,600 people in Pittsylvania—or about 9 percent of the county's population—receive some form of welfare assistance.

Thomas says that, in his opinion, the county's welfare rolls could be cut by "at least one-third."

Thomas said he knew of one case in the county where a man had turned down a job because he could "come out better by getting food stamps and other welfare benefits."

"It's just not fair to the taxpayers," Thomas remarked.

He noted that in 1980 more than $2 million worth of free food stamps were issued in the county. Thomas says this amount could be reduced substantially if eligibility requirements were tightened.

"When welfare was developed in the 1930s it was designed as a temporary program. Now people depend on it. For many people it's a way of life, they spend their entire lives on welfare," Thomas said.

"We don't do anything to support the work ethic," Thomas added.●

"PROTECTING" WHOM?

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. DERWINSKI. Mr. Speaker, the United Nations continues to suffer from the misuse of its units by various nations for blatant political purposes. The Chicago Tribune of March 5, editorialized on several particular incidents involving efforts by countries to curtail press coverage under the disguise of "protecting the press." The editorial follows:

"PROTECTING" WHOM?

For some years, Soviet bloc and Third World governments have been nagging at the United Nations Educational, Scientific, and Cultural Organization to adopt policies ostensibly designed to "protect" the press, apparently by licensing reporters.

We have never understood quite how this would protect the press, or against whom, but we are indebted to two Third World governments, India and Malta, for showing us how they would like to protect the press.

The monthly bulletin of the International Press Institute tells us that the government of India, embarrassed by reports of police brutality in the state of Bihar, has prevented a BBC television crew from pursuing the story. More than 30 men are said to have been blinded with weaving needles, bicycle spokes, and acid. And according to the Indian government, the subject has been given all the coverage it needs.

The IPI also reports that in January the government of Malta banned certain issues of the London Sunday Times from entering the country. The Times had printed an article which Malta said was "outrageous and full of lies." But the Times' real crime, it seems, was failing to print a response from the Malta director of information. If you offend the government of Malta, it seems, you would not have much circulation in that country.

Which raises anew the familiar question: Whom do these governments want to protect, the press or themselves?●

EL SALVADOR

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. OBERSTAR. Mr. Speaker, in March 1980, I joined a number of our colleagues in an appeal to President Carter urging that he withdraw a request for $5.7 million in military aid to El Salvador.

I did so because I believed that initial request would lead to an involvement in El Salvador that was contrary to our national interest as well as that of the overwhelming majority of the people of El Salvador.

I was distressed when a President of my own party restored that military aid which had been suspended following the deaths of four American women serving as missionaries in El Salvador.

The Reagan administration has continued and accelerated a dangerous course in El Salvador that threatens, rather than strengthens, the security of the people we represent.

Our policy in El Salvador will do nothing to remove the poverty and repression which are the major destabilizing forces within El Salvador.

I do not want to see a government hostile to the United States in El Salvador. The proper course for us, however, is not to support a government which is hostile to its own people.

Fifty-five Members of this House have already cosponsored H.R. 1509, the legislation introduced by our colleague from Massachusetts (Mr. STUDDS) to terminate military aid to El Salvador. This bill offers the first step in a policy of commonsense for this country. I am proud to be a cosponsor.

In the past 2 months, I have been impressed by the level of concern in my district regarding our policy in El Salvador.

The Duluth News-Tribune, the largest newspaper in my district, has published two thoughtful, responsible editorials on El Salvador and the unfortunate decisions by both the Carter and Reagan administrations with respect to El Salvador.

I ask my colleagues to consider the following editorials from the News-Tribune:

[From the Duluth News-Tribune, Jan. 20, 1981]

AIDING OPPRESSION

Is the ruling regime in El Salvador really the kind of government our government wants to find itself four-square behind?

Late last week, the U.S. State Department announced an immediate escalation of its military aid to El Salvador. The United States is now shipping some $10 million worth of new military hardware to the Salvadoran government.

The State Department explained its renewed help for the Central American nation in terms of that government's perceived enemy: "We must support the Salvadoran government in the struggle against left-wing terrorism supported covertly with arms, ammunition, training and political and military advice by Cuba and other communist nations."

So, in the eyes of our State Department, El Salvador's enemy is communism, its archnemesis left-wing terrorism. And therefore we, as a right-thinking, right-acting nation, apparently have an obligation to help obliterate this leftist threat in our own hemisphere.

But is the current Salvadoran government really a better alternative? We honestly doubt it.

El Salvador has long been ruled by a right-wing military junta. That government is generally acknowledged to have been kept in power to protect and promote the financial interests of some 15 to 20 rich and powerful families in the nation of 4.3 million. The methods the junta has used for such protection and promotion can often best be described as terrorist.

Brute force has long been a trademark of the military commanders. Salvadorans who have dared to express opposition to their government's actions or policies have routinely, perhaps systematically, been tortured and/or killed. Violence has been a common tool for silencing dissent in the basically poverty-striken nation. And more than suspicion supports contentions that poverty among the many is fostered to preserve the lavish richness of a few.

The Salvadoran government now stands accused of aiding, if not committing, the murder of four American women late last year. Our government said Saturday that it has been assured that the junta continues to take "positive steps" in investigating those deaths. Balderdash!

In its perhaps noble efforts to thwart the personal and social abuses often associated with communistic regimes, our government may foolishly be aiding and abetting a regime which is just as abusive of the rights of its citizens. Small matter that those abuses are inflicted from the opposite end of the global political spectrum.

The painful lessons learned in such diverse countries as Vietnam and Iran should have taught us that no government anywhere can long stand without the support of the people it governs. If the government of El Salvador is now in such dire straits as to require massive American military aid, we wonder how much support it really has among its own oppressed people.

[From the Duluth News-Tribune, Feb. 22, 1981]

LESSON NOT LEARNED?

Some of the reports coming out of the State Department on El Salvador these days sound strangely familiar. They seem to echo out of the past from another warm part of the world.

Take this paragraph from a recent news dispatch: "It is not clear how much more military aid might be supplied to El Salvador, but (Secretary of State Alexander) Haig's attitude is plain, according to members of Congress who have been privately briefed: whatever is necessary to prevent a communist takeover."

Here's another: "The administration's Latin American experts now believe that a major effort to prop up what they consider to be a 'centrist' government in embattled El Salvador with U.S. military aid could pay big dividends."

And other reports are filled with statements that the U.S. government believes that leftist forces supported by Cuba, and perhaps by others, can be bested with U.S. help and that stability can be restored.

Here's the kicker. After stability is restored, our government's Latin American experts believe, "basic economic and political reforms would follow, including free elections. It would show that progress is possible in an underdeveloped country without a communist, or leftist, revolution," is the way one report quoted the experts.

Overriding all this is the indication that the Reagan administration believes El Salvador is the place where America can show a victory in the Third World after its failures in Iran and—here's a place name that rings a bell—Vietnam.

Vietnam—where a former administration's Southeast Asian experts believed the United States should prop up a government with U.S. military aid; Vietnam—where it was believed leftist forces could be bested with U.S. help and stability restored; Vietnam—where basic economic and political reforms were going to follow, including free elections; Vietnam—where more than one

American secretary of state determined this country should do whatever is necessary to prevent a communist takeover.

It could be that it is in the best interests of this country to keep El Salvador in our camp. It could be that it would be well that this country do what it can to prevent communist takeovers in this hemisphere.

But when high U.S. government officials start making statements such as "we will do whatever is necessary," and when government experts promise that with enough military aid, we can "win one" and then economic and political reforms such as free elections will follow, one wonders if we learned anything in Vietnam.

Such things as stability and free elections are as elusive in banana republics as they are in Southeast Asian jungles. And it is difficult to understand how that could be forecast by anyone calling himself an expert on Latin America.

The United States should continue to pursue its goals in El Salvador like a squad of private soldiers making their way through a minefield: very, very carefully.●

GREEN THUMB PROGRAM

HON. JACK BRINKLEY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. BRINKLEY. Mr. Speaker, may I bring to the attention of my colleagues the excellent letter of Mrs. Josephine Brown, one of my constituents from Warner Robins, Ga. Mrs. Brown conveys so well the feelings of many senior citizens who are employed in the Department of Labor's Green Thumb program. We can learn much from the experience and counsel of our senior citizens who understand the dignity of work and the satisfaction which it brings. I am grateful for constructive lives and I am grateful for good citizens like this.

The letter follows:

FEBRUARY 23, 1981.

JACK BRINKLEY,
2412 Rayburn House Office Building,
Washington, D.C.

DEAR CONGRESSMAN BRINKLEY: Please accept this letter as a plea for your support of the Green Thumb Program administered by the Warner Robins City Recreation Department.

Green Thumb has given me the opportunity to work. As a senior citizen, there are very few jobs for people like me. We do not want welfare, we want to work. Green Thumb has allowed us, the senior citizens, to remain self-supporting and serve the people in our community as well.

Congressman Brinkley, any and all support you can contribute toward the continuation of the Green Thumb Program is appreciated.

Respectfully submitted.

JOSEPHINE BROWN.●

MGM GRAND HOTEL FIRE

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. SANTINI. Mr. Speaker, I would like to enter into the RECORD a letter I received from the Clark County, Nev., Fire Department praising the cooperation they received from the U.S. Fire Administration in studying the cause of the tragic fire that killed 84 persons at the MGM Grand Hotel on November 21, 1980.

The cooperation the county fire department received was excellent and proves that Federal and local government can be effective working partners.

A preliminary report released January 17, 1981, by the U.S. Fire Administration indicated that poor ventilation, lack of directions on how to get out of the hotel, plastic furnishings that are potentially lethal when burned, and construction which preceded the adoption of local fire codes were safety features absent in the MGM and are absent in many hotels and public buildings in America today. The preliminary report further stated that sprinkler systems or smoke detectors located throughout the hotel would have minimized the disaster.

While we have learned a difficult and most tragic lesson, I am confident that improved cooperation among local and State governments, the U.S. Fire Administration, and the National Fire Protection Association can help prevent such recurrences.

The letter follows:

CLARK COUNTY FIRE DEPARTMENT,
Las Vegas, Nev., December 8, 1980.

Congressman JAMES SANTINI,
Longworth House Office Building,
Washington, D.C.

DEAR CONGRESSMAN SANTINI: I would like to take this opportunity to inform you of an excellent team effort that recently took place following the tragic MGM Grand Hotel fire which occurred November 21, 1980.

After the fire fighting and rescue efforts were concluded, of which we all participated, our Division (Fire Investigations) went to work. Our assignment was to determine cause, origin, and circumstances surrounding the fire. We investigated the scene until very late that first evening and after determining the magnitude of the loss (property and life), decided to accept the assistance of the United States Fire Administration, which was offered by Mr. Gordon Vickery, the Director, who had sent word earlier and offered their help.

The next day several team members began arriving and we commenced to address every issue raised as the result of this fire.

Tom Wright, their Team Coordinator, made it known that they were here to assist and not to take over or run the show. I appreciated this and the whole investigation went very well.

I know because of my Division's efforts and the tremendous help of the USFA and the National Fire Protection Association, that the forthcoming report will be very well done. It will be informative as to this fire and will also be used as a tool to hopefully prevent this sort of tragedy from happening again.

As a result of what I observed and the help we received, I feel the Fire Administration is very effective and well organized. I also feel this is a result of those who manage the organization. If possible, could you convey this feeling and information to those who might oversee appointments to the Administration.

Respectfully submitted,

MIKE PATTERSON,
Captain, Fire Investigation Division.●

HUMAN RIGHTS OF CHRISTIANS IN EGYPT

HON. LAWRENCE J. DeNARDIS

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. DeNARDIS. Mr. Speaker, I wish to express my concern for the human rights of Christians in Egypt. My interest has been heightened by information I have received from the American Coptic Association through Shawky F. Karas, Ed. D., president of the American Coptic Association.

Egypt's Christians continue to live under daily threats of religious and legal persecution, legal in the sense that the Egyptian Government has not only adopted, but confirmed Islamic principles in its constitution that are designed to eliminate Christians from playing any effective role in the religious, economic, educational, and social life of their country.

Christian Egyptians are industrious people who love their homeland. However, they are exposed to discrimination and religious suppression from all levels of Egyptian society.

In addition, the members of the Muslim Brotherhood are waging a violent campaign of terrorism against Christians and their property, with the objective of wiping out every trace of Christian life in Egypt today.

Despite Egyptian President Sadat's promises to the Egyptian Christian leadership in 1972, 1975, 1978, and 1979, to establish freedom and justice for the Christians of his country, the situation has not improved. In fact, it has gotten worse.

Dr. Karas has presented a fact file which makes clear the evidence of persecution against Egypt's Christians that has gone on for generations. We must try to convince Egypt that Christians in Egypt deserve equal rights and freedom from discrimination.

If we are going to support human rights throughout the world, we must not neglect the 8 million Christian Egyptians who face terrorism, and even annihilation in the Arab world.●

BILL TO REPEAL MARINE SANCTUARIES ACT

HON. JOHN B. BREAUX

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. BREAUX. Mr. Speaker, I am today reintroducing a bill to repeal a Federal program which stands as a classic example of unnecessary, costly, duplicative, interfering and ineffective bureaucracy. In short, it represents all of the bureaucratic irritants which are so exasperating to the American taxpayer.

There are two basic reasons why I feel that the repeal is in order. First, the marine sanctuaries program is not needed for the protection of the marine environment; other programs are more than equal to the task. Second, the marine sanctuaries program has been very poorly administered; it has lacked a consistent, coherent policy base and has been carried out in a manner that has frustrated the administration of other Federal programs. These twin consequences have been wasteful expenditures of the taxpayer's money and unnecessary additional costs to user groups.

The program is not needed because the authority provided by title III of the 1972 act for the protection of the environment is redundant with other authorities, such as as well as the committees of the Congress which established the marine sanctuary authority in the first place. Simply stated, this program has been an example of the very poorest performance of the executive branch in my experience. It has served to infuriate other departments in the executive branch. It has even been the cause of rather heated disputes in Cabinet meetings of the previous administration.

At a time when we in the Congress and those in the executive branch are carefully looking for programs which will reduce waste and inefficiency, the marine sanctuaries program earns the honor of being among the first on my list of Federal curtailments.

In the waning days of the previous administration, the Commerce Department provided the President with several sanctuary designation proposals and the President chose to approve them. These designations were located off the coasts of Georgia, Florida, and California. These decisions were made without appropriate prior consultation with any of the committees or Members of Congress who have been intimately involved with this program.

From 1972 to 1979—a period of over 7 years—only two sanctuaries have been established: one to protect the wreck of the Civil War vessel, *Monitor*, and the other to protect those provided by the Outer Continental Shelf Lands Act (OCSLA), the Clean Water Act, the Fishery Conservation and Management Act, the Marine Mammal Protection Act, the Endangered Species Act, the Ports and Waterways Safety Act, the Ocean Dumping Act, and a multitude of other statutes which are already in place. This program cannot be afforded by the American taxpayer because it substantially complicates and seriously impedes the work of the Federal Government and the activities of our citizens. It also provides no significant countervailing benefit that cannot be achieved through these other programs.

The original Marine Sanctuaries Act adopted in 1972 provides the Secretary of Commerce with the authority to establish marine sanctuaries. By a loose reading of the statute as well as the intent of Congress, the Commerce Department has chosen to regulate any and all activities which are considered to be potentially threatening to the marine environment, even when these threats are not substantiated by science or fact. The Commerce Department, by regulation, has chosen to provide themselves with very sweeping authority even when the legislative history of the statute did not clearly provide such authority.

More importantly and inexcusably, the Commerce Department has chosen to ignore or treat lightly their responsibility to coordinate this program with other involved Federal agencies coral reefs off Key Largo, Fla. Each sanctuary is very small and has little impact on marine activities. In fact, there is no need for either sanctuary since the *Monitor* can be given special protection and Key Largo coral can be protected by the Interior Department under the OCS Lands Act and by the Department of Commerce under the Fishery Conservation and Management Act.

The sum of $1.75 million was appropriated for this program last year and $2.25 million was authorized for appropriations by the Congress. In the first cut of this administration's budget reductions, there was no reduction included for the marine sanctuaries program. If this is the case in the second budget announcement, it will be a sorry state of affairs indeed. Of all of the programs which we plan to cut, this is one which cannot escape.

I urge all of my colleagues who have an interest in the new wave of fiscal responsibility to take a close look at this program and join with me in cosponsoring the repeal bill.●

TRIBUTE TO ELINOR PEABODY

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. DYSON. Mr. Speaker, on March 2, 1981, one of St. Marys County's most illustrious women, Elinor Peabody, passed away.

Mrs. Peabody's drive and dedication to community service was exemplary and her loss will be felt in the county for many years. Her commitment to St. Marys Hospital, among many others, earned her a reputation as an energetic fundraiser and educator. As president of the St. Marys Hospital Auxiliary and as a member of the hospital board of directors, Mrs. Peabody almost singlehandedly raised millions for the hospital. She was a credit to the community.

Perhaps John Hoxie, of the Enterprise, best expressed St. Marys sadness at Mrs. Peabody's death in his editorial of March 4, 1981, which I insert here for the RECORD:

A GREAT LOSS

St. Marys County suffered a great loss Monday with the death of Elinor Peabody.

"She was a beautiful, sincere lady who devoted her whole life to helping people in the county," said County Commission President George Aud Tuesday after learning of her death. "I think the county needs more Mrs. Peabodys."

Certainly it does, but the likes of Mrs. Peabody are rare.

She leaves much behind here in St. Marys County. Her efforts as president of the St. Marys Hospital Auxiliary were largely responsible for funding the addition to the hospital which bears her name, the new intensive care unit and many other improvements.

Her dedication became almost legendary and the many honors bestowed upon her in later life were well deserved.●

GAO REPORT URGES ACTION ON WOOD ENERGY

HON. NORMAN E. D'AMOURS

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. D'AMOURS. Mr. Speaker, on behalf of the Wood Energy Caucus, I would like to recommend to my colleagues a highly important and timely new report by the General Accounting Office entitled, "The Nation's Unused Wood Offers Vast Potential Energy and Product Benefits."

Within 10 years, according to the report, improved utilization of currently discarded portions of our wood resources—the wood residues—can contribute 8 percent of the Nation's energy budget. The U.S. Forest Service believes that by 1990 the level of

wood residue use could amount to 25 percent of current oil imports.

To reach this goal, certain Federal actions are necessary: In some cases, simply modifying the focus of forest management programs, requiring no new funds; and in other cases, implementing cost-effective techniques that actually reduce funding requirements. Overall, the enormous benefits that wood energy use can offer far outweigh the possibility of any additional costs.

The GAO report, EMD-81-6, March 3, 1981, can be ordered from the U.S. General Accounting Office, Document Handling and Information Services Facility, P.O. Box 6015, Gaithersburg, Md. 20760. Phone: 202-275-6241.

The Wood Energy Caucus has been organized as an informal grouping of Congressmen and Senators who are interested in encouraging and assisting wood energy use. As the GAO report indicates, wood energy can make a significant contribution in dealing with this country's energy supply problems and in alleviating our dependence on expensive foreign oil. Congressmen and Senators who would like to join the Wood Energy Caucus should call Mark Szpak in my office, 225-5456; Margaret Downs in Congressman JEFFORDS' office, 225-4115; John Fitzgerald in Congressman ALBOSTA'S office, 225-3561; Jimmie Powell in Senator DURENBURGER'S office, 224-6854; or Mitch Tyson in Senator TSONGAS' office, 224-2742.

The following is a summary of the wood energy study done by the GAO:

THE NATION'S UNUSED WOOD OFFERS VAST POTENTIAL ENERGY AND PRODUCT BENEFITS

DIGEST

Background

Immense quantities of wood residues—estimated by the Forest Service at 600 million dry tons each year—are wasted in the U.S. in the form of decaying logging residues and dead trees, unused wood processing residues, and large, untapped acreages of small, defective, and other lower value trees.

Wood residues could be an important energy source. The Forest Service estimates that, within 10 years, about half of the available residues could be recovered economically, increasing wood's contribution to 8 percent of the Nation's energy budget.

Residues are also suitable for making lumber and plywood, as well as reconstituted wood products such as pulp, paper, and particleboard. Wood products can substitute for other materials, such as aluminum and steel, which are far more energy-intensive. Some officials believe that increased substitution of wood products offers even greater potential benefits than alternative use of wood to produce energy.

Major barriers to residue use

GAO identified numerous factors standing in the way of greater use of wood residues for energy and products. While there are regional differences, GAO found four barriers which appear to have a significant effect on residue use nationwide. These barriers are

Inadequate data on the volume, location, accessibility, and availability of forest residues;

Lack of economical and effective equipment for harvesting and transporting residues;

Lack of investment capital needed for harvesting and using residues; and

Limited awareness and acceptance of wood energy and product technology among industrial firms, utilities, and State and local bodies.

Other obstacles may serve to discourage or prevent residue use in some areas around the country. They pertain to:

Federal forest management policies and programs,

Utility practices and regulations, and

Environmental concerns related to greater use of residues.

Detailed Examination of Actual Potential is Needed

While the Forest Service and Department of Energy have an interest in greater residue use, they have made little progress in developing a national wood residue plan. The agencies need to expedite development of a comprehensive, well coordinated plan for using residues for both energy and products.

Initially, the agencies should direct their attention to regional variations by making a number of assessments in selected locations around the country which appear to offer significant opportunities for greater residue use.

These residue assessments should be made in areas adjacent to a particular site where potential end-use facilities for wood residues exist and/or could be developed. Such operating areas should be defined in terms of key factors such as topographical features, transportation corridors, economic hauling distances, and landowner attitudes. The mere existence of residues in a given area may mean little if landowners are unwilling to make them available.

GAO believes the Forest Service should take the lead in accomplishing the needed assessments. The Department of Energy should be an active participant in the studies, but the assessments must deal more with resource management problems than end-use technology questions. Given the current preponderance of resource issues, Forest Service lead responsibility is essential.

Concurrent with accomplishing the residue assessments, the Forest Service, Department of Energy and some other Federal agencies can initiate several actions to stimulate greater residue use.

RECOMMENDATIONS

To the Secretary of Agriculture and the Secretary of Energy

To more fully evaluate potential barriers to wood residue use and how these barriers vary by locations, and to begin development of a comprehensive national plan for realizing the vast potential of wood residues for producing energy and products, the Secretaries should conduct a cooperative program of assessments in at least six locations around the country. Based on the results of these assessments, the Secretaries should present to the Congress within 2 years a national wood residues plan, including proposed residue use goals and recommendations for legislation or other actions to overcome barriers to such goals.

The Secretaries should also work jointly to develop standardized methods for evaluating the costs and benefits of using wood fuels in Federal facilities, including allowance for forest management benefits, and submit these methods to the Office of Management and Budget within 6 months for dissemination to the executive branch to assure consistency in life-cycle energy evaluation.

The Secretaries should also establish programs which encourage both the use of wood fuels and the development of residue-handling equipment.

To the Administrator, Environmental Protection Agency

To help promote wood residue use in locations where current air pollution regulations preclude such facilities, GAO believes that policies and procedures must (1) recognize emission trade-offs resulting from reduced burning of residues in the woods or in other locations and increased burning at proposed wood energy facilities, and (2) allow such trade-offs to be considered in deciding whether a wood-burning facility may be constructed and what type of pollution control equipment will be required. GAO recommends that the Administrator request legislation to amend the Clean Air Act to allow full recognition of such trade-offs. The Administrator should also encourage the States to modify their policies where needed to recognize such trade-offs.

To the Secretary of Defense and the Administrator of General Services

GAO recommends that the Secretary of Defense and the Administrator of General Services provide a major stimulus for wider wood residue use through both facilities conversion and procurement policies.

Matters for consideration by the Congress

GAO's recommendations call for carefully coordinated interagency actions to plan, fund and implement local wood residue assessments in each of the Nation's major forested regions and to develop subsequent proposals for a national wood residues plan. Effective participation by both the Department of Agriculture and Department of Energy is essential to the success of these actions. GAO believes the Congress should consider the adequacy of participation and degree of cooperation and coordination displayed by the Departments in the course of reviewing their future appropriations requests.

AGENCY COMMENTS

GAO sent a draft of this report to the Departments of Agriculture, Energy and Defense, the General Services Administration, and the Environmental Protection Agency. The Environmental Protection Agency did not provide comments on the report. All the other agencies provided written comments.

The Department of Agriculture said the report could provide "an impetus for greater and more effective use of unutilized wood fiber." The Department said the Forest Service would assume the lead agency role in planning and conducting local wood residue assessments and the results of the assessments would be incorporated into subsequent proposals for a national wood residues plan.

Overall, the Department of Energy agreed that wood residues should play an important part in achieving the national energy goals.

Other comments by the Departments of Energy and Defense and the General Services Administration supported some GAO recommendations and disagreed with other recommendations.●

SUPPORT FOR TRADE ADJUSTMENT PROGRAMS

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. OBERSTAR. Mr. Speaker, the failure to enact legislation making substantial and much needed improvements in the trade adjustment assistance program was one of the major disappointments of the 96th Congress.

Under the able leadership of our former colleague, the gentleman from Ohio (Mr. VANIK), the House in May 1979 passed H.R. 1543, a responsible piece of legislation to correct a major inequity in the existing trade adjustment program.

The 1974 Trade Act does not authorize workers who produce an essential part or service for the manufacture of an import-impacted good to qualify for adjustment assistance. Autoworkers may obtain trade assistance, but not the steelworkers who make the steel used in the manufacture of American autos. Steelworkers in my district who produce iron ore and taconite were laid off as a direct result of a decrease in demand for steel due to increased imports of foreign made cars. Yet, these workers were denied trade adjustment benefits.

The full Senate never considered H.R. 1543 in 1980. When Congress failed to pass H.R. 1543, it lost the best chance to make essential improvements in the program. The administration now proposes, instead of improvements, substantial cutbacks.

American workers need the provisions of H.R. 1543. When they lose their jobs as the result of our trade policies, we have a responsibility to assist them.

In February, our colleague, Mr. SEIBERLING, introduced the text of H.R. 1543 with three constructive changes, including a provision to permit military leave and authorized sick leave to be used in the computation of eligible employment. I am pleased to have cosponsored Mr. SEIBERLING's bill, H.R. 1604.

Along with the gentleman from Michigan (Mr. DAVIS), I have introduced H.R. 2292, to establish specifically the eligibility of those workers who produce raw materials for the essential part or service used in the manufacture of an import-related good. The effect of H.R. 2292, in combination with H.R. 1604, would be to permit iron ore miners to qualify for trade adjustment assistance when auto imports cause unemployment in the steel mills and consequently, the iron ore mines and taconite plants.

At some point, I hope Congress will act to pass these bills to meet a legitimate responsibility to American workers.●

INCARNATE WORD COLLEGE

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. GONZALEZ. Mr. Speaker, this year marks the centennial of Incarnate Word College of San Antonio.

In the year 1881, San Antonio was, as it is today, a growing city. At that time it was on its way toward becoming the largest city in Texas. Electricity and street railways were the newest thing; and everything was clearly up to date in San Antonio. That was the time Incarnate Word College began to operate, another new part of a newly emerging city.

From the very beginning, the college served the whole community, not just some of it. Piety, charity, and all the virtues were real there, not just slogans. Scholarship and service were the goals, never forgotten, never missed.

In more recent years, Incarnate Word has made a special effort to provide opportunities to the disadvantaged. For example, it is one of the smallest schools in the country to have set up and made a success of a program designed to encourage and prepare minority students to enter scientific and medical careers.

But all along, not just when it became fashionable, Incarnate Word has made a special contribution to the community, and especially to Mexican Americans. The college has always served as a beacon of encouragement and hope, a place to inspire young people to seek out the opportunities that higher education could offer. Historical texts refer to Mexican Americans as a subculture or underclass, but such generalizations have never been true. The reason is that colleges like Incarnate Word have always done more than offer hope, they have created opportunities.

For 100 years. Incarnate Word College has served in the same quiet, proud way in San Antonio. Its students have become supremely valuable contributors to the life and progress of the community they live in, which is most often San Antonio, but now includes every imaginable place.

Colleges like Incarnate Word are priceless assets. They provide excellent education, work very hard to be sensitive and responsive to community needs, and they always give more to the community than they ask of it.

No college in America has done a better job than Incarnate Word. Its students have been well served, and in turn have enriched the world. This small, quiet, urban school has earned the right to be proud, enjoyed the respect of all who come in contact with it, and inspired the admiration of everyone who knows its work.

I was proud to take part in a ceremony honoring community leaders, part of Incarnate Word's centennial celebration, 2 days ago. It was we who should have been honoring the college, not the other way around. But that is the way the school operates—always self-effacing, always giving.

There may be schools larger in size, greater in prestige, richer in endowment, and enjoying greater renown; but no college has greater integrity and honor than Incarnate Word, none has served better, and none has any more right to our respect and pride.

I salute Incarnate Word College, a singularly good place, a true builder of scholars, and for 100 years, an outstanding community institution, a place of heart and mind. I cannot imagine that the college will be the same 100 years from now as it is today; yet if it changes in a physical way, my firm hope and earnest belief is that its spirit, its dedication, and its determination will remain the same then as they are today.●

NEW HOMESTEAD ACT

HON. THOMAS E. PETRI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. PETRI. Mr. Speaker, today I have reintroduced legislation which would help young farmers get started in farming by making changes in the Farmers Home Administration's farmownership loan program. As an extra benefit, this legislation entitled the "New Homestead Act" would require no additional spending.

There is a significant need for this type of legislation. For the past four decades we have seen a serious decline in the number of family farms in America. Recent figures from USDA show we are losing about 1,000 farms a week. If this decline continues, it may lead to higher food prices, larger trade deficits, and some long-term problems for the agriculture industry. It can even result in the extinction of the family farm—a development fraught with far-reaching social and political consequences for our democratic society.

One key reason for the decline in family farms is that new farmers are having trouble finding ways to buy a farm. With land values accelerating, getting started in farming will be ever more difficult for the low-equity, young farmers. If the family farm is to survive, we must find ways of helping new farmers get started.

The farmownership loan program (FO) now offers loans to new farmers

to buy farms and to existing farmers to improve theirs.

The first change would offer new farmers the option of a graduated repayment plan, permitting smaller installments during the early years of farming, with payments increasing at a constant rate until they level off 5 to 10 years after the start of the loan. Such a plan is used for home loans from HUD. Over the years, these loans cost somewhat more than the standard amortized plan but they place a smaller financial burden on the borrower in the beginning when expenses are high and resources slender. As a farmer begins to pay off high startup costs and gains more experience, he is in a better position to make larger payments. Also because the deferred interest is capitalized in later payments, such loans would not cost the Government more money.

The second change would require that at least 40 percent of the FO program's funds be spent to help new farmers buy farms. Establishing a minimum percentage would insure a continuous source of assistance for new farmers. It may also help in reducing backlogs of processed applications awaiting funding. Currently, slightly over 40 percent of FO loans are being made for new farmers. However, the scheduled termination of FmHA's economic emergency loan program in September could result in many more applications to the FO program and could seriously reduce the amount of FO money available to new farmers to buy farms unless a 40-percent floor is established by legislation.

An existing farmer can apply for loans from commercial lending institutions or from the FmHA farm operating program, in addition to the FO program. A new farmer usually does not have these options.

The graduated repayment plan and the 40-percent minimum provision are two inexpensive ways that Congress can assist new farmers and simultaneously help to preserve the family farm.●

VOICE OF DEMOCRACY

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. UDALL. Mr. Speaker, Tammy Sue Kuykendall of Elfrida, Ariz., delivered the winning speech in the Veterans of Foreign Wars voice of democracy contest in Arizona this year. Tammy is a student at Valley Union High School in Elfrida, and has been deeply involved in student government and other extracurricular affairs throughout her high school years. She is an impressive young woman. Her parents, Tom and Betty Jo Kuykendall, are surely quite proud of her. I am pleased to submit her winning entry for inclusion in the RECORD, with my congratulations:

A man was stranded on the bank of a raging river, swollen by summer rains. It was imperative he reach the other side, so he hired a boy to row him across—despite the danger they faced. After many anxious moments, the boat reached the opposite shore. As the boy prepared to make the return trip, the man turned to thank the brave youth and noticed a "C" painted on one oar, and an "F" painted on the other. He asked what these letters meant, and the boy replied," "C" stands for commitment and "F" stands for faith. If I just row with "C" I go in circles to my left. If I row with "F" I go in circles to my right. I have to make a commitment to cross this relentless river, and have the faith to know I can do it; therefore, I must use both oars to go straight across."

The first time I heard this story, I realized that each of us have to make commitments as individuals, and have enough faith to follow through.

My commitment to my country begins with my family and loved ones. I want to live each day being thankful for the freedom I was born with, and in time, instill in my children the same lofty ideals, high principles, and pride in this great nation that my parents have given me.

Now, and in the future, I will do everything in my power to help keep America the land of freedom and opportunity.

By pursuing a career in Ag Journalism and Communications, I hope to relate to other people; understand more problems this world is faced with, and no matter how insignificant it may seem to others—contribute in my own way, to the destiny of America.

In my opinion, one of the greatest problems this world faces today is lack of communication. Communication among families, within communities, in the government, and dealing with foreign affairs.

There is a strong message to be shared. I want to remind Americans that our heritage is of the land and of the spirit, of the heart and of the soul. We must not lose what our ancestors have given their lives for. I hope to wage my own battle against anyone or anything that challenges our democracy.

You might ask yourself—what can one person accomplish in molding America's future?

To be honest, I don't know. But I won't set back and wait for something to happen—Why?

Because the true meaning of being born an American really didn't touch my life until I began reading books and newspapers—and started to understand what life is all about. Then I studied, asked questions, and realized that America is what we make it. All of us. Our fear, our struggles, our dreams; a day's work for the weakest man, and the largest goal of the most daring man. Our battles, our mistakes, our failures, our success—are America. We must all believe that our individual commitments to our country hold significance and hope.

We have too much at stake not to make a commitment. This is most apparent to me in the thin dawn of a new day—or the stillness of a moonless night, when our world is close about us. I sometimes think of simple things—like a glass of frosty cold lemonade on the 4th of July; the carefree laughter of a small child as he enjoys his freedom; people worshiping God in their own way.

I think about these things and realize we all take too much for granted. Because of this, I know my commitment to my country must never waver.

When summer rains swell our rivers and the destiny of America is beckoning to us from the opposite shore, it is not a time for despair—it is a time for hope. We can each put forth the effort to grasp an oar with each hand; one marked "C" for commitment, the other marked "F" for faith and row with steady determination until we reach the far bank.

I believe in my heart that on that shore we will find the destiny of America to be the abiding place of liberty and free institutions.

I am confident that each of us can leave a legacy for future generations, through our commitment to our country, and each individual will speak with pride and gratitude when he says, "I am an American!"●

ENCOURAGING NEWS FOR AMERICAN AUTO INDUSTRY

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. FORD of Michigan. Mr. Speaker, I was encouraged to note in the Washington Post of Friday, March 6, that eight Republican Governors joined the Secretary of Transportation and many Members of Congress in asking President Reagan to begin immediate negotiations on a voluntary trade agreement with the Japanese that would limit the number of auto imports.

This gubernatorial support is most welcome and comes at a time when we must take some action to avoid permanent and lasting damage that now threatens the American automobile and truck industry and key related industries.

New U.S. automobiles are fuel efficient and our manufacturers are now in the midst of an all-out effort to competely redesign and replace their production lines. But this conversion will take time and in the interim the Japanese must offer cooperation.

While David Stockman insists on imposing his personal free trade philosophy, which is detrimental both to his home State and the national economy, I am pleased to note the emerging commitment and support of Secretary of Transportation Drew Lewis in this effort to revitalize the car industry.

Because of the importance of this matter, and this interest by the Governors in one of the Nation's most dire problems, I am including the Washington Post story with my remarks:

EIGHT GOVERNORS TO ASK CAR IMPORT CUT

THEY WANT REAGAN TO SEEK VOLUNTARY PACT WITH JAPANESE

(By Lou Cannon and Hobart Rowen)

Eight Republican governors, joined by the Reagan administration's secretary of transportation, are to ask President Reagan today to move immediately to negotiate a voluntary trade agreement with the Japanese that would limit automobile imports significantly.

Well-placed White House sources said Reagan has made no decision on the issue, which has provoked one of the sharpest internal battles of his young administration.

One source said the weight of the internal argument appeared to tilt toward those who favor an import limitation to help the hard-hit domestic auto industry, but that the strong opposition of Office and Management Budget Director David A. Stockman has left the issue in doubt.

Known to favor such an agreement are Transportation Secretary Drew Lewis, who heads a task force that is to make a formal recommendation on the issue next week, Commerce Secretary Malcolm Baldrige and Labor Secretary Raymond J. Donovan.

The "free trade" opposition, led by Stockman, includes Treasury Secretary Donald T. Regan and Murray Weidenbaum, chairman of the Council of Economic Advisers.

Somewhere in the middle is Bill Brock, the president's special trade representative, and Secretary of State Alexander M. Haig Jr., who, in the words of one White House official, "has yet to show his hand."

Reagan has held one meeting on the issue where both sides strongly expressed their views. A decision is considered likely next week, after another White House meeting presided over by Reagan.

The governors are to press for the import agreement in their White House meeting today. They also are to seek a new 10 percent tax credit, one year depreciation of hand tools instead of the two years now allowed, and a 20 percent tax credit for research and development.

The group is chaired by Gov. William G. Milliken of Michigan, the state where the impact of Japanese automobile imports has been felt most strongly.

The other governors are James A. Rhodes of Ohio, James R. Thompson of Illinois, Christopher S. Bond of Missouri, Lee S. Dreyfus of Wisconsin, Richard L. Thornburgh of Pennsylvania, Robert D. Orr of Indiana and Pierre S. du Pont IV of Delaware.

The governors are expected to point out to Reagan that European countries have limited the import of Japanese cars and argue that the U.S. industry deserves similar protection.

Historically, Reagan has been a free-trader. But during the election campaign, while in Michigan, he promised to help the auto industry, and aides indicated he favored a voluntary agreement.

There is some feeling in the White House that the Japanese are more receptive to such an agreement than they have ever been.

While no specific numbers have been agreed upon, the betting in the White House is that the target would be between 1.4 million and 1.6 million Japanese cars a year. Presently, the import level is 1.9 million cars a year.

In this week's Cabinet-level meeting Regan argued that there was no need for an import agreement because the U.S. auto industry was expected to make between $3 billion and $4 billion in profits this year.

This figure was derided by advocates of the agreement, and Treasury officials subsequently acknowledged that their numbers were wrong and that the industry stands to have profits of no more than $1 billion, if that.

Haig, as he often does, has preserved his options. One source said Haig's neutrality was a good sign for advocates of the import agreement because he had been expected to oppose it.

But another source said Haig has been impressed by Stockman's opposition to any import limitations, which would have the effect of increasing automobiles prices for U.S consumers even while they helped the industry.

At a breakfast meeting with reporters Wednesday, Brock described the Reagan trade policy as "a free-trade policy tinged with patriotism."

And Baldrige said that the American auto industry needed "some running room," adding that it will take from three to five years for it to get into a competitive position with the Japanese.

There is growing protectionist sentiment in Congress for some sort of limitation on auto imports, but it is considered unlikely that legislation on mandatory quotas would pass if the President opts to seek a voluntary agreement.

That decision is now expected no later than the end of next week.●

LEGISLATION NEEDED TO COMBAT INTERNATIONAL TERRORISM

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. ANDERSON. Mr. Speaker, I have again introduced legislation to combat international terrorism. This important legislation was reported by the Committee on Public Works and Transportation in the 95th and 96th Congresses, only to perish in the Committee on Foreign Affairs and the Committee on the Judiciary, to which this legislation was jointly referred. Similar legislation was also favorably reported last year by the Senate Committee on Governmental Affairs.

I believe that the executive branch and the Congress must act together now to protect U.S. citizens abroad and to protect foreign nationals on U.S. soil. It is our responsibility as the leader of the free world to act decisively on this matter. My bill, H.R. 1948, is designed to maximize and strengthen Federal capabilities to combat terrorism without overreacting or denying to the executive branch the necessary flexibility which it must have in conducting foreign policy.

H.R. 1948 requires the President to compile a list of states which actively support international terrorism and to impose specified sanctions against such states. These sanctions include the elimination of assistance under the Foreign Assistance Act of 1961, other than international disaster assistance, and refusal to sell any defense articles or services, or to extend any credit, under the Arms Export Control Act. The President can withhold application of these sanctions if he finds it in the national security interest to do so. He must, however, inform the Congress in writing of the reasons for withholding the sanctions.

The bill also requires the Secretary of Transportation to assess security measures at foreign airports. If these airports do not meet internationally established standards, the Secretary must give notice to the traveling public and the Secretary is authorized, with the approval of the Secretary of State, to revoke the operating authority of U.S. and foreign air carriers which use the foreign airport to serve the United States. Further, the bill sets criminal penalties of up to $10,000 in fines and 20 years in prison, or both, for the hijacking of an aircraft.

Another provision of the bill requires the tagging of cap-sensitive explosives with a material which can be detected prior to detonation and which would allow identification of the source of the explosive following detonation. This provision does not apply to black and smokeless powders manufactured for use as propellent powders.

International terrorist attacks fall primarily into five major categories: Assassinations, kidnapings, bombings, attacks and seizures of facilities, and hijackings. According to a CIA report, between 1968 and 1979 there were 283 incidents of international terrorist assassinations resulting in the murder of 355 victims. The trend in this category is an increase, especially involving assassinations of Soviet and U.S. nationals.

During this same period, there were 347 international terrorist kidnapings resulting in the death of 133 victims. Forty percent of these terrorist kidnaping victims were Americans. As a result of these kidnapings, 267 political prisoners were released and, in 32 of the incidents, $146 million was paid in ransom to meet the kidnaper's demands.

Bombing is the most frequent type of terrorist incident, accounting for nearly 40 percent of all terrorist operations. In the last 7 years, there have been 1,947 significant international terrorist bombings resulting in 1,010 deaths. Half of these attacks were against U.S. citizens and property.

There have been 290 incidents of attacks on and seizures of facilities between 1968 and 1979 resulting in 358 killed, 332 wounded, and 664 hostages taken. Most of these attacks were against government offices, banks, and military installations.

One of the most dramatic types of terrorist incidents is an aircraft hijacking. Between 1970 and 1977, there

were 72 such incidents resulting in 36 hostage deaths, and 15 hostage woundings, with 1,707 hostages eventually being released, 361 were rescued and 18 escaped. During 1979, there were 27 attempted hijackings involving 13 American and 14 foreign aircraft. Fourteen of these attempts were successful. One person was killed and three were injured. Between 1973 and 1979, no hijackings of U.S. scheduled air carriers were the result of real firearms or high explosive devices passing undetected through the passenger screening system. In January 1980 there was a penetration of the system when a man armed with a small pistol successfully hijacked a U.S. air carrier aircraft to Cuba. Unfortunately, last Thursday marked the second time in 8 years that a gunman has penetrated the U.S. airport security system, when a hijacker held hostages for 10 hours aboard a Continental Airlines jet at Los Angeles International Airport. Fortunately, no one was injured and the gunman surrendered peacefully.

To summarize, between 1968 and 1980 in incidents of international terrorism, 173 U.S. citizens have been killed; 136 kindnapings occurred in which Americans were victims, 912 American facilities have been bombed, and at least 50 U.S. facilities have been attacked or seized. While most international terrorist incidents occur outside of the United States, the number of incidents occurring in this country is not insignificant. There have been attacks against Yugoslav, Cuban, and U.S.S.R. diplomatic facilities, the hijacking of an American airlines jet in 1979 by a Serbian nationalist, the assassination of former Chilean Foreign and Defense Minister Orlando Letelier, bombing by Cuban Americans, and attacks against U.S. military personnel in Puerto Rico.

As I stated earlier, Mr. Speaker, we must work together to protect U.S. citizens abroad and to protect foreign nationals on U.S. soil. I hope that in the 97th Congress this vital legislation will be enacted into law.●

EQUITY FOR THE GREAT LAKES

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. OBERSTAR. Mr. Speaker, on January 13, 1981, I introduced H.R. 845, legislation which provides for long overdue equity in the treatment of the Great Lakes, America's fourth seacoast.

H.R. 845 would restructure the financing of the St. Lawrence Seaway Development Corporation, the agency within the U.S. Department of Transportation responsible for the management of America's locks at the seaway.

The legislation would convert the outstanding $109 million construction debt into equity ownership by the Federal Government. The change is, in effect, a bookkeeping transaction. The debt is owed by an agency of the Government to the Treasury. H.R. 845 would not require the outlay of any taxpayer funds.

H.R. 845 provides that tolls on the seaway be sufficient to meet all operating and maintenance costs and provide a rate of return on the original Federal investment equal to the Canadian rate of return on Canada's original investment. Canada changed to this system in 1977.

Users of the seaway share a burden borne by users of no other federally constructed waterway: The repayment of capital construction costs. In 1986, the annual debt payment, now $2 million, will rise to $9.5 million in order to meet the repayment schedule established by the Treasury. That increase would be devastating for our ports. It would force an enormous increase in seaway tolls and impair the competitive position of the Great Lakes shipping area.

In the coming months, public and private groups interested in the Great Lakes will be working to secure enactment of H.R. 845. As a member of the House Water Resources Subcommittee, I will move for early consideration of H.R. 845 following completion of the budget process.

Mr. Speaker, I would welcome the support of my colleagues for this legislation.●

INVENTORY SIMPLIFICATION AND REFORM TAX ACT OF 1981

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. NOWAK. Mr. Speaker, on March 4, 1981, I introduced legislation on behalf of our Nation's inventory intensive businesses, which are burdened by too much regulation and high rates of inflation. In specific, H.R. 2319 provides for a dramatic change in the tax treatment of business inventories. It is a balanced package of relief designed to help all sizes and types of business.

INVENTORY ACCOUNTING AS A BURDEN ON THE CAPITAL FORMATION PROCESS

In February and June 1980, the Small Bussiness Subcommittee on Access to Equity Capital and Business Opportunities,[1] which I chair, conducted the first congressional hearings ever held on simplification of the tax law on accounting for inventories.[2] The tone of the hearings was set by Prof. Eugene O'Connor of Canasius College, when he asked "whether or not the Government intends to cooperate to preserve the small business as an entity?"

Inventory reform is viewed as one means of easing the capital formation burdens placed on small business. Like depreciation reform, it aids capital formation through increasing the internal cash flow of a business.

There is, however, a fundamental difference in these two types of tax reform. Accelerated depreciation reform focuses on the needs of capital intensive small business. On the other hand, inventory accounting reform aids the vast majority of small businesses, which are primarily labor intens[i]ve.[3]

For those industrial sectors that are generally considered to have inventories—manufacturers, wholesalers, and retailers—the importance of inventory accounting reform to small business should not be understated. Based on 1976 Internal Revenue Service data for corporations, 82.3 percent of all tax returns for manufacturers had less than $1 million in total assets. Further, 89.9 percent of all wholesalers and retailers filing corporate returns for that year had less than $1 million in total assets.

TABLE I.—CORPORATIONS GENERALLY CONSIDERED TO HAVE INVENTORIES[1]

	Number of returns	Percent of specified industrial sector
Manufacturers (total)	216,177	100.0
Under $1,000,000 in total assets	177,965	82.3
Under $5,000,000 in total assets	23,517	10.8
Over $5,000,000 in total assets	14,695	6.9
Wholesale and retail (total)	646,062	100.0
Under $1,000,000 in total assets	580,974	89.9
Under $5,000,000 in total assets	38,494	6.0
Over $5,000,000 in total assets	26,594	4.1

[1] 1976 preliminary statistics of income, corporation income tax returns, Internal Revenue Service (Pub. 159, 6–79).

With respect to the economy as a whole, tax reform for accounting for inventories is vitally needed. For ex-

[1] During the 97th Congress, tax oversight has been added to the jurisdiction of the subcommittee, which is now entitled, "Tax, Access to Equity Capital and Business Opportunities."

[2] Hearings on Inventory Accounting as a Burden on the Capital Formation Process, part 2.

[3] The fact the small business is primarily labor intensive is evident by analyzing the capital investment per employee of various industrial sectors. Those sectors of the economy which are generally considered small business (wholesalers, retailers, etc.) had a much lower capital investment per employee than most large businesses (public utilities, petroleum, etc.). The capital investment per employee for particular industrial sectors for 1976, are as follows (as compiled by the Department of Commerce); Wholesale and Retail Trade, $14,000; Food, $25,000; Petroleum, $150,900; and Public Utilities, $367,600. For further discussion of the capital intensiveness of small business, see Subcommittee Report on Capital Formation and Retention, Jan. 10, 1980, p.5.

ample, in 1978, there was 3.5 times as much corporate investment—in total dollars—in structures and equipment, as compared to inventories. In that same year, businesses understated their depreciation allowances on capital investment by $12.6 billion while inventory costs were understated by $25.2 billion. In other words, these statistics indicate that while there was a much greater amount of investment in structures and equipment in comparison to inventories for 1978, inventories were a more pronounced factor in the overstatement of business income for that year.[4]

ROOT OF THE PROBLEM—THE COMPLEXITY AND UNCERTAINTY OF THE LAW AND REGULATIONS

The tax regulations provide that a taxpayer must keep an inventory in every case in which the production, purchase, or sale of merchandise is an income-producing factor. In general, the regulations also require a business to use the accrual method of accounting with respect to its purchases and sales of inventories.[5]

Of the two accrual methods for determining the cost of items in the closing inventory, the most widely used is the first-in, first-out (FIFO) method. The preferred method is the last-in, first-out (LIFO) method, as it lessens taxable income in periods of high rates of inflation.

Small business does not use LIFO, however. Based on 1976 IRS statistics on corporations, only 2.5 percent of all wholesalers and 1.3 percent of all retailers use LIFO.

TABLE II.—PERCENTAGE OF CORPORATIONS USING LIFO IN 1974 AND 1976 [1]

Type of business	Total returns filed for year	Number using LIFO	Percentage Using LIFO
Manufacturers:			
1974	211,563	7,775	3.68
1976	212,333	7,720	3.65
Wholesalers:			
1974	214,975	5,396	2.51
1976	226,875	5,698	2.51
Retailers:			
1974	386,772	4,155	1.07
1976	407,666	5,219	1.28

[1] 1974 statistics of income, corporation tax returns, Internal Revenue Service, Pub. 16 (11–78) and 1976 corporation statistics, Statistics Division, IRS, August 1980.

In particular, some businesses are not even reporting inventories. For example, 25.5 percent of all retailers filing corporate returns in 1976 did not report any inventory to the IRS. Additionally, 34.3 percent of all corporate wholesalers and 28.5 percent of all corporate manufacturers did not report any inventory for that year.[6] These statistics could be interpreted to suggest that many small businesses have difficulty maintaining business records for inventory purposes. To help this type of business, one provision of my bill permits specified small businesses to use the cash receipts and disbursements method (cash method) of accounting. In essence, it is the simplest of all accounting methods.

The Department of the Treasury recognizes the complexity of the tax law with respect to inventories. In testimony before the subcommittee, Daniel I. Halperin, Deputy Assistant Secretary of the Treasury for Tax Policy, stated:

> Small business has a legitimate complaint that the current complexity in the use of LIFO effectively denies them its benefits. The Administration supports the need to simplify the LIFO rules for small business to make them more available.[7]

THE HEARING REPORT AND THE CAPITAL FORMATION TASK FORCE ON INVENTORIES

In October 1980, my subcommittee released a report on "Inventory Accounting as a Burden on the Capital Formation Process." The report makes several recommendations to Congress on the need for reform of the tax treatment of inventories for small business.

It was apparent, however, that inventory reform would probably never occur without a well coordinated effort on Capitol Hill and in the business community. For this reason, in November 1980, I put together the Capital Formation Task Force on Inventories. The task force is a private sector endeavor involving 16 trade associations, which represent all sizes and types of businesses. Following is a list of the task force members:

Cooperative Food Distributors of America, Food Marketing Institute, National Association of Convenience Stores, National Association of Chain Drug Stores, National Association of Retail Druggists, National Federation of Independent Business, National Small Business Association, Council on Small Business of the Chamber of Commerce of the United States, National Shoe Retailers Association, National Home Furnishings Association, National Association of Wholesaler-Distributors, National Association of Manufacturers, Association of General Merchandise Chains, National Automobile Dealers Association, Jewelers of America, and National Association of Retail Grocers.

Mr. Speaker, the objective of the task force was to study the report and to make suggestions on ways of simplify the tax law on accounting for inventories. On February 25, 1981, the task force released a policy statement and recommendations for inventory reform.[8] Based on these recommendations, and the subcommittee report, I have introduced the Inventory Simplification and Reform Tax Act of 1981. This bill will help elicit discussion of a most important issue for our Nation's businesses. Specifically, I wish to thank the American Institute of Certified Public Accountants, and those task force members who provided technical advice in the drafting of H.R. 2319. Following is a summary of the bill:

INVENTORY SIMPLICATION AND REFORM TAX ACT OF 1981

SUMMARY OF BILL

Section 1. Title of bill.

Section 2. Repeal of LIFO conformity requirement.

Under the present law, a business electing LIFO must keep its financial statements and its tax statements the same. In other words, it cannot use FIFO for financial purposes and at the same time, use LIFO for tax purposes.

This bill would revoke the LIFO conformity requirement.

Section 3. Alleviating the initial penalty associated with the LIFO election.

If a business wants to elect LIFO, it is required to restore to cost inventory writedowns taken in prior years. Thus, a business that restores inventory writedowns to cost due to its desire to elect LIFO, has a large tax bill due in the year it elects LIFO.

To alleviate this severe drain on the business in the year it elects LIFO, it would be permitted to restore inventory writedowns to income over a 10-year period.

Section 4. Simplification of Inventory Pooling requirements.

The current LIFO pooling requirements are a regulatory burden on wholesalers and retailers. These businesses are forced to keep complex records based on the pooling requirement to group items of inventory by major lines, types, or classes of goods (i.e., multiple pooling). Manufacturers, on the other hand, use a natural business unit (one pool).

Subsection (a): Certain small businesses permitted to use one pool.

In a massive simplication of the law, small businesses with less than $5 million in gross receipts would be permitted to use one pool for LIFO.

Subsection (b): Pooling simplification for wholesalers and retailers:

Wholesalers and retailers (not electing the preceding subsection) would be permitted to pool their goods according to the general expenditure categories of consumer goods described in the CPI Detailed Report. These categories are generally as follows:

1. Food and beverages.
2. Housing maintenance and repair commodities.
3. Fuels (other than gasoline).
4. House furnishings and housekeeping supplies.
5. Apparel commodities.
6. Private transportation (including gasoline).
7. Medical care commodities.
8. Entertainment commodities.
9. Tobacco products.
10. Toilet goods and personal care appliances.
11. School books and supplies.

Section 5. Permitting businesses to use regularly published government price indexes.

[4] For a further discussion, see subcommittee hearing record, pt. 2, "Tax Policy, Inflation and Inventory Accounting," by Jane G. Gravelle, Congressional Research Service, Sept. 2, 1980, p. 7.

[5] An exception to this requirement is that small farms may use the cash receipts and disbursements method of accounting.

[6] Statistics Division, Internal Revenue Service, August 1980.

[7] "Inventory Accounting as a Burden on the Capital Formation Process," part 2.

[8] See Congressional Record, March 4, 1981, p. 3555.

In general, a business on LIFO must develop an internal price index for valuation of its inventory. This is particularly a costly and complex requirement for small business. Department stores are currently the only industrial group permitted to use government price indexes.

This bill permits any business electing LIFO to use an index based on general categories from the Consumer Price Index or the Producers Price Index.

Section 6. Permitting business to use certain internal indexes, without showing other methods are unsuitable or impractical.

The tax regulations place certain limitations on the type of internal price index a business may use for LIFO.

For businesses wanting to continue to use internal price indexes under LIFO, this bill would broaden the choice of internal indexes. This provision would permit many businesses to use the link chain method of indexing.

Section 7. Repeal of § 403(b) of the Crude Oil Windfall Profits Tax Act of 1980.

There is a provision in the Windfall Profits Tax Act which requires a corporation to recapture its LIFO benefit as ordinary income in certain specified situations. In general, this recapture occurs when a corporation distributes its LIFO inventory in a partial or complete liquidation of the business. The effective date of this provision is for plans of liquidation adopted after December 31, 1981.

Section 8. Cash Receipts and Disbursements Method (Cash Method) of Accounting.

A business may elect the cash method if its gross receipts are less than $1.5 million and if it meets the active participant test. In general, an active participant is someone who is actively involved in management and whose principal business activity is such trade or business.

Section 9. Treatment of Excess or Obsolete Inventory.

In general, the current tax law only permits a business to writedown its excess or obsolete inventory in certain narrowly defined situations. Often, these narrowly defined situations do not reflect the reality of current business practices.

This bill provides an objective standard for businesses in the treatment of the value of its excess inventory. It generally permits a business to reduce the value of its excess inventory over a five year period.●

PEACE CORPS AT A CROSSROADS

HON. TONY R. HALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. HALL of Ohio. Mr. Speaker, this month marks the 20th anniversary of the Peace Corps. Such a landmark offers us an opportunity to reflect upon its development and ask about its future in a world very different from the world of its founding.

For me, this anniversary takes on a special meaning. I was a Peace Corps volunteer in Thailand before I was elected to the Ohio General Assembly. for 2 years, I saw firsthand the importance of the Peace Corps and I participated in its mission to help our world citizens.

The Peace Corps is our most effective foreign assistance program. It differs from all other international programs which offer food, money, or arms, because the Peace Corps offers our most precious resource—our own people.

Today, the Peace Corps successfully achieves its goals of helping the people of other countries in meeting their needs for trained manpower, and promoting a better understanding between the American people and the people of other lands.

It accomplishes these goals through volunteers who work at the local level, communicating American values and ideals, and delivering assistance directly to the host country.

The quality of volunteers in the Peace Corps is as high today as it has ever been. Programs are better focused than they have been in the past. Foreign leaders still view the Peace Corps as a reliable resource they can depend on.

Just as they did 20 years ago, volunteers in the Peace Corps achieve a deep sense of satisfaction and personal development. The friendships that are formed through the Peace Corps' unique people-to-people approach continue to benefit this Nation.

Yet, despite its success, the Peace Corps today is struggling for survival. Only 5,000 volunteers now serve in the field—one-third the number who served during 1967. Applications for volunteer positions have steadily declined since the 1960's. The Peace Corps serves nine fewer countries than it did only 4 years ago.

The greatest threat to the Peace Corps may still lie ahead. The decline in popularity of foreign aid has weakened support for the Peace Corps here in the Congress. This, added to the new mood of fiscal restraint and budget cutting, could lead to unfairly large cuts in the Peace Corps program.

The President's recently imposed Federal hiring freeze will have a particularly harsh effect on the Peace Corps. This is because the agency places a strict 5-year limit on employment to insure an infusion of new people and ideas. But unless the hiring freeze exempts the Peace Corps, this scheduled turnover will become a quick depletion of manpower.

Finally, the Peace Corps is in danger of losing its vitality. In the 1970's, a series of organizational and personnel changes diminished the effectiveness of the agency, and the number of applicants began to drop. The Peace Corps must wage an aggressive campaign to promote interest in its program, or the number of applicants will continue to decline.

Last year, when I was a member of the Foreign Affairs Committee, I offered an amendment to the foreign aid bill to increase support for the Peace Corps so that it could continue its efforts overseas undiminished.

In February of this year, I joined with my Senate colleagues, PAUL TSONGAS and CHRISTOPHER J. DODD, in a letter to the President urging his support for the Peace Corps, and expressing concern about the effects of the hiring freeze. Senators TSONGAS and DODD, like me, are former Peace Corps volunteers.

The Peace Corps represents the best humanitarian instincts of the American people in assisting less fortunate people around the world. Dollar for dollar, it has excelled as an effective, yet inexpensive American aid program. In the long run, the investment of this money just might save us from spending millions of dollars more in the future which might be required for economic or security assistance.

Happy birthday, Peace Corps, and many happy returns.●

WOMEN'S HISTORY WEEK

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. RODINO. Mr. Speaker, the significant role that women have played in the development of our Nation has been consistently overlooked in the body of American history, and I believe it is time that Congress initiated a reawakening to the contributions of women to our history. This is why I have joined with over 100 of my colleagues in sponsoring a resolution to designate the week of March 8 as a time of special recognition for women's history in America.

The resolution would direct the President to issue a proclamation calling on the people of all 50 States to observe the week with appropriate activities in celebration of women's history.

This is already happening in many States, and in my congressional district on Sunday, March 8, there was a march through downtown Newark celebrating Women's History Week. Hundreds participated in this event which was sponsored by the following organizations: The New Jersey Division on Women, Clara Allen, director; New Jersey Advisory Commission on the Status of Women, Connie Woodruff, chairperson; Essex County Advisory Board on the Status of Women; New Jersey Coalition of Labor Union Women; National Organization for Women, New Jersey chapter; New Jersey Industrial Union Council/Women's Affirmative Action Commission of the AFL-CIO; Black Women United; United Auto Workers/New Jersey Women's Council; and the

Labor Council for Latin American Advancement.

Over 100 other local women's groups were represented at the march which culminated in a program of women's history at Essex County College. The college presented films, exhibitions, and performances by women singers and dancers, as well as three speakers: Mary Burke Nichols, director of the Women's Bureau for New York State; Crystal Lee Sutton, the courageous Tennessee woman who unionized textile workers and whose life was portrayed in the movie "Norm Rae"; and Kathy Andrade, a native of El Salvador who is a representative of the International Ladies Garment Workers Union.

The activities at Essex County College offer hope that the present lack of historical attention on women's contributions will be replaced by a broader and more indepth appreciation of the role of women.

Women of all races and ethnic origins have served as leaders in the forefront of every major progressive movement for social change in our Nation's history. Their efforts have been directed not only to secure their own rights of suffrage and equal opportunity, but to secure these rights for all Americans.

During the antislavery movement prior to the Civil War, Elizabeth Cady Stanton, Lucretia Mott, Susan B. Anthony, and Harriet Tubman were some of the women who led the attack agaist racial injustice; in the struggle to open up educational opportunities to minorities, the name of Mary McLeod Bethune stands out; at the beginning of the American industrial labor movement, Mary Harris (Mother) Jones and Frances Perkins were leaders; and in our more recent struggle for civil rights the name of Rosa Parks is prominent among the activists.

The names of women who have enriched our Nation through contributions in science, the arts, politics, and sports are legion. Names like Molly Pitcher, Margaret Meade, Dorothy Day, Georgia O'Keefe, Mary Cassatt, Emily Dickinson, Willa Cather, Eleanor Roosevelt, and, more recently, such dynamic leaders in their fields as Sarah Caldwell, Beverly Sills, Leontyne Price, Althea Gibson, Barbara Jordan, Patricia Harris, and Shirley Hufstedler.

While the achievements of these particular women stand out, the fight for equal opportunity for all women has not yet been won. As chairman of the House Judiciary Committee which is responsible for safeguarding the rights of all Americans, and as a sponsor of the equal rights amendment, I remain hopeful that the required number of States will ratify the amendment. This would write into our fundamental law a reaffirmation of our Nation's commitment to basic human rights.

There have been some advancements that we can take pride in, such as the increased number of women on the Federal bench. As the chief sponsor of the Omnibus Judgeship Act of 1978, which created 152 new Federal judges, I pushed for language in the conference report that directed the President to consider the lack of women and minorities on the Federal bench when reviewing qualified candidates for judgeships. As a result of this legislation, President Carter was able to name more women to the Federal bench than did all previous Presidents combined. Also, the Judiciary Subcommittee on Civil and Constitutional Rights has held several hearings on equal employment opportunities in the executive and judicial branches, and the results have been more women working in the U.S. courts.

These advances did not come easily, and the cause of full equality is still ahead of us. But I believe that there are good people to carry on the fight, and I am encouraged by the support given to this resolution for Women's History Week.●

COMMEMORATION OF TARAS SHEVCHENKO DAY

HON. JAMES L. NELLIGAN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. NELLIGAN. Mr. Speaker, I rise to commemorate one of the most important days in the history of the Ukraine, and in the memory of Ukrainian Americans—the birthday of Taras Shevckenko, who was the foremost Ukrainian poet and nationalist of the 19th century.

Born a serf on March 9, 1814, Shevchenko used his literary talents to gain his freedom in 1838. Other literary figures of his time used their talents for personal status and financial gain. Shevchenko was different. He applied his God-given gifts to creating a Ukrainian ethnic consciousness, and to promoting the cause of Ukrainian independence.

In 1847, the dictatorial Russian czarist regime punished Shevchenko for his writings by inflicting upon him the worst of fates—forced exile.

Though officially prohibited from writing, Shevchenko continued to work secretly. His poems had an immense impact on Ukrainian nationalist consciousness in the 19th century, and continue to inspire thousands of Ukrainian Americans in the present.

Today, I salute Taras Shevchenko. In so doing, I honor the accomplishments of Ukrainian Americans in Pennsylvania's 11th District, and across the Nation.●

NEW GEOLOGICAL SURVEY GAS SUPPLY ESTIMATES RENDER THE NGPA OBSOLETE

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. DANNEMEYER. Mr. Speaker, natural gas is presently priced and allocated pursuant to the Natural Gas Policy Act of 1978 (NGPA). Further, the use of natural gas is restricted by the Fuel Use Act. Both of these public laws were heavily influenced by two critical assumptions, both of which are now obsolete.

First, the pricing formula of the NGPA is based upon the assumption that the $9 to $14 per barrel price of crude oil in 1978 would not increase faster than inflation through 1985. As everyone knows, far from only keeping pace with inflation, world oil prices have more than doubled. Specifically, the Energy Information Administration's Weekly Petroleum Status Report of February 27, 1981, estimates the current weighted average world oil price at $35.62 per barrel. Clearly, if no changes are made in the NGPA, the price of selected categories of natural gas to be deregulated in 1985 will be below the market clearing level, assuming the price of oil and gas to be linked.

Second, the NGPA, as well as the Fuel Use Act, is based upon a Chicken Little syndrome as to the future available supply of natural gas. It is clear that former President Carter's energy policy was based upon the view that natural gas was in very short supply and should be strictly conserved. It is my recollection that the Carter administration predicted we would run out of natural gas by the end of this decade.

Nothing could be further from the truth. On February 25, 1981, the U.S. Geological Survey of the Department of the Interior released the summary results of a 16-month investigation to update the 1975 estimate of the Nation's oil and gas resource base.

The study released by the Geological Survey reflects a 22-percent increase in the mean estimate of our undiscovered recoverable conventional supply of natural gas. The report of the Geological Survey defines this category of gas as follows:

> Undiscovered recoverable resources are those resources which can be extracted economically under existing technology and price/cost relationships assuming normal short-term technologic growth.

The new mean estimate of 594 trillion cubic feet of natural gas compares with the 1975 mean of 484 trillion cubic feet. The estimates are again based on a range set by 95 and 5 percent probability levels. The new range

of at least 475 trillion cubic feet to more than 739 trillion cubic feet compares with the 1975 figure of between 322 and 655 trillion cubic feet. At current levels of consumption, the new mean estimate represents almost a 30-year supply of conventional natural gas.

In my considered judgment, Mr. Speaker, these new supply figures render obsolete the second critical assumption behind the NGPA and the Fuel Use Act. This is true, I believe, even though the Geological Survey findings do not include supplemental gas sources such as those from tight sands, shales, brines, and others. Supplemental sources make natural gas even more plentiful than the Geological Survey figures indicate. The policy conclusion is clear. We should be encourging rather than discouraging the search for, and the use of, natural gas.

At a minimum, I believe this new information, coupled with the unreal oil price assumptions, reinforces the conclusion that the 97th Congress must reconsider the present national policy toward natural gas as contained in the Fuel Use Act and the Natural Gas Policy Act. We may disagree on the changes necessary to these statutes, however as a body we must first develop a consensus that radical changes in circumstances since 1978 warrant a reexamination of existing policy.

After a considerable degree of study and research of the available options, and consistent with my past position, I introduced H.R. 2019, the Natural Gas Decontrol Act of 1981, on February 24, 1981. H.R. 2019 provides for the immediate, total deregulation of natural gas.

Mr. Speaker, there are those who advocate reform of the NGPA short of total deregulation. While there are some specific changes that I do support—as an improvement over the status quo—such as repeal of incremental pricing and the ban on use of gas by existing powerplants, I must state my conviction that they do not go far enough. Anything short of total deregulation is analogous to trying to rescue a drowning person 100 feet off a pier by compromising on a 50-foot rope. Just as the rope will fall far short of its objective, so will the NGPA if allowed to run its course unamended through 1985 and beyond.

It cannot be emphasized enough that the current state of affairs with crude oil free of controls while natural gas remains regulated skews the incentive system in a manner that will lead to future natural gas shortages. These shortages will occur because of Government policy pushing producers away from gas, not because the actual supply of gas in the ground has been depleted. Simply stated, the higher price of oil is already tilting exploration and drilling toward oil and away from gas. The increase in gas well drilling for the first 9 months of 1980 was 5.6 percent while the increase for oil well drilling was 38.8 percent. If we are to avoid future shortages and overall energy market distortions, we must decontrol natural gas as swiftly as possible. Failure to do so will adversely affect all gas users, but especially residential customers in the Midwest and Northeast.

Natural gas is the ideal transition fuel as we move from nonrenewable to renewable sources of energy during the rest of this century. Unlike coal, natural gas is clean burning. Unlike foreign oil, natural gas does not place American foreign policy and the world economy at the mercy of a cartel. With 1 million miles of pipeline, a transportation infrastructure is already in place. If the most optimistic projections of supplemental gas enthusiasts prove accurate, the future of natural gas will span beyond the transition period.

Mr. Speaker, we as a Congress cannot sidestep this issue. The longer we wait to act, the further we merely postpone the inevitable day of reckoning. I urge my colleagues to support reexamination of the Natural Gas Policy Act and the Fuel Use Act together as early as possible in the 97th Congress.●

SOVIET UNION AND EASTERN EUROPE IN PERSPECTIVE

HON. BOB SHAMANSKY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. SHAMANSKY. Mr. Speaker, I wish to bring to the attention of my colleagues and the public the valuable contributions to international understanding made by a unique radio program broadcast in the 12th District by WOSU Radio.

WOSU Radio and the Center for Slavic & East European Studies at Ohio State University produce the show "Soviet Union and Eastern Europe in Perspective." In charge is Miriam Schwartz, of the center.

WOSU Radio, an affiliate of National Public Radio, distributes the show to the Ohio Educational Broadcasting Network. This means people all over the State have the opportunity to hear "Soviet Union and Eastern Europe in Perspective."

All participants on the program are experts in the field. Guests receive no monetary payment, but appear because they recognize the show as a valuable educational tool. The purpose of the program is to inform the general public about all aspects of life in the Soviet Union and Eastern Europe. Although the content is accurate and scholarly, it is never too technical or obscure. People who are not experts can learn something about and perhaps come to understand more of that important area of the world.

Ohio State University has more than 50 scholars in Soviet and Eastern European area studies, but the show's producers also attempt to interview as many experts as possible from other institutions.

Mr. Speaker, I have traveled in the Soviet Union and Eastern Europe and appreciate the consistently high quality maintained by the program's producer, Miriam Schwartz. It is my hope that when my colleagues are in Ohio, they make it a point to listen to "Soviet Union and Eastern Europe in Perspective."

Thank you.●

THE SILVER SCAM—PART IV

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. McDONALD. Mr. Speaker, today I am placing the final part in the CONGRESSIONAL RECORD of this series describing how the Hunt family was really the victim and not the instigator of the fall in the silver market last year. For those wishing to consult the previous parts of this series, the items appear on February 23, page 2738, March 3, page 3492, and March 4, page 3586. I commend this concluding article to the attention of my colleagues:

THE SILVER SCAM—PART IV

It could all have been innocent and natural. But was it? And is it wrong for us to be suspicious?

On to D-for-debacle Day. Their backs to the wall, Nelson Bunker and William Herbert made an announcement that was a little unusual. They were going to raise $4 billion by issuing notes paying interest rumored to be 8 percent secured by silver at a price rumored to be $20 an ounce, and they had arranged to sell 12.5 percent of the notes to one unidentified Swiss bank. The initial press response was surprisingly noncommittal; Nelson Bunker and William Herbert were in the process of raising another $4 billion which they would use to shore up the market. The response on the exchanges was something else. The Hunt brothers needed money? Oh, my! Sell! Sell it all! Quick! Sell!

At that point, even Nelson Bunker and William Herbert failed to meet their margin calls. When people heard that, the price went from $15.80 all the way down to $10.80 in one day.

Even then, it had considerable resilience. It ranged from $12 to $16 for weeks, which was nice for the exchanges and their members. The sharp drop in price, followed by the recovery and stability, made it possible for the exchanges to change the member margin rules, declare the previous high margin deposits as excess, and proclaim the capital- and margin-adequacy and solvency of the member firms which had previously been a little bit weak: Bache alone was now

decreed to have excess margin of $80 million, and Heinhold $19 million!

Justice had prevailed. The markets had worked. The brokerage firms were still solvent, adequately margined, and with adequate net capital. The chairman had done his job well, possibly better than he wished in retrospect. If he had done it a little less well, he could have asked the Congress for new powers to regulate everything, margin, retroactive rules, other powers. He may decide to ask anyhow. But the fact of the matter was that the exchanges had done the job themselves, albeit with the cooperation of the CFTC. The "free" market had "worked," they had rescued the commodities exchanges—and those greedy brothers from Texas has lost more than a billion dollars! Bucked the system? Gone to hell! TV, radio, newspapers, magazines, all the media celebrated. Of course, nobody in his right mind would ever trade precious metals on the American markets again, but that wouldn't last, everyone knew. People have very short memories.

The story had played out dramatically. There were winners who had deserved to win and losers who had deserved to lose.

The story goes on.

In the closing days of March, it became clear that the cash position of Nelson Bunker and William Herbert was not what it might have been, and too tight for them to consummate the $665 million purchase of 19 million ounces from Englehard at $35 an ounce. At a marathon day-and-night negotiating session in Boca Raton, representatives of Citibank, Chase Manhattan, Morgan Guaranty, Bank of America, Manufacturers Hanover Trust, and First National Bank of Dallas met with officers of Englehard, Nelson Bunker, and William Herbert, Chairman Paul A. Volcker of the Fed drifted in and out of the room, occasionally in pajamas. In the end, the Hunts seem to have settled their matter with Englehard by transferring to Englehard some of their oil properties and some of their silver. Has the deal closed?

On D-for-debacle Day plus one, March 28, a curious thing happened. Silver had traded down to $10.80 the day before. The panic was still on. The margin calls were still exploding. Nearly a billion dollars of silver traded that day in a very curious pattern. It went down to $11.50, then bounced up again to $14, sank to $11.30, bounced up again, and then down again a few more times, to $11.50 each time, and up again each time, before closing the day at $12.00. It is easy to understand who was selling—panicky people who were margin short. But who was doing the buying?

It could not have been Nelson Bunker and William Herbert, who were spending the day tied up in financial knots. But somebody was buying a billion dollars of silver.

Who?

Shortly thereafter, the Hunts did in fact negotiate with most of the banks who had been present at the Boca Raton pajama party a billion-dollar-plus loan to Placid Oil, an independently managed family trust, with the understanding that some of the loan proceeds would be re-lent by the trust to Nelson Bunker and William Herbert, who would collateralize the loan with virtually everything they had in the world—everything: oil, silver, stock, art, horses, cattle.

Again, Mr. Volcker of the Fed participated, at least to the extent of blessing the loan. When challenged, he denied recommending it, or pressuring any of the bankers to do it, taking the serene position that, as chairman of the Fed, he was entitled to know. He later remarked that "there is evidence indicating that there was an attempt to control the supply of a significant commodity. . . ."

Afterward, at least one banker commented to at least one financial reporter that his bank and the others were doing it to "save civilization as we know it." Apparently there was some fear of a mammoth international banking musical chairs—in which one or more banking institutions lending to Nelson Bunker and William Herbert or their creditors or someone with whom they or their creditors had hedged or contracted would be paid what and when—and who would be left unable to grab a chair.

Mr. Volcker two weeks later reportedly told the press that one of the requirements of the loan would be that Nelson Bunker and William Herbert would have to liquidate their entire silver stock and refrain from dealing in precious metals. An odd statement for Mr. Volcker to make. Knowledgeable as he is, and he unquestionably is knowledgeable, he had to know the impact his statement was likely to have—and did have—on the shell-shocked precious metals markets, before he decided on the following day to qualify what he had said. What was he trying to accomplish? Save the dollar as we know it?

There has been occasional media conjecture that the bank loan to Placid Oil was a "bail-out" designed to placate highly placed Saudis who were embarrassed at the debacle. yet this is oddly unconvincing. If the entire loss was borne by the Saudis involved, and not merely the proportionate interest that seems to have been theirs, the total sum in question is nevertheless in petrodollar terms negligible. The Saudis have for eight years been delicate in the extreme in urging fiscal and monetary restraint on Washington, although they lose vastly more than the total amount of the silver both on the foreign exchange markets every day the dollar loses one percent of its value. Hurt by the loss? Embarrassed by the speculation? No. Total petrodollar diversification into precious metals to this date remain prudent. The Saudis are more likely to have been irritated by the questionable ethics of the changes of trading rules by the exchanges.

The Comex and the Senate Committee on Agriculture issued reports and various Senate and House committees held hearings. Conspicuously missing from the reports and the inquiry were hard factual answers to a number of fascinating questions, such as:

Who was short and how many ounces and when and at what prices? Who controlled the exchanges? What was the relationship of each of the shorts to the power structure on the exchanges? Were each of the short-member firms in compliance at all times with all net capital and margin requirements? If not, why not, and what was done about it?

What efforts were made by the brokerage houses to police what was being said by their brokers? Were the firms telling their customers to buy, themselves shorting silver?

Who were the sellers in January, February, and March? Were any of them selling short? Where they in fact selling only to effect delivery, whatever that meant? Where they engaging in arbitrage between the various markets?

To what extent were the bidders the short insiders on the exchanges and their associates, as opposed to just plain folks who happened to be short? Where they all acting independently? Where they deliberately knocking the price down to cause margin calls? Were the insiders who were short trying to keep the price firm, orderly, and responsible? Who bought all the silver at $11.50 on March 28?

What banks, brokers, creditors, and others were in danger of insolvency if Nelson Bunker and William Herbert were cash-squeezed and failed to honor their obligations when due? Why did Mr. Volcker announce in April that the Placid Oil loan was going to require Nelson Bunker and William Herbert to sell off all their silver and refrain from purchasing precious metals? Why was this the business of the CFTC, Treasury, SEC, Fed, or anyone else?

Were the purpose and effect of the rule changes as described above? What does the CFTC propose to do about it? Are there any limitations on the power of the exchanges to change the rules of trading to benefit particular classes of traders?

The near disintegration of the financial markets is a very serious problem and should be investigated by the Congress. But we are left to wonder whether useful hearings on the subject will ever be held.

This is one of those situations where there are a number of different points of view.

The governing bodies of the Comex, and CBOT see the Hunt speculations in silver as the most dangerous threat in history to the commodities markets of the United States. They noted the problem early, notified the key regulatory body, the CFTC, promptly, stayed in touch with the CFTC nearly daily, and, with the approval of the CFTC, instituted the higher margin requirements, position and delivery limits, and liquidation-only trading that ended the speculative threat once and for all and restored the free markets to their basic maker-user-hedger function. They did it all themselves, with the powers they now have under the law, and they see no need for further regulation by the CFTC or anyone else.

The SEC sees the similarity between the trading of futures and the trading of securities and the potential danger of inconsistencies between the rules governing trading on the commodity markets supervised by the CFTC and the rules governing trading on the securities markets supervised by the Division of Trading and Markets of the SEC. Runaways on the commodity markets can seriously influence trading on the securities markets.

The Federal Reserve and Treasury have multiple concerns. First, there is the threat that excessive prices for precious metals will lead to some sort of reintroduction of a gold-and-silver convertible currency. Second, there is the risk of speculation in commodities which accompanies and reinforces inflation and which directly undermines the value of the dollar when it is the precious metals that soar in price. Third, there is the relationship between speculation in the precious metals and the levels of the money supply and base and their rates of increase and decrease. Fourth, and finally, a major speculative accident in one of the commodity markets could lead to a domino collapse of the world banking system. In fact there are some people who insist that the Hunt caper very nearly did just that.

Nelson Bunker and William Herbert undoubtedly feel that they played by the rules and were victimized by the exchanges and the CFTC. In spite of this, they have paid all their debts, pledging myriad assets, including substantial quantities of silver, for

the Placid Oil loan. As they look to the future, they see business and politics as usual; the ship of state out of control; fiscal and monetary policy geared to votes; prime dropping to 9 percent; the money supply and base edging up week by week; federal spending, borrowing, and guarantees climbing; banks, savings and loans, and insurance companies recovering; the bond market moving back up; the stock market nudging 1000; the dollar tumbling; and the gold price overtaking the Dow at $1000.

With gold at $1000 an ounce, at 1:37 the silver price will be $27 an ounce, at 1:20, $50 an ounce, and at 1:10, $100 an ounce—which is exactly what Nelson Bunker and William Herbert were saying all along.

Two brothers from Texas, trying to make a little money, caused all that fuss for all those folks in government. How much silver do they now own? How much did they lose? Is their Placid Oil debt restructuring all for show, done with mirrors?

Silver mirror on the wall, who'll be the richest of them all? Hi-ho, Nelson Bunker and William Herbert.●

THE 63D ANNIVERSARY OF THE DECLARATION OF LITHUANIAN INDEPENDENCE

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. MICHEL. Mr. Speaker, February 16, 1981, marked the 63d anniversary of the Lithuanian Declaration of Independence. Unfortunately, this day is one which sees the Lithuanian people still subjected to Communist imperialism.

The Helsinki accords made it clear that the principle of self-determination is and should be at the very foundation of world peace. Yet the Soviet Union still continues to dominate the lives of Lithuanians, despite the fact that the Soviet Union pays lipservice to the principles of the Helsinki accords.

It is no coincidence that the Soviet secret police have been persecuting Lithuanian Roman Catholics who seek only to practice their faith. The Soviet rulers know that the greatest enemy of tyranny is faith in God.

We hear much about human rights today, Mr. Speaker, but when was the last time you heard an official spokesman of the United States complain officially about the human rights violations that have been going on in the Baltic States for 40 years?

The time has come to break this silence, and this recognition of the Lithuanian Declaration of Independence should be a start.●

IS THE POSTAL SERVICE PREPARED TO DEAL WITH THE CRISES OF THE EIGHTIES?

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. CLAY. Mr. Speaker, the Postal Service is faced with several critical issues of the eighties—in short, shrinking resources, public demands for better service, and new and advanced technology. The Subcommittee on Postal Operations and Services, which I am privileged to chair, is and will be addressing these issues in the months ahead.

Recently, Michael F. Cavanagh and Richard M. Neustadt commented on the changing postal scene in the Washington Star of February 20, 1981. They offer a warning to the Postal Service that deserves the attention of my colleagues.

This comment follows:

WHAT HAPPENS WHEN THE MAILS DRY UP?

In Columbus, Ohio, a resident settles down for the monthly misery of paying bills. Instead of shuffling papers, he pushes a couple of buttons and his TV set displays his bank balance and the bills due. A few more buttons, and the bank's computer is making the payments.

Meanwhile, a downtown businesswoman prepares a report for the home office. She checks the text displayed on a screen and approves it. Within seconds the report flashes over telephone lines or a satellite and is printed out at its destination.

This is not science fiction; people are using these systems today. They will spread rapidly in the next decade as electronics begins to replace paper as the primary means of transferring information. Anything this new and efficient will strike us as exciting. Easily forgotten, however, is its impact on the old means of moving information: the mails.

LOSING CUSTOMERS

When our Columbus resident paid his bills he eliminated the need for at least a dozen letters—half sending him the bills and half paying them. When our businesswoman sent her report by "electronic mail," the Postal Service lost another customer. Both of them got instant transmission—a considerable advantage over the mails. And both of them used equipment that is getting cheaper—another contrast with the escalating cost of postage.

Sixty per cent of Postal Service revenue comes from first-class mail, and four-fifths of first-class volume is business-related mail and bills. Communications carriers like Satellite Business Systems are being launched to capture the business traffic, and banking at home will increase as cable TV and special telephone-based electronic information systems spread throughout the country.

Mail volume is high now, and some think the diversion will take many years. But other communications experts believe 10 percent of first-class volume may shift to electronics by the middle of this decade.

That will be only the beginning, of course. The hard fact is that the Postal Service will have no role in the world of terminal-to-terminal communications. Whatever the pace, the hemorrhage of lost revenues is inevitable, and it will occur in the most profitable operations. The loss will far exceed the savings from moving fewer items.

This threat comes at a time when the Postal Service already faces severe strains. Most parcel traffic has been lost to private companies, and the Postal Service is very properly stuck with the most costly rural routes that private carriers avoid. Business mailers, frustrated with slow delivery are shifting their priority items to private couriers, although the Postal Service is now competing for that business.

The Service's 650,000 workers are insisting that wages at least keep up with inflation. Proposals to increase efficiency—such as five-days-a-week delivery, closing some rural post offices, and longer zip codes—are attacked by Congress and the public.

For those who have waited a week for a letter to get across town, the first reaction might be to welcome electronics and bid the Service adieu. But the fact is that we will need the conventional mail system for at least the rest of this century. For some time to come, millions of small businesses and tens of millions of households will not have electronic terminals—because of expense, because they are in remote areas, and because people will not know how to use the technology.

MAGAZINES, LOVE LETTERS

Moreover, electronics cannot do everything. Without the universal service and low rates provided by the Postal Service, most small magazines would die. Similarly, love letters would feel very different if they appeared on a cathode ray tube. Paper is being eclipsed, but it is not disappearing, and the government has a constitutional responsibility to ensure that anyone in the country can send paper to anyone else. To meet that responsibility, the government must decide how to deal with rising cost and falling volumes.

How? Affected groups are tackling three different approaches.

First, current services and rates could be maintained by having the Treasury make up the losses. Congress now gives the Service about $750 million a year in "public subsidies." Budget cuts will probably significantly reduce this figure, despite the fact that to meet future deficits, the subsidy might have to increase ten-fold or more.

The crunch in the federal budget is likely to mean that the postal subsidy will go down rather than up in the years to come. Unless the economy and public attitudes change very sharply, it would be a serious mistake to expect taxpayers to bail out the Postal Service when electronic diversion hits full force.

Second, mailers could bear the cost, but the Postal Service is supposed to be a universal utility. Do we want to make stamps unaffordable for the poor? In any case, higher postal rates would accelerate the migration to electronic mail and alternate delivery methods. As volume fell, the deficit would widen, forcing further rate increases—a vicious circle and fairly rapid disaster.

The only alternative is to make the Service more efficient. Postal management has made some solid moves to increase productivity in recent years, but now must consider more radical steps to cut costs. It should shift at some point from door-to-door delivery to clusters of mail boxes set up at street corners. It could deliver mail five days a

week instead of six. It could close some of the 40,000 postal facilities.

Postal management has floated some of these ideas, and they have proved to be political dynamite. Mailers want more service, not less. The postal unions fear their members will lose jobs. As for the public, people appreciate mail and react angrily to proposals for cutbacks.

A politician's natural reaction to this situation is to look for another issue to work on, but we must be willing to begin planning now. The first step will be to arrive at a consensus on how quickly electronic diversion will come and how severe the impact will be. Then cutbacks can be phased in gradually, so that job reductions will be achieved through attrition, not lay-offs.

If we start now, we can build the lean but still sound postal system we will need in the 1990s.

[Richard M. Neustadt was an associate director of the Carter domestic policy staff. Michael F. Cavanagh is president of an information policy consulting firm.]●

WE SHOULD LEAD BY EXAMPLE—NO PAY RAISE FOR CONGRESS

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. BEDELL. Mr. Speaker, soon the Congress will take up former President Carter's request for a 16.8-percent pay increase for Members of Congress and 1,346 executive and legislative officials. I strongly believe Congress must lead by example in the fight against inflation—and that such leadership entails rejecting this proposed salary increase.

Granting ourselves such a pay increase would be wrong at a time when we in Congress should lead the fight to revive our U.S. economy, which has been crippled by persistent inflation and a high national debt. I strongly urge my fellow Members of Congress to reject this pay increase and send a clear sign to the American people that we are serious about fighting overspending and inflation.

The pay proposal, totaling $183.1 million, would raise salaries for Members of Congress from $60,662 to $70,853. I have consistently voted against such pay increases in the past.

Mr. Speaker, I have talked to many families in my district, and have received many letters from the people of northwest Iowa. I know that these hard-working families are doing all they can to make ends meet. These families are sacrificing and trying to keep their heads above water—and many cannot even do that. This is typical of families not only in Iowa but across the Nation. In light of this, how can we in good conscience here in Congress watch these people struggle and sacrifice, yet grant ourselves a pay increase? I contend we cannot and must not.

There is no room for a pay raise for Congress at a time when the President has asked for an increase in the debt ceiling. There is no room for a pay raise for Congress when President Reagan has just outlined an economic recovery package, which involves reducing and eliminating Federal spending programs.

While I am still reviewing and studying the President's package, I must say that I agree with the basic thrust of his program. It is time we trimmed excessive waste and spending from the Federal budget. In fact, ever since coming to Congress, I have supported and worked for elimination of unnecessary Federal spending. We must start economic recovery right here in Congress—by putting our own House in order.

Mr. Speaker, I am cosponsoring a bill introduced by my colleague from Iowa, Mr. TAUKE, which is designed to simplify and clarify the whole question of congressional pay adjustments. This bill mandates that congressional pay increases be considered independently of—and not as riders to—other appropriations bills, as has been the tradition in the past. It also says that pay increases will not be linked to the salaries of other Federal employees. Further, it defers congressional pay adjustments until the beginning of the next Congress, and requires a recorded vote in each House for annual congressional pay adjustments.

The time has come to address this matter in a clear, effective manner. It is time for Congress to lead by example, not by lipservice. We owe it to the people of America to block this unjustified pay increase and work instead to fight inflation starting right here, in our own pocketbooks. That way, the people of northwest Iowa and across this Nation will know we are serious about it.●

PRESIDENT REAGAN'S POSTSECONDARY EDUCATION BUDGET CUTS: A LOBOTOMY FOR WEIGHT CONTROL

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. FORD of Michigan. Mr. Speaker, President Reagan's proposals to reduce Federal spending are based on the assumption that the Federal Government has become too large. The Federal Government, according to President Reagan, has become fat, sloppy, and intrusive in the life of the Nation. I can agree with some of the President's diagnosis of the Nation's ills. Although we certainly differ on the priorities, I believe that prudent reductions in some areas of Federal spending are warranted. It is, however, apparent to me that you do not hack away at the Nation's brainpower as part of a fiscal diet. A lobotomy is not acceptable as a means of weight control. Yet this is precisely what the President proposes. The impact of the President's proposals for budget cuts in postsecondary education would be a substantial decline in college and university enrollments, paticularly among graduate students, and in all likelihood several hundred institutions of postsecondary education closing their doors. The educational level of our citizens makes a major contribution to technological innovation and improving our economic productivity. Accelerated technological innovation and increased economic productivity are, in turn, central to bringing us out of the current economic doldrums. Shutting down the engine of long-term economic progress in the name of short run budget cutting is not wise public policy.

THE PRESIDENT'S PROPOSALS

GUARANTEED STUDENT LOAN PROGRAM

Restrict loan amounts to "remaining need," which is educational costs minus both other aid received by a student and the expected contribution of the student's family;

Eliminate the in-school interest subsidy requiring that the in-school interest be paid by the student;

Increase the interest rate on parental loans from 9 percent to market interest rates—approximately 18 percent;

Deny the Student Loan Marketing Association access to the Federal Financing Bank; and

Prohibit the use of State tax-exempt bonds as a source of student loan capital.

PELL/BASIC GRANTS

Increase the percentage of family income that is expected to be contributed for educational expenses; and

Require all students to contribute $750 toward their educational expenses.

STUDENT SOCIAL SECURITY BENEFITS

Phase out this program in 4 years by reducing the benefits of current recipients 25 percent per year and accepting no new recipients.

The Subcommittee on Postsecondary Education, on which I serve as the ranking majority member, held 2 days of hearings on the impact and implications of these proposals on February 24 and 26. Representatives of students, institutions, financial aid administrators, and others presented detailed analyses of these proposals. I commend this hearing record to my colleagues, but, in the spirit of the new administration, let us skip down to the bottom line.

THE BOTTOM LINE

An overall decline in enrollments by 500,000 to 750,000 students;

A decrease in loan volume in the guaranteed student loan program of 80 to 90 percent; this implies a reduction of $5 to $6 billion in loans available to students and negative effects on more than 2 million students;

A reduction in Pell grant recipients of 100,000 this fall and 575,000 next fall as well as a reduction in grant amounts across the board;

A 25-percent loss of operating revenue in the case of one typical private college;

A shift in student enrollments from higher priced—mostly private—colleges to lower cost institutions;

A prediction that in the neighborhood of 300 private colleges will close;

An increase in loan repayments for the few who get loans of between 25 and 40 percent; in the case of a graduate student who borrows the legal maximum under the guaranteed student loan program, $25,000, a monthly repayment of $447, a 41-percent increase over current law;

A long-term increase in the loan default rate because of high repayment burdens;

A very significant decline in graduate student enrollments since graduate students have few alternatives to finance their education other than the guaranteed student loan program;

A reduction of $500 in the first year in the average benefit to a student social security beneficiary. This is a loss not only of resources to pay for postsecondary education but also a loss of family income; and

A general reduction in access to postsecondary education and choice among postsecondary educational alternatives, hitting hardest students from working and middle-income families.

BEYOND THE BOTTOM LINE

The cold numbers do not begin to tell the story of what these proposals will bring in terms of frustrated aspirations, unfulfilled hopes, waste of intellectual talent, impoverishment of the national spirit, and broken promises by the Federal Government to students and their families. By the way, the projected savings are $126 million in fiscal year 1981 outlays and $1.5 billion in fical year 1982 outlays.●

THE NEW ECONOMICS

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. OTTINGER. Mr. Speaker, I insert in the RECORD the following article, written by William Nordhaus, that appeared in the New York Times of Sunday, February 22.

The subject of the article is the President's Federal spending cut/tax cut program that he outlined to us in his recent address to a joint session of Congress, and some very important points are raised. I offer the text of the article in whole for the review of my colleagues:

DOUBTS ABOUT THE NEW BRAND OF ECONOMICS

With two major speeches, an audit and a gaggle of fact sheets, President Reagan has staged an economic thriller, full of heroes and villains. We can now see the details of the new President's economic vision. The starting point for the program is the Administration's "Brand-New Economics." What are its tenets?

First, the excessive scope of Government is held responsible for the economic ills of the day.

Second, by getting Government's house in order, we can regain the golden age of low inflation, high productivity and low unemployment.

Third, the brand-new economics rejects the veiw of the dismal old economics that slack is necessary for breaking out of today's stagflation. Demand management is eschewed, so there is no apparent connection between the budgetary policies adopted and the level of unemployment or inflation. In short, do not fear policies that stimulate rapid economic growth as long as they are led by expansion of the private sector.

Behind the banner of reducing waste and unleashing the private sector, the brand-new economics represents an attempt to reverse the redistributed impact of Government policies.

In the expenditure field, the redistributive impact is seen by the exemption of sacred middle-class programs—defense, Social Security, etc. The remainder contains $75 billion of programs that are designed, however ineptly, to protect the poor. As Mr. Reagan proposes to trim these substantially, the net effect is to redistribute resources from the poor to defense and taxpayers.

The regressive feature of the brand new economics can be seen as well in the tax package. The personal and business taxes are effectively reduced, while Social Security taxes and the earned-income tax credit, features heavily affecting low-income families, are unchanged.

Moreover, the personal tax cuts—the Kemp-Roth cuts—are proportional to taxes, so that the upper-income groups benefit far more than the lower-income groups. And the biggest winners of all are those with the largest property income. On the margin, their take-home pay goes up 60 percent.

How much sense does the brand new economics make? Central questions involve the supply-siders' tunnel vision, the indictment of Government, the inflation diagnosis, the expenditure cuts and the longer-run outlook.

The most striking irony in the brand new economics is the focus on incentives for the rich, while ignoring those for the poor. Surprisingly, low-income households face the highest "tax rates" (more precisely, the benefit-reduction rates). Upon landing a job, they may find that their disposable income declines as a result of tax rates built into programs such as food stamps. Poor families, then, may well face marginal tax rates over 100 percent.

A true supply-sider might wonder whether such rates do not stifle work effort. Yet, the brand-new economics actually raises the tax rate on the poor by technical changes in the food stamp program.

Are tax incentives only for affluent job holders? Is it accurate to state that reckless Governmer' tax and regulatory policies have caused the poor productivity and growth of the United States economy? Would that it were so simple. Most economic studies attribute at most a quarter of the productivity slowdown to Government mismanagement.

Other features of the last decade, such as rising oil prices, changing demography, sectoral shifts and tight money, are more significant. I cannot see how the brand-new economics will significantly alter these trends.

A third feature of the brand-new economics is to attribute the inflation to Government deficits. (Actually, they appear uncertain on this issue, sometimes money growth is considered the villain.) On occasion, Presidential simplification can serve as a useful rallying cry. But associating inflation with Government deficits is simply an old husbands' tale.

The years in which inflation rose in the United States, 1973 and 1979, were periods in which the public sector was in surplus. Moreover, countries that have shown superior recent inflation performance, West Germany and Japan, had at the same time much larger Government deficits relative to their economy than the United States. Blaming the affairs of state for our entire economic mess is politically chic, but economically groundless.

The aspect of the brand-new economics that has most promise is the expenditure cuts. Although many cuts are regressive, the package attacks several long-standing abuses. Many, such as dairy price supports or waste treatment grants or public service employment, have been criticized by policy analysts for years. Unfortunately, their reservations were often overridden by political "realism."

If the Reagan list is supplemented with prudence in defense spending, as well as concern for poorer citizens, it can form a useful start for a thorough fiscal spring housecleaning.

The central political and economic issue concerning the Reagan economic package is, will it work? While there has been no comprehensive study of the validity of the brand-new economics, two pieces of analysis cast doubt on the validity of the supply-side panacea:

Data Resources simulated the effects of large personal tax cuts in their model. The impact on productivity and inflation by the mid-1980's is extremely small, less than one-tenth of a percentage point. The report of the outgoing Council of Economic Advisers contains a careful analysis of the impact of alternative tax packages. They conclude that a 10 percent reduction in personal tax rates would have a negligible effect on inflation and productivity.

In sum, Mr. Reagan's brand-new economics may well succeed in helping trim Federal waste, and upper-income groups may get a bigger share of the pie. In terms of the nation's central economic problems—inflation, productivity, unemployment, high interest rates—we are likely to witness another half-decade of stagflation and dashed hopes.●

LITHUANIAN INDEPENDENCE

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. McCLORY. Mr. Speaker, 63 years ago this past month, an independent Lithuanian State was created. This Lithuanian State existed in freedom until 1940 when it, along with the other Baltic States, was forcibly annexed by the Soviet Union.

Lithuania thus joined the large number of captive nations in Eastern Europe and oppressed nationalities sought to be absorbed within the Soviet Union. But although the Lithuanian State was suppressed, the spirit of independence of the Lithuanian people was not and could not be suppressed. On the contrary, that spirit has burned even more brightly in tyranny than before Soviet imperialism annexed Lithuania.

Today, the Soviet Union is perceived in Lithuania as an occupying foreign power. The creative energies of the Lithuanian people—and particularly of the young people—are directed to preserving the Lithuanian cultural heritage and especially the Catholic faith which the overwhelming majority of Lithuanians embrace.

With the inspiring example of the Polish workers just across their border, the Lithuanians, like others of the captive peoples, have a new hope that their future may be different from their recent past. The United States should take every reasonable step to encourage this growth of freedom, both for its own sake and for the obvious aid it would render to our reputation in the world, and to our national security.●

PREYING UPON ETHNIC SENTIMENTS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. McDONALD. Mr. Speaker, the week in which the New York Times discovers that the current plague of international terrorism is Moscow-directed deserves commemoration of some sort.

In addition, as we approach St. Patrick's Day, we can expect renewed exploitation of Irish-American sentiments on behalf of the Irish Republican Army, exploitation intentionally translated into financial and propaganda support.

As a slight antidote, we offer Claire Sterling's observations on the IRA as they appeared in the New York Times magazine on March 1. Ms. Sterling notes that the avowed objective of the IRA is the demolition of the existing order in both Northern Ireland and the Republic. She also sketches the more than ample evidence proving that the present day IRA receives training, arms, and other support from Moscow and its client states and terrorist organizations.

In other words, this few hundred professionals are engaged in a murderous war against Irelend on behalf of the Soviets. We may presume that their actions are directed toward the installation of a regime which might resemble that of Bulgaria, rather than anything the people of Ireland would like to see. While this outcome seems unlikely at present, an intermediate objective is well-served, the objective of keeping two Western European nations in turmoil.

Americans should not permit sentimentality to blind them to the facts.

Ms. Sterling's article follows:

NORTHERN IRELAND

When Northern Ireland's shooting war started in 1969, the Protestants had all the guns. The Roman Catholic Provisionals had nothing but a few moldering weapons left from the I.R.A.'s storied battle for freedom, about half a century before. They had to rely at first on American weapons—trickling in, three or four at a time, in the false bottoms of suitcases—and on American dollars.

The millions of Irish Americans who bankrolled the Provos thought they were supporting a continuation of the conflict that ended in 1922 with Ireland's winning its independence from Great Britain. The Protestant majority in the six Northern countries still under British control had been freezing Roman Catholics—many of them wretchedly poor—out of jobs, housing and public life. The I.R.A. presented itself as engaged in an open and aboveboard war against religious persecution: a war to reunite the North with the South.

In fact, as the Provisional I.R.A.'s newspaper, An Phoblacht, has made clear, it was and remains a war "to demolish the colonial regime in the Northern war zone and the Quisling regime in the Free State of Ireland"—in other words, a war against both North and South. It was also a war to "educate the workers to destabilize capitalism and international imperialism," as the Provos told Controinformazione, the house organ of Italy's Red Brigades.

The I.R.A. has come a long way since its early days of dependence upon the United States. Fund raising is mostly done at home nowadays, by means of protection rackets, brothels, massage parlors and bank stickups. And the incoming hardware is largely Soviet-made. It took only a few years to make the transformation with the help of the international terror network.

The first definitive signal the Provos received that their weapons shortage might be ending came in the autumn of 1971. An unknown man, using the all-purpose name of "Mr. Freeman," dropped by to say that 4.5 tons of modern arms made in Czechoslovakia might be available. Maria McGuire, who wrote a book about life among the Provos, later reported that one of their leaders, David O'Connell, wandered on the Continent from Paris to Berne to Amsterdam to make the connection, "followed by the Czech and Soviet secret police." Then he made contact with Omnipol, an arms factory in Prague run by the Czech security police, who in turn had been tightly controlled by the K.G.B. since the 1968 Soviet invasion. O'Connell eventually did order 4.5 tons of bazookas, rocket launchers, hand grenades and the like, but the 166 crates were intercepted by police in Amsterdam. While the Provos were shattered by the loss of their first big arms consignment, their source was assured from that point on.

By then, the I.R.A. was getting to be a focus of worldwide revolutionary interest second only to the Palestinian resistance. The first I.R.A. contingents were dispatched to Jordanian guerrilla camps in 1969 and were soon drawn into George Habash's inner circle. In October 1971, Provo leaders were guests of honor in Florence at the historic conference that started Europe's Guerrilla International.

Assembled by Giangiacomo Feltrinelli, the radical Italian millionaire publisher, and the ultra-left Potere Operaio (Workers Power), delegates from 14 countries agreed to coordinate international terrorist plans. It was, according to British and Irish Government sources, an unprecedented and dangerous development.

The keynote address, on the Palestinian resistance, was given by Italy's radical Marxist thinker Antonio Negri. The delegates then spent a full day listening to the I.R.A.'s Seamus Costello as he analyzed the experience of Europe's oldest guerrilla army. Arrangements were made at the meeting to smuggle weapons in heavy trailer trucks across the Continent to the I.R.A.

In May 1972, I.R.A. leaders sat in at the first international terrorist summit, organized by George Habash in Baddawi, Lebanon. And two months later, in Paris, Habash's Palestinian Front and the armed bands of 12 other nationalities signed a formal "Declaration of Support" for the Provisional I.R.A. Fifty Provos were selected for advanced guerrilla training in Lebanon. Before long, there was a steady flow of I.R.A. men to South Yemen for work with Wadi Haddad. There, on the shooting range, in Haddad's private movie house at camp, they mingled with the men at the top.

The connection began to pay off at once. During 1972, the Habash-Haddad front held a series of secret meetings in Dublin, organizing the multinational terrorist team that would operate under Carlos the Jackal. When a million dollars' worth of weapons were divided up among them, the Provisionals got the lion's share. Soon, Carlos himself was taking the trouble to procure explosives for the Provos from an anarchist weapons supply service in Zurich. Italy's Red Brigades hailed the I.R.A. as "an unrenounceable point of reference for generalized warfare on the European continent." The operational plans of Cuban Intelligence for 1972 stipulated that "Cuba would train the I.R.A. in terror and guerrilla warfare tactics." Col. Muammar el-Qaddafi of Libya offered "arms and support for the revolutionaries of Ireland." Within a year, the cargo vessel Claudia steamed out of Tripoli toward the coast of Ireland bearing 250 Kalashnikov rifles and other weapons—five tons of the very best Soviet-bloc hardware—for the I.R.A. It was seized by the Irish Navy.

By 1976, the Provos were training in Libyan guerrilla camps, as they were still doing last year. Eyewitnesses have reported their presence at such sites as Tokra, northeast of Benghazi, where Cuban instructors offer the world's most advanced courses in sabotage, and at Camp Az-Zauiah studying weaponry, explosives, sabotage and psycho-

logical warfare with guerrillas from West Germany, Spain, Greece and Brittany.

Every move to arm and train the I.R.A. has pushed it further toward its ultraleft benefactors, who see Northern Ireland as a prized battleground. Civil war in the six counties puts great strains on the United Kingdom, which is interlocked with the entire Western structure of trade, industry, banking and military alliances. No wonder that the Soviet Union, as early as 1972, was sponsoring a worldwide campaign "against British repression in Ireland," piloted by hoary front groups like the International Union of Students, the World Federation of Democratic Youths and the World Peace Council.

All this has brought Northern Ireland closer than any other country in the West to the kind of conflict that Marxist revolutionaries call a civil war of long duration. And the Provos show no signs of wanting to reach a political settlement.

Like the most extreme of their Protestant counterparts, they have consistently blocked every possible peaceful solution. In 1973 they helped kill off a power-sharing plan in a new Northern Ireland Assembly by planting 48,000 pounds of explosives. "We see no future in power-sharing," they said. Later in 1973 they helped consign the promising Sunningdale agreement to oblivion by breaking their own cease-fire—the last they would ever agree to—after just three weeks. "There is absolutely no question of another cease-fire or truce," they later declared. In the summer of 1979, they killed off the best proposition yet for a federated Ireland, "the Fitzgerald plan," by blowing up Lord Mountbatten on his fishing boat.

The Fitzgerald plan was "unacceptable" they said flatly, a week after Mountbatten's death. Their spoksman was Ruairi O'Bradaigh, an I.R.A. man of 30 years' standing and president of their lawful political arm, the Provisional Sinn Fein. "We do not want a confederation of the South with the North," he declared. "Nor do we want an independent Ulster. We want a general dismantling of the existing establishments in the Irish Republic and Ulster both."

What then does the Provisional I.R.A. have in mind for its own version of a free and united Ireland? "We want a Democratic Socialist Republic," replied O'Bradaigh, something "third-worldish," a bit like "Allende's Chile," flavored with thoughts from Colonel Qaddafi's "Green Book," "similar to Communism but not exactly like it"; Marxist in analysis, if not necessarily in practice, designed to "nationalize industries, control the means of production and distribution and take over agriculture under state-run cooperatives"; emphatically "not German Social Democracy" and not quite a dictatorship of the proletariat either, but almost. "We could not risk having parties around who want to bring colonialism back. There would have to be a reckoning with them."

Meanwhile, as the Provos keep saying, the 12-year-old war must go on. By late 1978, the Roman Catholic Bishop of Londonderry observed: "The Catholic community, like the whole community here in the North, is sick and tired of the Provisional I.R.A." But it is doubtful whether the Provos take much notice. They do not really require to be loved. They never did need more than a few hundred professional guerrillas to hold down a British army 30 or 40 times their size. So long as they can count on the international terror network for hardware and sanctuary, their civil war can probably last in perpetuity.●

SUPPORT FOR REPEAL OF ICE IN CLEAN WATER ACT

HON. GERALD B. H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. SOLOMON. Mr. Speaker, I rise today to support legislation introduced by Congressman BOB YOUNG and myself to repeal section 3 of Public Law 96-483.

During the final days of the second session, the 96th Congress approved a provision of the Clean Water Act—known as industrial cost exclusion, or ICE—which adversely impacts on hundreds of publicly owned treatment works across the country. ICE states that no grant made after November 1981 to a publicly owned treatment facility may be used to treat the waste of any industrial user if it exceeds a flow of 50,000 gallons per day.

Congressman YOUNG and myself believe ICE should be repealed.

Although the intent of the amendment was to insure that the construction grants program would not subsidize industrial dischargers at the expense of the taxpayer, Federal tax structure offers significant benefits to self-treaters which is also at public expense.

EPA recently released a draft analysis of the effects of ICE. The draft report supports my conclusion that this section of the law is costly both to the economy and the environment. EPA states:

This information is particularly important in light of the statements made by the industries and communities describing the devastating effect of ICE. The industries would either close permanently or move to other municipalities which have suitable Publicly Owned Treatment Works. The loss of these industries would have serious consequences on the already high unemployment rates in these communities. In addition to increased unemployment, residents and industries remaining in these cities would have to contribute to the construction and maintenance of POTWs through increased property taxes.

New York State's Environmental Conservation Department has made similar comment, saying:

Industrial Cost Exclusion is much too major a change to make at this late date in the program. From a dollar standpoint, the reduction in expenditure of public funds resulting from ICE may be negated by increased public cost due to project delay. From a grantee standpoint, it is just one more unnecessary delay and, in some cases, a hardship caused by a retroactive change in government policy. ICE, for the present, should be repealed.

I strongly support the conclusions drawn by these reports and ask that all Members of the House join Congressman BOB YOUNG and myself in the repeal of this law.●

THE LEGACY OF ELLA T. GRASSO

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. McKINNEY. Mr. Speaker, Alan Schoenhaus has been observing the Connecticut political scene for close to two decades now from his vantage point as State capital bureau chief for the Post Publishing Co.'s two newspapers, the Post and the Telegram. As such, he brings a unique historical perspective to his position and he brought that experience to bear in a recent column in which he commented on the life and legacy of our late Governor Ella T. Grasso.

In the article, Alan relates some of the conversations he had with Governor Grasso and presents a series of special insights into the personality of a very special person. I include Alan's column, entitled "Ella's Legacy," in the RECORD at this point so that I may share it with my colleagues in the House, many of whom knew her so well.

The column follows:

ELLA'S LEGACY

HARTFORD.—Simply stated, in the flat-out candid style she preferred in private, Ella Grasso was the brightest intellect on the Connecticut political scene.

She was also a person of enormous energy, and one of the most introspective public figures ever to reach celebrity status in the national consciousness.

Her death Thursday evening after an incredibly long and particularly brutal struggle with cancer came as no surprise to anyone. But the reality of her passing still brings a shock that comes from the cold realization that this particularly sparkling personage is no longer part of public life.

For those who knew her, perhaps the most engaging (and fascinating) feature of Ella Grasso was her unflagging awareness of herself and her ability to function, adapt and accommodate at all levels of society without losing sight of basics.

Ella Grasso could, and did, move effectively among presidents and visiting royalty, and function with equal ease and candor with the powerless and poverty stricken.

An extremely complex person, she could (and did) display the rhetoric of her Mt. Holyoke eduction; and she could (and did), in the give-and-take of a tough political conference, swear like a longshoreman—scaring the recalcitrance out of more than one unsuspecting lawmaker.

Yet, whatever the occasion or her approach to it, she was virtually always in command, and she acted with a degree of dignity and self-effacement that is rare in the very well known.

"I'm afraid they wouldn't find it very interesting," she told us one time when asked in jest if she'd consent to an in-depth interview for Playboy Magazine, as had Jimmy

Carter during his 1976 campaign for the presidency.

She was always wary of group interviews, rarely super-candid at news conferences, often knowingly taking reporters' questions on rhetorical flights of fancy. "I think we should carefully examine the potential parameters of such a deeply significant subject," she responded more than once to a zinger from across the conference table. Then she would purse her lips and grin the wagging grin of the pink panther. Indeed, if the spirit moved her, she could be the most obfuscatory respondent on the Eastern seaboard. But she always knew what she was doing. And she almost always picked her own moments of candor.

While sitting with her once on an airplane, she ruminated over the constant stream of questions she, as the Record Book First Woman to be Elected Governor in Her Own Right (not in succession to a husband), was always asked about whether she was a feminist. "I am a feminist," she insisted, "but I'll be (expletive) if I'm going to be someone else's idea of what a feminist should be . . ."

She was, first and foremost, a traditional political figure who learned the process from the real masters like John Bailey and Abe Ribicoff, and who had the depth of vision to grow with the process as it developed. "I've always tried to grow with the times politically, and stay slightly ahead. But, I've never gotten too far out ahead . . . that's why I've moved so slowly," she said, in one of the first indepth interviews as a congresswoman looking for the Democratic gubernatorial nomination.

Four years later she moved through the process at much greater speed. She began to move boldly rather than tentatively in Democratic presidential politics. She was a frequent visitor to the White House. And she even became the subject of speculation as a vice presidential nominee, speculation she dismissed with a wave of the arm and a knowing chuckle. But the excitement was there.

More recently, sitting in her favorite Italian restaurant in Washington, she smiled graciously as patrons from many states interrupted her meal to shake hands and wish her well. "Run for president," a man from Texas said, "We're all with you."

A man from New Jersey asked her to be photographed with him and members of his veterans' group who were holding a reunion in the restaurant. She obliged. He pledged the help of the entire organization if she wanted to seek the top spot, and the group responded with shouts and applause.

We suggested she get an aide to take names, and she laughed and told us in street vernacular that we'd do anything to drum up a story. But her eyes sparkled in a way that led us to suspect that that story might be there some day in the future.

Little did anyone know that the ravages of cancer would soon take away the strength that went with that phenomenal potential. And, in the final analysis, snuff out the chance for any of us to further bask in that brightest of intellects.

Her legacy, of course, is that she has made a lasting imprint on our lives. She knew this, of course. She was so bright.●

TRIBUTE TO GLADYS NOON SPELLMAN

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. FUQUA. Mr. Speaker, there is little I can add to the honest outpouring of respect and friendship demonstrated in the House last Tuesday for Gladys Noon Spellman, who since 1974 has so ably represented the Fifth District of Maryland.

Nonetheless, I would feel remiss if I did not belatedly express my own feelings on her departure from this House and the illness which so tragically interrupted her brilliant career.

It is my sincerest hope that Gladys Noon Spellman soon recovers from the illness which has deprived us of her services, and that one day she may be well enough to again bring her wisdom, her intellect, and her grace to share with those of us who so valued her friendship and her counsel.

Her remarkable career from teaching school, through 12 years as an elected official of Prince Georges County, to service in this legislative body was one of which she, her family, and friends can be justly proud.

Gladys Spellman represented her constituents effectively, with dignity and devotion to the interest of her district and her Nation.●

CHILDREN'S DEFENSE FUND

HON. SHIRLEY CHISHOLM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mrs. CHISHOLM. Mr. Speaker, part of the administration's proposed budget includes a number of changes in the structure and eligibility standards for a number of social welfare programs. The Children's Defense Fund has developed an extensive analysis of the impact of these changes on American children and their families. Beginning today, I will insert the CDF response to President Reagan's budget.

POVERTY

Chapter II of "A Children's Defense Budget: A Response to President Reagan's Black Book" examines current eligibility standards and the effects that redefining poverty will have on needy children and their families. The following information was prepared by the Children's Defense Fund of Washington, D.C.

WHAT IS AID TO FAMILIES WITH DEPENDENT CHILDREN?

Aid to Families with Dependent Children (AFDC) is the only program explicitly aimed at protecting poor children by giving their families income support. It is critical to the survival and well being of millions of children who are the poorest of any age group in America. One in six children is poor in any one year. One in four children depends on AFDC at some point in his or her lifetime.

WHO BENEFITS FROM AFDC?

Sixty-six percent of all AFDC recipients (or over 7 million) are children: half are eight or younger and over 80 percent are 14 or younger. Very few children "grow up" on welfare. Only 2.4 percent of the people who receive welfare remain on the program for all of childhood. Each year about one-third of all AFDC families leave the program and are replaced by other families.

Families on welfare average the same number of children (2.2) as the rest of the population. Of ten mothers on AFDC, four are caring for preschool children; three are working, seeking work, or in training; one is disabled; and two are not currently seeking work. Of this latter group more than half is either over 45 or has never been employed.

CURRENT STATUS OF AFDC MOTHERS AND CHILDREN

Each state determines who is eligible for AFDC and sets benefit levels: these vary widely. In most states AFDC payments are intolerably low, failing to provide even a minimum level of decency. In Mississippi, the average payment for a child is 97¢ a day; in Texas, it is $1.18; in South Carolina $1.22. There is not one state where even the combined benefits of AFDC and food stamps brings a family of four up to the official poverty level of $7,450.

Unlike military, Congressional or government retirees and SSI recipients, poor welfare children and mothers get no automatic cost of living increases. In the last four years, each child on AFDC has lost one dollar of every eight he or she previously received. In effect, children have already paid 45¢ a day, or 12 percent of their total benefit to fight inflation. The average AFDC recipient now gets $3.10 a day or $93.13 a month (in April 1980 prices), a decrease from the comparable $3.55 a day or $106.55 a month paid in 1976, the last year under our previous Republican Administration. Despite these already low levels, six states have actually cut AFDC benefits over the past year and a half, and other states are currently considering reductions.

State AFDC payment have often failed to keep pace with inflation. In Texas, for example, the maximum AFDC payment for a family of four without other income has been $140 per month since 1969 (with a temporary bonus of $5 per month added in 1979). But the cost of living since 1969 has risen 115 percent. Thus $140 buys less than half of what it bought before.

States have also kept families off the AFDC rolls by not increasing eligibility levels over the years. In 1969, the monthly income of a family of four in Texas had to be less than $187 to qualify for AFDC. Today that requirement is the same, even though the real value of $187 is considerably less now than it was in 1969.

Despite national rhetoric about the importance of keeping families together, a child in Arkansas, or any of 24 other states, is denied any benefit at all—despite need—if he or she is living with both parents, even though those parents are unemployed and without income. The child's ineligibility for AFDC in these states also denies him access to Medicaid. Almost half the states also offer no benefits to a woman pregnant with her first child, and many others limit bene-

fits severely. The well-being of these children are jeopardized at the most crucial time in their lives.

PROPOSED REAGAN CUTS WILL FURTHER HURT POOR CHILDREN AND MOTHERS

The Reagan administration proposes cutting over $496 million in federal support for AFDC. Combined with state matching funds, this will lead to a combined loss of over $900 million to our poorest mothers and children.

We believe that the cuts described below, damaging in themselves, are part of a larger strategy which will be devastating for poor families. This is the idea of converting AFDC into a block grant to the states. We believe the contemplated plan is to reduce the base federal reimbursement first and then convert the reduced base to a block grant. Even the current system does not require any minimum benefit for families; states decide that. Block grants would increase the pressure for further reductions. The cuts now proposed are just the beginning.

The "Black Book" recommends five ways to reduce federal funding for AFDC:

(1) States would be required to determine AFDC benefits based on the family's income in the previous months. Under the present system, AFDC benefits are based on current need. The new proposals would ignore a child's current need. If a working mother became ill and lost her job, she could apply for AFDC and immediately receive a full AFDC grant which recognized that she and her children had no present income. Under this Reagan proposal, if that mother applied, she and her children would not be able to receive a check for the first month, since the new way of computing benefits would still consider her employed—even though she had actually lost her job and could no longer rely on that earned income. This new system creates a one-month waiting period for families who apply for AFDC because they have suddenly lost another source of income. And we hear the administration is considering a three-month period, as contemplated for food stamps, which would triple the hardship. It could affect large numbers of children in newly-needy families, who turn to welfare to regain their bearings during short periods of unemployment. Families who have been just barely scraping by usually do not have savings to tide the family over. Particularly in states that do not have emergency cash assistance programs, even the most caring parent may be forced to place children in foster care because they cannot otherwise provide for them.

The proposal also leads to the ironic situation that once the parent does find work, payments may continue for the one to three month period. This makes no sense. And it would be an administrative nightmare increasing paperwork massively. Retreat from a system which looks at the current needs of families is particularly punitive to children, who have no control over their parents' income or saving patterns.

(2) The amount of work-related expenses a parent can claim would be limited by setting a standard maximum deduction for these costs regardless of whether actual expenses incurred were greater. Currently a working parent can deduct all actual work-related expenses (such as transportation, child care, supplies, and taxes) from earned income before her AFDC eligibility and grant levels are calculated.

This means that if a mother has unusually high child care expenses because she has, for example, a handicapped child and her work-related expenses were limited, her AFDC income would be slashed. If the mother were applying for AFDC for the first time, she might be found completely ineligible—her income, unadjusted for her real work expenses, would appear more than enough to support her family. In either case, the mother may be encouraged to quit work because she can no longer pay for child care or may be forced to accept inadequate arrangements for her children. The extent of the potential harm to children would depend on the level of the standard deduction. The fact that the administration estimates this would produce savings of $86 million plus suggests that the cuts may be even higher, and the impact even more destructive. This hurts working women and their children.

(3) AFDC payments under $10 per month would be prohibited. In one-third of the states, this partial AFDC grant—however small—is the only way poor working parents can get their children a Medicaid card, and thus needed health and dental care. The $10 monthly payment is not the only issue; insuring continued Medicaid coverage is critical, since it probably would not be replaced by private medical plans through the parent's employer.

"Late in 1974, 78.4 percent of the nation's nonwhite children with family incomes under $5,000 did not have private hospital insurance; 46 percent of those with incomes under $10,000 did not have private insurance."

Thus, loss of even a partial grant of $10.00 per month may mean loss of a child's chance to grow up healthy. Parents may end up quitting work and staying on welfare to protect their children's health.

(4) Stepparents' income would be automatically considered available to a stepchild whether or not the stepparent actually supports the child. The child would then lose his or her AFDC benefits if the stepparent's income exceeded AFDC guidelines. In states where a stepparent is not legally obligated to support a stepchild, the child may be caught in the middle, with no legal recourse against a stepparent who withholds support and no AFDC grant because the welfare department assumes that support is forthcoming.

(5) It would be assumed that people on AFDC with earned income receive monthly Earned Income Tax Credit Payments, with reductions in a family's monthly AFDC payment accordingly. But experience shows that the Earned Income Tax Credit is a phantom benefit for many working parents: in 1978, one out of every four families eligible for the credit never received it. Of those who did, many received the credit as a lump sum at the end of the tax year and not as a monthly payment which they could use to pay the rent or heating bill, or to supplement food stamps when they ran out at the end of the month. Reducing a child's monthly check by up to $500 a year to reflect income which the parent never gets, or will only get at the end of the year, is a cruel hoax. It may be enough to put many working families just scraping by on partial AFDC back on the welfare rolls entirely.

DO THESE CUTS AVOID HURTING THE TRULY NEEDY?

No. AFDC benefit levels for the nation are already low—having declined by 12 percent since 1976. In almost one-fourth of the states, the current maximum AFDC payment to a family of three is lower that the amount needed for just one person who qualifies for Supplemental Security Income.

Even the working poor who are eligible for AFDC—those hardest hit by the cap on work-related expense deductions and the elimination of grants under $10—are desperately poor. In order to apply and receive even a partial AFDC grant, a family of four in San Antonio, Texas must have a net income of less than $187 per month; and in Jackson, Mississippi, $252 a month.

ARE THE ADMINISTRATION'S AFDC PROPOSALS PRO-FAMILY?

No. Under the present AFDC regulations, if a welfare parent marries and her spouse is able to support her, she will generally lose her AFDC eligibility. But if her new husband in not legally responsible to support her children and does not actually support them, the children can keep their AFDC benefits. Thus, a stepparent can choose to marry and support his spouse without also being compelled to support children he is not legally responsible for and cannot afford to support.

Under the new system, loss of the children's AFDC benefits could place early strains on a recent marriage, and could result in its breakup. It would increase AFDC's version of the marriage tax: a welfare parent and her partner could cohabit without any loss of AFDC benefits to the parent or to children who are not related to the live-in partner, while marriage could result in total loss of AFDC benefits to the entire family—dissuading a parent from remarrying at all.

WILL THESE AFDC REDUCTIONS ENCOURAGE SELF-SUFFICIENCY?

No. The working poor are hard hit. In one-third of the states, a partial AFDC grant—as little as $10 or below—is the only way poor working parents can get their children a Medicaid card. Many may have to choose to quit working in order to get their child the needed health and dental care if they lose Medicaid.●

A TRIBUTE TO GLADYS NOON SPELLMAN

HON. W. G. (BILL) HEFNER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. HEFNER. Mr. Speaker, I regret that I was unable to be present last Tuesday when a number of my colleagues paid tribute to Gladys Noon Spellman. I have had an opportunity to read these tributes, and they so accurately and eloquently capture the essence of this fine lady.

Gladys was a superb legislator, and her tireless work on behalf of her constituents is legend. No problem was too insignificant to warrant her attention and her help. She never passed the buck. I am told that Gladys endeavored to attend every meeting or function to which she was invited by her constituents, whether it be a handful of senior citizens or a large civic association or even a Halloween party for children at a shopping center. She gave tirelessly of her time

and talents. She had a genuine affection for people.

Gladys will be greatly missed in this House, and she will be greatly missed by her constituents. She is truly the gentlewoman from Maryland.●

U.S. CREDIBILITY AT STAKE IN LAW OF THE SEAS

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. BEDELL. Mr. Speaker, today was to mark the opening in New York of the culminating session of the U.N. Law of the Seas (LOS) Conference. The 10th session in 7 years, delegates from 150-odd nation participants had strong reason to believe they could reach final agreement on 320 provisions, plus annexes, governing all uses of the oceans.

Regrettably, the Reagan administration announced last week its intent "to seek to insure that the negotiations do not end at the present session of the conference, pending a policy review by the U.S. Government." No one has ever suggested that the new administration forgo such a review. What is dismaying is the clear signal that this administration plans to renege on past commitments made by the four preceding administrations and negotiated predominantly by Republican diplomats.

In testifying last Thursday before Senator LARRY PRESSLER's Foreign Relations Subcommittee on Arms Control, Oceans, International Operations and Environment, I spoke out strongly against what I felt was an attempt by four mining consortia to dictate the terms of the LOS Treaty. Deep seabed mining is only one—and not even the most important one—of many critical interests at stake in this treaty. These interests also include inter alia military and commercial navigation and overflight, economic zones, fishing, environment, and scientific research. The LOS Treaty is not simply a deep seabed mining agreement, and we must not let four mining consortia control its outcome.

For these reasons, I would like to call my colleagues' attention to weekend editorials in the Washington Post, New York Times, and Christian Science Monitor, all of which criticize the Reagan administration's apparent denunciation of past American commitments on Law of the Seas:

[From the Washington Post, Mar. 7, 1981]

DEEP-SIXING THE LAW OF THE SEA?

A tremor went out the other day when the administration announced that it has suspended negotiation of the Law of the Sea Treaty until it has conducted its own review. One suggestion was that the mining companies, held at bay by the last administration, got to the new one and sold it—if it needed any selling—on the need to toughen the terms to ensure American access to those strategic manganese nodules lying on the seabed. Another version was that this negotiation had always been the medium of a Carter message of warmth to the Third World, and this administration wishes to send another message. Yet a third version was that the treaty is awfully complicated and that there was no need to be crowded by the calendar.

Since the administration had not had the chance for a full-scale review, there is probably no single or coherent explanation for deciding to pull off the track and tell 150-odd nations, practically on the eve of a negotiating session, that there won't be any negotiating. A lot of those nations are grumbling, never mind that there were other reasons why this session (the 10th in seven years) would not have been the "final" one it was billed to be. In any event, to the extent that company objections to the text-so-far led to the suspension, that is not necessarily a bad thing.The companies, who are not friendless, would have weighed in during a ratification debate anyway. It is not necessarily a bad thing for the administration that (presumably) will actually be presenting a treaty for ratification to crank the mining interest into its calculations before it sits down to complete a treaty text.

At least one part of the administration's public explanation, however, is troublesome. The State Department said in effect that the United States must have the mining provisions it wants and, furthermore, that it will make no mining concessions in order to get the other benefits offered in the treaty—regarding fishing, environment, economic zones, research, navigation, overflights, etc. Granted, the Reagan administration wants everyone to know it's tough. But is this not a rather prickly attitude to bring to the table, especially when, publicly at least, not a single specific defect in the old terms has been identified? There is no magic in those terms, which originated in the directives of Henry Kissinger and whose fashioning has been in the hands of Republican negotiators throughout. But they do represent the product of a negotiation, a mingling of interests, as distinguished from one country's fiat.

[From the New York Times Mar. 9, 1981]

DON'T SINK THE SEA TREATY

Properly enough, the Reagan Administration wants to examine all the fine print before it decides what to do about a complex diplomatic legacy, the Law of the Sea treaty. What is worrisome is the note of dismissal in the terse announcement that it wants to defer any final action on this bipartisan venture. The good faith and credibility of the United States as a negotiator are now bound up with this decade-long effort to bring the oceans under international agreements.

It had been hoped that 150 nations would finally reach full agreement at the tenth sea law conference that begins here today. But the State Department sees "serious problems" in the draft treaty and has called for a policy review. If this means that Washington wants to reopen the major compromises so laboriously attained, then the work of four Administrations is likely to be washed away.

That work, by common consent, has resulted in a juridical tour de force. Thanks to determined diplomacy, both maritime and landlocked nations have agreed to a universal covenant for the seas. The draft treaty should end many boundary quarrels by setting a 12-mile limit for territorial waters plus a 200-mile "exclusive economic zone." It would finally place real restraints on pollution, clarify marine research rights and tighten standards of seamanship.

A clear advantage for the United States is the treaty's guarantee of unimpeded passage through strategic straits for both military and commercial ships. These and other gains require concessions, the most controversial of which will constrain development of the seabed riches of nickel, cobalt, manganese and copper. A global authority would license mining, set production limits and share in the profits. Protests by American mining interests deserve a hearing; fuller protection for private capital is, in fact, among the remaining issues. But even more worthy of a hearing is the reasoned rebuttal of Elliot Richardson, the most recent chief American negotiator and former Secretary of Defense.

The Johnson Administration marked a path for the mining provisions when it supported a United Nations resolution in 1970 that defined underseas riches as the "common heritage" of mankind. That support was reaffirmed by both the Nixon and Ford Administrations and was finally given treaty language during the Carter years.

American mining interests that oppose the treaty apparently hope that their technology will overtake diplomacy and let them pre-empt the ocean bottom. So delay itself is a factor in the diplomacy. There are large stakes here that may justify further bargaining on one or another point. But there are also national security interests, well understood at the Pentagon, that argue for an early conclusion of the negotiations.

If the Reagan Administration moves quickly to persuade itself of the value of the compromises already reached, its effort can probably enhance the chances of the treaty's eventual ratification by a skeptical Senate. But to scuttle the treaty now would be to lose a rare opportunity to extend the reach of law and prevent innumerable conflicts in the decades ahead.

[From, the Christian Science Monitor, Mar. 6, 1981]

U.S. HITCH IN LAW OF THE SEA

The Reagan administration has gotten off on the wrong foot with the majority of nations at the UN by stepping away from previous United States support for completing the Law of the Sea treaty this spring. After seven years of negotiations through Republican and Democratic administrations, the US had joined virtually all of the world's other countries in determining to reach final agreement at the session beginning Monday in New York. Washington's chief negotiator, Republican Elliot Richardson, had completed a hard-working three-year tenure convinced that US as well as international interests were properly served and that a treaty ready for signing was "all but certain" this year. This week, at the last minute, the State Department publicly instructed its delegation "to seek to insure that the negotiations do not end at the present session of the conference, pending a policy review by the United States."

No one in a dismayed international community is saying that the new US administration should have to forgo such a review. But some delegates question why a treaty of such historic importance apparently did not receive the attention given to other matters during the four months since the election.

Another question is whether such a review could not be undertaken without suggesting that the US intends to go back on its earlier efforts to seek a completed treaty now. Such a position undercuts the negotiations, leaving other delegations uncertain of US adherence to agreed points and possibly encouraging other countries to make changes.

The Republican platform expresses doubts about the Law of the Sea Conference, saying it has paid insufficient attention to gaining early American access to the mineral resources on the seabed. But US unilateral legislation already postpones commercial exploitation of these resources until 1988. And the treaty negotiators have given long and hard attention to protecting the seabed rights of everybody.

At any rate, this issue is only one part of a document intended to regulate the uses of the oceans in many ways for the good of all, including a naval power like the United States to whose ships it would guarantee free passage. Perhaps President Reagan will come back from his trip to Canada with fresh resolve for completing a Law of the Sea treaty. A main remaining item of negotiation involves bilateral disputes like the one over fishing grounds between the US and Canada—and how to find fair solutions when one country's 200-mile zone of national economic jurisdiction overlaps another's.

One option is to leave such disputes to existing international law. But the debate on this and other items must not be vitiated by lack of US resolve to work for a final treaty.●

JAPAN AND INDUSTRY

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. OTTINGER. Mr. Speaker, much has been made, in the past 2 weeks, of the declining state of America's business community and American business in general. Typically, the reasons that the business community gives for this phenomenon include: The decline of the work "ethic" over time, the costs of retooling and modernizing, and an increase in the influence of organized labor.

I would like to offer for the review of my colleagues the following article by Lester Thurow, professor of economics and management at the Massachusetts Institute of Technology. The article appeared in the February 8 edition of the New York Times.

The piece compares the Japanese and American business management systems, and I think that it will provide my colleagues with much food for thought.

PRODUCTIVITY: JAPAN HAS A BETTER WAY

As American productivity growth has slipped from positive to negative, most of the public blame has focused on this or that government activity. But whatever part of the blame is truly ascribable to the government, and there is certainly some, it is clear that much of the productivity problem lies within the jurisdiction of the private sector. The productivity problem will only be cured if the private sector is willing to cure itself.

Within the private sector it is fashionable for management to point to a deterioration in labor's "work ethic." The belief that the next generation has less of the work ethic than the last generation has at least a 2,000-year history, but the key to productivity is not the work ethic. A willingness or unwillingess to give up coffee breaks is ultimately unimportant.

What is important is an interest in ferreting out more efficient production processes and a willingness to embrace technical change. Think of an American worker and a Japanese worker facing the introduction of some new labor-saving technology.

The Japanese worker goes at it armed with a guaranteed lifetime job, a bonus based on productivity and corporate profitability and a wage rate that attaches to him as an individual and not to the particular job that he happens to be doing. A new labor-saving machine presents nothing but opportunity. It cannot throw the worker out of a job. It cannot lower her wage rate. It can only raise the bonus.

In contrast, the new machine is nothing but a potential threat to the average American worker. It may lead him to become unemployed. It may abolish her particular job and force her to work in a lower paying occupational category. Long held and expensively acquired skills may disappear overnight.

The potential benefits, if they exist at all, are distant and indirect. Wages may eventually go up with higher productivity but there is no direct immediate linkage between the new technology and a higher income for the affected worker.

Much of the productivity growth in Japan can also be traced to a work force that is itself interested in finding and initiating new ways of reducing the amount of labor involved in the production process. Productivity is not solely a management function. Given the incentive system, worker initiatives on productivity are rewarded with both cash and praise.

American workers have no such incentives. Each worker is most apt to know better ways of doing his own job. But to improve the productivity of one's own job is to reduce the number of people that the company is willing to hire in one's own job category. Even if the initiator retains his job, he certainly does not get praise from his laid off compatriots or those who may be laid off as the result of his next "good" idea. The net result is a failure to harness the individual initiative for which Americans are supposedly famous.

Is it any surprise, then, that American workers are interested in restrictive work rules and resist technical change? They would be stupid to do otherwise.

To generate high productivity growth, management is going to have to change the system of work incentives confronting labor so that there is a direct correspondence between those things that are good for society—higher productivity—and those things that are good for the individual—higher income. America does not have to adopt the Japanese incentive system, but it does have to work out the American equivalent.

But the problem of perverse incentives extends far beyond the shop floor. Many observers, particularly the Japanese, have pointed out that the time horizons of American companies have become so short that they are unwilling to invest in major new technologies.

While recently teaching at the Management Institute of one of America's largest corporations, I was told that the time horizon, of the divisions represented in the room was 2.8 years. It is not surprising that new products and production processes are increasingly being introduced abroad and that the construction of completely new industrial facilities has almost stopped in America. Who can build, much less recoup the costs, of a major new facility in 2.8 years?

The short time horizon should not come as a surprise. American managers are looking over their shoulders at investors who invest on a daily if not hourly basis. Top management is given a bonus based on current profits. Middle-level management has been organized into independent profit centers where people are promoted or demoted based on current profits. New M.B.A.'s are implicitly taught that the short-run bottom line is the only thing. With that structure of incentives anything but a short time horizon would be a miracle. And there are no economic miracles.

American management's emphasis on short-run profits springs from both mental laziness and fear.

It is easier to invest based on current profits rather than trying to figure out who will be successful 10 years down the road. The investor does not have to live with 10 years of risk and uncertainty.

A mental midget can tell whether top management deserves a bonus based on current profits. It is much harder to figure out whether top management has positioned the company well for the long haul. To stop researching, designing, and building the products that will be needed 10 years from now is to take risks. Current American management is known only for its risk aversion.

Mechanical judgments of middle level managers based on the earnings of their profit centers generates no controversies. But it promotes managers who are making good profits now but who should be incurring expenses to make much larger profits later, or demotes managers who are doing a good job in areas where the external environment makes profits difficult to obtain.

In business schools it is easier to teach the quantitative methods that are applicable in short-run profit maximumization for most of the parameters of the problem are known. It is much harder to teach long-run profit maximumization where risk, uncertainty and the unknown dominate. Once on the job, students want to use what they are taught.

Whatever government does to stimulate productivity, America will never close the productivity growth gap with Japan or West Germany unless there are major changes in the incentive structures facing labor and management. The economy needs to be restructured so that each of us has a direct self-interest in promoting the productivity games that are the foundation of both our economy and our own future standard of living.●

H.R. 2363

HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. DORGAN of North Dakota. Mr. Speaker, today, I am introducing H.R. 2363, which would amend the Internal

Revenue Code in order to permit a taxpayer to choose the option of including, in the 1980 income, disaster payments and Federal crop insurance payments received in 1981 for any 1980 crop.

This measure is necessitated by the fact that, through no fault of individual taxpayers, many ASCS disaster payments and Federal crop insurance payments on 1980 crop losses are being made in 1981. In North Dakota, for example, the late ASCS payments total some $5 million while the late FCIC payments may run as high as $250 million.

In 1978, when the same situation developed with regard to disaster and deficiency payments, a similar provision was passed by the Congress. It seems appropriate for the Congress to once again take action to insure that taxpayers are not penalized as a result of delays on the part of Government agencies.●

CHILD HEALTH

HON. SHIRLEY CHISHOLM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mrs. CHISHOLM. Mr. Speaker, one of the key elements in President Reagan's proposed budget is the funding of major programs through block grants made directly to States. A number of agencies that provide numerous services to the poor feel that their programs will suffer under such a plan and that States will favor programs of a different nature.

Since 1965, many of the Nation's poorest families have been provided with health care through the medicaid program, community clinics, health centers, and public hospitals. In the past these providers were given direct grants. Under the Reagan plan, the States would receive the money and then decide which programs to fund.

In the past many States have failed to implement the children's part of the medicaid program; and innumerable children have been left without adequate health care. To combat this problem, the Children's Defense Fund has tried unsuccessfully to have the child health and nutrition program (CHAP) passed. With the possibility of massive budget cuts for the entire medicaid program, CDF fears that even more poor children will go without needed health care because States will reduce or eliminate badly needed services from the medicaid program.

Chapter III of CDF's "A Children's Defense Budget: A Response to President Reagan's Black Book" discusses the benefits of the medicaid program and the improvements made in American health care over the last 16 years:

CHILD HEALTH

WHAT IS MEDICAID?

In 1965, after extensive hearings and investigations into the health status of the nation's poorest citizens, Congress enacted the Medicaid program. Medicaid guarantees that America's most destitute families have a way to purchase such essential health care services as physical checkups, medical treatment, dental care, hospitalization, prenatal care and necessary medications.

WHO ARE THE CHILDREN WHO BENEFIT FROM MEDICAID?

Forty-five percent, or almost 13 million, of the total Medicaid-eligible population are children. They are among the poorest and most afflicted of all children in America.

The child in Washington State with cystic fibrosis, whose mother and father work to bring home a combined income of less than $5,000 per year.

The pregnant woman in Mississippi who receives $120.00 per month to care for herself and her other two children.

The foster care child in New York who has been in institutions since infancy and suffers from a congenital heart ailment.

The two children in Tennessee who suffer from asthma, allergies and many other medical and dental problems whose mother receives $140 per month to support the three of them.

For most of these children, and millions more like them, their only hope for adequate health care is Medicaid.

Because of states' past failure to adequately implement the children's part of Medicaid, urgent child health needs still go unmet. 1 out of 7 American children under 18 years of age (or 9 million children) has no regular source of primary health care. 1 in 5 poor and minority children has not seen a doctor at all in two years. 1 out of 3 children (or over 18 million) has never been a dentist. Millions of American women lack prenatal care despite high correlations between lack of prenatal care and infant mortality and illness. 7 out of 10 mothers under age 15 get no prenatal care in the first three months of pregnancy; one-fifth get no prenatal care at all. These gaps in preventive health care hurt children and taxpayers who pick up the tab in costlier emergency and hospital care.

WHAT IS BEING PROPOSED BY THE REAGAN ADMINISTRATION?

The Reagan Administration proposes to end the Medicaid entitlement and cap Medicaid spending. In FY '82 federal funds will be cut by a minimum of $1 billion.

WHAT WOULD BE THE IMPACT OF THESE PROPOSALS ON CHILDREN'S MEDICAID BENEFITS?

By limiting the amount of federal Medicaid funding to levels far below what is needed for states to maintain their current levels of services, the Reagan Administration's proposals will result in severe Medicaid cutbacks by the states. Because of past budget pressures, most states have already turned Medicaid into a bare-bones program. A further federal budget squeeze will force states to gut their programs. Under the guise of "flexibility," the states will have the responsibility to decide how to distribute pain among the poor.

From past state practices, we can predict many types of state cutbacks that will result if the Administration's proposals pass:

States may eliminate millions of already underserved eligible mothers and children from their programs. States have the option of providing Medicaid to many types of impoverished pregnant women and children, in addition to those who qualify because they receive welfare grants. Thirty-four states presently cover some or all of these mothers and nearly 1 million children. If the federal Medicaid budget is cut, these "optional" women and children—for example, a first-time pregnant mother and two-parent poor families—may well be among the first to lose their Medicaid benefits.

States will sharply reduce or altogether eliminate essential services from their programs.

The federal budget cuts will prevent states from maintaining their current commitment to certain services. Even the Stockman "Black Book" concedes this will happen. States have already faced budget crises in Medicaid. They have been forced to cut or reduce the very health services that keep children well and correct health problems before they become serious and thus more costly:

An increasing number of states will require that recipients share the costs of such vital services as prescription medications and physician visits.

States will limit the number of physician, clinical, and hospital visits that recipients can receive, even if additional visits are essential.

States will eliminate certain services entirely from their programs, even if they are necessary to keep children out of hospitals.

WILL THE ADMINISTRATION'S PROPOSAL SAVE MONEY?

No. Forcing states to curtail the availability of essential preventive health services now is the epitome of penny-wise and pound-foolish management and assures escalating health care costs later on:

It costs the state of Alabama approximately $1,100 to provide a pregnant woman with adequate prenatal care. It cost $20,000 per year, however, for Alabama to pay the institutional costs of caring for a severely handicapped child whose disabilities resulted from his mother's lack of pregnancy-related care.

Children can get the full preventive health care they need each year for about $325: less than the cost of a 2-day hospital stay.

Children can get screened for health problems for about $20: less than a Senator would pay for a good dinner in Washington.

In North Dakota, total Medicaid expenditures per child were 36–44% lower for children who were screened for health problems than for those who had not received timely health exams. Expenditures for inpatient hospital services were 47–58% lower for those who had been screened.

A Texas study which examined the costs and benefits of preventive care which many children now get (vision screening, hearing screening, preventive dental care, and identification of congenital malformations) showed that for each state dollar spent, more than $8 was saved in the longterm costs and in the income loss avoided.

Moreover, while federal expenditures for Medicaid may decrease, states will be forced to make up the difference out of their own coffers to provide key health services for their poorest citizens. For example, in 1980, the state of Florida hoped to save some $31 million by not providing Medicaid for all financially needy children. But the state ended up spending $42 million in state and local funds providing health care to these same children when they became ill. As federal funds for preventive health services dis-

appear, they will be more than replaced by state and county tax dollars spent on far more costly care.

DO THESE CUTS AVOID HURTING THE TRULY NEEDY?

No. All Medicaid recipients are among the most needy in our society. Of the 23 million persons eligible for Medicaid, 18 million are dependent children, or aged, blind or disabled adults. To qualify financially for Medicaid, families must be indigent, with incomes at or below their states' welfare payment levels, which range from $1,600 to $6,000 a year for a family of four.

IS THE ADMINISTRATION'S PROPOSAL PRO-FAMILY?

No. The proposal will likely force states to reduce their programs by eliminating Medicaid coverage for married pregnant women and children from two-parent families. The cutbacks promise to do profound damage to poor working families who are struggling to stay together and survive. And since children represent an average of only about 17% of Medicaid's expenditures, they are without the political power to compete for their fair share as states begin to wield the budget ax.

WILL THESE PROGRAM REDUCTIONS ENCOURAGE SELF-SUFFICIENCY?

No. Through Medicaid, millions of families can now purchase care that keeps their children healthy and productive. A Tennessee mother can buy eyeglasses, allergy shots, and other needed health services that allow her two children to remain healthy and in school so that she can work. A pregnant mother in Mississippi receives adequate prenatal care for herself and her unborn child so that both have the chance to be healthy and productive.

The Reagan plan seriously threatens poor, working, two-parent families who survive partly because Medicaid helps supply health care for their children. withdrawal of health care will force parents to go onto welfare so that they can qualify for the Medicaid their children need.

WILL THE ADMINISTRATION'S CUTS IMPROVE STATES' ADMINISTRATION OF MEDICAID?

No. The Administration's proposed program cuts have not been tailored to achieve better program administration. The plan simply places severe limitations on the availability of federal funds to meet current state commitments.●

WALTER E. FAUNTROY

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. FAUNTROY. Mr. Speaker, it is with a sense of honor, as well as sadness due to the circumstances which dictate it, that I rise to pay tribute to our distinguished colleague, Gladys Noon Spellman.

As the representative from the District of Columbia, Gladys and I have worked closely during her tenure in Congress. I, and the residents of the District, shall always remember with gratitude and deep respect, the efforts put forth by Mrs. Spellman with respect to the ratification of the District of Columbia full voting rights amendment by the State of Maryland. As one who advocates the full participation of citizens in the political process, Gladys was sensitive to and disturbed by the injustice surrounding the disenfranchisement of the citizens of the District of Columbia.

Shortly after her arrival in Congress, Gladys assisted me in organizing the Metropolitan Caucus, a bipartisan body comprised of those Members representing districts in the Metropolitan Washington area. Gladys' contribution to that body has always been a substantial one, and her wisdom and foresight will be missed.

As chairman of the Post Office and Civil Service Subcommittee, Gladys Noon Spellman did more for the Federal worker than perhaps any other Member who has served in this body. Adequate health and life insurance coverage, equitable salary levels, and perhaps most important, recognition of the valuable service rendered by the Federal work force, were all realized and highlighted through her efforts.

A spirited and compassionate woman, Gladys Spellman took the concern of each and every one of her constituents to heart, and gave her all in seeking a resolution of the various problems they faced. Their love for her, and the deep respect in which she was held, was poignantly demonstrated by her resounding reelection victory just days after she was stricken ill.

Gladys Noon Spellman will be greatly missed by all in this Chamber, and I join with her family, friends, and constituents in a prayer for her complete and rapid recovery so that we might once again have the benefit of her brilliance, integrity, and dedication.

THE LAW OF THE SEA

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. DERWINSKI. Mr. Speaker, a concern of mine for some time has been the development of the text of the Law of the Sea Treaty. We are at a very important juncture at this moment in the law of the sea process, as our delegation prepares for another negotiating session scheduled to begin today. If a satisfactory treaty text can be negotiated, a signing ceremony would be held in Caracas late this summer. If not, we must anticipate further negotiation until an acceptable treaty text is achieved.

I am entering in the CONGRESSIONAL RECORD for the edification of the Members, the remarks on the Law of the Sea Treaty negotiations of our respected colleague, JOHN B. BREAUX, of Louisiana, before the Oceanic Organization on February 18, 1981. Congressman BREAUX's committee assignments have given him the knowledge to make an incisive assessment of the status of the law of the sea negotiations.

Like Mr. BREAUX, I am encouraged by what I have heard of the views of the new administration in the law of the sea area but I share his concerns about what he terms, "the sheer momentum of the lengthy Law of the Sea Conference process." Mr. BREAUX's timely speech follows in part:

REMARKS OF HON. JOHN B. BREAUX BEFORE THE AMERICAN OCEANIC ORGANIZATION, FEBRUARY 18, 1981

I was asked to review with you today the legislative initiatives that could be expected in the area of oceans affairs during the 97th Congress. I intend, however, to confront a far more important matter—The Law of the Sea. As a long-time Congressional adviser to the United States Law of the Sea delegation, and as a past and present chairman of Congressional subcommittees having jurisdiction over oceans issues, I have had more than a little experience with this subject. In my considered opinion, the fate of our oceans interests, with their many significant implications for our national security, domestic economy, and foreign relations, may well be determined for the foreseeable future by policy decisions of the Reagan Administration during the next eighteen days.

I have often spoken to many of you of ocean concerns of mine and priorities for the Congress and the Administration. At this time in our nation's history I am personally convinced that the highest priority for President Reagan and the oceans community of this nation must be to make certain that the draft LOS treaty either be improved or, if it cannot be improved, abandoned.

There is considerable international pressure on the United States to adhere to the schedule of the Law of the Sea Conference calling for the conclusion of negotiations following a six-week meeting to begin on March 9, 1981. A Caracas signing ceremony is anticipated by late summer of this year. However, it is my view that the Draft Convention which has emerged from the negotiations is so thoroughly adverse to the fundamental interests of the United States, that only an absolute capitulation by this nation to the unrestrained demands of the Third World and Soviet Bloc would allow the Conference to complete its work in accordance with the established timetable. I strongly suspect that the schedule was established to produce just that outcome, and I find it truly remarkable that the previous Administration allowed the United States to be led submissively down so perilous a path. Only firm instructions to our Law of the Sea delegation to retrench at the coming Conference session can avert a result which will have the most far-reaching and serious consequences for our nation.

It must be remembered that the outcome of the Law of the Sea negotiations not only will influence the course of oceans law and politics for the next several decades, but also will affect the direction of other emerging international arrangements and the pace with which they are concluded. At the foundation of the Law of the Sea negotiations lies the drive of the Third World toward the establishment of the "New International Economic Order"—the N.I.E.O.—which is calculated to effect a fundamental redistribution of global wealth and power from the nations of the industri-

alized North to the countries of the less developed South. The political model is one-nation one-vote democracy which conveys an equal voice, for example, to a nation of 800 million and to a nation of 350 thousand. The economic model is socialist central economic planning, which seeks to stifle free enterprise and defeat market principles.

Paul Engo, a developing country negotiator who oversaw the production of the first unified Law of the Sea negotiating text, the key provisions of which have largely survived the many years of subsequent negotiations, stated that with respect to his work on the draft: "Of considerable importance for me was another international document commanding wide universal support: 'The Declaration on the Establishment of a New International Economic Order' adopted by the General Assembly on 1 May 1974 at its sixth special session."

Indeed, the Law of the Sea Conference and the emerging treaty stand as precedents for a reconciliation of competing international interests across a broad spectrum of global issues. These include the development and utilization of the resources of the Moon and Earth's sister planets of the solar system, and the exploration and exploitation of Antarctic mineral resources.

It is worth noting in this relation a statement by Mexico, a principal player in the Group of 77, before the U.N. Special Political Committee on November 1, 1979: "Regarding the treaty on the moon . . . this agreement provided that the resources of the moon were the resources of mankind, just like the 'historic decision' on the resources of the seabed." The Moon Treaty has been opened for signature, but because of intense Congressional and industry criticism of its N.I.E.O. orientation has not been signed by the United States.

It should be further noted that Alvero de Soto, a key Third World spokesman, stated at a public meeting in the United States on September 14, 1979:

"The temptation to apply to Antarctica the same principles which are the basis for the regime of the seabed is very great, and some have not been able to resist it. This temptation should increase now that the United Nations Committee on the Peaceful Uses of Outer Space has decided to recommend to the General Assembly a draft Treaty which would declare that the Moon also constitutes the common heritage of mankind."

H. Shirley Amerasinghe, late President of the U.N. General Assembly and President of the Law of the Sea Conference, once declared that:

"There can be no doubt that there are vast possibilities for a new initiative that would [be] to the benefit of all mankind. Antarctica is an area where the now widely accepted ideas and concepts, with their special stress on the principle of the equitable sharing of the world's resources, can find ample scope for application."

Admittedly, it is U.S. policy to resist the extension of the common heritage concept to the Antarctic Continent and our position on that point is strengthened by the existence of several developing countries which are territorial claimants in Antarctica and, therefore, must reject common ownership of that continent. However, the substantial danger remains that, once having accepted the common heritage in the deep seabed context, the United States will succumb to pressure from non-claimant LDC's to extend the principle to an area which the U.S. regards to be as international in character as the other global commons. At risk is the Antarctic Treaty system that has maintained the freedom of scientific research, prevented militarization, including the emplacement of nuclear weapons, and halted the spread of territorial claims on the frozen continent. Also in jeopardy is a truly viable regime that is under negotiation among the Antarctic Treaty Parties for mineral resources which may be of tremendous economic and strategic importance as the resources of more hospitable environments begin to dwindle.

One must bear in mind that the Third World has already succeeded in establishing as a universal principle the concept that every nation has "permanent sovereignty" over the natural resources within its national boundaries. While this principle appears to be self-evident and hardly open to challenge, the implications for the materials-dependent industrialized countries are profound. For the Third World, permanent sovereignty includes not only the nationalization of foreign investments, but also the employment of natural resources as politico-economic weapons. Complementing these measures are wide-ranging efforts dedicated to the establishment of Third World control of the resources and communications and transportation media of the global commons. The deep seabed regime set out in the Law of the Sea Draft Convention is but a single example of this phenomenon. I must point out that this movement by the developing countries is sympathetically supported by the Soviet Bloc, which is essentially independent with respect to many critical materials. This is the "Resource War" about which much has been said and written in recent days and to which this nation must respond decisively, if our long-term security is to be preserved.

Natural resources are not the only targets of Third World and Soviet designs. There are also initiatives in a number of international fora, particularly those under United Nations auspices, to implement the notion that the technology of the advanced nations is the "universal heritage of mankind" to which all members of the international community have a right of access. This involves, on the Law of the Sea model, mandatory transfer of proprietary and non-proprietary technology to developing countries and to a supra-national competitor to private enterprises, as a condition of access to international resources. In other negotiations, such as those relating to an International Code of Conduct on the Transfer of Technology, the operative mechanisms include generally reduced protections for the proprietary rights of developed country technology suppliers and increased pressures for transfers to developing country recipients on a highly politicized, and concessionary, anti-commercial basis.

The twin risks are that our adversaries will gain control of vital raw materials and of the conditions under which the technology essential to development will be utilized and transferred. Under such conditions, the shift of economic wealth and political power will be dramatic—and potentially devastating to the industrialized West. The Third World views such an outcome as just retribution for the perceived outrages of colonialism. The Soviets encourage this viewpoint, and the program which serves it, because as self-styled anti-imperialists, the cost to them of N.I.E.O. justice is nothing and the price paid by the West is very high, indeed.

Unfortunately, resistance by the advanced Western countries to Third World demands has been substantially less convincing and effective in the Law of the Sea Conference than in other international negotiations. If the Law of the Sea Draft Convention is accepted, the political and economic assault on the industrialized West and on the market economy principles upon which its well-being largely depends will be rewarded with a stunning success. In a single stroke, the N.I.E.O. will be propelled from political rhetoric into international law. The resulting model for other vitally important regimes will threaten the United States and the other nations of the Free World with severe damage to their strategic, economic and political interests.

For these reasons and for others I intend to discuss at some length, a letter I initiated on December 10, 1980 to then President-elect Reagan called attention to the significance for the United States of acceptance of the Draft Convention, absent substantial amendments. That letter, which was co-signed by a bi-partisan group of thirteen other Members of Congress occupying positions on the three interested Committees of the House, urged a far-reaching and incisive review of the Law of the Sea negotiations, in light of the multitude of affected national interests. I would like to share with you some of the principal concerns raised in the letter.

An International Seabed Authority, which would control the vast, strategic mineral resources of the deep seabed, an area encompassing fully two-thirds of the Earth's submerged lands, would be dominated by the Third World and heavily influenced by the Soviet Bloc. For the World's deep ocean minerals, the freedom of the seas doctrine would be a dead letter and the United States would have access to them only at the sufferance of nations whose interests conflict with our own.

A plenary, "supreme" Assembly in the Authority would operate on the basis of one-nation one-vote and would set general policies. Clearly, the small minority of western industrialized nations would be unable to protect their interests in that organ.

An executive Council, composed of 36 nations (18 reflecting geographical distribution and 18 reflecting special interests), would be responsible for provisionally approving rules and regulations, pending final action by the Assembly, and for acting on recommendations of a Legal and Technical Commission concerning seabed mining contract applications. While the Soviet Bloc would be guaranteed at least three seats in the Council, the United States would be assured of not even a single vote and would have to compete with its own allies for representation. Furthermore, in the Legal and Technical Commission, experts would be chosen on the basis of geographical distribution and special interests and there is every reason to believe that this subsidiary organ would be as political as the Council to which it would report. Under such a scheme, qualified applicants for mining licenses would not be assured access to seabed resources, and for the United States, this could mean the indefinite continuance of our dangerous dependence for strategic minerals, including cobalt, nickel and manganese, on unreliable foreign sources of supply. Such an outcome would serve the interests of the Third World, particularly the land-based minerals producers, and of the East European Socialist Bloc, at the expense of United States security and economic interests.

A highly privileged, supra-national mining Enterprise would compete with private and

State enterprises for access to seabed minerals. The Enterprise would be operated for the benefit of developing countries.

The treaty would establish an array of seabed production restrictions. These would include not only a ceiling on the overall level of seabed mineral output, but also on the production of each operator, and would limit the number of mine sites that could be exploited by any State or group of States in a period of time or in an area of the seabed. Further, the Authority could be permitted to represent all seabed mineral production in international commodity arrangements which would be negotiated to replace the treaty production ceiling. As the Department of the Treasury has testified before Congressional committees, these many restrictions would tend to artificially inflate prices, distort markets, encourage inefficient production, and of course, limit the diversity and extent of vital minerals supplies. Our vulnerability to supply restraints and disruptions would be sorely aggravated, and the socialist planned economy model would be promoted.

I should note that, unlike other mining entities, the Enterprise would receive a guaranteed portion of the overall seabed mineral output, and would be exempt from all other limitations on production.

The Authority would collect from private and State miners heavy, front-end loaded, mining taxes ($527 million to $1.3 billion per site, depending on each operator's profitability). These taxes would fund the operations of the Authority, compensate developing country land-based minerals producers for harm by ocean mining, and provide, in accordance with international rules and regulations, assistance to developing countries and even to so-called national liberation groups—I repeat—national liberation groups.[1]

Notably, the Enterprise would be exempted for up to ten years from making payments to the Authority and would likely be granted tax immunity by most States, a further privilege that is not likely to be extended to private and State miners.

The treaty would provide for an obligation of each contract applicant to prospect two complete mine sites, in order for the Authority to choose one for development by the Enterprise or developing countries (which could also compete for contracts to mine non-reserved sites).

The treaty would obligate ocean miners to transfer their technology to their competitors, the Enterprise and developing countries. While these transactions are supposed to take place on fair and reasonable commercial terms and conditions, the forced sale nature of the transfers would likely lead to a quite different result. In any case, States Parties having access to ocean mining and processing technologies would, under certain circumstances, be obligated to make them available to the Enterprise. While the transfer obligation on mining operators would be of limited duration, the obligation on States Parties could be of an indefinite nature. I should particularly emphasize that these transfer requirements could extend to certain defense-related technologies. I have had this matter carefully scrutinized and I am alarmed by its implications. Consider, for example, the fact that Romania is a member of the Group of 77 and, therefore, would have a claim of right to our sensitive technologies—and could then put them to use for the benefit of the Warsaw Pact, of which that country is also a member.

The treaty would establish an obligation on States parties to fund, on the U.N. scale of assessments, the initial, fully integrated operation of the Enterprise, with the United States required, accordingly, to provide at least $125 million in long-term, interest-free loans and the same amount in loan guarantees.

The treaty would impose unreasonable restrictions on commercial arbitration and undue limitations on the competence of judicial organs to review decisions and actions of the Authority.

Under the treaty, amendment of the seabed regime would take place after approximately 20 years, on a vote of two-thirds of the States parties, i.e., in accordance with the wishes of the Group of 77, with the revised system binding on all States. To this, the legal right of denunciation offers a politically doubtful response.

I should add that a Preparatory Commission would develop seabed mining rules and regulations that would be binding under the treaty in force, until and unless amended by consensus agreement in the Council, with the subsequent approval of the Assembly. While there is a remote possibility that the Commission might favorably resolve some ambiguities of the treaty, other important provisions are unambiguous and, consequently, rules and regulations cannot be expected to improve the seabed regime significantly.

I should also point out that, if the final treaty text fails to provide satisfactory interim investment protection for U.S. ocean miners who have operated under our seabed mining legislation, the near-term losses to our industry will be substantial. Furthermore, no prudent investor would attempt to proceed with seabed mining under the pending long-term regime. The conclusion of the negotiations without major changes to the Draft Convention thus would unquestionably spell the end of ocean mining for the foreseeable future. This country simply cannot afford that consequence to our economy and security.

As I have noted, deep ocean minerals include cobalt, manganese and nickel, each of which is a strategic material.

Cobalt, which is essential to critical high technology items, such as jet engines, is imported into the United States principally from Zaire and Zambia. We are 82 percent dependent on foreign sources of that mineral.

Manganese is essential to the production of steel. We cannot manufacture a single tank or naval vessel—or automobile—without that metal. Yet we rely for 72 percent of our needs on imports, with Gabon, South Africa and Brazil serving as our primary suppliers.

Nickel has numerous applications essential to a viable industrialized economy. Our import dependence is 77 percent. Canada, which is becoming increasingly nationalistic with respect to its minerals policies, is our largest supplier.●

[1] We are assured by our delegation that the United States could block implementation of these provisions by the Council. However, as noted, the United States is not guaranteed representation in that body and any effort to defeat the clear intent of the treaty would be viewed as bad faith deserving of severe retaliation.

THE FEDERAL LENDING OVERSIGHT AND CONTROL ACT OF 1981

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. MINETA. Mr. Speaker, today I joined with my colleague Mr. BETHUNE to introduce the Federal Lending Oversight and Control Act of 1981. This legislation will bring more than $500 billion in Federal loan and loan guarantee programs under the control of Congress budget process.

Once enacted, the bill would create a credit budget. Thus, Congress would follow the same budget process for lending as is currently mandated for revenues and spending. By requiring a vote on the credit budget, the bill would control the amount of credit the Federal Government can extend annually.

Escalating Federal lending has pushed the amount the Federal Government has extended to nearly $500 billion. This figure is almost half the size of the Federal debt. Only one-sixth of this tremendous amount is currently included in the congressional budget process.

The Federal presence in credit markets is just as great as the Federal presence in the economy as a whole. In recent years the Government has become the largest lender in the Nation. Last year about 23 percent of the total credit extended was channeled through the Federal Government. Federal loans and loan guarantees have grown by about 130 percent between 1975 and 1980.

When I first introduced this bill in 1979, the credit budget and its accompanying credit control limitations were proposals, still untested. We are resubmitting it now after the Congress and the administration have fully incorporated the credit budget and limitations into all stages of the budget process.

Over the weekend, David Stockman, Director of the Office of Management and Budget, announced that the administration will be seeking to cut $34 billion from the Federal loan and guarantee programs during the next year and a half. Congress will be asked by the administration to limit future loan and loan guarantees. Our bill provides Congress with the tools to control the Federal Government's credit programs on a continuing basis.

For the benefit of the membership I would like to take this opportunity to provide a detailed explanation of the bill.

THE FEDERAL LENDING OVERSIGHT AND CONTROL ACT OF 1981—AN EXPLANATION

The Federal Lending Oversight and Control Act of 1981, proposes the establishment of procedures to set targets and ceilings in

the Congressional budget resolutions for gross direct loans and gross loan guarantees by the federal government in a fiscal year. By amending the Congressional Budget Act of 1974, this bill, if enacted, would make these new procedures an integral part of the Congressional budget process.

BACKGROUND

Federal lending and loan guarantees are becoming an increasingly important means of providing government services. The total volume of new loans and loan guarantees by the federal government, including those by off-budget entities, was $116 billion in fiscal year 1980. Outstanding loans and loan guarantees are estimated to total $541 billion by the end of fiscal year 1981.

While plans for direct and guaranteed loans under individual federal credit programs are reviewed each year during the budget process, until the fiscal year 1981 budget there was no systematic mechanism in the Congress of the executive branch for reviewing the total volume of federal credit activity. Consequently, there has been no systematic way to consider the resource allocation effects of loans and loan guarantees, nor the reasonableness of the total volume. If the federal government wishes to allocate its credit resources efficiently and to coordinate that allocation with its fiscal policy and direct expenditures, it must exercise control over federal credit activities in a manner similar to that for direct spending activities.

In its fiscal year 1981 budget, the Administration developed a federal credit budget consisting of estimates of new direct loan obligations and new loan guarantee commitments, and accompanied by requests for appropriated limitations on annual loan programs levels. The Congress responded affirmatively to the credit control proposals, by taking the following actions:

The budget resolutions for 1981 included targets for aggregate amounts of new on- and off-budget direct loan obligations and new primary and secondary loan guarantee commitments. These targets, lacking the Congressional Budget Act enforcement mechanisms available for unified budget resolution targets, are not legally binding.

Annual limitations were enacted for commitments for new direct loans and new loans guarantees. These limitations were included in the appropriations language for most budget accounts containing direct or guaranteed loan programs.

The Congressional Budget Office and the Office of Management and Budget have developed the ability to update and track new credit activity and action on appropriations limitations.

Thus, in action on the fiscal year 1981 budget the Congress and the Administration developed a credit budget and credit control system thoroughly integrated into the regular budget process. This Act provides a statutory basis for the budget resolution credit targets giving them the same legal status as the unified budget targets.

PLAN OF THE BILL

The Federal Lending Oversight and Control Act established credit program controls through amendments to Title III and IV of the Congressional Budget Act of 1974. The Act adds to Title III, which establishes the concurrent budget resolutions on budget authority and outlays, provisions to expand the target- and ceiling-setting process to gross direct lending and to loan guarantees. Title IV, which establishes procedural mechanisms to prevent future "backdoor" spending, is amended to require appropriations action in order for direct loans and loan guarantees to become effective.

POINTS OF CONTROL

The Act applies to federal credit programs controls similar to those on direct spending programs. Therefore, the first issue that must be decided is the point at which controls are to be placed. Two criteria guided the definition of control points in this Act.

First, controls are on a gross basis rather than the net of repayments basis used in the unified budget. Gross level controls are the most direct means of regulating program levels. Second, controls are applied at the point in the lending or guarantee process when the federal government commits itself and cannot cancel the loan or guarantee arrangement without the agreement of the other party or parties. Simply put, controls should be applied at the point where the government cannot change its mind. Based on these criteria, the Act sets the control point for direct lending at the obligations stage and for guaranteed lending at the commitment stage.

DIRECT LOANS

For the purposes of this Act a direct loan is defined as a disbursement of funds (not in exchange for goods or services) that is contracted to be repaid—with or without interest—or any of the following transactions:

Direct federal participation in loans privately made or held;

Purchase of private loans through secondary market operations; or

Acquisition of federally-guaranteed private loans or collateral in satisfaction of default or other guarantee claims.

Direct federal loans are already included in the unified budget totals on a net of repayments basis. Net lending, the change recorded in the budget totals for a program for a fiscal year, equals the amount of new loans extended minus the amount of loan repayments on all—new and prior—loans during the fiscal year.

Net lending is an appropriate indicator of the changes in an agency's financial picture resulting from the operations of a direct loan program. It is not, however, a satisfactory indicator or point of control of program activity. Net lending on-budget understates the amount of new credit extended by the federal government by the amount of the deducted repayments and by the amount of off-budget lending. These deductions are not trivial. New lending by the federal government for fiscal year 1981 is estimated to be $56.7 billion. Deducting repayments ($20.7 billion) and loans by off-budget agencies ($32.1 billion) leaves net lending recorded in the budget at $3.9 billion. Direct federal lending in 1981 is thus understated in the budget by $52.8 billion. Policymakers should be aware of this $53 billion of federal lending. Even though net extensions of federal credit are estimated to total only $3.9 billion, the full amount of credit diverted by on-budget agencies from the borrowers to whom the marketplace would allocate credit to borrowers selected by the federal government is $56.7 billion.

Because the economic effects of direct federal loans to selected borrowers are assumed to differ from the economic effects of the loans that would have been extended in the marketplace, the Congress should consider targets and ceilings, controlling the gross amounts of credit diverted, not just the annual net additions to federal direct loans outstanding. Therefore, the Act requires that targets and ceilings be set in the concurrent budget resolutions on the gross obligations for the principal amount of direct loans. The total is not reduced because of repayments, prepayments, sale of loan assets defaults, or loan forgiveness.

GUARANTEED LOANS

Unlike direct loans, guaranteed loans are not included in the unified budget totals at all. In fact, the definitions of budget authority and new spending authority, in sections 3(a)(2) and 401(c) respectively, specifically exclude the authority to guarantee the repayment of indebtedness incurred by another person or government. Thus, loan guarantees are not at all subject to the targets and ceilings on budget authority and outlays in the concurrent budget resolutions.

The Act introduces for the first time controls on total commitments by the federal government to guarantee loan principal in all loan guarantee programs. Two aspects of this point of control merit discussion: applying controls at the commitment stage and counting only guaranteed loan principal against the targets or ceilings.

The Act applies controls on loan guarantees at the stage when a federal agency enters into a guarantee agreement that becomes effective at such time as the lender meets stipulated preconditions. In a sense, the commitment stage of a loan guarantee arrangement is equivalent to the obligation stage of a direct loan arrangement. The government has entered into an agreement which can be expected, without further intervention, to mature into a financial responsibility to provide loan principal or guarantee a loan's repayment, as the case may be.

Applying controls at the commitment stage of loan guarantees is appropriate because at the point a commitment is granted, there is no reason for the borrower or the lender to search for alternative financing means. At that point the federal government has in a sense "siphoned" credit out of the market and allocated it to a borrower who, without the guarantee, would not have been allocated credit on those terms, or perhaps on any terms at all.

The second aspect of the Act's controls on loan guarantees that merits discussion is the fact that only the federal government's contingent liability is counted against the individual program limitations and the targets or ceilings in the budget resolution. where the principal amount of a loan is only partially guaranteed, only the amount of the contingent liability is controlled. For example, a limitation of $500,000 for a program of 90 percent guarantees means that the agency could guarantee loans totaling $555,355; only $500,000 of the principal, however, would be guaranteed by the government. This provision will make it possible for programs of partial guarantees to leverage their limitation of guarantee commitments into a larger total volume of loans than a program of 100 percent guarantees. It is consistent with the treatment of partially guaranteed loans in the Administration's credit budget.

SECTION-BY-SECTION ANALYSIS

Title 1—Federal Lending Reporting Requirements

Section 101 of the Act requires the Secretary of the Treasury, in consultation with the Council of Economic Advisors, to report on the relationship between federal lending and (1) the condition of the economy, (2) the availability and cost of credit in the pri-

vate sector and (3) the exercise of monetary and fiscal policy by the federal government.

Section 102 amends the Federal Reserve Act, to require the Fed to report on the effects of federal credit activity on the availability and cost of credit in the private sector and on the exercise of monetary policy by the Fed.

Section 103 amends the Budget and Accounting Act to require essential data regarding direct lending and guaranteed loan activity from the President.

Title II—Amendments to the Congressional Budget Act of 1974

The heart of The Federal Lending Oversight and Control Act is its amendments to Titles III and IV of the Congressional Budget Act of 1974. Title I essentially piggybacks provisions for setting targets and ceilings for direct and guaranteed loans onto the provisions establishing the first and second concurrent budget resolutions.

Incorporating credit program controls in the First Concurrent Resolution

Section 201 amends sections 301(a) and 301(c) to include in the required contents of the first concurrent resolution on the budget each year targets on direct and guaranteed loans and to require that the standing committees of the Congress include in their reports to the Budget Committees their views and estimates on credit programs as well as direct expenditures. Specifically, section 301(a) is amended by the addition of two new subsections requiring that the first concurrent resolution of the budget include:

The appropriate level of total gross obligations for the principal amount of direct loans and total commitments to guarantee loan principal; and

The appropriate level of gross obligations for direct loans and of commitments for guaranteed loans for each functional category.

Section 301(c) is amended to require the standing committees to include in their March 15th reports to the Budget Committee their recommendations for credit program levels and their estimates of the amounts of direct and guaranteed loan authority to be provided in their bills to be effective during the fiscal year beginning October 1st. Section 301(c) also includes a special requirement for the Banking Committee in each house to include their recommendations as to the overall levels of federal credit assistance in their March 15th reports. This special responsibility recognizes the expertise of these two committees in the area of the credit economy and the monetary system.

The inclusion of targets for credit programs in the first budget resolution argues that such targets should then be allocated by committee after the resolution has been adopted by the Congress, as section 302 now requires for the targets for budget authority and outlays. Section 302(a) is amended to require that the joint explanatory statement accompanying a conference report allocate to the standing committees of the House and Senate having jurisdiction over credit programs the appropriate levels of gross obligations for direct loans and of commitments to guarantee loan principal. Section 302(b) would be amended to require that the Appropriations Committees subdivide their allocations among their subcommittees, as they presently subdivide their allocations of budget authority and outlays.

The Act amends Section 307 to add the summary report by the House Committee on Appropriations, which compares its action on regular appropriation bills with the appropriate levels of budget authority and outlays as set forth in the budget resolution, a comparison of the Committee's recommendations on gross obligations on direct loans and total commitments to guarantee loan principal to the levels set forth in the concurrent budget resolution.

Section 308 establishes the scorekeeping procedures. It is amended by the Act to include scorekeeping requirements on credit program limitations. Specifically, section 308(a) is amended to require that the statement in reports accompanying a bill providing new budget authority state how the limitations on credit programs in the bill compare to the overall totals in the budget resolutions and to the allocations to the Committee under section 302.

The Act expands the scorekeeping responsibilities assigned to the Congressional Budget Office by section 308(b) by requiring an up-to-date tabulation in the periodic scorekeeping reports of the limitations on gross lending and new commitments compared with the targets in the budget resolutions and the allocations under section 302.

The Act amends section 309 to require that action on bills providing limitations on credit programs shall be completed not later than the seventh day after Labor Day, as is required of all bills providing new budget authority.

The Second Budget Resolution: Ceilings on credit program limitations

Incorporating ceilings on credit program limitations into the second required concurrent resolution on the budget is accomplished by amending section 310 of the Congressional Budget Act. The Act adds a new subsection to section 310(a) to state that the Committees on the Budget shall, at the same time as they report in a second resolution any revisions to the budget expenditure aggregates in the first resolution, revise as necessary the limitations on total obligations for direct loans and for new commitments for guaranteed loan principal. The Committees are also to direct which committees have jurisdiction to recommend such changes.

The ceilings on limitations for credit programs set in the second required concurrent resolution on the budget are given force by an amendment to Section 311 of the Congressional Budget Act. This amendment extends the point-of-order coverage of that section to bills increasing the limitations on obligations for direct loans or commitments to guarantee loan principal above the second resolution levels.

Closing the backdoor on credit: An issue only partially resolved

Section 202 amends Title IV of the Congressional Budget Act to set up a two-stage process for new direct loan and loan guarantee authority. A new section 405 would require that authorizations for new direct loan or guarantee authority state that such authority would be effective for any fiscal year only as approved in appropriation acts. This requirement is enforced by the fact that legislation authorizing direct loans for guarantees without such a provision could be ruled out of order on the floor of either House.

As drafted, the new section 405 would apply only to new authority or to reauthorizations of existing programs. Coverage of existing programs will depend on the willingness of the Appropriations subcommittees to include such limitations in their bills. Across-the-board coverage is needed to maintain the integrity of the targets and ceilings enacted under the amendments to Title III. As drafted, the Act lacks provisions to force this across-the-board coverage.

Applying the May 15th authorizing deadline

The new section 405 of the Congressional Budget Act will effectively set up an authorization-appropriations two-step process for bills containing the authority to guarantee loans. The Act amends section 402 of the Congressional Budget Act to make the May 15th deadline for the reporting of authorization bills to either House effective also for bills authorizing direct loans and loan guarantees.

Miscellaneous amendments to the Congressional Budget Act

The Act makes two additional amendments to the Congressional Budget Act. Section 203 amends section 2, the Declaration of Purposes, to add a subsection declaring control of direct lending and loan guarantees to be a purpose of the bill. It also amends the definitions in section 3 to add a definition for direct loans.

Title III—Amendments to House Rules

The Act amends Clause 2 of Rule X of the Rules of the House by requiring that authorizing committees specifically consider consistency and uniformity of credit program legislation under their jurisdiction, with respect to such matters as default policy, interest rates and loan terms.

Title IV—Construction and Effective Dates

Section 401 reconfirms the right of either House to change their respective rules pertaining to this Act.

Section 402 states that the reports in Sections 101 and 102 are due beginning February 2, 1982; that the Section 103 report from the President shall begin with fiscal year 1982; that Title II (amending the Budget Act to include credit) shall be effective fiscal year 1983; and that Title III (committee review of legislation) shall begin January 3, 1983.●

INTRODUCTION OF THE FEDERAL LENDING OVERSIGHT AND CONTROL ACT

HON. ED BETHUNE

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. BETHUNE. Mr. Speaker, Congressman MINETA and I have introduced a bill to enable Congress to make some sense out of the $500 billion-plus myriad of Federal lending activity—Federal loans and loan guarantees. Our bill, the Federal Lending Oversight and Control Act, consists of three parts: Part I, to require timely information from the Treasury, the Federal Reserve, and the President about Federal credit programs' effects on the economy; part II, to incorporate lending into the budget process and impose an annual limit on total volume; and part III, to make way for oversight and tighter tests on Federal loan and loan guarantee programs.

There is widespread agreement on the need for greater understanding and control over Federal credit.

We are encouraged that Congress set targets in the First Budget Resolution last year for Federal credit programs. Title II, the heart of our bill, would insure that targets and ceilings for lending are incorporated into the congressional budget process—just like for spending programs.

During the last few years, greater and greater attention has been focused on this issue. Most recently, President Reagan warned the Nation about Federal lending in his "State of the Economy" address, and he will recommend a number of revisions in Federal lending programs—as did President Carter. In fact, former President Carter deserves great recognition for initiating control over Federal credit, as his was the first administration to recommend limits on lending programs. Last year, Congress followed that lead, with targets for most programs, and a sense of the Congress resolution endorsing budgetary control over Federal lending. Other initiatives include: House and Senate Budget Committee task force hearings, Rules Committee hearings, endorsement of my bill last year by the Republican Policy Committee, and the inclusion of a plank in the Republican platform expressing the need for Congress and the administration to take charge of runaway Federal lending. The momentum is with us.

These actions reflect a bipartisan consensus, and our bill consumates that consensus. Congress must take charge of this largely unknown, but fastest growing form of Federal assistance. In fact, direct loans and loan guarantees grew by about 133 percent between 1976 and 1980, compared to a 58-percent increase in Federal spending. Outstanding Federal credit is expected to reach $600 billion in 1981.

Much of the appeal—and the reason for the enormous growth—of Federal lending lies with its extra-budgetary treatment. Most lending goes on outside the budget. In the case of direct loans, only the net activity—new loans minus repayment—appears in the budget, while guaranteed loan activity totally escapes the process unless there is a default. In fact, some guaranteed loans are actually laundered into direct off-budget loans when they are sold to the Federal Financing Bank.

For fiscal year 1981, only about $44 billion of the $150 billion of new Federal loans and loan guarantees are included in the official on-budget accounts.

In order for Congress to fulfill its responsibility to determine the size and impact of the Government, and determine the allocation of resources among Government programs, Federal lending must be assessed and expressed in the budget process. Our bill would enable Congress to take charge of the 200-plus lending programs that currently exist.

Our bill—title I—would also require timely information from the Department of the Treasury, the President, and the Federal Reserve. With information from these sources, Congress will be able to fill in some of the vital missing pieces in our giant jigsaw puzzle of credit activity, including information about the relationship between Federal lending and the condition of the economy, the availability and cost of credit in the private sector, and the exercise of monetary and fiscal policy by the Federal Government.

The least understood aspect of Federal lending is its overall impact on the economy. Is Federal lending cost-free if the loan is repaid? At first blush, the costs are not obvious. However, as Dr. Alan Greenspan, former Chairman of the Council of Economic Advisers, pointed out in hearings on Chrysler before the Economic Stabilization Subcommittee, there are long-term impacts and indirect costs—such as higher inflation due to an excessive amount of credit preemption on the part of the Government—associated with Federal lending programs. The true costs of Federal credit programs are their adverse effect on the prosperity and future economic growth caused by the allocation of capital away from its potentially most productive users.

Clearly, Federal lending programs collectively target hundreds of billions of dollars to groups which are deemed too risky by the market for private investment. Federal lending pushes individuals, who would normally be refused credit, ahead of other creditworthy borrowers who are in line for a loan. The productivity of the borrowers who are crowded out is forever lost to the market. In fact, one economist estimates that for every $1 billion of Federal lending activity, $0.7 to $1.6 billion of private investment is crowded out. If he's right, this could mean that between $420 billion and $960 billion of productive private activity is preempted by the Federal Government.

Even if private borrowers are not crowded out altogether, chances are that they are paying higher rates of interest because the Government has sopped up so much of the available amount of credit. Credit is far too important to be allowed to continue growing haphazardly. More importantly, we must not allow credit to negate our work this year to cut spending and encourage productivity. As the door on spending programs is closed, pressures on the gate to Federal lending will be even greater.

Do benefits of Federal lending programs outweigh their costs? No one knows.

In terms of direct costs, many credit programs provide a subsidy through favorable interest rates or terms. Some current programs still carry interest rates as low as 3 percent. Economists are now trying to quantify lending subsidies, so that once we have a better understanding of the macroeconomic effects of Federal lending, Congress can plug them into the equation.

In addition to interest subsidies, there are administrative costs and potential default losses. Although it should be relatively easy to determine these costs, Congress has no idea where we stand because the terms, practices, and definitions for basic elements of programs vary so much. In fact, the data reported is so varied that at this time we have no idea how many loans are actually in default. Part III of our bill addresses this problem by requiring the oversight subcommittees of each House standing committee, excluding Appropriations and Budget, to review the risks of the programs within their jurisdiction and strive for consistency and uniformity of the definitions, default policies, interest rates, and other terms and conditions pertaining to each program.

Mr. Speaker, on the plus side of the cost/benefit question, thousands of Americans can speak for the positive fruits of Federal loan and loan guarantee programs. Much of the Nation's housing is the result of intricate Federal credit programs. Nurses, farmers, shipbuilders, small businesses, and so on, have been able to contribute to the well-being of our country.

To assess Federal credit activity intelligently, there simply must be an open forum in Congress. Our bill would bring Federal lending out into the sunshine, and I hope you will give us your support.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, March 10, 1981, may be found in the Daily Digest of today's RECORD.

MARCH 11

8:00 a.m.
Appropriations
Legislative Branch Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Library of Congress, Government Printing Office, and the Copyright Royalty Tribunal.
S-126, Capitol

8:30 a.m.
Armed Services
Strategic and Theater Nuclear Forces Subcommittee
To resume closed hearings on proposed authorizations for fiscal year 1982 for strategic defense programs of the Department of Defense.
224 Russell Building

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
324 Russell Building
Governmental Affairs
Oversight of Government Management Subcommittee
To hold hearings to review Government-wide debarment and suspension practices in dealing with irresponsible contractors in relation to Government contracts.
357 Russell Building
*Select on Intelligence
Budget Subcommittee
To resume closed hearings on proposed authorizations for fiscal year 1982 for intelligence activities of the United States.
S-407, Capitol

9:15 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the defense establishment.
1223 Dirksen Building

9:30 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the U.S. Soldiers' and Airmen's Home, domestic programs of ACTION, Community Services Administration, and the Railroad Retirement Board.
1114 Dirksen Building
Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the U.S. Metric Board and the Marine Mammal Commission.
S-146, Capitol
Armed Services
Preparedness Subcommittee
To resume open and closed hearings on proposed authorizations for fiscal year 1982 for the Department of Defense, receiving testimony on Air Force operation and maintenance programs.
212 Russell Building
Banking, Housing, and Urban Affairs
To hold hearings on the prospective nominations of John J. Knapp, of New York, to be General Counsel, Philip D. Winn, of Colorado, to be Assistant Secretary for Housing, Stephen May, of New York, to be Assistant Secretary for Legislation, and Emanuel S. Savas, of New York, to be Assistant Secretary for Policy Development and Research, all of the Department of Housing and Urban Development.
5302 Dirksen Building.
Judiciary
Constitution Subcommittee
To hold hearings on miscellaneous proposals to balance the Federal budget.
2228 Dirksen Building

10:00 a.m.
Budget
To hold hearings on the administration's economic proposals for the Federal Government.
6202 Dirksen Building
Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on proposed legislation authorizing funds for the U.S. Fire Administration of the Federal Emergency Management Agency.
235 Russell Building
Environment and Public Works
Business meeting, to continue consideration of those matters and programs which fall within the committee's jurisdiction with a view toward submitting its views and budget recommendations to the Committee on the Budget by March 15.
4200 Dirksen Building
Governmental Affairs
To hold hearings on the nomination of Donald J. Devine, of Maryland, to be Director, Office of Personnel Management.
3302 Dirksen Building

2:00 p.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
324 Russell Building
Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for energy conservation programs of the Department of Energy.
Room S-126, Capitol
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Corporation for Public Broadcasting, the National Commission on Libraries and Information Science, and the President's Commission on Ethical Problems in Medicine.
1114 Dirksen Building
Environment and Public Works
Business meeting, to continue consideration of those matters and programs which fall within the committee's jurisdiction with a view toward submitting its views and budgetary recommendations to the Committee on the Budget by March 15.
4200 Dirksen Building
Governmental Affairs
Intergovernmental Relations Subcommittee
To hold hearings on S. 45, simplifying the administration of national policy requirements applicable to Federal assistance programs to State and local governments.
3302 Dirksen Building

MARCH 12

8:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the defense establishment.
1223 Dirksen Building
Appropriations
Legislative Branch Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the General Accounting Office, and the Office of Technology Assessment.
S-126, Capitol

9:00 a.m.
Energy and Natural Resources
To resume hearings to review those items in the President's budget for fiscal year 1982 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee, receiving testimony from officials of the Department of Energy.
3110 Dirksen Building
Governmental Affairs
Oversight of Government Management Subcommittee
To continue hearings to review Government-wide debarment and suspension practices in dealing with irresponsible contractors in relation to Government contracts.
357 Russell Building

9:30 a.m.
Armed Services
Tactical Warfare Subcommittee
To resume closed hearings on proposed authorizations for fiscal year 1982 for the Department of Defense, receiving testimony on Air Force programs.
212 Russell Building
Banking, Housing, and Urban Affairs
Business meeting, to mark up S. 144, to promote the formation of U.S. export trading companies to expand export participation by small U.S. companies.
5302 Dirksen Building

Labor and Human Resources
Labor Subcommittee
To hold hearings on S. 351, to transfer certain surface mining operations from the Mine Safety and Health Administration to the Occupational Safety and Health Administration, and other pertinent proposals.
4232 Dirksen Building

Veterans' Affairs
Business meeting, to consider those matters and programs which fall within the committee's jurisdiction with a view toward submitting its views and budgetary recommendations to the Committee on the Budget by March 15.
412 Russell Building

10:00 a.m.
Budget
To continue hearings on the administration's economic proposals for the Federal Government.
6202 Dirksen Building

Environment and Public Works
To mark up S. 533, establishing public buildings policies for the Federal Government, permanently establishing the Public Buildings Service in the General Services Administration, authorizing funds for fiscal year 1982 for the construction, renovation, and maintenance of public buildings and related activities of the Public Buildings Service.
4200 Dirksen Building

Governmental Affairs
Business meeting, to consider those matters and programs which fall within the committee's jurisdiction with a view toward submitting its views and budgetary recommendations to the Committee on the Budget by March 15, and to consider the nomination of Donald J. Devine, of Maryland, to be Director, Office of Personnel Management.
3302 Dirksen Building

Select on Intelligence
Budget Subcommittee
To continue closed hearings on proposed authorizations for fiscal year 1982 for intelligence activities of the United States.
S-407, Capitol

1:00 p.m.
*Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
324 Russell Building

2:00 p.m.
Select on Ethics
Business meeting, to further consider the proposed revisions to the Senate Code of Official Conduct.
5110 Dirksen Building

3:00 p.m.
Appropriations
*Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Mediation and Conciliation Service, the National Labor Relations Board, the National Mediation Board, the Occupational Safety and Health Review Commission, and the Federal Mine Safety and Health Review Commission.
1114 Dirksen Building

MARCH 13

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
324 Russell Building

Energy and Natural Resources
To resume hearings to review those items in the President's budget for fiscal year 1982 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee, receiving testimony from officials of the Departments of the Interior and Agriculture.
3110 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on proposed authorizations for fiscal years 1982 and 1983 for the National Railroad Passenger Corporation (Amtrak).
235 Russell Building

MARCH 16

9:00 a.m.
Agriculture, Nutrition, and Forestry
To resume hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
324 Russell Building

Energy and Natural Resources
Business meeting, to consider those matters and programs which fall within the committee's jurisdiction with a view toward submitting its views and budgetary recommendations to the Committee on the Budget by March 15.
3110 Dirksen Building

10:00 a.m.
Finance
Taxation and Debt Management Subcommittee
To hold hearings on miscellaneous tax bills, S. 352, 483, 502, and 565.
2221 Dirksen Building

1:30 p.m.
Appropriations
*Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, and Health and Human Services.
1114 Dirksen Building

2:00 p.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
324 Russell Building

MARCH 17

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
324 Russell Building

Energy and Natural Resources
Business meeting, to continue consideration of those matters and programs which fall within the committee's jurisdiction with a view toward submitting its views and budgetary recommendations to the Committee on the Budget by March 15.
3110 Dirksen Building

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings to review the proposed budget for fiscal year 1982 for the Department of Agriculture.
1223 Dirksen Building

Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Veterans' Administration.
1224 Dirksen Building

Appropriations
*Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Department of Health and Human Services.
1114 Dirksen Building

Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Attorney General, Department of Justice.
S-146, Capitol

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To resume hearings on proposed authorizations for fiscal years 1982 and 1983 for the National Railroad Passenger Corporation (Amtrak).
1202 Dirksen Building

Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold hearings on proposed legislation authorizing funds for the Older Americans Act.
4232 Dirksen Building

10:00 a.m.
Select on Intelligence
*Budget Subcommittee
To resume closed hearings on proposed authorizations for fiscal year 1982 for intelligence activities of the United States.
S-407, Capitol

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Department of Health and Human Services.
1114 Dirksen Building

MARCH 18

9:00 a.m.
Energy and Natural Resources
Business meeting, to continue consideration of those matters and programs which fall within the committee's jurisdiction with a view toward submitting its views and budgetary recom-

mendations to the Committee on the Budget by March 15.
3110 Dirksen Building

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Inspector General, Department of Agriculture, and the General Accounting Office.
1224 Dirksen Building

*Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Health and Human Services, and Education.
1114 Dirksen Building

Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Bureau of Investigation, Offices of U.S. Attorneys, U.S. Marshals Service, and bankruptcy trustees, Department of Justice.
S-146, Capitol

Governmental Affairs
Governmental Efficiency and the District of Columbia Subcommittee
To hold hearings on S. 640, extending through fiscal year 1983 the borrowing authority of the District of Columbia.
6226 Dirksen Building

Labor and Human Resources
Employment and Productivity Subcommittee
To hold hearings on proposed legislation on youth employment.
4232 Dirksen Building

10:00 a.m.
Governmental Affairs
Federal Expenditures, Research, and Rules Subcommittee
To hold oversight hearings on Public Law 96-511, providing for the reduction of Federal paperwork requirements and duplications, and consolidating statistical policy activities with information management in the Office of Management and Budget.
3302 Dirksen Building

1:30 p.m.
*Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Department of Education.
1114 Dirksen Building

MARCH 19

9:00 a.m.
Agriculture, Nutrition, and Forestry
To resume hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
324 Russell Building

Energy and Natural Resources
Business meeting, to continue consideration of those matters and programs which fall within the committee's jurisdiction with a view toward submitting its views and budgetary recommendations to the Committee on the Budget by March 15.
3110 Dirksen Building

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Science and Education Administration, Office of the Secretary, Departmental Administration, Office of Governmental and Public Affairs, and the Office of the General Counsel, Department of Agriculture.
1224 Dirksen Building

Appropriations
*Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Community Services Administration, and the Corporation for Public Broadcasting.
1114 Dirksen Building

Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Immigration and Naturalization Service of the Department of Justice, and the Coordinating Council on Juvenile Justice and Delinquency Prevention.
S-146, Capitol

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building

Labor and Human Resources
Employment and Productivity Subcommittee
To continue hearings on proposed legislation on youth employment.
4232 Dirksen Building

10:00 a.m.
*Appropriations
*Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Urban Mass Transportation Administration, Department of Transportation.
1318 Dirksen Building

Select on Intelligence
To resume closed hearings on proposed authorizations for fiscal year 1982 for intelligence activities of the United States.
S-407, Capitol

MARCH 20

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
324 Russell Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

MARCH 23

9:00 a.m.
Agriculture, Nutrition, and Forestry
To resume hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
324 Russell Building

9:30 a.m.
Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for national centers for health statistics, health services research and health care technology programs, national research service awards, and medical library assistance programs.
4232 Dirksen Building

10:00 a.m.
*Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Railroad Administration, Department of Transportation, and the National Railroad Passenger Corporation (Amtrak).
1114 Dirksen Building

2:00 p.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
324 Russell Building

MARCH 24

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
324 Russell Building

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Foreign Agricultural Service, Office of International Cooperation and Development, Federal Crop Insurance Corporation, Economics and Statistics Service, and the World Food and Agricultural Outlook and Situation Board.
1223 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold oversight hearings to review supplemental assistance and restructuring policies for Consolidated Rail Corporation (Conrail), and on proposed authorizations for fiscal year 1982 for the U.S. Railway Association.
235 Russell Building

Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold hearings on proposed legislation authorizing funds for low-income energy assistance programs.
5302 Dirksen Building

Labor and Human Resources
Labor Subcommittee
To hold hearings on S. 348, to increase job opportunity by allowing employers to pay young people the minimum wage at a reduced rate.
4232 Dirksen Building

10:00 a.m.
Energy and Natural Resources
Energy and Mineral Resources Subcommittee
To hold hearings to examine current shortages and future supply trends of anthracite coal used for residential heating.
3110 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Drug Enforcement Administration, and prison service programs, Department of Justice.
S-146, Capitol

MARCH 25

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
324 Russell Building
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for alternative fuel programs and the Economic Regulatory Administration, Department of Energy.
1114 Dirksen Building
Select on Intelligence
*Budget Subcommittee
To resume closed hearings on proposed authorizations for fiscal year 1982 for intelligence activities of the United States.
S-407, Capitol

9:30 a.m.
Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the office of the Secretary, general administration, Economic Development Administration, and the Regional Action Planning Commissions, Department of Commerce.
S-146, Capitol
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To continue oversight hearings to review supplemental assistance and restructuring policies for Consolidated Rail Corporation (Conrail), and on proposed authorizations for fiscal year 1982 for the U.S. Railway Association.
5110 Dirksen Building
Labor and Human Resources
Alcoholism and Drug Abuse Subcommittee
To hold hearings on proposed legislation authorizing funds for the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act.
2228 Dirksen Building
Labor and Human Resources
Labor Subcommittee
To continue hearings on S. 348, to increase job opportunity by allowing employers to pay young people the minimum wage at a reduced rate.
4232 Dirksen Building

10:00 a.m.
Appropriations
*Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Highway Traffic Safety Administration, Department of Transportation.
1223 Dirksen Building

2:00 p.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
324 Russell Building
Governmental Affairs
Intergovernmental Relations Subcommittee
To resume hearings on S. 45, simplifying the administration of national policy requirements applicable to Federal assistance programs to State and local governments.
3302 Dirksen Building

MARCH 26

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
324 Russell Building
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of the Interior and certain related agencies.
1114 Dirksen Building

9:30 a.m.
Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Oceanic and Atmospheric Administration, and the Maritime Administration, Department of Commerce.
S-146, Capitol
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building
Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain public health professional education and nurse training programs of the Department of Health and Human Services.
4232 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of State; and to review certain foreign assistance programs.
S-126, Capitol

MARCH 27

9:30 a.m.
Labor and Human Resources
To resume hearings on proposed legislation authorizing funds for certain public health categorical programs of the Department of Health and Human Services.
4232 Dirksen Building

10:00 a.m.
* Appropriations
* Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Highway Administration, Department of Transportation.
1224 Dirksen Building

MARCH 30

9:30 a.m.
Labor and Human Resources
Alcoholism and Drug Abuse Subcommittee
To hold hearings on proposed legislation authorizing funds for the Drug Abuse Prevention, Treatment and Rehabilitation Act.
4232 Dirksen Building

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Aviation Administration, Department of Transportation.
1114 Dirksen Building

MARCH 31

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Soil Conservation Service, Agricultural Stabilization and Conservation Service, and the Animal and Plant Health Inspection Service, Department of Agriculture.
1223 Dirksen Building
Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the International Trade Administration, Scientific and Technical Research Service, and the Patent and Trademark Office, Department of Commerce.
S-126, Capitol
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building
Labor and Human Resources
To hold oversight hearings on the implementation of family planning programs.
4232 Dirksen Building

10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Management and Budget.
S-146, Capitol

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Agency for International Development; and to continue review of certain foreign assistance programs.
S-126, Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the White House Office, Office of Administration, official residence of the Vice President, executive residence, special assistant to the President, compensation of the President, and other unanticipated needs.
S-146, Capitol

APRIL 1

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Bureau of Indian Affairs, Department of the Interior
1114 Dirksen Building

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Farmers Home Administration, Rural Electrification Administration, and the Farm Credit Administration.
1223 Dirksen Building

Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Emergency Management Agency and the Selective Service System.
S-126, Capitol

Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the economic and statistical analysis program, U.S. Census Bureau, National Telecommunications and Information Administration, and the Minority Business Development Agency, Department of Commerce.
S-146, Capitol

Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain adolescent pregnancy programs of the Department of Health and Human Services.
4232 Dirksen Building

10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Secretary of the Treasury.
1224 Dirksen Building

2:00 p.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Secretary, international affairs programs, Bureau of the Mint, Bureau of Engraving and Printing, and Bureau of Government Financial Operations of the Department of the Treasury.
1224 Dirksen Building

Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal year 1982 for the Consumer Product Safety Commission.
5110 Dirksen Building

APRIL 2

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed buget estimates for fiscal year 1982 for the Office of Surface Mining Reclamation and Enforcement, Department of the Interior; and the Smithsonian Institution.
1114 Dirksen Building

9:30 a.m.
*Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1982 from officials of Paralyzed Veterans of America, Blinded Veterans Association, Military Order of the Purple Heart, and Veterans of World War I.
457 Russell Building

10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the U.S. Postal Service.
S-146, Capitol

Commerce, Science, and Transportation
Consumer Subcommittee
To continue hearings on proposed legislation authorizing funds for fiscal year 1982 for the Consumer Product Safety Commission.
5110 Dirksen Building

11:00 a.m.
*Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1982 from AMVETS.
457 Russell Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Agency for International Development, and certain foreign assistance programs.
S-126, Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the U.S. Customs Service, U.S. Secret Service, Federal Law Enforcement Training Center, and the Bureau of Alcohol, Tobacco and Firearms.
S-146, Capitol

APRIL 3

10:00 a.m.
Appropriations
*Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of Transportation and related agencies.
1114 Dirksen Building

Commerce, Science, and Transportation
Consumer Subcommittee
To continue hearings on proposed legislation authorizing funds for fiscal year 1982 for the Consumer Product Safety Commission.
5110 Dirksen Building

APRIL 6

9:30 a.m.
Labor and Human Resources
Alcoholism and Drug Abuse Subcommittee
To hold hearings on proposed legislation authorizing funds for the Alcohol and Drug Abuse Education Act.
4232 Dirksen Building

10:00 a.m.
Appropriations
*Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the U.S. Railway Association and Consolidated Rail Corporation (Conrail).
1114 Dirksen Building

APRIL 7

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Food and Nutrition Service, and the Food Safety and Quality Service, Department of Agriculture.
1223 Dirksen Building

Labor and Human Resources
To hold hearings on proposed authorizations for fiscal year 1982 for the National Science Foundation.
4232 Dirksen Building

10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the General Services Administration.
1318 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Agency for International Development, and certain foreign assistance programs.
S-126, Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Personnel Management, Merit Systems Protection Board and Special Counsel, Federal Labor Relations Authority, Advisory Commission on Intergovernmental Relations, Advisory Committee on Federal Pay, Commission on Executive, Legislative and

Judicial Salaries, and the President's Commission on Pension Policy.
1318 Dirksen Building

APRIL 8

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Secretary and the Office of the Solicitor, Department of the Interior.
1114 Dirksen Building

9:30 a.m.
*Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Science and Technology Policy, Council on Environmental Quality, and the National Regulatory Council.
S-126, Capitol

Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain health maintenance organizations of the Department of Health and Human Services.
4232 Dirksen Building

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Department of Transportation.
1224 Dirksen Building

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Administrative Conference of the United States, Federal Elections Commission, Office of Federal Procurement Policy, Domestic Policy Staff, U.S. Tax Court, and the Committee for Purchase From the Blind and Other Severely Handicapped.
1318 Dirksen Building

APRIL 9

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for strategic petroleum reserve programs, the Energy Information Administration, and naval petroleum reserve programs, Department of Energy.
1114 Dirksen Building

9:30 a.m.
Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold hearings on proposed legislation authorizing funds for the Domestic Volunteer Services Act.
4232 Dirksen Building

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Secretary, Department of Transportation, and to review overall budget recommendations.
S-126, Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Internal Revenue Service, and the savings bond division of the Bureau of the Public Debt.
1318 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain international security assistance programs of the Department of State.
S-126, Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Council of Economic Advisers, National Security Council, and the Council on Wage and Price Stability.
1318 Dirksen Building

APRIL 21

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for Forest Service programs, the Office of the Federal Inspector for the Alaska Natural Gas Transportation System, and the Pennsylvania Avenue Development Corporation.
1114 Dirksen Building

9:30 a.m.
Labor and Human Resources
To resume hearings on alleged sex discrimination in the workplace.
4232 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1224 Dirksen Building

APRIL 22

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Secretary of Energy.
1114 Dirksen Building

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Food and Drug Administration, Commodity Futures Trading Commission, Agricultural Marketing Service, Federal Grain Inspection Service, Office of Transportation, and the Agricultural Cooperative Service, Department of Agriculture.
1223 Dirksen Building

Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Environmental Protection Agency.
1318 Dirksen Building

Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain community/migrant health centers and the National Health Service Corps of the Department of Health and Human Services.
4232 Dirksen Building

APRIL 23

9:30 a.m.
Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold hearings on proposed legislation authorizing funds for certain child abuse and adoption opportunity programs.
4232 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1224 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for certain international aid programs of the Department of State.
S-126, Capitol

APRIL 28

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Endowment for the Arts and the National Endowment for the Humanities.
1114 Dirksen Building

9:30 a.m.
Labor and Human Resources
Labor Subcommittee
To hold oversight hearings on the implementation of the Davis-Bacon Act.
4232 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1224 Dirksen Building

Labor and Human Resources
Education Subcommittee
To hold hearings to review certain educational programs.
5110 Dirksen Building

2:00
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain international monetary programs of the Department of Treasury.
S-126, Capitol

APRIL 29

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Consumer Cooperative Bank,

and the Consumer Product Safety Commission.
1318 Dirksen Building

Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold oversight hearings on the implementation of the Economic Opportunity Act.
457 Russell Building

Labor and Human Resources
Labor Subcommittee
To continue oversight hearings on the implementation of the Davis-Bacon Act.
4232 Dirksen Building

10:00 a.m.
Labor and Human Resources
Education Subcommittee
To continue hearings to review certain educational programs.
6226 Dirksen Building

APRIL 30

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Park Service, Department of the Interior.
1114 Dirksen Building

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Science Foundation.
1318 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1224 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the multilateral development banks of the Department of the Treasury.
S-126, Capitol

MAY 5

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Export-Import Bank of the United States.
S-126, Capitol

MAY 6

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Geological Survey, Department of the Interior.
1223 Dirksen Building

MAY 7

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for conservation and fossil energy programs.
1223 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Agency for International Development, and certain international aid programs.
S-126, Capitol

MAY 12

9:30 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Aeronautics and Space Administration.
1224 Dirksen Building

Labor and Human Resources
Labor Subcommittee
To hold oversight hearings on the implementation of the Longshoremen and Harbor Workers Compensation Act.
4232 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Peace Corps.
S-126, Capitol

MAY 13

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Commission of Fine Arts, the National Gallery Art, and the Bureau of Mines, Department of the Interior.
1223 Dirksen Building

9:30 a.m.
Labor and Human Resources
Labor Subcommittee
To continue oversight hearings on the implementation of the Longshoremen and Harbor Workers Compensation Act.
4232 Dirksen Building

MAY 14

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Territorial Affairs, Department of the Interior.
1223 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain international programs.
S-126, Capitol

MAY 19

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

MAY 20

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development.
1224 Dirksen Building

MAY 21

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development, and the Neighborhood Reinvestment Corporation.
1224 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

JUNE 2

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development, and certain independent agencies.
1224 Dirksen Building

CANCELLATIONS

MARCH 12

9:30 a.m.
Judiciary
To resume oversight hearings to review the administration's budget recommendations of the Federal Trade Commission.
2228 Dirksen Building

10:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Heritage Conservation and Recreation Service, Department of the Interior.
1114 Dirksen Building

MARCH 16

10:00 a.m.
Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal year 1982 for the Maritime Administration, Department of Commerce.
235 Russell Building

MARCH 19

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

MARCH 20

9:30 a.m.
Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain public health categorical programs of the Department of Health and Human Services.
4232 Dirksen Building

HOUSE OF REPRESENTATIVES—*Tuesday, March 10, 1981*

The House met at 12 o'clock noon.

Rev. Jim Anthis, pastor, the Memorial Christian Church, Muskogee, Okla., offered the following prayer:

Eternal God, today, we join together on behalf of and for the welfare of all mankind. We seek Your guidance on this important day in which we hold so much power for the future of the world You have created. Provide us a clear vision of our crucial responsibilities as the strongest body of lawmakers in the world.

Give us fresh insights into our task of creating a climate for world peace. Give us a clear image of the poor and help us to remember those many less fortunate ones who will die without our concern, action, and help.

Free us all from selfishness and strife, and lead us as we lead our Nation and world into harmony and everlasting peace. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

DR. JAMES ANTHIS OF MUSKOGEE, OKLA.

(Mr. SYNAR asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SYNAR. Mr. Speaker, today it is my privilege to have as my guest Dr. James Anthis of Muskogee, who delivered our opening prayer. The Reverend Dr. Anthis, a native Oklahoman, is the epitome of spiritual and community leadership and devotion. He also is a close friend; I have had the honor of speaking to his congregation several times.

Dr. Anthis has been the minister at Muskogee's Memorial Christian Church for 5 years. Before that, he was the minister at the Hollywood-Beverly Christian Church, and one member of his congregation—Ronald Reagan—went on to become the President of the United States. Obviously, Dr. Anthis' influence is considerable.

Besides serving as a minister in Muskogee, Dr. Anthis is on the faculties of three Oklahoma colleges and is the editor-at-large of Disciple magazine, the president-elect and founder of Muskogee's Cooperative Ministries, the chairman of the Educational Committee of Muskogee's Chamber of Commerce, and the president of the Community Council PTA. The list of his contributions to church and community is virtually endless.

While Dr. Anthis is visiting our Nation's Capital this week, he will participate in the dedication of the Lyndon B. Johnson Memorial Window at the National City Christian Church this Sunday. He also will be interviewing Members of Congress who are members of the Christian Church for Disciple magazine.

Dr. Anthis' life extends beyond his church and community involvement. He and his wife Judith have five children, ages 13 to 17, to whom they are quite devoted. His favorite sport is tennis, and during his years at Phillips University in Oklahoma, Dr. Anthis was a nationally ranked tennis player. He still is active in the sport when his schedule allows.

A man of accomplishment, Dr. Anthis is worthy of our respect and admiration. It is indeed an honor to have him address this body today.

THE LATE HONORABLE JACOB GILBERT

(Mr. ADDABBO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ADDABBO. Mr. Speaker, on February 27, after a year-long struggle against cancer, our former colleague, Hon. Jacob Gilbert, of New York City, passed away at Columbia Presbyterian Hospital.

Jack Gilbert was an unusually gifted person who served this House with distinction for a 10-year period from 1961 to 1970. Before election to the House, he had served 14 years in the New York State Legislature. During his tenure here in the House, Jack Gilbert served on the Ways and Means Committee. He used this position of considerable influence to push hard for issues of greatest concern to him, the problems of the elderly, the poor, the handicapped, the young, and disadvantaged.

Jack Gilbert was a close personal friend of mine while we served together in this House, and he remained a close friend during the decade following his retirement from Congress. Because of this closeness, I have asked permission that I might host a special order for 60 minutes on March 18 so that my colleagues who served with Jack Gilbert or were otherwise fortunate enough to know him, may join with me in paying tribute to the record he carved.

Jack is survived by his wife Irma, two daughters, Miriam and Sandra and a son, Samuel. Our prayers and thoughts are with him and them.

Mr. Speaker, I ask unanimous consent that I be granted permission to address the House on March 18 for 60 minutes.

CONGRESSIONAL COMMITTEES ANXIOUSLY AWAIT PRESIDENT'S PLAN

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ALEXANDER. Mr. Speaker, public opinion is high in support of the President's promise to cut Government spending. A recent Harris survey reports that 81 percent of the American people support the President in his efforts. Congress is cooperative, but we cannot hold hearings on a promise. We must have a plan.

David Stockman, Director of OMB, has repeatedly promised to present Congress with specific recommendations today. Today the administration sent a package, but I understand that it is incomplete. The congressional committees anxiously await the President's plan.

Mr. President, we are ready when you are.

DISCHARGE PETITION ON HOUSE JOINT RESOLUTION 56, CONSTITUTIONAL AMENDMENT TO END COURT-ORDERED BUSING

(Mr. MOTTL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOTTL. Mr. Speaker, beginning today I am asking my colleagues to step forward and sign my discharge petition to bring to the floor House Joint Resolution 56, proposing an amendment to the Constitution to end once and for all court-ordered busing.

Busing under Federal decree continues to destroy our public schools. Every year that busing continues the financial hole becomes deeper, and the public more turned off to public schools.

In Cleveland, the school system is in financial crisis and yet is being ordered to spend $40 million on busing next year by a Federal judge. Enroll-

ment has plummeted because of white flight, and every day an average of 17,000 students do not even show up for class in a system of 85,000 students.

The other day Cleveland Mayor Voinovich stated:

> The entire community, including the mayor, is in despair over what has happened to our school system and everyone is frustrated because things are getting worse.

Court-ordered busing is what has happened to our schools, and things will keep getting worse until we stop it with our neighborhood schools constitutional amendment.

I urge my colleagues to help put an end to the divisive issue of court-ordered busing by going to the clerk's desk and signing Discharge Petition No. 1 on House Joint Resolution 56.

MOVING ON A VERY FAST TRACK ON THE ADMINISTRATION'S BUDGET PROGRAM

(Mr. JONES of Oklahoma asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JONES of Oklahoma. Mr. Speaker, this morning the administration delivered the revisions to the 1981 and the 1982 budget, and the Committee on the Budget staff has already begun to analyze this budget. I want to repeat what my colleagues on the committee, the Speaker, and I have all stated before: We will move on a very fast track in working on the administration's budget program.

I met with OMB Director, Mr. Stockman, last week, and he is in general agreement with the timetable we have set out. This timetable should be taken out of partisan consideration. The House of Representatives and the Committee on the Budget will not abandon our constitutional responsibility to review and improve upon this budget, but I can assure you that we will cooperate.

In order to meet this timetable, it is going to take cooperation from both ends of Pennsylvania Avenue, and if the administration furnishes the details, as they have promised, on the budget today to all of the committees, then I think this timetable can be achieved. I know the various committees want to cooperate.

Assuming the details are there, we will be able to move on a very fast track.

HOUSE COMMITTEES NOT GETTING INFORMATION FROM THE ADMINISTRATION

(Mr. PEASE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEASE. Mr. Speaker, the experience of the Ways and Means Committee in attempting to act expeditiously on the President's economic program is sadly illustrative of the problems faced by the House committees in trying to obtain the information they need to do their job.

Item: Witnesses who have appeared so far before the committee have been unprepared to answer questions or have been limited in their authority to respond.

The Secretary of the Treasury was unable to provide specific information on the proposed changes in depreciation allowance schedules—the core of the President's business investment program. He also did not have information on proposed changes in user fees, or on the second tax package.

The Secretaries of Labor and of Health and Human Services displayed unfamiliarity with key administration proposals to eliminate the national trigger of extended benefits for unemployment compensation, the shape of the social services block grant scheme, and the assumptions behind the medicare budget.

Two administration figures with key responsibility in the area of tax and economic policy—Under Secretary-designate of Treasury for Tax and Economic Affairs Norman Ture and the Assistant Secretary-designate of Treasury for Economic Policy Craig Roberts—declined to appear before the committee to explain the President's economic plan.

Item: Written requests for information on program specifics by the committee have largely gone unanswered. The committee requested more specific information on the social service block grants, proposed cuts in social security benefits, unemployment compensation and trade adjustment assistance, and on the shape and assumptions of the tax cut. The administration has provided no information with regard to the budget impact of its reduction proposals—on individuals or on other Federal and State programs.

The Ways and Means Committee is obviously a key forum for the administration's package, which calls for cuts of almost $7 billion in fiscal 1982 in the programs under the committee's jurisdiction, in addition to a tax cut of $53.9 billion.

And yet the administration has been unable or unwilling to provide this forum with the budget specifics and policy explanations needed to fashion coherent and responsible legislation.

REGULATORY REFORM LEGISLATION

(Mr. SYNAR asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SYNAR. Mr. Speaker, one of the reasons the people of the Second District of Oklahoma sent me to Congress was because I told them I would do what I could to relieve them of some of the burdens imposed on them by the Federal regulatory bureaucracy. I warned them that it would not be easy—that there were a lot more bureaucrats than there were Congressmen—but I promised them I would try.

Well, Mr. Speaker, you can imagine how delighted I was when I arrived in Washington 2 years ago to find that virtually every Member of Congress shared my goal of enacting significant regulatory reform legislation. In fact, Members on both sides of the aisle were falling all over each other introducing regulatory reform bills. But somehow, with all that support for regulatory reform, Congress has failed to enact the kind of meaningful reform our constituents have demanded.

As a Democrat, I am particularly alarmed by our collective failure, because so much of the leadership toward reform has come from my Democratic colleagues. Now we have a Republican President who has appointed a Republican task force on regulatory relief. And unless I am way off base, that task force is going to propose an omnibus regulatory reform bill that incorporates the very plans that leaders in our party have espoused for years. To be very candid, I do not look forward to the day when the current administration announces, and calls its own, a regulatory reform bill made up primarily of Democratic-initiated ideas.

It has been Democratic Members—like JIM BLANCHARD and GILLIS LONG, who have fought so hard for sunset legislation; and ELLIOT LEVITAS, who has sponsored legislative veto; and GEORGE DANIELSON, who has worked so tirelessly on an omnibus regulatory reform bill as chairman of the Judiciary Subcommittee on Administrative Law—who have led the Congress in the last few years on this important national issue. And it would be a serious mistake, given the broad support for these plans in the small business community and in the Nation as a whole, for the Democratic Party to abdicate its position of leadership on this front.

So, Mr. Speaker, I rise today to call on the Congress, and particularly to call on my Democratic colleagues, to put aside our differences and get about the business of enacting the kind of legislation our constituents have demanded and members of our party have supported for the past several years.

Regulatory reform has not been, and need not become, a purely partisan issue. But it will be, unless we Democrats act quickly and forcefully to re-

claim the position of leadership on this issue to which we are entitled.

AFRICAN REFUGEE RELIEF DAY

(Mr. DIXON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DIXON. Mr. Speaker, today I have introduced House Joint Resolution 202, asking the President to declare April 9, African Refugee Relief Day.

I have the privilege to be joined by Congressman JACK KEMP and 134 colleagues who have agreed to sponsor this resolution for its introduction.

In designating African Refugee Relief Day, it is our hope to bring about greater awareness of the critical needs of over 4 million refugees and displaced persons on the Continent of Africa.

Most of these are women and children, who have fled armed conflict, unrest, and famine. The lives of these individuals often hang by a thread in countries with fragile systems of relief.

April 9 is significant because it marks the opening of a 2-day conference on assistance to refugees in Africa by the U.N. and the Organization for African Unity in Geneva.

Our hope is that the American people will reach out to help these refugees by supporting private relief agencies that are providing food, medical assistance, and other relief.

□ 1215

MISPLACED PRIORITY ON AID TO EL SALVADOR

(Mr. RATCHFORD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RATCHFORD. Mr. Speaker, a few minutes after I read this morning of the administration's intention to send an additional $25 million in military aid to El Salvador, I received a phone call from a reporter in my district who wanted to talk about the budget package we are all awaiting from the White House.

The reporter wanted to know what would happen to the Economic Development Administration in the lower Naugatuck River Valley in targeting public and private investment where jobs and long-term economic opportunity are needed most.

I had to tell that reporter that the EDA was being put out of business, and that there was some other bad news for the people of that area: The cutback in student financial aid; the cap on medicaid payments to States that could close the elderly out of nursing homes and raise individual health costs; the cuts in State grants that may mean higher local taxes.

Clearly, the tradeoff is not aid for our people or aid to the military-backed government in El Salvador. But our signal of domestic austerity is in the sharpest conflict with the signal the administration is sending of largesse toward the Duarte junta. We cannot tell the American people, on one hand, that their Government does not have enough money to put them to work and keep them well, while on the other hand, we commit more and more of our scarce funds to a military involvement that provokes the gravest questions about our Nation's motives and methods.

TERRORISM

(Mr. MOFFETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOFFETT. Mr. Speaker, during his campaign for the Presidency, Mr. Reagan said: "There is no room in the world for terrorism." During his confirmation hearings before the Senate, Alexander Haig said that our foreign policy would not involve a fight so much for human rights, but a fight against terrorism.

Now the administration has decided to turn its back on what the U.S. Court of Appeals in Washington has called one of the most monstrous international crimes of all time. I refer to the blowing up by Chilean agents of a former Ambassador to the United States for Chile named Orlando Letelier in September 1976.

The Carter administration's response was not nearly enough, but at least some sanctions were imposed. Now the Reagan administration is dropping all sanctions and has even sent David Rockefeller to embrace General Pinochet in Santiago, Chile.

No room for terrorism, Mr. Speaker? Well, maybe just a little room for terrorism, if you happen to be a right-wing dictator in South America.

THE ADMINISTRATION AND SMALL BUSINESS

(Mr. MITCHELL of Maryland asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MITCHELL of Maryland. Mr. Speaker, the 13½ million small businesses in America which provide millions of jobs for Americans are the wellsprings of innovative technological change and, in short, serve as the backbone for the American economy.

In recent years the bankruptcy rate for small businesses has increased dramatically. In recent years, small businesses have found it increasingly difficult to secure access to capital, and the high interest rates charged by the banks are prohibitive even when the banks are willing to make a loan to the small business entrepreneur.

The Reagan administration's response to the problems of small business is, among other negative things—

(A) SBA'S LOAN PROGRAM

Direct loans—$403.5 million was appropriated in fiscal year 1981. Carter proposed to reduce this by $57.5 million and Reagan added to this $42 million, thus giving a final proposed fiscal year 1981 figure of $304 million.

(B) GUARANTEED PROGRAM

The amount of $4.518 billion was appropriated in fiscal year 1981; Carter proposed to cut this by $350 million and Reagan further reduced it by $768 million, thus giving a final Reagan proposed fiscal year 1981 figure of $3.400 billion.

(C) SBA'S POLLUTION BOND CONTROL PROGRAM

This is one of the few programs in SBA that has actually generated revenue. Carter's 1981 figure for the program was $110 million; Reagan has reduced this to $100 million. Because there are only 7 months left into the 1981 budget cycle, this reduction equals nearly a 10-percent cut in the program. In fiscal year 1982 Reagan is proposing to cut Carter's figures of $125 million by $35 million, thus giving the program a budget of $90 million. This figure equals to a 24-percent budget cut for fiscal year 1982.

This program generated $6.6 million in guaranteed fees in 1980. Under Carter's budget it was projected to reach $7.7 million in fiscal year 1981. This program does not require appropriation of funds only to guarantee on default.

U.S. INVOLVEMENT IN EL SALVADOR

(Mr. SHANNON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHANNON. Mr. Speaker, this weekend, I held a series of town meetings in Massachusetts. Again and again, in towns across my district, I heard doubts, disbelief, and anger over the increasing U.S. involvement in El Salvador. My constituents do not agree with Secretary Haig or with the President that El Salvador is one of those "things that Americans sometimes have to fight for."

Most people who urged me to oppose U.S. military action in El Salvador recalled the era of American military advisers in Vietnam. The most effective speakers on this point were men who arrived in Vietnam just after the adviser era. Now we call them Vietnam veterans.

The people of Massachusetts tell me they are prepared to make sacrifices for the economic stability of the United States. They are not prepared to make sacrifices for the stability of

the Duarte government of El Salvador.

CONGRESS SHOULD LOOK CLOSELY AT PRESIDENT'S BUDGET

(Mr. SIMON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SIMON. Mr. Speaker, I finally got hold of this document, 159 pages, for a $772 billion budget, a little less than one-quarter of a page per $1 billion, not exactly a detailed analysis of the budget.

I think all of us favor fiscal restraint and we commend the President for moving in this direction; but we want equity with it. We do not want to be giving anyone, no matter how highly motivated, a blank check.

And I simply point out to the Members, from the viewpoint of equity, just looking at percentages here now, what happens in the various functions, and I am only picking a few:

National defense, plus 18 percent; international affairs, minus 7 percent; general science, minus 7 percent; energy, minus 28 percent; natural resources, minus 41 percent; commerce and housing, plus 5 percent; transportation, minus 19 percent; community and regional development, minus 21 percent; education and training, minus 33 percent; administration of justice, minus 13 percent; general government, minus 2 percent; and general-purpose fiscal assistance, minus four-tenths of 1 percent.

Mr. Speaker, I simply suggest we better look closely at what we are doing.

CONGRESSMAN ANDERSON INTRODUCES TAX REDUCTION PACKAGE

(Mr. ANDERSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ANDERSON. Mr. Speaker, I am today introducing a comprehensive package of revisions in our tax laws which embodies, I believe, a more equitable alternative to current law than do other approaches that the media seem to be focusing on.

My legislation includes personal tax reductions, but not the simplistic across-the-board reductions which provide upper income people with a windfall, but do little for the middle-class American. The bill I am introducing today would cut taxes by 9 percent for those earning $15,000 a year, and 3 percent for those earning $100,000.

Much has been said about the 10-5-3 capital cost recovery plan, and rightfully so as the concept is an important one, and one which if enacted would contribute greatly to the reindustrialization of our country. But 10-5-3 also constitutes an enormous drain on the Treasury at precisely that point when we are working so hard to balance the budget. I have turned 10-5-3 into 20-10-7-4-2. One cost estimate on this version for fiscal year 1982 has been set at $13.8 billion. Because it is an investment in our Nation's future, it is one that we can not only afford, but can not afford to pass up.

I have also worked in this legislation to improve upon past tax indexing proposals to assure that personal income taxes do not continue their drastic increase when individuals receive cost-of-living wage and salary raises.

Also included in this legislation is a provision eliminating the unfair and unreasonable marriage tax which presently penalizes many couples for getting married.

If this bill is enacted, businesses would receive tax credits for research and experimentation, encouraging them to engage in those risky activities which in the past have contributed so greatly to our Nation's strength.

Finally, my bill could, in a relatively inexpensive manner, help enhance our Nation's balance-of-trade picture by revising sections of the tax codes which discourage the hiring of Americans overseas.

Mr. Speaker, this body will almost certainly be considering tax-reduction legislation this year. I believe that the bill I am introducing today takes a sensible, comprehensive approach to this issue. I invite our colleagues to join me in cosponsoring the bill, and urge our Ways and Means Committee to begin its consideration of the proposal as quickly as possible.

HIRING FREEZE OF PUBLIC SERVICE EMPLOYEES

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEISS. Mr. Speaker, shades of Richard Nixon.

In clear violation of the law, President Reagan has announced that he was imposing a freeze on the hiring of public service employees. The hiring freeze was to become effective March 2, at least 8 days before the President's rescission request would be submitted to the Congress. The President has attempted to justify this freeze by announcing that he plans to seek a rescission and deferral of public service employment moneys. But under the Budget Control and Impoundment Act, a 45-day freeze may be imposed only upon actual submission of a rescission request.

I am deeply disturbed by the President's decision to ignore the statute. This freeze is clearly an impoundment of obligated funds. We must remember why the Budget Control Act, with its restrictions on impoundment, was enacted. Just 8 years ago another President chose to illegally impound obligated funds. I would have hoped that, after the sad example of Richard Nixon, no other President would want to follow in that path.

EDA HEARINGS BEGIN WEDNESDAY

(Mr. OBERSTAR asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OBERSTAR. Mr. Speaker, the Reagan administration is proposing to eliminate a very effective program established by Congress 20 years ago to generate employment in the private sector and help distressed areas.

Today the administration formally will ask the Congress to terminate the Economic Development Administration.

Tomorrow the Economic Development Subcommittee which I chair will begin 3 days of hearings on EDA, the multistate title 5 Regional Economic Development Commissions, and the Appalachian Regional Commission. Secretary of Commerce Baldrige, will present the administration's case for termination, along with OMB Director David Stockman.

I urge all Members to pay close attention to these hearings. I do not believe that the Members of this House want to see an effective job-creating, private-sector program that generates taxpaying, not taxeating, jobs abolished in only a matter of weeks. Participation of House Members in our hearings would be most welcome.

ECONOMIC RECOVERY TAX ACT OF 1981

(Mr. CONABLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONABLE. Mr. Speaker, I am very pleased to be the first speaker here today to notice that there was an election last November.

Along with the Republican leader of this body and my Republican colleagues on the Ways and Means Committee, I am introducing today the legislation which implements the tax provisions of President Reagan's program for economic recovery. It is called the Economic Recovery Tax Act of 1981. It spells out the details of the President's individual and business tax reductions. Along with the budget proposals that have been sent up to the Hill today, I think it will be exactly what the economy needed. I would urge my colleagues to join me in cosponsoring this important piece of legislation. There are no surprises in it. It matches the

promise of the Reagan campaign by providing for cuts across the board over 36 months of individual tax rates and for a substantial speedup of depreciation rates via the administration's "10-5-3" proposal. I will place in the RECORD, in a special order this afternoon, a careful summary of this proposal, and I call it to all of my colleagues' attention.

AMERICAN APOLOGISTS FOR LEFTIST TERRORISTS, PLEASE NOTE

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, the Roman Catholic archbishop of San Salvador said recently the left has lost its struggle against the El Salvador Government.

He said the guerrillas "lost support because the people saw that they tended toward the conquest of power for its own sake." He also, quite correctly, critizes rightwing terrorism.

As for those who will not condemn the leftists, the archbishop stated:

. In general the international information is pretty partial. They either don't know or they try to hide things.

Then there is the San Diego Union reporter who recently spent 12 days with the El Salvador leftist guerrillas. In an article he quoted one of their leaders as saying—

"The guerrillas, want to establish a more radical government in El Salvador than in Fidel Castro's Cuba . . ."

The guerrilla leader went on to say there can be "no compromise" and that "eventually we will fight in Mexico."

Given these facts, is it not time for American apologists for this band of Marxist-Leninist cutthroats to publicly acknowledge they have been wrong in criticizing President Reagan's El Salvador policy?

FOREIGN AID CANNOT BE EXEMPT FROM REST OF FEDERAL BUDGET CUTS

(Mr. BROOMFIELD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROOMFIELD. Mr. Speaker, I was surprised and disappointed to read in this morning's paper that the administration is proposing substantial increases in foreign aid.

As an enthusiastic supporter for the President's program to cut Federal spending to fight inflation. I am sorry that the administration did not propose some sort of moratorium on foreign aid.

At a time when we are asking the American people to tighten their belts at home, it is going to be very difficult to justify a $1 billion increase in foreign aid.

How, for example, can we explain sending cash payments overseas to help other nations balance their national budgets, when we cannot even balance our own?

Mr. Speaker, if the President's economic program is to maintain its credibility, foreign aid cannot be exempt from the economies we are applying to the rest of the Federal budget.

FISCAL RESPONSIBILITY SHOULD BEGIN IN CONGRESS

(Mr. CRAIG asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CRAIG. Mr. Speaker, this morning when the new administration is asking the American people and this Congress to support fiscal cutbacks in an effort to bring the spiraling national debt under control, the U.S. Congress continues to expand committee staffs and budgets. As President Reagan announced the new administration's budget-cutting proposals in his effort to slowly bring our deficit spending back in line with our revenue receipts, we, the U.S. Congress, move in the opposite direction—enlarging committee staffs and budgets. I do not think he, nor the American people, intended for this Congress to exempt itself from these imperative fiscal constraints.

There is no better place for fiscal responsibility to begin than right here, right now, with our own legislative body.

In too many instances, committee staffs have increased more than 100 percent while some committee budgets have increased 200 percent. Economic recovery will require fiscal discipline in every segment of our society, including this legislative body.

Let us work with the human and fiscal resources we have, without further ballooning an already too large committee system. If we are serious about solving the economic problems facing this Nation, now and here is the time to begin.

WASTE, FRAUD, AND ABUSE

(Mr. REGULA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REGULA. Mr. Speaker, waste, fraud, and abuse. Who says there are not millions of dollars in the Federal budget that cannot be cut without hurting valuable programs that serve the people of this country?

I am constantly amazed at the amount of money spent on outside consultants and am outraged when I read articles like the one in yesterday's Washington Star which described the activities of a local consulting firm.

Practical Concepts, Inc., a Washington consulting firm, has more than $3 million in contracts with the Agency for International Development alone. Federal auditors recently discovered that Government money has been used for such things as swimming pools, tennis courts, and bonuses as high as $97,000 a year. In response to inquiries concerning some questionable expenditures, the president of this firm simply responded and I quote:

Our indirect costs are none of the Government's business. We could spend it all on booze and dancing girls.

I do not think the hard-working people of this Nation have this kind of thing in mind when they send their tax dollars to Washington. How can we explain to our constituents that we have to cut back on such programs as education, health services, and unemployment assistance when we continue to subsidize the beltway bandits.

I believe the American people are willing to accept a period of economic belt tightening to get our ailing economy back on its feet. But they should not be expected to bear the entire burden while we continue to throw away money to firms such as PCI for which we receive very little if anything in return.

CONGRESS MUST SHARE BUDGETARY BELT TIGHTENING

(Mr. JOHNSTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JOHNSTON. Mr. Speaker, last month I met with several hundred citizens from across my district.

Their message came through loud and clear. The people are tired of reckless and wasteful Government spending and suggest that this body would be wise to heed that message. To prove our good faith, we need to put our own house in order.

One very good way to do that is to put a ceiling on the spiralling growth rate of committee staffs in the House. During the past few years, committee budgets have soared far beyond the rate of inflation or any other economic indicator which might otherwise be used to justify this costly phenomenon.

I would ask, Mr. Speaker, how can we ask our constituents back home to bite the bullet and accept budgetary cuts in their favorite programs when we have yet to demonstrate our own willingness to do so? Now is the time for us to show that Congress, too, it willing to take its share of budgetary belt tightening.

THE SEAGRAVES CASE

(Mr. DANNEMEYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANNEMEYER. Mr. Speaker, last Friday, a superior court judge in Sacramento, Calif., handed down a decision that will have far-reaching consequences in both the fields of religion and education. By ruling, as he did, that the California State Board of Education must distribute a statement cautioning against the teaching of man's origins in science classroom as a matter of scientific fact, Judge Irving Perluss struck a blow for both religious liberty and the separation of church and state. In essence, the judge's ruling makes it clear that school boards should not be challenging the religious values of their students any more than they should be encouraging the teaching of the theory of evolution as fact.

Given the tendency of some school boards to stress evolution over creationism these days, this ruling is an encouraging first step in the right direction. The next step is to see that both theories are treated equally in the schools—or not at all.

COMMUNITY HOME HEALTH SERVICES ACT OF 1981

(Mr. MOLINARI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOLINARI. Mr. Speaker, today I am introducing the Community Home Health Services Act of 1981. This legislation is necessary to encourage and expand community home health care by proposing methods of assisting the homebound elderly through the development and implementation of home health-care programs for the aged.

As the proportion of our Nation's elderly population continues to dramatically increase, it is becoming abundantly clear that greater attention must be paid to alternative forms of home health care and community home health-care services. Too many of the homebound aged who are sent to nursing homes do not have to be there. They would prefer to remain independent, living in their own homes, yet in reach of health-care assistance when it is needed.

This legislation recognizes the important social commitment we all have as American citizens. A commitment which insures that the elderly and infirm who want and need assistance are able to get it. Furthermore, it recognizes that we must do these things at a reduced cost, and that we can do them relying more on the local community than on the Federal Government.

CHILDREN'S EDUCATION IS ERODED BY FORCED BUSING

(Ms. FIEDLER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. FIEDLER. Mr. Speaker, how long are we going to allow the quality of our children's education, and support for public education to be eroded by the abominable practice of forced busing. For years, judges who are out of touch with reality have been forcing our school systems to pour needed dollars into transportation rather than education.

The courts are creating two classes of children—those who can afford to flee public schools and those who are forced to stay.

In the 96th Congress, the gentleman from Ohio (Mr. MOTTL) took the courageous step of bringing needed legislation to the floor through a discharge petition. Despite the winds of change that swept across this country last November, some Members still want to thwart the will of the people by refusing to allow full discussion of this issue in committee.

Therefore, again this session, my distinguished colleague has had to resort to a discharge petition. I will sign that petition today and will urge my colleagues to join me.

For the sake of the children of this country, this House must make its voice heard to end one of the greatest social tragedies of the 20th century.

CONGRESS SHOULD NOT PLAY GAMES

(Mr. LUNGREN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUNGREN. Mr. Speaker, this week, I think we could say politely, that we have not been tremendously inundated by legislative action on the floor. That being the case, I wondered why we did not have the committee funding resolutions scheduled this week or last week.

Having made some inquiries, I have discovered that now there is a rumor about that we may have all of the committee funding resolutions of the House put into one package tied with a yellow ribbon and presented to us on the last possible day so that the argument will be made that if we do not vote for all the resolutions at one time, the people who work for us and work for this institution will not be paid.

Now, Mr. Speaker, we ought not to be playing games in this place. We know that there is an issue that is being discussed throughout this institution, that is, whether we are going to get our own house in order, whether we are going to have the will to do to ourselves what we are asking our constituents to do, that is not to take some of the largesse of the Federal Government.

Yet, it appears that the leadership is going to deny us this opportunity to vote on single resolutions as they come before us so that we can make informed judgments. Mr. Speaker, if that occurs, we may be required to have this place come to a grinding halt but it will only be so because of the refusal to look reality in the face and deal with it now.

MINIMIZING FOREIGN ASSISTANCE COSTS THROUGH THE MULTILATERAL DEVELOPMENT BANKS

(Mr. CONTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONTE. Mr. Speaker, channeling U.S. foreign assistance through the Multilateral Development Banks (MDB's) complies fully with our current requirements for budget stringency. U.S. foreign assistance costs are minimized as a result of certain unique features of these institutions, including multilateral cost-sharing arrangements, the leveraging of contributions through sizable borrowings on world capital markets, and the return flow of economic benefits which raise U.S. national income and hence tax receipts.

Other donor countries now account for 78 percent of total MDB contributions. Moreover, a substantial, rising share of U.S. contributions is in callable capital which backs up MDB borrowings, but which is never spent out of the U.S. Treasury. Also, procurement, required to implement MDB financed projects, results in purchases of U.S. goods and services which far exceed U.S. paid in contributions.

Through the combination of cost-sharing, leveraging via callable capital, and procurement, U.S. assistance channeled through current and scheduled MDB programs will largely pay for itself.

As an illustration, for every dollar the United States pays into the World Bank through this year's general capital increase agreement:

The World Bank will lend more than $66, by relying upon other donor country contributions and borrowings on private capital markets.

More than $13 in U.S. goods and services will be purchased to implement projects, based upon recent U.S. procurement shares.

U.S. national income will rise by at least $26, according to recent studies.

Federal tax receipts will increase by more than $6, or six times the original outlay of $1, according to Congressional Budget Office estimates of current marginal tax rates.

Thus, U.S. assistance through the World Bank will bring considerably more revenue back into the U.S. Treasury than that program costs and actually reduce the budget deficit over time. No other aid vehicle offers these budgetary advantages.

□ 1245

TO RETAIN ITS CREDIBILITY, CONGRESS MUST CUT BACK ON COMMITTEE FUNDING

(Mr. LOWERY of California asked and was given permission to address the house for 1 minute and to revise and extend his remarks.)

Mr. LOWERY of California. Mr. Speaker, many of us were elected to this Congress on the pledge that we would do everything in our power to reduce Federal spending and bring inflation under control.

At a time when we ask the American people to accept less from the Federal Government more is being asked for by the House. Specifically, I refer to the requests by committees of the House to increase their budgets over last year's levels.

Mr. Speaker, we cannot hold ourselves to a standard different from what we have set for our fellow Americans. We cannot ask for more when we ask Americans to accept less. We cannot maintain their trust if we allow our own demands for Federal dollars to grow unrestrained.

In the past 10 years this body has allowed a 300-percent increase in the size of committee staffs. We cannot in good conscience ask for more money for ourselves and retain our credibility among the people.

Congress must cut back as we ask the people to cut back. That is why I ask for a 10-percent reduction for funding House committees. I strongly urge my colleagues on both sides of the aisle to support this effort.

Not to do so would be a failure in our responsibilities to those Americans whom we represent.

MOCK INNOCENCE OF MOSCOW'S SPOKESMEN

(Mr. RITTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RITTER. Mr. Speaker, I have noticed during the past few days that the Soviet Government has been doing a lot of sweet talking lately in United States and Western European circles while they, through their client states, fan the flames of war in El Salvador and continue to carry out acts of genocide in Afghanistan. It is a classic Soviet diplomatic tactic to try to pull the wool over their opponents' eyes; to distract with talk about increased trade, arms limitation, peace, and friendship, while probing with steel. It is like a two-pronged fork. One prong has an anesthetic on it, and the other is just cold steel.

I urge the American people to recognize this Soviet sham for what it is, and not be fooled by the mock innocence of Moscow's spokesmen.

We would like to reduce world tensions. We would like smoother relationships with the Soviet Union, but we know their actions speak louder than their words. Frankly, I wonder why in the world our networks give that Soviet propaganda so much free media time. Maybe we should ask them to pay prime time advertising rates, or at least give U.S. spokesmen equal media exposure in the U.S.S.R., as theirs get here.

But, I sure will not hold my breath waiting for that.

LET US NOT HAVE A "DO AS I SAY BUT NOT AS I DO" CONGRESS

(Mr. HANSEN of Utah asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HANSEN of Utah. Mr. Speaker, I rise to address an issue of great concern to the people of the State of Utah.

On September 15, 1980, I stood with other candidates and pledged to work toward the goal of making essential cuts in the amount that Congress spends on itself. My constituents in Utah accepted that goal and sent me to Congress with a mandate to reduce Federal spending. That mandate has not been revoked. I have yet to receive my first constituent letter, call, or comment asking Congress to increase—or even to maintain—its extravagant spending levels.

Personally, I find it difficult to understand, and impossible to justify, how, for example, a congressional committee that could operate with 6 employees and a budget of $5,000 in 1971 could require 40 employees and a budget increase of 22,000 percent to over $1 million in 1979.

It is a paradox to require the American people to tighten their belts while Congress recklessly indulges in self-perpetuating committee bureaucracies and geometrically spiraling committee expenditures. We will not fool the American people into following a "do as I say but not as I do" Congress.

Let us abandon fiscal irresponsibility and reaffirm, by our own example of reducing committee funding, our pledge of economic responsibility to the American people.

STOP FORCED RACIAL BUSING: SIGN DISCHARGE PETITION NO. 1

(Mr. ASHBROOK asked and was given permission to address the House for 1 minute.)

Mr. ASHBROOK. Mr. Speaker, the American people overwhelmingly oppose the ridiculous practice of forced racial busing. Public opinion polls show that as many as 9 out of 10 taxpayers would vote to outlaw busing if they had the opportunity to do so. Unfortunately, they do not. The Congress does have that opportunity. The Congress has steadfastly ignored its responsibility. The wishes of those millions of Americans have been routinely ignored.

At the start of today's session at 12:01 p.m., my good friend, our colleague from Ohio, RON MOTTL, filed a discharge petition at the desk, in an effort to again bring the issue of forced busing to the floor of this House. I urge my colleagues to sign the petition immediately. My signature was affixed to that petition immediately after that of the sponsor. I am proud to be the second signer but we have 216 to go.

In the last Congress, we were successful in getting a vote on the constitutional amendment to outlaw forced busing. We failed but we intend to try again.

The House Judiciary Committee has refused to hold hearings and report legislation which would address the busing issue. We have no reason to believe that our luck will be any better in this Congress. That is why it is imperative that every Member of this body who opposes forced busing sign the petition at the desk. We owe it to our constituents.

BUDGET REVISIONS NOW ON CAPITOL HILL

(Mr. WALKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WALKER. Mr. Speaker, I rise in an effort to correct what I am sure was an inadvertently erroneous statement made earlier today by the gentleman from Arkansas when he said the complete budget revisions have not yet been received. I am told that in fact, contrary to an erroneous press report, the complete package has been received on Capitol Hill, and the gentleman from Oklahoma and the Budget Committee can now proceed on the fast track that was mentioned here earlier today.

This is a work that we must get on with. President Reagan has told the American people that we can reduce taxes, cut spending, increase defense, and balance the budget. Throughout the campaign last year, Democrats said, "No, you cannot do that."

Well, now we have a program, a program to do all those things, and that program is under fire here on the House floor. We have heard a string of objections, and evidently what we are

hearing now is, "We won't let him do that."

Tell that to the American people, that you want to abandon the mandate. I do not think Americans are going to understand such attempts to undermine the President's efforts.

Mr. ALEXANDER. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Arkansas.

Mr. ALEXANDER. Is the gentleman suggesting that the plan that has been submitted is complete in its entirety, and that Congress can now proceed with the committee hearings and hear the thousands of witnesses that are necessary in order to complete action on the President's request? If it is, it is welcome news, because we have been waiting on the Democratic side for the President to fulfill his commitment to the American people, to submit a plan of action to go along with the promise that has been made.

We welcome the opportunity, and I hope the gentleman is saying that that plan is complete, and I will certainly look forward to reviewing it today in order to see if the gentleman is correct.

I thank the gentleman for yielding.

PRINTING AS HOUSE DOCUMENT TRIBUTES MADE TO LATE FORMER SPEAKER JOHN W. McCORMACK ON FLOOR OF THE HOUSE

Mr. GAYDOS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 23) to provide for the printing as a House document of tributes made to the late former Speaker John W. McCormack on the floor of the House, and for other purposes, and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 23

Resolved, That the statements made on the floor of the House of Representatives with respect to the death of the late former Speaker John W. McCormack, together with other pertinent matter, shall be printed as a House document.

SEC. 2. in addition to the usual number there shall be printed three hundred additional copies of the House document referred to in the first section of this resolution which shall be casebound in such style as the Joint Committee on Printing shall direct for use of the Speaker.

SEC. 3. The Speaker is authorized to appoint a committee to formally present copies of the document printed pursuant to section 2 to Boston University for inclusion in the papers of the late former Speaker.

SEC. 4. Upon the enactment of this section into permanent law, section 723 of title 44, United States Code, is amended by inserting immediatly after "Member of Congress" where the words first appear "or a former Member of Congress who served as Speaker".

Mr. GAYDOS. Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore (Mr. PATMAN). Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The SPEAKER pro tempore. The gentleman from Pennsylvania (Mr. GAYDOS) is recognized for 1 hour.

Mr. GAYDOS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 23 provides that the statements made on the floor of the House of Representatives with respect to the death of the late former Speaker John W. McCormack, together with other pertinent matters, shall be printed as a House document. The resolution further states that in addition to the usual number of 1,500, 300 additional copies of the House document shall be printed, and that it shall be casebound in such style as the Joint Committee on Printing shall direct for the use of the Speaker of the House.

The Government Printing Office has estimated that the cost of this printing will be as follows:

First 1,500 (paper)	$9,759.83
300 casebound	1,164.15
Total	10,923.98

The resolution, also, authorizes the Speaker to appoint a committee to formally present copies of this document to Boston University for inclusion in the papers of the former Speaker. This provision is included in the resolution in response to the desire of the Massachusetts Congressional Delegation, the university, and the family, for a suitable ceremony to call attention to the historically significant collection of the former Speaker's papers. This committee, which will be purely ceremonial, will not be formally funded. The final section of the resolution proposes to make a simple change in the provisons of title 44, section 723, of the United States Code subject to the enactment of this section into permanent law. Under the current provisions of title 44, section 723, of the United States Code, tributes to deceased Members are printed at the end of each session of Congress, without the necessity of a resolution authorizing such a printing, if the deceased was a sitting Member of Congress at the time of his or her death, the proposed amendment to the United States Code simply provides a single, narrow exception so that a deceased former Speaker's tributes would be treated on the same basis as a deceased sitting Member's tributes.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF CERTAIN INTERNATIONAL ENERGY AUTHORITIES

Mr. SHARP. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2166) to amend the Energy Policy and Conservation Act to extend certain authorities relating to the international energy program, as amended.

The Clerk read as follows:

H.R. 2166

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (j) of section 252 of the Energy Policy and Conservation Act (42 U.S.C. 6272(j)) is amended by striking out "March 15, 1981" and inserting in lieu thereof "September 30, 1981".

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Indiana (Mr. SHARP) will be recognized for 20 minutes, and the gentleman from California (Mr. DANNEMEYER) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Indiana (Mr. SHARP).

GENERAL LEAVE

Mr. SHARP. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. SHARP. Mr. Speaker, our country must be prepared for a possible oil crisis. Before us today is one element of that preparation.

H.R. 2166 will extend until September 30 the limited antitrust defense for U.S. companies which are carrying our policies of the U.S. Government. This bill preserves in the law the existing safeguards which are designed to protect the American economy and the American consumer from possible anticompetitive actions by participating companies.

The bill was reported from the Energy and Commerce Committee without opposition. It has the support of the administration, and I would hope that it would garner the support of the entire House of Representatives. The bill extends the defense for only 6 months so that the U.S. Congress and the new administration will have time to review its particular policy and how it relates to our general preparedness for such a crisis.

I hope it is not necessary to reiterate, Mr. Speaker, that we simply must do more in this country to prepare ourselves for a possible crisis. Experts tell us the likelihood is great that there will be another one. We have witnessed in the past the devastating effects such crises have had on our economy. Future incidents of this type certainly would set back any efforts we are trying to make now to put our people back to work and to control inflation.

In more detail, Mr. Speaker, this is a bill to extend until September 30, 1981, the limited antitrust defense available under the Energy Policy and Conservation Act to domestic oil companies participating in the international energy program. The IEP was established in 1974 by an agreement signed by all of the world's major oil consuming countries except France.

In the agreement, consumer nations made three major commitments: First, they agreed to reduce demand for petroleum; second, they promised to increase oil stockpiles, and third, they committed themselves to sharing petroleum supplies in the event of a significant supply disruption.

In general, the participation of the oil companies in the international energy program is primarily related to the operation of the oil allocation system to be used by the International Energy Agency during such supply shortages. The companies also are active in providing information to the IEA to assist it in analyzing the world oil situation. Since such information sharing and market allocation activities potentially constitute violations of U.S. antitrust law, companies participating in the IEA oil allocation plan could be subject to court action absent the antitrust defense.

Under the provisions of EPCA, the antitrust defense granted is limited in scope. Moreover, the voluntary agreement under which the companies operate is subject to a variety of safeguards to discourage anticompetitive behavior. The law requires that the agreement itself be approved by the Attorney General. Additionally, industry meetings convened to advise the IEA are monitored by U.S. officials and verbatim transcripts are kept. Prior U.S. Government approval is necessary before any confidential company data can be submitted to the IEA. Only if all these procedures are followed does the law afford the companies the protection of the anititrust defense.

Unless extended, this limited defense will expire on March 15, 1981. If this is allowed to happen, the participation of the oil companies most likely would cease at that time. Operation of the IEA emergency oil allocation plan would be made more difficult, if not impossible. The U.S. Government, though continuing to participate in the international energy program, might not be able to carry out fully its obligations under the agreement.

Consequently, the committee on Energy and Commerce has reported out H.R. 2166 which extends the antitrust defense to September 30, 1981. The Senate is considering similar legislation today. I am told that the administration will be issuing a report shortly which will delineate any proposed changes in the antitrust defense. We will be closely following the progress of the administration in this matter and expect to examine more comprehensively U.S. obligations under the international energy program agreement. However, at this point, due to the imminent expiration of the authority, it is necessary to move expeditiously to extend the antitrust defense in order to give ourselves the time necessary to consider the issue fully.

Mr. Speaker, today with the passage of the IEA antitrust exemption, we are taking one small step to insure this Nation's energy security. I would like to take this opportunity to say that many more steps need to be taken. Moderate oil supply interruptions in 1973 and again in 1979 added dramatically to inflation and unemployment in this country, hurting countless families and wrecking past hopes for prosperity. As you are well aware, this Nation's inability to handle an oil crisis could be the Achilles' heel of any economic program forged by the Congress and the administration. Thus, it is of critical importance that we take further steps to prepare for future disruptions.

Much groundwork has been laid by past Congresses and administrations to prepare us for emergencies. Although the performance of Government in past crises was substantially less than ideal, I hope that we have learned from those experiences the limits and the potential for Government action.

There are those who now argue that energy issues are merely an economic problem which can be resolved by the market. Certainly, the marketplace can, will, and should resolve many of these issues. But, as you know, our energy problem is of profound significance to our national security and to world peace. The American people will and should expect the Government to be prepared to act in useful ways.

In conclusion, let me emphasize that we must accept this responsibility and help to prepare this Nation for future oil crises.

Mr. Speaker, I would like to yield to the gentleman from New Jersey (Mr. RODINO), the distinguished chairman of the Judiciary Committee, such time as he may consume.

Mr. RODINO. Mr. Speaker, I rise in support of H.R. 2166. As my esteemed colleague from Indiana, Mr. SHARP, the distinguished chairman of the Subcommittee on Fossils and Synthetic Fuels, has pointed out, this bill merely extends for an additional 6 months the antitrust exemption for oil companies' participation in the International Energy Agency. That exemption was originally granted by the Energy Policy and Conservation Act of 1975.

This additional time period will allow the Congress to review the exemption in light of the announced antitrust policies of the Reagan administration.

The Committee on the Judiciary will be holding oversight hearings on the Department of Justice during the next few weeks. These hearings will provide a backdrop for consideration of further proposals to extend any antitrust immunity for the oil companies. In particular, the hearings will afford us an opportunity to question the Attorney General and the new head of the Antitrust Division about policy directions for antitrust enforcement during the next 4 years.

The Judiciary Committee receives numerous requests to create or modify antitrust exemptions each year. It is our policy to review such requests carefully, paying close attention to the strong public interest principles which underlie our antitrust laws.

In 1975, the Judiciary Committee worked closely with the Commerce Committee in drafting the antitrust language contained in the Energy Policy and Conservation Act. Our committee has not asserted jurisdiction over H.R. 2166, or other bills which have extended the antitrust exemption for additional time periods.

At the same time, the Judiciary Committee will continue its active oversight of this as well as other antitrust exemptions. We fully anticipate an active role in scrutinizing and reporting to the Congress any proposals to modify or further extend this antitrust immunity for international activities of the petroleum industry.

□ 1300

Mr. DANNEMEYER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the bill we have before us today has two redeeming virtues: It is simple and it is necessary if this Nation is to continue to participate in the International Energy Agency. As Members will recall, the IEA is an Agency which was established back in 1974 at the urging of the United States. Its chief purpose was to soften the impact of oil shortages on the free world in the event of another oil embargo, but to fulfill that function the multinational oil companies have to be able to exchange the information necessary for the establishment of an emergency allocation plan. For the 26 non-U.S. oil companies involved, that

is not a major problem, but for the 13 U.S. firms presently participating such an information exchange would be an obvious violation of the antitrust laws unless and exception were made. This bill grants that exception, or immunity if you will.

I hasten to remind my fellow colleagues that the immunity this measure creates is neither new or unlimited. For the record, this antitrust exemption was first written into law back in 1975. It was extended several times, the last time being in 1979, and it does provide for careful monitoring by both the FTC and the Justice Department to insure that antitrust violations do not, in fact, take place. Moreover, the exemption extension being sought in H.R. 2166 is of a very brief duration—just until September 30 of this year. Originally the thought was to have a 1-year, or a 9-month extension, but for differing reasons members of the subcommittee and full committee agreed on a 6½-month extension that will not only give us sufficient time to review both the immunities and the way they are monitored, but will insure that we do so expeditiously. Whether one thinks the immunities are too broad or too inflexible, one should not have any difficulty with that.

I could go on, but rather than belabor the obvious just let me suggest one thing: If we want to have a mechanism for sharing the shortages then it stands to reason we should make it possible to share the information on how best to spread them around.

I urge adoption of this bill.

Mr. SHARP. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan (Mr. DINGELL), the distinguished chairman of the full Committee on Energy and Commerce.

Mr. DINGELL. Mr. Speaker, I thank my good friend, the gentleman from Indiana (Mr. SHARP), for yielding me this time, and I rise in support of H.R. 2166.

Mr. Speaker, I observe with a great deal of pleasure that the distinguished gentleman from Indiana (Mr. SHARP) is commencing a very capable career, one of which all of us will be very, very proud, as he commences his leadership in the field of energy. He is the chairman of the Subcommittee on Fossil and Synthetic Fuels in the House of Representatives, where he serves with remarkable distinction. This is the first product of his subcommittee during this year, and it is indeed a good product and one which presages well not only for the House but for the country in the field of energy policy.

The gentleman from Indiana, as we all know, is a man of remarkable ability, one who has served already with great distinction as a Member of the House and one who has shown expertise in the area of energy. He is a Member of whom I am certainly very proud. I commend him for this bill. It is a good piece of legislation, and it is one which should pass.

Mr. Speaker, this brief extension is needed to insure that this defense is available so that U.S. oil companies will continue to assist the International Energy Agency, while providing time for Congress and the new administration to examine this provision in conjunction with other matters relating to the international and domestic allocation of oil in times of emergency and to consider possible changes in the law.

I note that the Office of Management and Budget, in a March 4, 1981, letter to Senator BRADLEY, stated that the administration, which I presume includes the Energy Department, the State Department, the Justice Department, as well as the Federal Trade Commission, will "conduct an analysis of our energy emergency preparedness programs, including our participation in the international energy program." The OMB listed seven issues of particular concern. We expect the administration to provide our committee with the results of that analysis well before the September 30, 1981, expiration date.

I also have received a draft copy of an executive summary of the Economic Regulatory Administration concerning a recent IEA test of the international allocations system. That summary raises serious problems with the system. I expect the ERA to provide the committee with the final and complete study and recommendations later this month.

Mr. SHARP. Mr. Speaker, I appreciate the very generous remarks of the gentleman from Michigan (Mr. DINGELL).

● Mr. GORE. Mr. Speaker, I support the limited extension of the IEA antitrust exemption contained in H.R. 2166. However, I do so with the recognition that it is a mere 6-month extension.

During subcommittee consideration of this bill I introduced the amendment which moved up the extension from March 15, 1982, to September 30, 1981. I was reluctant to agree to still another IEA extension bill. I did so only because of assurances by Subcommittee Chairman PHIL SHARP that this subject would be given extensive review in the months ahead. I commend the gentleman for his efforts on this issue and will look forward to working closely with him as we proceed on a comprehensive review.

In 1974 the United States became a signatory to the international energy program and 1 year later our multinational oil companies were given an antitrust immunity to carry out the provisions of the program. It should be kept in mind that the authority granted under this immunity gives the oil industry a defense to activities which, if conducted in the United States, would be considered illegal. Such sweeping authority should only be given when a careful balancing test demonstrates that the benefits of the program outweigh the dangers. In my judgment, the success of joint company involvement in IEA has not been demonstrated and the potential anticompetitive effects are still readily apparent. In addition, it is still deeply disturbing to me that so many IEA meetings are closed, that transcripts of meetings are delayed and so heavily edited by the State Department as to make them incomprehensible, and that the Federal Government has not given its supervisory role sufficient priority. These are questions that must be considered. Yet Congress has never taken a careful look at IEA in general nor at the antitrust exemption in particular. In the next few months that task must begin.

One area that I hope to explore indepth is the role of the FTC in monitoring the IEA meetings. While we have not yet had an opportunity to see the FTC budget proposals by the administration, the early signals suggest severe cuts in the FTC's Bureau of Competition. The FTC has never given its IEA role sufficient priority and with extensive cuts, the IEA is likely to get short shrift. When the antitrust immunity expires in September, we will also want to review FTC's ability to monitor this program. If there is any indication that FTC will not be capable of doing its job, I do not see any justification for continuing the exemption.

The amendment I offered for a 6-month extension coincides precisely with the expiration of the EPAA. I believe that the two acts must be reviewed in tandem since without EPAA the United States will have no standby allocation mechanism with which to carry out its oil-sharing agreements under the international energy program. During our hearings on H.R. 2166, Assistant Secretary of Energy Peter Borre expressed concern with the expiration of EPAA authorities and urged quick and extensive review. While other acts could arguably be used in the interim, such as the Defense Production Act, they are blunt instruments that ultimately will prove to be ineffective. EPAA and IEA should be reviewed together. This bill will help serve that goal.

Mr. Speaker, the last time this issue was reviewed we waited until the very last minute, and then granted a 2-year extension of the antitrust immunity. Promises were made: An extensive review would be undertaken soon. However, that never happened, as Congress seemed to become overtaken by other events. This time, I certainly hope that we see more than promises.

I will look forward to a comprehensive review of this issue in the months ahead.●

● Mr. BROYHILL. Mr. Speaker, the only issue before us today is the extension of the limited antitrust defense granted to the U.S. companies participating in the activities of the International Energy Agency. Without this extension, these U.S. companies could not legally participate, and the IEA itself would be jeopardized. Without the IEA, Mr. Speaker, the oil-importing nations would lose the only existing mechanism of mutual protection should a worldwide shortage of crude oil occur.

As I have stated before, the administration is conducting an analysis of the IEA, including an examination into the present antitrust monitoring programs of the Department of Justice and the Federal Trade Commission. Changes may be proposed by the administration. I am confident that the Congress will consider the proposals, if there are any, carefully. In any event, the specifics of the antitrust defense may be an issue for debate at a later date but not at this time.

Speculation over what the administration may or may not propose, or what the ramifications may or may not be, if any, is clearly irrelevant to our consideration of H.R. 2166.

As you know, Mr. Speaker, H.R. 2166 is a most simple bill. It allows the IEA to function by permitting the U.S. companies to participate, under supervision by two Federal agencies through September 30, 1981.

I should note for the record that the original administration expiration date for this extension was December 31, 1981. The subcommittee, later confirmed by our full committee, changed this date to September 30, 1981, for the simple reason that the December deadline would have placed congressional consideration of this matter in with the flurry of bills which ordinarily accompany the end of the session, now scheduled in October.

We believe this shorter period of time will be good discipline for the administration and the Congress.

Mr. Speaker, I include the testimony of Mr. Peter Borre of the Department of Energy, submitted before the Subcommittee on Fossil and Synthetic Fuels, in the RECORD at this point. It is particularly illustrative of the value and the need for this extension.

Thank you, Mr. Speaker.

TESTIMONY OF PETER BORRE, ACTING ASSISTANT SECRETARY FOR INTERNATIONAL AFFAIRS, DEPARTMENT OF ENERGY

Mr. Chairman and Members of the Subcommittee, I appreciate the opportunity to appear before you today in support of legislation to extend to December 31, 1981, the antitrust defense and related provisions contained in Section 252 of the Energy Policy and Conservation Act. In my testimony I will attempt to answer the questions contained in the Chairman's letter to Secretary Edwards.

Two temporary extensions of Section 252, which is scheduled to expire on March 15, 1981, have been enacted by Congress. The Administration believes it essential that this provision remain in force so that U.S. oil companies may participate in the implementation of the 1974 Agreement on an International Energy Program (IEP). Without U.S. company participation, the emergency oil sharing system of the International Energy Agency could not function. This would eliminate the key international mechanism available to the industrialized countries for managing substantial oil supply interruptions.

U.S. participation in the IEA is central to the pursuit of our long-term international energy objectives. Our participation in the agency has several general as well as specific benefits related to the emergency sharing of supplies. In general terms, the collaborative mechanism of the IEA provides a unique forum for consultations and joint actions with our principal allies in the industrialized world. It represents a shared commitment to insure the future viability of our economies and social institutions by meeting together one of the most critical issues of our time.

Specifically, in terms of facing oil shortages, the United States benefits from the IEA emergency sharing commitment. First, the protection afforded by the selective trigger reduces our vulnerability to politically inspired embargoes directed solely at the United States. Second, during a general triggering of the system, member countries, by agreeing to share the shortfall equitably and cooperatively, are effectively agreeing to reduce the devastating ratcheting of prices that would result from individual members scrambling for oil on their own. Finally, the joint decision to prepare for emergencies by building stocks and other measures, ensures that all of us bear a fair burden in preparing for emergencies and that we are in fact prepared.

BACKGROUND

The 1973 oil embargo and the consequent sharp increase in world oil prices severely disrupted the economies and strained the political and strategic relationships of oil-importing nations. Inadequate cooperation among the industrialized countries resulted in competitive unilateral efforts by many to obtain oil supplies, thus exacerbating price pressures in the market to the detriment of all.

The United States and other industrialized countries recognized the need to unite in a coordinated effort to meet future shortfalls and to take steps to lessen dependence on imported oil and thereby reduce their strategic and economic vulnerability. They therefore agreed at the Washington Energy Conference in February 1974 to create a framework for closer cooperation. Following eight months of negotiations, on November 18, 1974, the United States and 15 other nations concluded an Agreement on an International Energy Program. The International Energy Agency, which was created by the IEP, now consists of 21 of the 24 OECD countries. The IEA is the principal multilateral body through which the United States pursues its international energy objectives.

The centerpiece of the IEP Agreement is a system to handle oil supply interruptions which result in the supplies available to an individual nation or the IEA as a whole falling 7 percent below a base period. The system involves the equitable sharing of oil according to a carefully constructed formula in which each nation has an obligation to reduce its need for imports by cutting demand and drawing on stocks. It requires the submission by governments and companies of information on the oil market—oil production, consumption, imports, and exports—so that a determination can be made as to when to trigger and how to allocate available oil.

Oil companies, with their sophisticated transporation and distribution networks, play the key role in allocating supplies during an emergency. Therefore, when the Congress enacted the Energy Policy and Conservation Act in December of 1975, it detailed in Section 252 of that Act procedures to be followed in developing and carring out voluntary agreements and plans of action to allow U.S. companies to participate in the implementation of the allocation and information provisions of the IEP.

These procedures include prior notification of industry meetings convened to advise the IEA, publication of meeting notices in the Federal Register, monitoring of industry meetings by U.S. Government representatives, transcription of industry meetings, and securing prior U.S. Government approval for the submission of confidential company data to the IEA. The Department of Energy, the Department of Justice, and the Federal Trade Commission have monitored closely industry participation in the IEP over the past 5 years.

The utility of the IEP even if a shortfall does not become large enough to trigger the allocation system, and the necessity of oil industry participation in the IEP were demonstrated in 1979, when curtailment of exports from Iran created dislocations in the international oil market. The IEA's Standing Group on Emergency Questions (SEQ) and Standing Group on the Oil Market (SOM) held frequent consultations with members of the Industry Advisory Board (IAB) to the IEA and the Industry Working Party (IWP) to discuss the nature, extent, and effects of the shortfall on world oil supplies. Those consultations (which were monitored by U.S. Government observers from the Departments of Energy and Justice and from the Federal Trade Commission) enabled the IEA and its member governments to take concerted action to reduce the severity of the consequences of supply dislocations.

INFORMATION SYSTEM

As part of this response to Iranian developments in January 1979, the IEA implemented its Special Information System to obtain information vital to an understanding of the current oil market situation and in anticipation of a triggering of the IEA system. This system involves the voluntary provision by the companies of monthly data on actual and scheduled oil production and inventories in IEA Member Countries, as well as imports to and exports of crude oil and products from these countries. This information system provides the basic data essential to determining allocation rights and obligations if the international oil allocation system were to be triggered. U.S. companies provide this information directly to the IEA pursuant to the provisions of the Voluntary Agreememt, and in reliance on the antitrust defense contained in Section 252 of EPCA.

We have been successful in minimizing the reporting requirements placed on companies. The information supplied under this provision is the only information provided directly by companies to the IEA for use in

the emergency system. We continue to guard against any IEA efforts to seek additional company data under this system that is not justified by the specific requirements of the emergency system.

In the event that the IEA allocation system were activated, the Special Information System would become an integral part of the allocation process. Although the ultimate responsibility for all international emergency allocation activities rests with the IEA, the 48 IEA-designated Reporting Companies of which 22 are U.S. companies would be called upon to play an essential role in the operational and logistical aspects of the emergency oil allocations. A list of the companies participating in the IEA and a discussion of the IAB's structure and responsibilities are attached to this testimony. A list of the U.S. Reporting Companies is also attached.

OIL SHARING SYSTEM

The broad parameters of the international oil allocation process to be used in an emergency already have been determined by Member Countries in the International Energy Program Agreement. The physical redistribution of supplies needed to effect such allocation would be accomplished largely through voluntary actions by the Reporting Companies, including adjustments in their internal supply schedules, commercial transactions with other companies, or voluntary offers to supply or receive oil, which would be coordinated by the IEA with the assistance of the Industry Supply Advisory Group.

The Industry Supply Advisory Group, comprised of industry oil supply experts chosen from among the Reporting Companies, would work under the guidance of the IEA Allocation Coordinator, who is responsible for the overall supervision of the allocation program. This group would provide technical advice on oil supply and logistics to the IEA, channel instructions to the Reporting Companies to ensure efficient operation of the allocation program, and assist the Allocation Coordinator in evaluating and selecting from among the voluntary offers proposed by the Reporting Companies those which would best meet each Member Country's supply right. Of the 21 companies who provide representation on the Industry Supply Advisory Group, 13 are U.S.-based companies currently participating in the Voluntary Agreement. U.S. companies would not participate in the Industry Supply Advisory Group if the antitrust defense were not available.

CONSEQUENCES OF EXPIRATION OF THE ANTITRUST DEFENSE

You have asked me to detail the activities of companies that would be affected by an expiration of the antitrust defense. If the antitrust defense provided for in Section 252(f) were no longer available for U.S. oil company activities pursuant to the IEP, those companies would cease their membership on the IAB and IWP and their subcommittees, the Industry Supply Advisory Board convened during an emergency, and end their participation as Reporting Companies in the IEA information and emergency allocation systems would be ineffective and the IEP's purpose would be undermined.

Even more important, failure of the U.S. Government to provide a means for its companies to participate in the IEA would be viewed by the other IEA Member Countries as a breach of our commitment to the Agreement. It would indicate to them that we are not sincere in supporting mechanisms currently in place which, though flawed, remain the best available way of responding to a severe international oil crisis. Such a signal would seriously impair both the IEA's cooperative efforts and the leadership position of the United States in future international energy activities. I understand that the importance of the U.S. role in the IEA was stressed by its Executive Director, Dr. Ulf Lantzke, during his discussions with Members of Congress earlier this week.

Equally difficult conditions would exist should the defense lapse temporarily. Oil company participation in the IEA would again be halted and, according to the prevailing legal interpretation, would only be resumed following readoption of a Voluntary Agreement or Plan of Action which by law requires at least 20 days waiting period unless an international energy emergency has been declared. This would place us in a vulnerable position for dealing with serious oil supply interruptions. We do not believe it is in the best interests of the United States to allow this defense to lapse.

The Department has the capability to collect the same information from U.S. Reporting Companies as contained in the IEA's Questionnaire A by virtue of its IA-401 data form which is currently in standby status. The IA-401 was used by DOE in July-August 1980 to provide oil supply information to the IEA when the antitrust clearance for company submission of the QA lapsed temporarily. The IA-401 is a mandatory reporting form identical to the QA. When the necessary legal clearances were again obtained for QA submissions in October 1980, the IA-401 was deactivated and in November it was placed in standby status. Authority to use the 401 will remain in effect until December 31, 1982. It should be noted, however, that without the participation of the U.S. companies it would prove impossible to implement the emergency allocation system of the IEP and the provision of information, therefore, would be immaterial.

I solicit your support in extending the antitrust defense and other provisions of Section 252 until December 31, 1981. The Administration in cooperation with other IEA members is reviewing the IEP to assess whether any changes are desirable. We hope to complete the review within a few months.

APPENDIX

The Standing Group on Emergency Questions (SEQ) of the IEA formulates the policies and procedures that would be taken to anticipate or respond to supply interruptions. The SEQ obtains technical advice from the Industry Advisory Board (IAB), which is further divided into three subcommittees:

(1) Subcommittee A participates in the development of the detailed procedures to be used during emergency oil allocations and in allocation system tests. The tests simulate in great detail hypothetical emergency supply interruptions and the appropriate work procedures developed to handle the emergency. Subcommittee A also considers antitrust clearance issues.

(2) Subcommittee B has studied technical problems involving aviation and marine bunkers, stocks and emergency reserves, and the treatment of naphtha under the emergency allocation system. The Subcommittee is inactive at the present time.

(3) Subcommittee C analyzes problems associated with extraordinary costs to companies participating in emergency allocations, settlement of disputes, and IEA monitoring of oil prices in an emergency. It also considers antitrust clearance issues.

MEMBERSHIP LISTS

IAB

ARCO, BNOC, BP, Cities Service (expires May 1981), ENI, Exxon, Gulf, Mobil, OeMV, Petro-Canada, Petrofina, Petroleum Association of Japan (PAJ), Petroleum Producers Association of Japan (PPAJ), Shell Int'l, Socal, Statoil, Texaco, Veba-Oil.

SUBCOMMITTEE "A"

BP, ENI, Exxon, Gulf, Mobil, PPAJ, Shell Int'l, Shell Oil—USA, Socal, Sohio, Statoil, Sun, Texaco, Veba-Oil, Continental Oil.

SUBCOMMITTEE "B"

BP, Exxon, Gulf, Idemitsu Kosan, Shell Int'l, Texaco, Mobil, Petrofina.

SUBCOMMITTEE "C"

PPAJ, BP, Continental Oil, Exxon, Gulf, Mobil, Shell Int'l, Shell Oil—USA, Socal, Statoil, Texaco, Vega.

ISAG

ARCO, BNOC, BP, Cities Service, Continental Oil, ENI, Exxon, Gulf, Mabanaft GmbH, Mobil, PAJ, Petro-Canada, Petrofina, Phillips, Shell Int'l, Socal, Sohio, Statoil, Standard Oil (Indiana), Svenska Petroleum, Texaco, Veba-Oil.

IWP

PPAJ, BP, ENI, Exxon, Gulf, Mobil, OeMV, PAJ, PPAJ, Petrofina, Shell Int'l, Socal, Texaco, Veba-Oil.

The 22 U.S. reporting companies are:
Amerado Hess Corp.
Ashland Oil, Inc.
Atlantic Richfield Co.
Caltex Petroleum Co.
Champlin Petroleum Co.
Cities Service Co.
Continental Oil Co.
Crown Central Petroleum Corp.
Exxon Corp.
Getty Oil Co.
Gulf Oil Corp.
Mobil Oil Corp.
Murphy Oil Co.
Occidental Petroleum Corp.
Phillips Petroleum Co.
Shell Oil Co. (U.S.).
Standard Oil Co. of California.
Standard Oil Co. of Indiana.
Standard Oil Co. of Ohio.
Sun Company.
Texaco, Inc.
Union Oil Co. of California.●

Mr. DANNEMEYER. Mr. Speaker, I yield back the balance of my time.

Mr. SHARP. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Indiana (Mr. SHARP) that the House suspend the rules and pass the bill, H.R. 2166, as amended.

The question was taken.

Mr. WALKER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 373, nays 0, present 2, not voting 57, as follows:

[Roll No. 15]

YEAS—373

Addabbo	Dorgan	Hyde
Akaka	Dornan	Ireland
Albosta	Dougherty	Jacobs
Alexander	Duncan	Jeffords
Anderson	Dunn	Jeffries
Annunzio	Dwyer	Jenkins
Anthony	Dyson	Johnston
Applegate	Early	Jones (OK)
Ashbrook	Eckart	Jones (TN)
Atkinson	Edgar	Kastenmeier
AuCoin	Edwards (AL)	Kazen
Bafalis	Edwards (CA)	Kemp
Bailey (MO)	Emerson	Kildee
Bailey (PA)	Emery	Kindness
Barnard	English	Kogovsek
Barnes	Erdahl	Kramer
Beard	Erlenborn	LaFalce
Beilenson	Ertel	Lagomarsino
Benedict	Evans (DE)	Lantos
Benjamin	Evans (GA)	Latta
Bennett	Evans (IA)	Leach
Bereuter	Fary	Leath
Bethune	Fascell	LeBoutillier
Bevill	Fenwick	Lee
Biaggi	Ferraro	Lehman
Bingham	Fiedler	Leland
Blanchard	Fields	Lent
Bliley	Findley	Levitas
Boggs	Fish	Livingston
Boland	Fithian	Loeffler
Bolling	Flippo	Long (MD)
Boner	Florio	Lott
Bonior	Foley	Lowery
Bonker	Ford (TN)	Lowry
Bouquard	Forsythe	Lujan
Bowen	Fountain	Lundine
Breaux	Fowler	Lungren
Brinkley	Frank	Markey
Brodhead	Frost	Marks
Broomfield	Fuqua	Marlenee
Brown (CA)	Garcia	Marriott
Brown (CO)	Gaydos	Martin (IL)
Broyhill	Gejdenson	Martin (NC)
Burgener	Gephardt	Martin (NY)
Burton, John	Gibbons	Matsui
Burton, Phillip	Gilman	Mattox
Byron	Ginn	Mavroules
Campbell	Glickman	McCloskey
Carman	Goldwater	McCollum
Carney	Gonzalez	McDade
Chappell	Goodling	McDonald
Chappie	Gore	McEwen
Cheney	Gradison	McGrath
Clausen	Gramm	McHugh
Clay	Gray	Mica
Clinger	Green	Michel
Coats	Gregg	Mikulski
Coleman	Grisham	Miller (CA)
Collins (IL)	Gunderson	Miller (OH)
Collins (TX)	Guyer	Mineta
Conte	Hagedorn	Minish
Conyers	Hall (OH)	Mitchell (MD)
Corcoran	Hall, Ralph	Mitchell (NY)
Cotter	Hall, Sam	Moakley
Coughlin	Hamilton	Moffett
Courter	Hammerschmidt	Molinari
Coyne, James	Hance	Mollohan
Coyne, William	Hansen (ID)	Montgomery
Craig	Hansen (UT)	Moore
Crane, Daniel	Harkin	Moorhead
Crockett	Hartnett	Morrison
Daniel, Dan	Hatcher	Mottl
Daniel, R. W.	Hawkins	Murphy
Danielson	Hefner	Murtha
Dannemeyer	Heftel	Myers
Daschle	Hendon	Napier
Daub	Hertel	Natcher
de la Garza	Hightower	Neal
Deckard	Hiler	Nelson
Dellums	Hillis	Nichols
DeNardis	Holland	Nowak
Derrick	Hollenbeck	O'Brien
Derwinski	Hopkins	Oakar
Dickinson	Howard	Oberstar
Dicks	Hubbard	Obey
Dingell	Hughes	Ottinger
Dixon	Hunter	Panetta
Donnelly	Hutto	Parris
Pashayan	Santini	Taylor
Patman	Sawyer	Thomas
Patterson	Schroeder	Traxler
Paul	Schulze	Trible
Pease	Schumer	Udall
Pepper	Seiberling	Vento
Perkins	Sensenbrenner	Volkmer
Petri	Shamansky	Walgren
Peyser	Shannon	Walker
Porter	Sharp	Wampler
Price	Shaw	Watkins
Pritchard	Shelby	Weaver
Pursell	Shumway	Weber (MN)
Rahall	Shuster	Weber (OH)
Railsback	Simon	Weiss
Rangel	Skelton	White
Ratchford	Smith (AL)	Whitehurst
Regula	Smith (IA)	Whitley
Reuss	Smith (NE)	Whittaker
Rhodes	Smith (NJ)	Whitten
Richmond	Smith (OR)	Williams (MT)
Rinaldo	Snowe	Williams (OH)
Ritter	Snyder	Winn
Robinson	Solarz	Wirth
Rodino	Solomon	Wolf
Roe	Spence	Wolpe
Roemer	St Germain	Wright
Rogers	Stangeland	Wyden
Rose	Stanton	Wylie
Rostenkowski	Stark	Yates
Roth	Staton	Yatron
Roukema	Stenholm	Young (AK)
Rousselot	Stratton	Young (FL)
Roybal	Studds	Young (MO)
Rudd	Stump	Zablocki
Russo	Synar	
Sabo	Tauke	

ANSWERED "PRESENT"—2

Dymally	Washington

NOT VOTING—57

Andrews	Ford (MI)	Pickle
Archer	Frenzel	Quillen
Aspin	Gingrich	Roberts (KS)
Badham	Guarini	Roberts (SD)
Bedell	Heckler	Rosenthal
Brooks	Hinson	Savage
Brown (OH)	Holt	Scheuer
Butler	Horton	Schneider
Chisholm	Huckaby	Skeen
Coelho	Jones (NC)	Stokes
Conable	Lederer	Swift
Crane, Philip	Lewis	Tauzin
D'Amours	Long (LA)	Vander Jagt
Davis	Luken	Waxman
Downey	Madigan	Wilson
Dreier	Mazzoli	Wortley
Edwards (OK)	McClory	Zeferetti
Evans (IN)	McCurdy	
Fazio	McKinney	
Foglietta	Nelligan	

□ 1315

The Clerk announced the following pairs:

Mr. Long of Louisiana with Mr. Lewis.
Mr. Guarini with Mr. Philip M. Crane.
Mr. Zeferetti with Mr. Nelligan.
Mr. Fazio with Mr. Wortley.
Mrs. Chisholm with Mr. Roberts of Kansas.
Mr. Brooks with Mr. McClory.
Mr. Jones of North Carolina with Mr. Vander Jagt.
Mr. Scheuer with Mr. Skeen.
Mr. Tauzin with Mr. Quillen.
Mr. Wilson with Mr. McKinney.
Mr. Waxman with Mr. Frenzel.
Mr. Pickle with Mr. Gingrich.
Mr. Rosenthal with Mr. Horton.
Mr. Savage with Mr. Madigan.
Mr. Mazzoli with Mr. McCurdy.
Mr. Luken with Mr. Conable.
Mr. Huckaby with Mr. Evans of Indiana.
Mr. Ford of Michigan with Mr. Edwards of Oklahoma.
Mr. Downey with Mr. Dreier.
Mr. Foglietta with Mr. Butler.
Mr. D'Amours with Mr. Badham.
Mr. Coelho with Mr. Archer.
Mr. Swift with Mrs. Heckler.
Mr. Stokes with Mr. Roberts of South Dakota.
Mr. Aspin with Mrs. Holt.
Mr. Andrews with Mr. Brown of Ohio.
Mr. Bedell with Mr. Schneider.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Saunders, one of his secretaries, who also informed the House that on February 7, 1981, the President approved and signed a bill of the House of the following title:

H.R. 1553. An act to provide for a temporary increase in the public debt limit.

PERSONAL EXPLANATION

Mr. PORTER. Mr. Speaker, last Wednesday it was necessary for me to catch a plane to my district to attend the wake and funeral of a dear friend Ms. Edna Graham. For this reason, I had to leave for the airport approximately 15 minutes before the vote was taken on rollcall No. 14 and was not recorded. Had I been present and voting, I would have voted "aye."

I would like the record to so indicate.

DISCHARGE PETITION ON CONSTITUTIONAL AMENDMENT TO END COURT-ORDERED BUSING

(Mr. EMERSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EMERSON. Mr. Speaker, I am pleased today to have the opportunity to sign the discharge petition that I hope will provide the chance for this House to deal effectively, firmly, and finally with the subject of forced busing of schoolchildren for purposes of achieving integration.

Mr. Speaker, forced busing is a social theory whose time never came, and never will. It is a cruel imposition upon children, costing huge amounts of emotion, energy, and dollars, and creating more ill will and hostility among people than any far-stretched benefits could hope to balance out.

The vast majority of the American people and the people of the 10th District of Missouri want this matter dealt with—put an end to it once and for all—and they want it done quickly. The people are frustrated that the processes do not move more swiftly.

I urge the requisite number of my colleagues to join in signing the petition submitted by the gentleman from Ohio (Mr. MOTTL) so this House may act, and hopefully act in accord with the national sentiment on this subject.

RESCISSIONS OF BUDGET AUTHORITY AND DEFERRALS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 97-28)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Appropriations and ordered to be printed:

(For message, see proceedings of the Senate of today, March 10, 1981.)

□ 1330

PROGRAM FOR ECONOMIC RECOVERY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 97-26)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read, and, together with the accompanying papers, without objection, referred to the Committee on Appropriations and ordered to be printed:

(For message, see proceedings of the Senate of today, March 10, 1981.)

REPUBLICANS ARE NIBBLING THE PRESIDENT TO DEATH

(Mr. MATTOX asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. MATTOX. Mr. Speaker, a recent "Dear Colleague" letter addressed to Republican Members of the House warned that it was important to remind the Nation that Democrats still control the House and that the country should know, and I quote, "* * * who is to blame if economic recovery is blocked by the Democratic leadership?"

Mr. Speaker, a second "Dear Colleague" letter emerged on the same date, coauthored by the writer of the first letter and it was addressed to all Members of the House.

The second letter was making a pitch for, and you have probably guessed it, gaining support against President Reagan's cuts of the space program. I quote: "We don't want to see the President's program nibbled to death," said the second letter, but, it added, "we believe space is important to the cycle of national survival * * *."

What these two letters proclaim, Mr. Speaker, is that spending under Republican plans is patriotic but any Democratic proposals are wasteful, unpatriotic, and designed to obstruct a currently popular President. I am afraid the Republicans are going to nibble President Reagan to death.

The letters referred to follow:

WASHINGTON, D.C.,
February 23, 1981.

DEAR REPUBLICAN COLLEAGUE: When Nicholas Lemann of the Washington Post wrote "People who call themselves conservatives control both Houses of Congress" (p. 1 Feb. 22, 1981) everyone who is conservative should have been frightened and aroused. The national news media is buying the liberal Democratic argument that Tip O'Neill is helpless in a House controlled, de facto, by conservatives.

We know better. We lost the fight for a conservative Speaker. A liberal now presides over the House. And he recognizes motions, sets the calendar, and dominates the proceedings. He is in control.

Liberals still control most of the committee and sub-committee chairmanships, and most of the staffs.

Liberals preside, in particular, over the Ways and Means, Joint Economic, and Rules Committees. These three committees will have enormous impact on Reagan's program for economic recovery. It is obvious that they have been stacked by the liberals to block that program.

It is vital that we tell the country over and over again that we don't control the House, and that Tip O'Neill and the liberals do. It is essential that the country knows who to blame if economic recovery is blocked by the Democratic leadership.

Sincerely,

NEWT GINGRICH.

FEBRUARY 23, 1981.

"It is time for us to realize that we are too great a nation to limit ourselves to small dreams."—President Ronald Reagan, Inaugural Address.

DEAR COLLEAGUE: Have you been receiving mail protesting the cutback in America's plans for space exploration? We have. And it's tough to know how to respond.

We support the President's Economic Recovery Program. We don't want to see it nibbled to death.

At the same time, we believe space is important to the cycle of national survival—the interdependence of a strong economy, a strong defense, visible national goals, access to resources, and technology.

We're most interested in three space projects. First, anti-missile fighters, manned space vehicles to intercept enemy missile attack. Second, space solar power systems, to take solar power technology beyond the limits of night and clouds, beaming the power home. Third, the Space Operations Center, a permanently manned space station capable of supporting privately-financed space industrial activities.

We believe the United States has a world mission; we Americans influence by example; we are the showplace of freedom; and the sword and shield of liberty.

Our solar system abounds with minerals and energy. Other nations even now are claiming those resources and developing capabilities to use them.

If the United States does not compete in space, we abandon world leadership to those who do.

If you're interested in finding out more about these concepts, the NASA budget, or space exploration generally, please call. Contact Melinda Farris at 5-4501 or Bob Weed at 5-4261.

Sincerely,

PAUL TRIBLE.
NEWT GINGRICH.

CONGRESS SHOULD FULFILL ITS COMMITMENT TO STUDENTS

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEYSER. Mr. Speaker, mail continues to pour into my office from students and colleges around the country, and what they are all asking in one way or the other is that Congress fulfill its commitment and this country fulfill its commitment to students as it has in the past.

Today, Mr. Speaker, I will be entering into the RECORD a letter from Green Mountain College in Vermont, which is in Congressman JIM JEFFORD'S district; I will be entering a letter from the Mississippi State University, which is in Congressman DAVE BOWEN'S district; a letter from the West Kern Community College District, Taft College, in Taft, Calif., which is in Congressman WILLIAM THOMAS' district; and a letter, finally, from Fort Scott Community College, in Fort Scott, Kans., which is in Congressman ROBERT WHITTAKER'S district.

Mr. Speaker, we need to be reminded of the commitment we have made in the past, and need to sustain, to the students of our country. Hopefully we will act prudently and not evict a generation of students from college by unwise and unwarranted cuts.

The letters referred to are as follows:

GREEN MOUNTAIN COLLEGE,
Poultney, Vt., March 4, 1981.

Hon. PETER A. PEYSER,
Congress of the United States, Cannon House Office Building, Washington, D.C.

DEAR CONGRESSMAN PEYSER: Thank you for your letter of February twenty-seventh in which you raise your concern regarding the proposed cuts in funds available to assist students in attending the college of their choice. This is a matter of grave importance for all colleges and universities, but in particular those small independent colleges such as Green Mountain that must rely heavily on student generated fees for their existence.

Well over 50 percent of our Green Mountain College students would be dramatically affected by any reductions in the federal student financial aid programs. We have expressed our concerns to the Vermont Congressional delegation. Furthermore, we have alerted the parents of every student currently attending the College, as well as those we anticipate enrolling next September and have suggested that they in turn contact their respective legislators.

Green Mountain College has a distinguished history of nearly 150 years, and I don't believe that there has ever been any single act that might have as devastating an effect on this institution as those actions

which are currently being contemplated in Washington. In addition to depriving a number of deserving students the opportunity of education at Green Mountain, the effects of these proposals can conceivably determine the demise of the institution.

I would appreciate any assistance you can give Green Mountain College and other small colleges in this matter.

Sincerely,

JAMES M. POLLOCK,
President.

MISSISSIPPI STATE UNIVERSITY,
Mississippi State, Miss., March 5, 1981.

Hon. PETER A. PEYSER,
U.S. Congress, Cannon House Office Building, Washington, D.C.

DEAR CONGRESSMAN PEYSER: I appreciated your letter and the opportunity to visit with you regarding student loan programs. Any significant reduction in these loans will have a most harmful effect on our student population. As you may know, our state has the lowest per capita income in the nation. We also have a black population which is 37 percent of our total population. It should be apparent that any reduction in student loans will affect the greatest hardship on individuals who are from poor and lower income families. You will note in my letter to our Mississippi Congressional delegation members that there are three predominantly black state universities which will suffer even greater losses since about 95 percent of their students receive student aid.

I am hopeful that the cuts anticipated will not be imposed at the proposed level and that student needs will receive more consideration. Here in the South, education will be the key to productivity and economic development.

Your efforts are certainly appreciated.

Sincerely,

JAMES D. MCCOMAS,
President.

MISSISSIPPI STATE UNIVERSITY,
Mississippi State, Miss., March 3, 1981.

Hon. JOHN C. STENNIS,
U.S. Senate, Russell Senate Office Building, Washington, D.C.

DEAR SENATOR STENNIS: I am writing to urge you to consider support for supplemental appropriations for fiscal year 1981 in the Pell Educational Opportunity Grant and National Direct Student Loan programs. Projected cuts would mean a reduction from $9,550,000 for this year at Mississippi State University to a level of $5,600,000 or a reduction of $3.9 million. We anticipate that 2,715 fewer students would receive aid with the projected cuts. If the more recent cuts are more severe that obviously we will be even more adversely affected.

While we recognize that budget cuts may be essential, cuts in programs such as these have far more harmful effect on Mississippi than any other state since we have the lowest per capita income. Improving the level of education in our state is the first hope of improving our economic status. Too, our state has the largest percentage minority (black) population of any state.

The following table shows the results of projected cuts which may be even greater than this amount if further reductions are sought.

Program	Students	Amount
190–81:		
BEOG	[1] 3,750	$3,550,000
NDSL	[1] 1,900	2,000,000
FISL	[1] 2,300	4,000,000
Projected 1981–82:		
BEOG	3,000	2,500,000
NDSL	1,235	1,300,000
FISL	1,000	1,800,000

[1] These figures are duplicated counts as students receive a combination of all programs.

I would point out this is aid to individual students not for direct support of any university programs. I would emphasize as well that we have one of the best records in the country of collecting our student loans. I have little sympathy for those universities that have not made an effort to collect loans and would like to see a system which does not penalize universities such as our own and others which have an excellent record in collection and repayment of loans.

Any help you can give in this regard will help all eight state universities. Many of our predominantly black universities in Mississippi have as much as 90 percent of their students receiving government loans and grants. We will appreciate your serious consideration of this matter.

Sincerely,

JAMES D. MCCOMAS,
President.

TAFT COLLEGE,
Taft, Calif., March 3, 1981.

Hon. PETER A. PEYSER,
U.S. House of Representatives, Cannon House Office Building, Washington, D.C.

DEAR CONGRESSMAN: In response to your letter of February 24th, many of us here at Taft College are very supportive of your position in relation to opposing cuts in student loans. You can count on us to help.

America faces the most unique circumstances in the history of mankind, in that our extremely rapid technological advances threaten to outrun our ability to educate our populace. If we are to play our role in this world, then we better protect higher education.

Your support and concern is very much appreciated.

Sincerely,

DAVID COTHRUN,
Superintendent/President.

FORT SCOTT COMMUNITY COLLEGE,
Fort Scott, Kans., March 4, 1981.

Hon. PETER A. PEYSER,
U.S. House of Representatives, Washington, D.C.

DEAR REPRESENTATIVE PEYSER: I am deeply appreciative of the concern which you are demonstrating regarding recent threats in student loan cutbacks and reduction of Basic Equal Opportunity Grant monies. I concur with you that student assistance programs should not be cut back and I am particularly defensive regarding the Higher Educational Loan Program.

There are many small farms in southeast Kansas, farms that have been handed down from one generation to another, and these same farms would represent a nice amount of money to the owners should they be sold. Unfortunately, the small land owner does not want to sell the farm because this is a way of life. The farm barely sustains the family and makes buying clothing and energy extremely difficult and dollars for education almost impossible. The student loan program has been the only source of revenue to these land owners who look good on paper but who have a miserable cash flow. Furthermore, these same people have a great amount of pride. They may see grant dollars as a federal dole but they see student loan dollars as an avenue whereby they can pull a fair share of the load.

Whatever you can do in Washington will be greatly appreciated. Please call on me for whatever service I can be.

Sincerely,

WAYNE MCELROY,
President.

PRESIDENT'S PROPOSED PROGRAM CUTS ARE DEVASTATING TO VIETNAM VETERANS

(Mr. BONIOR of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BONIOR of Michigan. Mr. Speaker, in another whirl of activity, the House will receive today a second round of budget cuts. Running in the billions, the huge sum involved will obscure many details. I rise today to insure that one detail will not be overlooked.

In among the range of budget cuts, four small programs serving Vietnam veterans are expected to be eliminated. Compared to billions, this may not seem important, yet it is vital. These four programs are our service delivery system for Vietnam veterans. To cut them is to cut our ability to reach Vietnam veterans.

The fact that these cuts can be overlooked tells half the story. For while they are so vital to Vietnam veterans, they total approximately $67.8 million. The figure speaks for itself. It amounts to around one-tenth of 1 percent of the original round of budget cuts proposed by the President.

Mr. Speaker, like many of my colleagues, I share a concern that we increase our control over Federal spending, and I will be supporting cuts arrived at through the House's reconciliation process. I cannot support cuts that contribute so little and cost so much.

While insignificant to the President's efforts to control the budget, cutting these programs is devastating to Vietnam veterans.

Perhaps the most important program being cut is the VA's Operation Outreach, which funds some 91 readjustment counseling centers around the country. The program's history demonstrates both its needs and points, I think, the tragedy of the expected cuts.

First proposed in the early 1970's, the readjustment counseling program was not enacted until 1979. In the intervening years, it passed the Senate each Congress only to die in conference. For Vietnam veterans, its enactment was a frustrating process.

The decade-long process of its enactment is crucial to an understanding of the impact created by cutting the pro-

gram. Enacted in 1979, the program became fully operational only in 1980. After waiting a decade, it is being ended after a little over a year and a half.

The need for the program is clear. VA studies released in the last few years have documented it:

Of those who served in Vietnam, 60 percent faced readjustment problems upon their return, and for 40 percent the problems remain; 51 percent of those who served in Vietnam never returned to school.

Not only is the program needed, it is effective. As centers were opened, they were flooded with Vietnam veterans. And the early rush did not disappear. Staffed principally by Vietnam combat veterans, the centers have, in many cases, earned the trust of their communities.

Every program has its problems, especially new programs. The readjustment counseling program is, I suspect, no exception. I would not seek to protect it from careful scrutiny and carefully designed cuts. But I will not sit by while it is abolished.

The Disabled Veterans Outreach program provides a similar example. Given a statutory base only last year, it, too, was responsive to a long documented need. According to the VA's program evaluation of the vocational rehabilitation program for service-connected disabled veterans, only 64 percent of the disabled Vietnam veterans surveyed were employed 90 to 100 percent of the time.

The final two programs provide additional special help. The veterans cost of instruction program helps veterans in college, at a projected fiscal year 1982 cost of $12.2 million. The targeted technical assistance program, not yet fully underway, hopes to help local areas provide better services to Vietnam veterans. Its cost was $4.8 million.

Mr. Speaker, each of these programs is being ended in a different way. Understanding the details is an education in budget cutting. I have attached a summary of the cuts and a description of each program and the budget cutting process used.

But among these details I do not want to lose sight of the overwhelming bottom line. We are being asked to watch the destruction of programs it took us a decade to build. In return we are not advancing some compelling but conflicting Government policy, for these cuts advance our budget control efforts so little as to be invisible.

The irony of the proposed cuts is, perhaps, clearer to us all in the light of the recent return of the hostages from Iran. The contrast between their return and the return of Vietnam veterans has reminded us all of the task we have left undone.

I do not wish to deny the hostage's courage, nor their sacrifice. Indeed, like many, my uncertainty as to how to point the inequity without appearing to deny the hostages their due has lead me to hesitate. But I recently read a letter by Colonel Wickert in the Washington Star of January 29 that offers us a sense of balance.

Mr. Speaker, I began by noting the President may propose the cuts, for there may have been some last minute change that will surprise us all. If not, I hope my colleagues will read Colonel Wickert's letter and join me in opposing the cuts.

THE PROPOSED CUTS

[In millions]

Programs being cut	Savings
Readjustment counseling program	$31.5
Disabled Veterans Outreach program	19.3
Targeted technical assistance program	4.8
Veterans cost of instruction program	12.2
Total	67.8

READJUSTMENT COUNSELING PROGRAM: OPERATION OUTREACH

Enacted in 1979 (Public Law 96-22), the program authorizes the VA to provide readjustment counseling to Vietnam-era veterans. The program has been implemented through the creation of some 96 centers throughout the United States.

The program's original funding level was increased by $6 million in the fiscal year 1981 appropriation bill to fund needed expansion. President Carter's fiscal year 1982 budget called for additional funding to expand the program further and finally implement contact authority granted in the original act, bringing the total up to $31.5 million.

The Reagan administration froze implementation of the $6 million called for by the fiscal year 1981 appropriation bill; 156 of the 176 new positions created have not been filled. The March 10 budget is expected to recommend that the program be totally eliminated in fiscal year 1982.

Entitlement to use the readjustment program would have expired in October 1981 for any veteran who had not previously visited a center. However, veterans who had would continue to be eligible, and the Congress was expected to extend the program for another 2 to 3 years.

DISABLED VETERANS OUTREACH PROGRAM (DVOP)

Enacted in 1980 (Public Law 96-466), the program authorizes the Department of Labor to create 2,000 positions to develop jobs for veterans, with concentration on disabled and Vietnam veterans. The program is funded at $19.3 million for fiscal year 1981.

The Reagan administration appears to be proposing that during fiscal year 1982 only 1,000 positions receive special funding. The remaining 1,000 could be funded by States using Federal grants, but, apparently, no additional funding will be provided to the States to meet this need. During fiscal year 1983, the full 2,000 positions are to be funded outside of the Department's budget.

One escape hatch is provided. It appears the Department may fund slots by bringing them under its relevent regular hiring ceiling; but that requires that one position be emptied before a DVOP position can be created. In addition, the Department's relevent ceiling is expected to be cut by around 17 percent, making it even more difficult to find slots for DVOP positions.

DVOP was originally created in 1977 as a Carter administration executive initiative. The program was given a statutory base in 1980 in response to both its success and threats to its continued viability, including a gradual phase down and the increasing use of DVOP personnel or work unrelated to veteran employment needs.

THE TARGETED TECHNICAL ASSISTANCE PROGRAM (TTA)

The program was created through the use of title VI (public service employment) funds and was funded at a level of $4.8 million during fiscal year 1981. Negotiations were underway with some 30 different areas, and in the 9 locations final action was ready. The Reagan administration has apparently frozen title VI funds, effectively ending the program before it got started.

VETERANS COST OF INSTRUCTION PROGRAM (VCIP)

A Department of Education program, VCIP provides grants to colleges to help them assist veterans seeking or receiving college education. The program was projected to cost $12.2 million in fiscal year 1982. The March 10 budget is expected to propose elimination of the program.

[From the Washington Star, Jan. 29, 1981]

WHO BLED FOR REAL HEROES?

I agree that what the revolutionary government of Iran did in invading our embassy and capturing its personnel was an outrage, and the hostages' behavior and endurance deserve nothing less than commendation and praise. I am second to no one in my relief and grateful happiness at their 444-day delayed deliverance.

If these persons were the only Americans ever to suffer inconvenience, anxiety, abuse or pain, then nothing we could do would be excessive in their celebration and recompense. But they are not. In Korea and Vietnam, 52 good soldiers were killed every morning before breakfast on routine scouting and patrolling missions, and few hearts in this country bled for them. Nice, young, drafted farm boys, hideously burned, are today in veterans hospitals, totally forgotten and forsaken by all but their kin and the hospital personnel. Returning Vietnam heroes—true, combat heroes—have been spat on, figuratively and literally, by their countrymen on their return home.

The excesses about the detained, inconvenienced and maltreated ex-hostages today is in crass contrast. The yellow ribbons and flag-raisings, the candlelight vigils and prayer-sayings are not what I am talking

about. They are proper, right and good. I am referring to Warren Christopher calling them "our true heroes," Mr. Carter saying that because of their predicament "this country has been united as it never has been united before," Mayor Koch of New York City planning a celebration "far bigger than that for Lindbergh or MacArthur or for anyone," and congressmen planning to strike a special gold medal for each hostage.

All just fine, except for that boy in the burn ward, those spat-on, out-of-work Vietnam soldiers and airmen punished by their countrymen for their real pain and blameless performance of terrible combat duty.

The truth is, the mindless and unprincipled medium of television news made this so-called "crisis" (which it was not) and so now they are playing it to the hilt and milking it of its last drop of pathos. The Carter White House elected to play the thing as soap-opera (and paid a steep price for doing so, I am glad to note).

There was no excuse in 1979 for our nightly television show of ill-shaven Iranians waving their fists and burning effigies and flags of the United States. Maybe once, or twice, but not nightly. In the same category was the television fare, night after night, of agonizing hostage mothers, wives, girlfriends—euphoric, in tears, in agonies of doubt and fear.

If I were a returning Marine or State department person, I would say, "You will make no circus animal of me! I knew there were risks when I signed aboard. Let me now alone, so that I will be free!"

The straw that broke it for me was The Star's caption (headed "Hostage Report") under a group picture of the eight servicemen killed on the unfortunate rescue mission. With the same semantic slovenliness that has marked all of the news media's handling of this grotesque soap opera, you say beneath their earnest, youthful faces, "Effort to Rescue Hostages Died Ignominiously on Iranian Desert." I have taught college-level English for 20 years and am (as I thought at least The Star was also) sensitive to semantic values. Ignominious means "shameful, dishonorable, disgraceful, contemptible, despicable, degrading, humiliating."

Are we a great—the great—world power? Or are we a nation of sheep (and schlock)? Do we have any values, proportion or balance not manipulated by professional tubthumpers? Think of my boy, now going on 29 years old, in the burn ward. He was carrying igniters on his back as he was ordered to.

HOWARD WICKERT,
Lieutenant Colonel, U.S.A., retired.

□ 1230

RETIRING DIPLOMAT, RICHARD N. GARDNER

(Mrs. FENWICK asked and was given permission to address the House for 1 minute and to revise and extend her remarks and to include extraneous matter.)

Mrs. FENWICK. Mr. Speaker, I would like to say a word about one of our retiring diplomats, Richard Gardner, who has represented this country in Italy, so faithfully and so well. It is not just a question of being a good and faithful public servant which indeed he is, but he was also a most effective representative of the people of this country and its Government.

He loved and understood the people of the country to which he was sent, and perhaps that was one of the reasons for his great success. In any case, our interests were well advanced. Since we have no knighthoods to give to those who leave such honorable public service, I would like to insert in the RECORD this report from the New York Times:

DEPARTING U.S. ENVOY TO ITALY SEES LINKS ENHANCED

(By Henry Tanner)

ROME, February 27.—If there is one message that Richard N. Gardner, the departing American Ambassador to Italy could leave to the Republican Administration, it would be: take the Italians seriously; they are better allies than most.

Mr. Gardner, who was to leave Rome today to resume teaching international law at Columbia University next fall, feels that he is leaving Italian-American relations in a much healthier state than when he arrived. Most Italian politicians and journalists would agree with him.

When Mr. Gardner was sent here by the Carter Administration, the Communists were basking in 1976 election gains that gave them more than a third of the popular vote for the first time, and they were pushing hard to become members of the government. Today they are in the opposition, isolated and on the defensive after several election setbacks.

The Socialist Party is steadily becoming more anti-Communist. It has joined other non-Communist parties in a Government for the first time in 14 years and is gradually transforming itself into a social democratic party along the lines of Chancellor Helmut Schmidt's group in West Germany.

NO LONGER INTERFERING DIRECTLY

American policies and affairs are being discussed with respect by Italian newspapers, and there is little predictable anti-Americanism. Even Communists concede that the big embassy on Via Veneto, though still trying to influence Italian politics, is no longer interfering directly. "They no longer go around stuffing dollar bills into the pockets of generals and politicians," a Communist politician said.

It is not that Mr. Gardner has brought all this about. But, as Egidio Ortona, a former Ambassador to Washington and delegate at the United Nations put it, "he has been a good influence; a poor ambassador could have done a lot of damage."

Mr. Gardner has been a tireless worker, traveler and speaker, making about 40 major speeches a year in all parts of the country and driving his large embassy staff mercilessly.

He and his Italian-born wife, Danielle, have been hosts to a steady stream of politicians, businessmen, professors, writers and artist. Unlike previous ambassadors who limited their hospitality largely to the hard core of establishment politicians and businessmen, the Gardners have been reaching out into less conventional sectors of Italian society.

Mr. Gardner has been cultivating Bettino Craxi, the head of the Socialist Party, who has been moving to the right and hopes to become Italy's first none-Christian Democratic prime minister.

The Ambassador has also been in contact with the younger anti-Communist Christian Democrats in Parliament who hope to replace their party's aging leadership. The embassy believes that they can be relied upon to bury the "historic compromise," the concept that Italy can be governed only by cooperation between its two largest parties, the Christian Democrats and the Communists.

In terms of United States foreign policy, Mr. Gardner's finest hour came in December 1979, when Italy became the first European country to accept the deployment of new American cruise and Pershing II missiles. The Italian decision was crucial. The West Germans had said they would accept the missiles only if another European nation did. The Dutch, Belgian and Danish Governments could not do so for domestic political reasons. The Italian Government, even though the country has Western Europe's largest Communist Party, not only accpeted the missiles but did it without serious political repercussions.

One of the things that made the Italian decision possible was that Mr. Craxi, whose party had once rejected NATO entirely, was willing to support it.

Italy also went along with the American call for sanctions against Iran even though it had about $3 billion in contracts in Iran along with 1,800 Italian technicians as potential hostages. The Italian Government also supported the boycott of the Moscow Olympics last year, but the Olympic committee sent its members to Moscow anyway.

When he arrived here in 1977, Mr. Gardner had a dual assignment concerning the Communists. On one hand, he had to carry on with the traditional American policy of helping to keep the Communists out of the government of a major ally. On the other hand, since the Communists were a major power in the country, Washington wanted him to acknowledge their power and to establish contacts for the first time between the embassy and Communist officials to find out what their thinking and intentions were.

It was a difficult policy to carry out. His arrival was preceded by articles in leftist Italian newspapers praising him as an "open-minded man" representing a more open-minded Administration.

Soon afterward, when a State Department spokesman, with the French election campaign in mind, declared that Washington did not want to see the Communists "dominant" in an allied government, the Italian left concluded that since the Communists here could not possibly be dominant, the United States had lifted its unqualified opposition to their entry into the government.

CORRECTING A MISCONCEPTION

President Jimmy Carter later corrected the statement from "dominant" to "influential," but the misconception was kept alive inadvertently by some and purposely by others. The Rome daily La Repubblica, which supported the Communist effort to enter the government, praised Mr. Gardner and the Carter Administration so consistently that the Ambassador finally sent a man around to see the editors and tell them, in effect, that look, we are not nearly as open-minded as you seem to think.

In a recent conversation, Mr. Gardner said he was appalled when he arrived here to see how little cultural impact the United States had on Italy. "Culture is politics here," he said. "The Communists are systematically trying to establish a cultural hegemony in the schools, the press, the unions, the judiciary and only last in the government."

The Ambassador upgraded American cultural programs, including the translation of American books, language programs and scholarships paid by private Italian and American businesses. He hopes that these programs will continue.

"Erosion of the intellectual and cultural foundation of the alliance could be just as great a threat as the Soviet SS-20," he said, referring to the Soviet medium-range missile. "It would be tragic if these programs fell."

LEGISLATION REMOVING RESTRICTION ON FOREIGN ASSISTANCE FUNDS FOR SPRAYING OF HERBICIDE TO ERADICATE MARIHUANA

(Mr. SHAW asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. SHAW. Mr. Speaker, today I am introducing legislation which will remove the restriction on foreign assistance funds for the spraying of a herbicide to eradicate marihuana. Similar legislation is being introduced in the other body today by the senior Senator from my home State of Florida.

Currently countries are prohibited from using U.S. funds to destroy marihuana fields through the spraying of herbicides.

The ban was adopted when there was great concern that Americans who smoked sprayed marihuana would suffer serious health problems.

However, subsequent testimony has shown that the health threat is questionable at best.

As insurance, my bill will direct the Secretary of the Department of Health and Human Services to monitor and report to Congress on the health impact.

What is not questionable, however, is the effect this current statute has had on efforts to stop the ever-increasing flow of drugs into the United States.

It is unrealistic for the United States to say we are serious about controlling drug trafficking if we prohibit other countries from using the single most effective means to accomplish large-scale destruction of marihuana crops.

Therefore, I urge prompt consideration and adoption of this legislation.

Mr. Speaker, today I received a letter from Florida's Attorney General Jim Smith. I believe his remarks should be made part of the RECORD and deserve serious consideration:

DEPARTMENT OF LEGAL AFFAIRS,
OFFICE OF THE ATTORNEY GENERAL,
Tallahassee, Fla., March 9, 1981.

Hon. CLAY SHAW,
U.S. House of Representatives, Longworth House Office Building, Washington, D.C.

DEAR CLAY: My staff advises me that your office is preparing legislative proposals directed at the drug smuggling problem. Nothing is more vital to the future of Florida at this time, and your interest in this problem is much appreciated.

For the past two years I have been working at the state level to help organize the resources available here and achieve some meaningful drug enforcement. As you know, however, Florida has been overrun by the smugglers. We're simply not equipped to make significant gains. Our state has mounted a full effort to combat these smugglers with little success.

The one measure that has demonstrated its effectiveness in curtailing the importation of drugs is denied us by law. This is the spraying of the crop with herbicides in the field. Mexico's standing as a prime source of marijuana for the U.S. market was destroyed along with the crop after its participation in spraying operations, financed by the United States and Mexico.

An amendment to the Foreign Assistance Act of 1961 prompted by what would seem to be contradictory concern for the health of drug users who might receive a product containing herbicide residues now prohibits use of foreign aid funds for this purpose. Medical evidence does not, as suggested by the 1978 study of the United Nations Narcotics laboratory, support this concern. In fact, no case of herbicide poisoning by marijuana use has ever been reported to health agencies of the federal government that research such matters.

Moreover, the United Nations Fund for Drug Abuse Control and drug enforcement officials at every level, including those in the Colombian government, proclaim spraying as the only measure assuring success in the near term. Once the product reaches the myriad channels of smuggling, the odds against interdiction and the cost increase exponentially.

This amendment should be repealed, and I strongly recommend that you consider offering such a measure to the Congress. I believe you will find support for repeal at the highest level—including DEA Administrator Peter Bensinger and Colombia's President Turbay—among officials who are close to the problem.

Of course, my staff and I are ready to help at any time, in any way we can.

Sincerely,

JIM SMITH,
Attorney General.

THE ECONOMIC RECOVERY TAX ACT OF 1981

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. CONABLE) is recognized for 60 minutes.

● Mr. CONABLE. Mr. Speaker, along with the Republican leader of this body and my Republican colleagues on the Ways and Means Committee, I am introducing today the legislation which implements the tax provisions of President Reagan's program for economic recovery. The Economic Recovery Tax Act of 1981 spells out the details of the President's individual and business tax reductions.

Individual taxes would be reduced across-the-board over 36 months, as follows: 5 percent in 1981, 10 percent in 1982, 10 percent in 1983, and 5 percent in 1984. The cumulative effect of these phased reductions is a 30-percent cut in individual taxes. When the full individual tax cuts are implemented the span of rates will be reduced from the current 14 to 70 percent to a range of 10 to 50 percent.

The reduction of the top individual rate from 70 to 50 percent will encourage persons in high marginal brackets to direct their disposable income into productive investments. Currently, persons in these high brackets often participate in tax shelters which contribute little to the overall economy. The principle motivation of these taxpayers is to cut their effective marginal bracket. Lower marginal brackets will reduce the attractiveness of tax shelters and infuse more funds into the mainstream of the economy.

Little good comes to the economy when persons find it preferable to invest in tax shelters, gold coins, or oriental rugs instead of enterprises whose enhancement would advance the economy. By placing their disposable income in the economic mainstream, these persons will be staking their personal financial success on the success of the overall economy.

A reduction in the marginal rate of taxation does represent an encouragement to work harder and to save more. As we have gone through a bracket creep process in recent years, our income tax has become increasingly progressive with the result that people have lost incentive to increase their incomes, whether through risktaking or through simply working harder on the opportunities that arise. Thus, there is good economic argument in behalf of this kind of rate cutting.

Accelerated depreciation for plant and equipment is the centerpiece of the administration's business tax reduction plan. The proposal embodies a modified version of the Capital Cost Recovery Act, also known as "10-5-3" or the Jones-Conable bill.

The President's proposal makes some modest and entirely beneficial changes, establishing statutory recovery periods of 18, 15, 10, 5, and 3 years for investment in different categories of depreciable capital assets.

The Economic Recovery Tax Act provides a 3-year recovery period for cars, light trucks, as well as depreciable personal property unused in connection with research and development. Also this category of property would not be limited to the $100,000 annual ceiling contained in the original "10-5-3."

The act provides a 5-year recovery period for equipment and machinery, comparable to the "5" in "10-5-3." To the extent research and experimentation equipment now falls into the "3" category, it obviously would not be in this category. Also, some long-lived utility property may be excluded from the "5" category.

Certain owner-user buildings and public utility property with a midpoint lifetime greater than 18 years are placed in a 10-year recovery category. Thus, this category is a limited version of the "10" in "10-5-3." The term "owner-user building" means a building owned by the taxpayer and operated for a qualified use. Qualified use generally includes industrial, manufacturing, and production operations, plus retailing and warehousing activity. Office buildings would not qualify for 10-year recovery.

Like the accelerated schedule in Jones-Conable, the pattern of recovery for the act's 10-, 5-, and 3-year categories is not uniform. For example, property in the 5-year category is not written off 20 percent a year for 5 years. Rather, the recovery pattern is 20, 32, 24, 16, and 8 percent, respectively, over 5 years.

The Economic Recovery Tax Act also follows Jones-Conable in applying the investment tax credit. Equipment and machinery in the 5-year category would receive the full 10-percent investment tax credit, while property in the 3-year category would receive a 6-percent credit.

The act's treatment of the investment tax credit is, however, more generous than under current law. Current law requires an asset to have an expected useful lifetime of at least 7 years in order to receive the full investment tax credit, whereas the President's proposal and "10-5-3" grant full credit for property in the 5-year category. Similarly, under current law, property with a useful lifetime of fewer than 3 years receives no investment tax credit, whereas the new system would grant such property a 6-percent credit. The investment tax credit is recaptured on a proportional basis in cases where the 5- or 3-year recovery property is disposed of within 5 or 3 years, respectively.

The President's plan also improves the tax treatment of buildings—other than those includible in the 10-year category—by establishing shorter, audit-proof recovery periods. Commercial, nonresidential buildings and low-income residential buildings would be depreciated over 15 years using the straight-line method. Residential rental property would be depreciated over 18 years using the straight-line method.

Current rules regarding the recapture of accelerated depreciation on buildings would become moot under the new system. Recapture generally is based on the excess of accelerated depreciation over straight-line depreciation. Since the act deems most buildings to have a straight-line recovery period of 18 or 15 years there is no excess amount of depreciation.

The Economic Recovery Tax Act phases in the new capital recovery system in a manner similar to "10-5-3." The 3-year recovery property is covered immediately. The 5- and 10-year recovery categories are phased in over 5 years. The 15-year category of buildings is phased in over 3 years, whereas the 18-year category is covered immediately.

Mr. Speaker, this highlights the salient features of the Economic Recovery Tax Act of 1981. My description shows that it implements the tax plan unveiled by the President on February 18. It contains no surprises. Its contents have been debated for at least 8 months. It has strong and widespread support among the populace, and I trust that now we will proceed with prompt action.●

THE DAIRY PRODUCTION ACT OF 1981

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Vermont (Mr. JEFFORDS) is recognized for 5 minutes.

● Mr. JEFFORDS. Mr. Speaker, today I am introducing the Dairy Production Act of 1981. This is a significant piece of legislation, for if this bill is adopted by Congress, the dairy industry of the United States will be making a significant financial sacrifice.

I would like to add, Mr. Speaker, that the dairy support program has been unfairly criticized during this past year. Government inventories of dairy products have been building and many contend that this is because support prices have been too high. The real problem is that the alternatives to dairying have not been favorable. Beef prices have not been at a level which would encourage farmers to cull their producing cows. Consumers, too, have favored buying lower priced pork and poultry, thus keeping downward pressure on beef prices. My colleagues also should not forget that the Carter administration placed an embargo on grain sales to the Soviet Union. Grain prices did not increase as expected, and farmers increased their feeding of concentrates—milk production per cow increased.

Many contend that the support program is costly; an accurate accounting by the administration would show that the program is not costly at all. Most of the product is sold back to private industry or distributed through domestic channels. This money is returned to the Treasury. For example, for the fiscal year 1980, the support program actually cost the U.S. Government $314 million, and not the $1.3 billion that has been reported.

Let us review the record of the dairy price support program: Supports at 80 percent of parity and above have worked well to balance the supply of and the demand for milk. For example, when this body was considering the extension of 80 percent dairy price supports in November 1979, the Congressional Budget Office presented material—through testimony of its Director before the House Committee on Agriculture—which showed that supports at less then 80 percent would lead to an imbalance of supply and demand and eventually higher consumer costs. CBO recognizes, as do many of us who are from dairy producing areas, that a lowering of supports can force farmers out of production, decreasing supply and having a longer-term effect of increasing consumer costs. This happened in the early 1970's when supports were lowered; without the flexible scale for determining supports which I am placing in my bill, it could happen again. It is even more difficult to turn on milk production than it is to turn it off. Perhaps we should spend more of our time trying to cure the ills that exist in the rest of the economy instead of destroying a relatively healthy and important sector such as dairying.

Some people may have the impression that dairy farmers are getting rich. A review of record indicates that farmers' costs are increasing faster than the increase in the amount received for milk. For example, electronic accounting records of average-size Vermont farms show that 52 percent were worse off in 1980 than in 1979. Information from the Cornell University management information summary of 122 New York farms shows that operating receipts per cow increased by 10.4 percent while operating expenses increased by an average of 13.8 percent. Furthermore, a report of the Springfield Farm Credit Bank states, "That the price farmers receive for their milk has increased just enough each year to keep up with the inflation of expenses."

As I mentioned in the beginning of my statement, the dairy industry has made sacrifices before for the Nation and it is willing to do so again. The U.S. dairy industry accepted concessions in the multilateral trade negotiations which allowed for the additional importation of 67 million pounds of cheese, which lowered returns to producers by 25 cents per hundredweight. In addition, the U.S. Government has allowed more than 150 million pounds of casein, a milk protein, to be imported into the United States, even though that product should normally be restricted because it is disrupting the operation of a domestic support program and it is counter to the provisions of section 22 of the Agricultural Adjustment Act of 1933.

Again I say, and the record proves it, the Government inventories of dairy products are building not because dairy supports have been legislated to be at 80 percent of parity, but because the alternatives to dairying have not been favorable. Nevertheless, the administration is asking the dairy farmer

to make a sacrifice by forgoing an increase in supports. For this concession I am hopeful that the administration will take positive action to increase the manufacturing allowance for manufacturers to convert fluid milk to storable dairy products, and raise the sellback price of product to industry from 105 to 110 percent. This latter change will reduce significantly the amount of product held by the Government. Because of the Government's sellback policy of 5 percent over cost, private industry has chosen to let USDA buy and store dairy products.

The legislation which I am introducing today will base supports on the level of Commodity Credit Corporation stocks which the Secretary of Agriculture anticipates to be on hand. The lower the level of stocks, the greater the support price. If this legislation is enacted prior to April 1, there essentially would not be any significant increase in support prices, thus signaling the dairy industry that stocks are too high. Stocks would not again adjust to above 75 percent of parity unless CCC stocks decreased to a manageable level—again an incentive for the dairy industry to decrease the level of production. In addition, my legislation will direct the President to place a quota, based on a 5-year average of imports prior to 1981, on the importation of milk proteins used for food and feed purposes. This action alone could reduce by 280 million pounds the amount of nonfat dry milk held in Government stocks.

I am hopeful that this legislation can be considered quickly by Congress so that the dairy farmers of this country can adjust to no further significant increase in supports while Government inventories of dairy products are high.●

COMMITTEE STAFF FUNDING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. COLLINS) is recognized for 45 minutes.

Mr. COLLINS of Texas. Mr. Speaker, at this time the House is meeting in our own committees—we are constantly meeting—on the subject of committee staff funding. I welcome the gentleman from California (Mr. LUNGREN) sitting on this special order, because he has been working closely on it, and we are all very much concerned. The House Administration Subcommittee on Accounts has been hearing these budgets. They have been discussing them in detail. They have been reviewing them. They sent them on up to the Full House Administration Committee. And today my Commerce Committee went before the House Subcommittee on Accounts, and the gentleman from North Carolina (Mr. BROYHILL) represented the minority viewpoint and our chairman, the gentleman from Michigan (Mr. DINGELL) presented the viewpoint from the Democrats' side.

I find in Congress that we tend to criticize, but we never criticize our own committee. And since I have very serious doubts and grave concern about this entire committee staff funding, I want to tell the Members that I am as much opposed to my own committee as I am to any committee that is coming up.

Now, when I was listening there today, I heard Chairman DINGELL of our Commerce Committee make this statement. He said:

> This country has many, many problems. We have many, many problems. We need a bigger committee to take care of these problems.

Well, I will tell you, he is right. This country has many problems. But Congress does not solve the problems; Congress is the cause of the problems. The problem we have in this country is that we just have too much government. We have more government than we need. We have more regulations than we want and, heaven knows, we have more taxes than we can afford to pay.

What we have to do is to take action where it all starts. It all starts with this committee staff funding. These committees, as staff grows and they grow and they grow, staffs have to generate more and more and more work, because the more work they generate, the more it rises them up in the level of the committee, and then they can have two or three staffers under them, and it gets to be a bigger title and higher remuneration.

I want to tell the Members one thing about this Energy and Commerce Committee on which I serve. It is a great committee. I am proud to be on it. But Commerce is not a committee; this is an empire.

Back in 1973, when I was on the Commerce Committee—I checked the figures—back then we had 56 total staff, and that was plenty. That was more than adequate. Fifty-six staff. Do the Members know that right back here in this hearing room what they were asking for today? One hundred and seventy-seven. One hundred and seventy-seven staff.

Now, they make the statement that energy is a big problem in this country, and they are right. But I will tell the Members when energy got to be a big problem in this country was when we started taking over in the Government.

Back in 1973, when we had 56 people, they said we need more people running the energy business here in Congress, we need more experts. The trouble was that our country was dependent on foreigners. We were not dependent on foreigners at all then. We were importing $3 billion in oil. Today, this year, we imported $80 billion in oil. In 7 years of Government intervention, Government planning, all of this Government committee leadership, our imports have grown from $3 to $80 billion.

Congress does not solve the problems. Congress is the problem.

Let me go into some of these deals about how busy this Energy and Commerce Committee is. I want to tell the Members the subcommittees really are busy. I serve on three subcommittees and they are meeting all the time. You just can hardly close one door before another one opens.

We made a check last year on the committees in the House, the subcommittees, to see who was doing the work around here. We have six subcommittees in our Commerce Committee. I want to tell you where ours stood, so far as hours they worked last year. No. 1, No. 2, No. 3, No. 5, and No. 7. We met all the time. And the more we met, what happened? The more energy we import, the more regulations we put on the back of business, the more problems America has. They tell me that industry today has real problems because they cannot buy new machinery, they cannot buy new equipment, they are putting all of their funds into clean air. They do not put all of it in clean air in Japan; they put it in jobs. We do not need all of these regulations. The best thing we could do would be to start working this year to modify excessive regulations.

I just mentioned the fact that our staff has grown in the Commerce Committee from 56 to 177 between 1973 and 1981. But I want to tell the Members where staff is growing. It is growing on the Democrat's side. They are the ones who demand all of this extra counsel. They are the ones who have all of the topheavy staff. If the committee gave every one that we asked for on the Republican side, we would not get but 31. And if the Democrats took twice as many, that would be 62 for them. The Commerce Committee would not need but 93. Heaven knows, we do not need but 56. But to talk about 177.

It is interesting, and we should bear in mind that in our body, in the House, we have a much larger committee staff than they do over in the Senate. I know the Members of the House well, and I have the highest respect for my friends. They are gentlemen, they are scholars, they are diligent. We are just as smart as the people are down there at the other end of the Capitol. But for some reason the House needs a lot more staff to advise us on what to do over here. It takes 60 percent more, 60 percent more committee staff—that was the record last year—60 percent more money was spent for committee staff

here in the House then they spent over on the Senate side.

Now, it is interesting that this year there is a lower staff budget on the Senate side because the Senate is controlled by the Republican party, and the Republican party said, "We are going to cut the budget, we are going to cut spending."

Now, over here the issue is squarely with the Democrats. The issue is squarely on their side of the aisle. Are they going to take the lead? Will the Democrats cut back that 60 percent margin of overpadding, of overstaff, that we have over here, or will the Democrats come through and ask again for a big increase?

I yield to the gentleman from California, (Mr. LUNGREN).

Mr. LUNGREN. I thank the gentleman for yielding, and I want to commend him for being the leader in this fight for the past several years.

One indication of the effectiveness of the gentleman in the well I think is seen in the fact that we have taken off the calendar for 2 weeks in a row now the schedule of seven of our first committee funding resolutions. The scuttlebutt now heard is that we are going to take all of the committee resolutions together, put them in one package, and only allow us a single vote on it, and I would say to the gentleman in the well that he has been extremely effective, so effective that some who differ with him apparently feel we have to go to those ends to try to defeat his efforts.

I would say to the gentleman that I think there are a number of Members on the other side of the aisle, though they be Democrats, who would go along with us, but it is going to be extremely difficult for them to do so on particular committees if they only have one vote, an up-or-down vote on whether we should fund this place at all.

□ 1345

Then it becomes a question of party discipline to support that. Then we have defeated our very purpose here. I think the gentleman has pointed out that we have had an explosion of staff in this place.

One of the problems we have is that it is a self-defeating proposition. We create staff to take care of us because we have so many committees and subcommittees. The reason we have so many committees and subcommittees is that we will not discipline ourselves and really get down to just a few assignments. We realize we cannot be everywhere, so we need staff to cover for us.

The staff, to make sure that they stay on, generate more work. We find more work we cannot do, so we create more staff to take care of that work, and it never ends.

It seems to me if we are ever going to get down to the question of reorganizing this institution which we both love, we are going to have to do two things: first, get rid of proxy voting on committees.

Mr. COLLINS of Texas. If I could just interrupt the gentleman right there, that is what happens when we get on too many committees around here. Mr. LOTT, our Republican whip from Mississippi, has made a strong issue of that; this letting Members just sit around and leave proxies all over the place instead of being in hearings and speaking for themselves. I am glad you hit that one right at the first, because that is a very serious issue.

Mr. LUNGREN. And so, Mr. Speaker, we have two things that go hand in hand: Proxy voting which allows us to be there when we are not there, and excessive staff which allows us to do things that we cannot do ourselves. The upshot of all of this is that we do not pay attention to many of the bills in the subcommittee or committee stage because you go prepared to have hearings, you go prepared to listen to the evidence, you go prepared to make up your mind based on the evidence that is presented, and maybe everybody there decides, based on the evidence that is presented, that there is one way to go, but a chairman or someone else will pull the proxies out of his pocket and vote the opposite way for those people who never had the benefit of those hearings that were actually taken.

It then happens on the committee level where proxies are allowed to be voted.

Then we come here on the floor of the House and we have bills that really are not in good shape. What happens when we on the minority side attempt to bring amendments and some on the majority side bring amendments? We get criticized by the leadership for slowing down the process and for attempting to put roadblocks in the legislative progress.

The fact is that much of the legislation is not being dealt within the subcommittee level, the committee level, and then by the rules we adopt on the floor, which do not allow us to take care of those problems, it is not being dealt with on the floor.

So, the committee staffing goes beyond us picking up the cudgel thrown by the President of the United States to try to slim down Government to its regular size so that we are fighting trim instead of being overweight and trying to slug ourselves through a fight that we cannot win. It goes to the very question of how this institution operates.

If we are elected by the people to make those decisions, we ought to make those decisions; they should not be made by staffers who in some ways—and there are many, many good staffers, I do not mean to say that there are not—but there is a certain feeling that develops after awhile when you are here long after the Members are here, when you stay on the committees and the subcommittees long after they do.

I had a freshman Member come to me today and say during a hearing he and another Member got together to bring up an amendment and they asked one of the counsel to come over. The counsel said, "Well, have you checked with this staff person and that staff person, and that staff person?" He named three staff people. "Well, if you have not checked with those staff people, I would suggest that you not introduce this amendment during this markup proceeding."

Now, what does that mean? It means that we have turned this place on its head. There is no justification for the growth we have had in staff. Two years ago the entire professional staff of the Committee on Education and Labor went to the People's Republic of China. I have waited with bated breath to find out what pearls of wisdom they have brought us back from the Communist regime in China as to how we can better have labor relations in this country or how we can better educate our children. You know, I am still waiting, because I doubt we can learn much in the People's Republic of China about our labor relations and our educational institutions which I thought were the reasons that we had a Committee on Education and Labor.

We all know that it goes on. It is something that we keep quiet about here on the Hill, and we should not keep quiet about it. The American people are looking at us. I would hope sometime that the press, who are so interested in watching when we do our daily dance or yearly dance on pay raises for Members of Congress and then leave as we discuss something else which probably costs 40 times as much, would pay a slight bit of that attention to how we organize ourselves, to the fact that we are overstaffed here, to the fact that on some committees you have four and five and six and seven and eight people just on the top who are making over $30,000 or $35,000 a year which would put them in the upper brackets of anybody's district in this country.

Mr. COLLINS of Texas. If the gentleman would pause just there, I appreciate what he is saying. I remember February of last year when we spoke on this same subject of "Are committee staffs too high, can we cut back?" and they thundered the vote over us. But we are back to it again.

I want to mention my own Energy and Commerce Committee because we do have many very capable people, but I did not know how many we had. We

have in this committee 45 people making over $39,500—that is 45 people who are making over $40,000 salaries in that committee staff—and we have 21 that are making over $50,000. Now that is a lot of executives that are in that one committee.

One other thing I would like to bring out when we are talking about these committees: Our side of the aisle, the Republicans, are not the ones asking for all this excess staffing. Apparently we catch on to things more quickly. I do not know why they need so many people on the other side of the aisle.

I was ranking member for 4 years on the Oversight and Investigations Subcommittee. The Democratic majority always assigns the staff and they gave me one. But they had 31 on their side—31 for them and 1 for Republicans.

Well, right now I am the ranking member on the Subcommittee on Communications. They asked me how many we needed and I said one. We have gotten 1 and they are asking for 18.

Now, it is obvious where the big load is. It is obvious where the bloated committees are. The Democrats have got to face up to this issue.

As the gentleman said so well, President Reagan has given America a challenge. He has given us an absolutely necessary basic issue that the Democrats have to face. And where it will be faced first is right here in Congress. We have got to cut down on the size of our committees so we can cut Government spending.

While we are talking about this, I like to keep coming back to the Senate because over in the Senate they divide their committee staffing two to one. In other words, the majority takes two and the minority takes one.

Over here in the House where Republicans make up 44 percent of the membership—44 percent of the House are Republicans—they give us 1, and they take 18. Now, that looks to me like an overloaded deal, and it is obvious where the overload is coming from.

The ranking Republican of our committee came in and he said, "I'm asking that the Commerce Committee cut its budget by 10 percent of what they spent last year."

Now, the gentleman from North Carolina was taking a very moderate position. I think we ought to cut it by 50 percent. But Mr. BROYHILL just asked them to cut it by 10 percent. I will be interested in seeing, just as you will, what the figure is when it comes to the floor.

Now, one final thing I wanted to bring up about committee staff. We do not want to see people lose their jobs. I want people to have jobs. That concerns us down in Texas more than anything, that people have jobs, people work for a living. The chairman of our committee, before House Administration, made this statement which is interesting. As you all know, staff are not on civil service; they are just temporary employees. But they are most talented and our chairman said:

> Every person on our staff committee could leave our committee, go downtown and get a job where he would be making probably twice as much money.

Now, I think that is advancement. What we are going to do, we are going to do something for all these staffers on the committee, these $50,000 people are now going to be able to make $100,000 because they will be able to go downtown and work in civilian life. We are not creating any job loss; we are just giving them an opportunity to move forward in civilian life.

This committee staff funding issue is coming up. I hope it does not go on a party line vote. I hope we vote for what is good for the country. The challenge for saving money rests on the Democratic Party.

Let us provide a great example of austerity for progress.

INTRODUCTION OF A GI BILL PROPOSAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. HUNTER), is recognized for 5 minutes.

● Mr. HUNTER. Mr. Speaker, during the recent Armed Services Committee testimony presented by the Joint Chiefs of Staff, I was particularly impressed by the importance they placed on manpower—or, more specifically, the lack thereof. All acknowledged that the substantial improvements in pay and allowances approved by Congress during 1980 had brought us back from the brink of disaster. It is obvious that while we may no longer teeter on the edge, we have moved only a few feet back; the massive chasm is still quite visible.

Our committee is deeply concerned about readiness and this year reorganized the subcommittee structure to focus more attention in this area. During questioning by panel members, the Joint Chiefs pointed out that no matter what the state of our weapons systems, spare parts or maintenance, readiness was an empty term without sufficient skilled and motivated people. Getting directly to the point, the Chief of Naval Operations made clear that his No. 1 problem was still personnel.

The 96th Congress made major, if greatly overdue, changes in the military compensation system. According to service officials, these revisions are already being reflected in a substantial increase in retention rates. This is indeed cause for jubilation, but we should not be blinded by this initial flush of success. Like a first-period touchdown, it is exciting to the fans, but an awful lot of time still remains on the clock.

During my election campaign, I had the opportunity to talk with literally hundreds of young men and women on active duty in the Nation's Armed Forces. They were very candid about what was right and what was wrong with a military career. These gripe sessions were an education for me, even as a Vietnam veteran, and will prove invaluable in my work on the House Armed Services Committee. Aside from the obvious concerns about pay, medical care, family separations, and other quality of life items, I was particularly impressed by the importance which they placed on education, or more correcty, the lack of an adequate education program for veterans.

In a supposed economy move, Congress in 1976 abolished the GI education bill and replaced it with a contributory plan, the post-Vietnam-era veterans education assistance program, commonly called VEAP. It has proven to be a dismal failure. It is time to rethink this decision and reestablish a more comprehensive education program in return for service in the Armed Forces.

During fiscal year 1980, for the first time in several years, the services met their numerical recruiting goals. This may be only a temporary phenomenon, unfortunately, due more to the general state of the economy than to the new-found attractiveness of a military career. In addition, we should be very concerned over the caliber of recruits because the percentage of individuals entering the service with high school diplomas continues to decline. With the increasing sophistication of our weapons systems, we desperately need to raise, not lower, the education level of our military personnel. The current monetary enticements to military service are simply not accomplishing the job they were intended to do.

Frankly, I believe we can make a good case to some of the best of our high school graduates who for financial or other reasons are unable to go immediately on to college that they spend a certain number of years in the service of their country in return for substantial Federal assistance in financing their educations. In the current budgetary dilemma, we need to carefully reexamine the $5 billion being spent for Federal higher education aid, on a no-strings-attached basis, to determine whether revisions may be required. It is not unreasonable for the Nation's taxpayers to expect some type of repayment in return for an education; military service should be the top priority.

A new GI bill, along with adequate pay and selected enlistment and reenlistment bonuses for shortage areas,

would go a long way toward improving the number of recruits and, more importantly, the quality.

As the Washington Star recently titled an editorial on the issue of military manpower, we have a "GI Bill Without GI's." The Nation's taxpayers are underwriting billions of dollars in higher education assistance at a time when our Armed Forces go begging for good people.

As the caliber of recruits declines, the sophistication of our weaponry increases by leaps and bounds. Without replacement of the skilled technicians who have left the services in droves in the past few years and a major upgrading of new manpower accessions, I fear we are on a collision course. Now is the time for decisive action. We must continue the trend begun last year of assuring that the pay schedule keeps pace with inflation and that special incentive pays and bonuses do not fall so far behind that they become meaningless. Additionally, we should reestablish a GI bill for education. It will not be a cure-all and should not be designed as such. It should be a major, highly visible and easily understandable component of the military compensation package and I urge such action this year. The bill I am introducing today will be a first step in that direction.●

NINE-DIGIT ZIP CODE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. FORD) is recognized for 5 minutes.

● Mr. FORD of Michigan. Mr. Speaker, last week I wrote Postmaster General Bolger expressing my concern about the failure of the Postal Service to clarify to the American people the plans for the development of the nine-digit ZIP code. My letter included questions reflecting the major areas of concern which had been brought to my attention.

This morning I received a response from the Postmaster General. I bring this correspondence to the attention of the House so that all Members will have an opportunity to study the Postal Service's position. The Committee on Post Office and Civil Service has scheduled hearings before the postal subcommittees chaired by Mr. CLAY and Mr. LELAND, to be held Thursday, March 12, 1981. I hope that at that time any further questions will be brought to the committee's attention.

I insert in the RECORD a copy of my letter and the response from the Postmaster General:

COMMITTEE ON POST OFFICE
AND CIVIL SERVICE,
Washington, D.C., March 2, 1981.

Hon. WILLIAM F. BOLGER,
Postmaster General,
U.S. Postal Service,
Washington, D.C.

DEAR MR. POSTMASTER GENERAL: The issue of the nine-digit ZIP code is very much in the public mind and many questions have not been answered. I would appreciate your providing specific answers to the following questions:

1. What effect, if any, would an expanded ZIP code have upon postal employees now or in the future? Would any layoffs result?
2. Will any mailer, either a business mail user or private citizen, be required to use the nine-digit ZIP code?
3. Would the level of service provided ordinary first-class mail differ if a mailer used a nine-digit rather than a five-digit ZIP code?
4. How much would it cost to install the machinery necessary to implement the nine-digit system? What is the estimated return on investment?
5. What plans do you have to ensure that American business enterprises will be involved in the manufacture of any equipment used?
6. What assistance does the Postal Service plan to provide for mailers who demonstrate a willingness to convert their mailing systems to a nine-digit program?
7. If mailers are willing to use the new system, will any financial incentive be provided? Do you have an estimate of the cost of conversion for the business mailer? Do business mailers agree with your cost estimates?
8. Would it make any substantial difference if the ordinary citizen continued to use only a five-digit ZIP code on their personal mail rather than the nine-digit ZIP code?
9. How will the Postal Service make the new ZIP codes available to business mail users and the general public?
10. Many complaints have been made that postal employees required ordinary citizens to put ZIP codes on parcels and other mail matter when presented for mailing at postal facilities. Is there any requirement that individuals use the ZIP code today? What effect upon postal costs and future rate increases do you estimate will occur if the nine-digit ZIP code is adopted? If it is not adopted?
11. What advantages do you see in a nine-digit ZIP code rather than one of numbers and alphabetical letters such as are used in some foreign countries?
12. What role to date has the Board of Governors played in the development of the nine-digit ZIP code plan? Please describe presentations to the Governors which have been made by Postal Service officials and what specific policies and decisions have been adopted and made by Governors?
13. What role will the Postal Rate Commission have in the implementation of the nine-digit program?

With kind regards,
Sincerely,

WILLIAM D. FORD,
Chairman.

THE POSTMASTER GENERAL,
Washington, D.C., March 9, 1981.

Hon. WILLIAM D. FORD,
Chairman, Committee on Post Office and Civil Service, House of Representatives, Washington, D.C.

DEAR BILL: This is in response to your March 2 letter posing a number of questions concerning the ZIP + 4 Program and its effect upon mail users and postal employees.

Enclosed please find the answers to your questions. If I can be of any further assistance or if you require additional information, please contact me or Edward Horgan, Assistant Postmaster General, Government Relations Department on 245-4181.

Sincerely,

WILLIAM F. BOLGER.

QUESTIONS AND ANSWERS—ZIP + 4

1. What effect, if any, would an expanded ZIP Code have upon postal employees now or in the future? Would any layoffs result?

Current projections indicate a cumulative reduction of 15,600 work-years during the deployment period ending in 1987 when the ZIP + 4 system will be fully in place. The Postal Service does not intend to lay off any employees. The current employee attrition rate is about seven percent or 45,000 persons annually. This rate is expected to continue over the next several years, creating ample potential for letting certain jobs go unfilled rather than laying off employees.

2. Will any mailer, either a business mail user or private citizen, be required to use the nine-digit ZIP Code?

No private citizen or business mailer will be required to use the ZIP + 4, except those mailers who wish to take advantage of the rate incentives to be proposed by the Postal Service. In fact, the Postal Service would support legislation which makes it clear that the use of the ZIP Code is not mandatory unless mailers would want to qualify for rate incentives.

3. Would the level of service provided ordinary first-class mail differ if a mailer uses a nine-digit rather than a five-digit ZIP Code?

The Postal Service does not plan any significant changes in its current service standards as a result of the ZIP + 4 Program. The standards will be the same for five-digit and nine-digit mail. In the long run, implementation of the ZIP + 4 and automation could make achievement of these service goals somewhat easier for mail bearing the ZIP + 4 in that they provide a greater depth of sort capability with less missorting errors. However, the potential for more reliable service for ZIP + 4 mail because of the greater accuracy of automated processing will not come at the expense of current delivery times for other mail and will not be enough to change service standards.

4. How much would it cost to install the machinery necessary to implement the nine-digit system? What is the estimated return on investment?

The total equipment-related investment required to implement the ZIP + 4 Program will be $886,784,000. The specific equipment installation costs for Fiscal Years 1981-1986 will be $39,238,000.

Based upon a potential mail volume of one-half of the current First Class Mail volume (about 90% of the 30 billion pieces of First Class Mail compatible with optical character reader processing), if the expected volume of First Class Mail materializes, the return on investment will be 48.5%. If ZIP + 4 usage amounts to only 50% of the expected volume, the return on investment is reduced to 30%. If no ZIP + 4 mail is processed through the equipment, the return on investment will be 22%. The return would be 37% if current three-and five-digit presort volumes doubled and 43% if equipment costs rose 20% above current estimates. Finally, if only the Phase One

$316 million procurement were made, the return on investment figure for the system would be 32%.

5. What plans do you have to ensure that American business enterprises will be involved in the manufacture of any equipment used.

The Postal Service made it clear that the contracts for optical character reader and bar code sorter equipment will be awarded to American firms and that the equipment will be manufactured in the United States. In addition, the Postal Service has insisted that no more than 25% of the components of the initial 10% of the units ordered can be of foreign manufacture, a standard far more stringent than that required by the Buy American Act. At present, four American firms, E Systems, Burroughs, Pitney-Bowes, and Ford Aerospace, are competing for two contracts for the manufacture of optical character readers. The closing date for the receipt of bids for these contracts is April 13, 1981. With respect to bar code sorters, a number of domestic and foreign manufacturers are competing for the contract to provide a prototype for testing purposes. If a foreign firm is selected to provide the prototype, the same ground rules discussed above in connection with the optical character reader procurement will prevail.

6. What assistance does the Postal Service plan to provide for mailers who demonstrate a willingness to convert their mailing systems to a nine-digit program?

The Postal Service will make available to mailers completely audited state and national computer tapes which can be used to convert computerized customer files from the current ZIP Code to the ZIP + 4. If mass mailers desire, documentation and software programs developed and used by the Postal Service for converting its files and those of other Federal agencies can be made available for informational purposes. The Postal Service will also assist mailers who maintain manual address lists with the conversion to the ZIP + 4 should these mailers choose to convert.

7. If mailers are willing to use the new system, will any financial incentive be provided? Do you have an estimate of the cost of conversion for the business mailer? Do business mailers agree with your cost estimates?

At the March meeting of the Postal Service Board of Governors, a proposal was presented which would provide for a one-half cent per piece incentive for OCR-readable First Class Mail bearing the ZIP + 4 (except First Class Mail presorted to a carrier route). In order to take advantage of this incentive, mailers would have to tender their mail to the Postal Service in lots of 500 pieces. The Postmaster General will ask the Governors at their April meeting for permission to file this proposed classification change with the Postal Rate Commission later that same month.

Although estimating the total cost for business mailers to convert their mailing list files to the ZIP + 4 is complicated by such factors as the number of mailers who will voluntarily convert and the diversity of the file systems to be converted, several assumptions are possible. The conversion cost for small, noncomputerized mailers should be minimal because the Postal Service will assist them in updating manual lists. With respect to computerized lists, the estimates which the Postal Service has received from large list processing companies for converting such lists range from one-half cent to one cent per address. Inasmuch as each of the approximately 80 million delivery addresses appears on 100 different lists, the total estimated conversion costs will range from $40 million to $80 million. Some individuals who have testified before various Congressional Committees and some Members of Congress have used substantially higher figures to document their opposition to ZIP + 4. The Postal Service considers these inflated figures. It should also be remembered that ZIP + 4 is an entirely voluntary program targeted only at volume First Class mailings. No individual or business mailer is going to be forced to use the add-on. Mailers will use the ZIP + 4 only if it is in their financial self-interest.

8. Would it make any substantial difference if the ordinary citizen continued to use only a five-digit ZIP Code on their personal mail rather than the nine-digit ZIP code?

As indicated in the response to Question 1, the same service standards will prevail whether an item bears the current ZIP Code or ZIP + 4. Any increased reliability in the processing of ZIP + 4 mail will not be achieved at the expense of other mail.

How will the Postal Service make the new ZIP Codes available to business mail users and the general public?

The Postal Service intends to make audited conversion tapes available to business mailers who request them starting in June of this year. In addition, the procurement process for a toll-free telephone system capable of handling 100,000 calls per day is in the technical evaluation stage. The Postal Service also intends to notify households of their four-digit add-ons in the event that they might wish to use them. It is also planned that local post offices have local ZIP + 4 directories so that they might provide information to interested citizens. It should be noted that since ZIP + 4 is a voluntary program, it is in the interest of the Postal Service to insure that mailer access to the code is as convenient as possible.

10. Many complaints have been made that postal employees required ordinary citizens to put ZIP Codes on parcels and other mail matter when presented for mailing at postal facilities. Is there any requirement that individuals use the ZIP Code today? What effect upon postal costs and future rate increases do you estimate will occur if the nine-digit ZIP Code is adopted? If it is not adopted?

There is no statutory or regulatory requirement that individuals or business mailers use the ZIP Code, unless they wish to take advantage of bulk rates or presort discounts. The Postal Service would support legislation to insure that the ZIP Code would not be mandatory unless mailers would want to qualify for rate incentives.

With the implementation of the ZIP + 4 Program, the Postal Service would expect to save $597 million in Fiscal Year 1987, building thereafter to more than $1 billion in annual savings following ten years of full-scale operation. These savings represent amounts which would not have to be recovered through postage rates, thus creating the prospect of less frequent and lower postage rate increases. Conversely, if the Postal Service were not able to capture these savings through automation, the billions of dollars in lost savings would have to be paid by postal ratepayers.

11. What advantages do you see in a nine-digit ZIP Code rather than one of numbers of alphabetical letters such as are used in some foreign countries?

The original Postal Service analysis of ZIP Code expansion considered number codes, letter codes, and a combination of the two. It was decided early on to use the current five-digit code as the basis for the expansion since any radical change in the current code would result in an immediate and costly drop in ZIP Code use and a rise in mailer conversion costs and Postal Service sorting costs. A wholly numeric add-on was selected based upon the current state of optical character recognition technology. From the Postal Service's and industry's extensive experience with number and letter character readers, the Postal Service was able to extrapolate probable recognition rates for numerical codes, alphabetical codes, and combination codes. Wholly numeric codes produced far greater recognition rates than the others.

Retaining the original five-digit code presented an additional advantage in that the general public could still use the existing ZIP Code and, during the phased introduction of the ZIP + 4, the Postal Service could sort the conventionally ZIP-Coded mail using the optical character recognition equipment. Finally, four additional digits were determined to be the minimum number of additional numeric digits necessary to allow reassignment of addresses between routes as population density changed.

12. What role to date has the Board of Governors played in the development of the nine-digit ZIP Code plan? Please describe presentations to the Governors which have been made by Postal Service officials and what specific policies and decisions have been adopted and made by Governors?

The Board of Governors has been kept well informed of the progress of the ZIP + 4 proposal over a period of several years. The Board has been briefed frequently by the Postmaster General, who has benefitted from their advice, even to the point of adopting the name for the program suggested by one of the Governors. The Board has regularly reviewed and improved information on the program which has appeared in recent annual reports and comprehensive statements on postal operations. It has also considered and approved the $316 million capital investment for the equipment necessary to implement Phase 1 of the ZIP + 4 Program and will consider at its April meeting the request of the Postmaster General for permission to file the ZIP + 4 rate incentive package with the Postal Rate Commission.

Enclosed are copies of the proposal advanced to the Board of Governors on the ZIP + 4 and an addendum to it requested by the Board at its November 1980 meeting.

13. What role will the Postal Rate Commission have in the implementation of the nine-digit program?

The Postal Service will file with the Postal Rate Commission, probably in April 1981, a request for a recommended decision on a proposed classification change to create an incentive for the use of the ZIP + 4. The Commission will consider the filing and make its recommended decision in accordance with the applicable provisions of Chapter 36 of title 39, United States Code.●

NOW ACCOUNTS—ONLY THE WEALTHY NEED APPLY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, a recent article in the Wall Street Journal gave further evidence that my statements concerning NOW accounts were both accurate and justified. Time and time again I have warned that NOW—negotiable orders of withdrawal—accounts were only for the rich and that they did nothing for small consumers.

The article states:

Now that the program is nationwide—since January 1—bankers across the United States agree such an account isn't for the blue-collar type who can't keep more than a couple of hundred dollars in it.

Amazingly, the very bank service once advertised in the New York Times as "the ultimate bank account" is now determined by the banking community not to be for the blue-collar type.

Quoting Dan Chapman, a senior vice president of First National Bank of Dallas, NOW depositors, "tend to be upscale consumers in white-collar jobs with incomes over $30,000." Once again I say to you that allowing for nationwide NOW accounts without assuring small accountholders' participation was a mistake.

As far as I can determine, NOW accounts have accomplished just what I said they would. They have helped fatten the pockets of the banking industry at the expense of the people who need the most help. Everybody should have a shot at these services, not just the wealthy. There is no way NOW accounts will provide any economic relief or advantage to small depositors.

My stand on this legislation is well documented. Even when I offered amendments which would have made NOW accounts available to those with minimum deposits of $100, it was defeated.

I am convinced, more than ever, that NOW accounts are a ripoff and a product of the biggest media blitz in banking history. Consumer confusion has replaced consumer information and it is becoming more apparent that my worst fears are being realized.

The less sophisticated consumer opening a NOW account is often placed in the position of unwittingly supporting the NOW accounts offered by the profiteering financial institutions.

Congress should pass legislation that benefits everyone, not just a chosen few. It is my hope that when Congress considers future legislation, the impact on all consumers is fully weighed.●

REINTRODUCING LEGISLATION CREATING NATIONAL PRODUCTIVITY COUNCIL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LUNDINE) is recognized for 20 minutes.

GENERAL LEAVE

Mr. LUNDINE. Mr. Speaker, I ask unanimous consent to revise and extend my remarks, and that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of this special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LUNDINE. Mr. Speaker, a year ago I took the well in this House to discuss what I believe is the most difficult and critical problem facing the United States: The decline in productivity growth. I said then that Congress had to "focus its efforts on putting the puzzle together and launching a comprehensive strategy" to improve productivity. Although productivity was at that time already a buzzword on Capitol Hill, little was being done about it and the outlook was not encouraging. Unfortunately, I am afraid the same can be said today.

There has been so much talk on the subject of productivity that perhaps it is worth reminding ourselves why prompt action in this area is so important. As I see it, there are at least four reasons why improved productivity must be a top priority for the Federal Government. First and foremost, I believe productivity is the neglected long-term key to our fight against inflation. It is obvious that when the costs of labor, raw materials, and physical plant increase, those higher costs will be translated entirely into higher prices for goods and services—unless productivity is improved.

The second point is closely related: Low productivity growth is contributing to the weakening of the dollar by reducing the competitive edge of American products and thereby undermining the balance of trade.

Third, steady productivity growth is important to expanding employment. Here, the relationship is perhaps less obvious and may contradict the assumption among many people that productivity simply means fewer people doing the same amount of work. But, as we should learn from the current discussions of supply-side economics, more cost-effective production is the key to business expansion and thus to expanded employment.

Finally, these benefits add up to a social, or political, argument for a strong productivity policy. As we have progressed through successive anti-inflation policies in the last few years, Americans have been asked repeatedly to make sacrifices. I believe the country is willing to make those sacrifices, but only if there is a visible and realistic path toward improvement ahead. To date, there has not been. A comprehensive and coherent policy for improving productivity can provide that crucial glimmer of light at the end of the tunnel.

When I addressed the House a year ago on this subject, the Economic Report of the President for 1980 had just been released. That report was rather fatalistic on the question of productivity. "Since it is difficult to identify a single cause for a slowdown in productivity growth," the report declared, "the immediate prospects for improvement in productivity are not good." The attitude of Mr. Carter's Council of Economic Advisors eventually improved. The final economic report of President Carter, released in January, abandons last year's gloomy prognosis and asserts unequivocally that "a program to stimulate productivity growth must be a keystone of economic policy."

Intentions, however, have yet to be transformed into reality. The sad fact is that there is no Federal program to foster productivity improvement. Several Federal activities scattered among various agencies, and amounting to more than $2 billion, do contribute to private sector productivity. But the closest the Federal Government has come to establishing a productivity program which might coordinate these disparate activities and set clear productivity improvement goals is a deservedly obscure entity known as the National Productivity Council, established by President Carter under an Executive order in October 1978. The record of that Productivity Council is a travesty upon its very name. Since 1978, the Council has convened on exactly four occasions and has garnered a barely full-time staff of two people with no funding.

Last year, I characterized the Council as an interagency group which rarely meets and accomplishes little. This year, I am spared the embarrassment of repeating myself since the General Accounting Office, in a thorough evaluation which has just been released, has provided its own assessment. The GAO notes that the key responsibilities assigned by the President to the Productivity Council were: First, coordinating and supervising productivity activities throughout the Federal Government; second, identifying for the President and the Congress key issues pertaining to productivity improvement; and third, serving as a focal point within the executive branch for productivity issues, with special liaison to business, labor, and academic leaders on this subject. The GAO report concludes that the National Productivity Council has not effectively accomplished any of these functions.

In other words, as a government and as a nation, we have been wasting our time—time which we cannot afford to lose. The Council's inactivity has coincided with a 2-year period of national

productivity decline—only the second—and now the longest—such period since World War II. The Council's poor performance would be less discouraging if it were an isolated event. Unfortunately, it is the fifth unsuccessful productivity group to be formed at the Federal level in the past decade.

Against that background of past failure, I welcome President Reagan's determination to make a fresh start. I am particularly pleased that the President has given productivity a high priority in his recent statements, and I look forward to working with him. Toward that end, I am today reintroducing legislation which I first offered a year ago, which would create a statutory, visible, fully funded, and fully staffed National Productivity Council. This proposed Council is fashioned upon recommendations of the General Accounting Office and I believe it can succeed where its forerunners have failed. This Council would be assigned specific and important responsibilities which the GAO has concluded, on the basis of its past experience, will be essential to a successful Federal productivity effort.

These responsibilities will include: First, the formulation and annual revision of a national productivity improvement plan; second, analysis of those Federal activities which hinder or encourage improved productivity in the private sector; third, legislative and regulatory recommendations to the Congress for enhanced productivity; fourth, consultation with representatives of business, labor, and academic institutions on the subject of productivity improvement; and fifth, coordination of various Federal activities related to productivity.

Why do we need this Council? Above all, because when we have $2 billion worth of independently evolved programs affecting productivity, we need to have some coordination of them. We need to analyze the effectiveness of our total effort, to assess where the gaps are in that effort, and to discover what more could be done.

For example, in its recent report, the GAO found that current Federal expenditures in the area of productivity were not evenly distributed among activities related to productivity. "Less than 2 percent is spent for improving human resources through programs for skill training, improved labor mobility, job security, and labor-management cooperation," the report found. I believe that an active, forceful, and respected National Productivity Council could help to redress such imbalances by calling them to our attention and by suggesting corrective measures.

The Council could similarly restore a balanced perspective to the current obsession with business investment as the total cure for lagging productivity. Certainly, increased capital formation is an important component of any effort to improve productivity, but investment alone is not the answer—a fact which we are in danger of forgetting. Today, we are poised on the brink of accepting a multibillion-dollar tax cut for accelerated business depreciation which has been promoted as a panacea for declining productivity growth.

Yet, as even Business Week's analyses have shown, the Capital Cost Recovery Act has a highly differentiated effect on various industrial sectors—some benefit greatly, others benefit very little. As we well know, there is already a considerable range of productivity growth rates within the private sector. The proposed tax benefits of the 10-5-3 legislation do not always correspond to the sectors in need. As Pat Choate and Gail Schwartz point out in a recent book on sectoral revitalization, we need to know whether across-the-board tax incentives would encourage the flow of capital into those vital industries that need it the most in order to modernize and ultimately become more productive. The historical precedents would suggest the opposite.

Faced with such crucial policy dilemmas, I am convinced the existence of a professional National Productivity Council could be extremely helpful. We need a neutral third party whose sole concern is the Federal impact on productivity and to whom we can turn for reliable advice. In short, we need an unrelenting spokesman who will keep the issue of productivity uppermost in our minds and make us aware of how Federal policies affect it.

There is, of course, considerable hostility today toward any proposal to create a new Government organization. Not surprisingly, some of that antagonism was directed last year toward my proposal for a new Productivity Council. Let me assure those critics that I share their skepticism and their concern about Government bureaucracy. Moreover, I fully acknowledge that the crucial decisions affecting productivity growth will be made in the private sector.

Nevertheless, we must face the fact that we live in a mixed economy, and that a Federal Government which spends more than 22 percent of gross national product and whose taxing and regulatory policies broadly affect the private economy, ought to have some agency within it that attends to the Nation's No. 1 economic problem. Governments of other industrialized nations such as Japan and West Germany are much more involved with labor and business in developing a consensus policy for maintaining high productivity growth. We would do well to take our cue from their success.

My proposal for a statutory Productivity Council would not add to the burden of government but, rather, would respond to a serious weakness in governmental performance. As the recent GAO report noted:

> All key economic decisionmakers in recent years have recognized the importance of productivity growth to our economic strength. Yet, when economic policies are made, productivity concerns seem to be given low priority * * * [the new Productivity Council] would not be an economic decisionmaker but would participate in economic and budgetary decisionmaking to ensure the presence of a productivity perspective.

Naturally, some Members will not be persuaded that spending $5 million on a Productivity Council to oversee $2 billion in current productivity programs is a worthwhile investment. To these colleagues, let me offer a more compelling cost-benefit analysis. As a 1978 report of the Council on Wage and Price Stability observed, the effect of slow productivity growth since 1967 has been to reduce total real incomes by some 20 percent—more than $300 billion—from what they would have been if the pre-1967 productivity growth rate had been sustained. Clearly, we cannot afford not to invest in a more productive future.

Last summer, the retiring chairman of the House Subcommittee on Economic Stabilization (Mr. MOORHEAD) scheduled 4 days of hearings—which I chaired—on the problem of lagging productivity growth and what the Federal Government should do about it. In my opinion, those hearings were very useful in sharpening our understanding of this issue. In particular, they reinforced my conviction that something like a statutory Productivity Council is needed in the executive branch. I would like to take a few moments to share with my colleagues some highlights from those hearings which, in my view, strengthen the case for the legislation which I am reintroducing today.

During the initial hearing, testimony was given by an Associate Director of the Office of Management and Budget (OMB) on behalf of the current Productivity Council. OMB's presentation revealed a startling devaluation of the productivity problem. "High inflation and energy problems which dominated the 1970's," OMB testified, "must be solved before the productivity growth rate can be restored to its previous level." When, during questioning of the witnesses, I suggested that this statement reflected a disturbingly passive approach to the productivity issue, OMB simply reaffirmed its view that "productivity growth will result * * * when the economic policies—of the administration—take hold."

This determination to put the cart before the horse says a good deal about why the existing Productivity Council has been such an abysmal failure. Most experts in this field, I think, would agree that lagging productivity growth is a major component of infla-

tion rather than the other way around. No Productivity Council worthy of the name can succeed when it is a captive of OMB's perspective on this point.

One of our subsequent witnesses, economist Lester Thurow from the Massachusetts Institute of Technology, saw the issue much more clearly:

Productivity is obviously the country's number one problem. When productivity is going downhill, it doesn't make any difference what is happening to inflation or enemployment. You are going to have an economy that's going downhill. Although the public opinion polls haven't put productivity in the number one slot, I think the Congress ought to put it in the number one slot.

At one point in the discussion, I asked Mr. Thurow whether he thought the United States would benefit from some kind of independent group that might be perceived as a little less partisan—than the Congress—such as a national economic commission or a national productivity council. Professor Thurow largely concurred:

I certainly think there is a lot of value in information, especially in the productivity area. Productivity is one of those kind of background things which doesn't make the headlines * * *. Well, we are not going to address the productivity problem until the American people in fact decide that it is an important problem * * * that they have to address.

One of the traditional barriers to productivity efforts on a national level has been the opposition from many sectors of the labor movement which feared, from past experiences, that productivity was just another name for speedup or reduced labor force. Thus, some of the most instructive and encouraging testimony received by our subcommittee came from Mr. Donald Ephlin, a vice president of the United Auto Workers. In his opening statement, Mr. Ephlin underscored his own union's willingness to tackle a tough issue:

We recognize that the only reliable basis for improving the purchasing power and access to leisure of American workers is the increase in the economy's capacity to convert a given amount and intensity of work into ever more output. In keeping with that recognition, the UAW has explicity pledged not to oppose the introduction of productivity-enhancing, labor-saving technological advances.

On the specific subject of my legislation to create a statutory Productivity Council, Mr. Ephlin observed that the "UAW is in strong support of [its] objectives." Mr. Ephlin went on to make a crucial point with respect to a Productivity Council's potential effectiveness:

The National Productivity Improvement Plan that the Council is directed to develop will not be regarded as authoritative and viable unless it incorporates the agenda of labor and business. By including them in the proposed Council, a tripartite committee would be created; the parties would have the opportunity and the responsibility to find a common ground between often conflicting sets of goals.

As a public official who has been involved in the labor-management cooperation movement for many years, I have seen what it can achieve in the area of productivity and I wholeheartedly agree with Mr. Ephlin's tripartite proposal. The legislation I am introducing today does create an advisory board to the Productivity Council whose members are to be selected entirely from "individuals with experience in business, labor and academics." The bill does not take the further step of placing such individuals on the Council itself, but I am quite open to that possibility and will be exploring that alternative structure in the weeks ahead.

Appearing on the same panel with Mr. Ephlin, Dr. Richard Rahn, vice president of the U.S. Chamber of Commerce, endorsed the same notion of tripartite "communication among business, labor, and government," but added, "I don't think there is a need for a formal government intervention in this process." Fortunately, not all of the probusiness community seems to feel the same hesitation. For example, the American Enterprise Institute's Committee To Fight Inflation, chaired by former Federal Reserve Board Chairman Arthur Burns, recently issued a nine-point anti-inflation plan. I was pleased to note that in one of those points, the committee urged Congress and the President to:

Actively encourage labor-management councils in individual shops, offices and stores throughout the country so that workers and managers will jointly seek ways of improving productivity.

Perhaps the most persuasive testimony from any witness last summer was the presentation from the American Productivity Center. This private, nonprofit organization based in Houston, Tex., has done pioneering work with numerous businesses to improve productivity. The organization is chaired by C. Jackson Grayson, former head of Southern Methodist University's Business School, and was represented at last summer's hearings by one of its directors, Mr. William Usery, former Secretary of Labor. Mr. Usery had this to say on the Productivity Council legislation which I am sponsoring:

Although I and the American Productivity Center believe that H.R. 6462 may not go far enough in its particulars, we believe it is a most important step toward (a) firm commitment by our government to improve productivity. * * * Efforts within the private sector have proved successful, but are limited by the relative absence of government commitment to implementing solutions.

One might expect a private organization like the American Productivity Center to dismiss a government productivity group as intrusive and unnecessary. On the contrary, however, Mr. Usery explained in some detail the benefits which the center anticipates would result from a federally formulated productivity improvement plan.

The Federal Government would be helping to bring together elements of the business, labor and government communities . . . such a friendly meeting of the minds would be beneficial to America and certainly beneficial to productivity. The concept of a national productivity policy has many advantages over other economic measures . . . we have already tried other measures such as cutbacks, controls, regulation, spending, subsidies, protectionism. The result has been in most cases a failure. A successful productivity program promises to avoid the problems inherent in these other actions.

No one expects that a National Productivity Council, by itself, will reverse the deceleration in America's productivity growth. Productivity is an enormously complex issue—one which must be addressed simultaneously on several fronts. Certainly, the diverse testimony we heard last summer confirmed that point. But, paradoxically, a Productivity Council might help us make some progress by reminding us of that very complexity—by insuring that Congress does not attempt to solve our productivity problems by seizing upon on simplistic cure.

In my statement on productivity a year ago, I outlined four general areas, each encompassing several policy issues, where I thought our efforts could be profitably focused: First, improving the use of human resources; second, enhancing capital formation; third, expanding the commercialization of advances in knowledge (innovation); and fourth, reforming the regulatory process. I can only look back over those remarks today with acute frustration. If a National Productivity Council were monitoring congressional progress in these areas, we would not receive high marks for achievement during the past year.

In the absence of that kind of third-party, neutral assessment, let me take my remaining time this afternoon to list some of the legislative objectives which remain unfulfilled. I will not take time, as I did last year, to discuss these measurses' relevance to productivity, but I do believe each item forms a part of the puzzle.

HUMAN RESOURCES

The Labor-Management Cooperation Act, funded this year for the first time, remains in a precarious position. No grants have yet been made. Final regulations have been placed under the recent rulemaking freeze, the commitment of the current administration to the program remains in doubt, and funding for the second year hangs in the balance.

As for skills development, the entire retraining program under trade adjustment assistance has been eliminated this year as funds under title III of CETA have diminished. The Youth

Act, proposed last Congress by the Carter administration to expand the title IV youth training programs and to provide a new program of support for basic skills instruction in the secondary schools, was allowed to die at the end of last year. Similar legislation has been reintroduced this year, but without the educational component.

Discussion continues, meanwhile, about termination of public service employment, titles II-D and VI of CETA, but there is no corresponding talk about strengthening the original purpose of the act, namely providing effective skills training for those who are structurally unemployed.

Financing to assist employee ownership of firms—which was approved last Congress by both Houses as part of the Public Works and Economic Development Act reauthorization—died in conference at the end of last year.

CAPITAL FORMATION

Our failure to pass the expanded EDA authorization bill last year, however, had ramifications far beyond the fate of employee ownership. What was clearly at stake was the Federal role in assisting productive capital formation. Not long ago, there was a great deal of talk about national development banks, urbanks, reconstruction finance corporations, and other proposals to fill the gaps in our capital markets—particularly for new ventures and for distressed businesses which need to retool to become productively competitive. The only idea along these lines which advanced in the Congress was the Carter administration's proposal for a vastly augmented development program under EDA: loans, loan guarantees, interest subsidies, and technical assistance totaling $2.5 billion per year. Unfortunately, after passing the House late in 1979, this measure languished in conference for nearly 1 year before the conferees gave up hope of agreement.

Today, however, the existing level of business development assistance under EDA—barely $500 million—is threatened as the Reagan administration has recommended terminating the entire program.

On a related measure, the Reagan administration's inclusion of the Capital Cost Recovery Act, the so-called 10-5-3 bill, in its tax proposal will evidently hasten its passage by the Congress. And yet, close examination of this measure over the past year has increased rather than reduced the doubts about its appropriateness for improving productivity. Very little work seems to have been done in either Chamber toward a more refined depreciation measure which might differentiate among economic sectors on the basis of their potential or their need for productivity growth. An explosion of real estate speculation is a likely result of the 10-5-3 proposal in its current form.

A final issue related to capital formation is monetary policy and the perpetuation of high interest rates. A year ago, I stated that—

Fourteen percent interest rates have not only caused a crisis in America's housing market, but they also have served as a deterrent to business investment.

Today, that statement almost evokes nostalgia for a golden past. We have become accustomed to 20-percent interest rates and with Chairman Volcker's latest projections for the coming year, there is no sign of relief. Unquestionably such restrictive policies are having an effect on business investment and I believe it is time that we examined whether the Reagan administration's economic growth and money growth scenarios are compatible.

INNOVATION

Among the witnesses who appeared during the Economic Stabilization Subcommittee's hearings on productivity last year was Dr. Jordan Baruch, then Assistant Secretary of Commerce for Productivity, Technology and Innovation. Dr. Baruch gave a very impressive presentation which detailed his administration's productivity program within the Commerce Department. Five major initiatives were outlined as part of this new program: A center for the utilization of Federal technology (CUFT), centers for cooperative generic technology development (the COGENT program), a productivity reference service, a foreign technology utilization program, and several corporations for innovation development (CID's). It is my understanding that very few of these have gotten off the ground and I further understand that the entire Office of Productivity, Technology and Innovation under which they are to be administered is targeted for elimination under the new Reagan budget to be submitted this week.

It is unclear whether legislative action could salvage these worthwhile initiatives. Last year's passage of the Stevenson-Wydler Technology Innovation Act, one of Congress few real achievements in the productivity area, will serve some of the same purposes as the Carter proposal, but there is still a great deal more to be done.

REGULATION

While there was much talk about proposals for a regulatory budget for Federal agencies during the last Congress, no action has been taken on that legislation. It is clear from the initiative undertaken by Vice President BUSH that greater efforts to reduce regulatory burdens will be forthcoming. While we do not yet know the thrust of that regulatory initiative, I do believe that adopting regulatory budgets would probably encourage more efficient compliance with regulatory goals rather than elimination of those goals.

If I have emphasized in the last few minutes what Congress has not done it is because of frustration and not pessimism. We have made some progress in some small ways which I have not mentioned. The 96th Congress enacted, for example, the Paperwork Reduction Act, a patent bill which strengthens the awarding of patents for university-based research, and a number of small business bills, including the Regulatory Flexibility Act. But our record of inaction, unfortunately, dwarfs our record of achievement. I believe that a strong Productivity Council, such as would be created by the legislation I am introducing today, could play a vital role in keeping that productivity agenda before us and in guiding us in the specific actions that are needed. I am pleased today to be joined by Congressman JOHN LAFALCE in introducing the Productivity Council legislation and I would like at this point to include his statement in the RECORD.

● Mr. LAFALCE. Mr. Speaker, I am today joining with my good friend and distinguished colleague from New York (Mr. LUNDINE) to introduce the Productivity Improvement Act of 1981. This bill would provide for the legislatively mandated establishment of a National Productivity Council which would develop and annually revise a comprehensive national productivity improvement plan.

This bill represents years of dissatisfaction with the Federal Government's apparent unwillingness to take forceful action to stem the decline in productivity in this country. Throughout the 1970's, productivity growth steadily decreased to the point of no productivity growth; and during the past 2 years, productivity actually declined. This alarming productivity trend is undermining the fight against double-digit inflation and economic stagnation. Without productivity growth, real economic growth cannot occur; and that is precisely what is happening in this country.

In the fall of 1978, the National Center on Productivity and the Quality of Life in the Workplace went out of existence; but the administration promised forceful action on the productivity. What happened? By Executive order, the President established a National Productivity Council. After its creation, I held a number of hearings on my Small Business Subcommittee on General Oversight and participated in hearings before the Banking Subcommittee on Economic Stabilization, chaired by Mr. LUNDINE, in order to determine exactly what the Council was doing to boost productivity. Those hearings revealed a pattern of neglect, inaction, and indifference, despite the fact that productivity was actually declining during 1979 and 1980.

Finally, on May 29, 1980, I asked the Comptroller General of the United States to conduct an assessment of the overall performance of the National Productivity Council, in order to confirm or deny the pattern revealed by those hearings. The General Accounting Office complied with that request, and on February 18, 1981, it issued a report, entitled "Stronger Federal Effort Needed To Foster Private Sector Productivity". The gist of that report concerning the effectiveness of the council was as follows:

In over 2 years of existence the Council has been relatively inactive, has largely ignored the functions assigned to it, and has lacked support. It has seldom met, has not provided guidance to Federal productivity programs, and has not become recognized as the Government's productivity focal point.

The Productivity Improvement Act of 1981 will help correct this lamentable record, be legislatively establishing a National Productivity Council with a Presidentially appointed Chairperson and with its own budget authorization of $5 million. This bill is totally in the spirit of the GAO's recommendations for a stronger Federal effort in the field of private sector productivity. In addition to the Chairperson, the membership of the Council shall be composed of those department and agency chiefs who should be concerned with productivity growth. Examples would include the Secretaries of Commerce, Labor, and Treasury, and the Directors of the Office of Management and Budget, the Federal Mediation and Conciliation Service and the National Science Foundation.

The most important duty of the Council would be the development and annual revision of a comprehensive national productivity improvement plan which would have four key elements. First, it would identify and describe the impact of Federal expenditures, policies, programs, and activities on productivity growth in the private sector. Second, it would establish short-term and long-term objectives to improve productivity in the private sector. Third, it would identify those Federal policies which present unnecessary obstacles to productivity growth as well as those which promote that growth. Fourth, it would make specific recommendations concerning Federal policies to encourage the improvement of productivity in the private sector.

Mr. Speaker, some may object to this bill, because it will establish another Federal entity, albeit a very small one. However, this proposed Council should be placed in the proper perspective. It will have an annual cost of $5 million. Yet, the gross national product is in excess of $2 trillion; the total Federal budget is above $600 billion; and OMB has very conservatively estimated that the Federal Government spends more than $2 billion per year on productivity programs. Yet, the Federal Government has no central coordinating agency on productivity in the private sector and virtually ignores the importance of stressing and pinpointing the importance of productivity growth in the private sector.

After 2 years of declining productivity, the Federal Government must be ready to take a more positive and dynamic role in promoting productivity. Without Federal leadership, this country may be doomed to repeating past inactivity on productivity and to suffering a persistent decline in productivity. Most of our major trading competitors long ago recognized the need for forceful government leadership to encourage productivity in their own private sectors, and it is time that this country catches up with the rest of the Western World. The National Productivity Council could provide that essential leadership, and I hope that my colleagues will join together to support this bill.●

□ 1400

THE PRESIDENT'S BUDGET PLAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. CROCKETT) is recognized for 5 minutes.

● Mr. CROCKETT. Mr. Speaker, on Sunday, March 8, the Detroit Free Press printed an editorial entitled "Defense: Stripped of Myths and Distortions, the Reagan Plan Looks Perilous." I believe that this editorial contains very thoughtful material which should be considered by this body when the President's proposals are brought before us. I insert the text of that editorial in the RECORD at this point for the benefit of my colleagues:

DEFENSE: STRIPPED OF MYTHS AND DISTORTIONS, THE REAGAN PLAN LOOKS PERILOUS

Before Congress joins debate on whether we need another nuclear aircraft carrier or should bring World War II battleships out of mothballs, the Reagan administration's military spending proposals should be examined whole, with perspective and without the intrusion of myths. The myths abound. The perspective is not to be found in the picture presented by Defense Secretary Caspar Weinberger.

It is a fact that Soviet military spending grew rapidly in the 1960s and 1970s. That surge, as well as a false perception that the United States has been spending less in inflation-adjusted real dollars than it formerly did, has given great momentum to President Reagan's military spending plans.

The Pentagon has promoted the use of figures that are badly misleading. They have appeared again in the latest reports on Mr. Reagan's proposals. The record should be set straight on several basic points.

Some reports indicate the administration wants to increase military spending by $32.6 billion: $6.8 billion for the fiscal year that will end Sept. 30 and $25.8 billion for fiscal 1982. A more accurate description should take into account the fact that former President Carter already had proposed a $22 billion increase for 1982 and the Reagan increase would be on top of that. What is actually proposed, in addition to the increase for this year, is a 1982 military budget of $222.2 billion: an increase of $51 billion—30 percent—over the pre-Reagan spending level for this year.

Do we need such a big increase? Do we need to spend, by 1986, the $367.5 billion that Mr. Weinberger projects: more than twice as much as this year's military budget?

The answers should be measured against the myths:

U.S. military spending has not been declining. It did decline in inflation-adjusted dollars from 1968 until the mid-1970s. It then was increased, in real dollars, in every year of the Carter administration.

It is absurd to suggest, as Mr. Weinberger did, that Soviet military spending is "approximately 50 percent larger than ours." Since we do not know exactly what Soviet spending is, the CIA and the Pentagon use "estimated dollar costs of Soviet defense programs": figures that represent what it would cost the United States to support Soviet military forces. But Soviet military manpower is much cheaper than ours, and much of the Soviets' military production is. Serious military analysts discount the Pentagon's dollar-comparison basis.

Mr. Weinberger was even further afield in saying that "Soviet (military) investment is . . . far ahead of the combined allied investment." He was using the same misleading dollar basis. The United States and its North Atlantic Treaty Organization allies greatly out-spend the Soviet Union and its Warsaw Pact allies.

So much for three of the myths, which Mr. Weinberger seems determined to propagate.

Myth-making about U.S. and Soviet military spending is insidious. "Pie charts" drawn to illustrate the federal budget are something else: misleading if you do not look beyond them. For instance: The "pie" shows the administration wants to increase military spending from 24 percent of the federal budget this year (up from 22.9 percent last year) to 32 percent by 1984. But the fact is that military spending already takes more than half the money Congress spends.

What's wrong with those pies? Nothing, if you know what they represent. In 1969 the federal government adopted a "unified" budget approach, replacing "administrative budgets," which showed how much tax money would be collected and how it would be spent. The old pie charts would have shown military spending as more than half the budget. But the pies that show the "unified" federal budget include various trust funds that are completely or largely self-supporting, such as those for Social Security and highway construction. About a third of the federal cash flow automatically moves into and out of the trust funds each year.

So would the 32 percent of the federal budget that Mr. Reagan wants for defense in 1984 be about a third of the money Congress can spend? No, it would be much more than half; it already is more than half the amount taken in through individual income taxes. Of the remaining amount spent by Congress, a large chunk will be for interest on the national debt, about two-thirds of which was incurred through defense spending.

What we are seeing, in the Reagan proposals, is a quantum leap into military

spending, requiring even deeper cuts in the money Congress appropriates for domestic programs than those the president has called for. The alternative to that is huge, inflation-feeding deficits.

While Congress is considering the merits of taking old battleships out of mothballs, it also must consider what the whole of the Reagan plan would do to the taxpayers, the economy, the arms race and the fundamental nature of the country. The proposed military budget, in our view, is a call not for national strength but for domestic calamity.●

EGYPT RATIFIES TREATY ON NONPROLIFERATION OF NUCLEAR WEAPONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. ZABLOCKI) is recognized for 5 minutes.

● Mr. ZABLOCKI. Mr. Speaker, I wish to take this opportunity to commend the Arab Republic of Egypt for its recent ratification of the treaty on the Nonproliferation of Nuclear Weapons (NPT), making it the 114th nation to do so. Egypt has long been a supporter of international measures to reduce the spread of nuclear weapons, and was one of the original signers of the NPT, as well as a member of the Eighteen-Nation Committee on Disarmament of the United Nations. With the deposit of its instruments of ratification of the NPT on February 26 of this year, Egypt now formally undertakes to forgo the acquisition of nuclear weapons and to accept the application of International Atomic Energy Agency safeguards to all its nuclear activities. Based on this expression of good faith on the part of Egypt and the government of President Anwar Sadat, Egypt's cooperation with the United States in the peaceful applications of nuclear energy may proceed, should our two countries so desire.

In a statement accompanying the ratification of the NPT, the Government of Egypt also expressed its conviction that—

> The establishment of nuclear-weapon-free zones in different parts of the world is bound to increase the effectiveness of the Non-Proliferation Treaty in the realization of its objectives and aims.

In this light, Egypt has strongly endorsed the establishment of a nuclear-weapon-free zone in the Middle East, as well as in Africa. Israel has also endorsed this proposal, another indication of the growing amity and cooperation of the two countries which has come about as a result of the Camp David accords.

This effort should be supported to the fullest extent possible by the United States. A nuclear-weapon-free zone already exists in Latin America under the Treaty of Tlatelolco, and has proven successful. The Egyptian proposal, if implemented, can only complement the regime established by the NPT, and will enhance the security of all nations in the Middle East and around the world.●

READJUSTMENT COUNSELING FOR VIETNAM-ERA VETERANS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. MOTTL) is recognized for 5 minutes.

● Mr. MOTTL. Mr. Speaker, today I am introducing H.R. 2415 to amend title 38, United States Code, to extend by 2 years the period during which Vietnam-era veterans may initially request readjustment counseling.

The 96th Congress passed Public Law 96-22 which authorized a program of readjustment counseling to assist Vietnam-era veterans suffering from problems readjusting to civilian life. This assistance was made available for those who applied within 2 years after their date of discharge from active duty in the military service or within 2 years of the effective date of the law, which was October 1, 1979. As Members may recall, at the time Public Law 96-22 was passed, the budget for fiscal year 1979 had already been processed, and the counseling program was slow in getting underway. However, in the past year and a half, vet centers have opened across the country and have been highly effective. Some of these centers were opened in the last few months, and it is most important that they be permitted to make an outreach effort in their communities and render this vital service.

Mr. Speaker, the bill I am introducing would make this possible by extending the eligibility period until September 30, 1983. I understand that funds for the extension of the program were included in the Carter administration's budget totals.

It is my hope that this legislation will be given early and favorable consideration.●

LEGISLATION TO RELIEVE STATES OF FINANCIAL BURDEN CAUSED BY MEDICAID PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alabama (Mr. SHELBY) is recognized for 5 minutes.

● Mr. SHELBY. Mr. Speaker, today I am reintroducing a package of bills designed to bring some relief to the financial burden to the States caused by requirements of the medicaid program. I am joined in this effort by my six colleagues from Alabama. Last year, a severe crisis in medicaid financing in Alabama brought to our attention the impediments faced by States who need to reduce the dramatic increase in their expenditures for this program. Although the State administration had several reasonable cost-saving ideas, they were prohibited from implementing them because of inflexibilities in the Federal control of the program. These bills are designed to allow greater State discretion in implementing certain changes that would bring a degree of fiscal relief.

An added benefit of these bills is that, because most of them have the potential of reducing medicaid expenditures overall, as they reduce State medicaid expenditures they would at the same time reduce Federal medicaid expenditures. In fact, I have noticed proposals similar to these in the reports coming from the Reagan administration. The administration plans to cap medicaid payments to the States while giving States increased flexibility in program management to cope with the decreased Federal revenues, and the ideas offered in my proposals would fit right in with this plan.

These bills would perform the following functions:

First. Allow States to negotiate for the purchase of certain services;

Second. Give States the right to end a recipient's medicaid eligibility in instances of demonstrated abuse of the system;

Third. Allow families to contribute to the cost of medical care by participating in a voluntary "relative responsibility" plan for recipients in nursing homes;

Fourth. Give States the choice of requiring patient copayment for all medicaid services; and

Fifth. Require the Federal Government to pay for all the medicaid expenditures of SSI recipients during periods in which they have been incorrectly certified for SSI by the Federal Government.

I recognize that the issue I am raising here is one which goes to the heart of the nature of the relationship between Federal and State governments. Not only do I recognize this fact, I believe thorough discussion is in order. During these times of Federal belt tightening, it makes utmost sense to reevaluate the division of duties in such a State-administered plan and to consider regulatory changes which would ultimately reduce Federal outlays as well as bureaucratic manhours.●

LEGISLATION TO CORRECT PROBLEM OF CHILD CARE FACILITIES

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Illinois (Mrs. COLLINS) is recognized for 5 minutes.

● Mrs. COLLINS of Illinois. Mr. Speaker, today I am introducing legislation aimed at correcting the problem of inadequate, inappropriate and even

in this day and time, nonexistent child-care facilities in this Nation.

My bill, the Child and Family Development Act as drafted by the Chicago Task Force on Child/Day Care was written to strengthen the development of children and the functioning of families by establishing a comprehensive Federal child-care program designed to improve the quality and availability of child care services while at the same time protecting parental rights and preserving the family as a unit.

While statistics will certainly bear out the need for alternative forms of quality child care, it does not stop with cold hard sterile numbers. The facts are that the family, as a unit, is struggling desperately to survive the ravages of rampant inflation, high unemployment, high interest rates, along with basically trying to make ends meet in the home. It is certainly very difficult in the midst of the present economic situation to make sure the family is well fed, has clothes and a roof over their heads. And whether we like it or not the way to try and provide for the family means that in most cases two-parent households (both spouses) are active in the labor market. The dilemma facing single parent households are, of course, more pressing. Statistics reveal there are over 1 million single-parent working mothers with pre-school-age children. Add that to 66 percent of divorced women who have children under 3 and 72 percent of divorced women who have children between the ages of 3 and 5.

What we are witnessing today, is an incredible situation in which responsible parents are trying to earn a living at the same time while looking desperately for a sensitive situation where children can be left attended during the day.

Recently, the White House Conference on Families released a report that addresses the issue of child care. At a conference Detroit hearing, Berkley Watterson, of the United Auto Workers said:

> The young members of our union are frantically seeking in all directions, solutions for a safe place to keep their children while they are at work. At the present time, they find nothing but patchwork arrangements and confusion in the availability of day-care programs.

Subsequently, the White House conferees came away advocating increased child care tax incentives to businesses and expanding present child care deduction or credit. In short, they were supportive of alternative forms of quality and affordable child care.

The Washington Metropolitan Affiliate of the National Black Child Development Institute held a conference during the last few days in October. Part of that conference dealt with responding to the platform on child care as assembled by the National Day Care Campaign. The platform was designed to accomplish two objectives: First, highlight and call attention to the need for child day care for children whose parents work; and second, express the need for child day-care policy in simple language.

It is important for all to realize that when we talk of providing child care we are talking of assisting and enhancing the family as a unit. We are talking prosensitive care for children whose parents work to survive this economic climate.

Many of us may remember during World War II when mothers took to the defense factories to keep things running while soldiers went to war. What happened to the children whose parents were working? They attended day-care facilities—a temporary necessity brought about by an emergency situation.

In summary, the outside forces attacking families today will not disappear overnight. Day care should be seen as a measure to assist those families deal with the pressing economic ills prevailing in our society and indeed, the world. Coupled with assisting families survive with their heads up, alternative sources of quality, competent, and affordable child care must be available to working parents.

We must keep in mind too that this is not a women's issue, a minority issue or a poor people's issue. It is a family issue that transcends class, race or economic levels.

Accordingly, I would like to extend an invitation to individuals, groups and organizations concerned with and who have expertise with child care to study and analyze this legislation and if and where applicable, to make suggestions which might make it more responsive to the objectives of assuring quality and affordable care for children whose parents work. I believe that with constructive suggestions, we will be able to build a framework for action in the 97th Congress.●

ADMINISTRATION TO ELIMINATE SUBSIDY ON INLAND WATERWAYS BY INCREASING USERS FEES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. BEDELL) is recognized for 5 minutes.

● Mr. BEDELL. Mr. Speaker, as part of President Reagan's program for economic recovery the administration will seek to eliminate the subsidy on inland waterways beginning in 1983 by increasing users fees on barge fuel.

The Congressional Budget Office estimates that full recovery of these costs through a fuel tax would require a tax equal to about $1.30 a gallon. Such a high tax is impractical because fuel consumption does not necessarily reflect the benefits received by a given waterway user. I am proposing a more moderate and equitable approach through legislation I first introduced in 1979, which would impose a schedule of user charges to recover 25 percent of the actual costs of Federal waterway expenditures for navigation.

In 1978, the 95th Congress established for the first time a mechanism for recouping some of the funds expended to maintain and develop the inland waterways of the United States. That legislation imposed a Federal excise tax on fuel consumed by barges, which comprise the bulk of commercial traffic using the waterways. The tax begins in 1981 at the rate of 4 cents per gallon and will rise to 10 cents in 5 years. Receipts from the tax will accumulate in a trust fund for waterway construction and maintenance. The bill also directed the Secretaries of Transportation and Commerce to conduct a comprehensive study with respect to a system of waterway user charges.

In my view, the partial recoupment program established by the 95th Congress, while a step in the right direction, remains deficient in two important respects. First, it does not go far enough in establishing a fee schedule that will make Federal treatment of competing forms of transportation more equitable. Second, it fails to create any incentive for the commercial users of the inland waterways to join the effort to hold down the cost of maintaining and developing the system. For these reasons I am introducing legislation to require that a system of limited charges, which would facilitate the objectives of the study mandated by the 1978 act and which would insure a more equitable sharing of the cost of operating our Nation's inland waterways, be levied on waterway users.

The Federal Government currently builds, maintains, and operates a network of inland waterways that are used by barge operators to carry about 11 percent of our domestic freight. Providing inland waterways free of user charges dates back to the early days of the Republic when it was the intent of the Government to create a viable water transportation system by protecting canal operators against other forms of competition.

This policy has proven quite successful. Today, the Government maintains more than 15,000 miles of inland waterways deep enough to accommodate commercial traffic. In many cases, these waterways are navigable only because the Federal Government has invested billions of dollars over the years in locks, dams, and dredging operations.

I believe that the principle of operator-supported waterways should be extended to provide that at least 25 per-

cent of the cost of maintaining and developing the Nation's waterway system be borne by private enterprise, which benefits from its use. The Congressional Budget Office estimates that in 1981, the current fuel tax of 4 cents per gallon established under the Inland Waterway Revenue Act of 1978, will cover only 2.6 percent of Federal costs for 1981, and the projected revenues for the 5-year period 1982–86 will cover only 6 percent of projected Federal expenditures for waterway navigation purposes during this period.

Even more significant is the cost control factor that is built into a requirement that waterway users pay a greater percentage of the costs associated with the operation of the system. If users must pay an increased percentage of the cost of Government services, they will have a tremendous incentive to act as "watchdogs" to prevent waste, since they will be forced to pay for a percentage of that waste. The percentage requirement thus promotes efficiency by enlisting the support of users in whose interest it is to identify and eliminate unnecessary expenditures.

As provided in my bill, the establishment of a schedule of user charges that will generate revenue sufficient to recoup 25 percent of the cost of waterway operation, maintenance, construction, and rehabilitation would be designed to supplement the Federal excise tax on barge fuel levied by the 1978 act, and would be phased in over a 5-year period. The amount of Federal tax paid by users would be credited against the user fee mandated for that year. In other words, the revenue to be collected under the fee schedule would be the difference between the amount of fuel tax paid and the annual percentage requirement established by the schedule.

The underlying purpose of this proposal is to bestow a reasonable and more equitable financial responsibility for the condition of our Nation's waterways on those who receive the most direct benefit. A well-conceived user fee program will lower the cost of construction and maintenance to the taxpayer, and will provide users with a direct incentive to advocate and carry out cost-effective proposals for waterway improvements. Based on CBO estimates, if Congress imposes user charges to cover 25 percent of the Federal expenditures for inland waterways, as contained in this bill, the cumulative savings over the phase-in period would be approximately $1.2 billion.

I urge my colleagues to join me in support of this important legislation.●

THE POSTAL SERVICE'S NINE-DIGIT ZIP CODE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma (Mr. ENGLISH) is recognized for 5 minutes.

● Mr. ENGLISH. Mr. Speaker, today I am introducing legislation that would prohibit the Postal Service from spending any funds to establish a nine-digit ZIP code. I also wish to announce that the Subcommittee on Government Information and Individual Rights, which I chair, will continue its examination of the Postal Service proposal at hearings on March 26.

The Postal Service ZIP expansion plan is both costly and complex. The details of just how costly and complex are set forth in a report issued last December 10 by the Committee on Government Operations (H. Rept. 96-1531). This report, which is based on the subcommittee's earlier hearings, faults the Service's planning for the program and labels the Postal Service plan a potential "colossal failure."

This is not the first time a Postal Service effort has received such a label. More often than not, however, the Congress involvement comes too late to do anything but acquiesce to the throwing of good money after bad. Our interest here is not to stand in the way of progress, but to ask the hard questions that will help insure real progress.

As it stands, the Postal Service has been quite forthcoming with films of optical character readers (OCR's) and other automated equipment on which it will spend approximately $1 billion. The Service has, however, ignored repeated requests from the subcommittee for specific data on the performance evaluation of this equipment.

The potential costs to mailers to incorporate the additional digits into their mailing lists is another area that needs further study. Until pressed by the subcommittee, the Postal Service had not even considered the cost of its proposal to Government agencies or to the private sector. When it finally acceded to our demands on this matter, the Service produced an analysis that is defective on its face. The Service says the conversion will cost mailers a total of from $40 to $80 million. Our estimate, substantiated by testimony by the businesses who will be affected, is that conversion may cost mailers close to $1 billion.

Even when I give the benefit of the doubt to the Service on its cost estimates, I am left with nagging questions concerning the soundness of the ZIP expansions proposal. For example, if the conversion to nine-digit ZIP codes will cost so little, why is the Postal Service Board of Governors proposing to give mailers a one-half-cent discount for each letter carrying the longer codes? It is interesting to note at this juncture that if the Service succeeds in getting the nine-digit ZIP on 30 billion pieces of business mail—its supposed primary target—it will be losing $150 million yearly in revenue.

Mr. Speaker, there are many similar questions which must be addressed and answered before this issue can be intelligently resolved.

I am well aware of the fact that it has been almost 11 years since the Congress approved the establishment of an independent Postal Service. At the time it was felt that with independence, management would be able to cure the ills of the old post office department through the application of business-like practices. While the Postal Service and its supporters can undoubtedly point to many improvements, each of us has received his share of constituent complaints and horror stories relative to increased rates and deteriorating services. Many knowledgeable individuals have questioned whether the Postal Service can survive for another decade.

Independence does not mean there should be no oversight. It means that we must be judicious in our exercise of this responsibility. The nine-digit ZIP code proposal deserves our scrutiny because, if it fails, we may see the demise of the Postal Service along with it.

The cosponsors and the text of the bill follow. The bill would amend the Postal Service's enabling statute; it is not an appropriations measure.

COSPONSORS OF H.R. 2393

Mr. Brooks, Mr. Kindness, Mr. Applegate, Mr. Archer, Mr. Bailey of Missouri, Mr. Bedell, Mr. Brown of Ohio, Mr. John L. Burton, Mr. Daniel B. Crane, Mr. Robert W. Daniel, Jr., Mr. Davis, Mr. Dorgan of North Dakota, Mr. Dornan of California, Mr. Duncan, Mr. Emery, Mr. Evans of Georgia, Mr. Evans of Indiana, Mr. Findley, Mr. Forsythe, Mr. Fountain, Mr. Frenzel, Mr. Frost, Mr. Fuqua, Mr. Gore, Mr. Guyer, Mr. Hagedorn, Mr. Sam B. Hall, Jr., Mr. Hefner, Mr. Heftel, Mr. Hendon, Mr. Hughes, Mr. Jeffries, Mr. Jones of North Carolina, Mr. Kastenmeier, Mr. Kramer, Mr. Lagomarsino, Mr. Latta, Mr. Lent, Mr. Luken, Mr. McDonald, Mr. McKinney, Mr. Madigan, Mr. Marlenee, Mr. Moffett, Mr. Mollohan, Mr. Neal, Mr. Nichols, Mr. Parris, Mr. Pashayan, Mr. Pepper, Mr. Rahall, Mr. Rinaldo, Mr. Roberts of South Dakota, Mr. Roberts of Kansas, Mr. Rose, Mr. Rosenthal, Mr. St Germain, Ms. Schroeder, Mr. Sensenbrenner, Mr. Sharp, Mr. Shelby, Mr. Shumway, Mr. Solomon, Mr. Stangeland, Mr. Stark, Mr. Walker, Mr. Weiss, Mr. White, Mr. Whitehurst, Mr. Williams of Ohio, Mr. Wright, Mr. Yatron, Mr. Edwards of Oklahoma, Mr. Lee, Mr. Young of Missouri, Mr. Hubbard, Mr. McDade, and Mr. Conable.

H.R. 2393

A bill to prohibit the use of funds to establish a nine-digit ZIP code

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2003 of title 39, United States Code,

is amended by adding the following subsection at the end thereof:

"(g) None of the funds available to the Postal Service from the Fund shall be expended to implement a nine-digit ZIP code system."●

TRIBUTE TO EMANUEL CELLER

(Mr. MITCHELL of Maryland asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. MITCHELL of Maryland. Mr. Speaker, some weeks ago this House paid tribute to Emanual Celler, who served with distinction in the U.S. House of Representatives. I did not know Mr. Celler well, but as a black man I knew of his stalwart fight throughout his years of service for the protection of civil rights.

My brother, Clarence Mitchell, Jr., the former long-term national lobbyist for the NAACP, knew Mr. Celler as a friend, and often told me about the courage and brilliance of the former House Judiciary Committee chairman. My brother paid final tribute to Representative Celler in his January 25 column of the Baltimore Sun Sunday newspaper.

I submit that tribute for careful reading by my colleagues in the House. Some need especially to read it as they retreat from the protection of civil rights and instead, begin to attack civil rights legislation, affirmative action programs, and programs to help the poor.

GOOD WORKS—THE MARK EMANUEL CELLER MADE

(By Clarence Mitchell)

The difficulty in capturing the sweep of a man's influence was brought home to me by a newspaper story on the death of former Representative Emanuel Celler at the age of 92. For almost half the 50 years he served in Congress, the New York Democrat was chairman of the House Judiciary Committee.

A line in the story said, "His name appears as author or co-author on the three major civil rights laws of the century in 1957, 1960 and 1964." In addition, the hearings he conducted on the 1957 Civil Rights bill make a two-inch-thick publication of 1,299 pages of close print. These hearings marked a turning point for civil rights in Congress. Before the hearings, such airing of the grievances of blacks revealed the problem but did not result in a remedy. After the hearings, the question was not whether there should be legislation, instead the question was, "What kind of laws shall we pass?"

In February, 1957, Mr. Celler opened the hearings before a subcommittee he also headed. With him sat the six subcommittee members who included Peter Rodino, Democrat of New Jersey and now chairman of the full committee, Kenneth Keating, Republican of New York, and William McCulloch of Ohio, also a Republican.

The cream of the Old South's segregation supporters came to deny that a law was needed and to utter such fiery words that one wondered whether they intended to stage a second barrage against Fort Sumter, Senators Sam Ervin of North Carolina, Herman Talmadge of Georgia and Strom Thurmond were the stars. But the cast of characters included former and future governors, state attorneys general, celebrated orators and just plain naysayers.

The Celler-Keating team heard them all with patience and respect even though it was clear that they would have opposed passage of the Ten Commandments if someone had labeled them a civil rights bill.

George Wallace, then a minor circuit judge in Alabama, said, "I enjoyed my service with the distinguished chairman in Chicago on the platform committee at the Democratic National Convention. We differed on many matters there, especially on the matter of civil rights, but I found the chairman fair and willing to listen to arguments of us people from the South."

When the bill reached the House floor, opponents tried to delay passage with parliamentary tricks. One of them was to make derogatory remarks about a member in violation of House rules. To get redress the offended member had to ask that the words "be taken down" and this usually caused long wrangling at the expense of time and patience of those supporting measures being debated.

Representative Mendel Rivers, Democrat of South Carolina, pointing to Representatives Celler and Keating as they were explaining the bill, said, "There they are, the Gold Dust Twins!" When they did not respond, he said in obvious disappointment, "Why do they not demand that my words be taken down?" Representative Celler gave him a smile and a wave but did not take the bait that would have brought costly delay.

Always skillful in evading a question from the press or a colleague if he thought the answer would give useful information to his opponents, Mr. Celler would often say, "That reminds me of an old Russian proverb which says, 'Don't roll up your pants until you come to the river.'" Sometimes he varied it by saying it was an old Turkish proverb.

During the Nixon administraion, the Justice Department backed a bill that seemed to hold out a promise to segregationists that the nation would return to separate schools based on race. Civil rights supporters denounced it as an apple of discord. Mr. Celler said, "That is not an apple of discord, it is an apple of Sodom."

Sometimes later my friend David Brody of the Anti-Defamation League sent me a picture of an apple of Sodom while he was in the Middle East where it grows. It is a beautiful red, well shaped and looks like luscious fruit, but when pressed it bursts like a punctured balloon—releasing air and feathery particles.

In many ways Mr. Celler was in Congress what Chief Justice Earl Warren was in the Supreme Court. Representative James Corman, a California Democrat, once invited me to dinner with them and Representative McCulloch at his home. He sensed that age was placing a limitation on the time they could be with us.

It was an evening long to be remembered as the three men informally recounted their views on the importance of civil rights. When it ended there was an inner sadness because one felt that when these three passed on the nation would suffer an almost irreparable loss.

The chief justice left us first and Mr. McCulloch followed him, but Representative Celler seemed like a sturdy institution who would be around even after most of us who are younger would be gone. Alas, that was not to be. The time came when the old warrior for freedom and justice had to roll up his pants and cross the river into eternity leaving us a rich heritage of laws and memories of his good works.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. DAVIS (at the request of Mr. MICHEL), for March 11 to 17, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. ADDABBO, for 60 minutes, on March 18.

(The following Members (at the request of Mr. EMERSON) to revise and extend their remarks and include extraneous matter:)

Mr. CONABLE, for 60 minutes, today.

Mr. JEFFORDS, for 5 minutes, today.

Mr. COLLINS of Texas, for 45 minutes, today.

Mr. HUNTER, for 5 minutes, today.

(The following Members (at the request of Mr. HERTEL) to revise and extend their remarks and include extraneous matter:)

Mr. FORD of Michigan, for 5 minutes, today.

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. LUNDINE, for 20 minutes, today.

Mr. CROCKETT, for 5 minutes, today.

Mr. ZABLOCKI, for 5 minutes, today.

Mr. MOTTL, for 5 minutes, today.

Mr. SHELBY, for 5 minutes, today.

Mr. ALEXANDER, for 10 minutes, today.

Mrs. COLLINS of Illinois, for 5 minutes, today.

Mr. BEDELL, for 5 minutes, today.

Mr. ENGLISH, for 5 minutes, today.

Mr. JONES of Oklahoma, for 60 minutes, on March 11.

Mr. ALEXANDER, for 30 minutes, on March 11.

Mr. D'AMOURS, for 30 minutes, on March 18.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. GORE, to extend his remarks prior to the vote on H.R. 2166.

(The following Members (at the request of Mr. EMERSON) and to include extraneous matter:)

Ms. FIEDLER.

Mr. CHENEY.

Mr. FORSYTHE.

Mr. LENT in two instances.

Mr. NELLIGAN.

Mr. YOUNG of Alaska in two instances.
Mr. WILLIAMS of Ohio.
Mr. COLLINS of Texas in two instances.
Mr. FIELDS.
Mr. DERWINSKI in four instances.
Mr. HYDE.
Mr. CARMAN.
Mr. JEFFORDS.
Mr. HILLIS.
Mr. GILMAN.
Mrs. SNOWE.
(The following Members (at the request of Mr. HERTEL) and to include extraneous matter:)
Mr. STARK in two instances.
Mr. RODINO in two instances.
Mr. CROCKETT.
Ms. FERRARO.
Mr. LELAND.
Mr. KILDEE in two instances.
Mr. STOKES.
Mr. MAZZOLI in two instances.
Mr. DAN DANIEL in two instances.
Mr. MURTHA.
Mr. FLORIO.
Mr. OBERSTAR in three instances.
Mr. COTTER.
Mr. JACOBS.
Mr. BONER of Tennessee in three instances.
Mr. WEISS in six instances.
Mr. BEDELL.
Mr. DASCHLE.
Mr. LONG of Maryland in two instances.
Mr. LEVITAS.
Mr. VENTO.
Mr. RAHALL.

ADJOURNMENT

Mr. LUNDINE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 3 minutes p.m.), the House adjourned until tomorrow, Wednesday, March 11, 1981, at 3 p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

739. A communication from the President of the United States, transmitting proposed supplemental appropriations and budget amendments for fiscal years 1981 and 1982. (H. Doc. No. 97-29); to the Committee on Appropriations and ordered to be printed.

740. A letter from the Acting Under Secretary of Defense (Research and Engineering), transmitting the annual report for fiscal year 1980 on independent research and development and bid and proposal costs, pursuant to section 203(c) of Public Law 91-441; to the Committee on Armed Services.

741. A letter from the Acting Assistant Secretary of the Army (Installations, Logistics and Financial Management), transmitting notice of the Army's intention to study the conversion from in-house operation to commercial contract of various functions at sundry locations, pursuant to section 502(a) of Public Law 96-342; to the Committee on Armed Services.

742. A letter from the Assistant Secretary of the Air Force (Research, Development and Logistics), transmitting notice of the proposed conversion to contractor performance of the commissary shelf-stocking and custodial services function at Malmstrom Air Force Base, Mont., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

743. A letter from the Chairman, Board of Governors of the Federal Reserve System, transmitting a report on the administration of the Change in Bank Control Act of 1978 during the period March 10, 1979, through December 31, 1980, pursuant to section 7(j)(14) of the Federal Deposit Insurance Act, as amended; to the Committee on Banking, Finance and Urban Affairs.

744. A letter from the Secretary of Education, transmitting proposed final regulations revising the 1981-82 family contribution schedules for the Pell grant program, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

745. A letter from the Chairman, Federal Council on the Arts and the Humanities, transmitting the fifth annual report on the arts and artifacts indemnity program, covering fiscal year 1980, pursuant to section 8 of Public Law 94-158; to the Committee on Education and Labor.

746. A letter from the Secretary of Energy, transmitting the annual report for 1980 on the Strategic Petroleum Reserve, pursuant to section 165 of the Energy Policy and Conservation Act of 1975; to the Committee on Energy and Commerce.

747. A letter from the Acting Assistant Secretary of State for Congressional Relations, transmitting notice of the State Department's intention to consent to a request by the Government of Israel for permission to transfer certain U.S.-origin military equipment to Ecuador, pursuant to section 3(d) of the Arms Export Control Act, as amended; to the Committee on Foreign Affairs.

748. A letter from the Acting Assistant Secretary of Commerce for Administration, transmitting a report on the Department's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

749. A letter from the Secretary, American Battle Monuments Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

750. A letter from the Acting Administrator of Veterans' Affairs, transmitting a report on the Veterans' Administration's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

751. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting notice of proposed changes in an existing Army records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

752. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting notice of proposed changes in an existing Navy records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

753. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting notice of proposed changes in an existing Navy records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

754. A letter from the Employee Benefits and Risk Manager, Office of Joint Services, Fourth District Farm Credit Institutions, transmitting the annual report of the District's retirement plan for the year ended July 31, 1980, pursuant to section 121(a)(2) of the Budget and Accounting Procedures Act of 1950, as amended; to the Committee on Government Operations.

755. A letter from the Acting Chairman, U.S. Synthetic Fuels Corporation, transmitting the financial report of the Corporation for the quarter ended December 31, 1980, pursuant to section 177(c) of Public Law 96-294; jointly, to the Committees on Energy and Commerce and Banking, Finance and Urban Affairs.

756. A letter from the Comptroller General of the United States, transmitting a report on the Air Force and Navy plans to acquire trainer aircraft (MASAD-81-11, February 28, 1981); jointly, to the Committees on Government Operations and Armed Services.

757. A letter from the Comptroller General of the United States, transmitting a report on the Department of Defense's participation in the space transportation system (MASAD-81-6, February 28, 1981); jointly, to the Committees on Government Operations, Armed Services, and Science and Technology.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON:

H.R. 2383. A bill to amend the Internal Revenue Code of 1954 to reduce individual and business income taxes; to the Committee on Ways and Means.

By Mr. BEDELL:

H.R. 2384. A bill to require the Secretary of the Army to establish a schedule of user charges to be paid by the owner or operator of any shallow-draft cargo vessel using any inland waterway of the United States, and for other purposes; jointly, to the Committees on Public Works and Transportation and Ways and Means.

By Mr. BRODHEAD:

H.R. 2385. A bill to amend the Internal Revenue Code of 1954 to reduce the maximum individual income tax rate to 50 percent; to the Committee on Ways and Means.

H.R. 2386. A bill to amend the Social Security Act and the Internal Revenue Code of 1954 to provide that disability insurance benefits and the medicare program shall be financed from general revenues (pursuant to annual authorizations) rather than through the imposition of employment and self-employment taxes as at present, and to adjust the rates of such taxes (for purposes of financing the OASI program) accordingly; to the Committee on Ways and Means.

By Mrs. COLLINS of Illinois:

H.R. 2387. A bill to strengthen the development of children and the functioning of families by establishing a comprehensive Federal child care program designed to improve the quality and availability of child

care services while protecting parental rights, and for other purposes; to the Committee on Education and Labor.

By Mr. COLLINS of Texas:

H.R. 2388. A bill to amend section 924(c) of title 18 of the United States Code to increase the minimum additional penalties for the commission of Federal felonies with firearms and to provide that persons convicted under that provision are ineligible for parole during certain periods; to the Committee on the Judiciary.

H.R. 2389. A bill to provide for the safeguarding taxpayer rights, and for other purposes; to the Committee on Ways and Means.

By Mr. DANIELSON:

H.R. 2390. A bill to amend the Internal Revenue Code of 1954 to allow each individual to exclude $1,000 of interest on savings; to the Committee on Ways and Means.

By Mr. DASCHLE:

H.R. 2391. A bill to amend title 38, United States Code, to provide education and training opportunities for certain Vietnam-era veterans to assist those veterans in gaining employment; to the Committee on Veterans' Affairs.

By Mr. WILLIAMS of Montana:

H.R. 2392. A bill entitled the "Montana RARE II Release Act of 1981"; jointly, to the Committees on Interior and Insular Affairs and Agriculture.

By Mr. ENGLISH (for himself, Mr. BROOKS, Mr. KINDNESS, Mr. APPLEGATE, Mr. ARCHER, Mr. BAILEY of Missouri, Mr. BEDELL, Mr. BROWN of Ohio, Mr. JOHN L. BURTON, Mr. DANIEL B. CRANE, Mr. ROBERT W. DANIEL, JR., Mr. DAVIS, Mr. DORGAN of North Dakota, Mr. DORNAN of California, Mr. DUNCAN, Mr. EMERY, Mr. EVANS of Georgia, Mr. EVANS of Indiana, Mr. FINDLEY, Mr. FORSYTHE, Mr. FOUNTAIN, Mr. FRENZEL, Mr. FROST, Mr. FUQUA, Mr. GORE, Mr. GUYER, Mr. HAGEDORN, Mr. SAM B. HALL, JR., Mr. HEFNER, Mr. HEFTEL, Mr. HENDON, Mr. HUGHES, Mr. JEFFRIES, Mr. JONES of North Carolina, Mr. KASTENMEIER, Mr. KRAMER, Mr. LAGOMARSINO, Mr. LATTA, Mr. LENT, Mr. LUKEN, Mr. MCDONALD, Mr. MCKINNEY, Mr. MADIGAN, Mr. MARLENEE, Mr. MOFFETT, Mr. MOLLOHAN, Mr. NEAL, Mr. NICHOLS, Mr. PARRIS, Mr. PASHAYAN, Mr. PEPPER, Mr. RAHALL, Mr. RINALDO, Mr. ROBERTS of South Dakota, Mr. ROBERTS of Kansas, Mr. ROSE, Mr. ROSENTHAL, Mr. ST GERMAIN, Mrs. SCHROEDER, Mr. SENSENBRENNER, Mr. SHARP, Mr. SHELBY, Mr. SHUMWAY, Mr. SOLOMON, Mr. STANGELAND, Mr. STARK, Mr. WALKER, Mr. WEISS, Mr. WHITE, Mr. WHITEHURST, Mr. WILLIAMS of Ohio, Mr. WRIGHT, Mr. YATRON, Mr. EDWARDS of Oklahoma, Mr. LEE, Mr. YOUNG of Missouri, Mr. HUBBARD, Mr. MCDADE, and Mr. CONABLE):

H.R. 2393. A bill to prohibit the use of funds to establish a nine-digit ZIP code; to the Committee on Post Office and Civil Service.

By Ms. FIEDLER:

H.R. 2394. A bill to amend chapter 65 of title 18, United States Code, to provide criminal penalties for desecration of a religious structure or a consecrated grave, or the placement of an antireligious symbol on the property of another, and for other purposes; to the Committee on the Judiciary.

By Mr. HILLIS (for himself and Mr. BRODHEAD):

H.R. 2395. A bill to make the tax deduction for repayment of certain unemployment compensation benefits which is applicable to taxable years beginning after December 28, 1980, applicable to taxable years ending after April 2, 1975; to the Committee on Ways and Means.

By Mr. HOLLAND:

H.R. 2396. A bill to amend the Internal Revenue Code of 1954 to repeal the estate and gift taxes and the tax on generation-skipping transfers; to the Committee on Ways and Means.

H.R. 2397. A bill to amend the Internal Revenue Code of 1954 with respect to the treatment of certain lending or finance businesses for purposes of the tax on personal holding companies; to the Committee on Ways and Means.

By Mr. HUBBARD:

H.R. 2398. A bill to provide, for purposes of the Federal income tax, that the one-time exclusion from gross income of gain from the sale of a principal residence by an individual who has attained age 55 shall apply to sales and exchanges after December 31, 1977; to the Committee on Ways and Means.

By Mr. HUNTER:

H.R. 2399. A bill to amend title 38 of the United States Code to provide meaningful educational assistance to persons who serve in the Armed Forces; jointly, to the Committees on Armed Services and Veterans' Affairs.

By Mr. CONABLE (for himself, Mr. MICHEL, Mr. DUNCAN, Mr. ARCHER, Mr. VANDER JAGT, Mr. PHILIP M. CRANE, Mr. FRENZEL, Mr. MARTIN of North Carolina, Mr. BAFALIS, Mr. SCHULZE, Mr. GRADISON, Mr. ROUSSELOT, and Mr. MOORE):

H.R. 2400. A bill to amend the Internal Revenue Code of 1954 to encourage economic growth through reduction of the tax rates for individual taxpayers and acceleration of capital cost recovery of investment in plant, equipment, and real property; to the Committee on Ways and Means.

Mr. JEFFORDS:

H.R. 2401. A bill entitled the "Dairy Production Act of 1981"; jointly, to the Committees on Agriculture and Ways and Means.

By Mr. JONES of Oklahoma:

H.R. 2402. A bill to amend the Internal Revenue Code of 1954 to change the period for the payment of taxes under section 4161(a) of such Code; to the Committee on Ways and Means.

H.R. 2403. A bill to amend the Internal Revenue Code of 1954 with respect to the treatment of gain on the sale or exchange of foreign investment company stock; to the Committee on Ways and Means.

By Mr. KASTENMEIER (for himself, Mr. RODINO, Mr. EDWARDS of California, Mr. SEIBERLING, Mr. DANIELSON, Mr. MAZZOLI, Mr. HUGHES, Mr. SYNAR, Mr. BENNETT, Mr. AKAKA, Mr. MCCLORY, Mr. RAILSBACK, Mr. FISH, Mr. BUTLER, Mr. MOORHEAD, Mr. KINDNESS, and Mr. LUNGREN):

H.R. 2404. A bill to eliminate diversity of citizenship as a basis of jurisdiction of Federal district courts; to the Committee on the Judiciary.

By Mr. KASTENMEIER (for himself, Mr. RODINO, Mr. DANIELSON, Mr. RAILSBACK, Mr. MCCLORY, Mr. BUTLER, and Mr. SAWYER):

H.R. 2405. A bill to establish a U.S. Court of Appeals for the Federal circuit, to establish a U.S. Claims Court, and for other purposes; to the Committee on the Judiciary.

By Mr. KASTENMEIER:

H.R. 2406. A bill to improve the administration of justice by providing greater discretion to the Supreme Court in selecting the cases it will review, and for other purposes; to the Committee on the Judiciary.

By Mr. KASTENMEIER (for himself, Mr. RODINO, Mr. SAM B. HALL, JR., Mr. OBERSTAR, Mr. AKAKA, Mr. RAILSBACK, Mr. FISH, Mr. HAMMERSCHMIDT, and Mr. BETHUNE):

H.R. 2407. A bill to aid State and local governments in strengthening and improving their judicial systems through the creation of a State Justice Institute; to the Committee on the Judiciary.

Mr. KASTENMEIER:

H.R. 2408. A bill to provide for consistent standards relating to standing to bring suit in Federal courts; to the Committee on the Judiciary.

By Mr. LAFALCE:

H.R. 2409. A bill to amend the Internal Revenue Code of 1954 to eliminate the marriage penalty by providing that all individuals shall use the income tax rate applicable to joint returns and that community property laws shall not apply for Federal income tax purposes; to the Committee on Ways and Means

By Mr. LEATH of Texas (by request):

H.R. 2410. A bill to amend title 38, United States Code, to authorize the Administrator to make contributions for construction projects on land adjacent to national cemeteries in order to facilitate safe ingress or egress; to the Committee on Veterans' Affairs.

H.R. 2411. A bill to amend title 38, United States Code, to authorize the Administrator to provide a memorial plaque or marker in appropriate situations to the next of kin of an individual who would otherwise be memorialized in a national, private or local cemetery; to the Committee on Veterans' Affairs.

By Mr. LUNDINE (for himself and Mr. LAFALCE):

H.R. 2412. A bill to establish the National Productivity Council and the National Productivity Council Advisory Board; to the Committee on Banking, Finance and Urban Affairs.

By Ms. MIKULSKI:

H.R. 2413. A bill to authorizing the establishment of a customs fund for use in the renovation, expansion, and construction of customs port facilities located on State or municipal marine terminal property at U.S. ports; to the Committee on Ways and Means.

By Mr. MOLINARI:

H.R. 2414. A bill to amend the Public Health Service Act to encourage the establishment of home health programs and to amend the Social Security Act to provide expanded coverage of home health services under the medicare and medicaid programs; jointly, to the Committees on Energy and Commerce and Ways and Means.

By Mr. MOTTL:

H.R. 2415. A bill to amend title 38, United States Code, to extend by 2 years the period during which Vietnam-era veterans may initially request psychological readjustment counseling; to the Committee on Veterans' Affairs.

By Mr. PICKLE (for himself and Mr. HANCE):

H.R. 2416. A bill to promote the development of tertiary enhanced oil recovery techniques; to the Committee on Ways and Means.

By Mr. RINALDO:

H.R. 2417. A bill to amend the Internal Revenue Code of 1954 to increase to $150,000 the amount of group-term life insurance which may be provided by an employer and excluded from the gross income of an employee; to the Committee on Ways and Means.

By Mr. ST GERMAIN:

H.R. 2418. A bill to amend the Elementary and Secondary Education Act of 1965 to provide that an elementary or secondary school may not receive Federal funds unless the principal supervisor of such school certifies to the Commissioner on Education that the Pledge of Allegiance is a part of the daily program of such school; to the Committee on Education and Labor.

H.R. 2419. A bill to amend the Internal Revenue Code of 1954 to provide individuals a limited exclusion from gross income for interest on deposits in certain savings institutions; to the Committee on Ways and Means.

By Mr. SHAW:

H.R. 2420. A bill to amend section 481(d) of the Foreign Assistance Act of 1961; to the Committee on Foreign Affairs.

By Mr. SHELBY (for himself, Mr. BEVILL, Mr. FLIPPO, Mr. NICHOLS, Mr. SMITH of Alabama, Mr. DICKINSON, and Mr. EDWARDS of Alabama):

H.R. 2421. A bill to permit relatives of medicaid eligible individuals residing in nursing homes to contribute voluntarily to a State fund for the provisions of such care; to the Committee on Energy and Commerce.

By Mr. SHELBY (for himself, Mr. BEVILL, Mr. FLIPPO, Mr. NICHOLS, Mr. DICKINSON, and Mr. EDWARDS of Alabama):

H.R. 2422. A bill to amend title XIX of the Social Security Act to permit State medicaid programs to require nominal copayments for basic services provided to categorically needy individuals; to the Committee on Energy and Commerce.

H.R. 2423. A bill to amend title XIX of the Social Security Act to permit States to terminate eligibility for medicaid medical assistance for up to 1 year for individuals determined to have abused the medicaid program; to the Committee on Energy and Commerce.

H.R. 2424. A bill to amend title XIX of the Social Security Act to allow States to provide for competitive bidding for the purchase of certain items under the medicaid plans; to the Committee on Energy and Commerce.

H.R. 2425. A bill to amend title XIX of the Social Security Act to provide that the Federal medical assistance percentage will be 100 per centum for individuals during periods in which they have been incorrectly certified as supplemental security income recipients, and for other purposes; to the Committee on Energy and Commerce.

By Mr. SOLOMON:

H.R. 2426. A bill to amend the Internal Revenue Code of 1954 to allow the residential energy credit for certain wood or peatburning stoves; to the Committee on Ways and Means.

H.R. 2427. A bill to amend the Internal Revenue Code of 1954 to provide for the indexing of certain assets for purposes of determining gain or loss; to the Committee on Ways and Means.

H.R. 2428. A bill to amend the Internal Revenue Code of 1954 to provide a credit against income tax for up to $750 of the cost of purchasing a new highway vehicle; to the Committee on Ways and Means.

H.R. 2429. A bill to amend title VI of the Social Security Act to improve the aid to families with dependent children program by substituting block grants for open-ended Federal matching, to give the States a fiscal incentive to reduce error, waste, and fraud in the aid to families with dependent children program, to provide fiscal relief to the States so as to reduce overall State welfare spending and increase basic benefits for the truly needy, to encourage the States to require work as a condition of eligibility for aid to families with dependent children payments, to establish a demonstration project to provide a pilot test of the States' ability to design and implement their own welfare programs, and for other purposes; to the Committee on Ways and Means.

H.R. 2430. A bill to amend the Internal Revenue Code of 1954 to provide tax relief to residential users of refined petroleum products; to the Committee on Ways and Means.

By Mr. SOLOMON (for himself, Mr. SMITH of New Jersey, Mr. MATSUI, Mr. JEFFRIES, Mr. DOWNEY, Mr. LAGOMARSINO, Mr. STRATTON, Mr. LOWERY of California, Mr. HERTEL, Mr. MURPHY, Mr. MCGRATH, Mr. YATRON, Mr. FOGLIETTA, Mr. GREEN, Mr. GUYER, Mr. HORTON, Mr. BOWEN, Mr. HYDE, Mr. MOLINARI, Mr. ATKINSON, Mr. LEE, Mr. SCHEUER, Mr. BIAGGI, Mr. LONG of Maryland, and Mr. CARMAN):

H.R. 2431. A bill to grant Federal charter to the Italian American War Veterans of the United States of America; to the Committee on the Judiciary.

By Mr. STARK:

H.R. 2432. A bill to amend the Internal Revenue Code of 1954 to reduce individual and business income taxes; to the Committee on Ways and Means.

By Mr. LAFALCE:

H.J. Res. 200. Joint resolution designating February 1982 as "American History Month"; to the Committee on Post Office and Civil Service.

By Mr. MITCHELL of Maryland (for himself, Mr. SMITH of Iowa, Mr. ADDABBO, Mr. GONZALEZ, Mr. LAFALCE, Mr. BEDELL, Mr. RICHMOND, Mr. NOWAK, Mr. IRELAND, Mr. SKELTON, Mr. EVANS of Georgia, Mr. STENHOLM, Mr. MAZZOLI, Mr. MAVROULES, Mr. CROCKETT, Mr. HATCHER, Mr. WYDEN, Mr. ECKART, Mr. DORGAN of North Dakota, Mr. SAVAGE, Mr. ROEMER, Mr. FARY, Mr. MCDADE, Mr. CONTE, Mr. BROOMFIELD, Mr. MARRIOTT, Mr. WILLIAMS of Ohio, Mrs. SNOWE, Mr. BEREUTER, Mr. DANIEL B. CRANE, Mr. STATON of West Virginia, Mr. WEBER of Minnesota, Mr. DAUB, Mr. SMITH of New Jersey, Mr. WEBER of Ohio, and Mr. DREIER):

H.J. Res. 201. Joint resolution authorizing the President of the United States to proclaim May 10 through May 16, 1981, "National Small Business Week"; to the Committee on Post Office and Civil Service.

By Mr. DIXON (for himself, Mr. KEMP, Mr. ZABLOCKI, Mr. ANDERSON, Mr. ANDREWS, Mr. ATKINSON, Mr. AUCOIN, Mr. BARNES, Mr. BEDELL, Mr. BEILENSON, Mr. BENJAMIN, Mr. BEVILL, Mr. BINGHAM, Mr. BONER of Tennessee, Mr. BONKER, Mr. BONIOR of Michigan, Mr. BOWEN, Mr. BRODHEAD, Mr. BROOMFIELD, Mr. BROWN of California, Mr. BROWN of Ohio, Mr. PHILLIP BURTON, Mr. CHENEY, Mrs. CHISHOLM, Mr. CLAY, Mr. COELHO, Mrs. COLLINS of Illinois, Mr. CONTE, Mr. COUGHLIN, Mr. WILLIAM J. COYNE, Mr. CROCKETT, Mr. DASCHLE, Mr. DE LA GARZA, Mr. DELLUMS, Mr. DE LUGO, Mr. DENARDIS, Mr. DERRICK, Mr. DERWINSKI, Mr. DICKS, Mr. DONNELLY, Mr. DORGAN of North Dakota, Mr. DORNAN of California, Mr. DOUGHERTY, Mr. DOWNEY, Mr. DYMALLY, Mr. ECKART, Mr. EDGAR, Mr. EDWARDS of California, Mr. EDWARDS of Oklahoma, Mr. ERDAHL, Mr. EVANS of Delaware, Mr. FASCELL, Mr. FAUNTROY, Mr. FAZIO, Mrs. FENWICK, Ms. FERRARO, Mr. FINDLEY, Mr. FISH, Mr. FITHIAN, Mr. FORD of Tennessee, Mr. FOWLER, Mr. FRANK, Mr. FUQUA, Ms. FIEDLER, Mr. GEJDENSEN, Mr. GILMAN, Mr. GINGRICH, Mr. GINN, Mr. GOODLING, Mr. GORE, Mr. GRAY, Mr. GUARINI, Mr. HARKIN, Mr. HAWKINS, Mr. HEFTEL, Mr. HUGHES, Mr. KILDEE, Mr. LAGOMARSINO, Mr. LANTOS, Mr. LEACH of Iowa, Mr. LEHMAN, Mr. LELAND, Mr. LEWIS, Mr. LIVINGSTON, Mr. LONG of Maryland, Mr. LONG of Louisiana, Mr. LOWRY of Washington, Mr. LUNGREN, Mr. MCCLOSKEY, Mr. MCHUGH, Mr. MARKEY, Mr. MARKS, Mr. MATSUI, Ms. MIKULSKI, Mr. MILLER of California, Mr. MINETA, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. MOFFETT, Mr. NATCHER, Mr. NELSON, Ms. OAKAR, Mr. OBERSTAR, Mr. OTTINGER, Mr. PANETTA, Mr. PATTERSON, Mr. PEPPER, Mr. PERKINS, Mr. PETRI, Mr. PEYSER, Mr. PRITCHARD, Mr. PURSELL, Mr. RANGEL, Mr. RATCHFORD, Mr. RICHMOND, Mr. RODINO, Mr. ROSENTHAL, Mr. SABO, Mr. SAVAGE, Mr. SCHUMER, Mr. SHUMWAY, Mr. SIMON, Mrs. SNOWE, Mr. SOLARZ, Mr. STARK, Mr. STOKES, Mr. SUNIA, Mr. THOMAS, Mr. TRAXLER, Mr. VENTO, Mr. WASHINGTON, Mr. WAXMAN, Mr. WEISS, Mr. WHITTEN, Mr. WOLPE, and Mr. ZEFERETTI):

H.J. Res. 202. Joint Resolution to authorize and request the President to issue a proclamation designating April 9, 1981, as "African Refugee Relief Day"; to the Committee on Post Office and Civil Service.

By Mr. LENT (for himself and Mr. MCGRATH):

H. Con. Res. 90. Concurrent resolution disapproving the proposed sale to Saudi Arabia of AIM-9L air-to-air missiles and the FAST auxiliary fuel and equipment pods for the F-15 fighter aircraft ordered by Saudi Arabia; to the Committee on Foreign Affairs.

By Mr. ROSE:

H. Res. 107. Resolution providing funds for the expenses of the Committee on House Administration to provide for the maintenance and improvement of ongoing computer services for the House of Representatives, for the investigation of additional computer services for the House of Representatives, and to provide computer support to the committees of the House of Representatives; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FOWLER:

H.R. 2433. A bill for the relief of Fa Fung Chan; to the Committee on the Judiciary.

By Mr. YOUNG of Alaska:

H.R. 2434. A bill for the relief of Jerry L. Crow; to the Committee on Interior and Insular Affairs.

H.R. 2435. A bill for the relief of M. Sgt. Paul D. Camp, Sr., U.S. Air Force (retired); to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 27: Mr. GUYER, Mr. TAUKE, and Mr. PORTER.

H.R. 40: Mr. RICHMOND, Mr. ROSENTHAL, Mr. WON PAT, Mr. RANGEL, Mr. MCCLOSKEY, Mr. STARK, Mr. MITCHELL of Maryland, Mr. CLAY, Mr. SEIBERLING, Mr. FAUNTROY, Mr. PHILLIP BURTON, Mr. WAXMAN, Mr. LEHMAN, Mr. WEISS, Ms. FERRARO, Mr. BEILENSON, and Mr. ROYBAL.

H.R. 52: Mr. JACOBS.

H.R. 70: Mr. DORGAN of North Dakota.

H.R. 168: Mr. SEIBERLING.

H.R. 254: Mr. FOWLER.

H.R. 259: Mr. RUDD.

H.R. 266: Mr. ANDREWS, Ms. MIKULSKI, and Mr. MITCHELL of Maryland.

H.R. 269: Mr. GREGG and Mr. TRIBLE.

H.R. 316: Mr. CAMPBELL, Mr. NEAL, Mr. BETHUNE, Mr. JAMES K. COYNE, Mr. ROBINSON, Mr. LOWERY of California, Mr. GINGRICH, Mr. ROEMER, Mr. PASHAYAN, Mr. FITHIAN, and Mr. COLEMAN.

H.R. 317: Mr. LOTT, Mr. ANNUNZIO, Mr. DANNEMEYER, Mr. FROST, Mrs. SCHNEIDER, Mr. ROUSSELOT, Mr. CAMPBELL, Mr. MCGRATH, Mr. GOODLING, and Mr. WHITE.

H.R. 318: Mr. ROEMER, Mr. MARLENEE, Mr. FISH, Mr. RUDD, Mr. PORTER, Mr. LOEFFLER, Mr. MOORE, and Mr. CHENEY.

H.R. 350: Mr. DAUB.

H.R. 464: Mr. COELHO.

H.R. 644: Mr. BOWEN, Mr. BURGENER, Mr. BUTLER, Mr. DORNAN of California, Mr. FAZIO, Ms. FERRARO, Mr. FISH, Mr. GINGRICH, Mr. GUARINI, Mr. GUYER, Mr. HUGHES, Mr. JEFFORDS, Mr. LAFALCE, Mr. LEHMAN, Mr. LONG of Maryland, Mr. LOTT, Mr. MARTIN of New York, Mr. MURPHY, Ms. OAKAR, Mr. OBERSTAR, Mr. STOKES, and Mr. STUMP.

H.R. 654: Mr. PHILIP M. CRANE and Mr. DOUGHERTY.

H.R. 878: Mr. HOWARD, Mr. GARCIA, Mr. DORGAN of North Dakota, Mr. BONER of Tennessee, Mr. WALGREN, Mr. STUMP, Mr. ATKINSON, Mr. WHITTAKER, Mr. DASCHLE, and Mr. DAUB.

H.R. 934: Mr. STARK, Mr. MURPHY, Mr. SEIBERLING, Mr. WON PAT, Mr. SIMON, and Mr. STOKES.

H.R. 974: Mr. GOLDWATER.

H.R. 1100: Mr. BONER of Tennessee and Mr. APPLEGATE.

H.R. 1147: Mr. APPLEGATE.

H.R. 1260: Mr. STOKES, Mr. WEAVER, and Mr. DONNELLY.

H.R. 1261: Mr. STOKES and Mr. WHITEHURST.

H.R. 1262: Mr. STOKES and Mr. WHITEHURST.

H.R. 1263: Mr. STOKES and Mr. WHITEHURST.

H.R. 1264: Mr. STOKES and Mr. WHITEHURST.

H.R. 1265: Mr. STOKES and Mr. WHITEHURST.

H.R. 1337: Mr. GORE, Mr. SCHEUER, Mr. COLLINS of Texas, Mr. KOGOVSEK, Mr. LAGOMARSINO, Mr. FROST, Mr. HYDE, Mr. SENSENBRENNER, Mr. MAZZOLI, Mr. WHITTAKER, Mr. JEFFORDS, Mr. DASCHLE, Mr. VENTO, Mr. MCGRATH, and Mr. MINETA.

H.R. 1343: Mr. CHAPPELL, Mr. ROUSSELOT, Mr. KILDEE, Mr. DE LUGO, Mr. PARRIS, Mr. HINSON, Mr. FISH, Mr. PANETTA, Mr. KINDNESS, Mr. EVANS of Georgia, Mr. DERWINSKI, Mr. WHITEHURST, Mr. ARCHER, Mr. KRAMER, Mr. FORSYTHE, Mr. BARNARD, Mr. CORCORAN, Mr. SMITH of Alabama, Mr. DAVIS, Mr. MCDADE, Mr. GREGG, Mr. MCKINNEY, Mr. PASHAYAN, Mr. FRENZEL, Mr. WILLIAMS of Ohio, Mr. HANSEN of Idaho, Mr. PAUL, Mr. LOTT, Mr. ROE, Mr. COLLINS of Texas, Mr. SAM B. HALL, JR., Mr. NEAL, Mr. MCDONALD, Mr. CONYERS, Mr. JAMES K. COYNE, Mr. SAWYER, Mr. CRAIG, Mr. MARRIOTT, Mr. MITCHELL of Maryland, Mr. GUYER, Mr. LAGOMARSINO, and Mr. ROBINSON.

H.R. 1353: Mrs. CHISHOLM, Mr. HORTON, Mr. HOWARD, Mr. RAHALL, Mr. REUSS, Mr. SOLARZ, Mr. WON PAT, Mr. YATES, and Mr. YOUNG of Missouri.

H.R. 1432: Mr. WHITEHURST, Mr. JEFFORDS, Mr. ROBERT W. DANIEL, JR., and Mr. GUYER.

H.R. 1454: Mr. EDGAR, Mr. AUCOIN, Mr. MATSUI, Mr. STOKES, Mr. MCKINNEY, Mr. LEHMAN, Mr. FOGLIETTA, and Mr. DYMALLY.

H.R. 1532: Mr. BARNARD.

H.R. 1540: Mr. JOHN L. BURTON, Mr. DIXON, Mr. DOWNEY, Mr. FISH, Mr. GINGRICH, Mr. GUYER, Mr. HANSEN of Idaho, Mr. HOLLENBECK, Mr. LEHMAN, Mr. MARTIN of New York, Mr. ROBINSON, Mrs. SCHROEDER, Mr. SENSENBRENNER, Mr. STOKES, and Mr. TRIBLE.

H.R. 1596: Mr. MOTTL.

H.R. 1648: Mr. ADDABBO, Mr. BARNARD, Mr. BOLAND, Mr. BONIOR of Michigan, Mr. CARMAN, Mr. CONTE, Mr. CORRADA, Mr. DE LA GARZA, Mr. EARLY, Mr. FAZIO, Mr. FORSYTHE, Mr. FRANK, Mr. FRENZEL, Mrs. HECKLER, Mr. HUGHES, Mr. MARKS, Mr. MAVROULES, Mr. MCHUGH, Mr. MINETA, Mr. MITCHELL of Maryland, Mr. NOWAK, Mr. PORTER, Mr. PRITCHARD, Mr. RAHALL, Mr. RINALDO, Mr. RITTER, Mr. TRAXLER, Mr. UDALL, Mr. WHITTAKER, Mr. WON PAT, and Mr. WYDEN.

H.R. 1700: Mr. ADDABBO, Mr. AUCOIN, Mr. BARNES, Mr. CARMAN, Mr. EDWARDS of Oklahoma, Mr. EMERSON, Mr. FITHIAN, Mr. FOLEY, Mr. GREGG, Mr. HAMILTON, Mr. HUNTER, Mr. JONES of Tennessee, Mr. MOORHEAD, Mr. SHAMANSKY, Mr. SIMON, Mr. STUMP, Mr. TRIBLE, and Mr. WAMPLER.

H.R. 1720: Mr. BEILENSON, Mr. JEFFORDS, Mr. EDGAR, Mr. OTTINGER, Mr. LOWRY of Washington, Mr. STOKES, and Mr. VENTO.

H.R. 1800: Mr. MOFFETT, Mrs. CHISHOLM, Mr. MILLER of California, Mr. BEILENSON, Mr. GLICKMAN, Mr. CONYERS, Mr. GUYER, Mr. EMERY, Mr. SCHEUER, Mrs. SCHROEDER, Mr. BRODHEAD, Mr. OTTINGER, Mr. STOKES, Mr. COLLINS of Texas, Mr. WALKER, Mr. KILDEE, Mrs. SCHNEIDER, and Mr. BEDELL.

H.R. 1956: Mr. COELHO.

H.R. 2032: Mr. JOHNSTON, Mr. WINN, Mr. ROUSSELOT, Mr. COLLINS of Texas, Mr. SHUMWAY, Mr. WHITEHURST, Mr. WHITTAKER, Mr. BAFALIS, Mr. LOEFFLER, Mr. BEARD, and Mr. RUDD.

H.R. 2052: Mr. BINGHAM, Mr. WHITEHURST, Mr. FORSYTHE, Mr. PETRI, Mr. GUYER, and Mr. HUGHES.

H.R. 2129: Mr. SIMON.

H.R. 2252: Mr. OBERSTAR, Mrs. CHISHOLM, Mr. FAUNTROY, Mr. CONYERS, Mr. STOKES, Mrs. COLLINS of Illinois, Mr. PHILLIP BURTON, Mr. BINGHAM, Mr. GRAY, Mr. DIXON, Mr. HAWKINS, Mrs. SCHROEDER, Mr. FORD of Tennessee, Mr. FOWLER, Mr. GARCIA, Mr. SAVAGE, Mr. PANETTA, Mr. GONZALEZ, Mr. REUSS, Mr. MOFFETT, Mr. DOWNEY, Mr. RATCHFORD, Mr. EDWARDS of California, Mr. FUQUA, Mr. GIBBONS, Mr. LEHMAN, Mr. FASCELL, Mr. BARNARD, Mr. RUSSO, Mr. SHARP, Mr. YOUNG of Missouri, Mr. HUGHES, Mr. PEYSER, Mr. HALL of Ohio, Mr. BAILEY of Pennsylvania, Mr. BLANCHARD, Mr. LEACH of Iowa, Mr. DERWINSKI, Mr. AKAKA, Mr. ROYBAL, Mr. MITCHELL of Maryland, Mr. HYDE, Mr. JENKINS, Mr. LELAND, Mr. PATTERSON, Mr. AUCOIN, Mr. PEPPER, Mr. SMITH of Iowa, Mr. LAFALCE, Mr. JACOBS, Mr. DELLUMS, Mr. MOAKLEY, Mr. BEVILL, Mr. YATES, Mr. FINDLEY, Mr. DANIELSON, Mr. SKELTON, Mr. LOWRY of Washington, Mr. WEAVER, Mr. JOHN L. BURTON, Ms. OAKAR, Mr. CROCKETT, Mr. GEPHARDT, Ms. MIKULSKI, Mr. GOODLING, Mr. YATRON, Ms. FERRARO, Mr. BEDELL, Mr. TAYLOR, Mr. FORD of Michigan, Mr. DE LUGO, Mr. GINGRICH, Mr. GILMAN, Mr. BARNES, Mr. RANGEL, Mr. MARKEY, Mr. WYDEN, Mr. GINN, Mr. LEVITAS, Mr. CHAPPELL, Mr. YOUNG of Florida, Mr. BIAGGI, Mr. BRINKLEY, Mr. WIRTH, Mr. SABO, and Mr. SIMON.

H.J. Res. 125: Mr. APPLEGATE, Mr. SKELTON, and Mr. MOTTL.,

H.J. Res. 141: Mr. PEPPER, Mr. OBERSTAR, Mr. MURPHY, Mr. RODINO, Mr. SCHEUER, Mr. GORE, Mr. ROE, Mr. CORRADA, Mr. LAGOMARSINO, Mr. BOWEN, Mr. GINN, Mr. HOLLAND, Mr. MADIGAN, Mr. GUYER, Mr. JENKINS, Mr. CARMAN, Mr. SABO, Mr. HEFNER, Mr. ERDAHL, Mr. DE LUGO, Mr. FRENZEL, Mr. YOUNG of Alaska, Mr. WEBER of Minnesota, Mr. IRELAND, Mr. VENTO, Mr. LELAND, Mr. SIMON, Mr. NOWAK, and Mr. ADDABBO.

H.J. Res. 155: Mr. ANDREWS, Mr. ANNUNZIO, Mr. ASPIN, Mr. ATKINSON, Mr. AUCOIN, Mr. BAFALIS, Mr. BAILEY of Pennsylvania, Mr. BARNARD, Mr. BARNES, Mr. BEVILL, Mr. BIAGGI, Mr. BINGHAM, Mr. BLANCHARD, Mr. BOWEN, Mr. BREAUX, Mr. BRODHEAD, Mr. BROOMFIELD, Mr. BROWN of Ohio, Mr. BURGENER, Mr. JOHN L. BURTON, Mr. PHILLIP BURTON, Mr. BUTLER, Mrs. CHISHOLM, Mr. CLAY, Mr. COELHO, Mrs. COLLINS of Illinois, Mr. COLLINS of Texas, Mr. CONTE, Mr. CORRADA, Mr. COURTER, Mr. WILLIAM J. COYNE, Mr. DE LA GARZA, Mr. DENARDIS, Mr. DERWINSKI, Mr. DICKS, Mr. DORNAN of California, Mr. DOUGHERTY, Mr. DWYER, Mr. EDGAR, Mr. EDWARDS of California, Mr. FARY, Mr. FASCELL, Mr. FAUNTROY, Mr. FAZIO, Mrs. FENWICK, Mr. FERRARO, Mr. FINDLEY, Mr. FISH, Mr. FLORIO, Mr. FOGLIETTA, Mr. FORD of Tennessee, Mr. FORD of Michigan, Mr. FORSYTHE, Mr. FRANK, Mr. FRENZEL, Mr. FROST, Mr. FUQUA, Mr. GOLDWATER, Mr. GONZALEZ, Mr. GORE, Mr. GRAY, Mr. GUARINI, Mr. GUYER, Mr. HARTNETT, Mrs. HECKLER, Mr. HEFTEL, Mr. HERTEL, Mr. HOLLENBECK, Mrs. HOLT, Mr. HORTON, Mr. HUGHES, Mr. HYDE, Mr. JACOBS, Mr. KASTENMEIER, Mr. KEMP, Mr. KILDEE, Mr. LAFALCE, Mr. LAGOMARSINO, Mr. LEBOUTILLIER, Mr. LEE, Mr. LEHMAN, Mr. LENT, Mr. LEWIS, Mr. LONG of Louisiana, Mr. LOWERY of California, Mr. LUJAN, Mr. LUNDINE, Mr. MCGRATH, Mr. MCHUGH, Mr. MATSUI, Mr. MAVROULES, Mr. MIKULSKI, Mr. MILLER of California, Mr. MOAKLEY, Mr. MOLLOHAN, Mr. MOTTL, Mr. MURPHY, Mr. MURTHA, Ms. OAKAR, Mr. OBERSTAR, Mr. OTTINGER, Mr. PANETTA, Mr. PEPPER, Mr. PETRI, Mr. PEYSER, Mr. PICKLE, Mr. PORTER, Mr. RANGEL, Mr. RICHMOND, Mr. RODINO, Mr. ROE, Mr. ROSENTHAL, Mr. RUSSO, Mr. SANTINI, Mr. SAVAGE, Mr. SCHEUER, Mr. SIMON, Mr. SOLARZ, Mr. STARK, Mr. TAUZIN, Mr. VENTO, Mr. WASHINGTON, Mr. WAXMAN, Mr. WEISS, Mr. WHITEHURST, Mr. WILLIAMS of Ohio, Mr. WILSON, Mr. WINN, Mr. WIRTH, Mr. WOLPE, Mr. WON PAT, Mr. WORTLEY, Mr. YATRON, Mr. YOUNG of Missouri, Mr. ZEFERETTI, Mr. HOWARD, Mr. LOWRY of Washington, Mr. YATES, Mr.

WALGREN, Mrs. SNOWE, Mr. AKAKA, Mr. COTTER, Mr. D'AMOURS, and Mr. STRATTON.

H.J. Res. 191: Mrs. CHISHOLM, Mr. HYDE, Mr. LAGOMARSINO, Mr. MURPHY, Mr. STOKES, Mr. SUNIA, Mr. WINN, and Mr. YOUNG of Alaska.

H. Con. Res. 27: Mr. DONNELLY and Mr. HOLLENBECK.

H. Res. 33: Mr. DORNAN of California.

H. Res. 98: Mr. KEMP, Mr. GRADISON, Mr. LOEFFLER, Mr. DORNAN of California, Mr. ROUSSELOT, Mr. DREIER, Ms. FIEDLER, Mr. COATS, Mr. COURTER, Mr. PORTER, Mr. DANNEMEYER, Mr. ROBERT W. DANIEL, JR., Mr. DAVIS, Mr. DAUB, Mr. FIELDS, Mr. FINDLEY, Mr. GUYER, Mr. HANSEN of Utah, Mr. JEFFRIES, Mr. LEWIS, Mr. LUNGREN, Mr. MOLINARI, Mr. MOORHEAD, Mr. RITTER, Mr. SMITH of Alabama, Mr. ERDAHL, Mr. ROEMER, Mr. NELLIGAN, Mr. WILSON, and Mrs. FENWICK.

SENATE—*Tuesday, March 10, 1981*

(Legislative day of Monday, February 16, 1981)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., offered the following prayer:

Bless the Lord, O my soul: and all that is within me, bless His holy name. Bless the Lord, O my soul and forget not all His benefits: Who forgives all thine iniquities, Who heals all thy diseases.—Psalms 103: 1–3.

Our Father in Heaven, it is difficult for strong men to admit weakness, and in our secular culture it is considered unacceptable. Help us, O God, to humble ourselves before Thee, to acknowledge our weakness and failure and receive Thy strength and wisdom. Give us grace to confess our sins and receive forgiveness in the confidence that Thou dost forgive us our sin and cleanse us from all unrighteousness.

Help us remember that whosoever exalts himself shall be abased and whosoever humbles himself before the Lord shall be exalted.

We thank Thee Father that Thy strength is manifest in us when we admit our weakness. Enable us to do our work today in Thy grace and power and love.

We ask this in the name of Him who is perfection incarnate. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

Mr. BAKER. Mr. President, I thank the Chair.

THE JOURNAL

Mr. BAKER. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR A PERIOD FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS TODAY

Mr. BAKER. Mr. President, I ask unanimous consent that following on after the recognition of the two leaders under the standing order there be a period for the transaction of routine morning business for not to exceed 1 hour in length during which Senators may be permitted to speak for not more than 15 minutes each.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER VITIATING ORDERS FOR THE RECOGNITION OF SENATORS BAUCUS AND KENNEDY

Mr. BAKER. Mr. President, might I inquire are there special orders issued in favor of Senators BAUCUS and KENNEDY for this morning?

The PRESIDENT pro tempore. The Senator is correct.

Mr. BAKER. Mr. President, I am advised that neither Senator BAUCUS nor Senator KENNEDY will require the time that is provided for and I ask unanimous consent that those orders be vitiated.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I have no further requirements for my time under the standing order and no requests for time. I am prepared now to yield the remainder of the time provided for under the standing order to the distinguished minority leader if he wishes to avail himself of the time.

RECOGNITION OF THE MINORITY LEADER

The PRESIDENT pro tempore. The Senator from West Virginia is recognized.

Mr. ROBERT C. BYRD. I thank the distinguished majority leader.

THE PASSING OF AN EXCEPTIONAL LADY

Mr. ROBERT C. BYRD. Madam President, I was saddened to learn that, at approximately 7:45 a.m. today, Mary Katherine Babb Randolph, the wife of our distinguished colleague Senator JENNINGS RANDOLPH, died after a lengthy illness. I am sure that all Senators join me in extending to Senator RANDOLPH and his family our deepest condolences.

As is the case with so many Senators' wives, Mrs. Randolph possessed a brilliance and creativity in her own right. Throughout her long illness, she continued to be a valued helpmate to Senator RANDOLPH and an inspiration to all who knew and admired her.

Mrs. Randolph belonged to a politically active and prominent West Virginia family. Her grandfather had been State auditor and Republican candidate for Governor. An uncle served in both houses of the West Virginia State Legislature. And her father was mayor of her hometown, Keyser, and had been a member of the Board of Governors of West Virginia University.

Prior to her marriage to JENNINGS RANDOLPH, Mary Katherine Babb had achieved a wide reputation as a social worker. She was renowned for the tenacity and compassion she displayed in taking care of orphaned and abandoned children in the eastern panhandle of West Virginia as an employee of the State Board of Children's Guardians. Known as "The Welfare Lady," she "compassed Heaven and Earth" in search of her charges, traveling by train, car, bus, and riverboat, and even fording mountain streams on foot in remote rural areas, looking for children in need.

In 1933, shortly after his election to the U.S. House of Representatives, Mary Katherine Babb married JENNINGS RANDOLPH. In the course of her husband's career in the House and Senate, and in the private sector, Mrs. Randolph became the friend and confidant of numerous congressional and senatorial wives, and was closely associated with Eleanor Roosevelt and seven subsequent First Ladies—Bess Truman, Mamie Eisenhower, Jacqueline Kennedy, Lady Bird Johnson, Pat Nixon, Betty Ford, and Rosalynn Carter.

Mrs. Randolph was a unique embodiment of grace and achievement, brilliance and sensitivity. Her friends in Washington and West Virginia will genuinely miss her.

Madam President, my wife, Erma joins me in extending our thoughts and sympathies to Senator RANDOLPH, and his sons, Jay and Frank as we share in their loss. February 18 had been the Randolph's 48th wedding anniversary, and last Sunday was Senator RANDOLPH'S 79th birthday. Though we mourn the passing of Mrs. Randolph, we can be thankful for the long and rich union of these two friends of ours who have contributed so much to Washington, West Virginia, and America. We shall not soon forget the kindness and courage of Mrs. Randolph, and we count it a privilege to have known her.

Mr. BAKER. Madam President, I join with my colleague and friend, the distinguished minority leader, in extending my sympathy and condolences and those, I am sure, of every Member on this side of the aisle, on the occasion of the death of Mary Randolph, the wife of our beloved and distinguished colleague from West Virginia, Senator RANDOLPH.

All of us treasure our relationship and friendship with Senator JENNINGS RANDOLPH. He is an extraordinary and unique Member of this body. We have been aware not only of the illness and suffering of his wife, Mary, but also of the toll it has taken on their family. We cannot help but admire the courage of Mary Randolph in a long, debilitating illness;

of JENNINGS RANDOLPH in his courage and devotion; and their family at this time.

All of us in the Senate, by the very nature of this institution, come to regard each other as members of a large and close family. Thus, the loss of any of us saddens and diminishes all of us.

Having been privileged to serve with Senator RANDOLPH for a great many years on the Environment and Public Works Committee, it was my good fortune to come to know both JENNINGS and Mary Katherine rather well.

As many of my colleagues are aware, Mary Katherine's health had been failing her for some time. Throughout her illness, however, she never once complained. Nor would she allow Senator RANDOLPH to curtail his service to the citizens of his beloved West Virginia. At her insistence, JENNINGS maintained as vigorous a schedule here and throughout the Nation as any Member of this body. His heart and his prayers were with her at all times, however, and in the infrequent quiet periods of his days, he would be by her side or talking to her on the telephone.

That Mary Katherine was the inspiration of JENNINGS RANDOLPH'S unparalleled service to his State and country is no surprise to those of us who knew her. For Mary Katherine, herself, maintained a long career of exceptional service.

A legatee of rich and devoted service to West Virginians by her own family, Mary Katherine as a young adult spent years and boundless energy searching out adoptive and foster parents for abandoned and orphaned children. During the 5 years of her service on the West Virginia Board of Children's Guardians, she was affectionately known throughout that State as the "Welfare Lady," for her tireless efforts in behalf of unfortunate children.

During her many days in Washington, she was a close friend and acquaintance of every First Lady of our land from Eleanor Roosevelt to Rosalynn Carter and she worked with each of them on their many civic and social programs.

She was most active in such programs as the American Heart Association, the Boy's Clubs of America, the Florence Crittendon Homes for young women, and the many activities of St. Patrick's Episcopal Church here in Washington.

We shall all greatly miss Mary Katherine—for her unfailing kindness, her boundless good cheer, her quiet strength, and her devoted friendship.

I know I speak for each member of the Senate in expressing my heartfelt sympathies to Senator RANDOLPH on this most sad day for us all.

THE UNITED STATES SENATE

LIMITED DEBATE, 1789–1981, THE CLOTURE RULE

Mr. ROBERT C. BYRD. Mr. President, undoubtedly, one of the greatest changes occurring in the rules between the 1884 codification and the 1979 revision, was the emergence and development of the controversial cloture rule. That rule is now contained in paragraph 2 of Rule XXII, and it commands a history unto itself.

The origin and development and evolution of the rule have constituted a long and stormy voyage on the Senate's parliamentary sea.

In 1604, the practice of limiting debate in some form was introduced in the British Parliament by Sir Henry Vane. It became known in parliamentary procedure as the "Previous Question." It is described in Section 34 in Jefferson's *Manual of Parliamentary* Practice as follows:

> When any question is before the House, any member may move a previous question, whether that question (called the main question) shall not be put. If it pass in the affirmative, then the main question is to be put immediately, and no man may speak anything further to it, either to add or alter.

In 1778, the Journals of the Continental Congress show that the "Previous Question" was used. Section 10 of the Rules of the Continental Congress was as follows: "When a question is before the House no motion shall be received, unless for an amendment, for the previous question, to postpone the consideration of the main question, or to commit it."

In the British Parliament and the Continental Congress, the "previous question" was used to avoid discussion of a delicate subject or one which might have injurious consequences.

The Congress of the Confederation, on the practice of which the 1789 Senate drew so heavily, specifically declared that the—

> previous question . . . shall only be admitted when, in the judgment of two States at least, the subject moved is in its nature, or from the circumstances of time of place, improper to be debated or decided—

Jefferson, in his Manual, written while the 1789 rule was still in effect, stated:

> The proper occasion for the Previous Question is when a subject is brought forward of a delicate nature as to high personages . . . or the discussion of which may call forth observations which might be of injurious consequences. Then the Previous Question is proposed; and in the modern usage, the discussion of the Main (pending) Question is suspended, and the debate confined to the Previous Question. The use of it has been extended abusively to other cases.

The question as to whether in the last analysis, a minority should have power to prevent legislative action by the majority had been discussed in America long before 1789. Even in the colonial assemblies, various forms of obstruction had been practiced, and the subject was mentioned in the constitutional convention.

A committee of the Congress of the Confederation, in 1784, recommended stringent rules to prevent delays. The adjournment date having been set for June 3, and with much work to be done in the remaining 2 weeks, the committee recommended that in this instance the President be authorized to take the following action to expedite business:

1) to take the sense of Congress with respect to putting any question without debate when he considered it desirable;

2) to prevent any Member from speaking more than once or longer than the President deemed necessary;

3) to prevent more than two Members from speaking on one side of any question; and

4) to finish each day's business regardless of the hour of adjournment.

The *Journals of the Continental Congress* do not record that the recommendations were adopted, but they provide an interesting example of proposals far more stringent than the Senate was ever to consider.

It is apparent that unlimited debate was frowned on by the Senate in the First Congress, since Rule IV provided that "No member shall speak more than twice in any one debate on the same day, without leave of the Senate," and rule VI provided that "No motion shall be debated until the same shall be seconded."

Despite such precautions, delaying tactics were used in the Senate during its first year in 1789 against a bill to locate the National Capital on the Susquehanna.

The following year, the bill to fix the location of the Capital again occasioned dilatory tactics in both the Senate and House. In the upper Chamber, opponents of Philadelphia as the Capital tried to spin out the time until the Rhode Island Senators could arrive and vote against that site. In the House of Representatives, supporters of Philadelphia faced a similar situation. It was raining when the Philadelphia bill was under consideration in the House. If the bill passed the House and went to the Senate before the rain stopped, its friends believed it would pass, but if it reached the Senate after the rain stopped, it would be defeated. This curious circumstance was due to the illness of Senator Samuel Johnston, an opponent of the Philadelphia location, who could not safely be carried to the Floor in the rain to vote against the bill, but could and would if the rain ceased. The Senate was so evenly divided that the ill Senator's vote could have meant the difference. Supporters of the bill, therefore, tried to push the bill through the House before the rain ended. Gerry of Massachusetts and Smith of South Carolina thwarted the effort, however, by making long speeches and dilatory motions which delayed the decision until the next day.

As I have already indicated, the rules adopted by the United States Senate in April, 1789, included a motion "for the previous question." As I have likewise stated already, when the rules were modified in 1806, reference to the previous question was omitted, it having been used only ten times during the years from 1789 to 1806.

In the following year, 1807, debate on an amendment at the third reading of a bill was forbidden. From that time until 1846, there were no further limitations on debate in the Senate. Henry Clay, in 1841, brought forth a proposal for the introduction of the "previous question", but the proposal encountered opposition and was abandoned. In 1846, consideration of the Oregon bill prompted the use

of the unanimous consent agreement, a form of cloture, to limit debate by fixing a date for a vote. Since that time, such agreements have been used frequently to fix an hour at which the Senate will vote, without further debate, on a pending proposal, and to limit debate on amendments, appeals, debatable motions, etc.

In 1850, Senator Douglas submitted a resolution permitting the use of the "previous question", but, in the face of considerable opposition, the resolution was laid on the table.

In 1862, a resolution was adopted stating that,

> In consideration in secret session of subjects relating to the rebellion, debate should be confined to the subject matter and limited to five minutes, except that five minutes be allowed any member to explain or oppose a pertinent amendment.

In 1868, a rule was adopted providing that, "Motions to take up or to proceed to the consideration of any question shall be determined without debate, upon the merits of the question proposed to be considered." The object of this rule, according to Senator Edmunds, was to prevent a practice which had grown up in the Senate, "when a question was pending, and a Senator wished to deliver a speech on some other question, to move to postpone the pending order to deliver their speech on the other question." According to Mr. Trumbull, the object of the rule was to prevent the consumption of time in debate over business to be taken up. The rule was interpreted as preventing debate on the merits of a question when a proposal to postone it was made.

In December 1870, in the third session of the 41st Congress, Senator Henry Anthony of Rhode Island introduced the following resolution:

> On Monday next, at one o'clock, the Senate will proceed to the consideration of the Calendar and bills that are not objected to shall be taken up in their order; and each Senator shall be entitled to speak once and for 5 minutes only on each question; and this order shall be enforced daily at one o'clock 'till the end of the Calendar is reached, unless upon motion, the Senate should at any time otherwise order.

The resolution was adopted on the following day, December 7, 1870. The so-called "Anthony Rule" for the expedition of business was the most important limitation of debate yet adopted by the Senate. The rule was interpreted as placing no restraints upon minority, however, inasmuch as a single objection could prevent its application to the subject under consideration. In 1880, the rule became a standing rule of the Senate. It is today Rule VIII, Paragraph 1.

On April 19, 1872, a resolution was introduced, "That during the remainder of the session it should be in order, in the consideration of appropriation bills, to move to confine debate by any Senator, on the pending motion to 5 minutes." The resolution was adopted, and similar resolutions were adopted at various succeeding sessions of Congress.

An effort to reinstitute the "previous question" was made in March 1873, but the resolution was defeated by a vote of 30 to 25.

From 1873 to 1880, nine other resolutions were introduced confining and limiting debate in some form. On February 5, 1880 in the second session of the 46th Congress, the famous "Anthony Rule," which was first adopted on December 7, 1870, was made a standing rule of the Senate as rule eight. In 1882, the "Anthony Rule" was amended by the Senate, so that if the majority decided to take up a bill on the calendar after objection was made, the ordinary rules of debate without limitation would apply.

In December 1883, Senator William Frye, of Maine, Chairman of the Committee on Rules, reported a general revision of the Senate rules which included a provision for the "previous question". Amendments in the Senate struck this provision out.

On March 17, 1884, the Senate agreed to the following amendments to the rules: "The Presiding Officer may at any time lay, and it shall be in order at any time for a Senator to move to lay, before the Senate any bill or other matter sent to the Senate by the President or the House of Representatives, and any question pending at that time shall be suspended for this purpose. Any motion so made shall be determined without debate."

Also in March, 1884, the eighth rule of the Senate was amended by adding thereto:

> All motions made before 2 o'clock to proceed to the consideration of any matter shall be determined without debate.

In 1886, the Senate agreed to strike out the words, "without debate," from that part of rule XIII which provided that "every motion to reconsider shall be decided by a majority vote."

Between 1884 and 1890, there were 15 different resolutions offered to amend the rules as to limitations of debate, all of which failed of adoption. On December 29, 1890, Senator Nelson Aldrich introduced a cloture resolution in connection with Senator Henry Cabot Lodge's "Force Bill," which was being filibustered against. The resolution read, in part, as follows:

> "When any bill, resolution, or other question shall have been under consideration for a considerable time, it shall be in order for any Senator to demand that debate thereon be closed. On such demand, no debate shall be in order, and pending such demand no other motion, except one motion to adjourn, shall be made. . . ."

There were five test votes on the cloture proposal, and the votes "commanded various majorities, but in the end it could not be carried in the Senate because of a filibuster against it which merged into a filibuster on the 'Force Bill.' "

In 1893, Senator Henry Cabot Lodge expressed his growing frustration over the delay, by excessive debate, of legislation he considered vital in an article entitled "The Struggle in the Senate." Mr. Lodge wrote:

> Of the two rights (of debating and voting) that of voting is the higher and more important. We ought to have both, and debate certainly in ample measure; but if we are forced to choose between them, the right of action must prevail over the right of discussion. To vote without debating is perilous, but to debate and never vote is imbecile.
>
> As it is, there must be a change, for the delays which now take place are discrediting the Senate, and this is greatly to be deplored. The Senate was perhaps the greatest single achievement of the makers of the Constitution, and anything which lowers it in the eyes of the people is a most serious matter. A body will not long hold the respect of the people who have chosen it to govern the country.
>
> No minority is ever to blame for obstruction. If the rules permit them to obstruct, they are lawfully entitled to use those rules in order to stop a measure which they deem injurious. The blame for obstruction rests with the *majority*, and if there is obstruction, it is because the majority permits it. The majority to which I have reference is the party majority in control of the Chamber.

In 1897, the Chair ruled that quorum calls could not be ordered unless business had intervened. This ruling opened the way to a discussion of exactly what constituted "intervening business." This issue was finally joined in 1908 during a marathon filibuster led by Robert La Follette, Sr. On that occasion, Senator La Follette broke the previous endurance record by holding the floor for 18 hours and 23 minutes. His accomplishment was made possible through the device of suggesting the absence of a quorum, resulting in quorum calls each lasting at least six minutes and giving him the opportunity to seek rest and relief.

On May 29, 1908, with the temperature over 90 degrees in the chamber, La Follette talked on into the night, fortifying himself with turkey sandwiches and egg nog from the Senate Restaurant. At one point, he took a sip of egg nog and immediately cast it away, exclaiming that it had been drugged. (Subsequent chemical analysis revealed that the amount of ptomaine in the glass would certainly have killed the Wisconsin Senator, but the culprit was never identified.)

After thirty-two quorum calls, Senator Nelson Aldrich, whose bill was the target of Senator LaFollette's filibuster, raised a point of order, based on the 1897 precedent, to the effect that no business had intervened since the last quorum call. Mr. Aldrich argued that debate by itself was not "intervening business." By a vote of 35 to 8, the Senate decided that Aldrich's point was well-taken, thereby reversing an 1872 precedent to the contrary.

This ruling made it more difficult for La Follette to continue. His filibuster finally came to an end a few hours later when one of La Follette's allies, the blind senator from Oklahoma, Thomas Gore, yielded the floor to Senator William Stone, who was scheduled to relieve him. Unbeknownst to Gore, Stone had been called to the cloakroom, and the filibuster's foes, taking advantage of the blind

senator's disability, immediately seized the opportunity to call for the adoption of the pending measure.

Again, in 1915, Senator Reed Smoot set a new one-man record for the longest *continuous* filibuster, speaking for more than eleven hours without rest and without deviating from the subject at hand. His action was part of a filibuster against the administration's Ship Purchase Bill. The debate consumed thirty-three days and resulted in the failure of three important appropriations bills.

In May 1916 the Committee on Rules reported out a resolution providing for two-thirds cloture by those voting, but the resolution, although debated, did not come to a vote.

In 1916, and again in 1920, the Democratic Party's national platforms included a statement as follows. "We favor such alteration of the rules of procedure of the Senate of the United States as will permit the prompt transaction of the Nation's legislative business."

The final impetus for a cloture rule came as a result of a 1917 filibuster against an administration measure that would have permitted the arming of American merchant vessels for the duration of the World War. Seventy-five senators had signed a petition calling for action on this bill in the closing days of the 64th Congress. However, eleven members banded together in opposition, and their action led to a twenty-three-day filibuster and the ultimate failure of this much-desired bill. This stimulated a great public outcry which associated the Senate's right to free and unlimited debate with treason. President Wilson, on the eve of his second inaugural, angrily responded to the Senate's action by making one of the most notable of presidential attacks on the Senate and its procedures. He said, in part:

> The termination of the last session of the 64th Congress disclosed a situation unparalleled in the history of this country, perhaps unparalleled in the history of any modern country. In the immediate presence of a crisis fraught with a more subtle possibility of national danger, the Congress has been unable to act either to safeguard the country or vindicate the elementary rights of its citizens. More than 500 of the 531 members of the two houses were ready and anxious to act; the House had acted by an overwhelming majority; but the Senate was unable to act because a little group of eleven Senators determined that it should not.
>
> The Senate has no rules by which debate can be limited or brought to an end by which dilatory tactics of any kind can be prevented. A single member can stand in the way. The result is a paralysis of the legislative and executive branches of government.
>
> The inability of the Senate to act has rendered some of the most necessary legislation impossible at a time when the need of it was most pressing and most evident. It would not cure the difficulty to call the Sixty-fifth Congress into extraordinary session. The paralysis of the Senate would remain. The Senate cannot act unless its leaders obtain unanimous consent. Its majority is powerless, helpless . . .
>
> Although as a matter of fact, the nation and the representatives stand in back of the Executive with unprecedented unanimity, the impression made abroad will be that it is not so and the other governments may act as they please without fear that this government will do anything. We cannot explain. The explanation is incredible. The Senate of the United States is the only legislative body in the world which cannot act when its majority is ready for action. *A little group of willful men*, representing no opinion but their own, have rendered the great government of the United States helpless and contemptible.
>
> The remedy . . . the only remedy is that the rules of the Senate be altered so that it can act. The country can be relied on to draw the moral. I believe that the Senate can be relied on to supply the means of action and save the country from disaster.

Even before the filibuster which killed the Armed Ship Bill, the president had planned to call the Senate into special session to deal with a pending treaty. Nonetheless, when the Senate met in extraordinary session the day following Wilson's inauguration, there was only one item of business on its members' minds—the cloture rule. Professor Thomas Ryley in his book, *A Little Group of Willful Men*, notes that, at the time, most senators did not want to undermine the filibuster, as many of them had taken advantage of it in the past, but "with an aroused public, there was almost as much resentment over the filibuster as there was over the fact that American rights had not been defended to the utmost." When the president announced that the rules of the Senate would have to be revised before he would call a special session of the entire Congress to deal with the war emergency, Ryley observes, "the fate of unlimited debate was sealed."

The principal responsibility for the cloture resolution rested with the new Democratic majority leader, Thomas Martin of Virginia. Under his guidance, a bipartisan committee of the Senate's leaders drew up a proposal providing for cloture on a pending measure if two-thirds of those present and voting so voted. Under the new rule, cloture would begin with a petition signed by sixteen members. Two days after the submission of the petition, a vote would be held. If two-thirds of those present and voting approved the proposal, each senator could speak for a maximum of one hour, and no amendments could be made except by unanimous consent. Even if this rule had been in effect at the time of the Armed Ship bill filibuster, however, it could not have saved the measure, for the amount of time required under the procedure was greater than that remaining in the life of that Congress.

It was clear from the beginning of the March 1917 debate that the rule would pass by an overwhelming margin. I think it is useful, however, in the light of subsequent developments and considering the overstated nature of President Wilson's attacks on the Senate, to look at the arguments of the proposed rule's three lone opponents.

Illinois Senator Lawrence Sherman had been an avowed supporter of the Armed Ship bill. He took the position, nonetheless, that President Wilson's attack was unfair. He said, "There is in the memory of no person, now having a seat on the Senate, delayed action or a filibuster which destroyed meritorious legislation, save during the last weeks of the short (second) session, which automatically adjourned on the succeeding fourth day of March of that year. There is a limitation," he continued, "where mere exhaustion applies the cure. It is always in the power of the Senate to apply the remedy by continuous session, except the last few days named." Sherman argued that the rules were to be made "the scapegoat for the deficiencies of human nature," and their amendment had been raised "solely for the purpose of breaking down the rule of the Senate and riveting Executive control on the Senate as firmly as on the House."

Senator Sherman's basic point was that if the administration had sent the bill in "due time, it would not have been possible," in his words, "for those senators to have defeated it by delaying a roll call until the adjournment."

A second opponent, Senator La Follette, also took issue with the practice of holding important bills in committee, particularly appropriations measures, until the eleventh hour to build up pressure for their speedy and uncritical consideration and passage. As the debate on the cloture rule was drawing to a close, La Follette presented a classic statement in defense of unlimited debate. He said:

> Mr. President, believing that I stand for democracy, for the liberties of the people of this country, for the perpetuation of our free institutions, I shall stand while I am a Member of this body against any cloture that denies free and unlimited debate. Sir, the moment that the majority imposes the restriction contained in the pending rule upon this body, that moment you will have dealt a blow to liberty, you will have broken down one of the greatest weapons against wrong and oppression that the Members of this body possess. This Senate is the only place in our system where, no matter what may be the organized power behind any measure to rush its consideration and to compel its adoption, there is a chance to be heard, where there is opportunity to speak at length, and where, if need be, under the Constitution of our country and the rules as they stand to-day, the constitutional right is reposed in a Member of this body to halt a Congress or a session on a piece of legislation which may undermine the liberties of the people and be in violation of the Constitution which Senators have sworn to support. When you take that power away from the Members of this body, you let loose in a democracy forces that in the end will be heard elsewhere, if not here.

The third opponent, Senator Gronna of North Dakota, at the time the resolution passed, said simply, "Forgive them, for they know not what they do!"

By a vote of 76 to 3, on March 8, 1917, after only six hours of debate, the Senate adopted its first cloture rule.

In the months that followed, the United States entered the World War and the Senate, during the second session of the 65th Congress, broke all previous records by remaining in session for 354 days between December 1917 and the following November. By the time the war had ended in November 1918, it was becoming clear that the cloture rule was not going to be effective. Several months earlier, Senator Oscar Underwood, soon to become the Democratic floor leader,

introduced a resolution reestablishing the use of the "previous question" and limiting debate during the wartime period. The Rules Committee favorably reported the Underwood resolution, but it failed of passage by a vote of 34 to 41.

A year later, on November 15, 1919, the Senate adopted its first cloture motion and four days later brought to an end the 55-day debate on the Treaty of Versailles.

In the years that followed, however, cloture was used only sparingly. From 1917 until 1962, the Senate invoked cloture just four times and between 1917 and the end of World War II, it voted on cloture petitions on only 15 occasions, including five in February 1927.

On November 29, 1922, the Senate's Republican Whip, Charles Curtis, tried a new approach to limit debate. In the midst of a four-day filibuster against an anti-lynching bill, Democratic Leader Underwood, who supported that filibuster, moved to adjourn immediately upon the convening of the Senate. Curtis then raised a point of order that the motion was dilatory. He said, "I know that we have no rule of the Senate with reference to dilatory motions. We are a legislative body and we are here to do business and not to retard business." He then observed that "it is a well-stated principle that in any legislative body where the rules do not cover questions that may arise, general parliamentary rules must apply." He argued that in the House, Speaker Reed had ruled, in the absence of rules to the contrary, that dilatory motions were out of order. Vice President Coolidge, in the Chair at the time, declined to rule on Curtis' specific point of order. Today, except in cases where the Senate is operating under the cloture rule, the rules do not specifically prohibit dilatory motions as such.

One of the most notable of the earlier campaigns to devise an effective debate limitation rule began here in the Senate chamber on March 4, 1925. The occasion was the inaugural address of the new Vice President, Charles Dawes. By that time, Mr. Dawes had already earned a reputation as an effective administrator by virtue of his successful banking career and his service as the first director of the Budget Bureau. A man of commanding personality, the Vice President was often called by his campaign nickname of "Hell 'n Maria," one of his favorite expressions. During his term of office, Mr. Dawes participated more actively in the Senate's business than most of his predecessors.

Mr. Dawes began his activist role with a statement that shocked the assembled senators. He told them that it was his duty as their presiding officer "to call attention to defective methods in the conduct of (the Senate's) business." Accordingly, he observed that the existing cloture rule, "which at times enables Senators to consume in oratory those last precious minutes of a session needed for momentous decisions, places in the hands of one, or a minority of senators, a greater power than the veto power exercised under the Constitution by the President of the United States, which is limited in its effectiveness by the necessity of an affirmative two-thirds vote." Filled with indignation, the vice president covered his audience with a barrage of rhetorical questions. *"Who would dare,"* said he, "to contend that under the spirit of democratic government the power to kill legislation providing the revenues to pay the expenses of government should, during the last few days of a session, ever be in the hands of a minority, or perhaps one senator? *Who would dare* oppose any changes in the rules necessary to insure that the business of the United States should always be conducted in the interests of the Nation and never be in danger of encountering a situation where one man or a minority of men might demand unreasonable concessions under the threat of blocking the business of the Government? *Who would dare* maintain that in the last analysis the right of the Senate itself to act should ever be subordinated to the right of one senator to make a speech?"

On the following day, Senator Underwood introduced a resolution to replace the 1917 cloture rule. Its provisions, which harkened back to the original 1789 rule on the "previous question," were as follows:

1. There shall be a motion for the previous question which, being ordered by a majority of Senators voting, if a quorum be present, shall have the effect to cut off all debate and bring the Senate to a direct vote upon the immediate question or questions on which it has been asked and ordered. The previous question may be asked and ordered upon a single motion, a series of motions allowable under the rules, or an amendment or amendments, or may be made to embrace all authorized motions or amendments and include the bill to its passage or rejection. It shall be in order, pending the motion for, or after previous question shall have been ordered on its passage, for the Presiding Officer to entertain and submit a motion to commit, with or without instructions, to a standing or select committee.

2. All motions for the previous question shall, before being submitted to the Senate, be seconded by a majority by tellers if demanded.

3. When a motion for the previous question has been seconded, it shall be in order, before final vote is taken thereon, for each Senator to debate the proposition to be voted for one hour.

To build support for his reform campaign, Vice President Dawes set out on a cross-country tour. In the spirit of his great, great grandfather, William Dawes, who rode with Paul Revere on that fateful night in 1775 to warn of the impending arrival of British troops, Charles Dawes sought to sound the alarm against the dangers he perceived in the Senate's rules.

At one stop, in Boston, the Vice President addressed a gathering on this subject. In the presence of Massachusetts Senator William Butler, he asked that those in the audience who favored a rules change stand up in order to make their views known to their senator. As the supportive cheers died down, the vice president literally pulled the embarrassed senator from his chair, exclaiming, "I want to hear what Senator Butler has to say about this." The freshman senator quickly observed that he was in favor of a reform of the Senate's rules, particularly the seniority rule.

Several weeks later, Mr. Dawes announced that he intended to take his campaign to Kansas, home of Senate Republican floor leader Charles Curtis. There he promised to hold a "monster mass meeting" and he expressed the hope that the senator would be present to see his constituents "react." Senator Curtis, who was also chairman of the Rules Committee, told a *New York Times* reporter that he thought the Dawes-Underwood proposal stood little chance even though he was willing to support it. Recalling his own earlier efforts to achieve majority or three-fifths cloture, Senator Curtis reminded the vice president that he had been able to find only two other Republican senators willing to join him in support of such a proposal. The Kansas senator correctly predicted that the Dawes campaign would fail.

Later in 1925, Democratic Leader Joseph Robinson, joining members on both sides of the aisle, argued that no change in the rules was necessary to prevent irrelevant debate. He noted that general parliamentary practice "contemplates that a speaker shall limit his remarks to the subject under consideration," and he called on the Chair to require that debate be germane. (Prior to 1964 there was no rule requiring germaneness of debate and the Chair had ruled on numerous occasions that there was no requirement for debate to be germane.)

Executive branch reorganization acts in 1939 and 1945 contained provisions for a limitation of debate not to exceed ten hours, equally divided between supporters and opponents, but only in the case of a concurrent resolution disapproving a presidential reorganization plan. The language of those statutes acknowledged the constitutional right of the Senate to change this requirement "at any time in the same manner and to the same extent as in the case of any other (Senate) rule." This rule read: "Debate on the resolution shall be limited to not to exceed 10 hours, which shall be equally divided between those favoring and those opposing the resolution. A motion further to limit debate shall not be debatable. No amendment to, or motion to recommit, the resolution shall be in order, and it shall not be in order to move to reconsider the vote by which the resolution is agreed to or disagreed to." Subsequent extensions of the Reorganization Act contained this proscription on debate.

In 1946, the Republican Steering Committee delegated Senator Saltonstall to prepare an amendment to Rule XXII "so that the various dilatory methods of preventing its application can be eliminated."

By 1948, a series of rulings over the years had rendered the 1917 cloture rule worthless, particularly those rulings that held that it could not be applied to debate on procedural questions. On August 2 of that year, President Pro Tempore Arthur Vandenberg, in sustaining a point of

order against a petition to close debate on a motion to consider an anti-poll tax bill, declared that in the final analysis, the Senate had no cloture rule at all. He noted that "a small but determined minority can always prevent cloture under the existing rules . . ." At that point, the Republican Conference appointed a committee of ten senators to recommend revision of the existing cloture rule.

In 1949, control of the Senate returned to the Democratic Party. Fresh from his surprise election victory, President Truman sought to clear the way for a broad civil rights program and his first step was to push for a liberalization of the cloture rule. His efforts produced a bitter battle at the beginning of the 81st Congress.

After lengthy hearings in the Rules Committee, the Majority Leader, Scott Lucas, moved on February 28 to take up the resolution. This action set off a filibuster which ran until March 15, when it was voluntarily halted. After three days of further debate, the Senate adopted a compromise measure that proved to be less useable than the one it replaced. It required that two-thirds of the *entire* Senate vote for cloture, rather than two-thirds of those present and voting. The new rule differed from the old in that it allowed cloture to operate on any pending business or motion with the exception of debate on motions to change the Senate rules themselves. Previously, the cloture rule had been applicable to those latter motions. This meant that future efforts to change the cloture rule would themselves be subject to extended debate without benefit of the cloture provision. Previously, under the old rule, debate limitation on a rules change had at least been theoretically possible. This led critics of the revised rule to develop a new strategy, which became apparent in 1953, at the beginning of the 83rd Congress.

At the opening of the 83rd Congress, advocates of majority rule in the Senate challenged the conception of the Senate as a continuing body. They based their strategy on the contention of Senator Walsh in 1917 that each new Congress brings with it a new Senate, entitled to consider and adopt its own rules. They proposed to move for consideration of new rules on the first day of the session and, upon the adoption of this motion, to propose that all the old rules be adopted with the exception of rule XXII. Rule XXII was to be changed to allow a majority of all Senators (49) to limit debate after 14 days of discussion. On January 3, 1953, Senator Clinton Anderson moved that the Senate immediately consider the adoption of rules for the Senate of the 83rd Congress. Senator Robert Taft moved that the Anderson motion be tabled. During the ensuing debate, Senator Douglas told the Senate that the Anderson proposal was the only method with any hope of success. The 1949 rule, he said, "ties our hands once the Senate is fully organized. . . . For under it any later proposal to alter the rules can be filibustered and never permitted to come to a vote. . . . Therefore, if it be permanently decided that the rules of the preceding Senate apply automatically as the new Senate organizes, we may as well say farewell to any chance (either) for Civil Rights legislation or needed changes in Senate procedures."

Opponents of the Anderson motion centered principally on the argument that the Senate is a "continuing body", bound by the rules of earlier Senates. They said that this thesis was proved because: (1) Only one-third of the Senate is elected every two years; (2) The Constitution did not provide for the adoption of new rules every two years; (3) If the Senate had had the power to adopt new rules, it had lost that power through disuse; and (4) The Supreme Court, they said, had decided that the Senate was a "continuing body." The Anderson motion was finally tabled by a vote of 21 to 70, on January 7, 1953.

On January 3, 1957, Senator Anderson moved, at the opening of the 85th Congress, to consider the adoption of new rules. Senate Majority Leader Johnson moved to table the Anderson motion, and the Anderson motion was tabled by a roll-call vote of 55 to 38. During the debate, however, Vice President Nixon said that he believed the Senate could adopt new rules "under whatever procedures the majority of the Senate approves." He said that in his opinion the current Senate could not be bound by any previous rule "which denies the membership of the Senate the power to exercise its constitutional right to make its own rules." Nixon said he regarded as unconstitutional the section of Rule XXII banning any limitation of debate on proposals to change the rules, but added that the question of the constitutionality of the rule could be decided only by the Senate itself.

During the 85th Congress, 1957–58, eight resolutions were introduced to amend the cloture rule. At the opening of the 86th Congress, Senate Majority Leader Johnson offered a resolution to amend Senate Rule XXII which was adopted on January 12, 1959, after 4 days of debate, by a 72 to 22 roll call vote. The resolution amended Rule XXII so as to enable two-thirds of the Senators present and voting to shut off debate on any matter—and I should emphasize—including proposals for rules changes. It also amended Senate Rule XXII by adding this language: "The rules of the Senate shall continue from one Congress to the next Congress unless they are changed as provided in these rules."

At the opening of the 87th Congress, in 1961, Vice President Nixon reaffirmed his 1957 "advisory opinion" that the constitutional right of a majority of the Senate to adopt new rules at the beginning of a new Congress could not be inhibited by the two-thirds requirement of Rule XXII regarding cloture. No action on cloture was taken on a final nature.

Efforts to amend the cloture rule failed again in the 88th and 89th Congresses. On January 11, 1967, Mr. McGovern introduced a resolution providing for three-fifths of the Senators present and voting to end debate. On January 18, Mr. McGovern proposed that the Senate immediately vote to end debate on the motion to consider his resolution and if a majority vote occurred, the Senate would then debate the resolution itself. Mr. McGovern justified this procedure by arguing that the Senate, under the Constitution, could, at the beginning of a new session, adopt new rules by a majority vote. Senator Dirksen raised a point of order against the McGovern motion. Supporters of McGovern had hoped for a favorable ruling from Vice President Humphrey, but Humphrey stated: "the precedent, . . . namely, that the Chair has submitted constitutional questions to the Senate for its decision—the Presiding Officer believes to be a sound procedure. It has not been considered the proper role of the Chair to interpret the Constitution for the Senate. Each Senator has his own obligation when he takes his oath of office to support and defend the Constitution. The Presiding Officer is aware of no sufficient justification for reversing this procedure." Humphrey then asked the Senate if the point of order should be sustained. He also said this question was debatable but subject to a tabling motion, which is not debatable, whereupon Mr. McGovern moved to table the Dirksen point of order. According to the Vice President, acceptance of the tabling motion would have validated the constitutionality of the McGovern motion, which in turn would have validated the right of the Senate to adopt new rules by majority vote at the beginning of a new session. However, the Senate rejected Mr. McGovern's motion by a 37 to 61 roll call vote. Dirksen's point of order was then sustained by a 59 to 37 roll call vote. Hence, the Senate found McGovern's motion unconstitutional. An attempt was then made to invoke cloture but it failed.

At the beginning of the 91st Congress, in 1969, yet another strategy was devised by those who favored alteration in rule XXII. S. Res. 11 was introduced by Senators Church and Pearson and provided for invoking of cloture by three-fifths, rather than two-thirds, of those present and voting. Their strategy required a favorable ruling by Vice President Humphrey that a simple majority could invoke cloture on any motion to take up, or on the resolution itself, when a change in the rules was being attempted at the start of a new Congress. On January 14, 1969, five days after debate had begun on S. Res. 11, Mr. Church and 24 other Senators filed a cloture motion to limit debate on the motion to consider the resolution. This cloture motion was filed under the procedure set forth in rule XXII. Mr. Church then inquired of the chair whether, if a majority of the Senators present and voting, but less than the two-thirds required by rule XXII, voted in favor of cloture the cloture motion would have been agreed to.

Church justified his request for a favorable ruling with the argument that it was unconstitutional to require a two-thirds vote to invoke cloture on such questions in that it restricted the right

of a majority of the Senate to determine its rules at the opening of a new Congress, a right, by Church's reasoning, implied in the Constitution.

The Vice President agreed with Mr. Church, saying: "On a par with the right of the Senate to determine its rules, though perhaps not set forth so specifically in the Constitution, is the right of the Senate, a simple majority of the Senate, to decide constitutional questions.

"If a majority but less than two-thirds, of those present and voting, vote in favor of this cloture motion, the question whether the motion has been agreed to is a constitutional question. The constitutional question is the validity of the Rule XXII requirement for an affirmative vote by two-thirds of the Senate before a majority of the Senate may exercise its right to consider a proposed change in the rules. If the Chair were to announce that the motion for cloture had not been agreed to because the affirmative vote had fallen short of the two-thirds required, the Chair would not only be violating one established principle by deciding the constitutional question himself, he would be violating the other established principle by inhibiting, if not effectively preventing, the Senate from exercising its right to decide the constitutional question. . . ."

"The Chair informs the Senate that in order to give substance to the right of the Senate to determine or change its rules to determine whether the two-thirds requirement of Rule XXII is an unconstitutional inhibition on that right at the opening of a new Congress, if a majority of the Senators present and voting but fewer than two-thirds vote in favor of the pending motion for cloture, the Chair will announce that a majority having agreed to limit debate on S.Res. 11, to amend Rule XXII, at the opening of a new Congress, debate will proceed under the cloture provisions of that rule."

This was a landmark ruling, subject, as the Chair said, to appeal without debate.

On January 16, the Senate voted 51 to 47 to invoke cloture and the Vice President, in line with his earlier statement, ruled that cloture had been invoked. This decision was appealed and reversed on a 45 to 53 roll call vote. A subsequent attempt to invoke cloture this time within the two-thirds stricture of Rule XXII, was attempted and failed.

At the start of the 92nd Congress, Senators Church and Pearson introduced S.Res. 9, which would have reduced the number of Senators required to curtail debate from two-thirds to three-fifths of those present and voting. The proponents hoped for a favorable ruling from the Chair on whether a simple majority at the start of a Congress could invoke cloture on a resolution to alter Senate rules or on a motion to take up such a resolution, but Vice President Spiro Agnew stated that he would refrain from making any such ruling, and instead, referred all such questions to the full Senate for resolution. The proponents of S.Res. 9 were, therefore, required to carry on their efforts under the two-thirds requirement they were seeking to change.

Attempts to invoke cloture failed, and during the six-week debate on the motion to consider the resolution, several Senators suggested a number of compromise solutions to bridge the gap between those favoring a modification of Rule XXII and the opponents of a three-fifths rule. Senator Allen Ellender proposed a three-fifths vote to end debate on all conference reports and appropriations bills. Senator ROBERT C. BYRD, who was then Majority Whip, suggested that debate be ended by three-fifths of the membership of the Senate. A third attempt to end debate failed on March 2 by a vote of 48 to 36. A fourth and final attempt to end debate failed by a vote of 55 to 39, 8 votes short of the required two-thirds majority. Senator Javits then appealed the decision of Presiding Officer Allen Ellender, who had announced that the cloture attempt had failed to receive the necessary two-thirds majority. By appealing the decision of the Chair, Mr. Javits again raised the question of whether the Senate could alter its rules at the beginning of a new session by a simple majority. Majority Leader Mansfield successfully moved to table Mr. Javits' motion.

At the beginning of the first session of the 94th Congress, Senators Mondale and Pearson sponsored an attempt to change the cloture rule so that three-fifths of the Senators present and voting could bring debate to a close. The proposal, S. Res. 4, was introduced on January 17, 1975, and placed on the Senate Calendar. As in the past, proponents of the measure hoped for a favorable ruling from the Chair on whether a simple majority, at the start of Congress, could close debate on a resolution to change Senate rules, or on a motion to take up such a resolution. Mr. Pearson, as part of a lengthy motion, moved that the Senate proceed to the consideration of S. Res. 4, and, "under Article 1, Section 5, of the U.S. Constitution, I move that debate upon the pending motion to proceed to the consideration of S. Res. 4 be brought to a close by the Chair immediately putting this motion to end debate to the Senate for a yea or nay vote; and, upon the adoption thereof by a majority of those Senators present and voting, a quorum being present, the Chair shall immediately thereafter put to the Senate, without further debate, the question on the adoption of the pending motion . . ."

Senator Mansfield entered a point of order against the motion in that it prescribed an end to debate by a majority vote. Vice President Rockefeller declined to rule either on the validity of the Pearson motion or on the Mansfield point of order, and, instead, submitted to the Senate the question of whether the Mansfield point of order was well taken. The Senate temporarily endorsed the doctrine that majority cloture may be invoked to change Senate rules at the start of a Congress when it agreed to a motion by Senator Mondale to table the Mansfield point or order by a vote of 51 to 42.

Senator James Allen of Alabama then moved that the motion be divided inasmuch as it contained several clauses. The Vice President ruled that the motion could be divided and that, once divided, the various parts of the motion became debatable, although, when considered as a whole, the motion was not subject to debate. With this ruling, coupled with the Vice President's subsequent recognition of Senator Allen, the Pearson motion became subject to a long series of amendments and intervening motions, and although the principle of majority cloture had been temporarily endorsed, the parliamentary tangle which followed the division of the motion prevented a majority cloture vote from being taken on the original Pearson resolution.

In the course of the debate, on February 26, 1975, Senator RUSSELL LONG of Louisiana indicated his willingness to compromise on a constitutional three-fifths cloture rule. This proposal was embodied in S. Res. 93, introduced by Senator ROBERT C. BYRD of West Virginia on February 28, 1975. The Byrd Resolution provided for closing debate in the Senate upon the vote of "three-fifths of the Senators duly chosen and sworn." The Byrd proposal required a two-thirds vote of "Senators present and voting" to close debate on a measure or motion to change the rules of the Senate. Senator BYRD requested immediate consideration of his resolution, but objection was heard and the resolution went over under the rule.

On March 3, 1975, the Senate, by a vote of 53 to 38, agreed to reconsider the vote of February 20, through which the Mansfield point of order against the Pearson motion was tabled. A motion to table the Mansfield point of order was rejected, 40 to 51. The following day, the Senate voted 53 to 43 to sustain the Mansfield point of order. Thus, the Senate erased the precedent of majority cloture established two weeks before, and reaffirmed the "continuous" nature of the Senate rules.

On March 3, 1975, Senator ROBERT C. BYRD entered a motion to close debate on the motion to proceed to consider S. Res. 4. On March 5, 1975, the Senate invoked cloture on the motion to proceed to consider Senate Resolution 4. The vote was 73 to 21, with two-thirds of the Senators present and voting having voted in the affirmative. Later the same day, the Senate voted 69 to 26 to proceed to consider S. Res. 4, and adopted Senate Resolution 93, which had been previously introduced by Senator ROBERT C. BYRD, as an amendment in the nature of a substitute. Senator BYRD introduced a motion to close debate on Senate Resolution 4, as amended, and cloture was voted on March 7, by a vote of 73 to 21, with two-thirds of the Senators present and voting recorded in the affirmative. S. Res. 4, as amended by S. Res. 93, in the nature of a substitute, to provide for a constitutional three-fifths cloture vote for all measures save those amending the rules of the Senate, passed the Senate on March 7 by a vote of 56 to 27.

Subsequent to the 1975 revision, opponents of measures increasingly relied on "post-cloture" filibusters in an attempt to delay Senate action on measures. They did this by calling up myriad amendments offered before cloture was invoked, by demanding frequent roll call

votes and repeated quorum calls, and by calling for the reading of amendments, conference reports, and the Journal.

In 1977, Senator ROBERT C. BYRD introduced a resolution, S. Res. 5, designed to restrict the use of such post-cloture filibusters. As reported from the Committee on Rules and Administration, the resolution provided that a cloture petition could not be offered until 24 hours after the Senate had begun consideration of a measure; limited to 50 hours the amount of time available for debate after cloture was invoked; provided that time for quorum calls and votes be charged against the 50 hours; permitted the post-cloture debate time to be extended or reduced upon a two-thirds vote of the Senate; and included provisions limiting dilatory tactics. The reading of amendments and conference reports in full could not be demanded if they were available in printed form to all Senators, and the Presiding Officer was given greater discretion in ruling quorum calls dilatory and out of order. However, efforts to devise a compromise version of the resolution failed, and S. Res. 5 was put aside for the remainder of the session.

In October 1977, a series of rulings by the Vice President, sustained by the Senate, established precedents for reducing the impact of post-cloture filibusters. Senator ROBERT C. BYRD offered a point of order against an amendment to the Natural Gas Pricing bill in that the amendment was directed to the bill, and not to the substitute upon which cloture had already been invoked. The amendment, Mr. BYRD claimed, was dilatory, in that it was not directed at the subject under consideration. Moreover, Senator BYRD made the point of order that "when the Senate is operating under cloture, the Chair is required to take the initiative . . . to rule out of order all amendments which are dilatory or which on their face are out of order." Vice President Mondale sustained the point of order, and the Senate tabled an appeal from the ruling of the Chair. The Senate also sustained a point of order that a Senator has the right to recall his own amendments, qualified and pending under cloture, prior to being called up. The Senate also sustained a point of order that actions ruled dilatory do not constitute the transaction of business for the purpose of demanding a subsequent quorum call.

On Jan. 15, 1979, Senator ROBERT C. BYRD introduced S.Res. 9, a proposal to expedite Senate consideration of legislation. The resolution, as introduced, contained the following provisions:

a. offering of non-debatable motions to approve or correct the Journal would be permitted;

b. debate on motions to proceed to consider a particular bill would be limited to 30 minutes;

c. demands for the reading of an amendment would not be in order if copies of the amendment were available in printed form;

d. the offering of non-debatable motions requiring three-fifths vote to enforce rule of germaneness on future amendments to a bill would be allowed;

e. post-cloture debate time would be limited to 100 hours, with time for quorum calls, votes, and parliamentary rulings and appeals counted against the 100 hours;

f. post-cloture debate time could be extended or reduced, but not below ter hours, by a three-fifths vote of the full Senate;

g. after Sept. 1 of each year, a cloture motion could be brought to a vote the same day as introduced, after a maximum of five hours of debate;

h. the demand to read a conference report in full could not be entertained, if printed copies of the report were available:

i. "three-day rule" for availability of committee reports would be changed to a "two-day rule," with Saturdays, Sundays, and holidays included; and

j. the Committee on Rules and Administration would be directed to provide for the installation of an electronic voting system in the Senate.

The respective party leaderships appointed committees to study the Byrd resolution and to report their recommendations to the party conferences. The Republican committee was chaired by Senator TED STEVENS and the Democratic committee was chaired by Senator Gaylord Nelson. The committees met individually and jointly with the party leaders in an effort to devise an acceptable compromise.

On Feb. 7, 1979, the Senate agreed to a unanimous consent request by Sen. ROBERT C. BYRD to limit consideration only to those portions of his resolution dealing with post-cloture regulations. An alternate resolution, S.Res. 61, embodying points (e) and (f) above, was made in order for purposes or amendment. Under terms of the agreement, S.Res. 61 became the pending order of business. If a final vote on the disposition of the new resolution did not occur by 6 p.m. on Feb. 22, 1979, the original language of S.Res. 9 would again become the pending business before the Senate.

During its consideration of S. Res. 9 and S. Res. 61, the Senate recessed rather than adjourned at the end of each day's session. This was done to maintain the procedural fiction that the Senate was still in its first day of business. It has been maintained that the Senate is not bound by rules adopted by the Senate in previous Congresses, and that a majority of Senators can vote to end debate on rules changes on the first day of a new Congress. This ruling was temporarily upheld by the Senate in 1975, but later was overturned as part of the cloture rule reform compromise of that year. However, continuation of the Senate in its first legislative day maintained; the possibility that this contention could have been used to end prolonged debate on cloture rule reform that year.

On Feb. 22, 1979, the Senate agreed to S.Res. 61 by a vote of 78–16. As finally approved, the resolution established a cap of 100 hours of consideration once cloture has been invoked on a measure. At the expiration of the time limit, the Senate would proceed to the final disposition of the measure; no amendments then not pending would be in order. A motion to table, a motion to reconsider, and motions necessary to establish a quorum would be in order, however. The Senate may, by a three-fifths vote, increase the amount of post-cloture time, with the additional time to be equally divided and controlled by the Majority and Minority Leaders, or their designees.

Under the resolution, each Senator is entitled to one hour of time. Senators may yield their time to the majority or minority floor managers of the bill, or to the Majority or Minority Leaders. None of the designated four Senators may have more than two additional hours yielded to him or her. These Senators, in turn, may yield their time to other Senators so requesting. If all available time expires, a Senator who has not yielded time and who has not yet spoken on the matter on which cloture has been invoked, may be recognized for ten minutes for the sole purpose of debate.

The resolution provided that no Senator shall call up more than two amendments until every other Senator has had the opportunity to call up two amendments. The Chair is directed to recognize Senators who have not called up two amendments, and who wish to do so, in preference to a Senator seeking recognition to call up a third amendment.

After cloture is invoked, the resolution stipulated that the reading of the Journal shall be dispensed with and that the Journal shall be approved automatically for the duration of post-cloture consideration of a measure. Similarly, after cloture is invoked, the reading of amendments available in printed form will be dispensed with routinely.

The formed cloture rule made in order amendments introduced prior to the completion of the cloture vote. S. Res. 61 made in order first degree amendments (amendments to a bill) submitted by 1 p.m. of the day following submission of a cloture motion; second degree amendments (amendments to amendments) would be in order if submitted in writing one hour prior to the cloture vote.

After the Senate passed S. Res. 61, it agreed to place S. Res. 9 on the Senate Calendar. The Senate also adjourned, thus completing the first legislative day of the 96th Congress. As Senator BYRD explained, this action would guarantee that if the Senate resumed consideration of S. Res. 9, a two-thirds vote would be required to invoke cloture on the measure.

Mr. President, I ask unanimous consent that a table entitled "Senate Votes on Cloture Motions, 1919–1980," be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

SENATE VOTES ON CLOTURE[1] MOTIONS, 1919 TO 1980

Congress and date	Subject	Motion submitted by[4]	Yea votes needed	Yeas	Nays	For Cloture[5]			Against Cloture[5]			Congressional Record	
						Republicans	Democrats	Other	Republicans	Democrats	Other	Volume	Page
66TH													
Nov. 15, 1919	Versailles Treaty[2]	Henry Lodge	63	78	16	37	41		11	5		58	855–56
Feb. 2, 1921	Emergency tariff	Boise Penrose	48	36	35	27	9		7	28		60	2432
67TH													
July 7, 1922	Tariff bill	Porter McCumber	54	45	35	45	0		5	30		62	10040
69TH													
Jan. 25, 1926	World Court[2]	Irvine Lenroot	63	68	26	37	31		18	7	1, F–L	67	2678–79
June 1, 1926	Migratory birds	Peter Norbeck	53	46	33	36	10		8	24	1, F–L	67	10392
Feb. 15, 1927	Branch banking[2]	George Pepper	56	65	18	36	29		9	8	1, F–L	68	3824
Feb. 26, 1927	Disabled officers	Lawrence Tyson	58	51	36	27	24		19	16	1, F–L	68	4901
Do	Colorado River	Hiram Johnson	61	32	59	21	11		28	30	1, F–L	68	4900
Feb. 28, 1927	Prohibitions Bureau[2]	Wesley Jones	55	55	27	33	22		13	13	1, F–L	68	4986
Do	D.C. buildings	Irvine Lenroot	56	52	31	30	22		17	13	1, F–L	68	4985
72D													
Jan. 19, 1933	Banking Act	Joseph Robinson	59	58	30	25	33		19	10	1, F–L	76	2077
75TH													
Jan. 27, 1938	Anti-lynching	Matthew Neely	59	37	51	2	35		13	37	1, F–L	83	1166
Feb. 16, 1938	do	Robert Wagner	59	42	46	3	38	1, P	10	34	1, F–L	83	2007
77TH											1, I		
Nov. 23, 1942	Antipoll tax	Alben Barkley	52	37	41	14	21	1, P	10	31	1, P	88	9065
78TH								1, I			1, I		
May 15, 1944	do	do	54	36	44	18	17	1, P	13	31		90	4470
79TH													
Feb. 9, 1946	FEPC	do	56	48	36	25	22	1,P	8	28		92	1219
May 7, 1946	British loan	Joseph Ball	55	41	41	17	23	1,P	19	22		92	4539
May 25, 1946	Labor dispute	William Knowland	54	3	77	1	2		35	41	1,P	92	5714
July 31, 1946	Antipoll tax	Alben Barkley	48	39	33	15	23	1,P	7	26		92	10512
81ST													
May 19, 1950	FEPC	Scott Lucas	64	52	32	33	19		6	26		96	7300
July 12, 1950	do	do	64	55	33	33	22		6	27		96	9982
83d													
July 26, 1954	Atomic Energy	William Knowland	64	44	42	40	4		4	38		100	11942
86TH													
Mar. 10, 1960	Civil rights	Paul Douglas, Jacob Javits.	64	42	53	12	30		20	33		106	5118
87TH													
Sept. 19, 1961	Amend Rule 22	Mike Mansfield, Everett Dirksen.	54	37	43	11	26		15	28		107	20147
May 9, 1962	Literacy tests	do	64	43	53	13	30		23	30		108	8058
May 14, 1962	do	do	63	42	52	11	31		22	30		108	8294
Aug. 14, 1962	Communication satellite[2]	Mike Mansfield	60	63	27	34	29		2	25		108	16431
88TH													
Feb. 7, 1963	Amend Rule 22	do	64	54	42	18	36		15	27		109	2058
June 10, 1964	Civil rights[2]	do	67	71	29	27	44		6	23		110	13327
Sept. 10, 1964	Legislative reapportionment	Everett Dirksen	62	30	63	23	7		9	54		110	21896
89TH													
May 25, 1965	Voting rights[2]	Philip Hart	67	70	30	23	47		9	21		111	11466
Oct. 11, 1965	Right-to-work	Mike Mansfield	62	45	47	5	40		26	21		111	26581
Feb. 8, 1966	do	do	66	51	48	6	45		26	22		112	2512
Feb. 10, 1966	do	do	66	50	49	6	44		26	23		112	2864
Sept. 14, 1966	Civil rights	do	64	54	42	12	42		21	21		112	22670
Sept. 19, 1966	do	do	62	52	41	10	42		20	21		112	23042
Oct. 10, 1966	D.C. home rule	do	52	41	37	10	31		15	22		112	24848
90TH													
Jan. 24, 1967	Amend Rule 22	do	66	53	46	17	36		19	27		113	1336
Feb. 20, 1968	Open housing	do	62	55	37	18	37		18	19		114	3427
Feb. 26, 1968	do	do	62	56	36	19	37		17	19		114	4064
Mar. 1, 1968	do	Everett Dirksen	63	59	35	22	37		14	21		114	4845
Mar. 3, 1968	Open housing[2]	Mike Mansfield	65	65	32	24	41		12	20		114	4960
Oct. 1, 1968	Fortas nomination	do	59	45	43	10	35		25	19		114	28933
91ST													
Jan. 16, 1969	Amend Rule 22[3]	Frank Church	66	51	47	17	34		26	21		115	994
Jan. 28, 1969	do	do	62	50	42	21	29		21	21		115	1937
Sept. 17, 1970	Electoral college	Mike Mansfield	60	54	36	21	33		18	18		116	32357
Sept. 29, 1970	do	do	58	53	34	19	34		19	15		116	34034
Dec. 19, 1970	Supersonic transport funds	Hugh Scott	61	43	48	26	17		11	37		116	42712
Dec. 22, 1970	do	do	58	42	44	28	14		10	34		116	43176
93D													
Feb. 18, 1971	Amend Rule 22	Frank Church	57	48	37	21	27	0	17	18	1, C–R 1, I–D	117	3014
Feb. 23, 1971	do	do	58	50	36	20	30	0	17	17	1, C–R 1, I–D	117	3623
Mar. 2, 1971	do	do	56	48	36	21	27	0	19	15	1, C–R 1, I–D	117	4566
Mar. 9, 1971	do	do	63	55	39	24	31	0	19	18	1, C–R 1, I–D	117	5485
June 23, 1971	Military draft[2]	Mike Mansfield	62	65	27	35	29	1, C–R	5	21	1, I–D	117	21584
July 26, 1971	Lockheed loan	John Tower	60	42	47	29	13	0	12	33	1, C–R 1, I–D	117	27154
July 28, 1971	do	do	66	59	39	38	21	0	5	32	1, C–R 1, I–D	117	27585

Footnotes at end of table.

SENATE VOTES ON CLOTURE[1] MOTIONS, 1919 TO 1980

Congress and date	Subject	Motion submitted by[4]	Yea votes needed	Yeas	Nays	For Cloture*			Against Cloture*			Congressional Record	
						Republicans	Democrats	Other	Republicans	Democrats	Other	Volume	Page
July 30, 1971	do	do	60	53	37	38	15	0	4	31	1, C–R 1 I–D	117	28185
Sept. 21, 1971	Military draft[2]	John Stennis	61	61	30	38	21	1, C–R 1, I–D	4	26	0	117	32657
Dec. 10, 1971	Rehnquist nomination	Hugh Scott	63	52	42	36	15	1, C–R	35	6	1, I–D	117	46117
Feb. 1, 1972	EEOC	Harrison Williams	57	48	37	24	24	0	17	18	1, C–R 1, I–D	118	1972
Feb. 3, 1972	do	do	59	53	35	24	29	0	16	17	1, C–R 1, I–D	118	249
Feb. 22, 1972	do[2]	do	63	73	21	32	40	1, C–R	8	12	1, I–D	118	4912
Sept. 14, 1972	U.S.-Soviet Arms Pact[2]	Mike Mansfield	61	76	15	39	35	1, C–R 1, I–D	0	15	0	118	30622
Sept. 29, 1972	Consumer Agency	Robert Byrd	51	47	29	15	32	0	16	11	1, C–R 1, I–D	118	32895
Oct. 3, 1972	do	Jacob Javits	58	55	32	20	35	0	18	12	1, C–R 1, I–D	118	33401
Oct. 5, 1972	do	Robert Byrd	55	52	30	20	32	0	17	11	1, C–R 1, I–D	118	33865
Oct. 10, 1972	School busing	Mike Mansfield	55	45	37	24	19	1, C–R 1, I–D	12	25	0	118	34504
Oct. 11, 1972	do	do	59	49	39	25	22	1, C–R 1, I–D	26	13	0	118	34788
Oct. 12, 1972	do[3]	do	58	49	38	26	21	1, C–R 1, I–D	12	26	0	118	35330
93D													
Apr. 30, 1973	Voter registration	James B. Allen	58	56	31	14	42	0	22	7	1, C–R 1, I–D	(6)	S7962
May 3, 1973	do	Mike Mansfield	63	60	34	14	46	0	26	6	1, C–R 1, I–D	(6)	S8231
May 9, 1973	do	do	66	67	32	18	49	0	24	6	1, C–R 1, I–D	(6)	S8617
Dec. 2, 1973	Campaign financing reform.[5]	do	54	47	33	7	40	0	22	9	1, I–D 1, C–R	(6)	S21645
Dec. 3, 1973	do	do	59	49	39	10	39	0	27	10	1, C–R 1, I–D	(6)	S21713
Dec. 11, 1973	Rhodesian chrome	do	63	59	35	21	38	0	21	12	1, C–R 1, I–D	(6)	S22504
Dec. 13, 1973	do	do	64	62	33	23	39	0	18	13	1, C–R 1, I–D	(6)	S22840
Do	Legal services	do	64	60	36	20	40	0	21	13	1, C–R 1, I–D	(6)	S22846
Dec. 14, 1973	do	Robert Taft, Jr	57	56	29	18	38	0	16	11	1, C–R 1, I–D	(6)	S22969–70
Dec. 18, 1973	Rhodesian chrome[2]	Mike Mansfield	60	63	26	25	38	0	14	10	1, C–R 1, I–D	(6)	S23200
Jan. 30, 1974	Legal services[2]	Robert Taft, Jr	65	68	29	24	44	0	16	12	1, I–D	(6)	S823
Feb. 5, 1974	Genocide treaty	Frank Church	61	55	36	18	37	0	21	13	1, C–R 1, I–D	(6)	S1272
Feb. 6, 1974	do	do	62	55	38	18	37	0	22	14	1, C–R 1, I–D	(6)	S1372
Mar. 6, 1974	Government pay raise[2]	Mike Mansfield	66	67	31	21	45	1, I–D	19	11	1, C–R	(6)	S2885
Apr. 4, 1974	Campaign financing	do	64	60	36	18	42	0	22	12	1, C–R 1, I–D	(6)	S5277
Apr. 9, 1974	do[2]	do	63	64	30	20	44	0	19	9	1, C–R 1, I–D	(6)	S5551
June 19, 1974	Public debt ceiling[8]	do	62	50	43	9	41	0	27	14	1, C–R 1, I–D	(6)	S11080–81
Do	do	Wallace Bennett	62	45	48	31	13	1, C–R	5	42	1, I–D	(6)	S11081
June 26, 1974	do[7]	Mike Mansfield	66	48	50	11	37	0	29	19	1, C–R 1, I–D	(6)	S11595
July 30, 1974	Consumer Protection Act	Abraham Ribicoff	66	56	42	14	42	0	25	15	1, C–R 1, I–D	(6)	S13837
Aug. 1, 1974	do	do	66	59	38	15	44	0	24	13	1, C–R 1, I–D	(6)	S14127
Aug. 20, 1974	do	do	63	59	35	17	42	0	21	12	1, C–R 1, I–D	(6)	S15381
Sept. 19, 1974	do	do	66	64	34	20	44	0	21	11	1, C–R 1, I–D	(6)	S17131
Dec. 3, 1974	Export-Import Bank	Robert Packwood	60	51	39	24	27	0	14	23	1, C–R 1, I–D	(6)	S20410–11
Dec. 4, 1974	do	do	62	48	44	24	24	0	15	27	1, C–R 1, I–D	(6)	S20523
Dec. 13, 1974	Trade reform[2]	Robert C. Byrd	60	71	19	33	36	1, C–R 1, I–D	4	15	0	(6)	S21394
Dec. 14, 1974	Supplemental appropriations[2] (school desegregation amendment).	Hugh Scott	56	56	27	21	35	0	14	12	1, C–R	(6)	S21506
Do	Export-Import Bank	Robert C. Byrd	56	49	35	26	10	1, C–R	10	25	0	(6)	S21510–11
Dec. 16, 1974	do	do	59	54	34	30	22	1, C–R 1, I–D	6	28	0	(6)	S21633
Dec. 17, 1974	Social services[2]	Russell B. Long	62	70	23	29	41	0	11	10	1, C–R 1, I–D	(6)	S21740
Do	Upholstery import regulations/Taxes and tariff.[2]	do	62	67	25	28	39	0	12	11	1, C–R 1, I–D	(6)	S21767–68
94TH													
Feb. 26, 1975	Regional railroad reorganization.[2]	Robert C. Byrd	63	86	8	32	52	1, I–D 1, C–R	2	6		(6)	S2605
Mar. 5, 1975	Cloture reform[2]	do	63	73	21	23	50		13	6	1, I–D 1, C–R	(6)	S3049
Mar. 7, 1975	do.[2]	do	63	73	21	23	50		13	6	1, I–D 1, C–R 1, C–R	(6)	S3300
Mar. 20, 1975	Tax reduction	Ernest Hollings	60	59	38	14	45		22	14	1, I–D 1, C–R	(6)	S4482
Mar. 21, 1975	do[2]	do	60	83	13	27	55	1, C–R	6	6	1, I–D	(6)	S4679
May 13, 1975	Consumer Protection Agency.[2]	Abraham Ribicoff	60	71	27	20	51		18	7	1, I–D 1, C–R	(6)	S8050
June 11, 1975	Personal Senate committee staff.[2]	Robert Packwood	64	77	19	28	48	1, C–R	6	12	1, I–D	(6)	S10408
June 24, 1975	New Hampshire Senate contest.	Robert C. Byrd	60	57	39		56	1 ,I–D	34	4	1, C–R	(6)	S11477
June 25, 1975	do	do	60	56	41		55	1, I–D	36	4	1, C–R	(6)	S11522
June 26, 1975	do	do	60	54	40		53	1, I–D	36	4		(6)	S11615
July 8, 1975	do	do	60	57	38		56	1, I–D	34	3	1, C–R	(6)	S11932
July 9, 1975	do	do	60	57	38		56	1, I–D	36	2		(6)	S12193
July 10, 1975	do	do	60	54	38		53	1, I–D	34	3	1, C–R	(6)	S12326
July 21, 1975	Voting Rights Act.[2]	do	60	72	19	24	48		11	6	1, I–D	(6)	S13066

Congress and date	Subject	Motion submitted by[4]	Yea votes needed	Yeas	Nays	For Cloture*			Against Cloture*			Congressional Record	
						Republicans	Democrats	Other	Republicans	Democrats	Other	Volume	Page
July 23, 1975	do	Mike Mansfield	60	76	20	27	49		10	8	1, -D 1, C-R	(5)	S13369
July 30, 1975	Oil price ceiling	Robert C. Byrd	60	54	38	10	44		24	13	1, I-D	(5)	S14318
Sept. 23, 1975	Labor-HEW/busing	Edward Brooke	60	46	48	16	30		19	27	1, C-R	(5)	S16541
Sept. 24, 1975	do[2]	Robert C. Byrd	60	64	33	17	47		19	12	1, C-R 1, I-D	(5)	S16668
Nov. 11, 1975	Common-site picketing[2]	Mike Mansfield	60	66	30	17	48	1, C-R	19	11		(5)	S19705
Nov. 14, 1975	do	Robert C. Byrd	60	58	31	14	44		15	14	1, C-R 1, I-D	(5)	S20132
Nov. 18, 1975	do[2]	Mike Mansfield	60	62	37	15	47		21	14	1, C-R 1, I-D	(5)	S20321
Dec. 4, 1975	Railroad reorganization[2]	Vance Hartke	60	61	27	19	42		14	11	1, C-R 1, I-D	(5)	S21021-22
Dec. 5, 1975	New York aid[2]	Mike Mansfield	60	70	27	21	48	1, C-R	15	11	1, I-D	(5)	S21181
Feb. 3, 1976	Rice production[2]	Walter Huddleston	60	70	19	28	42		19	11	1, I-D 1, C-R	(5)	S1125-26
June 3, 1976	Antitrust bill[2]	Robert C. Byrd	60	67	22	15	52		15	5	1, I-D 1, C-R	(5)	S8507
Aug. 31, 1976	do[2]	Mike Mansfield	60	63	27	14	49		18	7	1, I-D 1, C-R	(5)	S15003-4
Sept. 23, 1976	Civil rights attorneys' fees[2]	Robert C. Byrd	60	63	26	18	45		14	10	1, I-D 1, C-R	(5)	S16478
95TH													
Jan. 24, 1977	Vietnam draft evader pardon.	Jesse Helms	60	53	43	27	25	1, I-D	9	34		(5)	S1178
July 29, 1977	Campaign financing	Robert C. Byrd	60	49	45	2	47		33	11	1, I-D	(5)	S13085
Aug. 1, 1977	do	do	60	47	46	2	45		35	10	1, I-D	(5)	S13181
Aug. 2, 1977	do	do	60	52	46	4	48		33	12	1, I-D	(5)	S13275
Sept. 26, 1977	Natural gas deregulation[2]	Robert C. Byrd/Howard H. Baker, Jr.	60	77	17	34	42	1, I-D	1	16		(5)	S15603
June 7, 1978	Labor law reform	Robert C. Byrd	60	42	47	8	34		28	18	1, I-D	(5)	S8678
June 8, 1978	do	do	60	49	41	8	41		26	14	1, I-D	(5)	S8814
June 13, 1978	do	do	60	54	43	10	44		25	17	1, I-D	(5)	S9076
June 14, 1978	do	do	60	58	41	14	44		24	16	1, I-D	(5)	S9171
June 15, 1978	do	do	60	58	39	14	44		22	16	1, I-D	(5)	S9219
June 22, 1978	do	do	60	53	45	12	41		25	19	1, I-D	(5)	S9409
Oct. 9, 1978	Tax reduction[2]	do	60	62	28	30	31	1, I-D	3	25		(5)	S17818
Oct. 14, 1978	Energy tax conference report.[3]	do	60	71	13	20	51		10	2	1, I-D	(5)	S18762
96TH, 1ST													
Dec. 12, 1979	Windfall Profits Tax	Robert C. Byrd	60	53	46	5	48		36	9	1, I-D	V. 125, No. 177	S18291-92
Dec. 13, 1979	do	do	60	56	40	5	50	1, I-D	34	6		V. 125 No. 178	S18382-S18383
Dec. 14, 1979	do	do	60	56	39	4	51	1, I-D	35	4		V. 125 No. 179	S18502
Dec. 17, 1979	do	do	60	84	14	28	55	1, I-D	12	2		V. 125 No. 181	S18794-S18795
96TH, 2d													
Apr. 21, 1980	Nomination of William Lubbers to be general counsel NLRB.	do	60	46	40	8	38		29	10	1, I-D	V. 126 No. 61	S3995
Apr. 22, 1980	do	do	60	62	34	10	51	1, I-D	29	5		V. 126 No. 62	S4040
Apr. 28, 1980	Rights of Institutionalized Persons.	Birch Bayh	60	44	39	11	33		25	13	1, I-D	V. 126 No. 66	S4255
Apr. 29, 1980	do	Dennis DeConcini	60	56	34	15	41		22	11	1, I-D	V. 126, No. 67	S4294
Apr. 30, 1980	do	Robert C. Byrd	60	53	35	14	39		22	12	1, I-D	V. 126, No. 68	S4340
May 1, 1980	do	do	60	60	34	13	47		25	8	1, I-D	V. 126, No. 69	S4429
May 15, 1980	Soft Drink Products	do	60	86	6	35	51		3	2	1, I-D	V. 126, No. 79	S5414
June 10, 1980	Draft Registration	do	60	62	32	22	39	1, I-D	18	14		V. 126, No. 94	S6515
Aug. 1, 1980	Nomination of Don Zimmerman to be member NLRB.	do	60	51	35	10	41		27	7	1, I-D		S10505
Aug. 4, 1980	do	do	60	45	31	10	35		23	7	1, I-D		S10654
Aug. 5, 1980	do	do	60	63	31	15	48		23	7	1, I-D		S10773
Aug. 18, 1980	Alaska Lands	do	60	63	25	22	41		15	9	1, I-D		S11050
Aug. 21, 1980	Vessel Tonnage/Surface Mining.	do	60	61	32	26	34	1, I-D	15	17			S11314
Dec. 3, 1980	Fair Housing Amendments	do	60	51	39	13	38		26	13			S15330
Dec. 4, 1980	do	do	60	62	32	13	49		26	5	1, I-D		S15501
Dec. 9, 1980	do	do	60	54	43	9	45		31	11	1, I-D		S15853
Do	Stephen Breyer Nomination (U.S. Circuit Judge).	Edward M. Kennedy	60	68	28	16	52		24	3	1, I-D		S15873

[1] Many cloture petitions have also been withdrawn or held out of order since 1917.
[2] Indicates that cloture was invoked.
[3] The Chair ruled that a majority would invoke on any change in the rules of the Senate at the beginning of a Congress. On appeal the Chair was overruled 45 to 53 (Congressional Record, vol. 115: Jan. 16, 1969, p. 995).
[4] Does not necessarily indicate support of cloture.
[5] As an amendment to Debt Ceiling Bill.
[6] On amendment proposed by Senator James B. Allen.
[7] On amendment proposed by Senator Hubert Humphrey.
[8] Daily edition.
* Party codes:
C-R—Conservative Republican.
I-D—Independent-Democrat.
P—Progressive.
I—Independent.
F-L—Farmer-Labor.

Mr. ROBERT C. BYRD. Mr. President, this table will show that I have offered more cloture motions than has any other Senator during the intervening years since the cloture rule was first adopted, and it will also show that cloture has been invoked on more motions introduced by me.

Mr. Mansfield, my predecessor, offered 56 cloture motions. Cloture was invoked on 14 of those motions. I have offered 70 cloture motions and cloture has been invoked on 20 of those motions.

Mr. President, I yield the floor.

BLACK LUNG

Mr. ROBERT C. BYRD. Mr. President, I did something on March 9 that I have not done before in my 28 years of service in the Congress of the United States. I left this Hill to address a gathering of coal miners who had come to Washington to protest rumored changes in the black lung benefits program.

I ask unanimous consent that the text of my remarks on that occasion be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS TO THE UNITED MINE WORKERS OF AMERICA BY U.S. SENATOR ROBERT C. BYRD

Most of you know me.

You know Robert Byrd as a friend of the coal miner. I always will be.

You work long hours in the coal and rock dust, with nothing between you and the mountain but roof bolts . . .

Where the rain never falls
And the Sun never shines,
It's dark as a dungeon
Way down in the mines.

You have come out of the mountain, dog-tired and dirty, and have gone home to your families, who depend on you for bread.

One day, you will leave the mountain for the last time . . . after putting in long years on the job . . .

Some leave it only for the grave.

You mine the coal that produces the electricity that lights cities, runs factories, and turns the wheels of industry.

You mine the coal that makes steel for hospitals and skyscrapers, automobiles, ships, tanks, and guns.

You are a vital part of America, and you are a part of me—a large part.

I grew up in a coal miner's home . . . during the Depression . . . in the '30's.

I slept on a coal miner's bed . . . ate from a coal miner's table . . . married a coal miner's daughter.

Before many of you were born, I played my fiddle at UMW rallies . . .

On Mitchell Day . . .

John L. Lewis Day . . .

Labor Day.

I know the sorrows, the heartaches, the tragedies that come to you and your families. My brother-in-law's father was killed in the mines.

More than once, I have looked down upon the still face of a miner—his body lying on the mine bath house floor—killed by a slate fall . . .

An electric wire . . .

Or a runaway motor.

More than once I have looked into the worn face of a miner, for whom each new day brought misery . . .

And every gasp for breath brought pain.

Black Lung!

That is why you are here today. That is why I am here.

You are a part of me—a large part.

On March 26, 1969, I appeared before the Labor Subcommittee of the Senate Committee on Labor and Public Welfare and proposed Federal legislation to provide compensation to disabled miners suffering from Black Lung.

The next day—March 27, 1969—Senator Randolph and I joined in introducing legislation to establish the Black Lung benefits program.

I not only helped in enacting the black lung legislation. As a member of the Senate Appropriations Committee, I also helped to fund it . . .

And to establish black lung clinics in the coal field areas . . . and to enact mine safety laws.

You are here today because you are worried that these hard-won benefits may be reduced or erased by the new administration.

That is why I am here with you. I, too, am concerned!

As of this moment, we do not know what the new administration will propose to do about mine safety programs or about black lung benefits.

We have not been told the details. We have not seen the fine print.

The administration has said that it wants to put the black lung disability trust fund on a sound financial footing.

I support that aim.

I know you do.

A sound trust fund will mean that black lung victims can feel secure in the knowledge that they will receive the compensation provided by law.

And this is what we must protect—the black lung victims who are entitled to such benefits.

I have asked the administration for information on what it proposes to do.

I believe we ought to find out what the administration has in mind.

The White House recently cited a report by the General Accounting Office which indicated, according to the administration, that 9 out of 10 families currently receiving black lung benefits are not entitled to them.

I do not believe that. I believe that figure is grossly misleading.

I believe that most retired miners receiving benefits are getting that which is due them under the law.

If there is waste and abuse in any program, then let's find it and get rid of it.

Mismanagement of programs hurts those who are most deserving of benefits.

The retired miners I know only want to receive that which is rightly theirs under the law.

They seek compensation for a disabling disease—contracted while serving their country with their labor and sweat . . .

Their bone and sinew . . .

And sometimes their blood.

I commend Sam Church for his strong and reasoned leadership of this great union . . .

Of which my foster father and my wife's father were members in the 1930's.

I commend Sam Church and I commend you on the stability you have brought to the coal fields.

I have met with delegations from West Germany, France, Japan, and other countries interested in buying our coal.

I have said to them: You can count on the American coal miner.

Today, you are petitioning your government in an orderly way.

I have stood with you in the past. I will stand with you in the days ahead.

You are a part of me—a large part.

You can count on me.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I have no further use for the time that has been allotted to me under the order and the time that has been yielded to me by the distinguished majority leader, and I therefore yield it back.

ROUTINE MORNING BUSINESS

The PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business.

Mr. BAKER. Mr. President, I ask unanimous consent that the order previously entered to provide for a period for the transaction of routine morning business be modified so as to extend that time not beyond 2 p.m., and that Senators may be permitted to speak therein.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR THE CONSIDERATION OF S. 573 AT 2 P.M. TODAY

Mr. BAKER. Mr. President, on Thursday last I indicated that it was the intention of the leadership today to proceed to the consideration of Calendar Order No. 29, S. 573, a bill to extend the expiration date of section 252 of the Energy Policy and Conservation Act.

I ask unanimous consent, Mr. President, that the Senate proceed to the consideration of that bill at 2 p.m. today.

Mr. ROBERT C. BYRD. Mr. President, there is no objection on this side.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 11 A.M. ON THURSDAY

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 11 a.m. on Thursday, March 12.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. BAKER. Mr. President, I might inquire of the distinguished minority leader whether it might be possible for the Senate to consider the nominations appearing on today's Executive Calendar.

Mr. ROBERT C. BYRD. Mr. President, there is no objection on this side of the aisle to proceeding with the nominations.

Mr. BAKER. I thank the minority leader.

With that view, Mr. President, I ask unanimous consent that the Senate go into executive session for the purpose of considering the nominations contained on the Executive Calendar.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

The PRESIDENT pro tempore. The clerk will state the nominations.

The second assistant legislative clerk proceeded to read the nominations on the Executive Calendar.

Mr. BAKER. Mr. President, I am advised that all of the nominations appearing on the calendar, beginning on page 1 and continuing through page 6, including those nominations placed on the Secretary's desk in the Air Force and Navy, have been cleared on our Executive Calendar. If the minority leader can advise me of the status of those nominations on his side, perhaps it would be possible to proceed to their consideration en bloc.

Mr. ROBERT C. BYRD. Mr. President, there is no objection on this side to proceeding en bloc to take up the nominations.

Mr. BAKER. Mr. President, I thank the minority leader.

In view of that, I ask unanimous consent that the Senate proceed now to the consideration en bloc of all of the nominations on the Executive Calendar, including those at the Secretary's desk.

The PRESIDENT pro tempore. Without objection, the Senate will proceed to consider the nominations, en bloc.

NOMINATION OF ROSCOE L. EGGER, JR., TO BE COMMISSIONER OF INTERNAL REVENUE

(By request of Mr. BAKER the following statement was ordered to be printed in the RECORD:)

● Mr. DOLE. Mr. President, the Senator from Kansas urges the confirmation of Roscoe L. Egger, Jr. to be Commissioner of Internal Revenue.

FAVORABLE COMMITTEE ACTION

On March 5, the Committee on Finance held hearings on Mr. Egger and found him to be eminently qualified by reason of his experience and character to perform the functions of Commissioner of Internal Revenue.

Our committee then voted unanimously to recommend Senate confirmation of Mr. Egger's nomination without referral to committee.

MR. EGGER'S DIVERSE TRAINING

President Reagan has nominated Mr. Roscoe L. Egger, Jr. to be Commissioner of Internal Revenue. Mr. Egger will bring to that position his background and training as an accountant and as a lawyer. From that perspective, Mr. Egger is the ideal candidate, appealing both to members of the bar and to the public

accountants. Mr. Egger has a distinguished career in public accounting, having since 1973 headed the office of government services for a major accounting firm. He will bring that experience, expertise, and uncompromising excellence to the position of Commissioner of Internal Revenue Service.

THE DUTIES OF THE COMMISSIONER

As Commissioner of Internal Revenue, Mr. Egger will have responsibility for the Internal Revenue Service, the collection of our internal revenue, and the administration of our tax laws. In that position, Mr. Egger will be responsible both for the efficient collection of our revenue and for the equitable enforcement of our laws. With increasing concern for the level of voluntary compliance with our tax laws, the importance of the fair and effective administration of the tax laws cannot be exaggerated. Mr. Egger is well suited for the tasks for which he has been nominated.

INVESTIGATIONS COMPLETED

The Committee on Finance has reviewed Mr. Egger's financial position, the results of the investigation by the FBI, and the report of the Office of Government Ethics. We are confident that there are no problems in any of these areas.●

NOMINATION OF JOHN E. CHAPOTON TO BE ASSISTANT SECRETARY OF THE TREASURY FOR TAX POLICY

(By request of Mr. BAKER the following statement was ordered to be printed in the RECORD:)

● Mr. DOLE. Mr. President, the Senator from Kansas urges the confirmation of John E. Chapoton to be Assistant Secretary of the Treasury for Tax Policy.

FAVORABLE COMMITTEE ACTION

On March 5, the Committee on Finance held hearings on Mr. Chapoton and found him to be eminently qualified by reason of his experience and character to perform the functions of Assistant Secretary of the Treasury for Tax Policy.

Our committee then voted unanimously to recommend Senate confirmation of Mr. Chapoton's nomination without referral to committee.

MR. CHAPOTON'S BACKGROUND

Mr. Chapoton brings to the position of Assistant Secretary for Tax Policy a broad range of experience and expertise, both from public service and the private practice of law. In his practice of law, Mr. Chapoton has specialized in Federal taxation for 20 years. In his 4 years of public service which punctuated that private practice, Mr. Chapoton served with the Tax Legislative Counsel, ultimately rising to head that branch of the Treasury in charge of the preparation of tax legislation.

PROPOSED DUTIES

As Assistant Secretary for Tax Policy, Mr. Chapoton will not only oversee the Office of Tax Legislative Counsel, but will generally be charged with executive responsibilities for, among other matters, the preparation of tax revenue projections and evaluation of legislation and regulations. Thus, Mr. Chapoton's past private and public service is a virtually ideal preparation for the position to which he has been nominated.

REPORT ON INVESTIGATIONS

The Committee on Finance has reviewed Mr. Chapoton's financial position, the results of the investigation by the FBI and the report of the Office of Government Ethics. We are confident that there are no problems in any of these areas.●

NOMINATION OF PAUL CRAIG ROBERTS TO BE ASSISTANT SECRETARY OF TREASURY FOR ECONOMIC POLICY

(By request of Mr. BAKER the following statement was ordered to be printed in the RECORD:)

● Mr. DOLE. Mr. President, the Senator from Kansas urges the confirmation of Paul Craig Roberts to be Assistant Secretary of the Treasury for Economic Policy.

FAVORABLE COMMITTEE ACTION

On March 5, the Committee on Finance held hearings on Dr. Roberts and found him to be eminently qualified by reason of his experience and character to perform the functions of Assistant Secretary of the Treasury for Economic Policy.

Our committee then voted unanimously to recommend Senate confirmation of Dr. Roberts' nomination without referral to committee.

A DISTINGUISHED CAREER IN PUBLIC SERVICE

Dr. Roberts has been nominated to become Assistant Secretary of the Treasury for Economic Policy. He has been nominated for that position in substantial measure because of his record of achievement as an economist coupled with his distinguished public service. He has served on Capitol Hill on staffs both in the House and the Senate. He combines both academic expertise and practical experience, a combination that will go far to insure his success in the very important position to which he has been nominated.

NEW RESPONSIBILITIES

As Assistant Secretary for Economic Policy, Dr. Roberts will have principal responsibility for the preparation of the Treasury's economic projections and will advise on the determination of appropriate financial and fiscal policy.

ROUTINE INVESTIGATIONS COMPLETED

The review by the FBI, the Committee on Finance and the Office of Government Ethnics discloses no potential ethical problems or conflicts of interest.●

The PRESIDENT pro tempore. Without objection, all nominations are considered and confirmed en bloc.

The nominations considered and confirmed en bloc are as follows:

IN THE AIR FORCE

The following-named officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

Maj. Gen. James W. Stansberry, to be lieutenant general.

IN THE ARMY

The U.S. Army Reserve Officers named herein for appointment as Reserve Commissioned Officers of the Army, under the provisions of title 10, United States Code, secs. 593(a), 3371 and 3384:

Brig. Gen. Robert Milton Erffmeyer, Brig. Gen. Louis Holmes Gin III, Brig. Gen. Angelo David Juarez, Brig. Gen. Harley Lester Pickens, and Brig. Gen. Berlyn Keasler Sutton, to be major general.

Col. James Eugene Beal, Col. Elmus Snider Ussery, Col. William Peter Sylvester, Jr., Col. Richard Hubbard Bailey, Col. Donald Michael Merz, Col. Augusto Rafael Gautier, Col. Peter Dewitt Hyman, Col. Carl Lester Newhouse, Col. Robert Leroy Duewerth, and Col. Gregorio Clemente Brevetti, to be brigadier general.

The Army National Guard of the United States officers named herein for appointment as Reserve Commissioned Officers of the Army, under the provisions of title 10, United States Code, secs. 593(a) and 3385:

Col. Vernon Junior Andrews, Col. Paul Nicholas Cotro-Manes, Col. Bruce Gordon Grover, Col. Patrick Wallace Harrison, Col. Robert Lee Howell, Col. Dale Owen Laubach, Col. James Augustus Lynch, Jr., Col. Roland Lavern Parkhill, Col. Jack Strukel, Jr., and Col. James Jomac Wasson, to be brigadier general.

The Army National Guard of the United States officers named herein for appointment as Reserve Commissioned Officers of the Army, under the provisions of title 10, United States Code, secs. 593(a) and 3392:

Brig. Gen. William Fremont Engel, Brig. Gen. Ansel Martin Stroud, Jr., Brig. Gen. Ralph Taylor Tice, to be major general.

Col. Norman Eugene Duckworth, Col. Hubert Gerald Lane, Col. Lincoln James Lett, Col. Alexis Theodore Lum, Col. Dean Douglas Mann, and Col. Jerry Lee Whelchel, to be brigadier general.

IN THE NAVY

The following named captains of the line of the Navy for temporary promotion to the grade of rear admiral, pursuant to title 10, United States Code, sections 5769 and 5791, subject to qualification therefor as provided by law:

Virgil W. Moore, Jr., John F. Addams, Robert B. Rogers, Albert J. Herberger, Don H. McDowell, Richard L. Thompson, Allan G. Paulson, Ted C. Steele, Jr., George M. Furlong, Jr., Edwin R. Kohn, Jr., James H. Flatley III, Warren E. Aut, John R. Batzler, Ronald F. Marryott, Theodore A. Almstedt, Jr., James D. Williams, Laverne S. Severance, Jr., Richard M. Dunleavy, Roger E. Box, Harold L. Young, Richard J. Grich, Ronald J. Kurth, William A. Walsh, Kendall E. Moranville, James G. Storms III, Joseph S. Donnell III, William J. Holland, Jr., Ronald E. Narmi, Robert W. Schmitt, Morton E. Toole, John H. Fetterman, Jr., John W. Nyquist, Walter L. Chatham, Bruce Demars, Stanley R. Arthur, Peter M. Hekman, Jr., and Ming E. Chang, to be rear admiral.

The following named woman captain of the line of the Navy for temporary promotion to the grade indicated under the provisions of title 10, United States Code, sec. 5767(c):

Pauline M. Hartington, to be rear admiral.

The following named captains of the Navy for temporary promotion to the grade of rear admiral in the staff corps, as indicated, pursuant to title 10, United States Code, sections 5772 and 5791, subject to qualification therefor as provided by law:

Medical Corps

Normal V. Cooley, Jr., Quintous E. Crews, Jr., Robert C. Elliott, and James A. Zimble, to be rear admiral.

Supply Corps

Joseph S. Sansone, Jr., Edward K. Walker, Jr., and Donald E. Wilson, to be rear admiral.

Civil Engineer Corps

Donald L. Conner, to be rear admiral.

Dental Corps

Carlton J. McLeod, to be rear admiral.

IN THE MARINE CORPS

The following-named officers of the Marine Corps for temporary appointment to the grade of major general under the provisions of title 10, United States Code, section 5769:

Thomas R. Morgan, Ernest C. Cheatham, Jr., John V. Cox, John Phillips, Wesley H. Rice, Gregory A. Corliss, and Harold G. Glasgow, to be major general.

The following named officers of the Marine Corps for temporary appointment to the grade of brigadier general under the provisions of title 10, United States Code, section 5769:

James R. Vandenelzen, William G. Carson, Jr., Lloyd W. Smith, Jr., Edwin J. Godfrey, William R. Etnyre, Eugene B. Russell, Donald L. Humphrey, William A. Bloomer, Paul D. Slack, George H. Leach, Hugh T. Kerr, Joseph B. Knotts, and John H. Gary III, to be brigadier general.

DEPARTMENT OF THE TREASURY

Roscoe L. Egger, Jr., of the District of Columbia, to be Commissioner of Internal Revenue, vice Jermone Kurtz, resigned.

John E. Chapoton, of Texas, to be an Assistant Secretary of the Treasury, vice Donald Cyril Lubick, resigned.

Paul Craig Roberts, of Virginia, to be an Assistant Secretary of the Treasury, vice Curtis Alan Hessler, resigned.

FEDERAL RAILROAD ADMINISTRATION

Robert W. Blanchette, of Maryland, to be Administrator of the Federal Railroad Administration, vice John McGrath Sullivan, resigned.

DEPARTMENT OF TRANSPORTATION

John M. Fowler, of Pennsylvania, to be General Counsel of the Department of Transportation, vice Thomas George Allison, resigned.

Judith T. Connor, of New York, to be an Assistant Secretary of Transportation, vice William B. Johnston, resigned.

Lee L. Verstandig, of the District of Columbia, to be an Assistant Secretary of Transportation, vice Susan J. Williams, resigned.

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE AIR FORCE AND NAVY

Air Force nominations beginning George G. Abbott, to be colonel, and ending Michael P. Mills, to be captain, which nominations were received by the Senate and appeared in the Congressional Record of February 5, 1981.

Air Force nominations beginning Michael R. Ackley, to be first lieutenant, and ending Anthony E. Zompetti, to be first lieutenant, which nominations were received by the Senate on February 10, 1981, and appeared in the Congressional Record of February 16, 1981.

Navy nominations beginning Robert S. Chan, to be captain, and ending Julian D. McCarthy, to be lieutenant, which nominations were received by the Senate and appeared in the Congressional Record of February 5, 1981.

Navy nominations beginning Alexander V. Abary, to be commander, and ending Margaret J. Hamman, to be commander, which nominations were received by the Senate and appeared in the Congressional Record of February 5, 1981.

Navy nominations beginning Clinton E. Adams, to be lieutenant commander, and ending Christine E. Miller, to be lieutenant commander, which nominations were received by the Senate on February 10, 1981, and appeared in the Congressional Record of February 16, 1981.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nominations were confirmed en bloc.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified that the Senate has confirmed these nominations.

The PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDENT pro tempore. Without objection, it is so ordered.

TRIBALISM IN UGANDA

Mr. PROXMIRE. Mr. President, in the February 5, 1981, edition of the Washington Post, Jay Ross describes the sporadic bush wars in Uganda, fueled by ancient tribal distrust and more recent political animosities.

That country has some of the most serious tribal divisions on the African continent, and there are at least 32 distinct tribes in Uganda. Currently, there is much devastation in the villages of the West Nile, Idi Amin's home province. The tribes in this area received preferential status during his reign, while other tribes, particularly in Central and Southern Uganda, were intensely persecuted. During Amin's reign of terror, as many as 1 in every 25 Ugandans was killed, and conservative estimates of the total number of people slaughtered range from 100,000 to 400,000.

There were systematic purges of all white males in the Christian tribes of the Nilotic Acholi and the Langi. Amin explained that the purges were political acts against conspirators who opposed his rule. His victims, however, had been selected and identified solely on the basis of their membership in these tribes, not because they had opposed his regime.

The Genocide Convention defines the crime of genocide as the intent to destroy, in whole or in part, a national, ethnical, racial, or religious group. Thus, it is important to note that Amin's motives are also ethnic or religious, and therefore an act of genocide. Amin, a Moslem, also ordered the elimination of substantial numbers of other Christians. Wanume Kibedi, former Ugandan Foreign Minister from 1971–73, has stated that Amin's orders to liquidate the Lango and Acholi tribes spring from his deep-seated fear of all ethnic groups other than his own. In his book "Genocide," I. L. Horowitz characterized Uganda as a genocidal society.

The current struggle is between armed men still loyal to Amin, and the Ugandan Army and its Tanzanian allies. Ross notes that "whether the fighting involves retribution for old injuries or attempts to wage a guerilla struggle against the new government in Kampala is not clear." Yet traditional tribal tensions, coupled with the memories of Amin's atrocities, have made his home district on the West Nile a scene of destruction and suffering. As one Ugandan vowed during Amin's reign: "When things change, not even a chicken will be left alive" in Amin's native province.

In Uganda today, the legacy of genocide still destroys. The only way to stop such a terrible disgrace, or even to speak out against it with conviction, is through international covenant.

That covenant is the U.N. Genocide Treaty. We must ratify it.

COMMISSION ON ARTS AND ANTIQUITIES OF THE U.S. SENATE

The PRESIDENT pro tempore. On behalf of the majority leader, pursuant to Senate resolution 382, 90th Congress, I announce that the following Senators, pursuant to the positions that they hold, are members of the Commission on Arts and Antiquities of the U.S. Senate: The Senator from South Carolina (Mr. THURMOND), as President pro tempore; and the Senator from Maryland (Mr. MATHIAS), as chairman, Committee on Rules and Administration.

Mr. ROBERT C. BYRD. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mrs. HAWKINS). Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR BAUCUS AND SENATOR HARRY F. BYRD, JR., ON THURSDAY, MARCH 12, 1981

Mr. BAKER. Madam President, I am advised that there are two requests for special orders on Thursday. I ask unanimous consent that, on Thursday, following the time allocated under the standing order, or the standing orders, as it may be amended, in favor of the two leaders, there be a special order in favor of the distinguished Senator from Montana (Mr. BAUCUS) of not to exceed 15 minutes; and a special order on behalf of the distinguished senior Senator from Virginia (Mr. HARRY F. BYRD, JR.) for 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRESIDENT REAGAN'S TAX PROPOSAL

Mr. BAKER. Madam President, in behalf of the distinguished chairman of the Senate Finance Committee, Mr. DOLE, of Kansas, who I might add is feeling much better and who hopes to return to his duties soon, I am today introducing legislation proposed by President Reagan to reduce Federal income taxes this year by 10 percent.

While Senator DOLE and I both recognize and yield to the constitutionally provided prerogative of the House of Representatives to institute tax-related legislation, we nonetheless wish to offer this bill so that the Finance Committee may be facilitated in consideration of this matter.

This legislation is an elemental component of the President's economic recovery program. It provides for across-the-board tax relief for all Americans

and would substantially reform tax depreciation schedules that have crippled the growth of productivity of American business and industry.

On several occasions during the 96th Congress, I and many of my colleagues in this Chamber, endorsed this tax measure in principle. I reiterate my endorsement today.

Under current law, our citizens will pay more in Federal taxes this year than ever before—the Federal taxation burden on them increases more this year than during any previous year in our history.

I submit that we now tax our people beyond any logical limits. We have gone to the public well too often. It is very nearly dry and the American people demand and deserve relief.

This legislation offers that relief. Not only will a significant portion of the onerous tax burden on our wage earners be lifted, but the savings this bill will precipitate will do much to pump needed capital back into the private sector lending markets of our economy.

Furthermore, this legislation, coupled with the proposed spending reductions now pending before the Congress, provide the American people with a long-awaited, clear signal that this administration and this Congress are absolutely committed to a reduction in the growth of the Federal Government.

As desperately as we need to reduce the American citizen's tax burden, and as unequivocal as the need is to reduce Federal spending, the need to reform our corporate tax structure is no less important to our national economic recovery.

At the very core of this recovery is the need to stimulate new private-sector growth and productivity.

Existing depreciation schedules are extraordinarily complex, do not adequately account for the impact of inflation on the cost of capital, and are, quite simply, antiquated.

The proposed depreciation schedules greatly simplified the process and timeframe for business and industry to recover their capital investments. Further, the new schedules will allow more businesses, large and small, to more fully benefit. A quicker investment recovery will provide business and industry with the means and the incentive to retool, reinvest, and maintain state of the art technology.

That, coupled with the increases in investment tax credits proposed by this legislation, will encourage capital formation which, in turn, will result in new growth, new and meaningful job opportunities, and a new era of unsurpassed productivity in this Nation.

I am hopeful the Congress will act thoughtfully, yet expeditiously, on this vital legislation.

PRESIDENT REAGAN'S TAX REDUCTION LEGISLATION

(By request of Mr. BAKER, the following statement was ordered to be printed in the RECORD:)

● Mr. DOLE. Madam President, today I am joined by a number of our colleagues in introducing the administration's tax cut package at the request of the President. It is our hope that introduction of this legislation will focus the attention of the Senate on the need for broad tax reductions to initiate economic recovery for our Nation and the strong desire of the American people for us to address this issue immediately.

A BROAD-BASED TAX CUT

With this legislation President Reagan has followed through on his pledge to the American people that he would propose tax cut legislation to lower tax rates for all individuals and provide a major investment incentive for business to modernize plant and equipment.

RATE REDUCTION FOR INDIVIDUALS

For individuals, President Reagan has proposed a 30-percent reduction in tax rates to be phased in over calendar years 1981 through 1984.

The administration proposal for individual rate reductions reflects the tax-cutting philosophy espoused for many years by our distinguished colleague, Senator ROTH of Delaware. The Roth-Kemp tax plan is the basis for the administration proposal, and Senator ROTH must take a great deal of the credit for making tax reductions an issue that has won popular support and commanded the attention of policymakers. Focusing attention on the need for individual rate reductions, and on the incentive effects of tax cuts, has brought about a major shift in the way we view tax policy. The senior Senator from Delaware has done much to educate us all concerning the relation between the high level of taxation and economic stagnation.

No one should need a reminder that double-digit inflation for the last 2 years has capped an extraordinary, inflationary decade. During this period, individuals who have been fortunate enough to receive wage increases to keep up with inflation have seen an ever-increasing percentage of their income taken by the Federal Government for income taxes. These individuals who have not improved their real economic position in any way have, nevertheless, been forced to pay more taxes to the Government due to our progressive tax-rate structure.

AN EQUITABLE PROPOSAL

It is important to note that more than 70 percent of the benefit from the individual portion of this tax cut would be received by working people with incomes of $10,000 to $60,000. Nearly half of the tax reductions would be received by individuals with an income of $10,000 to $30,000. In today's inflated economy, it is difficult to argue that these individuals are wealthy. It is even more difficult to explain why their tax rates should have increased so drastically over the last few years. As the President pointed out in his recent address to Congress, the American worker's hourly earnings, adjusted for inflation, have declined by 5 percent over the last 5 years. Over the same period Federal taxes have increased 67 percent.

Furthermore, while the reduction in tax rates generally will reduce the tax liabilities of all taxpayers in proportion to taxes paid, interaction with the earned income tax credit will, in fact, provide a slightly greater percentage tax reduction for taxpayers at the low end of the income scale. On the other hand, interaction with the present law 50-percent maximum tax rate on earned income will give the most highly-paid wage earners a slightly lesser percentage reduction in taxes.

It can rightly be said that this proposal provides a much needed, major tax reduction for all taxpayers without ignoring the especially great hardship inflation and increased taxes have had upon our low-income citizens.

SPENDING CUTS NEEDED TO ASSURE NONINFLATIONARY TAX CUT

The President's tax reduction for individuals would merely reduce, not eliminate, the additional tax received by the Government from inflation. However, this Senator believes that substantial Federal spending cuts and continued fiscal responsibility are absolutely necessary parts of the President's economic recovery program. For that reason, I have expressed some reservations about making a full 3-year commitment to individual tax reductions. My reservations have been based upon a concern that, if we enacted a tax cut before spending cuts were acted upon, there would be little assurance that the spending limitations would ever be enacted.

The President, however, has made clear that his economic program must be considered as a whole. If we can accomplish what must be done in the spending area, we should give serious consideration to a multiyear tax reduction for individuals.

ACCELERATED COST RECOVERY FOR BUSINESS

The second major element of the President's tax reduction package is an accelerated and simplified capital cost recovery system to encourage business investment.

This Nation used to pride itself on having the most modern, most efficient, industrial machinery in the world. That is the reason our workers were acknowledged to be the most productive in the world. Unfortunately, although our business community has been able to invent substantial new technologies, they have not had the resources to put them to productive use. Instead, other nations have used our technology to develop new, efficient factories producing goods with which American companies find difficult to compete.

According to the administration, the annual growth in productivity for U.S. industry for the years 1973 to 1979 fell almost 75 percent from the rate from 1945 to 1968. In those later years productivity was growing at a rate of only eight-tenths of 1 percent per annum.

To reverse this disturbing trend the President has proposed that the cost of business investment be reduced.

The President's proposal is simple and will be effective in encouraging business investment. If a business makes an investment, the cost of that investment would be taken as a deduction for tax purposes over a 3, 5, 10, 15, or 18 year period, depending on the nature of the investment.

WHY THIS INCENTIVE IS NEEDED

This is not a radical, new concept. For many years now, businesses have been able to recover the costs of capital investments over the useful life of the asset purchased. The reason for this is to allow a business to put aside funds to purchase a replacement for a business asset when it wears out or becomes obsolete.

However, inflation and the increased cost of technologically more advanced business assets have made this method of cost recovery completely inadequate. The time period over which investment costs may be recovered is so long that businesses cannot afford to make desirable investments. The problem is compounded by an increasingly complex set of rules, established by the Government to provide guidance for taxpayers, but which now has become a further obstacle to business investment, especially for smaller companies which cannot afford sophisticated legal and accounting advice.

A SIMPLE, EFFECTIVE PROPOSAL

The President's proposal would provide an easy to understand and economically more advantageous method for a business to recover the cost of its investments in plant and equipment.

The proposal would create three mandatory classes of tangible personal property on which taxpayers would be entitled to rapid cost recovery over periods of 3, 5, and 10 years, depending upon the nature and use of such property. Although certain owner-occupied structures would also be entitled to accelerated cost recovery over 10 years, depreciable real property would in general be subject to straight-line cost recovery over periods of 18 or 15 years. Additionally, the availability of the investment tax credit would be expanded.

These provisions would be phased in beginning on January 1, 1981, with all provisions fully effective by January 1, 1985.

THE FINANCE COMMITTEE ROLE

This Senator is certain that the underlying philosophy of the administration proposal will win strong support in the Finance Committee. Nonetheless, it would be unrealistic to assume that the committee will report the administration proposal without careful review and, where necessary, modification of many specific provisions.

For instance, we will want to assure that the accelerated cost recovery provisions, in fact, accomplish their intended purpose of stimulating investment. The proposal will have to be carefully studied to make certain that no one sector of the economy, such as livestock breeders or farmers, is disadvantaged, rather than helped, by these new rules.

Similarly, we will review the proposal to determine if there are loopholes which will encourage tax shelter schemes, rather than productive investment.

There seemed to be broad consensus on the Senate Finance Committee about the need for a substantial tax cut last year. The committee, under the leadership of the distinguished Senator from Louisiana (Mr. LONG), fashioned a bipartisan tax cut bill that included significant individual rate cuts and an overhaul of the business depreciation system. That the bill did not become law is no reflection on its merit. And it is fitting that the Finance Committee bill paved the way for consideration of the administration's tax package in 1981.

Madam President, we have a real opportunity to improve the lives of our people by restructuring the tax laws, as well as limiting Federal spending. We have a responsibility to review the President's economic recovery program carefully. This Senator, however, is convinced that the basic thrust of this program is sound and the program is urgently needed. We must act as quickly as possible.●

PRESIDENT'S TAX REDUCTION PROGRAM

Mr. ROTH. Madam President, I am pleased to join my distinguished colleague BOB DOLE today to introduce the President's legislative proposals for across-the-board tax cuts.

This legislation provides for a 10 percent per year tax rate reduction for 3 years. When fully effective the proposal would reduce the tax burden of all taxpayers by approximately 30 percent. Individual tax rates would be reduced from the present rates ranging from 14 to 70 percent to rates ranging between 10 and 50 percent. These rate reductions are designed to reduce the heavy tax burden now strangling our Nation's economy.

According to the Congressional Budget Office, inflation and social security tax increases will impose a major tax burden on working Americans over the next 5 years. The CBO estimates that total Federal tax revenues under current law will more than double over the next 5 years, increasing $585 billion to $1.1 trillion a year by fiscal 1985.

But the tax burden the American people are bearing today is already unbearable. The average U.S. household last year paid more than $6,000 in Federal taxes. That represents an increase of more than 50 percent from only 4 years ago. The following table demonstrates how this tax burden has grown over the past decade and will continue to grow in the next unless something is done now to stop it.

AVERAGE TAX BURDEN PER HOUSEHOLD

	1971	1976	1979	1981	1985
Total Federal taxes (in billions)	188.4	300.0	465.9	623.0	1,092.7
Total households[1] (in millions)	63.5	71.2	76.0	79.5	87.5
Average tax	2,967	4,213	6,130	7,836	12,488

[1] Source: U.S. Census Bureau.

Substantial tax reductions are needed to offset the massive tax increases facing the working men and women of this country. The only way to reduce inflation is to promote economic growth and the best way to promote economic growth is to reduce the high rates of taxation which are destroying the incentive to work, to save and to invest. They are choking off private initiative and retarding the savings and investment needed to increase productivity and create new jobs.

The United States has the lowest rate of saving in the Western World, resulting in the lowest rate of productivity, growth, investment, and real wage increases among the major industrialized nations. Personal savings is falling because inflation and high tax rates reduce the real rate of return on savings income. As people are pushed into higher tax brackets, they get to keep less of each additional dollar of savings income. Since income from savings is added to earned income, the highest tax rate each taxpayer pays is imposed on his or her savings income. The higher the tax rate individuals face on the additional income from savings, the less likely they are to save. Thus, the present high tax rates discourage new savings, encourage consumption, and force savings away from productive investments and into tax-exempt bonds and tax shelters.

Nothing is more important than growth. The basic choice facing the economy is whether to grow or not to grow. If we had put a modest but sustained growth policy in place in 1950, the results would by now be enormous. Consider the period 1950 to 1979. In 1979, U.S. GNP reached $2.3 trillion. It could have been $3.5 trillion.

Between 1950 and 1979, the average annual growth of the U.S. economy in real terms was 3.6 percent. Many other major industrialized countries grew at annual real rates averaging in excess of 5.5 percent. If the United States had grown an average 1.5 percent faster each year since 1950, at a rate of just over 5 percent, its GNP in 1979 would have been $3.5 trillion.

With a $3.5 trillion economy, incomes would have been 50 percent higher than they were in 1979 and jobs would have been plentiful.

Faster growth, higher incomes, and plentiful jobs are exactly what the unemployed, underprivileged, and the minorities of this country have been seeking for many years. It is no accident that the greatest gains in income, jobs, and dignity for minority workers have come during periods of rapid expansion.

Economic growth is the only path to a balanced budget, and it can only be achieved by reducing the tax drag on the economy and restraining the growth of Federal spending.

As President Jack Kennedy said in 1962 in proposing an across-the-board tax rate reduction:

> Our choice is not between tax reductions, on the one hand, and the avoidance of large federal deficits on the other. It is increasingly clear that no matter what party is in power, so long as our national security needs keep rising, an economy hampered by restrictive tax rates will never produce enough revenue to balance the budget, just as it will never produce enough jobs or enough profits.

I am here today to echo President Kennedy's words. I call upon my colleagues to lend their bipartisan support to the tax reduction program being introduced today. It is a fair and progressive tax cut for all Americans and middle-income Americans in particular. These Americans are not very rich, they are not very poor, they are very taxed.

Mr. STEVENS. Madam President, today I have the pleasure of cosponsoring

President Reagan's tax incentive program. This tax package provides the essential framework that allows the private productive capacities in this Nation to get moving again.

Inflation has affected all aspects of American life. All Americans have seen the effect of seeing their wages climb into higher tax brackets while their buying power declined. Nowhere is tax more apparent than in Alaska. Alaskans are particularly hard hit by high taxes as we have the highest Federal tax burden per person. In 1979, the U.S. average per person was $2,101, while the Alaskan average was $3,304. President Reagan's proposal gives the economy wide relief that is so desperately needed today.

The focus of these changes in the tax code is twofold:

First. An across-the-board reduction of 10 percent in individual tax rates over each of the next 3 years beginning July 1, 1981.

Second. Depreciation reform to speed-up cost recovery for industry. Under the accelerated cost recovery system, all business property placed in service beginning January 1 of this year, is eligible for faster writeoff. The ACRS will provide positive incentives for industry to modernize existing plant and equipment and to increase their overall investment activity.

I am confident that the incentives provided by these tax changes will produce a net increase in Federal revenues by the end of 1982.

Introduction of these essential tax reforms marks the beginning of a new period of economic growth for the Nation. These measures put the burden for growth back into the private sector by providing the basic incentives that will make that growth possible.

Madam President, I commend this tax incentive program to you, and urge our concerted effort to insure its prompt passage.

Mr. CHAFEE. Madam President, today I am pleased to join my colleagues on the Senate Finance Committee in introducing the Reagan administration tax cut bill.

President Reagan is absolutely correct in calling for substantial tax reductions beginning this year. Coupled with a major reduction in the rate of Government spending growth, a well-structured tax cut will be the key to reviving economic productivity, reducing unemployment, and, most importantly, bringing inflation under control.

Like many of my colleagues on this side of the aisle, I have differences with some aspects of the administration's proposal. I have serious doubts, for example, about the wisdom of enacting 3 successive years of individual income tax cuts at 10 percent per year. I firmly believe that a savings incentive should be included to increase personal savings and help make more capital available for mortgages and business investment. And I want to take a close look at the depreciation revisions to assure that these investment incentives are well balanced.

Differences aside, the most important point is that by introducing this tax cut bill, we are starting the ball rolling toward enactment of a major tax bill this year. I will be working closely with the President and his advisers to deliver the American people a much needed tax relief measure.

RECOMMENDATIONS OF QUADRENNIAL COMMISSION ON PAY ALLOWANCES

Mr. BAKER. Madam President, the Quadrennial Commission on Pay Allowances has submitted its report. Under that act, the recommendations may be approved or disapproved or Congress may elect not to act at all, in which case the recommendations would not be put into effect.

It appears to me, however, that it would be infinitely preferable for this body to make a statement of its preferences and intention with respect to the Quadrennial Pay Commission report.

I have great respect for the Quadrennial Pay Commission. Under the provisions of the act, the distinguished minority leader and I each made nominations for membership. The members of the Commission worked diligently and with dedication.

However, I believe that the better part of public policy suggests that we take action in respect to those recommendations. I have consulted with the distinguished minority leader on this subject, and I am prepared now to propose a unanimous-consent agreement, which I believe is cleared on both sides.

Madam President, I now send to the desk four resolutions relative to pay recommendations, for myself and on behalf of the distinguished minority leader, Mr. ROBERT C. BYRD, such recommendations having been transmitted to Congress by the President, and I ask unanimous consent that they be placed on the calendar.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. There is no objection, Madam President.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Madam President, I further ask unanimous consent that upon the conclusion on March 12 of the time allocated to the two leaders under the standing order and any special orders, the Senate proceed to the consideration of the resolutions in sequence, as they appear on the calendar.

I say, parenthetically, that they have been submitted in the same form in which they have been described in the statute.

Mr. ROBERT C. BYRD. Madam President, reserving the right to object——

Mr. BAKER. Madam President, I wish to amend my request in certain respects.

The Chair has already received and sent the resolutions to the calendar. Am I correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. BAKER. Madam President, I withdraw all of my request beyond that point and amend it as follows:

I ask unanimous consent that on Thursday, at any time, the majority leader, after consultation with the minority leader, may call up these resolutions for consideration by the Senate, notwithstanding any other order for the considerations of any other measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Madam President, I further ask unanimous consent that each resolution be subject to a time limitation of 20 minutes for debate, equally divided and controlled by the distinguished Senator from Delaware (Mr. ROTH) and the distinguished Senator from Missouri (Mr. EAGLETON); that time on first degree amendments be limited to 15 minutes equally divided and controlled by the mover and the manager; that time on second degree amendments be limited to 10 minutes each and similarly controlled; that time on motions, appeals, and points of order, if such are submitted to the Senate, be limited to 10 minutes each; and that the agreement be in the usual form.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. There is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

The text of the agreement follows:

Ordered, That at any time after consultation with the Minority Leader, the Majority Leader be authorized to call up the resolutions relative to pay recommendations transmitted to Congress by the President, notwithstanding any other order for the consideration of any other matter, with debate on any amendment in the first degree to be limited to 15 minutes, to be equally divided and controlled by the mover of such and the manager of the resolution: with debate on any amendment in the second degree to be limited to 10 minutes, to be equally divided and controlled by the mover of such and the manager of the resolution; and with debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate to be limited to 10 minutes, to be equally divided and controlled by the mover of such and the manager of the resolution: Provided, That in the event the manager of the resolution is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the Minority Leader or his designee: Provided further, That no amendment that is not germane to the provisions of the said resolution shall be received.

Ordered further, That on the question of agreeing to the said resolutions, debate shall be limited to 20 minutes each, to be equally divided and controlled by the Senator from Delaware (Mr. Roth) and the Senator from Missouri (Mr. Eagleton): Provided, That the said Senators, or either of them, may, from the time under their control on agreeing to the said resolutions, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

(March 10, 1981)

Mr. BAKER. I thank the distinguished minority leader and I thank all Senators.

I might say that formulation of this agreement will give the leadership more discretion in deciding how this matter, which must be dealt with on Thursday—and by the way, it is my intention to complete action on this and the bill already scheduled on Thursday even if it means the Senate remaining in late on Thursday or perhaps being in session on

Friday—but this technique will give us more flexibility in deciding how to schedule and what particular hour to lay down these four resolutions.

I thank the minority leader for his cooperation.

Mr. ROBERT C. BYRD. Madam President, I extend my thanks to the distinguished majority leader for his courtesy in molding the request which he has just made to conform with the necessities on this side of the aisle.

Mr. BAKER. Madam President, I thank the minority leader.

Mr. WALLOP. Madam President, will the majority leader yield?

Mr. BAKER. I yield the floor.

Mr. WALLOP. I thank the majority leader.

JACK OGILVIE HORTON

Mr. WALLOP. Madam President, it was with great sorrow that I learned this past week of the death, February 28, of Jack Ogilvie Horton of Saddlestring, Wyo. Together, Jack and I have managed neighboring ranches along the Big Horn Mountains for many years, sharing political goals and philosophies, working together to help the people of Wyoming, and nurturing a friendship which I shall value deeply over the coming years.

His years in Washington as Assistant Secretary of the Interior for Land and Water Resources established for Jack many similarly enduring friendships in this Congress and the Government community. I have shared with these friends this week the pain and frustration of seeing Jack lose his valiant fight against leukemia at the age of 43.

Jack Horton turned the opportunities of his life into something straight out of a Michener novel. He lent color to ordinary experiences. He lightened an exceptional academic background with flashes of humor and the absurd. He cajoled and encouraged his professional colleagues toward unexpected achievement. He invented language so that Western resource users could learn to talk to Western environmentalists. And in the midst of this perpetual professional motion, he played a killing game of tennis, rode the rodeo circuit, climbed mountains, and ran the Boston Marathon.

Because Jack was the quintessential cowboy politician, I want to leave in this Senate a record of the highlights of the life of a very special and unique Wyoming citizen.

From the Wyoming public school system, Horton entered America's most prestigious avenue toward a classical liberal arts education. With highest honors he obtained his degrees from Deerfield Academy, from Princeton, and as a Rhodes Scholar at Oxford. Shortly before his death, he renewed his training in economics and geology with additional graduate study at the University of Colorado. He brought this same educational opportunity to others through the administration of a family-funded trust at Princeton University. His commitment to Princeton, its alumni, and its academic life was recognized by his election as a trustee in the mid-seventies.

His professional life began in Wyoming—a stint as executive director of our Republican Party. Horton's commitment to Republican principles and goals was evident throughout his many years of Federal public service. He was a partisan. He did not, however, allow that partisan commitment to impede his communication with the very diverse people and interest groups of the West.

Horton played a very important role in the inventory and allocation of Alaskan resource lands. He was the first chairman of the Federal-State Land Use Planning Commission for Alaska—the Department of Interior's effort at resolving Alaskan land issues which ultimately reached this Congress as the controversial Alaskan lands bill.

From 1973 to 1977, Horton was Assistant Secretary of the Interior for Land and Water Resources—a new assistant secretaryship which was largely designed to facilitate a major policy role for Horton in recognition of his commitment to preserving the quality and way of life in Alaska and the Western States. Jack was unwavering in his belief that a balance could be achieved in the West's production of energy and natural resources without irreparable damage to the environment. It is a balance this Nation has not yet achieved, but his accomplishments moved us much closer to an effective multiple-use program.

Horton served as Assistant Secretary throughout both the Nixon and Ford administrations. With the change to a Democratic administration, he continued these same efforts as a private consultant in natural resources, counseling industry, public interest groups, and political leaders.

For all these professional accomplishments, it is the personal stories which all of us will remember—and we shall do so with the joy of having shared those times with Jack and shaken our heads more than a few times at his antics. He never made his safari to Africa, but he was there once to climb Kilimanjaro. When he climbed Mt. McKinley, it was with then-Bicentennial chairman John Warner's flag in his backpack, and he later presented that memento of the successful climb to the White House. He did not win the Boston marathon, but he made an impressive showing for a man of 40. In lacrosse, he was not satisfied with simply being an All-American; he was perhaps the only American to be All-England at Oxford. As an officer in the Navy, he flew 175 fighter pilot missions over the South China Sea. Living off-base in Japan, he explored the Eastern philosophy, produced a more-than-credible Japanese meal, and became fluent in the language.

Jack's early years were guided primarily by his grandmother, Mrs. Henrietta Horton, of Sheridan, Wyo. To her, I want to express my gratitude for her role in encouraging Jack toward a career which enriched the life of Wyoming's people. The pioneer heritage of the Horton family in Wyoming now passes forward to his young niece and nephew.

That heritage is immensely enriched by Jack Horton's life. I know that my colleagues in the Congress join me in extending our deepest sympathy to the Horton family and to his friends, who will miss Jack so much.

Madam President, I thank the Chair.

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to Public Law 83-420, appoints the Senator from New York (Mr. D'AMATO) to be a member of the Board of Directors of Gallaudet College.

The Chair, on behalf of the Vice President, pursuant to Public Law 93-642, appoints the Senator from Missouri (Mr. DANFORTH) to be a member of the Harry S. Truman Scholarship Foundation Board of Trustees.

U.S. POLICY ON EL SALVADOR

Mr. ROBERT C. BYRD. Madam President, I think most of us agree with President Reagan's stated objective that we do not want any government coming into power in El Salvador owing allegiance to Havana or Moscow. However, I think we also should agree that totalitarianism, regardless of its coloration, is an anathema to the United States. Therefore, I was disappointed with the President's reluctance during his press conference last Friday to state unequivocally that all military and economic aid would be cut off to El Salvador if a right-wing coup toppled the government of Jose Napoleon Duarte.

This administration has spent considerable time and effort to enlist the sympathy and support of our friends and allies for halting the flow of arms to the leftist elements in El Salvador. Yet, little has been said of the clandestine flow of arms to rightest elements in El Salvador, some of it coming from the Salvadoran exile community in the United States. I think few would disagree that the threat to the Duarte government from the right is as real as the threat from the left.

Mr. President, I think it would be a mistake for U.S. policy throughout this hemisphere if we did not make it perfectly clear that right-wing terrorism is as unacceptable to us as left-wing terrorism. Our efforts in El Salvador are to foster moderation in the hope that eventually a truly pluralistic society can emerge from that strife-torn society. Yet, we undercut that effort if the focus of our concern is only on the left.

By refusing to clearly spell out that a right-wing coup would be unacceptable to us and would result in an immediate air cut-off, we are sending the signal that a right-wing government would be preferable.

Therefore, I think it is imperative that we lay it on the line with the right as well, so there is not any misperception of U.S. intentions should they undertake a coup. I think having done so, the President's stated policy of supporting the forces of moderation in El Salvador will be strengthened and will be received with a much higher degree of credibility

throughout the hemisphere than is now the case.

MARY KATHERINE BABB RANDOLPH

Mr. HATCH. Madam President, I was saddened this morning to learn of the passing of Mary Katherine Babb Randolph, the loving wife of our beloved colleague, JENNINGS RANDOLPH. The Randolph's have served as an example of the ideal married couple—committing their lives to one another and then fulfilling the law of love by their care and concern for the well-being and happiness of others.

As husband and wife, they have lived the ideal as set by the "Maker Himself." They have demonstrated true wisdom which was made manifest in their daily acts of love for one another. There are no shortcuts to knowledge, to wisdom. to understanding—these must be lived and experienced by each and every soul.

In a moment of silence, let us remember Mary Randolph and pray with confidence that God will give strength to JENNINGS and peace to his dear wife. And know that He has already done so.

Mr. WALLOP. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BAUCUS. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE UPSIDE-DOWN EFFECT OF TAX EXPENDITURES

Mr. BAUCUS. Madam President, I have asked for this time today as part of my continuing effort to alert the Senate to the growing, hidden impact of tax expenditures.

The revenue loss to the Treasury from these items—the exemptions, deductions, and credits found in the Tax Code—is growing nearly twice as fast as inflation. These so-called tax breaks and tax loopholes will cost the Treasury some $267 billion this year.

Elmer B. Staats, who just last Friday ended 15 years of service as the Comptroller General, recently told the House of Representatives:

> While many of these tax expenditures help to implement important public policy goals, I can only urge that the administration and Congress subject tax expenditures to the same careful scrutiny afforded direct expenditures.

Madam President, I could not agree more. To quote the fathers of the budget process, former Senators Ed Muskie and Henry Bellmon:

> Failure to take tax expenditures into account in the budget process would be to overlook significant segments of Federal policy. They should be given particularly thorough scrutiny because tax expenditures are generally enacted as permanent legislation and thus are comparable to continuing direct spending entitlement programs, often with increasing annual revenue losses.

Tax expenditures have been enacted over the years as a means of accomplishing various national goals. These tax breaks are designed to provide an incentive that will encourage individuals and industries to fulfill certain objectives—ranging from energy conservation to encouraging housing development.

But is this system always fair? Are the right people receiving the incentive?

In my view, all too often this is not the case. That is, the wealthy benefit far more than the middle income or poor. And, that is one of the problems with using tax subsidies—it is called the "upside-down effect."

For example, two families buy identical houses costing $100,000 each. The first family with an income of $15,000 is in the 22-percent tax bracket. The second, with an income of $100,000 is in the 70-percent bracket.

At tax time, the family in the 22-percent bracket saves $22 on each $100 of mortgage interest it paid during the year. But, the family in the higher bracket saves $70 for each $100 of mortgage interest payment.

That is the upside-down effect. The Federal Government has given one family a $70 subsidy and the other only a $22 subsidy on identical homes and mortgages.

The wealthier family actually gets a larger tax subsidy than the poorer family.

According to a study by the Library of Congress, the majority of beneficiaries of tax expenditures are the relatively few Americans who earn more than $30,000 a year.

Our tax system is progressive. Americans with larger incomes are supposed to receive larger tax bills. But, many tax expenditures also benefit the wealthy more than they benefit the lower and middle income.

Though I do not want to eliminate tax subsidies from the books, sometimes these provisions are the only way to achieve goals and objectives we all agree are important.

The question is fairness; Americans want their tax system to be fair. We are willing to pay our fair share if we know the burden is being spread equally.

But it does not seem fair to me to accept the President's proposed cuts in the school lunch program while ignoring completely tax deductions for business lunches.

Fairness dictates that we look at both Federal spending and tax expenditures.

In conclusion, Madam President, let me say that I strongly believe we should have tax cuts. This year it is important to give proper tax cuts both to individuals and to businesses in order to increase the productivity of our country. But at this time, when we are trying to cut direct spending in our budget, it is also important for us to look at other forms of Federal spending; that is, tax expenditures. We should look at those expenditures and we should cut those and reduce those that do not make sense, because we are not going to have this opportunity again for some time.

I strongly urge my colleagues in the Senate, and whoever else may be interested in this subject, to look at tax expenditures, because if we are going to get control of the budgetary process that is a necessary component of that endeavor.

Madam President, I ask unanimous consent that a useful article by Gerard Brannon on the upside-down phenomenon of tax expenditures be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TAX EXPENDITURES AND INCOME DISTRIBUTION: A THEORETICAL ANALYSIS OF THE UPSIDE-DOWN SUBSIDY ARGUMENT

Advocates of broadening the income tax base often stress that providing incentives through deductions, exclusions, and nonrefundable credits generally helps rich people a lot, ordinary-income people only a little, and poor people not at all. The apparent absurdity of these upside-down subsidies has been graphically described by Stanley Surrey.

Indeed, it is doubtful that most of our existing tax incentives would ever have been introduced, let alone accepted, if so structured [as expenditures] and many would be laughed out of Congress. . . . What HEW Secretary would introduce a program under which social security benefits would be unaffected if the recipient's total income including the benefit were under $2,050, would be atuomatically increased by 14 percent if the recipient's income were between $2,050 and $2,550, by 15 percent if between $2,550 and $3,050, and so on up to 70 percent if over $100,000?

The upside-down-subsidy argument has been important politically in the United States because it provides a populist appeal to the relatively technical argument for tax reform. (Or is it a technical appeal to the populist argument for progressivity?)

The argument for base-broadening tax reform also claims that a lower rate of income tax on a broader base would reduce market distortions. Such an antiseptic argument for tax reform has far less political appeal than does former Treasury Secretary Joseph W. Barr's reference to 155 high-income taxpayers who paid no tax in 1967. The message that tax expenditures are "welfare for the rich" makes a banner to which troops will rally.

The upside-down-subsidy argument deserves some intensive analysis. Surrey is right that it is passing strange to adopt subsidies that encourage, say, contributions of rich people more than those of poor or average-income people. The deduction for charitable contributions does not seem so strange, however, if one justifies it as follows: instead of taxing all rich people at an average rate of, say, 40 percent and all middle-income people at, say, 20 percent, we tax generous rich people at, say, 35 percent and stingy rich people at, say, 45 percent; the spread for corresponding degrees of generosity and stinginess for average incomes is 17.5 percent and 22.5 percent, with the average at 20 percent. This line of argument can be extended to other allowances as well.

This description of the contributions deduction makes clear that the structure of the constributions subsidy and the progressivity of the tax system are in principle different things. A tax system could be enacted in which the average tax on rich people was 40 percent or 60 percent. With either average, one could introduce a variety of tax rate differentials between generous and stingy taxpayers: 0 percent, ±2.5 percent, ±10 percent, and so forth. The differential can be centered on any average. There are logically two separate questions here: how progressive the tax system should be and how tax subsidies to charity should be structured.

Despite this logical separability, issues of income-tax structure and progressivity continue to be confused. Much discussion centers on the high-income bias of tax expendi-

tures, and not uncommonly the argument against a provision is that it helps the rich.

This paper is not a restudy of the whole case for or against base-broadening tax reform. It is concerned with the narrower issue of the high-income bias of tax incentives.

To put this in context consider a deduction that is not related to economic income. Such a deduction tends to distort individual choice. Whether such a tax deduction is good social policy involves such questions as the following: (1) Is there some external benefit in the activity involved in the deduction that justifies a subsidy? (2) Should the subsidy be treated as a tax provision and administered by the Internal Revenue Service or treated as an expenditure and administered by an agency with subject matter expertise? (3) Is it efficient to structure the subsidy to encourage rich people—an income-level bias—which is usually the case with tax subsidies?

This paper examines only question 3. Frequently the answers to questions 1 and 2 provide a strong case against the deduction, but here it is assumed that the deduction passes these tests. Because of the political importance of question 3, it deserves particular scrutiny.

The first section explores the issues of income-level bias in theoretical terms. The second section examines income-level bias in connection with a number of specific tax allowances for contributions, taxes, investments, and so forth. The third section offers some conclusions.

THE TAX BASE AND THE DISTRIBUTION OF THE TAX BURDEN

Income-Level Bias:

A high-income bias in a tax expenditure is the property of providing more dollar tax relief, in relation to the amount subject to special treatment, for high-income taxpayers than for low-income taxpayers.

The word "special" carries a lot of freight. A deduction for cost of goods sold produces more tax relief for a high-bracket taxpayer than for a low-bracket taxpayer. This is not called a high-income bias because a deduction for cost of goods sold removes from taxation a part of gross receipts that is not net income. The deduction prevents those receipts from being taxed at whatever rates they would have been taxed without the deduction. The value of such a deduction quite properly depends on the payer's tax bracket. Income-level bias, however, is associated only with features of the tax law not directly related to the measurement of economic income. While not all tax provisions are clearly necessary or unnecessary for the definition of economic income, this fuzziness is not critical.

I define income-level bias in terms of the ratio of tax relief to the amount subject to special treatment. A refundable tax credit is free of income-level bias because tax relief is the same percentage of contributions at each income level. That the rich contribute more than the poor is not necessarily evidence of bias. In another sense there may be high-income bias even in a refundable tax credit for some expenditure common in rich families and rare in poor families, such as hiring household servants.

Base-Broadening Tax Reform and Tax Rate Progressivity:

To highlight the distinction between issues of tax structure (in other words, the tax base) and those of progressivity (in other words, tax rates), I define as "progressivity constant, revenue constant" (PC-RC) any tax reform that broadens the tax base and adjusts tax rates so that tax revenue from each income bracket is unchanged after taxpayers adjust their behavior to take account of the change in rates and bases.

Such a change reforms the tax system in two ways: It removes a tax distortion, which increases or decreases the attractiveness of the previously untaxed or undertaxed activity relative to all other taxable activities; it also permits a reduction in tax rates, which may reduce the distortions that any tax system imposes. If the latter occurs, it is necessary to moderate the claim made earlier that it does not matter whether we tax all rich people at 40 percent or adopt a higher rate schedule with a contribution that results in generous rich people paying 35 percent and stingy rich people 45 percent.

These two ways of taxing rich people differ in the incentive effects of deductions and exemptions. "Incentive effect" means encouraging some action that the taxpayer would not take without the tax provision. From the taxpayer's standpoint a simultaneous expansion of the tax base and reduction of the tax rates reduces excess burden. Presumably the point of these deductions and exemptions is that they induce actions that are not worth the before-tax cost to the taxpayer.

When one considers incentive effects, however, one sees that broadening the tax base, with PC-RC rate changes, does reduce the marginal burden of the tax, even if it does not reduce effective tax rates. Repealing the tax advantages of homeownership and correspondingly reducing statutory rates would reduce the excess burden of incentives in two ways: Taxpayers would be less likely to buy housing than they would have been with the subsidy, and because of the lower marginal rates they would be less likely to alter labor supply, to give to charity, and to invest in oil wells.

The subtle connection between base-broadening and tax rates is that removing some tax expenditures weakens all the others (which suggests that tax reform a little at a time is quite satisfactory). The use of tax incentives does not increase average tax rates but does increase marginal tax rates, thereby adding a burden to the tax. When these incentives involve income-level bias, they add particularly to the burden of the progressive part of the income tax.

Tax Allowance Techniques:

Exclusion from gross income of a type of income is equivalent to the combination of taxing it fully and providing the taxpayer a subsidy of $tI(1-t)$, where I is the excluded income and t is the marginal tax rate. The subsidy is zero when t is zero, 25 percent when t is 0.20, and 233 percent when t is 0.70, a clear high-income bias.

The failure to "gross up" a tax credit—in other words the failure to add the credit to income—is a kind of exclusion and therefore contains some high-income bias, but it is less than a full exclusion of the item on which the credit is allowed. The difference is related to the size of the credit. For example, replacing the municipal bond exclusion with a 50 percent tax credit, not grossed up, would cut the income-level bias of exempt interest in half.

A tax credit that is grossed-up currently and is refunded when the net tax after credits is negative is in all respects like a taxable payment to the recipient and thus involves no income-level bias. The income-level bias of deductions and exclusions normally is the same because both remove a certain amount of income from taxation. The income-level bias of personal deductions is actually greater than that of ordinary deduction and exclusions because of the standard deduction. The 1978 standard deduction is equivalent to an extra personal deduction of $2,200 for the taxpayer or $3,200 for taxpayer and spouse, coupled with a disallowance of $2,200 or $3,200 of itemized personal deductions. A disallowance of a fixed amount constitutes a relatively larger disallowance for low-income taxpayers than for high-income taxpayers.

THE INCOME-LEVEL BIAS OF SOME SPECIFIC TAX EXPENDITURES

How significant is the high-income bias in specific tax expenditures, and does such bias make sense as subsidy policy? I assume that Congress has achieved the degree of income tax progressivity that it wants and that if a tax expenditure were repealed it would be in a PC–RC fashion. I deal here with only two questions: Does being upside-down make the tax expenditure less efficient or otherwise less desirable as a subsidy? Does it make the tax system less or more progressive in ways other than by the rates?

Contributions:

Criticisms of the high-income bias of the charitable-contributions deduction have been frequent and vociferous, usually concluding in favor of a tax credit or a system of fractionally matching the contributions of taxpayers and nontaxpayers alike.

Hard analysis provokes puzzlement over why liberal tax reformers should wish to eliminate the high-income bias in the contributions deduction. The total burden of the tax system is the sum of the tax paid plus the excess burden associated with the induced contributions. If the contributions deduction were converted into a refundable tax credit and at the same time tax rates were changed so that the reform was PC–RC, it would follow that while maintaining the progessivity of the formal tax system, some of the excess burden connected with induced contributions would be shifted from the rich to the poor, making the total system more regressive. This fact suggests that ignoring excess burden and focusing only on the distribution of taxes lead analysts to understate the true progressivity of the tax system.

D is the demand curve for contributions. With no deduction, the cost to the taxpayer for every dollar contributed is a dollar; the contribution is AB. For a taxpayer in the 50 percent tax bracket, deductibility reduces the cost to 50 cents for every dollar contributed and increases contributions to AC: the area EFG represents the excess burden for donors in the 50 percent tax bracket. Under the PC–RC assumption tax rates must be increased for taxpayers whose marginal tax rates are less than the credit percentage and decreased for taxpayers whose marginal tax rates are greater than the credit percentage. These changes are required because high-bracket taxpayers, for example, will reduce their contributions (the "price" of contributing has increased), lowering their deductions; the decline in contributions together with the reduced tax-offset percentage will increase tax liabilities. To keep the change PC–RC, rates must be reduced. The argument is the reverse for low-income taxpayers.

Accordingly conversion of the contributions deduction to a credit, in a PC–RC change, shifts more of this excess burden to lower-income groups. The nub of this argument is that in the analysis of PC–RC changes, the rich are going to pay a given amount of net tax whether there is a contributions deduction or not. With the contributions deduction, the rich can get to this tax only by contributing more to charity than they "really" want to contribute.

Having high-income bias in the contributions deduction (an upside-down subsidy) is consistent with the usual purpose of a progressive tax, which is to reduce the inequalities of living standards. The argument for this thesis is seen by pushing it further, converting the contributions deduction to a credit without changing tax rates—a change that appears to favor the poor because their taxes are cut and the taxes of the rich are raised. But if the price elasticity of contributions at every income level is greater than one, as recent research suggests, then converting the contributions deduction to a

credit that yields the same total revenues while making no changes in tax rates increases the income available for personal consumption and savings of the rich while decreasing that of the poor. The taxes of the rich would increase, but their contributions would fall even more. The reverse is true of the poor. By the criterion of relative total burden of the tax system, converting the contributions deduction to a credit without changing tax rates is favorable to low-income groups; by the criterion of disposable income for personal purposes, such a change is unfavorable to low-income groups.

I think that the disposable-income-for-personal-purposes criterion is the more useful one in this case. If the goal of a tax system is to reduce inequality, it can be achieved by permitting the rich to exchange some of the tax redistribution for a larger amount of redistribution through charity. Apparently the rich are willing to make such an exchange because of the personal satisfaction, name memorialization, or other reward that comes from giving. This sort of "consumption" is harmless as long as the public regulation of charity precludes private benefits to donors.

The upside-down subsidy also efficiently uses forgone revenues to increase contributions and to reduce differences in personal spending. Assume that expenditures by charity serve the public good as well as welfare expenditures by government. Removing the contributions deduction would reduce contributions by BC (figure 1), and if there were no change in rates, the tax increase would be EFGH. Recent research suggests that contributions decline more than taxes increase. Consequently the charitable contribution reduces private spending inequalities more than would a PC-RC repeal of the deduction, and the net burden on low-income donors of induced contributions is only EFG before donor satisfaction is subtracted. It should please equalitarians to achieve this goal in a less burdensome way.

I conclude that the income-level bias of the charitable contributions deductions is a desirable tax policy.

State Income and Sales Taxes:

Another apparent peculiarity of the federal tax law is that it allows high-income people to offset more of their state income taxes and sales taxes than it allows low-income people. The influence of federal tax deductibility on state tax policy complicates matters. Suppose that deductibility of state income taxes were repealed, effective four years hence. Each state would have reason to reexamine the allocation of state tax burdens because the net costs that state tax laws impose on their citizens would be altered slightly significantly.

The income-level bias in the federal treatment of state income taxes makes a progressive tax less costly to high-income taxpayers. With deduction, a state can impose a net cost of $3,000 on a taxpayer in the 50 percent bracket and collect $6,000 in revenue. If state income tax deductibility were repealed in a PC-RC way, states would tend to make their income taxes less progressive or would repeal them altogether, and the total progressivity of the tax system would decline.

The income-level bias makes state and local sales taxes more regressive by reducing their net cost for upper-bracket taxpayers. It is difficult to see how this deduction serves the purposes of a progressive federal income tax. A more neutral way of reducing the cost to taxpayers of state sales taxes is to give those states revenue grants measured by their sales tax collections. To balance the burden that progressive taxes place on the rich, especially if the political cost of progressivity increases, states are likely to strike a balance at less progressivity.

Other Deductions and Exclusions:

The high-income bias of the standard deduction and personal exemptions amounts to excluding from income tax, at the taxpayer's marginal rate, the increase in the official poverty-level income associated with the addition of one dependent. Above-poverty-level income seems to me to be the appropriate tax base.

Exclusion of transfer payments is a singularly inappropriate instance of high-income bias. The basic idea behind transfer payments is a perceived need of the recipient, but most transfers are made as a matter of right without means tests. If the amount of transfers varied systematically with taxable income, it would be possible in principle for Congress to vary them with perceived need. But the amount of, say, social security or unemployment insurance payments may be the same for families with widely different amounts of taxable income from other sources. Exclusion of transfers from income tax provides the greatest tax advantage for those least in need, which contradicts progressivity.

Investment Incentives:

Many investment incentives are provided through extra deductions or exclusions, accelerated depreciation, or lower tax rates (oil and gas well development costs, building depreciation, capital gains rates, and so forth). Each technique involves high-income bias. The investment tax credit has less high-income bias than accelerated depreciation, but it still has some because it is neither refundable nor grossed-up. One argument for the investment credit in 1961–62 was that it has less high-income bias than the obvious alternative, more accelerated depreciation.

It is inefficient to provide investment incentives with high-income bias. The effect is to expand the supply of a particular investment and reduce the before-tax rate of return on it. The favored investment is attractive for high-income taxpayers even when the rate of return declines sufficiently to make it relatively unattractive to low-income taxpayers. The increase of investment in the favored activities by high-bracket taxpayers in part replaces investment by low-bracket taxpayers and in part causes a net expansion of the investment.

Such a pattern is clear in the market for tax-exempt municipal bonds. Because top-income taxpayers are reluctant to concentrate investment in a specialized security, they typically hold only a portion of their portfolios in municipal bonds. As a result, the interest rate on municipal bonds must be sufficiently high to induce taxpayers below the top brackets to invest in them. The net return on these bonds to top-bracket taxpayers is higher than net returns on similarly risky bonds that are taxable. It is precisely for this reason that many tax reformers advocate a tax credit payable by the federal government to states and municipalities that agree to issue taxable bonds. An incentive with less high-income bias will not only provide greater federal revenues but, because it appeals to a broader market, promises to enable states and municipalities to borrow as much as they now do at less cost to themselves.

This costly and inefficient aspect of high-income-biased investment incentives will become aggravated as more types of investment are selected for tax-expenditure subsidy, all to be financed by a narrow section of the investment market.

CONCLUSION

Hard-bitten veterans of tax reform wars will find it strange to read in this essay about reforms that leave the revenue and progressivity constant. Many tax reformers seek more progressivity by linking repeal of some high-income-biased tax expenditures with an across-the-board rate reduction. There is one good argument for considering the repeal of these tax expenditures and an increase of tax progressivity: statutory tax rates are straightforward and can be taken as the popular will. Tax expenditures, however, are complex and those biased toward high incomes lend themselves to being lobbied in Congress by well-paid pressure groups. If they are parts of the same project, the public would understand how they undercut progressivity.

If this near-conspiracy theory of why high-income-biased tax expenditures are in the law is true, then it follows that tax expenditures especially favorable to high incomes ought to be repealed for just that reason—because they are upside-down subsidies, because they are welfare for the rich.

I find the conspiracy theory of tax expenditures plausible but not compelling. After a quarter of a century of broaden-the-tax-base debates, it is fairly well known that the tax system is much less progressive than the statutory rate schedule. If this much is understood, then it follows that tax reform and greater progressivity are different things and we could buy either one without the other.

Given the separability of tax reform and greater progressivity, the upside-down-subsidy or welfare-for-the-rich arguments per se are not convincing. There may be good reasons for structuring particular subsidies to provide greater incentives to the rich than to the poor. Because the basic tax rates can offset the average value of the tax incentive, it is inappropriate to describe the subsidy merely as more generous for the rich. The tax system in this case is more burdensome for rich taxpayers who do not qualify for the subsidy.

Whether tax expenditures should be structured to produce greater differentials for the rich than for the poor turns out to be something that should be looked at for each tax expenditure. My examination suggests that in some cases, but not always, high-income bias is a defect of tax expenditures.

Mr. BAUCUS. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BOSCHWITZ. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MIDEAST ARMS RACE

Mr. BOSCHWITZ. Madam President, I ask unanimous consent that an article entitled "Mideast Arms Race," by Flora Lewis, which appeared in the New York Times on March 2, 1981, be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MIDEAST ARMS RACE

(By Flora Lewis)

WASHINGTON, March 1.—The sale of F-15 fighter bombers with extended range and bomb-racks to Saudi Arabia is moving to completion, and the dangerous implications are being brushed aside with precious little thought for the future.

It is a key example of the tendency to put off urgent policy problems with a military hardware deal. In this case, it not only solves nothing but is likely to create even bigger problems later. The deal is going through with a quid pro quo package of weapons and money for Israel, so that this is a serious new surge in the Middle East arms race and it's likely to provoke further escalation in the future.

Even close advisers to the Saudis are worried and unhappy about what they see as a renewal of U.S. decisionmaking based on

short-term military calculations and the desire to get back petro dollars in return for arms. They see a regression from our awakening after the 1973 war to the fact that the region's problems are essentially political and economic, and a slump back into the illusion which helped bring the nightmare of Iran—that weapons spell welfare for the West.

The United States Government simply doesn't appreciate the depth of Saudi concern about the problems within their own country and around the Persian Gulf, these people say, and is shutting the real troubles out of its vision with its focus on the East-West issue.

As for Israel, already hopelessly overwhelmed by defense costs and forced into triple-digit inflation to ease its debts, the arms spiral means not more security but economic disaster.

Now that the United States is pushing, the Saudis want the planes, which cost over $15 million each, but more as a symbol than an important contribution to their defense. The F–15's are, as an American expert put it, superb fighter interceptors but much cheaper planes can do a better job of ground support and pinpoint bombing.

Furthermore, the initial deal would have limited the planes' range to areas far from Israel. With extra fuel tanks and bomb racks about to be endorsed by the Senate at Administration request, they become a threat to the Israelis that can't be discounted simply by relying on Saudi intentions and ties to the United States. That may be reasonable today, but no one can guarantee who is going to command the Saudi arsenal tomorrow or the next day.

So Israel has a new requirement for early warning in order to scramble its fighters before a possible surprise attack wipes them out on the ground. The geography of the area makes it virtually impossible for the necessary electronic monitoring to be done in Israeli territory and air space.

What then? Does it mean much more intimate sharing of intelligence with the United States, which would be a terribly sensitive arrangement in terms of American relations with the Arabs and which would desperately increase Israel's dependence for its very existence on Washington's instantaneous good will? Or does it call for the United States to build a satellite reception station for Israel, which the country can't possibly afford to build for itself and which would probably provoke the Arabs into demanding equal access to America's super-secret eye in the sky? These are very delicate questions that must be examined in appraising the deal.

A combination of political happenstance has led to shelving the hard problems just now and buying time with yet one more lethal package. From the Israeli point of view, the deal is a bad precedent and all the more so because it cancels an American commitment, made when the F–15's were originally promised to Saudia Arabia, not to provide the extras that would extend their range and mission capability. But Jerusalem evidently feels it would be worse to have a big fight with the Reagan Administration at its very beginning.

Therefore, Israel isn't complaining very much. And Americans loyal to Israel's cause, but hoping for a new and more flexible regime in Jerusalem don't want to strengthen Prime Minister Menachim Begin so soon before next June's elections by a demonstration that he can turn Washington around.

Special care in tiptoeing up to the Israeli elections is the reason for Secretary of State Alexander Haig's planned trip to the Middle East next April. Egypt's Sadat wants to come to Washington soon, and so does Begin, but that could affect internal Israeli politics. To avoid charges of either backing or snubbing Begin, a decision has been made to put them both off and instead to send Mr. Haig to visit both capitals, as well as Saudi Arabia and Jordan.

This is sensible short-term diplomacy as far as it goes, but unhappily it is going on the wings of another arms race. It isn't too late to step back and examine the whole package again with a longer perspective, in terms of what might really enhance the security of both Saudi Arabia and Israel. Too many weapons have certainly helped to create the Middle East-Persian Gulf headache, but the hair of the dog isn't much of a remedy.

Mr. BOSCHWITZ. Madam President, the article very clearly and succinctly, and with great insight, points out that we may be once again helping or fostering a serious new surge in the Middle East arms race that really is likely to provoke not peace but, rather, a further escalation of hostilities over there.

The article points out that the United States is receiving little in return for enhancing the F–15's that the Senate agreed to sell to the Saudis a couple of years ago. The F–15's have not yet been delivered, but enhancement of the F–15's is now being sought by the Saudis. They wish to have them become offensive weapons, rather than just being defensive weapons as they were originally intended to be.

Indeed, there was an agreement with the Senate in 1978, prior, Madam President, to either one of us being here, an agreement that this kind of weaponry would not be sold to the Saudis; that this kind of weaponry would not be put on the F–15's.

The article, Madam President, is written by Flora Lewis, who very clearly makes the case that we may indeed be fostering an additional heightened arms race in the Middle East, which certainly a majority of our body would find unsatisfactory.

Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BOSCHWITZ). Without objection, it is so ordered.

(The remarks of Mr. ROBERT C. BYRD at this point on the history of the U.S. Senate are printed earlier in today's RECORD, by unanimous consent.)

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. SCHMITT). Without objection, it is so ordered.

IN SUPPORT OF THE METZENBAUM AMENDMENT TO REIMPOSE OIL CONTROLS THROUGH SEPTEMBER 1981

Mr. PELL. Mr. President, 6 weeks ago, Energy Secretary James B. Edwards, shortly after President Reagan's oil decontrol order, commented that the President's decision would result in only a small cost to consumers. Specifically, Secretary Edwards estimated that decontrol would lead to price increases for oil products of only 3 to 5 cents per gallon over the next few months. Unfortunately, Mr. President, these projections by Secretary Edwards have proven to be totally unrealistic and the impact of oil decontrol has been significant and, in fact, most tragic.

Shortly after President Reagan's decontrol order, for example, the New England Congressional Caucus estimated that immediate decontrol would cost the average New England household an additional $75 prior to October 1 of this year. More recent estimates by several consumer groups, including the Citizen Labor Energy Coalition, have indicated that immediate decontrol will cost the average family an additional $100 to $200 for heat and gasoline this year.

These most recent estimates, Mr. President, do not seem unrealistic. According to the recent data released on Friday by the Department of Labor, energy prices accounted for the largest percentage increase in the cost for producer goods.

While these energy increases are due in part, to earlier OPEC price increases in December and January, along with decontrol of oil begun last year, President Reagan's immediate decontrol has unquestionably impacted this upward spiraling trend of energy costs. Unfortunately, the full impact of the President's order has yet to be fully measured.

The impact from decontrol, however, Mr. President, is quite clear in the State of Rhode Island. Since President Reagan's decision in January to decontrol crude oil and gasoline, Rhode Island families have been hard hit with dramatic increases in the cost of both heating oil and gasoline. Where the average price for home heating oil prior to decontrol was just over $1.20 a gallon and $1.29 a gallon for regular gasoline, it is now $1.31 a gallon for home heating oil and $1.37 a gallon for gasoline.

In my view, the decision to immediately decontrol crude oil and gasoline by President Reagan was unnecessary and most certainly not essential to stimulate oil production, according to industry officials. The decontrol order has resulted in a heavy burden for many families in Rhode Island and throughout the country, where budgets are already stretched to the limit.

Mr. President, I fully support the proposal to reimpose controls on oil prices until September 1981.

In addition, I shall continue to press for additional legislation to ease the burden of these high energy costs on families. I hope that my colleagues, Mr. President, will support the energy tax credit legislation, S. 329, which I introduced in January, to provide some relief for consumers.

TOURISM IN THE UNITED STATES

Mr. PRESSLER. Mr. President, the tourism and travel industry is now our third and fourth largest source of foreign

revenue in the United States. In my State of South Dakota, tourism travel is our second largest industry.

I wish to express my deepest concern and commitment that the Secretary of Commerce and the Reagan administration appoint a very seasoned experienced professional to head the Office of Travel and Tourism in the Commerce Department. Legislation has passed the Senate indicating this body's desire that that position be upgraded or possibly made into an independent agency. I would hope that I will be consulted on any appointments made by the administration in this area. As chairman of the Commerce Committee subcommittee dealing with tourism, I intend to take a very active role in this area. Also I would hope that the distinguished Senator from Virginia, who is the chairman of the Tourism Caucus, will also be consulted on this appointment. To date we have not been consulted.

The 1979 budget for travel and tourism was between $13 and $14 million. That has been cut to approximately $6 to $8 million under current plans—in the bill that has passed the Senate, to about $8 million, and under the current Reagan administration proposal, to between $6 and $7 million.

We can sustain that reduction of almost half in what we spend on tourism only if a person of great experience in the travel and tourism industry is appointed. As chairman of the Subcommittee on Business, Trade and Tourism of the Commerce Committee, I am deeply concerned that a higher priority be given in the Department of Commerce to tourism travel. As of today, I have not been consulted by the Secretary of Commerce on who might be appointed. I hope very much that the pending legislation is passed by the House and is signed by the President.

Also, I thank the Senator from Virginia (Mr. WARNER), the chairman of the Senate Tourism Caucus, who did a great deal of work last year in this area, as he has done over the years as chairman of the Bicentennial Commission and as chairman of the Senate Tourism Caucus.

I yield to the Senator from Virginia.

Mr. WARNER. Mr. President, I thank the distinguished Senator from South Dakota for his kind words. I wholeheartedly support him in this petition on behalf of the tourism industry.

I hope, as does a number of our colleagues, that the Secretary of Commerce will give very careful attention to his selection of the individual whose qualifications will symbolize this administration's determination to move forward in the area of tourism. As has been pointed out accurately by the distinguished Senator from South Dakota, tourism has a remarkable potential to improve our balance of payments at a time of critical need.

A few days ago, the Secretary of Commerce visited with the Senator from South Dakota and me, at which time he made a commitment to us that he would assign to tourism a very high priority, recognizing that in years past—and these years not only span the Carter administration but also reach back into the Ford administration—tourism has been accorded a second-class status within the Department of Commerce.

Secretary Baldrige assured us that no longer would that be the case. Quite the contrary, he will search diligently for an individual who, consistent with the appeal today of the distinguished Senator from South Dakota, is recognized in the tourism industry as a true professional to take on this new challenge.

The industry not only is important to the balance of payments of this country but, as indicated by the Senator from South Dakota, it represents in some 43 States either the first, second, or third largest income-producing industry. It certainly occupies a place of distinction in Virginia, and Virginians will welcome the new policy set by Secretary Baldrige.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. MCCLURE). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

U.S. POLICY REGARDING EL SALVADOR—WHAT SHOULD IT BE? HOW SHOULD WE APPROACH IT?

Mr. HELMS. Mr. President, the fate of El Salvador and what the United States can and should do to assist that afflicted country are questions foremost in our minds today. But sometimes, I fear, we are mostly talking to ourselves and reading the rather lopsided views of the media and other self-proclaimed experts in Central American affairs, such as our recently returned former Ambassador Robert White, who has a few axes of his own to grind.

Those who seem not to be consulted at all are the Salvadorans themselves.

Mr. President, in the interests of balance, I submit for the attention of my colleagues the text of a letter I recently received from a 30-year-old private businessman, a citizen of El Salvador, who got a B.S. in mechanical engineering as well as an M.B.A. from a university in the United States.

I shall not disclose this gentleman's name, but, if I may say so, I think his message deserves to be heard and considered by all Americans—and certainly Members of the U.S. Senate.

He wrote:

> First I would like to thank you for your help in restoring the U.S. aid to our country. But I must recall that if it were not for the reforms that the U.S. government, under the Carter Administration, imposed on our country, we would not be in this chaotic economical situation that will surely lead to more social unrest.
>
> The confiscation (without compensation) of the best farms and of the big banks, and the governmental monopoly of the principal exporting products. All were moves against the most elemental principles of free enterprise, and they were all creations of the U.S. State Department.
>
> The deep economic depression and the most serious unemployment problem that these reforms have caused are our real greatest problem now and for many years to come if we want to save this country from communism, or any other forms of totalitarianism.
>
> I believe that the future of our country depends on the success of our government to create more jobs for everybody, and I believe that this is possible only through private enterprise, mainly because we have no natural resources, like oil, to subsidize more bureaucrats.
>
> The confiscated properties will never be able to generate the necessary profits to expend or invest in other businesses and create the new jobs that we badly need. Moreover, it is almost impossible to find people willing to invest in a country in which the government does not respect the laws that protect private enterprise.
>
> There is not much difference between the socialist government system towards which we are heading now and the systems of the countries behind the iron curtain, some of which are also called "democratic republics."
>
> The real help that we need from our foreign friends is in restoring in this country the laws that protect the free enterprise system. That will be the beginning of a future of democracy, progress, and justice for all our people, and a stable, friendly country to the United States of America.

Mr. President, I associate myself completely with the observations of this gentleman. In establishing our policy toward El Salvador we could have no better guidance than this.

EL SALVADOR

Mr. PRESSLER. Mr. President, I wish to speak briefly to the situation in El Salvador.

I realize the great efforts the Reagan administration is making in searching for a solution. I do hope that the Reagan administration will carefully study our Nation's experiences in Vietnam. I hope the Reagan administration will convene a study group within the administration to analyze what mistakes we made in Vietnam and be sure that we do not make them again. It is my contention that we are making a tragic mistake by sending more military personnel into this area.

I served in the Army in Vietnam, and during my 18 months as a lieutenant in Vietnam I worked part of the time in what was called the pacification program which was supposed to do the very same things our American advisers are trying to do in El Salvador.

I hope that the lessons of the British in Malaysia are looked at closely, especially Sir Robert Thompson's book "Fighting Communist Insurgency."

It is very possible we are falling into a trap of identifying too much with the very arguments that the rebels are using. The rebels say we are trying to control the country through our banks and through our military, and the presence of visible U.S. military forces may well have a counterproductive effect. In fact we may help the rebels—ironically enough.

I hope that the administration has a review underway, and I hope that the lessons of Vietnam and the lessons of Malaysia are carefully looked at and applied in El Salvador.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. PRESSLER). Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

EXTENSION OF EXPIRATION DATE OF SECTION 252 OF ENERGY POLICY AND CONSERVATION ACT

The PRESIDING OFFICER. Under the previous order, the hour of 2 p.m. having arrived, the Senate will proceed to the consideration of S. 573, which the clerk will state by title.

The assistant legislative clerk read as follows:

A bill (S. 573) to extend the expiration date of section 252 of the Energy Policy and Conservation Act.

The Senate proceeded to consider the bill which had been reported from the Committee on Energy and Natural Resources with an amendment:

On page 1, line 5, strike "December 31, 1981" and insert "September 30, 1981".

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. McCLURE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. McCLURE. Mr. President. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. Mr. President, on March 4 the Committee on Energy and Natural Resources favorably reported, by a unanimous vote, S. 573 with an amendment. S. 573 is an administration bill that would extend the expiration date of section 252 of the Energy Policy and Conservation Act. As introduced on February 26, the bill extended the expiration date from March 15, 1981, to December 31, 1981. The committee amended the bill by changing the expiration date to September 30, 1981.

Section 252 of the Energy Policy and Conservation Act authorizes U.S. oil companies to participate in voluntary agreements for implementing the allocation and information provisions of the agreement on an international energy program. That program provides a mechanism for an oil allocation system to be utilized by the participating countries in the event of a major oil supply disruption. Section 252 also provides a limited defense against any antitrust suits that may be brought against U.S. oil companies participating in the international energy program. The antitrust defense is limited to actions taken in implementing the allocation and information provisions of the program.

The current expiration date of section 252 is March 15, less than 1 week from today. If the Congress fails to act by that date and section 252 is allowed to expire, U.S. oil companies participating in the international energy program would be compelled to cease their participation in the program. If that should occur, the allocation mechanism of the program could not operate effectively in the event of any new disruption of oil supplies in the international oil market.

The Committee on Energy and Natural Resources held a hearing on S. 573 on March 2. Testimony was provided by witnesses from the Department of Energy, the State Department, and the Justice Department. It was evident from the testimony presented at the hearing that the administration deems the timely enactment of S. 573 to be an extremely important matter. I certainly concur with that assessment.

The antitrust issue was also discussed at the hearing. The point was made that Justice Department staff attorneys have personally monitored practically all of the approximately 150 industry meetings held in the 5 years since the effective date of section 252. The meetings not attended by the Justice Department were covered by personnel from the Federal Trade Commission. There is no dispute about the fact that these monitoring activities have produced no instances of any adverse impacts on competition resulting from the activities of the U.S. oil companies participating in the program.

The agreement creating the international energy program was originally signed in 1974 as the result of an effort by the United States to promote cooperation among major industrial countries in reducing dependence on imported oil. There are presently 21 signatories to the agreement, consisting of most of the principal industrialized oil consuming nations. The agreement provided for creation of the International Energy Agency as an automonous entity within the Organization for Economic Cooperation and Development. The agreement also provided that the IEA would serve as the medium for the operation of an international oil sharing system for use during oil supply emergencies, and an information system on the international oil market. It also required each country to establish an emergency petroleum storage program, and to have a means for restraining demand for petroleum products in the event of an interruption of petroleum supplies to the IEP countries.

Section 252 of EPCA sets out procedures applicable to the development or carrying out of voluntary agreements and plans of action to implement the allocation and information provisions of the international energy program. Under this authority, U.S. oil companies entered into the voluntary agreement and plan of action to implement the international energy program. At present, 22 U.S. oil companies, including both major international oil companies and independent oil companies, are participants in the voluntary agreement.

Participation by the United States in the International Energy Agency is central to the pursuit of our long-term international energy objectives. In general terms, the IEA provides a unique and effective forum for consultations and joint actions with our principal allies in the industrialized world. It represents a shared commitment to cooperate in dealing with one of the most critical issues of our time. More specifically, in terms of facing oil shortages, the United States benefits from the IEA emergency sharing commitment. Our participation in the allocation program reduces our vulnerability to politically inspired embargoes directed solely at the United States. Moreover, during a general triggering of the system, member countries would share the shortfall equitably, and the result would be a reduction in the devastating ratcheting of prices that otherwise would result from individual members scrambling for oil on their own.

The administration, through an interagency group, is conducting a study of possible modifications in the international energy program, and it is reviewing the provisions of section 252. Therefore, the administration has requested that section 252 be extended for a sufficient time to permit completion of the study. I have been assured by the administration that the study will be completed well before September 30.

Mr. President, S. 573, as amended, is identical to the companion measure considered by the House, which is H.R. 2166. Last week the House Energy and Commerce Committee voted unanimously to report H.R. 2166. Earlier today the House passed the bill—and I might just report that it passed the bill by a vote of 373 to nothing, with 2 abstentions—and the Senate is now faced with the responsibility of insuring that section 252 continues in effect beyond its current expiration date of March 15, thus assuring continued U.S. participation in the international energy program.

Mr. President, I ask unanimous consent that the Congressional Budget Office report on S. 573 be printed in the RECORD.

Mr. METZENBAUM. Mr. President, reserving the right to object, and I do not intend to, I am not quite clear as to why the Congressional Budget Office report on S. 573 would be considered here. Is that the number of this bill?

Mr. McCLURE. That is this legislation.

Mr. METZENBAUM. I have no objection. I did not recognize it as that.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., March 5, 1981.

Hon. JAMES A. McCLURE,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to Section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has reviewed S. 573, a bill to extend the expiration date of section 252 of the Energy Policy and Conservation Act, as ordered reported by the Senate Committee on Energy and Natural Resources, March 4, 1981.

The bill extends until September 30, 1981, Section 252 of the Energy Policy and Conservation Act, which provides antitrust immunity for the activities of oil companies carrying out voluntary agreements to implement the international energy program. Based on information from the Department of Energy, the Department of Justice, and the Federal Trade Commission, the costs for federal officials to monitor meetings and prepare transcripts and reports is estimated to be approximately $125,000 for the period March 15 through September 30, 1981. This assumes that the emergency oil allocation system is not activated.

Should the Committee so desire, we would be pleased to provide further details on this estimate.

Sincerely,

ALICE M. RIVLIN,
Director.

Mr. McCLURE. Mr. President, I also ask unanimous consent that a letter of March 10, 1981, from Secretary of Energy Edwards and a letter of March 9, 1981, from Deputy Assistant Secretary of State Edward Morse, both reviewing the importance of this measure, be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

THE SECRETARY OF ENERGY,
Washington, D.C., March 10, 1981.

Hon. JAMES MCCLURE,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I am taking this opportunity to write to you to reiterate the importance the Administration attaches to quick Congressional action to extend the antitrust defense contained in Section 252 of the Energy Policy and Conservation Act. Failure to extend the existing provisions of the Law before its March 15, 1981, expiration date would have serious international consequences for this Government.

The antitrust defense available under this legislation to the 21 U.S. companies participating in the emergency sharing provisions of the International Energy Agency (IEA) is an integral element of the U.S. Government's commitment to the organization. If that defense were to lapse, U.S. companies would be unwilling to participate in IEA actions to deal with oil supply disruptions. Once the defense had lapsed, it appears that it would be necessary to follow the procedures in Section 252, including waiting twenty days, before implementing the Voluntary Agreement and Plan of Action which is necessary in order for the U.S. companies to qualify for the antitrust defense.

During that period, the IEA emergency sharing system—the principal mechanism for dealing with substantial oil crises—would be unavailable. This would expose the United States and other IEA members to a considerable risk in light of the continuing hostilities between Iran and Iraq. A return to pre-winter levels of fighting between these two countries greatly increases the possibility of further oil supply disruptions.

Furthermore, failure to extend the defense would damage relations with our principal allies in the industrialized world. Such action by the United States would be severely criticized by our allies and would constitute an abdication of leadership by this country in the international energy arena.

For these reasons I urge the United States Senate to act promptly to extend the clearance to September 30, 1981.

Sincerely,

JIM EDWARDS.

DEPARTMENT OF STATE,
Washington, D.C., March 9, 1981.

Hon. JAMES A. MCCLURE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MCCLURE: Attached please find the materials you seek.

Sincerely,

EDWARD L. MORSE,
Deputy Assistant Secretary for International Energy Policy.

EPCA Section 252 is vital to U.S. participation in the International Energy Agency. Without the antitrust defense which it provides, U.S. oil companies would refuse to participate in IEA data collection and oil sharing activities. As a result, the IEA would no longer have any hope of taking effective action to forestall adverse effects of oil supply crises.

Such an outcome would be disastrous for American national interests. From the standpoint of international energy policy, it would deprive us of one of the few tools we have for combatting the disruptive effects of oil crises on our economy and on the welfare of the American people. Our dependence on imported oil makes us vulnerable not only to oil supply shortfalls themselves, but also to price increases caused by panic buying by other consuming nations. Cooperation among oil importing nations is essential, and the United States was the leader in the establishment of the IEA to assure such cooperation. Allowing EPCA Section 252 to expire would bring such cooperation to an end and leave us empty-handed in our struggle against oil crises.

More broadly, allowing Section 252 to expire would cause severe damage to our relations with our allies. Most of the Western European countries and Japan are much more dependent on imported oil as a source of energy than is the United States, and hence attach even greater importance to defending against oil supply crises than we do. A decision by us to restrict our participation in the IEA by terminating Section 252 would be viewed by them as casting further doubt on the continued commitment of the United States to the collective economic well-being of the communuity of Western market economy nations.

The spillover of such a decision on other vital areas of foreign policy interests could not be well-contained. Our allies would regard a decision to terminate Section 252 authority as an indication that the U.S. had become a less reliable ally, unwilling to live up to commitments made in areas of central strategic concern.

By all measures, participation in the IEA since its inception in 1975 has been of immense benefit to the United States. It has reinforced our cooperative ties with our allies and helped us collectively to reduce our dependence on imported oil and our vulnerability to oil supply disruptions. At the same time, our antitrust authorities confirm that consumers and small businesses have suffered no ill effects from oil company cooperation in IEA activities. EPCA Section 252 should therefore be extended immediately to allow our participation in the IEA to continue.

Mr. McCLURE. Mr. President, I also ask unanimous consent that the committee amendment be adopted and be considered as original text for the purpose of further amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. Mr. President, I yield to the Senator from Washington.

Mr. JACKSON. Mr. President, I am pleased to speak in favor of S. 573, a bill to extend the expiration date of certain authorities pertaining to the allocation and information provisions of the international energy program.

I am a supporter of the international energy program. I want to see it continue to operate, and to be made even more effective.

I hope that by once again authorizing a temporary extension of the section the entire International Energy Agency program will be given the attention and scrutiny it deserves.

This section has been extended three times before. This will be the fourth. Each time Congress has acted to extend the section it has been on a temporary basis, supposedly for the purpose of providing the executive branch with sufficient time to complete a comprehensive analysis of the program.

Each time Congress has been forced to act on the temporary extensions based upon the specter of dire consequences to the whole program if the limited antitrust defense provided by subsection (j) of this section is allowed to expire.

We have been told repeatedly that the antitrust defense is essential to the continued effective operation of the program and that the agreement entered into by the oil companies based upon the protection offered by this section must not be allowed to expire.

Mr. President, the entire free world depends upon a reliable, sufficient flow of energy from the oil producing nations. Our national and economic security depends upon ample energy supplies.

It is essential that oil-consuming nations do everything within their power to prepare for the possibility that one or more of the major oil producers will simply stop producing. A production halt could come at any time. It could be the result of a political act by a major producer aimed at one or more consuming countries. Or it could come about as a result of political instability at home.

Whatever the reason, we simply must be prepared to cope. And the best mechanism for doing so is through international cooperation among oil consuming nations.

I am concerned about the ability of the IEA to function effectively in the face of a limited supply interruption. Even a limited supply interruption can have grave consequences as we saw last year. Prices spiral, national and regional supplies are skewed, and people suffer.

The administration has committed itself to completing a long overdue review of the IEA. They have promised to submit a complete report to the Congress by June 30 which addresses the major issues before us.

The report should provide us with a complete analysis of the mechanisms available to deal with both limited and major supply interruptions; whether the present mechanism is workable or whether it needs to be changed; and, finally, to what extent effective U.S. Government and company participation is dependent upon the statutory authority to allocate petroleum supplies in time of an emergency.

It is no coincidence that the extension before us today expires on September 30,

1981. The basic authority of the U.S. Government to allocate energy supplies in an emergency also expires on that date.

The administration's report must recognize the clear link between international preparedness and domestic authority to act in time of an emergency. The report must include recommendations for action on both domestic and international authorities. The report must consider the variety of alternatives and recognize the clear link between the two types of authority.

Mr. President, there is bipartisan support for this piece of legislation. There has been a long history of bipartisan support for a program that will provide the United States and other oil-consuming nations with adequate planning and protection mechanisms for dealing with oil supply disruptions.

I look forward to continuing our work on this vital issue later this year.

Mr. President, I yield the floor.

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, I am going to vote for this extension of the IEA antitrust exemption. I have done so on previous occasions, but in each instance I must confess that I have done so with reservations and tongue in cheek, because I have never been quite convinced that the antitrust exemption provided for under this legislation is needed or could not be equally well effectuated by a specific exemption on each occasion when the oil companies met in connection with IEA matters.

But I have a further concern about the entire subject, and that is whether or not the IEA does indeed serve this Nation's interest.

I had the privilege of attending one IEA meeting. I must confess that I felt uncomfortable and I felt embarrassed, because I heard the representatives of the other nations of the world use that meeting for the purpose of being most condemnatory of my own Nation. I heard them criticize us. I heard them accuse us and I heard them indicate that this Nation is the one that has failed to meet its share of the responsibilities under the agreement.

As a matter of fact, at one of those meetings there was an agreement that there would be a cutback of 5 percent on a voluntary basis of the amount of oil consumed by each nation. And, lo and behold, when one looked at the figures after a year had gone by, it was obvious that the United States had done its part but almost all of the other nations, particularly the major ones, had failed to meet their responsibilities.

So, I sort of wonder whether or not this Nation, which is one of the few in the world that produces as much as half of its total consumption, should be participating in an international energy agency which has the authority to cut back on the amount of oil available to people in this Nation should a crisis arise, in another part of the world.

I have some misgivings about that. I am not certain that our foreign partners, some of whom are so prone to criticize us day in and day out, are that ready or that willing to share the same responsibility. And one nation that is not a party to that agreement, the nation of France, who does not participate in the IEA, is one that has certainly turned its back on our Nation so many times in the past several years that it is hard to keep count.

But they, too, have been very ready, very willing, to criticize us as to the whole issue of oil and our involvement in that subject.

UP AMENDMENT NO. 8

(Purpose: To restore oil price controls)

Mr. METZENBAUM. Mr. President, I do not rise today for the purpose of opposing the extension of the IEA antitrust exemption. I intend to vote for it. But prior to doing so, I think that this Senate ought to have an opportunity to act in connection with another matter that has to do with oil in this Nation. Therefore, Mr. President, I ask that an amendment that I have pending at the desk be called up at this time, and I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Ohio (Mr. METZENBAUM), for himself, Mr. BUMPERS, Mr. EXON, Mr. MATSUNAGA, Mr. KENNEDY, Mr. DODD, Mr. BIDEN, Mr. PELL, Mr. RIEGLE, Mr. WILLIAMS, and Mr. MITCHELL, proposes an unprinted amendment numbered 8:

At the appropriate place insert the following:

SEC. . Any order of the President exempting crude oil and refined petroleum products from price and allocation controls pursuant to the Emergency Petroleum Allocation Act of 1973, after January 20, 1981 shall be null and void.

Mr. METZENBAUM. Mr. President, the amendment which I have called up is offered on behalf of myself, Senator BUMPERS, Senator EXON, Senator MATSUNAGA, Senator KENNEDY, Senator DODD, Senator BIDEN, Senator PELL, Senator RIEGLE, Senator WILLIAMS, and Senator MITCHELL.

This amendment would have the practical effect of nullifying President Reagan's decision to terminate the remaining price controls on crude oil and oil products. This amendment does not address the wisdom of decontrol, as such. Rather, it restores the September 30, 1981. date for decontrol as established by the Emergency Petroleum Allocation Act.

I offer this amendment, Mr. President, because I believe that we can see all around us the overwhelming evidence that the President's action was hasty and certainly in retrospect it was ill advised, and it is having far different effects than the administration intended or the administration said it would have.

At the time the President signed his Executive order, for example, administration spokesmen estimated that decontrol would add perhaps 5 cents a gallon to the price of oil products. It required less than a week to demonstrate how wrong they were. Six days after accelerated decontrol became effective, Exxon already had raised its prices twice for a total increase of 8 cents a gallon on all of its petroleum products. In that same period, Texaco's product prices went up in three separate jumps for a total of 7 cents a gallon. Now, 5 weeks later, the price of gasoline has gone up an average of 12 cents, and although today's paper indicates that Exxon lowered some prices, if you read the whole article it says that Exxon also raised its wholesale gasoline prices by a penny a gallon and heating oil, diesel fuel, and kerosene by 2 cents a gallon in the Rocky Mountain region.

A Gulf Oil executive was quoted recently in the Wall Street Journal as saying there are additional increases of 15 cents to 20 cents yet to come, solely as a result of accelerated decontrol.

This vote today will give the Members of the Senate an opportunity to indicate to their constituents whether they are really in favor of the 12-cent-a-gallon increase already in effect or the additional 12 to 20 cents yet to come.

According to the New York Times, analysts believe that heating oil, which sold for 94 cents a gallon in November of last year, could hit $1.35 to $1.40 by the end of this heating season. "I guess the President knows what he is doing," said a heating oil dealer quoted in one press report, "but I just can't figure out how people are going to pay for their bills."

And it is already clear that the administration was wrong on more than price. Energy Secretary Edwards stated at the White House press conference after the President signed the order that immediate decontrol would bring us between 50,000 and 100,000 barrels of oil a day in new oil production. The Secretary did not tell us and has not yet told us where that oil is going to come from. New drilling? The New York Times reported recently that there is a 6-month backlog on orders for new drilling bits.

So how is there going to be any new drilling without bits?

On January 28, the Wall Street Journal quoted a Gulf Oil executive who said:

Extra funds from decontrol won't make much difference. There aren't too many rigs unoccupied currently.

An on February 2 the chief energy analyst for Merrill Lynch stated on the McNeil-Lehrer show that the oil drilling industry is "overextended at present."

In fact, it is so overextended that the February 23 issue of the Oil & Gas Journal reports that one company, Raymond International, has back orders on drilling rigs totaling $2 billion.

So we are not going to get that extra production because you cannot have extra production of oil unless you have the bits and drilling rigs.

But even if we got the production increase promised by Secretary Edwards, what, in fact, are we really getting? Very, very little. He says there will be 50,000 to 100,000 barrels a day extra. That is a drop in the bucket for a country that consumes 17 million barrels a day. And at a cost of $10 billion it is one of the most expensive drops in history.

As a matter of fact, it should be pointed out that as of the day that the President decontrolled the price of oil, he increased the net worth of oil companies of this country about $170 billion based upon their oil reserves in hand at that time.

But let us take a look at this question of the 50,000 to 100,000 barrels of oil per day extra, and let us run through the numbers.

The CBO estimates the cost of decontrol to the consumers of this country between now and the end of September at $10 billion. For the sake of argument, let us assume that Secretary Edwards is correct in projecting between 50,000 and 100,000 barrels per day of new production, and let us take 75,000, the midpoint, as a reasonable figure.

Let us assume we get that 75,000 barrels of oil per day each day for the 240 days between the time of the order and decontrol. That would give us a total production of 18 million barrels of oil. That is a little more than 1 day's U.S. consumption.

Is it fair to say, how much is that oil going to cost us? How much are we going to pay for that 18 million barrels of oil? It does not take a financial genius. You do not even need to use one of those new fancy computers to figure out if we are buying 18 million barrels of crude oil for $10 billion, we are paying $556 a barrel.

And you do not have to be a mathematical wizard to figure out that figure comes out to $13.20 a gallon; $13.20 a gallon—not a barrel, a gallon—before it has even been to the refinery. That is hardly a bargain for the people of this country, but it is pretty good business for the oil companies.

The other argument that is made is, well, even if we do not get that much additional production, we are really going to conserve energy by increasing prices this way. Secretary Edwards has estimated that the higher prices stemming from decontrol will reduce demand by 50,000 barrels a day. Apparently, he finds that 50,000 figure a rather convenient one to use. When he does not have anything else, he uses that one. He says that between now and September we will save 12 million barrels. But that will come to a little less than three-quarters of 1 day's consumption.

Is price, assuming him to be right on his figures as to how much we are going to save, the most efficient, most effective, or the most equitable method of reducing consumption? Let us see what the facts are.

Studies conducted in this and other countries have shown, time and time again, that higher prices have a relatively small effect on demand for gasoline. In France, where gasoline costs over $3 a gallon, it costs 45 cents a mile to operate a small Renault, but in 1980 there were 22 percent more cars on French roads than there were before the 1973 Arab embargo. Consumption in that same period has risen by 21 percent.

In 1973, the average Frenchman put 7,800 miles a year on his car. Last year, with the higher prices, that figure increased to 8,300. A French expert had this to say to the Wall Street Journal:

> We have concluded that price isn't effective in conservation.

And he pointed out that a recent poll concluded that gasoline would have to reach as high as $8.75 a gallon before most Frenchmen would change their driving habit.

That pattern is by no means confined to France. Both Britain and West Germany report similar experiences.

As the January 23, 1981, issue of the highly respected Lundberg letter points out:

> Price is not the only force at work on gasoline demand. Now and in the immediate future—

Lundberg concludes—

> improving automobile efficiency, not raising prices and lowering income, appears to be the most dependable way to limit or reduce U.S. gasoline consumption.

Some would argue at this point, well, look what happened: Prices have gone up and we are using less. I am prepared to accept that as a fact. We are using less, and prices have gone up. But when we had the people from the Department of Energy before our committee, I said:

> Why are they using less? Are they using less because there are unemployed auto workers, unemployed steel workers, unemployed rubber workers, unemployed miners, unemployment throughout this entire Nation and, as a consequence, people do not have to drive to work because there is no work to drive to? Is that why they are using less, or is it because gasoline costs more? Or is it the fact that they are buying more foreign cars and they are getting more miles per gallon.

American cars as well are getting more miles per gallon than they were several years ago.

> Is it because prices are up that they are using less or is it the natural consequence of the fact that automobile manufacturers are now doing that which they should have done several years ago?

The Department officials did not have an answer.

I remember when Senator JACKSON and several others and I tried to get through Congress a bill to try to force automobile manufacturers to get at least 20 miles per gallon for every car coming off the line in 1980, going up to 23 miles by 1985. And they fought it. Now they have suddenly started to move and they are getting a little more miles per gallon. But the fact is that there is not any conclusive evidence, even from the Department of Energy, to confirm anything other than that which Mr. Lundberg points out, where he says that improving automobile efficiency, not raising prices and lowering income, is the only dependable way to limit or reduce U.S. gasoline consumption.

That is not a new insight. We have been arguing this point for years and arguing for strong mandatory conservation programs. But we were told by the previous administration and now by this one: no, not mandatory conservation; higher prices will do the trick. Mr. President, this Senator does not think that the higher prices will do the trick. But they do create a new and needless burden on each and every person in this country.

If we are not getting much in the way of production or conservation, what will we get from the President's action? Well, I think, Mr. President, that we are going to get several different things. One of them is an unadulterated high shot of more inflation. Another is upward pressure on the Federal budget. A third is yet another massive and unhealthy transfer of more wealth from the consumers to the producers of energy. And a fourth result, one that may not have been foreseen by the administration, is real economic distress for thousands of American farmers.

Like all other businessmen, farmers have known about and planned for the arrival of decontrol in the fall of 1981. A Department of Agriculture economist, for example, has predicted an increase in farm fuel costs of between 25 and 40 percent in the year to come. In Kansas, the State Energy Office estimates that, for the average farmer in that State, fuel expenses will rise in 1981 from the current level of $3,900 a year to nearly $5,000. But decontrol in January and decontrol in September are two very different things. Decontrol now means higher prices now in one lump sum.

Had there not been decontrol now, maybe these great ideas of this administration would have indeed been able to bring down the rate of inflation a bit before the September 30 decontrol date. Maybe there would have been some lowering of interest rates. Maybe there would have been time to battle that psychology of inflation about which the administration speaks. Maybe there would have been some forward movement in bringing down prices. But, no, one of the first things that the administration had to do was give inflation another shot in the arm and kick it up another 1.1 to 1.4 points.

What does it mean for the farmers? A recent newspaper article quoted an official of the U.S. Department of Agriculture's Energy Research Group at the National Economics Division here, in Washington, about the effect of the decontrol order on agriculture.

Mr. President, the official of the U.S. Department of Agriculture indicated that the effect on the income of farmers is anybody's guess. He said:

> All I know is that some guys are going to be put in a terrible squeeze. There could be a lot of farmers going out of business this year because they don't have the money up front.

I do not think that is what the President intended when he signed his Executive order, but that is what is happening to our farmers and to countless small businesses in this country that have to purchase oil. We gain nothing from this Presidential action, but we stand to lose a great deal.

Inflation, President Reagan said in his inaugural address, "threatens to shatter the lives of millions of Americans." I agree with that in the strongest terms. Yet, here we have an action that is pumping even more inflation into our economy, and we are counting on the President's leadership to attack the inflation that is sapping the strength of our economy.

What I and others cannot understand is how we can control inflation by creating more inflation.

Recently, a local radio commentator, Chris Core, of WMAL, put the question in simple, down-to-earth terms in an open letter to the President. This is what he said:

Dear President Reagan: I'm writing for an explanation. I'm concerned about your deregulation of oil and gas prices.

You told us that our country's worst enemy is inflation. And yet, your first month in office, you've taken what price controls there were off the life blood of the American economy.

I heard today that because of your actions, the price of gasoline in this country will rise to an average of $1.60 a gallon by June. And that the airlines are raising fares because of their soaring fuel costs.

How is this helping inflation?

I also heard that this price increase will come despite a current and predicted oil "glut" . . . caused because Americans are doing as asked and conserving.

How is all this helping us to battle inflation?

When gasoline prices go up, and freight costs go up and heating oil prices for our homes go up, how will this cool inflation?

I'm afraid I don't understand.

I'm not a trained economist, I'm just a taxpayer and a consumer.

With respect,

CHRIS CORE.

Mr. President, this Senator does not understand it, either, just as Mr. Core and millions of other Americans do not understand it. But I can understand just what the President's decision will mean to the rate of inflation.

If we consider only the direct price impacts, decontrol will raise inflation about half a percentage point. But when I asked the Congressional Research Service to factor in the indirect costs in the form of higher prices for commodities produced by the manufacturing sector, the result was a very different estimate. CRS says that accelerated decontrol will raise the rate of inflation between 1.1 and 1.4 points, driving the inflation rate up from 12.4 percent to between 13.5 percent and 13.9 percent.

To see the practical dollars and cents impact of what is happening, we need only look at the airline industry. The CAB has already approved a 5-percent fare increase to help the airlines meet rising fuel costs. Another fare hike is likely soon.

How much will decontrol cost the airline industry? The early guess is about $100 million a month and possibly more. And the same is true of other forms of commercial transportation. Greyhound has announced a 10-percent increase.

The farmers, the airlines, the buslines—as a matter of fact, there is not even one item that the American people buy or use that does not involve energy costs. The clothes we wear, the housing we live in, the schools we pay taxes for—across the board, we get these higher costs by reason of decontrol of the price of oil.

The point is that we are faced with serious dislocations in our economy and with real economic distress. Yet, the Reagan administration, which has a commitment to produce a balanced Federal budget, has done that objective a real disservice.

We have heard that the extra windfall profit tax income from decontrol will help to balance the budget. I believe that is the shallowest of all arguments, because that is nothing more than doing exactly what the President said he was not going to do: Raise taxes.

If you argue that the additional windfall profit taxes are going to help to balance the budget, then you have to go back and remind the President that he is promising to reduce taxes, not to increase them. An increased tax is an increased tax, by whatever name you call it, whether it is done directly or indirectly through decontrol.

Consider the other side of this whole question, and that is: What will decontrol do to the budget?

According to the Wall Street Journal, Federal outlays will rise, because of decontrol, by as much as $2.4 billion in this fiscal year.

Let us look at defense, an area in which we are talking about spending substantially increased billions. The fact is that every penny increase at the pump translates directly into $70 million a year in higher military costs. We have had a 12-cent increase since January 28. That means DOD's fuel bill has gone up $840 million for fuel—$840 million.

Or, we can think of it as the 340 M–1 Abrams tanks that will never come on line.

Recently, I visited the 24th Mechanized Division, located at Fort Stewart. That division, 1 of 16 in the U.S. Army, has an annual payroll of $211 million. However, accelerated decontrol already has cost us the payroll of four mechanized divisions.

Mr. President, I am not going to talk further today about what this is doing to the Defense Department; but when I visited Fort Stewart, and those men and women told me that they did not have a sufficient amount of fuel to keep their vehicles going and that they were on a ration system, I was deeply concerned and I know that they are going to have that much less by reason of the increased cost of fuel. I wonder where the administration is coming from taking an action such as decontrol.

Mr. President, I could talk at great length today about another favorite subject of mine, and that has to do with the profits of the oil companies, who are the only winners in this sad episode. They are the same companies that received 40 percent of the total profits of all industrial companies last year.

I am not going to talk today about their profits. I think the American people know how they have soared, soared, and soared.

I am not going to talk about the oil companies tightening their stranglehold on potential competing energy sources like coal, uranium, and solar technology.

But I do wish to say what I believe to be obvious, that the interests of the oil companies are not the same as the interests of the American people and the American free enterprise system.

Mr. President, the new administration made a sad mistake on January 28, and they are also talking about an equally sad mistake by proposing to decontrol the price of natural gas.

What kind of humane attitude can this be?

The Washington Post reported that if they decontrolled the price of natural gas it will go up more than 200 percent. Even the companies said that it would go up 80 percent.

Mr. President, I wish to make it clear today that, if there is to be a move to decontrol natural gas prices, my fellow Members of the Senate should not be prepared to go home early. We did indeed filibuster that issue when it was last on the floor and we were right then and we would be even more correct the next time.

So I say to the administration "clear your decks because this body is going to be in session a long time if you attempt to decontrol the price of natural gas," and I must say I am pleased to learn how many fellow Senators have come and said, "We are ready to help on that issue."

I have also heard that the administration is going to try to go through the back door, through the Federal Energy Regulatory Commission, to achieve the same objective. I do not know what we can do about that. But we will explore every avenue.

The American people cannot stand any more burden in their utility bills. They are already suffering in their heating oil bills by reason of decontrol of the price of oil. The American people are entitled to some consideration, some fairness, some equity, and some justice.

The administration has been talking about the fact that the truly needy will be protected. Decontrolling the price of oil has added to the ranks of the truly needy. There are more truly needy by reason of decontrol, and there will be still more truly needy in the months to come.

The President acted prematurely with results, as I have stated, that were most likely unanticipated.

Mr. President, I believe that the Senate has the responsibility to correct that costly mistake. I hope that we will adopt the amendment before us. I stand here not kidding myself as to what I anticipate the vote will be. But I believe that every Member on the majority side should have the privilege of putting the stamp of approval on the President's actions so that their constituents may know that they approve of higher gasoline prices and higher fuel oil prices, and that they believe that somehow it is good for the country to add to the inflationary spiral. To those who are so anxious, just as I am, to balance the budget, I hope that in the debate that ensues they will somehow explain to me how decontrolling the price of oil is going to help either win the battle against inflation or, beyond that, to help balance the budget.

Mr. President, I yield for a question to the Senator from Michigan.

(Mr. GRASSLEY assumed the chair.)

Mr. RIEGLE. I thank the Senator for yielding.

I wish to acknowledge and congratu-

late his leadership on this issue, because what he is saying here today is essential for the public to hear.

I simply wish to ask the Senator this question:

By the decision to have the sudden decontrol of oil, is this not an action that basically just surrenders to the OPEC monopoly? Does this just not mean now that we accept the prices that they are imposing on the world and upon the United States? Is that not the effect of this decision?

Mr. METZENBAUM. The Senator from Michigan is so often on target, and he certainly is on that question.

The Saudis, the Kuwaitis, all the Middle East OPEC nations will only have to set the price and the American oil companies will scurry to keep pace with them. The consumers will have nothing to do with setting that price. What we have done is we have made it possible for the OPEC nations to determine what happens in our economy and at what price we will be buying oil in our Nation.

Mr. RIEGLE. So, despite all the tough talk that we have heard out of this administration about standing up to international bullies, we have just caved in to the OPEC monopoly. We have just said that their monopoly prices are something that we are prepared to see charged by our own producers right here in the United States. What has happened is that the consumers in the United States are now directly at the mercy of this OPEC monopoly price structure in terms of what they have to pay for the oil that comes out of the ground here in the United States.

Mr. METZENBAUM. The Senator is 100 percent correct.

Mr. RIEGLE. I wonder, in light of the fact that Saudi Arabia is really the price leader in OPEC and has driven prices up. that the prices have absolutely no relationship to the costs of producing the energy. These are pure monopoly prices set by a cartel. There are rumors that Saudi Arabia is going to raise the price another $2, which of course will just pull up the price again in the United States. This is the same Saudi Arabia that the administration now wants to send the upgraded F–15 material in order to enhance their jet fighters and do them a favor on the military side. This is at the same time that they are bleeding this country dry with these artificially high oil prices and now allowing our own oil companies to practice the same kind of highway robbery.

Mr. METZENBAUM. This is a new kind of toughness that the administration is exhibiting. The more OPEC charges us for oil, the more willing we are to help them with their military equipment, even if in so doing we violate a firm commitment previously made to the Members of Congress.

Mr. RIEGLE. The other part of this that bothers this Senator is that this sudden decontrol of oil prices, as the Senator said earlier, gives this economy a dose of pure inflation. We get absolutely nothing for it. We are not going to get one extra drop of oil by caving in to these OPEC prices and raising the prices in this way for oil that was previously discovered. And to impose that kind of dose of inflation at the same time we hear all the talk about fighting inflation just seems to me to be hypocrisy right on its face.

I will tell the Senator that the people of Michigan are angry about it and I will tell him that there are a lot of people who voted for President Reagan who are angry about this decision feel that this is not what was talked about in the course of the campaign. This was not something that was indicated would happen at this time and in this way, that there would be this sudden decontrol of oil prices. We have family after family, individual after individual in Michigan who cannot pay these inflated fuel oil prices and cannot pay these inflated gasoline prices.

It is one thing to talk about equity in terms of trying to do something about inflation, but if we look at the tax proposals of this administration that are supposed to set the economy right, in 1981 a family of four earning $20,000 would get a tax rebate of $112. That is gone already because of these higher energy prices and the higher social security taxes. That money is gone. Whereas if we look at people in the high income brackets, say earning $100,000 a year, they are going to get a tax rebate of $920.

So as we look at these things and start connecting them one with the other it is obvious that what is being done here in the name of equity is hurting people and is falling very inequitably on families across this country.

I think the sooner the people wake up to this and the sooner the press wakes up to this and helps get these facts across in terms of what the practical impact is, the sooner we are going to have people in this country insisting on some rational response to these ever-soaring energy prices. We are going to bankrupt this country if we stay on this track. If they decontrol natural gas prices I just wish to say to the Senator right now I hope the administration has the courage to bring that issue to the Senate, because I wish to say to the Senator right now that with him, and anyone else who wishes to join in the effort we will have the longest filibuster here they have ever seen in this Chamber; because they are not going to raise natural gas prices if this Senator has anything to say about it.

Mr. METZENBAUM. I thank the Senator from Michigan.

Mr. President, in indicating the cosponsors I included the name of Mr. EXON inadvertently. I ask unanimous consent that his name be removed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. METZENBAUM. Mr. President, I now yield to the Senator from Arkansas.

Mr. BUMPERS. Mr. President, I do not have anything terribly different to add to what the Senator from Ohio and the Senator from Michigan have already said. I do not have anything different to add to what I have said on this floor for the past 5 years about this country's energy policy. I intend to support the amendment of the Senator from Ohio even though it has absolutely no chance of passage. The case needs to be made, and it needs to be made again and again so that the American people understand the implications of one of President Reagan's first official acts, which was to transfer an additional $10 billion from the American people into the pockets of the American oil companies with a single stroke. The most significant aspect of that act is that we got nothing in exchange.

Sooner or later the country will recognize the falseness of this old ploy that if oil prices are high enough, the American oil industry will find enough of this very, very finite resource.

This same President last year took strong exception to the 10-cent gasoline tax that President Carter proposed. I opposed the 10-cent gasoline tax because I thought it would be terribly burdensome on the people who could least afford to pay it. My State happens to be in the unhappy position of using more gas per capita than any State in the Nation, and I could not dare agree to an additional burden on a State such as that, which also happens to be about 48th in per capita income.

Yet, it was candidate Reagan who said that gas taxes are a back-door effort to balance the budget by imposing a tax on the American people, which might have been true. In any event, we both opposed the President's 10-cent gas tax, but at least that money would have gone into the coffers of the American people. In that case, some of it might have even gone back to them in the form of energy assistance payments.

In this particular case, however, the same amount of money, $10 billion, does not go into the Treasury. Instead, it goes into the pockets of the oil companies, and for no real purpose. They have been drilling a lot of holes, 60,000 holes last year, an alltime record, but their findings, per foot drilled, continues to decline, and it will continue to decline. My authority for that is the Exxon Corp. It is the Exxon Corp. and the American Petroleum Institute who say unabashedly that no matter how high oil prices go, production in this country is going to continue to decline just as it has since 1967 with the exception of the Prudhoe Bay find in Alaska.

In May 1979 the average domestic price of American oil was $10.71 a barrel. I will repeat it, in May 1979 the price of American oil was $10.71 a barrel because it was controlled. In November 1980 the price had more than doubled to $23.90 a barrel. During that time, the oil production in this country went from 8.585,000 barrels a day to 8,560,000 barrels, or 25,000 barrels a day less.

I will promise you that in 1990. 9 years from now, I do not care what the price of oil is, domestic production in this country will be down 500,000 barrels a day from what it is today. Yet we keep falling for the argument that raising the price will guarantee further discoveries. They could not drill any additional holes, because they do not have enough rigs. They are to be applauded for drilling as much as they do and at least trying to find oil, but it just is not going to happen. Thus, all we have done is

made the American oil industry a full-fledged partner with the OPEC cartel. Make no mistake about it. If Sheikh Yamani tomorrow said Saudi Arabia alone was increasing the price of their oil to $80 a barrel I promise you that by sundown the price of every barrel produced in America would be $80 a barrel too. There is no real incentive for the American oil industry to try to break the cartel. For every $1-a-barrel increase of OPEC oil price, the American oil industry benefits $1 billion a year in profits. You tell me how badly the American oil industry hates the OPEC cartel.

I know that of the $10 billion going to the oil companies as a result of accelerated decontrol a good portion will be collected in tax. As a matter of fact, this administration considered the additional $5 billion in windfall profit taxes in making up the budget, so there is more than one President who is trying to balance the budget with oil taxes.

You heard Secretary of Energy Edwards say on the evening news that decontrol is really a rather insignificant thing. After all controls are being phased out anyway, and on October 1 this year it will self-destruct. The incredible thing was his statement that gasoline prices would go up no more than 2 or 3 cents, a nickel at most; and, within 30 days, the price of gasoline was up to 10 cents more than it had been the day the President signed the order.

It reminds me of Lucy holding the ball for Charlie Brown every fall. He keeps falling for it and we keep falling for it, and every time the statistics come out differently.

The Senator from Michigan mentioned a moment ago the possibility of decontrolling natural gas. Every Member of the Senate and every family in America ought to understand some of the ominous consequences of decontrol of natural gas, and I was pleased to hear the Senator from Michigan say a moment ago there will be a filibuster.

I will add to that by saying the filibuster that was conducted here on the Natural Gas Policy Act will be child's play compared to the filibuster that will occur on this floor if the administration tries to decontrol the price of natural gas. The filibuster would be necessary to protect American consumers. If we decontrol natural gas, the average worker in the northern United States will have to spend 4 weeks a year of hard work just to pay his heating bill; not the price of getting to and from work, just his heating bill.

Today, the poverty level income for families of four in a rural setting is $7,600, and this winter those families have had to spend 25 percent of their income just to pay for gasoline and heating. Of course, there is a much smaller effect on people making $30,000, $40,000, or $50,000 a year. Energy Action estimates that if the price of natural gas is decontrolled today, the average gas bill for a family in New England for 1 year, will rise from $1,148 to $4,059 by 1985, a quadrupling of the cost.

What is really important is that we are getting nothing in exchange again. Oil companies will not drill more holes because they cannot drill any more than they are drilling. What you get the first year of decontrol is another $80 billion, another $80 billion to the oil and gas industry. How long, America, can we tolerate this? It is an elitist policy that flies right into the face of everything we have believed as a people.

We deny our own conscience and our own sensitivities about the plights the middle-income and the lower middle-income people already have. To impose the burden of decontrol of oil prices is now much more devastating than the possibility of decontrolling the price of natural gas.

Finally, we must consider the cost passthroughs. This suit of clothes I have on, this desk before which I stand, the manufacturing process of making the carpet on this floor, everything you can see that is material and physical is made with energy, and so all those costs are passed on. This administration says that we are going to solve this problem of inflation, but the President never uttered the word energy in his economic message to the Congress.

Fiscal restraint, I applaud it; monetary restraint, stopping the money printing presses, I applaud it. But you are not going to do it if you break our energy in the vacuum of fiscal restraint and monetary policy alone. You are only going to do it if you break our energy dependence. And you are only going to break our energy dependence for the short term and the intermediate term if we conserve, conserve, and conserve some more. The suggestion that the best way to conserve is to simply price it completely out of range of the vast majority of the American people, defies everything in which I believe.

Mr. President, I yield the floor.

Mr. METZENBAUM. Mr. President, I yield to the Senator from Hawaii.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. MATSUNAGA. Mr. President, I join my distinguished colleagues in urging recontrol of oil prices, for decontrol has imposed unwarranted and severe economic hardships on the American consumer.

The skyrocketing price of energy has become a heavy burden for low-income families. The poor use 50 percent less energy than median-income households, yet the low-income family spends over 35 percent of its income on energy, compared to only 13 percent for the median-income family.

In my home State of Hawaii, the monthly gas price survey last month showed the fastest 1-month increase in the history of this survey. Since decontrol, the average price of premium gasoline has shot up to $1.57 per gallon, while unleaded is up to $1.54. I should point out that these prices were last month's prices. I just returned from Hawaii this morning, and I can report to you that gasoline prices are continuing to climb.

I predicted on January 28 that decontrol of petroleum would only fuel the fires of inflation, causing the price of a gallon of gasoline to zoom past $1.50, and perhaps up to $2 by the end of this year. I honestly hope that I turn out to be wrong on the $2 prediction but $1.50 a gallon is already a reality.

I am particularly disturbed that the administration continues to contend that the price increase resulting from decontrol will engender greater production of domestic oil. It is historical fact that while the price of oil has leaped by 1,200 percent, or a factor of 12, since 1973, our oil production in the lower 48 States has essentially continued to decline.

How much can we expect the price of a barrel of oil to increase because of decontrol? From $36 per barrel to $50? To $72 per barrel? If the price does increase to $72—or $80 as my friend from Arkansas has predicted—the increase would then be a factor of 2, or 200 percent. During the past 8 years oil has gone up by a factor of 12 and the law of economics has not come into play as the President has prophesized. In fact, I can repeat that the $3 to $36 per barrel price increase of petroleum has resulted in less production today than in 1973.

The main reason for this disappointing performance is that we have reached and exceeded the point of diminishing returns. While only 60 wells need be drilled in Saudi Arabia to produce 1 million barrels per day of crude oil, we now need to drill 60,000 wells in the continental United States to produce the equivalent amount of oil. All this means is that, at best, the soaring costs will reduce the chronic 300,000 barrels per day annual decline to perhaps 100,000 barrels per day.

I would agree with the administration's expectation that the consumption of energy will drop. But that will be because the wage earner will not be able to afford the higher cost of energy, and also, because unemployment will increase. Even then, this draconian means of inducing energy conservation will not create any savings because, as most economists are in agreement, the announced decontrol action will only suppress consumption by about 1.5 percent.

Decontrol means that the oil companies will increase their annual profits by billions of dollars, after all taxes, including the windfall profit tax, are levied, The Federal Government, too, will accumulate additional revenues.

I am greatly disturbed, therefore, that the fiscal year 1982 budget that will be announced today by the administration will recommend nearly a 75-percent reduction for solar and conservation programs, the one area where the individual taxpayer can take advantage of any Federal energy programs. And the only energy technology scheduled for more than token Federal research and development aid is nuclear, an industry that has already received almost $40 billion of subsidies, but in more than 30 years of development, today accounts for only slightly more than 3 percent of the Nation's energy supply.

It can also be mentioned that nuclear power is primarily for electrical production, a demand sector that consumes less than 10 percent of the oil used nationally.

I would like to assure my colleagues that I am not necessarily knocking nuclear energy. I am merely using it as an example to express wonderment about the sensibility of our country's energy policy. I believe that we are in the midst

of a potentially devasting energy crisis, and feel that we need to develop all our feasible indigenous energy sources as fast as practicably possible.

In determining our national energy policy, we should ask ourselves the following questions:

First. Will decontrol increase domestic oil production?

Second. Is nuclear energy the only technology that shows commercial promise?

Third. Is energy such a trivial budget item that it deserves only 1 percent of the Federal outlay, as it commanded in fiscal 1980?

Fourth. Is not the spiraling cost of energy the root cause of our economic and national security woes and the principal factor in escalating inflation our greatest national foe, even in the eyes of the new administration?

I shake my head in astonishment at what is rapidly evolving into our national energy policy. But, as it has repeatedly been said, the President proposes and the Congress disposes, so it is for us as legislators to examine closely the administration's proposed energy budget. In doing so, we must bear in mind that energy is part and parcel of our national defense.

As I pointed out to Secretary Edwards, of the 1 percent which is set aside from the budget for our energy programs, more than 50 percent is earmarked for defense purposes, which means that less than one-half of 1 percent is dedicated to alternative sources of energy, to the development of those sources of energy which can be the true answer to our energy problem.

We are being told by the President that his proposed budget is geared toward stemming inflation. Assuming this to be true, how can decontrol of oil and gas, which is sure to further escalate prices, and consequently inflation, be justified?

Too many people have been hurt by decontrol and will continue to be hurt, unless we, who represent the consumers of America, act resolutely in their behalf. I urge my colleagues to vote for recontrol.

Mr. President, I ask unanimous consent that a letter dated March 9, 1981, from the Citizens/Labor Energy Coalition, Washington, D.C., be printed at this point in the RECORD, as well as an article from the Washington Post, dated March 3, 1981.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CITIZEN/LABOR ENERGY COALITION,
March 9, 1981.

DEAR SENATOR: We are writing to notify you that Senator Metzenbaum this week plans to offer an amendment reversing President Reagan's crude oil decontrol order to S. 573 (extending oil companies' antitrust exemption for the purpose of International Energy Agency participation). We urge you to support this amendment allowing the previous phase-out of crude oil price controls to continue through September.

The disastrous results of immediate decontrol are even more extreme than originally predicted. It now appears that President Reagan's order will increase the nation's oil bill by $15.6 billion and that that price rise added between 1.1 and 1.6 percentage points for February and will add more than one-half a percentage point through September. Immediate decontrol will cost the average family an extra $100 to $200 this year for heat and gasoline. Small businesses and farmers will also face added economic burdens as propane and heating prices will jump 10–20 cents a gallon.

The Administration's minimal price impact predictions have proven to be totally unrealistic. We have already witnessed the price of gasoline rise 12 cents a gallon and more, and Gulf Oil recently predicted additional increases of 15 to 20 cents a gallon between now and September. The Administration's insistence that their original projection of a 3 to 5 cent increase is accurate to within a penny is ludicrous.

Please bear in mind these additional points when you vote on this amendment:

Despite the alarming cost to your constituents, decontrol will not stimulate production. The Wall Street Journal reported January 28 that "Industry officials say nearly every promising exploration and production project already is being pursued, and the extra funds from decontrol won't make much difference." These "extra funds" will amount to some $3 billion in after-tax profits, plus a hefty tax deduction, added to the record $30 billion they would have earned this year without the President's decontrol order.

Last year, the oil companies' profits constituted 40% of all U.S. manufacturing profits (up from 18% in 1978). This increase, according to Business Week, comes at the expense of other industries. Thus, decontrol will increase unemployment in many struggling business sectors while swelling the oil companies' coffers.

The oil industry's "energy" investment program consists largely of buying up proven reserves and smaller oil and gas companies. Rather than expanding our known reserves, decontrol will enable the large oil companies to further consolidate the industry and continue to stifle competition.

Any increase in federal revenues resulting from immediate decontrol is simply a hidden tax being paid by American businesses and consumers and not consistent with the tax reductions the nation expects.

We trust you will give serious consideration to this matter and will vote in favor of Senator Metzenbaum's amendment.

Sincerely,

ROBERT M. BRANDON,
Washington Director.

[From the Washington Post, Mar. 3, 1981]

OIL PRICE DECONTROL IS UPHELD

A federal judge yesterday upheld the legality of President Reagan's Jan. 28 executive order that eliminated price controls on gasoline, propane and crude oil.

U.S. District Judge Harold H. Greene turned back a legal challenge that contended Reagan should not have decontrolled the fuels without first calling for a public hearing.

The suit against Reagan's action was filed by nine members of Congress, three state governments and organizations representing union, consumer and civil rights groups.

The challengers had asked Greene to issue an injunction restoring the controls pending a full trial on the issue. But the judge refused, saying that "the dislocations which would inevitably result from such an on-again, off-again method of operation in a vital part of the national economy are likely to be both significant and detrimental."

The Reagan administration defended its swift decontrol action, which was issued without warning, by saying that advance notice would have caused those in the petroleum business to stockpile products and sell them after decontrol at higher prices. This would have produced artificial shortages, the government said.

The PRESIDING OFFICER. The Chair recognizes the Senator from Idaho.

Mr. METZENBAUM. Mr. President, will the Senator from Idaho yield for the purpose of this Senator requesting the yeas and nays?

Mr. McCLURE. I yield.

Mr. METZENBAUM. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. METZENBAUM. Mr. President, I thank the Senator.

(Mr. DANFORTH assumed the chair).

Mr. THURMOND. Mr. President, I rise to state my opposition to the amendment offered by the Senator from the State of Ohio. This attempt to override the President's decision to accelerate decontrol of petroleum is ill-founded, and serves to benefit no one, least of all the American consumer.

It appears that this amendment is directed toward reversing the increase in prices for various petroleum products we have witnessed since President Reagan accelerated decontrol, by virtue of his Executive order on January 28, 1981. A thorough review of the facts behind these increases, however reveal that accelerated decontrol is not the real culprit.

In fact, retail gasoline price increases during the first 2 months of 1981 were smaller in total than those during the same period during 1980 when price controls were still in full effect. The increases of 1981 must, in fact, be attributed in large part to the activities of OPEC. Moreover, the President's action cannot be blamed for the recent increases in the price of heating oil, since heating oil has been decontrolled since 1976.

The battle against soaring energy prices must be a cooperative one and a well-reasoned and logical one. We cannot fall victim to short-term, and short-sighted, solutions such as the Senator from Ohio proposes today. This amendment serves only to perpetuate, and in fact aggravate, the many problems with petroleum controls that the President has moved to eliminate.

The benefits of decontrol are numerous. We know, for instance, that decontrol reduces this country's demand for oil imports, and thus reduces our political and economic vulnerability to oil supply disruptions.

Also, while increasing our oil production above the amount that would have been produced under price controls, decontrol also increases our country's oil conservation efforts, discouraging inefficient and wasteful oil consumption.

By eliminating regulations favoring certain firms, decontrol introduces the benefits of rigorous competition back into the domestic oil industry.

Finally, decontrol encourages the development and use of nonpetroleum energy sources such as coal, natural gas, nuclear and solar power, thus reducing even further U.S. dependence on increasingly expensive and insecure foreign oil.

Since the gradual process of decontrol has begun, we have witnessed dramatic increases in exploration, drilling and production by our domestic oil industry. Undoubtedly, a major reason underlying this activity is the understanding by the industry, and by those who finance these ventures, that the Government will not keep prices artificially low and that increased efficiency and productivity will be encouraged, rather than stifled.

Finally, to those who are concerned with increased oil company revenues, I remind them that about 80 percent of these revenues will go to Federal, State, and local governments as a result of the windfall profit tax and various other taxes and royalties. Thus government, not industry, will benefit most.

Mr. President, the amendment by the Senator from Ohio would serve to destroy all the benefits of decontrol, just as decontrol is beginning to reveal its true worth. For these reasons, I oppose the amendment and urge its defeat.

Mr. MITCHELL. Mr. President, I support the pending amendment which would void the President's January 28 order decontrolling domestic oil production and reinstate the phased oil decontrol schedule, under which controls will expire on October 1.

Beginning in April 1979, the U.S. Government began a gradual phaseout of controls on the pricing and allocation of oil. The controls were to have been completely ended in October of this year. On January 28, President Reagan ordered these controls lifted immediately, thereby accelerating decontrol by about 7 months.

The argument for decontrol is that the resulting higher prices will encourage the oil companies to increase domestic production and cause the American people to consume less. But immediate decontrol will not contribute materially to those objectives.

The oil companies have already increased their drilling efforts. Industry publications report that virtually all drilling rigs in the country are in operation; there are substantial delays in the availability of rigs. Since no drilling rigs are available, moving decontrol up cannot possibly increase exploration.

Furthermore, despite increased drilling and despite an increase of 111 percent in wellhead prices since decontrol began in April 1979, domestic oil production is no higher than it was 2 years ago. If more than doubling the price of oil has not increased production, there is no basis to conclude that still higher prices will do so.

As to the second objective of decontrol—increased conservation—studies consistently show that major price increases are needed before minor declines in consumption occur. Under gradual decontrol, a 50-percent price rise in gasoline resulted in only a slight consumption decrease over 21 months. According to the President's 1980 economic report, that portion of the consumption drop attributable to the 50-percent price rise was only 2 percent. There is no basis for concluding that a further 10-percent price increase will greatly reduce consumption.

With heating oil at $1.30 a gallon, Maine people are heating their homes to the lowest tolerable temperatures. Once you have set the thermostat at 50 or 55 degrees, as thousands of Maine families already have, there is not much more conserving to be done.

These facts form the basis of the conclusion by the Petroleum Research Foundation that early decontrol will not materially increase production or conservation. There is, accordingly, no national benefit from early decontrol.

Gradual, phased decontrol of oil prices was the least damaging and most equitable way to incorporate world energy prices into our economy. It permitted businessmen, government officials at all levels, and working people to anticipate the slow but continued rise in oil product prices. It permitted rational planning for the time that decontrol would be effected. And it gave everyone fair warning of the costs they would have to assume when decontrol was completed.

The sudden lifting of controls is unwise and inequitable. Under gradual decontrol, every part of the country and every sector of society was asked to share the costs of carrying out a national policy: Consumers were asked to pay higher prices; oil companies were asked to accept slightly lower profits; and all businesses and regions were placed on notice that they would have to adjust to price and supply changes by the end of the year.

Immediate decontrol removed that element of predictability.

It substituted immediate price increases for consumers and businesses.

It created immediate uncertainties about the supply and distribution network.

And it is causing a massive transfer of dollars away from consumers, businesses, and energy-poor regions, with no benefit to the Nation.

In the month since decontrol went into effect, we have seen immediate cost increases to consumers, oil dealers and retailers, regions, and States. We have seen no immediate national benefit. Nor is there any reason to believe we can expect long-term benefits from moving up the decontrol date 7 months.

And as well as afflicting consumers with price increases, the sudden lifting of controls threatens to undermine our efforts to deal with inflation.

The Congressional Budget Office originally estimated that the net result of early decontrol will be to add half a percentage point to this year's rate of inflation. But if the February figures from the Bureau of Labor Statistics are any guide, the Budget Office has underestimated the inflationary effects of this decision. In February, oil prices rose 20 percent—an annualized rate of 250 percent.

That price rise was not the result of a new massive OPEC price increase. It was a domestic price rise imposed on our own people by the major oil companies. And the Bureau of Labor Statistics has said that this 20-percent monthly price rise does not reflect the full effects on consumer prices of the increases in the prices of gasoline, home heating oil, and other oil products.

When that full price increase works its way through our economy, it could be a serious blow to our efforts to slow inflation.

The $50 billion spending cut Congress is being asked to approve will lower inflation much less than one percentage point. Yet the speedup in decontrol of oil prices will add at least a half percentage point to our inflation rate.

The Congressional Budget Office estimates that moving up decontrol will cost American consumers—working people and businesses—$11.7 billion.

The cost to New England, which relies heavily on oil for its energy, will be $775 million—about $75 in additional costs for each household in New England.

My own State of Maine will pay out $45 million in higher oil prices—capital that is needed in the State for investment in job-producing businesses.

And we are being asked to pay these costs for benefits which are questionable at best.

The Department of Energy contends that decontrol will reduce consumption by an amount between 50,000 and 100,000 barrels daily. This is the same Department which estimated that gasoline prices would rise a total of between 3 and 5 cents, an estimate that was proven wrong within hours after it was made.

But even if this estimate is accurate, the savings will reduce imports by only 1.5 percent—not a significant saving, nor a significant contribution to the national welfare.

The Wall Street Journal reported that industry officials say that nearly every promising exploration and production project already is being pursued, and the extra funds from decontrol won't make much difference. That report appeared on January 28, the very day on which the President announced his decontrol decision.

Domestic oil production has hovered at around 8.5 million barrels per day for the last 2 years—a period during which domestic prices rose by 111 percent, and exploratory drilling reached record levels. In January, the Oil and Gas Journal reported that there is a 1-year wait for drilling equipment because of heightened exploration.

How can the 7-month speedup in decontrol possibly increase exploration when there is a shortage of equipment?

And why will still higher prices increase production, when a doubling of prices has failed to do so?

The fact is that the Energy Secretary could not supply a single report from his Department to buttress the claim that conservation and production would increase. And the contention that prices would rise by no more than 3 to 5 cents per gallon did not outlast the week in which it was made.

It is difficult to see how higher prices imposed in the middle of the winter heating season could, in fact, substantially increase conservation.

It is still winter in the Northern States.

People cannot arbitrarily heat their homes less, even if the price of heating oil goes through the roof. The people of Maine are not recklessly overheating their homes when they are paying $1.30 per gallon for heating oil. They are simply paying more money for the same amount of heat.

Gasoline consumption is traditionally lower in the winter months. The driving season remains some months off. News reports indicate that our Nation is experiencing a surplus of gasoline.

Yet there is no evidence that this adequacy of supply has caused prices to come down. Gasoline prices have already risen an average of 12 cents this year—10 cents of it after the January 28 decontrol announcement.

Two weeks ago, a New York Times story carried the information that the gasoline glut may moderate prices: Not by keeping them stable; not by lowering them; but perhaps by reducing the rate at which they rise. This morning's Washington Post reports that Exxon raised gasoline prices by a further cent per gallon and home heating oil prices by 2 cents.

There is no national benefit in any of this.

We are gaining no more oil; we are gaining no more independence from the artificially administered prices set by OPEC; we are not conserving more home heating oil; we are simply paying more.

The past month has demonstrated clearly that the sole result of early decontrol has been to boost the prices paid by consumers.

We have seen a swift and substantial increase in the price of oil—at the astounding annualized rate of 250 percent for the month of February. We have seen heating oil prices skyrocket in the middle of winter. And, despite weak demand for gasoline, we have seen gasoline prices leap by at least 10 cents since decontrol took effect—even though industry officials themselves admit that record stocks exist and demand is low.

There is no evidence whatever that production or exploration plans have been substantially expanded by any of the major companies. Indeed, news stories indicate that the major companies view decontrol less as an opportunity to expand production than as a chance to change their supply and distribution patterns.

A recent Wall Street Journal story reported that the major companies see decontrol as an opportunity to make massive and drastic changes in marketing strategies: Reducing sales outlets, placing more pressure on retailers to increase profits, raising local stations' rental fees, and cutting supplies to some dealers. An official of Standard of Indiana was quoted as saying, "We don't feel any obligation to our assigned customers."

These marketing changes planned by the major oil companies seem to be the only tangible result of immediate decontrol other than the dramatic increase in prices.

Decontrol was to have been a return to an open, competitive market system. Yet the effects of decontrol have been to raise prices and curtail services—not to increase competition or supplies.

Immediate decontrol means that dollars are being transferred from the pockets of working people to the major oil companies earlier and faster than they would have under phased decontrol.

Immediate decontrol has given us more inflation, no more conservation, no more production and a good chance of much less competition at the retail level.

Is this how the free market economics of decontrol was supposed to work?

If the decontrol decision was merely symbolic, as many of its supporters say, I would not be concerned.

But the symbolism is imposing immediate, real and needless costs on the people of Maine, on the New England region, and on the entire country.

Moving up the date of decontrol will add to our inflation rate. That will not be symbolic.

The extra costs to consumers and businesses will be $11.7 billion. That will not be paid in symbolic dollars.

Most importantly, the effects of decontrol on real people are far from symbolic. They are very stark.

And of all the States in the Union, my own State of Maine will be hardest hit by early decontrol for several reasons.

First. When energy costs are included, Maine has the lowest per capita income in the Nation. The poorer you are—whether as an individual, a family, or a State—the more adversely you are affected by higher prices.

Second. Maine has an unusually high number of elderly, who are the poorest members of society. Over 120,000 Maine citizens receive social security retirement benefits. Their average check is $316 a month, and for a majority, this is their sole source of income. Having to pay higher prices for oil products hurts all Americans. Imagine how much harder hit is the elderly citizen with a total income of $316 a month.

Third. Maine's population is scattered and there is little mass transit. Almost all Maine workers must drive to work. Increases in the price of gasoline are devastating to our working men and women.

Fourth. Maine is very dependent on oil for home heating. Natural gas is not available in Maine to any significant degree. And although Mainers are turning to wood and coal, most homes and businesses still use heating oil.

Fifth. Much of Maine's electricity is generated in oil-burning plants, so our electric bills will go up again. On many bills, the fuel adjustment charge is already more than the basic charge. The fuel adjustment charge will go even higher, since the utilities have no choice but to pass on the higher cost of oil to their customers.

Last month I addressed a convention of letter carriers during which the question of decontrol was raised. After the meeting, one of the letter carriers came up to tell me that earlier that week he had delivered an oil bill and a social security check to an elderly widow on his route. She opened both envelopes and showed them to him. Her oil bill for the month was $210. Her social security check, which is her sole source of income, was $280.

The President has identified inflation as our principal problem. I agree completely.

That is why I cannot endorse an action that adds to inflation and has no offsetting benefits—as immediate decontrol does. I cannot endorse an action that so harshly affects those who have no defense against it—particularly when the action has no national benefit.

The oil price increases already announced have a serious impact on Maine people and all others in our Nation. They drain dollars from savings and from investments that other industries need—all for no useful purpose.

Immediate decontrol makes Maine and every other energy-poor State vulnerable to supply disruptions and spot shortages in the future.

Gradual phased decontrol was fairer to the people and the regions of the country. It gave us a predictable schedule on which to adjust to higher prices and changing supply situations.

Immediate decontrol removes that predictability and places businesses and consumers at the mercy of the OPEC cartel.

The inexorable upward climb in energy prices, particularly over the last 2 years, has disabused Americans of any notion that there is a magical or easy answer to our energy problem.

Reinstating a gradual phase out of decontrol will not be a magical answer. But it will give our industry and our people the chance to plan for the higher costs. It will slow the massive drain of resources away from energy-poor regions and from productive investments.

In his recent address to the Nation, the President said his budget cuts would be painful but should be supported because all regions of the country would share in the sacrifice. If that is true, he will have my wholehearted support.

But that is surely not true of his decision to immediately decontrol oil. That decision hurts one region far more than it hurts others.

Early decontrol will not increase oil production, but it will increase inflation. It bears most heavily on those who can least afford it. And it accelerates the massive transfer of dollars away from the energy-poor regions of the Nation. It is wrong, it is unfair, and it should be reversed.

Mr. McCLURE. Mr. President, I rise in opposition to the amendment offered by the Senator from the State of Ohio. In my opinion, reversing the President's decision to accelerate somewhat the phased decontrol of petroleum is not only bad energy policy, it is bad economic policy.

This Nation has suffered grievously from price controls on petroleum ever since President Nixon imposed a general wage-price freeze back in 1971. It has taken us a decade to finally dispose of the remnants of that ill-fated decision. And I, for one, do not intend to allow this country to slip back into that situation.

At the outset, let me first note that what President Reagan did on January 28 was to accelerate only modestly the phased decontrol of crude oil that President Carter began in June of 1979. In any event, the price and allocation authority

which is contained in the emergency Petroleum Allocation Act of 1973, as amended, expires at the end of September 1981. So even if President Reagan wanted to continue price controls on petroleum, he could not do so past September of this year.

We must keep in mind that the modest acceleration of phased petroleum decontrol affects only the timing of the impact of decontrol, and not the magnitude of these impacts. As I noted before, phased decontrol would have occurred in any case by the end of September of this year. And in the month that President Reagan issued his decontrol order, only 15 percent of the crude oil refined by oil companies was still subject to price controls. Moreover, all refined petroleum products except gasoline and propane had previously been decontrolled. For example home heating oil was decontrolled during the summer of 1976.

Why then, have we seen such a rapid increase in petroleum prices over the last 2 to 3 months? The answer—OPEC. That OPEC is the principal cause of recent increases in domestic petroleum prices, as opposed to decontrol, is evidenced by the fact that retail gasoline price increases during the first 2 months of 1981 are smaller in total than those during the same period during 1980 when price controls were still in full effect.

And with respect to the increases in heating oil prices, it is only too obvious that OPEC must be the cause of recent price increases since heating oil has been decontrolled since the summer of 1976.

What then, are the benefits of decontrol, accelerated or otherwise?

First, decontrol reduces U.S. demand for oil imports. Lower imports improve our balance-of-payments deficit, put downward pressure on world oil prices, and reduce our political and economic vulnerability to oil supply disruptions.

Second, decontrol increases U.S. oil production above the amount that would have been produced under price controls. This additional production will further reduce U.S. oil imports.

Third, decontrol encourages the development and use of nonpetroleum fuels. By making oil substitutes more competitive, decontrol will increase the contribution of nuclear power, coal, natural gas, and solar energy to reducing U.S. dependence on insecure and expensive foreign oil.

Fourth, decontrol increases U.S. oil conservation efforts. Decontrol discourages inefficient and wasteful oil consumption, and encourages technological innovations that will allow the United States to more efficiently use the oil it does consume.

Fifth, decontrol increases efficiency, competition, and productivity in the domestic oil industry. By eliminating regulations favoring certain firms, decontrol introduces the rigors of competition back into the domestic oil industry. Certain refiners and marketers may experience special problems as the industry adjusts to decontrol. Some have expressed concern over the loss of supply arrangements that were maintained by the DOE supplier-purchase rules. However, a large segment of the refining industry has announced that they will continue these arrangements with marketers voluntarily for a transitionary period to avoid imposing unnecessary hardships on historical purchasers. Ultimately, we expect that adjustments in the domestic oil industry will result in a more efficient marketing system. This system may be characterized by an increase in high-volume gasoline stations. U.S. consumers will benefit directly from the lower operating costs of these operations.

Sixth, decontrol increases efficiency and productivity in the U.S. economy. Consumer purchases and capital investments will now be made with the clear understanding that oil prices will not be held artificially low by the Government. Thus, consumers will demand and industry will insure that new investments will be energy efficient. In addition, decontrol allows valuable capital resources to move from less efficient activities in the oil industry to more productive and profitable activities in other parts of the oil industry, or elsewhere in the economy.

I would also like to point out that contrary to what my colleague from Ohio believes, reimposing controls on petroleum is detrimental to the interests of consumers throughout this Nation. At first blush it may appear that it would reduce inflation to restrain oil price increases. But let me just point out that controls do not prevent price increases, they just camouflage them and shift the costs to other parts and sectors of the economy.

There is no doubt that the crude oil price and allocation control system which we have had in effect over the past decade has caused us to become more dependent on high-cost, insecure supplies of foreign petroleum. Our system subsidized the importation of foreign oil at the expense of providing domestic incentives to produce oil. It is no wonder then that, until phased decontrol began in earnest, the petroleum industry's exploration and drilling activities were sluggish.

And what have we seen since we began to decontrol crude oil? Drilling activity is at an all-time high. New companies are being formed to produce additional drilliing rigs. Existing rig companies are expanding their capacity to produce additional rigs. Oil companies are taking chances as never before, looking for oil in regions never before thought to contain a drop of recoverable oil.

And it is this boom in exploration, drilling and production activity that my colleague from Ohio will succeed in stifling if his amendment is successful.

It is for these reasons, Mr. President, that I oppose the amendment of the Senator from Ohio. Recontrolling oil prices would be a monumental mistake that would severely retard our fight against inflation, and it would have a serious adverse effect on our economy.

I would like to respond to just a couple of the factors that were mentioned in debate earlier on the floor, one of which was that somehow what we were doing was just knuckling under to OPEC.

Let me indicate to my friend from Michigan, who made that statement earlier, that actually the combinations of policies that have been in effect which were wiped out by the President's decontrol program had the effect of saying that we would subsidize the importers of OPEC oil.

Under the price control program, domestic producers subsidized those who imported crude oil, and the result was that OPEC producers and those who were importing OPEC oil were delighted by the program. Thus, to indicate that somehow OPEC was hurt by the former system of controls would be to state the argument in totally opposite terms from the actual situation. The President's decontrol of oil strengthens domestic producers and, therefore, reduces the economic advantage of those who are importing oil.

Now, whether or not oil prices or gasoline prices have risen is a matter of record. The reason why they have risen is a matter of argument. I think it is important for us to recognize that while the Senator from Ohio or the Senator from Maine and others who have spoken today point to gasoline or heating oil price increases, those increases are not necessarily related to the decontrol order and, as a matter of fact, are for the most part unrelated.

The best evidence that this Senator has been able to get is that probably 9 cents or 10 cents of the price increase is the result of the oil increases dictated by the OPEC cartel in December and January. The balance of the price increase, whatever that may have been in the various markets across the country, is the result of the decontrol action.

Remember that decontrol applied to only 15 percent of the supply of petroleum. It was a small part of the U.S. production, which is, in itself, only a part of the total consumption. So to look at the total price increase and relate that back to the decontrol order is erroneous.

Now, to say that the oil companies may have been foolish in their timing of those price increases would be to state the obvious, so far as the Senator from Idaho is concerned, because they played right into the hands of the critics of the industry, and the oil companies have been critized all afternoon. I hope they have been listening, because these speeches this afternoon were totally predictable.

As a matter of fact, the senior Senator from Idaho did predict those arguments as a result of that action.

My friend from Maine talks about the price rise in home heating oil. The Senator better be concerned if the President did not decontrol the price of gasoline, because home heating oil has not been controlled since 1976. And if there is any distortion in the market, a system of price controls that prevents them from getting the return which is necessary on gasoline means that their only alternative is to load it on the other side, that is, heating oil. If my friend from Maine is really concerned about the cost of heating homes in the State of Maine and the Northeast, then he had better be concerned that we have a form of decon-

trol that keeps all the costs from being laded on some home heating oil and allow some of our people in Ohio, Washington, New Jersey, and Michigan, those who are driving cars around, to share in the cost of heating the homes in New England.

So the reason for the price increase that has hit the retail markets is not the simple explanation that some have made it out to be here today. I suspect we will be debating for weeks and months the complex components of those price increases. But to state that all of the price increases are the result of the President's action in January is far too simple, far too easy, and far too neat an explanation of what has really happened.

Mr. President, I am prepared to vote if there are no other Senators who desire to speak.

I see the Senator from New Jersey on his feet. I yield the floor.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. BRADLEY. Mr. President, I would have preferred that the Reagan administration follow that schedule for decontrol that was established by President Carter and upon which the bulk of many actions of the Senate in the last Congress was based, especially the windfall profit tax. Under that schedule, controls would not have expired until October 1, 1981.

Mr. President, first let us understand that accelerating decontrol is largely symbolic, in that, contrary to what the administration has said, there will not be any significant incremental production between now and October 1; that is, production increases over and above those we would have seen under the old phased decontrol schedule will be negligible.

On the other hand, Mr. President, those who made investment decisions, such as the purchase of more fuel-efficient equipment or fuel-efficient vehicles expecting controls to expire on October 1, could well be disadvantaged economically.

With that, Mr. President, I might also state that I know that consumers are hurting. I know that people are suffering from the unexpected price increases that this action triggered.

The CBO estimates that between now and October prices will increase 12 to 14 cents per gallon due to decontrol. According to the Carter plan these increases would have been postponed until October.

Mr. President, my effort to try to help people get through this period of higher oil prices will not result in supporting this effort to reimpose controls, but it will result in my effort to obtain tax reductions for individuals so that they will have the dollars to pay the higher oil prices.

In addition to that, I will fight to restore the $450 million that the Reagan administration budget removes from the low-income energy assistance program for the poor and the elderly for 1982.

Mr. President, I would like to point out that the dollars that will be used to cushion the impact of these higher prices for consumers throughout the country and to pay the energy assistance to the elderly will come from the windfall profit tax revenues. I might also point out for the record that the additional increase in the price of oil—roughly 70 percent, 70 cents of every dollar increase in an older oil well—will come to the Government precisely as a result of the amendment that I sponsored on the windfall profit tax last year.

So, Mr. President, I am cognizant and aware of the distress that decontrol is causing individuals and I will seek to redress that injury through lower taxes and transfer of payments to the elderly and poor through low-income energy assistance. I know the revenues are there because my amendment on the windfall profit tax created the revenues necessary to assume these lower taxes and energy assistance.

But, Mr. President, I think it is important to remember a number of other things as we debate this issue. One is that in the last several years we have seen the price of heating oil and gasoline nearly double with controls.

And why is that, Mr. President? Because as we controlled domestic oil, we were really subsidizing imports. Because domestic oil was kept lower than the market price, we encouraged consumption. Because oil production in the United States was not increasing, we bought more imports.

In fact, Mr. President, before controls were imposed, this country was importing about 3.9 to 4 million barrels a day. By 1978 that was at 8 million barrels a day. It has dropped back to about 7 million barrels. But it is nonetheless a significant increase, which means a significant drain of wealth from citizens of the United States to the treasuries of OPEC.

The world price of oil went from $14 to $35 a barrel. Even though the price of oil was controlled in this country, the average consumer price doubled because the entitlement system averaged the high foreign price with the lower controlled domestic price.

Mr. President, at the same time we experienced these increased prices due to OPEC, we have become more strategically vulnerable, because we have become more dependent on insecure sources of Persian Gulf oil.

Mr. President, I think it is time that we recognize that security of supply is the main issue here. The present war between Iraq and Iran has caused the world price of oil to go up $4.

We have lost 3 to 4 million barrels per day.

If this war continues into the fall we will see a price increase of about $10 a barrel. Mr. President, for every $5 increase in the OPEC price, we will send $12 billion more to OPEC from U.S. consumers. Last year we sent $80 billion to OPEC to pay for our oil appetite, draining our productivity in the process.

I think it is important that we recognize that the effort to reimpose controls subsidizes OPEC, and I think it is important also that we recognize that.

The transfer of wealth is enormous. So, Mr. President, with controls, prices have still risen, doubled in a short period of time. That has led to an increase in the amount of imports into this country from OPEC, thereby making us more strategically vulnerable to oil supply interruption. Decontrol stops the OPEC subsidy; it sends a message to our allies; hopefully, it allows us to focus on the wealth transfer issue and the danger of disruption.

Mr. President, the issue of focusing on controls diverts our attention from the real problem, which is our vulnerability to interruption due to our continued dependence on insecure sources.

As I have stated many times in this body, if we lost 8 million barrels of oil per day for a year, our economy would be in a depression, with rampant inflation. We must prepare for that—the most probable threat to our national security. The real test of this administration will be whether they develop such a policy or refuse to make the tough decisions on the strategic reserve and the rebatable standby tariff.

So, Mr. President, I will not support the reimposition of controls, but I must say that by accelerating the decontrol the President has again drawn attention away from the very grave problems of vulnerability to interruption and wealth transfers, and focused the energy debate once again on the oil companies.

Mr. President, I do not think that is the main issue. I think the security of this country, its economy, and its future are the issues.

I say this not because I am a friend of big oil. To confirm that, take a look at my windfall profit tax amendments or my zero voting record with the American Petroleum Association. Rather, I say that because I think we have to face up to the fact of living in an incredibly complex world where economic cross-currents swirl and uncertainties prevail—where oil will no longer be cheap and supply will be uncertain.

We have to cushion ourselves against those uncertainties, not only in the individual consumer sense, which tax reduction and transfer payments presume, but also in the larger strategic sense, which we fail to do as long as we continue to subsidize imports, and which we must do if we are going to refocus the energy debate on the need to develop emergency preparedness measures that will allow us to survive an oil supply interruption that increases in probability each day, and if we are going to make this country secure in the 1980's and beyond.

I yield the floor.

Mr. METZENBAUM. Does the distinguished Senator from West Virginia wish to proceed?

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, the Energy Policy and Conservation Act of 1975 established price and allocation controls on crude oil and refined petroleum products. The law provided these controls primarily as a response to large increases in oil prices caused by OPEC. The purpose of the controls was to cushion the inflationary impact that sudden, gigantic oil price increases would have on our economy.

As the United States adjusted slowly

to the quadrupling of oil prices, a decision was made by President Carter to phase out the controls, beginning on June 1, 1979. Under the Energy Policy and Conservation Act, all controls would expire on October 1, 1981. The effect of President Carter's decision was to establish a gradual process of decontrol, which would allow the economy to adjust as smoothly as possible to significantly higher energy costs.

Although phased decontrol avoided sharp economic dislocations, it was scrapped on January 28, 1981, by President Reagan. The result was a price increase in oil and gasoline already two to four times as large as the administration had predicted.

It is with these events in mind that I have questioned the advisability of the accelerated decontrol ordered by the President.

Therefore, I will support the amendment offered by the distinguished Senator from Ohio (Mr. METZENBAUM) to reestablish the process of gradual decontrol. The timetable in effect on January 20, 1981, with regard to price and allocation controls would go back into effect.

This does not mean that the controls would be placed on domestic oil indefinitely. Not at all. The clock would continue to tick until October 1, 1981, when all remaining controls would expire.

I have supported such a policy of gradual decontrol, with the understanding that it remain a gradual process, and that a windfall profit tax be enacted to recapture a portion of the increased revenues flowing to oil producers as a result of decontrol.

The price increases resulting from the sudden and complete decontrol have placed unnecessary costs on our economy. Consider the effect of this quick price jump on one department of the Federal Government—the Defense Department:

According to the Office of the Assistant Secretary of Defense (Comptroller), the additional fuel costs incurred by the Defense Department as a direct result of the total decontrol ordered on January 28 are $246 million. That amount is likely to be included in a request for supplemental appropriations for fiscal year 1981 by the Defense Department.

What could the Department of Defense do with that $246 million, if it did not have to use it to cover the cost of sudden decontrol? The Department could almost completely recommission the giant battleship *New Jersey* with that amount of money. I consider it remarkable that the $246 million will go solely to cover fuel costs increases resuling from rapid decontrol, when such a sum is badly needed elsewhere.

I have not touched on how that amount could be spent for domestic programs. The centers for disease control could fund their total preventive health services program and have money left over with that $246 million.

These examples show that the costs of sudden decontrol appear to be far greater than the benefits. Drilling activity before the total decontrol order was issued was at recordbreaking levels. Phased decontrol provided a superb incentive for large-scale oil exploration. And the windfall profit tax was not deterring people from hunting for oil.

All of this suggests to me that sudden decontrol was not the most prudent course to take. The costs—whether to the agencies of the U.S. Government, or to millions of our citizens who drive or use heating oil—are immense.

I hope that the Metzenbaum amendment will be adopted by the Senate—although I am under no illusions as to the outcome—so that our constituents will know that we do not support this unjustified additional price shock.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. I thank the distinguished minority leader for his remarks and his effort in this endeavor. I want him to know that we are grateful, and I think more important than that the American people, the consumers, are grateful to him for his support and his able statement.

Mr. ROBERT C. BYRD. I thank the distinguished Senator.

Mr. METZENBAUM. I am ready to vote if the Senator from Idaho is ready to vote.

Mr. McCLURE. I understand the Senator from Wyoming is on his way to the Chamber.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. WALLOP. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. WARNER). Without objection, it is so ordered.

Mr. WALLOP. Mr. President, I would like to make a few comments before we vote. Both the Senate and House of Representatives reported bills out of committee on March 4, 1981, to extend until September 30, 1981, the antitrust exemption for oil companies participating in the international energy program. This exemption, found in section 252 of the Energy Policy and Conservation Act, will expire on March 15, 1981, if no action is taken by the Congress. The exemption allows oil companies to participate in an international oil-sharing agreement without being in violation of the antitrust laws. Without such an exemption, the effects of a crude oil supply disruption could be quickly and disproportionately felt by the United States and those countries which participate in the International Energy Agency and its programs.

The real importance of this measure, however, is in its ability further to focus attention on the vital energy concerns facing Congress in the current session. Not only will the above measure expire on September 30, 1981, but that date marks the expiration of the Emergency Petroleum Allocation Act as well.

Without prompt action, the potential consequences of disruptions in the petroleum market, particularly for agriculture, are severe.

Petroleum supply disruptions for agriculture can place heavy burdens on the American consumer. One USDA study estimated that a 10-percent fuel shortage at the farm could lead to as much as a 55-percent increase in farm commodity prices. In addition, given the uncertainties of nature, timing is critical to farm operations. Even a short disruption in fuel supplies at the wrong time can result in crop losses or reduced yields for that year. Farmers must have fuel in sufficient quantities at the appropriate time and place to insure full food and fiber production.

Price anomalies in the international petroleum market are cause for concern in the United States. Price increases could, in fact, impair the ability of many family farms to survive. Costs that can be passed through the food system would have a heavy impact on wholesale and retail prices. Each 10-percent increase in energy costs across the food system can raise food prices about 1.2 percent.

I take this opportunity to remind my colleagues that the urgency of congressional action on these and other related energy measures is of utmost importance in avoiding serious consequences for the domestic economy and national security. It is not without good reason that agriculture has been called the backbone of America's economy. Whatever threatens the farming community also poses a threat to the basic structure of our economy.

Failure to pass this bill or distorting it by amendment at this moment in time would be an act of the utmost and gravest irresponsibility, Mr. President.

With that, I am prepared to yield the floor.

Mr. BOREN. Mr. President, I rise in opposition to the proposal to reinstitute controls on crude oil, introduced by my colleague from Ohio.

Surely, at this time all Americans realize the great threat to our national security which is posed by our dependence on foreign oil. Our largest individual supplier of crude oil has been Saudi Arabia, and the OPEC cartel as a bloc provides 50 percent of our imports. Our crude oil supplies from insecure sources such as these are growing as well as our overall dependence on foreign sources for oil. We have just recently seen, and are continuing to see, the impact of dependence on unreliable foreign sources such as Iran.

If we are going to restore the security of this country and assure our energy independence, increased investment will be required. It takes money to drill oil wells or to drill gas wells. It takes money to dig a coal mine. It takes money to develop solar energy panels. Whatever source of energy we are talking about, it will take increased capital investment over and above what is now taking place if we are going to have energy independence. There is simply no other way to do it.

It is also important to note that decontrol not only lifts price controls, but also the accompanying paperwork. Producers, especially the small independent producers, are released from the burden of much of paperwork required by the Department of Energy with the advent of decontrol.

In many cases, this burden is as costly to some small producers as the limitations on the price of oil at the wellhead.

The Nation is best served by an open market. Price controls such as those imposed on oil were properly eliminated by the President. This is a time to encourage domestic production of all forms of energy. The amendment of the Senator from Ohio is definitely ill-conceived and represents a backward step.

Mr. McCLURE. Mr. President, we are ready to vote on the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. METZENBAUM. Mr. President, a rollcall has been asked for.

The PRESIDING OFFICER. The yeas and nays having been ordered, the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. BAKER (after having voted in the affirmative). On this vote, I have voted "yea." I have a pair with the distinguished Senator from Kansas (Mr. DOLE). If he were present and voting, he would vote "nay." Therefore, I withdraw my vote.

Mr. STEVENS. I announce that the Senator from New York (Mr. D'AMATO) is necessarily absent.

I also announce that the Senator from Kansas (Mr. DOLE) is absent due to illness.

I further announce that, if present and voting, the Senator from New York (Mr. D'AMATO) would vote "nay."

Mr. ROBERT C. BYRD. I announce that the Senator from California (Mr. CRANSTON), the Senator from Colorado (Mr. HART), the Senator from Massachusetts (Mr. KENNEDY), and the Senator from Tennessee (Mr. SASSER) are necessarily absent.

I also announce that the Senator from West Virginia (Mr. RANDOLPH) is absent because of death in the family.

I further announce that, if present and voting, the Senator from Tennessee (Mr. SASSER) would vote "yea."

I further announce that, if present and voting, the Senator from West Virginia (Mr. RANDOLPH) would vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 24, nays 68, as follows:

[Rollcall Vote No. 27 Leg.]

YEAS—24

Biden	Hollings	Mitchell
Bumpers	Huddleston	Moynihan
Byrd, Robert C.	Inouye	Pell
Cannon	Jackson	Proxmire
Chafee	Leahy	Riegle
Dodd	Levin	Roth
Eagleton	Matsunaga	Sarbanes
Hawkins	Metzenbaum	Williams

NAYS—68

Abdnor	Danforth	Hatch
Andrews	DeConcini	Hatfield
Armstrong	Denton	Hayakawa
Baucus	Dixon	Heflin
Bentsen	Domenici	Heinz
Boren	Durenberger	Helms
Boschwitz	East	Humphrey
Bradley	Exon	Jepsen
Burdick	Ford	Johnston
Byrd, Harry F., Jr.	Garn	Kassebaum
Chiles	Glenn	Kasten
Cochran	Goldwater	Laxalt
Cohen	Gorton	Long
	Grassley	Lugar
Mathias	Pressler	Stevens
Mattingly	Pryor	Symms
McClure	Quayle	Thurmond
Melcher	Rudman	Tower
Murkowski	Schmitt	Tsongas
Nickles	Simpson	Wallop
Nunn	Specter	Warner
Packwood	Stafford	Weicker
Percy	Stennis	Zorinsky

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Baker, for.

NOT VOTING—7

Cranston	Hart	Sasser
D'Amato	Kennedy	
Dole	Randolph	

So the amendment of the Senator from Ohio (UP No. 8) was rejected.

Mr. TSONGAS. Mr. President, I have accepted the need for the decontrol of energy prices. If we are to make the transition to an energy future based on efficiency and renewable resources, we need a pricing system that provides the right price signals. Keeping prices artificially low is not in the consumer's long-term interest. Thus, I have supported oil price decontrol as an element of our Nation's energy policy.

But it is only an element; it cannot be the whole show. Yet there is every indication that the administration is taking apart every other energy program in place.

An energy pricing policy that relies on replacement costs makes sense only if other elements of the policy are in place. Those elements are:

PROTECTION FOR THE POOR

We must have a program to help the poor pay their bills. We must maintain the integrity of the fuel assistance program and increase its funding to cover the higher prices. More importantly, we need a serious program to weatherize their homes. Decontrol means higher bills that the poor cannot pay. This year's colder than normal winter is already running down fuel assistance funds faster than expected. Such fuel assistance makes no sense unless we are taking steps to weatherize. We must also maintain the integrity of the low-income weatherization and provide sufficient funds to seriously weatherize low-income homes. Yet the administration is cutting conservation programs by three quarters and the weatherization program is to be folded into another program with no additional funds.

CONSERVATION ASSISTANCE TO MIDDLE INCOME FAMILIES

Reliance on high prices to encourage conservation is inadequate and inhuman unless people have the financial capacity to invest in conservation. Most don't—so the impact of high prices is hardship and suffering instead of improved efficiency. Here again the administration apparently is eliminating the Solar and Conservation Bank, which would have provided loan subsidies for conservation improvements. The administration also is planning to eliminate the Residential Conservation Service, which provides energy audits to consumers indicating if and when individuals have the knowledge and financial capacity to respond.

EMERGENCY STANDBY ENERGY ALLOCATIONS

The free market works well when supply and demand are in relative balance. In a crisis shortage situation, there must be a mechanism to insure that all regions of the country receive fair treatment. Oil companies trying to manage short supplies and protect their business interests cannot be expected to take responsibility for insuring that New England gets its share. The administration has eliminated price and allocation controls without a commitment to maintain standing controls after they expire in September.

While I support the principle of decontrol I strongly object to the administration's energy policy. Energy policy that relies on decontrol alone is setting in motion economic forces that will crush people. We must give people the tools to avoid that.

The pendulum is swinging away from a balanced energy program. The building blocks added during the last 6 years by the Congress and Presidents Carter and Ford are being swept aside. The new Secretary of Energy has little experience in the energy field. He has been slow in making subcabinet appointments. Unfortunately, Secretary Edwards sees the DOE's function mainly as one of increasing supply. What happened to the balanced approach of conservation and production?

According to the OMB numbers, DOE's solar funding will be cut 60 percent, DOE's conservation funding, 75 percent, and the Conservation and Solar Conservation Bank is being eliminated entirely. The new administration has indicated that the Federal Government should not support commercialization, that high prices alone will stimulate solar and conservation. But how will high prices do that if builders and bankers are unfamiliar with solar products, and if solar companies cannot raise capital to expand? How can it work when new ventures avoid the uncertain market conditions, when buyers cannot get information about solar and conservation, when no one is willing to risk funds on demonstrations?

The program that is emerging from administration is ill considered. In fact, it does not seem to be the result of much consideration at all. Increasing prices through accelerated oil decontrol and natural gas decontrol which the administration is also apparently going to propose, will cause hardship conservation. This type of conservation involves, as Reagan said, being colder in winter and hotter in the summer. That is not the conservation we need. We have to increase energy efficiency and that takes more than decontrol.

While the administration is wiping out most of the conservation and renewable resource programs, it is increasing support of nuclear power. I cannot believe that the administration has found no waste in the nuclear budget, that they have found no programs that could be carried out by the private sector, that all nuclear programs are deserving of scarce Federal resources. It is an indefensible energy policy that would fund the Clinch River breeder reactor and eliminate the Solar and Conservation Bank and low-income weatherization.

The energy situation is one of the major realities that our Nation must come to grips with if we are to survive.

Its impact on national security and our national economy is critical. This administration's approach is ideological and shortsighted.

Experts have been predicting declining U.S. oil production and reports indicate that the oil industry is overextended at the current time—no excess drilling capacity exists. The main impact of accelerated decontrol by itself is to increase the revenues of the windfall profit tax. If it was the administration's intention to raise revenues to help balance the budget, then it is grossly inequitable to raise billions of dollars from heating oil consumers with a tax the administration opposes to begin with.

In closing, we will have to see how the administration's energy policy is treated by Congress. In the past, congressional energy efforts have been clearly bipartisan. I hope my Republican colleagues would not abandon the principles of energy policy that we established together. Several weeks ago, the Senate Energy Committee held hearings on the global oil situation. The warning was clear. If the Iran/Iraq war continues, as it appears it will, the draw down on world oil stocks will begin to bite by late spring. As nations begin to rebuild stocks, the world oil market will tighten and price increases, shortages, and crises will revisit our country. Once again, we will start reacting to crisis, slapping together an ill-conceived response only a few months after we started taking apart the energy program that took so much time and effort to put together. I believe what we have crafted—while not perfect—is significantly equitable and effective. An energy policy of only decontrol is neither.

I am thus faced with a hard choice. While I believe decontrol is a good policy, it is part of a bad energy program. But I have decided to vote in favor of decontrol but want to register my strong objections to the Reagan energy program—a program that will do little to reduce our dependence on imported oil. It is a program that should please the Ayatollah or Chairman Brezhnev.

Mr. BURDICK. Mr. President, I intend to vote for the antitrust exemption allowing oil companies to participate in an international oil sharing agreement. But, I want to join my colleagues who are asking that the U.S. Senate begin immediately to assess crude oil markets in light of the new administration's policies.

Mr. President, my State is and will always be a rural State with an agriculturally based economy. Twenty years ago, when oil supplies were plentiful, rural areas provided marketing opportunities for companies to increase overall profitability through higher volume at lower margins. However, today the case is dramatically different. Today, the trend through the foreseeable future is toward ever more tightening supplies. Many companies are finding it too costly to serve isolated markets, and are withdrawing. In many small communities in North Dakota, the only remaining supplier of petroleum products is the locally owned cooperative or a small, independent dealer. These cooperatives and independents, even though frequently organized into regional operations, exercise almost no control over general trends in oil supply in the world.

If rural States like mine are thrust into a completely free market, then marginal rates of profitability per gallon of gasoline will have to be substantially higher than in the major urban centers in order to attract supply from the majors.

Mr. President, the Emergency Petroleum Allocation Act expires later this year. There will never be a better time than now to address the problems of access to crude oil supply and cost given the inevitable tightening of crude oil supplies, and contingency planning for access to crude oil and cost in the event of a major oil supply disruption.

Mr. President, for all these reasons, I encourage the new Senate leadership to begin immediately with hearings aimed at determining what, if any, contingency plans for crude oil supplies and price are necessary.

● Mr. HATFIELD. Mr. President, I intend to support the extension of the antitrust exemption because I feel the commitment to our international energy partners is of critical importance to international security. A related issue concerns me, however. This is with regard to the participation of major oil companies in mitigating the adverse impacts of both energy shortfalls and the enormous price increases which have plagued the world oil market for several years.

I am of the opinion, Mr. President, that while the cooperation of oil companies has basically been good with regard to international agreements, major oil companies have, in many instances, acted in a totally irresponsible and perhaps illegal manner in its pricing policies to domestic consumers. Specifically, Mr. President, I am referring to the $11 billion in potential overcharges which are presently under investigation by the Department of Energy's Office of Special Counsel. Already nearly $3.5 billion in overcharges has been settled upon with over $7 billion remaining under further audit and legal investigation.

Mr. President, during this investigation of consumer rip-offs major oil companies have taken advantage of every loophole to avoid reporting requirements and thereby evade the charges which have been lodged against them. Mr. President, I intend to monitor very closely the cooperation provided by the oil companies in both the international and domestic markets until such time that all allegations are resolved by the Department of Energy.●

The PRESIDING OFFICER. If there be no further amendment the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

AMENDING THE ENERGY POLICY AND CONSERVATION ACT TO EXTEND CERTAIN AUTHORITIES RELATING TO THE INTERNATIONAL ENERGY PROGRAM

Mr. McCLURE. Mr. President, I ask unanimous consent that the Senate——

The PRESIDING OFFICER. The Senator from Idaho will suspend until such time as there is order in the Chamber so that the distinguished Senator can be heard. I request the Senators to take their seats.

The Chair recognizes the Senator from Idaho.

Mr. McCLURE. I thank the Chair.

Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 2166, and that the bill be considered as having been read the first and second time.

The PRESIDING OFFICER. Is there objection? Without objection, the bill will be considered as having been read the first and second time by title.

The Senate proceeded to consider the bill, H.R. 2166.

The PRESIDING OFFICER. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill was ordered to be read a third time, was read the third time, and passed.

Mr. McCLURE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. McCLURE. Mr. President, I ask unanimous consent that S. 573 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. Mr. President, I would not like to let this moment pass without recognizing the very capable services of the staff, both the majority and minority staff, Chuck Trabandt, David Doane, Howard Useem, and Marilyn Burkhardt of the majority, and Mike Harvey and Betsy Moler of the minority staff, and also to express my thanks to Senator JACKSON, the ranking minority member of the committee, for helping us expedite the passage of this matter, to Senator BRADLEY from New Jersey, and also to the distinguished Senator from Ohio (Mr. METZENBAUM). While we had disagreement on the amendment, nevertheless the help we had in getting the matter to the floor and getting it voted on was such that we are now able to send it to the President.

Mr. METZENBAUM. I thank the Senator from Idaho.

TIMELY REVIEW OF PROPOSED LAW OF THE SEA TREATY

Mr. JACKSON. Mr. President, I am pleased that the administration has decided to make a comprehensive review of U.S. policy as it relates to the proposed Law of the Sea Treaty.

Yesterday marked the opening of the 10th negotiating session of the Third United Nations Conference on the Law of the Sea. The conference formally began over 7 years ago. In fact, preparatory work started in the late 1960's.

The Committee on Energy and Natural Resources and its predecessor, the Committee on Interior and Insular Affairs, has maintained a bipartisan interest in and concern about these negotiations. In 1969, I asked the late Senator Metcalf to chair a special Subcommit-

tee on the Outer Continental Shelf whose mission was to evaluate the U.S. interest in the Continental Shelf and how that interest might be affected by a future international agreement. The subcommittee's report contained a number of significant policy recommendations which were followed by the U.S. negotiators.

Throughout the 1970's, the committee's interest continued. It was most specifically evidenced by our work on the seabed mining legislation which, after four Congresses, was enacted last June. Title II of the act contained a specific declaration of congressional intent that any international agreement dealing with the oceans should "provide assured and nondiscriminatory access" to seabed resources to U.S. citizens and "provide security of tenure" for U.S. citizens who undertake seabed mining before an international agreement enters into force.

This highly unusual provision, together with the many statements of concern about the provisions of the proposed treaty which were made on the Senate floor during debate on the seabed mining bill on December 14, 1979, are clear evidence that the Senate has long had severe reservations about the proposed treaty.

Mr. President, I am well aware that this has been a long, difficult, and extremely complex negotiation. Indeed, it is undoubtedly the most difficult multilateral effort ever undertaken in the history of diplomacy. Over 150 countries are involved.

Many of these nations are small and landlocked and have no direct interest in the wide variety of ocean uses involved. Yet, in the negotiation, they each have the same vote as states with extensive coastlines and the greatest interest in the ocean.

Furthermore, the negotiation covers a broad range of ocean uses including, among other things, a specific maximum limit of the territorial sea, freedom of navigation and overflight both for military and commercial vessels and aircraft, through, over, and under straits used for international navigation and other traditional high seas areas, rights over the living and nonliving resources of a 200-mile economic zone and the Continental Shelf, marine scientific research, protection and preservation of the marine environment, the peaceful settlement of disputes and the establishment of a regime to govern the development of the resources of the deep seabed. Each of these subjects is important to the United States.

The initial driving forces behind the U.S. interest in developing an international agreement for the Law of the Sea stemmed from our national defense concerns about freedom of navigation, overflight rights, and other national security interests.

At times, our concern about these admittedly vital matters seemed to outweigh our concern about equally important matters, such as control over fisheries resources and nonliving resources, including essentially all the potentially vast oil and gas resources on our continental margin. Congress concern over these issues was evidenced in the "200-mile fisheries" bill enacted in 1976 and the Outer Continental Shelf Lands Act Amendments of 1978.

Mr. President, I think it is important that we all understand the administration's position. They are not, as has been reported by some of the media, abandoning the Conference on the Law of the Sea. They are taking the opportunity to evaluate carefully the work product of this lengthy process—the Draft Convention on the Law of the Sea—in light of the interests of the United States as we see them in 1981.

In making that evaluation, I urge the administration to remember that the outcome of the Law of the Sea negotiation will not only influence the course of ocean law and politics for the next several decades, but also will affect the direction of the other emerging international arrangements and the pace at which they will be concluded.

One of the main forces in the Law of the Sea negotiation is the Third World drive toward the establishment of the new international economic order. This concept, which is the subject of the so-called north-south dialog, is calculated to make a fundamental redistribution of global wealth and power from the nations of the industrialized north to the countries of the less developed south.

The political model is one nation one vote, which gives an equal vote to a nation of 800 million and to a nation of 350,000. The economic model is central economic planning, rather than the free enterprise, free market economy.

In sum, Mr. President, while I strongly support the concept of establishing international ocean law, I do not think that belief in the goal of the common heritage of mankind should blind the United States or any other nation to significant national interests. After all, if we have problems with other nations or groups of nations, much can be done through less sweeping bilateral or multilateral negotiations. I wish the administration well in its review and urge other nations not to overreact to this pause in the long, laborious process of working out broadly acceptable ocean law.

SENATE SUPPORT FOR REAGAN ADMINISTRATION ACTIONS IN THE LAW OF THE SEA CONFERENCE

Mr. McCLURE. Mr. President, the Reagan administration in the past 7 days has acted swiftly and decisively to redirect dramatically the U.S. negotiating position in the Law of the Sea Conference. The 10th session of the LOS Conference convened yesterday at the United Nations in New York City. In preparation for that session, the administration has acted several times in the past week to modify significantly the U.S. posture in the conference from that of the Carter administration. First, the State Department last Tuesday announced that the Secretary of State had instructed our representative to the conference to seek to insure that negotiations did not end at the present session in order that a full policy review of the draft treaty could be completed by the U.S. Government. The policy review will involve all interested departments and agencies, and will consider a series of serious problems raised by the draft treaty prepared at the last session of the conference in Geneva last year. Second, the State Department Saturday announced that the Secretary of State had replaced the existing LOS negotiating team by appointing James Malone, Assistant Secretary of State-designate for Oceans, Environment, and Science, as the President's special representative to the LOS Conference. This action had the effect of placing Reagan administration policy-level personnel in charge of the U.S. negotiating team, in place of those who had represented the Carter administration over the past 4 years in the LOS Conference.

Finally, yesterday, Assistant Secretary of State-designate Malone announced at the conference that the U.S. review of the draft treaty would encompass the full spectrum of treaty provisions, including not only the seabed mining provisions, but also all other aspects of the treaty. Taken together, these decisive actions have removed the United States and our significant national security interests in the LOS Treaty from the virtual brink of disaster in which the new administration found itself after the inaurguration.

Mr. President, I rise today in strong support of these actions by the new administration and the clear position of the President and the Secretary of State regarding the need for a serious review of the Law of the Sea Treaty before this country is prepared to complete the conference and accept that treaty.

I also believe that it is most important that participants and observers in the LOS Conference, both domestically and internationally, recognize that the administration's action to review the treaty is a reflection of and a direct response to the strong bipartisan concerns expressed over the last several years in the Senate and in the House of Representatives regarding the draft treaty now pending in the conference.

Such concern was fully documented in the last debate of this body regarding the deep sea mining legislation and the LOS Treaty during our debate on December 14, 1979. The same concerns were the basis for the action of both the House and the Senate dealing with the treaty in title II of the Deep Seabed Hard Mineral Resources Act, Public Law 96-283, enacted on June 28, 1980.

Those same concerns have been the subject of continued congressional action in the form of letters to the administration and hearings over the past year, including most recently the hearing in the Foreign Relations Committee last week on the pending treaty.

Consequently, Mr. President, I believe it is fair to say that the Senate and the Congress generally are firmly on record in support of the absolute necessity for a review of the pending Law of the Sea Treaty before the administration proceeds to consider the draft treaty for final action. On that basis, in addition to my own long held and strongly felt convictions on this matter, I am quite

confident that the U.S. Senate today applauds the administration's actions over the past week and is prepared on a bipartisan basis to support the administration domestically and internationally in the conduct of that review.

Let me turn now to certain specific concepts worthy of review in the existing draft treaty and the procedures associated with them. And, let me begin by reviewing the Senate debate of December 14, 1979, as it applied to the treaty and the treaty process, as summarized in the following staff analysis.

On December 14, 1979, the Senate passed by a unanimous voice vote, S. 493, the Deep Seabed Mineral Resources Act. During the course of debate, 14 Senators, Mr. Magnuson, Democrat of Washington; Mr. LONG, Democrat of Louisiana; Mr. MCCLURE, Republican of Idaho; Mr. Muskie, Democrat of Maine; Mr. HELMS, Republican of North Carolina; Mr. WEICKER, Republican of Connecticut; Mr. MATSUNAGA, Democrat of Hawaii; Mr. STEVENS, Republican of Alaska; Mr. Javits, Republican of New York; Mr. PELL, Democrat of Rhode Island; Mr. Church, Democrat of Idaho; Mr. JACKSON, Democrat of Washington; Mr. HATFIELD, Republican of Oregon; and Mr. Stone, Democrat of Florida; spoke in favor of the legislation and only one Senator—Mr. TSONGAS, Democrat of Massachusetts—voiced an objection to immediate passage of the bill.

Seventy-three Senators from five legislative committees and the Budget Committee had earlier in the year voted unanimously to report the bill.

More important, however, than their expressions of support for the immediate passage of S. 493 in committee and on the floor was the round of criticisms leveled by Senators against various draft articles contained in the ocean mining provisions of the Law of the Sea Treaty currently being negotiated at the Third United Nations Conference on Law of the Sea.

Intended as a bipartisan effort to exercise the constitutional mandate for senatorial advice in the treaty negotiation process, the thrust of the 14 Senators' statements was that the U.S. Law of the Sea negotiators should abandon the present course of negotiation and should undertake serious renegotiation of many major provisions of the current treaty text. Without such fundamental revision, several Senators stated their intentions to withhold their consent to the treaty.

Almost every Senator who participated in the floor debate indicated that the present draft Law of the Sea Treaty constitutes a significant concession by the United States to various political and economic pressures that are not founded upon or in furtherance of the best interests of this Nation.

Additionally, most Senators indicated in their floor statements that if the administration did not heed the Senate's advice offered during the course of the floor debate and if the negotiators did not undertake serious and fundamental revisions, the Senate would withhold its consent to ratification of the treaty.

Many made a specific point of mentioning that whether the legislation would remain interim in nature depended upon future ratification of the treaty.

Further, they stated that the Senate would much prefer to protect American interests by unilaterally sanctioning mining operations through U.S. legislation rather than by consenting to the defective draft they so severely criticized. They also expressly stated that if such an undesirable treaty were, in fact, signed by a representative of the United States, such signature would have no effect in deferring enactment of U.S. legislation or its administrative implementation.

Some Senators said they would oppose a U.S. signature on the treaty altogether without major revision of its text.

For example:

Senator LONG concluded his statement by noting that:

While I am in favor of an equitable Law of the Sea Treaty, the current articles pertaining to deep seabed mining are defective and so one-sided that if called upon to give my advice and consent to the current treaty draft, I would withhold it;

Senator MCCLURE stated:

I hope our actions and our words here today will not go unheeded by either the State Department or the other negotiators at the United Nations Conference. The present treaty is, I repeat, fundamentally unacceptable. If a treaty that is more balanced cannot be negotiated, we will allow our citizens to carry on in perpetuity under the schemes established by this legislation. Its interim nature depends upon the renegotiation of just such a balanced document;

Senator Muskie noted that:

The executive branch has an affirmative duty to listen to such advice of the Senate or else the Senate will be forced to choose between adopting treaties it does not like or embarrassing our international position by amending or rejecting what has already been negotiated;

Senator HATFIELD stated that:

The provisions of the 1977 ICNT (Informal Composite Negotiating Text) have been improved little by the publication of the ICNT Revision 1 (the current negotiating text) this spring. The negotiations of this summer in New York have not moved the negotiators substantially closer to a successful treaty . . . it is now abundantly clear that we must also move to establish interim rules;

Senator WEICKER noted that:

Progress of negotiations . . . has been lackluster and near-term progress, without substantial concessions on the part of the United States is unlikely . . . We should, therefore, pass these protective, interim measures and encourage the House to move expeditiously as well;

Senator MATSUNAGA argued that:

Passage of the legislation should help to stimulate realistic negotiations . . . which will protect the interests of our people.

Senator STEVENS pledged:

I am personally committed to insuring that the United States does not sign any Law of the Sea Treaty until such treaty is fully acceptable to the Senate.

Senator Javits stated that:

The negotiations are not likely to arrive at any agreement on the deep seabed issue that is acceptable to the United States . . . unless it is clear to the developing world that . . . if some of their demands remain unreasonable, we will have proceeded to mine during the next decade without an agreement.

Senator PELL observed that:

[I]f there is to be any deep seabed mining to regulate at all, there must be an interim regime that provides a bridging legal basis for and diplomatic protection of deep seabed mining.

Senator Church warned that:

Any treaty which: Fails to provide assured access by U.S. citizens and security of tenure to U.S. mining operators; fails to protect the national interest in sound institutional arrangements; forecloses a substantial contribution to national mineral needs by imposing onerous economic conditions and artificial limitations on seabed production . . . would raise serious questions concerning its acceptance by the Senate.

Senator JACKSON declared that:

While increasing global economic interdependence would lead us to redouble our [negotiating] efforts, we cannot allow ourselves to be pushed into positions on deep seabed mining so inimical to our national interests as those we find ourselves trapped in at the present negotiations.

And Senator Stone concluded by stating:

[G]iven the recent events in Iran and elsewhere which exemplifies the tenuous balance between issues of mineral access and national security, it is encumbent upon the Senate to insure that the situation we face in oil does not become the situation we face in these strategic metals. If difficulties with the developing nations of the world which export minerals to us is to remain the trend, this Nation must have the capability to provide for itself. I firmly believe, Mr. President, that this legislation is one method of insuring that capability. If the State Department is going to send the Law of the Sea Treaty to this body and ask this body to agree to its ratification and to agree that the treaty will supersede this legislation, it had better start undertaking some serious reconsideration. Mr. President, I am hopeful that the State Department will get the message from this body that it had better go back to the drawing board and start renegotiating a good part of the treaty before sending it to the Senate and hoping to get it ratified.

In addition to the above quoted points, the following detailed views concerning the treaty's deficiencies were expressed during the course of the debate:

First. Provisions that would jeopardize the security of tenure for U.S. citizens that have either engaged in mining under domestic legislation prior to the ratification and entry into force of a Law of the Sea Convention or who are engaged in operations pursuant to the treaty must be rectified.

Specifically, the Senators were displeased with those articles that require applicants for work plans to agree to accept as enforceable all rules and regulations adopted by the Authority—without regard to the timing of such adoptions.

Many Senators were greatly disappointed that the draft text contains no mention of grandfather protection for miners who are U.S. citizens or private citizens of any other country who undertake operations pursuant to validly enacted domestic legislation.

Most of the Senators who addressed the issue were of the opinion that lack of adequate grandfather protection in the text of the treaty itself would seriously jeopardize the chances for Senate approval of a treaty subsequently presented to it for ratification. (See the statements of Senator McCLURE (pp. 36038, 36042–36045), Senator MATSUNAGA (p. 36064), Senator STEVENS (pp. 36064–36065), Senator JAVITS (pp. 36070–36071), Senator Church (p. 36072), and Senator JACKSON (p. 36073)).

Second. Draft treaty provisions that would impose production controls over the extraction of the vital minerals found on the ocean floor are anticonsumer in nature, inflationary, artificially maintain the market shares of mineral exporting nations, and are inimical to the national defense and security interests of the United States.

Such provisions were perceived in Senate debate as likely to result in the creation of an OPEC-type metals cartel. (See the statements of Senator McCLURE (p. 36039), Senator HATFIELD (pp. 36047, 36048), Senator HELMS (p. 36048), Senator Church (p. 36072), Senator JACKSON (pp. 36074–36075), and Senator Stone (pp. 36075–36076).

Third. The ocean policymaking functions and powers delegated to the political arms of the "authority" created by the treaty—that is, the Assembly, Council, and Tribunal—are too discretionary to adequately assure protection of U.S. or other developed countries' interests.

Specifically, several Senators found objectionable and fundamentally unacceptable, provisions that grant the Assembly supreme policymaking authority for ocean mining and other U.S. nautical objectives particularly on the basis of the one-nation, one-vote system.

That the Council may not override or check the policy actions of the Assembly was also cause for concern.

Senators also criticized provisions of the treaty for not guaranteeing the United States a seat on the Council, and provisions that grant discretion to the Council and Technical Commission to block the approval of a plan of work or contract—that is, be granted a legal right to conduct mining operations—even though the applicant might be fully qualified. (See the statements of Senator McCLURE (p. 36038), Senator HATFIELD (p. 36048), Senator HELMS (p. 36049), Senator JACKSON (pp. 36073 and 36074), and Senator Stone (p. 36076)).

Fourth. Other draft Law of the Sea Treaty provisions require U.S. companies to negotiate the transfer of their own technology to Third World countries and a third party's technology to the Authority and Enterprise are clearly unacceptable, several Senators said. (See the statements of Senator McCLURE (p. 36039), Senator HATFIELD (p. 36048), (Senator HELMS (p. 36049), Senator JACKSON (pp. 36074–36075) and Senator Stone (p. 36076)).

Fifth. The creation of a transnational government owned and operated government mining company called the Enterprise was highly criticized. The exemptions and other favorable treatment afforded the Enterprise, Senators said, result in an access system that is not in reality a dual system and will in the long run likely lead to a system that forces private parties to enter into joint ventures with the Enterprise if they want to participate in mining operations at all. Such a system is incompatible with the language of S. 493 and adverse to the best interests of the United States. (See the statements of Senator LONG (p. 36033), Senator McCLURE (p. 36039), Senator HELMS (p. 36049), Senator JACKSON (p. 36074), and Senator Stone (p. 36076)).

Sixth. The so-called French antimonopoly clause of the draft treaty that would result in limitations being placed on the number of U.S. citizens that could engage in the recovery of ocean mineral resources was also labeled "fundamentally unacceptable."

The Senators argued that such a limitation would force U.S. corporations to operate in conjunction with foreign corporations and consequently seek sponsorship for a contract—that is, the right to conduct ocean mining operations—from other countries which are parties to the convention.

This in turn was seen as leading to the exportation of American jobs and technological expertise. (See the statements of Senator McCLURE (p. 36039), Senator HATFIELD (p. 36048), Senator JACKSON (p. 36075), and Senator Stone (p. 36076)).

Seventh. The financial obligations imposed by the draft treaty on private mining contractors are arbitrary and too high in relation to the investment risk already faced by such private parties. (See the statements of Senator LONG (p. 36033), Senator McCLURE (p. 36039), Senator HATFIELD (p. 36048), Senator HELMS (p. 36049), Senator JACKSON (p. 36073), and Senator Stone (p. 36076)).

Eighth. Some Senators said provisions in the draft Law of the Sea Treaty that would allow the Authority to impose a moratorium on further ocean mining by U.S. citizens due to the failure of some future conference of signatory nations to agree on changes to the mining scheme formulated under the treaty are also unacceptable. (See the statements of Senator McCLURE (p. 36039), Senator JACKSON (p. 36075), and Senator Stone (p. 36076)).

As the preceding analysis makes abundantly clear, the U.S. Senate is firmly on record as supporting not only a full review but a significant reconsideration and modification of certain essential asspects of the current draft treaty. There should, therefore, be no question about our support for the actions taken by the administration in the past week and the course set for administration negotiation in the current session of the LOS treaty.

These concerns have been recently expressed in a strong and unambiguous way in the testimonies of Congressmen BREAUX and LAGOMARSINO at hearings before the Foreign Relations Committee last week. Mr. President, I ask unanimous consent that their prepared statements be inserted in the RECORD at this point.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT OF THE HONORABLE ROBERT J. LAGOMARSINO

Mr. Chairman, Members of the Committee: It is an honor as a House Republican to visit the other body and to note the keen interest being shown over here in the Law of the Sea Treaty.

I have had the opportunity to follow this issue for several years on the House Foreign Affairs Committee, one of several House Committees to report out and later see through to enactment the Deep Seabed Hard Mineral Resources Act.

As you know, Title II of that legislation directs the U.S. Delegation to negotiate a treaty that will guarantee U.S. citizens assured, continuing access to deep seabed minerals. In addition, Title II specifies that the treaty should protect such citizens' right to explore for and mine such minerals under the legislation prior to entry into force of the treaty with respect to the U.S. by providing guarantees that will allow them to continue mining activities on the same site, under treaty terms, conditions and restrictions that do not impose significant new economic burdens with the effect of preventing continuation of the project on a viable economic basis.

Those of us who have labored long and hard on this legislation know that the treaty negotiating text shows little evidence of any awareness on the part of our Law of the Sea Conference delegates of the congressional intent expressed in Title II of this legislation.

That title instructs our delegation not only to obtain grandfather protection for U.S. licensees and permittees but to bring home a treaty which from beginning to end conforms to the intent of Title II. The present treaty text does not even begin to come close to achieving that end.

Let us not forget that ocean mining is now a high seas freedom. Our choices are to continue to exercise that high seas freedom without a treaty, to obtain a treaty that protects existing high seas freedoms to mine the deep seabed, or to lie down, play dead, and accept the present text or anything like it.

Either of the first two choices are preferable to the third. Let me make it clear that the third choice would make a mockery of Title II.

As a result of the failure of the U.S. Law of the Sea Delegation during the Carter Administration to negotiate assured, nondiscriminatory access and to negotiate grandfather protection for U.S. citizens operating under the Deep Seabed Hard Mineral Resources Act, as mandated by Title II of that legislation, U.S. ocean mining companies have drastically slashed their budgets and are on the verge of dissolution. Should the treaty text be finalized at the March/April session in anything like its present form, the companies would shut down, because the treaty text would render valueless their investments so long as there was any real chance the treaty would enter into force. It must be recognized that the U.S. is now chiefly dependent upon politically unstable foreign nations for its supplies of several strategic minerals . . . including those to be derived from seabed mining. Having learned the hard way the lessons of OPEC and the dangers inherent in allowing ourselves to become dependent on foreign sources for vital raw materials, it is in our national interest to promote the development of a private sector capability to harvest the resources of the ocean. Without a viable, growing U.S. ocean

mining industry, future U.S. access to seabed minerals will be only a mirage.

Some Carter Administration LOS officials have argued that unsatisfactory treaty provisions can be cured either by interpretive statements at the session that formalizes the text or alternatively during the subsequent Preparatory Commission negotiations which are to develop rules and regulations to implement the treaty's seabed mining provisions. Self serving interpretative statements by the U.S. regarding the meaning of the treaty's various provisions will have no binding effect on the International Seabed Authority whose responsibility it will be to implement and execute the treaty. Further, counter statements made by third world opponents will at best nullify interpretative statements made by the U.S. Delegation and at worst will ensure that the treaty will be interpreted in a light unfavorable to U.S. interests.

The treaty itself will govern the contents of the rules and regulations to be negotiated by the Preparatory Commission. Thus, there is no way to correct treaty flaws in its implementing rules and regulations.

The changes the U.S. Delegation intends to seek at the March/April LOS negotiating session do not even begin to satisfy Title II of the Act, and therefore, even if adopted, would result in Senate refusal to ratify the treaty. Due to the fact that the text fails to assure U.S. access to seabed minerals.

When reviewing the treaty in light of Title II of the legislation, we should not ignore treaty provisions which: (1) impose production controls on seabed mining, encourage international commodity agreements restricting prohibition of seabed minerals and otherwise bias the treaty regime against development and the operation of free market principles; (2) grant overall policy making powers to a one nation, one vote "Supreme" Assembly; (3) do not guarantee the U.S. a seat on the Council; (4) impose compulsory technology transfer (including sensitive defense related technology) by private companies to their competitors—the internationally owned mining company created by the treaty, called the Enterprise, and deny effective remedies because of inadequate dispute settlement provisions; (5) impose quotas on the number of minesites to be awarded to U.S. citizens as well as other antidevelopment policies; (6) require the U.S. to fund 25% of the Seabed Authority's expenses including payment and loan guarantees to the Enterprise; (7) grant privileges and immunities to the Enterprise to operate in the U.S. and other countries; (8) encourage revenue sharing with the PLO and other terrorist groups; (9) permit amendment to the treaty text binding on the U.S. even if the Senate or President refuses to ratify such amendments; and (10) guarantee the Soviets 3 seats on the Council and an ability to block U.S. access to seabed resources simply by demanding that the Seabed Authority adhere to the intent of the treaty text.

Finally, Mr. Chairman, let us focus for a moment on the Soviet issue.

The U.S.S.R. recognizes that it is far better protected by the treaty than the U.S. and is pressing the U.S. to agree to conclude the negotiations by accepting the treaty text in its present form. In addition to receiving greater benefits than the U.S. from the navigation provisions, they have guaranteed control over 3 seats on the executive Council, whereas the U.S. is not guaranteed even one Council seat, and being a net exporter of strategic metals, desire to prevent secure U.S. access to seabed minerals. The denial of assured, non-discriminatory access for U.S. citizens to seabed minerals would be the case if the present treaty text or its equivalent were agreed upon at the March/April session in New York. The Soviets also support the treaty provisions which allow revenue sharing with the PLO and other terrorist groups and would, therefore, like to see the U.S. embarrassed by their retention in the treaty text.

Mr. Chairman, I am confident that this Committee will fight hard to force a new focus on the relationship between Title II of the legislation and the pitiful treaty negotiating text.

Statement of the Honorable John B. Breaux

Mr. Chairman, I am pleased to have the opportunity to testify concerning the Law of the Sea, an issue that profoundly affects our national security, domestic economy and foreign policy. Your decision to confront this vitally important subject at this time is highly commendable. The Law of the Sea Conference session that begins on March 9, 1981 must be regarded as a watershed in the history of post-World War II international relations. The momentum toward a fundamentally unacceptable treaty will be halted by the United States, as a result of a decision by the new Administration to hold the negotiations open, pending a review of the serious problems presented by the Draft Convention which emerged from the last meeting of the Conference. The United States will have the opportunity to establish a policy that will effectively avoid the far-reaching, adverse consequences to our national interest that otherwise would have inevitably followed upon the rapid conclusion of the negotiations this spring and the opening of the treaty for signature this summer.

I hope and expect that the United States will communicate to the international community a heretofore strangely absent realism with regard to the expectations that our nation holds for its future. There is, I believe, a message that must be conveyed to the Third World and Soviet bloc:

We will not meekly submit to the New International Economic Order; we will not mildly consent to the ruin of our system of values as a free enterprise society.

We will not quietly retreat from our rights and responsibilities as the leader of the free world; we will not capitulate to our political and military adversaries.

We will protect the vital interests of the United States; we will have due regard to reasonable aspirations, but not the unreasonable demands, of the developing countries.

In a letter dated December 10, 1980, I was joined by a bi-partisan group of thirteen of my colleagues in calling upon President Reagan to order a review of the Law of the Sea negotiations. In the few minutes that I have before this subcommittee, I would like to mention some of the principal areas of concern:

Under the envisaged treaty, the United States woud not have assured access to the strategic minerals of the deep seabed. These include cobalt, which is essential to the manufacture of jet engines and other high technology equipment. Also included is manganese, which is required for the production of steel. Yet, unlike the Soviet Union, we are heavily dependent on unreliable foreign sources of supply, such as Zaire and Gabon, to satisfy our essential requirements for these minerals—and we possess the technology to free ourselves from this serious vulnerability through the development of the vast resources of the deep ocean floor.

I must emphasize that this access problem cannot be remedied through detailed rules and regulations to be negotiated in the Preparatory Commission which would operate in the period between signature and entry into force of the treaty. Basic provisions of the Draft Convention are fatally flawed. In the International Seabed Authority, which would control access, the selection of mining applicants would be highly politicized, as a result of the voting procedures and composition of the executive Council, and due to the composition of the subsidiary Legal and Technical Commission. The developing countries would dominate, and the Soviets would heavily influence, these organs. Production restrictions and criteria for the choice among competing applicants would aggravate this terribly serious problem.

Our highly sophisticated technology—some of it defense-related—would be subject to forced sale obligations for the benefit of developing countries—including Romania, a Warsaw Pact nation—and for the use of a highly privileged, supranational, mining Enterprise to be established to compete with our private operations. We are assured by previous U.S. negotiators that this is not a real problem. Based on very careful, detailed legal analysis, I must insist that they are not correct.

The treaty would provide for the sharing of seabed mining revenues with national liberation groups. We are told that we could block the implementation of this treaty provision in the Council. But we are not guaranteed representation in that body, although the Soviet Bloc is expressly assured at least three seats and the developing countries are promised the vast majority of remaining votes. And if we were to receive a seat, we could expect to be rotated out of it, in accordance with treaty requirements. In any event, a decision to thwart the clear intent of the treaty would invite severe retaliation in a system in which we would hardly be in a position to protect ourselves.

There would be no reservations permitted to the seabed regime, and after about two decades, it could be amended for all States parties on the vote and ratification of only two-thirds of them. We are told that we could denounce the treaty and return to unilateral mining, if the amended regime were unsatisfactory. However, one may well ask whether some twenty years of the "common heritage," international consent, access regime would have given rise to rule of customary law prohibiting unilateral exploitation. And, one may inquire as to whether the United States would risk retaliatory denunciations by other States and thus imperil our other oceans interests.

The seabed mining regime would establish a highly adverse precedent for future international arrangements concerning the resources and communications and transportation media of the international environment. In fact, the Moon Treaty, which was recently opened by the United Nations for signature, declares the resources of the moon and of the other bodies of the solar system to be the common heritage of mankind, and establishes principles for future exploitation that follow virtually verbatim the policy provisions of the seabed regime set out in the Law of the Sea Draft Convention. Concerns along the lines of those that I have raised today have led the Executive to withhold signature of that space agreement.

I am reluctant to consume more of the Subcommittee's limited time on these and other seabed mining issues. Additional, detailed submissions for the record can well serve my purposes in this hearing. Moreover, although I feel compelled to point out here and now that the serious problems created by the Draft Convention are by no means restricted to the seabed mining regime, there are compelling reasons why these far-reaching issues ought not to be discussed today in open hearing. I would simply like to provide pertinent documents which will, at a more appropriate time, emerge in the printed record of this hearing. They will have considerable value for what I hope will be a Law of the Sea review process to which the public will have an opportunity to make a timely and informed contribution.

Again, thank you for the opportunity to present my views to the Subcommittee. Your decision to hold this hearing, and the Administration commitment to carry out a meaningful review, are distinctly in the public interest. There is, at long last, reason to hope that the United States will return to a policy that defends and promotes the broad range of national interests affected by the Law of the Sea negotiations.

Thank you.

Mr. McCLURE. Mr. President, these concerns are also paralleled in the analysis of national observers. Articles in the New York Times, the Washington Star, the Washington Post, and the Wall Street Journal indicate increasing support for a full review of the draft LOS Treaty before the United States continues with its negotiations. Mr. President, I ask unanimous consent that the editorial in the Wall Street Journal of March 9 and the editorial in the Washington Star of March 8 be inserted in the RECORD at this point.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Mar. 9, 1981]

FOUNDERING LAW OF THE SEA

Just when delegates to the UN Law of the Sea Conference thought they were sailing smoothly toward ratification of the pact this summer, the Reagan administration fired a timely shot across their bows. Citing "serious problems" in the lengthy and complex document, particularly in the rules on deep-sea mining, the U.S. said it would defer action on the treaty at the 10th session of the conference opening in New York today until it has time to draw up revisions. We doubt they "revisions" are the answer to the mining code. The whole concept is deeply flawed.

The agreement covers two distinct and separable issues: navigation rights and rules on the exploitation of the wealth of metals and minerals that lie abundantly in fist-size nodules on the seabed. The navigation section is an attempt to reconfirm rights of free passage, especially though the many narrow and strategically important straits around the globe. Traditional conventions have been thrown into some disarray as nations have begun proclaiming that their territorial waters extend up to 200 miles from shore—claims that theoretically make some straits legally impassable without permission.

In truth, however, any attempt to block free passage has traditionally been regarded as a belligerent act. International conventions on this subject date all the way back to the code drawn up by Dutch statesman Hugo Grotius in 1609.

The free passage business is mainly window dressing for something of far more interest to the UN, a massive international income transfer managed by the UN by skimming off the returns from seabed mining. Elliot Richardson, long the chief U.S. negotiator, argues eloquently on the page opposite today that the terms for this are "fair and reasonable." But we must respectfully disagree.

Under the treaty, the UN would set up an International Seabed Authority, siting it in some nice spot like Jamaica, Malta or Fiji. It would soon be in control of vast sums, gathered from taxes and royalties on enterprises that have the advanced and expensive technology needed for deep sea mining, firms which on the whole are based in advanced industrial countries. This money would then be distributed to "poor" nations, as designated by the UN on the basis of definitions not yet spelled out.

In short, the UN, itself heavily dominated by Third World nations, would suddenly acquire enormous taxing and financial power. We are asked to take it on faith that it would use that power wisely.

The alternative to this would be to let the mining companies who can retrieve these minerals do so to the extent that this kind of mining can be competitive with other types. They will put these resources and the capital generated from returns on their investments into the world markets. Unlike in the UN scheme, the result will be enhanced international economic efficiency. There won't be a lot of UN power politics over who gets the boodle. The Reagan administration was right in holding up the treaty. We need to contemplate just how much independent power we want to UN to have.

[From the Washington Star, Mar. 8, 1981]

DRAGGING ON LAW OF THE SEA

It should not be shocking that the Reagan administration dropped anchor against concluding a Law of the Sea Treaty at what was thought might be the final negotiating session, opening tomorrow in New York. The Republican platform viewed the treaty proposals with skepticism.

Instructing U.S. representatives to the 10th gathering of the Third U.N. Law of the Sea Conference to "seek to insure that the negotiations do not end at the present session" could put at hazard, it is said, the extraordinary work that has been done over the past seven years. The long negotiations have involved more than 150 nations, covering a spectrum of international issues—territorial limits, freedom of navigation and over-flight, conservation and management of fisheries, protection of the marine environment, to name but a few.

Elliot Richardson, the former U.S. ambassador to the conference, agrees generally with the administration's decision to review the draft treaty, with its more than 400 provisions. However, he warns that an effort to gain major new concessions from Third World nations "risks losing gains that have already been achieved without in fact being able to obtain a successful response to those demands." Mr. Richardson's warning should not be disregarded.

But it would be a mistake to regard President Reagan's decision to put the treaty on hold as either parochial or thoughtless. He is inheriting a process that has been going on since 1974. For a new administration to accept uncritically a treaty of such scope would be excessively trusting in a world where trust is not always warranted. The administration said it has found "serious problems" in the final draft. There are problems. That is not unexpected. The distance covered in seven years of delicate international effort to accommodate diverse and antagonistic interests insures that the closer the process is brought to conclusion, the greater the deficiencies that will emerge.

There are sufficient practical reasons for reluctance to cover that remaining ground at a single leap. The Reagan administration also is evidently using the New York negotiating session to suggest that the United States is going to be more assertive in international affairs than in the recent past. We would not quarrel with transmitting that message, and giving it practical meaning.

Among the practical liabilities is a clause that would require parties to a ratified treaty to share seabed resources with "peoples who have not attained full independence or self-governing status." No U.S. administration could agree to so explosive a provision.

Another central problem is deepsea mining. The Reagan decision cannot be portrayed as a blatant concession to U.S. mining interests—implying unadulterated commercial self-interest. It is not so simple. There are disturbing questions about access to the vast mineral wealth beneath the seas—nickel, cobalt, copper, manganese, all of vital strategic value to the U.S. and for which we are now either wholly or significantly dependent on foreign sources—and on the required transfer of advanced technology to the international operating regime the treaty would establish. Progress has been made on this volatile issue. But we share the view that there is still a far distance to go to balance America's long-range interests and global equity.

The premise of the Law of the Sea, that oceanic resources represent "the common heritage of mankind," is a noble ideal. The U.S. obviously will continue to embrace that goal. But the flame of idealism can burn those who embrace it incautiously. We doubt that President Reagan's caution will jeopardize eventual treaty agreement—there is too much to be gained for all the participating nations. But there is too much at stake to venture to the end assuming that all that can be accomplished already has been.

Mr. McCLURE. Mr. President, finally, let me review several but certainly not all the points in the draft and the procedures related to the treaty that are of concern to this Senator.

In title II of the Deep Seabed Hard Mineral Resources Act (Public Law 96-283) the Congress instructed the delegation to obtain secure access to ocean minerals, including negotiating a grandfather clause exempting U.S. citizens engaged in ocean mining under the legislation from any provisions of the treaty which, by adding significant new economic burdens, would adversely affect either assured access or the economic viability of ocean mining projects. The delegation to the LOS conference did not insist on a treaty provision conforming to the language of title II.

The current negotiating text effectively forfeits U.S. access to strategic ocean minerals. The four primary minerals to be derived from seabed nodules—nickel, cobalt, copper, and manganese—are of major strategic importance to the U.S. economy and national security. The United States is currently dependent on imports for 95 to 98 percent of its manganese, cobalt, and nickel. The alternatives to seabed mining production is a continued dependence on unstable and unreliable foreign sources, Zambia and Zaire for cobalt, Zambia, Chile, and Peru for copper, Gabon, Brazil, and South Africa for manganese. By the year 2000, U.S. import reliance for these four metals would be reduced to zero if as few as 10 ocean mining sites were fully operational. In fact, with the exception of nickel, five mine sites would meet the excess of U.S demand over U.S. production.

Title II also asked the delegation to insure security of tenure for those U.S. contractors who begin exploration and development operations before the treaty enters into force. It will cost each consortium one-quarter of a billion dollars to complete work on proving final commercial feasibility of ocean mining. Thereafter, each consortium will have to spend approximately $1 billion to start mining and processing ocean minerals on a commercial basis.

The companies cannot take the risk of going forward so long as this treaty text does not provide for security of

their investments. The delegation has not been able to obtain assurance that mining operations already in place will have priority of rights and access even to minesites already exploited. The delegation has still not been able to include a grandfather clause.

A third area of concern lies in the organization and functions of the International Seabed Authority, the Executive Council, and the Legal Technical Commission. The United States still lacks a guarantee that it will have seats on the council—which the U.S.S.R. has—while the political nature of the voting procedures and composition of the body make it probable that the United States will, in fact, enjoy very little influence or control over its interests.

In addition, we asked that such things as criteria for selection of contracts and procedures for commercial arbitration of disputes be written into the treaty. These issues are still left to the Preparatory Commission, which will not be established until after the treaty enters into force. In the draft treaty text, critical disputes, such as those related to the authority's refusal to grant contracts or abuse of its discretionary authority, are not subject to review by impartial panels.

Further, we asked for assurance that individual contractors would not have to face discrimination in selection for contracts. But as the draft text now reads, individuals will be required to pay heavy fees, and are limited in the number of minesites they may apply for and the amount of minerals they may extract. Worse still, the clause which requires sharing of technology with other nations and with the Enterprise, of which the Senate voiced strong disapproval, has not been changed.

A sixth area of serious concern lies in article 137 of the draft. This article provides that no state or its citizens "shall claim, acquire, or exercise rights with respect to the minerals of the [deep seabed] area except in accordance with the provisions of [the treaty]". This provision and others contained in article 137 purport to establish preemptory norms of international law which have the effect of declaring that the United States has no legal right to authorize seabed mining or other uses of the deep seabed, except pursuant to the treaty. This concept flies in the face of the U.S. Constitution which provides that the only treaties the United States is bound to recognize and adhere to are those which have received the advice and consent of the Senate and have been ratified by the President. Notwithstanding the U.S. constitutional provisions regarding treaties, article 137 of the treaty attempts to establish a new system of creating international law which in essence provides that once the 60 ratifications necessary for it to enter into force are obtained, those 60 nations may impose the treaty they ratified upon all other nations, including the United States, without any requirement that such nations agree to be bound by the treaty.

It has been further argued that once the United States signs the treaty, the United States may not take any action in contravention of the treaty, including the issuance of exploration or mining permits pursuant to the Deep Seabed Hard Minerals Resources Act of 1980. Once again, the purpose of our constitutional provisions regarding treaties, was to prevent the United States from becoming obligated either to take action or not to take action under any treaty without the prior concurrence of two-thirds of the U.S. Senate.

The treaty's provisions contained in article 155 which permit the complete revision of the treaty text after it enters into force. The treaty permits amendment by a review conference. The treaty is unclear on how the review conference is to make decisions on adopting amendments because it states that the review conference itself shall establish its own rules and procedures. However, should the review conference succeed in agreeing, by whatever procedure, to amendments to the treaty, such amendments would be binding on all states parties once three-fourths of the states parties ratify such amendments.

Regardless of Presidential or Senate refusal to ratify, such amendments would be binding on the United States.

The treaty further provides that in the event of a collapse of the review conference, states parties may agree by two-thirds vote to adopt amendments to the treaty. Such amendments would enter into force and be binding on all states parties once they were ratified by two-thirds of the states parties to the treaty. That means that if the United States ratified the treaty, and either the Senate or the President refused to agree to ratify subsequent amendments to the treaty, the amendments would nevertheless be binding on the United States. Although technically possible the United States could then renounce the treaty, all of the rights it then enjoyed under the treaty would be revoked, rendering renunciation a very risky option.

Consequently, speaking for this Senator, I must state that the draft as it now stands remains fundamentally unacceptable. It is important that we make clear to the Third World and the Soviet bloc, who are determined to conclude the treaty negotiations by April 24 without permitting any material changes to the current negotiating text, that we are not willing to bow to pressure and accept a treaty which still contains passages that may be inimical to U.S. interests and security.

I would like to point out that the U.S.S.R. recognizes that it is far better protected by the treaty than the United States, and is pressing the United States to agree to conclude the negotiations by accepting the treaty text in its present form. In addition to receiving greater benefits than the United States from the navigation provisions, they have guaranteed control over three seats on the executive council, whereas the United States is not guaranteed even one council seat. The U.S.S.R. being a net exporter of strategic metals, they desire to prevent secure U.S. access to seabed minerals. The denial of assured, nondiscriminatory access for U.S. citizens to seabed minerals would be the case if the present treaty text or its equivalent were agreed upon at the March/April session in New York. The Soviets also support the treaty provisions which allow revenue sharing with the PLO and other terrorist groups and would, therefore, like to see the United States embarrassed by their retention in the treaty text.

On the basis of the concerns I have outlined here, this Senator and, I believe, the other Members of this body, would like to go on record as strongly supporting the decision of the administration to institute a full and careful review of the LOS Treaty as it now stands.

This Senator is hopeful that the Reagan administration officials charged with the review of the Law of the Sea Treaty will carefully analyze the treaty provisions to which we make reference today, will ask themselves if such provisions are in the national interest, and if they are contained in the text of the treaty submitted to this body, whether the Senate will grant advice and consent to the treaty?

In concluding, I would like very much to commend the President, Secretary of State Haig, Deputy Secretary Clark, Under Secretary Buckley, and Assistant Secretary Malone, for their positive action over the last week in effecting this major review and redirection of the U.S. position in the LOS process.

LEGISLATIVE PROGRAM FOR REMAINDER OF THE WEEK

Mr. ROBERT C. BYRD. Mr. President, I take the floor at this time to ask the distinguished majority leader what the program is for the rest of the day and for the rest of the week, if he would enlighten us.

Mr. BAKER. Mr. President, I thank the minority leader. There will be no more rollcall votes today. Shortly after we have another brief period for the transaction of routine morning business, it will be my intention to move that the Senate stand in recess until Thursday at 11 a.m.

On Thursday we will have two pieces of business to transact. We will have the cash discounts bill, on which there is a time agreement. In addition it would be the intention of the leadership to proceed at some point, perhaps in the middle of the afternoon, to the consideration of the four resolutions of disapproval in respect to the pay raises.

I expect there will be rollcall votes on both of those measures, and the Senate may be in until 6 or 7 o'clock on Thursday.

If we are able to complete both of those measures on Thursday, it will be my expectation that we will only be in session pro forma on Friday, and then we will go over until Tuesday.

Mr. ROBERT C. BYRD. In the alternative, if the Senate does not complete both of those measures, will there then be a session on Friday?

Mr. BAKER. The Senator is correct. If we are unable to complete action at a reasonable time on Thursday or Thursday evening, we will be in session on Friday.

It would be my hope, however, that we would be able to complete them even if it meant staying reasonably late on Thursday.

Mr. ROBERT C. BYRD. I thank the distinguished majority leader.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business not to extend beyond 30 minutes in length in which Senators may speak for not more than 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRESIDENT'S BUDGET-CUTTING TEAM AND THE WHITE HOUSE STAFF EXEMPTED FROM PRESIDENT REAGAN'S FEDERAL EMPLOYMENT "DIET"

Mr. DECONCINI. Mr. President, last week the President announced with much fanfare that he was "putting the Federal Government on a permanent diet" by requesting a permanent ceiling on Federal employment to replace the current hiring freeze. The President's proposal would effectively reduce the number of Federal employees by 33,000 below current levels.

There is no question that we can and should reduce the size of the Federal Government. As a member of the Senate Appropriations Committee and the ranking minority member on the Treasury, Postal Service, and General Government Subcommittee, I intend to do my part to help the President make reductions in Federal spending wherever possible.

However, in examining the President's proposed March 10 budget revisions for fiscal year 1981 and 1982, it appears that the President has exempted his own White House staff and the staffs of his two top budget cutters from his Federal version of "weight watchers." I am talking about the Office of Management and Budget and the Office of the Secretary of the Treasury.

While the details of the President's latest budget revisions are still coming in, the budget tables show that the President has "looked the other way" when it comes to his own White House staff and the staffs at OMB and the Office of the Secretary of the Treasury.

The President is actually requesting an increase of $861,000 and 20 positions for the Office of Management and Budget over and above the levels proposed by President Carter in January of this year. By going above the Carter budget for OMB for 1982, the President is recommending $37,151,000, which is $6,151,000 or 19.2 percent over the current 1981 OMB budget of $32,000,000.

During the early days of the Reagan administration, I remember reading in the newspaper that the President intended to take his own medicine and recommend a 10-percent reduction in the Executive Office of the President next year. His initial contribution to this effort was his January 29 proposed rescission of $1,500,000 in the budget of the Council of Wage and Price Stability. Now, we learn that the President has changed his mind and has decided to embrace the original Carter budget proposal for the White House office and reduce the overall Executive Office of the President budget by a much smaller amount. The President is recommending the Carter budget of $22,346,000 for the White House Office in 1982—an increase of $1,973,000 or 10 percent over the current 1981 funding levels.

Furthermore, while the President has proposed reductions in, or elimination of, the proposed fiscal year 1981 pay raise supplemental for most other agencies, he has apparently decided to exempt the White House office from any cuts in the fiscal year 1981 pay raise. In fact, the White House office is only one of three offices exempt from cuts in the 1981 pay raise supplemental among all agencies covered by the Treasury, Postal Service, and General Government appropriations bill.

The President has also spared the office of his other budget-cutting team captain, Treasury Secretary Donald Regan, from the budget knife next year—leaving the proposed Carter budget figure of $37,265,000 for the Office of the Secretary intact—and recommending the full pay raise supplemental of $1,507,000 for the office. The budget request for the Office of the Secretary of the Treasury represents an increase of 11.2 percent over the current 1981 budget for the Office.

Mr. President, at a time when the President and his team of budget cutters are asking the Nation to sacrifice, it is ironic that the President has not applied the same tough budget standards to his own inner circle of staff and advisers or to the offices of those who are leading the administration's campaign to balance the budget and cut Federal spending. Indeed Mr. President, the Senate has reduced the size of its committee budgets by 10 percent.

As the ranking minority member of the Appropriations Subcommittee with jurisdiction over the White House Office, OMB, and the Office of the Secretary of the Treasury, I intend to recommend to the committee this week that its report of March 15 to the Senate Budget Committee include a recommendation that a 10-percent reduction be made in the total Executive Office of the President, including the White House Office and OMB, and a similar reduction in the Office of the Secretary of the Treasury. I believe that such a move is both fair and equitable under the circumstances, and I hope my Republican and Democratic colleagues will assist me in this effort.

NAMIBIA

Mr. PERCY. Mr. President, the recent deadlocked conference on implementation of an independence plan for Namibia (South-West Africa) was a disappointment for those of us who believe that a settlement holds great promise for U.S. interests in the region.

The territory of Namibia has been administered by South Africa since World War I, but for many years South Africa's jurisdiction has been challenged by the U.N. and the World Court. About 3 years ago South Africa accepted in principle a U.N. plan for the independence of the territory. The United States, the United Kingdom, Canada, Germany, and France formed the western "contact group" which worked to develop the independence plan promised by the U.N. Nigeria and the important African "frontline" nations of Botswana, Tanzania, Zambia, Zimbabwe, Angola, and Mozambique joined with us in actively supporting the plan.

Since then, disagreements over terms for a cease-fire and implementation of the independence plan have prevented a final resolution. Progress has been halting, frustrations have run high, and pressures for new sanctions against South Africa have been building.

Last month, all sides in the dispute met in Geneva at a U.N.-sponsored all-parties conference which was to be a step toward achieving independence. Regrettably, no progress was made at the conference.

The fact that the conference was convened at all provided a sharp contrast to the situation that existed when I visited South Africa and Namibia in 1976. At that time a constitutional conference on Namibia had been organized by the South African Government, but it did not include all of Namibia's main political parties. There was an urgent need to expand the conference.

The U.S. approach to the Namibia situation at that time was, in its own way, equally unrealistic. To demonstrate American disapproval of a continued South African presence in Namibia, U.S. policy severely limited official contact with the territory; in fact, no U.S. officials at all were stationed there. When I visited Namibia, accompanied by a junior officer of our Embassy in Pretoria, it was to my knowledge the first time a member of the U.S. Senate or a representative of the U.S. Embassy in South Africa had ever done so.

By being practically invisible in Namibia, it seemed to me that the United States was only minimizing the role that it might have played in helping to encourage a satisfactory political solution. Upon my return I urged a more active U.S. role, and I have been gratified that the issue was subsequently given a much higher priority by the Department of State.

Mr. President, I believe that the issue should remain one of high priority for this administration. A peaceful settlement will bring to an end 15 years of war with guerrilla forces which enjoy sanctuary in neighboring Angola—a war which can only escalate and widen if the problem is allowed to fester.

A settlement on Namibia increases the likelihood that Angola would have the confidence to begin to reduce the Cuban presence of 15,000 to 19,000 military personnel. Angola's Foreign Minister has

stated publicly that his government's reliance on the Cubans would be diminished once a Namibian settlement, including the removal of South African troops from its border, were concluded.

Beyond these desirable political developments, peace in Namibia will allow development of Namibia's untapped sources of valuable minerals, especially uranium and diamonds.

In many ways, a Namibia settlement can contribute to the achievement of stability and progress in the region. In a time of increasing tensions around the world, this could be an encouraging and positive development for the United States and the West.

Mr. President, a recent Chicago Sun-Times editorial discussed the Namibia problem. The language of the editorial is very strong but the message—that Namibia should be a high priority matter for this administration—is important. I ask unanimous consent that Chicago Sun-Times' February 2 editorial about Namibia be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

STALLING ON NAMIBIAN FREEDOM

A crisis centering on Namibia is brewing for the new Reagan administration.

If "crisis" has become a turn-off word for benumbed Americans, let's add that this one involves a threat to U.S. oil imports.

That strikes closer to home than the larger issue, the deserved independence of the black Namibian people from the illegal, white-racist domination of South Africa.

Namibia is a huge, thinly populated former German colony that was put under South African mandate by the League of Nations after World War I. The United Nations, with U.S. support, terminated the mandate in 1966, but South Africa hasn't been listening.

Three years ago, under international pressure, it finally appeared to agree to a settlement that called for a cease-fire between South African forces and guerrillas of SWAPO (the South-West Africa People's Organization) and elections to be held under the eyes of UN observers. But South Africa's spokesmen recently dug in their heels again, saying it would be "premature" to implement the settlement now, that "time is needed to establish a climate of trust."

Bunk. South Africa fears that SWAPO would win an election over the Namibian elements it sponsors, as it probably would. And SWAPO is led by Sam Nujoma, who is looked upon by South Africans as a communist, though others who are more objective judge him to be a non-ideologue fighting only for the freedom of his people.

If South Africa's new intransigence is prompted by hope that Reagan will go easy on it and loosen the Carter administration's commitments to black African independence, that hope should be frustrated. Support for South Africa on this issue would deprive Namibians of self-determination and the United States of the friends Carter won among black nations, including the largest—Nigeria.

Enter oil. Nigeria, which supplies the United States with 15 percent of its oil imports, has threatened to use the oil weapon in the cause of African independence movements.

The issue could come to a head soon. African and other Third World nations are preparing to seek a United Nations trade boycott against South Africa. The Reagan administration then would be forced to make a painful choice—veto the boycott, thus alienating our friends, or support it, thus inflicting woes on South Africa's black workers as well as its white government.

Firm diplomatic pressure on South Africa to bend to the inevitable might avert the dilemma. Alexander Haig's State Department should pursue that as a priority matter.

ESTONIAN INDEPENDENCE DAY

Mr. PERCY. Mr. President, today marks the 63d anniversary of the proclamation of independence for Estonia, a small country of unusual physical beauty and rich ethnic and cultural heritage. Estonia's independence was brutally cut short in June 1940 when the Soviet Union occupied Estonia and her neighbor states Latvia and Lithuania. Serious violations of individual rights pledged by the Soviet Union in the Helsinki Final Act continue today in Soviet-occupied Estonia.

On this occasion those of Estonian heritage in this country and elsewhere commemorate the establishment of the independent Estonian state in 1918, and renew their commitment and vigil for the return of independence to Estonia. All of us Americans, who are blessed with freedom, pay tribute to the rich scientific and cultural contributions of Estonians to Western civilization, and join with Estonians in their commemoration of and commitment to Estonian independence.

BARRY (GOLDWATER) TO THE RESCUE

Mr. PERCY. Mr. President, once again the Rockford Register Star has hit the nail right on the head with a forthright editorial on the distinguished Senator from Arizona entitled "Barry to the Rescue." In their editorial comments they are just as incisive and to the point as BARRY GOLDWATER himself.

I commend this excellent editorial on a truly remarkable American and colleague of ours to my fellow Members of Congress and other readers of the CONGRESSIONAL RECORD.

Mr. President, I ask unanimous consent that the full text of the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

BARRY TO THE RESCUE

There was a time when Sen. Barry Goldwater, R-Ariz., went down in defeat as a presidential candidate because he was considered "too right."

Now, this veteran legislator, an affectionate legend in the eyes of many, is polishing off his credentials and challenging the so-called "New Right" within the Republican Party.

In his usual colorful way, Goldwater says, "I'm the 'right' and I say, who the hell are the New Right? I want to find out what we're talking about when we talk about the New Right. Are we talking about a fund raiser named (Richard) Viguerie, or the moral right?"

If it's the latter says Goldwater, "We really have to pay attention . . . I don't question the role of religion in politics . . . but I do question the wisdom of any minister to stand up and say vote for Charlie or vote for Joe."

Whatever the case, Goldwater makes rampantly clear that he is not yielding his special role in the party to the tight-knit faction that calls itself the New Right and works from the sidelines.

He particularly decried comments by Paul Weyrich, another ideologue from the New Right, who served notice to Republicans like Vice President-elect George Bush that they'd better "get in line."

"Who is Paul Weyrich? I think you'll find that the so-called New Right is not going to run the Republican Party. I think that Viguerie and Weyrich feel ultraconservatives had a lot to do with the last election. I don't believe that."

Nor does the veteran senator cotton to the New Right's idea of amending the Constitution so that prayers can be said in schools and abortion outlawed.

He said women should make their own decisions about abortion. "I just don't think the government should pay for it." Regarding prayer, he's for it only if it is not prescribed in the classroom.

Anyway, says Goldwater, "I don't like to see the Constitution amended at all. Everytime we amend it, we screw it up."

Nor is he for the wholesale dismantling of federal social programs. "We might see a repetition of Miami, Watts or Detroit all over the country if we go in with a meat-ax."

Goldwater is not retiring to his wheelchair despite his arthritic legs. He said he was "madder than hell" with those Democrats who claim they'll scuttle Gen. Alexander Haig if Reagan nominates him to his cabinet. Men like Senate Majority Leader Robert Byrd have said Haig is vulnerable because of Watergate and his service to Nixon during that lawless episode.

Said Goldwater, Byrd was "talking through his fiddle."

The senator from Arizona deserves a medallion for his curmudgeonly stance, for his candor, and for his partisanship, qualities that redeem him from those faceless monsters in Congress who can't talk straight, preferring their knife-in-the-back tactics to a frontal attack.

We hope Goldwater will be around as long as there is need for someone to get "madder than hell" in the service of his government. Nobody does it with more charm or exuberance than Barry.

MARY KATHERINE RANDOLPH

Mr. WILLIAMS. Mr. President, this is a most sad occasion for the Senate and I would like to express heartfelt condolences from Mrs. Williams and me to JENNINGS RANDOLPH on the death of his wife.

Mary Katherine was a remarkable woman who traveled the mountains and hollows of West Virginia as a social worker before her marriage. It was then a most unusual profession and she pursued it with such energy and devotion that she became known as the welfare lady. When she married JENNINGS 48 years ago, she terminated that career but certainly she maintained her vision of what needed to be done and her outrage over injustice throughout her entire life. I must believe that her love, and her vision, played a major role in

the many, many accomplishments of her fine husband as well.

I would be remiss if I did not express a feeling of awe with regard to JENNINGS. We are all aware of the ordeal he has endured over the past few years. We knew well of his devotion and constant attention to Mary Katherine yet despite the emotional heartbreak and the physical demands which his attention to Mary Katherine required, he was true to his vows in this body and true to his heritage of helping so many people who otherwise would have nowhere else to turn. He did not fulfill his duties in the perfunctionary manner of the routine over these years; he led the fight for so many causes, coal mine safety, the handicapped, just to cite two of his major efforts.

Despite his exhaustive ordeal and his devotion to Mrs. Randolph, he was able to bring to bear his full intellectual powers and his vision to bear on the crucial, human elements of his legislative endeavors, and by doing so, he enriched the lives of his colleagues and, indeed, all America.

Again, Mr. President, I offer my condolences to JENNINGS, his two sons, Jay and Frank, and his three grandchildren. It is sad that death has ended this most joyous of marriages but I know that the strength of that eternal union will enable our colleague to carry on.

A DAZZLING ACHIEVEMENT ON ICE

Mr. WILLIAMS. Mr. President, the entire United States is proud when one of our citizens thrills the world in an international sporting event, but that pride is even greater when the achievement belongs to someone as talented, unaffected and accomplished as Ms. Elaine Zayak of Paramus, N.J.

Ms. Zayak recently captured the silver medal in the world skating championships at the Hartford, Conn., Civic Center and I just wanted to call her special effort to the attention of my colleagues.

It is rare enough to see an individual so change and develop a sport through the power of a single performance, but Elaine's achievement is even more memorable since she is a 15-year-old high school sophomore. In a performance marked with seven triple jumps—and a great deal of beauty as well as controversy—Ms. Zayak stunned the skating community with her precision and daring.

Even more important, however, is the way Elaine has worked as an ambassador on ice for America. She toured the People's Republic of China in late October 1980 and won acclaim for her personality and performance both in the arena and out. That is one of the reasons why she was selected as Bergen County, N.J., Female Amateur Athlete of the Year and why she has so many friends and admirers around the world. In recent months, Elaine has captured the eastern senior ladies championship, and the U.S. ladies national championship; major achievements on the way to her silver medal in Hartford.

We will hear more from this dedicated and talented young performer in the years ahead, and I am proud to note that she is one of my constituents, and, more importantly, someone whom all of us can admire.

AN INSPIRING PRAYER

Mr. ROBERT C. BYRD. Mr. President, on March 4, I attended a dinner given by the West Virginia Society in honor of Congressman Harley Staggers of West Virginia. On that occasion, Col. John F. Nicholas, Jr., a member of the West Virginia Society in the District of Columbia and delegate to the National Association of State Societies, offered a prayer which those of us who have chosen public service should find to be particularly applicable and inspiring.

I ask unanimous consent that Colonel Nicholas' prayer be printed in the RECORD.

There being no objection, the prayer was ordered to be printed in the RECORD, as follows:

Almighty God, in whose providence men and nations live, and move, and have their being, we thank Thee for the daring men and women who founded and have shaped our great country—and especially the man we are honoring this evening. Lord, open our hearts and minds to Thy guidance this day. May our faith never be shadowed by doubt or fear. May the sense of Thy presence be as clear in the halls of government as in the temples of worship. In all our striving, our aspiring, and our working, may we be sustained by the radiant vision of the ultimate triumph of justice and peace of Thy coming kingdom.

And to Thee we shall ascribe all honor and glory. Amen.

SENATOR GARY HART

Mr. MOYNIHAN. Mr. President, on February 19 I had the honor of introducing my friend and colleague, the senior Senator from Colorado, to New York County Democrats on the occasion of our annual dinner. I said:

Let us hear tonight from one of the new leaders of the American nation, and perhaps especially of our party. 1980 was, of course, a painful year for those of us in the Senate. We lost so many fine, strong voices. But that is the history of any institution. The test of an institution is its capacity for renewal, for progress, for new perspectives and new ideas. No one more embodies that renewal than my distinguished colleague and close friend, Gary Hart, who first entered politics as George McGovern's campaign manager in 1972, and went on to represent his wonderful state in the Senate. Some of you might note that tonight I am wearing a campaign button I picked up in Denver last Fall when I was campaigning for him. It puts it in that plain old-fashioned way: "Coloradans do it with Hart." Mark me. The time will come, and not far distant, when the whole nation will.

Mr. President, the New York Democratic Party is the oldest organized political party on the face of the Earth. We have been privileged to hear many fine speakers. But in my time at least none has been more lucid or effective than Senator HART. I believe that my colleagues on both sides of the aisle will benefit from Senator HART's remarks and ask unanimous consent that they be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

SPEECH BY SENATOR GARY HART

H. L. Mencken once said: "In this world of sin and sorrow, there is always something to be thankful for. As for me, I rejoice that I am not a Republican."

In this spirit of rejoicing together, I would like to set before you two plain propositions:

The Democratic Party must not abandon its historic principles and ideals—we are fundamentally different from the Republican Party and we must not forget that. But, second,

The Democratic Party must once again be willing to experiment—to try new ways—new approaches—to solve our problems, achieve our goals, and elevate our vision.

Why do I warn against abandonments of principle?

Because there are those who say the clock has run out on the Democratic Party—that the 1980 election signaled the death of the Democratic dream—that present day realities require us to return to practices of oligarchy, monopoly, and economic royalism to survive.

But those voices are the voices of false prophets.

The vast majority of Americans still believe—and always will believe—in a fair and just and equitable society. A society not dominated by concentrated wealth—not driven by personal greed—not based on devil-take-the-hindmost economics. A society where charity is more than the crumbs that fall from the rich man's table. A society that believes not only that a rising tide indeed lifts all boats—but also understands that it matters not if the tide is rising, if you have no boat at all.

So we as Democrats would make both a practical mistake—and a profound moral misjudgment—if we foresake our heritage.

If, in an effort to achieve some short-term political gain, we become like our age-old adversaries, we will abandon the American people.

And, if the American people see that the pursuit of office is more important than the pursuit of principle, they will abandon us.

We are the Party that can show it's possible to be fiscally responsible—and morally responsible—at the same time. And we will.

So, in spite of the false prophets, I do not fear the failure of our principles or the loss of our ideals—the ideals that have provided minorities and women full constitutional rights, the ideals that have done so much to reduce poverty, hunger, and want in our country, the ideals that continue to cause Americans to sacrifice their lives in the defense of democratic principles around the world.

The recent elections are a set-back, not a permanent defeat.

We lost a battle in a long war over principles. And until the older person who is cold, the unemployed younger person, the harassed blue-collar person begins to identify with the mink, diamond, and limousine set—the troops are still on our side.

But to re-affirm our heritage as the majority party, we must become, once more, the Party of ideas—of new solutions to new problems.

Franklin Roosevelt did not say, in 1932, "I am creating the New Deal. It is a rigid set of programs and bureaucracies. And everyone

who considers himself a Democrat must agree with all of it."

No, he said: "Our problems are new. We must try new approaches. We must experiment. If something works we will keep it. If it doesn't work, we will throw it out and try again."

That's the spirit which rescued our country in the 1930s. And it's the spirit which will rescue our country in the 1980s.

What form might this new spirit of experimentation take?

Let's take, for example, the serious problem of productivity and capital formation.

My friend Howard Samuels has pointed out—in a consistently articulate way—that humanitarian goals are best achieved in a healthy economy. It's difficult to be liberal when there aren't enough dollars to meet our needs. Put another way: an expanding pie is easier to share than a shrinking one.

We can create more capital for plant expansion and modernization and new business—and create more jobs—by creating a new class of stock—call it "new capacity stock." The first turnover of such stock would be completely tax free. Investors would have a great incentive to buy the stock. Companies would be attracted to issue such stock—and to expand—by the potential to attract capital.

This proposal, together with specific accelerated depreciation measures sponsored by Democrats, can help reestablish prosperity and greater opportunities for all.

A second example.

The humanitarian goal of concern for seniors—particularly their heating bills—offers a clear case where we can demonstrate social concern without bureaucracy and increased taxes.

Two years ago the Senate passed a bill—which the utilities succeeded in killing in the House—called Lifeline Utility Rates. It would have required each state to adapt a rate system providing all senior citizens a subsistence amount of energy at the lowest rate offered bulk customers. It would have substantially reduced energy bills for the elderly.

This may not be the perfect solution—but it beats the silence we get from this Administration on a fundamental human problem.

Yet another example. As with almost all social progress in this country, the Democrats have taken the lead in cleaning up the environment.

But as we had gotten used to doing, we chose to do that by increasingly complicated regulations.

In his concern for General Motors, President Reagan now intends to dismantle the regulations—presumably leaving the air to clean up itself.

But we're concerned with more than just the needs of General Motors. We're concerned also with the health and prosperity of the workers who build the cars, the safety of the buyers who drive them, the purity of the air they produce, and the integrity of the landscape from which comes steel, and the coal to smelt it.

But we can't win the political battle if it's between more regulation or less regulation.

There is an alternative. We can make it profitable to build cleaner cars by offering an incentive—a rebate—for those who buy them. And we can make it unprofitable to build dirty cars by imposing a charge on those who build them. In short, we can achieve the same results—but without strangling a major, troubled industry in regulations.

What about national security? The Party that led this country, and its allies, to victory in two world wars in this century—and by our leadership prevented World War III—is not a Party that's weak on defense.

Liberal Democrats must learn again that it's imperative to share the concern of many Americans for the well-being of our service men and women. It's imperative to ensure sufficient numbers of maintainable and effective weapons. It's imperative—not only to oppose waste in the military—but, where necessary, to spend more to guarantee the survival of our allies in Europe, Israel, Japan, and throughout the world.

But, along with a strong defense, we must never cease to remind our fellow Americans that an unrestrained nuclear arms race makes us weaker rather than stronger—is fiscally and morally irresponsible—and jeopardizes the survival of human civilization.

And as we seek stability and security throughout the world, we must also seek security at home—in our very neighborhoods.

People genuinely concerned about our survival in the world and their survival here at home won't be inclined to listen closely to the arguments for the superiority of the Democartic Party's economic theories.

The increasing problem of disorder and crime is a national problem—not a New York problem. It is just as frightening to be mugged on the grounds of the State Capitol in Denver, Colorado, as on a New York subway.

Over a decade ago, John Lindsay and the Kerner Commission argued for policies to bring employment back to cities and to provide educational opportunities.

There is no gain in cutting spending for education and job-training, if more money has to be spent for police protection.

Educating poor youngsters is a social investment. Young people must learn to have a stake in their country. Ignorance doesn't care.

Education is our system for recruiting Americans. It is the only method we have for actually creating the American spirit.

And that is central to the Democratic agenda.

So here as in defense, in energy, in our economy, the Democratic Party of the future must be the Party of new ideas, of experimentation, of vision, and of hope.

It takes no particular talent to oppose progress. It takes enormous talent to meet society's needs with limited resources in an austere period.

We are the Party with that talent.

In *War and Peace,* Prince Andrei said of the Russians at the Battle of Austerlitz: "We lost because we told ourselves we lost."

Well, we haven't lost.

We have not come this far to turn back.

We are the Party:

that brought civil rights to this land;

that restored Europe and Japan after World War II;

that sent Americans to the moon and brought them safely back;

that raised the standard of living for virtually all Americans;

that faced down the Soviets in Cuba;

that tackled the hard job of cleaning up our air, our water, and our land;

that established a collective bargaining system and a safer work place for labor.

That is who we are and who we have been—and I am proud to be identified with that record.

But we can't prevent destruction of past monuments unless we are in office. And we can't get into office unless we deal with present realities.

We can only protect the gains of the past by solving the problems of the future.

Now we must become the Party that:

combines economic growth with a healthy environment;

makes government a partner in industrial revitalization;

creates a better quality, more effective defense—combined with nuclear arms control.

Many among us are asking where we will be in the 1980s.

If we create new approaches to new problems—and if we hold to our principles of fairness, of justice, and of equality—I know where the Democrats of the future will be.

We will be:

where cities need rebuilding;

where a young construction worker needs a home;

where parents want to educate their children;

where neighborhoods live in fear of crime;

where young people are concerned about a healthy environment;

We will be:

where a black teenager needs a job,

and where a Chicano farm worker needs fair treatment.

We will be where democratic people want a strong and trusted friend around the world.

And we will be where an elderly person is cold and alone.

We are the Party of the future.

We hold the heritage of hope.

Fortune and history have made America the standard of democracy and the hope of the world.

That is our dream.

That is our vision.

And that is our promise.

DR. ALICE RIVLIN, DIRECTOR, CONGRESSIONAL BUDGET OFFICE

Mr. MOYNIHAN. Mr. President, there is, in the most recent issue of the Bureau of National Affairs Daily Report for Executives, a rather extensive speculation on the future of our good friend and valuable associate, Dr. Alice Rivlin, the Director of the Congressional Budget Office.

Her term, as is observed in this particular document, this newsletter, does not expire until February 1983, but it is reported that she has agreed to resign her post perhaps as early as next month.

The suggestion is that this is a matter that has been desired by the party that now has the majority here in the Senate, and also that this is desired in the executive branch where it is felt that Dr. Rivlin's Keynesian bias, as is suggested, ignores the potential benefits of supply-side tax policies.

In order that the record should show what I am speaking of, I ask unanimous consent, Mr. President, that this particular passage from the Daily Report for Executives be printed in the RECORD at this point.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

U.S. BUDGET: CBO DIRECTOR TO RESIGN POST SOON IN DEAL WITH SENATE REPUBLICANS, SOURCES REPORT

Congressional Budget Office Director Alice Rivlin, whose term will not expire until February 1983, has agreed to resign her post, perhaps as early as next month, in exchange for a voice in the selection of her successor, congressional sources said today.

A CBO spokesman today denied knowledge of any such agreement. "The rumor is utter nonsense. Her term runs until February 1983, and she plans to serve it," the spokes-

man said. Rivlin herself declined to comment.

Conservative Republicans on the Senate Budget Committee, notably Sens. Orrin Hatch (R–Utah) and William Armstrong (R–Colo), have long been critical of Rivlin and the CBO, arguing that the economic analyses the agency prepares for the congressional budget panels have a "Keynesian bias" that ignores the potential benefits of supply-side tax policies. Since the November election victory that brought Republicans control of the Senate, Armstrong has been pushing Senate leaders for a floor vote to oust the CBO director.

Although Rivlin's term is fixed by the Congressional Budget Act that established CBO as a nonpartisan research agency in 1974, a majority vote in either house could remove the director from office. Rivlin has been the agency's only director. Armstrong and other supply-side advocates, including some at the Treasury Department, believe the alleged CBO policy-slant will provide a powerful weapon to Democrats who oppose the supply-side strategies embodies in President Reagan's economic plan.

A Treasury Department memo circulated to congressional Republicans, shortly after the election spelled out the case against Rivlin and CBO, fueling a behind-the-scenes power struggle between the supply-siders and Senate Budget Committee Chairman Pete Domenici (R-NM). Armstrong reportedly backed off on the issue of a floor vote when Domenici and other moderates convinced him he did not have enough GOP support to force Rivlin's dismissal.

For the moment, it appears that Domenici has prevailed, securing Rivlin's agreement to go soon, but quietly, in a manner that will minimize political fallout. However, congressional sources privy to the arrangement indicate that Armstrong and Hatch are not entirely pleased with the terms Domenici has set.

According to these sources, Senate conservatives also want to see changes made at lower levels on the CBO professional staff. "It doesn't matter what Domenici told her (Rivlin). Once she leaves, we intend to clean house," one source says.

Mr. MOYNIHAN. Mr. President, I can report that, learning of this, I spoke this morning with Dr. Rivlin, and learned from her that there is no truth whatever to her pending resignation. It is greatly exaggerated, as Mark Twain said of his demise on one occasion.

I would like to add my voice to what I think would be that of many of us on the Budget Committee of the Senate, to say that it would be a deplorable precedent for the Director of the Congressional Budget Office to be asked to, much less be forced to, resign owing to the nature of his or her economic training and general position within that discipline.

It is true, Mr. President, that Dr. Rivlin took courses in economics, and that may preclude her useful service to those whose view of the subject is that it is a matter of belief rather than understanding.

It can be formally demonstrated that Dr. Rivlin attained a doctor of philosophy degree from an accredited university, and that, too, I do not doubt, might be held an insurmountable obstacle to her acceptance by those whose proficiency in economics appears to lie in the inverse ratio to their training in the subject.

But that is a passing phase. Faith healing is not a matter to be dismissed out of hand, but neither is it a substitute for the medical profession.

And neither are some of the nostrums going about these days under the heading of economics to be thought of as a substitute for an old and difficult and incomplete, and probably, incompletable discipline.

I hold not the least animus against those who are concerned with the basic questions that supply side economics, as it has come to be known, has raised. I would be the first to allow that the general theory of employment, interest, and money and the so-called Keynesian doctrine that have followed from it have had, implicit and explicit, the notion that industrial economies have an inherent tendency to overproduction and that there is a persisting problem in the modern economics of oversaving. It seems to me that those at most would have been temporary conditions of, say, the British economy in the 1930's.

It ought to be clear that economics deals with the persisting problem of scarcity, that insufficient supply is the basic subject to which the discipline is directed. There is never, save in the most temporary and special circumstances, an excess of savings. There is never, except in the most special and temporary of circumstances, an overproduction of economy, generally speaking.

So, those who deal with supply-side matters address themselves to an imbalance in our own thinking in this matter. That is one thing. It is altogether another thing to conduct a witch hunt against a respected professional who has served in her office with diligence, with probity, and with effectiveness through one and a half terms, who has sought to bring the standards of the public service to her work, and who now evidently is unacceptable because of some undefined doctrinal difference with a largely anonymous faction in this Chamber.

If there are those in this body who disagree with Dr. Rivlin's proposed economics, let them come forward. Let them stand on this floor and express to us, in terms comprehensible, at least, to this body, what their views are, explain how they reached them, and in what way they are at odds with those of Dr. Rivlin, and explain in what way her continued stay in a nonpartisan appointive term is unacceptable to them.

We enacted the Congressional Budget Impoundment Act in the hope that we would bring a measure of detached analysis to the assistance of Senators who are not, in the main—and certainly, the senior Senator from New York is not such a person—well versed in economic doctrine. There are those of us who try to know economics without any suggestion that we are able, in that sense, to do it, as the economists say. But let there be no doctrinal test for the right to serve in an office for which a term was established for the very purpose of protecting it from this kind of change in fashion and temper and mood.

It seems to me that the gentlemen and the ladies on the other side of the aisle would make a deep mistake if they were to seek to drive any professional member of the Congressional Budget Office from his or her post, owing to supposed doctrinal heresies with respect to economics matters scarcely understood by those who profess them in our great universities and I dare to think, hardly even comprehended in this Chamber. If they succeed in doing this, they will have succeeded in undoing one of the most important issues that the other side of the aisle has raised for the past 3 years, which is the question of the integrity of the budget process.

I hope that this fine woman will stay at her post through to the end of her term. If she is driven out, let the opprobrium for such an impolitic and improper act rest on those responsible.

Mr. President, two concluding observations to this matter:

I want it to be noted that Dr. Rivlin has not been asked to resign and cannot, in that particular sense, have agreed and has not agreed to do so.

Finally, I believe I can state in the spirit of the law that it would be irresponsible of her to resign unilaterally in an arrangement with the Senate unless the House also wanted her to do it. It would be useful to us to recall that the Congressional Budget Office serves both our bodies.

In conclusion, Mr. President, lest it be thought that I am perhaps speaking of a person who has shared my own views with great unanimity over the years, I say that this is not the case at all. Were anyone to question me on the matter, I have, somewhere in my files, a number of book reviews by Dr. Rivlin of books by the Senator from New York which I would not want to see reprinted under any circumstances, and only in the most extreme situation would I bring them to the defense of my own impartiality.

A GOOD DAY FOR NEW YORK

Mr. MOYNIHAN. Mr. President, Monday, March 2, was an exceptionally good day for New York. When the Westinghouse Science Search announced its awards for this year, we learned that 7 of 10 winners, including the first prize winner, hail from New York schools.

This impressive sweep of the top prizes is a testament to the hard work, imagination, and dedication of the winners. All of them are marked for great success, and I expect that we will hear of them again in the future. I congratulate them. I thank them for bringing this honor to their home State.

Success in competitions like the Westinghouse one also tells us something about the schools, teachers, and parents of the winners. To all of them, I offer my compliments and thanks.

I give you the names and schools of the winners from New York:

Amy Sue Reichel of Hunter College High School, first prize; Joel M. Wein of Stuyvesant High School, fifth; Terrence D. Sanger of the Dalton School, sixth; Lori I. Kaplowitz of George W. Hewlett High School, seventh; Seth Finkelstein of the Bronx High School of Science, eighth; Mark L. Movsesian of Forest Hills High School, ninth; and William Chang of the Bronx High School of Science, tenth.

An article about the Westinghouse competition appeared in the March 3 issue of the New York Times. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TOP WINNER IN WESTINGHOUSE SCIENCE SEARCH IS HUNTER HIGH PIANIST, 17

(By Timothy M. Phelps)

WASHINGTON, March 2.—A 17-year-old senior at Hunter College High School in Manhattan, who worked for five months on experiments in genetic engineering that helped explain resistence to disease, won the top prize today in the annual Westinghouse Science Search.

The winner, Amy Sue Reichel, who conducted her experiments at the Albert Einstein College of Medicine, will receive a $12,000 scholarship.

Second place and a $10,000 scholarship went to Douglas A. Simons, 18, of Vero Beach, Fla., who designed and built his own optical instruments for his study of the moon's surface. Michael M. Dowling, 18, of Newington, Conn., won third prize and a $10,000 scholarship with a clinical biochemical research project.

Miss Reichel said in an interview that she first had learned of her talent in science in the sixth grade when she was able to figure out a gear ratio that none of her classmates had understood.

Hunter College High School, on Park Avenue between 94th and 95th Streets, is part of the City University of New York. No tuition is charged at the school, which is attended by 1,200 intellectually gifted children selected through competitive examinations.

Miss Reichel is an accomplished pianist—Bach, Beethoven, Chopin, and Debussy are her favorites—and she also likes to paint.

"A lot of people think that if you're interested in science, you can't be interested in the arts at the same time," she said. "That's always bothered me. I like to do a lot of different things."

The annual contest is conducted by a nonprofit organization, Science Service, for Westinghouse Electric, the sponsor.

Of the top 10 winners among the 40 finalists who assembled here for the last five days, seven were from the New York metropolitan area. This reflected a trend that has always been a topic of conversation at the annual judging.

One Westinghouse official said that "New Yorkers have no inhibitions," whereas "you might be more inhibited if you came from Oklahoma." Others cited the New York's science-oriented high schools and multitude of research facilities.

"It's really hard to do research, you know," said Michael R. Candan, a 17-year-old senior at Benjamin N. Cardozo High School in Queens, who studied the use of an extract from fern leaves as a repellent to flour beetles. "You have to have equipment. Usually you have to go to a university, which is found only in the major cities, and sort of beg for help."

Joel M. Wein, a 17-year-old Manhattan resident who goes to Stuyvesant High School in Manhattan, said of his friends on the school's mathematics team. "My friends are some of the most brilliant mathematicians in the country. You can't help but get excited when you are running around with people like that."

Mr. Wein, who did his project in numbers theory ("An Examination and Generalization of the Syracuse Algorithm"), came in fifth and got a $7,500 scholarship.

Both the students and the judges of the competition say that teachers in New York set their sights early on the Westinghouse competition and begin encouraging their best students years in advance to start working on projects.

The Bronx High School of Science, according to some of the finalists, has a special research course aimed at the Westinghouse program. As a result, the main hall of the school displays 50 feet of plaques from the competition, according to E. G. Sherburne Jr., director of Science Service. The school will add three more plaques this year from among the top 10 finalists.

The 40 finalists, who exhibited their projects to the public at the National Academy of Science over the weekend, were a tidy and friendly lot who tended to address their elders as "sir." The trend in clothing was toward suits and sports jackets for the boys, skirts or dresses for the girls.

It is a big change from the finalists of the 60's, said Dr. David Axelrod, New York Commissioner of Health and the chairman of the judges for this competition.

The other official winners were: Song Pan, 17, of Miami, fourth, a $7,500 scholarship; Terrence D. Sanger, 17, of Manhattan, Dalton School, sixth, $7,500; Lori E. Kaplowitz, 17, of Woodmere, L.I., George W. Hewlett High School, seventh, $5,000; Seth Finkelstein, 16, of the Bronx, Bronx High School of Science, eighth, $5,000; Mark L. Movsesian, 17, of Forest Hills, Queens, Forest Hills High School, ninth, $5,000; and William Chang, 17, of Fresh Meadows, Queens, Bronx High School of Science, 10th, $5,000.

GASOLINE SURPLUSES

Mr. MITCHELL. Mr. President, recent news reports indicate that gasoline stocks in the country are at record levels.

I hope this means we can look forward to seeing some downturn in gasoline prices at the pump in the near future. The normal interplay of free market forces causes a price downturn when demand is slack and supplies are adequate. With decontrol of domestic crude oil production and the removal of regulations governing the oil industry, I hope that the free market forces which play a role in the seasonal rise and fall of other commodities, such as food supplies, will begin to operate in the oil industry.

On March 2, the New York Times reported that spot market prices for gasoline were some 13 cents lower than the wholesale prices being charged by major oil companies. The spot market is apparently responding to demand fluctuations.

If the spot market is showing the classic signs of adequate supply and weakened demand, I hope the decontrolled oil market will show similar signs. The report that cheaper European-refined gasoline is being imported into this country because of our rising prices—although demand is slackening—is a disturbing indication that the decontrolled market may represent a license to keep raising prices, not an interplay of the classic economic pressures of supply and demand.

I hope that this is not true, and that we will soon see a downturn in gasoline prices at the pump.

Mr. President, I ask unanimous consent that the full text of the New York Times article appear in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BIG STOCKS OF GASOLINE SOFTEN PRICE—LOWER DEMAND IS ALSO ERODING RETAIL MARKUPS

(By Douglas Martin)

Gasoline stocks in the United States are nearing record levels, and oil company officials and independent analysts are beginning to suggest that the ample inventories could stem the upward rush in retail prices, and perhaps even begin to push them downward.

Recent increases in crude oil prices continue to exert an upward pressure, analysts caution. But, "The higher the inventories, the greater the downward pressure on prices," noted one economist for a major oil company.

The American Petroleum Institute reported last week that gasoline inventories, including stocks held at refineries, storage terminals and service stations, rose to 280.2 million barrels on Feb. 20 from 280.1 million a week earlier and 259 million at the beginning of 1981.

The record level of gasoline stocks was 283.3 million barrels on April 18, 1980. Those inventories helped insure stable gasoline prices last summer, and even a slight drop in the autumn.

PRICES DOUBLED IN TWO YEARS

Over all, however, gasoline prices have approximately doubled over the past two years, wtih prices for unleaded regular now exceeding $1.60 a gallon in Manhattan. The Lundberg Letter, a gasoline industry trade publication, estmates that the national average price of gasoline now exceeds $1.34, an rise of more than 12 cents this year. Industry officials foresee at least another 8-cent increase in 1981, but there is mounting doubt whether such an increase is possible in today's market.

Already high stock levels, coupled with reduced demand, are making it difficult for gasoline retailers to pass on the wholesale price increases of nearly 10 cents a gallon declared by major oil companies since President Reagan decontrolled the price of crude oil less than a month ago.

The Shell Oil Company calculates that dealers' margins now average 8 to 9 cents a gallon, compared with about 13 cents a year ago. Some retailers margins have sunk as low as 4 to 5 cents because of the stiffen-competition.

Reflecting the weakening market Oil Buyers Guide reports that the price of gasoline has softened on the spot market, which responds more quickly to forces of supply and demand than the contract market. Moreover, gasoline is selling on the spot market for 13 cents a gallon below the wholesale prices charged by major oil companies, exerting further downward pressure on prices, according to industry analysts.

"The pace of the major companies' price increases has slackened," noted Albert Bas-

sano, editor of Oil Buyers Guide. Although about half a dozen oil companies increased wholesale gasoline prices last week, the rises were generally a penny or less, compared with earlier increases of 3 to 5 cents.

Moreover, substantial quantities of gasoline are said to be coming into the United States from Europe because of even weaker demand there and the rising prices here. Oil company planners are debating whether they should replace some of their domestically refined gasoline with cheaper imports.

But demand in this country has also been weakening. United States gasoline consumption fell 6 percent last year, and a further drop of 3 percent is foreseen this year by oil industry economists.

"If demand continues to decrease, it's going to put pressure on prices," said Lawrence Goldstein, of the Petroleum Industry Research Foundation

But the price of the crude oil used to produce gasoline has risen by $3 to $4 a barrel, or about 8 cents a gallon, over recent months, and oil companies insist they have no choice but to pass these costs on to gasoline consumers.

"When the price of the raw material goes up, it doesn't make much difference how much gasoline you have in stock," said Charles M. Kittrell, executive vice president of the Phillips Petroleum Company.

The current high gasoline inventories are partly the result of the soaring prices. A rule of thumb in the business says that every 10 percent increase in prices results in a 2 percent drop in demand.

The growth in stocks has also been the result of high demand for heating oil caused by this winter's cold weather. Refinery design requires that, within certain limits, processors must make more of every product to make more of one specific product, such as heating oil.

Also, the oil industry has reacted to supply interruptions, feared or actual, by keeping more gasoline on hand than was considered necessary in prior years. This is also true of crude oil, stocks of which stood at 376.6 million barrels on Feb. 20, compared with 352.9 million a year earlier, according to the petroleum institute.

MESSAGES FROM THE PRESIDENT RECEIVED DURING THE RECESS

Under the authority of the order of the Senate of March 5, 1981, the Secretary of the Senate on March 6, 1981, received messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received on March 6, 1981, are printed at the end of the Senate proceedings.)

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

FISCAL YEAR 1982 BUDGET REVISIONS—MESSAGE FROM THE PRESIDENT—PM 35

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, was referred jointly to the Committee on Appropriations and the Committee on the Budget:

To the Congress of the United States:

On February 18, I spoke to a Joint Session of Congress about the economic crisis facing America. I pledged them to take the action necessary to alleviate the grievous economic plight of our people. The plan I outlined will stop runaway inflation and revitalize our economy if given a chance. There is nothing but politics-as-usual standing in the way of lower inflation, increased productivity, and a return to prosperity.

Our program for economic recovery does not rely upon complex theories or elaborate Government programs. Instead, it recognizes basic economic facts of life and, as humanely as possible, it will move America back toward economic sanity. The principles are easily understood, but it will take determination to apply them. Nevertheless, if inflation and unemployment are to be curtailed, we must act.

First, we must cut the growth of Government spending.

Second, we must cut tax rates so that once again work will be rewarded and savings encouraged.

Third, we must carefully remove the tentacles of excessive Government regulation which are strangling our economy.

Fourth, while recognizing the independence of the Institution, we must work with the Federal Reserve Board to develop a monetary policy that will rationally control the money supply.

Fifth, we must move, surely and predictably, toward a balanced budget.

The budget reform plan announced on February 18 includes 83 major cuts resulting in $34.8 billion outlay savings for 1982, with greater future savings. With this message, over 200 additional reductions are proposed. An additional $13.8 billion in savings are now planned. Further, I am proposing changes in user charges and off-budget payments that will bring total fiscal savings to $55.9 billion. This compares with $49.1 billion in fiscal savings announced on February 18.

In terms of appropriations and other budget authority that will affect future spending, we are proposing elimination of $67 billion in 1982 and over $475 billion in the period 1981 to 1986.

These cuts sound like enormous sums—and they are—until one considers the overwhelming size of the total budget. Even with these cuts, the 1982 budget will total $695.3 billion, an increase of 6.1 percent over 1981.

The budget reductions we are proposing will, undoubtedly, face stiff opposition from those who are tied to maintaining the status quo. But today's status quo is nothing more than economic stagnation coupled with high inflation. Dramatic change is needed or the situation will simply get worse, resulting in even more suffering and misery, and possibly the destruction of traditional American values.

While recognizing the need for bold action, we have ensured that the impact of spending reductions will be shared widely and fairly by different groups and the various regions of the country. Also, we have, as pledged, maintained this society's basic social safety net, protecting programs for the elderly and others who rely on Government for their very existence.

Budget cuts alone, however, will not turn this economy around. Our package includes a proposal to reduce substantially the personal income tax rates levied on our people and to accelerate the recovery of business with capital investment. These rate reductions are essential to restoring strength and growth to the economy by reducing the existing tax barriers that discourage work, saving, and investment. Individuals are the ultimate source of all savings and investment. Lasting economic progress, which is our goal, depends on our success in encouraging people to involve themselves in this kind of productive behavior.

Our tax proposal will, if enacted, have an immediate impact on the economic vitality of the Nation, where even a slight improvement can produce dramatic results. For example, a 2 percent increase in economic growth will add $60 billion to our gross national product in one year alone. That $60 billion adds to the State and local tax base, to the purchasing power of the American family, and to the resources available for investment.

When considering the economic recovery package, I urge the Members of Congress to remember that last November the American people's message was loud and clear. The mandate for change, expressed by the American people, was not my mandate; it was our mandate. Together we must remember that our primary responsibility is to the Nation as a whole and that there is nothing more important than putting America's economic house in order.

The next steps are up to Congress. It has not been easy for my Administration to prepare this revised budget. I am aware that it will not be easy for the Congress to act upon it. I pledge my full cooperation. It is essential that, together we succeed in again making this Nation a land whose expanding economy offers an opportunity for all to better themselves, a land where productive behavior is rewarded, a land where one need not fear that economic forces beyond one's control will, through inflation, destroy a lifetime of savings.

RONALD REAGAN.

THE WHITE HOUSE, *March 10, 1981.*

RESCISSION AND DEFERRAL OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT—PM 36

The PRESIDING OFFICER laid before the Senate the following message

from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, was referred jointly to the Committee on Appropriations, the Committee on the Budget, the Committee on Energy and Natural Resources, the Committee on Environment and Public Works, the Committee on Commerce, Science, and Transportation, the Committee on Labor and Human Resources, the Committee on Armed Services, the Committee on Banking, Housing, and Urban Affairs, the Committee on the Judiciary, the Committee on Veterans' Affairs, the Committee on Governmental Affairs, and the Select Committee on Small Business:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974 I herewith propose 3 new rescissions of budget authority previously provided by the Congress, totalling $128.0 million. In addition, I am reporting 24 new deferrals totalling $825.5 million, and revisions to five previously reported deferrals increasing the amount deferred by $876.4 million.

The rescission proposals affect programs of the Department of the Interior and the National Consumer Cooperative Bank. The deferrals affect Appalachian regional development programs, programs in the Departments of Commerce, Defense, Education, Energy, Housing and Urban Development, Justice, Labor, and Transportation, as well as the Veterans Administration, the General Services Administration, and the Small Business Administration.

The details of each rescission proposal and deferral are contained in the attached reports.

RONALD REAGAN.

THE WHITE HOUSE, *March 10, 1981.*

MESSAGES FROM THE HOUSE

At 1:34 p.m., a message from the House of Representatives, delivered by Mr. Gregory, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 2166. An act to amend the Energy Policy and Conservation Act to extend certain authorities relating to the international energy program.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–551. A communication from the Comptroller General of the United States transmitting, pursuant to law, a report on a rescission proposed by the President; to the Committees on Appropriations, Banking, Housing, and Urban Affairs, and the Budget, jointly, pursuant to the order of January 30, 1975.

EC–552. A communication from the Clerk of the U.S. Court of Claims, transmitting, pursuant to law, a certified copy of the court's judgment order on the case of Wichita Indian Tribe, and so forth against the United States, Nos. 373, 374, 375; to the Committee on Appropriations.

EC–553. A communication from the Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report on a proposed foreign military sale to Jordan; to the Committee on Armed Services.

EC–554. A communication from the Assistant Secretary of the Air Force for Research, Development, and Logistics, transmitting, pursuant to law, a report on the awarding of a contract for refuse collection at Sawyer AFB, Mich.; to the Committee on Armed Services.

EC–555. A communication from the Assistant Secretary of the Air Force for Research, Development, and Logistics, transmitting, pursuant to law, a report on the awarding of a contract for family housing maintenance at Grand Forks AFB, N. Dak.; to the Committee on Armed Services.

EC–556. A communication from the Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report on a proposed foreign military sale to Egypt; to the Committee on Armed Services.

EC–557. A communication from the Principal Deputy Assistant Secretary of Defense (Comptroller), transmitting, pursuant to law, a report of the value of property, supplies, and commodities provided by the Berlin Magistrate under the German Offset Agreement for the quarter ending December 31, 1980; to the Committee on Armed Services.

EC–558. A communication from the President and Chairman of the Export-Import Bank of the United States transmitting, pursuant to law, a report on a transaction of the Bank involving U.S. exports to Australia; to the Committee on Banking, Housing, and Urban Affairs.

EC–559. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Impact of Foreign Corrupt Practices on U.S. Business"; to the Committee on Banking, Housing, and Urban Affairs.

EC–560. A communication from the Secretary of the Treasury and the Director of the Office of Management and Budget, transmitting, pursuant to law, a report on improvements made during the past year in fiscal and budgetary information and controls; to the Committee on the Budget.

EC–561. A communication from the Acting Chairman of the U.S. Consumer Product Safety Commission, transmitting, pursuant to law, the annual report of the Commission for fiscal year ending September 30, 1980; to the Committee on Commerce, Science, and Transportation.

EC–562. A communication from the Acting General Counsel of the Department of Energy, transmitting, pursuant to law, notice of a meeting relative to the International Energy Program; to the Committee on Energy and Natural Resources.

EC–563. A communication from the Acting Administrator of the General Services Administration, transmitting, pursuant to law, five amendments to prospectuses previously submitted relative to proposed leases; to the Committee on Environment and Public Works.

EC–564. A communication from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Improvements Made, Some Still Needed in Management of Radio Free Europe/Radio Liberty"; to the Committee on Foreign Relations.

EC–565. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "The Financial Disclosure Process of the Legislative Branch can be Improved"; to the Committee on Governmental Affairs.

EC–566. A communication from the Chairman of the Federal Maritime Commission, transmitting, pursuant to law, a report under the Freedom of Information Act for the calendar year 1980; to the Committee on Governmental Affairs.

EC–567. A communication from the District of Columbia Auditor, transmitting pursuant to law, eleven reports of the Office of the District of Columbia Auditor; to the Committee on Governmental Affairs.

EC–568. A communication from the Chairman of the National Credit Union Administration, transmitting, pursuant to law, a report on the activities of the Administration under the Freedom of Information Act for calendar year 1980; to the Committee on the Judiciary.

EC–569. A communication from the Chairman of the Depository Institutions Deregulation Committee, transmitting, pursuant to law, a report on the activities of the Committee under the Freedom of Information Act for calendar year 1980; to the Committee on the Judiciary.

EC–570. A communication from the Acting Chairman of the Council on Environmental Quality, Executive Office of the President, transmitting, pursuant to law, a report on the activities of the Council under the Freedom of Information Act for calendar year 1980; to the Committee on the Judiciary.

EC–571. A communication from the Chairman of the Commodity Futures Trading Commission, transmitting, pursuant to law, a report on the activities of the Commission under the Freedom of Information Act for calendar year 1980; to the Committee on the Judiciary.

EC–572. A communication from the Secretary of the Treasury, transmitting, pursuant to law, a report on the activities of the Department of the Treasury under the Freedom of Information Act for calendar year 1980; to the Committee on the Judiciary.

EC–573. A communication from the Executive Director of the Federal Labor Relations Authority, the Deputy General Counsel of the Federal Labor Relations Authority, and the Executive Director of the Federal Service Impasses Panel, transmitting, pursuant to law, a report on activities of their various departments under the Freedom of Information Act for calendar year 1980; to the Committee on the Judiciary.

EC–574. A communication from the Chairman of the Federal Election Commission, transmitting, pursuant to law, a report on the activities of the Commission under the Freedom of Information Act for calendar year 1980; to the Committee on the Judiciary.

EC–575. A communcation from the Assistant Administrator of the Agency for International Development (Legislative Affairs), transmitting, pursuant to law, a report on the activities of the Agency under the Freedom of Information Act for calendar year 1980; to the Committee on the Judiciary.

EC–576. A communication from the Chairman of the Federal Maritime Commission, transmitting, pursuant to law, a report on the activities of the Commission under the Freedom of Information Act for calendar year 1980; to the Committee on the Judiciary.

EC–577. A communication from the Acting Assistant Secretary of State for Congressional Relations, transmitting, pursuant to law, a report on the activities of the Department of State under the Freedom of Infor-

mation Act for calendar year 1980; to the Committee on the Judiciary.

EC–578. A communication from the Executive Secretary of the Administrative Conference of the United States, transmitting, pursuant to law, a report on activities under the Freedom of Information Act for calendar year 1980; to the Committee on the Judiciary.

EC–579. A communication from the Chairman of the National Endowment for the Humanities, transmitting, pursuant to law, a report on the activities of the National Endowment for the Humanities under the Freedom of Information Act for calendar year 1980; to the Committee on the Judiciary.

EC–580. A communication from the Governor of the Farm Credit Administration, transmitting, pursuant to law, a report on the activities of the Administration under the Freedom of Information Act for calendar year 1980; to the Committee on the Judiciary.

EC–581. A communication from the Acting Commissioner of the Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders suspending the deportation of certain aliens under section 244(a)(1) of the Immigration and Nationality Act; to the Committee on the Judiciary.

EC–582. A communication from the Acting Commissioner of the Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, a report on certain aliens whose visa petitions have been accorded third and sixth preference classification under section 204(d) of the Immigration and Nationality Act; to the Committee on the Judiciary.

EC–583. A communication from the Chairman of the Federal Council on the Arts and the Humanities, National Foundation on the Arts and Humanities, transmitting, pursuant to law, the annual report on the arts and artifacts indemnity program for fiscal year 1980; to the Committee on Labor and Human Resources.

EC–584. A communication from the Acting Director of the Federal Mediation and Conciliation Service, transmitting, pursuant to law, the annual report of the Service for fiscal year 1979; to the Committee on Labor and Human Resources.

EC–585. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on the estimated revenues to be deposited in the Panama Canal Commission's fund by the Panama Canal Commission for fiscal year 1982; to the Committee on Armed Services.

PETITIONS

The following petition was laid before the Senate, together with accompanying papers, and referred as indicated:

POM–20. A resolution of the Senate of the State of Wisconsin; to the Committee on Agriculture, Nutrition, and Forestry.

"SENATE RESOLUTION 6

"Relating to urging congress to continue the dairy price support program at 80% of parity.

"Whereas, 80% of parity has been guaranteed for dairy producers the last 2 years under federal law; and

"Whereas, the importance of continuing support prices at 80% of parity can be demonstrated by the following facts:

"(1) Wisconsin is the nation's number one dairy producer, generating over $6 billion in retail sales last year;

"(2) Dairy producers are already shouldering more than a fair share of the economic load by only receiving 80% of the same inflated dollar other businesses operate with but recover 100% of costs, plus a profit;

"(3) The Commodity Credit Corporation buys dairy products at support level prices when supplies exceed commercial demand. The product is stored and then sold back into commercial channels when needed. $1.3 billion in Commodity Credit Corporation purchases is a gross outlay which is eventually recovered. The true cost of the program is then the administrative costs of the program, which was $91 million in the 1979–80 marketing year;

"(4) The issue is one of priorities and that if production of food and fiber is not a nation's highest priority then it should be;

"(5) While almost all components of the business community have experienced declines in their productive capability, family farmers have consistently increased their productivity;

"(6) The support program has slowed the decline in farm numbers in this state to the point where in 1980, farm numbers were the same as the previous year, thus vastly increasing the cost benefit of support programs as a land conservation measure;

"(7) The university of Wisconsin system has conservatively estimated the reduction in state income if support prices only drop 5% at $1 billion or an average $6,000 per year per farmer, which has income tax yield implications for Wisconsin in 1981; and

"Whereas, the president and congress are considering changes in the dairy price support program; now, therefore, be it

"Resolved by the senate, That the Wisconsin senate urges congress to continue the dairy price support program at 80% of parity; and, be it further

"Resolved, That duly attested copies of this resolution be transmitted to all members of congress from this state, the secretary of the U.S. senate and the chief clerk of the U.S. house of representatives, the president of the United States and the secretary of the U.S. department of agriculture."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HELMS, from the Committee on Agriculture, Nutrition, and Forestry, without amendment:

S. 509. A bill to amend section 201 of the Agricultural Act of 1949, as amended, to delete the requirement that the support price of milk be adjusted semiannually (Rept. No. 97–24).

EXECUTIVE REPORTS OF COMMITTEES SUBMITTED DURING THE RECESS

Under the authority of the order of the Senate of March 5, 1981, the following executive reports of committees were submitted on March 6, 1981:

By Mr. PACKWOOD, from the Committee on Commerce, Science, and Transportation:

John M. Fowler, of Pennsylvania, to be General Counsel of the Department of Transportation;

Judith T. Connor, of New York, to be an Assistant Secretary of Transportation;

Robert W. Blanchette, of Maryland, to be Administrator of the Federal Railroad Administration; and

Lee L. Verstandig, of the District of Columbia, to be an Assistant Secretary of Transportation.

(The foregoing nominations reported from the Committee on Commerce, Science, and Transportation, with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. HATCH, from the Committee on Labor and Human Resources:

Albert Angrisani, of New Jersey, to be an Assistant Secretary of Labor.

T. Timothy Ryan, Jr., of Virginia, to be Solicitor for the Department of Labor.

(The above nominations, reported from the Committee on Labor and Human Resources, with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. ROBERT C. BYRD:

S. 652. A bill for the relief of Raul H. Tamayo, M.D., his wife, Teresira, and his son; to the Committee on the Judiciary.

By Mr. THURMOND (for himself and Mr. CHILES):

S. 653. A bill to amend title 28 of the United States Code to modify habeas corpus procedures; to the Committee on the Judiciary.

By Mr. MATHIAS:

S. 654. A bill for the relief of Romulo Cayetano; to the Committee on the Judiciary.

By Mr. MATHIAS (for himself, Mr. HUDDLESTON, and Mr. BENTSEN):

S. 655. A bill to amend the Internal Revenue Code of 1954 to clarify the extent to which a State, or political subdivision, may tax certain income from sources outside the United States; to the Committee on Finance.

By Mr. MATHIAS (for himself and Mr. SARBANES):

S. 656. A bill to preserve, protect, and maintain the original boundary stones of the Nation's Capital; to the Committee on Energy and Natural Resources.

By Mr. HATFIELD (for himself, Mr. JEPSEN, Mr. GRASSLEY, Mr. PACKWOOD, Mr. CRANSTON, Mr. HAYAKAWA, Mr. MOYNIHAN, and Mr. D'AMATO):

S. 657. A bill to designate the Department of Commerce Building in Washington, D.C., as the "Herbert Clark Hoover Department of Commerce Building"; to the Committee on Environment and Public Works.

By Mr. NICKLES:

S. 658. A bill to amend the Fair Labor Act of 1938 to exempt employees who are under 18 years of age from the provisions of section 6 of that act, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. EXON (for himself and Mr. ZORINSKY):

S. 659. A bill to amend the authorization for the flood control project for the town of Niobrara, Nebr., and for other purposes; to the Committee on Environment and Public Works.

By Mr. BOREN:

S. 660. A bill to amend title IV of the Social Security Act to provide for a demonstration program of block grants to States in lieu of Federal matching or aid to families with dependent children; to the Committee on Finance.

By Mr. JEPSEN:

S. 661. A bill to amend title 18 of the United States Code to provide a criminal penalty for robbery of a controlled substance and to establish a commission to make recommendations with respect to the Federal effort to curb pharmacy related crimes; to the Committee on the Judiciary.

By Mr. BOSCHWITZ:

S. 662. A bill for the relief of Defoil L. Orteza, Rosemarie Orteza, Defoil A. Orteza, Junior, and Joseph-Mari A. Orteza; to the Committee on the Judiciary.

S. 663. A bill for the relief of Wing Yin (Cecelia) Li; to the Committee on the Judiciary.

By Mr. CHILES (for himself and Mr. NUNN):

S. 664. A bill to amend section 481(d) of the Foreign Assistance Act of 1961; to the Committee on Foreign Relations.

By Mr. CHAFEE:

S. 665. A bill to extend the period during which the Secretary of Defense may repay certain educational loans made to persons who serve in the Armed Forces, and for other purposes; to the Committee on Armed Services.

By Mr. FORD:

S. 666. A bill for the relief of Louise Condon; to the Committee on the Judiciary.

By Mr. CRANSTON (for himself, Mr. HATFIELD, Mr. HOLLINGS, Mr. INOUYE, Mr. LEVIN, Mr. MATSUNAGA, Mr. MOYNIHAN, Mr. PELL, Mr. RANDOLPH, and Mr. TSONGAS):

S. 667. A bill to amend the Social Security Act to extend medicaid eligibility to certain low-income pregnant women and newborn children; to the Committee on Finance.

By Mr. JACKSON:

S. 668. A bill to provide for an expedited and coordinated process for decisions on proposed non-nuclear energy facilities, and for other purposes; to the Committee on Energy and Natural Resources.

S. 669. A bill to amend the existing geothermal leasing and permitting laws, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. CRANSTON (for himself, Mr. MATSUNAGA, and Mr. DECONCINI):

S. 670. A bill to amend title 38, United States Code, to improve certain programs of Veterans' Administration benefits for veterans who are former prisoners of war, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. PELL (for himself, Mr. GLENN, Mr. GOLDWATER, and Mr. HUDDLESTON):

S. 671. A bill to amend section 402 of title 23, United States Code, relating to establishment by each State of comprehensive alcohol-traffic safety programs as part of its highway safety program; to the Committee on Commerce, Science, and Transportation.

By Mr. PELL:

S. 672. A bill to require the Secretary of Transportation to administer a national driver register to assist State driver licensing officials in electronically exchanging information regarding the motor vehicle driving records of certain individuals; to the Committee on Commerce, Science, and Transportation.

By Mr. DOMENICI:

S. 673. A bill to amend the Internal Revenue Code of 1954 to provide a 5 barrel per day exemption from the windfall profit tax in the case of stripper well oil, and for other purposes; to the Committee on Finance.

By Mr. QUAYLE:

S. 674. A bill to amend the Internal Revenue Code of 1954 to provide a refundable credit against income tax for $750 of the cost of purchasing a qualified American-made automobile or light truck; to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HEFLIN, Mr. DECONCINI, Mr. SIMPSON and Mr. EAST):

S. 675. A bill to establish a Federal Jurisdiction Review and Revision Commission; to the Committee on the Judiciary.

By Mr. INOUYE:

S. 676. A bill for the relief of Victor Wu-Hsiung Kaw and Ms. Pei-San Kaw; to the Committee on the Judiciary.

By Mr. STEVENS:

S. 677. A bill to amend chapter 83 of title 5 of the United States Code to provide an equitable system of cost-of-living adjustments for civil service annuitants, and for other purposes; to the Committee on Governmental Affairs.

By Mr. STEVENS (for himself, Mr. MATHIAS, and Mr. GLENN):

S. 678. A bill to amend Title 39 of the United States Code to require that any extension of the Zip Code be part of a voluntary service option with a reduced rate; to the Committee on Governmental Affairs.

By Mr. EAGLETON:

S. 679. A bill for the relief of Maggie John Ekpo and her four children. Comfort John, Alice John, Ime John, and Eno John; to the Committee on the Judiciary.

By Mr. GORTON:

S. 680. A bill for the relief of Kai-Mee Chen; to the Committee on the Judiciary.

By Mr. STAFFORD (for himself, Mr. RANDOLPH, Mr. CHAFEE, Mr. PACKWOOD, Mr. CANNON, Mr. GORTON, and Mr. MITCHELL):

S. 681. A bill to provide a comprehensive system of liability and compensation for oil spill damage and removal costs, and for other purposes; ordered held at the desk.

By Mr. R"EGLE (for himself, Mr. EXON, Mr. PRESSLER, Mr. JOHNSTON, Mr. PRYOR, Mr. ANDREWS, Mr. ABDNOR, Mr. ZORINSKY, Mrs. HAWKINS, Mr. CRANSTON, Mr. DECONCINI, Mr. LAXALT, Mr. LEVIN, Mr. SASSER, Mr. GRASSLEY, Mr. WILLIAMS, and Mr. DIXON):

S. 682. A bill to place a moratorium on decisions by the Federal Trade Commission in shared monopoly proceedings until the Congress establish the existence of the violation and defines its elements; to the Committee on the Judiciary.

By Mr. BAKER (for Mr. DOLE) (for himself, Mr. BAKER, Mr. ROTH, Mr. STEVENS, Mr. DANFORTH, Mr. CHAFEE, Mr. HEINZ, Mr. WALLOP, Mr. DURENBERGER, Mr. ARMSTRONG, Mr. SYMMS, Mr. GRASSLEY, Mr. KASTEN, Mr. JEPSEN, Mr. BOSCHWITZ, Mr. LAXALT, Mr. PERCY, Mr. THURMOND, Mr. HUMPHREY, Mr. WARNER, Mr. TOWER, Mr. HATCH, Mr. SCHMITT, Mr. HAYAKAWA, Mr. GARN, Mr. COHEN, Mr. ANDREWS, Mr. SIMPSON, Mrs. HAWKINS, Mr. MURKOWSKI, Mr. HELMS, Mr. EAST, Mr. MATTINGLY, Mr. QUAYLE, Mr. DOMENICI, Mr. NICKLES, Mr. RUDMAN, Mr. MCCLURE, Mr. ABDNOR, Mr. COCHRAN, Mr. LUGAR, Mr. GOLDWATER, Mr. PRESSLER, Mr. D'AMATO, Mr. STAFFORD, and Mrs. KASSEBAUM) (by request):

S. 683. A bill to amend the Internal Revenue Code of 1954 to encourage economic growth through reduction of the tax rates for individual taxpayers and acceleration of capital cost recovery of investment in plant, equipment and real property; to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HATCH, Mr. DECONCINI, Mr. SIMPSON, Mr. HEFLIN, Mr. LAXALT, Mr. LUGAR, Mr. BOREN, Mr. ARMSTRONG, Mr. EAST, Mr. DENTON, Mr. GRASSLEY, and Mr. PRESSLER):

S.J. Res. 43. Joint resolution proposing an amendment to the Constitution to alter Federal fiscal decisionmaking procedures; to the Committee on the Judiciary.

By Mr. DECONCINI:

S.J. Res. 44. Joint resolution requesting the President to designate July 18 of each year as "National POW/MIA Recognition Day"; to the Committee on the Judiciary.

By Mr. HEINZ (for himself, Mr. NUNN, Mr. DURENBERGER, Mr. NICKLES, Mr. JEPSEN, Mr. GOLDWATER, and Mr. BOSCHWITZ):

S.J. Res. 45. Joint resolution proposing an amendment to the Constitution to protect the people of the United States against excessive governmental burdens and unsound fiscal and monetary policies by limiting total outlays of the Government; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. THURMOND (for himself and Mr. CHILES):

S. 653. A bill to amend title 28 of the United States Code to modify habeas corpus procedures; to the Committee on the Judiciary.

MODIFICATION OF HABEAS CORPUS PROCEDURES

Mr. THURMOND. Mr. President, in partial response to Chief Justice Burger's recent observation that there should be some reasonable relief to limit judicial review of criminal convictions, I am today introducing a bill containing four proposals to ameliorate the repeated abusive use of Federal habeas corpus to attack State criminal convictions. The purpose of these proposals is to meet longstanding concerns of the States over undue Federal interference in State criminal convictions. As noted by Mr. C. Raymond Marvin of the National Association of Attorneys General in a letter to the Senate Committee on the Judiciary last year:

The purpose of the four proposals, which would take the form of amendments to the United States Code, is to address some of the problems that result in a lack of finality in the judgments rendered by many of our courts. There is wide support for the theory that a principal weakness of our criminal justice system is its lack of certainty: the certainty of a criminal being caught, convicted, and punished. Public confidence will inevitably be shaken by a system where crim-

inals are caught, convicted, and sentenced but where the judgment rendered may be appealed, cross-appealed and counter-appealed years after the initial verdict.

The amendments proposed herein are not radical nor will they interfere with the defendant's full right to determination of federal claims in federal courts. They are intended only to end abuses of the writ of habeas corpus by ensuring that claims on behalf of a defendant are presented in an orderly and timely manner.

The first proposal amends 28 U.S.C. 636(b) to require a district judge—rather than a magistrate—to conduct evidentiary hearings held in a habeas corpus proceeding with respect to a person held in State custody under a State criminal conviction. This recognizes the importance, in our Federal system, of State criminal justice proceedings by requiring the experience and authority of a Federal judge to overrule decisions of State supreme courts. Indeed, in many habeas corpus cases not only has the State supreme court reviewed the conviction on direct appeal, but the U.S. Supreme Court has denied review of the decision.

The second proposal would codify the decision of *Wainright* v. *Sykes*, 433 U.S. 72 (1977), in which the Supreme Court held that the failure to object to the admission of inculpatory statements as required under the State law bars Federal habeas corpus review of the issue absent a showing of cause for the noncompliance and some showing of actual prejudice. Unlike the Wainright decision, an effort is made here to spell out the factors constituting "cause" for failure to comply with the State rule.

The third proposal establishes reasonable time limits within which a Federal habeas corpus action must be commenced.

Finally, the fourth proposal provides limits on Federal habeas corpus evidential hearings where the record in the State court provides a factual basis for the State court findings and such record was made under circumstances affording the habeas petitioner a full and fair hearing on the factual issue.

Mr. President, these four proposals seem worth serious study to me. It is absolutely essential that we reexamine methods to enhance the credibility of our criminal justice system and place some reasonable limitations on repeated litigation surrounding criminal convictions. This bill deals with Federal review of State criminal convictions. Similar proposals are equally applicable to repeated collateral attack on Federal criminal convictions. We should extend our appreciation to the Attorneys General for their concern.

Mr. President, I ask unanimous consent that the bill I am introducing be printed in the RECORD following these remarks.

There being no objection, the bill was ordered to be printed in the RECORD as follows:

S. 653

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this act may be cited as the "Habeas Corpus Procedures Amendments Act of 1981".

SEC. 1. Section 636(b)(1)(B) of title 28, United States Code, is amended to read as follows:

"(B) a judge may also designate a magistrate to conduct hearings, including evidentiary hearings, except evidentiary hearings in cases brought pursuant to section 2254 of this title, and to submit to a judge of the court proposed findings of fact and recommendations for the disposition, by a judge of the court, of any motion excepted in subparagraph (A), of applications for post-trial relief made by individuals convicted of criminal offenses in a United States District Court.".

SEC. 2. Section 2244 of title 28, United States Code, is amended by adding at the end thereof the following new subsections:

"(d) In a habeas corpus proceeding brought in behalf of a person in custody pursuant to the judgment of a State court, if the Federal question presented was not properly presented under State law in the State court proceedings both at trial and on direct appeal, or properly presented in a collateral proceeding and disposed of exclusively on the merits, the claim may not be considered or determined by a judge or court of the United States, unless the petitioner establishes that the alleged violation of the Federal right was prejudicial to the petitioner as to his guilt or punishment and that—

"(1) the Federal right asserted did not exist at the time of the trial and that right has been determined to be retroactive in its application;

"(2) the State court procedures precluded the petitioner from asserting the right sought to be litigated;

"(3) the prosecutorial authorities or a judicial officer suppressed evidence from the petitioner or his attorney which prevented the claim from being raised and disposed of; or

"(4) material and controlling facts upon which the claim is predicated were not known to petitioner or his attorney and could not have been ascertained by the exercise of reasonable diligence.

"(e) No petition filed in behalf of a person in custody pursuant to the judgment of a State court shall be considered or determined by a judge or court of the United States if it is not filed within three years from the date the State court judgment and sentence became final under State law, unless the Federal right asserted did not exist at the time of the State court trial and that right has been determined to be retroactive, in which case the petition may be entertained within three years from the date said right was determined to exist.

SEC. 3. Section 2254(d) of title 28, United States Code, is amended to read as follows:

"(d) In any proceeding instituted in a Federal court by an application for a writ of habeas corpus by a person in custody pursuant to the judgment of a State court, a determination after a hearing on the merits of a factual issue, made by a State court of competent jurisdiction in a proceeding to which the applicant for the writ and the State or an officer or agent thereof were parties, evidenced by a written finding, written opinion, or other reliable and adequate written indicia, shall not be redetermined or relitigated by a judge or court of the United States, unless the applicant shall establish or it shall otherwise appear, or the respondent shall admit—

"(1) that the merits of the factual dispute were not resolved in the State court hearing;

"(2) that the factfinding procedure employed by the State court was not adequate to afford a full and fair hearing;

"(3) that the material facts could not be developed at the State court hearing;

"(4) that the State court lacked jurisdiction of the subject matter or over the person of the applicant in the State court proceeding; or

"(5) that the applicant was an indigent and the State court, in deprivation of his constitutional right, failed to appoint counsel to represent him in the State court proceeding;

"(6) or unless that part of the record of the State court proceeding in which the determination of such factual issue was made, pertinent to a determination of the sufficiency of the evidence to support such factual determination, is produced as provided for hereinafter, and the Federal court on a consideration of such part of the record as a whole concludes that there is no evidence to support such finding.

No evidentiary hearing may be conducted in the Federal court when the State court records demonstrate the factual issue was litigated and determined, unless the existence of one or more of the circumstances respectively set forth in paragraphs numbered (1) to (6), inclusive, is shown by the applicant.".

● Mr. CHILES. Mr. President, I am pleased to join with the distinguished chairman of the Judiciary Committee in introducing these amendments to the habeus corpus statute for State prisoners. The purpose of the bill is to give greater respect to orderly State court procedures, and to underscore the importance of finality in our court system.

This need for finality was emphasized recently by Chief Justice Burger in his report to the American Bar Association. He stressed the importance of deterrence in solving our crime problem, and he expressed concern that the criminal justice system, as it now operates, was not supplying that deterrence. In his view, one important step we could take to reform our current system to better fight crime would be to recognize the need for "at some point—finality of judgment" in our criminal justice system. I agree with the Chief Justice's observation, and with his recommendation that collateral review be confined to claims of miscarriage of justice. I believe that the bill Senator THURMOND and I are introducing today is consistent with his observations, and with his recommendations for reform. It is an important step in fighting the battle against crime.

THE STATE OF AFFAIRS TODAY

Mr. President, the past 25 years have brought about an explosion in the use of the habeus corpus writ by State prisoners to collaterally attack their convictions. The writ itself was first made available to State prisoners by a statue enacted by Congress in 1867. In 1953, in the Brown against Allen case, the Supreme Court construed the 1867 statute in such a way as to give Federal district courts broad authority to redetermine the merits of State court convictions. At that time, in a concurring opinion, Justice Jackson expressed deep concern over

the "floods of stale, frivolous and repetitious petitions (which will) inundate the dockets of the lower courts and swell our own."

Mr. Justice Jackson's observations have proven all too accurate, as prisoners have taken advantage of the easy availability of access to the Federal courts. In 1953, the flood consisted of 541 petitions. Last year, there were 7,031 such petitions filed by State prisoners in the Federal courts. That represents a 13-fold increase in the number of petitions filed since 1953. In fact, the total number of State prisoner petitions (which includes other forms of challenges to the conviction or the conditions of confinement) now accounts for over 11 percent of the total number of all civil cases filed in the Federal courts today.

EFFECTS OF TODAY'S SYSTEM

Mr. President, the current state of affairs is detrimental to the effective functioning of our courts, and to our criminal justice system. First of all, the easy availability of such collateral review is at odds with one of the most fundamental principles of our judicial system: the notion of finality. Habeas cases relitigate the same facts and issues that were decided in the State courts, either at trial or on direct appeal, or, possibly, on collateral appeal in the State court system. While all recognize that finality in criminal cases will not carry the same weight it does in civil cases, it does not follow that finality has no place at all in our criminal justice system. Yet the current system operates in such a way as to suggest that a prisoner, duly convicted in a full and fair State proceeding, can challenge that conviction time and time again, for years or even decades after his State court conviction became final.

Factual issues can end up being redetermined long after the crime was committed and the initial trial was held, and evidence may have disappeared or key witnesses may no longer remember crucial details. The State is prejudiced by these long delays, and more importantly, the delays impair the reliability of the factfinding process. Moreover, the potential for extensive Federal court review of State court convictions can create unnecessary friction between the State court systems and the Federal courts.

This lack of finality hampers the courts and the criminal justice system in other ways as well. An effective criminal justice system must let would-be criminals know that they will be punished for committing crimes. This deterrence is not effective if prisoners have easy access to the Federal courts to file collateral attacks on their convictions. As a result, the word gets out to would-be criminals that, even if you are caught and get sent to prison, you may not have to serve out your sentence. That message gets out to the public as well, and the result is an erosion of public confidence in the ability of the criminal justice system and the courts to deal with crime.

Furthermore, the sheer volume of petitions filed is a strain on the resources of our courts. To the extent that our prosecutors, defense attorneys, and judges devote their time and effort to reviewing and processing these petitions, we dilute the resources of the courts, and add to the delay in bringing original criminal and civil cases to trial. Ironically, the flood of petitions may actually hurt those who have valid habeas claims.

According to a 1979 Justice Department study of Federal habeas corpus review of State court judgments, a large number of the claims filed are frivolous and repetitious, since many petitions can be filed without cost to the prisoner. This finding may prevent the worthy petitions from getting the consideration they deserve. As Justice Jackson observed:

(I)t must prejudice the occasional meritorious petition to be buried in a flood of worthless ones.

Mr. President, the bill which Senator THURMOND and I introduce today will help to solve some of these problems with the current system. In doing so, it will represent an important step in our fight to solve the crime problem which each one of us must try to solve.

PROVISIONS OF THE BILL

Mr. President, the bill's three sections contain four proposals for reform.

The first section would redefine the role of U.S. magistrates in conducting evidentiary hearings in habeas cases brought by State prisoners. It would specify that magistrates could not conduct such hearings. The Supreme Court recognized the pivoted role these hearings play in the outcome of the proceeding, stating that—

(I)t is commonplace that the outcome of a lawsuit—and hence the vindication of legal rights—depends more often on how the fact finder appraises that fact than on a disputed construction of a statute or interpretation of a line of precedents. (*Speiser* v. *Randell*, 352 U.S. 513, 520)

In habeas cases, we currently allow magistrates to make recommended findings of fact which can, in effect, overrule the decisions rendered by State trial judges and approved by State supreme courts. It seems to me that, as a sound policy of federalism and of respect for our own State court systems, we should require that such findings be based only on hearings conducted by Federal district court judges, appointed and confirmed pursuant to article 3 of the Constitution.

Federal magistrates would continue to play an important screening role in habeas proceedings. They would continue to receive and review the State court record, and all other documents submitted by the parties. I know that some will be concerned that this provision will have the effect of burdening the dockets of our Federal district courts. In practice however, the burden which exists today is the number of petitions filed, not the number of hearings held. The latest available statistics show that, nationwide, U.S. magistrates conduct about 200 evidentiary hearings in State habeas cases a year.

I am reluctant to increase the caseload of the Federal courts in any way. However, this relatively small number of hearings, when balanced against the importance of having such important factual determinations conducted by article 3 judges, makes this modfication necessary.

Section 2 seeks to set out, in statutory form, a definition of the "cause and prejudice" standard laid down by the Supreme Court in the Wainwright against Sykes case. What both the Wainwright decision and this proposal stand for is the notion that deference ought to be paid to orderly State court procedures. Wainwright specified that a person who has not raised claims in this State court trial due to his failure to comply with State procedural rules cannot then turn around and then raise those claims for the first time in a habeas proceeding unless he shows a "cause" for his failure to follow the State procedures.

Section 2 basically codifies the Wainwright rule. It lists four conditions which are valid "causes" for not having raised a claim in the State trial: First, the Federal right being raised in the habeas proceeding did not exist at the time of the State trial; second, the State court procedures precluded the habeas petitioner from ever raising the issue in the State trial; third, the State officials suppressed the evidence necessary for the person to raise his claim; and fourth, the facts necessary to make the claim in State court were unknown, and could not be ascertained through reasonable diligence.

The second part of section 2 would create a statute of limitations, to assure that habeas claims are filed and considered while the evidence is still fresh. This provision, I believe, is essential if we are to have any finality in our criminal justice system. Too often, claims are filed years and years after the State proceedings have become final. Oftentimes, crucial evidence is no longer available, or key witnesses are unable to recollect important facts. The result is that the State is prejudiced in its ability to respond to the claims raised solely by the long delay in the filing of the habeas petition.

Current law recognizes this potential for abuse of the writ, and gives the habeas court discretion to dismiss stale claims. In practice however, making a determination that the State has been prejudiced by the delay in filing is as time consuming as making a new determination on the merits. The result, according to the State officials who must deal with these cases from day to day, is that stale claims are rarely dismissed on this basis. I do not believe that the great writ was ever meant to be used this way. In this regard, the comments of Judge Coleman of the Fifth Circuit Court of Appeals, made in the recent case of Paprskar against Estelle, are particularly on point:

Of course, the Constitution is supreme and must be obeyed. I do not quarrel with that. I do find it to be painfully incongruous that he who defies all civilized notions of due process

in the summary theft of a human life is allowed, years after the event and years after his conviction has become final, to raise all kinds of constitutional claims which, if they existed, could have been raised at trial or, at least, soon thereafter.

The fault, of course, is not with the Great Writ. It lies in the manner in which it is allowed belatedly to be invoked. While Congress has commendably made some effort to limit jurisdiction for the entertainment of these eleventh hour attacks on state court convictions it is readily apparent to one regularly dealing with the subject that those efforts have not met with much success.

Very few belated applications for habeas corpus claim that the petitioner is innocent. The fundamental purpose of the writ has been distorted. The confidence of the general public in the ability of state courts to bring criminals to justice has been eroded. The deterrent effect of law prohibiting criminal conduct has been seriously damaged. The decisions say that the writ may not be used as a second appeal, but from experience the outlaws know better. Instead of being a bulwark of freedom for the citizen it has been allowed to become a last, and too often a sure, refuge for those who have respected neither the law nor the Constitution.

Section 3 of the bill contains the fourth proposal, which is designed to insure that findings of fact, fairly and properly made in a State court hearing, are not needlessly redetermined in a habeas proceeding. It complements the other provisions of this legislation and underscores the need to give deference to orderly State procedures.

Current law, as codified in 28 U.S.C. 2254(d), creates a presumption that the State court's factual findings are correct, a presumption which falls if the habeas petitioner is able to establish that one of eight specified defects existed in the State proceedings. But the petitioner's failure to establish one of these defects is not a bar to holding another factual hearing; it simply gives the petitioner the burden of proof in the hearing. The result is that such hearings can be, and, according to State law enforcement officials, are in fact held almost at the discretion of the habeas court, regardless of the sufficiency or fairness of the State proceeding. I am not of a mind that this is the way our courts should operate.

Accordingly, this proposal modifies current law by forbidding any redetermination of facts unless the habeas petitioner can establish that a specified defect existed in the State proceeding. It also tightens up the conditions themselves, to insure that needless redeterminations of facts do not occur.

Mr. President, these proposals carry with them the endorsement and support of the National Association of Attorneys General. In this regard, Jim Smith, the attorney general of Florida, has been instrumental in conceiving these proposals and for building support for them among all the attorneys general across the country.

These proposals may not be the only way to solve the current situation, but I do hope that they will stimulate discussion and comment from many interested parties. For my part, I feel that they are a good starting point for reform. I am pleased to join with the distinguished chairman of the Judiciary Committee in his efforts, and stand ready to help him in whatever way I can.

Mr. President, I ask unanimous consent that a resolution of support for these proposals which the National Association of Attorneys General adopted be inserted in the RECORD along with my statement.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

NATIONAL ASSOCIATION OF ATTORNEYS GENERAL

RESOLUTION: FEDERAL CRIMINAL CODE/HABEAS CORPUS PROCEEDINGS

Whereas, the principal weakness in the criminal justice system today is its lack of certainty; and

Whereas, crime rates continue to rise and public confidence in the criminal justice system is at a low point nationally; and

Whereas, certainty and swiftness of justice is universally accepted as the strongest deterrent to criminal activity; and

Whereas, the diminishing ability of the states to carry out the judgments of their criminal courts has led to erosion of certainty; and

Whereas, certain of the commendable procedural safeguards attached to the writ in recent years are being abused, and have become instruments with which to frustrate justice rather than secure it; and

Whereas, records of criminal proceedings contain many examples of such abuses, none worse than *Walker v. Wainwright*, a Florida case in which a writ filed 35 years post-conviction, when there was no living person to refute the defendant's testimony, was granted and he was set free; and

Whereas, the writ was designed as a shield, not a sword;

Now, therefore, be it resolved by the National Association of Attorneys General:

(1) That certain amendments to the federal criminal code relating to habeas corpus proceedings are necessary to require orderly and timely presentation of claims in behalf of defendants and restore finality to the criminal process;

(2) That the amendments attached hereto remove no rights available to any defendant, stand as no barrier to the assertion of new rights or the filing of claims not previously asserted when they were not known to exist;

(3) That these amendments represent no unreasonable departure from accepted criminal practice and, in fact, are in keeping with the tenor of several recent holdings of the United States Supreme Court;

(4) That the Congress of the United States is hereby petitioned by the assembled attorneys general of the states to amend the federal criminal code, as proposed hereafter, to ensure the victims of crime equal protection of the laws; and

(5) That the Washington Counsel of this Association is authorized to inform the Administration, Members of Congress, and others of these actions.

The proposals referred to above would:

1. Amend 28 U.S.C. 636(b) to require that a district judge, rather than a magistrate, conduct any evidentiary hearing held in a habeas corpus proceeding involving a prisoner held in state custody.

2. Amend the habeas corpus act to codify *Wainwright* v. *Sykes*, 433 U.S. 72 (1977), which recognized the legitimacy of the "contemporaneous objection rule" and bars litigation of issues not properly raised unless "cause and prejudice" is shown for failing to comply with state procedural requirements.

3. Establish a time limit within which a state prisoner must institute a federal habeas corpus action which challenges his state court conviction. The legislation would require the action be brought within three years from the date the judgment and sentence becomes final under state law.

4. Require a habeas corpus court to accept state court findings of fact where there is an evidentiary basis for that finding providing the petitioner was accorded a full and fair hearing on the factual issue.●

By Mr. MATHIAS (for himself, Mr. HUDDLESTON, and Mr. BENTSEN):

S. 655. A bill to amend the Internal Revenue Code of 1954 to clarify the extent to which a State, or political subdivision, may tax certain income from sources outside the United States; to the Committee on Finance.

STATE TAXATION OF FOREIGN SOURCE INCOME

● Mr. MATHIAS. Mr. President, over the years, I have watched certain Congresses develop a flavor, or theme, and I think history will remember the 97th as the economic revival Congress.

The economy has deteriorated to the point where we can no longer afford the luxury of business as usual. The people want reform; the President wants reform; and the Congress wants reform.

For 20 years, business has wrestled with the gross inefficiency of our outmoded interstate tax machinery, and I think this year we will finally do something about it.

Just recently, President Reagan's tax policy task force gave a boost to this tax simplification effort by strongly endorsing the principle that underlies the interstate taxation bill I introduce today.

This bill will help smooth the flow of interstate and international commerce in this country; it wil remove the risk of double taxation for United States and foreign corporations; and it will bring the States into conformity with the Federal Government and most other countries on the taxation of foreign source intercorporate dividends.

This is a slightly revised version of legislation that I introduced in the Senate 2 years ago (S. 1688), along with a companion House bill (H.R. 5076), by Representatives CONABLE and JONES to rationalize the tax treatment of foreign source income by the States. By purging a major inefficiency in our tax system, it would make U.S. business more competitive in international markets, and it would remove a constant source of irritation in our relations with our foreign trading partners.

Our current negotiations of new tax treaties have focused the attention of the Treasury Department and the Sen-

ate on the resentment of our overseas trading partners over a very few U.S. States which persist in using worldwide combined reporting to extend their taxing jurisdiction overseas. Under this system, these States have stretched their apportionment net to ensnare foreign source income of corporate groups with members located and doing business outside the United States. This practice was a central controversy, for example, in the Senate's consideration in 1978 of the United States-United Kingdom Tax Treaty. As negotiated between the United States Treasury and the British Government, the treaty included a clause that would have limited its use by the States in taxing British corporations.

Despite the President's support, the Senate deleted this clause—article 9(4)—from the treaty during the summer of 1978, before ratifying it in the summer of 1979. The States argued that such a prohibition should not be attempted by the treaty process, but should receive a full legislative hearing in both Houses of Congress. It was in response to this argument that Representative CONABLE and I introduced companion measures, H.R. 5076 and S. 1688, in the 96th Congress to focus the debate on the issues of worldwide combination and taxation of foreign source dividends on a comprehensive basis, encompassing all foreign countries.

Following the removal of article 9(4), the United States-United Kingdom treaty went through a prolonged period of uncertainty in Parliament, while several British delegations visited Capitol Hill to assess the likelihood of progress on my interstate tax legislation. The news that hearings had been scheduled before the House Ways and Means Committee on March 31, 1980, had a very favorable impact on Parliament; it ratified the treaty last February after this showing of good faith on our part.

We encountered the same stumbling block in the negotiations with Canada over the treaty that was signed last September and presented to the Senate on November 12, 1980. Here, the impasse over worldwide combination was broken by an exchange of notes between the United States Treasury Department and the Canadian Prime Minister, recording an agreement that the discussions would be reopened at the first opportunity. This is sure to continue to be a point of contention in the negotiation of our future international tax treaties.

The legislative history of the debate in the U.S. Congress goes back many years, at least back to the Willis Commission of 1962, on which I served. More recently, Representative ROSTENKOWSKI, the current chairman of the Ways and Means Committee, led a task force on foreign source income which recommended that the States be prohibited from including the foreign source income in their tax base until it becomes subject to Federal taxation. In 1978, I held a series of Judiciary Committee hearings across the country on the entire spectrum of tax issues relating to interstate commerce and foreign source corporate income. The House hearings last spring concentrated on taxation of foreign source income, and they were followed by a day of Senate hearings on June 24 last summer, before the Finance Subcommittee on Taxation and Debt Management. At these sessions, the committees received testimony in support of my legislation from: The International Chamber of Commerce, the Chamber of Commerce of the United States, the American Chamber of Commerce in Great Britain, the Business Roundtable, the National Association of Manufacturers, the committee on State taxation of the Council of State Chambers of Commerce, the National Association of Wholesalers-Distributors, the American Apparel Manufacturers Association, the European Economic Community, the Government of Great Britain, the Confederation of British Industry, the Dutch Employers' Federation, the German-American Chamber of Commerce, and most of the major American and British corporations in this country.

The testimony from the Treasury Department supported the first part of the bill, and suspended judgment on the second part, concerned with the treatment of foreign source intercorporate dividends, saying at the Senate hearings that it needed more time to study this aspect of the problem.

To supplement the extensive legislative hearing record we have developed, I am looking forward to the studies of the issue that are due to be published this spring by the General Accounting Office and the Advisory Commission on Intergovernmental Relations. I have every expectation that both studies will recommend a solution to this continuing problem along the lines I have suggested.

The bill I am submitting today would limit the use of the worldwide combined reporting system so that a State in imposing an income tax on any corporation could not take into account any amount of income attributable to any foreign corporation which is also a member of an affiliated group of corporations, unless such amount is subject to Federal income tax. As I mentioned earlier, the Federal Government has rejected the worldwide combined reporting system, and instead relies on the arm's-length method of taxation, as do nearly all the governments in the world market. The arm's-length method treats affiliates and subsidiaries in a corporate group as separate and autonomous business entities for tax purposes, applying a tax only when the income is repatriated.

Ordinarily, I would prefer that the States act on their own to resolve the matter, but we have given them 20 years and are no closer to settling it today than we were when I served on the Willis Commission in the early 1960's.

An efficient tax system at all levels is to everyone's advantage domestically. Internationally it is a must. I urge all my colleagues to give the bill their closest consideration, and to act promptly to insure that the United States speaks with one voice in matters of foreign commerce. I ask unanimous consent that the text of the bill and the technical explanation I have prepared be printed in the RECORD following my remarks.

There being no objection, the bill and explanation were ordered to be printed in the RECORD, as follows:

S. 655

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled That (a) chapter 77 of the Internal Revenue Code of 1954 (relating to miscellaneous provisions) as amended by adding at the end thereof the following new section:

"SEC. 7518. INCOME OF CORPORATIONS ATTRIBUTABLE TO FOREIGN CORPORATIONS.

"(a) IN GENERAL.—Where two or more corporations are members of the same affiliated group of corporations—

(1) for purposes of imposing an income tax on any corporation which is a member of such group, no State, or political subdivision thereof, may take into account, or include in income subject to such tax, any amount of income of, or attributable to,

(2) any other corporation which is a member of such group and which is a foreign corporation, unless such amount is includable in the gross income of the corporation described in paragraph (1) for purposes of chapter 1 (including any amount includable in gross income under subpart F of part III of subchapter N of chapter 1) for the taxable year in which or with which the taxable period (or purposes of State or local law) ends.

"(b) INCOME TAX DEFINED.—For purposes of this section, the term 'income tax' means any tax which is imposed on, according to, or measured by net income.

"(c) AFFILIATED GROUP DEFINED.—For purposes of subsection (a), the term 'affiliated group' means a common parent corporation and one or more chains of corporations connected through stock ownership with such common parent corporation.

"(d) CERTAIN CORPORATIONS TREATED AS FOREIGN CORPORATIONS.—For the purpose of this section, a domestic corporation shall be treated as a foreign corporation if under section 861(a)(2)(A) a dividend received from such corporation in the taxable year referred to in subsection (a) would not be treated as income from sources within the United States.

"(e) CERTAIN DIVIDENDS PAID OR DEEMED PAID.—

"(1) DIVIDENDS EXCLUDED FROM TAX.—If a corporation receives in any taxable year a dividend from a foreign corporation (or is by application of section 951 treated as having received such a dividend), in imposing an income tax on such corporation no State, or political subdivision thereof, may tax, or otherwise take into account—

"(A) in the case of a dividend received from a corporation with respect to which an election under section 936 is in effect for the taxable year in which such dividends are paid, the amount of deduction allowed by section 243,

"(B) in the case of a dividend received from a corporation described in subsection (d) which is not described in paragraph (A), more than the lesser of—

"(i) the amount of the dividend exclusive

of any amount of dividend determined under paragraph (3), or

"(ii) the amount by which the dividend plus any amount of dividend determined under paragraph (3) exceeds the excluded portion of the dividend determined in accordance with paragraph (2).

"(C) in the case of a dividend received from any other foreign corporation more than the lesser of—

"(i) the amount of the dividend (exclusive of any amount determined under section 78), or

"(ii) the amount by which the dividend plus any amount determined under section 78 exceeds the excluded portion of the dividend determined in accordance with paragraph (2).

"(2) EXCLUDED PORTION OF A DIVIDEND.—The excluded portion of any dividend shall be determined by multiplying the amount of the dividend (including any amount of dividend determined under section 78 or paragraph (3)) by a fraction—

"(A) the numerator of the fraction shall be the sum of—

"(i) the total amount of tax withheld from all such dividends at the source.

"(ii) the total amount of tax which by application of section 902 or section 960 to all such dividends, the domestic corporation is deemed to have paid, and

"(iii) the total amount of tax deemed paid by application of paragraph (3).

"(B) The denominator of the fraction shall be 46 percent of all such dividends.

"(3) SPECIAL RULE WITH RESPECT TO DIVIDENDS RECEIVED FROM DOMESTIC CORPORATIONS TREATED AS FOREIGN UNDER SUBSECTION (d).—A corporation that receives a dividend which is described in subparagraph (B) of paragraph (1) shall—

"(A) treat as a dividend for purposes of subparagraph (B) of paragraph (1), and

"(B) treat as a tax deemed paid for purposes of subparagraph (A) of paragraph (2), foreign income taxes which such other corporation has paid or deemed paid in the same proportion on or with respect to the accumulated profits of such corporation from which such dividend was paid, which the amount of such dividend bears to the amount of such accumulated profits in excess of all income taxes (other than those deemed paid).

For purposes of this section, only a tax for which a credit against tax would be allowable under section 901 (determined without regard to the limitations in sections 904 and 907) shall be taken into account."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable periods (for purposes of State or local law) beginning after December 31, 1980.

(c) AMENDMENT OF THE TABLE OF SECTIONS.—The table of sections for chapter 77 of such Code is amended by adding at the end thereof the following new item:

"Sec. 7518. Income of corporations attributable to foreign corporations."

EXPLANATION OF PROPOSED LEGISLATION RELATED TO STATE TAXATION OF FOREIGN SOURCE INCOME

BACKGROUND

A number of states have by application of the so-called "world-wide combination" formula undertaken to extend their tax jurisdiction outside the United States and to tax foreign source income prior to the time the Federal government taxes such income. Also, nearly all states tax a greater portion of foreign source income than the Federal government effectively taxes.

The Federal government does not tax the foreign source income of a foreign subsidiary of a U.S. corporation until that income is paid back to the U.S. or deemed paid back to the U.S. by the application of Subpart F. In contrast, those states which use the world-wide combination formula tax currently, as earned, the income of a foreign affiliate even though that foreign affiliate does not do any business in the United States and derives all its income outside the U.S. This extraterritorial exercise of tax jurisdiction by a state is directly contrary to the Federal rule and contrary to basic principles of taxation.

When a dividend is paid by a foreign subsidiary corporation to its U.S. parent, in order to avoid double tax the Federal government allows a credit for foreign tax already paid on these earnings. Thus, for example, if the foreign tax rate is 23 percent and the U.S. tax rate is 46 percent, the Federal government effectively taxes only 50 percent of the dividend. In contrast, the states effectively tax 100 percent of the dividend. This state tax is directly contrary to the Federal rule and contrary to basic principles of taxation.

EXPLANATION OF PROPOSED LEGISLATION

The proposed legislation would conform the state rules to the Federal rules within the very narrow areas of (i) the time at which states tax the foreign source income of foreign affiliates, and (ii) the quantity or portion of foreign source dividends which are taxed.

These results would be accomplished as follows:

First, the proposed legislation would provide that a state may not take into account or include in income subject to tax the income of any foreign corporation in any year prior to the year in which such income is included in income subject to tax under the Internal Revenue Code. Thus, the foreign source income of a foreign subsidiary of a U.S. parent corporation would be taxed only if and to the extent paid back to the U.S. as a dividend or deemed paid back by application of Subpart F. In the case of a foreign parent corporation of a U.S. subsidiary, the foreign source income of the foreign parent (and any of its foreign affiliates) would never be taxed because under the Internal Revenue Code that income is not taxed by the Federal government.

Second, in the case of dividends received by a U.S. parent corporation from a foreign subsidiary, the proposed legislation would permit a state to tax no greater portion of that dividend than the Federal government effectively taxes. The excluded portion of any dividend would be determined by multiplying the amount of the dividend by a fraction. The numerator of that fraction is the total amount of tax withheld at the source on all such dividends plus the total amount of taxes which, by application of section 902 and section 960 to all such dividends, the U.S. parent corporation is deemed to have paid. The denominator of the fraction is 46 percent of all such dividends. For the purpose of applying this fraction, the amount of the dividend includes the amount of any gross-up under section 78.

Example

1. Amount of dividend actually received	$115.50
2. Gross-up dividend to reflect 23 percent foreign tax rate	$150.00
3. Foreign taxes paid (23% × $150)	$ 34.50
4. Grossed-up dividend × 46 percent	$ 69.00
5. Item 3 divided by item 4 (in percent)	50
6. Excluded portion of dividend ($150 × 0.50)	$ 75.00

The rationale for this exclusion of a portion of a foreign source dividend is the same as the rationale for the foreign tax credit—the avoidance of double tax. However, the result is not to require the states to allow a credit for foreign taxes which would tend to wipe out all state tax on foreign source dividends because the national tax rates in most foreign countries exceed the rates of tax imposed by the states. Instead, the result of the exclusion is to permit the states to tax, at whatever rate they apply to other income, only that portion of a foreign source dividend which the Federal government effectively taxes after taking into account the foreign tax credit.

HISTORY AND RATIONALE OF PROPOSAL

A. Worldwide combination

In 1975, the report of the Ways and Means Committee, Task Force on Foreign Source Income, concluded that the worldwide combination formula was inconsistent with basic principles of taxation and concluded that its application should be limited by Federal legislation. In the meantime, the Treasury had negotiated a treaty with the United Kingdom, Article 9(4) of which would have precluded the application of the worldwide combination formula to a U. K. parent corporation. The treaty would not, however, have limited the application of the worldwide combination formula to foreign subsidiaries of U.S. parent corporations. Subsequently, in 1978, the Senate refused to ratify Article 9(4). In the 96th Congress H.R. 5076 and S. 1688 were introduced to preclude worldwide combination as applied to foreign source income.

B. Foreign source dividends

The additional part of the proposed legislation related to dividends, is merely a logical extension of Federal legislation to limit the application of the worldwide combination formula with respect to foreign subsidiary corporations of U.S. subsidiaries. In theory, states should not tax foreign source dividends at all, but the proposed legislation does not go that far. Instead, it merely limits the states to the same proportion of such dividends as the Federal government effectively taxes. H.R. 5076 and S. 1688, in the 96th Congress, placed this same limitation on state taxation of foreign source dividends.

C. Technical revisions in legislation

The proposed legislation differs from H.R. 5076 and S. 1688, as introduced in the 96th Congress, in several technical respects. Primarily these revisions related (1) to clarifying the language of proposed new section 7518(a) to provide the intended result under the orignial bill in the 96th Congress; and (2) and to a revision in proposed new section 7518(e) to apply the exclusion fraction to dividends received from a so-called 80/20 company under section 861(a)(2)(A). This latter change was necessary to correct the unintended result in the original bill that such a company, as well as dividends received from such a company, would be totally free from state tax even though such a company is subject to Federal taxation.●

By Mr. MATHIAS (for himself and Mr. SARBANES):

S. 656. A bill to preserve, protect, and maintain the original boundary stones of the Nation's Capital; to the Committee on Energy and Natural Resources.

NATIONAL CAPITAL BOUNDARY STONES ACT

● Mr. MATHIAS. Mr. President, I am introducing today a bill to restore and protect the original 40 boundary markers of our Nation's Capital City. In the last Congress I introduced similar leg-

islation which, unfortunately, failed to pass the Senate. The House companion bill, however, did successfully pass the House, but, in the press of Senate business in the final days of the 96th Congress, that bill was not considered.

The question of a permanent site for the national seat of government was debated by Congress from 1783 until 1791, when President Washington signed into law an amendment to the Residence Act of 1790 expanding the site of the Nation's Capital to include the eastern shore of the eastern branch of the Anacostia River and including the Port of Alexandria, Va.

The site of our Nation's Capital was, thus, finally determined a 100 square mile district, with boundary lines 10 miles on each of its four sides.

Perhaps because they feared the decision on a permanent site would somehow be abrogated, President Washington and Secretary of State Thomas Jefferson wasted no time in engaging a surveyor as well as private individuals to begin quitely purchasing property on behalf of the Government.

To survey and mark the boundaries of the new District of Columbia, Mr. Jefferson immediately commissioned Maj. Andrew Ellicott of Philadelphia.

Ellicott was a well-known surveyor possessing some of the most advanced surveying instruments in the United States at that time. Most of those instruments are now housed in the Smithsonian Institution.

Ellicott accepted the commission and quickly began looking for an assistant to make the astronomical observations upon which the survey lines and markers would be based. He turned to Benjamin Banneker, a free black man who was a friend and neighbor of his cousin in Ellicott Mills, Md.

Banneker, a self-taught astronomer, was over 60 at the time. He readily agreed to make the astronomical observations for the south cornerstone while Ellicott and field crews did the actual surveying. Between February and April 1791, Banneker made observations and mathematical calculations upon which the first stone marker was placed at Jones Point on the Potomac River in Alexandria, Va. Ill health forced him to return home in April.

Ellicott completed the survey and setting of markers—40 in all—by January 1793.

The 39-year-old surveyor described the marker stones, which were of sandstone quarried at Aquia, Va., as follows:

Lines are opened and cleared forty feet wide that is twenty feet on each side to the lines limiting the Territory, and in order to perpetuate the work I have set up square mile stones marked progressively with the number of miles from the beginning on Jones' Point to the West corner thence from the West corner to the North corner to the East corner and from thence to the place of beginning on Jones' Point; except in a few cases where the miles terminated on declivities or in waters; the stones are then placed on the first firm ground, and their true distances in miles and poles marked on them. On the sides of the stones facing the Territory is inscribed, "Jurisdiction of the United States". On the opposite side of those placed in the Commonwealth of Virginia is inscribed "Virginia". And on those in the State of Maryland, "Maryland". On the third and fourth sides, or faces, inscribed the year in which the stone was set up, and the conditions of the Magnetic Needle at that place.

Those sandstone markers are now 188 years old. They have fallen on hard times with no one really charged with their maintenance and upkeep. Yet they are important testimonials to the history of the founding of the Nation's Capital, the work of Andrew Ellicott and Benjamin Banneker and the history of early surveying and civil engineering in the United States.

The stones are category II landmarks designated by the Joint Committee on Landmarks of the Nation's Capital. This local designation means they should be preserved or restored, if possible. They are not, however, on the National Register of Historic Places although I understand the State historic preservation officers of the District of Columbia and Virginia are prepared to nominate them to the register.

In 1914, a committee of the District of Columbia Daughters of the American Revolution set about reclaiming the boundary markers. Over the course of the following 3 years, members of the DAR once again located the stones, secured 'deeds" from affected property owners to place a fence, installed protective iron fences around them, marked them with a bronze plaque, and assigned continued maintenance responsibility for each stone to one of its chapters.

Were it not for this pioneering preservation effort by the Daughters of the American Revolution, it is very likely the boundary stones of the Nation's Capital would not have survived to today. But development, traffic, remote locations, and vandalism have all taken their toll. The DAR, while as committed as ever to continuing its stewardship role, can no longer assume the financial and personal burden necessary to assure the maintenance of these stones.

Thanks to the efforts of the National Capital section of the American Society of Civil Engineers, in cooperation with the DAR, and the National Capital Planning Commission, a conditions report was prepared on the stone markers as a bicentennial project.

That report titled, "Boundary Markers of the Nation's Capital: A Proposal for Their Preservation and Protection" is a careful history of the survey of the District of Columbia and the current status of the markers.

Several stones are overgrown with weeds; a few are missing; some have been relocated; some badly weathered. Yet others are well cared for by concerned citizens.

There is a clear need to fix responsibility for the stones and their protection and maintenance. It is with this purpose in mind that I am reintroducing legislation today that assigns responsibility for the preservation, protection, and maintenance of the boundary stones to the National Park Service. Such continuing maintenance needs are to be identified by the District of Columbia Daughters of the American Revolution and reported directly to the National Park Service Director for appropriate action. This arrangement, I believe, will continue the DAR's stewardship of those important historic markers and assure their continued maintenance.

A rough estimate of costs for surveying the stones, preparing a conditions report, and preparing a relocation, replacement and marker plan is $40,000 according to the National Capital section of the Society of Civil Engineers. They estimate that capital costs to replace protective fences, replace DAR markers, clean and protectively coat the stones against weathering, and trim the immediate area around those stones now neglected is $200,000. Once these initial costs have been borne, annual upkeep should be about $20,000.

The second purpose of my bill is to assure recognition for the two original surveyors of the Nation's Capital, and the history of their survey, its instruments and techniques. As I noted earlier, many of Andrew Elliott's surveying instruments are held by the Smithsonian Institution. My bill directs the National Park Service in coordination with the Smithsonian to develop such a display, which I hope would be in one of the Smithsonian museums.

Mr. President, too often we find ourselves mourning the loss of some significant historical feature of our Nation. The boundary markers of the Nation's Capital are such endangered monuments of the history of the Federal City. Despite rather overwhelming odds these markers have survived 188 years. With just a little bit of care they can be assured of preservation for decades to come.

Mr. President, I would further like to note that I have received letters supporting the intent of this legislation from the National Capital Planning Commission, the Smithsonian Institution, the D.C. Commission on Fine Arts, the American Society of Civil Engineers, and the D.C. Chapter of the Daughters of the American Revolution, as well as the District of Columbia, Maryland, and Virginia State Historical Preservation officers. I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 656

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Capital Boundary Stones Act".

SEC. 2. (a) Congress finds that because of the deteriorating condition and neglect of the forty original boundary stones delimiting the ten-mile square first set aside by the State of Maryland and the Commonwealth of Virginia as the "seat of government of the United States", there is a need to provide for the preservation, protection, and maintenance of such stones.

(b) The purposes of this Act are to—

(1) assign responsibility for the preservation protection, and maintenance of the boundary stones;

(2) assure perpetuity of these important historic boundary stones for future generations of Americans to view and enjoy;

(3) provide an adequate mechanism for ensuring that the boundary stones are protected and maintained; and

(4) to make available to the public, information, data, and items involving or pertaining to the history of the original survey of the Nation's Capital, including the surveyors, and the instruments and techniques used in connection therewith.

SEC. 3. (a) The Secretary of the Interior, acting through the National Park Service, shall have the responsibility for the preservation, protection, and maintenance of the boundary stones referred to in section 2 of this Act.

(b) Within the twelve-month period following the date of the enactment of this Act, the Director of the National Park Service shall prepare and submit to the Secretary for his approval a program for preserving, protecting, and maintaining such boundary stones. Such program shall include—

(1) a location and condition survey of each corner stone and boundary stone, conducted in consultation with the District of Columbia Daughters of the American Revolution, which shall be referenced to the appropriate State plane grid coordinate system with appropriate ties to property lines and which shall provide for the results to be shown on plats of survey in such form as may be suitable for recording purposes;

(2) with respect to each boundary stone located at each of the four cardinal points of the compass at the corners of the ten-mile square delineating the original site of the Nation's Capital a plan for preserving, protecting, and maintaining such cornerstones;

(3) with respect to each of the other boundary stones, a plan to preserve, protect, and maintain each such boundary stone;

(4) a relocation, replacement, and marker plan for those boundary stones which have been moved or which are missing or which cannot be placed in their original location;

(5) alternative plans for the long-term care, protection, and maintenance of the boundary stones which may include agreements among private individuals, the Federal Government, local governments of areas within the State of Maryland or the Commonwealth of Virginia within which such boundary stones are located, and the governments of the State of Maryland, the Commonwealth of Virginia, and the District of Columbia;

(6) a schedule and financial plan for providing such preservation, protection, and maintenance of such boundary stones; and

(7) in coordination with the Smithsonian Institution, a plan setting forth a display on the history of the survey of the District of Columbia conducted during the years 1791 and 1792, the original surveyors, the instruments and techniques used by such surveyors in conducting the survey of the District of Columbia, and surveying methods and techniques currently in use.

(c) Within the twenty-four-month period following the date of the approval by the Secretary of the Interior of the program pursuant to subsection (b) of this section, the Secretary of the Interior, acting through the National Park Service, shall, in consultation with the District of Columbia Daughters of the American Revolution, implement such program and provide for the preservation, protection, and maintenance of such boundary stones.

SEC. 4. In carrying out the program approved pursuant to section 3 of this Act, the Secretary of the Interior is authorized to acquire, by donation, purchase with appropriated or donated funds, exchange, or condemnation, such lands and interests therein (including easements) together with improvements thereon, as may be necessary to carry out such program.

SEC. 5. Whoever willfully damages or removes any boundary stone referred to in this Act shall be fined not more than $500, or imprisoned not more than six months, or both.

SEC. 6. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.●

By Mr. HATFIELD (for himself, Mr. JEPSEN, Mr. GRASSLEY, Mr. PACKWOOD, Mr. CRANSTON, Mr. HAYAKAWA, Mr. MOYNIHAN, and Mr. D'AMATO):

S. 657. A bill to designate the Department of Commerce Building in Washington, the District of Columbia, as the "Herbert Clark Hoover Department of Commerce Building."; to the Committee on Environment and Public Works.

HERBERT CLARK HOOVER DEPARTMENT OF COMMERCE BUILDING

● Mr. HATFIELD. Mr. President, I am introducing today a bill to name the Department of Commerce headquarters building in Washington in honor of Herbert Hoover, who served as Secretary of Commerce for the 8 years immediately preceding his inauguration as 31st President of the United States. My distinguished colleagues from Iowa, Senators JEPSEN and GRASSLEY; Oregon, Senator PACKWOOD; California, Senators CRANSTON and HAYAKAWA; and New York, Senators MOYNIHAN and D'AMATO, join me in sponsoring this bill.

Hoover entered President Harding's Cabinet as Secretary of Commerce with an outstanding reputation and as one of America's most prominent citizens. He was referred to as the "Great Engineer" because of his fabulous success as a mining engineer around the globe. He organized American relief efforts in Europe during World War I, and headed the Committee for the Relief of Belgium, which was feeding over 10 million Europeans every day by the end of the war. After the Versailles Peace Conference, John Maynard Keynes termed Hoover "the only man who emerged from the ordeal of Paris with an enhanced reputation."

Hoover's popularity by 1920 was such that Democrats formed "Make Hoover President Clubs" in California and Virginia. Franklin Roosevelt even wrote—

He is certainly a wonder, and I wish we could make him President of the United States. There could be none better.

However, Hoover lacked any political base, and was not a serious candidate.

President-elect Harding, who had campaigned on a theme of bringing the best minds into the government, raised the possibility of a government position with Hoover the day following his election. Two positions were eventually offered—Secretary of Interior and Secretary of Commerce.

Charles Evans Hughes convinced Hoover to accept a position, and he chose the less prestigious of the two, at Commerce, because he believed the Nation's major problems were in the economic area. These included the depression of 1920–22, with its toll of 5 million unemployed, the failure of important sectors of the economy, including agriculture, to successfully shift to a peacetime economy, and the acrimonious labor-management relations in industry.

The Department of Commerce was former in 1903 as the Department of Commerce and Labor, not out of pressing need for such an organization, but largely for symbolic purposes. With the establishment of the Department of Agriculture in 1889, it was inevitable that other economic sectors would seek their own departments. Congress was able to satisfy demands from both business and labor groups with one department.

While the formation of a separate Department of Labor in 1913 removed one essentially incompatible element of the Department, Commerce remained a collection of small, often technical, individual offices which lacked a strong central organization or purpose.

Herbert Hoover gave the Department direction. His telegram of acceptance to Harding set forth three of his specific proposals: a program of persuasion to convince industry to standardize products and reduce waste; a joint effort with the Labor Department to reduce industry-labor conflict; and the bringing of other appropriate Government offices into the Department.

But the new Secretary had more to offer than specific, individual changes. He had vision. He saw the Department as the prime instrument to promote and protect American economic development. According to Prof. Peri Arnold of Notre Dame University, Hoover conceived of a—

Model set of relations between business and government that were founded on the notion of mutual cooperation and gentle guidance of business by government. Central to his view was the idea that the dangers of government coercive powers to a free society could be neutralized through the constant role of businessmen cooperating with appropriate government agencies.

In order that business would have input into the Department's activities, Hoover established 17 commodity divisions at Commerce, corresponding to major industries. These organizations had the role of promoting the industry and collecting and publishing data on market conditions for the industries' benefit.

Hoover also expanded the role of the Bureau of Standards. The responsibility of this Bureau in 1920 had been simply to test materials purchased by the Government. By 1925, some termed it "the largest research laboratory in the world." Its larger focus included assisting business in solving complex problems. One of its programs was to set additional safety standards for industry.

One of the most ambitious programs of the Bureau was the attempt to eliminate waste through standardization of products. The role of the division of simplified practice in the Bureau was to supply technical expertise to industries, and help them use new techniques. Trade associations were mobilized to help discourage product and size proliferation. When agreement was reached under Commerce auspices, the Department would publish the new industry standards, thus making them available to a wide public.

New technology was rapidly incorporated into the Department's operations. Radio beacons were added by the Lighthouse Bureau, the number of lighted runways was tripled by the Department after the Air Commerce Act of 1926, and selective breeding was undertaken by the Bureau of Fisheries. Also a major theme of the Fisheries Bureau was conservation, a particular concern of Hoover's throughout his public career.

Despite the creation of a separate Department of Labor, Hoover remained concerned about working conditions for American workers. Typical of his lifetime approach to social problems, he did not seek legislative or coercive solutions to improve the working conditions of workers. Rather, the Federal Government encouraged State and local governments, private charities, and businesses to press for improvement. As a primary example, he sought a reduction from the 12-hour day to an 8-hour day for steel company employees. By encouraging private studies of the effect of the long working day, warning company leaders of public repugnance against the long hours, and skillfully using the press to further his campaign, Hoover finally won the acquiescence of the companies. He was justifiably proud of this accomplishment.

Hoover's concern with insuring the prosperity of American business, and his familiarity with the world scene led him to follow very closely international economic developments. The Department took a prominent role in decisionmaking on foreign loans, and its generally conservative assessments often brought it into conflict with the State Department.

Another of Hoover's major concerns in the foreign arena was preserving raw materials supplies, and at a reasonable price. He strongly opposed conspiracies of foreign producers to artificially inflate the price of their products. He warned that American producers would retaliate, or that the U.S. Government could approve the formation of buying pools to counteract foreign monopolies. Although favoring open and positive trade relations with other nations, Hoover cautioned that America could defend itself under circumstances of commercial anarchy.

Despite Hoover's promotion of the trade association movement and his hopes for a better coordinated and stable American capitalism, he remained concerned about excessive cooperative activities. In his philosophical work American Individualism, published in 1922, Hoover warned against domination of American society by any interest group, including business. His belief that intra-group cooperation could run to extremes was demonstrated during his Presidency, when he significantly strengthened enforcement of the antitrust laws.

Mr. President, Herbert Hoover gave the Department of Commerce its first real direction and built it into one of the most influential in the Federal Government. Commerce became so closely associated with Hoover's name that Franklin Roosevelt cut back the Department because of its status and reputation as Hoover's creation. Planning for the main Commerce building was initiated during Hoover's tenure as Secretary of Commerce, and the building was completed during his Presidency. It is symbolic that during his Presidency, the largest Federal office building in Washington was constructed for the Department of Commerce. It is time that Congress recognize Hoover's immense contributions to the Department, and name this building, the main Commerce building, in his honor.

Mr. President, I ask unanimous consent that the full text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 657

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Department of Commerce Building at 14th Street and Constitution Avenue, N.W., in Washington, the District of Columbia, shall hereafter be known and designated as the "Herbert Clark Hoover Department of Commerce Building". Any reference in a law, map, regulation, document, record, or other paper of the United States to that building shall be held to be a reference to the "Herbert Clark Hoover Department of Commerce Building." ●

By Mr. EXON (for himself and Mr. ZORINSKY):

S. 659. A bill to amend the authorization for the flood control project for the town of Niobrara, Nebr., and for other purposes; to the Committee on Environment and Public Works.

AMENDMENT OF FLOOD CONTROL PROJECT FOR NIOBRARA, NEBR.

● Mr. EXON. Mr. President, Senator ZORINSKY and I today are introducing this measure to correct a deficiency in the original authorization for the relocation of the village of Niobrara, Nebr. This measure had been introduced in the last Congress as S. 1201, however it was not acted upon by the Congress at that time.

The history of this measure began in 1957, when the U.S. Army Corps of Engineers completed the construction of the Gavin's Point Dam on the Missouri River, located along the Nebraska and South Dakota borders. The project resulted in an increase in surface water which threatened the small nearby community of Niobrara.

Section 213 of the Flood Control Act of 1970 authorized the Secretary of the Army, acting through the Chief of Engineers, to resolve the seepage and drainage problems in the vicinity of Niobrara, that were related to operation of the Gavins Point Dam and Lewis and Clark Lake project. An amount not to exceed $7,800,000 was authorized to be appropriated for the work in the 1970 act.

The Corps of Engineers prepared a feasibility report, which concluded that a nonstructural approach, the acquisition and relocation of the village of Niobrara from its location on Highway 12 to higher ground, was the most feasible method of solving the seepage and drainage problem in the area. The cost of such relocation was estimated at $11.4 million, which exceeded the authorized $7.8 million. In 1974, the amount was increased to $11.4 million. The $3.6 million increase is attributable to the costs of compliance with the requirements of the Uniform Relocation Assistance and Land Acquisition Policies Act of 1970.

Mr. President, in relocating the town, the corps constructed a main street within the new village limits to highway specifications. The corps, however, did not connect the main street to nearby Highway 12. As a result, the community has a main street meeting highway standards but which is not directly connected to the outside world by any main thoroughfare. This omission by the corps is more than a serious inconvenience. It has removed this village from the mainstream of commercial traffic as well as tourism which it enjoyed prior to the relocation. It is a handicap to the continued social and economic growth and well-being of this rural community.

Mr. President, if nonstructural alternative approaches to water resource development in this Nation are to be promoted, and the mandate to mitigate the social and economic consequences of those developments is to be fulfilled, commonsense dictates that we look to the total environmental circumstances. Viewed in the light of these national policy goals, the relocation plan for the village of Niobrara is currently inadequate.

The corps' action has forced the residents of Niobrara to leave their homes and to relocate without access to a main highway. This places an unreasonable burden upon the residents of this rural village and represents a total disregard for the needs and future of that community. Relocation and rehabilitation in this instance is incomplete and can only induce resentment for a Federal bureaucracy which can ill-afford further criticism today.

The relocation of Highway 12 is required as a direct result of the Corps of Engineers' plan to relocate and rehabilitate the village of Niobrara. Because this is an outgrowth of the corps' activity, it is not the kind of action that would be the subject of a chief's report. A proposed plan, formulated by the Nebraska Department of Roads with the cooperation of the Corps of Engineers and the mayor of Niobrara would relocate Highway 12 at an estimated cost of $1,717,527 so that the highway would pass through Niobrara. Rerouting of the highway would insure access to adequately serve the community as nearly as practicable, in the same manner and as reasonably well as before the corps' relocation plan was implemented.

I would urge the Senate's approval of this bill which would authorize the relocation of this highway. The resident's of this village have been waiting since 1978 for the Federal Government to take this action and restore the social and economic livelihood to Niobrara which it enjoyed before the corps' relocation plan. Without this measure, we have sent Niobrara up the creek without a proverbial paddle. ●

79-059 O - 84 - (Vol 127 Pt.3) - 74

By Mr. BOREN:

S. 660. A bill to amend title IV of the Social Security Act to provide for a demonstration program of block grants to States in lieu of Federal matching or aid to families with dependent children; to the Committee on Finance.

FAMILY WELFARE DEMONSTRATION PROGRAM ACT

● Mr. BOREN. Mr. President, I am today reintroducing the Family Welfare Demonstration Program Act. This bill provides us an opportunity to utilize State and local units of government which are the most responsive, best equipped and most competent levels of government to develop programs to meet the needs of millions of families with children.

Recipients of aid to families with dependent children (AFDC), welfare administrators, elected officials and taxpayers have been disappointed and frustrated at our inability to accomplish needed reforms in this program. There is probably no single proposition which has met with more unanimous agreement than the need for welfare reform.

Yet, for a decade, the debate has gone on about how to accomplish this end. During that time welfare reforms proposals have run the gamut from total federalization of the program to minor tinkering with the current program to simple financial bail-out of States by changes in the Federal matching formula.

The Family Welfare Demonstration Program Act does not provide massive, permanent reformation of the welfare system of this country, nor does it pump more billions of Federal dollars into the existing system. It does not solve all the problems of many related programs such as food stamps, medicaid, social services, and others. It does not attempt to entice support by promising huge amounts of new Federal money for everyone.

The bill which I introduce today does, on the other hand, put us on the road to meaningful reform of the AFDC program which will result in a better program for recipients and taxpayers alike.

The Family Welfare Demonstration Program Act establishes a period of 5 years, beginning October 1, 1981, as an AFDC demonstration project period during which States could either continue to operate under current Federal requirements or could elect to conduct a block-grant demonstration project.

The single requirement for States which elect to conduct a demonstration project would be that they conduct activities and provide assistance which in their judgment will most effectively benefit and promote the social welfare of children and families with children in that State.

The amount of block-grant funds would be equal to their fiscal 1980 Federal AFDC funding adjusted annually for inflation and population changes. Evaluation studies of the projects would be conducted by the State and by the General Accounting Office with an interim report due by the end of 1985 and a followup report due by the end of 1986.

At the end of the 5-year period, September 30, 1987, the current AFDC program and the demonstration project would both "sunset" unless specifically extended by Congress. At that time Congress will have the benefit of the State projects upon which to make an informed judgment on how to best meet the needs of these families.

It is my firm belief that given the opportunity granted them in this bill, States will show overwhelmingly that they can deliver better benefits, respond quicker and more compassionately to the unique needs of the very people we are trying to help, and do it more efficiently and with greater administrative accuracy than can the Federal Government.

Today, States literally find themselves in the worst of both worlds. They are told that AFDC is a State-administered program with Federal financial participation while at the same time they are deluged with hundreds of pages of regulations on minute administrative requirements and eligibility criteria. I am told that a substantial number of errors in AFDC rates are themselves created by irrational administrative requirements.

Finally, Mr. President, I learned not long ago of a situation in Oklahoma which underscores the need for us to reconsider the direction we are going with the AFDC program.

While serving as Governor of Oklahoma, I initiated legislation which broadened the requirement for work registration and authorized a pilot project for work and training called the work experience program.

This program is voluntary and is available on a statewide basis. Statistics developed by the Oklahoma Department of Human Services indicate that the percentage of those who desire to go to work when given the opportunity is close to 99 percent.

The work experience program placements are solicited from nonprofit community resources and almost 4,000 individuals have been placed voluntarily in about 800 work sites.

The length of placement rarely exceeds 6 months and in many cases results directly in employment or placement in other education or training programs.

I was shocked when informed recently by State officials that this highly successful program is now in jeopardy because of an HHS policy interpretation made late last year.

Such a restriction on the State's ability to implement meaningful programs for recipients of AFDC is disappointing to me and, more importantly, to the thousands of potential beneficiaries of this and other innovative programs. I hope that the new administration will correct this previous misinterpretation of the law.

It is crucial that we get the welfare reform issue off high center and moving toward a solution. I believe the Family Welfare Demonstration Program Act provides an opportunity to do just that. This Congress has a responsibility to seek alternatives to the present welfare systems.

For too long we have used Federal funding as a carrot and as a club and have compounded the problem with overregulation. We must continue our commitment to the poor of this country by providing funding of programs which are responsive to their needs.

The AFDC program is uniquely suited to innovative and responsive programs which can be developed and administered by the States. I urge you to join with me in this effort to move forward in reforming our welfare system.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 660

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Family Welfare Demonstration Program Act".

DEMONSTRATION BLOCK GRANT PROGRAM

SEC. 2. (a) Part A of title IV of the Social Security Act is amended by adding at the end thereof the following new section:

"DEMONSTRATION BLOCK GRANT PROGRAM

"SEC. 414. (a)(1) Any State may elect (subject to the provisions of this section) to participate in a block grant program and receive payments under the provisions of this section for any quarter beginning on or after October 1, 1981, and ending prior to October 1, 1987. Any State which elects to participate in such program for any quarter shall not receive any payment for such quarter under section 403 and shall not receive any payment for such quarter under part E with respect to foster care maintenance payments or administrative expenses related to a foster care maintenance payments program, including any payments which may be available as reimbursement for expenditures under part E by reason of section 474(c).

"(2) The Governor of any State which elects to participate in such program shall notify the Secretary of such State's election at least six months prior to the first day of the first quarter for which such State elects to participate in the program.

"(3) No State may begin to participate in such program in any quarter beginning on or after October 1, 1982.

"(4) A State may terminate its participation in such program beginning with any quarter that—

"(A) begins at least two years after the beginning of the quarter for which that State first participated in the program, and

"(B) begins at least six months after the date on which the Governor of the State notifies the Secretary of that State's election to terminate participation in the program.

"(5) This section and section 403 shall cease to be effective, and no payment shall be made under either such section, for any period after September 30, 1987, unless either or both such sections are specifically made effective for any such period by legislation enacted after the date of the enactment of this Act.

"(b)(1) Each State participating in the block grant program under this section for any quarter shall receive, for each such quarter, a payment in an amount equal to 25 percent of that State's adjusted base period amount for the fiscal year in which such quarter falls.

"(2) The base period amount for any State shall be equal to the total amount which the Secretary determines would have been payable to such State for the fiscal year beginning October 1, 1979 (hereinafter in this section referred to as the 'base period'), under paragraphs (1), (3), and (5) of sec-

tion 403(a), taking into account the provisions of section 1118 of this Act and section 9 of the Act of April 19, 1950 (64 Stat. 47), but computing such total amount without regard to subsections (c) through (j) of section 403, and increasing such total amount by the amount of expenses incurred for social and supportive services provided in accordance with section 402(a)(19)(G).

"(3) The adjusted base period amount for any State—

"(A) for the fiscal year beginning October 1, 1980, shall be equal to the base period amount, and

"(B) for the fiscal year beginning October 1, 1981, and each fiscal year thereafter, shall be equal to the adjusted base period amount for the preceding year as adjusted for such State in accordance with paragraphs (4) and (5).

"(4) The adjusted base period amount for any State as determined under paragraph (3) shall be increased for each fiscal year, starting with the fiscal year beginning October 1, 1981, by an amount equal to the product of—

"(A) the adjusted base period amount as determined (for such State) for the preceding fiscal year, and

"(B) a percentage equal to the percentage increase (if any) in the Consumer Price Index prepared by the Department of Labor, and used in determining cost-of-living increases under section 215(i) of this Act, for the second quarter of the preceding fiscal year as compared to such index for the second quarter of the second preceding fiscal year (rounded to the nearest one-tenth of 1 percent).

For purposes of this paragraph the Consumer Price Index for any quarter shall be the arithmetical mean of such index for the three months in such quarter.

"(5) The adjusted base period amount as determined under paragraph (3) and increased under paragraph (4) for any State shall be increased or decreased (if such State has had an increase or decrease in population) for each fiscal year, starting with the fiscal year beginning October 1, 1981, by an amount equal to the product of—

"(A) the adjusted base period amount as determined (for such State) for the preceding fiscal year, and

"(B) a percentage equal to the percentage increase or decrease in the population of such State on January 1 of the preceding fiscal year as compared to the population of such State on January 1 of the second preceding fiscal year (as determined by the Secretary not later than April 15 of the preceding fiscal year, on the basis of the best estimates available from the Bureau of the Census, and rounded to the nearest one-tenth of 1 percent.)

"(c) Payments under this section shall be used by the State to conduct such activities and provide such assistance as in its judgment will most effectively benefit and promote the social welfare of children and families with children in that State, without regard to the requirements and limitations which would otherwise apply in the program of aid to families with dependent children under this part; and for this purpose the State may waive any or all of such requirements and limitations including those relating to the work incentive program under part C and the child support program under part D of this title.

"(d)(1) Any State participating in the block grant program under this section shall determine who among the individuals receiving assistance or participating in the activities conducted under the program shall be eligible for medical assistance under the State plan approved under title XIX of this Act.

"(2) Individuals determined to be eligible for such medical assistance shall, for purposes of title XIX of this Act, be deemed to be individuals receiving aid under this part; except that no such individual shall be so deemed if he would not be eligible for aid under this part, as in effect immediately prior to the enactment of this section, on account of his family status.".

"(e) For purposes of determining eligibility for adoption assistance payments under part E of this title, any State participating in the block grant program under this part may—

"(1) waive the requirement in section 473(a)(1)(A)(i) which require that the voluntary placement agreement qualify for purposes of Federal payments under section 474, if such agreement would so qualify if the State were eligible to receive Federal payments for foster care maintenance payments under part E; and

"(2) waive the requirement in section 473(a)(1)(B) which requires that the child received aid (or would have received such aid but for a failure to apply for such aid or to be living with a specified relative) under the plan approved under this part for a particular month, if such child received (or would have received but for such a failure) assistance under the block grant program for such month.".

(b) Section 403 of such Act is amended by adding at the end thereof the following new subsection:

"(k) The provisions of this section shall not apply to any State with respect to any quarter for which such State is receiving a payment under section 414 of this Act."

REPORT BY COMPTROLLER GENERAL

SEC. 3. (a) The Comptroller General of the United States shall conduct a study and evaluation of the block grant programs conducted by States pursuant to section 414 of the Social Security Act, and of the aid to families with dependent children programs carried out in States not participating in the block grant program.

(b) The Comptroller General shall submit to the Congress an interim report with respect to such study and evaluation on or before December 31, 1985, and shall submit to the Congress a final report on or before December 31, 1986.

(c) No payment may be made under part A of title IV of the Social Security Act to any State which fails to cooperate with the reasonable requests of the Comptroller General in carrying out his duties under this section, for so long as such failure to cooperate continues.●

By Mr. JEPSEN:

S. 661. A bill to amend title 18 of the United States Code to provide a criminal penalty for robbery of a controlled substance and to establish a commission to make recommendations with respect to the Federal effort to curb pharmacy related crimes; to the Committee on the Judiciary.

ROBBERY OF CONTROLLED SUBSTANCES FROM PHARMACIES

● Mr. JEPSEN. Mr. President, in 1970 Congress enacted the Comprehensive Drug Abuse Prevention and Control Act, to limit the rampant use of illegal drugs. Since that time, pharmacists all across the country have experienced increased threats to their lives as a result of drug-related robberies. Whether drug addicts or hardened criminals commit these crimes, the crimes are always senseless and violent and, many times, tragically result in the death of an innocent pharmacist.

I believe it is fair to say that the Federal Government helped create this situation. The 1970 act tightened Federal laws on controlled substances, thus making it more difficult for drug addicts and criminals to obtain illegal drugs. But as their usual drug connections began to dry up, these desperate individuals turned to a different source—the local pharmacist.

In effect, the pharmacist has become the sacrificial lamb for an inadequate Government program. The 1970 act sought to address one problem, but in the process created another.

Last year, there were 157 Iowa pharmacies broken into. Nationally, pharmacy thefts of controlled substances are reported to have increased a startling 225 percent between 1976 and 1978. Pharmacists are suffering from a drug related problem and it is reaching epidemic proportions.

As you may recall, Mr. President, there was a provision in the criminal code reform bill proposed last year, that would have made the robbery of a controlled substance from a pharmacy a Federal crime, if the robbery involved more than $500 worth of controlled substances.

Unfortunately, this section, as written, would have had a minimal effect on drug-related pharmacy robberies. Several pharmacists have pointed out to me that the majority of drug-related pharmacy robberies do not involve more than $500 worth of a controlled substance.

In addition, the $500 provision raises the question about the actual value of a controlled substance. Do you use the retail price, the wholesale price, or the "street value"? That makes a big difference.

Setting a specific dollar amount almost seems to imply that there is a direct correlation between the amount stolen and the severity of the wounds inflicted. I think the victim's head will hurt just as much whether the robber steals $490 or $510.

For these reasons, my bill does not include a $500 "trigger." I believe that removal of this provision will enhance the deterrent effect of the legislation without unduly infringing on the domain of local law enforcement authorities. Ideally, most of us would like to see this dealt with on the local level. But it is becoming increasingly apparent that local law enforcement officials do not have either the time or the resources to effectively deal with the situation.

Finally, Mr. President, I ask unanimous consent to insert in the RECORD an editorial from the September 1980 edition of American Druggist. I think the editorial speaks for itself and I urge my colleagues to look at it. I believe it vividly points out the seriousness of the problem.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

OUR DISHONORED DEAD: PHARMACISTS MURDERED BY THE UNPUNISHED

(By Stanley Siegelman)

The pharmacists listed below were killed by armed intruders seeking drugs and cash. They were brutally murdered while serving the public.

At long last, there is a real possibility that legislation will be enacted making violence against pharmacies a Federal crime. That no such law exists dishonors our elected representatives in Washington, as

well as those guiltless pharmacists who suffered the ultimate penalty.

Clip this page and send it to your Congressman. Drop us a note stating you have done so—so that we have more ammunition at hand to further the cause. It is a just cause. Pharmacists deserve the protection of the Federal government. State and local authorities have proved inadequate in dealing with this particularly vicious iniquity.

This list is more eloquent than any editorial we could possibly write.

Sidney Adelman, RPh, Philadelphia, Pa.
Morris Becker, RPh, Yonkers, N.Y.
Samuel Beskin, RPh, Los Angeles, Calif.
Ellis Bogan, RPh, Philadelphia, Pa.
Paul Boght, RPh, Covington, N.Y.
Carl Brooks, RPh, Little Rock, Ark.
Joe Bruce, RPh, Fayetteville, Ariz.
Adele Carr, RPh, Covington, Ky.
William Catoe, Jr., RPh, Columbia, S.C.
Bob Chachere, RPh, New Orleans, La.
Clem Charbonnet, RPh, New Orleans, La.
Les Craigen, RPh, Seattle, Wash.
Donald Dearth, RPh, Long Beach, Calif.
Jacob Farber, RPh, Philadelphia, Pa.
Peter Friedlander, RPh, Bronx, N.Y.
Hy Gordon, RPh, Malden, Maine.
John Groen, RPh, Seattle, Wash.
Pat Horgan, RPh, Long Beach, Calif.
Cyril Russell-Howland, RPh. Atlanta, Ga.
Patrick Hughes, RPh, Roxbury, Mass.
Robert Jorgensen, RPh, Minneapolis, Minn.
Larry Jung, RPh, San Leandro, Calif.
Carvil Kiger, RPh. Wilmington, Del.
William Knox, RPh, Indianapolis, Ind.
A. B. Lanier, RPh, Memphis, Tenn.
Louis Lipschultz, RPh, Philadelphia, Pa.
David MaClarty, RPh, Linthicum, Md.
George Malaith, RPh, Lake County, Ind.
Sol Mars, RPh, Buffalo, N.Y.
John McClain, RPh, Decatur, Ga.
Fred Meek, RPh, Portland, Oreg.
William Middleton, RPh, Baton Rouge, La.
Chester Mitchel, RPh, Shreveport, La.
Woodrow Moulton, RPh, Pensacola, Fla.
Elbert Munsey, RPh, Portales, N. Mex.
Douglas Orchard, RPh, Magna, Utah.
Simon Perloff, RPh, Philadelphia, Pa.
Herbert Roth, RPh, Philadelphia, Pa.
William Sherman, RPh, St. Joseph, Mo.
June Shillcutt, Little Rock Ark.
Herb Silverman, RPh, Hollywood, Fla.
Julius Smith, RPh, Columbus, Ga.
Jesse Stewart, RPh, Fremont, N.C.
John Stockdale, RPh, Indianapolis, Ind.
Irving Tweedy, RPh. Buffalo. N.Y.
Louis Viner, RPh. Philadelphia, Pa.
Mrs. John Volpato. Carlsbad, N. Mex.
Jacob Wallfield. RPh. Philadelphia, Pa.
Max Zalstein. RPh. Philadelphia, Pa.
Leslie Zive, East Hatfield, Mass.●

By Mr. CHILES (for himself and Mr. NUNN):

S. 664. A bill to amend section 481(d) of the Foreign Assistance Act of 1961; to the Committee on Foreign Relations.

USE OF HERBICIDES IN CONTROLLING MARIHUANA

● Mr. CHILES. Mr. President, I am introducing today on behalf of myself and Senator NUNN, legislation to remove the restriction on U.S. assistance funds for the spraying of an herbicide to eradicate marihuana. I am proposing this action as another step in the effort to reinforce our drug-fighting capability. The current restriction on such spraying is one more example of Government policy that only serves to hamper our ability to control the drug flow. The task of combating illicit narcotics is difficult enough without this type of additional burden.

As the Congress and Federal law enforcement agencies grapple with programs and strategies to control the staggering flood of drugs into this country, there is one inescapable conclusion: The most effective means to stop the drugs is at their source. Any enforcement strategy that does not include an effort to cut off the drug supplies in producing countries such as Colombia is doomed to failure. As long as marihuana and opium are produced in bumper crops in foreign nations, a good portion of these drugs will find its way to our shores.

Equally clear is that an eradication program in a foreign nation can have a very significant effect. The use of herbicide spraying in Mexico had unparalleled results in crippling the heroin industry in that country. Heroin supplies coming into this country from Mexico were reduced by 70 percent, and this reduction was accompanied by a sharp drop in U.S. heroin-related deaths.

So, if we know that control programs at the source are essential and that they work, why do not we help nations that want to stop drug production by supporting eradication efforts? The answer is the prohibition contained in section 4 of the International Securities Assistance Act of 1978. When you look at the statute and how it has been implemented, it proves not a very good answer to the question.

Section 4 of the International Securities Assistance Act prohibits use of U.S. funds for any program involving the spraying of a herbicide to eradicate marihuana if the use of that herbicide is likely to cause serious harm to health of persons who may use or consume the sprayed marihuana.

Under this statute, the Secretary of State is required to inform the Secretary of Health and Human Services of the use or intended use by any country or international organization of any herbicide to eradicate marihuana in a U.S.-funded program.

The Secretary of HHS must then make a determination on the health question and inform the Secretary of State. The HHS determination is to be made on the basis of scientific information and testing and after consultation with the Secretary of Agriculture and Administrator of the Environmental Protection Agency.

In October 1978, the Secretary of State requested HEW to make a determination on the health effects of paraquat, then in major use in U.S.-funded drug control programs in Mexico. Secretary Califano responded in an August 2, 1979, letter to Secretary of State Vance that paraquat poses a serious health risk to the users of paraquat-contaminated marihuana and consequently U.S. assistance was terminated for any paraquat spraying program.

The herbicide amendment was adopted by the Congress with only limited debate, and I believe little real attion to its potential consequences. It was passed in the wake of a concern that a great many Americans might suffer serious health problems from smoking contaminated marihuana.

In retrospect, I think it can be shown that the amendment addresses a health threat that is questionable at best. I think it can also be shown that it has had a major negative effect on efforts to reduce the illegal flow of marihuana imports.

A troubling difficulty that is often experienced in our efforts internationally to control drug production, is convincing foreign governments that we are truly serious. If we encourage these governments to crack down, provide them financial assistance, and yet turn around and prohibit the use of the most effective eradication tool, it is no wonder there is skepticism.

I know from personal conversations with President Turbay of Colombia, who is waging an aggressive war against the drug traffickers, that questions exist about our resolve to really wipe out the drug trade.

The prohibition on herbicide spraying feeds that type of questioning, and I can not think of a worse signal to be sending to the international community.

At the time Congress passed the herbicide amendment, there was a prevalent expectation that an equally effective eradication mechanism could be quickly developed. This has not proven to be the case. A survey of the scientific inquiry into eradication alternatives points to the unique properties of paraquat for destroying drug raw materials.

The United Nations Study Group on Methods for the Eradication of Illicit Narcotics Crops evaluated the various ways of eradicating narcotics plants and concluded that:

> Chemical attack at the present time offers the best overall opportunities to successfully destroy narcotics crops.

Of the chemicals tested, paraquat produced the most rapid response.

The Mitre Corp., in a study for the Bureau for International Narcotics Matters, Department of State, concluded, on the basis of testing 140 herbicides marketed in the United States, that paraquat is the only herbicide environmentally acceptable for the eradication of opium poppy and marihuana.

The Science and Education Administration of the U.S. Department of Agriculture maintains that:

> Paraquat is currently the most effective herbicide and method for rapidly killing marihuana.

It provides a quicker kill than any other herbicide available and there is no single alternative herbicide that can do an equal, satisfactory job.

There is an obvious need for an eradication effort to substantially reduce the massive supplies of marihuana coming from foreign countries. For the immediate future at least, paraquat is the only effective tool we have for accomplishing large-scale destruction of marihuana crops. In the face of these facts, there must be a clear and compelling reason to justify the prohibition on paraquat spraying. To my mind the case has not been made.

First of all, there is an implicit assumption in the concern over paraquat-sprayed marihuana that marihuana smoking itself is not posing a health risk of any consequence. As the evidence mounts, that assumption is being shown

as quite incorrect. HEW's Eighth Annual Report to Congress, "Marihuana and Health: 1980" underscores the hazardous effects of marihuana smoking. Among the report's more disturbing findings:

The potency of marihuana in the United States has increased markedly over the past 5 years.

Marihuana may affect the reproductive function of men and women and may affect the unborn child.

It appears likely that daily marihuana use leads to lung damage similar to that resulting from heavy cigarette smoking.

Extended use of marihuana over a period of years may eventually be shown to cause cancer in humans.

Dr. William Pollin, director, National Institute on Drug Abuse concluded:

If widespread marijuana use, especially among young people, is not curtailed, our society may pay a large price in health consequences and medical costs. . . . Many young people want to view marijuana as a simple herb with the power to enhance their lives. In fact, research is showing it as a complex drug which can negatively affect learning and motor coordination, and may eventually lead to serious health problems.

What we presently know is that marihuana is a dangerous substance, readily available to almost anybody who wants it, and used with increasing frequency.

In short, it is a national problem with serious health and other implications. A look at the potential health consequences to the American public of paraquat-sprayed marihuana presents much less cause for concern.

Contrary to the initial alarm over paraquat, a reasonable analysis would indicate that it can be employed as an eradication technique with minimal risk to U.S. public health.

The current statute requires an assessment of the health risk to persons who smoke marihuana contaminated by an herbicide. To accomplish this, consideration must be given to factors such as the amount of paraquat an individual must inhale to suffer fibrosis; the amount of paraquat-contaminated marihuana in the U.S. market; the concentration of paraquat; and the smoking and purchasing habits of American marihuana users.

Obviously, a large part of such an assessment will be speculative in nature, depending upon statistical projections and extrapolations from animal test data.

The findings by HEW, which resulted in the paraquat ban, represent a structuring of those factors to provide a worst case estimate. Even in a worst case analysis the HEW study indicated that only between 50 to 100 marihuana smokers could be exposed to significant amounts of paraquat-contaminated marihuana.

This represents an extremely small fraction of all American marihuana smokers. With the exception of individuals who may make one very large buy per year of contaminated marihuana, the computer simulation data projected a population approaching zero that might risk exposure to 500 micrograms of paraquat, a dosage considered potentially harmful.

Further, the Department of Agriculture raised serious questions about the validity of even this worst case analysis by HEW. USDA comments:

Technical evidence presented in your letter dated June 20, 1979, is based on computer simulation studies which largely indicate that marijuana smokers in this country are not subject to exposure levels of paraquat that are judged by health authorities to be harmful. The simulation study based on one large "buy" per year in which an upper limit of 60 persons would be exposed to 500 micrograms of paraquat is based on exposure assumptions we question.

The United Nations Narcotics Laboratory study group confirms this view in its analysis of paraquat, finding that:

Residues of sprayed formulations on cannabis would not be sufficient to cause toxic effects to the marijuana user.

In light of the seriousness of the marihuana problem and the urgent need for an effective crop eradication program, I think it is time for the United States to again assist foreign nations with herbicide programs to destroy drug raw materials where they are grown.

Such assistance has been demonstrated to be an effective tool in controlling the flow of narcotics. With the ever-increasing traffic in marihuana from abroad, it is a tool we can no longer afford to forgo.

The legislation I am proposing provides for repeal of section 4 of the International Securities Assistance Act of 1978. Such action will allow the use of U.S. assistance funds for herbicide spraying programs to eradicate marihuana.

In order that Congress can assess if any potential health problem may result from paraquat spraying, my bill provides that the Secretary of State will continue to advise the Secretary of Health and Human Services of the initiation of an herbicide spraying program, and the Secretary of HHS will monitor the health impact on persons who may consume sprayed marihuana.

If the Secretary makes a determination that persons are being exposed to amounts of such herbicide harmful to their health, he shall report this to the Congress along with any appropriate recommendations.

Mr. President, I regard this proposal as an important and necessary step toward improved control of narcotics production and trafficking. I urge its prompt consideration and approval by the Congress.

I ask unanimous consent that the text of the bill as well as a letter from Florida Attorney General Jim Smith; a resolution adopted by the National Association of Attorneys General; and a Washington Post editorial be printed at this point in the RECORD.

There being no objection, the bill, letter, resolution, and editorial were ordered to be printed in the RECORD, as follows:

S. 664

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 481(d) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(d)(1) The Secretary of State shall inform the Secretary of Health and Human Services of the use or intended use by any country or international organization of any herbicide to eradicate marihuana in a program receiving assistance under this chapter.

"(2) The Secretary of Health and Human Services shall monitor the impact on the health of persons who may use or consume marihuana of the spraying of a herbicide to eradicate such marihuana in a program receiving assistance under this chapter, and if he determines that such persons are exposed to amounts of such herbicide which are harmful to their health, he shall prepare and transmit a report to the Congress setting forth such determination together with any recommendations he may make.".

DEPARTMENT OF LEGAL AFFAIRS,
Tallahassee, Fla., March 6, 1981.

Hon. LAWTON CHILES,
U.S. Senate,
Washington, D.C.

DEAR LAWTON: My staff advises me that your office is preparing legislative proposals directed at the drug smuggling problem. Nothing is more vital to the future of Florida at this time, and your interest in this problem is much appreciated.

For the past two years I have been working at the State level to help organize the resources available here and achieve some meaningful drug enforcement. As you know, however, Florida has been overrun by the smugglers. We're simply not equipped to make significant gains. Our State has mounted a full effort to combat these smugglers with little gain.

The one measure that has demonstrated its effectiveness in curtailing the importation of drugs is denied us by law. This is the spraying of the crop with herbicides in the field. Mexico's standing as a prime source of marijuana for the U.S. market was destroyed along with the crop after its participation in spraying operations, financed by the United States and Mexico.

An amendment to the Foreign Assistance Act of 1961 prompted by what would seem to be contradictory concern for the health of drug users who might receive a product containing herbicide residues, now prohibits use of foreign aid funds for this purpose. Medical evidence does not, as suggested by the 1978 study of the United National Narcotics Laboratory, support this concern. In fact, no case of herbicide poisoning by marijuana use has ever been reported to health agencies of the federal government that research such matters.

Moreover, the United National Fund for Drug Abuse Control and drug enforcement officials at every level, including those in the Colombian government, proclaim spraying as the only measure assuring success in the near term. Once the product reaches the myriad channels of smuggling, the odds against interdiction and the cost increase exponentially.

This amendment should be repealed, and I strongly recommend that you consider offering such a measure to the Congress. I believe you will find support for repeal at the highest level—including DEA's administrator Peter Bensinger, and Colombia's President Turbay—officials who are close to the problem.

Of course, my staff and I are ready to help at any time, in any way we can.

Sincerely,

JIM SMITH,
Attorney General.

RESOLUTION

Whereas, a national survey estimates 43 million Americans have tried marijuana and 16 million are regular users; and

Whereas, illegal importation and sale of the drug is a significant narcotics enforcement problem; and

Whereas, the most effective method of curtailing the marijuana trade is to interrupt its supply at the point of origin, in the field; and

Whereas, aerial application of a herbicide has been used with demonstrated effectiveness in Mexico; and

Whereas, there is no documented case of human poisoning as a result of herbicide spraying of marijuana; and

Whereas, Colombia is the source of 70 percent of the marijuana illegally imported into the United States, and the Colombian government stands ready to engage in a marijuana spraying program with the financial help of the United States; and

Whereas, U.S. funding for marijuana spraying has been prohibited by the Percy Amendment to the International Security Act of 1978 (Public Law 95-384); and

Whereas, the amendment is contradictory to the U.S. government public policy and throws into question the depth of its commitment to narcotics enforcement.

Now, therefore, be it resolved by the National Association of Attorneys General:

(1) that Congress should commit the United States government to taking the necessary steps to protect security from the debilitating impact of drugs; and

(2) that an essential aspect of that policy is elimination of the supply of marijuana; and

(3) that the Percy Amendment should be repealed; and

[From the Washington Post, July 3, 1980]

GETTING HIGH/GETTING HURT

While the debate over legalization or decriminalization of marijuana rages on, the National Institute on Drug Abuse has recently published two important documents that should change the focus on most people's attention. One is a summary of current research findings on the effects of marijuana on health, and the other is a survey of the extent and intensity of current marijuana use.

The survey shows a continuing trend of more frequent use, by younger individuals, of more potent marijuana. The fraction of 12- to 17-year-olds who have ever used pot has grown from 7 percent in 1967 to 14 percent in 1971 to 31 percent last year. Of this age group, 17 percent are current users—defined as those who have used the drug within the past month. In the past five years, *daily* use by high school seniors has almost doubled, and now stands at 10.3 percent. Almost 40 percent of this year's graduating class are current users.

These are underestimates, since they are based only on interviews of those actually attending school. Nor do they reflect the increasing potency of the plant. The fraction of THC—marijuana's principal psychoactive component—in plants imported from Mexico has increased twenty-fold since 1973. And marijuana from Colombia, which accounts for more and more of today's supply, is estimated to be twice as potent as the current Mexican crop.

The biological effects of marijuana use are much less certain, since most experiments must be done on animals. But some effects are becoming clear. Marijuana produces lung disease as great as or greater than that caused by tobacco.

It also contains more cancer-producing substances than does tobacco smoke. The Drug Institute concludes that "it appears likely that daily use of marijuana may lead to lung damage even greater than that resulting from heavy cigarette smoking." Research on animals, as yet unconfirmed in humans, shows a definite suppression of the immune system—the body's chief defense against illness. A range of evidence indicates that marijuana affects the delicate balance of glands and hormones that govern sexual development and reproductive function, including effects on fertility in both sexes and damage to the developing fetus.

The most serious effects appear to be psychological—especially in young people. Any biological system is more vulnerable to damage during periods of rapid change than during periods of stability, and 12- to 17-year-olds are in a period of extremely rapid psychological change involving intellectual skills and learning, emotional growth and personality development. There is a growing consensus that each of these functions may be seriously impaired by marijuana use during this period.

While this may seem a pretty sobering list, the sum of what is still unknown is even more scary. Marijuana has only been widely used in this country for just over 15 years. Most cancer latencies are 20 years or longer and, as has been demonstrated in the case of alcohol and tobacco, it may require decades of use by very large numbers of people before even devastating effects of a drug become evident.

Pot is clearly a dangerous substance—at least for 12- to 17-year-olds and possibly for older people as well—and its illegal status has obviously not curbed its availability. While the appropriate legal treatment for marijuana possession and sale is one important issue, there is also an urgent need to find ways to diminish marijuana use by those who are being hurt worst by it.●

By Mr. CHAFEE:

S. 665. A bill to extend the period during which the Secretary of Defense may repay certain educational loans made to persons who serve in the Armed Forces, and for other purposes; to the Committee on Armed Services.

EDUCATIONAL LOAN FORGIVENESS ACT OF 1981

Mr. CHAFEE. Mr. President, today, I am introducing the Department of Defense Educational Loan Forgiveness Act of 1981.

The purpose of this legislation is to provide young men and women with at least 2 years of college education a positive incentive to serve in the U.S. Armed Forces. In the case of this legislation, the motivating factor for enlistment is the forgiveness of educational loans incurred while at college.

In my judgment, this program has several positive features designed to improve the quality of America's military manpower:

Most importantly, it provides a positive incentive for college-level students to join our military services;

Unlike many G.I. bill formulations, it does not draw college-bound soldiers out of the military in order to collect their benefits;

It provides the military with the educational skills of college-level personnel which are so important in today's sophisticated military environment;

There is no penalty for college students who accept educational loans but do not wish to serve in the military forces;

The program is available to both officers and enlisted personnel; and

It is established on a trial basis so that it will cost the U.S. Government virtually nothing if it does not work as intended.

I urge my colleagues to help upgrade the educational level of young men and women entering the U.S. Armed Forces today by supporting the Educational Loan Forgiveness Act of 1981.

MANPOWER PROBLEMS

Mr. President, we are all aware that one of the greatest problems facing the U.S. military today is manpower. We need to recruit more young people into the All-Volunteer Force, and we need to retain those who are already in. Furthermore, we have to improve the quality of the people who are enlisting into the Armed Forces today.

When the All-Volunteer Force (AVF) was established in 1973, I was one of its early supporters. I still believe the AVF is the best possible way to man our military forces in peacetime. However, it is important to realize that the AVF has not provided our Armed Forces with as many recruits or as many of high quality as we originally hoped.

DECLINE IN QUANTITY

In a recent study on manpower problems in the All-Volunteer Force, it was stated that active duty military strength needs to be maintained at least at 2.2 to 2.3 million, along with combat ready and responsive Reserve components, to insure a prudent minimum level with which to meet initial U.S. national security commitments worldwide.

As of July 1980, however, our total active duty forces fell below this minimum level by a figure of from 156,000 to 256,000. These totals were 10 percent below actual fiscal year 1973 strength levels, and 24 percent below fiscal year 1964 levels, which were the last pre-Vietnam war fiscal year figures.

Reserve figures are even more disturbing than these active duty shortfalls.

As of July 1980, selected Reserve force levels were 11 percent below those of fiscal year 1973; approximately 22 to 23 percent below the Department of Defense's stated mobilization; and 14 percent below fiscal year 1964 levels. The individual Ready Reserve currently has about 270,000 unfilled spaces. In July 1980, the Army individual Ready Reserve strength was 72 percent below fiscal year 1973; 47 to 65 percent below various Department of Defense mobilization requirements; and 54 percent below fiscal year 1964 levels.

DECLINE IN QUALITY

Mr. President, these declines in the quality of military personnel are of serious concern. More startling than the decline in quantity of personnel, however, is the decline in quality of personnel.

A Defense Department report published last year showed that 40 percent of current military recruits cannot read at a ninth grade level, while countless others required remedial reading and English language training. Nearly 50 percent of all recruits are in the lowest category of intelligence, and many high school graduates are not mentally capable of passing courses in the service schools. The Air Force alone fell 43 percent short of its hiring goal in engineers in 1979, while its ROTC IQ test scores dropped from 44 percent in the 74 to 95 percent test range in 1972 to 22 percent in 1978–79. Just last week, I was told that

the Army has a serious shortage of officer candidates with engineering skills.

A recent study on recruit quality on the All-Volunteer Force concluded in part that the percentage of above average individuals in the enlisted ranks—measured by education, high school graduate status, or intelligence—has declined substantially since the AVF began. This study also revealed that in 1965, 20 percent of all active duty enlisted personnel had some college training. In 1980, that figure had dropped to 10 percent. In 1974, 39 percent of all Reserve enlisted personnel had some college training, while in 1980, this figure stood at 10 percent.

READINESS PROBLEM

The result of this twofold decline in quality and quantity of manpower resources is predictable and alarming. A Navy ship is declared unfit for sea duty by her captain because he lacks enough trained petty officers. An Air Force fighter wing flunks a readiness test, with only one-third of its F–15's fit to fly combat missions—in large measure because 30 percent of the unit's airmen are too inexperienced for their jobs. A recent Army training study "found that 25 percent of the tank gunners did not know where to aim the battlesight when engaging a target * * *."

In short, the decline in quantity and quality of recruits has contributed to the serious decline in readiness of our forces.

Mr. President, in my judgment, it is not sufficient that we simply increase the numbers of young people entering military service in this country today. We must increase the quality of these recruits as well. While the fact of a college education is by no means an absolute standard of whether a young man or woman will make a good soldier, I believe that in most cases a better-educated soldier will be a better soldier in today's highly complex and sophisticated military environment.

You do not need to have flown an F–15 fighter, fired an antitank weapon, or sailed in a guided missile frigate to realize that soldiering today is far more complex than "holding fire until you can see the whites of their eyes." (William Prescott, June 17, 1775, at Bunker Hill.)

EDUCATIONAL LOAN FORGIVENESS

Mr. President, every year, this Government offers over a billion dollars in educational loans so that our young men and women can attend the colleges and universities of their choice. Many young college graduates find themselves deeply in debt at the completion of their education.

By allowing the Department of Defense to repay certain educational loans made to persons who agree to serve in the armed services, my bill solves several problems in a positive manner.

First, it gives these young people a vehicle for reducing or eliminating their burden of debt through military service. In the case of a reservist, this debt can be reduced at the rate of 20 percent or $600 per year, whichever is largest. Since the minimum period of Reserve service is 6 years, this gives the enlistee the opportunity of eliminating the debt by the final year of service. In the case of an active-duty enlistee, this debt will be reduced at a rate of 50 percent or $1,500 per year, whichever is greatest. Thus, active-duty enlistees who must serve 3 years, can relieve their debt by their final year of service as well.

Second, by requiring that each applicant to this program have completed at least 2 years of college education, we assure that we are attracting a significantly better educated recruit than just a high school graduate. This is the type of recruit that our military forces need to perform highly complicated functions in a modern military force.

Third, unlike many GI bill formulations, the benefits of this program are paid at the point the recruit enters the service rather than at the point when the soldier leaves the service. The incentives of the educational loan forgiveness program are designed to attract college-level recruits into uniform rather than to attract college-bound soldiers out of uniform. This means that the military has the use of a more highly educated recruit during his or her term of service, and does not entice upward-mobile soldiers out of service.

Fourth, there is no penalty for students who accept college loans but do not wish to serve in uniform. In other words, this program does not provide a disincentive to a student who wishes an educational loan but does not wish to commit himself to military service at some future date. It is assumed that the specter of indebtedness facing a student well into his or her college career, or upon graduation, will provide the motivating force for enlistment into the service. We are offering a choice rather than a requirement.

Fifth, my proposal for educational loan forgiveness allows the Secretary of Defense the discretion of offering this program to officers as well as enlisted personnel. Thus, a highly motivated or aggressive enlistee who decides to go to officer candidate school (OCS) will not lose benefits under this program on receiving a commission. Nor will this individual be deterred from going to OCS because he or she will lose benefits that otherwise would go only to enlisted personnel.

Finally, this bill does not provide for an expensive new bureaucracy or set of entitlements that will remain in place even if the program itself fails. Rather, it provides substantial discretion to the Secretary of Defense to fashion in a flexible manner a program to meet his immediate and changing needs. If the program fails—that is, if no college-level students respond to the incentive of educational loan forgiveness through military enlistment—no loans will be forgiven. Therefore, no moneys will be paid. Advertising costs and administrative expenses of this program will be modest by most standards, and are estimated by the Defense Department at less than $500,000 for 3 years.

EXPANDED PROGRAM

Mr. President, last year, the Congress passed legislation authorizing a program similar to what I am proposing here today. That program was funded for 1 year on a trial basis, and was a small part of a larger test program to improve military recruitment in general.

What I am proposing here today will expand upon last year's program by extending its duration to 1983, by accelerating the rate of educational loan forgiveness and by allowing the Secretary of Defense to offer these incentives to officers as well as enlisted personnel.

This concept has received the support of my colleagues in both Houses of Congress. In particular, Senator COHEN of Maine and Representative PETRI of Wisconsin have shown outstanding leadership in developing and promoting this concept. This program has also received the warm endorsement of manpower specialists in the Department of Defense and elsewhere.

I urge my colleagues to support this expanded program of providing educational loan forgiveness to college students who offer to serve in uniform. In this way, we can at least begin to reverse the unforunate and dangerous decline in the numbers of college-educated men and women enlisting and serving in our Armed Forces.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 665

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Department of Defense Educational Loan Forgiveness Act of 1981".

SEC. 2. (a) Subsection (a)(2) of section 902 of the Department of Defense Authorization Act, 1981 (94 Stat. 1115; 10 U.S.C. 2141 note), is amended by striking out "an enlisted member" in clauses (A) and (B) and inserting in lieu thereof "a member".

(b) Subsection (b) of section 902 of such Act is amended—

(1) by striking out "15 percent or $500" in clause (1) and inserting in lieu thereof "20 percent or $600"; and

(2) by striking out "33⅓ percent or $1,500" in clause (2) and inserting in lieu thereof "50 percent or $1,500".

(c) Subsection (g) of section 902 of such Act is amended to read as follows:

"(g) The authority provided under this section shall apply only in the case of persons who have satisfactorily completed, as determined by the Secretary of Defense, at least two years of college level education, or the equivalent thereof, and who—

"(1) enlist or reenlist in the Selected Reserve of the Ready Reserve of an Armed Force or enlist or reenlist for service on active duty after September 30, 1980, and before October 1, 1983; or

"(2) otherwise volunteer for and serve in the Selected Reserve of the Ready Reserve of an Armed Force or otherwise volunteer for and serve on active duty after September 30, 1981, and before October 1, 1983.".

SEC. 3. The amendments made by section 2 (b) of this Act shall apply retroactively in the case of persons who enlisted or reenlisted in the Selected Reserve of the Ready Reserve of an Armed Force or enlisted or reenlisted for service on active duty after September 30, 1980, and before the date of the enactment of this Act.

By Mr. CRANSTON (for himself, Mr. HATFIELD, Mr. HOLLINGS, Mr. INOUYE, Mr. LEVIN, Mr. MATSUNAGA, Mr. MOYNIHAN, Mr. PELL, Mr. RANDOLPH, and Mr. TSONGAS):

S. 667. A bill to amend the Social Security Act to extend medicaid eligibility to certain low-income pregnant women and newborn children; to the Committee on Finance.

MEDICAID COVERAGE FOR PREGNANT WOMEN

Mr. CRANSTON. Mr. President, I am pleased to introduce today S. 667, legislation that would provide uniform medicaid coverage in all States for low-income women who are pregnant with their first child. The amendment I am proposing to the medicaid program is identical to the amendment I submitted for printing last Congress to S. 1204, the proposed "Child Health Assessment Program" (CHAP), and similar to one I had proposed in the 95th Congress. It is also very similar to the provision passed in the House during the last Congress in H.R. 4962, the companion to S. 1204. I am joined in cosponsoring this amendment by the Senator from Oregon (Mr. HATFIELD), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Hawaii (Mr. INOUYE), the Senator from Michigan (Mr. LEVIN), the Senator from Hawaii (Mr. MATSUNAGA), the Senator from New York Mr. MOYNIHAN), the Senator from Rhode Island (Mr. PELL), the Senator from West Virginia (Mr. RANDOLPH), and the Senator from Massachusetts (Mr. TSONGAS).

I was very disappointed, Mr. President, that failure to take up the CHAP bill last Congress also meant failure to act on our amendment to S. 1204, which would have corrected the inequitable situation in many States under which a woman becomes eligible for medicaid coverage after her first child is born, but is not eligible during the critical prenatal, delivery, and postnatal period of her first pregnancy when, to a major extent, the future health of her infant is determined.

Mr. President, the medicaid program was created by Congress to insure financial access to health care for individuals who are unable to afford needed medical services. Under present law, medicaid coverage is mandated for low-income women of child-bearing age who are parents of a dependent child under part A of title IV of the Social Security Act—Aid to Families with Dependent Children (AFDC), who are disabled, or who are blind.

States have the option to provide medicaid benefits to the medically needy—those individuals whose family income exceeds the State's eligibility standard, but who meet the AFDC or SSI categorical criteria and are unable to pay all or part of their medical expenses. Presently, over one-third of the States have determined that a pregnant woman during her first pregnancy does not have a family until the child is born and therefore does not qualify under the AFDC program. Such a requirement precludes medicaid coverage or prenatal, delivery, and postnatal care for many young, low-income women.

States also have the option to extend coverage to financially eligible pregnant women who do not meet the categorical requirements of AFDC or welfare programs. Currently, 32 States do not provide AFDC—and therefore medicaid—coverage to low-income women who are pregnant with their first child and in an intact family. That means that the married pregnant woman whose husband is living in her household and is unemployed or underemployed is not eligible for medical care.

Mr. President, there is no question about the relationship between inadequate care during pregnancy and infant mortality and morbidity and the resultant very large societal costs resulting from the birth of children in ill health. It is therefore my conviction that it makes good sense from both a health care and a fiscal policy point of view for medicaid coverage to be provided, beginning with the prenatal period, for all low-income pregnant women. My amendment would provide such coverage to all low-income women who are pregnant with their first child—whether they are in intact families or not—whose income level would make them eligible for medicaid coverage under the higher of either the State eligibility standard or 55 percent of the poverty level. The latter level is approximately $4,625 for a family of four, and $2,360 for an individual. Coverage would be provided during the prenatal and delivery period and for both the mother and her newborn for a minimum of 60 days after the birth.

THE NEED FOR PRENATAL CARE

Mr. President, inadequate prenatal care is clearly associated with increased newborn mortality and morbidity. Data from the Department of Health and Human Services indicate that women who receive early and frequent prenatal care have better pregnancy outcomes than those who do not. In a New York City study of 142,000 live births, infant death was more than twice as high for mothers who had four or fewer prenatal care visits than it was for those with nine or more visits. If low birthweight is used as a measure of pregnancy outcome, almost two-thirds of women at high risk of having a low-birthweight infant can be identified through prenatal care. According to the Surgeon General's 1980 Report "Healthy People," low birthweight is the greatest single hazard for newborns, increasing their vulnerability to developmental problems and to death. Of all infant deaths, two-thirds occur in infants weighing less than 2,500 grams at birth. These low-birthweight infants have a 20 times greater risk of dying in their first year of life. Low birthweight is also related to infant morbidity such as impairment of the central nervous system leading to such developmental disabilities as mental retardation, cerebral palsy, epilepsy, and autism. Women with such identifiable medical conditions as diabetes, hypertension, or kidney or heart disease, or who experience complications of pregnancy such as toxemia, or infections of the uterus, have a much greater risk of poor pregnancy outcome.

Mr. President, adequate prenatal care can help to identify many of the maternal risks associated with poor pregnancy outcome, and steps can be taken to prevent or reduce these risks, including arranging for the mother to give birth in a hospital equipped with resources suited to the needs of her pregnancy.

Mr. President, despite the importance of timely prenatal care, an estimated 5.6 percent of all pregnant women in this country receive no or inadequate prenatal care. The percentage of women lacking adequate prenatal care is considerably higher among poor, nonwhite adolescent, and unmarried women, those in rural areas, and those over 35 years of age—the very groups most likely to be at high risk during pregnancy due to other factors.

According to data compiled by the National Center for Health Statistics, in 1975, approximately twice the proportion of black as of white mothers received late or no prenatal care, and adolescents and women over 35 were the most likely to receive late or no prenatal care.

The need to provide prenatal, delivery, and postnatal care to those pregnant women unable to afford private care for themselves or their infants cannot be overstated. Last Congress I chaired a hearing on efforts needed to improve pregnancy outcome and reduce infant mortality. The overwhelming weight of the testimony from that hearing confirmed the recommendations of the General Accounting Office and numerous public health experts that the most important step we could take to prevent poor pregnancy outcome would be to insure that every pregnant woman received proper prenatal, delivery, and postnatal care. Similar findings were made by the Select Panel for the Promotion of Child Health which was created by Congress to assess the status of maternal and child health and to develop a comprehensive plan to promote the health of children and pregnant women in the United States. One of the first recommendations made by that panel is to mandate medicaid eligibility for all pregnant women whose family income is at or below the federally-established poverty level, including first-time pregnant women.

Mr. President, experience has shown that without assurance of third-party reimbursement many low-income women will not seek prenatal care. Instead they arrive at the hospital emergency room when the birth of their child is imminent. This practice obviously creates a greater risk for the mother as well as for the child. The medical expenses related to pregnancy are costly and create a real deterrent to medical care for a young woman with limited income. A sample survey conducted by the Health Insurance Institute in December 1978 showed that hospital and medical expenses for

maternity averaged about $1,428 in the United States. These, Mr. President, are estimated average costs and averages now 2 years old. Changes vary tremendously in different areas of the country, particularly between rural and urban areas.

Moreover, the obstacle these high costs present to a low-income pregnant woman is aggravated by requirements of advance payments of cash in certain communities. The January 1980 GAO study "Better Management and Resources Needed to Strengthen Federal Efforts to Improve Pregnancy Outcome"—HRD—80-24—cites numerous examples of economic barriers faced by low-income women in obtaining medical care.

Under my proposed amendment, the expectant mother will be encouraged to seek early prenatal care. The result will be a greater chance for a healthy delivery and a greater chance for a healthy infant.

BLACK-MARKET ADOPTIONS AND ALTERNATIVES TO ABORTION

Mr. President, in the 95th Congress, as chairman of the former Subcommittee on Child and Human Development of the Labor and Human Resources Committee, I chaired hearings on the issue of adoption reform. Several witnesses testified that the provision of birth-related costs to women with problem pregnancies would help stem the tide of black-market adoptions since pregnant women who have no other way of having their pregnancy-related medical costs covered often resort to black marketeers. Those in the business of selling babies, these women have found, are all too ready to provide prenatal, delivery, and postnatal medical coverage in exchange for the child. The data show that teenagers are particularly vulnerable for black-market exploitation. More than three-quarters of mothers who give birth at age 17 or younger have no health insurance. Only one-sixth are covered for prenatal care; fewer than one-fifth are covered for payment of their hospital or doctor bill.

Mr. President, this amendment would also provide an alternative to abortion for many women. The lack of economic resources to pay for the medical care necessary to carry a pregnancy to term can be a factor in leading a pregnant woman to choose to terminate her pregnancy. I feel strongly that no woman should be forced, because of economic pressure, to resort to abortion or black-market baby sellers. The legislation I am introducing would address this situation by providing assurances to women who do not have the economic resources to afford the adequate pregnancy care so necessary for their health and the health of their expected infants. Medicaid coverage for these women would allow them to make decisions about their children free of an economic coercion that should not play a role in this very delicate decisionmaking process.

INADEQUACY OF ALTERNATIVE MEDICAL PROGRAMS

Mr. President, Congress has established a number of programs over the years in an attempt to improve the health of residents of low-income areas. These programs include the title V maternal and child health programs, the neighborhood health centers and migrant health centers, and the National Health Service Corps. In addition, the Hill-Burton Act mandates recipient hospitals to provide a percentage of total care as free care to those people who cannot afford to pay for it.

Some people believe that the title V programs provide the necessary funds for services for low-income pregnant women. However, Mr. President, the findings of the January 1980 GAO study I referred to earlier suggest otherwise. That study shows that the title V programs have not provided States sufficient funding to enable them to provide any prenatal or well-baby care services in some areas and that the services afforded in many other areas are inadequate. Less than 60 percent of the Federal maternal and child health (MCH) formula grant funds were targeted at or appear directly related to extending services to improve pregnancy outcome. It also appeared that relatively little Federal MCH funding has been used for in-hospital care. Although MCH funding has helped pay and promote in-hospital delivery of high-risk women and care for premature or sick infants, most States have established few maternity and infant care or infant intensive care projects, and these projects serve relatively few communities. State MCH directors indicated that only about 4.9 percent in Federal MCH formula funds and about 14.9 percent of their funds from all sources in 1978 were spent on inpatient hospital care, including infant intensive care projects. Only eight States reported to the GAO that they budgeted MCH formula grant funds for inpatient care for mothers or newborns—other than their infant intensive care projects. These States reported to the GAO spending only $2.9 million—or 1.45 percent of the total MCH funds were used in 1978 for in-hospital care.

The GAO study also found that community health centers in many cases are able to provide prenatal care to their patients only through contracts with practicing obstetricians on a part-time basis. This contract procedure leads to a situation in which prenatal care is offered perhaps 1 day a week or only during certain hours. These hours may be virtually impossible for pregnant women who are working. The GAO also found that there may be waits as long as 7 to 10 weeks for an appointment and then a wait of several hours at the clinic once an appointment time is obtained.

Mr. President, I recognize that many federally supported health centers do their best to provide prenatal care, despite limited funds and substandard facilities. But this situation is not a very satisfactory one.

The National Health Service Corps is helping to address this issue. However, the GAO noted various problems. For example, they found in their survey examples such as a National Health Service Corps obstetrician who was unable to provide hospital deliveries to indigent women under her care—regardless of the need for hospitalization—because the patients could not afford the hospital cost, and the hospital would not accept patients who could not pay.

Mr. President, regarding the Hill-Burton requirement for serving low-income patients, the GAO study found two things: That some hospitals had not received any Hill-Burton assistance and that recipient hospitals could fulfill their annual obligations for free care early each years, leaving those needing care later in the year without access to it. Moreover, the National Health Law Project has documented many cases where women in labor were turned away from hospitals because they could not afford to pay, even though those hospitals had been recipients of Hill-Burton funds.

So, Mr. President, I think it is pretty clear that existing Federal programs, although many partially address the needs of pregnant women, do not collectively do the job that needs to be done.

FISCAL IMPACT

Mr. President, I know the Members of the Senate are particularly concerned about the budget implications of any new coverage.

Last year, the Congressional Budget Office estimated that the cost of such legislation when it was offered as an amendment to the CHAP bill would be $30 million in its first full year and estimated increments of another $30 million each subsequent year as women become aware of the coverage of prenatal care and seek medicaid reimbursement, with a projected cost of $140 million in fiscal year 1985.

The CBO's estimates are based on the assumption that the total population of low-income pregnant women eligible for this new coverage—100,000 annually—will not avail themselves of the coverage until fiscal year 1985.

Mr. President, I think this is a small price to pay for the health of these thousands of women and their infants. These costs would be returned many times over in the savings that would be realized from a reduction in pregnancy complications and infant morbidity which result from inadequate prenatal care.

Mr. President, many of these women who would be served under our bill are members of a high-risk group that is the most likely to have low-birthweight infants. These infants, in turn, are ten times as likely to suffer from developmental disabilities as children of normal birth weight. The lifetime costs of care for developmentally disabled individuals is high. Institutional care now runs about $20,000 a year. When applied to a lifetime, estimating an average life of 40 years, the costs would run between one-half and $1 million per individual. The costs of education are double that estimated for the average child—about $2,700 a year. And then there is the lost productive capacity, the addition to the GNP, and the taxes unpaid as a result of such developmental disabilities.

A more immediate expense that can be avoided by adequate prenatal care is the expense of care in a neonatal intensive care unit. For example, HHS, in testify-

ing in the 95th Congress on the adolescent health, services, and pregnancy prevention bill, reported that more than one-third of the 57,000 low-birthweight babies born to teenagers each year require intensive care. This care costs roughly $600 a day for an average stay of about 13 days. HHS reported that for the 21,000 babies requiring this care in 1976, the total cost exceeded $163 million.

Mr. President, these economic costs to society are staggering, and they can be avoided. But I believe we must look beyond the dollars and cents implications of this achievement. We must look to the heartache that is produced, and the human potential that is lost or reduced, through the tragedies of infant mortality and morbidity. These are the ultimate results of lack of good prenatal care.

CONCLUSION

I believe we should do all we can to give all our children the opportunity to develop to their maximum potential. This legislation would provide them with the strong beginning that is essential to their physical and intellectual development.

I ask unanimous consent that the text of the bill we are introducing today be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 667

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1902(a)(10) of the Social Security Act is amended—

(1) by inserting "(i)" after "(A)" in subparagraph (A);

(2) by striking out "clause (A)" and inserting in lieu thereof "subparagraph (A)" each place it appears; and

(3) by inserting at the end of subparagraph (A) the following new clause:

"(ii) for making medical assistance available for care and services provided during pregnancy, and during the 60-day period beginning on the last day of such pregnancy, and to any child born as a result of such pregnancy until the end of such 60-day period, to any woman whose resources (including the resources of her family) are such that she meets the resources test of eligibility for medical assistance under the State plan approved under this title applicable to a family with dependent children, and whose income, including the income of her family, either (I) meets the income test of eligibility for medical assistance under such plan applicable to a family with dependent children, or (II) does not exceed 55 percent of the official poverty line established for an individual or for a family of the same size, as appropriate, by the income poverty guidelines for the nonfarm population of the United States as prescribed by the Office of Management and Budget (and adjusted annually) pursuant to section 625 of the Economic Opportunity Act of 1964;".

SEC. 2. Section 1902(a)(13)(B) of the Social Security Act is amended to read as follows:

"(B) in the case of any individual described in paragraph (10)(A), for inclusion of at least the care and services listed in paragraphs (1) through (5) and (17) of section 1905(a), and".

SEC. 3. Section 1902(e) of the Social Security Act is amended by inserting "(1)" after "(e)", and by adding at the end thereof the following new paragraph:

"(2) Notwithstanding any other provision of this title, each State plan approved under this title must provide that any pregnant woman who is eligible for, has applied for, and has received medical assistance under this title and who becomes ineligible for such assistance because of increased income from employment of herself or her family, shall remain eligible for all such medical assistance provided under the State plan until the end of the 60-day period beginning on the last day of her pregnancy, and that any child born as a result of such pregnancy shall remain eligible for all such medical assistance provided under the State plan until the end of such 60-day period.".

SEC. 4. Section 1905(a) of the Social Security Act is amended—

(1) by striking out "or" at the end of clause (vi);

(2) by inserting "or" at the end of clause (vii);

(3) by inserting after clause (vii) the following new clause:

"(viii) women during pregnancy and during the 60-day period beginning on the last day of such pregnancy, and, during such 60-day period, any child born as a result of such pregnancy,"; and

(4) by striking out "and" before "(C)" in paragraph (4), and by inserting ", and (D) prenatal and postnatal services" before the semicolon at the end of paragraph (4).

SEC. 5. (a)(1) Except as provided in paragraph (2), the amendments made by this Act shall apply to medical assistance provided, under a State plan approved under title XIX of the Social Securtiy Act, on or after the first day of the first calendar quarter beginning at least six months after the date of the enactment of this Act.

(2) If the Secretary of Health and Human Services determines that State legislation is necessary to permit amendment of the State plan under title XIX of the Social Security Act to meet the additional requirements imposed by the amendments made by this Act, he shall not find a failure to comply with the requirements of such title solely on the basis of such State's failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act.

(b) The Secretary of Health and Human Services shall issue the regulations required by this Act within six months after the date of the enactment of this Act.

By Mr. JACKSON:

S. 668. A bill to provide for an expedited and coordinated process for decisions on proposed nonnuclear energy facilities, and for other purposes; to the Committee on Energy and Natural Resources.

PRIORITY ENERGY PROJECT ACT

● Mr. JACKSON. Mr. President, I am introducing today the Priority Energy Project Act. This act would:

First. Provide an expedited and coordinated "fast-track" process for decisions by Federal, State, and local governments on proposed nonnuclear energy facilities which are designated as priority energy projects.

Second. Create an Energy Mobilization Board to implement this process. Authorize the Board to designate projects as priority energy projects if it determines that they would reduce the Nation's dependence on imported energy.

Third. Direct the Board to establish a project decision schedule setting deadlines for all Federal, State, and local government decisions on each priority energy project. If the decision deadlines were not met by an agency, the Board could make the decisions under the applicable law.

Fourth. Establish a special procedure for congressional consideration of Presidential proposals to waive provisions of Federal laws. This procedure would be in effect simply an expedited legislative process under which Congress would decide whether to waive the application of specific Federal laws to specific projects which had been designated as priority energy projects.

The need for legislation to expedite decisions on important energy projects has been apparent for some time. The scores of permit requirements in existing laws may delay construction for months or even years, requiring consumers ultimately to pay higher energy and construction costs. Sponsors of important energy projects often must go through seemingly limitless numbers of hoops before they even know whether the Government will allow their projects to be built.

The Priority Energy Project Act is based on the legislation which both Houses of Congress passed last year (S. 1308) and which was agreed to by Senate-House Conferees in June 1980.

Unfortunately, the House of Representatives rejected the conference report largely because many Republican Members who had voted for the bill when it originally passed the House voted against it. In view of that history, I was particularly pleased by Secretary Edwards' February 23 statement to the Committee on Energy and Natural Resources that:

Measures which should lead to increased domestic production of energy, such as much faster siting and permitting of energy production facilities, will be part of this Administration's program.

I am hopeful that the Reagan administration will support the basic purposes of the bill and that the Senate will act on it soon. I ask unanimous consent that the text of the bill and a summary of its major provisions be included in the RECORD at this point.

There being no objection, the bill and summary were ordered to be printed in the RECORD, as follows:

S. 668

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Priority Energy Project Act".

TABLE OF CONTENTS

Sec. 1. Short title
Sec. 2. Purposes.
Sec. 3. Definitions.
Sec. 4. Establishment of the Energy Mobilization Board.
Sec. 5. Meetings, Executive Director, subpena power.
Sec. 6. Power and authority of the Board.
Sec. 7. Reports of the Board.
Sec. 8. Abolition of the Board.
Sec. 9. Authority to designate priority energy projects.
Sec. 10. Authority to apply for priority status.
Sec. 11. Procedures and criteria for designating priority energy projects.
Sec. 12. Extension of deadlines.
Sec. 13. Relation to National Environmental Policy Act.

Sec. 14. Federal agencies required to submit information.
Sec. 15. Information from State and local agencies.
Sec. 16. Promulgation of the Project Decision Schedule; expedition of energy projects.
Sec. 17. Revisions in Project Decision Schedules.
Sec. 18. Agency authority to adopt special procedures.
Sec. 19. Authority to terminate priority designations.
Sec. 20. Enforcement of the Project Decision Schedule.
Sec. 21. Certification of completed agency review.
Sec. 22. Water law.
Sec. 23. Precedence over other laws.
Sec. 24. Limitation of actions.
Sec. 25. Administrative procedures.
Sec. 26. Review in the Temporary Emergency Court of Appeals.
Sec. 27. Actions subject to expedited review.
Sec. 28. Judicial review under the National Environmental Policy Act.
Sec. 29. Limitation on the review of priority designations.
Sec. 30. Intervention authority.
Sec. 31. Supreme Court review.
Sec. 32. Injunctive relief.
Sec. 33. Action on remand.
Sec. 34. Authorization.
Sec. 35. Waiver of new requirements.
Sec. 36. The Alaska Natural Gas Transportation System.
Sec. 37. Project specific expedited congressional review.

PURPOSES

SEC. 2. (a) The purposes of this Act are to utilize to the fullest extent the constitutional power of Congress to regulate interstate and foreign commerce and to provide for the national defense in order to improve the Nation's balance of payments, reduce the threat of economic disruption from oil supply interruptions and increase the Nation's security by reducing its dependence upon imported oil.

(b) Congress finds and declares that these purposes can be served by—

(1) providing a coordinated, prompt, and simplified process for approval of non-nuclear energy facilities that are determined to be in the national interest;

(2) expediting the approval process without unduly interfering with the present statutory authorities and responsibilities of Federal, State, and local agencies; and

(3) fostering the integration of Federal, State, and local procedures for permitting, licensing, and approving energy projects which are determined to be in the national interest pursuant to section 11.

DEFINITIONS

SEC. 3. As used in this Act the term—

(a) "applicant" means any person planning or proposing a project which has been designated a priority energy project;

(b) "approval" means any permit, license, lease, certificate, right-of-way, or other grant, rate, ruling, or decision authorized or issued by an agency of Federal, State, or local government;

(c) "atomic energy" means all forms of energy released in the course of nuclear fission or nuclear transformation;

(d) "Board" means the Energy Mobilization Board created under section 4 of this Act;

(e) "Chairman" means the Chairman of the Board;

(f) "class of energy projects" means any set, collection, or group of energy projects with common characteristics of which no single project has an expected cost in excess of $5,000,000, and the total cost of which is not expected to exceed $250,000,000, as adjusted to take into account the rate of inflation since the date of enactment, as measured by the adjusted gross national product implicit price deflator;

(g) "designation request" means an application filed with the Board pursuant to section 10(a) of this Act for an order by the Board designating an energy project or class of projects as a priority energy project;

(h) "energy facility" means any physical structure, including any structure which incorporates active and/or passive solar devices, any equipment, building, mine, well, rig, pipeline, transmission line, processing facility, transportation device, manufacturing facility, or installation, or any combination thereof, which will facilitate energy conservation or invention, exploration, research development, demonstration, transportation, production, or commercialization of any form of energy other than atomic energy, including, but not limited to, any facility owned or operated in whole or in part by Federal, State, or local government or any combination thereof;

(i) "energy project" means any plan, proposal, program, scheme, or design to produce, build, install, expand, modify the operation of, or alter in any other way, an energy facility;

(j) "Federal agency" means an executive agency as defined in section 105 of title 5 of United States Code;

(k) "local agency" means any executive agency of local government;

(l) "local government" means (i) any government body, including any special purpose government body, of any political subdivision of any State, (ii) any recognized government board of any Indian tribe or Alaskan Native Village which performs substantial governmental functions, or (iii) any general or special purpose government among States or within a State;

(m) "local law" means the rules, regulations, ordinances, codes, case law, and other laws of any local government;

(n) "member" means a member of the Board other than the Chairman;

(o) "person" means any individual, cooperative, partnership, corporation, association, consortium, unincorporated organization, trust estate, nonprofit institution or any entity organized for a common purpose, and any instrumentality of Federal, State, or local government;

(p) "priority energy project" means any project or class of projects which has been determined by the Board to be in the national interest pursuant to its authority under sections 9 and 11 of this Act;

(q) "Project Decision Schedule" means an unrevised Project Decision Schedule promulgated pursuant to section 16 or a revised Project Decision Schedule promulgated pursuant to section 16 and revised pursuant to section 17;

(r) "State" means any of the fifty States, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands;

(s) "State agency" means any general or special purpose executive agency of State government; and

(t) "State law" means the laws, rules, resolutions and case law of any State.

ESTABLISHMENT OF THE ENERGY MOBILIZATION BOARD

SEC. 4. (a) There is herey established a special executive agency to be known as the Energy Mobilization Board.

(b)(1) The Board shall consist of a Chairman, who shall hold office at the pleasure of the President, and three members. The Chairman and the three members shall be appointed by the President, by and with the advise and consent of the Senate.

(2) The Chairman shall be an individual who, as a result of his training, experience, and attainments in academia, industry, commerce, public interest activities, and/or government is exceptionally well qualified to perform the duties of his office.

(3) Members of the Board shall be appointed for a term of three years, except that the term of office of the members first appointed shall expire, as designated by the President at the time of appointment, one at the end of one year, one at the end of two years, and one at the end of three years.

(4) The Chairman of the Board shall serve as a full-time employee of the Board and shall receive compensation at the rate prescribed for offices and positions at level I of the Executive Schedule (5 U.S.C. 5312). Members of the Board shall receive compensation at a rate equal to the rate prescribed for offices and positions at level III, including travel time, for each day such member is engaged in the actual performance of duties as a member of the Board. All members of the Board shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties.

The Chairman shall not engage in any other employment or hold any other office or position in the Federal Government during the period of his employment. Members shall not hold any other office or position in the Federal Government during the period of their employment.

(6) The Chairman shall be subject to the same restrictions and requirements imposed upon supervisory employees under title VI, part A of the Department of Energy Organization Act (42 U.S.C. 7211–7218), except that in applying the provisions of title VI, part A to the Chairman, the term "the Board" shall be substituted in place of "the Department".

(7) Members of the Board shall be subject to the reporting requirements imposed upon individuals who are nominated by the President to positions which require the advice and consent of the Senate by title II of the Ethics in Government Act of 1978 (5 U.S.C. App. I).

(8) Except as provided in subsection (b)(7) of this section, members of the Board shall not be subject to any disclosure or divestiture requirements of any law solely by virtue of their service on the Board.

(c) The Board shall be administered under the supervision and direction of the Chairman, and except as provided in section 11, the Chairman shall have final and exclusive decisionmaking authority on all matters within the jurisdiction of the Board. The members of the Board shall advise the Chairman in carrying out his duties.

(d) There shall be a General Counsel to the Board who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall receive compensation at the rate prescribed for offices and positions at level III of the Executive Schedule (5 U.S.C. 5314).

MEETINGS, EXECUTIVE DIRECTOR, SUBPENA POWER

SEC. 5. (a) The Board is authorized to sit and act at such places and times as it may determine: *Provided*, That it shall meet no less than once a month for the purposes of conducting its business.

(b) The Chairman may appoint an executive director who shall exercise such powers and duties as may be delegated to him by the Board. The executive director shall receive compensation at the rate provided for level III of the Executive Schedule (5 U.S.C. 5314).

(c)(1) The Chairman shall have the power to issue such subpenas as are necessary for the purpose of monitoring compliance with any Project Decision Schedule or for the purpose of carrying out its authority under section 20. Such subpenas may require the attendance and testimony of witnesses and the production of any records, material or evidence from any Federal, State, or local agency body or any person that relates to any matter within the jurisdiction of the Board. The Board or any member of the

Board or any agent designated by the Board for such purpose, may administer oaths and affirmations, examine witnesses, and receive records, materials, or evidence. Such attendance of witnesses and the production of such records, materials or evidence may be required from any place within the United States at any designated place.

(2) In any case of recalcitrance or refusal to obey a subpena issued under subsection (c)(1), the district court of the United States within the jurisdiction of which said person guilty of recalcitrance or refusal to obey is found or resides or transacts business, upon application by the Board, shall have jurisdiction to issue to such agency or person an order requiring them to appear before the Board, its members, or agents there to produce records, materials or evidence if so ordered, or there to give testimony touching the matter in question; any failure to obey such order of the court may be punished by said court as a contempt thereof. Except as provided in section 31, the Temporary Emergency Court of Appeals shall have exclusive jurisdiction to review an order of a district court pursuant to this section. The Temporary Emergency Court of Appeals shall expedite such review pursuant to the provisions of this Act.

(3) Process and papers of the Board, its members, or agents may be served either upon the agency or person subpenaed in person or by registered or certified mail or by telegraph or by leaving a copy thereof at the residence or principal office or place of business of the person required to be served. The verified return by the individual so serving the same, setting forth the manner of such service, shall be proof of the same, and the return post office receipt or telegraph receipt therefor when registered or certified and mailed or telegraphed shall be proof of service of the same. Witnesses summoned before the Board, its members or agents shall be paid the same fees and mileage that are paid witnesses in the courts of the United States, and witnesses whose depositions are taken and the persons taking the same shall severally be entitled to the same fees as are paid for like services in the courts of the United States.

(4) The Board may, with the approval of the Attorney General, issue an order requiring any person to give testimony or provide other information which he refuses to give or provide on the basis of his privilege against self-incrimination, in the same manner and subject to the same restrictions as a government agency which may issue an order pursuant to section 6004 of title 18, United States Code.

(5) All process of any court to which application may be made under this Act may be served in the judicial district wherein the person required to be served resides or may be found.

(6) Oral testimony given under compulsion of a subpena or materials furnished to the Board pursuant to a subpena shall be matters of public record to the extent required by section 552 of title 5, United States Code.

POWER AND AUTHORITY OF THE BOARD

SEC. 6. (a) The Board shall have the authority, subject to the provisions of this Act and, within the limits of available appropriations, to carry out the purposes of this Act including the authority to—

(1) make full use of competent personnel and organizations outside the Board, public or private; form advisory committees and special ad hoc interagency task forces; and make other personnel arrangements in accord with Federal law; as the Board determines to be appropriate;

(2) enter into contracts or other arrangements as may be necessary for the conduct of the work of the Board with any agency or instrumentality of Federal, State, or local government, or with any person, with or without reimbursement, with or without performance or other bonds and with or without regard to section 5 of title 41, United States Code: *Provided*, That the Board shall not use its authority to become directly involved in the actual construction or operation of any priority energy project;

(3) make advance, progress, and other payments which relate to the functions of the Board without regard to the provisions of section 529 of title 31, United States Code;

(4) accept and utilize the services of voluntary and uncompensated personnel necessary for the conduct of the work of the Board and provide transportation and subsistence as authorized by section 5703 of title 5, United States Code, for persons serving without compensation;

(5) acquire by purchase, lease, loan, or gift, and hold and dispose of by sale, lease, or loan, personal property of all kinds necessary for or resulting from the exercise of authority granted by this Act;

(6) prescribe such rules and regulations as it deems necessary governing the operation and organization of the Board; and

(7) act without regard to the Federal Advisory Committee Act (5 U.S.C. App. I).

(b) Contractors and other parties entering into contracts and other arrangements under this section which involve costs to the Government shall maintain such books and related records as will facilitate an effective audit of the execution of such contracts or arrangements in such detail and in such manner as shall be prescribed by the Board, and such books and records (and related documents and papers) shall be available to the Board and the Comptroller General of the United States, or any of their duly authorized representatives, for the purposes of such audit and examination.

(c) The Board is authorized to secure directly from any executive department or agency information, suggestions, estimates, statistics, and technical assistance for the purpose of carrying out its functions under this Act. Each such executive department or agency shall furnish the information, suggestions, estimates, statistics, and technical assistance directly and expeditiously to the Board upon its request.

(d) On request of the Board, the head of any executive department or agency may detail, with or without reimbursement, any of its personnel to assist the Board in carrying out its functions under this section.

(e) The Board may obtain services of experts in accordance with section 3109 of title 5, United States Code.

(f) In carrying out the provisions of this Act, the Board is authorized to appoint such personnel, subject to the provisions of title 5, United States Code, governing appointments and compensation in the competitive service, as may be necessary. The Board may appoint not to exceed thirty individuals without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(g) In carrying out the provisions of this Act, the Board is not authorized to interfere with labor-management relations, nor to take any actions which conflict with the terms of an existing labor-management contract.

(h) The Board may alter Federal, State, and local law only as specifically authorized by sections 13, 16, 17, 20, 21, 27, 33, and 35 of this Act.

REPORTS OF THE BOARD

SEC. 7. (a) In addition to the specific duties assigned to the Board by this Act, the Board is authorized and directed to review, monitor, and report annually, or more often as necessary, to the Congress on—

(1) the current status of activities and programs being conducted by the Board;

(2) the status of each priority energy project including any significant delays in the completion of the priority energy project and the causes thereof; and

(3) the need for legislation to expedite the completion of priority energy projects.

(b) Not later than December 31, 1982, and annually thereafter, the Board shall prepare and transmit to the Congress a report which contains a comprehensive list of all Federal laws and regulations that significantly hinder the completion of energy projects, and which includes an analysis of why each law or regulation listed in the report is a significant hindrance to the completion of such projects.

ABOLITION OF THE BOARD

SEC. 8. (a) The authority of the Board under section 9 shall expire ten years after the date of enactment of this Act: *Provided*, That the provisions of this Act shall continue to be applicable to all energy projects designated as priority energy projects prior to the expiration of the Board's authority under section 9.

(b) On the last day of the first year after all agency decisions necessary for the completion and initial operation of all priority energy projects have been made, the Board shall be abolished. The personnel, property, records, and unexpended balances of appropriations, allocations, and other funds employed, used, held, available, or to be made available in connection with the operation of the Board shall be transferred to the Treasury or to such agencies of the Federal Government in such fashion as the Director of the Office of Management and Budget shall determine. For the purpose of this section, if an agency issues a final decision denying an approval or declining to perform an action necessary to the completion of a priority energy project, any other agency approvals or actions not yet performed or obtained by the project shall not be deemed necessary.

(c)(1) No suit, action, or other proceeding commenced by or against any officer in his official capacity as an officer of the Board shall abate by reason of the abolition of the Board. No cause of action by or against the Board shall abate by reason of the abolition of the Board.

(2) If, before the date of the abolition of the Board, the Board is a party to a suit, then such suit shall be continued with the Director of the Office of Management and Budget or his designee substituted.

AUTHORITY TO DESIGNATE PRIORITY ENERGY PROJECTS

SEC. 9. The Board is hereby authorized to designate any energy project or class of energy projects as a priority energy project pursuant to the procedures and criteria provided in this Act.

AUTHORITY TO APPLY FOR PRIORITY STATUS

SEC. 10. (a) Any person planning or proposing an energy project or class of projects may apply to the Board for an order designating such project or class of projects as a priority energy project. Where known to the applicant, any application may identify (1) any duplicative, overlapping or conflicting requirements, or other requirements which would substantially delay a final decision on the project if all other decisions were timely made and (ii) the critical regulatory problems likely to be encountered by the applicant with recommendations for the resolution of such problems. An application shall include such detailed information concerning the project as the Board may require by rule to enable the Board to make a designation, including a detailed design proposal for the project, detailed economic data on the costs of the project, and an analysis of environmental impacts of the project: *Pro-*

vided, That the adequacy of an application under this section shall not be subject to judicial review.

(b) Not later than five days after the receipt of a designation request, the Board shall publish notice of the filing of the designation request, together with a brief description thereof in the Federal Register. The Board shall also keep on file and make available for public inspection and copying at the main office of the Board and in such other places as the Board deems appropriate such portions of the full designation request which are not matters listed in section 552(b) of title 5, United States Code. Interested persons shall be afforded at least thirty days from the date such request becomes available to the public for submitting written comments for the Board's consideration.

(c) A designation request for an energy project or class of projects may be submitted to the Board at any time prior to the completion of the project or class of projects notwithstanding any previous decision by the Board denying the same or a similar request for that project or class of projects.

PROCEDURES AND CRITERIA FOR DESIGNATING PRIORITY ENERGY PROJECTS

SEC. 11. (a) Not later than sixty days after receipt of a designation request, the Board shall determine whether the proposed energy project or class of projects is of sufficient national interest to be designated a priority energy project and shall publish its decision in the Federal Register. If the Board designates the project as a priority energy project, such publication shall contain a brief summary of the reasons for the Board's decision.

(b) No project or class of projects shall be designated a priority energy project without the concurrence of the Chairman and at least two of the three members of the Board.

(c) No project or class of projects shall be designated a priority energy project unless the Board finds that the project directly or indirectly will reduce the United States dependence on insecure foreign oil or petroleum products by, but not limited to, increased energy production, transportation, conservation, refining, storage, or the demonstration of new energy technologies.

EXTENSION OF DEADLINES

SEC. 12. The Board may extend the deadline for receiving public comments under section 10(b) and the time for ruling on an application for priority energy project status under section 11 if more time is necessary to afford interested persons a reasonable time to comment.

RELATION TO NATIONAL ENVIRONMENTAL POLICY ACT

SEC. 13. (a) A determination by the Board under section 11 of this Act is not subject to section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)).

(b) Promulgation or revision of a Project Decision Schedule is not subject to section 102(2)(C) of the National Environmental Policy Act of 1969.

(c) Before publication of the Project Decision Schedule, the Board shall determine, after providing a reasonable opportunity for public comment, if any Federal action relating to the priority energy project will be a major Federal action significantly affecting the quality of the human environment within the meaning of section 102(2)(C) of the National Environmental Policy Act of 1969 and shall publish notice of its determination in the Federal Register. Such a determination shall be immediately subject to judicial review under the provisions of this Act. If the Board determines that a priority energy project will require such a major Federal action, the remaining parts of this section shall apply.

(d) Notwithstanding any other provision of law, the Board may require that one final environmental impact statement be prepared and that such statement be used by any or all Federal agencies to satisfy the National Environmental Policy Act of 1969 and by any or all State and local agencies to substitute for any comparable statement required by State or local law: *Provided*, That if the Board requires that such statement substitute for a comparable requirement of State or local law—

(1) such statement shall include discussion of all matters required under the comparable State or local law to the same degree and extent as required by such law; and

(2) the Federal agency or agencies preparing such statement shall consult with the appropriate State and local officials during the preparation of the statement with respect to any portions of such statement which will substitute for comparable requirements under State or local law.

(e) Before publishing the Project Decision Schedule pursuant to section 16 of this Act but after consulting with the Council on Environmental Quality, the Board shall designate the Lead Agency for the preparation of the environmental impact statement.

(f) Before publication of the Project Decision Schedule under section 16 of this Act, the Lead Agency shall convene one or more scoping meetings with such other Federal agencies as it deems appropirate and, if the Board has determined that the Federal environmental impact statement shall substitute for any comparable State or local statement or other assessment, with representatives of such States or localities. The purposes of the scoping meetings shall be to identify significant issues, establish the content of the environmental impact statement, and determine whether and how responsibilities should be apportioned among other Federal agencies.

(g) After the scoping meeting(s), the Lead Agency, with the concurrence of the Board, may determine to prepare the environmental impact statement without requiring assistance from any other Federal agency, notwithstanding any decision of the Board to require that one such statement be used by any or all Federal, State and local agencies: *Provided*, That any comments, opinions, or materials submitted by Federal, State, or local agencies shall be considered by the Lead Agency and made available to the public.

(h) At any time prior to the completion of the priority energy project, the Board may assign responsibilities in the preparation of the environmental impact statement to any Federal agency. The Board shall publish such assignments in the Federal Register, and such assignments shall be subject to procedures and deadlines specified by the Board. Such procedures and deadlines shall be incorporated in the Project Decision Schedule and shall be treated as part of the Schedule for the purposes of this Act. Except as provided in this section the deadlines and procedures for carrying out such assignments shall be consistent with the provisions in section 16 of this Act. Such assignments, and the deadlines and procedures for carrying out such assignments, may be modified at any time subject to the limitations in section 17.

(i) All Federal agencies shall comply with the assignments, deadlines and procedures established pursuant to subsection (f) of this section. Nothing in this section shall authorize the Board or the Lead Agency to require any action from any State or local agency in the preparation of the environmental impact statement.

(j) The Board may require any Federal agency to prepare the environmental impact statement at the same time as it performs other actions necessary to process an application submitted by the applicant: *Provided*, That no Federal agency shall issue a final decision on a major Federal action significantly affecting the quality of the human environment until at least fifteen days after the environmental impact statement has been completed.

(k) Notwithstanding any other provision of law, the Project Decision Schedule established under section 16 shall provide that in preparing an environmental impact statement, agencies shall give interested persons an opportunity to submit written data, views, or arguments with or without opportunity for oral presentation and such opportunity shall constitute the exclusive opportunity for parties to submit written data, views, or arguments pertaining to any matter to be considered by the agency pursuant to its obligations under the National Environmental Policy Act.

(l) Notwithstanding any other provision of law, the Board may require any two or more Federal agencies to consolidate any or all aspects of their proceedings for preparing an environmental impact statement.

(m) For the purposes of this Act, the term "Lead Agency" means the Federal agency designated by the Board to supervise the preparation of an environmental impact statement on a priority energy project.

FEDERAL AGENCIES REQUIRED TO SUBMIT INFORMATION

SEC. 14. Not later than thirty days after notice appears in the Federal Register of a decision by the Board designating an energy project or class of projects as a priority energy project, any Federal agency with authority to grant or deny any approval or to perform any action necessary to the completion and initial operation of such project or any part thereof, shall transmit to the Board—

(a) a compilation of all significant actions required by such agency before a final decision or action on any approval(s) necessary to the completion and initial operation of the priority energy project can be rendered or performed;

(b) a compilation of all significant actions required of the applicant before a final decision or action by such agency can be made;

(c) a tentative schedule for completing actions listed in subsections (a) and (b) of this section within two years unless a longer period is necessary;

(d) all necessary application forms which must be completed by the applicant before such approval can be granted; and

(e) information regarding the amount of funds and personnel available to such agency to perform the actions required by such agency before any final decisions can be made and the impact of giving priority status to the applicant on other applications pending before such agency.

INFORMATION FROM STATE AND LOCAL AGENCIES

SEC. 15. (a) Not later that five days after notice appears in the Federal Register of a decision designating a proposed energy project as a priority energy project, the Board shall notify the Governor of any State which is likely to exercise jurisdiction over the priority energy project of the designation and other appropriate officials of political subdivisions of any State which might be significantly affected by a priority energy project, and shall request the Governor to compile and transmit to the Board within twenty-five days—

(1) a compilation of all significant agency actions required by all State and local agencies within the State before a final decision or action on any approval(s) necessary to the completion and initial operation of the priority energy project can be rendered or performed;

(2) a compilation of all significant actions required of the applicant before a final decision or action by such agencies can be made;

(3) a tentative schedule for completing the actions listed in paragraphs (1) and (2) of

this subsection within two years unless a longer period is necessary;

(4) all necessary application forms which must be completed by the applicant before such approval can be granted; and

(5) information regarding the amount of funds and personnel available to such agencies for performing the actions required by such agencies before any final decisions can be made and the impact of giving priority status to the applicant on other applications pending before such agencies.

(b) If at any time the Governor fails to cooperate with the Board in complying with this section, or any State or local agency which is likely to have authority to grant or deny an approval or perform an action necessary to completion of such project fails to cooperate with the Governor, the Board may instruct such agencies directly to provide the information enumerated in subsection (a) and such agencies shall comply with the instruction of the Board.

PROMULGATION OF THE PROJECT DECISION SCHEDULE; EXPEDITION OF ENERGY PROJECTS

SEC. 16. (a) Not later than sixty days after designating a proposed project or class of projects as a priority energy project, the Board shall publish in the Federal Register and in such other places as the Board deems appropriate a Project Decision Schedule containing reasonable deadlines for all significant agency actions and decisions and all significant applicant actions about which the Board has received notice pursuant to sections 14 and 15 of this Act, and for any other actions or decisions which the Board, in its discretion, deems significant. A deadline may require that decisions and actions be performed in a shorter period of time than would be required if the project was not a priority energy project. Where possible, the Board shall negotiate and enter into written cooperative agreements with each affected State and local government establishing the deadlines.

(b) Notwithstanding any other provision of law, the Board may establish special procedures in the Project Decision Schedule for any Federal agency subject to such Schedule. Such procedures shall be consistent with all statutes and rules, regulations, and orders promulgated by the agency except that the Board may require the agency to—

(1) consolidate, to the maximum extent practicable, its proceedings respecting actions and decisions which are subject to the Project Decision Schedule with the proceedings of other agencies, including Federal, State, and local agencies which are also subject to such schedule;

(2) establish permit, license, and other filing requirements which eliminate unnecessary duplication, and, to the maximum extent practicable, provide for uniform collection, analysis, and reporting of such data;

(3) substitute legislative-type hearings in lieu of trial-type hearings: *Provided*, That, in any cases in which (A) a formal hearing including an opportunity for cross-examination of witnesses is authorized by any provision of statute other than this Act, and (B) the agency determines there is a genuine and substantial dispute of fact which can only be resolved with sufficient accuracy by the introduction of evidence in a formal hearing, the agency shall designate such dispute for resolution in a formal hearing conducted in accordance with the statute providing for such hearing;

(4) shorten time periods for actions required by agency procedures;

(5) conduct hearings, except where such hearings are conducted pursuant to paragraph (3) above, in which parties may submit such written data, views, or arguments and such written responses to the data, views, or arguments submitted by other parties, as the Board, agency, or the presiding employee may specify and in which oral presentation is limited to brief oral argument with respect to the written submissions;

(6) establish procedures for issuing final decisions in which the presiding employee at any hearing may be required to certify the hearing record to the agency for decision without an initial decision. Such procedures may also require the presiding employee to submit the record to the agency without a recommended or tentative decision, but with such analysis of the record as the agency may specify. The agency itself shall omit a tentative or recommended decision if the Board determines that due and timely execution of its function so requires; or

(7) utilize any combination of procedures authorized by this subsection:

Provided, That no requirement under this subsection (b) shall be binding on any State or local agency.

(c) In setting deadlines pursuant to this section, the Board shall consult with the Federal agencies subject to such deadlines. The Board shall also consult with the Governor of any State if any government agency within such State has authority to grant or deny any approval or perform any action necessary to the completion of the priority energy project and shall request the Governor to act as an intermediary between the Board and all State and local agencies: *Provided*, That if the Governor fails to cooperate with the Board or if any State or local agency fails to cooperate with the Governor under this section, the Board may consult directly with such State or local agency. Where possible, the Board shall enter into a written cooperative agreement with each affected State and local government establishing the deadlines.

(d) No Project Decision Schedule shall encompass a period of more than two years unless the Board finds that additional time is necessary.

(e) The deadlines in the Project Decision Schedule shall be consistent with the deadlines submitted to the Board pursuant to sections 14 and 15 unless the Board determines that different deadlines would help expedite or coordinate Government review.

(f) Notwithstanding any other provision of law, the deadlines and special procedures imposed by the Project Decision Schedule shall constitute the lawful decisionmaking deadlines and procedures for reviewing applications filed by the applicant.

REVISIONS IN PROJECT DECISION SCHEDULES

SEC. 17. At any time prior to the completion of the priority energy project, the Board may (i) revise the special procedures for Federal agencies on the Project Decision Schedule; (ii) add new special procedures for Federal agencies on the Project Decision Schedule; (iii) revise any deadline on the Project Decision Schedule; or (iv) add any new deadline on the Project Decision Schedule: *Provided*, That no modification in the Project Decision Schedule shall be allowed unless the Board determines that—

(a) such modification would further the purposes of this Act; and

(b) continued adherence to the Schedule would be impractical or would not be in the public interest; and

(c) in the case of a request for a modification by an agency, that the agency has exercised due diligence in attempting to comply with section 14 or 15 and with the Schedule; and

(d) in the case of a request for a modification by an applicant, that the applicant has exercised due diligence in attempting to comply with the Schedule; and

(e) except as provided by this section, such modification is consistent with the provisions of section 16 and is published in the Federal Register.

AGENCY AUTHORITY TO ADOPT SPECIAL PROCEDURES

SEC. 18. All Federal, State, and local agencies governed by a Project Decision Schedule may establish special procedures which the agency determines to be appropriate for meeting the deadlines on such Schedule. Any agency which is likely to be governed by a Project Decision Schedule at any time may also establish special procedures to govern agency actions and decisions relating to priority energy projects. These procedures shall be consistent with all statutes governing the agency's actions, except that, notwithstanding any other statutes, the agency may—

(1) consolidate, to the maximum extent practicable, its proceedings respecting actions and decisions which are subject to the Project Decision Schedule with the proceedings of other agencies, including Federal, State, and local agencies which are also subject to such Schedule;

(2) establish permit, license, and other filing requirements which eliminate unnecessary duplication, and, to the maximum extent practicable, provide for uniform collection, analysis, and reporting of such data;

(3) substitute legislative-type hearings in lieu of trial-type hearings: *Provided*, That, in any cases in which (A) a formal hearing including an opportunity for cross-examination of witnesses is authorized by any provision of statute other than this Act, and (B) the agency determines there is a genuine and substantial dispute of fact which can only be resolved with sufficient accuracy by the introduction of evidence in a formal hearing, the agency shall designate such dispute for resolution in a formal hearing conducted in accordance with the statute providing for such hearing;

(4) shorten time periods for actions required by agency procedures;

(5) conduct hearings, except where such hearings are conducted pursuant to paragraph (3) above, in which parties may submit such written data, views, or arguments and such written responses to the data, views, or arguments submitted by other parties, as the agency or the presiding employee may specify and in which oral presentation is limited to brief oral argument with respect to the written submissions;

(6) establish procedures for issuing final decisions in which the presiding employee at any hearing may be required to certify the hearing record to the agency for decision without an initial decision. Such procedures may also require the presiding employee to submit the record to the agency without a recommended or tentative decision, but with such analysis of the record as the agency may specify. The agency itself may omit a tentative or recommended decision if it determines that due and timely execution of its function so requires; or

(7) utilize any combination of procedures authorized by this subsection.

AUTHORITY TO TERMINATE PRIORITY DESIGNATIONS

SEC. 19. (a) At any time after an energy project has been designated a priority energy project, the Board may terminate the priority designation if—

(1) the Board determines that the applicant has not exercised due diligence in attempting to comply with any Project Decision Schedule;

(2) the Board determines that the applicant has not attempted in good faith to comply with any law governing the priority energy project;

(3) the Board determines that the priority designation is no longer necessary to expedite agency action or decisionmaking which is necessary to completion and initial operation of the priority energy project;

(4) the Board determines that an agency has denied an application for an approval which is essential for the completion and

initial operation of the project and that the denial is not likely to be reversed by the agency or invalidated by a reviewing court; or

(5) the applicant has requested that the priority designation be withdrawn: *Provided,* That no such request shall be granted if a previous request by the applicant for the same project had been granted and the project had subsequently been redesignated a priority project.

(b) If the Board terminates the priority designation for any priority energy project, the deadlines and procedures in the Project Decision Schedule for that project shall no longer be binding upon any agency, and unless the Board redesignates the project pursuant to section 11, the Board shall no longer have authority to establish binding deadlines for agency actions and approvals relating to the project. In addition, except as provided by subsection (c) of this section, judicial review of any action relating to the project shall no longer be governed by the provisions of this Act: *Provided,* That—

(1) jurisdiction over any action pending at the time the priority designation is terminated shall be retained by the court in which such action is pending if the court determines that the interests of justice would be served by retaining jurisdiction; and

(2) any action or approval relating to a priority energy project which was valid before the priority designation for that project was terminated shall not be deemed invalid on the ground that the priority status has been withdrawn or that a Project Decision Schedule is no longer legally binding.

(c) A decision by the Board to withdraw a priority designation shall be subject to judicial review under the provisions of this Act.

(d) Termination of a priority designation is not subject to section 102(2)(C) of the National Environmental Policy Act of 1969.

ENFORCEMENT OF THE PROJECT DECISION SCHEDULE

SEC. 20. (a)(1) If any Federal, State, or local agency has failed to make a decision or take an action within the time required by a Project Decision Schedule, the Board may make the decision or perform the action in lieu of the agency.

(2) In making the decision or performing the action in lieu of the agency, the Board shall apply the decision criteria in the Federal, State, or local law that would have been applied had the Federal, State or local agency made the decision.

(3) If the Board determines that an agency has failed to make a decision or perform an action within the time required by a Project Decision Schedule and that the Board will decide in lieu of the agency, the Board shall so notify the agency, and the agency shall, upon receiving such notification, transmit to the Board forthwith all records in the possession of the agency pertinent to that decision or action. The Board may take whatever additional action is necessary to develop an adequate record for a final decision or action within the time periods permitted by this Act, such action may, in the discretion of the Board, include a period for written public comment.

(b)(1) If any Federal, State, or local agency has failed or is reasonably likely to fail to comply with a Project Decision Schedule, the Board may bring an enforcement action in United States district court.

(2) In any action brought under this subsection, if the court determines that any Federal, State, or local agency has failed or is reasonably likely to fail to comply with a Project Decision Schedule, the court shall order the agency to act in accordance with the existing schedule where such action would be practical and would not deny any person due process of law.

(3) If the court determines that the agency has failed or is reasonably likely to fail to comply with a Project Decision Schedule but that action in accordance with the Project Decision Schedule would clearly be impractical or would deny any person due process of law, the court shall instruct the Board to revise the Project Decision Schedule to require the agency to complete consideration of the applicant's request as soon as practicable consistent with due process of law. Immediately upon receipt from the Board of a certified copy of the revised Project Decision Schedule, the court shall issue an order directing the agency to comply with such Schedule.

(4) Notwithstanding any other provision of law including any other provision of this Act, any action brought under this subsection shall be assigned for hearing and completed at the earliest possible date, shall, to the greatest extent practicable, take precedence over all other matters pending on the docket of the court at the time, and shall be expedited in every way by such court. Except as provided in section 31, the Temporary Emergency Court of Appeals shall have exclusive jurisdiction to review all rulings of the district court pursuant to this section. The Temporary Emergency Court of Appeals shall expedite such review pursuant to the provisions of this Act: *Provided,* That the Board may not exercise its authority pursuant to subsection (a) to make a final decision under a State comprehensive siting law before the last deadline on the Project Decision Schedule.

(c) Nothing in this Act shall be construed as denying any Federal, State, or local agency the authority, pursuant to applicable law, to disapprove any application for a permit, license, lease, or other approval required by applicable law for a priority energy project, except at such time the Board exercises its authority pursuant to subsection (a) to make the decision or perform the action in lieu of such agency.

(d) Subject to the provisions of section 17, the Board shall act as provided for in subsection (a) or (b) within sixty days following failure of any Federal, State, or local agency to comply with a Project Decision Schedule, except where the Board determines that more expeditious action would result from deferral of action under subsections (a) and (b), and the appropriate Federal, State, or local agency concurs.

CERTIFICATION OF COMPLETED AGENCY REVIEW

SEC. 21. (a) If the Board has been notified by the agencies with authority to grant such approvals or perform such actions or by a reviewing court that all agency actions and approvals on the Project Decision Schedules relating to a priority energy project (i) have been granted, or (ii) have been performed, or (iii) are not necessary and if judicial review of such actions or approvals is completed or is barred by section 25 of this Act, the Board shall certify the same to the project. Such certification shall indicate any conditions and the expiration date of any approvals that have been granted to the project.

(b) A certificate issued by the Board under subsection (a) of this section shall constitute conclusive evidence in any judicial or executive proceeding that all actions and approvals necessary to the completion and initial operation of the project have been granted for the duration and subject to the conditions specified on the certificate.

WATER LAW

SEC. 22. (a) Nothing in this Act shall be construed as expanding or conferring upon the United States, its agents, permittees, or licensees any right to acquire rights to the use of water.

(b) The United States, its agents, permittees, or licensees shall appropriate water within any State for an energy project pursuant to procedural and substantive provisions of State law, regulation, or rule of law governing appropriation, use, or diversion of water.

(c) The establishment or exercise pursuant to State law, of terms or conditions including terms or conditions terminating use, on permits or authorizations for the appropriation, use, or diversion of water for energy projects shall not be deemed because of any interstate carriage, use, or disposal of such water to constitute a burden on interstate commerce.

(d) Nothing in this Act shall alter in any way any provision of State law, regulation, or rule of law or of any interstate compact governing the appropriation, use, or diversion of water.

PRECEDENCE OVER OTHER LAWS

SEC. 23. Notwithstanding any other provisions of law, the actions of Federal, State, and local officers or agencies pursuant to this Act shall not be subject to judicial review except as provided in this Act.

LIMITATION OF ACTIONS

SEC. 24. (a) Except as provided by subsection (b), any petition for review of any action pursuant to this Act or of the validity of this Act shall be brought not later than twenty days following the date of actual or constructive notice of the final agency action relating to the action which is being challenged.

(b) Any petition for review of the reasonableness of any deadline in a Project Decision Schedule shall be brought not later than thirty days after such deadline is listed on the Project Decision Schedule and published in the Federal Register or such challenge shall be barred. The party challenging the reasonableness of the deadline shall have the burden of proof.

(c) Any petition for review of the validity of this Act or of any action pursuant to this Act shall be barred unless a complaint is filed prior to the expiration of the time limits prescribed by this Act.

ADMINISTRATIVE PROCEDURES

SEC. 25. (a) Except as provided in subsection (b) of this section, the Board shall be exempt from sections 553 through 559 of title 5, United States Code.

(b) The establishment of procedures by the Board pursuant to this Act and the establishment of any special procedures by a Federal agency pursuant to section 18 of this Act shall be subject to sections 553, 704, and 706 of title 5, United States Code and any judicial review of such procedures shall be conducted in the Temporary Emergency Court of Appeals pursuant to section 26 of this Act.

REVIEW IN THE TEMPORARY EMERGENCY COURT OF APPEALS

SEC. 26. (a)(1) A petition for review of the validity of this Act or of any action pursuant to this Act shall be filed in the Temporary Emergency Court of Appeals. Except as provided by this Act, such court shall have exclusive jurisdiction to determine such proceeding in accordance with procedures hereinafter provided and no other district court or Court of Appeals of the United States and no other court of any State or locality shall have jurisdiction over any such challenge in any proceeding instituted prior to, on, or after the date of enactment of this Act.

(2) Notwithstanding any provisions of section 211 of the Economic Stabilization Act of 1970 as amended by the Economic Stabilization Act Amendments of 1971, Public Law 92-210, the Temporary Emergency Court of Appeals shall exercise its powers and prescribe rules governing its procedures in such manner as to expedite the determination of cases over which it has jurisdiction under this Act. Such rules may set page limits on briefs and time limits for filing briefs and motions and other actions which are shorter than the limits specified in the Federal Rules of Appellate Procedure.

(3) In any proceeding before the Tempo-

rary Emergency Court of Appeals, the chief judge of the Temporary Emergency Court of Appeals shall designate at least one judge from the circuit in which the priority energy project or the most significant portion thereof would be located to sit on the panel presiding over the proceeding.

(4) There are hereby authorized to be appropriated such sums as are necessary to expand the capacity of the Temporary Emergency Court of Appeals in order to carry out the provisions of this Act.

(b) Any such proceeding shall be assigned for hearing and completed at the earliest possible date, and shall be expedited in every way by such court and such court shall render its final decision relative to any challenge within one hundred and twenty days from the date such challenge is brought unless such court determines that a longer period of time is required to satisfy the requirements of the United States Constitution.

(c)(1) Notwithstanding any other provision of law, jurisdiction over any challenge to agency action pursuant to this Act which is pending before any court other than the Temporary Emergency Court of Appeals at the time such agency action becomes an action pursuant to this Act shall remain with such court unless the Temporary Emergency Court of Appeals issues an order transferring such civil action to the Temporary Emergency Court of Appeals pursuant to subsection (d) of this section.

(2) If the court before which such civil action is pending retains jurisdiction, such court shall assign the case for hearing and completion at the earliest possible date, and shall expedite the case in every way. All appeals from such court shall be to the Temporary Emergency Court of Appeals and shall be filed within fifteen days of the final decision of such court. On appeal the Temporary Emergency Court of Appeals shall comply with the procedures established in subsection (b) of this section.

(d) If any appeal involving a challenge to any agency action pursuant to this Act is pending before any State appellate court or any United States Court of Appeals other than the Temporary Emergency Court of Appeals at the time such agency action becomes an action pursuant to this Act, the chief judge of the Temporary Emergency Court of Appeals, or any other judge of the Temporary Emergency Court of Appeals designated by the chief judge, may issue an order transferring such civil action to the Temporary Emergency Court of Appeals. Such transfers may be made whenever the transfer will expedite judicial review of the civil action and will not cause material prejudice to any party. Proceedings for the transfer of any action under this subsection may be initiated by the chief judge of the Temporary Emergency Court of Appeals or by any other judge authorized by the chief judge on his own initiative, by the Board, or by any party to the appeal.

ACTIONS SUBJECT TO EXPEDITED REVIEW

SEC. 27. For the purposes of this Act "an action pursuant to this Act" means—

(a) any significant action by the Board pursuant to this Act including, but not limited to, any action pursuant to sections 20 and 21 of the Act. An action of the Board shall be deemed significant if the Board determines that expedited review of such action would expedite completion of any priority energy project; or

(b) any action by any Federal agency or officer if such action is subject to a deadline on a Project Decision Schedule, including any action which is an intermediate step to an action listed on such Schedule; or

(c) any action by any State or local agency or officer if such action is subject to a deadline on a Project Decision Schedule, including any action which is an intermediate step to an action listed on such Schedule;

(d) any other action by any Federal, State, or local agency or officer relating to a priority energy project which the Board determines requires expedited judicial review in order to expedite completion of a priority energy project; or

(e) any action by any United States district court or any State or local trial court with respect to a case involving an action pursuant to this Act.

JUDICIAL REVIEW UNDER THE NATIONAL ENVIRONMENTAL POLICY ACT

SEC. 28. Except as specifically provided by this Act, the scope of judicial review under the National Environmental Policy Act of 1969 shall not be limited by this Act.

LIMITATION ON REVIEW OF PRIORITY DESIGNATIONS

SEC. 29. A decision of the Board designating a project or class of projects as a priority energy project shall not be subject to judicial review and no court shall hold unlawful or set aside any Board or agency action, finding, rule, or conclusion on the basis of a decision designating a project or class of projects as a priority energy project.

INTERVENTION AUTHORITY

SEC. 30. The Board may intervene in any Federal, State, or local agency proceeding and shall appear as a party of right in any judicial proceeding, if such agency or judicial proceeding involves an action pursuant to this Act. The Board shall encourage expedited action or decisionmaking by the agency or court in such proceeding.

SUPREME COURT REVIEW

SEC. 31. (a) The Supreme Court shall have exclusive jurisdiction to review any interlocutory judgment or order of the Temporary Emergency Court of Appeals, or any United States Court of Appeals or the final court in any State in any case involving an action pursuant to this Act. This petitioner must file a petition for certiorari or a certification as provided in section 1254 of title 28, United States Code within fifteen days after the decision of the court of appeals or his appeal shall be barred.

(b) Any review by the Supreme Court shall be assigned for hearing and completed at the earliest possible date, shall, to the greatest extent practicable take precedence over all other matters pending on the docket of the court at that time, and shall be expedited in every way by such court.

INJUNCTIVE RELIEF

SEC. 32. (a) Except as provided in subsection (b), no court shall have jurisdiction to grant any injunctive relief lasting longer than ninety days against any action pursuant to this Act except in conjunction with a final judgment entered in a case involving an action pursuant to this Act.

(b) No court shall have jurisdiction to grant any injunctive relief preventing the enforcement of a Project Decision Schedule except in conjunction with a final judgment. If the court on review determines that a deadline on a Project Decision Schedule is not reasonable, the Court may instruct the Board to extend the deadline.

ACTION ON REMAND

SEC. 33. Immediately following any decision remanding to an agency any case or controversy involving the validity of this Act or, an action pursuant to this Act, the Board shall revise the Project Decision Schedule as necessary to expedite any further proceedings required by the decision of the court. Such revisions shall be consistent with section 17 of this Act.

AUTHORIZATION

SEC. 34 There are hereby authorized to be appropriated such sums as are necessary to carry out the provisions of this Act.

WAIVER OF NEW REQUIREMENTS

SEC. 35. (a) The Board is authorized to waive the application of any Federal, State, or local statute, regulation, or requirement enacted or promulgated after the commencement of construction of a critical energy facility, unless Congress explicitly prohibits such waiver. No waiver pursuant to this section shall take effect unless—

(1) the Board finds that the waiver is necessary to ensure timely and cost-effective completion and operation of the facility; and

(2) the Board, after consultation with the agency responsible for implementing the statute, regulation, or requirement to be waived, finds that the waiver will not unduly endanger public health or safety.

(b) For the purposes of this section, "commencement of construction" means that the owner or operator of a critical energy facility has obtained all necessary preconstruction approvals or permits required by Federal, State, or local laws or regulations and either has (1) begun or caused to begin, a continuous program of physical onsite construction of the facility including site clearance, grading, dredging, or land filling in preparation for the fabrication, erection, or installation of the building components of the facility, or (2) entered into binding agreements or contractual obligations, which cannot be canceled or modified without substantial loss to the owner or operator, to undertake a program of construction of the facility to be completed within a reasonable time. For the purpose of this subsection, interruptions resulting from acts of God, strikes, litigation, or other matters beyond the control of the owner shall be disregarded in determining whether such construction is continuous.

THE ALASKA NATURAL GAS TRANSPORTATION SYSTEM

SEC. 36. No provision of this Act nor any action taken pursuant to this Act shall affect or interfere in any way with the requirement established by section 9(b) of the Alaska Natural Gas Transportation Act of 1976 that actions by Federal officers or agencies affecting the transportation system selected by the President and approved by the Congress pursuant to the provisions of that Act be expedited or with the precedence granted by section 9(b) to applications to or requests of Federal officers or agencies by that system.

PROJECT SPECIFIC EXPEDITED CONGRESSIONAL REVIEW

SEC. 37. (a)(1) This section applies to Federal statutes, rules, regulations, and standards which present a substantial impediment to the implementation of a Project, as determined by the Board.

(2) On its own motion or upon petition of a Priority Energy Project, the Board may, in its discretion, recommend to the President, in accordance with this section, the suspension, modification, or amendment of any Federal statute, rule, regulation, or standard as it applies to the Priority Energy Project if such Federal statute, rule, regulation, or standard was enacted, or promulgated, during the period specified in subsection (b).

(3) The Board may exercise its authority under this section to make a recommendation under paragraph (2) only during the period beginning on the date of designation of the energy project as a Priority Energy Project and ending on the date of initial commercial operation of such Project, as determined by the Board.

(b)(1) The Federal statutes, rules, regulations, and standards subject to suspension, modification, or amendment under this section are as follows—

(A) In the case of any Project which commenced construction before the date of enactment of this Act; any Federal statute,

rule, regulation, or standard which was enacted or promulgated before the date of enactment of this Act.

(B) In the case of any Project commenced construction on or after the date of enactment of this Act: any Federal statute, rule, regulation, or standard which was enacted or promulgated on or before the earlier of the date on which—

(i) construction of the Project commenced; or

(ii) application is submitted for designation of the energy project as a Priority Energy Project.

The application referred to in clause (ii) is the application which results in designation of the energy project as a Priority Energy Project.

(2) This section shall not apply to any Federal statute, rule, regulation, or standard which is enacted or promulgated after the date of initial commercial operation of the Project, as determined by the Board.

(c) For purposes of this section, the term "commenced construction" has the meaning provided by section 35(b).

(d)(1) Whenever the Board commences, on its own motion or upon petition, to exercise its authority to make a recommendation under subsection (a)(2), the Board shall—

(A) notify the Project, the affected Federal and non-Federal agencies, the Speaker of the United States House of Representatives, the President of the United States Senate, and the Governor of each State in which the Project is, or is proposed to be, located, and

(B) publish notice in the Federal Register.

(2) The notice referred to in paragraph (1) shall identify the Federal statute, rule, regulation, or standard that will be considered by the Board for suspension, modification, or amendment pursuant to a recommendation under subsection (a)(2), set forth the date and place of the hearing referred to in paragraph (3) of this subsection, and provide a brief summary of the possible need for such recommendation. At the time the Board provides such notice, the Board need not indicate the action, if any, it will take under this section.

(3) After notice under paragraph (1), the Board shall conduct an informal public hearing. The hearing shall be completed within forty-five days following the date such notice is provided, unless the Board determines, in its discretion, that a longer period is necessary. The hearing shall be conducted in accordance with such procedures as the Board may prescribe, except that—

(A) the hearing shall be conducted in the vicinity of the Project unless the Board determines that another location would be more convenient;

(B) a transcript of the hearing shall be maintained; and

(C) any interested person, the Project, and any affected Federal or non-Federal agency, shall have an opportunity to present oral and written testimony.

The purpose of the hearing shall be to gain information for the Board to consider in exercising its authority under this section. Sections 554, 556, and 557 of title 5 of the United States Code shall not apply to such hearing.

(e) The Board may not make a recommendation under subsection (a)(2) unless it finds, after the hearing required by this section, that—

(1) the Federal statute, rule, regulation, or standard to which the recommendation applies was enacted or promulgated during the period specified in subsection (b);

(2) the Federal statute, rule, regulation, or standard proposed to be suspended, modified, or amended presents a substantial impediment to the implementation of the Project;

(3) there is substantial evidence that implementation of the recommendation will not result in substantial harm to public health or safety (taking into account (A) the purposes for which the Federal statute, rule, regulation, or standard was enacted or promulgated and (B) the terms and conditions imposed by the Board pursuant to subsection (f) of this section concerning health and safety);

(4) the recommendation is not prohibited in whole or in part under subsection (o); and

(5) adoption of the recommendation is in the national interest and will further the purposes of this Act.

(f) Each recommendation of the Board under subsection (a)(2) shall identify the Project to which the recommendation applies, contain an identification number, and provide—

(1) a detailed identification of the Federal statute, rule, regulation, or standard to be suspended, modified, or amended;

(2) a precise statement of the suspension, modification or amendment; and

(3) such terms and conditions as the Board deems necessary—

(A) to mitigate any adverse effects which are anticipated to result from the proposed suspension, modification, or amendment, including such effects on public health safety, welfare, and the environment (including fish and wildlife and related resources); and

(B) to enhance the environment—

(i) related to the Project, and

(ii) affected by the suspension, modification, or amendment.

(g) Each recommendation of the Board under subsection (a)(2) shall be accompanied by—

(1) a statement of the findings referred to in subsection (e), as well as the basis for each findings; and

(2) a statement of the Board's reasons for making the recommendation.

(h)(1) Upon transmittal to the President, the Board shall publish its recommendation under this section in the Federal Register and shall transmit copies to the Speaker of the United States House of Representatives, the President of the United States Senate, and the Governor of each State in which the Project is, or is proposed to be, located.

(2) The President shall not act upon such recommendation prior to the expiration of at least thirty days from the date of publication of the recommendation in the Federal Register. During such thirty-day period, or such longer period as the President may specify, the public may submit written comments upon such recommendation for the consideration of the President.

(i) The President after considering public comments submitted pursuant to subsection (h) may, in his discretion—

(1) transmit to Congress the Board's recommendation, or any modification thereof;

(2) remand the recommendation to the Board for further consideration;

(3) take no action with respect to the Board's recommendation; or

(4) reject the Board's recommendation.

(j) The President may recommend to Congress a suspension, modification, or amendment pursuant to subsection (i) only if the President determines that—

(1) the Federal statute, rule, regulation, or standard to which the recommendation applies was enacted or promulgated during the period specified in subsection (b);

(2) the adoption of the recommendation is in the national interest and will further the purposes of this Act;

(2) the Federal statute, rule, regulation, or standard proposed to be suspended, modified, or amended presents a substantial impediment to the implementation of the Project;

(4) the recommendation is not prohibited in whole or in part under subsection ((o);

(5) there is substantial evidence that implementation of the recommendation will not result in substantial harm to public health or safety (taking into account (A) the purposes for which the Federal statute, rule, regulation, or standard was enacted or promulgated and (B) the terms and conditions to be imposed by the President under subsection (k) concerning public health and safety; and

(6)(A) to the extent the President's recommendation incorporates the recommendation of the Board, there is substantial evidence to support the Board's recommendation and the findings made by the Board in connection with such recommendation;

(B) to the extent the President's recommendation modifies the recommendation of the Board, there is substantial evidence to support the President's modification.

(k) Any recommendation submitted by the President to the Congress under this section shall identify the Project to which the recommendation applies, contain an identification number and provide—

(1) a detailed identification of the Federal statute, rule, regulation, or standard to be suspended, modified, or amended;

(2) a precise statement of the suspension, modification or amendment recommended;

(3) terms and conditions—

(A) to mitigate any adverse effects which are anticipated to result from the proposed suspension, modification, or amendment including such effects on public health, safety, welfare, and the environment (including fish and wildlife and related resources);

(B) to enhance the environment—

(i) related to the Project, and

(ii) affected by the proposed suspension, modification, or amendment; and

(C) for the imposition of less stringent requirements or other alternatives to the Federal statute, rule, regulation, or standard proposed to be suspended, modified, or amended; and

(4) for enforcement of the recommendation.

(l) Each recommendation of the President to the Congress under this section shall be accompanied by—

(1) a statement of the determinations referred to in subsection (j);

(2) a statement of the President's reasons for making the recommendation, including the reasons for any modification of the Board's recommendation; and

(3) a summary of any agency views received by the Board or the President with respect to the recommendation.

(m)(1) Any recommendation of the President transmitted to Congress under this section shall be transmitted to both Houses of Congress on the same day while such Houses are in session. Immediately following its transmittal, the recommendation shall be referred to the committee having jurisdiction over the Federal statute, rule, regulation, or standard concerned. Upon such transmittal, the President shall publish the recommendation in the Federal Register. The President may not amend or modify the recommendation after its transmittal to Congress.

(2) Any recommendation of the President transmitted to Congress under this section shall be effective and have the force and effect of law only if approved in accordance with this subsection. A recommendation transmitted pursuant to this section may be considered approved in accordance with this subsection only if—

(A) the Senate and House of Representatives pass a joint resolution described in paragraph (4)(B)(i) approving such recommendation during the period beginning on the day after the date of its reciept by the Senate and House of Representatives and ending upon the expiration of sixty calendar days of continuous session of Congress, and

79-059 O - 84 - (Vol 127 Pt.3) - 75

(B) such joint resolution thereafter becomes law.

(3) For purposes of this subsection—

(A) continuity of session of Congress is broken only by an adjournment sine die; and

(B) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the sixty calendar day period.

(4)(A) This paragraph is enacted by Congress—

(i) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of resolutions described in subparagraph (B) of this paragraph; and it supersedes other rules only to the extent that it is inconsistent therewith; and

(ii) with full recognition of the constitutional right of either House to change the rules (so far as they relate to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of such House.

(B) For purposes of this section, the term "resolution" means only a joint resolution described in clause (i) or (ii) of this subparagraph.

(i) A joint resolution of either House of Congress—

(I) which is entitled: "Joint resolution relating to Presidential recommendation numbered for Priority Energy Project .",

(II) which does not contain a preamble, and

(III) the matter after the resolving clause of which is: "That the Congress of the United States approves the recommendation for Priority Energy Project , numbered and transmitted by the President to the Congress on , 19 .",

the blank spaces therein appropriately filled.

(ii) A joint resolution of either House of Congress—

(I) which is entitled: "Joint resolution relating to Presidential recommendation numbered for Priority Energy Project .",

(II) which does not contain a preamble, and

(III) the matter after the resolving clause of which is: "That the Congress of the United States disapproves the recommendation for Priority Energy Project , numbered and transmitted by the President to the Congress on , 19 .",

the blank spaces therein appropriately filled.

(C) A resolution once introduced in accordance with the provisions of this section with respect to a Presidential recommendation shall immediately be referred to the committee having jurisdiction over the Federal statute, rule, regulation, or standard recommended to be suspended, modified, or amended (and all resolutions with respect to the same recommendation shall be referred to the same committee) by the President of the Senate or the Speaker of the House of Representatives, as the case may be.

(D)(i) If any committee to which a resolution has been referred under this paragraph has not reported a resolution of approval described in subparagraph (B)(i) at the end of forty calendar days of continuous session of Congress after its referral and if such committee has not adopted, before the expiration of such forty calendar day period, a motion not to report such resolution in accordance with this subsection, it shall be in order to move either to discharge such committee from further consideration of that resolution or to discharge such committee from further consideration of any other resolution with respect to such recommendation which has been referred to such committee.

(ii) Any motion not to report a resolution of approval described in subparagraph (B)(i) to the appropriate House from the committee under clause (i) may be adopted only by an affirmative vote of a majority of the full membership of the committee at a meeting at which a quorum is present. When such motion is adopted by a committee of either House of Congress, the chairman of the committee shall notify the presiding officer of that House. A quorum for such purposes shall be determined according to the same rules that apply in the committee for purposes of reporting a bill. At any time during the sixty-calendar-day period referred to in paragraph (2)(A) and after adoption by the committee of a motion not to report from the committee a resolution described in subparagraph (B)(i), it shall be in order in the committee to move to approve such resolution. Upon submission of written notice to the chairman by three or more members of the committee requesting a meeting of the committee to consider such resolution, the chairman shall order a meeting of the committee prior to expiration of the forty-calendar-day period referred to in clause (i) at which meeting it shall be in order to consider and adopt a motion to report a resolution under this subsection or to consider and adopt a motion not to report such resolution.

(iii) A motion to discharge may be made only by an individual favoring the resolution, shall be highly privileged, and debate thereon shall be limited to not more than one hour, to be divided equally between those favoring and those opposing the resolution. Except as provided in subparagraph (G)(i), an amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to.

(iv) If, the motion to discharge is agreed to, or disagreed to, the motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same Presidential recommendation.

(E)(i) When the committee has reported, or has been discharged from further consideration of, a resolution, it shall be at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion shall be highly privileged and shall not be debatable. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to.

(ii) Debate on the resolution referred to in clause (i) shall be limited to not more than ten hours, which shall be divided equally between those favoring and those opposing such resolution. A motion to further limit debate shall not be debatable. Except to the extent provided in subparagraph (G)(ii), an amendment to, or motion to recommit, the resolution shall not be in order, and it shall not be in order to move to reconsider the vote by which such resolution was agreed to or disagreed to.

(F)(i) Motions to postpone, made with respect to the discharge from committee, or the consideration of a resolution and motions to proceed to the consideration of other business, shall be decided without debate.

(ii) Appeals from the decision of the chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedures relating to a resolution shall be decided without debate.

(G) With respect to any recommendation transmited by the President to the Congress under this section—

(i) In the consideration of any motion to discharge any committee from further consideration of any resolution on any such recommendation, it shall be in order after debate allowed for under subparagraph (D)(iii) to offer an amendment in the nature of a substitute for such motion—

(I) consisting of a motion to discharge such committee from further consideration of a resolution described in subparagraph (B)(i) with respect to any recommendation, if the discharge motion sought to be amended relates to a resolution described in subparagraph (B)(ii) with respect to the same such recommendation, or

(II) consisting of a motion to discharge such committee from further consideration of a resolution described in subparagraph (B)(ii) with respect to any recommendation, if the discharge motion sought to be amended relates to a resolution described in subparagraph (B)(i) with respect to the same recommendation.

An amendment described in this clause shall not be amendable. Debate on such an amendment shall be limited to not more than one hour, which shall be divided equally between those favoring and those opposing the amendment.

(ii) In the consideration of any resolution on any such recommendation which has been reported by a committee, it shall be in order after the debate allowed for under subparagraph (E)(ii) to offer an amendment in the nature of a substitute for such resolution—

(I) consisting of the text of a resolution described in subparagraph (B)(i) with respect to any recommendation, if the resolution sought to be amended is a resolution described in subparagraph (B)(ii) with respect to the same such recommendation, or

(II) consisting of the text of a resolution described in subparagraph (B)(ii) with respect to any recommendation, if the resolution sought to be amended is a resolution described in subparagraph (B)(i) with respect to the same such recommendation.

An amendment described in this clause shall not be amendable. Debate on such an amendment shall be limited to not more than one hour, which shall be divided equally between those favoring and those opposing the amendment.

(iii) If one House receives from the other House a resolution with respect to a recommendation, then the following procedure applies:

(I) the resolution of the other House with respect to such recommendation shall not be referred to a committee;

(II) in the case of a resolution of the first House with respect to such recommendation, the procedure with respect to that or other resolutions of such House with respect to such recommendation shall be the same if no resolution from the other House with respect to such recommendation had been received; but on any vote on final passage of a resolution of the first House with respect to such recommendation a resolution from the other House with respect to such recommendation which has the same effect shall be automatically substituted for the resolution of the first House.

(iv) Notwithstanding any of the preceding provisions of this paragraph, if a House has approved a resolution with respect to a recommendation, then it shall not be in order to consider in that House any other resolution under this section with respect to such recommendation.

(n)(1) There shall be a separate Presidential and a separate joint resolution for each Federal statute, rule, regulation, or standard to be suspended, modified, or amended pursuant to this section.

(2) Each recommendation submitted by the President and each joint resolution adopted pursuant to this section shall apply to only one priority energy project.

(3) During a single Congress, the President

may not transmit recommendations for suspensions, modifications, or amendments pursuant to this section identifying more than twelve Priority Energy Projects.

(o)(1) No Board or Presidential recommendation may be made under this section and no such recommendation may take effect if the recommendation would—

(A) suspend, modify, or amend any Federal statute, rule, regulation, or standard which relates to—

(i) the rights, working conditions, (including health and safety), compensation, pensions, or hours of employment of workers or their representatives;

(ii) civil rights;

(iii) securities laws, as defined in section 21(g) of the Securities Exchange Act of 1934, or State and local securities laws;

(iv) the Internal Revenue Code of 1954; or

(v) antitrust laws, as defined in section 3(1) of the Public Utility Regulatory Policies Act of 1978; or

(B) cause a violation of any primary air quality standard established under the Clean Air Act;

(C) impair or abridge the rights of any person under the United States Constitution;

(D) contravene any interstate compact, provision of State or local law, or Federal contract, relating to water rights or to the appropriation, delivery, or use of water pursuant to such rights; or

(E)(i) suspend, modify, or amend the criminal sanctions of any Federal, State, or local criminal code; or

(ii) suspend, modify, or amend a criminal sanction in any Federal, State, or local law, unless the recommendation also suspends, modifies, or amends the provision of law which is punishable by such criminal sanction.

(2) No recommendation may be made under this section, and no such recommendation may take effect, if the recommendation would have the effect of reversing or modifying a final Federal or non-Federal agency decision or action made or taken at any time specifically for the Priority Energy Project identified in such recommendation.

(3)(A) The prohibition contained in paragraph (2) shall not apply to a recommendation under this section which would have the effect of reversing or modifying a final agency decision or action as provided in paragraph (2) if the final agency decision or action is made or taken after the Board transmits to the President a recommendation with respect to the Federal statute, rule, regulation, or standard on which such agency decision or action is based.

(B) The prohibition contained in paragraph (2) shall not apply to a recommendation under this section which would have the effect of reversing or modifying a final agency decision or action as provided in paragraph (2) if the final agency decision or action is stayed pursuant to this subparagraph and the recommendation is approved during the period the stay is in effect. If a final agency decision or action is taken or made—

(i) after the date on which the Board provides notice under subsection (d)(1) that it is considering the suspension, modification, or amendment of a Federal statute, rule, regulation, or standard on which such agency decision or action is based, and

(ii) before the Board transmits, or determines not to transmit, the recommendation to the President under this section,

the Board may issue an order staying the application of that agency decision or action. A stay under this subparagraph may be issued only after such agency decision or action becomes final and before the Board transmits the recommendation to the President under this section. The stay shall apply only for such period as determined by the Board to be necessary for the Board, the President, and the Congress to act.

SUMMARY OF MAJOR PROVISIONS, PRIORITY ENERGY PROJECT ACT

1. Composition of the Energy Mobilization Board (EMB).—

The bill would create an Energy Mobilization Board to oversee the fast track process. The Board would consist of a Chairman and three members appointed by the President with the advice and consent of the Senate. The Chairman would have exclusive decisionmaking authority except in the selection of priority energy projects.

2. Designation of Priority Energy Projects.—

No project could be designated a priority energy project unless the Board finds the project will reduce directly or indirectly the Nation's dependence upon imported energy.

3. Deadlines for Decisionmaking.—

The Board would have the power to set reasonable deadlines for decisionmaking by Federal, State and local agencies. The deadlines may be shorter than the time required for agency decisions under existing Federal, State or local law.

Federal, State and local agencies would be authorized to adopt special, expedited procedures for meeting the deadlines set by the Board. These procedures could include substitution of legislative-type hearings for trial-type hearings, shorter time periods than those allowed under existing statutory law, and consolidated agency proceedings. The Board would also have authority to prescribe special expedited procedures for Federal agencies.

If any Federal, State or local agency fails to meet a deadline set by the Board, the Board could make the decision in lieu of the agency, or the Board could seek a court order enforcing the deadline. In making a decision in place of another agency, the Board must apply the decision criteria that the agency would have been required to apply.

4. Grandfather Authority.—

The Board would not have general authority to alter or waive substantive Federal, State or local law. However, the Board could waive Federal, State or local law as it applied to a priority energy project if the law was adopted after construction of the priority energy project had commenced. As a precondition to granting a waiver, the Board would have to find that the waiver is necessary to timely completion of the project and that the waiver would not unduly endanger public health or safety.

5. Expedited Legislative Process.—

The President, upon recommendation by the Board, could recommend to Congress the suspension, modification or amendment of certain Federal statutes, rules, regulations and standards. The recommendation of the President can only take effect if approved by a joint resolution of Congress enacted using the procedures set out in the law.

6. Water Law.—

Water law would be exempt from any waiver provisions in the bill. The bill would explicitly provide that all priority energy projects must obtain water pursuant to State law. The bill would also explicitly provide that terms and conditions on State water law permits for priority energy projects shall not be deemed to constitute a burden on interstate commerce.

7. Environmental Impact Statements.—

The Board would be authorized to require that only one environmental impact statement be prepared on a priority energy project and that the statement be used by all Federal, State and local agencies subject to a NEPA-type requirement. The Board would also be authorized to designate the Lead Federal Agency for preparation of the impact statement and to assessing responsibilities to other Federal agencies for cooperating in preparing the environmental impact statement.

8. Judicial Review.—

All Federal, State and local agency actions involving priority energy projects would be reviewed in the Temporary Emergency Court of Appeals. TECA would have appellate jurisdiction only, but would have authority to remand issues of fact to agencies for further proceedings.●

By Mr. JACKSON:

S. 669. A bill to amend the existing geothermal leasing and permitting laws, and for other purposes; to the Committee on Energy and Natural Resources.

GEOTHERMAL STEAM ACT AMENDMENTS OF 1981

● Mr. JACKSON. Mr. President, I am introducing today the Geothermal Steam Act Amendments of 1981. This bill would modify the Geothermal Steam Act of 1970 to facilitate and require accelerated exploration and development of geothermal steam resources on Federal lands. Among other things, the bill contains provisions designed to assure competition in the geothermal industry and protect nationally significant geothermal features in national parks and monuments. The bill is very similar to S. 1388 as reported by the Committee on Energy and Natural Resources in May of 1980.

I understand that the administration intends to submit a legislative proposal to Congress soon. I also am aware that the geothermal industry is developing legislative recommendations. In view of the broad general agreement on the need to revise the 1970 act, I am hopeful that Congress can act this year.●

By Mr. CRANSTON (for himself, Mr. MATSUNAGA, and Mr. DECONCINI):

S. 670. A bill to amend title 38, United States Code, to improve certain programs of Veterans' Administration benefits for veterans who are former prisoners of war, and for other purposes; to the Committee on Veterans' Affairs.

EX-PRISONERS OF WAR BENEFITS IMPROVEMENTS ACT OF 1981

Mr. CRANSTON. Mr. President, I am introducing today, on behalf of Senators MATSUNAGA and DECONCINI and myself, S. 670, the proposed Ex-Prisoners of War Benefits Improvements Act of 1981. This measure would amend title 38, United States Code, in order to make certain improvements in Veterans' Administration compensation and health-care programs as they relate to veterans who are ex-prisoners of war. The measure is based, in part, on the findings, conclusions, and recommendations for legislative actions made by the VA in its report, entitled "Study of Former Prisoners of War," which was submitted to the Congress on June 2, 1980, pursuant to section 305 of the Veterans' Disability Compensation and Survivors' Benefits Act of 1978—Public Law 95-479.

BACKGROUND

As former chairman of the Senate Veterans' Affairs Committee and now as ranking minority member, I am well acquainted with the deep concerns that many have—and which I share fully—for these veterans who made such special sacrifices and endured extreme hardships as prisoners of war. Their

strength, courage, and love of freedom helped to preserve our country, and we truly owe them a debt that can never be fully repaid.

I authored the VA study provisions enacted in 1978 because of growing concerns about claims—particularly by ex-POW's from World War II who were interned in the Pacific theater—of long-lasting and progressive physical and psychological damage attributable to the conditions of the internment. The VA study provision was designed to require a comprehensive examination of the service-connected compensation and health-care needs of ex-POW's, including an analysis of the adequacy of repatriation procedures and medical records, disabilities particularly prevalent among ex-POW's, and an analysis of medical research into the health-related problems of ex-POW's.

Mr. President, I would like to summarize very briefly some of the salient aspects of the report on the VA study.

One incontrovertible and very significant finding was that, although the particular type and source of hardship differed significantly according to place and time of internment, American POW's from each of the three most recent wars—World War II, Korea, and Vietnam—were subjected to widespread hardships that often included extreme malnutrition, great psychological stress and abuse, inadequate medical care, brutal living conditions, and, very frequently, physical and psychological torture.

Not surprisingly, data in the report show that, in comparison to other wartime veterans, a far greater proportion of ex-POW's have been determined to be suffering from service-connected disabilities. For example, 42.8 percent of all World War II and Korea ex-POW's as compared to 9.6 percent of all veterans of those conflicts are receiving service-connected disability compensation.

However, the study also showed that there is cause for concern that some disabilities of ex-POW's that may well be attribtuable to their internment are not considered to be service connected. The report cited the statements of physicians, including ex-POW physicians, to the effect that the conditions to which POW's were subjected can have long-term effects that may not be identifiable for extended periods of time and that, because of the lack of definitive medical knowledge regarding the effects of internment, might never be diagnosed as having their origins in the POW experience. It was also noted that most American physicians have difficulty in recognizing the residuals of malnutrition.

The report quoted the statements that several physicians who were World War II POW's gave in a survey conducted by the War Claims Commission in 1950. One from the European theater stated:

> Since practically all POW's suffered from some degree of malnutrition, gastritis, dysentery, respiratory diseases, skin diseases, arthritis, frostbite, exposure, and/or nervous conditions. I feel that every POW should automatically be service connected for these ailments or any related to them.

Two from the Pacfic theater expressed the view that no one could fully recover from the prolonged and severe deprivations that the POW's from that theater experienced. Medical experts consulted by the Commission identified optic atrophy, peripheral neuropathy, and beriberi as being residuals of Pacific theater internment.

In general, the VA report concluded:

> Serious limitations in knowledge as to the delayed effects of such stresses and deprivations as [were] experienced by prisoners of war [are] * * * a major obstacle for decision-makers [in the VA claims adjudications process].

In addition to suffering from disabilities that are difficult to detect or difficult to attribute to a specific cause, ex-POW's from World War II and Korea claiming service connection are often confronted with problems arising from the absence of records of their repatriation examinations. According to the VA report, physicians who reviewed a sample of World War II European and Pacific theater ex-POW's claims folders found that less than one-fifth of the European theater ex-POW's, only three-fifths of those from Pacific, and 85 percent from the Korean conflict who had filed claims for compensation had evidence of a repatriation examination.

Moreover, the physicians who reviewed the folders "made subjective professional judgments on the repatriation examinations." They found the few examinations that they reviewed from the European theater to be "generally * * * satisfactory," but only approximately three-fourths of the exams from the Pacific theater and 85 percent from the Korean conflict to be "good or adequate."

The physicians also found some omissions from the examinations which either made other portions of the examinations difficult to understand or contributed to the examination being judged less than good or adequate. Over half of the examinations contained either no medical history prior to capture or a poor history. Approximately one-third of the examinations had inadequate evaluations of the POW's mental status and psychiatric conditions.

The conduct of the VA medical examinations that are conducted at the time that the ex-POW submits a claim for compensation may also pose problems. As part of the study, the VA had physicians review a sample of claims folders, and the physicians found that 90 percent of VA examinations reviewed were thorough. However, in response to the question whether the information derived from those exams—on the basis of which the claims adjudicators would base their decisions, at least in part—"permitted a reasonable judgment of whether the medical conditions found may be attributable wholly or in part to the POW experience * * *," the physician reviewers said that "the information was adequate or very good for such judgment" in only about three-fourths of the cases reviewed.

Thus, it seems clear that, although relatively high percentages of ex-POW's have been awarded disability compensation, an ex-POW with a disability resulting from the conditions of his internment face practical difficulties in providing that internment was the cause.

In recognition of some of these difficulties, in 1970, Public Law 91-376 was enacted to create rebuttable presumptions of service connection with respect to certain disorders.

Thus, under current law, section 312(c) of title 38 specifies that, in the case of an ex-POW who was subjected to conditions of dietary deficiencies, forced labor, or inhumane treatment in violation of the terms of the Geneva Conventions of July 27, 1929, and August 12, 1949, and who suffers from one of certain specified disabilities—including avitaminosis, beriberi, malnutrition, and pellagra and any other nutritional diseases—the disability will be considered to be service connected if it has become manifest to a degree of 10 percent or more, despite the fact that there may be no record of such disabilities during the veteran's service. Under section 312(c), in order for a psychosis of an ex-POW who has suffered such conditions so to be presumed to be service connected, the disability must become manifest to a degree of 10 percent within 2 years following discharge from service.

Most ex-POW's suffering from these specified disabilities do not have to prove that they were subjected to conditions violating the Geneva Conventions in order to benefit from these presumptions. Section 312(b) of title 38 provides that a veteran who was held as a prisoner of war for 6 months or more during World War II, the Korean conflict, or the Vietnam era shall be deemed to have suffered from conditions that violated the conventions.

The presumptions, however, are not conclusive. Section 313 of title 38 provides that a presumption of service connection created by section 312 (b) and (c) may be rebutted by evidence showing that the disease is not actually service connected.

It should be stressed that these current law provisions do not preclude the granting of service-connected compensation to ex-POW's who do not meet the criterion of 6 months of captivity or manifestation of a psychosis within 2 years, or whose disabilities are not specified in section 312(c). Indeed, many ex-POW's now receive compensation from the VA for disabilities incurred as a result of less than 6-months' captivity, for psychoses which became manifest more than 2 years following discharge, and for disabilities not specified in section 312(c). Rather, the current law provisions relieve the ex-POW veteran who meets the criteria from certain evidentiary burdens: Having to submit proof that the disability is service related. However, ex-POW's who do not meet these criteria or who seek service-connected disability compensation for a condition not specified must generally submit such proof.

It should be noted that there are thousands of ex-POW's who do not meet the 6-month period of captivity criterion. According to the VA's study, the largest numbers of European theater POW's was captured after D-Day, and the Battle of the Bulge in December 1944

resulted in the capture of almost 25,000 POW's. The fact that the average length of internment for POW's in the European theater—347 days—is relatively short reflects the fact that most European theater POW's were captured in the 1944–45 period. As a result, it appears, although specific figures on the point have apparently not been compiled, that many European theater ex-POW's fail to meet the 6-month criterion by only a few weeks. Thus, under current law, these veterans must first submit evidence to the VA to substantiate that they suffered from conditions of dietary deficiencies, forced labor, or inhumane treatment in violation of the Geneva Conventions before the VA may apply the presumption that disabilities such as avitaminosis or other nutritional deficiencies from which they suffer are service connected.

With respect to psychosis, the VA's review of pertinent medical literature indicated that "psychosis related to the POW experience frequently appears years after service, not just immediately after separation." According to the report—

[T]his is understandable in view of the psychological torture and "brainwashing" to which these POW's were subjected.

However, under current law, in order to be presumed to be service related, the psychosis must become manifest within that period.

In the case of diseases or disabilities not specified in section 312(c)—such as residuals of frozen feet, anxiety neuroses, chronic respiratory conditions, and arthritis—the ex-POW generally must also submit satisfactory evidence that the condition is service connected.

SUMMARY OF THE BILL—IMPROVEMENTS RELATED TO VA DISABILITY COMPENSATION

Mr. President, in light of the facts shown in the VA study, it seems clear to us that legislation is needed to help overcome the still unduly burdensome and difficult requirements that some ex-POW's face in trying to prove service connection. Thus, our proposal would make four amendments to section 312 of title 38 in order to relieve the ex-POW of the burden, in certain cases, of producing evidence of the service-related nature of the disability for which compensation is sought. I believe that these changes are particularly appropriate since many of these individuals have already suffered hardships most people cannot even imagine, and the burden of producing documentation years later—particularly in a case in which medical records may be less than complete or the veteran's repatriation examination was only perfunctory or the record of it is missing—is one that may be reasonably removed.

First, our proposal would remove the two-part criterion by which, under current law, certain diseases of ex-POW's who were held captive for 6 months or more are presumed to be service connected. Thus, in the cases of disabilities specified in current law that become manifest to a degree of 10 percent or more—avitaminosis, beriberi, chronic dysentery, helminthiasis, malnutrition, pellagra, and other nutritional diseases—the rebuttable presumption of service connection would apply to all ex-POW's, not just those who either prove that they were subjected to conditions of internment in violation of the Geneva Conventions or are deemed, by virtue of having been held captive for 6 months or longer, to have been subjected to such conditions. Thus, the effect of this legislation would be to provide that certain disabilities manifested by any veteran who was held as a prisoner of war—regardless of the length of captivity or the conditions of internment—would be presumed to have been incurred in or aggravated by military service.

In proposing to remove the 6-month criterion, I want to point out that, with respect to this requirement as enacted in Public Law 91–376, the VA's POW study noted—

Nowhere in the recorded legislative history of the provision for presumption of service-connection for certain POW-related conditions . . . is there discussion as to how it was decided that a minimum 180 days internment would be required before a former POW would be presumed to have undergone dietary deficiency, forced labor or inhumane treatment.

Second, this measure would remove the 2-years-within-discharge test applicable in the case of a former POW seeking to establish service connection for a psychosis which becomes manifest to a degree of 10 percent or more. The bill thus would have the effect of providing that an ex-POW is to be presumed to be service-connected disabled for a psychosis regardless of when, after service, the psychosis became manifest.

This provision is consistent with the VA recommendation for legislative action that—

Title 38 be amended to eliminate the requirement that psychoses suffered by POW's must become manifest within two years following service separation before the rebuttable presumption of service-connection arises.

As I noted previously, the VA's study concluded that psychosis related to the POW experience frequently appears years after service. In addition, the VA notes that followup studies on ex-POW's have provided further evidence of a "significant amount of psychosis among former POW's many years after repatriation" and a "significantly higher amount [than would otherwise be statistically predictable] of POW deaths from the time of repatriation to the present attributable to suicides, accidents, and other forms of trauma" that could result from the extreme psychological stress experienced by ex-POW's.

Third, Mr. President, our proposal expand the list of specified disabilities and diseases of an ex-POW that are to be presumed to be related to military experience to include neuroses. In this regard, the VA study concluded:

The most remarkable finding of the review of the types of former POW disabilities is that anxiety neurosis is the most prevalent disability among former POWs from the time of repatriation to the present. The significance of this disability relative to veterans controls [a control group of veterans] remains regardless of the length of internment. This is especially apparent among former European Theater POWs, in which those POWs interned less as well as more than six months exhibit significantly higher rates of anxiety neurosis compared to other service-connected World War II veterans.

Further, the VA's study showed that in each category of former POW's on which there is data available at this point—World War II Europe, World War II Pacific, and Korean conflict—anxiety neurosis is the statistically most significant service-connected disability.

Thus, this provision is designed to remove from the ex-POW the burden of documentation and evidence and to provide for award of service-connected compensation for a neurosis on a presumption—unrebutted by the VA—that the disability is related to the veteran's service.

The VA's study recommendation in this regard was for administrative action to include an explicit reference to former POW's in its guidelines for the diagnosis, treatment, and rating of posttraumatic stress neurosis. Under those guidelines—to be issued in the very near future as a revision to DVB program guide 21–1—ex-POW's who manifest certain symptoms, such as startle reaction, insomnia, survivor guilt, and memory lapses, that are generally considered to be related to the POW experience, are to be granted service connection for the neurosis.

Although I am in agreement with the steps that the VA has taken pursuant to this recommendation—as far as they go—there appears to be no reason for treating neurosis differently from psychosis in this regard. Thus, the bill would codify the administrative action that the VA has taken with respect to posttraumatic stress neurosis in the cases of ex-POW's and include other forms of ex-POW neurosis as well.

Fourth, and finally with respect to the VA's compensation program, our bill would specify that, consistent with guidelines that would be required to be developed by the Administrator, the disability of a former POW who experienced conditions of internment that the Administrator has determined could reasonably be expected to result in that disability, shall be deemed to have been incurred or aggravated during the veteran's service if it has become manifest to a degree of 10 percent or more. The purpose of this provision is to establish a process under which the Administrator would have the necessary flexibility to specify criteria for the presumption of service-connected disability in the cases of disabilities which are not specified in the law but which would reasonably—though not conclusively—be expected to have resulted from the POW experience. These might include disabilities such as those I mentioned earlier—residuals of frozen feet, chronic respiratory disorders, and arthritis. This provision would provide that the Administrator take into account, in adjudicating claims of former POW's, the expanding body of medical knowledge in terms of the effects of captivity on individuals.

Mr. President, with this authority, the Administrator would also have the flexi-

bility to tailor presumptions for interments at certain periods of time and in certain geographical areas with respect to certain disabilities. Thus, if the Administrator were to determine that the state of medical knowledge warranted a presumption of service connection for certain genitourinary diseases of World War II Pacific Theater ex-POW's only, or certain residual effects of exposure in the cases of World War II European Theater and Korean conflict ex-POW's only, appropriately limited presumptions could be incorporated in the guidelines.

I want to stress in proposing this provision that the intention is for this authority to be used for the benefit of ex-POW's in all situations in which it is reasonable to do so. To that end, the measure mandates—not just authorizes—the prescribing of the guidelines in which the Administrator would specify the disabilities that the Administrator has determined could reasonably be expected to result from internment or from internment in certain places at certain times. In addition, the bill would require the Administrator, in developing or revising the guidelines, to consult with the advisory committee on former prisoners of war—which the bill would establish, and the membership of which would include at least one ex-POW from each of the two World War II Theaters, Korea, and Vietnam—and with representative groups concerned with the well-being of veterans who are ex-POW's and disabled veterans.

The bill would also require the Administrator, not later than 60 days after prescribing or revising the guidelines, to provide the Veterans' Affairs Committees with a report on the reasoning underlying the guidelines.

These provisions—together with the provisions requiring biennial reports from the advisory committee—are designed to keep the process a vital and up-to-date one and to assure that the Congress is fully advised with respect to the use of this authority and of the possible advisability of legislative changes that may be necessitated by any failure of the Administrator to use the authority as fully as it could appropriately be.

HEALTH CARE AND OTHER BENEFITS

Mr. President, the effect of these amendments would be that any ex-POW whose disability is determined to be service connected for purposes of disability compensation under chapter 11 of title 38 as a result of the amendments would also be considered to be service connected for purposes of all other VA programs. Thus, where any additional eligibility criteria are met, the ex-POW would be eligible for vocational and other rehabilitation services and assistance under chapter 31 of title 38 and health-care services under chapter 17 as a service-connected disabled veteran, and, as appropriate, specially adapted housing assistance under chapter 21 and adaptive auto assistance under chapter 39.

In addition, in recognition of the special sacrifices of former POW's, the bill we are introducing would amend section 612(i) of title 38—which establishes four priority categories for the provision of VA outpatient treatment to otherwise eligible veterans—to place former POW's who have no disease or injury that has been determined to be service connected in the third priority category, a category they would share with veterans with service-connected disabilities rated 40 percent or less and thus be afforded priority ahead of all other nonservice-connected disabled veterans. I believe that this provides appropriate recognition for this special class of veterans.

Thus, with respect to VA health-care services, this measure would facilitate to an appropriate degree the ability of ex-POW's to attain eligibility based on the compensable service connection of their disabilities. By operation of the existing chapter 17 provisions with respect to the health-care eligibility of a veteran having a compensable service-connected disability, those who obtain service connection would be eligible for all hospital, nursing home, and outpatient services needed for the care and treatment of their service-connected disabilities. They would also be eligible for hospital and nursing home care for any other disability—without regard to the general requirement that a veteran be unable to defray the costs of care or be over age 65 in order to be eligible for such care for a nonservice-connected disability.

With respect to outpatient eligibility, those whose service-connected disabilities are rated at 50 percent or more would have eligibility for outpatient treatment for any disability, and those rated 100-percent disabled would also have comprehensive dental outpatient eligibility.

In addition, with respect to the section 612(i) priorities for VA outpatient care, all ex-POW's—along with service-connected disabled veterans—would be in the first priority when seeking treatment for a service-connected disability, in the second priority if their service-connected disability is rated at 50 percent or more, and in the third priority in all other cases.

Mr. President, I would note that the provisions of this bill—in addition to providing more assistance to ex-POW's in establishing service connection—thus apply to a far broader range of benefits than a provision that the Senate passed in 1976 in section 103(a) of S. 2908, the Veterans' Omnibus Health Care Act of 1976. Under that provision, which the House rejected, any disability of an ex-POW with more than 6 months captivity would, for purposes of VA health-care eligibility only, have been considered to be service connected unless there were clear and convincing evidence that it was not.

Mr. President, no new eligibility would be created, however, for outpatient care for a nonservice-connected disability of an ex-POW with no service-connected disability, as the VA study recommended be done. The VA study recommended an amendment "to authorize eligibility to former POW's for VA hospital care and medical services for any disease or neuropsychiatric disability." The purpose of this recommendation was to overcome what the study identified as a problem confronting former POW's suffering health problems, the difficulty—because of a frequent absence of medical information at the time of repatriation and the lack of conclusive medical science to link various disabilities to the POW experience—in establishing service connection. Thus, the recommendation was to provide ex-POW's with general eligibility for health care for disabilities that have not been established as service connected. The study concluded that such an amendment "would assure that former POW's receive health-care benefits for all disabilities which may be attributable to their internment." But it would also assure that they receive these benefits for disabilities determined not to be service related.

In evaluating the report's recomendation in this respect, it must be kept in mind that it was made in the absence of the provisions that we are proposing to facilitate the establishment of service connection by means of more advantageous presumptions and otherwise.

In my view, facilitating determinations of service connection in this manner and providing for compensation, health care, and other benefits eligibility to flow from that determination is far preferable to providing all ex-POW's who have no service-connected disabilities—including those to whom a presumption in current law applies but has been conclusively rebutted—with such broad health-care eligibility. Two important considerations, I believe, support our approach.

First, I believe that the VA recommendation would be inequitable to veterans with disabilities that have been determined to be service connected and would, to a certain extent, undermine the integrity of the existing eligibility criteria in chapter 17. With respect to diseases and psychiatric conditions, the VA recommendation would provide ex-POW's who would have been unable—despite all of the special advantages provided for in this bill—to establish the existence of a service-connected disability with the same hospital-care eligibility as any veteran who has a service-connected disability, the same outpatient treatment eligibility as any veteran whose service-connected disability has been rated as 50 percent or more disabling, and much greater outpatient treatment eligibility than is provided to veterans with service-connected disabilities rated as high as 40 percent. With full respect for the sacrifices and special problems encountered by former POW's, I do not believe such a result is justified for those who have no disabilities considered to be service connected. It is far preferable, in my view, to eliminate the real problem identified by the study of actually establishing service connection for all those health problems that can reasonably and appropriately be linked to service.

The second problem inherent in the study recommendation is that, if adopted, its recommendation would establish a new category of veterans eligible for health care at the very time the VA system is under severe budgetary pressure to provide appropriate care to those currently eligible. Again, with full

respect for all former POW's, I do not believe that such a result is advisable.

ADVISORY COMMITTEE ON FORMER PRISONERS OF WAR

Finally, Mr. President, as I indicated earlier, my proposal would establish an advisory committee on former prisoners of war, which would be responsible for advising the Administrator on the administration of benefits to former POW's and the compensation, health care, and rehabilitation needs of such veterans. The committee would be required to submit biennial reports to the Administrator on the programs and the activities of the VA that pertain to former POW's, including an assessment of the compensation, health care, and rehabilitation needs. Such reports would also be required to be submitted to the Congress. The committee would consist of veterans who are former POW's from each theater of operations for each period of war occurring after December 6, 1941, and individuals who are recognized authorities in fields pertinent to disabilities prevalent among former POW's. The VA's Chief Medical Director and Chief Benefits Director would serve as ex officio members of the committee.

The establishment of this advisory committee is based on an administrative recommendation made in the VA's POW study. At this time, Mr. President, I ask unanimous consent that there be printed in the RECORD an excerpt from the report outlining the need for and the attempts to establish such a committee, and an exchange of letters bebetween former Administrator Cleland and myself regarding the establishment of the committee.

There being no objection, the exerpt and letters were ordered to be printed in the RECORD, as follows:

EXCERPT FROM VA'S POW STUDY

The review of the literature on the health related problems of former POWs indicates that there are still unanswered questions on the service-connected nature of many alleged former POW disabilities (e.g., are significantly higher ex-POW mortality rates due to trauma and cirrhosis related to the malnutrition and stress of internment? Is a relatively higher amount of arteriosclerotic heart disease in former POWs caused by the stress of internment?) The review of the types and severity of former POW disabilities also raises the question of whether the most recently published NAS/NRC morbidity data on former POW disabilities is still valid in light of currently available VA data on former POW disabilities.

In 1978, the VA Department of Medicine and Surgery proposed that a "blue ribbon" panel, composed of widely respected authorities in such fields as psychiatry, psychology, internal medicine, nutrition, and epidemiology, be formed which could assess the medical evidence on these and related questions and render expert advisory opinions to the Administrator of the VA and his staff concerning these issues.

In 1979, the VA submitted a request to the General Services Administration for formation of an Advisory Committee on Repatriated Prisoners of War. This request noted that such a "blue ribbon" panel was necessary not only because VA medical professionals needed the assistance of such a committee in assessing the medical evidence on former POWs, but also because the convening of such a body of experts would lend considerable credibility and prestige to the VA decisionmaking process concerning former POWs. The request stated the purpose of the committee would be to draw conclusions on existing information concerning the residual effects of internment, review new statistical and clinical information on former POWs (such as the latest POW morbidity study currently being conducted by the NAS/NRC) and identify for the Administrator and his staff those areas where changes in former POW policy might be warranted. The VA is currently negotiating with the OMB to form such a committee.

U.S. SENATE,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, D.C., October 13, 1980.

Hon. MAX CLELAND,
Administrator of Veterans' Administration
Washington, D.C.

DEAR MAX: I am writing with regard to the VA's proposal, currently under consideration by the General Services Administration, to establish an Advisory Committee on Former Prisoners of War. The proposed charter for this advisory committee would establish as the general objective of the committee the review of the adverse effects of internment on the health and adjustment of ex-POW's. In addition, the proposed charter provides that the committee would report to you only through the Chief Medical Director and the Assistant CMD for Professional Services.

In my view, there are close interrelationships between the difficulties encountered by ex-POW's in connection with compensation claims and the adverse effects of internment on their health and readjustment. For example, the review of specific disorders prevalent among ex-POW's may entail a review of issues arising in the adjudication process and the award or denial of service connection for such disorders. Thus, it seems to me that the proposed charter should include, as a specific objective, the review of compensation issues as they relate to ex-POW's and also require that the advisory committee report through the Chief Benefits Director and the Director of the Compensation and Pension Service as well as through the CMD and the Assistant CMD.

I also understand that the proposed charter would require that the membership of the advisory committee include ex-POW's. I strongly endorse this concept, but I believe that it would be advisable for the charter to specify the inclusion of disabled ex-POW's from each of the three periods of war—World War II and the Korean and Vietnam conflicts.

Max, I would greatly appreciate receiving your views on these recommendations concerning the pending proposed charter. I look forward to receiving early in November your report on the implementation of the various administrative recommendations endorsed by the Committee in its report (S. Rept. No. 96-876, pages 41-43) accompanying S. 2649, including the Committee's recommendation that a contact person be appointed at each VA regional office and medical center for the effective coordination of matters relating to ex-POW's.

Thank you, Max, for your continuing cooperation with the Committee.

With warm regards,
Cordially,

ALAN CRANSTON,
Chairman.

VETERANS ADMINISTRATION,
Washington, D.C., December 3, 1980.

Hon. ALAN CRANSTON,
Chairman, Committee on Veterans' Affairs,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: In your letter of October 13, 1980, you requested my views concerning your proposal that the charter for the Advisory Committee on Former Prisoners of War include several additional elements. Specifically, you suggested that the committee report through the Chief Benefits Director of the Compensation and Pension Service as well as the Chief Medical Director and the Assistant Chief Medical Director for Professional Services, and include a review of compensation issues. You also suggested that the charter specify that the committee membership include disabled former POWs from each of the three periods of war.

On October 28, before we had completed our review of your suggestions, we were notified by the Committee Management Secretariat of the General Services Administration that our request to establish the committee had been approved. I should add that the approval related to the charter which we submitted with our letter to the Committee Management Secretariat on September 25. Due to the need for the valuable information and opinions which can be derived from the Advisory Committee on Former Prisoners of War (the establishment of which we first requested in April 1979), the amount of time which is required to form and convene such a committee, and the impact which medical issues have for both health care and compensation, I directed that we proceed at once with implementation of the POW study report recommendation to establish the committee, on the basis of the charter which had been approved.

With regard to the interrelationship between compensation and health care matters, the VA representatives who conducted the study, and others who have familiarity with issues concerning former POWs, agreed early during the development of the advisory committee proposal that many aspects of this committee's activities would involve diagnosis and medical care which have ramifications for the Chief Benefits Director as well. However, in the earlier work and data review on POWs, it seemed that most of the major concerns were in the areas of diagnosis, health status, and availability of health care services. Moreover, there are many aspects of health status that relate to new clinical information and research which may impact on former POWs, and it is frequently clinical studies which lead to decisions relating to compensation and pension review. Even so, we do see value in your proposed revision to the charter to include the review of compensation and pension issues, with the committee reporting through the Chief Benefits Director as well as through the Chief Medical Director. In such a revision, however, we do not think that it would be necessary to also specify the Director of the Compensation and Pension Service in the formal charter.

Since the early planning stages of the advisory committee, we have envisioned that it would be a representative body which would include former prisoners of war from the three periods of war you mentioned—World War II, the Korean conflict, and the Vietnam era. We intend to adhere to this approach.

The proposals concerning the charter reflecting membership of POWs on the committee, the addition of the Chief Benefits Director in the reporting process, and the review of compensation issues would require substantial revision of the formal charter which has recently been approved. The proposed revision would also require review and approval by the Committee Management Secretariat (and the Office of Management and Budget) prior to implementation of any changes. A formal mechanism exists for appraisal and development of recommendations of this type. Paragraph 1 of Transmittal No. 5 of OMB Circular A-63 provides for a comprehensive review of each advisory committee annually. Transmittal No. 5 specifies that this review will result in an agency determi-

nation of whether "to continue, merge, terminate, or revise responsibilities of, as appropriate, each advisory committee established by the agency." We propose to include the suggestions which you have made within the review of the Advisory Committee on Former Prisoners of War during our annual review, which will be conducted within several months. The annual review is an appropriate forum for clarification of any issues which may have an impact on the responsibilities, objectives and scope of the Advisory Committee on Former Prisoners of War. I should also mention that our emphasis on the health care and compensation needs of former POWs and the implementation of the POW study report's recommended administrative actions add to our awareness of the interrelationship between compensation issues, health care and the tasks of the advisory committee.

Thank you very much for providing us with the benefit of your thoughts and suggestions on the advisory committee charter and for the opportunity for continued dialogue on issues concerning former prisoners of war.

Sincerely,

MAX CLELAND,
Administrator.

Mr. CRANSTON. Mr. President, I realize that the VA has, as indicated in the Administrator's December 3, 1980, letter to me, obtained approval for the administrative establishment of the committee from the General Services Administration and that on February 25 a notice was published in the Federal Register indicating that the VA, GSA, and the Office of Management and Budget have determined that establishment of an advisory committee on the needs of ex-POW's is necessary and in the public interest. However, I believe it is important that the committee be given a permanent, legislative authority so that it is assured of existence beyond the 2-year limit imposed on advisory committees by the Federal Advisory Committee Act—Public Law 92-463—and that its responsibilities to the Administrator and the Congress that I have described be specified in law and carried out. Otherwise, the existence of such a committee would depend upon the prevailing mood of the Chief Executive and would not derive from congressional sanction. The freedom of such a committee to make its evaluations and recommendations without undue executive branch pressure would be substantially enhanced by such statutory charter for its activities.

CONCLUSION

Mr. President, I ask unanimous consent that the text of the bill and a document showing the changes it would make in current law be inserted in the RECORD at this point.

There being no objection, the bill and document were ordered to be printed in the RECORD, as follows:

S. 670

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Ex-Prisoners of War Benefits Improvement Act of 1981".

SEC. 2. Section 312 of title 38, United States Code, is amended by amending subsections (b) and (c) to read as follows:

"(b) For the purposes of this title and subject to the provisions of section 313 of this title, in the case of any veteran who, while serving in the active military, naval, or air service was held as a prisoner of war the disease of—

"(1) Avitaminosis,
"(2) Beriberi (including heart disease),
"(3) Helminthiasis,
"(4) Malnutrition (including optic atrophy associated malnutrition),
"(5) Pellagra,
"(6) Any other nutritional deficiency, or
"(7) Psychosis or neurosis

which became manifest as a disability to a degree of 10 per centum or more after such service, shall be considered to have been incurred in or aggravated by such service, notwithstanding that there is no record of such disease during the period of service.

"(c)(1) For the purposes of this title and subject to section 313 of this title, in the case of any veteran who, while serving in the active military, naval, or air service was held as a prisoner of war, experienced conditions of internment that the Administrator has determined, in accordance with guidelines which the Administrator shall prescribe for resolving the claims for compensation of veterans who are former prisoners of war, generally can be reasonably expected to result in the type of disability from which such veteran is suffering and such disability shall be considered to have been incurred or aggravated by such service if such disability became manifest to a degree of 10 per centum or more, notwithstanding that there is no record of such disability during the period of service.

"(2) In developing the guidelines required to be prescribed by paragraph (1) of this subsection and in developing any revisions of such guidelines, the Administrator shall consult with the Advisory Committee on Former Prisoners of War established pursuant to section 221 of this title and with other organizations that the Administrator determines to be concerned with the well-being of disabled veterans and veterans who are former prisoners of war. Not later than sixty days after prescribing or revising such guidelines, the Administrator shall submit to the Committees on Veterans' Affairs of the House of Representatives and the Senate a report describing and explaining the provisions of such guidelines or of the revisions made therein, as the case may be, and describing the activities that were undertaken in compliance with the provisions of the preceding sentence with respect to the prescribing or revising of the guidelines.".

SEC. 3. Section 612(1)(3) of title 38, United States Code, is amended by inserting before the period at the end "and to any veteran who is a former prisoner of war".

SEC. 4. (a) Chapter 3 of title 38, United States Code, is amended by inserting after section 220 the following new section: "§221. Advisory committee on former prisoners of war

"(a)(1) The Administrator shall appoint an advisory committee to be known as the Advisory Committee on Former Prisoners of War (hereinafter in this section referred to as the 'Committee').

"(2) The members of the Committee shall be appointed by the Administrator from the general public, shall serve for terms to be determined by the Administrator, not to exceed three years, and shall include—

"(A) veterans who are former prisoners of war, including at least one veteran from each theater of operations for each period of war occurring after December 6, 1941; and

"(B) individuals who are recognized authorities in fields pertinent to disabilities prevalent among former prisoners of war, including authorities in epidemiology, psychology, nutrition, psychiatry, and internal medicine.

"(3) The Committee shall also include as ex officio members the Chief Medical Director and the Chief Benefits Director, or their designees.

"(b) The Administrator shall, on a regular basis, consult with and seek the advice of the Committee with respect to the administration of benefits under this title to veterans who are former prisoners of war and the compensation, health-care, and rehabilitation needs of such veterans.

"(c) Not later than July 1, 1982, and not later than July 1 of each even-numbered year thereafter, the Committee shall submit to the Administrator a report on the programs and activities of the Veterans' Administration that pertain to veterans who are former prisoners of war and shall include in each such report an assessment of the compensation, health-care, and rehabilitation needs of such veterans, a review of the programs and activities of the Veterans' Administration designed to meet such needs, and such recommendations, including recommendations for administrative and legislative actions, as the Committee determines appropriate. The Committee may also submit to the Administrator such other reports and recommendations as the Committee determines appropriate. The Administrator shall submit with each annual report submitted to the Congress pursuant to section 214 of this title a copy of all reports and recommendations of the Committee submitted to the Administrator since the previous annual report of the Administrator was submitted to the Congress pursuant to such section.".

(b) The table to sections at the beginning of such chapter is amended by inserting after the item relating to section 220 the following new item:

"221. Advisory committee on former prisoners of war.".

CHANGES IN EXISTING LAW PROPOSED TO BE MADE BY S. 670

Changes in existing law proposed to be made by the bill are shown as follows (existing law proposed to be omitted is enclosed in brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

TITLE 38—VETERANS' BENEFITS

* * * * *

CHAPTER 3—VETERANS' ADMINISTRATION; OFFICERS AND EMPLOYEES

* * * * *

SUBCHAPTER II—ADMINISTRATOR OF VETERANS' AFFAIRS

210. Appointment and general authority of Administrator; Deputy Administrator.
211. Decisions by Administrator; opinions of Attorney General.
212. Delegation of authority and assignment of duties.
213. Contracts and personal services.
214. Report to the Congress.
215. Publication of laws relating to veterans.
217. Studies of rehabilitation of disabled persons.
218. Standards of conduct and arrests for crimes at hospitals, domiciliaries, cemeteries, and other Veterans' Administration reservations.
219. Evaluation and data collection.
220. Coordination of other Federal programs affecting veterans and their dependents.
221. Advisory committee on former prisoners of war.

* * * * *

§ 221. Advisory committee on former prisoners of war.

(a)(1) The Administrator shall appoint an advisory committee to be known as the Advisory Committee on Former Prisoners of War (hereinafter in this section referred to as the 'Committee').

(2) The members of the Committee shall be appointed by the Administrator from the

general public, shall serve for terms to be determined by the Administrator, not to exceed three years, and shall include—

(A) veterans who are former prisoners of war, including at least one veteran from each theater of operations for each period of war occurring after December 6, 1941; and

(B) individuals who are recognized authorities in fields pertinent to disabilities prevalent among former prisoners of war, including authorities in epidemiology, psychology, nutrition, psychiatry, and internal medicine.

(3) The Committee shall also include as ex officio members the Chief Medical Director and the Chief Benefits Director, or their designees.

(b) The Administrator shall, on a regular basis, consult with and seek the advice of the Committee with respect to the administration of benefits under this title to veterans who are former prisoners of war and the compensation, health-care, and rehabilitation needs of such veterans.

(c) Not later than July 1, 1982, and not later than July 1 of each even-numbered year thereafter, the Committee shall submit to the Administrator a report on the programs and activities of the Veterans' Administration that pertain to veterans who are former prisoners of war and shall include in each such report an assessment of the compensation, health-care, and rehabilitation needs of such veterans, a review of the programs and activities of the Veterans' Administration designed to meet such needs, and such recommendations, including recommendations for administrative and legislative actions, as the Committee determines appropriate. The Committee may also submit to the Administrator such other reports and recommendations as the Committee determines appropriate. The Administrator shall submit with each annual report submitted to the Congress pursuant to section 214 of this title a copy of all reports and recommendations of the Committee submitted to the Administrator since the previous annual report of the Administrator was submitted to the Congress pursuant to such section.

* * * * *

CHAPTER 11—COMPENSATION FOR SERVICE-CONNECTED DISABILITY OR DEATH

* * * * *

§ 312. Presumptions relating to certain diseases and disabilities

* * * * *

(b) [For the purposes of subsection (c) of this section, any veteran who, while serving in the active military, naval, or air service, was held as a prisoner of war [for not less than six months] by the Imperial Japanese Government or the German Government during World War II, by the Government of North Korea during the Korean conflict, or by the Government of North Korea, the Government of North Vietnam or the Viet Cong forces during the Vietnam era, or by their respective agents, shall be deemed to have suffered from dietary deficiencies, forced labor, or inhumane treatment in violation of the terms of the Geneva Conventions of July 27, 1929, and August 12, 1949.]

For the purposes of this title and subject to the provisions of section 313 of this title, in the case of any veteran who, while serving in the active military, naval, or air service was held as a prisoner of war the disease of—

(1) Avitaminosis,
(2) Beriberi (including heart disease),
(3) Helminthiasis,
(4) Malnutrition (including optic atrophy associated malnutrition),
(5) Pellagra,
(6) Any other nutritional deficiency, or
(7) Psychosis or neurosis

which became manifest as a disability to a degree of 10 per centum or more after such service, shall be considered to have been incurred in or aggravated by such service, notwithstanding that there is no record of such disease during the period of service.

(c) [For the purposes of section 310 of this title and subject to the provisions of section 313 of this title, in the case of any veteran who, while serving in the active military, naval, or air service and while held as a prisoner of war by an enemy government, or its agents during World War II, the Korean conflict, or the Vietnam era, suffered from dietary deficiencies, forced labor, or inhumane treatment (in violation of the terms of the Geneva Conventions of July 27, 1929, and August 12, 1949), the disease of—

(1) Avitaminosis,
Beriberi (including beriberi heart disease),
Chronic dysentery,
Helminthiasis,
Malnutrition (including optic atrophy associated with malnutrition),
Pellogra, or
Any other nutritional deficiency,

which became manifest to a degree of 10 per centum or more after such service; or

(2) Psychosis which became manifest to a degree of 10 per centum or more within two years from the date of separation from such service;

shall be considered to have been incurred in or aggravated by such service, notwithstanding that there is no record of such disease during the period of service.]

(1) For the purposes of this title and subject to section 313 of this title, in the case of any veteran who, while serving in the active military, naval, or air service was held as a prisoner of war, experienced conditions of internment that the Administrator has determined, in accordance with guidelines which the Administrator shall prescribe for resolving the claims for compensation of veterans who are former prisoners of war, generally can be reasonably expected to result in the type of disability from which such veteran is suffering and such disability shall be considered to have been incurred or aggravated by such service if such disability became manifest to a degree of 10 per centum or more, notwithstanding that there is no record of such disability during the period of service.

(2) In developing the guidelines required to be prescribed by paragraph (1) of this subsection and in developing any revisions of such guidelines, the Administrator shall consult with the Advisory Committee on Former Prisoners of War established pursuant to section 221 of this title and with other organizations that the Administrator determines to be concerned with the well-being of disabled veterans and veterans who are former prisoners of war. Not later than sixty days after prescribing or revising such guidelines, the Administrator shall submit to the Committees on Veterans' Affairs of the House of Representatives and the Senate a report describing and explaining the provisions of such guidelines or of the revisions made therein, as the case may be, and describing the activities that were undertaken in compliance with the provisions of the preceding sentence with respect to the prescribing or revising of the guidelines.

* * * * *

CHAPTER 17—HOSPITAL, NURSING HOME, DOMICILIARY, AND MEDICAL CARE

* * * * *

Subchapter II—Hospital, Nursing Home or Domiciliary Care and Medical Treatment

* * * * *

§ 612. Eligibility for medical treatment

* * * * *

(f) The Administrator, within the limits of Veterans' Administration facilities, may furnish medical services for any disability on an outpatient or ambulatory basis—

(1) to any veteran eligible for hospital care under section 610 of this title (A) where such services are reasonably necessary in preparation for, or (to the extent that facilities are available) to obviate the need of, hospital admission, or (B) where such a veteran has been furnished hospital care and such medical services are reasonably necessary to complete treatment incident to such hospital care (for a period not in excess of twelve months after discharged from in-hospital treatment, except where the Administrator finds that a longer period is required by virtue of the disability being treated); and

(2) to any veteran who has a service-connected disability rated at 50 per centum or more.

The Administrator may also furnish to any such veteran such home health services as the Administrator determines to be necessary or appropriate for the effective and economical treatment of a disability of a veteran (including only such improvements and structural alterations the cost of which does not exceed $600 (or reimbursement up to such amount) as are necessary to assure the continuation of treatment or provide access to the home or to essential lavatory and sanitary facilities).

(g) Where any veteran is in receipt of increased pension or additional compensation or allowance based on the need of regular aid and attendance or by reason of being permanently housebound, or who, but for the receipt of retired pay, would be in receipt of such pension, compensation, or allowance, the Administrator, within the limits of Veterans' Administration facilities, may furnish the veteran such medical services as the Administrator finds to be reasonably necessary.

(h) The Administrator shall furnish to each veteran who is receiving additional compensation or allowance under chapter 11, or increased pension as a veteran of the Mexican border period, World War I, World War II, the Korean conflict, or the Vietnam era, by reason of being permanently housebound or in need of regular aid and attendance, such drugs and medicines as may be ordered on prescription of a duly licensed physician as specific therapy in the treatment of any illness or injury suffered by such veteran. The Administrator shall continue to furnish such drugs and medicines so ordered to any such veteran in need of regular aid and attendance whose pension payments have been discontinued solely because such veteran's annual income is greater than the applicable maximum annual income limitation, but only so long as such veteran's annual income does not exceed such maximum annual income limitation by more than $1,000.

(i) Not later than ninety days after the effective date of this subsection, the Administrator shall prescribe regulations to ensure that special priority in furnishing medical services under this section and any other outpatient care with funds appropriated for the medical care of veterans shall be accorded in the following order, unless compelling medical reasons require that such care be provided more expeditiously:

(1) To any veteran for a service-connected disability.

(2) To any veteran described in subsection (f)(2) of this section.

(3) To any veteran with a disability rated as service-connected *and to any veteran who is a former prisoner of war.*

(4) To any veteran being furnished medical services under subsection (g) of this section.

By Mr. PELL (for himself, Mr. GLENN, Mr. GOLDWATER, and Mr. HUDDLESTON):

S. 671. A bill to amend section 402 of title 23, United States Code, relating to establishment by each State of comprehensive alcohol-traffic safety programs as part of its highway safety program;

to the Committee on Commerce, Science, and Transportation.

ESTABLISHMENT OF COMPREHENSIVE ALCOHOL-TRAFFIC SAFETY PROGRAMS

Mr. PELL. Mr. President, I am pleased to join today with Senators GLENN, GOLDWATER, and HUDDLESTON in launching a campaign against America's No. 1 highway safety problem: drunk driving.

This is an easy problem to dismiss as having little relevance in our daily lives—until a drunk driver touches your life or the life of someone you know. I learned this all too well just a few years ago, when in the space of 18 months, two of my valued aides were killed in separate accidents due to the actions of drunk drivers.

Both accidents were well publicized, and—just as when any accident occurs involving drinking and the loss of young lives—there was a sense of outrage and, on the part of some, a call for swifter, stronger penalties. But all too often, except for the immediate families and friends of those killed, the image of the tragic accident fades quickly, along with the recognition that our laws must be changed.

As a legislator, the loss of my two aides caused me to consider whether the Federal Government is truly powerless to attack the drunk driver problem. I recognize that any legislative effort will fail without a major change in the American public's acceptance of drinking and driving. But I am convinced that once people realize the odds of a drunk driver affecting their own life, or that of a loved one, that popular attitudes will change, as they have in other countries. Consider a few statistics:

According to the National Highway Traffic Safety Administration, 1 of every 100 infants born this year can expect to die in an alcohol-related traffic accident.

Of all fatal highway accidents, which number consistently between 50,000 and 55,000 each year, slightly more than half are the result of the actions of drunk drivers.

Six of every ten drivers who kill themselves in single-vehicle accidents are drunk at the time. In the 16 to 24 age group alone, alcohol is responsible for 8,000 highway deaths each year, and causes an additional 40,000 young people to be injured, many of them crippled or impaired for life.

I believe the Federal Government can encourage State and local governments to expand enforcement against drunk drivers, and at the same time establish a strong national deterrent which will put every drinking driver on notice that he or she can expect mandatory punishment wherever an arrest occurs. The legislation I am introducing today attacks the drunk driving problem in four key areas:

First. Mandatory sentencing: The cases involving the deaths of my own staff members convinced me of the lack of uniformity in State laws, and the high probability that convicted drunk drivers will receive suspended or deferred sentences from the courts, or some form of probation. Drunk drivers must be on notice that a conviction for this life-threatening offense will involve a mandatory deprivation of their personal liberty. My bill would mandate enforcement programs in each of the States requiring that any person found driving with a BAC level—percentage of alcohol by weight as determined by a blood test—of 0.10 percent or higher shall be deemed to be driving while under the influence of alcohol.

First time drunk driver offenders shall be sentenced to perform a minimum of 10 days of community service, as the alternative and equivalent of jail. This would be a minimum standard, to which the States could add fines or stronger punishment to comport with local standards.

Those persons convicted of drunk driving two or more times within a 5-year period would be sentenced to a mandatory minimum jail sentence of 10 days in jail. This means no suspended or deferred sentences, and no probation.

Second. Rehabilitation and alcohol safety: No effort to attack the drunk driver effort is realistic unless greater emphasis is placed on identifying and rehabilitating the problem drinker. My bill requires that, in addition to the aforementioned criminal penalties, convicted drunk drivers be required to participate in a traffic safety program, or a treatment program for problem drinkers. My own State of Rhode Island, for instance, has a highly innovative and successful "DWI Counterattack School," which is mandatory for all convicted drunk drivers.

Third. Uniform procedures for license suspension and revocation: One of the most effective levers against the drinking driver is the threat of loss of the driving privilege. My bill would establish minimum standards for license suspension and revocation, with the provision for first time offenders to obtain restricted "daytime only" licenses for work-related or other essential driving purposes.

Fourth. Better recordkeeping: One of the most frustrating parts of the drunk driver problem is the inability of the courts to identify repeat offenders. Because of the lack of adequate records, it is possible for some drunk drivers to be arrested repeatedly in different jurisdictions within a State, or in different States, without ever being identified by the courts as habitual offenders. My bill would encourage the establishment of driver record systems, readily accessible to all State courts, which are capable of identifying repeat offender drunk drivers.

In that regard, improved efforts are necessary at the Federal level to help the courts identify drivers whose licenses have been suspended or revoked in other States, because of drunk driver convictions. I am today introducing separate legislation which would upgrade and computerize the functions of the National Driver Register, within the Department of Transportation. This legislation has been introduced in the House by Representative JAMES OBERSTAR of Minnesota, and would go a long way toward helping the courts and licensing agencies keep drunk drivers off our highways.

My bill does not create any additional Federal programs or bureaucracy, and does not involve the appropriation of new Federal funds. By fostering national uniformity in an area where tremendous differences currently exist in State requirements, it demonstrates a seriousness of purpose and resolve to attack a problem that is truly national in scope.

My bill goes hand in hand with stepped up efforts already underway in many States to increase public awareness of the drinking driver problem. As an indispensable part of a comprehensive national effort including preventative education, my legislation has been endorsed by the National Safety Council, the American Council on Alcoholism, and a number of other organizations concerned with highway safety.

The time has come for our society to put an end to the needless slaughter of human life on the Nation's highways. We have the highest rate of alcohol-related traffic fatalities in the world—a problem that is consuming over $5 billion each year in medical payments and property damage, to say nothing of the immeasurable toll in broken human lives. Driving safety is much like a chain; it is only as strong as the weakest link. As long as the Government can estimate that 1 out of every 10 drivers on Friday and Saturday nights is legally drunk, none of us can be safe from the ticking time bomb represented by the drunk driver. My legislation is a realistic response to a problem in which congressional action is long overdue and I urge my colleagues to join Senators GLENN, GOLDWATER, and HUDDLESTON in the campaign against drunk driving.

Mr. President, I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 671

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 402(b)(1) of title 23, United States Code, is amended by adding at the end thereof the following new subparagraph:

"(H) provide for comprehensive alcohol-traffic safety programs to reduce the incidence of driving while under the influence of alcohol, including (i) mandatory enforcement programs which require, at a minimum, that any person found to be driving a motor vehicle on a public highway when the percentage of alcohol by weight in the blood of such person is 0.10 percent or higher shall be deemed to be driving while under the influence of alcohol for purposes of such programs and that any person convicted of driving while under the influence of alcohol (I) perform not less than 10 days of community service and, in the case of a person convicted of driving while under the influence of alcohol more than once in any 5-year period, such person be imprisoned for not less than 10 days for each such conviction after the first, (II) participate in a traffic safety or alcohol treatment program, and (III) have his license or privilege to operate a motor vehicle suspended or revoked for not less than one year, except that, in the case of a first offender who needs such license or privilege for work-related or other essential purposes, the license or privilege of such offender may be restricted for not less than one year in lieu of such suspension

or revocation, (ii) alcohol treatment programs, (iii) traffic safety programs, (iv) a driver record system which identifies repeat offenders and is readily accessible to the courts in such State, and (v) monitoring programs to assure compliance with court ordered imprisonment and community service.".

SEC. 2. The amendment made by the first section of this Act shall become effective on the day after the last day of the two-year period beginning on the date of enactment of this Act.

● Mr. GLENN. Mr. President, I am pleased to join Senators PELL and GOLDWATER in sponsoring S. 671. Its prompt enactment will be a strong step toward the elimination of alcohol related deaths on our Nation's highways.

The statistics tell a gruesome story: 25,000 Americans die each year in alcohol related accidents, and tens of thousands more are injured. That means 70 deaths today, Mr. President, 70 deaths tomorrow and the next day. This is a tragic and senseless drain on our Nation, and we must put a stop to it.

Drunk driving deaths can be reduced. Years of experience at the Federal, State, and local levels suggest that the most effective means of attacking the problem is through a program built upon public information, strict enforcement, improved adjudication, assured penalties, and coordinated management. These are like pieces of a puzzle, and our legislation is designed to put the pieces together.

Simply put, the legislation would hinge a State's receipt of Federal highway traffic safety funds on the establishment of a coordinated alcohol traffic safety program. These programs would be buttressed by mandatory minimum sentences for those convicted of drunk driving, providing a nationwide deterrent against this most serious offense. First offenders would serve 10 days in a community service program and would lose their driving privilege for up to 1 year. Repeaters would be dealt with more harshly. Those convicted two or more times within 5 years would serve 10 days in jail, lose their license for at least 1 year, be enrolled in an alcohol treatment program, and be subject to whatever additional penalties the States may determine are warranted.

Mr. President, the word to stress in describing S. 671 is coordination. At the present time, a full scale crackdown on drunk driving in one jurisdiction may go unrecognized and unappreciated in neighboring jurisdictions. Local prosecutors and judges are often unable to handle the increased caseload such crackdowns produce. In fact, judges are too often unaware of whether a drunk driving case involves a first offender or a repeater, and may have no means of obtaining such information.

Such facts are not intended to slight the efforts of State enforcement officials. These men and women are doing the best possible job with the tools available to them. The effectiveness of their efforts is dampened, not by a lack of will or expertise, but by a lack of coordination and uniformity.

Let me take a few moments to explain what our bill is not. It is not another big money Federal program. No additional funds are involved in excess of those already being disbursed through the Department of Transportation's highway traffic safety program. Nor does the bill extend the heavy hand of the Federal Government into the management of a State's affairs. Every State currently has an alcohol traffic safety program, and every one of these programs will continue to be managed by local officials. Our bill simply injects a certain amount of uniformity into these programs, so the right hand knows what the left is doing and all hands are working toward the same end. And it provides a uniform, blanket deterrent against drunk driving in the form of mandatory minimum sentences.

Nor does this legislation conflict with the President's policies. Indeed, the White House budget package released on February 18, in referring to the highway traffic safety program, specifically mentions that grantees should "channel resources into effective traffic programs such as alcohol safety * * *."

After 250,000 highway deaths in alcohol related accidents during the last decade, it should be clear that drunk driving is everybody's business. No community is immune. Who among us has not lost a family member, relative, or friend in this senseless manner? It is time to join forces and do something about it.●

By Mr. PELL:

S. 672. A bill to require the Secretary of Transportation to administer a national driver register to assist State driver licensing officials in electronically exchanging information regarding the motor vehicle driving records of certain individuals; to the Committee on Commerce, Science, and Transportation.

NATIONAL DRIVER REGISTER ACT OF 1981

Mr. PELL. Mr. President, I am pleased today to introduce a bill that is of vital importance in the field of highway safety. This bill is identical to H.R. 2052, and should truly be known as the "Oberstar bill," after its chief sponsor and driving force in the House, Congressman JAMES L. OBERSTAR of Minnesota.

My major concern in the highway safety area has been the threat posed by the drunk driver, and I have introduced comprehensive legislation aimed at ending the slaughter on our highways due to the actions of drinking drivers. A very closely related problem is safety threat represented by the over 20 million drivers on the road today who have had their driving licenses suspended or revoked, many of them for driving while under the influence of alcohol.

The Oberstar bill will help the States prevent the issuance of a license to an individual whose driving privilege has previously been denied or suspended in another State. It will streamline the presently outdated National Driver Register within the Department of Transportation, which for over 20 years has relied on direct mail exchanges between the States for a national clearinghouse to help identify individuals with unsafe driving records.

The files contained in the National Driver Register are limited to those drivers whose licenses have been suspended, revoked, or denied by one or more States. The States voluntarily participate in the NDR by mailing in a notification when an individual's driving privilege has been revoked or suspended, and in turn requesting checks on applicants for original or renewal licenses. Inquiries from the State motor vehicle registeries are received by the NDR through the mail and positive identification reports are mailed back, a process taking about 2 weeks, if everything works well.

Since Congress created the NDR in 1960, its level of effectiveness has been diminishing steadily. Because of the reliance on time-consuming mail exchanges, a number of States have ceased to rely on the Register, especially with the advent of automated driving licensing systems which enable motor vehicle registrars to provide over-the-counter service to applicants. As participation in the NDR has decreased, the accuracy and reliability of its information has decreased, to the point that the National Driver Register is becoming an anachronism.

Improved driver records are an indispensible part of a sensible national highway safety program. At present, there is little to stand in the way of the person with a revoked license who is seeking the driving privilege in another State. Many of the individuals with revoked or denied licenses are chronic offenders responsible for multiple traffic accidents.

A tragic example of the scope of this problem is the story of a southern New Englander named Kenneth Nathanson, who is now the leader of a nationwide citizens group supporting improved driver records. Six years ago, Mr. Nathanson and his family were driving through Rhode Island, on their way to a holiday reunion in nearby Massachusetts. Their automobile was struck from behind by a truck driver, killing their 14-year-old daughter. The truck driver has a record of 25 driving violations in a period of 8 years, including a license suspension 3 months earlier by the State of New Jersey. At the time of the accident which claimed the life of young Kamy Nathanson, the truck driver was using a license he had obtained from the State of Arizona, so he could continue to operate his truck on the highways. An improved NDR system would prevent the issuance of the driving privilege to this type of chronic offender.

The Oberstar bill would convert the existing National Driver Register to an online, rapid response communications network, significantly improving the exchange of problem driver information between the States. Under this proposal, all substantive data on the driver's history would remain in the State of record—only identification data and the name of the State would be maintained by the Register. Incoming inquiries would be referred electronically to the designated State of record, which would then provide an abstract of the driver's record to the State where the new application is sought. The driver history summary would be furnished to the in-

quiring State, by means of the data processing facilities of the Register, within 5 minutes. The Department of Transportation has concluded that this "problem driver pointer system" is the least expensive alternative for providing an effective national clearinghouse on driver records.

Under the improved NDR, the authority for licensure of drivers will remain with the States, and State driver licensing officials will continue to make the final judgment on whether to issue a license. The electronic NDR would only facilitate the exchange of information between different licensing jurisdictions, but at an estimated one-fifth of the cost of the present mail exchange system.

The improved NDR would fully comply with the Privacy Act of 1974, especially in providing criminal penalties for the unlawful use of information obtained through the NDR, and provisions relating to the accuracy and timeliness of data. An individual would continue to have the right to obtain information on his own record as contained in the Register, and to correct records in the event of inaccuracies. The improved NDR would not conflict with the individual's right to appeal any license denial through existing State law procedures.

An improved, more responsive NDR has long had the support of a wide range of interest groups, including State motor vehicle officials, national trucking organizations, and citizen highway safety organizations. The legislation I am introducing is identical to H.R. 2052, and I urge my colleagues to join me in supporting this positive step in assisting the States to carry out their licensing responsibilities.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 672

SHORT TITLE

SECTION 1. This Act may be cited as the "National Driver Register Act of 1981".

DEFINITIONS

SEC. 2. For purposes of this Act—

(1) the term "Advisory Committee" means the National Driver Register Advisory Committee established in section 9(a);

(2) the term "alcohol" has the meaning given such term by the Secretary of Transportation under regulations prescribed by the Secretary;

(3) the term "chief driver licensing official" means the official in each State who is authorized to (A) maintain any record regarding any motor vehicle operator's license issued by such State; and (B) grant, deny, revoke, or cancel any motor vehicle operator's license issued by such State;

(4) the term "controlled substance" has the meaning given such term in section 102(6) of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 802(6));

(5) the term "highway" means any road or street;

(6) the term "motor vehicle" means any vehicle, machine, tractor, trailer, or semitrailer propelled or drawn by mechanical power and used on a highway, except that such term does not include any vehicle, machine, tractor, trailer, or semitrailer operated exclusively on a rail or rails;

(7) the term "motor vehicle operator's license" means any license issued by a State that authorizes an individual to operate a motor vehicle on a highway;

(8) the term "participating State" means any State that has notified the Secretary of its participation in the Register system, pursuant to section 5;

(9) the term "Register" means the National Driver Register established under section 4(a);

(10) the term "Secretary" means the Secretary of Transportation;

(11) the term "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States; and

(12) the term "State of record" means any State that has transmitted to the Secretary, pursuant to section 6, any report regarding any individual who is the subject of a request for information made under section 7.

REPEAL OF EXISTING STATUTE

SEC. 3. The Act entitled "An Act to provide for a register in the Department of Commerce in which shall be listed the names of certain persons who have had their motor vehicle operator's licenses revoked" (Public Law 86-660; 74 Stat. 526) hereby is repealed, effective at the expiration of the 4-year period following the date of the enactment of this Act.

ESTABLISHMENT OF REGISTER

SEC. 4. (a) The Secretary shall establish and maintain a register to be known as the "National Driver Register", to assist chief driver licensing officials of participating States in exchanging information regarding the motor vehicle driving records of individuals. The Register shall contain an index of the information that is reported to the Secretary under section 6, and shall be designed to enable the Secretary to—

(1) electronically receive any request for information made by the chief driver licensing official of any participating State under section 7;

(2) electronically refer such request to the chief driver licensing official of any State of record; and

(3) electronically relay to such chief driver licensing official of a participating State any information provided by any chief driver licensing official of a State of record in response to such request.

(b) The Secretary shall not be responsible for the accuracy of any information relayed to the chief driver licensing official of any participating State under subsection (a)(3), except that the Secretary shall maintain the Register in a manner that ensures against any inadvertent alteration of such information during such relay.

(c)(1) The Secretary shall determine whether any information contained in any record maintained under the Act described in section 3 shall be maintained in the Register, except that no such information shall be maintained in the Register after the expiration of the 6-year period following the date of the enactment of this Act if maintaining such information is inconsistent with the provisions of this Act. Any other record maintained under the Act described in section 3 shall be disposed of in accordance with chapter 33 of title 44, United States Code.

(2) The Secretary shall not maintain any report or information in the Register for more than a 7-year period after the date such report or information is entered into the Register. Such report or information shall be disposed of in accordance with chapter 33 of title 44, United States Code.

(d) The Secretary shall assign to the administration of this Act such personnel as may be necessary to ensure the effective functioning of the Register system.

(e) The Secretary shall prescribe such regulations as may be necessary to carry out the provisions of this Act.

STATE PARTICIPATION

SEC. 5. (a) Any State may become a participating State under this Act by notifying the Secretary of its intention to be bound by the provisions of section 6.

(b) Any participating State may terminate its status as a participating State under this Act by notifying the Secretary of its withdrawal from participation in the Register system.

(c) Any notification made by a State under subsection (a) or (b) shall be made in such form, and according to such procedures, as the Secretary shall establish by regulation.

REPORTS BY CHIEF DRIVER LICENSING OFFICIALS

SEC. 6. (a) The chief driver licensing official in each participating State shall, before the end of the applicable period established in subsection (c), transmit to the Secretary a report containing the information required in subsection (b) regarding any individual who—

(1) is denied a motor vehicle operator's license by such State, or is granted such a license by such State following such denial;

(2) has his motor vehicle operator's license cancelled, revoked, or suspended by such State, or has such license reinstated following such cancellation, revocation, or suspension; or

(3) is convicted in such State of, or, following such conviction, is acquitted or pardoned of—

(A) a traffic offense comprising the operation of a motor vehicle while under the influence of, or impaired by, alcohol or a controlled substance;

(B) a traffic offense associated with a fatal traffic accident, reckless driving, or racing on the highways; or

(C) any other traffic offense, if the Secretary determines, in accordance with regulations prescribed by the Secretary, that information regarding any individual who is convicted of such traffic offense should be listed in the Register in order to assist any person authorized by section 7 to receive information by means of the Register system.

(b) Any report regarding an individual that is transmitted by a chief driver licensing official pursuant to subsection (a) shall contain—

(1) the legal name, date of birth (including day, month, and year), and sex of such individual;

(2) the name of the State transmitting such report; and

(3) the social security account number and the motor vehicle operator's license number of such individual; except that any report, concerning an occurrence specified in paragraph (1), (2), or (3) of subsection (a) that occurs during the 2-year period preceding the date on which such State becomes a participating State, shall be sufficient if it contains all such information that is available to such chief driver licensing official on such date.

(c) Any report required to be transmitted by a chief driver licensing official of a State under subsection (a) shall be transmitted to the Secretary—

(1) not later than 30 days after any occurrence specified in paragraph (1), (2), or (3) of subsection (a) that is the subject of such report, if the date of such occurrence is after the date on which such State becomes a participating State; or

(2) not later than the expiration of the 2-year period following the date on which such State becomes a participating State, if such report concerns an occurrence specified in paragraph (1), (2), or (3) of subsection

(a) that occurs during the 2-year period preceding such date.

(d) Nothing in this section shall be construed to require any State to report any information concerning any occurrence that occurs before the 2-year period preceding the date on which such State becomes a participating State.

ACCESSIBILITY OF REGISTER INFORMATION

SEC. 7. (a)(1) For purposes of fulfilling his duties with respect to driver licensing, driver improvement, or highway safety, any chief driver licensing official of a participating State may request the Secretary to electronically refer any request for information regarding the motor vehicle driving record of any individual to the chief driver licensing official of any State of record.

(2) The Secretary shall electronically relay to any chief driver licensing official of a participating State who requests information under paragraph (1) any information received from the chief driver licensing official of any State of record regarding an individual identified pursuant to paragraph (1), except that the Secretary may refuse to relay any information to such official if he is the chief driver licensing official of a participating State that is not in compliance with the provisions of section 6.

(b)(1) The Administrator of the Federal Aviation Administration, for purposes of requesting information regarding any individual who has applied for, or received, a license to pilot an aircraft, may request the chief driver licensing official of the State in which the primary office of the Administrator is located, if such State is a participating State, to obtain information under subsection (a) regarding such individual. The Administrator may receive any such information obtained by such chief driver licensing official regarding such individual.

(2) The Chairman of the National Transportation Safety Board, for purposes of requesting information regarding any individual who is the subject of any accident investigation conducted by the Board, may request the chief driver licensing official of the State in which the primary office of the Chairman is located, if such State is a participating State, to obtain information under subsection (a) regarding such individual. The Chairman may receive any such information obtained by such chief driver licensing official regarding such individual.

(3) Any employer of any individual who is employed as a driver of a motor vehicle, or any prospective employer of any individual who seeks employment as a driver of a motor vehicle, may request the chief driver licensing official of the State in which the individual involved is employed, or seeks employment, if such State is a participating State, to obtain information under subsection (a) regarding such individual. Such employer or prospective employer may receive any such information obtained by such chief driver licensing official regarding such individual.

(4) Any individual, for purposes of requesting information regarding such individual, may request the chief driver licensing official of any participating State to obtain information under subsection (a) regarding such individual. Such individual may receive any such information obtained by such chief driver licensing official regarding such individual.

(5) Any request made under this subsection shall be made in such form, and according to such procedures, as the Secretary shall establish by regulation.

(c) The Secretary shall permit the use of any information maintained by the Secretary relating to the operation of the Register and any information contained in the Register, other than information specified in paragraph (1) or (3) of section 6(b), by any person who requests such information for purposes of conducting statistical research relating to the operation or utilization of the Register. Such person shall pay all direct costs of the processing of such request. Any such request shall be made in such form, and according to such procedures, as the Secretary shall establish by regulation.

(d) Any request for, or receipt of, information by means of the Register system shall be subject to the provisions of sections 552 and 552a of title 5, United States Code, and any other applicable Federal law, except that—

(1) the Secretary shall not relay, or otherwise transmit, information specified in paragraph (1) or (3) of section 6(b) to any person not authorized by this section to receive such information;

(2) any request for, or receipt of, information by any chief driver licensing official, or by any person authorized by subsection (b) to request and receive information, shall be considered to be a routine use for purposes of section 552a(b) of title 5, United States Code; and

(3) any receipt of information by any person authorized by this section to receive information shall be considered to be a disclosure for purposes of subsection (c) of section 552a of title 5, United States Code, except that the Secretary shall not be required to retain the accounting made under paragraph (1) of such subsection for more than a 7-year period after the date of such disclosure.

CRIMINAL PENALTIES

SEC. 8. (a) Any person, other than an individual described in section 7(b)(4), who receives under section 7 information specified in paragraph (1) or (3) of section 6(b), the disclosure of which is not authorized by section 7, and who, knowing that disclosure of such information is not authorized, willfully discloses such information, shall be fined not more than $10,000 or imprisoned not more than one year, or both.

(b) Any person who knowingly and willfully requests or obtains under false pretenses information specified in paragraph (1) or (3) of section 6(b) from any person who receives such information under section 7 shall be fined not more than $10,000 or imprisoned not more than one year, or both.

ADVISORY COMMITTEE

SEC. 9. (a) There hereby is established a National Driver Register Advisory Committee, which shall advise the Secretary concerning the efficiency of the maintenance and operation of the Register, and the effectiveness of the Register in assisting States in exchanging information regarding motor vehicle driving records.

(b) The Advisory Committee shall consist of 15 members, appointed by the Secretary, as follows:

(1) 3 members from among individuals who are specially qualified to serve on the Advisory Committee by virtue of their education, training, or experience, and who are not employees of the Federal Government or of any State; and

(2) 12 members, geographically representative of the participating States, from among individuals who are chief driver licensing officials of participating States.

(c)(1) Except as provided in paragraph (2) and paragraph (3), each member of the Advisory Committee shall be appointed for a term of 3 years.

(2) Of the members first appointed—

(A) one of the members described in subsection (b)(1) and four of the members described in subsection (b)(2) shall be appointed for a term of one year;

(B) one of the members described in subsection (b)(1) and four of the members described in subsection (b)(2) shall be appointed for a term of 2 years; and

(C) one of the members described in subsection (b)(1) and four of the members described in subsection (b)(2) shall be appointed for a term of 3 years;

as designated by the Secretary at the time of appointment.

(3) Any vacancy in the Advisory Committee shall be filled in the same manner as original appointments. Any member appointed to fill any vacancy shall serve for the remainder of the term for which his predecessor was appointed. Any member may serve after the expiration of his term until his successor has taken office.

(d) The members of the Advisory Committee shall serve without compensation, but the Secretary is authorized to reimburse such members for all reasonable travel expenses incurred by them in attending the meetings of the Advisory Committee.

(e)(1) The Advisory Committee shall meet not less than once each year.

(2) The Advisory Committee shall elect a Chairman and a Vice Chairman from among the members of the Advisory Committee.

(3) Eight members of the Advisory Committee shall constitute a quorum.

(4) The Advisory Committee shall meet at the call of the Chairman or a majority of the members of the Advisory Committee.

(f) The Advisory Committee may receive from the Secretary such personnel, penalty mail privileges, and similar services, as the Secretary considers necessary to assist it in performing its duties and functions under this section.

(g) Not less than once each year, the Advisory Committee shall prepare and submit to the Secretary a report concerning the efficiency of the maintenance and operation of the Register, and the effectiveness of the Register in assisting States in exchanging information regarding motor vehicle driving records. Such report shall include any recommendations of the Advisory Committee for changes in the Register system.

(h) The Advisory Committee shall be exempt from the requirements of section 10(e), section 10(f), and section 14 of the Federal Advisory Committee Act (5 U.S.C. Appendix).

REPORT BY SECRETARY

SEC. 10. Not later than the expiration of the 9-year period following the date of the enactment of this Act, the Secretary shall prepare and submit to the Congress a comprehensive report setting forth the extent and level of participation in the Register system, and the effectiveness of such system in the identification of unsafe drivers. Such report shall include any recommendations of the Secretary concerning the desirability of extending the authorization of appropriations for this Act beyond the period of authorization provided in section 11.

AUTHORIZATION OF APPROPRIATIONS

SEC. 11. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act for fiscal year 1981, and for each of the succeeding 9 fiscal years.

By Mr. DOMENICI:

S. 673. A bill to amend the Internal Revenue Code of 1954 to provide a 5 barrel-per-day exemption from the windfall profit tax in the case of stripper well oil, and for other purposes; to the Committee on Finance.

FIVE-BARREL-PER-DAY EXEMPTION WINDFALL PROFIT TAX

Mr. DOMENICI. Mr. President, the bill I am introducing would allow a 5-barrel-per-day exemption from the windfall profit tax for stripper oil wells. A stripper well is an oil well that does not produce more than 10 barrels of oil per day. These wells are normally in oilfields that are almost depleted. As these wells

decline in production, the cost of producing the wells exceeds their revenues, often requiring the wells to be abandoned. The purposes of this amendment is to provide additional economic incentive to keep stripper wells in production so that the maximum amount of oil can be recovered.

The Congress recognized the need to provide special treatment for stripper wells in 1973 when stripper wells were exempt from price controls. This exemption allowed wells that produced as little as two or three barrels per days to remain in production. When the Senate passed the windfall profit tax, stripper wells were exempt from this excise tax. Unfortunately, the conference dropped the stripper well exemption. The Senate also passed a two-barrel-a-day exemption for stripper wells on the reconciliation bill but the exemption did not survive conference.

My colleagues will remember that the "theory" of the windfall profit tax was to have the Federal Government recover some of the increased revenues of oil producers resulting from former President Carter's order to gradually decontrol the price of oil. The idea was to tax only the difference between the precontrol price and the postdecontrol price. Because the Congress had already recognized the need for economic incentives for the operation of stripper wells, the price of oil from these wells had already been decontrolled.

By placing a tax on the difference between the decontrolled price and an arbitrary base price established in the windfall profit tax, we effectively reduced the revenues to stripper well operators to levels below those received prior to decontrol. The Interstate Oil Compact Commission (IOCC), an organization of 30 oil and gas producing States, found that the rollback of net revenues to independent operators amounts to 17 percent while major operators experience a 34 percent rollback.

In their report "the effects of the crude oil windfall profits tax on recoverable crude oil resources," the IOCC goes on to calculate that this rollback in revenues will reduce the operating well lifes for stripper wells by 45 years for independents and 8.1 years for majors. What does this mean? It simply means we have reduced the amount of recoverable oil in the United States by 356 million barrels because we will prematurely shut in wells which are not economic to produce.

Mr. President, the stripper wells of this country produce over 1 million barrels of oil per day. This is a resource that we cannot allow to slip away.

The second portion of this bill relates to injection wells, counting them as wells for determining a stripper property. The applicable energy statute, I believe, have always permitted injection and other production selected wells to be counted for stripper status determinations. But, it is necessary to clarify that counting injection wells specifically for windfall profit tax purposes has consistently been the intent of the Congress.

Mr. President, the last portion of the bill I introduce today is an effort to insure that the clear intent of the Congress when it passed the Crude Oil Windfall Profit Tax Act of 1980 is carried out with respect to one of the most successful domestic oil programs initiated by the Department of Energy.

I refer to the DOE's front-end tertiary program established in 1979 by section 212.78 of the DOE regulations. Under that program to date, approximately 350 qualifying tertiary projects have been initiated across the country for the purposes of extracting more oil from declining domestic fields than could be extracted utilizing primary or secondary methods of recovery.

Perhaps the major reasons for the success of this program are its simplicity and the absence of direct Government participation, intervention, or supervision. Through the front-end teritary program, the DOE simply allowed qualified producers to sell certain price-controlled crude oil at market prices to recoup specifically allowed expenses of certain teritary projects directed at increasing production from older, depleted domestic oil fields.

The Congress strongly endorsed this program in the Windfall Profit Tax Act by specifying that until October 1, 1981, the date of decontrol of crude oil under the decontrol schedule, front-end oil is either exempt from the tax or a tax refund is available for the windfall tax paid on front-end oil to the extent that qualifying expenditures exceed the amount actually recovered under the front-end financing program. The exemption is applicable to oil deregulated to finance a tertiary project controlled by independent producers, as defined in the act, and the refund mechanism is applicable to oil deregulated to finance a tertiary project not controlled by independent producers.

The Windfall Profit Tax Act, as everyone knows, is not without ambiguities and, unfortunately that is true with respect to the front-end tertiary provisions. It is generating some confusion and a great deal of legitimate concern on the part of producers, particularly independent producers who undertook expensive, risky tertiary projects fully expecting that the congressional promise of relief from the tax until October 1, 1981, would be kept.

Now, there is some cloud on that prospect as arguments are made that one or two words in the front-end tertiary provisions require that the promised relief from the tax be terminated because of the President's order decontrolling crude oil ahead of the schedule with which the Congress was working when it passed the Windfall Profit Tax Act.

For my part, I understood and supported the front-end tertiary provision on the basis that regardless of the date crude oil was decontrolled, producers establishing qualifying front-end projects could count on either being exempt from the tax or receiving an appropriate refund for sales for oil for recoupment purposes through September 30, 1981. In my opinion, then and now, that understanding is the only way to give meaning and effect to Congress expressed intention that for any oil to be classified as front-end oil, it must be removed from the premises before October 1, 1981. There were no optional deadline dates for removal specified, such as either October 1, 1981, or the end of price controls.

I continue to feel strongly that this relief from the windfall profit tax is essential to make good this Government's commitment to those who undertook expensive and risky tertiary projects and while I feel that existing law allows current tax treatment of front-end oil to be continued until October 1, 1981, I want to remove any lingering questions.

As a final point, it should be noted that, compared with previous and existing projections of revenue from the windfall profit tax, there would be no reduction as a result of this bill. That is true because such projections are based on what I feel are the clear intentions of the Congress—the current tax treatment for front-end oil continuing until October 1, 1981.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objections, the bill was ordered to be printed in the RECORD, as follows:

S. 673

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. STRIPPER WELL OIL EXEMPTION.

(a) IN GENERAL.—Section 4991(b) of the Internal Revenue Code of 1954 (relating to categories of oil) is amended—

(1) by striking out "and" at the end of paragraph (3),

(2) by striking out the period at the end of paragraph (4) and inserting in lieu thereof a comma and the word "and", and

(3) by adding at the end thereof the following new paragraph:

"(5) any exempt stripper well oil.".

(b) EXEMPT STRIPPER WELL OIL DEFINED.—Section 4994 of such Code (relating to definitions and special rules relating to exemptions) is amended by adding at the end thereof the following new subsection:

"(f) EXEMPT STRIPPER WELL OIL.—

"(1) IN GENERAL.—For purposes of this chapter, the term 'exempt stripper well oil' means that amount of domestic crude oil produced during a quarter from a stripper well property, within the meaning of the June 1979 energy regulations, which does not exceed the qualified amount for such stripper well property.

"(2) QUALIFIED AMOUNT.—For purposes of this subsection, the qualified amount for a stripper well property for any quarter is the product of—

"(A) 5 barrels, multiplied by

"(B) the number of days in such quarter.

"(3) PRODUCTION EXCEEDS QUALIFIED AMOUNT.—If the production of oil from a stripper well property for a quarter exceeds the qualified amount for such stripper well property, the qualified amount shall be allocated on the basis of removal prices of the oil produced from such stripper well property during such quarter, beginning with the highest of such prices.".

(c) CONFORMING AMENDMENT.—Subparagraph (A) of section 4991(d)(1) of such Code (defining tier 2 oil) is amended to read as follows:

"(A) any oil from a stripper well property (within the meaning of the June 1979 energy regulations) which is not exempt stripper well oil, and".

SEC. 2. DEFINITION OF STRIPPER WELL PROPERTY.

Section 4996 of the Internal Revenue Code of 1954 (relating to other definitions and special rules) is amended by redesignating subsection (h) as (i) and by inserting after subsection (g) the following new subsection:

"(h) STRIPPER WELL PROPERTY.—For purposes of determining whether a property is a stripper well property within the meaning of the June 1979 energy regulations, there shall be taken into account in determining the total number of wells on the property each well which—

"(1) is producing crude oil, or

"(2) is actively utilized for the purpose of injecting water or any other material into a producing reservoir for the purpose of enhancing crude oil recovery.".

SEC. 3. DEFINITION OF FRONT-END TERTIARY OIL.

Subparagraph (B) of section 4994(c)(4) of the Internal Revenue Code of 1954 (defining front-end tertiary oil) is amended by striking out "solely".

SEC. 4. EFFECTIVE DATE.

The amendments made by this Act shall apply to taxable periods beginning after December 31, 1980.

By Mr. THURMOND (for himself, Mr. HEFLIN, Mr. DECONCINI, Mr. SIMPSON, and Mr. EAST):

S. 675. A bill to establish a Federal Jurisdiction Review and Revision Commission; to the Committee on the Judiciary.

FEDERAL JURISDICTION REVIEW AND REVISION COMMISSION ACT

Mr. THURMOND. Mr. President, today I am introducing, along with the Senator from Alabama (Mr. HEFLIN), the Senator from Arizona (Mr. DECONCINI), the Senator from Wyoming (Mr. SIMPSON), and the Senator from North Carolina (Mr. EAST), legislation to establish a Federal Jurisdiction Review and Revision Commission. The Commission would study the jurisdiction and limited sovereignty of the United States in relation to the jurisdiction and limited sovereignty of the States.

The bill is identical to legislation which I introduced during the final days of the last Congress. I offered the bill then as I do now because I believe that the legal system of this country is approaching a crisis through the growing confusion of jurisdiction between State and Federal courts.

I have often felt that perhaps the most important, but most ignored, amendment to the Constitution is the 10th amendment which reserves to the States and people all power not specifically granted to the Federal Government. If greater attention were paid to the 10th amendment, the caseload of the Federal courts would be more manageable and much of the misery and social dislocation we have brought upon ourselves could be avoided.

Last summer, in remarks before the American Law Institute, Chief Justice Warren Burger noted:

In the past decade Congress has enacted not less than 70 new statutes enlarging the jurisdiction of Federal courts. Many of these statutes expand Federal jurisdiction to cover relief already available in State courts. It is fair to say that the Federal courts, and ultimately, the Supreme Court, have tended to give expansive, rather than restricted, interpretation to these statutes, along with a narrowing of the scope of immunity of Government officials.

This commentary by the Chief Justice holds as true today as it did last summer; for in the interim, the situation has grown worse. Increasing caseloads in the Federal courts reveal a trend which could eventually lead to a total breakdown to traditional federalist principles as we know them.

The bill would establish a Commission made up of 16 members: 4 to be appointed by the President; 4 by the Senate; 4 by the House; and 4 by the Chief Justice of the United States. The membership shall be selected in a manner that will represent a broad range of interests, needs and concerns.

The Commission would be asked to study the relevant aspects of Federal and State court jurisdiction, including problems of substantive law, civil and criminal procedure, workload and caseload of the courts, case processing and State and Federal bars. It would also be asked to make recommendation for legislative action. The Commission will be in existence for only 2 years and is to issue a final report upon completion of its work.

Mr. President, often the creation of commissions simply leads to a report that ends up gathering dust on the shelf. I cannot believe, however, that the subject of this study will suffer that fate. The relationship between Federal and State courts is one that should have the attention of everyone interested in our judicial system.

As State courts surrender more and more jurisdiction to the Federal courts, traditional concepts of federalism are eroded. Federal courts were originally intended to deal only with unique and narrow disputes involving national rights and obligations, while State courts were left to deal with the day-to-day legal disputes of citizens. Interest in the development and nurturing of State courts may well diminish if all the emphasis is on Federal courts.

The ultimate question has been stated eloquently by the Honorable Laurence M. Cooke, Chief Judge of the State of New York. In a recent address at Fordham University School of Law in a John F. Sonnett Memorial Lecture, Judge Cooke stated:

The responsibility for providing justice must be divided between the federal and state court systems so as to realize their maximum total potential by employing the full capacity of each as efficaciously as possible. As American citizens we live under a government committed "to establish justice" and a malfunction of our judicial apparatus anywhere is reason for the disquiet of all of us. If we allot spheres of jurisdiction in such a way as to avoid overlapping and free judicial components repetition of effort, then we will not squander our judicial substance, and delay in the delivery of justice will be reduced to a minimum. We can then say, "Waste not, wait not".

Mr. President, I ask unanimous consent that a copy of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 675

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Federal Jurisdiction Review and Revision Commission Act".

ESTABLISHMENT AND PURPOSE OF THE COMMISSION

SEC. 2. (a) ESTABLISHMENT AND PURPOSE.—There is established a Federal Jurisdiction Review and Revision Commission (hereafter in this Act referred to as the "Commission"). The Commission shall study the jurisdiction of the courts of the United States and of the several States, and shall report to the President and the Congress on the revisions, if any, of related provisions of the Constitution and laws of the United States which the Commission deems advisable on the basis of such study.

MEMBERSHIP OF THE COMMISSION

SEC. 3. (a) NUMBER AND APPOINTMENT.—The Commission shall be composed of sixteen members appointed, within ninety days from the date or enactment, as follows:

(1) Four members appointed by the President of the United States.

(2) Four members of the Senate appointed by the President pro tempore of the Senate, two of whom shall be appointed upon the recommendation of the majority leader and two of whom shall be appointed upon the recommendation of the minority leader.

(3) Four members of the House of Representatives appointed by the Speaker of the House of Representatives, two of whom shall be appointed upon the recommendation of the majority leader and two of whom shall be appointed upon the recommendation of the minority leader.

(4) Four members appointed by the Chief Justice of the United States.

(b) REPRESENTATION OF VARIED INTERESTS.—The membership of the Commission shall be selected in such a manner as to be broadly representative of the various interests, needs, and concerns which may be affected by the jurisdiction of Federal and State courts.

(c) TERM OF OFFICE AND VACANCIES.—The term of office of each member shall be for the life of the Commission. Vacancies in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

(d) CHAIRMAN AND VICE CHAIRMAN.—The Commission shall select a Chairman and a Vice Chairman from among its members.

(c) QUORUM.—Eight members of the Commission shall constitute a quorum.

COMPENSATION OF THE MEMBERS OF THE COMMISSION

SEC. 4. (a) FEDERALLY EMPLOYED MEMBERS.—A member of the Commission who is an officer, or full-time employee, of the United States shall receive no additional compensation for his or her services, but shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of duties vested in the Commission, but not exceeding the maximum amounts authorized under section 456 of title 28, United States Code.

(b) OTHER MEMBERS.—A member of the Commission from the private sector shall receive $200 per diem for each day (including traveltime) during which he or she is engaged in the actual performance of duties vested in the Commission, plus reimbursement for travel, subsistence, and other necessary expenses incurred in the performance of such duties, but not in excess of the maximum amounts authorized under section 456 of title 28, United States Code.

POWERS OF THE COMMISSION

SEC. 5. (a)(1) HEARINGS.—The Commission or, on the authorization of the Commission, any subcommittee thereof may, for the purpose of carrying out its functions and duties, hold such hearings and sit and act at such times and places, administer such oaths, and require, by subpena or otherwise, the attendance and testimony of such witnesses, and the production of such books, records, correspondence, memorandums, papers, and documents as the Commission or such subcommittee may deem advisable. Subpenas may be issued under the signature of the Chairman or Vice Chairman, or any duly designated members, and may be served by any person designated by the Chairman, the Vice Chairman, or such member.

(2) In case of contumacy or refusal to obey a subpena issued under paragraph (1) of this subsection, any district court of the United States or the United States court of any possession, or the District Court of the United States for the District of Columbia, within the jurisdiction of which the inquiry is being carried on or within the jurisdiction of which the person guilty of contumacy or refusal to obey is found or resides or transacts business, upon applications by the Attorney General of the United States shall have jurisdiction to issue to such person an order requiring such person to appear before the Commission or a subcommittee thereof, to produce evidence if so ordered, or to give testimony touching the matter under inquiry; and failure to obey such order of the court may be punished by the court as a contempt thereof.

(b) OFFICIAL DATA.—Each department, agency, and instrumentality of the executive branch of the Government, including independent agencies, shall furnish to the Commission, upon request made by the Chairman or Vice Chairman, such information and assistance as the Commission deems necessary to carry out its functions under this Act, consistent with applicable provisions of law.

(c) ADMINISTRATIVE POWERS.—Subject to such rules and regulations as may be adopted by the Commission, the Chairman shall have the power to—

(1) appoint and fix the compensation of an Executive Director, and such additional staff personnel as he deems necessary, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, but at rates not in excess of the maximum rate for GS-18 of the General Schedule under section 5332 of such title, and

(2) procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code, but at rates not to exceed $200 a day for individuals.

(d) CONTRACTING AUTHORITY.—The Commission is authorized to enter into contracts with Federal or State agencies, private firms, institutions, and individuals for the conduct of research or surveys, the preparation of reports, and other activities necessary to the discharge of its duties.

(e) NONGOVERNMENTAL ASSISTANCE.—The Commission is authorized to receive financial assistance from sources other than the Federal Government, including assistance from private foundations.

FINAL REPORT

SEC. 6. The Commission shall transmit to the President and to the Congress, not later than two years after the first meeting of the Commission, a final report containing a detailed statement of the findings and conclusions of the study conducted by the Commission under section 2, together with such recommendations as it deems advisable. The Commission may also submit interim reports prior to submission of its final report.

EXPIRATION OF THE COMMISSION

SEC. 7. Ninety days after the submission to Congress of the final report provided for in section 6, the Commission shall cease to exist.

AUTHORIZATION OF APPROPRIATIONS

SEC. 8. There is authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

EFFECTIVE DATE

SEC. 9. This Act shall take effect October 1, 1981.

By Mr. STEVENS:

S. 677. A bill to amend chapter 83 of title 5 of the United States Code to provide an equitable system of cost-of-living adjustments for civil service annuitants, and for other purposes; to the Committee on Governmental Affairs.

CIVIL SERVICE COST-OF-LIVING ADJUSTMENT ACT OF 1981

Mr. STEVENS. Mr. President, I am introducing a bill today which should be viewed as an alternative to annualizing the cost-of-living adjustments on Federal retirement under the bill, a Federal employee who retires and receives Federal retirement before age 60 will see his basic annuity adjusted once a year at 50 percent of the Consumer Price Index (CPI). Between age 60 and 65, the same retiree will receive a full CPI adjustment once a year. At age 65 and over, he will receive full semiannual adjustments. Employees who retire on disability will be excluded from this change.

Mr. President, I am introducing this bill today with great reluctance. Last year I fought strenuously to save the semiannual adjustment formula, and we won. This year, however, we face a different scenario. Economic conditions in this country have progressed from bad to worse over the last few years. We must get a handle on the economy and the budget now. We have a mandate from the people of this country to pare the Federal budget wherever possible. Many worthy Federal programs will be cut. Yet, if we want to see the economy of this country turned around, funding for the even most worthy Federal programs must be reduced.

I feel that the Federal retirement systems are of the most worthy Federal programs. Federal retirement is not controversial. It is not a program that produces intangible results. It is a commitment, a covenant, to the people of this country who devoted their careers to Federal service. Retirement benefits are a part of compensation. They are, in a sense, deferred wages and act as an allurement to individuals to accept employment.

Nevertheless, the costs of the Federal retirement program are out of control. Federal retirement accounts for approximately 40 percent of the Federal payroll. In addition, significant numbers of retired Federal employees take private sector jobs after they retire from Federal service. Since the average age of retirement from the Federal Government is 58, even more could get jobs and hence supplement their retirement income.

The cost of living formula can be changed to protect those who are completely vulnerable to inflationary pressures, that is, the elderly and the disabled, and at the same time cut outlays by reducing the adjustments to those who are able to supplement their income. That is why I am proposing semiannual adjustments be retained for retirees age 65 and older and for the disabled. The need to fully adjust retirement income for inflationary changes, however, is not as great for younger and healthy retirees. I understand savings in the first full year of implementation will approximate $350 million as compared to savings of $510 million through simple annualization of annuities. However, savings in the outyears through enactment of this bill will be considerably more than that generated by annualization.

Mr. President, let me say again—I still favor the present semiannual adjustment formula. But, if a change is to be made, let it be the most equitable change possible. I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 677

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Civil Service Retirement Cost-of-Living Adjustment Act of 1981".

SEC. 2. (a) Subsection (b) of section 8340 of title 5, United States Code, is amended to read as follows:

"(b)(1) Except as provided in paragraph (2)—

"(A) effective March 1 of each calendar year, each annuity payable from the Fund which has a commencing date not later than such March 1, and—

"(i) which is payable to an employee or Member (or widow or widower thereof) who has not attained the age of 65 on or before such March 1 shall be increased by the percentage increase in the price index published for December of the preceding calendar year over such index for December of the second preceding calendar year, and

"(ii) which is payable to an employee or Member (or widow or widower thereof) who has attained the age of 65 on or before such March 1 shall be increased by the percentage increase in the price index published for December of the preceding calendar year over such index for June of the preceding calendar year; and

"(B) effective September 1 of each year, each annuity payable from the Fund which has a commencing date not later than such September 1 and which is payable to an employee or Member (or widow or widower thereof) who has attained the age of 65 on or before such September 1 shall be increased by the percentage increase in the price index published for June of such year over such index for December of the preceding year.

"(2) In the case of an annuity payable from the Fund to an employee or Member (or widow or widower thereof) who has not attained the age of 60 on or before March 1 of the applicable year, paragraph (1)(A)(i) shall be applied by inserting '50 percent of' before 'the percentage increase'.

"(3) Any percent change in an annuity under this subsection shall be adjusted to the nearest 1/10 of 1 percent.".

(b)(1) Subparagraph (A) of section 8340 (c)(1) of title 5, United States Code, is amended by inserting "(1/12 if such first increase is determined under subsection (b)(1)(A)(ii))" after "⅛".

(2) Paragraph (3) of section 8340 (c) of title 5, United States Code, is amended by inserting "subsection (b)(1)(A)(i) of" before "this section" the first place it appears.

SEC. 3. The amendments made by this Act shall apply to any increase in any annuity taking effect on or after the date of the enactment of this Act.

By Mr. STEVENS (for himself, Mr. MATHIAS and Mr. GLENN):

S. 678. A bill to amend title 39 of the United States Code to require that any extension of the ZIP code be part of a voluntary service option with a reduced rate; to the Committee on Governmental Affairs.

LEGISLATION TO MAKE NINE-DIGIT ZIP CODE A VOLUNTARY SERVICE WITH A REDUCED RATE

Mr. STEVENS. Mr. President, I am today introducing legislation which would prohibit the U.S. Postal Service from requiring any mailer or individual to use the new proposed nine-digit ZIP code. The U.S. Postal Service has proposed that a "ZIP+4" or nine-digit ZIP code be established. In order to take advantage of technological advances in mail processing equipment, this change would allow the U.S. Postal Service to save some $600 million a year beginning by 1987. As part of the proposal, business mailers who agree to use the nine-digit ZIP code would become eligible for a lower postal rate.

This legislation would put into law the requirement that the ZIP code system be voluntary in nature. The public will not, and we cannot, accept the imposition of a mandatory nine-digit ZIP code. From what I have learned, there is absolutely no reason to make such a code mandatory.

There is a refreshing consensus in this country that at long last we are going to slow down and stop the regulatory burden of the Federal Government on the American public. The electorate has let it be known that the oppressive weight of Government must be lifted starting now. This Congress and President Reagan are going to make a healthy start in that direction. We are also going to cut back on the costs of the Federal Government, a cost ultimately borne by the public. Wherever we can, we must accomplish needed savings through identifying and eliminating waste and inefficiencies. We must look to improve productivity and use of modern technology to cut costs where we can. We do not want to cut back on essential services, however. The U.S. Postal Service should not, and will not, be exempt from this philosophy.

I do not see how we can tie the hands of the Postal Service by limiting their capability to cut future costs. I see no reason why we would want to. In fact, the Postal Service is simply living up to the law which requires them to look for ways to cut costs. None of us wants to see cuts in the service they provide. But we are kidding ourselves if we think the Postal Service can simply wave a magic wand and absorb double digit inflation, budget cuts, increased employee demands, reduction in revenue, without realizing savings, where they are able to, through technological improvements.

There is no way the Postal Service can continue to attempt to give us better service with the tremendous pressures to do more with less, unless they can find some very significant and concrete innovations to do the same job more efficiently. I think they have got a start with the nine-digit ZIP or "ZIP+4" concept.

As chairman of the Governmental Affairs Subcommittee on Civil Service, Post Office, and General Services, I am particularly concerned that we search for ways to achieve efficiencies and economies in the U.S. Postal Service. Our subcommittee has begun a series of hearings on the Postal Service plans for improved automation with its "ZIP+4" or nine-digit ZIP code proposal. The longer ZIP code would be justified only in terms of additional efficiencies and savings in the processing of the mail. Bulk mailers who utilize this longer code would and should get the benefit of those savings through lower postage. After all, it does cost money, considerable amounts of money, for business mailers to change their address files and addressing practices to comply with this four-digit add-on.

We must not restrict the business community from improving their mailing capabilities and from cutting costs by utilizing the nine-digit ZIP code. I think that any nine-digit ZIP code or "ZIP+4" mailing incentive should be available as an additional mailing option along with the presort discounts and other alternatives already offered various mailers. If this new nine-digit ZIP code proposal is limited to mailers who wish to use this option and who will receive a reduced rate for using it, we cannot reasonably prohibit or delay its development or implementation. This proposal will benefit the average American who writes an occasional letter. Although he or she would not qualify for a rate reduction because of lack of volume, he would benefit by a slowdown in future rate increases because of the cost savings.

I believe this bill is a fair and reasonable way to allow the Postal Service and large mailers to utilize this new technology to their financial benefit without inconveniencing the public.

Mr. President, I ask unanimous consent to have the entire text of my bill printed at the end of my comments.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 678

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 404 of title 39, United States Code, is amended by adding the following new subsection:

"(c) Notwithstanding any other provision of this title, the Postal Service shall not require the inclusion of any ZIP Code in the address of any mail piece, except as a condition for mailing at a reduced rate or rates for a subclass established to recognize the costs of handling mail bearing such code.".

By Mr. STAFFORD (for himself, Mr. RANDOLPH, Mr. CHAFEE, Mr. PACKWOOD, Mr. CANNON, Mr. GORTON, and Mr. MITCHELL):

S. 681. A bill to provide a comprehensive system of liability and compensation for oil spill damage and removal costs, and for other purposes; ordered held at the desk.

OIL SPILL LIABILITY AND COMPENSATORY OF 1981

Mr. STAFFORD. Mr. President, on behalf of myself, Senator RANDOLPH, Senator CHAFEE, Senator PACKWOOD, Senator CANNON, Senator GORTON, and Senator MITCHELL I send a bill to the desk to provide a comprehensive system of liability and compensation for oil spill damage and removal costs, and for other purposes.

Mr. President, in connection with that bill, which I am sending to the desk, on behalf of Senator MITCHELL and myself I offer an amendment to that bill.

The PRESIDING OFFICER. The bill and the amendment will be received and appropriately referred.

Mr. STAFFORD. Mr. President, late in the last Congress, the so-called superfund bill was enacted into law, establishing a system of response, compensation, and liability for releases of poisonous chemicals. It had been hoped that the toxics superfund would be amended on the Senate floor to add a title dealing with oil spills and pollution. For a variety of reasons, that was not possible.

As part of the debate in the Senate and in the House of Representatives, I assured several Members that an oil spill bill would be introduced and acted on early in this legislative session. In fulfillment of that commitment, I am today introducing the Oil Spill Liability and Compensation Act of 1981.

I am pleased to say that this bill's other sponsors include Senators PACKWOOD and CANNON of the Committee on Commerce, Science, and Transportation, as well as my good friend, Senator RANDOLPH, who is, of course, the ranking minority member of the Committee on Environment and Public Works; Senators CHAFEE and MITCHELL, who are chairman and ranking minority member of the Subcommittee on Environmental Pollution; and Senator GORTON, who is chairman of the Merchant Marine Subcommittee. Collectively, they represent the Members most concerned with and involved in this issue.

Senator CHAFEE has indicated his intention to hold hearings before the end of the month. With the introduction of this bill and the scheduling of hearings, I consider my personal commitment fulfilled.

I ask unanimous consent that the text of the bill and amendment be printed in the RECORD.

There being no objection, the bill and amendment were ordered to be printed in the RECORD, as follows:

S. 681

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Oil Spill Liability and Compensation Act of 1981".

TITLE I—OIL SPILL LIABILITY AND COMPENSATION

DEFINITIONS

SEC. 101. For the purpose of this act—

(1) the terms "oil", "discharge", "public vessel", "owner or operator", "remove" or "removal", "contiguous zone", "onshore facility", "offshore facility" and "barrel" shall have the meaning provided in section 311(a) of the Federal Water Pollution Control Act;

(2) the terms "navigable waters" and "territorial seas" shall have the meaning provided in section 502 of the Federal Water Pollution Control Act;

(3) the term "act of God" means an unanticipated grave natural disaster or other natural phenomenon of an exceptional, inevitable, and irresistible character, the effects of which could not have been prevented or avoided by the exercise of due care or foresight;

(4) the term "claim" means a request, made in writing for a sum certain, for compensation for damages or removal costs resulting from a discharge of oil;

(5) the term "claimant" means any person who presents a claim for compensation under this Act;

(6) the term "damages" means damages for economic loss or the loss of natural resources as specified in section 102(a)(2) of this Act;

(7) the term "facility" means any building, structure, installation, equipment, pipe or pipeline (including any pipe into a sewer or publicly owned treatment works), well, pit, pond, lagoon, impoundment, ditch, landfill, storage container, motor vehicle, rolling stock, or aircraft;

(8) the term "Fund" means the Oil Spill Liability Trust Fund established under title II of this Act;

(9) the term "guarantor" means any person, other than the owner or operator, who agrees with the owner or operator of a vessel or an offshore facility subject to section 105 of this Act or section 311(p) of the Clean Water Act to insure or indemnify any risk under this Act;

(10) the term "liable" or "liability" under this title shall be construed to be the standard of liability which obtains under section 311 of the Federal Water Pollution Control Act;

(11) the term "natural resources" includes land, fish, wildlife, biota, air, water, ground water, drinking water supplies, and other such resources belonging to, managed by, held in trust by, appertaining to, or otherwise controlled by the United States (including the resources of the fishery conservation zone established by the Fishery Conservation and Management Act of 1976), any State or local government, or any foreign government;

(12)(A) the term "owner or operator" means (i) in the case of a vessel, any person owning, operating, or chartering by demise, such vessel, (ii) in the case of an onshore facility or an offshore facility, any person owning or operating such facility, and (iii) in the case of any abandoned facility, any person who owned, operated, or otherwise controlled activities at such facility immediately prior to such abandonment. Such term does not include a person who (either directly or through a trust or singly or in combination with others) (I) holds title to or any indicia of ownership of a vessel or facility and without participating in the management or operation of such vessel or facility, leases or charters to any other person (with whom such person is not otherwise affiliated), or (II) holds indicia of ownership primarily to protect his security interest in the vessel or facility. In the case of an offshore facility, the term includes the operating holder of a leasehold interest or permit for the exploration of oil;

(B) the term "affiliated" means a relationship in which a person owns (in whole or in part), is owned by (in whole or in part), or is under common control with, another person;

(13) the term "person" means an individual, firm, corporation, association, partnership, consortium, joint venture, commercial entity, United States Government, State, municipality, commission, political subdivision of a State, or any interstate body;

(14) the term "refinery" means a terminal which receives oil for the purpose of refinement;

(15) the term "terminal" means any permanently situated onshore or offshore facility which receives oil in bulk directly from any vessel, offshore production facility, offshore port facility, or any pipeline including the pipeline constructed under the Trans-Alaska Pipeline Authorization Act;

(16) the terms "United States" and "State" include the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the United States Virgin Islands, the Commonwealth of the Northern Marianas, and any other territory or possession over which the United States has jurisdiction;

(17) "vessel" means every description of watercraft or other artificial contrivance used, or capable of being used, as a means of transportation on water.

LIABILITY FOR DAMAGES AND REMOVAL

SEC. 102. (a) Except where an owner or operator of a vessel or a facility can prove that a discharge was caused solely by an act of God, an act of war, or an act or omission of a third party as provided in subsection (d)(1) of this section, and notwithstanding any other provision or rule of law, such owner or operator of a vessel or a facility from which oil is discharged in violation of section 311(b)(3) of the Federal Water Pollution Control Act shall be liable for—

(1)(A) all actual costs of removal (including personnel costs, depreciation costs for capital equipment, and overhead) incurred by the United States Government or a State under subsection (c), (d), (e), or (f)(4) of section 311 of the Federal Water Pollution Control Act or under the Intervention on the High Seas Act or section 18 of the Deepwater Port Act of 1974, and

(B) any other costs or expenses incurred by any person to remove oil as the term "remove" or "removal" are defined in section 311(a)(8) of the Federal Water Pollution Control Act, not inconsistent with the national contingency plan; and

(2) the following damages for economic loss or loss of natural resources resulting from such a discharge:

(A) any injury to, destruction of, or loss of any real or personal property;

(B) any injury to, destruction of, or loss of natural resources, including the reasonable costs of assessing such injury, destruction, or loss;

(C) any loss of income or profits or impairment of earning capacity resulting from injury to or destruction of real or personal property or natural resources or loss of use of such property or natural resources, without regard to the ownership of such property or natural resources, to the extent that such damages were sustained during the two-year period beginning on the date the claimant first suffered such loss, and if the claimant derives at least 25 per centum of his earnings from activities which utilize the property or natural resource.

(b) In the case of an injury to, destruction of, or loss of natural resources under subsection (a)(2)(B) of this section, liability shall be to the United States Government and to any State for natural resources within the State or belonging to, managed by, controlled by, or appertaining to such State. The President, or the authorized representative of any State, shall act on behalf of the public as trustee of such natural resources to recover for such damages. Sums recovered shall be available for use to restore, rehabilitate, or acquire the equivalent of such natural resources by the appropriate agencies of the Federal Government or the State government, but the measure of such damages shall not be limited by the sums which can be used to restore or replace such natural resources.

(c)(1) Except as provided in paragraph (2) of this subsection, the liability of an owner or operator of a vessel or a facility for damages and removal costs under this section, including any removal costs incurred on behalf of such owner or operator, and inclusive of the limits of liability established under section 311(f) of the Federal Water Pollution Control Act, for each discharge or incident shall not exceed—

(A) $300 per gross ton or $500,000, whichever is greater, of any vessel carrying oil in bulk as cargo or as residue of cargo;

(B) $300 per gross ton of any other vessel;

(C) the total of all costs of removal under subsection (a)(1) of this section plus $50,000,000 for any offshore facility operated under the authority of or subject to the Outer Continental Shelf Lands Act;

(D) $50,000,000 for any deepwater port subject to the Deepwater Port Act of 1974 (including the liability of the licensee for a discharge from any vessel moored at such port, in any case where $50,000,000 exceeds $300 per gross ton of such vessel); or

(E) $50,000,000 for any other facility.

(2) Notwithstanding the limitations of paragraph (1) of this subsection, the liability of the owner or operator of a vessel or an onshore or offshore facility under subsection (a) of this section shall be the full and total damages and removal costs not offset by any removal costs incurred on behalf of such owner or operator, if (A)(i) the discharge of oil was the result of willful negligence or willful misconduct within the privity or knowledge of the owner or operator, or (ii) the primary cause of the discharge was a violation (within the privity or knowledge of the owner or operator) of applicable safety, construction, or operating standards or regulations, or (B) the owner or operator fails or refuses to provide all reasonable cooperation and assistance requested by a responsible official in connection with removal activities under the contingency plan established under section 311(c) of the Federal Water Pollution Control Act. With respect to regulated carriers subject to the provisions of title 49 of the United States Code or vessels subject to the provisions of title 33 or 46 of the United States Code, subparagraph (A)(ii) of this paragraph shall be deemed to refer to Federal standards or regulations.

(3) Notwithstanding the limitations of paragraph (1) of this subsection or the exceptions or defenses of subsection (a) of this section, all costs of removal incurred by the United States Government or any State or local official or agency in connection with a discharge of oil from any offshore facility operated under the authority of or subject to the Outer Continental Shelf Lands Act or a vessel carrying oil as cargo from such a facility shall be borne by the owners and operator of the offshore facility or vessel from which the discharge occurred.

(4) The President is authorized to establish by regulation, with respect to any class or category of facility subject to paragraph (1)(E) of this subsection, a maximum limit of liability under this section of less than $50,000,000 but not less than $8,000,000. Such regulations shall take into account the size, type, location, storage, and handling capacity and other matters relating to the likelihood of release in each such class and to

the economic impact of such limits on each such class.

(5) The President shall from time to time, but at least biannually, review and, when appropriate, increase the liability limits established by paragraph (1) of this subsection to reflect the following:

(A) increased potential for damage due to increases in vessel size, alterations in design or construction, or other relevant changes in circumstances or operation; and

(B) increases in the relative costs of responding to a discharge due to inflation or other circumstances.

(d)(1) There shall be no liability under subsection (a) of this section for a person otherwise liable who can establish by a preponderance of the evidence that the discharge of oil and the damages resulting therefrom were caused solely by an act or omission of a third party other than an employee or agent of the defendant, or than one whose act or omission occurs in connection with a contractual relationship, existing directly or indirectly, with the defendant (except where the sole contractual arrangement arises from a published tariff and acceptance for carriage by a common carrier), if the defendant establishes by a preponderance of the evidence that (a) he exercised due care with respect to such oil, taking into consideration the characteristics of such oil, in light of all relevant facts and circumstances, and (b) he took precautions against foreseeable acts or omissions of any such third party and the consequences that could foreseeably result from such acts or omissions.

(2) In any case where the owner or operator of a vessel or an onshore or offshore facility can prove that a discharge was caused solely by an act or omission of a third party (or solely by such an act or omission in combination with an act of God or an act of war), such third party shall be liable under this section as if such third party were the owner or operator of a vessel or onshore or offshore facility from which the discharge actually occurred. If such third party was the owner or operator of a vessel, other than a vessel which caused the discharge of oil from an offshore facility operated under the authority of or subject to the Outer Continental Shelf Lands Act, the liability of such third party shall not exceed the limitation applicable to such vessel under subsection (c) of this section. Where the owner or operator of a vessel carrying oil as cargo or an onshore or offshore facility which handles or stores oil in bulk or commercial quantities, from which oil is discharged, alleges that such discharge was caused solely by an act or omission of a third party (or solely by such an act or omission in combination with an act of God or an act of war), such owner or operator shall promptly pay to the United States Government, and any other claimant, the costs of removal or damages claimed and shall be entitled by subrogation to all rights of the United States Government or other claimant to recover such costs of removal or damages from such third party under this subsection.

(e) A discharge of oil in or on the territorial sea, internal waters, or adjacent shoreline of a foreign nation shall be deemed to be a discharge in violation of section 311(b)(3) of the Federal Water Pollution Control Act for purposes of this section, and claims for compensation for damages and removal costs may be made under this Act by any citizen of a foreign nation or by any foreign nation, if such damages or removal costs resulted from a discharge of oil, or threat of a discharge of oil, from—

(1) a facility located in the United States or subject to the jurisdiction of the United States;

(2) a vessel incident occurring in the navigable waters of the United States; or

(3) a vessel carrying oil as cargo between two ports subject to the jurisdiction of the United States. This subsection shall apply only if recovery is authorized by a treaty or an executive agreement between the United States and the foreign country involved, or if the Secretary of State, in consultation with the Attorney General and other appropriate officials, certifies that such country provides a comparable remedy for United States claimants.

(f) The owner or operator of a vessel shall be liable in accordance with this section notwithstanding any provision of the Act of March 3, 1951 (46 U.S.C. 183ff).

(g)(1) In addition to the damages for which claims may be asserted and without regard to any limitation of liability provided in this section, the owner or operator of a vessel or a facility from which oil is discharged in violation of section 311(b)(3) of the Federal Water Pollution Control Act shall be liable to a claimant for interest on the amount paid in satisfaction of the claim for the period from the date upon which the claim occurred to the date upon which the claimant is paid, inclusive, less the period (if any) from the date upon which such owner or operator shall offer to the claimant an amount equal to or greater than that finally paid in satisfaction of the claim to the date upon which the claimant shall accept such amount, inclusive. However, if such owner or operator shall offer to the claimant, within sixty days of the date upon which the claim was presented, an amount equal to or greater than that finally paid in satisfaction of the claim, such owner or operator shall be liable for the interest on the amount paid in satisfaction of the claim for the periods only from the date upon which the offer was accepted by the claimant to the date upon which payment is made to the claimant, inclusive.

(2) The interest provided in paragraph (1) of this subsection shall be calculated at the average of the highest rate for commercial and finance company paper of maturities of one hundred and eighty days or less obtaining on each of the days included within the period from which interest must be paid to the claimant, as published in the Federal Reserve Bulletin.

(h)(1) No indemnification, hold harmless, or similar agreement or conveyance shall be effective to transfer from the owner or operator of any vessel or facility or from any person who may be liable for a discharge or threat of discharge under this section, to any other person the liability imposed under this section. Nothing in this subsection shall bar any agreement to insure, hold harmless, or indemnify a party to such agreement for any liability under this section.

(2) Nothing in this title, including the provisions of paragraph (1) of this subsection, shall bar a cause of action that an owner or operator or any other person subject to liability under this section, or a guarantor, has or would have, by reason of subrogation or otherwise against any person.

USE OF LIABILITY FUND

SEC. 103. (a) The President shall use the money in the Fund for the following purposes:

(1) payment of any claim for costs of removal or damages finally decided pursuant to section 104 of this title, resulting from discharges or threats of discharges of oil;

(2) all removal costs or expenses or other costs of carrying out the national contingency plan established under section 311(c) of the Federal Water Pollution Control Act resulting from discharges or threats of discharges of oil, including removal costs incurred by any person and approved under such national contingency plan;

(3) subject to such amounts as are provided in appropriation Acts, the costs of providing equipment and similar overhead, related to the purposes of this Act and section 311 of the Federal Water Pollution Control Act (with respect to discharges of oil), and of establishing and maintaining damage assessment capability, for any Federal agency involved in strike forces, emergency task forces, or other response teams under such national contingency plan;

(4) the costs of assessing both short-term and long-term injury to, destruction of, or loss of any natural resources resulting from a discharge of oil;

(5) the costs of Federal or State efforts in the restoration, rehabilitation, or replacement or acquiring the equivalent of any natural resources injured, destroyed, or lost as a result of any discharge of oil;

(6) subject to such amounts as are provided in appropriation Acts, not to exceed $10,000,000 per fiscal year, the costs of research related to the purposes of this Act and section 311 of the Federal Water Pollution Control Act (with respect to discharges of oil) to be performed by Federal agencies including the Environmental Protection Agency, the Fish and Wildlife Service, the Coast Guard, and the National Oceanic and Atmospheric Administration. Such research shall include, but not be limited to, (A) development and refinement of protocols to determine the type and extent of short- and long-term injury or loss of natural resources, (B) development and refinement of the best available procedures to identify the value of injured or lost resources, (C) laboratory or field research on the effects of oil on living and nonliving resources that will provide additional scientific basis for damage assessments, and (D) research on minimizing the damage caused by spill control, dispersal and removal operations; and

(7) subject to such amounts as are provided in appropriation Acts, the administrative and personnel costs of administering the Fund and this Act.

(b)(1) Claims against or presented to the Fund shall not be valid or paid in excess of the total money in the Fund at any one time. Such claims become valid only when additional money is collected, appropriated, or otherwise added to the Fund. Should the total claims outstanding at any time exceed the current balance of the Fund, the President shall pay such claims, to the extent authorized under this Act and subject to section 202(a), in full in the order in which they were finally determined.

(2) Paragraphs (2), (3), (4), (5), (6), and (7) of subsection (a) of this section shall in the aggregate be subject to such amounts as are provided in appropriation Acts.

(c) The President is authorized to promulgate regulations designating one or more Federal officials who may obligate money in the Fund in accordance with this section or portions thereof. The President is also authorized to delegate authority to obligate money in the Fund or to settle claims to officials of a State operating under a contract or cooperative agreement with the Federal Government.

(d) The President shall provide for the promulgation of rules and regulations with respect to the notice to be provided to potential injured parties by an owner and operator of any vessel, or facility from which oil has been discharged. Such rules and regulations shall consider the scope and form of the notice which would be appropriate to carry out the purposes of this title. Upon promulgation of such rules and regulations, the owner and operator of any vessel or facility from which oil has been discharged shall provide notice in accordance with such rules and regulations. With respect to releases from public vessels, the President shall pro-

vide such notification as is appropriate to potential injured parties. Until the promulgation of such rules and regulations, the owner and operator of any vessel or facility from which oil has been discharged shall provide reasonable notice to potential injured parties by publication in local newspapers serving the affected area.

(e)(1) In accordance with regulations promulgated under section 301(c) of Public Law 96-510, damages for injury to, destruction of, or loss of natural resources resulting from discharge of oil, for the purposes of this Act and section 311(f) (4) and (5) of the Federal Water Pollution Control Act, shall be assessed by Federal officials designated by the President under the national contingency plan published under section 311(c) of the Federal Water Pollution Control Act, and such officials shall act for the President as trustee under this section and section 311(f)(5) of the Federal Water Pollution Control Act.

(2) Any determination or assessment of damages for injury to, destruction of, or loss of natural resources for the purposes of this Act and section 311(f) (4) and (5) of the Federal Water Pollution Control Act shall have the force and effect of a rebuttable presumption on behalf of any claimant (including a trustee under section 102 of this Act or a Federal agency) in any judicial or adjudicatory administrative proceeding under this Act or section 311 of the Federal Water Pollution Control Act.

(f) Except in a situation requiring action to avoid an irreversible loss of natural resources or to prevent or reduce any continuing danger to natural resources or similar need for emergency action, funds may not be used under this Act for the restoration, rehabilitation, or replacement or acquisition of the equivalent of any natural resources until a plan for the use of such funds for such purposes has been developed and adopted by affected Federal agencies and the Governor or Governors of any State having sustained damage to natural resources within its borders, belonging to, managed by or appertaining to such State, after adequate public notice and opportunity for hearing and consideration of all public comment.

(g) The Inspector General of each department or agency to which responsibility to obligate money in the Fund is delegated shall provide an audit review team to audit all payments, obligations, reimbursements, or other uses of the Fund, to assure that the Fund is being properly administered and that claims are being appropriately and expeditiously considered. Each such Inspector General shall submit to the Congress an interim report one year after the establishment of the Fund and a final report two years after the establishment of the Fund. Each such Inspector General shall thereafter provide such auditing of the Fund as is appropriate. Each Federal agency shall cooperate with the Inspector General in carrying out this subsection.

CLAIMS PROCEDURE

SEC. 104. (a) All claims which may be asserted against the Fund pursuant to section 103 of this title shall be presented in the first instance to the owner, operator, or guarantor of the vessel or facility from which oil has been discharged, if known to the claimant and to any other person known to the claimant who may be liable under section 102 of this title. In any case where the claim has not been satisfied within sixty days of presentation in accordance with this subsection, the claimant may elect to commence an action in court against such owner, operator, guarantor, or other person or to present the claim to the Fund for payment.

(b)(1) The President shall prescribe appropriate forms and procedures for claims filed hereunder, which shall include a provision requiring the claimant to make a sworn verification of the claim to the best of his knowledge. Any person who knowingly gives or causes to be given any false information as a part of any such claim shall, upon conviction, be fined up to $5,000 or imprisoned for not more than one year, or both.

(2)(A) Upon receipt of any claim, the President shall as soon as practicable inform any known affected parties of the claim and shall attempt to promote and arrange a settlement between the claimant and any person who may be liable. If the claimant and alleged liable party or parties can agree upon a settlement, it shall be final and binding upon the parties thereto, who will be deemed to have waived all recourse against the Fund.

(B) Where a liable party is unknown or cannot be determined, the claimant and the President shall attempt to arrange settlement of any claim against the Fund. The President is authorized to award and make payment of such a settlement, subject to such proof and procedures as he may promulgate by regulation.

(C) Except as provided in subparagraph (D) of this paragraph, the President shall use the facilities and services of private insurance and claims adjusting organizations or State agencies in implementing this subsection and may contract to pay compensation for those facilities and services. Any contract made under the provisions of this paragraph may be made without regard to the provisions of section 3709 of the Revised Statutes, as amended (41 U.S.C. 5), upon a showing by the President that advertising is not reasonably practicable. When the services of a State agency are used hereunder, no payment may be made on a claim asserted on behalf of that State or any of its agencies or subdivisions unless the payment has been approved by the President.

(D) To the extent necessitated by extraordinary circumstances, where the services of such private organizations or State agencies are inadequate, the President may use Federal personnel to implement this subsection.

(3) If no settlement is reached within forty-five days of filing of a claim through negotiation pursuant to this section, the President may, if he is satisfied that the information developed during the processing of the claim warrants it, make and pay an award of the claim. If the claimant is dissatisfied with the award, he may appeal it in the manner provided for in subparagraph (G) of paragraph (4) of this subsection. If the President declines to make an award, he shall submit the claim for decision to a member of the Board of Arbitrators established pursuant to paragraph (4).

(4)(A) Within ninety days of the enactment of this Act, the President shall establish a Board of Arbitrators to implement this subsection. The Board shall consist of as many members as the President may determine will be necessary to implement this subsection expeditiously, and he may increase or decrease the size of the Board at any time in his discretion in order to enable it to respond to the demands of such implementation. Each member of the Board shall be selected through utilization of the procedures of the American Arbitration Association: *Provided, however,* That no regular employee of the President or any of the Federal departments, administrations, or agencies to whom he delegated responsibilities under this Act shall act as a member of the Board.

(B) Hearings conducted hereunder shall be public and shall be held in such place as may be agreed upon by the parties thereto, or, in the absence of such agreement, in such place as the President determines, in his discretion, will be most convenient for the parties thereto.

(C) Hearings before a member of the Board shall be informal, and the rules of evidence prevailing in judicial proceedings need not be required. Each member of the Board shall have the power to administer oaths and to subpena the attendance and testimony of witnesses and the production of books, records, and other evidence relative or pertinent to the issues presented to him for decision. Testimony may be taken by interrogatory or deposition. Each person appearing before a member of the Board shall have the right to counsel. Subpenas shall be issued and enforced in accordance with procedures in subsection (d) of section 555 of title 5, United States Code, and rules promulgated by the President. If a person fails or refuses to obey a subpena, the President may invoke the aid of the district court of the United States where the person is found, resides, or transacts business in requiring the attendance and testimony of the person and the production by him of books, papers, documents, or any tangible things.

(D) In any proceeding before a member of the Board, the claimant shall bear the burden of proving his claim. Should a member of the Board determine that further investigations, monitoring, surveys, testing, or other information gathering would be useful and necessary in deciding the claim, he may request the President in writing to undertake such activities. The President shall dispose of such a request taking into account various competing demands and the availability of the technical and financial capacity to conduct such studies, monitoring, and investigations. Should the President decide to undertake the requested actions, all time requirements for the processing and deciding of claims hereunder shall be suspended until the President reports the results thereof to the member of the Board.

(E) All costs and expenses approved by the President attributable to the employment of any member of the Board shall be payable from the Fund, including fees and mileage expenses for witnesses summoned by such members on the same basis and to the same extent as if such witnesses were summoned before a district court of the United States.

(F) All decisions rendered by members of the Board shall be in writing, with notification to all appropriate parties, and shall be rendered within ninety days of submission of a claim to a member, unless all the parties to the claim agree in writing to an extension or unless the President extends the time limit pursuant to subparagraph (I) of this subsection.

(G) All decisions rendered by members of the Board shall be final, and any party to the proceeding may appeal such a decision within thirty days of notification of the award or decision. Any such appeal shall be made to the Federal district court for the district where the arbitral hearing took place. In any such appeal, the award or decision of the member of the Board shall be considered binding and conclusive, and shall not be overturned except for arbitrary or capricious abuse of the member's discretion: *Provided, however,* That no such award or decision shall be admissible as evidence of any issue of fact or law in any proceeding brought under any other provision of this Act or under any other provision of law. Nor shall any prearbitral settlement reached pursuant to subsection (b)(2)(A) or this section be admissible as evidence in any such proceeding.

(H) Within twenty days of the expiration of the appeal period for any arbitral award or decision, or within twenty days of the final judicial determination of any appeal taken pursuant to this subsection, the President shall pay any such award from the Fund. The President shall determine the method, terms, and time of payment.

(I) If at any time the President deter-

mines that, because of a large number of claims arising from any incident or set of incidents, it is in the best interests of the parties concerned, he may extend the time for prearbitral negotiations or for rendering an arbitral decision pursuant to this subsection by a period not to exceed sixty days. He may also group such claims for submission to a member of the Board of Arbitrators.

(c)(1) Payment of any claim by the Fund under this section shall be subject to the United States Government acquiring by subrogation the rights of the claimant to recover those costs of removal or damages for which it has compensated the claimant from the person responsible or liable for such discharge.

(2) Any person, including the Fund, who pays compensation pursuant to this Act to any claimant for damages or costs of removal resulting from a discharge of oil shall be subrogated to all rights, claims, causes of action for such damages and costs of removal that the claimant has under this Act or any other law.

(3) Upon request of the President, the Attorney General shall commence an action on behalf of the Fund to recover any compensation paid by the Fund to any claimant pursuant to this title and, without regard to any limitation of liability, all interest, administrative and adjudicative costs, and attorney's fees incurred by the Fund by reason of the claim. Such an action may be commenced against any owner, operator or guarantor, or against any other person who is liable, pursuant to any law, to the compensated claimant or to the Fund, for the damages or costs for which compensation was paid.

(d) No claim may be presented, nor may an action be commenced for damages under this title, unless that claim is presented or action commenced within three years from the date of the discovery of the loss or the date of enactment of this Act, whichever is later.

(e) Regardless of any State statutory or common law to the contrary, no person who asserts a claim against the Fund pursuant to this title shall be deemed or held to have waived any other claim not covered or assertable against the Fund under this title arising from the same incident transaction, or set of circumstances, nor to have split a cause of action. Further, no person asserting a claim against the Fund pursuant to this title shall as a result of any determination of a question of fact or law made in connection with that claim be deemed or held to be collaterally estopped from raising such question in connection with any other claim not covered or assertable against the Fund under this title arising from the same incident, transaction, or set of circumstances.

FINANCIAL RESPONSIBILITY

SEC. 105. (a) The owner or operator of any vessel over three hundred gross tons (except a non-self-propelled barge that does not carry oil as cargo or fuel), other than a public vessel, using any port or place in the United States or the navigable waters or any offshore facility shall establish and maintain in accordance with the procedures of section 311(p) of the Federal Water Pollution Control Act evidence of financial responsibility sufficient to meet the liability to which the owner or operator of such vessel could be subjected under section 102(c)(1) of this Act. The provisions of paragraphs (4), (5), and (6) of such section 311(p) shall apply to any vessel, or the owner or operator thereof, subject to this section. This subsection shall take effect October 1, 1981.

(b)(1) The owner or operator of any offshore facility shall establish and maintain evidence of financial responsibility sufficient to meet the liability to which the owner or operator of such facility could be subject under section 102(c)(1) of this Act or $50,000,000, whichever is less. Such evidence of financial responsibility shall be established according to regulations prescribed by the President and comparable to that required under section 311(p) of the Federal Water Pollution Control Act. This subsection shall take effect one hundred and eighty days after enactment of this Act.

(2) The owner or operator of any offshore facility subject to this subsection who fails to comply with this subsection or the regulations prescribed thereunder shall be subject to a fine of not more than $10,000 per day of violation.

(3) Where an offshore facility is owned or operated by more than one person, evidence of financial responsibility covering the facility may be established and maintained by one of the owners or operators, in consolidated form, by or on behalf of two or more owners or operators. When evidence of financial responsibility is established in a consolidated form, the proportional share of each participant shall be shown. The evidence shall be accompanied by a statement authorizing the applicant to act for and in behalf of each participant in submitting and maintaining the evidence of financial responsibility.

(c)(1) Any claim authorized by this Act may be asserted directly against any guarantor for the owner or operator of the vessel or offshore facility from which oil was discharged. In defending such a claim, the guarantor may invoke all rights and defenses which would be available to the owner or operator under this Act. The guarantor may also invoke the defense that the incident was caused by the willful misconduct of the owner or operator, but such guarantor may not invoke any other defense that such guarantor might have been entitled to invoke in a proceeding brought by the owner or operator against such guarantor.

(2) The total liability under this Act of any guarantor shall be limited to the aggregate amount which the guarantor has provided as evidence of financial responsibility under this Act, or any higher amount for which that guarantor has agreed that claims under this Act may be asserted directly against that guarantor, except that nothing in this subsection shall be construed to limit the liability of a guarantor to the owner or operator for refusing to settle any claim in good faith, nor to alter the liability of any person under section 102 of this Act.

(d) Nothing in this Act shall affect the requirements for evidence of financial responsibility for motor carriers under section 30 of the Motor Carrier Act of 1980, Public Law 96-296.

RELATIONSHIP TO OTHER LAW

SEC. 106. Reserved.

AUTHORITY TO DELEGATE, ISSUE REGULATIONS

SEC. 107. The President is authorized to delegate and assign any duties or powers imposed upon or assigned to him and to promulgate any regulations necessary to carry out the provisions of this title.

TITLE II—TRUST FUND ESTABLISHMENT AND COLLECTIONS

ESTABLISHMENT OF OIL SPILL LIABILITY TRUST FUND

SEC. 201. (a) CREATION OF TRUST FUND.—There is established in the Treasury of the United States a trust fund to be known as the "Oil Spill Liability Trust Fund" (hereinafter referred to in this title as the "Trust Fund"), consisting of such amounts as may be appropriated or credited to such Trust Fund as provided in this section or as may be transferred to such Trust Fund under this Act.

(b) TRANSFER TO TRUST FUND OF CERTAIN AMOUNTS.—

(1) AMOUNTS EQUIVALENT TO CERTAIN COLLECTION, ETC.—There are hereby appropriated to the Trust Fund amounts determined by the Secretary of the Treasury (hereinafter referred to as the "Secretary") to be equivalent to—

(A) the amounts received in the Treasury under section 4691 of the Internal Revenue Code of 1954,

(B) the amounts recovered or collected on behalf of the Trust Fund under title I of this Act, and

(C) any penalties imposed under title I of this Act or under section 311 of the Federal Water Pollution Control Act (insofar as it relates to oil).

(2) TRANSFER OF FUNDS.—There shall be transferred to the Trust Fund—

(A) the unobligated balance remaining as of the date of enactment of this Act under section 311(k) of the Federal Water Pollution Control Act (and not transferred to the Hazardous Substance Response Trust Fund under Public Law 96-510),

(B) all assets of the Trans-Alaska Pipeline Liability Fund,

(C) all assets of the Deepwater Port Liability Fund, and

(D) all assets of the Offshore Oil Pollution Compensation Fund established under title III of the Outer Continental Shelf Lands Act Amendments of 1978.

(c) EXPENDITURES FROM TRUST FUND.—

(1) IN GENERAL.—Amounts in the Trust Fund shall be available only for purposes of making expenditures which are described in section 103 of this Act (as in effect on the date of the enactment of this Act).

(2) CLAIMS INCLUDE CERTAIN EXPENSES.—For purposes of paragraph (1), the amounts payable out of the Trust Fund shall include the costs incurred by the United States by reason of any claim under title I of this Act (including processing costs, investigating costs, court costs, and attorney fees).

LIMITATION ON PAYMENT OF CLAIMS BY FUND

SEC. 202. (a) GENERAL RULE.—No amount in the Trust Fund established by this title shall be used to pay any claim (other than a claim for removal costs) to the extent that the payment of such claim would reduce the amount in such Fund to an amount less than $30,000,000.

(b) ORDER IN WHICH UNPAID CLAIMS ARE TO BE PAID.—If at any time the Trust Fund established by this title is unable (by reason of subsection (a)) to pay all of the claims (other than for removal costs) payable out of such Trust Fund at such time, such claims shall, to the extent permitted under subsection (a), be paid in full in the order in which they were finally determined.

LIABILITY OF UNITED STATES LIMITED TO AMOUNT IN TRUST FUND

SEC. 203. (a) GENERAL RULE.—Any claim for damages filed against the Trust Fund established by this title may be paid only out of that Trust Fund. Nothing in this Act (or in any amendment made by this Act) shall authorize the payment by the United States Government of any additional amount for damages with respect to any such claim out of any source other than the Trust Fund established by this title.

(b) BORROWING FROM GENERAL FUND OF THE TREASURY.—

(1) IN GENERAL.—There are authorized to be appropriated to the Trust Fund established by this title, as repayable advances, such sums as may be necessary to carry out the purposes of the Fund.

(2) LIMITATIONS.—

(A) The maximum aggregate amount which may be appropriated pursuant to paragraph (1) to the Trust Fund which is outstanding at any one time shall not exceed $75,000,000.

(B) No advance may be made under this subsection after September 30, 1985.

(3) REPAYMENT OF ADVANCES.—Advances made pursuant to this paragraph shall be repaid, and interest on such advances shall be paid, to the general fund of the Treasury when the Secretary determines that moneys are available for such purposes in the Trust Fund. Such interest shall be at rates computed in the same manner as provided in section 204(b)(2) and shall be compounded annually.

ADMINISTRATIVE PROVISIONS

SEC. 204. (a) METHOD OF TRANSFER.—The amounts appropriated by section 201(b) shall be transferred at least monthly from the general fund of the Treasury to the Trust Fund on the basis of estimates made by the Secretary of the amounts referred to in such section. Proper adjustments shall be made in the amount subsequently transferred to the extent prior estimates were in excess of or less than the amounts required to be transferred.

(b) MANAGEMENT OF TRUST FUND.—

(1) REPORT.—The Secretary shall be the trustee of the Trust Fund established by this title, and shall report to the Congress for each fiscal year ending on or after September 30, 1981, on the financial condition and the results of the operations of the Trust Fund during that fiscal year and on its expected condition and operations during the next five fiscal years. This report shall be printed as a House document of the session of the Congress to which the report is made.

(2) INVESTMENT.—It shall be the duty of the Secretary to invest such portion of the Trust Fund established by this title as is not, in the judgment of the President, required to meet current withdrawals. Such investments shall be in public debt securities with maturities suitable for the needs of the Trust Fund and bearing interest at rates determined by the Secretary, taking into consideration current market yields on outstanding marketable obligations of the United States of comparable maturities, adjusted to the nearest one-eighth of 1 per centum. The income on such investments shall be credited to and form a part of the Trust Fund.

ADJUSTMENT IN TAX FOR BALANCE IN TRANS-ALASKA PIPELINE LIABILITY FUND

SEC. 205. (a) IN GENERAL.—If the Secretary of the Treasury (or his delegate) determines—

(1) that there is a TAP fund surplus, the amount of such surplus shall be treated as an advance payment of the tax imposed by section 4691 of the Internal Revenue Code of 1954 on crude oil first transported through the Trans-Alaska Pipeline after the date of such determination, or

(2) that there is a TAP fund deficit, the tax imposed by section 4691 on crude oil first transported through the Trans-Alaska Pipeline after the date of such determination shall be increased by 2 cents per barrel until such time as the total amount of such increased tax equals such deficit.

(b) DEFINITIONS.—For purposes of this section—

(1) TAP FUND SURPLUS.—The term "TAP fund surplus" means the excess (if any) of—

(A) the total amount of the assets transferred from the Trans-Alaska Pipeline Liability Fund to the Oil Spill Liability Trust Fund established by this title, over

(B) the amount certified by the Secretary of the Interior as the total amount of the claims outstanding against the Trans-Alaska Pipeline Liability Fund at the time of such transfer.

(2) TAP FUND DEFICIT.—The term "TAP fund deficit" means the excess (if any) of—

(A) the amount certified by the Secretary of the Interior as the total amount of the claims outstanding against the Trans-Alaska Pipeline Liability Fund at the time the assets of such fund are transferred to the Oil Spill Liability Trust Fund established by this title, over

(B) the total amount of the assets transferred from the Trans-Alaska Pipeline Liability Fund to the Oil Spill Liability Trust Fund established by this title.

IMPOSITION OF TAX

SEC. 206. (a) IN GENERAL.—Chapter 38 of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new subchapter:

"Subchapter C—Additional Tax on Petroleum

"Sec. 4691. Imposition of Tax.
"Sec. 4692. Definitions and Special Rules.

"SEC. 4691. IMPOSITION OF TAX.

"(a) GENERAL RULE.—There is hereby imposed a tax of 1.3 cents a barrel on—

"(1) crude oil received at a United States refinery, and

"(2) petroleum products entered into the United States for consumption, use, or warehousing.

"(b) TAX ON CERTAIN USES AND EXPORTATION.—

"(1) IN GENERAL.—If—

"(A) any domestic crude oil is used in or exported from the United States, and

"(B) before such use or exportation, no tax was imposed on such crude oil under subsection (a),

then a tax of 1.3 cents a barrel is hereby imposed on such crude oil.

"(2) EXCEPTION FOR USE ON PREMISES WHERE PRODUCED.—Paragraph (1) shall not apply to any use of crude oil for extracting oil or natural gas on the premises where such crude oil was produced.

"(c) PERSONS LIABLE FOR TAX.—

"(1) CRUDE OIL RECEIVED AT REFINERY.—The tax imposed by subsection (a)(1) shall be paid by the operator of the United States refinery.

"(2) IMPORTED PETROLEUM PRODUCTS.—The tax imposed by subsection (a)(2) shall be paid by the person entering the product for consumption, use, or warehousing.

"(3) TAX ON CERTAIN USES OR EXPORTS.—The tax imposed by subsection (b) shall be paid by the person using or exporting the crude oil, as the case may be.

"(d) TERMINATION.—The taxes imposed by this section shall not apply after September 30, 1986.

"SEC. 4692. DEFINITIONS AND SPECIAL RULES.

"(a) DEFINITIONS.—For purposes of this subchapter—

"(1) CRUDE OIL.—The term 'crude oil' includes crude oil condensates and natural gasoline.

"(2) DOMESTIC CRUDE OIL.—The term 'domestic crude oil' means any crude produced from a well located in the United States.

"(3) PETROLEUM PRODUCT.—The term "petroleum product' includes crude oil.

"(4) UNITED STATES.—

"(A) IN GENERAL.—The term 'United States' means the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, any possession of the United States, the Commonwealth of the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

"(B) UNITED STATES INCLUDES CONTINENTAL SHELF AREAS.—The principles of section 638 shall apply for purposes of the term 'United States'.

"(C) UNITED STATES INCLUDES FOREIGN TRADE ZONES.—The term 'United States' includes any foreign trade zone of the United States.

"(5) UNITED STATES REFINERY.—The term 'United States refinery' means any facility in the United States at which crude oil is refined.

"(6) REFINERIES WHICH PRODUCE NATURAL GASOLINE.—In the case of any United States refinery which produces natural gasoline from natural gas, the gasoline so produced shall be treated as received at such refinery at the time so produced.

"(7) PREMISES.—The term 'premises' has the same meaning as when used for purposes of determining gross income from the property under section 613.

"(8) BARREL.—The term 'barrel' means 42 United States gallons at sixty degrees Fahrenheit.

"(9) FRACTIONAL PART OF BARREL.—In the case of a fraction of a barrel, the tax imposed by section 4691 shall be the same fraction of the amount of such tax imposed on a whole barrel.

"(b) ONLY ONE TAX IMPOSED WITH RESPECT TO ANY PRODUCT.—No tax shall be imposed under section 4691 with respect to any petroleum product if the person who would be liable for such tax establishes that a prior tax has been imposed by such section with respect to such product.

"(c) DISPOSITION OF REVENUES FROM PUERTO RICO AND THE VIRGIN ISLANDS.—The provisions of subsections (a)(3) and (b)(3) of section 7652 shall not apply to any tax imposed by section 4691.".

(b) CONFORMING AMENDMENT.—The table of subchapters for chapter 38 is amended by adding at the end thereof the following new item:

"Subchapter C. Additional Tax on Petroleum.".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on April 1, 1981.

TITLE III—MISCELLANEOUS PROVISIONS

EFFECTIVE DATES, SAVINGS PROVISION

SEC. 301. (a) Unless otherwise provided, all provisions of this Act shall be effective on the date of enactment of this Act.

(b) Any regulation issued pursuant to any provisions of section 311 of the Clean Water Act which is repealed or superseded by this Act and which is in effect on the date immediately preceding the effective date of this Act shall be deemed to be a regulation issued pursuant to the authority of this Act and shall remain in full force and effect unless or until superseded by new regulations issued thereunder.

(c) Any regulation—

(1) respecting financial responsibility,

(2) issued pursuant to any provision of law repealed or superseded by this Act, and

(3) in effect on the date immediately preceding the effective date of this Act shall be deemed to be a regulation issued pursuant to the authority of this Act and shall remain in full force and effect unless or until superseded by new regulations issued thereunder.

(d) Nothing in this Act shall affect or modify in any way the liabilities of any person under other Federal or State law, including common law, with respect to releases of oil. The provisions of this Act shall not be considered, interpreted, or construed in any way as reflecting a determination, in part or whole, of policy regarding the inapplicability of strict liability, or strict liability doctrines, to activities relating to oil discharges, or pollution.

LITIGATION, JURISDICTION, AND VENUE

SEC. 302. (a) Review of any regulation promulgated under this Act may be had upon application by any interested person only in the Circuit Court of Appeals of the United States for the District of Columbia. Any such application shall be made within ninety days from the date of promulgation of such regulations. Any matter with respect to which review could have been obtained under this subsection shall not be subject to judicial review in any civil or criminal proceeding for enforcement or to obtain damages or recovery of removal costs.

(b) Except as provided in subsection (a) of this section, the United States district courts shall have exclusive original jurisdic-

tion over all controversies arising under this Act, without regard to the citizenship of the parties or the amount in controversy. Venue shall lie in any district in which the discharge or damages occurred, or in which the defendant resides, may be found, or has his principal office. For the purposes of this section, the Fund shall reside in the District of Columbia.

(c) The provisions of subsections (a) and (b) of this section shall not apply to any controversy or other matter resulting from the assessment of collection of any tax, as provided by title II of this Act, or to the review of any regulation promulgated under the Internal Revenue Code of 1954.

(d) No provision of this Act shall be deemed or held to moot any litigation concerning any discharge of oil, or any damages associated therewith, commenced prior to enactment of this Act.

CONFORMING AMENDMENTS

SEC. 304. (a) TRANS-ALASKA PIPELINE AUTHORIZATION ACT.—(1) Section 204(b) of the Trans-Alaska Pipeline Authorization Act (87 Stat. 586) is amended, in the first sentence—

(A) by inserting after the words "any area" the words "in the State of Alaska";

(B) by inserting after the words "any activities" the words "related to the Trans-Alaska Oil Pipeline"; and

(C) by inserting at the end of the subsection the following new sentence: "This subsection shall not apply to removal costs covered by the Oil Spill Liability and Compensation Act of 1981.".

(2)(A) Section 204(c) of the Trans-Alaska Pipeline Authorization Act is hereby repealed. The Trans-Alaska Pipeline Liability Fund is hereby abolished. All assets of that fund, as of the effective date of this section, shall be transferred to the Oil Spill Liability Trust Fund established by title II of this Act. The Oil Spill Liability Trust Fund shall assume any and all liability incurred by the Trans-Alaska Pipeline Liability Fund under the terms of section 204(c) of the Trans-Alaska Pipeline Authorization Act, and shall assume all liability incurred by the officers or trustees in the execution of their duties involving the Trans-Alaska Pipeline Liability Fund, other than the liability of those officers or trustees for gross negligence or willful misconduct.

(B) The Secretary of the Interior shall certify to the Secretary of the Treasury the total amount of the claims outstanding against the Trans-Alaska Pipeline Liability Fund at the time the transfer of assets required under paragraph (A) is made. If the Secretary finds that—

(i) the total amount of the assets so transferred is greater than the total amount of the outstanding claims so certified, subject to subparagraph (D) of this paragraph the difference between the amount of the assets so transferred and the amount of the outstanding claims so certified shall constitute an advance payment toward payment of the tax due under title II of this Act on barrels of oil, and the Secretary may remit such tax until such time as the total amount of the taxes so remitted equals the difference between the amount of the assets so transferred and the amount of the outstanding claims so certified; or

(ii) the total amount of the assets so transferred is less than the total amount of the outstanding claims so certified, the Secretary of the Treasury shall increase by 2 cents per barrel the tax imposed under title II on barrels of oil until such time as the total amount of the 2-cent-per-barrel increase so collected equals the difference between the amount of the certified outstanding claims and the amount of the transferred assets.

(C) If an owner of oil (as that term is used in section 204(c)(5) of the Trans-Alaska Pipeline Authorization Act) who prior to enactment of this Act paid fees to the operator of the pipeline for transfer to the Trans-Alaska Pipeline Liability Fund receives the benefit of an advance payment under subparagraph (B)(i) of this paragraph for the collection or payment of taxes established under title II of this Act, such owner of oil shall compute, based upon accepted accounting procedures, what the oil production tax and what the royalty paid to the State of Alaska would have been had payments not been made to the Trans-Alaska Pipeline Liability Fund in the amount of fees remitted. The difference between the amounts so computed and amounts actually paid to the State of Alaska shall be paid by each such owner to the State of Alaska. Such owner shall make such payment to the State of Alaska during such time the collection of payment of taxes under title II of this Act is remitted.

(D) For purposes of paragraph (B), the term "barrels of oil" means only barrels of oil which would, but for the repeal made by this paragraph, be subject to the fee imposed under section 204(c)(5) of the Trans-Alaska Pipeline Authorization Act. The term "Secretary" means the Secretary of the Treasury.

(b) INTERVENTION ON THE HIGH SEAS ACT.—Section 17 of the Intervention on the High Seas Act (88 Stat. 10) is amended to read as follows:

"SEC. 17. The Fund established under title II of the Oil Spill Liability and Compensation Act of 1981 shall be available to the Secretary for actions taken under section 5 of this Act.".

(c) FEDERAL WATER POLLUTION CONTROL ACT.—Section 311 of the Federal Water Pollution Control Act is amended as follows:

(1) Clause (H) of paragraph (2) of subsection (c) is amended by inserting after the words "of this section" the words "or the fund established under title II of the Oil Spill Liability and Compensation Act of 1981, as appropriate,".

(2) The unobligated balance remaining as of the date of enactment of this Act under subsection (k) of such section 311 shall be transferred to the Fund established under title II of this Act.

(d) DEEPWATER PORT ACT.—The Deepwater Port Act of 1974 (88 Stat. 2126) is amended as follows:

(1) In section 4(c)(1) strike "section 18 (1) of this Act;" and insert in lieu thereof "section 105 of the Oil Spill Liability and Compensation Act of 1981.".

(2) Subsections (b), (d), (e), (f), (g), (h), (i), (j), (l), (n), and clause (1) of subsection (m) of section 18 are deleted.

(3) Clause (3) of subsection (c) of section 18 is amended by striking "Deepwater Port Liability Fund established pursuant to subsection (f) of this section.", and inserting in lieu thereof "fund established under title II of the Oil Spill Liability and Compensation Act of 1981".

(4) Subsections (c), (k), and (m) of section 18 are redesignated (b), (c), and (d), respectively, and clauses (2), (3), and (4) of subsection (m) are redesignated (1), (2), and (3), respectively.

(e) OUTER CONTINENTAL SHELF LANDS ACT AMENDMENTS.—Title III of the Outer Continental Shelf Lands Act Amendments of 1978 is hereby repealed.

STUDY

SEC. 304. The President, in cooperation with the Comptroller General shall undertake a study of possible incentives to safer operation of vessels and facilities to reduce the potential of discharges of oil, and generally of measures to prevent or avoid the occurrence of such discharges. Such study shall address (1) the feasibility of a variable fee for replenishment of the Fund under subsection (c) of this section which takes into account the likelihood of a discharge and the operational experience of individuals or classes, and (2) whether current practices in the insurance and banking industries provide any incentives or disincentives to reducing the potential for discharges of oil. Such study shall be conducted in consultation with other appropriate Federal and State agencies, the affected industries, and other interested parties. A first report of such study, together with legislative recommendations, if any, shall be submitted to the Congress not later than July 1, 1983, and as appropriate thereafter.

SEPARABILITY

SEC. 305. If any provision of this Act, or the application of any provision of this Act to any person or circumstance, is held invalid, the application of such provision to other persons or circumstances and the remainder of this Act shall not be affected thereby.

AMENDMENT NO. 6

On page 31, strike lines 12 and 13 and add a new title and subsection as follows:

"PROTECTION ON PREEMPTION

"SEC. 106. Nothing in this Act shall be construed or interpreted as preempting any State from imposing any additional liabilities or requirements with respect to oil pollution, spills, discharges or other releases within such State."

Mr. CHAFEE. Mr. President, I would like to congratulate the distinguished senior Senator from Vermont for the work he has done on this piece of legislation.

This bill is an effort to try to protect our coastlines from the serious threat of oilspills. It is particularly important to Rhode Island and New England because all of our petroleum is imported into the region, much of it by barge and tanker. It is important that a comprehensive liabiliy system becomes law so that oil shippers will have an incentive to handle their product more carefully.

Under the legislation, shippers will have to demonstrate a significant financial responsibility in order to carry petroleum products on U.S. waters. For a vessel carrying oil as its cargo, the liability is $300 per gross ton, or $500,000, whichever is greater. For any other vessel, the liability is $300 per gross ton. Deepwater ports and Outer Contenental Shelf facilities will have a liability of $50 million.

In addition to establishing a comprehensive liability system for handling damages, the bill also establishes a trust fund. This fund, which will be filled by a 1.3-cent-per-barrel fee on oil received in the United States, will be used to compensate persons injured or damaged by spills, and for cleanup of the spills themselves.

If passed, the legislation will provide greater protection for our coastal ecosystems from the chance of catastrophic spills because of these new requirements to be placed on shippers.

The Subcommittee on Environmental Pollution and Resource Protection will hold several days of hearings on the bill later this month. Those hearings will focus on the relationship of this program to existing State programs, as well as the financial burden that this will place on those persons engaged in the business of handling oil.

Mr. MITCHELL. Mr. President, I am

pleased to cosponsor the Oil Spill Liability and Compensation Act of 1981. This legislation will provide a comprehensive system of liability and compensation for damage resulting from oil spills.

A uniform solution to potential catastrophes from oil pollution is long overdue. Those of us who represent coastal States are well aware of the dangers of oil spills. Many of our citizens depend on water resources for their livelihood—from fishing, tourism, and other marine-related activities.

Recent events have highlighted the problem of massive oil spills. In December of 1976, the *Argo Merchant* ran aground 27 miles southeast of Nantucket Island, spilling 8.5 million gallons of fuel oil. The entire Cape Cod coastline was threatened with devastation, which would have occurred had the oil not been blown out to sea. However, the mere threat of millions of gallons of oil washing ashore was sufficient to alert New Englanders to the enormous potential harm of oil spills.

The expense to the United States just to monitor this disaster was approximately $2 million.

The devastation of natural resources that was feared from the wreck of *Argo Merchant* actually occurred 2 years later when the *Amoco Cadiz* went aground off the coast of France. The 240,000-ton supertanker lost its entire cargo of 67 million gallons of oil. The estimates of total claims for damage to real and personal property and to natural resources are over $1 billion.

This country will continue to use petroleum products and the risks associated with transportation of those products will remain with us for the foreseeable future. This bill is an attempt to put into place a comprehensive law to provide adequate and timely compensation to persons who have been victims of oil pollution.

Our bill does this in the following manner:

An owner or operator of a vessel carrying oil is made strictly liable for the discharge of oil into the navigable waters of the United States;

The discharger is responsible for the costs of cleanup of the oil, as well as for damage to a person's real or personal property, a person's loss of use of natural resources, and a person's loss of income resulting from an oil spill;

The discharger is also responsible for compensating the Federal Government, or a State government, for injury to its natural resources;

A fund is established through a fee on each barrel of oil produced in or imported into the United States to provide cleanup costs and compensation for damage resulting from oil spills, when the damage exceeds the limits of the owner's liability or the responsible party cannot be found; and

States retain their ability to enact oil pollution statutes, financed by fees on oil, to provide funds for oil cleanup and compensation to individuals over and above the Federal coverage.

Mr. President, the State of Maine has been in the forefront in enacting comprehensive oil spill legislation. We have long recognized that our water resources are an invaluable and irreplaceable part of our State economy.

In 1969, we enacted the Maine coastal conveyance law. It imposes strict liability for the discharge of oil into any coastal waters, estuaries, tidal flats, beaches and lands adjoining the seacoast of the State, or into any river, stream, sewer, surface water drain, or other waters of the State.

It establishes the Maine Coastal Protection Fund, financed through a 1-cent-per-barrel fee on oil offloaded at a Maine port. The fund provides for the cleanup of oil spills, and for compensation to third parties for damages to real or personal property, or loss of income directly or indirectly as a result of an oil discharge.

The Maine statute remains one of the strongest in the country. But since the Maine law imposes liability only for spills into the State waters and the Maine fee is imposed only on oil contained in vessels which come directly into Maine ports, it does not deal with tankers which pass through the Gulf of Maine enroute to or from other American ports. Obviously, a comprehensive Federal law is needed to provide minimum protection from oil pollution damage. But any State wishing to impose a greater degree of protection for its resources must be permitted to do so. I could not, in good conscience, support legislation that preempts the right of Maine to compensate its citizens more fully than would any Federal law in the event of an oil spill.

Mr. President, there is an urgent need to enact an oil pollution statute that will provide minimum Federal cleanup and compensation requirements.

In this bill, we provide a nonregulatory mechanism to accomplish that end. We are not imposing additional regulations on those who handle oil; we are simply prescribing the consequences for failure to handle oil in an environmentally acceptable manner.

We are at the same time permitting States to continue to provide additional protection for their natural resources if they so desire.

This bill will be given expedited consideration by the Environment and Public Works Committee on which I serve. I look forward to participating in the hearings and committee action on this legislation.

● Mr. PACKWOOD. Mr. President, today legislation is being introduced that will provide compensation to parties damaged by oil spills, and provide uniformity of compensation by combining a number of Federal compensation schemes into one. I, and two other members of the Senate Committee on Commerce, Science, and Transportation, Senators CANNON and GORTON, have agreed to cosponsor this legislation along with several members of the Senate Environment and Public Works Committee. In the past, all oil spill superfund legislation has been jointly referred to our two committees. Because both committees have recognized that such legislation contains substantial areas of interest and concern peculiar to each committee, we have again agreed to a joint referral. This represents a positive first step in developing legislation that is acceptable to the entire Senate, the House of Representatives and the administration.

The interest of the Commerce Committee in this legislation is substantial. Virtually all modes of transportation are affected: Railroads, motor carriers, aircraft, pipelines, and vessels. This legislation involves the activities of the Outer Continental Shelf, the ports and highways of our Nation, and the integrity of our coastal zone resources, including marine fisheries. The objective of the Commerce Committee in dealing with this legislation is to balance the needs of industry and interstate commerce with the necessity to protect our marine resources. The impact of this legislation can affect the smallest domestic business establishments as well as large multinational corporations.

I want the legislation to be workable and effective and to encourage that appropriate responses to oil spills be undertaken by the responsible parties. The legislation should encourage and afford small businesses the opportunity to obtain insurance, where appropriate, for liabilities which they might incur under this act. I want both private and public sector entities to be compensated for damages resulting from oil spills. Such damages should be compensated with a minimum of judicial involvement, and claims should be paid promptly and fairly.

The present legislation attempts to accomplish the goals set out above. Although our two committees have enjoyed an extremely close working relationship during the development of this bill, it is, indeed, possible that changes will have to be made and compromises reached. The close examination of the proposed legislation resulting from committee hearings will highlight those portions of the legislation that will require additional consideration.

Lastly, let me state that both committees have agreed to develop language concerning the relationship between this bill and certain other States and Federal laws. As the legislative process moves along, and as both committees have a clearer view of the ultimate content of the legislation, I am certain that satisfactory language on the above subject can be worked out.

Mr. President, in closing, let me say I look forward to working with my colleagues from the Environment and Public Works Committee on this legislation which is of such importance to our Nation.●

By Mr. RIEGLE (for himself, Mr. EXON, Mr. PRESSLER, Mr. JOHNSTON, Mr. PRYOR, Mr. ANDREWS, Mr. ABDNOR, Mr. ZORINSKY, Mrs. HAWKINS, Mr. CRANSTON, Mr. DECONCINI, Mr. LAXALT, Mr. LEVIN, Mr. SASSER, Mr. GRASSLEY, Mr. WILLIAMS, and Mr. DIXON):

S. 682. A bill to place a moratorium on decisions by the Federal Trade Commission in shared monopoly proceedings un-

til the Congress establish the existence of the violation and defines its elements; to the Committee on the Judiciary.

MORATORIUM ON SHARED MONOPOLY CASES

● Mr. LEVIN. Mr. President, my decision to cosponsor the bill introduced by Senator RIEGLE today which places a moratorium on the Federal Trade Commission's shared monopoly cases, is based upon my belief that the shared monopoly doctrine which is being proposed by the FTC, if it exists at all in the antitrust laws, should be pursued by the Justice Department before a Federal judge. A theory, so vague and vast in its reach, should be delineated in the first instance by the Congress or courts, not by an administrative agency.●

By Mr. BAKER (for Mr. DOLE) (for himself, Mr. BAKER, Mr. ROTH, Mr. STEVENS, Mr. DANFORTH, Mr. CHAFEE, Mr. HEINZ, Mr. WALLOP, Mr. DURENBERGER, Mr. ARMSTRONG, Mr. SYMMS, Mr. GRASSLEY, Mr. KASTEN, Mr. JEPSEN, Mr. BOSCHWITZ, Mr. LAXALT, Mr. PERCY, Mr. THURMOND, Mr. HUMPHREY, Mr. WARNER, Mr. TOWER, Mr. HATCH, Mr. SCHMITT, Mr. HAYAKAWA, Mr. GARN, Mr. COHEN, Mr. ANDREWS, Mr. SIMPSON, Mrs. HAWKINS, Mr. MURKOWSKI, Mr. HELMS, Mr. EAST, Mr. MATTINGLY, Mr. QUAYLE, Mr. DOMENICI, Mr. NICKLES, Mr. RUDMAN, Mr. MCCLURE, Mr. ABDNOR, Mr. COCHRAN, Mr. LUGAR, Mr. GOLDWATER, Mr. PRESSLER, Mr. D'AMATO, Mr. STAFFORD, and Mrs. KASSEBAUM) (by request):

S. 683. A bill to amend the Internal Revenue Code of 1954 to encourage economic growth through reduction of the tax rates for individual taxpayers and acceleration of capital cost recovery of investment in plant, equipment, and real property; to the Committee on Finance.

ECONOMIC RECOVERY TAX ACT OF 1981

(The remarks of Mr. DOLE, Mr. BAKER, Mr. ROTH, Mr. STEVENS, and Mr. CHAFEE appear earlier in today's RECORD.)

The text of the bill reads as follows:

S. 683

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

SECTION 1. SHORT TITLE; TABLE OF CONTENTS; AMENDMENTS OF 1954 CODE.

(a) SHORT TITLE.—This Act may be cited as the "Economic Recovery Tax Act of 1981".

(b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents; amendment of 1954 code.

TITLE I—INDIVIDUAL TAX RATE CUTS

Sec. 101. Reduction in individual rates.
Sec. 102. Reduction in alternative minimum tax.

TITLE II—INCENTIVES FOR PLANT, EQUIPMENT, AND REAL PROPERTY

Sec. 201. Accelerated cost recovery for plant and equipment.
Sec. 202. Accelerated and simplified cost recovery of certain real property.
Sec. 203. Shorter period requirements for investment tax credit.
Sec. 204. Amendments relating to depreciation.
Sec. 205. Disposition of recovery property subject to recapture under section 1245.
Sec. 206. Minimum tax amendment.
Sec. 207. Earnings and profits.
Sec. 208. Extension of carryover period for net operating loses and certain credits.
Sec. 209 Carryover of recovery attribute in section 381 transactions.
Sec. 210. Effective dates.

(c) AMENDMENT OF 1954 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

TITLE I—INDIVIDUAL TAX RATE CUTS

SEC. 101. REDUCTION IN INDIVIDUAL RATES.

(a) IN GENERAL.—Section 1 (relating to tax imposed) is amended by striking out subsections (a), (b), (c), and (d) and inserting in lieu thereof the following:

"(a) GENERAL RULE.—There is hereby imposed on the taxable income, for the taxable years beginning in the calendar years specified in subsection (b), of every—

"(1) married individual (as defined in section 143) who makes a single return jointly with his spouse under section 6013, and every surviving spouse (as defined in section 2(a)), a tax determined under the applicable schedule for the taxable year,

"(2) head of a household (as defined in section 2(b)), a tax determined under the applicable schedule for the taxable year,

"(3) individual (other than a surviving spouse as defined in section 2(a) or the head of a household as defined in section 2(b)) who is not a married individual (as defined in section 143) a tax determined under the applicable schedule for the taxable year,

"(4) a married individual (as defined in section 143) who does not make a single return jointly with his spouse under section 6013 a tax determined under the applicable schedule for the taxable year, and

"(5) estate and trust a tax determined under the applicable schedule for the taxable year,

"(b) APPLICABLE SCHEDULES.—

"(1) APPLICATION OF SCHEDULES TO INDIVIDUALS.—For purposes of subsection (a) the applicable schedule for—

"(A) individuals described in subsection (a)(1) is schedule 1,

"(B) individuals described in subsection (a)(2) is schedule 2,

"(C) individuals described in subsection (a)(3) is schedule 3,

"(D) individuals described in subsection (a)(4) is schedule 4, and

"(E) estate and trusts described in subsection (a)(5) is schedule 5.

"(2) APPLICATION OF SCHEDULES TO CALENDAR YEAR 1981.—The schedules in effect for taxable years beginning in 1981 are as follows:

"(A) SCHEDULE 1.—MARRIED INDIVIDUAL FILING JOINT RETURNS AND SURVIVING SPOUSES

If taxable income is:	The tax is:
Not over $3,400	No tax.
Over $3,400 but not over $5,500.	13% of the excess over $3,400.
Over $5,500 but not over $7,600.	$273 plus 15% of the excess over $5,500.
Over $7,600 but not over $11,900.	$588 plus 17% of the excess over $7,600.
Over $11,900 but not over $16,000.	$1,319 plus 20% of the excess over $11,900.
Over $16,000 but not over $20,000.	$2,139 plus 23% of the excess over $16,000.
Over $20,200 but not over $24,600.	$3,105 plus 27% of the excess over $20,200.
Over $24,600 but not over $29,900.	$4,293 plus 30% of the excess over $24,600.
Over $29,900 but not over $35,200.	$5,883 plus 35% of the excess over $29,900.
Over $35,200 but not over $45,800.	$7,738 plus 41% of the excess over $35,200.

"(A) SCHEDULE 1.—MARRIED INDIVIDUAL FILING JOINT RETURNS AND SURVIVING SPOUSES—Continued

Over $45,800 but not over $60,000.	$12,084 plus 47% of the excess over $45,800.
Over $60,000 but not over $85,600.	$18,758 plus 51% of the excess over $60,000.
Over $85,600 but not over $109,400.	$31,814 plus 56% of the excess over $85,600.
Over $109,400 but not over $162,400.	$45,142 plus 61% of the excess over $109,400.
Over $162,400 but not over $215,400.	$77,472 plus 65% of the excess over $162,400.
$215,400 and over	$111,922 plus 66% of the excess over $215,400.

"(B) SCHEDULE 2.—HEADS OF HOUSEHOLDS

If taxable income is:	The tax is:
Not over $2,300	No tax.
Over $2,300 but not over $4,400.	13% of the excess over $2,300.
Over $4,400 but not over $6,500.	$273 plus 15% of the excess over $4,400.
Over $6,500 but not over $8,700.	$588 plus 17% of the excess over $6,500.
Over $8,700 but not over $11,800.	$962 plus 21% of the excess over $8,700.
Over $11,800 but not over $15,000.	$1,613 plus 23% of the excess over $11,800.
Over $15,000 but not over $18,200.	$2,349 plus 25% of the excess over $15,000.
Over $18,200 but not over $23,500.	$3,149 plus 29% of the excess over $18,200.
Over $23,500 but not over $28,800.	$4,686 plus 34% of the excess over $23,500.
Over $28,800 but not over $34,100.	$6,488 plus 40% of the excess over $28,800.
Over $34,100 but not over $44,700.	$8,608 plus 44% of the excess over $34,100.
Over $44,700 but not over $60,600.	$13,272 plus 51% of the excess over $44,700.
Over $60,600 but not over $81,800.	$21,381 plus 56% of the excess over $60,600.
Over $81,800 but not over $108,300.	$33,253 plus 60% of the excess over $81,800.
Over $108,300 but not over $161,300.	$49,153 plus 65% of the excess over $108,300.
$161,300 and over	$83,603 plus 66% of the excess over $161,300.

"(C) SCHEDULE 3.—UNMARRIED INDIVIDUALS (OTHER THAN SURVIVING SPOUSES AND HEADS OF HOUSEHOLDS)

If taxable income is:	The tax is:
Not over $2,300	No tax.
Over $2,300 but not over $3,400.	10% of the excess over $2,000.
Over $3,400 but not over $4,400.	$143 plus 15% of the excess over $3,400.
Over $4,400 but not over $6,500.	$293 plus 17% of the excess over $4,400.
Over $6,500 but not over $8,500.	$650 plus 18% of the excess over $6,500.
Over $8,500 but not over $10,800.	$1,010 plus 20% of the excess over $8,500.
Over $10,800 but not over $12,900.	$1,470 plus 23% of the excess over $10,800.
Over $12,900 but not over $15,000.	$1,953 plus 25% of the excess over $12,900.
Over $15,000 but not over $18,200.	$2,478 plus 28% of the exess over $15,000.
Over $18,200 but not over $23,500.	$3,374 plus 32% of the excess over $18,200.
Over $23,500 but not over $28,800.	$5,070 plus 37% of the excess over $23,500.
Over $28,800 but not over $34,100.	$7,031 plus 42% of the excess over $28,800.
Over $34,100 but not over $41,500.	$9,257 plus 47% of the excess over $34,100.
Over $41,500 but not over $55,300.	$12,735 plus 52% of the excess over $41,500.
Over $55,300 but not over $81,800.	$19,911 plus 60% of the excess over $55,300.
Over $81,800 but not over $108,300.	$35,811 plus 65% of the excess over $81,800.
$108,300 and over	$53,036 plus 66% of the excess over $108,300.

"(D) SCHEDULE 4.—MARRIED INDIVIDUALS FILING SEPARATE RETURNS:

If taxable income is:	The tax is:
Not over $1,700	No tax.
Over $1,700 but not over $2,750.	13% of the excess over $1,700.
Over $2,750 but not over $3,800.	$136.50 plus 15% of the excess over $2,750.
Over $3,800 but not over $5,950.	$294 plus 17% of the excess over $3,800.
Over $5,950 but not over $8,000.	$659.50 plus 20% of the excess over $5,950.
Over $8,000 but not over $10,100.	$1,069.50 plus 23% of the excess over $8,000.
Over $10,100 but not over $12,300.	$1,552.50 plus 27% of the excess over $10,100.
Over $12,300 but not over $14,950.	$2,146.50 plus 30% of the excess over $12,300.
Over $14,950 but not over $17,600.	$2,941.50 plus 35% of the excess over $14,950.
Over $17,600 but not over $22,900.	$3,869 plus 41% of the excess over $17,600.

"(D) SCHEDULE 4.—MARRIED INDIVIDUALS FILING SEPARATE RETURNS—Continued

Over $22,900 but not over $30,000.	$6,042 plus 47% of the excess over $22,900.
Over $30,000 but not over $42,800.	$9,379 plus 51% of the excess over $30,000.
Over $42,800 but not over $54,700.	$15,907 plus 56% of the excess over $42,800.
Over $54,700 but not over $81,200.	$22,571 plus 61% of the excess over $54,700.
Over $81,200 but not over $107,700.	$38,736 plus 65% of the excess over $81,200.
$107,700 and over	$55,961 plus 66% of the excess over $107,700.

"(E) SCHEDULE 5.—ESTATES AND TRUSTS

If taxable income is:	The tax is:
Not over $1,050	13% of taxable income.
Over $1,050 but not over $2,100.	$136.50 plus 15% of the excess over $1,050.
Over $2,100 but not over $4,250.	$294 plus 17% of the excess over $2,100.
Over $4,250 but not over $6,300.	$659.50 plus 20% of the excess over $4,250.
Over $6,300 but not over $8,400.	$1,069.50 plus 23% of the excess over $6,300.
Over $8,400 but not over $10,600.	$1,552.50 plus 27% of the excess over $8,400.
Over $10,600 but not over $13,250.	$2,146.50 plus 30% of the excess over $10,600.
Over $13,250 but not over $15,900.	$2,941.50 plus 35% of the excess over $13,250.
Over $15,900 but not over $21,200.	$3,869 plus 41% of the excess over $15,900.
Over $21,200 but not over $28,300.	$6,042 plus 47% of the excess over $21,200.
Over $28,300 but not over $41,100.	$9,379 plus 51% of the excess over $28,300.
Over $41,100 but not over $53,000.	$15,907 plus 56% of the excess over $41,100.
Over $53,000 but not over $79,500.	$22,571 plus 61% of the excess over $53,000.
Over $79,500 but not over $106,000.	$38,736 plus 65% of the excess over $79,500.
$106,000 and over	$55,961 plus 66% of the excess over $106,000.

"(3) APPLICATION OF SCHEDULES TO CALENDAR YEAR 1982.—The schedules in effect for taxable years beginning in 1982 are as follows:

"(A) SCHEDULE 1.—MARRIED INDIVIDUALS FILING JOINT RETURNS AND SURVIVING SPOUSES

If taxable income is:	The tax is:
Not over $3,400	No tax.
Over $3,400 but not over $5,500.	12% of the excess over $3,400.
Over $5,500 but not over $7,600.	$252 plus 14% of the excess over $5,500.
Over $7,600 but not over $11,900.	$546 plus 15% of the excess over $7,600.
Over $11,900 but not over $16,000.	$1,191 plus 18% of the excess over $11,900.
Over $16,000 but not over $20,200.	$1,929 plus 21% of the excess over $16,000.
Over $20,200 but not over $24,600.	$2,811 plus 24% of the excess over $20,200.
Over $24,600 but not over $29,900.	$3,867 plus 27% of the excess over $24,600.
Over $29,900 but not over $35,200.	$5,298 plus 31% of the excess over $29,900.
Over $35,200 but not over $45,800.	$6,941 plus 37% of the excess over $35,200.
Over $45,800 but not over $60,000.	$10,863 plus 42% of the excess over $45,800.
Over $60,000 but not over $85,600.	$16,827 plus 47% of the excess over $60,000.
Over $85,600 but not over $109,400.	$28,859 plus 50% of the excess over $85,600.
Over $109,400 but not over $162,400.	$40,759 plus 55% of the excess over $109,400.
Over $162,400 but not over $215,400.	$69,909 plus 58% of the excess over $162,400.
$215,400 and over	$100,649 plus 60% of the excess over $215,400.

"(B) SCHEDULE 2.—HEADS OF HOUSEHOLDS

If taxable income is:	The tax is:
Not over $2,300	No tax.
Over $2,300 but not over $4,400.	12% of the excess over $2,300.
Over $4,400 but not over $6,500.	$252 plus 14% of the excess over $4,400.
Over $6,500 but not over $8,700.	$546 plus 15% of the excess over $6,500.
Over $8,700 but not over $11,800.	$876 plus 19% of the excess over $8,700.
Over $11,800 but not over $15,000.	$1,465 plus 20% of the excess over $11,800.
Over $15,000 but not over $18,200.	$2,105 plus 22% of the excess over $15,000.
Over $18,200 but not over $23,500.	$2,809 plus 26% of the excess over $18,200.
Over $23,500 but not over $28,000.	$4,187 plus 31% of the excess over $23,500.
Over $28,800 but not over $34,100.	$5,830 plus 36% of the excess over $28,800.
Over $34,100 but not over $44,700.	$7,738 plus 39% of the excess over $34,100.

"(B) SCHEDULE 2.—HEADS OF HOUSEHOLDS—Continued

Over $44,700 but not over $60,600.	$11,872 plus 46% of the excess over $44,700.
Over $60,600 but not over $81,800.	$19,186 plus 51% of the excess over $60,600.
Over $81,800 but not over $108,300.	$29,998 plus 54% of the excess over $81,800.
Over $108,300 but not over $161.300.	$44,308 plus 58% of the excess over $108,300.
$161,300 and over	$75,048 plus 60% of the excess over $161,300.

"(C) SCHEDULE 3.—UNMARRIED INDIVIDUALS (OTHER THAN SURVIVING SPOUSES AND HEADS OF HOUSEHOLDS)

If taxable income is:	The tax is:
Not over $2,300	No tax.
Over $2,300 but not over $3,400.	12% of the excess over $2,300.
Over $3,400 but not over $4,400.	$132 plus 14% of the excess over $3,400.
Over $4,400 but not over $6,500.	$272 plus 15% of the excess over $4,400.
Over $6,500 but not over $8,500.	$587 plus 16% of the excess over $6,500.
Over $8,500 but not over $10,800.	$907 plus 18% of the excess over $8,500.
Over $10,800 but not over $12,900.	$1,321 plus 20% of the excess over $10,800.
Over $12,900 but not over $15,000.	$1,741 plus 22% of the excess over $12,900.
Over $15,000 but not over $18,200.	$2,203 plus 26% of the excess over $15,000.
Over $18,200 but not over $23,500.	$3,035 plus 29% of the excess over $18,200.
Over $23,500 but not over $28,800.	$4,572 plus 33% of the excess over $23,500.
Over $28,800 but not over $34,100.	$6,321 plus 37% of the excess over $28,800.
Over $34,100 but not over $41,500.	$8,282 plus 42% of the excess over $34,100.
Over $41,500 but not over $55,300.	$11,390 plus 47% of the excess over $41,500.
Over $55,300 but not over $81,800.	$17,876 plus 54% of the excess over $55,300.
Over $81,800 but not over $108,300.	$32,186 plus 58% of the excess over $81,800.
$108,300 and over	$47,556 plus 60% of the excess over $108,300.

"(D) SCHEDULE 4.—MARRIED INDIVIDUALS FILING SEPARATE RETURNS

If taxable income is:	The tax is:
Not over $1,700	No tax.
Over $1,700 but not over $2,750.	12% of the excess over $1,700.
Over $2,750 but not over $3,800.	$126 plus 14% of the excess over $2,750.
Over $3,800 but not over $5,950.	$273 plus 15% of the excess over $3,800.
Over $5,950 but not over $8,000.	$595.50 plus 18% of the excess over $5,950.
Over $8,000 but not over $10,000.	$964.50 plus 21% of the excess over $8,000.
Over $10,100 but not over $12,300.	$1,405.50 plus 24% of the excess over $10,100.
Over $12,300 but not over $14,950.	$1,933.50 plus 27% of the excess over $12,300.
Over $14,950 but not over $17,600.	$2,649 plus 31% of the excess over $14,950.
Over $17,600 but not over $22,900.	$3,470.50 plus 37% of the excess over $17,600.
Over $22,900 but not over $30,000.	$5,431.50 plus 42% of the excess over $22,900.
Over $30,000 but not over $42,800.	$8,413.50 plus 47% of the excess over $30,000.
Over $42,800 but not over $54,700.	$14,429.50 plus 50% of the excess over $42,800.
Over $54,700 but not over $81,200.	$20,379.50 plus 55% of the excess over $54,700.
Over $81,200 but not over $107,700.	$34,954.50 plus 58% of the excess over $81,200.
$107,700 and over	$50,324.50 plus 60% of the excess over $107,700.

"(E) SCHEDULE 5.—ESTATES AND TRUSTS

If taxable income is:	The tax is:
Not over $1,050	12% of taxable income.
Over $1,050 but not over $2,100.	$126 plus 14% of the excess over $1,050.
Over $2,100 but not over $4,250.	$273 plus 15% of the excess over $2,100.
Over $4,250 but not over $6,300.	$595.50 plus 18% of the excess over $4,250.
Over $6,300 but not over $8,400.	$964.50 plus 21% of the excess over $6,300.
Over $8,400 but not over $10,600.	$1,405.50 plus 24% of the excess over $8,400.
Over $10,600 but not over $13,250.	$1,933.50 plus 27% of the excess over $10,600.
Over $13,250 but not over $15,900.	$2,649 plus 31% of the excess over $13,250.
Over $15,900 but not over $21,200.	$3,470.50 plus 37% of the excess over $15,900.
Over $21,200 but not over $28,300.	$5,431.50 plus 42% of the excess over $21,200.
Over $28,300 but not over $41,100.	$8,413.50 plus 47% of the excess over $28,300.
Over $41,100 but not over $53,000.	$14,429.50 plus 50% of the excess over $41,100.

"(E) SCHEDULE 5.—ESTATES AND TRUSTS—Continued

Over $53,000 but not over $79,500.	$20,379.50 plus 55% of the excess over $53,000.
Over $79,500 but not over $106,000.	$34,954.50 plus 58% of the excess over $79,500.
$106,000 and over	$50,324.50 plus 60% of the excess over $106,000.

"(4) APPLICATION OF SCHEDULES TO CALENDAR YEAR 1983.—The schedules in effect for taxable years beginning in 1983 are as follows:

"(A) SCHEDULE 1.—MARRIED INDIVIDUALS FILING JOINT RETURNS AND SURVIVING SPOUSES

If taxable income is:	The tax is:
Not over $3,400	No tax.
Over $3,400 but not over $5,500.	11% of the excess over $3,400.
Over $5,500 but not over $7,000.	$231 plus 12% of the excess over $5,500.
Over $7,600 but not over $11,900.	$483 plus 14% of the excess over $7,600.
Over $11,900 but not over $16,000.	$1,085 plus 16% of the excess over $11,900.
Over $16,000 but not over $20,200.	$1,741 plus 19% of the excess over $16,000.
Over $20,200 but not over $24,600.	$2,539 plus 22% of the excess over $20,200.
Over $24,600 but not over $29,900.	$3,507 plus 24% of the excess over $24,600.
Over $29,900 but not over $35,200.	$4,779 plus 28% of the excess over $29,900.
Over $35,200 but not over $45,800.	$6,263 plus 33% of the excess over $35,200.
Over $45,800 but not over $60,000.	$9,761 plus 38% of the excess over $45,800.
Over $60,000 but not over $85,600.	$15,157 plus 42% of the excess over $60,000.
Over $85,600 but not over $109,400.	$25,909 plus 45% of the excess over $85,600.
Over $109,400 but not over $162,400.	$36,619 plus 49% of the excess over $109,400.
Over $162,400 but not over $215,400.	$62,589 plus 52% of the excess over $162,400.
$215,400 and over	$90,149 plus 53% of the excess over $215,400.

"(B) SCHEDULE 2.—HEADS OF HOUSEHOLDS

It taxable income is:	The tax is:
Not over $2,300	No tax.
Over $2,300 but not over $4,400.	11% of the excess over $2,300
Over $4,400 but not over $6,500.	$231 plus 12% of the excess over $4,400.
Over $6,500 but not over $8,700.	$483 plus 14% of the excess over $6,500.
Over $8,700 but not over $11,800.	$791 plus 17% of the excess over $8,700.
Over $11,800 but not over $15,000.	$1,318 plus 18% of the excess over $11,800.
Over $15,000 but not over $18,200.	$1,894 plus 20% of the excess over $15,000.
Over $18,200 but not over $23,500.	$2,534 plus 24% of the excess over $18,200.
Over $23,500 but not over $28,800.	$3,806 plus 27% of the excess over $23,500.
Over $28,800 but not over $34,100.	$5,237 plus 32% of the excess over $28,800.
Over $34,100 but not over $44,700.	$6,933 plus 35% of the excess over $34,100.
Over $44,700 but not over $60,600.	$10,643 plus 41% of the excess over $44,700.
Over $60,600 but not over $81,800.	$17,162 plus 45% of the excess over $60,600.
Over $81,800 but not over $108 300.	$26,702 plus 48% of the excess over $81,800.
Over $108,300 but not over $161,300.	$39,422 plus 52% of the excess over $108,300.
$161,300 and over	$66,982 plus 53% of the excess over $161,300.

"(C) SCHEDULE 3.—UNMARRIED INDIVIDUALS (OTHER THAN SURVIVING SPOUSES AND HEADS OF HOUSEHOLDS)

If taxable income is:	The tax is:
Not over $2,300	No tax.
Over $2,300 but not over $3,400.	11% of the excess over $2,300.
Over $3,400 but not over $4,400.	$121 plus 12% of the excess over $3,400.
Over $4,400 but not over $6,500.	$241 plus 13% of the excess over $4,400.
Over $6,500 but not over $8,500.	$514 plus 14% of the excess over $6,500.
Over $8,500 but not over $10,800.	$794 plus 16% of the excess over $8,500.
Over $10,800 but not over $12,900.	$1,162 plus 18% of the excess over $10,800.
Over $12,900 but not over $15,000.	$1,540 plus 20% of the excess over $12,900.
Over $15,000 but not over $18,200.	$1,960 plus 22% of the excess over $15,000.
Over $18,200 but not over $23,500.	$2,664 plus 26% of the excess over $18,200.
Over $23,500 but not over $28,800.	$4,042 plus 29% of the excess over $23,500.
Over $28,800 but not over $34,100.	$5,579 plus 34% of the excess over $28,800.

(C) SCHEDULE 3.—UNMARRIED INDIVIDUALS (OTHER THAN SURVIVING SPOUSES AND HEADS OF HOUSEHOLDS)—Continued

Over $34,100 but not over $41,500.	$7,381 plus 38% of the excess over $34,100.
Over $41,500 but not over $55,300.	$10,193 plus 42% of the excess over $41,500.
Over $55,300 but not over $81,800.	$15,989 plus 48% of the excess over $55,300.
Over $81,800 but not over $108,300.	$28,709 plus 52% of the excess over $81,800.
$108,300 and over	$42,489 plus 53% of the excess over $108,300.

"(D) SCHEDULE 4.—MARRIED INDIVIDUALS FILING SEPARATE RETURNS

If taxable income is:	The tax is:
Not over $1,700	No tax
Over $1,700 but not over $2,750.	11% of the excess over $1,700.
Over $2,750 but not over $3,800.	$115.50 plus 12% of the excess over $2,750.
Over $3,800 but not over $5,950.	$241.50 plus 14% of the excess over $3,800.
Over $5,950 but not over $8,000.	$542.50 plus 16% of the excess over $5,950.
Over $8,000 but not over $10,100.	$870.50 plus 19% of the excess over $8,000.
Over $10,100 but not over $12,300.	$1,269.50 plus 22% of the excess over $10,100.
Over $12,300 but not over $14,950.	$1,753.50 plus 24% of the excess over $12,300.
Over $14,950 but not over $17,600.	$2,389.50 plus 28% of the excess over $14,950.
Over $17,600 but not over $22,900.	$3,131.50 plus 33% of the excess over $17,600.
Over $22,900 but not over $30,000.	$4,880.50 plus 38% of the excess over $22,900.
Over $30,000 but not over $42,800.	$7,578.50 plus 42% of the excess over $30,000.
Over $42,800 but not over $54,700.	$12,954.50 plus 45% of the excess over $42,800.
Over $54,700 but not over $81,200.	$18,309.50 plus 49% of the excess over $54,700.
Over $81,200 but not over $107,700.	$31,294.50 plus 52% of the excess over $81,200.
$107,700 and over	$45,074.50 plus 53% of the excess over $107,700.

"(E) SCHEDULE 5.—ESTATES AND TRUSTS

If taxable income is:	The tax is:
Not over $1,050	11% of taxable income.
Over $1,050 but not over $2,100.	$115.50 plus 12% of the excess over $1,050.
Over $2,100 but not over $4,250.	$241.50 plus 14% of the excess over $2,100.
Over $4,250 but not over $6,300.	$542.50 plus 16% of the excess over $4,250.
Over $6,300 but not over $8,400.	$870.50 plus 19% of the excess over $6,300.
Over $8,400 but not over $10,600.	$1,269.50 plus 22% of the excess over $8,400.
Over $10,600 but not over $13,250.	$1,753.50 plus 24% of the excess over $10,600.
Over $13,250 but not over $15,900.	$2,389.50 plus 28% of the excess over $13,250.
Over $15,900 but not over $21,200.	$3,131.50 plus 33% of the excess over $15,900.
Over $21,200 but not over $28,300.	$4,880.50 plus 38% of the excess over $21,200.
Over $28,300 but not over $41,100.	$7,578.50 plus 42% of the excess over $28,300.
Over $41,100 but not over $53,000.	$12,954.50 plus 45% of the excess over $41,100.
Over $53,000 but not over $79,500.	$18.309.50 plus 49% of the excess over $53,000.
Over $79,500 but not over $106,000.	$31,294.50 plus 52% of the excess over $79,500.
$106,000 and over	$45,074.50 plus 53% of the excess over $106.000.

"(5) APPLICATION OF SCHEDULES OF CALENDAR YEAR 1984.—The schedules in effect for taxable years beginning in 1984 are as follows:

"(A) SCHEDULE 1.—MARRIED INDIVIDUALS FILING JOINT RETURNS AND SURVIVING SPOUSES

If taxable income is:	The tax is:
Not over $3, 400	No tax.
Over $3, 400 but not over $5, 500.	10% of the excess over $3, 400.
Over $5, 500 but not over $7, 600.	$210 plus 11% of the excess over $5, 500.
Over $7, 600 but not over $11, 900.	$441 plus 13% of the excess over $7, 600.
Over $11, 900 but not over $16, 000.	$1, 000 plus 15% of the excess over $11, 900.
Over $16, 000 but not over $20, 200.	$1, 615 plus 18% of the excess over $16, 000.
Over $20, 200 but not over $24, 600.	$2, 371 plus 21% of the excess over $20, 200.
Over $24, 600 but not over $29, 900.	$3, 295 plus 23% of the excess over $24, 600.
Over $29, 900 but not over $35, 200.	$4, 514 plus 27% of the excess over $29, 900.

"(A) SCHEDULE 1.—MARRIED INDIVIDUALS FILING JOINT RETURNS AND SURVIVING SPOUSES—Continued

Over $35, 200 but not over $45, 800.	$5, 945 plus 32% of the excess over $35, 200.
Over $45, 800 but not over $60, 000.	$9, 337 plus 36% of the excess over $45, 800.
Over $60, 000 but not over $85, 600.	$14, 449 plus 40% of the excess over $60, 000.
Over $85, 600 but not over $109, 400.	$24, 689 plus 43% of the excess over $85, 600.
Over $109, 400 but not over $162, 400.	$34, 923 plus 47% of the excess over $103, 400.
Over $162, 400 but not over $215, 400.	$59, 833 plus 49% of the excess over $162, 400.
$215, 400 and over	$85, 803 plus 50% of the excess over $215, 400.

"(B) SCHEDULE 2.—HEADS OF HOUSEHOLDS

If taxable income is:	The tax is:
Not over $2,300	No tax.
Over $2,300 but not over $4,400.	10% of the excess over $2,300.
Over $4,400 but not over $6,500.	$210 plus 11% of the excess over $4,400.
Over $6,500 but not over $8,700.	$441 plus 13% of the excess over $6,500.
Over $8,700 but not over $11,800.	$727 plus 16% of the excess over $8,700.
Over $11,800 but not over $15,000.	$1,223 plus 17% of the excess over $11,800.
Over $15,000 but not over $18,200.	$1,767 plus 19% of the excess over $15,000.
Over $18,200 but not over $23,500.	$2,375 plus 23% of the excess over $18,200.
Over $23,500 but not over $28,800.	$3,594 plus 26% of the excess over $23,500.
Over $28,800 but not over $34,100.	$4,972 plus 31% of the excess over $28,800.
Over $34,100 but not over $44,700.	$6,615 plus 34% of the excess over $34,100.
Over $44,700 but not over $60,600.	$10,219 plus 39% of the excess over $44,700.
Over $60,600 but not over $81,800.	$16,420 plus 43% of the excess over $60,600.
Over $81,800 but not over $108,300.	$25,536 plus 46% of the excess over $81,800.
Over $108,300 but not over $161,300.	$37,726 plus 49% of the excess over $108,300.
$161,300 and over	$63,696 plus 50% of the excess over $161,300.

"(C) SCHEDULE 3.—UNMARRIED INDIVIDUALS (OTHER THAN SURVIVING SPOUSES AND HEADS OF HOUSEHOLDS)

If taxable income is:	The tax is:
Not over $2,300	No tax.
Over $2,300 but not over $3,400.	10% of the excess over $2,300.
Over $3,400 but not over $4,400.	$110 plus 11% of the excess over $3,400.
Over $4,400 but not over $6,500.	$220 plus 12% of the excess over $4,400.
Over $6,500 but not over $8,500	$472 plus 13% of the excess over $6,500.
Over $8,500 but not over $10,800.	$732 plus 16% of the excess over $8,500.
Over $10,800 but not over $12,900.	$1,100 plus 18% of the excess over $10,800.
Over $12,900 but not over $15,000.	$1,478 plus 19% of the excess over $12,900.
Over $15,000 but not over $18,200.	$1,877 plus 21% of the excess over $15,000.
Over $18,200 but not over $23,500.	$2,549 plus 25% of the excess over $18,200.
Over $23,500 but not over $28,800.	$3,874 plus 28% of the excess over $23,500.
Over $28,800 but not over $34,100.	$5,358 plus 32% of the excess over $28,800.
Over $34,100 but not over $41,500.	$7,054 plus 36% of the excess over $34,100.
Over $41,500 but not over $55,300.	$9,718 plus 40% of the excess over $41,500.
Over $55,300 but not over $81,800.	$15,238 plus 46% of the excess over $55,300.
Over $81,800 but not over $108,300.	$27,428 plus 49% of the excess over $81,800.
$108,300 and over	$40,413 plus 50% of the excess over $108,300.

"(D) SCHEDULE 4.—MARRIED INDIVIDUALS FILING SEPARATE RETURNS

If taxable income is:	The tax is:
Not over $1,700	No tax.
Over $1,700 but not over $2,750.	10% of the excess over $1,700.
Over $2,750 but not over $3,800.	$105 plus 11% of the excess over $2,750.
Over $3,800 but not over $5,950.	$220.50 plus 13% of the excess over $3,800.
Over $5,950 but not over $8,000.	$500 plus 15% of the excess over $5,950.
Over $8,000 but not over $10,100.	$807.50 plus 18% of the excess over $8,000.
Over $10,100 but not over $12,300.	$1,185.50 plus 21% of the excess over $10,100.
Over $12,300 but not over $14,950.	$1,647.50 plus 23% of the excess over $12,300.

"(D) SCHEDULE 4.—MARRIED INDIVIDUALS FILING SEPARATE RETURNS—Continued

Over $14,950 but not over $17,600.	$2,257 plus 27% of the excess over $14,950.
Over $17,600 but not over $22,900.	$2,972.50 plus 32% of the excess over $17,600.
Over $22,900 but not over $30,000.	$4,668.50 plus 36% of the excess over $22,900.
Over $30,000 but not over $42,800.	$7,224.50 plus 40% of the excess over $30,000.
Over $42,800 but not over $54,700.	$12,344.50 plus 43% of the excess over $42,800.
Over $54,700 but not over $81,200.	$17,461.50 plus 47% of the excess over $54,700.
Over $81,200 but not over $107,700.	$29,916.50 plus 49% of the excess over $81,200.
$107,700 and over	$42,901.50 plus 50% of the excess over $107,700.

"(E) SCHEDULE 5.—ESTATES AND TRUSTS

If taxable income is:	The tax is:
Not over $1,050	10% of taxable income.
Over $1,050 but not over $2,100.	$105 plus 11% of the excess over $1,050.
Over $2,100 but not over $4,250.	$220.50 plus 13% of the excess over $2,100.
Over $4,250 but not over $6,300.	$500 plus 15% of the excess over $4,250.
Over $6,300 but not over $8,400.	$807.50 plus 18% of the excess over $6,300.
Over $8,400 but not over $10,600.	$1,185.50 plus 21% of the excess over $8,400.
Over $10,600 but not over $13,250.	$1,647.50 plus 23% of the excess over $10,600.
Over $13,250 but not over $15,900.	$2,257 plus 27% of the excess over $13,250.
Over $15,900 but not over $21,200.	$2,972.50 plus 32% of the excess over $15,900.
Over $21,200 but not over $28,300.	$4,668.50 plus 36% of the excess over $21,200.
Over $28,300 but not over $41,100.	$7,224.50 plus 40% of the excess over $28,300.
Over $41,100 but not over $53,000.	$12,344.50 plus 43% of the excess over $41,100.
Over $53,000 but not over $79,500.	$17,461.50 plus 47% of the excess over $53,000.
Over $79,500 but not over $106,000.	$29,916.50 plus 49% of the excess over $79,500.
$106,000 and over	$42,901.50 plus 50% of the excess over $106,000.

(b) REPEAL OF MAXIMUM RATE ON PERSONAL SERVICE INCOME.—Section 1348 is repealed.

(c) WITHHOLDING TABLES.—Subsection (a) of section 3402 (relating to requirement of withholding) is amended by striking out the second sentence and inserting in lieu thereof the following new sentence: "With respect to wages paid after June 30, 1981, the tables so prescribed shall be the same as the tables prescribed under this subsection which were in effect on January 1, 1980, except that such tables shall be modified to the extent necessary to reflect the amendments made by section 101 of the Economic Recovery Tax Act of 1981."

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by subsection (a) shall apply to taxable years beginning after December 31, 1980.

(2) MAXIMUM TAX.—The amendment made by subsection (b) shall apply to taxable years beginning after December 31, 1983.

(3) WITHHOLDING TABLES.—The amendment made by subsection (c) shall apply to remuneration paid after June 30, 1981.

SEC. 102. REDUCTION IN ALTERNATIVE MINIMUM TAX RATE.

(a) GENERAL RULE.—Section 55 (relating to alternative minimum tax) is amended by striking out subsection (a) and inserting in lieu thereof the following:

"(a) ALTERNATIVE MINIMUM TAX IMPOSED.

"(1) IN GENERAL.—In the case of a taxpayer other than a corporation, if the amount of gross alternative minimum tax determined under paragraph (2) of this subsection exceeds the regular tax for the taxable year, then there is imposed (in addition to all other taxes imposed by this title) a tax equal to the amount of such excess.

"(2) GROSS ALTERNATIVE MINIMUM TAX.—For purposes of paragraph (1) of this subsection, the amount of gross alternative minimum tax is

"(A) For taxable years beginning before January 1, 1982—

"(i) 10 percent of so much of the alternative minimum taxable income as exceeds $20,000 but does not exceed $60,000, plus

"(ii) 20 percent of so much of the alternative minimum taxable income as exceeds $60,000 but does not exceed $100,000, plus

"(iii) 25 percent of so much of the alternative minimum taxable income as exceeds $100,000.

"(B) For taxable years beginning after December 31, 1981 and before January 1, 1983—

"(i) 10 percent of so much of the alternative minimum taxable income as exceeds $20,000 but does not exceed $60,000, plus

"(ii) 20 percent of so much of the alternative minimum taxable income as exceeds $60,000 but does not exceed $100,000, plus

"(iii) 24 percent of so much of the alternative minimum taxable income as exceeds $100,000.

"(C) For taxable years beginning after December 31, 1982 and before January 1, 1984—

"(i) 10 percent of so much of the alternative minimum taxable income as exceeds $20,000 but does not exceed $60,000, plus

"(ii) 20 percent of so much of the alternative minimum taxable income as exceeds $60,000 but does not exceed $100,000, plus

"(iii) 21 percent of so much of the alternative minimum taxable income as exceeds $100,000.

"(D) For taxable years beginning after December 31, 1983—

"(i) 10 percent of so much of the alternative minimum taxable income as exceeds $20,000 but does not exceed $60,000, plus

"(ii) 20 percent of so much of the alternative minimum taxable income as exceeds $60,000."

(b) CONFORMING CHANGES.—

(1) Subparagraphs (A), (B), and (C) of section 55(c)(2) are amended by deleting "the tax imposed by subsection (a)" each time it appears, and inserting in lieu thereof "the tax imposed by paragraph (1) of subsection (a)".

(2) Subsection (a) of section 58 is amended by deleting "paragraph (1) of section 55(a)" and inserting in lieu thereof "paragraph (2) of section 55(a)."

(3) Paragraph (A) of section 897(a)(2) is amended by deleting "section 55(a)(1)(A)" and inserting in lieu thereof "section 55(a)(2)(A)(i)", and by adding at the end thereof the following new sentence: "For taxable years beginning after December 31, 1981 and before January 1, 1983, the reference to section 55(a)(2)(A)(i) in the first sentence of this subparagraph shall instead be to section 55(a)(2)(B)(i). For taxable years beginning after December 31, 1982 and before January 1, 1984, the reference to section 55(a)(2)(A)(i) in the first sentence of this subparagraph shall instead be to section 55(a)(2)(C)(i). For taxable years beginning after December 31, 1983, the reference to section 55(a)(2)(A)(i) in the first sentence of this subparagraph shall instead be to section 55(a)(2)(D)(i)."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1980.

TITLE II—INCENTIVES FOR PLANT, EQUIPMENT, AND REAL PROPERTY

SEC. 201. ACCELERATED COST RECOVERY DEDUCTION FOR PLANT AND EQUIPMENT

(a) IN GENERAL.—Part VI of subchapter B of chapter 1 (relating to itemized deductions for individuals and corporations) is amended by inserting after section 167 the following new section:

"SEC. 168. ACCELERATED COST RECOVERY DEDUCTION FOR PLANT AND EQUIPMENT.

"(a) ALLOWANCE OF DEDUCTION.—In the case of recovery property, there shall be allowed, in lieu of any deduction allowed by any other section of this part, the recovery deduction provided by this section.

"(b) AMOUNT OF DEDUCTION.—Except as provided in subsection (g) (relating to transitional rules applicable before January 1, 1985) and (h)(2) (relating to recovery property predominantly used outside the United States), the amount of the deduction allowable by subsection (a) for any taxable year shall be the aggregate amount determined by applying to the unadjusted basis of recovery property the applicable percentage determined in accordance with the following table:

ACCELERATED COST RECOVERY

"If the recovery year is:	The applicable percentage for the class of property is: 10-year	5-year	3-year
1	10	20	33
2	18	32	45
3	16	24	22
4	14	16	----
5	12	8	----
6	10	----	----
7	8	----	----
8	6	----	----
9	4	----	----
10	2	----	----

"(c) RECOVERY PROPERTY.—For purposes of this title—

"(1) RECOVERY PROPERTY DEFINED.—Except as provided in subsection (f), the term 'recovery property' means tangible property of a character subject to the allowance for depreciation—

"(A) used in a trade or business, or

"(B) held for the production of income, and includible in one of the classes described in paragraph (3).

"(2) CLASSES OF RECOVERY PROPERTY.—Each item of recovery property shall be classified as 10-year property, 5-year property, or 3-year property.

"(3) CLASSES DEFINED.—

"(A) 10-YEAR PROPERTY.—The term '10-year property' means—

"(i) qualified owner-user buildings (including all structural components); and

"(ii) public utility property (other than section 1250 property except to the extent clause (i) applies) with a midpoint life of greater than 18 years.

"(B) 5-YEAR PROPERTY.—The term 5-year property means recovery property which is tangible section 1245 property and which is not 10-year property or 3-year property.

"(C) 3-YEAR PROPERTY.—The term '3-year property' means—

"(i) automobiles;

"(ii) light-duty trucks; and

"(iii) tangible section 1245 property used in connection with research and experimentation.

"(4) QUALIFIED OWNER-USER BUILDING DEFINED.—

"(A) IN GENERAL.—For purposes of this subsection, the term 'qualified owner-user building' means any section 1250 property if—

"(i) such property is owned by the taxpayer (other than as a condominium as determined under applicable state law); and

"(ii) at all times during the taxable year in which placed in service and for taxable years thereafter, but before the earlier of the taxable year—

"(I) the property is disposed of, or

"(II) deductions have been allowed under subsection (a) for the full unadjusted basis of such property,

at least 80 percent of the usable area of such property is used by the taxpayer for a qualified use. For purposes of clause (ii) all times during the taxable year shall mean, in the case of the taxable year in which the property is placed in service, after the date such property is placed in service.

"(B) QUALIFIED USE.—For purposes of this paragraph, the term 'qualified use' means use as an industrial building or as a distribution facility.

"(C) SPECIAL RULES.—For purposes of this paragraph—

"(i) MEMBERS OF AFFILIATED GROUP.—Members of the same affiliated group of corporations which file a consolidated return under section 1501 for the taxable year shall be treated as 1 taxpayer.

"(ii) HUSBAND AND WIFE.—A husband and wife, as determined under section 143, shall be treated as 1 taxpayer.

"(D) QUALIFIED OWNER-USER BUILDING CEASING TO QUALIFY.—If, in any taxable year, any property which, for all prior taxable years in which such property was held by the taxpayer, was a qualified owner-user building (within the meaning of subparagraph (A)), ceases to be a qualified owner-user building, the recovery allowance for such taxable year and all subsequent taxable years shall be determined under section 167(r). For purposes of the preceding sentence the property shall be taken into account at its adjusted basis at the beginning of the taxable year in which it ceases to be a qualified owner-user building and the allowance shall be computed under the straight line method using a recovery period of—

"(i) In the case of property described in section 167(r)(1)(A), 18 years less the number of years a recovery deduction was allowed to the taxpayer with respect to such property under subsection (a); and

"(ii) In the case of property described in section 167(r)(1)(B), 15 years less the number of years a recovery deduction was allowed to the taxpayer with respect to such property under subsection (a).

"(5) DEFINITIONS.—For purposes of this subsection—

"(A) PUBLIC UTILITY PROPERTY.—The term 'public utility property' means property described in section 167(l)(3)(A).

"(B) MIDPOINT LIFE.—The term 'midpoint life' means the asset guideline period prescribed as the class life by the Secretary under section 167(m) applicable as by December 31, 1980.

"(C) SECTION 1245 PROPERTY.—The term 'section 1245 property' means tangible property described in section 1245(a)(3) other than subparagraphs (C) and (D).

"(D) SECTION 1250 PROPERTY.—The term 'section 1250 property' means property described in section 1250(c) and property described in section 1245(a)(3)(C).

"(E) SECTION 1245 PROPERTY USED IN CONNECTION WITH RESEARCH OR EXPERIMENTATION.—Section 1245 property is used in connection with research or experimentation if such property is described in section 174(c).

"(F) INDUSTRIAL BUILDING.—The term 'industrial building' means section 1250 property used for manufacturing, production, extraction, cultivation of the soil, raising of livestock (including poultry), furnishing of transportation or communications services, as public utility property, or as a research facility used in connection with any of the activities described in this subparagraph. The term does not include an office building.

"(G) DISTRIBUTION FACILITY.—The term 'distribution facility' means section 1250 property used for the storage or for the sale of goods.

"(H) RESEARCH FACILITY.—The term 'research facility' means section 1250 property used in connection with research or experimentation if such property is described in section 174(c).

"(6) SAME RECOVERY PERIOD FOR COMPONENTS.—For purposes of this section, structural components of 10-year property shall have the same recovery period as the property to which they relate. The recovery period for any such component shall begin when the component is placed in service (but no earlier than the time the property to which it relates is placed in service) except

to the extent that subsection (d)(3) applies. This paragraph shall not apply to any structural components for which amortization (in lieu of depreciation) is properly elected.

"(d) UNADJUSTED BASIS.—

"(1) IN GENERAL.—For purposes of this section, the term 'unadjusted basis' means the basis of the property determined under Part II of Subchapter O of Chapter 1 without regard to the adjustments described in paragraphs (2) or (3) of section 1016(a).

"(2) TIME FOR TAKING BASIS INTO ACCOUNT.—

"(A) IN GENERAL.—Except as provided in paragraph (3), the unadjusted basis of property shall be first taken into account under subsection (b) for the taxable year in which the property is placed in service.

"(B) REDUCTIONS IN UNADJUSTED BASIS.—If If the unadjusted basis of property taken into account under subparagraph (A) is reduced (such as by readjustment of the purchase price), the recovery deduction allowable under subsection (a) for the taxable year of the change and succeeding taxable years shall be adjusted in accordance with regulations prescribed by the Secretary.

"(3) SPECIAL RULES FOR PROPERTY NOT YET PLACED IN SERVICE.—

"(A) IN GENERAL.—Any qualified progress expenditure with respect to progress expenditure property shall be treated for purposes of this section as if such expenditure were property placed in service at the time the expenditure is made.

"(B) QUALIFIED PROGRESS EXPENDITURE; PROGRESS EXPENDITURE PROPERTY.—Except as provided in subparagraph (C), for purposes of this subsection, the terms 'qualified progress expenditure' and 'progress expenditure property' have the respective meanings given to such terms by subsection (d) of section 46 (relating to qualified progress expenditures for purposes of the investment credit).

"(C) EXCEPTION.—For purposes of this subsection, clause (ii) of section 46(d)(2)(A) shall be applied by substituting 'recovery property' for 'new section 38 property'.

"(D) COORDINATION WITH PARAGRAPH (1).—The unadjusted basis of property which (but for this paragraph) would be first taken into account when placed in service shall be reduced (but not below zero) by any amount that was a qualified progress expenditure under this subsection with respect to such property.

"(E) PUBLIC UTILITY PROPERTY ELECTION.—For the election for subparagraph (A) not to apply with respect to public utility property, see subsection (h)(3).

"(e) RECOGNITION OF GAIN OR LOSS AND ADJUSTMENT TO UNADJUSTED BASIS ON RETIREMENT OTHER DISPOSITION.—

"(1) GENERAL RULE.—Gain or loss as provided by section 1001(a) shall be recognized on the disposition of recovery property unless nonrecognition is specifically required or permitted by another provision of this chapter.

"(2) MASS ASSET ACCOUNTS.—In lieu of recognizing gain or loss, a taxpayer who maintains one or more mass asset accounts of recovery property may, under regulations prescribed by the Secretary, elect to include in income all proceeds realized on the disposition of such property.

"(3) ADJUSTMENT TO BASIS.—Except as provided under regulations prescribed by the Secretary under subsection (h)(7), for purposes of subsection (b), on the disposition of recovery property (other than property with respect to which the election under paragraph (2) is made), the unadjusted basis of such property shall cease to be taken into account as of the beginning of the taxable year in which such disposition occurs.

"(4) DISPOSITION INCLUDES RETIREMENT.—For purposes of this subsection, the term 'disposition' includes retirement.

"(f) PROPERTY EXCLUDED FROM APPLICATION OF SECTION.—

"(1) CERTAIN PROPERTY EXCLUDED.—The term 'recovery property' does not include—

"(A) property placed in service by the taxpayer before January 1, 1981,

"(B) property with respect to which the taxpayer—

"(i) is entitled to elect amortization (in lieu of depreciation), and

"(ii) elects such amortization; and

"(C) section 1250 property (as defined in section 1250(c)) which is not 10-year property (as defined in subsection (c)(3)(A)).

"(2) CERTAIN METHODS OF DEPRECIATION.—The term 'recovery property' does not include—

"(A) property if—

"(i) the taxpayer elects to exclude such property from the application of this section, and

"(ii) for the first taxable year for which a deduction would (but for this election) be allowable under this section with respect to such property in the hands of the taxpayer, the property is properly depreciated under the unit-of-production method or any method of depreciation not expressed in a term of years, or

"(B) property which is a leasehold improvement which the taxpayer properly elects to depreciate or amortize over the term of the lease.

"(3) SPECIAL RULE FOR RRB PROPERTY.—

"(A) GENERAL RULE.—Notwithstanding paragraph (2), the term 'recovery property' includes RRB property.

"(B) RRB PROPERTY DEFINED.—For purposes of this section the term 'RRB property' means property which under the taxpayer's method of depreciation before January 1, 1981 would have been depreciated using the retirement-replacement-betterment method.

"(4) SPECIAL RULE FOR CERTAIN PUBLIC UTILITY PROPERTY.—

"(A) IN GENERAL.—Public utility property (within the meaning of section 167(l)(3)(A)) shall be treated as recovery property only if the taxpayer uses a normalization method of accounting.

"(B) USE OF NORMALIZATION METHOD DEFINED.—For purposes of subparagraph (A), in order to use a normalization method of accounting with respect to any public utility property—

"(i) the taxpayer must, in computing its tax expense for purposes of establishing its cost of service for ratemaking purposes and reflecting operating results in its regulated books of account, use a method of depreciation with respect to such property that is the same as, and a depreciation period for such property that is no shorter than, the method and period used to compute its depreciation expense for such purposes; and

"(ii) either—

"(I) in the case of property for which a recovery allowance would not be allowable but for subsection (d)(3)(A), the taxpayer must make adjustments to a reserve to reflect the deferral of taxes resulting from such recovery allowance, or

"(II) in the case of property to which (I) does not apply, if the amount allowable as a deduction under this section with respect to such property exceeds the amount that would be allowable as a deduction under section 167 (determined without regard to subsection (l) thereof) using the method and period used to compute regulated tax expense under subparagraph (B)(i), the taxpayer must make adjustments to a reserve to reflect the deferral of taxes resulting from such difference.

"(C) PUBLIC UTILITY PROPERTY WHICH IS NOT RECOVERY PROPERTY.—In the case of public utility property which, by reason of this paragraph, is not treated as recovery property, the allowance for depreciation under section 167(a) shall be an amount computed using the method and period referred to in subparagraph (B)(i).

"(5) CERTAIN SALES, LEASES, AND OTHER TRANSACTIONS IN PROPERTY PLACED IN SERVICE BEFORE 1981.—In the case of recovery property acquired directly or indirectly from a person who used such property before January 1, 1981, if—

"(A) after the property is so acquired, the property is leased back to such person;

"(B) the person so acquiring the property bears a relationship specified in section 267(b) or section 707(b)(1) to the person using such property before January 1, 1981;

"(C) the person so acquiring the property and the person using such property before January 1, 1981, are engaged in trades or businesses under common control (within the meaning of subsections (b) and (c) of section 414); or

"(D) under regulations prescribed by the secretary, the property is acquired in a transaction the principal purpose of which is to avoid subparagraph (A) of subsection (f)(1);

then the recovery deduction for the taxable year shall be, in lieu of the amount determined under subsection (b), the amount determined by applying to the unadjusted basis of such property the applicable percentage determined under section 312(k)(3). For property described in this paragraph, subsection (g) shall not apply. For purposes of subparagraph (B), in applying section 267(b) and section 707(b)(1) '10 percent' shall be substituted for '50 percent'. For purposes of subparagraph (C), in applying section 414(b), 'more than 50 percent' shall be substituted for 'at least 80 percent' each time it appears in section 1563(a)(1). For purposes of this paragraph, property owned by an individual shall be treated as also owned by his or her spouse.

"(g) TRANSITIONAL APPLICABLE PERCENTAGES FOR 10-YEAR PROPERTY AND 5-YEAR PROPERTY.—

"(1) IN GENERAL.—The Secretary shall prescribe tables settings forth transitional applicable percentages—

"(A) for 10-year property placed in service before January 1, 1985, and

"(B) for 5-year property placed in service before January 1, 1985.

Except as provided in paragraph (6), paragraph (9), subsection (f)(5), and subsection (h)(2), if for any taxable year for any property there is a transitional applicable percentage, such percentage shall be substituted for the applicable percentage set forth in subsection (b).

"(2) TRANSITIONAL APPLICABLE PERCENTAGES FOR 10-YEAR PROPERTY.—The transitional applicable percentages for 10-year property shall be determined in accordance with the following assigned recovery periods:

"TRANSITIONAL RECOVERY PERIODS FOR 10-YEAR PROPERTY

"For property placed in service in.	The transitional applicable percentage shall be based on a recovery period of the following number of years:
1981	ADR lower limit.
1982	ADR lower limit minus 2 years
1983	ADR lower limit minus 4 years
1984	ADR lower limit minus 6 years

The recovery period determined under this paragraph shall in no case be less than 10 years.

"(3) TRANSITIONAL APPLICABLE PERCENTAGES FOR CERTAIN 5-YEAR PROPERTY.—The transitional applicable percentages for 5-year property shall be determined in accordance with the following assigned recovery periods:

'TRANSITIONAL RECOVERY PERIODS FOR CERTAIN 5 -YEAR PROPERTY

"For property placed in service in—	The transitional applicable percentage shall be based on a recovery period of the following number of years:
1981	ADR lower limit.
1982	ADR lower limit minus 1 year.
1983	ADR lower limit minus 2 years.
1984	ADR lower limit minus 3 years.

The recovery period determined under this paragraph shall in no case be less than 5 years.

"(4) ADR LOWER LIMIT DEFINED.—For purposes of paragraphs (2) and (3), the ADR lower limit for any class of property is the lower limit of the asset depreciation range for such class of property under section 167(m) in effect on December 31, 1980. For purposes of the preceding sentence, lower limits in excess of 18 years in the case of 10-year property, or 9 years in the case of 5-year property, shall be treated as equal to 18 years or 9 years, respectively, and any lower limit which is not a whole number of years shall be reduced to the next lower whole number of years. For purposes of this paragraph, in the case of property for which on December 31, 1980 no asset depreciation range was in effect, the ADR lower limit shall be considered 18 years in the case of 10-year property, and 9 years in the case of 5-year property.

"(5) TABLES TO BE SIMILAR TO SUBSECTION (b) TABLE.—The tables prescribed under paragraph (1) for any class of property for any assigned recovery period shall be based on principles similar to those used in the computation of the table under subsection (b) for that class of property.

"(6) SPECIAL RULE FOR CERTAIN 5-YEAR PROPERTY.—

"(A) IN GENERAL.—In the case of 5-year property placed in service after December 31, 1980 and before January 1, 1985, at the election of the taxpayer, paragraph (1) shall not apply to property placed in service with an aggregate unadjusted basis (in whole or in part) not exceeding $100,000 for any taxable year (and for which such year is recovery year 1).

"(B) FISCAL YEARS.—In the case of any taxable year that is not a calendar year and which begins before January 1, 1981 or ends after December 31, 1984, the $100,000 referred to in subparagraph (A) shall be reduced by an amount which bears the same relationship to $100,000 as the number of months of the taxable year before January 1, 1981 or after December 31, 1984, as the case may be, bears to the number of months in the taxable year.

"(C) SHORT TAXABLE YEARS.—In the case of any taxable year that is less than 12 months, the $100,000 referred to in subparagraph (A) and (B) shall be reduced by an amount which bears the same relationship to $100,000 as the number of months less than 12 in the taxable year bears to 12.

"(D) SELECTION OF PROPERTY TO BE TREATED UNDER SPECIAL RULE.—In the case of any taxable year to which this paragraph applies, and in which the aggregate of the unadjusted basis of 5-year property for which such year is recovery year 1 exceeds the applicable limitations determined under subparagraphs (A), (B) and (C), the taxpayer shall select the items of 5-year property to which the transitional applicable percentages determined under paragraph (3) shall apply.

"(E) LIMITATIONS.—For purposes of applying the dollar limitation provided by this paragraph, the following rules shall apply:

"(i) CONTROLLED GROUP OF CORPORATIONS.—

"(I) IN GENERAL.—All component members of a controlled group of corporations shall be treated as one taxpayer.

"(II) APPORTIONMENT.—The dollar limitation shall be apportioned among the component members of such controlled group in accordance with regulations prescribed by the Secretary.

"(III) CONTROLLED GROUP DEFINED.—For purposes of this clause, the term 'controlled group' has the meaning assigned to it by section 1563(a) except that the phrase 'more than 50 percent' shall be substituted for the phrase 'at least 80 percent' each place it appears in section 1563(a)(1).

"(ii) MARRIED INDIVIDUALS.—In the case of a husband or wife (who are married as determined in section 143) who file a separate return, the limitation shall be one-half of the limitation applicable to the taxpayer without regard to this clause. This clause shall not apply if the spouse of the taxpayer has no 5-year recovery property which may be taken into account under this paragraph for the taxable year of the spouse which ends with or within the taxapayer's taxable year.

"(7) QUALIFIED EXPENDITURES.—For purposes of this subsection, qualified progress expenditures described in subsection (d)(3) shall be considered property placed in service in the year the expenditure are made.

"(8) TRANSITIONAL RULE FOR FISCAL YEAR TAXPAYERS.—If—

"(A) the taxpayer's taxable year is a period other than the calendar year, and

"(B) for purposes of subsection (b) a transitional applicable percentage applies to recovery property

then the transitional applicable percentage with respect to each separate property shall be the appropriate percentage with respect to the calendar year in which the property was placed in service (or qualified progress expenditure was made).

"(9) SPECIAL RULE FOR RRB PROPERTY.—This subsection shall not apply to RRB property (as defined in subparagraph (B) of subsection (f)(3)) that is 5-year property.

"(h) SPECIAL RULES.—For purposes of this section—

"(1) RECOVERY YEAR 1, ETC.—The term 'recovery year 1' means the first taxable year for which a deduction with respect to recovery property is allowable under subsection (a). The immediately following taxable year shall be recovery year 2, and the taxable years which follow shall be numbered accordingly.

"(2) RECOVERY PROPERTY PREDOMINANTLY USED OUTSIDE THE UNITED STATES.—

"(A) IN GENERAL.—In the case of recovery property which, during the taxable year, is predominantly used outside the United States (within the meaning of paragraph (2) of section 48(a)), the recovery deduction for the taxable year shall be, in lieu of the amount determined under subsection (b), the amount determined by applying to the unadjusted basis of such property the applicable percentage determined under section 312(k)(3). For property described in this paragraph, subsection (g) will not apply.

"(B) SPECIAL RULE.—For purposes of this subsection, paragraph (2) of section 48(a) shall be applied by substituting 'recovery property' for 'section 38 property'.

"(3) PUBLIC UTILITY MAY ELECT NOT TO TAKE INTO ACCOUNT PROGRESS PAYMENTS.—

"(A) IN GENERAL.—In the case of public utility property (within the meaning of section 167(1)(3)), the taxpayer may, at its own option and without regard to any requirement imposed by an agency described in section 167(1)(3)(A), elect to treat all expenditures and additions to capital account for the period before the property is placed in service as made during the taxable year in which the property is placed in service.

"(B) EFFECT OF ELECTION.—An election under subparagraph (A) shall apply to all public utility property of the taxpayer for the taxable year for which the election is made and all subsequent taxable years unless the Secretary consents to a revocation of such election.

"(4) MANNER AND TIME FOR MAKING ELECTIONS.—

"(A) IN GENERAL.—Any election under this section shall be made for the taxable year in which the property is placed in service. For purposes of this paragraph, property shall be treated as placed in service in the first taxable year in which expenditures with respect to such property are qualified progress expenditures under subsection (d)(3)(A).

"(B) MADE ON RETURN.—Any election under this section shall be made on the taxpayer's return of the tax imposed by this chapter for the taxable year concerned.

"(C) REVOCATION ONLY WITH CONSENT.—Any election under this section, once made, may be revoked only with the consent of the Secretary.

"(5) SHORT TAXABLE YEARS.—In the case of a taxable year that is less than 12 months, the amount of the deduction under subsections (b), (f)(5), or (h)(2) shall be an amount which bears the same relationship to the amount of the deduction, determined without regard to this paragraph, as the number of months in the short taxable year bears to 12. In such case, the amount of deduction for subsequent taxable years shall be appropriately adjusted in accordance with regulations prescribed by the Secretary. The determination of when a taxable year begins shall be made in accordance with regulations prescribed by the Secretary.

"(6) LEASEHOLD IMPROVEMENTS.—For purposes of determining whether a leasehold improvement which is recovery property shall be amortized over the term of the lease, the recovery period of such property shall be taken into account in lieu of its useful life.

"(7) SPECIAL RULE FOR NONRECOGNITION TRANSACTIONS.—The application of this section in cases in which recovery property is acquired or is disposed of in a transaction in which gain or loss is not recognized, in whole or in part, shall be made in accordance with regulations prescribed by the Secretary.

"(i) CROSS REFERENCE.—For special rules with respect to certain gain derived from disposition of recovery property, see section 1245."

SEC. 202. ACCELERATED AND SIMPLIFIED COST RECOVERY OF CERTAIN REAL PROPERTY.

(a) GENERAL RULE.—Section 167 (relating to depreciation) is amended by redesignating subsections (r) and (s) as subsection (s) and (t), respectively, and by inserting after subsection (q) the following new subsection:

"(r) SHORTENED AND AUDIT-PROOF RECOVERY PERIODS FOR CERTAIN BUILDINGS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), (9), and (11), in the case of section 167(r) property, the allowance under subsection (a) shall be computed under the straight line method using a recovery period of—

"(A) 18 years in the case of residential rental property (other than low-income rental housing), and

"(B) 15 years in the case of—

"(i) low-income rental housing; and

"(ii) all other section 167(r) property.

"(2) TRANSITIONAL RECOVERY PERIODS FOR 15-YEAR PROPERTY.—Except as provided in paragraphs (9) and (11), in the case of property described in subparagraph (B) of paragraph (1) which is placed in service after December 31, 1980 and before January 1, 1983, the allowance under subsection (a)

shall be computed under the straight line method using the following recovery periods:

(In years)

"For property placed in service in:	The recovery period is:
1981	18
1982	16

For purposes of this paragraph, qualified progress expenditures shall be considered property that is placed in service in the year the expenditures are made.

"(3) DEFINITIONS.—For purposes of this subsection—

"(A) SECTION 167(r) PROPERTY.—The term 'section 167(r) property' means section 1250 property (as defined in section 1250(c) and property described in section 1245(a)(3)(C)) which is not recovery property (as defined in section 168(c)).

"(B) LOW INCOME RENTAL HOUSING.—The term 'low-income rental housing' means property described in subparagraphs (B) and (C) of subsection (k)(3).

"(C) RESIDENTIAL RENTAL PROPERTY.—The term 'residential rental property' means property described in subsection (j)(2)(B) except that 'if more than 20 percent' shall be substituted for 'only if 80 percent or more.'

"(4) 15-YEAR PROPERTY CEASING TO QUALIFY.—If, in any taxable year, any property which, for all prior taxable years in which held by the taxpayer, was either property described in section 168(c) or in subsection (r)(1)(B), becomes property described in paragraph (r)(1)(A); the recovery allowance for the taxable year and all subsequent taxable years shall be determined under this subsection as modified by this paragraph. For purposes of the preceding sentence, the property shall be taken into account at its adjusted basis at the beginning of the first taxable year in which it becomes property described in paragraph (r)(1)(A) and the allowance shall be computed under the straightline method using a recovery period of 18 years less the number of years a deduction was previously allowed to the taxpayer with respect to such property under subsection (a) or section 168(a).

"(5) SHORT TAXABLE YEARS.—In the case of a taxable year which is less than 12 months, the allowance under subsection (a) shall be an amount which bears the same relationship to the amount determined without regard to this paragraph, as the number of days in the short taxable year bears to 365.

"(6) FIRST-YEAR ALLOWANCE.—The allowance under subsection (a), with respect to property described in this subsection, for the taxable year in which such property is placed in service shall be an amount which bears the same relationship to the full year allowance as the number of days the property is in service during such taxable year bears to the number of days in the taxable year.

"(7) LAST-YEAR ALLOWANCE.—The allowance under subsection (a), with respect to property described in this subsection, for the taxable year in which such property is disposed of (including retirement), shall be an amount which bears the same relationship to the full year allowance as the number of days during such taxable year the property is in service bears to the number of days in the taxable year.

"(8) EXCLUDED PROPERTY.—For purposes of this subsection, the following shall not be considered section 167(r) property—

"(A) property placed in service before January 1, 1981;

"(B) property with respect to which the taxpayer—

"(i) is entitled to elect amortization (in lieu of depreciation) including amortization under subsection (k) or section 191, and

"(ii) elects such amortization;

"(C) property which is a leasehold improvement which the taxpayer properly elects to depreciate or amortize over the term of the lease;

"(D) public utility property (within the meaning of subsection (1)(3)(A)), unless the taxpayer uses a normalization method of accounting (within the meaning of section 168(f)(4)(B)).

In the case that public utility property is not considered section 167(r) property by reason of subparagraph (D), the rule described in section 168(f)(4)(C) shall apply.

"(9) CERTAIN SALES, LEASES, AND OTHER TRANSACTIONS IN PROPERTY PLACED IN SERVICE BEFORE 1981.—In the case of section 167(r) property acquired directly or indirectly from a person who used such property before January 1, 1981, if—

"(A) after the property is so acquired, the property is leased back to such person;

"(B) the person so acquiring the property bears a relationship specified in section 267(b) or section 707(b)(1) to the person using such property before January 1, 1981;

"(C) the person so acquiring the property and the person using such property before January 1, 1981, are engaged in trades or businesses under common control (within the meaning of subsections (b) and (c) of section 414); or

"(D) under regulations prescribed by the Secretary, the property is acquired in a transaction the principal purpose of which is to avoid subparagraph (A) of paragraph (8);

then the allowance provided by paragraph (1) shall be computed using a recovery period of 30 years, and paragraph (2) shall not apply. For purposes of subparagraph (B), in applying section 267(b) and section 707(b)(1), '10 percent' shall be substituted for '50 percent'. For purposes of subparagraph (C), in applying section 414(b), 'more than 50 percent' shall be substituted 'for at least 80 percent' each time it appears in section 1563(a)(1). For purposes of this paragraph, property owned by an individual shall be treated as also owned by his or her spouse.

"(10) SAME RECOVERY PERIOD FOR COMPONENTS.—For purposes of this section, structural components of section 167(r) property shall have the same recovery period as the property to which they relate. The recovery period for any such component shall begin when the component is placed in service (but no earlier than the time the property to which it relates is placed in service) except to the extent that paragraph (12) applies. This paragraph shall not apply to any structural component for which amortization (in lieu of depreciation) is properly elected.

"(11) PROPERTY LOCATED OUTSIDE THE UNITED STATES.—In the case of section 167(r) property that is located outside the United States, the allowance provided for by paragraph (1) shall be computed using a recovery period of 30 years, and paragraph (2) shall not apply.

"(12) SPECIAL RULE FOR PROPERTY NOT YET PLACED IN SERVICE.—

"(A) IN GENERAL.—For purposes of this subsection, any qualified progress expenditure with respect to progress expenditure property shall be treated as if such expenditure were property placed in service at the time the expenditure is made.

"(B) QUALIFIED PROGRESS EXPENDITURE; PROGRESS EXPENDITURE PROPERTY.—Except as provided in subparagraph (C), for purposes of this paragraph, the terms 'qualified progress expenditure' and 'progress expenditure property' have the respective meanings given to such terms by subsection (d) of section 46 (relating to qualified progress expenditures for purposes of the investment credit).

"(C) EXCEPTION.—For purposes of this paragraph, clause (ii) of section 46(d)(2)(A) shall be applied by substituting 'section 167(r) property' for 'new section 38 property'.

"(D) COORDINATION WITH PARAGRAPH (1).—The unadjusted basis of property which (but for this paragraph) would be first taken into account when placed in service shall be reduced (but not below zero) by any amount that was a qualified progress expenditure under this subsection with respect to such property.

"(E) PUBLIC UTILITY MAY ELECT NOT TO TAKE INTO ACCOUNT PROGRESS PAYMENTS.—

"(i) IN GENERAL.—In the case of public utility property (within the meaning of subsection (1)(3)), the taxpayer may, at its own option and without regard to any requirement imposed by an agency described in subsection (1)(3)(A), elect to treat all additions to capital account for the period before the property is placed in service as made during the taxable year in which the property is placed in service.

"(ii) EFFECT OF ELECTION.—An election under clause (i) shall apply to all public utility property of the taxpayer for the taxable year for which the election is made and all subsequent taxable years unless the Secretary consents to a revocation of such election.

"(13) MANNER AND TIME FOR MAKING ELECTIONS.—

"(A) IN GENERAL.—Any election under this subsection shall be made for the taxable year in which the property is placed in service. For purposes of this paragraph, property shall be treated as placed in service in the first taxable year in which expenditures with respect to such property are qualified progress expenditures under paragraph (12).

"(B) MADE ON RETURN.—Any election under this subsection shall be made on the taxpayer's return of the tax imposed by this chapter for the taxable year concerned.

"(C) REVOCATION ONLY WITH CONSENT.—Any election under this subsection, once made, may be revoked only with the consent of the Secretary.

"(14) LEASEHOLD IMPROVEMENTS.—For purposes of determining whether a leasehold improvement which is section 167(r) property shall be amortized over the term of the lease, the recovery period of such property shall be taken into account in lieu of its useful life.

"(15) SALVAGE VALUE EXCLUDED.—For purposes of determining the allowance under paragraph (1), salvage value shall not be taken into account.

"(16) COORDINATION WITH SUBSECTION (j).—In the case of property to which this subsection applies, subsection (j) shall not apply."

SEC. 203. SHORTER PERIOD REQUIREMENTS FOR INVESTMENT TAX CREDIT.

(a) APPLICABLE PERCENTAGE.—Subsection (c) of section 46 (relating to qualified investment) is amended by adding at the end thereof the following new paragraph:

"(7) APPLICABLE PERCENTAGE FOR RECOVERY PROPERTY.—Notwithstanding paragraph (2), the applicable percentage for purposes of paragraph (1) shall be—

"(A) in the case of 10-year or 5-year recovery property (within the meaning of section 168(c)), 100 percent, and

"(B) in the case of 3-year recovery property (within the meaning of section 168(c)), 60 percent."

(b) REVISION OF PROGRESS EXPENDITURE RULES.—

(1) Paragraph (1) of section 46(d) is amended to read as follows:

"(1) INCREASE IN QUALIFIED INVESTMENT.—

"(A) IN GENERAL.—The amount of the qualified investment of any taxpayer for the taxable year (determined under subsection (c) without regard to this subsection) shall be increased by an amount equal to the aggregate of the applicable percentage of each qualified progress expenditure for the taxable year with respect to progress expenditure property.

"(B) APPLICABLE PERCENTAGE.—

"(i) RECOVERY PROPERTY.—For purposes of subparagraph (A), the applicable percentage for recovery property (within the meaning of section 168) shall be determined under subsection (c)(7) based on a reasonable expectation of what the character of the property will be when it is placed in service. The preceding sentence shall be applied on the basis of the facts known at the close of the taxable year of the taxpayer in which the expenditure is made.

"(ii) NONRECOVERY PROPERTY.—For purposes of subparagraph (A), the applicable percentage for property which is not recovery property (within the meaning of section 168) shall be determined under subsection (c)(2) based on a reasonable expectation of what the useful life of the property will be when it is placed in service. The preceding sentence shall be applied on the basis of the facts known at the close of the taxable year of the taxpayer in which the expenditure is made."

(2) Clause (ii) of section 46(d)(2)(A) (defining progress expenditure property) is amended by striking out "having a useful life of 7 years or more".

(3) Paragraph (6) of section 46(d) is repealed and paragraph (7) of section 46(d) is redesignated paragraph (6).

(c) AMENDMENT OF RECAPTURE RULES.—

(1) IN GENERAL.—Subsection (a) of section 47 (relating to certain dispositions, etc. of section 38 property) is amended by redesignating paragraphs (5), (6), and (7) as paragraphs (6), (7), and (8), respectively, and by inserting after paragraph (4) the following new paragraph:

"(5) SPECIAL RULES FOR RECOVERY PROPERTY.—

"(A) GENERAL RULE.—If, during any taxable year, section 38 recovery property is disposed of, or otherwise ceases to be section 38 property with respect to the taxpayer before the close of the recapture period, then, except as provided in subparagraph (D), the tax under this chapter for such taxable year shall be increased by the recapture percentage of the aggregate decrease in the credits allowed under section 38 for all prior taxable years which would have resulted solely from reducing to zero the qualified investment taken into account with respect to such property.

"(B) RECAPTURE PERCENTAGE.—For purposes of subparagraph (A), the recapture percentage shall be determined in accordance with the following table:

If the recovery property ceases to be section 38 property within:	The recapture percentage is: For 10-year and 5-year property	For 3-year property
(i) One full year after placed in service.	100 percent	100 percent.
(ii) One full year after the close of the period described in clause (i).	80 percent	66 percent.
(iii) One full year after the close of the period described in clause (ii).	60 percent	33 percent.
(iv) One full year after the close of the period described in clause (iii).	40 percent	0 percent.
(v) One full year after the close of the period described in clause (iv).	20 percent	0 percent.

"(C) PROGRESS EXPENDITURES.—If, during any taxable year, any recovery property taken into account in determining qualified investment under section 46(d)(1) becomes, with respect to the taxpayer, recovery property of a character other than that expected in determining the applicable percentage under section 46(d)(1)(B)(i), then the tax under this chapter for such taxable year shall be adjusted in accordance with regulations prescribed by the Secretary.

"(D) LIMITATION.—The tax for the taxable year shall be increased under subparagraph (A) only with respect to the credits allowed under section 38 which were used to reduce tax liability. In the case of credits not so used to reduce tax liability, the carrybacks and carryovers under section 46(b) shall be appropriately adjusted.

"(E) DEFINITIONS AND SPECIAL RULES.—

"(i) SECTION 38 RECOVERY PROPERTY.—For purposes of this paragraph, the term 'section 38 recovery property' means any section 38 property which is recovery property (within the meaning of section 168).

"(ii) RECAPTURE PERIOD.—For purposes of this paragraph, the term 'recapture period' means, with respect to any recovery property, the period consisting of the first full year after the property is placed in service and the 4 succeeding full years (the 2 succeeding full years in the case of 3-year property).

"(iii) CLASSIFICATION OF PROPERTY.—For purposes of this paragraph, property shall be classified as provided in section 168(c).

"(iv) PARAGRAPH (1) NOT TO APPLY.—Paragraph (1) shall not apply with respect to any recovery property."

(2) TECHNICAL AMENDMENTS.—

(A) Subparagraph (D) of section 47(a)(3) is amended to read as follows:

"(D) COORDINATION WITH PARAGRAPHS (1) AND (5).—If, after property is placed in service, there is a disposition or other cessation described in paragraph (1), or a disposition, cessation, or change in expected use described in paragraph (5), then paragraph (1) or (5), as the case may be, shall be applied as if any credit, which was allowable by reason of section 46(d) and which has not been required to be recaptured before such disposition, cessation, or change in use were allowable for the taxable year the property was placed in service.

(B) Paragraph (6) of section 47(a) (as redesignated by paragraph (1) of this subsection) is amended by striking out "paragraph (1) or (3)" and inserting in lieu thereof "paragraph (1), (3), or (5)".

(C) Subparagraph (B) of section 47(a)(7) (as redesignated by paragraph (1)) is amended by striking out "paragraph (5)" and inserting in lieu thereof "paragraph (6)".

(d) TECHNICAL AMENDMENTS RELATING TO CERTAIN PUBLIC UTILITY PROPERTY.—Section 46(f) (relating to limitation of the investment credit in the case of certain regulated companies) is amended:

(1) by adding at the end of paragraph (1) thereof the following new sentence: "In the case of property placed in service after December 31, 1981, other than property to which the immediately preceding sentence applies, subparagraph (A) shall not apply if the taxpayer's cost of service for rate making services is reduced by not more than a ratable portion of the credit allowed by section 38 (determined without regard to this subsection)."

(2) by adding at the end of subparagraph (2) thereof the following new sentence: "This paragraph shall not apply in the case of property placed in service after December 31, 1981."

(e) TECHNICAL AMENDMENT RELATING TO NONCORPORATE LESSORS.—Paragraph (3) of section 46(e) is amended by adding at the end thereof the following new sentence: "For purposes of subparagraph (B), in the case of recovery property (within the meaning of section 168(c)), the following useful lives shall apply:

In the case of—	The useful life is (In years)
3-year property	5
5-year property	10
10-year property	20

(f) CONFORMING AMENDMENTS.—

(1) Paragraph (2) of section 46(c) is amended by amending the sentence before the table to read as follows:

"(2) APPLICABLE PERCENTAGE IN CERTAIN CASES.—For purposes of paragraph (1), except as provided in paragraphs (3), (6) and (7), the applicable percentage for any property shall be determined under the following table:"

(2) Subparagraph (A) of section 46(c)(6) (relating to special rules for commuter highway vehicles) is amended to read as follows:

"(A) IN GENERAL.—Notwithstanding paragraph (2) or (3), in the case of a commuter highway vehicle the useful life of which is 3 years or more, or which is recovery property (within the meaning of section 168), the applicable percentage for purposes of paragraph (1) shall be 100 percent."

(3) Subparagraph (C) of section 48(1)(2) (defining energy property) is amended by inserting at the end thereof "or which is recovery property (within the meaning of section 168)."

(4) The last sentence of section 48(a)(1) (defining section 38 property) is amended by striking out "includes only property" and inserting in lieu thereof "includes only recovery property (within the meaning of section 168) (without record to any useful life) and any other property".

(g) APPLICATION OF AT RISK RULES TO INVESTMENT CREDIT.—

(1) IN GENERAL.—Subsection (c) of section 46 (relating to qualified investment) is amended by adding at the end thereof the following new paragraphs:

"(8) LIMITATION TO AMOUNT AT RISK.—In the case of any person to whom section 465 (relating to certain amounts at risk) applies, the basis of each new section 38 property under paragraph (1)(A) and the cost of each used section 38 property under paragraph (1)(B) shall not exceed the amount which the taxpayer has at risk (within the meaning of section 465(b) without regard to paragraph (5) thereof) with respect to such property at the time such property is placed in service."

"(9) SUBSEQUENT INCREASES IN THE TAXPAYER'S AMOUNT AT RISK WITH RESPECT TO THE PROPERTY.—

"(A) IN GENERAL.—If, at the close of a taxable year subsequent to the year in which property was placed into service, the amount which the taxpayer has at risk with respect to such property has increased (as determined under subparagraph (B)), such increase shall be taken into account as additional qualified investment in such property in accordance with subparagraph (C).

"(B) INCREASES TO BE TAKEN INTO ACCOUNT.—For purposes of subparagraphs (A) and (C), the amount which a taxpayer has at risk with respect to a property shall be treated as increased by the sum of the cash and the fair market value of property (other than property with respect to which the taxpayer is not at risk) used to reduce the principal sum of any amount with respect to which the taxpayer is not at risk.

"(C) MANNER IN WHICH TAKEN INTO ACCOUNT.—For purposes of determining the amount of credit allowed under section 38 and amount of credit subject to the early disposition rules under section 47, an increase in a taxpayer's qualified investment in property (determined under subparagraph (B)) shall be deemed to be additional qualified investment made by the taxpayer in the year in which the property referred to in subparagraph (A) was first placed into service. However, the credit determined by taking into account the increase in qualified investment under this paragraph shall be considered a credit earned in the taxable year of such increase."

(2) RECAPTURE.—Subsection (a) of section 47 (relating to certain dispositions of section 38 property) is amended by adding at the end thereof the following new paragraph:

"(9) PROPERTY THAT CEASES TO BE AT RISK.—

If the taxpayer ceases to any extent to be at risk (within the meaning of section 465(b) without regard to paragraph (5) thereof) with respect to property, then the tax under this chapter for such taxable year shall be increased by an amount equal to the aggregate decrease in credits allowed under section 38 for all prior taxable years which would have resulted from substituting, in determining qualified investment, the amount determined under section 46(c)(8) with respect to such property if the taxpayer had not been at risk with respect to such property on the date it was placed in service, for the amount of such qualified investment on the date it was placed in service."

SEC. 204. AMENDMENTS RELATED TO DEPRECIATION

(a) RECOVERY DEDUCTION TREATED AS DEPRECIATION.—Subsection (a) of section 167 (relating to depreciation) is amended by adding at the end thereof the following new sentence: "In the case of recovery property (within the meaning of section 168), the deduction allowable under section 168 shall be deemed to constitute the reasonable allowance provided by this section."

(b) NO ADDITIONAL FIRST-YEAR DEPRECIATION FOR RECOVERY PERIOD.—Subsection (a) of section 179 is amended by adding after "In the case of section 179 property" the following: "placed in service before January 1, 1981"

(c) TERMINATION OF CLASS LIFE SYSTEM.—Subsection (m) of section 167 (relating to class lives is amended by adding at the end thereof the following new paragraph:

"(4) TERMINATION.—This subsection shall not apply with respect to recovery property (within the meaning of section 168) and section 167(r) property placed in service after December 31, 1980."

(d) RETIREMENT-REPLACEMENT-BETTERMENT METHOD OF DEPRECIATION.—

(1) GENERAL RULE.—Section 167(s), as redesignated by section 202 of this Act, is repealed as of January 1, 1981 and the allowance for depreciation under section 167(a) for railroad track shall be computed using a ratable method. The repeal of section 167(s) and use of a ratable method shall be treated under sections 446 and 481 as a change of accounting method.

(2) TRANSITIONAL RULE.—

(A) PRE-1981 PROPERTY.—For purposes of section 167(a) with respect to property placed in service before January 1, 1981 to which paragraph (1) of section 204(d) of the Act applies, such property shall be depreciated using a useful life of not less than 10 years and a method described in section 167(b).

(B) COORDINATION WITH SECTION 481.—In the case of any taxpayer required by this section to change its method of accounting as of January 1, 1981—

(i) such change shall be treated as having been made with the consent of the Secretary,

(ii) for purposes of section 481(a)(2), such change shall be treated as a change not initiated by the taxpayer, and

(iii) under regulations prescribed by the Secretary, the net amount of adjustments required by section 481(a) to be taken into account by the taxpayer in computing taxable income shall be taken into account in each of the 10 taxable years (or the remaining taxable years where there is a stated future life of less than 10 taxable years) beginning with the year of change.

(e) CLERICAL AMENDMENT.—The table of sections for part VI of subchapter B of chapter 1 is amended by inserting after the item relating to section 167 the following new item:

"Sec. 168. Accelerated cost recovery deduction for plant and equipment."

SEC. 205. DISPOSITION OF RECOVERY PROPERTY SUBJECT TO RECAPTURE UNDER SECTION 1245.

(a) GENERAL RULE.—Paragraph (1) of section 1245(a) (relating to ordinary income) is amended by inserting after "December 31, 1962," the following: "or recovery property (as defined in section 168(c)) is disposed of after December 31, 1980,"

(b) RECOMPUTED BASIS.—Paragraph (2) of section 1245(a) (relating to recomputed basis) is amended by adding the following new subparagraph immediately following subparagraph (D):

"(E) with respect to any recovery property (within the meaning of section 168), its adjusted basis recomputed by adding thereto all adjustments attributable to periods for which a recovery deduction is allowed under section 168(a) (as added by the Economic Recovery Tax Act of 1981)."

(c) OWNER-USER BUILDING.—Subsection (b) of section 1250 (relating to additional depreciation defined) is amended by adding after paragraph (4) the following new paragraph:

"(5) OWNER-USER BUILDING.—The term 'additional depreciation' also means in the case of property which for any prior taxable year was a qualified owner-user building (as defined in section 168(c)(4)) in the hands of the taxpayer and which ceased to be a qualified owner-user building, the amount of deductions allowed under section 168(a). In such case, the provision of paragraph (1) relating to property held for more than one year, shall not apply with respect to the deduction allowed under section 168(a)."

(d) CONFORMING CHANGES.—

(1) SECTION 1250.—

(A) Clause (i) of section 1250(a)(1)(A) (relating to general rule) is amended by deleting "(1) or (4)" and inserting in lieu thereof "(1), (4), or (5)".

(B) Subsection (d) of section 1250 (relating to exceptions and limitations) is amended by adding after paragraph (10) the following new paragraph:

"(11) RECOVERY PROPERTY.—Subsection (a) shall not apply to the disposition of property which at the time of such disposition is recovery property (as defined by section 168(c))."

(2) SECTION 1245.—Paragraph (2) of section 1245(a) is amended by inserting after "1976)," each time it appears "168 (as added by the Economic Recovery Tax Act of 1981),".

SEC. 206. MINIMUM TAX AMENDMENT.—

(a) ELIMINATION OF MINIMUM TAX FOR REAL PROPERTY WITH SHORTENED, AUDIT-PROOF LIFE.—Paragraph (2) of section 57(a) (relating to accelerated depreciation on real property as an item of tax preference) is amended by adding at the end thereof the following sentence: "For purposes of the preceding sentence, in the case of property described in section 167(r), the recovery period applicable under that section shall be considered the useful life of such property."

(b) RULES FOR RECOVERY PROPERTY.—Subsection (a) of section 57 (defining items of tax preference) is amended by inserting after paragraph (11) the following new paragraph:

"(12) ACCELERATED COST RECOVERY DEDUCTION.—

"(A) IN GENERAL.—With respect to each recovery property which is subject to a lease, the amount (if any) by which the recovery deduction allowed for the taxable year exceeds the amount determined under section 312(k) for such year with respect to such property.

"(B) LIMITATIONS; CORPORATIONS.—This paragraph shall not apply to any taxpayer which is a corporation (other than an electing small business corporation (as defined in section 1371(b)) or a personal holding company (as defined in section 542)).

"(C) PARAGRAPHS (2) AND (3) DO NOT APPLY TO RECOVERY PROPERTY.—Paragraphs (2) and (3) shall not apply to recovery property (within the meaning of section 168)."

SEC. 207. EARNINGS AND PROFITS.

(a) Subsection (k) of section 312 is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

"(3) EXCEPTION FOR RECOVERY PROPERTY AND SECTION 167(r) PROPERTY.—

"(A) GENERAL RULE.—Except as otherwise provided in subparagraph (C), if for any taxable year a recovery deduction is allowable under section 168(a) with respect to recovery property (as defined in section 168(c)), or under section 167(r) with respect to section 167(r) property (as defined in section 167(r)(3)(A)), then the adjustment to earnings and profits for depreciation for such year shall be, in lieu of the amount determined under section 168 or 167(r), the applicable percentage of the unadjusted basis determined under subparagraph (B).

"(B) APPLICABLE PERCENTAGE.—The applicable percentages described in subparagraph (A) are as follows:

In the case of:	The applicable percentage is:
3-year recovery property	20 percent.
5-year recovery property	10 percent.
10-year recovery property (other than section 1250 property).	5 percent.
10-year section 1250 recovery property and section 167 (r) property.	3.33 percent.

"(C) ADJUSTMENT AFTER CLOSE OF RECOVERY PERIOD.—

"(i) IN GENERAL.—The adjustment provided under paragraph (A) shall continue with respect to property following the close of the applicable recovery period until the earlier of—

"(I) 100 percent of the unadjusted basis of such property is charged to earnings and profits; or

"(II) the property is disposed of.

"(ii) RECOVERY PERIOD.—For purposes of this subparagraph, the 'recovery period' for any property is the period during which a deduction is allowable with respect to such property under section 168(a) or section 167(a) as the case may be.

"(D) DEFINITIONS AND SPECIAL RULES.—

"(i) FIRST-YEAR APPLICABLE PERCENTAGE.—

"(I) If, with respect to recovery property, the taxable year in which the recovery deduction allowable under section 168(a) is recovery year 1, then the applicable percentage shall be one-half the percentage provided in subparagraph (B).

"(II) If, with respect to section 167(r) property, the taxable year in which the deduction allowable under section 167(a) is the year the property is placed in service, then the applicable percentage shall be the percentage provided in subparagraph (B) times a fraction the numerator of which is the number of days in the taxable year the property is in service, and the denominator of which is the total number of days in the taxable year.

"(ii) RECOVERY YEAR 1.—For purposes of this section, the term 'recovery year 1' has the same meaning as insection 168(h)(1).

SEC. 208. EXTENSION OF CARRYOVER PERIOD FOR NET OPERATING LOSSES AND CERTAIN CREDITS.

(a) NET OPERATING LOSS.—Subparagraph (B) of section 172(b)(1) (relating to net operating loss carryovers) is amended by substituting "10 taxable years" for "7 taxable years".

(b) OPERATIONS LOSS OF LIFE INSURANCE COMPANIES.—Paragraph (1) of section 812(b)(1) (relating to operations loss carrybacks and carryovers of life insurance companies) is amended by substituting "10 taxable years" for "7 taxable years".

(c) UNUSED LOSS DEDUCTION OF MUTUAL INSURANCE COMPANIES.—Paragraph (1) of section 525(d) (relating to unused loss carrybacks and carryovers of mutual life insurance companies) is amended by substituting "10 taxable years" for "7 taxable years".

(d) INVESTMENT CREDIT.—Paragraph (1) of section 46(b) (relating to carryback and

carryovers of unused investment credits) is amended by adding at the end thereof the following new sentence: "In the case of an unused credit for an unused credit year ending after December 31, 1973, this paragraph shall be applied by substituting '10 taxable years' for '7 taxable years' in subparagraph (B), and by substituting '13 taxable years' for '10 taxable years,' and '12 taxable years' for '9 taxable years' in the second sentence."

(e) WORK INCENTIVE PROGRAM CREDIT.—Paragraph (1) of section 50A(b) (relating to carryback and carryover of unused work incentive program credit) is amended by adding at the end thereof the following new sentence: "In the case of an unused credit for an unused credit year ending after December 31, 1973, this paragraph shall be applied by substituting '10 taxable years' for '7 taxable years' in subparagraph (B), and by substituting '13 taxable years' for '10 taxable years,' and '12 taxable years' for '9 taxable years' in the preceding sentence."

(f) NEW EMPLOYEE CREDIT.—Paragraph (1) of section 53(c) (relating to carrybacks and carryovers of new employee credit) is amended by substituting "10 taxable years" for "7 taxable years" in subparagraph (B) and by substituting "13 taxable years" for "10 taxable years" and "12 taxable years" for "9 taxable years".

SEC. 209. CARRYOVER OF RECOVERY ATTRIBUTE IN SECTION 381 TRANSACTIONS.—Subsection (c) of section 381 is amended by adding at the end thereof the following new paragraph:

"(28) METHOD OF COMPUTING RECOVERY ALLOWANCE FOR RECOVERY PROPERTY AND CERTAIN REAL PROPERTY.—The acquiring corporation shall be treated as the distributor or transferor corporation for purposes of computing the depreciation allowance under subsection (r) of section 167 and for purposes of computing the recovery deduction under subsection (a) of section 168 on property acquired in a distribution or transfer with respect to so much of the basis in the hands of the acquiring corporation as does not exceed the adjusted basis in the hands of the distributor or transferor corporation."

SEC. 210. EFFECTIVE DATES.—

(a) GENERAL RULE.—Except as provided in subsections (b), (c), (d), (e), and (f), the amendments made by this title shall apply to property placed in service after December 31, 1980, in taxable years ending after such date.

(b) SPECIAL RULE FOR PROGRESS EXPENDITURES.—The amendment made by subsection (b) of section 203 shall apply to progress expenditures made after December 31, 1980.

(c) SPECIAL RULE FOR SECTION 46(f).—The amendment made by subsection (d) of section 203 shall apply to property placed in service after December 31, 1981.

(d) SPECIAL RULE FOR AT RISK.—The amendment made by subsection (g) of section 203 shall not apply to—

(i) property placed in service by the taxpayer before February 18, 1981, and

(ii) property placed in service by the taxpayer after February 18, 1981, where such property is acquired by the taxpayer pursuant to a binding commitment entered into on or before that date.

(e) SPECIAL RULE FOR RRB PROPERTY.—The amendment made by subsection (d) of section 204 shall apply after December 31, 1980.

(f) SPECIAL RULE FOR CARRYOVERS.—The amendments made by subsections (a), (b), and (c) of section 208 shall apply to net operating losses in taxable years ending after December 31, 1975. The amendments made by subsections (d) and (e) of section 208 shall apply to unused credit years ending after December 31, 1973. The amendment made by subsection (f) of section 208 shall apply to unused credit years beginning after December 31, 1976.

By Mr. THURMOND (for himself, Mr. HATCH, Mr. DECONCINI, Mr. SIMPSON, Mr. HEFLIN, Mr. LAXALT, Mr. LUGAR, Mr. BOREN, Mr. ARMSTRONG, Mr. EAST, Mr. DENTON, Mr. GRASSLEY, and Mr. PRESSLER):

S.J. Res. 43. Joint resolution proposing an amendment to the Constitution to alter Federal fiscal decisionmaking procedures; to the Committee on the Judiciary.

PROPOSED CONSTITUTIONAL AMENDMENT TO PROMOTE FISCAL RESPONSIBILITY

Mr. THURMOND. Mr. President, today, along with Senators HATCH, DECONCINI, SIMPSON, HEFLIN, LAXALT, LUGAR, BOREN, ARMSTRONG, EAST, DENTON, GRASSLEY, and PRESSLER, I am introducing a joint resolution proposing an amendment to the U.S. Constitution to promote fiscal responsibility.

This legislation is similar to a joint resolution I introduced earlier this year, Senate Joint Resolution 9, but contains several technical amendments to Senate Joint Resolution 9 that I believe improve the legislation and will encourage wider support for the resolution.

First, section 2 has been changed by adding the words "be retained for the use of the Treasury in an amount" before the words "which exceeds." This change addresses the concern of some that since receipts in any given year can vary with regard to actual retention by the U.S. Treasury, the Congress may be tempted to estimate incorrectly tax revenues for the next year. Thus, this clarification is intended to insure that revenue levels remain stable from year to year.

The other change in this joint resolution is in section 4 which gives Congress the power to enforce the provisions of the amendment by appropriate legislation. The language in section 4 of Senate Joint Resolution 9 has been criticized as too restrictive. The new language gives more flexibility to the amendment and permits the Congress to take appropriate steps to assure a balanced budget.

Mr. President, the changes that I am offering today to this proposed legislation were similar to ones adopted by the Judiciary Committee prior to a vote on this legislation in March of last year. Although the pending joint resolution failed to be reported from the full committee by a vote of 9 to 8, the changes I have just mentioned did receive approval by the committee prior to a final vote on the resolution.

The effort to reach final approval of legislation sending an amendment to balance the budget to the States for ratification is now close to success. The recent elections have given "balance the budget" supporters the boost I think was needed to get congressional adoption in this Congress.

In addition, 30 States have now passed the necessary legislation calling on the Congress to convene a constitutional convention to consider a balance the budget amendment. Legislative bodies in four more States have recently approved similar legislation that simply awaits approval in companion houses in each of these States. In short, if 34 States call for a constitutional convention, under the provisions of the Constitution, the Congress has no choice but to convene one.

Mr. President, this legislation can be passed early this year and sent to the States for their consideration. I urge my colleagues to join in this effort to restore fiscal responsibility to America.

By Mr. DECONCINI:

S.J. Res. 44. Joint resolution requesting the President to designate July 18 of each year as "National POW/MIA Recognition Day"; to the Committee on the Judiciary.

NATIONAL PRISONERS OF WAR—MISSING IN ACTION RECOGNITION DAY

Mr. DECONCINI. Mr. President, I am introducing today a resolution to establish "National Prisoners of War/Missing in Action Recognition Day" as an annual observance. Both the 95th and 96th Congresses passed legislation designating July 18 as a day of national recognition for our POW's and MIA's, and I think the time has come to pay tribute to these brave individuals on an annual basis.

The entire Nation shared a sense of joy and relief with the safe return of our hostages from Iran. The aftermath of the euphoria surrounding that event is a particularly opportune moment to reflect upon the tremendous sacrifices endured by former POW's, their families, and the families of those who are still listed as missing in action. Despite physical torture, inhumane living conditions, and deprivations of every kind, our POW's maintained total allegiance to their Nation. Despite the severe psychological readjustment problems suffered by many, their families remained loyal. Despite the agony of not knowing the fate of loved ones, relatives of our MIA's have never lost faith. These sacrifices must not be forgotten.

The horrors of war will never be erased from the minds of the combatants. The additional traumas suffered by POW's, who saw their comrades die as a result of

torture, starvation, exposure, disease, and the lack of medical attention, have left emotional scars that can never be truly healed. But this Nation can express its debt of gratitude for their selfless service, and it is fitting that we do so.

The numbers of living prisoners of war are not insignificant. The Veterans' Administration indicated that there were approximately 94,176 former POW's still alive on January 1, 1981. These individuals have suffered emotional and long-term health problems as a result of their internment, yet many have found it difficult to prove service connection either because they were not interned for the requisite 6-month period or because there was an absence of adequate medical information available at the time of their repatriation.

I know that Senator CRANSTON is introducing a bill today to rectify some of the problems which our POW's have encountered and I urge the Members of this body to give this legislation the serious attention it deserves. In the interim, I call upon my colleagues to support the resolution I am introducing today to designate July 18 of each year as "National POW-MIA Recognition Day." We owe an enormous debt of gratitude to all our veterans, but the extreme sacrifices endured by our POW's deserve special recognition. Likewise, let us honor the relatives and families of those whose wartime fate remains unresolved. These are indeed the bravest of the brave.

By Mr. HEINZ (for himself, Mr. NUNN, Mr. DURENBERGER, Mr. NICKLES, Mr. JEPSEN, Mr. GOLDWATER, and Mr. BOSCHWITZ):

S.J. Res. 45. Joint resolution proposing an amendment to the Constitution to protect the people of the United States against excessive governmental burdens and unsound fiscal and monetary policies by limiting total outlays of the Government; to the Committee on the Judiciary.

PROPOSED CONSTITUTIONAL AMENDMENT RELATING TO LONG-TERM ECONOMIC RECOVERY

Mr. HEINZ. Mr. President, I believe the Reagan administration deserves commendation for the bold step that its budget submission today represents. By proposing fiscal savings totaling some $55.9 billion for fiscal year 1982, the administration will hopefully be able to reverse the alarming trend of recent years by which the Federal Government consumes an ever-increasing share of the Nation's output as measured by GNP.

As encouraging as the leadership demonstrated by the Reagan administration is, however, I am concerned that we now lack a mechanism for imposing fiscal discipline in future years—when we may not have a President who is willing to demonstrate such leadership and who enjoys such broad popular support.

That is why I am today proposing, along with my distinguished colleague from Georgia (Senator NUNN) and a number of other Senators, an amendment to the Constitution limiting the growth of the Federal Government. Specifically, this amendment limits the growth in Federal spending to the growth in national income as measured by the gross national product.

I should emphasize that is not a balanced budget amendment, although over time it would result in balanced budgets and reductions in the level of public debt. Balancing the budget can be accomplished in one of two ways: By reducing spending, or by increasing taxes. We could easily have a balanced budget of $1 trillion. There would be no Federal deficit—but the burden of taxation resulting would be oppressive and the further growth of the Federal Government at the expense of State and local governments and the economic freedoms supposed to be protected under the Constitution would be intolerable, to my way of thinking.

As President Reagan correctly points out, the key to solving simultaneously the problems of double-digit inflation and high unemployment is to bring under control the amount of our output, the amount of our productive resources, usurped by the Federal Government. That is why the President has proposed an economic program that not only limits the growth of Federal spending and taxation, but also limits other forms of Federal intervention in the economy that have contributed to declining productivity, such as allocation of credit and overregulation. The amendment proposed today is consistent with the goal announced by the Reagan administration of restoring the Federal Government to the role relative to the States and private citizens, envisioned by the framers of the Constitution.

This joint resolution, drafted with the assistance of Nobel laureate Dr. Milton Friedman and the National Tax Limitation Committee, would accomplish this goal in the following ways:

First, it would limit the growth in Federal spending to the growth in national output as measured by nominal gross national product.

Second, it would require that any budget surpluses be used to retire the national debt.

Third, it would authorize increases in the spending limitation following emergency declarations by the President and supermajority votes of Congress.

Fourth, it would prohibit the Federal Government from requiring additional services to be performed by the States without also providing the financial resources to pay for them.

The case for passage of this joint resolution is clear and compelling, as evidenced by the alarming trends of recent years. Federal spending as a percentage of GNP has increased from 18 percent in 1965 to a target level of 23 percent in fiscal year 1981.

For 10 of the past 15 years, Federal spending has increased at a faster rate than has GNP. In 1 year alone, fiscal year 1967, Federal spending increased by more than twice the 8.2-percent increase in GNP. In 3 other years, Federal spending increased by 4.5 percent or more than the most recent increase in the GNP.

My joint resolution—unlike measures which would limit Federal spending to a fixed percentage of GNP—would bring about reductions in the growth of spending gradually. Thus provided would be a reasonable transition period to the fiscal discipline we so desperately need, without drastic cuts in ongoing programs.

Mr. President, thanks to a considerable amount of analysis, I can provide some idea of the benefits of this legislation. For example, had it been in effect just since 1970:

Our national debt would be lower today than it was in 1970, instead of its actually being $624 billion higher.

Interest payments on the national debt would be at least $35 billion lower this year, instead of being over $60 billion.

Federal debt per household would have been cut significantly from $6,098 per household in 1970 to $4,788 today. Unfortunately, in the real world without this legislation, the Federal debt per household today is instead a staggering $11,652.

I ask unanimous consent that tables demonstrating the impact which this measure would have had on Federal outlays since 1965 (table 1) and Federal debt since 1970 (table 2) be inserted in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE 1.—TOTAL OUTLAYS OF THE FEDERAL GOVERNMENT, 1965–82

Year	Total outlays (billions)		Year to year (percent change)		Share of GNP (percent)	
	Actual	Amendment	Actual	Amendment	Actual	Amendment
1965	118.4	NA	−0.2	NA	18.0	NA
1966	134.7	NA	13.8	NA	18.7	NA
1967	158.3	NA	17.5	NA	20.4	NA
1968	178.8	NA	13.0	NA	21.5	NA
1969	184.6	NA	3.2	NA	20.4	NA
1970	196.6	200.6	6.5	8.6	20.5	20.9
1971	211.4	215.0	7.5	7.2	20.7	21.1
1972	232.0	224.5	9.7	4.4	20.9	20.2
1973	247.1	241.7	6.5	7.7	20.0	19.5
1974	271.1	265.4	9.7	9.8	19.9	19.5
1975	334.2	294.0	23.3	10.8	22.9	20.2
1976	373.7	313.1	11.8	6.5	23.0	19.3
Transition quarter	96.5	79.8	NA	NA	NA	NA
1977	411.4	339.1	8.0	6.6	22.4	18.5
1978	461.2	375.0	12.1	10.6	22.6	18.4
1979	505.4	413.3	9.6	10.2	22.1	18.1
1980	543.5	456.3	7.5	10.3	21.7	18.2
1981	589.5	502.1	8.5	10.0	21.4	18.2
1982	626.0	544.6	6.2	8.5	20.7	18.0

Source: Actuals: Budget of the United States (1980). Amendment: Simulation assume total outlays are equal to maximum permissible outlays.

TABLE 2.—DEBT OF THE FEDERAL GOVERNMENT, 1970–82

Year	Annual Federal deficit (surplus) (billions)		Total Federal debt (billions)		Federal debt/household (dollars)		Federal interest payments (billions)		Outlays less interest (billions)	
	Actual	Amendment	Actual	Amendment	Actual	Amendment	Actual	Amendment	Actual	Amendment
1970	2.9	6.9	382.6	386.6	6,035	6,098	18.3	18.5	178.3	182.1
1971	23.0	26.6	409.5	417.0	6,319	6,435	19.6	20.0	191.8	195.0
1972	23.4	15.9	437.3	437.3	6,556	6,556	20.6	20.6	211.4	203.9
1973	14.9	9.5	468.4	463.0	6,858	6,779	22.8	22.5	224.3	219.2
1974	6.2	.5	486.2	475.1	6,956	6,797	28.0	27.4	243.1	238.0
1975	53.2	13.0	544.1	492.8	7,653	6,931	30.9	28.0	303.3	266.0
1976	73.7	13.1	631.9	520.0	8,668	7,133	34.5	28.4	339.2	284.7
1977	53.6	(18.7)	709.1	508.2	9,570	6,858	38.0	27.2	373.4	311.9
1978	59.2	(27.0)	780.4	493.3	10,268	6,491	44.0	27.8	417.2	347.2
1979	49.4	(42.7)	839.2	460.0	10,828	5,935	52.8	28.9	452.6	384.4
1980	40.9	(46.3)	899.0	432.6	11,365	5,469	57.0	27.4	486.5	428.9
1981	12.7	(74.8)	940.3	386.4	11,652	4,788	59.1	24.3	530.4	477.7
1982	(26.6)	(108.0)	951.9	316.7	11,566	3,848	59.5	19.8	566.5	524.8

In short, Mr. President, passage of this joint resolution is necessary because—like the compulsive eater, the chronic gambler, and the alcoholic—the Federal Government needs to be saved from itself. Although like following a doctor's advice, many may be reluctant at first to embrace what we prescribe. But I am convinced this treatment will help reverse the habits of nearly two decades that have weakened our economy and productive base.

I believe the end result will be to liberate enormous reserves of creative energy and productivity today latent in America.

I strongly urge my distinguished colleagues to support this constitutional amendment.

I ask that the text of the joint resolution be printed at this point in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 45

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is hereby proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years after its submission to the States for ratification:

"ARTICLE —

"SECTION 1. (a) Total outlays of the Government of the United States during any fiscal year shall not increase by a percentage greater than the percentage increase in the nominal gross national product during the last calendar year ending prior to the beginning of such fiscal year.

"(b) For purposes of subsection (a), total outlays includes both budget and off-budget outlays, but does not include redemption of the public debt or emergency outlays authorized under section 3 of this article.

"SEC. 2. When, for any fiscal year, total revenues received by the Government of the United States exceed total outlays, the surplus shall be used to reduce the public debt of the United States until such debt is eliminated.

"SEC. 3 Following a declaration of an emergency by the president, the Congress may authorize, by a concurrent resolution agreed to in each House by a two-thirds vote, a specified amount of emergency outlays in excess of the limit prescribed by section 1 for the fiscal year then in progress.

"SEC. 4. The Congress may prescribe, by a concurrent resolution agreed to in each House by a three-fourths vote, a specified amount by which the limit on total outlays prescribed by section 1 may be changed. Any such change shall become effective beginning with the fiscal year beginning after the date on which the Congress adopts such concurrent resolution.

"SEC. 5. The Congress may not require or authorize any department, agency, or instrumentality of the Government of the United States to require, directly or indirectly, that a State or local government, in order to qualify for any program of the Government of the United States, engage in additional or expanded activities unless the Congress requires such department, agency, or instrumentality to compensate such State or local government for the costs incurred in carrying out such additional or expanded activities.

"SEC. 6. The Congress shall have the power to enforce this article by appropriate legislation.".

● Mr. NUNN. Mr. President, today I join Senator HEINZ in introducing a constitutional amendment designed to protect America now and in the future against excessive taxation and spending by the Federal Government. I do not do this lightly. I feel we need a constitutional amendment to address the problem of ever increasing Government spending, because I believe that these increases, left unchecked, will gradually weaken and eventually destroy our economy.

WHY AMENDMENT IS NECESSARY

Consider that total government spending at all levels amounts to almost 45 percent of total personal income. That means that 45 cents out of every dollar the average citizen earns goes directly back to government through one tax or another. This figure does not even include the indirect taxes we pay because of price increases brought about by business taxes, et cetera. By contrast, in 1960, government took 34 cents of every dollar and in 1940 the figure was only 23 cents. If this pattern continues, by the year 2000 government spending will exceed 56 cents of every dollar earned and the taxpayer will have less than 44 cents left. It is, of course, very easy to say that we have reached a peak now but how many people in 1960 were able to envision current government spending levels?

Admittedly, Federal Government spending is only a part of the problem, but a large part; in 1965 it made up 18 percent of the GNP. By 1980 it had almost reached 24 percent. Some States are already making serious efforts to control spending along the same lines we are proposing. Seven States have passed amendments to their constitutions that would not allow State spending to rise faster than personal income—or some other suitable economic indicator. Similar movements exist in many other States. But the States cannot bear this burden without the leadership of the Federal Government. Well over half of all spending already originates at the Federal level.

WHY AMENDMENT IS APPROPRIATE

Throughout the period of Government spending's seemingly inexorable rise, legislators have attempted to slow or stop its growth. Unfortunately, most of those efforts have failed. For instance, the 1974 Congressional Budget Act has not provided the discipline we hoped it would bring. Some progress was made, however, in slowing the rise in Federal expenditures in the 96th Congress. Now, President Reagan has proposed an ambitious program of budget cuts which I believe are essential. I support the President's overall thrust. In the long run, however, I believe statutory efforts to control spending by the Government will still fall short because of the pressures on Congress inherent in our system. As Milton Friedman, a proponent of this amendment, said:

> The fundamental defect is that we have no means whereby the public at large ever gets to vote on the total budget of the government.
>
> Our system is one in which each particular spending measure is treated separately. For any single spending measure, therefore, there is always a small group that has a very strong interest in the measure.

BENEFITS OF AMENDMENT

The benefits of passing this constitutional amendment extend beyond correcting the present drift toward ever increasing Government spending. Such an amendment would provide stability for the whole economy. Business, labor, and Government will all know that Government spending will not outstrip economic growth and all three can plan accordingly for not just a few months, but a few years ahead. This increased predictability alone should reduce some of the inflationary pressures on our economy. Businessmen and workers alike can look to the future with increased confidence that what they see is what they will get.

Another major benefit of the amendment is that it provides a structure within which Congress must realistically set priorities. We must realize that there are many worthwhile programs which we simply cannot afford and look at each expenditure in the context of the entire budget. We as Senators know that we need such an overview. President Reagan has asked us this year to review many such programs. This amendment not only insures our taking this approach, but will also make special interest groups aware that their lobbying efforts take place within a finite economic system. Everyone receiving Government money will now have an incentive to find and eliminate waste and purposeless programs.

PROVISIONS OF THE AMENDMENT

This amendment does the following. It ties total Federal outlays to the rate of increase in the GNP so that the Government's share of our wealth may not increase. The limit is tied to increases in GNP over a 21-month period so as to make the amendment countercyclical. The amendment includes off-budget outlays in the limit but excludes emergency outlays.

Section 2 of the amendment provides that any surplus will be applied to reducing the public debt. The combination of this section and section 1 exclusion of redemption of public debt from the limit should contribute to lowering that debt over time, thereby reducing the system's inflationary pressures.

Section 3 allows for the President and Congress to exceed the limit in times of emergency. Such a clause is intended to provide the flexibility needed to handle an unexpected national crisis. For the amendment to achieve its goal of protecting the peoples' purse it is vital that any emergency provision require a supermajority. We choose the two-thirds level which is required in other sections of the Constitution. In a time of genuine emergency, such a majority would certainly be attainable.

Section 4 provides Congress a means for permanently changing the limit should there be a clear national consensus that it had become too low. Such a change would require a three-fourths vote and would obviously only occur if the limitation in the amendment became unacceptable to the vast majority of the American people.

Section 5 assures that the Federal Government will not limit its spending by simply requiring the States to pay for the programs that the Federal Government previously funded.

That is the amendment. I would call attention to the fact that my distinguished Georgia colleague Congressman ED JENKINS cosponsored a similar amendment with Congressman BARBER CONABLE in the 96th Congress. Their House resolution was cosponsored by 109 House Members. This year they have reintroduced their spending limit amendment with good prospects for greatly increasing their support. I look forward to working closely with them on this important matter.

Our amendment will help bring stability to our economic structure; it will also help reduce the inflationary pressure which results from burgeoning Government spending and the deficits which accompany that spending.●

ADDITIONAL COSPONSORS

S. 2

At the request of Mr. MATHIAS, the Senator from Minnesota (Mr. BOSCHWITZ) was added as a cosponsor of S. 2, a bill to amend the Internal Revenue Code of 1954.

S. 20

At the request of Mr. DURENBERGER, his name was added as a cosponsor of S. 20, a bill to amend title 18 of the United States Code to prohibit the robbery of a controlled substance from a pharmacy.

S. 32

At the request of Mr. CHAFEE, the Senator from Hawaii (Mr. MATSUNAGA) and the Senator from New York (Mr. D'AMATO) were added as cosponsors of S. 32, a bill to grant a Federal Charter to the Italian American War Veterans of the United States of America.

S. 52

At the request of Mr. HAYAKAWA, the Senator from Indiana (Mr. QUAYLE) and the Senator from Utah (Mr. HATCH) were added as cosponsors of S. 52, a bill to amend the Clean Air Act to repeal the requirement that State implementation plans provide for periodic inspection and testing of motor vehicles.

S. 63

At the request of Mr. HEINZ, the Senator from Utah (Mr. HATCH) was added as a cosponsor of S. 63, a bill to amend the Clean Air Act to provide compliance date extensions for steel-making facilities on a case-by-case basis to facilitate modernization.

S. 69

At the request of Mr. CANNON, the Senator from Vermont (Mr. STAFFORD) was added as a cosponsor of S. 69, a bill to facilitate the ability of product sellers to establish product liability risk retention groups, to facilitate the ability of such sellers to purchase product liability insurance on a group basis, and for other purposes.

S. 170

At the request of Mr. PACKWOOD, the Senator from Wisconsin (Mr. KASTEN) and the Senator from New Mexico (Mr. SCHMITT) were added as cosponsors of S. 170, a bill to amend the Internal Revenue Code of 1954 to allow the charitable deduction to taxpayers whether or not they itemize their personal deductions.

At the request of Mr. MOYNIHAN, the Senator from Texas (Mr. TOWER), the Senator from California (Mr. CRANSTON), and the Senator from Vermont (Mr. LEAHY) were added as cosponsors of S. 170, supra.

S. 255

At the request of Mr. MATHIAS, the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of S. 255, a bill to amend the patent law to restore the term of the patent grant for the period of time that nonpatent regulatory requirements prevent the marketing of a patented product.

S. 267

At the request of Mr. DECONCINI, the Senator from Maryland (Mr. MATHIAS) was added as a cosponsor of S. 267, a bill to amend title 28, United States Code, to provide that the Federal tort claims provisions of that title are the exclusive remedy in medical malpractice actions and proceedings resulting from federally authorized National Guard training activities, and for other purposes.

S. 287

At the request of Mr. HEINZ, the Senator from South Dakota (Mr. PRESSLER) was added as a cosponsor of S. 287, a bill to amend the Internal Revenue Code of 1954 to provide a system of capital recovery for investment in plant and equipment, and to encourage economic growth and modernization through increased capital investment and expanded employment opportunities.

S. 329

At the request of Mr. PELL, the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of S. 329, a bill to amend the Internal Revenue Code of 1954 to provide a credit against tax for certain home heating costs.

S. 341

At the request of Mr. EAGLETON, the Senator from Rhode Island (Mr. PELL), the Senator from Missouri (Mr. DANFORTH), the Senator from Kansas (Mr. DOLE), and the Senator from Montana (Mr. BAUCUS) were added as cosponsors of S. 341, a bill for the relief of Isaac N. Hulver of Kansas City, Mo.

S. 351

At the request of Mr. WALLOP, the Senator from South Dakota (Mr. ABDNOR), the Senator from Nevada (Mr. LAXALT), the Senator from Texas (Mr. BENTSEN), the Senator from Georgia (Mr. NUNN), the Senator from Hawaii (Mr. INOUYE), the Senator from Mississippi (Mr. STENNIS), the Senator from Iowa (Mr. GRASSLEY), and the Senator from Oregon (Mr. HATFIELD) were added as cosponsors of S. 351, a bill to amend the Federal Mine Safety and Health Amendments Act of 1977 to provide that the provisions of such act shall not apply to the surface mining of stone, clay, and sand work.

S. 354

At the request of Mr. PERCY, the Senator from Indiana (Mr. LUGAR), the Senator from Montana (Mr. BAUCUS), the Senator from Iowa (Mr. GRASSLEY), and the Senator from North Dakota (Mr. ANDREWS) were added as cosponsors of S. 354, a bill to amend the Export Administration Act of 1979.

S. 391

At the request of Mr. CHAFEE, the Senator from Wisconsin (Mr. KASTEN), the Senator from Minnesota (Mr. BOSCHWITZ), the Senator from North Carolina (Mr. EAST), the Senator from Indiana (Mr. QUAYLE), the Senator from North Dakota (Mr. ANDREWS), and the Senator from Virginia (Mr. WARNER) were added as cosponsors of S. 391, a bill to amend the National Security Act of 1947 to prohibit the unauthorized disclosure of information identifying agents, inform-

ants, and sources and to direct the President to establish procedures to protect the secrecy of these intelligence relationships.

S. 398

At the request of Mr. ARMSTRONG, the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of S. 398, a bill to amend the Walsh-Healey Act and the Contract Work Hours Standards Act to permit certain employees to work a 10-hour day in the case of a 4-day workweek, and for other purposes.

S. 445

At the request of Mr. MITCHELL, the Senator from Massachusetts (Mr. TSONGAS), the Senator from California (Mr. CRANSTON), the Senator from New Jersey (Mr. WILLIAMS), the Senator from Rhode Island (Mr. PELL), the Senator from Rhode Island (Mr. CHAFEE), the Senator from Maryland (Mr. SARBANES), the Senator from Montana (Mr. BAUCUS), and the Senator from West Virginia (Mr. RANDOLPH) were added as cosponsors of S. 445, a bill to establish a State setaside system for propane, middle distillates, motor gasoline, residual fuel oil, and aviation fuels, and for other purposes.

S. 451

At the request of Mr. LEAHY, the Senator from Montana (Mr. MELCHER), the Senator from New York (Mr. MOYNIHAN), the Senator from Nebraska (Mr. ZORINSKY), the Senator from Hawaii (Mr. MATSUNAGA), and the Senator from Hawaii (Mr. INOUYE) were added as cosponsors of S. 451, a bill to require Federal agencies to take steps to mitigate losses of U.S. agricultural land caused by Federal programs or actions, and for other purposes.

S. 508

At the request of Mrs. KASSEBAUM, the Senator from Nebraska (Mr. EXON) was added as a cosponsor of S. 508, a bill to provide for the improvement of the Nation's airport and airway system, and for other purposes.

S. 528

At the request of Mr. JOHNSTON, the Senator from Utah (Mr. GARN), the Senator from Nevada (Mr. CANNON), the Senator from Oklahoma (Mr. BOREN), the Senator from North Dakota (Mr. ANDREWS), and the Senator from Texas (Mr. BENTSEN) were added as cosponsors of S. 528, a bill to establish reasonable limits on the power of courts of the United States in the imposition of injunctive relief in suits to protect the constitutional rights of individuals in public education and to authorize the Attorney General to institute suits to enforce such limits.

S. 533

At the request of Mr. MOYNIHAN, the Senator from Maine (Mr. MITCHELL) was added as a cosponsor of S. 523, a bill to establish public buildings policies for the Federal Government, to establish the Public Buildings Service in the General Services Administration, and for other purposes.

S. 569

At the request of Mr. JEPSEN, the Senator from Oregon (Mr. HATFIELD), the Senator from California (Mr. HAYAKAWA), the Senator from South Dakota (Mr. ABDNOR), the Senator from Arkansas (Mr. PRYOR), and the Senator from Montana (Mr. MELCHER) were added as cosponsors of S. 569, a bill to amend the Internal Revenue Code of 1954 to provide an investment tax credit for certain soil and water conservation expenditures.

S. 574

At the request of Mrs. KASSEBAUM, the Senator from North Dakota (Mr. ANDREWS), and the Senator from Arkansas (Mr. PRYOR) were added as cosponsors of S. 574, a bill to amend the Internal Revenue Code of 1954 to allow the estate of a decedent a deduction for certain bequests of interests in property used in farms or other trades or businesses, and for other purposes.

S. 597

At the request of Mr. JEPSEN, the Senator from Washington (Mr. GORTON) and the Senator from Arizona (Mr. DECONCINI) were added as cosponsors of S. 597, a bill to eliminate the position of elevator operator in the Senate office buildings.

S. 612

At the request of Mr. BOSCHWITZ, the Senator from Nebraska (Mr. EXON) was added as a cosponsor of S. 612, a bill to amend the Internal Revenue Code of 1954 to clarify the valuation, for estate tax purposes, of farm and other real property when such property is rented by a member of a decedent's family, and for other purposes.

S. 628

At the request of Mr. TOWER, the Senator from Texas (Mr. BENTSEN) was added as a cosponsor of S. 628, a bill for the relief of Martin Alfredo P. Marasigan, M.D., also known as Freddie del Prado Marasigan, M.D.

S. 651

At the request of Mr. BENTSEN, his name was added as a cosponsor of S. 651, a bill to provide for the reinstatement and validation of U.S. oil and gas lease No. W-46102.

SENATE JOINT RESOLUTION 4

At the request of Mr. BURDICK, the Senator from Iowa (Mr. GRASSLEY), the Senator from Minnesota (Mr. BOSCHWITZ), and the Senator from Oklahoma (Mr. NICKLES) were added as cosponsors of Senate Joint Resolution 4, a joint resolution to authorize the President to issue annually a proclamation designating that week in November which includes Thanksgiving Day as "National Family Week."

SENATE JOINT RESOLUTION 28

At the request of Mr. MATHIAS, his name was added as a cosponsor of Senate Joint Resolution 28, a joint resolution designating the week beginning March 8, 1981, as "Women's History Week."

At the request of Mr. HATCH, the Senator from Oklahoma (Mr. BOREN), the Senator from Kentucky (Mr. FORD), the Senator from Vermont (Mr. STAFFORD), the Senator from Idaho (Mr. SYMMS), the Senator from Iowa (Mr. JEPSEN), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from New Jersey (Mr. WILLIAMS), the Senator from Hawaii (Mr. MATSUNAGA), and the Senator from Hawaii (Mr. INOUYE) were added as cosponsors of S.J. Res. 28, supra.

SENATE JOINT RESOLUTION 40

At the request of Mr. RIEGLE, the Senator from Vermont (Mr. LEAHY), the Senator from Delaware (Mr. ROTH), the Senator from Delaware (Mr. BIDEN), the Senator from New York (Mr. D'AMATO), the Senator from Iowa (Mr. GRASSLEY), the Senator from Tennessee (Mr. BAKER), and the Senator from Indiana (Mr. QUAYLE) were added as cosponsors of Senate Joint Resolution 40, a joint resolution to designate April 26, 1981, as "National Recognition Day for Veterans of the Vietnam era."

SENATE CONCURRENT RESOLUTION 14—CONCURRENT RESOLUTION RELATING TO EXTENSION OF AGREEMENTS WITH TAIWAN AND KOREA ON FOOTWEAR

Mr. HEINZ (for himself, Mr. TSONGAS, Mr. WILLIAMS, Mr. MITCHELL, Mr. RANDOLPH, Mr. COHEN, Mr. MOYNIHAN, Mr. GLENN, Mr. EAGLETON, Mr. PELL, Mr. HOLLINGS, Mr. SARBANES, Mr. LEVIN, Mr. KASTEN, Mr. KENNEDY, Mr. SASSER, Mr. CHILES, Mr. FORD, Mr. BAKER, Mr. BUMPERS, and Mr. SPECTER) submitted the following concurrent resolution; which was referred to the Committee on Finance:

S. CON. RES. 14

Whereas two hundred forty thousand Americans in thirty-eight states depend on the domestic footwear industry for employment;

Whereas following two unanimous findings of injury due to imports by the International Trade Commission, limited import relief in the form of two Orderly Marketing Agreements with Taiwan and Korea and authority to impose controls on imports from other nations was instituted in 1977;

Whereas no action was taken to control the surge of imports from countries not covered by the Orderly Marketing Agreements;

Whereas these uncontrolled imports have retarded the beneficial effects intended by Congress in the Trade Act of 1974 and total shoe imports did not decline, resulting in the loss of thirteen thousand additional footwear manufacturing jobs;

Whereas the benefits intended by Congress would be realized if existing import restrictions and control authority were given additional time to work; and

Whereas the footwear industry and the affected unions have filed for an extension of the import relief program as provided for in the Trade Act of 1974.

Be it resolved by the Senate (the House of Representatives concurring), That the Congress urges the President to extend for three years at current levels, under Section 203(h)(3) of the Trade Act of 1974 (19 USC § 2253(h)(3)), the Orderly Marketing Agreements entered into in June 1977, between the United States and Taiwan, and between the United States and the Republic of Korea, which limit the exportation from Taiwan and the Republic of Korea, respectively, of nonrubber footwear to the United States and the authority to take appropriate action against surge countries.

● Mr. HEINZ. Mr. President, along with 20 of my colleagues I am today submitting a concurrent resolution expressing support for a further extension of our

footwear orderly marketing agreements with Taiwan and Korea.

This is the second time since I began my term in the Senate that this industry has come to the International Trade Commission for help. In 1977 when relief was being considered, Pennsylvania was the most important footwear-producing State in the country, with nearly 18,000 employees in 82 establishments. Today, despite the relief that was provided, we have fewer than 14,000 employees in 68 establishments, a continuation of the shrinkage that has been occurring in this industry for the past 15 years.

What is happening in my State is not unique. Nationally, import penetration is up, domestic production is down, employment is down, factories are continuing to close. This data is provided in detail in a factsheet following this statement. It leads to two questions: Why is this happening, and what, if anything, should the Government be doing about it?

There are two answers to the first question. The decline continues, in part, due to the same complex of factors the Commission considered in 1977. The international terms of trade are changing; this industry is threatened with losing its comparative advantage and is faced with countries that for a variety of reasons have been successful at penetrating our market. This problem, of course, is a long-term one and is the very difficulty the 201 process is supposed to assist in correcting by providing time for adjustment.

I should add that the footwear industry is not alone in this situation, though it has not had the size and political clout of some other industries and has not secured for itself their degree of protection.

The other reason for the industry's difficulties relates directly to the pending care before the ITC—the failure of the import relief provided in 1977. I recall at that time the Commission recommended a tariff-rate quota, but that the administration instead negotiated orderly marketing agreements with Taiwan and Korea. Hindsight suggests that the Commission was right and the administration wrong, and that the latter greatly oversold the utility of the form of relief they decided upon. The OMA's leaked as Taiwan circumvented them by transshipping through other countries, and as increased imports from third countries more than offset the decline from Taiwan and Korea. Assurances by the administration that these problems would be dealt with if they occurred were not honored, at least not until a year ago, when the essential damage was already done.

In short, despite the Commission's best effort, a disappointing effort by the past administration made sure this industry never received in fact the relief the Commission decided it merited and that it was told it was getting.

Parenthetically, I might add that part of the blame for this rests on deficiencies in the interagency process that reviews Commission recommendations. The role of the U.S. Trade Representative in essentially brokering a compromise among other agencies which almost always take predictable positions on import relief regardless of the merits of the case usually produces a lowest common denominator solution which might please everyone but in reality solves nothing. At another time and place I intend to comment more extensively on that problem.

For present purposes, however, second question is the more important—what is the Government's responsibility in these circumstances?

The answer, in my judgment, can be summed up in one word: adjustment. Very simply, free trade and changing economic conditions create victims, and it is the Government's responsibility to help those victims adjust, as the price of our free trade policy.

The 201 escape clause process was created for precisely this reason—to determine, through a judgment of injury caused by imports, if an industry has been import-impacted in a serious way, and to propose a solution to that problem. This is not a process unique to the United States. The safeguard concept is a GATT-sanctioned internationally agreed-upon device to help industry deal with import surges or long-term changes in comparative advantage.

Relief is to be limited in duration and should not increase in magnitude over time. I do not think anyone in Congress regards the escape clause process as a device to indefinitely protect inefficient industries from real competition.

On the contrary, it is perceived as a mechanism for buying some time to help industry adjust to new circumstances by becoming more competitive. Adjustment does not mean and should not mean saving every plant and every worker.

But it does mean giving every one of the plants and workers a chance to save themselves by becoming more competitive. At the end of the prescribed relief period, if the industry has not used the time wisely, has not developed new technology, new marketing strategies or new products, then the Government rightly should not sustain it indefinitely.

In the case of the footwear industry, however, it is clear the relief program has not functioned effectively, and that the industry, therefore, has not received the fair chance to adjust I believe it is entitled to. The only conclusion, it seems to me, is that the Government should continue the program and this time get it right.

Under the law, the Commission's present responsibility is clear—to advise the President as to whether removal of the relief would adversely affect the industry. The answer to that question is equally clear—it would.

The industry has spent considerable time and effort in the past 4 years modernizing and finding new markets and marketing techniques.

Exports, for example, have nearly tripled. The American Shoe Center has been established in Philadelphia to assist in the development of new technology to improve productivity. But the favorable impact of these efforts has been negated by the incomplete nature of the import relief program.

Clearly what is needed beyond a simple extension of the existing OMA's is their proper enforcement and renewed administration commitment to take other action if imports move beyond acceptable levels. The Commission should begin this process by making a clear statement that removal of the OMA's would adversely affect the industry. This resolution encourages precisely that decision.

Finally, Mr. President, we should all understand the depth of support this industry has in the Congress. The footwear industry in the United States, though no longer as large as it once was, retains the interest and strong support of many Members of Congress. In 1977, when the administration was considering the Commission's recommendation, nearly 50 Senators wrote the President to urge its implementation.

Today I am introducing a resolution of support for extension of the OMA's with a total of 21 sponsors. If the Commission agrees with us that the relief should be extended, I expect many additional Senators to join me in writing President Reagan on the industry's behalf.

I think the reason for this high degree of support is clear. The history of this industry is well-known in Congress. Its problems have existed for some time, and many members view it as kind of a test case of the liability of our escape clause procedures.

If we as a nation wish to follow a policy of free trade, then we must also be prepared to share in the burden of adjustment for those industries that become targets of import competition.

Notice I say share in the burden, because it is the industry itself that must make the greatest investment in its own future. The escape clause process is not a "bail-out" for industry.

It is a means of giving an industry a fair opportunity to preserve itself. If the opportunity is not used in good faith, then the industry should not expect additional Government support.

In the case of footwear, however, it is not the industry's good faith but the Government's that is being tested. The industry asks only for the opportunity you originally decided it should have in 1977. I believe it should have that opportunity, and I hope the Commission will so indicate in its advice to the President.

Mr. President, I ask that a fact sheet from the American Footwear Industries Association appear at this point in the RECORD.

There being no objection, the fact sheet was ordered to be printed in the RECORD, as follows:

[Fact Sheet]

EXTENSION OF IMPORT RELIEF FOR THE NON-RUBBER FOOTWEAR INDUSTRY

ISSUE

The domestic non-rubber shoe industry requires a full three-year extension of the Orderly Marketing Agreements (OMA's) with Taiwan and Korea.

BACKGROUND

1. After two unanimous findings of serious import injury by the International Trade Commission (ITC), the domestic non-

rubber footwear industry received a four-year (1977 to 1981) import relief program The program consisted of two Orderly Marketing Agreements with Taiwan and Korea and the authority of the U.S. Government to take appropriate actions against any footwear "surge" countries.

2. With the four-year program expiring on June 30, 1981, the domestic industry has petitioned the ITC for a full three-year extension of the OMA's with Taiwan and Korea. A hearing before the ITC will be held on March 9, and the Commission will issue its report/recommendation to the President on April 22.

3. The domestic industry (management and its unions) has filed this petition for continued import relief since we are one of the most import-impacted industries in the U.S. Shoe imports account for 48.5% of the domestic market, compared to roughly 16% for steel and 27% for automobiles.

Why an extension of import relief is justified:

1. Import penetration is higher now than when the "import relief" program was initiated.

When President Carter announced his intention to grant the industry import relief in 1977, he stated "only problems as extreme as those faced by the American shoe industry could force me to see even modest mandatory limits on imports". In 1977, import penetration was 47%. By 1979, it had increased to an all-time record of 51%, and thus far in 1980 imports account for a high 48.5% of the non-rubber footwear market.

There has been no rollback in non-rubber imports. Imports rose from 370 million pairs in 1976 to a record 404.6 million pairs in 1979. Thus far this year, imports still are nearly as high as they were in 1976, the base year of the OMA's, and the year that imports reached the disastrous levels that prompted the President to grant relief to the industry.

2. Taiwan and Korea have circumvented the Agreements.

Both countries used a technical loophole to circumvent the Agreements. They shipped essentially non-rubber footwear under a category not covered by the OMA's—so called rubber/fabric footwear.

In 1978, Korea's total exports of non-rubber and rubber/fabric footwear were higher than ever before (90.1 million pairs compared to 75.4 million pairs in 1976).

While Taiwan's exports of non-rubber footwear under the OMA's dropped by 24.7% between 1976 and 1978 (to 117.2 million pairs from 155.7 million pairs), its total non-rubber and rubber/fabric exports decreased by only a modest 4% (to 212 million pairs from 220.9 million pairs).

In 1978, Taiwan transshipped footwear through Hong Kong to avoid the quota restrictions of the OMA's. This necessitated the negotiation of a Certificate of Origin program with Hong Kong in November, 1978.

3. Dramatic surges from third countries totally negated the rollback in imports from Taiwan and Korea.

Between 1976 and 1979, non-rubber footwear imports from Taiwan and Korea declined by 50.4 million pairs, but imports from the rest of the world surged by 85 million pairs.

During this period, imports from some traditional suppliers such as Italy increased dramatically. In addition, a number of new countries, such as Hong Kong, the Philippines, and Singapore, whose imports had been minimal, quickly became major footwear exporters.

Imports from Italy rose from 47.2 million pairs to 97.1 million pairs—an increase of 106%.

Imports from Hong Kong rose from 6.6 million pairs in 1976 to 22.1 million pairs in 1979—an increase of 233%.

Imports from the Philippines grew from a negligible 400,000 pairs in 1976 to 13.2 million pairs in 1979.

Singapore, which exported virtually no footwear to the U.S. in 1976, shipped 5.6 million pairs in 1979.

The People's Republic of China (PRC) could emerge as a major threat to the U.S. footwear industry. Imports rose to 1.6 million pairs in the first ten months of 1980 from 700,000 pairs in the comparable year earlier period.

4. Effective action was not taken to halt the surges in imports.

It was not until February, 1980, after imports already had reached record high levels in 1979, that the Administration recognized that footwear imports were excessive and committed to take "appropriate" action if imports did not fall towards pre-surge levels. By this time, 2½ years of the four-year import relief program had elapsed and an additional period of time is necessary to make the program effective.

Impact of higher imports on the domestic non-rubber footwear industry:

1. Domestic production and employment have continued to decline.

Production declined from 422.5 million pairs in 1976 to 398.5 million pairs in 1979, its lowest level since 1938.

Thirteen thousand jobs were lost between 1976 and 1979.

2. Lack of effective import relief hampered the industry's effort to revitalize.

The industry has undertaken a number of initiatives to enhance its competitiveness and adjust to import competition.

An ambitious export program has resulted in a near tripling of exports in 1980—from 5.4 million pairs in 1977 to nearly 14 million pairs projected for this year—with additional gains likely in the future.

Roughly one-third of domestic firms have taken advantage of a special trade adjustment assistance program administered by the Department of Commerce, which promises to result in marketing, management, and productivity improvements.

The American Shoe Center was established in 1980 to foster technological improvements in the industry.

However, many benefits are still to be realized and the industry needs additional time in which to become more competitive.

SOLUTION

The growth in imports and import penetration indicates that there is no "magical barrier" at which imports will stop. The OMA's with Taiwan and Korea have the potential, if properly enforced, to moderate import growth and must be extended for the maximum allowable period (three years) at current levels. Also, the Administration must take other appropriate actions necessary to ensure the effectiveness of the relief program.

NONRUBBER FOOTWEAR FACTS

	1970	1976	1977	1978	1979	January to October 1980	Percent change 1976–79
Import penetration:							
Nonrubber imports (million pairs)	241.6	370.0	368.1	373.5	404.6	305.9	+9.4
Imports as a percent of apparent domestic consumption	30.1	47.0	47.1	47.6	51.0	48.5	+8.5
Domestic production/employment:							
Production (million pairs)	562.3	422.5	418.1	418.9	398.5	335.3	−5.7
Employment (thousand workers)	212.7	164.2	156.9	158.4	151.2	151.5	−7.9
Net factory openings/(closings)	(55)	(2)	(12)	10	(29)	[1](7)	[2](31)
Cumulative openings/(closings) since 1970	(55)	(227)	(239)	(229)	(258)	(265)	[2](31)
Surge countries (million pairs):							
Taiwan	42.0	155.7	166.5	117.2	124.9	118.7	−30.8
Korea	1.9	44.0	58.7	30.6	24.4	30.5	−19.6
Taiwan and Korea	43.9	199.7	225.1	147.8	149.3	149.2	−50.4
Italy	80.7	47.2	39.7	62.9	97.1	40.6	+49.9
Hong Kong	5.5	6.6	8.7	28.3	22.1	17.0	+15.5
Philippines		.4	.6	8.4	13.2	12.0	+12.9
Singapore				1.2	5.6	2.6	+5.6
Other	111.5	116.1	94.0	124.9	117.3	84.5	+1.2
Total other	197.7	170.3	143.0	225.7	255.3	156.7	+85.0
World total	241.6	370.0	368.1	373.5	404.6	305.9	+34.6

[1] January to June 1980.

[2] Net factories closings, 1976–79.

CONSUMER PRICE INDEX (CPI)

[Percentage increase over preceding period]

	1977	1978	1979	January to November 1980
CPI:				
Footwear	4.7	4.4	7.9	7.9
All items	6.5	7.7	11.3	13.6

SENATE RESOLUTION 89—RESOLUTION DISAPPROVING THE PAY RECOMMENDATIONS OF THE PRESIDENT WITH RESPECT TO MEMBERS OF CONGRESS

Mr. BAKER (for himself and Mr. ROBERT C. BYRD) submitted the following resolution; which was ordered placed on the calendar:

S. RES. 89

Resolved, That, with respect to the recommendations of the President which were transmitted to the Congress with the President's budget for fiscal year 1982 pursuant to section 225(h) of the Federal Salary Act of 1967 (2 U.S.C. 358), the Senate disapproves the recommendations for increases in rates of pay for positions described in subparagraph (A) of section 225(f) of such

Act (2 U.S.C. 356(A)), relating to Members of Congress.

SENATE RESOLUTION 90—RESOLUTION DISAPPROVING THE PAY RECOMMENDATIONS OF THE PRESIDENT WITH RESPECT TO CERTAIN OFFICES AND POSITIONS IN THE LEGISLATIVE BRANCH

Mr. BAKER (for himself and Mr. ROBERT C. BYRD) submitted the following resolution; which was ordered placed on the calendar:

S. RES. 90

Resolved, That, with respect to the recommendations of the President which were transmitted to the Congress with the President's budget for fiscal year 1982 pursuant to section 225(h) of the Federal Salary Act of 1967 (2 U.S.C. 358), the Senate disapproves the recommendations for increases in rates of pay for positions described in subparagraph (B) of section 225(f) of such Act (2 U.S.C. 356(B)), relating to certain positions in the legislative branch.

SENATE RESOLUTION 91—RESOLUTION DISAPPROVING THE PAY RECOMMENDATIONS OF THE PRESIDENT WITH RESPECT TO CERTAIN PERSONNEL IN THE JUDICIAL BRANCH

Mr. BAKER (for himself and Mr. ROBERT C. BYRD) submitted the following resolution; which was ordered placed on the calendar:

S. RES. 91

Resolved, That, with respect to the recommendations of the President which were transmitted to the Congress with the President's budget for fiscal year 1982 pursuant to section 225(h) of the Federal Salary Act of 1967 (2 U.S.C. 358), the Senate disapproves the recommendations for increases in rates of pay for positions described in subparagraph (C) of section 225(f) of such Act (2 U.S.C. 356(C)), relating to certain positions in the judicial branch.

SENATE RESOLUTION 92—RESOLUTION DISAPPROVING THE PAY RECOMMENDATIONS OF THE PRESIDENT WITH RESPECT TO OFFICES AND POSITIONS UNDER THE EXECUTIVE SCHEDULE

Mr. BAKER (for himself and Mr. ROBERT C. BYRD) submitted the following resolution; which was ordered placed on the calendar:

S. RES. 92

Resolved, That, with respect to the recommendations of the President which were transmitted to the Congress with the President's budget for fiscal year 1982 pursuant to section 225(h) of the Federal Salary Act of 1967 (2 U.S.C. 358), the Senate disapproves the recommendations for increases in rates of pay for positions described in subparagraph (D) of section 225(f) of such Act (2 U.S.C. 356 (D)), relating to certain positions under the Executive Schedule.

AMENDMENTS SUBMITTED FOR PRINTING

OIL SPILL LIABILITY AND COMPENSATION ACT OF 1981

AMENDMENT NO. 6

(Ordered held at the desk.)

Mr. STAFFORD (for himself and Mr. MITCHELL) submitted an amendment intended to be proposed by them to the bill (S. 681) to provide a comprehensive system of liability and compensation for oil spill damages and removal costs, and for other purposes.

(The remarks of Mr. STAFFORD on this amendment appear with his remarks on the introduction of S. 681.)

NOTICES OF HEARINGS

SUBCOMMITTEE ON GOVERNMENTAL EFFICIENCY AND THE DISTRICT OF COLUMBIA

Mr. MATHIAS. Mr. President, the Subcommittee on Governmental Efficiency and the District of Columbia of the Governmental Affairs Committee will hold a hearing on S. 640, a bill to extend the borrowing authority for the District of Columbia government. The hearing will be held on Wednesday, March 18, 1981, at 9:30 a.m. in room 6226 of the Dirksen Senate Office Building.

For information, contact Margaret Sims of the subcommittee staff at 224–4161.

SUBCOMMITTEE ON LABOR

Mr. NICKLES. Mr. President, the Subcommittee on Labor of the Labor and Human Resources Committee will hold 2 days of public hearings on March 24 and 25. The subject of the hearings will be youth unemployment as it relates to the provisions of the Fair Labor Standards Act. Two bills on this subject have been introduced thus far: S. 348 by Senator HATCH and S. 430 by Senator PERCY. Today, I am introducing a third proposal. The hearings will start at 9:30 a.m.

Those persons wishing to testify should send a written request to the Senate Labor Subcommittee as soon as possible.

COMMITTEE ON THE BUDGET

Mr. DOMENICI. The Senate Budget Committee will meet to mark up a second revised budget resolution for fiscal year 1981, incorporating fiscal year 1982 reconciliation instructions during the week of March 16–20. Sessions will begin every morning at 10 a.m. in room 6202 of the Dirksen Senate Office Building, and afternoon and evening sessions are likely.

For more information, contact Mr. Bill Stringer of the Budget Committee staff at 224–0538.

CHANGE IN TIME FOR BUDGET COMMITTEE HEARING

Mr. DOMENICI. The Senate Budget Committee hearing with David Stockman, originally scheduled for 10 a.m. on Thursday, March 12, 1981, has been changed to convene at 9:30 a.m. The hearing will be held in room 6202 of the Dirksen Building as originally planned.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON LABOR

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Labor of the Committee of Labor and Human Resources be authorized to meet during the session of the Senate today to hold hearings on S. 398, a bill to amend the Walsh-Healey Act.

Mr. President, I ask unanimous consent that the Subcommittee on Labor of the Committee of Labor and Human Resources be authorized to meet during the session of the Senate on Thursday, March 12, to hold hearings on S. 351 and S. 496, bills to amend the Mine Safety and Health Act.

ADDITIONAL STATEMENTS

MEXICAN MIGRATION: A NECESSARY BUT TEMPORARY SAFETY VALVE

● Mr. SCHMITT. Mr. President, if several of recently published recommendations of the Select Commission on Immigration and Refugee Policy are implemented, we will be marching down a road ending in chaos for Mexico and eventually for the United States. The effect of "restrictionism," the policy that underlies the Commission's recommendation on undocumented workers from Mexico, will be to seriously hurt an important ally; foster discrimination against our own Hispanic citizens; deprive thousands of small- and medium-sized businesses of ready, willing, and able workers; and eliminate many jobs for U.S. citizens which depend on these workers. In short, a policy aimed at closing a border 2,000 miles long, at employer sanctions without discrimination, and at identity cards for workers in a free country has no relation to domestic or international reality.

The March 4, 1981, edition of the Washington Post included an article by Lee Lescaze which reported comments by President Reagan concerning Mexican worker migration. In contrast to the Select Commission on Immigration and Refugee Policy, the President is quoted as being favorably disposed toward the free movement of people between the United States and Mexico. This proposal will be discussed by the President when he meets President Jose Lopez Portillo late next month, and follows on the President's earlier statement favoring some form of temporary worker program for Mexican nationals.

The President recognizes something that the Select Commission on Immigration and Refugee Policy has reportedly decided to ignore. Reagan has noted the fact that seasonal and temporary migration to this country acts as a "safety valve" for Mexico. The President said—

It is to our government's interest also that that safety valve is not shut off so that there is no breaking of the stability south of the border.

That observation is a key to S. 47, the United States-Mexico Good Neighbor Act, introduced on January 5 of this year. This bill is virtually identical to a bill which I and others sponsored in the 96th Congress. The Good Neighbor Act is the legislative proposal for a program I call Los Companeros, that is, the friends or companions. S. 47 would create a temporary worker program which would allow Mexican citizens to obtain a temporary visa for 240 days during which they could work at any worksite in this country unless the Labor Department certifies there are adequate and willing domestic workers. Freed from the restric-

tions of a site-specific labor contract or illegality, the temporary visa holder could reap the full benefit of U.S. law and derive more benefit from his labors. The employment acts as an efficient form of foreign aid to Mexico.

In contrast to this approach, the Select Commission on Immigration and Refugee Policy decided to concentrate their attention on the issue of restricting migration without regard to the upheaval this will cause in Mexico. I, like others, recognize that the American populace does not want a permanent underclass of temporary workers coming to this country for work. But this desire cannot be achieved unless we create a self-enforcing program that relates with reality.

The reality is that Mexico has 20 to 30 percent of unemployment in a population, 50 percent of which is under the age of 15, while we have a substantial number of low-skill seasonal jobs that would go unfilled at a tremendous, unnecessary cost to American businesses and their employees unless Mexican migrant workers have access to them. Furthermore, we cannot keep them out unless we are willing to create and enforce a so-called Tortilla Curtain at great economic and human cost to both the United States and Mexico.

The beauty of the Los Companeros program is that if it is enacted, we will not have to radically increase our border enforcement. At present, although illegal migration may average several million persons annually, most return to Mexico after an average stay in the United States of approximately 6 months. Several recent studies document this fact, notably, "Mexican Migration to the United States: Causes, Consequences and U.S. Responses," published by the Center for International Studies at the Massachusetts Institute of Technology by Dr. Wayne Cornelius, now at the University of California, San Diego. Thus, S. 47, if passed, would be a self-enforcing program. With a sunset provision of 10 years, it would give Mexico adequate time to react to a tightened U.S. immigration policy without causing a social upheaval in Mexico that would destabilize our southern borders.

I commend S. 47 to my colleagues and would welcome their cosponsorship along with Senators GOLDWATER, HATFIELD, LAXALT, LUGAR, and MCCLURE who have already cosponsored this bill.

Mr. President, I ask that the article I referred to earlier be printed in the RECORD.

The article follows:

REAGAN EYES OPEN U.S.-MEXICAN BORDER

(By Lee Lescaze)

President Reagan said yesterday that he is intrigued by a proposal that the Mexican-American border be opened to free movement by the citizens of both countries and that Mexicans currently in the United States illegally be given the right to remain.

Reagan said he would discuss this proposal with Mexican President Jose Lopez Portillo when they next meet in late April.

Reagan said that Mexico's unemployment rate creates pressures for which immigration to the United States is a vital "safety valve."

"It is to our government's interest also that that safety valve is not shut off" so that there is no "breaking of the stability south of the border," Reagan told Walter Cronkite in an hour-long interview broadcast last night by CBS.

In addition, if immigrants had legal status, U.S. employers could not take advantage of them and the U.S. Treasury would benefit from their taxes, Reagan said.

"They would be able to legally back across the border if they wanted to, and come back across, but the border would become a two-way border for all our people," Reagan said in describing the proposal that has been suggested by governors of U.S. and Mexican border states.

On foreign policy questions, the president told Cronkite that one obstacle to a Soviet-American summit might be removed if the Soviets indicated they would eventually withdraw their troops from Afghanistan.

He also said that there is no parallel between El Salvador today and Vietnam in the early 1960s, but that it is important to draw the line against communist activity because "it isn't just going to stop at El Salvador. We know that there are evidences of this."

Reagan said that he only learned after the fact of one of his administration's first moves against the Soviet Union. He said that he had no advance word that the State Department had decided to withdraw Soviet Ambassador Anatoliy Dobrynin's privilege of riding in his limousine directly into the State Department building.●

EXPORT TRADING COMPANIES—V

● Mr HEINZ. Mr. President, at the International Finance and Monetary Policy Subcommittee's hearing on February 18, Mr. Douglas R. Stucky, first vice president of the First Wisconsin National Bank of Milwaukee, presented testimony on behalf of the American Bankers Association endorsing S. 144, the Export Trading Company Act of 1981. Mr. Stuckey persuasively stated the case for expanding our present export situation where only 250 of the 250,000 business organizations in this country account for 80 percent of all U.S. exports. He also defended the need for banks to have equity positions, including control, of export trading companies, one of the important issues being debated in this bill. Mr. President, I ask that Mr. Stucky's testimony be printed in the RECORD at this point.

The testimony follows:

S. 144—THE EXPORT TRADING COMPANY ACT OF 1981

(Testimony of Douglas R. Stucky)

Mr. Chairman, and Members of the Subcommittee, I am Douglas R. Stucky, First Vice President of the First Wisconsin National Bank of Milwaukee and a member of the American Bankers Association's International Banking Division's Executive Committee. In addition, I served as Chairman of the Task Force assigned to study the forerunner of your bill, The Export Trading Company Act of 1980. The American Bankers Association is a trade association with a membership of over 90 percent of the nation's 14,500 full service banks.

Gentlemen, we are pleased to have the opportunity to express our strong support for passage of S. 144, The Export Trading Company Act of 1981. As you know, Mr. Chairman, the ABA testified last year in support of S. 2718 which passed the Senate by a vote of 77–0, but eventually expired in the House of Representatives.

One need only view the United States continually growing deficit in our balance of payments to realize that the United States must increase its exports of high quality goods and services today, if it is to have a chance of reducing the trade deficit tomorrow. The purpose of this legislation is to improve U.S. export performance by creating U.S. export trading companies which would perform export services for tens of thousands of small and medium-sized producers. The concept of this legislation dates back to early 1978 when this subcommittee recommended the establishment of U.S. export trading companies. Since then, numerous hearings have been held canvassing virtually every sector of the commercial, financial and governmental communities and as a result of those hearings, I believe everyone can draw the same conclusion and that is—Establishing U.S. Export Trading Companies Can Improve Our Export Performance.

Mr. Chairman, the ABA testimony today will attempt to address the following issues:

(1) Do small and medium-sized firms actively participate in the U.S. exporting effort? Why or why not?

(2) What are the essential elements (i.e., antitrust and trade financing) that must be included in S. 144?

(3) Why it is prudent and necessary for banking organizations to have the right to have equity positions (possibly up to 100 percent) or control of export trading companies (ETC's).

(4) Competitive equality for firms, both commercial and financial intermediaries, and banking organizations, that elect to form export trading companies.

THE PARTICIPATION OF SMALLER FIRMS IN EXPORTING

It is estimated that of the 250,000 business organizations in the United States only about 25,000 directly engage in the sale of their goods and services in overseas markets. Of the 25,000 organizations that export, it is further reported that 250 firms account for 80 percent of U.S. exports. This would certainly seem to support the conclusion that major corporations tend to dominate or account for the nation's present export performance, and, correspondingly that most other firms—regardless of size—are either not committed to or do not have the expertise to actively participate or seek sales in overseas markets. The non-exporting firms to which I allude are indeed the smaller and medium-sized firms of the United States. The Department of Commerce realistically estimates that at least 20,000 U.S. firms could become exporters—primarily those of the economic size just mentioned.

Why don't or aren't small and medium-sized firms involved in exporting? The following reasons are cited:

(1) In spite of good efforts and programs by the Department of Commerce, most firms still don't know how to find or assess the size of overseas markets for their products.

(2) They do not have the financial resources or flexibility to staff up for an independent, internal group to seek export business. Or, alternatively, they may choose to allocate their resources to the domestic market where lesser risks are perceived or a better return on available capital can be obtained.

(3) The documentation required for export sales, the labyrinth of U.S. and foreign regulations that must be contended or complied with the longer cash flow cycle related to the conclusion of most export orders, and other concerns, are impediments for a businessman trying to decide whether his firm should actively, on an on-going basis, seek sales in offshore markets.

(4) Limited—but prior—experience with an export order has been unpleasant or resulted in a potential or real business loss—possibly because the firm did not seek or could not obtain good advice on how to control or minimize the various risks involved in an export sale.

(5) Qualified personnel often cannot be

obtained to establish a full-fledged export department within the existing wage and salary policies of a corporation.

(6) Commercial banks, for various reasons, are not able or prepared to provide facilities to support all the credit needs that a corporation has for both domestic and export sales.

No doubt you could cite other valid reasons besides those just mentioned. In our opinion, a properly organized and staffed ETC offers the smaller exporter the opportunity to overcome the above problems, but yet allows it to gain the "economy of scale" benefits of a larger organization (the ETC) at an affordable price, while transferring or minimizing most of the risks to an export order to an ETC who is experienced and prepared to assume the related political and commercial risks of an overseas sale. In effect, the ETC has the ability to convert an export order to the equivalent of a domestic sale for the smaller firm.

ESSENTIAL ELEMENTS FOR INCORPORATION INTO S. 144

The preamble of S. 144 effectively highlights the needs and reasons why U.S. firms, both financial and non-financial, should be allowed and openly encouraged to form ETC's. The ABA strongly supports the needs and commercial justification for forming trading companies. In our opinion, the following areas of the proposed legislation are critical to the improved export performance of our nation and to the success of ETC's which are formed:

(1) Antitrust Exemption.—

It is realistic to assume that successful ETC's will and must deal with numerous smaller firms that have products which in most cases will be complementary but in isolated cases may be competitive. This competitive aspect should not be magnified out of proportion, because there are natural factors in the marketplace, that limit the practical reality of an ETC being able to control or monopolize the smaller firm. Most foreign buyers make the actual purchase decision and will not delegate such responsibility to a little-known ETC. Additionally, the ETC sales representative cannot understand the technical specifications of a product as well as the actual user. Finally, one must not overlook the very real fact that most products—especially capital goods—are produced by multiple manufacturers in both the U.S. and foreign countries. This virtually assures that the competitive, global marketplace will provide an effective counterbalance to the limited, but logical antitrust exemption that an ETC requires to properly represent sizable numbers of smaller firms, some of which may, on occasion, be competing for the same foreign order. We feel that the bill, as proposed, has adequate controls to punish any firms which might intentionally violate the spirit of the antitrust provisions of the bill.

(2) Bank Equity Participation.—

Mr. Chairman, the ABA is aware of the concerns of this Subcommittee, the federal banking agencies, and other parties have expressed on the issue of controlling interests by a commercial bank in an ETC. Our member banks are just as interested as this Committee in avoiding the problems that some banks have encountered in their REIT ventures, foreign exchange dealings, and other similar experiences in various specialized areas of banking. We also want the legislation to provide reasonable controls or safeguards that would prevent the occurrence of similar difficulties in the activities of bank-controlled export trading companies.

Initially, we wish to declare our position that the American Bankers Association strongly supports the position of the right of banks to have controlling interests in Export Trading Companies. We intend to look at this position from the following viewpoints:

(a) The implied responsibilities of non-controlled investments by banks.

(b) Safeguards, through statutory language, that would clearly spell out those activities in which ETC's with controlling bank ownership would be excluded from engaging or arranging through such firms.

(c) Structural forms in which bank-controlled ETC's might operate.

(d) The analysis of risks inherent to ETC's and whether such risks need unfavorably impact on a bank or bank holding company.

It is our conviction that the legislation should recognize that while the ETC concept is well-known around the world, it is in its infancy in the United States. Thus, final language should provide for flexibility to allow for the concept to develop in this country in line with actual experience of ETC's, the evolving role ETC's will logically play in a changing world of the future, and provide for administrative freedom to modify permitted activities and roles for an ETC without having to pass amendatory language each time a change is agreed upon by the requisite federal authorities.

NON-CONTROLLED INVESTMENT BY BANKS

Many commercial banks regardless of size or location, have had unfavorable experiences with investments in banking affiliates wherein they have had a minority and non-controlling equity position. This results from the fact that a bank is often—in such situations—not in a position to preclude such activities that it considers unsound simply because it does not have either voting or management control of an affiliate. No matter what public declarations are made, the parent bank is unable to avoid the implied responsibilities that go with any investment made by a bank in a non-controlled affiliate. Thus, the rationale is adopted that if implied financial responsibility attaches to a bank—regardless of ownership position—then bank management will undoubtedly decide to invest in firms where it has equal responsibility and ownership positions.

Not all commercial banks will want controlling ownership rights in an ETC firm for reasons of policy or philosophy best known to them—but this should not preclude other banks from having controlling ownership in such enterprises. We believe that controlling positions are best processed on a specific application or approval basis by the appropriate Federal banking agencies. This is in line with the present language and controls of S. 144.

STATUTORY SAFEGUARDS

When we appeared here last July concerns were raised that the current language in S. 2718 could conceivably allow bank-related ETC's to use such enterprises to become security dealers or underwriters or even commodity traders. As assessed from discussions by both the ABA Trading Company Task Force and its Government Relations Council, let me assure you that it is not the intent of bank-related ETC's to engage in the above mentioned activity or activities. Furthermore, S. 144 specifically states that a bank-related ETC may engage in security business only to the extent that its bank investor is permitted under Federal and State banking laws and regulations.

Some discussion has also evolved around the meaning of the term "principally engaged" as it relates to ETC's. We would hope that any attempt at defining such term would include language that would allow an ETC to be involved in the exportation or importation of products, or for that matter, permit an ETC to be formed to carry out project-type activities required by buyers desiring a turn-key sales proposal. While the emphasis on exporting activities must predominate, it is realistic to recognize that an ETC can fill a useful role by also handling the importing needs of an existing client as well. From the ETC management viewpoint, it allows them to better rationalize its staff, its fixed assets, and its distribution network, if allowed to serve both the exporting and importing needs of a client. No doubt such additional activities—without undue risk—could also enhance the operating profits and financial substance of an ETC.

From a client standpoint it is advantageous to (a) have "one-stop" shopping for both export and import activities, and, (b) the cost benefits of larger scale purchases by an ETC, and, (c) relief from credit facilities of a client at his local bank, and, (d) assured compliance with trading regulations and documentation for both buyer and seller.

Additionally, we feel it might be helpful if some clarification could be provided in the legislative language which prohibits bank-related ETC's from engaging in manufacturing or agricultural production activities. We could envision a problem arising out of a possible joint venture arrangement between a bank and a manufacturing or agriculture production concern. The current language appears to be too broad and sweeping and quite frankly a bit discriminating in view of the fact that this prohibition applies exclusively to bank-related export trading companies. Further, we cannot uncover why this prohibition was included in this section of the bill and that is the principal reason why we would hope that this provision could be modified or at least clarified.

STRUCTURE OF EXPORT TRADING COMPANIES

ETC's will be formed in many different ways to capitalize on the ingenuity of different management philosophies of both financial and nonfinancial corporations. This is sound and appropriate because it allows changing trading customs and patterns to be accommodated by capable marketers operating in the global environment. The final language of S. 144 should attempt to capture this needed flexibility so as not to inhibit the growth and success of the total ETC concept likely to be employed by diverse U.S. firms.

Some banks, with large international branch networks and/or trade service arms, will wish to have wholly-owned ETC subsidiaries to best serve the needs of their existing or potential export clients. This form could result in better risk minimization and more efficient banking systems or forms for both the ETC and the client.

In a different part of the ETC spectrum, other banks—probably the regionals—may wish to enter into joint venture ETC's with certain customers of the bank. The idea of including an existing customer in a joint venture would be to tap the superior marketing or technical skills of a firm that is already highly sophisticated in handling international business. Let it be said that it may be advantageous—in joint venture or consortium arrangement—to have both U.S. or foreign partners that can contribute their own special skills and contacts to the operations of an ETC. The foreign partners could and should be allowed to be either banking and/or non-banking partners.

Similarly, it is not unrealistic to assume that private companies, such as grain dealers, could be very successful ETC's. They probably have excellent contacts with foreign government officials who make sizable purchase commitments on behalf of their nations.

Consumable goods would logically and conveniently be best sold through such ETC related firms. Finally, capital goods manufacturers, who have existing dealer networks spanning the globe in many countries, could

very logically form an ETC that would purchase and sell accessory or complementary products used by local buyers of the basic capital goods produced by other U.S. based or multinational firms. Such multinational firms could choose to form an ETC as a wholly-owned subsidiary, or, a joint venture with U.S. and/or foreign partners.

It is clear to us that early passage of ETC legislation is more important than the extent to which the legislation describes the approved organizational structure that an ETC might have. The longer it takes to pass S. 144 the greater time it allows traders in other countries to lock up new markets or obtain greater market shares in existing terriorities. The job of exporting is now, not later.

RISKS INHERENT TO ETC'S

Prior testimony before this Subcommittee on ETC's during the 96th Congress has adequately addressed most of the risks, or such issues may be addressed by other witnesses appearing today. We have thus purposely chosen not to duplicate such efforts.

In summary, Mr. Chairman by no means do we see the enactment of S. 144 as a panacea for our export deficiencies, but the ABA does feel that this legislation is a much needed step in the right direction. It is in this spirit that the American Bankers Association strongly endorses S. 144.

We thank the Committee for the opportunity to appear today and we would be pleased to answer any questions you might have.●

STATEMENT OF FORMER SENATOR FANNIN ON TRADE BETWEEN JAPAN AND UNITED STATES

● Mr. GOLDWATER. Mr. President, a highly respected former colleague of ours, the Honorable Paul Fannin, who has for many years held a deep interest in trade between Japan and our country, testified before the Senate Finance Committee this past week on aspects of this subject that bother him. It is a brilliant paper and I ask that Senator Fannin's testimony be printed in the RECORD.

The material follows:

TESTIMONY OF THE HONORABLE PAUL J. FANNIN

Mr. Chairman, Members of the Finance Committee:

As I will illustrate later in my remarks, I believe the United States will subsidize the Japanese Government in the next year by fifty billion dollars or more.

Back over the years, while their country was becoming a world-wide leader in the electronic industry, the steel industry, and becoming the largest ship-builders in the world as well as builders of more cars than any other nation, it is my opinion that the United States subsidized Japan with several hundred billion dollars.

This has been done by the United States assuming most of what should have been Japan's fair share of defense expenditures for the maintenance and increased building of a military complex for the protection of the countries of the free world. Since the early sixties, Japan's economy has been in a position to allocate a larger share of their GNP than have most of the NATO nations, including the United States, but as you know, has only devoted a small percentage of their GNP compared with the NATO countries.

Japan, being relieved of the principal part of their fair share of defense obligations, has been able to have lower taxes for individuals, business and industry, and to give special concessions on interest rates, along with many other inducements for the promotion of manufacturing, especially on items to be exported. This savings has been a great factor in their steel, ship-building and other industries, having such a rapid and successful growth.

For about ten years of my tenure in the US Senate, I was involved with our Japanese trade relationship. In that connection, my work outside the Senate was with American corporation executives who were promoting exports, with our State Department, the Japanese Embassy officials in Washington; and in Japan as a Congressional Delegate where we were trying to get Japanese cooperation for more equitable trade and tariff regulations.

Although I devoted considerable time on this subject before becoming a member of the Finance Committee, most of my work on this problem was in connection with the Finance Committee which was responsible for Tariff and import quota, reciprocal trade agreements and revenue matters generally. I quote from a speech made by me on the floor of the Senate on January 26, 1973:

"In the years just after World War II the United States was so dominant in world trade that we could virtually ignore foreign economic relations. Political relations were foremost in the minds of our government leaders and we could afford to be generous in trade agreements."

"The situation began to change by the mid-1950's, and it should have been evident by the 1960's that trouble was ahead. The Kennedy Round of Trade Negotiations was supposed to ease trade problems, but it only compounded them as far as the United States was concerned. We demolished our barriers to imports, but got nothing in return."

"In 1971, we had our first trade deficit of the century. In 1972 our trade deficit plunged even deeper and continued downward." I made other statements on this subject on the Senate floor, in Finance Committee meetings and to various groups in Arizona and other states.

As a result of this lack of awareness and concern, our government did not seriously challenge discrimination against US goods in Foreign Markets. We tolerated the closed economy of Japan, and at the same time, we maintained a substantial open-market policy on imports of goods into America.

I'm not taking away from the greatness of Japanese industries or their workers. Again, I am saying, we have, and are still subsidizing Japan, Inc., by relieving them of financing their fair share of the free world defense including their own defense.

Auto manufacturing is the bloodstream of our nation's economy, creating one out of every twelve manufacturing jobs in addition to being one of the largest purchasers of basic materials.

As our automobile factories decrease in production capabilities so does our potential defense effort in time of war.

Chrysler is a large producer of tanks and other defense materials, as are the other automotive companies.

A good percentage of our war production during World War II came from these companies and the conversion to war-time production of these plants would be only a fraction of the time it would take to build new factories.

This committee is to be commended for holding these hearings to determine what can be done to assist in maintaining a healthy automotive industry in our nation and still be fair with other nations that are importing cars into this country.

Since presently about 80 percent of our car imports are from Japan, they are creating our most immediate problem. Part of the time while I was in the Senate, the shoe was on the other foot. The Japanese were fighting to keep American cars from being shipped into their country. At that time I observed the hopelessness of getting American products into Japan if the Japanese government did not want them to compete with their manufactured products and I understand that circumstance still prevails today, even in the automotive industry.

Now they say, "We do not have any tariff on American cars shipped into Japan" but I know your committee has determined all the other requirements on car imports including modifications, so realize we pay a tremendous penalty in exporting cars to Japan.

In the early seventies I was a member of a Congressional delegation meeting in Tokyo with the Japanese government and business leaders to discuss trade and tariff regulations. As one of the spokesmen for the Senate members, I asked if the Japanese would assist the United States in correcting the inequities in the General Agreement on Tariff and Trade Schedules on United States exports of cars into Japan. Their answer was a firm "No." They stated that they were satisfied with the provisions.

Why wouldn't they like the stipulations which gave them full access to our markets for a 4½ percent tariff going down ½ percent a year with their tariff at that time being 17½ percent base with an additional charge on each American car for weight, wheel base, motor size, etc. Bringing the total import fee to 100 percent or more usually doubling the price of even a medium size car.

The world situation has changed dramatically since we negotiated agreements with Japan. Thirty years of varying degrees of prosperity have changed the world order. The commitments made and responsibilities assumed by the United States for an overwhelming share of the defense of the free world is no longer a viable solution to actual defense requirements. Events in recent years and more pointedly in recent months clearly illustrate the necessity of the other free nations of the world to carry heavier commitments.

In regard to Japanese responsibility to share in the defense of the free world and their own nation, I quote excerpts from a speech I made in the Senate on May 15, 1975, speaking on defense commitments of the free world nations: "We've had a relationship with Japan that has been in effect since World War II. This relationship has proved the ability of the victor to assist a nation that has gone down in defeat in making an almost unbelievable comeback. Japan was a devastated nation, but one with great determination: and they have made an industrial comeback that has been the envy of the world. We have participated in that endeavor, being the greatest foreign contributor to their efforts in making this remarkable recovery."

"But we have a responsibility to the American people to recognize the responsibility that the Japanese have to our nation."

"This relationship of complete dependence must cease, and the Japanese must accept the burden of defense which their productive economy can sustain." End of quote.

When Japan was getting their exports booming, they were spending less than ¼ of 1 percent of their Gross National Product on defense, whereas the United States was spending from 5 to 9.3 percent of our GNP. In the seventies we averaged about 5.5 percent while Japan was still spending only around ¼ of 1 percent late in the decade when they claimed they worked up to 9/10 of 1 percent of GNP in 1979.

As I understand—in the United States 1981 budget ending September 30, 1981, we will spend 5.5 percent or more of our GNP on defense. The total budget amount for 1981 will be about $650 billion with over $170 billion for defense if present projections hold. This does not include the U.S. billions

spent in the Middle East and other areas of the world that affect the oil lanes on which the Japanese are even more dependent than the United States.

The 1980 reported Japanese budget ending April 1, 1981, provided for total expenditures of $202.8 billion with defense expenditures at $10 billion, including one billion for supporting U.S. forces in Japan.

The Carter budget submitted for 1982 is approximately $740 billion with defense spending listed at approximately $180 billion. In the new Reagan budget, reported defense expenditure will be near $200 billion, or about 7 percent of our GNP. That is, of course, dependent on Congressional approval.

The reported contemplated Japanese budget for their fiscal year ending April 1, 1982, will be $223.8 billion with defense expenditures as reported, being around $12 billion, or about 1 percent of Japan's GNP.

This indicates that just our increases in defense spending will amount to over four times their total defense budget.

Japan has one-half the population of the United States, a GNP of approximately 40 percent the size of the United States' with a budget that was running about ⅓ the size of the United States'. I feel that Japan has an obligation to have a defense budget of at least ⅓ the size of that of the United States.

On that basis they should have a defense expenditure next year of not $12 billion but over $20 billion.

This year if Japan equaled economically troubled Great Britain's 5 percent defense expenditures as a percentage of GNP, the free world's defense budget would increase by 20 percent.

Following is a comparison of some of the free world nations in regard to the percentage of their defense expenditures as to their GNP:

For the year 1979:	(Percent)
United States (plus)	5.0
Great Britain	4.7
Turkey	4.5
Belgium	3.5
West Germany	3.4
France	3.3
Canada	1.8
Japan	0.9

Russia's defense expenditures are estimated to be averaging about 15 percent of their GNP.

Senator Orrin Hatch, shortly after coming back from participating in the October 1980 Tokyo Conference to Commemorate the 20th anniversary of the United States-Japan Mutual Security Treaty, reported the following from speeches of two former Japanese Defense Agency Chiefs. Former Defense Chief Asao Mihara stated: "The Japan-United States security system actually has played a decisively important role as a pillar of freedom, peace, security and prosperity for Japan for nearly thirty years. Under the security-treaty system, the Japanese people were able to fully exercise their national energy concentrating their efforts, first on recovery from World War II and then on the development of our economic strength and attaining the status of a great economic power, becoming the country with the second highest industrial production in the free world."

Mihara said there was no mutualness in the current security treaty since although the United States was obligated to defend Japan, Japan was not required to do the same. "This may have been permissible when Japan's economy was only one-tenth that of the United States," said Mihara, "but today, when the ratio is one to two the treaty needs to be revised."

Another former Defense Agency Chief, Shin Kanemaru, said: "Japan's defense capabilities should not be determined by arbitrarily mathematical formulas such as the current government policy restricting defense expenditures to 1 percent of the GNP."

Kanemaru also said that the "Japanese defense posture is so weak it can not be considered a fighting force," and urged the nation to improve drastically its defense forces.

Japan should heed the words of its own defense ministers.

American Ambassador to Japan, Mike Mansfield, had some success in getting Japan to build up their defense budget and I praise him for that great effort. But still it's just a start, and we must insist that more be done . . . many times as much.

One of the leaders of Japan, Heigo Fujii, a Vice President of Nippon Steel Corporation had this to say back in the early seventies, when he wrote an article in a book titled Japan and Current World Affairs. I quote: "Defense spending now requires only 8 to 9 percent of Japan's national budget and until some years ago there was almost no defense spending by Japan at all. It was because Japan was able to divert the greater part of its capital accumulation to both public and private investment that it was able to achieve such a rapid economic growth."

"To the best of our knowledge it was, unfortunately, Japan that started the Pacific War, and, as a result paid a great price . . . and lost. If the United States, which had paid the greatest sacrifices since Pearl Harbor had demanded half of Japan's territory or even the island Kyushu; Japan, under the conditions existing at the time the war ended was in no position to say "No." However, the United States did not seek any territory whatever. Instead, America provided 3½ billion dollars worth of economic aid to Japan, and earnestly cooperated in Japan's economic reconstruction. At the same time the United States abetted Japan in setting up the new system called Democracy in Japan. All this made possible the economic growth Japan has achieved today." End of quote.

No longer can we accept excuses of the Japanese Constitution or obsolete treaties prohibiting a defense buildup. The freedom of all Western countries is at stake with Japan one of the most vunerable to Russia's powerful navy and air forces.

Whatever needs to be done to enable Japan to meet their fair share of the free world's defense must be rapidly accomplished.

If we had subsidized Chrysler to the extent of 15 to 20 percent of their budget, as we have subsidized Japan and its industries, Chrysler would be prosperous today.

What are my conclusions as to the actions that should be taken to keep many of the leading manufactures of our nation from bankruptcy and to give equitable treatment to the Japanese during these troubled times when the very survival of the free world is threatened?

Number One:

Immediately Japan and the United States should negotiate an orderly marketing agreement as a temporary measure. If the Japanese refuse to act with fairness in this regard, we must at once cut back on their imports and insist on changes in GATT to protect our interests.

Number Two:

Within three years the defense expenditures of the Japanese should equal the average of the NATO countries on a GNP basis. The NATO countries and Japan should equal the United States in defense spending on an equitable formula basis within five years.

Number Three:

The failure of Japan to increase their defense expenditures on a fair and equitable basis comparable to the NATO nations will result in a continuance of the United States subsidy to their economy. Therefore, if the Japanese insist their industries have the unfair advantage over our industries, we must follow the lead of other nations in drastically reducing their imports that are flooding our markets.●

CHESTER ALLEN BITTERMAN III

● Mr. SPECTER. Mr. President, it is with a deep sense of loss and outrage that I rise today to speak in memory of Chester Allen Bitterman, formerly of Lancaster, Pa. His violent death last Saturday at the hands of Colombian guerrillas stands in shocking contrast to the selfless, committed work to which he devoted his life. Living in Colombia to help translate Bibles for Colombian Indians, Chester Bitterman became an innocent victim in the political struggle between the M–19 guerrilla group and the Colombia Government. His lifetime's work, despite allegations of U.S. Government involvement, was far removed from politics and even farther from the violence by which he died. As Saturday's State Department statement so clearly noted: Mr. Bitterman "had come to Colombia as a man of peace and faith and was innocent of any wrongdoing."

I join in strongly condemning the guerrilla group which participated in this tragic and senseless death. Mr. Bitterman was one of those rare human beings who chose to live his life in service of others. In a sense, he was also forced to die in that service. His family's strength in this time of great personal loss is a tribute to the strength and courage which guided Chester's life and continues to guide the lives of those closest to him. That strength comes in part from the knowledge that his short 28-year life was rich with great personal reward and sacrifice. Mr. Bitterman's work will continue through the hundreds of Bibles he has made intelligible for the Colombian tribes and through the selfless example he has set.

His death points up again the desperate need for a concerted world effort against terrorism, kidnapings, and other brutal ways of using human beings as political pawns.●

SERVICES ATTRACTING MORE. BETTER PEOPLE

● Mr. COHEN. Mr. President, a recent Baltimore Sun article lends encouragement to all of us who are concerned about the ability of the Nation's armed services to attract and retain quality personnel.

The article, "Services Attracting More. Better People, Pentagon Figures Say," appeared in the February 12 Sun. It detailed how the Armed Forces are showing measurable improvement in numbers and quality of new enlistees, as well as better success in retaining trained personnel.

The improvements are described in the piece as "a source of encouragement to the Reagan administration." That is the light in which they should be viewed.

The services must build on the early successes in this fiscal year, rather than become complacent or overly optimistic about recruiting trends. At the same

time, those of us in Congress who are concerned about our Armed Forces must use the legislative initiatives we approved last year as the base for further improvements.

We continue to have serious manpower problems. The positive results of one quarter are encouraging, but they remind us of how much more remains to be done.

So that my colleagues have the benefit of this information, I ask that the Sun article, along with a Defense Department news release on the recruiting results, be printed in the RECORD.

The material follows:

[From the Baltimore Sun, Feb. 12, 1981]

SERVICES ATTRACTING MORE, BETTER PEOPLE, PENTAGON FIGURES SAY

(By Charles W. Corddry)

WASHINGTON.—The armed forces are showing measurable improvement in numbers and quality of new enlistees as well as better success in retaining trained personnel.

Latest results are not bringing raves in the Defense Department, but they are a source of encouragement to the Reagan administration, which opposes any return to compulsory service if it can be avoided.

Figures made public at the Pentagon yesterday showed that all-service enlistments totaled 101 percent of the goal for the October–December quarter, compared with 96 percent in the same quarter of 1979.

Of the new male recruits, 75 percent had high school diplomas, compared with 50 percent in the 1979 quarter. The number of women high school graduates was up from 87 percent to 91 percent. The services find high school graduates far more likely to succeed in military service than high school dropouts.

The percentage of enlistees scoring in the first three categories in military qualification tests bounced up from 69 in 1979 to 78 in 1980.

In the all-important matter of retaining trained manpower, the services reported that reenlistment rates for career personnel went up from 70.5 percent in the 1979 quarter to 76.5 percent a year later.

Defense officials attributed the better picture of recruiting and retention to economic conditions, that is, youth unemployment, and to the allocation of both money and manpower to a drive to buck up the services.

The retention situation may have been brightened somewhat by the 11.7 percent pay raise voted by Congress last fall, though officials were inclined to think the benefits of that raise and others now planned would be seen later on. Some reenlisted on the gamble the raise would come through; more will stay, probably, now that the raise is real.

Numerous other possible factors behind the improved manpower situation were cited: Congressional mandates that the services focus on improving the quality of enlistees, draft registration requirements which made young men more aware of the services and caused 15 percent of those registering to indicate their names could be passed on to recruiters, an upsurge of patrotism caused by the hostage holding in Iran.

Whatever the reasons, one official said, "The picture is pretty good—much improved over a year."

The figures showed that the services wanted 79,000 recruits in the last quarter of 1980 and signed on 80,100. The Army missed it goal of 29,200 by just 300 and the Navy, Marine Corps and Air Force exceeded theirs.

In two measures having to do with quality of personnel, over which Congress made an issue, the statistics showed that the services are exceeding legislated goals.

The Army, Congress decided last year, must recruit high school graduates to the tune of 65 percent of all new males enlisted. In the last 1980 quarter, 72 percent of its male recruits met the test compared with 40 percent the year earlier.

Congress also ruled that no more than 25 percent of recruits servicewide could score in the fourth, or bottom, category in qualification tests.

The results published yesterday showed that 22 percent were in that category. For the Army alone, however, the figure was 39 percent and, under the congressional mandate, this must be brought down to 25 percent in 1982.

MILITARY MANPOWER STRENGTH ASSESSMENT, RECRUITING AND REENLISTMENT RESULTS FOR OCTOBER–DECEMBER 1980*—ACTIVE FORCE

Mr. Robert A. Stone, Acting Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics), announced that the active force strength of the four Military Services at the end of December 1980 was 2,050,000. This was about 8,000 higher than the December 1980 plan as shown in the President's FY 1982 Budget. The Navy attained 101% of its planned strength for December, while the other Services were at 100% of planned strength.

ACTIVE MILITARY STRENGTH[1]

END OF DECEMBER 1980, 1ST QUARTER FISCAL YEAR 1981

[In thousands]

Service	December 1980 objective in President's fiscal year 1982 budget	Actual	Actual as percent of objective
Army	769	772	100
Navy	527	532	101
Marine Corps	187	187	100
Air Force	560	560	100
DOD total	2,042	2,050	100

[1]Excludes active duty military personnel paid from civil functions and Reserve and National Guard appropriations.

RECRUITING SUMMARY

Mr. Stone noted that the Military Services achieved 101% of the DoD-wide recruiting objective for the first quarter of FY 1981 (October–December) as compared to 96% for the same period a year ago. The Navy, Air Force and Marine Corps each exceeded their overall first quarter objectives. The Army achieved 99% of its overall objective. The Army recruiting objective for FY 1981 is considerably below FY 1980. FY 1980 Army recruiting requirements were high due to the need to overcome the recruiting shortage that resulted in FY 1979.

* Numbers in all tables may not add due to rounding.

Service	October–December, fiscal year 1981			October–December, fiscal year 1980		
	Objective	Actual	Percent of objective	Objective	Actual	Percent of objective
Enlisted accessions—All sources:						
Army	29,200	28,900	99	40,500	38,400	95
Navy	22,300	22,900	103	21,900	21,500	99
Marine Corps	8,600	9,200	107	9,100	7,900	88
Air Force	18,900	19,000	101	16,800	16,800	100
DOD total	79,000	80,100	101	88,200	84,700	96

Mr. Stone said that the Navy, Marine Corps and Air Force essentially met or exceeded their recruiting objectives in all three general categories of personnel for which objectives were established, non-prior service male and female and prior service personnel. While exceeding its objective for prior service accessions, the Army achieved 97% and 91% of its non-prior service male and female objectives, respectively. Each Service recruited more prior service personnel in the first quarter of FY 1981 compared to the same period last year, accounting for a DoD-wide increase of over 50%.

Service	October-December, fiscal year 1981			October-December, fiscal year 1980		
	Objective	Actual	Percent of objective	Objective	Actual	Percent of objective
Nonprior service accessions—Male:						
Army	20,400	19,800	97	33,300	29,000	87
Navy	17,800	17,900	101	17,300	16,700	97
Marine Corps	7,700	8,100	105	8,200	7,000	85
Air Force	14,200	14,300	101	12,700	12,700	100
DOD total	60,100	60,100	100	71,500	65,400	92
Nonprior service accessions—Female:						
Army	4,680	4,270	91	4,450	5,890	132
Navy	2,130	2,130	100	2,770	2,840	102
Marine Corps	370	420	115	480	450	95
Air Force	3,080	3,050	99	3,450	3,450	100
DOD total	10,250	9,880	96	11,140	12,630	113
Prior service accessions:						
Army	4,110	4,860	118	2,700	3,550	131
Navy	2,400	2,910	121	1,830	1,960	107
Marine Corps	550	670	122	390	510	131
Air Force	1,640	1,640	100	610	610	100
DOD total	8,700	10,090	116	5,530	6,620	120

Mr. Stone noted that the number of male high school diploma graduates recruited by all of the Services in the first quarter was about 9,700 above the number recruited last year for the same time period. This is a 27 percent increase. This year each Service exceeded the number and proportion of male high school graduates recruited in the first quarter of FY 1980. The Army recruited almost 2,900 more high school graduates and increased its proportion of male graduates from 40 percent in the first quarter of FY 1980 to 72 percent for the same quarter of FY 1981. Compared to the first quarter last year, all the Services increased the proportion of female non-prior service accessions with high school diplomas. Somewhat fewer female high school graduates were recruited overall, however.

NON-PRIOR-SERVICE ACCESSIONS

	High school diploma graduates—Male				High school diploma graduates—Female			
	October–December, fiscal year 1981		October–December, fiscal year 1980		October–December, fiscal year 1981		October–December, fiscal year 1980	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Army	14,300	72	11,500	40	4,000	94	4,100	70
Navy	13,000	73	9,900	59	2,000	92	2,400	86
Marine Corps	5,700	70	4,200	60	400	100	400	99+
Air Force	12,200	85	10,100	79	2,600	84	2,700	79
DOD total	45,300	75	35,600	50	9,000	91	9,700	87

NON-PRIOR-SERVICE ACCESSIONS—MALE AND FEMALE AFOT CATEGORIES I–III

Service	October–December, fiscal year 1981		October–December, fiscal year 1980	
	Number	Percent	Number	Percent
Army	14,700	61	16,600	48
Navy	17,200	86	16,200	84
Marine Corps	6,800	80	5,700	77
Air Force	15,700	91	14,900	92
DOD total	54,400	78	53,700	69

Mr. Stone indicated that the number of non-prior service enlistments DoD-wide that scored in Categories I, II or III on the Armed Forces Qualification Test (AFQT) during the first quarter of FY 1981 was about the same as a year ago. Except for the Air Force, each Service's proportion of new accessions attaining test scores in Categories I, II or III increased above the proportion for the first quarter of FY 1980. The Army experienced the largest increase going from 48 percent to 61 percent over the year.

The number and proportion of black non-prior service enlistees entering military service in this quarter decreased for each Service compared to the number and proportion recruited in the first quarter a year ago. Overall, the proportion of new accessions that were black declined from 24 percent in the first quarter of fiscal year 1980 to 20 percent in fiscal year 1981.

BLACKS

Service	October–December, fiscal year 1981		October–December, fiscal year 1980	
	Number	Percent	Number	Percent
Army	6,940	29	11,380	33
Navy	2,550	13	2,720	14
Marine Corps	1,770	21	1,800	24
Air Force	2,590	15	2,880	18
DOD total	13,850	20	18,780	24

REENLISTMENT SUMMARY

Mr. Stone said that all of the Services reenlisted a larger proportion of their eligible separatees in the first quarter of fiscal year 1981 than in the same period last year. As a result, the Services reenlisted a total of approximately 4,100 more men and women than in the same three-month period last year.

1ST TERM AND CAREER REENLISTMENTS

Service	October–December, fiscal year 1981			October–December, fiscal year 1980			Fiscal year 1980 (percent)
	Eligibles	Reenlist	Percent	Eligibles	Reenlist	Percent	
Army	27,300	18,100	66.4	33,300	20,700	62.2	62.2
Navy	23,400	13,500	57.7	20,000	9,100	45.6	48.2
Marine Corps	8,600	3,600	41.6	9,300	3,700	39.7	35.4
Air Force	25,100	16,700	66.6	23,000	14,400	62.4	60.0
DOD total	84,400	51,900	61.5	85,600	47,900	55.9	55.4

First-term reenlistment rates for the Navy and Air Force increased by 11.7 and 3.6 percentage points, respectively, over the same period last year. Army and Marine Corps rates remained relatively stable compared to last year.

1ST TERM REENLISTMENTS

Service	October–December, fiscal year 1981			October–December, fiscal year 1980			Fiscal year 1980 (percent)
	Eligibles	Reenlist	Percent	Eligibles	Reenlist	Percent	
Army	8,000	4,200	51.8	12,700	6,400	50.9	50.6
Navy	13,500	6,200	45.6	12,700	4,300	33.9	36.7
Marine Corps	5,400	1,300	23.9	5,200	1,300	24.9	23.2
Air Force	11,200	5,000	44.2	10,900	4,400	40.6	35.8
DOD total	38,200	16,600	43.4	41,500	16,500	39.7	39.1

Career reenlistment rates for all Services were higher than last year for the first quarter. The Navy and Marine Corps experienced the most significant increases of 8.0 and 13.8 percentage points, respectively.

CAREER REENLISTMENTS

Service	October–December, fiscal year 1981			October–December, fiscal year 1980			Fiscal year 1980 (percent)
	Eligibles	Reenlist	Percent	Eligibles	Reenlist	Percent	
Army	19,200	13,900	72.5	20,700	14,300	69.1	69.3
Navy	9,900	7,300	74.1	7,300	4,800	66.1	67.0
Marine Corps	3,100	2,300	72.4	4,100	2,400	58.6	50.4
Air Force	13,900	11,800	84.8	12,100	9,900	82.0	81.8
DOD total	46,200	35,300	76.5	44,100	31,400	71.2	70.5

WHERE HAVE ALL THE LAWYERS GONE?

● Mr. MATHIAS. Mr. President, compromise is a crucial ingredient in the operation of a democracy. While no one profession can claim a monopoly over the virtues of compromise and reason, the law teaches its students, in the face of divergent interests, to seek an acceptable common ground.

A recent article appeared in the National Law Journal which points out that the number of lawyers in our national and local legislatures is decreasing. Some believe that now narrow interests will supplant reason and, therefore, will cripple the democratic process. Others welcome the decline of legalistic parochialism and look forward to expanded horizons of experience. Perhaps some people are thinking along the lines of Henry VI (Part 2)—"the first thing we do, let's kill all the lawyers."

Inevitably, it appears, the professional backgrounds of legislators are changing but let us hope that reason and compromise do not become lost arts. For the benefit of all of us who work in a legislative capacity and in deference to our colleague Senator Joseph D. Tydings, who brought the article to my attention. I ask that this article, entitled "Where Have All the Lawyers Gone?" be printed into the RECORD.

The article follows:

WHERE HAVE ALL THE LAWYERS GONE?

(By Stephen Barlas)

When the second Continental Congress met in June 1776 to draft what became the Declaration of Independence, Virginia attorney Richard Henry Lee proposed the motion that ". . . these united Colonies . . . are absolved from all allegiance to the British Crown . . ." John Adams, another lawyer and future president, seconded Mr. Lee's motion. A committee of four, all members of the bar, took Mr. Lee's loosely worded motion into a backroom and emerged with the Declaration's historic language.

Eleven years later, when 55 delegates to the Constitutional Convention met at the Philadelphia State House, attorneys again predominated. From that beginning, the legal establishment more or less controlled the reins of state legislatures and Congress for the next 200 years, becoming to elective politics what doctors are to medicine.

But during the past couple of decades, the number of attorneys in legislatures has been ebbing. Between 1966 and 1979, according to the Insurance Information Institute, the percentage of lawyers in state legislatures dropped from 26 to 20. There are no lawyers in the Delaware legislature, for example.

The just-ended 96th Congress had fewer lawyers than any other Congress in the past 30 years. For the first time in those three decades, less than a majority of the 435 House members had law degrees. And the drop in the number of lawyer/congressmen from 1977 to 1979 was the steepest in 30 years.

Only eight of the 18 new U.S. senators elected in 1980 hold law degrees and a number of those have not practiced law in quite some time.

The unheralded demise of the lawyer/legislator is clearly worrying national and state bar leaders. "I don't think it is good for the country," says Leonard Janofsky, immediate past president of the American Bar Association. "And I don't think it is good for the profession."

"It's like taking all the chemists out of the chemical/petroleum industry," adds former Sen. Joseph Tydings, D-Md., who is now associated with the Washington, D.C., law firm of Dickey, Danzansky & Tydings.

Laymen tend to be much less gloomy about the dwindling ranks of legislating lawyers. "What you want is people of expertise and intelligence, and I don't think professional background would be that important," explains Sen. Malcolm Wallop, R-Wyo., a rancher and the first non-attorney appointed to the Senate Judiciary Committee. "It is not good to have a predominance of any background."

Adds Norman J. Ornstein, a congressional expert and adjunct scholar at the American Enterprise Institute, "We may get a little more intelligibility in political discussion, debates and our law-making."

Mr. Ornstein explains, though, that the increasing absence of lawyers from Congress may also have debilitating side effects. Their places will be frequently taken by members of non-establishment, insurgent groups who are political products of grass roots movements.

Such potentially hard-headed partisans who arrive in Washington with heavy obligations to single-issue lobbies are less likely than litigation-wise attorneys to accept the importance of legislative compromise, Mr. Ornstein says. "There is bound to be more posturing and less concern with the details of legislating," he adds.

Despite unmistakable evidence of the growing disappearance of lawyers from legislatures, no one seems quite sure whether attorneys are just running less frequently for office or whether they are running as often but losing more often.

Those who believe lawyers are running less frequently give a number of reasons for their reluctance to chase seats in state bodies, traditional gateways to Congress.

Until very recently, many state legislatures met for only a few months every other year. Legislating seldom seriously interfered with a state assemblyman's or senator's private law practice.

Today, 37 states are required to convene annual legislative sessions and 18 of those do not limit the duration of the session. According to the National Conference of State Legislatures, the average session lasts 139 days. When sessions end, it is not unusual for interim committees to meet.

Writing in a recent issue of the American Bar Association's Bar Leader, Washington State Senate Majority Leader Gordon L. Walgren explained: "Particularly in those states where legislative pay is low, the difficulty experienced in finding the time to serve one's clients can translate into the harsh economic reality that further public service is not financially feasible."

Joe Gaylord, the Republican National Committee official responsible for recruiting party members for local and state office, says, "When I'm at seminars [for prospective candidates] around the country and I ask people what they do for a living, I don't get the attorney stuff as much anymore."

The U.S. Supreme Court's decision in 1977 allowing attorneys to advertise "routine" legal services may have also hastened the demise of the lawyer/state legislator. According to John Saxon, a counsel to the U.S. Senate Ethics Committee, lawyers—particularly in rural areas—ran for state senate and assembly posts prior to 1977 as a means of advertising their law practice. "Many of them didn't care whether they won or lost," notes Mr. Saxon. "They wanted those free newspaper stories publicizing the name of their firm."

Attorneys may also be running less frequently for legislative posts because of the conflict of interest laws adopted by many states and Congress in the mid-1970s in response to Watergate and the "good government" prodding of various public interest groups. In Alabama, for instance, the percentage of attorneys in the state legislature dropped from 30 in 1977 to 18 in 1979. One reason for the decline, according to former state bar president Oakley Melton Jr., is "a very strict ethics law that prohibits public officials, including legislators, from representing state and local boards or agencies."

Aside from the conflict of interest restrictions that govern congressional service, lawyers contemplating a run for the U.S. House of Representatives face an $8,625 limit on earned outside income if they make it to Washington. The ceiling for U.S. Senators is set at $25,000.

While House rules allow members to affiliate with law firms, the Senate prohibits affiliation as well as the use of a member's name, even as "of counsel," by his former law firm.

Says William Sweeney, executive director of the Democratic Congressional Campaign Committee, "I've met attorneys who say the outside earned income limit makes it too costly for them to be a congressman."

Former Senator Tydings points out that congressional salaries, now at $60,662, are significantly less than that earned by many fellow attorneys in private practice and that congressional pay, in terms of real dollars, has been savaged by inflation. "If I was still in the U.S. Senate," explains Mr. Tydings, "I would have taken a 50 percent pay cut.

"People are willing to put up with much less than fair compensation because of the glamour, excitement and ego gratification," adds Mr. Tydings. "But there is a point beyond which you cannot do it."

Mr. Ornstein is one of those who believe attorneys are running for legislative office as often as ever. But he says they are being elected less frequently because of stiffening competition from non-lawyers.

He explains the civil rights and anti-war movements proved political stepping stones for many non-lawyers. More recently, activists concerned with abortion, the Equal Rights Amendment, consumer issues and right-to-work laws have parlayed grass-roots organizing experience into legislative careers.

Judy Heffner, director of public affairs for the National Conference of State Legislatures, says an example of this trend toward non-establishment legislators is reflected in the doubling of women in state bodies during the past 10 years. "Those women tend not to be lawyers," she says.

None of the five women elected to Congress in 1980 has a law degree. The only incumbent woman to leave Capitol Hill this year, Rep. Elizabeth Holtzman, D-N.Y., is an attorney.

While lawyers are faced with an increasing array of well-financed political challengers, they must also, at the same time, fight a public perception that many members of their profession are less than trustworthy.

Part of the profession's "image" problem stems from Watergate. Of 19 key figures involved, 11 were attorneys. Citing lawyers' Watergate-soiled reputations, a March 1974 U.S. News & World Report cover story asked: "America's Lawyers: A Sick Profession?"

More than six years later, the public seems to be answering that question in the affirmative.

For instance, a November 1980 Louis Harris poll asked 1,199 respondents to express their confidence in leaders of 13 American institutions. Educators were given the highest marks, with 36 percent of those answering saying they had "a great deal of confidence" in the leaders of higher education. Even with the Abscam millstone around their necks, Congress' leaders came out at 18 percent, putting them 5 percentage points ahead of lawyers, who were dumped at the bottom of the barrel.

While Wyoming's Senator Wallop disputes

any notion that lawyers are more unethical than other professionals, he agrees they have an image problem. "As we subside into a legalistic society where the only solutions are in the courts, through lawsuits," he says, "people find more and more of their lives confronted by members of the legal profession."

The nation's legislatures are unlikely to be denuded of barristers anytime soon. But if the profession is as worried about the trend as it appears, practitioners might want to note the words of Supreme Court Justice Louis D. Brandeis, who said: "What the lawyer needs to redeem himself is not more ability . . . but the moral courage in the face of financial loss and personal ill-will to stand for right and justice.●

NEED FOR CONGRESSIONAL ACTION ON EMERGENCY PETROLEUM ALLOCATION PLAN

● Mr. EXON. Mr. President, today the U.S. Senate is considering a measure to provide for an international emergency petroleum allocation system. This program recognizes the need to unite with other nations in a coordinated effort to decrease dependence on foreign oil and hopefully reduce the strategic and economic vulnerability of the member countries which this dependence has fostered.

As we all know, on January 28, President Reagan ordered the immediate decontrol of crude oil and refined product price and allocation controls. The President's order accelerated the phased decontrol program by some 9 months, since the Emergency Petroleum Allocation Act would expire on October 1, 1981. Although I have been a proponent of decontrol, I believe that the phased decontrol program was a more prudent approach. Phased decontrol was designed to soften the inflationary impact of this action as well as provide a transition period where industry, government, and consumers could prepare for the free market forces to take hold.

Although I was opposed to the administration's January 28 order to immediately decontrol, the economy has been operating since that time in a decontrolled environment. This Senator must concur with the recent Federal court decision by Judge Harold H. Greene, that a reimposition of controls would be unwise. The effects on the economy from repeated switching from controlled to decontrolled and back, during a period of but a few months could not fail but to result in greater disruption to the economy. Consumers have been harmed already due to the increases in energy prices as a result of the decontrol order. An "on-again, off-again" policy, however, could only aggravate this situation and would be contrary to the public interest.

In this Senator's mind, decontrol is no longer the issue. We must now face up to what our postdecontrol policy must be and to prepare for inevitable supply interruptions of our Middle East oil lifeline.

Mr. President, it is indeed ironic that we have acknowledged the need for an international emergency petroleum allocation system, but remain unprepared regarding our domestic policy on this crucial matter. On October 1 of this year, there will be no framework provided by law to insure a fair distribution of crude oil and refined products in the event of a severe cutoff by the oil producing nations.

The existence of a crude oil and petroleum product "safety value" is especially important to the agricultural sector of our Nation's economy. Timing is critical to our farming operations. A short disruption in fuel supplies at the wrong time can spell disaster for a full food and fiber production. Although farm energy use represents only 3 percent of total U.S. energy consumption, interruptions in the energy needs for the agricultural community would adversely affect every American consumer and nearly $40 billion in annual exports.

In addition, Mr. President, 45 percent of all on-farm petroleum fuel needs are met by some 8 independent refineries owned and operated by 13 regional farmer cooperatives. Farming and rural energy needs are particularly vulnerable to supply disruptions and it is important that cooperative and other independent refiners serving rural markets receive adequate supplies and at the right time. The administration's January 28 order, however, has left the rural market without assurances that specific needs can be met in shortage periods and has abandoned the emergency set-aside provisions. Pullouts by the major suppliers in the Midwest area have added to the apprehensions of the farm and rural communities.

Mr. President, long before the gas lines appeared around the country in 1979, the American farming community was desperately searching for adequate diesel supplies in a decontrolled diesel market. Absent the set aside allocation program, the agricultural sector would have experienced even greater economic dislocations. The free market can temporarily fail, and it is imperative that some allocation "safety valve" be provided for in the event of supply interruptions.

There is a need for a limited but essential standby authority to deal with supply disruptions which are sure to occur in the future. I am a cosponsor with Senator JOHNSTON on his bill, S. 409, the Standby Petroleum Authorities Act.

I would urge the Senate to act quickly to consider the various standby allocation proposals which have been introduced to address this issue. We cannot afford to wait. We have recognized the importance of a framework for an international petroleum allocation program. We must now move forward to protect our domestic interests with some sort of emergency allocation plan. Our economy and our national security most certainly demand it.●

TOWARD A NEW KIND OF DRAFT

● Mr. GOLDWATER. Mr. President, the subject of a draft is one that is constantly before us and as we attempt to bring up the strength and quality of our military, whether we like it or not, this is going to have to be considered at some time. The Association of the United States Army, which has long been interested in this subject, has prepared its thoughts on a new kind of a draft and I have found it to be most interesting and challenging. I ask that it be printed in the RECORD.

The material follows:

TOWARD A NEW KIND OF DRAFT—A STATEMENT PREPARED BY THE ASSOCIATION OF THE UNITED STATES ARMY

To a greater or lesser degree, all our armed forces are suffering from the impact of having to compete for a dwindling manpower pool, which by 1992 will require the enlistment each year of one in four of the American males who become eligible for military service. Because of its size and the intrinsic nature of service in its ranks, the Air Force has the smallest problem and, for corresponding reasons, the Army has the greatest. All the services are, at the moment, reaching their arbitrary active duty manpower quotas but they are doing so at undue expense in terms of dollars used for recruiting, in terms of the competition among the services to attract highly qualified young people to their ranks, and in terms of the societal imbalances of the recruited force. Further, at least as far as the Army is concerned, our national commitment to a purely voluntary mode of acquiring new service members is also inflicting a costly real decrease in overall readiness by shrinking enlistments in our reserve force at a time when these reserve forces are required to play an enhanced and vital role in any future military contingency.

The impact of the volunteer concept is also felt in another, far more subtle, way—the deliberate depression of manpower authorizations as a way to control the growth of spending on national defense in general and manpower costs in particular. Unlike any other cost-reducing project (base closures or project terminations, for example) there is one absolute truism: the surest and quickest way to cut costs is to cut people. Over the years of our volunteer experience, the authorized strength of the services has been driven mostly by budgetary considerations rather than the recognized need to support basic military tasks. Our Army today is at least 50,000 smaller than it should be to do all the things we expect of it even in its peacetime role.

We have an operative draft today, one of economic coercion, because many young men and women are enlisting for the wrong reasons. They often enlist not because they want to serve but because there are few other acceptable options open. In these instances the military becomes the employer of last resort. The unjustly contorted Selective Service law of the early Vietnam era unfairly discriminated by drafting the less affluent youth who were unable to take advantage of the avoidance authorized by the law of that time. A large percentage of today's volunteers serve because a period in uniform offers something they have not been able to find elsewhere—a *job*. The injustices of the Vietnam draft and the realities of today's economic situation have accomplished the same end; they have brought more economically distressed people into the military ranks and excused the more fortunate. Ever since Vietnam, middle America has not been in the uniform of its country.

When the switch to a purely voluntary system of military accessions was being considered, the Association of the United States Army warned loudly and often that the monetary cost would be high and that the new system would work only if it was supported unstintingly by future administrations and congresses. We never believed this would happen. Our fears were well-founded as the facts will attest. The buying power of military compensation has slipped at least 15 percent behind comparability with the civilian sector, effective educational incentives were permitted to lapse and, as the number

of people serving was driven downward without a corresponding reduction in worldwide military responsibilities, many career personnel found themselves spending more time overseas than at home—one of the most devastating effects of the whole fruitless effort.

The costs associated with keeping people in uniform have continued to rise. Today it is estimated that 80 percent of the Army's budget is committed to feed, pay and house people and to keep the basic system going. In spite of our increased monetary support of people, we have wound up with a force that is substantially undermanned, undertrained and underqualified. This must be the ultimate measure of the failure of the all-volunteer effort.

After eight years of the volunteer experiment, certain facts are clear:

The recruiting effort has been generally successful in supporting authorized active force levels although these levels have been substantially below those actually required.

Recruiting for the reserve components, particularly in the Army, has not been entirely successful, jeopardizing the elevated reliance our current structure places on reserve readiness.

Frequent overseas deployments and noncompetitive compensation have brought pressures on career personnel that are driving them from the ranks in substantial numbers, seriously depleting the level of professionalism through the services.

All of our forces have become unrepresentative of our society.

A herculean recruiting effort has siphoned off thousands of the best and brightest officers and NCO's of all the services, at an annual cost of about one billion dollars, and has put the services in direct competition as they strive to attract highly qualified enlistees from an ever-decreasing pool of eligibles.

The time has come for us to acknowledge the failure of a volunteer ideal as we have attempted to make it work. We must now decide what further extraordinary efforts in the form of compensation and incentives might possibly eliminate the shortfalls, or try another more realistic approach.

The pressure by the new administration to reduce government spending in the interest of restoring economic stability must surely turn aside many of the only effective measures that could have any chance of building a completely viable force of volunteers. We must find other ways to build that essential force. The only obvious system is a form of selective service that brings service to the country back into proper national perspective.

The popular perception of an inequitable Selective Service System, as operated during most of the Vietnam War period, still impacts unfairly on most American thought and public rhetoric. It must be made clear at the outset that any operative selective service plan has to be completely fair for all.

The existing Military Selective Service Act, as modified in 1968, provides a fair and equitable selection system. Under it, 95 percent of our young physically qualified men have an equal opportunity to be considered for military service. Principal elements of the now existing law provide for:

A lottery to provide random selection of the order of call by birthdate.

Exposure to callup for only a year, permitting individuals and employers to make long-term plans.

Elimination of occupational, agricultural, student and paternity deferments.

Stringent controls over deferments for extreme hardship, for medical and ministerial students, and elected officials.

Award of conscientious objector status when properly verified.

Revelation, on request to local and appeals boards, of reasons for adverse classification actions.

Making local boards more representative by lowering the minimum age for members to 18 and forbidding service on a board for more than 20 years.

The Military Selective Service Act could be usefully modified to provide more appropriate punishments for failure to comply with the Act. Instead of the present counterproductive penalty of a $10,000.00 fine and up to five years in jail, it would seem more fitting if the failure to comply with this responsibility of citizenship involved the loss of some of the privileges of citizenship, such as the right to vote, ineligibility for any government assistance, or government employment.

In order to assure the most equitable distribution of the available manpower for all the services, the following regulatory actions must be taken by the Defense Department.

1. All services must be required to gain their first-term non-career personnel through the Selective Service System. (This is most significant.)

Individuals who may wish to volunteer for a specific service might do so but only through the Selective Service System and only within the designated quota for that service for a specified period.

2. The services would be permitted to recruit only for their career force.*

Selectees would be permitted to make a career choice after induction, but only within the limits of the required career content of that service.

3. The total number of inductions in any given period would be based on the difference between the required strength of the services and the actual strength.

4. The term of induction should be for a period of two years.

5. Those eligible to be drafted would be permitted to opt for training and service in local Reserve or National Guard units but with a longer total period of service than that required of those serving a full active tour.

Another option would be available for training and service in the Individual Ready Reserve which would entail a still longer period of obligation. We have a legal shortfall affecting the individuals in the IRR and it may require legislative action to track the individuals involved through IRS or Social Security channels.

6. An educational benefit must be a basic part of any new selective service plan with benefits graduated to be most generous for those who spend the longest period in the active ranks. Those who start in the draft force would have their service applied to their eligibility for this benefit as they moved into the career force.

7. The entire volunteer/inductee portion of the force would be paid at an apprentice level during the statutory period of active service for inductees. Pay and other special emoluments for the career force would be maintained at a level of comparability with the civilian sector.

As an indication of the numbers involved, the following chart reflects the Army's initial full manpower requirement from the Selective Service System. When the noncareer portions of the Air Force, Navy and Marine manpower requirements are added, it can be postulated that a very large percentage of the physically able young men coming of age each year will be required to serve in their country's armed forces.

*A careerist is defined in the case of enlisted personnel as one who reenlists following an initial enlistment; and, in the case of officers, after completion of the initial obligatory service period.

ARMY REQUIREMENTS FOR AN ACTIVE DRAFT[1]

	Required strength	Career content	Non-career	Annual SS requirements
Active Army	850,000	[2] 425,000	425,000	[3] 170,000
Selected Reserve	700,000	[2] 350,000	350,000	[4] 93,000
Individual Ready Reserve	500,000	NA	500,000	[5] 83,000
Total				346,000

[1] Selective Service accessions for the Air Force, Navy and Marines would be in addition to this.

[2] Assumes a career content level of 50 percent.

[3] Assumes a 2-yr SS active duty obligation and a 20 percent level of volunteers.

[4] Assumes a 3-yr obligated assignment to a Selected Reserve unit before being transferred to the IRR.

[5] Assumes a 6-yr IRR obligation and a decision to build to strength gradually. After the 2d yr of an active force draft and the 3d yr of a selected reserve draft the need to draft directly for the IRR would be eliminated.

There are many advantages to this system:

READINESS

The active services could be rebuilt to a level of required personnel strength.

The reserve components could be maintained at a level supportive of their mobilization mission.

The large pool of trained manpower represented by the IRR and the Standby Reserve could be reestablished and kept at the desired level.

Several thousand highly qualified officer and NCO recruiters could be returned to normal military duties, retaining a recruiting structure just large enough to generate enlistments for the career force.

COST

Recruiting costs could be reduced to a minimal level, requiring enough funding to support recruiting for the career force only.

Attrition among selectees would be held to the lowest possible level.

Funds now appropriated to support the educational subsidies of the Department of Education should be redirected to support the educational benefit for those serving in the military. The yardstick for governmental educational support should be service to country or disability.

This paper has deliberately avoided the issue of a draft for women. It has long been the Association's position that a draft for women is entirely fair and equitable, but whether they are to be included is a matter for the Congress or the courts to decide. What is not at issue, however, is the numbers of women in the Armed Forces. They have reached, and in some cases passed, the prudent level. All of the services are reevaluating requirements for women in light of experience to date.

CONCLUSION

Eight years have elapsed since we began the experiment to find ways to have the essential and arduous duty of military service taken care of without involving or inconveniencing the bulk of those who reap the rewards from our form of government.

In this, as in other areas, we Americans find it difficult to believe that the problem cannot be resolved simply by throwing more money at it. This is not an economic equation.

The basic issue is disarmingly simple. Capable, credible military forces are essential to our national policy and interests. The responsibility for the funding and manning of such forces falls on all citizens—as do taxes and other governmental inconveniences that we accept willingly for a lawful and peaceful community.

History shows not one successful substitute for the citizen's direct involvement in his destiny. It is time for us to accept once more the duty, obligation and privilege of

our citizenship and respond to what our country's needs demand of us.●

HOLMES ALEXANDER HAS THE LAST WORD

● Mr. MATHIAS. Mr. President, when a wise and witty observer of the Washington scene puts down his pen after 34 years of service, it behooves us all to pause and to listen to his final thoughts on America, democracy, and Washington. I call to the attention of my colleagues a series of columns entitled "Down the Home Stretch," by Holmes Alexander. These articles represent the literary culmination of one journalist's view of Washington that is both gracious and demanding. He recalls that "in the aftermath of World War Two, this Capital City did have a holy glow about it, and to be any part of it was something of an honor." He is gracious toward the ideals that Washington represents in the way of democracy, but, at the same time, he is extremely demanding of the elected officials who are called upon to maintain those ideals.

His reflections at times border on despair but are never far removed from the embrace of hope. He writes:

You never hope to lose the flicker of that first fine careless rapture when you believed Washington was the New Jerusalem, every person with "Hon." before the name was a true statesman, and you yourself were like the fly on the emperor's chariot wheel—believing that you helped to turn the earth.

Never one to expatiate on the glorious goals of American democracy, Mr. Alexander used invective and raillery in his effort to make those goals a reality. We would all do well to remember his observation that "fatigue is a disposable waste. Enthusiasm is a renewable resource." I commend these three articles as the distillation of one man's experience with our shortcomings and because in the end, despite all of it, he believes that hope is, by no means, lost. I ask that they be printed in the RECORD at this time.

The articles follow:

DOWN THE HOME STRETCH

(By Holmes Alexander)

(Editor's note: After many years as a writer, Holmes Alexander is retiring from the Washington scene. These upcoming three columns are his last ones.)

WASHINGTON, D.C.—I value my life, and therefore abhor idleness and boredom. "When a man is tired of London," declared Samuel Johnson who among much else covered the House of Commons debates, "he's tired of life." I say with Johnson, "Same here."

After 34 years as a Washington-based journalist, I sometimes feel pooped, but never blase about this thrilling capital city. Lose that fascination and you're done for. When the glamour goes, curtains.

Tired of Washington? I ride a bike to my appointments. Quite apart from economy and exercise, my personal vehicle has sentimentally bound me to the city. Between my 25th street, N.W. home (near the Watergate) and the National Press Building at 14th street, there are sidewalk flower borders that would never be noticed from subway or cab. For three-fourths of the year these simple posies gladden the heart. All year long they flash upon that inner eye which the poet calls "the bliss of solitude."

In the past summer of 1980 the District government blocked off traffic and installed a landscaped plaza with pathways at the Foggy Bottom Metro station. I formerly had to wait for blooms, pedaling to work, until the little park at the Interior Department, 18th and Eye streets. But before she left, Lady Bird Johnson lined the rest of my route with flora at the approaches of Treasury and Commerce. I could choose to reach the Press Building by two routes. One led down Pennsylvania Avenue past the Albert Gallatin statue to the Treasury's north. But ideologically I preferred the southern side which sports the bronze Alexander Hamilton, arch conservative.

Since the crime wave of the 60's, Metropolitan cops don't whistle down bikers who use the sidewalks. This allows me, homeward bound on the eliptical pavement, a panoramic view of the sweeping White House lawn, its playing fountains. the graceful breastlike curve of the "Truman gallery" where it grows out of the gleaming Mansion.

In lustier days I have biked to Secretary McNamaras' Pentagon conferences, but somehow the 14th street bridge has lengthened with the years. When I rode to Capitol Hill, I would foil thieves (9 out of my 10 bikes have been stolen) by locking up in the press room of the Senate Dirksen Building. It's exceptional nowadays when I take the long journeys, but recently I had to be finger-printed to own a legal gun, so I pumped all the way to the D.C. police headquarters in the down town melee of 7th street.

Soon afterwards, westbound on mid-K street, I was unhorsed by an idiot-motorist who suddenly flung open his lefthand door. With a knapsack of books, I crashed into his car, bounced off, was sideswiped by an oncoming stationwagon, and flung to the concrete. My wounds were superficial, but the shakeup made me know I wasn't born yesterday.

Mr. Truman was a first-term President when I became charmed with the outdoor statuary of this shining town, and researched an article titled "How to Win a Monument." It sold to Colliers Magazine, which folded; sold to Bill Buckley's National Review, just beginning; sold in revised form with the collaboration of a Press Club chum, Lou Warren to the Evening Star. Monuments are privately financed, breeding many coming anecdotes about the donors and subjects. I think I could have traded indefinitely on the material, but JFK's Interior Secretary Stewart Udall began uprooting the personal monuments and shipping them to their home states.

Tired of Washington . . . tired of life? Not this ink-stained veteran! We do not live on flowers and statuary, which make the city beautiful, but on nostalgia, patriotic excitement and comradeship. As long ago as the Ford administration, I came away from a Presidential coffee hour in company with a columnist Roscoe Drummond, another oldtimer, and he kidded me about the inclines built into the sidewalk curbs for wheelchairs but which help us bike-riders too.

Probably arranged for you by some corrupt lobby," Roscoe joshed me.

You never tire of the friendship and easy joking that goes with the work. You can always put up your feet and rest after a tiring day. You can always summon memories that set the heart dancing with the daffodils. No doubt the physical and psychologic tensions can get you down, and wear you out on this demanding job—but this city not only takes your energy. it also restores it.

DOWN THE HOME STRETCH

(By Holmes Alexander)

(Editor's note: This is the second of three related columns.)

WASHINGTON, D.C.—As Hon. Barbara Jordan (D. Texas) remarked upon her voluntary departure from the House of Representatives, the longer you stay in Congress, the harder it is to quit.

It's the same with quitting a syndicated column. All columnists, great and small, cling to the byline like a liferaft. It takes an act of self-discipline to cast off and swim for it, even if you've been at it since 1946 and haven't set the lake afire or accumulated any delusions about being missed.

You don't quit because you're tired of life, or tired of Washington. You quit because you don't want to get that tired. You hope never to lose the flicker of that first fine careless rapture when you believed Washington was the New Jerusalem, every person with "Hon." before the name was a true statesman, and you yourself were like the fly on the emperor's chariot wheel—believing that you helped to turn the earth.

Rep. Jordan was leaving Congress without a nudge from behind, but this is less true in the case of an elderly freelance writer, certainly not in my own case. In the gloaming of a journalistic career, there are plenty of persons around with pitchforks to assist. I recall the kindly editor who didn't write to cancel the column, but only to observe that my next birthday was a good occasion "to retire on your laurels." And the old friend who congratulated me on "how hot you used to be." And the up-and-comer who dropped the word "has-been" at the clubhouse dining tables and then apologized the way President Carter did to Senator Kennedy ("Nothing personal, Ted.") after an oblique reference to Chappaquiddick. And there are public and personal "friends" whose calendars become too full for an appointment, or who no longer return your phone calls. All these persons carry a pitchfork to speed the parting scribe, and to make him think a little less of the human race.

But discouragement, even disparagement, won't face the committed writer who regards such things as no worse than a bad cold. It's true that all competitive animals—the race horse, the boxer, the politico, the journalist—feel a letdown when the novelty goes, and the task is all to do again next time. But fatigue is a disposable waste. Enthusiasm is a renewable resource. "If there's a typewriter in your house," said a byliner who recently retired "you'll always be writing."

I intend to do that. I intend also to go on believing that in the aftermath of World War II, this capital city did have a holy glow about it, and to be any part of it was something of an honor. Many who then carried the title of "Hon." were deserving of it. We who came aboard when America was in her golden hour, bathed in the worship and aspirations of the liberated world, were not wrong in believing that there were giants of integrity in those days—Vandenberg and Taft, Harry Byrd and Abe Ribicoff, Paul Douglas and George Marshall, and the Latter Day hero, Harry Truman.

Looking back, Mr. Truman is not memorable for anything gigantic about his leadership. But he was so genuine that he loomed large. Something has been missing in every President since. Eisenhower was too distant. Kennedy too immature. Johnson too unlucky at falling heir to JFK's martyrdom and failures in Cuba and Indochina. Nixon too unworthy of the office. Ford too lacking in inspiration. Carter too inept to be a leader. The nation's Decline can be traced by those names of men who were deficient in the Real Stuff to lead America.

It was an adventure in a losing battle, a heart-wringing and extended defeat, to have been no more than an observer through those years, and to have been on the watch for the Right Stuff to turn the country around. When it couldn't be Barry Goldwater, we had to wait for Ronald Reagan and the conserva-

tive domination of the U.S. Senate brought about by the 1980 elections.

When I came to Washington, it was downright uncouth to be an avowed conservative. In all honesty, I was like the Moliere character who had to be told he'd been speaking prose all his life—I didn't know I was a rightwinger until many persons said so. But I must have known from the instinct as I know now from experience, that the terms conservative and pro-American are synonymous. Not that the liberals are anti-American by nature, but they are non-American by putting other causes ahead of their country's well being.

As Rep. Jordan said, quitting comes harder as time goes by. I am glad to have had my say, and to have saved the last word for the Inaugural of Ronald Reagan.

DOWN THE HOME STRETCH

(By Holmes Alexander)

(Third and final.)

WASHINGTON, D.C.—Note the difference—it has deep significance. When Harry Truman victoriously ran in 1948, he flogged the 80th Congress for being "no-account and do-nothing." When Ronald Reagan won in 1980, the 96th Congress was not so much vulnerable to Trumanic bombast as to God's wrath.

Seven members were under criminal indictment for bribery and conspiracy, one had been expelled by the House Ethics committee, another resigned and several others were "censored" by their peers in various terms of disapproval.

The incoming Congress, the 97th, was elected with Republican majorities larger than Mr. Reagan's. While the country had been amused by President Truman's allies, it was outraged in 1980 by the performance of a chief executive and Congress alike. During that span (1948–80), which coincided with my own term as a Washington based writer, America had sunk so low in military and diplomatic defeats, in the immorality of its governing personnel, that it would not be unreasonable, or unfair to ask—"Is the United States capable of self-government?"

Washington journalism is a zoo with many species of the animal kingdom. The nobility of the majestic lion and the thoroughbred horse are there. The lesser breeds of harmless moo-cow and fawning lapdog can be seen. The lower forms of jackal, viper and buzz fly are on exhibition with the strutting peacock and the swollen toad.

No individual, expressly this one, is free from the faults of the herd. I have a theory that this variety exists within the press corps because it mirrors the social environment that supports, encourages and tolerates it. I refer to the American political community, from the White House to the backstairs lobby.

Our ever-increasing access to the ballotbox has progressively lowered the quality of our chosen leadership. We have beaten the bushes to bring out more voters, women suffrage, a lowered voting age, the outlawing of poll taxes, the liberation of residency requirements, the absentee ballot, the federal enforcement of voting rights and the federal subsidizing of candidates, all have coincided with lower participation on election day and lower standards of decency and mentality afterwards.

Again, we see the animal fair of purebreeds and mongrels, a menagerie where the democratic theory is debunked as quackery, for the people's choices are several cuts lower than the people themselves. Despite some splendid species that have paraded throuch the executive mansion, the congressional aisles, the persuasion parlors where legislators are massaged by Nobel prizemen as well as fleshpot merchants, national politics has become more and more a profession of, for and by the unclean. The bureaucracy, which is the servant class of our rulers, draws undeserved salaries from protected jobs. These lackeys extend the absurd pretension of self-government as a human or philosophic value.

I would feel cowardly to end my valedictory without suggesting remedy. Only yesterday I heard it seriously proposed that Richard Nixon be executed for his crimes against the American people, and that capital punishment be made the mandated punishment for all major offenses to the public good. Although not wholly won over to such extreme measures, I am convinced that a factor of authoritarianism must be introduced if the Republic is to survive. Not a dictator, but a take-charge ruler, like DeGaulle must be raised up by popular consent.

Looking back on three decades of writing from the Washington beat, I cannot believe that it improved any talents I may have brought here, or that the political environment has been good for the men and women with whom I have worked. Rarely is there an Adam Smith, a Maynard Keynes, a Karl Marx, a Ben Franklin who develops from the modern press corps. It feeds on the material of legislation and administration which has little relation to the eternal verities. Seldom does the byline correspondent meet with politicians whose sincerity is inviolate, whose purpose is undiluted patriotism, not mixed with trivial considerations and covert vanity. The wide world is not without hypocrisies in any society, but there is no worse offender than the society of politics.●

THE PHARMACISTS PROTECTION ACT

● Mr. DURENBERGER. Mr. President, it is a pleasure to join this morning in cosponsoring S. 20, which amends title 18 of the United States Code to make the robbery of a controlled substance from a pharmacy a Federal crime.

Present law in pharmaceutical robberies presents a disturbing paradox. Under provisions of the Controlled Substances Act of 1970, the Drug Enforcement Administration now controls who may prescribe drugs, and the illnesses for which those drugs may be prescribed. A tough accounting standard to prevent illegal sales and possession is included in the agency's regulations. Once a pharmaceutical robbery has occurred, and stolen drugs are placed in the stream of commerce, there are multiple grounds on which the Federal Government can assert jurisdiction over the use, movement or resale of the drugs. The only step in the chain of criminal activities where the Federal Government does not have jurisdiction is the robbery of the pharmacy itself.

This paradox appears to result from omission rather than design. But its consequences are significant. Drugstore robberies are reaching epidemic proportions, particularly in the Nation's urban centers. Over the last few years dozens of pharmacists have lost their lives in robberies. One of those, Robert Jorgensen, was from my own State of Minnesota. But these satistics actually understate the problem. They do not measure nonfatal injuries inflicted in the course of these robberies. Nor do they take account of the economic loss sustained in the robberies, or the costs sustained by pharmacists forced to install expensive crime control systems. Armed robbery is a chilling experience, but it is now a fact of life for most pharmacies.

Ironically, the success enjoyed by the Federal Government in closing traditional channels of illicit drug supply has magnified the pharmacists problem. Even where supplies are available, the uncertain purity and concentration of drugs sold on the street is an incentive for addicts to take criminal action to obtain prescription grade narcotics. There is no logical rationale for excluding the pharmaceutical robbery from a chain of events that is otherwise within the scope of Federal law enforcement authority. The Senate recognized this fact when it unanimously passed an amendment similar to S. 20 during consideration of the Criminal Code Reform Act during the 95th Congress. Similar language was included in the Criminal Code revision that passed the Judiciary Committee a year ago. But the controversy surrounding these omnibus Criminal Code reform bills doomed their chance of passage, and the provisions protecting pharmacists died with those bills in each of the last two Congresses.

With the incidence of pharmaceutical robberies increasing at geometric rates, we can no longer delay action on this simple but essential change in the Federal Criminal Code. The bill I cosponsor this morning would make the theft from a pharmacy of any substance listed in schedules I through IV of the Controlled Substances Act a Federal crime subject to a prison term of 10 years, a fine of $5,000 or both. S. 20 closes a serious loophole in the Criminal Code, and I urge every one of my colleagues to give it their full support.●

NATIONAL SEA GRANT COLLEGE PROGRAM

● Mr. PELL. Mr. President, the administration's proposal to eliminate entirely the national sea grant college program is a budgetary blunder.

The reason given by the administration is totally wrong and mistaken. The budget documents submitted to the Congress today state that the sea grant program should be terminated because it has "largely achieved [its] original purpose to develop State and local capability for addressing marine and coastal issues."

As the author of the original sea grant legislation and as one who has conducted every Senate reauthorization and oversight hearing on the program, I know the intent of the Congress was and is that the program be a continued partnership between the Federal Government and State and local interests with each paying a share of the costs. That intention has been made crystally clear by the Congress time and again. I regret that the administration has misstated the purpose of the program to justify its proposal to kill it.

The fact is that the sea grant college program is the most cost-effective marine resource program we have. A recent compilation by an ad hoc sea grant study group showed the program has produced annual direct economic benefits of more than $200 million. The program is a

public investment in technological innovation and increased productivity.

The administration's program would kill the sea grant program as of October 1 of this year. It is a decision that could only have been made almost blindly in some frenzied midnight search for budget cuts. I am confident that the Congress, after examining the program in the light of day, will decide that the sea grant program should be continued.

In fact, the Senate Committee on Labor and Human Resources, acting yesterday on its fiscal year 1982 budget submission, included $35 million for the sea grant program. That is a budget cut of less than 10 percent, and the funding for the program was supported by the Republican majority as well as the Democratic minority.

I support the President in his effort to curb Federal Government spending, and I expect that the sea grant program will bear its share of austerity, but I will vigorously oppose the proposal to kill this program.●

REGULATION OF SURFACE MINING

● Mr. BENTSEN. Mr. President, I am pleased to join Senator WALLOP, Senator BUMPERS and others in cosponsoring S. 351, a bill to relieve sand, gravel, stone, and clay operators from costly, excessive and unwarranted Federal regulation by transferring oversight of these industries from the Mine Safety and Health Administration (MSHA) to the Occupational Safety and Health Administration (OSHA). This bill is similar to S. 625, which passed the Senate twice during the 96th Congress but has not yet been enacted into law.

There is an emerging consensus in this country, Mr. President, behind the drive to curb the regulatory impulse and insist that any regulations promulgated from Washington at least be cost effective.

This is not to suggest that we should abandon the important progress we have made over the past decade toward cleaner air and water and a safe workplace. We must, however, be prepared to examine the costs, as well as the potential benefits, of past and future regulations.

One of the most dangerous and important jobs in this country is going down into a deep shaft to mine coal. Everyone would agree that the health and safety of brave people who do this work should be protected.

For that reason we passed the Mine Safety and Health Act of 1977; even a cursory review of the act's legislative history reveals that it was intended to address the very real dangers inherent in deep shaft coal mining.

But what has happened, Mr. President, is that the regulators in MSHA have taken the definitions, problems, hazards, and remedial measures that pertain to the coal mining industry and tried to apply them to the excavation of sand, gravel, stone, and clay, most of which takes place above ground.

That is the sort of regulatory absurdity that can no longer be tolerated in America. The risks are different, the industries are different—but we will take the worse-case, deep mining rules, and try to force-fit them to construction aggregates. The process, of course, is cumbersome, it is expensive, and it does not work.

Let me review briefly some of the inequities that have resulted from application of a single set of regulatory standards.

MSHA presently imposes extensive training requirements on mine operators. The training is intended to teach safety techniques applicable to underground sites and therefore has little if any relevance to surface operations. Furthermore, the financial strain of providing federally mandated instruction is especially burdensome considering that approximately 85 percent of all sand and gravel mines and 66 percent of all stone operations employ 10 or fewer workers and considering that conservative estimates put the cost of training a single employee at something in excess of $150 per day.

A second major difficulty in applying the MSHA standards to these surface mining operations relates to the penalty system imposed when noncompliance with the regulations is found. Under the 1977 act, a rigid penalty formula—in use for coal mines since 1974—has been extended to cover surface operations. In 1979, MSHA estimated that penalties assessed in any given year may cost the noncoal mining industry up to $25 million or an average of $1,200 to $1,500 per year for each noncoal surface mine. This constitutes an extraordinary cost to the operators, particularly in view of the fact that the median size noncoal mine has about five employees and that the federal mine safety inspectors regularly assign penalties for violations as innocuous as paper on the lunchroom floor.

In addition, there is ample evidence that these surface mines are far safer than the coal operations with which they have been grouped for regulatory purposes. During the first half of 1980, for instance, the accident rate for sand and gravel operations was 4.48 injuries per 200,000 man-hours, while the average number of injuries in coal mining during the same period exceeded twice that number.

Mr. President, it makes no sense to apply the same regulatory requirements to all mining operations when the differences among them warrant individualized treatment. It makes no sense because it imposes an unreasonable and unnecessary burden on the small businessman, his employees, and on the American taxpayer who is ultimately responsible for paying the costs of over regulation in the form of higher prices in the market place and more taxes to implement unwarranted Federal restrictions.

Accordingly, I urge each of my colleagues to support this effort to provide long overdue regulatory relief for the thousands of operators and employees working in sand, gravel, stone, and clay mines across the United States.●

THE OUTLOOK FOR EDUCATION

● Mr. EAGLETON. Mr. President, I call the attention of the Senate to a speech delivered last month by the Senator from Rhode Island (Mr. PELL) on the subject of the Federal role in education.

Senator PELL points out that although Federal support is minimal in terms of the overall costs of education, that support has been and continues to be vital to assuring equal educational opportunity for all children. Senator PELL also stresses the quality of education as the foremost concern of today. The call for prompt attention at all levels to this problem is long overdue.

Mr. President, I ask that Senator PELL's speech to the Association of American Publishers be printed in the RECORD.

The speech is as follows:

THE OUTLOOK FOR EDUCATION—A DEMOCRATIC PERSPECTIVE

It's a pleasure to be with you this evening.

When I received your invitation in September, I did not anticipate the events that took place on November 4th. In September, I expected to be still directing, at this time, the activities of the Senate Subcommittee on Education, which I had been doing since 1969. However, the election changed all that, and I am grateful that you still decided that you wanted to hear what I would have to say.

I should say at the outset that I probably have as many questions as you do about the future course of Federal educational policy. We all know the campaign stances that the President took, and we all are aware of many of the campaign promises made by members of the new Republican Senatorial majority. Only time will tell whether the rhetoric of the campaign can be translated to the day to day reality of running a government. It is important to stress, however, that change of control in the Senate does not in itself mean bad things for education.

Our Subcommittee and full committee have always operated on a bipartisan basis, and education legislation has always had bipartisan support. The new Chairman of the Subcommittee, has been a supporter of Federal education programs in the past. I think he'll continue the bipartisan approach that has characterized our efforts in the past, and I look forward to working with him as the ranking minority member. However, although Senator Stafford has supported these programs in the past, many questions have arisen throughout this country about the effectiveness of them, and our Subcommittee will have to address those questions seriously over the next few years.

In addressing these questions, it is important that we analyze the current state of affairs honestly, and in a manner that does not perpetuate many of the myths that exist today. For example, we should carefully try to figure out what the Federal Government can and cannot do in the area of education. Despite all of the rhetoric to the contrary the Federal Government does not play a dominant role in education throughout this country. That role is still played, and should be played, by state and local governments.

In reality, Federal education spending is a small part of the nation's total education budget; in actuality, it's about one tenth of that total budget. For higher education, the Federal portion is 13.7 percent; for elementary and secondary education, 8.5 percent. That small part, however, is extremely important. It helps schools meet unmet needs, and in many cases provide the cutting edge—the vital resources—for new efforts. There are areas of education that would go unaided if it were not for Federal funds.

So in analyzing these programs, we have to be flexible enough to recognize that some of our past solutions might not be appropriate for today's problems. Yet, the limited purpose of these programs—to help the disadvantaged, to assure equal educational opportunity for all—is still valid today. No amount of myth-making about the dominant role of the Federal Government in the area of education will dismiss the reality that without Federal assistance, albeit limited, poor children would not receive the kind of educational services they do today; that children with limited English speaking skills would learn English less quickly, that handicapped children would find their educational needs unmet; and that many children, desiring the chance to improve their lives by securing a college education, would find that they could not afford one. Federal educational programs help all of these children receive educational benefits that they might not otherwise receive. This, in my opinion, is a sound, reasonable national investment.

And despite the myths, dismantling the Department of Education would be merely a blow for symbolism. The Department of Education is not a problem for our country's schools. The actions of the government that upset these entities come for the most part not from the Department of Education, but from the Justice Department and the Internal Revenue Service. Dismantling the Department of Education won't change this. What it will do is downgrade the status of education within the Federal Government.

In my opinion, the education of its young is the most important domestic priority of any nation. And Federal efforts in doing that should be supported, not denigrated. Dismantling the Department of Education will not solve our nation's education problems, of which there are many. It will merely be a symbolic gesture, full of sound and fury, and signifying nothing. In my opinion, we could spend our time more profitably on other matters.

And these other matters are important, and they deserve our careful attention. Let me give you a brief glimpse into what I think will be the major issues confronting Federal educational policy makers over the next few years. They're crucial issues, and if we can get away from the myths and the nonproductive issues, we might be able to address these important matters in a way that will truly be beneficial to the nation.

The first issue is quality. If there is one point that keeps being made over and over again, it is the fact that people throughout this country believe that there is a lack of educational quality in our schools today. Parents believe this, school boards believe this, and policy makers believe this. It is an issue we at the Federal level should address. In the past the Federal Government has concentrated on providing equal access to educational services. The time may be ripe for us now to shift our emphasis to the quality of the services provided. We have to begin to look more and more at the outcome of educational programs. At the Federal level, we are spending billions of taxpayers dollars on education. These dollars must lead to quality education.

I realize that educational quality is an elusive issue, and one that will most effectively be dealt with at the state and local level, rather than at the Federal level. Yet there are some steps that the Federal Government can take, steps that can set an example for the rest of the nation. For some time now, I have advocated a national test, similar to the Regents test in the State of New York, be made available to every American high school senior.

I believe that every high school senior should master a certain basic body of knowledge that is not subject to regional or geographic distinctions. There must be certain universal realities which we must comprehend and master in order to receive a high school diploma. I believe a national test can be devised to determine whether a high school senior has mastered these, and how he or she compares with fellow high school seniors throughout the country. And the fact that this test is available will in itself act as a spur to get schools to adjust their curriculum so that a larger percentage of their students who take the test may pass it. Every time I have offered this proposal, it has been met with almost universal opposition from the educational community. Maybe now the time is ripe for its consideration. It's a small step, but in my mind it's a step in the right direction.

Another area where the Federal Government could make a blow for quality is in the area of progress in higher education. I think we should make sure that if a student is receiving Federal funds to go to college, that student should pass at least half of his or her college courses. I offered this proposal last Congress, but again was opposed by an almost universal educational community. I think the proposal made sense last year, and I think it makes sense today. For if we are ever to improve the quality of education in this country, we are going to have to require more from those who participate in Federal, state, or local programs. I think these two Federal steps would be positive indications that we mean business, that we are concerned with quality, and that we are doing something about it. If we continue to do business as we have been doing, I think we will be rightfully criticized as being part of the problem, and not part of the solution.

Another issue which we will be confronted with is aid to non-public schools. This issue has been slowly growing for some time now and may be at full peak. For the fact is that many parents are sending their children to non-public schools because they are dissatisfied with public schools. And these parents believe that they are entitled to assistance. In the past, we have actually sidestepped the issue. We cannot do that any longer. I hold to the belief that our first priority is to our nation's public schools. They are free institutions, open to all, and that system of free public education is one of the reasons that this nation of ours is so great. Yet, that does not mean that we cannot help non-public schools.

If free public education is one of the strong points of our nation, so is the fact that our system of education is diverse. Non-public schools allow this educational diversity, and they can use Federal help. I do not think the question any longer is whether we provide this help or not. The issue will be how we structure this assistance. There are several alternatives all of which have their supporters and opponents.

One proposal I had was to extend the existing Basic Grant program to secondary school students. I think this proposal makes sense, for it takes a program that is already working, and working well, and builds on its successes. The administrative mechanisms for this program are already in place, and no new forms, procedures, or bureaucracies would have to be developed to carry out the program. Arguments as to the constitutionality of this approach, or other approaches, will certainly be raised. Yet that is an issue for the courts to decide.

Over the years the Supreme Court has gradually extended its concept of what types of public aid could be made available to non-public schools. The issue for us is to decide whether such aid makes good public policy sense. In my opinion it does, and I think we should address the issue creatively, and leave to the courts those issues which only they can decide.

Block grants will once again be an issue. We tried some consolidation, or a block grant approach, in the 1974 Education Amendments. Some of it worked, and some of it did not. Some advocates of block grants would have the Federal Government give one single sum of money to states with little in the way of requirements attached. This concept is really a successor to the education revenue sharing proposal of the Nixon Administration. From all of the signals I hear, taxpayers are demanding more accountability for their Federal tax dollars, and I for one do not think that a no-requirement transfer of funds from the Federal Government to states will meet this demand for accountability. As a Federal official, I want to know what is being done with Federal dollars.

This is not to say that a block grant route will not be taken. I think block grants ought to be given careful consideration. We have an awful lot of programs, many of which are duplicative, and many of which place over and over again identical paperwork and reporting requirements that states and local school districts have to deal with. This has to be changed. Block grants may be a reality. It may be time for us to stop fighting them, and try to make them work. If we are going to have them, here are some features that I think they should contain. First, we should combine programs that have similar purposes. To pit aid to the handicapped and aid for economically disadvantaged students against each other in competition for federally consolidated or block grant dollars is cruel, and it is not the type of competition that is beneficial to the nation.

Thus, we should combine similar highly targeted Federal dollars in one block category, rather than lumping all Federal dollars in a single block grant. Once we have combined similar programs, we should give state and local governments greater flexibility in deciding how educational services should be provided. We should reduce reports and paperwork, closely monitoring what the states and districts are doing with Federal dollars, but clearly giving states and districts the authority and the responsibility to use Federal monies wisely.

What I am talking about is a reexamination of Federal categorical programs, with the hope of eliminating many of the unnecessary ones, combining similar one where possible, and giving states and local school districts more autonomy in deciding how they will use the Federal dollars they receive to meet the needs of special groups, which the Federal programs will continue to identify as deserving of special Federal attention. I think this is a reasonable approach to the block grant concept, and one that will probably go a long way toward improving Federal efforts in the area of education.

The final issue I see looming in the years ahead is one that confronts us in all walks of life—and that is money, or the lack of it. The Federal Government should not pay for frills. Educational budgets at the Federal level will be austere ones, with funds targeted at the most essential programs. If our schools are to work and effectively prepare our children for the future, we have to be willing to pay for them. The proper role for the Federal Government in this regard is to assist states and localities to best fulfill their responsibilities. Education is a state and local function.

The Federal Government should not assume the burden of financing that function, but should supplement the efforts of the states and localities. For example, the $3 billion Title I of the Elementary and Secondary Education Act program does not say to state and local education agencies that the Federal Government will educate disadvantaged children.

Rather, it says that the Federal Government will provide funds to state and local

governments so that disadvantage children, who might not otherwise receive special services, can be given the extra educational help, designed by local school districts and administered by local school districts, that they desperately need to succeed. This is the role that the Federal Government should pursue. It may mean a stricter accounting and a tighter analysis of what programs are needed and what are not, but it will guarrantee to the taxpayers that Federal funds are going for necessities, not frills.

Before closing, I would like to raise one issue that should be particularly disturbing to everyone in this room tonight. There are signs that censorship is beginning, once again, to rear its ugly head. Self-appointed moral vigilantees are cropping up making lists of books to which they object and which they would therefore deprive others of. Censorship of any kind is wrong, and threatens the liberty of all of us. It is particularly opprobrious in the area of academics and education.

I find it incredible that a group such as the Heritage Foundation, a conservative think tank which seems to have the ear of many of the closest advisers to President Reagan, on the one hand quite properly rails against Federal involvement in the area of curriculum and the control of education, while on the other hand urges the Department of Education to "establish procedures to ensure that the factual and scientific accuracy and public acceptance of any education activity, project, or program administered or supported by the Federal Government are determined before such activity, project, or program is proposed for use or implementation in school classrooms." In other words, the Federal Government acts as a censor. The censor role is not, in my opinion, the proper role of the Federal Government. All of us will have to be on guard to see that this does not happen.

There are other issues that will arise over the next few months. Some will be the result of programs expiring.

In this regard, we will have to consider what to do with the Federal public library support programs. Libraries throughout this nation are having trouble meeting expenses, and now that the White House Library Conference has been held and its results tabulated, some new approaches to libraries may be forthcoming. Also, we will have to reexamine the Federal Vocational Education program, to make sure that it is working as well as it can, and to see if there is a proper relationship between the world of work and the world of schooling. And this Congress may even see the enactment of a Youth Employment Initiative, tying job programs more closely to educational training.

I envy you as publishers, especially as publishers of textbooks. Your arena is the mind of the child, and what is contained in your works quite often leaves a lasting impression. The national leader who cites a lesson from history recalls it from one of your texts read as a student. The scientist who embarks upon a new discovery received the first spark of inspiration from a book in a school classroom. The underprivileged youngster who first discovered a world beyond the doors of his tenement home in the pages of a book as well as the youngster from a well-endowed home who never knew poverty until visiting it through a book—all these are your fruits.

You as publishers, and I as a public official share a common responsibility. We in government endeavor to make a better world, while you seek both to convey that visition to the young and bring its realization within the grasp of our people. It is an extraordinary responsibility, and one that deserves all of our attention and efforts. I pledge my cooperation. For we have a difficult job in store for us. Educating our citizens is not an easy task. Sir William James once said that "the world is only beginning to see that the wealth of a nation consists more than anything else in the number of superior men that it harbors." Our responsibility is to increase that number of men, and women, so that this nation of ours reaches its fullest potential. I hope we can all work together in that noble endeavor.

Thank you for inviting me to be with you this evening.●

REYE'S SYNDROME

● Mr. GLENN. Mr. President, I am pleased to join Senator MELCHER as a cosponsor of S. 290, the Reye's Syndrome Act of 1981. Reye's syndrome is a life-threatening illness which suddenly strikes young children and teenagers, usually as they are recovering from a viral illness such as the flu or chickenpox. The cause and cure are unknown.

The National Reye's Syndrome Foundation was founded in Bryan, Ohio, by Mr. and Mrs. John Freudenberger in 1974. The purposes of the foundation are to promote research into the cause, treatment, cure, and prevention of Reye's syndrome; and to promote awareness among the public and the medical community of this tragic disease. Thanks in large part to the efforts of John and Terri Freudenberger and other concerned citizens, more parents and medical personnel are aware of Reye's syndrome. Thus more cases are being detected and treated earlier, and the death rate is declining.

However, additional research is needed to combat Reye's syndrome. S. 290 establishes the Reye's Syndrome Coordinating Committee at the National Institutes of Health. The committee will oversee the awarding of $1.5 million in annual grants to researchers studying Reye's syndrome, and will establish mobile research teams to be sent to gather information in areas with a high incidence of Reye's syndrome cases.

While researchers are working to find the cause and cure of Reye's syndrome, it is also important to further increase public and professional awareness. Early detection and immediate hospital treatment are necessary in order to prevent death or severe brain and liver damage. We must be particularly alert during the flu season, January, February, and March, when the number of Reye's syndrome cases is highest. Parents are urged to seek immediate medical attention if their children have the following symptoms: Persistent vomiting, listlessness, personality change to combativeness and irritability, disorientation, and convulsions.

I commend Senator MELCHER on his efforts here in Congress to combat Reye's syndrome, and I will continue to work with him to insure early congressional action on S. 290, the Reye's Syndrome Act of 1981.●

THE PUBLIC LANDS

● Mr. EAGLETON. Mr. President, more and more we are hearing from angry Westerners over the Federal Government regulating them to death. The rebellion has been coined the Sagebrush Rebellion. It started a little over a year ago when Nevada passed a law to seize 49 million acres of Federal lands within its borders. Other Western States have signed up, and the rebellion has grown sizably.

Last year, Senator HATCH, joined by other Western Senators, sponsored a bill to allow States to reclaim their lands. The bill is soon to be reintroduced.

As a neighboring State to the Western lands, Missourians have been watching the rebellion with interest. I have received a number of concerned inquiries from Missouri hikers, campers, hunters, and fishermen over the proposed land grab. Last month, the Conservationists, a publication of the Missouri Department of Conservation, printed an excellent editorial on the issue of public lands. I ask that the text of James F. Keefe's, editor of the Conservationists, editorial be printed in the RECORD.

The editorial follows:

THE PUBLIC'S LANDS

Most of us take some comfort from the compromise Alaska lands bill that finally made its way through Congress in December. Even though most of us will never see them, it is somehow good to know that some of Alaska's wild lands will remain wild.

Many Alaskans opposed federal control of lands there, and the exploiters were hopeful they could get control for their own purposes. But public lands do not belong to Alaskans alone. Missourians have a stake in them, too, just as we have a stake in the national parks, the national forests and the large holdings of the Bureau of Land Management elsewhere in the United States.

The Alaska lands bill is sure to be attacked in future Congresses, and if we don't want to lose the gains we have made, we must keep a steady pressure on our representatives to stand fast for continued public ownership of the Alaskan lands set aside for national parks, refuges and wildernesses.

Even more threatening, but only because it is closer, is the so-called Sagebrush Rebellion, as the LASER movement is known. The League for the Advancement of States Equal Rights (LASER) and interests associated with it, have as their announced goal the redress of grievances against federal land-holding agencies, such as the U.S. Forest Service and BLM. It is true that there has been mismanagement of some federal lands, the result of what Harlan Cleveland called "tackling 20-year problems with five-year plans, staffed with two-year personnel, working on one-year appropriations." Given time, these things can be worked out, but not if public lands are turned over to private interests for exploitation. And that is the ultimate aim of the Sagebrush Rebellion—to divest the American people of their public lands and open them to private exploitation.

A number of special interests in the western states—grazing, mining, energy, state legislatures, county commissions, inholders and others—each have "grievances" against the federal agencies administering public lands. Through their campaign to get these corrected, many see the opportunity to get the federal government "off their backs" and off the lands they want for their exclusive use.

Although some want only lands of the Bureau of Land Management, others have their sights set on the national forests, wildlife refuges and all other federal holdings except national parks and monuments and active defense installations. The Sagebrushers scorn the environmental do-gooders and despise bureaucrats.

In our Bicentennial year, 1976, Congress enacted the Federal Land Policy and Management Act, declaring as national policy the retention and improved management of the

public domain. Passage of that Act is supposed to have sparked the Sagebrush Rebellion. Tighter management brought howls of complaint from special interests who were using—and profiting from—the public lands, creating the "grievances" we spoke of above. Withdrawals of wilderness and wilderness study areas from the national forests brought protests from the mining and lumbering interests. When you put the entire mix together, you get the League for the Advancement of States Equal Rights.

If you are tempted to shrug and say that's a matter for Arizona, or Utah or Montana, keep in mind that those are your lands that the LASER folks want to take away. They are lands future generations will need for hiking, backpacking, camping, hunting, fishing and as reserves of wild America. We must let our representatives know we want no part of this land grab.●

THE RETIREMENT OF ELMER B. STAATS, COMPTROLLER GENERAL OF THE U.S. GENERAL ACCOUNTING OFFICE

● Mr. GLENN. Mr. President, last Friday one of the most dedicated public servants in the U.S. Government retired after a 40-year distinguished career that most recently included discharging the obligations of the Office of Comptroller General of the United States. Elmer Staats' 15-year stewardship of the General Accounting Office was marked by significant expansion of the activities of the GAO, particularly in the area of program auditing.

When I was chairman of the Subcommittee on Energy, Nuclear Proliferation and Federal Services, which had oversight responsibilities over the GAO, I had many occasions to meet personally with Mr. Staats. No one will find a more fair-minded man or a more consummate professional.

A year ago we achieved the culmination of a long effort initiated by Elmer Staats when the General Accounting Office Act of 1978 was passed. This act expanded considerably the ability of the Comptroller General to audit the expenditure of taxpayers money by Federal agencies, and gave the GAO the authority to go to court, if necessary, to obtain access to the books and accounts of Federal contractors and consultants.

At a time when fiscal austerity has become the order of the day in Washington, it is especially important that this tool be applied by the GAO in insuring that fair value is received for expenditures of Federal money.

There could be no better monument to the outgoing Comptroller General than for the organization he headed for 15 years to use all the tools at its disposal to see that fraud and waste are eliminated.

In seeking to raise the level of achievement, competence, and integrity in Government, there is no better model we could look to than the career of Elmer B. Staats. I am certain I speak for all my colleagues in the Senate in wishing him well on the occasion of his retirement, and hoping that he will still allow us from time-to-time, to call upon him to provide us with the benefit of his expertise in Government.●

LECH WALESA

● Mr. BIDEN. Mr. President, as the political situation in Poland evolves, the name Lech Walesa, head of the trade union solidarity has become a international household word. He is both a leader of their revolution and a major force for reason and moderation. Many observers have felt that the survival of pluralism in Poland will profoundly affect all of Eastern Europe and consequently, East-West relations. And the survival of this pluralism may well depend on one man: Lech Walesa.

In Sunday's Washington Post, there appeared an interview of rare quality. The personality of Lech Walesa emerges with extraordinary force. And he describes the failure of communism in the most simple and profound terms. When the interviewer asks, "Do you mean that communism has failed?" Walesa responds:

If you choose the example of what we Polish have in our pockets and in our shops, then I answer that communism has done very little for us. If you choose the example of what is in our souls instead, I answer that communism has done very much for us. In fact, our souls contain exactly the contrary of what they wanted. They wanted us not to believe in God, and our churches are full. They wanted us to be materialistic and incapable of sacrifices; we are antimaterialistic, capable of sacrifice. They wanted us to be afraid of the tanks, of the guns, and instead we don't fear them at all.

I submit for the RECORD the interview in its entirety for the benefit of my colleagues.

The interview follows:

[From the Washington Post, Mar. 8, 1981]

LECH WALESA: THE MAN WHO DRIVES THE KREMLIN CRAZY

LECH WALESA. One moment. First of all we have to clear things up. I am not a diplomat. I am not a master of ceremonies and even less an intellectual. I am an uncouth man, a worker. I have never read a book in my life, and I am a man with a goal to reach, so I don't give a dam for certain things. Not for the books, not for the interviews, not for the Nobel Prize and even less for you. I have no complexes, I don't. Neither toward the generals nor toward the prime ministers, nor toward you. I can give a punch on the desk of a prime minister, I can leave a general in the lurch without saying goodbye, and as for you I can do the same. Anyway, I am the one who puts the first question: What do I lose, how much do I lose with this interview? Besides, why do you look at me that way?

ORIANA FALLACI. I look at you because you resemble Stalin. Has anybody ever told you that you resemble Stalin? I mean physically. Yes, same nose, same profile, same features, same mustache. And same height, I believe, same size.

A. Nie, nie, nie. No, no, no, nobody told me and I don't care. I didn't know it, I don't want to know it and you haven't answered my question yet. So I put another one: This interview, how do you write it? Question and answer, question and answer, or all together with the comments inside? Because the comments inside, I don't like them. It isn't fair, it is the reader who must make his comment and decide if the guy is right or wrong.

Q. Listen. Walesa. My interviews are written question and answer, question and answer, always. Whether you gain or you lose with this one, I don't know, because it depends on what you will tell me. And if you don't mind, I am the one who asks. Now let's start. Seven months ago, nobody knew your name outside Poland and very few, I guess, inside Poland. Today you are one of the most famous men in the world and you drive Brezhnev crazy with your Solidarity movement, you put [former Polish Communist Party Chief Edward] Gierek out of a job, you give [present Polish Communist Party chief Stanislaw] Kania a headache each time you call for a strike. When you go to Rome you are received by the Pope as a head of state or a star and . . .

A. Stop, stop, stop, stop.

Q. Why? What happened?

A. It happens that you have a very authoritarian style, a typically dictatorial one. And as I do too, we have a problem. The problem is to find a compromise. So let's make a deal. From now on I will be nice with you and you will be nice with me, OK?

Q. OK. Here is the question: When you measure this glory, this power which fell on your shoulders, don't you ever say, my God, this is too much for me, I cannot keep it?

A. Yeah, yeah, yeah. The Holy Virgin knows. I'm tired, bloody tired, and not only in my body because I never sleep, my heart doesn't work as it should, it throbs, it hurts. I'm tired inside, in the soul. This life is not for me. Meeting people for whom you must wear a tie, knowing good manners, listening to recommendations: Don't do this, don't do that, please smile. Ties strangle me, I cannot wear them, and why in hell should I smile when I don't feel like it? Nothing is permitted to me anymore, nothing. I cannot have a drink, I cannot pick up a girl, else the whole world falls apart and they say that the soda water went to my head. It isn't right. And you must say it, you must explain that men are men even if they make politics, men are sinners, so what?

Q. Yes, but I meant something else, Walesa. I meant the responsibility you took in front of your country and of history. Don't you ever feel scared by it, inadequate?

A. Nie, nie, nie. No, no, no, because I am a man of faith and because I know that this moment needs a guy like me. A guy who can make decisions with good sense and solve problems in a cautious, moderate way. I am not a fool. I do understand that too many injustices got accumulated during these 36 years, so things cannot change from morning to night. It takes patience, it takes wisdom. I mean, the rage that people would like to burst like a bomb must be controlled. And I know how to control it, because I know how to reason though I am not a learned man and I know how to say things with the proper words. Like I did with the peasants at the strike in Jelenia Gora, for instance, when I yelled at them: "You've started the wrong strike, you idiots, you champions of stupidity, I'm against you." And 300 people remained speechless. Well, speaking to the crowds, isn't always the art of going against the crowds and . . . Do I look pretentious?

Q. You don't. Why?

A. Because sometimes I give this impression. But I am not pretentious, believe me. I am a guy who wants to help people. For instance, if you ask me a favor, get me there, get me something, I immediately do my utmost. And I get you there even if I get myself into trouble, even if my friends say: "Mind your business. Is it your business?" I like to make myself useful. It was so even in December 1970 and in August 1980, when I did what I did because nobody wanted to do it. It was so when I worked in the opposition, and today it is the same. I mean, I know how far we can go with our demands. I know what country we live in and what our realities are. I know the path we must follow. And the danger is to abandon such a path, to stray from the line because of a

few blockheads or a few hotheaded idiots who don't understand.

So I have to keep repeating to them that things cannot be obtained too fast, that the demands must be put at the right time, without impatience. Look at the monument we erected for our dead, our workers killed by the police in 1970. Had we built it at once or two years later, now it would be simply the branch of a tree, easy to cut. Instead, today it's a tree and its roots are so deep that nobody can extirpate them, and if it will be cut it will blossom again.

Q. Lech, where did you learn to talk like that, from whom?

A. I don't know. I told you that I never read a book, anything. I never had teachers either, nor examples to imitate. I always solved my problems alone. Even the technical ones, like to fix a TV set or a sink. I think them over and I fix them in my way. Politics is the same. I think it over and I find the solution, or at least a solution. As for the moderate line I gave to Solidtarity, however, I can tell you that I set it after the defeats of 1968 and 1970. It was then that I realized the necessity of working without impatience; otherwise, we would break our heads. I said to myself; Lech, a wall cannot be demolished with butts, we must move slowly, step by step, otherwise the wall remains untouched and we break our heads. You know; I have been arrested a hundred times, more or less, usually 48-hour arrests, and one thinks very well in jail because in jail there aren't noises and one is alone. It was in jail that I also found the way of sowing doubt into the minds of my jailers, to make them release me and to make them understand how wrong they were toward the country and themselves. Finally, it was in jail that I discovered the system of informing people about my arrests. Because it is useless to be arrested if people don't know.

Q. What was this system, Lech?

A. Well, when they released me and I went home, I placed myself in front of a bus stop and even if I had money to buy my ticket I pretended to be penniless. So I asked the people to buy my ticket, explaining that I had been arrested and why. People got interested and bought my ticket. Then I took the bus and during the trip I continued to explain. I held sort of a rally for them to warm up feelings. I did so for years. Wherever I went, whatever I did, I made something happen.

Q. This is great politics, Lech.

A. Nie, nie, nie. I am no politician. I have never been. Maybe one day I'll be one. I have just started to look around and understand their tricks, their calculations, but today I am no politician. The proof is that if I were a politician I would like doing what I do now. I would never have enough of it. Instead I'm fed up and I tell you at once what I am: I am a man full of anger, an anger I have kept in my stomach since I was a boy, a youngster. And when a man accumulates the anger I have accumulated for so many years, he learns to manage it all right. Which explains why I control so well the crowds and the strikes. Ha! One has to be very angry in order to know how to control the anger of the people. One has to have learned to live with it. Listen, my rage has been stored up for so long that I could keep it in at least five more years. That is, until 1985. It burst in August 1980 because I became aware that the occasion was bigger than I could hope. And I jumped beyond the fences of the Lenin shipyards in Gdansk.

Q. Let's talk about that, Lech, about the day you jumped beyond the fences.

A. Well, long before it happened we had considered the possibility of some big strike in Gdansk. We had considered it in our meetings when we taught the workers the history of Poland and the union laws. In fact, I had made myself ready to avoid an extensive situation and I had told the workers if there is an uproar I want to be informed at once. And when I was informed I immediately realized that the uproar had burst early because the situation was ripe, thus I had to get into the shipyards. The trouble was that four gentlemen—I mean, four policemen—watched me day and night. I got them lost—I won't tell you how, because I might need that trick again in the future—and I got to the shipyards and I jumped inside. I got there at a crucial moment. In fact, there was a meeting of 2,000 workers and the big boss was asking them to leave, making his promises. And nobody cared to oppose him. As a matter of fact, they were already leaving. I felt my blood boil. I elbowed my way through the crowd. I set myself in front of him and—do you know boxing? I landed him a straight left and I put him down so quickly that he almost fell out of the ring. I mean, I shouted at him that the workers wouldn't go anywhere if they weren't sure they had obtained what they wanted. So they felt strong, and I became their leader, and I still am.

Q. Lech, what does it mean to be a leader?

A. It means to have determination, it means to be resolute inside and outside, with ourselves and with the others. Here is what it means: I have been always so, even as a boy, when I was a poor boy living in the country and I wanted to become an aviator. I have always been the ringleader, like the billygoat that leads the flock, like the ox that leads the herd. People need that ox, that billygoat, otherwise the herd goes on its own here and there, wherever there is some grass to eat, and nobody follows the right road. A flock without an animal that leads is a senseless thing without a future. However, I don't know if I really am a leader. I simply know that I smell things, I feel situations, and when the crowd is silent I understand what it silently says. And I say it with voice, with the proper words. But now I have something to ask you. Because you travel a lot, and you know a lot of people, and you can answer. What do people say about me in the West?

Q. Well, they ask themselves, "Who really is this Walesa?"

A. Ha! This is a question they put to themselves in the East, too. "Who is this guy who makes our soldiers sleep in their boots for six months?" "Is he a general?" And it goes without saying that, in the East, they gave themselves an answer already.

Q. Yes, they call you an anarchist, a counterrevolutionary, an enemy of socialism, according to Tass and Pravda.

A. Tell them that I only am a man who wants some justice, a man who wants to be useful to them too, beyond any frontier and color and ideology. The hungry hare has no frontiers and doesn't follow ideologies. The hungry hare goes where it finds the food, and the other hares don't block its passage with tanks. They should learn from the hares. But let's not talk about the East, let's talk about the West. What do they say about me in the West?

Q. Some say that you are a Christian Democrat, others say that you are a grandchild of Rosa Luxemburg [a Polish-born early associate of Lenin who broke with him over the issue of democracy within communism], others that you are a Social Democrat. And there are even some who call you a Eurocommunist. What shall we answer to them?

A. Nothing, because I refuse to express myself with their words, their labels, their slogans, left and right—socialism and communism, capitalism and Luxemburgism, Christian Democrat and Social Democrat. I express myself with my words: good, bad, better and worse. And I say: If it serves the people, it is good. If it doesn't serve the people, it is bad. Of course, one has to see how and in what sense it serves. One day I shared a little piece of bread with a nice girl, and I felt happy. Another day my wife served me a large portion of excellent sausages, but she did it so rudely that I felt unhappy and I couldn't eat them. I mean, having much food isn't enough and sometimes a little piece of bread is better than a large portion of excellent sausages. At the same time, one has to admit that if there isn't even that little piece of bread we cannot know happiness at all. Thus, we should build up a system which combines the two things: food and happiness. Then I say: Damn it, we live on this earth 50 or 60 years and on one side there are the rich who get richer and richer, on the other side there are the poor who get poorer and poorer. It doesn't work. Richness must be shared. But what do they store up, those rich who don't divide with the others? Anyhow they die, and when they die they leave all to heirs who are never satisfied and who curse them all the same.

Q. But, more or less, the socialists and the communists say these same things, Lech.

A. Nie, nie, nie. I told you that I don't want to use slogans invented by them.

Q. Do you mean that communism has failed?

A. Ha! It depends on the way you measure the concept of good, bad, better, worse. Because if you choose the example of what we Polish have in our pockets and in our shops, then I answer that communism has done very little for us. If you choose the example of what is in our souls instead, I answer that communism has done very much for us. In fact, our souls contain exactly the contrary of what they wanted. They wanted us not to believe in God, and our churches are full. They wanted us to be materialistic and incapable of sacrifices; we are antimaterialistic, capable of sacrifice. They wanted us to be afraid of the tanks, of the guns, and instead we don't fear them at all.

Q. Lech, let's go back to the sausages without freedom. How to obtain it?

A. Freedom must be gained step by step, slowly. Freedom is a food which must be carefully administered when people are too hungry for it. Suppose that Solidarity obtains some access to TV and through TV it starts yelling: "Away with the thieves, the rascals, the gangsters who robbed us for so many years." How would people react? Cutting off heads, I tell you, flooding the streets with blood. It would be chaos, anarchy. It already happened in the countryside, I saw it with my eyes. All at once the government got busy selling TV sets to the peasants, TV filled their houses with programs which attacked religion, and as a consequence many peasants lost their faith. They even became atheists. Nie, nie, nie. Things cannot change suddenly. It's dangerous. Don't you agree?

Q. Not really. I think that we should never be afraid of freedom, because there is only one thing which teaches freedom, and this is freedom itself. Freedom should never be administered by drops, like a spoonful of milk in the stomach of a starving person.

A. Well . . . On the other hand, one cannot exaggerate it as you do in the West, with all those political parties which don't know what they want, and one disturbs the other, doesn't let the other work, yet one supports the other—what kind of brothel is that? It seems a brothel to me and nothing else. Never mind that here in Poland it wouldn't be possible to have political parties, because things stay as they are. Here the control must be exercised by the unions. If we will be able to do it, we'll function better than your parties, which waste their time biting each other, insulting each other, accusing each other, collecting gossip on each other: He goes to sleep with her, she goes to sleep with someone else. It doesn't seem to me that your parties have done much, and in all that brothel I see only one indisputable fact: They say they want something and they do the reverse. Am I right?

Q. Yes, but if the unions substitute for

the political parties, there is no pluralism, there is only a sharing of power between the party and the unions. Don't you want the pluralism, Lech?

A. Yeah, yeah, yeah. Sure. Every person, every group in the whole society must have the right to express itself. But why imitate the parties and use the word party? One can say "association," "club." The club of those who raise canaries, for instance. Or the club of those who pray with the rosary. And as wheat doesn't grow on stones—I mean, as in Poland we cannot have political parties but the one which already exists, as men must adapt themselves, let the canaries' breeders get together. Let them have a statute which welcomes the formation of other clubs—the club of those who raise rabbits, or pheasants, or ducks—and let us all become breeders of canaries, rabbits, pheasants, ducks, chickens. The important thing is that such groups exist freely, so they can serve society, and that the master does not arrest them. Do I say stupid things?

Q. No, Lech, you don't say stupid things.

A. Well, maybe I do. I don't know much about concepts, I never have time to think, and there are so many problems that I must fix in my mind. With you I'm rather thinking out loud. Yet I like it. Gee, do I like it. Because it happens so rarely that you hear the right questions. And right questions make me think. I mean, sometimes it is in talking with others that one gets an idea and says: "Why didn't I think of it before?" Yes, that's how ideas blossom, and this canaries idea might turn out very well.

Q. Yet the idea of growing wheat on stones is good, too.

A. Yeah, yeah, yeah. The problem is that one should remove the stones first. And what if under the stones there isn't the soil to grow wheat? What if the wheat grows short and deformed?

Q. Better than nothing.

A. I don't know. Maybe you are right, maybe you are wrong. But I think that you are wrong, and I am going to demonstrate it. If you want a child, and you want it with all your heart, desperately do you prefer to have a deformed dwarf or not to have him at all? Oh I would like to be less tired and to express myself better. I would like . . . Let's go on. But don't put those difficult questions to me, because they give me a headache, and now I have a headache.

Q. All right an easy question, then. I know that your stepfather lives in America, so I guess that he has invited you many times to join him there. Have you ever planned to emigrate there?

A. Nie, nie, nie, never. I could never leave Poland, never. Besides, I've always thought that a man must live where he was born and grew up, in order to give back to his country what he got from it. Yes, my second father has invited me many times. I call him my second father because he married my mother after the death of my father. My real father died in 1945 from the privations he suffered in the extermination camp where the Germans put him. "Come here. What do you do there?" my second father wrote. But besides the fact that I couldn't live outside Poland, I felt that his invitation didn't come from his heart. It came from the dollars in his pockets.

And I was not wrong because, when I met him again in Rome last month, I did not recognize him. In Poland he was a poor man, yet always ready to make sacrifices and divide what he had with others. Now he thinks only about money, amusements, and he had lost humanity. The dollars went to his head, I guess, and the result is that I don't get along with him anymore. I see life in a different way. I don't like money as he does. Yes, it's good to have money, we need money to live and raise our children properly, but money isn't all and doesn't give dignity. On the contrary, it gives a lot of temptations and sometimes makes people nasty. Which is why I would never try to become a millionaire.

Q. Then tell me, Lech: Were you angry at your stepfather when he let himself be photographed with Reagan?

A. Nie, nie, nie, nie. I like Reagan, Yeah. I like him a lot. The way he moves, the way he talks: just like me. Well, maybe he talks a little better than me, but for sure he moves like me. Look how he walks, or how he waves his hands and his arms. I only hope that he doesn't change, that he doesn't forget where he comes from. It would be a pity. Has he already changed? I'll see when I go to America and I will meet him, I hope.

Q. When will you go to America, Lech?

A. On the one hand I would like to go at once, on the other hand, never. Because, I'm still black and blue from the hugs of the Roman crowds and I don't like it when people push me and touch me and kiss me like that. Anyhow, I'll go soon. As soon as I've put some order in the movement, let's say in six or seven months if nothing bad happens. Poland needs help. Not dollars help. I mean political help, economic help, and in order to obtain such help we must have contacts abroad. Nor should we forget that in the west there are people who make cold calculations, agreements, who would like to use the blood of Poland to solve their problems. Yes, I really must go to America. And with the help of our queen, the Holy Virgin, I shall go.

Q. Is that why you wear on your jacket this image of the Black Virgin (a statute of the Madonna that Poles credit with turning back a 17th-century Swedish invasion)? And isn't that image a label too?

A. Nie, nie, nie. It isn't a label, it is a habitat. Or, better, a blessing. The Black Virgin has always been a sort of blessing for us Polish, and this particular one . . . I don't even remember who gave it to me, or when. Someone must have put it on my jacket after a pilgrimage. With the rosary also, it happened like this. Someone put a rosary in my hands, and I kept it until it broke. This is not easy for you westerners to understand, I know. The church has never been for you what it has always been for us, a symbol of struggle, I mean, the only institution which never submitted to the oppressors. And when we examine the factors which led to what is happening today in Poland, it is not enough to mention the workers' uprisals in 1956, 1968, 1970, 1976. It isn't even enough to consider our contact with foreigners. I mean the fact that we have been traveling abroad very much in these years and that we have seen how you live in your countries. We also have to consider the election of Pope Wojtyla, his travel to Poland and the continuous obstinate smart work of the church. Without the church nothing could happen, my case itself would not exist, and I would not be what I am. I'll say more: If I hadn't been a believing soul, I wouldn't have resisted, because I had so many threats. So many.

Q. But have you always been so religious, Lech?

A. Yeah, yeah, yeah. Ask my bishop. Even at school, when they taught us communism and I didn't pay any attention. Only between 17 and 19 I got far from the faith. Ha! I got on the wrong path: drinking, idleness, girls. Then something happened. One day I felt very cold, very tired, and I started looking for a place where I could go inside and rest. But there was nothing except a church in the area, so I entered the church and I sat down on a bench. And immediately I got well. So well that I left the wrong path. Now don't misunderstand me, don't believe I am an angel. Angels do not exist and I am no angel, I'm rather a Satan. However, I go to church every morning, and every morning I receive communion, and if I have some major sin to confess, I also go to confession. I say so because I am not that bad, after all. Since I've lived in this world I only got drunk a couple of times, and as for the girls . . . Listen, my wife is not bad. I rather say that she is the ideal woman for me. Had I another wife, by now I would be divorced or killed with a kitchen knife. So I have no reason to betray her. Besides, we have six children. Doesn't that show that we make love well? Much and well. Well, of course, when I happen to be far from her for many weeks as I was recently, I get temptations. I told you that I am no saint.

Q. OK, Lech, it seems to me that your headache is over. So let's go back to the difficult questions. Don't you ever have fears about being manipulated? For example, yesterday in Warsaw a high prelate said to me: "Walesa never does what the cardinal doesn't want."

A. In this respect it is true. I would never do a thing against the faith, the church and even less against Cardinal Wyszynski. He is a great man, his wisdom is immense and his help has been enormous. All the time and in every way. People don't know that it was Cardinal Wyszynski who arranged our meetings with Gierek and Kania, and even during the strikes of the peasants of Rzeszow and Bielsko-Biala I had to ask him to give me a hand. Without his intervention I wouldn't have been able to call an end to these strikes. So it would be stupid of me if I did something against the cardinal. Nor would he permit anyone to do something against me. Not even somebody with a black skirt [a priest's cassock]. But if somebody with a black skirt tries to use me . . . Listen, I cannot swear that no one tries, on any side. But I can swear that I don't permit anybody to manipulate me, not even to influence me. And if someone tries, I break his nose.

Q. What about the intellectuals, in that sense?

A. From the intellectuals and the peasants, liberas nos Domine [free us, Lord]! I say so. You would never believe the hangover I got from those peasants during their strikes. I kept yelling: "You are mean. Selfish, mean. Stubborn, mean. Don't you understand the situation we are in?" The intellectuals are like them, in a sense. Because they are unable to adjust themselves to the reality of the moment. During the struggle they were perfect, in fact I respect them a lot, yet now they cannot adjust. They would like to go on with the methods we followed before August 1980. Which is the reason why I always shout: "Be realistic. Use your brain." And this proves that I am not manipulated by them. Neither by the church nor by them. Then why do you keep so many professors and teachers and university lecturers in your movement, you may ask. Ha! Because, should I refuse them, they would dig underground like moles and they would get in all the same, through the tunnel. Better say: Come in, sit down. Besides, they're intelligent, and intelligent people are always useful. Provided you don't get inferiority complexes toward them. I don't. Know why? Because intellectuals need a lot of time to understand things, and even more to make a decision. They stay there to discuss, examine, discuss, and in five hours they reach the same conclusion I reached in five minutes or five seconds.

Q. And what about the Communist Party, Lech? I always asked myself why they let you rise so high and so fast. To exploit you? To use you as an alibi or as a scapegoat? Or maybe to assimilate you?

A. Nie, nie, nie. Being assimilated by the powers is a possibility that I don't even consider. If I wanted such a thing, I would have done it when I was Mr. Nobody. You can't imagine the offers I had. Being assimilated by the powers? I'd rather shoot myself in the head. Dignity counts more than life. Listen, they let me emerge because they didn't have another choice. Literally. Of course, this

doesn't . . . I mean, when we speak about Poland we have to consider also the situation abroad. We are controlled. Thus, victims cannot be avoided. People always ask me: "Lech, aren't you afraid of being killed?" And as an answer I shrug my shoulders. I do so little to protect myself. Some of my friends try, they follow me wherever I go, but what is the use? One can be murdered in so many ways, not only with guns. They killed my best friend, they might kill me. I'm a fatalist. If it must happen, it will happen. And I will go to paradise.

Q. Lech, there is a three-month armistice between the government and Solidarity. But not all armistices end up with a peace treaty. What will happen then?

A. To begin with, Solidarity did not sign any armistice. We only said that we wouldn't be hostile toward the new government of [Premier Wojciech] Jaruzelski. Poland needs a strong government, a government capable of governing, and Jaruzelski can do it. Because he is a soldier, a general, therefore used to giving orders and to imposing discipline on others and on himself. As a soldier, he also should have the clean hands which are necessary to clear the country out of bastards with dirty hands. We must let him work. But if the hostilities will come from him and his government, we'll fight. We will, I promise. Whether someone likes it or not.

Q. Whether the Soviets like it or not, you mean. And what if Jaruzelski fails?

A. If he fails and our "brothers" don't "help" us, if he fails and our "allies" don't intervene, then it should be Solidarity that takes the responsibility of government. It is not very likely—as a matter of fact, it's so unlikely that such a possibility seems to me fantastic. Yet it is a possibility. Yet it is a possibility, it exists. Now let me make this clear; I don't want it, Solidarity doesn't want it, we only want to arrange it so the poor people eat a little more and are a little more satisfied. We want to arrange it, not to make politics, not to govern. But if other choices will not exist, Solidarity must be the choice. If the government says, "This is a mess, we resign," Solidarity should take the responsibility and I should take the situation into my hands. I say it in a firm way. And I add: Poland will never go back to being what it was before August 1980. Never.

Q. Lech, I want to make sure I have understood you. Did you really say that, should this government fail, Solidarity should govern and you should take the situation into your hands?

A. Yes, I said it.

Q. So you were not joking. And do you believe that you would be capable?

A. Yes, I believe it.

Q. Do you also believe that the Communist Party and the Kania government would accept such a capitulation? Yesterday in Warsaw a very important member of the government who also is a very important member of the [Communist Party] central committee said to me: "We shall never agree to share power, and even less to give up power."

A. Today they say so. Tomorrow, who knows? Great empires have fallen during the history of man.

Q. And what would the consequences be with your "brothers," your "allies"—I mean, with the Soviets? How can you hope that they would permit such a thing, that they wouldn't intervene to help?

A. This is the point, this is the problem, this is why I said that I regard such a possibility as a fantastic possibility.

Q. Less fantastic than a Soviet intervention if you even think to take over, Lech? So let us pronounce these two words that you Polish never pronounce, not even whisper, as if avoiding them could serve to exorcise them: Soviet intervention, Soviet intervention. Brezhnev says them, instead. And Kania, too. Publicly.

A. Oh, oh, oh, how often people raise their voices in order to scare. Don't we do the same in the opposition? I don't think that a violent confrontation would serve them, and they know it. So they will not do it. Or, better . . . Listen, somebody once said to me that everything would start in Poland and that we would obtain all or almost all, and that then we would suddenly lose all, to be resurrected one day and be men again. Well, I don't accept such prophecies, yet I admit that they might contain some truth. Just because of that possible truth I tell you that we don't want to pay such a price. Here is why we follow this tortuous path, and why I fight those who would like to change the moderate line of Solidarity, and why I keep talking of political patience, and why I yell at the intellectuals and at the peasants. And why I remain so vague in speaking with you.

Q. Come on, Lech. Do you really believe that Brezhnev cares about the way we talk? It is not the words that count, it is the facts. And when Kania has to deal with you, when Jaruzelski has to deal with you, when . . .

A. How many times have you seen the Soviet tanks in Poland? How many times have the Soviet tanks come here from August on?

Q. In Czechoslovakia they waited almost eight months.

A. But that solution has never been applied to Poland. Four times at least, Poland has found itself in a tragic situation during the last 25 years, yet we overcame it without the Soviet tanks. This time it will be the same. Besides, Czechoslovakia is not Poland.

Q. It isn't Hungary, either. Yet in Hungary too the Soviet tanks intervened. It is not Afghanistan either, yet Afghanistan is invaded by the Soviets.

A. Poland is different, Poland is different.

Q. Then let me say this: Isn't it true that the Polish students have asked and obtained, at least on paper, abolition of the obligatory teaching of Marxism and of the Russian language in their universities?

A. It's true.

Q. Isn't it true that, if the agreement is not respected and the students' strikes are not taken into consideration, the workers will strike for them?

A. Yes, it's true. Solidarity approves what the students are doing on that matter and it will fully support them in that struggle. We are with them, I am with them. The only reason why I did not go to the Lodz university during the students' strike is that I had to stay with the peasants in Rzeszow. The peasant strike's problem was more urgent. But I sent my advisers to Lodz, and they remained there all the time, and every two hours I called to tell them what should be done. Finally, I am the one who arranged the meeting of the students with the deputy premier, [Mieczyslaw] Rakowski.

Q. Well, do you expect the Soviets to accept such a national refusal of their ideology and of their language? Do you really believe that such heresy will go unpunished forever?

A. Nie, nie, nie, and what do you expect from us, then? That we give up? That we stop everything, that we go back to what we were and we say, sorry, it was a joke, we did not mean it, because we don't want to be punished? Should we give up the duty of being men and forget? What other solution do we have but to do what we are doing? I said it and I repeat it: We don't want to pay the price of a violent confrontation, we really don't. But if it will be necessary to pay that price, we will. Nobody will say that we are cowards. Personally I am more than ready to die. I am not as ready to kill: I am not able to kill, not even a chicken to make soup; my stomach gets upset when I see people killing a chicken. Yet if I were attacked, if I had to defend my country, my house, my children, my friends, my fellow workers, I wouldn't hesitate, Oh, why do you make me say these things? Why? You give me a headache again. Now I have a headache again.

Q. I do too, now. I have it too. Lech. So let's keep our headache, both of us, and let's face the last difficult question: But are the Soviet tanks indispensable? Aren't, wouldn't the Polish tanks be enough."

A. Nie, nie, nie, nie. I shall not consider that, no. Not even for a second. I refuse to believe that our bonzes [literally, Buddhist monks] are unable to find a bloodless solution. I refuse to believe that our soldiers will kill our workers. We will solve everything without pain, profitably for the two sides. Why do you ask such a thing?

Q. Because that very important member of the government also said to me: "The Polish army is devoted to the party one thousand percent." A lie?

A. Here is the only question which I cannot answer. This house is filled with microphones. Yes, microphones, and God knows how many there are listening now to this conversation. Yes, since 1972 they have tapped me with their bloody machines, and sometimes I ask myself: How long will it last, how long?

Q. And you, Lech, how long will you last?

A. If they don't kill me, you mean? If everything goes on smoothly? Well, coldly speaking, I would say that from now on I can only descend. Gradually or with a headlong fall. This is because I am not fitted for normal times and I cannot submit myself to the rules and the games. Because I am dead tired and my heart is in bad shape, my health goes to pieces. Because I cannot repeat myself—that is, I cannot repeat what I have done in August and until today. And finally because, if the worst happens, all the rage of the people will turn on me. And the same ones who applauded me, erected altars for me, will throw stones at me, will trample on me. They will even forget that I acted for good, in good faith. You know, if I were selfish and shrewd, I would cut my mustache and go back to some shipyard. But I shall not do it. I cannot do it. From now on, the situation will become more and more complicated, more and more difficult, and we are going to receive many blows. Yes, many blows. I must stay where I am: To struggle, to extinguish the unnecessary fires, like a fireman, to transform the movement into an organization, to . . .

Q. To raise canaries that sing much and well. Thank you, Lech. Good luck, Lech.

A. Good luck to you, and thanks to you, with all my heart. You have been nice to me and it isn't true that you throw the chador into the face of the people you interview [a reference to the Persian robe Fallaci removed during her interview with the Ayatollah Khomeini in 1979]. I have enjoyed these hours we spent together so much, though you gave me a headache twice. You offered me so many ideas which I'll think over. I shall never forget you. And, if the Polish censors will permit publication of your book, "A Man," I will read it. And it will be the first book I've read in my life. Anyhow, if I go to paradise, I'll save a seat for you. So we can talk about the wheat that grows on the stones.●

PETROLEUM POLICY AND IMPLICATIONS FOR U.S. AGRICULTURE

ISSUES AND CONCERNS OF THE NATIONAL COUNCIL OF FARMER COOPERATIVES

● Mr. ANDREWS. Mr. President, agriculture is the backbone of the U.S. economy. Not only does the agricultural community provide the food and fiber essential to the health and economic prosperity of the United States, but, in a very

real sense, feeds the rest of the world as well.

Perhaps no element of our economy fulfills such a crucial, global responsibility. If agriculture in this country were, for some reason, unable to meet that responsibility efficiently, the effects would be felt all too swiftly on a worldwide scale.

Less than 3 million farm families produce enough food and fiber to feed and clothe 225 million Americans.

These same farm families also export enough agricultural products to pay for half of our $80 billion annual bill for oil imports.

The high level of U.S. agricultural productivity, taken for granted by many, depends heavily on critical petroleum fuel inputs to convert energy from the Sun into food and natural fiber.

To achieve full food and fiber production, farmers must have fuel in sufficient quantities and at the appropriate time and place.

While farm energy use represents only 3 percent of U.S. consumption, interrupting the energy needed for full food and fiber production would adversely affect farmers, rural residents, and ultimately every American consumer.

Accordingly, the National Council of Farmer Cooperatives (NCFC) presents this paper to help insure that the U.S. agricultural community is able to efficiently execute its vital responsibilities to the Nation and to the world.

PURPOSE

The purposes of this statement are threefold:

First, to highlight the absolute dependence of U.S. agriculture on energy—and, more particularly, on petroleum products.

Second, to isolate certain energy policy issues and, in the process, to express concerns of the farmer cooperative community and its 2 million farmer owners.

Third, to suggest specific actions that must be taken to insure that we, as a nation can efficiently discharge our agricultural responsibilities.

FUNDAMENTAL GOAL—A SOUND NATIONAL PETROLEUM POLICY

The National Council of Farmer Cooperatives and its members are calling for immediate action to implement a sound national petroleum policy. Such a policy must contain assurances of fuel supplies at equitable prices for agriculture. This can be achieved by providing for timely access to crude oil at competitive prices for farmer-owned and other efficient refiners serving rural markets during disruptions.

IMPACT OF DISRUPTIONS

Petroleum supply disruptions, as history has demonstrated, can impact severely on agriculture both as to supply and as to price.

SUPPLY

Farm fuel shortages can place unacceptable burdens on the American consumer.

One USDA study estimated that a 10-percent fuel shortage at the farm could lead to as much as a 55-percent increase in farm commodity operations.

Given the vagaries of nature, timing is critical to farm operations.

Even a short disruption in fuel supplies at the wrong time can result in crop losses or reduced yields for that year.

Farmers must have fuel in sufficient quantities at the appropriate time and place to insure full food and fiber production.

PRICE

Sharp rises in energy costs, even in the absence of shortages, are also obviously cause for concern.

Such increases could impair the ability of many family farms to survive.

Costs that can be passed through the food system would have a heavy impact on wholesale and retail prices.

For example, each 10-percent increase in energy costs across the food system can raise food prices about 1.3 percent.

COOPERATIVE PETROLEUM ROLE

Farmers embarked upon their first cooperative petroleum venture in the 1920's. This was their initial attempt to assure themselves of more secure fuel supplies, better quality service, and fairer prices.

Today, 13 regional farmer cooperatives own and operate eight efficient refineries with a total production capacity of about 460,000 barrels per day.

Though this represents only 2.5 percent of U.S. refining capacity, cooperatives market petroleum products in more than 40 States and currently supply about 45 percent of all on-farm petroleum fuels.

About three-fourths of the petroleum products sold by farmer cooperatives go to farmers. The remainder is sold to other rural residents.

Cooperative refiners are unique because individual farmers have invested their hard-earned savings in these petroleum operations to enhance the security and viability of their farming operations.

Any cost savings from cooperative refineries are distributed back to farmer-owners on the basis of their fuel use.

Farmer cooperatives represent the only segment of the petroleum industry in which the consumers of its products are also its owners. This feature carries with it a unique accountability in terms of commitment of supply, service, and price.

FARMERS ARE VULNERABLE

The American farmer is dependent upon the world community for fossil fuel inputs.

Thus, world events which affect petroleum supply and price have a direct bearing upon this Nation's agricultural system.

The Arab oil embargo in 1973 and the Iranian disruption in early 1979 placed great stress on fuel supply lines to rural areas, with many farmers experiencing difficulty in getting sufficient fuel for spring planting. The threat of further disruptions still exists.

Such disruptions hit hard on farmer-owned refineries. For example, in early 1979 cooperatives lost a major portion of their crude oil supplies. Cooperative refinery runs were reduced to 50 percent of capacity, when the industry average was 85 percent. Further, crude oil acquired by farmer cooperatives was priced well above the national average.

The results were predictable. Rural areas had serious diesel fuel shortages. Farmers bore a disproportionate share of the OPEC-driven price increases.

Two painful lessons are clear:

Most importantly, unless cooperatives and other refiners serving rural markets are able to get adequate supplies of crude oil, the likelihood of serious fuel shortages on the farm remains extremely high.

Disproportionately higher crude costs mean disproportionately higher farm fuel costs.

DISRUPTIONS LIKELY

It is obvious that the United States will remain dependent upon significant amounts of imported crude oil for the foreseeable future. Equally obvious is the fact that world oil demand and supply will continue to be in tight balance over the long term.

In addition, political and economic conditions within various oil producing countries are likely to result in individual and collective actions that will periodically limit crude oil availability.

Even small disruptions will be quickly felt in the world marketplace. And the United States will be vulnerable to supply and price uncertainties tied to foreign suppliers.

DECONTROL NO GUARANTEE OF FREE MARKET

President Reagan's decontrol of crude oil and refined petroleum product prices and allocation controls on January 28 was designed to correct many of the problems affecting the petroleum market. The National Council has consistently supported certain decontrol measures to encourage domestic energy production under free enterprise. Government involvement is appropriate only when competitive forces are deficient or consumers' product needs are not met.

It must be understood, however, that there is a difference between a decontrolled market and a free market. Cooperative refiners and their farmer-owners are facing market circumstances that do not reflect the basic free-enterprise environment.

Early post-decontrol signals indicate several definite trends emerging:

First, although decontrol has only been in effect for a short time, major refiners have stepped up their planned withdrawals from rural markets.

Second, overall product prices have risen dramatically.

Finally, farmers and rural residents continue to bear a disproportionate share of rising energy costs.

LIMITED DOMESTIC ACCESS

Because of instabilities in the foreign crude oil market, farmer-owned refiners have tried to obtain more secure supplies in the domestic market. They have attempted to increase their self-sufficiency in crude oil. For example, exploration and production expenditures have expanded from about $15 million annually in 1973 to more than $115 million annually in 1980. In spite of these efforts, owned production represents only 7 percent of the requirements of farmer cooperatives.

These efforts have been limited for two reasons:

First, major refiners own the majority of domestic crude oil production. In 1979, the 16 largest integrated refiners got about 75 percent of their domestic crude oil supply from their own production. They also have access to additional domestic crude oil through their ownership of gathering lines and pipeline connections.

Second, cooperative domestic exploration and production activities have been restricted by capital availability.

Consequently, cooperative refiners have been forced to look to the international market for a much greater share of their total crude oil supplies.

LIMITED FOREIGN ACCESS

Attempts by farmer cooperatives to purchase foreign crude oil at competitive prices have also encountered major obstacles:

Foreign crude oil production has historically been dominated by a small group of international oil companies whose interests have often been the centerpiece of U.S. foreign policy in the major oil-producing countries.

During the first half of 1979, the ARAMCO—Arabian-American Oil Company—partners got 88 percent of their foreign crude oil from captive sources. This compares with 55 percent for the 16 integrated refiners, and less than 10 percent for farmer cooperatives.

Politically motivated and economically unjustified differences in foreign crude oil prices have jeopardized the long-term delivery capability of the rural petroleum system.

Saudi Arabian light, a medium-sulfur crude oil, is presently priced at $32 per barrel to the ARAMCO partners. Similar quality oil elsewhere is being priced from $4 to $5 per barrel higher for other buyers.

In certain countries, oil payments must be accompanied by additional considerations such as exploration premiums or investment considerations.

Price distortions resulting from the Iranian disruption have persisted. The Iran/Iraq war has permitted OPEC producers to maintain and amplify these distortions.

Low-sulfur crude oil from North Africa and the North Sea is priced at $39 to $41 per barrel, prior to payment of premiums.

Compounding these price disparities is the act that many of the long-term cooperative contracts were terminated during shortages caused by the Iranian revolution. Since then, it has been difficult for cooperative refiners to enter into long-term foreign crude oil contracts at competitive prices.

Most crude oil offered recently on contract to cooperative refiners has been African sweet crude oil. For political reasons, this oil continues to be priced at levels substantially above the going market rate.

The end result is disproportionately higher fuel costs for farmers and rural residents.

EROSION OF COMPETITION

The combined effect of domestic production control by the major oil companies and the foreign pricing structure could have very serious consequences for farmers and rural communities.

One of the realities of petroleum marketing is that product prices must ultimately reflect higher raw material costs. Because of this, major refiners with lower crude oil costs can choose to match the highest product prices of cooperative refiners and thereby enjoy handsome profits. Or, they can price their product below a farmer's own cooperative and eventually reduce that cooperative's ability to serve its owners.

Complicating the problem further is the fact that, according to the USDA, cooperatives are now the sole petroleum supplier to over 900 rural communities. And the total continues to grow each year.

The bottom line is that total absence of Government involvement in the crude oil market is likely to have an effect exactly opposite that envisioned by "free market" proponents. Rather than establishing a competitive market, opportunities for noncompetitive activity will increase; and rural communities will become even more vulnerable to supply disruptions and price disparities.

PETROLEUM POLICY RECOMMENDATIONS

In view of the precarious outlook for the world petroleum market, the National Council of Farmer Cooperatives urges adoption of the following program:

First. Establishment of a standby crude oil access program.—This program would address both supply and price irregularities by assuring access to crude oil at competitive prices. It would assure crude oil availability for cooperatives and other efficient refiners. It would thus assure petroleum supplies for farmers and other high priority users adversely affected by disruptions.

Second. Establishment of a standby petroleum product allocation program.—This program would assure that petroleum products would be made available to priority users during a petroleum supply disruption. Agriculture would be assured fuel for planting, growing, and harvesting operations. Other high priority users would also be assured of product to meet critical needs.

The National Council also asks U.S. policymakers to urgently consider the following actions to address these critical energy issues:

A clear reaffirmation of policy by the administration and Congress that a healthy agricultural community, with reasonable access to petroleum, is in the Nation's best interest. Public policymakers must continue to recognize the linkage between the agricultural community's well-being and the availability of sufficient petroleum supplies at equitable terms for agriculture.

Maintenance of the emergency buy/sell program in a state of operational readiness to deal with any crude oil disruptions through September 1981. Even now the program is being dismantled, with staff being transferred elsewhere. Elimination of this program is a dangerous and unnecessary gamble. Agricultural petroleum supply disruptions are a certainty without timely action that can only come from an operational program.

Joint development of petroleum policy by the administration and Congress in the few months remaining before expiration of authorities under the Emergency Petroleum Allocation Act on September 30, 1981. Congress should initiate legislative hearings as soon as possible so the policymaking process can proceed in a logical fashion toward sound post-EPAA legislation.

Mr. President, farmer-owned cooperatives are not asking for a subsidy or "free ride." The cooperative petroleum system is efficient and performs its role under truly free market conditions. To the extent the market functions normally, Government programs would have no role. However, the realities of the marketplace dictate that all too often access to crude oil at competitive prices is denied due to disruptions and market anomalies. The essential role of cooperatives in supplying fuel at reasonable prices to agriculture and rural America must be maintained during such periods.

This Nation cannot afford to wait and use agriculture as a "testing ground" for petroleum supply disruptions. The chaos that would occur could have a serious impact on food production. And it could lead to bad legislation drafted in the midst of crisis.

The National Council of Farmer Cooperatives and its members are ready to work with Congress, the administration, and all interested groups in an effort to develop a sound and equitable agricultural component of national petroleum policy.●

APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, appoints to the Organization for Economic Cooperation and Development/International Energy Agency (OECD–IEA) Parliamentary Symposium on Energy and the Economy, April 10-11, 1981, Paris, France, the following Senator as a delegate: the Senator from New Jersey (Mr. BRADLEY).

ORDER FOR RECOGNITION OF SENATOR HEFLIN ON THURSDAY, MARCH 12, 1981

Mr. BAKER. Mr. President, I ask unanimous consent that on Thursday, after the recognition of the two leaders and after the recognition of any Senator previously provided for by special order, that the Senator from Alabama (Mr. HEFLIN) be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE CALENDAR

Mr. BAKER. Mr. President, in looking over my calendar of general orders, I find a few items that are marked here on this side as available for passage by unanimous consent. I wonder if the distinguished minority leader would be in

a position to advise me on Calendar Order No. 30, Senate Joint Resolution 28, and perhaps Calendar Order No. 31, Senate Joint Resolution 22, in respect to a clearance on his side of the aisle.

Mr. ROBERT C. BYRD. Mr. President, those two items are cleared for unanimous-consent adoption on this side of the aisle.

Mr. BAKER. Mr. President, I thank the distinguished minority leader.

Mr. President, I ask unanimous consent that the Chair lay those items before the Senate.

The PRESIDING OFFICER. Without objection it is so ordered.

WOMEN'S HISTORY WEEK

The Senate proceeded to consider the joint resolution (S.J. Res. 28) designating the week beginning March 8, 1981, as "Women's History Week."

Mr. HATCH. Mr. President, on November 13, 1980, with great pleasure, I joined Representative BARBARA MIKULSKI, of Maryland, in sponsoring a joint resolution designating the week of March 8, 1981, as "Women's History Week." I have offered an identical resolution this year in which I am joined by 34 of my colleagues from both parties as cosponsors. I think it is appropriate that the Congress endorse and encourage the study and celebration of our national heritage and I am very pleased that this resolution has received such prompt and enthusiastic consideration in the Senate. I want to single out the distinguished chairman of the Judiciary Committee for his generous assistance in moving this legislation forward.

Mr. President, young citizens need an understanding of our country's founding and growth in order to both understand the present and plan for the future. Women have played such a vital role in shaping our American society that it is only fitting that we pause to recognize and rediscover their achievements. Women have provided the impetus for many important social reforms and have made individual contributions in the fields of science, education, medicine, religion, and government. They have helped build America as homemakers and pioneers and they have clearly led the way in establishing the charitable and philanthropic organizations which have greatly improved the quality of American life.

Utah is proud of those women who courageously crossed half a continent to settle in the Salt Lake Valley. Utah is unique in that half of the pioneers who arrived in 1847 were women. The hardships they endured along with their male counterparts to settle and civilize the American West often go unrecognized by those of us fortunate enough to live in an era of easy communications, rapid transit, and frozen foods.

Another element of history often forgotten is Utah's leadership in the area of women's political rights. Utah considered the suffrage question far ahead of its time. Women in Utah were granted the right to vote in 1870, though the Nation did not adopt the 19th amendment to the Constitution until 1920. Ironically, when Utah became a State in 1896, the Federal Government forced Utah to abrogate its women's suffrage law in order to conform to U.S. policy in that era.

Dr. Leonard J. Arrington, professor of economics at Utah State University, contributed some significant information and insights in his article, "Women as a Force in the History of Utah," which appeared as a forward to a special issue of the Utah Historical Quarterly. I commend it to my colleagues and ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD as follows:

WOMEN AS A FORCE IN THE HISTORY OF UTAH

(By Leonard J. Arrington)

Three women came with the advance company of Mormon pioneers to the Salt Lake Valley in July 1847. An additional sixty women marched with the Mormon Battalion from Fort Leavenworth, Kansas to Santa Fe, New Mexico, and spent the winter of 1846–47 at Pueblo, Colorado, before entering the Salt Lake Valley just a few days behind the advance company. They were accompanied by twenty women who had migrated from Mississippi and Illinois and wintered with the Battalion women at Pueblo. Before the end of July 1847, there were almost as many women in Utah as there were men—a fact which set Utah apart from most western territories. In the companies which subsequently migrated from the midwestern and eastern United States and from Europe, there were approximately as many women as there were men. The "different world of Utah" began with a partnership of men and women, and that pattern has continued to characterize the "family state" of Utah.

One is tempted to suggest that the process of settlement placed a heavier burden on the women than on the men. Often away on "missions" for their church and other assignments, the men left the women home to milk the cows, plant the crops, and care for the children. A reading of the diaries kept by Utah's pioneer women suggests that, in many instances, women provided most of the support of their growing families by producing food and clothing, and, in some instances, even built the family dwelling places. If it is true, as many writers have asserted, that Utah farmers were among the best in American history, the credit is often due to the women who did much of the farming. If it is also true that "Utah's best crop" was its children, then the credit, again, belongs largely to the women who supported, nourished, and educated them.

Herodous included women in his history, as did Tacitus and other ancient writers of history. Not really a subjected sex in the conventional sense, women in every culture have played important roles in their struggles for liberty, their endeavors to improve the human lot, and their strivings for perfection in the fields of religion and art.

The same can be said of the women of Utah. Utah's women were the first in the nation to exercise the right of suffrage in voting for city, county, and territorial officers. Utah women were among the first to serve as jurors, mayors, and state legislators. Utah women played a prominent role in the livestock industry, in communications, and in the creation of literary symbols. In the last half of the nineteenth century, Utah probably possessed the largest number of midwives and women doctors in the United States. Utah women founded the first "permanent" magazine for women west of the Mississippi River, pioneered the operation of telegraph offices, and led out in the efforts to improve the social and economic status of the Indians.

It is fitting that the Utah State Historical Society should celebrate the contributions of women in this special issue of the Quarterly, timed for distribution during the month which marks the centennial of women suffrage in Utah. It is also fitting that three of the essays are by skilled Utah women writers. While the coming of woman suffrage is told by T. A. Larson, president-elect of the Western History Association, and Thomas G. Alexander, a member of the Board of Editors of the Utah State Historical Society, the remaining essays are by Jean Bickmore White, Raye Price, and Helen Zeeze Papanikolas, all of whom, in addition to rearing families, have played an active role in the cultural, educational, and political life of modern Utah.

Every student of Utah history has his own favorite candidate for the most forceful woman in Utah's history. Some will choose the refined and sensitive Eliza R. Snow—poetess, Relief Society president, and leader in many women's causes. Others may prefer the brilliant and stately Emmilene B. Wells—editor of the Women's Exponent for forty years and a founder of Utah's Republican party. Still others may select the loving and lovable Susanna Bransford Emery Holmes Delitch Engalitcheff—Utah's silver queen, famous hostess, patron of the arts, and philanthropist. Some may favor a woman of today—a political leader, a teacher, a business woman, an artist, or a dispenser of charity. This writer's favorite is Susa Young Gates. Author of a dozen books of merit, both fiction and non-fiction; founder of many regional and national women's organizations, including the Daughters of Utah Pioneers; a leader in the National and International Councils of Women; an editor, poet, temple worker, musician, and woman suffragist, Susa Young Gates was also the mother of thirteen children! Let her "Notes for the Day's Work" for a single day in 1895 illustrate the many concerns and contributions, both large and small, of Utah's women: [1]

NOTES FOR THE DAY'S WORK: PROVO, UTAH, AUGUST 19, 1895

Go down cellar with Emma Lucy (later, world famous coloratura soprano) and show her how to clean it.

Go to Aunt Corneel's and take her to Eikens and get hers and my fruit. Darn Dan's stockings. Boil over the bottle of spoiled fruit.

Practice on my bicycle. Write down plan of altering the house which came to me in the night.

Clean my office. Answer Leah's, Sterling's, Sis, Taylor's, and Mrs. Grey's letters, and Carlos's. Prepare talk on "Women and Literature" and go to the (Brigham Young) Academy's opening exercises at 10 o'clock.

Talk to Aretta Young about her story. Write to Pres. Joseph F. Smith, Pres. George Q. Cannon, Apostle Franklin D. Richards, and Elder B. H. Roberts about writing for Young Woman's Journal. Also write Mrs. M. E. Potter and Marie D.

Write and thank Carol for her lovely gift. Get the cloth for Dan's pants and boys' clothes and send them to the tailor. Finish the last chapter of "John Stevens' Courtship" for The Contributor. Sketch out editorials for Young Woman's Journal.

Wash my head. Get the kitchen carpet and have the girl and Dan put it down. Get cot and crib from store. Also washstand and glass and wardrobe. Get vegetables and fruit for dinner. Take my bicycle dress over to

[1] The note is in the "Susa Young Gates" folder in the Manuscript Archives of the Brigham Young University Library, Provo, Utah. I have taken a few liberties with the wording and order of the original.

Polly and have it fixed. Take clothes to the Relief Society. Get consecrated oil. Bless Cecil (B. Cecil Gates, later director of the Mormon Tabernacle Choir) to do his chores well. Administer to baby Franklin (later an outstanding figure in the early days of radio).

EQUAL RIGHTS

Now the voice of womankind is startling all the world;
Woman must have equal rights with man.
Everywhere beneath the sun her banner is unfurled,
Woman must have equal rights with man.
We but ask for freedom and the right to live and be,
What we are designed in God's great plan;
And we're sure all thinking men will very shortly see,
Woman must have equal rights with man.
We but ask for freedom and the right to live and be
What we are designed in God's great plan;
And we're sure all thinking men will very shortly see
Women must have equal rights with man.
Should it be that in the land o'er which our standard waves
And our eagle soars so proud and free,
Mothers, sisters, daughters should all be held as slaves,
Should they have to beg for liberty?
We must pay our taxes, and the laws we must obey.
And it's time an era now began
When in the elections we can also have a say—
Woman should have equal rights with man.
Come my sisters, let us rise and educate our minds,
Put aside our follies great and small;
Work with heart and soul to help all womankind,
Gather 'round our standard one and all.
Do not pause nor falter, but be valiant in the fight,
And the flame of liberty we'll fan.
Till it spreads o'er all the land, then hail the time of right,
When woman shall have equal rights with man.

● Mr. MATHIAS. Mr. President, with few exceptions the contributions of our Nation's women have been eclipsed in our oral histories, our textbooks, our celebrations of national heritage. To bring women back into view is to set a one-sided record straight and to realine our vision for the future. The resolution to designate the week of March 8, 1981, as National Women's History Week seeks to do just that, by celebrating the wealth of women's accomplishments with special school and citizen events.

Women have long contributed and will continue to add to the strength and breadth of our country's economic, political, cultural, and scientific attainments. My own State of Maryland has been the home of a number of little-known women achievers, of whom we are enormously proud. Many people can recount the story of Harriet Tubman, the former slave who led the underground railroad to bring hundreds of other runaways to freedom. But few recall the legacy of the many other women who have served their country and its people so well.

There is Margaret Brent, the first woman landowner in Maryland and the first female "attorney" in the colonies, who in 1648 was the first woman to petition for voting rights. Anna Ella Carroll of Dorchester County was a brilliant military strategist and one of President Lincoln's political confidantes. Edith Hamilton, a giant among America's classical scholars, was the first to serve as headmistress of Baltimore's Bryn Mawr School, among the first college preparatory schools for girls in the country. And Helen Taussig, who developed the "blue baby" heart operation, had her home in Maryland.

We pledge ourselves to rediscover and credit the accomplishments of these and other unsung women and to acclaim the countless others who have worked in the home, in the labor force, and in volunteer capacities to make America strong.

In proclaiming Women's History Week we will be looking back with deep pride and looking forward with high expectations to the contributions of women throughout our land. Mr. President, it is my pleasure to cosponsor Senate Joint Resolution 28.●

● Mr. JEPSEN. Mr. President, Sunday, March 8, marked the beginning of Women's History Week. The week is dedicated to focusing the attention of all Americans on the all-encompassing place of women in American society—a place that has involved activity in business, education, government, and other diverse fields, as well as the home and church. No one can argue with the contributions women have made in shaping American society. But we have not done enough to recognize the fact.

More specifically, I have a particular interest in the contributions many Iowa women have made. These stalwart women who pioneered the uncharted and undeveloped land of Iowa withstood the rigors and discouragement of a dismal and lonely existence to help establish the land we know today as Iowa.

During the Civil War, for instance, over 78,000 Iowa men declared their allegiance to the Union. Annie Wittenmeyer, of Keokuk, worked to improve the sanitation conditions for the wounded soldiers and eventually won the title, "Iowa's Wartime Heroine."

Iowa also claims Amelia Jenks Bloomer, of Council Bluffs, who, although she did not popularize the "bloomer" style, wrote about it and thus promoted the "reform dress" style during the 19th century.

In 1935, 2 years before her death, Ola Miller, of Washington County, founded the Iowa State Highway Patrol after convincing the State legislature that a statewide law enforcement agency was needed.

Cora Hillis, of Bloomfield, is credited with organizing the first PTA branch in Iowa, and served as president for 6 years over a century ago.

In the area of education, Agnes Samuelson, of Shenandoah, received national recognition in the 1920's as an authority on providing services to rural schools.

Additionally, during the early 1900's two women, Ida Smith and Jessie Benford, worked actively for the social welfare of children.

From the early years of Iowa's statehood, many women have made significant contributions to the political structure of the State. Perhaps none, however, as significantly as my good friend Mary Louise Smith, who over the past decade has given the Republican Party in Iowa definitive leadership by promoting confidence in politics at a time when the Nation's faith in our political system is waning.

Mr. President, at this time I would like to ask my colleagues to join me in supporting Women's History Week.

We have taken for granted the primary role women have always played, and will continue to play, in American society. Because their contributions have been in fact, so fundamental, their contributions have gone largely unrecognized.

This week, although symbolic, sets the stage for a continued awareness and appreciation for the American woman.●

The joint resolution (S.J. Res. 28) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S.J. RES. 28

Whereas American women of every race, class, and ethnic background helped found the Nation in countless recorded and unrecorded ways as servants, slaves, nurses, nuns, homemakers, industrial workers, teachers, reformers, soldiers, and pioneers;

Whereas American women have played and continue to play a critical economic, cultural, and social role in every sphere of our Nation's life by constituting a significant portion of the labor force working in and outside of the home;

Whereas American women have played a unique role throughout our history by providing the majority of the Nation's volunteer labor force and have been particularly important in the establishment of early charitable philanthropic and cultural institutions in the country;

Whereas American women of every race, class, and ethnic background served as early leaders in the forefront of every major progressive social change movement, not only to secure their own right of suffrage and equal opportunity, but also in the abolitionist movement, the emancipation movement, the industrial labor union movement, and the modern civil rights movement;

Whereas despite these contributions, the role of American women in history has been consistently overlooked and undervalued in the body of American history: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week beginning March 8, 1981, is designated as "Women's History Week", and the President is requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate ceremonies and activities.

FREEDOM OF INFORMATION DAY

The Senate proceeded to consider the joint resolution (S.J. Res. 22) authorizing the President to proclaim March 16 of each year as "Freedom of Information Day," which had been reported from the Committee on the Judiciary with an amendment: On page 2, line 4, strike "of each year" and insert "1981".

The amendment was agreed to.

The joint resolution was ordered to be

engrossed for a third reading, was read the third time, and passed.

The preamble was agreed to.

The joint resolution, with its preamble, was passed, as follows:

S.J. RES. 22

Whereas a free press exists to serve the American people whose daily decisions rest on their having information;

Whereas a fundamental principle of our Nation is that given information, the people can make the decisions that determine their present and their future;

Whereas if these decisions are to be wise, they must be reached after weighing the facts and considering the alternatives and consequences;

Whereas the freedom we cherish in this land is rooted in information;

Whereas this freedom of information deserves to be emphasized and celebrated annually;

Whereas many Americans, because they have never known any other way of life, take the freedom of information provided under the First Amendment of the Constitution for granted;

Whereas many Americans do not recognize fully how this provision of the Bill of Rights affects their daily lives; and

Whereas March 16 is the birthday of James Madison, who was the Founding Father who recognized and supported the need to guarantee individual rights through the first ten amendments to the Constitution: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to designate March 16, 1981, as "Freedom of Information Day", and to call upon Federal, State, and local government agencies, and the people of the United States to observe such day with appropriate programs, ceremonies, and activities.

Amend the title so as to read "Joint resolution authorizing the President to proclaim March 16, 1981, as 'Freedom of Information Day' ".

ORDER TO HOLD S. 681 AT THE DESK

Mr. BAKER. Mr. President, the distinguished Senator from Vermont (Mr. STAFFORD), the chairman of the Environment and Public Works Committee, has just recently introduced the Oil Spill Liability Compensation Act of 1981, S. 681.

In connection with that measure, Mr. President, I ask unanimous consent that the bill be held at the desk pending further disposition by the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECORD OPEN UNTIL 6 P.M. TODAY

Mr. BAKER. Mr. President, I ask unanimous consent that Senators may have until 6 o'clock this evening in which to introduce bills, resolutions, statements, petitions, and memorials.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL THURSDAY, MARCH 12, 1981, AT 11 A.M.

Mr. BAKER. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 11 a.m. on Thursday next.

The motion was agreed to; and at 5:23 p.m., the Senate recessed until Thursday, March 12, 1981, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate on March 6, 1981, by the Secretary of the Senate pursuant to the order of the Senate of March 5, 1981:

COMMODITY CREDIT CORPORATION

C. W. McMillan, of Virginia, to be a member of the Board of Directors of the Commodity Credit Corporation, vice P. R. Smith.

DEPARTMENT OF AGRICULTURE

C. W. McMillan, of Virginia, to be an assistant Secretary of Agriculture, vice P. R. Smith.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

David B. Swoap, of Virginia, to be Under Secretary of Health and Human Services, vice Nathan J. Stark, resigned.

IN THE AIR FORCE

The following Air National Guard of the United States officers for promotion in the Reserve of the Air Force under the provisions of section 593(a), title 10, of the United States Code, as amended:

LINE OF THE AIR FORCE

To be lieutenant colonel

Maj. John W. Baxter, xxx-xx-xxxx.
Maj. John D. Broman, xxx-xx-xxxx.
Maj. Mario H. Buenrostro, xxx-xx-xxxx.
Maj. Kenneth J. Clark, xxx-xx-xxxx.
Maj. Peter L. Drahn, xxx-xx-xxxx.
Maj. Charles W. Duke, Jr., xxx-xx-xxxx.
Maj. Robert S. Dutko, Sr., xxx-xx-xxxx.
Maj. Donald L. Eby, xxx-xx-xxxx.
Maj. Robert D. Franke, xxx-xx-xxxx.
Maj. Paul H. Henretty, xxx-xx-xxxx.
Maj. Robert A. Heyart, xxx-xx-xxxx.
Maj. Thomas Hollinger, Jr., xxx-xx-xxxx.
Maj. Raymond J. Inman, xxx-xx-xxxx.
Maj. Madison R. Jones III, xxx-xx-xxxx.
Maj. Charles H. King, xxx-xx-xxxx.
Maj. Philip E. Laflin, xxx-xx-xxxx.
Maj. Jon L. Larson, xxx-xx-xxxx.
Maj. Gerald D. Main, xxx-xx-xxxx.
Maj. Stanley P. May, xxx-xx-xxxx.
Maj. Emmett L. McCutchin, xxx-xx-xxxx.
Maj. William L. Nichols, Jr., xxx-xx-xxxx.
Maj. Edward A. Payne, xxx-xx-xxxx.
Maj. David H. Rand, xxx-xx-xxxx.
Maj. Thomas E. Salaman, xxx-xx-xxxx.
Maj. Michael D. Soule, xxx-xx-xxxx.
Maj. Donald L. Stevlingson, xxx-xx-xxxx.
Maj. Guy S. Tallent, xxx-xx-xxxx.
Maj. Howard G. Tart, xxx-xx-xxxx.
Maj. Richard M. Wessbard, xxx-xx-xxxx.
Maj. Horace G. Williams, xxx-xx-xxxx.

JUDGE ADVOCATE

Maj. Kenneth C. Robbins, xxx-xx-xxxx.

MEDICAL CORPS

Maj. James D. Fearl, xxx-xx-xxxx.
Maj. David D. Newton, xxx-xx-xxxx.

DENTAL CORPS

Maj. Douglas B. Neumann, xxx-xx-xxxx.

IN THE NAVY

The following-named lieutenant of the U.S. Navy for temporary promotion to the grade of lieutenant commander in the line, pursuant to title 10, United States Code, sections 5769 and 5791, subject to qualifications therefor as provided by law:

Halwachs, James E.

The following-named lieutenants (junior grade) of the U.S. Navy for temporary promotion to the grade of lieutenant in the line and various staff corps, as indicated, pursuant to title 10, United States Code, sections 5769 (line officers), 5773 (staff corps officers), and 5791, subject to qualifications therefor as provided by law:

LINE

Currie, George H., III
Mitchell, Curtis E.
Mosely, Charles L.
Sellers, Patrick M.
Witt, Stuart O.
Zumbrunnen, David A.

CIVIL ENGINEER CORPS

Jacques, David E.

NURSE CORPS

Fillingame, Mary S.
Richards, Catherine R.

The following-named officer of the line of the United States Navy, for appointment in the Civil Engineer Corps, as permanent lieutenant (junior grade) and temporary lieutenant, pursuant to title 10, United States Code, sections 5582(b) and 5572, subject to qualifications therefor as provided by law:

Vaughan, Charles F.

The following-named officers of the line of the United States Navy, for appointment in the Supply Corps, as permanent ensign, pursuant to title 10, United States Code, sections 5582(b) and 5572, subject to qualifications therefor as provided by law:

Bethel, John S.
Brown, William A.
Reidy, Donald J.

The following-named officer of the Supply Corps of the United States Navy, for appointment in the line, as permanent ensign and temporary lieutenant (junior grade), pursuant to title 10, United States Code, sections 5582(a) and 5572, subject to qualifications therefor as provided by law:

Meisman, David C.

The following-named officer of the Supply Corps of the United States Navy, for appointment in the line, as permanent ensign, pursuant to title 10, United States Code, sections 5582(a) and 5572, subject to qualifications therefor as provided by law:

Aasheim, Larry D.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 10, 1981:

DEPARTMENT OF THE TREASURY

Roscoe, L. Egger, Jr., of the District of Columbia, to be Commissioner of Internal Revenue.

John E. Chapoton, of Texas, to be an Assistant Secretary of the Treasury.

Paul Craig Roberts, of Virginia, to be an Assistant Secretary of the Treasury.

FEDERAL RAILROAD ADMINISTRATION

Robert W. Blanchette, of Maryland, to be Administrator of the Federal Railroad Administration.

DEPARTMENT OF TRANSPORTATION

John M. Fowler, of Pennsylvania, to be General Counsel of the Department of Transportation.

Judith T. Connor, of New York, to be an Assistant Secretary of Transportation.

Lee L. Verstandig, of the District of Columbia, to be an Assistant Secretary of Transportation.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

IN THE AIR FORCE

The following-named officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. James W. Stansberry, xxx-xx-xxxx xxx... FR, U.S. Air Force.

IN THE ARMY

The U.S. Army Reserve officers named herein for appointment as Reserve commissioned

officers of the Army, under the provisions of title 10, United States Code, sections 593(a), 3371, and 3384:

To be major general

Brig. Gen. Robert Milton Erffmeyer, xxx-...
xxx-xx-xxxx

Brig Gen. Louis Holmes Ginn III, xxx-xx-xxxx
xxx-x...

Brig. Gen. Angelo David Juarez, xxx-xx-xxxx
xxx-x...

Brig. Gen. Harley Lester Pickens, xxx-xx-xxxx
xxx-x...

Brig. Gen. Berlyn Keasler Sutton, xxx-xx-xxxx
xxx-x...

To be brigadier general

Col. James Eugene Beal, xxx-xx-xxxx.
Col. Elmus Snider Ussery, xxx-xx-xxxx.
Col. William Peter Sylvester, Jr., xxx-xx-xxxx
xxx-x...
Col. Richard Hubbard Bailey, xxx-xx-xxxx.
Col. Donald Michael Merz, xxx-xx-xxxx.
Col. Augusto Rafael Gautier, xxx-xx-xxxx.
Col. Peter Dewitt Hyman, xxx-xx-xxxx.
Col. Carl Lester Newhouse, xxx-xx-xxxx.
Col. Robert Leroy Duewerth, xxx-xx-xxxx.
Col. Gregorio Clemente Brevetti, xxx-xx-xxxx
xxx...

The Army National Guard of the United States officers named herein for appointment as Reserve Commissioned Officers of the Army, under the provisions of title 10, United States Code, section 593(a) and 3385:

To be brigadier general

Col. Vernon Junior Andrews, xxx-xx-xxxx.
Col. Paul Nicholas Cotra-Manes, xxx-xx-xxxx
xxx-...
Col. Bruce Gordon Grover, xxx-xx-xxxx.
Col. Patrick Wallace Harrison, xxx-xx-xxxx.
Col. Robert Lee Howell, xxx-xx-xxxx.
Col. Dale Owen Laubach, xxx-xx-xxxx.
Col. James Augustus Lynch, Jr., xxx-xx-x...
xxx-x...
Col. Roland Lavern Parkhill, xxx-xx-xxxx.
Col. Jack Strukel, Jr., xxx-xx-xxxx.
Col. James Jomac Wasson, xxx-xx-xxxx.

The Army National Guard of the United States officers named herein for appointment as Reserve Commissioned Officers of the Army, under the provisions of title 10, United States Code, sections 593(a) and 3392:

To be major general

Brig. Gen. William Fremont Engel, xxx-xx-x...
xxx-x...

Brig. Gen. Ansel Martin Stroud, Jr., xxx-x...
xxx-xx-xxxx

Brig. Gen. Ralph Taylor Tice, xxx-xx-xxxx.

To be brigadier general

Col. Norman Eugene Duckworth, xxx-xx-xxxx
xxx-x...

Col. Hubert Gerald Lane, xxx-xx-xxxx.
Col. Lincoln James Lett, xxx-xx-xxxx.
Col. Alexis Theodore Lum, xxx-xx-xxxx.
Col. Dean Douglas Mann, xxx-xx-xxxx.
Col. Jerry Lee Whelchel, xxx-xx-xxxx.

IN THE NAVY

The following-named captains of the line of the Navy for temporary promotion to the grade of rear admiral, pursuant to title 10, United States Code, sections 5769 and 5791, subject to qualification therefor as provided by law:

To be rear admiral

Virgil W. Moore, Jr.	Roger E. Box
John F. Addams	Harold L. Young
Robert B. Rogers	Richard J. Grich
Albert J. Herberger	Ronald J. Kurth
Don H. McDowell	William A. Walsh
Richard L. Thompson	Kendall E. Moranville
Allan G. Paulson	James S. Storms III
Ted C. Steele, Jr.	Joseph S. Donnell III
George M. Furlong, Jr.	William J. Holland, Jr.
Edwin R. Kohn, Jr.	Ronald E. Narmi
James H. Flatley III	Robert W. Schmitt
Warren E. Aut	Morton E. Toole
John R. Batzler	John H. Fetterman, Jr.
Ronald F. Marryott	John W. Nyquist
Theodore A. Almstedt, Jr.	Walter L. Chatham
James D. Williams	Bruce Demars
Laverne S. Severance, Jr.	Stanley R. Arthur
Richard M. Dunleavy	Peter M. Hekman, Jr.
	Ming E. Chang

The following-named woman captain of the line of the Navy for temporary promotion to the grade of rear admiral under the provisions of title 10, United States Code, section 5767(c):

Pauline M. Hartington

The following-named captains of the Navy for temporary promotion to the grade of rear admiral in the staff corps, as indicated, pursuant to title 10, United States Code, sections 5772 and 5791, subject to qualification therefor as provided by law:

MEDICAL CORPS

To be rear admiral

Norman V. Cooley, Jr.	Robert C. Elliott
Quintous E. Crews, Jr.	James A. Zimble

SUPPLY CORPS

Joseph S. Sansone, Jr.	Donald E. Wilson
Edward K. Walker, Jr.	

CIVIL ENGINEER CORPS

Donald L. Conner

DENTAL CORPS

Carlton J. McLeod

MARINE CORPS

The following-named officers of the Marine Corps for temporary appointment to the grade of major general under the provisions of title 10, United States Code, section 5769:

Thomas R. Morgan	John Phillips
Ernest C. Cheatham, Jr.	Wesley H. Rice
	Gregory A. Corliss
John V. Cox	Harold G. Glasgow

The following-named officers of the Marine Corps for temporary appointment to the grade of brigadier general under the provisions of title 10, United States Code, section 5769:

James R. Vandenelzen	William A. Bloomer
William G. Carson, Jr.	Paul D. Slack
Lloyd W. Smith, Jr.	George H. Leach
Edwin J. Godfrey	Hugh T. Kerr
William R. Etnyre	Joseph B. Knotts
Eugene B. Russell	John H. Gary III
Donald L. Humphrey	

IN THE AIR FORCE

Air Force nominations beginning George G. Abbott; to be colonel, and ending Michael P. Mills, to be captain, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of February 5, 1981.

Air Force nominations beginning Michael R. Ackley, to be first lieutenant, and ending Anthony E. Zompetti, to be first lieutenant, which nominations were received by the Senate on February 10, 1981, and appeared in the CONGRESSIONAL RECORD of February 16, 1981.

IN THE NAVY

Navy nominations beginning Robert S. Chan, to be captain, and ending Julian D. McCarthy, to be lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of February 5, 1981.

Navy nominations beginning Alexander V. Abary, to be commander, and ending Margaret J. Hamman, to be commander, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of February 5, 1981.

Navy nominations beginning Clinton E. Adams, to be lieutenant commander, and ending Christine E. Miller, to be lieutenant commander, which nominations were received by the Senate on February 10, 1981, and appeared in the CONGRESSIONAL RECORD of February 16, 1981.

EXTENSIONS OF REMARKS

A SHORTAGE OF ENGINEERS IN THE OFFING

HON. DOUG WALGREN
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. WALGREN. Mr. Speaker, I want to take this opportunity to raise a matter of concern to my colleagues: If present trends continue, our current shortage of engineers, scientists, and technicians to run our industries and to revitalize their productivity will intensify. Just when the Nation needs more and better trained manpower to maintain our technical leadership in a world of increased industrial competition, we are entering a declining phase of training fewer of the right kind of people.

This is the message my colleagues and I have been getting in hearings before the Subcommittee on Science, Research, and Technology. The hearings are part of a review process for authorizing the programs and budget of the National Science Foundation. They are being held at a time when the Office of Management and Budget is proposing to eliminate the Foundation's role in science and engineering education altogether.

I do not think we should shrink from questioning why a basic research agency should be involved in education and training. We ought to be very clear on whether and why science and science training belong together.

Many years ago when Congress first decided there should be a Federal agency to support basic research, a conscious decision was made to concentrate that support in the universities. At the same time, and following the same reasoning, they took care to write science education into the charter of the Science Foundation.

Then, and over the years since then, Congress has understood the vital connection between science and education. In this country, as opposed to some others, the two activities have been mutually supportive and inextricably connected.

We only need to look at the Nobel Prize roster to see that we must have done something right. Why, then, is there now a proposal to cut the education activities of the Science Foundation virtually to zero?

I believe any administration, when faced with demands for budget cutting, will be tempted to sacrifice long-term gains for short-term advantages. But, I also believe that many of the present difficulties in the industrial technology of our country reflect the crippling consequences of more than a decade of short-term, shortsighted policies in industrial investment. Now is not the time for repeating those mistakes in science education policy.

We live in a technological world. How well we understand and use science and its products determines the health of our citizens, the strength to defend against all comers, and the commercial vitality on which it all depends. If we are going to be a leader among nations, we need workers capable of making and handling modern machines, and citizens capable of making informed decisions about energy supplies and other important issues.

I do not see this as a time for backing away from science and science education as a vital national commitment. For the present, as we gear up to surge back into the lead, we have no choice. Science education is too important to be neglected, or to be taken out of the one agency with a comprehesive responsibility for the health of our scientific enterprise. Let us continue to do some things right.

A recent editorial in Science magazine by Dr. Philip H. Abelson, the President of the National Academy of Sciences, addresses further insight into the problems I have just outlined. I commend it to my colleagues:

PREPARED MINDS

In its efforts to restore American prestige, productivity, and strength, the Reagan Administration should not lose sight of the crucial roles of education and basic research. All administrations, when faced with public demands for budget cutting, are tempted to sacrifice long-term needs for short-term political advantages. The present status of the country reflects the consequences of more than a decade of short-sighted policies.

The need for a continuing flow of well-trained scientists and engineers is obvious. But the continuation of support for basic research at universities is not guaranteed and may require sturdy defense. A variety of questions have been raised. For example, why should this country conduct so much of its basic research at universities? Why not do it in industrial laboratories or concentrate it in specially created institutes? Why is it necessary for the United States to support basic research? After all, the Japanese attained their strong industrial position without doing much basic research. Aren't the present stocks of knowledge sufficient? Why increase them when the libraries are already bulging?

It is not my intention to answer all these questions here. Most of them have been treated elsewhere, though the importance of conducting basic research at universities merits repeated emphasis. Faculties at universities know that teaching and research are closely intertwined. The professor who stops doing research usually ceases to be intellectually active and ceases to be an effective teacher. To be effective as an educational institution, a university must do more than certify that a student has completed the requisite number of courses. Merely taking courses and spending 4 or 8 years at a university can be a costly waste of the individual's as well as the public's money. Much more than reading books and regurgitating facts on demand is required. To attain the best results, students must experience a superior, stimulating, exciting intellectual climate. The students will mutually provide some of this, but an essential portion must be derived from professors who are intellectually vibrant. Beyond that, students of science and engineering can be adequately trained only if they have access to the kinds of equipment they will be using when later employed elsewhere.

Another matter that has not been adequately discussed is the value of stocks of knowledge. In one sense, books and bound volumes of journals are the most valuable assets possessed by humanity. Yet in another sense they are worthless—mere accumulators of dust and mold. They are valuable only insofar as prepared minds can use their contents. In science, the people who can best use the stocks of knowledge are those who are engaged in creating them. They can interweave their special knowledge, experience, and judgment with facts from books or computers to create valid interpretations and new insights.

Participation in a highly active, highly competitive field of basic research requires unusual dedication and self-discipline. In its way, it demands an effort analogous to that of athletes who train to become champions. A few of the intellectual athletes receive recognition as Nobel laureates, but in general, the physical athletes are far more highly rewarded. What is not generally appreciated is the enormous potential value to the nation of creative scientists as problem solvers. To get a measure of this value one has only to peruse Vannevar Bush's book Modern Arms and Free Men. During World War II a few thousand scientists and engineers, mainly drawn from academic-type institutions, created a series of weapons systems that saved hundreds of thousands of lives and hundreds of billions of dollars. Before the war most of the key people were engaged in basic research. Times have changed, and it is unlikely that basic research sicentists will play much of a role in the coming Reagan rearmament program. Most of the funds will be used to procure arms and to train people to fight. How much will be spent to enable the nation to function well under the unpredictable circumstances that will prevail 10 years from now is problematical.—Philip H. Abelson●

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

THE DEATH PENALTY AND THE DAWN OF ENLIGHTENMENT

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. STARK. Mr. Speaker, I commend to my colleagues the following editorial from today's Los Angeles Times:

COMES THE DAWN—WHEN?

Steven Judy, with the cooperation of the state of Indiana, has gone to the death that he welcomed in the electric chair.

"I've lived my hell," he said. "So (the hereafter) has to be better." His last words were: "I don't hold no grudges. I'm sorry it happened. I know what I'm doing."

Judy, 24, was a psychopathic killer. At age 13 he raped, stabbed and beat a woman who survived the attack. After that atrocity he was committed to an Indianapolis mental hospital, but was set free in less than two years.

His life after his release was a continuing story of horror. By his own admission he committed 13 rapes, 50 armed robberies and 200 burglaries. And then, in the spring of 1979, came the ultimate horror. He encountered a woman and three small children in a car with a flat tire. She accepted his offer of a ride, and he raped and strangled her and drowned the children in a nearby creek.

Immediately captured, Judy became an ideal candidate for death. He urged the jury to condemn him. He refused to ask for clemency. He wanted an end to a monstrous existence that began with his abandonment as a child by his mother and his father, who was a wife beater and an alcoholic and who, by the way, has been a fugitive since 1971 from the same prison where his son died at 12:12 a.m. Monday.

Judy is no longer a threat to his fellow human beings, but could not society have protected itself by incarcerating him for life? Must a civilized country respond to savagery with savagery, and does capital punishment advance the cause of civilization? We think not, but we agree with Justice Stanley Mosk of the California Supreme Court that "the anticipated dawn of enlightenment does not seem destined to appear soon."●

MILITARY MYTHS

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. BEDELL. Mr. Speaker, I commend to my colleague's attention the February 15 column of Donald Kaul, columnist for the Des Moines Register, who in his typical style of wit and humor debunks some of the great myths of our day on military preparedness and strength.

For some years now, Donald Kaul's column "Over the Coffee" has been standard fare at most Iowa breakfast tables. His observations and comments on the issues of the day are direct and to the point. This article is must reading for those who question our capabilities in military strength and our position in world order.

Entitled "Debunking Big Myths of Today," the article follows:

DEBUNKING BIG MYTHS OF TODAY

(By Donald Kaul)

There are two great myths being foisted on the American public these days, apparently with some success.

The first is that Jimmy Carter's foreign policy gave global superiority to the Russians, leaving us naked to our enemies; and the second is that Ronald Reagan's much-heralded budget-cutting is significant.

Both notions are fundamentally unsound. First, the myth of Russian superiority:

Imagine, if you will, that Canada is the most populous nation in the world—and that it hates us above all other nations. It has stationed a half-million troops on our border to watch us and, to match their gaze, we have had to station a half-million troops of our own on that border.

Imagine further that Mexico and Central and South America form the No. 2 economic power in the world and that they, too, are opposed to us. They have 180,000 troops on our southern border and they point hundreds of missiles at the hearts of our major cities.

Then suppose that Texas, because of economic problems, has gone socialist and is threatening to leave the Union, a development that has caused unrest in New Mexico, Arizona and California.

Additionally, suppose that we've had to send troops to Hawaii to put down an insurrection and that they're still there—85,000 of them.

Our economy, in this nightmare, is in ruins, of course. We can't grow enough food to feed our people. Computer technology is beyond us. Our productivity is abysmally low, and the horizon yields no sign of improvement.

What would you say about Jimmy Carter if he had left us with a situation like that? He'd have had to seek sanctuary in a foreign country.

Well, that's basically the position of the Soviet Union these days, but all you ever hear is how we've allowed ourselves to fall behind the Russians and how we have to start acting more like them if we want to catch up. Baloney!

What if Ronald Reagan were an incoming Soviet leader, talking to the Russian people about the mess the previous administration had left him?

"Comrades," he would say, "when I was a boychik you could put the hammer-and-sickle insignia in the lapel of your suit, if you had one, and walk unharmed through any revolution in the world. The Soviet Union was respected. But now we have become a pitiful, helpless giant, afraid to help our Polish neighbors deal with the subversive, capitalistic elements in their midst. We are bogged down in a land war in Afghanistan. We have lost China. Our aged leadership has been empty of ideas. Let the torch pass to a new generation of 70-year-olds so that the Soviet Union can once again take its rightful place as a shining dictatorship on a hill."

Or words to that effect.

The other myth, that President Reagan's budget-cutting means something, is the result of a marvelous selling job. Every day, Reagan's chief hatchetman, David Stockman, director of the budget, comes out with a new budget announcement. "We're going to cut aid to the bewildered," he says, and the screams of anguish start. "Aid to disabled countries is out," he says, and the screams turn to groans. "We're ending lightbulb regulation." he says, and critics swoon in indignation. It's all hype.

I'm all for cutting the budget. Like going on a diet, it's wonderful for the spirit. But as for having a tremendous impact on inflation, it won't. Curbing inflation with the kind of cuts the Reagan administration is talking about is like trying to steer an ocean liner with a Ping-Pong paddle.

If you're really serious about cutting the budget, you have to get into the biggies—welfare, Social Security, defense, Medicare. If you're going to exempt those—and Reagan says he will—you're just putting on a show.

Perhaps the biggest single thing Reagan could do to lower inflation is to take mortgage rates out of the cost-of-living index. It does little good to raise interest rates to fight inflation when the very act of raising them increases the index which, in turn, fuels the inflation rate.

To do that, however, would take political courage, and that, I'm afraid, is no more to be found among conservative Republicans than among liberal Democrats.●

SMALL BUSINESSMAN OF THE YEAR NOMINATION

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mrs. SNOWE. Mr. Speaker, I want to draw my colleagues attention to the vast accomplishments of Mr. Roger Michaud of Lewiston, Maine, who has recently been nominated for Small Businessperson of the Year. Mr. Michaud is president of American Stabilis, Inc., in Lewiston, Maine, a corporation which manufactures commercial heating products and energy saving controls.

In 1972, American Stabilis started operations with a 4,500-square-foot leased space and four employees. Today, American Stabilis employs over 100 people and has expanded its operations several times. During the past several years, the sale growth of the company has been outstanding. In fiscal years 1978–79, the company sales increased by 100 percent, and during the 1979–80 fiscal year, sales increased by an even greater 250 percent.

The company's commercial heating products include perimeter heating products for offices, schools, stores, airports, and many other applications for either total or supplementary heating. The Enertrol line of energy saving controls represents a major innovation by bringing computer logic and speed to the average residential and commercial heating needs. Utilization of these devices can result in savings of fuel consumption of up to 25 percent.

Mr. Michaud is a highly skilled, versatile businessman who recently represented his company and the State of

Maine on a trade mission to Germany and Switzerland. We in Maine are proud of Mr. Michaud and his accomplishments. His record stands as a model for small businessmen across the country. The award would be a fitting tribute to his record.●

VOICE OF DEMOCRACY REPRESENTATIVE FROM ALABAMA IS SAMUEL R. SIMON

HON. BILL NICHOLS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. NICHOLS. Mr. Speaker, each year the Veterans of Foreign Wars conducts a voice of democracy contest in which thousands of high school students compete for scholarship money. Students from each State are chosen to come to Washington, and I am very proud that Mr. Samuel Richard Simon of Auburn, Ala., is this year's Alabama representative in this contest.

Having composed and presented the following speech on "My Commitment to My Country," I believe it is refreshing to note the strong feelings of patriotism and sensitive expression of appreciation this young American conveys in his speech. It is worthwhile reading for each of my colleagues in the House.

The people of the United States differ from every other country in the world today, in that our commitment to our country is made of our own free will and consent.

This commitment is not a yoke or burden laid upon our shoulders under which we must struggle all our lives. This commitment is not a scepter wielded by one hand or one group of hands to whom we owe loyalty and obedience. This commitment is not one to hopeless poverty and forced labor. No, our commitment and our loyalty is to ourselves and our freedom. Thus it was stated in our first democratic document, "We the people. . ." Not one class, one race, one ethnic group, one religion, but "We the people." Inclusive of all. Excluding none. So the choice of our commitment is our own.

This commitment consists of three things: privilege, loyalty, and respect. The first and foremost of these is privilege. We of this nation have the privilege of electing our own government, of leading our own lives. We have the privilege of speaking freely, thinking freely, writing freely, and with these tools we have grown together to become the great nation we are today. Without these privileges we would linger in the labyrinths of oppression and tyranny. But we have the right to these privileges only so long as we practice them. Unless we exercise our privileges, use them with foresight and with justice, the foundations of our nation will crumble under us. Thus, our first commitment is to defend and uphold these privileges.

Loyalty to our nation and to our rights and to our fellowman must be our second commitment. And it must not be a "sunshine patriot" loyalty. It must be a loyalty that survives and withstands the storms of the times; through good and bad leadership, through times of economic plenty and times of economic strain, in times of war or in times of peace. This loyalty must be unconditional and we must stand united behind it (for united is the only way we can stand) knowing that our final cause, is the freedom of man everywhere.

Respect also enters our commitment. We must have respect for ourselves, for our leaders, for our ideals and for our fellow countrymen. It is their responsibility to earn our respect, and ours to earn theirs. But once this respect is earned let us give it freely and receive it freely. In this way we forge the common bond.

How should I fulfill my commitment to my country? I should exercise my privileges, support my country and its leaders, speak out for what I think is right and protest against what I think is wrong and do both with equal respect for those involved. I should try to excel in my chosen profession and take pride in myself and in my work, for if I do not have respect for myself, I cannot have respect for others. If I have no ideals I can support no ideals. I must be prepared to defend my country in any way I can at any time, and I must take an avid interest in what is going on throughout the country and the world, for it is by the might of the mind that I am best prepared and most committed.

The end purpose of my commitment, to my country, is the continuance and improvement of the institution of democracy and the ideas of freedom, liberty and equality which it embraces. For the people of my age today will be the leaders of tomorrow, the citizens of tomorrow and the future defenders of democracy. We must be prepared to come into this responsibility. To us the gift is given, this gift of freedom. We must recognize its merits and seek to improve its faults. If we do not accept this gift in faith and in gratitude and use it wisely and well, it shall surely be taken from us.●

MAKING LAWS NOW, MAKING AMENDS LATER

HON. RICHARD BRUCE CHENEY

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. CHENEY. Mr. Speaker, I am asking that an article by Mr. Steven L. Abrams, "Making Laws Now, Making Amends Later," which originally appeared in the National Law Journal, February 9, 1981, be reprinted in the CONGRESSIONAL RECORD. In this article, Mr. Abrams presents his view of the causes and effects of what he sees as a recent unfortunate change in the legislative process in which Congress is abdicating responsibility for important choices to others and acting in ways which have major, unintended consequences. While I do not necessarily agree with Mr. Abrams, I thought it would be useful to my colleagues to have the benefit of his views on this matter. The article follows:

MAKING LAWS NOW, MAKING AMENDS LATER

(By Steven L. Abrams)

The 1978 Ethics in Government Act, which has been in the news as a serious roadblock discouraging potential nominees from accepting posts in the administration of President Ronald Reagan, is only the latest of a series of laws adopted by Congress with a "pass now, ask questions later" attitude producing undesired effects.

To be sure, vague laws and evasion of responsibility are nothing new for Congress. But legislation in the past would put the government on record as favoring certain aims, often going no further. The bark of these laws are worse than their bite.

This is different from a growing body of laws that prescribe solutions to largely undefined, symbolic problems in a way that creates substantial unintended future consequences.

The Ethics Act is one example. The law's financial disclosure and divestiture requirements, observers now claim, are scaring qualified men and women who value their privacy away from administration posts.

The same measure has also been roundly criticized recently for two other provisions.

The law makes it a felony to accept a job in certain government-related areas for a substantial time after an individual has left government service. This provision forced some Carter administration officials to resign before the act's 1978 effective date in order to avoid becoming "unemployable," as one undersecretary put it, and threatens to shrink the pool of potential public servants even further.

Another even more controversial aspect of the law is the section that compels the attorney general to appoint special prosecutors to investigate even unsubstantiated allegations against executive branch officials. This provision was the root of many of the much-publicized "evils" of President Carter's inner circle. When Hamilton Jordan, Mr. Carter's chief of staff, was accused on shaky evidence of using cocaine, Attorney General Benjamin R. Civiletti had to appoint a prosecutor, who later cleared Mr. Jordan. The same sequence of events occurred when Tim Kraft, another top aide, was probed on drug charges.

It is no surprise that all these problems arose from a law which, according to congressional observer Norman Ornstein of Catholic University, was "little noticed at passage."

It seems that Congress originally had passed the sweeping legislation in deference to the climate of the "post-Watergate morality," which, in the late 1970s, had become even thicker with the widening investigations of Carter friend and office of management and budget chief Bert Lance on bank fraud charges and several congressmen involved in the "Koreagate" scandal.

Congress only minimally considered the long-range effects of what it was doing when it hastily passed the Ethics Act in response to these revelations.

Besides the Ethics Act, bill after well-intentioned bill, in education, welfare, environment, health care and other areas has been passed without adequate attention being paid to substantive implications.

The pattern can be traced to the early 1970s, the start of a tremendous transformation in Congress, in which the body became increasingly decentralized. There had been a rapid turnover of membership, an increase in the number of subcommittees and staff and a weakening of the seniority system.

In such a highly decentralized system, hundreds of members share relatively equal power to bargain, but few posses sufficient resources to do so effectively.

As a result, the coalition-building task is being left to "issue symbolism," a form of

unilateral action that does not entail bargaining. Members of Congress vote on legislation that poses issues in terms of abstract objectives, fundamental rights or questions of morality—aims to which all can subscribe, but that specific language fails to achieve.

Because issue symbolism deals with complex issues superficially, the conflicting demands of interest groups fail to be taken into account, and the absent "legislative struggle" is transferred to other institutions, particularly the bureaucracy and courts. Hence, seemingly minor and often unnoticed provisions of legislation have had a major impact on national policy because Congress has pursued principles without calculating the consequences.

It is likely that this problem will persist into the 1980s. Congressmen now have a stake in the decentralized status quo and will resist change. New members have their interests reflected in the current structure as well. Besides, even the reformers perceive that Congress is less worried about internal structural matters than bread-and-butter constituent needs.

Regardless of whether the breakdown of power in Congress continues, the fallout from what has already occurred will continue to affect the country. The problems raised by laws such as the Ethics in Government Act have only begun to surface. Unless there is a return of structures of power able to forge and maintain a consensus, America's laws, as the founding fathers once warned, will stand as nothing more than "monuments of deficient wisdom."●

VIOLENCE IN NORTHERN IRELAND

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. WEISS. Mr. Speaker, I am gravely concerned about continuing violence in Northern Ireland. During the past 10 years, while Great Britain has ruled Northern Ireland, some 2,000 people have died, civil and human rights have deteriorated, and the region has been devastated.

It is vital that Congress commit itself to ending the violence in Northern Ireland. As a member of the Ad Hoc Congressional Committee for Irish Affairs, I recently joined my colleague from New York (Mr. BIAGGI) and 36 other of my colleagues in sending a letter to President Reagan urging him to maintain the 19-month embargo on U.S. arms shipments to the Royal Ulster Constabulary. The United States would not play a useful role in resolving the strife in Northern Ireland by providing weaponry.●

THE REAGAN BUDGET—THE PEOPLE'S RESPONSE

HON. GEO. W. CROCKETT, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. CROCKETT. Mr. Speaker, most of my mail these days, and I am sure most of the mail received by my colleagues, as well, concerns President Reagan's proposed cuts in the budget and tax rates.

My mail on this subject has been decidedly against the Reagan proposals. That mail is best exemplified by the following letter to the President which was forwarded to me by Ms. Matilda Bobbie Graff of Michigan, which details the deep concerns of my constituents over the lack of careful analysis and humanitarian insight that have gone into the Reagan budget.

I include the text of that letter for the benefit of my colleagues:

President RONALD REAGAN,
The White House,
Washington, D.C.

DEAR SIR: Our country is looking for positive leadership from you. You said you would be president for all the people; that your administration would right the wrongs and the abuses of government inherrent in past administrations; that you would address the problems of the twin evils, inflation and unemployment.

Mr. President, I must observe that your budget proposals demonstrate an unevenhandedness in dealing with these problems. It betrays your stated concerns for the poor and low income families and indicates a real concern for the already rich. The subsidies allowed for the tobacco industry but not for farm and food concerns me. The tax proposal is heavily weighted in favor of the wealthy and the "big" corporations. The lifting of the ceiling on oil prices is hurting those least able to absorb the increase while the oil companies report record profits.

We seek an end to fraud, waste and abuse in many government programs, but we must not forget that the most abusive and wasteful department in government is the military. Yet it is given carte blanche to continue and billions more in funding without any concern for our real security or concern for the waste, fraud and abuse it generates.

I find it difficult to believe the statements attributed to your aides indicate that they would not hesitate to involve our country in a war (El Salvador or Cuba). While I realize that in the past military commitments have served to boost a troubled economy, I cannot conceive of you endorsing such a policy, especially in this nuclear age. You like so many of us value life too highly.

I urge a re-examination of your proposed budget and the direction that Mr. Haig and the State Department are pursuing in world affairs. We do need a new approach to our national and international problems, but waving the bomb or the gun in this nuclear age is not the answer.

Yours truly,

MATILDA BOBBIE GRAFF.●

SAY IT IS NOT SO SECRETARY WATT

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. STARK. Mr. Speaker, one of the encouraging aspects of the new administration for this Member was the clear, uncompromising commitment expressed early on to defer to the wishes of State and local governments when it comes to the question of managing natural resources.

That inviolate principle of the Grand Old Party has been cast aside by the Secretary of the Interior's unilateral proposal to open thousands of acres of the Outer Continental Shelf off the northern California coast to oil and gas exploration.

Who supports this move by Secretary Watt? Not the Governor. Neither U.S. Senator. Not 11 of my colleagues from northern California. Not the fishing industry. Not the shipping industry. Not the local governments of the affected coast lands.

Secretary Watt should heed the advice of California. The following editorial by KNBR radio would be advice well taken.

President Reagan has often said State and local governments should have more power over things that affect their interests. But the new Secretary of the Interior, James Watt, apparently doesn't have the message. Despite a storm of protest from California, Mr. Watt is proposing oil and gas drilling off the coasts of Santa Cruz, San Mateo, Marin, Sonoma, Mendocino, and Humboldt Counties. He is opposed by the overwhelming majority of State and local officials, including Governor Jerry Brown, Senators Alan Cranston and S. I. Hayakawa, and 11 northern California Congressmen. Only last October, the Federal Government withdrew the areas from oil leasing plans. Cecil Andrus, then Secretary of the Interior, said he did so out of regard for "The Preferences and Well-Being of People in the Coastal Areas"—and because there is not enough oil there to make it worth the risk. In a strong letter to Mr. Watt, Governor Brown says the risks to the environment and to the tourists and fishing industries clearly outweigh the benefits of drilling. We think home rule is good for California. And we urge Secretary Watt to withdraw his proposal.●

CHANGE OF COMMAND AT GRISSOM AIR FORCE BASE

HON. ELWOOD HILLIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. HILLIS. Mr. Speaker, several weeks ago I was pleased to have the opportunity to attend a change of command ceremony held at Grissom Air Force Base, located in my

congressional district in the State of Indiana.

This change of command marked the departure from Grissom of Col. Richard S. Wallace, who had served as Wing Commander of the 305th Air Refueling Wing since April of 1979.

As a member of the House Armed Services Committee and one who has had close contact with Grissom Air Force Base for several years, I am well aware of the special challenges which confront commanders in the military today. In addition to personnel and management problems, a stateside commander has the responsibility of maintaining good relations with those communities which are located near their military installations.

During his command at Grissom, Colonel Wallace distinguished himself both as an outstanding military leader and as one with a special concern for the civilian population living near the base.

This concern was demonstrated on one occasion in particular when I was visiting Grissom to observe a military training exercise. A serious automobile accident had taken place at the intersection of the base entrance and a major highway. This intersection had been a chronic safety problem for many years and the site of several serious accidents. Despite suggestions by Colonel Wallace and others, no action had been taken up to that point to correct this safety problem.

Immediately after this incident, Colonel Wallace and I arranged a meeting with the Governor of Indiana to personally discuss the necessity for the State highway department to alleviate the problem at this intersection. The result has been the completion of a new access lane from the highway to the base entrance, which has greatly reduced the danger to those who travel on that highway near Grissom.

This type of genuine community concern is just one example of the way in which Colonel Wallace built excellent relations with the people who live and work near Grissom Air Force Base. It was further demonstrated by his strong support for the Grissom Community Council and by the many close friends he made among local government and civic leaders.

Mr. Speaker, I could list many awards which Colonel Wallace has received during his 28 years in the Air Force. Among those awards are the Air Force Commendation Medal, the Bronze Star, and the Legion of Merit Award which was presented to him during the recent change-of-command ceremonies. However, his 2 years at Grissom have made it clear to me that Rich Wallace is more than a good military man; he has shown himself to be a good friend and neighbor, as well.

We who live in central Indiana wish him well as he and his wife Medra assume their new responsibilities at Robins Air Force Base in Georgia.●

MRS. MARY BABB RANDOLPH

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. RAHALL. Mr. Speaker, I would like to take this opportunity to express my deepest sympathies to a man, for whom we all have the utmost respect and love. Senator JENNINGS RANDOLPH, upon learning of the passing this morning of his dear wife, Mary.

Since 1933, the two of them have been together, and their strong bond certainly carried each of them through sickness and health.

I speak not only for myself, but for my entire family. Even before I was elected to Congress, we had a very close relationship with the Randolphs, and the Rahall family shares their grief today upon the passing of this truly brave lady.

To Senator RANDOLPH, to his sons, Jay and Frank, I offer condolences, love, and prayers.

JENNINGS RANDOLPH has always been there when needed, and today he should know that we are here if he needs us.●

THE SINGING SPEER FAMILY—AMERICA'S NO. 1 GOSPEL TRADITION

HON. WILLIAM HILL BONER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. BONER of Tennessee. Mr. Speaker, in a profession which is tumultuous as gospel music, it takes a group with a message and great ability to last 60 years at the top. The Singing Speer Family of Nashville, Tenn., has withstood this test, however, as it was organized in 1921 by G. T. (Dad) Speer and has been witnessing ever since.

Dad Speer was a Georgia farmboy who began teaching and writing music when he was only 17. It was during one of the singing school sessions he attended in Tennessee, that he fell in love with a very attractive piano player, named Lena Brock. They were married on February 27, 1920.

The first Singing Speer Family was formed in 1921, consisting of Mom and Dad (Lena and Tom) Speer and Pearl and Logan Claborn, Dad's sister and her husband. A tradition had begun.

Soon after Mom and Dad married, they started their family, who were to become second generation Speers. Brock was born December 1920, Rosa Nell was born in 1922, Mary Tom was born in 1925, and Ben came along in 1930. All the Speer children began singing at very early ages. Once Pearl and Logan Claborn left the group, the Speers consisted of Mom and Dad, plus Brock, Rosa Nell, and Mary Tom. Ben was added a little later. Rosa Nell became an excellent pianist and the others developed strong voices. The Singing Speer Family was complete. Their faith in God was stronger than ever and the road ahead was as happy as the next singing convention.

In 1948, Rosa Nell was the first to marry. Brock followed suit a couple months later and married Faye Ihrig, who became an immediate Singing Speer since Rosa Nell had left the group after her marriage. Ben was married in 1953. Mary Tom escaped the altar longer than the rest, but finally married in 1954.

At this point, Mary Tom and Faye also left the group to raise their children. This was the beginning of hiring girls outside the Speer family to sing in the group. The years to follow produced many adopted Speers.

The Speers experienced a great loss in 1966 when Dad Speer passed away. Mom Speer continued to sing with the Speers until her death in 1967.

The Speers have long been a tradition in gospel music and have won many awards for their excellence in gospel music. Their primary goal has remained the same through the years—reaching people for Jesus Christ through their music. The group today consists of Brock, Faye (Brock's wife), Ben, and Brian (Brock's son), who is a third-generation Speer. The adopted members are Harold Lane, who has been with the Speers for 14 years; Penny Cardin, lead singer and pianist; and Dave Clark, playing bass guitar.

Although a Speer concert is inspirational entertainment at its best, it is also a witness. This is a concept that guided Dad Speer's career and he instilled the belief into the hearts of his family as well. No matter what the listener's spiritual needs might be, the music will find a response. In every performance, they seem to create a personal relationship with their audiences, a rapport which moves the listener to respond with joy and appreciation.

The Speers' musical excellence has been rewarded in many ways through the years. For several years, they have received the Gospel Music Association's Dove Award for the best mixed gospel group. Brock has served as president of the Gospel Music Association for 2 years and the entire group is heavily involved in the operation of the organization. At times there have been as many as four Speer representatives on the GMA board of directors.

Mr. Speaker, it is particularly fitting that the House of Representatives honor this uniquely American institu-

tion on the 10th of March. Today marks the 90th anniversary of Dad Speer's birth. I feel that it is fitting and proper for this legislative body to honor this family which has been conducting the Lord's ministry for the past 60 years.●

DIXON-KEMP RESOLUTION CONCERNING AFRICAN REFUGEES

HON. JACK KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. KEMP. Mr. Speaker, political turmoil and server food shortages account for an estimated 2.2 million refugees in Africa—more than in any other region in the world. For many of these destitute people, famine is not a historical relic—it is a present fact of life. And their numbers are growing.

Accordingly, at the initiative of my colleague Mr. JULIAN DIXON, I am cosponsoring a resolution whose purpose is to enhance public recognition of this increasingly serious problem, and to urge private charitable contributions to recognized relief agencies that can channel food and supplies to the refugees in Africa.

While our resolution is addressed to the citizens of this country, I would hope, at the same time, that it will serve to engender greater awareness among the people of all nations of the real needs of the refugees in Africa. For while Americans are a generous and humanitarian people, our efforts alone are not enough. The suffering of the African refugees is a truly international concern, and the need for compassion does not stop at our borders.●

H.R. 4: THE INTELLIGENCE IDENTITIES PROTECTION ACT

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. MAZZOLI. Mr. Speaker, press accounts in the New York Times and the Washington Post in recent days indicate that the people of Covert Action Information Bulletin are back at their nasty tricks again.

These people have one goal: To destroy America's foreign intelligence capability.

They pursue this benighted goal by disclosing, periodically, the names, addresses, and other identification of U.S. undercover intelligence agents posted abroad.

They knowingly—but uncaringly—expose fellow citizens who are in the honorable service of their Nation, and their innocent families, to personal dangers by blowing their cover.

A death—in Athens—and shooting incidents—most recently in Jamaica—have been the predictable result of this treacherous conduct.

Now, six Americans have been expelled by Mozambican Government authorities for alleged espionage, subversion, and interference in that nation's affairs. Implicated were Cuban intelligence people aided and abetted by members of the staff of Covert Action Information Bulletin.

And, Mr. Speaker, the really distressing thing is that, even when no physical injury or property damage follows these disclosures, the agents named are rendered ineffectual in their duty stations abroad. They have to be reassigned and, for some, it marks the end of a productive Government career.

Compounding this distressing reality, is that the reprehensible people of Covert Action Information Bulletin have it both ways. Whether they identify undercover agents accurately or misidentify nonintelligence foreign-service employees, they terminate effectively the careers of all individuals named.

On January 4, the chairman of the House Intelligence Committee, Representative EDWARD BOLAND, and I, among others, introduced H.R. 4, the Intelligence Identities Protection Act.

It would protect the lives and the property and the productive careers of undercover intelligence agents by criminalizing the disclosure of their identities under certain carefully controlled circumstances.

The bill is the measure, word for word, phrase for phrase, which was approved last Congress unanimously by the House Intelligence Committee and by a vote of 21 to 8 by the House Judiciary Committee.

On February 25, Majority Leader WRIGHT and Minority Leader MICHEL joined together to announce their support for H.R. 4 and pledged to do all they could to move the bill to final passage. I applaud their stand.

The recent despicable events in Mozambique only further underscore the need for the 97th Congress to move expeditiously with H.R. 4.

I am planning to reintroduce H.R. 4 and I would welcome the support of my colleagues.●

TRIBUTE TO CALVIN MALONE

HON. LYLE WILLIAMS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. WILLIAMS of Ohio. Mr. Speaker, on Saturday, March 7, 1981, I participated in a testimonial dinner honoring Calvin Malone, recently retired president of International Union of Operating Engineers, Local No. 6, where he served effectively as apprentice, administrator, business agent, local union officer, as well as president.

Those in the trade movement acknowledge that Cal's contributions have led to better working conditions, improved wages, and quality of life. Cal Malone has worked long, hard, and successfully for his membership who join me and many from the 19th Ohio District to salute the untiring efforts of Calvin Malone. It was a pleasure to join a grateful community in lauding him on his special night, and to wish him well in his future plans.●

PRODUCTION DIFFICULTIES OF TRIDENT SUBMARINES

HON. DAN DANIEL

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. DAN DANIEL. Mr. Speaker, the Trident submarine is a fundamental element of America's strategic capability for the future, but its difficulties in production are many and have been much discussed. A great deal of finger pointing has gone on as to who is to blame—the Navy, the contractor, both, or perhaps neither; with circumstances being the real culprit. Hopefully we will learn more of the facts when the House Seapower Subcommittee headed by our distinguished colleague, Mr. BENNETT, holds hearings on this issue over the coming months. Meanwhile, there have been several published articles which put the problems in perspective, suggesting that personalities may be the crux of the problems and serve to indicate how difficult it has been to keep the program on track.

In any event, this is a time when we see the land-based leg of our strategic Triad becoming increasingly vulnerable, and with no settled, quick way to address that vulnerability. Thus, the continuation and improvement of our SLBM force is critically important—too important to let the Trident submarine be delayed by moss-backed bureaucracy.

[From the New York Times, Dec. 29, 1980]

SECRETARY OF NAVY CRITICIZES RICKOVER—SAYS HE HURTS TRIDENT PROGRAM BY SUGGESTING CONTRACTOR WON'T MEET DELIVERY SCHEDULE

(By Richard Halloran)

WASHINGTON.—The Secretary of the Navy, Edward Hidalgo, who is scheduled to leave office Jan. 20, has fired a parting salvo evidently aimed at Adm. Hyman G. Rickover, the independent-minded proponent of nuclear power at sea.

Without naming him directly, Mr. Hidalgo asserted in an interview last week that Admiral Rickover sought to hamper the construction of the Trident submarines, which are intended to carry missiles as part of the nation's nuclear deterrent force, by trying

to create ill will between the Navy and the shipbuilder.

The first of the Tridents, the Ohio, was originally scheduled for delivery in May 1979. The date was later revised to June 1981, because of faulty workmanship, steel that did not meet specifications and changes ordered by the Navy in design, engineering and equipment.

In recent disclosures to the news media, unnamed critics of the program have alleged that the Ohio would not be delivered until 1982. Mr. Hidalgo called the prediction "completely irresponsible" and asserted that the ship would be delivered in mid-1981.

CHANTING ALARM

Then, taking apparent aim at Admiral Rickover, Mr. Hidalgo said, "No constructive purpose is served, indeed a very negative purpose is served, by chanting alarm and chanting doom without any justification or basis for that at all."

Mr. Hidalgo said such predictions were "provocations" that were "unfair" to both the Navy and to the shipbuilder, the Electric Boat Company, a subsidiary of General Dynamics.

"They were unfair to both sides and I think they, indeed, have a negative effect on national security," Mr. Hidalgo said.

Mr. Hidalgo left no doubt as to the target of his criticism. In response to a question on that point, he said: "I think by his own words that Admiral Rickover seems to have a different view of the situation than I do."

Admiral Rickover's office said that he was away on leave and was not available for comment. The 80-year-old father of the nuclear Navy has become something of an institution in Washington and has usually been immune to criticism.

DISPUTE OVER CONTRACT SETTLEMENT

The roots of the conflict between the Secretary and the Admiral appear to go back to June 1978, when Mr. Hidalgo, then an assistant secretary of the Navy, arranged a $2.8 billion compromise settlement between the Navy and three shipbuilders, including Electric Boat, on cost overruns on Navy contracts.

At that time, Admiral Rickover publicly and vigorously opposed the settlement, contending that the shipbuilders should be kept to the letter of their contracts even though many of the additional costs were caused by changes ordered by the Admiral or his staff.

The dispute between the Secretary and the Admiral simmered until earlier this year, when a memo from Admiral Rickover to Mr. Hidalgo found its way into print in a trade publication, Defense Week, devoted to military affairs. The memo said that it was "only a matter of time until the Navy will again be confronted with omnibus claims" from shipbuilders who will try to blame the Navy for more cost overruns. The Navy has inspectors, who are under Admiral Rickover's general supervision, in the shipbuilding yard.

DELAY AS CAMPAIGN ISSUE

Mr. Hidalgo responded to the memo in a June letter to Representative Charles E. Bennett, Democrat of Florida, chairman of the Subcommittee on Seapower and Strategic and Critical Materials of the House Armed Services Committee. Mr. Hidalgo said, "There is no basis whatsoever for linking these developments with predictions for future claims comparable in any way with those in the past."

The dispute continued, largely out of sight, until recent news articles alleged that delivery of the Trident was being delayed again, until 1982. Republicans made an issue of the alleged delay in the Presidential campaign, criticizing President Carter for neglecting the nation's defense.

Then, two weeks ago, Mr. Hidalgo attended the launching of an attack submarine, the Baltimore, also built by Electric Boat. There, he delivered remarks that he said later were unprepared but that he had thought about on the way to the ceremony.

"THEY WANT US TO FAIL"

Again without mentioning Admiral Rickover directly, Mr. Hidalgo said, "I think it is well for us to realize that all our dreams, all our ambitions, all our fulfillments, are not unopposed."

Referring to what he called "an avalanche of this opposition lately," the Secretary said, "Those who do not wish us well would do well to understand that we are going ahead and succeed not only in spite of but because of their opposition and because of their irresponsible criticism."

"They want us to fail," Mr. Hidalgo asserted. "We shall not fail."

Elaborating on those remarks in last week's interview in his Pentagon office, Mr. Hidalgo said that he had spoken out because of "an accumulation of things." There has been a "continuous suggestion" in newspapers and magazines that more problems for the Trident program are on the way, Mr. Hidalgo said.

"I thought no useful purpose was served by talking of things that hadn't happened, particularly in view of the long history of the negative consequences," the Secretary said.●

LEGISLATION TO OBTAIN EQUITABLE TREATMENT FOR SOYBEAN PRODUCERS

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. FLORIO. Mr. Speaker, I am pleased to announce my cosponsorship of H.R. 2335, introduced by Representative JAMIE L. WHITTEN on March 4, 1981. This legislation will provide soybean producers with the same protection from natural disasters as producers of wheat and feed grains.

Soybean producers are not offered the protection of the disaster aid program which is currently available to producers of grains, cotton, and rice. The disaster payment program, administered by the Agricultural Stabilization and Conservation Service, provides Federal disaster payments when yields are reduced by droughts, floods, and other natural hazards.

This past year, the farmers in my district suffered devastating crop losses as a result of the lack of rainfall in south Jersey. The drought was the culmination of the destructive weather conditions, including wind and hail storms, of last spring. Some of the farmers have indicated that they are on the brink of financial ruin. The farmers need assistance to relieve their losses and cover operating costs. Unfortunately, the existing emergency loan program and the disaster payment program have inadequately addressed their needs.

Despite the improvements which Congress achieved by the establishment of the new Federal crop insurance program, there still is a need to give soybean producers equitable treatment with the other major commodity producers. I will be working to insure that the needs of soybean producers are adequately addressed in the farm bill that is drafted, and I urge my colleagues to join me in support of H.R. 2335.●

1981 WORLD FREEDOM DAY RALLY OF THE REPUBLIC OF CHINA

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. LENT. Mr. Speaker, our good friend and former colleague, Hon. John W. Wydler, has recently returned from a visit to the Republic of China. He came back to the United States full of praise for that island nation and convinced that in both the people and the Government of Taiwan, America has a true friend. I wholeheartedly agree.

The purpose of Jack's trip to Taiwan was to participate in a World Freedom Day Rally on January 23, 1981. The ceremonies took place in the Sun Yat-sen Memorial Hall in Taipei, and I understand over 3,000 persons were in attendance. Among them were more than 130 guests from 25 foreign countries, including parliamentarians, political party officers, generals, high-ranking officials, college professors, and youth leaders.

Jack told me he was especially impressed by one of the major addresses to the rally which was given by His Excellency Sun Yun-suan, Premier of the Republic of China.

I would like to share those remarks with my colleagues in the U.S. Congress. His words should be an inspiration to all of us who seek peace and freedom for people the world over.

The address follows:

ADDRESS BY HIS EXCELLENCY SUN YUN-SUAN, PREMIER OF THE REPUBLIC OF CHINA, AT THE 1981 WORLD FREEDOM DAY RALLY OF THE REPUBLIC OF CHINA

Mr. Chairman, Distinguished Guests, Ladies and Gentlemen, "World Freedom Day" is a glorious symbol of freedom's victory over slavery and justice's triumph over evil. This rally has become all the more meaningful with the participation of parliamentarians, anti-Communist leaders and youth representatives from different countries and the presence of anti-Communist freedom-fighters. It is designed, as expressed in its main theme, "for the return of Chinese mainland to freedom, democracy

and things Chinese." It is devoted, as demonstrated in its political call, to "helping all the world's captive nations and peoples win freedom and democracy." Through this movement, the voice against Communism and for freedom has penetrated through the Iron Curtain and been heard across the globe. First of all, I want to express my warm welcome to all distinguished guests coming from faraway lands.

Twenty-seven years ago today, more than 22,000 Chinese and Korean POWs repudiated Communism in Korea and succeeded in obtaining freedom they had longed for. The 14,000 Chinese boys among them resisted Chinese Communist temptation, deception and coercion before they could return to the fold of the free motherland. Their never-say-die spirit and action shocked the Chinese Communist regime, electrified the hearts of the people behind the Iron Curtain, and drew attention in the world. To mark their courage and determination, the various circles of the Republic of China initiated this "January 23" freedom movement. Later, the World Anti-Communist League decided to turn it into a "World Freedom Day" movement to augment the influence struggling against slavery and for freedom. Since, the day has become a spiritual signpost for the struggle against Communism and tyranny.

Freedom is precious but not God-sent. The story of the 14,000 anti-Communist POWs proved that to snatch back freedom from the hands of the devil calls for extraordinary courage, strong determination, bitter struggle and a spirit of sacrifice in blood and flesh. Their return to freedom convinced us that only when freedom is respected and upheld can democracy be advanced and peace ensured. These are the reasons:

First, democracy is derived from freedom. Democracy is the mainstream of world political thought and system. As democracy is derived from freedom, only reasonable freedom can assure democracy. In politics, China has been traveling on the road of democracy, and our implementation of constitutional government is to carry out the basics of freedom and democracy. Today, we are working hard to enlarge political participation and safeguard freedom and human rights, because we seek to establish democracy and freedom on the foundation of common will of the people, national interests, moral values and dignity of law, whereas what the Chinese Communists have done run counter to freedom and democracy. They carry out class struggle to deepen the hatred among the people; they rule by violence under the name of proletarian dictatorship. They implement the people's commune for controlling the people's lives, obliterating private ownership, and squeezing the people's energy. They persecute the intellectuals, oppress the minority nationalities, and deprive the people of their rights to live and work. As a result, more than 60 million people have lost their lives and more than 100 million have been subjected to labor reform or surveillance. Under this tyrannical Communist rule, there is no freedom at all, not to mention democracy.

Second, peace is founded on freedom. Peace is a world ideal, and a common aspiration of humankind. But human freedom must be insured before world peace can be realized. The Chinese people stress the virtues of faith, mutual-respect, love and peace. The Republic of China is founded on Dr. Sun Yat-sen's Three Principles of the People with world peace as its highest goal. Our hard work in developing our bastion during the last 32 years have advanced the democratic and free way of life for our people, curbed Chinese Communist expansionism, turned Taiwan, Penghu, Kinmen and Matsu into a lighthouse of freedom and democracy in the Pacific, and made great contributions to world peace. During the same period, the Chinese Communists have worked hand in glove with Soviet Russia to start an armed rebellion and seized the mainland, bringing unprecedented catastrophe to the Chinese people. All the wars and turmoils of the past years in Asia are, without exception, the extension of this tragedy on the Chinese mainland. Therefore, the Chinese Communists are the principal culprits and sources of these aggressive wars. In recent years, they have turned to the tactic of international united front and the ploy of anti-hegemonism in their effort to conquer the world by spreading disorder through infiltration, subversion, narcotic traffic, export of violence, and by bolstering the insurgent organizations in the free world. All these are evidence that they are the ringleader of the crime against freedom and the common enemy of world peace.

Ladies and gentlemen, now we have known the character of the Chinese Communists and the fact they have turned away from peace because they have trampled freedom and destroyed democracy. So, if we want to create an era of democracy and peace, we must first restore human rights and freedom to the people on the Chinese mainland. As the Chinese Communists announced long ago that they had made communization of the world their final goal, there is absolutely no possibility for the free world to "co-exist" with them. If the free world chooses to ignore their united front trick and is deceived by their smiling faces into harboring the illusions of "balance of power" and "detente," it will fall into their trap and provide them with the opportunity for dividing and conquering the free world through infiltration and subversion.

In the past year, the Chinese Communists have failed to reverse their adverse economic trend, and their social order has worsened. The trials of the Lin Piao and Chiang Ching cliques have pulled down the mask of power struggle raging in the Chinese Communist Party and have proved the absolute failure of Marxism-Leninism on the Chinese mainland. From these trials we can see how capricious the Chinese Communists are and how truth has been distorted in the endless power struggle. The scope of their internal purge will enlarge, and their factional contradictions will sharpen. Instead of attaining the goal of "stability and solidarity," the Chinese Communist regime will be further weakened by the increasing chaos. Because of the built-in drawbacks of planned economy, technological backwardness, and shortage of talent and technology, there is no condition for carrying out the "four modernizations," which have turned out to be just another hollow slogan. As the people on the mainland are living in such a state of political corruption and tyranny and economic privation, it is not hard to imagine the magnitude of torment they have suffered and loath they have had toward the Communists.

All the people on the Chinese mainland are Communist victims, and all of them are opposed to the Communists. This explains why anti-Communist actions have never come to an end. Among the Chinese Communist students receiving advanced training abroad, Chuang Hung-chi defected to freedom in Belgium, Yang Ching-chiang and Yang Szu-yung returned to Taiwan with their families, and some others have committed suicide. At the same time, a number of people have escaped the mainland and arrived in Taiwan. All these are evidence that the people on the mainland have repudiated the tyrannical Communist rule and longed for democracy and freedom. They also testify that the Communist system is on the road of bankruptcy.

In the last thirty years, the Republic of China has been bent on developing Taiwan based on Dr. Sun Yat-sen's Three Principles of the People. Our experience and achievements have laid the groundwork for democratic and constitutional government, established a prosperous and egalitarian economic system, and provided the blueprint for a peaceful, happy and harmonious society. All what we have done are in tune with Chinese culture, in harmony with Chinese way of life, and for the need of future development of the Chinese society. We have set up an example for a free, peaceful and unified modern China. What have happened here are diametrically opposed to those on the Chinese mainland—the opposition is between benevolence and violence, order and disorder, justice and evil, humanity and bestiality, and between moral and vice. Ours is a land of freedom, prosperity and progress, while theirs is one of slavery, poverty and backwardness. Our success has engendered in the hearts of the people on the mainland a strong longing for emulating Taiwan. This tendency is our best assurance for victory. The burning task of our compatriots at home and abroad is to bring the fruition of our development based on the Three Principles of the People to the mainland, so that our compatriots there can also enjoy the benefits of the Three Principles of the People. Ladies and gentlemen, here I want to call on you to harden your belief that freedom will eventually prevail over slavery and justice over violence, to promote the anti-Communist solidarity of the free world, to overthrow the Communist tyrannical rule, to fight to the finish for world peace, and to join hands in writing a new page for the book of human history!●

DR. JAMES B. EDWARDS

HON. THOMAS F. HARTNETT

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. HARTNETT. Mr. Speaker, I would like to share with my colleagues a newspaper article written by Mr. Anthony Harrigan of the U.S. Industrial Council. The article is an excellent tribute to my good friend, Secretary of Energy James B. Edwards.

Ronald Reagan's choice of Dr. James B. Edwards as Secretary of Energy is immensely cheering.

I have known Jim Edwards since he was a dental surgeon in my hometown of Charleston, S.C. He is a man of intelligence, reasonableness, informed conservative convictions, and absolute integrity. The Nation will be well served by this distinguished South Carolinian.

Like so many other Reaganites, Dr. Edwards got into politics because of his concern for the distressing state of the Nation. He served as an officer in the Navy before

he attended dental school. He has an abiding faith in America and concern for its security. When the Democratic Party in South Carolina had a mixup involving its candidate for Governor, Jim Edwards sailed into office. His administration was outstanding, and he commands wide respect in the State.

As South Carolina is deeply involved with nuclear energy—the State has the hydrogen bomb materials plant and a nuclear materials reprocessing plant—Dr. Edwards is thoroughly familiar with the key energy issues facing the Nation. He is a strong believer in the importance of nuclear energy.

This is a top requirement for the head of the Department of Energy. The country cannot hope to achieve energy independence if it fails to push for rapid licensing and construction of nuclear plants.

While Dr. Edwards is on record as favoring the dismantling of the Department of Energy, the administration will have to make important energy decisions for the next 4 years. Dr. Edwards is a good man to formulate energy policy. He is a prudent, practical man with an informed faith in the working of the free enterprise system and a healthy distrust of statist solutions.

Energy issues will remain at the top of America's agenda for decades to come. Almost every nation in the world faces serious energy problems. America's security and standard of living depend on the availability of energy. Energy prices are a major factor in whether the country enjoys prosperity or slides into depression. Our overriding need is to make maximum use of the energy we have in the continental United States and on the adjacent seabed. The United States leads in energy technology, especially in the undersea engineering skills necessary to drill for oil and gas in deep ocean areas.

The Carter administration refused to push offshore drilling. It bowed to environmental extemists. It encouraged the drafting of a Law of the Sea Treaty that yielded vital ocean areas to Third World nations with no undersea engineering skills and no right to share in the undersea wealth in oil and gas.

Dr. Edwards also will have an important say in U.S. relations with our neighbors, Mexico and Canada. The energy resources of those countries are very important to the United States. It is in our national interest—as well as that of our neighbors—to seek continental economic integration, to the extent that is possible for sovereign countries. Dr. Edwards will offer wise counsel on such policy matters.

Dr. Edwards has the competence to deal with these and all the other issues facing his Department. President Reagan could not have made a better choice.●

RICH VERSUS POOR MISSES THE POINT

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. GINGRICH. Mr. Speaker, some of those who oppose President Reagan's plan for a 10-percent, across-the-board tax cut have argued that it favors the rich over the poor.

I believe there is a danger in the rhetoric of we versus they. In hard times, people tend to talk in terms of battles, as though the rich and the poor were lined up in trenches shooting at one another.

The reality is that they are in the same sinking boat, and it does not really matter who gets to sit on top of the mast and be the last one to drown.

First, we must begin an economic program that will save the boat from sinking. Having done so, we can then try to find the most equitable seating arrangement.

The object of tax cuts is not to favor one group over another, but to improve the economy so that all benefit. We do not want to scrap over forever shrinking pieces of economic pie, but to bake a bigger pie so that whether a person's share is the largest or the smallest, it is bigger than it was before.

One of the best essays I have seen on this subject recently was published in the Atlanta Journal, March 5, 1981. Columnist Robert Akerman, who is not thought of as an arch conservative, effectively did away with the rich versus poor argument.

The text of his column follows:

TAX CUT BASICALLY FAIR

(By Robert Akerman)

In my Tuesday column on President Reagan's tax-cut proposals I argued that the same Keynesian logic which justified fiscal policies favorable to low-income people in a period of serious deflation should justify tax relief for higher-income people in a period of acute inflation.

This is somewhat ironic, since liberals who once called themselves disciples of economist John Maynard Keynes are attacking Reagan's proposals for "favoring the rich"; on the other hand, the supply-siders who support Reagan profess to reject the ideas of Keynes.

While in the past I have criticized the Kemp-Roth approach to tax reduction as oversimplified, I do believe that at the present time it would work better than a traditional liberal type of tax cut skewed to favor low-income people.

But what about the question of social justice? Even if a case can be made in terms of economic theory that an across-the-board tax cut at this time would help the economy as a whole, is it morally right to reduce the rich man's taxes in the same proportion as the poor man's?

Well, if it is truly a less inflationary form of tax relief than some alternatives, then it has to give the poor man back some proportion of what it takes from him, for inflation is still a greater enemy of the poor than it is of the rich. Many forms of aid to the poor have been indexed to rise with the cost of living, but not all of them have, and not all low-income people get this aid. And the inflation that inhibits rich people from investing in industry will, in the long run, deprive low-income people of the opportunity for better jobs and better income.

But the most basic point is that an across-the-board tax cut is not in itself inequitable. True, a rich person would get more tax relief than a poor person, but that's only because he's been paying higher taxes in the first place. Proportionately, the tax burden would be just as fair as it was before the 10 percent relief.

Take an example. Your federal income tax bill was $500; somebody you know paid $5,000. If everybody's bill is reduced 10 percent, you save $50; the other fellow saves $500. Sure, he will be saving more. But look at the other side. Your new tax bill is $450; his is $4,500—exactly 10 times yours, just as it was before. Yet the liberals will concentrate on the other fellow saving $500 compared to your $50 without mentioning that he's still paying $4,500 compared to your $450.

The truth is, of course, that due to inflation pushing everyone into higher income brackets (without people necessarily becoming richer in terms of what that income will buy), the tax cuts of recent years have not been real; they represent only a partial refund to taxpayers of the windfall profit that inflation brings to government. But, since these so-called tax cuts usually were tilted more toward the low-income levels, then it is also true that real taxes all these years have been getting proportionately higher for higher-income people.

Unless they can find a tax shelter. A lot of rich people find ways to avoid paying taxes on some of their resources. I would like to see the loopholes which divert capital into socially unproductive tax shelters closed. At the same time a real reduction in taxes would reduce the incentive for tax avoidance and provide greater incentive for more productive uses of capital. Nonetheless, the idea that unfair loopholes exist has nothing to do with the question of what fair rates should be, except that the fairer the rates, the less need for loopholes.

The reservations I have about President Reagan's 10 percent across-the-board tax-cut proposal therefore are not based on its alleged inequity. After two decades of periodic liberal "tax cuts" supposedly favoring the poor over the rich, the average man feels that his taxes are too high. So something has to be wrong with the shibboleths of liberal tax policy, and it's time to try something different.●

HOW DOES A MEMBER OF CONGRESS SAY "NO"?

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. HYDE. Mr. Speaker, the good news is that everyone agrees we have to cut Government spending. The bad news is that no one seems to agree on which programs should be cut.

The American people overwhelmingly elected President Reagan and gave him and us a mandate for change. The majority of the people fully support the President's economic program; my own mail is running 50 to 1 in favor of the President's efforts. One of my constituents wrote that although her husband works for the Chicago Transit Authority, which might be affected by the budget cuts, both she and her husband "back President Reagan in all the programs he wants cut." Another constituent commented: "The health of the country is at stake. I will be watching."

Indeed, Americans all over the country are watching and waiting, even as

the hordes of special interests descend on Capitol Hill.

In a recent article in the Chicago Tribune, columnist Joan Beck discussed this phenomenon and the "Chicken Little" syndrome of the special interest lobbyists. How does a Member of Congress say "no"? I hope my colleagues will heed Ms. Beck's counsel:

HOW DOES A MEMBER OF CONGRESS SAY "NO"?

(By Joan Beck)

"The way to get any congressman to play ball is to give him a way to finish this sentence to his constituents, 'I'd like to help you, but . . .' "—U.S. representative quoted in Newsweek.

Members of Congress are going to need that "but . . ." no matter how sympathetic they are to the Reagan administration's economic program. Every special interest in the country—and most of us belong to several—is gearing up to persuade Congress not to cut its particular piece of the appropriations pie.

Chicken Little lobbyists for every one of the 83 programs targeted for appropriations cuts by the Reagan administration are cackling that the sky is about to fall on western civilization as we know it. So are the well-paid flacks for industry, professional, ethnic, economic, and good-cause special interest groups not on the endangered list who can turn any federal spending cut into hyped-up need for their Congress-pressuring strategies.

Never mind that the federal government kicks in only about 5 per cent of the money spent on the arts; the proposed $85 million slash in grants for the National Endowment for the Arts will turn us into cultural barbarians. Cut back on energy conservation and development programs and the Arabs will be able to buy New York.

Reduce spending for the National Science Foundation and our Galileos and Einsteins will have to turn into used car salesmen to survive. Tighten eligibility for food stamps and our big cities will become Calcuttas of the starving. Chop away at spending for public broadcasting and we'll be forced to watch "That's Incredible" and "Dallas" or read a book.

So we are urged to write our congressmen. To sign this petition. Copy that form letter. Start a postcard barrage. Join the lobbying caravan to Washington. Tell sad stories about lost jobs and heart-sick people to reporters. Drop references to campaign support, past and future. Organize a protest group and call in the media. And, of course, send money to lobby headquarters.

How does a Congressman say no?

Manipulated by a good lobbyist—and a nation of special interests is also a nation of lobbyists—a member of Congress who votes for cutting the budget is not only going to feel like Santa Claus refusing to give toys to good little girls and boys, but also like a racist, a bigot, and a boor.

He needs a "but . . ." he can believe in.

Already, black organizations are planning to coordinate their anguished objections to the Reagan proposals. A broad-based coalition is being formed to oppose cutbacks in food stamps—in public lamenting the effects on the poor and in private also admitting concern about administrative jobs. And assorted Democrats and liberal spenders in Congress are attacking the whole philosophy of the Reagan economic plan.

The "but . . ." has to be convincing not only to members of Congress, but also to their constituents.

Maybe the Reagan program will work. Maybe enough members of Congress can read a "but . . ." into election results to hold out against those who oppose the spending cuts. Maybe they are concerned enough about an uncontrollable federal budget and runaway inflation to write their own convincing "but . . ."

It's too soon, however, to count on it, even to the goodwill glow of a new administration. Historically, taxpayers have been no match for special interest groups and now the special interests are descending on Congress in hordes.

If Congress can't bring itself to cut federal spending significantly, it may be time for some other "but . . . s." Taxpayers in Michigan flirted with one of them last week in short-lived but widespread protest against high taxes. Future protests may be harder to quell.

Members of Congress should also be reminded that 29 out of the necessary 34 states have voted for a constitutional convention to draft an amendment limiting federal spending. There are lots of problems and objections to the idea. But the Constitution was intended, originally, to protect our freedom from unnecessary encroachment from government. What could be more logical than adding an amendment to safeguard our right to a reasonable portion of our own earnings from a confiscatory government? That would be a "but . . ." that would work.●

NATIONAL EMPLOY THE OLDER WORKER WEEK

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. WEISS. Mr. Speaker, many ill-founded assumptions exist today concerning the feasibility and desirability of hiring older workers.

The net impact is that many workers in their forties, fifties or sixties are discovering that advancing age is a serious employment barrier.

Yet, these individuals have much to offer employers. They are less likely to be absent from work than younger persons. They usually have more on-the-job experience. Their productivity compares favorably with younger individuals.

Several independent studies also reveal that older workers perform as well on the job as their younger counterparts, and in some cases noticeably better.

However, major educational efforts are needed to inform the public—as well as private and government employers—about the true capabilities of middle-aged and older workers.

This takes on added importance and timeliness because the week of March 8 is National Employ the Older Worker Week.

Several private organizations representing older Americans and government agencies will sponsor appropriate ceremonies and information campaigns to alert employers about the many benefits of hiring mature workers.

As a Member of Congress, I have had a very keen interest in promoting employment opportunities for middle-aged and older workers.

I have always maintained that functional capacity—not chronological age—should determine whether a person is hired, fired, promoted, or demoted.

Our Nation will never achieve its full potential if some of its most productive citizens are relegated to the sidelines. A job should not be off limits simply because an individual's hair is graying at the temples.

Age-ism is just as vicious and self-defeating as other forms of discrimination because it robs our Nation of the skills and talents of productive citizens. It also denies them an equal opportunity to participate fully in our society.

Much more can be gained from an effective national policy to maximize job opportunities for all Americans.

I want to reaffirm that I shall continue to work for enactment of legislation to increase employment opportunities for all persons, whether they are young or old.

For these reasons, I wish to commend the national organizations and government agencies that are participating in National Employ the Older Worker Week.

I sincerely hope that the goodwill derived from this campaign can be translated into a long awaited national employment policy for older workers.●

U.S. INTERVENTION IN EL SALVADOR

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. STOKES. Mr. Speaker, thank you for this opportunity to address my colleagues in the House about the situation in El Salvador and the potential ramifications of continued U.S. involvement in that country. This situation is on the minds of not only Americans but on the minds of people throughout the world. Accordingly, it is time that we pause to take a close look at exactly what we are doing in El Salvador.

Many high ranking U.S. officials put forth the notion that the internal political struggle in El Salvador is actually a fight for control between the forces of capitalism through the regime of Duarte and the alleged Communist guerrilla forces. Therefore, as the champion of a free society, we are dutybound to act as a knight in shin-

ing armor and stave off the Communist forces.

But, Mr. Speaker, this is a myth and accordingly our efforts are misguided.

To set the record straight, first of all, we have no concrete proof that the leftist guerrillas who are fighting the Government are indeed backed by Cuba or another Communist force. Instead, what we have are innuendoes and allegations from the administration. To this date, no concrete proof has been provided to the American people to substantiate our position.

Second, the struggle in El Salvador is a political one. Thus, no external force—not even the United States—should intervene in El Salvador.

Nonetheless, this country has put forth what we deem a solution by providing millions of dollars of economic aid and military equipment to Duarte's regime in El Salvador. Increasing our level of visibility and involvement in El Salvador, just last week we sent high ranking military advisers to meet with their counterparts in the Duarte regime.

Mr. Speaker, all of this has been done in the name of keeping a democratic society intact in El Salvador while serving the best interest of the people. But, I submit, Mr. Speaker, we are actually hurting the people in El Salvador more by our preoccupation with the struggle.

Mr. Speaker, what we are witnessing in El Salvador is the inability or unwillingness of the Duarte regime to control that country's armed forces. As a result, under the guise of rooting out the leftist guerrilla forces, innocent people throughout that nation are brutally killed or raped and villages are pillaged.

There is documented proof that the atrocities I just stated are regularly committed with guns, grenades, and other weapons supplied to the Duarte regime by the United States. Mr. Speaker, more than 9,000 people were killed in El Salvador during the past year and to my knowledge, no arrests have been made.

Mr. Speaker, I ask my colleagues if we can really cloud the issue or hide from the truth by saying that we are intervening only because we are helping the people of El Salvador. We are actually indirectly killing and bringing havoc to the people of El Salvador. This must come to an end.

Mr. Speaker, I have just read an article written by Mr. Darrell Holland in the Cleveland Plain Dealer. This article puts the situation and the actual impact of U.S. aid to El Salvador in the proper perspective as well as the root cause of the trouble in El Salvador. At this time, Mr. Speaker, I would like to insert this article in the RECORD.

WASHINGTON MISSES ROOT CAUSE OF EL SALVADOR STRIFE

It is unfortunate that the reports from Washington this week about U.S. policy in El Salvador have included few expressions of concern about the suffering of the poor there.

President Reagan and State Department officials have apparently made up their minds that the social and political upheavals in the tiny Central American nation are simply a classic contest between communism and capitalism.

If the Reagan administration really wants to know the root causes of the conflict in El Salvador, it should ask missionaries working there.

The missionaries would tell the administration about the slave-like conditions of the poor and that the root cause of the conflict is the unjust social system under which the poor are nearly destroyed, while a few live in luxury.

The best, and most merciful, solution to El Salvador's civil strife is a political settlement between the right and the left that would contain provisions for social, political and economic reforms to improve living conditions for peasants.

In the long run, it will make no difference whether the right or the left wins the present conflict, or whether the United States is successful in propping up an unjust rightist government for a few years.

A permanent and stable Salvadoran government must be constructed on principles that narrow the gap between the rich and the poor.

Anything short of that will only create conditions for another revolutionary situation in a few years.

But the Reagan administration appears to have decided otherwise. It is sending military aid to the Salvadoran government and has strongly warned the Soviet Union and Cuba to stop sending arms to rebels there.

The Salvadoran government, dominated by rightists and the wealthy, has done little to control the violence from the right wing factions against the poor. About 10,000 people were killed last year.

Indiscriminately, the right has unleashed its weapons, and the army which it controls, against innocent peasants, while attempting to run down the guerrilla forces that are attempting to overthrow the government.

If the United States supplies more weapons to El Salvador, it will result in death for more innocent people caught in the conflict between right and left, but will do little to deal with the social causes of the unrest.

The Jesuit-published America magazine rightfully suggested in a recent editorial that it is simplistic to view the conflict there as primarily an encounter between the United States and the Soviet Union.

Regardless of soviet or cuban actions in supplying arms to the guerrillas, El Salvador is one of the most unequal states in the world. It is fertile ground for Marxism or any other political system that offers freedom from poverty and despair among the poor.

Archbishop Arturo Rivera Damas, the Roman catholic leader in El Salvador, has asked all other nations, including the United States and Marxist countries, to stop shipping arms to his country.

The solutions to the problems of El Salvador, Rivera Damas has said, will not come from military action, but from "social reforms of a structural kind."

Of course, the Reagan administration likely would dismiss the archbishop's words as an example of a priest meddling in politics, an activity for which clergymen and nuns have been strongly criticized by a State Department official.

Ernest W. Lefever, assistant secretary of state for human rights and a Presbyterian clergyman, reportedly said this week that some priests and nuns have overstepped their bounds in getting involved in political struggles in Latin America.

Without offering any proof, Lefever said nuns have hidden machines guns for insurgents.

With that charge, Lefever has smeared the reputation of countless American missionaries, including 10 from the Cleveland Catholic Diocese, who have been working in El Salvador to serve the spiritual needs of the people and to awaken in the people yearnings for a more just existence.

Lefever's charge also besmirches the memory of the four Catholic missionaries, including two from Cleveland, who were killed Dec. 2 in El Salvador, almost certainly by rightists.

The four were killed because the right wing, the ruling oligarchy, believed they were involved in political activity when the missionaries helped victims of the conflict.

The murders are still unsolved, despite an investigation by Salvadoran authorities, who were assisted by an FBI team that went to El Salvador.

U.S. officials have declined to release results of the investigation. It can be surmised that their refusal to do so is because the report suggests that security forces of the U.S.-backed Salvadoran government are responsible for the missionaries' deaths.

Such a disclosure would be very embarrassing to both the United States and El Salvador. It would probably also stir up U.S. public opinion against Reagan's policies in Central America.●

BREAKFASTS IN WHITE HOUSES

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. KILDEE. Mr. Speaker, a few days ago a verbal exchange of ideas took place in the House Subcommittee on Elementary, Secondary, and Vocational Education of which I am a member.

We had before us as witnesses representatives of vocational education, industry, and business. We were discussing the administration's budget cut recommendations in education.

A colleague had just finished describing to the witnesses a breakfast at the White House that morning with other Republican freshmen, President Reagan, and David Stockman. Our colleague informed our witnesses of the breakfast conversation which described the budget cutting imperatives, including the necessity, according to the administration, of cuts in education.

In his turn, another colleague, Congressman PAT WILLIAMS of Montana, gave a response which I want to share with the Members of this House.

Mr. WILLIAMS' statement follows:

Mr. Chairman, unlike our Republican colleague, I am neither Republican nor a freshman. I congratulate our colleague for being both; but like our colleague, I, too, was late for this hearing. Like our colleague, I, too, was at a breakfast at the "white house," my "white house," having an overly lengthy breakfast with my wife.

Let me tell you, my wife is genuinely furious. Because she is a former teacher and because she and I enjoy our three children who are in school now, she is genuinely furious that this Nation is considering the abandonment of its long commitment to education. She reminded me this morning in our "white house" breakfast that the importance of education was present at the birth of democracy in ancient Athens, in the persons of Socrates, Plato, and Aristotle; and that it was present again at the birth of our Republic in the person of Thomas Jefferson, her particular hero.

She understands that excellence in education is costly; but she and I know, as others have stated before us, that war is not won on the missile launching pads. It is won in the little school huts with thatched roofs in the back jungles of Brazil.

Crime is neither cured nor prevented in prisons. It is prevented in Head Start and in the first and the second and the third grades and in junior high school.

She understands that employment will not be reduced by what happens down at OMB. It will be reduced because this Nation will maintain and expand its long commitment to preparing people for jobs.

Now, I invite the Republican freshmen, and David Stockman, to come to my house for breakfast.●

GAO STUDY CITES CARTER ADMINISTRATION AS CAUSE OF SLOW OCS PRODUCTION

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. FORSYTHE. Mr. Speaker, over 1 year ago I requested a series of four studies from the General Accounting Office identifying delays and hindrances to the leasing, exploration, development, and production of energy resources owned or controlled by the Federal Government. Two of these four studies have just been released and GAO has found that the major impediments to increasing, or maintaining, current levels of domestic oil and gas production have been the arbitrary policies and practices of the Carter administration.

Those of us that have been involved in this issue for the past several years are well aware of the impact the past administration has had on our domestic energy picture because of the implementation of personal political policies that went far beyond the dictates or requirements of any statute or court order.

I need not go into any great detail outlining the energy problems this Nation faces. Everyone is aware of the precarious position we are in as pertains to our inordinate dependence and resultant vulnerability on foreign nations for such a great percentage of our domestic oil needs.

Last year, I introduced House Joint Resolution 573—Senate Joint Resolution 184—which was sponsored by the Republican leadership in the House and Senate, as well as two House Democrats. That joint resolution, by eliminating the arbitrary leasing, land use, and permitting policies of the executive branch, would open access to the abundant domestic energy and strategic and critical material resources, thereby making it possible to more than double the domestic production of oil and gas within the next 18 to 20 years. The provisions of that resolution would accomplish this end simply by forcing the executive branch to obey the dictates of our statutes and court orders. That resolution also would not change a single statute or court order.

This increase in domestic production is possible because the Federal Government in the name of the American people has become the owner of over 85 percent of this Nation's remaining oil, 85 percent of our remaining tar sands, over 40 percent of our remaining natural gas, and various high percentages of our other energy and strategic and critical material resources. Therefore, the executive branch has complete control over the leasing, exploration, and production of these energy resources. By discontinuing the practices of the past administration of implementing personal political policies not contained in any law, many of our energy problems could be solved.

These most recent GAO studies put the primary blame for delays and hindrances in the Outer Continental Shelf postlease activities on the Environmental Protection Agency, the Department of the Interior, and the Army Corps of Engineers. These reports also point out that the issuance of some OCS permits that could take no more than 30 days have taken up to 2 years. Another example of delays concerns the Corps of Engineers permits for fixed structures and dredging operations that take 150 days to be issued. The report also points out, "although the legislative and regulatory requirements are extensive," the agencies generally do not actively monitor, enforce, or even evaluate their effectiveness.

It is also interesting to note that the GAO found, after a full year of investigations, that industry had developed a credible record in the pursuit of oil and gas on the Outer Continental Shelf.

In this last report the General Accounting Office makes numerous recommendations, the following of which are just a few: First, we must improve the quality and timing of environmental reviews by the Department of the Interior, and others; second we must speed up the issuing of permits by the Environmental Protection Agency and the Army Corps of Engineers; third, we must monitor, enforce, and evaluate the effectiveness and real need for various regulatory requirements; and fourth, we must take certain legislative initiatives such as the establishment of a reasonable time within which all Federal agencies, particularly the Department of the Interior, shall complete approval and issue permits.

Mr. Speaker, I anxiously await the final two General Accounting Office reports because, as has been the case with the first two studies, I am sure they will supply further evidence of the negative impact the nonelected bureaucrats have had on the welfare of our American citizens.●

STOP THE SALE OF ADDITIONAL AIR POWER TO SAUDI ARABIA

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. LENT. Mr. Speaker, I am saddened and dismayed by the weekend announcement from the Reagan administration that it intends to allow Saudi Arabia to procure military equipment that would drastically increase its offensive air strength.

The President and his advisers are offering the Saudis one of the most sophisticated air-to-air missiles, the AIM-9L, along with auxiliary fuel tanks which will more than double the range of the highly sophisticated F-15 fighter planes which the Carter administration mistakenly permitted the Saudis to purchase in 1978.

Mr. Speaker, I totally opposed the sale of the F-15 fighters in 1978, and I totally oppose the sale of this additional military equipment today.

In announcing the decision, a State Department spokesman cited as justification for the sale "the serious deterioration in security conditions in the Middle East-Persian Gulf region." My grave concern, Mr. Speaker, is that this proposed sale will contribute to the deterioration in security conditions in that volatile region, rather than curb it. Let me outline my reasons for stating that.

First of all, the additional offensive weapon capability will not improve the security of Saudi Arabia, already threatened by internal stability. In fact, it could well exacerbate tensions throughout the Middle East by upsetting the delicate balance of military capability there. With the auxiliary

fuel tanks, Saudi Arabian F-15's, operating from any base in Saudi Arabia, could hit any target in Israel. Furthermore, Egypt, Iraq, and Iran would also come within range of Saudi air attack. Couple this added range with the most advanced air-to-air Sidewinder missile—the sophisticated AIM-9L—and you have a deadly new combination which can only increase tension, suspicion, and uneasiness in the volatile Middle East. This sale not only is contrary to the best interests of the United States and Israel, it is contrary to the best interests of Saudi Arabia.

Second, this sale of arms will do little or nothing to strengthen the Arab-Israeli peace process or to moderate the punitive oil policies of the Saudis. Remember, 3 years ago we heard assurances that we would reap great foreign policy benefits from the sale of the F-15's. Yet today, Saudi Arabia remains just where it was then—a leading opponent of the Camp David accord. Today, Saudi Arabia continues as a leading supporter of the OPEC nations' oil cartel—a cartel which has more than doubled the price of its crude oil in the past 3 years.

Such are the rewards of appeasement. And believe me, Mr. Speaker, it is painfully clear that the world will regard the sale of these offensive weapons to the Saudis as appeasement in the face of Saudi threats to reduce oil production.

Third, the proposed sale would add a new, totally unnecessary burden to Israel's defenses. Israel is our one reliable ally in the Middle East. Why add unnecessary strain to this one reliable bastion guarding American interests in this critical area of the world?

Last, Mr. Speaker, this proposed sale violates a most solemn commitment made by the U.S. Government to the Congress and to Israel. In 1978, the U.S. executive branch gave written assurances to us in the Congress that this additional offensive equipment for the F-15's would be withheld from Saudi Arabia. Assurances also were given to Israel. It is terribly disheartening to see these solemn assurances thrown aside.

Mr. Speaker, we in the Congress must take action to prevent this sale. Today, I am introducing legislation forbidding the sale of this additional war material to Saudi Arabia. I urge my colleagues to support this resolution in the best interests of the United States, and in the best interests of the Middle East.

We must prevent the President and his foreign policy advisers from making this serious foreign policy error.●

THE ECONOMY IN THE 1980'S

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. MURTHA. Mr. Speaker, President Reagan has presented Congress with a strong, dramatic economic program. It is now the duty of Congress to review that plan, improve it where we can, and help the President forge a united economic policy. There has already been enough rhetoric, now it is time to get down to developing firm plans.

We have come through a roller coaster ride of economic ups and downs in the 1970's. Now, we must stabilize the economy to protect our citizens and our national strength. As great as our defense strength must be, so too must our economy be strong to lead the free world and offset Communism's economic influence. There is no doubt we face a most difficult task in stabilizing the economy and this must remain a national priority.

In the next few paragraphs, I want to look at some of the key areas of Government economic policy. In too many cases in the 1970's we lurched from crisis to crisis, without a blueprint or clear plan of action. What we need now is to pull all the parts together into a coherent plan, recognizing the economic factors the Government can affect, and leaving what we cannot influence to private industry and market forces.

SPENDING

I congratulate President Reagan for focusing needed attention on the Federal budget. We must control the growth in spending, move to a balanced budget, and then make sure we retain budget control.

In my years in Congress, I have voted for over $75 billion in budget cuts. I hope we can achieve cuts this year at the $40 to $45 billion level recommended by the President, although I think there will have to be some additions and subtractions in his suggestions.

I have again cosponsored a bill with Majority Leader JIM WRIGHT of Texas that would require a balanced Federal budget in the future and provide a legislative mechanism to insure it is balanced. We cannot reach a balanced budget in 1 year's time without causing severe economic problems, but we can reach it within a few years—the President's goal is 1984—and when we reach it, we must stay there.

TAXES

I believe we should control Federal spending before moving to a personal income tax cut. I do not think we should consider the administration's plans for a $54 billion personal income tax cut in conjunction with a budget that will still be $45 billion in the red even with the Reagan budget cuts.

I think the one tax step we should take in the near future is passage of the so-called Jones-Conable bill—which I have cosponsored—which will provide an incentive for business to expand, increase productivity, and create more jobs.

In the future on personal income taxes, I think there are two keys to guide us. First, we want to find a way to finance social security over the long haul without continually adding to the social security tax. Second, we need to refocus on tax reform. We have lost the momentum toward strong reform of the tax system, but there remain loopholes and unfair advantages which Congress should remove.

ENERGY

No economic plan is going to succeed without a strong, workable national energy plan. It is ironic, that on the same day President Reagan announced his budget cuts which could reduce inflation by up to 0.5 percent, eight OPEC oil ministers met and agreed on a $2 a barrel increase in the price of oil which would immediately wipe out the inflation savings of the budget cut, and eventually add as much as 1.1 percent to inflation.

Energy prices created as much as one-fourth of the inflation of the 1970's. I think there are several steps to stress in national energy planning:

First, continue the conservation effort which has been largely responsible for reducing our oil imports by 1 million barrels a day.

Second, make coal—our most plentiful domestic energy source—a cornerstone in energy policy and stress the development of synfuels for the later part of the decade.

Third, make sure we can use the nuclear power we have safely and with the confidence of the people; without the electricity being produced at the 70 online nuclear plants, we would need 1.3 million barrels of additional imported oil.

Fourth, we must continue to stimulate research and development of options such as solar power, and energy from the wind and oceans; these are our best hopes for the future.

Where private industry can do the job, it should. We must acknowledge, though, that many areas simply are not going to move as quickly as they must unless the Government pushes them.

And push we must. My major economic concern to this point in the Reagan administration has been a lack of attention coordinating an energy policy. I think this must be their next priority. We are still vulnerable to a cutoff of oil from the Mideast at any time. A professor at New York University estimated what the economic

impact of such a total cutoff over 6 months would be:

First, 16 million Americans would be laid off, raising unemployment to close to 25 percent, 1 out of every 4 Americans out of work.

Second, households would have an average of $3,000 less in disposable income to spend after payment of taxes.

Third, the Nation's gross national product would be reduced between 15 and 25 percent.

Fourth, all automobile traffic would be cut in half.

We cannot afford to have our economy remain that vulnerable to arbitrary decisions made by foreign governments.

REGULATIONS

Everyone loves to criticize Federal regulations, and many of them certainly deserve that heavy criticism. Some regulation is needed to insure fairness and the proper administration of the laws.

What we need is some commonsense applied to regulations. We need to keep them simple. Also, I would make two suggestions. First, each new regulation should include an economic impact statement on business and individuals so we know the effect. Second, the White House should review all regulations coming from administration agencies so there can be a coordination of policy priorities. In Congress, we need to make certain regulations do not go beyond the intent of Congress so they become laws within themselves.

There are not great economic savings in better regulations, but they can produce a greater sense of fairness, show the Nation our economic concern, and indicate that Washington regulations need not interfere with every aspect of life in America.

EMPLOYMENT

I believe we need a jobs policy aimed at economic "hotspots." These are sectors of the economy so vital to our stability and national growth that we cannot allow them to falter.

As examples, there must be a Government plan to stabilze the rubber, rail, and steel industries because they are vital to national defense. In addition, America's economy will only be strong when the coal, auto, and housing industries are sound because of their huge employment and national growth impact. We need to shape policies aimed directly at these industries that provide a mix of incentives, easing of Federal regulations, and Government assistance to make certain these areas of the economy are strong and growing.

INTEREST RATES

Maybe no single economic factor aside from energy has damaged the economy so much as high interest rates. They prevent business from investing, and prevent individuals from buying homes, cars, and other stables of economic growth.

Interest rates will follow inflation downward, but in the interim there are a couple steps Congress can take. New ways must be found to insure that the President, Congress, and the Federal Reserve work together to coordinate policy. We can only succeed by going ahead together. Also, the Federal Reserve should annually report on how monetary targets have been selected, a step which will add to stability and certainty in financial markets.

PRODUCTIVITY

Industry's output per worker-hour, popularly known as productivity, has declined from 3.1 percent growth from 1948 to 1968, to 2.2 percent from 1968 to 1973, and now to only 0.8 percent since 1973. Part of what this reflects is that industry is not investing in remodeling their plants, they are not undertaking new projects; instead of adding to productivity, they are hedging their investments. That is understandable in today's economy. Those productivity figures, though, must be reversed and that can be aided by the lowered interest rates, tax incentives for investment, and reasonable, consistent regulations outlined here.

In conclusion, I want to note that in many ways the last decade proved just how great and strong a nation we have. Despite our economic uncertaintees, four different President administrations, the oil embargo of 1974, and other potentially disastrous impacts, we have emerged as a nation united and committed to the 1980's. By putting together this type of economic planning, I believe the 1980's will see us stronger and healthier than ever, as a nation and in our personal economic lives.●

TRIBUTE TO GLADYS NOON SPELLMAN

HON. GERALDINE A. FERRARO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Ms. FERRARO. Mr. Speaker, it is with great respect and sadness that I join my colleagues in paying tribute to Representative Gladys Noon Spellman.

Last week's vote to vacate Mrs. Spellman's seat was, for me and many other Members who know Gladys well, an act heavily weighted with regret. It would have been far more satisfying emotionally to have fought the resolution, to have fought to keep the seat open for Gladys' return. But ultimately, the guiding principle of Gladys Spellman's political career was the best reason for voting to vacate the seat.

Gladys has dedicated her life to serving the public. It has been said that she had the best constituent service operation ever seen on Capitol Hill. She would have strenuously objected to leaving her constituents without representation. As the Washington Post said in a recent editorial praising Mrs. Spellman:

> To have watched Mrs. Spellman on the campaign trail, on the phones, in the schools or up and down the aisles and office hallways of Congress was to see a woman obviously reveling in her work and loving her constituents.

And she brought all her zest and enthusiasm to her legislative work as well. Having served with her on the Committee on Post Office and Civil Service in the 96th Congress, I can say that no Member showed greater dedication and hard work, or provided better service to her people, than Congresswoman Spellman.

As much as any other person's, Gladys Spellman's career epitomizes the strength and ability of the women in this country who are begining to move into the top ranks of government and business. Before entering public life in 1962, Glayds taught in the Prince Georges County Public School System. By the time she left to enter public life, she had become president of the County's Council of PTA's.

In 1962, Gladys was elected to the board of county commissioners, the first woman ever elected to that body in Prince Georges County. As a matter of fact, Gladys' career is a series of "the first woman this" and "the only woman that". She was reelected in 1966, served as board chairman, and when Prince Georges County adopted its charter in 1971, she was elected councilor-at-large.

In 1972, Gladys served as president of the National Association of Counties; again, the only woman ever to have held the post. In 1974 she was elected to Congress with 53 percent of the vote. Since then the voters of Maryland's Fifth District have shown exceptional judgment by reelecting Gladys every 2 years by constantly increasing margins.

For 6 years, Gladys Noon Spellman has served as a model of a devoted, conscientious, and, above all, effective Member of Congress. As her friends, we will all miss her personally. The people of her district and of the Nation as a whole will miss her contributions to our Government. My prayers go out to her and to her family for her speedy and complete recovery and her quick return to this House.●

THE SIZE OF THE FEDERAL GOVERNMENT

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. WEISS. Mr. Speaker, it is popular now to base calls for cutting the Federal budget on the overgrown size of the Federal Government. A column which recently appeared in the New York Times refutes the claim that the Government has grown beyond its manageable limit.

The author of "An Oversized Nonissue," documents the fact that the Government is not significantly larger today than it was two decades ago. Citing key facts such as the number of Federal employees on payroll, the percent of our gross national product which comes from taxation, and the amount of Federal outlays compared to GNP, this column shows that the Federal Government has not expanded as many advocates of budget cutting claim.

The column which follows merits the attention of my colleagues. I urge them to consider and remember the facts presented in this column as Congress works with President Reagan's budget proposals.

[From the New York Times, Feb. 24, 1981]

AN OVERSIZED NONISSUE

(By Zahid Shariff)

CHICAGO.—The political agenda, it is reasonable to believe, is so cluttered with pressing and important issues that nonissues recede into oblivion. Not so. Consider the persistent interest in the size of the Government. Richard M. Nixon and Gerald R. Ford promised to get the Government off our backs and out of our pockets, Jimmy Carter ran against Washington, and Ronald Reagan has identified Government as the problem.

The underlying assumption of this orthodoxy is that the Government is too big and that it has expanded too rapidly. Now that drastic steps are being undertaken with a view to addressing this alleged issue of "big government," let's review the record since 1968—that is, for the years that it has appeared consistently and prominently on the political agenda.

Though there is no single method of measuring the size of the Government, bureaucracy may be viewed as an indicator. The Federal bureaucracy is widely believed to be busily multiplying itself; in fact, one of Mr. Reagan's first acts was a hiring freeze. However, the fact is that the number of civilian Federal employees was 2.9 million in 1968 and 2.8 million in 1980.

Or take Federal spending. It includes the "boondoggles," cost overruns, "uncontrollable" entitlements, and "give-away" programs. Surely they explain why the economy is out of control. Or do they? In 1968, Federal outlays constituted 21.5 percent of the gross national product and in 1980 they were 22.1 percent.

If nothing else substantiates the popular faith, certainly the frequently heard cries about the ever-bigger tax bite will. Again, the figures do not fully justify the screams of distress. In 1968, the Government took in, from all receipts, 18.5 percent of the gross national product, and in 1980 the figure was 19.8 percent.

Those who seek complexity are bound to find or create it. The defenders of the faith have suggested some adjustments to refine the data on the size of the Government. Prominent among their arguments are these: The exclusion of off-budget figures from the Federal budget artificially lowers the volume of Government spending; the costs of many regulations do not appear in the budget, since they have been pushed on to local and state governments, consumers, and producers, but their impact is often indistinguishable from the raising of taxes; extensive use is made of consultants even though they do now show up in the figures for civil service personnel. The effect of these adjustments, in sum, clearly adds up to an expanded public sector.

However, final judgment would have to be withheld until at least another set of adjustments has also been considered. Among them, these are important: The full fiscal impact of Government spending should be seen in relation not to the current gross national product but to a full-employment or nonrecession G.N.P.; the figure for Government spending should be lowered to the extent that the prices of things that the Government buys increase at a faster rate than those that households buy; the size of the G.N.P. should be revised upward to include the value of goods and services that are produced but not reflected in it—in other words, there should be adjustment for the "underground economy."

When the impact of both sets of adjustments is carefully calculated, the conclusion that will unequivocally emerge is that the size of the Government has shrunk.

The obsessive fear of big government among Americans is profoundly ironic for additional reasons. The rate of national public spending and taxation is considerably lower in the United States than in any of the Western European democracies. That notwithstanding, state and local tax revolts are spreading and 29 of the necessary 34 states have asked the Congress to call a constitutional convention for the purpose of proposing an amendment to limit Federal expenditures as well. Furthermore, in view of the hysteria concerning the Government's role in supposedly bankrupting the country and mortgaging the future, it is appropriate to mention that particularly high government spending and taxing policies in democratic countries is not consistently related to either slower growth or higher inflation.

Well, maybe it is not the taxes and Government spending that are the problem. Perhaps it is the deficits. Contrary to popular belief, however, actually there is no overall fiscal deficit in America when the money spent and revenue collected by all governmental units—there are about 80,000—are taken into account. Nor has it been established that it is the deficits at the Federal level that cause inflation even though that continues to be stated with solemn conviction.

Thus, a real problem to explore is why a nonissue continues to get so much attention. Perhaps there is a kind of Gresham's law at work, according to which nonissues drive out the real ones.●

VOCATIONAL TRAINING PROGRAM FOR VETERANS OF THE VIETNAM ERA

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. DASCHLE. Mr. Speaker, recently released Department of Labor statistics show that over 500,000 Vietnam veterans are now out of work. This figure is an increase of over 150,000 from 1 year ago and is indicative of the continuing struggle Vietnam veterans are facing in finding employment. Though many of these people undoubtedly may never find suitable employment, I am deeply concerned that every opportunity be given to those that can and do desire to find work.

Previous efforts to train and employ Vietnam veterans have largely been a failure. The most notable examples have been the HIRE I, HIRE II, and CETA programs which have all fallen far short of their veteran employment goals. Of the major programs to employ and train veterans, only the VA administered on the job training program (OJT) has met with genuine success. From a high of 212,000 in 1974, over 500,000 veterans have utilized the OJT program to train for employment purposes.

As a result of the continuing high unemployment rate in Vietnam veterans I am introducing legislation that would address this problem by authorizing educational assistance for a Vietnam veteran to pursue a program of on the job training or a program of education with a vocational objective. These benefits would be available to any veteran identified by a counselor at a readjustment counseling center, State employment office, veteran's assistance office, or a Veterans' Administration medical facility to be in need of educational assistance. A veteran would be eligible whether or not he has been delimited.

There are definite advantages to my approach. One is that this program is designed to work within the existing framework of the VA's OJT program. The OJT program as I have already stated, has been tremendously successful. A VA study has revealed that the OJT program has the highest completion rate, 85 percent, and placement rate of any program designed to train or employ Vietnam veterans. This study also shows OJT graduates with increased earnings over their counterparts and states that 95 percent used their OJT training in their job.

Mr. Speaker, another issue that needs to be addressed is the budgetary impact this program is likely to have. At this time, I wish to assure my colleagues that this program is designed to fit within the parameters of what

we all know will be a tight budget. No additional bureaucracies will be created as all the functions that will need to be performed in this legislation can be handled in existing VA programs. This will also eliminate the need for expensive outreach efforts, administrative overhead, and additional personnel.

Probably, the most important aspect of this legislation, however, is that it is essentially targeted to those Vietnam veterans that are visiting the recently established psychological readjustment—vet—centers. Data compiled on the program reveals that 23,000 or 48 percent of the veterans visiting the vet centers list employment or vocationally related difficulties as a major impediment to their successful rehabilitation. Unfortunately, the counselors at the vet centers have had little to offer or refer them to. This legislation would be an important conduit if this situation is to be addressed.

Finally, Mr. Speaker, my legislation is but a modest effort to help those Vietnam veterans who for one reason or another remain unemployed. These men have given the prime of their lives to this country and deserve all the help we can realistically provide them. Though our past efforts have been in good faith, a significant number of veterans have slipped through our fingers unassisted. These are the men now visiting the vet centers, many of them still trying to sort out their lives. Time is short and I believe that this bill is a last opportunity to show our desire and willingness to bring these men back into the mainstream of society. I sincerely hope that my colleagues will be able to join me in supporting this legislation.●

FLINT JOURNAL EDITORIAL ON EL SALVADOR

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. KILDEE. Mr. Speaker, the crisis in El Salvador has drawn much concern and attention lately, and I would like to share with my colleagues a recent newspaper editorial which I considered particularly timely, insightful and precise. The editorial was written by Edgar E. Backus, an editorial writer for the Flint, Mich., Journal, and published on March 2, 1981. The editorial follows:

HELP EL SALVADOR, BUT NOT WITH GUNS

The American people voted for stronger leadership when they overwhelmingly chose Ronald Reagan in last November's election. Since Reagan moved into the White House, he has been trying to respond to that expectation.

Reagan has been forceful in his approach to foreign policy, but with mixed results. There is a legitimate concern that Reagan is overreacting to the El Salvador insurgency, reaching for outmoded "cold war" strategies that were tested in Vietnam and found wanting.

Why should the United States send military advisers and increased military aid to a tiny coffee bean republic? Is it necessary to risk American prestige and leadership by interfering in the affairs of this strife-torn country?

Gunboat diplomacy worked for Teddy Roosevelt. But these are different times. People have not forgotten the Vietnam tragedy, nor should they. They still remember how it all began, with John Kennedy's domino-theory justification of our involvement in another tiny country, Laos. Once again an American president is asserting the right to intervene in a civil war, contending that U.S. vital interests require it.

One of our concerns when The Journal endorsed Reagan for president was his tendency to view world events in terms of the Soviet-American contest. It was our hope that the presidency would broaden his understanding of the complexities of Third World tragedies like El Salvador. Perhaps Reagan is learning that the perceptions he brought to the presidency do not necessarily coincide with what is really happening. We hope so, because it is important that a president be flexible as well as strong.

The State Department and the Pentagon have gone to great pains to demonstrate that the Russians and Cubans and other countries in the Communist Bloc have been exploiting the bloody conflict in El Salvador, supplying arms via Nicaragua and Honduras.

This is indeed a matter of concern. The Reagan administration is right to bring it to world attention. And, of course, this country has an obligation to encourage peace and stability in El Salvador. More than 13,000 have died in the brutal fighting there, including American citizens. But is increased military involvement necessary to achievement of this goal?

The need for continued military assistance is questioned even by members of the governing junta. El Salvador's defense minister is on record as saying the U.S. is overestimating the leftist military threat. What the junta is urging is that we provide increased economic aid, which they believe can serve as a catalyst for a political solution.

El Salvador's forces recently defeated the guerrillas in a major confrontation, making the Reagan administration rationale exceedingly suspect. It seems that Reagan is buying the Pentagon line without question, risking much credibility on an assumption that we can impose a military solution in a country stalked by terrorists of both the right and left.

A wiser course would be to concentrate on economic assistance, carefully monitoring the junta's efforts to restore stability. A return to gunboat diplomacy can only further taint efforts to improve Uncle Sam's image in Latin America.●

BIRTHDAY OF TOMAS G. MASARYCK

HON. JAMES L. NELLIGAN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. NELLIGAN. Mr. Speaker, I wish to note that March 7 was the anniversary of the birth of the founder and first president of Czechoslovakia, Tomas G. Masaryck.

Masaryck distinguished himself in the eyes of his countrymen and the world through his achievements as an educator, patriot, and statesman. His contributions to the people of Czechoslovakia spanned many years and many fields.

Because of his work as a professor of philosophy at the Czech University of Prague, Masaryck was elected to the Austrian Parliament where he was known as a defender of minority rights. His advocacy of an independent Czechoslovakia led to charges against him of high treason, forcing him into exile.

Masaryck continued to advance his cause, and traveled throughout the free world seeking support. His goal was realized when, in 1918, the Republic of Czechoslovakia was recognized by the Allied powers. Masaryck became the first President of the new nation, a position he held through three reelections, until he resigned due to poor health.

Tomas G. Masaryck devoted himself to the service of others as a teacher and a leader. His dedication to the ideals of freedom and independence serves as an inspiration to those who live in the shadow of oppression.●

COTTER PLAN TO INCREASE SAVING FOR RETIREMENT

HON. WILLIAM R. COTTER

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. COTTER. Mr. Speaker, I have been developing a plan to increase saving for retirement by increasing the maximum contribution limit on individual retirement accounts, and expanding the number of individuals eligible to open these accounts. I am placing a general explanation of my bill, H.R. 2346, at this point in the RECORD.

COTTER PLAN

PRESENT LAW

An individual generally is entitled to deduct the amount contributed to an individual retirement account or individual retirement annuity, or used to purchase retirement bonds (referred to collectively as "IRAs"). The limitation on the deduction for a taxable year is generally the lesser of 15 percent of compensation for the year or $1,500. The $1,500 contribution limit is increased to $1,750 for a spousal IRA for a year where (1) the contribution is equally divided between an individual and the spouse of the individual, and (2) the spouse has no compensation for the year. However, no IRA deduction is allowed for a taxable year to an individual who is an active participant during any part of the year in a tax-qualified pension, profit-sharing or stock bonus plan, a tax-sheltered annuity,

or a governmental plan (whether or not qualified).

Many qualified plans provide for contributions by both the employer and the employee. In some cases, the employee contributions are mandatory (i.e., required as a condition of employment, as a condition of participation in the plan, or as a condition of obtaining additional employer-derived benefits). In other cases, employee contributions are voluntary. A plan can provide for both mandatory and voluntary employee contributions.

Income allocable to an employee's contributions to a qualified plan is generally not taxed to the plan or the employee prior to the time the income is distributed or made available to the employee or the employee's beneficiary. However, the employee is not qualified to a deduction or exclusion for employee contribution to a plan.

In the case of tax-sheltered annuities (including custodial accounts investing in shares of a regulated investment company) purchased by certain tax-exempt institutions for their employees or purchased by schools for teachers, employees are entitled to an exclusion, within limits, from gross income for amounts contributed on a salary reduction basis.

EXPLANATION OF PROVISIONS

Increased deduction for retirement.—Under the bill, the annual limit on deductions for contributions to an IRA would be increased to 100 percent of the first $2,000 of compensation for an individual who is not an active participant in a qualified plan, a tax-sheltered annuity, or a governmental plan. For spousal IRAs, the annual limit would be increased to $2,500.

Deduction for retirement plan participants.—The bill would generally allow a deduction for up to $500 for contributions by an employee who is an active participant in a tax-qualified retirement plan, a tax-sheltered annuity, or a governmental plan. The deduction would be allowed, subject to the annual $500 limit, (1) for contributions to an IRA and (2) for designated employee contributions to a qualified or governmental plan or under a tax-sheltered annuity if the plan or annuity contract meets certain accounting requirements.

Under the bill, an employee could designate voluntary cash contributions as deductible for a taxable year. Designated contributions by each employee would be recorded in a separate qualified employee account under the plan or annuity contract. An employee's right to the balance of designated contributions (including gains, losses, income, and expenses relating to the account) would be fully vested at all times and withdrawals could be made by the employee at least annually. Withdrawals from qualified employee accounts would be subject to tax unless rolled over to an IRA or to another qualified employee account. As in the case of an IRA, withdrawals made by an employee before attaining age 59½ would be subject to an additional 10 percent tax unless the employee is disabled. An employee would receive an annual report on the qualified employee account.

To encourage the growth of qualified plans, the bill does not allow a deduction for contributions to a qualified plan by a self-employed individual.

Minimum deduction.—Under the bill, individuals (other than self-employed individuals) who are presently barred from making deductible IRA contributions would be allowed a deduction for IRA contributions. The deduction would be limited to 100 percent of the first $500 of the individual's compensation. The minimum deduction rule would apply, for example, to an active participant in a tax-qualified plan. The bill also permits limited income splitting by married couples under the minimum deduction rules. For example, if a wage-earner has compensation of at least $1,000 for a year, that $1,000 could be split with the wage-earner's spouse so that $1,000 could be deducted for IRA contributions (up to $500 for each spouse) even though one or both of the spouses is an active participant in a qualified plan. However, the contribution can be unequal. For example, a $750 contribution between two persons could be divided by placing $500 in one account and $250 in the other account.

Disclosure.—The bill expands the pre-investment disclosure rules with respect to IRAs. Under the bill, a financial institution which provides more than one investment medium for IRAs would be required to disclose the features of the alternative investments.

Effective date.—Generally, the bill would apply for taxable years beginning after December 31, 1981. The disclosure provisions would apply beginning on January 1, 1982.●

PERSONAL EXPLANATION

HON. WILLIAM HILL BONER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. BONER of Tennessee. Mr. Speaker, last week I was unavoidably absent from the House of Representatives while it considered House Resolution No. 67. My absence was the result of my being a patient at Parkview Hospital in Nashville, Tenn. Had I been here, Mr. Speaker, I would have voted in the affirmative on this legislative matter.●

IT IS TIME TO PROVIDE RELIEF FROM THE FOREIGN EARNED INCOME TAX

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. FIELDS. Mr. Speaker, as we embark in the coming months on a program of economic recovery, we must not overlook the importance of foreign trade to our Nation. In 1976, for instance, nearly 10 percent of all U.S. goods and services were sold abroad, adding $163 billion to the domestic economy. Obviously, healthy growth in foreign trade is essential to our economic well-being.

Unfortunately, however, America's ability to compete in foreign markets during the next decade is in jeopardy. This situation has occurred because it is increasingly difficult for U.S. citizens to work profitably overseas. Americans living abroad must pay exceedingly high costs in order to even approach their standard of living in the United States. Everyday expenses such as housing, schooling, and transportation, as well as relocation costs, are typically much greater than those at home.

Because of the higher cost of living overseas, American workers are generally paid a premium for relocating there. Salaries often reach a level thousands of dollars above average salaries in the United States, yet these higher salaries provide no greater financial benefit when used to compensate for higher expenses.

Since 1976, however, the Federal Government has begun taxing foreign earned income with little regard to cost differentials between the United States and countries abroad. Legislation enacted by Congress that year reduced the longstanding tax exemption on a significant portion of foreign earned income. The result has been that many Americans are moving back home to escape this punitive taxation.

Some U.S. businesses operating overseas have thus begun to hire foreign nationals to replace the departing Americans. As a consequence, many jobs are being lost at a time when unemployment is near critical levels at home. Further, U.S. firms are losing their competitive advantage in that they are unable to offer affordable American skills and materials to foreign customers. Surveys conducted by the Organization Resources Counselors, Inc. in 1976 and 1980 found that a serious decline in the number of American workers employed at U.S. firms had indeed taken place. In 1976, surveyed firms employed 73 percent of their work force with Americans; by 1980, surveyed firms employed only 37.2 percent of their work force with U.S. citizens.

Additionally, other U.S. firms have stopped trying to compete with foreign concerns. In many cases, competition is impossible given the fact that no other major trading nation taxes the earned income of its citizens living abroad. Consequently, American businesses employing Americans must cope with considerably higher costs than their competitors. In 1980, the flight of Americans working overseas cost our economy 280,000 jobs, 5 percent of our total exports, and approximately $6 billion to $7 billion in business activity.

Without question, the Internal Revenue Code changes contained within the Tax Reform Act of 1976 have subjected Americans living abroad to extreme hardship. Although Congress attempted to undo this damage in the Revenue Act of 1978, our foreign markets will not recover fully and we will not be able to lower our astronomical trade imbalance until a simplified and sizable exemption from the foreign earned income tax law is made available.

For this reason, I have recently cosponsored H.R. 911, a bill introduced by Congressman ARCHER, to provide for an immediate exclusion of $75,000 a year from U.S. personal income taxes on income earned abroad by individuals.

I would urge my colleagues to join in this effort by cosponsoring and supporting this most important proposal.●

IN TRIBUTE TO REPRESENTATIVE GLADYS SPELLMAN

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. CLAY. Mr. Speaker, I am sad, but honored to pay tribute today to my friend and colleague Gladys Noon Spellman. The political career of Congresswoman Spellman might be a role model for any of us in public office. Gladys' wisdom, courage and dedication made her an outstanding Representative of the people of Maryland's Fifth Congressional District, and a valuable asset to the U.S. Congress.

Although it is very easy to recall the brilliant career of our esteemed colleague, it is very difficult to accept, if not impossible to understand, the untimely illness which prevents Congresswoman Spellman from claiming her seat in the 97th Congress. The presence and the contributions of the distinguished lady from Maryland will be greatly missed. But, it is my prayer that Gladys Spellman, who has been our dear friend and colleague, will soon make a remarkable recovery.●

SAFETY NETS FOR THE TRULY NEEDY

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. WEISS. Mr. Speaker, President Reagan has declared that budgets for programs which serve as safety nets for the truly needy will not be reduced. Marshall Matz, former special counsel to the Senate Committee on Agriculture estimates that cuts in the school lunch program would force 9 million children out of the program. His article in the New York Times offers persuasive arguments against reductions in the child nutrition programs. The article follows:

'BYE, SCHOOL LUNCHES FOR THE "TRULY-NEEDY"

(By Marshall L. Matz)

WASHINGTON.—While seeking to cut $1.575 billion from the $3.918 billion child-nutrition budget in fiscal 1982, the Reagan Administration has listed school lunches for the "truly needy" as one of seven programs that will not be affected by the drive to reduce Federal spending. On the contrary, poor children will be affected, for millions who qualify for a free or reduced-price lunch under the nutrition program stand to be lopped from it.

Granting that the Administration is proceeding in good faith, it appears that its analysis of the lunch program is being limited to only one dimension: direct Federal support to the states for free lunches.

Students qualifying for a reduced-price lunch are not being considered "truly needy," and the Federal subsidy for such lunches would be slashed substantially. Though some six million middle-class students—those whose family of four earns more than $15,630 a year—are likely to drop out of the program because of dramatic increases in lunch prices, the Administration apparently considers this irrelevant to the availability of the program to the poor. However, as participation drops, many schools, unable to finance the programs or unwilling to continue them because they no longer serve all the students, will end them, and they will be lost to the entire community, including the poor. Overall, of the 27 million in the program, conservatively nine million can be expected to drop out or be forced out.

The Agriculture Department's commodity-support program constitutes a major part of the proposed cutback in general assistance. Commodity support, unlike cash assistance, cannot be divided between free and paid meals. The commodities (such as potatoes, peaches, ground beef) are shipped in bulk to the states and then to schools; it is not possible for cooks to use different amounts of such commodities in preparing free meals and paid meals. Thus, the commodity cut will be felt across the board, affecting poor children receiving free lunches along with everyone else.

Not considered in the President's claim that the $1.575 billion cut will not hurt the "truly needy" is the effect on lunches of the Administration's proposal to deduct the cost of school meals from a person's food-stamp allotment. This request, labeled a "food-stamp cut," seems to be viewed as irrelevant to the lunch program. Other assistance called "nonessential" includes nutrition education and training, as well as equipment assistance to schools, both of which benefit the poor.

Under current law, the general subsidy for each lunch served in the 1981–82 school year (fiscal 1982) will be 39.5-cents per student per meal in cash and commodities. If the Administration's proposals are enacted, the 39.5-cent subsidy will be completely eliminated and the cost of a lunch can be expected to approximately double. It is this cut that represents the bulk of the child-nutrition savings. It is also this modest subsidy to middle-class students that has prevented the lunchroom from becoming economically and, in some cases, racially segregated.

The school-lunch program operates like a business. It receives income from four sources—Federal, state, and local governments, and the students—and if income does not equal expenses, local programs will close. Unlike food stamps or aid to families with dependent children, the lunch program does not involve direct payment to individuals. All income, from whatever sources, goes into the same school-lunch cash register. It is not possible to withdraw $1.575 billion from the child-nutrition budget and reasonably expect that the poor will not be affected.

The Federal effort to eliminate child malnutrition dates back at least to the creation, in 1946, of the national school-lunch program. Since then, the Federal commitment to child nutrition has grown steadily, along with the evidence of its success. When a team of medical doctors returned in the late 1970's to the poor rural counties they had visited 10 years earlier to determine if any progress had been made in combating hunger, they concluded, and reported to Congress: "Our first and overwhelming impression is that there are far fewer grossly malnourished in this country today than there were 10 years ago." Their report attributed the progress directly to Federal nutrition programs.

America's nutrition programs have been amazingly successful, perhaps more than any other social-policy endeavor. The "war on hunger," originally declared by President Richard M. Nixon in 1969, has been an unsung bipartisan success story that has dramatically reduced malnutrition and increased human productivity. It is incumbent on those who advocate cutting back our nutrition programs to show that such changes will not reverse the progress we have made.●

PROBLEMS OF ALCOHOL ABUSE

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. BROWN of California. Mr. Speaker, I would like to call to the attention of my colleagues a speech that was delivered by William N. Plymat, executive director of the American Council on Alcohol Problems, before the House of Parliament in London, England. The subject of the speech was alcoholism and alcohol abuse. Not only does Mr. Plymat discuss the problems associated with alcoholism and alcohol abuse, but offers some alternatives to address this problem. While I am not totally in agreement with all of these suggested alternatives, I would like to point out two proposals he suggested: First, to disallow as a tax deduction expenses associated with the advertising of alcoholic beverages; and second, to require health warnings on alcoholic beverage labeling and advertising.

I am presently sponsoring two measures to address the problems of alcohol abuse. H.R. 1800 proposes to disallow alcohol advertising as a business expense. H.R. 2251 proposes to require that health warnings be placed on alcoholic beverage labeling and advertising. I urge my colleagues to read Mr. Plymat's statement and to join me in cosponsoring these bills.

The statement follows:

STATEMENT OF WILLIAM N. PLYMAT, SR.

I believe the underlying question relevant to your considerations today is: "Do facts, circumstances and conditions warrant a public policy aimed at holding down the consumption of alcoholic beverages?" If the answer is: "Yes" then the next question is:

"How can we achieve this objective and can restrictions on advertising be a part of a total effort in that direction?"

Alcoholic beverages create severe problems. They cause more death, injury, illness and human misery than all other drugs combined. The financial cost is enormous. The U.S. government agency dealing with alcoholism (NIAAA) issued a report to Congress in 1975 and estimated the U.S. cost at $42,750,000,000 annually breaking this down as follows:

Lost production	$19,640,000,000
Health and medical	12,740,000,000
Motor vehicle accidents	5,140,000,000
Violent crime	2,860,000,000
Social responses	1,940,000,000
Fire losses	430,000,000
Total	42,750,000,000

Undoubtedly today the cost is much higher.

THE SPECIAL DANGERS OF ALCOHOL

There is no common agreement as to the causes of alcoholism nor on any single correct therapy to cope with it. A doctor who was associated with Alcoholics Anonymous in its early days said it involved an obsession of the mind and an allergy of the body. There appear to be both physical and psychological causes. There may be hereditary and genetic origin factors. And one authority I respect says there are metabolic differences between alcoholics and non-alcoholics citing some very unusual differences. For a sizable minority alcohol is a powerfully addictive drug. An unknown percentage of those who become addicted seem able to break their addiction and find permanent sobriety. Those who fail face death at the end of the road. There appears to be a special danger for youth. Dr. Jorge Valles, a psychiatrist, was in charge of the therapy program at the U.S. Veterans Hospital in Houston, Texas until his retirement. He contends in his book: "From Social Drinking to Alcoholism" that the hypothalamus is in an imbalanced state in the case of youth and that organ is extremely sensitive to alcohol and its effect. He said: ". . . the younger the age at which an individual starts to ingest alcohol, the greater the chances that he will develop into a chronic alcoholic."

Youth are generally ignorant of the dangers of drinking too much too fast and many in my country die as a result. Immature youth are very susceptible to the clever advertising messages that are often aimed at them to use alcohol to achieve social acceptance and happiness. We owe a special duty to youth to protect them as much as possible from an industry that seeks to recruit them into using a drug that is extremely dangerous.

THE REPORT OF TWO U.S. GOVERNMENT AGENCIES

On November 25, 1980 the U.S. Department of Health, Education, and Welfare (HEW) and the bureau of Alcohol, Tobacco and Firearms (BATF) reported on a study they made on the extent and nature of birth defects associated with alcohol consumption by pregnant women, the extent and nature of other health hazards associated with alcoholic beverages, and the actions that should be taken by our government under two federal laws to inform the public of such health hazards. The study was ordered on December 19, 1979 by our Congress.

They found that two drinks a week during pregnancy increase the chance of miscarriage. Two drinks a day can cause babies to weigh less at birth. And the Fetal Alcohol Syndrome, a pattern of multiple deformities and mental retardation, can occur as a consequence of various levels of alcohol intake.

They found an increased risk of cancer, and that smoking and drinking interact with each other to further raise cancer risk. They found adverse effects on the heart, damage to the nervous system present in 50 to 70 percent of alcoholics who enter treatment, contribution to diseases of the liver and pancreas, association with depression and suicide with approximately one third of suicides involving alcohol, dangerous interaction of alcohol and drugs, and alcohol involved in approximately one third of traffic deaths.

Alcoholism is the alcohol problem that creates the greatest concern, but there are multitudes of other alcohol problems. In 1979 the Comptroller General of the U.S. in a report to Congress placed on the cover of his report the following: "Alcohol is the single largest factor in highway deaths—about 25,000 persons die annually in drinking driving accidents. . . ."

ALCOHOL CONSUMPTION LEVELS AFFECT ALCOHOLISM PREVALENCE

Dr. Wolfgang Schmidt, of the Addiction Research Foundation of Ontario, the provincial government agency coping with alcohol problems reported in 1971 the following:

"No matter what cut-off point is used to define alcoholism, its prevalence is invariably determined by the overall level of consumption. . . . It follows, therefore, that any factor that affects the volume of consumption inevitably affects the alcoholism prevalence and vice versa. . . . We suggest that the magnitude of the alcoholism problem can be reduced through reducing the general level of alcohol consumption . . . there is no hope of reducing the numbers of alcoholics or of those who drink at levels hazardous to their health—without rolling back the overall consumption of alcohol throughout our society."

Mr. H. David Archibald, Executive Vice Chairman of the Addiction Research Foundation said in a speech in 1973:

"As for the effects of advertising, we find there is no reason to believe that alcoholic beverages differ in any way from any other consumer goods. The volume and pattern of alcohol sales are affected by advertising just as are sales of television sets or cars. There seems to be no question, judging in part from the industry's own use of the media, that advertising—particularly by television—exerts a powerful influence over drinking styles and particularly over the developing habits of young people."

My son, William N. Plymat, Jr., is now advertising manager of an industrial farm machinery company in the U.S. I should like to quote from his article:

"The alcoholic beverage industry, spending an estimated $400 million a year to promote the increased sales of its products, is in effect increasing the size of the alcohol problem. Brand preference is not the only goal of advertising, increased total consumption is another. The level of alcohol sales is not a predetermined figure that is merely divided up between companies on the basis of advertising competition. Advertising affects total consumption . . . No industry spends nearly a half-billion dollars a year on advertising without a good idea of the value received. Liquor ads are so lucrative to magazines, newspapers, and broadcasters that the liquor industry has been able to exert substantial control over the media's reporting of news related to alcohol problems. In the case of one major distiller, should the publisher of a newspaper place a news item about any alcohol problem on the same page with an ad, a second free placement is requested. This is obvious intimidation. The threatened loss of revenue, even covertly implied, is enough to exert tremendous pressure on all media, with the result that the American people erroneously believe alcohol problems to be less significant now than in previous decades. Public attention has not been focused on alcohol problems in proportion to their importance, and advertising by the liquor industry is partly responsible for that state of affairs. . . . Freedom to advertise is commonly limited by law for the protection of the consumer, and should be in those cases where the product being merchandised has the potential to be manifestly destructive. There is no democratic precept that requires the freedom to portray dangerous materials as wholesome and beneficial products."

WHAT ACTIONS CAN BE TAKEN

Here are actions that can be taken:

(1) *Prohibit advertising.*—When legal systems permit, a total prohibition of advertising of alcoholic beverages should be instituted. This is happening in some countries as I feel sure others will report. In the U.S. our Constitution limits the power of the Federal Government to inter-state commerce in this area. Thus our Federal Government could ban advertising going across state lines, but could not stop advertising within states. A state prohibition would discriminate against local advertisers in favor of those in inter-state media such as magazines, newspapers and radio and TV.

(2) *Put an economic damper on this advertising.*—Most producers in the U.S. are in the 46% tax bracket and inability to deduct their advertising costs would mean an increase of something over $200,000,000 in federal taxes if they maintained present expenditures. But facing this we believe they would reduce expenditures, but if they merely passed on the extra tax in higher prices this would also have an effect of reducing consumption.

(3) *Place limitations on copy in advertisements.*—In the U.S. under our constitution it is difficult, if not impossible, to create any system of censorship. But in one province of Canada I noted a plan proposed some time ago to prohibit "life style" ads which would feature people in social settings implying great value in drinking. I do not know if that system is now in effect, but it may be soon if it is not now.

(4) *Place warnings on the dangers of alcohol in ads and on labels of beverages.*—In 1980 my organization published a leaflet outlining the dangers in the use of alcohol and calling attention to our proposal of a specific warning proposal for labels and ads. We printed over 500,000 copies of this leaflet and they are now being used in state-owned liquor stores in eight states. The warning is as follows:

"WARNING

"Using this product: Too fast may cause sickness or death; may impair driving ability; may create dependence or addiction; and during pregnancy may harm the unborn.

"Legal age required for purchase."

Our leaflet in a series of panels explains each section of the proposed warning. The warning alerts and the leaflet informs. We are having a wide distribution of the leaflet

now in schools, churches and in business firms.

Bills will be introduced in the U.S. House and Senate to mandate a health warning on liquor bottle labels. We are hopeful that our proposed warning will be the one required because a specific warning is needed. A general warning will not be adequate.

I am hopeful that your Parliament will adopt one or more of the actions I have suggested. We must realize that in taking action in this field we should not think we are "solving the problem" with advertising prohibitions or restrictions. There are many fruitful actions that need to be taken to hold down and hopefully reduce consumption, and it would be unfortunate, if after taking action against advertising, we were to become complacent and avoid taking other actions.●

CLAIMS OF PAUL D. CAMP, SR.

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. YOUNG of Alaska. Mr. Speaker, today I am introducing legislation that would correct a gross injustice to one of our Nation's veterans that occurred due to improper treatment at Keesler Air Force Base, Miss.

The bill states that the Secretary of the Treasury shall pay, out of any money in the Treasury not otherwise appropriated, to Mr. Paul D. Camp, Sr., of Fairbanks, Alaska, the sum of $1,000,000 on account of his claims against the United States arising out of medical care and treatment which resulted in the amputation of his right hand and forearm. Such care and treatment, with respect to an injury to a finger of his right hand was accorded Paul Camp, during the period April 1973 to June 1975 at Keesler Air Force Base, Miss. These claims are not cognizable under the Federal tort claims provisions of title 28, United States Code. The provisions of sections 8116 (b) and (c) of title 5, United States Code, do not apply with respect to the claims of Paul D. Camp, Sr., dealt with in this act.

In April 1973, Mr. Camp received an injury at Keesler AFB that resulted in a stiff right little finger. Improper treatment of this minor injury led to his having his right arm amputated, complete uselessness of his upper right extremity—called causalgia major and continuous and severe pain. The man is 100 percent disabled and cannot work. A million dollars may sound like a lot of money. I feel it is more than justified after totaling the losses that this man has incurred due to the negligence of this hospital. He has lost years of wages and he has lost the possibility of ever making a living for his family and himself again. He has endured extreme pain and suffering and probably always will. He has lived with a disfigurement. The present and future security of his family added to these other factors, warrants, I think this settlement.

I would like to submit excerpts from Mr. Camp's own summary of the events which led to his tragic situation. I omit the names of the doctors.

It is my opinion that I am a victim of extreme malpractice in as much as I feel that I was used by doctors to gain experience in hand surgery. I am informed that a zig-zag incision known as a Brenner's Incision is never used in hand surgery but this type of incision was used on my hand.

Multiple operations were performed on my hand within a ten months period. I am told that multiple operations should never have been performed on a hand in less than one year and the time should be eighteen months. It should be noted that the tendon graph, used to replace the Hunter's Prothesis, was taken from my left leg rather than the left arm as I had been told would be the case.

Even though I was losing ground, in relation to my hand and arm, I was put on a worldwide status back to duty and am thoroughly convinced that this was done to try and cover up the malpratice or the wrong doings of my operable procedures.

It is also my opinion that if I had been sent to Duke University as requested by my doctor in 1975, but denied by the hospital commander, I would at least have some usefulness of the hand and would have never had Causalgia Major or an amputation as I now have.

The physical therapist at Keesler also suggested that my little finger be amputated after many months of physical therapy but the doctor disagreed. I feel strongly that this also would have probably saved my hand from amputation and the Causalgia Major.

It became readily apparent, after I acquired the services of an attorney, that all medical personnel backed off when it came to doing anything with my hand, in fact, with any part of my case. After the doctor left the Air Force, the other doctors did not want to become involved in my case because of pending lawsuits I had against the Air Force.

I have been fighting for six and a half years to try and get some relief from the malpractice that was involved in early 1973. As of this date I am in extreme pain most of time. Any stress, excitement, sexual activity, anxiety or weather change all trigger the electrical type shocks and burning sensation all the way up to the base of my skull.

I am asking for the support of my colleagues for due compensation for this veteran, who through the gross negligence on the part of U.S. Air Force doctors, has had his life shattered.●

IN TRIBUTE TO THE LATE JOHN WILLIAM McCORMACK, A GENTLEMAN'S GENTLEMAN

HON. JOHN P. HAMMERSCHMIDT

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. HAMMERSCHMIDT. Mr. Speaker, what remains to be said about John McCormack that has not already been said by this Nation's most powerful men and women? The answer is nothing. And that in itself reveals a great deal about this great American who came to be loved in such a special way by so many.

Taking this opportunity to honor the memory and service of this rare individual, the moving words of Speaker O'NEILL as he anounced Mr. McCormack's passing come to mind as a fitting summary of his life: "There was a great man among us; and now he is gone."

I had the distinct pleasure of serving under Speaker McCormack during my freshman term in the U.S. House of Representatives. I can still recall during our first meeting when this truly gentle man took the time to discuss my own political situation as one of the first Republican Representatives to be elected in Arkansas for nearly a century. This was one effort on his part to give encouragement to a colleague of different philosophical persuasion on government, and certainly one which I appreciated.

Although Mr. McCormack presided over the House during tumultuous times, it was his private character which never ceased to amaze me. He had a presence that was impressive. His face radiated a confidence that left no doubt in anyone's mind that he was indeed the leader of this Chamber.

As presiding officer of the House, he was impeccably fair, impartial, patient, and a master of parliamentary skills. His strength was his personal consideration of all Members, which inspired affection and a desire to compromise and cooperate in return. In actuality, he devoted himself for 42 years to the legislative process. Upon approaching his retirement he stated, "My heart is in this House, I have an intense love for this body." I was fortunate to have had the chance to witness that love.

A staunch Roman Catholic, he demonstrated an intense hatred of communism to the day of his death because it is based solely on atheistic dogma. Furthermore, he was a Christian who lived his faith. He demonstrated tremendous compassion for the poor of our Nation because of his own humble beginnings. Although he was able to rise above his childhood poverty through sheer determination, he never forgot where he came from. The disadvantaged of our country had a fine champion in John McCormack. Despite a demanding schedule in Washington as Speaker, he attended faithfully to the needs of his home district. He knew every street of his district, and his schedule was never too busy to prevent him from returning to the people.

His devotion to his wife Harriet was legendary in Washington. Although they were married for more than half

a century, it is said that they never spent a night apart. After he left office, the Speaker spent practically all his time nursing his wife at her bedside in Providence Hospital in Washington. During her long illness he spent each night for more than a year in an adjacent hospital room.

My colleagues in the House of Representatives can learn a great deal from this man's life, which was marked by hard work, determination, and high goals. These principles through which Mr. McCormack attained his greatness should be an inspiration to all who serve the citizens of our great Nation.

It is said that Speaker Rayburn was an effective Speaker because the Members feared him. Well, it should be added that Speaker McCormack was effective because the Members of this body respected him. This man has been described in many ways by many people, but no one dared to accuse him of not being convinced that his actions were not in the national interest, or that he lacked the courage of his convictions to communicate his beliefs and ideals.●

REAGAN ADMINISTRATION REVIEW OF THE LAW OF THE SEA TREATY

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. DERWINSKI. Mr. Speaker, I was pleased to see the Reagan administration is calling for a review of the text of the Law of the Sea Treaty in its draft form. In view of its efforts to reach a satisfactory U.S. position, I believe that it is important for the administration to thoroughly study the text.

In this regard, I would like to insert the second part of a speech by our colleague, JOHN BREAUX, before the American Oceanic Organization, concerning the Law of the Sea Conference. His remarks follow:

The fact is that virtually every sector of American industry affected by the negotiations, not just the ocean mining sector, has been critical of them. The U.S. Chamber of Commerce had identified in the American business community at large little support for, but considerable objection to, the emerging agreement and serious concerns have been expressed by the American Petroleum Institute, the American Mining Congress, the National Ocean Industries Association, the National Association of Manufacturers, the Licensing Executives Society, and even members of the Aerospace Industries Association. Professional organizations, including the American Bar Association and the International Law Association (American Branch), have also strongly criticized the work of the Law of the Sea Conference. Many industry and academic participants in the Law of the Sea Advisory Committee have voiced powerful objections to the product of the negotiations.

Congressional expectations relating to the Law of the Sea negotiations on the seabed regime are largely reflected in Title II of the recently enacted Deep Seabed Hard Mineral Resources Act, and it is apparent, even to the casual observer, that the Conference negotiating text falls far short of meeting fundamental requirements. Statements by key Senators and Congressmen during Floor action on that legislation reveal very substantial objections to major elements of the Law of the Sea ocean mining regime, and that was before the Senate changed so drastically on November 4.

It should be noted, as well, that both the investigative and research arms of the Congress have recognized the difficulties for private enterprise which have been created by the Conference negotiations. The General Accounting Office and the Congressional Research Service have each issued reports and studies which substantiate the concerns expressed by United States industry.

I must emphasize that I prefer a good treaty to no treaty at all. I believe that some elements of the treaty could be useful, but that key provisions of this present Draft Convention require considerable revision, if the final product is to pass the ultimate test of advice and consent and implementation in domestic legislation. To that end, a thorough review by the Reagan Administration is essential. If this Administration, with its stated political and economic philosophies, allows this treaty to go forward in its present form for signature in Caracas this year, I am confident that the Senate will not approve it.

The schedule of the Conference, set by previous Administration officals, ought not to dominate the review process. What is of prime importance is that our substantive interests be protected. If that adds a few more months or years to a negotiating process that has consumed more than a decade, the consequences for the Conference should be manageable enough. Ultimately, our interest and that of the international community in U.S. adherence to the treaty will be served.

In closing, I would like to say that, although it is popular to lay at the feet of former Secretary of State Kissinger many major U.S. concessions on ocean mining, the quid pro quo that he demanded was assured access to seabed minerals. And, he made clear the U.S. determination to proceed with unilateral mining, if necessary. I quote him on the point:

"What the United States cannot accept is that the right of access to seabed minerals be given exclusively to an international authority, or be so severely restricted as effectively to deny access to the firms of any individual nation including our own. . . .

". . . this country is many years ahead of any other in the technology of deep sea mining, and we are in all respects prepared to protect our interest. If the deep seabeds are not subject to international agreement the United States can and will proceed to explore and mine on its own."

I strongly suggest to you in the ocean community that this guid pro quo has not been satisfied in the present Draft Convention. Unfortunately, the sheer momentum of the lengthy Law of the Sea Conference process could produce a fundamentally unacceptable result. Therefore, it is crucial that you get involved personally and with commitment. I am encouraged by the basic approach of the newly placed officials in this Administration. I think that they may be responsive to our fundamental concerns. They are guided by a party platform that is critical of the treaty negotiations and is committed to a greater attention to our vital minerals interests. Secretary of State Haig is particularly sensitive to the strategic materials requirements of the United States and to the necessity of protecting our system of values against the hostile forces of the international arena. He has, significantly, expressed his determination to make sense of United States policies toward the escalating demands of the Third World and pressures of the Soviet Bloc.

I am personally committed to continuing my public statements and actions concerning the treaty. But my actions are not enough. You must add your voices to the process. For the many of you who share my concerns, there is, finally, someone willing to listen.●

HUNT SCHOOL STUDENTS

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. LONG of Maryland. Mr. Speaker, it is with special pleasure that I welcome students from the Hunt School in Baltimore, Md., who have journeyed to Washington for a first-hand look at their Nation's Capitol.

These students, led by Ms. Kathy Daly, Mrs. Philip Moore, Mr. and Mrs. Dockman, and Mrs. Tsakalos, will observe the House in session, and will tour the Capitol Building.

I am delighted these young Americans are taking the opportunity to expand on their classroom learning, and look forward to discussing with them the legislative process and listening to their questions about national issues.

Students who are visiting us today are: Nancy Canfield, Katie Caputo, Louis Dockman, Catie Fisher, Michael Lark, Jenner Manson, Mac McCulloch, Nate Moore, Allison Obrecht, Timothy Roberts, Heather Ryan, Katy Spencer, Michael Tsakalos, and Sarah Wellner.●

ARTS AND HUMANITIES ENDOWMENTS FUNDING

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. WEISS. Mr. Speaker, last week, the highly respected pollster and distinguished national chairman of the American Council for the Arts, Mr. Lou Harris, testified before the Subcommittee on Postsecondary Education. His testimony in opposition to the proposed 50-percent reduction in the Endowments for the Arts and Hu-

manities offers persuasive arguments for increased funding for the Endowments. The testimony is, I believe, of such importance that these Members of the House who do not serve on the subcommittee will also benefit from it. Mr. Harris' testimony follows:

TESTIMONY OF LOUIS HARRIS, CHAIRMAN, AMERICAN COUNCIL FOR THE ARTS

Mr. Chairman, my name is Louis Harris and I am here today in my capacity as National Chairman of the American Council for the Arts, a major private sector organization which both provides service to arts organizations and institutions, as well as advocating positions on public issues as they affect the non-profit world of the arts.

I come before you today directly in response to the call by President Reagan in his economic message before the Congress for cutting Federal funding of the nonprofit arts by the Federal Government from the $175 million level in the Carter budget to roughly 50 percent of that amount, down to $88 million for fiscal year 1982.

Mr. Chairman, let me say at the outset that I have seen the Congress gradually and steadily support the arts over the past decade. I recall well that the National Endowment for the Arts began under modest circumstances, indeed. Under President Johnson, a Democrat, it was no more than a $7.5 million authorization. The endowment support grew most dramatically not under Democratic, but instead Republican Presidents, with President Nixon initiating the most dramatic rises in backing. This was in no small part due to the yeoman efforts of the then chairman of the endowment, Nancy Hanks, who got me personally involved in this effort in the first place, and who is one of my predecessors as chairman of the ACA.

Despite these rises in Federal funding of the arts, and contrary to the view that this country has been generous in its backing for the arts, the United States, by any comparison with other nations, has been playing catch-up in this matter of helping the nonprofit arts. Let me give you some comparisons from the latest data available. In America, we are appropriating all of 74 cents per capita at the Federal level for the National Endowment for the Arts.

This compares with $2.15 for Australia, $3.60 in Great Britain, $6.07 in Canada, $11.88 in France, and $28.23 in Denmark. By any standard, Federal support for the arts here in this country is meager, indeed. And, now, we are being asked to cut it back to 41 cents per capita.

We at ACA deeply believe that such a cutback is not only wrong, but it is not a reflection of what our people want nor what is wise for the psychological and spiritual wellbeing of our people. Yet, let me point out that we in the arts do not come before you as destitute paupers, as veritable alms beggars pleading for a pittance. We come before you because we are convinced, and the evidence backs this contention up, that with the help of the Federal establishment, as well as the private sector, the arts have earned greater support from the people of this country. If I might put on my professional cap for a moment, I would like to lay out for you some highly significant facts from a survey of a cross-section of the American people taken last July.

First, we found that under the press of inflation, the number of work hours had risen from 40.6 per week to 46.9 hours, and time for leisure pursuits had shrunk from 26 to 19 hours per week for the average adult in the U.S. Put bluntly, this meant that for the arts and other leisure-time activities, competition was becoming more acute. People had less time and money to spend.

Despite this time crunch, attendance at arts presentation has gone up since 1975—across the board. More people are now attending live theatre performance, popular music, live classical music, opera or musical theatre, dance, and art museums than ever before. These results are even more significant when it is realized that people also reported a fall-off in sports viewing and attendance, and in doing things around the house, such as gardening, for instance.

Even more dramatic is the personal participation of people in the arts, in every part of the country. The number who are involved in photography as a form of artistic expression—up from 19 to 44% in just 5 years. The number who play a musical instrument—up from 18 to 30%. The number who write creatively—up from 13 to 22%. The number who dance either modern dance or ballet—up from 9 to 20% in five years. The number in a choir or choral group—up from 11 to 21%. Rises are also evident in the number who sculpt or make pottery, the number of who paint, draw, do needle work, or work with local theatre groups.

Taken together, these findings show that there has been a veritable explosion of participation in the arts by the American people. The singular mark of the patterns that emerge is that at all levels, in all areas, the movement of involvement has been up. In this period of serious economic troubles, it is significant that literally millions of people across the country have taken to creative expression in a variety of arts activities. The urge to partake of the arts personally runs deep and is expanding rapidly. Yet, at the same time, fully 33 percent of our people who want to go to the theatre have no facilities around where they live, 30 percent have no center available where they can learn arts and crafts, 46 percent have no concert hall, and 41 percent have no accessible art museum.

Specifically, people want more children's theatres, outdoor arts festivals, more exhibitions of painting or sculpture, more plays, musicals, pantomimes, and other adult theatre performances, more classical music concerts or recitals, more folk or ethnic dance performances, more ballet, and modern dance performances.

Mr. Chairman, the lives of many Americans these days are tough. They live in deep worry about making ends meet, of how they will next be cheated or have their pocket picked by the ravages of inflation, along with the insecurity of a high level of unemployment. People are highly articulate about the arts and what they mean to them. By 70–25 percent, a majority feel that "the arts allow you to find a source of creative expression and experience in a troubled world." By 75–22 percent that the arts "give you an uplift from everyday experiences." By an even higher 80–16 percent that the arts "just give you pure pleasure to experience or participate in."

I would make the claim that the arts are fast becoming an essential ingredient in the daily lives of our people, as that precious respite from the worries and the drains of everyday existence. They help enormously to enhance the quality of the human experience in a well nigh indispensable way.

And, they favor Federal backing of the arts with money, by 59–39 percent, a solid majority are willing to pay $15 more in taxes, if need be, to assist the arts financially. That is 20 times the amount now funded by the Federal Government. By 59–36%, a solid majority also favor a plan under which for every $3 an arts organization gleans from the private sector, there ought to be $1 of matching Government monies. People see the two as going hand-in-hand. The Federal Government to provide seed money, while the private sector to be the main bulwark of financial assistance.

Lest there be any misunderstanding about just how generous or supportive the private and public sector have been to the arts, let me cite some facts, as of 1978, which is the latest information that exists. For all of the performing arts, 60% of their revenues are derived from earned income, 26% from the private sector and 14% from Government funding. In the case of art museums, 47% is derived from earned income, 24% from the private sector, and 29% from Government. I might add that a majority of the governmental financial support is generated far more from State and local government than at the Federal level.

What, then, is the proper role of Federal funding of the arts? Basically, it is monies which help our most prestigious institutions undertake new and exciting programs to meet needs on a broader basis. The Bell System, for example, has undertaken a program under which leading symphony orchestras are funded but only if they schedule concerts in communities which have never had a live orchestra there before. This idea stemmed directly out of the activities of both the ACA in the private sector and the endowment in the public sector. But the basic bill is being paid by the private sector. There would not be the dance in America on its current scale, if it had not been for the existence of Federal seed money to bring it to more and more communities on a professional basis. Much the same could be said for many other disciplines in the arts. The Federal Government can encourage and can fund through the seed money approach to expansion of the arts in countless communities across the country. The number of community arts councils has grown from close to zero 15 years ago to over 1,800 today. These do not have big budgets, the professionals in them work for roughly half what their counterparts are paid in universities, which is about half in turn of what corporate America pays comparable people. They grow out of their communities, they are totally grass roots and indigenous. This is real and its growth has been explosive. Shall we now tell them that they are engaged in a fruitless endeavor, that there no longer will be a partnership between the public and private sector to allow people to participate in and to enjoy the arts in this country?

Mr. Chairman, you could eliminate all Federal funding of the arts from the national endowment, and if you do, then an unfortunately large part of the American scene will go gray, colorless. And, mark it well, you have made no dent at all in cutting back Federal spending. The arts must surely represent the least amount of Federal outlay for an area which is reaching more people across the country in a highly positive way. The arts don't need much money. They have never asked for much.

But to keep the current level of $159 million for the National Endowment for the Arts or to keep the recommended $175 million in the face of what is an average increase of 30 percent expansion that is

taking place in the arts in this country every year, surely is not being profligate, indeed, for a burgeoning area such as the arts, simply to stand still in Federal monetary assistance is the equivalent of asking for much pain and further sacrifice from those involved in the professional, nonprofit arts in this country. To cut that budget in half will send forth a signal that now this Government is saying loud and clear that the best buy ever made with taxpayer money, the small but memorable pleasures of partaking of a positive and emotional experience in one's life, is now to be snuffed out. We talk about the great benefits of being a free people and the tight bonds that are kept over people in communist countries. In their way, and it is not a small contribution in the aggregate, the arts have come to stand for this freedom of expression, a burst of creative experience that make much of the rest endurable. So we ask you to restore these proposed cuts in authorization—not in the name of saving starving artists, but as an expression of tangible encouragement for a job well done, but one that is at best only half finished. Our people deserve no less.●

RELIEF OF JERRY L. CROW

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. YOUNG of Alaska. Mr. Speaker, today I am introducing legislation to provide for the relief of Mr. Jerry L. Crow. This measure was introduced during the 96th Congress and it was passed, after appropriate committee consideration, by the Senate. Due to the fact that the action taken last Congress occurred late in the session, the House of Representatives did not have adequate time to address this legislation. It is my hope that this bill will receive prompt and expeditious consideration early in the 97th Congress.

The purpose of this measure is to allow Mr. Crow to purchase up to 10 acres of public land and lease up to 70 acres of surrounding lands in Alaska for a trade and manufacturing (T. & M.) site. The lands which would be conveyed or leased to Mr. Crow were originally described in the applications he filed for a T. & M. site in 1967, pursuant to the act of May 4, 1898.

Clearly, there is a need for this bill. Initially, Mr. Crow's application was denied by the Bureau of Land Management (BLM), the Interior Board of Land Appeals, and the U.S. district court because it did not meet the legal tests set by BLM regulations. The grounds for this rejection were based upon Mr. Crow's failure to prove that the campground he had constructed on the site could qualify as a productive industry.

Mr. Crow however, has worked to develop the campground, improve the site, and operate the facility in a productive manner to make a good-faith effort to move his application forward for the T. & M. site. Unfortunately, the long period which elapsed between the filing of his application and the field examinations and decision by the BLM, combined with the requirements that were not made clear to Mr. Crow at the beginning of this period, resulted in the failure of his application.

In view of the circumstances surrounding Mr. Crow's application, the equities of the situation are such that Mr. Crow should be permitted to purchase up to 10 acres of land from the Federal Government at the fair market value as of 1967 which is the date of his application for a trade and manufacturing site. In addition, a long-term lease of up to 70 acres of the remaining land covered by the T. & M. site should be permitted.

Mr. Speaker, enactment of this bill would not result in costs to the Federal Government nor would it affect future decisions under the act of May 14, 1898, but it would rectify an inequity and allow Mr. Crow an opportunity to operate his campground. I ask my colleagues to join me in supporting this legislation.●

LEGAL SERVICES CORPORATION: A MATTER OF JUSTICE

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. OBERSTAR. Mr. Speaker, the Legal Services Corporation is not perfect; no program is. The administration of the Corporation, as well as the authorizing legislation itself, could use improvement. The Corporation, however, has certainly fulfilled the mandate given it by Congress: The provision of legal services to the Nation's low-income people.

I do not believe Congress made a mistake in granting that mandate. Consequently, I view the administration's interest in abolishing the Corporation with deep concern. Abolition would raise fundamental questions about the commitment of the Federal Government to the concept of equal justice embodied in our founding charters.

During the past year, I have heard from the dedicated attorneys in my district who work in Corporation-funded programs. I know the kind of work they are doing for the people of my district. I want that work to continue.

I have received persuasive testimony to the effectiveness of the legal aid program, from the State and local officials who, on a daily basis, see what the program means to the people we represent.

The New York Times on Sunday, March 8, ran an editorial which, in a most succinct and compelling manner, outlines the strong case for retention of the Legal Services Corporation. I ask that that editorial be included in today's RECORD.

[From the New York Times, March 8, 1981]

SAVING MONEY? NO, PRESERVING JUSTICE

So it isn't the cost, after all, that bothers Mr. Reagan about legal services to the poor. It's the very idea of this program, which has enriched American justice, that sticks in the craw of a President who tilted against its lawyers when he was Governor of California. He offers to let the states use some of their other Federal money to sustain the program, if they like. But he knows not many will. Mr. Reagan aims to kill the Legal Services Corporation. He should be stopped.

The issue here is not just another worthy social program that America can't fully afford. It is a matter of protecting a fundamental principle of a fair society—equal justice. Legal Services represents in civil law what public defenders represent in criminal law: a chance for poor people to establish their rights by means available to the rest of society.

Ever since the Supreme Court ruled in 1963 that indigents charged with crimes are entitled to free representation, they have been routinely supplied with public defenders. But the same is not true when poor people are harassed by arrogant welfare agencies or hostile landlords. Without the Federally funded Legal Services program, they would have to represent themselves or rely on overworked legal aid bureaus and inexperienced law students.

The Federal lawyers have not only moved energetically to press individual grievances but have also brought class actions to correct systematic injustice. And that, of course, is why the program has made few friends among the elected officials, businessmen and bureaucrats it has beaten in court. Mr. Reagan has never forgiven California's Rural Legal Assistance program for requiring him to spend more than he wanted on welfare and Medicaid.

Governors and state legislators cannot be relied on to support some decentralized version of the program. Their policies and agencies are often the targets of suits by these lawyers. Legal equality for the poor ought to rest on a sounder foundation.

Legal Services is no radical scheme for the redistribution of wealth. The American Bar Association warmly supports the program because conservative and liberal lawyers alike know it is a plan for fairly establishing rights. The relief it manages to obtain for the poor can be won only under laws passed by legislatures and interpreted by the courts. But a legal right, like a tax benefit, is meaningless for those who cannot afford the experts to claim it.

There may be aspects of Legal Services worth debating; it may even be that economies could be found in its $320 million budget. But to kill the program, under the pretense that the states are free to keep it alive, is unconscionable. The issue is not whether to save money; it is whether to preserve justice.●

EDUCATION

HON. SHIRLEY CHISHOLM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mrs. CHISHOLM. Mr. Speaker, educational opportunities for a number of Americans have improved considerably due to the availability of educational programs funded by the Federal Government and administered by State, county, or municipal agencies. If the Reagan Administration's proposal to trim the budget of some 57 programs for the educationally disadvantaged by 20 percent is carried out many will suffer.

The Reagan proposal also includes a plan that would divide funds for educational programs into two block grants to be administered by the State and local agencies. Many foresee problems with this provision and insist that the Federal role in education be maintained to insure that all children are educated to their full potential.

Much has been accomplished by the role of the Federal Government in education: An area which many view as the sole province of the State or local government. It is important that those of us who favor an end to this role keep in mind that the Federal Government assumed this role because of the failure of local and State governments in this area.

The children's defense fund pioneered much of the work that resulted in educational programs for the educationally disadvantaged and the handicapped. Following is the CDF's assessment of the Reagan proposal and the ill effects it could have on education in this country.

EDUCATION

THE PROBLEMS

Over 1 million school-aged children are not enrolled in school. They are disproportionately Black, Hispanic, Native American, and handicapped. Many are out of school not by choice but because they have been excluded or failed by the state and local educational systems.

Others in school are not learning. Thousands of white and minority youths are unable to read, write, or compute well enough to get or hold a job. In some of the nation's largest school districts, one young person drops out of school for every one who graduates.

There are already over 4 million high school dropouts between the ages of 16 and 24. High school dropouts are twice as likely to be unemployed as high school graduates. Youths, particularly minority youths, who drop out of school before completing junior or senior high school find themselves two to three times more likely to remain unemployed for long periods of time. The underachievement and educational victimization of minorities mirror high unemployment, and mean excessive welfare, hospitalization, and institutional care costs for the future.

Over 4.1 million school-aged children are handicapped and require some kind of special education. Of these children some 220,000 are still waiting to be evaluated and some 120,000 already evaluated are waiting for proper placements. Today, in New York City alone, 15,000 handicapped children are on a waiting list for evaluation and special education placement.

Nationally, there are over 3.5 million school-aged children who do not speak English. Although these children represent over 90 different language minority groups, about 70 percent speak Spanish. Dropout rates are well over three times higher for Hispanic youth with limited English speaking ability than for Hispanic youth who do not face a language barrier. Among Hispanic children, one drops out of school for every Hispanic youth who graduates. And, most Hispanic children who drop out of school, do so before reaching 9th grade.

WHAT DOES THE REAGAN ADMINISTRATION PROPOSE?

The Reagan Administration wants to consolidate and cut 20 percent of the funding for 57 education programs which would be divided into two block grants: one administered by state educational agencies and the other flowing directly to local educational agencies. the local education agency block grant includes six large programs: Grants for the Disadvantaged (Title I, ESEA); Education for the Handicapped (P.L. 94-142); Bilingual Education (Title VII, ESEA); Emergency School Aid/ (Desegregation, title VI ESEA); Adult Education Act; and School Libraries and Instructional Resources (Title IV-B, ESEA). The first three of these are the very backbone of support to poor, educationally deprived, handicapped and limited English speaking children. They would be lumped together and stripped of provisions that ensure targeting, procedural safeguards, individualized programming, parent involvement, non-supplanting of state and local resources, and civil rights enforcement. State and local educational agencies would be freed from all legislative and regulatory prescription and allowed to set their own priorities on the amounts and manner programs for vulnerable populations of children are to be funded and implemented, if at all. The proposed savings in budget authority for fiscal year 1982 is projected at $1.827 billion.[1]

WHAT WOULD BE THE IMPACT OF THE REAGAN ADMINISTRATION'S PROPOSALS?

Disadvantaged children.—In 1981, some 5.9 million disadvantaged students (low-income and educationally deprived) participate in Title I funded compensatory education programs in 90 percent of the nation's school districts. An average of $450 is expended per pupil. Recent evaluations of the program indicate that Title I students are achieving measured gains in reading and mathematics. However, due to a lack of full-funding, only 67 percent of the eligible children are participating.

Cutting the Title I program by 20 percent would eliminate approximately 1 million children from the program and severely affect resources available to urban depressed school districts where the need for Title I funds is most crucial. However, given the block grant proposal, it is impossible to determine the exact scope of such a cutback—since school districts would be relieved of all federal responsibility to spend any of the funds on compensatory education. And, even should school districts choose to provide compensatory programs, there is no guarantee that resources and services would go to the poorest schools within the LEA or to the most needy children.

Handicapped children.—Perhaps the most ambitious of any federal education program is the Education for All Handicapped Children's Act, P.L. 94-142. Under federal law, it guarantees every handicapped child, the right to a free appropriate public education.

P.L. 94-142 is allocated $922,000,000 in the fiscal year 1981 continuing resolution. It is grossly underfunded even at this level. While the authorizing legislation provides for federal funding up to 40 percent of the handicapped, somewhat less than 12 percent will be covered with the $922,000,000 appropriation. Part of the problem in implementing the law has been the lack of resources at the state and local levels. Although required to provide special services for handicapped children, school districts have balked when federal funds were not substantial enough to pick up more costs.

The Reagan Administration plans to consolidate P.L. 94-142 into the local block grant and cut funding by twenty percent. The entitlement to a free appropriate education in the least restrictive environment would in effect be eliminated. Under the block grant proposal school boards would be free to spend 100 percent of their money on libraries or equipment and not spend any funds on handicapped, poor, racially isolated or bilingual children.

The impact would be devastating. School districts would be free to pick and choose which handicapped children, if any, receive a special education. Thousands and thousands of children can be expected to be denied appropriate services and a right to education and training.

Bilingual children.—The Bilingual Education Act, Title VII, ESEA, provides grants to local educational agencies to develop bilingual education programs. The grants are discretionary and are funded at approximately $174,963,000 in fiscal year 1981. Presently, 12 states mandate bilingual education for limited English speaking students. The federal program allows local agencies with a high concentration of limited English speaking (LES) children to provide special transitional programs for these students, even if the state has no policy. Some 556 local projects serving children were funded in fiscal year 1980. The average placement of LES children in bilingual education programs is no longer than two years before they are integrated fully into school programs taught in English.

The Reagan Administration wants to cut funding for the bilingual education program by 20 percent and put it into a block grant. Its distinct nature would be lost. Many of the local bilingual education programs now operating with federal assistance would very likely be eliminated. The incredibly high drop-out rates for language minority children could increase. Language minority children drop out of school in such large numbers because they can not understand English and are not learning. They become illiterate, and all too often, unemployed teenagers and adults. The economic and human costs are great.

EDUCATION CUTS AND CONSOLIDATIONS HURT THE TRULY NEEDY

The Reagan education budget and its proposed block grants will severely hurt poor,

[1] Significant savings in outlays do not begin until fiscal year 1983 due to the forward funding requirement of most education programs. However, rescissions in outlays for fiscal year 1981 can be expected in future proposals from the Reagan Administration.

disadvantaged, handicapped, limited English speaking and racially isolated children and their families.

Budgetary cuts of twenty percent are awesome in themselves, but the stripping away of all targeting, procedural safeguards, parent involvement, maintenance of state and local effort, and civil rights provisions, in effect, completely nullifies sixteen years of federal legislation designed to remedy deficiencies of will and/or ability at the state level to provide equal educational opportuanity for all children.

IS THE ADMINISTRATION'S PROPOSAL PRO-FAMILY?

No. The Reagan Administration says that parents should have more say in the education of their children. That's why, it says, it will endorse tuition tax credits for private school attendance. By proposing block grants and drastic budget cuts for public education and tuition tax credits for private education, the Administration is practicing a reverse Robin Hood mentality. Poor parents of disadvantaged and handicapped children would lose their rights to hold schools accountable under existing laws. Middle-income and upper-income parents would escape the lowering of academic quality in the public schools, accelerated by the 20 percent cut in federal funds, by enrolling their children in private schools that can legally avoid educating disadvantaged and handicapped children.

WILL THESE PROGRAM REDUCTIONS ENCOURAGE SELF-SUFFICIENCY?

No. Millions of additional disadvantaged students would be denied crucial compensatory education programs at critical stages in their educational development.

ARE THE PROPOSALS COST-EFFECTIVE?

No. Severe budget cuts in education and the removal of all categorical programs would mean that children whose education required greater than average costs—educationally disadvantaged children, handicapped children, and limited English speaking children—would tend to fall by the wayside.

Yet, providing appropriate services to these special groups of children is preventative medicine against school failure, dropping out, and exacerbated social costs down the road. Failure to provide such services is also a denial of equal educational rights to children.

THE FEDERAL ROLE IN EDUCATION

Much is touted these days about the Tenth Amendment and education being the responsiblity of state governments. Yet, our educational system has actually benefited from a decentralized, shared governance at the local, state and federal levels. The limited, but critical, federal role in education came about because of the failure of state and local governments to educate all of our children to their full potential.

The Constitution states that the federal government shall provide for the national welfare. Educating all of our children, which can only be guaranteed with retention of a federal presence in education policy, funding, and governance is clearly in the national welfare.

HEAD START

WHAT IS HEAD START?

Project Head Start is a federally funded, child development program for three- to five-year-old children from low-income families. Head Start is unique in its: parent involvement; community sponsorship; breadth of services.

Since 1965 Head Start has provided medical, dental, nutrition, educational, social, and mental health services to 7.5 million children and their families. Head Start's average cost is $1,900 per child per year.

WHO BENEFITS FROM HEAD START?

Head Start now serves 374,000 children—or 20 percent of those who are eligible. At least 90 percent of the children enrolled in Head Start are from families with incomes below $7,450 per year for a non-farm family of four; nearly 12 percent of all Head Start children are handicapped. (These include children with orthopedic handicaps; learning disabilities; visual, hearing, language, speech, and health impairments; and children who are mentally retarded, and emotionally disturbed. Some 61 percent of Head Start's children are Black or Hispanic; 65 percent live in urban areas.

HEAD START WORKS

Head Start improves children's health.

Head Start improves children's nutrition and reduces the prevalance of anemia.

By the end of 1978-79, 82 percent of all Head Start children were medically screened, 90 percent of those identified as needing further treatment, received it.

By the end of 1978-79, 67 percent of all Head Start children had received dental examinations; 88 percent of those who needed further treatment got it.

The immunization rate for Head Start children is 20 percent higher than the national average for poor children.

Head Start provides children with a better chance in school.

A follow-up of 820 Head Start children showed gains in school performance lasting as long as 13 years.

Children who have participated in Head Start and other preschool intervention programs are less likely to require expensive, special education and more likely to be in the correct grade level for their age.

On fourth-grade standarized tests, children who have been in Head Start or preschool scored significantly higher in mathematics achievement than those in the control group and tended to score higher in reading as well.

Head Start's benefits outweigh its costs by 236 percent, when the costs of Head Start are weighed against its benefits including increased projected lifetime earnings for Head Start children and the high costs of special educational services later for non-Head Start children.

Head Start involves parents in their children's education and development.

For every 15 children enrolled in Head Start, 10 parents provide volunteer services to the program.

Head Start parents involve their children more in household tasks, read to their children more, and show more interest in their children's reading and writing skills than non-Head Start parents.

In a survey of Head Start graduates' parents, 82 percent reported going to their children's elementary school to meet and talk with their child's teacher.

Head Start increases the self-sufficiency of parents.

Some 12,000 Head Start parents have received college training for credit through the Head Start program. Over 1,000 Head Start parents have A.A. or B.A. degrees.

One-third of the trainees for Child Development Associates (certified child care degrees) are parents of current or former Head Start children.

One-third of all Head Start staff are parents of current or former Head Start students.

WHAT THE REAGAN ADMINISTRATION IS PROPOSING

The Reagan Administration has recognized Head Start's success and recommended a $950 million appropriations for the program in FY 82; a $130 million increase over the FY 81 level.

WHAT IS THE PROPOSAL'S IMPACT ON CHILDREN?

Because funding for Head Start has not kept pace with inflation—Head Start has had only one significant funding increase in the past 12 years—local centers have been forced to cut corners severely in their efforts to preserve a quality program. The vast majority of the Administration's proposed increase will be used to offset these past effects of inflation on program quality. None of the funds will be used to expand the program, which will continue to be able to serve only 20 percent of the eligible children.

Despite the Reagan Administration's promise not to harm the Head Start program, cuts proposed by the Administration in other areas will seriously affect Head Start centers.

Head Start does not operate in a vacuum. In Fiscal Year 1982 the Office of Management and Budget projects that Head Start will receive: $79.1 million from the United States Department of Agriculture for child nutrition programs; $26.9 million from the Comprehensive Employment and Training Act (CETA) to hire Head Start staff; $12.1 million from Title XX social services.

The Reagan Administration has proposed extreme cuts in each of these three areas as well as in child welfare, food stamps, low-income energy assistance, and Medicaid—all programs that Head Start's low-income families depend on for survival.

It is critically import to thousands of poor children and their families that the Reagan adminstration has recognized the success of Head Start in its budget proposals. What is needed is to look at the other programs that affect children with the same concern for what works, and what doesn't; what helps the needy and what doesn't. Across the board cuts of consolidated programs evades this process—and will hurt the poorest most vulnerable children.●

POSTAL EMPLOYEES DESERVE A PAT ON THE BACK

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. DERWINSKI. Mr. Speaker, there are times when the Post Office does not seem to have a friend in the world. There is even a tendency among postal employees to bum rap the organization that employs them.

However, I was especially pleased to note a different approach as stated in an editorial which appeared in the Daily Journal of Kankakee, Ill., of February 16, which I wish to insert for the benefit of the Members:

[From the Daily Journal, Feb. 16, Kankakee, Ill.]

GUESS WHOSE BUSINESS WAS GOOD IN 1979-80?

Guess whose business increased during the past fiscal year by 6.5 billion? Guess who had a 95 percent quality of service rating this past year? Guess whose employees increased productivity 5.5 percent in 1980, exceeding their goal of 3 percent?

Guess what agency actually reduced its reliance on a federal subsidy by $92 million last year and now gets only 4 percent of its total budget from the federal government compared to 25 percent just 10 years ago? Guess what federal agency has not raised rates in almost three years—a period when prices of most goods and services skyrocketed?

If you guessed the U.S. Postal Service, you are right. But, how many Americans would have answered that way just a few short years ago. Before the U.S. Postal Service was established, the post office was the brunt of jokes from coast to coast and almost every comedian used it for at least one laugh per routine.

A lot of people still like to grumble about it. Stamps cost too much, they say. "Six years ago, a letter I was waiting for got lost." The letter carrier walks across the lawn. Etc. Etc. Etc.

But, the proof is in the statistics. Mail volume has increased 25 percent in the past 10 years and the work force has decreased 10 percent. Productivity has increased nearly 35 percent in the past decade and it still costs far less to mail a letter in this country than it does in any other country.

Postmaster General William F. Bolger and the thousands of postal service employees across this nation deserve a pat on the back and our stamp of approval for a job well done.●

NEW AMERICAN CITIZENS

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. LONG of Maryland. Mr. Speaker, it is with particular pleasure that I congratulate 25 residents of Maryland's Second Congressional District who have chosen to become American citizens, accepting all of the responsibilities that freedom and citizenship entail. I hope that my colleagues will join me in welcoming these new Americans and extending to them our wishes for a happy and prosperous life in the land we love.

They are: Natividad Kuszmaul, Nikolaos Kosmakos, Lambro Mavrikos, Stanford Reid, Mehr Khan, Anil Modi, Indu Sapra, Chul S. Oh, Norman Cunningham, Marie Dahan, Rachel Kalmanovich, Sofia Kizhner, Semion Kizhner, Yong S. Stewart, Kambiz Noorani, Paul Bodzas, Ileen Barnett, Janet R. Miser, Hortense Myers, Fruma Sandler, Yon Chung, Seif Matumla, Annette K. Shirley, Shawki Malek, Marc Torin, Gilberte Torin.●

COMPREHENSIVE TAX REDUCTION PACKAGE

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. ANDERSON. Mr. Speaker, I am today introducing legislation which will revise our Nation's tax structure by reducing personal income taxes, indexing these taxes for inflation, and providing businesses with the incentives necessary to reindustrialize our country.

The growth in revenues coming into the U.S. Treasury this year may total $100 billion, the largest revenue increase in the Nation's history. As a percentage of our gross national product, this will break our previous record. And this estimate is made without assuming the enactment of any tax increase; it will happen if present laws are simply allowed to remain in force. Something must be done.

Under my bill, wage earners earning $15,000 a year will enjoy a 9-percent saving as a result of its rate reduction provision, while those making $100,000 annually will benefit from a 3-percent reduction in their taxes. So, this is not the same as those simplistic across-the-board cuts endorsed by others which will do little to help middle class America, but benefit mightily the wealthy few. It is surely a more equitable approach than those, and one more in keeping with our Nation's proud heritage.

This legislation will also increase the personal exemption taxpayers may claim for themselves and their dependents from $1,000 to $1,100 a year. Americans at the lower end of the income scale will be able to take advantage of an increase in the zero bracket amount—formerly known as the standard deduction—and the earned income credit. Others will enjoy the repeal of the illogical and unnecessary marriage tax that forces many couples to pay more in taxes than they would if they were single. Also included is a liberalization of taxes on those working abroad in activities that encourage U.S. exports. A General Accounting Office report released on February 27 and entitled "American Employment Abroad Discouraged by U.S. Income Tax Laws", encourages the enactement of such a provision.

One important feature of my bill can be found in those sections which will help prevent future unlegislated tax increases by instituting an indexing system. Under current law, as individuals' salaries are increased to keep up with inflation, they move into higher tax brackets and so, owing to the graduated nature of our system, they get a higher percentage of their incomes taken away in taxes. This gives the Federal Government more money to spend, which of course it does, thus further fueling inflation. This vicious cycle repeats itself, year in and year out. My bill would automatically revise the tax brackets, increase the zero bracket amount, the personal exemptions, and the earned income credit as inflation goes up, so that people will not pay higher percentages of their income into the Government just because they receive cost-of-living raises.

Mr. Speaker, during last fall's reelection campaign, I spoke frequently about the reindustrialization of America. The bill I am introducting today will help make this more than just the popular cliche which others may use, it will help make it happen. Its capital cost recovery provision will allow the more rapid depreciation of new plants and plant equipment. American industry needs to modernize to keep pace with foreign competition, and they will be able to do so under this legislation. Accordingly to one report, investment for plant and equipment as a percentage of gross national product has declined by a half in recent years. If there is one lesson to be learned from the Nation's railroads, it is that the failure to invest in capital facilities may save a dollar today, but will cost many dollars tomorrow. Our American industries are now paying the price for their downturn in capital investment. In the city of Torrance, Calif., which I represent, a U.S. steel plant had to close its doors because it was not as efficient and could not compete with its ultramodern West German and Japanese competitors. We must help American plants remain open by helping to stimulate their capital investment. My proposal is similar to the 10-5-3 plan which has justifiably received attention, but I feel it constitutes a more reasonable approach by allowing businesses to write off their investments in either 2, 4, 7, or 10 years, or 20 years in the case of most structures.

And businessmen and women will also have a greater incentive to invest in research and experimentation of the kind that has, through the years, put our country constantly in the forefront of technological innovation. It is difficult, presently—and especially during the current hard times—to invest scarce resources into research that may or may not bear fruit. And yet, this is the research that needs to be done if we are to maintain the strength that other provisions of this legislation will help rekindle. My bill will encourage research and experimentation by providing tax credits for this type of investment.

Mr. Speaker, I feel the legislation I am introducing today is a more reasonable approach to the massive economic problems facing our country

than are many other suggestions that we have been hearing about. It is a comprehensive approach that recognizes the repeated failures we have seen when attempts are made to deal with the Tax Code in a fragmented manner. For too long, too many have tried to improve the system by fixing one of its component parts, unaware of the negative repercussions the remedy might have in some other area of our economy. That kind of tampering is doomed to failure from the start, and it is that kind of approach that I have tried to avoid.

I know, of course, that this legislation is not perfect. I am convinced that no single Member of Congress can prepare such legislation on any subject, let alone when working on laws as archaic as those found in our tax codes. That is why I hope our Ways and Means Committee will move quickly to act on my legislation, as well as on other tax-related proposals that are being suggested by the administration and by some of our colleagues.

And when a final bill is approved, I hope it is not one that is simply a collection of special-interest provisions. It was that approach that perhaps helped get us into our present position. The bill which we enact must rather be one that is simply and solely in the best interests of America. And if that should happen, Mr. Speaker, I am confident that we will be enacting legislation that is similar to the bill I am introducing today.●

GREAT LAKES MARITIME ACT OF 1981

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. OBERSTAR. Mr. Speaker, I am introducing the Great Lakes Maritime Act of 1981 today. This legislation is important to the entire Great Lakes region. It seeks not to advance our region at the expense of any other port area, but to insure our region benefits deriving from the designation in 1970 of the Great Lakes as America's fourth seacoast.

While I expect that the strongest support for this legislation will come from our colleagues from the Great Lakes region, I hope that in the interest of fairness to the Great Lakes, this legislation will enjoy support from Members throughout the United States. The entire Nation can benefit from the improvement of our export transportation system which would result from enactment of the provisions of the Great Lakes Maritime Act of 1981.

The legislation builds upon legislation introduced last year by the former chairman of the Merchant Marine and Fisheries Committee, Lud Ashley, who represented so ably the Great Lakes Port of Toledo.

It incorporates proposals that have been introduced in previous Congresses as separate pieces of legislation. I hope that this bill will serve as a focal point of legislative activity for those of us, in and out of the Congress, who are interested in the future of the Great Lakes.

The Great Lakes coastal area is fundamentally different from the gulf, Atlantic, and Pacific coastal areas in that we have freshwater ports and we are served by an international waterway, the St. Lawrence Seaway, which closes for approximately 3½ months during the winter. The closure of the seaway and the freezing of our waters are special circumstances which determine the extent and nature of lakes operations.

The Great Lakes Maritime Act is a modest bill, which will cost the Treasury very little in additional outlays. It is not a big ticket bill, requiring outlays of hundreds of millions of dollars.

The bill authorizes new spending of less than $15 million. The largest authorization is for a 2-year environmental study of the Great Lakes.

The major thrust of the legislation is the reduction of discriminatory policies affecting the Great Lakes.

Title I of the bill is identical to H.R. 845, legislation I introduced on January 13, 1981, to restructure the financing of the St. Lawrence Seaway Development Corporation. This title would convert the outstanding capital construction debt into equity ownership by the Federal Government. It would retain the requirement that seaway tolls be sufficient to meet all operating and maintenance costs of the seaway. User fee policy would remain stricter than on any other federally constructed waterway. The provision would make our financing comparable to that of Canada, which has invested approximately four times as much as the United States in the building of its seaway locks. I discussed H.R. 845 in greater detail in my RECORD statement of yesterday, March 9, 1981 (p. 3810).

Title II recognizes the need to provide alternative means of shipment of goods from Great Lakes ports during winter months. It authorizes the Secretary of Commerce to permit the use of operating differential subsidies (ODS) during the winter for cargo shipped from the Great Lakes via intermodal means to tidewater ports. The Merchant Marine and Fisheries Committee accepted a similar provision which I offered as an amendment to the Omnibus Maritime Act during our 1979 markup session. Congress did not complete action on that legislation, however.

The purpose of this provision is to encourage American-flag service to the Great Lakes. It is essential to the development of new service.

Title III addresses the issue of Canadian diversion—the shipping of U.S. cargo for exportation by rail to Canadian ports and the importation of goods to the United States through Canada. A loophole in the Shipping Act of 1916 permits the movement of cargo through Canada without the filing of tariffs with the Federal Maritime Commission.

The Canadian Government does not regulate ocean carriers and consequently, U.S. carriers are severely disadvantaged when competing for export cargo. Canadian shippers may also absorb the charges of rail transportation to Canadian ports from the interior of the United States. The Maritime Administration estimates that in 1979, 886,450 long tons of cargo were diverted through Canada for exportation and 1,225,773 long tons were imported through Canadian ports. This represents a staggering loss to U.S. ports on the Great Lakes and seacoasts of the handling of an estimated $3.4 billion worth of cargo.

Title III does not restrict the movement of cargo. It closes the loophole in the 1916 act by treating cargo that is diverted through Canada as if it were being imported or exported through U.S. ports. It will allow American ports to compete with Canadian ports by insuring that shippers via Canadian ports will provide the same data as is required of American carriers shipping through American ports.

Title IV establishes an interagency task force, under the leadership of the Department of the Interior, to conduct a 2-year comprehensive environmental study of the Great Lakes.

In 1970, Congress authorized a demonstration navigation season extension program on the Great Lakes-St. Lawrence Seaway system. That program, which concluded in 1979, demonstrated the feasibility of techniques necessary to maintain year-round navigation on the upper Great Lakes. There remains question as to the environmental consequences of year-round navigation, particularly in the area of rivers and channels. Any decision on a permanent season extension program must be preceded by a study of the possible environmental consequences. Title IV authorizes that study under the direction of an interagency task force with specific directions for consultation with State and local units of government. The section does not authorize navigational activity.

The language dealing with interagency task force was developed in consultation with our colleague, the gentleman from Michigan (Mr. BONIOR), during consideration of the water resources development bill in 1979 by the House Public Works Committee. The language we developed in

1979 authorized a season extension program. Title IV does not contain that language. It does, however, contain language directing the Corps of Engineers to study the transportation needs of residents of several islands in the St. Mary's River in Michigan.

Title V directs the Corps of Engineers to determine whether regulation of the waters of Lake Superior by the International Joint Commission in 1973 caused damage to riparian interests. It directs the corps to develop a mechanism for compensation of those damaged by that regulation. The title does not authorize compensation; Congress will have the opportunity to review the corps recommendation and evaluate the extent of the Federal Government's liability.

Title VI amends the Great Lakes Pilotage Act of 1960 to limit the liability of U.S. registered pilots to $1,000 for damage which results from negligence in navigating a vessel in U.S. waters. This provision limits the liability of U.S. pilots to the same level as that of Canadian pilots on the Great Lakes.

Canada's 1972 Pilotage Act limited the liability of Canadian pilots to $1,000. Canadian pilots are considered civil servants and the 1972 act proclaimed that the Government was not liable for damages caused by negligence, although shipping companies may be sued if the ship's master can be proven to have been in error.

The U.S. pilots are not civil servants and the United States has no similar Federal tort claims act. Thus, pilots assume huge risks but presently are uninsured. No insurance company is willing to accept the risks without a ceiling on the liability of U.S. pilots. This title provides for reciprocal and equitable participation by the United States and Canadian pilots in the recovery of damages of vessels on the Great Lakes.●

THERE IS NO TOBACCO SUBSIDY

HON. WILLIAM HILL BONER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. BONER of Tennessee. Mr. Speaker, tobacco is Tennessee's fourth ranked agricultural product, and much of it is grown in Robertson and Cheatham Counties.

Currently, there is a great deal of speculation and concern in Robertson and Cheatham Counties and throughout all of the tobacco producing areas in the State, over what the President is planning to do with respect to Federal tobacco programs.

The greatest fear that the growers have is that since there is a great deal of misunderstanding surrounding Federal tobacco programs, decisions could be made based on misinformation rather than fact.

Therefore, I would like to take the time to share with you and all of our colleagues here today an analysis of the Federal tobacco programs which I feel puts to rest many of the misconceptions surrounding tobacco programs.

Thank you, Mr. Speaker.

The analysis follows:

THERE IS NO TOBACCO SUBSIDY

One of the most misunderstood facets of the tobacco industry is the price support program. Industry critics denounce a federal bureaucracy that encourages farmers to grow the leaf while discouraging smokers from using tobacco products.

Ending the tobacco "subsidy," they argue, will put an end to this apparent dichotomy.

In fact, there is no tobacco subsidy. There is a government price support program. It guarantees farmers a minimum price for their tobacco. And their corn, rice, peanut and cotton crops—13 different commodities altogether.

The money isn't a gift. It's a loan, repaid with interest. In the 47 years since the tobacco price support program began, it has been the most successful farm program the government has ever had.

HOW IT ALL BEGAN

More than a half century ago, the Great Depression was threatening to destroy the American economy. The stock market had crashed. Businesses were closing. Unemployment lines stretched across the nation. Consumer purchasing power was low and agriculture prices could not sustain farm families.

The 1932 tobacco crop sold for nine cents a pound, and farmers were using leaf as fuel rather than sell at a loss.

To remedy the situation and to prevent a recurrence, the nation's leaders proposed and Congress approved permanent government programs aimed at stabilizing the national economy, including agriculture. Tobacco and other farm commodities were covered in price stabilization and production control legislation.

The 1938 Agricultural Adjustment Act established acreage allotments, marketing quotas and a regulated marketing system for tobacco. The program ensured that the farmer would earn a reasonable return on his considerable investment, yet provided for an adequate supply of tobacco to meet domestic and export needs.

HOW IT WORKS

All types of tobacco are eligible for price support. The program is voluntary, with growers of each type of tobacco given the option, via referendums every three years, to participate. Currently, 20 of the 24 types of tobacco produced in the U.S. and Puerto Rico are under the program.

Tobacco farmers accept strict acreage and poundage allotments set yearly by the U.S. Department of Agriculture (USDA). Total allotments, the "national marketing quota," equal the amount USDA estimates will meet domestic tobacco industry and foreign buyer needs.

The price support program does more than control quantity. It establishes a minimum price for tobacco sold at auction. This minimum price is especially important to the tens of thousands of farm families who grow tobacco on acreage so small that no other crop there could support a family.

Most tobacco today is sold at a warehouse auction after grading for type and quality. The grade determines the per pound price support.

If leaf is unsold at the government-pegged minimum price, and if the tobacco grower has not exceeded his production quota, he is eligible for a government loan equal to the support price. The tobacco is taken as loan collateral by a government-funded, grower-owned and operated cooperative, which processes and stores it for future sale.

The money the cooperative pays the farmer is loaned to it by USDA's Commodity Credit Corporation (CCC), the price support program overseer.

WHAT IT COSTS

Among the most imperishable of farm crops, tobacco can be stored as long as several years before being sold in a more favorable market.

Loans are made on a crop-year basis, and it may take a number of years to dispose of loan receipts from a particular crop. However, when the cooperative sells the tobacco, each government loan is repaid with interest. If sale proceeds don't cover the loan, the unpaid balance is written off as a program cost. If proceeds exceed the loan, the net is distributed to the growers.

In 47 years of tobacco price support, the CCC has loaned farmers more than $5 billion. The repayment rate has been about 99 percent. Loan repayments plus interest have exceeded losses in almost all 47 years.

The $57 million net loss currently on CCC books is the result of but two or three major losses. They amount to just one-tenth of one percent of all losses for all commodity price support programs (see table).

Admitting the programs frequently receives an underserved "bum rap" from critics, Agriculture Secretary John R. Block told a national television audience in 1981 he wasn't going to complain about the cost of tobacco price supports. "It's making us money," he said.

The government does incur other minimal expenses, such as inspection and market news service costs. Recent administrative costs have totaled about $6.6 million annually, varying downward in earlier, pre-inflation years.

During the half-century that taxpayers have "lost" $57 million on the programs, tobacco product purchasers paid the U.S. Treasury more than $72 billion in excise taxes, including federal tax of eight cents on each package of cigarettes. They have provided state governments with an additional $56 billion and local governments with another $2 billion in the same period.

Government Price Support Loans—Net Loss on Commodity Inventory and Loan Operations, October 1933–September 1980

[Millions of dollars]

Corn	$3,208
Wheat	2,962
Cotton	2,337
Peanuts	1,141
Sorghum	999
Rice	412
Barley	225
Oats	210
Soybeans	120
Tobacco	*57
Rye	33
Sugar Beets	17
Honey	1

Source: U.S. Department of Agriculture, Agricultural Stabilization and Conservation Service, Commodity Credit Corporation, Report of Financial Condition and Operations as of September 30, 1980.

*$17 million of this amount is offset by interest payments on the loans on which the losses were incurred.

THERE IS NO TOBACCO SUBSIDY

So there is no tobacco subsidy. Some misinformed critics argue that, even if there is no subsidy, the program makes tobacco products more readily available. But they ignore two basic facts:

1. The program is intended to, and does, keep tobacco leaf prices higher than they would be without it.

2. The program is intended to, and does, keep domestic tobacco supplies lower than they would be without it.

Ending the program could bring these disastrous results: overplanting by big farmers and by newcomers, a drop in price, a decrease in income for many small farmers who depend upon income from an acre or two of leaf for their existence, and the squeezing of small farmers off the land because banks and other financial institutions will not provide operating loans without guarantee of repayment, which is presently assured by the price support program.

There would be widely decreased tax collections in 22 states that grow tobacco, widespread disruptions in banking and commercial systems, and—to continue the scenario to its logical conclusion—regional recessions.

If Congress were to heed critics, considerably increased acreage could be devoted to tobacco. With restrictive quotas gone, a larger tobacco supply would enter the market, at reduced prices.

ENCOURAGES SMOKING?

Does the price support program encourage starting or continuing to smoke? Yes, say critics. No, say government health officials.

John Pinney, director of the government's Office on Smoking and Health, declared in 1980: "We've reached the conclusion that the price support program in no way affects any aspect of cigarette smoking. It doesn't have anything to do with whether or not they quit smoking."

And Joseph Califano, then-secretary of the Department of Health, Education and Welfare, testified before Congress in 1978: "I do not believe that anyone smokes or doesn't smoke or decides to begin or continue or stops smoking because of the tobacco subsidy. I don't think it is in any way related to that."

He gave the program the wrong name in calling it a subsidy. But he gave it an accurate assessment.●

TRIBUTE TO MINNESOTA STATE SENATOR NICK COLEMAN

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. VENTO. Mr. Speaker, it is with deep sorrow that I address my colleagues today. The people of Minnesota and I have lost a good friend, State Senator Nick Coleman, who died last Thursday of complications from leukemia.

Nick had a long and illustrious career in public administration. Serving as a State senator and ultimately as senate majority leader, Nick committed his career to assisting those who needed help. Many of the essential social programs now in place in Minnesota are the direct result of Nick Coleman's efforts. Among his many achievements are lower taxes for the working poor, a program which is a national model; State assumption of most local welfare costs; reform of the State's public employee bargaining system and the 1973 Human Rights Act.

While in the legislature, Nick earned the respect of his colleagues for his hard work, abilities as a legislator and debator, his Irish charm, his commitment, and his willingness to be open to all points of view. Because of his leadership qualities, Nick became the first Democrat to serve as majority leader in 114 years.

Both in the State legislature and in Congress, I worked closely with Nick on a wide variety of issues. His experience, commitment, and insights were of invaluable assistance to me. I will sorely miss the friendship and counsel of Nick, and the people of Minnesota will miss his dedication and leadership.

At this time, I would like to call to my colleagues' attention an article from the March 6 issue of the St. Paul Pioneer Press on this Minnesota leader.

NICK COLEMAN DIES AT 56—LEUKEMIA CLAIMS FORMER SENATE MAJORITY LEADER

(By Jack Rhodes)

Nicholas Coleman, former Minnesota Senate majority leader died at University of Minnesota Hospitals in Minneapolis Thursday night of complications from leukemia.

A hospital spokesman said Coleman died at 11:05 p.m. following multiple complications of his most recent chemotherapy treatment.

Coleman had decided in early February to try an even more intensive course of treatment in an effort to achieve a third remission of his disease, the spokesman said. At the time of his death, Coleman's bone marrow showed no sign of leukemia, the spokesman said.

With him when he died were his wife, mother, sister and six children.

Coleman, 56, of St. Paul, an 18-year legislative veteran from St. Paul, was considered the most influential member of the Senate during the 1970s and among the most effective legislators of the past quarter century.

Regarded as the Senate's best debater, he played a key role in passing much of the state's social legislation in recent years. He was quick-witted and well-liked by fellow senators and the press, and known for his ability to shred an opponent's arguments without ridiculing him.

Coleman was a victim of acute, nonlymphoblastic leukemia. The exact cause of death was not immediately available.

His leukemia was first diagnosed last spring. Coleman had become ill while engaging in one of his favorite pastimes—a canoeing and camping trip in the Boundary Waters Canoe Area.

He was admitted to Midway Hospital last June 6, the day after more than 500 people attended his retirement roast at the Prom Center in St. Paul.

Two days later, he was transferred to the Masonic Cancer Center at University of Minnesota Hospital to undergo drug treatment for the disease.

He was released July 23 and continued to receive anti-cancer drugs on an outpatient basis. In early August, his doctor said the leukemia was in remission—that is, signs of the cancer were absent. He was readmitted to the center for treatment several more times before his death.

He caught many people by surprise on Feb. 6, 1980, when he announced that he would not seek reelection in District 65. The district includes the Crocus Hill, Summit-University and West Seventh Street neighborhoods, downtown St. Paul and parts of the East Side.

"The current cycle of ultraconservativism, the climate of self-preservation, the political myopia, have created a climate that I do not suit, nor do I wish to," he said at the time.

A graduate of Cretin High School, Coleman received a political science education at the College of St. Thomas and served in the U.S. Navy during World War II. He was a school teacher for a brief time in Tyler, Minn., before returning to St. Paul and entering the advertising business.

In addition to being a legislator for 18 years, Coleman was president of a St. Paul advertising agency, Coleman Christison Inc. It handled a wide range of advertising and marketing, ranging from political campaigns to health insurance. Among its clients are Minnesota Zoological Garden, the U.S. Energy Department and Blue Shield of California.

Coleman became involved in DFL politics by working on Eugene McCarthy's first campaign for the U.S. House of Representatives in 1948, when McCarthy defeated incumbent Republican Edward Devitt, now a federal judge. Coleman helped McCarthy win his first bid for the U.S. Senate in 1958 and was Minnesota director for the Johnson-Humphrey presidential campaign in 1964.

In the meantime, he was elected to political office himself, gaining his Senate seat in 1962 and winning easily in four following elections.

Coleman rose to assistant minority leader in 1967, minority leader in 1971 and in 1972 became the first Democratic majority leader since another Irishman, Richard Murphy, held the job 114 years earlier.

With DFLers in control of both houses of the Legislature and the governor's office, Coleman helped steer state government on a new course. DFLers quickly passed a law requiring legislative candidates to run with party affiliation for the first time since 1913.

Among his achievements as majority leader were lower taxes for the working poor (Minnesota's law became a national model), state assumption of most local welfare costs, handgun regulation and unemployment compensation for strikers.

He also helped put lay members on professional regulatory boards, enact the 1973 Human Rights Act that prohibited discrimination based on sex, age, marital status and public assistance, and overhaul the state's public employee bargaining system.

His positions on such issues as handgun control, liquor reform, a temporary ban on completing Interstate 35E and support of a new underground Capitol building created political enemies and kept him in the middle of many controversies.

A political winner, Coleman also experienced defeat.

In 1970, he sought DFL endorsement for governor, but lost to Wendell Anderson.

Party leaders, including the late Sen. Hubert Humphrey, wanted Coleman to run for lieutenant governor, but he already had agreed to support Rudy Perpich for the No. 2 spot. With Coleman's help, Perpich was endorsed for lieutenant governor and elected to the office.

In 1978, following Humphrey's death, Perpich, who by then had become governor, had to make a U.S. Senate appointment. Perpich "owed" Coleman because of his support for lieutenant governor. But Coleman, recognizing the sensitivity of the issue, didn't push for the job and Perpich appointed Humphrey's widow, Muriel.

Coleman was a candidate for DFL nomination to the U.S. Senate seat briefly that year, but withdrew and left the field to U.S. Rep. Donald Fraser.

Although two of the governors he served with as majority leader—Anderson and Perpich—were fellow DFLers, Coleman's first loyalty was to the Senate. He conferred with both governors, but no one ever called him a rubber stamp for either one.

It was his wit as much as his undisputed leadership qualities that distinguished Coleman from his legislative colleagues. In the heat of debate, or in flashing his own brand of Irish anger, Coleman would always rely on his silver tongue and a good one-liner to ease the tension.

One of his chief political opponents, Independent-Republican Sen. Robert Ashbach, the minority leader, branded Coleman a "grinning shark," a compliment to a man Ashbach deeply respected.

To the editors of the St. Paul Pioneer Press and Dispatch, he once wrote:

"I have lost all hope that I could ever educate you or your editorial staff on the intricacies of the state tax system. But the sheer multitude of errors, oversimplifications and faulty logic in your Aug. 4 editorial compels me to try once more."

Lawyers and judges were frequent Coleman targets. He once described judges as "lawyers in long, funny, black dresses."

He viewed his role of keeping peace among DFL senators with widely varying political views as "one of preventing you guys from biting each others' hind legs off." He also said his job could best be filled by a "manic-depressive."

To critics of government he would say, "It's a good thing we don't get all the government we pay for."

Lobbyists also found him disarming. When they came to see him in his office on the second floor of the Capitol, he often would greet them with, "Hello, may I be of some resistance to you."

Coleman is survived by his wife, Deborah Howell, assistant managing editor of the Pioneer Press. They lived at 835 Osceola Ave.

Surviving children from a previous marriage include Patrick, Christopher and Emmett of St. Paul, Brendan and Meghan of Minneapolis, and Nicholas, a Minneapolis Tribune reporter on leave to study in Ann Arbor, Mich.; his mother, Hannah of St. Paul; a brother, David of St. Paul; and a sister, Rosemarie Johnson of White Bear Lake.

Coleman's father, David, died in November 1979.

At Coleman's request, a leukemia research fund is being established at the Masonic Cancer Center. Contributions should be sent to the Coleman Leukemia Research Fund, Box 277, University of Minnesota Hospitals, Minneapolis, Minn. 55455.

Funeral arrangements are pending.●

"MEGACAP" FOR VETERANS?

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. OBERSTAR. Mr. Speaker, yesterday, I advised the President of my serious concern over a proposed budget reduction which will work economic hardship on disabled, compensable veterans. I refer to the attempt to cap disability benefits from all sources without regard to the lifetime lost wages suffered by many veterans who, as a result of disabilities received in service to their country, never achieve their full economic potential.

A ceiling on disability benefits will similarly affect any worker in our economy who, sometime in his or her work career, suffered a loss of earning ability for which compensation is being paid. I believe the impact on veterans, however, will be the most severe as the majority of them will have sustained their injuries early in life and will have the greatest number of low-income years when lifetime wages are averaged for social security purposes.

I trust my colleagues will be interested in my letter to the President:

WASHINGTON, D.C., *March 9, 1981.*

Hon. RONALD REAGAN,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I am alarmed at reports that new budget reductions will recommend a "megacap" on social security disability benefits with special emphasis on eliminating the supposed duplication of benefits to compensable veterans.

If reports I have received are correct, you are offering a proposal to offset social security benefits so that such benefits, combined with other disability payments from any source, will not exceed 80% of a prior average social security wage.

Benefit reductions authorized last year by Public Law 96-265 averaged 15%, but were as much as 30% for young disabled workers with families. This reduction was achieved by capping maximum benefits at 85% of a prior average wage. Your proposal would reduce such benefits an additional 6%. However, I am most concerned over the reduction which would be applied to persons entitled to compensation from another source.

The Social Security Act now recognizes that "prior average wage," computed as the average of all covered earnings over a working lifetime, with minimal drop out provisions, as indexed to the date of disability, is not the same as pre-disability earnings.

Under current law, an individual entitled to a combination of workers' compensation benefits and social security disability is "capped" at 80% of "average current earnings" which is the higher of (1) prior average indexed wages, (2) average monthly earnings from covered employment during the highest five consecutive years after 1950, or (3) average monthly earnings based on one calendar year of highest earnings during the five year period preceding disability.

Although this formula cannot recognize the value of employment related fringe benefits such as group health insurance and life insurance, the income replaced by combined benefits provides an income bearing some relationship to the wage earner's income at the time disability occurs.

An incentive to return to the work force, if possible, is built in to the law in that cost of living adjustments in workers' compensation are always fully offset. Although social security increases are provided, long term disabled workers and their families suffer a gradual, but sometimes severe, decline in benefits relative to earnings. If benefits are "megacapped" as you suggest, workers who at the time of disability were earning wages substantially above their lifetime average could receive no social security benefits whatsoever.

But what about compensable veterans, Mr. President? What will a dollar for dollar offset of social security because of compensation mean to them and their families?

If the severe disability which renders a veteran incapable of employment is service related, a 100% disability rating, perhaps with a higher statutory award for multiple disability, and added benefits for family members will insure a decent standard of living.

That will not be the case for a compensable veteran whose totally-incapacitating disabilities are not service related.

The very purpose of disability ratings for veterans is to measure wage earning limitations imposed by service-incurred disabilities and diseases and to supplement low wages with compensation. Throughout their lifetimes, many veterans with disabilities rated 20%, 30%, or more are in and out of the labor market, in and out of medical facilities, and locked-in to low income, dead-end jobs because of disabilities associated with military service. If their service-connected disabilities remain less than total, but they subsequently become unemployable due to a combination of impairments or to a completely unrelated disorder, their prior average wage under social security will be low due to a poor wage history.

If low social security benefit payable on their wages is offset by compensation designed to supplement these low wages, the benefit payable will insure that those veterans who are "truly disabled" also are "truly needy."

I feel certain disabled veterans will appreciate knowing what safeguards against this eventuality are provided in your recommendation?

I look forward to receiving your explanation of the effect of your proposal on compensable veterans whose service-connected disabilities are rated less than 100%.

Sincerely,

JAMES L. OBERSTAR,
Member of Congress.●

ST. PATRICK'S DAY

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. RODINO. Mr. Speaker, I am proud to recognize the men and women of Irish heritage during this season when we honor St. Patrick, the courageous patron saint of Ireland.

This Sunday, March 15, the citizens of New Jersey's 10th Congressional District and representatives from 140

Irish-American associations in New Jersey will join together for the 46th annual St. Patrick's Day parade, starting in my home city of Newark. This year's grand marshal is Charles Cryan and deputy grand marshal is Jane McFadden, but it is a great tribute to the Irish people that men and women of all backgrounds will join the march in honor of St. Patrick.

The Irish are very proud of their patron saint, who brought a message of spiritual growth and fulfillment to the Emerald Isle in A.D. 431. At first, St. Patrick was faced with the dangerous situation of preaching a new faith to a foreign population. Nonetheless, he was fearless in doing good works, preaching Christianity and establishing many schools and churches. By the end of his life in A.D. 493 St. Patrick had become a beloved friend and a symbol of hope to the Irish people.

As Americans we acknowledge a debt to St. Patrick through the many contributions Irish Americans have made to the growth and development of our Nation.

The Irish played a key role in constructing the railroads which link our two coasts, and the many talents of the Irish have been represented throughout our country's history in the arts, athletics, science, and religion.

In politics, too, the Irish have served to make our Nation a more progressive and prosperous nation. The legacy of President John Fitzgerald Kennedy reminds all Americans that our goal as a nation should always be toward a more just society—one that is committed to equal rights and opportunities for all our citizens.

While I join with the citizens of New Jersey and my House colleagues in commemorating St. Patrick's Day 1981, I cannot help but feel saddened by the bitter struggle that continues to disrupt the lives of those people living in Northern Ireland. This terrible discord demands our attention and deep concern, and St. Patrick's Day provides a special opportunity to apply the same commitment the Irish gave to their new faith in A.D. 431 toward ending the present tragedy of social injustice there.

Certainly there could be no more fitting tribute to the memory of Ireland's patron saint than the restoration of peace and justice in Northern Ireland.●

BUDGET CUTS TAKE ON HUMAN DIMENSION IN AREA SERVICES

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. LELAND. Mr. Speaker, week before last I participated with my colleagues in a special order on the President's economic proposals. The statements of all those who participated were enlightening and I am sure we all benefited from the views of our colleagues. However, missing from our discussion were real people situations. That is, how these proposals will touch the lives of Americans everywhere.

Mr. Speaker, Margaret Downing, in an article which appeared in the Houston Post on March 1, 1981, did an excellent job of translating the rhetoric and charts into reality.

We often get lost in our charts and statistics and forget how our actions so directly impact on the lives of our fellow Americans. The examples in this article are vivid reminders of what the actions of the administration and the Congress do to our people. I hope my colleagues will take the time to read this article and remember those people who appear in the story, and the millions like them across this country, in the days ahead as we tackle the difficult task of developing our economic program.

Mr. Speaker, I insert the Houston Post article at this point in the RECORD:

[From the Houston Post, Mar. 1, 1981]

BUDGET CUTS TAKE ON HUMAN DIMENSION IN AREA SERVICES

(By Margaret Downing)

The Major is stretched out in the center of the hospital bed, one hand steadying an ashtray, endlessly chain smoking while he listens to music from a small portable radio.

Even in the subdued lighting of the sparsely furnished room, the waxen cast to his skin is evident.

In January he started having difficulty swallowing, so he went to the Nassau Bay Public Health Service Hospital across the street from the Johnson Space Center. In a matter of days he had his verdict: Cancer of the esophagus.

The hospital he's in awaits a verdict of its own. The Nassau Bay facility is on President Reagan's hit list of the dispensable and, like job training programs, food stamps and other federal services targeted for change or eradication, a nod of Congress will implement Reagan's plans.

In the new administration's charge toward federal thrift and sifting search for the "truly needy," some people see themselves as guinea pigs in the lab test of financial philosophies. The programs they always thought would be there for them are threatened.

For the 67-year-old retired infantry officer known as The Major, that means the health care he'd always expected.

It was only the promise of a comfortable atmosphere—fellow patients who were military personnel and merchant seamen—that convinced The Major to enter the Nassau Bay hospital.

The Major says doctors told him if he hadn't come in when he did that "in two or three months I would probably kick the bucket." He says now at least he has an early start on his fight with cancer.

Twenty-six years in the service," says the gray-haired man who still maintains a precise military burr haircut. "They always said we'll give you medical treatment for the rest of your life. That's when you're in. You get out and they say 'space available.'"

A pause while he stubs out the cigarette. "This is all right." Another studied pause. "Unless you're sick." He laughs.

"You get to go to San Antonio, but they say 'space available.' There's the VA, but the can't take care of people in the inner city . . . besides, I don't want Baylor students prodding on me. I know they have to learn, but not on me."

The Major says he's all for Reagan and "all he's going to do.

"He's going to build bombers, tankers . . . My friend (Secretary of State Alexander) Haig is telling the Russians to keep their nose clean. To go along with that you better have hospitals."

Merchant seamen find themselves doubly endangered by Reagan's budget-cutting proposals. Not only do they stand to lose their hospital, but also their federally financed medical care system in effect since 1798.

Getting health insurance, when the average age of merchant seamen is 50 years will be a little tough, they say.

"Even if the shipping companies or the (seamen's) union had a health-care program, these men are not good risks because of their age and existing poor health conditions," says a Nassau Bay hospital administrator as he tours the floors.

"He (Reagan) might as well dig a hole and put us in it," says Terral McRaney, a 67-year-old merchant seaman in a room near The Major.

Beset by Anemia, an ulcer, low blood pressure and a cataract, McRaney says after 35 years at sea, the only insurance he has is a death policy that will give his wife $5,000.

"In terms of the availability of services, we're geared to seamen," the Nassau Bay administrator says. "We have some understanding of the unique working environment they work in. They're comfortable here."

Comfort and financial expediency sometimes collide, though. At the National Maritime Union, 8329 Lawndale, merchant seamen say they have been betrayed by Reagan.

"We backed him all the way. He's supposed to give us more ships, more jobs. He's taking things away from us," says Jesse Taylor. "The hospitals were built for us. We put our own money into them."

Most of the men are in their 50s. They say they are too old to move on to other jobs and must hang on to the benefits promised them.

"The younger people have found better opportunity elsewhere. We're hanging in there, probably the only thing we can do," says Charles Ackerly.

Kirby Smith McDowell, the National Maritime Union's Houston Port agent, sees Reagan's plans as short-sighted. If the public health service hospitals are closed down, something will still have to be done for the people it was serving, McDowell explains.

"The government's going to have to pay one way or the other," he says. Right now, McDowell says, it costs between $500 and $1,000 to treat the average seaman at the public service hospitals.

"If he has to go to a private hospital, it would cost him maybe $5,000 to $10,000."

Merchant seamen complain the "romance" is going out of their lives. "Romance" seems the word furthest from the minds and lives of food stamp recipients in Houston where hard-luck stories abound.

The food stamp building on East 11th Street in north Houston is a dingy, red brick building. Inside, recipients line up by faded blue walls, scuffling their feet on the worn linoleum floors. There are no chairs to ease the wait.

On the eastern edge of downtown is the Bell Street building—a cleaner, brighter facility that Texas Department of Human Resources people point to with pride. But clients accustomed to picking up their stamps at the old Navigation Street facility sail by the metal building, which still has no identifying sign out front.

Once a food stamp recipient gets his coupons and leaves the building, he is confronted with a line of old men who spend their days stationed in front of the centers, handing out meat market shoppers. The system is rigid. You get a shopper on the way out, not on the way in.

At all full-time food stamp locations in the city, the poor receive their monthly allotments from employees of Brink's Inc., an armored car service. The guards, most of whom make little more than minimum wage, express small warmth for the people receiving the coupons.

The only exception the guards make is for the "old people." These are the people who really can't work, the guards say, and they are sure it is the elderly who will be the most hurt by any food stamp cutbacks.

The government is not talking about eliminating the food stamp program, "but reducing it seriously and significantly," notes Charles Ternes, spokesman for the Houston office of the TDHR. The Reagan administration has promised, however, those deemed "truly needy" would retain food stamp privileges.

So who will be hurt? There were approximately half a billion dollars spent in food stamps last year, Ternes says. "That's one horrendous benefit for the food and agriculture industry."

How would some recipients deal with a decrease in food stamps?

Rose Price arrives in a shaky old pickup truck with bad brakes. "I don't get but $17 worth (of food stamps) and that don't take care of everything," the widow says. Decrease that and, Price says with a certain fatalism, "I'll just have to be short, that's all."

The 73-year-old woman had to pay an elderly neighbor to drive her there—a common practice according to the security guards who distribute the food stamps.

"While the centers are all on bus lines, not all our clients are," says Ternes. Case in point: a cab pulls up and members of two families jump out and run into the food stamp center while the meter ticks.

Odia Bell will be 60 Wednesday. A heavy woman, she walks painfully to the front of the room.

"Well it's going to be bad on me," she says of any cutback. "I'm unable to work. I had a operation in October. I'm just disabled. I have high blood pressure. I got two broke ankles and they took a bone out of my hip.

"It's just myself, but food and things are just so high. What you get for $10 you can carry home in one bag. I'm on a special diet."

Reagan's plans have her neighbors and friends worried, Bell says.

"That's all they talk about," she says, shaking her head sadly. "There is some in worse shape than I am. Some are in wheelchairs. Some are walking on canes."

Not that Bell is saying there couldn't be some weeding out in the food stamp program. "The young ones, if they're able to have babies, they're able to work.

Others say that being able to work is not the question.

A 32-year-old man arrives to pick up food stamps for his family. He came to Houston from McAllen two years ago and says he hasn't been able to find work lately.

Speaking in Spanish, he says he calls the same places every day, looking for work as a carpenter's helper or concrete worker—anything to do with manual labor.

He has a 31-year-old wife and four children, ages 7, 8, 12, and 16. The family receives $332 a month in food stamps. If the food stamps were eliminated or substantially decreased, he says, "There wouldn't be anything I could do but try and find a (better-paying) job or have my wife and children work."

Not everyone is taking the news about the possible cuts as evenly.

Guards at the Bell Street facility said one young man swore last week that if his food stamps are pulled he will "get a gun and just start robbing people."

Others like Deann Yerby aren't too attached to food stamps.

Last week the 30-year-old joined the food stamp rolls for the first time.

"This is the very first time I did this," she says, balancing her youngest child in one arm while she holds on to the coupon books with her other hand. It was a three-hour wait before she was finally given the stamps, she says.

"I got divorced in December after 12½ years of marriage. I was used to having my husband provide the food. I have four kids, 10, 10, 11 and 16 months. Yes, twins," she says with a smile.

Yerby says she is more concerned with finding a job than returning for another food stamp allotment. After her visit she says she can't believe there are too many cheaters on welfare, not when they have to wait as long as she did to be processed.

The program whose death knell has all but sounded is of course public service jobs under Title VI and Title II-D of the Comprehensive Employment and Training Act.

Last week, it was learned Reagan has decided upon an immediate hiring freeze to take effect Monday. This effectively scuttles the plans of VGS Inc. to add 650 workers to its rolls by September and the Houston Area Urban League to add 30 clients.

It was also learned there will be an attempt to pull back some of the already allocated CETA funds and a last-minute attempt to enroll clients before the freeze deadline was blocked.

Mrs. E. M. Amos is a CETA trainee now with the Houston Housing Authority. Before CETA, the 43-year-old woman says she spent a year submitting job applications around town.

"You just get the usual, 'We're not hiring now,'" she says. "I went to CETA one day and filled out the application and I was hired the next day."

Workshop sessions and on-the-job training gave her a chance to succeed at her new job, she says.

"If they would have just put me on a job, even though you have the skills to work, when you come into this new environment, you want to learn all over again what the supervisor wants," she says.

Amos says one thing her CETA training stresses is not to get upset about temporary setbacks in the job world. Amos figures this will stand her in good stead if the CETA program is dropped.

"They tell you, you either accomplish something while working in this position, or you don't accomplish anything," she says. "If this is the way it's going to be, I'm not going to get upset."●

CALL TO CONSCIENCE VIGIL, 1981

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. LEHMAN. Mr. Speaker, I am pleased to participate in this year's "Call to Conscience Vigil, 1981." For the past 3 years, I have spoken on behalf of Lev Roitburd, former prisoner of conscience and longtime refusenik. This year's vigil marks an important difference for Lev Roitburd for he is a free man.

In January, Lev Roitburd arrived in Israel accompanied by his wife, Lila, and son, Alexsandr. Their courage, determination and persistence over many years have finally restored their basic human rights. After 8 long years of repeated denial and abuse, Lev Roitburd and his family are finally at home.

In recent days, the Soviet Union has displayed what might be regarded as a good will gesture. We have witnessed a sudden increase of exit visas issued to Soviet Jews, and Iosef Mendelevich, one of the three remaining defendants of the 1971 Leningrad trials, was released. It is difficult to predict what this means for the future. It certainly appears to confirm the familiar Soviet pattern of bartering with human lives.

We still face a great challenge in trying to keep open the emigration spout for Soviet Jews. Recently, the Soviet Union imposed severe restrictions, making it extremely difficult for Soviet Jews to submit applications for exit visas. These restrictions require that all immediate members of the emigrating family must be willing to leave the Soviet Union, that, if denied, a 1-year waiting period prior to reapplication must be observed, and that applicants must submit an invitation from an immediate relative residing in Israel.

There has been a sharp decline in the numbers of Jews allowed to emigrate since 1979. In 1979, 51,000 Jews were permitted to leave compared to only 21,000 in 1980—30,000 fewer in a 1-year period. The recent State Department report on human rights practices indicated that the drop may be due to the deterioration in East-West relations and Soviet fears of a Jewish "brain drain." According to the report's estimations, there are still over 200,000 Jews now holding letters of invitation from Israel.

It seems clear that we in Congress must continue in our efforts to help Soviet Jews and to express our strong determination in speaking out against

continued Soviet human rights violations. Let us help restore the basic rights to all Soviet Jews who wish nothing more than to live with their families in the place of their choice.●

SOVIET THREATS TO FREEDOM

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. DERWINSKI. Mr. Speaker, well justified is the assertion that the Soviet Union poses a threat to the freedom of all peoples throughout the world. Just as real is the continued suppression that the people within the U.S.S.R. face, who are held captive under the Communist dictatorship. One of the most unique peoples of non-Russian origin, within the U.S.S.R., are the Armenians, whose determined nature have allowed them to maintain their national identity.

The Armenian Weekly of Boston, Mass., recently reprinted an article by Rouben Gavoor, which originally appeared in the Manchester Union Leader. The article, which recounts the Armenian revolt against Soviet Russia, follows for the Members' attention:

FIRST SUCCESSFUL REVOLT AGAINST SOVIET RULE

(BY ROUBEN GAVOOR)

Very few people are aware that the month of February this year marks the 60th anniversary of the first and only successful revolt against Soviet Russia.

After six hundred years of subjugation at the hands of the Turks, and to a lesser degree the Russians, Armenians gained their independence on May 28, 1918 without any aid from the outside

The newly established Armenian Republic was patterned after the American system of government. The new Republic was recognized by 56 nations, including the United States, Soviet Russia and Turkey.

The newly elected government after a democratic election proceeded with the herculean task of trying to improve the urgent economic, social, educational and cultural needs of its citizens who had sacrificed everything for their freedom and independence.

One outstanding British Foreign Officer of high rank was sent to Armenia on an important mission in 1918. He describes the tragic and chaotic conditions in every segment of life of the suffering people in his classic book "The Near Eastern Checkerboard."

In 1920 this same British statesman was again sent to Armenia on an urgent mission. In essence this is what he said: Never in my life as a foreign service officer of over three decades have I witnesses such miracles performed by a newly established government and its people within two short years. There were no longer any beggars in the streets, no starving people. People were better dressed, happier and eager to improve the country further. The government had already established public schools, had laid the foundation for a university and had sent 50 or more bright students to European universities to study.

It soon became apparent that the Soviets could not stomach such a dynamic democratic government within their sphere of influence. They soon began sending infiltrators, agitators, and poured financial aid to the Communists within to disrupt the orderly process of government. They also aided and encouraged Turkey and Azerbaijan to attack Armenia. Pressed between the Communists and the Turks, the Republic, after much serious deliberation, decided to hand the reins of government to the Communists. The latter in turn pledged that there will not be any reprisal or persecution of leaders of the Republic. But the new Communist regime did not honor its pledge and began to persecute and imprison former leaders.

Within the next few months, the angry peasants, without leadership, revolted against the new regime, took over the government, freed the imprisoned leaders. The communists escaped, taking all monies and supplies with them. This historic and unprecedented event took place in February 1921.

Unfortunately, this first successful revolt against Soviet rule came to an end when the 11th Division of the Red Army was sent to crush the Republic, a few months later. Now Armenia is one of the Soviet Republics. And it is one of the most advanced ones in the Soviet Empire.

When freedom is at stake, no tyrannical regime, no matter how powerful, is invincible. The Armenian people proved this in this historic, daring and successful revolt.●

ADMINISTRATIVE RULEMAKING REFORM BILL H.R. 1776—HONOR ROLL

HON. ELLIOTT H. LEVITAS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. LEVITAS. Mr. Speaker, since the opening of the 97th Congress just 2 months ago, 160 Members have already joined me in sponsoring a bill to help the American people regain control of our Government.

My administrative rulemaking reform bill, H.R. 1776. will give Congress the right to review, and, if necessary, veto, in advance, any rule or regulation issued by unelected bureaucrats.

Laws should be made by persons elected by and accountable to the citizens of this country. It is, therefore, most appropriate that the number of this bill, H.R. 1776, is a reminder of the year of American independence and liberty.

This bill is not partisan; it is neither conservative nor liberal and its sponsors come from all across America and all across the political spectrum. It simply means that the duly elected representatives of the people will have the chance to consider rules and regulations before they go into effect, and the chance to stop them from going into effect if they are outside the intent of the law, overly burdensome, arbitrary, or just plain stupid.

The time has come for the enactment of this legislation. It deserves the support of President Reagan. I believe him to be a man of his word and one who keeps his promises. This issue—the enactment of a legislative veto—will give President Reagan the opportunity to demonstrate that he backs up his words with action. During last fall's campaign he spoke on October 8, 1980, in Youngstown, Ohio, on the subject of regulatory reform. He said there, clearly, directly, and unequivocally:

> To better control the growth of federal regulations, we should * * * give both Congress and the President greater authority to veto regulations approved by executive agencies.

The time has come for Mr. Reagan to redeem that promise with strong bipartisan support.

The following is a list of those Members who have already joined the H.R. 1776 "Honor Roll" for congressional control of and accountability for the laws. I welcome our other colleagues to join us and add their names to the H.R. 1776 Honor Roll.

LIST OF COSPONSORS FOR H.R. 1776

Mr. Albosta, Mr. Alexander, Mr. Applegate, Mr. Archer, Mr. Atkinson, Mr. AuCoin, Mr. Badham, Mr. Bafalis, Mr. Bailey of Missouri, Mr. Bailey of Pennsylvania.

Mr. Barnard, Mr. Beard, Mr. Benjamin, Mr. Bereuter, Mr. Bevill, Mr. Blanchard, Mr. Boner of Tennessee, Mrs. Bouquard, Mr. Bowen, Mr. Breaux.

Mr. Brinkley, Mr. Brown of Ohio, Mr. Butler, Mrs. Byron, Mr. Campbell, Mr. Clausen, Mr. Clinger, Mr. Coats, Mr. Coelho, Mr. Coleman.

Mr. Courter, Mr. Daniel B. Crane, Mr. D'Amours, Mr. Dan Daniel, Mr. Robert W. Daniel, Jr., Mr. Daschle, Mr. Daub, Mr. Derwinski, Mr. Dickinson, Mr. Donnelly.

Mr. Dougherty, Mr. Dornan of California, Mr. Duncan, Mr. Edwards of Oklahoma, Mr. English, Mr. Erlenborn, Mr. Evans of Georgia, Mr. Evans of Indiana, Mrs. Fenwick, Ms. Ferraro, Mr. Flippo.

Mr. Forsythe, Mr. Fountain, Mr. Frenzel, Mr. Frost, Mr. Gilman, Mr. Gingrich, Mr. Ginn, Mr. Gradison, Mr. Gramm, Mr. Gregg, Mr. Grisham, Mr. Guyer, Mr. Sam B. Hall, Jr., Mr. Hamilton, Mr. Hance, Mr. Hansen of Idaho, Mr. Hatcher, Mr. Hefner, Mr. Heftel, Mr. Hendon.

Mr. Hightower, Mr. Hinson, Mrs. Holt, Mr. Hopkins, Mr. Horton, Mr. Hubbard, Mr. Hughes, Mr. Ireland, Mr. Jacobs, Mr. Jeffries, Mr. Jenkins.

Mr. Jones of North Carolina, Mr. Jones of Tennessee, Mr. Kazen, Mr. Kemp, Mr. Kildee, Mr. Kindness, Mr. Kogovsek, Mr. Kramer, Mr. Lagomarsino, Mr. LeBoutillier.

Mr. Lee, Mr. Lent, Mr. Livingston, Mr. Loeffler, Mr. Lott, Mr. Lujan, Mr. Lungren, Mr. McDonald, Mr. McGrath, Mr. McKinney.

Mr. Madigan, Mr. Marlenee, Mr. Marriott, Mr. Mazzoli, Ms. Mikulski, Mr. Miller of Ohio, Mr. Mineta, Mr. Mitchell of New York, Mr. Montgomery, Mr. Moore.

Mr. Morrison, Mr. Mottl, Mr. Murphy, Mr. Myers, Mr. Neal, Mr. Nelson, Mr. Nichols, Mr. Nowak, Mr. Panetta, Mr. Parris.

Mr. Pashayan, Mr. Patterson, Mr. Petri, Mr. Price, Mr. Pritchard, Mr. Pursell, Mr. Robinson, Mr. Roe, Mr. Rose, Mr. Roth.

Mr. Rousselot, Mr. Russo, Mr. Santini, Mr. Sawyer, Mrs. Schroeder, Mr. Sensenbrenner, Mr. Shelby, Mr. Shumway, Mr. Smith of New Jersey, Mr. Solomon.

Mr. Stangeland, Mr. Stump, Mr. Synar, Mr. Tauke, Mr. Thomas, Mr. Trible, Mr. Volkmer, Mr. Walker, Mr. White, Mr. Whitehurst.

Mr. Whittaker, Mr. Wilson, Mr. Winn, Mr. Wolf, Mr. Wolpe, Mr. Yatron, Mr. Young of Missouri, Mr. Zeferetti.●

TAX AMERICANS WORKING ABROAD MORE SENSIBLY

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. JACOBS. Mr. Speaker, although I believe that in the past there has been some unjust enrichment as a consequence of the Internal Revenue Code's treatment of income by Americans working abroad, I am convinced that the reform legislation a few years ago swung the pendulum too briskly and that it missed the dead center of equity.

It remains true that other industrial nations do not impose income taxes on their citizens working in other countries. I can see that this does not necessarily mean that the practice of complete exemption is justified.

But there is a noticeable trend away from using American business representatives in other countries to facilitate the sale of our products. This is not in the best interests of our own country.

H.R. 911, authored by our stalwart bipartisan Texas duo, Mr. ARCHER and Mr. PICKLE, would not fully exempt income earned by Americans who worked in other countries. But it would make the taxation of that income more sensible. Consequently I have joined the dynamic duo as a cosponsor of their effort toward equity in this area.●

GOD AND SCIENCE

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. BROWN of California. Mr. Speaker, all of us have seen press accounts of the calls to end the teaching of evolution in public schools. While some of these news stories were thorough discussions of the issues, many were superficial and even provocative. It is good drama to pit God against science, but this is hardly reality.

This unnecesseary confrontation is more than just public drama. There is real danger that this fight will carry over to the support for scientific research and science education. Government should not try to tell people what to believe, but neither should those with particular religious beliefs try to impose that particular belief upon others. Science has always challenged the conventional view of the world. Those who wish to cling to particular beliefs frequently feel threatened by the advances of science. Yet both science and religion have been able to evolve and are still evolving today.

Mr. Speaker, while the discussion of theology is not normally in order in this body, it is important that we all realize that there is a long-standing role of Government to promote the advancement of science. The recent press stories about conflicts between God and science should not be construed by Members as evidence that support for science is a matter of controversy.

Two articles recently brought to my attention help illustrate this point. One article, written by a man uniquely qualified to discuss the matter, was authored by the senior minister of the Covenant Presbyterian Church of Long Beach, Calif. Dr. Hugh David Burcham is also a member of the Long Beach Community College board, as well as a former member of the Long Beach Unified School District Board of Education. The second article was written by columnist George Will, who needs no further introduction. The two articles follow:

[From the Long Beach Press-Telegram, Mar. 7, 1981]

NO NEED TO CHOOSE BETWEEN BIBLE, SCIENCE, PASTOR SAYS

(By Dr. Hugh David Burcham)

I am writing out of concern for what would seem, at least in the way the issue is being presented in some press releases, to require a sharp choice. I am referring to the controversy that made headlines on the front page of several newspapers including the Press-Telegram some time ago: namely a court case in which certain individuals are challenging the State Board of Education on the policy of what should be taught in the public schools regarding the origin of life.

The impression seems to be left that either a person opts for what the scientific community overwhelmingly accepts as the most reasonable explanation of the beginnings of physical life on this planet, on the one hand, or for what Scripture teaches, particularly in the first chapters of Genesis in the Old Testament, on the other.

For one, I must reject the suggestion that one has to make that kind of a choice. My basic premise is that if a matter is true, it cannot be against God. God is the author of all truth. Therefore, whatever is demonstrated convincingly as being scientifically the most reasonable explanation for anything is, to me, a signal that would appear that God made it that way.

So, I do not fear the march of scientific evidence; rather I welcome it. For, the more we know about our universe, the more magnificent is our conception of the great God who created it.

Just as fervently as I believe the above, I also accept the authority of Scripture. However, Scripture, to me, is not a scientfic textbook. It is rather the account of God's revealing Himself to mankind across the millenia.

As a Christian, I believe that supremely God revealed Himself in Jesus Christ. That story is climaxed for us on the pages of the New Testament. Christians believe that the Old Testament is authoritative, especially so as it prepared the way for the New.

Having said this, I must also acknowledge that the authority of Scripture lies in the area of our relationship with God as spirits to Spirit, apprehended in faith. We distort the purpose of Scripture when we try to make of it an authoritative text in such fields as geology or anthropology or any other physical or biological science. It rather speaks with power and truth to the person of faith of man's growing understanding of God and God's supreme purpose for His world.

With that kind of perspective, Scripture in no way is in contradiction to what science is teaching. They complement each other.

Before closing, I must express my own feeling that in the kind of religiously pluralistic society we live in, the position on curriculum that has been taken by our State Board of Education is, in general, the right one. It is not the business of the state to attempt to introduce a religious interpretation to scientific studies.

This violates our honored principle of separation of church and state and, at best, would please only that segment of the religious community that happened to agree with the particular religious interpretation introduced. It seems to me that the course we in the religious community should rather pursue is to add in our churches, synagogues and homes that dimension of spiritual interpretation that would at once be faithful to the best in biblical scholarship, and consistent with the growing body of scientific discoveries about our universe.

I would maintain that this is excitingly possible. And, for me, it is faith-reinforcing.

[From the Washington Post, Mar. 8, 1981]

LIGHT-YEARS OF WONDERING

(By George F. Will)

Last week, while some California "fundamentalists" were putting science on trial, with Darwin in the dock, some California scientists reported what may be additional evidence for the "Big Bang" theory of the origin of the universe. That theory has moved a distinguished science writer, Robert Jastrow, to say (in his book "God and the Astronomers"): "The scientist has scaled the mountains of ignorance; he is about to conquer the highest peak; as he pulls himself over the final rock; he is greeted by a band of theologians who have been sitting there for centuries."

Astronomers have detected four hitherto unknown galaxies that are 10 billion light-years away. (The light, traveling 186,000 miles per second, took 10 billion years to get to California.) Until now the most distant known galaxy was eight billion light-years away. If the scientists who believe the universe began with a bang 18 billion years ago are correct, the light now received from the recently discovered galaxies comes from more than halfway back in time to the "Big Bang"—or, if you prefer, to creation.

In 1913, an astronomer discovered that numerous galaxies near us were racing away from us and each other at millions per miles per hour. The fact that all galaxies seem to be doing that and the fact that the universe is bathed in radiation suggests that matter

and motion originated in a single stupendous explosion. If the expansion of the universe is slowing, it may reverse and the universe may collapse in on itself, with unsettling consequences for the insurance industry. Meanwhile, the evidence suggests the essence of Genesis: Man is the result of events set in train by a cataclysm of light and energy.

California's litigious "fundamentalists" say their "rights" are abused by schools that do not teach "creationism" as they understand it (God created man directly as man, a few—perhaps 10—thousand years ago) as a "scientific" alternative to the theory of evolution. But reasonable faith receives no injury from the theory of evolution, and can receive sustenance from astronomy.

John Wheeler, an eminent physicist, notes that the inertial forces produced by the "Big Bang" and responsible for the expansion of the universe are astonishingly balanced throughout the universe, and "locally" in galaxies, such as ours, by the mutual gravitation of matter. This makes possible, among many other things, our solar system and life.

Furthermore, it took two billion years on earth for life to rise from algae to the amoeba. If the "Big Bang" had been less violent, the expansion of the universe would have been less rapid, and the universe would have collapsed in a short time—a few million years, perhaps a few minutes. The fact that the universe is congenial to life on Earth is theologically suggestive because it is staggeringly improbable.

The "Big Bang" theory is incompatible with the idea that God created man directly as man, and recently. But Darwin's theories are compatible with the idea that the universe and all its parts, including man, are the result of a Divine Purpose rather than of randomness. John O'Keefe, an astronomer with NASA, writes:

"Among biologists, the feeling has been since Darwin that all of the intricate craftsmanship of life is an accident, which arose because of the operation of natural selection on the chemicals of the earth's shell. This is quite true; but to the astronomer, the earth is a very sheltered and protected place."

It is strangely, suggestively sheltered. Compare, O'Keefe says, the lushness of Earth with the cratered, smashed lunar landscape. Yet the moon is a friendly place compared with Venus, where a rain of sulfuric acid falls toward a surface that is hot as boiling lead. Even this is homelike compared with other known conditions. "We are, by astronomical standards, a pampered, cosseted cherished group of creatures. . . . If the Universe had not been made with the most exacting precision we could never have come into existence. It is my view that these circumstances indicate that the Universe was created for man to live in."

Perhaps astronomy validates the sense of Divine Purpose that Darwinism, improperly understood, seemed to have drained from the universe. However, the theological concept of creation involves a kind of causality beyond the ken of science. Perhaps that is why Einstein said of the early evidence that the universe is expanding: "This circumstance irritates me." The "Big Bang" theory traces cause and effect back to the First Cause, "to which," said Aquinas, "everyone gives the name of God."

The evidence—if such it is—that the universe had a moment of creation, and the difficulty of explaining that creation, should induce the sort of awe—a kind of cosmic surprise—that can be the beginning of a religious sensibility. Certainly modern science does more than religion's anti-scientific "defenders" do to instill that sensibility.●

TRIBUTE TO DR. MEYERSTEIN

HON. GREGORY W. CARMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. CARMAN. Mr. Speaker, I wish to call the attention of the House to one of the great men of the community of Farmingdale, N.Y., Dr. Albert Meyerstein.

Dr. Meyerstein, who is now 80 years young, was born in Germany, where he later practiced medicine. After Hitler's Nazis took power, Dr. Meyerstein was an object of their persecution and finally fled. He came to the United States in 1939, without a penny. It is fortunate for my community that the doctor came through Farmingdale, one day, by train. He liked what he saw and has been here ever since.

Dr. Meyerstein was the physician for the Farmingdale School System for 15 years. He was also the football team's doctor in recent years and still attends every game. He has been extremely active in civic groups like Rotary, and the library board. The Interservice Club once picked him to be man of the year.

He was also instrumental in the formation of the Interfaith Council of Women in Farmingdale. At that time, he reportedly said:

If they (the women) do so well separately, how much more good they'll do together.

We residents of Farmingdale owe a great deal to Dr. Meyerstein and wish him many more years of health and happiness.●

AUSTINITE WALKS AWAY WITH GRAMMIES

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. PICKLE. Mr. Speaker, a gifted Austinite hit paydirt at Radio City Music Hall last month. Christopher Cross walked away with four grammy awards, including Record of the Year, Album of the Year, Song of the Year, and Best New Artist. Cross' song, "Sailing," was judged the best arrangement.

After years of working in the musical vineyards, arranging concerts, writing songs, playing at pizza parlors, and losing count of tour buses, 1980 was the year when suddenly, Cross' sounds hit the airwaves coast to coast. Much has been written in recent years about the "Austin Sound," an amalgamation of country-rock strains. But the last few years have seen an expansion into jazz, pop, and Latin influences. Although he has lived all around Texas, Christopher Cross is an apt reflection of the Austin Sound in talent and personality.

Mr. Speaker, I would like to submit an article about Christopher Cross from the current issue of Austin magazine. Upon reading the article, you will discover the man is as genuine and dedicated as his music is beautiful and unique. Christopher Cross is an inspiration. His years of hard work and his total concentration on music without gimmicks have earned him a place in our list of people who contribute to popular culture at the cutting edge.

The Congress congratulates Christopher Cross, his friends, family and associates. It is with hometown pride and respect for musical talent that I submit this article:

CHRISTOPHER CROSS GRABBING TOP AWARDS IN POP MUSIC WORLD

(By Robert McCorkle)

Austin, Texas became known in the 1970s among record industry moguls as the city that launched "progressive country," or "redneck rock," with performers like Willie Nelson and Jerry Jeff Walker strumming it into the limelight. But in 1980 another Texan—Christopher Cross—rumbled across the national music scene like an unannounced earthquake. For all practical purposes, last year should be dubbed by Austin artists as the "year of the flamingo," Cross' logo.

With elaborate production, crisp arrangements and a jazz-reggae-folk rock sound highlighted by lush vocals, Cross' singles, "Ride Like the Wind" and "Sailing," shot up the Top 40 pop charts like a meteor, with his first album hitting the 2,000,000 mark in 1980. But Cross' Horatio Alger-like overnight rise from being the leader of an Austin party band to Warner Brothers' hottest music property with a certified platinum album is a bit misleading. But then, where this talented Texan is concerned, things are not always as they seem on the surface or as neatly categorized as they might be.

An unwavering confidence in himself and his music plus a touch of gambling spirit propelled Cross from relative obscurity to new-found fame and fortune in less than a year's time.

Sitting in the kitchen of his newly refurbished and fashionable west Austin home, the soft-spoken 29-year-old San Antonio native munches on a candy bar—one of the few vices he allows himself—and reflects on the lean past and his changing fortunes. Two pieces of gold jewelry—a guitar and flamingo made by a local craftsman—are barely visible around his neck. The jewelry is one of the few ostensible signs of his newfound wealth in his two-story, 1930s vintage house.

He and RoseAnn, his petite 24-year-old wife, "kept going through the fog figuring it would work out one way or the other," says Cross of his struggling career as a musician. "But everything has sort of fallen into place."

This is a gross understatement, coming as it does from a man who became Warner Brothers' first artist to have two hit singles

in the Billboard Top 10 off a debut album. The album, titled simply "Christopher Cross," came out in Januarv, 1980. By the end of the summer, if had sold one million units. And the album was recently awarded Billboard Magazine's top ratings, including "Top New Male Artist," "Top New Artist Single" and "Top LP." After 15 years as just another struggling musician, Cross has arrived.

A prolific songwriter who often inks as many as three songs a day, Cross and his loyal band spent much of the 1970s as a so-called "copy band," playing everyone from the Beatles and Boz Skaggs to the Eagles and Doobie Brothers. While the band earned its bread at night playing small clubs, pizza parlors and fraternity parties in Dallas, Houston and college towns like Austin and San Marcos, Cross and his buddies settled for trying to find a way to butter if by working on original material during the daytime.

Cross explains, "Our formula was to keep our sanity by making enough money to pay the bills, so we played copy material. We decided not to play our own material but to wait for soul gratification later and make some money in the meantime."

Things got a little lean at times, and everyone battled recurring bouts of frustration, Cross admits. But he kept on doggedly, writing songs and working with longtime pal and engineer Chet Himes, developing the sound he was sure would open the L.A. music industry doors when he finally found the right key.

"We were in Houston from 1975 to 1977 playing the Village Inn under the name Heather Black," recalls bassist Andy Salmon. "We played by night for money, but by day we were going nuts, doing demos. Then we moved to Austin and started doing frat parties—stuff like Boz Skaggs—that we didn't necessarily like to play. We were just hoping the first album would sell maybe 50,000 copies. We didn't expect it to do as well as it did."

Cross didn't set out initially to become a rock or pop music star. Raised as a typical army brat moving from city to city, Cross and his doctor father and nurse mother settled in San Antonio. Inspired by Dave Brubeck records, he took up drumming in the seventh grade and formed his first group, the Psychos. But Cross switched at age 13 to guitar because "You couldn't write songs on the drums too well." And later at Alamo Heights High School, he joined a band called Flash.

It was while living in San Antonio that Cross met the man who was later to engineer the album that would lead to his eventual breakthrough in the music industry. Himes remembers listening to a tape Cross had recorded back when they were teens that was "so much superior to anything anyone else was doing at the time, and thinking this guy is a potential superstar."

Cross' subsequent success has been both gratifying and a relief to his family, who viewed Christopher with some skepticism when he dropped out of the pre-med program at San Antonio College and moved to Austin to work fulltime at his musical pursuits.

"I think they're relieved from a financial standpoint that I've made it," says Cross, who with his young wife moved from apartment to apartment during the days as a copy band. "They probably had their doubts about what we were doing with ourselves, quitting school. But my dad's reaction was positive. He said, 'Go for it.' He'd played bass throughout college and told me those were the happiest times of his life."

Things began looking up for Cross when in 1977 he hooked up with manager Tim Neece of Artist Communications in Austin. Neece initiated a deal with Free Flow Productions. With the help of Free Flow's Michael Brovsky and Witt Stewart, who had moved from New York to Austin, Cross cut another tape and approached Warner Brothers with his material again. This time, Michael Ostin, son of Warner Brothers president Mo Ostin, heard the tape and fell in love with it. From there, it has been clear sailing for Cross.

Warner Brothers sent representatives to Austin on Halloween night to hear Cross and his band showcase his original sound at the now defunct Alamo Roadhouse. Impressed with the performance, the prestigious label signed Cross the following year.

It wasn't long before word of the remarkable Texas talent was making the rounds in the L.A. music community. Cross and his band were invited by California blues rocker Bonnie Raitt to tour with her. Back from that successful sojourn, Cross and the boys were asked to be the opening act on the 1979 summer tour of rock heavyweights Fleetwood Mac. Says Cross of the experience, "It was a real good opportunity and a revelation of sorts. But I still didn't feel that secure even after 200,000 albums had sold."

A couple of months later, the Christopher Cross album went gold (500,000 albums sold) and it dawned on the Texas discovery that "things would probably keep on going—that it wasn't just a flash in the pan."

Keep on going it did. Cross went on to tour with the Eagles who took a special liking to the unusual Texan. He also appeared on television's "Midnight Special" and "Solid Gold" and was approached to appear on "Saturday Night Live," according to Neece. As icing on the cake, Cross spent last November playing small concert halls in Japan, returning to Austin just in time for Thanksgiving.

Despite his sudden fame, Cross is the same guy he has always been, say his friends. Himes, who with his wife, Debbie, are Christopher and RoseAnn's closest friends, characterizes his longtime pal as shy and somewhat introverted around people he doesn't know. "All artists have their little eccentric ways. But once you break the first barrier, he'll talk to you forever."

A no-nonsense, egotistical sort, Cross credits primarily his own perseverance and the support of his wife and close friends for his long-awaited success. Cross is also obviously proud that he did things his way without succumbing to the siren song of the L.A. music scene, traditionally the place bands to pay their dues while awaiting discovery by the major labels. "We've gotten over in a short period of time a lot of small humps most artists go through the first few years," grins Cross. "It's like a person getting all of his vaccinations in one big shot."

Frustrated by years of repetitive club work and peanut butter sandwiches, Cross was tempted several times during the past decade by those who wanted to purchase the publishing rights to the songs he had penned. And there was always the thought lurking in the back of his mind, he says, of the minor labels like Ariola Records which he could have signed with to produce his album. Instead, the determined singer-songwriter decided to gamble on his talents and bide his time until the right opportunity presented itself.

Cross formed Pop 'N' Roll Music which holds all publishing rights to his material. It is the royalties from those publishing rights, Cross explains, not so much his cut of the album sales at this point, that made him and his family secure financially. He admits it was not easy during hard times to pass up the chance to sell those rights for "a hunk of money," around $100,000.

Cross has chosen to sink his roots in the rocky, Texas Hill County soil. He is considering building an "L.A.-quality" recording studio in Austin where he can work on his records and be close to his family. It would be the best studio in Austin with 24 tracks, vows Cross. By recording at home, the husband and father hopes to reduce significantly the four months and 700 studio hours it took him on the West Coast to perfect his first release.

The studio is just one outward indication of a change in lifestyle Cross' newfound success has brought. He says he intends to spend part of the proceeds from his first album's profits to finish furnishing their 43-year-old home. Both he and RoseAnn agree the ability to buy a house after so many years of apartment living has been the greatest change in their lifestyle to date. It has also permitted the Austin couple to get a piano for their 4-year-old son, Justin.

But to look at the young musician lounging in jeans and a faded brown sports shirt, with mop-headed Justin and Eddie the pet cat sitting on the vine-covered patio, Cross defiles the image of the pop music star.

For the most part, Cross eschews the California music establishment and its "life-in-the-fast-lane" world of alcohol, drugs and wild parties. Cross is a devoted family man who doesn't like to be on the road more than a month or two at a time. Sometimes he even takes his family along with him.

As musicains go, Cross is an anomaly who is about as straight an arrow as can be found in the rock music world. He drinks only on special social outings, doen't smoke tobacco or pot and generally avoids drugs.

For Chris, as his friends call him, his music is his high. Explains Cross, "I could take 10 pounds of drugs and nothing would equal writing a new song, getting together to play with the gang and seeing it all come together. That sort of artistic satisfaction is so much more of a high than anything else."

But that's not to say Cross hasn't enjoyed rubbing shoulders with the stars in Hollywood. Cross says one of the biggest advantages of touring is getting to meet and play with musicians of stature. But he concedes, "The traveling part is a drag."

Both mom and dad think it's better for Justin to be reared in Austin than the live-and-let-live environment of southern California. For Chris and RoseAnn, Austin represents a "sort of mecca" with its laid-back atmosphere, beautiful scenery and old friends.

"I love to get together with my friends," Cross says in his low, staccatto delivery so unlike the mellow voice one hears on his records. "I only have six or seven close ones, but they're our special little group."

As one might suspect, those best friends include Himes, Neece, and longtime band members Tommy Taylor, the drummer; Rob Meurer, keyboards; and Andy Salmon, bassist. In addition, Cross has added another keyboards man, Hank Hehmsoth, and percussionist James Fenner, both Austinites, to his touring entourage.

Hehmsoth studied classical piano and earned a music degree from UT. He then

moved into the local jazz club scene and joined Cross last year when offered the job. Hehmsoth is a composer as well and is currently working under a much coveted grant from the National Endowment of the Arts. Percussionist Fenner, another family man with three children, also played with several Austin jazz bands before jumping on Cross' bandwagon. In addition, another Austinite who has benefited from Cross' success is guitar maker Mike Stevens, who custom-designed the musician's double neck guitar.

Cross left San Antonio because he felt it was stagnant musically. He lived in Houston for a while but finally moved back to his beloved Austin, a city he considers a "little San Francisco." An extensive traveler who has been overseas and all over the United States, Cross gives Austin the nod as the best place to live. He puts it this way: "Austin just seems to have a niche for us."

Austin is cutting a niche for Cross, too. You'll hear "Ride Like the Wind"—marching band style—reverberating from high school football stadiums, and last summer Mayor McClellan declared Aug. 8 "Christopher Cross Day."

Tugging on his scraggly, black goatee, Cross continues, "I think you have to live here to know what I'm talking about. Austin will grow, but I think it will retain its uniqueness."

Another plus that goes along with living in Austin, Cross confides, is the enigmatic aspect of being from a small Texas city far removed from the West Coast recording rat race. Instead of living in L.A. with all the other struggling musicians, he feels there's a certain amount of mystique about a musician from Texas. Cross says he often receives a better reception than he might enjoy otherwise from California audiences suffering from glut of Hollywood hopefuls.

"Like when we play the Roxy Theater," points out Cross, "there's a lot of interest there because we're from Texas, and they don't know what to expect. It was really nice to be received that way in L.A. because it's the ultimate community in music."

Another thing that sets the Texan apart from the beautiful people of the recording jet set is Cross' looks, which are not exactly out of the Jackson Browne mold. But that is of little importance to the curly-headed Austinite.

He explains, "Certain artists depend very heavily on the way they look. That's a big marketing point, but their talent doesn't necessarily match. I want to be able when I'm old to say I made it because my music was real good and I was an artist and people liked my music, not just the way I looked."

Cross scoffs at groups like Kiss who play up the theatrical and visual aspects of pop music, contending such antics have no place in true art. To him, "Music is art for the ear." And unlike some of his more hedonistic and bizarre colleagues in the rock world, Cross is not out for the cheap thrills that have become synonymous with a rock star's on-the-road, harried lifestyle. It is yet one more paradox where the unusual Texas product is concerned.

It is the music—pure and simple—that turns on Christopher Cross. He is not unlike a new papa with a baby boy where his hit album is concerned. He talks openly of how he conceived some of the remarkable tunes that have made him an instant hit.

For Christopher, songwriting is a form of meditation and experimentation. He says, "I'll just sit down with my guitar and start playing. I've done it for so long it comes easy. Usually I'll get a hook like 'Got such a long way to go, make it to the border of Mexico,' and put other verses with it."

Like a talented fiction writer drawing on his past, Cross theorizes he must be subconsciously thinking about experiences or feelings when he starts to write a tune.

He notes that "Ride Like the Wind" apparently stemmed from all the nights of watching old cowboy serials like the "Lone Ranger" and "Roy Rogers" where the criminal is trying to escape the lawman's noose by fleeing across the border to Mexico.

"When I wrote that song about two years ago," Cross says, trying to conjure up the magic moment, "I was in Houston just sittin' in my apartment. Justin was sleeping and RoseAnn was at work. I just got my guitar out and wrote for two or three hours. That day, I had probably written two or three things before that song." That tune alone made it to No. 2 in the nation and held there for five weeks, reaching more than 900,000 in sales.

Cross says that for him there is never any conscious effort to any song. "I don't say 'I'm gonna write a song about this or that'; they just come out," he explains. "That level of music God has given me pushes me on."

In addition to his natural penchant for writing smash hits like "Sailing," Christopher Cross is also an accomplished guitarist. Although he had some able help on his debut album from the likes of Larry Carlton and Eric Johnson, Cross can pick out a quicksilver lead with the best of them.

On stage at a summer performance in north Texas last year, the pudgy Cross, wearing blue jeans, tennis shoes, and an Oilers jersey personally bestowed by Earl Campbell's manager worked with intensity, cutting loose on his specially-built tandem, dual-neck Fender guitar.

His stage persona is a contradiction of the man who backstage seems impatient, preoccupied and almost irritable before going before a live audience. Once in the spotlights, Cross warmed up rapidly to the crowd's enthusiasm, at one point even doing an impromptu soft shoe while roadies struggled with a malfunctioning public address system.

But whether live or on record, Cross' music is as refreshing as a Texas fall breeze in today's saturated record market, glutted with homogenized genres of contemporary music mimicking one another. As Cross' longtime buddy and engineer, Himes, explains, "To make it in the music business today, you've got to have a style that's identifiable and constant. Chris does, and that's what makes him great."

So why did it take Cross so long to catch on in an era when his style of soft rock and mellow vocals was in vogue?

"It's hard in the record business to get exposed to the right people," Cross says. "It took us a long time to get signed, too, because we didn't pursue it 24 hours a day. It's a process that just takes a lot of years."

Cross is already hard at work on his next project, an album he reveals will depart little from the successful formula of his first. He immodestly predicts it will be "as good or better than the first."●

ST. STEPHEN'S 107TH ANNIVERSARY

HON. PETER W. RODINO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. RODINO. Mr. Speaker, St. Stephen's United Church of Christ in my congressional district will have a special service this Sunday, March 15, to commemorate its 107th year in Newark.

The people of Newark are deservedly proud of St. Stephen's role in the history of the Ironbound section of our city. While its original parishoners were of German descent, the church now serves people of many ethnic backgrounds. St. Stephen's also takes an active role in providing social services to the people of the Ironbound. The church guild provides transportation and other help to elderly persons; and the church helps get youngsters involved in community projects and neighborhood activities.

The efforts by St. Stephen's pastor, Rev. David Burgess, to help improve the living conditions in Newark's neighborhoods are appreciated throughout the city. At Sunday's service Reverend Burgess will be joined by Bishop Joseph Francis, auxiliary to the Catholic Archbishop of Newark, who is chairman of the Greater Newark Urban Coalition. I am sure it will be a memorable occasion, celebrating one of Newark's great institutions.●

APPROPRIATE TECHNOLOGY: OPTIMIZING CAPITAL AND LOCAL RESOURCES

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. BROWN of California. Mr. Speaker, the adaptation of technology to the needs of specific communities and cultures is a topic of concern in this country and abroad. In order to use capital, labor, and natural resources most efficiently, technologies used in one situation need alteration when used in another situation. Unfortunately, this commonsense statement is often overlooked or ignored.

I was impressed with a recent story in the Wall Street Journal which described efforts by the Dutch N. V. Philips Co., which has made a concerted attempt to improve exports by practicing this commonsense approach.

U.S. industry could learn from this approach, which could be of benefit to everyone involved. I commend this ar-

ticle to my colleagues. The article follows:

[From the Wall Street Journal, Feb. 27, 1981]

PILOT PLANT TESTS AND TRAINS, AIDING THIRD-WORLD INDUSTRY

(By Alan L. Otten)

Third world nations need technology that suits their own markets and production methods. So machinery from suppliers in "advanced" Western nations often doesn't fill the bill. N. V. Philips, the Dutch electrical and electronic giant, is trying to do something about it.

Philips has a special unit in Utrecht custom-tailoring solutions to Third World problems. For instance, an emerging African nation wanted its own television-set factory. The molding machines used in European plants to make TV cabinets cost about $150,000—an economic investment for a factory producing 100,000 sets a year, but far too large an outlay for an African plant aiming at 3,000 to 5,000 sets a year.

The Philips people took a process commonly used for automobile dashboards and developed a mold of epoxy resins. With that, they produced cabinets from polyurethane foam finished with plastic foil. The epoxy resin mold cost about $2,150.

Practically every Third World country wants local plants to turn out radio and TV sets, irons, mixers and all the other things of the good life. But often the small local market requires only modest output—with machinery and production processes far less costly and complex than those used in the U.S. or Europe for large home markets and for export.

Tools and machines must be inexpensive, simple to use, and simple to maintain or repair. Production line and assembly operations must be easy to keep going. Inventory control, accounting and other management procedures can't be too intricate, either.

Adapting Western industrial methods to the economic needs and technical abilities of developing nations is tougher than it might seem. Substituting a small machine for a big one or breaking down a procedure into several steps may not solve the problem. The smaller machine may not exist; the process may not be readily divisible.

This kind of "appropriate technology"—from designing a small hand tool to setting up an entire factory—has been tackled for 20 years with much success by the Philips "pilot plant." It may be the only such permanent unit maintained by any major multinational company, and it has some lessons for others bringing advanced technology to the Third World.

"We engineer for low investment, small production, easy installation and maintenance," says Pierre Pijs, a veteran Philips executive who is the manager—and evangelical advocate—for the pilot plant. "The need is getting bigger all the time, both because of the diversity of products these countries want and the diversity of their levels of competence."

The pilot plant, a low warehouse-type building on the outskirts of Utrecht, devotes one large area to mini-production lines, where Philips technicians and engineers apply and test a variety of simplified machines and procedures, and at the same time train people from foreign countries where plants are to be established. This part of the plant constantly changes its layout and systems to handle new assignments.

Another section contains a model stockroom with more than 4,000 parts, where foreign trainees are taught to keep inventory. "When you run out of screws in Africa, you can't dash into town to buy a few more," says Mr. Pijs.

Still another part of the plant houses a 15-man crew of universal engineers, who figure out how to adapt existing tools, machines and processes to local needs—and who invent new ones if necessary. To substitute for the computer-controlled machines that in large plants make the printed wiring boards for TV sets, the engineers made a simple hand-controlled machine that can produce 12 boards at a time. To replace a normal mechanized production line, they mounted two rails on fiberboard, with hand-pushed trolleys to carry the items being assembled from worker to worker.

In one office, a small staff prepares dozens of extra-simple technical manuals—with a minimum of text and a maximum of easily understood diagrams, perspective drawings and photographs—on everything from "foil/foam technique" to "budgeting for nonaccountants." One thing the pilot plant doesn't provide advice on, however, is personnel. "So much depends on the local culture," Mr. Pjis says. "We just tell them to get themselves a good personnel officer."

So far, the pilot plant has worked with more than 20 developing nations, ranging across the Third World from Indonesia and Bangladesh in Asia, to Tanzania and Ghana in Africa, to Colombia and Peru in South America. The plant may be busy on a score of projects at any one time. The chief purpose, says Mr. Pijs, is "to support our own commercial activities." There is an obvious bonus in the good will created among governments and foreign businesses.

Typically, when a particular plant or type of operation is to be set up in a Third World country, a small Philips team from Utrecht visits the country and selects the most efficient machines and production lines for the job.

Then they set up a prototype production line at the pilot plant, using existing or improvised tools and machines, and see how it actually works. Usually, the likely plant manager, production line supervisor or other important workers from the proposed plant are on hand for three days to six weeks, working in turn at each job—checking in new supplies, preparing quality-control tests, performing steps in the production process.

The Philips experts travel later to the client country to be on hand when the plant is being assembled or when operations are starting, and to give further training and to trouble-shoot problems.●

SOME ARE JUST TOO GOOD TO GET RID OF

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. PICKLE. Mr. Speaker, all of us at one time or the other have gone against the general grain. By this, I mean that at times we are inconsistent, so it seems, in our positions.

I support reducing Federal spending. I believe that deficit spending, as we have had over the past 11 years, is a major cause of inflation. I believe that if we could reduce Federal spending, it would go a long way in restoring the confidence of the people in their Government and the future of our Nation. I have sponsored a proposed constitutional amendment to require a balanced Federal budget.

Because of this background, I applaud President Reagan's efforts to control spending. Many programs are out of control.

But it is just commonsense to note that when the President recommends some 100 specific cuts, he makes a few errors in judgment. In other words, President Reagan has picked some programs for extinction that are not out of control, and which should not be abolished.

The Economic Development Administration is such a program.

This is not a large program, and it never has been. It has not ballooned into a large self-serving bureaucracy. When created in 1966, it spent about the same amount of money it does now in terms of constant dollars.

But more important than being a small, and tightly managed agency, EDA has created jobs, and more jobs. EDA has created jobs in the rural sections of my congressional district; EDA has created jobs in the urban areas in my district; EDA has created jobs in the ghetto, in the suburbs, in the country; EDA has created jobs for whites, browns, blacks, and Indians. Where economic development is needed, EDA has been there.

EDA has created these jobs for an average $3,789 one-time, up-front investment in its public works programs. The number of total jobs is nearly 25,000. These are permanent jobs, not make-do jobs that are temporary in nature.

Finally, EDA does this work in mostly pockets of poverty areas—where the larger geopolitical unit might have healthy figures, but smaller areas have high levels of unemployed and underemployed.

Mr. Speaker, I say that we should keep EDA. Maybe at a reduction compared to the original $674 million request, but I do not support doing away with one of the best little agencies in Government.●

CRIME

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. MAZZOLI. Mr. Speaker, the Chief Justice of the United States, Warren E. Burger, recently presented his annual address to the American Bar Association. His topic was crime in American society.

I congratulate the Chief Justice on his excellent statement and support him in his call for a national commit-

ment to a safer America for every citizen.

His thoughtful comments and suggestions deserve the full consideration of the Congress and the country.

I have, therefore, prepared excerpts from the Chief Justice's address for my colleagues' study.

Portions of the speech follow:

ANNUAL REPORT TO THE AMERICAN BAR ASSOCIATION BY THE CHIEF JUSTICE OF THE UNITED STATES, HOUSTON, TEXAS, FEBRUARY 8, 1981

Today, for the twelfth time, you allow me this forum to lay before you problems concerning the administration of justice as I see them from my chair. For this I thank you, Mr. President and fellow members of the association.

On previous occasions I have discussed with you a range of needs of our system. Your responses beginning in 1969 where a major factor in bringing into being the Institute for Court Management, the National Center for State Courts, the provision for court administrators in the Federal system, and many other changes. In light of my subject today, I should also mention the important contributions made beginning in 1970 by your Commission on Correctional Facilities and Services. The value of these improvements is beyond precise Calculation. We do not always agree, but our differences are few indeed. All I ask for is equal time.

The new president who has just assumed office is confronted with a host of great problems, domestic and world-wide: inflation, unemployment, energy, an overblown government, a breakdown of our eductional system, a weakening of family ties, and a vast increase in crime. As he looks beyond our shores, he sees grave, long-range problems, which begin ninety miles off the shores of Florida and extend around the globe.

Today I will focus on a single subject, although one of large content. Some might label it "Crime and Punishment." Crime and the fear of crime have permeated the fabric of American life, damaging the poor and minorities even more than the affluent. A recent poll indicates forty-six percent of women and forty-eight percent of Negroes are "significantly frightened" by pervasive crime in America.

Seventy-five years ago, Roscoe Pound shook this association with his speech on "The Causes of Popular Dissatisfaction With the Administration of Justice." In the 1976 Pound conference, we reviewed his great critique but also examined criminal justice.

When I speak of "crime and punishment" I embrace the entire spectrum beginning with an individual's first contact with police authority through the stages of arrest, investigation, adjudication and corrective punishment. At every stage the system cries out for change, and I do not exclude the adjudicatory stage. At each step in this process a primary goal, for both the individual and society, is protection and security. This theme runs throughout all history.

When our distant ancestors came out of caves and rude tree dwellings thousands of years ago to form bands and tribes and later towns, villages and cities, they did so to satisfy certain fundamental human needs: Mutual protection, human companionship, and later for trade and commerce. But the basic need was security—security of the person, the family, the home and of property. Taken together, this is the meaning of a civilized society.

Today, the proud American boast that we are the most civilized, most prosperous, most peace-loving people leaves a bitter taste. We have prospered. True we are, and have been, peace-loving in our relations with other nations. Like it or not, today we are approaching the status of an impotent society—whose capability of maintaining elementary security on the streets, in schools, and for the homes of our people is in doubt.

I thought of this recently in a visit to the medieval city of Bologna, Italy. There, still standing are walled enclaves of a thousand years ago with a high corner tower where watch was kept for roving, hostile gangs. And when the householder left his small barricaded enclave he had a company of spearmen and others with cross-bows and battle-axes as guards.

Possibly some of this problem of behavior stems from the fact that we have virtually eliminated from public schools and higher education any effort to teach values of integrity, truth, personal accountability, respect for others' rights. This was recently commented on by a distinguished world statesman, Charles Malik, former president of the U.N. General Assembly. He said:

"I search in vain for any reference to the fact that character, personal integrity, spiritual depth, the highest moral standards, the wonderful living values of the great tradition, have anything to do with the business of the university or with the world of learning."

Perhaps this is not irrelevant to what gives most Americans such deep concern in terms of behavior in America today.

I have pondered long before deciding to concentrate on this sensitive subject and I begin by reminding ourselves that under the enlightened Constitution and Bill of Rights, whose bicentennials we will soon celebrate, we have established a system of criminal justice that provides more protection, more safeguards, more guarantees for those accused of crime than any other nation in all history. The protective armor we give to each individual when the state brings a charge is indeed great. This protection was instituted—and it has expanded steadily for nearly two centuries—because of our profound fear of the power of kings and states developed by an elite class to protect the status quo—their status above all else—and it was done at the expense of the great masses of ordinary people.

Two hundred years ago we changed that—drastically. Some now question whether the changes have produced a dangerous imbalance.

I put to you this question: is a society redeemed if it provides massive safeguards for accused persons including pretrial freedom for most crimes, defense lawyers at public expense, trials, and appeals, re-trials and more appeals—almost without end—and yet fails to provide elementary protection for its decent, law-abiding citizens? I ask you to ponder this question.

Time does not allow—nor does my case require—me to burden you with masses of detailed statistics—I assure you, the statistics are not merely grim, they are frightening. Let me begin near home: Washington, D.C., the capital of our enlightened country, in 1980 had more criminal homicides than Sweden and Denmark combined with an aggregate population of over twelve million as against 650,000 for Washington, D.C. and Washington is not unique. From New York City, to Los Angeles, to Miami the story in increase in violent crime from 1979 to 1980 is much the same. New York City with the same population as Sweden has 20 times as many homicides. The United States has one hundred times the rate of burglary of Japan. Overall violent crime increased from 1979 to 1980, continuing a double-digit rate. More than one quarter of all the households in this country are victimized by some kind of criminal activity at least once each year.

The New York Times recently reported that one documented study estimated that the chances of any person arrested for a felony in New York City of being punished in any way—apart from the arrest record—were 108 to 1. And it is clear that thousands of felonies go unreported in that city as in all others.

For at least ten years many of our national leaders and those of other countries, have spoken of international terrorism, but our rate of casual, day-by-day terrorism in almost any large city exceeds the casualties of all the reported "international terrorists" in any given year.

Why do we show such indignation over alien terrorists and such tolerance for the domestic variety?

Are we not hostages within the borders of our own self-styled enlightened, civilized country? Accurate figures on the cost of home burglar alarms, of three locks on each door—and sadly, of handgun sales for householders—are not available but they run into hundreds of millions of dollars. All this in a "civilized", "enlightened" society.

I have spoken now of crime and the criminal but for each crime there are victims. The criminals often seem to engage the attention of the mass media more than the victims—unless the victim happens to be a celebrity.

What people want is that crime and criminals be brought under control so that we can be safe on the streets and in our homes and for our children to be safe in schools and at play.

It needs no more recital of the frightening facts and statistics to focus attention on the problem—a problem easier to define than to correct. We talk of having criminals make restitution or have the state compensate the victims. The first is unrealistic, the second is unlikely. Neither meets the central problem. Nothing will bring about swift changes in the terror that stalks our streets and endangers our homes, but I will make a few suggestions.

To do this I must go back over some history which may help explain our dilemma.

For a quarter of century I regularly spent my vacations visiting courts and prisons in other countries, chiefly Western Europe. My mentors in this educational process were two of the outstanding penologists of our time: The late James V. Bennett, Director of the United States Bureau of Prisons and the late Torsten Ericksson, his counterpart in Sweden, where crime rates were then low, poverty was nonexistent, correctional systems enlightened and humane. Each was a vigorous advocate of using prisons as educational and vocational training.

I shared and still share with them the belief that poverty and unemployment are reflected in crime rates—chiefly crimes against property. But if poverty were the principal cause of crime as was the easy explanation given for so many years, crime would have been almost nonexistent in affluent Sweden and very high in Spain and Portugal. But the hard facts simply did not and do not support the easy claims that

poverty is the controlling factor; it is just one factor. The crime rate today exceeds our crime rate during the Great Depression.

We must not be misled by cliches and slogans that if we but abolish poverty crime will also disappear. A far greater factor is the deterrent effect of swift and certain consequences: Swift arrest, prompt trial, certain penalty, and—at some point—finality of judgment.

To speak of crime in America and not mention the drugs and drug-related crime would be an oversight of large dimension. The destruction of lives by drugs is more frightening than all the homicides we suffer. The victims are not just the young who become addicts. Their families and, in turn, their victims and all of society suffer over a lifetime. I am not wise enough to venture a solution. Until we effectively seal our many thousands of miles of borders—which would require five or ten times the present border guard personnel and vastly enlarge the internal drug enforcement staffs—there is little else we can do. Our fourth and fifth amendments give the same broad protection to drug pushers as they give to you and me and judges are oath bound to apply those commands.

It is clear that there is a startling amount of crime committed by persons on release awaiting trial, on parole, and on probation release. It is not uncommon for an accused finally to be brought to trial with two, three or more charges pending. Overburdened prosecutors and courts tend to drop other pending charges when one conviction is obtained.[1] Should we be surprised if the word gets around in the "criminal community" that you can commit two or three crimes for the price of only one?

Deterrence is the primary core of any response to the reign of terror in American cities. Deterrence means speedy action by society, but that process runs up against the reality that many large cities have either reduced their police forces or failed to keep them in balance with double-digit crime inflation.

A first step to achieve deterrence is to have larger forces of better trained officers. Thanks to the F.B.I. academy we have the pattern for such training.

A second step is to re-examine statutes on pre-trial release at every level along the lines suggested. This requires that there be a sufficient number of investigators, prosecutors and defenders—and judges—to bring defendants to trial swiftly. Any study of the statistics will reveal that "bail crime" reflects a great hole in the fabric of speedy law enforcement and the consequent deterrence.

To change this melancholy picture will call for spending more money than we have ever before devoted to law enforcement, and even this will be for naught if we do not reexamine our judicial process and philosophy with respect to finality of judgments. The search for perfect justice has led us on a course found nowhere else in the world. A true miscarriage of justice, whether 20, 30 or 40 years old, should always be open to review, but the judicial process becomes a mockery of justice if it is forever open to appeals and retrials for errors in the arrest, the search, or the trial.

At this point judicial discretion and judicial restraint require me to stop and simply to repeat that governments were instituted and exist chiefly to protect people. If governments fail in this basic duty they are not excused or redeemed by showing that they have established the most perfect systems to protect the claims of defendants in criminal proceedings. A government that fails to protect both the rights of accused persons and also all other people has failed in its mission. I leave it to you whether the balance has been fairly struck.

Let me place this in perspective: (1) The bail reform statutes of recent years, especially as to non-violent crimes, were desirable and overdue; (2) The provisions for a lawyer for every defendant were desirable and overdue; (3) Statutes to insure speedy trials were desirable if the same legislation provides the means to accomplish the objective.

Many enlightened countries succeed in holding criminal trials within four to eight weeks after arrest. First offenders are generally placed on probation, free to return to a gainful occupation under close supervision. I hardly need remind this audience that our criminal process often goes on 2, 3, 4 or more years before the accused runs out all the options. Even after sentence and confinement, the warfare continues with endless streams of petitions for writs, suits against parole boards, wardens and judges.

So we see a paradox—even while we struggle toward correction, education and rehabilitation, our system encourages prisoners to continue warfare with society. The result is that whatever may have been the defendant's hostility toward the police, the witnesses, the prosecutor, the judge and jurors—and the public defender who failed to win his case—those hostilities are kept alive. How much chance do you think there is of changing or rehabilitating a person who is encouraged to keep up years of constant warfare with society?

The dismal failure of our system to stem the flood of crime repeaters is reflected in part in the massive number of those who go in and out of prisons. In a nation that has been thought to be the world leader in so many areas of human activity our system of justice—not simply the prisons—produces the world's highest rate of "recall" for those who are processed through it. How long can we tolerate this rate of recall and the devastation it produces?

What I suggest now—and this association with its hundreds of State and local affiliates can be a powerful force—is to "survey the wreckage" and begin a damage control program. It will be long; it will be painful; it will be costly—but less costly than the billions in dollars and thousands of blighted lives now hostage to crime. It is as much a part of our national defense as the Pentagon budget.

Sometimes we speak glibly of a "war on crime." A war is being waged by a small segment of society against the whole of society. It will not be won simply by harsher sentences; not by harsh mandatory minimum sentence statutes; not by abandoning the historic guarantees of the Bill of Rights. And perhaps, above all, it will not be accomplished, by roving, self-appointed armed citizen police partols. At age 200, this country has outgrown the idea of private law and vigilantes. Volunteer community watchman services are quite another matter.

Now let me present the ultimate paradox: After society has spent years and often a modest fortune to put a single person behind bars, we become bored. The media loses interest and the individual is forgotten. Our humanitarian concern evaporates. In all but a minority of the States we confine the person in an overcrowded, understaffed institution with little or no library facilities, little if any educational program or vocational training. I have visited American prisons built more than 100 years ago for 800 prisoners, but with two thousand crowded today inside their ancient walls.

Should you look at the records you will find that the 300,000 persons now confined in penal institutions are heavily weighted with offenders under age thirty. A majority of them cannot meet minimum standards of reading, writing, and arithmetic. Plainly this goes back to our school systems. A sample of this was reflected in a study of pupils in a large city where one-half of those completing the third grade could not meet minimum reading standards. This should not surprise us, for today we find some high school graduates who cannot read or write well enough to hold simple jobs.

Here are a few steps which ought to be considered immediately:

(1) Restore to all bail release laws the crucial element of future dangerousness based on a combination of the particular crime and past record, to deter crime-while-on-bail;

(2) Provide for trial within weeks of arrest, except for extraordinary cause shown;

(3) Priority for review on appeal within eight weeks of final judgment;

(4) Following appellate review, confine all subsequent judicial review to claims of miscarriage of justice; and finally:

A. We must accept the reality that to confine offenders behind walls without trying to change them is an expensive folly with short term benefits—a "winning of battles while losing the war";

B. Reexamining treatment of first nonviolent offenders—intensive supervision and counselling and swift revocation if probation terms are violated;

C. A broad scale physical rehabilitation of all prisons (perhaps on a federally-funded matching grant basis) to provide a decent setting for educational and vocational programs;

D. Make all vocational and educational programs mandatory with credit against the sentence for educational progress—literally a program to "learn the way out of prison," so that no prisoner leaves without at least being able to read, write and do basic arithmetic;

E. Generous family visitation in decent surroundings to maintain family ties, with rigid security to exclude drugs or weapons;

F. Counselling services after release paralleling the "after-care" services in Sweden, Holland, Denmark. All this should be aimed at developing respect for self, respect for others, accountability for conduct, appreciation of the value of work, of thrift, of family.

G. Encourage religious groups to give counsel on ethical behavior and occupational adjustment.

The two men I spoke of as my mentors beginning twenty-five years ago—James V. Bennett and Torsten Eriksson of Sweden, were sadly disappointed at the end of their

[1] The official D.C. reports show that in the last quarter of 1975, i.e., October, November and December 1975, 569 of all the persons arrested for serious crimes were, at the time of their arrest, awaiting trial on one or more prior indictments. In that same period 402 persons who were arrested were, at the time of arrest, at large either on parole from a penal institution, on probation after a judgment of conviction, or on a conditional release other than the traditional parole. Remarks of Warren E. Burger at the ALI Opening Session, May 18, 1976.

careers, on their great hopes for rehabilitation of offenders. Have we reached the stage where we must now accept the harsh truth that there may be some incorrigible human beings? Are there people who cannot be changed except by God's own mercy to that one person? We cannot yet be certain and in our own interest—in the interest of billions in dollars lost to crime and blighted if not destroyed lives—we must try to deter and try to cure.

This will be costly in the short run and the short run will not be brief. This illness our society suffers has been generations in developing, but we should begin at once to divert the next generation from the dismal paths of the past and try to make homes and schools and streets safe for all.●

HOUSE OF REPRESENTATIVES—*Wednesday, March 11, 1981*

The House met at 3 p.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

In the words of St. Francis we pray:

Lord make us instruments of Your peace,
Where there is hatred, let us now love;
Where there is injury, pardon;
Where there is doubt, faith;
Where there is despair, hope;
Where there is darkness, light;
And where there is sadness, joy.
O Divine Master, grant that we may not so much seek to be consoled as to console;
To be understood, as to understand;
To be loved as to love.
For it is in giving that we receive;
It is in pardoning, that we are pardoned.
And it is in dying, that we are born to eternal life.

Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 2166. An act to amend the Energy Policy and Conservation Act to extend certain authorities relating to the international energy program.

The message also announced that the Senate had passed joint resolutions of the following titles, in which the concurrence of the House is requested:

S.J. Res. 22. Joint resolution authorizing the President to proclaim March 16, 1981, as "Freedom of Information Day"; and

S.J. Res. 28. Joint resolution designating the week beginning March 8, 1981, as "Women's History Week."

The message also announced that the Vice President, pursuant to Public Law 83-420, appointed Mr. D'AMATO to be a member, on the part of the Senate, of the Board of Directors of Gallaudet College.

The message also announced that the Vice President, pursuant to Public Law 93-642, appointed Mr. DANFORTH to be a member, on the part of the Senate, of the Harry S. Truman Scholarship Foundation Board of Trustees.

HOUSE SETS TIMETABLE FOR CONSIDERATION OF PRESIDENT'S PROGRAM

(Mr. WRIGHT asked and was given permission to address the House for 1 minute and to include extraneous matter.)

Mr. WRIGHT. Mr. Speaker, I should like to report to our colleagues an unprecedented agreement reached yesterday by leaders of the majority and minority, under the Speaker's guidance and upon his initiative, to develop a specific timetable for the consideration of the President's program and its various components.

Never before, to my recollection, have the majority and minority leaders of the House, the chairmen and ranking minority members of the Committees on Budget, Appropriations, Rules, and Ways and Means, sat down together and established definite target dates for each step in the process—the budget resolution, the reconciliation bill, and such tax reductions as the Congress in its wisdom may approve.

Under the plan mutually agreed upon, we expect and intend that this entire program should be completed before the end of July and prior to the August recess and District work period.

In the months ahead, there undoubtedly will be differences over details of the President's recommendations. This is the way of a parliamentary democracy. But there is no disagreement on the schedule and the appropriate times for considering that program.

Manifestly there is no desire on the part of any to impede or delay; nor is there any desire on the part of others to stampede or deny to the public its rights to be heard.

This agreement is a convincing demonstration of the capacity of responsible bipartisanship to help this institution to function at its best. It is reminiscent of the spirit of understanding and mutual trust which prevailed during the Eisenhower administration between Sam Rayburn and Joe Martin, Lyndon Johnson and Everett Dirksen.

The schedule we have set will be a difficult schedule. It will require the maximum cooperation of all the committees to meet the deadlines. But it is a schedule which will permit the American people to be heard on these issues before decisions are made. It is emphatically not the intention of the leadership to shut out any segment of our society from this great debate.

With the best efforts of all of us and with the cooperation of the administration, the House will complete action on the budget, reconciliation, and the tax reduction bill and meet the target dates.

Mr. Speaker, the agenda is as follows:

AGENDA FOR FIRST RESOLUTION FISCAL YEAR 1982 AND RECONCILIATION

On or about March 10: Congress receives details of President Reagan's budget revisions and/or additions.

[From now to adoption of First Budget Resolution:* Appropriations Committee hearings.]

March 20: Committees submit views and estimates on Carter budget and President Reagan's February 18th "Program for Economic Recovery".

March 30: Committees may submit additional views and estimates incorporating President Reagan's March budget revisions and/or additions.

Week of April 6: Budget Committee markup and resolution ordered reported; resolution will consist of three titles: Title I will revise the FY 81 budget; Title II will set forth the FY 82 budget; and Title III will provide reconciliation instructions.

April 15: Resolution report printed and available.

April 28-30: Floor consideration of budget.

May 4-7: Conference with Senate; conference report filed.

May 12: Floor consideration of conference report (adoption of conference report sets reconciliation process into action).

[From adoption of First Budget Resolution until Sept. 16:* Appropriations Committee markup and final Congressional action on appropriations and other spending bills.]

June 15: Instructed committees submit reconciliation proposals to Budget Committee.

June 15-July 14: Reconciliation bill reported, floor consideration and conference completed.

By July 15: Congress completes action on reconciliation.

During this period of time, Ways and Means perfects tax reduction bill.

House will consider tax reduction following House action on reconciliation, will expect to conclude action prior to end of July.

Mr. MICHEL. Mr. Speaker, would the gentleman yield?

Mr. WRIGHT. I yield to my distinguished friend, the Republican leader.

Mr. MICHEL. Mr. Speaker, may I applaud the distinguished majority leader for the statement he has just

*Tentative agenda of House Committee on Appropriations in brackets.

made, and join in that tribute to the Speaker and the majority leader for the manner in which they have received the minority in the Speaker's office, and to come to this unprecedented, or at least historic, agreement on a time schedule.

I think the time for argument over the schedule has passed. As the gentleman indicated, there is going to be plenty of room for argument on the disagreements we will have on the substantive pieces of legislation that will be before us.

Mr. WRIGHT. I thank the gentleman.

WHITE HOUSE COOPERATION NEEDED TO MOVE PRESIDENT'S ECONOMIC PROGRAM THROUGH CONGRESS

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ALEXANDER. Mr. Speaker, as the House leaders on both sides agreed to a fast-track scheduling of the President's spending cut proposals, as the majority leader has said, we all agree that his plan deserves prompt consideration.

We now ask the President to cooperate with the Congress. The President first laid out his economic plans in a speech on February 18, but it turned out that the plan was incomplete inasmuch as it has not provided sufficient information upon which the Congress can act on how changes are to be made, who would be affected and to what extent, and what laws might need to be changed by the recommendations.

Now, it appears that yesterday's budget submission by the President still lacks sufficient detail. My colleagues in the committees of the House have been trying to move forward on the President's economic package, but have been hampered by the lack of information, by the refusal of the departments to supply the details, and by the delays requested by administration witnesses who seem to be unprepared to testify on the specifics of the President's proposal.

The Congress has now set a timetable for itself to move the budget package along a legislative track. We hope the President will work with the Congress in order to complete that schedule.

BUDGET AND TAX DECISIONS MUST BE SOLD ON MERIT, NOT ON ADVERTISING EFFORTS

(Mr. FLIPPO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FLIPPO. Mr. Speaker, it is of great interest to me that the Republican Party intends to spend $6 million in, using Representative VANDER JAGT's words, a "promotional gimmick" and media blitz campaign to pressure Congress into adoption of the President's economic plan. I believe we all have an obligation to take a very serious approach to budgetary responsibilities and to promote and encourage frank debate and thorough factual analysis. The President has presented very extensive budget and tax proposals. Some of them will result in fundamental changes in national policy. They require careful and thoughtful study—away from the hyped-up campaign atmosphere and political fray.

Making budget and tax decisions are among our most important actions. It affects the lives of millions of our fellow citizens. It must be sold on the basis of its merit, not on the basis of the advertising dollars behind it. A legislative proposal should speak for itself. That the Republicans feel compelled to budget $6 million to sell their plan lends a Madison Avenue element that will not contribute to a more sound consideration of the budget.

REDUCED FEDERAL PERSONNEL: A TAXPAYER'S SHELLGAME OR REAL SAVINGS?

(Ms. FERRARO asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. FERRARO. Mr. Speaker, for more than a month I have been trying to determine whether actual savings will result from President Reagan's Federal personnel freeze and reduced personnel ceilings. I am not talking about paper savings which are determined by multiplying the average pay for a Federal employee by the number of slots eliminated. We have played that shellgame before only to see costly overtime and the increase in the "invisible bureaucracy" consume all the so-called savings.

In determining the actual savings one must consider additional expenditures for activities such as increased overtime, increased contracting and consulting, and freeze and ceiling administration. The cost of reorganizations and early retirements must also be factored into the equation, as well as the loss of productivity which is caused by the imbalanced work force resulting from across-the-board cuts.

I think it is important that everyone understand that the hiring freeze has not applied to $50,000 a year political appointees. The highest turnover rates are always in the lowest paying jobs. So for 2 months the administration has not been replacing people who process social security checks and provide job education counseling to veterans. They have not replaced employees who actually generate more dollars than they cost such as IRS agents or customs inspectors. No, the administration has been letting the vital services lag while loading the bureaucracy with $50,000 a year political appointees.

In order to prepare for my subcommittee's work on the budget, I wrote to the President on February 5, to request the administration estimates of the costs associated with freezes and reductions. I asked how contracting for consultants and other personnel would be controlled. I asked about other hidden costs. I have not yet received a response. I can only assume that these costs have not been calculated, nor have they been factored into the well publicized figures which have been released.

Mr. Speaker, there are responsible ways to realize savings from personnel reductions. As programs are eliminated, authorized personnel strength should be reduced. The number of top salaried officials should be reduced in proportion to reductions at the lower grades. But I do not feel that this Congress can base important budgetary decisions on proposed savings which cannot be substantiated or delivered.

NOT US VERSUS THEM

(Mr. JENKINS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JENKINS. Mr. Speaker, as Congress begins work on the President's economic proposals, it is important to dispel the notion that in the weeks ahead we will be joined in a fierce partisan battle, with all Democrats arrayed on one side of every issue against all Republicans on the other.

To prove that this will not be the case, we need only look to the action taken Monday by the Republican-controlled Senate Committee on Labor and Human Resources in their voting to reject certain key spending cuts in social welfare programs proposed by President Reagan. And in the reaction by Republicans in the House Education and Labor Committee yesterday to the President's request for deep cuts in Federal feeding programs.

Conversely, the week before, the Agriculture, Nutrition, and Forestry Committee in the Senate voted to support the President in delaying a scheduled increase in dairy price supports, a decision reached with Democratic as well as Republican support.

It is too early to discern the final shape of the budget and tax proposals, and that is as it should be. For Congress has a constitutional role to play in reviewing what the President proposes and then disposing of it in ways that it feels will be most fair to the American people and responsive to their needs.

I am sure we will find throughout this process more than a few Democrats voting with the President on some issues, and more than a few Republicans voting against him on some others.

It is misleading to cast for Congress only one of two roles: either obstructionist or a rubberstamp to the President's program. History and commonsense tell us that Congress reaction will be somewhere in between these two extremes as members of both parties attempt to be attentive to the President's proposals and at the same time responsive to the people's wishes.

□ 1513

THE EFFECT OF PROPOSED CUTS IN STUDENT AID

(Mr. PEYSER asked and was given permission to address the House for 1 minute, and to revise and extend his remarks, and to include extraneous matter.)

Mr. PEYSER. Mr. Speaker, this morning Secretary Bell of the Department of Education appeared before our committee and laid out the program to slash student aid in this country.

Mr. Speaker, I must say that we are certainly going to need the time the majority leader spoke of to let the people of this country understand what is going to happen to the young people who are going on to higher education, because they are really bearing the burden of President Reagan's program of so-called balancing the budget.

Today, Mr. Speaker, I am including in the RECORD a letter from Lawson State Community College in Birmingham, Ala., which is located in Representative SMITH's district; a letter from the Cleveland Institute of Music, located in Representative LOU STOKES' district; a letter from the University of Arizona, located in Representative MORRIS UDALL's district; and a letter from the University of Delaware, located in Representative TOM EVANS' district.

We will continue each day to let the Members know what the institutions, the college institutions in their districts, think of these proposed programs that will basically devastate student aid in the country.

Mr. Speaker, the letters to which I referred are as follows:

LAWSON STATE COMMUNITY COLLEGE
Birmingham, Ala., February 23, 1981.

Congressman PETER A. PEYSER,
Cannon House Office Building,
Washington, D.C.

DEAR CONGRESSMAN PEYSER: Thank you very much for your letter concerning the student assistance program. Lawson State Community College, a predominantly black college, is very supportive of your efforts in this regard.

95% of our students come from low income families and student assistance is their only means for securing a college education. Please know that I am with you in the fight to save these programs.

Please let me know if there is anything that I can do to help you in this regard.

Very truly yours,

JESSE J. LEWIS,
President.

THE CLEVELAND INSTITUTE OF MUSIC,
Cleveland, Ohio, March 3, 1981.

Hon. PETER A. PEYSER,
House of Representatives,
Washington, D.C.

SIR: We applaud your effort to fight the attack on the student loan program. This is a vital part of the American educational system and given the current inflationary trend may be the only means by which many middle-income students will be able to attend school in the future.

We will be happy to participate in your effort to establish student loans as a high-priority item on the President's budget.

Very truly yours,

Dr. RHODA PAYNE, *Dean.*

THE UNIVERSITY OF ARIZONA,
Tucson, Ariz., March 5, 1981.

Hon. PETER A. PEYSER,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN PEYSER: Thank you very much for informing me of your interest and commitment to the student loan programs that our federal government has sponsored. The University of Arizona has come to depend heavily upon these funds, and we certainly support your effort to see that the student loan program remains strong. It has certainly been one of the most effective programs that the government has initiated on behalf of education, and it has enabled millions of deserving young people to take advantage of the educational opportunities that our institutions of higher learning have to offer. I will do what I can to support your efforts.

Yours sincerely,

JOHN P. SCHAEFER, *President.*

UNIVERSITY OF DELAWARE,
Newark, Del., March 3, 1981.

Hon. PETER A. PEYSER,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN PEYSER: Thank you for your letter of February 24th concerning the area of student loans. I assure you that all of us here at the University of Delaware are supportive of student assistance programs.

The University currently receives approximately $2 million in Pell Grant funds which assists over 3,000 of our students. We project that if supplemental funding is not made available, there will be a 35 percent reduction in funding from the Pell Grant Program for our students.

In the National Direct Student Loan Program, the University has about 1,300 students participating. The continuing resolution which would provide interim funding for fiscal year 1981 calls for a $100 million reduction in this program. This translates into a 20 percent reduction in the National Direct Student Loan Program for students at the University.

The University has over 7,000 students who are receiving approximately $14 million for the academic year 1980-81 through the Guaranteed Student Loan Program. There may be other methods to achieve cost effectiveness in the Guaranteed Loan Program other than the implementation of a needs test. For example, one method of reducing costs in the Guaranteed Student Loan Program may be to place greater control on the financial incentives offered to the lending community.

I hope these few facts are of value to you.

Sincerely,

E. A. TRABANT, *President.*

A NEW DEVELOPMENT IN U.S. POLICY FOR NORTHERN IRELAND

(Mr. BIAGGI asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BIAGGI. Mr. Speaker, as we approach the annual celebration of St. Patrick's Day, I wish to bring to the attention of my colleagues a significant development in our Nation's policy regarding Northern Ireland.

Yesterday, I received a letter in my capacity as chairman of the bipartisan Ad Hoc Congressional Committee for Irish Affairs from Presidential Assistant Max. L. Friedersdorf. His letter was in response to one I and 35 of my colleagues on the ad hoc committee had sent to President Reagan just prior to his meetings with British Prime Minister Thatcher.

The letter states:

Please know that the President shares your concerns toward the achievement of a peaceful political solution in Northern Ireland. As the situation now stands, the administration is holding to the policy of not approving licensing for sale of hand guns to the Royal Ulster Constabulary.

I commend the President for this significant and positive decision. It was my 1979 amendment which led to the imposition of this embargo. The sale or weapons to the RUC, Northern Ireland's main police force, is in conflict with section 502(b) of the Foreign Assistance Act. This provision bars the sale or export of any U.S. weapons to any nation or organization with a proven record of human rights violations. The RUC on repreated occasions has been cited for violating human rights of prisoners and suspects. Yet, in January 1979, our Department of State approved the sale of 3,500 rifles to the RUC.

HUEY P. LONG IN REVERSE

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, in the 1930's Huey P. Long, Governor and later Senator from Louisiana, began a program called share the wealth.

Ronald Reagan has now given us his 1981 version, "Concentrate the Wealth."

If there is one criticism of the administration's program, and there is not, there are several, it is that the benefits accrue mainly to the wealthy. The budget cuts penalties fall mainly on the poor and the working poor. And the tax cuts grace the rich. As the Colorado Daily queried the other day, "Do Mink Coats Really Trickle Down?"

The middle class will avoid most of the budget cuts, but neither will they receive solace from the tax cuts. In fact, taxflation will ratchet them up the tax brackets.

Second, in reality the administration's 1982 budget divides up the Federal deficit and ships it out to the Governors, mayors, and county commissioners. Good luck to all of you. In the same way, Federal tax cuts will appear later as State and local tax increases.

Third, the defense sector is confided with a war budget looking for a war. In essence, the administration is applying the Monroe Doctrine to the entire world.

Fourth, the budget is laced with economic forecasts and estimates that ring about as probable as the annual National Enquirer predictions.

Many of the alleged savings are based entirely upon gossamer expectations about the rosy state of the economy several years hence.

Fifth, huge chunks of the budget are swept under the rug with devices called stretch out and deferral. What that means is that we will buy it later when it is more expensive. Weapons systems often double or triple in price because the procurement process drags out over many years.

IMPORT QUOTAS: THEY WOULD NOT SOLVE AUTOMAKERS' PROBLEMS, BUT THEY COULD CREATE QUITE A FEW

(Mr. GLICKMAN asked and was given permission to address the House for 1 minute.)

Mr. GLICKMAN. Mr. Speaker, it seems like more and more people are calling on the President to impose mandatory import quotas on Japanese automobiles to protect our domestic automakers. I admit that is a popular idea these days, but it is a terribly unproductive solution. Import quotas would merely cover up a symptom of the underlying problems of our auto industry. Putting quotas on would not be in the interest of the country nor in the long-term interests of the auto industry which they are presumably intended to help.

I think it is absolutely essential that we bring some balance to this discussion. In considering this issue, the President needs to remember that last year Japan imported more than $20 billion in U.S.-produced goods and they were the single largest importer of U.S. agricultural commodities. It is also important that he not forget that we have a much more serious, in fact dangerous, trade deficit with the OPEC nations on whom we rely for vital petroleum. If Americans cannot buy fuel-efficient cars—from whatever source—we are merely perpetuating that deficit, and we are pushing back the time when our automakers manufacture those kinds of vehicles.

I have today circulated a letter to the President urging that these factors be considered in his assessment of the import quotas question. I intend to send the letter to the White House on Friday, and I hope a good number of my colleagues will agree to sign it. Anyone wishing to sign can just let me know or call my office.

SHADES OF WATERGATE

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEISS. Mr. Speaker, the one thing I would have expected that a conserative administration would want to conserve is the Constitution of the United States. But the Reagan administration has reportedly begun a major attack on the rights of the American people unparalleled since the resignation of Richard Nixon. Under the guise of combating a domestic terrorist threat that has not been shown to exist, the President is expected to issue an Executive order to unleash the intelligence community on the American people by eliminating the few restraints we now have on domestic spying activities.

The draft order, which is now being circulated among the agencies involved, would authorize a wide variety of intrusive and unconstitutional spying on our citizens. For example, the order would: Allow almost unlimited searches, surveillance, and infiltration; permit surreptitious entries without a warrant; remove the requirement that information be gathered by the "least intrusive means possible"; eliminate any requirement to show probable cause for political surveillance; and severely restrict the ability of the Attorney General, or anyone else, to examine the legality of proposed intelligence activities.

We must not allow our basic rights to privacy and freedom of speech to be compromised by Executive fiat. I urge my colleagues and all citizens to speak out against this dangerous threat to our society, and to our Constitution. Mr. Speaker, has Watergate taught the Reagan administration nothing?

THE SAVINGS INCENTIVE ACT OF 1981

(MR. DANIELSON asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. DANIELSON. Mr. Speaker, we hear a lot today about cutting expenditures and cutting taxes and thereby providing money for investment and for savings, and I am all for that. We need savings if we are going to be able to form enough capital for the type of industrial expansion which we need. But mindful of the remarks just made by the gentlewoman from Colorado (Mrs. SCHROEDER), it occurred to me that I ought to mention something I have done just recently.

As Members know, the savings and the benefits of tax cuts should go not just to the rich but to the poor as well. With that in mind, I recently introduced a bill which I call the Savings Incentive Act of 1981, which would provide to every taxpayer a $1,000 tax exemption for interest earned from savings. In that way, even the poor, even people like myself, who could save $1,000, $2,000, or $3,000, could exempt from income taxation, interest earned from savings up to $1,000 per person per year.

This would bring more money into savings than any of the programs so far advanced by the administration. As we know, the fact that we are cutting taxes for the rich does not mean they are going to place the money saved into savings or investment. They will just buy more of those mink coats to tickle the rich, when, as far as I am concerned, we should put this into savings and expand our industrial base.

Mr. Speaker, I invite all my colleagues to join me in this great effort to stimulate savings. Members would be welcome as cosponsors.

THE ADMINISTRATION'S BUDGET CUTS—LET THEM EAT TAX CREDITS

(Mr. GARCIA asked and was given permission to address the House for 1 minute.)

Mr. GARCIA. Mr. Speaker, yesterday morning I received a copy of President Reagan's final proposed budget cuts. I noted with alarm that the President plans to reduce public services in virtually every single area. This is potentially the worst news which the poor of America have heard in decades. The administration's proposals are morally indefensible, and I will fight it on each of its elitist budget cuts, therefor.

Let me mention just a few of my concerns. The President plans a 25-percent reduction in vitally needed health and social services in fiscal year 1982. The school lunch program is to be reduced in the name of tax reform, such reductions ostensibly predicated upon the notion "let them eat credits." The Federal Housing Administration home subsidies programs will be reduced $565 million in fiscal year 1981 and another $1.8 billion in fiscal

year 1982. Apparently the second round of housing budget cuts is designed to assure that shelter will be denied any poor folk who were missed in the first round. Food stamps are to be reduced $150 million in fiscal year 1981, and the President also wishes to eliminate certain social security benefits. Aid to families with dependent children will lose $520 million in fiscal year 1982. The President will freeze all CETA public service employment jobs and provide no CETA funding at all in fiscal year 1982.

How on Earth can I ask my South Bronx district to bear this kind of hardship? Why must my constituents and the poor throughout this land bear such a grossly disproportionate share of President Reagan's and the Republicans' imposed burden on our country? Does the President really believe that private industry will provide all social services to the poor?

The President and his administration simply must reconsider their proposals. Supply side economics just will not put food on the table the way food stamps do.

DAUB DISCUSSES DOUBLE STANDARD

(Mr. DAUB asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DAUB. Mr. Speaker, I rise today in full support of the initiative to halt and reduce the shocking increases in committee staff and spending. This is a controllable cost. It is not a cost tied to annual adjustments dictated by inflation. It is not a cost that, if trimmed back, would result in undue hardship or suffering. Quite frankly, this is a cost from which we, alone, profit.

If we, as Members of this House, are unwilling to economize in the area of committee expenditures, how can we expect our constituents to make the sacrifices we ask of them.

However, if we, as Members of this House, take action to reduce our committee costs, we will serve notice, to all Americans, that their Congress is willing to take the lead in economizing.

In Nebraska, our unicameral legislature has responded to the clear voice of the people, which has demanded that their elected officials scrutinize all areas of government for cost savings. The Nebraska State senators have gone so far as to limit the number of bills that may be introduced so that adequate attention is given to substantive areas of business.

The business of the people deserves this attention and the American people are looking to this House at the Federal level for the lead. The people are watching to see if our actions are consistent with our words. If we have listened to the message of the people and if we have heard and heeded our own words then we will act responsibly by reducing the budget and accepting a government that gets by on less so that the people may have more.

Mr. Speaker, I feel it paramount that we demonstrate to the people that we are listening—that we can act responsibly. If we do not, we stand before the people as an example of government as usual—a government that lives by a double standard—willing to ask others to sacrifice while exempting itself.

ANTITRUST LAWS IMPEDE FOREIGN EXPORTS

(Mr. McCLORY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCLORY. Mr. Speaker, I am introducing a bill today to establish a commission to conduct a comprehensive study of the international aspects of the antitrust laws of the United States, their administration and judicial interpretation, and to make necessary recommendations for reform. A companion bill, S. 432, was introduced in the other body on February 5, 1981, by Senator MATHIAS, and as S. 1010, a very similar measure passed the Senate late in the last Congress, although a shortage of time and other circumstances did not allow action to be taken on this side.

I am pleased to note that this legislation has attracted considerable outside support, including the endorsement of the National Foreign Trade Council, an organization representing about 650 companies engaged in foreign trade and investment.

Some members of the business community have long maintained that the antitrust laws are injurious to or constitute a deterrent to American exports and investments abroad. The Department of Justice, among others, takes a contrary position. Because the primary interest of both enforcers and scholars has been on the domestic impact of our antitrust laws, rather than their international consequences, this debate continues without much new light emerging from either side. In the meantime, however, our overseas trade deficit grows daily, and our exporters confront very tough competition from monopolistic foreign buyers and sellers. I expect the commission to proceed with full awareness of these factors.

In making its comprehensive study and recommendations, the commission will specifically address the application of our antitrust laws in foreign commerce and their effect on the ability of American firms to compete effectively abroad, particularly against foreign-controlled or foreign-assisted enterprises in market and nonmarket economies; the effect of our antitrust laws on our relations with other countries; the jurisdiction and scope of our laws as applied to foreign conduct and foreign parties; reciprocity in access to markets, equal opportunities for foreign investment, and antitrust enforcement; the proper scope and effect of the rules governing sovereign immunity, the act of state doctrine, the defense of "foreign sovereign compulsion" and the doctrine of comity; the application of our rules of court, such as the "per se" and "rule of reason" doctrines, to international antitrust law enforcement; and the application of our antitrust laws to joint ventures, mergers, acquisitions, and distribution and licensing arrangements between and among American and foreign or foreign-based enterprises.

On this last point, I have observed that under some interpretations of the antitrust laws, particularly by the Federal Trade Commission, defensive joint ventures between U.S. and foreign companies which would have the effect of protecting other American enterprises and the jobs of our workers from going the way of our vanished domestic television manufacturing industry may be found to be illegal. If the end result of such an interpretation is severe injury to our own economy and rich rewards for our foreign-based competitors, it may be concluded that the law needs to be reformed.

The Commission will have a membership of 18 persons appointed by the President, drawn from the executive branch and, on a bipartisan basis, from both Houses of Congress and the private sector. The President will designate the Chairman and the Commission itself will select the Vice Chairman. The Commission's report will be transmitted to the President within 1 year after its first meeting. The recent experience of the National Commission for the Review of Antitrust Laws and Procedures suggests that an appropriation of $550,000 will enable the Commission to hire staff, conduct hearings, and publish its report. I consider this a very modest investment for what may be an extremely useful end result.

If it does its job properly, and I have every expectation that it will, the Commission will deal forthrightly with the issues before it and will provide Congress and the administration with the informed policy guidance and useful legislative recommendations which I believe characterize the report of the recent National Commission for the Review of Antitrust Laws and Procedures. I invite my colleagues who share my interest and concern to cosponsor this important legislation.

BUDGET REVISIONS SIGNAL NEW DIRECTION FOR U.S. ECONOMY

(Mr. LATTA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LATTA. Mr. Speaker, Congress has now received President Reagan's budget revisions for fiscal year 1982. He is calling for the elimination of $48.6 billion in additional spending proposed by former President Jimmy Carter for fiscal year 1982. It should be noted that even with these changes, President Reagan's budget will total more than $695 billion—6.1 percent above 1981 spending. President Carter had proposed an 11.6-percent increase for this year. What is being cut is the rate of increase in spending that the previous administration had sought.

This budget is a signal to the Nation and to the world that the President is dead serious about revitalizing America and strengthening our economy. It signals recognition that—however well-intentioned and desirable many Federal programs may be—we simply cannot afford to continue diverting more and more of our national resources to a constantly expanding welfare-type government.

This budget also embodies a profound rethinking as to the proper role of the Federal Government in our national economy, and in its relationships with State and local governments. It rejects the notion that has become popular in recent years—and one which has helped to bring on double-digit inflation and extraordinarily high interest rates—that the Federal Government is, should, and can be all things to all people. It revives the concept that our economic wealth and vitality is produced by the people of America rather than by Government.

President Reagan was elected on a campaign to reduce the size and cost of the Federal Government. He has delivered on the first installment of that promise and it is now up to the Congress. I intend to use every resource at my command to get it passed. In the past two decades Federal spending has grown from $100 billion in fiscal year 1962 to nearly $700 billion in fiscal year 1982. In the past 2 years, Federal spending has increased by over $150 billion—we simply cannot continue with such spending—financed by huge amounts of borrowing—and remain a strong Nation.

This Congress has no alternative than to bring spending and taxes into line with today's needs.

□ 1530

APPOINTMENT AS MEMBERS OF JAPAN-UNITED STATES FRIENDSHIP COMMISSION

The SPEAKER. Pursuant to the provisions of section 4(a), Public Law 94-118, the Chair appoints as members of the Japan-United States Friendship Commission the following Members on the part of the House: Mr. ZABLOCKI of Wisconsin and Mr. CONTE of Massachusetts.

APPOINTMENT AS MEMBERS OF MIGRATORY BIRD CONSERVATION COMMISSION

The SPEAKER. Pursuant to the provisions of title 16, United States Code, section 715a, as amended, the Chair appoints as members of the Migratory Bird Conservation Commission the following Members on the part of the House: Mr. DINGELL of Michigan and Mr. CONTE of Massachusetts.

APPOINTMENT AS MEMBERS OF ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS

The SPEAKER. Pursuant to the provisions of section 3(a), Public Law 86-380, the Chair appoints as members of the Advisory Commission on Intergovernmental Relations the following Members on the part of the House: Mr. FOUNTAIN of North Carolina, Mr. RANGEL of New York, and Mr. BROWN of Ohio.

LET US GIVE THE PRESIDENT A CHANCE

(Mr. LUNGREN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUNGREN. Mr. Speaker, as I sat here, I thought of the words "deja vu." Sometimes it is difficult to figure out what that means, but there was a certain familiarity as I listened to most of the Members of the other side of the aisle discuss matters and particularly express their particular concern about the President's budget. You would think we never had November 4, which was a small interlude in our discussions here. It is called an election.

There I thought the people spoke very loudly that they accepted what President Reagan had to say about budget cuts and about tax cuts.

Unfortunately, it sometimes seems true you have to repeat things before the message gets through.

I am especially intrigued about the complaint about his tax cut when people keep saying that it happens to be directed toward the rich. What they are really saying is that those people who have paid are going to be the ones to get back the tax cut. They seem to think we ought to do something else.

In other words, they are suggesting those who paid more, get less. Those who paid less, get more, and those who paid nothing, get something.

That may be good redistribution of wealth, but it does very little to reinvigorate a national private economy, the type of economy we need if we are going to pay for those social programs that are so necessary for those people in need.

In other words, if we want to restructure the concept of Government we have had for the last 30 years, we have got to be willing to take the large step and go along with President Reagan.

Unfortunately, from the chorus of boos that I hear on the other side, it is going to be very, very difficult.

I say, let us give the President a chance. Let us not hogtie him before he even gets out to shoot.

Let us try and see if the American people can get a free chance at what they attempted to do on November 4 and that is to make a change.

ACTION ON PRICE SUPPORTS

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. MICHEL. Mr. Speaker, among the first tests of congressional will on budget reductions will be H.R. 1986, the dairy price support legislation.

We have only 21 days to act on this legislation, yet hearings will not begin until tomorrow.

This bill will avert a substantial increase of $147 million in dairy price supports scheduled to take effect on April 1. It will halt an imminent increase in both large surpluses and higher market prices for dairy products.

Mr. Speaker, I think swift action on this legislation will send a signal to the American people that we are sincere about budget cutting across the board and that the Congress intends to move ahead with all due speed.

There is no reason for delay. There are no excuses for inaction. We must be committed to an extraordinary timetable, because these are extraordinary times.

I include in the RECORD an excellent editorial on the subject of price supports which appeared in the Washington Star March 7, 1981:

MILKING PRICE SUPPORTS

Between now and April 1 President Reagan will have won or lost what might be his First Battle of the Marne, an engagement that would dramatically affect the administration's budget-reduction war. The battle will be to end the twice-a-year adjust-

ments in price supports for the dairy industry.

The 14-2 vote Wednesday by the Senate Agriculture Committee to end the two-a-year dairy adjustments—"a scandal," in the judgment of the president's budget-biter, David Stockman—was distinctly encouraging. But that was only half, and perhaps the easier half, of this set-to. In the House, the tight three-week deadline to skim off some of the milk-price cream offers a wonderful opportunity for the Democratic opposition. Indeed, the chairman of the House Agriculture subcommittee that will handle the matter, Rep. Tom Harkin of Iowa, is murmuring that it will be "very difficult" for his lads to act on milk-price supports before April 1.

The federal Commodity Credit Corporation ended 1980 in custody of 274 million pounds of surplus butter, twice the amount in 1979, and more than 184 million pounds of cheese, against 20 million the previous year—the largest surplus in 20 years. The cost to the federal government for the dairy price-support program will be an estimated $2 billion in this fiscal year, compared to $1.3 billion last year.

The crux of the problem represented by those figures is not farm price supports themselves—which, by various formulas, cover food and fiber from corn to flax. The case for building a government floor under commodity prices to provide market stability and assure farmers a decent return is graven in governmental stone.

But the dairy industry, which knows its way around the political pasture, has been particularly successful in keeping its price-support levels elevated. In 1977, the dairymen persuaded Congress that twice-a-year adjustments would be dandy. This has encouraged dairy farmers to increase herds and expand production even further beyond market requirements, knowing that the feds will buy however much they produce. The farmers argue that even favorable dairy support levels have not permitted them to stay even with inflation. But a General Accounting Office study recently found that dairy farm income between 1977 and 1979 rose 46 per cent, after inflation.

So far, the dairy industry says it might be willing to accept modifications in the price-support structure—but only if those changes do not result in fewer dollars-and-cents than the old levels. Or, put another way, heads we win, tails you lose. And the industry is not budging on the sanctity of twice-a-year adjustments.

That won't do. Mr. Reagan is right on this issue—and it is incumbent that the House stir itself to keep the higher price adjustment from automatically taking effect on April 1.

OVERREACTION TO CIVIL RIGHTS ACT

(Mr. WALKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WALKER. Mr. Speaker, the civil rights laws which have been adopted by our country have been designed to protect individuals from discrimination based on color, creed, sex, or national origin. The objective has been to make the law "colorblind." That our American Constitution is and should remain colorblind can be amply demonstrated from a mere cursory review of the Civil Rights Act as well as court cases involving the Civil Rights Act.

We have seen in recent years that in carrying out the objectives set forth in the Civil Rights Act there has been an overreaction resulting in quotas and harassing of private individuals, educational institutions, and businesses. A quota system, whether for jobs or for education, does not advance the rights of all Americans. On the contrary, quotas close off avenues of opportunity for qualified individuals; quotas substitute a false numerical standard for merit. These arbitrary quotas give special privileges to a few while rejecting the qualifications of others. Minorities, who would presumably stand to gain from quota systems, are stigmatized when advancement is gained, not through merit, but through the privilege accorded to them by virtue of their being a part of a particular race.

One of the clear results of the mandate in last November's election is that American voters are fed up with this type of social engineering by an overzealous Federal Government. It is my hope that we will begin to recognize and confront legal excesses where they exist and to eliminate the mania our Federal Government has for quotas.

In a heartening development last week, the Supreme Court acknowleged the fact that the Civil Rights Act has been misinterpreted by some Supreme Court rulings in the recent past. The Court clarified that affirmative action does not mandate preferential treatment of certain racial groups and that employers cannot be forced to reconstruct their employment practices to maximize the number of minorities and women hired. I trust that this encouraging ruling serves as a harbinger of less race consciousness in our national policies and an end to the forced discrimination which results from numerically based formulas.

LEGISLATION PROVIDING FOR EXEMPTION UNDER WINDFALL PROFIT TAX

(Mr. LOEFFLER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LOEFFLER. Mr. Speaker, I am pleased to join my colleague, the gentleman from Texas (Mr. HANCE), in reintroducing legislation which has strong bipartisan support of more than 180 Members of the House. The bill which we are introducing today provides for an exemption from the windfall profit tax for the first 1,000 barrels of daily production by independent producers and royalty owners.

Mr. Speaker, I have consistently opposed the windfall profit tax—which is, in reality, a severe excise levy unrelated to profits—because I believe that the American people want more energy, not more taxes, and certainly not more Government. In particular, I strongly believe that we must provide relief during this Congress for the many royalty owners across the country, who are the only owners of private property in this Nation to have had the value of their property cut in half by the Federal Government through the enactment of the windfall profit tax. Additionally, exempting the small, independent producer will insure the creation of additional supplies of domestic energy by allowing these individuals—who must depend upon capital they and others invest with no assurances of success—to enhance their rate of wildcat discoveries and thus provide desperately needed additions to oil and gas reserves.

This legislation is similar to that which received overwhelming support during the 96th Congress. I urge my colleagues to join me in this important effort so that we may be successful in providing necessary incentives to increase domestic production of energy, easing the burden on private individuals and landowners and returning energy self-sufficiency to its status as one of this country's highest priorities.

HOUSE MUST SHOW AMERICAN PEOPLE IT IS COMMITTED TO FISCAL RESTRAINT

(Mr. WORTLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. WORTLEY. Mr. Speaker, in the near future, we will have a unique opportunity to show the American people that the House of Representatives is committed to fiscal restraint.

What better way to demonstrate that commitment than by voluntarily curbing that portion of our legislative budget earmarked for the various legislative and select committees.

In the last 25 years, the committees in the House have grown like Topsy. Much of the increase in the committee staffs and resources has been legitimate. However, the time has come to seriously examine the increase in the funds we routinely set aside for this purpose.

Many of my colleagues in the last week or so have taken the floor and addressed themselves to this same issue. I will not belabor the many valid points that they have made.

Suffice it to say that I am in full agreement with those Members in this body who genuinely want to keep committee costs at a reasonable level by making certain that we do not spend our resources imprudently and that they are fairly allocated to both majority and minority members.

79-059 O - 84 - (Vol 127 Pt.3) - 82

The American people are looking toward Congress for a sign that it understood the message that they sent last November. They are more than willing to do their part by accepting cutbacks in Federal programs. Surely, we should be just as willing to clamp down on committee expenses as a good-faith effort toward achieving the mutual goals of fiscal restraint and a responsible allocation of our resources.

CUTTING BUDGET ON COMMITTEE STAFFS

(Mr. COLLINS of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COLLINS of Texas. Mr. Speaker, in the next 2 weeks, Congress will finalize its committee staff funding for 1981. We are all concerned with reducing our spending here on the Hill.

The House has been looking to the Senate side where the Republicans have the majority, to see what the total staff committee authorization is for 1981. Combining comparable costs we find the total Senate staff costs $50,321,299. This includes total committee authorizations of $41,696,299 plus the overall computer costs of $8,625,000. Since the Senate does not separate statutory and investigative committees, they add in overall computer expense to provide a combined total of $50,321,299 for all Senate committee staff expenses.

Now let us look to the House. We have a statutory and an investigative budget. The House has already authorized $24,705,000 for statutory. Last year the House authorized $42,100,000 for investigative, for a total House staff committee authorization of $66,805,000.

The House is controlled by a 51-vote Democratic majority. The Democrats now are faced with the responsibility of reducing committee staff funding so that we can show the Nation that Congress is ready to lead the way in cutting expenses.

If the House cut their 1981 investigative expenses by $15,483,701 we would be operating at the same level as the Senate. This would mean a 37-percent average cut from the 1980 investigative fund level.

On the Senate side committee staff funding is based on two-thirds assigned to the majority party and one-third going to the minority party. On the Senate side where the Republicans control, they allocate one staff member to the Democrats for every two staffers that the Republicans have on their staff.

We are not that fortunate on the House side where the Democrats control. Some ratios have been as high as 18 to 1. And most of the staffs are at least 6 to 1 as the Democrats have allocated from control instead of equity in recognizing the 44-percent ratio of Republicans in the House membership.

But the big challenge is with the Democratic leadership.

In the Senate, where the Republicans have already voted and have shown their determination to cut Government spending, their total committee staff funding is only $50,321,299.

As a Democratic leadership deliberates, we call on them to cut spending here on committee staff budgets and let us reduce and establish the same efficiency level that the Senate maintains with its Republican leadership.

We have the same legislation before us in the House that they do in the Senate and all we need is the same size committees.

LEGISLATION FOR POSTAL SERVICE TO RAISE NEEDED REVENUE

(Mr. CAMPBELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CAMPBELL. Mr. Speaker, the President's economic program calls for a $632 million cut by 1982 in Postal Service subsidies and elimination of some subsidies altogether. In light of the administration's proposal to slash postal subsidies, and the Postal Service's controversial requests for postal rate increases, I have today introduced a bill to help the Postal Service find reasonable—and less painful—ways to raise much-needed revenue.

My proposal is that Congress expressly authorize the Postal Service to raise revenue by accepting advertising—other than political advertising—for display at any facility or on any property of the Postal Service. Specifically, I envision the limited sale of advertising in specially designated areas of post offices, on postal vehicles—similar to advertising on public transit—on the unmarked sides of stamp booklets, and, emulating other countries, on the backside of stamps.

My bill, however, does not specify where advertising shall be placed; instead, the Postal Service is granted broad authority to design an advertising format suitable to its needs and in a manner appropriate to an independent agency of the Federal Government. Moreover, unlike another proposal introduced in this Congress, my bill does not require, nor do I support, the printing of advertising on the face of stamps.

At a meeting of the Treasury, Postal Service, General Government Subcommittee of the House Appropriations Committee, Postmaster General William F. Bolger agreed that making the Postal Service more self-sufficient by permitting it to sell advertising space in a limited and strictly regulated manner is an idea worth pursuing. My bill would give the Postal Service the authority to pursue this goal.

CONGRESS SHOULD REDUCE COMMITTEE AUTHORIZATIONS

(Mr. HARTNETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HARTNETT. Mr. Speaker, President Reagan is making a conscious effort to reduce areas of the executive branch that are duplicative and counterproductive. Congress should follow this example by putting its own House in order. Congress can contribute to reducing Federal spending by making reductions in committee funding.

Committees employ two different types of staff—statutory and investigative. Each committee, except for Budget and Appropriations, are granted 30 statutory staff to perform committee business. In addition to these statutory staff, committees hire investigative staff whose salaries are provided through the committee funding resolutions.

In 1973 there were 570 investigative staff and 308 statutory staff. By 1979 the number of statutory staff had grown to 738 while the number of investigative staff had exploded to 1,221.

Total committee staff has grown from 817 in 1972 to 1,939 in 1979. The cost of these staff has gone from $14 million to $96 million during the same period of time, a 586-percent increase. The salaries for the investigative staff alone represent about 90 percent of each committee's expenditures.

In 1973 a survey revealed that only 16.7 percent of the House committee staff were assigned to the minority. In 1979 a survey conducted by the minority leader showed that 19.3 percent of the committee staff were serving Republican members. With Republicans constituting 44 percent of the House, the difference in staff allocations for committees is clearly inequitable.

Spending for committees is out of control. These excess committee staff are promoting unnecessary legislation that results in more regulations and taxes for the American people.

The election in November 1980 revealed that the American people want less government, less regulation, and less taxes. Congress can do its part by reducing committee authorizations.

PERSONAL EXPLANATION

Mr. McCLORY. Mr. Speaker, I was unavoidably absent on rollcall No. 15, the final vote on H.R. 2166, the Energy Policy and Conservation Act amendment, which would extend the antitrust exemptions. If I had been present, I would have voted "aye."

CONGRESS SHOULD NOT ACT IN HASTE ON BUDGET

(Mr. GEPHARDT asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. GEPHARDT. Mr. Speaker, I am concerned about some messages all of us are beginning to receive about the pace of the budget process. Rome was not built in a day and a budget of almost $700 billion cannot be crafted in a month, but I think it is important for the American people to know where we are in the process now and why.

Yesterday we received the first chapter of President Reagan's budget. It contains a provocative message and calls for radical changes. Some of them may be justified and ultimately win our approval. Some will doubtless be rejected. But the entire plan has not been received. For instance, we do not have the specifics on the complicated block grant proposals.

It is my belief that the American people would never forgive us if we gave these proposals nothing more than a cursory look before approving them and sending them on their way.

It would be better if we learned about the flaws in these plans, and there will inevitably be some, so they could be amended prior to approval. Acting in haste now may create chaos later.

Our Budget Committee stands ready to begin an intensive review of the President's proposals as they are received. But until the entire plan is in hand, our progress will be limited. Those correspondents who have been writing to ask why we have not enacted the President's budget yet would do well to direct their question to the other end of Pennsylvania Avenue.

□ 1545

Mr. ADDABBO. Mr. Speaker, I ask unanimous consent to take my special order for today out of order and speak first.

The SPEAKER pro tempore (Mr. DANIELSON). Is there objection to the request of the gentleman from New York?

There was no objection.

TRIBUTE TO TOM IORIO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. ADDABBO) is recognized for 60 minutes.

GENERAL LEAVE

Mr. ADDABBO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of the eulogy to Tom Iorio.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ADDABBO. Mr. Speaker, I have taken a special order today to pay tribute to Tom Iorio, whom we buried this morning, partly because I feel it is proper to pay homage to any person who devotes 36 years of his life to this body and partly because Tom was a unique person who played a very special role to the Members of this body.

Tom Iorio went to his grave believing that he was the luckiest of men, because he had been privileged to spend the bulk of his lifetime working in this Chamber with men and women whose ideas and dedication set the tone for the country. In all truthfulness, Tom probably passed more legislation himself than any single Member who ever served in this body and that was because Tom was the conduit that people used to get others to support their proposed legislation. I do not know how many times I went to Tom when I had a bill and I would ask him to see what he could do and inevitably he would come back with as many cosigners as it was possible to achieve.

Every one of us were assisted by Tom in this way and in all the other ways where he was so adept at clearing away problems. If there was any way to summarize all that Tom did on this floor, it would create a whole new category of government service. Tom, in essence, took on every challenge that was ever given to him and came back with it resolved.

Some years ago the Members of the New York congressional delegation decided that they wanted to sponsor a trip every other year to show off our city to the Members of this body who, coming from other parts of the country, have not been exposed to the wonders of New York City. It was, of course, Tom Iorio who took over the complex task of putting this trip together and making it work. For more years than anyone here can remember, Tom Iorio made the New York trip something decidedly special, which lived in the memories of those who went on the trips forever.

It is ironic that we will go on the New York trip this coming May and for the first time in history we will go without Tom. But even here, his dedication to his work did not stop because of his illness. Until the very last, Tom worked on this trip with a zeal to make sure that this particular New York trip would be the best ever.

We will go on that trip in May, many Members of this House and I, and we will take time to remember that it was put together by a man who devoted his life to solving the problems of others.

Tom used to say that while the 36 years he spent working on the floor were a joy to remember, the proudest accomplishment of his life had been that he had been a professional baseball player in his youth. True, it was minor league ball and his team never got out of the borough of Brooklyn, which was his birthplace and his pride and joy, but it was professional baseball and it was his own skill that had gotten him there, and he was proud as punch of it.

We know from the obituary notices that appeared in the daily papers after his death about the tributes and the honors accorded him during his lifetime. I will not go into those here at this time. More importantly, the tributes that he received on a daily basis from the people he worked with in this Capitol and the Members with whom he associated were the most important tributes as far as Tom was concerned.

Tom had a wonderful relationship with his wife, Clara, and, had he lived, he would have celebrated his 52d wedding anniversary some 8 weeks from now. And he had two children he loved dearly, Carmen and Connie, and six beautiful grandchildren and loving sisters, nieces, and nephews. He loved them all, spent as much time with them as he possibly could, and cherished them as few families are cherished. But even having said that, you must say—as Clara so often remarked over the years—that Tom Iorio has one wife and one mistress, the House of Representatives.

Few people have stayed here longer than Tom Iorio or experienced so many sweeping national changes. From President Harry Truman to President Ronald Reagan, through the cold war, the Korean war, Vietnam, and Watergate, up to today, Tom Iorio saw it all and worked in the midst of this Chamber where so much of history started. He worked as faithfully and with as much dedication as a single person could give and he did it as a patriotic American who was proud to serve his country by working for his Government.

He lived a full and complete life, nearly 80 years old at the time of his death. He died with more friends than most people ever dream of having. He will be missed by an unusually large number of people beyond his family and his friends and his neighbors. People flew across this continent to be with him at his last Mass this morning. I think that is a measure of the affection that people who met Tom Iorio felt for him, whatever their station in life and wherever they came from.

For insertion are two newspaper clippings on the subject of this special order.

THOMAS D. IORIO, 79, WAS DEPUTY SERGEANT-AT-ARMS FOR THE HOUSE

Thomas D. Iorio, 79, the deputy sergeant-at-arms of the House of Representatives and an employe there since 1945, died of lung cancer Saturday at his home in Silver Spring.

Mr. Iorio, who was born in Brooklyn, began his public career as a deputy sheriff in Kings County, which is Brooklyn. For the rest of his life, he kept in touch with the Democratic Party organization in Brooklyn. In 1945, he came to Washington under the auspices of former Rep. John Rooney, a Brooklyn Democrat. He went to work for the sergeant-at-arms, serving as an aide on the House floor.

In nonelection years, Mr. Iorio organized trips to New York sponsored by the New York congressional delegation. He continued this activity from the mid-1940s until recently.

In 1976, he received the John W. McCormack Award, which is named after the late Speaker of the House and is presented to House employes who have provided outstanding service to representatives. In the same year, he was named "Man of the Year" by the Doorman's Association.

In 1974, Mr. Iorio received a decoration from the Italian government for his efforts to improve Italian-American relations.

Survivors include his wife, Clara, of Silver Spring; a daughter, Connie Furlong of Mount Airy, Md.; a son, Carmine, of Silver Spring; three sisters, Mary Muratore and Molly Barbera, both of Ozone Park, N.Y., and Anne Cusare of Margate, Fla., and six grandchildren.

The family suggests that expressions of sympathy be in the form of contributions to the Villa Rosa Italian Home for the Aged, Mitchellville, Md.

[From the Long Island Press, April 1976]

CONGRESS THANKS A VALUED AIDE

(By Dick Seelmeyer)

WASHINGTON—Tom Iorio left his beloved Brooklyn 31 years ago to go to work for the House of Representatives. Today, as he nears his 75th birthday, many New Yorkers serving in Congress will tell you that Iorio is as close to being an indispensable man as there is.

New Yorkers have known that for years; what makes it news is that next month Iorio will pick up two of the most coveted awards that can be given to people who work for the House, the John W. McCormack Award of Excellence, and the annual Man of the Year award from the Doormen's Society.

If Iorio was Brooklyn when he got to Washington, he soon became New York to those who needed his advice and guidance. In 1945, Brooklyn was the strong delegation among New Yorkers. Today, the state delegation's strength lies with Queens, and delegation chairman James Delaney of Astoria, and vice chairman Joseph Addabbo of Ozone Park rely on Iorio as much or more as did Brooklyn's late John Rooney.

Known best for the congressional New York trip that he puts together on behalf of the city delegation every two years, Iorio, the House Deputy sergeant at arms, is a fount of information about legislation, current and past, parliamentary procedures and whatever else a Congressman needs to know when he steps onto the floor.

Iorio is the man congressmen talk to when they want to know how the leadership would like them to vote on a measure. He is the man that the leadership talks to when they want to know how the members feel about a pending piece of legislation.

Most members of Congress have busy schedules and cannot sit on the floor listening to all the debate on every bill. They run between office and meetings and the floor for votes all day long. And so someone like Tom Iorio, who stays on the floor from opening bell to the closing whack of the gavel, often knows more about legislation than do the members who can cast their vote.

Delaney observes of Iorio that, "he is a big help to all of us, Republican or Democrat, because his word is always good. He tells you the facts about bills, not what his opinion is. You soon learn who can be trusted and who can't. Everyone trusts Tom."

Addabbo adds, "I don't know of anyone who doesn't hold Tom in the highest esteem, and he has earned twice over every bit of respect that he gets."

A couple of years ago, the New York delegation sought to convince Iorio to stand for election as sergeant at arms of the House, a position of great authority. He turned them down. The opportunity came 10 years too late, he said.

It is that ability to render unemotional judgments that has made Iorio one of the keenest political people in Washington.

In his last race for Congress against former House member Allard Lowenstein, the late John Rooney invited Iorio over for a talk about the race.

"If you don't change your ways," Iorio told Rooney, a man of explosive temper, "you'll lose. Al Lowenstein is a good and tough campaigner and you are out of touch with people."

As Iorio had anticipated, Rooney blew up and yelled a lot. When he finally calmed down, he asked "what would you suggest?"

One by one, Iorio ticked off his suggestions, watching Rooney's bald pate turn more and more red. "I'm not doing that," Rooney declared hotly.

"Then lose," he was told. Eventually and grudgingly, Rooney gave in. Iorio took a leave of absence from his job and personally worked one especially tough district that Rooney had lost consistently for years. He made Rooney sit down and talk for the first time in years with the community's black leaders and to their amazement and to Rooney's, each found they had goals and aspirations more in common than not.

Rooney won the district by the largest margin ever and that district turned out to be the edge that gave Rooney the narrow primary win that sent him back to Congress.

The following January, Speaker Carl Albert ran into Rooney and congratulated him on his win. "Hell, Carl," came back Rooney's reply, "I didn't win that race. Tom Iorio did."

Iorio will only be the sixth person to win the McCormack Award which is the highest honor that can be given to a House of Representatives employe.

He will be proud of it. More than 10,000 other House employes were considered for the prize. But two earlier awards remain closest to his heart. In 1968, the republic of Italy presented him the title of Cavaliere Ufficiale in the Order of Merit, and two years ago, Italy presented him with the highest civilian award given to a foreign national, the title of commendatore.

"I have had the most interesting life a man could ask for," he summed up one day last week. "Clara and I have enjoyed every minute of everything."

It is a long way from the courts of Brooklyn where he started to the highest awards that the Congress and a foreign nation can bestow, but Iorio has moved serenely to conquer every challenge facing him.

Years ago, during Prohibition, Tom Iorio smuggled his wedding champagne off the train under his bride's billowing skirts, laughing happily because life was young and fresh and certain to offer adventure. Now he has six grandchildren and when they crowd around he tells them to smile because their lives are young and fresh and certain to offer adventure. If anybody knows, he tells them, Grampa does.

Mr. ANNUNZIO. Mr. Speaker, will the gentleman yield?

Mr. ADDABBO. I yield to the gentleman from Illinois.

Mr. ANNUNZIO. Mr. Speaker, I rise to join my good friend and colleague from New York, the Honorable JOSEPH P. ADDABBO, in paying tribute to Mr. Thomas D. Iorio, Deputy Sergeant at Arms of the House of Representatives, who died recently at the age of 79.

Tom Iorio rendered honorable and outstanding service to Members of the House for 35 years, and he will be missed by those of us who had the privilege of getting acquainted with him. With great tact and creative independence, he served in devotion to the highest standards of excellence, for he was a man who always went that extra mile.

Tom was a native of Brooklyn, N.Y., where he lived during the years he served as a Kings County deputy sheriff. It was in 1945 that he came to Washington and began work as an aide in the Sergeant at Arms Office. In 1974, the Italian Government decorated him for his efforts to improve Italian-American relations, and in 1976, he was a recipient of the John W. McCormack Award, which is given to House employees who provide the most outstanding of service, and he also received the 1976 "Man of the Year" designation of the Doorman's Association of the House of Representatives.

Thomas D. Iorio was always capable and dedicated in his work, and he certainly earned the respect and admiration of those who knew him. Mrs. Annunzio and I extend our deepest sympathy to his wife, Clara; his daughter, Connie Furlong; his son, Carmine; and to his three sisters, Mary Muratore, Molly Barbera, and Anne Cusare.

Ms. FERRARO. Mr. Speaker, will the gentleman yield?

Mr. ADDABBO. I yield to the gentlewoman from New York.

Ms. FERRARO. Mr. Speaker, I thank the gentleman for yielding. I just want to add my comments with reference to Tom Iorio. When I first came down he went out of his way to be nice and to help me. Whenever I had missed a session he helped to be sure I was prepared for my vote.

Mr. BIAGGI. Mr. Speaker, will the gentleman yield?

Mr. ADDABBO. I yield to the gentleman from New York.

Mr. BIAGGI. Mr. Speaker, it is with a great sense of sadness and loss that I rise today to pay tribute to a great man and friend of this Member and the House—Thomas D. Iorio, who

passed away this past Saturday at his home in Silver Spring, Md.

Tom's exemplary career of service to this House spanned 35 years. His responsibilities, especially on the House floor, were as critical as any employee. Tom was always helpful—always accessible to Members, and always dispensed valuable information. Tom was also a great teacher to the legislative staff people on Capitol Hill. My own legislative staff were very close to Tom and share my loss.

Tom was born in Brooklyn and, like many New Yorkers, maintained a lifelong relationship with the city. An example of this was Tom's regular work on arranging trips to New York for our colleagues who were not from the city.

As a testimonial to his effectiveness, Tom was awarded the John W. McCormack Award, named for our late great Speaker. This award is presented to House employees who have provided outstanding service to Representatives. Also in 1976, Tom was named "Man of the Year" by the Doorman's Association.

Tom maintained an active role in the Italian-American community of this area and the Nation. In 1974, Tom received a decoration from the Italian Government for his efforts to improve Italian-American relations.

I will miss Tom Iorio. He was a good friend and a trusted employee of this House. He was a man who enjoyed his work and was dedicated to excellence. I extend my most sincere condolences to his wife, Clara, his daughter Connie Furlong, his son Carmine, his three sisters, Mary Muratore, Molly Barbera, and Anne Cusare and six grandchildren. We in this House share their grief and hope they will take solace in the fact that Tom will be remembered for years to come by all those fortunate enough to have known him.

Mr. DANIELSON. Mr. Speaker, will the gentleman yield?

Mr. ADDABBO. I yield to the gentleman from California.

Mr. DANIELSON. Mr. Speaker, I wish to thank our colleague JOE ADDABBO for taking this special order and thereby providing an opportunity for the many friends of Tom Iorio to remember him and to express our sympathy to his family.

As with substantially everyone who is here, my acquaintance with Tom Iorio dates from the time that I came to the Congress. Tom was one of the first persons I met when I entered into these duties and I remember clearly how helpful he was to me as a brand-new Congressman, in finding my way around the place and in learning how to get things done. Even though this is my 11th year in the House of Representatives, I found that I never did learn enough to be past the stage where I did not need to ask him for help from time to time. It seemed to me that during his long tenure with the House of Representatives he had seen everything done at least a few times and thus he was an invaluable source of information to the Members.

Tom Iorio also had one of the most pleasant dispositions that I can imagine. I can recall no time when he was not pleasant, agreeable, and helpful to me no matter what the situation might be. That quality alone is enough to create and preserve a strong bond of friendship. Then, too, I found that I could always rely on Tom to see to it that I was paired on those occasions when it was not possible for me to be on the floor for a vote.

As with everyone in the House I have missed Tom Iorio during the period of his illness and I know that I, and all of us, will miss his help and presence in the time to come.

I extend my most sincere condolences and sympathy to Tom's family and hope that they will receive some comfort from knowing the high regard in which he was held by all of us.

Mr. McCLORY. Mr. Speaker, will the gentleman yield?

Mr. ADDABBO. I yield to the gentleman from Illinois.

Mr. McCLORY. Mr. Speaker, the passing of Tom Iorio marks the final chapter in the life of a longtime career adjunct of this House of Representatives. Indeed, Tom Iorio has been an associate and close friend of many of us in this body. Tom Iorio's friendship was characterized by his gentle manner, his helpfulness, and his concern for our best interests both during our presence here on Capitol Hill and wherever else we might be found together.

A New Yorker hailing from Brooklyn, Tom Iorio loved to have Members of this body join in an annual trek to New York City. Tom undertook most of the arrangements, the travel, the accommodations, the details of our agenda in New York City, including the business and social events, which were placed on our busy schedule. At a time when we are made aware of the slogan, "I Love New York," we should recall that no one of my acquaintance induced greater love for New York than Tom Iorio. He made sure that every comfort, every convenience, and every advantage available on these annual New York trips were provided for each of us. It was a personal responsibility which he assumed and carried out quietly and unpretentiously.

Mr. Speaker, in expressing my high esteem for Tom Iorio, my respect for his career and my gratitude for having had the privilege of a long and close association with him, I wish also both in my own behalf and in behalf of my wife, Doris—herself a New Yorker—to add my praise and high regard to his memory and to express my deep sympathy to his wife, Clara, and to all members of his family.

Mr. PEYSER. Mr. Speaker, will the gentleman yield?

Mr. ADDABBO. I yield to the gentleman from New York (Mr. PEYSER).

Mr. PEYSER. Mr. Speaker, I thank the gentleman for yielding and taking this special order. I also join in the remarks that have been made concerning Tom.

My particular thought is his willingness to always help new Members when they first arrived in understanding the procedures and being able to act correctly in many of the legislative matters. He was a great help to all of us. He will certainly be sorely missed.

I thank the gentleman for letting us express our sympathy at this time.

Mr. WEISS. Mr. Speaker, will the gentleman yield?

Mr. ADDABBO. I yield to the gentleman from New York (Mr. WEISS).

Mr. WEISS. Mr. Speaker, I appreciate the gentleman yielding to me. I want to express my appreciation to him for taking this special order.

Tom Iorio was a special friend to all of the Members of this House. As a relatively new Member I remember how kind and generous he was when I first arrived in this body, and he continued to be a source of help and guidance throughout the time I served here.

We shall all miss him. I want to join with the gentleman in the well in expressing my condolences to his family.

Mr. O'BRIEN. Mr. Speaker, will the gentleman yield?

Mr. ADDABBO. I yield to the gentleman from Illinois (Mr. O'BRIEN).

Mr. O'BRIEN. Mr. Speaker, I thank the gentleman.

Tom had a special quality. I was not his oldest friend. I was not certainly his best friend, but he made me feel like both. I will miss him, and I express to his family the profound sympathy of my wife and myself.

Mr. O'NEILL. Mr. Speaker, will the gentleman yield?

Mr. ADDABBO. I yield to the Speaker.

Mr. O'NEILL. Mr. Speaker, it is with sad and strong emotional feelings that I rise to join my colleagues in paying tribute to one of the most beloved employees of the House, Tom Iorio, on the occasion of his passing.

Tom Iorio was not only a truly outstanding employee of the House of Representatives, but he also had special personal qualities which all of us in public life admire and respect so much. Always kind, friendly, conscientious, hard working, and truly dedicated to the House of Representatives, Tom was one of the finest human beings I have ever known. I wish all employees of the House were like Tom Iorio; and if everyone in the world had the same dedication and willingness to

help his fellow man as Tom Iorio, what a wonderful world it would be.

For more than three decades Tom, in his friendly, unassuming, and quiet way, worked methodically and meticulously in pairing Democrats on their votes. He treated everyone equally; he was loved by all Democratic Members of the House; so thorough was Tom in the performance of his duties that whether a Member himself or a staff person called Tom for a pair, the Member knew that Tom would take care of it and do everything possible to give him a live pair. In every form of measurement, Tom was a superb House employee.

Prior to his tenure as a House employee, Tom had a fulfilling career in Democratic politics. He was deputy sheriff of Kings County from 1937 to 1942, and was campaign manager for both Gene Keogh and John Rooney in their congressional campaigns. The American Legion in New York awarded him the "Man of the Year" citation in 1952. In fact, Tom was so well known and respected in New York politics that anyone who actively campaigned for public office in that State wanted Tom Iorio out there working for him.

Tom was especially proud of his Italian heritage and received recognition for this outstanding achievements from the Italian Government. In 1971, he received the award of "Cavalier," and in 1974 he was made "Commander of the State of Italy," the highest award that the Italian Government gives to a person who is not an Italian citizen.

Tom Iorio was an honorable, decent, and highly principled human being. Tom had many friends in the House, Members and employees alike, because Tom was such a good and loyal friend himself. He liked people, he cared about people, and his self-effacing wit, charm, and concern for his colleagues made everyone who knew and worked with Tom respond warmly to him.

We will all cherish Tom's memory and our happy times working with him.

Millie joins me in extending our sincere condolences to Tom's wife, Clara, his children, Carmine and Connie, and his entire family.

Mr. AKAKA. Mr. Speaker, will the gentleman yield?

Mr. ADDABBO. I yield to the gentleman from Hawaii.

Mr. AKAKA. Mr. Speaker, it is with heavy heart that I rise to pay tribute to Thomas D. Iorio, the Deputy Sergeant at Arms and majority pair clerk for the House of Representatives. Tom worked for this august body for 36 years before he died in his home in Silver Spring last Saturday night. In those 36 years Tom's accomplishments were indeed great.

In 1976 the Doorman's Society named him "Man of the Year." In the same year he received the John W. McCormack Award for outstanding and consistent service to the House over a long period of time. And in 1974 he received a decoration from the Italian Government for his efforts to improve Italian-American relations.

But Tom was more than just an outstanding employee. He was a man who did his job with a grace and sense of purpose which are indeed rare today. He was always willing to share his extensive knowledge of the legislative process with each of us in the House. He gave freely of his spirit, of his knowledge, of his personal feelings, and of his experience.

To everyone who ever sought his counsel Tom Iorio was a friend. Tom was a special friend to me. His personal advice and friendship assisted me with my work on the Floor of this House. We frequently shared lunch at the House restaurant. We enjoyed chatting at the rails in the Chamber of the House. He loved New York so much that he meticulously arranged trips to share his fabulous city with Members of this body every 2 years.

Over the years, his warmth and generosity have touched the hearts of all us. Proud of spirit, proud of our country, proud of his family, Tom is a man who will long be remembered by all of us here in the House.

I ask my colleagues to join in prayer for him, his wife, Clara and children, Carmine and Connie.

Mr. BINGHAM. Mr. Speaker, will the gentleman yield?

Mr. ADDABBO. I yield to the gentleman from New York (Mr. BINGHAM).

Mr. BINGHAM. Mr. Speaker, I thank the gentleman for yielding.

I want, too, to thank the gentleman for arranging for this opportunity for us to pay our last respects to Tom Iorio. There is little that I can add to what has been so eloquently said.

But I would like to add a personal note or two. I recall very well when I was a freshman Member of this body the immediate kindness that Tom Iorio showed to me and his willingness to provide guidance in the intricacy of floor procedures. He was always wonderfully perceptive in his work in helping us on pairs, because he knew often without being told how we would like to be paired on a given issue. He always tried to protect his Members from possible embarrassment or any failure to be recorded if it was possible for him to do so.

He also, as the gentleman from Hawaii (Mr. AKAKA) has just stated, had a great love for the city of New York, and particularly for his Borough of Brooklyn. He showed this in many ways. He was a true New Yorker, although he lived in Washington for many years, and he was well known for his excellent arrangements in terms of visits that Members have paid to our great city every year.

□ 1600

All of us will miss Tom Iorio. He was a cheerful, kindly presence in this House. I want to join with our colleagues in expressing to his wife and family our deepest sympathy.

Mrs. BOGGS. I thank the gentleman for yielding.

It is very gracious of the gentleman to allow me to say what a wonderful person Tom Iorio has been and what a great contribution he has made to the institution of the House. He had a great affection for this House and its Members and he served both enormously well. He was a true gentleman in the best sense of that word.

His word was his bond. He was totally dedicated to duty. He had a way of serving with such grace and such dignity that all of us felt that he was our very own person in the House of Representatives. I extend to Mrs. Iorio and to all the members of the family my heartfelt sympathy and my admiration for a lovely human being.

● Mr. ZABLOCKI. Mr. Speaker, it was with a deep sense of personal regret that I learned of the death of Thomas D. Iorio, who served this body so effectively for over 3½ decades—most recently as the Deputy Sergeant at Arms.

Tom Iorio was a loyalist—in the best sense of that term: He was loyal to the Democratic Party, to his native Brooklyn, and especially to his longtime friend and original sponsor, our late colleague, John Rooney. He was also loyal to his colleagues in this House and dedicated to the highest principles of public service.

As majority pair clerk, he was scrupulously fair and effective in working out the necessary voting arrangements in accordance with House rules, gaining the respect and confidence of Members of both sides of the aisle.

Tom eventually received a number of well-deserved awards for his many and diverse activities—not the least of which was a decoration from the Italian Government for his efforts to improve Italian-American relations. Above all, however, he was representative of those many dedicated employees who work quietly and efficiently behind the scenes and without whom, this body could not function as an institution.

To Tom's widow, Clara, his family and many friends among the New York delegation, and far beyond, I extend my deepest sympathy, as well as my highest personal regard for an outstanding record of service to this House and to the Nation.●

● Mr. ROSTENKOWSKI. Mr. Speaker, it is with a sense of great loss and sorrow that I now pay tribute to the late Thomas Iorio, Deputy Sergeant at Arms and majority pair clerk. On March 7, Tom lost his private struggle with cancer.

When I first came to Washington, I remember Tom was always helpful in assisting me on the rules and procedures of the House. I can say without hesitation that from my first day of service he received me warmly. I imagine the best way to describe his character is to say that he had a way of making you feel totally at ease even when your inexperience caused you to ask him a naive or elementary question.

Tom was a man of unselfish attitude, always seeking ways to help others and always trying to promote the well-being of the membership. Through his unselfish ways, there is no question he enhanced the stature of this institution.

I most admired Tom's understated presence. While he knew more about the legislative process than most of us, there was never any indication of arrogance regarding his vast knowledge. Very simply, Tom Iorio never carried himself in a manner other than one of genuine humility.

Tom Iorio—a dedicated public servant, a man of unquestioned integrity, a dear friend—will long be missed by this Member of Congress.●

● Mr. RODINO. Mr. Speaker, when I learned of Tom Iorio's death this weekend, I felt the deep sadness that comes from losing a close friend, I also felt like a part of the House of Representatives had passed away—an institution was gone.

For over three decades Members of Congress relied on Tom to do the right thing for them. He brought to the position of Deputy Sergeant at Arms a sense of tradition and an understanding of history that instilled pride in all those who work here.

He loved this House, and he was devoted to it. I remember when I arrived here as a freshman Congressman from Newark in 1949, Tom Iorio said simply that he was here to help.

So, he was indeed an institution, but he was also a dedicated friend. Not only to me, or to the other senior Members, or to his fellow Democrats, but to all who served here. Members on both sides of the aisle can tell countless stories of Tom Iorio going out of his way to be helpful. Tom extended his kindness to everyone—and that is why he was blessed with so many friends and admirers.

He certainly enriched my life with his friendship. I will miss him dearly. I extend my deepest sympathy to his wife, Clara, to whom he was so devoted, and to all the members of his family.●

● Mr. STOKES. Mr. Speaker, thank you for providing me with this opportunity to pay tribute to a distinguished gentleman and extraordinary human being who served this esteemed body for over 35 years—the late Thomas D. Iorio. As many of my colleagues know, Mr. Iorio died last Saturday at the age of 79.

Many accolades and tributes to Tom Iorio are fitting on this occasion. But, it is important that I interject the thought that the highest compliment and tribute to Tom Iorio was indeed his life.

Mr. Speaker, my good friend, Tom Iorio was that rare kind of individual who gave unselfishly of his time and energy for others every moment of his life. In his job as the Deputy Sergeant at Arms in the House, he was always extremely helpful and more importantly, always went that proverbial extra mile for the Members of this body. In every sense, Tom Iorio was the ideal employee and a model public servant.

Tom Iorio's career was one of public service. He began as the deputy sheriff in Kings County in Brooklyn. As a result of that assignment, he developed strong ties with the Democratic Party organization in Brooklyn and in 1945 came to Washington, to work for the former Congressman John Rooney. He went to work for the Sergeant at Arms while serving as an aide on the House floor. He progressed through the ranks to his last position as Deputy Sergeant at Arms.

But, Mr. Speaker, to many of us, Tom Iorio was more than just another House employee or exceptional public servant. Rather, he was a dear friend. The positive attitude that he always presented boosted our spirits and provided encouragement during the difficult days in this body.

Mr. Speaker, Tom Iorio's commitment to the Members of this body transcended official House business. In nonelection years, Tom Iorio organized trips to New York sponsored by the New York congressional delegation. He continued this activity from the mid-1940's until recently.

His work won him many honors and citations. In 1976, for example, Tom Iorio was presented the John W. McCormack Award which is presented to House employees who have provided outstanding service to Representatives. In that same year, he was named man of the year by the Doorman's Association.

In closing, Mr. Speaker, I would like to say that my good friend, Thomas Iorio was a giant of a man. He was the kind of dedicated human being that people meet, perhaps, once in a lifetime. He will be missed greatly by this body.

To his wife, Clara and family, my wife Jay and I extend our heartfelt condolences. The pleasure and joy that Tom gave and the support he brought to the House will serve as an eternal tribute to him in our hearts.●

● Mrs. BOUQUARD. Mr. Speaker, it is with deep regret and a personal sense of loss that I rise to join with the many friends of Tom Iorio in mourning his passing. Tom was to all of us an institution of the House. His always ready wit and sage advice will be sorely missed in the 97th Congress.

There were many times when the flow of legislative business left tempers frayed, or built frustrations, and Tom would always find the right word or story to ease the strain.

Along with his family, we all share the loss of Tom's company; and this Chamber will be a little poorer for his absence.●

● Mr. ZEFERETTI. Mr. Speaker, it is with deep sadness and regret that I pay tribute to the memory of the late Thomas Iorio, Deputy Sergeant at Arms and majority pair clerk, who died March 7 at the age of 79. As a dear, cherished friend of mine and fellow Brooklynite, I can attest to Tom's unique warmth as a human being.

Tom was a good friend to all of us who have served in this body through the years. During the 6 years I have been privileged to be a Member of the House of Representatives and particularly through my freshman term, I often looked to Tom for help, direction, and expert counsel.

Tom had a truly remarkable career in the 36 years he worked for the House of Representatives. He was the recipient of numerous awards for his service to the House and general public. His contributions to all the Members of the House are countless.

Mr. Speaker, I want to express my deepest sympathies to Tom's wife and family. I echo the feelings of my colleagues in saying that we will sorely miss him.●

● Mr. FOGLIETTA. Mr. Speaker, I would like to take this opportunity to add my voice to the chorus remembering Deputy Sergeant at Arms Thomas D. Iorio. There are few individuals who have had such an impact on the workings of the Congress. The many awards he received during his 35 years as a floor aide testify to the respect given him by the Members of Congress and his colleagues. I consider it a great honor to participate in this tribute to a fellow Italo American, who accomplished so much not only in his work here in the Congress, but also was the recipient of the Order of the Commendatore for his dedication to improving Italian-American relations. I would like to extend my sympathies to his widow, Clara, their children and grandchildren. Tom Iorio will be sorely missed.●

● Mr. RICHMOND. Mr. Speaker, I rise today in sadness to pay tribute to my dear friend, Tom Iorio, Deputy Sergeant at Arms and majority pair clerk, whose personal struggle against cancer ended with his death last Saturday, at the age of 79.

Tom was not only a friend. He was as dedicated and dependable in serving

the public as he was generous in sharing his wisdom, experience and good humor with all of us year in and year out.

He prided himself on his roots in the 14th Congressional District and I was honored to call him my constituent. As a constituent and as a veteran of over 30 years with the House, Tom freely dispensed his advice and sage counsel to me throughout my career on the Hill.

We will miss Tom. He was much beloved by his friends, all of us with whom he worked and, of course, his wonderful family, with whom we share both the sorrow of Tom's passing and the delightful memories of his years among us.●

● Mr. MINISH. Mr. Speaker, I am honored to join my colleagues in eulogizing the late Thomas D. Iorio, long a valued employee of the House of Representatives.

At a time when we are debating limitations on the congressional staff, when there is much talk about wasteful bureaucrats in Washington, the death of Tom Iorio reminds us that there are good, faithful public servants whose careers should be a model for all. Since the end of World War II, Tom served as a floor assistant in the House with a diligence and good humor which endeared him to everyone. His invaluable service, year in and year out, made him a true institution in the House, one who taught the Members as he helped them. His experience, wisdom, and character were our common resource.

Tom achieved some well-deserved recognition in the course of his career, but his awards and honors are secondary to the deep respect and affection which he earned in our hearts.

To Tom's family, I convey condolences that his long and productive life has come to an end. In a sense we in the House became Tom's other family, and we share in your loss. Tom has left a legacy of public service and gentlemanly conduct for which we are all richer.●

Mr. ADDABBO. Mr. Speaker, in closing, I express the thanks and appreciation of the Iorio family to all those who have expressed their thoughts on the passing of our beloved friend, Tom, and express the appreciation of myself and the Iorio family to Tom's peers here in the House, the staff and fellow officers of the House of Representatives who took up their time and made the Iorios' burden a little easier.

SAVING STUDENT AID FOR HIGHER EDUCATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. PEYSER) is recognized for 60 minutes.

Mr. PEYSER. Thank you, Mr. Speaker.

Mr. Speaker, if 5 months ago someone had suggested that I would be standing in the well of the House to discuss saving student aid for higher education, I would have said that there was no reason to be worried or concerned because the House of Representatives, with only 15 Members dissenting, passed the higher education bill. That bill encompassed the programs that had been carefully thought out and worked on by the Postsecondary Subcommittee at that time under Chairman FORD and the full committee under Chairman PERKINS. We seemed to be in very solid agreement that the programs as laid forth, and the rules and the regulations were well founded.

Even our new Director of the Office of Management and Budget, Mr. Stockman, voted for this legislation. So it certainly seemed to have all the necessary increments going for it, and practically every Member of the House agreed.

But today, less than 5 months since that happened, we have received a proposal from the administration that will devastate this program. It will cut back literally hundreds of thousands of students who are now eligible for what are known as the Pell grants (formerly called basic educational opportunity grants) which are targeted for the poor and the lower middle income, and which are supposed to give them the opportunity of attending higher education institutions.

We are also seeing proposed changes in the eligibility requirements concerning the guaranteed student loan program, which is a program that, for the first time in 1978, reached out to the middle-income families of this country. In the Middle Income Student Assistance Act of 1978, we said to the middle income families of this country, "Your children have the right to borrow money," I would like to emphasize that I am saying, "borrow money," in order that students can go to college or to any other institution of higher learning. This is not a grant. This program has been a great success. I have heard the comment recently that the program is out of control. It is not out of control, this is what the Congress had in mind that families would use it because they needed it.

This morning, Mr. Speaker, the Secretary of Education, Mr. Bell, appeared before our committee. In his testimony which I have here, there is nothing that offers any proof of what the real impact of these proposed legislative changes are. However we have far more proof of what the disastrous effects are. We have received this information from colleges and students across the country who have testified before the subcommittee.

I am amazed that the Secretary would come before us with nothing to support his statement that, "I think everything is going to be all right and these students, the needy students and others do not have to worry."

Mr. WEISS. Mr. Speaker, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from New York.

Mr. WEISS. I thank the gentleman for yielding.

Mr. Speaker, I want to thank my colleague and friend from New York for calling this special order. The subject that we are discussing today—proposed reductions in the student financial assistance programs—is a matter of critical importance for students and families across the Nation.

Just last year, this Congress voted overwhelmingly to expand the financial assistance programs which provide opportunities for thousands upon thousands of students to attend the college or university of their choice. Drastic, indiscriminate slashes in these financial assistance programs now, just 1 year later, will prevent thousands of youngsters from pursuing further education.

The American Council on Education estimates that due to the proposed changes in Pell grants, 600,000 students would become ineligible. Hundreds of thousands would be denied guaranteed student loans. The council also estimates that due to this drastic curtailment in aid, another 500,000 students may be forced to choose a lower cost institution, or perhaps a public college instead of a private institution.

These cuts could be devastating for smaller, independent colleges. Because the number of potential enrollees will drop due to increased financial burdens, many of these small private institutions may be forced to close their doors forever.

This certainly is ironic for the Members of this Congress. With the passage of the Higher Education Act last year, the Members of this House, and of the Senate, announced our commitment not only to higher education, and to students, but also a commitment to access and choice. The guiding priniciple of that legislation was to provide students with the option to attend a private, public, or community college of his or her choice. The decision to attend a particular college or university would no longer have to be based, solely on the financial resources of the student's family. Now, we have been asked by this administration to turn our backs on the students, to turn our backs on this commitment, and abandon the intent of the Higher Education Act.

I urge my colleagues, particularly those who do not serve on the Education and Labor Committee, those who

are not privileged to hear witness after witness testify that their colleges may close, or that their children may not be able to enroll, to study these proposed reductions very carefully. Cutting education programs is not going to bring an end to the alarming rate of inflation. Instead, I submit, if these reductions are enacted, we, the Members of this Congress, will be abandoning the future of this Nation, the young people of this Nation.

Mr. PEYSER. I thank the gentleman for his comments.

As he is an active member and a participating member of the Postsecondary Education Subcommittee, and one of our jobs is going to be, as I see it, and the reason for this special order today and other orders that will be taken on this subject in the future, is to let the public know. When the President stood here in the House just 1 month ago and the statement was really that if the Congress did not act the President would have to go to the people.

My feeling is the Congress ought to be going to the people, to let the people know the impact of some of these programs and in particular on the future of our country as represented by students.

Mr. SUNIA. Mr. Speaker, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from American Samoa.

Mr. SUNIA. I thank the gentleman for yielding.

I would like to congratulate the gentleman for arranging for this special order so that we may address this item of very serious importance to the Nation.

The territory of American Samoa will be in deep trouble, Mr. Speaker, if the administration is allowed to proceed with its proposal to cut college student assistance programs. American Samoa has only one institution of higher learning, an accredited community college which provides students with liberal arts and vocational training at the junior college level, preparing them for university training in Hawaii and elsewhere in the continental United States.

Most of our students attending universities come from socially and financially disadvantaged families. They rely heavily on programs such as BEOG, SEOG, the guaranteed Federal student loans, and so forth, to pay part of their education, let alone leaving home to acquire it. The proposed cuts in educational assistance programs will, therefore, hurt us, perhaps much more than any other community within the American family of States and territories. It will definitely reduce the number of our young people seeking university education and slow down our efforts to rise to the edges of equality with everyone else in our Nation.

What this cut will amount to, Mr. Speaker, as far as American Samoa is concerned, is that only students from families which have always had everything, and these represent only a very small portion of our community, will have the opportunity to get university education. The bulk of our young people, and many of them are excellent college material, will have to be contented with junior college education.

To us it is not a question of having the opportunity of higher education; it is, Mr. Speaker, the question of not affording such education.

Mr. PEYSER. I thank the gentleman for his comments.

I would like to try to take one or two of the specifics that the administration is recommending in a way of informing the people and my colleagues of the type of thing we have to be concerned with.

One of the things being suggested by the administration, is that students who have guaranteed student loans will have to pay interest during the years they are in college or in their universities.

I am reading directly from the statement of Secretary Bell this morning because I think it is important to be accurate. If a student over a 4-year period were to borrow $10,000, or an average of $2,500 toward his educational costs each year, in his freshman year he would have interest of $225 to pay, in his sophomore year, $450; in his junior year, $675 and in his senior year, $900.

Now, I do not know if any of us realizes the impact of trying to pay those moneys during the period of time when the student is in college because the average cost of a private independent college today is approximately $5,800 a year.

Now, the $2,500 student loan does not begin to cover the actual cost. But what it does do, it provides the opportunity, with the help of the family, with the student being able to work, with the student perhaps in a work-study program, to be able to have enough money to stay in college.

Under the administration's proposal, the cost of the loan to the student will increase by $4,300, an increase of nearly 27 percent.

Now this, to me, is certainly not the way to encourage young people who want a higher education to gain one. I think this interest factor is one that we would have to defeat.

Mr. WASHINGTON. Mr. Speaker, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from Illinois.

Mr. WASHINGTON. I thank the gentleman for yielding. Mr. Speaker, the Reagan administration plan to cut college aid for moderate-income students will, if adopted, block the path to educational advancement for thousands of our young people. But it will not hurt just those students.

It would also impose new financial dislocations on institutions of higher education already suffering because of declining enrollments. It will hurt American industry by reducing the pool of well-educated workers in an economy which has increasing need for skilled employees.

It is an unfairly targeted program. It will cause the most harm to precisely those families which are struggling hardest to obtain a good education for their children.

I know which families will be hurt most severely in my district. They are the families of moderate-income working people—perhaps a husband who works in a factory, a wife employed as a secretary—who want to see their children become the first in their family to obtain a college education. They have worked hard to buy a modest home. They will make considerable sacrifices to pay a large part of the cost of a college education. But they simply cannot bear the full burden. They do not have easy access to private sources of loan money. They cannot afford to pay the interest, at full market rate, while their children are in school. Their son or daughter will search hard for a part-time job so that he or she can help pay the cost of education. But that student is not likely to find a job, because of the tremendous shortage of jobs for young people. In our community, the youth unemployment rate is officially pegged at about 40 percent, but the true figure may be closer to 80 percent.

The proposed cuts will hurt all kinds of colleges and universities. They will hurt different kinds of institutions in very different ways. Because my district is the home of several outstanding educational institutions, I was able to conduct a preliminary survey which provides a good indication of the variety of harmful effects which will be felt by comparable schools across the country.

At our branch of the Chicago City College, Kennedy-King College, nearly two-thirds of the students depend on Pell grants. Tuition payments are financed primarily from Federal and State student loan and grant programs. Kennedy-King is located in one of Chicago's poorest communities, and it provides outstanding educational opportunities for students who could otherwise never afford to attend college. Most students will continue to qualify. But some will not, and college officials have told me that they are certain that many will be forced to drop out and join our vast army of unemployed, undereducated young people.

The University of Chicago is universally recognized as one of our Nation's

greatest research institutions. That university is already stretched to the limit in providing student assistance funds. Though it operates on a budget deficit, the university allocates more than $8 million a year of its revenues to student aid. The University of Chicago will be hardest hit by the elimination of Federal interest subsidies for many middle-income students. Currently, 4,000 students, more than half the student body, receive $14 million a year in guaranteed student loans. Many of them come from families which will lose the interest subsidy but do not have sufficient income to pay today's high interest costs through 4 years of college. In addition, the proposed income cutoff for Pell grants would eliminate benefits for one-fifth of the school's 600 Pell grant recipients. All have demonstrated that they need the aid. No funds are available to replace the grants they will lose.

Chicago State University is one of our Nation's finest predominantly black universities. It offers a full range of undergraduate and graduate programs to more than 7,000 students. Nearly three-fourths of the student body depends on Federal loan or grant programs, and half of them are Pell grant recipients. If Chicago State University or its students lose any of the Federal assistance they now receive, the school's educational programs will suffer, enrollment will drop, and we will lose a significant part of our next generation of teachers, nurses, business managers, and other trained professional people.

Mr. PEYSER. I thank the gentleman for his comments.

□ 1615

With respect to the Pell grant, another proposal of the administration is that a student must earn and contribute $750 toward his education, basically in order to qualify for his Pell grant. No one argues the point that students should work and do part-time work and work in the summertime to earn as much money as they can toward their education. There is no argument on that. But, the facts are that unemployment among teenagers, who would be the ones involved, is now at over 19 percent. For minority teenagers, it is over 34 percent.

Now, it is wonderful to talk about how much has to be earned. But if these young people cannot get jobs during that period of time, it is obvious that they would not be able to qualify for their Pell grants. How can the President say that we were spreading a safety net to guarantee that the needy and the poor would not be caught or hurt in these programs? It appears to be that the safety net has some gaping holes in it that a lot of people can fall through who should not.

We often hear people say—well meaning people and the public—"Oh, students do not really do the kind of work they ought to do, and when I was in school 30 years ago or 40 years ago everybody worked, and that is the way we got through."

I would like to submit for the RECORD today statements from three students that were submitted this morning, and these are students from various schools; one from Yale University, and two from New York University. They outline what they do in order to stay in college. I will not read these at this time, but in each case we have these students holding one or two jobs, getting money under Pell grants, borrowing under the guaranteed student loan program and in the work-study programs in order to stay in college, in order to complete their higher education.

Now, what the administration does not seem to understand is, if you tamper and affect any one of these programs, you jeopardize the student's ability to finance his education because everything is balanced very carefully. The administration told me this morning, "Well, if they are short $300 or $400 they can find a way of making it up." That just is not so.

I can tell you they are doing everything that they can do to get through school, and making up $300 or $400 becomes impossible. So, I believe that the attempt that is being made by the administration today through proposed legislation and revision of the BEOG regulations is an attempt to fool the American people, and certainly those students, into thinking that they really are not doing anything to directly hurt the programs. But the regulations are going to be arranged in such a way that you just do not qualify. And, of course if you do not qualify for a program, it is really not anybody's fault and no one is taking anything away. It just was not meant for you. But, that is not the way the Congress felt just 5 months ago.

Finally, in closing, I would like to say that we have made in this country a commitment to our students. I wonder how anybody in the Congress today who last fall voted for the program and said to the students, "Go ahead with your education, here is the means, here is the plan that you can follow." Students, believing the Congress and believing in their Government, went ahead and made their commitments and made their plans to go on with higher education; and having done this, 5 months later the Congress is asked to change all those plans and say to those students who made that commitment, "Well, we really did not mean that for the full term of your college. We only meant it for one semester because now we are going to change the rules. Some of you are going to have to leave. Some of you are going to have to change your schools, but that is the way it is."

Well, my colleagues, I do not think that is the way it has to be. America has grown strong and great on the education of its young people and the vigor of its young people and their willingness to contribute to themselves, but today they have needed our help and we have given it to them. So, I am hopeful, my colleagues, that when the time comes to talk to our friends on the budget committees—and I know that my chairman of the Postsecondary Education Committee, Mr. SIMON, is certainly playing an active role in helping us put together a package—that we are going to be able to save these students, to save this program, and to keep our own self-respect in this Congress.

Mr. Speaker, I ask unanimous consent to include at this point the statements of the three students which I have mentioned earlier.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. PEYSER. Mr. Speaker, the statements follow:

STATEMENT OF BILL LASH, STUDENT AT YALE UNIVERSITY

Mister Chairman, members of the subcommittee. Thank you for allowing me to speak to you today. My name is Bill Lash and I am a junior at Yale Univesity, New Haven, Connecticut, and I am chairman of the Connecticut Independent Student Coalition, an affiliate of COPUS.

I speak to you now, not as chairman of a coalition, but as an individual student, dependent on federal financial aid programs for my pursuit of an education. The same programs that the present administration proposes to cut.

I am one of two children of working parents, my father is a postal worker, and my mother is a nurse. I have an older sister, a senior at Lafayette College, who is planning on going to medical school. Our combined educational costs this year were over 18,000 dollars, a figure that represents nearly 40% of my families total income. There is no way that we could pay for our educations without federal financial aid.

Costs at Yale this past year were in excess of ten thousand dollars. I receive a $2,794 scholarship from Yale. This leaves 72%, over seven thousand dollars left to be paid. My parents are forced to borrow from banks and credit unions to pay their $2,500 parental contribution to Yale and another three thousand dollars to Lafayette.

My financial need after I pay $950 of my $1300 summer earnings directly to Yale, is $6570. This comes from federal and state financial aid programs. My state of New Jersey scholarship of $100, covers less than 1% of my costs. The remaining need is covered by Pell grants, supplemental Educational Opportunity grants (SEOG) and Guaranteed student loans. I receive a $226 Pell grant, a $750 SEOG and a $2,500 GSL. I was previously receiving a National Direct Student Loan, (NDSL) but was forced from the program due to eligibility requirements. My New Jersey scholarship is in danger of

being cut, and I will probably be forced out of that program as well.

I have not neglected to help myself. During the academic year I hold three jobs. I am a researcher-clerk, American Express agent and a bartender. My sister has done the same, working as a dormitory guard, botany teacher and waitress. We normally work during our spring, winter and summer vacations, and have done all of this while carrying full course loads and maintaining B plus grades.

The proposed cuts to the Pell grants and GSL programs would force me to leave Yale, one year away from graduating. The return to pre-Middle Income Student Assistance Act (MISAA) levels of eligibility will make me ineligible for these forms of financial aid, because a computer has said that my family income is too high. The Middle class student attending an independent institution will be caught in a Catch-22 type of bind. He will be unable to afford to attend the college that he has chosen due to a lack of money, but he finds his family makes too much money to qualify him for the aid he needs to attend the college he cannot afford.

Enrollment at our independent institutions will shrink while the numbers at the state colleges will swell and become unmanageable. Many smaller private colleges will be forced to close their doors and will cease to operate. Larger, more famous institutions like Yale will still be open, but with a large difference in their student population. The child of the doctor, the banker and the corporate executive will still be there, but what becomes of the bus driver's daughter, the mechanic's son and the children of the postman? They will be forced to disappear from the expensive, private campuses, which once again will become the exclusive domain of only the very rich. They will return to the already over-crowded state universities or perhaps to the marketplace or the farm. Equal access to education will become but a fond memory. These cuts will bring the death of diversity on campus. The elimination of the in school-interest subsidy poses still another problem to the educational and career plans of thousands of students. If a student were to borrow a GSL at current rates with no in school interest subsidy, he would become so deeply indebted that he would be forced to accept the most lucrative job offer he received and not the one he truly wanted. I plan to become a lawyer. The decision of whether to practice in the slums of Harlem or in a Wall Street skyscraper would not be made by me, but by my friendly neighborhood banker. Vital but low paying jobs such as the Peace Corps or Legal Aid worker would go unfilled, while competition on the corporate ladder grew hotter still.

These programs must be maintained for the thousands of students and families that depend on them. When you cut an education budget, you are not cutting mere dollars and cents. You are slashing human lives, careers and dreams.

The thousands of students like myself who depend upon these vital programs must be given the same opportunity for an education as the children of the wealthy.

I urge Congress to fund these programs at existing levels without any cuts.

Once again, I thank you for allowing me to voice my concerns.

STATEMENT OF MICHAEL CARUSO, STUDENT AT NEW YORK UNIVERSITY

Good Morning. I would like to tell you a story about a New York State student who has been a beneficiary of state and federal student aid programs in the past, but who is concerned about the future effectiveness of the aid programs that helped put him through college. For the sake of convenience, let's call this student Michael.

When Michael embarked on his college career in 1977, he had the good fortune of entering on the merits of an open enrollment public junior college, Nassau Community College.

During Michael's high school years, he had not fared very well in comparison with his fellow classmates. Like many students, Michael was a late starter.

Through the encouragement of his high school guidance counselor and others, he pursued his academic career at Nassau with the plan that he would one day attend, and graduate from, a well known and prestigious major university.

During Michael's two years at Nassau, he worked hard and proudly, achieved a place on the Dean's List. In addition, he was elected and served as President of the Student Government as well as other positions of leadership and ability, where he made many contributions to the academic and college community as a whole.

However, along the way Michael encountered a number of unforeseen obstacles.

Late in his freshman year, Michael's parents' marriage ended in divorce, and out of necessity to save both his academic career and mental well-being, he left home to avoid the conflicts which had developed. Fortunately, college tuition at Nassau was relatively modest, and through a small savings and part-time job, he was able to afford the cost of completing his two years.

In May of 1979, Michael graduated from Nassau with an Associates Degree and moved on to the institution of his choice, New York University.

However, in attempting to meet his tuition cost, Michael encountered a Catch-22 situation. Due to his difficult situation at home, Michael was unable to get any assistance from his parents, and yet was ineligible for emancipated status under New York State and Federal Law. Under most circumstances if a New York resident is under twenty-two years of age and emancipated, he/she is ineligible for a Tuition Assistance Grant (TAP). Federal Law requires that a student claiming emancipated status present a notarized document illustrating that he/she is not dependent upon his/her parents, nor claimed on their income tax return. Due to the tension of the family situation, Michael was unable to obtain this document; and subsequently, a vital $2200 need-based university scholarship, $1800 TAP award, and a college work-study job were lost. Michael did however receive an $1800 Basic Educational Opportunity Grant (BEOG) covering less than twenty-five percent of his total educational costs, but much appreciated. This coupled with a small but necessary personal loan from his brother and several summer and in-school jobs, enabled him to meet the cost of attending N.Y.U.

The following summer (1980), Michael worked two jobs and at that time finally qualified for New York State Tuition Assistance (TAP), College Work-Study employment (CWS); and based on his academic performance and financial need, he also qualified for a small but helpful Universtity scholarship of $1000.

During the current academic year, Michael has been working under the federally subsidized college work-study program, which has provided him with nominal funds to pay for books and other expenses. He is approaching attainment of his Bachelors Degree and is looking forward to graduation this June.

Although Michael may not sound like a "typical" student, there are thousands more in similar situations and many far worse-off.

As you may have already surmised, the Michael of whom I speak is myself. And although I will owe $5000 in loan repayments (plus interest) upon graduation, I, like so many other students accept the addtional commitments of loans and in-school employment in order to obtain the best possible education.

I believe I speak for thousands of college students who will long be indebted to the authors of the financial aid legislation that have helped put them through school; and perhaps most importantly, afforded them the opportunity to matriculate through our country's unique system of diversity in postsecondary education.

The Reagan Administration's proposed cuts to student aid programs threaten to deny thousands of college students their basic right to attend the institution of their choice.

STATEMENT OF DAWN SOLARI, STUDENT AT NEW YORK UNIVERSITY

My name is Dawn Solari and I am presently a Junior at New York University. I am a politics major, following a pre-law curriculum.

To begin my testimony, I would like to briefly tell you about my background in order to impress upon you the necessity of financial aid for my education.

In 1970, my father deserted my mother and I. His whereabouts have been unknown ever since. Subsequently, three years later, my mother passed away and I have been residing with my sister and her two children for the past eight years. At the present time, my only means of support is a $270 monthly check from my mother's Social Security benefits. This check provides me with clothing, dormitory fees and any other bare necessities. As a result of my situation, I have become totally dependent upon state and federal aid for my education.

For the academic year 1980-81. I received $1600 from the Tuition Assistance Program (T.A.P.), $1750 from a Pell Grant (formerly known as the Basic Educational Opportunity Grant), and $2070 in New York University aid, $500 of which is a Supplementary Education Opportunity Grant and $1570 of which is a scholarship.

Now, I am faced with cutbacks in my Social Security benefits due to President Reagan's budget proposals. In addition, I am fearful that I will not be able to complete my education due to the proposed cuts in aid programs.

Ever since I was in high school, I have yearned to become an attorney. When the time came to apply to college, I wanted to attend a renowned, prestigious university in order to receive an adequate liberal arts education. However, I could not simply choose any university that accepted me. My choice was limited to the college that provided the most aid.

I have been extremely fortunate thus far in regard to aid. New York University, as well as the state and federal government, have been very good to me. In turn, I have put the aid to good use by trying to get the most out of my educational experience. I have been successful in my academics and I

have been a student leader for the past three years as well as a member of the Independent Student Coalition since the beginning of this semester. In addition, I maintained a full-time summer job with a legal firm in my home town and have continued on a part-time basis during the academic year. I would like to continue my attempt in achieving my goals but unfortunately the future looks very dismal. After working very hard, I might be denied the basic right to complete my education—an aspect of my life that has always been very important to me.

I have already witnessed the $200 reduction in my tuition assistance award for no apparant reason other than the fact that I am an upperclassman and it is assumed that I will receive more money from summer employment. However, my tuition as well as the cost of living has been increasing every year and therefore I honestly cannot accept this rationale as valid.

In conclusion, I would like to express my sincere gratitude for allowing me to testify today. I come here, most importantly, as a representative of my fellow students from the largest private university in the state. Many other students are experiencing the same fears as I in regard to not being able to return to New York University in the fall. In addition, there are thousands of high school seniors who will be denied the chance to attend the university. I have come as a spokesperson to ask all of you not to allow this devastation to occur.●

● Mr. MOAKLEY. Mr. Speaker, I rise today to express my strong opposition to President Reagan's proposed reductions in the Federal student financial aid programs for higher education. Not only has the President proposed major reductions in these programs, but he also wishes to severely tighten the eligibility requirements, gutting the program for the vast majority of middle- and working-class Americans. The President believes this effort will reduce the Federal budget and alleviate the financial pressures on the middle class; clearly this is not the case and this measure will have just the opposite result.

There is no greater investment in the future of our Nation than in the education of our youth. Thousands of middle- and working-class families, who are not eligible for the existing grant and scholarship programs available for lower income households, rely heavily on these guaranteed student loans to help defray the high cost of a college education. These families will simply not find it economically feasible to send their children to school without assistance from these affected Federal student loan programs.

In Massachusetts alone, an estimated 10,000 students will be unable to finish their education if the President's budget recommendations are passed in present form by the Congress. I have received hundreds of letters from students and their parents who will be devastated by the loss of student loans, many of whom will be forced to leave school altogether.

These people are not low-income families who must rely on complete Federal assistance for an education. Rather, these are middle- and working-class families, the backbone of our society, who want to pay their own way but simply cannot afford the high capital investment in these economically hard-pressed times which a modern education requires. In the majority of families with one or more students attending postsecondary schools, both the parents, as well as the student, must work just to meet a part of the overwhelming expenses. These people, who pay the overwhelming majority of the taxes which support our Government, ask very little from us as a nation. I believe that we owe to them a student loan program which will assist with perhaps their most important goal—a quality education for their children.●

● Mr. FRANK. Mr. Speaker, I commend my colleague, the gentleman from New York (Mr. PEYSER) for reserving this special order so that we could discuss the disastrous cutbacks being proposed in the student loan and grant programs by the administration.

This Nation became great because its people and its leaders had the opportunity to receive a full education. In today's highly complex and technological society, we have a need to expand educational opportunities. With tuition and other costs of higher education escalating dramatically, we face the very real possibility that only the wealthiest among us will be able to afford a college or graduate program. The inevitable result will be a widening of the divisions between the various segments of our society and a rise of an elitist class able to dominate simply because of their access to educational opportunity. That prospect is quite frightening.

The President's proposals in this area strike me as shortsighted. In particular the elimination of the interest subsidy now provided to students while in school will cripple the guaranteed student loan program. It is just not feasible to expect students to be able to meet the costs of interest while attending school, especially on a full-time basis. Nor is it sensible to believe that lending institutions will wish to participate in the program without this feature. Furthermore, the removal of the special allowance paid to banks for parent loans, thereby forcing parents to pay market rates—currently in the vicinity of 18 percent—will in all likelihood wipe out this program as well.

Furthermore, the Pell grants programs will be seriously undermined. The administration's proposed requirement that students contribute $750 toward their education may in some cases prevent access to this grant. While the budget revisions sent to Congress on March 10 did not detail the amount expected to be contributed to a student's education by a family, I fear that this proposal will likewise greatly restrict the Pell program.

Mr. Speaker, there may well be, as the President claims, serious abuses in the loan program. For instance, in his February 18 message to Congress, the President stated that funds intended to be used for student loans were being used to make investments in such things as money market funds. Assuming that this claim is true, there are ways to curb or eliminate this type of abuse short of crippling the programs as the President proposes. If the administration is concerned that student loans are being reinvested elsewhere it seems only prudent that lenders make payment directly to the educational institution or to the student and institution jointly. An approach that simple would end this abuse but preserve the integrity of the program. In addition, if the administration is concerned that wealthy families should not be allowed to participate in the loan program, I suggest that he propose a realistic and equitable income limitation.

What is at stake here today is our most valuable resource—our young people. An investment toward education is perhaps the wisest, indeed the most cost effective in today's parlance, choice we can make as a society. I urge my colleagues to join with me and oppose the thrust of the President's proposals.●

● Mr. SIMON. Mr. Speaker, I want to join my colleague, the distinguished gentleman from New York (Mr. PEYSER), who took a leadership role last year during congressional reauthorization of the Higher Education Act and is taking a leadership role this year in assessing, where appropriate, and assailing, when necessary, the Reagan administration's proposed reductions in the two major Federal student assistance programs. As chairman of the Postsecondary Education Subcommittee, I applaud his leadership and continued vigilance on this important issue.

I want to call to the attention of all Members of this House the reality of what the administration is proposing in the area of student aid. Only yesterday, after many leaks and much waiting, Members of Congress were provided with enough detail to start to evaluate the true impact of the Pell grant and guaranteed student loan reductions on their student constituents and the postsecondary institutions in their districts. The subcommittee has gathered additional information to help Members assess the impact of the proposals on parents, students, and institutions. Let us look at some of the facts:

The total number of grants this school year for all Federal student as-

sistance programs will total approximately 8.5 million. Although there is some overlap among recipients receiving more than one kind of student aid, it is fair to say that more than one-half of the 12 million students enrolled in postsecondary institutions are receiving some form of Federal student aid.

The December 17, 1980, continuing resolution (Public Law 96-536) established a maximum Pell grant award for the 1981-82 school year of $1,800. Present CBO estimates would require a supplemental of at least $1.3 billion to fully fund the program, while the administration has requested only $661 million, including $258 million to make up a fiscal year 1980 deficit.

Approximately 5.2 million students will apply for Pell grants for the 1981-82 school year. The administration's legislative proposals and regulatory changes would force some eligible recipients to accept lower grants, could frustrate the legitimate efforts of many eligible grantees to qualify and receive Pell grants, and will deny grant aid entirely to some students made eligible by the Middle Income Student Assistance Act.

The Middle-Income Student Assistance Act has worked. In independent colleges alone, of 599,000 Pell grant recipients in 1979-80, one out of every five recipients would be excluded from the needs program by the administration's proposal which has the effect of establishing a $25,000 family income ceiling excluding many "two-in-college" families from participating in the Pell grant program.

The guaranteed student loan program is the only current avenue that is available for parents/students with family incomes above $30,000 and for graduate students, who must borrow larger amounts to finance the increasing costs of obtaining the master's and Ph. D. degrees so vital to the growth and development of the scientific, mechanical, cultural, and social expertise of Americans. The administration is seeking to rescind $103,000 in a program that needs $1.1 billion to provide some help and some hope to Mr. Corker, a constitutent of mine, who told me last week that he will have to pay $142,000 in tuition alone over the next 5 years to provide a college education for his four children and his wife, who is finishing her bachelor's degree after raising four fine children. He may have to do this for all four children and his wife on a $25,000 salary, with no Federal loan subsidy, if we adopt the President's proposal.

President Richard Stephens of Greenville College summed up the institutional perspective well, when he told our subcommittee last week:

Unfortunately, all three of NAICU's central public policy interests in the student assistance field are threatened by the proposed cuts in student assistance programs outlined by President Reagan in his message on February 18. Institutions of higher education, already suffering from a substantial decline in college-age students in our nation's population, would be hard-pressed to find funds to make up the proposed cutbacks in Pell grants and Guaranteed Student Loans. Although we are sure the Administration did not set out to undermine the economic security of independent higher education, it is hard to imagine a set of budgetary reform proposals which would be more damaging either to our schools or to the students and families we serve.

The burden of the proposed cuts would fall disportionately upon the independent sector of higher education, the sector represented by NAICU. Our institutions are totally dependent upon endowments, private gifts, and student receipts, including student aid funds. We do not have a state legislature to fall back upon to make a short-fall in federal funds. For example, Greenville College has an annual operating budget of $4.6 million. Over 77 percent of our income ($3.6 million) is derived from direct payments by students and their families. Since the families in our constituency are by no means affluent, they—and we, in turn—are highly dependent upon sources of financial aid.

The administration's proposals are shortsighted. The proposals deny a college education to many of the poor and those who need a hand with college costs in the name of austerity and budget restraint. This Congress should not, I hope, will not mortgage America's future. The price the Nation will pay in the years ahead cannot be measured only in lost dollars and cents, but also will be measured in human lives and potential lost and dreams deferred.

I am reminded of the great poet Langston Hughes' penetrating question:

HARLEM

What happens to a dream deferred?
Does it dry up like a raisin in the sun,
Or fester like a sore and then run?
Does it stink like rotten meat,
Or crust and syrup over like a sugar sweet?
Maybe it just sags like a heavy load,
Or does it explode?●

● Mr. BIAGGI. Mr. Speaker, I join my colleagues today to express my concern over the dramatic implications of the proposed changes in our student financial aid programs by the Reagan administration. There is no disputing the fact that there is both a need and a national demand that we both reduce Government spending and reduce taxes. In doing so, we must make absolutely sure that any reductions that are made are made equitably. In reviewing the proposals released by the administration yesterday for these student aid programs, I fear that the changes being imposed would destroy programs we have spent years to build. More importantly, their effectiveness and value has been well proven.

As New York's ranking member on the House Education and Labor Committee, and an advocate for these programs since I began serving on this committee 13 years ago, the impact of these cuts upon my own State of New York are staggering. The so-called reforms being recommended to the Pell grant and guaranteed student loan programs demonstrate an obvious lack of understanding on the part of the administration as to who these programs are serving.

With respect to the Pell grant program, the administration plans to: First, increase family contribution toward educational costs by changing the family contribution schedule; second, requiring a $750 "self-help" contribution by the student to be used in calculating the amount of eligibility for grant aid; third, curtailing allowable educational cost components; and fourth, eliminating the administrative allowances paid to institutions for processing these awards.

With respect to the guaranteed student loan program, which was estimated to provide $1 billion in loans to New York students next year, the administration proposes to: First, limit the amount of loans to the amount of "need" as determined after all other sources of aid are considered; second, eliminating the special allowances paid to lenders for the parent loan program and allowing them to charge the prevailing market rate; third eliminating the in-school interest subsidy for loans to students and allowing lenders to charge this interest against the principal when the student goes into repayment after graduation or allowing lenders to charge the interest to the borrowers as it accrues; and fourth, eliminating the administrative allowance to institutions for processing these loans. In addition to these changes in the loan program, also proposed is the elimination of the guarantee by the Secretary of Education of debts of the federally financed Student Loan Marketing Association (Sallie Mae).

Both the Pell grant and the guaranteed student loan programs assist students in paying in whole or in part for their education. They are not what have been called give away programs. Pell grants are awarded to students at both public and independent institutions, 2-year and 4-year, and form the base of support for many needy students. By accepting these proposals to restrict this program, we not only risk forcing thousands of students out of school, but we also face the very real possibility of institutions closing down because of these drastic student dropouts.

The changes proposed in the guaranteed loan program are of particular concern to me. In 1978, this Congress made a major commitment to middle-income families in passing the Middle-Income Student Assistance Act. This bill allows us to now point to the fact

that every student in this country—regardless of age or income—is eligible for some form of financial assistance. I was an original cosponsor of that legislation and I have witnessed its dramatic growth over the past 4 years. My own State of New York is a leader in this program and a model for the Nation. Middle-income families are now being given a small break in helping to pay for the college education of their children. To take this away from them, at a time when inflation is eating away the ability of many people to maintain an adequate existence, is both unreasonable and unacceptable.

I join today with my colleagues to express my concern over the implications of all these proposed cutbacks. While the exact impact of these changes is still unknown to us, what we do know is that the financial security and educational future of millions of students and their families is being threatened.

I plan to join with my colleagues on the Education and Labor Committee to insure that access to postsecondary opportunities is maintained for all students, particularly the middle-income students. The weeks ahead will be critical to us in terms of the changes we can make to insure that this access is upheld. I urge my colleagues here in Congress to join with us in reaffirming that commitment which this Congress has made time and time again for our Nation's students—that education should remain a right to all and not the privilege of the few who can easily afford it.●

● Mr. OTTINGER. Mr. Speaker, the administration wants to sharply reduce student financial aid programs by refocusing them on the so-called truly needy and curtailing loans to middle- and upper-income families. If these cuts are approved, I am extremely concerned about the future of higher education in this country.

According to the American Council on Education, the President's proposed cuts in financial aid programs could force 500,000 to 750,000 students out of college in the 1981–82 school year and shut down 281 smaller institutions of higher learning. This would be simply devastating—a real step backward in our effort to assure access and choice in postsecondary education.

Just last year, we passed the Higher Education Act of 1980 which made important improvements in the higher education programs authorized by it. The basic educational opportunity grant program was expanded to provide a larger maximum grant and to increase the proportion of the total cost of education that may be provided by these grants. The national direct student loan program and the guaranteed student loan program were both increased moderately and a new parent loan program was established to help parents meet the expected family contribution to the cost of postsecondary education.

Passage of this legislation reaffirmed and continued the Federal role in postsecondary education—to achieve the goal of equal educational opportunity. Now just 6 months later, we are being asked to adopt measures to effectively repeal the gains made under this act and the Middle Income Student Assistance Act of 1978. I want to urge my colleagues to stand by our commitment to support student financial aid programs and reject the administration's proposed cuts.

I want to include in the RECORD a letter I received today from the distinguished president of Iona College in New Rochelle, N.Y. This letter points out very clearly the impact of these proposed cuts on Iona College and its 6,000 students. The text of the letter from Brother John Driscoll, president of Iona College, follows:

IONA COLLEGE,
New Rochelle, N.Y., March 9, 1981.

Hon. RICHARD L. OTTINGER,
House Office Building,
Washington, D.C.

DEAR MR. OTTINGER: This letter is a distress signal!

Iona College is an independent institution with an enrollment of 6,000 students in undergraduate and graduate programs.

Approximately 50 percent of our students depend on some form of Federal financial assistance. The proposed changes by the Administration in the Pell and Guaranteed Student Loan programs would have a devastating effect on our student body and could ultimately threaten the viability of the institution.

PELL GRANT PROGRAM

At present, 1200 recipients at Iona College received $1,250,000 for the 1980–81 academic year with the maximum grant at $1750. Of those recipients, 17 percent have family incomes above $25,000 and receive an average grant of $517. They received awards due to large family size and more than one child in college.

Under the proposed changes, therefore, at least 17 percent of our eligible population would be disenfranchised if a $25,000 income limitation was imposed. In addition, if a supplemental appropriation for this program is not approved by Congress, we understand that the maximum grant would approximate $1250 for the 1981–82 academic year. Given the same number of eligible applicants, our program would be reduced by one third resulting in a loss of almost $425,000. Should the ratable reduction formula be implemented above and beyond the lower grant because the program would not be fully funded, our program would be severely diminished.

To include a self-help student contribution of $750 across the board, as proposed by Mr. Reagan, then tax a percentage of the student's earnings and savings (a calculation in the present formula) would be double taxation and unfair to the student who works to assist in covering his educational expenses.

The latest proposal requesting refunds from the institution for the $10 per Pell Grant administrative expense allowance authorized by Congress is absurd.

NATIONAL DIRECT STUDENT LOAN

The National Direct Student Loan program appropriation was previously reduced under the Continuing Resolution which expires on June 5, 1981. Unless $100 million is restored to the program, there will be insufficient funds to meet the conditional guarantees promised under the FISAPP process. Because of the State Allotment formula, New York State will receive 21 percent less in its allocation which means that this college will receive no new Federal Capital Contribution even though its default rate is below 10 percent. At least 100 out of our 235 recipients in this program will not receive an NDSL.

GUARANTEED STUDENT LOAN (GSL)

Over 1800 students (31 percent of our entire enrollment) applied for a GSL to assist them in covering their costs for undergraduate and graduate studies.

Under the proposed changes, our staff would be inadequate to process the influx of paper which would create excessive time delays. Serious disruptions in the delivery system would also occur resulting in cash flow difficulties for our students, their families, and this institution. While we agree that the costs of the GSL program need to be controlled, we must point out that the families of our students are not in a position to compensate for such reductions in student financial aid.

We advocate that Congress consider delaying the implementation of major revisions until the impact of the proposed restrictions can be ascertained.

Cognizant of your interest in reducing Federal expenditures while preserving the goals of access and choice, I urge you to consider the following recommendations:

1. adopt an adjusted gross income (AGI) limitation ($40,000 suggested) to determine eligibility for Federal interest benefits.

2. establish size of family and number of dependents in college as factors in determining the AGI.

3. retain the "need" for a GSL as currently determined—the difference between costs of attendance and financial aid resources.

4. require those students who were ineligible for Federal interest benefits because the AGI was beyond the cut-off to pay the interest directly to the bank perhaps at treasury bill rate plus two percent. The Federal Government would have no obligation in these cases to pay a special allowance to lenders.

I would be quite willing to have our Director of Financial Aid, Ms. Harlene Mehr, elucidate these proposals for your staff.

Thank you for your continued efforts at serving the interests of our students and the higher education community.

Cordially,
JOHN G. DRISCOLL, C.F.C. Ph. D.,
President.●

● Mr. CORRADA. Mr. Speaker, I want to associate myself with the remarks of my colleague from New York, PETER PEYSER, and commend him for taking the initiative to combat the cuts on student financial aid proposed by the administration.

The future of our Nation is in the hands of our youth, and up until this point the Federal Government, in realization of this, has strived to make the fullest possible education a reality to all who desire it. If we are to deny a low-income youth from attending the

school of his choice, we are in effect limiting his opportunity in the business world and making wealth the prerequisite to education and subsequently to careers requiring college-level work. I cannot believe this administration would purposely create such a situation, but I can find no other meaning in their proposed alterations to the various student aid-programs.

Providing funds for the education of our youth is the most cost-effective means of assuring their participation as efficient members of society. You can imagine the importance this has in Puerto Rico, where we as an island are struggling to escape the spirals of a welfare-based economy.

My major concern involves the guaranteed student loan program, for which not only reductions in funding are being requested, but participation requirements are being altered. Effective July 1, 1981, OMB would eliminate any in-school interest subsidy, forcing the student to bear this burden at full market rate. On top of this, the administration would predicate participation in the GSL program on a family contribution of $750. I wonder how the low-income family will be able to produce this amount, particularly in view of simultaneous cuts in welfare programs and the demands of inflation on an already overextended personal budget.

What this requirement would effectively do is to restrict the low-income student to institutions of learning where tuitions total less than $3,800—$1,800 maximum under the Pell grant program, $2,000 under SEOG. In these days of inflation, I would like to see the list of universities which fall in this category.

We cannot afford to postpone the education of our children—they are our Nation's lifeblood. How can we expect to achieve an economic recovery if we refuse to invest in our human capital?

America, the land of opportunity, must continue to defend the rights of all citizens to equal educational opportunity. These proposed savings will indeed help to lower the Federal budget in 1982. But what answer will we have in 1992 when our children grow up without the educational qualifications necessary to raise themselves from the welfare rolls? What then?●

● Mr. GONZALEZ. Mr. Speaker, the most direct and vital investment in our Nation's future and productivity is education. To continue to aspire to what this Nation represents, we must maintain the broadest possibilities in education.

Mr. Speaker, I, too, am concerned about the state of our economy, as a strong and healthy economy is a prerequisite to our Nation's success. However, the President's outline for economic recovery in the area of postsecondary education deeply disturbs me. The proposed budget reductions will do great harm to the student financial assistance programs. By targeting cuts to Federal student loans and grants to needy students, program costs will be reduced by an overwhelming $9.2 billion in 1981-86. Regrettably, by doing so, equal access to higher education and opportunity will diminish appreciably.

One of the programs to be hardest hit is the Pell grant program. Formerly known as the basic educational opportunity grant program—a program introduced by the previous Republican administration in 1972—this program serves as the foundation of financial support, particularly for the neediest; 80 percent of the program's recipients come from families with incomes of less than $12,000. The administration expects parents to use discretionary income to help pay for their children's educational costs while simply ignoring the fact that most of these parents have little if any discretionary income to use.

The guaranteed student loan (GSL) is another program which faces possible reduction. If adopted, the GSL proposals will eliminate 80 to 90 percent of the partcipants in the program. In other words, over 2 million students will be negatively affected.

In my district alone, the 20th District of Texas, most of the small universities and colleges will be adversely affected by the proposed financial aid cutbacks. Many of the students at these schools come from a minority background and must receive funds in order to attend college. In most cases, they are the first generation to attend college in their families. More than 50 percent of the students are dependent on some type of financial aid. If the proposed cutbacks become a reality, most of these students will be barred from valuable education and the institutions of higher learning in some cases will be forced to shut their doors due to lack of funding. The administration's proposal seems to sugest that placing more of the costs on parents and students is the best solution. This does not seem to be a good policy, especially when one realizes that many parents and students will not have the available income to fully meet the higher loan obligation. Defaults will be greater and those who truly need the assistance will be forced to forgo their education. Mr. Speaker, I think it is important to keep in mind that the single intent of saving money is not the answer to achieving a healthy economy. All factors must be considered. The proposed changes in postsecondary programs are in direct conflict with the Federal Government's historic commitment to access as well as excellence in higher education. We as a nation are continuously striving to improve this great Nation's standing—socially, culturally, economically, and technologically. These primary challenges we face today are dependent on education and research to help increase productivity and insure solid economic recovery. By investing in the student aid programs and making sure they are adequately funded is a positive investment in this country's future and can be assured to pay for itself for many years to come.●

● Mr. DE LUGO. Mr. Speaker, I speak for a constituency composed of low- and middle-income families, the U.S. Virgin Islands. These families must rely on student aid programs in order for any hope of higher education opportunities to materialize. In an increasingly technological age the future of any community presupposes young people capable of meeting the needs of a complex society. The United States cannot afford the archaic view that only the children of wealthy families are to be educated. Nor can this country afford the imbalance reflected in educating only the very poor and the wealthy. The times require a populace with the skills to meet the demands of our age. This populace includes the broad segment of our society that are struggling just above the poverty level. For these families education without student aid is not a sacrifice, it is an impossibility.

President Reagan has proposed an $0.2 billion cut in the January 1981 budget request for the Pell grant program (BEOG) for fiscal year 1982. The purpose of this cut is to eliminate assistance to those families earning as mush as $30,000 per year, allowing the grant money to be targeted at the truly needy. Given college and university tuition increases of 14 to 18 percent in private and 9 percent in public institutions resulting in tuitions of $10,000 per year and over, figures which are reflective of the inflation rate families must face on all levels, the truly needy are families earning $30,000 per year.

President Reagan also proposes to limit guaranteed student loans by, first, limiting loans to need demonstrated after all other financial assistance and family contribution have been counted; second, requiring the students to assume the in-school interest cost of the loan; and third, removing the special allowance lenders receive on loans they make to parents of students. Under this proposal students suffer a 27-percent increase in the cost of their loans. Preliminary reports from banks, particularly smaller banks, indicate that participation in student loan programs will no longer be feasible due to the increased administrative cost of needs analysis and the removal of the in-school subsidy.

A final cut in higher education is found in the President's proposed elimination of general institutional subsidies for training health profes-

sionals, a phasing out of training for mental health professionals, and a general reduction of subsidies for health education.

The country stands ready and willing to cut back where the sacrifice will be beneficial. Cutbacks in education, however, can cripple the ability of this country to compete in today's world. This is particularly true for a small, insular area like the U.S. Virgin Islands which relies on stdent aid programs to educate needed local professionals such as doctors, nurses, engineers, and teachers.

I therefore implore Congress to consider the needs of the Virgin Islands and other communities in this country whose ability to survive requires an emphasis on higher education for more of our youth than President Reagan's crippling program anticipates.●

FOURTH ANNIVERSARY OF IMPRISONMENT OF ANATOLY SHCHARANSKY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 60 minutes and to revise and extend his remarks.

Mr. BINGHAM. Mr. Speaker, I have requested this time so that we may take note of the fourth anniversary of the imprisonment of Anatoly Shcharansky. The Shcharansky case is of particular interest to me. I have, through the Greater New York Conference on Soviet Jewry, adopted Shcharansky as my "prisoner of conscience." I intend to do everything I can to secure Anatoly Shcharansky's release. It is good to know that I have the support of the Greater New York Conference in this effort and of so many Members of the House of Representatives.

The Shcharansky case is an outrage and an offense to free men and women everywhere. Despite rumors about Shcharansky's release being imminent, the facts are that the conditions of his imprisonment have greatly worsened. Shcharansky is in solitary confinement. All his visitation rights have been canceled for the duration of 1981. He is allowed to send out one letter every 2 months—on the condition that he mention no other person in the letter, including his wife, Avital. His rations have recently been cut in half and he is allowed only 20 minutes of exercise a day. His health is very bad.

Shcharansky's imprisonment is especially cruel because of his separation from his wife, Avital. Avital had to leave the Soviet Union for Israel 1 day after their wedding on July 4, 1977. At that time she was told that her husband would soon follow. It has now been 4 long and lonely years.

The Soviet Government must understand that we shall not forget Shcharansky who now sits in prison because he dared to dream of, and work for, a life for himself and his wife Avital in Israel. It is that simple. Shcharansky was sentenced to 13 years in prison for his "anti-Soviet activity." But his real "crimes" were that he was a leader in the movement to gain unrestricted rights of emigration. He was also a major figure in the movement to monitor Soviet compliance with the Helsinki accords. The Shcharansky case is a mockery of the Soviet criminal justice system. Shcharansky was denied the barest requirements of due process—a lawyer of his choice, the right to call defense witnesses, a copy of the judgment against him. The Shcharansky case is a travesty.

Anatoly Shcharansky, himself, in the closing statement from his trial, eloquently points to the kind of "justice" he has been subjected to. We also see the kind of man he is. This is what he said:

In March and April 1977, during the preliminary interrogations, those conducting the investigations warned me that in view of the position taken by me during the investigation, the one which I have maintained during the course of this trial, I will be likely to be given the death sentence or, as a minimum, 15 years of confinement. I was told that if I agreed to collaborate with the KGB in order to destroy the Jewish emigration movement, then I will be given a short sentence, quick release and even the possibility of joining my wife.

Five years ago, I applied for a visa to Israel, but now I am further than ever away from the attainment of my dream. It might appear that I must have regrets about what has happened. But this is not so. I am happy. I am happy that I have lived honestly, in peace with my conscience, and have never betrayed my soul, even when I was threatened with death. I am happy that I have helped people. I am proud to have known brave people as Sakharov, Orlov, Ginsburg—they who are continuing the finest traditions of the Russian intellectuals. I am happy that I can be a witness to the redemption of the Jews in the USSR. These absurd accusations against me and against the whole Jewish emigration movement will not hinder the liberation of my people. My near ones and friends know how I wanted to exchange activity in the emigration movement for a life with my wife, Avital, in Israel.

For more than 2000 years the Jewish people, my people, have been dispersed. But wherever they are, wherever Jews are found, each year they have repeated: "Next year in Jerusalem." Now, when I am further than ever from my people, from Avital, facing many arduous years of imprisonment, I say, turning to my people, my Avital: Next year in Jerusalem!

The imprisonment of Anatoly Shcharansky cannot continue. We, the friends and supporters of Shcharansky, shall work for his release until the day we see him free and reunited with Avital in Israel. Anyone who believes that, in time, we shall forget Shcharansky and leave him to his fate should recall the Alfred Dreyfus case. Agitation for Dreyfus' release did not end despite the fact that Dreyfus himself was chained to his cell on Devil's Island. In the end, Dreyfus was freed and exonerated. A turning point in that case was when a great writer, Emile Zola, pointed his finger at the French Government and said, "I accuse." Today we, Members of the Congress of the United States of America, accuse the Soviet Government of knowingly keeping an innocent man in prison, away from his family. We pledge that we shall not forget Shcharansky and that we shall see the day of his reunification with Avital. We urge the Soviet authorities to help crack the ice of the hardening cold war by freeing this good and innocent man, Shcharansky.

Mr. WEISS. Mr. Speaker, will the gentleman yield?

Mr. BINGHAM. I will be glad to yield to my colleague from New York.

Mr. WEISS. Mr. Speaker, I want to commend our distinguished colleague, the gentleman from New York (Mr. BINGHAM), for requesting this special time on the House floor to discuss the prolonged and worsening plight of Soviet refusenik Anatoly Shcharansky. This coming Sunday, March 15, marks the fourth anniversary of the imprisonment of this courageous man, and I join my colleagues in demanding an end to this gross abuse of justice.

Four years ago, Anatoly Shcharansky was imprisoned in Lefortovo Prison in Moscow. At his trial, which was a mockery, he was sentenced to 13 years in jail. Today he is forced to live under inhumane conditions in solitary confinement. Soviet authorities have canceled all of his visitation rights for the rest of 1981, his already meager rations have been cut in half, and he is permitted less than half an hour of exercise each day. In addition, his right to write to friends and relatives has been severely curtailed. This attack on Shcharansky is cruel and disgraceful.

Shcharansky is an important force in the Soviet Union and is recognized as a dynamic speaker and leader. He is generally acknowledged to have been a major planner of the refusenik movement and helped found the Group to Monitor the Helsinki Agreement in the U.S.S.R. His bravery and strength are known and respected worldwide.

I have joined my colleagues in repeated appeals to Soviet authorities on Shcharansky's behalf, and will continue to do so. It is almost incredible that Soviet authorities have failed to release him.

It is clear that the present ordeal of this 33-year-old martyr is a result of false justice. The charges brought against him by the Soviets—that he was a CIA agent—were categorically and publicly denied by President Carter. Shcharansky's mother, Ida Milgrom, described the kangaroo proceedings which led to his unjustified conviction this way: "The judge de-

clared that the court, in its administrative session, had already decided in advance to conduct the judicial investigation of the charge of espionage in closed court. By doing this, the court forbade all reference in open sessions of the court to the testimony of the witnesses, conclusions of the experts, and documents connected in any way to the accusation of espionage."

We must continue to focus the eyes of the world on this injustice until Anatoly Shcharansky is freed. We are contributing to that effort today.

I join in the hope shared by people around the world that next year at this time we will be celebrating the freedom of Anatoly Shcharansky from his terrible imprisonment.

Mr. FRANK. Mr. Speaker, will the gentleman yield?

Mr. BINGHAM. I will be happy to yield to the gentleman from Massachusetts.

Mr. FRANK. Mr. Speaker, I thank the gentleman from New York for yielding, and congratulate him for taking this special order to mark this very tragic anniversary.

The fourth year that now goes by that Anatoly Shcharansky spends in prison is a very dramatic reminder that the issue of human rights remains a very, very real one. The Soviet Union's continued brutal mistreatment of the Shcharansky family, most recently leading to his being placed in solitary confinement and being subjected to the restrictions the gentleman from New York has just talked about, is an international scandal, and it behooves all of us to continue with every opportunity to remind the rulers of the Soviet Union that this kind of blatant denial of fundamental human rights—indeed, this decision to punish Anatoly Shcharansky precisely because he is a symbol of human rights—is morally unacceptable and remains, unfortunately, a major barrier between the Soviet Union and many in this country who would like to see an improvement in relations.

I hope that as the Soviet leadership considers what it is going to do with regard to the new administration, that they take account of the terrible, deep wounds that they inflict on Soviet-American relations with this kind of brutal mistreatment of a man who is not only innocent, but in fact has been a genuine hero for his commitment to the cause of international human rights.

Mr. Speaker, I do not think anyone has worked any harder on behalf of Anatoly Shcharansky and others internationally who have been denied their human rights than my very distinguished and able predecessor, Father Robert Drinan.

At this point I ask unanimous consent to insert into the RECORD a statement recently prepared by Father Drinan outlining his own thoughts on this fourth anniversary of the terrible imprisonment of Anatoly Shcharansky.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. FRANK. Mr. Speaker, Father Drinan's statement follows:

AN APPEAL TO PRESIDENT REAGAN ON BEHALF OF ANATOLY SHCHARANSKY

(By Robert F. Drinan, S.J.)

Four years ago, on the Ides of March, I learned that Anatoly Shcharansky had been arrested in Moscow. I was not surprised at the cruelty of the Kremlin; instead I was moved to do all I could to undue this tragic mistake.

I recalled my stay in Moscow in August, 1975 when Shcharansky was my guide and translator. We struck an instant friendship when I presented him with a color photo of his wife Avital taken in the radiant sun of Jerusalem. His wife had been forced to leave the Soviet Union just 24 hours after they were married. The Soviet authorities lied saying that they would be reunited in Israel in only a matter of months.

I remembered the ways Shcharansky was shadowed by the KGB while he was my companion. It was predictable that he would be apprehended; he was a natural leader. The community of Jews in Moscow who wished to emigrate depended on him in critical ways. He was unique and indispensible source of information to the Western press. He was creative and resourceful in devising methods to dramatize the problems facing Jews who wanted to leave, and he was close friends with Dr. Andre Sakharov and other leaders in the dissident community.

Since his arrest and subsequent trial, an international campaign has been constantly and consistently working for his release. Through vigils, lectures, newspaper ads, meetings with American, European, and East-bloc countries, Shcharansky's case has remained a symbol for all those who are oppressed in the Soviet Union. Most recently, at the Madrid Conference to review the Helsinki Accords, his wife Avital discussed with delegates of the 35-nations gathered there ways to seek his release.

The charges brought against Shcharansky stem from the accusation that, in the course of his meetings with people from the West, he had made contact with the CIA. On assuming office, President Carter specifically denied that this charge was true. When the trial had ended, Shcharansky was found guilty and sent to Chistopol Prison and then to Perm Labor Camp where he now serves at hard labor.

It is an anxious time for Soviet Jews. On the one hand, we witness an increased number of exit visas issued prior to the recent Communist Party Congress and the joyful release of Iosef Mendelevich, only to learn that Anatoly Shcharansky has been removed from his quarters in the labor camp to be placed in a solitary confinement cell for at least six months. He was recently informed that all family visits for the remainder of the year are cancelled, that he may not write any more letters to his wife in Israel, and that his rations have been cut in half. Is there nothing that can be done?

I believe something can be done. There is no doubt that the Soviet Union is seeking ways to re-create the dialogue between the two superpowers. For its own reasons, the Soviet Union would like to have the grain embargo lifted, as well as a reduction in the escalating arms race. Would it not be possible for the United States to say to the Soviet Union that Shcharansky's release would open the door to new arms talks, or give cause for the Administration to lift the grain embargo, or some other measure? An appeal to the Soviets—similar to the one made by President Carter—might be just the symbol the Soviets need to trigger Shcharansky's release.

Moreover, an appeal by President Reagan might be politically attractive to his Administration by renewing faith to those who doubt him that the nation remains committed to human rights.

The card is in Mr. Reagan's hand. If he is willing to indicate to the Soviet Union that Shcharansky's release is deserving enough to warrant an equivalent U.S. gesture of goodwill, it may be reason enough for the Kremlin to act. The result would give hope to political prisoners and oppressed peoples everywhere.

(NOTE.—Robert F. Drinan, S.J. is Chairman of the International Committee for the Release of Anatoly Shcharansky, a project of the Union of Councils for Soviet Jews.)

Mr. BINGHAM. I thank the gentleman for his contribution, and particularly for his tribute to our former colleague, Representative Robert Drinan of Massachusetts, who was such a leader in this fight to free Anatoly Shcharansky.

● Mr. REUSS. Mr. Speaker, I regret that it is necessary to mark the passage of yet another year of imprisonment for Anatoly Shcharansky. It has now been 4 years since his incarceration, and reports are that the conditions of his confinement have greatly worsened and his health is failing. If Soviet officials intend to carry out Shcharansky's full 13-year prison term, it is nothing less than a death sentence which they invoke. The passage of much more time will render meaningless a future early release. The Soviet Union must act now to end its outrageous and inhumane treatment of an innocent man.

Soviet spokesmen have recently enunciated their interest in reviving détente. President Brezhnev has called for a summit meeting with President Reagan and has written to Western leaders, proclaiming his desire to avoid an arms race with the United States. If the Soviet authorities are sincerely interested in resuming a constructive dialog with this Nation, let them prove it through the immediate release of Anatoly Shcharansky. Or let them not wonder at our reluctance to negotiate in good faith with a leadership whose continued persecution of one of its own citizens represents an affront to all humanity.●

● Mr. BOLAND. Mr. Speaker, I join my colleagues today as we mark the fourth anniversary of the arrest of Anatoly Shcharansky, a leader of the fight for human rights in the Soviet Union. On March 15, 1977, Shcharansky was arrested by the KGB for anti-Soviet activities. Though the

charges were completely unfounded, he was sentenced to serve 13 years in prison.

Shcharansky's arrest and imprisonment were a shock to the civilized nations of the world. These events focused the world's attention on the Soviet Union's callous disregard for the God-given rights which are the foundation of free nations like ours. In spite of protests and expressions of outrage which have come from every corner of the globe, the Soviets have continued Shcharansky's senseless incarceration. The conditions of his imprisonment have actually worsened since this time last year, and he is said to be in poor health.

It is important that we take the time today to continue our appeal in behalf of this most courageous and tireless champion of human rights. We must again convey to the Soviet Union the message that its pattern of repression and cruelty will not go unchallenged by the free world.●

● Mr. LANTOS. Mr. Speaker, I would like to add my voice to those expressing outrage at the continued imprisonment of Anatoly Shcharansky by the Soviet Union. I thank my colleague, Mr. BINGHAM, for arranging this opportunity to bring further attention to Shcharansky's plight.

While we were all rejoicing at the release of Yosef Mendelevich, we were disturbed by the news he brought with him. Mendelevich reports that Anatoly Shcharansky has been put in solitary confinement for refusing to work in a dangerous part of the prison camp. The daily allotment of food for prisoners in solitary confinement is very small and they are permitted to walk outside for only one-half hour a day.

Mendelevich told an interviewer that Shcharansky was loved by all his fellow prisoners and that this love triggered even greater hostility on the part of the prison authorities. Shcharansky's mother, Ida Milgrom, had suspected bad news after receiving a letter from her son dated February 9 in which he reported that: All meetings with family members were canceled for 1981; instead of two letters per month, as previously permitted, he may now write only one letter every 2 months; the contents of his letters must be directed to one person only, which means he cannot include messages to his wife and friends; he was given 4 of his mother's letters and told that 14 others, addressed to him, were being withheld.

Mr. Speaker, this latest news can only inspire us to redouble our efforts to free this brave hero. There is no need to recount the history of his case; the facts speak for themselves. Anatoly Shcharansky suffers in solitary confinement for the simple fact of his desire to leave the Soviet Union and to join his wife whom he has not seen since the day after their marriage. Soviet law, international human rights agreements, and human decency demand that Shcharansky be freed.●

● Mr. BIAGGI. Mr. Speaker, on March 15, the world will observe a somber anniversary—the fourth anniversary of the imprisonment of Anatoly Shcharansky by the Soviet Union. I am pleased to participate in today's special order which will put myself and a number of my colleagues on record against the brutality of the Soviet Union in their treatment of political prisoners and their overall deprivations of basic human rights for their citizens and those of their captive satellites.

The case of Anatoly Shcharansky constitutes a moral and legal outrage. Shcharansky for the offense of seeking to emigrate to Israel with his wife—was instead found guilty of the trumped up charge of treason and sentenced to 13 long years of imprisonment. This sentence is being served and 4 years have been completed.

The Soviet Union has repeatedly raised hopes in this Nation and around the free world that Shcharansky would be released. Yet today, all these hopes constitute nothing more than a cruel hoax. Shcharansky is in solitary confinement and all of his visitation rights have been suspended for the balance of this year. He is permitted only to send one letter every 2 months and even that letter is subject to censorship and scrutiny. His rations have been sliced in half—and he can only have 20 minutes of exercise per day. Reports indicate that these factors are contributing to a precipitous decline in his health.

The Soviet Union cannot be permitted to violate the human rights of people with impunity. It seems almost cynical that at the time when Soviet leaders are extending an offer of rapprochement with the United States—they continue to violate principles we consider essential for any normalization of relations—namely respect for human rights.

We cannot waver in our linkage of human rights with improved relations with the Soviets. It is a matter of integrity and principle. The free world looks to this Nation for leadership and we must always rise to the challenge.

If the Shcharansky situation were not enough—figures have been released today which disclose that the number of Jews granted exit visas from the Soviet Union declined dramatically. This came after a brief increase in these visas in February. It is consistent with a steady decline of visas issued in 1980 as compared with previous years. In response to this—and on behalf of all imprisoned Soviet Jew political prisoners, I have introduced House Resolution 85 which expresses the sense of the House in support of "Solidarity Sunday" scheduled for May 31.

As part of my statement I wish to enclose the full text of this resolution which has been cosponsored by over 60 of my colleagues. I renew my appeal to the Soviet Union for the immediate release of Anatoly Shcharansky.

H. RES. 85

A resolution to express the sense of the House of Representatives in support of "Solidarity Sunday"

Whereas on May 31, 1981, the eighty-five constituent agencies of the Greater New York Conference on Soviet Jewry will sponsor "Solidarity Sunday" to reaffirm our resolve to secure freedom for Soviet Jews and beleaguered people everywhere; and

Whereas Americans of all faiths will participate with the conference in a number of activities on that day seeking to express their solidarity with the almost three million Jews in the Soviet Union; and

Whereas the right to emigrate freely and to be reunited with their families abroad is being denied Soviet Jews and others; and

Whereas the Declaration of Human Rights adopted by the General Assembly of the United Nations, the Soviet Constitution, and the Final Act of the Helsinki Accords clearly guarantee those rights; and

Whereas the Government of the Soviet Union has recently implemented additional restrictive measures sharply reducing the number of people eligible to emigrate; and

Whereas the Government of the Soviet Union is persecuting its Jewish citizens and denying them even those rights and privileges accorded other recognized religions in the Soviet Union; and

Whereas the Government of the Soviet Union discriminates against Jewish cultural activities by banning and suspending Hebrew and Jewish culture classes, and legal and scientific seminars, by threatening Hebrew teachers, and by closing the Jewish kindergarten called the Gan; and

Whereas leading Soviet Jewish activist and cultural figure, Dr. Viktor Brailovsky, was arrested in November 1980 and charged with slandering the Soviet State; and

Whereas a virulent anti-Semitic campaign continues unabated in the Soviet press and Soviet Jews are increasingly deprived of job and educational opportunities; and

Whereas thousands of innocent Jews and other persons, after applying to leave the Soviet Union, have been subjected to illegal induction into the armed forces, incarceration in mental institutions, expulsion from school, and constant surveillance and harassment; and

Whereas the Government of the Soviet Union will not succeed in isolating Soviet Jews from their friends in the West so long as those of us who cherish liberty will continue to speak out on behalf of beleaguered people everywhere; and

Whereas "Solidarity Sunday" will serve as an expression of determination to continue efforts to secure freedom for the Soviet Jewish Prisoners of Conscience incarcerated solely because of their desire to emigrate, and the veteran refuseniks who have awaited exit visas for up to twelve years; and

Whereas the Government of the Soviet Union refuses to remove all obstacles to the free emigration of their Jewish citizens and others who wish to leave and live in other countries, and insure the free exercise of re-

ligious beliefs and cultural expression: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that the Congress supports "Solidarity Sunday" in an effort to achieve these goals.●

● Mr. LAGOMARSINO. Mr. Speaker, I would like to commend the gentleman from New York (Mr. BINGHAM) for arranging this special order so that we might once again plead the case of Anatoly Shcharansky.

As a continuing symbol of the total disregard for human rights and human dignity, the Soviet Union keeps this Jewish mathematician in prison for crimes of treason. Yet his crimes are merely to speak the truth and monitor the Soviet's compliance with the Helsinki accords. The Soviet Union accepted the terms of the Helsinki agreement in 1975, and yet it has done nothing to live up to the terms of the agreement. When Soviet citizens, like Shcharansky, cite Soviet failures, they are charged with crimes against the state and subjected to cruel and inhuman punishment.

This fourth anniversary of Shcharansky's imprisonment is an appropriate time to appeal to the Soviet Union to release him and allow him to emigrate to Israel to join his wife. Ten days ago Soviet leaders claimed they want improved relations with the United States. I am certain that the Reagan administration will not accept the Soviets' proposals for improved relations without some demonstration of their willingness to conduct themselves more responsibly in international affairs. At the same time, I believe the administration should emphasize to the Soviets the importance of allowing Jewish dissidents the right to emigrate. The appeal must be made not only for Shcharansky but also for the many other dissidents and refuseniks who are being persecuted in the Soviet Union.

I hope that the occasion of this special order will remind my colleagues that all the Soviet's pronounced desires for respect for human rights and human dignity cannot erase the reality of that nation's scorn for the rights of others, whether in its own country, or Afghanistan or Poland or Central America.

I urge my colleagues to dedicate themselves to the struggle to preserve and protect the freedom of the individual and to fight for all those who are captive in the Soviet Union and throughout the world.●

● Mr. DWYER. Mr. Speaker, a critical situation regarding the fate of Anatoly Shcharansky now exists in the U.S.S.R. and demands the immediate attention of Soviet officials.

The Soviet record on human rights is getting worse—as bad as it has been in a decade—according to the State Department's annual human rights report. The Shcharansky case tragically underscores this continuing, and in fact, escalating indifference by the Soviets to the liberty, health, and welfare of countless brave individuals and their families who are unwilling to submit to Soviet repression.

Anatoly Shcharansky, in his fourth year of a 13-year prison term on trumped-up charges of treason, is fighting for his life. Ironically, as he sits in solitary confinement, all visitation rights denied him for the rest of this year, he is among the nominees for the Nobel Peace Prize. He and three others recently nominated by my colleagues on the Commission on Security and Cooperation in Europe face a decade of imprisonment for monitoring Soviet compliance with the 1975 Helsinki Final Act.

Mr. BINGHAM, thank you for calling this special order. It is well timed, for though Congress again and again has implored the Soviets to take action on Shcharansky's behalf, now we have behind us the force of a proposed commitment by President Brezhnev to normalize relations between the two nations.

The immediate release of Anatoly Shcharansky would signal that the Soviets intend to deliver on that promise.●

● Mr. FASCELL. Mr. Speaker, March 15 marks the fourth anniversary of the arrest of Anatoly Shcharansky, founding member of the Moscow Helsinki group and leading figure in the Jewish emigration movement. The Soviet authorities have been particularly harsh in their reaction to Shcharansky's activities: His role in the ongoing struggle for emigration rights for all Soviet citizens—including, of course, Soviet Jews—and his part in the citizens' Helsinki movement to publicize Soviet violations of its human rights pledges, including greater civil, national, social, and religious rights for all Soviets, espoused in the Helsinki Final Act.

On July 14, 1978, the Soviet Government sentenced Anatoly Shcharansky to 3 years in prison and 10 years in a strict regimen camp on the totally spurious charge of treason plus the more usual assertion of anti-Soviet agitation and propaganda. The harsh sentence and cruel conditions of Shcharansky's imprisonment provoked a storm of international protest which continues to the present.

After serving his time in Chistopol, the terrible new prison for political prisoners—where his cell mate was Viktoras Petkus, founder of the Lithuanian Helsinki group—Shcharansky was sent to finish his term in Perm Camp No. 35 where there are many other political prisoners. We have received news recently that Shcharansky was sent for 6 months to the camp prison with even further restrictions of his rights to see his family and to send or receive letters.

In tribute to Mr. Shcharansky's brave work, the Commission on Security and Cooperation in Europe has nominated him and three others—Prof. Yuri Orlov, leader of the Moscow Helsinki group; Mr. Mykola Rudenko, leader of the Ukrainian Helsinki group; and Mr. Viktoras Petkus, founder of the Lithuanian Helsinki group—for the 1981 Nobel Peace Prize. In our letter of nomination, we stated:

The public monitoring activity of these Soviet citizens exemplifies moral courage and civic conscience which has set an example for people in other Helsinki signatory states.

Indeed, one need only look at the many citizens' Helsinki groups in many countries, including our own, to see the success and significance of the international Helsinki rights movement.

I was very pleased when Iosif Mendelevich recently was released and allowed to go to his family in Israel. In our joy at Mendelevich's release, however, we should not forget two other members of the 1970 Leningrad hijacking trial who are still imprisoned: Yuri Federov and Aleksey Murzhenko. Likewise, as we all struggle to obtain the release of Mr. Shcharansky, we should not forget the other 51 imprisoned members of the Soviet Helsinki groups. Certainly the release of many Soviet prisoners of conscience—including, of course, Anatoly Shcharansky—is an essential element for any improvement in United States-Soviet relations. Recent actions, such as the slight increase in Jewish emigration from the Soviet Union, may indicate that the Soviets want to reopen the road to détente.●

● Mr. WILLIAM J. COYNE. Mr. Speaker, March 15 marks the fourth anniversary of the imprisonment of Anatoly Shcharansky. I want to join my fellow colleagues today in expressing my deep concern over the plight of Mr. Shcharansky.

Anatoly Shcharansky was born in 1948. He graduated from the Moscow Institute's physics department of computers and applied mathematics in June 1972. Mr. Shcharansky was denied a visa in the early 1970's by Soviet authorities on the grounds that it was against state interests. This, despite the fact that he has never engaged in any sensitive work. From that time on Anatoly Shcharansky was unable to obtain employment.

Anatoly and Avital Shcharansky were married in July 1974. Mrs. Shcharansky was forced to emigrate to Israel shortly after their wedding. She now lives in Jerusalem, hoping that someday soon her husband will be permitted to join her.

Mr. Shcharansky joined other Jewish activitists in 1976 to establish the Moscow Watch Committee, which attempted to monitor Soviet compli-

ance with the Helsinki agreements. He was accused in the Soviet newspaper Izvestia, of working for the Central Intelligence Agency. Anatoly Shcharansky was picked up by the security police in March 1977 and was held incommunicado in Moscow's Lefortovo Prison until his trial in July of 1978. He was convicted of treason, espionage and, anti-Soviet agitation and subsequently sentenced to 3 years in prison followed by 10 years in a labor camp.

Ida Milgrom, mother of Anatoly Shcharansky, recently received a letter from her son dated February 2, 1981. In it he told her that all meetings with family members have been canceled for 1981, and instead of two letters per month as previously permitted, he may now write only one every 2 months.

The treatment of Anatoly Shcharansky is in blatant violation of the Helsinki agreement. I urge the Soviet Union to comply with the Helsinski agreements and release Anatoly Shcharansky.●

● Mr. SCHUMER. Mr. Speaker, today, I join with my colleagues in Congress in calling for the immediate release of Soviet Jewish prisoner of conscience Anatoly Shcharansky on this, the fourth anniversary of his imprisonment. Our combined messages today take on a particularly urgent note in view of the steadily worsening prison conditions and deteriorating health of this brave and innocent man. The Soviet Union is to be condemned for Mr. Shcharansky's continued incarceration in violation of all international standards of human rights and human conduct. The barbaric treatment of Mr. Shcharansky remains the single most glaring example of the Soviet Union's overall attitude toward its Jewish citizens and toward all those in the U.S.S.R. who work for human rights and human dignity.

In recent weeks we have celebrated the release of the prominent Soviet Jewish prisoner of conscience Yosef Mendelevich, and the apparent increase in the number of Soviet Jews being granted exit visas. Yet these cases are just drops in the bucket, and we must not permit our joy for these individuals to overshadow the terrible fate that continues to befall Anatoly Shcharansky and so many thousands of other Soviet Jews who are harassed, imprisoned, and sent into internal exile for seeking to emigrate to Israel. What could be crueler than to deny an individual the right to rejoin his family? Yet the Soviet Union has kept Avital Shcharansky waiting for 4½ years to see her husband again. She is not an isolated case; I have recently personally adopted Dr. Naum Meiman, who is 70 years of age and has been waiting for 7 years to join his daughter in Israel. Many, many others, who are tragically often only nameless and faceless statistics to us, wait to journey to their chosen home in Israel and often wait in vain.

The Soviet Union must no longer be allowed to trample on the most basic human freedoms with impunity. Anatoly Shcharansky and countless others have demonstrated tremendous human courage in defense of their beliefs in the face of overwhelming odds. Their dedication and perseverance must serve as an example to all of us. We, as Members of the Congress of the United States, must give Anatoly Shcharansky and his colleagues our total support, and continually seek to remind the world that they have not and will not be forgotten.●

● Mr. MOAKLEY. Mr. Speaker, March 15 will mark the fourth anniversary of the unjust imprisonment of Anatoly Shcharansky. I am appalled at the Soviet Union's continued violation of the basic human rights of this man. Shcharansky first applied for a visa to emigrate to Israel in 1973. He was denied a visa on the grounds that he held "classified information" in spite of the fact that he worked in an institute which was unclassified. Since that time, many other injustices have occurred and are still occurring. The day after his marriage, Shcharansky's wife Avital was forced to leave the Soviet Union, with the promise that her husband would soon follow. He did not. Because of his protesting of emigration restrictions, Shcharansky was closely watched, harassed, and arrested on numerous occasions. In 1978 he was charged with treason, espionage, and anti-Soviet agitation and was sentenced to 13 years imprisonment.

In 1979, the first time in over a year he was allowed visitors, his mother and brother did not even recognize Shcharansky because of his deteriorating health. His father died in 1980 yet Shcharansky was not allowed even to attend the funeral. In April 1980, he was transferred to a Soviet work camp where he will spend the next 10 years of his sentence. His health has failed further and he has been diagnosed as suffering osteoarthritis, a severe spinal disease.

The Soviet Union's President Brezhnev has said that he would like to normalize relations with the United States. I would hope that this normalization could begin with the immediate release of Anatoly Shcharansky. This man has suffered much mental anguish and physical pain since his initial wish to emigrate. He has never done anything wrong other than to express his desire to join his wife in Israel where they could begin a new life together. The Soviet Union has nothing to gain by the continued detention of Anatoly Shcharansky. There is much to be gained by his release, in terms of Soviet relations with the United States as well as the rest of the world, not to mention Shcharansky's own, long-overdue personal happiness. I urge the leaders of the Soviet Union to release Anatoly Shcharansky from prison and to grant him a visa so that he may join his wife and find a life of fulfillment in Israel.●

● Mr. AuCOIN. Mr. Speaker, I rise today to join my colleagues in honoring a great man, a man who has climbed to heroic proportions in the hearts and minds of the American people. Ironically, he is a man whose greatness was gained with a simple dream and a simple, obscure act.

The man: Anatoly Shcharansky. His wish: To emigrate to Israel. His act: Applying for an emigration visa to realize his dream.

But Shcharansky's greatness is no comfort to him, because as a result of his dream and desire to fulfill it, he today sits in jail, the victim of Soviet repression and anti-Semitism. He is our reluctant hero and we are his reluctant admirers. I know I speak for my colleagues in stating my deep-felt wish that Anatoly Shcharansky would never have achieved greatness, indeed, that he would never have come to our notice, at this dear price.

But he has. And in so doing, he has come to symbolize all that is great in men wanting to be free and all that is great in the simple human wish to live where you want with whom you want. Simple rights which we in the United States take so much for granted and which are denied to so many Jews like Shcharansky in the Soviet Union.

The story of Shcharansky's journey to greatness is well-known by now. After being denied an emigration visa in 1973, Shcharansky became increasingly concerned about the plight of his fellow Jews and he became increasingly active on their behalf. Repression followed. Finally, on March 15, 1977, Shcharansky was arrested, charged with treason and ultimately sentenced to 3 years in prison and 10 years in a labor camp.

Despite our efforts in the Congress, the tireless work of Shcharansky's wife, Avital, and many, many thousands of people around the world, the Soviet State still holds Shcharansky—fearful of his dream to live in Israel but even more, fearful of his greatness.

For the past 3 years, I have joined with my colleagues in marking the anniversary of Mr. Shcharansky's arrest to protest the circumstances of his imprisonment, to show our apprehension for his fate and to voice the strongest concern of the American people that such a code of justice could exist in a nation that is signatory to the Helsinki accords.

Next year, I hope we can meet on this occasion to welcome Mr. Shcharansky personally and pay tribute to him for his dream and perseverance in wanting to realize it. Our first steps

toward this goal begin today in calling attention to his plight. We salute this great man and pledge our work to the cause of human rights.●

● Mr. JEFFORDS. Mr. Speaker, I rise today in recognition of the fourth anniversary of the unjustifiable imprisonment of Anatoly Shcharansky by the Soviet authorities.

In 1973, Mr. Shcharansky made his first formal application for an exit visa to emigrate to Israel. He was repeatedly denied the visa on the grounds that he was in possession of classified information despite the fact that the Moscow Institute of Physics and Technology where he was employed was unclassified. Two years later, he was dismissed from the institute and worked as a tutor of English, mathematics, and physics. He also worked as a secretary for a group of scientists.

Mr. Shcharansky then became active in the movement to protest emigration restrictions and helped found the Helsinki Watch Committee in 1976. He soon became closely watched by the KGB and was imprisoned on treason charges in March 1977. After almost 16 months of solitary confinement, he was tried on charges of espionage and treason and sentenced to 13 years in prison.

In the last several months, there has been a great deal of concern about Mr. Shcharansky's health. Last September, he suddenly collapsed while working as a lathe operator and was hospitalized for 1 month with severe stomach and back pains. His mother, Ida Milgrom, has since disclosed that he is suffering from osteoarthritis, a disease that results in the degeneration of the disks in the spine. Soviet authorities have canceled the next meeting he was to have had with his family which was scheduled for early this year.

If the Soviet Union truly wants to maintain the spirit of détente, permission should be granted Anatoly Shcharansky to emigrate to Israel to be with his wife. I thank my colleague from New York, Mr. BINGHAM, for calling this special order and join him and other Members of Congress in calling for the immediate release of Mr. Shcharansky.●

● Mr. McGRATH. Mr. Speaker, today we observe another day of infamy for the Soviet Union, the anniversary of the imprisonment of Anatoly Shcharansky. Once again we speak out in freedom against the totalitarian regime which looks upon international human rights policy with scorn. While it is easy for us to exercise our rights in this great assembly, Anatoly Shcharansky has done the same in the midst of a society where the certainty of persecution and imprisonment strikes most opponents of Communist policies dumb with fear. Shcharansky stands as a giant in the ongoing struggle for human rights behind the Iron Curtain and we must support him and the millions he speaks for.

Separated from his wife and confined under the harshest conditions, Anatoly Shcharansky has demonstrated a powerful and courageous spirit in the face of Soviet terror. I respectfully request my colleagues and all Americans who cherish the freedoms we enjoy to keep Anatoly Shcharansky in their thoughts and prayers. I also urge officials of our Government to continue their efforts to free Shcharansky using every available resource.●

● Mr. HOLLENBECK. Mr. Speaker, I welcome this opportunity to once again rise and join with my colleagues in appealing to the Soviet Union for the release of Anatoly Shcharansky. It will be 4 years ago March 15 that Mr. Shcharansky was arrested. As we all know, Anatoly received a severely inflated 13-year prison term in July 1977—the result of trumped-up espionage charges. This 13-year sentence was imposed by the Soviet authorities despite Presidential intervention attesting that Mr. Shcharansky was not in any way associated with the Central Intelligence Agency.

Now 4 years later, I am sad to state that the situation has worsened. Mr. Shcharansky not only remains imprisoned but his health has continued to deteriorate. Latest available information indicates that he has been placed in solitary confinement and he is not receiving necessary medical treatment. Furthermore, while imprisoned, his family has been denied visitation rights.

The Soviets' handling of this case has been recognized worldwide as a blatant example of injustice and a violation of human rights. To imagine that such an unjust series of events, in direct violation of the Helsinki accords, can actually occur in modern times is indeed a depressing thought. As civilized people with an inherent respect for human rights, we must not relent in our efforts to secure the release of Anatoly Shcharansky. We must continue to persevere as we hope and pray that Anatoly is able to persevere.

I am proud to join my colleagues in condemning the Soviet Union for their shameful injustices in the case of Anatoly Shcharansky. I can only hope that civilized people worldwide will not relax their efforts to achieve Mr. Shcharansky's expeditious release.●

● Mr. GREEN. Mr. Speaker, I am saddened that March 15 is the fourth anniversary of the imprisonment of Anatoly Shcharansky. It is not suprising, given the human rights practices of the Soviet Union, that this courageous man is still in jail, but it is depressing nonetheless.

There is no point in my exhorting the qualities of Anatoly Shcharansky. His courage and perseverance are known worldwide. At this point the question is why? Why does the Soviet Union continue to torment this man?

The suppression of dissidents by the Soviet Union must appear to Soviet eyes as a way to keep a dissatisfied citizen from making complaints world known. In an attempt to keep people like Anatoly Shcharansky from talking they are isolated so talking is impossible.

We must prove to the Soviets that this practice is foolish. For every dissident the Soviets keep from speaking we must express the outrage of 10. It is only then that the Soviets will realize this elaborate covering up of Soviet life, this cruel treatment of outstanding people, is a losing, counterproductive battle.

Anatoly Shcharansky will spend the entire year of 1981 by himself. He is in a solitary confinement cell, and is allowed no visitors. His food rations have been cut in half and even his writing of letters is limited to six a year. The Soviets, in the face of world outrage, have made conditions for Shcharansky worse.

The Soviets have said that they would like better relations with the United States. The release of Anatoly Shcharansky and the many others facing his same plight would be a substantial step in the right direction.

However, I am not suggesting that we barter with the life of Anatoly Shcharansky. No person should be treated as he is being treated. He should be released not because of any potential benefit to United States-Soviet relations, he should be released because he is a human being.●

● Mr. RITTER. Mr. Speaker, Sunday, March 15, will mark the fourth year of the incarceration of Anatoly Shcharansky in the Soviet Union. Mr. Shcharansky has committed no crime, nor is he a criminal. The reason for his imprisonment is his expressed desire to emigrate and join his wife, Avital, in Israel. The repression and harassment Mr. Shcharansky has received at the hands of Soviet authorities is an example of the Soviet's nonadherence to the Helsinki accords and their disregard for human rights.

At age 31, much of Mr. Shcharansky's adult life has been spent either in prison or under the watchful eye of the KGB. Requesting a visa permit to Israel in 1973, Mr. Shcharansky's life has been a living nightmare from that time onward. In 1975, Shcharansky lost his job as a computer programer at the Moscow Research Institute for oil and gas. On March 15, 1977, he was imprisoned by Soviet authorities. This action followed an article in a party paper which described him as a traitor and an agent for the CIA. Later in 1977, his wife Avital, was forced to emigrate from the Soviet Union to Israel one day after the couple's July 4 wedding. In July 1978, fol-

lowing a kangaroo court trial, Mr. Shcharansky was convicted of being a traitor and fomenting anti-Soviet agitation. He was sentenced to 13 years imprisonment.

As a nation founded upon and committed to the ideals of human rights and God-given freedoms, we Americans cannot turn our backs on those who seek these rights. The Soviet Union must come to see that the spirit of détente can never be resurrected if they continue a war of repression against their own citizens and the peoples of Eastern Europe. So many artists, intellectuals, writers, and scientists are confined today in isolation from their families, work, and friends, often in cold dark cells.

The Soviets must prove to us that they respect the 1975 Helsinki accords which they signed if they wish us to observe our side of the treaty. In the first few years after the Helsinki accords, progress had been made in permitting Soviet citizens to emigrate to Israel. In 1977, 16,738 Soviet Jews were allowed exit visas. By 1979, the number had more than tripled to 51,320. But last year the number of Soviet Jews allowed to emigrate dropped to only 21,408. As 1 of 12 congressional Members on the Commission on Security and Cooperation in Europe, I have the duty to observe Soviet adherence to the Helsinki accords. It is my earnest hope that the Soviets will permit more emigration from their borders during 1981 and will cease the incarceration of Anatoly Shcharansky.

Today, Anatoly Shcharansky is a sick man. His years of solitary confinement have weakened his health, distorted his vision, and made haggard his appearance. Doctors say he is suffering from osteoarthritis—a disease resulting in degenerating discs in the lumbo-sacral spine area. In addition he is plagued by severe back and stomach pains. His mother, upon seeing her son for the first time after many months of incarceration claimed her son "looked like a prisoner from Aushwitz."

At this time I join with many of my colleagues and those who respect freedom throughout the world in an appeal to the Soviet leadership to let Mr. Shcharansky emigrate to Israel and join his family and loved ones. His release would be welcomed by the United States as a friendly gesture on the part of the Soviet authorities.●

● Mr. PEYSER. Mr. Speaker, this Sunday marks the fourth anniversary of the imprisonment of Anatoly Shcharansky. Four years ago the world heard the sentencing of Anatoly and mourned along with his wife, family, friends, and concerned citizens. This year, Mr. Shcharansky observed his 33d birthday behind bars inside the Perm labor camp. He is presently languishing in solitary confinement under extremely harsh conditions. His rations have been cut in half and his physical condition continues to deteriorate. We are still uncertain of his precarious future, and he remains a victim of continual harassment and persecution.

Because of his candor, Mr. Shcharansky was found guilty of treason, anti-Soviet agitation, and propaganda. He received a 13-year sentence, the first 3 years to be served in prison and the remainder in a strict-regime labor camp, an extremely harsh sentence which could, and inevitably is, killing him.

Anatoly Shcharansky was a member of a group monitoring the 1975 Helsinki agreement. As a signatory of the United Nations Universal Declaration on Human Rights and as a party to the Helsinki Final Act, the Soviet Union had indicated its commitment to internationally recognized human rights. The world's regard for the Soviet Government's observance of human rights has certainly sharply declined as a result of the harsh and discriminatory treatment of this man. In addition, dozens of individuals are already imprisoned and, inescapably, all other individuals involved in protecting the rights and freedoms of citizens in the Soviet Union are and will continue to be silenced, whether it be by imprisonment or by other means that the Soviet aggressors will eventually decide.

Mr. Shcharansky is no more guilty than the rest of the citizens of the world who speak out against prejudice, aggression, and injustice. Mr. Shcharansky's real crime appeared to be an expression of freedom of speech, the desire to emigrate to Israel, and a history of helping other Soviet Jews who have been victims of Soviet aggression. Yet he remains a prisoner, unable to receive the many letters sent by his family. Moreover, he may now only write one letter every 2 months and may only direct that letter to one person, eliminating any possibility of including messages to family and friends.

We, as Members of Congress, must actively fight for the freedom of Anatoly Shcharansky. We must show the world that we will not sit idly by and watch Jewish citizens who continue to press for human rights be silenced. It is still our turn to fight this repression.●

● Ms. FERRARO. Mr. Speaker, I would like to take this opportunity to draw attention to the imprisonment of Anatoly Shcharansky. March 15 will mark the fourth anniversary of Mr. Shcharansky's imprisonment in the Soviet Union.

The Shcharansky case stands as one of the most blatant violations by the Soviet Union of the basic human rights of their people. In July of 1978, Shcharansky was tried on charges of treason and espionage and was found guilty. He was sentenced to 13 years of imprisonment. The only act of which this man was guilty was that of wishing to emigrate to Israel with his wife.

Anatoly Shcharansky has experienced repeated pressure from Soviet officials, urging him to assist them in their efforts to dissolve the Jewish emigration movement within the Soviet Union.

This excerpt from a statement he made at his trial exemplifies this man's strength of character:

> If I would agree to cooperate with the investigation for the purpose of destroying the Jewish emigration movement, they promised me early freedom and a quick reunion with my wife . . . Now, I'm further than ever from my dream. It would seem to be cause for regret. But it is absolutely otherwise. I am happy. I am happy that I lived honestly, in peace with my conscience. I never compromised my soul, even under the threat of death . . . .

I am sure that many people throughout the world share our concern and compassion for this man, who continues to be the victim of such cruel and unjust punishment. It is difficult, however, to realize the pain felt by Anatoly Shcharansky's wife, who has been waiting for over 4 years for her husband to join her in Israel. It is also difficult to realize the sadness shared by the many Soviet people who fear their future may hold similar injustices.

I call on my colleagues to join me in protesting the case of Anatoly Shcharansky. His unjust imprisonment by Soviet officials and their refusals of his requests to emigrate are in gross violation of the Helsinki agreements. We cannot stand silently by and allow these unreasonable acts to go unmentioned. We must voice our opposition to such practices and help keep the spirit of Anatoly Shcharansky alive with the Soviet community.●

● Mr. ROSENTHAL. Mr. Speaker, I speak to you today on behalf of a harassed and persecuted Soviet citizen, Anatoly Shcharansky. Mr. Shcharansky's plight is one more contemptible example of Soviet disregard for basic human freedoms. Ironically, in signing the 1975 Helsinki Accord on Human Rights, the Soviet Union pledged to "respect human rights and fundamental freedoms, including the freedom of thought, conscience, religion, or belief." Mr. Shcharansky's "crime against the Soviet state" consisted of caring about the rights of others, being a Jew, and wishing to exercise his legal rights to emigrate.

Shcharansky's initial exit visa application was denied in 1973 on the grounds that he was in possession of classified information. Two years later, he was dismissed from his position as a member of the faculty of the Moscow Institute of Physics and Technology. This is not an uncommon oc-

currence. Once a Jew in the Soviet Union applies for an exit visa, he essentially sets himself up for continuous harassment. A systematic smear campaign is devised to discredit him, whether he be a world-renowned scientist or an ordinary citizen. Those merely wishing to be reunited with their families abroad are absurdly linked with revolutionary movements and labeled "enemies of the state." They are arrested as suspected subversives and tried in mock trials on trumped-up charges.

Shcharansky's activism on behalf of his fellow Jews aroused the suspicion of Soviet officials. As a member of the Helsinki Watchdog Committee, Shcharansky tried to convince the Kremlin to abide by the 1975 Human Rights Accords. He was subjected to KGB surveillance and harassment, and was labeled in the Soviet press as a "hooligan * * * receiving handouts from the West."

On March 15, 1977, Shcharansky was arrested and, after 16 months of incommunicado imprisonment, was brought to trial. Shcharansky was charged with "treason and espionage" and "anti-Soviet agitation," and was sentenced to 13 years imprisonment.

Shcharansky's wife, Avital, whom he married on July 4, 1977, was forced to leave the Soviet Union for Israel the day after their marriage, with Soviet assurances that her husband would soon join her there. Three-and-a-half years later, Avital Shcharansky still awaits her husband's arrival.

Appalling conditions in the Soviet labor camp where Shcharansky is serving his sentence have made relatives fear for his health and safety.

Rumors of Mr. Shcharansky's imminent release were dashed by a March 5 New York Times article reporting his transfer to the prison compound within the labor camp.

Soviet Party Chief Leonid Brezhnev seeks to organize a Soviet-American summit in the coming months. Compliance with recognized human rights provisions on the part of the Soviets should be a condition for American participation in such a meeting. Mr. Shcharansky's perseverance is admirable, given the brutality and perverse injustices of the Soviet system. Admirers of his personal courage and those believing in human dignity and freedom everywhere should rally for his release.●

● Mr. ADDABBO. Mr. Speaker, to many of us here in the United States, protected by a Government concerned with upholding the rights of the people, March 15, will have no particular special meaning. To most of us it will be just another day of going about our business, and spending time with our loved ones. Others in this world will not be so fortunate that day. To Anatoly Shcharansky, thousands of miles away, somewhere in a Soviet prison, alone, fearful of his life, and in ill health, it will mark the fourth anniversary of his imprisonment by the Soviet authorities. It will mark yet another day of solitary confinement, meager food rations, lack of exercise, and despair. Living under the harshest and cruelest of conditions, his life is in jeopardy. Until the day he is allowed to walk away from that prison, leave the Soviet Union, and join his wife Avital in Israel, we must continue to call upon the Soviet Union to recognize the right to self-respect, liberty, and expression in opposition to oppression.

The arrest of Anatoly Shcharansky by the Soviet police in Moscow in 1977, on treason charges, drew much needed attention to the Soviet Union's blatant disregard for human rights, in particular to their inhuman treatment of Soviet Jews and of their desire to emigrate to Israel and the United States. The name Anatoly Shcharansky became synonymous with the conditions Jewish people must contend with in Russia. It became synonymous with all the other untold prisoners of conscience and refuseniks who are suffering in Soviet jails and who are refused emigration visas; and it became synonymous with the anti-Semitism that the Soviet Union encourages.

Anatoly Shcharansky is but one of many who needlessly suffer for crimes they have not committed, suffering because they wish to be accorded human rights embodied in constitutions and accords throughout the world. On March 15, we must remember that we must continue to work on behalf of the poor, the weak, and the helpless in the Soviet Union who cannot help themselves. To forget one, is to forget them all.●

● Mr. WAXMAN. Mr. Speaker, the prayer, "Next Year in Jerusalem" is echoed each year at the traditional Passover seder. It has meaning for every generation, and today has come to symbolize the plight of Soviet Jewry. To Anatoly Shcharansky these words have a special meaning. For 4 years, Shcharansky has been incarcerated in a Soviet labor camp—denied basic human decency—guilty only of working to insure that he and his fellow Soviet citizens could experience the basic human right to emigrate.

March 15, 1981, is the fourth anniversary of the imprisonment of Anatoly Shcharansky. Arrested on trumped-up charges of espionage and treason, Shcharansky's true crime was merely his desire to emigrate and his refusal to be silenced. An ardent human rights advocate, deeply committed to the values embraced in the Helsinki accords, he became a founding member and the chief spokesperson for the Helsinki Watch Group, an organization created to monitor the Helsinki accords and to secure Soviet compliance with its provisions. Anatoly Shcharansky, along with so many others, became a victim of the struggle.

The brutal mistreatment of prisoners by the Soviets is well known. Today, the 33-year-old Shcharansky has completed 4 years of a 13-year sentence in a labor camp under extremely harsh conditions. He was recently reported to have spent 2 weeks in solitary confinement. His health has worsened considerably. Few letters—even from family—are permitted to reach him. Personal visits from his mother, Ida Milgrom, and his brother, Leonid, are forbidden. And Anatoly has been separated for 5 years from his beloved Avital, whom he married 1 day before she was forced to leave the Soviet Union without him.

Officials in the Soviet Union have clearly tried to make an example of Shcharansky, hoping that his fate would serve as a warning to other dissidents who refused to silence their hopes and grievances. His imprisonment is compelling evidence of Soviet efforts to put down Jewish dissidence and of the persistence of traditional anti-Semitism in that country. But the Soviets have failed. The terrible experience of Anatoly Shcharansky has not gone unprotested. It has been denounced from all four corners of the globe.

Although the plight of Shcharansky is but one of the thousands upon thousands of other refuseniks, he has come to symbolize them all. Mr. Speaker, we who so cherish our freedom cannot turn our backs on Anatoly Shcharansky nor can we ignore the 200,000 other refuseniks who have been denied permission to emigrate or simply forbidden to practice their religion and be faithful to their heritage.

In his closing words at his trial, Anatoly Shcharansky declared, "Now when I am further then ever from my people, my Avital, facing many arduous years of imprisonment, I say, turning to my people, my Avital: Next year in Jerusalem!" His prayer, and his spirit, endures.

Mr. Speaker, in our country that is so free, it is incumbent upon us to see that the dreams of Anatoly Shcharansky and the thousands of other Soviet refuseniks come true. Today we reaffirm our commitment.

The most recent account of Anatoly Shcharansky's fate was reported in the New York Times on March 5, 1981:

[From the New York Times, Mar. 5, 1981]

SHCHARANSKY IS PLACED IN LOCKUP WITHIN HIS LABOR CAMP IN SOVIET

(By Anthony Austin)

Moscow, March 4.—Anatoly B. Shcharansky, a convicted dissident, has been placed in a prison inside the labor camp where he is serving a 13-year sentence on charges of treason and espionage, his brother, Leonid, said today.

"We suspected as much when we received a letter from him recently telling us that he now has more time to read and that he is allowed to write us once every two months," Leonid Shcharansky said. "That is the quota for people in prison. Up to then, he was allowed to write twice a month."

Leonid Shcharansky said he and his mother, Ida Milgrom, inquired two days ago at the Moscow office that administers labor camps, and "they confirmed to us that my brother has been in prison since December."

"They said they did not know why he was put in prison but would ask," he said, "although they added that they would not necessarily pass the information on."

Mrs. Milgrom and Leonid Shcharansky were permitted to visit Anatoly Shcharansky in the labor camp, near Perm, last April. They reported that his health, which earlier had caused them worry, was improving, and that he was learning metalworking.

Anatoly Shcharansky, a computer technician, had been active in the human rights and Jewish emigration movements. Accused in the Government newspaper Izvestia of betraying secrets to the Central Intelligence Agency, he was picked up by the security police in March 1977 and was held incommunicado in Moscow's Lefortovo Prison until his trial in July 1978. He was convicted of treason, espionage and anti-Soviet agitation and was sentenced to three years in prison followed by 10 years in labor camp. A prison term is considered a harsher sentence than a term in labor camp.●

● Mr. LEVITAS. Mr. Speaker, I am pleased to join my colleague, Mr. BINGHAM, and others in participating in this special order for Anatoly Shcharansky, on the fourth anniversary of his imprisonment in the Soviet Union.

Now confined in the Perm Labor Camp in the Ural Mountains, Shcharansky has recently been placed in solitary confinement for at least 6 months, his already meager rations have been cut in half, and his annual family visit has been canceled. He is confined in a damp cell, with a room temperature of 56 degrees Fahrenheit and a light bulb that burns 24 hours a day, at the expense of his already impaired eyesight. He is not permitted to communicate with his wife, who was forced to leave the Soviet Union 7 years ago, just 1 day after their marriage. He is only permitted to write to his mother, who remarked 19 months ago, after she was finally allowed to see her son for the first time in a year, that he looked "like a prisoner from Auschwitz." Since that time, his health has continued to deteriorate as this injustice has continued.

Shcharansky's troubles began 8 years ago, when he formally applied to emigrate to Israel. He was repeatedly denied a visa, on the ground that his work caused him to possess classified information, even though it was well known that his work as a computer programer at the Moscow Research Institute for Oil and Gas did not involve classified information. Over the next 4 years, he was dismissed from the institute, his wife was forced to emigrate alone to Israel, and he was subjected to repeated arrests and detainment and constant surveillance. This pressure from the KGB was caused by Shcharansky's involvement in protesting emigration conditions. The pressure was increased after Shcharansky became a member of the Helsinki Watchdog Committee in 1976. Shcharansky was singled out for threats and punishment largely because he served as the connection between the Jewish and non-Jewish groups, and provided information and sustenance to groups such as the Baptists and the Seventh-Day Adventists.

Shcharansky was arrested on March 15, 1977, and—after over a year of imprisonment incommunicado—he was tried in July 1978 for treason and espionage and Anti-Soviet agitation, and was sentenced to 13 years imprisonment. His family was not permitted to see him until August 6, 1979. It was after that visit that his mother remarked that his condition reminded her of other concentration camp victims in Nazi Germany. On January 20, 1980, his 75-year-old father, Boris, died of a heart attack on his way to a Moscow celebration of Anatoly Shcharansky's 32d birthday. His father had not seen Anatoly since his arrest in 1977. When his mother and brother visited him briefly in 1980, he was finally allowed—for the first time in 2 years—to spend some time in the sunlight. Even that privilege has been withdrawn now, as Anatoly Shcharansky is now allowed a maximum of one-half hour of sunlight per day. As other prisoners have said, this is one of the most cruel punishments that can be used against a prisoner psychologically.

This continued outrage clearly demonstrates that the Soviet Union has flagrantly violated the principles set forth in the Helsinki accords. Not only have the Soviets engaged in repression of thought and repression of fundamental human rights with subhuman conditions of unjust confinement, they have used the international context to divide a family. There can be no claim here by the Soviets that this is merely an internal matter. The Soviet Union has reached out to the United States recently, asking for a summit, and asking for technological exchange. Let us today in Congress put the Soviet Union on notice that before such matters are even considered by the United States, they must demonstrate by their actions that they want such an improved relationship. The continued imprisonment of Anatoly Shcharansky leaves the Soviet Union on the level of Nazi Germany, operating a modern-day Auschwitz. We cannot countenance this horror in today's world. If the Soviet Union is serious about improving relations with the United States, it must, as a bare minimum, release Anatoly Shcharansky and reunite him with his wife in Israel. I urge my colleagues to be continually aware of this particularly outrageous violation of human rights.●

● Mr. FORD of Michigan. Mr. Speaker, one of the individuals most on my mind today is Anatoly Shcharansky who has just spent his fourth year locked in a Soviet prison. Since his arrest and trial, many of us have been part of an international campaign working for his release.

Shcharansky was sentenced to 13 years in prison and labor camps following a closed trial at which no lawyer of his choice nor any witnesses for the defense were allowed. Anatoly was charged with treason and anti-Soviet agitation. In fact, Shcharansky broke no Soviet laws, but was actively engaged in working for the human rights of Jews and other minorities in the Soviet Union, all in accord with Soviet law and international agreements signed by the U.S.S.R. He was actually upholding the requirements of the Helsinki accords which require citizens to monitor their own country's behavior toward their own people.

I will continue to bring to the attention of the Soviet authorities my concern for human rights, including the rights to emigrate, and my concern for the plight of those who suffer imprisonment and exile for their beliefs. I want to stress to the Soviets the seriousness with which the American people take our mutual commitments under the U.N. Charter, the U.N. Universal Declaration of Human Rights, and Helsinki Final Act. Soviet leaders must understand that our commitment to human rights is not transient and will continue to occupy a central place in our dialog.●

● Mr. DOUGHERTY. Mr. Speaker, how much longer must we witness the horrors of Russian policy toward Soviet Jews? More than 10 years ago, during the Leningrad trials, we became acutely aware of the abuse of human rights by Soviet authorities. Almost 6 years ago we signed the Helsinki agreement with the Soviet Union to protect fundamental rights for all people. Four years ago, Anatoly Shcharansky was imprisoned under the false charge of treason. Shcharansky remains imprisoned and reportedly must endure harsher treatment since being placed in a prison within the labor camp where he is serving a 13-year term.

Like so many other prisoners of conscience, the only charge Soviet officials can make against Anatoly Shcharansky is his desire to emigrate to Israel. Anti-Jewish sentiment throughout Russia is used against Shcharansky and other dissidents. For our friends trying to leave it has become part of the horrible ordeal. It is my hope that Moscow will cease this needless persecution so reminiscent of

violent anti-Semitism in past Jewish history.

Unfortunately, Soviet aggression toward these people within their country impedes true peace and progress with the rest of the world. The Helsinki accords were made in the spirit of peaceful coexistence, but have been broken by prejudice and inhumanity. The deterioration in the relationship between the United States and the Soviet Union has been partially caused by the repression of dissidents. Stopping these activities could bring about improvement in this vital area. The release of Yosef Mendelevich is but vinegar in the mouth of a thirsty man. The immediate release of Anatoly Shcharansky could bring about the lessening of tensions surrounding human rights causes around the world.●

● Mr. FISH. Mr. Speaker, I join my colleagues today in expressing my continuing outrage that Anatoly Shcharansky remains imprisoned in the Soviet Union. For 4 years, this man, a prisoner of conscience, has received inhumane and unfair treatment in a cold and lonely prison for his "crimes" of free speech and religious conviction.

Recently, the plight of Mr. Shcharansky has worsened. He is now subjected to solitary confinement and his food rations and opportunity for physical exercise and news of the outside world have been severely curtailed. Faced with a sentence of 13 years of which he has only served 4, Anatoly Shcharansky can only be slightly encouraged, under the circumstances, assuming he is even aware of the intensive lobbying on his behalf. The international community committed to his cause will not rest until Mr. Shcharansky and others, who share his plight, are released and allowed to freely emigrate.

I last had the opportunity to meet with Mr. Shcharansky in 1978 in the Soviet Union at which time he spoke of his heartfelt desire to settle in Israel and be reunited with his loving wife, Avital. We all recall when Mrs. Shcharansky last visited the Capitol to meet with us and appeal for our help on his behalf. The tragedy of her sorrow cannot be overstated.

Mr. Speaker, although the Soviet authorities saw fit to release Yosef Mendelevich and have increased the number of exit visa applications they are willing to review, the basic issue remains unchanged and we must remain vigilant in our appeals to the Soviet Union.

I am participating in today's special order to reaffirm my own commitment and, particularly, my fervent hope that Soviet officials will see fit to restore Anatoly Shcharansky's dignity and freedom by allowing him to live out the remainder of his life in the land of his choice with his loved ones. In closing, I reiterate Mr. Shcharansky's own words and deelpy hope he will be, "next year in Jerusalem."●

● Mr. HARKIN. Mr. Speaker, I join my colleagues in honoring Anatoly Shcharansky, the world renowned and beloved Soviet dissident, and in calling upon the Government of the Soviet Union to release him immediately and allow him to emigrate and join his family in the West.

The years of harassment, abuse, and repression of Anatoly Shcharansky say more about the Soviet Union than anything that Tass or Pravda can write. If the brilliance of Mr. Shcharansky's intellect and the independence of his thought are subversive, it is no wonder that political, cultural, and economic life in the Soviet Union are in shambles. Anatoly Shcharansky's life and work are indeed subversive—he subverted the repression, anti-Semitism, and abuse that characterize the Government of the Soviet Union.

On August 6, 1979, Anatoly's family was permitted to see him, after he had been imprisoned for 17 months. His mother, Ida Milgrom, did not even recognize him at first. She said: "He looks like a prisoner from Auschwitz." And in September of 1980, Anatoly collapsed, unconscious, with severe back and stomach pains. It has been reported that he is suffering from a degenerative disease of the spine.

Anatoly Shcharansky's imprisonment will continue to rebuke the Soviet authorities and serve as a telling reminder of the evils of that totalitarian system. It is my greatest hope that he will be freed immediately, along with the thousands of other political prisoners in the Soviet Union.●

● Mr. BLANCHARD. Mr. Speaker, I would like to take this opportunity to join the special order called by my good friend, the distinguished gentleman from New York (Mr. BINGHAM) to call attention to the plight of the Soviet political prisoner Anatoly Shcharansky.

Anatoly Shcharansky was imprisoned in 1977 for the crime of wishing to emigrate to Israel. The trumped-up charges of malicious hooliganism against him and the show trial that convicted and sentenced him to 13 years in prison were an outrage to all of us concerned with human rights. His continued stay in a Soviet prison continues to be an unspeakable violation of not simply the Helsinki accords, but of basic human justice.

The rulers of the Soviet Government have indicated an interest in improving relations with the Reagan administration. Freeing Anatoly Shcharansky would be an important indication of the Soviets true intentions in that regard. At the very least, freeing Shcharansky would be the right thing, the decent thing, to do.●

● Mr. PORTER. Mr. Speaker, March 15 marks the fourth anniversary of the Soviet imprisonment of Anatoly Shcharansky and I rise today to protest this continued human rights violation. Soviet authorities convicted him on charges of treason. Yet his wish to emigrate to Israel with his wife, Avital, was his only crime.

The conditions of his imprisonment have deteriorated. He is now being held in solitary confinement in an internal prison within the Perm Labor Camp. His rations have been cut in half and he is only allowed to see the light of day during one-half hour exercise period per day. All family visits have been canceled at least until the end of 1981. He is permitted to write one letter to his mother every 2 months, provided that he does not refer to any other person including his wife.

Mr. Speaker, the constant harassment and mistreatment of Jews and others in the Soviet Union must be condemned. We must continue our work in the Congress to bring these flagrant violations of human rights to world attention and maximize pressure on the Soviets to live up to the obligations they undertook at Helsinki 6 years ago.

● Mr. RANGEL. Mr. Speaker, the treatment of Anatoly Shcharansky, by the Soviet Union, is clearly a violation of the Helsinki accords. He has been charged with the crime of treason, but his only wish is the desire to leave the Soviet Union for Israel.

March 15 marks the fourth anniversary of his imprisonment, which I consider an affront to the concepts of basic human rights as espoused in the Helsinki accords. Shcharansky has been denied his visitation rights for the duration of 1981; he is only allowed to send an average of one letter every 2 months; his rations have been cut in half; he is allowed only 20 minutes of exercise a day; and he is in failing health. These conditions are atrocious. It does not say very much for the way the Soviets plan on treating dissenters. Due to this treatment I am presuming that they are going to deal with their dissenters by subjecting them to conditions which are unfit for human beings. Of course, this will make it impossible for those like Shcharansky to express their opinions. I fail to see the openness and fairness of this type of attitude.

The Soviets refuse to treat their citizens with some sense of human rights or dignity. I feel the release of Anatoly Shcharansky would be a sign of good faith by the Russians. I strongly urge the Soviet Government to release Anatoly Shcharansky now.●

ECONOMIC RECOVERY PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gen-

tlemen from Florida (Mr. McCOLLUM) is recognized for 30 minutes.

● Mr. McCOLLUM. Mr. Speaker, last week the House Committee on Banking—of which I am a member—heard testimony from Office of Management and Budget Director David Stockman regarding the administration's economic recovery program.

During the hearing, I had the opportunity to express to Mr. Stockman my view on this program: I fully support it, but the spending cuts are not deep enough. To really get our country back on its feet, we need to cut Federal spending by figures more in the area of $145 billion, rather than $45 billion.

I firmly believe this, which is one reason I recently cosponsored House Joint Resolution 169, which calls for a constitutional amendment to limit Federal spending and ultimately balance the budget. It is based primarily on the word of Dr. Milton Friedman, the economist who authored "Free to Choose" and was awarded a Nobel Prize for his work.

There are many amendments being proposed in Congress to balance the budget, but I believe this is the only one which adequately deals with the underlying problems plaguing our economy. It is a strict amendment, and requires much fewer Federal programs and spending than most Americans have been used to since the Great Depression.

Basically, this amendment limits growth of Federal spending to the degree of productivity gains in the economy, and tightens spending dramatically when the inflation rate exceeds 3 percent. Specifically, the amendment will not allow the Government to increase spending by a percentage any greater than the percentage growth in the gross national product. For example, if the GNP—the measure of our Nation's productivity in terms of goods and services—increased by 3 percent, then Federal spending will only be allowed to increase by 3 percent.

However, if the inflation rate exceeds 3 percent, then the permissible growth in Federal spending must be reduced by a percentage equal to one-fourth of the amount the inflation rate exceeds 3 percent. For example, if the inflation rate is 11 percent, then the allowed growth in Federal spending must be reduced by 2 percent—since inflation is 8 percent over the limit and one-fourth of 8 percent equals 2 percent. In a year in which the GNP grew 3 percent, this would mean Federal spending could only be increased by 1 percent.

As one can see, when inflation gets out of control, like it is now, this amendment would force huge reductions in Federal programs, because they simply could not be funded at inflation market rates.

I favor this amendment because it attacks the two underlying causes of inflation: Huge Government deficit spending—which creates too many dollars, lessening their worth—and a decline in productivity, which forms the basic intrinsic value of the dollar in the absence of the gold or silver standard. This plan of attack is exactly what President Reagan is attempting to utilize, but success now does not mean future Congresses and presidents will not try to go back to the same old big Government that got us in this sad state of high inflation and high interest. The amendment is basically a balanced budget measure that is a perfect means of insuring that future Congresses do not let matters get out of control again.●

AN INADVERTENTLY ERRONEOUS STATEMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma (Mr. JONES) is recognized for 60 minutes.

Mr. JONES of Oklahoma. Mr. Speaker, I rise in an effort to correct what I am sure was an inadvertently erroneous statement made yesterday by the gentleman from Pennsylvania (Mr. WALKER) when he said that the gentleman from Arkansas (Mr. ALEXANDER) had made and, I quote, "an inadvertently erroneous statement."

The gentleman from Pennsylvania went on to say in reference to the administration's budget submissions that, and I quote, "* * * the complete package has been received on Capitol Hill, and the gentleman from Oklahoma and the Budget Committee can now proceed on the fast track * * *"

Now, I think there has been a great deal of confusion as to whether or not all of the package has been submitted to Congress so that the Congress can move ahead on the fast track that was announced yesterday. It is also possible that the gentleman from Pennsylvania has a desk drawer full of administration legislative proposals which the gentleman from Oklahoma does not have, and which the gentleman from Illinois, the distinguished minority leader, does not have; and perhaps the gentleman from Pennsylvania can explain to the House, or even to the miners of his own State of Pennsylvania, exactly what the administration's black lung proposal is.

□ 1630

On February 18, the President announced a savings of $378 million in the black lung proposal, but yesterday that savings had disappeared. The administration seems to intend to increase taxes on coal tonnage and to restrict benefits to those who are "truly medically disabled," but the budget document submitted yesterday states, and I quote, that—

Since the precise distribution between outlay reductions and revenue increases depends upon legislation that is still being developed, the savings resulting from these changes are reflected in the allowance for contingencies—

And I end quote.

Perhaps the gentleman from Pennsylvania can tell me how the House Committee on Education and Labor will proceed on black lung legislation based on this sketchy information now before the Congress. Perhaps the gentleman from Pennsylvania can provide this body with the details of the 123 rescissions aimed at saving $14.5 billion which this body has not yet received.

The administration in its budget document yesterday indicated, through savings and deferrals, a savings in this fiscal year of $16.5 billion. That would impact on 126 separate programs. However, only three programs totaling $100 million in savings were submitted yesterday, and we were told the savings for the other $16.4 billion in savings pertaining to the other 123 programs will be available hopefully some time next week—unless the gentleman from Pennsylvania has those details, and I hope that he would furnish them to the Budget Committee and to the Appropriations Committee.

We have been working diligently in the Budget Committee, even before the administration's economic program was sent forth, calling forth witnesses, analyzing the 1982 current policy budget, and working out ways in which that budget can be cut and spending can be restrained on a full-time, permanent basis.

We have had before our committee just today the Chairman of the Council of Economic Advisers, Dr. Murray Weidenbaum. Last week the Budget Committee chairman sent to Dr. Weidenbaum a letter, a two-page letter, asking for specific information pertaining to the economic assumptions used by the administration to build its budget.

For example, the administration in 1982 predicts that interest rates will be 8.9 percent. Most others who look at the monetary policy for 1982 predicted interest rates will be around 11 percent. Now, the Members may ask, what difference does it make, 8.9 percent in interest rates or 11 percent in interest rates? Well, the fact of the matter is that the interest on the national debt is one of the largest items in the Federal budget, and missing those interest rate targets by 2 percentage points amounts to a missing of the budget targets by about $12 billion.

So in that one category alone, instead of having a $45 billion deficit, we would have a $57 billion deficit if the administration's assumptions are wrong. Therefore, we have asked Dr.

Weidenbaum for specific information as to how these economic assumptions were arrived at, and Dr. Wiedenbaum at the hearing today said he would have the information we requested by the end of this week. That will give our committee an opportunity to analyze it and to begin building the budget, at least as it pertains to the economic assumptions.

This afternoon, before the Budget Committee, we had the Secretary of Agriculture, Mr. Block, John Block, and he was speaking in direct answer to a question as to whether or not they are going to have a new farm bill, and what will that farm bill be composed of? And I asked, for example, "Do you intend to eliminate the target prices?"

Secretary Block said that that is his recommendation, to eliminate target prices, but it has not been settled yet. And he said he would try to have before the Congress by sometime next week a farm bill.

The Agriculture Committee tells the Budget Committee that they cannot act on the administration's program until they get the program before the Agriculture Committee. I asked Secretary Block to be sure to try to get this detailed program to the committee next week, because if we did not do it, if we did not have it, we would have a very difficult time meeting the fast-track timetable that the Democratic leadership and the Republican leadership of the House set forth yesterday.

Mr. ALEXANDER. Mr. Speaker, will the gentleman yield?

Mr. JONES of Oklahoma. I would be happy to yield to the gentleman from Arkansas.

Mr. ALEXANDER. Mr. Speaker, in reviewing the matter, let me ask the committee chairman, with the Secretary of Agriculture and in explaining to him the necessity of having a detailed presentation available for consideration by the Budget Committee in order for the Budget Committee to maintain its schedule, what response did the gentleman receive from the Secretary of Agriculture, and what commitment did the gentleman perceive that he made in attempting to comply with the gentleman's request?

Mr. JONES of Oklahoma. The Secretary of Agriculture said that his own recommendations were pretty well formulated, but that he has to take it through the various apparatuses of the administration, and it ultimately has to be discussed at a Cabinet meeting, which he hoped would occur next week, and if it were approved, if his program were approved, that he would want to transmit that to the Congress sometime late next week.

I hope that that ambitious schedule on their part can be adhered to, because if it is, then we will be able to keep on the timetable we have.

Mr. ALEXANDER. Mr. Speaker, will the gentleman yield further?

Mr. JONES of Oklahoma. Yes, I yield to the gentleman from Arkansas.

Mr. ALEXANDER. Mr. Speaker, let us assume for some reason that is unforeseeable to those of us who are concerned about maintaining this fast track schedule that the Secretary of Agriculture in this instance or some other member of the President's Cabinet in other instances should delay their presentation of the specific recommendations to the Budget Committee; what would be the impact occasioned by those delays upon the fast track process that we have set in motion?

Mr. JONES of Oklahoma. Well, it depends on how long the delays occur. In order for this fast track timetable that has been agreed to on a bipartisan basis as of yesterday to be achieved, we literally will need the administration's program in its details, I would think, by the end of next week. It would be very difficult to move ahead with the entire package if we do not have those details.

What we would attempt to do in those areas where the administration does not have the program ready, we would attempt to work around it, using current policy. But I would prefer that we have the entire program so we could put it into effect at one time.

Mr. ALEXANDER. Mr. Speaker, if the gentleman will yield further, I was not here at the beginning of this special order, and I do not know whether or not the chairman has attempted on previous occasions to get the specific details of the President's program.

The program, as I see and hear and read in yesterday's news, was sent to the Congress. Has the gentleman had an opportunity to examine the details of the President's proposal, and, if so, is it complete in its present form? And if it is not, what details are lacking in order for the Congress to begin work on these proposals?

Mr. JONES of Oklahoma. Well, the program is not complete in its present form, and as I pointed out, members of the administration who have testified to the committee today have indicated that their complete program will not be ready even this week. Some of it will not be ready until next week, and some of it will not be ready until thereafter.

Our Budget Committee staff is analyzing the budget document that was sent up yesterday, and we do not have a full analysis of that yet. We have asked each committee chairman in the House to furnish to the Budget Committee what information they are lacking in order to proceed ahead on the administration's program.

I just want to clarify and make this point clear, I hope, once and for all, and I hope we can take the partisanship out of this issue of foot-dragging or obstructionism.

From the very beginning the chairman of the committee and the Budget Committee itself set out a very ambitious program to enact the spending cut program and the tax cut program before the August recess. I had personally set a July 15 target to complete the whole program. Subsequent to that, there were charges of obstructionism and delay, and I never even dignified them with a response because they seemed so patently false.

Yesterday all of those charges, I hope, were or will be put to rest by the fact that the Republican leadership and the Democratic leadership of the House agreed to the schedule that the Budget Committee chairman announced on February 19.

As a matter of fact, Mr. Speaker, under my unanimous-consent request granting permission to include in the RECORD extraneous matter, I will include here the press release and the speech made on the House floor on February 19 that outlined the fast track timetable which was endorsed by the leaders of both parties in the House yesterday.

Mr. Speaker, the material to which I referred is as follows:

BUDGET COMMITTEE READY TO ACT EXPEDITIOUSLY

Mr. JONES of Oklahoma. Mr. Speaker, I want to inform the House that not only has the Budget Committee already begun to act on the 1981 and 1982 budgets, but we are prepared to act expeditiously on the program recommended by President Reagan last night.

But in order to be successful and to meet the timetables that all of us want, and that all of the American people are expecting, we are going to need considerable cooperation from the administration. Right now, the Budget Committee is hamstrung because we do not have specific figures on about half of the proposed budget, including national defense and some of the other categorical programs and consolidations that the administration recommends. If we are able to get the specific recommendations, the specific budget proposals, from the administration by March 10, then the Budget Committee will act very expeditiously. We hope that we can report to the House, and pass through the Congress, an omnibus bill, including a reconciliation title that will include serious and significant spending cuts that will help reduce inflation. I think we will have such an omnibus bill passed by the Congress by mid-July, and that it will put in place the opportunity to have a tax cut before we recess for August.

In order to meet this timetable, however, we are going to require significant cooperation in getting the proper numbers and the proper details of the program from the administration. I think the Democrats on the Budget Committee as well as the Republicans are going to be very cooperative. We all want to move ahead so that we can get this economic program moving and get our econ-

omy back on a path toward real growth for all Americans.

CHAIRMAN'S OPENING STATEMENT

Last night President Reagan submitted a message to the Congress outlining his proposals for the 1981 and 1982 budgets. He stated his hope that "this combination of transmittals will allow the Congress to proceed in accordance with the timetables established in the Congressional Budget Act and will permit rapid consideration of this entire program."

I fully expect that the Congress can consider these budget proposals expeditiously and adhere to the timetable set forth in the Budget Act. Accordingly, the Budget Committee proposes the following agenda for the budget process this year.

The authorizing and Appropriations Committees will report to the Budget Committee their views and estimates on the Carter budget and the Reagan budget revisions by March 20, five days later than normal. Although many details of the Reagan proposals will not be provided until March 10, the substance of the proposals is sufficiently clear to enable the committees to begin their deliberations.

Following receipt of the committees' views, the Budget Committee will hold hearings on the fiscal year 1982 and fiscal year 1981 budget revisions.

By April 15, the Budget Committee will report to the House a budget resolution consisting of three titles: Title I will revise the fiscal year 1981 budget; Title II will set forth the budget for fiscal year 1982; and Title III will provide reconciliation instructions.

Congress will complete action on the budget resolution by May 15.

By June 15, the appropriate committees will submit their reconciliation proposals to the Budget Committee which will assemble them into a single bill and report that bill to the House.

By the July 4 recess, Congress will complete action on reconciliation.

This timeable would permit consideration of a tax reduction bill, either as part of the reconciliation bill or separately, by the August recess.

I realize that this schedule is rigorous and will place severe demands on committee members and staff. I also understand that the information currently available from the Reagan Administration is incomplete. However, if we are to meet the timetable required by the Budget Act and also to discharge our responsibility to the American people to review carefully the far-reaching proposals submitted by the Administration, we must all get to work immediately. The Budget Committee, its staff, and the Congressional Budget Office will provide every possible assistance to the Congress in this vital endeavor.

You may know that there was an effort to bypass the authorizing committees entirely and permit the Budget Committee to have sole jurisdiction over all the legislative changes proposed by the new Administration. This committee strongly and successfully opposed this scheme. The authorizing committees alone have the knowledge and ability to make changes in the programs within their jurisdiction. The Budget Committee's only requirement will be that it receive the results of the committees' deliberations in time to put together a reconciliation bill by June 15.

This will be a difficult year but I know we can all work together to carry out the reforms the American people clearly demand.

Now, let me welcome the Secretary of the Treasury, the Honorable Donald T. Regan, a man who has shifted his distinguished career from the corporate board room to the congressional hearing room.

Mr. Secretary, thank you for coming here today at the start of the long and difficult process which we all hope will lead to regaining control of the Federal budget.

Mr. ALEXANDER. Mr. Speaker, will the gentleman yield further?

Mr. JONES of Oklahoma. I yield to the gentleman from Arkansas.

Mr. ALEXANDER. Mr. Speaker, I have one further point. I want to thank the gentleman from Oklahoma (Mr. JONES) for the initiative that he has taken and the leadership he has provided and the seriousness with which he has undertaken his responsibilities in the House. The gentleman has captured, in my judgment, the spotlight in providing the kind of leadership that is needed in order to make this proposal a reality, and I want to thank the gentleman for the initiative that he has provided.

I want to ask one additional question. I am not sure that people understand in general what it is that must be done in order to implement these proposals.

Some people think we can act on it next week, and so forth.

Is it not true, for example, I will ask the committee chairman, that the chairman of the Committee on Appropriations, the gentleman from Mississippi (Mr. WHITTEN), said that in the deliberations on the appropriations for last year, for the last Congress, rather, the 96th Congress, more than 10,000 witnesses were heard by the Committee on Appropriations during that 2-year period? And did he not say that he wanted to give the opportunity to those same number of witnesses in order to have a full hearing before his committee?

Is this the kind of hearing that committee chairmen are expected to conduct in order to comply with even the fast track process that the gentleman envisions?

Mr. JONES of Oklahoma. Well, in the past the House of Representatives, being the people's institution, has been very open and very desirous of hearing from any public witnesses who desire to testify on any of the programs of the Federal Government. This year obviously we are in a different situation, and we are going to accelerate that time period much faster than has ever been done, certainly in the time that I have been in Congress. And as a student of Congress, I do not know of any timetable that has been accelerated as fast as this perhaps since the early 1930's.

For example, in the Budget Committee, because we were unable to hear all the witnesses who wanted to be heard for or against the program, we have established nine temporary task forces to go into different parts of the budget.

All I am saying is, yes, we are going to hear from the public, but we are going to do it on an accelerated program. We are going to cooperate, and we are going to give this economic program of the administration every opportunity to work.

Mr. ALEXANDER. Mr. Speaker, I have one further question pertaining to Members of Congress.

Suppose there are those of us who want to appear before the Budget Committee and have our say in order to establish the priorities which we interpret to be most meaningful to us. What is the time frame within which Members of Congress will have an opportunity to present their views to the Budget Committee?

Mr. JONES of Oklahoma. Mr. Speaker, toward the end of this month, probably the third week of March, we are going to have 3 open days for testimony before the Budget Committee.

One of those days will be to hear the OMB Director, Mr. Stockman. Another one of those days will be to hear the Chairman of the Federal Reserve System, Mr. Volcker, and the third of those days will be what we call a "Member Day" so that Members of Congress can testify and give us the benefit of their suggestions. That particular day will be announced probably within the next week.

Mr. ALEXANDER. Mr. Speaker, I thank the gentleman for yielding.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. JONES of Oklahoma. I am happy to yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Speaker, I thank the gentleman for yielding, and I particularly want to thank him for conferring on me all the power he did in the opening of his remarks.

Mr. JONES of Oklahoma. I did not think the gentleman was here to hear my remarks.

Mr. WALKER. I was happy to hear the gentleman say that a number of pieces of legislation and proposals were on my desk, and I assure the gentleman that I am no better informed about some of those things than he is.

I simply reflect that as of yesterday I did have delivered to me a document that indicated that the budget revisions of the administration had indeed been presented on Capitol Hill, and what I was reflecting on in my remarks on the House floor was the fact that the gentleman from Arkansas had indicated that this administration had not lived up to its commitment to present the House with the details of its budget program prior to the date of March 10. I was reflecting on the floor that I thought that statement was er-

roneous, that we did in fact have in our possession this document.

I would be the first to admit to the gentleman that not all aspects of the entire legislative package are prepared yet. The gentleman went into some great length about rescissions. It is my impression at least that the rescissions would not be before the gentleman's committee, so, therefore, the fact that the rescissions have not yet been received in the package brought to the Hill would not prevent his committee at all from proceeding on the fast track he outlined.

Mr. JONES of Oklahoma. Mr. Speaker, if the gentleman will allow me to reply, it would to this extent, because the fiscal year 1981 third budget resolution has to go through the Budget Committee, and that resolution is based to a great extent on the rescissions. How much we have to add to the budget will depend on how much we subtract in terms of rescissions.

Mr. WALKER. Mr. Speaker, if the gentleman will yield further, I would say to the gentleman that the administration has taken that into consideration in the budget revisions that they are representing to the Congress. They have based that on the 1982 fiscal year, and it would seem to me that the gentleman does have, and his committee does have before it, a document from which they can work in terms of overall budget categories.

If they have questions of the administration, I think it would be legitimate to raise questions with the administration about how we implement programs of block grants or how we set the legislative proposals, but I would, in addition say to the gentleman that I have to read his remarks and those of the gentleman from Arkansas yesterday in light of the great number of objections that are coming from the gentleman's side of the aisle. To accuse this side of the aisle of making partisan a lot of remarks about that timetable certainly fits in with the remarks that have been given here in 1-minute speeches for the last several days in which there are indications that a majority of the Members from the gentleman's side of the aisle do not want this administration to proceed on the fast track schedule and in fact are opposed to a great many of the proposals that are being put forth.

□ 1645

Mr. JONES of Oklahoma. I am telling the gentleman two points, the gentleman from Pennsylvania. I would hope that when he refers to the gentleman from Oklahoma, that he would not tie my thinking or my speeches into any other speech that any other Member of this body makes on either side of the aisle, and I would extend the same courtesy to him.

I would not associate the gentleman from Pennsylvania with all the speeches, the 1-minute speech varieties that I hear on the other side of the aisle, and I am not sure the gentleman would want to be.

Mr. WALKER. If the gentleman will yield further, I certainly agree with him. I was not tying his position directly to that. I am saying that the partnership is not one sided on this matter, that certainly there have been partisan expressions from his side of the aisle with regard to this budget and to many items in the budget.

I believe the gentleman is sincere about going about a fast track.

I was disappointed to be sitting in my office and listening to the gentleman indicate that you know he was disturbed at the administration not being forthcoming. I think there is information to work from. If not all the information is there, I would hope the administration is going to be forthcoming with that information. I would like to see that fast track adhered to.

Mr. JONES of Oklahoma. That is precisely what the gentleman from Oklahoma and the Budget Committee intends to do.

The second point I was about to make. I am certain the gentleman from Pennsylvania does not want to mislead in his statements as to where the problems are. I think we must take partisanship out of this process and it is precisely what the gentleman from Oklahoma has been putting in 18 and 19 hours a day attempting to do.

All I am saying is it does not serve this bipartisan effort well to lead the public to believe that the entire program is before Congress ready to be acted on, because that statement cannot be supported even by members of the administration.

So all we are trying to do is lay before the public what the true facts are. Most of the budget is before us, and we are working on it and we are going to adhere to a fast track.

But if we do not have the specifics of a farm bill, if we do not have the specifics of a rescission, if we do not have the specifics of a nutrition program changes, if we do not have the details on how you convert 35 categorical programs into 2 block grants programs with the distribution formula, who gets the distribution, how it is to be distributed then the Congress itself cannot act on the program.

I think we have a responsibility to lay out exactly where we are in this budget process. I think we have a responsibility to demand of the administration and demand of Congress candor and as much bipartisan approach as possible so that we can put together a realistic budget that we can be proud of and that will hold up to the test of time.

The one thing I do not want is to accept a bunch of phony figures from any source either in Congress or the administration and to have to come back here next year and raise that budget and tell the American people that we are no more honest or no more accurate about our budget than we have been in the past.

The American people want to break with the past. They want honest budgets. They want some change in fiscal policy. I think it is going to take all of us working together. It does not do well to say that we have it all before us and all we are waiting on that we ought to act on it right quick. That is the point I am trying to get across.

I hope the gentleman from Pennsylvania did not intend that, but that was the way I read it.

Mr. WALKER. I certainly did not intend at any point to indicate that we are not willing to cooperate with the gentleman in those kinds of efforts. However, it does seem to me that there is some question in my mind as to how fast some of the authorizing committees are willing to proceed on some of that very legislation the gentleman refers to.

The administration does have a duty to get its proposals up here, but of course until we can be absolutely certain they fit into the budgetary process, we are going to be dependent upon the authorizing committees to take their actions relevant to those proposals.

I would certainly hope we are not going to delay the budget process until the authorizing committees have taken the actions that they would have to for instance on converting to block grants.

Mr. JONES of Oklahoma. The point is as the gentleman well knows, you cannot write a reconciliation bill unless you have specific language to specifically amend present statutory language. Theoretically, the administration will want to give their recommendations in details as to specifically how to amend the statutes.

And the point is, as long as I am chairman of this committee, we are going to point out where deficiencies are, where problems are, because I am committed and I think the Budget Committee is committed on both sides of the aisle to make this budget process work.

What I hope we can put beside us today, put in the background is the bipartisan bickering and snipping and feet dragging for some vague reason. I hope when we have a delay that we will be able to point to a specific reason for the delay and to put pressure on eliminating that delay so that this timetable can be adhered to.

Mr. WALKER. If the gentleman will yield further, I would certainly commend him for those remarks. I would certainly like to agree with the spirit of that and remind the gentleman

that my speech was not made initially that the partisanship began on his side of the aisle and I was reacting to a speech from his side of the aisle, so I hope his side of the aisle will agree with that spirit across the board as well.

I thank the gentleman.

Mr. JONES of Oklahoma. I thank the gentleman. I can assure him that my speech at the time or in reading it since the time has no flavor of partisanship and no intent of partisanship.

THE U.S. FLAGSHIP FAIR COMPETITION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 15 minutes.

Mr. KEMP. Mr. Speaker, last summer, President Reagan stated that—

> Our maritime industry is at a critical stage. Ninety-five percent of our trade moves in foreign vessels—a serious situation. Our active U.S.-flag fleet has declined to 533 ships—about one-third of the total lost by our country during World War II. As the world's leading trading nation, as an island of have-nots in the area of strategic commodities, and as the chief guarantor of freedom of the Western World, the United States is in dire need of a rational, reasonable and effective maritime policy.

This was not merely campaign rhetoric. The decline in U.S. shipbuilding capacity, and in U.S. flagships, has cost thousands of U.S. jobs as well as the security—both military and economic—that a sound merchant marine insures. That is why I am joining with my colleagues today to introduce the U.S. Flagship Fair Competition Act. Our bill would strengthen the American merchant marine by reducing the current 14½-year depreciation rate for U.S. ships and shipbuilding facilities to an immediate 5-year writeoff. This package has both labor and industry support, and was developed over the past 6 months with the help of a broad coalition of labor, community, research and industry groups.

A new strategy for revitalizing our declining maritime industry must be an essential part of a strategy for restoring full employment. Most of our major cities are port cities—they grew up as maritime towns. The shipbuilding industry proved a major technical training facility for youth and minorities in a host of related industries. Now, with the decline of our port areas comes a devastating decline in job opportunities and hope for the future. Over one-half of the members of the International Longshoremen's Association in Buffalo today are either unemployed or only working part time—and that part time work is not maritime related. The ILA in New York State has not accepted any new members into their union since 1962, which means that no new longshoreman jobs have been created in New York for 18 years.

A strong merchant marine is also crucial to our role as the world's leading producer. As President Reagan has said, "The world trades by sea," and the United States is the world's largest trading nation. We are heavily dependent on ships to bring in foreign goods, petroleum, and raw materials for our industries, and we need ships to carry our manufactured products, agricultural products and raw material exports to the world's markets.

Three decades ago the United States was the most powerful maritime nation in the history of the world. Our U.S. Navy was over 1,000 ships strong. Today, the Navy is down to less than 500 ships, many overaged. As for commercial shipping, the 500-odd oceangoing vessels flying our flag today currently carry less than 5 percent of our own commerce, while 95 percent of U.S. trade is carried by ships of other countries, whose availability in time of crisis is uncertain at best.

Our maritime industry plays an integral role in our overall foreign policy. Four years of increasing Soviet belligerence has been encouraged by our inability to project our military and economic strength in any coordinated manner. Today the Soviet Union—primarily a land power—can claim the world's largest navy. The Soviet Union has more oceangoing surface warships than the U.S. Navy, and they are building new ships at a faster rate than we are. Commercially, the Soviet Union has emerged as a rapidly expanding maritime power. Since 1950, the Russian merchant fleet has increased from 400 ships with under 2 million tons of capacity to over 2,500 ships totaling almost 20 million tons. This fleet carries over 65 percent of Soviet foreign commerce and, through freight rate manipulation, an increasing share of the commerce of the free world.

Though many factors have contributed to this dangerous decline in our maritime industry, U.S. Federal tax policy certainly played a major role. The governments of most maritime nations provide substantial incentives for shipping, and one of the most effective forms of assistance they receive is rapidly accelerated depreciation. Great Britain allows a 1-year writeoff, Sweden allows a 5-year writeoff, and Germany allows its shipbuilders to write off almost half in the first year alone. In addition, most shipping nations allow the writeoff to commence as soon as construction begins. Soviet shipping lines are heavily subsidized to the extent that the capital cost of vessels in the fleet, replacement provisions, and their depreciation expense are not imposed on Soviet carriers.

Now, I am certain that U.S. shipping is more than up to the foreign shipping challenge. But our merchant marine needs to be allowed to compete fairly, on the same terms.

As a first step in our program of recovery for the U.S. shipping industry, we are today introducing the U.S. Flagship Fair Competition Act, which will put our maritime industry on more equal footing with its foreign competitors. The bill would provide an even more effective incentive for shipping than the administration's tax program due to four key provisions.

(1) TIME OF DEDUCTION

The depreciation process for vessels and shipyards would begin as soon as ship construction begins; under 10-5-3, depreciation would be delayed until the ship entered service. Since shipbuilding is a lengthy process, and many other countries allow such immediate writeoffs, this bill would do more than 10-5-3 to put U.S. shipping on equal footing with other countries.

(2) TRANSITION RULE

The change to a 5-year depreciation schedule for shipping would begin immediately in 1981; under 10-5-3, a phase-in would delay the change until 1985. In addition, the Fair Competition Act would allow the new 5-year writeoff to be used on existing vessels for the balance of their depreciable lives. Unlike most tax situations, this will not result in a big revenue loss to the Treasury. This transitional rule is extremely important to U.S.-flag shipping, as there is an urgent need for our country's fleet to change over to energy efficient diesel-powered ships as soon as possible due to the huge increases in fuel cost. The Fair Competition Act will enable them to write down existing ships in order to form the capital needed to make this costly change.

(3) FLEXIBILITY OF APPLICATION

Since shipping is a highly cyclical business, the Fair Competition Act would allow U.S. shipbuilders to delay the depreciation over a longer schedule if preferred; under 10-5-3, no such provision exists.

(4) RECAPTURE PROVISION

The Fair Competition Act provides an incentive to maintain the U.S. registry of ships treated by the new depreciation schedules by imposing a significant tax on any transfer of the vessel to a foreign registry; 10-5-3 has no such provision.

If the United States is to survive as a viable and progressive Nation, we must develop and undertake a maritime policy that will both demonstrate our understanding of the importance of the seas to America's future and reestablish the U.S.-flag commercial fleet as an effective economic instrument capable of supporting U.S. interests abroad. A strong merchant marine is essential for world security, for our domestic economy, and for the future of

thousands of American workers nationwide. The U.S. Flagship Fair Competition Act would take us a long way toward creating that kind of strong and sound maritime industry. A copy of this legislation follows:

H.R. 2456

A bill to amend the Internal Revenue Code of 1954 to provide that, in the case of certain vessels documented under the laws of the United States, the deduction for depreciation may be computed using a useful life of 5 years, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 167 of the Internal Revenue Code of 1954 (relating to deduction for depreciation) is amended by redesignating subsection (r) as subsection (s) and by inserting after subsection (q) the following new subsection:

"(r) ALTERNATIVE DEPRECIATION FOR VESSELS AND VESSEL CONSTRUCTION FACILITIES.

"(1) GENERAL RULE.—Under regulations prescribed by the Secretary, the taxpayer may elect to compute the depreciation provided by subsection (a) attributable to eligible vessels and vessel construction facilities by using a useful life of five years and by using a method allowed by subsection (b).

"(2) TIME OF DEDUCTION.—An amount paid by the taxpayer with respect to an eligible vessel or facility will be subject to the allowance under paragraph (1) in the taxable year paid by the taxpayer without regard to the date the eligible vessel or facility is placed in service.

"(3) CARRYOVER OF ALLOWANCE.—In any year the taxpayer does not claim the entire amount of the depreciation allowed under paragraph (1), the unclaimed amount may be carried forward and claimed in any subsequent year in addition to the allowance claimed in that year pursuant to paragraph (1). The deduction for any taxable year may be increased or decreased at any time before the expiration of the period prescribed for making a claim for refund of the tax imposed by this chapter for such taxable year.

"(4) TRANSITIONAL RULE.—In the case of any eligible vessel, but not including vessel construction facilities, for which an allowance for depreciation under subsection (a) has been claimed for a prior taxable year, the balance in the capital account not yet claimed under subsection (a) may be treated by the taxpayer as property subject to the allowance of this subsection if the taxpayer so elects, in accordance with regulations prescribed by the Secretary.

"(5) RECAPTURE PROVISION.—If, in any taxable year, any eligible vessel with respect to which deductions were made under this subsection is documented or registered under the laws of a nation other than the United States, then the taxpayer must include in his gross income for the taxable year, an amount equal to the excess of the accelerated depreciation claimed under this subsection over the depreciation that would have been allowed on a straight line basis over the actual life of the vessel.

"(6) DEFINITIONS.—For the purposes of this subsection—

"(A) ELIGIBLE VESSEL.—The term 'eligible vessel' means a vessel documented, or to be documented, under the laws of the United States that is operated in the foreign, international, or domestic commerce of the United States.

"(B) VESSEL.—The term 'vessel' means a vessel and any cargo handling equipment affixed to the vessel and a container complement not exceeding three times the vessel's capacity.

"(C) VESSEL CONSTRUCTION FACILITIES.—The term 'vessel construction facility' means an item of real or personal property, excluding land, that is utilized in the construction, modification, or maintenance process of eligible vessels and that was placed in service after the effective date of this subsection.

"(7) EFFECTIVE DATE.—The provisions of this subsection shall apply to taxable years ending after the date of enactment of this subsection."

CREDIT CARDS: CHECK THE ALTERNATIVES!

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, the days of using credit cards indiscriminately are gone. With over 600 million credit cards in use the effect on consumers is staggering.

To make matters worse, the credit card industry is in the midst of change resulting in chaos for the consumer. People are now being asked to pay fees for a service that used to be free. Even higher interest rates and fees are on the way.

Banking institutions everywhere are once again changing the rules on consumers. The people using these cards must be told that they do have other options.

The people hurt worst are those who use cards for necessary purchases. They accept these new terms only because they believe there is no alternative. Many of these people believe there is only one VISA or MasterCard even though this is not the case. These cards are issued by each financial institution and the cost to the consumer varies.

It is for this reason that I ask all consumers to protect themselves by shopping around and exercising good judgment in making decisions on credit choices. There are alternatives and consumers must educate themselves before committing to costly credit card arrangements.

In New York City, for instance, the situation is being called a credit card war. The battle lines are drawn between banks charging an annual fee on their MasterCard and VISA credit cards and those who are not charging a fee. In addition, the various banks issuing these cards do not charge the same interest rates. This same situation exists throughout the entire country.

Consumers must be wary. The variable costs involved demand that consumers must seek out those banks offering the best prices on credit card services.

In the past I have urged consumers to fight increased credit card costs by boycotting credit card purchases. I continue to believe the best way for consumers to fight increased costs is to stop using the cards. While encouraging cash purchases instead of credit card purchases, I am enough of a realist to know that in many cases credit cards are a necessity.

As the incomes of all Americans suffer in the grip of inflation, people must be aware of how they are spending their money. Consumers do have the ability to protect themselves by shopping around. There is no reason to pay unnecessary charges for credit card services.●

OVERSIGHT HEARINGS ON THE IMMIGRATION AND NATURALIZATION SERVICE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kentucky (Mr. MAZZOLI) is recognized for 5 minutes.

● Mr. MAZZOLI. Mr. Speaker, I wish to announce that the Subcommittee on Immigration, Refugees, and International Law, of the House Judiciary Committee will hold 2 days of public hearings to review the fiscal year 1982 authorization submission for the Immigration and Naturalization Service. These hearings will be held on March 17 and 18, 1981, in room 2237, Rayburn House Office Building, and will commence each day at 9 a.m.

In addition to considering the fiscal year 1982 budget for the Immigration and Naturalization Service, the hearings will also explore management problems confronting that agency and particular emphasis will be placed on the funding requests for the border patrol and for INS inspectors and investigators.

Representatives from the central office and regional offices of the Immigration and Naturalization Service are scheduled to testify at the hearings, as well as John Kratzke, from the President's Management Improvement Council, who has just completed a comprehensive, independent management analysis of INS, as mandated by Public Law 96-132. Testimony will also be received from officials of the airline industry, international airports, and the American Federation of Government Employees.●

EFFECTIVE DATE FOR DEPRECIATION REFORM PROVISIONS OF TAX BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ROSTENKOWSKI), is recognized for 5 minutes.

● Mr. ROSTENKOWSKI. Mr. Speaker, I want to take this opportunity to bring to the attention of my colleagues the following statement which was issued today by the chairman and the ranking minority members of the

Committee on Ways and Means and the Committee on Finance regarding the effective date of any depreciation reform provisions which may be included in the tax reduction legislation currently under consideration:

JOINT STATEMENT ON THE EFFECTIVE DATE OF ANY CHANGES RELATING TO DEPRECIATION

The following is a joint statement made by Chairman Dan Rostenkowski (D., Illinois), House Committee on Ways and Means and Ranking Republican Member Barber B. Conable, Jr., (R., New York), Chairman Bob Dole (R., Kansas), Senate Committee on Finance and Ranking Democratic Member Russell B. Long (D., Louisiana), with respect to the effective date of any depreciation reform that may be included in the tax cut bill:

There has been increasing concern that businesses may delay going forward with their investment plans until Congressional action on a tax bill is completed. The Chairman and the ranking minority members of both tax writing committees believe it is important to state their intent to support making any changes relating to depreciation reform effective no later than today, March 11, 1981. This announcement is not intended to rule out an earlier effective date, such as January 1, 1981. The precise effective date will be decided during the legislative consideration of the tax cut bill.

DAN ROSTENKOWSKI,
Chairman,
Committee on Ways and Means.
BARBER B. CONABLE, JR.,
Ranking Minority Member,
Committee on Ways and Means.
BOB DOLE,
Chairman,
Committee on Finance.
RUSSELL B. LONG,
Ranking Minority Member,
Committee on Finance.●

FEDERAL WORKER PORTRAIT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. FORD) is recognized for 5 minutes.

● Mr. FORD of Michigan. Mr. Speaker, we all carry in our minds stereotypes of groups in our society. They often little resemble reality.

Take the workers in the Federal civilian work force. It is probably true that this very title conjures up in the American mind an image of paper shufflers wearing green eye shades at their desks in obscure Washington offices. It is probably true as well that these nondescript figures are regarded as overpaid, underworked and that they multiply geometrically.

Sadly, this picture is terribly distorted. It squares not at all with the way things really are.

The people who are lumped together, sometimes derisively, as Government workers are doctors, lawyers, electricians, brickmasons, accountants, shipbuilders, deep sea divers, oceanographers, scientists, typists, mechanics, secretaries, architects, librarians, teachers, mailmen, and so forth.

In short, they are the people who live next door. The only difference is that they do not work for General Motors, United States Steel, Prudential Life Insurance, the local supermarket or the neighborhood automobile dealership. On the average they earn about $20,000 a year, which closely parallels the median family income in the United States. They raise about the same number of children as other Americans, have home mortgages and automobile payments and other expenses like the family down the block.

At last count there were 2,907,259 men and women working full time for the Federal Government, not including the military.

And to put to rest the notion that these are mostly bureaucrats in musty Washington offices, consider this:

Only 7.64 percent of all Federal employees work in the District of Columbia. Actually there are more Federal workers in the State of California than any place else in America—nearly 300,000 of them for a total of 10.65 percent of the total Federal workforce. Michigan has 53,350; New York 166,194; Texas 148,022; Illinois 101,687; Ohio 89,444; Georgia 75,941; Alabama 59,857; Pennsylvania 128,018.

It is disheartening to hear, as we do these days, blanket condemnations of Federal Government workers. All too frequently they are the brunt of jokes as they are portrayed as freeloaders at the public trough. Nothing could be farther from the truth.

The truth is that if we did not have Federal workers spread across the face of this land we would have to invent them.

They build and repair our Navy's ships. They deliver our mail. They guide our commercial airliners in and out of crowded airways. Every day they are developing new treatment and cures for disease. They make sure that the food we eat is safe. They make possible the flow of commerce. Without them our kind of society could not survive.

The farmers in America would find their lives a good deal more difficult without county agricultural agents who test their soils, recommend rotation practices and perform countless other services. Of the 93,843 employees in the Department of Agriculture, very few are necessary paper shufflers in Washington. Mostly they work near the farm lands in occupations ranging from soil conservationists to veterinarians. For the record, there are 3,200 people working for the Federal Government in the field of veterinary medical science. Among other things, they guarantee that our food supplies are not contaminated by disease.

The next time you are tempted to think of these public servants as pencil pushers, remember that mathematicians and physicists employed by the Federal Government launch our space vehicles. There are 9,834 persons employed in the physical sciences. Remember, too that it is the investigators at the FBI and lawyers at the Justice Department—in cities across America—who protect our laws and prosecute those who violate them. This is a nation of laws populated by more than 200 million citizens. The figure of 20,882 persons working in legal and kindred employment hardly sounds unreasonable.

It is true that the largest single concentration of white-collar workers is in Washington. But this is hardly surprising since Washington houses the headquarters for most departments and agencies.

We hear a lot about waste and inefficiency in the Federal Government. Of course there is some. It would indeed be surprising if there were not. We will find some waste and inefficiency in the best managed American corporations. It is unavoidable in any undertaking—from the lowest household to the largest corporation. The difference is that Government is always under close scrutiny because it spends the public's money. Reporters do not look for waste at General Motors, United States Steel, IBM, or Texas Instrument, even though the public pays for waste and inefficiency in the business and industrial community through higher prices.

Government does have a special obligation to insure that the people's money is spent wisely. Waste and fraud should be pursued diligently. Where it is found it should be cut out. But this should be done surgically, not with a meat ax. In trimming the fat we must take care not to mutilate the steak.

It has taken two centuries to build the machine that is our Federal work force. The vast majority of workers are in their jobs because there is indispensable work to be done to keep the Nation operating. There is no question that unneeded jobs should be eliminated, that unnecessary workers be let go and procedures streamlined wherever possible. But we should avoid a helter-skelter approach that threatens, in the name of economy, the vital work that must be done.

When we set out to eliminate jobs, we must know precisely what we are doing. Before we act we must have a good idea of the consequences. Do we have too many food inspectors, too many customs officials, too many social security clerks, too many doctors at the National Institutes of Health, too many county agricultural agents, or too many air traffic controllers?

Just these few examples provide an insight into the importance of Federal workers to our daily living. Without them we could not travel safely. We could not trust the very food we eat. So many of the services on which we

depend would not be there without the Federal worker.

We have become a very complex society. It requires considerable expertise to keep it operating. There are those of us old enough to remember the Model-T Ford. Pop and the boys could usually keep it running with a few inexpensive parts that were relatively easy to install. Anyone who has looked under the hood of an automobile today understands that keeping it on the road is no job for the average backyard mechanic. And what has happened to the automobile is really a microcosm of what has happened to our society.

This means a lot of people. But consider this: The total number of full-time Federal workers has remained virtually unchanged since 1967 and the ratio per 1,000 population has declined from 16.3 to 12.4 since 1952.●

PAPERWORK AWARENESS ACT OF 1981

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. BEDELL) is recognized for 5 minutes.

● Mr. BEDELL. Mr. Speaker, day after day, Members of Congress, business persons, educators, labor leaders, and administrators at every level of our society speak out against the proliferation of paperwork and the burdensome requirements placed on them by the Federal Government. This problem has been addressed by endless pieces of legislation, numerous Executive orders, and thousands of campaign promises. Yet the problem continues to increase. With our industries, hospitals, schools, and city halls burdened by paperwork and individual citizens crying out for relief, I feel the day of reckoning has come. It is time for Members of Congress to face up to the fact that reducing these burdens must begin during the legislative process. We must address these matters as part of our deliberating process before casting our yeas and nays. For this reason, I am introducing today the Paperwork Awareness Act of 1981.

This bill would require committee reports on proposed legislation to contain statements of the reporting and recordkeeping requirements which will be imposed on individuals, private industry, and State and local governments as a result of the enactment of such proposed legislation. It is important to note that this legislation is not meant to be a discussion of the pros or cons of the legislation but rather to serve as a useful tool for identifying the impact of that legislation. Members of Congress have a critical need for this information regarding the burdens a particular bill would impose on society at the time the proposal is actually considered.

Although I have personally sponsored and joined my colleagues in sponsoring many different pieces of legislation that work toward the elimination or reduction of existing paperwork requirements, I have often wondered why these matters were not considered at the time the legislation was adopted by the Congress. The fact of the matter is: Congress is often blinded by the merits and good intentions of a proposal and fails to look at the consequences of the legislation at the time of passage. Mr. Speaker, I contend that if Members of Congress knew a particular bill would require pages of regulations to administer and mountains of paperwork to comply, at significant cost to the private and public sector, they may have defeated the legislation or considered a better alternative to accomplish the same legislative objective.

The need for this legislation can easily be understood when one considers the burden placed upon individuals, businesses, industries, organizations, associations, and State and local governments. The Federal Paperwork Commission estimated several years ago that the cost of Federal paperwork requirements amounted to over $100 billion a year. Two years ago, the Office of Management and Budget estimated that the public devoted 786 million hours—nearly 33 million days—to filling out Federal forms. When will this runaway burden be brought under control? When will we, as Members of Congress, be able to address our constituents back home and responsibly inform them that the paperwork requirements were carefully considered before we cast our vote on a legislative matter?

It is simply not enough that we address the reduction of paperwork. We must also address the creation of paperwork. Just as a responsible physician has an obligation to treat the cause of a disease as well as the symptoms, this act would give Members of Congress the needed information to address the disease. To this end, my bill would require all congressional committees to include in their legislative reports on a specific bill a statement which estimates the extent and cost of Federal paperwork which would be generated by enactment of the reported bill. It would also estimate the complexity of the forms which would be necessary for compliance, and the potential cost in time and money which would result from bookkeeping under the new statute. These changes would force the Congress to consider the potential paperwork impact of proposed legislation at the time it is debating the merits of such a bill. And, in turn, it would hopefully serve to prevent the proliferation of unnecessary redtape by creating a greater awareness within the Congress of the paperwork problem.

I urge you to join with me in the fight against paperwork. It is critical that as decisionmakers we have all the information concerning a legislative matter before casting our vote. The Paperwork Awareness Act of 1981 will do just that. A text of the bill follows:

H.R. 2440

A bill to require committee reports on proposed legislation to contain statements of the reporting and recordkeeping requirements which will be imposed on individuals, private industry, and State and local governments as a result of the enactment of such proposed legislation

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That (a) part 5 of title II of the Legislative Reorganization Act of 1970 is amended by adding at the end thereof the following new section:

"NEW PUBLIC REPORTS AND RECORDS REQUIRED BY PROPOSED LEGISLATION

"SEC. 254. (a) The report accompanying each bill or joint resolution of a public character reported by any committee of the House of Representatives (other than the Committee on Appropriations) shall contain a statement estimating—

"(1) the number of reports which would be required to be made, and records which would be required to be kept, by individuals, organizations, associations, private business enterprises, and State and local governments, as a result of the enactment of such bill or joint resolution,

"(2) the complexity of the forms which would be required in making such reports and keeping such records, and

"(3) the cost and time which would be required in making such reports and keeping such records.

"(b) It shall not be in order in the House of Representatives to consider any such bill or joint resolution if such bill or joint resolution was reported in the House, as the case may be, after the effective date of this section and the report of that committee of House which reported such bill or joint resolution does not comply with the provisions of subsection (a) of this section."

(b) The table of contents of the Legislative Reorganization Act of 1970 is amended by adding at the end of part 5 of title II thereof the following new item:

"Sec. 254. New public reports and records required by proposed legislation."

SEC. 2. The first section of this Act is enacted by the Congress—

(1) as an exercise of the rulemaking power of the House of Representatives, and as such it shall be considered as part of the rules of the House, respectively; and such rule shall supersede other rules only to the extent inconsistent therewith; and

(2) with full recognition of the constitutional right of the House to change such rules (so far as relating to the procedure in the House) at any time, in the same manner, and to the same extent as in the case of any other rule of the House.●

TRAGEDY IN ATLANTA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Puerto Rico (Mr. CORRADA), is recognized for 5 minutes.

● Mr. CORRADA. Mr. Speaker, it is with a great sense of sadness and out-

rage that I join our colleagues today in expressing our sorrow to the families and friends of the children in Atlanta who have fallen victim to a vicious and sick killer.

We pray that the killer will be caught soon before more innocent lives are lost. For the children of Atlanta, particularly young black boys and their families, the anguish and fear continues, at the expense of their mental and emotional stability. For it is a great tragedy when we, as parents, have to instill fear and mistrust to our children. But this the parents of Atlanta's children must do to insure their safety.

The police in Atlanta theorize that the killer is a person of authority and one who instills confidence from the children. Otherwise, how can so many children have gone with him without so much as a fight?

And unfortunately, the situation which exists in Atlanta is evidence of a climate of violence that surrounds our society. At an age when children should be allowed to be independent and to learn to deal with society as they become adults, we have to teach them to be extra careful and to mistrust adults for fear of danger to them. We are thus creating insecurities in our children; insecurities which will remain with them for the rest of their lives.

The tragedy in Atlanta is, as a result, not only limited to the families and friends of the children that have died, but makes us all the losers by fomenting fear and mistrust amongst ourselves.

I join with all my colleagues in praying for those who have died and are missing and for the prompt arrest of the killer who has created such havoc in so many lives.●

HOW "MODERATE" IS SAUDI ARABIA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. SCHUMER), is recognized for 5 minutes.

● Mr. SCHUMER. Mr. Speaker, the Reagan administration is seeking approval to break assurance made in 1978 to both Congress and Israel in its wish to sell our most sophisticated offensive weaponry to Saudi Arabia. The administration is basing its request on its perception of Saudi Arabia as a "moderate" Middle Eastern nation worthy of conciliatory gestures.

Let us, for a minute, take a close look at how moderate the Saudi Arabians really are:

Oil prices: True Saudi willingness to cooperate with the United States is most accurately reflected in Saudi oil policy. However, instead of supporting oil price moderation, Saudi Arabia instigated the rapid escalation of OPEC oil prices after the Iranian revolution, and has continued threats to reduce oil production—a dangerous charge from a nation that exports 25 percent of the world's oil supply. The Saudi Arabians also threatened the Carter administration with oil cutbacks if the President complied with a congressional mandate to resume filling the strategic petroleum reserve, a stance of unwarranted interference with American policy. While Saudi Arabia did to a minor degree moderate its oil prices in 1980, international analysts believe it did so more to assert its own independence within OPEC, rather than aid the American oil consumer.

Camp David: Instead of supporting the first peace agreement to be reached between Israel and Egypt, the Saudis opposed the peacemaking efforts of the United States by leading the Arab League in condemning the treaty and organizing an economic and political boycott of Egypt.

PLO: The Saudi Arabians have redoubled their support of the PLO since the signing of the Camp David accords. Currently, they provide major financial assistance to the PLO and support its terrorist activities against Israel.

Islamic Conference, Taif: As recently as January of 1981, Saudi Arabia led the Moslem states at the Islamic Conference at Taif in calling for a "jihad" or holy war against Israel. At the same conference, Saudi Arabia severely pressured Turkey to sever its relations with Israel. In a revealing moment, Crown Prince Fahd himself participated in an Islamic prayer for the aid of Allah in "cleansing Jerusalem of the Jews."

Military bases: In statements made by the White House and Pentagon officials after the 1978 arms sale, they indicated that the ultimate objective of the sale was to persuade the Saudi Government to give U.S. forces access to military bases in Saudi Arabia. Despite increasing U.S. concern over the role of the Soviets in the Persian Gulf region, the Saudis consistently and adamantly refuse to satisfy this condition.

In view of such a past, another arms sale would not be proof of improved United States-Saudi relations, but would instead be a demonstration of Saudi ability to obtain what it wants from our country without regard for U.S. benefit. At the very least, the Reagan administration should defend its integrity and the integrity of the United States itself by holding the Saudis to its share of the 1978 bargain. The United States has a right to insist, in its own national interest, that Saudi Arabia assume an anti-Soviet leadership role in the Middle East, drop its threats to reduce oil production, support the Camp David agreement, abandon its hostility toward Egypt, cease aiding the PLO, and curb its call for a "jihad" against Israel.

Without the presence of such conditions, I cannot vote to approve the sale, and will attempt to convince my colleagues that the sale is not in our interest, in Israel's interest, nor in the interest of peace. To concede to an extremist government in the Middle East would be to reward aggressiveness and militance, rather than to encourage moderation. We owe more than that to the Middle East peace process, of which we are a guarantor, to Israel, our long-time ally and close friend, and to the American people, in whose best interest we must always serve.●

SUPPORT FOR PRESIDENT

(Mr. MICHEL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MICHEL. Mr. Speaker, a number of organizations across the country have expressed their support for President Reagan's economic program, despite the fact that their members, like all Americans, will have to do their part to make the program work.

One of those organizations is the American Meat Institute. I insert at this point in the RECORD, the institute's statement on behalf of the President's program:

The American Meat Institute supports President Reagan's recently announced economic recovery program. The package submitted by the President represents a comprehensive attempt to revitalize the economy by dealing squarely with the economic problems that have long plagued our nation. The President's program is the first serious attempt in decades to reverse the spiraling growth in Federal spending and the growing role of the Federal Government in the private sector.

In particular, the depreciation reform provisions of the President's tax reduction program will do much to increase the productivity of American meat packers and processors by generating new capital for investment.

The American Meat Institute endorses President Reagan's program because we recognize that a vital, economically healthy meat industry is dependent on an American economy rid of double-digit inflation, high interest rates, low productivity and lack of sufficient investment capital. The economic recovery program is an important step in improving the economic outlook for the meat industry and the country.

SENATE JOINT RESOLUTIONS REFERRED

Joint resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S.J. Res. 22. Joint resolution authorizing the President to proclaim March 16, 1981, as "Freedom of Information Day"; to the Committee on Post Office and Civil Service;

S.J. Res. 28. Joint resolution designating the week beginning March 8, 1981, as

"Women's History Week"; to the Committee on Post Office and Civil Service; and

S.J. Res. 38. Joint resolution to provide for designation of March 6, 1981, as "Teacher Day, United States of America"; to the Committee on Post Office and Civil Service.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. GINGRICH), to revise and extend their remarks and include extraneous material:)

Mr. CONABLE, for 30 minutes, today.
Mr. KEMP, for 15 minutes, today.
Mrs. HECKLER, for 5 minutes, today.

(The following Members (at the request of Mr. DYSON), to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 15 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. WAXMAN, for 5 minutes, today.
Mr. ENGLISH, for 5 minutes, today.
Mr. WILLIAM J. COYNE, for 5 minutes, today.
Mr. MAZZOLI, for 5 minutes, today.
Mr. ROSTENKOWSKI, for 5 minutes, today.
Mr. FORD of Michigan, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. GINGRICH) and to include extraneous matter:)

Mr. DORNAN of California.
Mr. MARKS.
Mr. GREEN.
Mr. MICHEL in three instances.
Mr. BEREUTER.
Mr. LENT.
Mr. MCCLORY.
Mr. DERWINSKI in three instances.
Mr. PHILIP M. CRANE.
Mr. WORTLEY.
Mr. KEMP in three instances.
Ms. FIEDLER.
Mr. LEBOUTILLIER.
Mr. LAGOMARSINO in two instances.
Mr. GRISHAM.
Mr. DUNCAN.
Mr. JEFFRIES.

(The following Members (at the request of Mr. DYSON) and to include extraneous matter:)

Mr. MINISH.
Mr. MAZZOLI.
Mr. MAVROULES in two instances.
Mr. ROSENTHAL in two instances.
Mr. ASPIN in two instances.
Mr. CORRADA in two instances.
Mr. ROE in two instances.
Mr. PICKLE in 15 instances.
Mr. HAMILTON in two instances.
Mr. GARCIA in two instances.
Mr. BOLAND.
Ms. BOGGS.
Mr. JONES of North Carolina in two instances.
Mr. FOLEY.
Mr. RODINO in two instances.
Mr. YATRON.
Mr. OTTINGER in two instances.
Mr. AUCOIN.
Mr. BRODHEAD.
Mr. FLIPPO.
Mr. FASCELL.
Mr. HOLLAND.
Mr. JONES of Tennessee.
Mr. BENNETT.
Mr. LEHMAN.
Mr. WEISS in five instances.
Mr. HUGHES.
Mr. BEDELL.
Mr. EDGAR.
Mr. SWIFT.

ADJOURNMENT

Mr. ALEXANDER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 54 minutes p.m.), the House adjourned until tomorrow, Thursday, March 12, 1981, at 11 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

758. A letter from the Acting Comptroller General of the United States, transmitting his review of the deferrals and revised deferral of budget authority contained in the message from the President dated February 13, 1981 (H. Doc. No. 97-19), pursuant to section 1014 (b) and (c) of Public Law 93-344 (H. Doc. No. 97-30); to the Committee on Appropriations and ordered to be printed.

759. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a cumulative report on rescissions and deferrals of budget authority as of March 1, 1981, pursuant to section 1014(e) of Public Law 93-344 (H. Doc. No. 97-31); to the Committee on Appropriations and ordered to be printed.

760. A letter from the Acting Under Secretary of Defense (Research and Engineering), transmitting detailed information used in preparation of the annual report on independent research and development and bid and proposal costs; to the Committee on Armed Services.

761. A letter from the Acting Assistant Secretary of the Army (Installations, Logistics and Financial Management), transmitting notice of the proposed conversion to contract performance of the laundry and dry cleaning function at Fort Meade, Md., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

762. A letter from the Acting Assistant Secretary of the Army (Installation, Logistics and Financial Management), transmitting notice of the proposed conversion to contractor performance of the laundry and dry cleaning function at Fort Riley, Kans., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

763. A letter from the Assistant Secretary of the Air Force (Research, Development and Logistics); transmitting notice of the proposed conversion to contractor performance of the family housing maintenance function at Moody Air Force Base, Ga., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

764. A letter from the Acting Secretary of the Treasury endorsing two drafts of proposed legislation submitted by the previous administration (Executive Communication No. 310); to the Committee on Banking, Finance and Urban Affairs.

765. A letter from the Chairman, Federal Deposit Insurance Corporation, transmitting the Corporation's first report on its administration of the Change in Bank Control Act of 1978, pursuant to section 7(j)(14) of the Federal Deposit Insurance Act; to the Committee on Banking, Finance and Urban Affairs.

766. A letter from the Chairman, Railroad Retirement Board, transmitting a draft of proposed legislation to repeal the first section of the act entitled "An Act to amend the Railroad Retirement Act of 1974 to extend certain cost-of-living increases"; to the Committee on Energy and Commerce.

767. A letter from the General Counsel, Civil Aeronautics Board, transmitting a report on the Board's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

768. A letter from the Chairman, National Transportation Safety Board, transmitting a report on the Board's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

769. A letter from the Deputy Assistant Secretary of Housing and Urban Development for Administration transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

770. A letter from the Acting Comptroller General of the United States, transmitting a report and recommendation on the claim of S. Sgt. Anne M. Fisher, USAR, pursuant to the act of April 10, 1928; to the Committee on the Judiciary.

771. A letter from the Acting Administrator, National Aeronautics and Space Administration, transmitting notice of the proposed reprograming of funds to develop Centaur upper-stage capability for the Space Shuttle, pursuant to section 4(3) of Public Law 96-316; to the Committee on Science and Technology.

772. A letter from the Chairman, Railroad Retirement Board, transmitting notice that the administration has endorsed two drafts of proposed legislation previously submitted by his office (Executive Communications Nos. 356 and 321); jointly, to the Committees on Energy and Commerce, and Ways and Means.

773. A letter from the Comptroller General of the United States, transmitting a report on the need to improve the planning methodology by the Veterans' Administration to reduce the construction costs of operating rooms (HRD-81-54, Mar. 3, 1981); jointly, to the Committees on Operations, and Veterans' Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolu-

tions were introduced and severally referred as follows:

By Mr. ALBOSTA (for himself, Mr. BRODHEAD, and Mr. VANDER JAGT):

H.R. 2436. A bill to extend duty-free treatment to imports of chipper knife steel; to the Committee on Ways and Means.

By Mr. ANDREWS:

H.R. 2437. A bill to amend the Domestic Volunteer Service Act of 1973 to extend the authorization of appropriations for the national older Americans volunteer programs; to the Committee on Education and Labor.

By Mr. BARNARD:

H.R. 2438. A bill to reduce regulatory barriers to trade financing by private institutions; to the Committee on Banking, Finance and Urban Affairs.

By Mr. BARNES:

H.R. 2439. A bill to amend the Export Administration Act of 1979 to restrict the export of goods which have been found to be hazardous to the public health; to the Committee on Foreign Affairs.

By Mr. BEDELL:

H.R. 2440. A bill to require committee reports on proposed legislation to contain statements of the reporting and recordkeeping requirements which will be imposed on individuals, private industry, and State and local governments as a result of the enactment of such proposed legislation; to the Committee on Rules.

By Mr. BIAGGI:

H.R. 2441. A bill to prohibit Federal assistance to rental housing projects for the elderly and handicapped if such projects do not allow tenants to have pets; to the Committee on Banking, Finance and Urban Affairs.

By Mr. CAMPBELL:

H.R. 2442. A bill to amend section 404(a) of title 39, United States Code, to expressly permit the Postal Service to raise revenue by accepting advertising (other than political advertising) for display at any facilities, or on any equipment or other property, of the Postal Service; to the Committee on Post Office and Civil Service.

By Mr. COELHO:

H.R. 2443. A bill to provide that any increase in the rate of pay for Members of Congress proposed during any Congress shall not take effect earlier than the beginning of the next Congress; to the Committee on Post Office and Civil Service.

By Mr. COLLINS of Texas:

H.R. 2444. A bill to amend the Securities Exchange Act of 1934 to establish margin requirements of 50 percent for extensions of credit for the purchase of securities; to the Committee on Energy and Commerce.

By Mr. COUGHLIN (for himself, Mr. BARNARD, Mr. BURGENER, Mr. DAUB, Mr. DOUGHERTY, Mr. FLORIO, Mr. FORSYTHE, Mr. GINGRICH, Mrs. HOLT, Mr. KOGOVSEK, Mr. MURPHY, Mr. PRICE, Mr. STOKES, Mr. WHITEHURST, and Mr. YOUNG of Alaska):

H.R. 2445. A bill to amend the Internal Revenue Code of 1954 to provide a basic $7,500 exemption from income tax, in the case of an individual or a married couple, for amounts received as annuities, pensions, or other retirement benefits; to the Committee on Ways and Means.

By Mr. PHILIP M. CRANE:

H.R. 2446. A bill to amend title X of the Public Health Service Act to provide that grants and contracts may not be made under that title to any entity which provides abortion counseling to minors without the knowledge and consent of their parents or guardians, and for other purposes; to the Committee on Energy and Commerce.

H.R. 2447. A bill to prohibit the payment of any Federal funds to or for the benefit of any entity which provides abortion counseling to minors without the consent of their parents or guardians; to the Committee on Energy and Commerce.

By Mr. D'AMOURS (for himself, Mr. PRITCHARD, Mr. JONES of North Carolina, and Mr. SNYDER) (by request):

H.R. 2448. A bill to authorize appropriations to carry out the National Advisory Committee on Oceans and Atmosphere Act of 1977 during fiscal years 1982, 1983, and 1984, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. D'AMOURS (for himself and Mr. JONES of North Carolina):

H.R. 2449. A bill to amend title III of the Marine Protection, Research, and Sanctuaries Act of 1972, as amended, to authorize appropriations for such title for fiscal years 1982, 1983, and 1984, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. FAUNTROY:

H.R. 2450. A bill to amend the Bank Holding Company Act of 1956 to limit the property, casualty, and life insurance activities of bank holding companies and their subsidiaries and to prohibit discrimination in the sale of insurance; jointly, to the Committees on Banking, Finance and Urban Affairs and Energy and Commerce.

By Mr. HANCE (for himself, Mr. LOEFFLER, Mr. WRIGHT, Mr. MICHEL, Mr. ALBOSTA, Mr. ALEXANDER, Mr. ANDREWS, Mr. ANTHONY, Mr. ASHBROOK, Mr. ATKINSON, Mr. BADHAM, Mr. BAILEY of Pennsylvania, Mr. BAILEY of Missouri, Mr. BARNARD, Mr. BEARD, Mr. BENEDICT, Mr. BEREUTER, Mr. BETHUNE, Mrs. BOGGS, Mrs. BOUQUARD, Mr. BOWEN, Mr. BREAUX, Mr. BROOKS, Mr. BROOMFIELD, Mr. BROWN of Colorado, Mr. BROYHILL, Mr. BURGENER, Mr. CAMPBELL, Mr. CARMAN, Mr. CHAPPELL, Mr. CHAPPIE, Mr. CHENEY, Mr. CLAUSEN, Mr. CLINGER, Mr. COELHO, Mr. COLLINS of Texas, Mr. CORCORAN, Mr. COUGHLIN, Mr. COURTER, Mr. CRAIG, Mr. DANIEL B. CRANE, Mr. PHILIP M. CRANE, Mr. DAN DANIEL, Mr. ROBERT W. DANIEL, JR., Mr. DANNEMEYER, Mr. DAUB, Mr. DAVIS, Mr. DE LA GARZA, Mr. DECKARD, Mr. DERWINSKI, Mr. DICKINSON, Mr. DORNAN of California, Mr. DREIER, Mr. DUNCAN, Mr. DUNN, Mr. EDWARDS of Alabama, Mr. EDWARDS of Oklahoma, Mr. EMERSON, Mr. EMERY, Mr. ENGLISH, Mr. ERDAHL, Mr. ERLENBORN, Mr. EVANS of Georgia, Mr. FAZIO, Mr. FIELDS, Mr. FINDLEY, Mr. FISH, Mr. FORSYTHE, Mr. FRENZEL, Mr. FROST, Mr. GINGRICH, Mr. GOLDWATER, Mr. GOODLING, Mr. GRAMM, Mr. GRISHAM, Mr. GUYER, Mr. RALPH M. HALL, Mr. SAM B. HALL, JR., Mr. HAMMERSCHMIDT, Mr. HANSEN of Idaho, Mr. HARKIN, Mr. HARTNETT, Mr. HENDON, Mr. HIGHTOWER, Mr. HILER, Mr. HILLIS, Mr. HINSON, Mr. HOLLAND, Mrs. HOLT, Mr. HOPKINS, Mr. HORTON, Mr. HUBBARD, Mr. HUCKABY, Mr. HUTTO, Mr. HYDE, Mr. IRELAND, Mr. JEFFRIES, Mr. JOHNSTON, Mr. JONES of North Carolina, Mr. KAZEN, Mr. KEMP, Mr. KINDNESS, Mr. KOGOVSEK, Mr. KRAMER, Mr. LAGOMARSINO, Mr. LATTA, Mr. LEATH of Texas, Mr. LEE, Mr. LEWIS, Mr. LIVINGSTON, Mr. LONG of Louisiana, Mr. LOTT, Mr. LOWERY of California, Mr. LUJAN, Mr. LUNGREN, Mr. MCCLORY, Mr. MCCURDY, Mr. MCDONALD, Mr. MCGRATH, Mr. MADIGAN, Mr. MARLENEE, Mr. MARTIN of New York, Mr. MARTIN of North Carolina, Mr. MARTIN of Illinois, Mr. MATTOX, Mr. MILLER of Ohio, Mr. MONTGOMERY, Mr. MOORE, Mr. MOORHEAD, Mr. MYERS, Mr. NAPIER, Mr. NATCHER, Mr. PANETTA, Mr. PASHAYAN, Mr. PATMAN, Mr. PATTERSON, Mr. PAUL, Mr. PICKLE, Mr. PORTER, Mr. PRICE, Mr. PURSELL, Mr. QUILLEN, Mr. RAILSBACK, Mr. RHODES, Mr. RITTER, Mr. ROBERTS of South Dakota, Mr. ROBERTS of Kansas, Mr. ROBINSON, Mr. ROEMER, Mr. ROGERS, Mr. ROUSSELOT, Mr. RUDD, Mr. SAWYER, Mrs. SCHROEDER, Mr. SENSENBRENNER, Mr. SHUMWAY, Mr. SKEEN, Mrs. SMITH of Nebraska, Mr. SPENCE, Mr. STANGELAND, Mr. STATON of West Virginia, Mr. STENHOLM, Mr. STUMP, Mr. SYNAR, Mr. TAUKE, Mr. TAUZIN, Mr. TAYLOR, Mr. THOMAS, Mr. TRIBLE, Mr. VANDER JAGT, Mr. WAMPLER, Mr. WATKINS, Mr. WEBER of Minnesota, Mr. WHITE, Mr. WHITEHURST, Mr. WHITTAKER, Mr. WILLIAMS of Montana, Mr. WILLIAMS of Ohio, Mr. WILSON, Mr. WINN, Mr. WIRTH, and Mr. YOUNG of Alaska):

H.R. 2451. A bill to amend the Internal Revenue Code of 1954 to provide, in lieu of the reduced rates for independent producer oil, an exemption of 1,000 barrels per day from the crude oil windfall profit tax for independent producers and royalty owners; to the Committee on Ways and Means.

By Mr. HANCE (for himself Mr. ANTHONY, Mr. ENGLISH, and Mr. SYNAR):

H.R. 2452. A bill to amend the Internal Revenue Code of 1954 to exempt from the crude oil windfall profit tax oil from stripper well properties; to the Committee on Ways and Means.

By Mr. JENKINS:

H.R. 2453. A bill to amend the Tennessee Valley Authority Act of 1933 to make the enhancement of the economic and social well-being of people residing and owning property in the Tennessee and Mississippi River basin a purpose of that act; to the Committee on Public Works and Transportation.

H.R. 2454. A bill to extend duty-free treatment to certain freight containers; to the Committee on Ways and Means.

By Mr. JONES of Tennessee (for himself and Mr. JEFFORDS):

H.R. 2455. A bill to establish a National Endowment for Soil and Water Conservation, and for other purposes; to the Committee on Agriculture.

By Mr. KEMP (for himself, Mr. BREAUX, Mr. ROUSSELOT, Mr. JONES of North Carolina, Mr. BIAGGI, and Mr. MARTIN of North Carolina):

H.R. 2456. A bill to amend the Internal Revenue Code of 1954 to provide that, in the case of certain vessels documented under the laws of the United States the deduction for depreciation may be computed using a useful life of 5 years, and for other purposes; to the Committee on Ways and Means.

By Mr. LENT:

H.R. 2457. A bill to provide for the protection of the public health for unnecessary exposure to radiation; to the Committee on Energy and Commerce.

By Mr. LOWERY of California (for himself, and Mr. HUNTER):

H.R. 2458. A bill to amend title 10, United States Code, to eliminate the requirement that students in Junior Reserve Officer Training Corps units be citizens or nationals of the United States; to the Committee on Armed Services.

By Mr. McCLORY:

H.R. 2459. A bill to establish a Commission on the International Application of Antitrust Laws; to the Committee on the Judiciary.

By Ms. OAKAR:

H.R. 2460. A bill to amend title 5, United States Code, to provide that any Federal employee retiring with accrued sick leave may elect a lump-sum payment for one-third of such days in lieu of having such sick leave included in years of service for computing retirement benefits, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 2461. A bill to amend title 5, United States Code, to provide that any Federal employee's child who is ineligible for survivor annuity, life insurance, or health benefits coverage because of being married may qualify for such coverage if that marriage is terminated by reason of death, annulment, or divorce; to the Committee on Post Office and Civil Service.

H.R. 2462. A bill to amend title 5 of the United States Code to provide paid leave for Federal employees participating in certain athletic activities as official representatives of the United States; to the Committee on Post Office and Civil Service.

H.R. 2463. A bill to amend title 5, United States Code, to provide for voluntary withholding of State income tax for civil service annuitants; to the Committee on Post Office and Civil Service.

H.R. 2464. A bill to amend title 5, United States Code, to allow for survivor annuities for former spouses of Federal employees; to the Committee on Post Office and Civil Service.

H.R. 2465. A bill to amend title 5, United States Code, to allow the continuance of a civil service survivor annuity of a student while the student's education is interrupted because of illness; to the Committee on Post Office and Civil Service.

H.R. 2466. A bill to amend title 5, United States Code, to increase the uniform allowances available to Federal employees; to the Committee on Post Office and Civil Service.

By Mr. OBERSTAR:

H.R. 2467. A bill to restructure the financing of the St. Lawrence Seaway Development Corporation, to amend the Merchant Marine Act, 1936, to provide equitable U.S.-flag service for Great Lakes ports, to amend the Shipping Act, 1916, to provide for the filing of tariffs by certain common carriers, to authorize an environmental study of the Great Lakes, to amend the Great Lakes Pilotage Act of 1960 to limit liability of U.S.-registered pilots, and for other purposes; jointly, to the Committees on Merchant Marine and Fisheries and Public Works and Transportation.

By Mr. OTTINGER:

H.R. 2468. A bill to require that agencies of the U.S. Government eliminate year-end spending practices; to the Committee on Government Operations.

By Mr. RUSSO (for himself, Mr. FAUNTROY, Mr. BONIOR of Michigan, Mr. DOWNEY, and Mr. ZABLOCKI):

H.R. 2469. A bill to amend title 18 of the United States Code with respect to firearms; to the Committee on the Judiciary.

By Mr. RUSSO (for himself, Mr. FAUNTROY, Mr. BONIOR of Michigan, Mr. DOWNEY, Mr. ZABLOCKI, Mr. MURPHY, and Mr. DE LUGO):

H.R. 2470. A bill to amend title 18 of the United States Code to modify the mandatory penalty for certain firearms offenses; to the Committee on the Judiciary.

By Mr. RUSSO:

H.R. 2471. A bill to amend title 18 of the United States Code to provide that the street value of drugs seized in certain cases involving controlled substances violations shall be the presumptive minimum bail; to the Committee on the Judiciary.

By Mr. SHANNON:

H.R. 2472. A bill to amend the Internal Revenue Code of 1954 to increase the charitable contribution deduction allowable for property constructed by the taxpayer and contributed for use for educational purposes or for research or experimentation; to the Committee on Ways and Means.

By Mr. SHANNON (for himself, Mr. HEFTEL, Mr. JENKINS, and Mr. MARTIN of North Carolina):

H.R. 2473. A bill to amend the Internal Revenue Code of 1954 to treat deductions for research and experimental expenses attributable to activities conducted in the United States as allocable to income from sources within the United States; to the Committee on Ways and Means.

By Mr. SHANNON (for himself, Mrs. SCHROEDER, Ms. MIKULSKI, Ms. FERRARO, and Ms. OAKAR):

H.R. 2474. A bill to amend the Internal Revenue Code of 1954 to provide a tax credit to offset the marriage penalty; to the Committee on Ways and Means.

By Mr. SHUMWAY:

H.R. 2475. A bill to withdraw certain lands in Mono County, Calif., from settlement, sale, location, or entry for the purpose of protecting the watershed supplying water to the city of Los Angeles, and to rescind such withdrawal for certain other lands in Mono County, Calif.; to the Committee on Interior and Insular Affairs.

By Mr. SOLOMON:

H.R. 2476. A bill to amend the Internal Revenue Code of 1954 to allow certain low- and middle-income individuals a refundable tax credit for a certain portion of the property taxes paid by them on their principal residences or of the rent they pay for their principal residences; to the Committee on Ways and Means.

By Mr. SWIFT:

H.R. 2477. A bill to designate certain lands in the Mount Baker-Snoqualine National Forest, Wash., for inclusion in the National Wilderness Preservation System; jointly, to the Committees on Interior and Insular Affairs, and Agriculture.

By Mr. TRAXLER:

H.R. 2478. A bill to establish quantitative limitations on the importation of automobiles and to impose restrictions on the domestic sale of automobiles; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. VANDER JAGT:

H.R. 2479. A bill to extend until the close of June 30, 1984, the existing suspension of duties on certain metal waste and scrap, unwrought metal, and for other articles of metal; to the Committee on Ways and Means.

By Mr. WAXMAN (for himself and Mr. GRAMM):

H.R. 2480. A bill to amend the Public Health Service Act to revise and extend the program for health maintenance organizations; to the Committee on Energy and Commerce.

By Ms. FERRARO:

H.J. Res. 203. Joint resolution to designate the week beginning April 19, 1981, as "Cooperative Education Week"; to the Committee on Post Office and Civil Service.

By Mr. GONZALEZ:

H.J. Res. 204. Joint resolution proposing an amendment to the Constitution of the United States to repeal the 25th amendment of that Constitution; to the Committee on the Judiciary.

By Mr. ROE:

H.J. Res. 205. Joint resolution designating March 1981 as "American History Month"; to the Committee on Post Office and Civil Service.

H.J. Res. 206. Joint resolution to provide for the designation of the the third week in February of 1982 as "National Patriotism Week" and to provide for the designation of the third Monday in February of 1982 as "National Holiday of Freedom"; to the Committee on Post Office and Civil Service.

By Mr. SOLOMON:

H. Con. Res. 91. Concurrent resolution calling upon the Union of Soviet Socialist Republics and others not to intervene in the domestic affairs of the Polish People's Republic; to the Committee on Foreign Affairs.

By Mr. GONZALEZ:

H. Res. 108. Resolution expressing the sense of the House of Representatives that up to $3 million should be offered by the Attorney General as a reward to solve the murder of Federal District Judge John Wood and the attempted murder of Assistant U.S. Attorney James Kerr; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII,

19. The SPEAKER presented a memorial of the Legislature of the State of Utah, relative to fair competition in the international marketing of steel; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AKAKA:

H.R. 2481. A bill for the relief of Cynthia Gambon Rabena; to the Committee on the Judiciary.

By Mr. JOHN L. BURTON:

H.R. 2482. A bill for the relief of Concepcion del Carmen Arostegui; to the Committee on the Judiciary.

By Mr. KOGOVSEK:

H.R. 2483. A bill to provide for the reinstatement and validation of U.S. oil and gas lease No. E. S. 20644; to the Committee on Interior and Insular Affairs.

By Mr. TAUKE:

H.R. 2484. A bill for the relief of Raymond W. Quillin and Katherine R. Quillin; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 4: Mr. HYDE, Mr. SAWYER, Mr. ASHBROOK, Mr. MOORHEAD, Mr. LUNGREN, Mr. KINDNESS, Mr. SENSENBRENNER, Mr. FISH,

Mr. BUTLER, Mr. MICHEL, Mr. APPLEGATE, Mr. COURTER, Mr. SOLOMON, and Mr. MARTIN of New York.

H.R. 84: Ms. FERRARO, and Mr. OTTINGER.

H.R. 85: Mr. WEAVER, Mr. LOWRY of Washington, Mr. MITCHELL of Maryland, Mr. LONG of Maryland, Mr. PATTERSON, Mr. DE LUGO, Mr. NEAL, Mr. BARNARD, Mr. MCHUGH, Mr. GRAY, and Mr. BEDELL.

H.R. 181: Mrs. BYRON.

H.R. 637: Mr. LOTT, Mrs. HOLT, Mr. SHUMWAY, Mr. DANNEMEYER, Mr. LAGOMARSINO, Mr. BADHAM, Mr. DORNAN of California, and Mr. FRENZEL.

H.R. 913: Mr. GOLDWATER, Mr. BARNARD, Mr. LOWERY of California, and Mr. GREGG.

H.R. 1003: Mr. MILLER, of Ohio.

H.R. 1339: Mr. LUJAN, Mr. HUTTO, Mr. PETRI, and Mr. DORNAN of California.

H.R. 1340: Mr. LUJAN, Mr. HUTTO, Mr. PETRI, and Mr. DORNAN of California.

H.R. 1378: Mr. TAUKE, Mr. FROST, Mr. JOHNSTON, Mr. PRITCHARD, Mr. WYDEN, Mr. IRELAND, Mr. GREGG, Mr. MINETA, Mr. GRADISON, Mr. HANCE, Mr. BARNARD, Mr. SMITH of New Jersey, and Mr. ROUSSELOT.

H.R. 1444: Mr. MARTIN of New York.

H.R. 1463: Mr. FISH.

H.R. 1604: Mr. OBERSTAR.

H.R. 1640: Mr. STOKES.

H.R. 1765: Mr. WHITE, Mr. BROWN of California, and Mr. LANTOS.

H.R. 1817: Mr. FLORIO, Mr. MOTTL, Mr. ANNUNZIO, Mr. WILSON, Mr. APPLEGATE, Mr. NOWAK, Mr. TRAXLER, Mr. EVANS of Georgia, and Mr. BUTLER.

H.R. 1852: Mr. BROWN of California.

H.R. 1863: Mr. WILLIAMS of Montana and Mr. BAILEY of Pennsylvania.

H.R. 1873: Mr. GUYER and Mr. UDALL.

H.R. 1988: Mr. MCGRATH and Mr. GREEN.

H.R. 2024: Mr. EDGAR.

H.R. 2125: Mr. ATKINSON.

H.R. 2153: Mr. WASHINGTON, Mr. OBERSTAR, Mr. MURPHY, Mr. LUJAN, Mr. ROE, Mr. STOKES, Mr. SIMON, Mr. VENTO, and Mr. MCDONALD.

H.R. 2154: Mr. WASHINGTON, Mr. APPLEGATE, Mr. MURPHY, Mr. LUJAN, Mr. ROE, Mr. STOKES, Mr. SIMON, Mr. VENTO, Mr. MINETA, and Mr. MCDONALD.

H.R. 2317: Mr. OTTINGER, Mr. DORNAN of California, and Mr. NEAL.

H.R. 2326: Mr. EDWARDS of California and Mr. HUGHES.

H.J. Res. 56: Mr. ZEFERETTI, Mr. FIELDS, and Mr. DONNELLY.

H.J. Res. 160: Mr. MURPHY, Mr. WINN, Mr. FAZIO, Mr. RODINO, Mr. DE LA GARZA, Mr. BOWEN, Mr. ROE, Mr. MCDONALD, Mr. BARNARD, Mr. GUYER, Mr. MADIGAN, Mr. BRODHEAD, Mr. BLANCHARD, Mr. GUARINI, Mr. CARMAN, Mr. DAUB, Mr. NEAL, Mr. SIMON, Mrs. HOLT, Mr. ADDABBO, Mr. PEPPER, and Mr. MONTGOMERY.

H.J. Res. 169: Mr. FOWLER, Mr. MCCOLLUM, Mr. STUMP, Mr. COURTER, and Mr. BADHAM.

H.J. Res. 176: Mr. CHENEY and Mr. RICHMOND.

H. Res. 36: Mr. BROOKS, Mr. GORE, Mr. FROST, and Mr. GUYER.

H. Res. 85: Mr. ADDABBO, Mr. ALBOSTA, Mr. AUCOIN, Mr. BEARD, Mr. BINGHAM, Mr. BLANCHARD, Mr. BRODHEAD, Mr. COLLINS of Texas, Mr. CONTE, Mr. CORRADA, Mr. JAMES K. COYNE, Mr. DOWNEY, Mr. EDGAR, Mr. EDWARDS of California, Mr. FASCELL, Mr. FAUNTROY, Ms. FIEDLER, Mr. FLORIO, Mr. FOGLIETTA, Mr. FORSYTHE, Mr. FRANK, Mr. FRENZEL, Mr. FROST, Mr. GARCIA, Mr. GOLDWATER, Mr. GORE, Mr. GUARINI, Mr. GUYER, Mr. HERTEL, Mr. HOLLENBECK, Mr. HUGHES, Mr. JEFFORDS, Mr. KEMP, Mr. KILDEE, Mr. KRAMER, Mr. LAGOMARSINO, Mr. LANTOS, Mr. LEHMAN, Mr. LENT, Mr. LEVITAS, Mr. LOWERY of California, Mr. MCDADE, Mr. MCGRATH, Mr. MARKS, Mr. MURPHY, Mr. PEPPER, Mr. RITTER, Mr. ROSENTHAL, Mr. ROUKEMA, Mr. SCHEUER, Mr. SMITH of New Jersey, Mr. SOLARZ, Mr. WASHINGTON, Mr. WAXMAN, Mr. WEBER of Minnesota, Mr. WEISS, Mr. WILSON, Mr. WIRTH, Mr. WON PAT, Mr. WORTLEY, Mr. YATES, Mr. YOUNG of Missouri, Mr. GREEN, and Mr. FAZIO.

EXTENSIONS OF REMARKS

ALLARD LOWENSTEIN

HON. TED WEISS
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. WEISS. Mr. Speaker, 1 year ago on March 14, 1980, Allard Lowenstein was shot to death in New York City. I believe it especially timely to remember the extraordinary efforts of Al Lowenstein, who served in this House from 1969-71, and the principles of social change for which he fought. In commemorating this anniversary, I would like to share with my colleagues the following articles which appeared in the New York Daily News and the New Yorker magazine shortly after his death:

[From the New York Daily News, Mar. 10, 1980]

ANOTHER NIGHT, ANOTHER ROOM . . . AND DEATH

(By Jimmy Breslin)

It was a night from a long time ago, from the 1960s, with empty coffee containers on a table and William Sloane Coffin talking about Martin Luther King and people singing to a guitar and coats thrown everywhere and children sitting on laps, and death.

This was on Friday night in a room on the sixth floor of St. Clare's Hospital. They had Al Lowenstein one floor below. The blood would not remain in the body and he was trying to live on his spirit. As this was so limitless in the life he led, there seemed no reason to assume it would not carry him through the hours of the night.

Peter Yarrow sang "Puff the Magic Dragon" and Steve Smith Jr. held Tommy Lowenstein on his lap. And you thought of a night in another room and Robert Kennedy saying to Jeff Greenfield or Adam Walinsky, "Did you find Al Lowenstein yet?" And the one on the phone saying, "We're trying. He's out on Long Island." And Robert Kennedy nodding and saying, "I can't wait. I'll try him when I get back here. It's important that I speak to him." And then Robert Kennedy walking out of the room and taking the elevator down to the hotel ballroom to be shot. And now here, on Friday night, the connection had carried across the years and it was Al Lowenstein's turn to be shot.

"Your father was shot five times," a doctor said to Frankie Lowenstein, who is 13.

"Five times?" the boy said.

"Five," the doctor said.

Then the doctor said, "The one that was the worst came in from underneath. It went through the diaphragm and the lung and it clipped the edge of the heart. It clipped the muscle. It didn't go in."

"Does that mean there is no interior bleeding, in the chamber?" the boy asked.

The doctor tried to say no.

Steve Smith came into the room. Arcs the color of dark coffee were under his eyes. From too much practice, he went directly to the kids.

"What are you doing here?" he said to Tommy, the 10-year-old.

"Sitting here."

Somebody was telling a story about a dwarf. Smith said to Tommy, "Do you believe that?"

"I don't know," Tommy said.

"I think it's a lie," Smith said.

"I think so too," Tommy said.

"Don't be afraid, tell him he's a liar," Smith said.

William Sloane Coffin sat on the floor. Somebody asked him how he had met Al Lowenstein and Coffin began talking about the day Lowenstein was married. "There was a reception on Beacon Hill before the ceremony and when I arrived, one of Jenny's aunts, one of these Brahmins, said to me, 'I don't know one of the people who are here.' So I said to her. 'Well, see that tall man over there? I'll bet you voted against him at least 24 times. That's Norman Thomas.' And the aunt said, 'That Socialist!' "

"Did you know the fellow who shot him?" Coffin was asked.

"No, all I know is that he's one of these kids Al picked up when he was the dean at Stanford. There were 16 of them and you know how that loyalty string held with Al. If you were with him once, you were with him forever. He was in Mississippi with Al and then Al lost track of him, but whenever he'd see one of the bunch from Stanford, he'd say, 'Hey, have you seen Sweeney? Where is he, what is he doing?

"Jenny said that Sweeney was at their house in Brooklyn a year ago. He was very mixed up. Jenny said that Sweeney told her that evil was coming out into the world from his teeth. Al felt sorry for him. Al thought that Sweeney had all this trouble because of his time in Mississippi. He wanted to help him."

The talk was of all the places in all the years where Al Lowenstein had been. His politics were those of the parched. He was rumpled and gentle and annoying and one of the very few in the last 30 years who understood that always the true calling is to engage the most popular evil. Al Lowenstein went to Mississippi when he was an outside agitator: he was against the war in Vietnam at a time so early that the nation thought any such stand was treasonous.

Outside in the hallway, Secret Servicemen arrived, Edward Kennedy was flying from Chicago. Lowenstein's brother, Larry, and other members of the family kept going from the room to the hallway downstairs, to wait outside the operating room.

At a couple of minutes after 11 p.m., the room on the sixth floor was nearly empty. Tommy Lowenstein sat on a chair, and Steve Smith's son was talking to him and now there was a crowd at the door, a doctor and a nun and relatives, and the boy's mother came into the room and knelt in front of her son and told him that his father had died.

People grabbed for the coats and left the room as the family came in.

Outside in the hallway, Steve Smith was walking alone to the elevator when a man from the hospital staff, thinking he was one of the Lowenstein family, said, "You know in one of these matters, a shooting like this, there is a procedure that is out of our hands. The body must go to the coroner."

"You're telling me that?" Smith said.

On Saturday morning, the suspect was at the Criminal Court Building. A clerk held up papers bound in yellow, docket No. 13616. The typing on the page said, "Deponent is informed by the defendant that the defendant, with intent to cause the death of Allard Lowenstein, caused the death of Allard Lowenstein by shooting him with a .380-caliber pistol. Detective Vito Verni, No. 537."

Verni, somber and handsome, brought his defendant, Dennis Sweeney, into the seamy room. Sweeney was lanky with a gaunt doomed Irish face and hair becoming gray. He wore a green rainjacket. He stared down and said nothing.

The assistant district attorney said that Sweeney had made admissions, and that he had said that Mr. Lowenstein was one of six people that he had strong feelings against.

Sweeney was put back in a cell and Verni walked out of the room.

"Who were the other names he was angry at?" Verni was asked.

"He didn't give us names," Verni said.

"You know what I'm asking you."

"I know what you're asking me," Verni said. "And I'm telling you he didn't mention any names."

Al Lowenstein's candidate was at the New York Hilton yesterday morning. The night before had brought back the pain of the '60s, and now it brought back the glory: Teddy Kennedy, everything he always should have been, thundered at an audience, "We will not accept a society in which health is a function of wealth . . . we will not accept a society in which houses are boarded up while hundreds of thousands of families wait in rat-infested tenements . . . we will not accept a society in which whole sections of our cities become a blighted wasteland . . . we will not accept a society in which a handgun can be bought today and fired tomorrow to kill a man like Al Lowenstein."

And if Lowenstein himself had been alive, and able to move yesterday, everybody knows where he would have been. Not with Kennedy, but down at the Criminal Court Building trying to do something for Dennis Sweeney. Sometimes you get a guy who goes this way.

[From the New Yorker, Mar. 31, 1980]

THE TALK OF THE TOWN

When Allard K. Lowenstein died, last week, of gunshot wounds that are alleged to have been inflicted by a onetime colleague in the civil-rights movement of the nineteen-sixties, there was a deeper, more widespread, and more passionate sense of loss in the American political community that could be accounted for by the brief eminence he achieved as a congressman, or even by the considerable size of his accomplishment, which included probably indispensable contributions to the civil-rights movement and to the antiwar movement. It was not easy to define what he had been. Although he had clearly been a public man, devoted to the public good, he did not fit the customary mold of a politician. He had

---

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

served for a term in Congress, but one did not tend to think of him primarily as a congressman—not did he think of himself that way. In 1969, shortly after being elected, he confessed to a reporter, "I never think of myself as a congressman. I'm sometimes surprised when people remind me that I am one." He also said to the reporter, "There is nothing inherently immoral about trying to succeed, and in politics this society's idea of success is to get yourself elected. But once that has become the goal, all the other values and goals can be forgotten. The test of virtue becomes success, and people measure success by whether you get more votes. . . . So why shouldn't you think first about how to get more votes? So that becomes the 'first rule' of that kind of politics. It's also what makes the whole process so much less productive and honest. If you don't want to fall into that trap, you have to say no, you won't accept that view of things. My first rule in Congress is that if I don't do more by being there about the things I care about than I would if I weren't there, then I shouldn't be there." He was not there long, but that was because he lost his bid for reelection after his district had been gerrymandered to exclude many of his supporters; and he never did manage to win elective office again. Yet it would be impossible to class him among those who, while holding fast to their ideals, never manage to put them into practice: the barriers of segregation were breached and the politics of the South was transformed; the Vietnam War did finally come to an end. In their tributes to him, his friends from the political world acknowledged his peculiar effectiveness. Representative Andrew Jacobs, Jr., called him "a gentle tornado." Senator Edward Kennedy called him "a one-man demonstration for civil rights," and said, "With his endless energy, with his papers, his clothes, his books, and seemingly his whole life jammed into briefcases, envelopes, and satchels—all of it carried with him everywhere—he was a portable and powerful lobby for progressive principles." William F. Buckley, Jr., described him as being "in our time the original activist." Though Lowenstein, who was as scrupulous in his political means as he was selfless in his ends, did not survive long in office, few men were more profoundly devoted to the American political system than he. Allying himself with movements that were born on the street, he led them into electoral politics, thus both diverting them from possible violence and refreshing the mainstream with new thought and energy. But it was not with the aim of restraining angry activists that he led his supporters into electoral politics (that would have been nothing more than what radicals of the nineteen-sixties used to call co-optation); it was to bring their causes, in which he strongly believed, to fruition. It's often said that politics is the art of the possible. Lowenstein, ceaselessly busy in outlying regions of what is usually recognized as "politics," shifted the boundaries of the possible, so that other, more "political" men could bring it into being.●

UNICO AWARDS

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. RODINO. Mr. Speaker, the Newark chapter of UNICO National will hold its sixth annual achievements awards breakfast on Sunday, March 22. It will be a very special event for all of us who appreciate the work of UNICO—the organization of Americans of Italian descent that is dedicated to community service and the advancement of Italian heritage in America.

Each year UNICO honors those who have distinguished themselves through good works and the pursuit of excellence. This year's four awardees exemplify these goals of UNICO.

My dear friend Geta Spatola O'Connor is known throughout the city of Newark for her tireless devotion to civic and charitable causes. As president of the St. Gerard Ladies Guild of St. Lucy's Church, she has led efforts to aid the poor, the infirmed, the elderly, and many disadvantaged persons in our city. She also serves as director of social services at the New Villa Victoria housing projects.

The second award will be presented to a man who also has brought honor to his Italian heritage by his accomplishments and community involvement. Dr. Louis Saporito has devoted his time to the Boys Club, YMCA, and Exchange Club of Newark. He is the first American of Italian background to serve as president of the Essex County unit of the New Jersey American Dental Society.

Anthony Miele, the third awardee, has contributed a lifetime of effort to his community. He presently serves as chairman of the board of trustees at East Orange General Hospital. He also is a former Essex County freeholder and county superintendent of elections.

Finally, UNICO's Brian Piccolo Memorial Award will be presented to Thomas Valente, a young man who excelled as captain of the track team at Essex Catholic High School. Tom Valente's pursuit of excellence has been an inspiration to his classmates, as he served as president of the National Honor Society, secretary of the student council, and was active in the Christian Youth Organization, the Boys Club of Newark, and the St. Stephen's Youth Group in our city.

Mr. Speaker, I am proud of the four individuals UNICO has chosen to honor this year. They reflect well on their Italian heritage and on their community.

I salute UNICO national's Newark chapter for it's continued commitment to promote community involvement.●

ANTI-SEMITISM AT THE U.N.

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. LEHMAN. Mr. Speaker, ever since the U.N. adopted a resolution in 1975 condemning Zionism as a form of racism, some members of that body have acted as though the resolution was a license to renew anti-Semitism. For a while, people sensitive to the distinction between anti-Zionism and anti-Semitism preferred to believe that Jews as Jews were not being attacked at U.N. forums. It has become increasingly clear, however, that anti-Semitism has been institutionalized at the U.N. That the resurgence of anti-Semitism in a world body such as the United Nations has gone largely unprotested may testify more to the unhealthy state of today's U.N. than to the possibility that this phenomenon does not disturb its observers both in and outside the U.N.

I prefer to hope that this new anti-Semitism, whose sentiments are well represented by Jordan's U.N. Ambassador Hasem Nuseibeh, is not allowed to continue unchecked. The obsessive preoccupation with isolating Israel at every juncture wastes time, funds, and other resources that should be more constructively spent in trying to resolve some of the world's pressing problems.

As the United States response within the United Nations continues to take shape, I would like to bring my colleagues' attention to a thoughtful essay by Dr. Harris O. Schoenberg, Director of the U.N. Office of the International Council of B'nai B'rith, which was presented at the special meeting for nongovernmental representatives in the U.N. which took place in New York on March 10, 1981:

ANTI-SEMITISM AT THE U.N.

(By Harris O. Schoenberg)

Anti-Semitism is spreading like a political cancer through the body politic of the United Nations. As part of the Arab rejectionists' campaign against the legitimacy of Israel, UN forums are increasingly used to amplify and spread hate messages which defame the Jewish people. And the atmosphere which results has made the UN Secretariat a difficult place for sensitive Jewish officials to work, or for young Jews to find a job. Even the State of Israel has less than one-third of the staff positions to which its citizens are entitled.

For centuries anti-Semites have hallucinated with dangerous irrationality about Jews. In every age they have conjured up new reasons for persecution, robbery, and murder. In the Dark Ages the mistreatment of Jews was considered an act pleasing to God. Monstrous canards led gullible masses to believe that Jews poisoned wells or drank babies' blood. Hitler and the Nazis justified the dehumanization and extermination of Jews by identifying them alternately as a "race" of capitalists or of communists from whom the "Aryan race" had to be purified. Nazi propagandists also relied for their anti-Jewish themes on a well-known forgery prepared by the Okhrana, the Tsarist secret police. Its name was "The Protocols of the Elders of Zion" and it purported to reveal the plans of a Jewish conspiracy to take control of the world. The title of a book on the subject explained its effect. The "Protocols" became "A Warrant for Genocide".

In recent years the "Protocols" have been republished in two different areas of the world. The Soviet Union may have abandoned other manifestations of the Tsarist period, but it is the principal producer and exporter of anti-Semitic literature of this type. The other producers are Arab rejectionist states such as Saudi Arabia, Kuwait, Jordan and Libya. This literature is circulated all over the world on behalf of the PLO, and we have evidence of a Soviet anti-Semitic propagandist named V. Emelyanov, since convicted for butchering his wife, advising the PLO.

From the point of view of Soviet leaders, anti-Jewish propaganda serves a number of domestic and foreign policy objectives. On the home front, it helps to justify permission to emigrate for Soviet Jews whom the Soviet leaders ultimately wish to be rid of since they identify Jews as involved in disproportionately high numbers in democratic and liberalization movements in Eastern Europe. At the same time, persecuting Jews helps to deter other sectors of the populace from seeking to leave. Portraying Jews as enemies also helps to justify large military and related expenditures to the PLO and its friends at the expense of domestic consumer production. In the foreign field, anti-Semitism is a cheap way to win the approval of those regimes that are hostile to Jews. It singles out an element of the population in Western countries that has been particularly vocal in support of increased spending for self-defense. And anti-Semitism also provides the glue for holding together a working relationship through the PLO with extremists on the right.

Perhaps the most blatant example of Soviet anti-Semitism at the UN was produced by Soviet Ambassador Y. Malik during the Yom Kippur War of 1973, when he sought to support the Egyptian and Syrian surprise invasion of Israel. "Like savage, barbaric tribes, in their mad destruction the Jews have annihilated, destroyed, and tried to remove from the surface of the earth cities, village, the cultural heritages of mankind. They have ravaged entire civilizations," Malik asserted.

Also at this level was the late Saudi Ambassador Jamil Baroody, who would spend hours in the Security Council and various committees of the General Assembly accusing the Jewish people of responsibility for World Wars I and II, as well as all problems in the Middle East. If European racists considered Jews as vermin to be exterminated because of their Asian origin, Baroody contended that Jews were really Khazars from southern Russia and therefore had to be rooted out of the Middle East.

As William Buckley noted on "Firing Line" (September 8, 1974 program), Baroody was always there and always had something to say. "He has an anti-Semitic view of history which he cultivates and enthralls the anti-Semites." Buckley added that the UN had become "the most concentrated assembly of anti-Semitism surely since Hitler's Germany" and that Baroody's "insistence on the anti-Zionist, anti-Semitic theme . . . is in part a pathology, but it is in part also, I think, a gradual crystallization of the third world ethos . . ." (See also Buckley's chapter on Baroody in Buckley's "United Nations Journal: A Delegate's Odyssey" (New York: G. P. Putnam's Sons, 1974, pp. 63–75).

Baroody's fantasy world lives on in the minds of PLO bigots. During the first week in December 1980, for example, when the PLO exhibit for "Solidarity Day" appeared in the lobby of the General Assembly building, a PLO agent, operating illegally as a guide, told visitors that Jews are incapable of sympathy for other human beings and that Jews teach their children that Arabs drink the blood of Jews—a new variant on the old blood libel theme.

But Baroody's most vocal successor is Ambassador Hazem Nuseibeh of Jordan. On March 16, 1979, for example, Nuseibeh asked rhetorically in the Security Council: "Has the world been polarized into an omnipotent race [Jews] and subservient Gentiles [non-Jews] born into this world to serve the aims of the 'master race'?" Ambassador Nuseibeh explained that "every day a Mr. Rothschild meets with a cabal in London, behind closed doors to decide on fixing the price of gold. A flash is sent out to agents around the world to observe the price. That, of course, extends to monetary and other financial manipulations. How can the billions of struggling human beings—and we are trying to build a New International Economic Order based on justice—compete with such awesome powers. . . . I have no doubt that the B'nai B'rith, the Gestapo of the Zionist movement, will put me on their long black list as an anti-Semite . . ." Nuseibeh concluded.

On December 8, 1980, the Jordanian ambassador declared to the General Assembly that the Arab world had long been "held in bondage and plundered" by the Jewish "people's cabal, which controls and manipulates and exploits the rest of humanity by controlling the money and wealth of the world." During the same debate Ambassador Falilou Kane of Senegal added that news organizations are "dominated by Jews." Kane is Chairman of the PLO-dominated Palestinian Committee of the General Assembly.

Ambassador Richard Petree of the United States was the only person to speak up in protest, outside of Ambassador Yehuda Z. Blum of Israel. Petree declared on December 15th that "we object to this forum being used for counter-productive polemics, such as we heard earlier in the debate on this item from the distinguished Permanent Representative of Jordan. Such interventions, we are confident, do not represent the view of this body."

A New York Times editorial attacked the problem with a great deal more vigor and precision, expressing "disgust with the diplomats" who resorted to ugly forms of anti-Semitism, and condemning in particular "Jordan's anti-Semitic bilge." Added the Times: "The members of the UN seem ready to tolerate the most explicit racism provided only that it comes in an anti-Israel context." Weak and late as Petree's reaction was, by comparison, it was far stronger than that of Ambassador James Leonard who, under similar circumstances (the earlier Nuseibeh outburst), saw fit to condemn the rhetoric of both sides.

Both Jordan and Senegal are considered in UN terms "moderate" states, so there is a tendency among diplomats concerned with human rights questions to overlook these statements as aberrations or the result of personal shortcomings. In the case of Jordan, at least, which forbids citizenship by law to Jews, anti-Semitism has been integrated into the official school curriculum and is manifested in the cultural life of the country. Thus, a third year high school text entitled "The Palestinian Problem," quotes from "The Protocols of the Elders of Zion" that the slogan of Jews "is force and deceit" and their means are "bribery, lies and treachery." It claims further that the Bible justifies these measures. A fifth year junior school text entitled "Islamic Teaching," teaches that "it is the obligation of Muslims to guard the Holy Land and not to let Jews stay in any part of the country."

Over the years, Jordan has banned a number of prominent performing artists who are Jewish, including Danny Kaye (UNESCO's ambassador to the children of the world), Edward G. Robinson, Eddie Cantor, Paul Newman, Elizabeth Taylor, and Isaac Stern the violinist. The Jordanian censor revoked a ban on the "music" of Leopold Trepper, now an Israeli citizen, after it was discovered that Trepper is not a musician and that the "Red Orchestra" he headed was the code name for a famous anti-Nazi network in World War II. But the censor did ban Verdi's opera "Nabucco" because the work presents an historic event "in a way that sheds a favorable light on the Jews." And Radio Amman carried a religious program on September 22, 1978 which denounced "these impure, accursed and treacherous Jews," called for a "jihad" (holy war) against them, and asked Allah "to return all those who have been led astray by the Jews."

The classical form of anti-Semitism, which postulates a global Jewish conspiracy, presumably accounts for the "covert objections", recently reported, to the Jewish origins of a candidate for UN Secretary General in 1971. Alongside it, a new form of anti-Semitism has appeared within the last twenty years aimed against Israel and its supporters.

The new anti-Semitism asserts that the Jewish people is imaginery, that it has never existed, that it does not now exist, that it never had connections with the Holy Land that the Holocaust never happened, and that the Jewish people, accordingly, has no rights accorded to other peoples. These views are reflected in the publications of the UN Special Unit which services the Palestinian Committee and of the UN Economic Commission for Western Asia, which seats the PLO as a member-state, but not a real state such as Israel. Thus, the PLO frequently claims that the ancient Canaanite peoples mentioned in the Bible—the Canaanites, Hittites, Hivites, Perizzites, etc.—were really Palestinian Arabs, and Yasser Arafat, speaking of the Palestinian Arabs, told the UNESCO General Conference in Belgrade on October 27, 1980 that "our people [sic] was invaded by the Roman army and dared to defy Rome and the Roman soldiers." Of course, if it were not for the three revolts which the Jewish people launched against Roman imperialism, the Jews would never have been forcibly dispersed from their homeland, which the Romans renamed Palestine in order to obliterate all traces of its Jewish identity. The publications of the UN units named above try to follow the example of the ancient Roman imperialists, in retelling the history of the Middle East.

When Ambassador Baroody declared in the UN Security Council that the Holocaust was fiction and described Anne Frank's diary as a forgery, he was challenged only by the ambassador of the Netherlands, where Anne Frank is as much a heroine of the Dutch as she was a child of Jews. A variant on the obliteration of the Holocaust theme was offered by a representative of Iraq who, at a meeting of the PLO dominated UN Palestinian Committee, urged the Committee to oppose strongly a BBC television production of a film entitled "The Hol-

ocaust," on the grounds that such material "was undoubtedly pro-Zionist propaganda."

But the ultimate anti-Semitic act of the UN thus far was committed on November 10, 1975. On that night, just thirty years after the defeat of the Nazis, the General Assembly adopted a resolution, promoted by Cuba and Kuwait, which declares that Zionism—the movement of Jews to live free in their own land—is a form of racism and racial discrimination. This resolution, which has perverted UN efforts since 1975 to combat both racism and sexism, came out of the Assembly's Third Committee, which deals with Social, Humanitarian, and Cultural affairs. A British critic, Gorondwy Rees, a non-Jew, who was present at the moment the Third Committee adopted the Zionism resolution, described the atmosphere in these terms; as quoted by Daniel Patrick Moynihan in "A Dangerous Place" (Boston: Atlantic-Little Brown & Co., 1978):

"There were ghosts haunting the Third Committee that day, the ghosts of Hitler and Goebbels and Julius Streicher, grinning with delight to hear not ony Israel, but Jews as such, denounced in language which would have provoked hysterical applause at any Nuremberg rally * * *.

"And there were other ghosts also at the debate: the ghosts of the 6,000,000 dead in * * * [the] extermination camps, listening to the same voices which had cheered and jeered and abused them as they made their way to the gas chambers. For the fundamental thesis advanced by the supporters of the resolution, and approved by the majority of the Third Committee, was that to be a Jew, and to be proud of it, and to be determined to preserve the right to be a Jew was to be an enemy of the human race."●

A DISTINGUISHED MILITARY OFFICER, MAJ. GEN. FRED K. MAHAFFEY, USA

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. BOLAND. Mr. Speaker, I was pleased to learn recently that Maj. Gen. Fred K. Mahaffey, currently the Director of Requirements, Office of the Deputy Chief of Staff for Operations, Department of the Army, has been appointed as commander of the 3d Infantry Division, VII Corps, U.S. Army Europe (USAREUR). General Mahaffey has served for the last several years in his present position and also as manager of the Army Tactical Intelligence and Related Activities (TIARA).

He has been a frequent witness before the Permanent Select Committee on Intelligence. Those occasions have convinced all the member of the committee of his outstanding qualities. He has made a very perceptive and effecive contribution to organizing and managing the Army TIARA programs. His presentations to the committee have always been lucid and well defended. The Army has been well served by his service as TIARA manager.

Mr. Speaker, the position which General Mahaffey will assume in the near future is an important infantry command. I am certain that he will perform in as distinguished a fashion commanding the 3d Infantry Division as he has in managing a very difficult, complex, and demanding organization here in Washington.

I am certain that he is destined to have a successful and even more productive career in Europe and in the future. The committee will miss his careful and valued presentations. The Nation, however, will profit from the continued advancement of this distinguished military officer.●

A NATIONAL ENDOWMENT FOR SOIL AND WATER CONSERVATION

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. JEFFORDS. Mr. Speaker, I am pleased to join with my colleague ED JONES of Tennessee in sponsoring the National Endowment for Soil and Water Conservation Act of 1981.

This bill fits very well the intent and the concepts of the Soil Conservation Act of 1981 which we introduced last week. It would increase the assistance available to landowners who wish to improve the food and fiber productivity of their land while safeguarding water quality and other values. It would further strenghten the ability of the private sector to support soil and water conservation and to address issues that are of importance at the local and State level.

Most important, it would increase the protection of soil and water resources without impacting on the Federal budget. The $150,000 yearly appropriation for administrative costs authorized by the act is an insignificant amount compared with any other program and compared with the potential of this program for increasing the awareness of conservation needs and action on them.

The endowment would be supported mainly by private contributions that would be tax exempt. Endowment moneys would be used to support cost-sharing payments, loans and grants-in-aid as well as to fund special studies and workshops.

The endowment would be administered by a board of governors whose chairman would be a private citizen, and most of whose members would be private citizens. The Secretary of Agriculture or his designee would be a member, as well as a non-USDA Federal official closely interested in soil and water conservation. These two members would add a perspective of national concerns or priorities to blend with the private initiatives.

The board could if it wished correlate the programs of the endowment with existing Federal programs, other public programs, or those of private groups. It could at its option use existing administrative functions or structures of USDA or State agencies for financial and technical assistance in order to reduce overhead expenses and maximize effective conservation.

In the first 5 years of the endowment, no more than 30 percent of the funds available could be used, so that emphasis would be on both building the endowment and achieving conservation on the land. Thereafter 70 percent could be used each year.

I believe that another important concept of the National Endowment for Soil and Water Conservation Act is that endowment funds could be used not only for installing conservation practices or systems but also for maintaining these practices or systems. There are many private lands where effective control of water and wind or effective improvement of food and fiber productivity depend on the continued ability of conservation practices to do their job. Repairs or modifications to make them continuously effective often are expensive or beyond the scope of existing USDA conservation assistance programs. Maintenance often is considered the responsibility of the landowner—or, in the case of a project-type activity such as watershed protection and flood prevention, the local sponsoring organizations.

I believe that a privately endowed fund would be very well spent to help out in those cases where a conservation practice or system is seriously impaired and it is to the benefit of the landowner and the community to restore the effectiveness of the conservation work.

Members of the board of governors would be appointed by the President with the advice and consent of the Senate and with consideration of suggestions by leading national or regional organizations of soil and water scientists, landowners, conservation contractors, soil and water conservation districts, communications media, planners, and related groups. This arrangement will help assure that the highest caliber, nationally recognized conservation leaders will direct the board—and it will serve as well to recognize these leaders for their longtime service in the cause of soil and water conservation.

Mr. Speaker, I ask that my colleagues strongly support the creation of a National Endowment for Soil and Water Conservation in order to address a seriously aggravated soil erosion problem that threatens our Nation's future ability to produce sufficient food and fiber.●

JOHN GORRIE JUNIOR HIGH SCHOOL BAND

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. BENNETT. Mr. Speaker, last Thursday, I had the great pleasure of arranging for the John Gorrie Junior High School Band from Jacksonville, Fla., to play on the House steps. Despite cold and rainy weather, the band performed outstandingly for half an hour, playing a stirring assortment of musical selections.

Special credit for this polished performance should go to Dolores Douglas, the band director, for the wonderful job she has done in molding these talented young musicians into a first-rate concert band.

I would like to point out to my colleagues that this junior high school is named for John Gorrie, of Florida, the 19th century physician who first developed mechanical refrigeration to alleviate the suffering of the sick. His research led the way to the development of air-conditioning and mechanical icemaking. A statue of John Gorrie graces Statuary Hall, one of the two statues presented to the U.S. Capitol by the State of Florida.●

THE THERMOSTAT MENTALITY

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. OTTINGER. Mr. Speaker, as the President recently eliminated the Federal regulations that kept building temperatures at sensible levels to save energy, I think that the following editorial from the New York Times is particularly of note.

The fact is that these regulations have saved the United States millions of barrels of oil since their inception, and I oppose their elimination.

A THEORY OF THERMOSTATS

We were saying the other day that judicious Federal regulation of, say, electrical appliances can help hold down the real cost of energy while reducing the nation's dependence on imported oil. Relying on the free market's high costs of energy won't necessarily speed conservation.

With this thought in mind, it will be interesting to see where Americans set their thermostats now that President Reagan has abolished the Federal temperature rules for public buildings. Those rules, no higher than 65 in winter, no lower than 78 in summer, were sometimes inconvenient. But they saved millions of barrels of oil without much bureaucracy.

President Reagan says that "voluntary and market incentives will achieve substantially the same benefit without the regulatory cost." We hope so, but we have our doubts. Too many people like toasty stores in winter and frosty theaters in summer, and are willing to pay the dollar cost. The trouble is that all the costs are not measurable in dollars and are not, in any event, paid only by building owners. Wasters of energy make oil scarcer, pushing up prices for everyone. And who pays for a Rapid Deployment Force designed to protect foreign oil supplies? Not just building owners.

We'll soon feel the effects of this particular piece of deregulation. Luxurious winter heat and summer cool will be signs that Mr. Reagan's theory doesn't apply in every season.●

THE GAO FINDS WAYS TO TRIM THE PENTAGON BUDGET

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. WEISS. Mr. Speaker, the President plans large increases in our already massive military budget, but a recent General Accounting Office study found that at least $4 billion could be saved by eliminating waste and mismanagement from Pentagon programs. During congressional review of the administration's budget proposals, it will be important to scrutinize every aspect of the budget closely. In fact, several recent studies have documented the favorable benefits of social service spending as compared to defense spending, and we should consider these alternatives when the budget is brought before us. Certainly no area of spending should be exempt from close examination.

Elmer Staats, the recently retired Comptroller General of the GAO, summarized the GAO study's findings in an article which recently appeared in the Washington Post. I urge my colleagues to consider Mr. Staats' thoughts carefully.

The article follows:

GAO CHIEF TELLS THE PENTAGON OF 15 AREAS WHERE IT CAN SAVE

(By Morton Mintz)

The outgoing comptroller general of the United States has sent a letter to Defense Secretary Caspar W. Weinberger declaring that mismanagement and waste are now adding "several billion dollars a year" to the Pentagon budget, which the Reagan administration proposes to increase dramatically.

The letter, sent to Weinberger on his first day in office by Elmer B. Staats, head of the General Accounting Office, listed 15 major areas where large amounts of money could be readily saved. Staats called them "some of the most apparent high payoff opportunities" in the defense budget.

GAO has 1,000 accountants and other professionals continuously studying Pentagon programs, and Staats' letter was based on repeated audits they have made. Weinberger has yet to respond to the letter in detail. President Reagan vowed to root out mismanagement and waste throughout the government during last year's campaign.

Just the 15 areas cited have the potential to save an "absolute minimum" of $4 billion a year by the end of Reagan's term in 1985, Staats said in an interview last week. If implemented, other Department of Defense (DOD) economies urged by the GAO would increase annual savings by 1985 to "substantially more" than $10 billion, Staats said.

Staats' estimates come as the administration is preparing to increase the defense budget by billions of dollars next year, while cutting back on domestic programs. The administration has said it will seek to hold down the defense increase by finding savings wherever it can in the Pentagon. But, so far, it has not specified any.

Staats' proposed savings do not challenge the basic defense policies laid down by Congress and the Joint Chiefs of Staff.

Among the major points made by Staats in his letter and the interview:

Thirty GAO reports since 1976 have cited serious flaws in the way DOD accounts for goods and services provided under the foreign military sales program. These have resulted in "improperly" made payments of more than $1 billion. Some progress has been made, but "more improvement is needed."

At the outset of a new weapons system, the Pentagon often tries to hold down the apparent total cost by downplaying the need for the spare parts and back-up equipment needed over the long term. This means that the parts and equipment must be bought later, at greater cost. In the case of the F18 fighter, the savings potential in proper logistical planning and discipline throughout its life cycle would be more than $350 million.

In many geographic areas, the Army, Navy, Air Force, and Marines each have one or more bases. Instead of sharing such things as repairs and supplies, each of the armed forces provides them separately. The potential savings from consolidation: at least $376 million annually.

Management of consumable items, such as ammunition and motor vehicle parts, is scattered. Consolidation would yield yearly savings exceeding $280 million.

In the last 16 months, the estimated cost of the Navy's LAMPS III (light airborne multipurpose antisubmarine weapon system) has almost doubled, from $3.6 billion to $7 billion. Now, the plan is to buy fewer of them. But that does not solve the questions raised by a GAO review "about the ability of the system to carry out its missions."

DOD plans to buy large numbers of F14, F15, F16, F18 and A10 aircraft for noncombat purposes, asserting that they would be needed in event of war. Staats said that such planning was "very sloppy" and claimed that sharpening it up could save up to $5 billion.

"A hard look at this area by the secretary of defense is needed," he said. "If these aircraft are in fact required for combat purposes, they should be justified as such and approved in that context by the secretary, the OMB and the Congress."

In 1972, the Army got started on its supertank, the M1. The cost was to be $507,000 a copy. By January 1980, when a GAO report warned that the tank's reliability was "uncertain," the unit cost had more than tripled to $1,651,000. The number of tanks in the program was 7,058.

Now the estimated unit cost has shot up to $2,549,000. Meanwhile, the GAO is still reviewing reliability and other aspects of the M1.

Four weeks after the Staats letter went out, the Pentagon issued its quarterly report on the life cycle estimated costs of 47

selected major weapons systems. The figure for Dec. 31 was $47.6 billion higher than it had been only three months earlier. DOD cast inflation as the chief villain behind the increase, which over the three-month period was at the rate of $359,300 a minute.

Liberals in Congress have traditionally denounced the defense budget as excessive. Now, with costs rising dramatically, some conservatives have begun to seek further justification as well. Last Wednesday, an unusual strong joint plea for "decisive action" against defense waste went to Weinberger from Republican Sen. Barry Goldwater and liberal Democratic Sen. Howard M. Metzenbaum.

"Runaway cost characterize our entire defense procurement program," although they "have nothing to do with maintaining the strength of our military forces," the senators said in a letter to Weinberger. "They are, pure and simple, the result of a system that permits DOD officials to operate as though the public purse has no limits."

Staats, who had four top GAO defense specialists at his side during the interview, said the Pentagon has repeatedly ignored documented advice on how to eradicate mismanagement and waste. At the same time, he praised DOD for accepting GAO recommendations that in the last five years produced "measurable savings" of $8.9 billion—54 percent of the total for the entire government. The DOD share of the budget has been much smaller, about 24 percent.

Staats brings the prestige of his office and his long, nonpartisan government service to his plea for defense economies. He is retiring Friday after 15 years as comptroller general and will make his last public appearance before Congress today when he testifies before the House Budget Committee.

This is "the ideal time" to change direction at the Pentagon, he said in the interview.

He has received support from many sources. One, the Republican Study Group in the House, when it was headed by GOP conservative John H. Rousselot (Calif.) last August, released a summary of 19 months of GAO reports showing potential DOD savings of $16 billion.

Staats began immediately after the November election to alert key Reagan aides to governmentwide cost-cutting opportunities, sending what he called "vast amounts" of GAO materials to Edwin Meese III, counselor to the president; Weinberger, whose cost-cutting in earlier government service earned him the nickname "Cap the Knife," and budget director David A. Stockman.

Up to now, the Staats letter had elicited only an acknowledgement from the defense secretary. But, Staats and his aides said, there are "all kinds of indications" that the Pentagon is taking the letter "very seriously."

Many Pentagon critics share a hope that Weinberger will renounce attitudes of the kind held in the Carter administration by W. Graham Claytor, secretary of the Navy and then deptuty secretary of defense. "I have said many times there is nothing wrong with the Navy that money won't fix," he once told the Senate Armed Services Committee.

In a speech in 1979, Gordon W. Rule, who had retired after being honored by the Navy as its most distinguished civilian procurement specialist, termed Claytor's view "reprehensible." In his own recent letter to Weinberger, he charged that the military is "almost devoid of demonstrable cost consciousness and accountability for mistakes or poor judgment decisions."

Staats, for whom salty talk like Rule's would be out of character, stops short of such drastic judgments. "The accountability system isn't as good as it ought to be," he said.

But he spoke plainly about what may happen if an unreformed Pentagon gets the five-year $169.5 billion spending boost proposed by Reagan.

Insofar as the funds go for new initiatives rather than purposes such as strengthening conventional forces, there "would be a problem," Staats said. "You just cannot absorb much [new] money very fast."

The adminstration's "Program for Economic Recovery," as announced two weeks ago, projected reductions in defense outlays in the four fiscal years 1981 through 1984 of $13.9 billion, including $5.9 billion in the final year. But the program listed almost no specifics, especially as compared with the detailing of plans to reduce outlays in nonmilitary areas by about $41.5 billion.●

INNOVATION TASK FORCE REORGANIZES

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. AuCOIN. Mr. Speaker, the House Task Force on Industrial Innovation and Productivity has just completed reorganizing for the 97th Congress, and I want to take this opportunity to announce the officers and members.

The task force was organized 2 years ago as a long-term, bipartisan effort to help build a new political climate for improving productivity, investment, and economic innovation. The purpose of the task force is to push for legislation which encourages the best and most efficient use of the Nation's vast economic and human potential, and also helps to step up the pace of development of new products and new technologies. Industrial innovation can provide the basis for expanding productivity, stabilizing prices, and increasing the competitiveness of U.S. products—both at home and abroad.

There are many possible ways to increase innovation. The task force has discovered that changes are needed in tax laws, export policies, patent procedures, research and development programs—a lengthy agenda by almost any standard. The task force will continue to work to accomplish some of these changes by raising the visibility of this issue, by acting as a "whip service" of sorts for innovation issues, and by bridging the gap between committees having jurisdiction over innovation issues.

One of its first activities in this Congress will be to announce the results of a business innovation survey conducted last fall to identify the impediments to innovation. This will help to lay the groundwork for our efforts to push for enactment of tax legislation to stimulate innovation and increase productivity. The press conference will be on Wednesday, March 18 at 1 p.m. in room 2105 Rayburn.

Mr. Speaker, I call on my colleagues to join the task force in its efforts and welcome them as members. I insert in the RECORD the names of the members and officers:

Les AuCoin, chairman; W. Henson Moore, co-chairman; James Shannon, co-chairman; Beryl Anthony; Eugene V. Atkinson; Don Bailey; Adam Benjamin; Don Clausen; Norman D'Amours; Don Edwards; Norm Dicks; Robert Dornan; Thomas J. Downey; Dan Glickman; Albert Gore, Jr.; Augustus F. Hawkins; Margaret Heckler; Cecil Heftel; Harold Hollenbeck; Frank Horton; Ed Jenkins; Ray Kogovsek; John LaFalce; Robert Lagomarsino; Tom Lantos; Michael Lowry; Stanley N. Lundine; Edward J. Markey; Dan Marriott; Paul McCloskey; Anthony Toby Moffett; Bill Nelson; Richard Ottinger; Joel Pritchard; Robert A. Roe; Toby Roth; Patricia Schroeder; John Sieberling; Gerald Solomon; Harold Volkmer; Wes Watkins; Howard Wolpe; and Ron Wyden.●

NEBRASKA'S FARMERS TELL CONGRESS ABOUT FARM PROGRAMS

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. BEREUTER. Mr. Speaker, yesterday I had an opportunity to testify before the House Agriculture Committee with recommendations for the 1981 farm program. The recommendations I made were based on the advice that I received from farmers in my congressional district.

I submit the statement to be printed in the CONGRESSIONAL RECORD.

TESTIMONY BY HON. DOUG BEREUTER BEFORE THE HOUSE AGRICULTURE COMMITTEE, TUESDAY, MARCH 10, 1981

Thank you, Mr. Chairman.

I would like to thank you and the Members of the Agriculture Committee for providing me the opportunity to appear before you today. Although I am not a member of the committee, I am fully aware of the long and arduous task you have in shaping this country's farm programs for the next four years. I would like to pledge my assistance to you in any way that may help make that task easier.

Mr. Chairman, we are facing a crisis today in agriculture. Escalation of interest rates have made it almost impossible for many farmers to secure the necessary funds to operate their farms, and there has been little credit for farmers to support those operating costs. In order to learn first-hand the problems Nebraska farmers are facing, so that I could make a more meaningful statement to the committee, I recently conducted a series of five Agricultural Advisory Committee meetings throughout my Congressional District. Participation in these Advisory Committee meetings was voluntary. The response, however, was most encouraging. Over 260 farmers and representatives of farm organizations attended these meetings.

My testimony that follows, Mr. Chairman, provides recommendations for the 1981

Farm Program. These recommendations are more than the views of one Congressman from a rural district. They are the recommendations of those Nebraskans who know farming best.

1. GRAIN RESERVE PROGRAM

The grain reserve program was widely endorsed, as long as it remains a farmer-held reserve. The main concern with the program is that the emphasis now seems directed mostly at stabilizing prices near or below the call level. I believe that instead the emphasis should be shifted more in the direction of providing a supply of carry-over grain beyond that amount normally in the "pipeline." With another harvest like the one last year, we could be faced with a very short supply of feed grains with which to continue our export sales of grain. Of course, grain exports are essential to reach a balance with our oil imports.

Buyer anticipation of a reserve call creates a somewhat artificial short run market condition. First, the market rises faster than overall supply and demand conditions would warrant. Once the call has been made the reverse happens and prices fall faster than overall supply and demand forces would justify because buyers are waiting for forced grain sales.

The present call procedure contributes to the disruption of the orderly marketing of grain. Private enterprise has invested heavily to provide grain cars, loading facilities and auxiliary equipment to provide for an orderly movement of grain. To most effectively use this equipment orderly marketing of grain is necessary. Call of all reserve grain results in movement of grain from farm storage to commercial storage and gluts the pipeline at commercial storage and transportation facilities. Generally, representatives of my Agriculture Advisory Committees believe that the reserve program is a sound approach which is valuable both for insuring adequate food supplies for consumers and in helping to stabilize prices for producers.

They believe that the grain reserve program could be improved by calling reserve grain on a more gradual basis, rather than all at one time. They also believe that there needs to be a wider spread between release and call levels for feed grains.

There is a realization that a number of different means could be used to achieve this shift. My personal preference would be to drop the call provision entirely, leave the release price at the present relationship to the loan price and let market price be the primary determinant of movement of grain out of the reserves. Since I believe that the grain reserve is in the public interest, public incentives to encourage participation should be maintained.

Another method would be to give the Secretary of Agriculture the option of calling some or all reserves when the call price is reached. The Secretary's decision would be based upon achieving a set goal of projected carry-over of grains. Either a first-in-first-out method or a call of a percentage of everyone's grain could be used to determine which reserve grain would be called on partial calls.

A third approach would be to allow a reinstatement period whenever the average national price falls below the call price for more than 5-15 days. The period for determining call level may also need to be increased beyond the present 5-day average. Thus, in a situation in which the grain supply is not short enough that the call level price is maintained after a call, producers would have the option of placing called grain back into the reserve. Such a method would allow price levels to help determine the level of supply in the grain reserve and allow for more orderly movement of grain.

2. PRICE SUPPORT PROGRAM

There was general agreement that there should be some sort of support program. If the rules of the game were the same for everyone in the economy, the preference would be for a completely free market.

Opinion was generally divided on whether parity or cost of production should be the basis for the price support program. Those favoring parity generally felt loan prices should be in the 50-90% parity bracket. Although a majority appeared to favor use of cost of production as the basis, strong agreement on how to arrive at that figure did not exist. Most did favor including some land costs in the calculation.

The Advisory Committees felt that USDA's cost of production figures are misleading since they do not reflect a fair return to labor and management of owner-operators and their families.

There was also support for regionalizing release and call levels, perhaps by the State ASCS Committee. CCC loans should be financed through a revolving fund since appearance of high annual appropriations for CCC loans is misleading to the general public. It was suggested that now would be a good time to begin such a fund by committing reserve grain loan repayments to this fund.

Most farmers favor lighter loan prices to take into account rising production costs. For instance, four years ago the loan price for corn was set at $2.00 per bushel. If annual adjustments had been made to account for inflation as reflected by the consumer price index, the loan rate on corn would now be $2.90 per bushel. The present $2.25 per bushel loan rate has certainly not kept up with inflation.

Many feel that the target price is probably already on the way out; although some people supported the retention of the target price as an inducement to producers who entered into long term contracts with the Government to improve soil and water conservation practices.

An idea that surfaced several times was that the Government has attempted to legislate low prices for agricultural products, and then tried to pacify farmers with low interest loans instead of aiming at a fair price for the farmers' products. Every year farmers are sliding further into debt. Young farmers are having, resultantly, a very hard time getting started in farming. The best solution is to get earned income back into the farm economy, so that more investment can be financed from retained earnings.

The Normal Crop Acre (NCA) concept was somewhat controversial with many saying it has been difficult to administer and frequently inequitable—often penalizing the livestock farmer who uses crops as alfalfa which is not included in the NCA. Many feel that farmers practicing good conservation are penalized for doing so by the program, rather than being rewarded. One suggestion was to base NCA on a three-year moving average, rather than the 1977 planted acreage.

Opinion on the expanded Federal Crop Insurance Corporation program to replace the disaster program was generally divided. Much of the risk associated with farming is related to price variation, which is not covered by FCIC. There was much skepticism about a government run insurance program. On the other hand they supported the idea of farmers having the option to participate in the insurance program. Several agreed that some individuals had abused the disaster program in the past. Farmer acceptance of the crop insurance program during the next few years will determine whether this program is more valuable than the disaster program has been. Congress should write legislation in definite language—i.e., don't provide for as much interpretation by USDA. There is a need for more congressional oversight.

Another comment which seemed to sum up feeling about the farm program was that we support an extension of a leaner farm law administrated with a more common sense approach. When the government uses agricultural products as a tool of foreign policy, then producers should be compensated—with interest.

3. INTERNATIONAL TRADE

My farm constituents strongly support free trade, but they want it to be equitable to agriculture and not have their products singled out as the object of trade embargoes. With regard to the Soviet grain embargo, I continue to believe that without the cooperation of other nations that embargo will be less than effective in attaining its stated goals. Unless the embargo is expanded to cover all of our exports to the Soviet Union the embargo will continue to be unfair to the American farmer.

There was support for the efforts of commodity organizations and the U.S. Feed and Grains Council in developing foreign markets. There was disagreement on the value of bilateral agreements and liberalizing credit to foreign customers. There is also a feeling that bilateral agreements have generally had more political overtones then economic basis. Farmers feel that there is a need for someone to represent producer interest in foreign trade. There is general support for an increased role by Co-ops in international trade, but also a need for producer commitment to them in order for them to work.

In many cases market organization is hampered by uncertainties, embargoes, letters of credit and other trade restrictions. There may be a need for the government to guarantee payments to private firms who are dealing with unstable governments.

There was little, if any, support for either a grain marketing board such as the Canadian Wheat Board or for forming a grain cartel. Many did feel that there is a need for better reporting and oversight of activities by international grain companies to allow the farmer a fair chance to learn what is affecting the market.

There was support for moderate use of Public Law 480. The U.S. should probably control food reserves, since the U.N. is influenced by third world countries too often.

They are concerned that unions and other groups in this country can prevent loading and delivery of agricultural exports and thereby adversely affect farmers income. The point was made that if producers have no assurance of delivery of commodities either through embargoes, other trade rules, or loadings at ports of call, then we do not have free trade. If we do not have free trade, then producer protection should be available to supplement market prices paid to producers.

4. SOIL AND WATER CONSERVATION AND ENVIRONMENTAL REGULATION

There were several different viewpoints expressed on the means needed to encour-

age soil and water conservation. Most supported more education and technical assistance and tax deductions for conservation expenditures. A majority favored the use of low cost loans, particularly for medium sized projects, and cost sharing programs such as the Agricultural Conservation Program (ACP).

Most expressed the opinion that there are too many agencies involved, that these programs should be consolidated, perhaps with a block grant approach to the states or through the Soil Conservation Service. They generally supported the idea of pooling funds which would be administered at the local level.

Soil loss assessments and penalties as well as increased regulation were strongly opposed. Cross-compliance provisions tied with a higher target price were favored by a minority of those with whom I visited.

Groundwater control should be left to state and local agencies although it was recognized that if action is not taken, the Federal government would likely intervene.

May feel that government programs have contributed to erosion problems by encouraging the breakup of marginal lands and by penalizing producers who have practiced conservation.

5. OTHER COMMENTS

Mr. Chairman, there were also comments made about issues over which this committee has no jurisdictional authority; however, I feel compelled to include them in my testimony because of their importance to agriculture.

Taxes were of great concern to my farm constituents. Of special concern is the need to change inheritance, estate, death and gift taxes to make it possible for a farm couple to pass the farm on to the next generation. The money that was earned to buy and build up the farms was taxed as it was earned, taxed each year by property taxes and should not be further taxed at death. Farmers generally live very conservatively and save so that the farm can be preserved for the next generation, only to result in the sale of the farm in order to pay the inheritance tax. They strongly support increasing the amount of tax free inheritance and gifts to reflect the effect of inflation. Instances were cited where sons are paying more taxes on inherited land than their father paid to buy the farm originally.

The non-capital efforts of a woman involved in a farming enterprise should be recognized in law as a contribution to the estate. Many women devote their entire working lives to the farm—doing fieldwork, caring for livestock, keeping the books, etc.—only to discover upon the death of their husband that the farm estate, jointly built, is considered a gift to her. She is often forced to sell it to pay the inheritance taxes.

Many of these issues already discussed relate to the question of what should be the U.S. government's role in relation to the structure of agriculture. Most of the farmers I've visited with do not support the idea of selectively removing (1) their option to use cash accounting in computing their income taxes; (2) their eligibility for using investment tax credits; (3) the present capital gains tax provisions, or (4) eliminating the provisions allowing farm loss write-offs against non-farm income for those not materially participating in farming.

CONCLUSION

I would like to close by using a quote which I received from a farmer for it reflects the considered judgment of many farmers in my district: "After 30 years experience I have come to the conclusion that a major factor in the success and maintenance of a small farm is attitude and direction of the farm management to maintain an efficient operation. This includes money management, machinery size, livestock balance with the rest of the farming operation, the use of economically efficient storage facilities to maximize returns on sale of grain, and above all a willingness to provide a judicious amount of hard labor instead of expecting to do everything with some exotic and expensive machine."

Mr. Chairman, I would like to request that the record remain open in order that I may include in my testimony the results of an agricultural questionnaire I have recently mailed to my constituents.

Thank you again, Mr. Chairman for giving me the opportunity to appear before you today.●

POW-MIA DAY

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. MINISH. Mr. Speaker, I rise to join my distinguished colleague from the State of New Jersey, Mr. HOLLENBECK, in cosponsoring his House Joint Resolution 134 which would designate July 18, 1981, as National POW-MIA Recognition Day. Similar legislation was approved during the last session of Congress, and I would hope for swift consideration of this measure as well.

It is just and appropriate that we establish 1 day dedicated to the brave individuals held in captivity or missing in action, who sacrificed years of their lives in defense of our country. I believe that a commemorative day is also needed so those of us who enjoy freedom and a comfortable life can fully comprehend the magnitude of the sacrifices endured by these men.

As we establish a National POW-MIA Day, let us not simply contemplate the brave deeds of our servicemen or hold parades and rallies full of hollow rhetoric. Let us instead use the day as a catalyst toward greater awareness of the problems facing former veterans and be willing to support them in their task of reintegrating into society. If each one of us took a more sensitive and responsible stance toward the one or two veterans we know, we would serve them better than by attending a parade.

As all of America anxiously suffered the ordeal of 52 Americans forcibly held by barbarous Iranians, we have realized anew how torturous it is for families and friends to endure the strain of their loved ones' captivity. After a celebrated homecoming for the Iranian hostages, I believe it appropriate that rightful appreciation is shown to all our servicemen.

Therefore, Mr. Speaker, it is with pride that I cosponsor this House joint resolution to mark the calendar with a fitting remembrance of our courageous servicemen.●

THE B-1 BOMBER IS WASTEFUL

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. WEISS. Mr. Speaker, the Reagan administration has renewed efforts to generate support for the wasteful B-1 bomber, prudently rejected by President Carter and the Congress in 1977. The B-1 would do little to improve our defense capabilities, but would cost taxpayers an estimated $180 million per plane. It is simply unwise to approve funding for this project when the money is sorely needed elsewhere.

An editorial which appeared recently in the New York Times provides a succinct analysis of the many reasons the B-1 should not be built. I urge my colleagues to apply the reason of this editorial to their consideration of the defense budget.

THE B-1 ROARS AGAIN

President Carter cancelled development of the B-1 bomber almost four years ago for the very good reason that it promised to add little to America's strategic forces. Its gold-plating was partly designed to permit flight at supersonic speed—at the supersonic price of $102 million per plane. But these projects do not expire as fast as Presidents.

With Mr. Carter out of the way, the Air Force thinks the Republicans might want to honor their campaign pledge to revive the B-1. It is back with an "improved B-1 variant," which is to be held to subsonic speed and to the inflation-adjusted price of only $180 million each. And the Pentagon has decided to seek funds for either this project or a costly adaptation of the FB-111 medium bomber.

President Reagan would be foolish to buy either of these projects. Delay on the new bomber was never a valid symbol of defense neglect. A "Stealth" bomber with far greater prospects of penetrating Soviet air defenses is on the horizon. Until it is ready in the early 1990's, the existing B-52 bomber and the long-range cruise missiles it will carry will adequately meet strategic needs.

If Mr. Reagan accepts such wasteful new expenditures, he is unlikely to hold public support for the effort to cut social programs while increasing spending on other, more pressing military projects. There is already too much waste in the Pentagon budget: somewhere between $5 billion and $15 billion a year on unnecessary items, like bases of marginal value.

Besides replacing possibly vulnerable land-based missiles, the defense priority of the next few years lies not in strategic nuclear weapons but in conventional forces. As Gen. David Jones, the Chairman of the Joint Chiefs has warned, the country needs to improve existing forces and equipment before leaping at "the more visible and glamorous weapons system."

The Air Force is seeking $7 billion in the 1981-83 budgets for development of the B-1 variant, but that is only the camel's nose

under the tent. The real price of this project can be surmised from the projected costs of the original B-1 in 1977. They contemplated and expenditure of $25 billion for 244 planes. Over the bomber's lifetime and including operations, it would have been the most expensive weapons system in history—at least $40 billion, and, counting aerial tankers, missiles and spares, perhaps as much as $100 billion.

The Administration owes Congress a report next month on possible replacements for the B-52 by 1987. But no replacements by that date are essential. Only a squadron or two of the B-1 variant could be ready by then in any case. An adaptation of the FB-111 would be faster, but its limitations make it not worth the cost. An expensive crash program might develop the Stealth bomber by 1987, but a normal program can bring it into operation in the early 1990's, which is soon enough.

Despite concern about the obsolescence of the B-52, the staff of the Joint Chiefs acknowledged only last month that retention of the bomber in the active inventory "into the next century" is now planned and feasible. If Americans are to be asked to sacrifice for defense, it should be only for the most essential, defensible projects.●

EGYPT TODAY PROGRAM

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. HAMILTON. Mr. Speaker, I would like to bring to the attention of my colleagues the upcoming plans for Egypt Today, an exposition of ancient and modern Egyptian culture featuring over 70 exhibits in three American cities.

Egypt Today activities will open March 16, 1981, in Washington, D.C., and will be followed by openings in Houston and Los Angeles with the keynote address delivered in each city by Egypt's First Lady, Mrs. Anwar al-Sadat. Mrs. Sadat will be attending previews and openings of a number of events in each city.

Preparations have been underway for over 2 years to present this American celebration with programs that include art exhibitions, lectures, and workshops, film festivals and concerts of music and dance.

Three American sponsors have been responsible for the development of this historic cultural celebration, with the full cooperation of the Government of Egypt: the Smithsonian resident associate program, the Middle East Institute and Meridian House International. Major funding has been provided by the National Endowment for the Humanities, the National Endowment for the Arts, the U.S. International Communication Agency and the Government of Egypt.

The concept of developing a series of international cultural symposia to take place in Washington, D.C., and other U.S. cities was originated by the National Endowment for the Humanities. Early in 1977 a symposium on 20th-century Canadian culture was funded by the Humanities Endowment with the encouragement and support of the Canadian Government. The next symposium focused on the contemporary culture of Mexico. The National Endowment for the Arts joined in support of that symposium which was presented in the fall of 1978 with the support of the Mexican Government. Similarly, both endowments funded Japan Today, spring 1979, and Belgium Today, spring 1980. Egypt Today follows these excellent past programs.

These programs are intended to increase the American public's understanding of the contemporary cultures of other countries and to dramatize common interests and social questions. Selected leaders in special fields from the participating countries are invited to discuss important aspects of their country and society with Americans. Series of major art exhibitions, lectures, films, and performing arts events are presented. Special events for scholars, and programs for schools, colleges, radio, and television are also developed.

Mr. Speaker, this Egypt Today celebration in the United States will provide Americans with an unique opportunity to learn more about an important country and people in the critical Middle East and will strengthen the growing ties between our two countries.

I urge fellow Americans to participate in this celebration and learn more about one of the world's oldest and richest civilizations and, in the modern day, an important friend of the United States and a critical player in the search for peace in the Middle East and stability throughout the region.●

THE PRESIDENT'S TAX PACKAGE: THE ROYKO PERSPECTIVE

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. MICHEL. Mr. Speaker, last week I asked that a column about the President's economic recovery program by Chicago Sun Times writer Mike Royko be inserted in the RECORD. That column dealt with the contradictory facts about who benefits from many of the social programs which President Reagan's budget proposal asks be examined and curtailed.

The other part of the President's message is his tax reduction proposal. In recent days I have heard discussion about how the American people will use their tax savings, assuming the President's package is adopted in an acceptable manner. All such discussion overlooks the fact that the money belongs to the people to begin with.

Mr. Royko in his own vivid style has again brought home the basic truth concerning the President's tax proposals. As the clock ticks away on the very short time we have to deal with President Reagan's proposals, I think Mr. Royko's column will help us all grasp the essential message many of us are hearing from home. I am, therefore, inserting in the RECORD, "A Taxing Dilemma," by Mike Royko, from the Sunday, March 1, 1981, issue of the Chicago Sun Times.

WHO'LL SPEND OUR CASH? A TAXING DILEMMA

During a recent committee hearing, some Democratic congressman were loudly hassling a Reagan Cabinet member about the proposed cut in income taxes. They were worried about whether the tax cut would cause further inflation.

One of them angrily said: "What guarantees can you give us that people will save that money instead of spending it? You can't give us any guarantees."

And another chimed in: "How do you know that instead of saving that money, or investing it, people won't take the money and buy some gas for their car and make a trip? Or go spend it at a McDonald's?"

How about that. Congressmen are now worried about what we will do with our money—money we've worked for.

They are upset at the terrible possibility that we might actually spend our own money.

Well, that's possible. We might spend it. I'm sure that if there is a tax cut, some people will become so giddy with their new wealth that they will rush out to put gas in their cars so they can go to a McDonald's and buy themselves a quarter-pounder with cheese and a large fries. Or a pair of Western boots, or some new underwear, or a car. Or they might buy a round of drinks for the boys down at Louie's Pub, or put a bet on a horse.

Me? I don't know what I'll do with mine. I might prudently stash it away where it will draw interest, so next year I can pay taxes on the interest. Then Congress can find a way to spend the interest I earned.

On the other hand, I might just up and spend it at Hairline Creations to see if they can make me look as handsome as Steve Ontiveros or Toni Fritsch.

Or maybe I'll use the money to buy Rita Jenrette a golden bauble and ask her if she'd like to see what our courthouse steps look like in the moonlight.

I'm really not sure what I'll do with the money that the congressmen are so worried about.

The truth is, nobody can say for sure what everybody will do with their tax-cut money. Some people will happily spend it all, some will carefully save it all, and some will save a little and spend a little.

But there's one thing we can be sure of: If we don't get a tax cut, and the money is paid in taxes instead, Congress will definitely spend it.

And that's what is bothering those congressmen. They don't like the idea that we might decide to spend our own money. They'd prefer to take it from us—so they can find ways to spend it.

That's the only thing Congress knows how to do with money. It doesn't know how to save it. It's terrible at stretching it. It's not even very good at counting it. But, oh, how it can spend it.

Ordinary people, when they think of a big evening out on the town, think in terms of $50 or $100.

But Congress, when it is thinking small, thinks in terms of $100 million here, $500 million there, a billion for this, another billion for that.

They think about spending numbers so big that most of us aren't sure how many zeroes the numbers have.

They like spending it on things that will get them votes—pork-barrel projects for the folks back home. They like spending it on things that will make influential lobbyists happy. They like spending it on bigger and better bombs.

They can think of a thousand new ways to spend our money. Then they have the guts to worry out loud about whether some of us might spend our own money on a tank of gas and a quarter-pounder.

They're concerned that some working stiff might completely flip out and do something foolish with his two or three hundred extra dollars. So they want to protect us from ourselves by taking our money and spending it.

Not being a congressman or an economist, I'm a little foggy on what difference it will make to the inflation rate if we spend our money on a tank of gas and a quarter-pounder or if Congress takes it and spends it on something useless, or gives it to someone else who will spend it.

If Congress spends it, or gives it away to someone else to spend, it will be inflationary. So why shouldn't you at least have the pleasure of spending it yourself before the quarter-pounder goes up in price?

One of the congressmen who yelled loudest about the possibility of people not being prudent and saving their money is a liberal Democrat from New York. And that is funny. If there is anyone in this country who cannot lecture anybody else about saving their money, it is a liberal Democrat from New York.

These are people who turned spending, wasting and giving other people's money away into a new art form.

Their idea of a perfect economic system would be to tax everyone at a rate of about 100 percent. Then they would have all the money in the country and they would give us a little each week, and they could find ways to spend the rest.

That way, someone who is rich would have exactly the same amount of money as someone who is poor. And somebody who is middle-class would have as much money as someone who is rich. And the same as somebody who is poor.

So we would no longer have poor people envying middle-class people, and middle-class people envying rich people, because everybody would have the same amount of money. What could be fairer?

And to see how well this system works, just check New York's credit ratings.

I advise congressmen not to worry so much about Americans going on a wild spending binge if there's a tax cut. Millions of ordinary Americans save money every payday. Who do they think buys all those savings bonds—congressmen's wives?

Most people have more money sense than your average congressman. Remember, most of this country's economic problems were either created by Congress or are problems that Congress has been unable or unwilling to solve.

So do us a favor—trust us with our money the way you ask us to trust you with our money.

And even if somebody buys a quarter-pounder, so what? A least it's something you can understand.

When was the last time Congress gave you anything you could understand? Besides a headache.●

LATIN AMERICAN SITUATION

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. GARCIA. Mr. Speaker, the Latin American situation is very serious. Events in the last year, especially in Nicaragua and El Salvador, strongly suggest a need to reevaluate our national policy toward Latin America in general. Documentary evidence provided by the U.S. Department of State indicates a growing Communist involvement throughout Central America. Alleged Communist assistance, in the form of material and organization, has compounded the instability throughout this region inciting further atrocities on all sides.

As in every conflict, the poor and landless, who form the majority are caught up in a war of attrition. It is a war that polarizes and destroys the fabric of society. The sale of additional arms will not, I believe, render the chaotic Latin American situation any more resolvable. Evidence suggests, contrary to the present popular call for massive arms expenditures, that increasing arms transfers only serve to increase the likelihood, severity, and duration of the conflict.

Questions need to be asked about the advisability of arming governments which, in lieu of a demonstrative interest in the livelihood of their people, choose to wage war and trumpet the insidious hand of communism. There is no doubt that Communist interests would be served in a destabilized Latin America. However, there is doubt that our interests, and the interests of the majority of Latin Americans, would be served by the massive transfer of American arms.

I believe a case-by-case study needs to be conducted to determine where and when and in what form American aid should be offered. Second, we need to step back and get a perspective on the long-range problems many of these countries will encounter, with or without U.S. aid, in the future. Finally, in our haste to establish a bulwark against increasing Soviet pressure throughout the world, we should not lose sight of the fact that we equally stand to lose more by fueling the flames of war.

A resolve to uphold the rights and dignity of each man, and a willingness to see our responsibilities in perspective should dominate all our foreign policy thinking.●

ILLEGAL IMMIGRATION PROBLEM: EMPLOYMENT IS THE KEY, SOCIAL SECURITY CARD THE SOLUTION

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. BONKER. Mr. Speaker, I believe immigration—especially illegal migration—will be among the hottest issues of the decade. At this time there is great dissatisfaction with our present laws and their administration. The problem of illegal immigration will only become more volatile and divisive until Congress takes action on what has become a situation that is out of control. I am reintroducing legislation today which goes to the heart of the problem.

My colleagues should have received today the final report and recommendations of the Select Commission on Immigration and Refugee Policy, "U.S. Immigration Policy and the National Interest." The distinguished Chairman of the Commission, Father Theodore Hesburgh, recently made the following comments concerning the Commission's findings:

> The first order of priority is bringing undocumented/illegal immigration under control * * * Such migration to the United States is so extensive that hundreds of thousands of persons annually enter this country outside of the law * * * Many undocumented/illegal migrants were induced to come to the United States by offers of work from U.S. employers who recruited and hired them under protection of present U.S. law * * * The Select Commission is well aware of the widespread dissatisfaction among U.S. citizens with an immigration policy that seems to be out of control * * *
>
> One does not have to be able to quantify in detail all of the impacts of undocumented/illegal aliens in the United States to know that there are some serious adverse effects. Some U.S. citizens and resident aliens who can lest afford it are hurt by competition for jobs and housing and a reduction of wages and standards at the workplace. The existence of a fugitive underground class is unhealthy for society as a whole and may contribute to ethnic tensions. In addition, widespread illegality erodes confidence in the law generally, and immigration law specifically, while being unfair to those who seek to immigrate legally.

In response to the problem of illegal migration, the Commission emphasizes the need for legislation which both penalizes employers who hire undocumented/illegal aliens and provides a verifiable employment eligibility system.

I heartily concur with these recommendations.

In fact, more than 3 years ago I first introduced legislation which is in keeping with these very recommendations and which would establish a simple, humane, and cost-effective program to stem the flow of illegal immigrants into this country. In the 3 years since I introduced this measure, perhaps 2 or 3 million additional illegal aliens have entered this country in search of jobs.

Rather than invest in costly and draconian measures to make a Berlin Wall out of our borders, as some suggest, or harass American citizens of foreign extraction, we must focus attention on the root cause of the illegal alien problem—the employment of illegal aliens in the United States.

As the Select Commission notes, it is well known that noncitizens pour into this country by the tens of thousands every month to look for work. Without the lure of employment in the United States, these people would probably never leave their homelands.

Jobs are now readily available to the undocumented worker. Some employers are eager to make use of the large, cheap, and willing pool of illegal labor; and they face no penalty for doing so.

But sanctions against those who hire illegal aliens, in the absence of a simple and reliable system of identification, unfairly burden the employer. Without such identification, employer sanctions would also contribute to job discrimination against certain ethnic groups. Most businesses have neither the resources nor the inclination to verify the identity of a worker who may possess a counterfeited temporary work permit—green card—social security card, or other bogus forms of ID that are easily obtained. The question, then, is how best to document worker eligibility and where to place the burden for identifying and enforcing the violations.

The Social Security Act has always required that all gainfully employed people have a social security number and that this number be given to the employer. Thus, the basic system for controlling employment eligibility through a single document is already in place.

My bill would require the Federal Government to issue counterfeit proof social security cards. Anyone applying for a social security card must present proof of U.S. citizenship—as required by the 1972 amendments to the Social Security Act—or of legal entry confirmed by the Immigration and Naturalization Service, to the local social security office. An employer would be required to check a new employee's social security card and could ask for additional identification, approved by the Attorney General, in the case of an old social security card to insure that the bearer of the card is the valid holder.

What is important to remember about this approach is that the major responsibility for determining the legal employability of a person is on the Government, not the employer. Using the counterfeit proof social security card, shown only to obtain employment, would help to solve another problem—the harassment of Hispanic Americans and other citizens of foreign origin seeking work.

With the careful issuing of counterfeit-proof social security cards, we would have a simple and efficient means of controlling the employment of illegal aliens. By removing the lure of jobs in the United States, the incentive for illegal immigration would be greatly diminished.

Public opinion surveys and editorial endorsements have repeatedly demonstrated widespread support for this commonsense approach to the burgeoning problem of illegal immigration. I hope that my colleagues will agree that this is necessary and timely legislation, and I invite their cosponsorship.

H.R.—

A bill to amend the Social Security Act to require the issuance of social security cards designated to reveal any unauthorized alteration, to require that alien employment restrictions be marked on such cards and that such cards be presented to employers by prospective employees, to limit the use of such cards as identification cards, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 205(c)(2) of the Social Security Act (42 U.S.C. 405(c)(2)) is amended—

(1) in subparagraph (B)(ii) thereof, by adding at the end thereof the following new sentence: "For purposes of section 264(b) of the Immigration and Nationality Act, the Secretary shall be deemed to have been designated by the Attorney General."; and

(2) by adding at the end thereof the following new subparagraph:

"(D)(i) On and after the effective date of this subparagraph, any social security account number assigned to any individual shall be issued on a card in a form designed to prevent any unauthorized alteration or duplication.

"(ii)(I) If such card is issued to any individual who is an alien and is in the United States under conditions which do not permit him to engage in employment, such card shall be clearly marked 'Not for Employment' to indicate that such individual may not be employed lawfully.

"(II) If such card is issued to any individual who is an alien and is in the United States under conditions permitting restricted employment, such card shall be clearly marked 'For Restricted Employment', shall indicate any such restriction on employment, and shall clearly indicate any applicable expiration date.

"(III) Any card marked as required in subclause (I) or subclause (II) may be reissued to reflect any change in employment status at the request of the individual to whom such card was issued, or at such time as the Secretary may determine that the employment status of such individual has changed.

"(IV) Before issuing any card in accordance with subclause (I) or subclause (II), or reissuing any card in accordance with subclause (III), the Secretary shall obtain from the Attorney General such evidence as may be necessary to determine the employment status of the individual involved, and to comply with the requirements of this clause.

"(iii) On or after the effective date of this subparagraph, the Secretary shall reissue a card under this paragraph to any individual who is a citizen of the United States, and to whom a card has been issued before such date, at the request of such individual.

"(iv) Before any reissuance of any card under this paragraph, the Secretary shall require the individual involved to return any card previously issued to such individual. Such individual shall, in connection with any such reissuance, comply with the requirements of subparagraph (B) (ii).

"(v) (I) In any case in which any individual or the Secretary seeks issuance or reissuance of any card under this paragraph, and satisfactory application therefor is made in such manner and form as the Secretary may prescribe, the Secretary shall issue to such individual a certification of pending issuance or reissuance.

"(II) Such certification shall be marked as described in clause (ii)(II) or clause (ii) (III), if applicable, and may be used in the same manner as a card, for purposes of this subparagraph, for a period of forty-five days. Such expiration date shall be clearly marked on such certification. Before the close of such period, the Secretary shall issue or reissue a card to the individual involved in accordance with the provisions of this paragraph.

"(vi) On or after the effective date of this subparagraph, no person may employ any individual in the United States unless such individual has been issued a card or certification under this subparagraph and such person examines the card or certification so issued to determine that such individual may be lawfully so employed; except that an individual holding a card issued before the effective date of this subparagraph may be employed upon presenting such card without having been issued a new card or certification under this subparagraph, subject to such safeguards and conditions as the Attorney General may prescribe to assure that the employment of such individual (in the position involved) would be lawful. In either case, such person shall ascertain through other evidence of identity that such individual is the individual to whom the card or certification involved was issued.

"(vii) Nothing in this subparagraph shall be construed to require any individual to carry on his person any card issued under this paragraph, nor shall such card be required or used for the identification of such individual, except as provided in this subparagraph.

"(viii) Notwithstanding any other provision of this Act, any person who knowingly violates clause (vi), where such violation results in the employment of any alien who is not eligible to be employed lawfully in the United States, shall be—

"(I) fined not more than $500 or imprisoned for not more than six months, or both, for the first such employment of such alien by such person, and

"(II) fined not more than $1,000 or imprisoned for not more than one year, or both, for each subsequent such employment.

79-059 O - 84 - (Vol 127 Pt.3) - 85

"(ix) Any person who falsely makes or manufactures a card or document which is to be or could reasonably be used as a card issued or reissued under this subparagraph, or who counterfeits, alters, or reproduces a card so issued or reissued, or who utters, publishes, or knowingly uses a card or document so made, manufactured, counterfeited, altered, or reproduced, shall (in addition to any other penalties provided by law) be fined not more than $5,000 or imprisoned for not more than five years or both.

"(x) For purposes of this subparagraph, the term 'card' means any card or other tangible object issued by the Secretary to any individual as official evidence of the assignment of a social security account number to such individual.".

SEC. 2. The amendments made by the first section of this Act shall take effect one hundred and eighty days after the date of the enactment of this Act.●

REIGN OF THE KING CRIME

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. GONZALEZ. Mr. Speaker, I am reintroducing a resolution that would provide the sense of the House directing the President of the United States to make available to the Justice Department, the Attorney General, up to $3 million as a reward to solve the murder of Federal District Judge John Wood and the attempted murder of Assistant U.S. Attorney James Kerr.

Many of my collegues will recall that I spoke about this horrendous and heinous crime periodically throughout the 96th Congress, which I appropriately referred to as the reign of the "King Crime." The murder of Federal Judge John Wood and the attempt to murder Assistant Federal District Attorney James Kerr remains unsolved.

In May of 1979, Judge Wood was the victim of the most dastardly crime of the century. The deadly crime was committed in a portion of San Antonio, adjacent to the district I represent, in the most affluent, sedate, suburban area of the city. Six months prior to this calculated murder, Attorney Kerr walked out of his home at 8 a.m. on his way to his office only to be confronted by an M-1 rifle firing at him from the back of a van. By mere fate, he was able to shield himself from the gunfire and escaped unharmed.

It has become obvious that both crimes are connected and that one followed the other. There is also the fact that these infamous crimes are unprecedented in American Federal jurisprudence. This is a direct challenge as well as an intimidation of one branch of the Government, the judiciary.

Still, today, this situation is intolerable. It is appalling that this well-planned, well-organized crime has become endemic to our society. Syndicates and organized crime networks have been able to penetrate every single layer of our Government, and our law enforcement agencies have been failing in their attempts to cope with it.

A direct challenge has continued to confront the basic rights of the Constitution. It is a threat to the success of our democratic participatory government.

For this reason, I am reintroducing this legislation. It is my hope, which is a realistic one, that the monetary reward is the only way this unpunished crime will be at last unbroken. Not only will those immediately involved be arrested and convicted, but those sinister influences behind the real crime.

Mr. Speaker, this is without doubt the gravest and most serious crime in our century, for the third branch of our Government has been threatened directly.●

COAL EXPORTS: EXPANDED PROSPECTS FOR OUR PORTS AND SHIPPING

HON. LINDY (MRS. HALE) BOGGS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mrs. BOGGS. Mr. Speaker, interest continues to mount in efforts to overcome obstacles to the development of U.S. coal exports, particularly steam coal. Recently the Department of Energy released the interim report of the interagency coal export task force, which analyzes the national significance and potential benefits to the Nation of increased coal exports. According to the task force, these benefits include reducing our allies' dependence on imported oil, increasing domestic employment and substantially improving the Nation's balance of payments.

I would like to share with my colleagues two recent articles which touch on difference aspects of the development of a strong U.S. coal export capability. The first article appeared in the Wall Street Journal and it highlights the need to develop capacity at our coal export terminals. The second, a pamphlet published by the American Maritime Officers Service, discusses the tremendous opportunities for the revitalization of our domestic bulk-cargo maritime fleet.

The texts of the article and pamphlet follow:

[From the Wall Street Journal, Feb. 27, 1981]

INADEQUACY OF U.S. COAL-EXPORT TERMINALS SPARKS OIL-MONEY PUSH TO EXPAND CAPACITY

(By Thomas Petzinger Jr.)

Oil money may break up a logistical logjam in the coal industry.

Coal-hauling railroads in the U.S. and coal buyers abroad have been at a standoff for a year. Mounting prices for energy have sharply increased foreign demand for relatively cheap American coal. Colliers to carry that coal to overseas markets have been queuing up at major coal ports on the East Coast.

Coal piers can't handle the traffic. The railroads that own them have been reluctant to expand their unloading capacity. They cite the risk of commiting millions of dollars for new piers, equipment and storage areas when other countries are buying coal only on a short-term basis. But foreign importers, chiefly European utilities, are refusing to make long-term commitments precisely because of the shortage of port capacity.

Enter the coal companies, particularly the ones owned by cash-rich petroleum companies. They are moving into this traditional domain of the railroads, investing hundreds of millions of dollars in new oceanside coal terminals.

PROJECTS ABUILDING

"We're not going to be starved to death by inadequate exporting facilities," says Dan McQuade, manager of special projects at A.T. Massey Coal Co., a joint venture of St. Joe Minerals Corp. and the Royal Dutch/Shell Group.

Massey is spending about $70 million to buy and upgrade unloading facilities at Newport News, Va., and is studying other projects. The company also refurbished an export terminal at Charleston, S.C., and recently shipped its first load of coal from Charleston to a utility in Ireland.

The coal companies see their port investments as a good bet. Last year's record coal exports of nearly 90 million tons strained existing U.S. port capacity. Analysts expect the coal export boom to continue for some years. They predict that in 1985, U.S. producers will export at least 110 million tons, and considerably more in later years. That suggests a near-term need for at least 30% more capacity in coal unloading.

Last year, foreign utilities paid nearly $1 million in demurrage, or waiting, charges to each of scores of foreign vessels that stood at anchor for weeks for a load of Appalachian coal. Recently more than 145 colliers were waiting empty at the Virginia coal port of Hampton Roads. That means an average delay of 60 to 70 days.

EXCESS CAPACITY?

Despite the boom in coal and the prospect that it will continue, the coal producers investments in new ports are already beginning to look risky. The reason: It appears that too much new unloading capacity is being planned.

A recent Dravo Corp. study concluded that, by 1985, more than 13 terminals with a loading capacity of more than 150 million tons will be competing with one another. Another report, released by the government last month, forecast that if planned projects are completed on schedule, capacity in 1985 will be "greatly in excess of any forecasted level of U.S. coal export and coastal trade."

Coal companies—and in some instances coal brokers, government bodies and other investors—are planning to build terminals in Baltimore; Wilmington, Del.; Savannah, Ga.; Morehead City, N.C., and other areas. Conrail, backed by $26.5 million from the state of Pennsylvania, is planning a major expansion of a coal terminal in Philadelphia.

Projects are being considered in Baton Rouge, New Orleans, Houston, Galveston and other port cities. The Virginia Port Authority has proposed a 50-millon-ton-a-year "superport" at Portsmouth, and a group of three coal producers already is considering a more modest (20 million tons a year) terminal there.

The U.S. Army Corps of Engineers is studying projects for $1.48 billion of dredging at the ports of Baltimore, Hampton Roads, Mobile and New Orleans, to equip them for loading giant vessels that currently can't call at U.S. ports.

VOLATILE INDUSTRY

Coal executives aren't surprised that coal-port capacity might swing from shortage to excess in as little as four years. "The whole history of the coal business in this country goes from one extreme to another," says Massey's Mr. McQuade. "You have to stick your neck out on the basis of a projected market."

The swelling of foreign coal demand, traceable to rising oil prices, is a blessing for the U.S. coal industry. The domestic market has been languishing for three years. "Were it not for the surge in export demand in 1980, many of the smaller and marginal coal producers currently in operation would have exited the coal industry long ago," says Jack Kawa, a coal analyst at Wheat, First Securities.

There is another factor: Without the new facilities, coal industry executives say, the expected increases in foreign demand would be filled by other coal-rich nations, chiefly Canada, South Africa and Australia.

MARKETING MATTERS

The coal producers have other motives for getting involved. "The coal companies are the major new entrants in this business because they otherwise can't control the loadings of their own coal. They're using these projects as marketing tools," says Jeffrey Bell, manager of terminals development of Soros Associates, a port contractor involved in plans for a $150 million terminal in Baltimore.

Michael Gawinski, a marketing specialist at a Dravo division that designs and builds ports, says coal companies are "scurrying because the best way to be competitive in the export market is to get these ports built now."

Most coal companies say they expect to avoid creating excess port capacity by making sure they have sufficient tonnage locked up under long-term contracts.

COAL: THE BOOM CARGO

(By the American Maritime Officers Service)

There is a boom cargo with important implications for the U.S. flag merchant fleet: it's coal! The United States is uniquely positioned with the world's major deposits which gives us a commodity showing promise of a magnitude similar to the fabled tea and cotton trade. Since competing energy resources, oil and natural gas, have risen extremely high in price, and nuclear energy has met with heavy opposition we are left with the alternatives of wind and solar energy as well as synthetic fuels. The problem with these resources is their development. The research is very costly and significant results for its expanded practical use will not be available in the foreseeable future. That leaves coal—it's available and we've got it.

Virtually every study on energy agrees that coal has a great future, and the U.S., with its vast deposits, should be on the ground floor of further development. No sooner will the new administration come into office than a 10-year old clear air act will go on review. The White House will work to restructure the old act to remove some of the heavy industrial restrictions pertaining to the use of coal. With that much business in the offering (already bulk carriers are lined up on major coal ports) one would think U.S. operators would be breaking down the doors to enter the trade. It just isn't so. Why? U.S. ports need lots of work. That means capital for new bulk-loading facilities and Government dredging funds.

At the moment there are two bills in Congress, one proposed by Senator John Warner of Virginia, and Senator Bennett Johnson of Louisiana, and H.R. 55 sponsored by Congresswoman Lindy (Mrs. Hale) Boggs of Louisiana, which are designed to appropriate dredging funds for Norfolk and New Orleans harbours to a depth of 55 feet. At the present time the maximum draft is about 40 feet. This depth makes it impossible for large coal colliers to top off. Because of this impediment, vessels must call at ports such as Richards Bay, South Africa, where the channel is 60 feet deep. In 1980 over 50 million tons of coal were loaded at that port. As far as the construction of the bulk-loading facilities in this country is concerned, the Administration has made no commitment at this time. Hence private capital must be forthcoming for the new facilities. How the money is obtained for the facilities must be done soon if the U.S. hopes to meet the future worldwide demand for coal.

An item even more important than the loading facilities is the dangerously growing neglect toward our U.S. Merchant Fleet. Right now the fleet has only about 20 bulk carriers, many of which are of World War II vintage. This problem is reflected in the record of coal trade in International Commerce in 1977 when some 200 million tons of coal were traded worldwide and only 5 million tons of coal came from the U.S. The distressing point is that U.S. flag ships carried only 2½% of the entire bulk trade according to a study done by the Massachusetts Institute of Technology. The majority of the balance of trade was carried by some of the 900 odd bulk carriers under Liberian and various other flags, many of which are owned by U.S. companies. The "Pride of Texas," launched late in 1980, was the first collier to be built in the U.S. since the "Sugar Islander" sailed out of Puget Sound on her maiden voyage in 1973. If this slack in U.S. shipbuilding continues, this country is in serious trouble on another front because the Merchant Marine is our fourth line of defense. With the condition of the U.S. Flag Merchant Fleet today, we would be in serious difficulties if there was an armed conflict.

The remedies suggested so far, including those from the outgoing administration, don't seem to address the major difficulty—the severe cost disadvantage that potential U.S. flag carriers bear both in terms of initial vessel construction and subsequent operations. With these problems the U.S. cannot possibly take full advantage of the coal trade leaving Australia, South Africa, and Colombia (major deposits were recently found in Colombia S.A.) to capitalize on trade that should belong to the United States. According to the prestigious study overseen by MIT, the demand for coal could reach anywhere from 560 to 980 million tons per year by the year 2000. Urgent action is needed.

Whatever is done to resolve the problems the solution will have to address what the recent study by MARAD described as the "most fundamental obstacle of all," that the international bulk contract market "does not place a premium on U.S. flag vessels. The market is one that does not support the luxury of service preferences and rate fixing conferences. It is a market where the skipper (the owner of the cargo) can compete only if he can deliver his product to his customer at the lowest price." Cargo preference and bilateral cargo-sharing agreements—much favored by liner operators—"may be useful where a strictly bilateral trade exists, but the result of imposing such programs with their higher shipping costs on the American foreign commerce in contract commodities would be simply to divert business away from American suppliers to foreign competitors who can ship their products on the least expensive vessels." There is little hope that technology will provide any help.

A possible solution would be for a unique four-corner bulk trade-offense such as: bulk cargoes outbound to Europe from the east coast, containers from Europe to South Africa and Australia and bulk cargoes to Japan. If this is to succeed we would need a bilateral cargo-sharing agreement with the Japanese government in order to carry various products such as steel to the U.S. It's obvious that this proposal of circumventing the globe with such a mixed service could give some hope to the U.S. Merchant Marine.●

WHITTINGTON—BEST SPELLER

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. COLLINS of Texas. Mr. Speaker, on this House floor we spend much time discussing quality education. Let us look at some constructive programs of quality education.

We have just completed the Dallas County spelling bee championship.

We had 56 of the best spellers in the county compete. Maria Whittington correctly spelled "placebo" and became the Dallas County champion.

This type of competition is stimulating and constructive. The championship finals were held on the campus of Southern Methodist University. The winner, Maria Whittington, is an 8th grade student at St. Lukes School in Irving, Tex. She is the daughter of Mr. and Mrs. John Whittington of Irving.

It was an exciting contest, as she finally won out over J. P. Porier of Lancaster.

These top spellers represented students from the fifth through eighth grades. Each of the finalists had been the top speller within their school.

People might say this is oldtime fundamental education. Whatever it is called, it is sound, constructive, and it provides us with better educated youngsters for the future. I am mighty

proud of Maria Whittington who has a great future ahead of her.●

SOCIAL SECURITY: CONGRESS CONSIDERS THE OPTIONS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. HAMILTON. Mr. Speaker, I insert my Washington report for Wednesday, March 11, 1981, into the CONGRESSIONAL RECORD:

SOCIAL SECURITY: CONGRESS CONSIDERS THE OPTIONS

Congress is considering several measures to make the social security system healthy once again. Without trying to make a recommendation at this early stage of consideration, let me describe the options that have received most attention.

The main options to increase social security revenues are these:

General revenue financing: Proponents of this idea have many suggestions. One is to permit the trust funds to borrow from the Treasury as their assets decline. Another is to set aside general revenues to make up for the social security tax lost during periods of high unemployment. The most common suggestion is to direct general revenues into the trust fund and then assign the entire social security tax to the other trust funds. Proponents argue that medicare benefits paid by the hospital trust fund are unrelated to social security tax payments.

Income tax credit: An alternative to the direct use of general revenues is an income tax credit designed to offset increases in the social security tax. There would be an additional increase in the social security tax beyond those already scheduled, but an even larger income tax credit would negate its impact on workers' paychecks and employers' profits. Proponents claim that this alternative would preserve the self-financing character of social security.

Extended participation: The extension of social security participation has also been mentioned as a means of increasing revenues. There are three basic proposals. One would bring into the system the 2.5 million civil service workers who are not covered currently. The other would make social security mandatory for all new civil service workers. A third envisions the extension of particpation to all federal employees, employees of state and local governments, and employees of non-profit organizations. Proponents say that such changes could be made without endangering the pensions of any workers.

Taxation of benefits: Social security benefits are currently exempt from income tax, but changes have been recommended. One idea is to subject all benefits to income tax. Another is to tax only half of them. A third is to tax either some or all benefits, but only when total retirement income exceeds a certain large amount. Any tax collected would be paid directly into the trust funds. Proponents maintain that taxation of benefits would place social security and private pensions on a more even footing.

The main options to decrease social security outlays are these:

Retirement age: It has been suggested that the age at which an individual may receive full social security benefits be raised from 65 to 68 years, gradually and beginning about the year 2000. Such an action would reduce the benefits paid out as it kept workers paying in for a longer time. Proponents argue that people are now remaining healthy longer than at the time when 65 years was chosen as the retirement age.

Indexation of benefits: Another proposal to decrease outlays is to change the method by which social security benefits are indexed to inflation. One alternative is to modify the Consumer Price Index (CPI) by substituting in it the lower cost of renting for the higher cost of housing. A second is to "cap" the CPI either at a certain percentage each year or by annual congressional review. A third is to adjust benefits in step with the lower of wage or price increases that occur in the economy. This last method has attracted attention because employees' wages have tended to rise more slowly than consumers' prices. Proponents claim that beneficiaries should not be given more consideration than workers.

Reduction of benefits: It has also been suggested that certain kinds of social security benefits be totally eliminated or else gradually reduced by denying them to future recipients. From time to time, the minimum benefit, the lump-sum death benefit, the benefit for young surviving parents with older children, and the post-secondary student benefit have been recommended for elimination or reduction. Proponents say that the benefits are not tied closely enough to social security tax payments or else are not needed because they are duplicated by other forms of government aid. It has been proposed as well that the formula used to calculate initial benefits be changed in a way that would reduce benefits for future recipients.

Each of these measures has its opponents. In the view of many people, general revenue financing blurs the distinction between social security and welfare. Critics of the income tax credit say that it is too complicated. Government workers see the extension of participation as a threat to their pensions. The taxation of benefits and all the plans to decrease outlays meet with opposition from labor groups and the elderly. They argue that contributions to the system have already been taxed, that many other persons cannot work beyond age 65, that the elderly should not bear the brunt of inflation, and that all benefits are necessary just to get by.

None of these measures is pleasant to consider. On the other hand, one or more of them will have to be passed by Congress if the integrity of the social security system is to be maintained. If policy makers do not make hard decisions soon, drastic action will be needed later.●

PROTECTING OLDER AMERICANS AGAINST OVERPAYMENT OF INCOME TAXES

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. OTTINGER. Mr. Speaker, according to the House Select Committee on Aging, a vast number of older Americans are overpaying their income taxes because they fail to take advantage of the legal tax reduction provisions available to them. The committee recently released its checklist of itemized deductions for use in taxable year 1980. I believe it is extremely important that this information be available to all senior citizens so I am inserting the checklist in the CONGRESSIONAL RECORD at this time:

PROTECTING OLDER AMERICANS AGAINST OVERPAYMENT OF INCOME TAXES

(A Revised Checklist of Tax Return Information for Use in Taxable Year 1980)

A. FILING REQUIREMENTS

Single Individuals

Single individuals under the age of 65 must file a return if they had gross income of $3,300 or more for the year. Those over age 65 must file if they had gross income of $4,300 or more.

Married Individuals

Married individuals under the age of 65 must file a return if the couple's combined gross income was $5,400 or more. If only one spouse is age 65 or older, the filing level is $6,400. If both spouses are age 65 or older, the filing level is $7,400.

An individual who is married and whose spouse files a separate return must file a return if gross income was $1,000 or more.

Qualifying Widow or Widower

Qualifying widows or widowers must file a return if they had gross income of $4,400 or more during the year. For qualifying widows or widowers who are 65 or older, the filing level is $5,400.

Self-Employed Persons

Self-employed individuals must file a return if they had net earnings from self-employment of $400 or more.

B. PERSONAL EXEMPTIONS

Each taxpayer is entitled to a $1,000 personal exemption. Married taxpayers generally are entitled to an additional $1,000 exemption for their spouses. Furthermore, additional exemptions are provided for age (65 or older) and blindness. Finally, individuals may take an exemption for each person who qualifies as a dependent.

C. ZERO BRACKET AMOUNT

The zero bracket amount (formerly, the standard deduction) is the portion of an individual's income which is not subject to tax. The zero bracket amount is (1) $3,400 for married individuals filing jointly, or qualifying widows or widowers, (2) $2,300 for single individuals, or heads of households, and (3) $1,700 for married individuals filing separately.

D. EXCLUSIONS

Capital Gains

In general, 60 percent of net long-term capital gain is excluded from gross income.

Sale of Personal Residence

Individuals who are age 55 or older may elect to exclude, on a one-time basis, up to $100,000 of the gain from the sale of a personal residence. For the exclusion to apply, the taxpayer must have owned and occupied the residence for 3 of the 5 years ending on the date of sale.

Dividends and Interest

In general, individuals may exclude up to $100 ($200 on a joint return if each spouse has at least $100 of dividends) of dividends received during the year.

For 1981 and 1982 tax years (to be reflected on 1981 and 1982 tax returns), $200 ($400 in the case of joint returns) of interest and

dividends may be excluded from gross income.

Disability Income Exclusion

Certain individuals may exclude up to $5,200 per year of disability income. In general, to qualify for this exclusion, an individual must be under age 65, must have retired on disability, and must have retired because of permanent and total disability.

E. ITEMIZED DEDUCTIONS [1]

Medical and Dental Expenses

The portion of medical expenses that exceeds 3 percent of a taxpayer's adjusted gross income may be deducted. (However, medicine and drug expenses are taken into account only to the extent that they exceed 1 percent of adjusted gross income.)

One-half of the amount spent for medical insurance (up to $150) may be deducted without regard to the 3-percent floor. The remainder is lumped with other medical expenses and is subject to the 3-percent floor.

Taxes

In general, State, local or foreign income tax, real property tax, personal property tax, and general sales taxes are deductible.

Interest

Interest payments are deductible by individuals who are legally liable to make them. Items commonly deducted as interest include: Mortgage interest, "points" paid by a borrower, mortgage prepayment penalties, separately stated finance charges, bank credit card plan interest, interest on personal loans, and interest on business loans.

Contributions

Contributions of cash or property to qualified organizations may be deducted. In general, the deduction may not exceed 50 percent of an individual's adjusted gross income.

Casualty and Theft Losses

Personal casualty and theft losses are deductible to the extent that they exceed $100 per occurrence and are not reimbursed through insurance or otherwise.

Miscellaneous Deductions

In addition to medical and dental expenses, taxes, interest, charitable contributions, and casualty and theft losses, a number of other, miscellaneous expenses may be claimed as itemized deductions. Some of the more common expenses in this category include: dues paid to professional societies, employment-seeking expenses, employment-related education, subscriptions to professional journals, union dues, investment counsel fees, safe deposit box rental, and tax counsel and assistance.

F. TAX CREDITS

Credit for the elderly

Individuals who are age 65 or older, or who are under age 65 and receive a taxable pension or annuity from a public retirement system, may be entitled to claim the credit for the elderly. The maximum amount of the credit is 15 percent of one of the following amounts: (1) $2,500 for a single person, head of household, or qualifying widow or widower; (2) $2,500 for a married individual filing a joint return, if only one spouse is 65 or older; (3) $3,750 for a married individual filing a joint return, if both spouses are 65 or older; or (4) $1,875 for a married individual filing a separate return, if the individual and his or her spouse were not members of the same household during the year.

[1] For further details see itemized deductions.

Child and Disabled Dependent Care Credit

Taxpayers may be entitled to a credit equal to 20 percent of the amount paid for the care of a dependent under the age of 15, a disabled dependent, or a disabled spouse, if the payment is made to enable the taxpayer to work or look for work. For a taxpayer with one qualifying dependent, the maximum credit is $400. If there are two or more qualifying dependents, the maximum credit is $800.

Earned Income Credit

Taxpayers with dependent children generally are entitled to a refundable credit equal to 10 percent of the first $5,000 of earnings (for a maximum credit of $500). The credit phases out a rate of 12.5 percent as income rises from $6,000 to $10,000 (that is, a reduction of 12½ cents for each additional dollar of income).

Residential Energy Credit

Taxpayers are entitled to a credit equal to 15 percent of the first $2,000 spent on qualifying energy-saving items. Qualifying energy-saving items include: insulation, storm or thermal windows or doors, caulking or weather stripping, clock thermostats, furnace replacement burners, and meters that display the cost of energy use.

In addition, taxpayers may receive an additional energy credit for amounts spent on solar, wind-powered, or geothermal equipment for their homes. This credit is for 40 percent of the first $10,000 of those costs.

Credit for Political Contributions

Taxpayers may take credits for up to one-half of political contributions made during the year. The maximum credit is $50 on a single return and $100 on a joint return.

G. PRESIDENTAL ELECTION CAMPAIGN FUND CHECKOFF

Additionally, an individual taxpayer may voluntarily earmark $1 of taxes ($2 on joint returns) each year for the Presidential Election Campaign Fund. (This does not result in any increase or decrease of the tax liability.)

ITEMIZED DEDUCTIONS

A. CHECKLIST OF ITEMIZED DEDUCTIONS FOR SCHEDULE A (FORM 1040)

Medical and Dental Expenses

Medical and dental expenses (unreimbursed by insurance or otherwise) are deductible to the extent that they exceed 3 percent of your adjusted gross income (line 31, Form 1040).

Insurance Premiums

One-half of medical, hospital or health insurance premiums are deductible (up to $150) without regard to the 3 percent limitation for other medical expenses. The remainder of these premiums can be deducted, but is subject to the 3 percent rule.

Drugs and Medicines

Included in medical expenses (subject to 3 percent rule) but only to extent exceeding 1 percent of adjusted gross income (line 31, Form 1040).

Other Medical Expenses

Other allowable medical and dental expenses (subject to 3 percent limitation):

Abdominal supports (prescribed by a doctor).
Acupuncture services.
Ambulance hire.
Anesthetist.
Arch supports (prescribed by a doctor).
Artificial limbs and teeth.
Back supports (prescribed by a doctor).
Braces.
Capital expenditures for medical purposes (e.g., elevator for persons with a heart ailment)—deductible to the extent that the cost of the capital expenditure exceeds the increase in value to your home because of the capital expenditure. You should have an independent appraisal made to reflect clearly the increase in value.
Cardiographs.
Chiropodist.
Chiropractor.
Christian Science practioner, authorized.
Convalescent home (for medical treatment only).
Crutches.
Dental services (e.g., cleaning, X-ray, filling teeth).
Dentures.
Dermatologist.
Eyeglasses.
Food or beverages specially prescribed by a physician (for treatment of illness, and in addition to, not as substitute for, regular diet; physician's statement needed).
Gynecologist.
Hearing aids and batteries.
Home health services.
Hospital expenses.
Insulin treatment.
Invalid chair.
Lab tests.
Lipreading lessons (designed to overcome a handicap).
Neurologist.
Nursing services for medical care, including nurse's board paid by you.
Occupational therapist.
Ophthalmologist.
Optician.
Optometrist.
Oral surgery.
Osteopath, licensed.
Pediatrician.
Physical examinations.
Physical therapist.
Physician.
Podiatrist.
Psychiatrist.
Psychoanalyst.
Psychologist.
Psychotherapy.
Radium therapy.
Sacroiliac belt (prescribed by a doctor).
Seeing-eye dog and maintenance.
Speech therapist.
Splints.
Supplementary medical insurance (Part B) under medicare.
Surgeon.
Telephone/teletype special communications equipment for the deaf.
Television set if individual has a hearing impairment and the set is specially equipped with a visual display of the audio portion of television programs. Similarly the cost of an adaptor for a conventional television that performs the same function is now considered a medical deductive by the IRS.
Transportation expenses for medical purposes (9¢ per mile, plus parking and tolls or actual fares for taxi, buses, etc.).
Vaccines.
Vitamins prescribed by a doctor (but not taken as a food supplement or to preserve general health).
Wheelchairs.
Whirlpool baths for medical purposes.
X-rays.

Expenses may be deducted only in the year you paid them. If you charge medical expenses on your bank credit card, the expenses are deducted in the year the charge

is made regardless of when the bank is repaid.

Taxes

Real estate.
General sales.
State and local income.
Personal property.

If sales tax tables are used in arriving at your deduction, ordinarily you may add to the amount shown in the tax tables the sales tax paid on the purchase of the following items: automobiles, trucks, motorcycles, airplanes, boats, mobile homes, and materials used to build a new home when you are your own contractor.

When using the sales tax tables, add to your adjusted gross income any nontaxable income (e.g., social security, veterans' pensions or compensation payments, railroad retirement annuities, workmen's compensation, untaxed portion of long-term capital gains, dividends untaxed under the dividend exclusion, interest on municipal bonds, unemployment compensation and public assistance payments).

Contributions

In general, contributions may be deducted up to 50 percent of your adjusted gross income (line 31, Form 1040). However, contributions to certain private nonprofit foundations, veterans organizations, or fraternal societies are limited to 20 percent of adjusted gross income.

Cash contributions to qualified organizations for (1) religious, charitable, scientific, literary or educational purposes, (2) prevention of cruelty to children or animals, or (3) Federal, State or local governmental units (tuition for children attending parochial schools is not deductible).

Fair market value of property (e.g., clothing, books, equipment, furniture) for charitable purposes. (For gifts of appreciated property, special rules apply. Contact local IRS office.)

Travel expenses (actual or 9¢ per mile plus parking and tolls) for charitable purposes (may not deduct insurance or depreciation in either case).

Cost and upkeep of uniforms used in charitable activities (e.g., scoutmaster).

Purchase of goods or tickets from charitable organizations (excess of amount paid over the fair market value of the goods or services).

Out-of-pocket expenses (e.g., postage, stationery, phone calls) while rendering services for charitable organizations.

Care of unrelated student in your home under a written agreement with a qualifying organization (deduction is limited to $50 per month).

Interest

Home mortgage.
Auto loan.
Installment purchases (television, washer, dryer, etc.).

Bank credit card—can deduct the finance charge as interest if no part is for service charges, loan fees, credit investigation fees, or similar charges.

Other credit cards—you may deduct as interest the finance charges added to your monthly statement, expressed as an annual percentage rate, that are based on the unpaid monthly balance.

Points—deductible as interest by buyer where financing agreement provides that they are to be paid for use of lender's money and only if the charging of points is an established business practice in your area. Not deductible if points represent charges for services rendered by the lending institution (e.g., VA loan points are service charges and are not deductible as interest). Not deductible if paid by seller (are treated as selling expenses and represent a reduction of amount realized).

Penalty for prepayment of a mortgage—deductible as interest.

Revolving charge accounts—may deduct the separately stated "finance charge" expressed as an annual percentage rate.

Casualty or Theft Losses

Casualty (e.g., tornado, flood, storm, fire, or auto accident provided not caused by a willful act or willful negligence) or theft losses—the amount of your casualty loss deduction is generally the lesser of (1) the decrease in fair market value of the property as a result of the casualty, or (2) your adjusted basis in the property. This amount must be further reduced by any insurance or other recovery, and, in the case of property held for personal use, by the $100 limitation. Report your casualty or theft loss on Schedule A. If more than one item was involved in a single casualty or theft, or if you had more than one casualty or theft during the year, you may use Form 4684 for computing your personal casualty loss.

Miscellaneous

Appraisal fees to determine the amount of a casualty loss or to determine the fair market value of charitable contributions.
Union dues.
Cost of preparation of income tax return.
Cost of tools for employee (depreciated over the useful life of the tools).
Dues for chamber of commerce (if as a business expense).
Rental cost of a safe-deposit box used to store income-producing property.
Fees paid to investment counselors.
Subscriptions to business publications.
Telephone and postage in connection with investments.
Uniforms required for employment and not generally wearable off the job.
Maintenance of uniforms required for employment.
Special safety apparel (e.g., steel toe safety shoes or helmets worn by construction workers; special masks worn by welders).
Business entertainment expenses.
Business gift expenses not exceeding $25 per recipient.
Employment agency fees under certain circumstances.
Cost of a periodic physical examination if required by employer.
Cost of installation and maintenance of a telephone required by your employment (deduction based on business use).
Cost of bond if required for employment.
Expenses of an office in your home if used regularly and exclusively for certain business purposes.
Transportation expenses for business purpose (20 cents per mile for the first 15,000 miles, and 11 cents per mile in excess of 15,000 miles, plus parking and tolls or actual fares for taxi, buses, et cetera.)

B. OTHER TAX RETURN INFORMATION ITEMS

Tax Tables

Tax tables have been developed to make it easier for you to find your tax if your income is under certain levels. Even if you itemize deductions, you may be able to use the tax tables to find your tax easier. In addition, you do not have to deduct $1,000 for each exemption because these amounts are also built into the tax table for you.

Multiple Support Agreements

In general, a person may be claimed as a dependent of another taxpayer, provided five tests are met: (1) support; (2) gross income; (3) member of household or relationship; (4) citizenship, and (5) separate return. But in some cases, two or more individuals provide support for an individual, and no one has contributed more than half the person's support. However, it still may be possible for one of the individuals to be entitled to a $1,000 dependency deduction if the following requirements are met for multiple support:

1. Two or more persons—any one of whom could claim the person as a dependent if it were not for the support test—

2. Any one of those who individually contribute more than 10 percent of the mutual dependent's support, but only one of them, may claim the dependency deduction.

3. Each of the others must file a written statement that he will not claim the dependency deduction for that year. The statement must be filed with the income tax return of the person who claims the dependency deduction. Form 2120 (Multiple Support Declaration) may be used for this purpose.

Sale of Personal Residence

You may exclude from your gross income some or all of your gain from the sale of your principal residence, if you meet certain age, ownership, and occupancy requirements at the time of the sale. These requirements, and the amount of gain that may be excluded, differ depending on whether you sold your home before July 27, 1978, or on or after that date. The exclusion is elective, and you may elect to exclude gain only once for sales before July 27, 1978, and only once for sales on or after that date.

If you sold your home before July 27, 1978, and you were age 65 or older before the date of sale, you may elect to exclude the gain attributable to $35,000 of the adjusted sales price if you owned and occupied the residence for 5 of the 8 years ending on the date of sale. If you sold the home after July 26, 1978, and you were age 55 or older before the date of the sale, you may elect to exclude $100,000 of gain on the sale if you owned and occupied the residence for 3 of the 5 years ending on the date of sale (or 5 of 8 years under certain circumstances). Form 2119 (Sale or Exchange of Personal Residence) is helpful in determining what gain, if any, may be excluded.

Additionally, you may elect to defer reporting the gain on the sale of your personal residence if within 18 months before or 18 months after the sale you buy and occupy another residence, the cost of which equals or exceeds the adjusted sales price of the old residence. Additional time is allowed if (1) you construct the new residence; (2) you were on active duty in the U.S. Armed Forces; or (3) your tax home was abroad. Publication 523 (Tax Information on Selling or Purchasing Your Home) may also be helpful.●

REAGAN—SHORT ON PUERTO RICO

HON. BALTASAR CORRADA

OF PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. CORRADA. Mr. Speaker, the San Juan Star, of the Scripps-Howard chain of newspapers, and one of Puerto Rico's largest newspapers, reacted to the 1982 budget revision announced by the Office of Management and Budget for the food stamps and child nutrition programs, in an excellent editorial appearing in its March 10 edition.

It reflects the initial reaction of Puerto Rico's public opinion to the proposed cuts in the most important food nutrition Federal programs and to the discriminatory treatment these cuts represent in the case of Puerto Rico.

The editorial reads as follows:

REAGAN—SHORT ON PUERTO RICO

President Reagan is either short of memory or short-sighted when it comes to Puerto Rico. His administration's drastic budget cuts for the island prove the contention.

The White House's Office of Management and Budget not only intends to cut dangerously into Puerto Rico's food assistance programs but also to do it in a discriminatory manner different from the way the same programs will be treated in the states.

Why can't Reagan and his adviser see the difference between a fat and complacent mainland United States economy, sated with success and needing drastic reform, and a poor, still developing Puerto Rican economy, slowly growing but fragile?

The Reagan proposal for slashing some $300 million out of the island's approximately $1.2 billion worth of food programs is to lump them all together and then knock off 20 percent.

That looks for all the world like cavalier treatment from on-high to the colonies—and not at all like the candidate Ronald Reagan of early 1980. The Reagan of those pre-election days, writing in the Wall Street Journal, spoke of why Puerto Rico should be a state of the union. He said that as president he would "initiate legislation, which really means that I would take the lead in persuading the people of Puerto Rico—the mainland United States—all American citizens, that statehood will be good for all of us."

He saw Puerto Rico as a strategic bulwark in the Caribbean against Soviet Union designs, "a positive bridgehead into the Caribbean, Latin America and the developing world."

Can he now see no connection between fostering that idea of a healthy, developing Puerto Rico and the reckless budget slashing that his Office of Management and Budget is preparing to wreak on this island? His administration seems bent on forcing much too sudden disruptions in the Puerto Rican economy, actions that can not only hurt this island's economic health but also its position as the U.S. representative in the Caribbean.

"To show the world that the American idea can work in Puerto Rico is to show that our idea can work everywhere," Reagan said last year.

But today his administation, if it continues with its discriminatory heavyhandedness, will show the world that Ronald Reagan has little feeling or respect for Puerto Rico—and no loyalty to his own intentions, voiced as a candidate.

Is it a short memory? Perhaps.

It is certainly shortsightedness to cut so deeply and suddenly into Puerto Rico's economy without cushioning alternatives of some sort. It will imperil economic gains made painstakingly over the past 25 years; and it will hurt Reagan's image in the Caribbean, particularly Central America, the very area he and his strategists have chosen for their first serious skirmish with the Soviet Union to show U.S. superiority and power.

It doesn't make any sense, no matter how you look at it.●

DEFENSE SPENDING: GETTING OUR MONEY'S WORTH

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. MAZZOLI. Mr. Speaker, our ability to maintain the security of our Nation depends upon effective and reliable weaponry which can by utilized by the average GI under normal battlefield conditions.

For this reason, I am very distressed by the findings of a recent General Accounting Office (GAO) report entitled "Effectiveness of U.S. Forces Can Be Increased Through Improved Weapon System Design" which concluded that overly complex designs and a lack of attention to the abilities of the soldiers who use the weapons threaten the defense of our Nation.

The level of our military spending is defensible if—and only if—it strengthens the protection or our security interests.

Mr. Speaker, I urge all our colleagues to read the following digest to the above-mentioned GAO report.

COMPTROLLER GENERAL'S REPORT TO THE CONGRESS: EFFECTIVENESS OF U.S. FORCES CAN BE INCREASED THROUGH IMPROVED WEAPON SYSTEM DESIGN

The United States' ability to fight a war may be severly hampered because many of the aircraft, ships, tanks, ordnance, and other systems the Armed Forces must use are suffering from numerous problems. While these systems may have the capability to perform their missions, it is often of little value because not all the systems can be adequately operated, maintained, or supported.

GAO has reported on these problems in the past and believes that many of them can be traced to the Department of Defense's (DOD's) system acquisition process, particularly the early phases before system design is set. The pressures to attain specific performance goals, such as speed, range, and firepower, within tight time and cost constraints have often led management to trade-off or otherwise not give adequate attention to long term "ownership considerations."

GAO examined three ownership considerations which appear to be among the most prominent detractors from the effectiveness of deployed systems—logistic support, human factors, and quality assurance. DOD has made changes to direct more attention to these three factors, but GAO believes that several additional actions need to be taken if these considerations are to receive adequate emphasis in the design of military systems and equipment. These actions will have to include greater support by the Congress and DOD for activities, such as logistics and human factors research, testing, and analysis.

LOGISTIC SUPPORT

Logistic support requirements, such as replacement parts, tools, test equipment, technical manuals and facilities, and the time and cost of providing these, are not being adequately addressed when designing systems and equipment. This contributes to low system readiness rates when deployed because the military supply and maintenance systems cannot meet the demands placed on them.

DOD is now placing greater emphasis on logistic support requirements during the acquisition process, including adopting a policy that supportability is as important as cost, schedule, and performance. The positive impact these changes need to have may never fully materialize because:

The process for interfacing logistic considerations with other design considerations—logistic support analysis—is very difficult to do. Much of the data needed for design decisions is difficult to obtain; there is a shortage of trained people to do the analysis; and the analysis can be costly, especially if duplicative analyses are not eliminated. (See pp. 22 and 23.)

The quantitative analysis needed to assess logistic plans, resources, and support-related parameters for meeting system readiness goals may be very difficult to perform because the analytical models for making such assessments may not be adequate. (See p. 23.)

There is very little guidance to insure that critical program documents contain the language needed to get systems designed that are supportable. (See p. 24.)

Testing a system's supportability before it is deployed is difficult to do, requires dedicated test time and articles, and is expensive. (See pp. 24 and 25.)

There is little incentive for management to either invest development funds or to trade-off technical performance to improve the supportability of a system because it is very difficult to quantify the benefits of such investments and trade-offs. (See p. 25.)

HUMAN FACTORS

Limitations such as skill levels, proficiency, availability, environmental stress, and fatigue of the personnel who operate and maintain military systems contribute to human-induced system failures. Indications are that these types of failures are quite high. New policy emphasis on human limitations in the design of systems may have a very limited impact because:

Human factor specifications, standards, and handbooks used in designing and developing systems and equipment do not adequately address human limitations. (See p. 31.)

There are no common methodologies and data sources for use by system designers in forecasting skill levels of future military personnel. (See pp. 31 and 32.)

DOD testing policies and procedures do not tend to identify and resolve potential human-induced failures during the developmental stages of the acquisition process. (See pp. 32 and 33.)

QUALITY ASSURANCE

Systems being deployed are not as reliable as they are intended to be. Part of the problem is that the reliability inherent in system designs is being lost in the transition from design to production and deployment.

The extent of the problem is very difficult to quantify, but its existence points up the need for designing systems which can be manufactured to the tolerances called for in the specifications and then tested to confirm compliance. DOD recognizes the problem, but attempts to place greater emphasis on designing these types of features into systems are hampered because:

There is a lack of guidance to project managers on how to evaluate designs for quality assurance. Part of the problem may be that there is only one person in the Office of the Secretary of Defense assigned to the policy aspects of quality assurance. (See p. 38.)

Files on contractor quality histories have not been fully established and the cross-service product quality deficiency reporting requirement has not been fully implemented. (See p. 38.)

Government engineers with adequate training in quality assurance are in short supply. (See p. 39.)

RECOMMENDATION TO THE CONGRESS

GAO recommends that the Congress direct more attention during its deliberations on DOD's budget to such matters as logistic support, human factors, and quality assurance considerations in the design and development of weapon systems.

RECOMMENDATIONS TO THE SECRETARY OF DEFENSE

Logistic support

GAO recommends that the Secretary of Defense

Develop new or modify current data reporting procedures to provide the information needed for performing logistic support analyses,

Establish logistic support research and study programs to develop improved quantitative assessment methods (see p. 26),

Provide detailed guidance to ensure that critical program documents contain the language needed to obtain systems which are supportable, and

Provide for improved testing and evaluation of the supportability of systems before they are deployed.

Human factors

GAO recommends that the Secretary of Defense

Modify human factor specifications, standards, and handbooks used in system design so that they adequately address all human limitations which can result in human-induced system failures.

Develop common methodologies and data sources for use by system designers in forecasting skill levels of military personnel 5 to 10 years in the future, and

Ensure that all major systems are subjected to adequate testing and examination from a human factors standpoint throughout the acquisition process, particularly in the developmental stages.

Quality assurance

GAO recommends that the Secretary of Defense

Produce comprehensive guidance for program managers as to how a design should be evaluated for quality assurance,

Ensure that the quality history files on contractors are fully established and that the cross-service quality deficiency reporting requirement is fully implemented, and

Strengthen the quality assurance work force so as to permit their active involvement in the design phase of the acquisition process.

AGENCY COMMENTS

DOD agreed with GAO's findings, conclusions, and recommendations. (See app. III.) Changes were made to the report, where appropriate, to reflect specific comments.●

SPENDING CUT PROPOSALS

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. ASPIN. Mr. Speaker, I intend to give all the President's proposals a thorough eyeballing. I will not reject any out of hand. Basically, I am very much in sympathy with his spending cut proposals.

I cannot say the same thing about his tax-cut proposals. We have a serious inflation problem. If we are serious about getting it under control, we have got to do two things: Move more rapidly toward a balanced budget and stimulate the investment necessary to increase productivity. The Reagan tax cuts do neither.

The Reagan budget actually calls for more cuts in taxes than in spending. That means the Reagan proposals will actually result in a higher deficit. Of course, Mr. Reagan tells us the budget will be balanced 3 years from now. But President Carter was always telling us the budget would be balanced 3 years from now, too. The problem is that, like tomorrow, 3 years from now never comes.●

INCENTIVE STOCK OPTIONS

HON. JAMES M. SHANNON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. SHANNON. Mr. Speaker, a major problem facing growth-oriented small businesses is the necessity of competing with larger firms in attracting and retaining highly trained employees. More established firms are frequently able to outbid emerging companies by offering higher salaries and more job security. This limits the growth rate of developing firms, despite the fact that small businesses are responsible for generating most of America's new jobs. On January 9, I introduced H.R. 822 to help alleviate this problem by creating a new catagory of employee stock options called incentive stock options.

To date, there are three types of stock options—restricted, qualified, and nonqualified. They differ according to the tax treatment of the bargain element. The bargain element is the difference between the option price and the fair market value of the stock for which it is subsequently exchanged. The bargain element for incentive stock options differs from other types of options in these ways: the time when the tax is levied on the bargain element; whether the business can claim a deduction for the option; whether the bargain element is taxed at ordinary income or more favorable capital gains rates; and the special requirements which an option must meet to qualify for this more favorable tax treatment.

Congress created restricted stock options with the passage of the Revenue Act of 1950. Thirteen years later, the Kennedy administration recommended repeal of these provisions. They argued that the gap between taxing the bargain element at capital gains rates, rather than as ordinary income, resulted in a significant loss of revenue. At that time, however, capital gains were taxed at 25 percent and ordinary income was taxed at rates up to 92 percent. In 1964, Congress responded by repealing restricted stock options and instituting qualified options. In 1976, Congress abolished these qualified stock options, except for some transitional options which will continue to qualify through May 20, 1981. At that time, only nonqualified stock options will remain in the Internal Revenue Code.

Under nonqualified stock option plans, taxation of the bargain element occurs at the time the option is exercised, at ordinary income tax rates. Frequently, if the employee is to meet his tax burden, the stock must be sold within the year. This leaves the employee with little gain and no potential for a future gain. The purpose of stock options is to motivate employees on the theory that they will strive to improve the company's growth if they can share in the profits. However, under nonqualified stock options, most of this incentive is removed. In fact, under nonqualified stock options, employers benefit more than employees, since employer's may claim the value of the bargain element as a tax deduction.

My bill corrects this situation. Benefits accrue to employees, rather than employers. Incentive is restored. Employers would no longer be allowed to take the value of the bargain element as a tax deduction. Business would benefit by their increased ability to attract and motivate highly qualified personnel. Employees would reap the financial benefits. The size of the benefits would be tied to the success of the firm, and employees could contrib-

ute to that success. Under incentive stock options, taxation would not occur until the stock is sold by the employee and, at that time, capital gains rates would apply. Employees would not have to dispose of their newly acquired stock immediately in order to meet their tax obligation. Rather, they could continue to hold it and allow their economic fortunes to rise and fall with those of their employer. Incentive does not have to stop at the time of the option exercise.

This taxation of the bargain element at rates more favorable than those for ordinary income is justified. Stock options are not the same as compensation in the form of salaries. Although they are offered to employees as complements to wages, they do not represent spendable income to employees when they are granted. An employee accepts a stock option as a calculated risk. The purchase of stock options encourages personnel to invest effort and energy in an attempt to foster the growth and productivity of the firm. If the sum of these individual investments leads to increased profits and stock values, the options will be exercised. Otherwise, they will be allowed to lapse. There is a parallel between the traditional gamble of a stock purchase and the investment of management expertise. The gains of these two types of investments should receive similar tax treatment at the lower capital gains rate.

Incentive stock options afford an opportunity for high-caliber employees to acquire potential equity in a firm. This potential acts as a catalyst for employees to translate their expertise and energies into greater profits. As stock prices rise, employees exercise their options and actualize that potential ownership. The requirement in the bill, that employees hold the stock for at least 2 years from option grant and 1 year from stock purchase further encourages this productivity/profits cycle.

Incentive stock options offer special benefits for small growth-oriented businesses. If small businesses, which cannot otherwise afford to attract and motivate talented employees, are allowed to offer this form of employee compensation, they will be unable to compete successfully with larger, more established firms and the benefits which would accrue to our economy from their growth would be lost. Small businesses are responsible for generating most of America's new jobs. Thus, by permitting these firms to provide work incentives to their employees in this manner, incentive stock options will promote both increased productivity growth and create jobs.

An additional advantage of H.R. 822 is that it provides another approach to capital formation. This bill would alleviate the cash-flow problems of new ventures. Funds normally earmarked for higher salaries could be retained and reinvested in the company and, when the options are exercised by the employees, supplemental capital would become available to the firm.

H.R. 822 accomplishes the goals of stimulating productivity growth, job creation, and capital formation without signficant revenue loss to the Treasury. Because businesses would no longer be allowed to claim a deduction equal to the value of the bargain element, over a 5-year period there would be a net revenue gain of $37.5 million. Revenue losses would accrue at the rate of $2.5 million for fiscal years 1982 through 1984, but gains of $15 million and $30 million would result for fiscal years 1985 and 1986, respectively.

In summary, H.R. 822 should be enacted by this Congress before the May 20 deadline, after which only nonqualified options would remain. The basic impetus for the 1964 changes that led to the repeal of restricted stock options no longer exists. Recent legislation has considerably narrowed the gap between maximum tax rates for ordinary income 50 percent and capital gains 28 percent. In addition, my bill, by providing a mechanism for increased employee incentives, addresses the three key issues before the Congress—productivity, capital formation, and job creation. It does so at no revenue loss to the Treasury. Its adoption will signal our growing commitment to the small business community so vital to America's economy.●

LT. COL. HERBERT WILLIAMS, RETIRED

HON. MARC L. MARKS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. MARKS. Mr. Speaker, I rise today to ask my colleagues to take a few minutes out of their busy schedules to pay tribute to an outstanding man who passed away last week. Herbert Williams, lieutenant colonel, retired, or Herbie, as he was called by his many friends, was a city councilman in Farrell, Pa. When he was elected to the city council in 1977, he became the first member of my party to have done so since 1932. He was the type of city councilman every city needs—interested, informed, articulate, concerned. He cared deeply about both the city of Farrell and the people in it, and he fought to make his home a better place in which to live.

Herb Williams believed in Farrell, and that is one of the reasons he fought so hard to make the city work. But he also believed in America, and he became an example of the American dream. He worked hard for what he got, and he was quite a success at everything he did. He graduated from Farrell High School as a star all-around athlete: football, track, and basketball. He went to Youngstown State University on a football scholarship and graduated in 1955. He received his master's degree from the University of Southern California in 1959.

In Vietnam, Herb Williams again distinguished himself, and was decorated as an artillery officer. He also taught at Tuskegee Institute, before returning home to Farrell, serving first as a teacher and then as a councilman. He distinguished himself and his community in many ways, serving on the Mercer County Regional Planning Commission; the Mercer County NAACP; PUFF; and the board of directors of the Mercer County Hall of Fame. Everything he did, he did with distinction. We shall miss him.●

REMARKS OF RAFAEL RIVERA GARCIA

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. GARCIA. Mr. Speaker, a dear friend of mine, Mr. Rafael Rivera Garcia, recently spoke before the National Conference of State Historic Preservation Officers here in Washington. I believe his remarks are extremely important and express several thoughts which at times, it seems, become lost in the Nation's discussions of new immigrants from Latin America and from Southeast Asia. I would like to submit the remarks for my colleagues to read and consider.

The article follows:

STATEMENT OF RAFAEL RIVERA GARCIA BEFORE THE NATIONAL CONFERENCE OF STATE HISTORIC PRESERVATION OFFICERS—MARCH 10, 1981

On March 4, 1980 the Special Resolutions Committee of the National Conference of State Historic Preservation Officers resolved that the name of the Special Jurisdictions Committee be changed to reflect the growing national desire to insure that there is a dedication to preserve and enhance our diverse traditional heritage.

On March 18, 1980, I testified before the House Subcommittee on National Parks and Insular Affairs, Committee on Interior and Insular Affairs.

The subsequent law, titled H.R. 5496, the National Historic Preservation Act Amendments of 1980, passed on November 17, 1980. Under section 101, in reference to matching grants-in-aids to States, part B states, "the Secretary may also, in consultation with the appropriate State historic preservation officer, make grants or loans or both under this section to Indian tribes, and to non-profit organizations representing ethnic or minority groups for the preservation of their cultural heritage."

In section 502 the law states, "the Secretary, in cooperation with the American Folklife Center of the Library of Congress

shall, within two years after the date of the enactment of this act, submit a report to the President and the Congress on preserving and conserving the intangible elements of our cultural heritage such as arts, skills, folklife, and folkways. The report shall take into account the view of other public and private organizations, as appropriate. This report shall include recommendations for legislative and administrative actions by the Federal Government in order to preserve, conserve, and encourage the continuation of the diverse traditional prehistoric, historic, ethnic, and folk cultural traditions that underlie and are a living expression of our American heritage."

My interpretation of the law as now written is that, at last, cognizance is taken in regards to the minorities in the historic preservation phenomena.

If America is to grow in a healthy balanced manner, there is no doubt that efforts must be made to record, study and preserve the cultural traits of groups which comprise this great Nation. Not to take cognizance of and not to study, preserve, and propogate, could lend to confusion and turmoil.

America is a Nation of many acting as one, but in a format never experienced before. Certainly not experienced in such a diverse and unique manner. The United States consists of peoples of all nations representing all ethnic groups.

Is it, as is felt by some, a negative phenomena; the fact that to preserve a foreign language will somehow contribute to the balkanization and destruction of America?

Is it a negative phenomena to encourage these cultural differences? I believe not.

It is a fallacy to believe that America was built only by the White Anglo-Saxon American. The development of the American Nation within the continental 48 has relied upon the work and influx of immigrants from all parts of the world which created the labor forces, backbone, and democratic elaboration of the U.S. Constitution and the Bill of Rights. America was built by, and opened its doors to, peoples of all cultural identities. These groups brought with them their cultural traditions, languages, and ways of life. They adapted to the geography, and constitutional formula of the American Nation. To not realize that this process continues on into the present would truly be an unreal vision of what the American Nation is. It is also a fact of history that the U.S. expansion has encompassed lands which are not part of the continental 48. In these instances, the cultural traditions are more deeply rooted because there was not a movement of cultural groups into the U.S. but rather an incorporation with those cultures of American democracy and certain American traditions.

The cultural phenomena manifest in present day America is again one of immigration. Peoples again flock to our shores, but now they come from south of the border, southern Asia and the Caribbean. To deny to these peoples an opportunity to share in our freedoms is certainly as bad as to deny a people's pride in their heritage, pride in their very being.

The basic premise of cultural preservation should be a realization that there is incorporation with the English language and a North American or westernized way of life, but, that at the same time there are carryovers of strong cultural traditions and that these traditions do not represent a threat to the democratic American way of life, but rather that they represent the rich cultural diversification possible under a democratic life style.

Under a democratic society, which is the American Nation, diverse cultural ethnic and miniority groups can maintain a harmonious heterogeneity and yet still share a common way of life under an economic and constitutionally homogenous Government.

As a member of the American Nation and as a representative of a vigorous minority, and as a representative of our collective sentiments, I might state that we are all the product of invasion, war, social upheaval.

We are products of history—the history of the growth of the American Nation. Therefore, the American Nation has a responsibility to allow the present and future generations a clear view of the roots of all of us that are still creating the American Nation.

We now have a law which demonstrates a recognition of this treatise.

Will it be carried out or will it fall?

I believe it is in our hands.●

TRIBUTE TO WALTER CRONKITE

HON. S. WILLIAM GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. GREEN. Mr. Speaker, last Friday night most of us watched as Walter Cronkite anchored his last broadcast of the "CBS Evening News." Mr. Cronkite's brief goodby was characteristic of the way he handled himself for two decades on television. He was composed, dignified, friendly, witty. I am proud to have him as a constituent.

Much has been said about his leaving—Mr. Cronkite suggested that too much has been said—and columnists and commentators across the Nation have reminded us of his journalistic accomplishments. I would like to take a few moments, therefore, to note some accomplishments that are not as well known, accomplishments of Walter Cronkite the private citizen. Although not as far-reaching as his work as a journalist, this work has touched the lives of many of his fellow New Yorkers.

For years Mr. Cronkite has served as a member of the board of directors of the Neighborhood Committee for the Asphalt Green in New York City, a nonprofit organization which promotes athletics, the arts, and energy conservation and development. Mr. Cronkite has generously donated time and energy to this project and his help has been partly responsible for its success.

Seven years ago the Neighborhood Committee for the Asphalt Green began to pursue its goal of developing a youth center for sports and recreation in Yorkville. Now this beautifully landscaped complex includes a grass playing field for football, soccer, and softball, public tennis courts, and outdoor basketball courts. At the eastern end of the Asphalt Green stands an abandoned asphalt mixing plant which was designated a land mark in 1976. The structure is being renovated for sports and arts events. Incorporated into the building's conversion are solar designs which will significantly reduce energy consumption.

Another important part of this program is the fireboat house station at 90th Street which, after suffering considerable damage in a fire, is being recycled into an environmental and energy studies center.

It seems fitting that Mr. Cronkite would be involved with such a project. His interest in sports and the arts—a combination that serves as an example to us all—is well known. The Asphalt Green's promotion of new energy sources brings to mind his comments during space shots. For years he urged us to pursue our goals in space, offering his sympathy when we failed, hailing us when we succeeded. So in many ways, the Walter Cronkite we have come to know on our television sets is Walter Cronkite the private citizen. I doubt he would have it any other way.

The old asphalt plant at the Asphalt Green is an impressive piece of architecture. A soaring concrete structure in the shape of a parabola, the building reminds one of the Arch in St. Louis, except on a more imposing scale. It was not built to honor the work of Walter Cronkite—and if it were, I am sure he would have nothing to do with it—but it would seem an appropriate tribute. At once it is steadfast yet graceful, overpowering yet reassuring, complex yet simple. It is all the things we have come to associate with this man. It would seem an appropriate tribute indeed.●

INVESTMENT IN EDUCATION OR MORE WELFARE?

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. OTTINGER. Mr. Speaker, I want to bring to the attention of my colleagues a recent column by Albert Shanker, president of United Federation of Teachers, which describes the devastating inpact President Reagan's proposed cuts in education would have if adopted. Without a doubt our investment in education pays off—to cut these funds would be nonsensical. As Mr. Shanker clearly points out, "We'll pay later for education cuts now." The text of Mr. Shanker's remarks follow:

WHY IS REAGAN BOOSTING WELFARE COSTS?

(By Albert Shanker)

Who would have thought that one of the first acts of President Ronald Reagan would be to propose a huge increase in welfare costs for the nation? Of course, this is not what President Reagan has proposed outright, but, whether he knows it or not, that

will be the inevitable result of his policies just as surely as long-term neglect of defense leads to international disaster.

The welfare rolls are filled with different kinds of people. There are the elderly with no other source of support. There are mothers alone taking care of their children. There are those who are too ill to work. There are undoubtedly some cheats, although their numbers have been reduced by recent vigilant search efforts. But a large part of the welfare population consists of people who cannot earn a living because they have no skills they can sell to get a job. Some are illiterate. Many of them dropped out of school at an early age . . . or were frequent truants . . . so that in addition to never learning properly how to read, write or count, they got into the bad habit of not even showing up for work.

There have been many programs designed to reach these welfare recipients, to teach them the skills they need to earn a living. Some of these programs have worked. It's never too late. But once someone has grown up without the needed skills, it's much harder and more expensive to succeed in giving them to that person.

On Tuesday President Reagan will tell us exactly what is to be cut from the federal budget. If his cuts this week are anything like the proposals announced over the last few weeks, the consequences, whether the President intends them or not, will be big increases in welfare costs in the future. Federal aid to education is not money which is evenly spread—it is highly targeted. The funds go to help children who come from America's poorest families, children who are likely to end up in life right where their parents are now—in poverty—unless they get special help.

Has the special help worked? These days it's popular to say that you can't solve problems by throwing dollars at them. That's true, but neither are you going to solve them by giving children fewer teachers, fewer books, fewer paraprofessionals, fewer guidance counselors.

There is hard evidence that in this case, federal aid to the education of the disadvantaged, the programs have worked.

In 1967, only half of all young black adults were high school graduates. By 1977, the rate had risen to 76%—very close to the 80% of all American students who by then were being graduated from high school.

A recent study by the National Assessment of Educational Progress reports that in the last decade there was no major change in the ability of most American students in writing skills, with one exception: "Black teenagers improved on almost all of the writing tasks administered to 13- and 15-year-olds, narrowing the gap between their performance and that of the nation on some items and performing on the national level on others."

A 1978 report of the Rand Corporation, "Race Differences in Earnings: A Survey and New Information," showed that median black male income, which was 64% of median white male income in 1967, had risen to 73% by 1975. The report said that the main reason was education. Blacks and whites were becoming more alike "in terms of characteristics producing higher wages," and education accounted for 47% of the growth in black income that the researchers could trace to the increasing similarity.

It should be noted, of course, that the federal programs are not targeted to blacks but to the poor, most of whom are white. (Vernon Jordan pointed out recently that the majority of people on welfare, half of food stamp recipients, 80% of those who receive social and nutritional services for the aged, the majority of those who hold CETA jobs—are white.) The progress made by blacks, for whom statistical records are kept, is evidence of the same progress for huge numbers of poor whites, for whom statistical records are not kept. It is reasonable to assume, for example, that such black and white progress is reflected in the sharp increase in enrollment in American colleges and universities. In 1966, there were 6.4 million students enrolled. By 1976, the number had increased to more than 11 million.

What this means is that millions who would have been on welfare will not be because they have the skills to work. Instead of using up the taxes of others, they will be working and paying taxes. If the extra help we have given these kids is taken away, we may go back to the days of poorer achievement at a huge cost.

We now recognize that Japan, Germany and others are successful in competition with us because of research and development investments which they made 10 or 15 years ago. Success in business depends on long-term investment strategy, and we are paying heavily now for our failure to make the same investments a decade ago that our competitors made. But the same is true of the investment we make in those in school today. They will be the workers, inventors, scientists, doctors . . . or welfare recipients . . . of tomorrow.

President Reagan seems to understand this. He has promised not to cut the funds for Head Start, because the evidence is overwhelming that the investment in good preschool education pays off. It saves huge costs when those who have had it don't need very expensive special services later in school and in life. But up to now, those who have been in Head Start have also had the benefits of federal aid to education through their regular school years. If we take that follow-up help away—as the proposed budget cuts threaten to do—there is a likelihood we will undo the benefits of Head Start as well.

Senator Ted Kennedy put it well in a recent speech. "If this Administration can understand investment when it comes to $160 billion in new incentives for factories and equipment," he said, "then it should be capable of understanding that investment in education must be at the heart of any investment strategy for the prosperity of America."●

GREEK INDEPENDENCE DAY

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. PORTER. Mr. Speaker, every year on March 25 we are given the opportunity to participate in the anniversary of the Greek War of Independence. Not only do we have cause to celebrate the endurance of the brilliant Greek cultural and democratic heritage through four centuries of Ottoman domination, but we also have the opportunity to show our appreciation for outstanding individuals of Greek descent who have made contributions to every facet of American life.

In accordance with this tradition, the Illinois chapter of the United Hellenic Voters of America will be honoring five of these individuals at their second annual Most Distinguished Greek-Americans Awards dinner on March 14, 1981. Recipients of these awards will be: Dr. Stanley Fistedis, for his substantial contributions to science; Dr. Angeline Caruso, for her dedication to public education and her consistent efforts to provide equal educational opportunity to the children of Chicago; Ms. Evangelin Gouletas, for her spectacular achievement in the real estate business; the Bishop of Iakovos, for his continued humanitarian service to the groups and people of Chicago; and the Honorable Nicholas J. Melas, for his fine contributions and leadership in the metropolitan sanitary district and other units of local government.

It is my privileged opportunity to congratulate these five outstanding Greek Americans for their exceptional achievements and relay my hope that the recognition and reaffirmation of past and present ideals and excellence through this celebration may serve as an inspiration to us all.●

IT IS "SNOWING" IN HOLLYWOOD EVERY DAY

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. DORNAN of California. Mr. Speaker, mass media molds the mind of mankind and television is king. This fact is irrefutable: Television influences people. It shapes views, molds opinions, and has the potential to exert more power over more minds than any device known to mankind in all of history. The images television projects are of major importance. The men and women who choose those powerful electronic images obviously hold extremely sensitive positions which bear great responsibility. That is why this second article by TV Guide's Frank Swertlow on cocaine addiction in Hollywood needs to be read. Mr. Swertlow is an investigative reporter with the heart of a lion. He has done his Nation a great service with this chilling report.

[From TV Guide, Mar. 7, 1981]

HOLLYWOOD'S COCAINE CONNECTION—"IT'S SNOWING IN HOLLYWOOD EVERY DAY"

(By Frank Swertlow)

Tall, handsome young men are chatting about their TV ratings, real estate and new Mercedes. The women, like the men, are dressed in form-fitting jeans from Rodeo Drive boutiques. Designed shirts, or blouses, are opened carefully, revealing chests and breasts and strings of gold jewelry. The

shoes come from Italy, the boots from Texas. Hollywood celebrities as well as the less-famous faces of producers, directors and writers are present.

The party's host, an ambitious producer, emerges from the kitchen, carrying a black laquered tray. As he moves across the room he stumbles. Suddenly, heads turn. The TV man desperately steadies the tray and what it carries: a brandy snifter. But the battle is lost. The snifter tumbles, scattering a snowy powder across the carpet. No one moves. Then, almost as if someone yelled "Go," the host and his guests fall to the floor and rub their noses in the rug.

In Beverly Hills, vacuum cleaners are not used on thousands of dollars' worth of cocaine.While this scene may sound like an outtake from "Annie Hall" or a ludicrous parlor game, it isn't. It happened. Cocaine use and abuse is widespread in the TV industry. But at most parties cocaine doesn't fall onto floors. It is gently snorted from delicate spoons or through straws, some made from tightly rolled dollar bills and others from hand-tooled silver.

How common is cocaine use in the Los Angeles area? Epidemic, according to the Los Angeles Police Department, whose agents seized 183 pounds of cocaine during 1980. That's a record the LAPD, and a 41-percent increase over the previous year, which also saw a record haul.

But Capt. Bob Blanchard, head of the LAPD's narcotics division, says his agents find it difficult to penetrate the entertainment industry. "Their use of cocaine is confined to areas not normally accessible to our enforcement. They are discreet. They stay in their houses or their offices. If they are going to use it in a car, they will have a chauffeur drive."

Federal agents agree that cocaine use in the entertainment industry is heavy. "It's caught on like hot cakes there," said one agent. "It's part of their life style."

Added another: "If you don't have a bowl of coke on the table in Hollywood, you're a nobody."

"Coke is the biggest problem facing the TV industry," says a veteran TV producer, who asked for anonymity. "It is destroying people. Before I hire anyone, I ask, 'Do you do drugs? If you do, I don't want you.' Believe me, it is very tough to find clean people these days."

Medical authorities agree that the drug can destroy talent. Dr. Ronald K. Siegel, a psychopharmacologist at UCLA School of Medicine who specializes in cocaine use, says, "For chronic users, cocaine becomes their life, their love. They become preoccupied with drug-seeking and drug-taking to the exclusion of all else in their lives."

Dr. Siegel, whose patients include many members of the entertainment industry, says that chronic users eventually become psychotic and lose contact with reality. "I had one client who thought little white snakes were coming out of his hands. He took a knife and started cutting the snakes off. He brought them to us in bottles. They were pieces of dried skin."

The cocaine habit is extremely hard to break, according to Dr. Siegel, who has patients who spend as much as $3,000 a week for the drug. "It is the ultimate pleasure-giver," he says. "The brain likes it. In Hollywood, when people like something and have a lot of money, they will get it. It becomes a toy."

"I first came in contact with coke," said actor Peter Strauss, "when I was doing a show and the doctor in the studio came up to me and said he could do something to get me through the all-night shooting. At the time, we had to work to 2 A.M. 'If you are really feeling down,' the doctor told me, 'the nurse has a little something for you.' It was coke."

Strauss said he has come in contact with actors, producers and directors who constantly use cocaine. "I don't like to work with these people, but I understand why they turn to drugs. These people feel they need to get themselves up; they need some electricity, some excitement in their performance. They want to capture some crazy, wild emotion that the drug will give them. It's terrible working with these people. The actors are OK when they are doing scenes that call for anger and rage, but when you are trying for some intimacy, some subtle moment, they can't come down. The scene is destroyed."

Strauss said he purposely avoids Hollywood parties because of the drug scene. "I don't want a crutch to lean on, but some people do, because they know that coke will do it for them, even for a little while. It's desperation, but a lot of people in Hollywood will kill just for five minutes of glory on a screen. That's why there is a saying that 'It is snowing in Hollywood every day'."

Nowhere is this champagne-priced drug—about $125 per gram—more affordable than in Los Angeles, where, overnight, huge sums of money are made in the entertainment industry. "It's a status thing," Los Angeles deputy district attorney John M. Watson has said. "Rock stars, people in the entertainment industry, give it a great deal of prestige." Coke, said one Los Angeles narcotics investigator, has become so chic that "it's like wearing boots and jeans." Indeed, reports about coke use involving TV personalities are growing common: Richard Pryor, Louise Lasser, Tommy Rettig, Gail Fisher, Freddie Prinze, Mackenzie Phillips, Robert Evans . . .

"Coke is all over the place—directors, writers, producers, everyone," said a top network official. "It's horrendous."

Moments before saying this, the network vice president was smoking marijuana with a vice president from another network, an executive from a major studio and a TV producer who had just finished a film about drug abuse. The incident took place inside a game room cottage at Hugh Hefner's Playboy mansion in the exclusive Holmby Hills section of Los Angeles. "I smoke pot to relax after work," said the first vice president. "It's like a cocktail."

Cocaine is stronger than a cocktail. A few gentle sniffs are taken from a white powder that looks as pure as snow. For 15 minutes or so, a tremendous, exhilarating high fills the user. Then, when the euphoria abates, the drug must be used again, and again. While cocaine is probably not physically addicting, it creates a powerful psychological dependence.

"People use cocaine because it creates a sense of indestructibility," said a veteran TV writer who works on several series. "It's a false sense, but they feel they need it. Physically, cocaine is not incapacitating. If you drink too much alcohol or take too many Quaaludes, you can't walk. If you take too much speed [amphetamines], you can't stop talking. Cocaine doesn't work that way. I've watched people take cocaine during a long period of insecurity."

Actress Elizabeth Ashley makes a similar point. "Everybody knows, even though they don't say so, that cocaine can get you up to do a show," she says. "It may not be the best thing for you, but it's far from the worst. And it works. Especially if you are sick and down."

A producer of shows on two networks thinks it's a good deal more serious than that. He believes that cocaine use stems from the tremendous amount of wealth handed TV performers, who, too often, are unready for it. "Remember this," he said. "You are dealing with young people who have millions of dollars and incredible fame. They don't know what to do. When they reach 40, who knows what is going to happen to them? Television isn't kind to the old, so they feel they must get as much as they can, now. And they do—the cars, the houses, the fame. But it doesn't matter, because in their hearts they are unhappy. One day some guy comes by and says, 'Put this up your nose and you'll feel good.' And they do and they feel good, but it passes, and they do it again and again. They have a good argument for using the stuff. Who knows where they will be tomorrow? What they don't know is that this stuff makes tomorrow come very early."

Chasing away insecurities is not the only reason for coke. "A lot of guys get into coke because of women," said the producer, in his Hollywood office. "You can't get a girl with money, but she'll take drugs. You can really get a better grade of women with coke. This may sound funny, but coke is used by a lot of actresses to keep their weight down. When you take coke, you don't want to eat."

"My addiction began," said a longtime producer of TV-movies and series, "with the pace of putting together a network comedy series. We had to do a lot of all-night rewriting, sometimes working 18 or 19 hours a day. I needed something to increase my physical endurance. You soon start making all sorts of other excuses: we need the coke to keep the writers going; we need the coke to be more creative. Soon you start wanting it because you feel good. You begin to develop this hip superiority, a false sense of reality sets in. Everything you do is terrific. One night we started shooting and things began to get tense. We really weren't worried about the shooting. We wanted the pusher. We got very edgy until she came."

Pushers. Who were the pushers? In many cases, the producer said, the pusher was a technician who set up shop in a corner of a sound stage. "It's very easy," he said. "It's dark. A pocket is opened and one hand passes the money and another drops the coke." On other occasions, he said, dealers blended into a production by simply putting on a T-shirt with the name of the show written on it.

"A lot of the dealers I met were young girls," said the producer, who used cocaine daily for two years. "They had their territories, like people selling stationery, or the Avon lady. It's funny, a lot of these women are legit now. They made important friends and became writers or minor executives at a network or studio. They made contacts."

Once, the producer's dealer got lost at the studio where he was working. "I was at Universal at the time, and I got a call from the exective tower," he recalled. "Some girl was looking for me. Well, my career passed before my eyes. I had this vision of a hippie floating through the executive suites selling drugs. I was wrong. They finally brought her to me, and she was dressed in a business suit, perfectly coiffed and wearing Gucci loafers. She also carried an attaché case. 'You look like a lawyer,' I said. 'I have some very big customers,' she replied."

The woman then opened her attaché case. "I looked inside," he remembered, "and she had a rolodex with her clients' names neatly typed out. Next to it was a schedule of her appointments: Fox 9 A.M.; Paramount 10 A.M.; Universal 11:15 A.M. She had regular runs. Then she began talking. 'I have some exotic stuff coming up from Chile that you might be interested in and some really good stuff coming in from Mexico.' As she continued, I noticed that she had a drug newsletter in her briefcase. 'Why do you have that?' I asked. 'You read the trade papers,' she replied. 'Well, I have to keep up on my business'."

As cocaine began to take hold, the producer found himself unable to break his habit. "I felt I was doing my best work when I used it," he said. "I was free and on top of my game, on top of the world. Looking back, I was deluding myself. Cocaine is very destructive. It changes your personality. You get into fights; you become paranoid. In television, the creative person is in terror of the network organization. To fortify yourself, you take a drug that takes away the fear."

The producer became bolder, openly smoking marijuana in front of network executives. "It was very natural," he recalled. "You get to a point where you feel above it all. You no longer want to sneak into corners." Another time, the producer dissuaded a network executive from New York from firing an actor because he was "stoned" on coke. "'So what!' I screamed. 'Why not use him? We created the show stoned; we cast it stoned. He fits right in'."

The producer's marriage crumbled because of his addiction. So did his career. Finally, with the help of friends, he overcame his habit. It took a year. "When you start using the stuff, you think it's a passing fad. It's not. People's lives are destroyed; their families are affected; their jobs. There is only one place all this can lead—death. You have to understand something. Cocaine is not a hard sell. We live in a seller's market."

Cocaine chases the blues, but it also destroys talent. And now, people in Hollywood are beginning to wonder: will it also destroy the TV industry?●

BLACK LUNG BENEFITS RECIPIENTS

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. YATRON. Mr. Speaker, I rise today to express my strong opposition to any attempt by the Reagan administration to reduce benefits for present black lung recipients, or to narrow eligibility guidelines for future recipients.

Black lung is a serious and debilitating disease that results from inhaling coal dust. It incapacitates a person by making it extremely difficult to breathe.

The American coal miner has sacrificed many years in the dirty and dangerous mines to produce this country's most vital energy resource—coal. Those who have become afflicted with black lung deserve these benefits. We cannot neglect them; we cannot forget them in their time of need.

We want to reward productivity and hard work, not discourage it. The miner's job is neither easy nor popular. Every day that he engages in his job he risks his life and his health. When a miner contracts black lung disease, he has earned a right to these benefits.

I worked very hard for the passage of the Black Lung Reform Act in 1977 because I believe the program is of tremendous value and merit. I do not intend to stand by and see it rendered ineffective by unjust cuts. I have personally communicated my concerns directly to President Reagan and Office of Management and Budget Director, David Stockman.

While I certainly support efforts to reduce Government spending and eliminate budget deficits, the Government must not fail to live up to its obligations to the miners. If a miner has black lung disease, he deserves the benefits. To deprive him of this is wrong, and will also deter efforts to increase U.S. coal production, which is desperately needed at this time.

One of the costs to the miner for his years of sacrifice is the possibility of getting this insidious and crippling disease. Our society must be willing to bear the costs of producing coal and to compensate the miners adequately for their efforts, if we are to continue increasing coal production.

I fully intend to continue to do everything I can to insure that the black lung program is not diluted in any way.●

THE PLO REFUSES TO JOIN THE SEARCH FOR PEACE

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. ROSENTHAL. Mr. Speaker, the search for peace in the Middle East continues. From both Israel and Egypt we see dedicated efforts to solve through negotiations the issues which separate the Arab countries from Israel—the need for Israel's military security, the desire for Arab Palestinians to find a vehicle for their national aspirations, the future status of Jerusalem.

The need is greatest for other Arab nations to abandon their shrill cries for war, and sit down and discuss the problems facing both sides. Peace is made between enemies, not between friends. All nations in the region pay lipservice to a preference for a negotiated settlement rather than another round of war. Yet only Israel and Egypt have had the courage to talk to one another.

In some quarters the fiction is alive that the Palestine Liberation Organization is capable of entering a serious discussion with Egypt and Israel. Alas that is only a fiction. I have searched fruitlessly for a moderate word from the PLO indicating a desire for negotiation, compromise, and mutual accommodation. Successive statements from Chairman Arafat demonstrate that cavalier, intemperate violence which have earned him a position of prominence among the terrorists of the world.

In early February, Chairman Arafat gave an interview in English to Robert Fisk, correspondent of the London Times, for airing on the Canadian Broadcasting Radio Network on Sunday, February 8, 1981. Here was an opportunity to express himself to a friendly journalist and reach an English-speaking audience where he might win friends for his cause.

The complete interview text follows. It demonstrates that the PLO is not yet ready to plan a constructive role in the search for peace in the Middle East.

FISK. Mr. Arafat were you surprised that President Reagan attacked you as a terrorist just after his inauguration?

ARAFAT. I can understand that they are using these slogans during the election campaign, but I was astonished when he gave some statement and in the first interview he made against the P.L.O. He can say what he wants concerning Israel but he has (not) to insult the P.L.O., or the Palestinian people.

FISK. What can you do to change American policy? If Mr. Carter had been re-elected perhaps life would have been easier for the P.L.O.?

ARAFAT. No. No. No. I still remember what happened with Carter. He gave his famous slogan "Homeland For The Palestinians". What was the result?

FISK. Did you believe it?

ARAFAT. You see, in the beginning we said "O.K. let us wait and see". We are not looking for what they are saying. We perfer to wait and see.

FISK. You want Mr. Reagan to recognize the legal rights of the Palestinian people—is there anything you can do, or the P.L.O. can do? Is there any concession or any other word you want to use which you can make to the Americans?

ARAFAT. We had offered two solutions. We, the victims, had offered two solutions. In 1969, you remember we declared our first slogans about our democratic state where Jews, Christians and Moslems can live together—all the Jews! All of them—to live together in—in my homeland, in our homeland, the Palestinian land, but on equal footings, equal rights. In 1974 we offered the second solution. We said that we are ready to establish our independent state in any part from which Israel will withdraw or to be liberated. So we the victims had offered solutions, but they are offering nothing but new slavery to my people. If you are in my place would you accept this tragedy to continue, definitely not. So what we are doing we are resisting against this occupation, against this tragedy, against this very hard circumstances with which we are living.

FISK. Supposing you were sitting here and Ronald Reagan was sitting there. You will laugh when I say this, but let us suppose,

and you said this to Mr. Reagan and he would say to you * * *

ARAFAT. If, big if.

FISK. OK, big if.

ARAFAT. No, I don't.

FISK. Let's suppose that you said that to Mr. Reagan.

ARAFAT. You are in the West pragmatic. I am too (also) pragmatic.

FISK. You are too. Mr. Reagan thinks you are pragmatic perhaps, and he would say to you, all right, I accept what you say, now what will you give?

ARAFAT. I am playing building castles in the air. If, big if, make nothing. Give some dreams.

FISK. Would you give Mr. Reagan any dreams? Could you offer anyone security; secure borders, this is the E.E.C.'s * * *

ARAFAT. Secure border, who is need for secure border?

FISK. Israel says it does. You know you have * * *

ARAFAT. Another big lie! Another big rumours! They have between 18 and 20 atomic bombs, they have the hugest military force in this area and they are facing all the Arab area, and they are needing for security. Why is need for security? I am asking for security. You are observing the hell which you are living in the South, as an example, the hell my people are living under the occupation. We are in need of guarantees and security. Daily we have aggression, from the sea, from the air, from the land.

FISK. Let me ask about the other Arab States. Let me ask about you relations with Jordan. There are rumours in Beirut, which you will now deny, that you are still in considerable contact with King Hussein, that there is an agreement between you that perhaps at some future date, you and King Hussein could co-operate even in some overall Western idea of autonomy for the West Bank, not Camp David, but something else. Maybe the Jordanian option. How are relations with King Hussein?

ARAFAT. We have a good relations with King Hussein and in Mecca Conference, and in the Taif Conference I met him. We have fruitful talks. But concerning the Jordanian option it is King Hussein himself in his speech in the Taif, in the Islamic Conference * * * he declared that it is no, nothing concerning a Jordanian option.

FISK. But there is no kind of unwritten or private agreement between you and King Hussein, of something for the future?

ARAFAT. You see I have declared it many times that during the Rabat summit conference in 1974 I have declared it that we are ready to make a special relation, a special relation, between the Palestinian state and the Jordanian state.

FISK. I spent two months in Afghanistan last year. There is a lot of propoganda about what the Russians are doing but some of it is true, I can't imagine you are totally happy with the behaviour of the Soviet Union in Afghanistan. Are you?

ARAFAT. In my opinion and as a friend to the Afghanistian people I am looking for a solution for this issue, on the principle that Afghanistan is part of the Islamic group. Afghanistan is a member of the non-aligned countries movement and no interference * * * in the internal affairs of Afghanistan.

FISK. Would you be prepared to be a mediator of any kind in the Afghanistan dispute for example?

ARAFAT. If the Afghanistian people ask me? I will do? Why not?!

FISK. You'd go to Moscow?

ARAFAT. Why not? Any place. It is my duty! The Afghanistian people are my brothers.

FISK. Let me ask you about the revolution. This is a difficult question, I think. But a lot of people ask me this question. Especially when I go to Israel, to Palestine, they put this one to me. Why is it that in South Africa, in Rhodesia before independence, in Northern Ireland, the guerrilla armies attack oil installations, trains, buildings, soldiers, yet in Israel * * *

ARAFAT. Only—only babies, only babies yes?! * * * only children's * * *

FISK. Kibbutz? Buses full of * * *?

ARAFAT. Only babies and children.

FISK. And school children?

ARAFAT. Do you believe them? Do you believe them? Only babies!

FISK. Sometimes, they are * * * sometimes.

ARAFAT. In all the operations they are preparing the old women and the small child.

FISK. I am not saying only children die, but on many occasions it seems difficult for even some Palestinians to defend what happens.

ARAFAT. No, always they are preparing in their military communique, always they are preparing the small child and the old woman.

FISK. But it does happen sometimes.

ARAFAT. It doesn't * * * Why they are occupying my country? I have the right to resist against this occupation. Let them withdraw from my homeland, from our homeland. We are offering solutions, but they are offering to us genocide and death.

FISK. But I must still come back to * * *.

ARAFAT. Yes, yes, why not?

FISK. When women and babies are killed as they sometimes are * * *.

ARAFAT. I am against it.

FISK. It's a mistake?

ARAFAT. Yes * * * I am against it, but it happens. But you have to ask these citizens why are they living in my homeland. They are living there, they are participating in this tragedy, they are participating in this crime with their government, with the Israeli military junta. They have to stop it! We don't want to live as refugees, outside of our homeland. We have the right to live as human beings. I am fed up from carrying my gun. I want to live as a human being, but I am ready to carry on my resisting and my fighting, defending my people till the end of my life, but I am looking to find a solution, I am looking to find a way of life, a place under the sun for my people.●

OUR STAR, OUR MOTHER

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. MAVROULES. Mr. Speaker, I wish to commend to your attention the inspiring poetry from one of my constituents, Mr. Theodore Safine, from Peabody, Mass. The following verse is Mr. Safine's heartwarming tribute for Mother's Day:

OUR STAR, OUR MOTHER

Father, we miss your bright, cheery smile,
Your love and your dear, kindly face.
Though friends have attempted to lessen our grief,
No one can ever take up your place.
Mother needs always your love and your care,
Her brow now wears deep, sad new lines,
And on her once smiling and bright, happy face
No laughter these days ever shines.
We children are showing our great love for her
Always in words and in our deeds.
We sing and we dance and cavort for her sake
But it's your kind heart she needs.
Days have past slowly since you went away,
Each week seems as once a year did.
But we'll try to submit, Father dear, to this shock
And do as dear God has bid.
Fear not, our dear Father so far away,
Mother shall have our best of care.
We promised you that and we'll keep our word,
How ever we children must fare.
Earth knows no sorrow that Heaven can't heal—
So ran the old song long ago.
And we'll draw down from heaven at close of each day
Manna to soften her blow.
No more shall she work and worry and plod,
No more shall she toil for our sake.
And we know we shall be blessed children of God
For the happiness spread in our wake.
Her tears shall be dried, her tired limbs find rest,
In a cozy armchair shall she sit,
A fire burning brightly shall gladden her days,
With nothing to do but to knit.
To knit and to talk with the friends that she loves.
To read the good books she'll adore.
And then if she longs for anything else
We'll get that and considerable more.
There's nothing too good for this Mother of ours,
The best of the land shall she wear.
Tho we never can quite make up for her loss
We at least can save her from care.
So Father in Heaven, look down on us here—
You know your dear wife best of all.
Send a message to help us to gladden her heart
E'er she too goes beyond our recall.●

CRITICS OF THE PRESIDENT'S EL SALVADOR POLICY: THEY LEARN NOTHING, FORGET NOTHING

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. MICHEL. Mr. Speaker, it was said of the Bourbon kings that they learned nothing and forgot nothing. Much the same can be said about many of the current critics of President Reagan's decision to support the government in El Salvador.

These critics tell us that the El Salvador Government violates human rights. These same critics, a few years ago, were telling us that the Government of South Vietnam violated

human rights. Is there anyone who would care to argue that the Communist government in Vietnam today is more attentive to human rights than the government it replaced? Ask the survivors of the boat people and the Vietnamese Catholics who, according to recent reports, are now becoming victims of the inevitable Communist hatred of religion. Ask the Cambodians—if you can find any.

These critics condemn the Government of El Savador. They tell us we should not support the government, yet they offer absolutely no criticism of the Communist-armed guerrillas. They make no prediction as to how human rights would survive under a Communist-dominated regime. All we are told is that the current government is no good. There is never a single word of criticism said about the Communist-led guerrillas. They, one supposes, are supposed to represent the hope of human rights. Some hope.

The last time these critics had their way, millions of Southeast Asians were condemned to slavery, or death, hundreds of thousands were forced into concentration camps euphemistically called "re-education camps," thousands died in the great tragedy of the boat people. Are these critics repentant over the role they played in aiding the victory of those totally opposed to human rights? No, they want to do the same to the people of El Salvador as they did to the people of Southeast Asia.

The irony of all this is that some of these critics wrap themselves in the mantle of religion or some higher morality. In fact, their moral stand consists of nothing more than supporting Communist terrorism through the sin of silence and destroying the last hope for a gradual approach to freedom by criticizing any American attempt to help the government.

I would like to issue a challenge to any of these critics. Let them produce the evidence that Communist-led guerrillas have ever offered anyone, anywhere, human and civil rights. Do this and I might begin to stop thinking of these critics as hypocrites—or worse.

At this time I ask unanimous consent to insert in the RECORD, "El Salvador Is Not Vietnam" by Laurence H. Silberman, former ambassador to Yugoslavia (Los Angeles Times, Mar. 4, 1981) and "Vietnam Renews Anti-Catholic Campaign" by Keyes Beech (Los Angeles Times, Feb. 5, 1981).

[From the Los Angeles Times, Mar. 4, 1981]

EL SALVADOR IS NOT VIETNAM

THE DIFFERENCES ARE VAST, U.S. CRITICS TO THE CONTRARY

(By Laurence H. Silberman)

The Communist-led insurgency in Central America—like a subcutaneous infection that develops and spreads before bursting the skin—threatens to become a running sore there and on the American body politic. Weakened remnants of the enormous political force that opposed (at least in the latter stages) American involvement in Vietnam are mobilizing to challenge U.S. support for the anti-Communist, Christian Democratic-led junta in El Salvador. Is this simply a reprise of Vietnam, another foreign and domestic disaster in the making? Similarities there are, but also vast differences. Appreciations of both must govern our policy.

American involvement in Vietnam was doomed from the start. The denouement of the Korean War convinced the North Vietnamese that they would incur no strategic loss no matter how long they fought in South Vietnam. And, in fact, U.S. war aims in Vietnam were limited to preserving a non-Communist South Vietnam. At no time, despite the pain we inflicted, did we threaten the existence of the Communist regime in North Vietnam. Our limited commitment was defined by our unwillingness to risk an Asian land war with the Chinese—or a nuclear alternative. By contrast, the North Vietnamese commitment, supported by the Chinese and the Soviets, was open-ended in terms of cost, risk and time. Only a serious and permanent threat to North Vietnam would have made possible any other outcome.

In other words, in the 1960s (unlike the 1940s) the United States never really determined that Indochina was vital to our interests.

In Central America, geostrategic factors immensely favor the United States, and our interests are even more compelling. Besides our special concerns for neighboring Latin America—which, after all, were expressed by the United States more than 150 years ago in the Monroe Doctrine—Central America fits neatly between the two great oil producers in the Western Hemisphere, Mexico and Venezuela. We cannot any longer ignore the spate of nations that have fallen under Communist control since our defeat in Vietnam. Momentum—the Soviets call it the inevitable triumph of Marxism-Leninism—is as important in world affairs as it is in domestic politics.

Consequently, after a recent briefing by Secretary of State Alexander M. Haig Jr., Sen. Charles H. Percy (R-Ill.), chairman of the Senate Foreign Relations Committee—by no means a hard-liner—almost off-handedly said, "The United States will do whatever is necessary to prevent a Communist takeover in El Salvador." That is, of course, language that nations use to describe their vital interests.

But American domestic political opposition, buttressed by support in Europe and Mexico, has quickly begun singing the false siren songs that beguiled us in Vietnam. The critics insist that the insurgents in El Salvador include many non-Communists who fight against past oligarchic abuses. Therefore, they argue, it is "simplistic" to perceive the insurgency as a Communist export. Remember similar arguments in Vietnam? The answer is, of course, that the Communists always seek power in the clothing of a popular front, and on achieving power, always liquidate, politically or literally, their non-Communist allies, as they have recently done in Vietnam. How long, O Lord, how long will it be before the lesson is learned?

The United States should not ally itself with repressive right-wing dictatorships, even to oppose Communists, is another oft-heard argument. (Soon we will hear demands, as we heard in Vietnam, for free elections in the middle of the war.) But the Salvadoran junta is hardly right-wing; its economic policies are to the left of those of liberal Democrats in the United States. In any event, the more threatened an anti-Communist regime, the more it turns to repression. The pursuit of human rights, then, in the short run as well as in the long term, depends in large part on making the present Salvadoran government secure.

A political solution, it is said, is preferable to a military solution. But a satisfactory political solution for the Communists, as a matter of doctrine and practice, is a negotiated victory and an ensuing Communist dictatorship. There have been no other internal political solutions negotiated with a Communist-led movement—ever.

We should not be unduly influenced by European or Mexican views of Central America. The Europeans, as a group, are not a world power and, unfortunately, do not seem any longer to have a world view (as we see so painfully in the Middle East and in the Persian Gulf area). As was true during the Vietnam War, the European left is tacitly encouraged by other Europeans to focus on faraway Central American rather than on Europe, to avoid undermining European determination to meet the Soviet Union's challenge in Europe. Mexican support for the Salvadoran leftists indicates how vulnerable Mexico's domestic politics truly are. Communist-led guerrillas are operating along the Mexican-Guatemalan border near the Mexican oil fields, and the Mexicans wish that their attention were confined (at least in the short term) to Guatemala.

Just as the key to success in South Vietnam was a true threat to the existence of the Communist regime in North Vietnam, the key to El Salvador is Nicaragua. The Sandinista leadership, despite persistent American illusions, is Communist. Anyone who carefully reads their literature or talks with them must conclude that the Sandinistas' doctrine is indistinguishable from classic Marxism-Leninism. Gradually, but inexorably, the Nicaraguan private sector will be squeezed out of existence; free expression is already a bleeding casualty, and assassinations of leading anti-Communists occur without undue press attention in the United States.

Still, the vast majority of Nicaraguans are non-Communist; many fought Gen. Anastasio Somoza's struggle against the tightening Communist vise. The Sandinista leaders, therefore, are vulnerable, and their vulnerability leads them to support Communist takeovers in neighboring states from which anti-Sandinista forays could be mounted. But that vulnerability also provides the United States with a range of options not present in Vietnam that could reduce Communist pressure on El Salvador.

Although reasonable men and women differ as to whether U.S. forces or advisers have a positive or counterproductive effect on various aspects of the Central American struggle, the one clear lesson of Vietnam is that a graduated introduction of U.S. power, in whatever form, governed by a limited commitment is folly. It is this lesson that explains the President's assurance that El Salvador will not be another Vietnam.

[From the Los Angeles Times, Feb. 25, 1981]

VIETNAM RENEWS ANTI-CATHOLIC CAMPAIGN

(By Keyes Beech)

LAEM SING, THAILAND.—Apparently wary over the powerful role the Roman Catholic church has played in the Polish revolution, Vietnamese communists have tightened the

screws on the church in southern Vietnam, recently arrived refugees say.

Two Catholic priests, one of whom asked to remain anonymous for fear of reprisals against his family, said communist officials acknowledged that a renewed campaign against the church is linked to events in Poland.

About 100 of the 500 or more refugees in this camp on the Gulf of Thailand are Catholics.

The priests said the communists look upon the church as a potentially "destabilizing" element that must be watched. But there was no indication that the regime regards the church as an immediate challenge to its power, as is the case in Poland.

Although a minority, Vietnamese Catholics exercised influence out of all proportion to their numbers before the communist takeover of the South in 1975. This was especially true during the regime of President Ngo Dinh Diem, a Catholic who was murdered in a coup in 1963.

Of the 800,000 people who fled from North to South Vietnam when the country was partitioned in 1954 after the communists defeated the French, about 600,000 were Catholics. Under Diem's regime they were given preferential treatment in resettlement in the South.

Father Alphonse Tran Duc Phuong, 38, a former South Vietnamese army chaplain, said that although people are free to worship, there is pressure on the church on the village level and on the priesthood.

Church authority has been broken down so as to forestall any large-scale action, Phuong reported. Only a handful of priests have been ordained since 1975 and only one seminary, in Ho Chi Minh City, formerly Saigon, is still operating.

Priests who were arrested or died have not been replaced. "The communists say there are already too many priests," said Phuong, who spent four years in a "reeducation center" before escaping to Thailand three weeks ago.

The Catholics are not alone in feeling communist pressure. Buddhist monks have also been severely restricted in their movements and their religious activities curtailed. Some monks have escaped and resettled in the United States.

It is the Catholics, however, whom the communists distrust most.

In 1975, an estimated 10% of Vietnamese were Catholics, the highest proportion in any Far Eastern country except the Philippines.●

TRIBUTE TO WALTER CRONKITE

HON. JIM JEFFRIES

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. JEFFRIES. Mr. Speaker, last Friday night a milestone in broadcast journalism was reached when Walter Cronkite retired as the CBS Evening News anchorman. He spent almost 20 years at this post and during that time he became one of the most trusted men in America.

It is rare when a person from the media gains the recognition that Walter has. He, more than anyone else, has been the role model for television news anchor men and women. Many historical events have happened during his tenure, but through the years he gave the public a natural and old-fashioned approach to the news. Most importantly, he gave straightforward news to the public, avoiding bias and personal commentary in his reporting. By realizing the importance of giving the public the facts, he instilled in the American public trust and respect for this broadcast media pioneer.

Walter's nightly presence in America's living rooms will be missed by his legion of viewers, including myself. His ability to disseminate the confusing and sometimes frightening day's events into an understandable and cohesive newsstory is a rare achievement. Whether he was covering a political convention, man's first landing on the Moon, or an assassination, he always set a high standard for broadcast jounalism.

I would like to take this opportunity to thank Walter Cronkite for his years of service and wish him a rewarding and successful future. Walter, we will miss you.●

RESEARCH REVITALIZATION ACT OF 1981

HON. JAMES M. SHANNON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. SHANNON. Mr. Speaker, on February 17, I introduced H.R. 1864, the Research Revitalization Act of 1981, to provide a very necessary tax incentive to promote research and development. Research and development has played a vital role in this Nation's economic success for many years. It has led to the unparalleled success of this Nation's high-technology industries since 1945.

Research and development spending will enhance product quality and choice, expand national markets and living standards, and reduce inflationary pressures. R. & D. spending has been a rewarding investment to individual companies, and to the Nation as a whole. It is difficult to understand why it has received such scant attention from national policymakers.

The position of the United States as the world's leader in innovation and technology has begun to slip. It can be seen in our large trade deficits; in declining productivity; in an increase in the number of U.S. patents issued to citizens of foreign countries; in the decrease in the number of new products being introduced into commerce; and in a shift in emphasis to short-range research by U.S. companies. A declining national commitment to R. & D. is one of the major underlying causes of the problem. Lagging industrial innovation—the development of new products and processes—is the result.

How can the situation be reversed? By recognizing that the decision to invest in research or in new plants or equipment is based on economic incentive. U.S. tax policy is often identified as the largest impediment to adequate capital formation. By modernizing the Tax Code to remove the Government-created disincentives to capital formation, the ability of business to invest will be greatly enhanced.

A number of legislative proposals which would accelerate the return of capital invested in industrial plants and equipment are now before Congress. The reason for enabling business to reinvest its resources rapidly is obvious.

However, unless we continue to expand our technological base, and to develop new technology-intensive products, the investments made by U.S. firms simply cannot yield the profitable and productive results sought.

A very significant change in the industrial innovation process has been the gradual shift of university research efforts away from the needs of industry. Over the last 30 years, pressures on the R. & D. dollar have forced a major part of industry to favor short-term profitability over long-term more risky growth objectives. During this same period, the Federal Government increased its funding of university research so that it is now responsible for about three-quarters of all research. Business accounts for less than 4 percent of the total.

Under the best of conditions, industry-university collaboration is limited by questions of patents and publication policies, and so forth. This country desperately needs a continuous flow of invention, innovation, and production in which universities play a substantial role. A solution to this problem is possible in the legislation which I have introduced—the Research Revitalization Act of 1981, H.R. 1864.

What will the Research Revitalization Act do? Primarily, it is designed to increase the amount of money available for university research. It would make it possible for companies to justify investing in basic and and exploratory research where risks are usually high and the payback period is substantially longer than is generally acceptable.

The bill would permit business firms to establish tax-exempt reserve accounts to receive, accumulate, and distribute funds, allowing accumulation for up to 4 years without penalty. It would provide a 25-percent tax credit plus a tax deduction for such expenditures. This approach would allow business to redirect some of the universi-

ties' research activities back to the needs of the U.S. industry.

In dollars and cents, a company choosing to use the provisons of the proposed bill would be able to obtain $1.86 worth of research for $1 spent. This is quite significant. A recent survey of its members conducted by the Scientific Apparatus Makers Association (SAMA) shows that high technology companies spend an average of one and a half times as much each year on R. & D. as they do on new plants and equipment—an amount equal to 87 percent of after-tax profits, and 6 percent of total company sales. These figures are two and three times greater than those for almost all U.S. manufacturing industries.

Recognizing the need to provide business with incentives necessary to justify investment in university research, three-quarters of the respondents to the survey said that they would increase their outlays for university research by about 65 percent, should this measure become law. That would nearly double the university research funded by these companies.

When the Research Revitalization Act was first introduced in the 96th Congress by my distinguished former colleage, Mr. Vanik, he pointed to the need to replenish this Nation's reservoir of research and development:

More than anything else, American enterprise needs a peacetime stimulent to generate new ideas, more products, and new technology. Our domestic and export business must be restored to its former competitive position. There are new domestic markets. . . . if we can reach them with new ideas or better ideas. . . . for a little tax incentive, we will put into motion a huge job-creating system for domestic and export goods. This legislation may help restore America's traditional role as a world leader in technology development.

I agreed with that assessment then as did a bipartisan group of nearly 70 cosponsors. I agree with this assessment today.●

GOVERNMENT FIGHTS GOVERNMENT—THE LEGAL SERVICES CORPORATION—PART I

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. McDONALD. Mr. Speaker, it is always said that the bureaucrat, or at least some bureaucrats, will do anything to save their own jobs. Recently proof of this came to light in the form of a memorandum prepared by Mr. Alan W. Houseman, of the Legal Services Corporation, dated January 5, 1980. While his call for battle is couched in terms of helping the poor, all but the completely uninformed are aware that the Legal Services Corporation has spent most of its time taking cases designed to reshape society along the radical lines favored by nearly all of those who populate the Legal Services Corporation. Part I of the memorandum follows:

LEGAL SERVICES CORPORATION,
December 29, 1980.

To: State Coordinators and Other Interested Parties.
From: Alan W. Houseman.
Subject: Summary of our Overall Activities, Strategy and Perspective.

To assure that there is full knowledge among all critical actors in the effort we are undertaking to preserve aggressive legal services, I have prepared this summary of our activities, strategy and perspectives. Much of this comes from the oral remarks that have been given at the Regional Meetings and will not be new to most of you. Most of this information has been and will be supplemented in more detailed ways.

OVERALL PERSPECTIVE

Today we face a severe threat to the continuation and growth of aggressive legal services. At stake is the survival of the legal services movement. By that I mean:

Survival of committed, aggressive and political staff whether they are lawyers, paralegals, support staff or other advocates;

Survival of aggressive advocacy, (i.e., advocacy which utilizes the full scope of representation including legislative and administrative representation, litigation and community education; advocacy which seek all possible remedies; and advocacy which is not restricted in what defendants can be sued, e.g., government entities);

Survival of client involvement and control.

All three of these are essential to the legal services movement. All three of these are under attack and must be pressured and strengthened.

Far more is at stake that the survival of Legal Services. Many social benefit and entitlement programs that have developed during the 60's and 70's to provide concrete benefits to poor people are threatened. As we proceed in our fight, we must take all the steps necessary at national, local or state levels to assure the continuation of other social benefit and entitlement programs. It is essential that we join with others in preventing cutbacks in these programs, and preventing changes in other federal policies; such as affirmative action, which are essential to the continued development of poor people and minorities in this country. At no time must we let our own concerns override the more basic concerns of poor people.

BASIC PRINCIPLES

It is useful to repeat the basic principles which guide the actions that will be collectively taken to preserve legal services.

1. Using all methods of counseling and representation, legal services exists to provide highest quality legal services to all those unable to afford legal assistance in a manner which best enables poor people to assert their rights and interests and effect change in ways that they themselves choose.

2. LSC and the legal services community will continue to emphasize utilization of program resources in a manner that has the greatest impact on the largest number of poor people.

3. Legal Services must be accountable to the low-income community in program governance, allocation of limited resources, and addressing the most pressing legal problems of a particular local community.

4. The staff attorney system of delivery is essential to effective legal services and will remain the core of our delivery system.

5. LSC and the legal services community will resist any and all efforts to dismantle effective, existing programs. We will never compromise the basic values and structures of this program and we will continue to resist efforts that would impose restrictions or undermine aggressive advocacy for poor people.

SCOPE OF POTENTIAL THREAT

We will certainly face serious efforts by opponents of aggressive legal services to:

(1) Appoint members to the LSC Board who are not supportive or even hostile to aggressive legal services and the staff attorney system. Currently fine terms are up; in June, the additional six positions will be up for nomination.

(2) Add additional restrictions on the types of representation (legislative and administrative advocacy), on types of cases (aliens, education, abortion, suits against government entities), or on attorney fees, support and training.

(3) Reduce our appropriations and/or earmark existing or new funds.

(4) Increase control of legal services staff and advocacy through a hostile bureaucracy, through political pressure from Congress, or through local and state government.

(5) Substantially alter our current delivery system and reallocate current resources to judicare and other private attorney models of delivery.

(6) Increase the role of local and state governments in funding and overseeing legal services delivery.

There will also be attempts by the "far right" to dismantle or eliminate the legal services program. These proposals have surfaced during the transition and will also rise during consideration of our reauthorization in 1981.

We can not now predict what efforts will be made, by who and their timing to restrict or dismantle legal services. There are many possible scenarios that may develop both in the short and long run. What we are doing is to plan for every possible development.

POLITICAL SITUATION

We have a new administration headed by a President who has historically shown hostility to Legal Services. While Governor of California, President-elect Reagan attempted to veto and dismantle California Rural Legal Assistance. He also sought to impose additional controls on aggressive advocacy by Legal Services attorneys.

In the only public statement (in the *American Bar Association Journal*), the President-elect gave great deference to the pro bono efforts of private attorneys and called for an evaluation of the Legal Services Corporation to ensure "that it is serving the purpose for which it was intended." He went on to say: "Such a program should not be used to fund, at taxpayers expense, suits which are in reality attempts to force a judicial resolution of political and public policy issues properly left to the elective branch through its representatives in Congress . . . I would also like to explore possible alternatives to the monolithic federal approach to the legal problems of the poor. I believe there is room for increased activity on the part of local government and local bar associations."

Some of President-elect Reagan's senior advisers and key cabinet members are people who may not be particularly support-

ive of legal services and who lack understanding of our program.

We face a much more conservative Senate which is now controlled by Republicans and southern Democrats. Many of the newly elected Senators are ideologically opposed to legal services. While we have some strong support in the Senate Committee on Labor and Human Resources, we face severe problems with the entire Senate.

While the House is still in Democratic control, it is much more conservative. Many believe there is now a majority of conservatives in the House which can block most liberal legislation. Although, our committee will remain supportive, we will continue to face, as we have in the past, severe problems on the floor.

The American Bar Association, though remaining steadfast in support of aggressive legal services, has moved to introduce legislation seeking to mandate the involvement of private attorneys in the delivery of legal services. We must not let this development affect their support for effective, aggressive advocacy.

Many of our allies are themselves politically weakened. Moreover, the organizations from which we traditionally received support have not yet made the survival of legal services a high priority. We may not have reached out sufficiently to other potential allies whether on a national or local level.

We have lost the support of large numbers of clients and poor people. Client involvement and control has not become a reality in most programs. Client organizations both on a local and national level have few resources to affectively advocate continuation of legal services.

We are not prepared for battle. We are not effectively united. The Legal Services Corporation has not had to face a major political crisis since its inception. The Legal Services Community has not had to face a political crisis of this severity since 1973. There are many new people in Legal Services. Some may not share the values of the community's leadership. Some may not be willing to take political risks to preserve aggressive advocacy.

On the other hand, we do not start from a position of weakness. We are stronger and more geographically diverse than ever before. We have able and committed staff working in programs throughout the country.

The Legal Services Corporation is an independent entity. Many people on the Hill, in the administration and the press perceive LSC to be an efficient and well run institution.

We have more resources to devote to this effort than we have had in the past. We are more sophisticated politically at both national and local levels.

WHAT WE ARE DOING TO WAGE THIS BATTLE

First, we are attempting to unite and join together in this struggle. We have formed a coalition with PAG, the National Clients Counsel (NCC), NLADA, the National Organization of Legal Services Workers (NOLSW) and the Minority Caucus. It will be expanding to include others from within the legal services community, such as National Association of Indian Legal Services (NAILS), migrant farm workers group, women's caucus, Organization Legal Services Backup Centers (OLSBUC), state support and others. It will also expand to include organizations who are allies and supporters of legal services.

The coalition members will be forming an outside entity to lobby and coordinate survival activities on behalf of the legal services community. This entity will be established soon and will begin to function early in 1981.

Second, we are expanding and strengthening our state coordination network. This is essential in order to assure effective communications within the community and for our congressional efforts.

Third, we are seeking to diversify and strengthen the base of local and state programs. It is essential to broaden the base. In the short run, a strong local political base will be critical if we are to successfully obtain support from Congress for the continuation of an aggressive legal services program. Effective lobbying in Washington will require local programs to establish credibility and a base in their communities and to develop allies who can and will assist them in persuading their Congressman and Senators to support legal services. In the long run, a strong local base will be necessary to survive possible efforts at local and state control through block grants or private bar control.

These plans involve a series of regional meetings that will attempt to help programs identify how to shore up and strengthen their base of support including support from the private bar, increased support from organizations that can be effective allies, effective use of the media and improved relations with Congressional offices. In addition to the meetings, there will be technical assistance, training and other assistance available to local programs.

Fourth, we are strengthening our base of support nationally by developing closer ties and better relationships with Civil Rights, labor, elderly, consumer and many other organizations and individuals who have been allied with us in the past. We are also reaching out to new organizations as well to develop alliances and obtain support. Because legal services is only one of many issues with which these organizations are concerned, the National Support Centers and others will by joining with these organizations in common efforts to prevent benefit program reductions.

Fifth, we are addressing short-term issues that require immediate action. Through the National Legal Aid and Defender Association the coalition has identified potential nominees for the ISC Board of Directors who are supportive of legal services but also acceptable to the Reagan Administration. In addition, we are working to acquaint key people in the Reagan Administration and in Congress (including the new Senate leadership) with our program, its independence, and its achievements. We are shoring up and strengthening the support we have among some members of the Reagan team. We are identifying those who can influence members of the transition teams and the appointees of the new administration.

Sixth, we are taking steps to protect programs and our overall delivery system. We will address basic bureaucratic and programmatic vulnerabilities that have been identified by GAO reports and by others. We are also reviewing our entire support structure to make sure it is sufficiently insulated from political pressure and can function effectively in the future.

Seventh, we will be increasing the Washington lobbying efforts of the Corporation and our organizations. NLADA, for example, has hired a full-time experienced lobbyist to work on legal services and other matters. The new entity being formed will substantially expand our lobbying capacity.

Eighth, we are developing an affirmative legislative strategy to deal with the difficult situations we face in the next session of Congress with regard to both appropriations and reauthorization.●

SIGNATURE FINANCIAL MARKETING, INC.—A TRIBUTE TO THE FREE ENTERPRISE SYSTEM

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. PORTER. Mr. Speaker, there is a true American success story unfolding within my district, one that I should like to enter as a vivid example of the free enterprise system at work.

It is a story that began 8 years ago with one employee and today has 550 persons providing services to Americans all over the Nation. And with its sense of direction, civic participation and social responsibility, it embodies all that is good about our incentive oriented, free enterprise system.

The company is Signature Financial Marketing, and it is the direct response marketing subsidiary of Montgomery Ward & Co.

Signature recently celebrated its first anniversary within my district at 2020 Dempster, in Evanston, Ill. It already is a pioneer in the direct-marketing field. Under the inspired leadership of its founder and president, Richard E. Cremer, Signature strongly supports community involvement and has sought to stimulate its employees from both business and personal interests.

Thus a variety of programs have been established for employees to become involved in the community as well as to quit smoking, lose weight, and become more physically fit.

Chairman Edward S. Donnell of Montgomery Ward & Co. and executive vice president of finance Gordon Worley should be commended for having the foresight to give Signature the opportunity to grow in the dynamic direct-response industry. These men serve on Signature's board and recognized and placed confidence in the fledgling enterprise.

The Signature story began 8 years ago, during the centennial of Aaron Montgomery Ward's new idea for selling mail-order merchandise to rural families. Signature has revived the Ward name in the direct-mail merchandise field, and its scientific tests have added another dimension to the company. Direct-response marketing has become known as the third force at Montgomery Ward, complementing the retail and catalog businesses.

Signature started in 1973 with an idea—to insure its credit customers in case they lost their jobs through no

fault of their own. The loss-of-income insurance, which would make a customer's monthly payments, is called the charg-all security plan. Charg-all security plan now has more than 1.2 million subscribers.

That one idea has blossomed into more than 550 employees working in 8 companies and many more support divisions. Signature's first employee worked out of the telephone equipment room of the Montgomery Ward corporate office in Chicago. That successful venture produced other ideas: The Montgomery Ward Auto Club in 1974 and Montgomery Ward Enterprises, which in 1975 began offering merchandise by direct mail to Ward's customers. The fast-growing auto club is the country's third largest, with 1.2 million members.

By 1977, Signature assumed one whole floor of the corporate office and soon needed more space. The company moved to Chicago's North Side in 1978, and continued expansion necessitated last year's move to Evanston. Mr. Cremer's commitment to high employee moral and to a productive working environment were factors in the move to Evanston, as were the area's living and working environment.

Signature expects to double the number of employees by 1985 to more than 1,000. The company now is offering its products, clubs, and services to other credit card companies and banks, as well as anyone wanting to pay cash. Signature also includes the Wards Credit Card Security Service, Wards Home Protection Plan, Wards Wide World of Travel, Signature Card, and a number of other companies and divisions.

Concerned about the health and fitness of not only its own employees, but all Americans, Signature currently is launching a family aerobic exercise club called Wards Good Healthkeeping Club. A company health and fitness laboratory was completed in March of this year to conduct scientific tests for the club and also to offer employees a place to work out, test equipment, and improve their physical well-being at the same time.

Signature employees started a community relations committee 2 years ago to improve the community well-being. The volunteer group of nonmanagement employees has awarded more than $8,000 in money and equipment to deserving local organizations and charities. Signature is pledged to match any amount the employees raise in fundraising projects.

Signature should be applauded for its commitment to its employees and to the community in which it operates. The company's rapid success story has been an inspiration to all new businesses and established ones alike.

Happy anniversary.●

WE NEED TO SUPPORT THE PRESIDENT

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. MICHEL. Mr. Speaker, as we prepare to consider carefully, and hopefully enact, the President's program for economic recovery, we should restudy the basic lessons of inflation.

A recently issued GAO report, "Stronger Federal Effort Needed To Foster Private Sector Productivity," states in the first paragraph:

> U.S. productivity growth has declined dramatically over the past 12 years. In the past 3 years it has virtually ceased. Concern over this serious problem is increasing since declining productivity fuels inflation and reduces both our standard of living and our international competitiveness.

For those who are interested, the cost of living went up again last month, 169 consecutive months in a row, debasing the dollar further. Relentless Government deficit spending and taxation continues to destroy the assets of individuals, as well as corporations. One may properly ask if there is a correlation between Government fueled inflation and taxation on one hand, and the decline in productivity and standards of living on the other? The answer is definitely yes.

Following my remarks is a table taken from a recent issue of the prestigious Bank Credit Analyst. The table shows how extraordinarily difficult it is to preserve the purchasing power of assets after inflation, taxation, and controls. Across the top of the table is a column showing different rates of inflation, starting with 2.5 percent through 200 percent. Along the left side of the table is a list of taxation rates, starting with 0 percent through 90 percent. This matrix of varying inflation and taxation rates shows the rate of return you would need from an investment just to break even for any combination of tax and inflation rates.

For example, if you have a 12.5-percent rate of inflation and a 70-percent top marginal tax rate, you would need a 41.7-percent rate of return just to break even. With a 12.5-percent inflation rate, and a 30-percent tax bracket, one would still need a 17.9-percent return to break even, and that does not even take into consideration a real rate of return on one's investment or savings. Is it any wonder why corporations cannot float long-term bonds, which provide the capital for investment in new plant and equipment for job creation, and thus are forced into the short-term borrowing market just to stay afloat? When people see their savings eaten up by inflation, while that same inflation is pushing them into higher tax brackets, is it any wonder that the United States has one of the lowest savings rate in the industrialized world? How can productivity increase if there is little savings in the economy, or people refuse to buy long-term bond issues? Lenders will no longer subsidize borrowers. Asset values of individuals, as well as of businesses, continue to be destroyed with double-digit inflation. What was once considered the bedrock basis of Western society—the government or corporate bond—has become the invidious instrument of monetary annihilation.

In commenting on this matter, the Bank Credit Analyst states:

> It should be understood that the people at risk are not necessarily those with assets or fixed capital. Those without assets, dependent on their jobs for income while they work, and on their pensions, insurance and limited savings afterwards, have the most to fear. Inflation affects everyone but its worst consequences are for the less well off.
>
> Essentially, inflation means that there is no such thing as the long term anymore; there are no real investments, only gambles. You can't rely on anything having value anymore and you can't plan for the future. Inflation increases the unpredictability of economic and financial forces. It increases (the) volatility and instability of everything. It raises the risk of credit defaults, controls, sociopolitical upheavals and military involvement. The latter derives from the fact that inflation and all its consequences sap the economic strength and vitality of nations. All of these destructive forces feed and reinforce each other.

Mr. Speaker, it is time we stopped the inflationary process by cutting out deficit spending and reversing the growth of Government spending. By cutting down the size of Government, we will increase the size of the productive private sector. We must also accompany this with a tax cut. We can no longer afford to tax at high levels the productive sector of society for the sake of the nonproductive. This is what supply side economics is all about and what President Reagan wants to do.

Yes, Mr. Speaker, the time has come for the Congress to respond to the President's sincere attempt to save our country from the ravages of inflation. If we do our duty, it will be all the people who will benefit.

The table follows:

INVESTMENT RETURNS REQUIRED TO MAINTAIN CONSTANT PURCHASING POWER UNDER VARYING INFLATION AND TAXATION RATES

	Inflation rates (percent)																
	2.5	5.0	7.5	10.0	12.5	15.0	17.5	20.0	25.0	30.0	35.0	40.0	45.0	50.0	75.0	100.0	200.0
Taxation rates (percent):																	
0	2.5	5.0	7.5	10.0	12.5	15.0	17.5	20.0	25.0	30.0	35.0	40.0	45.0	50.0	75.0	100.0	200.0
10	2.8	5.6	8.3	11.1	13.9	16.7	19.4	22.2	27.8	33.3	38.9	44.4	50.0	55.6	83.3	111.1	222.2
20	3.1	6.3	9.4	12.5	15.6	18.8	21.9	25.0	31.3	37.5	43.8	50.0	56.3	62.5	93.8	120.0	250.0
30	3.6	7.1	10.7	14.3	17.9	21.4	25.0	28.6	35.7	42.9	50.0	57.1	64.3	71.4	107.1	142.9	285.7
40	4.2	8.3	12.5	16.7	20.8	25.0	29.2	33.3	41.7	50.0	58.3	66.7	75.0	83.3	125.0	166.7	333.3
50	5.0	10.0	15.0	20.0	25.0	30.0	35.0	40.0	50.0	60.0	70.0	80.0	90.0	100.0	150.0	200.0	400.0
60	6.3	12.5	18.8	25.0	31.3	37.5	43.8	50.0	62.5	75.0	87.5	100.0	112.5	125.5	187.5	250.0	500.0
70	8.3	16.7	25.0	33.3	41.7	50.0	58.3	66.7	83.3	100.0	116.7	133.3	150.0	166.7	250.0	333.3	666.7
80	12.5	25.0	37.5	50.0	62.5	75.0	87.5	100.0	125.0	150.0	175.0	200.0	225.0	250.0	375.0	500.0	1,000.0
90	25.0	50.0	75.0	100.0	125.0	150.0	175.0	200.0	250.0	300.0	350.0	400.0	450.0	500.0	750.0	1,000.0	2,000.0

Source: Bank Credit Analyst, Dec. 15, 1980.●

OMNIBUS FARM BILL

HON. JIM JEFFRIES

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. JEFFRIES. Mr. Speaker, as the House and Senate Agriculture Committees begin hearings on the 1981 omnibus farm bill, I would like to emphasize the importance of these deliberations.

While Congress considers the renewal of farm loans, production controls, and direct payment programs, the Reagan administration is signaling that it wants to hold down costs. These two trains of thought must be reconciled, and they must be reconciled in such a way that we do not dislocate or severely harm the farm economy.

If we are to shift from an array of heavily subsidized programs to a group of free-market-oriented ones, then the move must be carefully calculated and carried out, if it is to be done, in a manner that does not kill the goose that lays the golden eggs.

Farmers in my district in Kansas, and farmers everywhere, are open to change. They are willing to do their part to control inflation, because they know that if it is not controlled then they will ultimately suffer the consequences.

But we cannot overlook the fact that farmers are already facing a number of severe problems: Reduced farm income in 1980, high interest rates, increasing debt, and, of course, inflation. These problems must be addressed in any deliberations affecting our future farm programs.

If predictions of higher farm income prove to be correct, then perhaps there are programs which are outdated and in need of dramatic overhaul or elimination. Perhaps farm programs should be based to a greater extent on need. But I would urge my colleagues on the Agriculture Committees to take great care in establishing the yardsticks to determine true need. Farmers who need help should and must get it.

While I do not serve on the Agriculture Committee in the House, I am well acquainted with farm problems, having been a farmer myself and representing a district in which the farm economy is so important. As a member of the congressional rural caucus, I will be following the formulation of a new farm policy very closely, and I would urge my fellow caucus member to do the same.●

SPEECH BY BASEBALL GREAT HANK AARON

HON. JOHN J. DUNCAN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. DUNCAN. Mr. Speaker, on February 13, 1981, I was privileged to attend the fourth annual diamond dinner in Knoxville, Tenn., sponsored by the Knoxville Baseball Club, the University of Tennessee, and the Knoxville Bureau of Recreation. Former Atlanta Braves baseball star and homerun king Hank Aaron honored us with his attendance and delivered a fine speech entitled "The Times in Which We Live." I would like to share Mr. Aaron's message with my colleagues, and therefore enter the text into the RECORD.

THE TIMES IN WHICH WE LIVE

In a few years, you students will leave the relatively safe atmosphere of this college. You will find yourself in the real world, the world of jobs, salary disputes, promotions, competition, perhaps periods of unemployment, bills to pay, families to support and community obligations.

No matter how much education you may get here, there will be some things you will have to learn first-hand, from experience. Book education is very important. But no matter how much book learning you get, when you try to apply that learning to people, it doesn't always work. What I am trying to tell you is that when you graduate from this fine college, don't think your education is over. In many ways, your education will only be starting. Practical experience now begins to come into play within your lives.

Sometimes we think that the solution to all our problems can be found in books. For example, if we look at the scene in our Nation's Capital . . . Washington, D.C. . . . we will find some of the most outstanding scholars of our times. And yet, they can not solve the problems of inflation and unemployment and energy. Obviously, the answer to all our problems are not in books. Sometimes, we need to use commonsense.

When most of you graduate from this fine college in a few years, you will join the job market, the political scene, the business world. And the duty to solve some of these problems will fall into your laps. Therefore, I want to encourage all of you to take a good look at yourselves in the mirror of life. And ask, what do I have to offer? What can I contribute? What good can I bring to the world? And when I say "world," that doesn't mean the whole world but your world, your home, your community.

A lot of people will say that we can not solve these problems because it's just the times in which we live. I disagree. I think we can solve problems of poverty and peace, problems of racism and sexism, problems of energy and inflation. In my opinion, it is not the times in which we live, it is how we live in the times. Most of the problems we face whether in South Boston or other tense parts of the world, we created. We, human beings, created the problems; and we can find the solutions. As you finish your education here and go out into the world, this will be your job.

Unfortunately, so many people today refuse to do their jobs. They put them off on somebody else. They make excuses for not doing what they should have done. I urge you not to be like this; I encourage you to keep in mind that you are the captain of your own ship through the waters of life. You are the master of your own destiny. You can do what you will. That may be nothing; although I sincerely hope it is something. I truly believe that everybody ought to do something in life and with life.

If you are a musician, be a good musician. If you can dance, by a good dancer. If you can sing, sing the best you know how. If you are a good academic student, be the best. If you are an athlete, make the most of it. You can look around you and see what some people have done with their lives and very little opportunity. Having grown up in south Alabama, I know that men like Joe Louis and Willie Mays did not have much chance for formal education, so they turned to sports. Joe Louis became heavyweight champion of the world. And Willie Mays became an outstanding baseball player. Even Muhammad Ali barely made it out of high school when it came to books, but he took an interest in boxing; he dedicated himself to it . . . night and day, day-in and day-out . . . until he became the best boxer of our times and the most recognized face in the world. His face, according to some poll taken a few years ago, was more familiar than the Pope, the President of the United States and even the Beatles. That's truly amazing.

Who was Joe Willie Namath? A nobody. But he made himself a somebody. Who was John F. Kennedy? Just the son of a wealthy

Irish businessman. He could have lived off his daddy's money and made nothing of himself. But he wanted to be somebody and he became one of our best-beloved Presidents. Martin Luther King . . . who was he? Just the son of a Georgia preacher. But he wasn't content just to get an education, find himself a church and preach from the pulpit every Sunday morning. He took his Christian message to the streets and into the hearts of millions of people around the world.

The poet, Henry Longfellow said, "The lives of great men all remind us that we can make our lives great and, in departing, leave behind footprints on the sands of time."

Martin Luther King, Jr., left his footprints . . . John F. Kennedy . . . Abraham Lincoln . . . Muhammad Ali . . . Joe Namath . . . Willie Mays . . . Joe Louis, all of these people left their footprints on the sands of time. And I have come here to tell you that you, too, can leave your footprints on the sands of time.

It may mean sacrificing some pleasures in life. It may mean giving up some good times. It may mean disagreeing with your friends and neighbors. It may mean marching to the beat of a different drummer. It may mean death. But the choice is yours: you can choose to live ordinary lives and die of old age, and when you look back on your lives, you can point to nothing that you are proud of. . . . because you did nothing outstanding. Or you can choose to dare, to be different, to challenge accepted practices and leave a spiritual fortune for those who will come after you. The choice is yours. Some key points to remember as you strive for success in life: they are the 5-D's. The first is desire. Desire is a thought impulse transmitted from your sub-conscience mind telling you it wants something. Desire is to want. Many people desire things in life, but then forget about them, thinking to small. "Oh, I can't do this." or "that's impossible." With that attitude you will never get anywhere in life. A strong desire recognizes no such word as impossible or failure. If your desire is not far fetched, then go after it and achieve what you want. Once you desire something, you must put a plan in action and go get it. There are no limitations to the mind except those we acknowledge. This is the 1st D in our list of 5-D's.

The 2nd is drive. Drive comes from within. You must have an inner feeling to push forth and do what you have to do to succeed. Drive is like a motor engine. It turns off and on, goes fast and slow, and sometimes dies down. The key is to keep a steady and comfortable pace in achieving your goals. Drive measures your ability to move ahead quicker than others. A quitter never wins, and a winner never quits.

Now you have a desire and the drive to achieve. The next D is determination. If you want to do something, you can. Determination is the willingness to accomplish what you want, making a definite decision in your mind. You must be dead set and persistent once you've attained an idea or goal, or else you'll never get it. A definite purpose and plan is needed.

The next D is discipline. Here we have one of the most common reasons for failure. Discipline is self-control. Self-control over outside influences and to keep plugging away at your goal, letting nothing stop you. Discipline is self taught. Be honest with yourself. Your feelings and the feelings of others and the ability to achieve will be yours. Work hard everyday and don't let up. Discipline is the willingness to assume full responsibility.

The next D is a key factor in many unsuccessful attempts to make it. Direction. Many people can motivate their desire into hard work and plug away at becoming successful. But, are they going about it properly? Don't just do things because you think they are right. Be sure that your game plan is sufficient before wasting time spinning your wheels. Use your imagination. Have definite, practical plans. Set specific short and long term goals with a realistic approach. Many people work so hard for so many years and achieve nothing. Perhaps they've been working hard in a direction that is not suited or appropriate for their particular desires. Be careful and be sure you are going in the right direction in life.

You should not confuse fame with greatness. Because fame comes quickly and it goes away even quicker. But greatness endures forever.

I believe it was Shakespeare who said, "Some people are born great; some achieve greatness; and others have greatness thrust upon them." I doubt that you or I were born Great. And nobody seems willing to hand us any greatness. So, that means you and I will have to achieve greatness.

As a baseball player for 23 years, I know I achieved fame. I can look at the telegrams and letters and pictures and momentoes. But did I achieve greatness? Only time will tell. But if I did, you can. Even if I did not, you still can, as I said before, the choice is up to you.

When you look at the men I named earlier, from different walks of life, they all had one common quality: a burning desire to achieve. They were single-minded in their desire to do their best. And nobody can say they never tasted defeat. Certainly they did. Joe Louis lost his heavyweight crown to Max Schmeling but came back to win it when the chips were down. Muhammad Ali won his title three times, the only heaveyweight champion to ever do that.

Martin Luther King, Jr., suffered defeats in Albany, Georgia where his attempts to integrate that city failed; he tried to achieve open, integrated housing in Chicago and failed. When the civil rights marchers tried to march from Selma, Alabama to Montgomery, they were met with physical violence. But Dr. King suffered his losses and kept on trying because he believed in his cause and he knew that some day the cause of freedom, justice and equality would win out over the forces of evil.

Great men can be self-motivated without being selfish. They can have an ego without being egotistical. They can drive toward success without being driven by success. They know that winning means "we" and not "I". They believe that they . . . and all of us are part of the human family, and when any one of us is denied his or her rights, all of us are denied. They know that the senseless killing of any one of us kills a little bit of all of us.

And so, you are faced with some powerful choice . . . to be free to achieve, to choose what is right over what is wrong, to give of your time and talent to those less fortunate, to want a better world to live in for yourselves, your families and all families; and finally, to go away from here and make the world a better place for all of us.

I cannot say that what I have said will make any difference. But I believe you will come to crossroads in your life some day. And I only hope that these few words of inspiration will help you to choose the right path.●

WORKING FAMILY TAX REDUCTION ACT

HON. JAMES M. SHANNON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. SHANNON. Mr. Speaker, a major issue in tax policy is the appropriate relationship, if any, between marital status and Federal income tax liability. The persistent claims by both single and married people that they are treated unfairly by the Tax Code, underscore both the complexities of the problem and the difficulties in constructing alternatives to the present system. It is unfortunate that, for many individuals, Federal tax laws are a consideration in their decisions to marry or divorce. To the greatest extent possible, the Tax Code should be made neutral with respect to the marital status of taxpayers.

One of the most blatant impediments to this desired neutrality is the so-called marriage penalty which, for many couples, results in a greater tax burden following marriage than would result had the two couples remained single. Similarly, an ever increasing proportion of married couples are faced with the situation where they could lower their taxes by getting divorced. This marriage penalty exists in nearly all two-earner households where the lower earning spouse contributes more than 20 percent of the combined household income. The closer the spouses are to equal incomes, the more severe the penalty becomes.

Two factors of current tax law contribute to the marriage penalty. First, a married couple's zero bracket amount is less than twice the size of the zero bracket amount allowed to single taxpayers. Singles are exempted from income taxes on the first $2,300 of their income. For a married couple, this nontaxable amount is only $3,400. Clearly, if two individuals choose to remain single, rather than marry, they can shelter an additional $1,200 from Federal income taxes. This disadvantage, of course, applies only to those couples that take the standard deduction.

The second feature of the current tax law that causes the marriage penalty is the tax rates that apply to the income of the second worker. Single and married persons use different rate schedules, with the single schedule applying higher rates than the joint schedule on a given taxable income. Thus, a one-earner household faces lower taxes than that earner would pay if he or she had remained single—this is the so-called marriage-bonus. However, since tax liability on a joint return is based on a combined income, the second earner's income is taxed at

higher rates than it would have been had that person remained single. If the lower earning spouse makes less than 20 percent of the total income of the couple, the couple is still better off filing jointly. However, if the second wage-earner contributes more than this, the marriage penalty comes into play.

The marriage penalty did not just happen. It was created, unintentionally, in response to some specific pressures on the Federal tax structure. Initially all taxpayers were taxed as individuals and there was only one tax schedule. Under this system it was advantageous for individuals with high incomes to shift as much of their income as possible to other family members to take advantage of lower tax rates. This problem was exacerbated by the fact that each taxpayer was allowed a larger personal exemption than he or she would have received as a dependent. Shifting of unearned income was fairly easy since it involved simply switching property ownership to a different family member. Shifting of earned income was not permitted.

With the advent and application of community property laws in many States, however, the shifting of earned income became possible. This greatly exacerbates the problem. A 1930 Supreme Court ruling allowed married couples in States with community property laws to divide all income evenly. Such a split, of course, minimizes a couple's tax burden under a progressive tax system. Following the large tax increase necessitated by World War II, many States switched to community property in order to give their citizens the benefits of income splitting.

This transition from one form of property ownership to another, motivated by a desire to lower Federal tax burdens, was difficult and burdensome for both State and Federal courts, for administrators, and for legislators. Many States resented being forced to adopt community property in response to Federal actions, but simultaneously they had trouble resisting the clamor of their married citizens for the tax relief that this change would offer. Federal relief from the problem was sought.

The Revenue Act of 1948 was designed to equalize the tax treatment of married couples in community property and noncommunity property States, thus eliminating the incentive provided by the Federal Tax Code for States to alter their property ownership laws. This act institutionalized income splitting, which permitted married couples to divide their combined income in half, compute the tax owed on one-half, and then double this amount. With the introduction of the joint return, the unit of taxation was, for the first time, switched from the individual to the married couple. This provision afforded all married couples the maximum tax benefits they could achieve if their State adopted community property. The greater the difference in income levels between the spouses, the greater the tax savings through income splitting. Marriage almost always resulted in a tax reduction, and divorce almost always resulted in a tax increase. The marriage bonus—which still exists in households where one spouse contributes little or no income—had been created.

It is important to remember that, even though the Revenue Act of 1948 created the marriage bonus and removed neutrality with respect to marital status from the Federal tax system, this was not its intention. The goal of the law was to equalize tax treatment among the States. Contrary to the arguments that one hears today, favorable treatment for married couples was not instituted because of the belief that couples generally have greater living expenses than do single people and, thus, should have a reduced tax liability.

While single people, now required to use the same rate schedules as married couples were unhappy with this change in the tax laws, the ones who appeared to have the most legitimate grievance were those singles who, although unmarried, were responsible for the care of one or more dependents. Thus, in 1951, Congress responded by creating the head-of-household rate schedule for single people who maintain a household for certain relatives. This provided a divorce bonus to couples with children if they had relatively equal incomes, a provision which still exists in the tax laws. Neutrality was gradually disappearing. It evaporated even further in 1954 when Congress created a new filing status called surviving spouse and extended the benefits of income splitting to widows and widowers for a limited period of time.

In spite of these revisions, singles were still generally discriminated against by Federal income tax laws. At some income levels, the difference in tax liability between a single person and a married couple reached 42 percent. In the Tax Reform Act of 1969, Congress made many changes attempting to reduce this discrimination. First, a new rate schedule was created for single persons, which limited their tax liability to no more than 120 percent of the tax liability of a joint return with the same amount of income. Basically, singles were given about half of the tax advantage of income splitting. Second, a new head-of-household schedule was created halfway between the single and joint tax schedules, that is, affording these individuals about three-fourths of the advantages of income-splitting. The result was a big reduction in the discrimination against singles, but an increase in the divorce bonus and the creation of a new problem—the marriage penalty. It became, and still is, advantageous to marry if one spouse will contribute little or no income, but to divorce or remain single if both individuals have significant earnings. The neutrality of the tax system has been completely destroyed, albeit in response to some very legitimate concerns about equity between the States and among different classifications of taxpayers.

In an attempt to restore some of the lost neutrality to the tax system, I am today introducing a bill to eliminate the marriage penalty, without shifting the burden to single people. Admittedly, even with passage of this bill some nonneutrality would remain, that is, the divorce bonus and the marriage bonus for one-earner households. However, it is necessary to take this first step. The marriage penalty is the most serious impediment to neutrality. Over 90 percent of all taxpayers file as either singles or marrieds filing jointly. Approximately half of all wives living with their husbands now work outside the home and an ever-growing majority of these working wives contribute sufficient portions of the household income to incur a marriage penalty. This penalty, or the difference between what a couple pays filing jointly compared with what their combined taxes would be had they remained single, can reach thousands of dollars, even for households with relatively modest incomes. Mr. Speaker, I ask consent that a table showing the distribution of marriage penalties and bonuses by income class and relative earning powers of the spouses be printed at the end of my statement.

Currently, there are two major proposals aimed at alleviating the marriage penalty. Each of these has certain problems. My bill offers a third alternative which overcomes many of these difficulties.

One proposal which has received a lot of attention would allow a deduction against joint income for 10 percent of the lower-earning spouse's income. Such a solution offers only a partial recompense for the marriage penalty, and applies unevenly among couples. It also can create the situation of giving a further tax break to those couples currently enjoying a marriage bonus, even if the deduction is only allowed to couples where the lower-earning spouse contributes more than 20 percent of the combined income.

Another popular proposal would allow optional separate filing by married individuals. This plan places a considerable additional burden upon the taxpayer who must compute tax liability using two separate methods.

For a couple to determine their most advantageous method of filing, they would need to complete three entire tax returns—one joint and two singles. This option would also open a Pandora's box of tax avoidance by encouraging couples to shift unearned income and property ownership from the higher-earning to the lower-earning spouse. We would be right back where we were over half a decade ago.

The bill I have introduced overcomes the problems in the above plans which make them inadequate and hard to use and administer. My bill gives every couple a tax credit for the marriage penalty, if any, on its earned income, but does so without requiring additional taxpayer computation. Taxpayers would determine their credit through use of an IRS-supplied table, which would list the average marriage penalty, if any, for each combination of spouses' incomes in increments of $2,500. In this way, one-earner households are provided with no new tax advantages, and the penalty on earned income is completely removed. In addition, the potential for tax avoidance through the shifting of assets is eliminated since no compensation is provided on unearned income. This also results in a substantially smaller revenue loss and shifts the relief to where it is most urgently needed, that is, to the lower and middle income classes.

Mr. Speaker, I fear that as long as we retain a progressive tax system, neutrality with regard to marital status will never be completely implemented. However, this bill takes a major first step in that direction. It eliminates the marriage penalty on earned income in a manner that is both easy to compute and to administer.

TABLE 1.—EFFECT OF MARRIAGE ON TAX LIABILITY AT SELECTED INCOME LEVELS AND EARNINGS SPLITS BETWEEN HUSBAND AND WIFE [1]

Total family income	Share of lesser-earning spouse										
	0	5	10	15	20	25	30	35	40	45	50
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
$5,000	−250	−210	−170	−133	−98	−63	−28	0	0	0	0
$7,000	−378	−315	−252	−189	−126	−66	−10	46	98	147	168
$10,000	−475	−370	−275	−180	−85	10	100	162	182	200	202
$15,000	−710	−515	−328	−148	32	132	183	220	236	243	251
$20,000	−1,092	−760	−460	−160	42	150	238	300	355	381	391
$25,000	−1,505	−1,055	−630	−268	−30	160	310	447	535	594	611
$30,000	−1,929	−1,334	−749	−334	−26	214	439	644	785	875	903
$40,000	−2,801	−1,821	−939	−338	177	667	1,031	1,329	1,564	1,644	1,692
$50,000	−3,344	−2,094	−1,094	−286	454	1,133	1,731	2,121	2,439	2,574	2,674
$100,000	−3,464	−1,214	359	1,691	2,699	3,474	4,014	4,314	4,369	4,394	4,394

[1] Assumes that taxpayers have no dependents and do not itemize deductions. Marriage penalties would be smaller, and marriage bonuses larger, for itemizers. Marriage penalties are positive in the table, marriage bonuses are negative.●

NATIONAL ENDOWMENT FOR SOIL AND WATER CONSERVATION ACT OF 1981

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. JONES of Tennessee. Mr. Speaker, I am today introducing the National Endowment for Soil and Water Conservation Act of 1981. This bill will promote and foster expanded soil and water conservation in the United States.

Current conservation programs and initiatives are addressing only a small percentage of recognized needs. This situation is continuously allowing unacceptable levels of soil erosion from our farmlands yearly.

The encouragement and support of national progress in soil and water conservation, while primarily a matter for private and local initiative, also are appropriate for concern by the Federal Government.

It is necessary and appropriate for the Federal Government to complement and assist programs of local, State, regional, and private entities, organizations, and individuals for the wise management of soil and water resources.

There is a clear and present danger threatening both our water supplies and our food and fiber production base being created by massive soil erosion and related problems in the United States.

At current rates of erosion, America's topsoil could be depleted in as few as 200 years, endangering our ability to produce food and fiber for our people.

This eroding soil, together with chemical pollutants carried with it, enters our waterways, creating over half of the daily loading factor—which becomes the single largest volume contributor to water pollution in the United States.

A major coordinated voluntary attack on soil erosion is needed that involves the landowner, the government, and our major corporations. In order to combat these problems, it is desirable to establish a National Endowment for Soil and Water Conservation, utilizing a variety of funding sources to stimulate soil and water conservation.

This bill includes establishing an endowment fund which can be used for cost-sharing payments, loans, and grants-in-aid for installing and maintaining soil and water conservation measures, special studies, and workshops.

The administration of the fund will be by a Board of Governors composed of a Chairman and six other members. Five of the members including the Chairman will be appointed by the President, with the advice and consent of the Senate, from among private citizens of the United States recognized for their interest and expertise in soil and water conservation. The other two Board members will be the Secretary of Agriculture or his designee and a representative of a non-USDA Federal agency with a close interest in soil and water conservation.

The Board may correlate the programs of the Endowment with existing Federal programs, other public agency programs, or private groups, and may use existing administrative structures of the U.S. Department of Agriculture or State agencies for financial and technical assistance functions.

The financing of the Endowment will be primarily from tax-exempt contributions of currency, securities, or property donated by individuals, groups, or corporations.

The administrative costs of the fund will be supported by an annual appropriation of $150,000.

The cost to the Federal Government to establish and maintain such a fund is very insigificant when compared to the funding provided by the private sector of our country. The Endowment will provide some of the additional funding and incentives needed to assist in installing and maintaining soil and water conservation practices to reduce the serious soil erosion and related problems that still exist in the United States.

I urge my colleagues to join me and JIM JEFFORDS in supporting the passage of this bill to establish the National Endowment for Soil and Water Conservation, which will help to assure our future supply of food and fiber and guard our water quality for many uses.●

OUTSTANDING TREE FARMER

HON. THOMAS S. FOLEY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. FOLEY. Mr. Speaker, I would like to share with my colleagues Rich Landers' article from a recent issue of American Forests on the subject of Mr. Albert Deishl.

Mr. Deishl, a constituent of mine from Otis Orchards, Wash., was honored last year as Outstanding Tree Farmer of the Year and has just completed his term of service. Mr. Landers' article gives us some insight into the type of man Mr. Deishl is and the ideas which have won him national recognition.

ALBERT DEISHL

(By Rich Landers)

Albert Deishl always was a cut above some of his fellow landowners. It might have been a small clearcut here or a selective cut there, but it was enough to take him all the way to the President of the United States.

Deishl, a 70-year-old native of Otis Orchards, Washington, has just finished serving his term as Outstanding Tree Farmer of the Year. It's a distinction awarded by the American Forest Institute, a forest-industry, public-relations group. He says his scrapbooks full of honors and handshaking photos with the likes of Governor Dixy Lee Ray, Congressman Tom Foley, and President Jimmy Carter are products of nothing more than common sense.

More than 40 years ago, Deishl and his wife Ella were using every acre of their small farm to make a living. They milked a few cows and raised some beef; they grew a little grain and some hay and raised chickens, pigs, geese, and turkeys, to say nothing of a two-acre garden and four kids. And they farmed trees, in a way that was a little ahead of their time.

"I couldn't afford to let the 55 acres of timber on the old place go to waste," Deishl said. From those 55 acres, he harvested firewood to heat his home, posts to fence his land, and enough logs every year to keep extra cash in the savings account. In 1938, foresters from Idaho and Washington colleges were traveling to Deishl's place to study his methods—word was out that this man was making money from timberland without harming its resources.

"You would have to have known Albert all the years I have known him to understand what makes him tick," Ella said. "He sees things others do not see."

When he began surveying his thick tangle of woods, he noticed some trees that were bigger than the rest. "I figured those were the strongest of the bunch, so I left them to grow." He could see large stumps, remnants of an old cut. "I figured those trees were the virgin growth. I looked at their spacing and arrived at a figure of about 16 feet. That is the spacing I used for thinning."

But although Deishl is openly proud of the way most big forest-products companies are managing timber on their lands, he and Ella are spending much of their retirement trying to get the word out to the small-woodland owners.

"A cattleman thinks about raising cattle, not about timber management," Deishl said. "I say, even if you only have five acres of timber on your land, you at least should manage it for your firewood."

He cited a more tempting example: "Say you have 1,500 acres on your farm, and 500 acres of it is timber. That means the 500 acres probably are dry and rocky—if it was a No. 1 site, you would be plowing it, right? Now then, depending on the conditions, you could produce maybe 150 to 200 board-feet an acre off the land. That would work out to about $7,000 dollars a year in profit without depleting your stand of timber."

From there, the benefits of managing private timberlands multiply. "I almost always use a selective cut, leaving the best trees for future production," he said. With this sort of management, he minimizes the chances of insect infestations that proliferate on decaying timber.

Proper management can enhance wildlife habitat. "Look there," he said, pointing toward the forest from his kitchen window. "The red-stemmed ceanothus has come in real good in that thinned area. That's good browse for deer."

A healthy secondary crop of huckleberries keeps Ella happy, and a few local black bears too. Porcupines, however, aren't welcome freeloaders. "I don't want to exterminate them, " Deishl said, "but put it this way: if porcupines are going to do $25,000 damage to my place in a year, I can't afford them."

Even hunters benefit from this private timber management. "We allow hunters to come in and take a few bears and deer every year off the 1,100 acres of timber we own," Deishl said, noting that excess populations of either species will either nip off the trees' new growth or begin gnawing at bark and killing trees outright.

And private timber management in general has a role of a much grander scale. About 40 percent of the woodland in the United States is scattered among six million private landowners. With the world's demand for forest products growing every year, these private lands are becoming increasingly important. For this reason, Deishl is an ardent advocate of the American Tree Farm System, established in 1954 by the American Forest Institute.

"By being a certified tree farmer," he said, "you get national and regional publications that show you what other people are doing with their timberlands and what programs are available."

State and U.S. Soil Conservation Service foresters also are available to help landowners manage their timber. The SCS, for instance, can provide you with soil maps and help you devise a management plan.

If you don't have time to manage your timber, you can devise a plan and have a small logger do the work for you. "The catch," Deishl said, "is that you have to request help. A lot of free advice is out there, but you have to ask for it. And why not? You're paying taxes on your timberland, so you might as well get the most from it."●

VICTOR J. BARICH

HON. WAYNE GRISHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. GRISHAM. Mr. Speaker, I am pleased to take this time to pay tribute to a man, Victor J. Barich, whose career in public service stands as a fine example to his fellow Americans.

Our criminal justice system encompasses thousands of men and women, each of whom carries out a task vital to the smooth and efficient execution of justice in our Nation.

For 34 years, Victor J. Barich served in such a capacity, enriching the lives of all who worked with him. During this time, he served the people of Los Angeles County, devoting to them the talents and resources that he brought to the various positions he has held.

He began his career in Los Angeles as a clerk in the civil and criminal departments of the Los Angeles Judicial District downtown. He then spent 10 years at the San Pedro Branch Court as clerk in charge.

For the past 18 years, Victor Barich has become a familiar face in the city of Downey, where he has served as clerk and administrative officer of the Downey Municipal Court since May 1, 1963.

The dedication that Victor Barich showed toward his work has been more than matched by his dedication to his community. He is a member of the Knights of Columbus, the Croation Fraternal Union, a charter member and charter president of the Monte Vista Activity Club, and a member of the Los Angeles County Employees Association.

Within his profession, Victor Barich has been held in high esteem by his coworkers, as evidenced by the offices to which he has been elected. Mr. Barich has served on the board of directors of the Municipal Court Clerk's Association of California, and as chairman of the Los Angeles County Municipal Court Clerk's Association. He has also served as that organization's chairman of the civil service committee for 11 years.

Before entering service to our community, Victor Barich served his nation in the southern Pacific theater during World War II.

Of Victor Barich it can truly be said that he has devoted his life to his nation, his community, and his family. Victor Barich and men like him are the strength of our Nation, and I am proud to be able to honor him in this manner.

I am sure that his wife, Helen, two fine daughters, and four sons join me in saying "thank you," to an outstanding American.●

TRIBUTE TO FATHER VINCENT D. PULICANO

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. BIAGGI. Mr. Speaker, a great man and dear friend passed away on February 26, 1981. Father Vincent D. Pulicano, the director of pastoral care

at Cabrini Medical Center in New York City died at the tragically young age of 44 after a prolonged and valiant struggle with cancer.

Father Vincent, as his friends would call him, was born in Chicago in 1937. He entered the Scalabrian Fathers in Chicago and made his novitiate and philosophy studies at St. Charles Seminary on Staten Island. He was then sent to Rome where he obtained a Licentiate in Sacred Theology at the Gregorian University. After ordination in Rome, Father Vincent was first assigned to teach at St. Charles Seminary on Staten Island. His next assignment brought him back to Rome where for 8½ years he was chaplain to Catholic University students at the Pensionato Universitari Catholici and at the same time he was bursar to the Pontifical College of Immigration.

Father Vincent then returned to the United States and became the director of pastoral care at Cabrini Medical Center. While at Cabrini, he ministered to the sick and poor, recruited eye bank donors, and initiated the development of medical offices in medically underserved areas, such as Little Italy and Bensonhurst, Brooklyn. He was responsible for a successful medical morals committee at Cabrini and was recepient of the Cabrini Employee of the Year Award in 1977.

Yet, Father Vincent will best be remembered as being the driving force behind the development of the now world famous hospice program at Cabrini. Hospice care, a recent but vitally important health care service, provides the terminally ill with a humane method of care. The remarkable aspect of Father Vincent's work was the fact that he put endless hours of effort into the development and maintenance of the Cabrini Hospice while he himself was enduring tremendous daily pain with terminal bone cancer. The Cabrini Hospice, is one of only two federally designated and funded demonstration projects in all of New York State.

Father Vincent's personal courage, deep compassion for other's suffering, and endless drive left a lasting impression on everyone who had the opportunity to meet or know him. I recall last April a benefit held in his honor at the New York Sheraton Centre, where Father Vincent was honored by over 1,500 people for his outstanding achievements and leadership, exemplary commitment, and extraordinary contributions to the Italian American community in New York. His total commitment to the Cabrini Hospice included having his many friends in the entertainment world, including Frank Sinatra and Luciano Pavarotti conduct benefit performances to raise funds for the hospice.

I delivered a eulogy at the funeral mass for Father Vincent and was honored to pay tribute to this remarkable and wonderful human being. He epitomized all of what is good in man, and his was a model to be emulated by all. His long, painful, and debilitating bout with cancer is mercifully over, but the joy he brought to the lives of others will endure for years to come. I now wish to place into the RECORD an obituary of Father Vincent written by Don Gentile of the New York Daily News.

MOURN PRIEST WHO AIDED TERMINALLY ILL

(By Don Gentile)

The sign in the lobby of the Cabrini Medical Center read: "Love is Father Vincent."

"That says it all," said Sister Josephine Tsuei, hospital president. "Love sums up what he was all about."

Father Vincent was the Rev. Vincent Pulicano, 44, who died Thursday after a long and painful battle against bone cancer. The Rev. Pulicano, director of pastoral care at Cabrini, was dedicated to comforting the dying and establishing hospice care for the terminally ill in New York City.

Yesterday was a time for remembering the corpulent and jovial priest who could quell the sorrow of imminent death with a smile and a caring word.

"He never stopped . . . he was always on the go," said Sister Josephine, who was with the priest when he died in the medical center's acute-care section. "All day long, 24 hours, he was available when a person was dying. He gave orders he was to be called."

It was nearly three years ago that the Rev. Pulicano fell as he walked into the Cabrini Medical Center, at 227 E. 19th St. He limped after that, and doctors told him to have an X-ray.

Bone cancer, however, already had spread to his hip.

"The first year of the disease, he walked with a cane or a walker. The second year, he was in a wheelchair. In the end, he couldn't get up from the chair," Sister Josephine said.

But before he died, the Rev. Pulicano saw his dream of a hospice for the terminally ill come true. Through federal grants and contributions, including one from Mr. and Mrs. Frank Sinatra, the Cabrini hospice for dying cancer patients opened last October in a townhouse at 215 E. 21st St.

Although he knew he was dying, the Rev. Pulicano said he was unafraid because it was God's will and because of the love shown him by his friends.

He counted Mayor Koch, Rep. Mario Biaggi (D-Bronx), opera tenor Luciano Pavarotti and Sinatra among his friends. All are expected to attend a funeral Mass tomorrow at the Epiphany Church, Second Ave. and 22d St.

The priest's body will be on view in the hospital's chapel today. A second Mass will be celebrated at noon Monday in Our Lady of Pompeii Church, 25 Carmine St., Greenwich Village. The priest's body again will be on display for an hour following the Monday Mass.

Burial will be in Chicago, where the Rev. Pulicano's relatives live.●

EXTENDING THE AUTHORIZATION OF THE MARINE SANCTUARIES PROGRAM

HON. WALTER B. JONES

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. JONES of North Carolina. Mr. Speaker, I am pleased to join with my colleague from New Hampshire, Mr. D'AMOURS, in introducing a bill to extend the authorization of the marine sanctuaries program. The sanctuaries program was established by the Marine Protection, Research and Sanctuaries Act of 1972 and is maintained by the National Oceanographic and Atmospheric Administration of the Department of Commerce.

The congressional intent of the sanctuaries program is to recognize that there are sites of sensitive and irreplaceable biologic and ecological value in the ocean waters. These areas often contain valuable fishery, oil, and gas resources; consequently, a designated sanctuary site can benefit greatly from a well-balanced and integrated management program of research, monitoring, education, recreation, resource exploitation, long-term planning, and regulation.

During the 96th Congress, four new sanctuary sites were designated, bringing the total number of sanctuaries to six. The sanctuary sites include: the wreck of the Civil War Ironclad, the U.S.S. *Monitor,* off Cape Hatteras, N.C.; the Key Largo coral reef, in the northern Florida Keys; the Channel Islands off the coast of California; the Looe Key off the Florida Reef; Gray's Reef, east of Sapelo Island, Ga.; and Point Reyes-Farallon Islands off the California coast, north of San Francisco.

The marine sanctuaries program received an appropriation of $2.25 million for fiscal year 1981, the same amount authorized by the Committee on Merchant Marine and Fisheries during the 96th Congress. The bill which was introduced today seeks level funding of $2.25 million for fiscal year 1982, and the necessary funds for both fiscal year 1983 and 1984.

I urge my colleagues to support this unique marine environmental program and the necessary extension of authorizations when the bill returns to the full House of Representatives.●

CONGRESSIONAL SALUTE TO ST. NICHOLAS ROMAN CATHOLIC CHURCH, PASSAIC, N.J., IN COMMEMORATION OF ITS LANDMARK STATUS ON THE NATIONAL REGISTER OF HISTORIC PLACES AND HISTORIC PRESERVATION PROGRAM

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. ROE. Mr. Speaker, on Saturday, March 14, the residents of the city of Passaic, my congressional district and State of New Jersey will join the pastor, Rev. Michael J. Conway, and the congregation of St. Nicholas Roman Catholic Church of Passaic, N.J., to commemorate the completion of their historic preservation program, celebrate their having achieved landmark status for this most historic church on the National Register of Historic Places, and offer thanksgiving for over a century and decade of total dedication and devotion in service to God and the cause of brotherhood, goodwill, and understanding among all mankind.

Mr. Speaker, I know that you and our colleagues here in the Congress will want to join with me in extending our heartiest congratulations and best wishes to the pastor and congregation of St. Nicholas Roman Catholic Church on this most historic and significant occasion. Their eucharistic celebration will be highlighted with a concelebrated Mass of thanksgiving celebrated by the priests of the parish and the city of Passaic, and special plaudits are extended to the esteemed clergy, Mayor Robert Hare, and other distinguished citizens of the city of Passaic who have been helpful in providing a most comprehensive commemorative program, as follows:

ACKNOWLEDGMENTS

Main Celebrant: Monsignor John E. Morris, Pastor, Holy Trinity Church, Vicar, Lower Passaic Vicarate.

Concelebrants: Reverend Michael J. Conway, Pastor, Saint Nicholas Church; Reverend Manuel Hernandez, Associate Pastor; Reverend John J. Lojewicz, Associate Pastor; Reverend Charles Waller, Chaplain, Beth Israel Hospital, Clergy of the City of Passaic.

Lectors: Mrs. Mildred Gallagher and Mr. Nelson Robayo.

General Intercessions: Mr. James McBride.

Offertory Procession: Sisters of Charity, Saint Nicholas School.

Music: Mrs. Donna Taylor, Saint Nicholas Choir. Trumpets: Mr. Timothy Griffin and Mr. James Jordan. Flute: Miss Jean VanderWoude.

Flag Bearers: Mr. Jerome Gallagher and Mr. Robert Halkard.

Servers: Eric Topczij, Brian Montague, Peter Melendez, and Robin Zurawa.

Cantor: Miss Jean Morris.

Mr. Speaker, the St. Nicholas Parish was founded in 1868 to meet the spiritual needs of Catholic immigrants settling in the north Jersey area. In 1885, following a tragic fire that destroyed the original church, the present church was dedicated. On May 31, 1979, the Heritage Conservation and Recreation Service of the U.S. Department of the Interior, after 3 years of extensive research, entered St. Nicholas Roman Catholic Church into its National Register of Historic Places. This historic treasure stands today as one of the oldest churches in the immediate area and the mother church of many of our local parishes.

Mr. Speaker, with your permission I would like to insert at this point in our historic journal of Congress an excerpt from church history records which has intertwined the outstanding services of a devout and dedicated nucleus of revered priests and sisters whose leadership and responsibilities for the spiritual needs and well being of the members of their congregation with their hard work and personal commitment to improve the quality of life for all of our people. A profile of the history of the church leading to its designation as an historic landmark and enrollment on the National Register of Historic Places is, as follows:

ST. NICHOLAS ROMAN CATHOLIC CHURCH, ST. NICHOLAS OF THE CHILDREN, PASSAIC, N.J.—A HISTORY OF A PARISH, ITS HERITAGE AND ITS PEOPLE

ST. NICHOLAS CHURCH, THE MOTHER CHURCH OF PASSAIC

Through the determination and efforts of our pastor, Father Michael Conway and Associate pastor, Father John Lojewicz, our Church of St. Nicholas now takes its place among the Historical Sites of the United States of America.

Such distinction has been earned not merely by the passage of time alone, but by years of sacrifice, hardship, and labor of the clergy and parishioners working together to fulfill the dream of Father John J. Schandel, appointed as the first pastor of St. Nicholas Parish in the year 1871. Father Schandel lived with one of the Catholic families in the community. For a while, he gathered his small assemblage of parishioners in the Algonquin Mill on Passaic Street for Mass, instruction, and religious services. Then, a parcel of land located on Main Avenue and Prospect Street was purchased where he erected a two-story combination rectory and church. This wooden structure became the first Roman Catholic church in the city of Passaic.

After establishing the foundation for the parish of St. Nicholas, Father Schandel was transferred to Holy Cross Church in Harrison, N.J. and was succeeded by Father Louis Schneider in the year 1873.

The property where the present church and rectory are located was purchased by Father Schneider in 1874.

The following year, on December 21, 1875, an arsonist set a fire that destroyed the church, rectory, and school. Undaunted by the tragedy, Father Schneider set himself the task of rebuilding once again. In 1876 he purchased the Spencer Academy property on Howe Avenue and an ever larger St. Nicholas School was established. While on a "sick call" in Clifton, Father Schneider was seriously injured when thrown from his carriage. A gradual deterioration of his health resulted and in 1884 he passed away.

Appointed the third pastor of St. Nicholas was Father John A. Sheppard who immediately plunged into the duties of his pastorate. On the land previously purchased by Father Schandel, Father Sheppard erected the present Gothic church in 1885, which, along with the rectory built the following year, amounted to a combined cost totaling $80,000. This was followed in 1886 by the purchase of a residence for the Sisters located on Washington Place. In 1892, he constructed a school across the street from the church, which for many years was known as the "old school".

After fourteen distinguished years building and expanding the parish, Father Sheppard was assigned to St. Michael's in Jersey City, N.J. in 1898, and was eventually elevated to the rank of Monsignor in the year 1903.

On April 5, 1898, Father Thomas J. Kernan became the fourth pastor of St. Nicholas Church. Having previously served as an assistant to Father Schneider in 1884, Father Kernan was well acquainted with his new assignment. He built a convent to house the teaching Sisters of Charity, and, to accommodate the ever-increasing numbers of children entering St. Nicholas School, constructed another school on the corner of Hamilton Avenue and Jefferson Street at a cost of $26,000. With the larger population came the less fortunate and less affluent to the city. To care for them, Father Kernan organized the St. Vincent de Paul Society * * *.

Father Kernan purchased eighteen acres of land in Lodi to be used as a consecrated burial ground. He provided St. Nicholas Church with what are perhaps the most beautiful and elaborate stained-glass windows in any church in the United States. These were purchased from and installed by Franz Mayer, Inc. of Munich in a series depicting the Old and New Testaments and their application to modern times.

Father Kernan's effort and ability as pastor of St. Nicholas did not go without notice, for, on July 23, 1922, the Rt. Rev. John J. O'Connor, Bishop of Newark, conferred upon him the rank of domestic prelate with the title of Monsignor.

Msgr. Kernan spent many years of service as dean of all clergy in the city of Passaic before being called to God on the night of February 17, 1933.

Four months later, on June 3, 1933, the Rev. William V. Dunn was named as fifth pastor of St. Nicholas Church.

In recognition of his excellence as a pastor in guiding his parish through the troubled years of the depression and World War II, Father Dunn was elevated by Pope Pius XII to the rank of Rt. Rev. Monsignor on July 23, 1942.

On October 20, 1954, Monsignor Dunn died at the age of seventy-eight and Bishop James A. McNulty announced to the parishioners that the sixth pastor of St. Nicholas Church would be Msgr. Philip J. Coyne.

Ordained at Seton Hall on December 21, 1918, his first assignment was as curator to the Rt. Rev. Msgr. Thomas Kernan, pastor of St. Nicholas Church. He became administrator to the parish upon the death of Msgr. Kernan in 1933, and continued to serve his beloved people until called to become pastor of St. Mary's Church in Dover, N.J. in 1941. Four years later he was to have the distinction of serving simultaneously as pastor of St. Agnes in Paterson and St. Philip the Apostle in Clifton. His return as their

pastor to St. Nicholas in 1955 was a joyous occasion for the parishioners. He continued to dedicate his life in the priestly service of St. Nicholas Parish for another thirteen years until he announced his retirement in June of 1968.

While he stayed on, as Pastor Emeritus in residence at the rectory, Father Charles B. Cassidy was appointed by Bishop Lawrence Casey to serve as the seventh pastor of St. Nicholas.

Father Cassidy, like his successors before him, immediately set about the duties of his office. He had the sanctuary completely refurbished. In keeping with Vatican II, he removed the old altar and had it replaced with a new one of Italian marble, which is still in use today and allows the priest to face his congregation during the celebration of the Mass. This work was completed, and the main altar consecrated by Father Cassidy on November 28, 1968, just weeks before he was to act as honorary chairman of a twin celebration honoring the 100th Anniversary of the parish and the Golden Jubilee of Pastor Emeritus Philip J. Coyne.

He continued practicing his ministry at St. Nicholas until September 16, 1969, when he was appointed pastor of St. Theresa's church in Paterson.

Assigned to replace Father Cassidy was Father Thomas J. Trepasso, pastor of St. Gerard's in Paterson, the eighth pastor of St. Nicholas Church.

Father Trepasso encouraged the formation of the "Hispanic Community Center" and closer ties of the English and Spanish speaking parishioners in St. Nicholas. His devoted service to the parish continued until he was transferred to Our Lady of the Lakes Church in Mt. Arlington, N.J. in 1971.

Succeeding Father Trepasso as pastor of St. Nicholas was Father Leo P. Carey, former pastor of St. Jude Church in Mt. Olive, New Jersey.

On September 22, 1975, our own Father Michael J. Conway was officially installed as the tenth pastor of St. Nicholas Church. Born and raised in Ireland, he studied for the priesthood at St. Kieran's Seminary in Kilkenny and was ordained in June 1960. After six years of service in Scotland he was transferred to St. James Parish in Totowa, New Jersey. From there he went to Holy Family Church in Florham Park and later taught at Bayley Ellard High School. He was then stationed at St. Jude's in Budd Lake, New Jersey, and, just before coming to St. Nicholas, served at St. Paul's Parish in Prospect Park.

The lights of the rectory burned late many evenings while Father Mike and his associates, Father John Lojewicz, Sister Dorothy Vespia and Father Ronald Sordillo joined with numerous parishioners and nonparishioners to discuss church and civic affairs. This team was later to include Father Vidal Arboleda, Father Manuel Hernandez, Sister M. Vincetta Scanlon, Sister Mary Ann Cirillo and Father Charles Waller. During an initial survey of church grounds, Father Mike realized the potential hazard two vacant buildings presented to the area. He had them torn down and the grounds landscaped to beautify the vicinity.

Father Mike converted the Sacristy into what is now known as "Our Lady's Chapel". The interior was completely refurbished, a small altar installed and portable kneeling benches to accommodate about thirty people were added. He also had a ramp constructed at the entrance to make access to the Chapel easier for the elderly and handicapped.

Shortly after Father Mike's installation as pastor, requests were received from the "Historic Commission" for information concerning the former years of St. Nicholas Church and its church architecture. An application for a review by them was submitted by Father Mike, and what had begun as past recollections developed into a review of the history of St. Nicholas Church, as three years of research followed into the church's history. In a letter to Father John Lojewicz from a Montclair historian-architect who surveyed St. Nicholas, it was stated, "* * * that the brightly colored walls and frescoes were typical of the Gothic Period, the most striking detail of the church was its fantastic stained-glass windows imported from Munich and that the Church exemplified one of the finest eclectic statements of its time."

Many others shared this opinion and on February 16, 1979, St. Nicholas Church was declared a "Landmark of Historic Preservation Status" by the State Registrar of Historic Places; and entered in the National Register of Historic Places, Washington, D.C. on May 14, 1979.

With matching funds now available, Father Mike initiated the "St. Nicholas Church Restoration Fund" campaign whose financial resources enabled him to have the entire antiquated electrical system in the church rewired, new speaker systems installed, the stained-glass windows strengthened and the entire interior beauty of the church restored with freshly painted artistic decorations and new carpeting.

St. Nicholas Parish has had the privilege of having Father John Lojewicz with the parish for the past nine years.

The former grandeur of St. Nicholas was recaptured. The seed of Father Schandel's dream which was planted in a small settlement of muddy roads, plank sidewalks and fragile wooden houses has nurtured itself on its own sweat, blood and ashes struggling each day for another tomorrow, until it grew to become the "Mother Church" of Passaic. Father Schandel was followed by a line of pastors that would rekindle the spirit of his aspirations and yet add to it their own unique personalities and style.

Mr. Speaker, our Nation was founded on the cornerstone of our people's faith in God which is truly the spirit, conscience and very being of our society. It is indeed with great honor that I ask you to join with me today in tribute to the congregation of St. Nicholas Roman Catholic Church of Passaic and its pastor, Rev. Michael J. Conway, whose dedication, devotion, and untiring efforts toward the spiritual and cultural enrichment of others deserve the national recognition of the Congress of the United States. We do indeed salute the St. Nicholas Roman Catholic Church in commemoration of its landmark status on the National Register of Historic Places and historic preservation program which has truly enriched our community, State, and Nation.●

JAMES O. "BUCK" BUCHANAN

HON. IKE ANDREWS

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. ANDREWS. Mr. Speaker, the following tribute to Mr. James O. "Buck" Buchanan on the occasion of his retirement from the Farmers Home Administration in North Carolina, January 30, 1981. The remarks were read at a dinner honoring Mr. Buchanan and his wife in Raleigh, N.C.

I am happy to join with the many friends and associates of Mr. James O. "Buck" Buchanan in honoring Buck on the occasion of his retirement from the Farmers Home Administration in North Carolina.

We are all deeply appreciative of the 41 years of dedicated service which Buck has given to the Farmers Home Administration in North Carolina. First, as a county supervisor and later in the FmHA State office, Buck's superior administrative skills and deep professional commitment were noted. In 1962, he became Chief of the Real Estate Loan Section then later became Chief of the Rural Housing Section, a position he held until his retirement. As a tribute to his professional excellence, Buck received the Department of Agriculture superior service award in 1978 and quality awards in 1967 and 1977. We are all aware that under his leadership, the rural housing program in North Carolina has been an outstanding one and has met the needs of rural families. The active caseload is indicative of Buck's unique leadership qualities. It has been my pleasure to know Buck over the years and to have the satisfying opportunity to share his concerns for rural families both in North Carolina and in the Nation.

Therefore, I take pride, along with all of you, in saluting Buck's personal and professional achievements, in commending him for his long and dedicated service on behalf of rural housing, and in wishing for him and his lovely wife, Barbara, the very best in the years ahead. Whatever he does, and wherever he is, we know we can count on Buck to serve his community and Nation ably and well.●

HAIG'S BEST-LAID PLANS

HON. JAMES M. SHANNON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. SHANNON. Mr. Speaker, I wish to submit an article by Anthony Lewis that was recently printed in the New York Times. Mr. Lewis succinctly describes the very dangerous situation that the United States will be involved in if we continue to attempt to impose an American solution on a Salvadoran problem.

[From the New York Times, Mar. 8, 1981]

HAIG'S BEST-LAID PLANS

(By Anthony Lewis)

WASHINGTON.—When Secretary of State Haig chose to begin by concentrating his public energies on El Salvador, he evidently

calculated that he had a political winner. The public seemed to be in the mood for tough talk of a military stand against Communism. But things have not worked out exactly as planned.

Haig's strident words caused immediate uneasiness among our allies; there were expressions of concern in Bonn, Paris, London, Ottawa. In recent days it has become clear that a good many Americans, too, are worried about what we are doing in El Salvador. The question is being asked in newspapers, in churches, on college campuses. The policy is not going down so easily.

At his press conference the other day President Reagan was asked whether he thought there was a valid analogy between El Salvador and Vietnam. He answered no—predictably, and in a narrow sense correctly: the two situations are vastly different in geography and history and military posture.

But the reason Vietnam is in people's minds is not that the analogy is exact. It is that in El Salvador, as in Vietnam, we must beware of simplicities—of a policy based on slogans, on ignorance of the indigenous reasons for disorder in a society.

When we went into Vietnam, we knew nothing of its history or culture. Our politicians said we were drawing a line against Chinese Communist expansionism—a theory so absurd that it is hard to imagine anyone ever believed it. And the present Administration's statements on El Salvador ring with the same kinds of empty simplicities.

El Salvador is under attack by "terrorists," General Haig and the President say; Cuba and the Soviet Union are trying to infiltrate terrorism into the Americas. But anyone who cares to know is aware that most of the killing in El Salvador has been done by security forces nominally but not really under the Government's control. And everyone knows that the revolutionary movement did not originate abroad but began as an indigenous response to a century of right-wing exploitation enforced by state terrorism.

To portray U.S. policy as protecting Central America from external intervention is in any case laughable. The United States has been intervening there for a century. The term "banana republics" was not coined in Moscow. In Guatemala, next door to El Salvador, the C.I.A. in 1954 installed a right-wing regime whose heirs have just been charged by Amnesty International with mass political murder.

Or consider the arguments that Secretary Haig is using El Salvador to signal the Russians—to warn them that they had better behave in Afghanistan and Poland. Is that really the message Moscow is going to get? Not bloody likely.

The message of the Haig policy is that a superpower will not tolerate political upsets in its own backyard. If that is true for us in El Salvador, why should it be any different for the Soviet Union in Poland or Afghanistan? What are we doing in El Salvador will in fact make it easier for Moscow to justify intervention in Poland if it ever takes that fateful step.

General Haig's policy on El Salvador puts the United States down hard on the side of the status quo. Is that a line likely to serve Americans interests in a world of poverty and discontent and change?

These are some of the questions giving rise to public doubts about El Salvador. The Administration may have the votes in Congress to send its arms and advisers. But doubts of this fundamental kind matter. Americans are not informed in detail on El Salvador, but after Vietnam they are skeptical of a policy based on simplicities and bluster.

By now it is a good guess also that the White House is wondering about the political wisdom of General Haig's El Salvador caper. For one of its effects has been to subordinate what President Reagan and his advisers wanted to keep at the top of the public agenda: the Reagan economic program. The television news programs are giving more prominence now to El Salvador, and it was the subject of more questions at the President's press conference than his tax and budget proposals.

In Washington generally, murmurs of doubt are beginning to be heard about the sagacity of Alexander Haig. It is not just El Salvador. Even his advertised skill at bureaucratic in-fighting has proved flawed. He suffered an unecessary public setback right at the start when the White House held up his plans to reorganize the national security structure. He accepted a dodo, the President's friend William Clark, as his deputy.

The contrast with Henry Kissinger is asserting itself in people's minds. For all his love of right-wing governments and military force, Kissinger would never have been so self-defeatingly crude in El Salvador. He would have managed his relations with the White House more smoothly, too. But then Haig has an inescapable problem with the President's men. They know that he aches to be President himself.●

DEFENDING THE ECONOMIC DEVELOPMENT ADMINISTRATION

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. EDGAR. Mr. Speaker, the Honorable STAN LUNDINE spoke out in defense of the Economic Development Administration before the Subcommittee on Economic Development. His statement may be helpful to both the House and Senate in understanding the importance of targeted programs of development. His remarks follow:

REMARKS OF HON. STANLEY LUNDINE

On behalf of the Northeast-Midwest Congressional Coalition, I welcome the opportunity to appear before you today. I want to thank the members of the Subcommittee for scheduling hearings on one of the most important—and controversial—issues before the Congress this year: the proposed elimination in President Reagan's budget of the Economic Development Administration, the Title V Regional Commissions, and the Appalachian Regional Commission (ARC) non-highway programs.

I also would like to express my personal appreciation to Representatives Jim Oberstar and Bob Edgar, members of the Coalition's Executive Committee, for their active involvement in shaping our nation's economic development policy. In addition, I want to acknowledge the substantial efforts in this area of Representative Bill Clinger who is a former general counsel of the Economic Development Administration and who serves with me as co-chairman of the Coalition's Task Force on Economic and Community Development. It is in that capacity as Task Force co-chairman that I appear before you today.

I think you will agree with me, Mr. Chairman, that this is an odd time to be considering the termination of the federal government's major economic stimulus programs. We are now in a state of economic emergency. Not since the 1930's has this nation faced such serious economic difficulties. An inflation rate of nearly 13 per cent has become ingrained in our economy, the prime interest rate is just below 20 per cent, unemployment borders on 7.5 per cent, and productivity is actually declining. America's economic hegemony has been seriously challenged by foreign competitors, major cities have hovered on the brink of bankruptcy and entire industries have been threatened with extinction.

Despite this grim economic landscape, termination of EDA and ARC is indeed what we are being asked to accept in the name of fiscal restraint. Under the circumstances, such action seems to me an instance of penny wisdom and pound foolishness.

As you know, the Economic Development Administration provides a comprehensive program of grants, loans, loan guarantees, and technical assistance aimed at stimulating long-range economic development in areas of serious unemployment and low family incomes. EDA's assistance is intended to leverage community investment and to create new, permanent employment in the private sector. The preliminary evaluation, for example, of EDA's fiscal 1980 activities, indicates that about $610 million of federal investment will generate or preserve more than 200,000 jobs and leverage approximately $2.5 billion in private investment.

In its recent economic message to the Congress, the Reagan Administration dismisses EDA's importance with the perfunctory claim that "there is no convincing evidence that these programs have been effective in creating new jobs or capital investment, or are actually needed to promote local and regional economic development." I hope your Subcommittee will insist on something more than this glib assertion from the Administration before acquiescing in the dismantling of these programs.

I believe the Administration's weak rationale can be refuted first on grounds of national policy and secondly on the basis of practical experience. I would begin by pointing out that President Reagan bases his entire economic recovery program on a projected surge in private investment. The strategy for encouraging this added investment lies exclusively in the domain of macro-economic policy: tax cuts, spending cuts, reduced government regulation and so forth. Even if we accept this expectation as reasonable (and there are many who doubt its validity), I think we must acknowledge that this same expectation that economic environment determines economic activity also applies on the local level. An already distressed local area is unlikely to attract business expansion, particularly if the economy is generally favorable in the rest of the country.

Despite our preoccupation with macroeconomics, then, it is worth remembering that successful economic development still depends upon local initiative. In the words of Franklin Roosevelt, whose wisdom President Reagan has been known to cite, "The times call for the building of plans that build from the bottom up and not from the top down, that put their faith once more in the forgotten man at the bottom of the pyramid."

It is in this context that EDA's role has evolved. We cannot possibly expect that economic improvement will be experienced equally in every area. The same incentives which President Reagan believes will encourage investment nationwide will certainly encourage businesses to choose some sites for development over others. EDA and ARC are good examples of the kind of programs which can ensure more balanced growth.

This theoretical justification for federal intervention is, I think, born out by practical experience. Let me share with the Subcommittee a few examples with which I am personally familiar. In 1975, Allegheny-Ludlum Steel Corporation decided to liquidate its Bar Products division in Dunkirk and Watervliet, New York. The Dunkirk plant was the largest employer in its area and the shut-down would have had a severe impact on the local economy. The reasons for the imminent closing reflected the causes of industrial decline throughout the region: nearly fifteen years of unprofitability abetted by insufficient plant investment, growing foreign competition and remote corporate management.

Fortunately, some of the plant's managers refused to accept liquidation as inevitable. They were convinced the operation could return a profit given sufficient capital improvements and more aggressive marketing and management. The result was that, in 1976, 35 senior employees purchased the plant and formed the Al-Tech Specialty Steel Corporation. By the end of 1978, the new company had produced a profit for two consecutive years, expanded net employment by 250 jobs, increased productivity at an annual rate of 9%, added $10 million in capital investment and paid out almost $40 million in wages, excluding benefits.

This dramatic example of economic recovery owed its success to one essential financial measure: a $10 million loan from EDA, through its Title IX program, for the purchase of the two plants. In testifying before a Congressional subcommittee two years ago about his experience with Al-Tech, the current chairman of the firm explained the importance of the EDA loan to the project:

"Our biggest problem was to obtain long-term debt for the purchase. With no past history of our own and with an extremely poor past history under the prior owners, it was absolutely impossible to obtain any long-term financing. Any further short-term financing beyond the working capital requirements would have made chances for success highly questionable."

Here, then, is a striking example of a local development project that could not have succeeded—even in the best of national economic circumstances—if it had been forced to depend entirely upon private investment.

The Al-Tech case illustrates, I believe, the folly of President Reagan's opposition to federal development programs. On a strict, cost-effective basis, EDA's loan to Al-Tech can readily be justified. If the firm had been liquidated, the federal cost in unemployment compensation, possibly trade adjustment benefits, and ultimately food stamps, welfare and medicaid would have been substantial. On the other hand, because the firm was rescued, employees paid more in federal income taxes in the first two years than the total amount of EDA's loan and the company directly contributes $25 million annually to the local economy which, with a multiplier effect, adds up to an even larger local impact.

Certainly, EDA's rescue of Al-Tech is its most spectacular success in the 39th District of New York. But, it is not the only one. The city of Hornell, New York is another textbook example of urban decline which, thanks to both EDA and ARC, may have a story book ending. In 1976, Conrail decided to close the railroad repair shops which had formed the core of the city's economy for decades. This decision threatened to permanently cripple this small city of 15,000 people. However, an Appalachian Commission grant of $400,000 enabled the city to gain control of the shops and a $1.5 million public works grant under EDA funded rehabilitation of the structures and construction of adequate water and sewer service for them. Within two years, General Electric had taken over the shops, at a private investment cost of $5 million, to serve as a major repair center for rail and subway cars. Today, as a result of further public-private development projects, Hornell is a city that can be optimistic about its future.

I might also mention two ARC grants in New York's Southern Tier, totaling more than $1 million, which have preserved transportation infrastructure when reliance upon private investment became untenable. A purchase of Short Line track in Cattaraugus County has preserved rail service for six local businesses, while purchase of the Bath to Wayland rail spur has been essential to local businesses with more than 1,000 jobs.

The list could go on. In my district, EDA and ARC have funded industrial parks and primary medical care centers, water system expansions and day care facilities. But, what it all adds up to is that federal development assistance has been essential to areas of lagging growth.

Members of this Subcommittee know that many Northeastern and Midwestern states have still not recovered from the last recession. They face serious, long-term economic problems, and the region continues to lag behind the rest of the country in virtually every category of economic growth. In fact, a recent study by the Coalition points out that the economic gap between the Northeast and Midwest region and the other parts of the country is widening rather than narrowing.

I am not here today, however, to suggest that EDA is important to only one quadrant of the country or that other regions' problems should be ignored. In fact, our Coalition has been saying—rather energetically, I think—that the different regions of the nation have different problems and potential contributions and that federal policy should be responsive to those differences. Historical economic patterns have differed. Consequently, some areas face the disruptions accompanying rapid growth while others face the harsh realities of stagnation and decline. All regions share an interest in evening out this economic activity.

Recognition of that mutual interest has been manifested in two remarkable "regional summit meetings" which our Coalition has held with the Southern Growth Policies Board in Boston, Massachusetts and Asheville, North Carolina. The result has been a welcome understanding that we, in the North, are not just trying to rob St. Petersburg to pay St. Paul.

Cooperation has also been forged on the programs before us this afternoon. Last year, during the reauthorization of the National Public Works and Economic Development Act, members of the Task Force which I chair as well as from the Coalition of Northeastern Governors worked with members of the Southern Growth Policies Board in urging tighter targeting of our scarce federal resources to areas of greatest need. All of us argued that federal investments in economic development could scarcely have a concentrated impact in distressed areas if they were spread all over the map. Under a program of broad eligibility, businesses may well use public works grants, or loans or loan guarantees to leave declining areas in favor of the healthier areas that are also eligible. Similarly, there might be little incentive for start-ups to take place in areas encountering serious distress, if those capital development tools could be utilized elsewhere.

Unfortunately, our joint efforts on behalf of targeting did not succeed. The legislation which Congress eventually approved last year authorizes 80 percent of the country to be eligible for EDA assistance. I would urge this Subcommittee to reconsider this matter of improved targeting in the months ahead. I am pleased to note, however, that despite the broad eligibility criteria in the current law, EDA has used considerable discretion in awarding its assistance and, in fact, the major portion has gone to communities that are most distressed.

A related concern of the Task Force which I chair is that EDA assistance be focused more upon small- and medium-sized businesses. Available evidence suggests that two distinct capital market "gaps" exist for these businesses: shortage of venture or equity capital and unavailability of long-term debt capital.

A commonly held belief is that these smaller- and medium-sized firms are less profitable and more risky and that the marketplace has acted rationally in keeping capital away from them. A recent study, however, points out that the rate of return on capital for smaller manufacturing businesses actually is greater than that of most other size classes. In addition, we know from Professor Birch's study at MIT that smaller firms generate two thirds of all new jobs in the United States.

As with the recommended targeting criteria, the EDA reauthorization passed by the 96th Congress did not include any language focusing on the needs of smaller businesses. Nevertheless, the Coalition's research has shown that the number of large corporations assisted by the Economic Development Administration has been declining since fiscal 1974. In fact, 90 percent of all the loans and 84 percent of the loan guarantees issued by EDA between fiscal 1976 and 1980, went to small businesses. And in 1980 alone, 30 percent of these were new starts.

H. L. Mencken once said, "For every human problem, there is a solution that is simple, neat and wrong." Mr. Chairman, eliminating all of our economic development programs may be simple. It is undoubtedly very neat. But in my view it is completely wrong. I believe there are many messages that should be gleaned from last November's election results. But I do not believe voters were telling us that all federal assistance for distressed areas has been a mistake. Barely a year ago this House approved an enormous expansion of EDA's authority—up to $2.5 billion. It is hard for me to believe the shift has been so complete in the intervening year that we would actually kill that same program today. I hope the House, under this subcommittee's leadership, will stand fast in its commitment to these vital programs.

At this point, I would like to ask that the Coalition's analysis of President Reagan's proposed budget reductions for EDA, ARC

and the Regional Commissions be inserted in the record for today's hearing.●

AMENDING THE AUTHORIZATION OF THE NATIONAL ADVISORY COMMITTEE ON OCEANS AND ATMOSPHERE

HON. WALTER B. JONES

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. JONES of North Carolina. Mr. Speaker, today, I joined the distinguished gentleman from New Hampshire, Mr. D'AMOURS, in introducing a bill to amend the National Advisory Committee on Oceans and Atmosphere Act of 1977 to authorize appropriations to carry out the provisions of the act for fiscal year 1982.

The administration's requested funding authorization contained in the bill is $555,000; this level of funding represents a slight increase from last year's appropriation of $551,000.

The National Advisory Committee on Oceans and Atmosphere (NACOA) consists of 18 members who are appointed by the President for their knowledge and expertise in marine and atmospheric policy areas. The advisory committee is charged with the responsibility to undertake a continuing review of the Nation's oceanic and atmospheric programs, to report annually to the President and Congress on the status of U.S. marine and atmospheric activities, to advise the Secretary of Commerce regarding programs of NOAA, and to provide any other reports on these matters that are commissioned by either the President or Congress.

In previous Congresses, members of the Merchant Marine and Fisheries Committee and other distinguished Members of Congress have called upon NACOA to provide both a full committee consensus viewpoint, and recommendations and ideas from panel groups on issues pending before Congress.

I am confident the advisory committee will aid the executive branch and the Congress as effectively as in the past and I urge my colleagues to support the reauthorization of the National Advisory Committee on Oceans and Atmosphere.●

ELLIOT RICHARDSON REBUTS CRITICISMS OF LAW OF THE SEAS TREATY

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. BEDELL. Mr. Speaker, few people can speak more authoritatively on the law of the seas (LOS) negotiations than Elliot Richardson, who for most of the past 4 years has served as the President's Special Representative to the LOS Conference.

When Ambassador Richardson took control of the LOS negotiations he faced the extremely difficult task of renegotiating terms that he himself had declared "fundamentally unacceptable." Since then our delegation has made tremendous progress towards agreement, based on consensus, on 320 provisions covering all ocean uses. In shaping a treaty that protects our Nation's many and varied ocean interests, Ambassador Richardson has guided our participation in the LOS Conference through its most fruitful period.

It is very disturbing, therefore, to hear the new administration declare that past LOS commitments are meaningless and that all prior agreements are renegotiable, especially in the area of deep seabed mining.

The most serious charge made against the current draft treaty is that it represents capitulation to Third World demands for a "New International Economic Order." In a recent letter to the Wall Street Journal, Ambassador Richardson rebutted this charge noting that our LOS delegation "fought tenaciously and articulately on behalf of the free enterprise system and its benefits for the world community as a whole." He further reminded us that the LOS Treaty can only be negotiated as a "package deal;" that this must include a seabeds regime as inducement for developing countries; and that the mining companies themselves require an internationally accepted seabeds regime because no single nation can grant exclusive rights to individual mining sites.

The full text of Ambassador Richardson's letter follows:

[From the Wall Street Journal, Mar. 9, 1981]

ELLIOTT RICHARDSON ON THE SEABED TALKS

There have been disturbing manifestations lately of the notion that U.S. negotiators in multilateral forums have been easy marks for Third World ideologies. Should this notion gain ground the result would be to undermine the confidence of other countries in the continuity and good faith of U.S. representation.

This is not, I hasten to add, the reason the Reagan administration decided to seek deferment of final conference action on the Law of the Sea treaty. It is understandable that a new administration should want key officials, many of whom are only now coming on board, to have the opportunity to review these complex, protracted, and highly important negotiations. The administration's action would concern me, however, if I thought it reflected the view expressed by Mark Lilla in his editorial page article of Jan 26. Mr. Lilla cited the Law of the Sea treaty as illustrating his thesis that our failure to stand up for our ideology and openly contest developing nations' arguments for what they call the New International Economic Order (NIEO) results in bad agreements. Unfortunately for his thesis, he chose a poor example.

As the Special Representative of the President for the Law of the Sea Conference for most of the last four years, I can attest to the fact that the Draft Convention represents neither a loss for the United States nor a victory for the Group of 77. Rather, it embodies balanced and, I believe, acceptable compromises that emerged from tough and protracted battles between the conflicting ideologies and interests of both sides. This would not have been possible had not the representatives of the United States fought tenaciously and articulately on behalf of the free enterprise system and its beneifts for the world community as a whole. The Western industrial countries succeeded as a result in getting into the Draft Convention a framework for assured access to seabed minerals by our companies on fair and reasonable terms and conditions whenever economic conditions make such investments worthwhile.

Even the most ideological members of the Group of 77 have been brought to recognize that seabed mining will never occur unless and until private capital can be induced to invest in it. The most important issue for negotiation at the coming conference session is the degree to which special protection can be secured for those companies engaged in developing seabed mining technology so as to encourage them to continue and increase their investments in the years before the convention can enter into force—scarcely a tenet of the NIEO.

To call the linkage of seabed and nonseabed issues in the LOS negotiation a "strategic blunder," as Mr. Lilla did, reveals a lack of understanding of what this momentous negotiation is all about. In the first place, negotiation of a "package deal" with something in it to induce all states to become parties is the only way to produce a convention that can effectively bring to an end the steady expansion of claimed coastal state jurisdiction, an expansion that has already damaged and seriously threatens important American interests, including free military and commercial navigation. A seabeds regime is an essential part of any package deal.

Secondly, seabed miners need exclusive rights to mine specific sites—rights that no nation can give. If it made sense for seabed miners to invest on the basis that the resources are available for all on an equal basis as a freedom of the high seas, that would be one thing; but because seabed mining must rest on an exclusive legal right we have been compelled to join in creating an international regime capable of conferring that right. It is precisely our own interests that compel us to deal with exploitation of seabed resources as a global issue that requires a negotiated, global solution.

I have no doubt that the leaders of the Group of 77 in the LOS conference are subject to a mirror-image attack by the guardians of the NIEO ideology on the ground that the Draft Convention represents a sellout to economic imperialism. The truth, however, is that the Draft Convention affords no better support for that position than it does for the views of those who have questioned the capacity or zeal of the U.S. delegation.

ELLIOTT L. RICHARDSON.●

RETIRMENT OF FONDA HARRINTON AND NADINE RHOADS

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. LAGOMARSINO. Mr. Speaker, I rise today to acknowledge and bring to the Member's attention the retirement of Fonda Harrinton and Nadine Rhoads from the Ventura County Veterans Service Office.

Fonda started with the veterans service office in July 1945 as a stenographer; she subsequently became a senior service officer and has held that position since 1974.

Nadine has worked as a secretary for 30 years, starting on March 1, 1951.

During that time they have served the veterans of Ventura County in many ways, assisting with every problem that can confront a veteran. They have provided the necessary forms for filing for benefits, have assisted in completing them and then followed through to see that benefits due the veterans were forthcoming.

These two ladies will be sorely missed by the veterans of Ventura County because their faithful services to all veterans have been of inestimable value.●

FAMILY RIGHTS SUBVERSION

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. PHILIP M. CRANE. Mr. Speaker, today I introduced a simple bill, with a very simple effect. It simply makes clear that the Congress of the United States is not appropriating dollars to be used to encourage or provide abortions to minor children without the knowledge or consent of their parents.

This legislation is not directed at prohibiting abortion. Nothing in my bill would prohibit the Department of Health and Human Services from making grants to private organizations which counsel abortions, or even provide abortion services. The amendment would simply require that, before such a grant, or other form of financial assistance could be made, the organization in question would have to require notification and consent in advance of delivering abortion counseling or services.

Mr. Speaker, the present situation is intolerable. Right now, in the United States, a doctor can perform an abortion on a minor child without the consent of her parents. He can perform that abortion without the knowledge of her parents. He can even see to it that she gets legal help, paid for by the Government, to help keep her parents from finding out about it. To me, that situation is inexcusable, it is unnecessary, and we should not support, financially, private organizations which take advantage of that situation. If a private group wants to encourage abortions without the consent of parents, and the Supreme Court pronounces the practice legal, that may be the ruling in that case. But the Supreme Court has not decided that the American taxpayer has to subsidize this subversion of family rights; this bill would make certain that no such subsidy takes place. Since we are discussing the Supreme Court, we should remember that just last year the Court decided that Congress need not pay for abortions. In the same vein, this bill would insure that Congress does not subsidize abortion services or counseling provided to a minor child without informing her parents.

To be honest, Mr. Speaker, I do not know what agencies this bill will affect. It may well be that no private organization which received public funds, counsels or provides abortions to minor children without the knowledge and consent of their parents. I sincerely hope that none does. But if perchance some organization does receive public money, and does counsel or provide abortions without parental knowledge and consent, that private organization will have to make a choice: either give up the practice, or give up the Federal money.

Some may ask why this amendment is limited to private organizations. Is it not true that many public, State and local, institutions such as schools and county health departments, counsel and provide abortion services? Yes, it is true, and while I hope that they are not doing so without parental consent, if they are, they are amenable to the political process. The school board members may be elected, certainly those who appoint them are; the county commissioners are elected. And the citizens who are outraged by their actions can avenge themselves at the polls, and I have no doubt they will.

But a private organization is not susceptible to the political process in the same way. They are beyond the reach of the voter, except insofar as they receive the taxpayer's money. To that extent, we can reach them, and we will reach them with this legislation.

Note that the abortion, or the counseling of abortion, does not have to be carried out with Federal funds. The ban is on the transfer of any Federal money to a private organization which would otherwise receive appropriated funds, if that organization counsels or provides abortions on minors without parental consent. We simply appropriate no money for such organizations.

And of course, when we say parental consent, Mr. Speaker, we mean the consent of the legal guardian or whoever is legally responsible for making such decisions in the case of a minor child. Whatever would be required before a minor child could have an appendix taken out, this is what would be required by this bill.

Mr. Speaker, I find it hard to believe that anyone could object to the thrust of this bill. I find it hard to believe, in the first place, that there are organizations which are so ignorant and careless of the nature of the parental responsibility that they would counsel abortions, or perform abortions, without parental consent.

In the second place, I find it hard to believe than any responsible public official, whether elected or appointed by the President, would approve any financial support for an organization which does counsel or provide abortions without parental consent.

In the third place, I would find it very hard to believe that anyone would stand on the floor of this House and argue that we should appropriate money for the support of such an organization. I do not know how the Speaker feels about it, but I for one, do not want to face the voters in my district, and tell them that I have spent their money to support organizations which trample on their rights as parents. I do not want them to be able to accuse me of subsidizing organizations which will encourage their minor children to undergo abortions without their consent, without even them knowing about it.

Mr. Speaker, we should not care what the Supreme Court says about it. The issue here is not abortion, but the sanctity of the family. The issue is whether the family has rights against the State. Certainly recent court decisions have eroded those rights.

Frankly, Mr. Speaker, Congress should not be bound by what the Supreme Court decides. If the Court wants to botch its decisions, no doubt it can do so. But we have an independent responsibility, totally separate from that of the Court, to uphold the parents in our districts, to maintain their rights. Above all, we have an obligation to protect them from subsidizing attacks on themselves.

Rather, since tax dollars are scarce and precious, let us allocate them to private organizations which meet the standards we feel to be necessary, which give the proper weight to a father's knowledge, to a mother's prayer. Let us subsidize, if subsidize we must and I wish we could eliminate all such subsidies, only those organizations acting in a socially responsible manner, a manner consistent with the long-term maintenance of the family.

Let us, Mr. Speaker, appropriate no funds for the use of those who seem to be dedicated to the destruction of the family. I would like to acknowledge United Families of America for its help in preparing this important pro-

posal. I invite my colleagues who would like to join my bill to restrict the use of Federal funds under title X of the Public Health Act to contact my office and ask to be listed as a cosponsor.●

BULGARIAN INDEPENDENCE

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. BIAGGI. Mr. Speaker, March 3, 1981, marked the 103d anniversary of the Bulgarian Independence Day. I wish at this time to direct attention to the plight of Bulgaria and captive nations throughout the world.

On March 3, 1878, the Bulgarian people gained their independence after many centuries of Turkish oppression. Tragically, they enjoyed that freedom for only 66 years before Soviet troops invaded the country and installed a repressive Communist government.

Their proud resistance and protest is a symbol to citizens of captive nations throughout the world. These people refuse to give up hope of one day attaining the human, civil, political, and religious rights which are entitled to every citizen on Earth.

The Soviet Union's increasing deprivation of these basic rights continues to plague captive nations throughout the world. The United States must continue to denounce Soviet aggression and repression, reaffirming our strong commitment to human rights. The right to self-determination is a fundamental and moral policy objective of the United States. We cannot forget the sacrifice and determination of courageous Bulgarians and freedom fighters throughout the world as they continue to strive for the peace and liberty we have been blessed with for the past 200 years.

The United States must continue to lead the free world and strongly express our concern for those in Bulgaria who are less fortunate than ourselves. The plight of the Bulgarian people is indeed tragic; yet their strength and determination serves as an inspiration to us all.●

ACCELERATED DEPRECIATION

HON. JAMES M. SHANNON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. SHANNON. Mr. Speaker, the President has recommended that Congress enact a tax bill this year that contains only one provision to reduce corporate taxes. That provision is, of course, a modified version of the Capital Cost Recovery Act.

While this bill had many cosponsors in both this and the last Congress, there is growing concern that enactment of the accelerated depreciation plan as proposed by the President would be unwise. This concern is bolstered by the reasoned analyses of many economists. I am enclosing, for my colleagues' review, an editorial by Robert Eisner which appeared in the Washington Post on March 9, 1981. Mr. Eisner is the William R. Kenan professor of economics at Northwestern University.

I am confident that the House of Representatives will review the President's tax proposals and pass a tax bill which will not create the artificial investment distortions which the President's bill would.

WRITE OFF 10-5-3

(By Robert Eisner)

The Reagan administration is proposing a momentous and far-reaching change in business taxation. With only minor initial effect, it would cost the Treasury $60 billion in lost revenues in 1986 and the amount of the annual loss would continue to grow rapidly after that.

The new "10-5-3" or "accelerated cost recovery system" would junk traditional business tax deductions for depreciation. It would substitute tax write-offs at accelerated rates of 10, 5 and 3 years for most nonresidential property. To sweeten the package further, current restrictions on the investment tax credit would be eased. The ostensible purpose of all this is to compensate for effects of inflation and to stimulate business investment in plant and equipment.

In work with Robert Chirinko for the Office of Tax Analysis of the Treasury (released last month as OTA papers 46 and 47), I undertook a careful, critical examination of 10-5-3, along with other investment tax incentives. We found little evidence that a dollar of lost tax revenues from 10-5-3 or the investment tax credit would ultimately gain more than 40 cents in added investment. It would be more cost-efficient to have the government buy the new plants and equipment and give them to business.

But even that estimate overstates considerably the potential of 10-5-3 to increase business investment now. In an effort to soften the fiscal impact, its framers have provided for a "phase-in" process. Thus anyone contemplating building or buying into a new shopping center for tax shelter and capital gains would have reason to delay investment until 1985, when it would be subject to the most favorable tax treatment.

This program to stimulate business investment thus paradoxically may reduce it during the critical next four years. Yet eliminating the phase-in provision would greatly accelerate the loss in tax revenues and contribute further to the budget deficits that Congress is apparently anxious to reduce.

But there is indeed much more wrong with 10-5-3. It is highly uneven and capricious in its effects. For some forms of investment, particularly in the automobile industry, depreciation is already very rapid, and three-year capital recovery would be less advantageous than what is currently available. For buildings and long-lived equipment, in public utilities and elsewhere, the tax advantages would be enormous.

What this means for the economy is a tremendous distortion of investment. While business investment that meets a free-market test can be expected to add to productivity, investment now would be directed to tax savings rather than productivity. Some forms would be carried far beyond the point of positive real returns. Others would be starved as the combination of tax incentives and tight money would make credit prohibitively costly or unavailable.

Most hard hit would be less capital-intensive, generally small businesses crowded out in the tax-saving orgy by large capital-intensive firms in older industries. High-technology, research-oriented firms would on balance suffer as the tax changes drew resources elsewhere. And inner cities and urban areas of the Northeast and Middle West would suffer all the more as firms abandoned public and private capital to reap tax advantages in new investment in the suburbs and the Sun Belt.●

A TRIBUTE TO MRS. JO CONA

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. LENT. Mr. Speaker, I would like to direct the attention of my colleagues to an event of major importance in the Fourth Congressional District of New York, which I have the honor to represent. On March 28, 1981, the chamber of commerce of the village of Freeport will install its first woman president in its 50 years of existence, Mrs. Jo Cona.

Never was the time more appropriate for this precedent-shattering event. In Jo Cona, the chamber has found an astute and successful businesswoman with unchallenged leadership ability. With her husband, Frank, Mrs. Coan owns and operates an ocean-to-table fishing business under the name Apache.

Their commercial fishing vessel, *Apache I,* plies the waters off Long Island and supplies a wide variety of fresh fish to the Cona's wholesale and retail fish markets, Apache II, as well as to their adjacent restaurant, the Apache III. The entire operation, one of the leading businesses of Long Island's fishing industry, is located in the village of Freeport, the fishing capital of the East.

March 28 is a particularly appropriate date for conferring of the chamber of commerce presidency on Mrs. Cona. That is precisely 6 years to the day from the time the Conas berthed their fishing boat in Freeport and set up a business, after concluding a highly successful business operation in Brooklyn, N.Y.

Jo Cona, who has resided on Long Island for nearly 20 years, has established an outstanding record as a community leader in Freeport. She has served the village chamber of commerce as director, treasurer and first

and second vice president. She currently heads the chamber's Waterfront Commission, which has sponsored such successful events as the Canoe Race, In-the-Water Boat Show and Offshore Power Boat races.

Last year, the ladies auxiliary of the chamber of commerce honored Mrs. Cona as its Woman of the Year. Mrs. Cona is a past trustee of the Enrico Fermi Sons of Italy Lodge. She personally sponsors the Apache II twirlers, an aggregation of 10-year-old girls who have gathered rave reviews—and a host of trophies—within and without Long Island's Nassau County.

In her "spare" time, Mrs. Cona serves as a mayoral designee on a village group which is working, through the Coastal Zone Management Act, to upgrade Freeport's crowning jewel, its sparkling waterfront.

Mrs. Cona, mother of Louis, 25 and Roslyn, 16, and a grandmother of one, credits her husband with providing the support and encouragement which has enabled her to take the lead in village betterment projects.

Aside from her goal of continuing a positive climate for business to prosper in Freeport, Mrs. Cona has established as her special mission an agressive effort to build greater rapport and sense of unity among residents, village officials and chamber members.

Mr. Speaker, I know my colleagues will wish to join me in saluting the members of the Freeport Chamber of Commerce for their wisdom in selecting Mrs. Jo Cona to be their 1981 president, and in extending our sincere congratulations and best wishes to Mrs. Cona as she assumes this new leadership responsibility. We know she will do a great job.●

EL SALVADOR SITUATION

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. LAGOMARSINO. Mr. Speaker, I make this statement for myself and for my distinguished colleagues Mrs. FENWICK and Mr. GILMAN.

It seems as though everyone is comparing the situation now in El Salvador to the situation in Vietnam in the 1960's. It might be just as valid to compare El Salvador under President Duarte to South Korea under President Chun.

A recent editorial in the Santa Barbara News-Press (March 5, 1981) describes a dramatically different situation in South Korea under President Chun this year compared to what he did last year.

South Korea under President Chun may well demonstrate that President Reagan's approach to human rights and U.S. security interests is the correct approach.

I urge my colleagues to reflect on the implications of the South Korean example.

[From the Santa Barbara News-Press, Mar. 5, 1981]

THE CASE OF TWO CHUNS

The national attention has been turned to the problem of helping a ruling junta in El Salvador defend itself against Marxist guerrillas. Meanwhile, a new president of South Korea delivered his inaugural address in a gymnasium in Seoul without attracting much American notice. That's unfortunate, because it was a remarkable speech, in need of close follow-up attention here.

Chun Doo Hwan, a rather obscure army general, grabbed the power following the assassination of the despot, Park Chung Hee, in late 1979. The army helped Chun strengthen his authority, which became dictatorial and repressive. Political opponents were squelched or jailed. The press was shackled; information was spoon-fed to the people. With all internal opposition eliminated, Chun directed the writing of a constitution, calling for the election of a president to a seven-year term. There was never any doubt who would be elected.

President Carter's human rights policy got a straining test. Our investment in the protection of South Korea against a communist takeover by North Korea has been immense, and remains so today. Chun was an embarrassment.

Having assured himself of uncontested power, Chun came to visit the new Reagan administration. The details of those conversations aren't fully known. But when Chun went home again, a different Chun began to assert himself. Nearly 3,400 prisoners were released. The sentences of 1,836 others were reduced. Then came Chun's inaugural address.

He promised to turn South Korea into a "mature, modern industrial democracy." He pledged that there would be no more "political repression and abuses of power." He promised again that he would step down voluntarily at the end of his seven years. He said: "New leaders must continually emerge . . . I will not fail to establish the tradition of peaceful transfer of power, a long-delayed task."

This Chun seemed to be a complete stranger to the earlier Chun. Which is the real Chun? It is going to take some close observation in the coming months before we can decide.●

CHURCH AND SYNAGOGUE DESECRATION

HON. BOBBI FIEDLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Ms. FIEDLER. Mr. Speaker, I rise today to bring to the attention of the House H.R. 2394, a bill to stop the desecration of our churches and synagogues.

In recent months in my community and communities across this country small groups of bigots have proven their cowardice by spreading their hate in the dark of night. They have painted swastikas on temples, desecrated cemeteries, burned crosses on lawns, and generally shown a resurgence of things many of us had hoped had become a part of history.

Recently over 2,000 persons attended a cleansing ceremony at the Simon Wisenthal Center for Holocaust Studies in Los Angeles. Many of my fellow elected officials were there. Also there was a man who has spent his life fighting the hatred and bigotry we are now seeing—Simon Wisenthal.

There were many speeches that day. But, perhaps the most eloquent statement was made by a young lady, Donna Marlene Josephs, who attends Yeshiva University High School at the Center. Miss Josephs told those of us there:

I was asked to express my feelings about what has taken place here. Yet, before I do, I would like to define a word often used—Anti-Semitism. This is an intellectual way of saying prejudice, discrimination against, or intolerance of Jews, as the dictionary denotes.

Being in a Yeshiva all my life, with an Orthodox background, I learned all about anti-semitism starting from the Spanish Inquisition to the Holocaust. Yet being in this generation, I never really experienced what it was like to be hated. I have never really seen an action taken against the Jewish people in all the fifteen years of my life, until now. Sure, I'm naive, living in America with a misconception of what our "peaceful" world is all about, but it just hit me. My school has been defaced as a result of anti-semitism.

I've been asked what I think should be done about this vandalism. Yet, this isn't just vandalism; anti-semitism is a deeply rooted emotion; it is an ideal of distorted and disturbed minds. Now, how can we "fight" this intangible remnant of history? Indeed, it is an inexorable part of the evil which haunts our world.

I have also been asked whether I think the Jews should defend themselves. Well, don't you see, we have been defending ourselves. Not in a physical sense, because we are a peaceful people. Rather, we're defending ourselves by preserving our faith which has been keeping us alive through all the centuries. In the face of this present crisis, we must not lower ourselves by using the methods of the aggressor, but rather increase our commitment to Jewish learning, ideals, and mitzvoth. We must ultimately stand as a living testimony to the triumph of the Jewish Spirit. We can only defeat the ugly remnant and spirit of anti-semitism by challenging it with the greater spirit inherent in Judaism, in its people, and in all of you here today who share and support our ideals.

Together, we will not be defeated.

Truly, Mr. Speaker, Miss Josephs spoke for all people of good will.

Yet, despite the efforts of local officials in Los Angeles, the State of California, and other communities and States, we cannot put a stop to this menace without the help of the Federal Government. For many of these organized hate groups are regional or national in scope. With modern communication and transportation, they can move about our country with alacrity, striking where they will and then moving on just as quickly.

We must be able to bring to bear the resources of our Government to bring these bigots to justice. That is why the passage of H.R. 2394 is so important.

It will amend chapter 65 of title 18 of the United States Code by adding the following new section:

"§ 1365. Desecration of religious structures and consecrated graves and placement of antireligious symbols on property of another

"(a) Whoever—

"(1) travels in interstate or foreign commerce or uses a facility or instrumentality of interstate or foreign commerce with intent to injure, destroy, or desecrate any consecrated grave, religious structure or religious article contained therein, or to place a swastika, burning cross, or other antireligious symbol or article on the property of another without such person's consent; or

"(2) with an intent to injure, intimidate, or interfere with any person or any class of persons in the free exercise of religion secured by the Constitution or laws of the United States, or because of having so exercised the same, willfully injures, destroys, or desecrates any consecrated grave, religious structure or religious article contained therein, or places a swastika, burning cross, or other antireligious article on the property of another without such person's consent, or attempts to do any of the same;

shall be fined not more than $25,000, or imprisoned not more than two years, or both; and if bodily injury results, shall be fined not more than $25,000, or imprisoned not more than ten years, or both; and if death results, shall be subject to imprisonment for any term of years or for life.

"(b) As used in this section—

"(1) the term 'religious structure' means a building or other structure owned or operated by a church, synagogue, or other religious organization; and

"(2) the terms 'consecrated cemetery', 'religious structure or religious article contained therein', and 'property of another' shall apply only to property located in the United States, any territory of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or any possession of the United States.

"(c) In any prosecution under paragraph (1) of subsection (a), proof that a defendant engaged or attempted to engage in one or more of the acts of injury, destruction, desecration, or placing of antireligious symbols described therein and (1) has traveled in interstate or foreign commerce, or (2) has use of or used any facility or instrumentality of interstate or foreign commerce to communicate with or broadcast to any person or group of persons prior to such acts, such travel or use shall be admissible proof to establish that such defendant traveled in or used such facility of interstate or foreign commerce.

"(d) Nothing in this section shall be construed as indicating an intent on the part of Congress to prevent any State, any possession or Commonwealth of the United States, or the District of Columbia, from exercising jurisdiction over any offense over which it would have jurisdiction in the absence of this section; nor shall anything in this section be construed as depriving State and local law enforcement authorities of responsibility for prosecuting acts that may be violations of this section and that are violations of State and local law.

"(e) If any provision of this section or the application thereof to any person or circumstance is held invalid, the remainder of this section and the application of such provision to any other person or circumstance shall not be affected thereby.".

SEC. 2. The table of sections of chapter 65 of title 18, United States Code, is amended by adding at the end thereof the following new item:

"1365. Desecration of religious structures and consecrated graves and placement of antireligious symbols on property of another.".

Mr. Speaker, I urge my colleagues to join with me in supporting H.R. 2394 in order to consign to history these despicable acts.●

FOOD STAMP CUTS

HON. SHIRLEY CHISHOLM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mrs. CHISHOLM. Mr. Speaker, because we live in one of the richest countries in the world, it is often difficult for many of us to believe that there are hungry Americans. It is even harder to believe that a working person or his family could be hungry. Yet, the reality is that there are some 22 million food stamp recipients who are among the poorest people in the country; 53 percent of those who receive food stamps are under 17 and another 12 percent are elderly or disabled persons. Still, the program reaches only a percentage of those eligible.

The situation for many families receiving food stamps has worsened over the years and the supplemental assistance of $0.44 per person for each meal hardly meets today's food costs.

In chapter VI of "The Children's Defense Budget: A Response to President Reagan's Black Book," CDF challenges the wisdom of reducing aid to the Nation's neediest families and the 90-day retrospective accounting procedure to determine a family's eligibility.

FOOD STAMPS

In the late 1960's, the Field Foundation found widespread hunger and malnutrition among the poor of the United States. A decade later, when the foundation returned to communities it had visited, it found the health and well-being of poor families greatly improved. It pointed to the food stamps program as the key factor in this significant change.

WHO BENEFITS FROM FOOD STAMPS?

Food stamps is the only income maintenance program which is not limited to specific categories of people and provides coverage based on need alone.

The 22 million food stamp recipients are among the poorest people in America. The Agriculture Department's latest survey of recipients, taken in the fall of 1979, showed that:

They have very low incomes. The average annual gross income for a food stamps household was $3,900; more than half of those households had gross incomes of less than $3,600 a year.

Many are dependent on welfare programs. Forty-two percent of food stamp recipients also received public assistance benefits such as Aid to Families with Dependent Children.

They have few assets. Three-fifths of recipients households had no liquid assets at all.

They are mostly very young or very old. Children under 17 made up 53 percent of recipients; 12 percent were elderly or disabled persons. Thirteen percent of recipients were single parents with children.

Even when food stamps are added to the welfare benefits a family of four receives, in three-fourths of the States that family's situation is still worse off today than it was in 1973–74.

FOOD STAMP RECIPIENTS HAVE A SPARTAN DIET

Food stamp benefit levels are based on the thrifty food plan, the lowest priced of the Agriculture Department's four family food plans. Sample menus prepared by the Department for the low-cost plan rely heavily on starches with relatively small quantities of meat, fruits, and vegetables.

Recent Department of Agriculture surveys found that five out of six families buying food at the thrifty plan cost level do not get 100 percent of the recommended daily allowance for nutrients. Most food stamp families spend additional amounts on food—beyond the cost of the thrifty food plan—in order to get by.

WHAT IS BEING PROPOSED BY THE REAGAN ADMINISTRATION?

The Reagan administration currently proposes cutting close to $2 billion from the food stamp program for fiscal year 1982. The proposed major cuts include:

	Estimated savings
A school lunch/food proposal, which would deduct school lunches from a family's food stamp allotment where children have access to a school lunch program.	$265 million in 1982 due to part-year implementation; $680 in all future years.
90 day retrospective accounting, determining a family's eligibility for food stamps based on its average income over the 3 months before the family applied for the program.	Uncertain.
Reducing gross income limits, eliminating families above those levels.	Up to $500 million.
Changing the cost of living adjustment so that food stamp benefits lag 4 to 15 months behind the actual cost of the thrifty food plan.	$500 million.

Of all the food stamp proposals, the school lunch/food stamp proposal and the 90 day retrospective accounting proposal are the most regressive, cutting food moneys for many of the poorest households very severely.

The food stamp program must be considered as an income maintenance program as well as a nutrition program. It is part of the overall support structure for poor families. Many AFDC families have extremely low incomes—as low as $1,680 a year from AFDC for a family of four with no

other income in Texas. As most States have frozen or cut AFDC benefits, these families have fallen further and further behind. To make additional deep cuts in the food stamp benefits these families receive, by counting school lunches, is extremely harsh. While cutting the moneys available for food, the administration also intends to reduce poor families' income through proposals to cut medicaid, fuel assistance, social services such as child care, and income maintenance.

Because food stamp benefits now average only 44 cents per person per meal, it is not correct to view the free school lunch as duplicative by providing a fourth meal. Families cannot get three solid meals a day from the thrifty food plan. In fact, when the Department of Agriculture adopted the thrifty food plan in 1975, amidst substantial criticism that it was inadequate, the Ford administration cited the availability of free school lunches as a reason for its decision to adopt the rather spartan thrifty plan.

The school lunch/food stamp proposal has other serious flaws. It assumes that a child enrolled in a school with a lunch program always receives a lunch. Thus food stamp benefits are lowered even while a child is sick at home. In addition, it is extremely complex to administer and is vigorously opposed by nearly all State administrators. It flies directly in the face of the administration's stated intentions of streamlining and simplifying programs.

The 90-day retrospective proposal not only presents a bureaucratic nightmare, but also denies families food stamps when they need them most and allows families to keep receiving benefits when they no longer need them.

If a family is in need due to a change in circumstances—such as being laid off, having a husband desert a family, or having an ex-spouse cut off child support payments—it would have to wait up to 3 months to begin receiving food stamps. Many of these households have limited or no income. This will cause serious hardship.

Families who do not need food stamps will receive them. If an unemployed worker returns to work, he will continue to receive food stamps for up to 3 months after he has gone back on the job and no longer needs them.

This is an administrative nightmare. It requires that food stamp workers verify a family's eligibility and benefits for 3 months back in time, and recompute a new 3-month income average every 30 days. It will increase administrative costs, complexity, and error rates.

Clearly the food stamp proposals hit the poorest families very hard. And poor children, one of the most nutritionally vulnerable groups in the population, will disproportionately suffer.●

WEAPON SALES TO SAUDI ARABIA

HON. WILLIAM M. BRODHEAD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. BRODHEAD. Mr. Speaker, I wish to express my deep concern about the administration's plans to sell additional F-15 weaponry to Saudi Arabia. I do not believe that the administration has demonstrated that the sale is in the interests of the United States, I believe that it will add to the instability in the Middle East, and I am gravely concerned that it will jeopardize the security of our friend and ally, Israel.

The stability of the current regime in Saudi Arabia is unquestionably in the interests of the United States as part of our effort to counter the influence of the Soviet Union in the Middle East. However, the equipment that the administration proposes to sell is not designed to enhance the security of Saudi Arabia, nor is it necessary to do so. Rather, the subject of the proposed sale is weapons which will significantly increase the Saudi's offensive capabilities, which would enable Saudi Arabia to launch attacks on targets near to its borders. In view of Saudi Arabia's failure to support the Camp David peace process and its repeated statements of animosity toward Israel, the prospect of its having an improved offensive fighting capability is an unfortunate one.

It would also be pointed out that the previous administration gained approval for the 1978 F-15 sale to Saudi Arabia largely on the basis of its commitment not to supply advanced offensive weaponry. I regard these commitments as having been made to the Congress, to the American people, and to Israel itself, and I regard the new administration's decision to sell the weaponry as a violation of this commitment. Certainly, circumstances can change, and the new administration is not necessarily bound by the commitments of the old. However, no clear and convincing case has been made to justify so radical a departure from a policy so recently established. Unless our friends—and our enemies—can count on a continuity of U.S. foreign policy, it will be extremely difficult for us to conduct foreign policy effectively. Thus, I seriously question whether this proposed sale can be said to be within America's long-term foreign policy interests.

I believe that it would be in the best interests of the United States and Israel if this sale were disapproved by the Congress, and I intend to support a resolution of disapproval when the administration presents its formal proposal. I am also aware that those of us who have opposed arms sales in cases such as this have not always prevailed, and that there remains the strong possibility that the sale will go through. In that event, I consider it essential that we look again at Israel's defense capabilities and needs, and take whatever action is necessary to insure that these needs are met. Only in this fashion can the United States remain an effective advocate of peace and stability in the Middle East.●

RESEARCH AND EXPERIMENTATION EQUIPMENT DONATIONS TAX ACT OF 1981

HON. JAMES M. SHANNON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. SHANNON. Mr. Speaker, I am introducing legislation today which would amend the Internal Revenue Code to increase the tax deduction that is currently allowed for donations of newly manufactured equipment to universities, colleges, and vocational schools.

This bill would help accomplish two vital national goals. First, it will enable our educational institutions to develop and expand their programs of research and experimentation. Second, it will reduce the shortage of trained technical personnel which currently exists in American industry.

UNIVERSITY RESEARCH AND EXPERIMENTATION

Research conducted by our educational institutions is one key to developing the advanced, innovative technologies we need to solve our productivity problems, and strengthen our economy.

An important means of funding these innovative efforts has been private philanthropic giving, including the contribution of state-of-the-art technical equipment, such as laboratory instrumentation and computer systems. The donation of such property by the private sector has served as an important resource to American universities and colleges for more than a century. In fact, this cooperation began when support from the Massachusetts textile industry formed Lowell Technological Institute, which is today the University of Lowell.

However, today the costs involved in creating a new technical program for research or instruction are all too often prohibitive. Specifically, the capital costs involved in acquiring the needed equipment are sometimes beyond a school's reach. The result is that advanced research projects that could yield the technological solutions to our productivity problems are hin-

dered because the proper technical tools are not available to our researchers.

INDUSTRY PERSONNEL

American industry, on the other hand, has faced another kind of shortage over the past several years; namely, a shortage of human resources. Advanced technological fields, in particular, are expanding so quickly that the need for talented people has far exceeded supply.

For example, the high-technology electronics and computer industries are growing annually at rates of 30 and 40 percent, creating tens of thousands of new jobs each year. However, the potential of these industries is needlessly limited by the shortage of trained technical staff. Our universities, colleges, and technical schools simply are unable to meet industry's demand for trained personnel.

INCREASED EQUIPMENT DONATIONS

One promising approach to addressing the problems of both educational and industrial communities is the contribution of new equipment—such as laboratory instrumentation and computer systems—to schools to help them increase their research and development efforts and to train students for competitive positions in industry.

Unfortunately, recent contributions have fallen short of the need, because the Internal Revenue Code currently limits the deduction for charitable contributions which a taxpayer can claim to the cost of manufacturing that product. This is usually substantially less than the fair market value of the product which the taxpayer would receive by selling the product.

The result of this limitation is a substantial loss for the taxpayer when he donates the product. This places an unnecessary constraint on the amount of inventory which is contributed to educational institutions each year. Companies that do make contributions limit them severely, and other firms simply choose not to make them at all.

The bill I am introducing today would amend the Internal Revenue Code to allow corporations to deduct the fair market value of equipment which they donate to an educational institution. The equipment must be newly manufactured and must be used by the donee solely for educational, research, or experimentation purposes. If the equipment had been used by the contributing corporation prior to its donation, the deduction is reduced to recapture any previously taken depreciation deductions or investment tax credits. In addition, the educational institution must supply the corporation with a written statement stipulating the recipient's adherence to rules governing use and subsequent disposition of the equipment.

This bill is consistent with recent reforms in the Internal Revenue Code governing charitable contributions, but it would significantly increase the incentive for firms to make these valued donations. This bill will strengthen the partnership between the industrial and educational communities, a partnership which is crucial to revitalizing our economy.●

FLORIDA PAYS TRIBUTE TO MICHAEL J. PERRICONE FOR 33 YEARS OF SERVICE TO VETERANS

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. FASCELL. Mr. Speaker, nearly three and one-half decades ago Mr. Michael J. Perricone joined the Florida Department of Veterans Affairs as assistant service officer at the Old Veterans Administration Hospital in Miami, this quiet event marked the beginning of a remarkable period of service to the veterans of our State. Mr. Perricone retired at the end of 1981 and will be honored at a testimonial dinner this month. I take pleasure in drawing the attention of our colleagues to this event and in commending Mr. Perricone for his devotion to the needs of others.

Mike Perricone, who saw distinguished service himself during World War II, was a constant source of hope and direction for the veterans seeking his help. As service officer at the hospital, he was the caring, knowledgeable person a veteran could work with in resolving simple problems or in dealing with devastatingly difficult ones. Mike helped his own fellow veterans of World War II and those who served during the Korean conflict and the Vietnam era, always adapting to new programs, easing the way for those he served. He saw the world move forward from his own military days in the glider infantry to the current age of nuclear submarines. The times changed, the people changed, but the problems were always there and so was Mike.

He actively promoted wider understanding of programs for the veteran through his participation in training conferences and meetings, welcoming the opportunity to speak to interested groups. My own staff considered him to be the finest gentleman they could have to work with on veteran-related problems. Mike was and is widely respected for his work in Miami and, during the past 2 years, for his service to the entire State of Florida as bureau chief of veterans field and support services.

Mike Perricone's career has been a full and rewarding one. He should look back with pride at the positive influence of his work on the lives of Florida's veterans. His contributions have been outstanding and his retirement is well deserved. I know I am joined by all the individuals who received his help in wishing him the very best for the years ahead.●

A CENTENARIAN WITH GLASS

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. HUGHES. Mr. Speaker, on all too infrequent occasions, I have the pleasure of honoring a constituent who, through hard work and a long life, has distinguished himself and benefited the Nation. Frank H. Wheaton, who turns 100 on March 16, deserves our praise. Through his diligence and canny business instincts, he has guided the growth of Wheaton Industries into one of the country's major producers of glass and plastic containers. Equally important, his enterprise and leadership have resulted in a 200-fold increase in employment at Wheaton Industries, from 50 when he began to 10,000 employees today. Mr. Wheaton's generous philanthropy has also benefited many of my constituents.

Frank Wheaton has become so respected by the business community that he was recently biographed by the world's most widely read newspaper, the Wall Street Journal, in a front page article. I submit the article below, along with my sincere congratulations to Frank Wheaton on 100 years of productive life. We are very proud of him and take this opportunity to share this profile of a great American.

AT 99, THE CHAIRMAN STILL DOESN'T HANKER FOR A LIFE OF LEISURE

WHEATON INDUSTRIES' WHEATON IS MORE THAN FIGUREHEAD; 3 MAIN BUSINESS PRINCIPLES

(By John Helyar)

MILLVILLE, N.J.—Frank H. Wheaton, 99-year-old chairman of Wheaton Industries, lights up his first Italian cigar of the day and begins to expound on the many things that bother him.

His arthritic left knee bothers him. The large number of Americans who collect welfare bothers him. And all those Wheaton Industries employes who take early retirement at age 62 bother him even more. "Most of our people these days seem to want the free and easy life on pension," he says disapprovingly.

Nobody could accuse Mr. Wheaton of living the free and easy life. He has worked here nearly every day for the last 82 years. When he started, William McKinley was President of the U.S. and the firm's 50 employes made glass containers by hand. Now there are 10,000 employes. Forty-one plants in the U.S. and another in Brazil produce 65 million glass and plastic containers a week and rack up annual sales of more than $300 million.

Yet it is still a private family firm, and the driving force behind its growth is still a driven man. "I have no intention of retiring," he says.

TOO MUCH FUSS

That's why he doesn't much care for all the fuss about to be made over him. Mr. Wheaton turns 100 on March 16, and this drab mill town 50 miles south of Philadelphia will come alive with a big parade and party in his honor. "I only wanted maybe 15 or 20 people," Mr. Wheaton says. "I caved in to the boys on this one." One of his boys is Frank Jr., 68, the company's president and chief executive officer since 1966. The other is LaurDon, 62, who has already retired.

Mr. Wheaton undoubtedly will do what he can to play down the occasion, perhaps with the same line he used at his 95th-birthday party. "The only thing that bothers me," he said then, "is that they'll probably give me another party in five years and some of you won't be there.

He has become hard of hearing; his sight is weak, even aided by thick, gold-rimmed glasses; he broke a hip three years ago and gets around now in a wheelchair. But he still has a full head of close-cropped white hair, smokes 10 Italian cigars a day, wolfs down soft-shell crabs every Saturday night and has a razor-sharp mind. He is more than just a figurehead at the company. "When there's a critical situation, I notice they still go into Poppa's office and close the door," observes one former Wheaton executive. Frank Jr. says, "He knows much more about the financial and sales end than I do." And Poppa is the one who calls the board of directors' meetings.

Mr. Wheaton never did like taking it easy. "Oh, he used to say he was taking a vacation," says Martin Weber, a former purchasing director who now is compiling a company history. "But he'd never go where there weren't customers to visit, and he always came back with a pocketful of orders."

His "philosophy of life" is best expressed by a small wooden box on his desk. "The secret of success" is imprinted on its top. When the lid is lifted, one word is found inside: "Work." He doesn's care to discuss it further, implying with a wave of his hand that the object speaks volumes for itself.

He does, on the other hand, say something more to those abandoning their work while still little more than whippersnappers. Complains Frank Jr.: "I bring the retirees in to shake hands, and he says, 'What the hell are you doing retiring?' "

Mr. Wheaton's central business principles are simple and unswerving:

First, never borrow. His father put the company in debt in 1902 to start a plate glass operation; the operation soon failed, but the company had to labor 10 years to pay the debt off. Mr. Wheaton never borrowed a dime while president, from 1926 to 1966, nor did he let Frank Jr. take on any debt until last year.

Second, pay your bills. A local factory-supplies distributor, James Smith, say he has gotten the same greeting from Mr. Wheaton for decades: "Do we owe you any money?"

Third, keep the customer satisfied. Another industry old-timer, Ball Corp. Chairman John W. Fisher, says admiringly, "Attention to detail—knowing the customers' needs and being able to deliver—that's his hallmark."

Wheaton industries produces small specialty containers, primarily for the pharmaceuticals and cosmetics industries. The aspirin bottle in your medicine chest may well have been made here. Odds are that an Avon perfume bottle was.

Mr. Wheaton became a rich man long ago, but he has lived in the same modest 2½-story house for 60 years. A widower for 25 years, he has a live-in housekeeper, round-the-clock nurses and an on-the-blink television set. It goes unfixed because, he says, "It's against my principles to pay a man $15 just to come look at it."

His one indulgence is dining out Saturday nights with small groups of relatives, friends or visitors from Wheaton Industries' 26 international affiliate companies. He has his one drink of the week then, a Manhattan. He has been known to ask those who order lobster how they could possibly enjoy anything that costs so much.

Yet as tight as he is with a dollar for his own pleasures, he is a philanthropist of some area renown. Millville Hospital, for instance, named its new cancer-treatment center for him. What he is mostly known for, though, is his leadership of Wheaton Industries, the cornerstone company of the area's economy, and a look at one recent day shows how he still does it.

OUT AT 8:15

At 8:15 a chauffeur comes by Mr. Wheaton's house, only a few hundred yards from the firm's complex of factory buildings. Mr. Wheaton, sporting a big brown fedora, gets in the Buick's front seat, his nurse (who will sit on a corner couch at the office) in the back. They first swing by the warehouse so that Mr. Wheaton can see what is being shipped that day.

By 8:30 he is in his spacious office, across the hall from his son's. He begins this day with George Straubmuller, a vice president and director, to dicuss a potential affiliate in Portugal.

Later, the Portuguese company's representative, a middle-aged man in a blue suit, is ushered in. So is David Hardy, Wheaton's international vice president. Mr. Wheaton, somewhat more casually attired in navy blue sportcoat, red vest-style sweater and maroon bow tie, greets them. They take chairs in front of his desk, while corporate secretary David Slack sits off to the side.

"We're coming to some kind of agreement," Mr. Hardy says loudly. The chairman nods deliberately, his mouth shaking slightly, a cigar propped at a jaunty angle in the corner of his mouth. He tells the Portuguese representative, "George gave you a good recommendation from start to finish. You take a look around here, and everything you want to see, tell the man it's all right with me."

PLEASANT NEWS

When they leave, Mr. Slack begins reading loudly the highlights of the day's newspapers. They are loaded with the first details of proposed federal budget cuts, a visibly pleasing development to the conservative Mr. Wheaton.

Other managers begin reporting in. As each comes through the door, at the far end of the office from his desk, Mr. Wheaton barks, "Who's that?" They identify themselves, advance to one of the chairs and start rattling off numbers.

The pharmaceuticals sales manager says orders are "up briskly since January—the flu and all." The export department, says its earnest young man, got an 11,000-piece order form Puerto Rico yesterday morning and shipped it that afternoon. There are other much bigger orders reported but the quick-turnaround one clearly tickles the chairman most. Wheaton's liaison man with Shulton Industries, makers of the Old Spice line of men's toiletries, fills him in on the latest trends with that important customer.

As the liaison man is about to leave, Mr. Wheaton asks his age. It's 62. "Now don't get that 62 retirement fever," Mr. Wheaton growls.

By doctor's decree, Mr. Wheaton's schedule ends at 11 a.m. The chauffeur appears at the door. The chairman's handshake for the parting visitor is firm, as is his offer: "If you think the old man is senile," he says, "come on down and investigate me some more."

ST. STEPHAN'S 107TH ANNIVERSARY

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. RODINO. Mr. Speaker, St. Stephan's United Church of Chirst in my congressional district will have a special service this Sunday, March 15, to commemorate its 107th year in Newark.

The people of Newark are deservedly proud of St. Stephan's role in the history of the Ironbound section of our city. While its original parishioners were of German descent, the church now serves people of many ethnic backgrounds. St. Stephan's also takes an active role in providing social services to the people of the Ironbound. The church guild provides transportation and other help to elderly persons; and the church helps get youngsters involved in community projects and neighborhood activities.

The efforts by St. Stephan's pastor, Rev. David Burgess, to help improve the living conditions in Newark's neighborhoods are appreciated throughout the city. At Sunday's service Reverend Burgess will be joined by Bishop Joseph Francis, auxiliary to the Catholic archbishop of Newark, who is chairman of the Greater Newark Urban Coalition. I am sure it will be a memorable occasion, celebrating one of Newark's great institutions.●

SUCCESSES OF THE SPACE PROGRAM

HON. RONNIE G. FLIPPO

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. FLIPPO. Mr. Speaker, in his speech before the National Space Club, Thomas Young, Director of the Goodard Space Flight Center suggests we occasionally stop and reflect as individuals, as organizations, and as a nation upon what we have accomplished through our national space program. He emphasizes that space has become a critical part of our lives and plays a major role in our economy, safety, and security.

I recommend Mr. Young's speech to my colleagues:

SUCCESSES OF THE SPACE PROGRAM

(By A. Thomas Young)

I appreciate very much the opportunity to talk to the members and guests of the National Space Club. We appropriately talk a lot about our problems. My objective today is to give equal time to our successes.

A characteristic which is dominant for space program implementors is that we are problem oriented. Our time is dominated by the identification and solution of problems. The positive aspect of this characteristic is that it is probably the foundation of our success. It is the discipline that assures we do the proper analysis, test, independent verification, and review. The negative aspect of this characteristic is that it can distort our views of the space program, or taking liberties with a song title, it can give the impression "is that all there is to space?" We spend little time on success because success does not demand attention. Our preoccupation with problems is contagious and can become the focus of our interfaces, such as our interfaces with the media and Congress. I am not suggesting we change because of the importance I assigned earlier to this characteristic, but I am suggesting we occasionally stop and reflect as individuals, as organizations, and as a nation upon what we have accomplished—the successes we have realized. That is what I plan to do with the time I have here today.

The U.S. space program began slightly more than two decades ago. Our initial approach was tentative, and we all know from watching professional football that being tentative doesn't produce a winner. Then, the challenge of the Soviet Union and the mandate of a President unleashed our full capabilities through the Lunar program. When Apollo was finished, the reaction was, "well, that's done—we've completed the space program." Those of us involved in the space program have been looking for the next goal, but maybe another strength is that the absence of an Apollo-type goal has not impeded significant accomplishments and successes.

Where are we today? First, let's take a macro examination. Today there is no longer only the NASA space program; there are several space programs which make up the U.S. space program. There are the DOD, NOAA, and commercial space programs, as well as the NASA space program. Internationally space involvement has grown from two countries (U.S. and U.S.S.R.) to 10's of countries who are involved in space either directly or cooperatively.

Space is no longer only R&D; today each element of the U.S. space program has an operational involvement. A whole new industry has been developed by the space program—communications utilizing satellites. An entirely new technology has evolved that makes a major contribution to our economy, safety, and recreation—meteorology from space. We are in the process of transition to the operational phase of land remote sensing. It is interesting to note that as we have been doing R&D, parts of the land remote sensing program have effectively become operational because of needs that cannot wait. These are in the areas of agriculture and in the search for non-renewable resources. As our global needs for resources require new discoveries and recognized limitations require resource management, the availability of this new technology and capability is timely.

I often have wondered how we gain a full appreciation of the contributions of our current operational capabilities. If one were to briefly interrupt these capabilities, we would find our communications severely limited, and our economy, safety, and recreation grossly compromised.

A good example of the power of some of these operational capabilities was displayed on Inauguration Day. People in this country and throughout the world watched an extraordinary event that is a fundamental strength of our country—the orderly transition of power. We also watched another enormously important event taking place on another continent—the release of our hostages. At times we went from Washington on half of our TV screen to Algiers on the other half.

What is the source of these operational capabilities that we've come to take for granted? They grew from space R&D. They grew from programs such as Nimbus, Tiros, applications technology satellite, and Earth resources technology satellite now called "Landsat." The R&D of today in spacecraft systems, data processing, sensors, and land, ocean, and atmosphere remote sensing is the basis for the operational systems of tomorrow, as well as the intelligence to effectively use the operational systems. Applications has grown from a program seeking creditibility and looking for users to a program with a highly developed scientific and technology base, having to be selective in satisfying the expanding needs of users.

In addition to operational systems and R&D for new and improved operational systems of the future, our space program is concerned with the advancement of knowledge and exploration. Our knowledge of our near-Earth space, our solar system, and the universe is dominated by what we have learned from space in these last two decades. Knowledge, derived from the scientific aspects of the space program, ranges from the radiation belts around Earth to climate changes on Mars to volcanoes on Io to black holes in the depths of our universe. We are methodically unraveling the mysteries of our universe. Each time we look in different parts of the electromagnetic spectrum or with higher resolution, we are astounded by the new discoveries. Just the thought of what we will learn from programs, such as space telescope, gamma ray observatory, and Galileo stimulates our anticipation. Knowledge from our space science activities has also become "operational," if you will allow me some liberty with the word. By operational I mean it has become a major part of our children's textbooks and reference materials, such as encyclopedias, as well as the reading material we obtain from the newsstand and the educational entertainment we obtain from television.

Space science also has a way of being the advanced R&D of applications of the future. Study of our upper atmosphere is one example; and undoubtedly, some day lunar and asteroid materials will be a major resource of space manufacturing.

Space science is more than the important function of acquiring new knowledge; it is exploring new worlds. Man has a basic need and interest in exploring which has probably existed since we first became mobile. The enormous interest of the world in our exploration of the Moon, Mars, Jupiter, and Saturn are clear examples. We tend to think that all the great exploration adventures happened in the past, but that is wrong; they're happening now and in a much more exciting way for all of us. Explorations of the past, such as Columbus coming to the new world or Lewis and Clark exploring the Northwest, were reserved for the privileged few who were able to go on the exploration. Others were only able to hear the stories of the explorers when they returned with no ability to participate in the thrill of exploration or to see the new worlds directly. Exploration of our solar system is different. It's not limited to the privileged few who are involved. The exploration of the Moon, Mars, Jupiter, and Saturn was participated in directly by millions of people in this country and throughout the world. We all were able to see and experience the excitement and fulfillment of exploring new worlds.

In carrying out our space science and exploration activities, we, the U.S., have landed men on the Moon and safely returned them to Earth; we have landed and operated scientific spacecraft on the surface of Mars; and we have sent spacecraft past Jupiter and Saturn. These are explorations no one else has ever done, and I question if anyone else has the capability or resolve to do them.

All our accomplishments to date have utilized expendable transportation systems and spacecraft. Transportation is always a limiting factor in the opening of a new frontier; and, I believe, this is also true for space. We cannot possibly imagine the opportunities and uses of space that will become available as we provide easy and economical access to space. Space shuttle is of critical importance in the evolution of easy and economical space transportation. When we examine the space shuttle, we tend to slip into our problem orientation of comparing it with what we expect for the ultimate in space transportation. It isn't the end objective; it is a major positive step. I believe we will look back on the successful first flight of the Columbia with the same or greater recognition of importance that we give to the driving of the "golden spike" for the first transcontinental railroad. It opened the economic door to the West, as the shuttle will open the economic door to space.

So, in summary, what has occurred in the slightly more than two decades in space? Several U.S. and international space programs have evolved. A new industry has developed and new technology has been put into operation. A strong R&D base has been built and continues. Knowledge from space has become "operational" and new discoveries continue to expand our understanding of our solar system and universe. Exploration has never been so exciting or available to so many. We're on the threshold to easy and economical space transportation which is the key for full utilization of space. Maybe the most significant thing that has happened is that space has become a critical part of our lives. Space plays a major role in our economy, safety, security, intellect, and interest.

I want to cite two less tangible, but no less important, results of our space program. These have to do with pride and prestige. As we all know, pride is one of the most valuable things parents can give to their children, organizations can give to their people, and nations can give to their citizens. I believe the successes of our space program have been a source of great national pride for the people of the U.S. We stood a little taller when we recently demonstrated to ourselves and to the world what we are capable of doing through the Voyager encounter with Saturn. We talk a lot about the "American way," and there are many similar defini-

tions. My definition is a willingness to take difficult (some may appear impossible) challenges, to carry out the challenges in an open manner for all to see whether things are going well or whether there are major problems, and to successfully complete the challenge. To me, that describes the U.S. space program. I believe the space program is one way we demonstrate to the world what we are all about and that the successes have been a source of international prestige for our country that goes well beyond our recognition.

So, is all well with the space program? The answer is "no." Are there problems? The answer is "yes." But, they are subjects for other talks. Today, we pause to reflect on our successes. When we view the shuttle standing on its launch pad, we can see two things. We can see some schedule delays and cost growth, or we can see a technological marvel produced by extraordinary people of an extraordinary country, which will open the door of opportunity for the future. I don't mean to lightly pass off the importance of the first, for we must continue to pursue ways to more efficiently utilize the resources entrusted to us, but I do want to highlight the significance of the latter.

Thank you for the opportunity to briefly get away from the problems and to talk, in general, about our successes. I believe our contributions of the past and our current capabilities are clear indicators of our future potential in meeting national needs.●

WASHINGTON STATE RARE II BILL

HON. AL SWIFT

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. SWIFT. Mr. Speaker, today I am introducing a bill to place certain lands of the Mount Baker-Snoqualmie National Forest into our National Wilderness Preservation System. As with the bill I first introduced in the last Congress, this measure also designates certain lands for release to the multiple-use management category as a way of symbolizing my concern that some method be found to assure a continued supply of timber for the wood products industry of the Pacific Northwest.

Washington State has been blessed with a number of beautiful roadless areas, many of which have already been placed in protective status, most of it wilderness. The 51,000-acre Boulder River area has a unique quality that recommends it for wilderness consideration as well. It is not remote. It is accessible. It is only 50 miles northeast of metropolitan Seattle and only 25 miles east of Everett.

In short, Boulder River is one of the last low-lying areas with major stands of virgin timber around Puget Sound. And because it is low lying, it is accessible even to people who are not prime candidates for an assault on Mount Everest.

I have hiked the trail in this area. It is scenic, secluded, and breathtaking with its virgin forest, its raging river, and its magnificent waterfall. And as we moved up the valley, we met not only the hardcore backpackers, but families with small children and senior citizens who were not only able to get there, but able to navigate its relatively easy terrain. Those are the reasons I think Boulder River should become a part of the wilderness areas in the Northwest.

However, we must be mindful that much of the economy of this part of the Nation is still reliant on the forest products industry which provides thousands of jobs and materials all Americans use. It is for this reason that I am strongly interested in finding a method of assuring release of studied land so that it does not become de facto wilderness without congressional action.

Even as I introduce the bill to put this relatively small area into wilderness, I am keenly aware of the crunch in the forest products industries. I am not talking about the huge wood products conglomerates. Rather, the businesses that are hurt by indefinite planning are the small companies who do not own their own timber stands and must rely on federally owned lands for their timber supply. These industries, that hire anywhere from scores to a few hundred employees each account for substantial employment in the aggregate. They need their source of logs to be reliable and predictable.

This issue does not have to be addressed with specific release language, such as is contained in my bill. However, it must be addressed satisfactorily in final legislation.

Finally, Mr. Speaker, let me say that I view this bill as part of a comprehensive Washington State RARE II bill. It is my hope that, with the Washington State delegation taking the lead, Congress can come to a consensus on RARE II lands in my State and that that consensus will include the Boulder River Wilderness Area and a satisfactory solution to the release issue. In that way we can achieve a balance between legitimate recreational and economic needs of our people. Trees made the Northwest. Trees are still our symbol. Trees must continue to serve their double role as the backbone of our resource economy and as the sentinels that guard space which our modern society needs so badly to refresh itself and save its soul.●

PATRIOTISM IN AMERICA IS NOT DEAD

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. ANDERSON. Mr. Speaker, as you know, Public Law 96-421 designated the week commencing with the third Monday in February of 1981 as "National Patriotism Week." From letters and reports I have received from throughout our country, this was a highly successful period in which our thoughts were directed to our great Nation's heritage and what it stands for. I am indeed proud to have authored the bill that made this possible.

I would like to share with you and our colleagues just one incident in this week's activities that I believe proves that patriotism in America is not dead, as some would like us to believe. Mr. Ronald J. Lewis, who is principal of the Pacific Heights Elementary School in San Bruno, Calif., has written informing me of the winners of the school's patriotism speech contest. Pacific Heights School is not located in my congressional district, but I feel the winners should be recognized and congratulated for their efforts to promote and preserve America's patriotic heritage. Therefore, following is the list of winners and the text of their speeches. I urge all of my colleagues to read how a few of our younger citizens really feel about this great land of ours. It is indeed heartwarming and inspiring to read what some of our younger people in the first through eighth grades have written, and I also wish to congratulate our colleague, TOM LANTOS, on having such a fine group of young people in his district.

STACY LANDAU, 1ST PLACE—8TH GRADE

Mr. Lewis, Faculty and Friends—

U.S.: THE "MELTING POT"

This is a slang phrase that has come about through the mingling and mixing of people throughout the world. Their customs and ideas have made the world what it is today.

People have come here from different places, at different times, and for many different reasons. There must really have to be some bad times for them to come to a foreign country not knowing what they'll seek in the future. I know if I lived somewhere else I'd think about what I'm getting into and what type of lifestyle I'd have before I would go.

Everyone that comes here or at least tries to isn't 100% guaranteed to get in or have some of the satisfactions we do. But at least they can attempt to come here, after all, it doesn't hurt to try.

The U.S. always seems like the best answer for a place to come when times are bad for a country. The U.S. has its ups and downs, advantages and disadvantages. But at least it wouldn't be unrighteous as the other countries.

America really is a melting pot because look at all of the different races, religions, and nationalities that are mixed together in Pacific Heights, including mine, let alone the whole entire nation. People really must have an experience with different people and cultures when they come here.

The biggest highlight of a foreigner's life must be when they're considered a "true American" and pledge to the flag. I mean, just to know you can have the same rights and justices, except for voting, as an Ameri-

can is really exciting. It must be a good feeling to do all of these things.

All I can say is that I'm glad we take part or at least try to help people with their problems. No other country that I know of has done this. It really makes me feel good inside. America really is the land of opportunity.

So, remember the next time you categorize someone you're just putting down yourself because we, Americans, live here and we are all in a way a part of each other.

Thank you.

CHERYL MARSHALL, 2D PLACE—8TH GRADE

Mr. Lewis, Faculty and Friends—

WHY I AM PROUD TO BE AN AMERICAN

I am proud to be an American, because in the world where most people seem to be playing a role, I have decided that I just want to be me. One is surrounded from all sides by people or groups telling one how to act. For example, television tells us that "we have come a long way, baby". Fashion magazines say that the way to be is thin, pretty and always aware that someone just may be looking at us.

Politicians say that we should love Mom, Dad, God, and apple pie. If anyone were to consider all these groups and their images of the perfect Cheryl Marshall, my head would be a swarming mass of contradictions. I do not want to be told how to act, look, or feel. I am a human being like anyone else—independent in my own thinking.

All I wish for and want is to be myself and live in the manner in which I choose to live. I love living and want to get the most out of it that I can.

If I do not fit into any set image of what Cheryl Marshall is, then that is too bad for all the people who like to categorize me, for I do not want to be anyone's ideal young lady except my own. I feel that I can be myself in America.

ARAM KALOUSTIAN, 3D PLACE—8TH GRADE

Mr. Lewis, Faculty and Friends—

WHY I'M PROUD TO BE AN AMERICAN

America is one of the base countries of the world today. We are involved everywhere. Being a base, we are free and do or become anything we desire.

America started itself with a revolution. This ignited the idea of democracy which led to us having freedoms and liberties. This also gave us opportunity to change the world or really try and help it. We can express our views. We can vote for our government officials and even be an official.

I know America had made many mistakes but when being the axis of an entire world, you make mistakes. However, errors can be useful by learning from them. Other countries criticize our mistakes but don't understand the position we are in. Once they come to live here, then they like it.

We are also an advanced civilization. No one has ever lived the way we do. Some areas of the world can't even have food when they want it while we have various ways of obtaining food. We can also enjoy life instead of working all day just to earn a small fee like some places are. All I'm saying is—we should be thankful for our lifestyle.

Another advantage we have is our free public education. Some of the world's finest universities are found in the U.S. This gives us the opportunity to be somebody and we should exercise this right.

But the real reason that makes our nation so great is the combination of people from just about everywhere in the world. Immigrants from all over have the right to come here and be a citizen. I know because my parents were immigrants and because they came here then. I now live free and enjoy life.

Finally, I want to say that we are the closest to perfect anywhere, and being the closest we must help other nations to be that way as well. These are major reasons that make me proud to be an American.

RAHAMEN LEMBERGER, 1ST PLACE—7TH GRADE

Mr. Lewis, Faculty and Friends—

WHY I'M PROUD TO BE AN AMERICAN

A few years ago I went to New York. One of the places I went sightseeing was the Statue of Liberty. When I reached the top and looked out the window at the water below, I realized I was standing in the statue that was the first thing my grandparents saw when they came to America. Why would people leave their homeland, their families, and friends to come to America? Maybe it's because the land they were born in did not allow them to practice their religion or to make a living to feed their families. Maybe in the land they came from some people were treated badly all the time as if they were nothing or not important in anyway. While other people always lived "high off the hog" and got all the opportunities.

America became home to my grandparents, and here they can be what they want without fear that they will be kicked around or fired for no reason. They can have dinner without fear that soldiers will come barging in. They know when they close the door nobody can come in unless they let them.

I think that this is a great land, a beautiful land; and I am going to hold my head up high when I say that I live in America.

MIA BANKS, 2D PLACE—7TH GRADE

Mr. Lewis, Faculty and Friends—

WHY I AM PROUD TO BE AN AMERICAN

I am proud to be an American because I know that there are people in America who are willing to help anybody with any problem that he or she has. I think that most people are concerned about others in America. People help each other in America with causes such as Red Cross, Salvation Army and Goodwill. We have these different organizations so we can help poor people who are not able to pay their own expenses.

I am proud to be an American because in America we are free and in most countries they are not free. For instance, if we don't agree with the government and a particular policy, we can protest and you won't get put in jail; but in a lot of countries you're not permitted to speak, such as Russia and China.

Everybody would like to have freedom, I know. We are lucky that we are in America because most people in other countries are dying of hunger and are being tortured. Others have different diseases because they don't have the right medicines for the diseases. We have something to eat. We have freedom and the doctors and scientists have the correct medicines for our diseases. In America we are free. We are free to speak. We have freedom of religion. We are free to live wherever we please. In some countries you have to tell the government that you are moving somewhere else, why you are moving, where, and when you are moving. We are free to have all the educational opportunities that we think is best for ourselves.

America is one of the richest countries in the world, and America is one of the best organized countries.

In this speech I have tried to give you a few of the reasons I am proud to be an American.

JONATHAN ASKER, 3D PLACE—7TH GRADE

Mr. Lewis, Faculty and Friends—

WHY I'M PROUD TO BE AN AMERICAN

I am proud to be an American because I get freedom. I don't have to work like a salve. I am able to do things. I am able to dance, laugh, sing, and jump for joy. I am proud to be an American, because I may say what I please, speak the language I wish to speak, walk, talk, and live like a truly great American; go to school and not have to worry about being separated from other children. I may get a job and not get fired because I am different from others. You may walk where you want to walk; see what you what to see, and live where you want to live and have peace throughout the country, walk to school and know that you are safe, go to school and learn more and new things. That is why I am proud to be an American.

MARIA ELENA ROBLES (GRADE 6), 1ST PLACE—GRADES 5-6

Mr. Lewis, Faculty and Friends—

WHY I AM PROUD TO BE AN AMERICAN

America is the envy of the world. Although She is supreme in the race for nuclear power and other modern warfares, She employes the most human approach to Her own people and the people in the world.

Her government sticks to the principle of Human Rights and constantly asks other countries to follow the same. It is based on the principle that "all humans are born free and equal in dignity and rights." Adhering to this doctrine, She gets involved with giving aids to the poor countries of the world. She fights side by side with countries being threatened by Communism.

She sends medicine, clothes, and food to needy countries like Cambodia. She welcomes refugees from Vietnam, Cambodia, Cuba and others with open arms. She does all these beautiful things to these people all over the world outside from caring for and protecting Her own people.

I would not think of any other country which is so unselfishly dedicated towards this end except America, and this is the reason why I am proud to be an American.

STEPHEN WAITE (GRADE 5) 2D PLACE—GRADES 5-6

Mr. Lewis, Faculty and Friends—

WHY I'M PROUD TO BE AN AMERICAN

I'm proud to be an American because people from foreign places can live here in peace and freedom when they are in trouble. We have the best opportunity to go to school and college to plan for our future lives.

I am proud of how our country acted about the hostage situation. We showed other countries that care about our people here and that we don't allow terrorists to tell us what we do. We set a good example about how we can bring about peace without war and killing.

We have freedom to speak our own minds. We can visit any countries. We have freedom to choose what president. We can start our own building or our homes. People in other countries aren't so privileged.

SCOTT ROGGE (GRADE 5) 3D PLACE—GRADES 5-6

Mr. Lewis, Faculty and Friends—

WHY I'M PROUD TO BE AN AMERICAN

I am proud to be an American because we can vote for whomever we want.

We have good people to lead us like Governor Brown, mayor Feinstein and President Reagan. We should respect our president because he makes big decisions.

We should honor our flag for its fifty stars that represent our fifty states and its 13 stripes representing our 13 original colonies.

I am also glad to be an American because we have schools to learn new things.

We should be grateful for the things we have like food and water, a house for shelter, blankets to keep us warm, and vehicles for transportation. We are lucky to have televisions and jobs to make money.

I am glad we have enough money to buy things like clothing, food and shelter.

We are a lucky country. Some countries have their own laws and ways of doing things. We are allowed to travel anywhere in the United States. In some countries you can't travel at all.

Our government would never hold anyone hostage but the Iranians did. They were cruel! they did not give the hostages mail from their loved ones and they wore weapons and they threatened to kill them. I'm glad we live in this country.

That's why I'm proud to be an American.

BRENDA MEJIA (4TH GRADE), 1ST PLACE—GRADES 3-4

Mr. Lewis, Faculty and Friends—

WHY I AM PROUD TO BE AN AMERICAN

I am proud to be an American for many reasons. My first reasons are because we have freedom of the press, freedom of speech, and freedom of religion. In this country there is nothing impossible—all people are created equal and have many rights—they have the right to vote and the right choose a religion.

But most of all because of America's patience with Iran. America is not like any other country. Other countries would have started a war with Iran.

I am proud to be an American because in America no one is treated differently, but they are treated equal—even blacks and whites.

And that's why I, Brenda Mejia, am proud to be an American.

Thank you.

RONNIE DILLENDER (GRADES 4), 2D PLACE—GRADES 3-4

Mr. Lewis, Faculty and Friends—

WHY I AM PROUD TO BE AN AMERICAN

I am proud to be an American because we have freedom of speech and we have religious freedom. In some countries the people have to go to the church or synogogue the government wants them to.

Some countries have people in their country that starve to death because the government can't provide for them. The United States is one of the highest food-producing countries in the world. The state of California produces more food than many countries in the world. The United States sends food and supplies to many countries that are in need to help them.

We also have the right of not letting the police search without warrants, the freedom of press and a fair trial.

We can bear guns and we have the freedom of vote. In some countries they won't let you. The leader of the country picks the new leader after the other dies. All these reasons and others are why I am proud to be an American.

MARY MELILLO (GRADE 3), 3D PLACE—GRADES 3-4

Mr. Lewis, Faculty and Friends—

WHY I AM PROUD TO BE AN AMERICAN

Because there is freedom in the United States. There are schools to learn, spell and read. There are people to keep us safe. And there is food too. And we got our hostages back without a war. Our country is beautiful and it has pretty sights because it was made beautiful. We can find out what is happening in the world on T.V. and in the newspapers. That's why I am proud to be an American.

NANCY DILLENDER (GRADE 2), 1ST PLACE—GRADES 1-2

Mr. Lewis, Faculty and Friends—

WHY I AM PROUD TO BE AN AMERICAN

I am proud to be an American because my family has been in America for over four generations. My great great grandpa came to the United States over 100 years ago. One of my great great grandfathers served in the Civil War. My grandfather and over ten of my great uncles fought in World War II. My Dad was in the Army in Vietnam. I am proud of my relatives because they love America, too. They have defended our freedom and tried to help others. I am proud to be an American.

JUSTINE S. KIM (GRADE 2), 2D PLACE—GRADES 1-2

Mr. Lewis, Faculty and Friends—

WHY I AM PROUD TO BE AN AMERICAN

America loves children. I care for America, my Mom cares, my whole family cares about America. And now we have a new president and all the people who were kept in another country came back free, so I am proud of them too, because they are Americans just like me.

TAMMY PERKINS (GRADE 1), 3D PLACE—GRADES 1-2

Mr. Lewis, Faculty and Friends—

WHY I AM PROUD TO BE AN AMERICAN

I am proud to be an American because America is a free country. That is why I like to be an American. And we are free to go to school and do lots of things. We also can pick our president.●

A THANK YOU TO SWITZERLAND FOR SERVICE DURING HOSTAGE CRISIS

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. McCLORY. Mr. Speaker, the extraordinary service rendered to our Nation by Switzerland and particularly by the Swiss Ambassador to Iran, Mr. Erik Lang, deserves the highest praise from all Americans.

Following the release of the American hostages, Ambassador Lang expressed himself in no uncertain terms regarding the violation by the Iranian Government of its international obligations toward the United States, Switzerland, and toward the American hostages. There were some critics who felt that Ambassador Lang's expression of outrage at the Iranian behavior was somehow undiplomatic or inappropriate.

I was pleased when the Swiss Secretary of State, and former Ambassador to the United States, Raymond Probst, defended Ambassador Lang and recalled his persistent and able service on behalf of our Nation in the hostage affair.

Mr. Speaker, yesterday I addressed a letter to Secretary Probst, which I am pleased to attach to these remarks. I am sure that I express the views of the entire membership of this body in communicating our gratitude to the Swiss Government and to Ambassador Lang for his courageous and highly professional service in behalf of our Nation throughout the entire hostage ordeal.

My letter to Secretary Probst follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., March 9, 1981.

The Honorable RAYMOND PROBST,
Secretary of State,
Berne, Switzerland.

DEAR RAYMOND: Having observed over a long period of time the highly professional and useful service performed by the Swiss government in behalf of our nation, I wish to commend in the highest terms the service in this regard of the Swiss Ambassador to Iran, Ambassador Erik Lang.

I met Ambassador Lang and his family some years ago when Erik was attached to the Swiss Embassy in Washington. Accordingly, I have personal knowledge of his extraordinary qualities as a diplomat and of his great courage and devotion to your nation and to the cause of free governments everywhere. Erik's special services in connection with the welfare and the final release of the American hostages is a source of profound gratification on the part of all Americans. In this regard, I feel that I am expressing their gratitude through this communication to you.

Also, I want to join with you in defending the action of Ambassador Lang and your government in rejecting the unfounded criticisms which have been expressed by some who lack knowledge of the disorganized and sometimes chaotic state of affairs which prevail in Iran. You, Mr. Secretary, have expressed yourself appropriately in support of Ambassador Lang's service and on the hostage issue. I want you to know that we applaud you and Ambassador Lang for your extraordinary service in behalf of the people of our nation.

Finally, I find this service to be consistent with the great traditions of Switzerland, a nation for which I have—as you know—a profound respect and affection.

Respectfully yours,

ROBERT MCCLORY,
Member of Congress.●

79-059 O - 84 - (Vol 127 Pt.3) - 87

MEDIA BLACKOUTS

HON. SHIRLEY CHISHOLM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mrs. CHISHOLM. Mr. Speaker, receiving recognition from the media poses special problems when you are known and even more problems when you are not.

During the hostage negotiations the American Ambassador to Algeria, Ulric C. Haynes, Jr., played an extremely critical role. However, many newspeople did not recognize him when cameras photographed him greeting the former hostages. The following letter and editorial written by Dr. Rosalyn Terborg-Penn and Dorothy Gilliam of the Washington Post discuss the problem of media blackout.

DR. ROSALYN TERBORG-PENN,
Columbia, Md., January 27, 1981.

NEWS PRODUCERS, NBC-TV,
Rockefeller Plaza,
New York, N.Y.

DEAR NEWS PRODUCERS: On January 20, 1981, John Chancellor and Roger Mudd commented upon the NBC coverage of the American hostage release from Iran. For two hours these veteran newsmen commented upon the negotiations, the political situation, as well as the on-scene events concerning the release of the hostages. I was very pleased to see the American ambassador to Algeria, Ulric S. Haynes, Jr., and his wife greeting the hostages upon their arrival in Algeria. It was apparent to me that Ambassador Haynes and his wife were familiar, welcomed sights for the former hostages who embraced them. Yet, to my dismay, Mr. Chancellor and Mr. Mudd did not identify the Haynes, nor make note of the Ambassador's relationship to the hostage crisis. If the newsmen were ignorant of who Haynes was, that might explain why the news team did not identify him. I hardly believe that Chancellor and Mudd did not know Ambassador Haynes. Perhaps, as Ralph Ellison has written, the Haynes were invisible, or perhaps their status seemed so insignificant that the newsmen did not deem them worthy of discussion. In this case the NBC news team exhibited racism in broadcasting by use of a news blackout.

I am particularly sensitive to his issue because I recently attended a conference in Baltimore and participated in a workshop—"Racism in the Media." News blackout was one of the significant topics discussed heatedly in relationship to blacks on TV. Your coverage of the hostage release seemed quite indicative of that to me.

As a black scholar, I did not want to assume the presumptuous posture of many of those in the mainstream, so I questioned myself. Did I over react? Hence, I asked friends and neighbors if they had seen the presentation and whether they knew who were the black couple that greeted the hostages in Algeria. Their responses confirmed my original reaction. Most had no idea who Haynes was, but had questioned why the media had not identified him. As I prepared to write my indictment of what appears to me as racist coverage of the news on your part, I read the enclosed article by Dorothy Gilliam about Embassador Haynes (Washington Post, Jan. 26, 1981). Gilliam describes the ambassador as an unsung hero of the hostage crisis, and diplomatically removes his invisibility.

As a citizen and professor of history, I can go further. I do not have to be diplomatic about exposing and criticizing a news blackout. I can also report to you the growing number of blacks who are becoming disillusioned by NBC coverage of the news and other events as a result.

With indignation,

ROSALYN TERBORG-PENN.

P.S. Haynes is originally from Brooklyn, where his mother is still.

[From the Washington Post, Jan. 26, 1981]

AMBASSADOR TO ALGERIA IS ONE OF THE GOOD GUYS

(By Dorothy Gilliam)

The tall, mustachioed figure was often just a few paces behind Warren Christopher during the tense negotiations for the release of the hostages. And in the emotional moment when millions of Americans caught first sight of the former captives as they came off the airplane in Algiers, his was one of the faces on which the 52 Americans planted their grateful double-kisses.

While the hostage drama has rightly focused on Deputy Secretary of State Warren Christopher as the giant in the negotiations, one unsung hero was the mustachioed man accustomed to dwelling diplomatically in the background: U.S. Ambassador to Algeria Ulric S. Haynes, Jr.

Not only was he a key part of the negotiating team—an important facilitator—but as U.S. envoy to Algeria for the last three years, he was vital in smoothing out Algerian anti-Americanism that ultimately would make it feasible for Algeria to play the difficult and delicate role of middleman.

"Rick gave us incredible support," said Arnold L. Raphel, a member of Christopher's negotiating team. "He made the decision not to be involved in direct negotiations. But he spoke fluent French. No one on the negotiating team spoke French. In terms of how you cooperate with Algerians, Rick was very useful and got us great access. In a crucial area, he was our entree to the Algerians. His was an invaluable role as a go-between."

But Haynes' greatest work may have been accomplished long before the Americans were seized by Iran, and long before last November, when it was announced that Algeria would serve as Iran's intermediary with Washington. Haynes had played a quiet diplomatic role in a number of unusual developments between the United States and the socialist government in Algiers.

Part of it is a question of timing. For years, Algeria was a thorn in the United States' side, the landing pad for airplane hijackers and terrorists, and a haven for such 1960s American militants as Eldridge Cleaver.

When Rick Haynes went to Algiers in 1977, Algeria was under the leadership of a hardliner, President Houari Boumediene, and although the two countries maintained economic ties, political relations were at a low point—strained and tense. Haynes, called "incredibly personable" by negotiating team member Raphel, is credited with markedly improving the environment for U.S. interests.

When Boumediene died in 1979, President Chadhi Bendjedid took over and relations continued to improve, partly because the non-aligned Algerians want to court the United States, without alienating Moscow, in an effort to resolve the long dispute over American support of Morocco, which has been engaged in a lingering war in the western Sahara desert against Polisario guerrillas headquartered in Algeria. Any progress in settlement of the Saharan dispute must lie partly with the quiet diplomacy of Haynes, observers say.

"He is seen as a very strong ambassador," said George Dowley, formerly with the State Department and now with the Civil Aeronautics Board. "When relations on the scene improve, the ambassador on the scene usually gets the credit."

In one sense, as a black ambassador, Haynes probably played the same kind of role that Andy Young once played as the United States ambassador to the United Nations—he brought a certain credibility to United States' dealings with the Third World.

While there is no magic in being black, many blacks tend to go into the diplomatic service with a certain degree of sympathy and are prepared to take a country like Algeria seriously, so it probably was easier for Haynes to have greater sensitivity toward Third World concerns.

The more typical white American view was most likely the French one—it was a socialistic Third World government that is suspect because it is nonaligned and not clearly pro-West.

Haynes, 48, of Columbus, Ind., a former specialist on Africa on the National Security Council staff during the Johnson administration, was graduated from Amherst College, holds a degree from Yale Law School, and in the most recent years, before taking the ambassadorial posts, was with Cummins Engine Co. as vice president for the firm's Middle East and Africa concerns. He lived in Iran for several of his years with Cummins. After serving with the United Nations in Europe and Africa, he worked for the Ford Foundation. From 1975 to 1976 he served on the National Security Council staff.

Thus, when the Iranians chose the Algerian government to play the difficult role of adjudicating the monetary guarantees required before hostages were released, and the Algerians agreed to accept being placed in that tough position, they set into motion the resolution of a problem that had confounded and humbled the United States, tearing its emotions apart as had no event in recent memory. The heroes and villains of this long drama are fast becoming legendary. It's nice to know one of the good guys was a diplomat who wore a black hat.●

TAX RELIEF NEEDED—TO INCREASE AMERICA'S PRODUCTIVITY

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. PICKLE. Mr. Speaker, one of the problems many Members of Congress have with the Kemp-Roth tax bill is that it leaves out some very important tax cut measures. The examples of such measures is action on the marriage penalty tax, dividend reinvestment, tax exclusion for savings and interest earnings, lower death taxes, tax-bracket creep, LERA's, re-

search and development credits, and I could go on.

The administration says that after passing Kemp-Roth it will send us another tax bill. This tax bill No. 2 is supposed to have all the tax reductions that most people, of both political parties want.

But lo and behold, the budget figures Congress has been given by the administration do not include any room for tax bill 2. As a result, many of us have been saying to drop the Kemp-Roth 10-10-10, and instead pass the kinds of tax relief measures that will help savings, address inequities, increase productivity, and stimulate research and development.

There are alternatives to Kemp-Roth, and Congress should enact them.

I would like to put into the RECORD a story that discusses the lack of room for the supposed tax bill 2.

[From the Washington Post]

PROJECTIONS OMIT A VARIETY OF TAX TRIMS

(By Sandra Evans Teeley)

President Reagan's new five-year budget projections leave no room for any of a variety of tax-cut plans he has promised to propose "at an early date."

Among those promises are a softening of the so-called "marriage penalty" by which married couples pay more than they would if they were single, tuition tax credits, indexing taxes for inflation, and easing inheritance taxes on family-owned farms and businesses.

Office of Management and Budget Director David Stockman said yesterday that exclusion of these items from the budget figures do not mean that the administration has abandoned the ideas, but he gave no clue as to where it would come up with the money to pay for them.

"[The omission] only means that they won't be proposed at this time," Stockman said, "We have made it clear we want a clean bill" on depreciation and individual tax cuts.

In addition, the projections do not include continuation of some expiring tax proposals, such as exclusions for interest and dividends that Congress approved through calendar 1982 and that the administration would like to continue, but these also would reduce revenues.

The only major tax changes taken into account are Reagan's proposed 10 percent across-the-board cuts for individuals and much faster depreciation for businesses.

Even with those large proposed tax cuts—to total $44.2 billion for individual taxpayers in fiscal 1982 and $9.7 billion for depreciation—taxes in dollar terms still would rise steadily for individuals and would dip only in the first year for businesses before starting upward again.

The 10-percent-a-year-for-three-years cuts would amount to an estimated $126.4 billion by fiscal 1986, and faster equipment and building write-offs would take $59.3 billion from businesses' tax bills that year. Still, total tax receipts would increase from an estimated $650.3 billion in fiscal 1982 to $920.2 billion in fiscal 1986, the administration figures show.

As a percentage of gross national product—another way of measuring the nation's tax bite without the comparison being skewed so much by inflation—taxes are projected to drop from a fiscal 1981 level of 21.1 percent to 19.3 percent in fiscal 1984, about the same as it was in 1978. Under the Carter administration budget, they would have risen to 22.1 percent of GNP in fiscal 1982.

But the administration still is counting on its tax plan to "provide increased incentives for work and saving" for individuals and more capital expansion and productivity from business. This, in turn, is supposed to result in higher income, more tax receipts and contribute to a balanced budget in later years.

One simple change in the administration's economic assumptions boosted projected tax receipts by a much-needed $2 billion without the ordeal of trying to get legislation through Congress. OMB changed its projections on corporate profits for the next four fiscal years by $4 billion over the figures given in the Feb. 18 budget, resulting in boosted tax estimates of about $2 billion. This made up for Reagan's rejection of a proposed gasoline tax hike in the Feb. 18 budget figures, which President Reagan later rejected, and helped offset losses from other revised economic assumptions.

The Reagan budget-cutters lost a net of $2.5 billion by dumping all of the tax changes proposed by Carter in his January budget, which included a substantial gasoline tax increase.

The administration gained $3.5 billion on the outlays side in the Treasury Department budget by scrapping Carter's proposal for refundable tax credits for business. That plan would have allowed some unprofitable businesses to get a check from the government when they didn't have enough tax liability to take all the investment tax credits they are entitled to.●

AVAILABILITY OF INSURANCE IS A RIGHT TO BE SECURED

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. FAUNTROY. Mr. Speaker, I am pleased to introduce the Nondiscrimination in Insurance Act, a bill which brings together several concerns which many of us in the Congress have had over the past several years relating to the sale of insurance.

Unlike other bills which have concerned themselves with either strictly the question of discrimination, without concern for the potential concentration of insurance sales by the subsidiaries of bank holding companies, or with only the question of concentration, without due attention to the lack of insurance to our inner cities, this bill seeks to meet both concerns in a single coherent package.

Numerous studies have concluded that the insurance industry is failing to meet the insurance needs of our urban areas. Studies have shown this failure in New York, Chicago, Detroit, and my own studies have shown it in Washington, D.C. The negative consequences arising from these situations are spelled out in appalling detail in a HUD sponsored study which concludes simply:

Without property insurance, one cannot operate freely in today's housing and business markets. Simply put, without insurance, people cannot buy or expand homes or businesses. In fact, the economic and social fate of the entire neighborhoods or even communities can hinge on the availability of insurance.

When one examines, as I did recently, the pages of the telephone directory in this city—our Nation's Capital—one finds very quickly that the availability of insurance is grossly lacking in our core communities—our inner-city communities. Some of the biggest firms associated with the largest retailers do not even have sale outlets in their city stores. Of course, however, they do have them in their suburban stores and unabashedly advertise the fact. No greater form of discrimination against our city and our inner-city residents can possibly exist.

This bill is an effort to impress upon the insurance community that while many of us are cognizant and concerned with the problems of their industry we cannot stand idly by as they practice discrimination.

The concern they have about competition from bank holding companies, while a legitimate economic expression of theirs, is not one to which I will give much expression until I am satisfied that the same standards of access for insurance are applied to the insurance industry that we have applied to the financial institutions. There is as much an interest in insuring our neighborhoods as there is in obtaining credit. In some instances, that interest is greater.

There are ample enough similarities between the dual problems of mortgage redlining and insurance redlining that should permit us to use the experiences acquired through dealing with the former issue as a guide for future action. Just as mortgage redlining most severely affected lower- and middleincome families, the impact of insurance redlining also affects these persons. Homeowners and investor-owners are painfully aware of the practice of nonrenewal of policies which in many cases have been in force for years. Other individuals have resorted to second mortgages from consumer finance companies or banks in order to obtain minimal insurance because no insurance agent would write a policy. Sad as it is to state, I have had to conclude that many of the denials were based on race, income, religion, and the location of the property.

Like fixed mortgage redlining, insurance redlining occurs in subtle ways such as ZIP code underwriting and advertising; refusal to write or renew based on such alleged factors as age, value of structure, conditions and/or abandonment of surrounding struc-

tures; simple arbitrary withdrawals from whole communities and neighborhoods; offering only limited forms of coverage instead of whole coverage; cancelling inner-city agents contracts; and increasing rates and transferring policies to the FAIR plan. Many of these activities are carried on by people whom we would generally want to regard as upstanding citizens in our communities. This bill would require insurance agents to disavow the use of such discriminatory practices without infringing upon State's authority to regulate the insurance industry.

Additionally, this bill would also require that the Federal Trade Commission compile and report publicly on the availability of insurance through a technique which has been used and perfected in disseminating information on the availability of mortgage funds. All insurance companies with placements over $1 million that covers residences and businesses with sales under $1 million shall report to the FTC by census tract where they have made their underwritings. In an effort to keep this process as short and simple as possible, for I hope ultimately that these mechanisms will not be necessary, I have further required that at the end of 2 years, the Department of Justice, in consultation with HUD, SBA, the Federal Reserve Board, the Federal Home Loan Bank Board, and the FTC, report to Congress on the impact of this act and to include such other recommendations which may be necessary to end insurance discrimination.

This bill is not a panacea for our communities. It is, however, one of the components which will enable them to fully rebuild abandoned sections that have now been neglected often for the simple lack of insurance. I urge my colleagues to join me in support of this objective.●

FINANCIAL REPORT OF THE CONGRESSIONAL TEXTILE CAUCUS QUARTERLY STATEMENT OF EXPENSES AND FUND BALANCE

HON. KEN HOLLAND

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. HOLLAND. Mr. Speaker, the Steering Committee of the Congressional Textile Caucus has approved the quarterly financial statement for the quarter ending on September 30, 1979. I am herewith submitting the statement for insertion into the CONGRESSIONAL RECORD so that all Members of Congress may review it.

The statement follows:

Financial report of the Congressional Textile Caucus: Quarterly statement of expenses and fund balance

[For the period ending Dec. 31, 1980]

Statement of expenses:	
Telephone	$83.08
	96.85
	81.34
	81.23
Total	342.50
House office supply	17.56
	29.58
Total	47.14
Savin Corp	126.75
	135.00
	135.00
Total	396.75
IBM	706.00
	185.00
	198.00
	174.00
Total	1,263.00
Congressional Quarterly	22.00
	1.50
Total	23.50
Miscellaneous:	
Tom Lankford	639.80
Postmaster	15.00
Total expenditures	2,727.69
Fund balance:	
Fund balance Sept. 30, 1980	12,555.74
Total dues deposited this quarter	0.00
Interest on account	175.37
Total balance before expenses	12,731.11
Less expenses	2,727.69
Balance, Dec. 31, 1980	10,003.42●

A FANTASY SPEECH ON NATIONAL SECURITY

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. BROWN of California. Mr. Speaker, one thing every elected official shares is the oath of office to preserve and protect this Nation. We often differ, however, on how best to do this.

The recent election is presumed to mark a dramatic shift in U.S. foreign and military policy. Yet, the facts of last year are still the facts of this year, even if policies and programs change.

Mr. Speaker, I recently read a paper by a University of Michigan political science professor, which cuts through much of this rhetoric and gets to the heart of our national security dilemma. The format is a fantasy speech for a successful political candidate. I commend the following paper to my colleagues:

ARMAMENTS, SECURITY, AND PROSPERITY: A CONGRESSIONAL MAIDEN SPEECH

(By J. David Singer)

Like most of the political campaigns in our country since World War II, the current one is contributing nothing to the electorate's understanding of national security policy. To the contrary, the candidates, their spokesmen, and the media are once again offering up the familiar evasions, misinformation, and simplistic interpretation, assuring that we will be no more capable of rational choice after the election than we were before it. There is, however, one small ray of hope. Whether incumbent or challenger, Democrat or Republican, the conventional candidate is always eager to assert—in defense of his or her mindless campaign—that "you can't do a thing unless elected." Regardless of the accuracy of that bromide, it has an interesting implied corollary: that, if elected, one can do all sorts of wonderful things for the country. With this implied responsibility in mind, let me propose here the possible text of a maiden speech on the floor of the House or Senate, if not for the inaugural address of our next President.

Mr. Speaker (etc.). I rise this morning to address an issue that was somehow neglected during my recent and successful campaign for this revered office. Preoccupied as I was with those bread and butter issues so dear to my constituents, I seldom ventured into the more risky waters of foreign and military policy. And when I did, it was usually to assure the voters that I would bend every effort to make our armed forces leaner and meaner, our nation second to none in military strength, and our policies firm but just. Like most of my colleagues in this chamber, my primary concern was to win the election, and having succeeded in that enterprise, I would hope to vindicate my constituents' faith in my judgment, patriotism, and intergrity. To do so, it is clear that I can no longer ignore these fundamental questions of war and peace, survival and prosperity, and I thus turn now to what may be the most urgent and pressing issue facing this great nation of ours. I refer, of course, to the dangerous and costly arms race in which we and the Soviet Union have been engaged for more than 30 years.

THE ARMS RACE AND ITS DANGERS

For a third of a century, both societies have been pouring their resources into one new weapon system after another, along with the treasure that goes just to keep the military establishment fed, housed, and maintained. Let none think that these resources have been well invested. Our land and homes and factories are less secure today than ever before in the nation's history. Even though I would heavily discount some of the assertions we hear today from the militarists of both political parties regarding Soviet capabilities and the vulnerability of our land-based missiles, there is no doubting the fact that we cannot—no matter how much we spend and what weapons we deploy—protect ourselves from a nuclear attack. As a matter of fact, as long as we continue to test, build, and deploy just about every new weapon system that is technologically feasible, the chances are that we will become even less secure.

This is for two reasons. One is that our Russian rivals, despite their inferior technology and weaker industrial base, have the

capacity and the will to pretty much keep with our weaponry in quality and quantity. Some may believe that we can out-distance the adversary and thus regain the military superiority we "enjoyed" in the 1950s and 1960s, but they are dead wrong. Modern weapons technology, while it is inherently provocative and destabilizing, has one important virtue: it makes numerical or qualitative superiority difficult to achieve. And even if it could be achieved, it would have no value in terms of physical security or political influence or diplomatic leverage. "Throwing money" at our national security problems is not only as wasteful, corrupting, and inflationary as throwing money at our domestic problems; it is also much more dangerous because it alarms and provokes our adversaries, leading them to give even greater power and resources to their military establishment. And virtually every increase in so-called preparedness on their part similarly strengthens the case for giving more resources and power to our military establishment. Certain sectors and groups on both sides may temporarily benefit, but the net result is an increasingly dangerous arms race and decreasing availability of resources for the serious domestic problems that each society faces.

There is, of course, a second reason for opposing this continuing madness. Each new round of expenditures threatens our security in the domestic and social sense of the word as well. Not only does it strengthen the "hawks" on both sides and weaken the forces of prudence and reason in foreign affairs; it also weakens the claims of those here at home whose basic needs are just not being met. And how much longer these people—here and in the Soviet empire—are going to tolerate this misallocation is anybody's guess. The disadvantaged among us—be they in Detroit or Danzig (Gdansk), Livonia or Leningrad—will eventually claim their due, and appeals to patriotism will hardly suffice to pacify them. Those who, in asking for social justice, threatened the domestic tranquility of our society, looted our shops, burned down our cities, and paralyzed our police and fire departments, are relatively no better off today than in the late 1960's. It is not only a matter of decency and fairness that we respond to their very legitimate demands for jobs, housing, health, and education. It is essential that we do so if we value our domestic security.

There is yet a third set of reasons for urging a slowdown and then a reversal of the arms race. It is increasingly clear, even to the most conventional economists, that military spending is a major factor in our double digit inflation rates, and has been for over a decade. This is because it puts substantial income into the hands of the military sector without providing those commensurate goods and resources that could be purchased with that income. Furthermore, the weapons producers need a great deal of capital, natural resources, manufactured components, and skilled labor, and in competing for these scarce items with civilian production firms, they help drive the prices up. This is, in turn, amplified by the fact that military production is generously reimbursed and cost over-runs often tolerated, making it easy to outbid the producers of the more competitive civilian goods. Plentiful money "chasing" scarce goods and services is the classic mechanism for driving prices upward. Military spending is also a major factor in unemployment; this is because money for weapons development and production goes into the more capital-intensive sector where a few people (highly specialized and well-paid) work with a lot of machinery, rather than into the more labor-intensive sectors. For example, every million dollars spent on housing provides nearly twice as many jobs as the same amount spent on weaponry. Similarly, if the tax revenues used to finance our military growth were returned to the private sector, this too would create more employment, not to mention more capital for improving industrial efficiency.

Then there is the balance of payments problem, which affects the world-wide value of the dollar as well as American economic and political influence around the globe. The inflation generated by the arms race drives up the prices of our goods and makes them less attractive abroad. Also, as a large fraction of the research and development (R & D) expenditures in this country are devoted to the military, as is engineering talent as well, American industrial innovation has deteriorated dramatically. As a result, our productivity per worker has declined vis-a-vis that of our European and Asian competitors, making their products on the world market appreciably cheaper and often better than ours. Moreover, they now come out with more new and innovative exportable goods than we do, further reducing American sales abroad and further increasing our trade deficit.

GETTING INTO THE ARMS RACE

Now some will contend that "we have no choice" and that the U.S.S.R. compels us to engage in this spiraling expenditure. I find this a rather dubious line of argument. First of all, it takes two (or more) to get an arms race going, and since the end of World War II, our own country has pursued—and maintained—an overall superiority in strategic capabilities. At no time have the Soviets been ahead in the categories that matter, (such as accuracy or the number of deliverable bombs and warheads), and it is only under the SALT arrangements of the past decade that they have approached approximate parity.

Nor is this trend toward parity a result of negligence or treason, as the big military spenders would have us believe. Partly it was the result of a sustained Soviet drive to achieve a rough equality on the strategic weapons front, and partly it was the result of intelligent planning and meticulous, hard bargaining over the provisions of the SALT I and SALT II agreements. Our negotiators knew very well what they were doing, and nothing has been given away; as a matter of fact, the U.S. has come out of these negotiations in a better position than the other side, largely because the Soviets have been extremely eager to get an agreement. While there is no question that the Kremlin can and will keep up with the U.S. in strategic preparedness, their leaders strongly prefer to stay more or less abreast of us at lower levels. And their reasons are essentially the same as the ones that should guide us: the realization that higher levels—qualitative and quantitative—make for a more provocative, unstable, and dangerous relationship, plus the need to attend to pressing social and economic problems at home.

A second reason for doubting the assertion that we are compelled by Soviet policies to perpetuate the arms race is that even if they sought strategic superiority and were able to achieve it, the overall deterrence picture would not change. They realize that it would take an overwhelming superiority—perhaps a three- or four-to-one ratio—in deliverable nuclear warheads to make a credible first strike threat. Anything less than a massive preponderance would not only not intimidate American strategists, but would rather serve to provoke us. We should, similarly, understand that there is no military or political payoff in striving for strategic superiority. Unless one side can credibly threaten to wipe out virtually all of the other's retaliatory force, there is no justification in seeking a numerical advantage. Although today's weapons technology is highly dangerous in that: (a) it creates strong incentives to go first in a crisis; and (b) the actual use would be catastrophic, it does offer one virtue, if that is the appropriate word; as I noted earlier, one side can fall very far behind the other and still not be any less secure. To the contrary, it may even be preferable to be behind, because your deterrent effect remains relatively high and your provocation effect relatively low, and the rational objective is to have a maximum deterrence-to-provocation ratio.

Of course, all of this assumes that both parties have accepted the rather obvious proposition that nuclear war is to be considered only as a last dismal resort, entered into only if the other does so. But if there are voices, even minority voices, arguing that nuclear war is not so bad, and that it can be initiated, fought, and won, then we have an entirely different situation. Tragically enough, such voices have existed since the 1950s on both sides, and their influence has gone up and down as the technology advanced or stabilized, as political relations between the superpowers have fluctuated, and as domestic politics waxed and waned. Today, thanks to the technology that gives higher "kill probabilities" to both side's offensive forces, and thanks to a wide range of domestic and foreign moves on both sides, those voices had become louder, more insistent, and more influential. Now, sadly enough, advocates of the "credible first strike" strategy on the U.S. side have been able to get their views embodied in July's Presidential Directive 59. While this document need not constitute an irreversible commitment to a whole new round of weapon acquisitions, dictated by the logic of trying to destroy the Soviet missiles in their silos, it is indeed an ominous step. It legitimizes the drive for the MX and cruise missile systems, for example, and it shifts the burden of the strategic argument. The more prudent and far-sighted among defense analysts are now on the defensive, and the quality and tone of the policy-making process will be increasingly determined by those whose virility and patriotism cannot be questioned. They, after all, have the courage to think about the unthinkable, and to face nuclear holocaust without flinching.

One could, of course, go into much greater detail as to how we got into this highly dangerous situation, and why it is so dangerous, but my point should be quite clear: we must find a route out of this mess, and quickly. Is there a range of moves by which the U.S. might seize the initiative, and begin to extricate the world from this imbecilic state of affairs?

GETTING OUT OF THE ARMS RACE

In my view, there is. My examination of the problem and my consultation with people who are competent foreign policy analysts and world politics specialists leads me to a sense that there may still be time. All is

not yet lost, although there is little question that the Soviet-American momentum toward showdown will not easily be stopped in time. While this occasion does not permit much attention to detail, let me—despite the risks of being misunderstood and/or misquoted—suggest some steps that might possibly head off the final plunge into nuclear oblivion.

I would begin by having our government accept as promptly as possible the standing offer from the U.S.S.R. for a formal agreement on "no first use" of nuclear weapons of any size or shape. On the heels of that critical move, we should shift back to a strategic doctrine that in both word and deed reflects the "no first use" commitment, and accepts the proposition that mutual assured destruction—however flimsy and irrational it may be as the foundation of a nation's security—is preferable to a first strike, counter-force, silo-busting, pre-emptive doctrine.

From this, the abandonment of the MX system is the logical consequence, and the same holds for the cruise missile and the newly-revived plans for an anti-ballistic missile system. Then, as we move—in doctrine and in deployment—away from the "we might go first" doctrine toward a "retaliation only" doctrine, the SALT II treaty becomes relevant once again. Thus, I would urge the President to reactivate its passage through the Senate as rapidly as possible. At the same time, to eliminate any serious economic losses to firms and communities which have been associated with military growth, the government should encourage and aid in the conversion from military production to production for civilian needs. A crash program of economic conversion could indeed be a major element in turning America away from its obsession with military force.

Once we are back on the road to a sane and prudent strategic policy, my prediction is that the U.S.S.R. will be more than happy to join us. Even if it takes a while for them to get things sorted out at home, and to bring the skeptics on board and begin to comprehend that we have indeed decided to move back from the brink, our security is not jeopardized. To reiterate my earlier point, even if we were well behind the adversary, there is no way that the Soviets can contemplate a rational first strike any more than we can. True, either side could, in the months and years ahead, wipe out a fair fraction of the other's land-based ICBM weapons, but to what purpose? Even the Soviets, whose sea-based and air-based retaliatory forces are dramatically weaker than ours, would still be able to ride out an American first strike and then retaliate with devastating swiftness and destruction. In my judgment, there is absolutely no question of the survivability of our retaliatory forces. Even if our entire ICBM force were destroyed, the retaliatory blow delivered by our submarine, aircraft, and European-based systems would lay waste to Russia—and most of Eurasia to boot.

Since there is so much talk these days of current or impending Soviet superiority, let me summarize my understanding of the balance of terror, and on the basis of official Pentagon figures, indicate why I consider this talk to be ill-informed—and because it inhibits serious consideration of arms control and disarmament measures—pernicious as well.

Yes, the U.S.S.R. is ahead in missiles by 2,350 to 1,700, but if manned bombers are included to arrive at a total of strategic delivery vehicles, the gap is a somewhat smaller 2,500 to 2,058. Too many of our propagandists stop here, as if the number of delivery vehicles were a valid indicator of relative capability. More relevant is the number of deliverable warheads, and here the U.S. has an advantage of about 9,200 to 6,000.

Then there is the notorious "throw weight" figure, which reflects the total tonnage that can be delivered via missiles, and in this case the U.S.S.R. holds an advantage of 9,036,000 to 4,326,000 for the U.S. This figure, however, is too crude, and a more valid indicator is that of stockpiled megaton equivalents, in which the Soviet edge is a more modest 5,900 to 3,600. But even this is too crude, as it says nothing about the ability to hit targets. Thus, many analysts use a "lethality index," reflecting total numbers of warheads, their megaton equivalents, and their accuracy, and on this index the U.S. has an edge of about 44,800 to 33,500.

One could go on and itemize the estimated results of all sorts of nuclear war scenarios, but my point should be clear. The U.S. is not behind the U.S.S.R. in the nuclear strength categories that matter, nor do the current trend lines point toward a reversal of the ratios that would enable the Soviets to launch an effective "disarming first strike." Moreover, the SALT II agreements, despite their very limited scope, will make it impossible for them to achieve such superiority without obvious—and easily detected—violation of the production bans.

Finally, and most important, I do not suggest that Americans or Russians or any others are more secure with a superiority in deliverable warheads or in an overall lethality score. Both sides today are dangerously overarmed in strategic weapons (conventional weapons are another matter), and if both follow current production and deployment plans within the SALT constraints, they will soon be even more dangerously overarmed.

One reason, unfortunately, is that both governments still have people who believe that nuclear wars can be initiated, fought, and won, and that having some first-strike components is militarily and politically desirable. In my view, this borders on insanity, and it bodes ill for everyone's security. Nuclear weapons should be looked upon in purely second-strike and retaliatory terms, and the sooner we cut back to the levels needed for that more prudent role, the sooner we can begin the imperative but delicate task of nuclear disarmament.

In sum, despite the dangers to us that are inherent in today's strategic balance, the adversary is in an even more vulnerable position all across the board. It would be not only responsible, but good politics, for the more powerful of the rivals to make the first move back to sanity. We may never be friends with the Russians politically, but if we could merely try to do business with them in a clear-headed fashion, all of us would be better off.

Mr. Speaker, I thank you for your attention and trust that these remarks will strike my colleagues as both reasonable and reassuring, and that this body will move quickly to implement the policies that they imply.●

BUDGET CUTS ON TRACK—TO MOVE QUICKLY

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. PICKLE. Mr. Speaker, between paid advertisements by certain businesses, trade associations, and of course, statements from the White House, there seems to be a campaign to convince the American people that Congress is trying to go slow with the economic program as presented by President Reagan.

This is just not true. Yesterday, the Congress received the budget cuts, and already the House and Senate has a program to move forward on the proposals.

I am personally proud of the House Democratic leadership and its dignity in moving forward in cooperation with the administration while ignoring ill-placed and orchestrated criticism. I am asking that an article from the paper be placed in the CONGRESSIONAL RECORD discussing the plan of action on budget cuts.

The article is also interesting in that it quotes the Republican chairman of the Senate Finance Committee, which will handle the President's tax proposal. The chairman, Senator ROBERT DOLE of Kansas, points out that in spirit his group will be with the President, but the so-called Kemp-Roth bill will be changed. He points out that it would be risky to cut taxes in the future without any assurance of future spending cuts. Democrats on the House Ways and Means Committee have been saying the same thing.

I am glad to see that the House Democrats and the Republican chairman on the Senate Finance Committee are on the same track.

The article follows:

[From the Washington Post, Mar. 11, 1981]

HOUSE LEADERS JOIN SENATE IN PUTTING SPENDING CUTS ON FAST TRACK

(By Helen Dewar)

Even Democrats said yesterday that President Reagan will probably get most of his proposed spending cuts through Congress, and House leaders joined the Senate in putting his plan on a fast track toward passage by mid-summer.

There was also agreement among House leaders of both parties to hold up final action on the administration's tax cut until passage of the spending cuts is assured.

House Speaker Thomas P. (Tip) O'Neill Jr. (D-Mass.) and other Democrats protested that the administration still has not submitted crucial details necessary for Congress to act on its spending recommendations.

There were also assorted protests against the spending proposals. Bar associations (on legal services), mortgage bankers (FHA loan guarantees), the president of Amtrak (passenger service outside the Northeast), the

governor of North Carolina (Medicaid), all were heard from.

Even so, both houses greeted Reagan's submission of his revised 1982 budget with pledges of cooperation and prompt consideration.

The president is "entitled to his experiment with the American economy" and Democrats will not stand in the way unless it goes too far, said Senate Minority Whip Alan Cranston (D-Calif.) in predicting that Reagan will get "at least 75 percent" of the dollar-volume of the cuts that he is seeking.

Senate Majority Leader Howard H. Baker Jr. (R-Tenn.) was even more optimistic, suggesting that Congress will approve "closer to 90 percent" of what Reagan wants.

Sen. Lowell P. Weicker (R-Conn.) said liberal-to-moderate Republicans like himself could be expected to join Democrats in resisting cuts in programs such as education, housing, job training, health and transportation, but added, "I think the president has the votes . . . . I don't think there's any question about it."

In the House, where Democratic and Republican leaders reached a rare joint agreement over handling of the budget, Budget Committee Chairman James R. Jones (D-Okla.) said, "$25 billion to $30 billion is certainly a realistic figure, and it could go higher."

Republicans, meanwhile, introduced the Reagan tax bill in both houses.

The joint agreement on scheduling for the House anticipates final action on program cuts for fiscal year 1982 by July 15, with approval even sooner for a package of $16.5 billion in rescissions and deferrals for money set to be spent before the 1981 fiscal year ends Sept. 30.

House Republicans had been pushing for quick action on the 1981 cuts, but could not push too hard in light of the fact that Reagan has yet to submit most of his specific 1981 spending reduction proposals to Congress.

For their part, O'Neill and some other Democrats had been complaining about overly hasty treatment of the economic package, but wound up agreeing on a schedule that, at its windup at least, differs little from the timetable set by the Senate Republican majority

The Senate schedule also calls for completion of the spending cuts by mid-July, but the Senate plans to start more swiftly, beginning with Senate Budget Committee mark-up of program reduction instructions to various legislative committees next week.

Baker, in what he described as "breakneck speed," said the Senate expects to pass the instructions by April 15, maybe even by April 1. The House, tying the cuts to the 1982 budget resolution and following a more deliberative course, plans to pass its committee instructions by the end of April.

Under this so-called "reconciliation" process, legislative committees are instructed by both houses, based on recommendations from their budget committees, to make overall dollar savings in programs under their jurisdictions.

The committees are given a deadline to come up with specific savings, and these savings are then enacted in a package by Congress. The process erodes traditional committee powers, and some committees have already balked at cuts as deep as Reagan wants.

Even the Republican-controlled Senate Labor and Human Resources Committee on Monday chipped $2 billion off the $11 billion in cuts that Reagan proposed for various health, education, jobs and social service programs, but Baker predicted yesterday that Reagan will win in the end.

Senate Budget Committee Chairman Pete V. Domenici (R-N.M.) was quoted as telling Republicans yesterday that he would resist all such erosions of the Reagan package.

Democratic complaints about missing links in the Reagan package included the absence of specifics on proposed 1981 cuts and what O'Neill described as incomplete information on how Reagan would merge a number of categorical grants into general block grants, giving state and local governments more flexibility over spending while the overall amount of spending is reduced.

"Nor has the administration yet provided any greater analysis of the impacts of their proposed cuts. Who will be affected? How will changes in one program affect another program?" O'Neill asked.

After introducing the tax package, Sen. Bob Dole (R-Kan.), chairman of the Finance Committee, said the underlying philosophy of the administration's proposal will win strong support among members of his panel.

Dole said he has been reluctant about a full commitment to individual tax reductions of 30 percent over three years because substantial spending cuts and continued fiscal responsibility are necessary ingredients in the Reagan program.

"My reservations have been based upon a concern that, if we enacted a tax cut before spending cuts were acted upon, there would be little assurance that the spending limitations would ever be enacted," he said.

Dole said it would be unrealistic to assume that the Finance Committee will not modify specific provisions before sending Reagan's package to the Senate floor.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, March 12, 1981, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MARCH 13

8:30 a.m.
Armed Services
Strategic and Theater Nuclear Forces Subcommittee
To hold hearings on the national security implications of the worldwide energy situation; to be followed by closed hearings to review the Department of Energy's defense programs.
224 Russell Building

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
324 Russell Building

Energy and Natural Resources
To resume hearings to review those items in the President's budget for fiscal year 1982 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee, receiving testimony from officials of the Departments of the Interior and Agriculture.
3110 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on proposed authorizations for fiscal years 1982 and 1983 for the National Railroad Passenger Corporation (Amtrak).
235 Russell Building

10:00 a.m.
Select Committee on Small Business
Business meeting, to consider those matters and programs which fall within the committee's jurisdiction with a view toward submitting its views and budgetary recommendations to the Committee on the Budget by March 15.
424 Russell Building

MARCH 16

8:30 a.m.
Armed services
Strategic and Theater Nuclear Forces Subcommittee
To resume hearings on proposed authorizations for fiscal year 1982 for the Department of Defense, receiving testimony on civil defense programs.
224 Russell Building

9:00 a.m.
Agriculture, Nutrition, and Forestry
To resume hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
324 Russell Building

10:00 a.m.
Budget
Business meeting, to mark up proposed revisions to the Second Concurrent Budget Resolution for Fiscal Year 1981, incorporating fiscal year 1982 reconciliation instructions (S. Con. Res. 9).
6202 Dirksen Building

Finance
Taxation and Debt Management Subcommittee
To hold hearings on miscellaneous tax bills, S. 352, 483, 502, and 565.
2221 Dirksen Building

1:30 p.m.
Appropriations
*Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, and Health and Human Services.
1114 Dirksen Building

2:00 p.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
324 Russell Building

MARCH 17

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
324 Russell Building
Energy and Natural Resources
Business meeting, to consider those matters and programs which fall within the committee's jurisdiction with a view toward submitting its views and budgetary recommendations to the Committee on the Budget by March 15.
3110 Dirksen Building

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings to review the proposed budget for fiscal year 1982 for the Department of Agriculture.
1223 Dirksen Building
Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Veterans' Administration.
1224 Dirksen Building
Appropriations
*Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Department of Health and Human Services.
1114 Dirksen Building
Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Attorney General, Department of Justice.
S-146, Capitol
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To resume hearings on proposed authorizations for fiscal years 1982 and 1983 for the National Railroad Passenger Corporation (Amtrak).
1202 Dirksen Building
Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold hearings on proposed legislation authorizing funds for the Older Americans Act.
4232 Dirksen Building

10:00 a.m.
Budget
Business meeting, to continue markup of proposed revisions to the Second Concurrent Budget Resolution for Fiscal Year 1981, incorporating fiscal year 1982 reconciliation instructions (S. Con. Res. 9).
6202 Dirksen Building
Finance
To hold hearings on the administration's proposed spending reduction proposals for economic recovery.
2221 Dirksen Building
Judiciary
Business meeting, to consider pending calendar business.
2228 Dirksen Building
Select on Intelligence
*Budget Subcommittee
To resume closed hearings on proposed authorizations for fiscal year 1982 for intelligence activities of the United States.
S-407, Capitol

2:00 p.m.
Appropriations
Energy and Water Development Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Department of Energy, focusing on departmental management.
Room S-128, Capitol
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Department of Health and Human Services.
1114 Dirksen Building
Armed Services
Manpower and Personnel Subcommittee
To resume hearings on proposed authorizations for fiscal year 1982 for the Department of Defense, focusing on military compensation.
224 Dirksen Building

MARCH 18

9:00 a.m.
Energy and Natural Resources
Business meeting, to continue consideration of those matters and programs which fall within the committee's jurisdiction with a view toward submitting its views and budgetary recommendations to the Committee on the Budget by March 15.
3110 Dirksen Building

9:15 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the defense establishment, focusing on U.S. Army posture programs.
1223 Dirksen Building

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Inspector General, Department of Agriculture, and the General Accounting Office.
1224 Dirksen Building
*Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Health and Human Services, and Education.
1114 Dirksen Building
Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Bureau of Investigations, Offices of U.S. Attorneys, U.S. Marshals Service, and bankruptcy trustees, Department of Justice.
S-146, Capitol
Governmental Affairs
Governmental Efficiency and the District of Columbia Subcommittee
To hold hearings on S. 640, extending through fiscal year 1983 the authority of the District of Columbia to borrow U.S. Treasury funds for capital improvement projects.
6226 Dirksen Building
Labor and Human Resources
Employment and Productivity Subcommittee
To hold hearings on proposed legislation on youth employment.
4232 Dirksen Building

10:00 a.m.
Budget
Business meeting, to continue markup of proposed revisions to the Second Concurrent Budget Resolution for Fiscal Year 1981, incorporating fiscal year 1982 reconciliation instructions (S. Con. Res. 9).
6202 Dirksen Building
Finance
To continue hearings on the administration's proposed spending reduction proposals for economic recovery.
2221 Dirksen Building
Governmental Affairs
Federal Expenditures, Research, and Rules Subcommittee
To hold oversight hearings on Public Law 96-511, providing for the reduction of Federal paperwork requirements and duplications, and consolidating statistical policy activities with information management in the Office of Management and Budget.
3302 Dirksen Building
Labor and Human Resources
Employment and Productivity Subcommittee
To hold hearings on S. 648, authorizing funds for fiscal year 1982 for certain youth programs under the Comprehensive Employment and Training Act (CETA).
4232 Dirksen Building

1:30 p.m.
*Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Department of Education.
1114 Dirksen Building

MARCH 19

8:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the defense establishment, focus-

ing on manpower and reserve forces programs.
1223 Dirksen Building

9:00 a.m.
Agriculture, Nutrition, and Forestry
To resume hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
324 Russell Building

Energy and Natural Resources
Business meeting, to continue consideration of those matters and programs which fall within the committee's jurisdiction with a view toward submitting its views and budgetary recommendations to the Committee on the Budget by March 15.
3110 Dirksen Building

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Science and Education Administration, Office of the Secretary, Departmental Administration, Office of Governmental and Public Affairs, and the Office of the General Counsel, Department of Agriculture.
1224 Dirksen Building

Appropriations
*Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Community Services Administration, and the Corporation for Public Broadcasting.
1114 Dirksen Building

Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Immigration and Naturalization Service of the Department of Justice, and the Coordinating Council on Juvenile Justice and Delinquency Prevention.
S-146, Capitol

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration
235 Russell Building

Labor and Human Resources
Employment and Productivity Subcommittee
To continue hearings on proposed legislation on youth employment.
4232 Dirksen Building

10:00 a.m.
Appropriations
*Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Urban Mass Transportation Administration, Department of Transportation.
1318 Dirksen Building

Budget
Business meeting, to continue markup of proposed revisions to the Second Concurrent Budget Resolution for Fiscal Year 1981, incorporating fiscal year 1982 reconciliation instructions (S. Con. Res. 9).
6202 Dirksen Building

Finance
To continue hearings on the administration's proposed spending reduction proposals for economic recovery.
2221 Dirksen Building

Labor and Human Resources
Employment and Productivity Subcommittee
To continue hearings on S. 648, authorizing funds for fiscal year 1982 for certain youth programs under the Comprehensive Employment and Training Act (CETA).
4232 Dirksen Building

Select on Intelligence
To resume closed hearings on proposed authorizations for fiscal year 1982 for intelligence activities of the United States.
S-407, Capitol

MARCH 20

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
324 Russell Building

9:30 a.m.
Special on Aging
To hold oversight hearings on the impact of proposed budget reductions in programs affecting the elderly, focusing on income security programs.
1202 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

Budget
Business meeting, to continue markup of proposed revisions to the Second Concurrent Budget Resolution for Fiscal Year 1981, incorporating fiscal year 1982 reconciliation instructions (S. Con. Res. 9).
6202 Dirksen Building

MARCH 23

9:00 a.m.
Agriculture, Nutrition, and Forestry
To resume hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
324 Russell Building

9:30 a.m.
Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for national centers for health statistics, health services research and health care technology programs, national research service awards, and medical library assistance programs.
4232 Dirksen Building

10:00 a.m.
Appropriations
*Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Railroad Administration, Department of Transportation, and the National Railroad Passenger Corporation (Amtrak).
1114 Dirksen Building

Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on S. 601, to reduce and simplify certain licensing requirements in the broadcast industry.
235 Russell Building

Select on Indian Affairs
To hold oversight hearings on the activities of the Bureau of Indian Affairs, Department of the Interior, and the Indian Health Service, Department of Health and Human Services; and to review budgetary recommendations for fiscal year 1982 for Indian education programs.
1202 Dirksen Building

2:00 p.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
324 Russell Building

MARCH 24

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
324 Russell Building

Governmental Affairs
Intergovernmental Relations Subcommittee
To resume hearings to discuss major intergovernmental issues of the 1980's.
357 Russell Building

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Foreign Agricultural Service, Office of International Cooperation and Development, Federal Crop Insurance Corporation, Economics and Statistics Service, and the World Food and Agricultural Outlook and Situation Board.
1223 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold oversight hearings to review supplemental assistance and restructuring policies for Consolidated Rail Corporation (Conrail), and on proposed authorizations for fiscal year 1982 for the U.S. Railway Association.
235 Russell Building

Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold hearings on proposed legislation authorizing funds for low-income energy assistance programs.
5302 Dirksen Building

Labor and Human Resources
*Labor Subcommittee
To hold hearings on S. 348, 430, and 658, bills to increase job opportunity by allowing employers to pay young people the minimum wage at a reduced rate.
4232 Dirksen Building

10:00 a.m.
Energy and Natural Resources
Energy and Mineral Resources Subcommittee
To hold hearings to examine current shortages and future supply trends of anthracite coal used for residential heating.
3110 Dirksen Building

Finance
To resume hearings on the administration's proposed spending reduction proposals for economic recovery.
2221 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Drug Enforcement Administration, and prison service programs, Department of Justice.
S-146, Capitol

MARCH 25

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
324 Russell Building
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for alternative fuel programs and the Economic Regulatory Administration, Department of Energy.
1114 Dirksen Building
Select on Intelligence
*Budget Subcommittee
To resume closed hearings on proposed authorizations for fiscal year 1982 for intelligence activities of the United States.
S-407, Capitol

9:30 a.m.
Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the office of the Secretary, General Administration, Economic Development Administration, and the Regional Action Planning Commissions, Department of Commerce.
S-146, Capitol
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To continue oversight hearings to review supplemental assistance and restructuring policies for Consolidated Rail Corporation (Conrail), and on proposed authorizations for fiscal year 1982 for the U.S. Railway Association.
5110 Dirksen Building
Labor and Human Resources
Alcoholism and Drug Abuse Subcommittee
To hold hearings on proposed legislation authorizing funds for the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act.
2228 Dirksen Building
Labor and Human Resources
Labor Subcommittee
To continue hearings on S. 348, to increase job opportunity by allowing employers to pay young people the minimum wage at a reduced rate.
4232 Dirksen Building

10:00 a.m.
Appropriations
*Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Highway Administration, Department of Transportation.
1223 Dirksen Building
Finance
To continue hearings on the administration's proposed spending reduction proposals for economic recovery.
2221 Dirksen Building

2:00 p.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
324 Russell Building
Governmental Affairs
Intergovernmental Relations Subcommittee
To resume hearings on S. 45, simplifying the administration of national policy requirements applicable to Federal assistance programs to State and local governments.
3302 Dirksen Building

MARCH 26

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
324 Russell Building
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of the Interior and certain related agencies.
1114 Dirksen Building

9:30 a.m.
Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Oceanic and Atmospheric Administration, and the Maritime Administration, Department of Commerce.
S-146, Capitol
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building
Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain public health professional education and nurse training programs of the Department of Health and Human Services.
4232 Dirksen Building

10:00 a.m.
Finance
To continue hearings on the administration's proposed spending reduction proposals for economic recovery.
2221 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of State; and to review certain foreign assistance programs.
S-126, Capitol

MARCH 27

9:00 a.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal year 1982 for the Maritime Administration, Department of Commerce.
235 Russell Building
Special on Aging
To resume oversight hearings on the impact of proposed budget reductions in programs affecting the elderly, focusing on health and human services programs.
6226 Dirksen Building

9:30 a.m.
Labor and Human Resources
To resume hearings on proposed legislation authorizing funds for certain public health categorical programs of the Department of Health and Human Services.
4232 Dirksen Building

10:00 a.m.
Appropriations
*Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Highway Traffic Safety Administration, Department of Transportation.
1224 Dirksen Building

MARCH 30

9:30 a.m.
Labor and Human Resources
Alcoholism and Drug Abuse Subcommittee
To hold hearings on proposed legislation authorizing funds for the Drug Abuse Prevention, Treatment and Rehabilitation Act.
4232 Dirksen Building

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Aviation Administration, Department of Transportation.
1114 Dirksen Building
Commerce, Science, and Transportation
Communications Subcommittee
To resume hearings on S. 601, to reduce and simplify certain licensing requirements in the broadcast industry.
235 Russell Building

MARCH 31

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Soil Conservation Service, Agricultural Stabilization and Conservation Service, and the Animal and Plant Health Inspection Service, Department of Agriculture.
1223 Dirksen Building

Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the International Trade Administration, Scientific and Technical Research Service, and the Patent and Trademark Office, Department of Commerce.
S-126, Capitol

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building

Labor and Human Resources
To hold oversight hearings on the implementation of family planning programs.
4232 Dirksen Building

10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Management and Budget.
S-146, Capitol

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Agency for International Development; and to continue review of certain foreign assistance programs.
S-126, Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the White House Office, Office of Administration, official residence of the Vice President, executive residence, special assistance to the President, compensation of the President, and other unanticipated needs.
S-146, Capitol

APRIL 1

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Bureau of Indian Affairs, Department of the Interior.
1114 Dirksen Building

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Farmers Home Administration, Rural Electrification Administration, and the Farm Credit Administration.
1223 Dirksen Building

Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Emergency Management Agency and the Selective Service System.
S-126, Capitol

Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the economic and statistical analysis program, U.S. Census Bureau, National Telecommunications and Information Administration, and the Minority Business Development Agency, Department of Commerce.
S-146, Capitol

Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain adolescent pregnancy programs of the Department of Health and Human Services.
4232 Dirksen Building

10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Secretary of the Treasury.
1224 Dirksen Building

2:00 p.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Secretary, international affairs programs, Bureau of the Mint, Bureau of Engraving and Printing, and Bureau of Government Financial Operations of the Department of the Treasury.
1224 Dirksen Building

Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal year 1982 for the Consumer Product Safety Commission.
5110 Dirksen Building

Special on Aging
To hold oversight hearings on the implementation of the Older Americans Act.
5110 Dirksen Building

APRIL 2

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Surface Mining Reclamation and Enforcement, Department of the Interior; and the Smithsonian Institution.
1114 Dirksen Building

9:30 a.m.
*Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1982 from officials of Paralyzed Veterans of America, Blinded Veterans Association, Military Order of the Purple Heart, Veterans of World War I, and Noncommissioned Officers Association.
457 Russell Building

10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the U.S. Postal Service.
S-146, Capitol

Commerce, Science, and Transportation
Consumer Subcommittee
To continue hearings on proposed legislation authorizing funds for fiscal year 1982 for the Consumer Product Safety Commission.
5110 Dirksen Building

11:00 a.m.
*Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1982 from AMVETS
457 Russell Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Agency for International Development, and certain foreign assistance programs.
S-126, Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the U.S. Customs Service, U.S. Secret Service, Federal Law Enforcement Training Center, and the Bureau of Alcohol, Tobacco and Firearms.
S-146, Capitol

APRIL 3

10:00 a.m.
Appropriations
*Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of Transportation and related agencies.
1114 Dirksen Building

Commerce, Science, and Transportation
Consumer Subcommittee
To continue hearings on proposed legislation authorizing funds for fiscal year 1982 for the Consumer Product Safety Commission.
5110 Dirksen Building

12:30 p.m.
Finance
Economic Growth, Employment, and Revenue Sharing Subcommittee
To hold hearings on the use of tax incentives to increase employment, focusing on ways to increase the level of employment by reducing the additional labor costs imposed by Federal taxes.
2221 Dirksen Building

APRIL 6

9:30 a.m.
Labor and Human Resources
Alcoholism and Drug Abuse Subcommittee
To hold hearings on proposed legislation authorizing funds for the Alcohol and Drug Abuse Education Act.
4232 Dirksen Building

10:00 a.m.
Appropriations
*Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the U.S. Railway Association and Consolidated Rail Corporation (Conrail).
1114 Dirksen Building

APRIL 7

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Food and Nutrition Service, and the Food Safety and Quality Service, Department of Agriculture.
1223 Dirksen Building

Labor and Human Resources
To hold hearings on proposed authorizations for fiscal year 1982 for the National Science Foundation.
4232 Dirksen Building

10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the General Services Administration.
1318 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Agency for International Development, and certain foreign assistance programs.
S-126, Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Personnel Management, Merit Systems Protection Board and Special Counsel, Federal Labor Relations Authority, Advisory Commission on Intergovernmental Relations, Advisory Committee on Federal Pay, Commission on Executive, Legislative and Judicial Salaries, and the President's Commission on Pension Policy.
1318 Dirksen Building

APRIL 8

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Secretary and the Office of the Solicitor, Department of the Interior.
1114 Dirksen Building

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Science and Technology Policy, Council on Environmental Quality, and the National Regulatory Council.
S-126, Capitol

Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain health maintenance organizations of the Department of Health and Human Services.
4232 Dirksen Building

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Department of Transportation.
1224 Dirksen Building

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Administrative Conference of the United States, Federal Elections Commission, Office of Federal Procurement Policy, Domestic Policy Staff, U.S. Tax Court and the Committee for Purchase From the Blind and Other Severely Handicapped.
1318 Dirksen Building

APRIL 9

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for strategic petroleum reserve programs, the Energy Information Administration, and naval petroleum reserve programs, Department of Energy.
1114 Dirksen Building

9:30 a.m.
Judiciary
Constitution Subcommittee
To resume hearings on proposals to require a balanced Federal budget.
2228 Dirksen Building

Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold hearings on proposed legislation authorizing funds for the Domestic Volunteer Services Act.
4232 Dirksen Building

Special on Aging
To hold oversight hearings to determine whether certain energy assistance programs are meeting the financial and health needs of elderly victims of extreme heat and cold.
457 Russell Building

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Secretary, Department of Transportation, and to review overall budget recommendations.
S-126, Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Internal Revenue Service, and the savings bond division of the Bureau of the Public Debt.
1318 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain international security assistance programs of the Department of State.
S-126, Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Council of Economic Advisers, National Security Council, and the Council on Wage and Price Stability.
1318 Dirksen Building

APRIL 21

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for Forest Service programs, the Office of the Federal Inspector for the Alaska Natural Gas Transportation System, and the Pennsylvania Avenue Development Corporation.
1114 Dirksen Building

9:30 a.m.
Labor and Human Resources
To resume hearings on alleged sex discrimination in the workplace.
4232 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1224 Dirksen Building

APRIL 22

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Secretary of Energy.
1114 Dirksen Building

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Food and Drug Administration, Commodity Futures Trading Commission, Agricultural Marketing Service, Federal Grain Inspection Service, Office of Transportation, and the Agricultural Cooperative Service, Department of Agriculture.
1223 Dirksen Building

Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Environmental Protection Agency.
1318 Dirksen Building

Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain community/migrant health centers and the National Health Service Corps of the Department of Health and Human Services.
4232 Dirksen Building

APRIL 23

9:30 a.m.
Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold hearings on proposed legislation authorizing funds for certain child

abuse and adoption opportunity programs.
4232 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1224 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for certain international aid programs of the Department of State.
S-126, Capitol

APRIL 28

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Endowment for the Arts and the National Endowment for the Humanities.
1114 Dirksen Building

9:30 a.m.
Labor and Human Resources
Labor Subcommittee
To hold oversight hearings on the implementation of the Davis-Bacon Act.
4232 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1224 Dirksen Building
Labor and Human Resources
Education Subcommittee
To hold hearings to review certain educational programs.
5110 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain international monetary programs of the Department of Treasury.
S-126, Capitol

APRIL 29

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Consumer Cooperative Bank, and the Consumer Product Safety Commission.
1318 Dirksen Building
Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold oversight hearings on the implementation of the Economic Opportunity Act.
457 Russell Building
Labor and Human Resources
Labor Subcommittee
To continue oversight hearings on the implementation of the Davis-Bacon Act.
4232 Dirksen Building

10:00 a.m.
Labor and Human Resources
Education Subcommittee
To continue hearings to review certain educational programs.
6226 Dirksen Building

APRIL 30

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Park Service, Department of the Interior.
1114 Dirksen Building

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Science Foundation.
1318 Dirksen Building
Labor and Human Resources
Handicapped Subcommittee
To hold hearings on proposed authorizations for fiscal year 1982 for the developmental disabilities program.
4232 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1224 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the multilateral development banks of the Department of the Treasury.
S-126, Capitol

MAY 4

9:30 a.m.
Labor and Human Resources
Handicapped Subcommittee
To resume hearings on proposed authorizations for fiscal year 1982 for the developmental disabilities program.
4232 Dirksen Building

MAY 5

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Export-Import Bank of the United States.
S-126, Capitol

MAY 6

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Geological Survey, Department of the Interior.
1223 Dirksen Building

MAY 7

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for conservation and fossil energy programs.
1223 Dirksen Building

9:30 a.m.
Labor and Human Resources
Handicapped Subcommittee
To resume hearings on proposed authorizations for fiscal year 1982 for the developmental disabilities program.
4232 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Agency for International Development, and certain international aid programs.
S-126, Capitol

MAY 12

9:30 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Aeronautics and Space Administration.
1224 Dirksen Building
Labor and Human Resources Labor Subcommittee
To hold oversight hearings on the implementation of the Longshoremen and Harbor Workers Compensation Act.
4232 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Peace Corps.
S-126, Capitol

MAY 13

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Commission of Fine Arts, the National

Gallery of Art, and the Bureau of Mines, Department of the Interior.
1223 Dirksen Building

9:30 a.m.
Labor and Human Resources
Labor Subcommittee
To continue oversight hearings on the implementation of the Longshoremen and Harbor Workers Compensation Act.
4232 Dirksen Building

MAY 14

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Territorial Affairs, Department of the Interior.
1223 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain international programs.
S-126, Capitol

MAY 19

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

MAY 20

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development.
1224 Dirksen Building

MAY 21

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development, and the Neighborhood Reinvestment Corporation.
1224 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

JUNE 2

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development, and certain independent agencies.
1224 Dirksen Building

CANCELLATIONS

MARCH 12

9:30 a.m.
Judiciary
To resume oversight hearings to review the administration's budget recommendations of the Federal Trade Commission.
2228 Dirksen Building

10:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Heritage Conservation and Recreation Service, Department of the Interior.
1114 Dirksen Building

MARCH 16

9:00 a.m.
Energy and Natural Resources
Business meeting, to consider those matters and programs which fall within the committee's jurisdiction with a view toward submitting its views and budgetary recommendations to the Committee on the Budget by March 15.
3110 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal year 1982 for the Maritime Administration, Department of Commerce.
235 Russell Building

MARCH 19

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

MARCH 20

9:30 a.m.
Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain public health categorical programs of the Department of Health and Human Services.
4232 Dirksen Building